



Roadshow Presentation

October 2009

Company overview and key highlights

- CogState (ASX: CGS) is a profitable health services, technology and equipment company that provides cognition-testing software to pharmaceutical companies undertaking clinical trials
- Cognition testing is used in many clinical trials for drugs designed to work on central nervous system diseases and disorders – looking for both:
 - improvement (thinking more clearly); and
 - an absence of decline (no side effects)
- CogState provides a full-service offering, from initial scientific consultancy and assistance with protocol design to statistical analysis and interpretation of results

Financial Summary

Share price	\$0.26
Market cap (as at 1/10/09)	\$17.1 m
Cash & Debtors	\$4.1 m
52 week high	\$0.30
52 week low	\$0.15

Major Shareholders	Shares	Held (%)
Martyn Myer	13,000,000	19.80
GBS Venture Management Pty Ltd	9,137,535	13.92
Asia Union Investments Pty Ltd	6,000,000	9.14
Citicorp Nominees Pty Ltd	3,755,687	5.72
ANZ Nominees Ltd	3,383,209	5.15
TOP 20 TOTAL	42,181,141	64.26

CGS share price graph



Key highlights:

- Financially profitable, cash flow positive business
- Fast growing: revenue grew by 122% in FY09 and 61% in FY08
- There has been a structural migration towards computerised assessment of cognition in clinical trials away from traditional paper based assessment

The CogState advantage

- Validity of tests confirmed in over 150 peer-reviewed scientific articles
- CogState experts have published over 300 journal articles, co-authored numerous book chapters, and edited and authored textbooks and handbooks in neuroscience and neuropsychology
- Extensive commercial experience in study design
- CogState provides rapid computerised testing batteries - < 15 mins
- Datapoint® – real time information to trial sponsor and data integrity information to site staff
- Commercial validation:
 - Customer base of large pharmaceutical companies
 - Demonstrated operational capability to manage large, international trials in multiple countries and languages
 - Extensive use in clinical trials (Phase 1 – Phase 3)

Growing computerised testing market

- CNS disorders contribute up to 35% of disease burden in major pharma markets and is a key focus for big pharma R&D
- 12 major pharma companies: ~163 ongoing trials within CNS portfolio at various stages of development (Phase 1 to Phase 3)
- There has been a structural migration towards computerised testing
- Advantages of computerised testing:
 - Culture neutral stimuli, meaning that anyone can be tested regardless of language, literacy, ethnicity, and socio-economic status
 - Allows for non-expert administration
 - Faster administration reduces test fatigue
 - Electronic data capture allows for real-time data analysis and integrity checking
- Three major players in market:



