



BIOSENSORS
INTERNATIONAL

NEWS RELEASE

Biosensors Reports Strong Sales and Earnings Growth for the Third Quarter and First Nine Months of Fiscal Year Ending 31 March 2009

Singapore 11 February 2009 - Biosensors International Group, Ltd. ("Biosensors" or the "Company", Bloomberg: BIG SP) today announced strong sales and earnings growth for its third fiscal quarter ("3Q FY09") and nine months ended 31 December 2008 ("FY09 nine-month period").

Total product sales in the third quarter were US\$19.3 million, a 13% increase over the previous quarter ("2Q FY09"), and a 123% increase over the same period a year ago ("3Q FY08"), driven largely by continued growth in the sales of the BioMatrix™ drug-eluting stent. Drug-eluting stent revenues were US\$11.1 million in the third quarter, 36% higher than 2Q FY09 and more than eight times higher than drug-eluting stent sales in 3Q FY08. Sales of other interventional cardiology products were US\$5.7 million, a 28% increase over 3Q FY08 sales of US\$4.4 million due to increased sales of bare-metal stents in Japan and Europe. Critical care product sales for the third quarter decreased by 18%, to US\$2.5 million, on lower demand in the US and Asia. Including licensing revenue and royalties, total revenue for 3Q FY09 was US\$20.6 million versus US\$ 8.7 million in 3Q FY08, an increase of 135%.

For the FY09 nine-month period, total revenue was US\$96.6 million, a US\$64.2 million (198%) increase over the same period in the prior fiscal year ("FY08 nine-month period"). Of this increase, US\$40.0 million, or 62%, was a one-time, non-recurring payment by a licensee to reduce future revenue sharing percentages. Product revenues for the FY09 nine-month period rose by more than 98% compared to product revenues for the FY08 nine-month period. Similar to revenues for 3Q FY09, this growth was the result of increased interventional cardiology product sales, primarily drug-eluting stents, offset by a slight decrease in critical care product revenues.

Commenting on the Company's performance, Biosensors' CEO and President Mike Kleine said, "When I joined Biosensors just over one year ago, our goal was to achieve profitability late in fiscal 2009, based largely upon increasing our ownership share of JW Medical Systems ("JWMS") from 50% to 100%. While we were not able to complete the JWMS transaction, strong organic sales growth and a sharper focus on our cost structure did allow us to achieve profitability before exceptional items and taxation and to greatly enhance our operating cash flows during 3Q FY09. We are encouraged by the speed of our progress and we remain optimistic about our future."

The Company also reported significant gross margin improvement for its interventional cardiology products for both 3Q FY09 and the FY09 nine-month period. Product gross margins were 64% for 3Q FY09, versus 46% for 3Q FY08, and 58% for the FY09 nine-month period, versus 40% in the FY08 nine-month period. The improvement was due primarily to a shift in product mix towards higher margin drug-eluting stents. The closure of the Company's Netherlands-based manufacturing facility, and the discontinuation of its lower margin products, also contributed positively to the gross margin improvement for 3Q FY09.

"Going forward, we will focus not only on continued sales growth and operational improvement, but also on the ongoing need for relevant clinical data and an innovative product pipeline. We are also very aware of the need to address our future financing requirements, particularly our November 2009 obligation to retire US\$45.0 million in convertible notes plus accrued unpaid interest. While we may have adequate cash resources to retire these notes and interest with no additional financing, we are evaluating a proposal from the current debt holders and exploring several financing alternatives to retire these notes and provide adequate capital for our future operations" concluded Mr. Kleine.

In 3Q FY09, research and development ("R&D") expenses, which include costs for new product development and testing, clinical trials, patent registration and regulatory approval, were US\$4.4 million compared to US\$5.5 million in 3Q FY08. For the FY09 nine-month period, R&D expenses were US\$17.1 million compared to US\$18.6 million for the FY08 nine-month period. The decreases in R&D expenses for the quarter and nine months were mainly due to decreased clinical trial expenses in Europe and lower payroll related expenses.

