

Q4 2009 HME Sleep Survey

Sector Rating: Medical Supplies, Overweight

Company Name	Rating	Price		FY EPS		FY P/E	
		09/24/09	2009E	2010E	2009	2010	
Medical Supplies							
Covidien, plc (COV)	1	\$40.41	\$2.84	\$3.26	14.2x	12.4x	
ResMed Inc. (RMD)	2	45.01	1.96 A	2.17	23.0x	20.7x	

Source: Company data and Wells Fargo Securities, LLC estimates 1 = Outperform, 2 = Market Perform, 3 = Underperform, V = Volatile
NA = Not Available, NC = No Change, NE = No Estimate, NM = Not Meaningful

- **Summary.** Patient volume growth in the U.S. sleep market looks likely to slow. RMD should continue to take share in the U.S. though possibly at a slower pace. Given this, and with RMD shares trading at 20x our CY2010 EPS estimate, we maintain our Market Perform rating on RMD.
- **U.S. Sleep Market Growth May Slow.** We partnered with HME Business magazine to conduct our 7th biannual survey of home medical equipment dealers (HMEs). The survey included responses from 119 HMEs received from 9/21/09-9/24/09. HMEs expect sleep revenue to grow by 6% (down from 9% in our prior survey) in the next 12 months after growing at 5% (down from 7% in our prior survey) in the last 12 months. In the next 12 months, HMEs expect the economy to slow growth by 1.3% and home testing to increase growth by 1.4%. Based on the results of the survey, we maintain our U.S. sleep market growth forecast of 8-10% constant currency growth.
- **Increased Mask Replacement Rates And Use Of Compliance Tracking Are Drivers.** On average, the HMEs indicated that sleep patients used 2.1 masks per year in the past 12 months and expect this to increase to 2.2 masks per year in the next 12 months. While this seems like a small change, we estimate that it could add 5% to U.S. mask growth and over 2% to U.S. sleep market growth. On average, the HMEs indicated that they used compliance tracking in 67% of their sleep patients in the past 12 months and expect this to increase to 74% in the next 12 months. We view this as a potential mix driver.
- **RMD Likely To Hold Share In Flow Generators And Gain Share In Masks.** RMD's S8 II was rated 5.8 (down from 5.9 in our prior survey) on a scale from 1 (very poor) to 7 (very good) while Respironics' M Series was rated 5.3 (down from 5.5 in our prior survey). RMD's Swift LT was rated 6.0 (up from 5.9 in our prior survey) while Respironics' OptiLife was rated 4.9 (in line with our prior survey). RMD looks likely to hold share in flow generators (35% expect to increase purchases, 24% to decrease) but likely to gain share in masks (42% expect to increase purchases, 12% to decrease). Perhaps not surprising given COV's plans to sell its sleep business, COV's share losses look likely to accelerate in both flow generators (2% expect to increase purchases, 28% to decrease) and masks (4% expect to increase purchases, 17% to decrease).
- **Reimbursement Issues May Pressure RMD.** On average, HMEs expect competitive bidding to drive Medicare CPAP reimbursement down by 18%. Many HMEs (43%) have already begun to implement changes to lower costs ahead of competitive bidding. And 89% (down from 90% in our prior survey) of HMEs expect private insurers to cut reimbursement based on Medicare's cut; this represents downside risk of up to \$0.08 to our \$2.65 CY2011 EPS estimate.

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Please see page 12 for rating definitions, important disclosures and required analyst certifications

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Together we'll go far



Survey Background

Wells Fargo partnered with the trade magazine *HME Business* to conduct our latest survey of U.S. home medical equipment (HME) providers. Among the ~4,000 HME professionals that we sent the survey to, 119 responded to one or more of the survey questions for a total participation rate of about 3%. None of the questions in this survey were mandatory, therefore response rates varied from question to question (we note the response rates for questions on each of the charts). Of the 119 respondents, 96 (or 81%) completed the entire survey. The surveys replies were received between 9/21/09 and 9/24/09.

Survey Says...

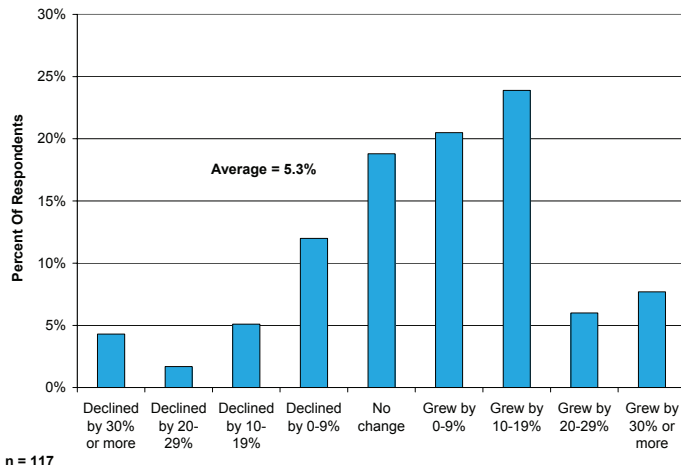
Sleep Therapy Questions

...Sleep Market Growth Continued To Slow And HME Growth Expectations Have Declined

On average, HMEs report 5.3% growth in the past 12 months and expect 5.6% growth in the next 12 months. The trailing 12 month growth was down 1.6% from 6.9% in our Q2 2009 survey while the next 12 month growth was down 3.8% from 9.4% in our Q2 2009 survey. Of the respondents, 23% saw a decline in their sleep revenue in the past 12 months (vs. 15% in our prior survey) and 20% expect a decline in the next 12 months (vs. 10% in our prior survey). We think that these growth rates are below our estimate of 8-10% domestic growth because of Medicare's 9.5% durable medical equipment (DME) reimbursement cut that may have reduced HME sleep revenue by around 2% in 2009 versus 2008.

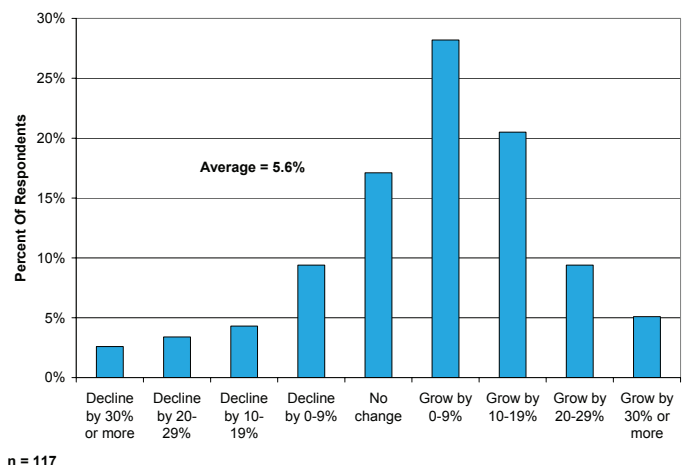
This is our seventh HME survey and in each survey expectations of market growth have declined (6 times) or been flat (1 time). This is consistent with our belief that the domestic sleep market has been steadily slowing due to greater penetration (which we estimate is around 35-40%) and slower expansion at sleep labs ahead of home testing.

