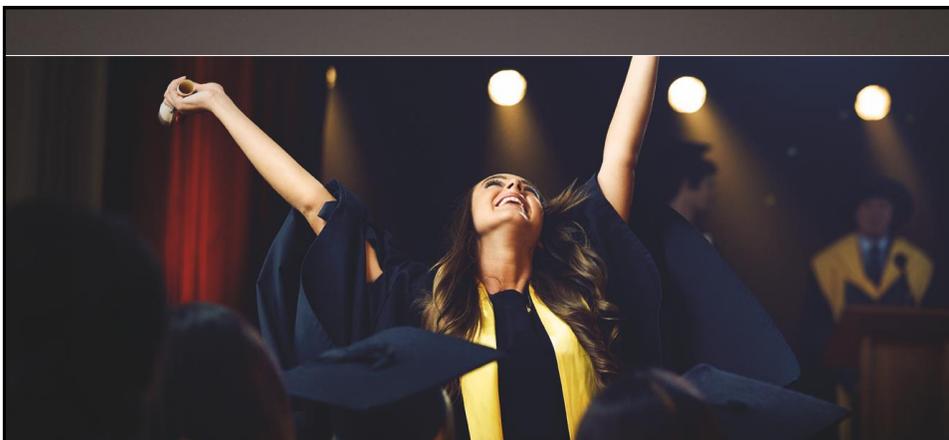


Cochlear Limited
2017 Annual General Meeting

17 October 2017

Hear now. And always



Cochlear Limited
2017 Annual General Meeting

Rick Holliday-Smith Chairman

Hear now. And always



Cochlear Board of directors





Rick Holliday-Smith
Chairman



Chris Smith
Chief Executive Officer



Prof Ed Byrne, AC
Director



Yasmin Allen
Director



Glen Boreham, AM
Director



Alison Deans
Director



Donal O'Dwyer
Director



Andy Denver
Director

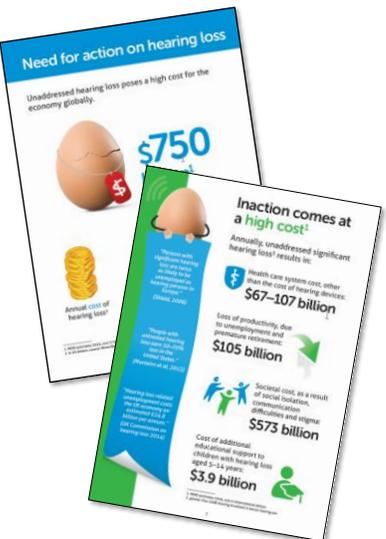


Prof Bruce Robinson, AM
Director

3

Cochlear implants recognised as a cost effective intervention by the WHO in 2017





World Health Organisation (WHO) report¹ released in March 17...

- estimates the global cost of untreated hearing loss at \$750bn pa
- recognises cochlear implants as a cost-effective intervention
- highlights interventions to address hearing loss which lowers costs related to depression and cognitive decline

1. World Health organisation report - 'Global costs of unaddressed hearing loss and cost-effectiveness of interventions'

4

Importance of hearing health as we age



- Higher incidence of hearing loss in seniors (over 65s)
- Growing understanding of the link between high levels of hearing loss and social isolation, depression and cognitive decline
- Increasing our investment in research, health economics and collaborative partnerships to better confirm and communicate the impacts
- Building stronger awareness and access for those affected



Retirement of Chris Smith

Chris has overseen a period of substantial growth and strong performance for Cochlear with the Company exceeding \$1bn in annual sales revenue during his time as CEO & President. With his leadership team, Chris has focused the strategic priorities on the customer with growth initiatives established for a sustainable future.





