

# Æterna Zentaris



PRESS RELEASE  
FOR IMMEDIATE RELEASE

## **Æterna Zentaris and Paladin Labs Complete Sale and Purchase of Miltefosine Rights**

**Québec City and Montreal, Canada, April 1, 2008** — Æterna Zentaris Inc. (NASDAQ: AEZS; TSX: AEZ), a global biopharmaceutical company focused on endocrine therapy and oncology, and Paladin Labs Inc. (TSX: PLB), a leading Canadian specialty pharmaceutical company, announced today that, on March 31, 2008, they completed the transactions under their previously announced purchase and sale agreement with respect to all rights related to the manufacture, production, distribution, marketing, sale and/or use of miltefosine. The aggregate purchase price for the transaction was Cdn\$9.125 million payable in cash, subject to certain post-closing purchase price adjustments.

### **About miltefosine**

Miltefosine is a phosphocholine analogue currently marketed under the brand name Impavido<sup>®</sup>, the first oral drug for the treatment of visceral and cutaneous leishmaniasis. Impavido<sup>®</sup> has been proven to be highly effective and less toxic than currently available treatments. Other currently available treatments are liposomal amphotericin (Ambisome<sup>®</sup>) and Paromomycin.

### **About leishmaniasis**

Leishmaniasis is an infectious disease transmitted by the bite of the phlebotomine sandfly. The cutaneous form of the disease normally produces skin ulcers on the exposed parts of the body such as the face, arms and legs. The visceral form - also known as kala azar - is characterized by irregular bouts of fever, substantial weight loss, swelling of the spleen and liver, and anemia (occasionally serious).

According to the World Health Organization, the disease is endemic in 88 countries with nearly 350 million people at risk. If untreated, visceral leishmaniasis can result in death within 6 months to 2 years. There are more than one million new cases per year of cutaneous leishmaniasis and an estimated prevalence of 12 million people already infected.

### **About Æterna Zentaris Inc.**

Æterna Zentaris Inc. is a global biopharmaceutical company focused on endocrine therapy and oncology with proven expertise in drug discovery, development and commercialization.

News releases and additional information are available at [www.aezsinc.com](http://www.aezsinc.com).

## About Paladin Labs Inc.

Paladin Labs Inc., headquartered in Montreal, Canada, is a specialty 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. For more information, please visit the Company's web site at [www.paladinlabs.com](http://www.paladinlabs.com)

## Forward-Looking Statements

This press release contains forward-looking statements made pursuant to the safe harbor provisions of the U.S. Securities Litigation Reform Act of 1995. Forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. Both Æterna Zentaris and Paladin Labs (collectively, the "Companies") consider the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but caution that these assumptions regarding the future events, many of which are beyond the control of the Companies and their subsidiaries, may ultimately prove to be incorrect. Factors and risks, which could cause actual results to differ materially from current expectations, are discussed in the annual reports, as well as in the Companies' Annual Information Forms for the year ended December 31, 2007. The Companies disclaim any intention or respective obligation to update or revise any forward-looking statements whether as a result of new information or future events, except as required by law. For additional information on risks and uncertainties relating to these forward-looking statements, investors should consult the Companies' respective ongoing quarterly filings, annual reports and Annual Information Forms and other filings found on SEDAR at [www.sedar.com](http://www.sedar.com).

-30-

For further information:

### Paladin Labs:

Samira Sakhia  
Chief Financial Officer  
(514) 340-5067, (514) 344-4675 (FAX)  
[info@paladin-labs.com](mailto:info@paladin-labs.com)

### Æterna Zentaris:

Jenene Thomas  
Senior Director, Investor Relations & Corporate Communications  
(908) 626-5509  
[jthomas@aezsinc.com](mailto:jthomas@aezsinc.com)

Paul Burroughs  
Media Relations  
(418) 652-8525 ext. 406  
[pburroughs@aezinc.com](mailto:pburroughs@aezinc.com)