

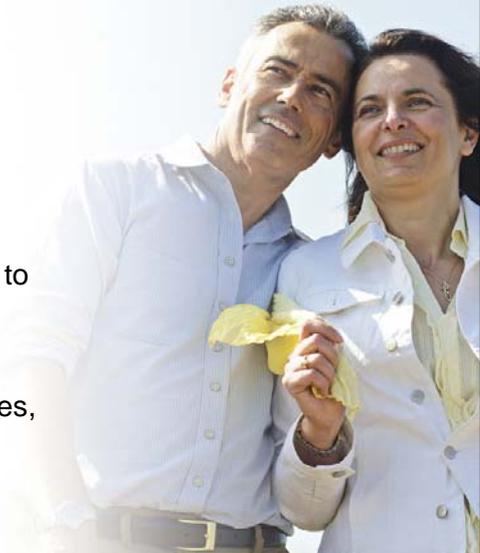


Cochlear Limited
 Results for full year ended 30 June 2015 (F15)
 Chris Roberts CEO
 Neville Mitchell CFO

Hear now. And always



Cochlear Overview

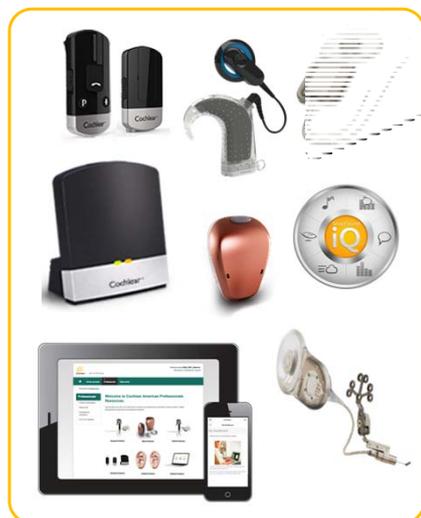



- Cochlear Limited (ASX:COH) is the global leader in implantable hearing devices, including:
 - Cochlear implants
 - Bone conduction implants
 - Acoustic implants
- There remains a large unmet clinical need for treating severe to profound hearing loss
- ~ 2,800 employees
- Direct operations in 20+ countries, and products sold in 100+ countries

F15 Overview



- Sales momentum continues, supported by expansion of online and other services complementing products such as:
 - True Wireless for Nucleus® 6
 - SmartSound® iQ pre-processing
 - Nucleus Profile implant with both Contour Advance® and Slim Straight electrodes
 - Nucleus Aqua+ water accessory
 - Baha® 5 Sound Processor
 - Baha 5 Smart App for iPhone
 - Codacs™ and Carina® implants



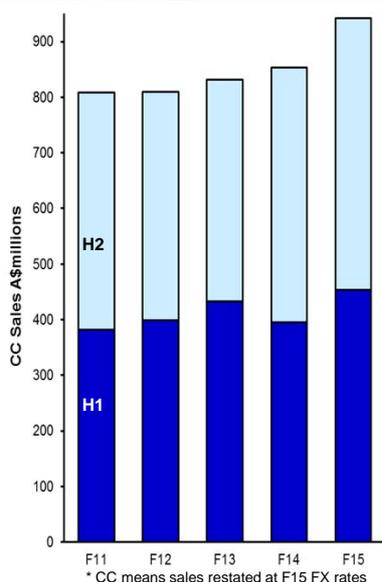
Cochlear: Financial results for F15



	F15 \$m	F14 \$m	% Change
Cochlear implant sales	826.8	720.8	↑15 %
Bone conduction/acoustic implant sales	115.1	100.1	↑15 %
Sales Revenue	941.9	820.9	↑15 %
FX Contracts (loss)	(16.3)	(16.0)	
Total Revenue	925.6	804.9	↑15 %
EBIT*	206.4	149.6*	↑38 %
Net profit after tax	145.8	93.7	↑56 %
EPS (cents per share)	256.1	164.6	↑56 %

