



We are really excited
about the future
knowing that Leah is going to
grow up in a world of sound!

JODI ALLION (mother)
LEAH, Miami, USA

Hear now. And always



Cochlear Limited

2010 Annual General Meeting

Australia Ball Room
Menzies Hotel Sydney
14 Carrington Street
Sydney NSW

Tuesday 19th October 2010

Hear now. And always



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



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Mr Andy Denver - Director



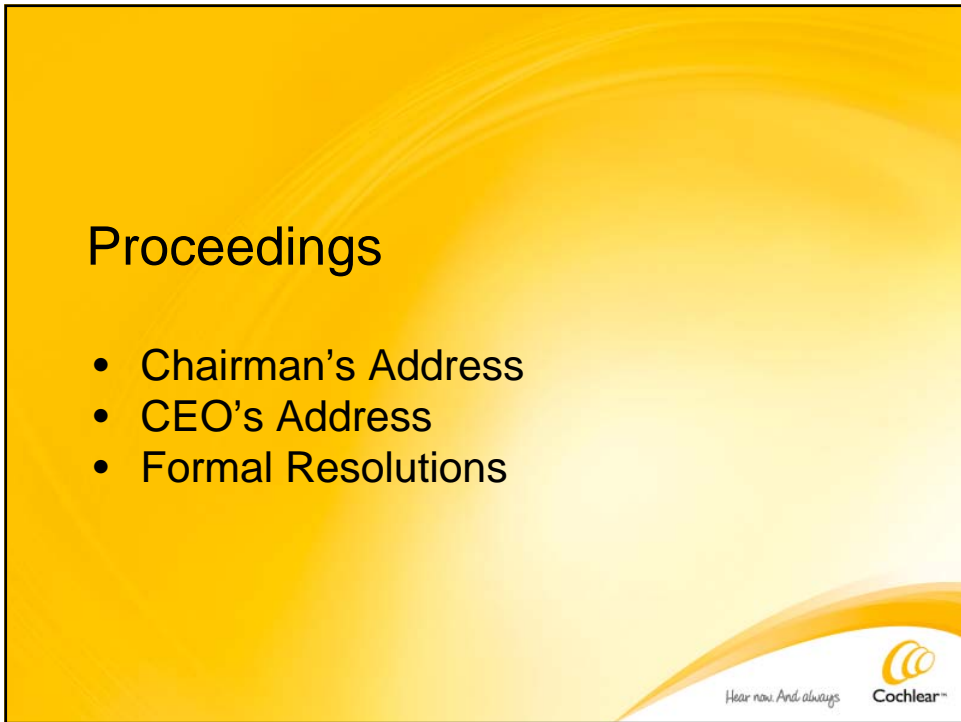
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Proceedings

- Chairman's Address
- CEO's Address
- Formal Resolutions



Cochlear Limited 2010 Annual General Meeting



Mr Rick Holliday-Smith,
Chairman's Address

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Introduction

- Record revenue, unit sales, profit and cash generation
- In a climate of:
 - Global economic uncertainty
 - Extreme volatility in foreign exchange markets



Cochlear: Record financial results for F10

	F10 \$ millions	F09 \$ millions	+ %
Cochlear Implants	603.7	614.0	↓ 2
Bone Anchored (Baha)	92.5	97.8	↓ 5
FX Contracts	38.6	(17.1)	
Revenue	734.8	694.7	↑ 6
EBIT	220.5	183.3	↑20
Net Profit After Tax	155.2	130.5	↑19
EPS	275.7 cps	233.7 cps	↑18
Final Dividend (60% Franked)	105c	95c	↑11
Full Year Dividend (79% Franked)	200c	175c	↑14

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Dividends

- Continued increases in dividends since listing
- Payout ratio of approximately 70%
- Total dividend for the year 200 cents, up 14% on prior year
- Final 2010 dividend partially franked to 60%
- Unfranked portion Conduit Foreign Income
- 2011 dividends will also be partially franked

Capital Management

- \$300m Corporate Debt Facility available at 30 June 2010 – reduced to \$200m in August 2010
- New headquarters financed by special purpose project debt facility
- Excluding special new headquarters financing, net corporate debt was \$41m at 30 June 2010



