

ANNUAL INFORMATION FORM
Financial Year Ended November 30, 2004



April 15, 2005

FORWARD-LOOKING STATEMENTS

This Annual Information Form contains forward-looking statements, which reflect the Company's current expectations regarding future events. Actual events or future results may differ materially from the Company's expectations and the Company does not undertake to update this forward-looking information. Investors are cautioned against placing undue importance on forward-looking information contained in this Annual Information Form and should consult the more exhaustive analysis of risks and uncertainties connected to the businesses of the Company, which appears in paragraph 3.11 of this document.

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ITEM 1 CORPORATE STRUCTURE

1.1 NAME

The correct corporate name is Theratechnologies Inc. In this Annual Information Form, the terms “Company” and “Theratechnologies” mean Theratechnologies Inc.

1.2 ADDRESS

The head office of the Company is located at 2310 Alfred-Nobel Boulevard, in the Saint Laurent Technoparc, Montréal, Québec, H4S 2A4.

1.3 INCORPORATION

The Company was incorporated by Certificate of Incorporation issued under Part IA of the *Companies Act* (Québec) on October 19, 1993. By a certificate of amendment dated October 20, 1993, the Company repealed the restrictions applicable to private companies. On December 6, 1993, the articles were amended to establish the number of directors and to amend its capital stock. Finally, on March 26, 1997, the capital stock was changed once again to become what it is today, i.e. an unlimited number of common shares and an unlimited number of preferred shares.

ITEM 2 GENERAL DEVELOPMENT OF THE BUSINESS

The Company began its activities in December 1993 with a widely diversified portfolio of research and development projects mostly originating from the Université de Montréal. In this portfolio were therapeutic products as well as projects in dentistry, veterinary medicine, medical apparatus and software development. In 1997, the Company began to focus its activities with the result that it is now specializing in the development of therapeutic peptides targeting endocrine and metabolic disorders.

During this process, the Company withdrew from its non-core activities by the creation of subsidiaries or the granting of licenses to third parties. From this exercise emerged Ecopia BioSciences, Andromed and Celmed BioSciences. Also as part of the focusing of its activities, the Company acquired Pharma-G, an early-stage company which had developed a discovery platform of therapeutic peptides, ExoPep. This technology was added to the discovery tool developed internally by the Company, the LAP method.

2.1 HISTORICAL NOTES OF THE COMPANY FOR THE LAST THREE FINANCIAL YEARS

A. PRODUCT DEVELOPMENT

During the last three financial years, the Company advanced the development of TH9507 by carrying out and completing an important Phase II clinical program. The Company studied the effects of TH9507 in seven potential indications and in June 2004, chose the one intended for late-stage development and future commercialization, i.e. HIV-associated lipodystrophy. In this regard, in December 2004, the Company filed a request to meet with the FDA, which meeting was held on March 30, 2005. In response to a series of questions raised by the Company, the FDA indicated that it approved the Phase III protocol design with minor modifications, as well as the testing dose and the proposed primary end point.

The Company also decided to develop products for the treatment of diabetes. Consequently, on September 25, 2002, it announced a new development program with respect to ThGLP-1. A Phase I clinical study began in October 2004, and the positive results of the study were announced in March 2005. The Company also signed two agreements related to diabetes, with a view to expanding its product portfolio, i.e. a research, development and licensing agreement with Johnson & Johnson Pharmaceutical Research and Development, L.L.C., regarding an undisclosed target, and an agreement with two European universities providing for the acquisition of rights relating to another peptide, i.e. non-acylated ghrelin.

B. PARTNERSHIPS

In April 2001, the Company signed a partnership agreement with ALZA Corporation of California, to join TH9507 with the transdermal drug delivery technology developed by ALZA, i.e. Macroflux®. The Company subsequently signed two other agreements with a view to developing transdermal formulations for two other peptides, i.e. PTH, in November 2001 and GLP-1, in September 2002. In December 2004, the Company and ALZA jointly terminated their collaboration and Theratechnologies received a lump sum payment of US\$12 million (CAN\$15 million) as compensation for its interests in these three projects. The Company retains the rights to develop its therapeutic peptides, TH9507 and GLP-1 analogues with other means of delivery.

On February 5, 2002, the Company signed a license agreement with respect to the development and commercialization of TH9507 in Japan with Sakai Chemical Industry Co. Ltd., a Japanese chemical company working in the biotechnology field and in pharmaceutical research and development. Pursuant to this agreement, the Company received a lump sum payment from Sakai in 2002.

C. EXECUTIVE MANAGEMENT

In June 2004, the Company proceeded to reorganize its executive management with a view to better positioning itself for the late-stage development and commercialization of TH9507. Consequently, it recruited directors and executive officers with experience in advanced development and in product commercialization. The Board of Directors now includes Drs Gilles Cloutier and Robert Goyer, and among the executive officers are Yves Rosconi, Chantal Desrochers and James Sutton, all of whom have extensive experience in the pharmaceutical industry.

D. FINANCING ACTIVITIES

During the three last financial years, the Company carried out two public financing, i.e. a first common share issue for a total amount of \$30,000,000 in December 2001 and a second for \$15,671,625 in February 2004.

E. INVESTMENTS IN OTHER COMPANIES

During the last three financial years, the Company reduced its holdings in subsidiaries it had previously created, with the result that it now holds less than 10% of Ecopia BioSciences, 21% of Andromed and 42% of Celmed BioSciences Inc.

2.2 PROSPECTS FOR THE PRESENT FINANCIAL YEAR

With respect to product development, the Company plans to start the Phase III clinical development of TH9507 in HIV-associated lipodistrophy. It also plans to identify a second indication for this compound and establish a plan for its diabetes program.

The Company is presently evaluating, in conjunction with other shareholders, strategic alternatives with respect to Celmed BioSciences (Celmed) and Andromed Inc., including the sale, in whole or in part, of these companies to other owners.

ITEM 3 DESCRIPTION OF THE BUSINESS OF THE COMPANY

3.1 STRATEGIC APPROACH

A. MISSION

The Company's mission is to become a fully integrated biopharmaceutical company which discovers, develops and, when profitably appropriate, manufactures and markets products for endocrine and metabolic disorders using therapeutic peptides.

B. RESEARCH

The Company owns certain discovery technologies aimed at the identification and optimization of peptides to enrich its portfolio of molecules for future drug development. Research efforts are concentrated in the therapeutic fields targeted by the Company. The discovery capabilities of its scientific team have generated GRF analogues (including TH9507), GLP-1 analogues (including TH0318 and the TH0396) and other peptides which present innovative approaches for the treatment of, among others, diabetes.

C. DEVELOPMENT

The Company then proceeds with preclinical development of these identified and optimized molecules to determine which are most promising. The peptides selected through this means are then transferred to clinical development, and the Company carries out Phase I, II and III studies, on its own, or with the help of partners. The research and development work of Theratechnologies is conducted internally or is subcontracted. The pre-formulation and manufacturing work starts in the Company's laboratories and is finalized by specialized external firms. Animal toxicology studies are conducted with the help of subcontractors as the Company does not have an animal housing facility. The Company's clinical studies are designed internally by employees with, as required, certain external support, but are carried out, for the most part, by contract research organizations. The entry and management of clinical data, as well as the statistical analyses, are principally carried out by external expert consultants in this field. In all cases where work is subcontracted, the Company's specialized personnel are responsible for monitoring the work, using established and documented standard operating procedures. These employees are responsible for preparing the experimental protocols, following-up on the studies and interpreting the results.

D. MANUFACTURING AND COMMERCIALIZATION

The Company's products could eventually be manufactured and commercialized by the Company if such activities were deemed feasible and profitable for the Company. In order to do so, the Company could, for example, partner with a firm specialized in developing marketing teams. To the extent that circumstances allow, the Company would like to retain certain commercialization rights, notably in Canada. As for other markets, Theratechnologies believes

that international and/or regional partners who already benefit from established sales infrastructures, would be helpful for the commercialization of its products.

3.2 SCIENTIFIC APPROACH

Therapeutic Peptides. Peptides are the basis of new classes of drugs that are contributing to the development of more and more efficacious therapeutic treatments. In fact, nature provides the best possible source of bioactive peptides offering therapeutic potential. Peptides are highly specific molecules that are efficacious at low doses, which reduces the risk of toxicity and side-effects. The Company selects peptides for development among those which target endocrine and metabolic disorders drawing from those that exist in nature, that are discovered by ExoPep or that are available through scientific networking. It then stabilizes the peptides using various technologies and methods developed by its discovery team, including the LAP (Long Acting Peptides) method.

