



Universal Biosensors, Inc.

ARBN 121 559 993

Investor Presentation

February 2013



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UBI in summary

Powerful technology for growing POC diagnostics markets

- Point-of-care (“POC”) diagnostics is ~\$15Bn market with ~10% 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 ~\$9Bn; volume growth ~10% pa
- LifeScan (J&J) sells 4-5Bn glucose test strips p.a. (~27% market share)...
- ...now sells glucose strips developed with UBI in >85% of world market
- UBI earns ~US1c per Verio strip sold, and a transfer price on supply
- UBI has demonstrated feasibility of a novel glucose testing 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 ~10% p.a.
- Aim to launch PT-INR test in 2013; other POC coagulation tests to follow
- UBI revenues from R&D milestones, strip manufacturing & profit share

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: \$23.6M (31/12/12), with 12 month cash burn of \$4.0M
- UBI is ASX-listed with market capitalisation of ~\$150M (5th Feb 2013)



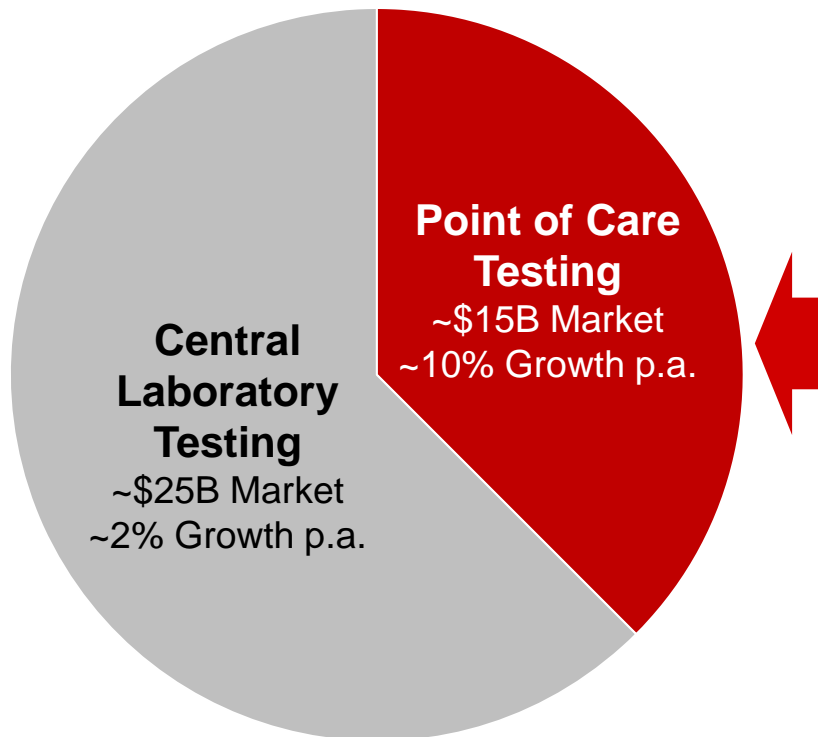
Contents

- ➔ • **UBI Overview**
 - The Story So Far
 - Blood Glucose Testing
 - Coagulation Testing
 - Future Opportunities
 - Milestones & Financials



UBI targets the \$15B, growing POC market

Global In-Vitro Diagnostics Market (2012 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)*

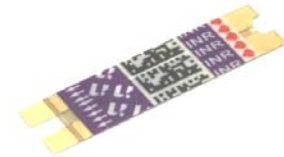
- ✓ **Across diagnostic settings**

- (hospital, clinic, physician's office, home)*

- **Patent protected**

- (44 patent families)*

Disposable Test Strips



Handheld Readers





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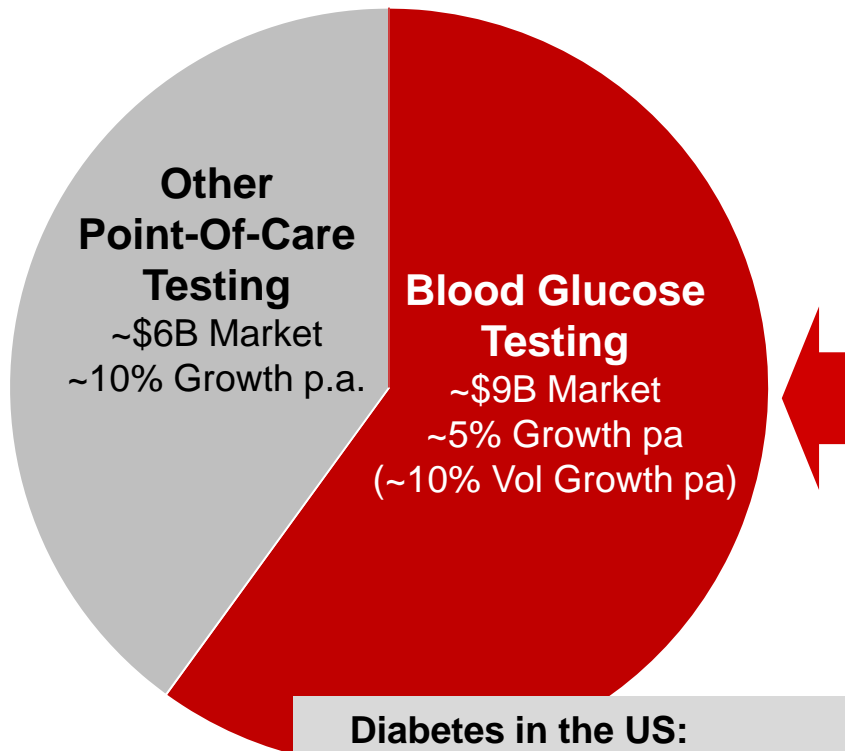
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1st target: the \$10B blood glucose segment

Global Point of Care Diagnostics Market (2012 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;*

