



Universal Biosensors, Inc.

ARBN 121 559 993

UBS Australian Healthcare Conference

June 2012



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UBI in summary

Powerful technology for growing POC diagnostics markets

- Point-of-care (“POC”) diagnostics is ~\$15Bn market with ~11% growth pa
- Electro-chemical sensor technology, protected by 44 patent families...
- ...enables easy-to-use, accurate, low cost diagnostics using a handheld reader & disposable test strips, ideal for POC applications

World-scale strip manufacturing plant in operation

- ISO13485 certified, fully automated, world-scale manufacturing in place
- Includes capacity to produce >750M glucose test strips p.a.

1st product, used to manage diabetes, now being sold in major world markets by LifeScan

- Blood glucose self-testing market is \$10Bn worldwide, growing ~10% pa
- LifeScan (J&J) sells 4-5Bn glucose test strips p.a. (~27% market share)
- LifeScan now selling UBI-developed glucose strips in key world markets
- UBI earns ~US1c per OneTouch Verio strip sold, and a margin on supply
- LifeScan paying UBI \$4.5M to prove feasibility of a novel glucose product

2nd product, for POC PT-INR testing, planned to launch in 2013 with Siemens

- UBI partnership with Siemens in “professional” POC coagulation testing
- PT-INR testing market estimated at ~\$700M today, growing at ~15% p.a.
- Aim to launch PT-INR test in 2013; other POC coagulation tests to follow
- UBI earns revenue from R&D milestone payments & strip manufacturing

R&D will broaden UBI’s test menu

- UBI will apply its strip technology to immunoassay & molecular tests...
- ...while using proven strip designs to expand test “menu” cost effectively

UBI aims to be a leader in POC diagnostics

- UBI’s capability has now been validated by 2 world-leading companies
- UBI’s early glucose business generating positive gross margins
- New products will leverage manufacturing investment and build profits
- Cash balance: \$15.7M (31/3/12), with prior 12 month cash burn of \$4.9M
- UBI is ASX-listed with market capitalisation of ~\$94M (4th June 2012)



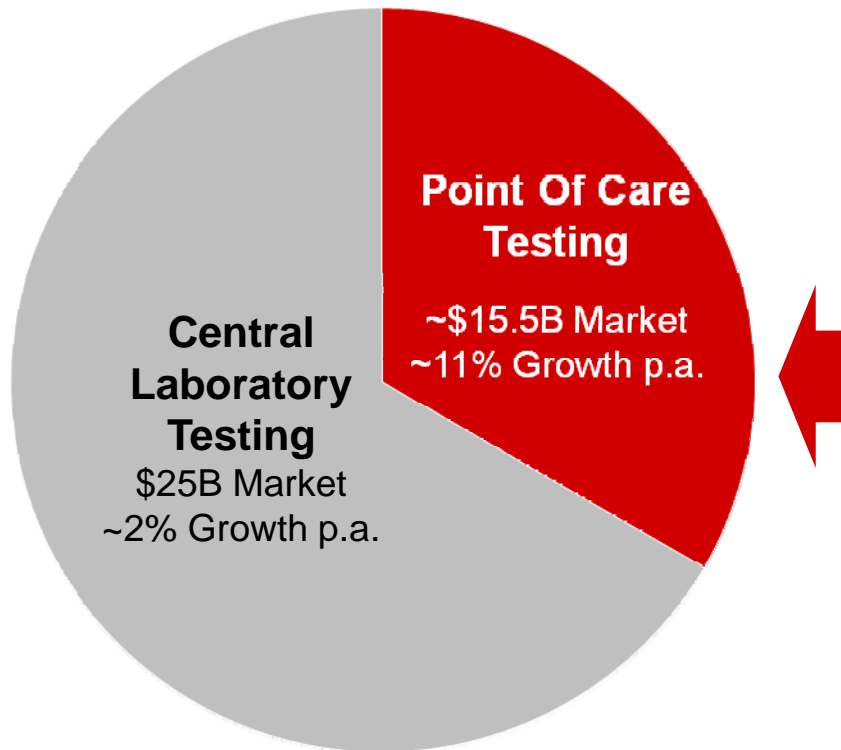
Contents

- ➔ • **UBI Overview**
 - Blood Glucose Monitoring
 - Coagulation Testing & Beyond



