



RAPID tests for
EARLIER treatments

Investor Presentation



March 2012

Forward-Looking Statements

Statements contained herein that are not historical facts are forward-looking statements within the meaning of the Securities Act of 1933, as amended. Those statements include statements regarding the intent, belief or current expectations of Chembio and its management. Such statements reflect management's current views, are based on certain assumptions and involve risks and uncertainties. Actual results, events, or performance may differ materially from the above forward-looking statements due to a number of important factors, and will be dependent upon a variety of factors, including, but not limited to, Chembio's ability to develop, manufacture, market and finance new products and the demand for Chembio's products. Chembio undertakes no obligation to publicly update these forward-looking statements to reflect events or circumstances that occur after the date hereof or to reflect any change in Chembio's expectations with regard to these forward-looking statements or the occurrence of unanticipated events. Other factors that may impact Chembio's success are more fully disclosed in Chembio's most recent public filings with the U.S. Securities and Exchange Commission.

Investment Highlights

- Develops, Manufactures & Markets Point-of-Care Diagnostic Tests
- Robust pipeline of POC diagnostics for infectious diseases based on lateral flow and proprietary DPP® platforms.
- 2011 product revenues increased by 29%. Three consecutive years of profitability
- \$7 billion POC test market the fastest growing segment of \$40 billion dollar in-vitro diagnostic market
- Key license and distribution partners in U.S. and South America driving revenue growth and multiple opportunities for additional strategic partnerships
- Seasoned management team with relevant industry and financial experience



Our Business Strategy



**ESTABLISH
Chembio-DPP®
Brand Serving
Public Health &
Related Markets**

**CONTINUE to
Increase Revenue
and Profitability
Growth to Drive
Shareholder
Value**

**COLLABORATE to Address New Market Opportunities by
Leveraging our IP, Core Development and Manufacturing
Competencies**

POCTs - A Growing Global Market

Converting Lab Tests to POC and Creating New Markets

Global Point-of-Care
Test (POCT) Market



POC HIV Test Markets

- Current Professional Market Estimate:
 - \$200MM Global - \$60MM US
 - US Growing @ 10%+ per annum
- Potential US HIV OTC (Self-testing) Market Estimates:
 - \$150MM - \$500MM

Other Current & Potential U.S. POCT Markets

- Syphilis POCT Market
 - Estimated \$75MM
- Hepatitis-C POCT Market
 - Estimated \$100MM
- Veterinary POCT
 - Current \$100MM

FDA-Approved Lateral Flow HIV Tests Sold Globally

- Essential Tool in Prevention Efforts Globally
 - 50,000 New Cases of HIV Annually Still in U.S.
 - Estimated that >20% of HIV-Positive Individuals in U.S. unaware of their status
- Marketed Exclusively in U.S. Professional Market by Alere, Inc. (NYSE: ALR)
 - Chembio's U.S. Market Sales (to Alere) Increased by 36.5% in 2011 to \$7.2MM
 - Sold Through Distribution Ex-U.S.
- Pre-IDE Studies Ongoing for OTC "Barrel" HIV Test








**STAT- PAK®
Cassette Format**



**Sure Check® Barrel
Format**

U.S. Rapid HIV Test Market* - Solid Growth Since 2006 with New CDC Testing Recommendations

	Complete (Ex-U.S. Chembio Sure Check®)	HIV 1/2 STAT-PAK®	DPP® HIV Screen	OraQuick® Advance	Uni-Gold®
					
Manufacturer	Chembio Medford, NY	Chembio Medford, NY	Chembio Medford, NY	Orasure Bethlehem, PA	Trinity Biotech, Dublin Ireland
FDA Approval Date	2006	2006	Clinical trials 98% Completed	2003	2003
Technology	Lateral Flow & Unitized Barrel Device	Lateral Flow	Dual Path Platform with Saved Sample System	Lateral Flow	Lateral Flow
Est. US Market Shr.	8%	12%	N/A	65%	15%
Sample Types	All Blood Matrices	All Blood Matrices	Oral Fluid & All Blood Matrices	Oral Fluid, Whole Blood, Plasma; not serum	All Blood Matrices
True IgG Control	Yes	Yes	Yes	Yes	No
Sample Size (in microliters)	2.5	5	5	5	40
HIV-2 Detection	Yes	Yes	Yes	Yes	No

