



ASX Announcement

Melbourne, 25 August 2010

CogState launches Axon Sports concussion product

CogState Ltd (ASX: CGS) today announced the official launch of its joint venture with Quixote Investment, Axon Sports, LLC, in the United States.

Axon Sports will market and sell a cutting-edge Computerised Cognitive Assessment Tool (CCAT) to protect the athletic brain. CogState's technology is the backbone of the CCAT and Axon Sports has an exclusive license to use and sell the technology initially in the sports market in North America only.

CogState and Quixote Investment - a Portland Oregon-based investment group – each hold 50 percent of the issued capital of Axon Sports. CogState and Quixote have equally contributed to the working capital of Axon Sports, each investing US \$0.5 million, with an option for further investment as required.

Axon Sports will be staffed and run independently from CogState.

Axon Sports will market and sell the technology in two ways:

- Online via the website (axonsports.com) - test credits can be purchased in any quantity; and
- Via distribution partners, such as Wells Fargo Insurance Services.

Customers will range from parents buying test credits for each child in their family, schools buying test credits for school athletes, doctors and/or medical centres buying test credits for patients, sports teams and/or associations buying test credits for their athletes and athletes buying test credits for themselves. The size of the youth, high school and adult athlete market in the US is estimated to be greater than 60 million people.

Mr Brad O'Connor, Chief Executive Officer of CogState said: "We have spent the past six years building a profitable, cash flow positive business in the area of clinical trials. Axon Sports represents an accretive business opportunity outside of our core business.

"The sports concussion market is potentially a larger market than the clinical trials market and by partnering with a team with such great experience in developing and marketing products for the sports market, we believe that Axon Sports provides CogState with a tremendous opportunity to access the revenue potential of the sports market.

"We believe that Axon Sports will be a very profitable business and will add significantly to CogState's profitability," Mr O'Connor added.



How does the test work?

The Axon Sports test is a series of simple tasks that measure the speed and accuracy of different aspects of thinking thereby allowing an athlete to establish a Baseline cognitive performance. The tasks are designed so that there is no practice effect – that is, you don't get better by continued practice.

A Baseline test should be taken every year before the first contact practice of the sports season. Repeating the same test After Injury identifies any cognitive changes from the Baseline performance, which can indicate that the brain is not yet fully recovered from injury. An After injury test can be re-taken hourly or daily and will merely reflect changes in cognition.

Built-in integrity checks will review the athlete's speed and accuracy to ensure that they are putting in an honest effort. On average, the test takes less than 15 minutes to complete and results are immediately available.

Comparing the results of a Baseline test to an After Injury test gives doctors a useful tool in making the decision on whether an athlete may safely return to play or to the classroom.

Investor presentation

CogState Chairman, Martyn Myer along with CEO, Brad O'Connor, will join Rudy Chapa, Patricia Eiting and Polly James from Axon Sports, to host a presentation via teleconference to discuss the launch today.

During the call today, they will explain the business opportunity that currently exists in North America in the area of concussion management, introduce Axon Sports and the key people behind it, and explain why CogState believes Axon Sports will be successful and what that will mean for CogState and its shareholders.

Date: 25 August 2010

Time: 11.30am

Dial-in number: 1800 153 721 (Australia only)

International access number: +61 2 8212 8333

PIN code: 547 533#

Speakers:

- Martyn Myer, Chairman of CogState
- Brad O'Connor, CEO of CogState
- Rudy Chapa, Co-founder of Axon Sports and Quixote Investment principle
- Patricia Eiting, Co-founder of Axon Sports and Quixote Investment principle
- Polly James, CEO of Axon Sports

The speech and presentation will also be available on the attached link at the conclusion of the call: <http://www.brr.com.au/event/67827/?popup=true>



About Quixote Investment

Quixote Investment is owned and managed by Rudy Chapa and Patricia Eiting. Through a controlling interest in BC Sports, Quixote founded SPARQ, Inc in 2004. SPARQ (Speed, Power, Agility, Reaction and Quickness) became the standardised test for athleticism as well as leading manufacturer of athletic training equipment and programs. The test, called the SPARQ Rating, is a sport specific assessment of athleticism with unique testing protocols for six sports including; football, soccer, baseball and fast pitch, basketball and general athleticism. SPARQ was sold to Nike in 2009 for an undisclosed sum.

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, University of Notre Dame, University of Michigan, English Rugby League, English Jockey Club, and a number of Australian Football League, Australian Rugby League and Australian Rugby Union clubs.

For further information:

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