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Chris Smith Chief Executive Officer

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FY17 – Result highlights



Strong momentum across the business

- CC sales revenue \uparrow 12% with strong H2 momentum, \uparrow 15% in CC
- CC Services revenue \uparrow 10% and CC Acoustics revenue \uparrow 26%
- Cochlear implant units \uparrow 8% (14% excl China tender) with developed markets up 12%

Market leadership position strengthened

- New products broadening the portfolio and driving share gains – Kanso, CI532, Baha 5
- Ongoing investment in DTC and sales force expansion driving market growth

Strong financial position

- Net profit \uparrow 18% to \$224m
- Solid operating leverage
- Operating cash flow up 40% supports increased dividend and funding of acquisitions with minimal change to net debt

CC = constant currency

8

Cochlear's executive operating committee





Chris Smith
Chief Executive Officer



Dig Howitt
President



Brent Cubis
Chief Financial Officer



Tony Manna
President, North America



Richard Brook
President, European Region



● Global Headquarters
● Regional Office



Anthony Bishop
President, Asia Pacific Region



Jan Janssen
Chief Technology Officer



Dean Phizacklea
Senior Vice President,
Global Marketing



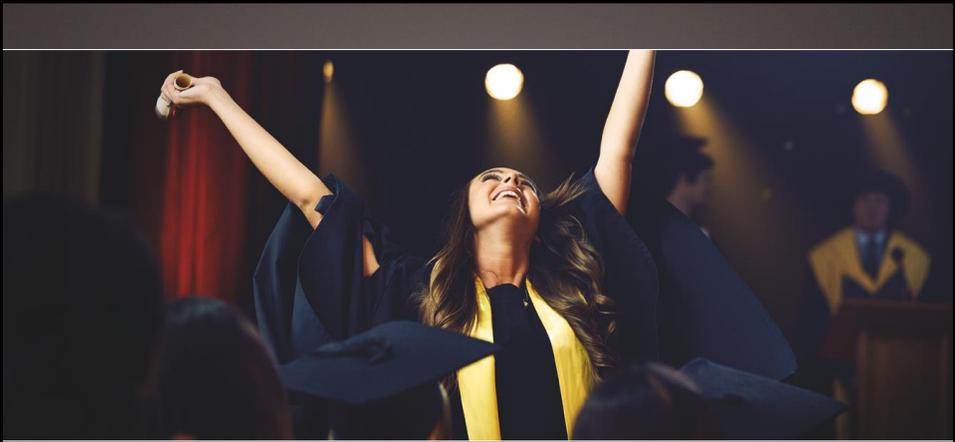
Stu Sayers
President, Services



David Cade
Chief Medical Officer



Katharine McLennan
Senior Vice President,
People & Culture



Cochlear Limited 2017 Annual General Meeting

Dig Howitt President

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Hearing loss market opportunity



360,000,000

Over 5% of the world's population - 360 million people - has disabling hearing* loss (328 million adults and 32 million children).¹



1 in 3

Nearly 1 out of every 3 people over the age of 65 are affected by hearing loss. It affects communication and can contribute to social isolation, anxiety, depression and cognitive decline.²



37,000,000

people who could benefit from a cochlear implant to treat severe to profound hearing loss.^{3,4}



<5%

Market penetration.⁵

Our Mission



We help people hear and be heard.

We **empower** people to connect with others and live a full life.

We **transform** the way people understand and treat hearing loss.

We **innovate** and bring to market a range of implantable hearing solutions that deliver a lifetime of hearing outcomes.



Strategic platforms

Cochlear aims to make implantable hearing solutions the **standard of care**



Key priorities



Demand generation – turning clinical need into demand

- **Build consumer awareness** – building greater awareness of cochlear implants and the importance of healthy hearing as we age
- **Drive market access** – expansion of reimbursement and indications for cochlear implantation

