



ResMed

*Changing lives
with every breath*



Investor Presentation

Q2 2015

January 22, 2015



FORWARD LOOKING STATEMENTS

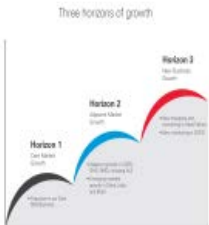
Statements contained in this release that are not historical facts are “forward-looking” statements as contemplated by the Private Securities Litigation Reform Act of 1995. These forward-looking statements -- including statements regarding ResMed's projections of future revenue or earnings, expenses, new product development, new product launches and new markets for its products -- are subject to risks and uncertainties, which could cause actual results to materially differ from those projected or implied in the forward-looking statements. Additional risks and uncertainties are discussed in ResMed's periodic reports on file with the U.S. Securities & Exchange Commission. ResMed does not undertake to update its forward- looking statements.



WHO WE ARE



WHY INVEST



WHERE WE'RE GOING



Overview

Leading global developer, manufacturer and marketer of medical solutions to treat and manage sleep-disordered breathing, chronic obstructive pulmonary disease and other chronic respiratory conditions.

- Operate in more than 100 countries directly and with distribution partners
- Integrated global manufacturing operations:
 - Australia, France, Singapore, and USA
- Key markets: Sleep-Disordered Breathing, COPD, and Cardio-Respiratory Conditions
- Invest ~7-8% of revenue in R&D
- More than 5,000 patents and designs
- FY 2014 annual revenue > US\$1.5 billion
- Over 4,000 employees world-wide
- Listed: New York Stock Exchange (NYSE) and in Australia (ASX)





Holy Grail: *Improve outcomes & reduce healthcare costs*

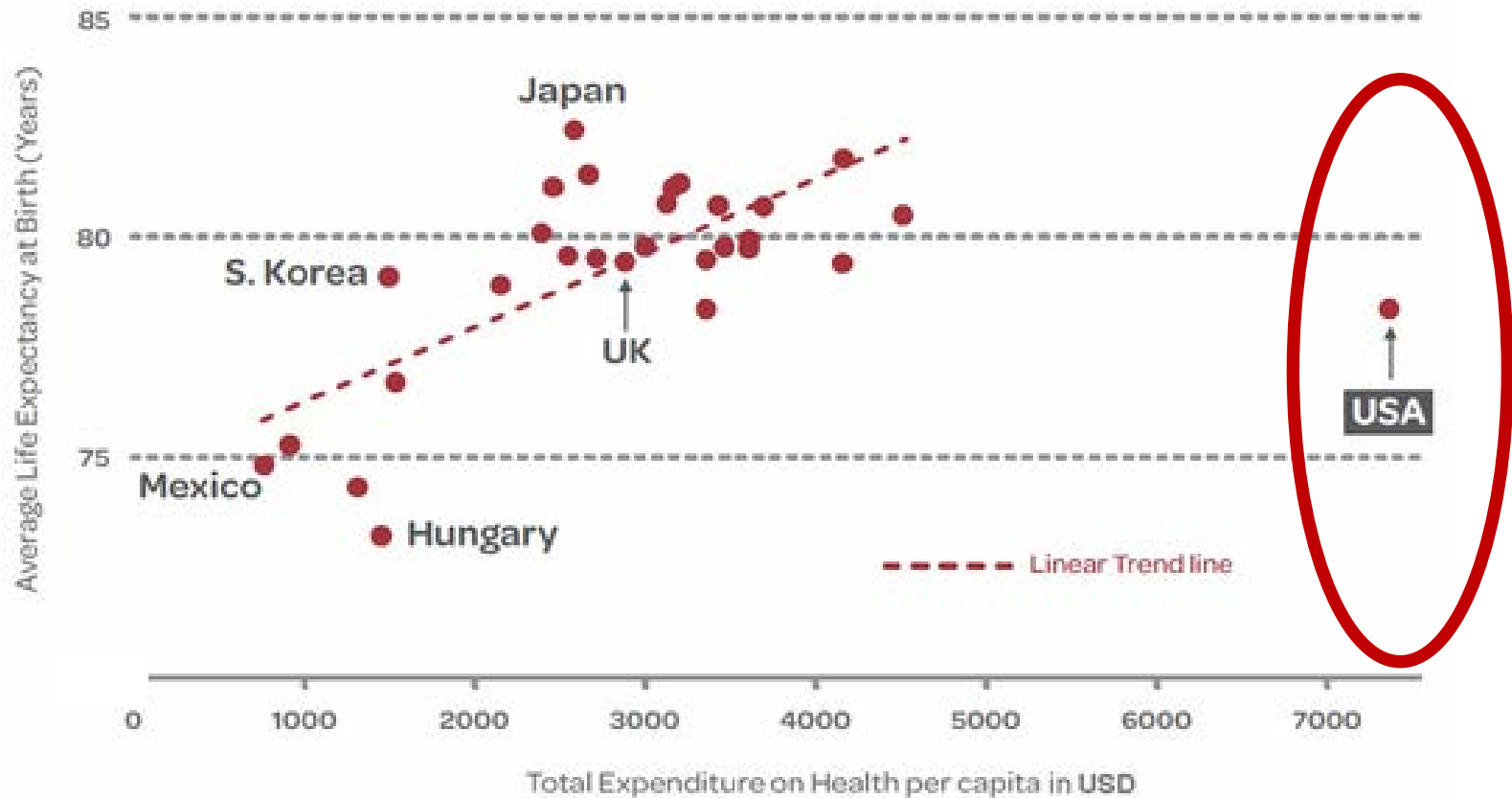
- **Improve quality-of-life for patients**
- **Prevent chronic disease progression**
- **Reduce costs of managing chronic disease**