UBI targets the \$15B, growing POC market

Global In Vitro Diagnostics Market (2010 estimate)



Point of Care Growth Drivers

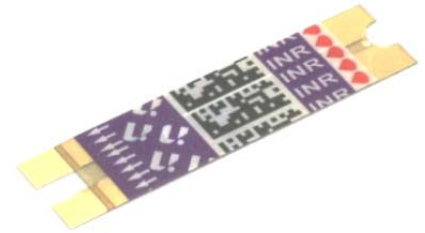
- ✓ Improved Health Economics (lower cost and better outcomes)
- ✓ Supports:
 - more timely diagnosis
 - increased frequency of testing for improved health outcomes
 - Management of chronic disease
 - Monitoring the effectiveness of a therapy
 - distributed healthcare for regional & remote areas as well as emerging economies



Using UBI's powerful diagnostic technology

- **Well suited to Point-of-Care**
 - ✓ **Easy to use**
(requires small drop of blood from finger-prick)
 - ✓ **Accurate results**
(results that are accurate for each individual)
 - ✓ **Low cost to manufacture**
(supports fully automated, scale manufacturing)
- **Broad application**
 - ✓ **Across analytes**
(enzymes, immunoassay, molecular)
 - ✓ **Across geographies**
(mature & emerging markets)
 - ✓ **Across diagnostic settings**
(home-use, hospital, clinic)
- **Patent protected**
(44 patent families)

Disposable Test Strips



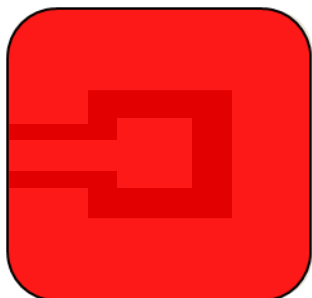
Handheld Readers



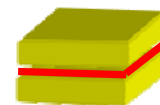


A paradigm shift in electrochemical sensors

Co-Planar Electrodes



Opposing Electrodes

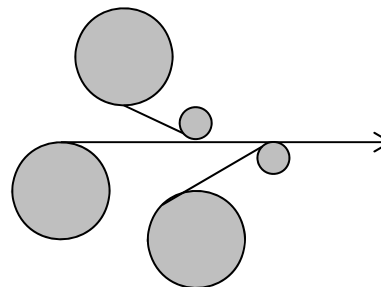
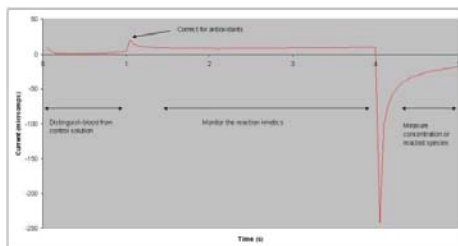


Smaller sample volume

Greater Accuracy

Simpler to manufacture

Broad IP protection





...and low cost, scale manufacturing



- ISO 13485
- Highly automated
- Custom designed
- Scale appropriate

- Existing capacity to produce >750M glucose strips p.a.





