



Universal Biosensors

Universal Biosensors, Inc.

ARBN 121 559 993

Investor Presentation

August 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 Verio strip sold, and a transfer price 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: \$14.7M (30/6/12), with prior 12 month cash burn of \$2.8M
- UBI is ASX-listed with market capitalisation of ~\$96M (6th August 2012)



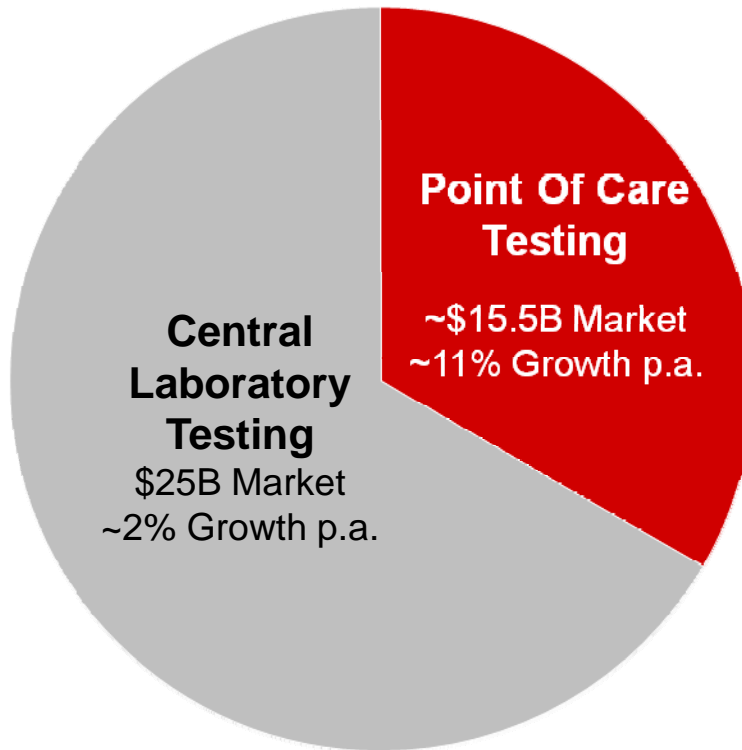
Contents

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



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)

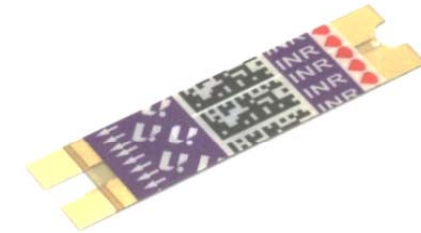
- **Broad application**

- ✓ **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

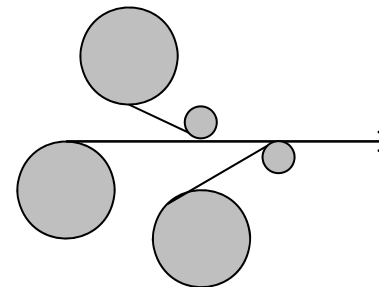
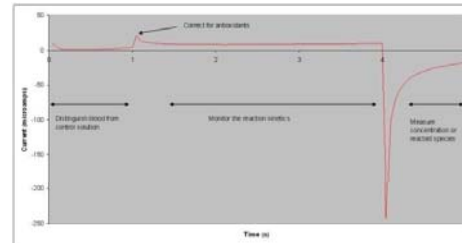
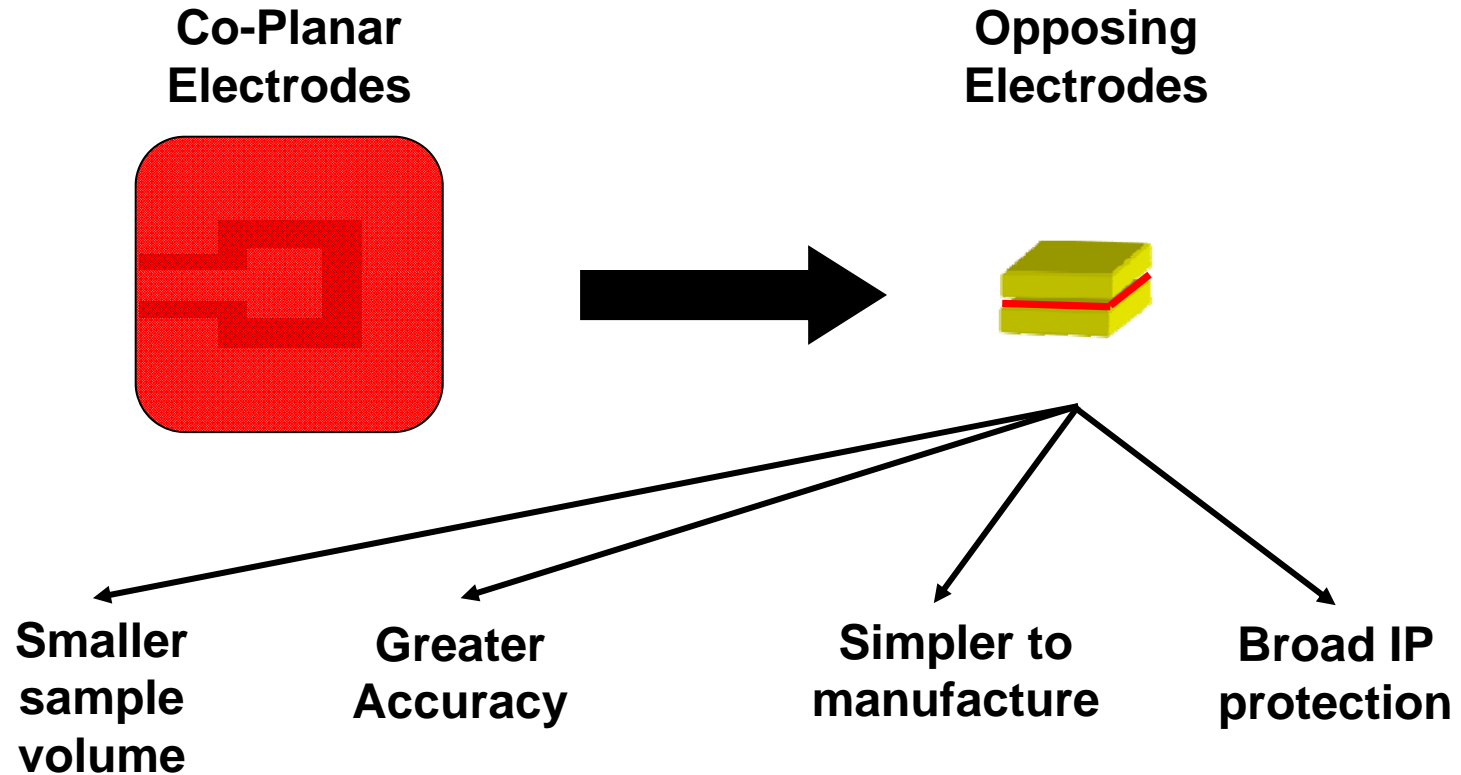