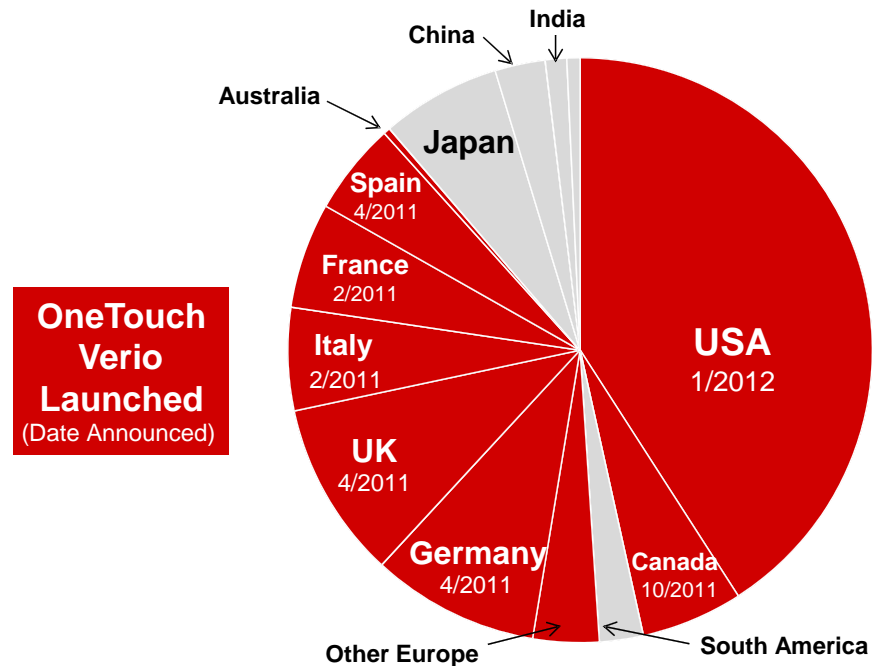


Universal Biosensors

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.



LifeScan Update

- Stated strategic initiative to “lead in premium segments of the market”
- New OneTouch Verio products
 - ✓ OneTouch Verio Pro+ POC Glucose Testing System (cleared in EU/Japan)
 - ✓ OneTouch Verio Sync “will wirelessly transmit to Apple devices for simplified management” (pending 510K clearance)



LifeScan / blood glucose - economics

Revenue Source	Revenue Detail
Quarterly Service Fees <i>(included in "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
Manufacturing Revenues <i>(included in "Revenue from Products" in published financial statements)</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>(included in "Revenue from Services" in published financial statements)</i>	Received for <u>R&D / services</u> provided by UBI <ul style="list-style-type: none">Typically time & materials cost plus margin
R&D 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

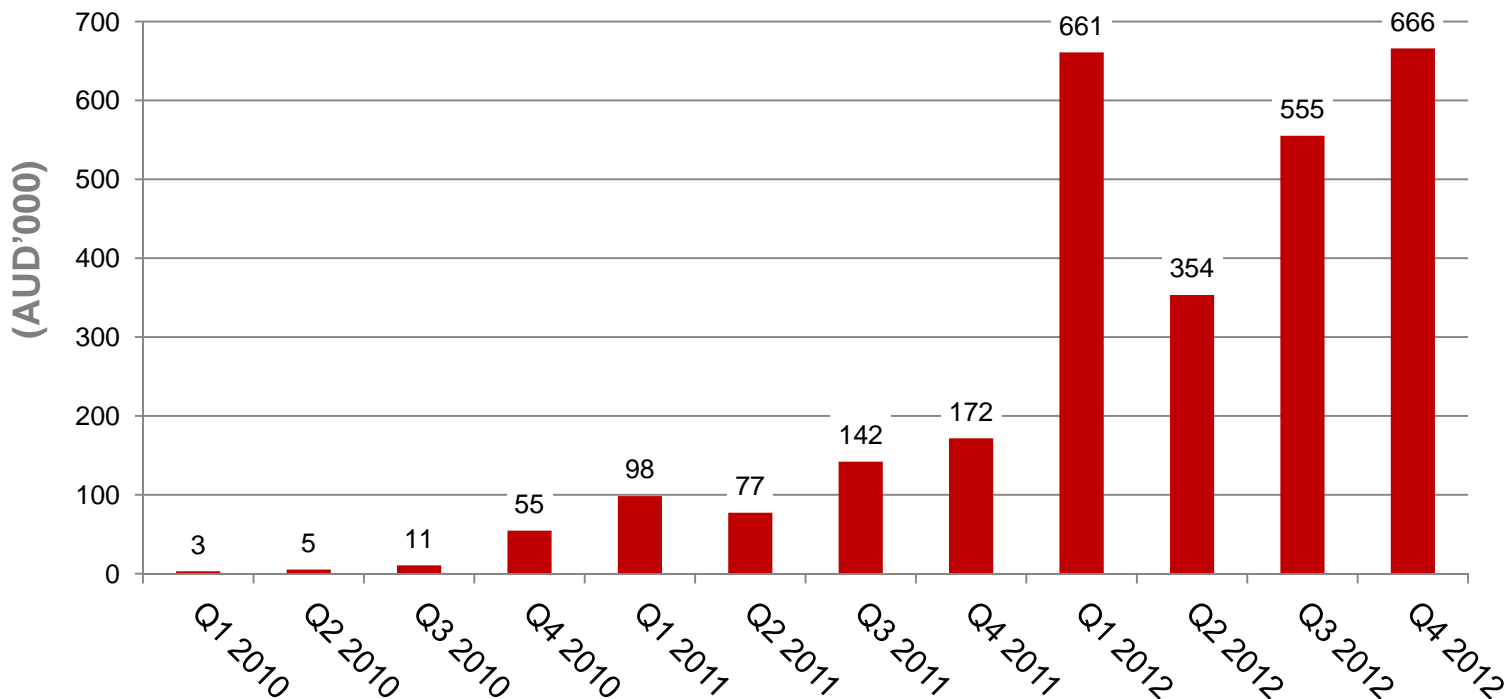
For important details relating to the terms of our commercial relationship with LifeScan, refer to our most recent form 10K and agreements filed with the SEC.