Opportunity to shift care from hospital to home

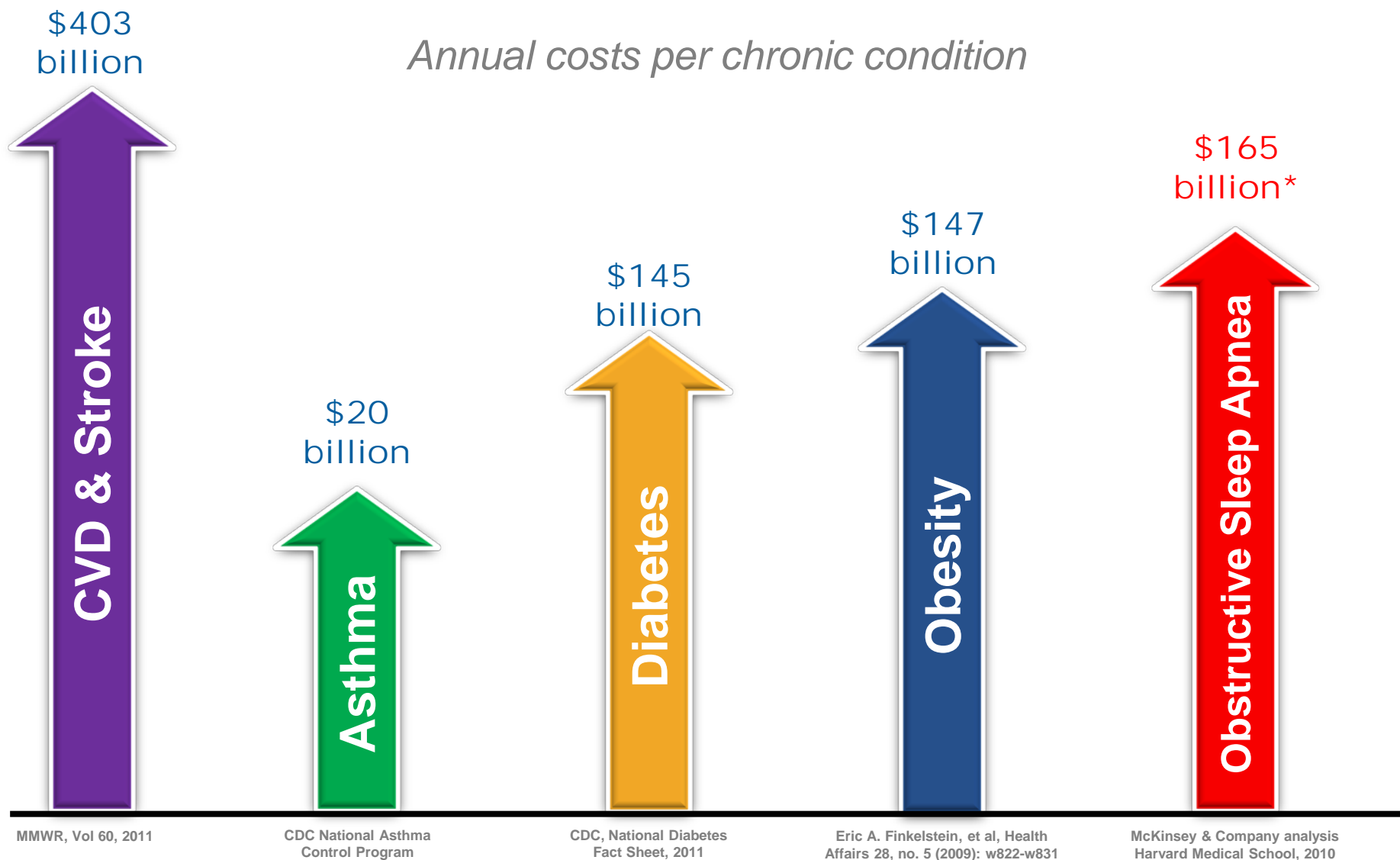
Healthcare Spending per capita vs.
Average Life Expectancy Among OECD Countries



Source: OECD report (2011) – WHY IS HEALTH SPENDING IN THE UNITED STATES SO HIGH? www.oecd.org



We can reduce costs of key chronic diseases

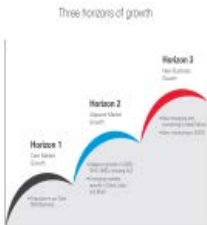




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Why invest

Strong Portfolio

- Broad range of products & solutions
 - Wireless, cloud-connected devices
 - End-to-end patient management solutions
 - Consumer sleep wellness offerings
- Over 100 countries



Strong Performance

- Solid revenue growth track-record
- Operational excellence is part of our DNA
- Strong cash flow
- Active capital management - share repurchase, dividends



Growth Drivers

- Underpenetrated global SDB market
- New adjacent markets in COPD and HF
- Emerging markets in China, India and Brazil
- Product and service innovation