Handheld Readers





A paradigm shift in electrochemical sensors





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...and low cost, scale manufacturing



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

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





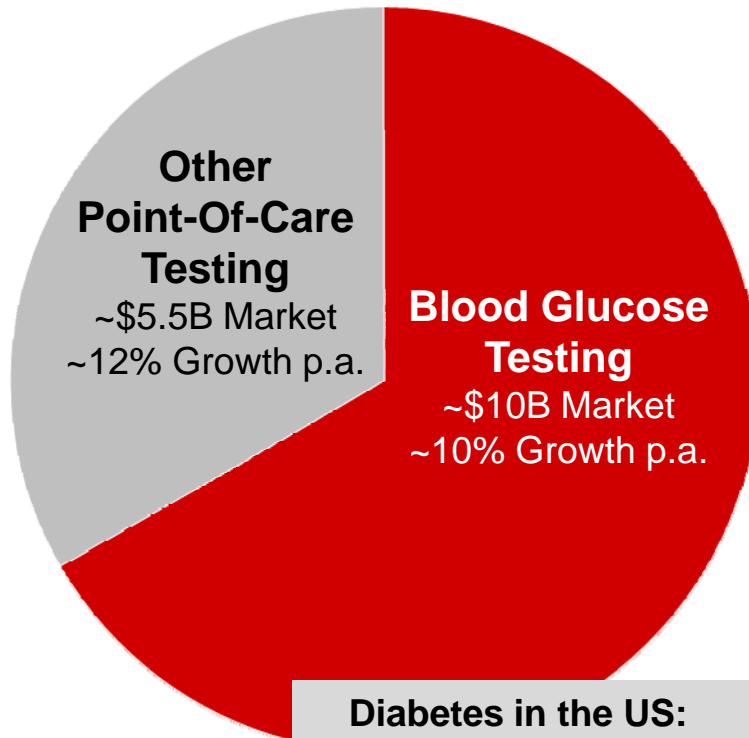
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1st target: the \$10B blood glucose segment

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;