LAP Stabilization Method. Although peptides may have significant therapeutic potential, there are many challenges to be met when developing them into drugs: they are highly complex, fragile and unstable in serum. Theratechnologies' discovery team can now stabilize peptides using its proprietary LAP technology while preserving their natural amino acid sequences. This platform increases the resistance of peptides to enzymatic degradation and prolongs their half-life by coupling them with a protective molecule. The result is a new patentable molecule which has a prolonged duration of action and presents excellent specificity while remaining similar to the natural peptide. Theratechnologies' peptides, TH9507, TH0318 and TH0396, are peptides created using this principle. Certain other peptides which have been known for a long time and used in the treatment of many illnesses could have a better therapeutic value if transformed using the LAP method.

ExoPep Technology. ExoPep is a technology allowing for the discovery of peptides that are antagonists of GPCRs. Approximately 60% of all currently available prescription drugs interact with these receptors. Peptides derived from ExoPep comprise five to twelve amino acids and modify GPCRs by blocking signal transduction. The Company uses this platform to add new patentable therapeutic peptides to its product pipeline. The ExoPep platform has already made possible the discovery of antagonists, i.e. peptides with inhibitor effects against the G protein-coupled receptor, specifically EP₄ receptors linked to the renal regulating function. These molecules are highly selective and have demonstrated effectiveness not only *in vitro*, but also on animal subjects. These therapeutic goals target important markets which have not as yet been satisfied.

Peptide Delivery System. Peptides are normally administered by subcutaneous injection and typically, this delivery system constitutes the first generation of products. However, for certain indications or for other products, another drug delivery method, more user-friendly for the patient, is desirable. In this respect, the Company proceeds via partnerships and thus benefits from the experience of third parties to obtain different drug delivery options.

3.3 COMPANY PRODUCTS

Presently, the Company's products are at different stages of development, from the discovery laboratory to clinical Phase III, and target the treatment of certain endocrine and metabolic disorders.

A. PRODUCT PORTFOLIO OVERVIEW

The following table provides an overview of the Company's products and their stages of development:

PRODUCT PORTFOLIO		DISCOVERY	PRECLINICAL	PHASE I	PHASE II	PHASE III
Metabolic Disorders TH9507 (lipodystrophy)	_____	██████████	██████████	██████████	██████████	██████████
Catabolic Disorders TH9507 (wasting)	_____	██████████	██████████	██████████	██████████	
Diabète de type II TH0318	_____	██████████	██████████	██████████		
TH0396	_____	██████████				
Ghréline	_____	██████████				
Autres (ExoPep)	_____	██████████				

1.1.1 B. TH9507

TH9507, a growth hormone-releasing factor analogue, was developed in Theratechnologies' laboratories in 1995 and was patented by the Company. This analogue was synthesized by optimizing and stabilizing natural GRF using the LAP method described in paragraph 3.2 above, thus prolonging its duration of action. TH9507 has the characteristic of inducing growth hormone secretion in a natural and pulsatile fashion. Scientific results obtained up to now suggest potential uses in many catabolic and metabolic indications.

i. Mechanism of Action

Metabolism is the sum of two opposing forces: anabolism, which is a process involving the building, maintenance and renewal of bodily functions, and catabolism, which is the opposite process of destruction and breakdown of these functions. Many conditions, such as aging, disease and genetic disorders, trauma and medications, trigger catabolism. In many cases, these situations have significant impact on the life expectancy and autonomy of those affected.

Growth hormone (GH), secreted by the pituitary gland, plays a key role in maintaining a balanced metabolism. Its secretion is stimulated by GRF. GH controls fundamental activities in

the body. Through its effect on IGF-1, the growth factor related to the anabolic function, it influences anabolism, the immune system and cognitive functions. It also has an important direct effect on lipolysis by reducing fat accumulation in adipose cells. GH secretion decreases as early as age 20 and is reduced by 60% at approximately 65 years of age. This deficiency in GH can lead to a catabolic state, which is characterized by a loss of muscle mass, accumulation of adipose tissue, bone demineralization and reduced capacity to regenerate tissue.

Recombinant human growth hormone (rhGH) produced by genetic engineering induces positive effects in certain clinical indications, such as pituitary dwarfism, growth hormone deficiency, and wasting in AIDS patients. However, side-effects observed in adults following rhGH treatment, notably in the elderly and in diabetic patients, show that it cannot easily be developed and marketed for indications related to aging. The Company believes this will not be the case with GRF and its analogues.

GRF is the master hormone, secreted by the hypothalamus, that naturally and physiologically stimulates growth hormone secretion and is consequently responsible for its positive action. GRF can thus play a key role countering all forms of catabolism, particularly at an advanced age, since it stimulates both the secretion and the synthesis of the growth hormone. It may become the second-generation product that will replace rhGH and be used in many other indications as well. Unlike rhGH, GRF induces optimal growth hormone secretion activity respecting its natural, rhythmic pattern of secretion. Despite these advantages, GRF is not used at present because of its fragility and its short duration of action.

Theratechnologies has focused on the mechanisms of action of GH and GRF for several years and has sought to develop analogues of GRF which would be very specific, have a prolonged effect, and could be manufactured at a relatively low cost. It has, therefore, synthesized several GRF analogues using LAP technology, including peptide TH9507. This product has the characteristic of inducing secretion of GH in a natural and pulsatile fashion.

ii. Development

Preclinical. In animal tests, TH9507 has been shown to have a lasting and effective action on the secretion of GH and, as a result, on the secretion of IGF-1. These effects are obtained with much smaller quantities when compared with natural GRF.

Phase I. A clinical trial was designed to establish the safety of multiple doses, as well as to measure the production of IGF-1. The results of this trial were very conclusive. Indeed, in only a few days, TH9507 doubled IGF-1 levels in treated subjects, an optimal level corresponding to that found in a young adult. In addition, the side-effect profile of TH9507 was comparable to placebo. It was also found that the drug was highly specific as it did not affect the secretion of other hormones regulating body functions.

Phase II. Following these results, the Company initiated a Phase II clinical development program centered on anabolism, the immune system and cognitive functions. In recent years, the Company has completed seven Phase II studies through which it was able to understand the metabolic effects of TH9507 and confirm its safety in various populations, including elderly subjects and diabetic patients.

Safety in Diabetic Patients. A growing number of clinical studies indicate that presently available GH-based products induce insulin resistance and are contraindicated for diabetic patients. In contrast, GRF has been shown in previously published studies not to adversely affect glucose metabolism in older patients. With this in mind, Theratechnologies conducted a clinical trial in the United States to assess the safety of TH9507 in patients suffering from controlled-type II diabetes. This study was necessary in order to allow for the inclusion of diabetic and glucose-intolerant patients in future clinical trials involving this product. The results of this study showed that TH9507 has a very good safety profile, is well-tolerated and does not interfere with glycemic control in diabetic patients. The study also revealed an increase in IGF-1 levels and a decrease in non-HDL cholesterol (atherogenic or bad cholesterol) levels. Given the results of this study, Theratechnologies believes it will be able to develop TH9507 across a broader clinical population, having demonstrated that its product, unlike other products in this field, can be administered to glucose-intolerant and diabetic patients without risk.

HIV-associated Lipodystrophy. Large-scale studies have recently demonstrated that rhGH, by its lipolytic action, effectively reduces excessive visceral fat in patients suffering from HIV-associated lipodystrophy, while at the same time, increasing muscle mass and reducing non-HDL cholesterol (atherogenic or bad cholesterol). However, the administration of rhGH is not indicated for glucose-intolerant patients, a condition often observed in these patients. Consequently, Theratechnologies decided to study the effects of TH9507 in the treatment of this disorder. Highlights of the results include a good safety profile, a clear, positive effect on body composition and a clinically relevant reduction in visceral fat while subcutaneous fat was preserved. Of particular importance, this study demonstrated good glycemic control in patients, including glucose-intolerant and diabetic patients who represented 28% of the subjects enrolled. Based on these positive results, the Company and its clinical experts consider that TH9507 is ready to advance to Phase III development in this indication.

Wasting Associated with COPD. This study targeted patients suffering from a catabolic state associated with chronic obstructive pulmonary disease (COPD), a respiratory condition that is often accompanied by muscle wasting. The objective of this study was to assess the safety and efficacy of TH9507 on body composition, muscle capacity and functional status in treated patients. Highlights of the study results include positive effects on body mass (increase in muscle mass and loss in fat mass), a series of positive and convergent data regarding functionality measures and a very good safety profile.

