ASX / MEDIA RELEASE

28 APRIL 2016

COCHLEAR HOSTS INVESTOR DAY

Cochlear Limited, Sydney, 28 April 2016 (ASX:COH): Cochlear Limited is today hosting analysts to an investor day at its global headquarters in Macquarie University. Attached is a copy of the management presentations that will be made on the day.

For further information, please contact:

**Analysts**
Kristina Devon  
Head of Investor Relations  
Email: kdevon@cochlear.com  
Ph: +61 2 9611 6691

**Media**
Piers Shervington  
Senior Manager Corporate Affairs  
Email: pshervington@cochlear.com  
Ph: +61 2 9425 5416

Ends
## Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Presenter</th>
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<tbody>
<tr>
<td>8.30 – 8.50am</td>
<td>Welcome &amp; overview of day</td>
<td>Chris Smith</td>
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<tr>
<td></td>
<td>Review of strategic priorities</td>
<td>CEO &amp; President</td>
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<tr>
<td>8.50 – 9.45am</td>
<td>R&amp;D and product portfolio</td>
<td>Jan Janssen</td>
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<td></td>
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<td>SVP Design &amp; Development, Clinical &amp; Regulatory</td>
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<td>9.45 – 10.00am</td>
<td>Morning Tea</td>
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<td>10.00 – 10.45am</td>
<td>Asia Pacific strategy – Australia &amp; China</td>
<td>Dig Howitt</td>
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<td>President, Asia Pacific</td>
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<tr>
<td>10.45 – 11.15am</td>
<td>US direct-to-consumer marketing</td>
<td>Patricia Trautwein</td>
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<td>VP, Marketing – North America</td>
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<td>11.15 – 11.45am</td>
<td>US recipient services</td>
<td>Rene’ Courtney</td>
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<td></td>
<td></td>
<td>VP, Customer Experience &amp; Recipient Services –Cochlear Americas</td>
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<tr>
<td>11.45 – 12.00pm</td>
<td>Wrap up and final formal Q&amp;A</td>
<td>Chris Smith &amp;</td>
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<td></td>
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<td>Neville Mitchell – CFO</td>
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<tr>
<td>12.00 – 1.30pm</td>
<td>Tour – manufacturing &amp; hearing hub</td>
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<tr>
<td>1.30 – 2.20pm</td>
<td>Lunch</td>
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<td>2.30pm</td>
<td>Bus departs for Sydney CBD</td>
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2016 Investor Day
28 April 2016

Strategic Priorities
Chris Smith  CEO & President

Cochlear’s leadership team

Chris Smith  CEO/President
Neville Mitchell  Chief Financial Officer and Company Secretary
Tony Manna  President, North America
Richard Brook  President, European Region
Dig Howitt  President, Asia Pacific Region
Rom Mendel  General Manager, Cochlear Bone Anchored Solutions
Jan Janssen  Senior Vice President, Design and Development
Greg Bodkin  Senior Vice President, Manufacturing & Logistics
David Hackshall  Chief Information Officer
Amanda Lampe  Senior Vice President Global Marketing and Corporate Affairs
Katharine McLennan  Senior Vice President People & Culture
David Morris  Chief Strategy Officer
Jim Patrick  Senior Vice President, Chief Scientist
Lisa Emerson  Vice President, Quality
## Agenda

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<tr>
<th>Introduction &amp; Strategic priorities</th>
<th>Chris Smith – CEO &amp; President</th>
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<td>R&amp;D &amp; review of product portfolio</td>
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<td>APAC strategy - Australia and China</td>
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<td>Break</td>
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<tr>
<td>Lunch</td>
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## Overview

- Cochlear Limited (ASX:COH) is the global leader in implantable hearing devices
  - Cochlear implants
  - Bone conduction implants
  - Acoustic implants
- ~2,800 employees
- Direct operations in 20+ countries
- Products sold in 100+ countries
Our Mission

We help people hear and be heard.

We **empower** people to connect with others and live a full life.

We **transform** the way people understand and treat hearing loss.

We **innovate** and bring to market a range of implantable hearing solutions that deliver a lifetime of hearing outcomes.