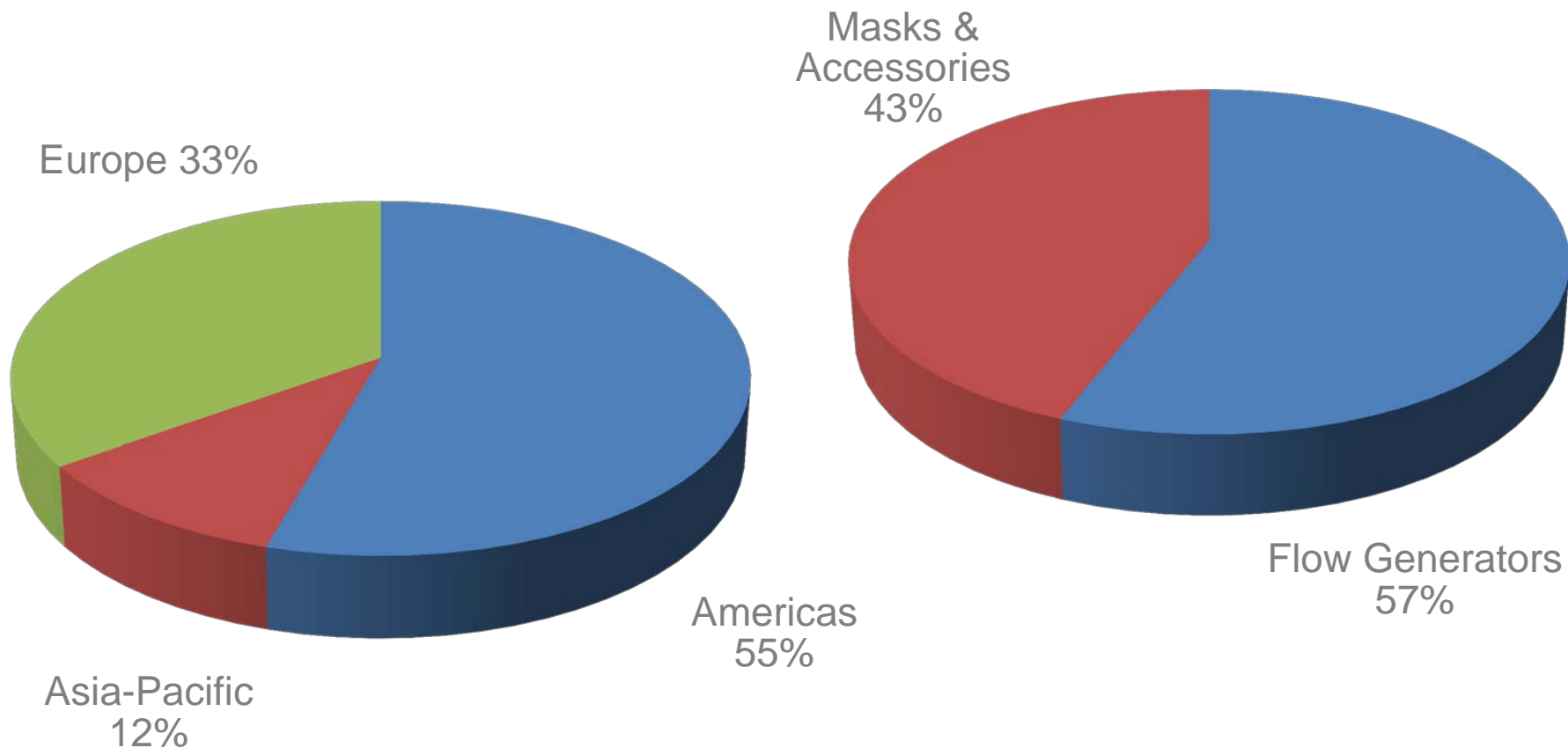


Q2 2015 Results

| Key Financial Metrics | Q2 2015 |
|---------------------------|-------------------------|
| Revenue | \$423M +10% (14% CC) |
| Gross margin | 62.2% |
| GAAP net income | \$91M +5% |
| GAAP EPS | \$0.64 +7% |
| Operating profit | \$109M |
| Cash flow from operations | \$106M |
| Free cash flow | \$87M |



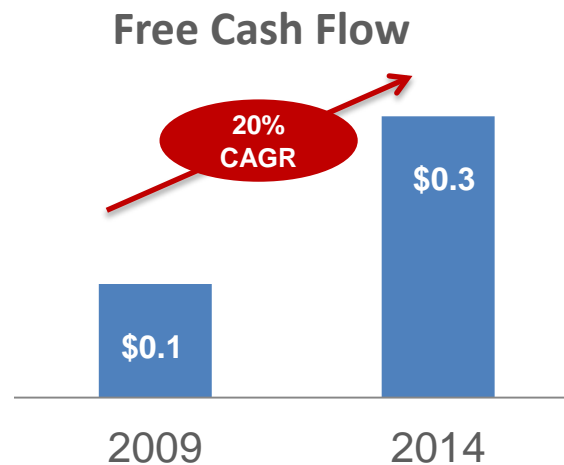
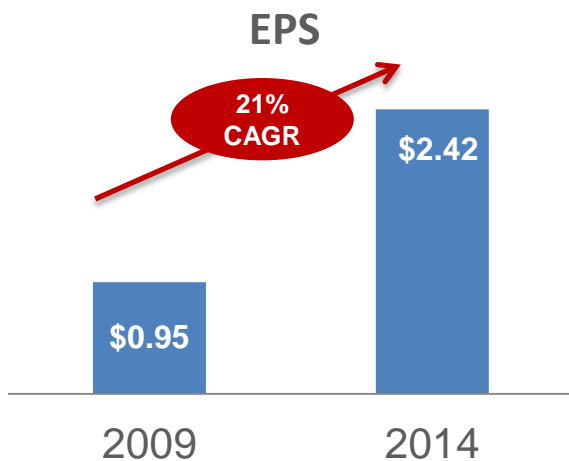
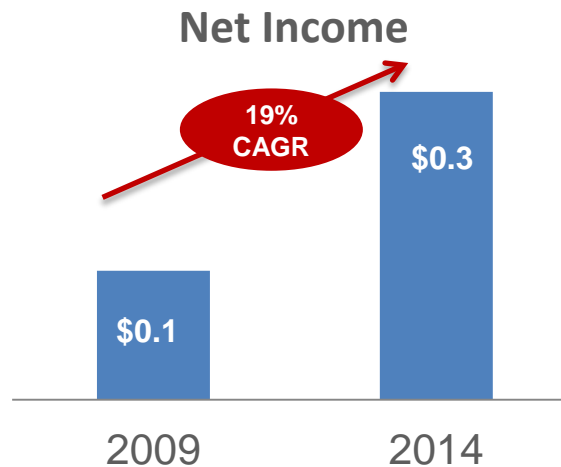
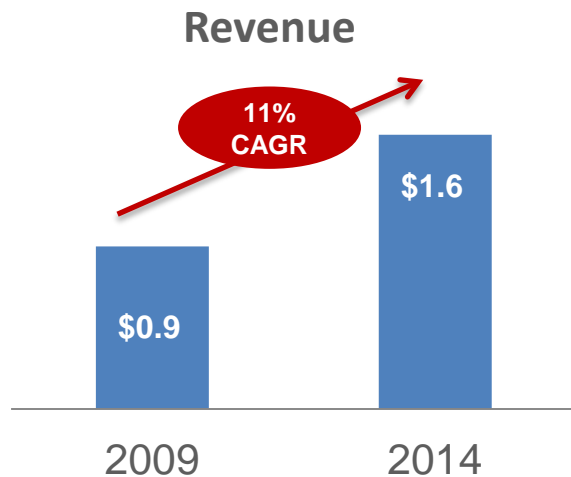
Diversified revenue sources by region & product





Strong financial performance

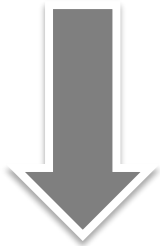
(USD in Billions, except EPS)





Robust capital management

Capital Deployment



FCF returned to Shareholders

- YTD 2015 combined dividend and stock repurchase = 101% of free cash flow



Increasing Dividend

- 2014 Dividend payout ratio of 41% of net income
- 2014 dividend per share increased 47% over prior year