Figure 1: Sleep Revenue Growth Past 12 Months



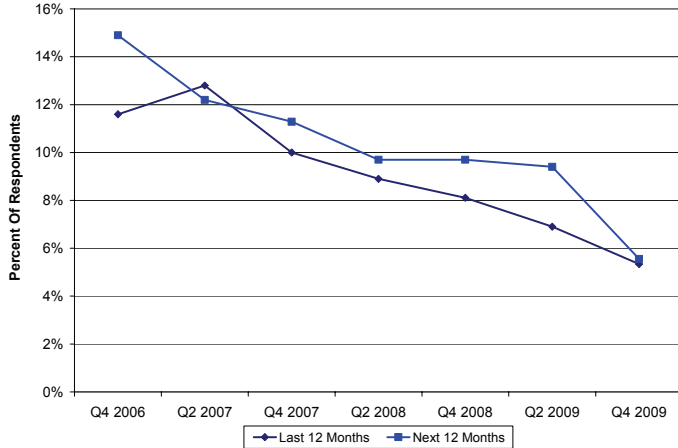
Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

Figure 2: Sleep Revenue Growth Next 12 Months



Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

Figure 3: Sleep Revenue Growth (Time Series)

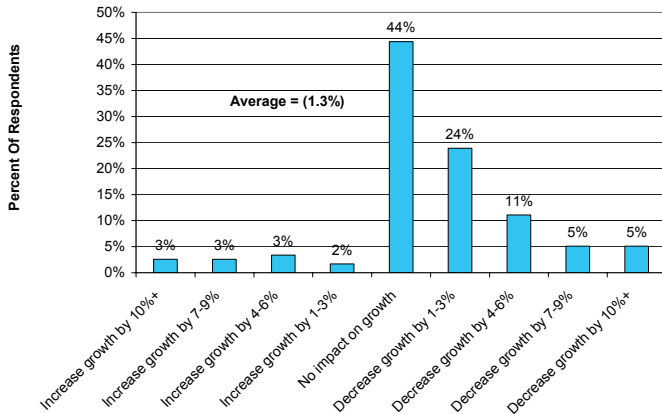


Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

...Recession Has Caused A Slight Drag On Sleep Market Growth

On average, the HMEs expect the economy to slow their sleep business growth by 1.3% which is about in line with our prior survey where HMEs expected a 1.4% drag.

Figure 4: How Much Do You Expect The Economy To Help Or Hurt Your Sleep Business In The Next Year?



n = 117

Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

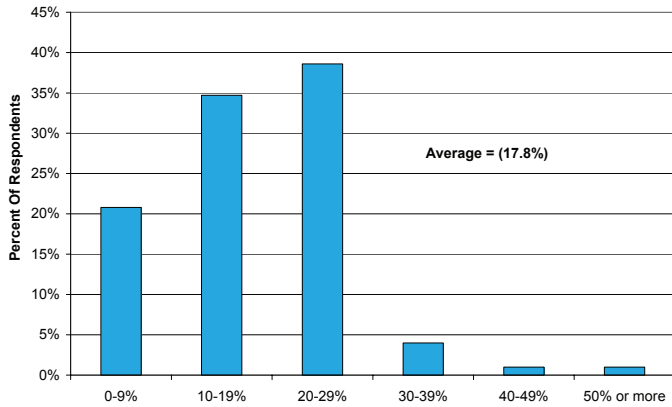
...HMEs Are Taking Steps To Rein In CPAP Costs Ahead Of Medicare’s Competitive Bidding Program

We asked questions to determine how the HMEs intend to deal with competitive bidding and whether or not they had begun to take any steps in this direction. On average, the HMEs expect competitive bidding to drive reimbursement down by 17.8%. However, Medicare is going to set reimbursement based on the median of the lowest bidders. And based on the range of responses from HMEs, we think reimbursement could decline by 30% or more. We note that in the aborted round one of competitive bidding in 2007, CPAP reimbursement declined by 29%.

In reaction to competitive bidding, HMEs appear most likely to stick with their existing suppliers but to either attempt to negotiate lower prices or to move Medicare patients to lower-end masks and flow generators (potentially driving a negative mix shift). The HMEs look somewhat less likely to move to new suppliers or to move patients to lower-end devices from new suppliers.

And the HMEs appear unlikely to stop servicing Medicare patients though the portion indicating this has increased over our past few surveys. Many HMEs (43% of respondents) indicated that they have already begun to implement some of these strategies. Given that competitive bidding will be rolled out over the next few years, we think that the domestic market may remain under pressure for some time.

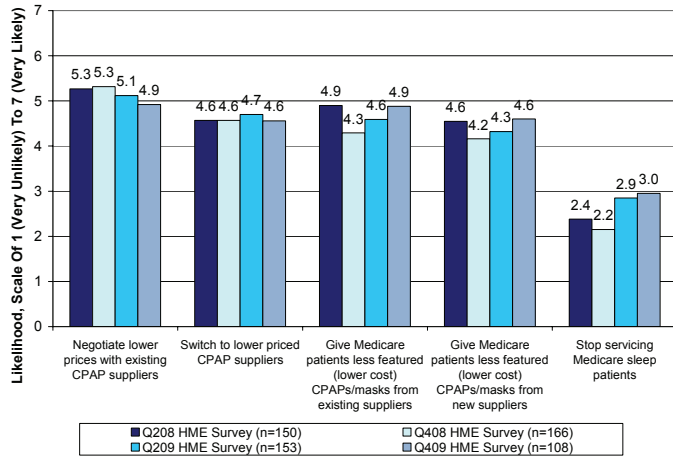
Figure 5: How Much Of A Discount From Current Medicare CPAP Reimbursement Levels Do You Expect To Result From Medicare's Competitive Bidding Program?



n = 101

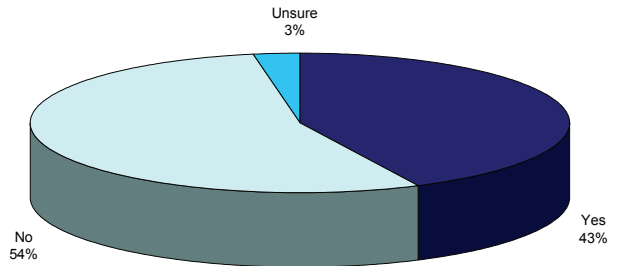
Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

Figure 6: When And If Medicare's Competitive Bidding Program Is Implemented In Your Area, How Likely Is Your Firm To Do The Following: (Time Series):



Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

Figure 7: Has Your Firm Begun To Implement Any Of These Changes Yet?



n = 110

Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

...There Is Risk That Medicare's Reimbursement Cuts Spill Over To Private Insurers

We have been operating under the assumption that the declines in Medicare CPAP reimbursement that result from competitive bidding will not be followed by private insurers (and this assumption is factored into our current estimates). ResMed management has noted that private insurance pays significantly less than Medicare and that competitive bidding dynamics already exist. Medicare only makes up around 20% of the payer mix for CPAP therapy with most of the rest made up by private insurance. With the reimbursement cuts limited to Medicare, only about 10% of ResMed's revenue is exposed. However, if there was spill-over to private insurers, up to 50% of ResMed's revenue would be exposed. We asked a question in our surveys to attempt to test this assumption. In our latest survey, 89% of respondents indicated that they expect private

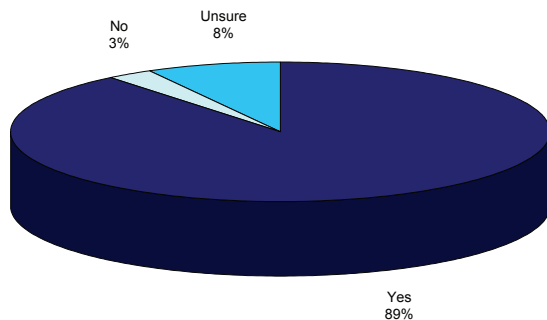
insurers to lower their reimbursement as a result of Medicare’s cuts under competitive bidding. *These results appear to indicate that there is potential for at least some private insurers to cut reimbursement leading to greater than currently assumed exposure for ResMed. In the worst case scenario with all private insurers following Medicare’s cuts in lock-step (which is admittedly unlikely), we estimate that ResMed’s EPS could be reduced by up to \$0.10 more than we have modeled in calendar 2011, up to \$0.44 more than we have modeled in calendar 2013, and up to \$0.53 more than we have modeled in calendar 2016 (see table below).*

Potential EPS Impact Of Medicare Competitive Bidding

ResMed (RMD) Geography Covered	Best Case: Medicare Only			Worst Case: Medicare + Private Pay		
	CY 2011E 9 Cities	CY 2013E 79 Cities	CY 2016E(?) Entire U.S.	CY 2011E 9 Cities	CY 2013E 79 Cities	CY 2016E(?) Entire U.S.
Incremental Revenue Exposure	1.0%	4.2%	5.2%	5.0%	21.1%	25.8%
Incremental Price Erosion	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Revenue % Reduction	(0.3%)	(1.3%)	(1.5%)	(1.5%)	(6.3%)	(7.7%)
Margin Impact	(0.2%)	(0.7%)	(0.9%)	(0.8%)	(3.6%)	(4.5%)
EPS Impact	(\$0.02)	(\$0.09)	(\$0.11)	(\$0.10)	(\$0.44)	(\$0.53)

Source: Company reports and Wells Fargo Securities, LLC estimates

Figure 8: Do You Believe That Other Insurers Will Follow Medicare's Cuts To CPAP Reimbursement From Competitive Bidding With Cuts Of Their Own?



n = 110

Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

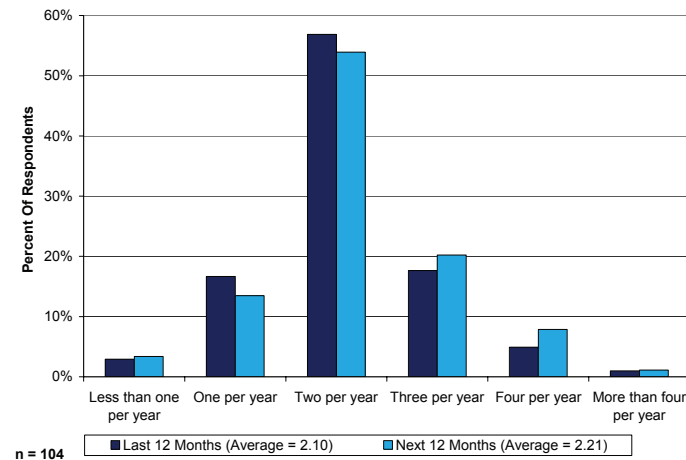
...Mask Replacement Rates And Compliance Tracking Utilization Should Increase Although Auto-Setting Utilization Should Decrease In The Next 12 Months

We added some new questions to our survey in an attempt to evaluate several potential drivers of the sleep therapy market. One frequently noted driver of the sleep market has been increasing mask replacement rates. While insurers typically cover 2-4 masks per year, patients were generally not taking advantage of this and replacing masks as frequently as they could. As oxygen reimbursement has been squeezed, HMEs have increasingly focused on sleep therapy as a growth opportunity and have implemented programs to follow-up with patients about masks and other disposable CPAP products (filters, tubing, etc) in order to increase replacement rates. A few years ago, ResMed conducted a survey and concluded that the average patient was only using one mask per year. In our survey, HMEs reported that patients used an average of 2.10 masks per year in the past 12 months and they expect this to increase to 2.21 masks per year in the next 12 months. While this seems like a small change, we estimate that it could add 5.0% to U.S. mask growth and 2.4% to U.S. sleep market growth. However, with patients now using over 2 masks per year the effect of increased replacement rates is probably diminishing since we estimate this measure will max out at around 2.4 masks per year (2 masks per year for privately insured patients x 80% of payer mix + 4 masks per year for Medicare patients x 20% of payer mix = 2.4 masks per year).

Medical Technology/Devices

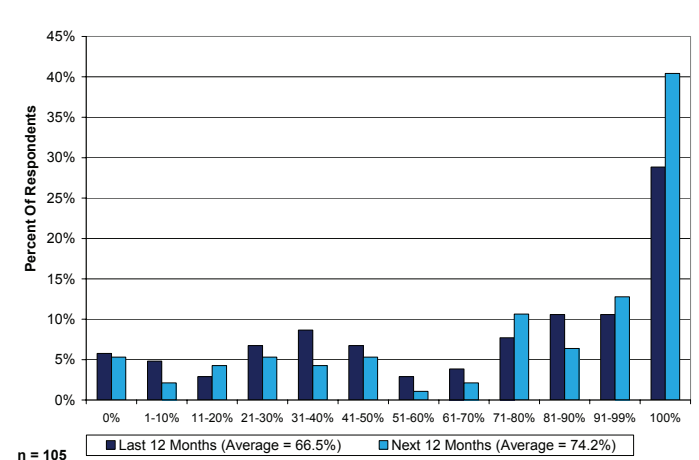
Medicare recently added a requirement for a data report showing that patients use CPAP for at least 4 hours per night for 70% of nights during a consecutive 30 day trial period. According to ResMed, this is driving an increased interest in compliance tracking technologies and ResMed believes that its ResTraxx—a "piggy-back" device introduced a few years ago that allows wireless compliance tracking—is well-suited for this task. Unlike Respironics' Encore compliance tracking system, which uses a dial-up modem, ResMed's ResTraxx uses cell-phone signals to transmit the data minimizing the burden on the patient. Since this is a potential driver for the sleep market, we asked the HMEs about their use of compliance tracking technologies and the results showed that the HMEs use compliance tracking for an average of 67% of their patients and expect this to increase to 74% of their patients in the next 12 months. We suspect that this may be because many private insurers (around 80% of the payer mix) already require this. Compliance tracking technologies come in numerous forms (data storage cards, etc) so this answer doesn't imply that the higher-end internet-based systems like ResTraxx or Encore are used in the full 67% of patients.