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Headquarter Financing

- Net debt attributable to new headquarters \$73m at 30 June 2010
- Practical completion due this week
- Debt will be repaid with Macquarie University funds
- Headquarters to be leased by Cochlear from Macquarie University



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World Economic Conditions

- Cochlear sells into over 100 countries
- Direct presence in over 20
- Approximately 95% of sales are outside Australia
- No material impact from European debt crisis
- Board and Management continue to monitor individual country situations



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Director and Board Activities

- Mr Tommie Bergman retired as Chairman on 30 June 2010
- Mr Rick Holliday-Smith appointed Chairman
- Appointment of Mrs Yasmin Allen to the Board and Audit Committee Chair

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Senior Management Team

- Senior Management team remain unchanged in F10
- Led by Dr Chris Roberts



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Diversity

- Diversity is central to Cochlear's development
- Cochlear was "born global", embracing diversity and tolerance
- Over 2000 employees in nearly 50 countries
- Ongoing programme to support women in our workforce
- Diversity is a critical element in our success in the global market



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Executive Remuneration & Share Option plans

- Legislation amended during the year, but no changes to Option or Share Plans
- Over 150 Cochlear executives own Options or Performance Shares
- Over 1,000 employees are shareholders
- Remuneration Committee satisfied that Cochlear's philosophy and practices meet standards required

Outlook

- Positive outlook supported by investment in R&D and marketing and sales growth initiatives
- Internal capabilities aimed at underpinning the growth are being executed



Cochlear Limited 2010 Annual General Meeting



Chris Roberts
CEO's Address

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***Providing the gift of hearing is a long
journey.....***

Improved outcomes

Improved patient access

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Cochlear Nucleus 5 System

- Cochlear Nucleus 5 launched in ~ 50 countries in F10
- The majority of Cochlear implant unit sales are Nucleus 5
- Customer feedback (recipients and clinicians) extremely positive
- Independent clinical trials have confirmed significant hearing improvement in difficult listening environments



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Nucleus 5 – Setting new benchmarks across many dimensions

The introduction of Nucleus 5 has truly set new benchmarks across many important dimensions