Technology leadership

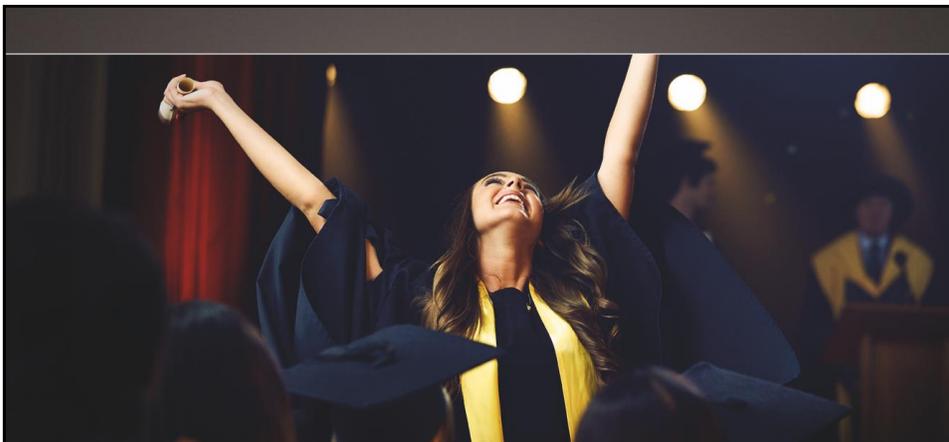
- Invest to strengthen our technology leadership position
- Expansion of research and trials to build clinical evidence

Build the Services platform

- Provide a world class customer experience with increased connectivity and engagement with customers

Emerging markets leadership

- Long term growth potential as wealth increases



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Jan Janssen Chief Technology Officer

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Nucleus® 7 Sound Processor



Made for iPhone allows users to stream sound directly to their sound processor, offering greater accessibility, connectivity and wireless solutions



25% smaller, 24% lighter and up to 50% longer battery life

Made for  iPod  iPhone  iPad

Nucleus 7 Smart App

Control Hearing tracker Find My Processor





 **Bluetooth**
SMART

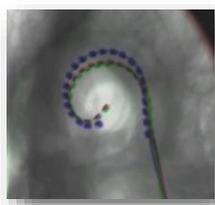
16

Nucleus Profile with Slim Modiolar electrode array – CI532



- **Thinnest perimodiolar array**
 - 60% less volume compared to CA
 - Protecting the fine structures (atraumatic design)
- **Consistent Perimodiolar positioning**
 - Consistent positioning close to the modiolus
 - **Closest to the nerve** to optimise hearing outcomes
- **Ease of insertion**
 - Improved surgical handling
 - Consistent surgical use
 - Confidence in surgical outcomes





■ 1st insertion Slim Modiolar
■ 2nd insertion CA
■ 3rd insertion reloaded Slim Modiolar

17

KANSO™

A smart, simple, discreet off-the-ear sound processor with the proven technology of Nucleus® 6





 Hear now. And always.

Cochlear™ Baha® 5 System

Small. Smart. Powerful.

Baha 5 sound processors share the same unique technology building blocks to deliver a smart and seamless hearing experience to all patients.

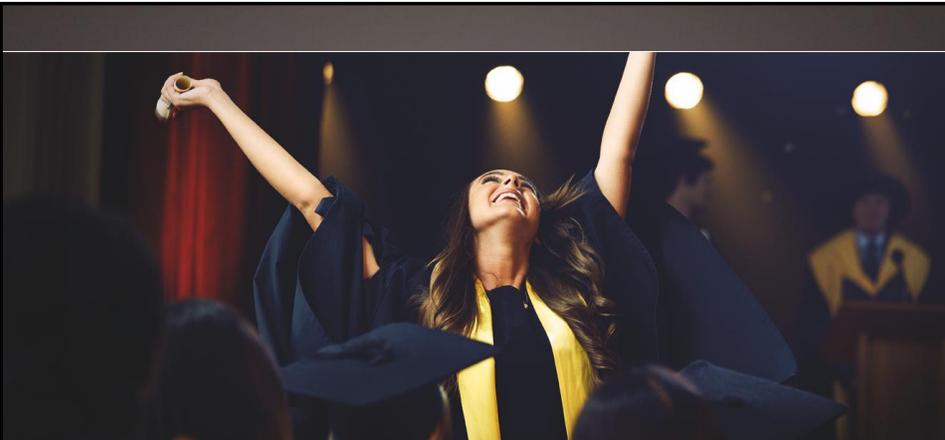


NEW
Baha® 5 Power

NEW
Baha® 5 SuperPower

Baha® 5 Sound Processor

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Rick Holliday-Smith Chairman