Figure 9: On Average, How Many Masks Do Your Sleep Patients Purchase Per Year?



Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

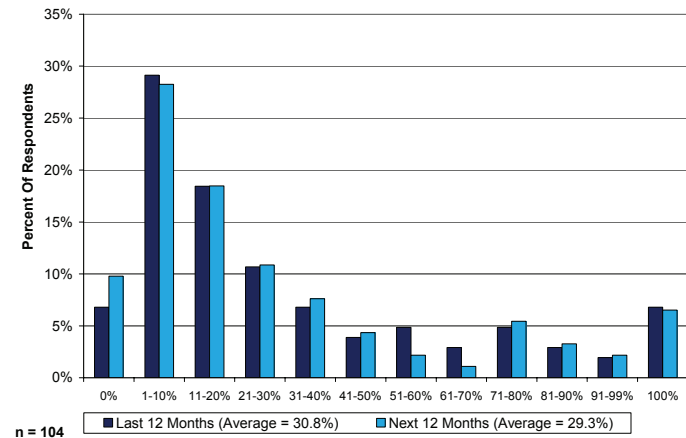
Figure 10: In What Portion Of Your Sleep Patients Do You Use Compliance Tracking Technologies?



Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

We also asked about the use of auto-setting flow generators. The HMEs use flow generators in 30.8% of patients and they expect this to decline slightly to 29.3% of patients in the next 12 months. Since auto-setting flow generators are priced higher, this may drive a negative mix shift.

Figure 11: In What Portion Of Your Sleep Patients Do You Use Auto-Setting Flow Generators?



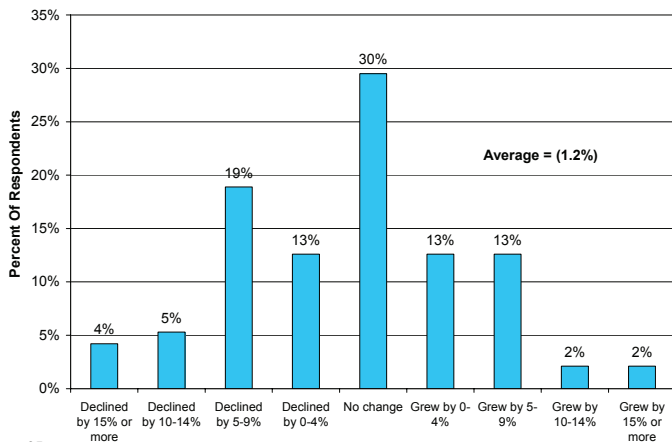
Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

...Flow Generator And Mask Price Declines Have Slowed

HMEs report that the average prices that they pay for flow generators and masks declined by averages of 1.2% and 0.6%, respectively, over the past 12 months. Flow generator price declines decreased to 1.2% from 1.7% in our prior survey and mask price declines decreased to 0.6% from 1.5% in our prior survey.

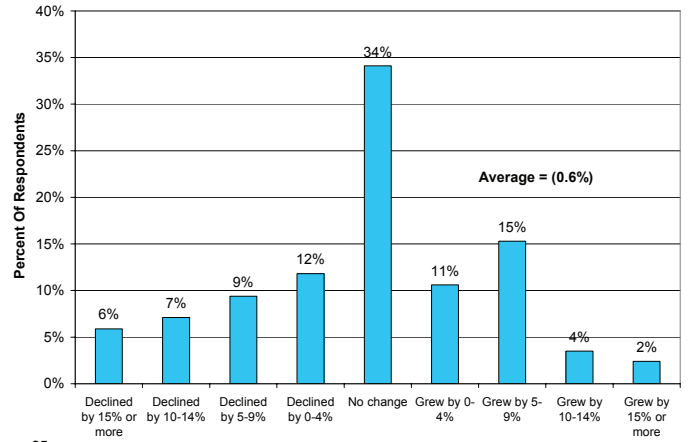
The manufacturers cite 5-15% annual price declines, however, with ResMed typically at the lower end of this range and Respironics typically at the higher end. How do we explain this differential? We think that the manufacturers refer to pure (or “like for like”) pricing while the HMEs refer to average selling prices which account for the effect of mix shifts as well as pricing. While these mix shifts continue to be positive, we think that reimbursement pressures may slow mix shifts over the next few years.

Figure 12: By What % Has The Average Price You Pay For A Flow Generator Changed In Past 12 Months?



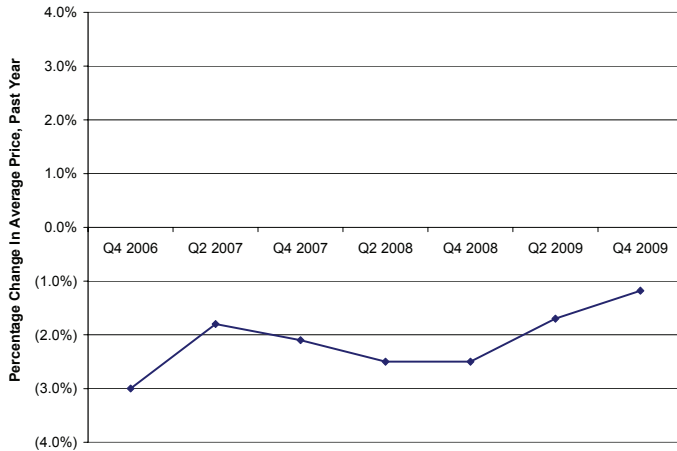
n = 95
Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

Figure 13: By What % Has The Average Price You Pay For A Mask Changed In Past 12 Months?



