

Universal Biosensors, Inc.
ABN 51 121 559 993

1 Corporate Avenue
Rowville Victoria 3149
Australia

Telephone: +61 3 9213 9000
Facsimile: +61 3 9213 6490
Email: info@universalbiosensors.com
www.universalbiosensors.com



Universal Biosensors

9 July 2015

Dear Securityholder,

2014 was a transformational year for UBI. Although the Company and its shareholders faced significant challenges throughout the year, we ended on an exciting note with the launch of the Siemens Xprecia Stride™ Coagulation Analyzer in December 2014. We entered 2015 in a strong operational position, having now developed two outstanding products that are on the market with two global leaders in two of the largest point-of-care diagnostics markets.

Our vision is to build a global company which is recognised as a leading innovator in point-of-care diagnostics.

Our business model is to leverage our proprietary electrochemical sensing platform technology to develop and manufacture test strips for a range of point-of-care diagnostic applications. Sales of these disposable test strips are pulled through by the placement of analysers, creating multiple layers of growing annuity revenues over time.

Our strategy is to develop new products in collaboration with global leaders, building on the experience and capabilities to take our own products to market where suitable opportunities exist.

The first product, used for blood glucose monitoring in the management of diabetes was developed by the Company for LifeScan, a Johnson & Johnson company, and is now sold under the OneTouch Verio® brand. As part of our partnership arrangement with LifeScan, the Company shares in the success of the OneTouch Verio® via a quarterly service fee received from LifeScan for every OneTouch Verio® test strip sold globally. Product sales, and these quarterly service fees, continued to grow strongly in 2014 due in my view, to continued investment in the expansion of the OneTouch Verio® platform by LifeScan, and the increasing demands for improved accuracy in blood glucose monitoring by industry regulators.

Our second product, the Xprecia Stride™ Coagulation Analyzer, was developed in collaboration with Siemens and was launched in December 2014. Under the agreement with Siemens, UBI is the manufacturer of the test strips for this product. The launch of this second product in market is a significant milestone and represents a diversification of the technical, market and revenue risk profile for the Company as well as an important validation of our capabilities.

We have a strong product pipeline with two further tests in development with Siemens for the coagulation market and our own product in development for PT-INR testing in decentralised or patient self-testing settings. We are making solid progress in extending our low-cost, high performance testing system to the broad field of immunoassay testing.

We have again demonstrated our ability to apply world-class science and engineering capabilities to bring industry-leading solutions to the point-of-care diagnostics market, and we are very excited about the opportunities ahead for the Company.

We are carefully managing our cash reserves, while ensuring we continue to make significant R&D strides while we are still able to qualify for the Australian Government R&D tax rebate. Achieving a positive cashflow remains an important short term goal for the company.

I would like to thank the Board and the UBI team for their continued dedication to the success of the Company and the significant milestones achieved over the past year. In particular, I would like

to thank Andy Jane for his contribution to the Board over the past 9 years and welcome Judith Smith, who joined in March 2015. These most recent changes to the Board continue our commitment to evolve the skills and experience of the Board to meet the changing needs of the company.

Additionally, Mr. Hanley, who has been a director of the Company since inception and who was the initial chairman, has indicated that he will step down from the Board before the end of the year.

Finally, I would like to thank you, our Shareholders, for your continued support.

Andrew Denver
Chairman