RESMED

Global leaders in sleep and respiratory medicine

Q3 2008
Investor Update

Kieran T. Gallahue
President & CEO

Forward-Looking Statements

Statements contained in this release that are not historical facts are “forward-looking” statements as contemplated by the Private Securities Litigation Reform Act of 1995. These forward-looking statements, including statements regarding the Company's future revenue, earnings or expenses, new product development, new markets for the Company's products and the impact of future developments related to the recently announced product recall, and are subject to risks and uncertainties, which could cause actual results to materially differ from those projected or implied in the forward-looking statements. The Company cannot be certain that it has accurately predicted the costs of the product recall, which could change in response to additional feedback from ongoing discussions with regulatory bodies or other unforeseen circumstances. In addition, the product recall could affect the Company’s reputation. Additional risks and uncertainties are discussed in the Company's Annual Report on Form 10-K for its most recent fiscal year and in other reports the Company files with the U.S. Securities & Exchange Commission. Those reports are available on the Company's Web site.

Agenda

- ResMed overview
- Sleep-disordered breathing
- Market growth drivers
- Product innovation

About ResMed

What Does ResMed Do?

Global leading developer, manufacturer and marketer of medical devices to treat sleep - disordered breathing (SDB) and other respiratory conditions

ResMed – Global Operations

- Operate in 70 countries through wholly owned subsidiaries and independent distributors
- Excellent leadership and a team of 3,000 personnel in direct offices in 18 countries
- Continuing innovation (1,600 patents, 876 design registrations granted and pending – June 2007)
- Manufacturing in Australia, US and Europe

