

ASX RELEASE

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COCHLEAR LIMITED: JURY TRIAL VERDICT ON USA PATENT INFRINGEMENT CASE

Cochlear Limited, Sydney, 24th January 2014 (ASX:COH) today announced that a jury verdict in the patent infringement lawsuit by the Alfred E. Mann Foundation for Scientific Research ("AMF") and Advanced Bionics LLC ("AB") has been reached.

A jury in the United States District Court in Los Angeles, California found direct, contributory and wilful, but not induced infringement against Cochlear Limited and its USA subsidiary Cochlear Americas and awarded damages of US\$131.2 million against Cochlear.

No judgment has been entered based on the verdict as important issues still remain to be decided by the Judge. These decisions may negate some of the findings of the jury and could alter the damages awarded by the jury.

Cochlear believes the facts and the law do not support the jury's findings and will seek to overturn the verdict in post-trial motions with the District Court and, if necessary, through the appeals process.

This lawsuit was disclosed to ASX when it was filed in December 2007. The verdict relates to two (2) United States patents on testing systems and methods for a cochlear implant. The patents were exclusively licenced by AMF to AB which is a competitor to Cochlear.

One of the patents expired in September 2009 and the other expires in March 2014. As a result, the verdict and any following judgment entered against Cochlear will not disrupt Cochlear's business or customers in the United States.

As at the date of this announcement, Cochlear had not accrued any liability in its financial statements for this verdict. In addition, Cochlear has not yet determined the impact, if any, on its financial statements.

Cochlear's Chief Executive Officer and President Dr Chris Roberts said, "We strongly disagree with the jury verdict and will appeal any judgment entered against Cochlear by the Court".

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