THERANOS, INC.
Management Biographies

Officers: Elizabeth Holmes, Diane Parks, Kevin Carroll, Howard Bailey and John Howard

Elizabeth Holmes, President and CEO

Elizabeth A. Holmes is President and Chief Executive Officer of Theranos, Inc. Holmes' unique background in microfluidics and nanotechnology led her to found Theranos around her patent, *Medical Device for Analyte Monitoring and Drug Release*, and the vision to create a new sector of personalized health care enabling real-time diagnosis and treatment of targeted ailments in a non-invasive fashion. She took the company from concept to reality, building a world-class management team and leading the product and commercial development infrastructures from inception through to volume manufacturing for pharmaceutical customers. Holmes left Stanford University to found Theranos after contributing to the development of several novel biosensor systems through her work at Genome Institute Singapore and in collaboration with Genencor International.

Diane Parks, Chief Commercial Officer

Diane Parks is an accomplished Senior Executive with 25+ years experience in driving profitable growth for large pharmaceutical companies and biotech companies. Most recently she served as Senior Vice President of Biotherapeutics and Managed Care at Genentech. Prior to Genentech she was VP of Marketing at Aventis. Diane has a proven track record of leading successful business initiatives in complex, competitive, uncharted and turn-around environments. Reputation as a strong leader, strategic thinker, innovator, and communicator. Integrates cross-functional expertise in:

- Marketing- launched 5 major new drugs and oversaw launch of 10 newline extensions
- Sales- Built 3 new sales organizations and restructured a team facing declining sales
- P&L, Forecasting, Budgeting
- Human Resources-selection, development, team building and training
- Pipeline Development
- Specialty Pharmacy and Reimbursement support
- Strategic Planning and Leadership

Kevin Carroll, Senior Vice President, Operations

Kevin Carroll joined Theranos in September of 2006. Mr. Carroll brings over 25 years of diverse experience in leading strategic business transformations. Prior to joining Theranos Mr. Carroll served as the Vice President & Chief Procurement Officer at EMC Corporation in Hopkinton, MA. Mr. Carroll led the transformation of EMC's global supply chain and procurement processes. He delivered $400 million annually in realized savings and improved operating leverage by expanding global sourcing relationships, re-mapping product value chains and driving performance based upon total cost impact. Mr. Carroll also served as Vice President of Sales and Services Administration and Vice President Supply Management at Sun Microsystems, Inc. where he was awarded Sun's Chairman's Leadership Award in recognition of his industry leading supply chain management performance results. Mr. Carroll possesses a broad base of business operations knowledge acquired over many years of diverse experience at both small and large enterprises, and across both component and systems products.

Education:
Adelphi University, Garden City, NY, Graduate Studies in the MBA program, 1981-1983
State University of New York, Plattsburgh, NY, Bachelors in Environmental Science 1976

9/7/2006

Howard Bailey, Chief Financial Officer

Howard Bailey has been CFO of Theranos since March of 2006. Prior to that he was the CFO of Ocean Networks a public company which provides networking equipment to telecom companies. He has taken two companies public as the CFO and been the CFO of four different public companies. He began his career in high tech finance at Intel where his last position was controller for Intel's worldwide manufacturing group.

John K. Howard, Senior Vice President, Products

John Howard has a proven track record managing technology into products. As President of the Panasonic Semiconductor Development Company he was responsible for US based semiconductor R&D, business development, and strategic partnerships. Previously he established and grew to $1B per year a sector of IBM's Microelectronics Division. While with IBM's Storage Products Division he turned around the Optical Storage Product line and grew the business to over $100M annually. His experience also includes management of advanced CAD development, and System On Chip VLSI development.

Ron Oral, VP Operations

Ron Oral is responsible for leading the quality, manufacturing, and supply chain efforts at Theranos, Inc. Prior to joining Theranos, Inc., he spent six years as Director of Consumable Manufacturing for Arcturus Bioscience Inc., a leader in the field of Laser Capture Micro-dissection and reagent systems for gene expression analysis. At Arcturus, Ron was responsible for the start up and growth of the reagent manufacturing group. He also spent nine years at Lifescan, Inc. developing and launching new products. At Lifescan, he was responsible for managing the One Touch® and Quickslver® reagent test strips, bringing both product lines from their start up phase through full scale production. Ron has over 30 years' experience in manufacturing and quality assurance, working in FDA regulated industries with tenure at Hitachi Chemical Diagnostic Corporation and Lifescan, a Johnson and Johnson Company. He earned his Bachelor of Science from the University of California at Davis, and an MBA from University of Phoenix.

Dr. Ian Gibbons, Senior Director, Assay Development

Dr. Gibbons has twenty-eight years of product development experience in diagnostics and therapeutics. He has been the inventor and lead development scientist of many novel products including:

- Non-separation immunoassays for drugs, serum proteins, microbial antigens
  - Syva Company
- Point-of-care diagnostics for TDM, blood screening, acute-care management
  - Biotrack, Ciba-Corning Diagnostics, Boehringer-Mannheim, FMI
- Immuno-magnetic cell selection for High-Dose Chemotherapy
  - AmCell

Publications.
- Peer-reviewed publications: 40
- Issued US patents: 37
  - Assay chemistry
  - Microfluidics

Education
MA, Ph.D. (Biochemistry, Chemistry): Cambridge University, England
Post-doctoral studies U.C. California, Berkeley

9/7/2006

Edmund Ku, Senior Director, Reader Division

During his 22 year career, Edmond has been involved in all levels of development and engineering management. His expertise encompasses client/server software development, system level architecture, hardware design, high-density packaging, system level power management, and setting up of overseas manufacturing.