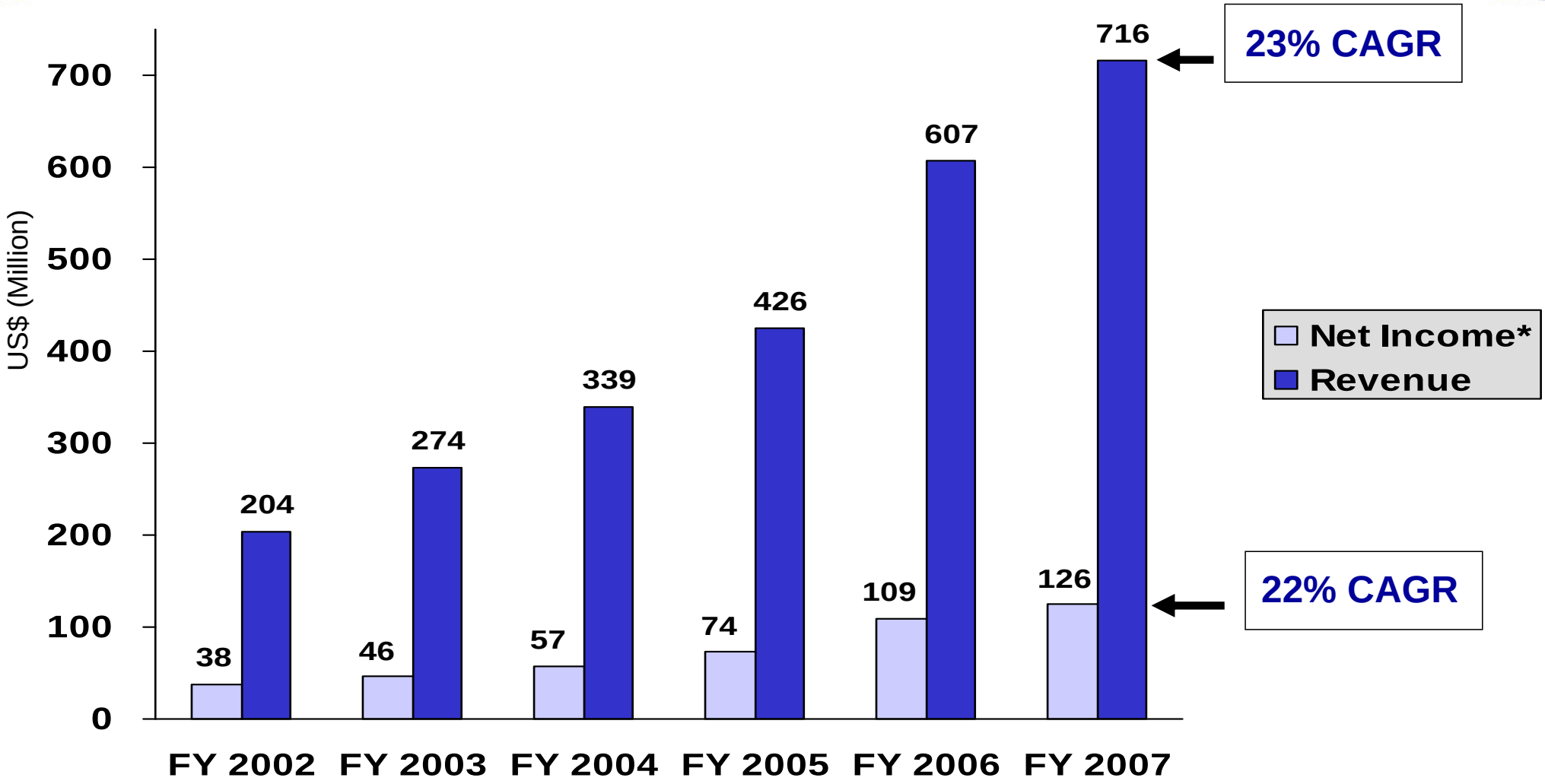
NYSE: RMD
ASX: RMD.AX

ResMed – Global Opportunity

The sleep-disordered breathing (SDB) market

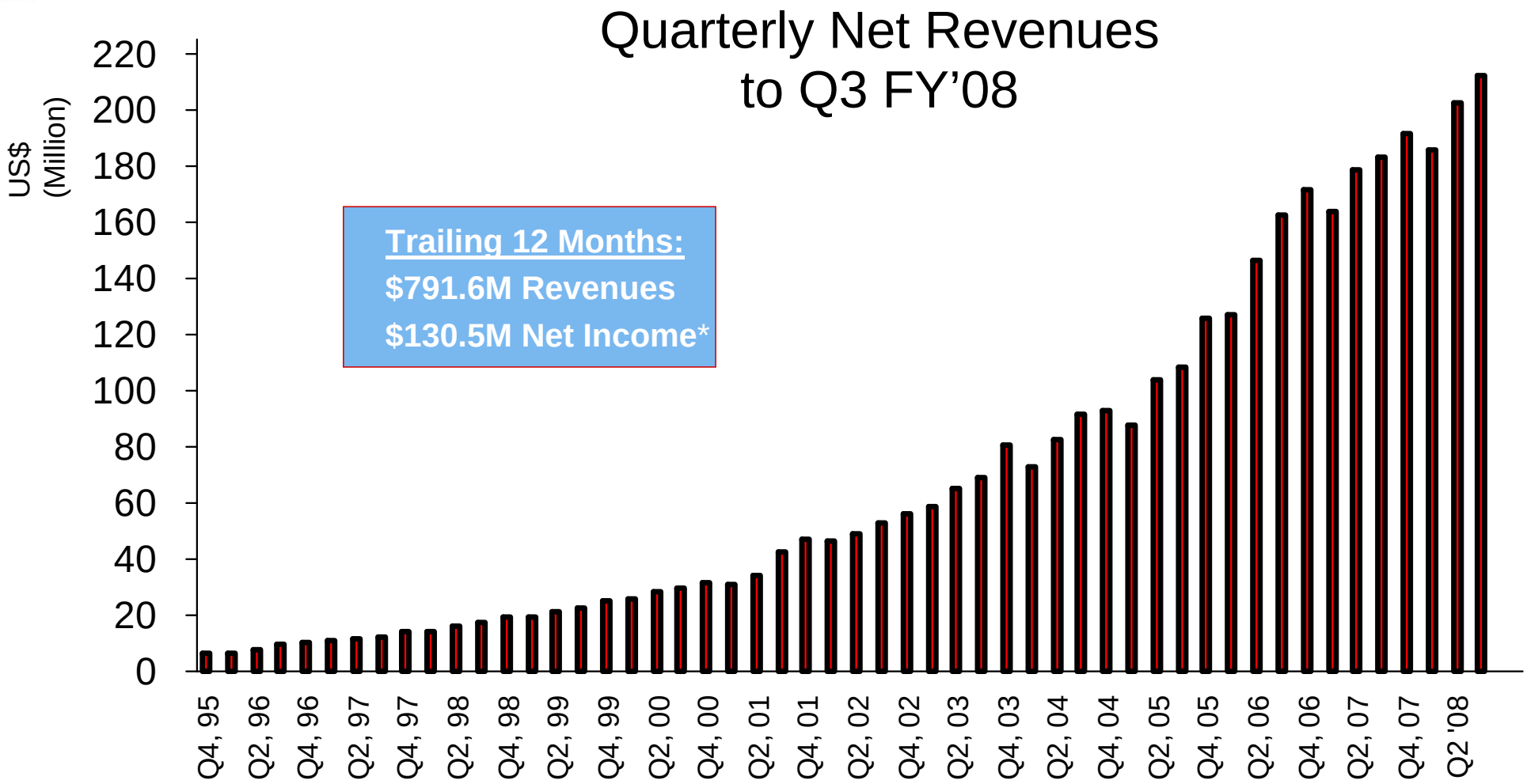
- Global market size: $2 billion
- Market growth estimated at 15-20%
- Market <10% penetrated in the US
- Market <2% penetrated in OUS

