



NEWS RELEASE

BIOSENSORS REPORTS FINANCIAL RESULTS FOR FISCAL YEAR 2014

Singapore, 28 May 2014 – 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 fourth fiscal quarter (“**Q4 FY14**”) and fiscal full year ended 31 March 2014 (“**FY14**”).

Highlights and Recent Developments:

- Q4FY14: Total revenue was US\$81.6 million, compared to US\$88.8 million for the same period last year. Licensing revenue remained at a comparable level to the previous few quarters.
- FY14: Total revenue was US\$323.8 million, compared to US\$336.2 million for the previous year. The decline was due to lower licensing revenue.
- Appointed Mr. Jose (PePe) Calle Gordo as the new Chief Executive Officer; Executive Chairman Mr. Yoh-Chie Lu will serve as interim CEO until Mr. Gordo assumes his job in November (*please see separate press release for more details*).
- Granted a conditional Investigational Device Exemption (IDE) approval for a U.S.-based clinical trial of BioFreedom™ by the U.S. Food and Drug Administration (FDA), marking the Company’s first foray into the U.S. for its interventional cardiology product.
- LEADERS FREE clinical study was fully enrolled and the baseline patient population data was presented at EuroPCR 2014.
- Launched Chroma™ – an innovative cobalt chromium bare-metal stent (BMS) coupled with the Company’s special delivery system – in May, after receiving CE approval late last year.

“FY14 was a challenging year. For the first time in five years, our total revenue decreased year over year. Despite additional marketing efforts, product revenue grew only 1%, while licensing revenue declined. Overall, we were experiencing a market slowdown and an increase in competition especially in the fast-growing markets such as China,” said Biosensors’ Executive Chairman and interim CEO Mr. Yoh-Chie Lu. “Starting in mid-Q3 FY14, under our board’s direction, we adjusted our overall strategy to focus on improving operational efficiency and productivity while concentrating our investments only on areas with high growth potential. This strategy began to take effect in certain parts and territories during Q4. We are confident that this strategic direction will help the Company improve its performance gradually moving forward.”

Performance Summary for Q4 FY14

For Q4 FY14, Biosensors reported total revenue of US\$81.6 million, representing an 8% decrease from US\$88.8 million in the quarter ended 31 March 2013 (“Q4 FY13”) as a result of lower product, licensing and royalty revenues. Product revenue of US\$71.0 million represented a 7% year-on-year decrease

from US\$76.4 million in the same period last year, largely attributable to lower Interventional Cardiology (“IVP”) revenue and partly due to comparison against a record quarter in Q4 FY13. Critical Care Product (“CCP”) revenue of US\$3.5 million grew 12% from the same quarter last year, while the Cardiac Diagnostic business segment contributed US\$4.5 million to the quarter’s revenue.

Licensing and royalty revenue for Q4 FY14 was US\$10.6 million, which was comparable to Q3 FY14 but represented a 14% drop from US\$12.4 million in Q4 FY13.

Gross margin on total product sales was 73% for the quarter, down from 81% in Q4 FY13, mainly due to lower gross margin for the Company’s IVP product line as a result of the Company’s distribution activities in Japan for the Nobori™ stents, coupled with the consolidation of the Company’s newly acquired Cardiac Diagnostic business, which has a lower gross margin, and a reduction in China’s DES pricing.

Total operating expense as a percentage of product revenue for the quarter was 61%, compared to 60% in Q4 FY13.

In detail, the quarter’s sales and marketing (“**S&M**”) expense was US\$29.7 million; general and administrative (“**G&A**”) expense was US\$10.2 million; and research and development (“**R&D**”) expense was US\$4.3 million.

Net profit for Q4 FY14 was US\$6.1 million, or 0.36 US cents for both basic earnings per share (“**basic EPS**”) and diluted earnings per share (“**diluted EPS**”). This compares to a net profit of US\$29.8 million, or basic EPS of 1.73 US cents and diluted EPS of 1.71 US cents, for Q4 FY13.

Performance Summary for FY14

For FY14, Biosensors reported total revenue of US\$323.8 million, a 4% decline from US\$336.2 million for the fiscal year ended 31 March 2013 (“**FY13**”), because product revenue growth was offset by lower licensing and royalty revenue. Product revenue of US\$280.0 million was comparable to the previous year and attributable to the contribution from the Company’s newly acquired Cardiac Diagnostic business but was partly offset by lower IVP revenue.

Licensing and royalty revenue for FY14 was US\$43.8 million, down US\$13.9 million or 24% from US\$57.7 million in the previous year.

Gross margin on total product sales was 74% for FY14, down from 81% in the same period last year, mainly due to lower gross margin for the Company’s IVP product line as a result of the Company’s distribution activities in Japan for the Nobori DES, coupled with the consolidation of the Company’s newly acquired Cardiac Diagnostic business, which has a lower gross margin, and an overall reduction in China’s DES pricing.

Total operating expense as a percentage of product revenue for FY14 was 63%, compared to 57% in the previous year.

In detail, S&M expense in FY14 was US\$108.3 million; G&A expense was US\$42.6 million; and R&D expense was US\$27.5 million.

Net profit excluding exceptional items for FY14 was US\$45.5 million, or basic EPS of 2.67 US cents and diluted EPS of 2.64 US cents. This compares to a net profit of US\$111.6 million, or basic EPS of 6.48 US cents and diluted EPS of 6.39 US cents, for FY13 after excluding exceptional items, which comprise a provision for restructuring expenses, fair value adjustment for warrants, realization of translation difference on liquidation of a subsidiary and impairment of goodwill.

Including exceptional items, net profit for FY14 was US\$40.6 million, or basic EPS of 2.38 US cents and diluted EPS of 2.35 US cents, compared to a net profit of US\$115.5 million, or basic EPS of 6.71 US cents and diluted EPS of 6.61 US cents, for FY13.

Financial Guidance for FY15

In FY14, the global DES market experienced increased competition and price erosion. For the fiscal year ending 31 March 2015 (“**FY15**”), the management expects these challenging market conditions to continue. The Company will continue to bring new innovative products to the market, expand its existing product portfolio, and enter new geographical territories to improve its overall performance.

“In light of the changing market dynamics, Biosensors is transitioning from a successful entrepreneurial company to a more diverse and structured international organization,” said Mr. Lu. “We need to optimize efficiency and productivity for our existing businesses in current markets while maintaining our creativity and entrepreneurial spirit in areas with growth potential, including expanding our product portfolio, penetrating new markets, and developing new applications for our products. We believe our newly appointed CEO and the rest of the management team are well qualified to lead the Company through this significant transition and bring it back to its previous growth trajectory. With our strong financial resources and the strategic direction that the board has recently set forth, we are confident that we can strengthen the Company’s fundamentals and operations to further grow our business.”

Conference Call Information

Biosensors’ management will host an analyst conference call at 6pm (Singapore time) on 28 May 2014 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 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™ family 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.

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.