*Excludes patent dispute provision of \$22.5m, \$15.8m net of tax in F14

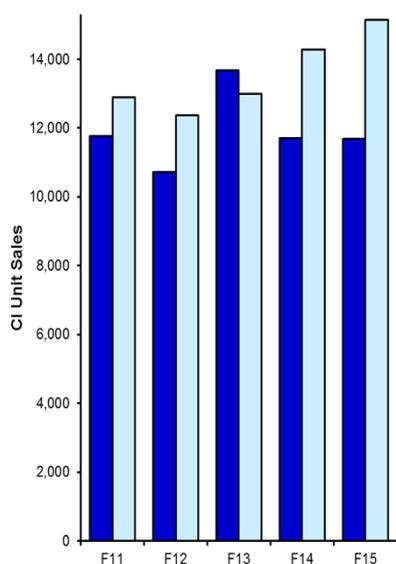
Cochlear: Sales in Constant Currency (CC) up 10%



- Record sales of \$941.9 million, up 15% and in constant currency (CC) (F14 restated at F15 FX rates) up 10%
- Sales momentum continues, H2 F15 sales \$501.4 million, (H1: \$440.5 million)
- Cochlear implant sound processor upgrade sales up 50% to \$162.1 million, and up 45% in CC



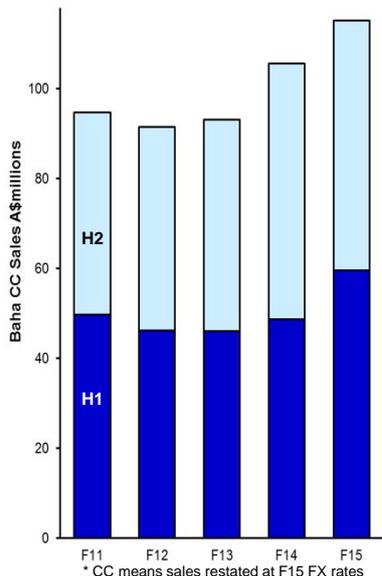
Cochlear: Cochlear Implant (CI) Unit Sales



- Record CI unit sales for F15 of 26,838, up 3%
- H2 F15 CI unit sales of 15,149, up 6% on H2 F14 and up 30% on H1
- Continued CI unit growth for F15 in USA (up 15%) and Western Europe (up 7%)
- June FDA approval for Nucleus Profile with Slim Straight electrode



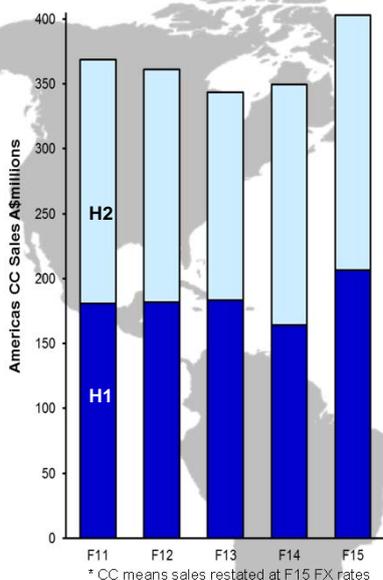
Cochlear: Sales of Bone Conduction / Acoustic Implants in Constant Currency (CC) up 9%



- F15 bone conduction/acoustic implant sales of \$115.1 million, up 15% (up 9% in CC)
- Baha 5 Sound Processor released in June quarter
- Baha Attract (transcutaneous) system ~35% of new Baha recipients
- Baha recipients now total 120,000+



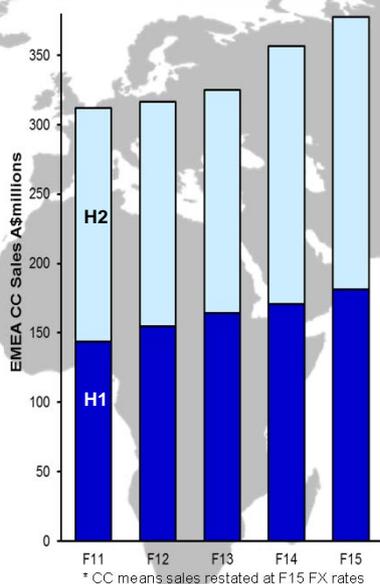
Cochlear Americas: F15 Sales in Constant Currency up 15%