Hearing Loss: Market Opportunity

Over 5% of the world’s population - 360 million people - has disabling hearing* loss (328 million adults and 32 million children).\(^1\)

Nearly 1 out of every 3 people over the age of 65 are affected by hearing loss. It affects communication and can contribute to social isolation, anxiety, depression and cognitive decline.\(^2\)

Market penetration\(^3\)

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1. Who.int. WHO | Deafness and hearing loss [Internet]. 2015
2. Who.int. WHO | 10 facts on deafness [Internet]. 2015.
3. Market penetration. This figure is a global estimate based on Cochlear sourced data.

* Disabling hearing loss refers to hearing loss greater than 40 decibels (dB) in the better hearing ear in adults and a hearing loss greater than 30 dB in the better hearing ear in children.
1. Grow the Core

- Innovative technology
- Increased awareness
- Improved access
- Business model innovation
2. Build a Service Business

- Recipient engagement
- Connectivity; both Recipient and Clinics
- Optimise upgrades
- Enhanced digital services

3. Shape the Organisation

- Globally integrate enabling activities
- Targeted field expansion
- Deep market penetration
  - China and emerging markets
- Building capabilities
Partnerships/Alliances

Drive global efficiency and effectiveness

Focus

FY16 Financial Outlook

Re-iterate full year net profit guidance range of $180-190m, up 23-30% on FY15

- Full year forecast assumes a weighted average rate of 74c USD/AUD FX rate (72c as at Feb16 result)
Overview

1. **Introduction** to R&D at Cochlear

2. **Why** does Cochlear invest in R&D?
   - The role of Research & Development @ Cochlear

3. **What** has R&D delivered for Cochlear?
   - Overview of current product portfolio

4. **Future** technology Directions
   - Insight in the Cochlear technology pipeline
Cochlear’s R&D Commitment

In FY15 Cochlear invested ~A$130m in Research & Development (including Clinical, Regulatory and Quality)

Global Innovation Network

- Over 350 R&D staff in international locations
- Main R&D site co-located with Australian Hearing Hub
- Over 100 Research Partners in 20 countries
- Global network of Design Partners and Suppliers
Why does Cochlear invest in R&D?
The role of Research & Development @ Cochlear
Role of Product Innovation at Cochlear

1. **Maintain** “Technology Leadership” to support Cochlear’s market leadership – with focus to lead in areas that are most valuable to our customers and professionals

2. **Grow** the Implantable Hearing Solutions (“Core”) market by
   - removing barriers to growth (e.g. fear to lose residual hearing, variability of outcomes)
   - creating opportunities for growth (e.g. expanded indications)

3. **Create** opportunities for future business (Horizon 2 & 3) by leveraging R&D capabilities outside the current core
Life-changing outcomes for Cochlear’s customers across all age groups

"I’m not going to write him off in terms of anything musically. He sings in pitch, recognises tunes and will probably be the best musician in our family." - David W. (Natalie’s father)

"She is the top student in her year and speaks Mandarin, English and Bahasa Malay fluently." - Natalie D.

"It was really weird after the surgery. I could hear my Mum and it was like, WOW, you sound really different!" - Madison S.

"Nothing I have read, heard or seen prepared me for how good this thing really is. Nothing! It has given me back my life." - Bob M.

Life-changing outcomes … and remaining challenges

Hearing Outcomes

Optimised Lifestyle

Hearing Indications

Clinical/Self Management
Role of Product Innovation at Cochlear

1. **Maintain** “Technology Leadership” to support Cochlear’s market leadership – with focus to lead in areas that are most valuable to our customers and professionals

   - **Horizon 1 R&D**
     - 0 ... 3 year
   - **Horizon 2 R&D**
     - 3 ... 7 year
   - **Horizon 3 R&D**
     - 7+ year

The combination of very high quality level expectations, the need to use cutting edge technology to meet customer’s needs and the stringent regulatory environment for “Active Implantable Medical Devices” can lead to substantial development timelines and requires long-term planning.

2. **Grow** the Implantable Hearing Solutions (“Core”) market by
   - removing barriers to growth (e.g. fear to lose residual hearing, variability of outcomes)
   - creating opportunities for growth (e.g. expanded indications)

3. **Create** opportunities for future business (Horizon 2 & 3) by leveraging R&D capabilities outside the current core
Role of Product Innovation at Cochlear: Eliminate and reduce hurdles

- Fear of surgery
- Loss of residual hearing
- Variability of outcomes
- Size and Aesthetics
- Complexity of the intervention
- Cost of the intervention

SPrint Sound Processor

Nucleus 6 Sound Processor
1. **Maintain** “Technology Leadership” to support Cochlear’s market leadership – with focus to lead in areas that are most valuable to our customers and professionals.