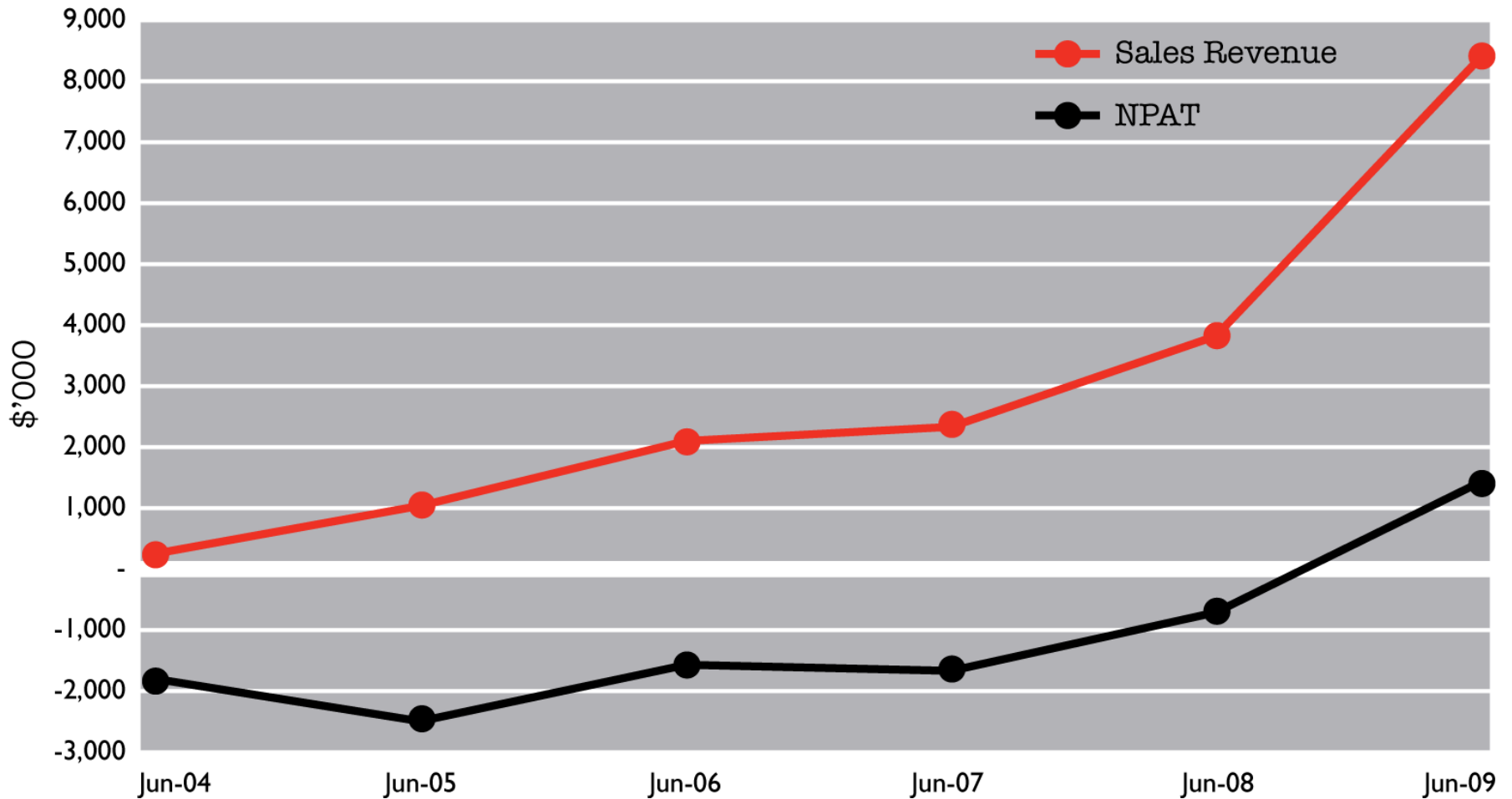
Est. 1986
Industry leader
Private, UK based



