ASX Announcement

Melbourne, 13 October 2011

Growth in sales contracts delivers strong Q1 results

Highlights

- CogState signed today two sales contracts that will generate US$1.66m of revenue over the duration of the respective studies
- Total value of clinical trials sales contracts signed since 1 July 2011 is US$3.9m
- Q1 revenue results showed an increase of 36% compared to the previous corresponding quarter (54% increase on a constant currency basis)
- CogState has secured US$6.4m of revenue that is expected to be recognised in the 2012 financial year (including A$2.2m recognised in the first quarter)

CogState Ltd (ASX:CGS) announced that it has today signed two sales contracts for new clinical trials, both with international pharmaceutical companies, that will collectively generate US$1.66 million of revenue for CogState over the duration of the studies.

Under the contracts, CogState will provide its cognitive testing technology and associated services as part of:

- A phase 2 schizophrenia study where CogState will be a key secondary endpoint in a study to assess efficacy, safety and tolerability of the compound as augmentation therapy to improve negative symptoms and cognition in outpatients with schizophrenia; and
- A phase 1 investigational study in patients with mild Alzheimer's disease.

Since 1 July 2011, CogState has signed sales contracts to the value of US$3.9 million, including the above mentioned contracts. This compares to US$1.9 million of contracts that were signed between 1 July – 31 October 2010.

First Quarter Revenue

CogState also released today details of its revenue earned during the quarter ended 30 September 2011. The results exclude the contribution from Axon Sports - CogState acquired 100% control of Axon Sports during the September quarter.

During the first quarter, CogState recorded significant growth in sales revenue compared to the previous corresponding period, as set out below:

	30-Sept-2011 $'000	30-Sept-2010 $'000	Growth %
Sales Revenue A$	2,176	1,596	36.3%
Sales Revenue US$	2,264	1,472	53.8%

Contracted Future Revenue

CogState currently has A$6.9 million of contracted revenue that will be recognised in future periods (assuming a US$/AUD$ conversion rate of 1.00).

Of the US$6.9 million of contracted revenue, CogState expects US$4.2 million to be recognised in the 2012 financial year – this is in addition to the $2.2 million revenue recorded during the September quarter.

About CogState

CogState Ltd (ASX: CGS) specialises in the development and commercialisation of rapid, computerised tests of cognition (brain function). To date, CogState has commercialised its technology in two markets – clinical drug trials and concussion management in sport.

In the clinical drug trial market, CogState technology and associated services are used by pharmaceutical and biotechnology companies to quantify the effect of drugs or other interventions on human subjects participating in clinical trials. Since sales into the clinical trials market began in 2004, CogState has secured agreements with top pharmaceutical companies including Pfizer, AstraZeneca, Bristol-Myers Squibb, GlaxoSmithKline, Merck, Johnson & Johnson, Novartis, Lundbeck, Dainippon Sumitomo, Targacept, Otsuka, and Servier.

In the area of sports related concussion, CogState's technology has been used by a number of highly regarded institutions and sporting organisations around the world for almost 10 years. That technology is now marketed to consumers as Axon Sports. Current users of CogState/Axon Sports include, University of Notre Dame, University of Michigan, University of Connecticut, English Rugby League, English Jockey Club, and a number of national and international Rugby League and Rugby Union clubs. In Australia, both the AFL and NRL have mandated computerised cognitive testing, using CogState.

For further information:

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