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ASX RELEASE

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Cochlear acquires global leader in audiology practice management software

- Strengthens Cochlear's service offering to our clinical partners to support their practice management capabilities
- Opportunity to improve the continuum of care for patients in the hearing aid channel and the cochlear implant channel

Cochlear Limited (ASX: COH), the world leader in implantable hearing solutions, today announces the acquisition of 100% of the shares of Sycle LLC (Sycle), the world's largest provider of audiology practice management software.

Sycle software is used by over 7,000 clinics, with over 20,000 hearing professionals in the US, UK and Canada. In the US, the company's biggest market, Sycle has an estimated 70% market share. Founded in 2001, Sycle is a cloud-based practice management solution valued for its simplicity and ease of use. It seamlessly integrates many services including patient clinical data, financing, reimbursement and marketing campaigns, allowing hearing professionals to spend more time with their patients and less time on administrative overhead. Sycle is based in San Francisco and has around 80 employees.

Cochlear CEO & President, Chris Smith said, "The acquisition of Sycle is a strategic investment that will strengthen Cochlear's service offering to our clinical partners. Sycle offers a market-leading practice management solution with a product suite that can be expanded to provide a solution for cochlear implant clinics. This acquisition will enable our partners to enhance clinic efficiency, freeing up more time to deliver patient care."

"We are also excited by the opportunity to strengthen the relationship between the hearing aid and cochlear implant channels. There is an opportunity to leverage best practice processes and systems across the hearing services industry, and streamline patient care. Sycle provides a single platform from which we can build awareness of the hearing loss treatment options available as patients are managed through the continuum of care."

Sycle CEO, Ridge Sampson, explained, "Sycle continues to facilitate the delivery of better hearing to the world. Joining Cochlear will help us further develop software solutions that allow clinics to spend more time with patients. This is a great opportunity to provide more tools and support functionality to audiology practices of all sizes. This will ultimately boost patient care and help achieve optimal outcomes for individual patients."

Under the terms of the agreement, Cochlear will acquire the business of Sycle for a total consideration of an estimated US\$78 million. US\$56 million will be paid in cash with the balance of an estimated US\$22 million to be paid over three years based on business performance. The acquisition is debt free and will be funded from existing debt facilities.

Piper Jaffray & Co. is acting as exclusive financial advisor to Cochlear on this transaction.

About Cochlear Limited (ASX: COH)

Cochlear is the global leader in implantable hearing solutions. The company has a global workforce of over 3,000 people and invests more than AUD\$100 million a year in research and development. Products include hearing systems for cochlear, bone conduction and acoustic implants.

Over 450,000 people of all ages, across more than 100 countries, now hear because of Cochlear.

www.cochlear.com

Further information

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