2. **Grow** the Implantable Hearing Solutions (“Core”) market by
   - removing barriers to growth (e.g. fear to lose residual hearing, variability of outcomes)
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3. **Create** opportunities for future business (Horizon 2 & 3) by leveraging R&D capabilities outside the current core.
What has R&D delivered for Cochlear?
Overview of current product portfolio

Cochlear’s Implantable Hearing Solutions

<table>
<thead>
<tr>
<th>Sensorineural Frequency (Hz)</th>
<th>Conductive/Mixed Frequency (Hz)</th>
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<tbody>
<tr>
<td>125</td>
<td>125</td>
</tr>
<tr>
<td>1000</td>
<td>1000</td>
</tr>
<tr>
<td>8000</td>
<td>8000</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Hearing Loss (dB HL)</th>
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<tbody>
<tr>
<td>120</td>
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<tr>
<td>30</td>
</tr>
</tbody>
</table>

- **Middle Ear Implants**
- **Bone Conduction Implants**
- **Electro-Acoustic Cochlear Implants**
- **Direct Acoustic Cochlear Implants**
- **Cochlear Implants**

**Nucleus® Systems** with Hybrid Mode
**Baha® Systems**
**MET® & Carina® Systems**
**Codacs™ System**
State-of-the-Art Cochlear Implant portfolio

CI512 - Nucleus Profile with Contour Advance electrode

- Thinnest cochlear implant on the market
- Most reliable implant
- Cochlear’s implants are available with a range of electrode arrays:
  - Contour Advance – peri-modiolar electrode for precise stimulation of the hearing nerve
  - Slim Straight – thin, atraumatic lateral wall electrode
  - Hybrid-L – hearing preservation electrode
  - Auditory Brainstem Implant electrode

State-of-the-Art Cochlear Implant portfolio

CP920/910 - Nucleus 6 Sound Processors N6 with Acoustic Component for Hybrid Hearing

- Smallest Sound Processor
- SmartSound iQ with SCAN technology
- True Wireless 2.4 GHz
- Hybrid option
- Advanced data logging
Nucleus 6 – New benchmark for Hearing in the Real World

Market research: key customer needs relate to the need to hear well in the real world:

- Understand people in background noise: classroom, restaurant, ...
- Have a conversation on the phone
- Hear people at a distance (meeting, classroom)
- Avoid uncomfortably loud sounds
- Hear outside when it's windy
- Watch television without missing words
- Minimise investment in “Assistive Listening Devices”

Nucleus 6 addresses these needs with two unique solutions and set the new benchmark for hearing in the real word:
1. SmartSound iQ with SCAN
2. True Wireless

Step-by-step improvement of hearing in the real world with pre-processing technology
Nucleus 6 includes a full suite of pre-processing technologies

Automation of pre-processing in Nucleus 6: breakthrough in hearing performance
Nucleus 6 True Wireless technology – state-of-the-art wireless audio streaming

2.4 GHz True Wireless

Nucleus 6

Phone Clip

Mini Mic

TV Streamer

+ Digital sound quality
+ Integrated receiver
+ Affordable transmitters
+ No “relay” neckloop device

Nucleus 6 True Wireless technology enables large improvement in noisy situations

Sentences presented @65 dB SPL in Competing Noise (n=16)

Data courtesy of Dr. Jace Wolfe, Hearts of Hearing, Oklahoma City, USA
State-of-the-Art Cochlear Implant portfolio

- Smallest Sound Processor
- SmartSound iQ with SCAN technology
- True Wireless 2.4 GHz
- Hybrid option
- Advanced data logging

True Wireless 2.4 GHz accessories: Phone Clip, Mini Mic and TV Streamer

- Remote Control
- Remote Assistant
- Aqua+ swim accessory

CI512 - Nucleus Profile with Contour Advance electrode

Smallest Sound Processor
SmartSound iQ with SCAN technology
True Wireless 2.4 GHz
Hybrid option
Advanced data logging

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State-of-the-Art Baha portfolio

BI300 implant with BA400 abutment

Baha Attract system

Baha 5 Sound Processor

Baha True Wireless accessories

Baha 5 Super Power Sound Processor

State-of-the-art Acoustic Implants

Codacs™ System
The most powerful acoustic implant

Codacs™ System

For personal use only
Future Technology Directions
What is in the Cochlear R&D pipeline?

