



ASX / MEDIA RELEASE
9 September 2009

**COCHLEAR LIMITED: TECHNOLOGY PURCHASE: TOWARDS A TOTALLY
IMPLANTABLE COCHLEAR IMPLANT**

Cochlear Limited (ASX:COH) advises that it has signed an exclusive license agreement to purchase patent rights, know-how as well as joint development activities with Otologics LLC, a Boulder Colorado, USA based company for the application of Otologics technology for use with cochlear implants.

The purchase price is US\$25 million payable over the period to 31 December 2011, plus a royalty on future net sales of certain products involving an implantable microphone. US\$8.5 million of the purchase price had been paid by 30 June 2009, with the balance of the payments to be spread over the remaining period, subject to milestones. The US\$25 million will be treated as acquired intangibles and amortised over approximately 15 years.

Commenting on the purchase Cochlear Limited CEO, Dr Chris Roberts said;

“This purchase is an exciting step in achieving our long term goal of developing a totally implantable cochlear implant. This will further expand our product range and reinforce our technologic leadership.

The purchase is particularly useful in the complex area of implantable microphones, vital for the development of a totally implantable cochlear implant.”

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