

ASX Announcement

Melbourne, 15 March 2006

CogState Signs Distribution Agreement in Japan ~ US\$500,000 revenue over two years ~

Key points:

- **CogState has signed a distribution agreement with Japanese company, Health Solutions Inc**
- **Health Solutions Inc will exclusively distribute CogHealth and CogSport in Japan**
- **Total revenue of US\$500,000 over the first 2 years of the agreement**
- **Following the initial 2 year period, CogState will be paid royalties calculated with reference to the number of tests taken in Japan**

CogState Ltd (ASX:CGS) announced today that it has signed a distribution agreement with Japanese company, Health Solutions Inc., for the promotion, advertising, marketing, sales and distribution of CogHealth and CogSport in the Japanese market.

CogState will receive total revenue of US\$500,000 over the first two years of the contract and will thereafter be paid a royalty per test taken in Japan.

The CogHealth test is used to assist the medical diagnosis of cognitive decline and to monitor the results of therapy on cognitive performance in individuals. The CogSport test provides an accurate and reliable way of determining when it is safe for an athlete to return to play after injury.

CogState CEO, Mr Brad O'Connor, commented, "Health Solutions is very well placed to distribute our technologies in Japan and we are extremely fortunate to be able to leverage the expertise and contacts of Dr Fujiwara".

"As this agreement does not include the use of CogState technology in clinical trials, it provides the company with an opportunity to grow revenues outside of our core business." Mr O'Connor added.

A Japanese language version of CogHealth has already been developed for distribution. CogSport will be distributed as an English language version only.

About Health Solutions Inc.

Health Solutions Inc is a private company resident in Japan. Dr Akiko Fujiwara, CEO and founder of Health Solutions Inc, was formerly regional Vice President for Johnson & Johnson where her responsibilities included identification of new business opportunities and technology acquisition and licensing. It was in this role that she first began a review of tools for diagnosis of Alzheimer's disease and other forms of cognitive impairment.

About CogHealth

CogHealth is used to assist the medical diagnosis of cognitive decline and to monitor the results of therapy on cognitive performance in individuals.

Memory decline is the hallmark of the neurodegenerative process in Alzheimer's disease and mild cognitive impairment. Objective evidence of memory decline helps clinicians to make decisions about the nature and severity of any neurodegenerative disease in older people.

CogHealth can assist medical practitioners by:

- establishing a "best cognitive performance" baseline profile for future comparisons
- providing regular objective measures of cognitive change for reassurance
- detecting progressive mild cognitive impairment (MCI) before symptoms are significant, eg early Alzheimer's disease, drug abuse, medical or psychiatric disease
- monitoring of recovery back to baseline, eg after acute head injury or depression
- assessing therapeutic responses in known causes of cognitive impairment, eg early Alzheimer's disease, HIV-dementia, depression, delirium, etc.

About CogSport

CogSport is an accurate and reliable way of determining when it is safe for an athlete to return to play. In this way, CogSport helps ensure the future health and well-being of athletes in many sports.

CogSport gives health professionals responsible for the concussed athlete a scientific and objective method of determining when the athlete's brain function is back to normal after concussion.

CogSport is currently used by many of the world's elite athletes, and also by many thousands of junior athletes, high school and university students around the world.

CogSport provides evidence-based guidelines for the medical management of concussed athletes, easy to interpret reports including a summary of the athlete's recent clinical history and brain function, and a series of standardized assessment forms to guide the less experienced health professionals.



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About CogState

CogState Ltd (ASX: CGS) specialises in the development and commercialisation of rapid, computerised diagnostic 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, Centres for Disease Control (USA), ALZA Corporation (a member of the Johnson and Johnson group) and Organon USA. CogState is currently expanding its existing activities in the US and UK clinical trial markets.

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