**Does not include tests that are not CLIA waived*

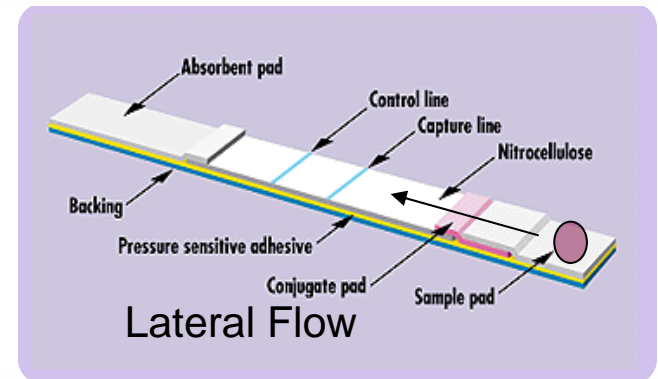
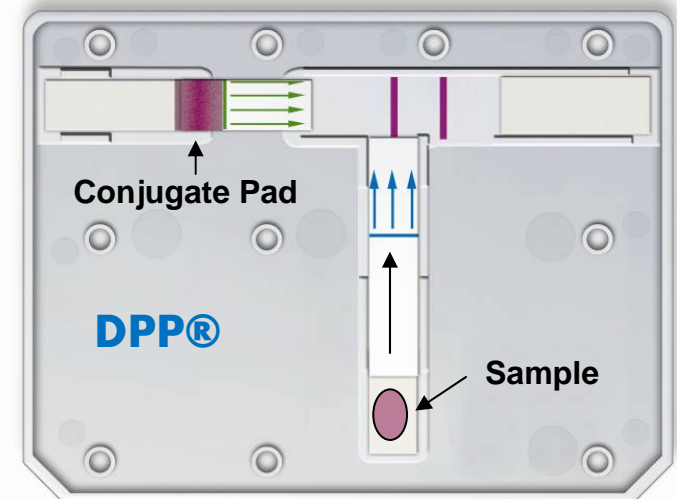
CHEMBIO PATENTED TECHNOLOGY: DUAL PATH PLATFORM (DPP®)

- A Patented Platform Technology with a Multitude of Potential Diagnostic Applications
- Improves Performance (Sensitivity and Specificity)
 - Features Independent Sample Path and Direct Binding
 - Enables Improved Multiplex Products



**MULTIPLEX
DPP®**

Foundational DPP Patent issued in U.S.; Additional patents issued or pending in U.S. & many foreign jurisdictions



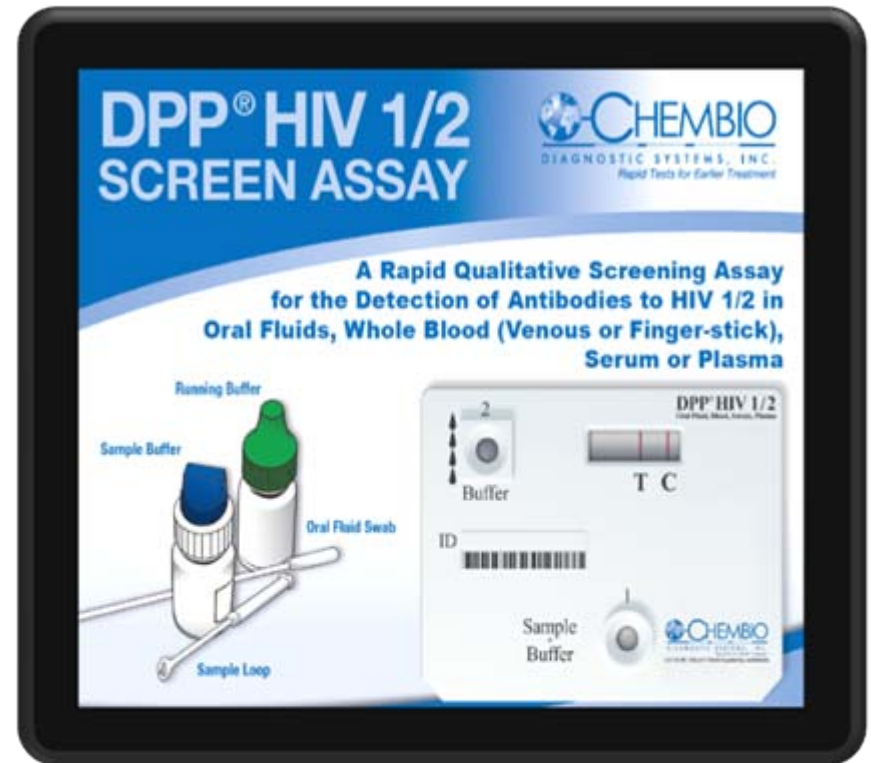
Supply, License & Technology Transfer Contracts with Brazil's Oswaldo Cruz Foundation (FIOCRUZ)

