



**ASX / MEDIA RELEASE**

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**COCHLEAR ANNOUNCES ACQUISITION OF ENTIFIC  
FOR APPROXIMATELY AUD 195M**

Sydney, 04 March 2005: Cochlear Limited (COH.AX) today announced that it had signed an agreement to purchase Entific Medical Systems, a Swedish based international medical device company that develops and markets hearing implants, for SEK 1,050M, (approximately AUD 195M) effective 1<sup>st</sup> January 2005 from Nobel Biocare Holding AG (NOBE.SWX) and other Swedish investors. The enterprise value of Entific is approximately AUD 175M.

Entific is a well established company which today has over 25,000 patients treated with the company's Baha<sup>®</sup> hearing implant system. The bone anchored hearing implant system, made of titanium, gives a unique possibility for ENT and neurosurgeons throughout the world to treat conductive hearing loss and also people deaf in one ear (single sided deafness).

The purchase by Cochlear will be funded with existing cash and bank debt which will be raised in a combination of Euros and US dollars. Cochlear anticipates that the transaction will close during March.

Revenue in the twelve months to 31 December 2004 was SEK 211.5M (approximately AUD 40M) with pre-tax earnings of SEK 37M (approximately AUD 7M). Compound annual growth in revenue over the last five years has been in excess of 35%. The future growth rate is forecast to be less than this, but still well ahead of Cochlear's long-term average growth rate. Gross margins are slightly ahead of Cochlear's.

Commenting on the transaction, CEO Dr Chris Roberts said "Entific is an ideal acquisition for Cochlear. It is a high quality company operating in the implantable hearing device market.

“It is anticipated that the acquisition will be immediately cash EPS accretive excluding synergies. There are exciting synergies from the distribution and customer bases of both companies which will enhance growth in our respective markets. In addition, there are possibilities for leveraging technology between both companies.

“The acquisition of an implantable hearing device company strategically expands Cochlear’s reach in treating people with a significant hearing loss and where a traditional hearing aid just doesn’t work.”

Mr Dan Pitulia, CEO of Entific commented, “I am excited about the opportunity that the transaction brings. Together we will be better able to access a wider market and importantly, bring hearing solutions to more people.”

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