Est. 1994
Private, UK based
CANTAB testing battery

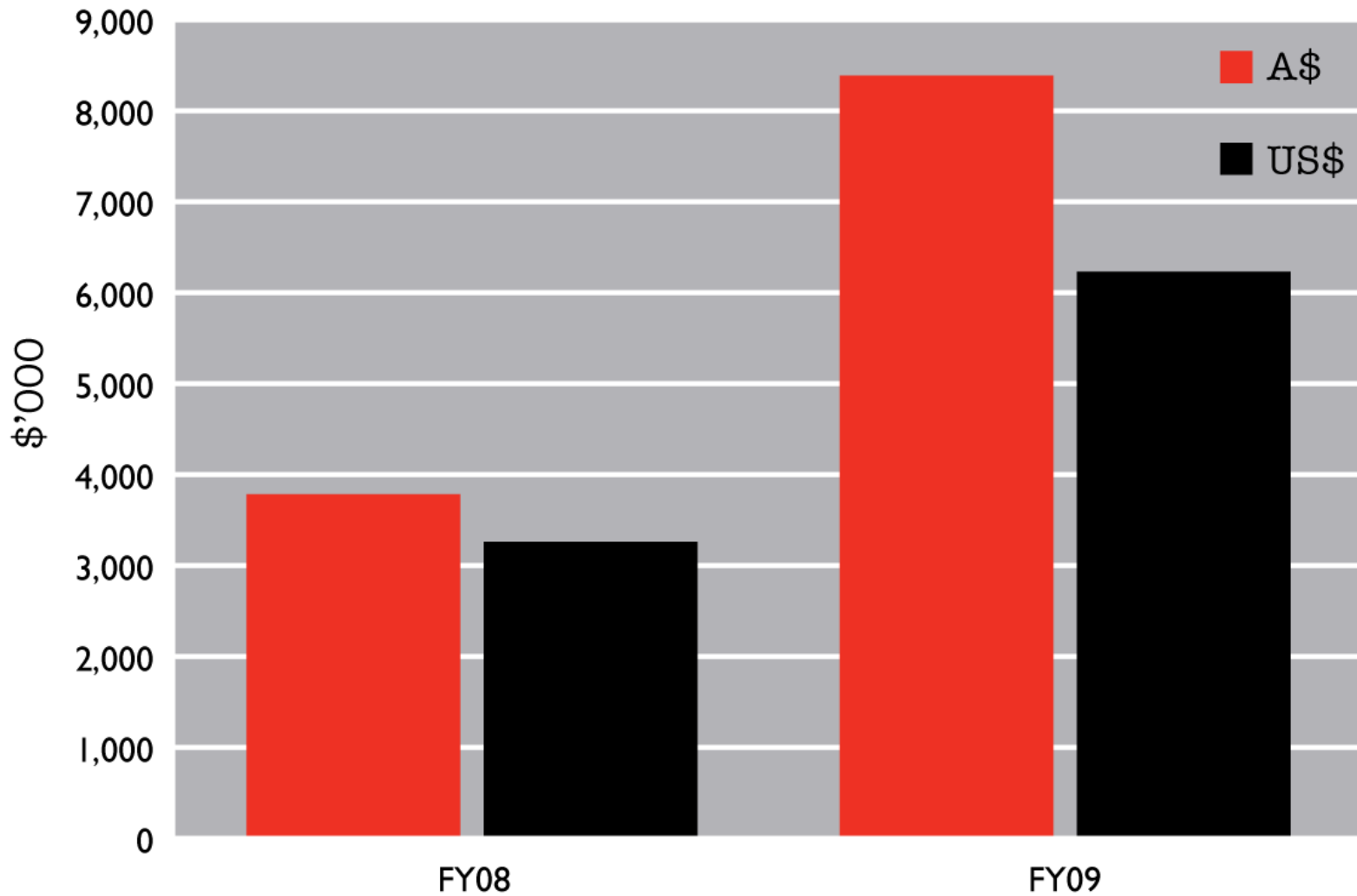
Profit driven by strong sales growth

CogState Sales Revenue and Profitability, by Financial Year



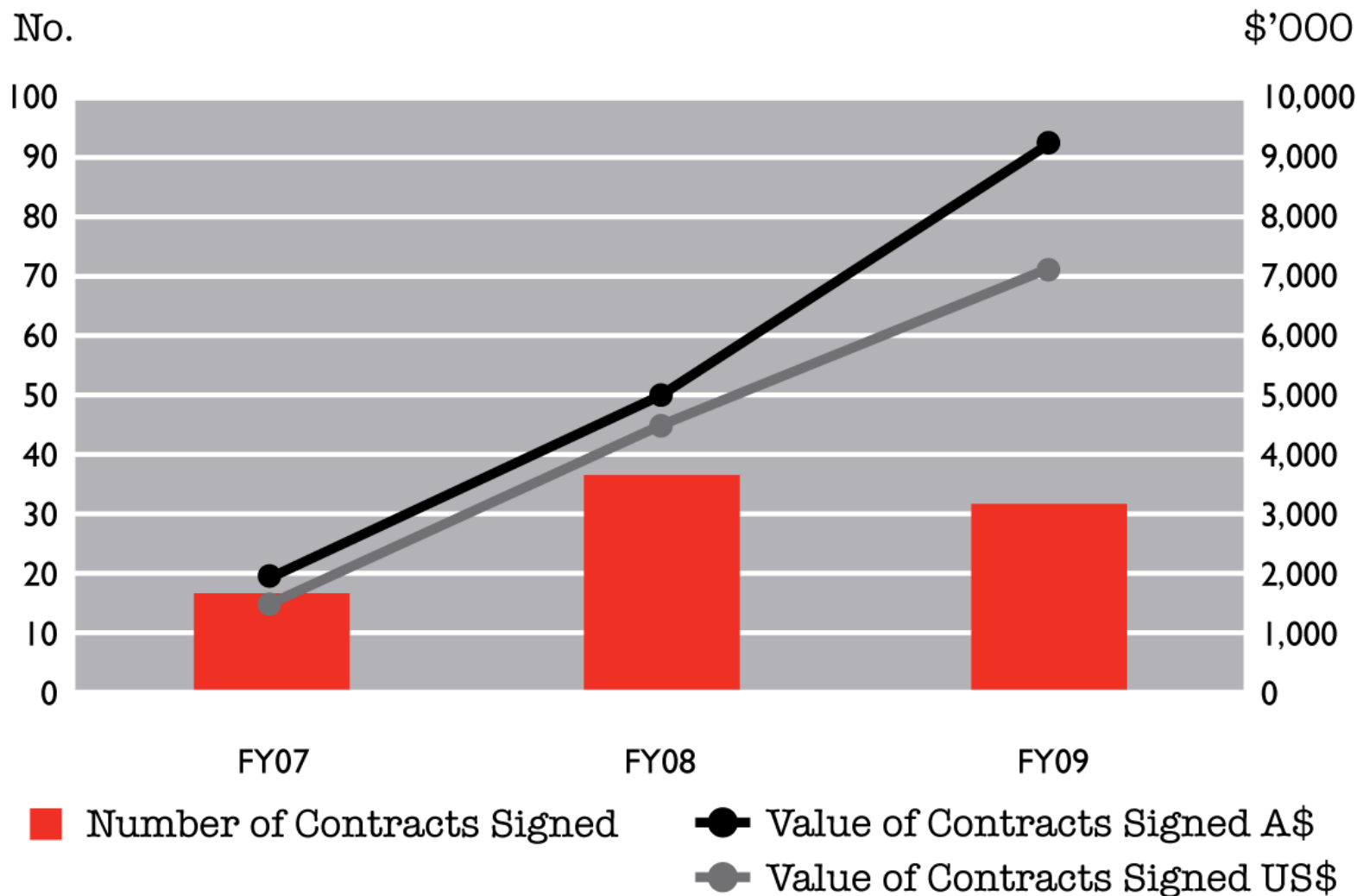
