



BIOSENSORS
INTERNATIONAL

NEWS RELEASE

BIOSENSORS ANNOUNCES FOURTH QUARTER AND FULL FINANCIAL YEAR RESULTS ENDED 31 MARCH 2008

Singapore 26 May 2008 - Biosensors International Group, Ltd. ("Biosensors" or the "Company", Bloomberg: BIG SP) today announced financial results for the fourth fiscal quarter ("4Q FY08") and the twelve months ended 31 March 2008.

Product revenues were US\$11.7 million for 4Q FY08 compared to US\$9.6 million for the same period in the prior year, an increase of 22 percent. For the twelve months ended 31 March 2008, product revenues were US\$38.7 million compared to US\$34.0 million for the prior year, an increase of 14 percent. Sales growth for the quarter and for the year was primarily a result of increased sales of interventional cardiology products, excluding drug-eluting stents. In 4Q FY08, sales of these products rose by 85 percent to US\$6.6 million compared to US\$3.6 million in the same period in the prior year and for the twelve months sales of these products were US\$20.1 million, a 73 percent increase from US\$11.6 million in FY07. The interventional cardiology product revenue increase is attributable to increasing sales of bare-metal stents in Japan as well as market growth in Indonesia and other Asian markets.

In 4Q FY08, revenue from drug-eluting stents was US\$2.3 million compared to US\$3.4 million in the prior year's quarter. For the twelve-month period ended 31 March 2008, revenue from drug-eluting stents was US\$7.0 million, approximately 42 percent lower than US\$12.2 million for the twelve-month period ended 31 March 2007. The decrease in drug-eluting stent revenues for the quarter and for the fiscal year is the result of a shift of the Company's emphasis from its previous generation drug-eluting stent product line, Axxion™, to the recently launched BioMatrix® drug-eluting stent system. Licensing revenue in 4Q FY08 was not material, consistent with 4Q FY07. The Company's US\$5.6 million in licensing revenues for fiscal year ending 31 March 2008 consists primarily of a US\$5.0 milestone payment from Terumo. The recently-announced licensing fee of US\$40 million from Terumo Corporation will be recognized over a 5-year period, beginning with the fiscal year 2009 that covers the period from 1 April 2008 through 31 March 2009.

Mr. Mike Kleine President and CEO said, "Many positive things happened at Biosensors during fiscal 2008 and we plan to build upon these positive events for the future. Biosensors is much stronger in Asia today than it has ever been as we experienced excellent sales growth in several Asia markets and we are in the process of acquiring a major drug-eluting stent presence in China – JW Medical Systems. We were also very pleased to receive CE Mark approval for our BioMatrix drug-eluting stent system during the past quarter. Our immediate focus is very well defined – develop the products and clinical

data necessary to become the largest drug-eluting stent company in Asia and gain a significant market position in the Europe.”

Research and development (“R&D”) expenses, which include costs for new product development and testing, clinical trials, patent registrations and regulatory approvals, were US\$8.1 million in 4Q FY08 compared to US\$8.8 million in the prior year’s corresponding period. For FY08, R&D expenses were US\$26.7 million compared to US\$24.9 million in FY07. The annual increase of US\$1.8 million relates primarily to increased expenses in clinical trials in Europe.

Sales and marketing expenses were US\$5.7 million in 4Q FY08 compared to US\$3.6 million in the prior year’s corresponding quarter and were US\$17.1 million in this fiscal year compared to US\$12.4 million in FY07. The quarterly and annual increases were due mainly to additional provisions for doubtful accounts, increased expenses for brand-building activities in Asia as well as spending associated with strengthening of the sales and marketing functions in preparation for our BioMatrix launch.

General and administrative expenses were US\$6.1 million in 4Q FY08 compared to US\$5.0 million in the prior year’s corresponding quarter and totaled US\$19.1 million in the full year compared to US\$18.7 million in last fiscal year. The increase in the current quarter was primarily due to increases in payroll and related expenses, offset by reduced non-cash share-based option expenses.

The Group recorded two significant charges related to exceptional items during fiscal 2008, primarily during the quarter ended 31 March 2008. Impairment charges of approximately US\$3.7 million were recorded related to the planned disposal or closure of Occam International B.V. (“Occam”), a manufacturing facility located in the Netherlands. Included in the impairment charges are goodwill impairment charges of approximately US\$1.9 million and impairment additional impairment charges of US\$1.8 million related to the remaining assets of the Occam operation. Additionally, the Company recorded an adjustment of US\$3.1 million for the quarter and US\$4.6 million for the year ending 31 March 2008 to reduce the estimated fair value of warrants owned by the Company to purchase shares of a licensee. The Company anticipates that additional charges may be required when the final strategic decision is implanted regarding the Occam operation, which is expected to be finalized during first half fiscal year 2009.

The Company also commenced plans to restructure its US operations, implementing the closure of its Newport Beach facility on 15 April 2008, subsequent to the end of the 2008 fiscal year. Restructuring charges for the US operations are expected to be recorded during first quarter of fiscal year 2009 and are estimated to be between US\$3.0 and US\$4.0 million, including severance costs related to employees whose employment was terminated as a result of this restructuring exercise.

For the quarter under review, the Group reported a net loss of US\$19.2 million or 1.82 US cent loss per basic and diluted share, compared to a net loss of US\$10.0 million or 1.09 US cent loss per basic and diluted share for the prior year’s corresponding period. For the fiscal year, the Group reported a net loss of US\$30.0 million or 3.05 US cent loss per basic and diluted share compared to a net loss of US\$36.3 million or 3.99 US cent loss per basic and diluted share for the prior year.

“As we reviewed our spending levels and the world-wide organization of Biosensors, it became apparent to our management team that we were duplicating efforts at our various facilities,” continued Mike Kleine. “With the recent launch of our BioMatrix drug-eluting stent and our exciting growth opportunities in Asia we concluded that the Occam operation and the Newport Beach facility were no longer required to support our primary operating activities. Operations associated with both plants will be moved to Singapore and the Company’s research and development activities will continue in Singapore and at the remaining US facility located in La Jolla, California. We will continue to serve our European, Middle East, Indian and Latin America customers from our European headquarters in Morges, Switzerland.”

In conclusion, Mr. Kleine added, “This restructuring exercise will enable us to reduce our operating expenses and focus our resources on our primary growth opportunities. We do not believe that this course of action will have any adverse affect on our current business activities. We believe that the discontinued Occam products, including the Axxion drug-eluting stent, can be replaced by our current products or through potential distribution arrangements with other entities. Sales of our critical care products in the US will not be impacted and we remain optimistic that our drug-eluting stent technology will someday be available in the US, as we continue to explore many different options.”

END OF RELEASE

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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. It has three separate drug-eluting stent programs, *BioMatrix*[®], *Axxion*[™], 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.

Biosensors will initiate several post marketing surveillance registries on the BioMatrix stent in April collecting data on over 5000 patients with five year follow-up.

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.