Prior to joining Theranos, Edmond served as the Vice President of Advanced Development at Anphus where he was responsible for the development of award winning x86-based blade servers and ManageSite™, a web-based enterprise-level platform management application. Edmond also served as the Vice President of Engineering at Vadem, where he led the teams that developed numerous portable computing solutions for tier-1 companies, designed numerous PC chipsets, and ported an operating system for Microsoft. While at Vadem, he was best known as the chief designer and visionary behind the award-winning Clio product, the forefather of Microsoft's tablet PC, and the only PDA that is approved by NASA for space flight. Edmond holds 2 patents for portable systems.

Timothy Kemp, Senior Director, Informatics

Mr. Kemp brings over thirty years of experience at IBM spearheading a wide variety of technical innovation projects. He began his career in industrial process control, operating systems, network databases, programming language compilers, computer aided design, and hard-drive storage architectures. Recently, he led projects integrating microfluidics, voice recognition, and diabetes management systems. He holds 5 patents in electronic hardware and software design.

9/7/2006

THERANOS, INC.

BOARD OF DIRECTORS

Donald L Lucas, Chairman of the board

Mr. Lucas is well known as a founding partner of such companies as National Semiconductor Corporation Macromedia, Inc., PDF Solutions, Inc., and Oracle Corporation.

Mr. Lucas is currently on the board of Cadence Design Systems, Inc., Chairman of the Executive Committee of the Board of Directors of Oracle Corporation (Don served as Chairman from October 1990 to May 1999), Chairman of the Board of 51Job, and Chairman of the Board of Dexcom, Inc. In addition, Mr. Lucas serves as a Director for several other public and private companies.

Mr. Lucas was a General and Limited Partner of Draper, Gaither & Anderson (DG&A), the first venture capital firm, before investing independently.

Don Lucas received his Bachelor of Arts degree from Stanford University and his MBA from Stanford's Graduate School of Business.

Elizabeth Holmes

Elizabeth A. Holmes is President and Chief Executive Officer of Theranos, Inc.. Holmes' unique background in microfluidics and nanotechnology led her to found Theranos around her patent, *Medical Device for Analyte Monitoring and Drug Release*, and the vision to create a new sector of personalized health care enabling individuals to take control of their health through real-time diagnosis, monitoring, and treatment of targeted ailments in a non-invasive fashion.

She took the company from concept to reality, building a world-class management team and leading the product and commercial development infrastructures from inception through to manufacturing for pharmaceutical partners today.

Holmes left Stanford University to found Theranos after contributing to the development of several novel biosensor systems through her work at Genome Institute Singapore and in collaboration with Genomics International.

Peter Thomas

Peter Thomas is a co-founder and Managing Director of ATA Ventures. Pete comes to ATA Ventures having enjoyed a highly successful career in venture capital activities across the past 20 years. In 1985, he joined Institutional Venture Partners (IVP) as a General Partner in their IVP III fund and continued as a General Partner of IVP through the IVP III-VIII funds.

Companies that Pete has successfully led investments in include Nolitor, Applied Medical, Atmel (ATML), Altera (ALTR), @Road (ARDI), Transmeta (TMTA), Cirrus Logic (CRUS), Form Factor (FORM), and many others. Pete is on the board of three public companies @Road (ARDI), Transmeta (TMTA) and Atmel (ATML) as well as several other private companies.

Prior to venture capital activities, Pete was at Intel Corporation for 7 years in various engineering and marketing management roles.

Pete graduated magna cum laude in 1968 with a BSEE degree from Utah State University and received his MS in Computer Science from the University of Santa Clara in 1975.

Channing Robertson

Channing Robertson holds the Ruth G. and William K. Bowes Professor in the School of Engineering, Stanford University, and serves as the Senior Associate Dean of Engineering at Stanford.

Dr. Robertson has spent much of his career designing and developing advanced drug delivery systems for therapeutic applications. He was recently featured in Upside Magazine's special issue on "100 People Who Have Changed the World."

Channing served as an expert witness in several trials including the Copper 7 intrauterine contraceptive cases (in the U.S. and Australia), the Stringfellow Superfund case and most recently the Minnesota tobacco trial where he provided testimony on tobacco material processing, cigarette design and manufacturing and nicotine delivery systems.

He was a Founding Fellow, American Institute of Medical and Biological Engineering, a Member of the Science, Law and Technology Law Program Committee of the National Academy of Sciences, and the Panel on Court Appointed Scientific Experts (CASE) of the American Association for the Advancement of Science.

He received his BS (with Honors) in Chemical Engineering from the University of California at Berkeley. He received his MS & PhD, Chemical Engineering emphasis on fluid mechanics and transport phenomena, Stanford University.

Avadis Tevanian

Mr. Tevanian is the former CTO of Apple Computer and will be joining Theranos's Board of Directors. This will be announced shortly. Please see attached Bio.