- Five Contracts with Aggregate \$23MM of Minimum Purchases, All Products Approved in Brazil 2010-11
- \$4.3MM Revenues in 2011
>\$9MM Anticipated in 2012
- Possible New Products and Collaborations with FIOCRUZ & Others in Brazil



Branded Product : DPP® HIV Screening Assay For Use with Oral Fluid or Blood Samples

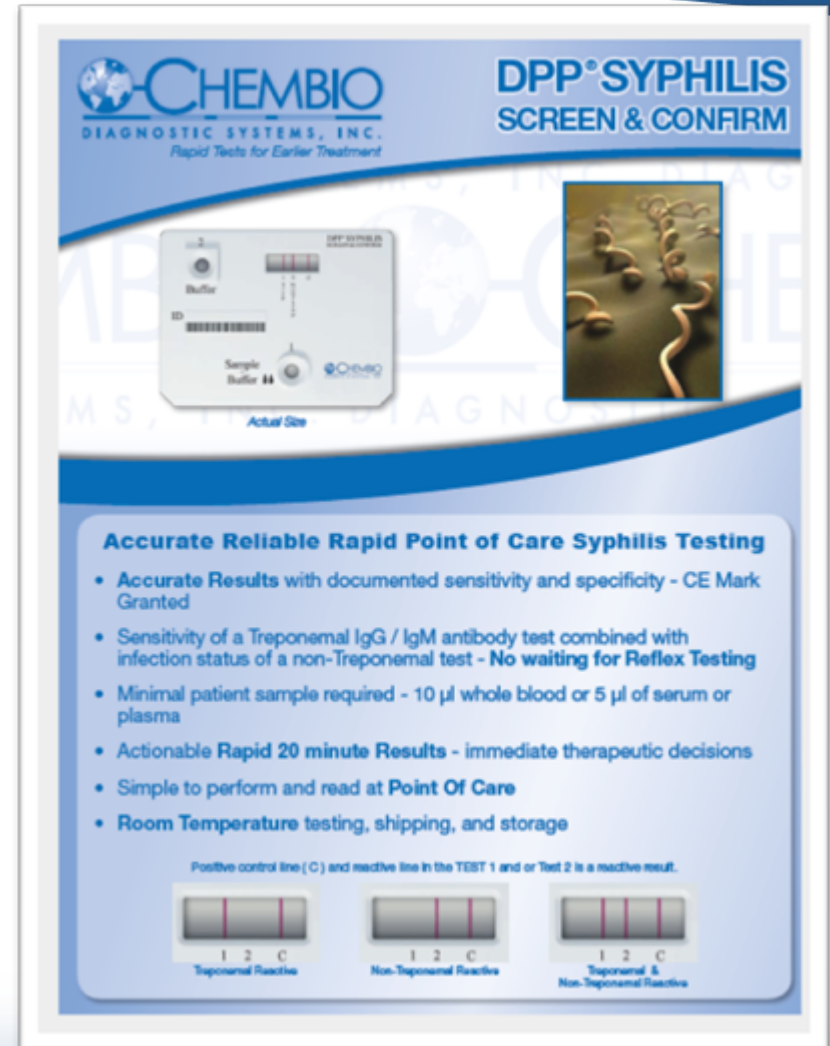
- Clinical Trials Being Completed
- Anticipated FDA PMA Approval in 2012
- Market Launch 2013
- Improved Performance & Features Compared to Market Leader



