



Cochlear Limited

2011 Annual General Meeting

Australia Ball Room
Menzies Hotel Sydney
14 Carrington Street
Sydney NSW

Tuesday 18th October 2011



Mr Rick Holliday-Smith - Chairman



Hear now. And always



Mr Neville Mitchell – Company Secretary



Hear now. And always



Dr Chris Roberts – Chief Executive Officer /
President



Hear now. And always



Prof Ed Byrne AO – Director



Hear now. And always



Mrs Yasmin Allen - Director



Hear now. And always



Mr Paul Bell - Director



Hear now. And always



Mr Donal O'Dwyer - Director



Hear now. And always



Mr Andy Denver - Director



Hear now. And always





Cochlear™

Chris Roberts
CEO/President



Hear now. And always.



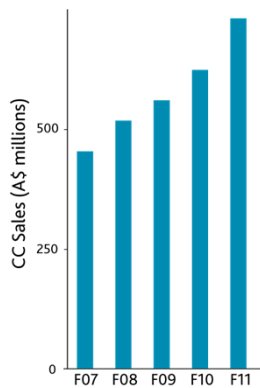
F11: Successful year of growth

F11 was another successful year of growth, on the long journey of providing life changing implantable technology for the hearing impaired, young and old.

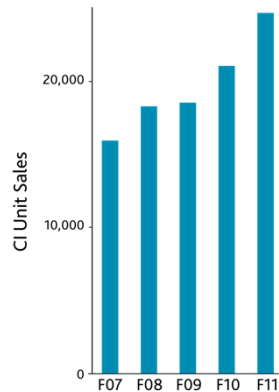


F11: Growth trend continued

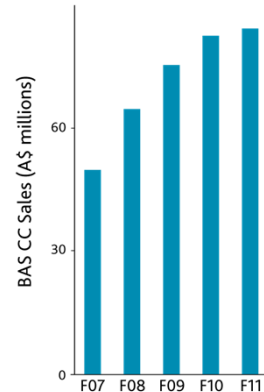
Revenue
\$810 million
Up 10%
Up 17% in
constant currency (CC)