THERANOS, INC.
MENLO PARK, CALIFORNIA

Introduction:

Theranos is first mover in a multibillion dollar industry: wirelessly controlled individualized monitoring systems for realtime analysis of patient health in an ambulatory context.

In its first market application, Theranos systems are used to improve the risk profiles of key drugs. The systems are coupled with drugs post-approval to quickly validate efficacy in new applications and new patient populations and to remove warning labels through individualized monitoring of safety concerns.

Theranos 1.0 is the first system able to quantitatively monitor drugs and proteins from a painless sampling mechanism and correlate these readings with existing information in a patient record or other database in realtime. This enables a complete profile of efficacy of a drug in an individual: integrating factors such as metabolism and presence of multiple drugs in the blood (which change on a frequent basis) with stagnant information such as a genetic test or predisposition to cardiovascular risk.

Theranos 1.0 is the first handheld chemiluminescence enzyme immunoassay system capable of a high correlation with clinical laboratory test (interlintra assay variability, sensitivity, and dynamic range). It requires 5-10 µL of blood per panel of tests, enables monitoring at multiple time points in an ambulatory setting and performs assays on drug molecules and biomarkers simultaneously. Its ease of use and the quality of data add significant value to clinical trial processes and decrease the time and cost of running equivalent studies.

Theranos customizes systems to meet the clinical trial needs of its clients – in Phase I and II, where the generation of simultaneous, realtime Pharmacokinetic (drug levels) and Pharmacodynamic (biomarker levels) profiles is critical to early decision-making, but especially in Phase IIb and Phase IV pharmaceutical studies where the value of its proprietary systems is maximized through generation of realtime safety and efficacy profiles in large patient populations in an ambulatory context.

The data generated is integrated in realtime with each patient record through Theranos's informatics system, ABCS, to develop individualized efficacy and safety profiles.

Theranos systems not only enable pharmaceutical companies to monitor compliance with a drug, but most importantly enable companies to quantitatively correlate the effect of compliance on efficacy and safety through ambulatory monitoring in the general population during late stage and post-marketing clinical trials.

In outsourcing tests from the clinical laboratory the Theranos systems not only streamline the patient testing and data analysis processes but also provide a mechanism for monitoring drug safety in the general population and for improving compliance.

As such, the Theranos platform dramatically increases clinical development productivity and reduces the number of patients dropping out of trials at the same time as providing a mechanism for increasing prescription sales of the drug.

The Theranos 1.0 System:

The Theranos system is a handheld device that utilizes a multi-step immunoassay intended for *in vitro* diagnostic use to quantitatively monitor drugs, drug metabolites and biomarkers in whole blood samples.

The system is comprised of:
1) Disposable plastic cartridges containing assay reagents that utilize a single whole blood sample to run multiple assays simultaneously. The cartridges are used to measure the concentration of drugs, drug metabolites and targeted markers for efficacy and safety
2) A non-disposable Reader that extracts *in vitro* assay data from Cartridges and transmits data via a wireless link to a remote database hosted by Theranos
3) Theranos' Ambulatory Bioinformatics Communication System ("ABCS") which analyzes data from the reader which has been sent to the Theranos server, stored, and profiled with other related information such as history, results of previous pre-clinical tests, pertinent observations, and previous results from the Theranos 1.0 System.

Theranos customizes Company-specific databases and proprietary analytic communications software for retrieval, transmission, and analysis of data from the Theranos 1.0 Cartridges and the patients' records; the 1.0 ABCS is regularly upgraded at scheduled intervals. ABCS is HL-7 and HIPAA compliant and enables realtime integration of the data monitored in an ambulatory context (or in the point-of-care) with the patient record and applies algorithms to integrate both sets of data into patient-specific efficacy and safety profiles.

Technical Features:

Criteria	Theranos 1.0
Intended use	Simultaneous quantitative measurement in the point-of-care of Drugs and Treatment-related biomarkers indicative of efficacy and safety; data wirelessly integrated into patient record
Calibrator	On board with each measurement
Controls	On-board positive control
Operating Principle	Chemiluminescent/ Immunoassay
Dynamic Range	low ng/mL – high mg/mL
Sample size	5-20uL
Precision	Average total 5-7% CV or better

1. **System Performance:**
   a) Sensitivity: the sensitivity of the chemiluminescent system exceeds that of any fluorescent system.
   b) High/Low Assay Determination: Theranos systems quantitatively run low and high sensitivity assays in the same device with chemiluminescence; this is not possible with any existing point-of-care products.
   c) The accuracy and precision of the system as reflected in the % CV and SD are enhanced by the built-in calibration of a positive control. This is absent in other products, which must be calibrated "periodically" based on a reagent lot or reagent kit.
2. **Post ICU or ED Ambulatory Follow-up:** Theranos portable system may be used at home in a post-therapy follow-up to measure the long-term efficacy of treatment and the risk of recurrence of the disease based on the blood levels of targeted analytes, enhancing the value of a therapeutic solution.

Increasing Pre-Clinical Productivity:

The Theranos 1.0 System has many advantages when compared with current processes used in pre-clinical animal studies. These include:

- Pre-clinical Advantages
  - Mouse studies with ~ 5uL blood sample size
  - Multiple time points from one mouse
  - Less inter-mouse data variability
  - Quality of data improved
  - Immediate availability of data
  - Reduces the number of small animals sacrificed during studies
  - Method may be transferred to clinical studies
- Eliminates Problems of
  - Blood collection, transportation, storage
  - Thawing, analysis and reporting
  - Loss of information from short half-life drugs/biomarkers

It is estimated that in a typical pre-clinical study using mice or other small animals, the use of the Theranos 1.0 System could reduce costs to the Sponsor significantly.

