



Cochlear Limited

2012 Annual General Meeting

Exchange Square Auditorium
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Tuesday 16th October 2012

Hear now. And always.  Cochlear®

Mr Rick Holliday-Smith – Chairman



Hear now. And always.



Cochlear®

Mr Neville Mitchell – Company Secretary



Hear now. And always.



Cochlear®

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.



Cochlear®

Mr Paul Bell – Director



Hear now. And always.



Cochlear®

Mr Donal O'Dwyer – Director



Hear now. And always



Cochlear®

Mr Andy Denver – Director



Hear now. And always



Cochlear®

Cochlear
30
years of
changing
lives



Hear now. And always. Cochlear®

Cochlear
30
years of
changing
lives

Chairman's Address
Rick Holliday-Smith



Hear now. And always. Cochlear®



**CEO's Address
Chris Roberts**



The Journey Continues...



Cochlear Overview



- Cochlear Limited (ASX:COH) is the global leader in implantable devices (e.g. cochlear implants) for the hearing impaired
- ~ 2,500 employees
- Direct operations in 20+ countries, and products sold in 100+ countries
- Fundamentals of the business remain positive
 - Large unmet clinical need
 - Excellent clinical outcomes
 - Established reimbursement
 - Strong competitive position
 - Opportunities for sustainable growth



Hear now. And always.



Cochlear®

F12: A Review



- Unimplanted CI500 series implants recalled Sep 2011 with significant financial expense (\$138.8 million pre-tax provision)

However

- Implant component of Nucleus cochlear implant system immediately switched to functionally equivalent CI24RE implant
- Market share loss minimal
- Concomitant investment in growth initiatives
- Positioned for growth in F13 and beyond



Hear now. And always.



Cochlear: Financial Results for F12



	F12 \$m	F11 \$m	% Change
Cochlear Implant Sales	626.7	648.0	↓3 %
Bone Anchored Solutions (Baha) Sales	77.9	84.2	↓7 %
FX Contracts Gains	74.4	77.4	↓4 %
Total Revenue	779.0	809.6	↓4 %
EBIT *	215.3	242.7	↓11 %
Net profit after tax *	158.1	180.1	↓12 %
Product Recall Costs, net of tax	101.3	-	
Net profit attributable to members	56.8	180.1	↓68 %

* These items exclude product recall expenses of \$138.8 million before tax

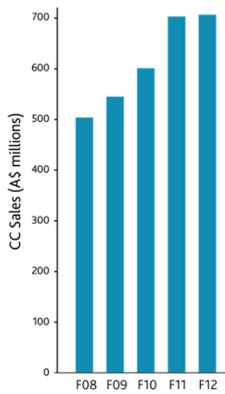
Hear now. And always.



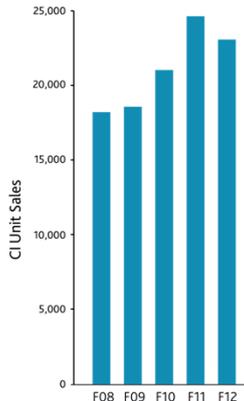
Cochlear F12



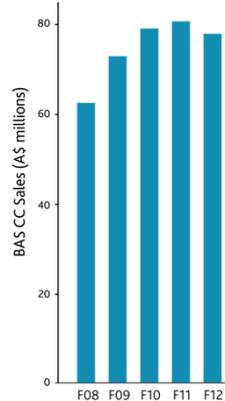
Sales
\$704.6 million
 Up 1% in
 constant currency (CC)



CI Unit Sales
23,087 units
 Down 6%



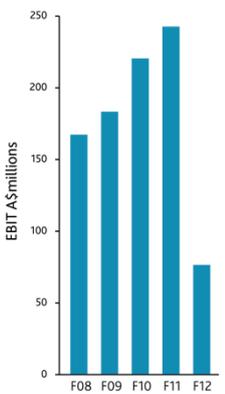
BAS Sales
\$77.9 million
 Down 4% in
 constant currency (CC)