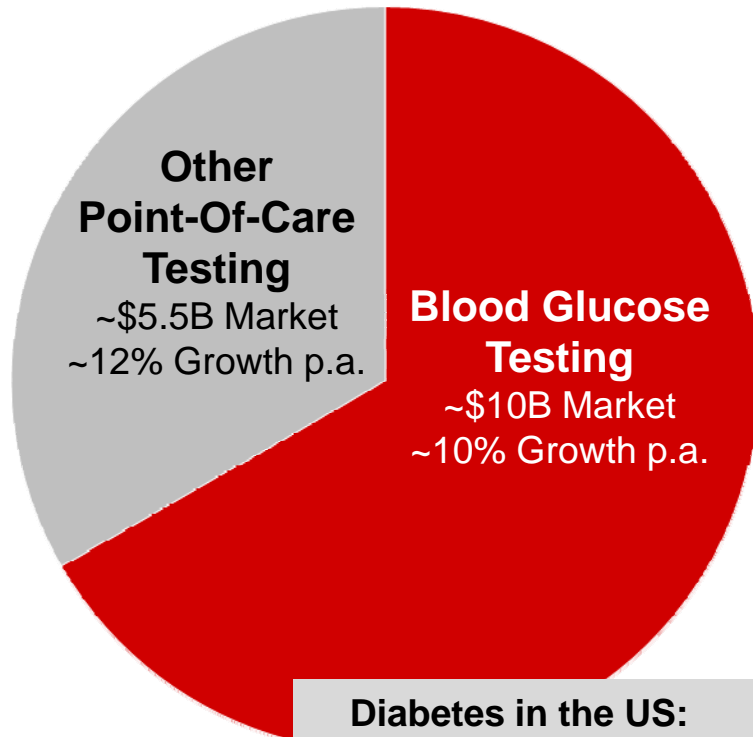
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1st target: the \$10B blood glucose segment

Global Point-Of-Care Diagnostics Market (2010 estimate)



Blood Glucose Growth Drivers

- Increased life expectancy of diabetes sufferers
- Growing incidence of diabetes in all geographies
- Technology improvements
- Increasing patient awareness

Diabetes in the US:

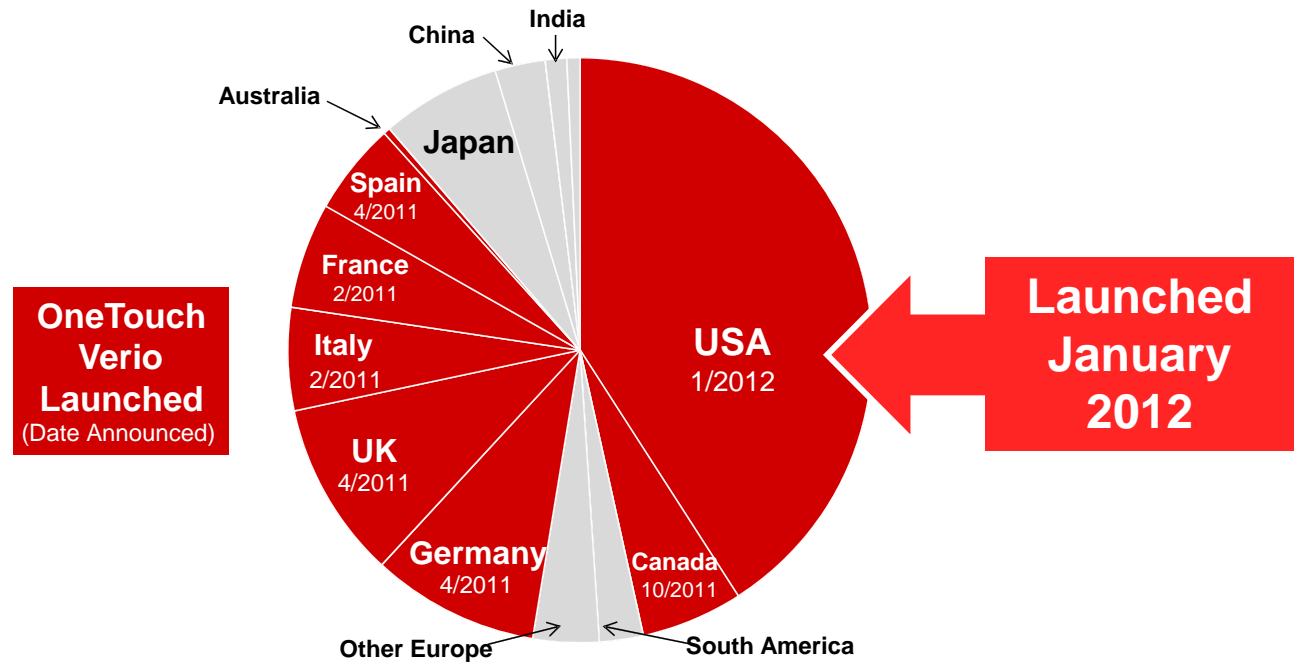
- *Type II prevalence doubled in US from 1990 to 2005;*
- *~8.3% of US population affected;*
- *~7 million people in US undiagnosed today;*