In addition to substantial cost reductions, consider a typical carcinogenicity study where the aim is to detect cancerous changes as a result of exposure to a chemical. One indicator of the outcome to exposure is assessed by blood sampling before pathological appearance and tissue and organ examination. The number of young rats or mice used exceeds 400. Such a study is estimated to cost as much as $2M per chemical and take up to 5 years to complete. If one assumes that for the current practice each time point requires 5 mice from which data will be pooled to reduce inter-mouse variability, the number of mice and subsequent analyses could be greatly reduced with the Theranos System. With the proposed Theranos System, each mouse would be its own initial control. Triplicate samples, each of 5-10 µL, could be used from a single mouse per timepoint. One mouse would be used for each five mice used under current practice protocol and the correspondingly less analyses would be performed. The drug product and the appropriate biomarkers could be quantitatively assayed for exposure and outcome. The overall efficiency of the study and savings in cost would be enormous.

Increasing Clinical Development Productivity:
The Theranos 1.0 System has many advantages when compared with current processes used in clinical trials. These include:

1. Enabling more tests, at less expense. The overall time to obtain protocol-driven data will be more efficiently used and greatly reduced
2. Increasing patient compliance by outsourcing tests from the clinic. The likelihood of a patient dropping out of a study before a final timepoint has been taken is reduced.
3. The ability to concurrently monitor specific and indicative markers using the Theranos 1.0 System will likewise simultaneous new information from ongoing evaluations
4. Increasing productivity by capturing and reporting data in real-time.
5. Enabling quick and accurate decisions
6. Eliminating several steps of data transfer that often lead to inadvertent errors
7. Streamlining data processing and analysis.
8. Enhancing safety monitoring, patient- physician/investigator communication electronically
9. Reducing the need for forms; HIPAA and HL7 compliant

The Theranos 1.0 System reduces steps' costs in the clinic for physician/investigator. These are directly realized by the sponsors.

1. **Time and Costs:** The overall time to obtain protocol-driven data will be more efficiently used and greatly reduced. The resulting reduction in costs follows.
2. **Biomarkers:** The ability to concurrently monitor specific and indicative markers using the Theranos 1.0 System will finesse simultaneous new information from ongoing evaluations.
3. **Value:** There is an initial investment on the Readers and the recurrent low costs of disposable product-specific disposable cartridges. Following this, the ease of use, the high strategic importance, the overall added-value and the near-term ROI cannot be overstated.

It is estimated that with an ambulatory clinical trial, the use of the Theranos 1.0 System would reduce costs to the Sponsor significantly.

Consider a 30-week study with 2,000 enrolees and with 75 data-points for blood draw.

- Exemplary Costs Criteria:
  1. Commercial Blood Draw: 2,000 x 75 x $61 = $9.15M ($4.2M at ½ Price for volume discount)
  2. Compliance Failure: Key compliance reasons for failure include:
     - Skipping doses
     - Inconvenience of Visits
     - Resulting Patient Drop out
  3. Loss of Sale Due to Repeat Study/if study fails:
     - Assume Peak Market of Product = $500M/yearLoss of time for Repeating a 30-week study (Loss of 0.6 yr sales)
     - Cost of loss to sales = $500 x 0.6 = $300M
     - A 1 in 10 probability of loss = 0.1 x $300M = $30M cost
- Other Factors
  - Patient Monitoring
  - Site Monitoring
  - Investigators' Costs
  - Clinical Trial Monitor travel
  - Data Management
  - Project Management

The resulting savings to the overall clinical process and the resulting per-patient savings, exemplified in the ability to obtain real-time data from remotely located patients are of significant value. Assuming the 2003 Tufts estimate that the average per-patient per-cycle cost for a clinical trial is $23,672, the total costs of such trials are likely to be in the tens of millions. Savings on this scale significantly exceed the cost of the Theranos system.

The cost of finding patients, the interaction between the physician and the patient, the cost of trial monitoring and the increasing complexity of the trial designs to capture ever more data points have continued to drive clinical trial costs up. Dramatic improvement in clinical trial productivity is one of the key goals of most pharmaceutical companies – and technology offered by Theranos for the first time allows companies to totally re-think how trials are structured and implemented.

Individualized Medicine

While the current approach to "personalizing medicine" centers on monitoring genetic variation or basal-level activity of targeted markers, Theranos provides a system which does not differentiate on a population basis. Instead, Theranos systems treat each individual separately, enabling therapeutic customization to occur after each patient has been dosed with a drug by measuring stimulated levels of targeted analytes.

The Theranos device correlates phenotypic expression of pharmacogenomic profiles to study drug drug (in the context of both combination therapy as well as new drug development), metabolite, and biomarker interactions and monitor risk of adverse drug reactions on an individual basis. Unlike genomic profiling which necessitates reduction of the total available patient base to a target population pre-screened for a specific drug, the Theranos systems introduce customized informatics – integration of real-time pharmacokinetic and pharmacodynamic profiles to enable dose response as a more effective screening mechanism after prescribing a drug.