1. Even Better Hearing Outcomes: Slim Modiolar Electrode Array

- Thinnest perimodiolar array
  - 60% less volume compared to CA
  - Protecting the fine structures (atraumatic design)

- Consistent Perimodiolar positioning
  - Consistent positioning close to the modiolus
  - **Closest to the nerve** to optimise hearing outcomes

- Ease of insertion
  - Improved surgical handling
  - Consistent surgical use
  - Confidence in surgical outcomes

1st insertion Slim Modiolar
2nd insertion CA
3rd insertion reloaded Slim Modiolar
2. The Future is Wireless

- **Nucleus 6 Sound Processor**
- **Nucleus 6 True Wireless accessories**

2. 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
3. The Future is **Connected** – Cochlear Link

4. The Future **preserves** Residual Hearing even better

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**Nucleus Profile implant with Slim Straight electrode**

**Atraumatic electrode insertion** (cochlea cross-section)

**Research drug eluting electrode**
5. The Future is Binaural

Bilateral Cochlear Implants

Bimodal
True Wireless for Bimodal users

6. The Future supports different customer segments

“I love the fact that I don’t have to care about my device”

“It’s about my life”

Out and Proud

“I want to take control of my hearing loss and excel at every stage of my life”

“It’s all about the device”

Excel

“I don’t want others to notice I am wearing a device”

Discreet

“It’s all about the device”

Discreetness above all

Simplicity

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Summary: 33 year history of Innovation ... and much more to come

Cochlear Implants

1982 CI22
1997 CI24M
1999 CI24R with Straight Electrode
1999 CI24R with Contour® Electrode
2003 CI24R with Contour Advance® Electrode
2005 CI24RE Series
2008 Hybrid L24 with Hybrid Electrode
2009 CI500 Series
2011 CI422 with Slim Straight Electrode
2014 Profile Series

Sound Processors

1982 WSP
1989 MSP
1994 Spectra
1997 Sprint™
1998 ESPrit™
2001 ESPrit 22
2002 ESPrit 3G
2005 Freedom®
2008 Hybrid
2009 Nucleus® 5
2013 Nucleus® 6

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2016 Investor Day
28 April 2016
Australia & China
Dig Howitt President Asia Pacific

APAC Overview

• More than half the world’s people (~4B people) and the fastest economic growth
• Accounts for ~18% of Cochlear’s revenue

APAC Revenue (Constant Currency)
Australia: Driving growth in a developed market

- Australia has one of the highest penetrations of CI in the world at ~10%
- Revenue has grown consistently, 10-15% pa revenue growth over 5 years
- Services (processors, accessories and other services) revenue is growing faster than new systems sales
- Australia is best practice globally for cochlear implants in newborns
- Many factors will contribute to the future growth of cochlear implantation in Australia
  - Demographics
  - Indications and outcomes
  - Advocacy and awareness

Market Overview

- Australia has high penetration across demographic segments
  - 95++% of newborns with severe to profound hearing loss are getting 1 or 2 implants – growth in line with birth rate
  - Working age adults is a significant and growing segment
  - Seniors is the fastest growing segment
- The market is funded through federal, state government grants and private insurance
Market growth drivers in Australia

Sustained growth in Australia is a result of multiple factors

- Expanded Indications or increased acceptance driven by evidence of good outcomes
  - Seniors
  - Bilateral
  - Residual hearing
  - Single Sided Deafness
- Advocacy by clinicians
- Awareness
- New clinics in underserved locations
- Funding

Cochlear Surgeries in Australia

Source: Cochlear data

World best practice for newborns

Comprehensive screening and referral process leads to early intervention and very good outcomes. 95+% of children identified in newborn screening are getting implants.
Generating demand: Working age adults and seniors

- Key challenge is still awareness of both therapy and criteria for candidacy
- Building awareness through on and offline media is critical to drive growth

Dissatisfied hearing aid users
Recapture A+ Hearing

Awareness/urgency to treat
“Get Started”

Amplify Hearing and Diagnostics’ new Cochlear service cuts patient travel time

Services: Melbourne Cochlear Care Centre

Concept: Provide care after implantation to create capacity at Royal Victorian Eye and Ear Hospital and to build closer relationships with customers. The centre opened in March 2014