Global roll-out in \$10B SMBG market



Self Monitored Blood Glucose Market (2015 estimate*)



Source: Global Data, SMBG Market Study Nov 2009

Note: images on this page are not representative of actual products approved in all markets.



Well placed to succeed in the SMBG market

- LifeScan market strength
 - 27% worldwide share of \$10B SMBG market (2010)
 - 33% US market share in SMBG (2010)
- Competitive product features
 - Accuracy
 - Glucose specificity
 - Small blood volume
 - No “coding” requirement
 - Meter functionality (data storage & analysis, user interface, etc)





Increasing commitment to Verio...

- OneTouch Verio IQ (launched in US market on 9th Jan 2012), CE Marked and now available in France & UK
- OneTouch Verio strip manufacturing expected to increase in 2012
 - UBI production volumes in 2012 expected to be higher than 2011 levels
 - LifeScan has commenced commercial manufacturing of OneTouch Verio strips in Inverness
- Commitment to the Verio technology through strategic relationships
 - Insulet announces global agreement with LifeScan to integrate Verio technology with a future version of their Omnipod Personal Diabetes Manager (Feb 2012)
- J&J Executive refers to OneTouch Verio IQ global roll-out in recent year-end earnings call



LifeScan / blood glucose - economics

Revenue Source	Revenue Detail
Service Fees <i>("Revenue from Services" in published financial statements)</i>	~ US1c received for each Verio strip <u>sold</u> by LifeScan <ul style="list-style-type: none">• Irrespective of source of manufacture
Product Revenues <i>("Revenue from Products")</i>	Received for all strips <u>supplied from UBI factory</u> <ul style="list-style-type: none">i) At low volumes ("Interim Costing Period"): fixed overhead contributionii) At higher volumes: Standard Cost + modest margin
R&D Services <i>("Revenue from Services")</i>	Received for <u>R&D / services</u> provided by UBI <ul style="list-style-type: none">• Typically time & materials cost plus margin
Milestones <i>("Milestone Payments")</i>	Received on hitting <u>R&D or Regulatory milestones</u> <ul style="list-style-type: none">• Typically where UBI has taken some level of technical risk



The “glucose business” is already profitable

	<u>Profit & Loss Statement - 2011</u>	<u>AUD</u>
Diabetes Segment	Revenue from products*	12,063,582
	Revenue from services**	2,632,870
	Cost of goods sold and services	13,018,451
	Gross Margin	1,678,001
Investment in Future Products / Earnings	Research and development	9,812,396
	General and administrative	7,271,488
	Profit/(loss) from operations	(15,405,883)
	Other income	713,766
	Income tax benefit	-
	Net profit/(loss)	(14,692,117)

* Revenue earned from strips sold to LifeScan, manufactured by UBI

** Includes ~US1c Service Fee earned on every Verio strip sold by LifeScan + fees earned providing R&D Services to LifeScan