Functional Recovery following a Hip Fracture. Theratechnologies conducted a Phase II clinical study on functional recovery by the patient following a hip fracture. The results did not demonstrate improvement in the patients' clinical state, which led to the conclusion that the intense and acute metabolic distress which immediately follows a hip-fracture surgery calls for a different approach.

Immune Functions. The Company believed that TH9507, through its action on GH and IGF-1, could boost the immune function, particularly the T cell functions. It, therefore, initiated a clinical trial which demonstrated that this product induces a stimulation of T cells in elderly patients and that, consequently, it has an important positive action on cell-mediated immune response.

Cognitive Functions. Results obtained by the Company in 2001 suggested that TH9507 had a unique mechanism of action on sleep, resulting in improved daytime vigilance. Based on these results, Theratechnologies undertook a clinical trial which demonstrated a statistically significant and marked improvement of daytime vigilance but failed to show an effect on sleep.

Phase III. TH9507 is part of a new class of drugs and Phase II studies have helped assess which indications would best qualify for commercialization. Theratechnologies considered two alternatives for late-stage development, i.e. wasting associated with COPD and HIV-associated lipodystrophy. The Company chose the latter for various reasons. First, because it is presently an important unmet medical need for which no treatment has been approved, which gives the Company the possibility to be amongst the first on the market. Also, the conduct of a Phase III clinical trial in this indication is accessible to a biotechnology company such as Theratechnologies, in terms of trial size and trial length. Finally, the targeted commercial audience is made up of a relatively small number of HIV specialists. Theratechnologies met with the Food and Drug Administration (FDA) in the United States on March 30, 2005. The objective of the meeting was to discuss the Company's plans with respect to late-stage development of TH9507 for the HIV-associated lipodystrophy indication. In response to a series of questions, the FDA indicated it approved the Phase III protocol design with minor modifications, as well as the dosage to be tested and the use of visceral fat (visceral adipose tissue or VAT) as primary end point. The secondary parameters include lipid analyses and body self-image. The FDA also indicated that it accepted the Company's proposition to include glucose-intolerant and diabetic patients in its study, subject to tight glycemetic control follow-up. The Company plans to initiate two overlapping Phase III clinical trials evaluating TH9507 in the HIV-associated lipodystrophy indication.

iii. Outlook

The Company is presently undertaking the first of the Phase III clinical trials for the treatment of HIV-associated lipodystrophy. This program is scheduled to begin at mid-year. Once the trials are completed, the Company will make the relevant submissions to the American, Canadian and European regulatory authorities. The regulatory approval of this first therapeutic indication is expected approximately, for the end of 2008 or in 2009, and the direct costs related to the Phase III studies are evaluated at approximately \$25 million.

The Company is presently working to identify a second indication for the development using this product.

C. PRODUCTS FOR TYPE II DIABETES

Theratechnologies has enriched its endocrinology portfolio by adding therapeutic peptides targeting Type II Diabetes.

Type II Diabetes patients suffer from insulin resistance or insufficient production of insulin, a hormone that allows glucose (sugar) to enter cells and be converted into energy. Diabetes often leads to severe complications, including heart disease and stroke (the incidence being two to four times higher when compared to non diabetics), blindness, kidney disease, amputations, lesions to the nervous system and erectile dysfunction.

Clinical studies conducted on type II diabetic patients by other pharmaceutical companies, confirmed the therapeutic potential of GLP-1 analogues. GLP-1 analogues exhibit multiple beneficial physiological effects, including inducing insulin secretion in the presence of elevated glucose, delaying gastric emptying, reducing hepatic glucose output and increasing satiety. Usually, several different classes of drugs are required to achieve all these desired physiological effects.

The diabetes portfolio of the Company includes, among others, GLP-1 analogues, unacylated ghrelin and the sodium dependent glucose transporters (SGLT).

1. GLP-1 ANALOGUES

i. Mechanism of Action

GLP-1 and its analogues may represent the next generation of therapies for the treatment of diabetes. This peptide, produced in the intestine, induces insulin secretion in a glucose (sugar)-dependant manner, controls gastric emptying and inhibits food intake, as well as glucagon and somatostatin secretion. Clinical trials carried out with type II diabetics have confirmed the therapeutic potential of GLP-1 analogues. However, the GLP-1 natural molecule rapidly loses its effectiveness in the blood and consequently, must be stabilized for use in clinical applications. Theratechnologies has been interested in the GLP-1 mechanism of action for a few years, searching for means to develop specific GLP-1 analogues with prolonged effects. With this in mind, many GLP-1 analogues were synthesized using the LAP technology platform, notably TH0318 and TH0396.

Theratechnologies' research team developed GLP-1 analogues in 2003 that were patented by the Company. They were synthesized by optimizing and stabilizing natural GLP-1 using the LAP method described in paragraph 3.2 above giving the molecules a prolonged effect. In July 2003, Theratechnologies proceeded to select a stabilized GLP-1 analogue, TH0318, to start development.

ii. Development

Preclinical. *In vivo* tests on diabetic animal subjects have demonstrated that the analogues developed by the Company are more powerful and have a longer duration of action than natural GLP-1.

Phase I. In October 2004, Theratechnologies initiated a Phase I study using TH0318 and the results were published on March 23, 2005. The primary objective of this study was to demonstrate the safety of TH0318. Overall, the safety profile of the treated population was similar to placebo, and, at all doses, there were no cases of nausea, which is a common side-effect of the GLP-1 therapy. Dose-related pharmacokinetics were noted across the entire dose range. At the higher doses tested, pharmacodynamic effects (blood glucose levels) were also noted.

iii. Outlook

In keeping with its overall strategic approach, Theratechnologies is presently assessing the potential market impact of recent clinical developments of other GLP-1 analogues before proceeding further with the development of TH0318. Furthermore, TH0396 has the potential to be administered only once a day, presenting a definite competitive advantage. The Company has established an advisory panel of diabetes experts to assist with this work and a decision on the next steps will be taken later in 2005.

2. NON-ACYLATED GHRELIN

In January 2003, Theratechnologies signed a research and assignment agreement to acquire the rights related to non-acylated ghrelin from two eminent endocrinologists and their respective universities, Dr. Ezio Ghigo and the University of Torino in Italy, and Dr A.J. van der Lely and the Erasmus University in the Netherlands. Non-acylated ghrelin is a natural peptide capable of antagonizing certain metabolic effects of ghrelin, a peptide hormone secreted by the stomach. It could be used for treating certain conditions linked to insulin resistance, such as obesity or type II diabetes. Clinical pharmacology data on voluntary subjects were published in 2003, confirming this hypothesis. The discovery of this new glycemic-control mechanism could lead to the development of new approaches in treating diabetes.

3. SGLT

SGLT's are found in the kidneys where they recover glucose from the urine and return it to the bloodstream. Through the efforts of its discovery team, the Company designed antagonists which inhibit SGLT activities, thus lowering glucose levels in the blood.

3.4 MARKETS AND COMPETITION

The Company is focusing its peptide-based product development in the area of endocrine and metabolic disorders. Competition in these highly specialized therapeutic sectors comes mainly

from university research centres and emerging biotechnology companies, as well as from large pharmaceutical companies stemming from their acquisitions or alliances in this field.

A. HIV-ASSOCIATED LIPODYSTROPHY

HIV-associated lipodystrophy is a metabolic syndrome that afflicts a significant percentage of HIV patients undergoing HAART (highly active antiretroviral treatment) therapy to control their HIV infection. Although the exact cause of this syndrome is unknown, it is suspected to be partly due to the HIV treatment itself. It is characterized by changes in distribution of adipose tissue (fat-containing tissue), dyslipidemia and glucose intolerance. The changes in fat distribution include: lipohypertrophy, which is the accumulation of visceral adipose tissue, a risk factor for cardiovascular disease and type II diabetes; and lipoatrophy, which is the loss of subcutaneous fat tissue, generally in the limbs and facial area. In addition to the direct health risks, the resulting body abnormalities can stigmatize patients and discourage compliance with their HIV treatments. There is currently no approved treatment for this condition and although the new HIV treatments tend to minimize the dyslipidemia and the lipoatrophy component, the lipohypertrophy component remains an important unmet medical need. It is estimated that, among the 1.4 million HIV positive patients in North America and Europe, approximately 200,000 suffer from HIV-associated lipodystrophy with excess visceral fat. At present, there is no product approved on the market to treat the lipohypertrophy component. However, a GH-related product having a different side-effect profile is currently under development, and patient recruitment for its Phase III clinical trial was completed at the end of 2004.

