



ASX Announcement

Melbourne, Wednesday 29th April 2009

CogState Business Update

Highlights:

- **Sales revenue up 125% to \$5.57 million for the three quarters ended 31 March**
 - **\$1.7 million for the quarter ended 31 March 2009**
- **Contracts signed increased 75% to \$5.50 million for the three quarters ended 31 March**
 - **\$2.29 million for the quarter ended 31 March 2009**
- **An additional \$1.12 million contract has been signed during April, taking the total value of contracts signed since 1 July 2008 to \$6.63 million**
- **Cash flow from operations of \$0.5 million for the three quarters ended 31 March, a \$1.5 million improvement on the previous corresponding period**
- **Cash inflow from operations, plus net debtors movement, for the three quarters ended 31 March totalled \$1.2 million an improvement of \$1.8 million on the previous corresponding period**

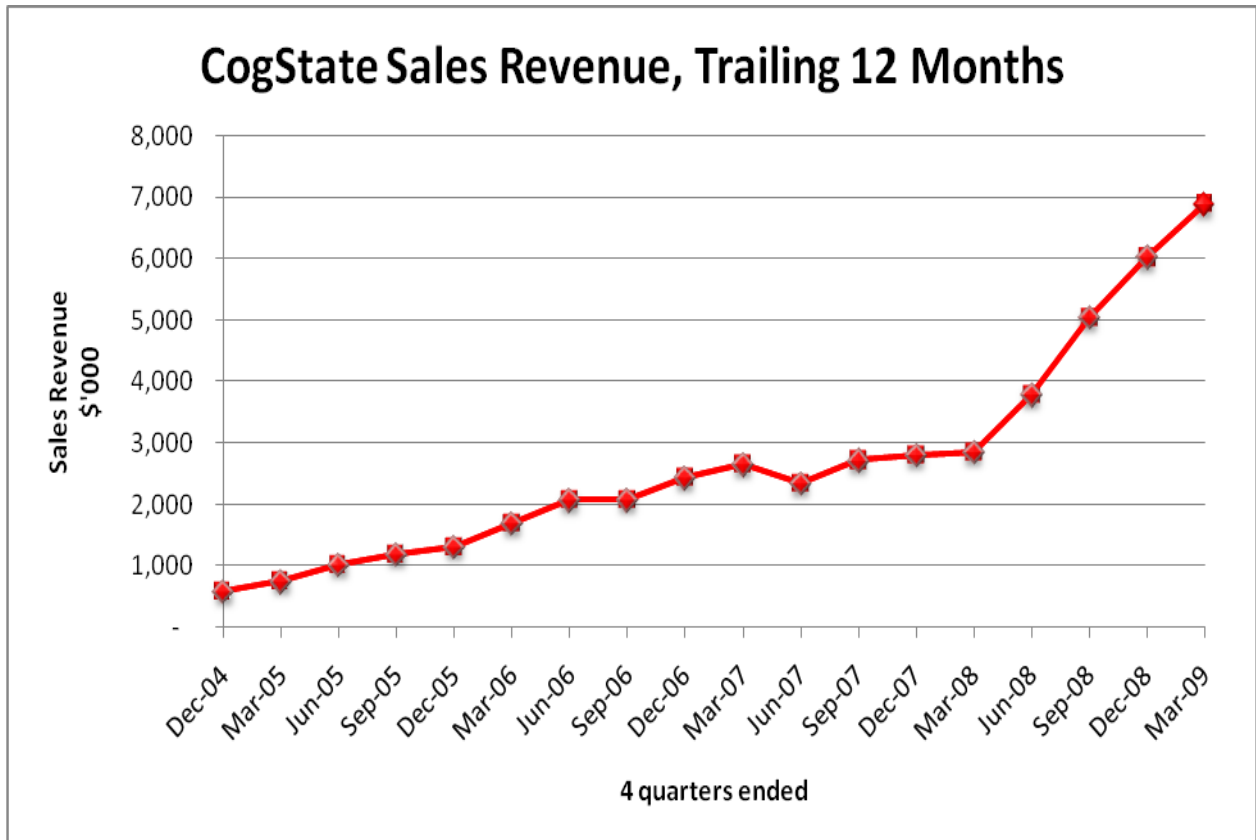
Leading cognitive testing technology provider, CogState Ltd (ASX:CGS), today announced another strong quarter of growth, in line with its profit guidance, for the year to date.

Sales Revenue

Sales revenue totalled \$5.57 million for the three quarters ended 31 March 2009, reflecting an increase in demand for CogState's cognitive testing technology. This is an increase of 125% compared to the corresponding period last year and includes sales revenue of \$1.7 million for the quarter ending 31 March 2009.

At 31 March 2009, CogState had \$2.7 million of future revenue under contract and approximately \$1.0 million of that revenue is expected to be recognised before 30 June 2009.