- F15 Americas sales of \$403.0 million up 26% (up 15% in CC)
- Successful Hybrid roll-out
- FDA regulatory approvals in F15 included SmartSound iQ and True Wireless for Nucleus 6, Nucleus Profile with both Contour Advance electrode and Slim Straight electrode (the latter released July 2015) and Baha 5



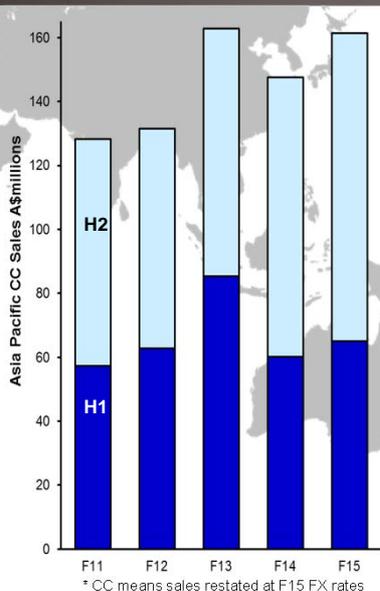
Cochlear EMEA: F15 Sales in Constant Currency up 6%



- F15 EMEA sales of \$377.6 million, up 5% (up 6% in CC)
- Growth biased to Western Europe with sales up 11% in CC
- True Wireless for Nucleus 6, Aqua+, Baha 5 launched in H2 F15
- Nucleus Profile with both Contour Advance and Slim Straight electrodes available in EMEA

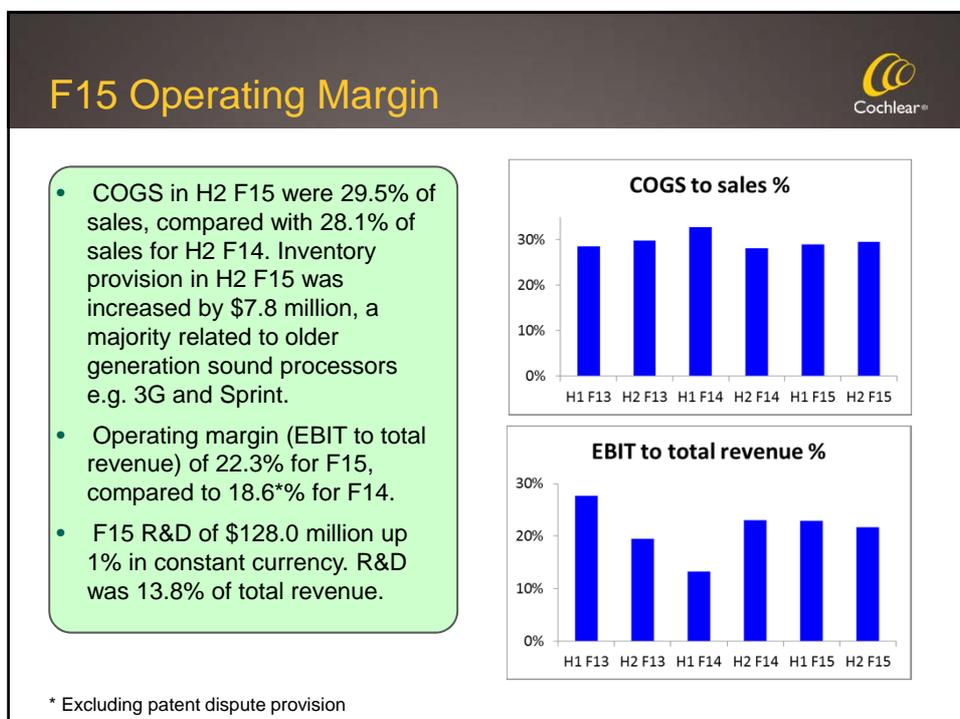
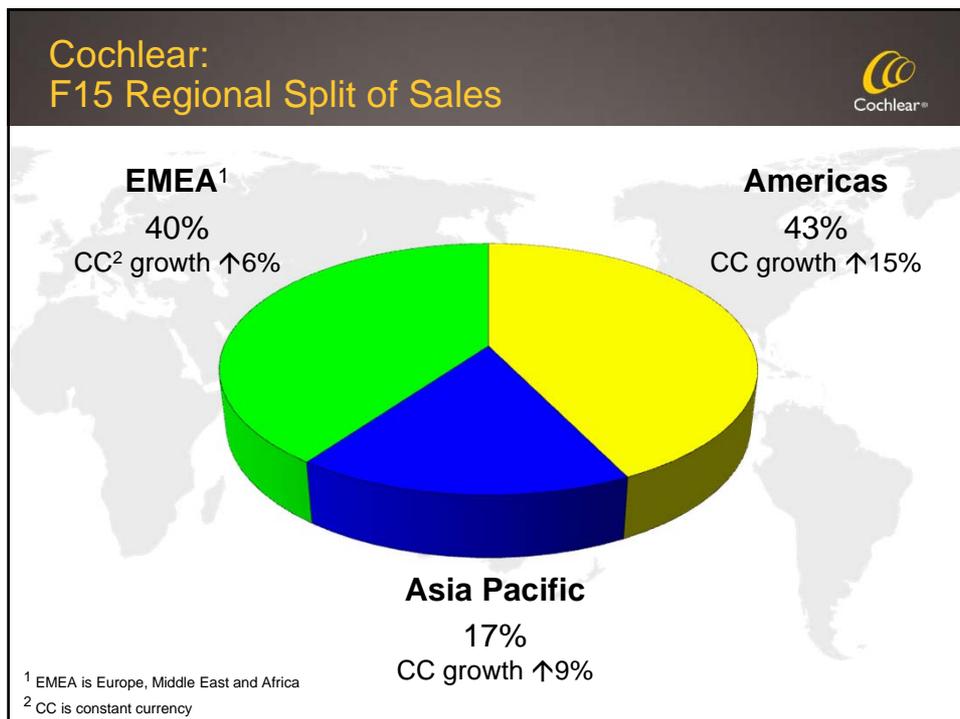