B. TYPE II DIABETES

Type-II diabetes represents 90% to 95% of the diabetic population and generally occurs after age 40. Furthermore, the number of adults diagnosed with type II diabetes increased 49% from 1990 to 2000 and similar increases are expected in the next decade due to an aging population and a greater prevalence of obesity and sedentary lifestyles, factors most often linked to type II diabetes. In the United States alone, 12 million people have type II diabetes, and over 5 million Americans are undiagnosed.

In 2002, the direct and indirect costs of diabetes were nearly CAN\$185 billion in the United States. The world drug market to treat type II diabetes has been estimated at US\$11.5 billion. Metformin and sulfonylureas are the most commonly used medications for treating type II diabetes. Recently, new treatments have been introduced to the market in order to attain a better glycemic control in diabetic patients, an essential factor to prevent complications related to diabetes. Among these, retinopathy is the leading cause of new cases of blindness in adults, peripheral neuropathy accounts for up to 80,000 amputations and nephropathy is responsible for ESRD (end-stage renal disease) leading to dialysis in adults.

Thus, the products developed by the Company are considered a promising new antidiabetic class of medication that offers a novel mechanism of action. Even though none are on the market as yet, many pharmaceutical and biotechnology companies have started to develop subcutaneous formulations of GLP-1 analogues. The first GLP-1 analog is expected to receive

approval from the American authorities in 2005. The Company intends to develop its own GLP-1 analog with a user-friendly and efficient drug delivery system, which would have the same therapeutic advantages as those described above but which would present a chemical structure very close to that of the natural GLP-1, thus limiting the risks of side-effects.

3.5 REGULATORY FRAMEWORK

The research, development, manufacture and marketing of pharmaceutical products are governed by various governmental authorities throughout the world to ensure efficacy and safety. In Canada, these activities are governed by the provisions of the *Food and Drugs Act* and its regulations, the enforcement of which is ensured by the TPD. In the United States, it is the FDA that has jurisdiction. In order to obtain approval for the marketing of new drugs in Canada and the United States, the Company must satisfy many regulatory conditions. The Company must complete preclinical studies in order to file a CTA in Canada and an IND in the United States. It then receives different clearance authorizations to proceed with Phase I, II and III clinical trials. Once these trials are completed, the Company files a NDS in Canada and a NDA in the United States. If all goes well, the regulatory authority issues a notice of compliance, which allows the Company to market the product.

3.6 INTELLECTUAL PROPERTY

The Company believes that intellectual property is an important asset for a biopharmaceutical company and is crucial to the value of its business. The principal intellectual property elements held by the Company consist of patents and license agreements.

With respect to patents, the Company generally proceeds by first filing a provisional application with the US Patent and Trademark Office (USPTO). Afterwards, the Company simultaneously files a formal application in the United States together with an international application under the Patent Cooperation Treaty (PCT). The PCT gives the option to file a patent application with all contracting states. Countries where an application will ultimately be filed are chosen based on a cost-to-protection analysis on a country-by-country basis for each individual patent application. Each product or technology requires a separate analysis to optimize its protection. The patents, once issued, generally grant protection for a 20-year period starting on the date of filing. The Company's earliest applications related to TH9507 were filed in 1995 and will not expire before 2015. The Company's patent portfolio is comprised of several families of patents each covering a product or a technology. Eight families cover therapeutic peptides under development and three families cover technological platforms.

Initially, the Company protected two growth hormone-releasing factor analogues, ThGRF 1-29 and ThGRF 1-44. Each analog has a distinct aliphatic chain that was shown to increase organic activity. This protection was later extended to several other GRF analogues. To date, patents have been issued in the Company's name for three families and patent applications are ongoing for two other families with reference to these GRF analogues.

The Company developed several GLP-1 analogues, which are patent-protected in the same manner as GRF analogues. A patent application regarding a first family of analogues is presently on-going with the USPTO and with the PCT. Other newly-discovered analogues have recently been the object of a new patent application filed with the USPTO and under PCT.

The Company also holds various exclusive worldwide commercialization licenses for its non-core products, which are valid for time periods expiring between 2013 and 2019 or for as long as the products relating to these licenses are marketed. These products are also patent-protected or are the subject of pending applications.

3.7 STRATEGIC ALLIANCES

A. BACHEM AG.

The Company entered into an agreement with Bachem AG of Switzerland, a company specializing in the manufacturing of peptides, for the scale-up and manufacture of TH9507. Bachem will ensure the manufacturing process meets GMP regulatory requirements, and could gradually transfer to the Company the technology and know-how relating to the large-scale manufacturing process. Bachem will manufacture part of the Company's annual requirements for this peptide.

B. SAKAI CHEMICAL INDUSTRY CO., LTD.

The Company signed a license agreement regarding the development and commercialization of TH9507 in Japan with Sakai Chemical Industry Co., Ltd., a Japanese chemical company also active in the field of biotechnology and other pharmaceutical research and development. The agreement covers the indications currently targeted by the Company, as well as any other future indication developed by the Company. Sakai has undertaken to make upfront payments, regulatory milestone payments and royalty payments on product sales in Japan.

C. JOHNSON & JOHNSON PHARMACEUTICAL RESEARCH & DEVELOPMENT, L.L.C.

On September 4, 2003, the Company signed a research collaboration and licensing agreement with Johnson & Johnson Pharmaceutical Research & Development, L.L.C. involving its ExoPep discovery platform for the development of a therapeutic peptide in the field of diabetes. Under the terms of the agreement, which provides for research and regulatory milestone payments as well as royalties, the companies will collaborate to discover a lead compound for an undisclosed target. All development and marketing activities will be conducted by Johnson & Johnson Pharmaceutical Research & Development.

3.8 HUMAN RESOURCES

A. EMPLOYEES

As at November 30, 2004, the Company had 70 employees, of whom 39 were direct members of the research and development team and 25 held post-graduate diplomas (M.Sc., Ph.D. and M.D.).

B. SCIENTIFIC ADVISORY BOARD

The Company created a specialized committee to guide it in the preclinical and clinical development of its various products. The members of this board are listed below:

- Roger Guillemin, M.D., Ph.D.
Nobel Prize for Medicine
Distinguished Professor, Salk Institute
Endocrinologist and co-discoverer with Dr. Paul Brazeau
of somatocrinin (GRF) and somatostatin
- David Clemmons, M.D.
Professor of Medicine,
Head, Endocrinology Division,
University of North Carolina, Chapel Hill, United States
- Ezio Ghigo, M.D., Ph.D.
Head, Department of Endocrinology,
University of Torino, Torino, Italy
- George R. Merriam, M.D.,
Professor of Medicine, Division of Metabolism, Endocrinology and Nutrition,
University of Washington School of Medicine,
Seattle, United States
- A. J. van der Lely, M.D., Ph.D.
Head, Endocrinology Division,
Academic Hospital of the Erasmus University,
Rotterdam, Netherlands

C. RESEARCH COLLABORATORS

The Company also benefits from the services of specialized scientists in various fields who help support various projects:

- Alcide Chapdelaine, M.D., M.Sc., C.S.P.Q., F.R.C.P.
Endocrinologist and researcher,
Former Assistant Dean, Faculty of Medicine,
Université de Montréal
- Paul Brazeau, Ph.D.
Full Professor, Faculty of Medicine,
Université de Montréal
- Sylvain Chemtob, M.D., Ph.D., F.R.C.P.
Professor of Pediatrics, Ophthalmology and Pharmacology,
Université de Montréal,
and researcher at Sainte Justine Hospital
- Pascal Dubreuil, D.M.V., Ph.D.
Full professor, Faculty of Veterinary Medicine,
Université de Montréal
- Denis Gravel, Ph.D., F.C.I.C.
Emeritus professor, Chemistry Department,
Université de Montréal

3.9 FACILITIES

The Company carries out its activities at 2310 Alfred-Nobel Boulevard in the Saint Laurent Technoparc. As of May 1st, 2005, it will occupy the entire building, i.e. 39,200 square-foot, which houses offices and laboratories, specifically suited to its needs. The lease is for a 10-year term and expires in 2010. Theratechnologies benefits from different options allowing it to expand to meet future needs.

The Company has a laboratory for the synthesis, purification and lyophilization of peptides as well as the equipment necessary for commonly-conducted analyses in conformity with the applicable GLP (Good Laboratory Practices) standards. Three chemical hoods (one of which is of a “walk-in” type) ensure safe handling of chemical products during the normal course of activities. Reactors of different sizes act as synthesizers while HPLC (High-Purity Liquid Chromatography), preparative or analytic, allows for the completion of peptide production. Lastly, the lyophilizer transforms the product into a solid and stable form, also known as “freeze-drying”.

