

A.T.S. Pharmaceuticals, a Division of Auriga Laboratories, Adds to Its Xyralid(TM) Franchise with the Introduction of Xyralid(TM) Cream

Auriga Laboratories, Inc. (OTCBB:ARGA), a specialty pharmaceutical company with products for the treatment of acute respiratory diseases, dermatological conditions, and xerostomia, announced today the launch of Xyralid™ Cream (lidocaine HCl 3%/hydrocortisone acetate 1%), a convenience kit that also contains Cleré™, a soap free cleanser. Xyralid™ Cream is the third product in the Xyralid™ franchise which also includes Xyralid™ RC (lidocaine HCl 3%/hydrocortisone acetate 1%) and Xyralid™ LP Lotion (lidocaine HCl 3%/hydrocortisone acetate 0.5%).

Xyralid™ Cream is indicated for anti-inflammatory anesthetic relief of pruritus (itching) and pruritic eczemas, abrasions, minor burns, insect bites, pain and soreness due to pruritus ani, hemorrhoids, anal fissures and similar conditions of the skin and mucous membranes. The hypoallergenic soap free cleanser is part of the standard protocol for the management of pruritic conditions since many cleansing agents contain irritants and agents, such as soap, that exacerbates the patient's condition and sets off the itch-scratch cycle. Xyralid™ Cream will be promoted to Dermatologists, Gastroenterologists, Colon-Rectal Specialists and Primary Care Practitioners by the ATS Pharmaceutical division of Auriga.

The lidocaine/hydrocortisone cream combination market offers ATS Pharmaceuticals significantly expanded sales potential for the Xyralid™ brand. "The launch of Xyralid™ Cream complements the existing Xyralid™ LP Lotion and Xyralid™ RC lines, maximizing brand potential by offering a variety of formulations to meet physician demand," said Philip S. Pesin, CEO of Auriga. The Xyralid™ Cream is the fourth product being sold by ATS and the Company expects to announce additional products shortly.

XYRALID™ Cream is contraindicated for tuberculous or fungal lesions of skin vaccinia, varicella and acute herpes simplex and in persons who have shown hypersensitivity to any of its components. Lidocaine is contraindicated in patients with a known history of hypersensitivity to local anesthetics of the amide type. Topical corticosteroids are contraindicated in those patients with a history of hypersensitivity to any of the components of the preparation. During or immediately after treatment the skin at the site of treatment may develop erythema or edema or may be the locus of abnormal sensation. For external use only. Not for ophthalmic use. Please see package insert for full Prescribing Information.

About Auriga Laboratories(TM)

Auriga Laboratories is a specialty pharmaceutical company building an industry changing commission-based sales model. The company's high-growth business model combines driving revenues through a variable cost commission-based sales structure, acquisition of proven brand names, introduction of new

brands, and a strategic development pipeline, all of which is designed to enhance its growing direct relationships with physicians nationwide. Auriga's exclusive prescription and over-the-counter product portfolio includes Aquoral(TM) for the treatment of Xerostomia, Akurza(TM) and Xyralid(TM) dermatology products, and the Zinx(TM), Extendryl®, and Levall® families of products for relief of symptoms associated with a range of acute respiratory diseases. For more information, visit: www.aurigalabs.com.

Forward-Looking Statements

The information contained herein includes forward-looking statements. These statements relate to future events or to the company's future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause its actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. You should not place undue reliance on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the company's control and which could, and likely will, materially affect actual results, levels of activity, performance or achievements. Any forward-looking statement reflects the company's current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to its operations, results of operations, growth strategy and liquidity. The company assumes no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. Important factors that could cause actual results to differ materially from the company's expectations include, but are not limited to, those factors that are disclosed under the heading "Risk Factors" and elsewhere in documents filed by the company from time to time with the United States Securities and Exchange Commission and other regulatory authorities. Statements regarding the company's ability to increase its sales force and the success of such sales force in selling its products in light of competitive and other factors, the regulatory status and/or regulatory compliance of its products, the estimated market for hair products, the development of additional products, its ability to sustain market acceptance for its products, its dependence on collaborators, the company's exposure to product liability claims, and the company's prices, future revenues and income and cash flows and other statements that are not historical facts contain predictions, estimates and other forward-looking statements. Although the company believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved and these statements will prove to be accurate. Important factors could cause actual results to differ materially from those included in the forward-looking statements.

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