



ASX Announcement

20th February 2013

CogState reports FY2013 half year financial results

Contracted revenue to be recognised in future periods by Cogstate's Clinical Trials business tops \$10 million

Launch of COGNIGRAM test in Canada imminent, bringing new revenue stream

Highlights for the period ended December 31, 2012

- Total revenue recognised \$6.14 million, including \$5.80 million from clinical trials and \$0.27 million from Axon Sports
- Clinical Trial Revenue to be recognised in future periods is \$10.59 million, compared to \$9.24 million at the same time last year
- Net loss \$0.49 million, in line with guidance
- Cash position \$4.26 million

CogState Ltd (ASX.CGS) has today released its financial results for the half year ended December 31, 2012 reporting overall revenue of \$6.14 million and a net loss of \$0.49 million. The result is in line with the company's guidance which was upgraded last month.

The result reflects continued revenue growth in CogState's clinical trial business, which provides its computerised cognitive test and associated services to pharmaceutical and biotechnology companies to quantify the effect of drugs on human subjects participating in clinical trials. Revenue earned from milestone payments relating to clinical trial contracts that are currently underway or competed during the period was \$5.80 million.

Contracted clinical trials revenue, which is an important indicator of the company's future performance, continues to be strong with \$10.59 million revenue booked, up from \$9.24 million at the same time last year. Of this, \$4.75 million will be recognised in the second half of the FY13 financial year (prior year: \$3.79m).

"The continued strong performance of the clinical trials business enabled us to upgrade our forecast guidance, and reduce the net loss for the first half of the financial year. This is despite substantial expenditure in the COGNIGRAM and Axon Sports business units, which although impacting profitability in the short term, will become important and significant revenue generators for CogState in the future," said Brad O'Connor, Chief Executive Officer.

CogState is preparing for the imminent commercial launch of its cognitive test to general physicians in Canada, with its partner Merck. The test, branded as COGNIGRAM, allows physicians to identify subtle changes in cognitive function and is being positioned as a tool to help doctors to detect the early stages of cognitive decline associated with a neurodegenerative disease, such as Alzheimer's disease or to monitor changes in cognitive function following concussion or after treatment with drugs or other types of interventions. It marks the first time that the CogState test will be used widely in general practice medicine.

"We are very pleased with the progress that Merck is making the roll out of COGNIGRAM in Canada and expect to see the first revenues from the launch of COGNIGRAM this financial year. Merck has invested a significant amount of time and resources in preparing the product and its team for launch and is very committed to the success of COGNIGRAM. Like us, they regard it is a major opportunity," said Mr O'Connor.

The Axon Sports business generated revenue of \$271,734 compared to \$77,990 in the previous corresponding period. Of this \$139,389 was from concussion testing, which is currently used by a number of professional athletic leagues including the AFL, NRL and NFL and in the United States, the NBA, the WNBA, and more recently the NHL. In addition, Axon Sports generated revenue of \$132,345 from the sale of cognitive training products for athletes. This new revenue line is a key area of focus for the business as Axon Sports seeks to establish itself as the leader in athletic brain training.

Note: All commentary in respect of contracted future revenue assumes a US\$ / AU\$ exchange rate of 1.05. Any increase in the relative value of the US\$ will improve CogState's revenue position which is reported in AU\$. Conversely, a decrease in the relative value of the US\$ will reduce the forecast AU\$ revenue.

ENDS

An Investor Conference call will be held on Wednesday 20th February at 10.30am AEDT, with the following dial in details:

Conference ID: 9389 1530

Toll-free dial in numbers

Australia	1800 123 296
China	4001203085
Hong Kong	800 908 865
India	180030106141
Japan	0120 985 190
New Zealand	0800 452 782
Singapore	800 616 2288
United Kingdom	0808 234 0757
United States	1855 293 1544

For all other international locations dial : + 61 2 8314 8370 - (can be used if dialing from international location)

For further information contact:

Kyahn Williamson
Buchan Consulting
+61 3 9866 4722 or 0401 018 828
kwilliamson@buchanwe.com.au

Brad O'Connor
CogState Chief Executive Officer
+61 3 9664 1300 or 0411 888 347
boconnor@cogstate.com

About CogState

CogState Ltd (ASX: CGS) is a multi-faceted cognitive assessment and training company, focused on the development and commercialisation of rapid, computerised tests of cognition (brain function). It has three distinct business units:

Clinical Trials: 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.

Axon Sports: The mission of Axon Sports is to “protect and train the athletic brain”. Axon’s focus is to research, develop and deliver cutting edge tools to assess, monitor and improve the athletic brain.

Axon has been developing sport specific training products, initially focussed on American football and baseball, and the resulting technologies have now been launched within a small number of elite US college programs. In addition, the first of Axon’s consumer iPad apps was launched in 2012.

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 in Australia include, the AFL and NRL, whilst in the USA elite programs such as the NBA, WNBA, NHL as well as college programs such as University of Notre Dame, University of Michigan and University of Connecticut all use the Axon Sports system.

Healthcare: In the primary care or general practice setting, the CogState Test (branded as COGNIGRAM) assesses cognition in patients and the reports generated on the basis of this assessment can allow physicians to identify subtle changes that could be indicative of the early stage of a neurodegenerative disease, such as Alzheimer’s disease. COGNIGRAM can also be used to monitor changes in cognitive function following concussion or after treatment with drugs or other types of interventions. In June 2012, CogState entered into an agreement with Merck Canada Inc. providing it with the exclusive right to market and promote COGNIGRAM to primary care physicians in Canada.