Investment for Growth

- New products
- Geographic expansion
- Acquisitions

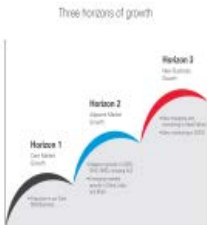
**Combined dividend and buy-back over rolling 5 years
= 97% of free cash flow**



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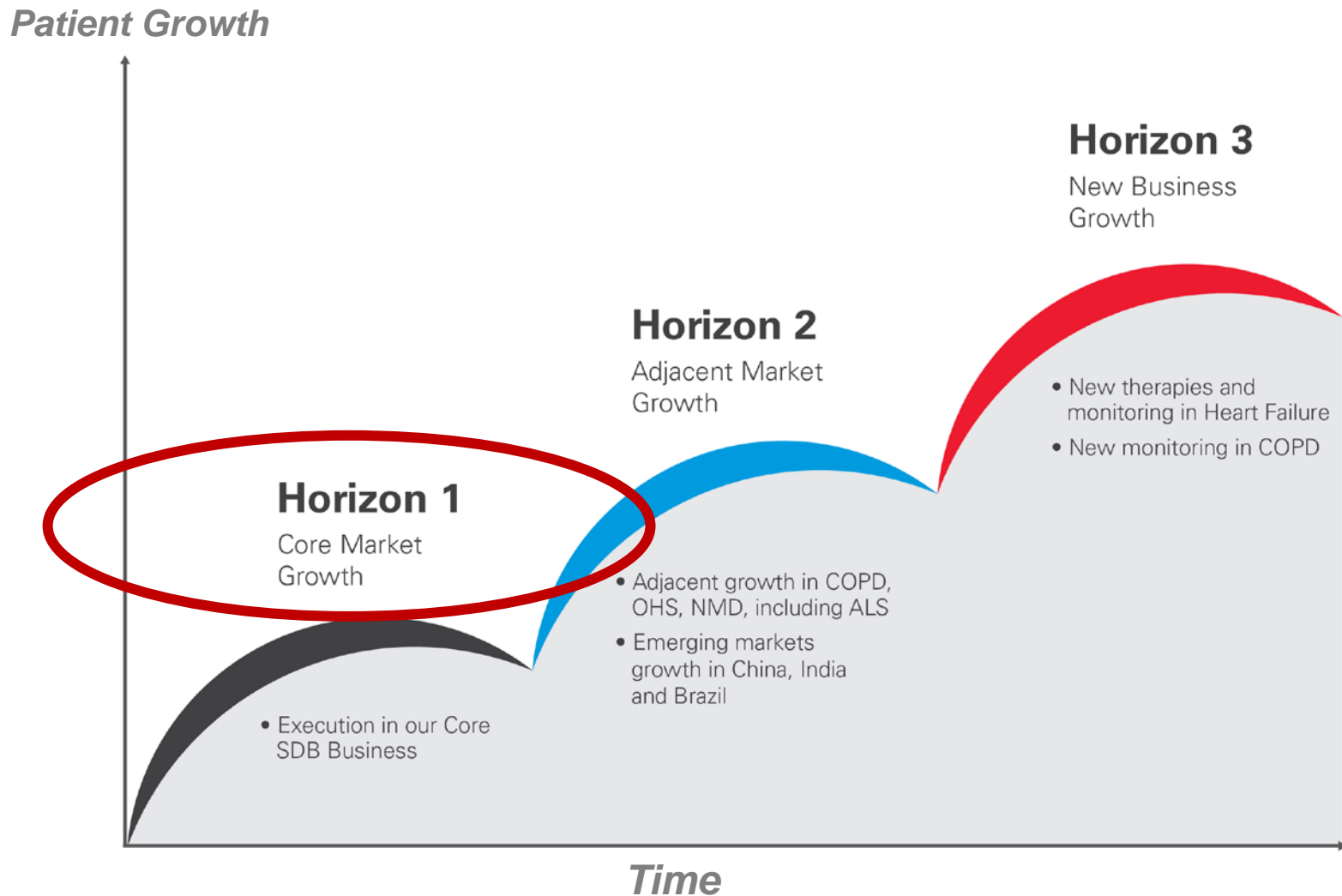


WHERE WE'RE GOING



Horizon 1: Core Market Growth

Three horizons of growth





Sleep-Disordered Breathing: *New Platform*

ResMed introduces the AirSolutions Platform

- The ResMed **AirSolutions Platform** provides cloud-connected data access
- Provides value to patients, providers, payers, and physicians
- **End to end solutions** across the patient pathway: *diagnosis, therapy, management*