- The centre provides care for over 1500 recipients in collaboration with RVEEH (Royal Victorian Eye and Ear Hospital)
- Revenue from Medicare and sales of processors and accessories
- Processor and accessory sales are 50% higher than the Australian average

Customer Comment

“I was very sceptical about Cochlear’s conflict of interest here. I have just had my first appointment and my clinical care was excellent. The audiologist did educate me about my upgrade options but I did not feel any pressure.”
Building an emerging market business

• The China market has significant opportunity for growth
  – Penetration is less than 0.5% (children <20%, adults <0.1%)
  – 90+% of implants are for children

• Recent market growth is a result of a long period of investment and advocacy

• There are two major segments
  – National Government Tenders
  – Private Pay

• The market is competitive and success depends on good strategy execution
China CI overview

### CI centers & surgeons

<table>
<thead>
<tr>
<th>CI Centers</th>
<th>Surgeons</th>
<th>Total CI surgery in China</th>
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<tbody>
<tr>
<td>~100</td>
<td>~80</td>
<td>~60%</td>
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</tbody>
</table>

#### Top 20 CI center geographic distribution

- Beijing (4)
- Shandong (2)
- Shanghai (1)
- Guangdong (2)

Provinces with 1 top 20 CI center

- ~40%
- ~60%

Source: Cochlear data and estimates

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Cochlear history in China

- Australian Government donated implant programming equipment to China in 1993
- Cochlear established audiological and rehabilitation training from 1994 in conjunction with Australian Hearing and Chinese hospitals
- First surgery in mainland China in 1995
- Worked closely with China Rehabilitation Research Centre for Deaf Children (CRRCDC). Established China-Australia Cochlear Implant Training Centre in Beijing in 1998 with CRRCDC
- Cochlear established Hong Kong office in 1997. Now offices in Beijing, Shanghai and Chengdu
- Taiwanese donation from Chang Gung Memorial Hospital (CGMH) from 2006
- National tender started in 2009 administered by CRRCDC. Recognised the benefits of cochlear implantation in children

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Estimated Private Pay Market

- Bilateral
- Adults
- Children

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National tender market

National Tender
• Started in 2009, continued in 2016 - 2020 5 year plan
• Volume usually split into 3 tranches per year
• Goal is to provide implants to children with hearing loss
• Purchase decision made on price
• Low distribution and support costs
• We offer a differentiated system
• Profitable on initial sale and carries potential for future services revenue

Source: Cochlear data

Private pay market

Private Pay Market
• Largely private pay with some provincial/city reimbursement and philanthropic funding
• Tiered offering: technology and prices
• Higher prices, higher distribution and support costs than tender
• Largely sold through distributors
• Very competitive
• Growing market
• Purchase decision usually made by patient but surgeon influential
Market opportunities – private pay market will continue to grow

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Details</th>
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<tbody>
<tr>
<td>Newborns and children</td>
<td>Improving Newborn hearing screening and referral, Increasing awareness from national tender, Increasing affordability, Increasing reimbursement coverage</td>
</tr>
<tr>
<td>Adults</td>
<td>Awareness and acceptance growing, especially for working age adults, Increasing surgeon advocacy, Improving affordability, Seniors still very early stage – future potential</td>
</tr>
<tr>
<td>Bilateral</td>
<td>Awareness and acceptance growing</td>
</tr>
<tr>
<td>Services</td>
<td>Increasing focus and promotion, Significant and growing customer base</td>
</tr>
</tbody>
</table>

China success factors

Execution
- Capable local team
- Strong relationships with surgeons
- Product leadership in each tier
- Social media reach

Future growth opportunities
- Working age adults
- Seniors
- Bilateral
- Services
Direct to Consumer Marketing – USA Experience
Patricia Trautwein  VP, Marketing Cochlear Americas

**Direct to Consumer (DTC) Marketing**

**Why:** The USA has a large underserved market

**Who:** Seniors are the fastest growing population with hearing loss

**How:** Leveraging data science, we define target segments and identify how to best connect with potential customers on and offline

**What:** Integrated campaigns increase awareness and include unique opportunities for peer to peer education and support throughout the process

**Impact:** Direct to Consumer marketing enables Cochlear to reach more potential candidates, USA sales of cochlear implants is growing with the largest growth seen in the senior segment in alignment with the marketing focus
USA is an aging population