Strong Financial Performance
Annual



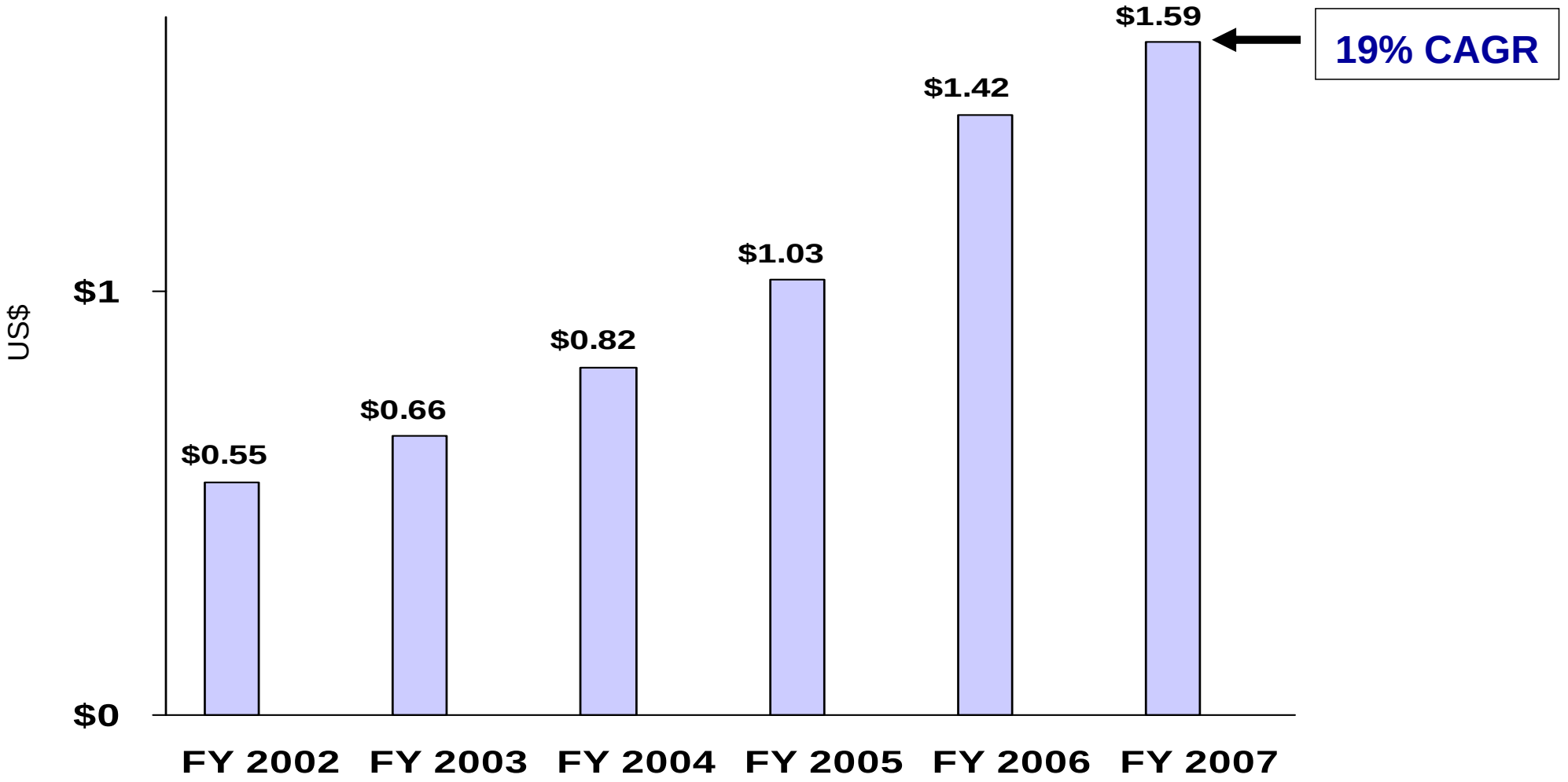
* Excluding stock-based compensation, restructuring, AJCA repatriation tax, acquisition-related costs, acquired intangible assets and voluntary product recall expenses

Strong Financial Performance Quarterly



* Excluding stock-based compensation, restructuring, acquisition-related costs, donation to Foundation, investment write-downs and gain on sale of Poway

EPS Performance Annual



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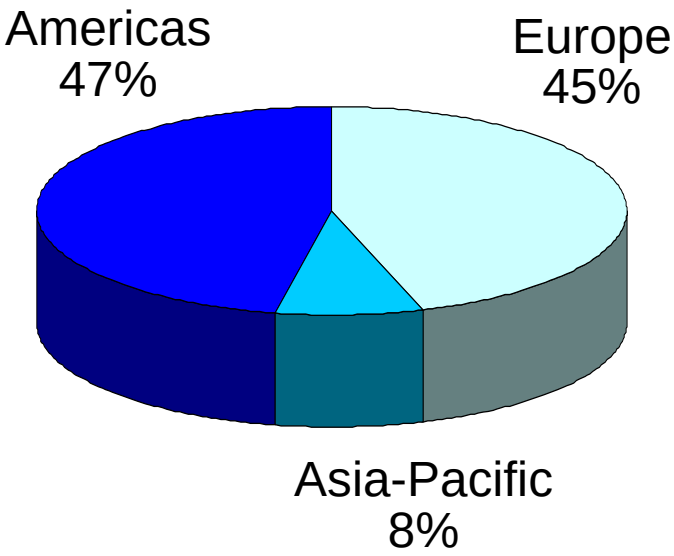
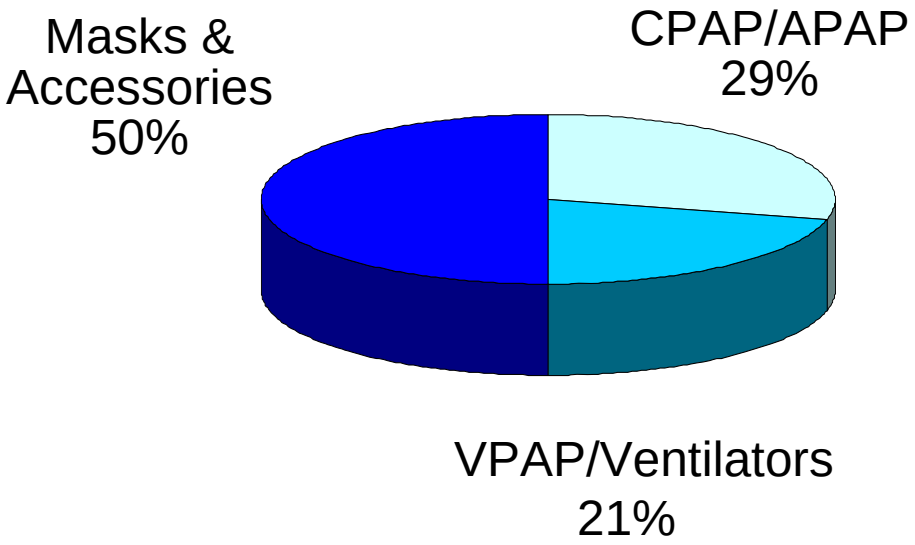
ResMed Quarterly Update Q3 2008

ResMed's 52nd Consecutive Quarter of Revenue Growth

Revenue	$211.8M
GAAP Net Income	$29.7M
GAAP EPS	$0.38

Sales by Region & Product Q3 2008





Sleep-disordered breathing (SDB)

More than just a sleep problem

What is Sleep-Disordered Breathing?