The combination of the *1.0 System* with therapeutic pharmaceutical products will pave the path for safer therapies which can be prescribed to the total available patient base. The enablement of "narrow range", targeted therapeutic products to be prescribed generically marks the beginning of a new era of "**smart blockbuster drugs**" and has the potential to re-define traditional health responses to marketed therapeutic products.

Theranos

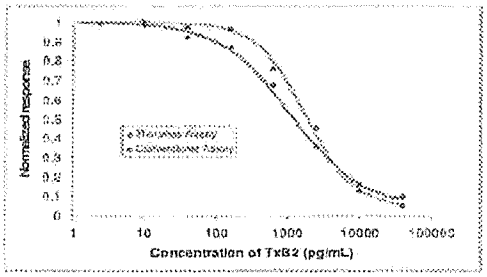
Existing Investors

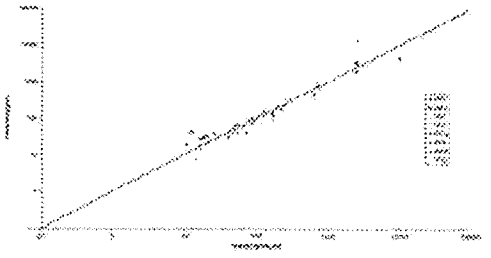
Lead investor profiles:

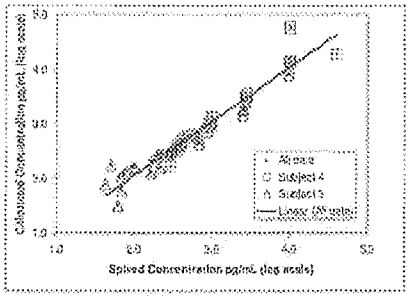
- Series A
  - Chang, Esoom Taipei: Multi-billion dollar distribution group; leading distributors of high technology devices in Asia with headquarters in China and in Taiwan.
  - Continental Properties Company: Fund lead by John Schweitizer and Stephen Feinberg, director of MD Anderson, leading center in innovative cancer treatment, cutting-edge research and clinical trials.
  - Draper Fisher Jurvetson: Draper Fisher Jurvetson is a global network of affiliated venture funds with over $3 billion in capital commitments and offices in the major technology centers around the world.
  - Jupiter Partners: Fund lead by John Bryan, limited partner in numerous venture capital and private equity funds and leading investor in companies ranging from Amgen to Hewlett Packard.
  - Palmieri Trust: Fund lead by Victor Palmieri, business takeover financier; director of numerous high growth companies including Phillips Petroleum, the Pennsylvania Company, Arvida Corporation, Outlet Communications, the William Carter Company, Broadcasting Partners, and Mullin Consulting and a Trustee of The Rockefeller Foundation.
- Series B
  - Donald L Lucas fund: Premier Silicon Valley venture capital veteran (note biography in board profile document)
  - ATA Ventures (Early Stage Venture Capital)
  - Larry Ellison, Tako Ventures
  - Dixson Doll (Doll Capital Management)
  - Ray Bingham, BJ Cassin, other private equity investors

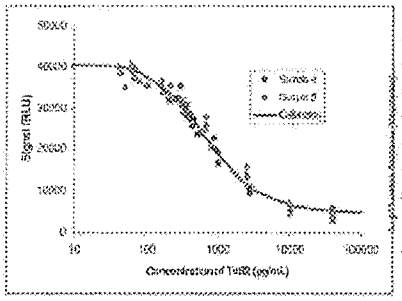
Theranos

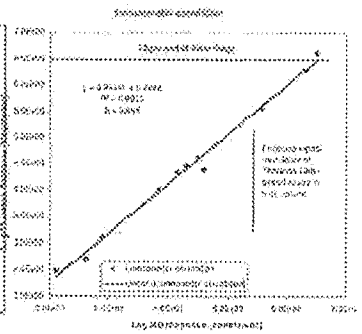
Technology: Theranos System versus Today's Lab











On-chip Chemiluminescence enables greater sensitivity than the clinical lab

THERANOS, INC.

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NOTE:
The following materials do not pertain to any future applications of the Theranos system. The value proposition for using the systems in the "personalized medicine" context on the commercial market at a physician's office or in the home is not addressed.
All materials detail the sale of information generated during a Phase IV clinical trial to pharmaceutical companies for the purpose of improving the drug label.

Assumptions for Financials:

- No new partnerships signed on between today and 12/08 other than those already in process
- No decrease in deal lead times, time for validation and time to product development and shipment even though some of the same products will be shipped to multiple customers
- No account for 510K / sale into multiple markets of certain products
- Timelines for deals in process are pushed significantly out from internal expectations
- Out of the deals in process now, about half go through into a validation phase: less than half of these proceed into phase IV within this timeframe
- Payment Collection Days are pushed out from agreements
- No up-front payments

Base Assumptions		readers = number of patients plus 10%
		Informatics service is 1 per reader per month
$	3,000	reader ASP
$	75	cartridge ASP
$	2,500	informatics monthly service fee

Clinical trial (four year trials)

37,500	per participant charge every four months
2,500	average number of participants
356,250,000	potential annual revenue per trial

There are 600 to 800 trials going on at any given time
This gives us a TAM of approx $39 bill Not all trials are active and not all trials are suitable for Theranos