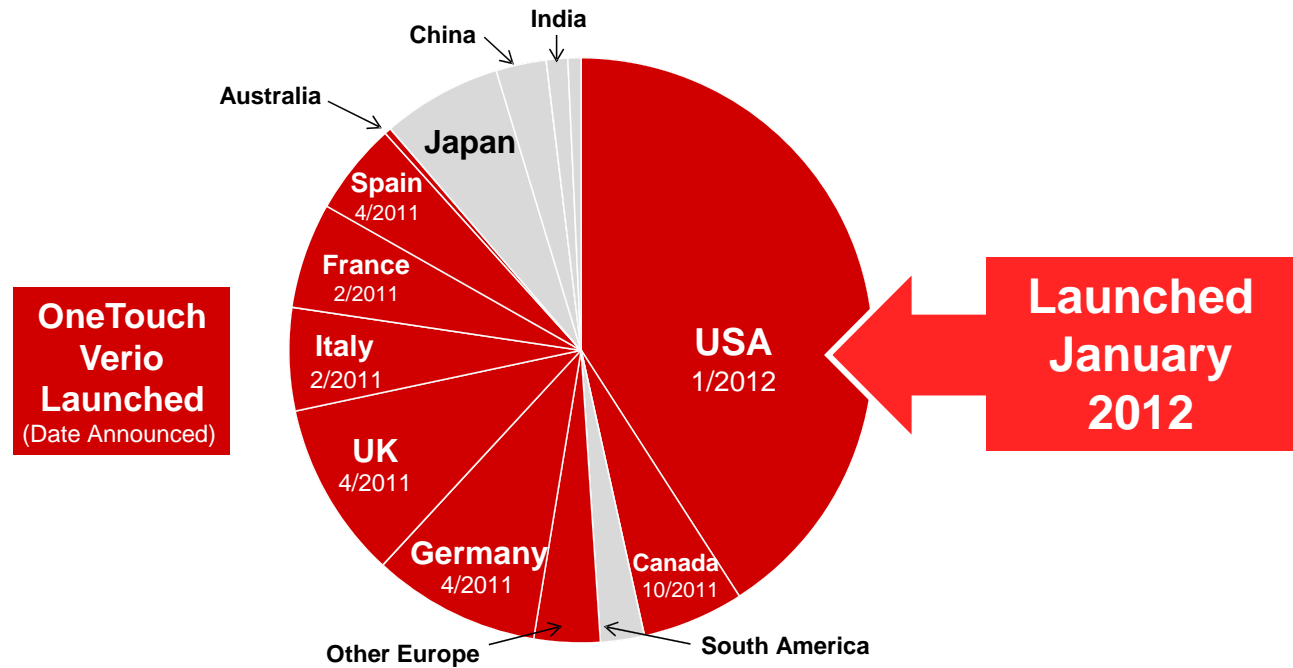


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Global roll-out in \$10B SMBG market



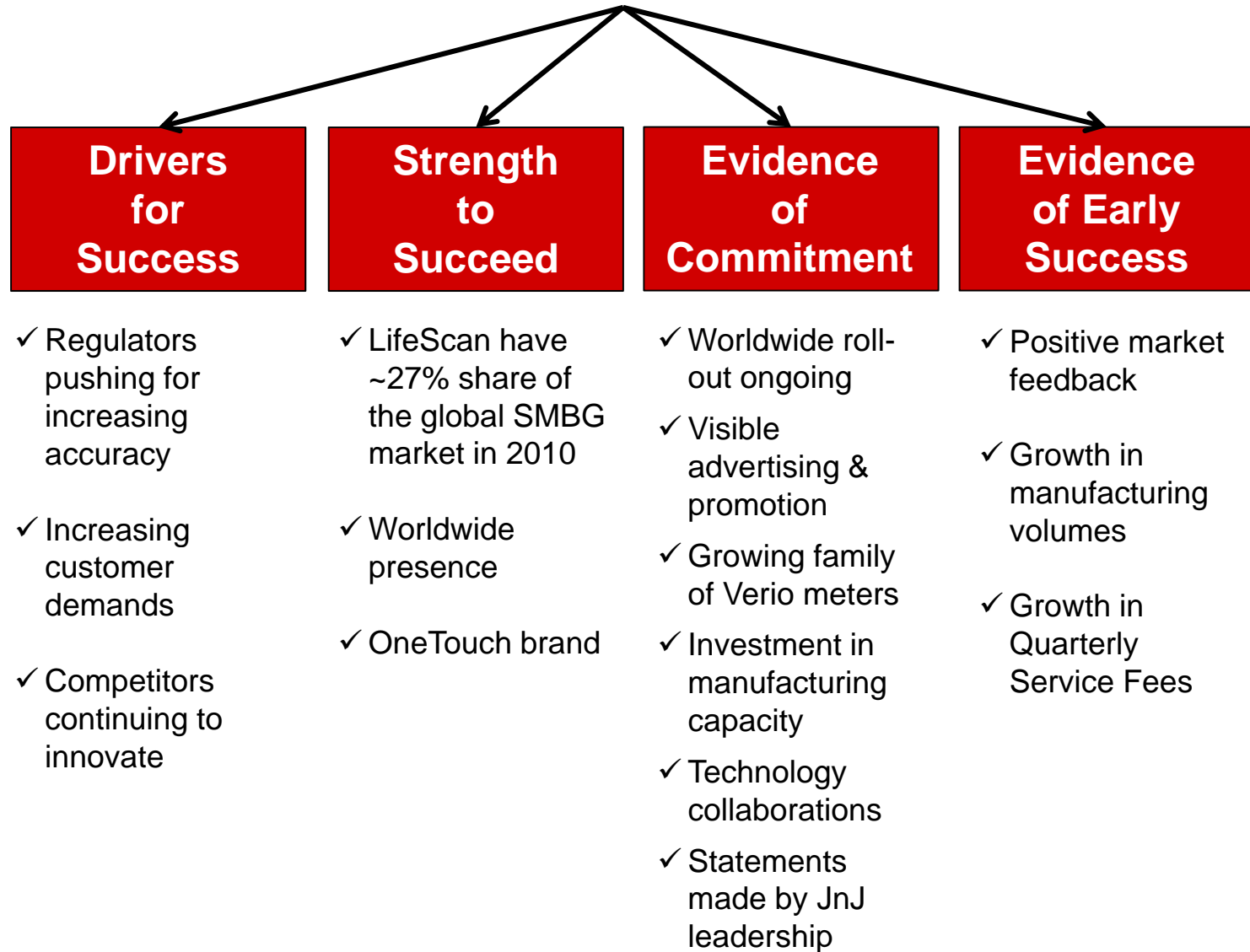
Self Monitored Blood Glucose Market
(2015 estimate*)



Source: Global Data, SMBG Market Study Nov 2009
Note: images on this page are not representative of actual products approved in all markets.



