



(AMEX Symbol: XCR)

Presentation – William Blair Small Cap Conference

October 7th, 2008

Forward-Looking Statements

Except for statements of historical fact, the matters discussed in this presentation are forward looking and pursuant to the safe harbor provisions of the private Securities Litigation Reform Act of 1995. These forward-looking statements reflect numerous assumptions and involve a variety of risk and uncertainties, many of which are beyond the company's control that may cause actual results to differ materially from stated expectations. These risk factors include, among others, limited operating history, difficulty in developing, exploiting, and protecting proprietary technologies, the risk that our technology may not be effective, uncertainty as to the outcome of arbitration and legal proceedings, intense competition, and substantial regulation in the medical device and healthcare industries, as discussed in the Company's periodic reports filed with the Securities and Exchange Commission, available on its website at <http://www.sec.gov>.

Our Portable Device The “XCR-6”



Management Team

- Dan Goldberger, MSME
Chief Executive Officer
 - Sound Surgical
 - Glucon
 - OSI Systems
 - Optiscan
- Victor Gura, MD
Chief Medical Officer
 - Cedars-Sinai Medical Center
 - Assoc. Clinical Professor, UCLA
- Robert Weinstein, CPA, MBA
Chief Financial Officer
 - Able Laboratories CFO
 - Healthcare Private Equity Investor
 - GE Capital Corp. Banker



Management Team – ctd.

- James Braig, MSME
SVP - Product Development
 - Optiscan
 - Square One Tech
 - Ohio Medical
- Barry Fulkerson
VP - Hardware Systems
 - NxStage
 - COBE (Prisma, CS3)
 - Gambro
- Russ Joseph, MS
VP - Disposables Engineer
 - Gish Biomedical
 - Sorin
 - Baxter Healthcare

Selected Board Members

- Hans Polaschegg, Ph.D
 - Fresenius
 - EU Extracorporeal Technological Committee Chairman
- Kelly McCrann, MBA
 - DaVita
 - PacificCare
 - KPMG
 - McKinsey & Co.

Xcorporeal Highlights

- *Extra-corporeal* medical devices that could replace the function of failing or failed organs
- Multiple initial products
 - Mobile Hospital Hemodialysis device
 - Portable Home Hemodialysis device – The “XCR-6”
 - Wearable Artificial Kidney
- First U.S. 510(k) filing anticipated in Q1, 2009
- Minimal to low risk strategy
 - Prototype device tested successfully
 - Well defined and straightforward regulatory strategy
 - Well delineated reimbursement codes
- Multi-billion dollar, clearly defined markets

Xcorporeal Products

Mobile Hemodialysis Device →
- Hospital Hemodialysis



← Portable Hemodialysis Device
- Home Hemodialysis – ESRD

Wearable Artificial Kidney →
- Home Hemodialysis – ESRD



Xcorporeal Sorbent Technology

- Sorbent chemistry generates dialysate from ordinary tap water
- Dialysate is recirculated in a closed loop
- Dialysate is regenerated by Sorbent on every cycle through the closed loop
- Initial products will use 6L of tap water
- Future products could require as little as 375mL of fluids

Xcorporeal Proprietary Disposable Manifold

- The complexity of setting up a dialysis machine has been reduced to insertion of a proprietary manifold into the machine
- This reduces machine size, disposable cost, and simplifies operation

Xcorporeal Mobile Hospital Hemodialysis Vs. Popular Device (PrismaFlex)



Xcorporeal Mobile Hospital Hemodialysis Device

- Easily mobile device
 - Smaller and lighter than competitor devices (< 40 lbs)
 - Reduced fluid (dialysate) requirement
 - Easier to operate, reduced training requirement
- Fully functional
 - Continuous Renal Replacement Therapy (CRRT)
 - Intermittent Hemodialysis
- Product status
 - Functional prototype undergoing bench testing
 - FDA 510(k) filing expected in late 2009
 - Intend to commercialize with strategic partner