Types of sleep-disordered breathing (SDB):

- **Obstructive sleep apnea (OSA)**

The most common type of sleep apnea.
It occurs when the upper airway closes but efforts to breathe continue.

- **Central sleep apnea (CSA)**

This affects only 5-10% of the sleep apnea population. It occurs when the muscles of respiration fail to act, though the airway remains open.

- **Complex and mixed apnea (CompSA)**

A combination of OSA and CSA.

Healthy upper airway:

Obstructed upper airway:

Partially obstructed upper airway:

SDB – Symptoms and Safety Risks

Common symptoms:

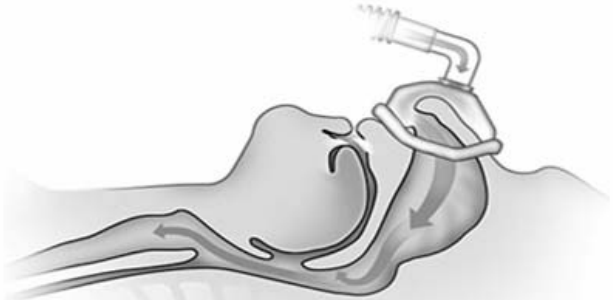
- Snoring
- Sleep fragmentation
- Choking arousals
- Unrefreshing sleep, morning headaches
- Impaired concentration
- Daytime somnolence

Safety risks

- Fatigue-related accidents: occupational and motor vehicle

Treating SDB – CPAP Therapy

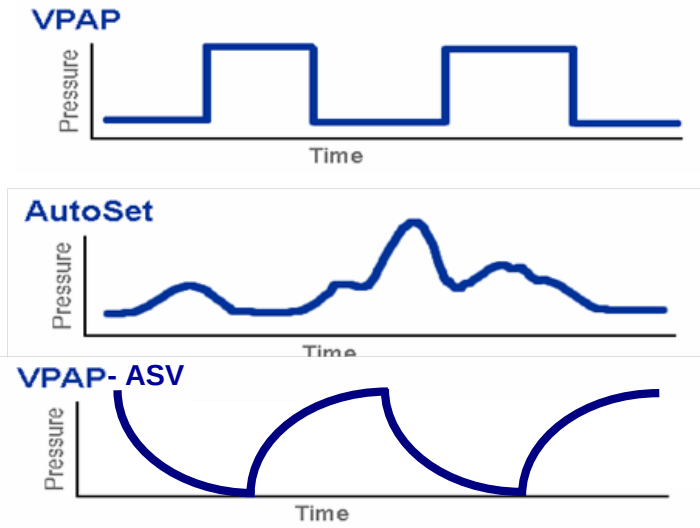
- Continuous Positive Airway Pressure (CPAP) is the most effective, safe and noninvasive therapy available



Treating SDB – Continuous Advances

Positive Airway Pressure therapy has evolved to include specific types of treatment for different patient groups.

- **Bilevel therapy (VPAP):** different pressure delivered for inspiration and exhalation
- **Automatic (APAP) therapy:** varying pressure levels delivered to suit the patient's changing condition
- **Adaptive Servo Ventilation (ASV):** for periodic breathing & complex sleep apnea
- **Non-invasive Ventilation:** patients with needs for ventilator support at home while awake
- **New emerging therapies:** enabled by advancing technology



Market Growth Drivers

Strategy

Innovation

Patent new products to address current and unmet clinical needs in both sleep disorders and respiratory insufficiency with a commitment to providing the highest quality products in the market.

Education and awareness

Effective global marketing of sleep-disordered breathing via public relations and clinical education campaigns.

Investing for global growth

Reinvest capital into dedicated long term resources geared toward expanding our global reach.

Significant Opportunity for Sleep Therapy Growth

- More than 40 million US adults suffer from SDB (Young et al. *JAMA* 2004)
- More than 90% remain untreated (Young et al. *JAMA* 2004)
- Untapped market of more than 35 million sleep apnea patients
- Diagnostic capacity is expanding:
  - Home testing approved in a draft NCD from Medicare
- Awareness is growing… but much more to accomplish

