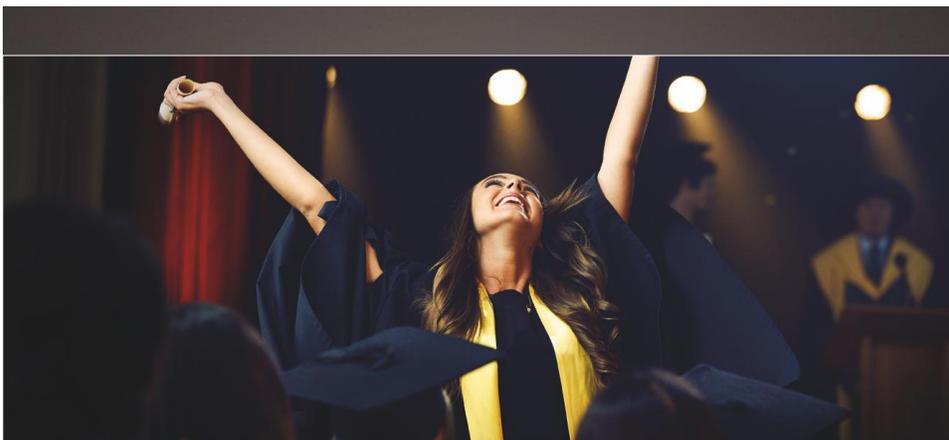


Cochlear Limited
2016 Annual General Meeting

18th October 2016

Hear now. And always



Cochlear Limited
2016 Annual General Meeting

Rick Holliday-Smith Chairman

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Rick Holliday-Smith
Chairman



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Neville Mitchell
Company Secretary



4

Chris Smith
Chief Executive Officer & President



5

Professor Ed Byrne, AC
Director



6

Yasmin Allen
Director



7

Glen Boreham AM
Director



8

Alison Deans
Director



9

Donal O'Dwyer
Director

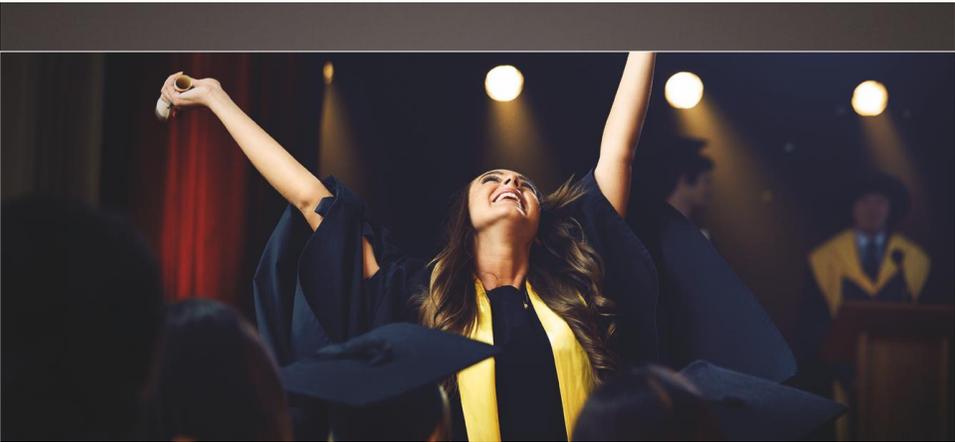


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Andy Denver
Director



11



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FY16 – Result highlights



Sales revenue **↑ 23% (12% in CC) to \$1.2 billion**

- Growth across developed and emerging markets
- Cochlear implant unit growth **↑ 12%** and CI sales revenue **↑ 21%** (10% in CC)
- Services sales revenue **↑ 30%** (20% in CC)
- Acoustics sales revenue **↑ 21%** (9% in CC)

New products broadening the portfolio

- 5 new products across all product categories

Increased investment in market growth initiatives and R&D driving demand

- Focus on market growth, share and expanded indications
- Direct-to-consumer marketing and sales force expansion supporting current and future growth

