



Investor Roadshow

November 2008

Overview

CogState (ASX: CGS) is a health services and equipment company that provides cognition testing technology to pharmaceutical companies undertaking clinical trials

Share price	\$0.16
Market cap (as at 7/11/08)	\$10.5m
Cash (as at 31/10/08) (excluding debtors \$0.98m)	\$2.95m
52 week high	\$0.16
52 week low	\$0.06

Major Shareholders	Shares	Held (%)
MF Custodians Ltd	10,736,799	16.36
United BioSource Corporation	10,290,840	15.68
GBS Venture Management	9,137,535	13.92
Asia Union Investments	4,404,045	6.71
ANZ Nominees Ltd	3,381,709	5.15
TOP 20 TOTAL	52,708,880	80.30



CogState's core business model - explained

- Provides cognition testing to the global pharmaceutical industry within the clinical trial process (recently estimated by Bioshares to be \$190m p.a.)
- Cognition testing 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
 - absence of decline (no side effects)
- Approved CNS drugs (est. market worth of US\$77.3b in 2007) and in-development drugs represent one of the fastest growing markets for pharmaceutical companies
- CNS disorders contribute up to 35% of disease burden in major pharma markets
- 12 major pharma companies: ~163 ongoing trials within CNS portfolio at various stages of development (Phase 1- Phase 3)

CogState's core business model - explained

Market Size – available figures

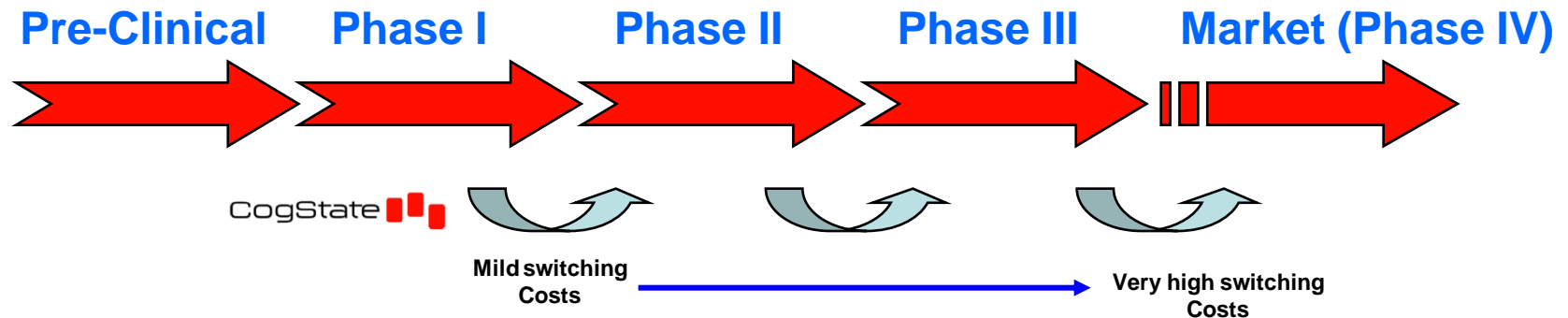
- 820 drug trials currently registered with the National Institutes of Health in the USA for CNS diseases and disorders:

Disease	Phase I	Phase II	Phase III	Phase IV
Alzheimer's Disease	29	36	21	22
Schizophrenia	17	55	59	86
Depression	18	86	62	104
Insomnia	2	8	17	15
ADHD	1	14	16	35
Traumatic Brain Injury	10	30	42	35

Why CogState is growing so rapidly

- Pharma model now focuses heavily on the sales and marketing of their products – outsourcing clinical development
- 3rd parties (CROs or other service providers such as CogState) are engaged to implement and execute clinical trials
- Increasing investment in R&D as significant drugs come off patent
- CogState is embedded in clinical trial process – high switching costs