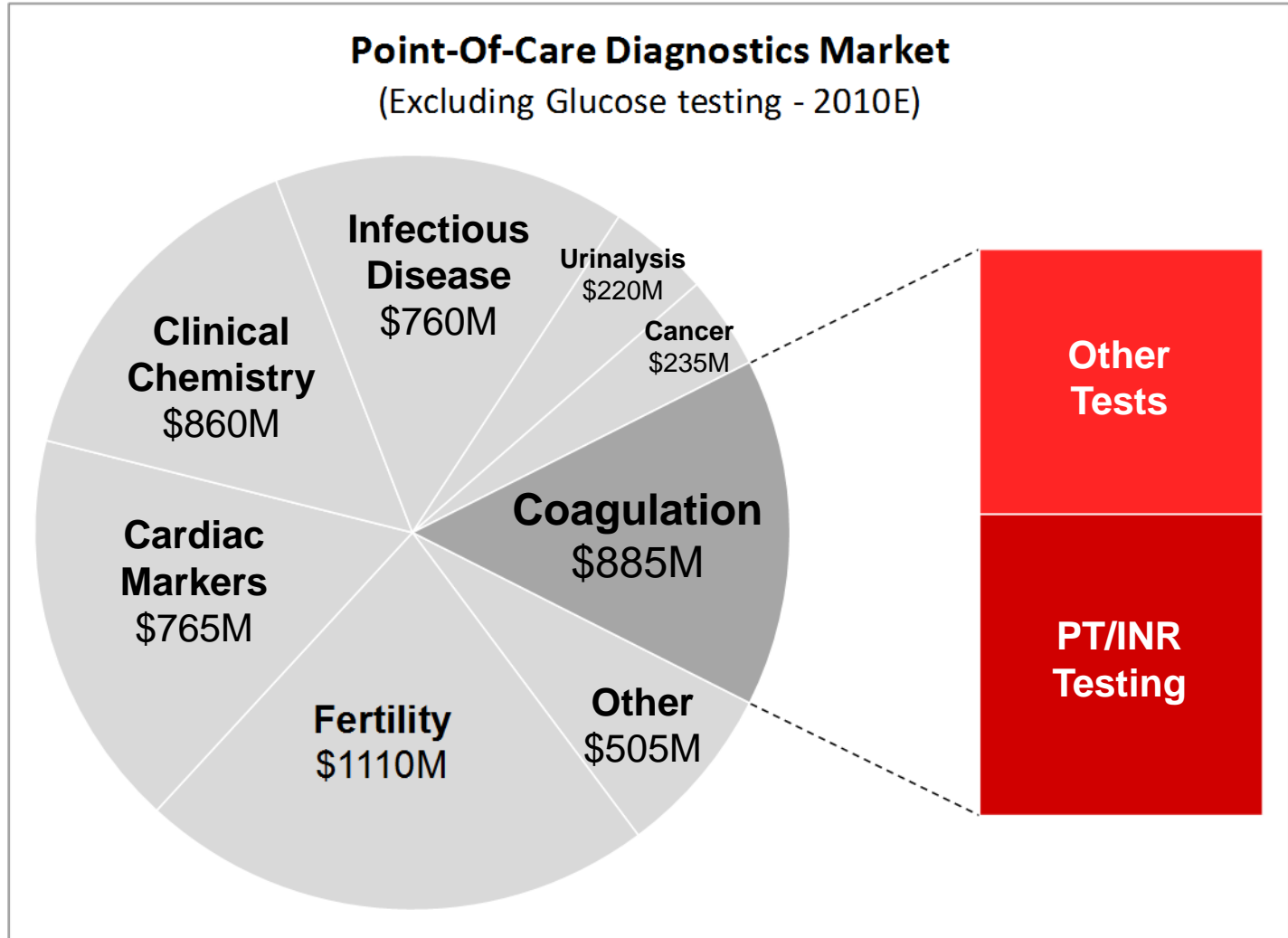


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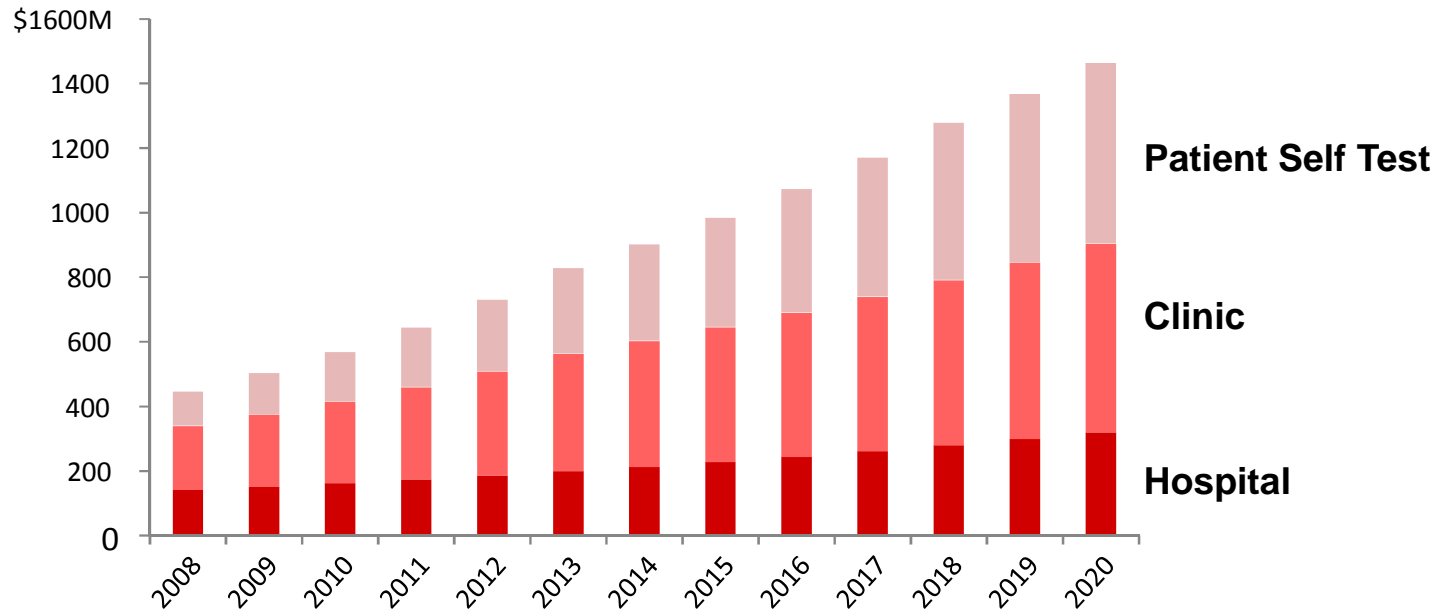
Next opportunity: POC coagulation testing





POC PT-INR testing is growing strongly

Global POC PT/INR Market Projection (US\$M)



Market growth driven by:

- ✓ growing patient population
- ✓ ongoing Warfarin use (>7 million users in 2010)
- ✓ health benefits of increasing testing frequency (weekly)



Siemens – a powerful partner for UBI



- **Partnership in the worldwide Coagulation market**
 - ✓ Excludes patient-self-testing segment which UBI is free to pursue separately
- **Multiple coagulation products to be developed**
 - ✓ PT/INR product first to launch (planned for 2013)
 - ✓ Further products to follow
- **Initial technology fee of \$3 million and a series of 6 payments tied to product development milestones to fund a significant portion of the R&D effort**
- **UBI will manufacture test strips exclusively**
- **Siemens to sell & distribute the products worldwide**



PT/INR offers good economic potential

Maximum annual earnings opportunity (at 100% market share):