Reasons to believe in success...





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Growing family of OneTouch Verio meters



OneTouch Verio:
Initial launch in The Netherlands
and Australia (2010)



OneTouch Verio Pro:
Launched in Europe (2011)



OneTouch Verio IQ:
Launched in Canada (2011),
USA & major European
markets (2012)



OneTouch Verio strips



LifeScan / blood glucose - economics

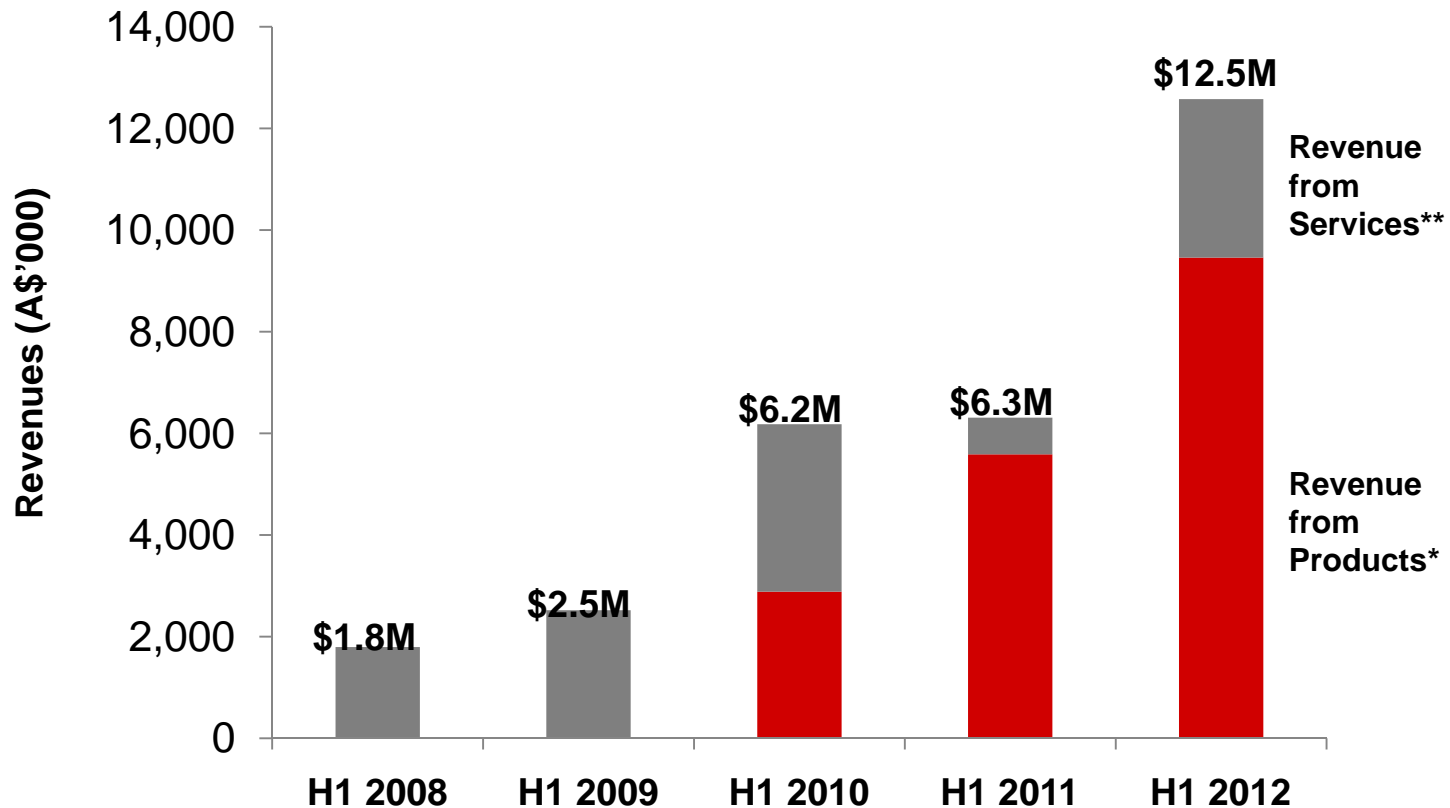
Revenue Source	Revenue Detail
Quarterly Service Fees <i>(included in "Revenue from Services" in published financial statements)</i>	~ US1c received for each Verio strip <u>sold</u> by LifeScan <ul style="list-style-type: none">• Irrespective of source of manufacture
Manufacturing Revenues <i>(included 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
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.



