



## NEWS RELEASE

### BIOSENSORS REPORTS FINANCIAL RESULTS FOR THE FIRST QUARTER OF FISCAL YEAR 2016

**Singapore, 3 August 2015** – Biosensors International Group, Ltd. ("**Biosensors**" or the "**Company**", Bloomberg: BIG SP; Reuters: BIOS.SI; SGX: B20), a developer, manufacturer and marketer of innovative medical devices, today announced financial results for its first fiscal quarter ended 30 June 2015 ("**Q1 FY16**").

#### Quarter Highlights and Recent Developments:

- Biosensors continued to make significant progress in improving its cost structure, driven by lower operating expenses and operational improvement. Operating income rose 21% year-on-year ("**y-o-y**") and 11% quarter-on-quarter ("**q-o-q**"). Excluding licensing and royalty revenue, y-o-y operating income more than doubled and also rose 7% over the previous quarter.
- Total operating expenses were US\$11.9 million lower than a year ago, representing a 27% drop. Total operating expenses as a percentage of product revenue was 54%, down significantly from 63% in the same period last year.
- Total revenue was US\$67.0 million, compared to US\$80.2 million in the first quarter of Fiscal Year 2015 ("**Q1 FY15**"), mainly due to negative FX impact. Licensing and royalty revenue also declined compared to a year ago. On a constant currency basis, product revenue was down by a low-single-digit percentage y-o-y.
- Product revenue gross margin was 74%, compared to 71% in Q1 FY15 and Q4 FY15. This gross margin improvement was mainly driven by higher DES gross margin through a more vertical integrated production process.
- Cash and cash equivalent increased by US\$18.2 million from the previous quarter.
- More recently, the LEADERS FREE clinical trial completed its follow-up phase with results scheduled to be presented at the Transcatheter Cardiovascular Therapeutics (TCT) conference in October, 2015. LEADERS FREE is a double-blinded study comparing a polymer-free active stent (BioFreedom) and a bare metal stent (Gazelle) in patients at high risk of bleeding with only one month of dual antiplatelet therapy.
- BMX-J received regulatory approval in Japan. BMX-J is an OEM version of the Nobori drug-eluting stent (DES) expected to be introduced and commercialized in Japan by the Company later this fiscal year.

"Consistent with the trend over the recent quarters, we demonstrated a meaningful improvement in our operating income in Q1 FY16. Excluding licensing revenue, our operating income more than doubled compared to the same period last year, due to the execution of our cost reduction initiatives. In addition, we achieved higher gross margin as well as strong operating cash flow," commented Biosensors' CEO Mr. Jose Calle. "With regards to our top-line, lower licensing revenue and currency headwinds continued to weigh on our results. The turnaround strategy put in place since the third quarter of last year is gradually taking shape and delivering results. On the clinical front, our LEADERS FREE trial has completed all the patients follow-up according to plan and is on

track to present the results at TCT in October. I look forward to seeing the outcome during the conference. I am also very pleased to see that BMX-J got approved since this is an important milestone for our strategy in Japan.”

### Performance Summary for Q1 FY16

For Q1 FY16, Biosensors reported total revenue of US\$67.0 million, compared to US\$80.2 million in Q1 FY15, primarily as a result of unfavourable foreign exchange impact and lower licensing and royalty revenue.

Product revenue of US\$60.5 million decreased 14% in comparison to the same quarter last year. The reduction of product revenue was largely a result of unfavourable currency impact. On a constant currency basis, our product revenue was down 3% in comparison to the same quarter last year. In addition to the currency impact, the decline was largely attributable to lower Cardiac Diagnostics revenue resulting from some installation delays by hospitals for our D-SPECT products.

Licensing and royalty revenue for Q1 FY16 was US\$6.5 million, representing a 33% decrease from US\$9.7 million in the same quarter last year.

Gross margin on total product sales improved to 74% for the quarter compared with 71% for Q1 FY15. This change in gross margin reflects higher DES gross margin through a more vertically integrated production process.

Total operating expense as a percentage of product revenue for the quarter was 54%, which is a strong improvement compared to 63% in the same quarter last year.

