



Press Announcement

PALADIN LAUNCHES ANDRODERM® 5MG TESTOSTERONE PATCH

Montreal, Canada, October 29, 2002 - Paladin Labs Inc. (TSX: PLB), a Canadian specialty pharmaceutical company focused on marketing and selling urology, endocrinology and women's health products, today announced that Androderm® in a 5mg format is now available for sale in Canada. Paladin currently markets Androderm® in a 2.5mg format. Androderm® is the only transdermal patch available in Canada for the treatment of testosterone deficiency in men.

It is estimated that testosterone deficiency or andropause afflicts more than one million men in Canada. Testosterone deficiency is characterized by symptoms of fatigue, negative moods, and loss of sex drive. Paladin expects this market to continue to grow as only five per cent of men suffering from testosterone deficiency are now being treated in Canada. Launched by Paladin in 2001, Androderm® is competing in a \$23 million market that has grown at a four-year compounded annual growth rate of over 30%.

“The commercial availability of the 5mg format strengthens the competitive position of Androderm®,” said Mark Beudet, Paladin’s Vice-President of Sales and Marketing. “Transdermal patches are widely used and are patient-favoured treatments in Canada. The new Androderm® 5mg patch provides physicians and patients with an easy-to-use option to alternative treatments and means that virtually all patients will require only one patch per day.”

In clinical trials, Androderm® has demonstrated improvements in mood and libido and has restored testosterone to normal physiological levels in 92% of patients.

THE ANDRODERM® ADVANTAGE

Androderm® is a once-daily transdermal patch that provides continuous delivery of testosterone for 24 hours following application. Androderm® provides significant advantages compared to other therapies currently available due to its unique delivery system.

Androderm® quickly restores testosterone levels to normal levels in contrast to the more variable response obtained with pills or unpleasant injections that require regular physician visits. In addition, Androderm® provides men with an easy-to-use treatment that is applied once-a-day.

For more information about Androderm® in Canada, physicians and patients can call 1-888-550-6060.

About Paladin Labs Inc.

Paladin Labs Inc., 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.paladinlabs.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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