



Press Release

For immediate release

New pharmaceutical development company in Quebec: THE SGF AND THE SWISS GROUP DEBIO CREATE H3 BIODÉ, Inc.

Montreal, June 7, 2001 – In the presence of Gilles Baril, Quebec's Minister of State for Regions and Minister of Industry and Trade, Dr. Rolland-Yves Mauvernay, president of the Debio group, a Swiss pharmaceutical company, and Claude Blanchet, chairman of the board, president and CEO of the Montreal-based Société générale de financement du Québec (SGF), announced the creation of H3 BIODÉ Inc. (H3), a pharmaceutical products development company.

The result of an equal partnership between SGF Santé and the Debio group, H3 will specialize in pharmaceutical products and medical devices through the identification, purchase, development and assignment of licences. The company will have an important role in the development of a network of research in innovative therapeutic formulations that meet unfulfilled medical needs.

This new company is valued at Cdn \$50 million. Its assets comprise Cdn \$30 million in liquid assets and a portfolio of products at different stages of research and commercialization. Revenue from the sale of products, for which H3 is the exclusive North American distributor, will constitute a significant part of the company's working capital. Funds will be invested according to needs. In addition to its pharmaceutical expertise, the Debio group will be injecting up to Cdn \$5 million in financing and sharing revenue generated by products developed for the North American market.

The originality of H3 lies in creating a global research network to capture new treatment opportunities, in establishing a synergy of expertise allowing optimum effectiveness (in time, means and results) and, for every inventor, in forming their own operating company around their discovery.

H3 will play a key role in Quebec's biopharmaceutical industry

Industry and Trade Minister Gilles Baril believes that H3 will contribute to the growth of the pharmaceutical industry in Quebec. "Quebec's pharmaceutical industry already enjoys a pool of expertise and an outstanding labour force. Accordingly, the presence of this new player will foster synergy and further stimulate this industry. I think that we can expect very positive economic results for Quebec."

For the president of the Debio group, Dr. Rolland-Yves Mauvernay, establishing H3 in Montreal is a natural step for the development of the Debio group in North America. "This is an important phase in the company's expansion in North America. It is no accident that H3, a Debio group subsidiary, has chosen Montreal as its base of operations in North America, notably to take advantage of Quebec's pool of research scientists and dynamic biopharmaceutical sector."

Claude Blanchet, president of the SGF, affirms that the interest is mutual and that Quebec's biopharmaceutical industry will benefit from the activities of H3. As Mr. Blanchet explains, "H3 will meet an important need for intermediaries between the scientific world and the biotechnology industry, by creating a global research network. In Quebec as elsewhere in the world, there are many research projects with huge opportunities from the pharmaceutical standpoint, but which are not being developed."

Debio

The Debio group consists of three synergistic companies: Debiopharm, Debio Recherche Pharmaceutique (Debio R.P.) and Debioclinic, which carry out integrated drug development from the pre-clinical technical feasibility stages of a pharmaceutical compound through to the full collation of registration files and obtainment of marketing authorizations in both the U.S. and Europe.

Société générale de financement du Québec

SGF Santé is a subsidiary of the Société générale de financement whose mission in Quebec is to launch economic development projects in cooperation with partners and which meet normal profitability requirements. Since it was restructured in 1998, the SGF has generated investments of almost Cdn \$4.4 billion and created over 19,400 direct and indirect jobs in projects having reached the operational stage, not counting the thousands of jobs created during the construction phase. As at September 30, 2000, the consolidated assets of the SGF exceeded Cdn \$2.2 billion. The SGF has 52 international partners at work in Quebec.

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For further information:

Sylvie Brousseau
Directrice des communications
Société générale de financement
Tel. (514) 876-9290
www.sgfqc.com

Thierry Mauvernay
Executive Vice-president
Groupe Debio
Tel. (++41) 21 321 01 11
www.debio.com

Johanne Pelletier
Press Secretary
Office of the Minister of State for Regions,
Minister of Industry and Trade
(419) 691-5650
www.mic.gouv.qc.ca