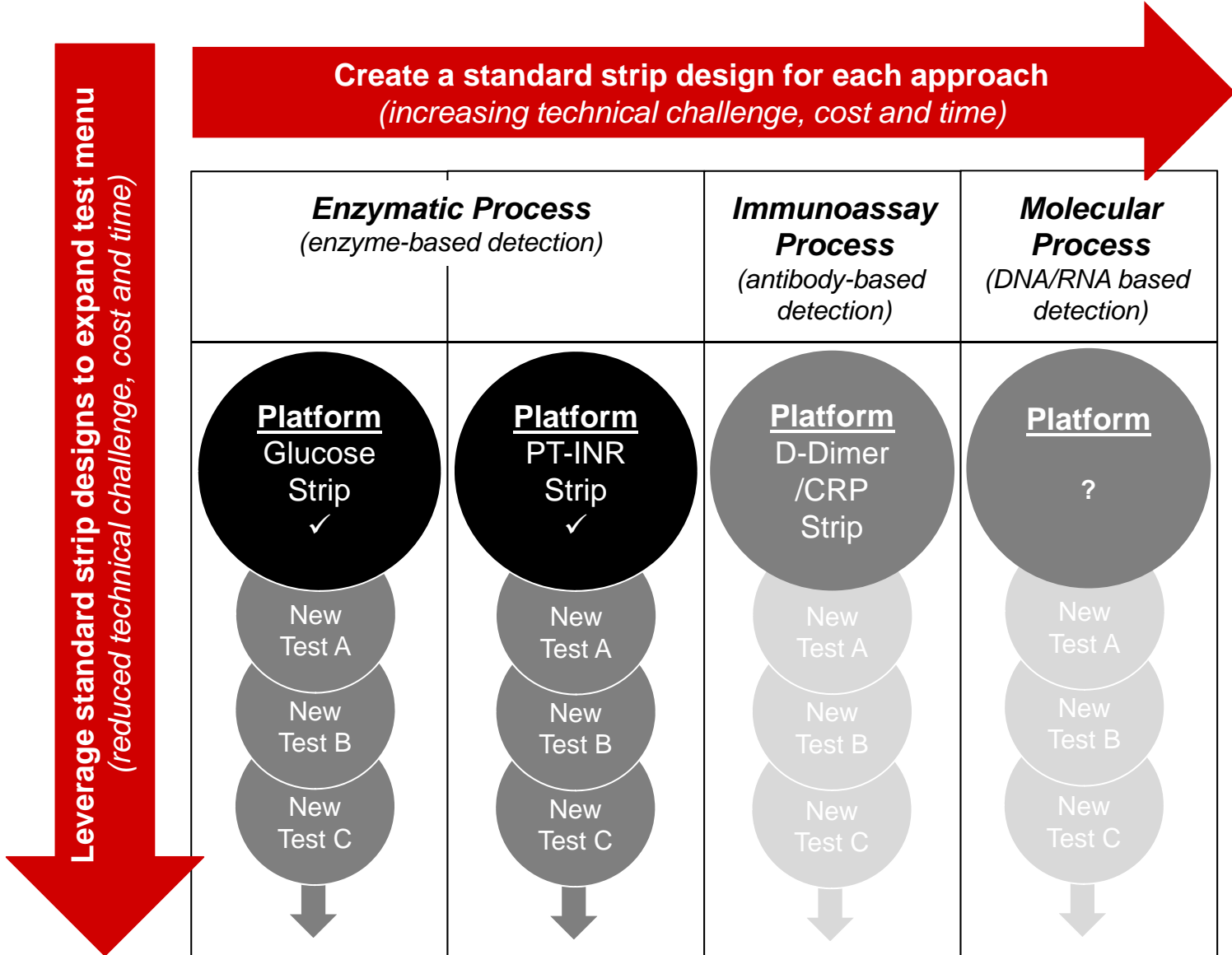
- Consider a target audience of >7 million Warfarin patients worldwide
- Assume 100% of this market
- Consider PT/INR monitoring frequency ranging from 4-weekly to weekly
- Consider earnings per test strip ranging from \$0.50 to \$1.50