Benefits of Xcorporeal Mobile Hospital Hemodialysis Device

- Bring therapy to patient bedside
 - Small size easily managed
- Decrease workload for hospital staff
 - No plumbing required
 - No special electrical requirements, standard outlet
 - Simple to use operator interface
 - Snap-in disposable unit
 - Simple set-up, tear down and clean-up
- Cost effective
 - Decrease in medical staff time (nurse, pharmacist)
 - Decrease in staff training downtime
 - No need for bagged dialysate (~\$350/treatment)

Hospital Device Economics

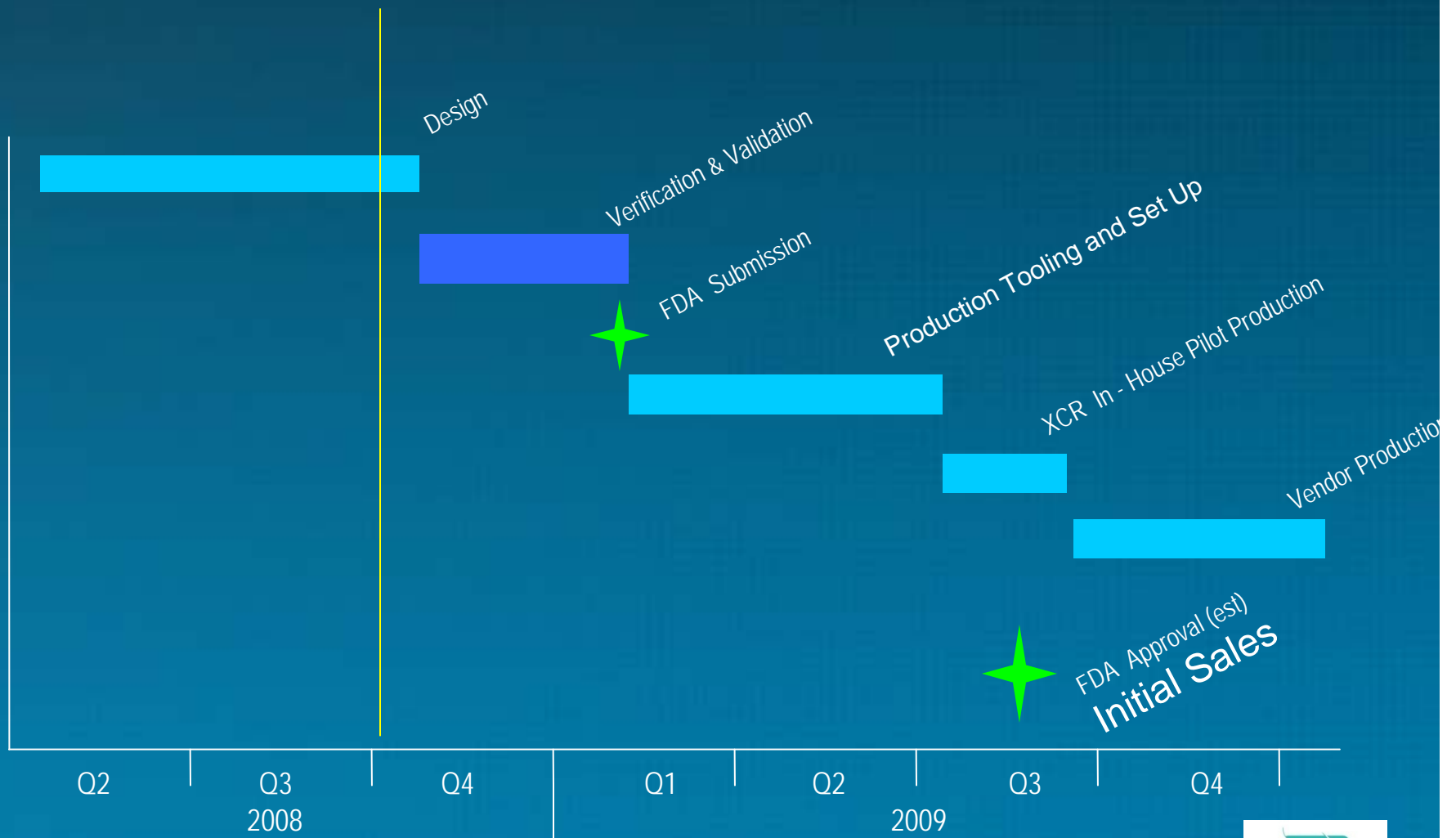
- Company economics
 - Anticipated device ASP - \$30,000 / machine
 - Anticipated disposables ASP - \$200 / treatment
- Institution economics
 - Reimbursement - \$406 / treatment
 - Direct materials cost - \$200 / treatment (above)