Strong financial position

- Net profit **↑ 30%** to \$189m
- Strong cash flow generation supports dividends **↑ 21%**

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FY17 outlook



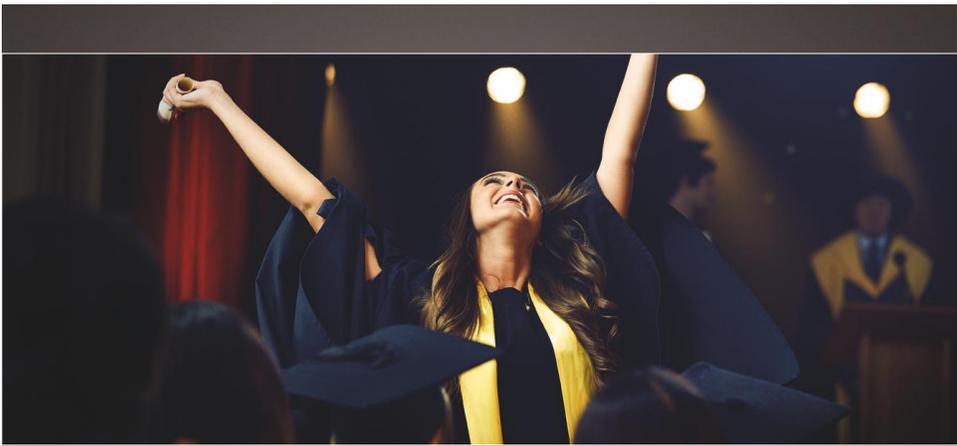
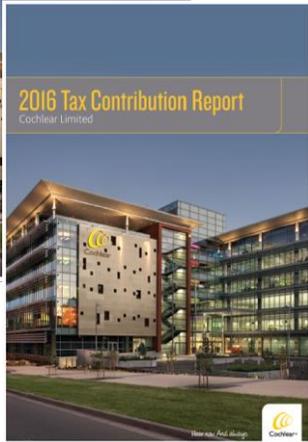
FY17 net profit guidance range **\$210-225m, up ~10-20% on FY16**

Key considerations

- Continued momentum of Nucleus 6 and Kanso sound processors
- Chinese Government tender units similar to FY16 levels
- Europe, no immediate Brexit impact – alert to potential uncertainty
- Expect FY17 R&D expenditure to be similar to FY16
- AUD/USD FX rate of 75c for FY17 versus 73c in FY16
- Continue to target a 70% dividend payout ratio

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Shareholder reports



Cochlear Limited 2016 Annual General Meeting

Chris Smith Chief Executive Officer & President

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Neville Mitchell – Chief Financial Officer



26 year contribution to Cochlear’s global success

- Part of the team that floated Cochlear in 1995 with a marketcap of \$125m
- Key driver of the successful and consistent long-term growth strategy that has seen Cochlear grow to over \$8bn in marketcap today with over 3000 employees and a presence in over 100 countries



CEO’s executive operating committee




Chris Smith
Chief Executive Officer & President



Neville Mitchell
Chief Financial Officer and Company Secretary



Katharine McLennan
Senior Vice President People & Culture



Tony Manna
President, Americas Region



Richard Brook
President, EMEA & Africa Region



Anthony Bishop
President, Asia Pacific Region



Dig Howitt
Chief Operating Officer



Jan Janssen
Senior Vice President, Design and Development, Clinical and Regulatory



Stu Sayers
President, Services



Dean Phizacklea
Senior Vice President, Global Marketing



Rich Toselli
Chief Medical Officer



Grow the Core

This section highlights new products introduced to maintain market leadership. It features a large plant icon on the right and a list of products on the left. The Cochlear logo is in the top left corner.