Quarterly Service Fees are building

Quarterly Service Fees* (AUD'000)

(2010-2012)



*Quarterly Service Fees are based on the number of Verio strips sold by LifeScan

Note: OneTouch Verio launched in US market in January 2012

Source: UBI accounts (2010-12)



The “glucose business” is already profitable

Profit & Loss – Year Ended 31st Dec 2012

LifeScan / Glucose Products only

	A\$ Millions
Revenue from products*	19.4
Revenue from services**	5.3
Total revenue	24.7
Cost of goods sold and services	18.6
Gross margin	6.1
<i>Gross margin as % of revenue</i>	<i>25%</i>

* 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, but excludes the milestone payment received from Siemens during the period.



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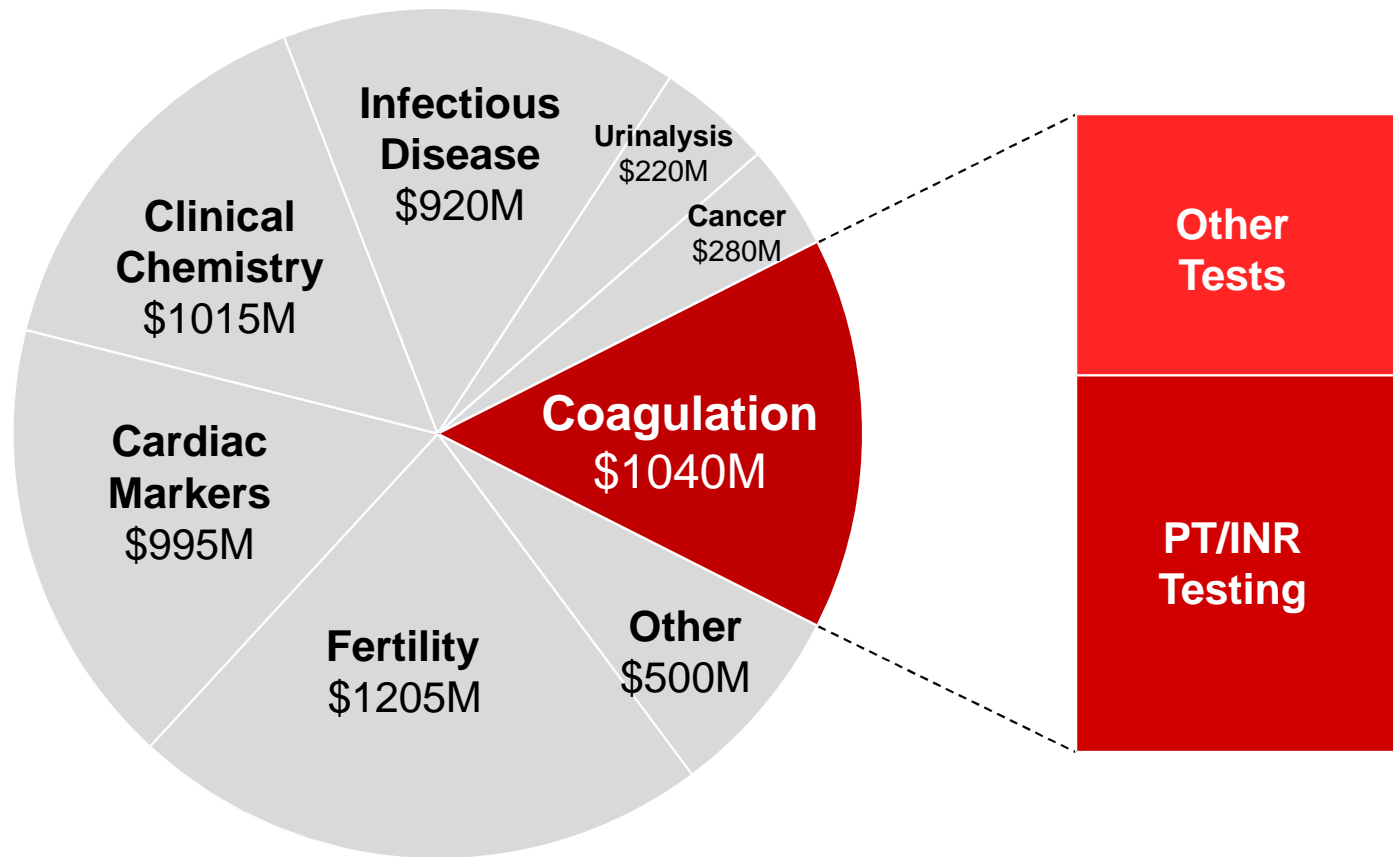
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Next opportunity: POC coagulation testing

Point-Of-Care Diagnostics Market (Excluding Glucose testing - 2012E)





In 2013, Siemens will launch the 1st of 3 tests



+

SIEMENS



PT-INR testing system:

- in development
- launch expected in 2013



Coagulation test #2:

- feasibility achieved June 2012
- now in development



Coagulation test #3:

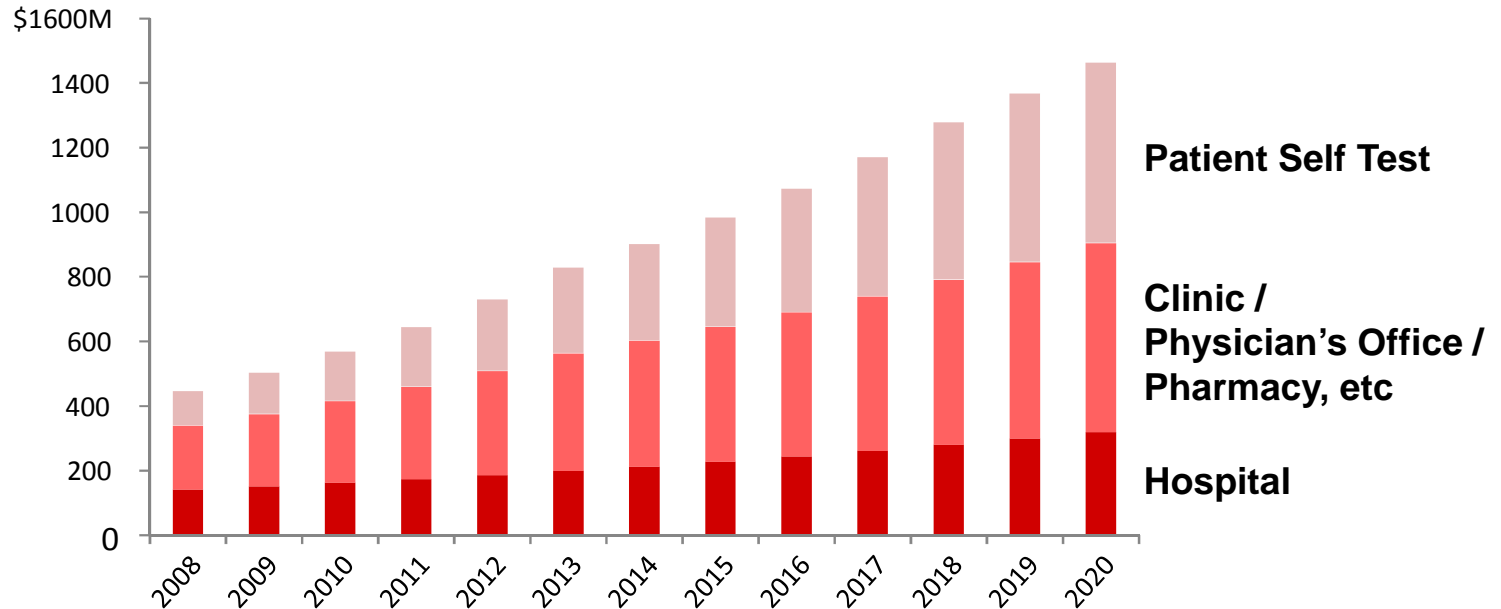
- feasibility achieved July 2012
- now in development

- Partnership in “professional” markets for Point-of-Care Coagulation testing worldwide
- UBI will be the exclusive manufacturer of 3 coagulation test strips for Siemens
- Siemens to register, market and distribute products worldwide
- Siemens contributes to development costs: \$6M received to date, with 4 milestone payments to come
- UBI returns via gross margin on manufacturing & upside profit share



POC PT-INR testing will grow 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 (towards weekly)
- ✓ US Medicare reimbursement of weekly test at ~\$5.53 / test



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 (at 100% market share)		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.



Roche dominates POC coagulation testing

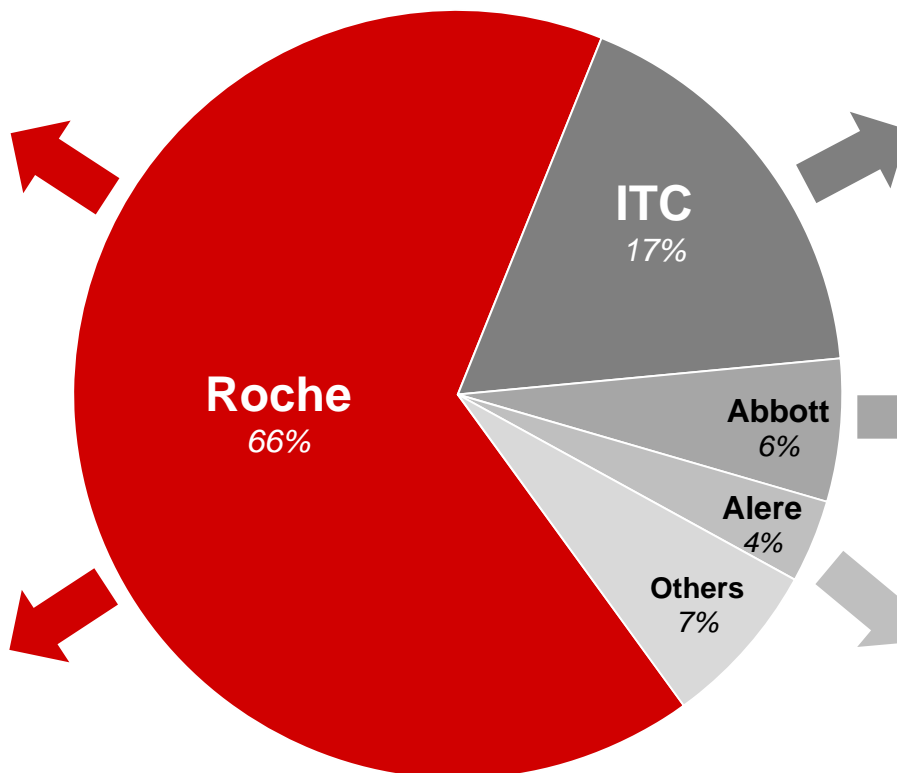
World POC coagulation testing market (Estimated market share & product examples - 2012)



