



## **ASX Announcement**

Melbourne, 25 May 2009

### **CogState signs sales contracts worth \$3.5 million in two months**

#### **Highlights:**

- Contracts signed to the value of \$3.5 million since 1 April 2009
- \$9.0 million worth of contracts signed in the financial year to date
- \$5.4 million in contracted future revenue, most of which will be recognised in the 2010 financial year and beyond
- CogState maintains NPAT profit guidance in the range of \$1.5 - \$1.75 million for the 2009 financial year

Leading cognitive testing technology provider, CogState Ltd (ASX: CGS), today announced that it has signed AUD\$3.5 million in contracts since 1 April 2009.

The largest contract to contribute to the figure is a phase 2 schizophrenia study, entailing 75 clinical trial sites in 24 languages, which will be worth in excess of \$1.8 million over two years.

When combined with the value of contracts signed for the three quarters ending 31 March 2009, CogState's has signed contracts worth \$9.0 million during the financial year to date, which is a 96% improvement on the \$4.6 million of contracts signed as at 31 May 2008.

After taking into account the contracts signed over the last seven weeks, CogState's contracted future revenue has increased to \$5.4 million, 170% improvement compared to \$2.0 million of contracted future revenue as at 31 May 2008.

Most of the revenue from recent contracts will be recognised in the 2010 financial year and beyond.

For the year ending 30 June 2009, CogState has maintained its profit guidance of Net Profit After Tax (NPAT) in the range of \$1.5 - \$1.75 million for the year.

Mr Brad O'Connor, Chief Executive of CogState said: "This is an outstanding result and reflective of the defensive nature of our industry. While we anticipated there was going to be a slight reduction in research and development spend for pharmaceutical companies, we continue to see new business opportunities in larger, later stage clinical trials, particularly in phase 2 clinical trials.

"Lead indications such as Schizophrenia and Alzheimer's disease remain important to pharmaceutical companies and this is a key area of specialisation for us."

The average value of each contract signed has increased from \$0.135 million in FY2008 to \$0.309 million in FY2009 reflecting CogState's increased use in larger clinical trials.



## **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, Centres for Disease Control (USA), Lundbeck and Novartis. CogState is currently expanding its existing activities in the US and European clinical trial markets. For additional information:

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