Branded Product: DPP® Syphilis Screen & Confirm

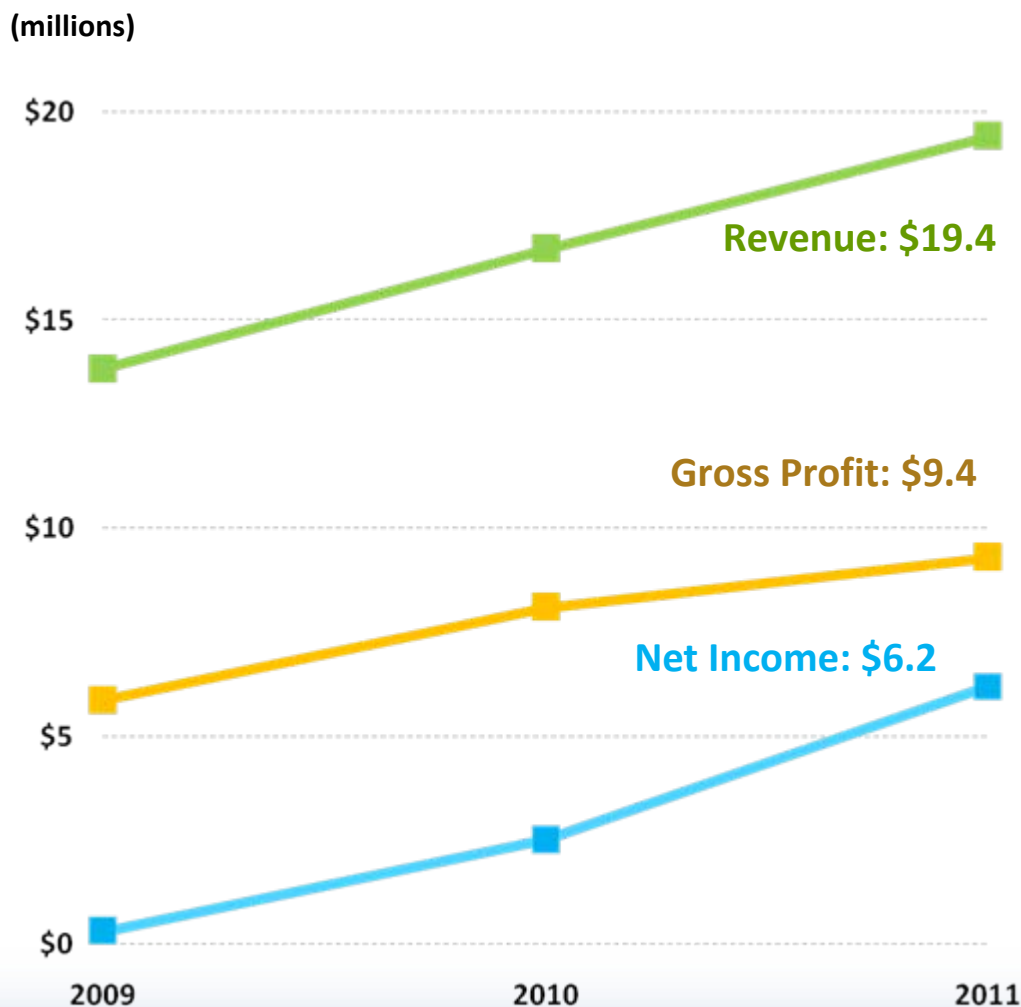
- First Dual POCT for Syphilis Enables Confirmation & Treatment At POC
- CE Marked October 2011, International Distribution being Established
- US 510(K) Clinical Trials 2012

**Developed in collaboration
with the U.S. Centers for
Disease Control**



Financial Summary - FY2009-2011 Results

- Product Revenue Growth of 40.8% over period to \$17.4MM in 2011
- Gross Margin Growth of 60% over period to \$9.4MM in 2011
- Non-Recurring Items Included in Net Income
 - \$1.5MM QTDP Grant in 2010 credited to R&D Expense
 - \$.3MM 2010 Expense related to possible Strategic Transaction
 - 2011 – Recognition of deferred tax asset valuation allowance of \$5.1MM