- Introduced new products to continue market leadership

Kanso

Nucleus Slim Modiolar (CI532) electrode

Mini mic 2+

Cochlear Link

Baha 5 Power

Baha 5 SuperPower



Grow the Core

- Introduced new products to continue market leadership
- Expanded direct to consumer programs
- Expanded the sales force



Service Business

- Established Services as a separate business unit
- Appointed a President, Services
- Increased recipient engagement





Shape the Organisation



- Enhanced leadership capabilities
- Global alignment of enabling activities
- Established “One Cochlear” operating model

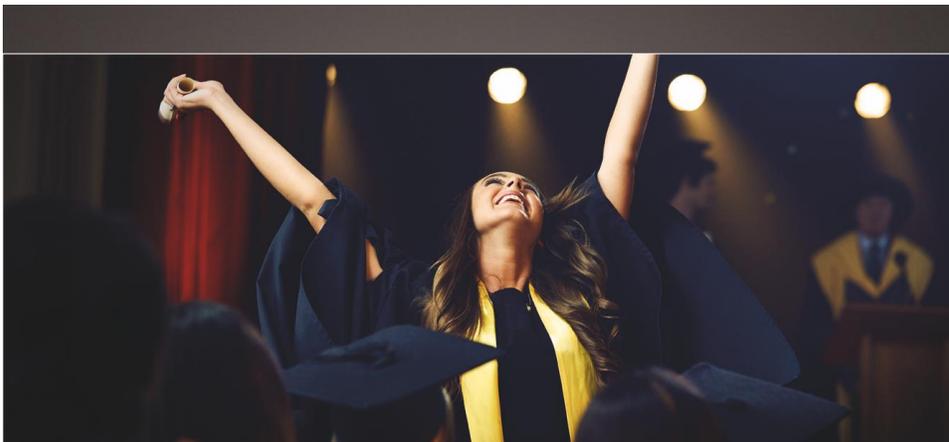


Value Creation



- Strengthened the Smart Hearing Alliance
- Established an innovation fund





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Jan Janssen Senior Vice President,
Design & Development

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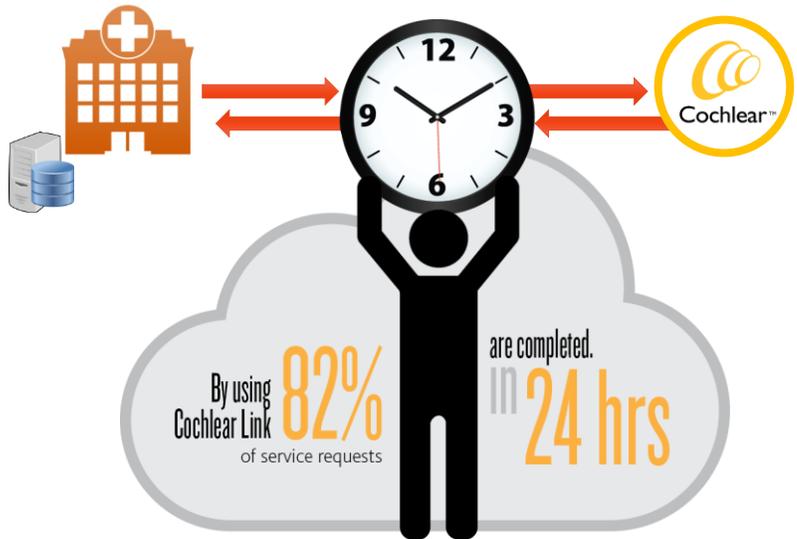


The Future is Wireless




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The Future is **Connected** – Cochlear Link 



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The Future is **Wireless** – also for Clinicians 



- CONVENIENT**
No equipment or PC setup required
- FAST**
No setup time and faster measures
- SIMPLE**
One button diagnostics for less training



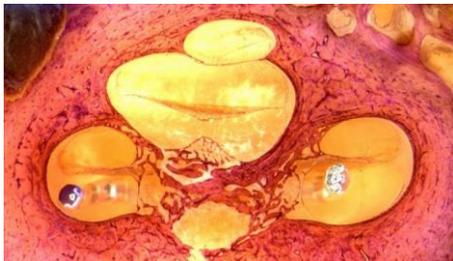
Portable **wireless** fast cochlear implant diagnostics

