



NEWS RELEASE

PALADIN AND DURAMED SIGN SEASONALE PRODUCT CANADIAN LICENSE AND DISTRIBUTION AGREEMENT

First Filing for Approval of SEASONALE[®] Extended-Cycle Oral Contraceptive Outside of the United States

Montreal, Canada, October 26, 2005 – Paladin Labs Inc. (TSX: PLB), a leading Canadian specialty pharmaceutical company, today announced that it has signed a License and Distribution agreement with Duramed Pharmaceuticals, Inc., a wholly-owned subsidiary of Barr Pharmaceuticals, Inc. (NYSE: BRL), which grants Paladin an exclusive license to seek approval for and to market Seasonale[®] extended-cycle oral contraceptive in Canada. Paladin currently markets Duramed's Plan B[®] emergency contraceptive in Canada. The terms of the agreement were not disclosed.

On September 30, 2005, Paladin filed on behalf of Duramed the New Drug Submission (NDS) for Seasonale[®] with the Therapeutic Products Directorate (TPD) of Health Canada.

Currently, Seasonale[®] is only approved and marketed in the United States where it was launched in October 2003. For the fiscal year ended June 30, 2005, Barr recorded sales of Seasonale[®] of U.S. \$87 million.

"The Canadian oral contraceptive market represents a significant, untapped opportunity," said Bruce L. Downey, Barr's Chairman and CEO. "Our agreement with Paladin, following Canadian regulatory approval, will enable us to provide Canadian women an additional, unique option in oral contraception. We are confident that Paladin will be able to effectively communicate the benefits of the Seasonale[®] extended-cycle oral contraceptive regimen to this exciting, new market."

"We are excited to expand our relationship with Barr with the addition of Seasonale[®]", said Jonathan Ross Goodman, President & CEO of Paladin Labs. "Seasonale[®] will complement our growing women's health franchise, including Plan B[®] which obtained over-the-counter status in Canada earlier this year."

Under the Seasonale[®] extended regimen, women take active tablets of 0.15 mg levonorgestrel/0.03 mg of ethinyl estradiol for 84 consecutive days, followed by seven days of placebo. The regimen is designed to reduce the number of withdrawal bleeding periods from 13 to four per year. By contrast, the majority of oral contraceptive products currently available are based on a regimen of 21 treatment days, followed by seven days of placebo.

Important Information About Oral Contraceptives

Oral contraceptives are not for every woman. Serious as well as minor side effects have been reported with the use of hormonal contraceptives. Serious risks include blood clots, stroke, and heart attack. Cigarette smoking increases the risk of serious cardiovascular side effects, especially in women over 35 years. Oral contraceptives do not protect against HIV infection (AIDS) and other sexually transmitted diseases.

About Barr Pharmaceuticals, Inc.

Barr Pharmaceuticals, Inc. is a holding company whose principal subsidiaries, Barr Laboratories, Inc. and Duramed Pharmaceuticals, Inc., develop, manufacture and market generic and proprietary pharmaceuticals.

About Paladin Labs Inc.

Paladin Labs Inc., headquartered in Montreal, Canada, is a leading specialty pharmaceutical company focused on developing, 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.

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 and other factors that are discussed in the Management Discussion and Analysis published in the Company's annual report.

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