Hospital Hemodialysis Device Market

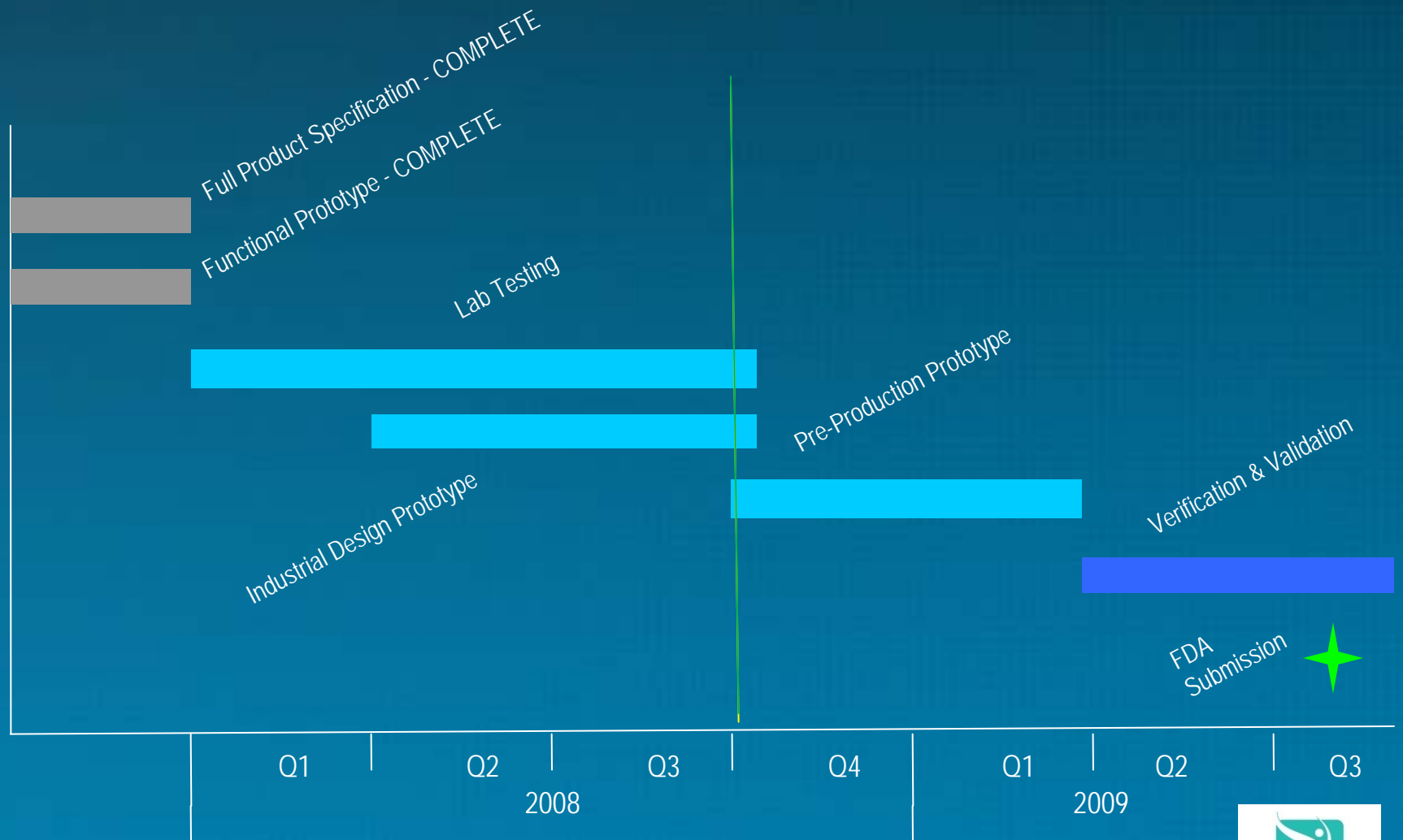
- US Market Opportunity > \$150 million ^(a)
 - Growing at 10% per year
 - Aging Population
 - Increasing severity of hospitalized patients
- Disposable Market
 - 242,000 patient hospitalizations per year estimated 2008
 - \$200 revenue per day for fluids and disposables for supplier
 - Disposable Market = 242,000 x \$200 = \$49 million
- Device Market
 - 2008 Market = \$100 million