The “glucose business” is growing

**First Half-Year UBI Revenues from LifeScan
(2008-2012)**



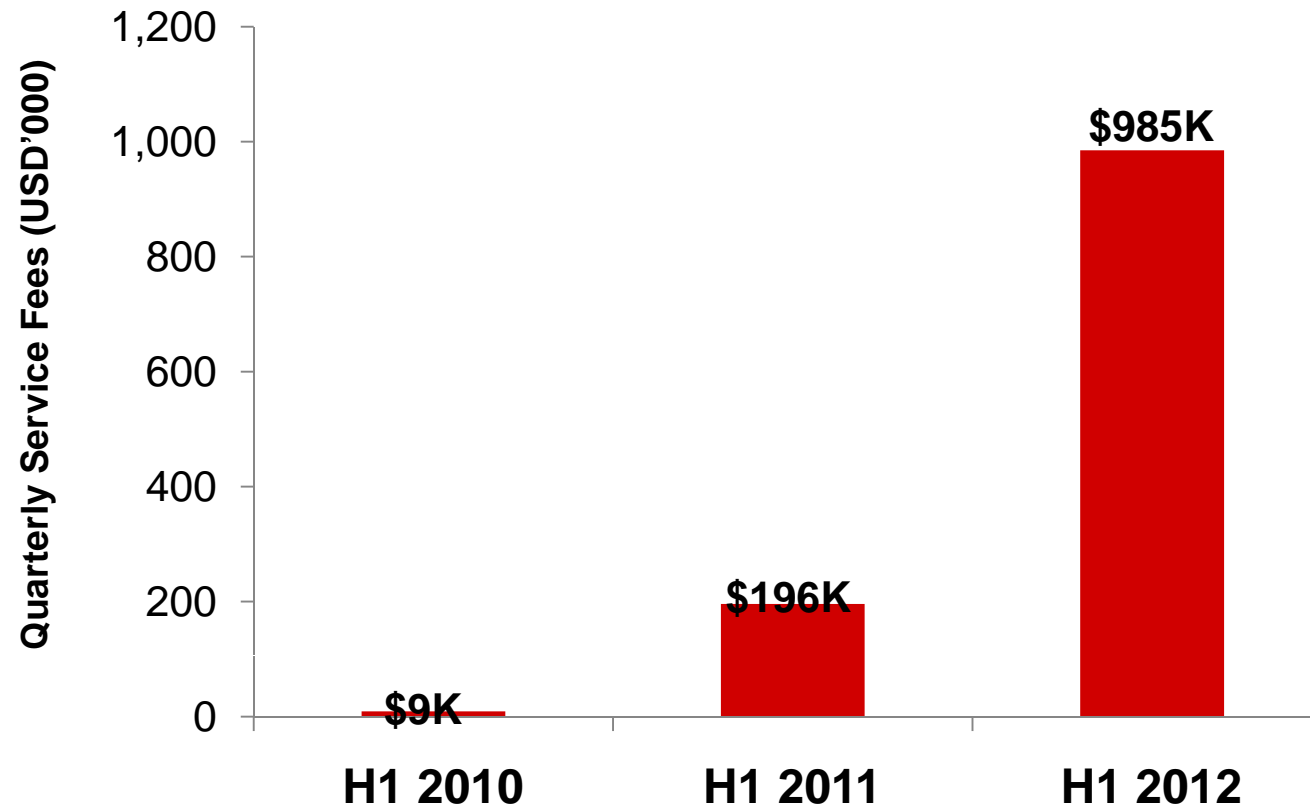
* Revenue earned from strips manufactured for LifeScan by UBI

** 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 H1 2012 period.



Quarterly Service Fees are building.

Quarterly Service Fees* (USD)



**Quarterly Service Fees are based on the number of Verio strips sold by LifeScan
Source: UBI Statutory accounts (2010-12)*



The “glucose business” is already profitable

<u>Profit & Loss: H1 2012</u>	<u>AUD</u>
<i>LifeScan / Glucose Products only</i>	
Revenue from products*	\$9,458,849
Revenue from services**	\$3,069,859
<hr/>	
Cost of goods sold and services	\$(9,746,166)
<hr/>	
Gross Margin	\$2,782,542
<hr/>	
<i>Gross Margin as %age of Revenue</i>	<i>22.2%</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.