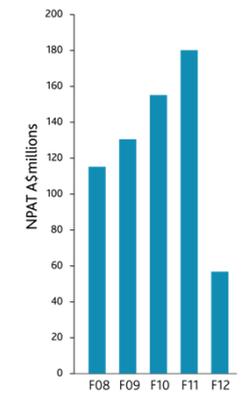
Cochlear F12



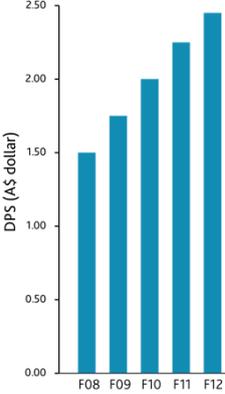
**Earnings Before Interest
 & Tax (EBIT)**
\$76.5 million
 Down 68%



**Net Profit After Tax
 (NPAT)**
\$56.8 million
 Down 68%



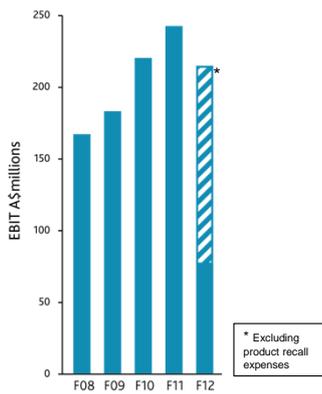
**Dividends Per Share
 (DPS)**
\$2.45
 Up 9%



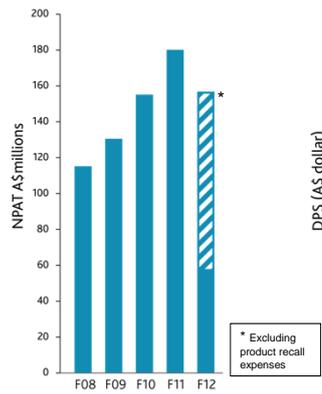
Cochlear F12



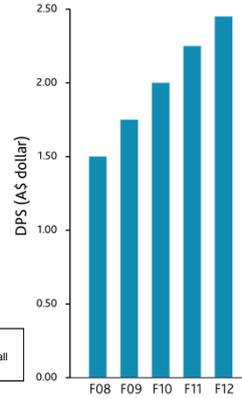
Earnings Before Interest & Tax (EBIT)
\$76.5 million
Down 68%



Net Profit After Tax (NPAT)
\$56.8 million
Down 68%



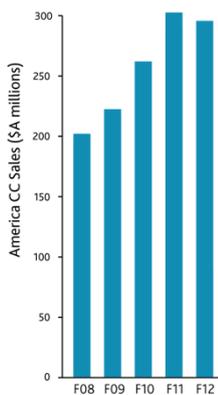
Dividends Per Share (DPS)
\$2.45
Up 9%



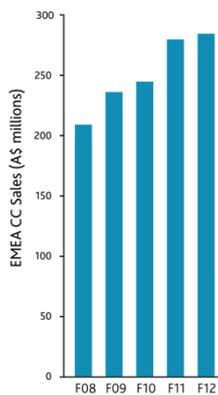
Regional Sales in Constant Currency (CC)



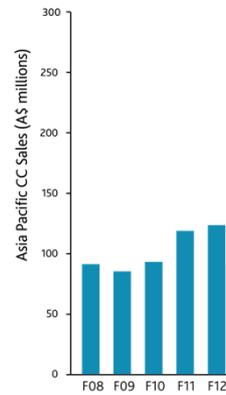
Cochlear Americas
Sales of \$297.0 million
Down 2% in constant currency