Typical Pathway In Drug Development

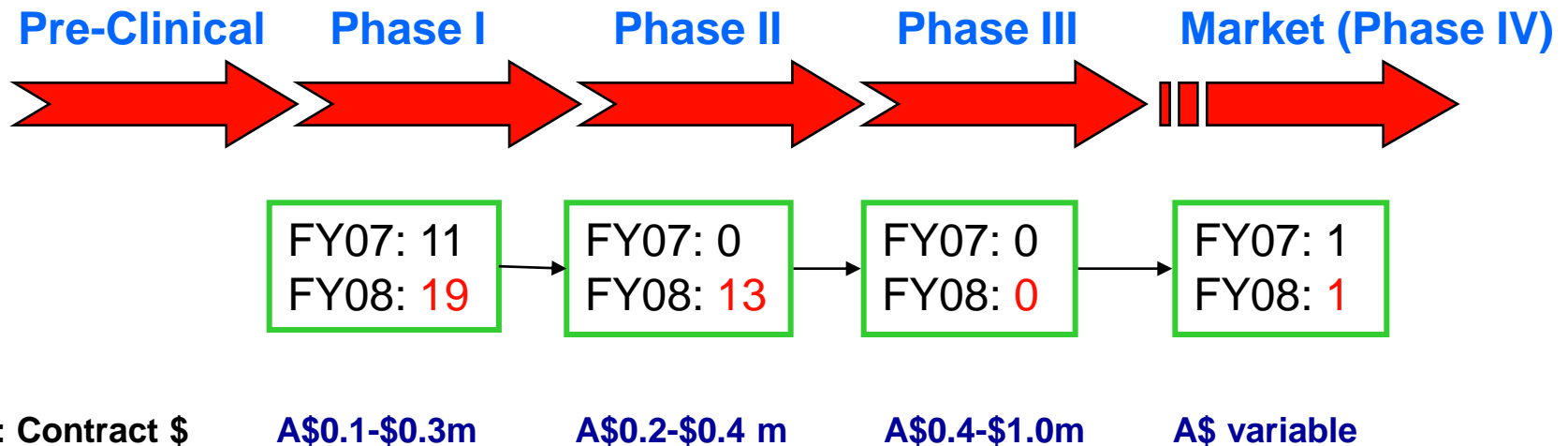


HIGH COST BARRIERS TO CHANGE

Higher revenue with later stage contracts

- CogState is winning an increasing number of higher value, later stage contracts
 - 13 phase II contracts signed during FY08 (FY07 = nil)
 - 37 contracts signed FY08 (FY07 = 17)

Winning an increasing number of later stage contracts



Market dynamics & the CogState advantage

- CogState provides rapid computerised testing batteries - < 15 mins
- Datapoint® – real time information etc to clients
- Top Down business model – prove capability for new customers via Phase 1 trials – allows for other Phase 1, and new Phase 2 before switching costs prohibitive
- Strong repeat business, highlights delivery and execution