(a) Per William Blair & Co. LLC estimate

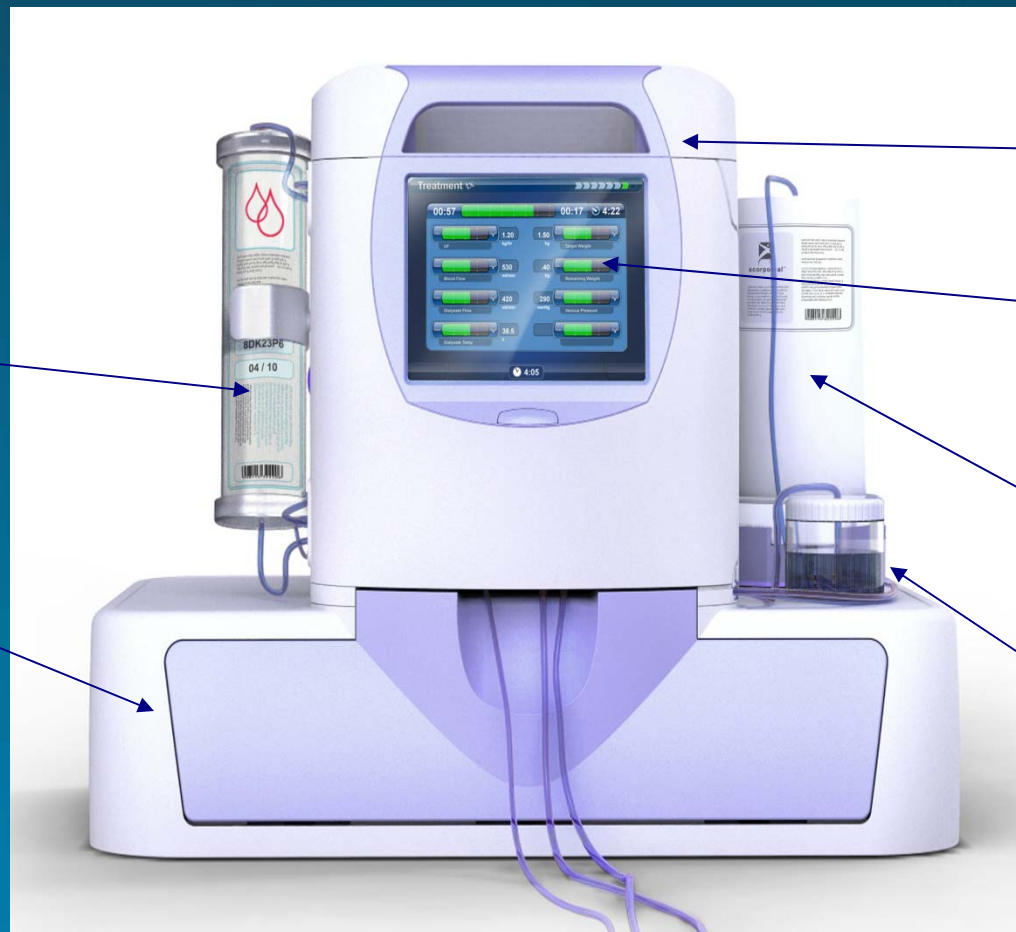
Sorbent Development Timeline



Hospital and Attended Use Device Development Timeline



Xcorporeal Portable Hemodialysis Device, The XCR-6



Dialyzer

6L Dialysate Reservoir

Pump Unit

Graphic touch screen

Sorbent

Infusate

Benefits of Xcorporeal Portable Hemodialysis Device “XCR-6”