Cochlear EMEA
Sales of \$284.7 million
Up 2% in constant currency



Cochlear Asia Pacific
Sales of \$122.9 million
Up 4% in constant currency



Product Innovation



Nucleus CI422 Implant



**Nucleus 5
Sound Processor**



**Baha BIA400
Hydroxyapatite coating**



**CR120 Intraoperative
Remote Assistant**

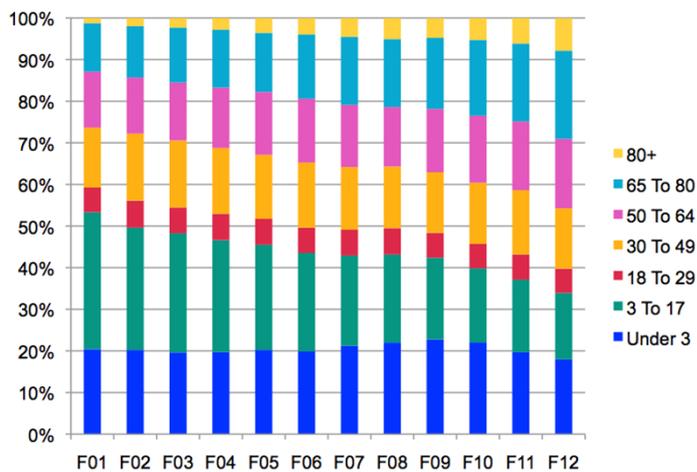


Remote Assistant Fitting



Codacs

Age Demographics of New Cochlear Implant Recipients in Developed Countries



Hear now. And always.



Cochlear®

Active and Healthy Ageing



Use it or lose it

- Maintaining hearing is integral to healthy ageing
- Hearing loss is an independent risk factor for cognitive decline
- In developed markets, cochlear implantation in the over 65s is the fastest growing demographic



Hear now. And always

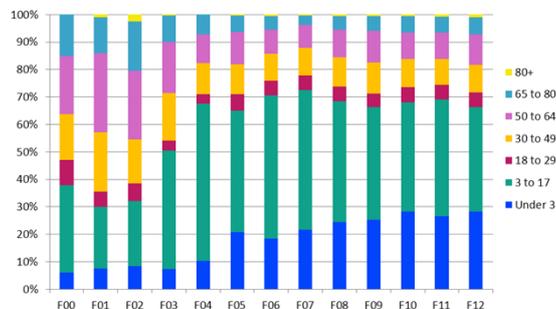


Bilateral Implants



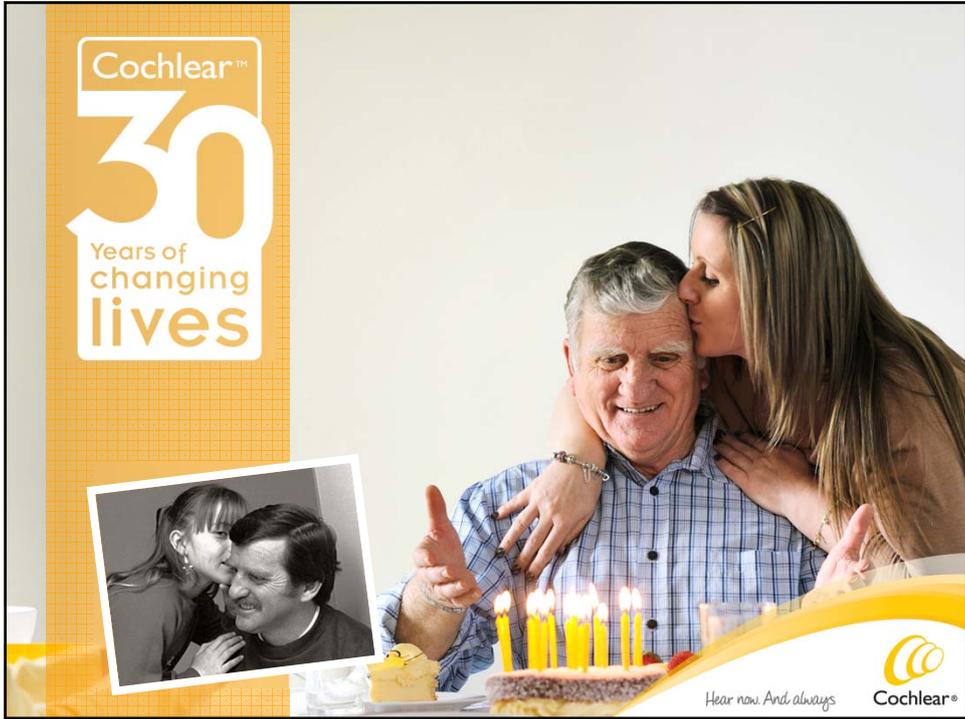
- Significant benefits of binaural input
- Continued acceptance, particularly in developed countries, of bilateral cochlear implantation (~ 25% of surgeries)

AGE DEMOGRAPHICS OF BILATERAL SURGERIES



Hear now. And always





Cochlear Limited 2012 Annual General Meeting



Business of the Meeting

Hear now. And always.