Computerised Cognition Testing – 3 Major Players



Est. 1994
Private, UK based
CANTAB testing battery



Est. 1986
Industry leader
Private, UK based



+



**UBC Deal
provides
unparalleled
scale for global
trials**

United BioSource Corp. (UBC) Partnership

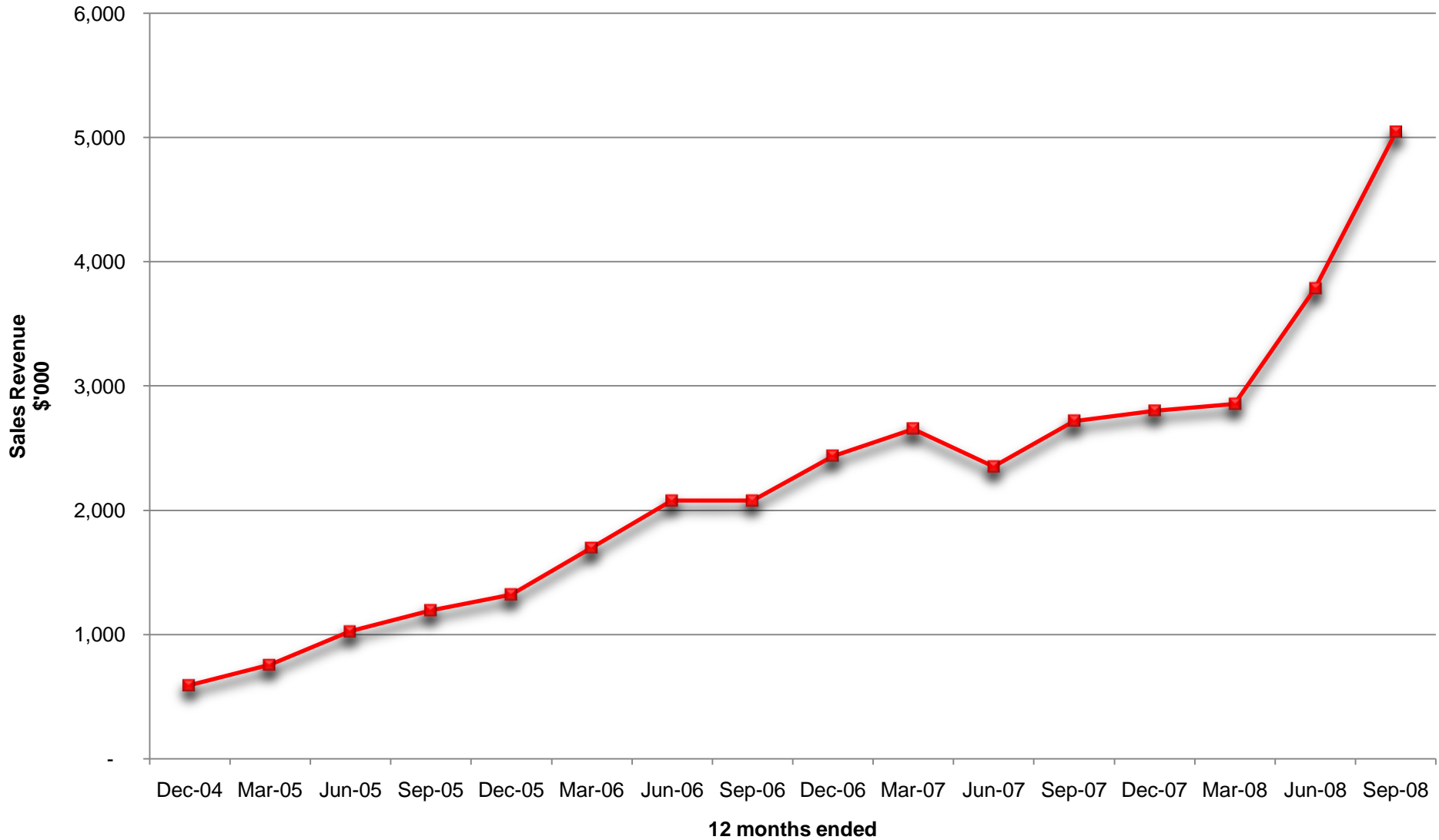
- UBC agreement signed July 2008
 - Initial 15% holding in CogState from private placement and underwriting of Rights Issue
 - Allows CogState to build a comprehensive service offering, especially for larger Phase II and III studies
 - Working with over 100 companies currently
- Unmatched operational capabilities in international multi-centre clinical trials
 - Allows CogState to grow market share while maintaining cost control
 - CogState and UBC have started pitching for later phase trials together
 - First jointly run trial has begun (Phase I study)
- Provides CogState with critical mass
 - US\$153m in funds
 - 1200 employees

Focus on growth

- Growing market for computerised cognitive technology in clinical trial – move away from traditional ‘paper and pencil’ method
- Growth in revenue:
 - 114% growth in the number of pharma company customers
 - 61% revenue growth for FY08
 - A\$0.5m positive cash flow from operations for H2 FY08
 - 162% growth in the value of contracts signed during FY08 (A\$5m)
- Increase in senior science / sales staff
 - Dr John Harrison joined in a senior science / sales role in Dec 07
 - Dr David Darby, founder, moved into a full time science / sales role