CI Unit Sales
24,661 units
Up 17%

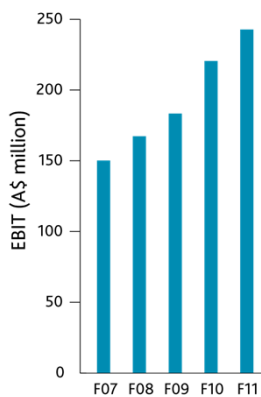


BAS Product Sales
\$84million
Up 2% in
constant currency

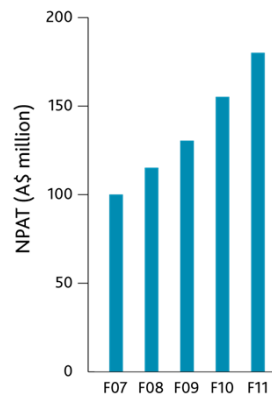


F11: Growth trend continued

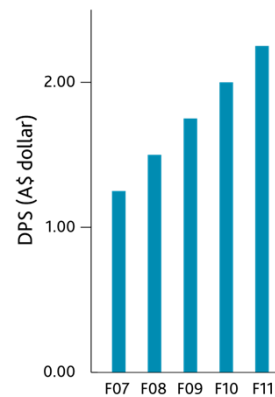
EBIT
\$243 million
Up 10%



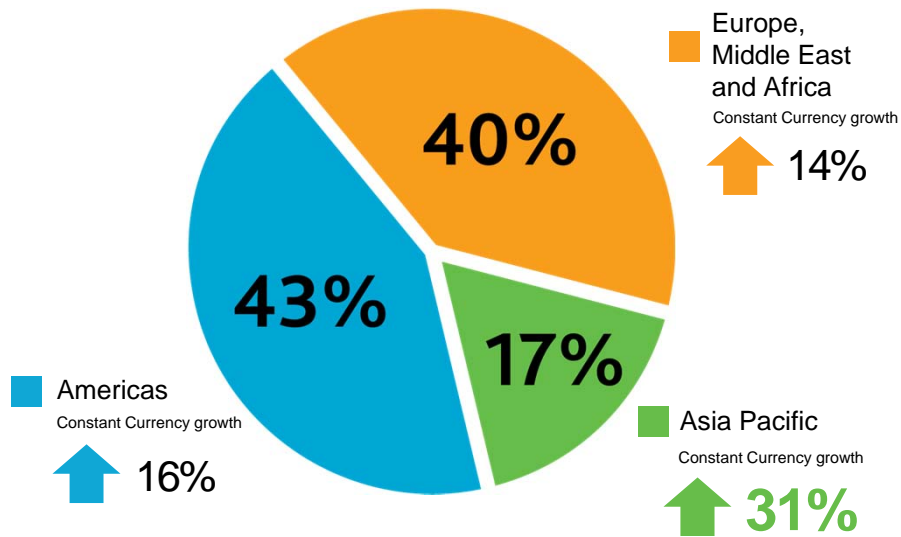
NPAT
\$180 million
Up 16%



DPS
\$2.25
Up 13%



Cochlear: F11 Regional Split of Sales



New Global Headquarters

- Custom built for unique, multi-disciplinary business
- Corporate functions, R&D, Manufacturing & Asia Pacific headquarters
- Option for further buildings
- Part of a multi-disciplinary hearing precinct at Macquarie University
- Catalyst for global collaboration and opportunity to innovate for the benefit of future generations



Voluntary recall of unimplanted CI500 series implants

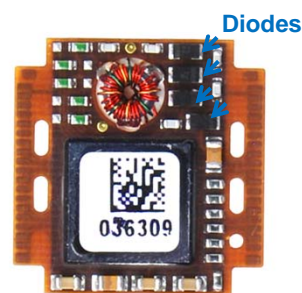
- Sep 11th, 2011, sales and distribution of CI500 series implants suspended globally and voluntary recall initiated of unimplanted CI500 series devices
 - Increase in CI512 failures had been reported
- CI24RE implants (Freedom implants) replaced the CI500 implant and no surgeries have been missed
- Existing CI500 implant recipients continue using system as normal
- Emphasis on communication and support of healthcare professionals and recipients (+ recall mechanics)



Investigation

All explanted devices that have undergone full analysis as part of the investigation have failed due to a malfunction of one of four diodes (electronic components) due to the presence of moisture. The moisture results from a loss of hermeticity which is under further investigation.

A malfunction of these diodes causes the implant to shut down as it can no longer receive information and/or sufficient power from the sound processor



Cochlear™ Nucleus® 5 System - Components

Cochlear Implant



↑
Component of system impacted by voluntary recall

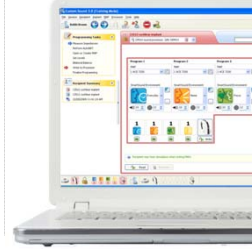
Sound Processor



Remote Assistant



Programming Software. Custom Sound™



Hear now. And always



Cochlear™ Nucleus® System

Cochlear Implant



Sound Processor



Remote Assistant



Programming Software. Custom Sound™



Hear now. And always



Range of externals, accessories etc.

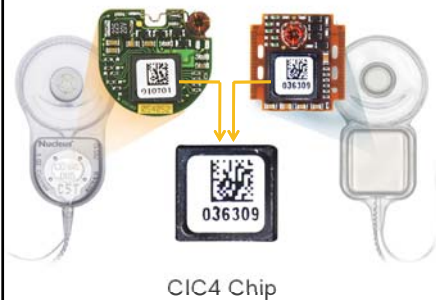


Range of externals, accessories



The Nucleus CI24RE Cochlear Implant

Same powerful microchip



- **Leading reliability**
 - 99% cumulative survival rate at 7 years.
- **Powerful digital microchip**
 - Supports ongoing advancements in speech processing technologies
- **Available with the broad Cochlear electrode portfolio**



Nucleus CI422

- Latest generation straight electrode, the slim straight, recently launched in Europe on the CI24RE platform.



Recall Implications - financials

- **Financial Costs**

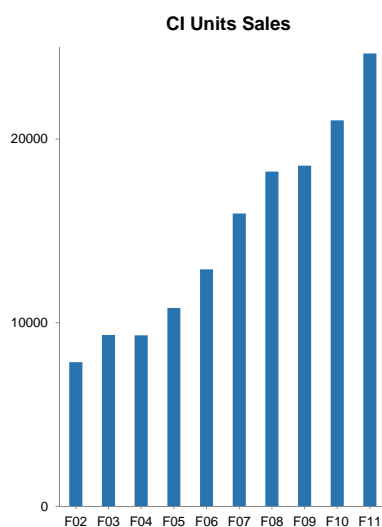
- Provision of \$130 million to \$150 million
- After tax cash cost of \$20 million to \$30 million

- **Challenges & opportunities**

- **Global Supply Chain**
 - Continuing to meet demand for surgery
- **Market Share Dynamics**
 - Minimal market share loss to date with positive acceptance of Nucleus CI24RE with Nucleus 5 externals
- **Knowledge**
 - Embed learnings