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 2012 and to consider and if thought fit, to pass the following resolution:

- 1.1 "THAT the Company's Financial Report, Directors' Report and Auditor's Report in respect of the financial year ended 30 June 2012 be received."

Hear now. And always.



Resolution No. 1



Financial and Other Reports

Proxy Summary

• Total number of proxy and direct votes cast	34,950,570	100.00%
• Votes in favour of the resolution	34,522,558	98.78%
• Votes to be cast at the discretion of the proxy	402,498	1.15%
• Votes against the resolution	25,514	0.07%
• Votes directed to abstain from voting	177,714	

Hear now. And always



Cochlear®

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"

Hear now. And always



Cochlear®

Resolution No. 2



Remuneration Report

Proxy Summary

• Total number of proxy and direct votes cast	34,895,367	100.00%
• Votes in favour of the resolution	23,992,104	68.75%
• Votes to be cast at the discretion of the proxy	339,898	0.98%
• Votes against the resolution	10,563,365	30.27%
• Votes undirected with no Chairman's voting instruction	57,792	
• Votes directed to abstain from voting	174,125	

Hear now. And always



Resolution No. 3



Re-election and election of directors

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

Hear now. And always



Resolution No. 3.1



Re-election of directors

3.1 “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.”



Hear now. And always



Resolution No. 3.1



Re-election of directors – Prof Edward Byrne AO

Proxy Summary

• Total number of proxy and direct votes cast	35,086,528	100.00%
• Votes in favour of the resolution	34,565,241	98.51%
• Votes to be cast at the discretion of the proxy	402,573	1.15%
• Votes against the resolution	118,714	0.34%
• Votes directed to abstain from voting	43,614	

Hear now. And always



Resolution No. 3



Re-election and election of directors

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

Hear now. And always



Resolution No. 3.2



Re-election of directors

3.1 "THAT Mr Andrew Denver, 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. 3.2



Re-election of directors – Mr Andrew Denver

Proxy Summary

• Total number of proxy and direct votes cast	35,081,823	100.00%
• Votes in favour of the resolution	34,316,999	97.82%
• Votes to be cast at the discretion of the proxy	403,940	1.15%
• Votes against the resolution	360,884	1.03%
• Votes directed to abstain from voting	46,319	

Hear now. And always



Cochlear®

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 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.”

Hear now. And always



Cochlear®

Resolution No. 4



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	34,792,546	100.00%
• Votes in favour of the resolution	23,337,007	67.07%
• Votes to be cast at the discretion of the proxy (Open Usable and Open Conditional)	340,765	0.98%
• Votes against the resolution	11,114,774	31.95%
• Votes undirected with no Chairman's voting instruction	55,726	
• Votes directed to abstain from voting	284,012	

Hear now. And always



Resolution No. 5



Renewal of Proportional Takeover Provisions

To consider and, if thought fit, to pass the following resolution as a special resolution:

- 5.1 “THAT the Company renew the Proportional Takeover Provisions contained in Article 7.7 and Schedule 1 of the Company’s Constitution for a period of three (3) years from and including the date of this resolution.”

Hear now. And always



Resolution No. 5



Renewal of Proportional Takeover Provisions

Proxy Summary

• Total number of proxy and direct votes cast	35,070,131	100.00%
• Votes in favour of the resolution	33,384,762	95.19%
• Votes to be cast at the discretion of the proxy	406,042	1.16%
• Votes against the resolution	1,279,327	3.65%
• Votes directed to abstain from voting	61,153	

Hear now. And always



Collection of Poll Cards



Please complete and submit your poll card

Hear now. And always



Cochlear
30
Years of
changing
lives



Hear now. And always. Cochlear®

Cochlear
30
Years of
changing
lives

Close of Meeting



Hear now. And always. Cochlear®



Hear now. And always

Hear now. And always



Cochlear®