- Truly portable
 - Substantially smaller and lighter than any existing device
 - No utility requirements, tap water and wall power only
- Ease of Use
 - 6 liters of regenerated dialysate; no need to handle large volumes of dialysate
 - Fully disposable fluid circuit, no cleaning or sterilization
 - 50 – 600 ml / min. blood flow, 50 – 500 ml / min. dialysate flow
 - High end of range above comparable device allowing efficient dialysis of larger patients
- Ease of Treatment
 - One step, one-handed set up
 - Graphical user interface

Portable Hemodialysis Device Economics

- Company economics
 - \$1,500 / month / patient treated at home
- Dialysis Center economics (Medicare)
 - Reimbursement - \$137 / treatment
 - 13 treatments / month
 - Total reimbursement - \$1,781 / month / patient
- Dialysis Center economics (Private Insurance)
 - Reimbursement - \$400 / treatment
 - Total reimbursement - \$5,200 / month / patient

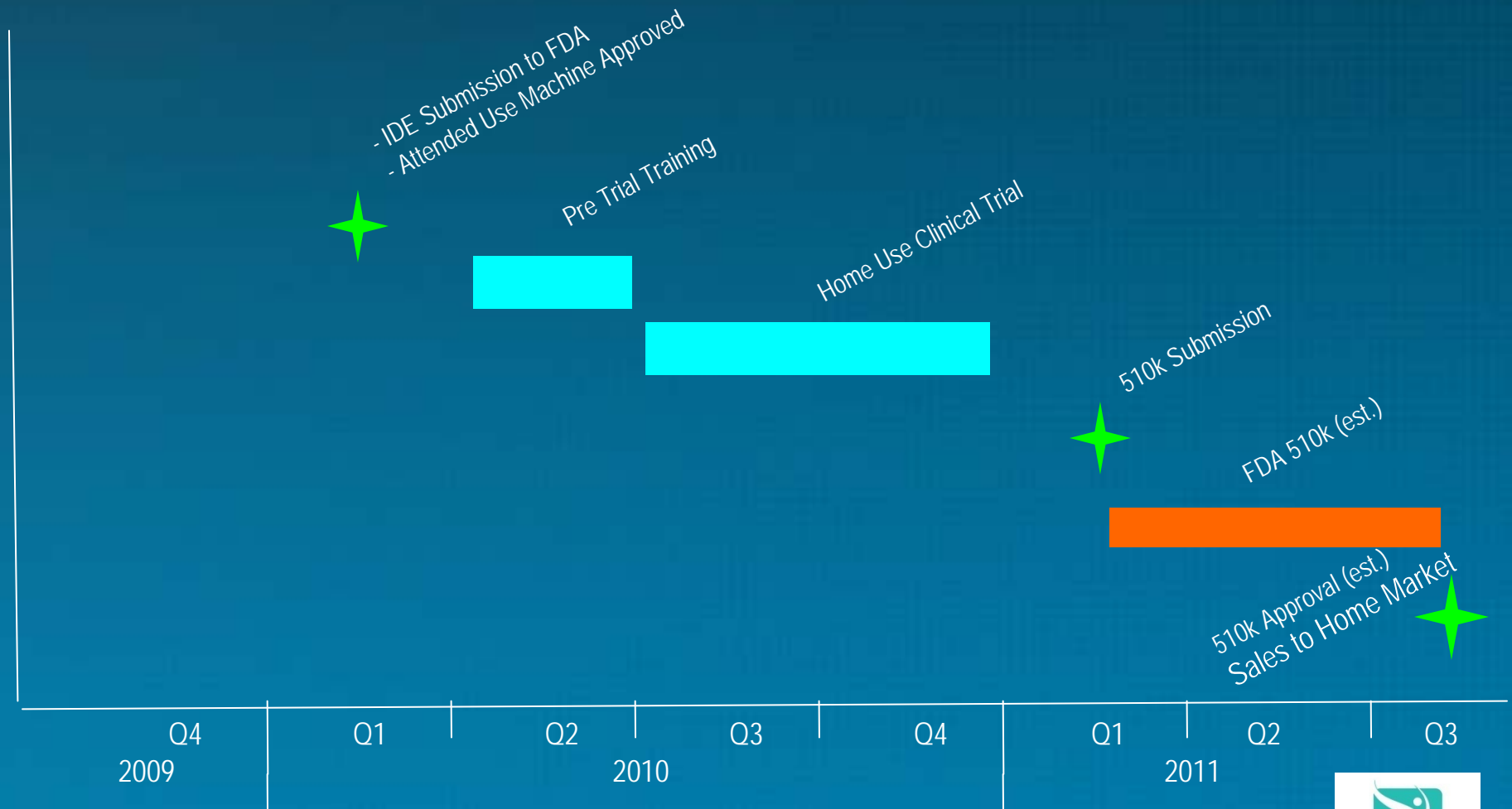
Chronic Hemodialysis Market

- U.S. Market Opportunity > \$7.6 billion
 - 355,000 chronic dialysis patients (500,000 ESRD patients)
 - 3 treatments per week
 - \$137 Medicare reimbursement / treatment (\$400 private pay)
 - Market = 355,000 x 3 x \$137 x 52 weeks = \$7.6 billion
- Home hemodialysis penetration is less than 1% today but will grow because
 - Appropriate equipment becomes available (Xcorporeal, NxStage, Fresenius off label)