Annual Earnings Opportunity <i>(at 100% market share)</i>	Indicative Earnings per Strip		
Indicative Testing Frequency	\$0.50	\$1.00	\$1.50
Once every 4 weeks (~91M tests/annum)	\$45M	\$91M	\$136M
Once every 2 weeks (~182M tests/annum)	\$91M	\$182M	\$273M
Once every week (~364M tests/annum)	\$182M	\$364M	\$546M

Note: this analysis is intended to illustrate the scale of the opportunity within PT/INR testing across a range of input assumptions and in no way represents a forecast of likely UBI earnings.



R&D balances strip design vs menu expansion





Future near term milestones

Verio (US1c) Quarterly Service Fees increasing	Quarterly
Technology feasibility program for LifeScan completed	2012
First R&D milestones for Siemens completed	2012
Launch of PT-INR product with Siemens	2013
Immunoassay platform feasibility demonstrated	2012
Rapid DNA detection using UBI strip technology demonstrated	2013



Financial summary: Q1 2012

	3 Months Ending 31st March 2012	Change vs Prior Comparable Period
Revenue from products	\$4.7M	Up 42%
Revenue from services	\$1.7M	Up 582%
Nett profit (loss) after tax	\$(2.4)M	Up 21%
Nett increase in cash held	\$0.6M	Up \$3.3M



UBI – ticking the boxes

IP protected platform technology with broad application



Attractive target market space



Powerful routes-to-market



Commercial product selling in the world's major markets



Pipeline of future product opportunities



Experienced, high calibre management team



Validation by business partners that are world leaders in their field





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Attachment: Financial Statements



Income Statement

	Years Ended December 31,			
	2011	2010	2009	2008
	A\$	A\$	A\$	A\$
Revenue				
Revenue from products	\$ 12,063,582	\$ 11,760,009	\$ 132,733	\$ -
Revenue from services	2,632,870	6,420,027	4,187,196	4,291,944
Milestone payment	-	-	17,722,641	-
Total revenue	14,696,452	18,180,036	22,042,570	4,291,944
Operating costs & expenses				
Cost of goods sold and services	13,018,451	12,282,736	627,403	3,121,754
Research and development	9,812,396	6,482,150	14,898,072	11,585,258
General and administrative	7,271,488	7,185,550	5,635,569	5,510,127
Total operating costs & expenses	30,102,335	25,950,436	21,161,044	20,217,139
Profit/(loss) from operations	(15,405,883)	(7,770,400)	881,526	(15,925,195)
Other income	713,766	1,159,875	548,937	3,929,103
Net profit/(loss) before tax	(14,692,117)	(6,610,525)	1,430,463	(11,996,092)
Income tax benefit	-	-	-	206
Net profit/(loss)	(14,692,117)	(6,610,525)	1,430,463	(11,995,886)



Balance Sheet

Balance Sheet as at 31 December 2011

	A\$
Current Assets (excluding cash)	9,512,078
Cash	15,089,209
Property, Plant & Equipment (net)	20,295,180
Non-current receivables	320,000
Total Assets	<u>45,216,467</u>
Current Liabilities	7,016,764
Non-Current Liabilities	3,177,097
Stockholders' Equity	35,022,606
Total Liabilities & Stockholders' Equity	<u>45,216,467</u>



Capital structure

Number of shares on issue	159,146,213
Market capitalization (at 4 th June 2011)	A\$94 million
Number of options on issue	11,375,622
Cash (at 31 March 2012)	A\$15.7 million
Equity raised since inception	A\$71 million



Top 5 UBI shareholders

Shareholder	1 March 2012 Holding
The Principals Cornerstone Fund Pty Ltd	11.7%
CM Capital Investments Pty Ltd	11.2%
HSBC Custody Nominees (Australia) Ltd	9.4%
PFM Cornerstone Ltd	7.5%
Cogent Nominees Pty Ltd	5.3%