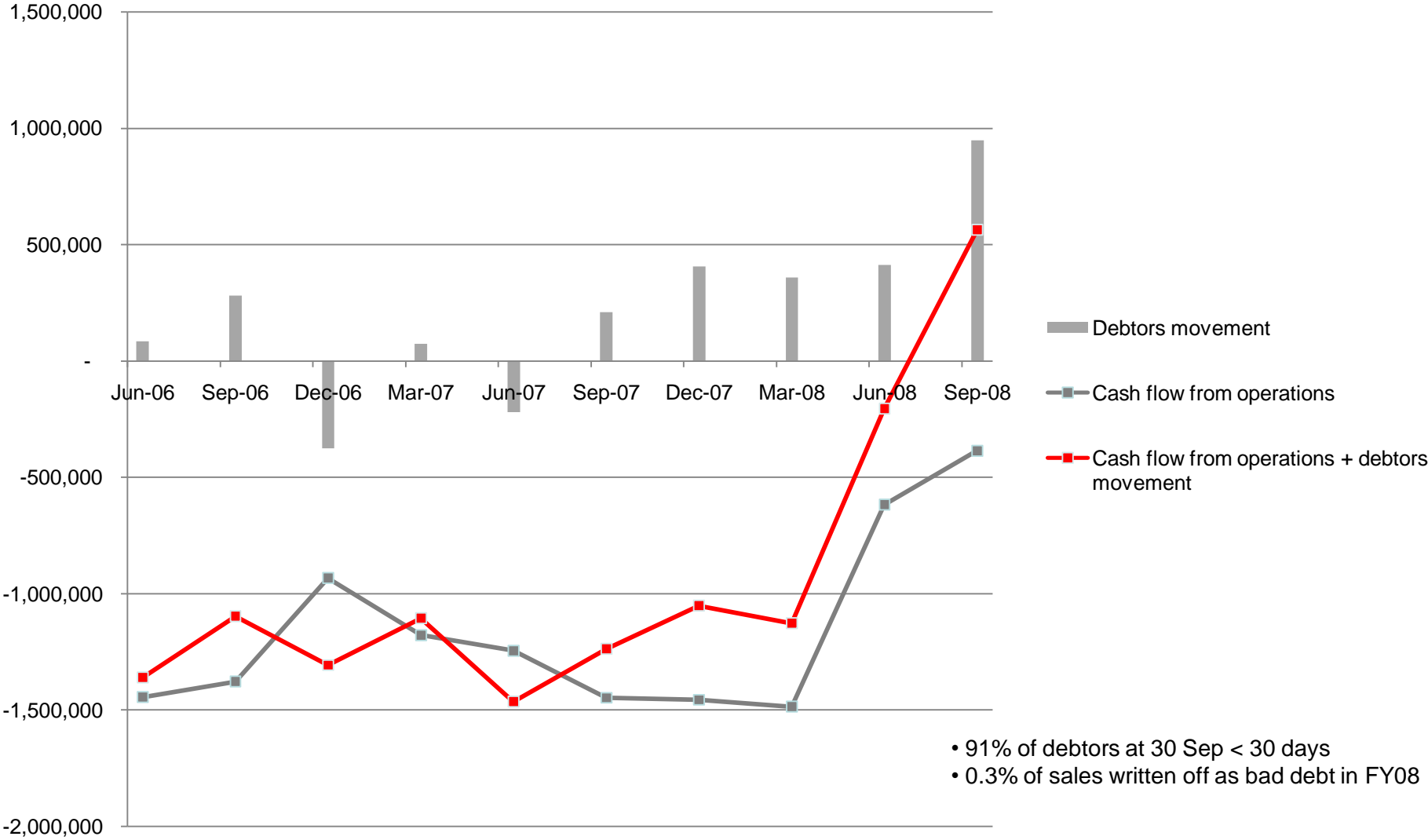
Clinical trials: building a profitable business