 - Longer, more frequent therapy is better medicine (4+ treatments per week versus 3)
 - Home hemodialysis reduces capital and skilled labor requirements
 - Home Hemodialysis is attractive to newly diagnosed, privately insured patients

Home Hemodialysis is a Significant Growth Opportunity in ESRD

- Patient Benefits
 - Increased time on hemodialysis with improved outcomes
 - Potential for daily dialysis
 - Improved quality of life: diet, sleep, time
- Provider Benefits
 - Decreased need for nurses/techs
 - Increase in revenues without need for additional infrastructure
 - More frequent treatments decreases need for expensive medications

XCR-6 Device Development Timeline



Home Hemodialysis Device Comparison

	Xcorporeal XCR-6	Renal Solutions(*)	NxStage	Fresenius 2008K
Blood Flow Rates	50 – 600	150 - 400	50 - 600	20 - 600
Dialysate Flow Rates	50 – 500	200 - 400	50 - 200	100 - 800
Dialysate/4-hr (liters)	6	6	20 - 30	120
Dialysate Regeneration (Sorbent)	Yes	Yes	No	No
Dry Weight (pounds)	< 40	195	80	160
Size (cubic feet)	< 2.0	16	5	16
Portable	Yes	No	Partial	No
Drainage Required	No	No	Yes	Yes
Installation / Ship Cost	Low	Medium	Medium	High

(*) Device not marketed.



Xcorporeal PAK vs. NxStage System One

	Xcorporeal XCR-6	NxStage
Size	Target 10" X 16" X 19"	15" X 15" X 18" dialysis system 19" X 20" X 20" Water / Dialysate system
Weight	< 40 Lbs	120 Lbs (3x XCR-6) = 75 Lbs dialysis system + 45 lbs Water/Dialysate System