Sales and marketing expenses were US\$6.3 million in 3Q FY09 compared to US\$3.0 million in 3Q FY08, and US\$19.4 million for the FY09 nine-month period compared to US\$11.4 million for the same period in the prior fiscal year. The increase was a result of expenses incurred for the commercial launch of BioMatrix, including participation in trade shows and brand building activities; increased expenses related to product registry trials in Asia and Europe; and higher headcount costs as we expand our sales force and marketing activities in Europe and Asia.

General and administrative expenses were US\$4.5 million in 3Q FY09, compared to US\$4.4 million in 3Q FY08, and US\$15.4 million for the FY09 nine-month period, compared to US\$13.1 million for the nine months in the prior fiscal year. The increase was mainly attributable to additional payroll expenses related to key management personnel, increased non-cash share-based option expenses relating to new options granted, and increased costs incurred at the Company's new Singapore facilities.

Included in the 3Q FY09 results is the equity method of accounting for the Company's 50% ownership interest in JW Medical Systems Ltd ("JWMS"), which resulted in net income of US\$1.9 million. For the quarter under review, JWMS sold approximately US\$11.0 million of its drug-eluting stents.

In 3Q FY09, the Group reported a net loss of US\$0.3 million (0.02 US cent loss per basic and diluted share) compared to a net loss of US\$7.8 million (0.75 US cent loss per basic and diluted share) in 3Q FY08. For the FY09 nine-month period, the Company reported a net loss of US\$1.5 million (0.14 US cent loss per basic and diluted share) compared to a net loss of US\$10.9 million (1.13 US cent loss per basic and diluted share) for the FY08 nine-month period. The decrease in net loss for the quarter was mainly due to higher product revenue and improved gross margins, combined with an exchange gain of

US\$1.8 million recorded in 3Q FY09. For the FY09 nine-month period, the decrease in loss per share was the result of the same factors that affected 3Q FY09, combined with the positive effect of the US\$40.0 million of license-related revenue recognized in the first quarter of the fiscal year.

Guidance

Based upon its performance through December 2008, Company management expects product revenues for the fiscal year ending 31 March 2010 ("FY10") to range between US\$90 and US\$100 million, compared to FY09 product revenue guidance of US\$65 to US\$75 million. The projected sales growth of 30% over FY09 guidance will consist of continued strong drug-eluting stent sales increases, slower growth of other interventional cardiology product revenues and relatively flat sales of critical care products. The FY10 product revenue range does not include any royalty or licensing revenues. Management also believes its goal of overall profitability will be achieved in FY10, with operating results improving significantly during the second half of the fiscal year. Current estimates do not include any effects for foreign currency exchange gains or losses or any exceptional non-operating items.

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Media Contact

Biosensors International Group

Mr. Eric Loh Chee Mun

Senior Vice President

Tel: (65) 6213 5708

Email: cm.loh@biosensors.com

Media Relations / Investor Relations Firm

United States

Allen & Caron Inc.

Mr. Matt Clawson

Executive Vice President, Investor Relations

Tel: (1) 949 474 4300

Email: matt@allencaron.com

About Biosensors International Group, Ltd

Biosensors develops, manufactures and markets innovative medical devices used in interventional cardiology and critical care procedures. Biosensors is well-positioned to emerge as a leader in drug-eluting stents and has developed a pipeline of next-generation products that are set to gain market share from traditional therapies such as conventional drug-eluting stents, bare-metal stenting and open-heart surgery. Its drug-eluting stent programs include *BioMatrix™* and *BioFreedom™*, a completely polymer-free drug-eluting stent.

For more information, please visit www.biosensors.com.

About BioMatrix

BioMatrix™ offers the unique combination of an innovative anti-restenotic drug, Biolimus A9™, a biodegradable poly-lactic acid polymer (PLA), and an advanced, highly flexible stent designed for enhanced deliverability.

Biolimus A9 was designed specifically for use in drug-eluting stent systems. In addition to effective immunosuppressive and anti-inflammatory properties, the drug has a higher lipophilic and hydrophobic profile than other limus analogs, enabling rapid absorption of the drug into the targeted tissue and reduced systemic exposure. Precision automated coating ensures the PLA and drug combination is applied only to the abluminal (outer) surface of the stent. The PLA fully degrades into water and carbon dioxide as the drug elutes, ultimately leaving in place a biocompatible stent surface.

For more information, please visit www.biomatrix.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 forward-looking 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.