CoaguChek XS



CoaguChek XS Pro



ITC
ProTime



Abbott
i-Stat



Alere
INRatio2



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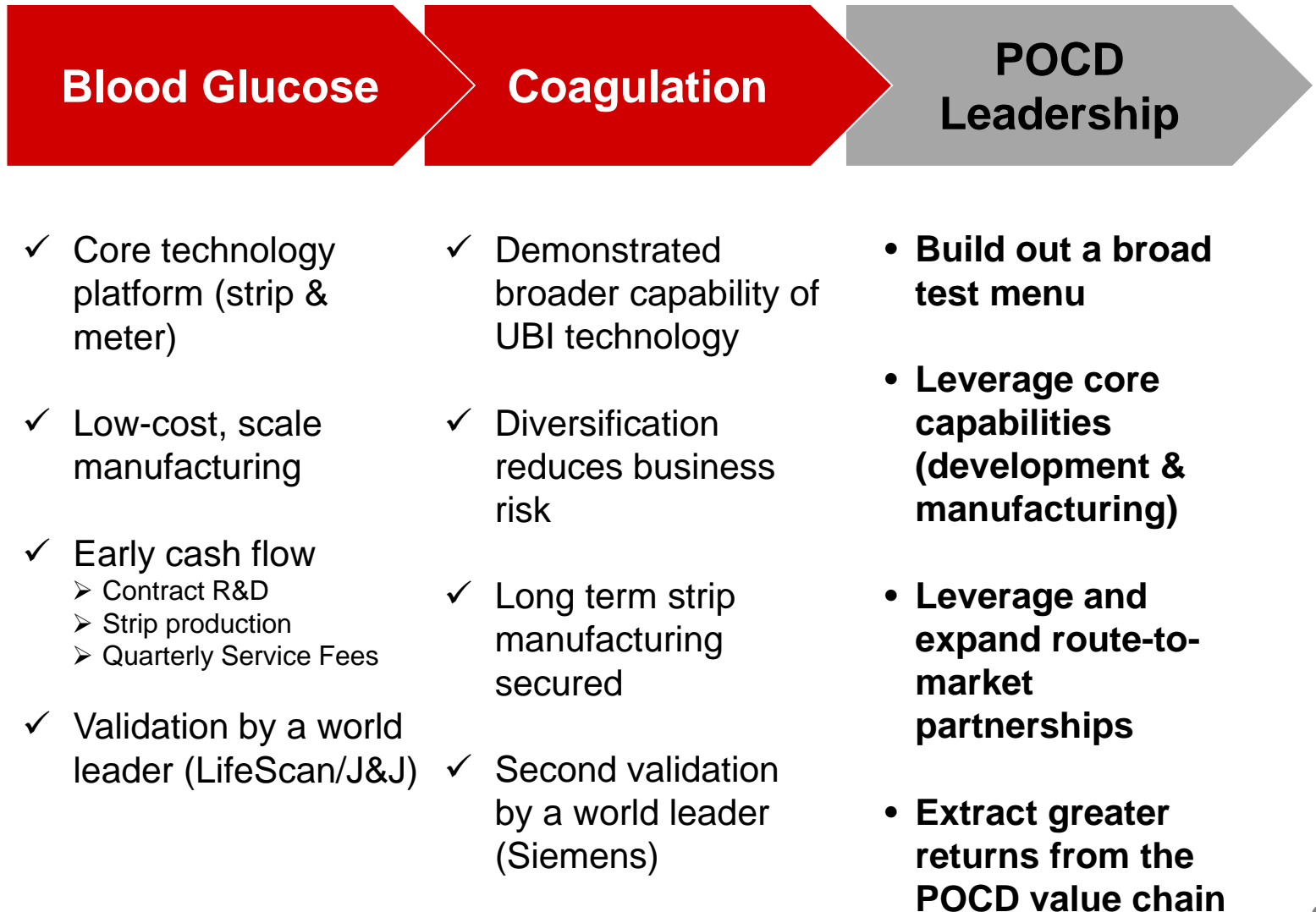
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• **Future Opportunities**