Theratechnologies also has discovery and preclinical development laboratories. The discovery laboratories are equipped with a chemical hood and a HPLC. These laboratories also use a “Symphony” automatic synthesizer which quickly synthesizes small quantities of peptides. Other equipment, i.e. a scintillation counter, sorts the different compounds or conducts the immunological or biochemical assays required. In addition, the laboratory contains a cell culture room (light waves hood, incubator, etc.) which allows *in vivo* testing. The preclinical development laboratories are equipped with a HPLC used for bio-analysis methods and pre-formulation, and a 96-well plate reader, also capable of reading the fluorescence used in the development of immuno-chemical methods. These laboratories are also equipped with a cell culture room (light waves hood, incubator, etc.) which allows for testing using cell models.

3.10 ENVIRONMENT

At its current development stage, environmental-protection requirements have not, to the knowledge of the Company, had a significant financial or operational impact on the capital expenditures, income or competitive position of the Company within the normal course of its operating activities.

3.11 RISKS AND UNCERTAINTIES

A. CAPITAL RESOURCES

In order to achieve its long-term development and commercialization strategy, the Company may need to raise additional capital through share issues, grants, collaboration or partnership agreements that would allow the Company to finance its activities, in whole or in part. Nothing guarantees that additional funds will be available or that they may be acquired on acceptable terms and conditions, allowing the Company to successfully market its products. If adequate funding is not available, the Company may be required to delay, reduce, or eliminate one or more of its research programs.

B. VOLATILITY OF SHARE PRICE

The market price of the Company’s shares is subject to volatility. General market conditions as well as differences between the Company’s financial, scientific and clinical results and the expectations of investors as well as securities analysts can have a significant impact on the trading price of the Company’s shares. In recent years, the stocks of many biopharmaceutical companies have experienced extreme price fluctuations, which have been unrelated to the operating performance of the affected companies. There can be no assurance that the market price of the common shares will not continue to experience significant fluctuations in the future, including fluctuations that are unrelated to the Company’s performance.

C. PRECLINICAL AND CLINICAL STUDIES

The Company is presently conducting various preclinical and clinical studies for its products. These studies may take several years to complete and, thus, require considerable resources from the Company. Obtaining positive, timely and conclusive results from these studies is an essential condition of regulatory approval and, therefore, product commercialization. There can be no assurance of satisfactory results and the lack thereof may considerably hinder the development, approval and commercialization of the Company's products.

D. REGULATORY APPROVALS

In order to commercialize its products and, hence, generate revenues, the Company must first obtain the approval of regulatory agencies in each of the countries where it wishes to sell its products. The Company's products may not meet the safety and effectiveness criteria established by the various agencies and, consequently, may not obtain required approvals for commercialization for any or all targeted indications.

E. COMMERCIALIZATION

Once commercialized, the Company's products may potentially compete with existing products on the market. Various intermediaries in the healthcare sector, such as those who may prescribe or dispense the new drugs commercialized by the Company and the parties responsible for drug reimbursement, may select other treatments than those offered by the Company. Furthermore, the prices of medical products are increasingly being regulated. Therefore, there can be no assurance that the Company will be able to maintain price levels sufficient for the realization of an appropriate return on the Company's investment in product development.

F. PATENTS

Patents provide to their owners the exclusive right to use and commercialize the claimed inventions in the given territories. The Company's success will depend in part on its ability to obtain patents, maintain their registration and defend their validity. However, there is no guarantee that any patent granted to the Company will bring it a competitive advantage that will not be contested by third parties, or that the patents of competitors will not be detrimental to the Company's commercial activities. Furthermore, competitors may independently develop products similar to the Company's or copy the Company's products by circumventing the Company's patents.

G. COMPETITION

The Company is subject to competition from pharmaceutical companies, biotechnology companies, academic and research institutions as well as government agencies which concentrate in the same areas as the Company. Some have greater capital resources, research and development staffs and facilities superior to the Company's and may be able to develop and commercialize more rapidly alternative forms of medical treatment which would potentially compete with the products of the Company.

H. RESEARCH

The Company conducts research activities in order to feed its therapeutic pipeline. Although the Company considers that it possesses adequate resources in this regard, research may prove unsuccessful and therefore, may not lead to the advancement of new molecules to a further development stage.

I. HUMAN RESOURCES

Members of management and scientists are highly qualified individuals who are essential to operations and the successful research and development of the Company's products. Loss of services from a large part of this group or the inability of the Company to attract highly qualified personnel could compromise the Company's growth.

J. PRODUCT LIABILITY

A risk of product liability claims is inherent in the development of human therapeutic products. Product liability insurance is expensive and its coverage is limited. Product liability insurance is very expensive and offers only a limited guarantee. A product liability claim against the Company could potentially be greater than the coverage offered and, therefore, have a material adverse effect upon the Company and its financial position.

ITEM 4 DIRECTORS AND EXECUTIVE OFFICERS

4.1 DIRECTORS

The following table lists the names of all directors, their province or state and country of residence, their principal occupation, the office held in the Company (if any), the year in which they first became a director of the Company and the number of shares beneficially owned, directly or indirectly, by each of them or over which they exercise control or direction. Each elected director will remain in office until the close of the next annual meeting of shareholders, unless he resigns or the position becomes vacant following his death, his destitution or for any other cause before the next annual meeting.

DIRECTORS			
Name, Province or State and Country of Residence	Principal Occupation	Director Since	Number of Common Shares
A. Jean de Grandpré ^{2) 3)} Québec, Canada	Chairman of the Board of the Company	1993	47,100
Gilles Cloutier ³⁾ North Carolina, United States	Chairman of the Board URRMA Biopharma (Biopharmaceutical)	2003	10,000
André Delambre ^{1) 3)} Québec, Canada	Executive Vice President, Finance and Administration Les Productions Feeling inc. (Production Company)	2000	7,000
Robert G. Goyer Québec, Canada	Emeritus Professor Faculty of Pharmacy Université de Montréal	2005	--
Paul Pommier ^{1) 2) 3)} Québec, Canada	Director of various companies	1997	40,100
Yves Rosconi Québec, Canada	President and Chief Executive Officer of the Company	2004	23,500
Jean-Denis Talon ^{1) 2) 3)} Québec, Canada	Chairman of the Board AXA Canada (Insurance Company)	2001	5,400
Luc Tanguay Québec, Canada	Senior Executive Vice President and Chief Financial Officer of the Company	1993	36 000

1) Member of the Audit Committee

2) Member of the Compensation Committee

3) Member of the Nominating Committee

BIOGRAPHICAL NOTES OF THE DIRECTORS

A. Jean de Grandpré, C.C., Q.C. Chairman of the Board of the Company. In September 1996, A. Jean de Grandpré was appointed Chairman of the Company's Board of Directors, of which he had been a director since 1993. Mr. de Grandpré was Chairman of the Board and Chief Executive Officer of Bell Canada, and Chairman of the Board and Chief Executive Officer of BCE. He also served as a member of the boards of directors of other Canadian and US corporations, such as Northern Telecom Limited and Chrysler Corporation.

Gilles Cloutier, Ph.D. Chairman of the Board, URRMA Biopharma. Dr. Cloutier has over 30 years of experience in the pharmaceutical industry, including five years with contract research organizations providing strategic support to the biotechnology and pharmaceutical industry. Dr. Cloutier was Chairman and Chief Business Officer for MoliChem Medecines Inc. from 2001 to 2003. He was President and Chief Executive Officer of Northern Therapeutics Inc. from 2000 to 2002 and was Executive Vice President, Founder and Director of United Therapeutics Corporation from 1997 to 2002. Dr. Cloutier sits on the boards of directors of BioSyntech, Vital States, Dacha Capital and Formated.

André Delambre, CA Executive Vice President, Finance and Administration, Les Productions Feeling inc. Mr. Delambre has been Executive Vice President of Les Productions Feeling since September 1998, managing, among others, the affairs of popular artist, Céline Dion. Previously, he was a partner at the accounting firm Samson, Belair, Deloitte and Touche. Mr. Delambre is also actively involved in various foundations as Director and canvasser, and created the Fondation André Delambre in 2003, dedicated to helping people suffering from amyotrophic lateral sclerosis.