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Resolution 1.1



Financial and other reports

To receive and consider the Company's Financial Report, the Directors' Report and the Auditor's Report in respect of the financial year ended 30 June 2017 and to consider and, if thought fit, to pass the following resolution:

- 1.1 "THAT the Company's Financial Report, the Directors' Report and the Auditor's Report in respect of the financial year ended 30 June 2017 be received."

21

Resolution 1.1



Financial and other reports

Proxies have been received in respect of this resolution as follows:

| | No. of shares | % |
|------------|---------------|-------|
| For | 37,499,407 | 99.1% |
| Undirected | 274,428 | 0.7% |
| Against | 82,560 | 0.2% |

22

Resolution 2.1



Remuneration Report

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

2.1 "THAT the Company's Remuneration Report in respect of the financial year ended 30 June 2017 be adopted."

23

Resolution 2.1



Remuneration Report

Proxies have been received in respect of this resolution as follows:

| | No. of shares | % |
|------------|---------------|-------|
| For | 38,739,838 | 97.8% |
| Undirected | 274,666 | 0.7% |
| Against | 586,198 | 1.5% |

24

Resolution 3.1



Re-election of directors – Andrew Denver

3.1 “THAT Mr Andrew Denver, being a director who is retiring 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.”



25

Resolution 3.1



Re-election of directors – Andrew Denver

Proxies have been received in respect of this resolution as follows:

| | No. of shares | % |
|------------|---------------|-------|
| For | 38,705,084 | 97.4% |
| Undirected | 273,393 | 0.7% |
| Against | 777,632 | 1.9% |

26

Resolution 3.2



Re-election of directors – Rick Holliday-Smith

3.2 “THAT Mr Rick Holliday-Smith, being a director who is retiring 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.”



27

Resolution 3.2



Re-election of directors – Rick Holliday-Smith

Proxies have been received in respect of this resolution as follows:

| | No. of shares | % |
|------------|---------------|-------|
| For | 38,109,698 | 95.8% |
| Undirected | 273,393 | 0.7% |
| Against | 1,377,124 | 3.5% |

28

Resolution 3.3



Re-election of directors – Prof Bruce Robinson, AM

3.3 “THAT Prof Bruce Robinson, AM, being a director who is retiring in accordance with the Company’s Constitution (this being the first Annual General Meeting of the Company since his appointment by the directors) and who, being eligible, offers himself for re-election as a director of the Company, be re-elected as a director of the Company.”



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Resolution 3.3



Re-election of directors – Prof Bruce Robinson, AM

Proxies have been received in respect of this resolution as follows:

| | No. of shares | % |
|------------|---------------|-------|
| For | 39,074,033 | 98.2% |
| Undirected | 273,393 | 0.7% |
| Against | 419,632 | 1.1% |

30

Resolution 4.1



Approval of securities to be granted to the President under the Cochlear Executive Incentive Plan

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 Mr Dig Howitt, the Company's President, of options and performance rights under the Cochlear Executive Incentive Plan 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 transfer to Mr Howitt of existing shares upon the exercise of any options and/or performance rights granted to Mr Howitt pursuant to (a) above."

31

Resolution 4.1



Approval of securities to be granted to the President under the Cochlear Executive Incentive Plan

Proxies have been received in respect of this resolution as follows:

| | No. of shares | % |
|------------|---------------|-------|
| For | 39,031,668 | 98.2% |
| Undirected | 279,446 | 0.7% |
| Against | 421,223 | 1.1% |

32

Resolution 5.1



Approval 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 maximum sum available for remuneration of non-executive directors is increased by \$500,000 per financial year to \$3,000,000 per financial year.”