Hearing Performance



Ease of Use



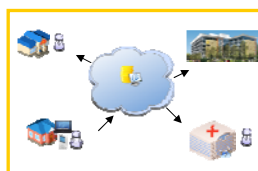
Cosmetics / Ergonomics



Miniaturisation / Reliability



Manufacturing / Supply Chain



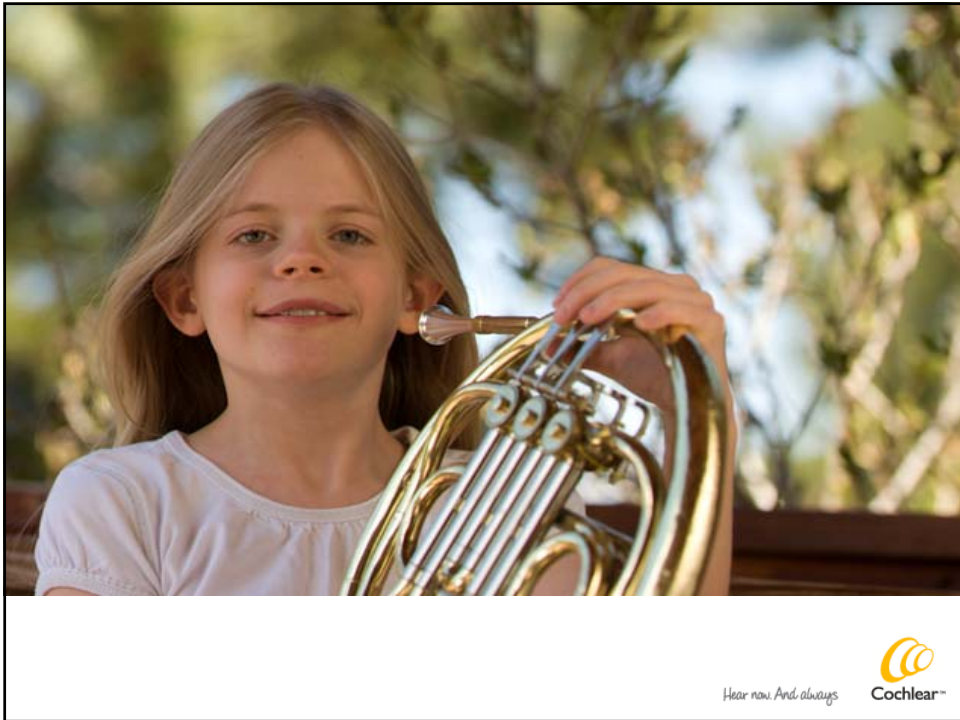
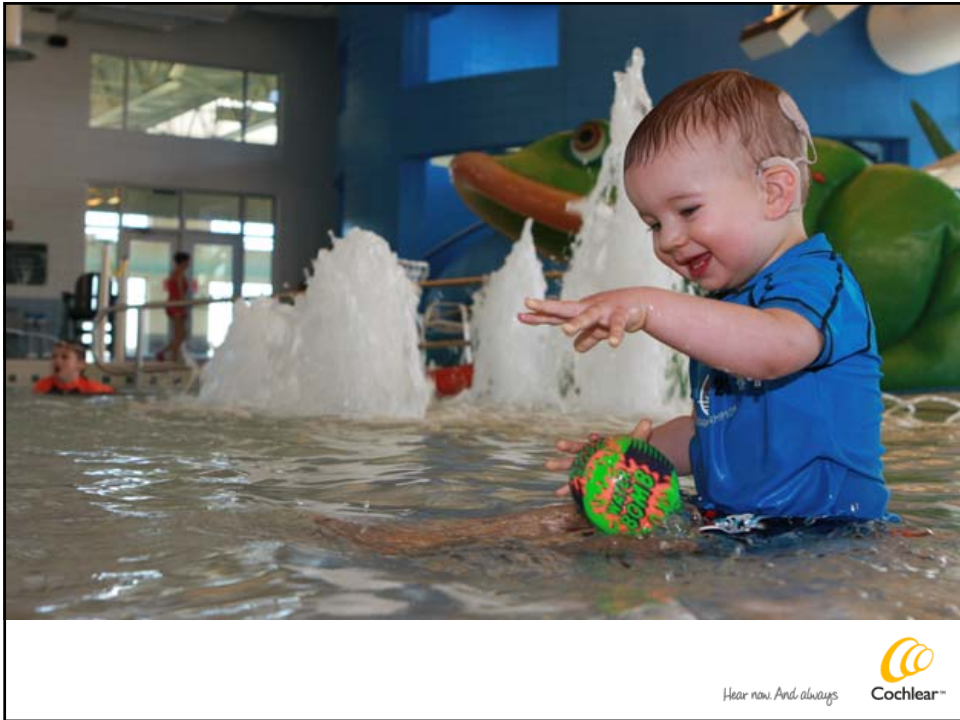
Building blocks to scale clinical pathway

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The Core Team





Cochlear Baha 3 – Combined Performance

- Bone conduction implants for conductive hearing loss, single sided deafness, and certain mixed losses
- Baha 3: all components of the system (sound processor, implant, abutment, surgical tools, and fitting software) have been optimised as a complete system

Baha Implant (BI300)



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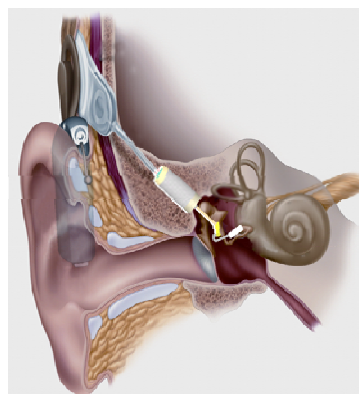


