



## Press Announcement

FOR IMMEDIATE RELEASE

### **PALADIN LABS INC. ANNOUNCES THIRD QUARTER FINANCIAL RESULTS**

*-- Quarter marked by 23% increase in revenues over last year, additional in-licensing agreements, higher R&D expenses and strengthening of product pipeline --*

**Montreal, Canada – October 30, 2000** – Paladin Labs Inc. (Paladin) (TSE: PLB) is pleased to announce financial results for the period ended September 30, 2000.

For the three-month period ended September 30, 2000, revenues totalled \$3,044,544, compared to \$2,472,883 in the third quarter of 1999. Net income in the third quarter 2000 totalled \$819,210, or \$0.07 per share, compared to \$812,199 or \$0.09 per share in the corresponding period last year. Selling and administrative expenses reached \$1,069,763, on par with the third quarter 1999's \$1,088,710. Research and development expenses rose in the third quarter of 2000 to a total of \$430,386.

For the nine-month period ended September 30, 2000, revenues rose to \$8,791,530, representing an 8% increase over the same period in 1999. Net income in the third quarter totalled \$1,949,588, or \$0.17 per share, compared to \$1,820,351 or \$0.20 per share for the nine-month period of 1999. Selling and administrative expenses increased by 11% over the same period a year ago. Research and development expenses also rose in the first nine months, by 74%, over last year to \$902,581.

Paladin's selling and administrative expenses increased for the quarter as the Company invested more into product launch activities, added 4 new people to the sales team, and increased the depth of its marketing department. Meanwhile R&D expenses climbed dramatically over last year as Paladin further developed its pipeline.

"We're pleased with the revenue growth achieved so far this year, with quarterly results consistent with our expectations. Our commitment of resources to new product launches, most notably Androderm™, Plan B™ and Valtaxin™, reflects our confidence in our broad pipeline of innovative, specialty pharmaceuticals for the Canadian market," said Paladin President and Chief Executive Officer Jonathan Goodman. "These products plus others such as SkyePharma's Depocyt™ will provide the growth inherent in our pipeline."

Over the quarter, the Company marked the following progress:

- In July, Paladin announced that the Therapeutic Products Programme granted Valtaxin™, used in the treatment of refractory bladder cancer, a notice of compliance permitting the sale of Valtaxin™ in Canada;
- Also in July, Paladin signed an exclusive marketing and distribution agreement for Canada with Cell Pathways, Inc. (Nasdaq: CLPA). The agreement provides Paladin with the exclusive Canadian rights to commercialize Aptosyn™, in clinical trials to treat pre-cancerous conditions in the colon; and

- In September, Paladin and BioSante Pharmaceuticals, Inc. (OTCBB:BTPH; CDNX:BAI) announced an agreement whereby Paladin will sub-license BioSante's portfolio of female hormone replacement therapies for marketing and distribution in Canada.

"The activities of the quarter are consistent with our acquisition and licensing strategy to propel future growth," said Paladin Chief Financial Officer and Vice President Lennie Ryer. "Looking forward, we expect to commercialise Valtaxin™, our bladder cancer treatment, and Androderm™, which is our transdermal patch delivery system for the treatment of male testosterone deficiency, in the first quarter of next year. Additionally, results of a pivotal Phase III trials of Aptosyn™ are expected by early 2001."

**Paladin Labs Inc.**

Paladin Labs, headquartered in Montreal, Quebec is a Canadian developer, marketer and distributor of innovative pharmaceuticals currently offering products in urology, dermatology, rheumatology and other specialty markets. For more information about Paladin, please visit the Paladin Web Site at [www.paladin-labs.com](http://www.paladin-labs.com) or send e-mail to [info@paladin-labs.com](mailto:info@paladin-labs.com).

Paladin Labs Inc. is a public company whose shares trade on the Toronto Stock Exchange under the symbol *PLB*.

*The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. 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.*

**For further information please contact:**

**Paladin Labs Inc**

Lennie Ryer, C.A., CFE  
Chief Financial Officer  
Tel: 514-340-5067  
e-mail: [lryer@paladin-labs.com](mailto:lryer@paladin-labs.com)  
Web Site: [www.paladin-labs.com](http://www.paladin-labs.com)

Michael Polonsky  
The Equicom Group  
Tel: 416-815-0700 ext.2311  
e-mail: [mpolonsky@equicomgroup.com](mailto:mpolonsky@equicomgroup.com)  
Web Site: [www.investorlook.com](http://www.investorlook.com)