

NEWS RELEASE

May 23, 2005

PADDOCK LABORATORIES DONATES \$2 MILLION TO COLLEGE OF PHARMACY *Money earmarked for Duluth branch, educating pharmacists for Greater Minnesota*

MINNEAPOLIS / ST. PAUL (May 23, 2005) — Minneapolis-based Paddock Laboratories donated \$2 million to the University of Minnesota College of Pharmacy to renovate teaching and research facilities on the Duluth campus and further the college's efforts in Greater Minnesota.

Paddock Laboratories made the gift to support the college's 2003 expansion to the Duluth campus. The money will be used to pay for a portion of renovation of classrooms and laboratories for faculty and students at the College of Pharmacy, Duluth. The donation will also enhance the college's commitment to expanding pharmacy services for Greater Minnesota. Bruce Paddock, president of Paddock Laboratories, is a Duluth Native.

"Paddock Laboratories' gift will transform our Duluth program," said Dean Marilyn K. Speedie, Ph.D. "The generosity accelerates our growth, propelling us years ahead of where we otherwise would be."

The 2005 bonding bill provided state funding to renovate the Life Sciences Building on the University of Minnesota Duluth campus. The College of Pharmacy, Duluth, will occupy two floors in the building. The College of Pharmacy, Duluth, area of the building will be named the "Paddock Laboratories Pharmacy Education Center."

The Paddock gift will pay for the college's obligation of the cost of renovation and will provide additional funds to purchase equipment, provide scholarships, and otherwise enhance the program.

The gift will enable the College of Pharmacy, Duluth, to assume a leadership role in alleviating the critical shortage of pharmacists in Greater Minnesota. Minnesota has one of the highest demands for pharmacists in the country.

"The University of Minnesota College of Pharmacy has afforded me the opportunity to pursue a career that has been rewarding both professionally and financially," Paddock said. "It gives me great pleasure to support the College of Pharmacy, Duluth, initiative."

Paddock Laboratories is a privately held, niche-based pharmaceutical company founded in 1977. The company has more than 250 employees and has committed itself to bringing new branded generics to market.

Paddock, a 1970 alumnus of the College of Pharmacy, received the University of Minnesota Pharmacy Alumni Society Distinguished Pharmacist Award in 2000. He also established the Paddock Laboratories Scholarship that provides annual support to pharmacy students.

"Paddock Laboratories shares our vision for the Duluth expansion," Speedie said. "Bruce has been an enthusiastic supporter of the project from its inception."

The College of Pharmacy expanded its program to the Duluth campus in 2003 to help address the severe shortage of pharmacists in Greater Minnesota.

While the college has increased its capacity by 50 percent, the number of students from Greater Minnesota has more than doubled, and in some cases tripled, compared with before the expansion. In 2002, the college had 21 first-year students from Greater Minnesota. In 2003, 41 first-year students were from Greater Minnesota. And in 2004, 47 first-year students called Greater Minnesota home. The number of first-year students from the Arrowhead region increased from two in 2002 to 11 in 2004.