

News Release

Valeant Pharmaceuticals Announces All-Cash Offer to Acquire Afexa Life Sciences Inc.
MISSISSAUGA, Ontario, Aug. 30, 2011 /PRNewswire via COMTEX/ --

Valeant Pharmaceuticals International, Inc. ("Valeant") (NYSE/TSX:VRX), announced today that it has agreed to acquire Afexa Life Sciences Inc. (TSX:FXA) for approximately C\$76 million. Afexa, a health-science company headquartered in Edmonton, Alberta, Canada, currently markets several consumer brands, such as COLD-FX® and COLDSORE-FX(TM), and has annual revenues of approximately C\$40 million.

"We are pleased to have the full support of Afexa's management team and board of directors for a transaction that we believe should deliver significant benefits to our customers, employees and shareholders," stated J. Michael Pearson, chairman and chief executive officer. "Afexa's strong franchise of consumer brands, including COLD-FX®, Canada's leading over the counter (OTC) cold and flu treatment, will be a solid addition to our developing OTC product portfolio in Canada. Afexa's product line, combined with our portfolio from VitalScience, including dermaglow®, and our recent Canadian launch of CeraVe, will provide the critical mass we need in the OTC market and should provide Valeant Canada with another platform for growth."

Under the terms of the agreement, holders of Afexa Common Shares will receive C\$0.71 in cash per Common Share, which represents a premium of approximately 30% to Afexa's 30-trading day volume weighted average closing price on the Toronto Stock Exchange (TSX) and a premium of 49% over the closing price the day before the announcement of the unsolicited bid of Paladin Labs Inc. The agreement also represents a premium of 29% to the cash consideration and a 49% premium to the alternative share consideration offered under Paladin Labs Inc. unsolicited bid (based on Paladin's closing share price on the TSX on August 29, 2011).

The board of directors of Afexa, after receiving the unanimous recommendation of the special committee of the board of directors, has approved the agreement and unanimously recommends that Afexa's shareholders tender their Common Shares. The Afexa board of directors has received a fairness opinion from its financial advisor stating that the consideration to be received is fair from a financial point of view to the shareholders of Afexa. In addition, Valeant has entered into lock-up agreements with directors and officers of Afexa pursuant to which such directors and officers have agreed to tender all Common Shares held by them, representing in the aggregate 8.8% of the outstanding Common Shares on a fully-diluted basis.

Full details of the offer will be included in a take-over bid circular which is expected to be mailed to holders of Common Shares by September 9, 2011. The offer will be open for acceptance for a period of not less than 35 days and is subject to a number of customary conditions, including there being deposited under the offer and not withdrawn at the expiration of the offer such number of Common Shares that represent at least 66-2/3% of the outstanding Common Shares calculated on a fully-diluted basis, there being no material adverse changes to Afexa's business and the receipt of all necessary regulatory approvals. Pursuant to the agreement, Afexa has agreed to waive the application of the shareholder rights plans to the offer and to take no action to waive the application of the shareholder rights plans to any other acquisition proposal.

Stikeman Elliott LLP is acting as legal counsel to Valeant.

About Valeant Pharmaceuticals International, Inc.

Valeant Pharmaceuticals International, Inc. is a multi-national specialty pharmaceutical company that develops, manufactures and markets a broad range of pharmaceutical products primarily in the areas of neurology, dermatology and branded generics. More information about Valeant Pharmaceuticals International, Inc. can be found at www.valeant.com.

Forward Looking Information

To the extent any statements made in this document contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended and may be forward-looking information as defined under applicable Canadian securities legislation (collectively, "forward-looking statements").

This press release may contain forward-looking statements. Forward-looking statements may be identified by the use of the words "anticipates," "expects," "intends," "plans," "should," "could," "would," "may," "will," "believes," "estimates," "potential," or "continue" and variations or similar expressions. These statements are based upon the current expectations and beliefs of management and are subject to certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to, risks and uncertainties discussed in Valeant's most recent annual or quarterly report filed with the SEC and risks and uncertainties as detailed from time to time in Valeant's filings with the SEC and the Canadian Securities Administrators, which factors are incorporated herein by reference. These risks and uncertainties also include, without limitation, the ability to obtain all necessary regulatory approvals, third party consents and otherwise satisfy the conditions of the Offer, delays in mailing the take-over bid documentation or in closing the Offer. Readers are cautioned not to place undue reliance on any of these forward-looking statements. Valeant undertakes no obligation to update any of these forward-looking statements to reflect the events or circumstances after the date of this press release or to reflect actual outcomes.

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