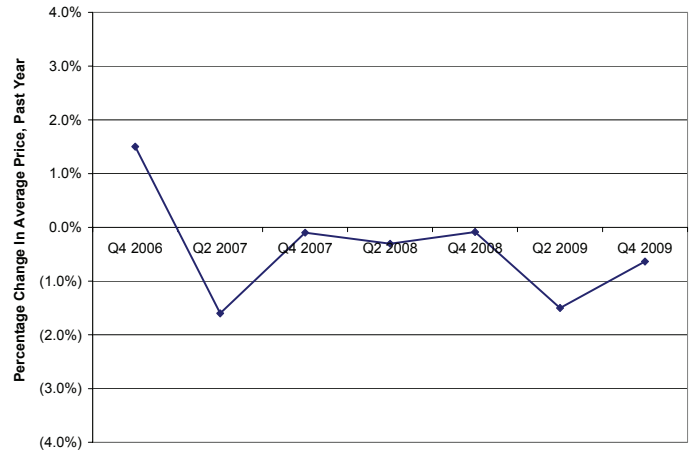
n = 85
Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

Figure 14: Change In Average Flow Generator Prices (Time Series)



Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

Figure 15: Change In Average Mask Prices (Time Series)



Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

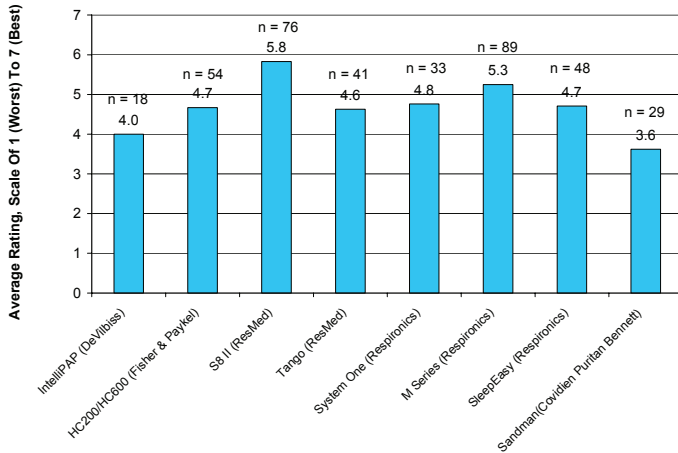
...ResMed’s Flow Generators Were Rated Highest And ResMed Looks Likely To Hold Flow Generator Market Share

ResMed’s newest flow generator, the S8 II, was rated slightly lower than in our Q2 2009 survey at 5.8 out of 7.0 (vs. 5.9 in our prior survey). Respironics’ M-Series was also rated lower than in our Q2 2009 survey at 5.3 out of 7.0 (vs. 5.5 in our prior survey). And Respironics new System One was rated at 4.8 out of 7.0 though only 33 respondents rated it. The System One platform will be important to watch since it is the newest flow generator platform on the market and Respironics’ first new platform in several years. Fisher & Paykel’s

Medical Technology/Devices

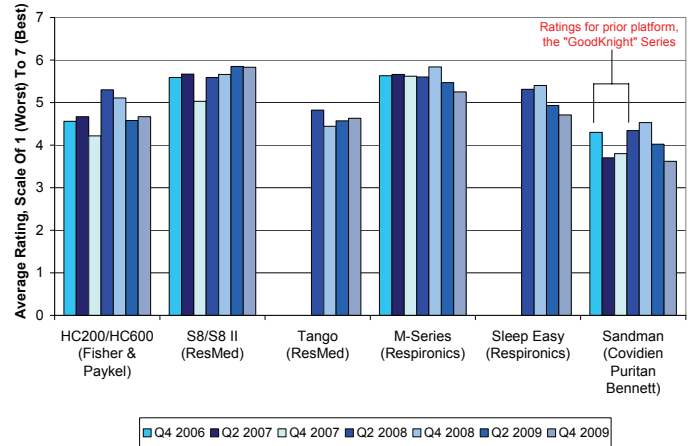
HC200/HC600 was rated 4.7, up from 4.6 in our prior survey, while Covidien's Sandman was rated 3.6, down from 4.0 in our prior survey. We also had the HMEs rate the low-end flow generators from ResMed and Respirationics. The HMEs gave ResMed's Tango a 4.6 and Respirationics' Sleep Easy a 4.7.

Figure 16: Flow Generator Platform Ratings



Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

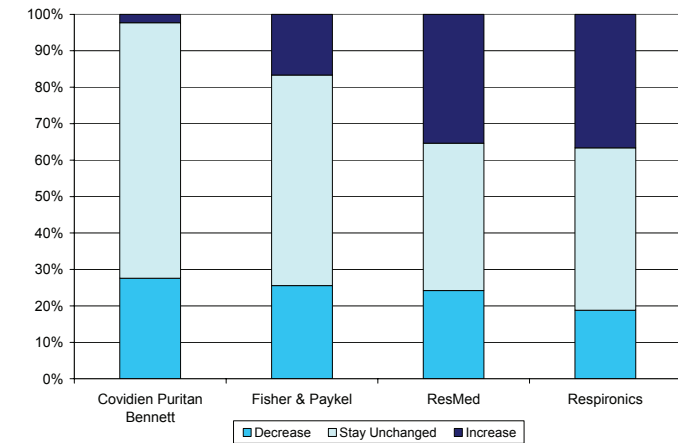
Figure 17: Flow Generator Platform Ratings (Time Series)



Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

Contrary to the ratings, the HMEs indicated that they intend to increase their purchases of Respirationics' flow generators by more than any other companies' flow generators (37% of respondents expect to increase ResMed's flow generator purchases vs. 19% that expect to decrease purchases). ResMed still appears to have a strong trajectory (35% expect to increase purchases, 24% to decrease) while Fisher & Paykel and Covidien (COV) look likely to continue to lose flow generator market share. In particular, we note that Covidien's product ratings and market share outlook continue to deteriorate which perhaps isn't too surprising given Covidien's recently announced plans to divest its sleep business.

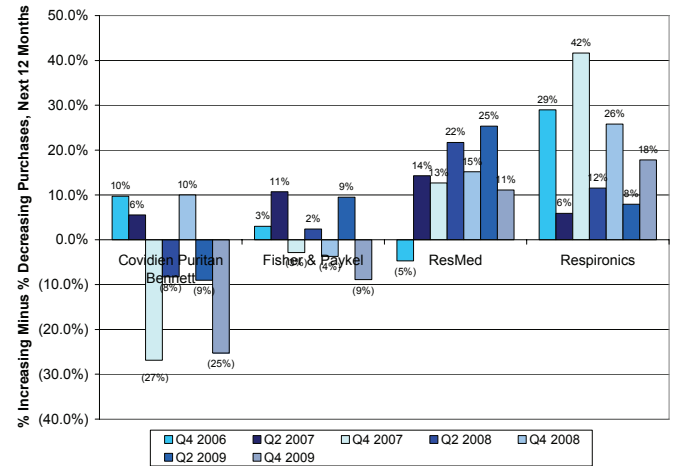
Figure 18: In Next 12 Months Will Your Flow Generator Purchases Decrease, Increase, Or Stay Unchanged...