- Milestones & Financials



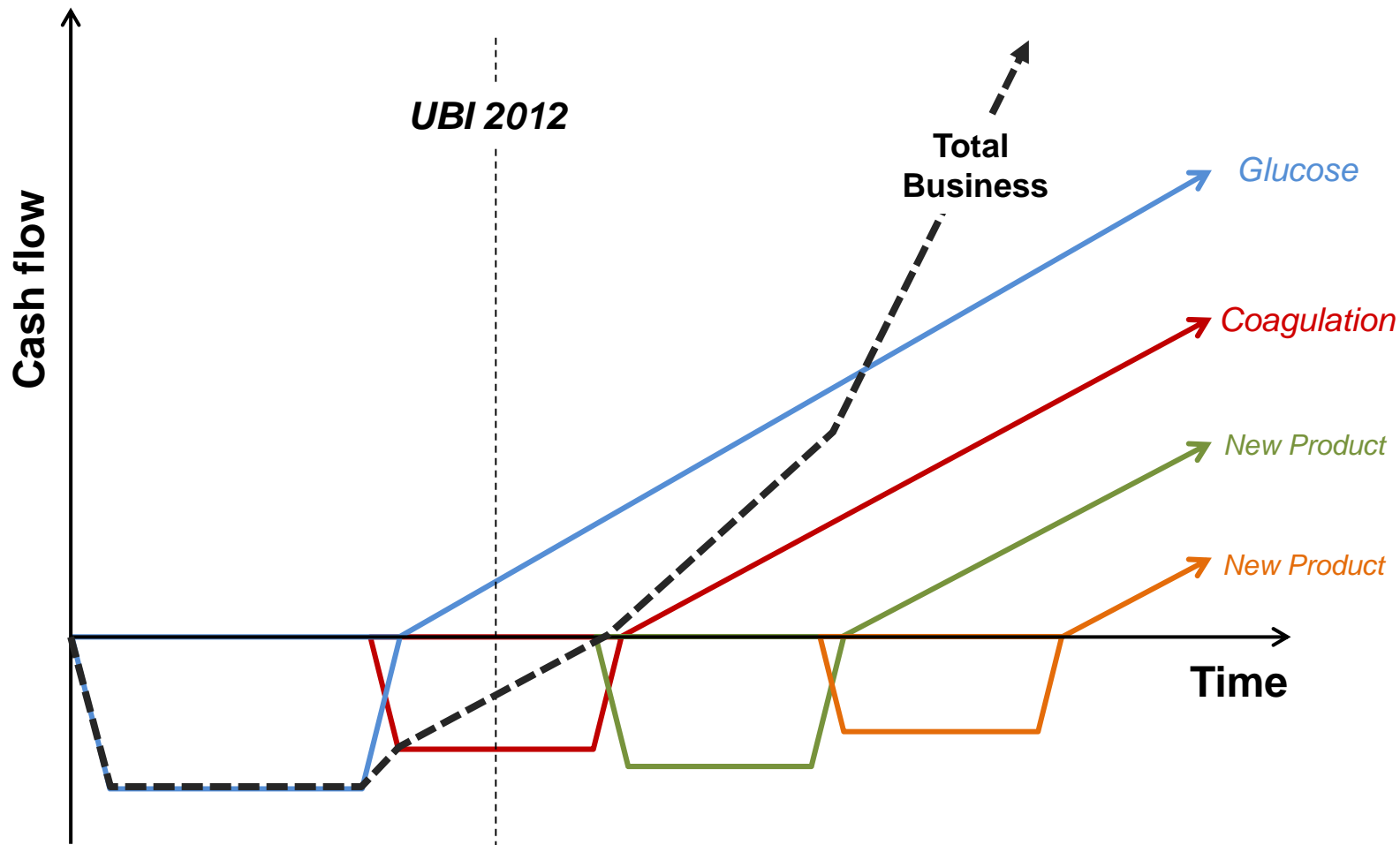
UBI has built strong foundations





Ongoing R&D drives earnings growth

Diagnostic Business Schematic
(Indicative Cashflow vs Time)





Opportunity: Patient Self-Test PT-INR

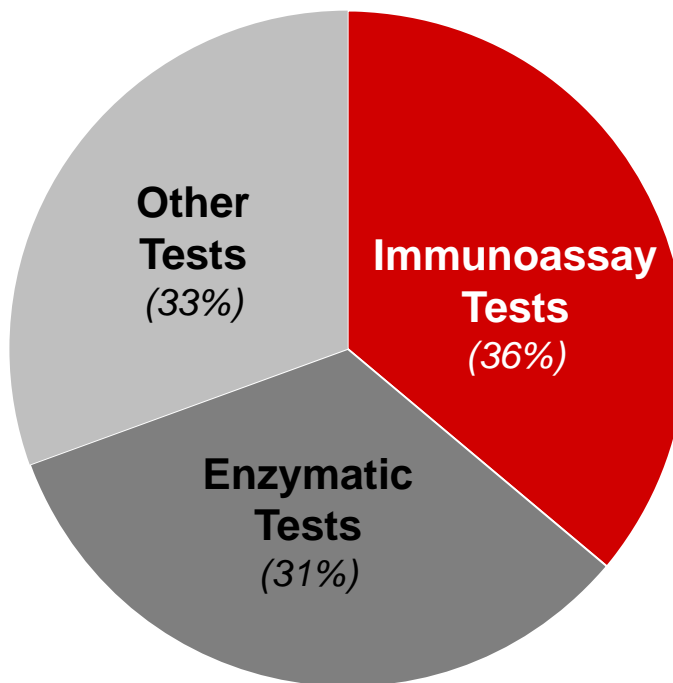
- **Patient-Self-Test (“PST”) PT-INR is UBI’s next best market opportunity**
 - ✓ Warfarin is used by over 7 million people
 - ✓ PST PT-INR market is growing strongly driven by
 - new reimbursement in USA (4 tests/month) and
 - emergence of IDTF organisations to service this segment
 - clinical benefits of self-testing of PT-INR
 - ✓ Market projected to grow to over \$500M
- **Leveraging existing UBI assets**
 - ✓ A working PT-INR strip
 - ✓ Proven manufacturing processes and installed capacity
 - ✓ Home-test reader development experience
- **An opportunity for UBI to extract more from the value chain**
 - ✓ Invest UBI’s own resources to develop a commercial system
 - ✓ Become legal manufacturer of a complete POC system
 - ✓ Selling through specialised distributors
 - ✓ With potential to generate higher returns



Opportunity: POC Immunoassay

Immunoassays today make up the largest part of the POC diagnostics market and many test menus incorporate immunoassay based tests.

Global POC Diagnostics Market (Excluding Glucose Testing – 2012E)



1) Demonstrate platform using

C-Reactive Protein

- Measure of infection or inflammation
- Potential indicator of
 - ✓ cardiac risk
 - ✓ therapy effectiveness
 - ✓ bacterial vs viral infection
 - ✓ others
- >80M tests annually
- Reimbursement ~US\$8-19/test

D-Dimer

- Rule-out test for Pulmonary Embolism
- Typically used in Hospital / ER settings
- >40M tests annually
- Reimbursement ~US\$10-18/test
- Siemens have right of first offer

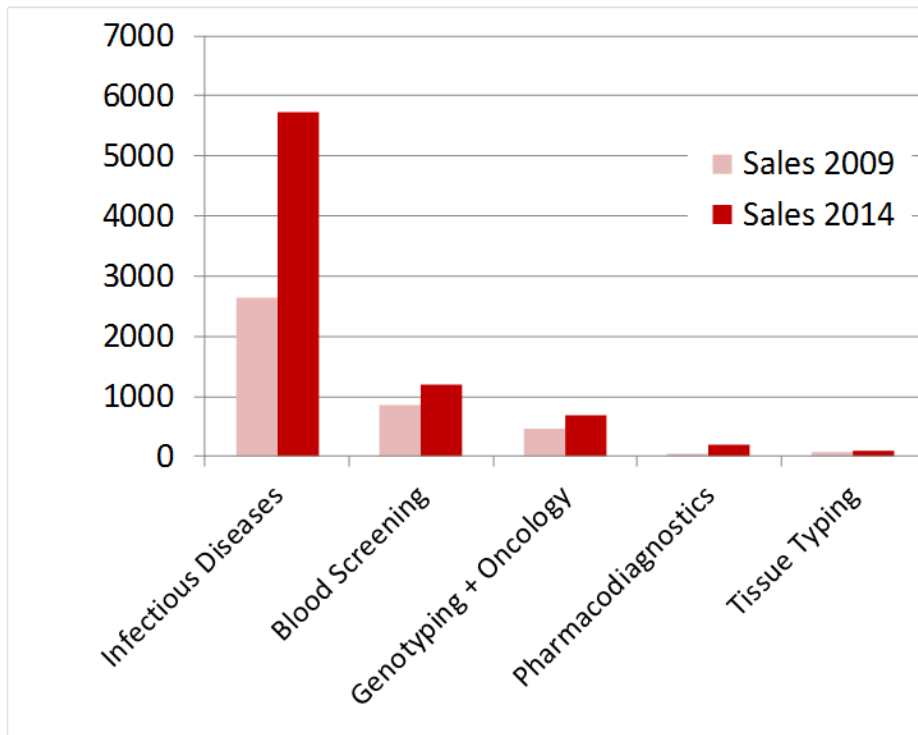
2) Leverage platform to develop new immunoassay tests