Lower A\$ helped boost sales revenue

CogState Sales Revenue A\$ vs US\$



Larger clinical trials increase value of sales contracts

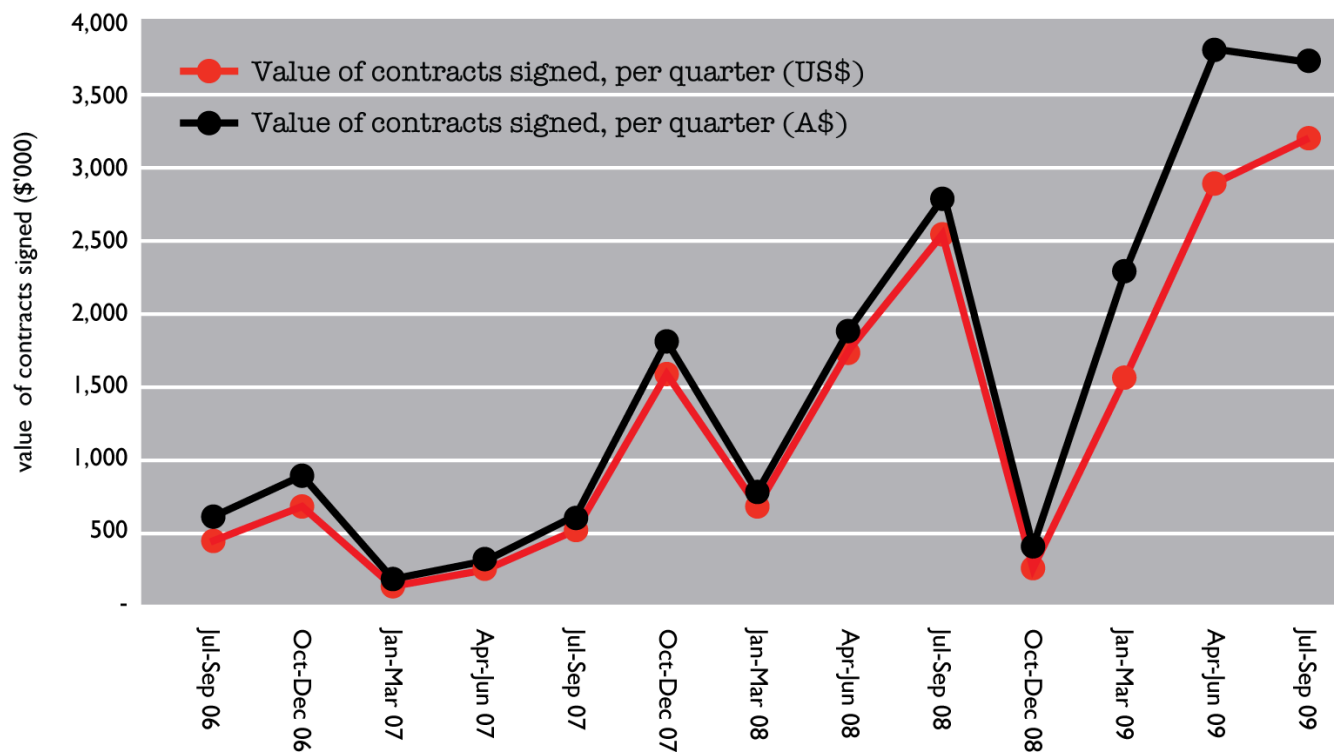
CogState Sales Contracts Signed by Financial Year