Diagnosis

Therapy

Monitoring

Mgmt by
Exception

Remote
Assist

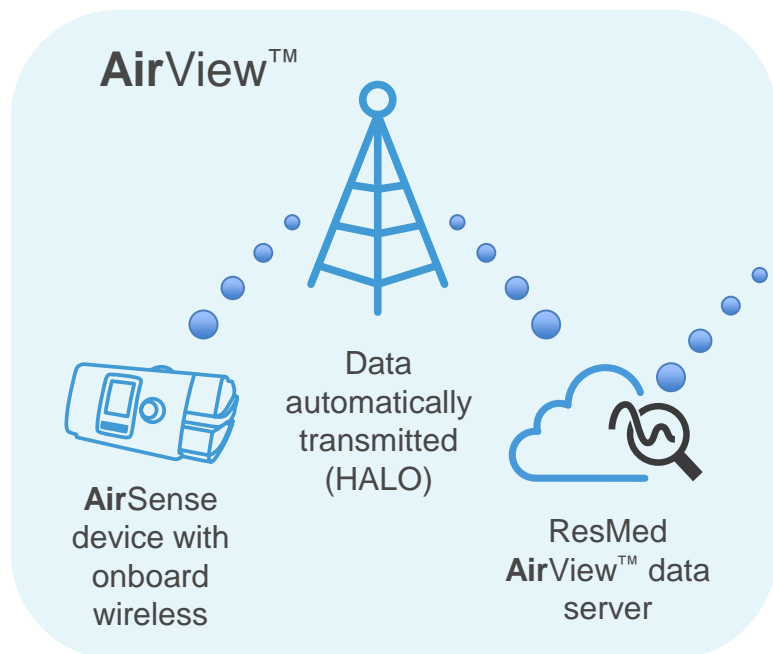
Coaching

Self-
Monitoring

Billing

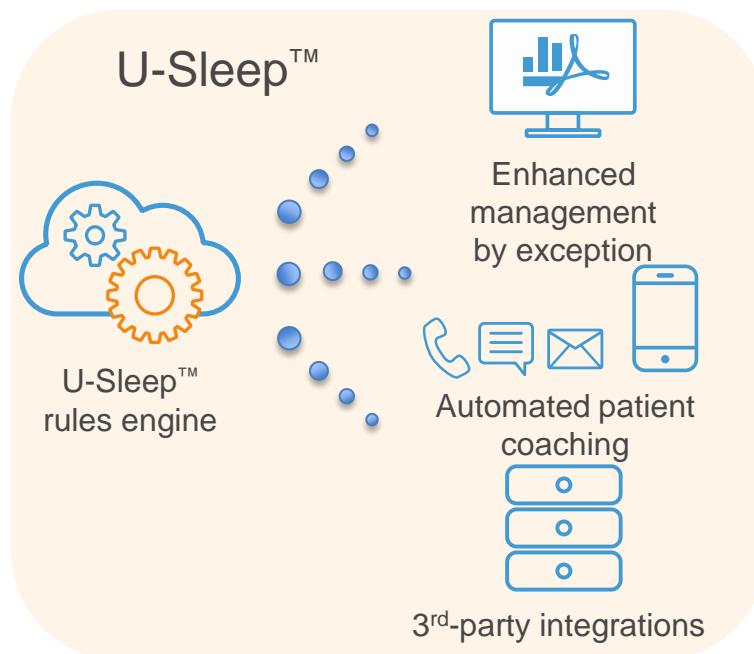


U-Sleep – Better Efficiency, Better Outcomes



Multiple Points of Value

- Improve Workflow Efficiency
- Improve Patient Outcomes
- Add Analytical Insight



Clinically-Proven* Efficiencies

Proven ability to maintain positive patient outcomes with significant reductions in labor

Results

| | SOC Group | U-Sleep Group |
|--------------------------|-----------|---------------|
| AHI | 2.8 ± 3.8 | 3.0 ± 4.1 |
| Medicare Adherence | 73% | 83% |
| Mean Hours of CPAP Usage | 4.7 ± 2.1 | 5.1 ± 1.9 |
| Epworth Sleepiness Score | 5.1 | 5.8 |
| Mean Minutes of Coaching | 58.3 ± 25 | 23.9 ± 26 |

59% reduction in labor!



AirFit range – *World-leading Patient Interfaces*



AirFit™ P10

Nasal Pillows System

- ✓ 50% quieter & lighter
- ✓ Easy to fit
- ✓ Visual freedom



AirFit™ N10

Nasal Mask

- ✓ Compact, user-friendly design
- ✓ Ease of use; comfort
- ✓ Visual freedom
- ✓ Patients ranked #1 compared to industry masks



AirFit™ F10

Full Face Mask

- ✓ Compact design
- ✓ Ease of use
- ✓ Patients ranked #1 for seal, comfort and ease of use



We continue to build sleep apnea awareness



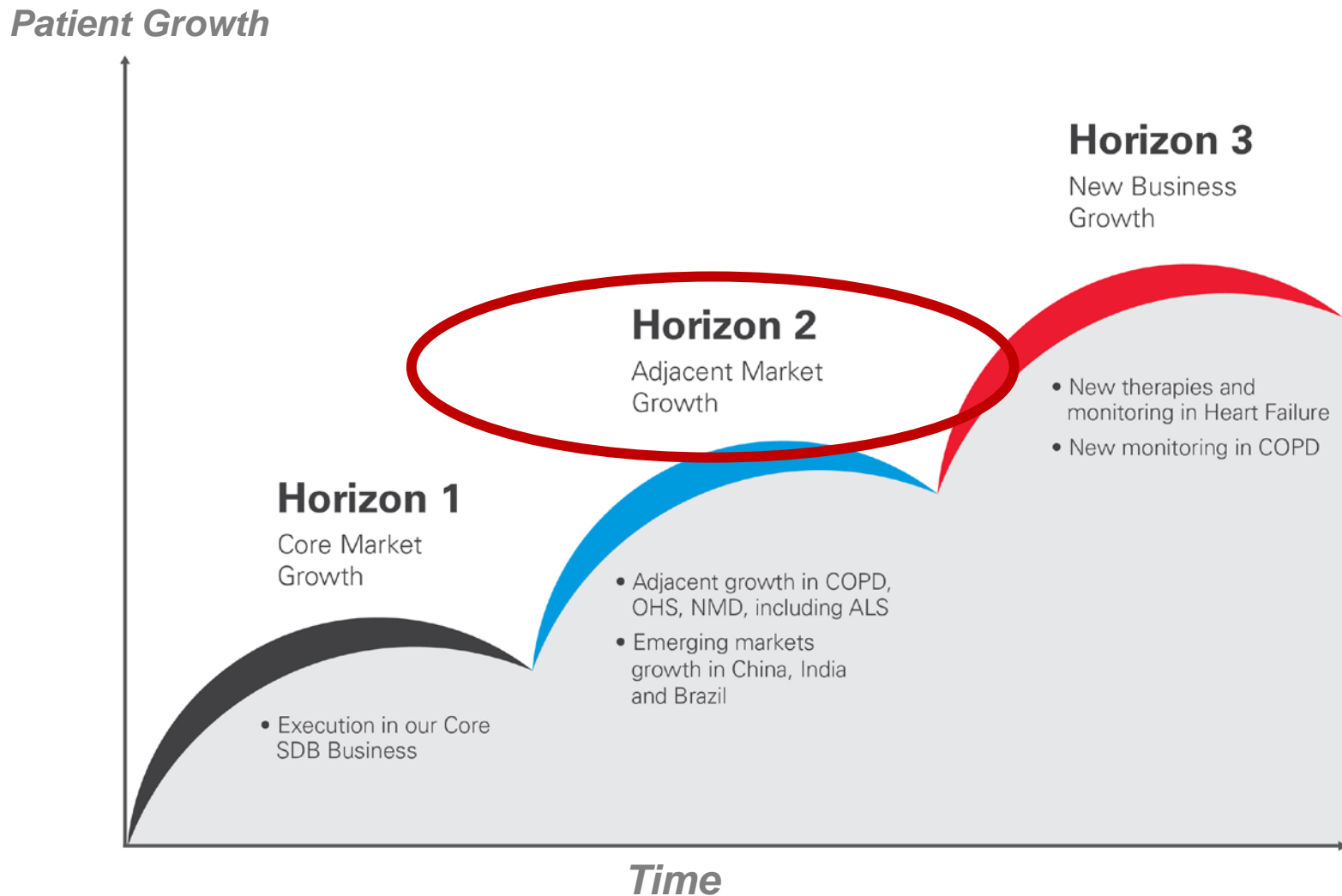
“Ignorance is our major competitor”

