Echo Therapeutics

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Industry: Medical Appliances & Equipment
Segment: Healthcare

Corporate Headquarters:
10 Forge Parkway
Franklin, MA 02038

Phone: 508-553-8850
Fax: 508-553-8720
Web Site: www.echotx.com

Investor Relations Contact:
Jeff Stanlis, Hayden IR
Phone: 602-476-1821
Email: Jeff@haydenir.com

Echo Therapeutics is a transdermal medical device company developing its needle-free Symphony™ tCGM System as a non-invasive, wireless, transdermal continuous glucose monitoring (tCGM) system and its Prelude™ SkinPrep System as a platform technology for transdermal drug delivery. Echo believes that the Symphony tCGM System will change the paradigm of invasive, needle-based, episodic glucose testing in the diabetes consumer and hospital critical care markets to one of continuous, needle-free monitoring. Echo is also developing its needle-free Prelude SkinPrep System as a platform technology for enhanced skin permeation to allow for transdermal drug delivery of a wide range of FDA-approved products.

Echo believes that the Symphony system is an ideal solution for diabetics and critically ill patients allowing for continuous, pain-free monitoring of glucose levels. The continuous monitoring will enable more accurate management of diabetes (resulting in healthier outcomes) and higher compliance compared to painful, invasive methods for drawing blood today.

Echo also believes that its Prelude SkinPrep System will allow many drugs currently delivered by needle injection to be administered without a needle by using Prelude prior to transdermal drug administration. Echo has signed a $15 million agreement, giving Ferndale Pharmaceuticals a license to develop, market and sell Prelude for enhanced delivery of Ferndale's topical lidocaine product, LMX4, in North America and the UK. Echo received $750,000 up front and will receive $750,000 upon FDA approval, as well as $12.5 million in milestones and guaranteed minimum royalty payments. Echo will also receive a double digit royalty on net sales of the product.

Select Financial Data (as of 1/6/10)

Fiscal Year End	December 31
Current Price	$1.70
52-Wk Range	$0.25-$2.00
Shares Outstanding	26.0 M
Market Cap	$44.2 M
Average 3-Mo. Volume	25,441

Strategic Partnership

CATO BIOVENTURES

Licensing Transactions

FERNDALE LABORATORIES INC
ETHICAL PHARMACEUTICALS SINCE 1897

HANDOK

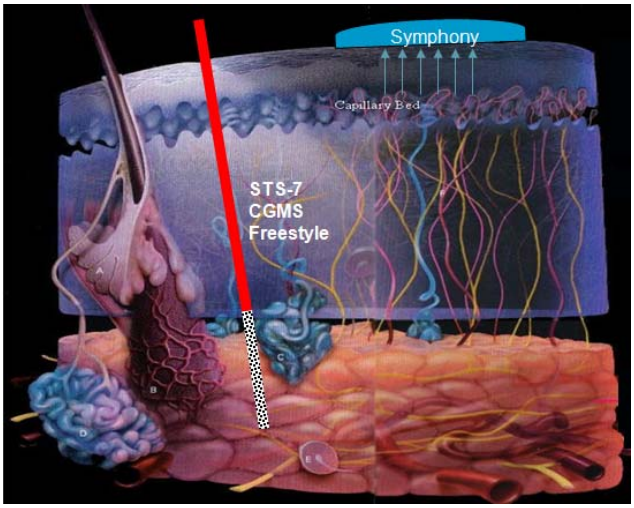
Strong IP Portfolio

12 US patents
10 US patent applications
Seven foreign patents
16 foreign patent applications

What is the Symphony™ tCGM System?

- Non-invasive, wireless, continuous blood glucose monitoring system
- Utilizes Prelude™ SkinPrep, a novel, needle-free platform technology that increases skin permeability
- Efficient, remote monitoring platform compared to platforms using needle-based technologies for accuracy
- Low manufacturing cost and a razor/razor blade model with a single-use consumable
- Readings obtained every minute with wireless data transmission to portable monitor
- Short, one-hour warm-up

Finger stick (current practice) Symphony System



Critical Care Market Opportunity

- Initial critical care and hospital market opportunities greater than $1 billion
  - ◊ 6,000 hospitals in US and 120,000 critical care hospital beds
  - ◊ 30 million hospital critical care patient days at 70% occupancy
  - ◊ Hospitals currently spend up to ~$200/day in tight glycemic control
  - ◊ Echo anticipates Symphony will have a competitive price point
- Clear benefits of needle-free continuous monitoring at competitive price point
- Echo is positioned to be *"first-to-market"* with tCGM in hospital
- Additional upside potential and partnership possibilities create multi-billion dollar opportunities with general population use