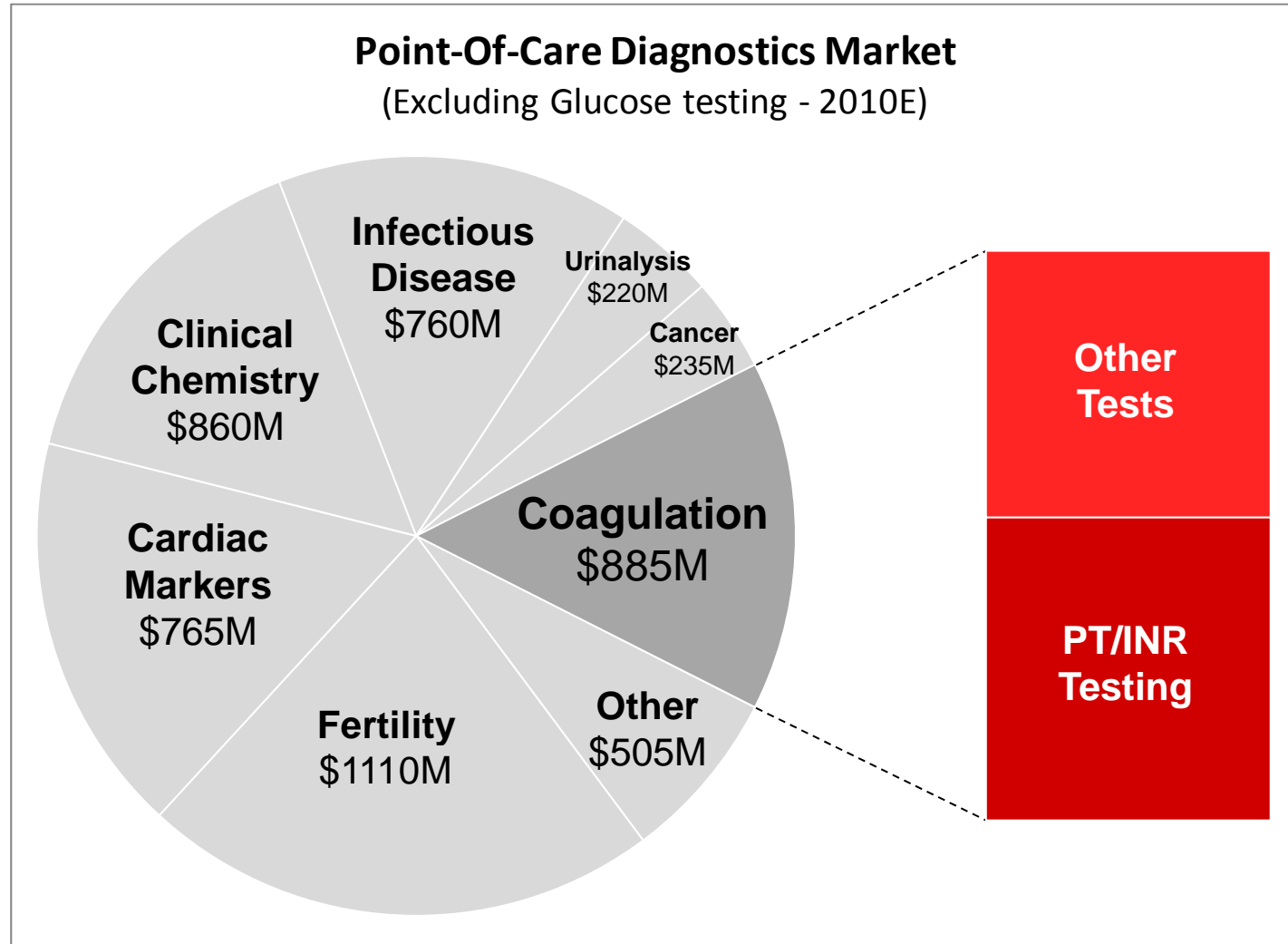


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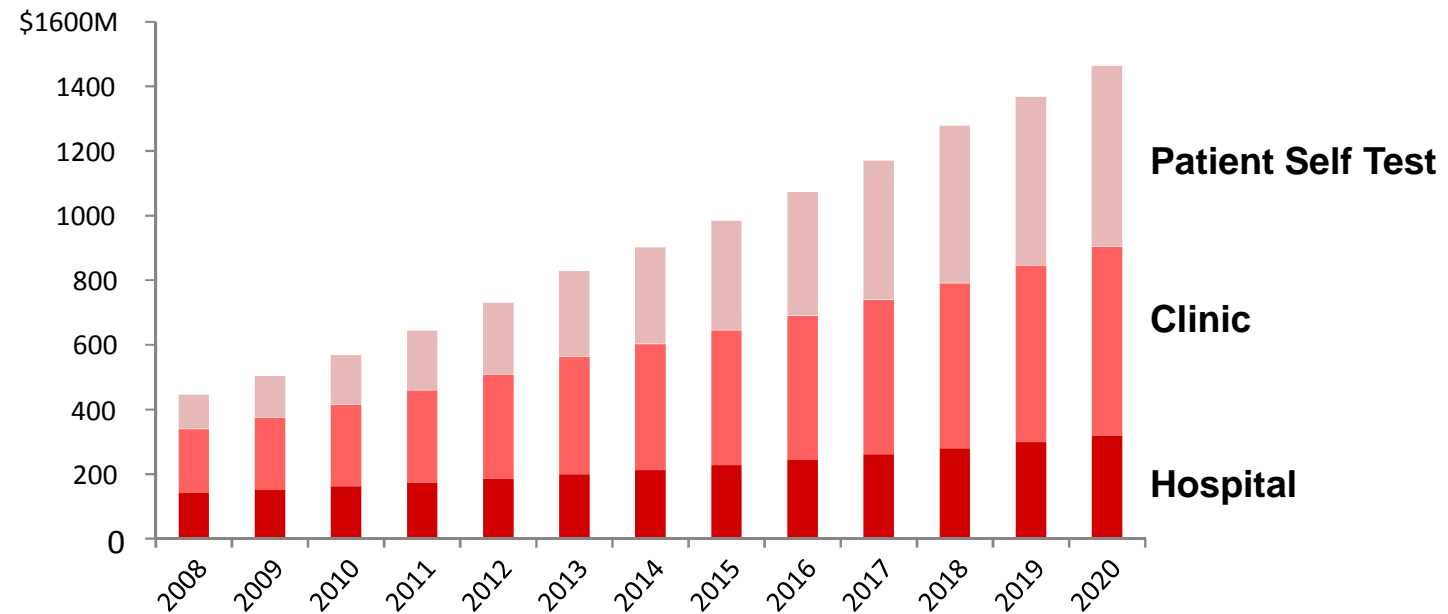
Next opportunity: POC coagulation testing





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 (towards weekly)

Source: Management estimates; Kalorama, *The Worldwide Market for In Vitro Diagnostic Tests*, 6th Ed., 2008; Trimark, "Point of Care Diagnostic Testing World Markets", April 2011