Cochlear Asia Pacific: F15 Sales in Constant Currency up 9%



- F15 Asia Pacific sales \$161.3 million up 14% (up 9% in CC)
- New leadership team during F15
- China Central Government tender supply of ~1,900 CI units in H2 F15, comparable to H2 F14
- China Central Government tender signed for delivery to China of ~2,000 CI units in H1 F16





Nucleus Cochlear Implants



- Cochlear Nucleus CI24RE (Freedom)
 - Available with either Contour Advance or Slim Straight electrode
 - 11 year reliability data (99.1% CSR)
- Cochlear Nucleus Profile
 - This mechanical form factor is thinnest at 3.9mm
 - Available with either Contour Advance or Slim Straight electrode in key markets like Europe and USA
- Cochlear Nucleus Profile with Slim Modiolar Electrode
 - First implantations (H2 F15) of Nucleus Profile with Slim Modiolar electrode



Nucleus 6 with True Wireless



- SmartSound® iQ
- Industry's smallest processor
- Waterproof with Aqua+ accessory
- Data logging
- Hybrid hearing
- True wireless



Baha 5 System





2.4 GHz Wireless



smart App Portfolio



new Fitting Software



new Baha 5 Sound Processor

Made for iPhone Bluetooth



new Baha Softband



new SP Magnet with Colour covers



new 14 mm DermaLock Abutment



stable BI300 Implant

UPGRADE PATH TRANSITION PATH

F15 Overview



- Continuing sales momentum from new products and services
- Record sales of \$941.9 million, up 15% (10% in CC)
- F15 NPAT of \$145.8 million, up 56% (up 33% excluding patent dispute provision in prior year)
- Positive response to True Wireless capability
- Nucleus 6 for N22 implant recipients in F16 – completes the Nucleus 6 suite
- CEO succession with Chris Smith commencing 1 September 2015





