

ASX / MEDIA RELEASE

4 June 2010

**SETTLEMENT AGREEMENT WITH THE US DEPARTMENT OF JUSTICE (DOJ)
AND OFFICES OF INSPECTOR GENERAL OF THE US DEPARTMENT OF
HEALTH AND HUMAN SERVICES (OIG)**

Sydney, Australia, 4 June 2010: Cochlear Limited (ASX:COH)

Cochlear Limited today announced that its USA subsidiary, Cochlear Americas, has signed a settlement agreement with the DOJ and the OIG.

Under the Terms and Conditions of the Agreement, Cochlear Americas has agreed to pay USD 950,000.

Cochlear Americas specifically disputes and denies the factual and legal allegations in relation to sales programmes and other conduct alleged to have occurred from 1998 to 2003 in the USA. However, in order to avoid ongoing legal fees and the uncertainty and expense of litigation, the parties have now agreed to resolve the matter.

All costs related to the initial DOJ inquiry and associated legal costs were originally provided for in 2004. The amount of this provision as at 31 December 2009 fully covers the settlement amount agreed today.

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Company contacts:

Dr Chris Roberts, CEO/President
p: + 61 2 9428 6555

Neville Mitchell, CFO
p: + 61 2 9428 6555