



NEWS RELEASE

## **PALADIN TRANSFERS RIGHTS FOR SELECT OTC BRANDS TO PHARMASCIENCE INC.**

**Montreal, Canada, March 31, 2003** - 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 it has transferred the rights for several of its over-the-counter ("OTC") brands to Pharmascience Inc., effective January 1, 2003. Paladin has assigned the licenses to Sialor<sup>®</sup> and the Baker Cummins Line of dermatology products and has sold the Moi-Stir<sup>®</sup> trademark. This disposition is in-line with the Company's strategy to increase its sales and marketing focus on its prescription brands and will not have a material impact on Paladin's 2003 revenues.

### **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 leading specialty 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](http://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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