Pre clinical trial

	25	readers per research group (3 researchers)	
	1,650	cartridges used per month per researcher	
$	75,000	reader revenue (one time every three years)	
$	4,238,600	annual cartridge revenue	228,440.00
$	750,000	annual informatics fee	
$	5,058,500	year one revenue per group	
$	4,988,600	year two and three revenue per group	
	131	groups at one Pharma that we in discussions with	
$	662,818,600	potential annual revenue per Pharma	
	15	pharma companies that size	
TAM	**$ 9,942,282,000**		
Note this estimate excludes:		another 15 that are smaller	
		university and other research labs	

Theranos Plan 06

Base Forecast	Q3 06	Q4 06	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	Q4 08
Income Statement										
Revenue	0	0	4,639	4,655	12,269	20,884	36,049	42,462	53,805	67,271
Variable Cost	0	0	2,653	2,393	6,821	6,401	11,046	13,235	17,712	21,791
Dept Cost	975	1,131	1,000	1,050	1,100	1,150	1,200	1,588	2,125	2,615
Total Cost	975	1,131	3,653	3,443	7,921	7,551	12,246	14,823	19,838	24,406
Variable Margin	0	0	1,986	2,262	5,448	14,483	25,003	29,227	36,193	45,480
Gross Margin	(975)	(1,131)	986	1,212	4,348	13,333	23,803	27,639	34,067	42,865
			21%	26%	35%	64%	66%	65%	63%	64%
R&D	2,287	2,359	2,400	2,500	2,700	2,924	5,047	5,945	7,547	9,418
S&M	459	777	928	884	2,208	3,550	6,126	7,219	9,164	11,436
G&A	622	718	725	750	800	1,044	1,602	2,123	2,695	3,364
Operating Expense	3,368	3,854	4,053	4,134	5,708	7,518	12,978	15,286	19,406	24,218
			87%	89%	47%	36%	36%	36%	36%	36%
Operating Income	(4,343)	(4,985)	(3,067)	(2,922)	(1,360)	5,815	10,825	12,352	14,661	18,647
Opinc as a Pct of Rev			-66%	-63%	-11%	28%	30%	29%	27%	28%
Nonoperating Income	0	0	0	0	0	0	0	0	0	0
Nonoperating Expense	0	0	0	0	0	0	0	0	0	0
Inc Tax	0	0	0	0	0	0	0	1,000	5,132	6,526
Net Income	(4,343)	(4,985)	(3,067)	(2,922)	(1,360)	5,815	10,825	11,352	9,530	12,121

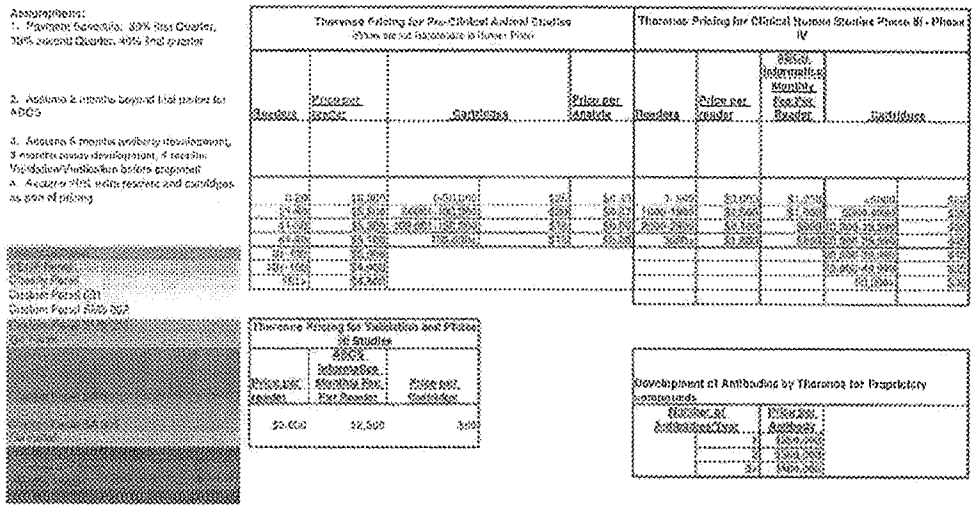
7/11/2006
excludes 123R stock compensation charge