Opportunity: POC Molecular Diagnostics

Molecular Diagnostics (MDx), a \$5Bn market growing at >15% annually, involves the analysis of DNA & RNA . Infectious diseases are the most important application, and the focus for point of care systems today

Molecular Diagnostics Market
(US\$M)



MDx is an attractive space...

- Large market (\$5Bn) with high growth (>15% annually)
- POC MDx has strong drivers vs traditional approaches (microbiology or central laboratory methods)

...of high interest and activity

- R&D investment and innovation
- Company valuations
- Corporate activity

...and no clear “winners” yet

- POC MDx pioneered by small, innovative companies
- Aiming to increase speed, reduce cost and complexity

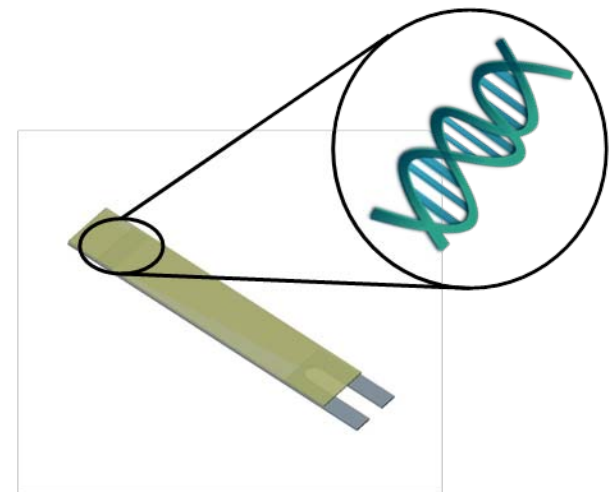
*2012 estimate

Source: Management estimates based on relevant market data



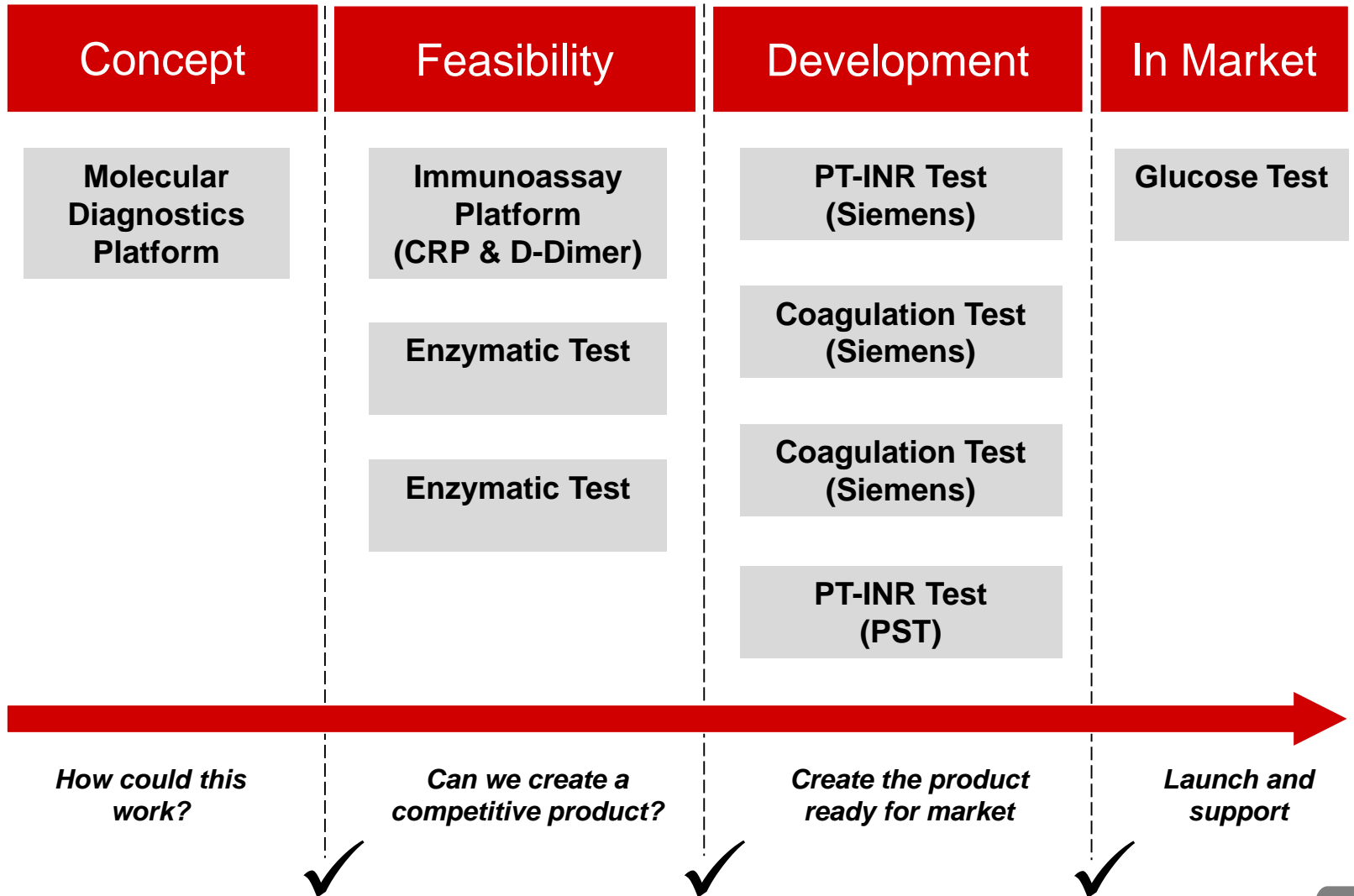
...and UBI has a concept for true POC MDx