n = 103

Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

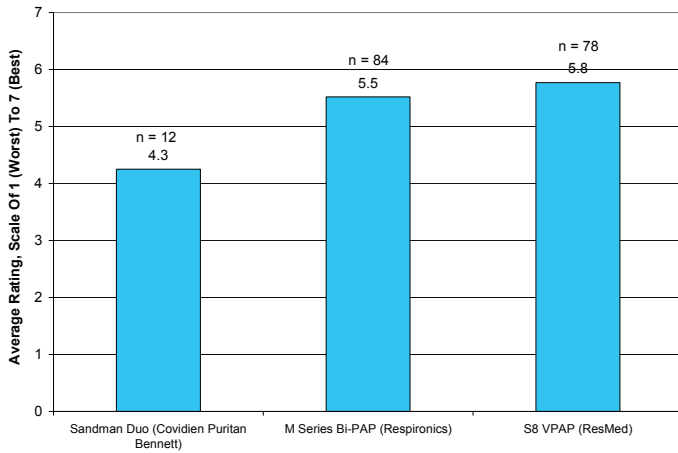
Figure 19: Difference In % Of Respondents Increasing Vs. Decreasing Purchases (Time Series)



Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

Until recently, Respirationics had the upper hand in the bi-level segment since it sold bi-level units on its compact M Series platform while ResMed only had bi-level units on its bulky S7 platform. In the past year, however, ResMed rolled out new versions of its bi-level units on its smaller S8 platform and appears to have closed the gap with Respirationics' offerings. Market share gains in the bi-level segment have been an important driver of ResMed's recent revenue growth and margin expansion. Our survey supports ResMed's claims and ResMed's new VPAP bi-level line-up was rated slightly higher than Respirationics' (5.8 vs. 5.5).

Figure 20: Bi-Level Flow Generator Platform Ratings

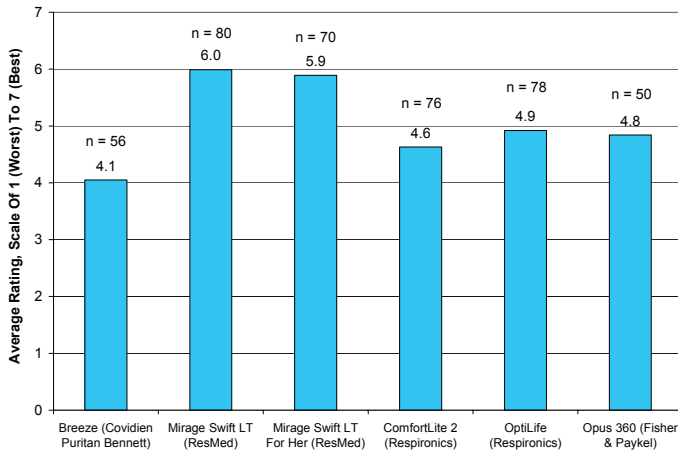


Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

...ResMed’s Masks Were Rated Highest And ResMed Looks Likely To Gain Mask Market Share

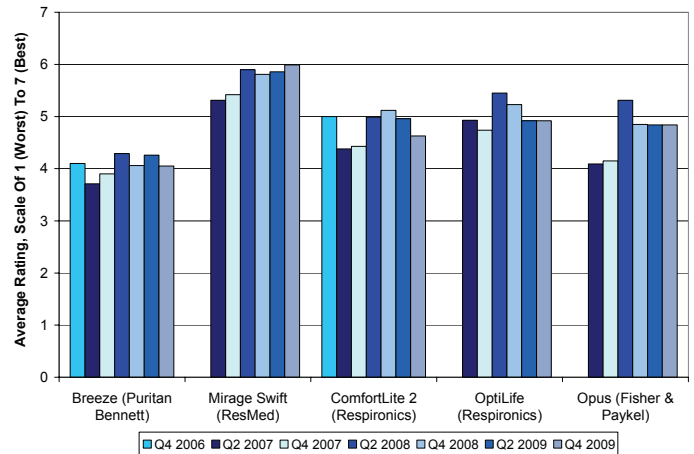
ResMed continues to have the best masks according to our survey. In the nasal pillow category, ResMed’s Swift LT and Swift LT For Her were the highest rated at 6.0 and 5.9 (out of 7.0), respectively, followed by Respironics’ OptiLife (4.9), Fisher & Paykel’s Opus (4.8), Respironics’ ComfortLite 2 (4.6), and Covidien’s Breeze (4.1).

Figure 21: Nasal Pillow Mask Ratings



Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

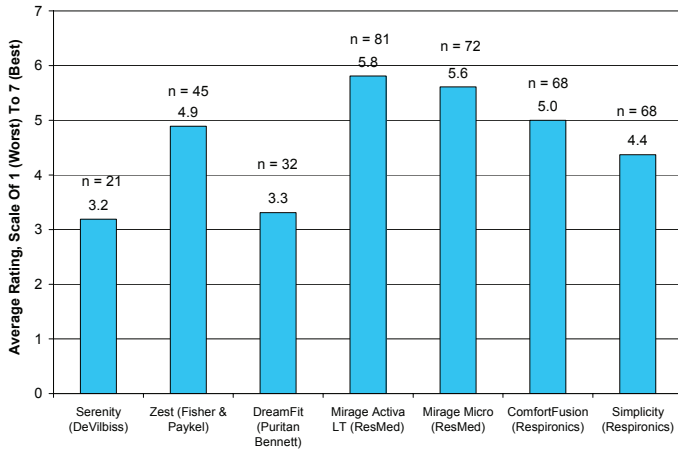
Figure 22: Nasal Pillow Mask Ratings (Time Series)



Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

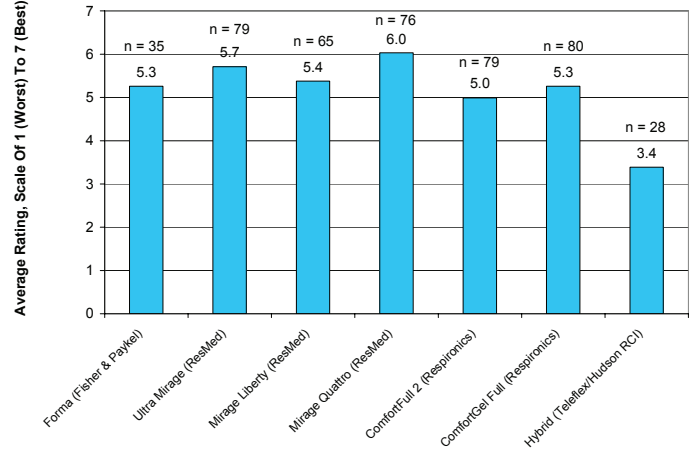
In the nasal mask category, ResMed’s Mirage Activa LT and Mirage Micro were the highest rated at 5.8 and 5.6 (out of 7.0), respectively, followed by Respironics’ ComfortFusion (5.0) Fisher & Paykel’s Zest (4.9), Respironics’ Simplicity (4.7), Covidien’s DreamFit (3.3), and DeVilbiss’s Serenity (3.2). And in the full face mask category, ResMed’s Mirage Quattro, Ultra Mirage, and Mirage Liberty were the highest rated at 6.0, 5.7, and 5.4 (out of 7.0), respectively, followed by Fisher & Paykel’s Forma (5.3), Respironics’ ComfortGel Full (5.3) and ComfortFull 2 (5.0), and Teleflex’s Hybrid (3.4).

