

ASX / MEDIA RELEASE

1st April 2014

COCHLEAR LIMITED: DECISION IN US PATENT INFRINGEMENT CASE

Cochlear Limited, Sydney, 1st April 2015 (ASX:COH) today announced that a Court decision has partially overturned the jury verdict in the patent infringement lawsuit by the Alfred E. Mann Foundation for Scientific Research (“AMF”) and Advanced Bionics LLC (“AB”) against Cochlear Limited and its US subsidiary Cochlear Americas.

This lawsuit was disclosed to ASX when it was filed in December 2007 and the jury verdict was disclosed on 24 January 2014. The decision relates to four (4) expired United States Patent claims and will not disrupt Cochlear’s business or customers in the United States.

A Judge in the United States District Court in Los Angeles, California determined that 3 of the 4 patent claims that the jury found Cochlear had infringed were actually invalid.

The Judge sustained the jury’s verdict on direct and contributory infringement of the one remaining patent claim.

The Judge overturned the jury’s verdict of wilful infringement by Cochlear. The Judge also overturned the US\$131.2 million in damages awarded by the jury. A new trial on damages for infringement of the one remaining patent claim will be held at a future date to be determined by the Court.

Cochlear’s Chief Executive Officer and President Dr Chris Roberts said, “While we appreciate the Judge’s thorough and detailed analysis of this case, we strongly believe the facts and law do not support the jury finding of infringement of the one remaining patent claim against Cochlear. As previously stated, if appropriate at the conclusion of the damages trial, Cochlear will appeal the decision to the US Court of Appeals.”

A provision of US\$20 million was expensed in the half year ended 31 December 2013 for this lawsuit.

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