



ASX Announcement

Melbourne, 10 June 2010

CogState signs joint venture to form Axon Sports

CogState Ltd (ASX: CGS) today announced it has partnered with a Portland Oregon based investment group to form Axon Sports, LLC.

As part of the agreement, CogState will take a 50% stake in Axon Sports and will exclusively license its technology used to assess the cognitive condition of concussed athletes to Axon Sports for use in the North American market.

It is anticipated that Axon Sports will launch a re-branded technology, based on CogState Sport, in August 2010 and will focus on the delivery of products to both protect and train athlete's brains.

Axon Sports will initially provide baseline and after-injury tests to young athletes across North America in ways that are easily accessible, convenient, affordable and understandable for all individuals. Further details on the joint venture partners and the revamped cognitive testing product, including branding and marketing details, will be released in August 2010.

Mr Brad O'Connor, Chief Executive Officer of CogState said: "We are very excited by this joint venture and the opportunities it will provide to health specialists and athletes in dealing with sports-related concussion injuries in North America."

What is concussion?

Concussion is a temporary disturbance to brain function that is caused by either a direct (e.g. a blow to the head) or indirect (e.g. whiplash) trauma to the brain.

Symptoms can include headache, blurred vision, dizziness, nausea, as well problems with balance and fatigue. Additionally, someone suffering from a concussion may experience loss of memory, confusion and an inability to think clearly and process information.

Only a small minority of cases will result in a loss of consciousness.

The effects on an individual are usually temporary and with correct management an individual should recover fully. However, every individual and every concussion is different, therefore determining when an individual has recovered and guiding return to play (or return to study) decisions is challenging.

Premature return to play after a concussive injury has been widely reported to increase the risk of complications, such a prolonged symptoms, further injury or symptoms of depression and cumulative cognitive impairment. Health experts are now in agreement that athlete's should not be allowed to return to play until they have recovered completely from their concussion.



The sports concussion market in the US

In the United States (US) there is a growing awareness of the dangers associated with concussions and the difficulty and risks associated with return-to-play and return to the classroom decisions. The awareness has been driven largely by the widespread media coverage that the issue has received in recent months.

Additionally, it has become a matter of government attention in the US. The long-term effect of concussion among professional football players in the National Football League has been the focus of several congressional hearings and a number of US states have now legislated guidelines for the management of concussion for young athletes.

It is estimated that there are in excess of 60 million individuals involved in youth sports (elementary school through to college) in North America.

Best practice concussion management recommendations

Since 2001, there have been three International Conferences on Concussion in Sport – Vienna (2001), Prague (2004) and Zurich (2008). From those conferences have come a number of recommendations of “international best practice” for management of concussion.

The best practice guidelines acknowledged that the use of computerised neuropsychological assessment (such as the CogState Sport system) in the management of concussion represents the optimal approach to return-to-play decision making.

In order to effectively make use of such tools, it is important to establish an athlete’s status when normal; this is called a baseline test. After a concussive injury, the athlete can be tested again and the results of that test compared to the baseline data to see if there has been a change in cognition.

About CogState

CogState Ltd (ASX: CGS) specialises in the development and commercialisation of rapid, computerised tests of cognition (brain function). CogState revenue stream has historically been primarily generated from sales of 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, Johnson & Johnson, Novartis, Lundbeck, Dainippon Sumitomo, Otsuka, Servier, along with a number of other organisations.

CogState Sport has been used by a small number of highly regarded institutions and sporting organisations around the world for almost 10 years. Current customers include, Notre Dame University, University of Michigan, English Rugby League, English Jockey Club, and a number of Australian Football League, Australian Rugby League and Australian Rugby Union clubs.



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