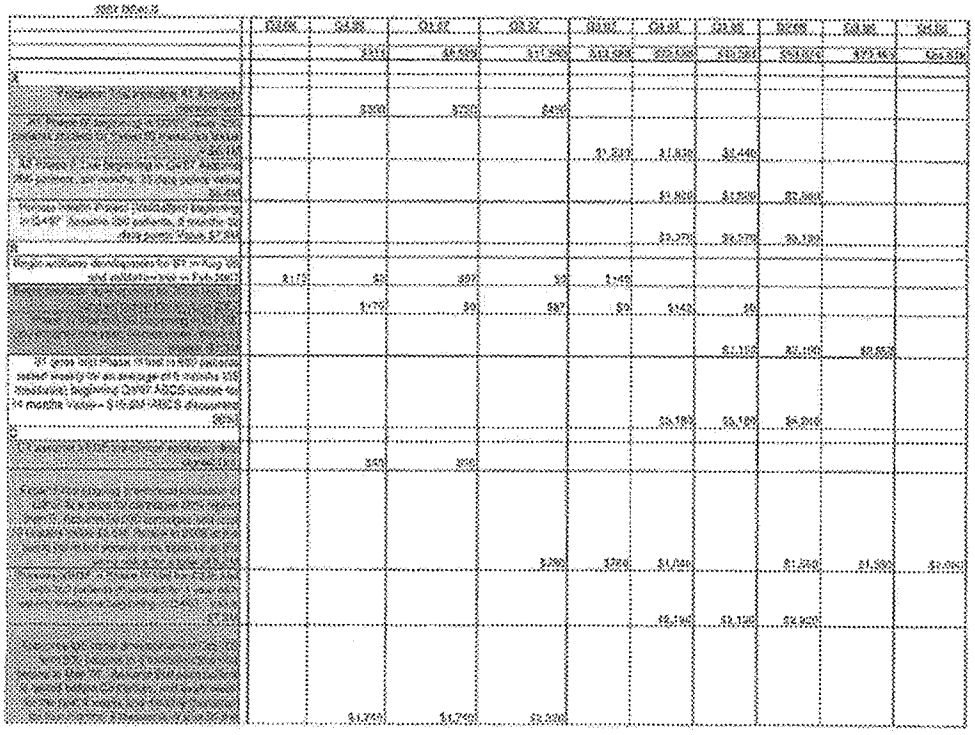
Theranos Plan 06

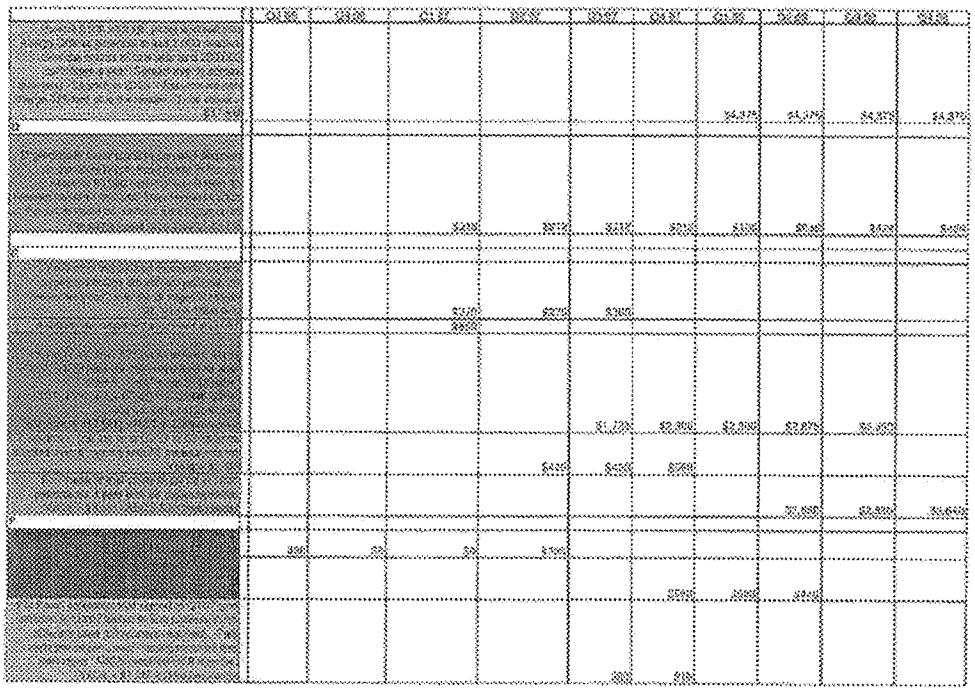
Balance Sheet	Q3 06	Q4 06	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	Q4 08
Cash	31,030	28,672	20,165	16,529	4,832	2,027	2,040	3,179	2,423	2,298
Accounts Receivable	0	0	3,943	3,957	10,429	17,751	30,642	36,093	45,819	57,160
Inventory	100	300	3,449	3,110	8,867	8,321	14,360	17,206	23,026	28,328
Other Current Assets	0	0	0	0	0	0	0	0	0	0
Total Current Assets	31,130	28,972	27,557	23,596	24,128	28,099	47,042	56,477	71,268	87,808
PP&E	1,934	2,884	3,134	3,384	4,134	4,884	5,134	5,384	6,134	6,884
Accum Depr	(217)	(378)	(618)	(880)	(1,162)	(1,506)	(1,913)	(2,341)	(2,789)	(3,301)
Net PP&E	1,717	2,505	2,515	2,504	2,972	3,378	3,221	3,043	3,344	3,583
Oth Long Term Assets	43	43	43	43	43	43	43	43	43	43
Total Assets	32,890	31,521	30,115	26,143	27,143	31,520	50,305	59,563	74,655	91,434
Accounts Payable	1,303	1,496	2,312	2,273	4,069	4,521	7,567	9,033	11,773	14,587
Accrued Liabilities	391	449	694	682	1,227	1,356	2,270	2,710	3,532	4,376
Short Term Debt	0	1,400	2,000	2,000	2,000	0	4,000	0	2,000	3,000
Oth Curr Liabilities	34	2,000	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Current Liabilities	1,728	5,344	7,005	5,955	8,315	6,877	14,837	12,743	18,305	22,963
Long Term Debt	0	0	0	0	0	0	0	0	0	0
Equity	46,340	46,340	46,340	46,340	46,340	46,340	46,340	46,340	46,340	46,340
Accum Deficit	(15,178)	(20,163)	(23,230)	(26,152)	(27,512)	(21,697)	(10,872)	480	10,010	22,130
Net Worth	31,162	26,177	23,110	20,188	18,828	24,643	35,468	46,820	56,350	68,470
Total Liabilities and Ne	32,890	31,521	30,115	26,143	27,143	31,520	50,305	59,563	74,655	91,434

