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Echo Seals Malaysian Generic Pharmaceuticals Agreement

Echo Technologies Limited (ASX: EHO) has finalised an exclusive Channel & Distribution Agreement with Xepa-Soul Pattinson, a wholly owned subsidiary of one of Asia's largest pharmaceutical groups, Apex Healthcare Berhad Malaysia, to register, market and distribute pharmaceutical products in Australia.

The Agreement will allow Echo, through its new PharmAust brand, to bring generic pharmaceutical products currently manufactured and distributed by Xepa in Asia, to the Australian generic market, which is forecast to increase to \$2 billion by 2008.

Echo Technologies Chairman, Dr Paul D'Sylva said: "Malaysia's lower cost base and early patent expiry period allows Echo to achieve significant cost savings over domestic competitors developing 'in-house' generics as "blockbuster" drugs come off patent."

"With many of Australia's top 100 selling Prescription Benefit Scheme (PBS) products coming off patent in the near future, this Agreement gives Echo a unique opportunity to develop, manufacture and distribute these generic products much faster, so they reach the market more quickly.

"Gaining access to Xepa's future product pipeline of generic prescription drugs should see Echo become a major new developer, manufacturer and supplier of high value patent-expired PBS medicines, over-the-counter drugs and specialised hospital lines to Australia.

"This Agreement forms a vital link in the pharmaceutical discovery, development, production and supply chain, thus complementing Echo's two existing subsidiary businesses, Epichem Pty Ltd and PharmAust Manufacturing Pty Ltd," Dr D'Sylva said.

Epichem (EHO 80%) provides world-class expertise in synthetic, medicinal and natural product chemistry to drug development and biotechnology companies worldwide.

"The unique capacity of Epichem to develop and produce pre-clinical drug compounds on a fee for service basis, develop its own new drug compounds and support Echo's proposed manufacturing operations makes it a key element in Echo's strategy to develop and expand its drug discovery and manufacturing businesses in Australia and South East Asia," Dr D'Sylva said.

PharmAust Manufacturing (EHO 100%) has been incorporated to operate assets to be acquired from Ramprie Laboratories, an Australian generic pharmaceutical manufacturer.

Once the Ramprie transaction is complete, PharmAust Manufacturing will seek to immediately commence production of a range of products drawn from Ramprie's existing base of 95 products on the Australian Register of Therapeutic Goods.

About Apex Healthcare

Apex Healthcare is a vertically integrated Malaysian pharmaceutical group with substantial interests in the development, manufacturing and distribution of generic pharmaceuticals and personal healthcare products in Malaysia and Singapore. Apex Healthcare is listed on the Kuala Lumpur Stock Exchange.

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