- Drawing on in-licensed technology, target DNA or RNA will be detected electrochemically, leveraging UBI's existing expertise in signal amplification, detection, analysis and low cost strip manufacturing
- Our vision is for a portable strip and meter system that would make true POC DNA/RNA testing possible
 - ✓ Results in minutes
 - ✓ Simple to use
 - ✓ At an affordable cost





Creating a pipeline of future POCD products





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Financial metrics (Full Year 2012)

Selected line items	12 months to 31 st December		Change
	2012 A\$ Millions	2011 A\$ Millions	
Revenue from Products*	19.4	12.1	Up 61%
Quarterly Service Fees	2.2	0.5	Up 311%
Revenue from R&D Services**	8.1	2.1	Up 285%
Total Revenues	29.6	14.7	Up 102%
R&D Costs	13.5	9.8	Up 37%
General & Administrative costs	6.8	7.3	Down 7%
Loss Before Interest & Tax	9.1	14.7	Improved by 38%
Nett increase (decrease) in cash	(4.0)	(8.2)	Improved by 52%
Total cash at bank (at year end)	23.6	15.1	Up 57%

*Sales to LifeScan of OneTouchVerio strips manufactured by UBI

**Includes Siemens Milestone, R&D Services for LifeScan

Note: the financial figures above are unaudited



Indications for 2013

Selected line items	FY 2012 A\$ Millions	Change FY2012 vs FY2011	Indications for FY2013
Revenue from Products*	19.4	Up 61%	<ul style="list-style-type: none"> Uncertain, but expect Q1 at similar levels to 2012 Expect first production of PT/INR strips for Siemens
Quarterly Service Fees	2.2	Up 311%	<ul style="list-style-type: none"> Uncertain. But expect significant growth over 2012.
Revenue from R&D Services**	8.1	Up 285%	<ul style="list-style-type: none"> Expect further milestones and other R&D payments from Siemens. Potential for LifeScan R&D services
R&D Costs	13.5	Up 37%	<ul style="list-style-type: none"> Expect similar levels to 2012, driven by multiple coagulation products in development
General & Administrative costs	6.8	Down 7%	<ul style="list-style-type: none"> Expect similar levels to 2012, as costs are largely fixed

*Sales of strips manufactured by UBI to LifeScan & Siemens

**Includes Siemens Milestone, R&D Services for LifeScan

Note: the financial figures above are unaudited



2013 milestones

Glucose: LifeScan (~US1c) Quarterly Service Fees increasing

Coagulation: Launch of Siemens PT-INR product

Patient Self-Test PT-INR route-to-market partner secured

New Markets: Immunoassay feasibility demonstrated (CRP / D-Dimer tests)

Rapid DNA detection using UBI technology demonstrated



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





Attachment: Summary Financial Statements



Income Statement

	Years Ended December 31,			
	2012	2011	2010	2009
	A\$	A\$	A\$	A\$
Revenue				
Revenue from products	19,368,745	12,063,582	11,760,009	132,733
Revenue from services	10,277,698	2,632,870	6,420,027	4,187,196
Milestone payment	0	0	0	17,722,641
Total revenue	29,646,443	14,696,452	18,180,036	22,042,570
Operating costs & expenses				
Cost of goods sold and services	18,656,091	13,018,451	12,282,736	627,403
Research and development	13,482,459	9,812,396	6,482,150	14,898,072
General and administrative	6,790,524	7,271,488	7,185,550	5,635,569
Total operating costs & expenses	38,929,074	30,102,335	25,950,436	21,161,044
Profit/(loss) from operations	(9,282,631)	(15,405,883)	(7,770,400)	881,526
Other income/(expense)	151,409	713,766	1,159,875	548,937
Net profit/(loss) before tax	(9,131,222)	(14,692,117)	(6,610,525)	1,430,463
Income tax benefit/(expense)	0	0	0	0
Net profit/(loss)	(9,131,222)	(14,692,117)	(6,610,525)	1,430,463



Balance Sheet

Balance Sheet as at 31 December 2012

	A\$
Current Assets (excluding cash)	6,831,313
Cash	23,649,417
Property, plant & equipment	18,266,120
Other Non-Current Assets	320,000
Total Assets	49,066,850
Current Liabilities	6,312,016
Non-Current Liabilities	3,382,695
Stockholders' Equity	39,372,139
Total Liabilities & Stockholders' Equity	49,066,850



Capital structure

Number of shares on issue	173,959,863
Market capitalization (5 th February 2013)	A\$150 million
Number of options on issue	11.7 million
Cash (31 st December 2012)	A\$23.6 million
Equity raised since inception	A\$83 million



Top 5 UBI shareholders

Shareholder	31 st December 2012 Holding
<i>The Principals Cornerstone Fund Pty Ltd</i>	10.4%
<i>CM Capital Investments Pty Ltd</i>	10.2%
<i>National Nominees Ltd</i>	8.5%
<i>Australian Executor Trustees SA Ltd</i>	6.9%
<i>PFM Cornerstone Ltd</i>	6.5%



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