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Siemens – a powerful partner for UBI



+

SIEMENS

- **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 (2 out of 6 have been achieved)**
- **UBI will manufacture test strips exclusively**
- **Siemens to sell & distribute the products worldwide**

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



Emerging coagulation product portfolio



PT-INR testing system:
- launch expected 2013



Coagulation test #2:
- feasibility achieved June 2012
- now in development



Coagulation test #3:
- feasibility achieved July 2012
- now in development



PT/INR offers good economic potential

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

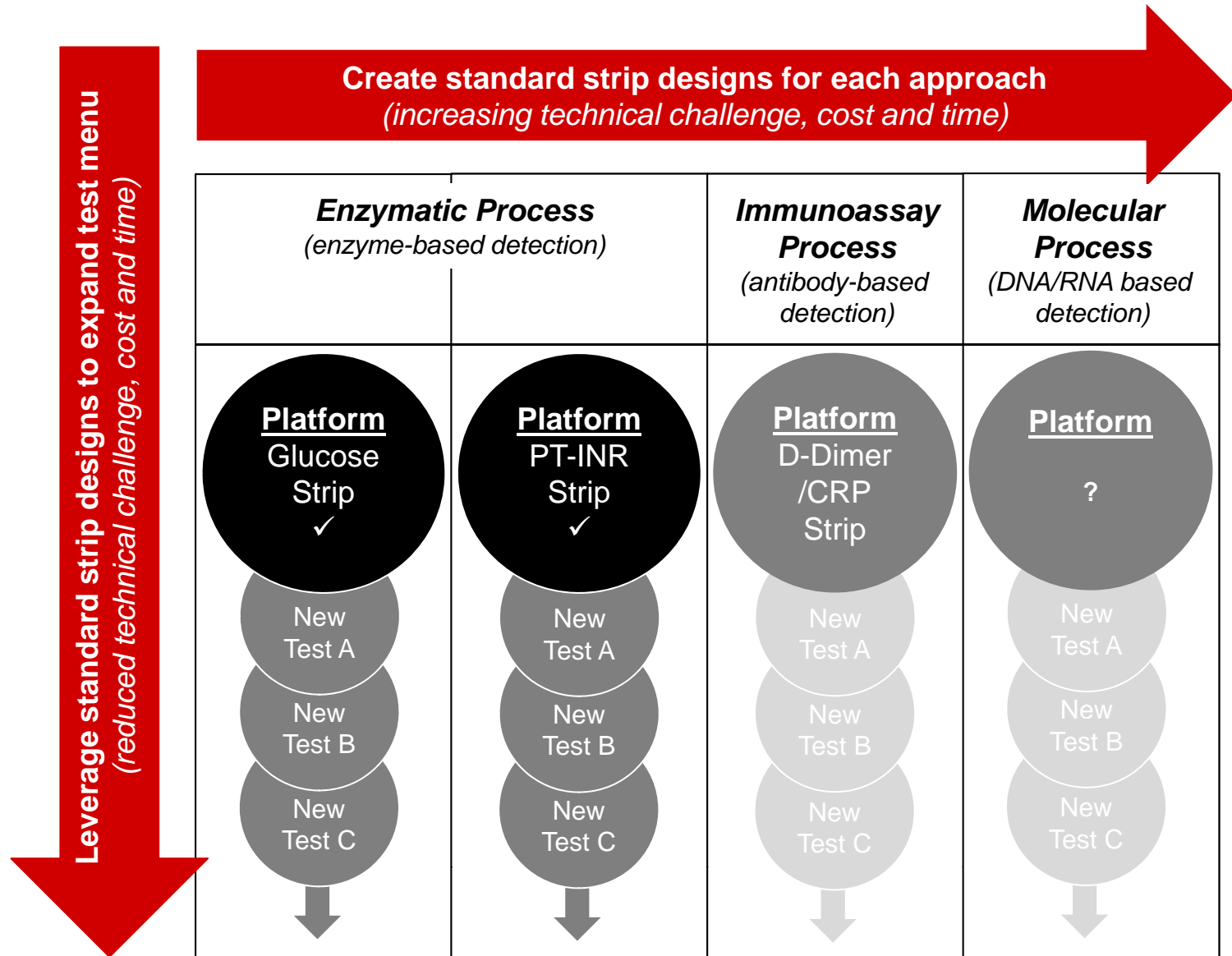
- Consider a target audience of >7 million Warfarin patients worldwide
- Assume 100% of this market
- Consider PT/INR monitoring frequency ranging from 4-weekly to weekly
- Consider earnings per test strip ranging from \$0.50 to \$1.50