- **“Better Sleep for Women”** education and product focused campaign
- **S+ by ResMed** – consumer sleep management solution available online and retail; connected to Apple HealthKit



> Horizon 2: *Adjacent Market Growth*

Three horizons of growth





Our new respiratory care platform: *Astral*

ResMed introduces the Astral **life support ventilator** globally:

Designed to enrich life for patients

- Freedom: *patient quality-of-life*
- Ease of use: *saves clinician time*
- Low total cost of ownership: *efficiency*



reddot design award
product design 2014



* The Astral™ platform is water resistant, but is not waterproof. Please consult the users' manual for further information.

> Broad respiratory care solutions

Life Support Ventilation

- Astral™ 100 and Astral™ 150



Non-invasive Ventilation

- Stellar™ 100 and Stellar™ 150
- S9™ VPAP ST-A with iVAPS



Bilevel Devices

- VPAP™ S, VPAP™ Auto
- VPAP™ COPD - *first and only FDA-cleared device for chronic obstructive pulmonary disease*
- AirCurve™ 10 - always cloud-connected



Adaptive Servo-Ventilation

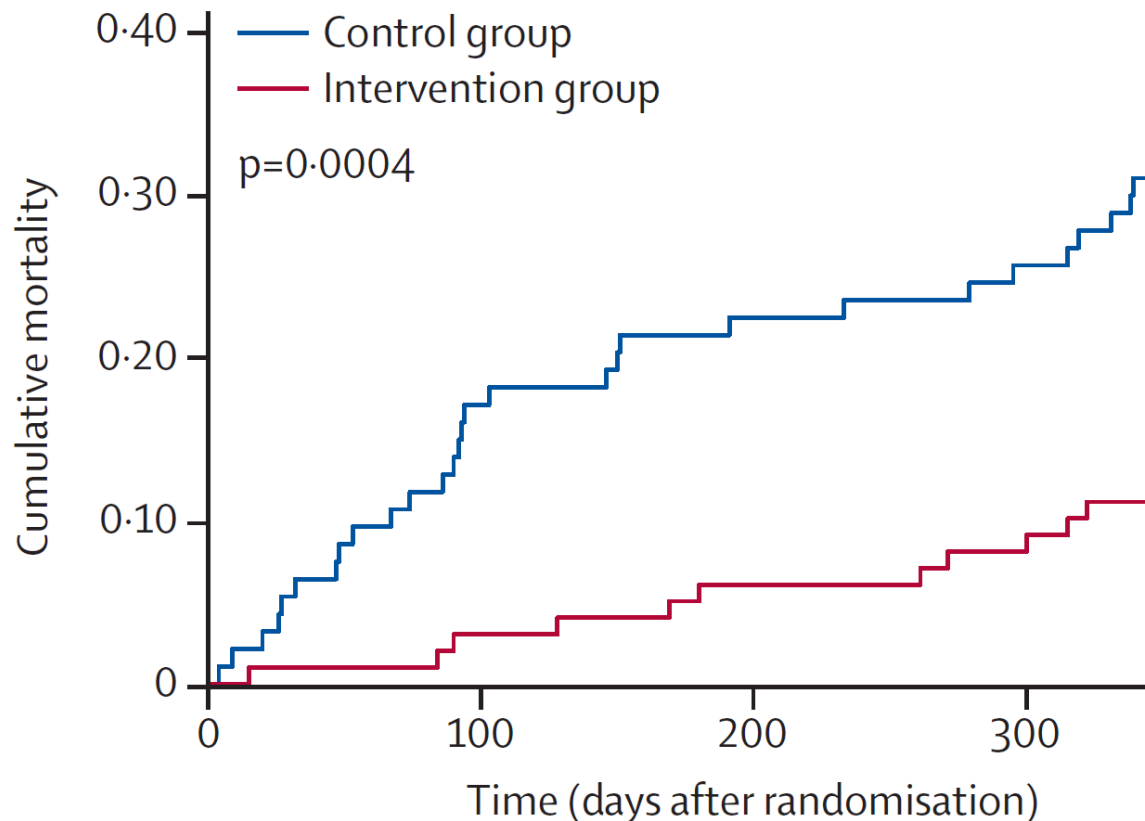
- S9 VPAP™ Adapt specifically designed to treat central sleep apnea in all its forms, including periodic breathing.