### Population Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population (in millions)</th>
</tr>
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<tbody>
<tr>
<td>2012</td>
<td>313M</td>
</tr>
<tr>
<td>2050</td>
<td>400M</td>
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#### Life Expectancy

<table>
<thead>
<tr>
<th>Year</th>
<th>Males</th>
<th>Females</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>77</td>
<td>82</td>
<td>82</td>
</tr>
<tr>
<td>2050</td>
<td>82</td>
<td>86</td>
<td>86</td>
</tr>
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</table>

#### Adult Population in USA

- **48M** adults in USA with hearing loss in one or both ears
  Hearing loss is a major public health issue that is the **third most common physical condition** after arthritis and heart disease.

- **10M** people in USA are hard of hearing in one or both ears
  - 3% Children
  - 3.9% Adults
  - 16.4% Seniors

- **5%** penetrated for cochlear implants

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2. http://www.hearingloss.org/content/basic-facts-about-hearing-loss
Lack of awareness is a barrier to growth

>I thought cochlear implants were only for people who are totally deaf

% Familiar with Cochlear Implants

- General Population: <20%
- Audiologists: <50%

Seniors in the USA are online and engaged in social networking

**Youngest Seniors**: 74% of seniors in the 65-69 age group go online

**Affluent Seniors**: 90% of seniors with an annual household income of $75,000 or more go online

**College Degree Seniors**: 87% of seniors with a college degree go online

**Daily Use**: Once online, most seniors make the internet a daily part of their lives

**Social**: 46% of online seniors use social networking sites
Targeted awareness maximizes effectiveness

Ageless Boomers
1. Anna McMahan
2. Roger Carpenter

Connected Seniors
3. Teenie Matheson

Driven Dynamics
4. Gary Stevens
5. Michelle Thomas
6. Mike Taylor

Upward Bound Families
7. Jenny King
Targeted segment campaigns to reach seniors

**ANNA McMahan** *(Sample “Boomer” Persona)*
Upper Crust - Big Fish - Small Pond - Second City Elite - Traditional Times - New Empty Nests

"You can’t help getting older, but you don’t have to get old."

- Age: 62
- Lives in: Denver, CO
- Works: Retired, HH income $80K
- Home life: Married, empty nester, owns home
- Health-pulse: Engaged, with a dual mentality
- Insurance: Traditional (BlueCross BlueShield, PPO)

**TEENIE MATHESON** *(Sample “Senior” Persona)*
Gray Power - Simple Pleasures - Domestic Duos - Sunset City Blues

"Don’t let your struggle become your identity."

- Age: 75
- Lives in: Phoenix, AZ
- Works: Retired, HH income $65K
- Home life: Married, empty nester, owns home
- Health-pulse: Lower, with a “Doc knows best” mentality
- Insurance: Personal (BlueCross BlueShield, HMO or PPO)
Integrated campaigns maximize effectiveness and customer experience

FIND | CAPTURE | NURTURE | CONVERT
--- | --- | --- | ---
Online
Google
SEO/SEM
Display Ads
Social
In Market
AARP
Prevention
Advertising
PR: Radio, TV, Events

Call Center
Web / Landing Pages
CRM System

Email Campaigns
Concierge
Volunteers

Clinic Appointments
Counseling Tools
Cochlear Chapters & Chats

Leads | Candidates | Customers
--- | --- | ---

Volunteers help candidates through the journey to better hearing

Candidates connected to volunteers are more likely to choose a Cochlear implant within one year

By Powered Volunteers

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Concierge educates and supports candidates throughout the journey.

**Connect with a Cochlear™ Concierge**

We're here to support you. Speak to a team of audiologists, who are also Cochlear™ Nucleus® Cochlear Implant users. Choose your preferred method of connecting:

1. **Click:**
   Email the Cochlear Concierge Team to get the support you need. Cochlear@cochlear.com

2. **Chat:**
   Chat online with a Cochlear Concierge 8 am - 6 pm (MT) Monday - Friday

3. **Call:**
   1.800.483.3123 Request a Cochlear Concierge

**Cochlear Concierge**

Unique engagement team of highly trained professionals who educate and guide candidates through the process to get an hearing implant. The team includes:

- Audiologists who have an implant
- Audiologists who have a child with an implant
- Educators
- Bilateral Recipients
- Bimodal Recipients
- Bilingual Specialists

The concierge team connects candidates to volunteers and clinics in the community and welcomes them to the Cochlear Family.