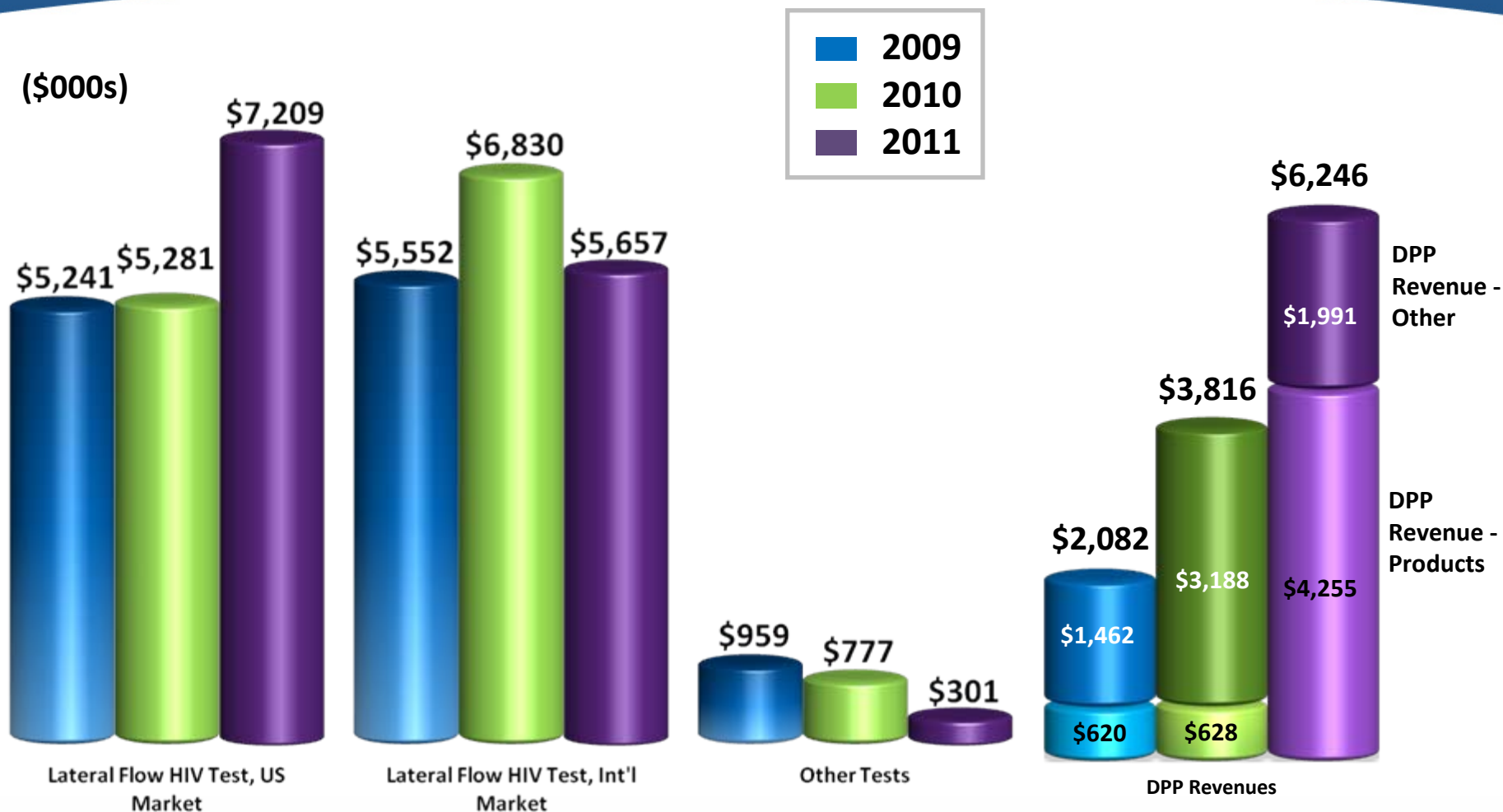


Three Months & Years Ended Dec. 2011 & 2010

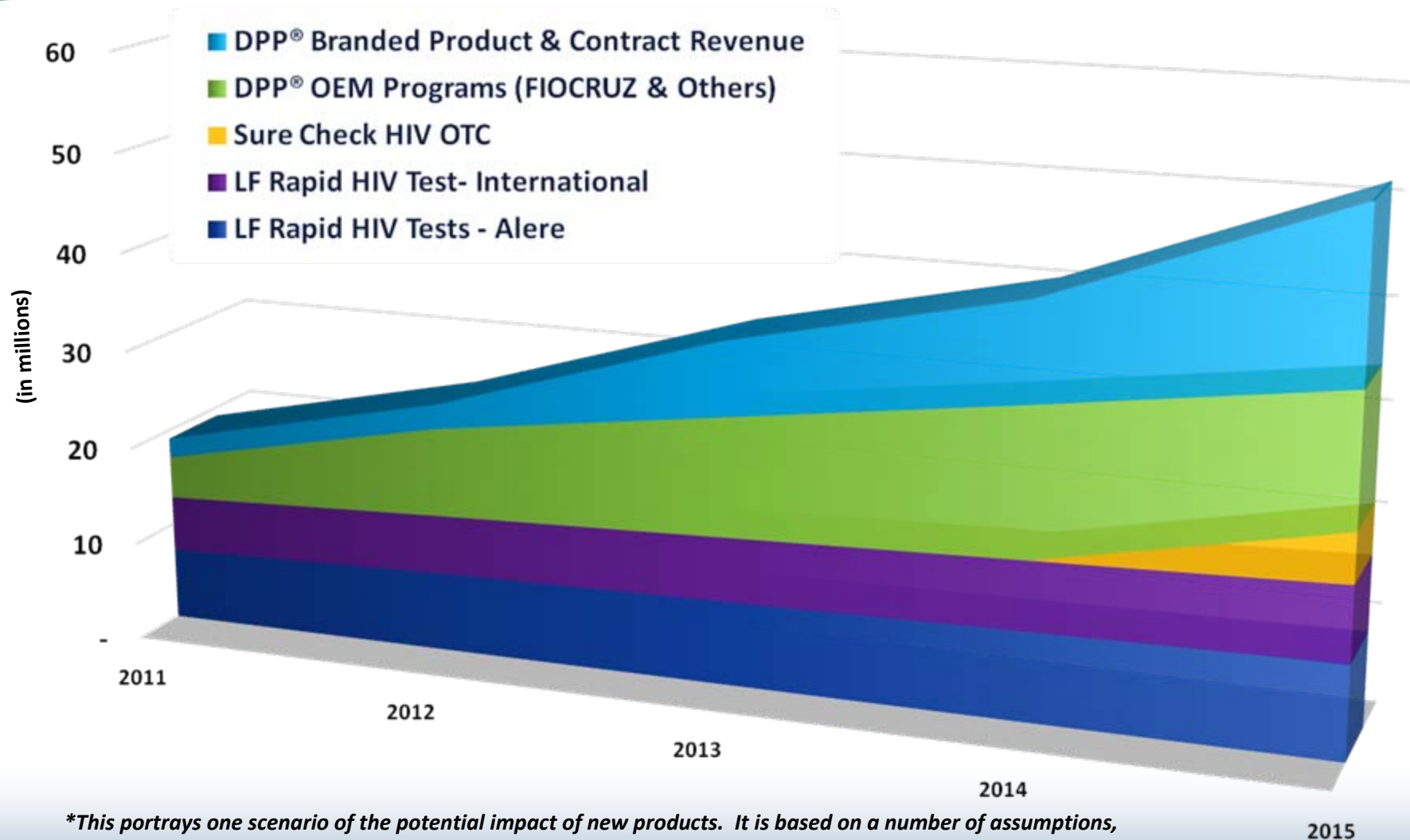
Selected Financial Results

in (000's)	3 Mo. Dec. 31, 2011		3 Mo. Dec. 31, 2010		Y/E Dec. 31, 2011		Y/E Dec. 31, 2010	
Net Product Revenues	\$	5,906	\$	5,179	\$	17,422	\$	13,516
Non-Product Revenues		310		488		1,966		3,188
TOTAL REVENUES	\$	6,216	\$	5,667	\$	19,388	\$	16,705
GROSS MARGIN		2,743		2,491		9,390		8,101
		44%		44%		48%		48%
OPERATING COSTS:								
Research and development expenses		1,181		(236)		4,878		2,586
		19%		-4%		25%		15%
Selling, general and administrative expense		1,011		797		3,424		2,941
		16%		14%		18%		18%
		2,192		561		8,302		5,527
INCOME FROM OPERATIONS		551		1,930		1,088		2,574
OTHER INCOME (EXPENSES):		(3)		(3)		(12)		(15)
NET INCOME-Before Taxes		547		1,927		1,076		2,559
		9%		34%		6%		15%
Income tax (benefit) provision		(5,133)		46		(5,133)		46
NET INCOME		5,681		1,881		6,209		2,513
		91%		33%		32%		15%