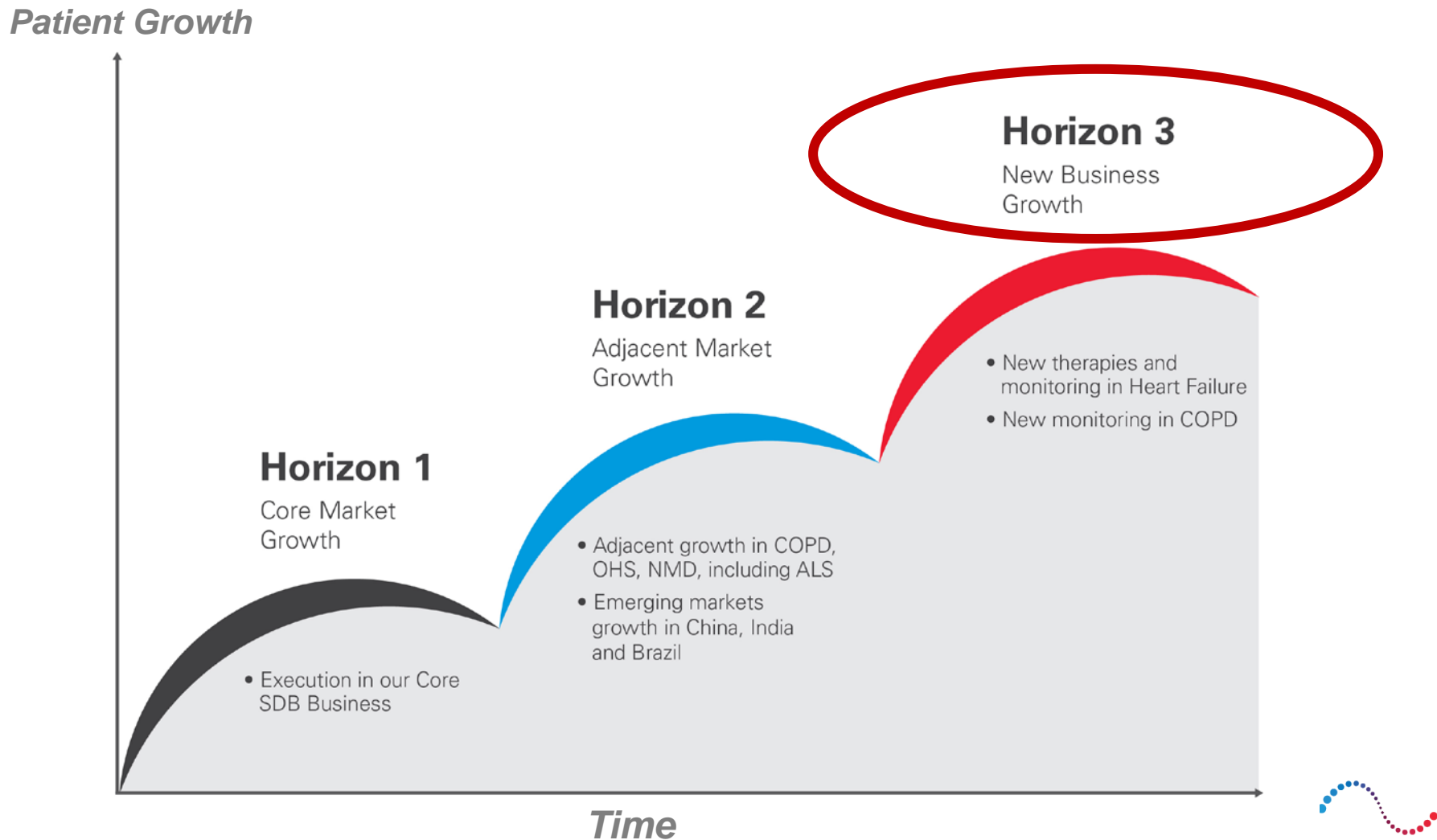
Non-invasive ventilation reduces COPD mortality

- **Relative risk of death reduced by 76%** over one year using long-term non-invasive ventilation (NIV) treatment in COPD patients
- One-year mortality in the two matched chronic obstructive pulmonary disease cohorts was: 12% (intervention cohort) versus 33% (control)