Robert G. Goyer, Ph.D. Emeritus professor, Faculty of Pharmacy of the Université de Montréal. Dr. Goyer has more that 40 years of experience in the pharmaceutical field. Dr. Goyer taught at the Faculty of Pharmacy of the Université de Montréal for over 30 years and was dean of this Faculty from 1994 to 2000. Since 2001, he is Emeritus Professor and since 2002, he sits on the Investment Committee of Univalor (commercialization of university research). Dr. Goyer also worked in the pharmaceutical industry for more than 15 years, holding several senior executive positions. More specifically, he was President of Jouveinal Canada and Clinipharm Inc. and a member of the Boards of Directors of Technilab and Anapharm. Finally, Dr Goyer has been involved at the governmental level throughout his career by participating in several committees and boards related to health and drugs. Until the end of February 2005, he was President of the Conseil du Médicament (Québec) and he remains a member of the Advisory Committee on the Use of Cannabis for Medical Purposes (Health Canada).

Paul Pommier, M.B.A. Director of various companies. Mr. Paul Pommier worked for more than 25 years at National Bank Financial where he held until 1997, various positions, including that of Senior Executive Vice President, Corporate and Government Financing. During his career, he managed, among others, operations in public and private financing, mergers and acquisitions, as well as the marketing of public offerings.

Yves Rosconi, B. Sc. Pharm. M.B.A. President and Chief Executive Officer of the Company. Mr. Yves Rosconi, B.Sc. Pharm., MBA, has more than 25 years of global experience in the pharmaceutical industry. Before joining the Company in November 2004, Mr. Rosconi held several important positions in various areas of the industry such as production management, sales and marketing, and senior management. He acted as President and Chief Executive Officer of Rhône-Poulenc-Rorer Canada inc., Senior Vice President and Chief Operating Officer of Aeterna Laboratories in Québec City and Senior Vice President at Aventis Intercontinental Africa Middle East.

Jean-Denis Talon. Chairman of the Board, AXA Canada. Mr. Jean-Denis Talon had a successful career with AXA Insurance for more than 20 years. During his career, he has held the positions of President and Chief Executive Officer, AXA Insurance, and Chairman of the Board and President, AXA Canada as well as Chairman of the Board and Chief Executive Officer, AXA Canada.

Luc Tanguay, M.Sc., CFA. Senior Executive Vice President and Chief Financial Officer of the Company. Mr. Luc Tanguay has been active in the biotechnology industry for over 15 years. As a member of senior management at Theratechnologies since 1996, he has contributed to the Company' growth by facilitating access to public and private capital funding. A member of the Board of Directors of the Company since 1993, he has held various management positions within the Company. Prior to joining Theratechnologies, Mr. Tanguay had a successful career in investment banking at Lévesque Beaubien (now National Bank Financial), where he helped several organizations establish themselves as public companies.

4.2 AUDIT COMMITTEE

A. CHARTER

The Company's by-laws provide that the Company's Board of Directors may elect from among their number an audit committee composed of not less than three directors who shall sit on this committee provided they remain directors. The Audit Committee reviews the financial statements prior to approval thereof by the Board of Directors and exercises other assigned powers in accordance with the committee's charter adopted by the Board of Directors and attached hereto as Appendix A to this document.

B. COMMITTEE MEMBERS

The Audit Committee is composed of three members, i.e. Paul Pommier, its Chair, André Delambre and Jean-Denis Talon; all three independent and financially literate.

C. MEMBERS' EDUCATION AND EXPERIENCE

The details mentioned hereunder describe the education and experience of the Audit Committee members that is relevant to the performance of their responsibilities, in particular any experience in preparing, auditing, analyzing and evaluating financial statements.

Paul Pommier. Mr. Pommier holds a MBA degree and has more than 25 years of experience in the financial field, notably in company public and private financings, as well as in merger and acquisition operations.

André Delambre. Mr. Delambre is a chartered accountant and was a partner with the accounting firm Samson, Belair, Deloitte et Touche for many years, during which he oversaw all aspects of the auditing process and other accounting services. Since 1998, he has supervised the financial affairs of Les Productions Feeling Inc.

Jean-Denis Talon. Mr. Talon has more than 20 years of experience in the insurance field as senior officer.

Each member of the Audit Committee has thus acquired in-depth financial expertise giving each the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to those that can reasonably be expected to be raised in the issuer's financial statements.

D. EXTERNAL AUDITORS SERVICE FEES

	Financial Year Ended November 30, 2004	Financial Year Ended November 30, 2003
Audit Fees	\$54,000.00	\$45,150.00
Audit-Related Fees	\$19,300.00	\$11,280.00
Tax Fees	\$20,100.00	\$31,975.00
All Other Fees	\$33,648.00	\$14,845.00

4.3 EXECUTIVE OFFICERS

The following table lists the names of all executive officers, their province or state and country of residence, their office and the number of shares beneficially owned, directly or indirectly, by each of them or over which they exercise control or direction.

EXECUTIVE OFFICERS		
Name, Province or State and Country of Residence	Office	Number of Common Shares of the Company over which Control or Direction is Exercised
A. Jean de Grandpré Québec, Canada	Chairman of the Board of the Company	47,100
Yves Rosconi Québec, Canada	President and Chief Executive Officer	23,500
Luc Tanguay Québec, Canada	Senior Executive Vice President and Chief Financial Officer	36,000
Marie-Noël Colussi Québec, Canada	Vice President, Finance	5,075
Chantal Desrochers Québec, Canada	Vice President, Business Development and Commercialization	500
Eckhardt S. Ferdinandi Québec, Canada	Vice President, Preclinical Research	2,000
Peter McBride Québec, Canada	Vice President, Investor Relations and Public Affairs	20,000
Pierre Perazzelli Québec, Canada	Vice President, Pharmaceutical Development	2,170
Krishna Peri Québec, Canada	Vice President, Research	17,087
James W. Sutton Québec, Canada	Vice President, Clinical Development and Regulatory Affairs	--
Geneviève Dubuc Québec, Canada	Senior Director, Legal Services and Intellectual Property Management, and Secretary	2,000

BIOGRAPHICAL NOTES OF THE EXECUTIVE OFFICERS

For the biographical notes of A. Jean de Grandpré, Yves Rosconi and Luc Tanguay, please refer to sub-item 4.1 titled “Directors” of the present document.

Marie-Noël Colussi, CA. Vice President, Finance. Prior to joining Theratechnologies, Ms. Colussi worked for eight years with KPMG, a major accounting firm, where she acquired sound experience in accounting, auditing, control and taxation, particularly in R&D. She joined Theratechnologies in March 1997 and successively held the positions of i) Director, Accounting and Internal Control, and (ii) Controller. She was appointed Vice President, Finance in February 2002.

Chantal Desrochers, B.Ph., M.B.A. Vice President, Business Development and Commercialization. Ms. Desrochers has over 20 years of experience in the marketing and development of new pharmaceutical products. Prior to joining Theratechnologies in March 2005, Ms. Desrochers had been offering consulting services in business development and product development strategies. She has also held various management positions related to her expertise, notably within the Bristol-Myers Squibb group, at Rhône-Poulenc and at Schering-Plough.

Eckhardt S. Ferdinandi, Ph.D. Vice President, Preclinical Research. Prior to his appointment as Vice President, Preclinical Research on December 11, 2000, Dr. Ferdinandi was Director of Preclinical Development at Lorus Therapeutics. He has extensive experience in the area of drug research and development both in the innovative pharmaceutical industry and in contract research organizations. He worked at Wyeth-Ayerst, where he conducted research in medicinal chemistry. Shifting to the area of drug metabolism, he supervised, as Senior Research Associate, preclinical and clinical investigations on the pharmacokinetics and disposition of a variety of drug entities in support of CTA and NDA submissions. He acquired further experience at Berlex Laboratories as Head of Drug Metabolism and at CTBR (ClinTrials BioResearch) as Scientific Director of Metabolism.

Peter McBride, B.A. Vice President, Investor Relations and Public Affairs. Mr. McBride has over 30 years of experience with various industries in the fields of communications, investor relations, general management and finance. Prior to joining Theratechnologies in July 2003, Mr. McBride held senior positions at Imasco Limited, Biochem Pharma and Ecopia BioSciences.

Pierre Perazzelli, B. Sc. Vice President, Pharmaceutical Development. Mr. Perazzelli has worked in the pharmaceutical manufacturing industry for over 20 years. Throughout his career, he has held various strategic positions in large pharmaceutical companies, such as Bristol Myers Squibb and Abbott Laboratories. He was Director of the LAB Laboratory, a research centre specializing in pharmaceutical formulation. He is also experienced in the production of generic drugs. Mr. Perazzelli joined Theratechnologies in May 2000.

