



Retin-A Micro Receives Marketing Clearance in Canada; Johnson & Johnson Canada to Market Prescription Acne Treatment Containing Microsponge Systems in Canada

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REDWOOD CITY, Calif., Jul 23, 2001 (BW Health Wire) -- A.P. Pharma, Inc. (Nasdaq:APPA), a specialty pharmaceutical company, today announced that Canadian drug regulatory authorities have granted marketing clearance for Retin-A Micro(R) (tretinoin gel) microspheres, 0.1% for the treatment of acne.

This topical medication was launched in the U.S. in 1997, becoming the first ethical pharmaceutical to contain the patented Microsponge(R) delivery systems. Retin-A Micro is one of the leading products in the \$500 million-per-year U.S. prescription acne market and is licensed to A.P. Pharma's development and marketing partner, Ortho Dermatological, a member of the Johnson & Johnson family of companies. Johnson & Johnson Canada will market the product in Canada under the same U.S. trade name, Retin-A Micro. Upon commercialization, anticipated in the third quarter of 2001, A.P. Pharma will begin to receive royalties on product sales.

"Retin-A Micro has proven to be extremely popular in the U.S. and we anticipate that it will enjoy similar success in Canada. Sales of Retin-A Micro in Canada will add to our existing royalty streams and we look forward to benefiting from product line extensions and continued geographic expansion by Johnson & Johnson," commented Mike O'Connell, A.P. Pharma's president and chief executive officer.

Using its existing cash resources and growing royalty streams, A.P. Pharma intends to develop and commercialize its families of bioerodible delivery systems for injectable and implantable drug delivery. Known as Biochronomer(TM) systems, they are designed for the controlled release of drugs into various sites such as under the skin, in muscle or in the peritoneal cavity and offer potential for use in a broad array of pharmaceutical products.

About A.P. Pharma

A.P. Pharma is a specialty pharmaceutical company focused on the development of ethical (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, oncology, and ophthalmic and orthopedic 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.

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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