Sales revenue for the trailing twelve months (1 April 2008 to 31 March 2009) totalled \$6.88 million – as seen in graph below.

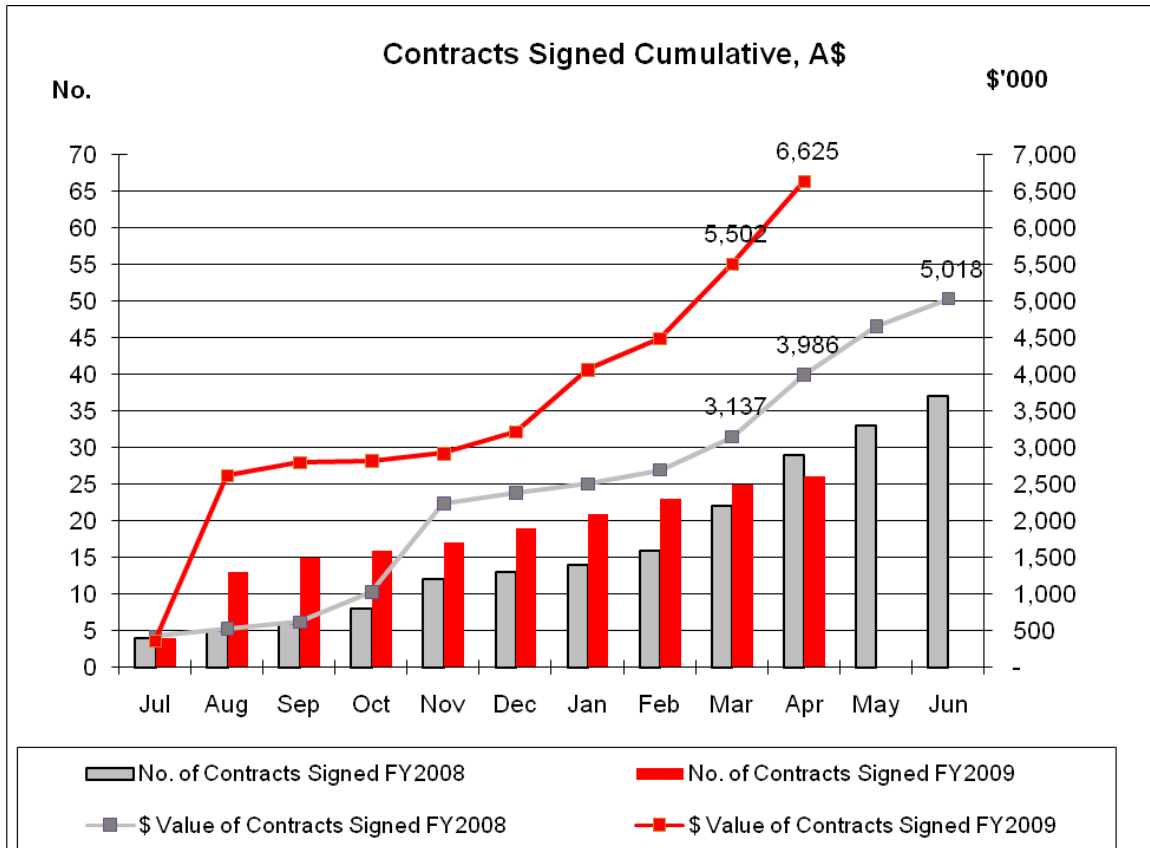


Sales Contracts

The total value of contracts signed for the financial year to date totalled \$5.5 million, an increase of 75% on the previous corresponding period. The value of contracts signed during the March quarter totalled \$2.29 million.

During April, CogState has signed an additional contract for a large phase 2 study worth \$1.12 million, bringing the total value of sales contracts signed since 1 July 2008 to \$6.63 million.

In the same period, the average value of contracts signed has increased to \$0.25 million (compared to \$0.14 million for the 2008 financial year). This reflects the increased use of CogState in larger phase 2 and phase 3 clinical trials, which are generally conducted over two or more years and therefore provide more revenue to CogState per trial. The longer timeframes associated with such clinical trials has resulted in more secure and predictable forecast revenue for CogState.



