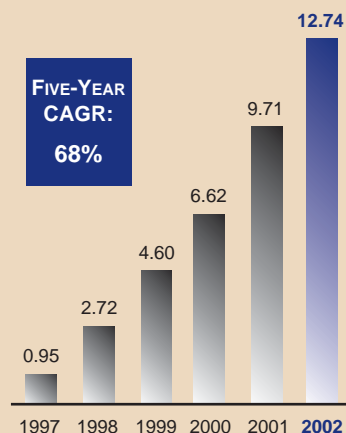




OTCBB: PRCY.OB

May 2003

REVENUES, MM\$



INVESTMENT DATA

Recent Price (5/12/03).....	\$1.10
52-Week Price Range....	\$0.95-\$1.96
Market Capitalization.....	\$17MM
Shares Outstanding.....	15.7MM
Public Float.....	15.1MM
2001 EPS (loss).....	\$(0.06)
2002 Diluted EPS.....	\$0.10
TTM EPS.....	\$0.06
2002 Price/Earnings.....	11x
TTM Price/Earnings.....	18x
Book Value per Share.....	\$0.74
Price/Book Value per Share.....	1.5
Debt.....	None
Year Ends.....	December

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INVESTMENT PROFILE

Company Snapshot

Founded in 1986, Redmond, Washington-based ProCyte Corporation develops and markets a broadening array of highly differentiated skincare, haircare, and tissue repair products based on its patented and clinically proven copper peptide technologies. Proprietary products include Neova® anti-aging skin care, Complex Cu₃® post-procedure skin care, GraftCyte® hair transplant care, and Tricomin® advanced care for thinning hair.

ProCyte has successfully transitioned from an R&D focus to one more aggressively weighted to marketing. Product sales and revenues from licenses and royalties rose 37 percent in 2002 versus the prior year. The company sells directly to an increasing number of dermatologists and plastic surgeons and through licensees into the consumer market. The company typically receives license fees, royalties, and revenues from GHK or AHK copper peptide sales associated with licensee agreements. Marketing contracts include:

- **Neutrogena**, for anti-aging and related skin-care products for the mass retail market.
- **American Crew**, for hair-care products for the salon and beauty market.
- **Creative Nail Design**, for cuticle- and hand-care products for the salon and spa market.
- **Atelier Esthetique**, for skin-care products sold into the U.S. salon and spa market.

Additionally, the Company will be launching an infomercial during 2003, providing its first direct-to-consumer channel as well as major new growth potential.

Creating Value

The opening quarter of 2002 marked the first-ever net income in ProCyte's 17-year history, with the positive trend continuing throughout the year. Per-share earnings rose sharply to \$0.10 from 2001's loss of \$0.06 and reported revenues increased 31 percent to \$12.7 million from 2001's \$9.7 million. This high-margin (2002 12-month gross and net margins were 63 percent and 13 percent, respectively) operation turned cashflow positive last year. First-quarter 2003 revenues rose 10 percent versus the year-ago period, while development and production expenses related to the company's infomercial resulted in the period's \$0.01 per-share loss. ProCyte was able to maintain a strong cash position while absorbing nearly all of the infomercial's development costs. Excluding this short-term impact, ProCyte is poised for robust and sustainable long-term revenue and earnings growth, presenting an exciting opportunity for aggressive investors seeking capital appreciation.



ProCyte has a long-term worldwide license agreement with Neutrogena, a Johnson & Johnson company, to supply its patented copper peptide for use as an active ingredient in anti-aging and other skin-care products for the mass retail market.

Excellent Market Demographics

Baby Boomers have finally matured, and when they look in the mirror, they don't like what they see. Fine lines and wrinkles, creases, blotchy hyperpigmentations, uneven texture, keratoses, and other unsightly manifestations of the skin, associated in the public's mind with growing older, actually have been shown to be more correlated with cumulative trauma from ultraviolet radiation (photoaging). Within two decades, more than half of the U.S population will be over 50, and demand for products that halt the photoaging process and repair damaged skin is gaining momentum. Cosmetic surgeons can offer a host of treatments to mitigate signs of photoaging; however, most consumers prefer anti-aging products applied directly to the skin (topicals). Worldwide sales of anti-aging topicals in 2001 exceeded \$2.8 billion and are expected to grow nine percent annually, reaching \$4.7 billion by 2007. This growth is driven by aging U.S. and Asian populations that have disposable cash and are eager to spend it on treatments designed to diminish the visual effects of aging.

