



Dogwood Equity Announces the Acquisition of Skin Care Products Manufacturer

Raleigh, North Carolina - May 1, 2003 - Dogwood Equity, manager of the North Carolina Economic Opportunities Fund, is pleased to announce the acquisition of North Carolina-based Harmony Laboratories, Inc. Harmony is a leading full-service outsourced development manufacturer of topical cosmeceutical, over-the-counter, and prescription skin care products.

Headquartered in Landis, North Carolina and founded in 1985, Harmony produces over 450 SKUs in various forms of creams, lotions, ointments and other topical solutions. The company serves as a critical outsourcing partner to its customers providing turn-key solutions from formulation development and testing through full-scale custom manufacturing, packaging and fulfillment. With a loyal customer base, established FDA regulated manufacturing operations and a strong product pipeline, Dogwood believes that Harmony represents an ideal platform from which to build one of the premier custom manufacturers of topical cosmeceuticals and pharmaceuticals in the U.S.

Dogwood partnered with a seasoned industry executive, William Lynch, to acquire Harmony. Mr. Lynch co-invested in the transaction and will serve as the company's Chairman and CEO. In its role as the sole financial sponsor, Dogwood provided all of the required institutional equity and arranged all of the necessary debt financing. Senior financing was provided by RBC Centura Bank and subordinated debt was provided by Capital South Partners, Blue Ridge Investors and Geneva Associates Merchant Banking Partners.

About Dogwood Equity

Dogwood Equity manages the North Carolina Economic Opportunities Fund, a licensed Small Business Investment Company with \$74 million available for investment in high-growth North Carolina businesses. Dogwood Equity invests exclusively in companies that are located in the rural and smaller metropolitan areas of North Carolina and will consider investment opportunities in growth, expansion and late stage manufacturing, technology, service and distribution companies.