Public Awareness of SDB

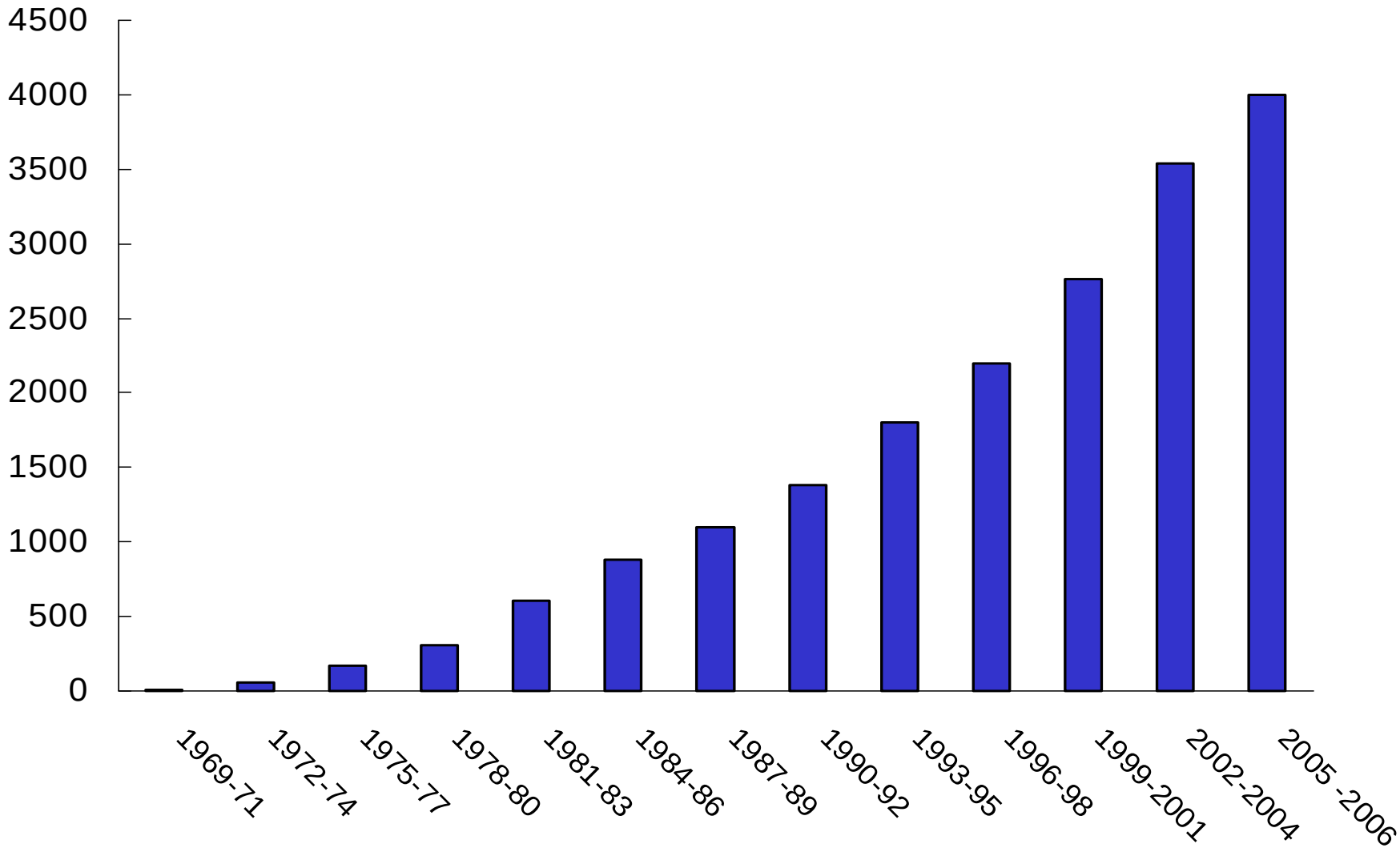
- Public relations campaign with another industry leader
- Public awareness about sleep apnea is growing
  - ResMed helped to drive:
    - More than 200 million media impression in 2007
    - Over 1,000 stories in mainstream media