Figure 23: Nasal Mask Ratings



Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

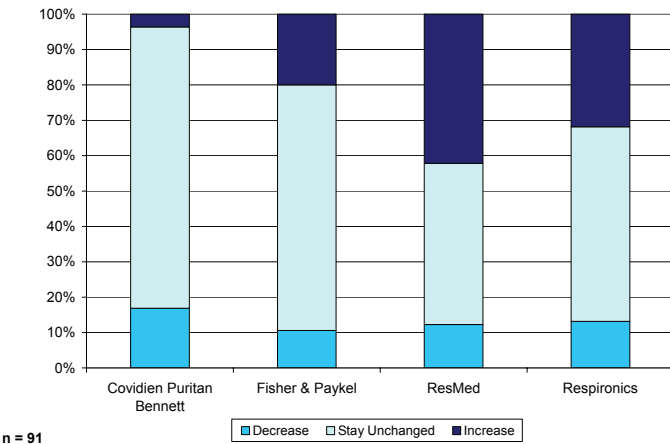
Figure 24: Full Face Mask Ratings



Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

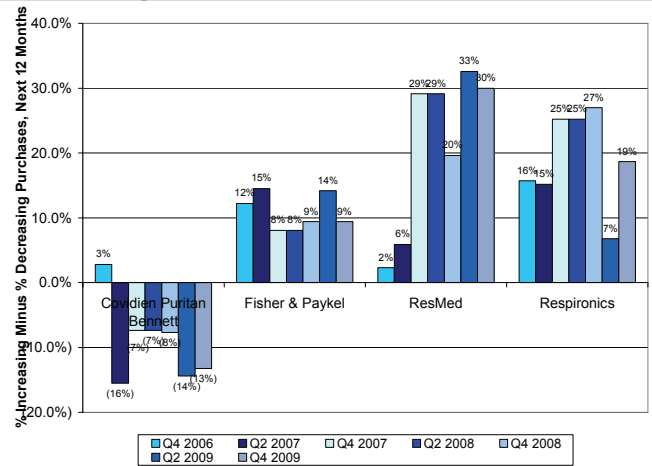
Consistent with the ratings, the HMEs indicated that they intend to increase their purchases of ResMed's masks by more than any other companies' masks (42% of respondents expect to increase ResMed's mask purchases vs. 12% that expect to decrease purchases). Respironics still appears to have a strong trajectory (32% expect to increase purchases, 13% to decrease) while Fisher & Paykel looks likely to hold share and Covidien (COV) looks likely to lose mask market share. In particular, we note that Covidien's product ratings and market share outlook continue to deteriorate which perhaps isn't too surprising given Covidien's recently announced plans to divest its sleep business.

Figure 25: In Next 12 Months Will Your Mask Purchases Decrease, Increase, Or Stay Unchanged...



Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

Figure 26: Difference In % Of Respondents Increasing Vs. Decreasing Purchases (Time Series)

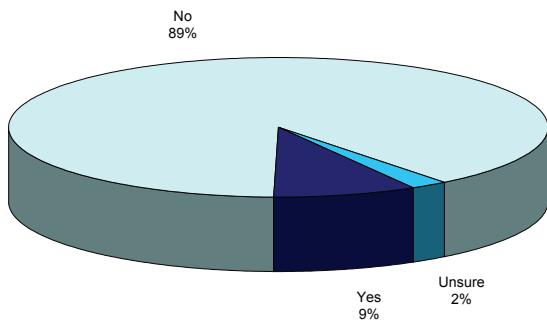


Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

...Few HMEs Currently Administer Home Sleep Apnea Tests Though More Plan To Start; HMEs Expect Only A Slight Benefit From Home Testing In Next 12 Months

Only 9% of respondents currently offer patients home testing for sleep apnea. Another 18% of respondents plan to begin offering home testing over the next 12 months with the bulk starting in 6 months or more. This supports our view that while home testing could be a significant driver for ResMed and the sleep market, few HMEs have taken the plunge to begin offering home testing possibly due to restrictions by payers. Additionally, the HMEs do not appear particularly bullish about the impact of home testing on their sleep businesses and only expect it to add an average of 1.4% to their sleep growth.

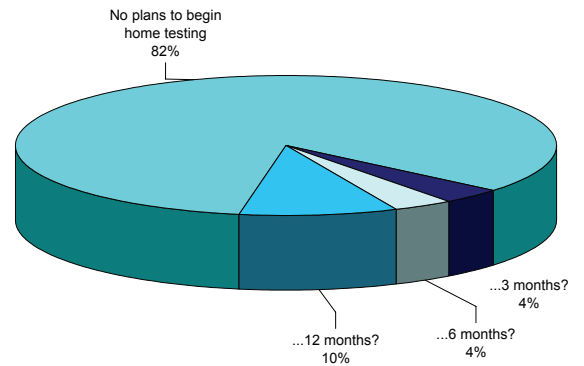
Figure 27: Does Your Firm Currently Administer Home Tests For Sleep Apnea?



n = 93

Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

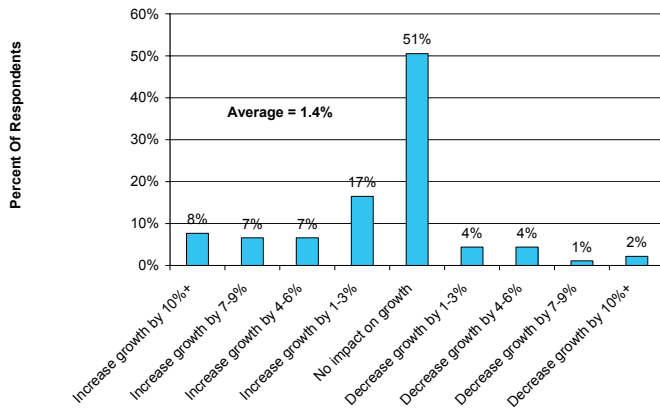
Figure 28: Does Your Firm Plan To Begin Administering Home Tests For Sleep Apnea In The Next...