**Integrated campaign targeting a persona**

Search

Ads

Social

Salesforce

Call Center & Concierge

Volunteers (3400)

Events
Extensive analytics and optimization of campaigns maximizes results.

Integrated campaigns are increasing leads and new customers (Year on Year results)

5X increase in captured leads

Capture Leads

Conversions 34% higher

Grow Customers
USA market growth evident across age segments

H1 Reported Growth in F16 of ~10% cochlear implant units

Seniors 65 years+ are the fastest growing segment consistent with DTC campaign focus and US market demographics

Next Steps: Expand DTC in USA and other markets

- Continue to optimize and extend campaigns in USA
- Leverage US learning to other markets in EMEA and APAC
Recipient Services – USA experience

Rene’ Courtney  VP, Customer Experience & Recipient Services  Cochlear Americas

Recipient Services – North America

- Current responsibilities
- Building capabilities
- Engagement
- Upgrades
Overview of Recipient Services

Customer Intimacy
Improve the customer experience

Revenue Growth
Increase growth and profitability

Operational Excellence
Integration of people, process and systems

Customer base growth – North America

130,000+ Customer Ears*

Services Revenue*
(Upgrades & accessories)

* Includes both CI & Baha
Opportunities for direct engagement

Changing environment
- Clinicians experiencing growing recipient base
- Increasing sophistication of products
- Complexity of candidate indications
- Larger amount of uncompensated time

Opportunity for Cochlear
- More direct engagement with recipients

Building customer experience capabilities

1. Connections
   - Registration
   - Permissions
   - Gathering contact information

2. Direct engagement
   - Marketo
   - SalesForce.com
   - Face to face
   - Outbound sales

3. Service Delivery
   - Service Cloud
   - Chat, SMS, phone, email
   - Self service
   - Via clinician

4. Data Analysis
   - Campaigns
   - NPS
   - Service failures
Creating customers for life

Cochlear Family

Optimize Hearing Outcomes

New Recipient Welcome Experience

Cochlear Family Membership Activation

Support Apps
Social Communities
Practice Tools

New Cochlear Family Members

Supporting customers for life

Cochlear Family

Build lifetime relationships

Cochlear Store
Cochlear Family Personalized Account

Care & Maintenance
Service Plans
Subscriptions
Accessories
Upgrades
Insurance Teams & Outbound Sales

Existing family members & volunteers
Recipient outbound sales

New positions to focus on upgrade sales

Start with traditional marketing campaigns

Navigating a complex Insurance process

Supporting customers for life

Cochlear Family

Build lifetime relationships

Cochlear Store

Cochlear Family Personalized Account

Care & Maintenance

Service Plans

Subscriptions

Accessories

CX

Chat

Upgrades

Outbound Sales & Insurance Teams

Repair Lab

Hear Always Cochlear Link

Volunteers

Existing family members & volunteers
Cochlear Link – Cochlear benefits

Device Activation

- Automatic data transfer
- Auto registration of customer equipment

Service Requests

- Automatic data transfer
- Auto-upload of MAP
- Auto-download of MAP
- ~4,800 automatic registrations completed
- ~41,000 recipients covered by Cochlear Link clinics

Cochlear Link – Clinic benefits

Within Link Accounts

- Service Request raised in myCochlear Clinic
- Sound Processor shipped
- MAPs used by HA team; no need for clinic involvement

Cochlear Link 87%
Of service requests are processed without clinic intervention
Cochlear Link – Recipient benefit

Within Link Accounts

By using Cochlear Link, 82% of service requests are completed in 24 hrs.

Recipient upgrade campaigns

Upgrade Microsite

Ads

Events

Traditional campaigns

Nurture campaigns

WOM / Social Media

Outbound team
Key Points

• Growing recipient base and ongoing revenue growth
• The opportunity to provide lifetime support requires an ability to connect and engage with recipients
• We have been building the infrastructure to do that over the past several years
• Great technology and continuing investment in service will augment future growth

Lifetime Commitment

Celebration Highlights:
• 1,200 attendees
• Over 15 educational sessions
• Technical Support on site
• Product launches onsite
• Live social media, blogs and updates
• Global photo shoot & video testimonials
• Market research sessions
Disclaimer

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.