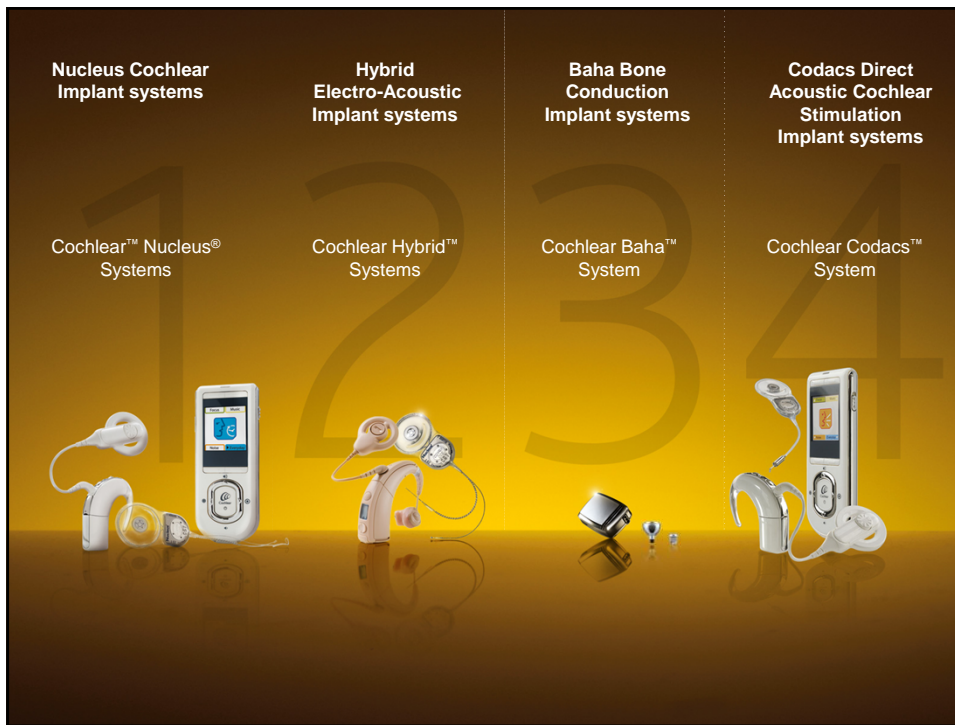


Cochlear: Investing for long term growth



- Technologic innovation (~13% of revenues)
- Significant investments in manufacturing and global supply chain
- Macquarie University hearing precinct as catalyst for global collaboration
- Deepening global footprint
- Investments in scalability including products (e.g. scalability suite driving simplification, automaticity, remote connectivity), transactions (online transactional tools) and customer interactions





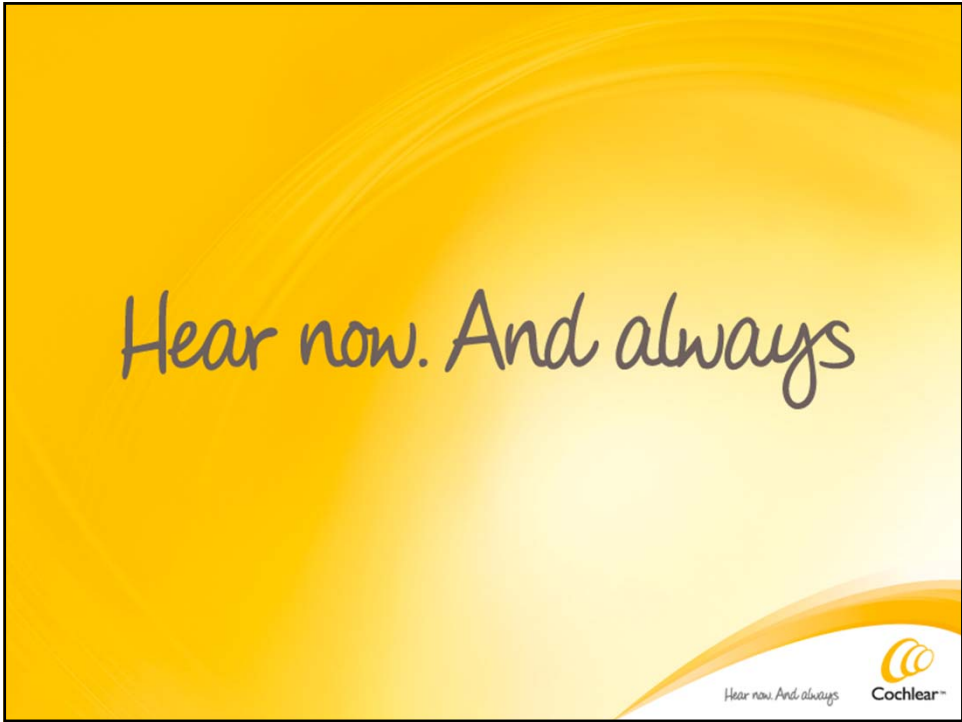
“Together we are truly changing the world of the hearing impaired.”