30

The Future preserves even more Residual Hearing



Nucleus Profile implant with Slim Straight electrode



Atraumatic electrode insertion (cochlea cross-section)

APSCI 2015
 17 Asia Pacific Symposium
 17-19 October 2015
 Perth, Australia

First human investigation of a combination device delivering a targeted drug therapy to cochlear implant recipients

R. J. Briggs^{1,3,4}, S. J. O'Leary^{1,3,4}, Birman, C. S⁵, C. Miller², K. Plant^{2,3}, J. Gavrilis³, F. Risp², C. Newbold^{2,3}, D. Strathopoulos^{2,3}, S. Chambers², A. Au¹, R. Cowan^{1,5}

Royal Victorian Eye and Ear Hospital, Melbourne, Australia; Flinders Medical Centre, Melbourne, Australia; Victorian Hearing and Cochlear Centre, Melbourne, Australia; University of Melbourne, Melbourne, Australia; Telethon Kids Institute, Perth, Australia; The James Cook University Hospital, Sunny, Australia

HEAR
 Cochlear



Research drug eluting electrode

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The Future is Binaural



Bilateral Cochlear Implants

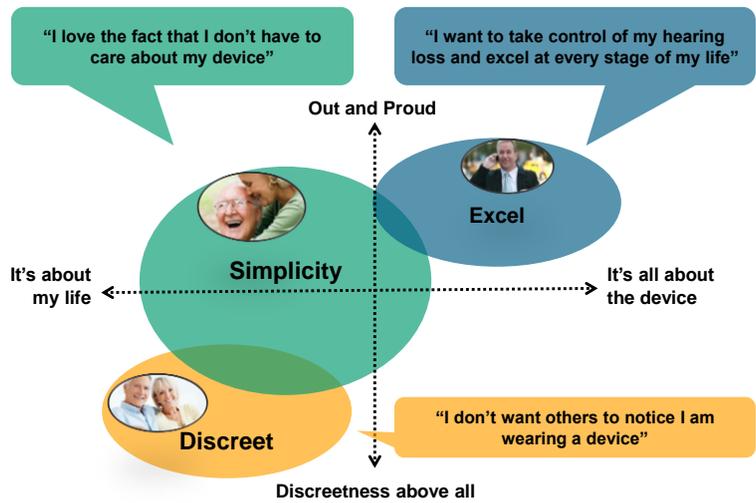


Bimodal True Wireless for Bimodal users

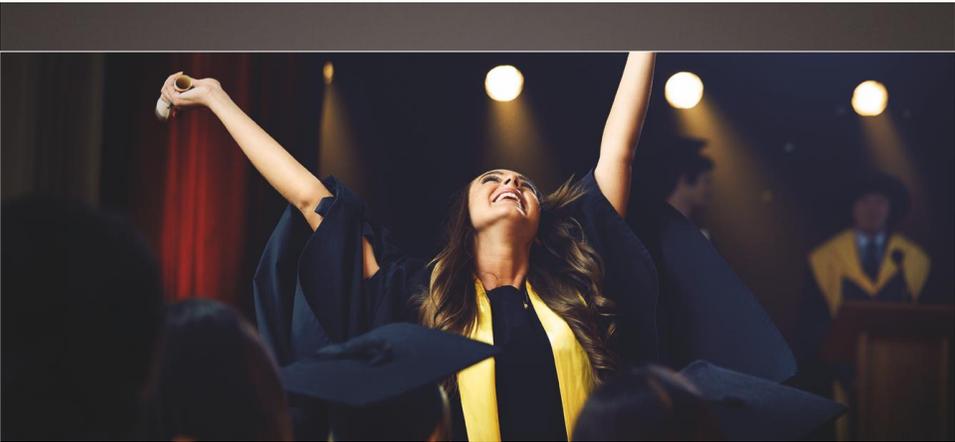


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The Future supports different customer segments



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Cochlear Limited 2016 Annual General Meeting

18th October 2016

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Resolution 1.1



Financial and other reports

To receive and consider the Company's Financial Report, Directors' Report and the Auditor's Report in respect of the financial year ended 30 June 2016 and to consider and, if thought fit, to pass the following resolution:

- 1.1 "THAT the Company's Financial Report, Directors' Report and the Auditor's Report in respect of the financial year ended 30 June 2016 be received."

