



## Press Announcement

FOR IMMEDIATE RELEASE

### PHARMACIA AND PALADIN ENTER INTO DISTRIBUTION AGREEMENT FOR CERTAIN ENDOCRINOLOGY AND WOMEN'S HEALTH BRANDS

**Montreal, Canada, January 16, 2002** – Pharmacia Canada Inc. (NYSE:PHA) and Paladin Labs Inc. (TSE:PLB) have entered into an agreement naming Paladin as the exclusive Canadian distributor of a portfolio of endocrinology and women's health brands. Under this agreement, Paladin will assume responsibility for the sales and marketing of these brands and share revenues equally with Pharmacia, in return for a series of payments to Pharmacia. Further terms of the agreement were not disclosed.

The products include the brands Dostinex<sup>®</sup>, Estring<sup>®</sup>, and Dalacin<sup>®</sup> Vaginal Cream. All products are currently being sold in Canada, with combined sales of approximately \$5.0 million in 2001.

"This is a tremendous opportunity for Paladin," said David MacNaughtan, Vice President, Business Development of Paladin Labs Inc. "Dostinex<sup>®</sup> represents an excellent strategic fit for us, given that our national sales force is currently calling on Canadian endocrinologists to promote Androderm<sup>®</sup>, the only testosterone patch approved for sale in Canada. In total, the addition of these products gives critical mass to our product offerings in both endocrinology and women's health."

"By applying our specialty marketing and sales expertise, Paladin will help ensure that physician awareness and understanding of these innovative Pharmacia medicines will be broadened, thereby improving the availability of safe and effective treatment options for all Canadians," said Jonathan Goodman, President and CEO of Paladin Labs Inc. "The agreement also allows Pharmacia to focus on its core business and products, maximizing the success of all brands."

Dostinex<sup>®</sup> (cabergoline) is a recently introduced medication indicated for the treatment of hyperprolactinemia, a condition that occurs as a result of excess secretion of the hormone prolactin. In women, symptoms of hyperprolactinemia include infertility, absence of menstrual periods and the discharge of breast milk. In men, hyperprolactinemia can result in lowered testosterone levels producing decreased libido, impotence and infertility. Dostinex treats hyperprolactinemia by producing long-lasting reductions in prolactin. Dostinex<sup>®</sup> is also prescribed to prevent the production of breast milk in cases where breast feeding is not medically advisable following childbirth.

Estring<sup>®</sup> (estradiol vaginal ring) is an intravaginal ring that provides sustained local release of estrogen over a three-month period. Estring<sup>®</sup> is indicated for the treatment of post-menopausal urogenital complaints. Estring<sup>®</sup> offers women the option of taking a local estrogen therapy for the treatment of these urogenital complaints.

Dalacin<sup>®</sup> Vaginal Cream (clindomycin phosphate) is indicated for the treatment of bacterial vaginosis, a condition that results from an overgrowth of pathogenic bacteria within the vagina. Dalacin<sup>®</sup> administration eliminates these pathogenic bacteria and restores the normal flora within the vagina.

The other brands included in this agreement are formulations of the prostaglandin, dinoprostone, indicated for cervical ripening in pregnant women at or near term, and the induction of labour.

**About Paladin Labs Inc.**

Paladin Labs, headquartered in Montreal, Quebec, is a rapidly growing pharmaceutical company focused on acquiring or in-licensing innovative pharmaceutical products for the Canadian market. With this strategy, a focused national sales team and proven marketing expertise, Paladin has evolved into one of Canada's most profitable publicly-traded pharmaceutical companies. Paladin's shares trade on the Toronto Stock Exchange under the symbol *PLB*. For more information about Paladin, please visit the Paladin Web Site at [www.paladin-labs.com](http://www.paladin-labs.com).

*This news release may contain forward-looking statements or predictions. These statements represent our judgement as of this date and are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed in such forward-looking statements. Potential risks and uncertainties include, without limitation, those associated with product development, clinical trials, future revenues and profitability, and obtaining marketing approval.*

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