



For Immediate Release

Press Announcement

PALADIN LICENSES CANADIAN RIGHTS TO OESCLIM® FROM GROUPE FOURNIER

*- New product adds \$1.5 million in sales to growing Hormone
Replacement Therapy (HRT) portfolio -*

Montreal, Canada, February 1, 2001 – Paladin Labs Inc. (TSE:PLB) today announced that it has licensed the Canadian rights to Oesclim® (estradiol 17-β transdermal system) from Groupe Fournier. The terms of the agreement were not disclosed.

Oesclim® is an estrogen patch indicated for the relief of menopausal and post-menopausal symptoms. Oesclim® represents a new generation of twice-weekly matrix patches, delivering estradiol to those women who are prescribed hormone replacement therapy by their doctors. According to clinical studies, Oesclim® provides proven efficacy in the relief of vasomotor symptoms, and offers superior adhesion and skin tolerability compared with the leading patch.

IMS Canada reports that, as of September 2000, Oesclim® sales exceeded \$1.5 million during the past twelve-month period and grew 150% when compared to the previous year during which the product was launched. Overall, the market for transdermal patches and gels exceeds \$30 million in Canada, and has grown at a compounded rate of 8% over the past four years.

“Following a strong launch of the product in the marketplace by Fournier Pharma Inc. (the Canadian affiliate of Groupe Fournier), Oesclim® will become a significant addition to our portfolio of hormone related products” said David MacNaughtan, Vice-President, Business Development at Paladin Labs Inc. “HRT is a proven option for those women seeking relief from symptoms associated with menopause, and this is a demographic group that is projected to increase by 15% over the next five years.”

“Furthermore,” MacNaughtan continued, “the promotion of Oesclim® complements the sales and marketing efforts behind our other hormone related products such as Plan B® (a next-generation emergency contraceptive), Androderm™ (the first testosterone patch approved in Canada) and Tapazole® (an established treatment for hyperthyroidism). As such, we expect that this transaction will be immediately accretive to earnings.”

About 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 or send e-mail to info@paladin-labs.com.

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

About Groupe Fournier

Groupe Fournier is a diversified pharmaceutical company operating in 30 countries worldwide. Its activities focus on cardiovascular and metabolic diseases, as well as gynaecological and urologic disorders. Oesclim[®], a Groupe Fournier research product approved in 20 countries, is the leading estrogen transdermal patch in France. It obtained US NDA in 1998 and was launched by Women First HealthCare on the United States market in 1999. For more information, visit the Groupe Fournier web site at www.groupe-fournier.com.

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.

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