In detail, the quarter’s sales and marketing (“**S&M**”) expense was US\$20.3 million; general and administrative (“**G&A**”) expense was US\$7.8 million; and research and development (“**R&D**”) expense, which included costs for new product development and testing, clinical trials, patents registration and regulatory approval, was US\$4.6 million. All expenses were lower both in their absolute dollar amounts and as a percentage of product revenue y-o-y.

Operating profit for Q1 FY16 was US\$18.3 million, a 21% increase from US\$15.1 million in Q1 FY15 and an 11% increase from Q4 FY15. Excluding licensing revenue, product operating income in Q1 FY16 was US\$11.8 million, up 120% y-o-y and 7% q-o-q.

Net profit for Q1 FY16 was US\$9.5 million. Before exceptional items, basic and diluted earnings per share (“**basic EPS**” and “**diluted EPS**” respectively) were both 0.61 US cents. This is compared to US\$9.9 million net profit, or basic and diluted EPS of 0.58 US cents for Q1 FY15. After exceptional items, Q1 FY16 basic and diluted EPS were both 0.56 US cents, compared to Q1 FY15’s 0.58 US cents.

Cash and cash equivalents at the end of Q1 FY16 was US\$536.5 million. This was an increase from the end of Q4 FY15’s US\$518.3 million.

### Outlook for FY16

The company maintains its outlook for the fiscal year ending 31 March 2016 (“**FY16**”) provided during its last earning release for Q4 FY15. Management still aims to work towards revenue growth over FY15, although it continues to expect market competition, pricing pressure, and unfavourable currency impact to stay as headwinds. In addition, licensing income from partner, Terumo, could continue to decrease. The revenue growth is expected to be largely driven by sales from

BioFreedom™ and the Cardiac Diagnostic segment as well as further expansion in Japan with the introduction of the BMX-J DES.

“Looking ahead, we still target to achieve revenue growth for this fiscal year, despite the anticipated slow start to FY16 due to lower licensing and royalty revenue and adverse foreign exchange impact. Our operating income growth in the past three quarters demonstrated that we are heading in the right direction. We will continue to work towards improving our operational efficiency and productivity,” commented Mr. Calle on the outlook for the Company. “Longer term, our strategies remain to continue to enhance competitiveness and increase market share in the global cardiovascular markets, while also seeking new growth businesses and other attractive opportunities. We are confident that we are on the right track to further grow Biosensors to become a bigger, more diversified and more profitable international organization in the medical device field.”

### **Conference Call Information**

Biosensors’ management will host an analyst conference call at 6pm (Singapore time) on Monday, 3 August 2015 to discuss the financial results and provide an update on the Company’s progress. A live audio webcast of this analyst conference call will be available through Biosensors’ corporate website at [www.biosensors.com](http://www.biosensors.com) on the day of the event.

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### **About Biosensors International Group, Ltd**

Biosensors International Group, Ltd. develops, manufactures and markets innovative medical devices, aiming to improve patients’ lives through pioneering medical technology that pushes forward the boundaries of innovation. Founded in 1990, we were listed on the Mainboard of the Singapore Stock Exchange in 2005.

The Group currently operates through four business units (“BU”): the Cardiovascular BU, composed primarily of the BioMatrix™ & EXCEL families of drug-eluting stents and stent technologies such as BA9; the Cardiac Diagnostic BU, including Spectrum Dynamics products that offer advanced medical imaging and clinical solutions to help interventional cardiologists determine the most appropriate treatment for patients; the Peripheral Intervention BU, offering solutions for the treatment of patients with peripheral arterial disease; and the Critical Care Products BU.

The Group has operations worldwide and is headquartered in Singapore.

For more information, please visit [www.biosensors.com](http://www.biosensors.com).

## **Forward-Looking Statements**

*Certain statements herein include forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the use of forward-looking terminology, such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “project” or “continue” or the negative thereof or other similar words. All forward looking statements involve risks and uncertainties, including, but not limited to, customer acceptance and market share gains, competition from companies that have greater financial resources; introduction of new products into the marketplace by competitors; successful product development; dependence on significant customers; the ability to recruit and retain quality employees as Biosensors grows; and economic and political conditions globally. Actual results may differ materially from those discussed in, or implied by, the forward-looking statements. The forward-looking statements speak only as of the date of this release and Biosensors assumes no duty to update them to reflect new, changing or unanticipated events or circumstances.*