Strong trading conditions producing contract growth

- September quarter
 - revenue and cash receipts on target
 - strong interest from new and existing customer base
 - US\$3.18m (A\$3.73m) contracts in Q1

CogState Sales Contracts Signed Per Quarter



Contracted future revenue on the rise

- Contracted future revenue is secured by a signed sales contract and will be recognised as revenue upon achievement of a milestone at a future point in time
- 75% growth in contracted future revenue
 - 30-Sep-09: US\$4.9m (or A\$5.3m at US\$0.92)
 - 30-Sep-08: US\$2.8m (or A\$3.1m at US\$0.90)
- 65% growth in contracted future revenue that will be recognised in the next 9 months of the financial year
 - 30-Sep-09: US\$3.3m (or A\$3.6m at US\$0.92)
 - 30-Sep-08: US\$2.0m (or A\$2.2m at US\$0.90)
- At 30-Sep-08, contracted future revenue of US\$2.0m represented 44% of actual US\$ revenue recorded for the 9 months to 30-Jun-09

H1 revenue growth despite high A\$

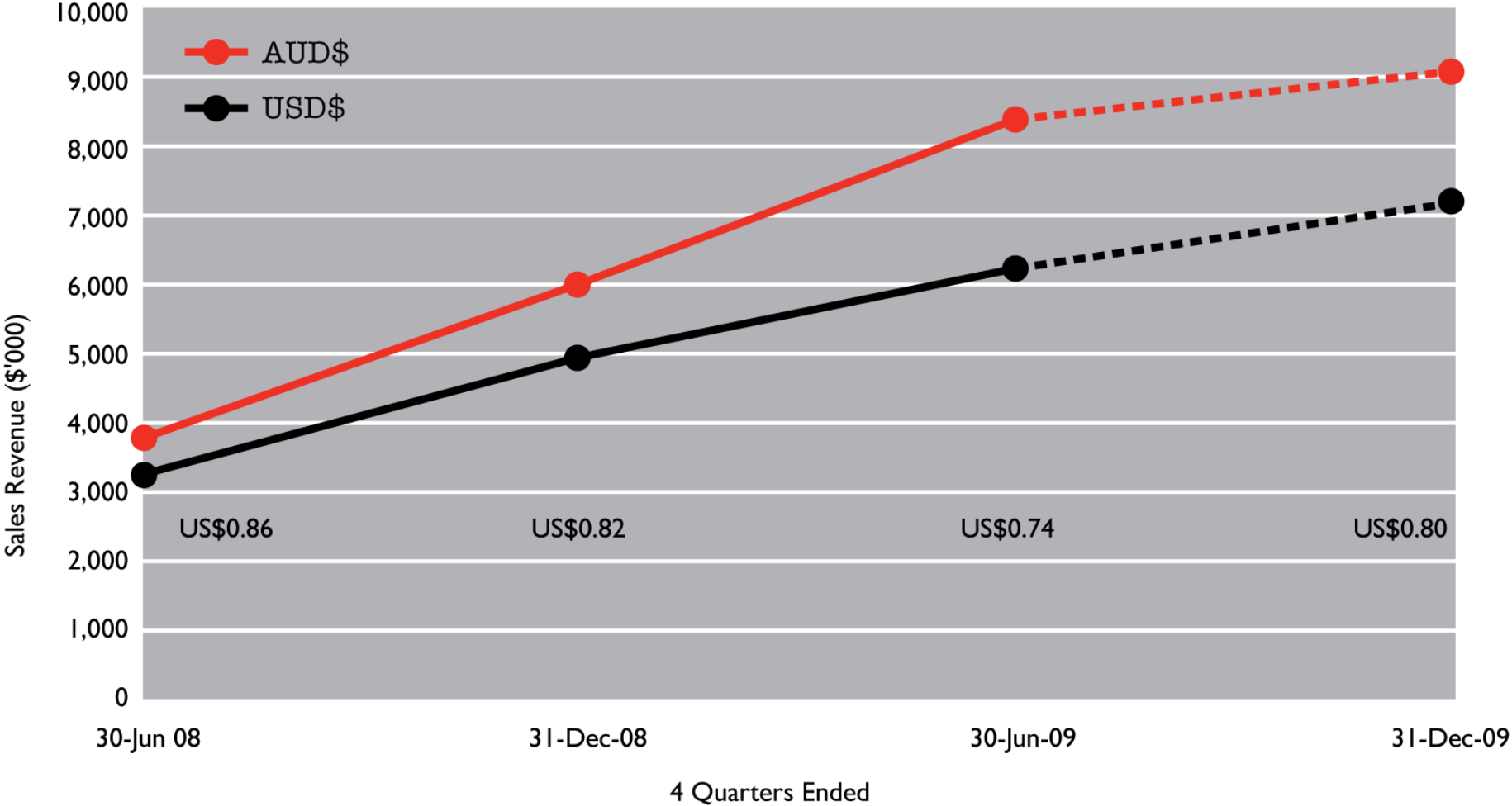
- H1 revenue forecast to be in range of US\$4.0 – US\$4.2m
- The prevailing exchange rates will impact on the amount of A\$ revenue recognised

