

## ASX Announcement

Melbourne, Thursday 23rd October 2008

### Quarterly Cash Flow Report Highlights:

Highlights of CogState's quarterly cash flow results for the quarter ended 30 September 2008:

- Recognised sales revenue from customers of \$1,991,837 for the quarter, generating cash receipts from customers of \$1,083,382 for the quarter. These are a significant increase on last year, reflecting the company's large increase in clinical sales activity (see table below).
- Trade debtors of \$1,490,539 as at 30 September 2008, 91% of which was less than 30 days old. \$0.6 million has been received from debtors between 1<sup>st</sup> October 2008 and 20th October 2008
- Staff costs (excluding the payment of bonuses carried forward from the previous financial year) have increased compared to the first quarter of the previous year, reflecting the increase in staff numbers in Australia and the US
- During the quarter CogState raised \$1,412,261, before costs, by way of a private placement and through the 1 for 10 rights issue.
- Cash reserves of \$1,946,487 at 30 September 2008, a 85.7% improvement on the previous quarter (30 June 2008: \$1,048,207) and a 30% improvement on the previous year (30 September 2007: \$1,494,198)

#### Results summary:

	Qtr Ended 30 Sep 08	Qtr Ended 30 Sep 07	% Change improvement
Recognised Sales Revenue	\$1,991,837	\$735,723	170.7%
Cash Receipts from Customers	\$1,083,382	\$497,293	117.9%
Staff expenses	(\$889,089)	(\$731,226)	(21.6%)
Net Operating Cash In/(Out)flows	(\$400,336)	(\$632,442)	36.7%
Net Investing Cash In/(Out)flows	(\$72,586)	(\$24,637)	(194.6%)
Net Financing Cash In/(Out)flows	\$1,319,334	\$919,986	43.4%
Net Increase/(Decrease) in Cash held	\$846,412	\$262,907	221.9%

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# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

CogState Limited

ABN

80 090 975 723

Quarter ended ("current quarter")

30 September 2008

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (3 months) \$A
1.1 Receipts from customers	1,083,382	1,083,382
1.2 Payments for (a) staff costs (incl R&D)	(1,055,802)	(1,055,802)
(b) advertising and marketing	(27,424)	(27,424)
(c) research and development (direct external costs relating to therapeutic drug development)	-	-
(d) leased assets	(38,499)	(38,499)
(e) other working capital	(58,206)	(58,206)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12,106	12,106
1.5 Interest and other costs of finance paid	(1,595)	(1,595)
1.6 Income taxes paid	(28,301)	(28,301)
1.7 Other (provide details if material)		
Accounting & Audit	(46,460)	(46,460)
Computer costs	(9,353)	(9,353)
Legal Costs, including patent costs	(22,203)	(22,203)
Listing fees & assoc. costs	(23,909)	(23,909)
Travel costs	(184,072)	(184,072)
Grant Income	-	-
<b>Net operating cash flows</b>	<b>(400,336)</b>	<b>(400,336)</b>

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**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

		Current quarter	Year to date (9 months)
		\$A	\$A
1.8	Net operating cash flows (carried forward)	<b>(400,336)</b>	<b>(400,336)</b>
	<b>Cash flows related to investing activities</b>		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	(72,586)	(72,586)
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	<b>Net investing cash flows</b>	<b>(72,586)</b>	<b>(72,586)</b>
<b>1.14</b>	<b>Total operating and investing cash flows</b>	<b>(472,922)</b>	<b>(472,922)</b>
	<b>Cash flows related to financing activities</b>		
1.15	Proceeds from issues of shares, options, etc.	1,412,261	1,412,261
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings – convertible notes	-	-
1.18	Repayment of borrowings	(40,740)	(40,740)
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	(52,187)	(52,187)
	<b>Net financing cash flows</b>	<b>1,319,334</b>	<b>1,319,334</b>
	<b>Net increase (decrease) in cash held</b>	<b>846,412</b>	<b>846,412</b>
1.21	Cash at beginning of quarter/year to date	1,048,207	1,048,207
1.22	Exchange rate adjustments to item 1.20	51,868	51,868
1.23	<b>Cash at end of quarter</b>	<b>1,946,487</b>	<b>1,946,487</b>

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**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A
1.24	Aggregate amount of payments to the parties included in item 1.2	45,719
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil
1.26	Explanation necessary for an understanding of the transactions	
	N/A	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- N/A
- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest
- N/A

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A	Amount used \$A
3.1	Loan facilities	N/A	N/A
3.2	Credit standby arrangements	N/A	N/A

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A	Previous quarter \$A
4.1 Cash on hand and at bank	991,107	508,247
4.2 Deposits at call	955,380	539,960
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>1,946,487</b>	<b>1,048,207</b>

**Acquisitions and disposals of business entities**

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 23 October 2008  
Director

Print name: Brad O'Connor

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## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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