Revenue Growth by Category: 2009-2011



Potential Impact of OEM & Branded Products on Revenue*



**This portrays one scenario of the potential impact of new products. It is based on a number of assumptions, including but not limited to regulatory approvals, market demand, market share, sales and marketing, and pricing, of which there can be no assurance*

CEMI Selected Share & Balance Sheet Data

(in millions except per share and daily volume data)

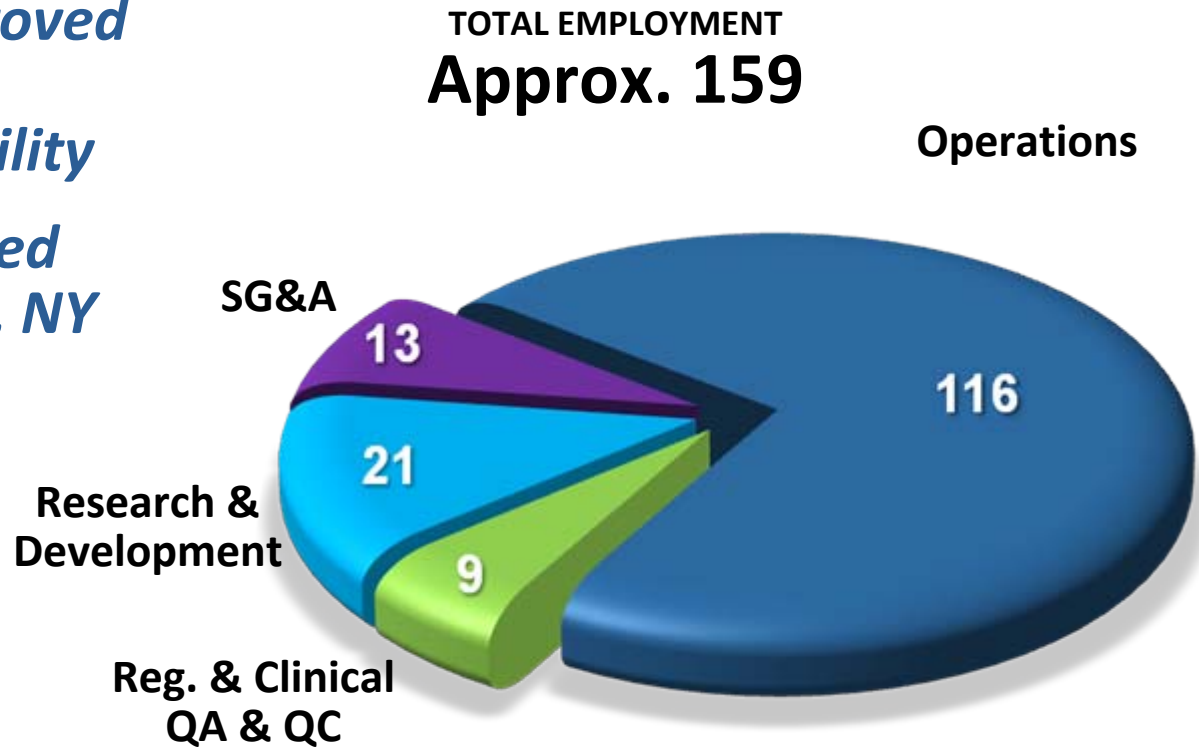
Ticker Symbol (OTC-QB)	CEMI
Price 2/22/12	\$0.475
52-Week High	\$0.580
52-Week Low	\$0.210
Outstanding Shares	63.3
Market Capitalization	\$30.1
Fully Diluted Shares	69.7
Management Holding	12.5
Average Daily Volume (3 months)	35,500

Options	Amt.	Avg. Ex. Price
4.84MM held by Mgmt. & Board	6.33MM	\$0.229

(\$ in millions)	Dec'11	Dec. '10
Cash	\$ 3,011	\$ 2,136
Total Current Assets	8,992	7,637
Total Assets	\$ 15,486	\$ 9,086
Total Current Liabilities	2,858	3,076
Total Liabilities	2,991	3,277
Total Equity	12,495	5,809
Total Liabilities & Stockholders' Equity	\$ 15,486	\$ 9,086

