

September 13, 1996

Strong Sell Recommendation.

Asensio & Company issues a Strong Sell Recommendation on Biovail Corporation International (AMEX Listed Trading Symbol: BVF) noting that its \$817 million market value fully reflects the most optimistic projections and none of the risks.

Investors seem to be buying Biovail shares believing it's a sure thing. In fact, very real and serious concerns related to Tiazac, and its much proclaimed but nonexistent Procardia XL filing, make its future highly uncertain. As a result, even assuming Tiazac meets expectations and a Procardia ANDA filing, we believe the shares are grossly overvalued.

Investors seem to be buying Biovail shares believing that the company is practically assured of FDA approval of a generic Procardia XL. Many base this expectation on the company's Tiazac experience. Most of the circumstances that led to Tiazac's regulatory approval were unique, not within the company's control, and in no way comparable to Procardia XL. In fact, since 1989 Biovail has claimed to be seeking bio-equivalents for at least 8 different drugs and has never obtained a single Food and drug Administration ANDA approval. Furthermore, we found an overwhelming amount of scientific data and expert opinion that directly contradict Biovail's Procardia XL claims.

We believe that the shares also fully reflect the most optimistic Tiazac sales projections. However, we believe that conditions in the declining and highly competitive Calcium Channel Blocker market make Biovail's well publicized \$100 million sales projection for next year completely unrealistic. Even assuming an FDA filing for a generic Procardia XL and that Tiazac meets its forecast, two events that we view as highly unlikely, we still believe that Biovail shares are grossly overvalued.

BioVail Corporation (Symbol:BVF) (Price: \$32.25)

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks.