



NEWS RELEASE

BIOSENSORS REPORTS FINANCIAL RESULTS FOR THE THIRD QUARTER OF FISCAL YEAR 2015

Singapore, 12 February 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 the third quarter of its Fiscal Year 2015 (“**Q3 FY15**”) and nine months ended 31 December 2014 (“**FY15 nine-month period**”).

Third Quarter Highlights and Recent Developments:

- Management made significant progress in optimizing the company’s cost structure. In Q3 FY15, operating income rose 4% year-over-year and 53% quarter-over-quarter, reversing several quarters of stagnation.
- Total revenue was \$77.5 million, compared to \$82.5 million in the third quarter of Fiscal Year 2014 (“**Q3 FY14**”), mainly due to unfavorable foreign exchange impact. On a constant currency basis, the decrease in licensing and royalty revenue was offset by product revenue growth.
- Licensing and royalty revenue from Terumo was US\$5.8 million for the quarter compared with US\$10.8 million in Q3 FY14. Compared to the second quarter of Fiscal Year 2015 (“**Q2 FY15**”), licensing and royalty revenue was at a similar level.
- Total product revenue of \$71.6 million was comparable to Q3 FY14 and represented a 4% improvement from the previous quarter. Outside of China, product revenue grew 3% over the same period last year, or a high single-digit percentage growth on a constant currency basis. A substantial part of this growth came from Japan.
- The Cardiac Diagnostic division continued to deliver robust growth. Sales reached nearly US\$5.0 million, representing a 92% year-over-year growth and 28% increase over Q2 FY15.
- The LEADERS Free Japan Trial has completed patient enrollment and is progressing ahead of schedule – a key milestone towards the approval of BioFreedom™ in Japan.
- The CREDIT II Trial in China has completed patient enrollment – a major step towards obtaining the approval of the company’s next generation Excel DES product in China.

“In the third quarter, weak licensing revenue and unfavourable foreign exchange impact weighed on our top-line results. Nevertheless, we are very encouraged to see substantial improvement in our operations following significant cost reduction initiatives. As a result, operating income grew positively year-on-year and quarter-over-quarter, breaking the stagnant growth pattern over the last several quarters. Taking out licensing revenue, operating income more than doubled,” said Biosensors’ CEO Mr. Jose Calle. “On the revenue front, we achieved moderate growth compared with the previous quarter. All divisions contributed to this growth, especially the Cardiac Diagnostic segment and our own distribution business for Terumo in Japan. Our China sales also demonstrated improvement over Q2 FY15.”

Performance Summary for Q3 FY15

For Q3 FY15, Biosensors reported total revenue of US\$77.5 million, down from US\$82.5 million in Q3 FY14, as product revenue was relatively unchanged while licensing revenue fell. Product revenue of US\$71.7 million was comparable with Q3 FY14, with the revenue growth of Cardiac Diagnostic and Critical Care Products (“CCP”) being offset by a 4% year-on-year decrease in the revenue of Interventional Cardiology Products (“IVP”). Compared to Q2 FY15, total revenue increased 4% to US\$77.5 million from US\$74.8 million and product revenue also rose 4% to US\$71.7 million from US\$68.9 million.

In comparison with Q3 FY14, unfavorable foreign exchange impacted the quarterly results. On a constant currency basis, the decrease in licensing and royalty revenue was offset by product revenue growth. Outside of China, our product revenue grew 3% over the same period last year, or a high single-digit percentage growth on a constant currency basis. A majority of this growth came from Japan.

Licensing and royalty revenue for Q3 FY15 was US\$5.8 million, compared with US\$5.9 million in Q2 FY15 and US\$10.8 million in Q3 FY14.

Gross margin on total product sales was 70% for the quarter, down from 74% in Q3 FY14, mainly due to changes in product mix and price erosion.

Total operating expense as a percentage of product revenue for the quarter was 56%, compared with 63% in Q2 FY15 and 68% in Q3 FY14.

In detail, the quarter’s sales and marketing (“S&M”) expense was US\$22.8 million; general and administrative (“G&A”) expense was US\$9.6 million; research and development (“R&D”) expense, which included costs for new product development and testing, clinical trials, patents registration and regulatory approval, was US\$7.5 million. Compared to a year ago, all these operating expense figures were lower both in absolute dollar amounts and as a percentage of product revenue.

Operating profit for Q3 FY15 was US\$15.7 million, a 4% increase from US\$15.1 million in Q3 FY14 and a 53% increase from Q2 FY15, due primarily to the reduction in operating expenses. Excluding licensing revenue, operating income in Q3 FY15 was US\$9.9 million, up 131% from a year ago and 129% from Q2 FY15.

Net profit before exceptional items for the Q3 FY15 was US\$9.9 million, or both basic and diluted earnings per share (“EPS”) of 0.58 US cents. This compares to a net profit before exceptional items of US\$11.1 million, or both basic and diluted EPS of 0.65 US cents for Q3 FY14. Excluding licensing revenue and exceptional items, net income in Q3 FY15 was US\$4.1 million, representing a more than ten-fold increase from a year ago and reversing the decline in the previous quarter.

Net profit including the exceptional items for Q3 FY15 was US\$7.4 million, or both basic and diluted EPS of 0.44 US cents. This compares with a net profit of US\$11.1 million, or basic EPS of 0.65 US cents and diluted EPS of 0.65 US cents, for Q3 FY14.

Performance Summary for the FY15 Nine-month Period

For the FY15 nine-month period, Biosensors reported total revenue of US\$232.5 million, compared with US\$242.2 million for the fiscal nine months ended 31 December 2013 (“**FY14 nine-month period**”) largely as a result of lower licensing and royalty revenue. Product revenue was US\$211.0 million, compared with US\$209.0 million in the FY14 nine-month period, after growth in Cardiac Diagnostic and CCP revenues were partially offset by lower IVP revenue.

Licensing and royalty revenue for the FY15 nine-month period was US\$21.5 million, compared with US\$33.2 million in the same period last year.

Gross margin on total product sales was 70% for the FY15 nine-month period, down from 74% in the same period last year, largely attributable to changes in product mix and price erosion.

Total operating expense as a percentage of product revenue for the FY15 nine-month period was 61%, compared with 64% in the same period last year.

In detail, sales and marketing (“**S&M**”) expense in the FY15 nine-month period was US\$75.7 million; general and administrative (“**G&A**”) expense was US\$29.7 million; research and development (“**R&D**”) expense, which included costs for new product development and testing, clinical trials, patents registration and regulatory approval, was US\$22.9 million.

Net profit before exceptional items for the FY15 nine-month period was US\$24.2 million, or basic EPS of 1.43 US cents and diluted EPS of 1.41 US cents. This compares to a net profit before exceptional items of US\$34.7 million, or basic EPS of 2.03 US cents and diluted EPS of 2.01 US cents, for the FY14 nine-month period. Excluding licensing revenue and exceptional items, net profit in the FY15 nine-month period was US\$2.7 million, or a 77% increase from a year ago.

Including exceptional items, net profit for the FY15 nine-month period was US\$22.2 million, or basic EPS of 1.31 US cents and diluted EPS of 1.30 US cents, compared with a net profit of US\$34.5 million, or basic EPS of 2.01 US cents and diluted EPS of 2.00 US cents, for the FY14 nine-month period.

“Looking ahead, we maintain our cautious stance on our core DES franchise as we expect competition and pricing pressure to stay as headwinds. In addition, currency fluctuations may also impact our performance. Our focus is to continue optimizing our structure to drive profitability on the operating level. This past quarter, we saw the starting point of the turnaround of our operating income,” said Mr. Calle. “Over the longer term, we will continue to strengthen our position in the cardiovascular market and expand our geographical reach. At the same time, we will explore adding new product lines and investment opportunities to achieve our goal of becoming a bigger international player with multiple product platforms.”

Conference Call Information

Biosensors’ management will host an analyst conference call at 6.00 pm (Singapore time) on 12 February 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 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, the Company was 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 Excel™ and 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, which fosters the development of critical care catheters, hemodynamic monitoring, and related devices used during heart surgery procedures, vascular surgery procedures and intensive care treatment.

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 forwardlooking 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.