19" Height



54" Height

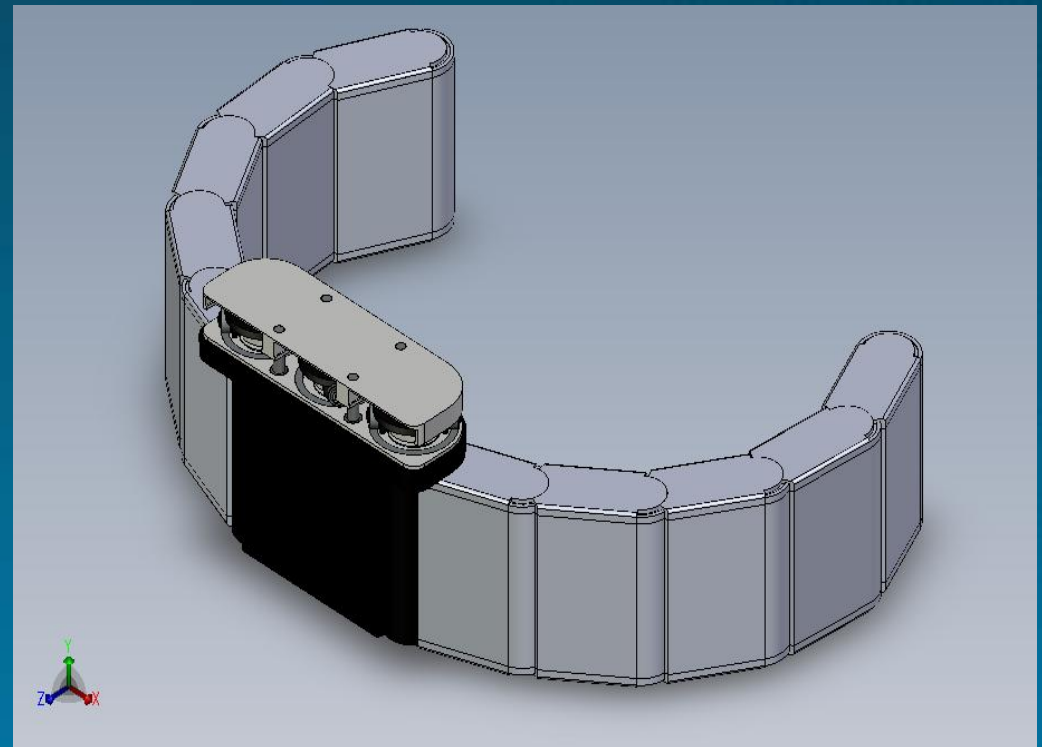
Xcorporeal Wearable Artificial Kidney

- “Disruptive” technology
- Wearable, battery operated light-weight device
- Fully automated, simple to use
- Prototype tested successfully
- Successful human trials published in The Lancet & Kidney International December 2007
- 24 hrs/7 days therapy with potential to revolutionize care of ESRD patients

Wearable Artificial Kidney

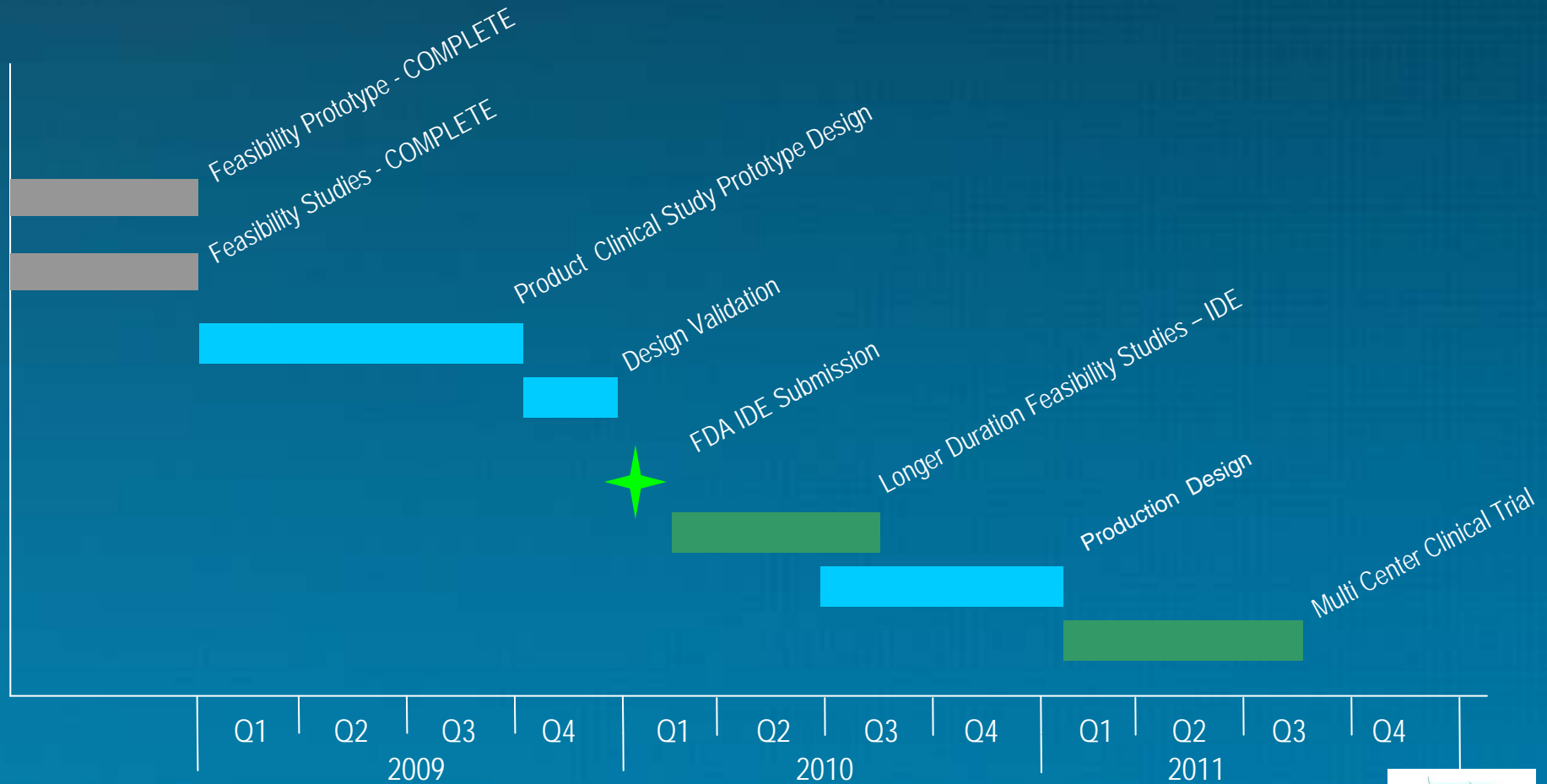


Feasibility Prototype
Human Clinical Study
2007



Product Design 2
2008

WAK Development Timeline



Intellectual Property

- Portable Artificial Kidney
 - 20 patents in process, company initiated
 - Various processes and device components
- Wearable Artificial Kidney
 - 9 patents in process, exclusive in-license
 - Wearable ultra-filtration device
 - Wearable, self-contained, device for continuous excess fluid management
 - Wearable continuous renal replacement therapy device
 - Expands on patent above to include renal replacement patients and battery-operated power source

Company Near-Term Milestones

- Hospital Mobile Hemodialysis Device
 - Functional Prototype (completed) Q4, 2007
 - Pre-Production Prototype Q1, 2009
 - FDA 510(k) submission Q3, 2009
 - Commercialization target Q1, 2010
- Home Portable Hemodialysis Device
 - Functional Prototype (completed) Q4, 2007
 - Pre-Production Prototype Q1, 2009
 - Home Use Clinical trial complete Q4, 2010
 - Home Use FDA 510(k) submission Q1, 2011
 - Commercialization target Q3, 2011

NxStage Medical (NXTM)

- Emerging growth hemodialysis company
- “System One” device
 - Home hemo.: > est. 2,500 patients; <1.0% of market
 - Hospital CRRT for acute renal failure
- Financial Metrics
 - \$201M market capitalization @ 10/6/08
 - 1.9x trailing twelve months revenues (incl. Medisystems Q4, '07)
 - 1.6x annualized Q2, 2008 revenues
 - Quarter ended June 30, 2008 financial highlights
 - \$26.4M in cash (\$30 million long-term debt), \$14.0 cash used
 - \$13.4M operating loss
 - Recent Private Equity Financing of \$43 million

Fresenius Acquisition of Renal Solutions

- \$190 million purchase price
 - \$100 million at closing
 - \$60 million in one year, \$30 million contingency
- Sorbent technology
- Allient device
 - Cleared by FDA over two years ago
 - Not brought to market
- Why significant for Xcorporeal
 - Suggests sorbent technology valuable
 - High acquisition price for “scarce” assets

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