Neville Mitchell CFO
Results for the full year ended 30 June 2015

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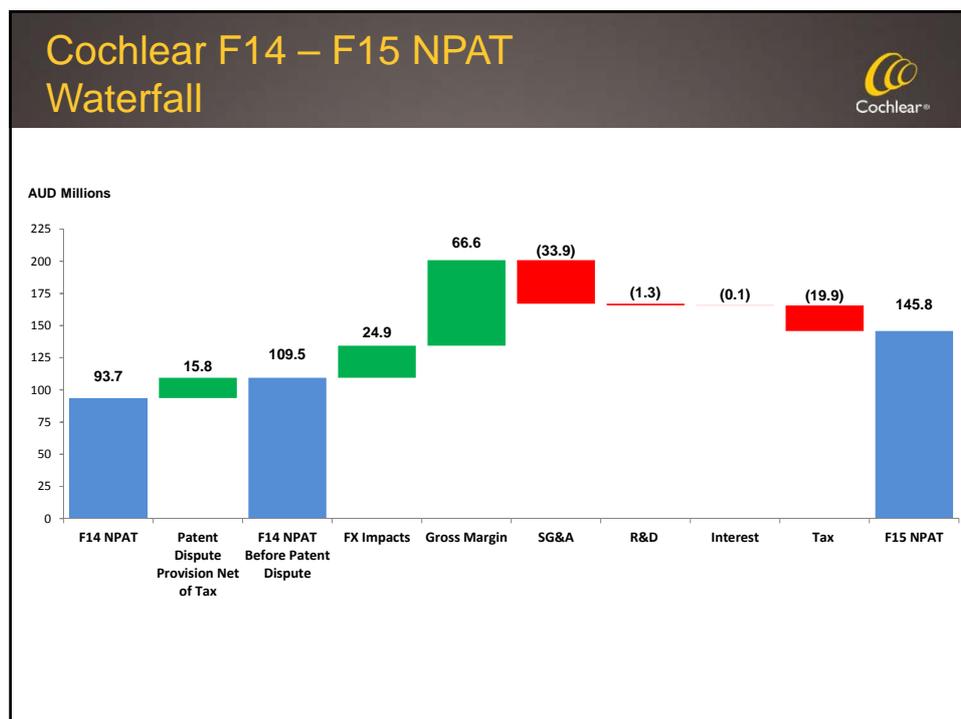
Cochlear F15 Financial Performance



	F15 \$m	F14 \$m	% Change
Sales Revenue	941.9	820.9	↑ 15%
FX Contracts (loss)	(16.3)	(16.0)	
Total Revenue	925.6	804.9	↑ 15%
EBIT *	206.4	149.6*	↑ 38%
Net Profit after Tax*	145.8	109.5*	↑ 33%
Net profit attributable to members	145.8	93.7	↑ 56%
Dividends			
Full Year Dividend	190.0c	254.0c	↓ 25%
Final Year Dividend	100.0c	127.0c	↓ 21%
Final Dividend Franking %	100%	20%	
Final Dividend Conduit Foreign Income %	0%	80%	

Final dividend record date 10th September 2015, payable 1st October 2015

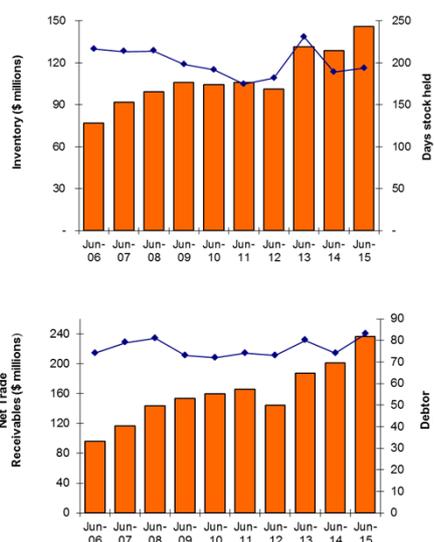
* These items exclude patent dispute provision of \$22.5 million before tax, \$15.8 million after tax for F14.