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Resolution 1.1



Financial and other reports

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

	No. of shares	%
For	37,219,075	99.3%
Undirected	264,154	0.7%
Against	13,879	0.0%

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Resolution 2.1



Remuneration Report

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

2.1 “THAT the Remuneration Report in respect of the financial year ended 30 June 2016 be adopted.”

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Resolution 2.1



Remuneration Report

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

	No. of shares	%
For	38,100,164	98.0%
Undirected	261,354	0.7%
Against	527,271	1.3%

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Resolution 3.1



Re-election of directors – Yasmin Allen

3.1 “THAT Yasmin Allen, being a director who is retiring in accordance with the Company’s Constitution and who, being eligible, offers herself for re-election as a director of the Company, be re-elected as a director of the Company.”



Resolution 3.1



Re-election of directors – Yasmin Allen

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

	No. of shares	%
For	37,911,788	97.4%
Undirected	261,344	0.7%
Against	748,262	1.9%

Resolution 3.2



Re-election of directors – Donal O’Dwyer

3.2 “THAT Donal O’Dwyer, 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.”



Resolution 3.2



Re-election of directors – Donal O’Dwyer

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

	No. of shares	%
For	29,984,009	77.2%
Undirected	270,141	0.7%
Against	8,578,798	22.1%

Resolution 4.1



Approval of securities to be granted to the Chief Executive Officer & President under the Cochlear Executive Incentive Plan (CEIP)

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 Chris Smith, the Company's Chief Executive Officer & President, of options and performance rights under the CEIP 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 Smith of existing shares upon the exercise of any options and/or performance rights approved under (a) above."

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Resolution 4.1

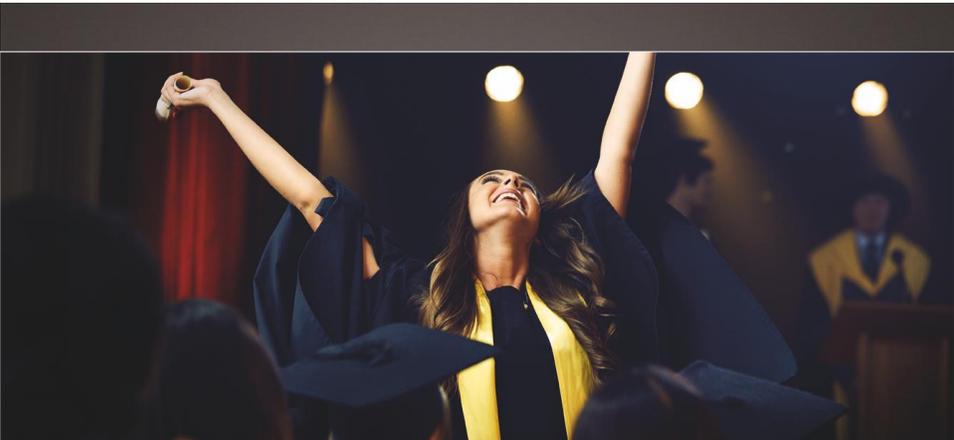


Approval of securities to be granted to the Chief Executive Officer & President under the Cochlear Executive Incentive Plan (CEIP)

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

	No. of shares	%
For	38,034,592	97.8%
Undirected	262,519	0.7%
Against	594,698	1.5%

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Cochlear Limited
2016 Annual General Meeting

18th October 2016

Hear now. And always



Disclaimer



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 FY16 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.

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.