Outstanding clinical results

Cochlear Hybrid



DACS

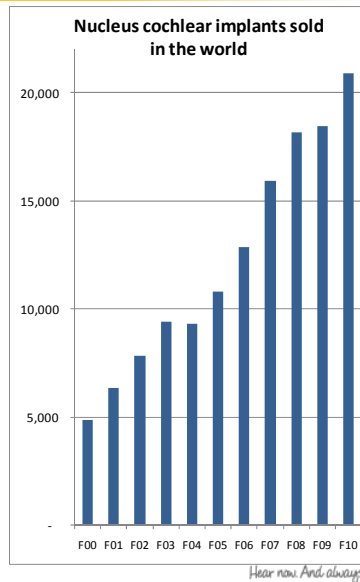


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Global Growth in Cochlear Implants

- The majority (~ 60%) of new CI recipients in developed economies are adults
- Over 25% of all CI surgeries in developed economies are 2nd implants (i.e. bilaterals)
- Emerging economies (~80% children) represent ~30% of CI unit volume, up from 20% 10 years ago



Strengthening Partnerships

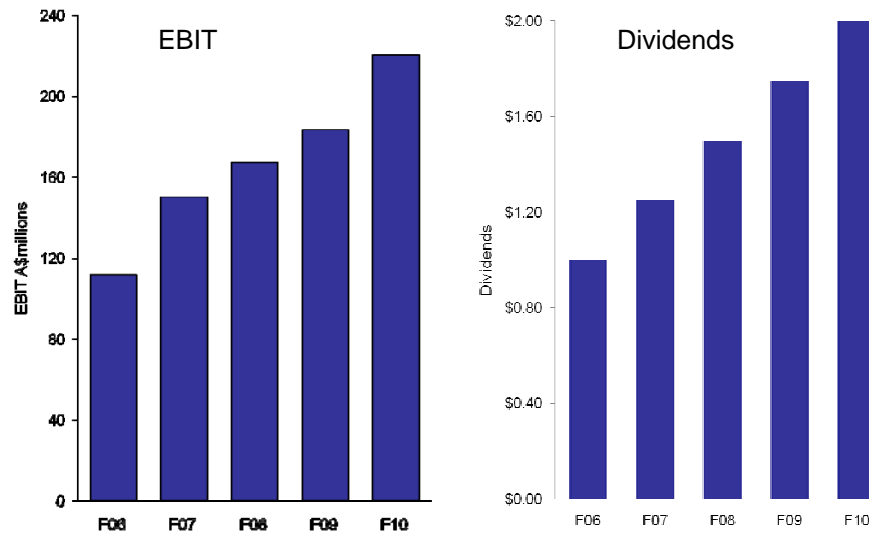


2010: moving on campus at Macquarie University

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Cochlear: 5 Year EBIT and Dividends



Cochlear F10 Summary

- Net Profit After Tax (NPAT) of \$155.2 million up 19%, with free cash flow up 50% to \$166 million
- Successful launch of Cochlear Nucleus 5 in ~ 50 countries, and majority of cochlear implant sales now Nucleus 5
- Customer feedback on Nucleus 5 is extremely positive underpinning continued growth
- Ongoing focus on innovation (across a platform of implantable devices for the hearing impaired)



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Cochlear Limited 2010 Annual General Meeting



Business of the Meeting

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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 2010.

Resolution No. 1

Financial and Other Reports

Proxy Summary

• Total number of proxy votes cast	29,082,108	100%
• Votes in favour of the resolution	28,579,199	98%
• Votes to be cast at the discretion of the proxy	486,724	2%
• Votes against the resolution	16,185	<1%
• Votes directed to abstain from voting	3,045,868	N/A

Resolution No. 2

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

Remuneration Report

Proxy Summary

• Total number of proxy votes cast	31,993,707	100%
• Votes in favour of the resolution	31,227,483	98%
• Votes to be cast at the discretion of the proxy	485,754	2%
• Votes against the resolution	280,470	1%
• Votes directed to abstain from voting	130,984	N/A

Resolution No. 3

Re-election and election of directors

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

Donal O'Dwyer / Career Summary

Non-Executive Directorships

Cochlear Limited	Director, August 2005 – Present
Mesoblast Limited	Director, December 2004 – Present
Atcor Medical Holdings	Chairman, September 2005 – Present Director, April 2004 - Present
Sunshine Heart Inc	Director, August 2004 - Present

Donal O'Dwyer / Career Summary

Executive Career

Johnson & Johnson 1996 – 2003

World Wide President, Cordis Cardiology 2000 – 2003

President, Cordis Europe 1996 – 2000

Baxter International 1984 – 1996

President, Baxter Cardiovascular Europe

VP Sales & Marketing, Baxter UK/Ireland

Plant Management, Baxter Ireland

Jefferson Smurfit Group 1978 - 1984

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Resolution No. 3.1

Re-election of directors

3.1 "THAT Mr Donal O'Dwyer, 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."