Hear now. And always



Cochlear™

The text is centered on a yellow background with a wavy pattern. The Cochlear logo and tagline are located in the bottom right corner.



Cochlear Limited 2011 Annual General Meeting



Business of the Meeting

Hear now. And always
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Resolution No. 1

Financial and other reports

To receive and consider the Company's Financial Report, Directors' Report and Auditor's Report in respect of the financial year ended 30 June 2011.

Hear now. And always
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Resolution No. 1

Financial and Other Reports

Proxy Summary

• Total number of proxy and direct votes cast	31,347,720	100%
• Votes in favour of the resolution	30,838,532	98.38%
• Votes to be cast at the discretion of the proxy	482,595	1.54%
• Votes against the resolution	26,593	0.08%
• Votes directed to abstain from voting	115,898	N/A



Resolution No. 2.1

Remuneration Report

To consider and, if thought fit, to pass the following non-binding resolution:

2.1 "THAT the Remuneration Report be adopted"



Resolution No. 2.1

Remuneration Report

Proxy Summary

• Total number of proxy and direct votes cast	31,176,328	100%
• Votes in favour of the resolution	30,449,777	97.67%
• Votes to be cast at the discretion of the proxy	317,494	1.02%
• Votes against the resolution	409,057	1.31%
• Votes undirected with no Chairman's voting instruction	149,580	N/A
• Votes directed to abstain from voting	137,465	N/A

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Resolution No. 3

Re-election and election of directors

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

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Resolution No. 3.1

Re-election of directors

3.1 “THAT Mr Rick Holliday-Smith, being a director who is retiring by rotation in accordance with the Company’s constitution and who, being eligible, offers himself for re-election as a director of the Company, be re-elected as a director of the Company.”



Resolution No. 3.1

Re-election of directors – Mr Rick Holliday-Smith

Proxy Summary

• Total number of proxy and direct votes cast	31,416,357	100%
• Votes in favour of the resolution	29,219,485	93.01%
• Votes to be cast at the discretion of the proxy	475,140	1.51%
• Votes against the resolution	1,721,732	5.48%
• Votes directed to abstain from voting	47,261	N/A



Resolution No. 3.2

Re-election and election of directors

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:



Resolution No. 3.2

Re-election of directors

3.2 "THAT Mr Paul Bell, being a director who is retiring by rotation in accordance with the Company's constitution and who, being eligible, offers himself for re-election as a director of the Company, be re-elected as a director of the Company."



Resolution No. 3.2

Re-election of directors – Mr Paul Bell

Proxy Summary

• Total number of proxy and direct votes cast	31,412,485	100%
• Votes in favour of the resolution	30,852,564	98.22%
• Votes to be cast at the discretion of the proxy	475,525	1.51%
• Votes against the resolution	84,396	0.27%
• Votes directed to abstain from voting	49,133	N/A



Resolution No. 4.1

Approval of issue, allocation or transfer of securities to the CEO/President under the Cochlear Executive Long Term Incentive Plan (CELTIP)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

4.1 "THAT approval be given to:

- a) The grant to Dr Christopher Roberts, the CEO/President of the Company, of options calculated in accordance with the formula and on the terms summarised in the Explanatory Notes attached to the Notice of Annual General Meeting; and
- b) The issue, allocation or transfer to Dr Roberts of any shares upon the exercise of any options."



Resolution No. 4.1

Approval of issue, allocation or transfer of securities to the CEO/President under the Cochlear Executive Long Term Incentive Plan (“CELTIP”)

Proxy Summary

• Total number of proxy and direct votes cast	31,202,904	100%
• Votes in favour of the resolution	30,356,724	97.29%
• Votes to be cast at the discretion of the proxy (Open Usable and Open Conditional)	315,116	1.01%
• Votes against the resolution	531,064	1.70%
• Votes undirected with no Chairman's voting instruction	147,830	N/A
• Votes directed to abstain from voting	117,659	N/A

Hear now. And always



Resolution No. 5.1

To increase the maximum aggregate remuneration of non-executive directors

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

5.1 “THAT the aggregate sum available for remuneration of non-executive directors is increased by A\$500,000 per year to A\$2,000,000 per year.”

Hear now. And always



Resolution No. 5.1

To increase the maximum aggregate remuneration of non-executive directors

Proxy Summary

• Total number of proxy and direct votes cast	27,274,034	100%
• Votes in favour of the resolution	25,572,237	93.76%
• Votes to be cast at the discretion of the proxy (Open Usable and Open Conditional)	313,686	1.15%
• Votes against the resolution	1,388,111	5.09%
• Votes undirected with no Chairman's voting instruction	149,096	N/A
• Votes directed to abstain from voting	4,045,063	N/A

Hear now. And always



Close of Meeting



Hear now. And always  Cochlear™

Hear now. And always

Hear now. And always  Cochlear™