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**VALEANT PHARMACEUTICALS SIGNS LICENSING AGREEMENT FOR
CANADIAN RIGHTS TO \diamond XYREM[®] (SODIUM OXYBATE) FROM JAZZ
PHARMACEUTICALS**

ALISO VIEJO, Calif., January 12, 2007 - Valeant Pharmaceuticals International (NYSE: VRX) today announced that it has signed a licensing agreement for the Canadian rights to \diamond Xyrem[®] (sodium oxybate) for the treatment of cataplexy, a debilitating symptom of narcolepsy, from Jazz Pharmaceuticals, Inc. The agreement calls for Valeant to pay Jazz Pharmaceuticals an upfront fee and royalties based on sales.

"Xyrem is a strategic fit for our existing marketing and sales organizations in Canada and we are excited about the potential of this agreement and the opportunity to work with Jazz Pharmaceuticals," Valeant's president and chief executive officer, Timothy C. Tyson said. "The product expands our neurology business in Canada in a niche market with unmet medical needs."

Xyrem, a liquid formulation of sodium oxybate, is the first and only product approved in Canada to treat cataplexy, which is a sudden loss of muscle tone associated with narcolepsy. Valeant expects to launch and distribute Xyrem in Canada in mid 2007 through its neurology sales force.

Xyrem has demonstrated an acceptable safety profile in narcoleptics with cataplexy when administered in nightly divided doses of 6 to 9 g with a recommended starting dose of 4.5 g/night. The adverse event profile was generally consistent with the known pharmacological actions of sodium oxybate and intercurrent disease states. The most commonly reported adverse drug reactions are dizziness, nausea, and headache, occurring in 17-25 percent of patients. These are not the only possible effects with Xyrem. Patients administered Xyrem should be monitored for treatment-emergent adverse events. Physicians and patients can obtain additional prescribing information regarding Xyrem, including the product's safety profile and the box warning by contacting Valeant Canada at 514.744.6792 ext. 2311.

About Cataplexy:

Cataplexy is a sudden loss of muscle tone that is a debilitating symptom of narcolepsy. Cataplexy may occur more frequently during times of stress or fatigue. The cataplectic attack may involve only a slight feeling of weakness and limp muscles (i.e., sagging

facial muscles, a nodding head, buckling knees, loss of arm strength, garbled speech), or it may result in immediate and total body collapse, during which the person may appear unconscious, but is actually awake and alert. These attacks may last from a few seconds up to several minutes. Cataplectic episodes are related to the loss of muscle tone usually associated with the normal dreaming stage of sleep called rapid eye movement (REM); as a protection against acting out one's dreams, the muscles become immobile or paralyzed.

About Narcolepsy:

Narcolepsy is a complex, lifelong neurological disease characterized by fragmented nighttime sleep, excessive daytime somnolence (EDS), cataplexy, sleep paralysis, and hypnagogic hallucinations. At various times throughout the day, people with narcolepsy experience fleeting urges of sleep. If the urge is overwhelming, individuals will fall asleep for periods lasting from a few seconds to several minutes. In addition to excessive daytime sleepiness, three other major symptoms frequently characterize narcolepsy: cataplexy or the sudden loss of voluntary muscle tone; vivid hallucinations during sleep onset or upon waking; and brief episodes of total paralysis at the beginning or end of sleep.

The cause of narcolepsy is unknown and likely involves multiple interacting factors that causes neurological dysfunction and sleep disturbances.

About Valeant:

Valeant Pharmaceuticals International (NYSE: VRX) is a global specialty pharmaceutical company that develops, manufactures and markets products primarily in the areas of neurology, infectious disease and dermatology. More information about Valeant can be found at www.valeant.com.

Forward-looking Statement

This press release contains forward-looking statements, including, but not limited to, statements regarding the potential launch of Xyrem in Canada. 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, the risks and uncertainties relating to the company's ability to launch Xyrem in Canada and its ability to make milestone and royalty payments, and other risks and uncertainties discussed in the company's filings with the U.S. Securities and Exchange Commission. Valeant wishes to caution the reader that these factors are among the factors that could cause actual results to differ materially from the expectations described in the forward-looking statements. Valeant also cautions the reader that undue reliance should not be placed on any of the forward-looking statements, which speak only as of the date of this release. The company undertakes no obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this release or to reflect actual outcomes.