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New technologies push growth of Cochlear

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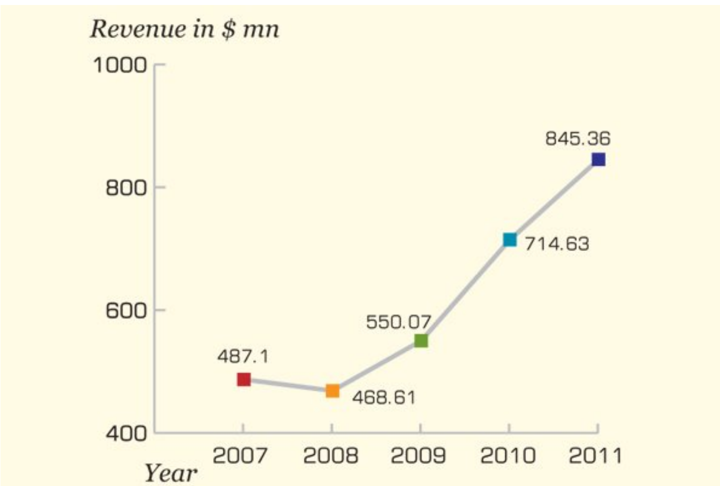

Innovation, passion and expertise have brought recognition to Cochlear for its niche focus on hearing aids medical devices. By now, around 250,000 people in over 100 countries are living better lives with the help of hearing-support devices manufactured by the Australia-based company. Cochlear has consistently come up with technological innovation and the company has collaborated with global research partners to bring dynamic solutions in the industry.

The year 2011 was a period of success and profit for Cochlear. Reaching out to over 100 countries, the revenue jumped to over $800 million, marking a growth of over 18 percent. The year 2011 marked an increase in revenues in all potential markets of Cochlear, including America (16 percent growth), Europe (14 percent growth) and Asia Pacific (31 percent growth). The revenue increased from $714.63 million in 2010 to $845.4 million in 2011. The impressive year was the result of new product launches and improvisation of currently available products.

Cochlear continued to introduce new products and cater to the unmet challenges of the world. Cochlear launched Slim Straight Electrode as an addition to the portfolio of electrodes available on Cochlear implants. The company upgraded the performance of its high selling products, Nucleus 5, one of the most advanced Cochlear implant system. It also launched Custom Sound 3.2, providing easier and more effective recipient programing and greater quality. Cochlear also expanded its Baha 3 System, with the release of the Cochlear Baha BP110 Power Sound Processor. The BP110 Power is an evolution of the third generation platform and is a high-powered bone conduction sound processor. Besides, its Hybrid System, an integrated electro-acoustic hybrid hearing solution, continued to touch higher sales in Europe and Asia.

Cochlear's expense on research and development (R&D) was valued at $109 million, which is 13 percent of its revenue. Major part of the R&D is spent on studying the Nucleus range of Cochlear implant systems, Baha range of bone conduction systems and Hybrid electro-acoustic hearing solution. In 2011, Cochlear filed many new patent applications. It currently holds over 900 patents and patent applications globally. Cochlear also completed the recruitment for phase IA clinical trial of Direct Acoustic Cochlear Stimulator (DACS) and continued to gather information from the result.

Cochlear expanded its manufacturing site in Brisbane and made significant progress on validation of manufacturing in the new facility at Macquarie University, New South Wales. Cochlear's manufacturing operations, located in Australia and Sweden, continue to deliver products of the highest quality and reliability.