

## **NORTH CASTLE PARTNERS SELLS HDS COSMETICS LAB, INC. AND ITS DDF BRAND TO THE PROCTER & GAMBLE COMPANY**

### **-- Transaction is One of Five Announced Investment Exits for North Castle Partners Over Past 12 Months --**

Greenwich, CT, January 22, 2007 – North Castle Partners, L.L.C. announced today that it has sold its portfolio company HDS Cosmetics Lab, Inc., the company that manufactures and markets Doctor's Dermatologic Formula (DDF) skin care, to The Procter & Gamble Company (NYSE:PG). Terms of the transaction were not disclosed.

For North Castle, a leading private equity firm focused exclusively on consumer businesses that benefit from "Healthy Living and Aging" trends, the transaction was the third completed sale of a portfolio company in 2007, and the fifth in the past 12 months.

North Castle invested in Yonkers, NY-based HDS Cosmetics Lab and its DDF brand in 2004, after an almost three year relationship with the company's founders. DDF was created in 1991 by a renowned New York City dermatologist, Dr. Howard Sobel. Today DDF is recognized as the first prestige skin care company to address skin care based on skin care concerns, such as anti-aging, acne, hyperpigmentation and sun protection. DDF is sold in specialty retail and department stores and select spas throughout the United States and in several other countries.

Richard D. Gersten, a North Castle Managing Director and developer of the firm's Aesthetics and Personal Care business, said, "We are proud of our successful partnership with the DDF management team and the founders of the brand. As a focused fund, North Castle prides itself upon identifying high-growth, niche segments within larger industries, and partnering with promising management teams to build great companies. HDS Cosmetics Lab is further demonstration of the value that can be created from such an investment model. We believe the DDF brand is well positioned to capitalize on the wide range of opportunities the company will have as part of Procter & Gamble."

Joe Hawley, CEO of HDS Cosmetics Lab, said, "We have had a great partnership with North Castle, which has brought to our growing company substantial intellectual capital and tremendous experience. We now look forward to joining P&G, which is focused on skin care as a key growth category."

The HDS Cosmetics Lab transaction is one of five announced investment exits for North Castle Partners over the past 12 months. In January 2007, North Castle has completed its sales of its Avalon Organics® and Alba Botanica® natural and organic personal care brands, to The Hain Celestial Group, Inc. (NASDAQ: HAIN), as well as the Naked Juice Company, a leader in the fast growing super premium juice category, to PepsiCo (NYSE: PEP) for an undisclosed amount. In 2006, North Castle also completed the sale of CRC Health Group, the nation's largest provider of drug and alcohol treatment services, to Bain Capital, and the sale of Equinox Fitness, a leading operator of upscale fitness clubs, to The Related Companies.

"Within the Aesthetics and Personal Care arena, North Castle will continue to expand its expertise through its investments in Caleel + Hayden, Inc., a recently acquired developer, marketer and distributor of mineral-based cosmetics and high-end skincare

products to the professional markets, and Red Door Spa Holdings, the world's leading owner and operator of full-service salons and day spas," Mr. Gersten concluded.

New York City-based Easton Capital Group, which had originally invested in HDS Cosmetics Lab in 2001, also sold its interest to P&G in this transaction.

#### **About DDF**

The DDF line of products is designed for specific skin concerns such as anti-aging, acne, hyperpigmentation and sun protection and is sold in specialty retail and department stores and select spas throughout the United States and in several other countries. The brand was founded in 1991 by Dr. Howard Sobel, a renowned New York City dermatologist to better serve his patient's needs. North Castle invested in Yonkers, NY-based HDS Cosmetics Lab and its DDF brand in 2004 building on its experience and knowledge in its Aesthetics and Personal Care vertical. For more information about DDF, visit [www.ddfskincare.com](http://www.ddfskincare.com).

#### **About North Castle Partners**

North Castle Partners is a leading private equity firm focused exclusively on investments in consumer-driven product and service businesses that benefit from "Healthy Living and Aging" trends. North Castle is a hands-on, value-added investor in high-growth, middle market companies in the (i) aesthetics & personal care, (ii) consumer health, (iii) fitness & recreation, (iv) home & leisure and (v) nutrition industries.

North Castle's current portfolio includes such well-known brands as glominerals, Red Door Spas, Leiner Health Products, Enzymatic Therapy and Octane Fitness. Prior portfolio company holdings include Equinox Fitness, EAS, CRC Health Group, Grand Expeditions, Naked Juice Company and Avalon Natural Products.

North Castle is led by a seasoned group of five partners and supported by eight additional private equity professionals. The North Castle team is further enhanced by eleven proactive operating advisors who bring a wide range of operational and investment capabilities as well as an extensive knowledge base and network. The strength of the North Castle team, combined with our focus and network, is creating significant competitive advantages in building world-class companies. North Castle is headquartered in Greenwich, CT. For more information, visit [www.northcastlepartners.com](http://www.northcastlepartners.com).