Trailing Twelve Months Sales Revenue



CogState ClinicalTrials: building a profitable business

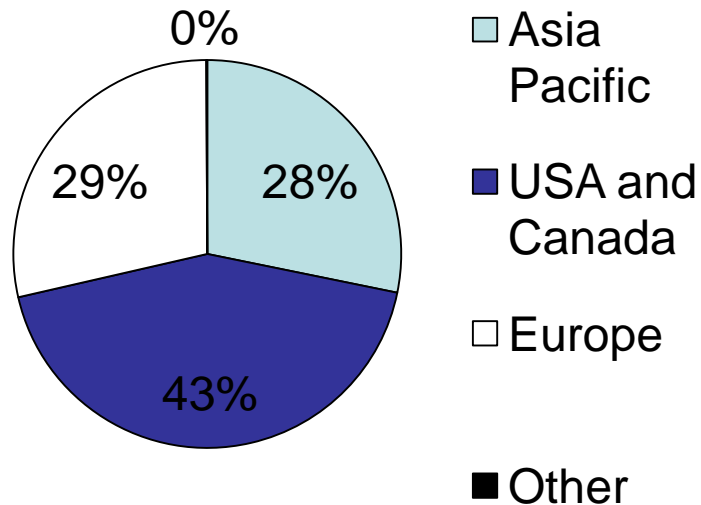
Trailing Twelve Months Operating Cash Flow



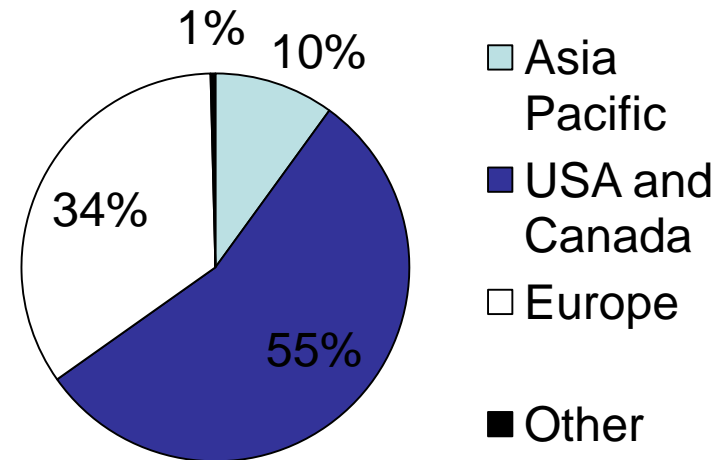
Geographic segments of revenue

- At 30 June 2008, CogState products were operating in over 150 clinical trial sites, in over 30 languages, around the world

Geographic spread of revenue FY07



Geographic spread of revenue FY08



- Q1 FY09 result – first operating profit
 - A\$1.99m revenue for Q1
 - A\$0.5 million from contracts on hand at 1 July 2008
 - A\$1.5 million from contracts signed during Q1
 - A\$5m revenue for the trailing twelve months
 - A\$0.5m cash inflow from operations for the trailing twelve months
 - This results allows for debtors movements
- Q1 Profit in excess of A\$0.5m
 - Includes \$0.2m gain on foreign exchange movement

Summary of clinical trial contracts:

- A\$3.5m contracts signed since 1 July 2008 (A\$1 = US\$0.70)
 - Includes A\$1.4m phase III schizophrenia trial
 - 4 x Phase II studies with average value of A\$0.27m

Phase of Trial	FY07	FY08	FY09 Q1
Phase I	11	19	7
Phase II	0	13	4
Phase III	0	0	1
Phase IV	1	1	0
Other	5	4	4
Total	17	37	16

- A\$3.1m under contract to be invoiced at future dates
 - Of total under contract, A\$2.2m expected to be invoiced during the remainder of FY09

Positive outlook

- Profit guidance
 - FY09 Q2
 - Sales revenue of at least \$1.5 million
 - At this level, expect operating break even for Q2
 - FY09 H1
 - Expect to record first operating profit for the first half
 - At this time, we are not issuing profit guidance for the second half of the financial year
- Defensive outlook given volatile economic conditions
 - Customers are big pharma companies
 - Provided pharma continues to invest in R&D, minimal impact on CogState's business
 - Benefit from falling AUD\$, but note natural hedge with US office and associated US\$ expenses

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