Organization & Facility

- *FDA & USDA- Approved Development & Manufacturing Facility*
- *28,000 Sq. Ft. Leased Facility in Medford, NY*



Leadership

Executive		Joined Company
Lawrence Siebert	Chairman & CEO	2002
Richard Larkin	CFO	2003
Javan Esfandiari	SVP R&D	2000
Tom Ippolito	VP Regulatory, Clinical, QA/QC	2005
Rick Bruce	VP Operations	2000

Independent Directors	Joined Board
Gary Meller, MD, MBA	2005
Katherine Davis, MBA	2007
Barbara DeBuono, MD, MPH	2011
Peter Kissinger, Ph.D	2011

Anticipated Milestones 2012-13

Product Revenues & Operating Results

- Full Year of New Products Launched in Brazil through FIOCRUZ
- Launch of DPP® HIV & Syphilis Tests in Global & US Markets
- Increased Lateral Flow HIV Test Sales in U.S. & Global Markets

Potential New Products & Marketing Collaborations

- Developments Related to Potential New Branded and/or OEM Products & Related Strategic Collaborations

Clinical & Regulatory Programs for Branded Products

• DPP® HIV Oral Fluid Test

- Completion of Clinical Trials
- Submit Module III for DPP® HIV PMA Approval
- CLIA waiver, Product Launch
- Potential OTC FDA Submission Activities

• Syphilis Screen & Confirm

- Completion of Clinical Trials
- Submit to FDA for 510(K) Clearance for Product Launch

• HIV OTC

- Potential OTC FDA Submission Activities for Sure Check® HIV @ DPP® HIV





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Appendix



March 2012

Comparative Selected Operating Results 2006-2011

(in 000s)	2011	2010	2009	2008	2007	2006
REVENUES:						
Net Product sales	\$ 17,422	13,516	12,372	10,356	8,765	6,294
Non-product revenues	1,966	3,189	1,462	694	466	208
TOTAL REVENUES	19,388	\$ 16,705	\$ 13,834	\$ 11,050	\$ 9,231	\$ 6,502
Cost of sales	9,998	8,604	7,974	7,198	6,435	4,894
GROSS MARGIN	9,390 48%	8,101 48%	5,860 42%	3,852 35%	2,796 30%	1,608 25%
OVERHEAD COSTS:						
Research and development expenses	4,878 25%	2,586 15%	2,884 21%	2,606 24%	1,907 21%	1,401 22%
Selling, general and administrative expenses	3,424 18%	2,941 18%	2,659 19%	3,317 30%	3,765 41%	4,787 74%
	8,302	5,527	5,543	5,923	5,672	6,188
INCOME (LOSS) FROM OPERATIONS	1,088	2,574	317	(2,071)	(2,876)	(4,580)
OTHER INCOME (EXPENSES):						
Other income (expense)	-	(4)	(7)	96	121	(57)
Interest income	6	4	9	34	145	29
Interest expense	(19)	(15)	(10)	(8)	(17)	(387)
	(13)	(15)	(8)	122	249	(415)
NET INCOME (LOSS) BEFORE INCOME TAXES	1,075	2,559	309	(1,949)	(2,627)	(4,995)
Income tax (benefit) provision	(5,133)	46	-	-	-	-
NET INCOME (LOSS)	6,208 32%	2,513 15%	309 2%	(1,949) -18%	(2,627) -28%	(4,995) -77%
Pref. Divid. '06/07, beneficial conversion feature in 2006 and effect of conversion in 2007	-	-	-	-	5,645	3,210
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ 6,208	\$ 2,513	\$ 309	\$ (1,949) -18%	\$ (8,272) -90%	\$ (8,205) -126%
Basic income (loss) per share	\$ 0.10	\$ 0.04	\$ 0.00	\$ (0.03)	\$ (0.57)	\$ (0.80)
Diluted income (loss) per share	\$ 0.09	\$ 0.04	\$ 0.00	\$ (0.03)	\$ (0.57)	\$ (0.80)
Weighted average number of shares outstanding, basic	62,998	62,103	61,946	61,267	14,608	10,293
Weighted average number of shares outstanding, diluted	68,450	70,921	75,042	61,267	14,608	10,293