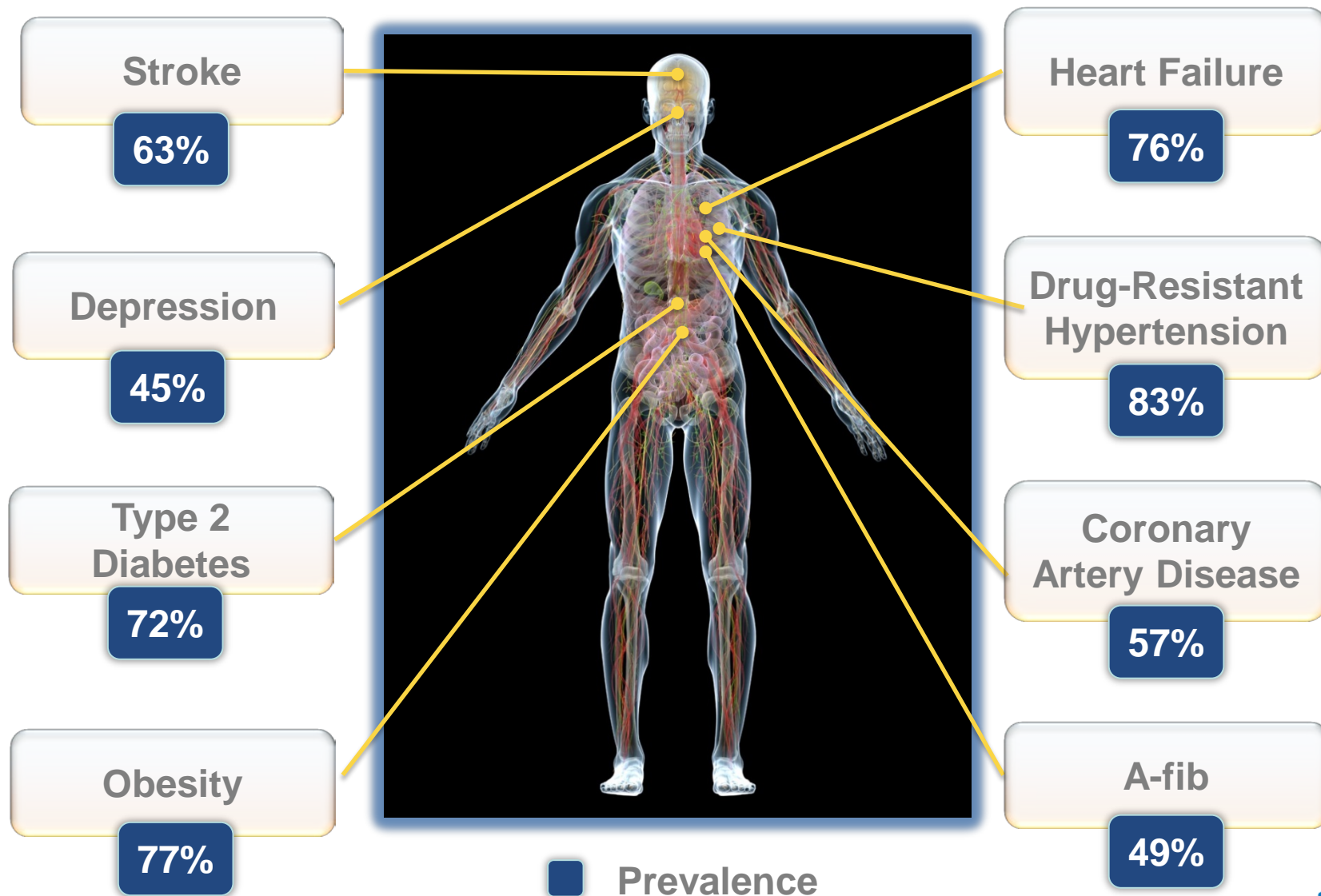
> Horizon 3: *New Business Growth*

Three horizons of growth





Sleep apnea: *Highly prevalent in key diseases*



References: Logan et al. *J. Hypertension*; O'Keefe and Patterson, *Obes Surgery*; Oldenburg et al., *Eur J Heart Failure*; Einhorn et al. *Endocrine Prac*; Bassetti et al. *Stroke*



Heart Failure: *Outcomes worsen with SDB severity*

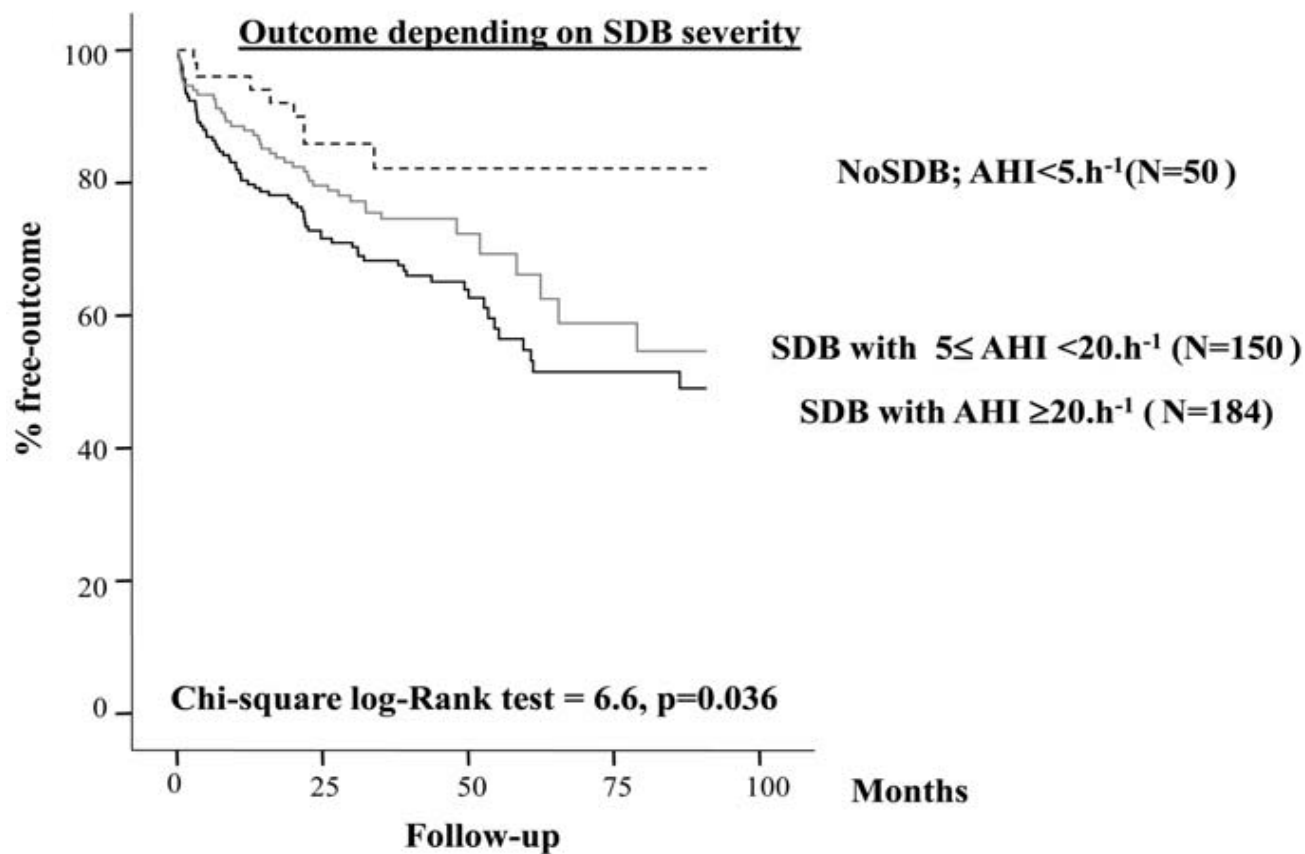


AMERICAN
COLLEGE of
CARDIOLOGY
FOUNDATION



American
Heart
Association®
Learn and Live

All patients (N=384)



Reference: Damy et al. *Eur. J Heart Fail.* 2012



Heart Failure & SDB: *World-leading research*

ResMed is investing in two clinical studies to demonstrate impact of our **PaceWave™** adaptive servo-ventilation algorithm on HF outcomes:



SERVE-HF

*Treatment of Sleep-Disordered Breathing by
Adaptive Servo-Ventilation in HF patients*



- Goal: Demonstrate that our **PaceWave™** adaptive servo-ventilation can improve mortality and morbidity in patients with central sleep apnea and heart failure
- Status: Enrollment completed in May 2013



CAT-HF

*Cardiovascular Improvements with
MV ASV Therapy in Heart Failure*

- Goal: Incorporate adaptive servo-ventilation therapy into the ACC/AHA heart failure guidelines in class 1A with our **PaceWave™** algorithm as standard of care
- Status: Enrollment underway

Note: Further trial details can be obtained from <http://clinicaltrials.gov/>
Serve-HF: NCT00733343; CAT-HF: NCT01953874

Changing lives with every breath

In the last 12 months, we changed more than 8 million lives, literally keeping patients breathing... and we are just getting started.



Our aspiration is to change 20 million lives by 2020



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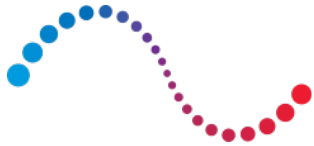
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