ASX / MEDIA RELEASE
13th July 2009

COCHLEAR LIMITED: MARKET UPDATE

F09 Financial Update

Cochlear Limited (ASX:COH) advised that it anticipates F09 Total revenue (after FX contracts) to grow 15% to $695 million. Net Profit after Tax is anticipated to grow 13% to $130.5 million and Core Earnings 12% to $137.7 million.

Cochlear implant unit sales of 18,461 was up 2%. There were no donation sales to China in F09 (F08 700 units).

Foreign exchange contracts losses were $17 million (F08 profit of $21.3 million). The average rate of the AUD/USD was 76c (F08 90c). The AUD/USD rate at 30th June 2009 was 81c (F08 96c). Volatility of FX rates was experienced throughout the year.

Update on Release of New Products in Key Markets:

Assuming internal product availability, the timing of a product launch is typically driven by regulatory approval, and for certain products and in certain countries, by reimbursement registration, which is subsequent to regulatory approval.

Cochlear Baha BP100 is a new sound processor for those with a Baha implant. The Cochlear Baha BP100 has regulatory approval for sale in Europe (CE Mark) and the USA (510(K) submission has been cleared by FDA). The BP100 is currently being launched in Europe and the USA, with the roll-out, including training, spread across H1 F10.

Clinical validation results of the BP100 were reported at several major medical conferences held in June 2009.

Cochlear Nucleus 5 is the next generation cochlear implant system. It consists of the next generation implant and next generation external processor. Both the implant and external processor are compatible with the current Nucleus Freedom cochlear implant system, so the implant and the external processor can be released independently.

Cochlear Nucleus 5 has received CE mark approval for sale in Europe. Timing of registration for reimbursement purposes (if needed) is country specific. Roll out activities in Europe will occur across H1 F10, and in some European countries not until H2 F10. The implant has already been released in the UK.

Regulatory (FDA) approval in the USA is via approval of PMA supplements (as the implant and externals are separate submissions). USA regulatory approval has not yet been received for the implant or external processor submissions.

In other countries such as Australia availability is governed by regulatory and other approvals which are not expected in F10.

Clinical data on user acceptance testing of the Cochlear Nucleus 5 externals have been presented at several major medical conferences in June 2009. More than 100 patients have participated in these tests. Results on product clinical validation of the new implant have also been presented at these conferences.

More detailed information on the F09 financial results, products and an updated regulatory status will be presented at the full year results review on Tuesday 11th August 2009.

Note: The financial results for F09 are subject to audit and normal period end close process.

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