



# News Release

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**For Immediate Release**

**July 6, 2000**

## **Dragoco to Market Fytokem's Active Ingredients to the Personal Care Industry**

Fytokem Products Inc. is pleased to announce the signing of a Strategic Cooperation Agreement with Dragoco, Gerberding & Co. AG of Germany, a leading international supplier of perfume compositions, aroma chemicals, cosmetic raw materials, active ingredients and flavors.

Under the terms of the agreement, Dragoco will obtain worldwide rights to sell and market Fytokem products, including Canadian Willowherb™, Tyrostat™ and Fytosorb™, to the personal care industry. The marketing of these products is expected to begin immediately.

In addition, the two companies will collaborate on new product development, whereby Dragoco will contribute funding, market intelligence, and technical expertise to accelerate the development of specialty products for the personal care industry. Fytokem retains all rights to its products for sale to other markets, such as the nutraceutical, animal health or OTC/therapeutic markets.

“This agreement greatly expands upon our previous product supply and product development arrangement with Dragoco,” said Greg Dutka, Interim President of Fytokem. “As a result of this new agreement, Dragoco will begin marketing a number of our exciting products to the personal care industry, while Fytokem will benefit from Dragoco’s significant resources as a leading international ingredients supplier. This marks an important step in our transition from a concept-based company to one of product commercialization and sales.”

“Fytokem’s natural and effective plant-based ingredients continue to attract interest in the cosmetic and personal care industries,” said Klaus Stanzl, Vice President Cosmetics Division Worldwide of Dragoco. “We are very excited about the market potential of their existing products and working closely with Fytokem’s R&D team to develop exciting new ingredients for this large and growing market”.

“We believe this agreement with Dragoco is the first of many as we continue to build strong partnerships with industry leaders,” added Mr. Dutka. “Agreements such as this deliver on our promise to shareholders of building strategic relationships that leverage the marketing resources of our partners, while allowing us to focus on our core expertise of new product research and development.”

(Continued...)

Dragoco is one of the leading international suppliers of perfume compositions, aroma chemicals, cosmetic raw materials and active ingredients, and flavors. Founded in 1919, Dragoco is active in 24 countries around the globe, recording sales of over US \$300 million in 1999. The company is based in Germany with manufacturing operations in Germany, Singapore, Vienna, Sao Paulo and the United States.

**About Fytokem**

Fytokem Products Inc. develops, produces and markets high-value extracts and refined natural chemicals from plants found in northern Canada for use as ingredients in personal care, nutraceutical/therapeutic and bio-industrial products. The company's shares are listed on the Canadian Venture Exchange under the symbol FYT.

Please visit our website at [www.fytokem.com](http://www.fytokem.com) for more information on Fytokem.

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*The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*