ECTE Core Technologies

- Includes the Prelude™ SkinPrep System that incorporates Echo's patented, feedback permeation control software
- Includes Symphony tCGM which provides reliable, on-demand glucose data continuously, conveniently and cost-effectively

Product Pipeline

- Six consecutive positive pilot studies in glucose monitoring to date
- 510-k filing in 1Q10 for Prelude with the use of lidocaine
  - ◊ Prelude lidocaine sales offer best near-term revenue opportunity
  - ◊ Minimum sales would reduce cash burn and move company toward cash flow positive business
- Revenues projected to begin during 2Q10
- Pivotal trial and PMA filing for Symphony™ anticipated in 2010 for glucose monitoring
- Symphony™ tCGM licensed in South Korea to Handok Pharmaceuticals

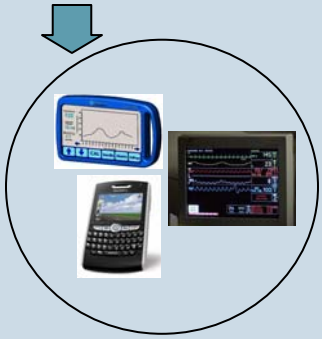
Symphony™ tCGM System

Prelude™ SkinPrep System

- Painlessly removes outer layer of skin allowing for accurate measurement of glucose levels with transdermal biosensor
- Incorporates a patented feedback control software for completely pain-free and effective skin permeation

Transdermal Glucose Sensor

- Electrochemical glucose sensor plus short-range RF transmitter
- Affixed with band-aid type adhesive to area of skin prepared with Prelude



Wireless Remote Monitor

- Accurate readings
- Compatible with ICU software
- Potential use with other devices
- Customizable early-warning alarms for hypo- or hyperglycemia

tCGM Pilot Studies Timeline

- Symphony Home Use Pilot Study 1: Completed July 2006
- Symphony Hospital Critical Care Pilot Study 1: Completed December 2006
- Symphony Hospital Critical Care Pilot Study 2: Completed March 2008
- Prelude Feasibility Study: Completed April 2008
- Prelude-Symphony Ambulatory Study: Completed July 2008
- Prelude- Symphony Ambulatory Study II: Completed November 2009

Symphony Pilot Studies Conclusions

- Symphony is effective at monitoring BG
- Symphony data strongly correlate with existing hospital BG measurements
- Symphony accuracy superior to handheld glucometers
- No safety concerns identified

12 Month Milestones

- Complete critical care study with commercial Symphony system
- Complete clinical trial of Prelude with lidocaine
- File 510k for FDA approval of Prelude lidocaine product
- FDA approval of Prelude lidocaine product
- Build internal management team for product launch
- VP Marketing & Sales, Regional Sales Managers, Reimbursement team
- Begin manufacturing scale-up for validation and product launch
- File Symphony™ PMA with US FDA
- FDA approval of Symphony
- Gain AMEX or Nasdaq listing
- Complete additional strategic partner licensing deals
- Prepare company for potential acquisition

Senior Management Team

Patrick T. Mooney MD, CEO, President and Chairman of the Board

Dr. Mooney joined Echo in September 2007 as a result of the merger of Sontra Medical Corporation and then privately-held Echo Therapeutics, Inc. (ETI), for which he served as President, Chief Executive Officer and director from September 2006 through the date of the merger. Prior to joining ETI, Dr. Mooney was President, Chief Executive Officer and Chairman of Aphton Corporation (Nasdaq: APHT), where he had also served as Chief Medical Officer. Prior to that, Dr. Mooney served as Senior Biotechnology Analyst at Thomas Weisel Partners, LLC, a full service merchant banking firm and as Senior Biotechnology Analyst at Janney Montgomery Scott, LLC, a full services investment banking firm. Dr. Mooney received his medical degree from the Jefferson Medical College of Thomas Jefferson University and trained in surgery at Thomas Jefferson University Hospital.

Harry G. Mitchell, Chief Operating Officer and Chief Financial Officer

Mr. Mitchell joined Echo in June 2006 and has served as Chief Financial Officer and Chief Operating Officer since September 2007. Prior to joining Echo, Mr. Mitchell served as President and Chief Executive Officer of MedTech Advances, Inc., a privately-held diabetes medical device company, Executive Vice President and a director of Boston Medical Technologies, Inc., a privately-held diabetes medical device company, and as a financial and management consultant to several other public and private companies. He is a member of the American Institute of Certified Public Accounts and the Massachusetts Society of Certified Public Accountants.