Today Show
Matt Lauer

The View
Rosie O'Donnell

Good Morning America
Diane Sawyer

Growth in SDB Publications



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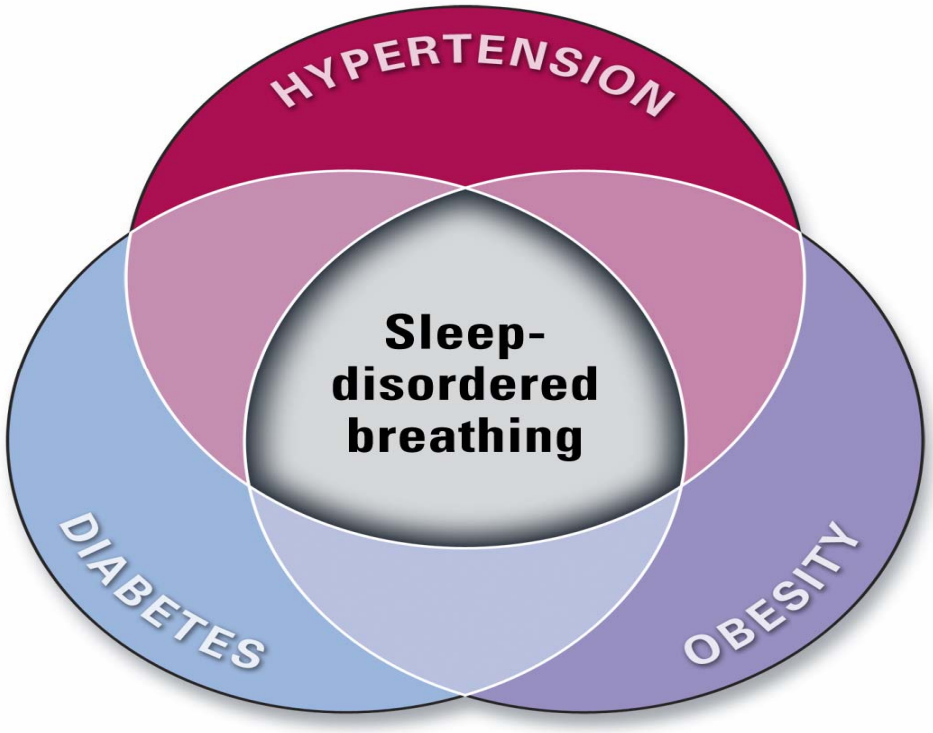
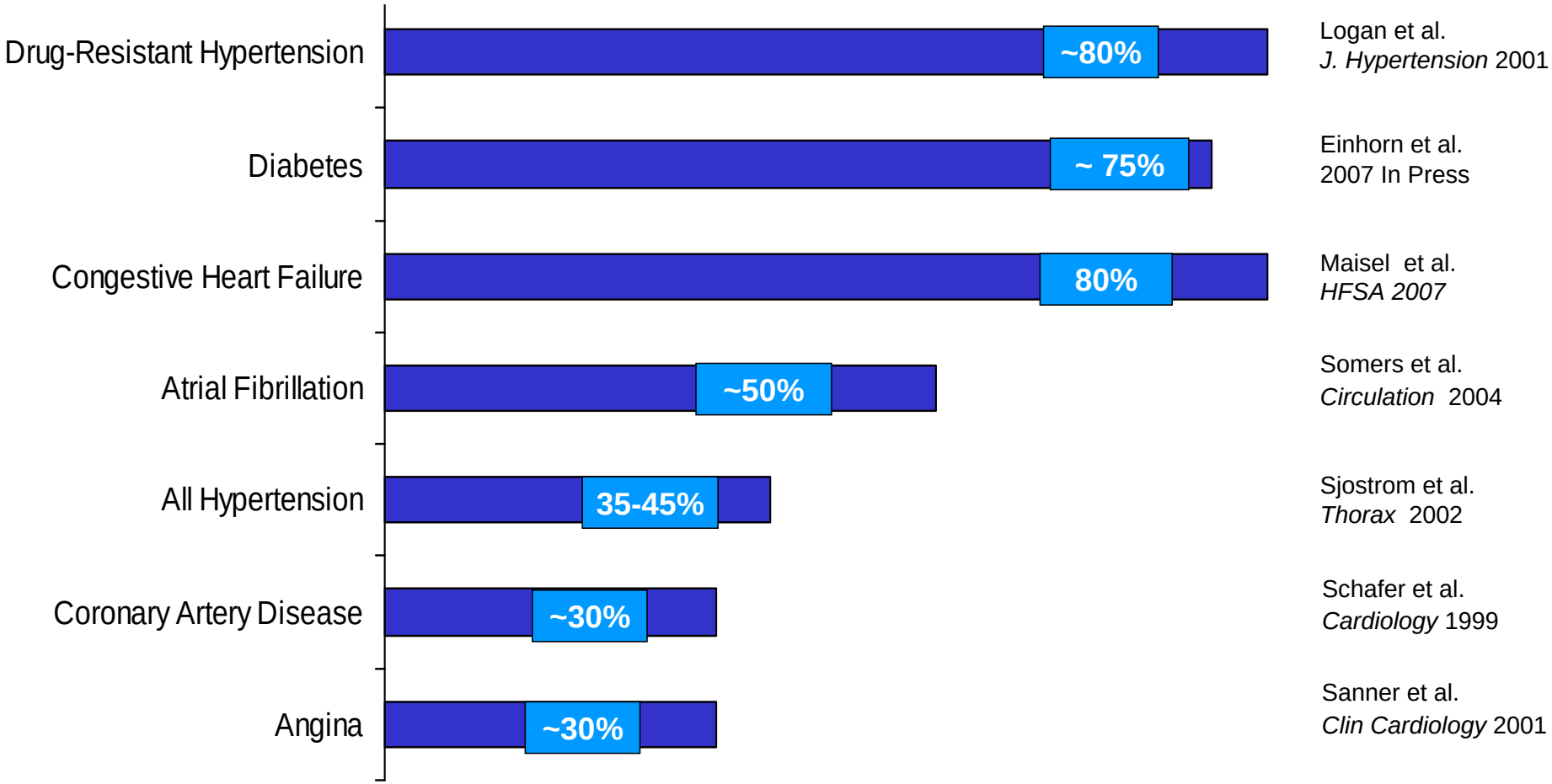
Metabolic Syndrome

- Sleep disordered breathing is in the center of the metabolic syndrome
- Treating SDB improves all major co-morbidities