Impact of Changing FX Rates on F15 NPAT

	A\$m	
Income Statement Translation Impact		
Sales Revenue	32.7	} Difference F15 actual vs F15 at F14 rates
Total Expenses including tax	(11.8)	
	20.9	
Transaction Impact		
- Increase from F14 of FX loss on hedged sales	(0.3)	← Net difference actuals F15 vs F14
Translation Impact		
- Increase over F14 of FX gain on asset translation	4.3	← Net difference actuals F15 vs F14
	24.9	
Positive impact on F15 NPAT of changing FX rates		

Cochlear F15 Working Capital



- F15 inventory days increased to 193 (189 days in June F14)
- Debtor days 83 (74 days in June F14)
- Trade receivables at \$236.7 million (\$201.3 million in June F14)

Cochlear F15 (Debt) / Cash



	30 June 2015	30 June 2014
	\$m	\$m
Loans and Borrowings		
Current	(168.1)	(3.1)
Non-current	(44.6)	(234.3)
Total Debt	(212.7)	(237.4)
Cash	72.2	56.1
Net Debt	(140.5)	(181.3)
Total Loan Facilities	350.0	350.0
Unused Portion of Debt Facilities	135.0	110.0

F15 Summary and Outlook



- Continuing sales momentum from new products and services
- Record sales of \$941.9 million, up 15% (10% in CC)
- F15 NPAT of \$145.8 million, up 56% (up 33% excluding patent dispute provision in prior year)
- Positive response to True Wireless capability
- F16 NPAT guidance \$165 - 175 million at FX rates of ~USD/AUD 75c



Thank you
Any questions?

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FX Contract Cover and Rates as at 30 June 2015



Total FX hedges at 30 June 2015 expressed in Foreign Currency (millions)	USD	EUR	JPY	Total
	238.0	175.0	1,530.0	
<hr/>				
FX Hedges at 30 June 2015 Expressed in AUD millions	283.4	262.7	17.2	563.3
% of total cover (in AUD)	50%	47%	3%	100%
<hr/>				
3 yr weighted average rates FX contracts at 30 June 2015	0.84	0.67	89.17	
FX contracts at 30 June 2014	0.91	0.68	87.27	
<hr/>				
F16 weighted average rates FX contracts at 30 June 2015	0.87	0.67	90.03	
Cover for F16 (in AUD millions)	164.5	151.1	10.3	325.9

Foreign Exchange



Rates applied F15 vs F14	F15	F14	% Change
<hr/>			
Average rates (used for translating P&L)			
USD	0.84	0.92	↓ 9%
Euro	0.70	0.68	↑ 3%
JPY	95.7	92.9	↑ 3%
GBP	0.53	0.57	↓ 7%
Contract rates (used to bring FX to Aust)			
USD	0.91	0.96	↓ 5%
Euro	0.69	0.71	↓ 3%
JPY	88.8	83.6	↑ 6%

Foreign Exchange: Period End Rates



	30 June 2015	30 June 2014	% change
Period end rates (used for translating Bal Sheet)			
USD	0.77	0.94	↓ 18%
Euro	0.69	0.69	-
JPY	95.0	95.5	↓ 1%
GBP	0.49	0.55	↓ 11%

Property, Plant & Equipment & Leasehold Improvements



	30 June 2015 \$m
Gross value 30 June 2015	226.0
Accumulated depreciation	(145.2)
Net book value at 30 June 2015	80.8
F15 movements	
Additions	23.9
Depreciation	(19.9)
Disposals	(0.6)
FX Impacts	1.6

Corporate & Other Net Expenses



	F15	F14
	\$m	\$m
Corporate Research and Development	127.0	126.2
Corporate Administration & Marketing	79.3	67.6
Corporate Other Income	(3.5)	(2.7)
FX (gains)/losses	(1.2)	3.1
Corporate and other net expense (note 2.1)	201.6	194.2

Non-IFRS Financial Measures



Non-IFRS financial measures

Given the significance of the patent dispute and FX movements the directors believe the presentation of non-IFRS financial measures is useful for the users of this document as they reflect the underlying financial performance of the business.

The non-IFRS financial measures included in this document have been calculated on the following basis:

- Excluding patent dispute provision: IFRS measures adjusted for the expense of the patent dispute provision
- Constant currency: restatement of IFRS financial measures in comparative years using F15 FX rates

The above non-IFRS financial measures have not been subject to review or audit. However, KPMG have separately undertaken a set of procedures to agree the non-IFRS financial measures disclosed to the books and records of the consolidated entity.



Cochlear®

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