Krishna Peri, Ph.D. Vice President, Research. Dr. Peri has over 17 years of experience in the field of pharmaceutical research and has published many scientific articles. He joined Theratechnologies in 2000 to serve as director of discovery research and was subsequently appointed to Vice President, Research in 2004. Prior to joining the Company, Dr. Peri was Chief of Operations at Pharma-G and Research Associate at the Paediatric Research Centre of the Université de Montréal and of Sainte Justine Hospital.

James W. Sutton, M.D. Vice President, Clinical Development and Regulatory Affairs. Dr. Sutton has more than 20 years of experience in the pharmaceutical field, most of which is in clinical research. Prior to joining the Company in March 2005, Dr. Sutton held the position of Vice President, Clinical Research and Regulatory Affairs at Procyon Biopharma, Inc. and has also occupied various senior management positions, notably at Schering AG, Bayer Corporation and Rhône-Poulenc Rorer, Inc.

Geneviève Dubuc, B. Comm. LL.L. Senior Director, Legal Services and Intellectual Property Management, and Secretary. Ms. Dubuc has 15 years of experience in the fields of corporate and commercial law, most of which was acquired within the pharmaceutical industry. Prior to joining Theratechnologies in 2000 as Legal Counsel, Ms. Dubuc held, among others, the positions of Senior Legal Counsel and Assistant Secretary at Aventis Pharma Canada Inc.

4.4 DECLARATION OF THE DIRECTORS AND OFFICERS' ANTECEDENTS

Pursuant to new regulation regarding reporting issuers' continuous disclosure obligations, the Company must declare if one of its directors or officers has been the subject of, or a company of which he was a director or executive officer was the subject of a cease trade order or was imposed a penalty under securities legislation or had to seek protection under legislation relating to bankruptcy or insolvency in the last ten years. To the Company's knowledge, only one director has occupied a position which has to be declared. Paul Pommier was a member of the board of directors of Royal Aviation Inc. until March 2001, date of its acquisition by Canada 3000 Inc. Subsequently, at the end of 2001, Canada 3000 and its subsidiaries, including Royal Aviation, made assignments in bankruptcy under Section 49 of the *Bankruptcy and Insolvency Act (R.S. 1985, c. B-3)*.

4.5 SECURITIES HELD BY THE DIRECTORS AND EXECUTIVE OFFICERS

The total Company securities carrying voting rights held by the directors and executive officers amount to 217,932 common shares, i.e. less than one per cent (1%) of the outstanding common shares of the Company.

ITEM 5 INTERESTS OF EXPERTS

KPMG, s.e.n.c.r.l., auditors of the Company, is the only person or company who is named as having prepared or certified a statement, report or evaluation describing, included or mentioned in a filing under securities regulations during the Company's most recently completed financial year.

KPMG, s.e.n.c.r.l. and its partners have interests of less than 1% of the Company's securities.

ITEM 6 SECURITIES OF THE COMPANY

6.1 AUTHORIZED SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares issuable in series.

Subject to the priority rights of holders of preferred shares, holders of common shares are entitled to any dividend declared by the Board of Directors, to one vote per share at meetings of shareholders of the Company and, in the event of liquidation or dissolution of the Company, to participate in the distribution of the assets.

Preferred shares carry no voting rights. Preferred shares may be issued at any time in one or more series. The Company's articles of incorporation give its Board of Directors the power to fix the number of preferred shares and the consideration per share, as well as to determine the provisions attached to the preferred shares of each series (including dividends, redemption and conversion rights, if any). The shares of every series of preferred shares will have priority over all other shares of the Company, including common shares, with respect to the payment of dividends and return of capital in the event of the liquidation or dissolution of the Company.

The common shares issued represent the total voting rights pertaining to the securities of the Company.

6.2 DIVIDEND POLICY

The Company's general policy on dividends is not to pay any in cash to keep funds available to finance the Company's growth. However, the Board of Directors may, from time to time, choose to declare a dividend in assets if warranted by circumstances.

6.3 TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is National Bank Trust which holds, at its Montreal office, the registers related to common shares, shareholders and transfers.

6.4 MARKET FOR TRADING OF SECURITIES

The common shares of the Company are listed and traded on the Toronto Stock Exchange under the symbol "TH".

6.5 PRICE RANGE AND TRADING VOLUMES

The following table sets forth the price of shares of the Company and the volume of shares traded on the Toronto Stock Exchange.

Period	Price		Volume
	\$ High	\$ Low	
November 2004	2.49	1.76	105,986
October 2004	2.87	2.05	42,920
September 2004	3.05	2.19	58,100
August 2004	3.88	2.65	53,980
July 2004	3.75	3.42	32,661
June 2004	4.09	3.50	132,613
May 2004	3.87	3.20	91,810
April 2004	3.83	3.04	81,123
March 2004	3.70	3.07	37,330
February 2004	3.90	3.38	161,095
January 2004	3.96	3.05	83,990
December 2003	5.15	3.10	142,027

ITEM 7 ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration, and securities authorized for issuance under equity compensation plans, is contained in the Management Proxy Circular dated March 1, 2005 (the "Circular") accompanying the Notice of Annual General Meeting of Shareholders of the Company. The financial information of the Company is provided in the Company's comparative financial statements and Management Discussion & Analysis for its financial year ended November 30, 2004, which are included in the Company's 2004 Annual Report.

Additional information regarding the Company is available on SEDAR at www.sedar.com or upon request addressed to Geneviève Dubuc, the Corporate Secretary, at 2310 Alfred-Nobel Boulevard, Saint Laurent, Québec, H4S 2A4. Except when the securities of the Company are in the course of a distribution pursuant to a prospectus, the Company may charge reasonable fees if the request is from a person who is not a securities holder of the Company.

GLOSSARY

The following glossary provides the meaning of certain terms used in the North American pharmaceutical and biopharmaceutical industry. However, certain generalizations were made in the present annual information form for convenience of reference, and these definitions are not necessarily accepted for all purposes in the industry.

Analogues:	Molecules that resemble the original molecules but are modified, notably to increase the level of activity or duration of action.
Biopharmaceutical:	This biopharmaceutical industry regroups companies which primarily study the biological mechanisms and reactions in view of developing specific scientific, industrial and commercial applications.
CTA:	<i>Clinical Trial Application</i> – All data collected during preclinical testing presented to the Canadian regulatory authorities in order to obtain a formal authorization to conduct clinical trials.
Clinical trials:	Clinical trials in humans, including various phases.
• Phase I:	Testing in a small number of healthy volunteers to determine safety, dose tolerance and pharmacokinetic properties of a product. When certain conditions are met, Phase I trials may be conducted on patients (cancer, for example).
• Phase II:	With respect to a particular indication, testing of a product in a small number of volunteer patients to evaluate the effectiveness of a product and to identify its side-effects.
• Phase III:	With respect to a particular indication, testing of a product in an expanded voluntary patient population to establish efficiency and to monitor undesirable side-effects in order to complete the clinical aspects of the regulatory filing.
COPD:	<i>Chronic Obstructive Pulmonary Disease.</i>
FDA:	<i>Food and Drug Administration</i> – American regulatory body responsible for the regulation of therapeutic products available in the United States.
GH:	<i>Growth Hormone</i> or somatotropin.
GLP:	<i>Good Laboratory Practices.</i>

GLP-1:	<i>Glucagon-like peptide-1</i> – Peptide hormone synthesized by the intestinal endocrine in response to food ingestion. GLP-1 induces the satiety and stimulates glucose absorption by the cells as a result of an increased insulin secretion.
GMP:	<i>Good Manufacturing Practices.</i>
GPCR:	<i>G-Protein Coupled Receptor.</i>
GRF:	<i>Growth Hormone-Releasing Factor</i> or somatocrinin.
Growth Factor:	Factor stimulating cellular division and/or function.
IGF-1:	<i>Insulin-Like Growth Factor</i> – Growth factor linked to anabolic function or somatomedin.
IND:	<i>Investigational New Drug Application</i> – An IND regroups the data collected during preclinical studies. It is submitted to the American regulatory authorities to obtain formal approval to perform clinical studies - American CTA equivalent.
NDA:	<i>New Drug Application</i> – Collection of results of preclinical and clinical trials, as well as relevant information on the product submitted to the American regulatory authorities to obtain authorization to market same in the United States - American NDS equivalent.
NDS:	<i>New Drug Submission</i> – Collection of results of preclinical and clinical trials, as well as relevant information on the product submitted to the Canadian regulatory authorities to obtaining authorization to market same in Canada.
Peptides:	Peptides are molecules composed of linear chains of amino acids. They are highly specific and are efficacious at low doses. Many are naturally involved in the cell and tissue regeneration process and have an important role to play in numerous endocrine functions.
Pituitary gland:	Master gland that controls most endocrine functions.
Placebo:	Non-medicinal substance used in clinical trials to obtain the simple or double blind characteristic.
Preclinical studies:	Animal Studies to evaluate the pharmacological properties, efficacy and toxicology of a drug, as well as <i>in vivo</i> testing of formulations, to support clinical trials.