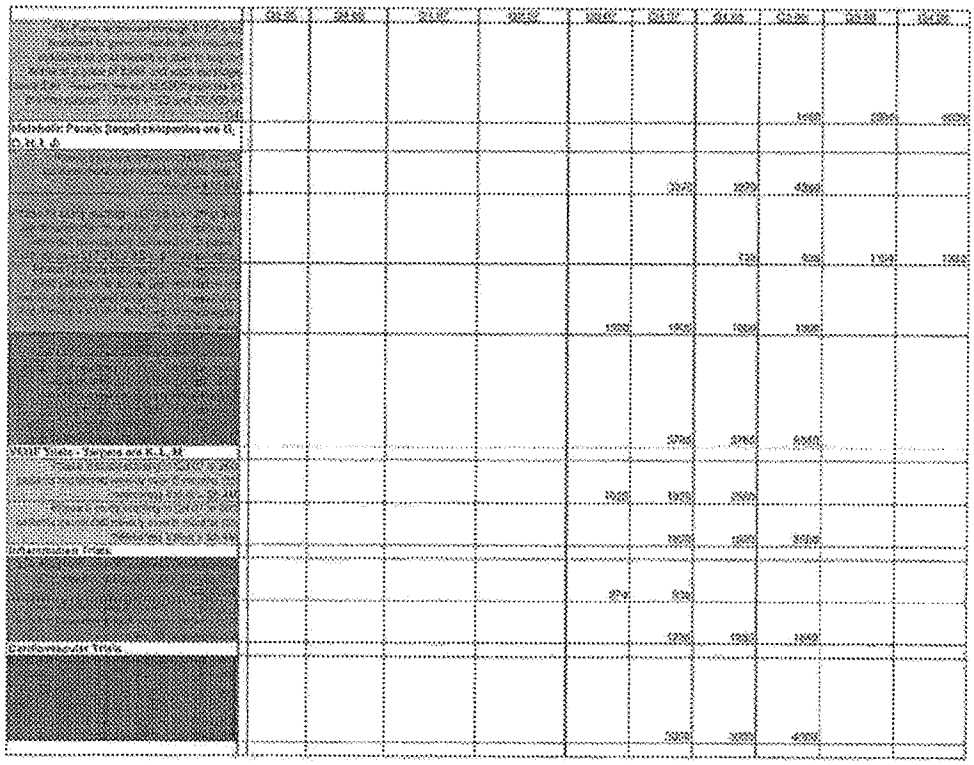
Theranos Plan 06

Cash Flow	Q3 06	Q4 06	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	Q4 08
Beginning Cash	**5,788**	**31,030**	**28,672**	**20,165**	**16,529**	**4,832**	**2,027**	**2,040**	**3,179**	**2,423**
Net Inc(Loss)	(4,343)	(4,985)	(3,067)	(2,922)	(1,360)	5,815	10,825	11,352	9,530	12,121
Depr/Amort	103	161	240	261	282	344	407	428	449	511
Decr(Incr) AR	0	0	(3,943)	(14)	(6,472)	(7,323)	(12,880)	(5,451)	(9,727)	(11,361)
Decr(Incr) Inv	(100)	(200)	(3,149)	338	(5,757)	546	(6,039)	(2,846)	(5,820)	(5,303)
Decr(Incr) Oth Curr Ass	0	0	0	0	0	0	0	0	0	0
Decr(Incr)Oth Long Terr	0	0	0	0	0	0	0	0	0	0
Capital Equip Purch	(700)	(950)	(250)	(250)	(750)	(750)	(250)	(250)	(750)	(750)
Incr(Decr)AP	217	193	816	(39)	1,816	432	3,046	1,486	2,740	2,814
Incr(Decr)AccrLiab	65	58	245	(12)	545	130	914	446	822	844
Incr(Decr)Oth Curr Liab	0	1,966	0	(1,000)	0	0	0	0	0	0
Incr(Decr)Debt										
Curr Debt	0	1,400	600	0	0	(2,000)	4,000	(4,000)	2,000	1,000
Long Term I	0	0	0	0	0	0	0	0	0	0
Incr(Decr) Equity	30,000	0	0	0	0	0	0	0	0	0
Cash In(Out)	25,242	(2,358)	(8,507)	(3,636)	(11,697)	(2,806)	13	1,139	(756)	(124)
Cash in(Out) net of finar	(4,758)	(3,758)	(8,107)	(3,636)	(11,697)	(806)	(3,987)	5,139	(2,756)	(1,124)
Ending Cash	**31,030**	**28,672**	**20,165**	**16,529**	**4,832**	**2,027**	**2,040**	**3,179**	**2,423**	**2,299**









2006 Target	$3.41
2006 Forecast estimate	$2.42B
2007 Target	$65.3B
2007 Forecast estimate	$55.51B