

June 23, 1998

*CCSI's disposable shown to be senseless.*

In a press release dated March 16, 1998 Chromatics Color Sciences International, Inc. (OTC Symbol: CCSI) (Price: \$7.25) announced it "has received a letter from the American Medical Association permitting 3rd party insurance reimbursement in all U.S. states for each use of the Company's non-invasive device under AMA Code CPT 82250, which is the same reimbursement code for the laboratory blood test currently used to monitor hyperbilirubinemia." The American Medical Association ("AMA") has confirmed that it has not sent any such letter to Chromatics, that the AMA CPT code 82250 should not be used for Chromatics' Colormate III jaundice product, that the AMA does not have a CPT code for a non-invasive test to estimate bilirubin blood levels, and that AMA CPT codes do not under any condition obligate or permit any insurance company to reimburse hospitals or patients for any charges. A copy of our complete report on the AMA's position is available on the internet at [www.asensio.com](http://www.asensio.com).

Chromatics has admitted that it "never considered" instrument sales to have "major income potential" in the bilirubin market. It claims that a majority of its revenues will come from sales of a disposable calibration and contamination guard that will be required for each test performed using its instrument. This means that the Chromatics device needs to be recalibrated, or at least verified, after each use and that it requires contact with the patient's skin. These characteristics are crude and totally unnecessary. Simple inexpensive color measurement devices are readily available that can perform the required operation precisely without physical contact or the need for recalibration after each use.

Most babies are not subjected to blood tests for jaundice. In fact, in Chromatics' clinical trials submitted to the FDA 1,037 of the 1,317 babies in the trial did not undergo blood tests. The jaundice test is simple and relatively painless. The bilirubin test does not require blood to be drawn from a vein. It uses a drop of blood obtained from the capillaries of the heel. The Chromatics test can only be used to estimate total bilirubin levels. It cannot replace a blood test. Chromatics has refused to state the sale price of its disposable. The current blood test costs hospitals less than \$1 per test. There is no reason to believe any hospital will pay Chromatics or any other colorimeter provider a significant per test charge for an unnecessary test that requires an unnecessary disposable.

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.