SELECTED FINANCIAL HIGHLIGHTS

(In thousands, except per-share data; unaudited)

	Three Months		Full Year	
	Ended March 31,		Ended December 31,	
	2003	2002	2002	2001
Revenues	\$ 3,346	\$ 3,042	\$12,737	\$ 9,712
Costs and expenses	\$ 3,550	\$ 2,600	\$11,267	\$10,772
Interest and other income	\$ 88	\$ 47	\$ 199	\$ 153
Net (loss) income	\$ (133)	\$ 489	\$ 1,669	\$ (907)
Net (loss) income per share:				
Basic	\$ (0.01)	\$ 0.03	\$ 0.11	\$ (0.06)
Diluted	\$ (0.01)	\$ 0.03	\$ 0.10	\$ (0.06)
Shares outstanding:				
Basic	15,746	15,682	15,710	15,610
Diluted	15,746	16,001	16,179	15,610

SELECTED BALANCE SHEET INFORMATION

(In thousands; unaudited)

	3/31/03	12/31/02
Cash, cash equivalents	\$ 4,388	\$ 4,556
Total assets	\$ 13,662	\$ 14,089
Total liabilities	\$ 1,951	\$ 2,271
Long-term debt	\$ 0	\$ 0
Total shareholders' equity	\$ 11,711	\$ 11,818

INVESTMENT HIGHLIGHTS AND OUTLOOK

- Proprietary Technology.** ProCyte holds more than 100 worldwide patents and patent registrations, and has developed more than 200 products based on its copper peptide technology.
- Multipronged Marketing Strategy.** Combines proprietary channels with external partnering agreements utilizing the strength of specialized marketing companies. The company markets its products on a direct basis in the United States via its own dedicated sales force and internationally through an increasing network of distributors.
- Breakout Potential.** ProCyte's planned entry into the multibillion-dollar direct-response TV (infomercial) market in 2003 provides additional upside potential that could propel growth well beyond management's core business growth expectations.
- Very Favorable Environment for Growth.** An aging population with a significant focus on wellness and appearance (increasingly less gender-specific) is driving consumer acceptance and popularity of anti-aging treatments such as cosmetic surgery, Botox, and topicals.
- Exceptional Margins.** Gross margins on sales into the physician and dermatology markets can be in the range of 55-90 percent (100 percent for royalty income). For 2002, consolidated gross margins were 63 percent and net margins were 13 percent.
- Adequate Resources to Fund Future Opportunities.** Strengthening balance sheet, no debt, financially self-sustaining and cashflow positive.

Statements contained in this profile that are not historical facts are forward-looking statements that involve risks and uncertainties. For a summary of important factors that could cause ProCyte's results to differ materially from those projected in, or inferred by, the forward-looking statements, please refer to the company's Annual Report on Form 10-K for the period ending December 31, 2002. This report is for information purposes only. No statement or expression of opinion, or any other matter herein, directly or indirectly, is an offer, solicitation, or recommendation to buy or sell this security. Investors should consult a professional investment adviser prior to making any investment decision. ProCyte Corporation is a client of SM Berger & Company. Information in this investment profile is based on data obtained from sources believed to be reliable and correct. Any statements nonfactual in nature constitute only current opinions, which are presented without guarantee and are subject to change.

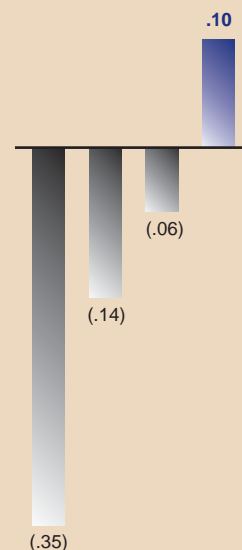


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SHARPLY IMPROVING EARNINGS, EPS \$

1999 2002



SEPARATING THE REALITY FROM THE HYPE: Clinically Proven

In vitro studies conducted by Thierry Oddos, Ph.D., et al, and recently presented at the American Academy of Dermatology's 2002 Annual Meeting, unequivocally demonstrated that the GHK-Cu complex enhanced the rate of collagen synthesis in normal human dermal fibroblasts. Further *in vivo* studies presented by Leyden, M.D., et al, demonstrate significant improvements in the skin's sallowness, laxity, and viscoelastic properties. In summary, these studies* clinically prove that GHK-Cu containing treatments rapidly deliver significant and sustained improvements in the appearance of photoaged facial and eye-area skin.

*Data on file.

ROYALTY REVENUES UP 61%
(1Q03 vs 1Q02, \$000)