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





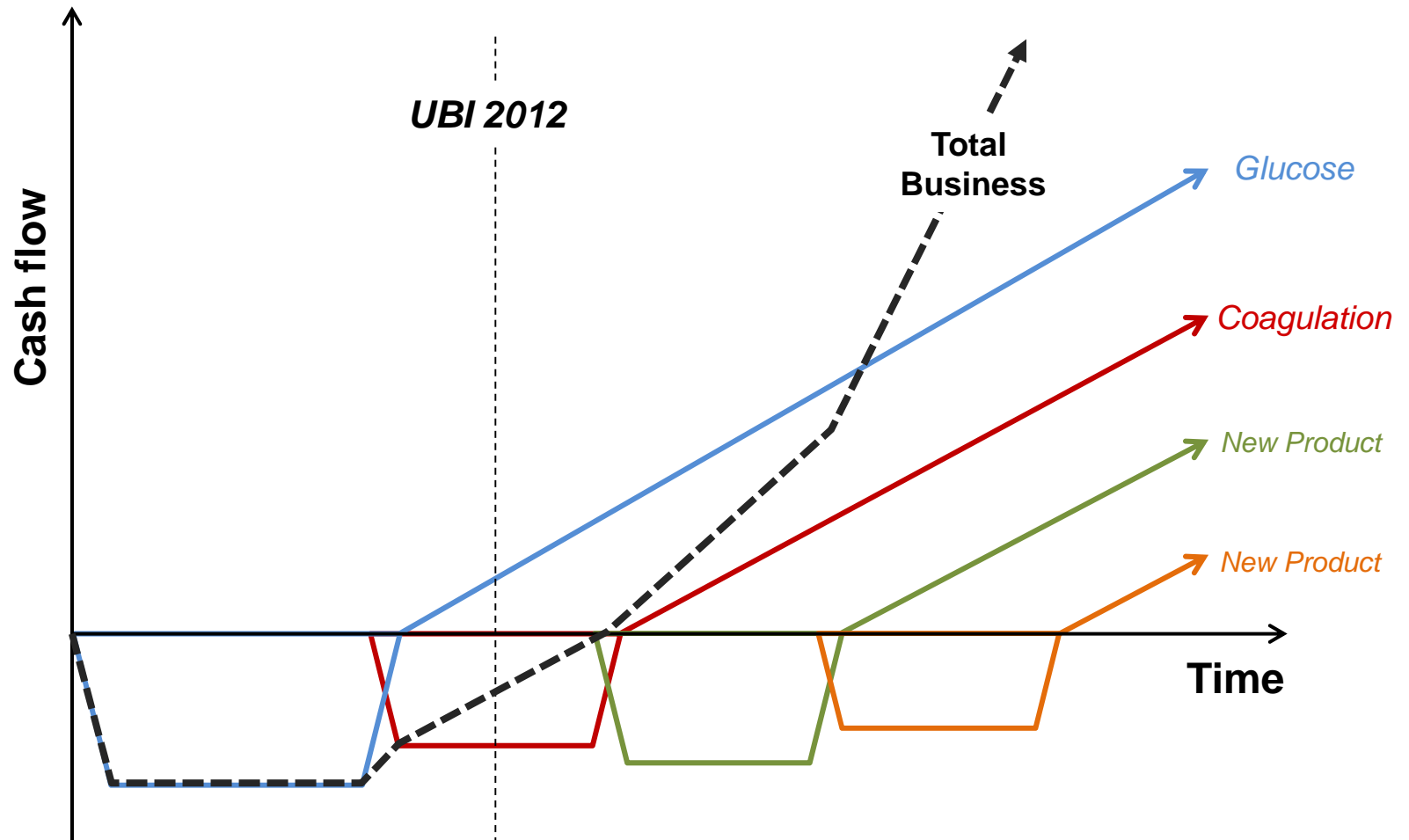
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Ongoing R&D drives earnings growth

Diagnostic Business Schematic
(Cashflow vs Time)





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 metrics: H1 2012

<i>AUD</i>	6 months to 30 June 2012	6 months to 30 June 2011	Change
Revenue from Products*	\$9.5M	\$5.6M	Up 69%
Revenue from Services**	\$5.2M	\$0.7M	Up 629%
Quarterly Service Fees	\$1.0M	\$0.2M	Up 402%
Total Revenues	\$14.7M	\$6.3M	Up 133%
Contribution from Products & Services	\$5.0M	\$(0.1)M	Up \$5.1M
R&D Costs	\$5.4M	\$4.7M	Up 14%
G&A Costs	\$3.1M	\$3.2M	Down 4%
Nett profit (loss) after tax	\$(3.4)M	\$(7.9)M	Up \$4.5M
Nett increase (decrease) in cash	\$(0.4)M	\$(5.8)M	Up \$5.4M

*Sales to LifeScan of Verio strips manufactured by UBI

**Includes Siemens Milestone, R&D Services & Quarterly Service Fees



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,			
	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 30th June 2012

	A\$
Current Assets (excluding cash)	7,608,865
Cash	14,709,678
Property, Plant & Equipment (net)	19,371,896
Other Non-Current Assets	<u>320,000</u>
Total Assets	<u>42,010,439</u>
Current Liabilities	6,701,635
Non-Current Liabilities	3,291,333
Stockholders' Equity	<u>32,017,471</u>
Total Liabilities & Stockholders' Equity	<u>42,010,439</u>



Capital structure

Number of shares on issue	159,202,206
Market capitalization (at 6 th August 2011)	A\$96 million
Number of options on issue	11.3 million
Cash (at 30 th June 2012)	A\$14.7 million
Equity raised since inception	A\$71 million



Top 5 UBI shareholders

Shareholder	30th June 2012 Holding
The Principals Cornerstone Fund Pty Ltd	11.7%
CM Capital Investments Pty Ltd	11.2%
HSBC Custody Nominees (Australia) Ltd	8.7%
PFM Cornerstone Ltd	7.2%
National Nominees Ltd	6.0%



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