Echo Therapeutics Licenses Needle-Free Prelude SkinPrep System to Ferndale Pharma for Enhanced Delivery of Topical Lidocaine

FRANKLIN, Mass., May 28 /CNW/ -- Echo Therapeutics, Inc. (OTC Bulletin Board: ECTE) announced today that it has signed a license agreement with Ferndale Pharma Group ("Ferndale"), under which Echo granted Ferndale the right to develop, market, sell and distribute Echo's Prelude(TM) SkinPrep System ("Prelude") for painless, needle-free skin preparation prior to the application of topical 4% lidocaine cream for fast-acting, local dermal anesthesia prior to a wide-range of needle-based medical procedures in North America and the United Kingdom. Echo's non-invasive Prelude SkinPrep System incorporates patented skin permeation control technology which allows for quick and painless removal of the outermost layer of the skin for both transdermal drug delivery and glucose measurement.

"Completing this first Prelude licensing agreement was one of our top priorities," stated Patrick T. Mooney, M.D., Chairman and Chief Executive Officer of Echo Therapeutics. "Ferndale is a market leader specializing in advanced skincare and topical therapeutic products. This collaboration combines our skin permeation technology platform and Ferndale's leadership in the fast-growing topical anesthetic market based on LMX4, its topical 4% lidocaine cream."

Dr. Mooney continued, "Importantly, this licensing transaction demonstrates the drug delivery capabilities of Prelude. We believe that there are numerous additional partnering opportunities for both Prelude and our Symphony(TM) tCGM System for needle-free, transdermal continuous glucose monitoring. We are actively engaged with and interested in finding additional partners as we leverage the use of Prelude as a transdermal drug delivery platform and Symphony for continuous glucose monitoring in the many territories around the world."

Michael Burns, Ph.D., President of Ferndale added, "We are extremely excited about using Prelude to expand our presence in the important topical dermal anesthesia market in hospitals, clinics and with plastic surgeons and dermatologists. We expect Prelude to allow much more rapid onset of effectiveness for our topical anesthetic product, thereby significantly increasing the size of our market opportunity."

Under the terms of the agreement, Echo will receive an up-front licensing fee of US $750,000. Echo will also receive $750,000 upon FDA clearance of the product and additional milestone payments based on the achievement of certain net sales targets and guaranteed minimum royalties totaling an additional $12.6 million. Echo will also receive an escalating royalty on net sales of the product. Ferndale will also be responsible for all product development and regulatory costs for the final development of the Prelude SkinPrep System for topical analgesic/anesthetic drug delivery applications.

About Echo Therapeutics

Echo Therapeutics is focused on medical devices and specialty pharmaceuticals. Echo is developing a non-invasive, wireless, transdermal continuous glucose monitoring (tCGM) system for patients with diabetes and for use in hospital critical care units. Echo is utilizing its Prelude SkinPrep platform technology for transdermal drug delivery and is developing a wide range of novel topical reformulations of widely-used, FDA-approved products.

About Ferndale Pharma Group

The Ferndale Pharma Group of companies specializes in the development, manufacture, distribution and marketing of various dermatologic products including prescription topical drugs for the treatment of several acute and chronic dermatoses, medical devices that support and maintain wound closures and an extensive line of proprietary cosmeceutical products. Ferndale's LMX 4 topical analgesic cream uses advanced formulation know how that significantly enhances product performance. LMX 4 is the leading brand in its class and is widely recognized for its fast onset of analgesic action, wide margin of safety and superior ease of use.

Cautionary Statement Regarding Forward Looking Statements

The statements in this press release that are not historical facts may constitute forward-looking statements that are based on current expectations and are subject to risks and uncertainties that could cause actual future results to differ materially from those expressed or implied by such statements. Those risks and uncertainties include, but are not limited to, risks related to regulatory approvals and the success of Echo's ongoing studies, including the efficacy of Echo's Symphony tCGM System, the failure of future development and preliminary marketing efforts related to Echo's Prelude SkinPrep System, risks and uncertainties relating to Echo's ability to develop, market and sell diagnostic products based on its skin permeation platform technologies, including the Prelude SkinPrep System, the availability of substantial additional equity or debt capital to support its research, development and product commercialization activities, and the success of its research, development, regulatory approval, marketing and distribution plans and strategies, including those plans and strategies related to its Prelude SkinPrep System. These and other risks and uncertainties are identified and described in more detail in Echo's filings with the Securities and Exchange Commission, including, without limitation, its annual report on Form 10-K for the year ended December 31, 2008, its quarterly reports on Form 10-Q, and its current reports on Form 8-K. Echo Therapeutics, Inc. undertakes no obligation to publicly update or revise any forward-looking statements.

For More Information:
Patrick T. Mooney, MD
Chairman and Chief Executive Officer
(856) 429-8778

10 Forge Parkway
Franklin, MA 02038, USA
Tel: 1+ 877-476-6878
Fax: 1+ 508-553-8760
www.echotx.com

- Echo Therapeutics Announces Positive Results of a Clinical Study Testing Symphony(TM) tCGM System in Patients with Type 1 and Type 2 Diabetes
- Echo Therapeutics Announces $3 Million Financing
- Echo Therapeutics Initiates Clinical Study of its New One-Piece Symphony(TM) tCGM Biosensor in Type 1 and Type 2 Diabetic Patients