Forecast	US\$4.0m	-	US\$4.2m
At US\$0.92 exchange rate	A\$4.63m	-	A\$4.75m
At US\$0.96 exchange rate	A\$4.52m	-	A\$4.64m

- 88-90 % of forecast H1 revenue is contracted and the remaining 10-12% is based on proposals that management are confident of signing before 31 Dec 09
- H1 revenue of A\$4.75m would result in revenue of A\$9.27m for the 12 months from 1 January 2009 – 31 December 2009

US\$ revenue growth on target

CogState Sales Revenue, Trailing 12 Months including forecast H1 revenue



FY 2010: H1 Profit Guidance

Strengthening A\$ will impact revenue and profitability

H1 Forecasts:

Half Year (H1) Forecast	US\$0.92			US\$0.96		
	\$'000,000		\$'000,000	\$'000,000		\$'000,000
US\$ revenue	US\$4.0	-	US\$4.2	US\$4.0	-	US\$4.2
A\$ revenue	A\$4.63	-	A\$4.75	A\$4.52	-	A\$4.64
Operating Profit Earnings, before interest, grant income, tax, foreign exchange gain/loss and termination fees	A\$0.84	-	A\$0.96	A\$0.73	-	A\$0.85
Termination fees	(A\$0.20)	-	(A\$0.20)	(A\$0.19)	-	(A\$0.19)
Interest, grant income, tax, and foreign exchange gain/loss	(A\$0.20)	-	(A\$0.20)	(A\$0.26)	-	(A\$0.26)
NPAT	A\$0.44	-	A\$0.56	A\$0.28	-	A\$0.40

Half Year Profit Comparison (at US\$0.92)

Half Year Results	Jul 08 – Dec 08	Jan 09 – Jun 09	Jul 09 – Dec 09 (Forecast)
	\$'000,000	\$'000,000	\$'000,000
US\$ revenue	US\$2.94	US\$3.30	US\$4.20
Average rate of conversion	US\$0.76	US\$0.73	US\$0.88
A\$ Revenue	A\$3.87	A\$4.52	A\$4.75
Operating Profit Earnings, before interest, grant income, tax, foreign exchange gain/loss and termination fees	A\$0.42	A\$0.73	A\$0.96
Termination fees ⁽¹⁾	-	(A\$0.58)	(A\$0.20)
Grant income and R&D tax rebate ⁽²⁾	-	A\$0.35	-
Foreign exchange gain/loss	A\$0.65	(A\$0.19)	(A\$0.21)
Interest and tax	(A\$0.03)	A\$0.08	A\$0.01
NPAT	A\$1.04	A\$0.39	A\$0.56

(1) Termination fees for H2 forecast to be A\$0.10m

(2) R&D tax rebate will not be received in FY 2010 as revenue has exceeded max. allowable under the program

Is the growth sustainable?

- Increased use of CogState in phase 2 and 3 clinical trials
 - Larger contracts over longer time period, providing greater certainty of contracted revenue from future periods
- Cognition continues to be an area of focus in many indications, but particularly Alzheimer's disease and schizophrenia
- Big pharma investment in R&D expected to continue, particularly in programs with drugs in phase 2 and 3, as we approach patent expiration dates for some of the biggest selling drugs
- Increased use of computerised assessment
- CogState continues to seek to expand from its small customer base

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