Hear now. And always



Resolution No. 3.1

Re-election of directors – Mr Donal O’Dwyer

Proxy Summary

• Total number of proxy votes cast	32,066,669	100%
• Votes in favour of the resolution	31,174,693	97%
• Votes to be cast at the discretion of the proxy	484,247	2%
• Votes against the resolution	407,729	1%
• Votes directed to abstain from voting	63,151	N/A



Professor Ed Byrne AO / Career Summary

Present:

- Non-Executive Director of Cochlear Limited 2002 – Present
- Vice Chancellor of Monash University 2009 – Present
- Board member/Deputy Chair of Neurosciences Victoria Limited 2002 – Present

Former:

- Executive Dean of the Faculty of Biomedical Sciences
- Vice Provost and Head of the Medical School at University College, London
- Dean of Faculty of Medicine, Nursing and Health Sciences at Monash University Melbourne
- Director of BUPA, Neurosciences Australia Limited, the Baker Medical Research Institute, Burnet Medical Research Institute, Prince Henry’s Medical Research Institute, Southern Health and Mental Health Institute



Resolution No. 3.2

Re-election of directors

3.2 “THAT Prof Edward Byrne AO, 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 – Prof Edward Byrne AO

Proxy Summary

• Total number of proxy votes cast	32,074,389	100%
• Votes in favour of the resolution	31,562,846	98%
• Votes to be cast at the discretion of the proxy	483,967	2%
• Votes against the resolution	27,576	1%
• Votes directed to abstain from voting	56,071	N/A

Yasmin A. Allen / Career Summary

Non-Executive Directorships -

Insurance Australia Group Limited (IAG)	Director, November 2004 – Present Audit & Risk Committee Chair Nomination & Remuneration C'tee
Macquarie Global Infrastructure Fund	Director, July 2003 – Present Appointed Chairman in September 2009
Salvation Army Advisory Board	Member, May 2003 – Present

Previous Directorships -

Export Finance & Insurance Corp (Federal Government Export Bank)	Director, 2001 – 2007
Film Australia Limited	Director, 2004 – 2008
Australian Red Cross Blood Service	Director, 2002 – 2005



Yasmin A. Allen / Career Summary

Deutsche Bank - Sydney

Vice President, Head of Industrial Research & pan Asia Airlines 1998 – 2002

ANZ Investment Bank - Sydney

Executive Director 1993 – 1998

HSBC - London

Associate Director, European Research 1989 – 1993

Kleinwort Benson plc (Dresdner Bank)

Investment Bank, Sydney & London 1986 – 1989



Resolution No. 3.3

Election of directors

3.3 “THAT Mrs Yasmin Allen, being a director who is retiring in accordance with the Company’s constitution (this being the first Annual General Meeting of the Company since her appointment by the directors) and who, being eligible, offers herself for election as a director of the Company, be elected as a director of the Company.”



Resolution No. 3.3

Election of directors – Mrs Yasmin Allen

Proxy Summary

• Total number of proxy votes cast	32,068,218	100%
• Votes in favour of the resolution	31,153,556	97%
• Votes to be cast at the discretion of the proxy	484,449	2%
• Votes against the resolution	430,213	1%
• Votes directed to abstain from voting	62,257	N/A

Resolution No. 4

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 this 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 votes cast	31,850,311	100%
• Votes in favour of the resolution	31,126,332	98%
• Votes to be cast at the discretion of the proxy (Open Usable and Open Conditional)	343,830	1%
• Votes against the resolution	380,149	1%
• Votes undirected with no Chairman’s voting instruction	138,824	N/A
• Votes directed to abstain from voting	141,725	N/A





Close of Meeting



Hear now. And always

Hear now. And always



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