33

Resolution 5.1

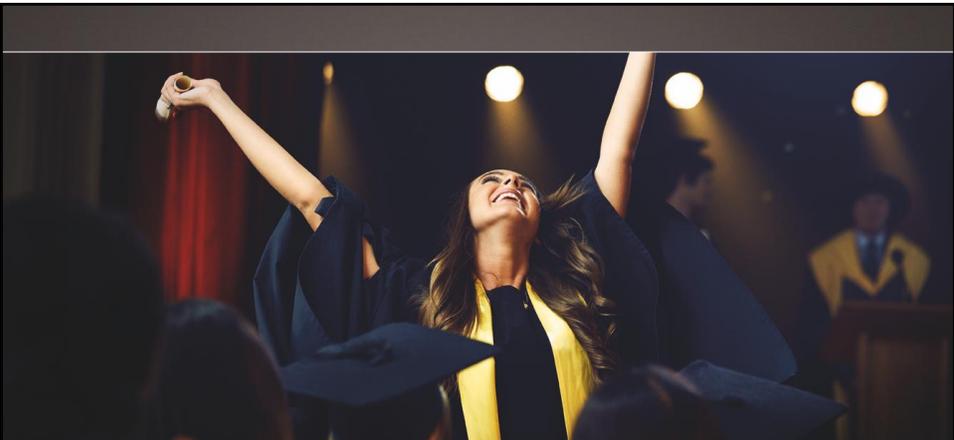


Approval to increase the maximum aggregate remuneration of non-executive directors

Proxies have been received in respect of this resolution as follows:

| | No. of shares | % |
|------------|---------------|-------|
| For | 39,070,650 | 98.4% |
| Undirected | 278,876 | 0.7% |
| Against | 370,128 | 0.9% |

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17 October 2017

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Notes



Forward looking statements
Cochlear advises that these presentation slides contain forward looking statements which may be subject to significant uncertainties outside of Cochlear's control. No representation is made as to the accuracy or reliability of forward looking statements or the assumptions on which they are based. Actual future events may vary from these forward looking statements and you are cautioned not to place undue reliance on any forward looking statement.

Non-IFRS financial measures
Given the significance of foreign exchange movements, the directors believe the presentation of the non-IFRS financial measure, constant currency, is useful for the users of this document as it reflects the underlying financial performance of the business. This non-IFRS financial measure has not been subject to review or audit. However, KPMG has separately undertaken a set of procedures to agree the non-IFRS financial measures disclosed to the books and records of the group.

Constant currency
Constant currency removes the impact of exchange rate movements to facilitate comparability of operational performance for Cochlear. This is done by converting the prior comparable period net profit of entities in the group that use currencies other than Australian dollars at the rates that were applicable to the current period (translation currency effect) and by adjusting for current year foreign currency gains and losses (foreign currency effect). The sum of translation currency effect and foreign currency effect is the amount by which reported EBIT and net profit is adjusted to calculate the result at constant currency.

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References



Hearing loss market opportunity slide

- * Disabling hearing loss refers to hearing loss greater than 40 decibels (dB) in the better hearing ear in adults and a hearing loss greater than 30 dB in the better hearing ear in children.
- 1. Who.int. WHO | Deafness and hearing loss [Internet]. 2015
- 2. Who.int. WHO | 10 facts on deafness [Internet]. 2015.
- 3. Hearing Loss Prevalence in the United States [Internet]. Lin, Niparko, Ferrucci [cited 26 April 2016].
- 4. The Severely to Profoundly Hearing-Impaired Population in the United States [Internet]. Blanchfield, Feldman, Dunbar, Gardner [cited 26 April 2016].
- 5. Market penetration - global estimate based on Cochlear sourced data.