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## **SKINMEDICA CLOSSES \$25.8 MILLION ROUND OF FINANCING**

### **Company prepares to expand dermatology product pipeline**

Carlsbad, CA – Tuesday, March 2, 2004 – SkinMedica<sup>®</sup>, Inc., a specialty pharmaceutical company developing and commercializing dermatology products, announced today the closing of a \$25.8 million private placement of its Series D preferred stock. New investor, Perseus-Soros BioPharmaceutical Fund, led the round, which also included St. Paul Venture Capital. Existing investors Apax Partners, Inc. and Domain Associates, LLC also participated in the financing.

Funding will be used to expand the pipeline of pharmaceutical and cosmeceutical products and to fund business development activities including possible acquisitions of dermatological products and technologies. SkinMedica currently markets the pharmaceutical product EpiQuin<sup>™</sup> Micro for the treatment of hyperpigmentation disorders, and a line of cosmeceutical products, including TNS Recovery Complex<sup>®</sup> with NouriCel-MD<sup>™</sup>, sold exclusively through physicians.

"This financing exhibits the extremely high caliber of investors that SkinMedica has been able to attract and their belief in the potential for both our pharmaceutical and cosmeceutical product lines," said Rex Bright, President and CEO of SkinMedica. "We anticipate that the funding from this round will enable us to expand our pipeline and sustain the growth of our current products."

Concurrent with the investment, SkinMedica announced the appointment of Andrew N. Schiff, M.D., Managing Director, Perseus-Soros BioPharmaceutical Fund to SkinMedica's Board of Directors. "We are delighted to participate in the current and future success of SkinMedica. SkinMedica's business model is sound and takes advantage of two highly desirable and growing markets in dermatology, pharmaceuticals and cosmeceuticals," said Dr. Schiff.

Dr. Schiff will join the current SkinMedica board comprised of its Chairman, David F. Hale, President & CEO, CancerVax Corporation; Richard E. Fitzpatrick, M.D., Co-Founder and Chairman of the Scientific Advisory Board, SkinMedica, Inc.; Rex Bright, President & CEO, SkinMedica, Inc.; Todd C. Davis, Partner, Apax Partners, Inc.; Brian H. Dovey, General Partner, Domain Associates, LLC; Cam L. Garner, Chairman, Xcel Pharmaceuticals, Inc. & former Chairman & CEO, Dura Pharmaceuticals; Scott L. Glenn, Managing Partner, Windamere Venture Partners, LLC; and William A. Roper, Jr., Corporate Executive Vice President, SAIC Corporation.

**About SkinMedica**

SkinMedica is a privately held specialty pharmaceutical company marketing both prescription and cosmeceutical dermatology products. SkinMedica's pharmaceutical product, EpiQuin™ Micro (4% Hydroquinone) treats melasma and postinflammatory hyperpigmentation (PIH). The company's full line of cosmeceutical products, which is sold through physicians, includes TNS Recovery Complex with NouriCel-MD to help improve the health and appearance of aging skin. SkinMedica is based in Carlsbad, California. For information, visit: [www.skinmedica.com](http://www.skinmedica.com).

SkinMedica cautions you that statements included in this press release that are not a description of historical facts may be forward-looking statements. The inclusion of forward-looking statements should not be regarded as a representation by SkinMedica that any of its plans will be achieved. Actual results may differ materially from those set forth in this release due to the risks and uncertainties inherent in SkinMedica's business due to a number of factors, including: (i) we and our products face significant competition; (ii) if we do not successfully manage any growth we experience, we may experience increased expenses without corresponding revenue increases; (iii) we are dependent on third parties for supply of all the products we offer; (iv) unexpected adverse side effects or inadequate therapeutic efficacy of our products could delay or prevent product development or commercialization, or could result in recalls or product liability claims; and (v) we may not be able to identify appropriate acquisition, licensing, or co-promotion candidates in the future or to take advantage of the opportunities we identify. All forward-looking statements are qualified in their entirety by this cautionary statement and SkinMedica undertakes no obligation to revise or update this news release to reflect events or circumstances after the date hereof.

EpiQuin™, TNS Recovery Complex® and SkinMedica® are trademarks and SkinMedica, Inc.