n = 84

Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

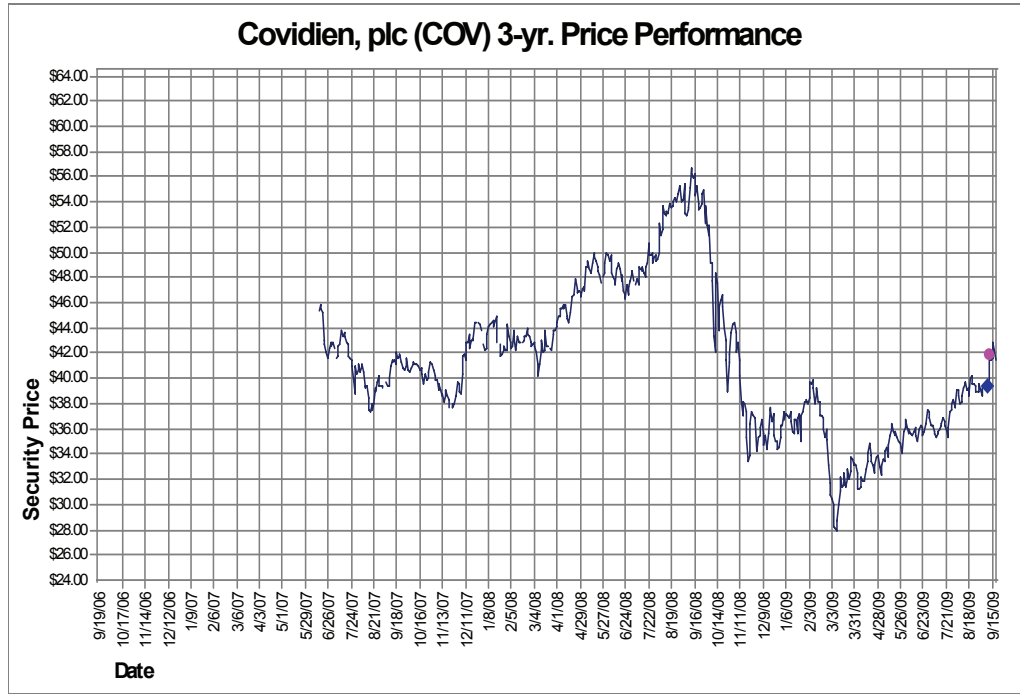
Figure 29: How Much Do You Expect Home Sleep Testing To Help Or Hurt Your Sleep Business In The Next Year?



n = 91

Source: Wells Fargo Securities, LLC HME Sleep Survey(s)

Required Disclosures



	Date	Publication Price (\$)	Rating Code	Val. Rng. Low	Val. Rng. High	Close Price (\$)
	9/9/2009		Matson			
◆	9/9/2009	39.44	1	44.00	48.00	39.44
●	9/11/2009	39.36	1	47.00	51.00	41.87

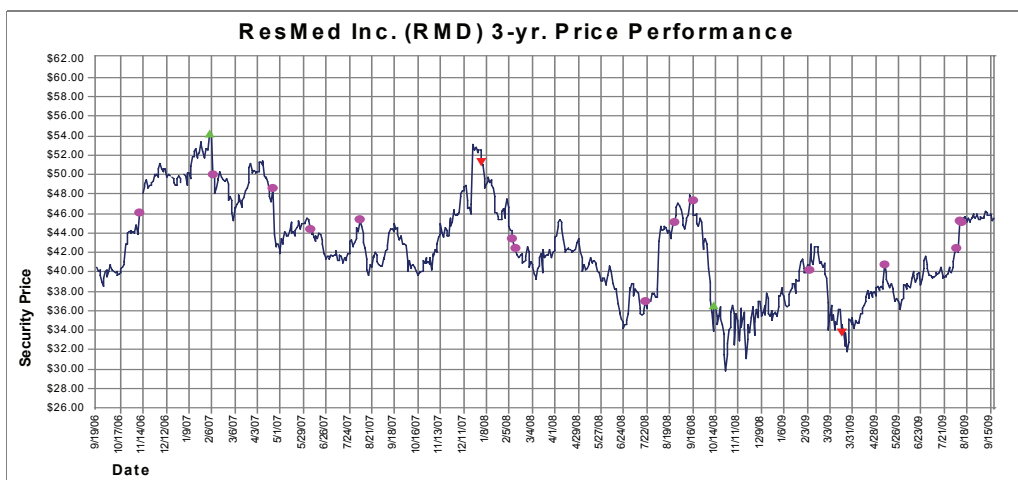
Source: Wells Fargo Securities, LLC estimates and Reuters data

Symbol Key

- ▼ Rating Downgrade
- ▲ Rating Upgrade
- Valuation Range Change
- ◆ Initiation, Resumption, Drop or Suspend
- Analyst Change
- Split Adjustment

Rating Code Key

- 1 Outperform/Buy
- 2 Market Perform/Hold
- 3 Underperform/Sell
- SR Suspended
- NR Not Rated
- NE No Estimate



	Date	Publication Price (\$)	Rating Code	Val. Rng. Low	Val. Rng. High	Close Price (\$)
	9/19/2006		Matson			
	9/19/2006	NA	2	40.00	44.00	40.45
●	11/9/2006	NA	2	42.00	47.00	46.02
▲ ●	2/2/2007	NA	1	61.00	66.00	54.26
●	2/7/2007	NA	1	60.00	65.00	50.00
●	4/23/2007	NA	1	50.00	55.00	48.64
●	6/6/2007	NA	1	52.00	56.00	44.44
●	8/7/2007	NA	1	50.00	54.00	45.40
▼ ●	1/2/2008	52.53	2	51.00	55.00	51.31
●	2/8/2008	44.33	2	40.00	45.00	43.36
●	2/12/2008	42.49	2	38.00	43.00	42.49
●	7/21/2008	37.00	2	36.00	39.00	37.00
●	8/25/2008	45.17	2	43.00	47.00	45.17
●	9/16/2008	47.40	2	44.00	48.00	47.40
▲ ●	10/13/2008	33.90	1	40.00	44.00	36.54
●	2/5/2009	40.19	1	42.00	46.00	40.19
▼ ●	3/17/2009	36.08	2	34.00	38.00	33.68
●	5/8/2009	38.99	2	38.00	42.00	40.75
●	8/5/2009	42.38	2	40.00	44.00	42.38
●	8/7/2009	41.99	2	42.00	46.00	45.25
●	8/11/2009	45.19	2	42.00	48.00	45.16

Source: Wells Fargo Securities, LLC estimates and Reuters data

Symbol Key		Rating Code Key	
▼ Rating Downgrade	◆ Initiation, Resumption, Drop or Suspend	1 Outperform/Buy	SR Suspended
▲ Rating Upgrade	■ Analyst Change	2 Market Perform/Hold	NR Not Rated
● Valuation Range Change	□ Split Adjustment	3 Underperform/Sell	NE No Estimate

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3=Underperform: The stock appears overvalued, and we believe the stock's total return will be below the market over the next 12 months. SELL

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M=Market Weight: Industry expected to perform in-line with the relevant broad market benchmark over the next 12 months.

U=Underweight: Industry expected to underperform the relevant broad market benchmark over the next 12 months.

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As of: September 24, 2009

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