



## **Second Formulation of RETIN-A MICRO Approved for U.S. Market; Launch Anticipated in June 2002; Potential to Significantly Increase A.P. Pharma's Royalties**

May 15, 2002

REDWOOD CITY, Calif.--(BW HealthWire)--May 15, 2002--A.P. Pharma, Inc. (Nasdaq:APPA), a specialty pharmaceutical company, said today that the U.S. Food and Drug Administration (FDA) has granted Ortho Neutrogena marketing approval for RETIN-A MICRO(R) 0.04%, (tretinoin gel) microsphere, 0.04%, a new, lower-dose formulation of RETIN-A MICRO, a leading topical acne treatment.

As part of an existing licensing agreement with A.P. Pharma, Ortho Neutrogena, a Johnson and Johnson Company, will market RETIN-A MICRO 0.04%, together with RETIN-A MICRO 0.1%, both of which are formulated with A.P. Pharma's patented Microsponge(R) technology. Under the terms of that agreement, A.P. Pharma will receive royalty payments for sales of RETIN-A MICRO 0.04%, which is expected to be launched in June 2002.

"Marketing approval for this new branded product has the potential to significantly increase A.P. Pharma's royalties," commented Michael O'Connell, A.P. Pharma's president and chief executive officer.

RETIN-A MICRO 0.1% was the first prescription pharmaceutical product to be formulated with the patented Microsponge(R) delivery system and is a leading product in the \$600 million-per-year U.S. topical prescription acne market. RETIN-A MICRO 0.1% was launched in the U.S. in 1997 and in Canada in 2001.

### About A.P. Pharma

A.P. Pharma is a specialty pharmaceutical company focused on the development of prescription pharmaceuticals utilizing its proprietary polymer-based drug delivery systems. The Company's primary focus is the development and commercialization of its bioerodible injectable and implantable systems under the trade name Biochronomer(TM). Initial targeted areas of application for the Company's drug delivery technology include pain management, inflammation, anti-adhesion and protein delivery applications. The Company's product development programs are funded by royalties from topical products currently marketed by pharmaceutical partners and proceeds from the divestiture of its cosmeceutical product lines. For further information visit the Company's Web site at [www.appharma.com](http://www.appharma.com).

### Forward-looking Statements

Except for historical information, this news release contains certain forward-looking statements that involve risks and uncertainties, including among others, uncertainty associated with timely development, approval, launch and acceptance of new products, establishment of new corporate alliances and progress in research and development programs. Other risks and uncertainties associated with the Company's business and prospects are identified in the Company's filings with the Securities and Exchange Commission. The Company does not undertake to revise these forward-looking statements to reflect events or circumstances occurring in the future.

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