Operating Cash Inflow

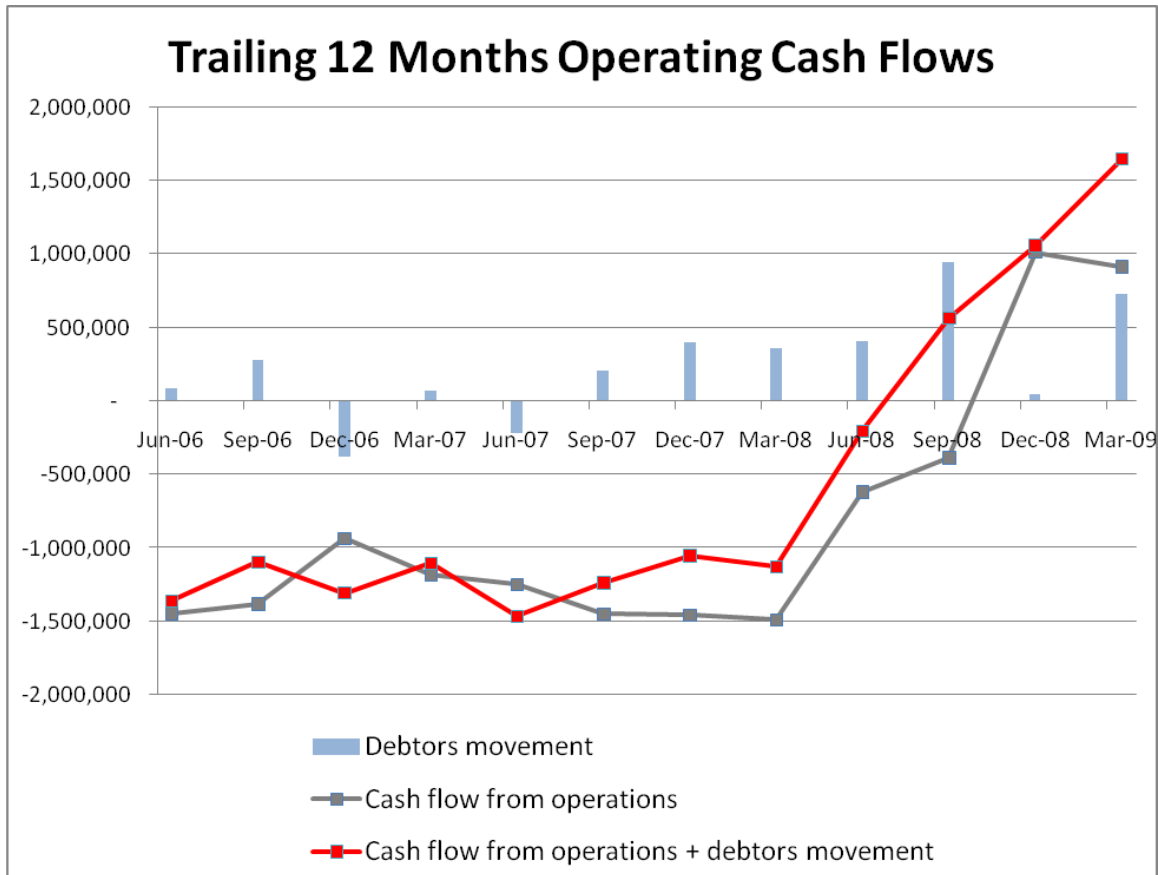
Net cash **inflow** from operations for the three quarters to 31 March totalled \$0.5 million. The result was a \$1.5 million improvement on the \$1.0 million net cash **outflow** for the previous corresponding period.

At 31 March 2009, trade debtors totalled \$1.3 million, 95% of which were less than 30 days old and all of which are expected to be fully recoverable on normal trading terms. The balance of trade debtors at 31 March 2009 is an increase of \$0.7 million from the \$0.6 million outstanding at 30 June 2008.

CogState customers are large international pharmaceutical companies. There have been no bad debts written off during the financial year to date. During the financial year ending 30 June 2008, only 0.3% of sales were written off as bad debts.

For the three quarters ended 31 March 2009, the combined net operating cash inflow and increase in debtors totalled \$1.2 million, a \$1.8 million improvement compared to the three quarters ended 31 March 2008.

For the trailing 12 months (1 April 2008 to 31 March 2009), combined net cash inflow and debtors movement totalled \$1.7 million - illustrated in graph below.



Outlook

Current sales prospects are strong. A number of later phase sales contracts are currently under negotiation; some of which CogState expects to sign before 30 June 2009.

Based on forecast revenue (which includes revenue from both existing signed contracts and the above mentioned unsigned contracts) and budgeted costs for the remainder of the 2009 financial year, CogState reaffirms its previously stated guidance of Net Profit After Tax (NPAT) in the range of \$1.50 - \$1.75 million.



About CogState

CogState Ltd (ASX: CGS) specialises in the development and commercialisation of rapid, computerised tests of cognition (brain function). The tests are sold to pharmaceutical, biotechnology, nutraceutical and functional food 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 organisations including Pfizer, AstraZeneca, GlaxoSmithKline, Merck, Abbott Laboratories, Centres for Disease Control (USA), ALZA Corporation (a member of the Johnson and Johnson group), Lundbeck and Organon USA. CogState is currently expanding its existing activities in the US and European clinical trial markets. For additional information:

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