T cells:

Small lymphocytes whose maturation is regulated by the thymus and that are responsible for cellular immunity. T cells are essential to the general regulation of immune response, Graft-versus-Host Disease and the proliferation of macrophage cells. They attack and destroy a large number of pathogens introduced into the organism, such as bacteria and viruses, as well as cells already present in the organism that have undergone transformations, such as cancerous cells. There are two types of lymphocytes: helper or inducer lymphocytes and cytotoxic lymphocytes.

TPD:

Therapeutic Products Directorate of the Health Products and Food Branch of Health Canada – Canadian governmental body responsible for the regulation of pharmaceutical drugs, medical devices and other therapeutic products available in Canada. This includes evaluating and monitoring their safety, effectiveness and quality.

APPENDIX A - AUDIT COMMITTEE CHARTER

I. Mandate

The mandate of the Audit Committee is to assist the Board of Directors in its supervision of:

- A. the integrity of the Company's financial statements and related information;
- B. the internal control systems of the Company;
- C. the appointment and performance of the external auditor.

II. Duties and Responsibilities

The Audit Committee performs the functions customarily performed by audit committees and any other function assigned by the Board of Directors. Management has the responsibility to ensure the integrity of the financial information and the effectiveness of the Company's internal controls. The external auditor has the responsibility to verify and certify the accurate presentation of the Company's financial statements; at the same time evaluating the internal control process to determine the nature, extent and chronology of the auditing procedures used. The audit committee has the responsibility to supervise the participants involved in the preparation process of the financial information and to report on this to the Company's Board of Directors.

In particular, the Audit Committee shall have the following duties and responsibilities:

A. *Integrity of the Company's Financial Statements and Related Information*

1. Review annual and quarterly consolidated financial statements and all financial information legally required to be disclosed, i.e. information contained in the "Management Discussion and Analysis" report, the Annual Information Form and the press releases, discuss such with management and the external auditor, and suggest recommendations to the Board of Directors.
2. Approve the intermediary "Management Discussion and Analysis" reports and all supplements to these "Management Discussion and Analysis" reports which have to be filed with regulatory authorities.
3. On a periodic basis, review and discuss with management and the external auditor the following:

- a. major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;
 - b. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;
 - c. the type and presentation of information to be included in press releases dealing with financial results (paying particular attention to any use of pro-forma information or information adjusted by means of non-generally accepted accounting principles).
4. Review and discuss reports from the external auditor on :
- a. all critical accounting policies and practices used by the Company;
 - b. all material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternate treatments and disclosures and the treatment preferred by the external auditor.

B. *Supervision of the Company's Internal Control Systems*

1. Review and discuss with management, the external auditor's report and, when appropriate, provide recommendations to the Board of Directors on the following:
 - a. actual vs forecasted financial data;
 - b. the Company's internal control system;
 - c. the relationship of the Audit Committee with the management and audit committees of the Company's consolidated subsidiaries. With respect to the subsidiaries, the Audit Committee must:
 - obtain precisions as to the mandate of the Audit Committees;
 - enquire about internal controls and study related risks;
 - obtain the external auditors' report to the Audit Committees on the planning of external auditing;

- obtain the external auditors' report to the Audit Committees on the auditing results;
 - obtain copy of the minutes of the Audit Committees' meetings;
 - ensure that the critical accounting policies and practices are identical to the Company's.
2. Study the feasibility of implementing an internal auditing system and when implemented, establish its responsibilities and supervise its work.
 3. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and procedures for the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

C. *Appointment and Performance Supervision of the External Auditor*

1. Provide recommendations to the Board of Directors on the selection of the external auditor to be appointed by the shareholders.
2. Approve in advance and recommend to the Board of Directors the external auditor's remuneration and more specifically fees and terms of all audit, review or certification services to be provided by the external auditor to the Company and any consolidated subsidiary.
3. Supervise the performance of the external auditor in charge of preparing or issuing an audit report or performing other audit services or certification services for the Company or any consolidated subsidiary of the Company, where required, and review all related questions as to the terms of his mission and the revision of his mission.
4. Pre-approve all engagements for permitted non-audit services provided by the external auditor to the Company and any consolidated subsidiary, and to this effect and at its convenience, establish policies and procedures for the engagement of the external auditor to provide to the Company and any consolidated subsidiary permitted non-audit services, which shall include approval in advance by the Audit Committee of all audit/review services and permitted non-audit services to be provided to the Company and any consolidated subsidiary by the external auditor.

5. At least annually, consider, assess and report to the Board of Directors on:
 - a. the independence of the external auditor, including whether the external auditor's performance of permitted non-audit services is compatible with the external auditor's independence;
 - b. obtain from the external auditor a written statement i) describing all relationships between the external auditor and the Company; ii) assuring that lead audit partner rotation is carried out, as required by law; and iii) describing any other relationships that may adversely affect the independence of the external auditor; and
 - c. the evaluation of the lead audit partner, taking into account the opinions of management and the internal auditor.
6. At least annually, obtain and review a report by the external auditor describing:
 - a. the external auditor's internal quality-control procedures;
 - b. any material issues raised by the most recent internal quality-control review, or peer review of the external auditor's firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditor's firm, and any steps taken to deal with any such issues.
7. Resolve any disagreement between management and the external auditor regarding financial reporting.
8. Review the audit process with the external auditor.
9. Review and discuss with the Chief Executive Officer and Chief Financial Officer of the Company the process for the certifications to be provided in the Company's public disclosure documents.
10. Meet periodically with the external auditor in the absence of management.
11. Review and approve the Company's hiring policies with respect to the external auditor's partners and employees, and former partners and employees.

D. *Supervision of the Company's Risk Management*

Review, report and, where appropriate, provide recommendations to the Board of Directors on the following:

1. the Company's processes for identifying, assessing and managing risk;
2. the Company's major financial risk exposures and the steps the Company has taken to monitor and control such exposures;
3. the Company's insurance portfolio and the adequacy of the coverage;
4. the Company's investment policy.

III. Outside Advisors

The Audit Committee has the authority to hire outside counsel and other outside advisors as it deems appropriate to assist the Audit Committee in the performance of its functions. The Company provides appropriate funding for such advisors as determined by the Audit Committee.

IV. Committee Membership

The Audit Committee consists of such number of directors, in no event to be less than three, as the Board of Directors may from time to time determine by resolution. The members of the Audit Committee shall meet the requirements related to their functions within the Audit Committee, as determined by the Board of Directors and in conformity with applicable laws, rules and regulations. The Chair of the Audit Committee is appointed by the Board of Directors.

V. Term

The members of the Audit Committee are appointed by resolution of the Board of Directors to hold office from the time of their appointment until the next annual general meeting of the shareholders or until their successors are so appointed.

VI. Procedures for Meetings

The Audit Committee sets its own procedure at meetings and for the calling of the meetings. The Audit Committee shall meet at least four times a year with management and the external auditor, and at least once a year, separately in executive session in the absence of management and the external auditor.

At least once a year, the Audit Committee invites the Chief Financial Officer of each subsidiary to present the financial information and internal control systems related to such subsidiary.

VII. Quorum and Voting

Unless otherwise determined from time to time by resolution of the Board of Directors, two members of the Audit Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting at which the Audit Committee Chair is absent, the Chair of the meeting shall be the person present who shall be chosen and appointed by all members present. At a meeting, any question shall be decided by a majority of the votes cast by members of the Audit Committee, except where only two members are present, in which case any question shall be decided unanimously.

VIII. Secretary

Unless otherwise determined by resolution of the Board of Directors, the Corporate Secretary of the Company shall be the Secretary of the Audit Committee.

IX. Vacancies

Vacancies at any time occurring shall be filled by resolution of the Board of Directors.

X. Records

The Audit Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board of Directors as appropriate.

XI. Effective Date

This charter was adopted by the Directors at the Board of Directors' meeting held on May 3, 2004. It was modified by the Directors at the Board of Directors' meeting held on April 13, 2005.