



Laboratory Skin Care[®], Inc.

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PRESS RELEASE

FOR IMMEDIATE RELEASE

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**ANTIBACTERIAL LOTION PATENT IS ISSUED TO LABORATORY SKIN CARE[®]
COVERING \$1 BILLION MARKET**

San Francisco, CA -- June 17, 2003 -- Laboratory Skin Care[®], Inc. (LSC), a privately-held manufacturer of LSC Anti-Microbial Moisturizer, an antibacterial hand lotion containing the active ingredient triclosan, today announced that it was issued US patent number 6,579,516. This will allow LSC an opportunity to corner the triclosan-containing antibacterial, lotion and lotion soap markets in the US. The present market for these antibacterial products sold in the US, alone is approximately \$1 billion. This means any company manufacturing an emollient based antibacterial lotion or lotion soap containing triclosan in the United States must license this technology from LSC.

"This is indeed a long awaited milestone for our company", said Zari Mansouri, LSC's Chief Executive Officer. "We are very excited and looking forward to establishing long term licensing partnerships with successful marketers currently selling these types of products".

LSC has been previously issued a similar patent in Australia, New Zealand, and expects to have patents issued in other major world markets.

"This patent covers any composition that includes at least the following components: An effective amount of triclosan, an emollient, and a lotion base", said Bret Field of the Menlo Park California based patent law firm of Bozicevic, Field, & Francis LLP, who prosecuted this patent application on behalf of LSC. "As such, I believe that any lotion composition (including lotion

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soaps which contain a cleansing component, e.g., surfactant or detergent), that includes triclosan, an emollient and a lotion base will literally fall within the scope of, and infringe, this patent", added Field.

In December 1998, LSC achieved a settlement, and a permanent court order injunction against Bristol-Myers Squibb, restraining them from using certain phrases such as "first anti-bacterial lotion" or "innovative anti-bacterial lotion" in advertising and promotion of Keri Anti-Microbial Hand Lotion. LSC had applied for a patent application, marketed, and sold LSC Anti-Microbial Moisturizer since 1995.

Laboratory Skin Care[®], Inc. was established in 1993 to develop trans-dermal and sub-dermal delivery technologies that transport a wide range of biomaterials – including proteins, peptides, charged molecules, nucleic acid and others – through the outer layers of the skin. To date, LSC has been awarded several patents for its micro-carrier delivery technology called Hydroxysomes[™]. LSC is in licensing discussions and intends to secure licensing agreements with cosmetic and pharmaceutical companies to fully exploit all the various application of this technology.

"Strategic alliances will be necessary to support the implementation of the global market positioning of "Hydroxysomes[™]" as a widely used technology in preference of polymer- and liposome-based delivery methods", said Charles B. Wilson M.D., a Director of the Company and the Chair of Scientific/Medical Advisory Board.

Laboratory Skin Care[®], Inc. is a pioneer in the emerging field of cosmeceutics - the use of innovative pharmaceutical technologies in developing over-the-counter (OTC) products for consumer markets. The Company develops and manufactures cosmeceutics that define a new category of over-the-counter products intended for protective and therapeutic use. LSC's initial products include patented LSC Anti-Microbial Cleanser and LSC Anti-Microbial Moisturizer.