Sleep Apnea Prevalence in Co-morbid Patients



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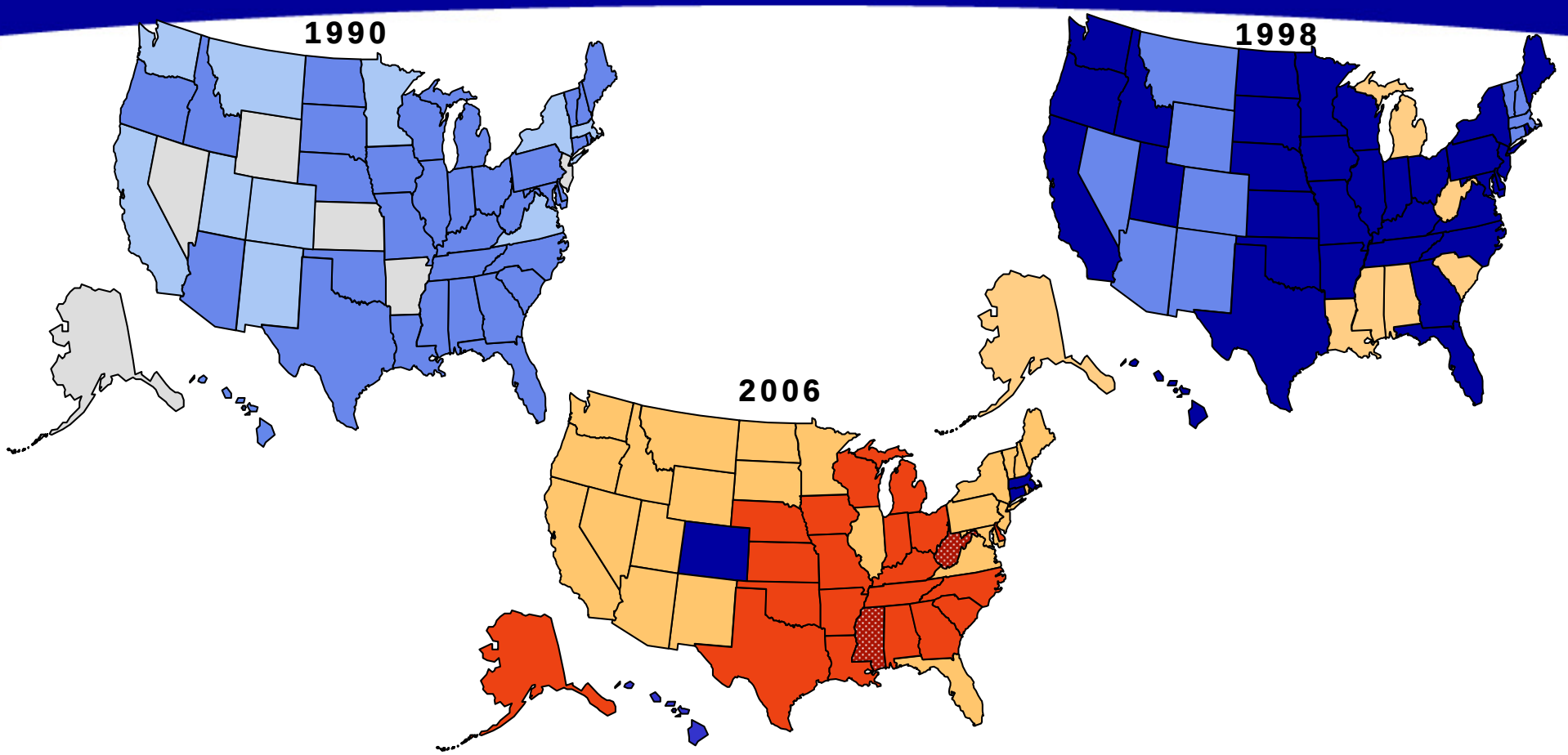
Obesity Trends* Among U.S. Adults

(*BMI ≥30, or about 30 lbs. overweight for 5'4" person)



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Reference Card From the

Seventh Report of the Joint National Committee on Prevention, Detection, Evaluation, and Treatment of High Blood Pressure (JNC 7)

EVALUATION

Classification of Blood Pressure (BP)*

Category	SBP mmHg	
Normal	<120	and
Prehypertension	120–139	or
Hypertension, Stage 1	140–159	or
Hypertension, Stage 2	≥160	or

* See *Blood Pressure Measurement Techniques* (reverse side)
Key: SBP = systolic blood pressure DBP = diastolic blood pressure

Diagnostic Workup of Hypertension

- Assess risk factors and comorbidities.
- Reveal identifiable causes of hypertension.
- Assess presence of target organ damage.
- Conduct history and physical examination.
- Obtain laboratory tests: urinalysis, blood glucose, hematocr panel, serum potassium, creatinine, and calcium. Optiona albumin/creatinine ratio.
- Obtain electrocardiogram.

Assess for Major Cardiovascular ...se (CVD) Risk Factors

- Hypertension
- Obesity (body mass index ≥30 kg/m²)
- Dyslipidemia
- Diabetes mellitus
- Cigarette smoking
- Physi...activity
- M...albuminuria, estimated ...merular filtration rate <60 mL/min
- Age (>55 for men, >65 for women)
- Family history of premature CVD (men age <55, women age <65)

Assess for Identifiable Causes of Hypertension

- Sleep apnea
- Drug induced/related
- Chronic kidney disease
- Primary aldosteronism
- Renovascular disease
- Cushing's syndrome or steroid therapy
- Pheochromocytoma
- Coarctation of aorta
- Thyroid/parathyroid disease

Sleep Apnea is an identifiable cause of Hypertension according to the National Institute of Health (NIH) in JNC7

TREATMENT

...tension Treatment

...BP <130/80 mmHg in patients ...disease.
...two medications to reach goal.

...nt of Hypertension

...tyle Modifications

...lood Pressure (<140/90 mmHg) ...nts with diabetes or chronic kidney disease)
...gies for Improving Adherence to Therapy

Initial Drug Choices

Without Compelling Indications		With Compelling Indications
Stage 1 Hypertension (SBP 140–159 or DBP 90–99 mmHg) Thiazide-type diuretics for most. May consider ACEI, ARB, BB, CCB, or combination.	**Stage 2 Hypertension** (SBP ≥160 or DBP ≥100 mmHg) 2-drug combination for most (usually thiazide-type diuretic and ACEI, or ARB, or BB, or CCB).	Drug(s) for the compelling indications See *Compelling Indications for Individual Drug Classes* Other antihypertensive drugs (diuretics, ACEI, ARB, BB, CCB) as needed.

Not at Goal Blood Pressure

Optimize dosages or add additional drugs until goal blood pressure is achieved. Consider consultation with hypertension specialist.

See *Strategies for Improving Adherence to Therapy*

Guidelines Featuring Sleep Apnea are Emerging Quickly

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Occupational Health & Safety

Case study: Schneider Transportation Company

Results 12 months post-CPAP treatment[1]

- 57.4% reduction in total medical expenses = $6,456/yr
- 91% reduction in hospital admits
- Does not include savings from accidents, liability

Results from original 6 month follow-up study

- Improved retention by 229%
- 73% reduction in accidents

[1]Berger, et al., *CHEST 2006*

Product Innovation

S8 Series II

Quiet … Comfort … Compliance

Easy-Breathe Motor

Easy-Breathe Motor: ***quiet, efficient and responsive!***

- VPAP Auto features a unique, low-inertia, motor
- ResMed's patented pneumatic system delivers greater patient comfort through:
  - Whisper-quiet performance
  - Precise pressure delivery

Specialty Segment Strategy

- Access incremental 15-20% of sleep lab patients
  - Previously unidentified patient population
  - Mayo *Sleep* paper cites 15% + prevalence of complex sleep apnea[1]
- Superior efficacy when compared to standard PAP treatment[2]
- Reduce non-compensated costs for channel
  - Cost to serve “problem patients”
- High gross margins
  - Unique algorithm
  - First FDA cleared product for periodic breathing

Adapt SV

1 Morgenthaler, et al., *SLEEP 2006*
2 Morgenthaler, et al., *SLEEP 2007*

ResMed Masks

New Mask Products:

- **Swift II** (nasal pillows)
  - 86% quieter than the original Swift
  - Weighs only 2.5 oz

- **Quattro** (full face mask)
  - 4th generation technology
  - MicroFit dial for forehead adjustments

- **Liberty** (combination mask)
  - Combines full face and nasal pillow technologies into one mask system

Now Introducing Mirage Micro

- Same popular forehead adjustment as Quattro
- Elbow partition – quieter venting
  - 56% quieter than previous version
- Removable vent cover
  - Quiet
  - Easy cleaning
- Fewer product codes
  - One SKU fits 90% of patients

ResTraxx
Wireless Compliance Montoring

- ✓ Wireless transmission of CPAP use data
- ✓ Quick identification of patients requiring intervention
- ✓ Ability to easily and confidently troubleshoot patient issues using *objective* data
- ✓ Streamlined, *proactive* follow-up processes
- ✓ Delivery of higher level of patient quality of care

ResMed Software Solutions

- **Wide range of therapy management and monitoring solutions**
  - Clinical systems
  - Software-based systems
  - Wireless systems
  - Data cards
  - New emerging technologies

Home Testing

- ApneaLink: Type IV device
  - 3 channel diagnostic
  - Study downloaded to PC and auto-analyzed
  - Simple but comprehensive 1-page report
  - Takes less than 2 minutes to learn, without specialized training.

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ApneaLink Report dated 3/26/2005 1:45 PM

Physician: | **To be referred to:**

Patient information

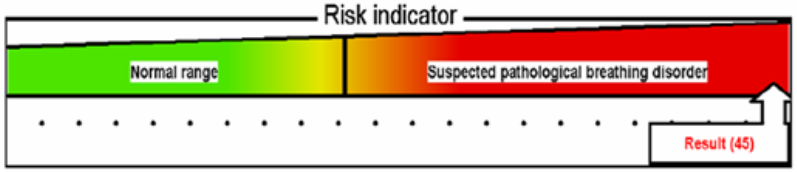
First name:	Severe	Patient ID:	Sample Study
Last name:	Risk	Date of birth:	11/23/1944
Street:		Height:	5 ft 6 in
ZIP code / city:		Weight:	211.45 lbs
Phone:		BMI:	34.2 kg/m²

Recording

Date:	7/24/2003
Start:	10:08 PM
End:	4:55 AM
Duration:	6 h 47 min

Evaluation period

Start:	10:18 PM
End:	4:55 AM
Duration:	6 h 37 min



Analysis

Indices		Normal range	Results (during evaluation period)	
AHI*:	44	< 5 / h	Average breath frequency [bpm]:	11.86
RI**:	45	< 5	Breaths:	4710
Apnea index:	32	< 5 / h	Apneas:	212
Hypopnea index:	11	< 5 / h	Hypopneas:	76
% Flow limited breaths without Sn [FL]:	12	< abt. 60	Flow limited breaths without Sn (FL):	557
% Flow limited breaths with Sn [FS]:	1	< abt. 40	Flow limited breaths with Sn (FS):	44
			Snoring events:	1007

*AHI = here: Average number of apneas/hypopneas per hour during the evaluation period
**RI = Risk indicator = score as a sum of AHI + score of FL/FS (details - see user's manual)
Sn = snoring; FL = flow limitation; FS = flow limitation with snoring

Analysis status: Analyzed automatically / Edited manually

Parameters used (ResMed standard parameters are described in the user manual)

Apneas:	20 % of normal flow	min. duration:	10 s	max. duration:	80 s
Hypopneas:	50 % of normal flow	min. duration:	10 s	max. duration:	100 s
				Max. time range for A/H event link:	1.0 s
Snoring:	6.0 % threshold	min. duration:	0.3 s	max. duration:	3.5 s
				Max. respiratory snoring break time:	0.5 s

Comment

Severe Risk Sample Study

Final Thoughts

- Massive opportunity in an under penetrated market
- Positive signals for continued growth
- Pure play in Sleep
- Technology leadership continues