News Release

FOR IMMEDIATE RELEASE

Theratechnologies: Financial results for the second quarter and recent operating highlights

- *TH9507 (ThGRF) in Phase III in HIV-associated lipodystrophy*
- *Sale of Celmed BioSciences*
- *$49 million in liquidities (pro forma)*

Montreal, July 13, 2005 – Theratechnologies (TSX: TH) announced today its financial results for the second quarter ended May 31, 2005 and reviewed recent highlights.

“Through the first half of the year we made solid progress on our objectives for 2005 and on the longer-term goal of building value for shareholders,” stated Yves Rosconi, President and Chief Executive Officer. “Our top priority was to initiate the Phase III program and this was accomplished in June with the first patient beginning treatment in Atlanta, Georgia. On the financial side, we sold our investment in Celmed BioSciences, which generated non-dilutive capital and tightened our business focus. We also completed our management team on schedule bringing two additional pharmaceutical executives on board. Looking ahead to the next six months, we will be choosing a second indication for TH9507 and completing the strategic assessment of our diabetes portfolio,” he stated.

Operating highlights:

HIV-associated lipodystrophy
The first patient in the Phase III trial testing TH9507 in HIV-associated lipodystrophy began treatment in June in Atlanta, Georgia. This disease is often characterized by an accumulation visceral adipose tissue (VAT), dyslipidemia and glucose intolerance. Among the 1.1 million HIV-positive patients in North America and Europe, nearly 200,000 suffer from lipodystrophy with excess VAT accumulation. The Phase III clinical trial is investigating the safety and efficacy of TH9507 in reducing excess VAT in approximately 400 patients by administering 2 mg daily for a period of 26 weeks. Results are expected in the second half of 2006.

Type 2 diabetes program (GLP-1 analogues)
In keeping with its overall strategic approach, Theratechnologies is currently assessing its market positioning to determine the potential impact of recent clinical developments involving other GLP-1 analogues. A decision on the next steps to be taken will be made in the second half of the year.

Sale of investment in Celmed BioSciences
On June 20, the Company completed the sale of its 37% interest in Celmed Biosciences, a privately held oncology company, for a total consideration of up to $8.4 million. Total consideration includes an upfront payment of $2.8 million and milestone payments tied to the success of Celmed’s lead products.

$49 million in liquidities
At May 31, 2005, liquidities (cash, cash equivalents as well as bonds) amounted to $45.0 million, and tax credits and grants receivable amounted to $1.2 million, for a total of $46.2 million. Adding the $2.6 million ($2.8 million less related expenses) from the sale of the Celmed shares, the *pro forma* liquidities (including the Company’s tax credits receivable) would be $48.8 million. Based on the current burn rate, the Company would be able to fund its operations for the next three years.

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Analyst day
On May 27, the company held an analyst day in Toronto on its Phase III program in HIV-associated lipodystrophy. The half-day meeting featured presentations on the disease by Dr. Julian Falutz, lead investigator for the proposed Canadian study, and Dr. Steven Grinspoon, lead investigator for the United States. Company management presented clinical and financial details of the study, as well as the important findings from market research on the disease. The participants reported back that they were very satisfied with the information presented.

Four scientific posters at Endo 2005
Researchers from Theratechnologies presented four scientific posters at the 87th Annual Meeting of the Endocrine Society held in San Diego from June 4th to June 7th. The posters included data on the lead product, TH9507, as well as early-stage data related to the diabetes program. The Endocrine Society's annual meeting is internationally known as the leading source of state-of-the-art research and clinical advancement in endocrinology and metabolism.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION:

Consolidation and investments
The consolidated financial statements include the accounts of Theratechnologies and its subsidiaries. Since July 2nd, 2004, the Company no longer exercises control over Celmed and the interest in this company is accounted for by the equity method. Theratechnologies' 2004 consolidated results include Celmed's results until that date (see note 2 in the notes to the consolidated financial statements).

Summary of operating results
Consolidated revenues for the three-month period ended May 31, 2005 amounted to $631,000, compared to $782,000 ($555,000 without Celmed) for the same period in 2004. For the six-month period ended May 31, 2005, consolidated revenues were $15,733,000, compared to $1,561,000 ($1,074,000 without Celmed) for the corresponding period in 2004. The increase during the first half of the year is essentially due to the payment of $14,640,000 (US$12,000,000) received in connection with the Company's December 2004 agreement with ALZA to terminate three co-development projects using ALZA's Macroflux® transdermal technology.

Consolidated research and development (R&D) expenditures, before tax credits and grants, for the second quarter of 2005, totaled $3,246,000, compared to $5,675,000 ($3,913,000 without Celmed) in 2004. For the six-month period ended May 31, 2005, R&D expenses reached $6,466,000, compared to $11,565,000 ($8,012,000 without Celmed). The higher level of expenditures in 2004 is mostly related to activities surrounding ThPTH and TH0318, a GLP-1 analogue (glucagons-like peptide-1). Activities relating to ThPTH ceased following the agreement with ALZA in December 2004. Development of TH0318 has been stopped in order to allow the Company to assess its market positioning in type 2 diabetes.

During the first half of 2005, management reassessed its strategy regarding non-core products and the related patent portfolio. As a result, the Company recorded a write off of $444,000 of certain patent costs and deferred development expenses.

For the second quarter, general and administrative expenses, selling and market development expenses, patents and amortization of other assets (SG&A) were $2,425,000 ($1,981,000 before the adjustment to book value of patents and deferred development expenses referred to above), compared to $2,525,000 ($1,685,000 without Celmed) for the same period in 2004. For the six-month period ended May 31, 2005, SG&A expenses were $4,121,000 ($3,677,000 before the book value adjustment), compared to $4,841,000 ($3,014,000 without Celmed) for the same period in 2004. The increase in SG&A expenses is mainly due to preparations required for late-stage development and future commercialization of TH9507.

For the second quarter of 2005, the proportionate share in loss of Celmed and Andromed was $5,302,000, compared to $234,000 in 2004. For the six-month period ended May 31, 2005, the proportionate share in loss of Celmed and Andromed was $6,449,000, compared to $493,000 in 2004. This increase in the proportionate share in loss of companies under significant influence is due to the change to the equity method of accounting of the interest in Celmed, which only began in the third quarter of fiscal 2004 (see note 2 in the notes to the consolidated financial statements). In 2004, therefore, the figures represent only the Company's share of losses in Andromed. This increase is also due to the non-cash write down, net of related income taxes, of $9,685,000 recorded by Celmed at May 31, 2005 in connection with the acquisition of NewBiotics' intellectual property in 2004.

On June 20, 2005, the Company completed the sale of its 37,3% interest in Celmed BioSciences for total proceeds of up to $8,400,000. The proceeds include an upfront payment of $2,811,000, as well as milestone payments tied to the success of Celmed's more advanced products totalling $5,589,000. The milestone payments will be recorded once the related milestones are reached. The book value of the investment in Celmed at May 31st reflects the upfront payment, less the related expenses. Consequently, a non-cash write down of $2,659,000 was recorded in the second quarter.

The Company recorded an operating loss for the three-month period ended May 31, 2005 of $4,784,000 (before proportionate share in loss of companies under significant influence and gains on investments in companies and gains on dilution, non-controlling interest and discontinued operations), compared to an operating loss of $6,832,000 for the same period in 2004. The net loss for the second quarter of 2005 was $12,745,000, compared to a net loss of $5,910,000 in 2004. For the six-month period ended May 31, 2005, the net loss was $3,474,000, compared to $7,793,000 in 2004.

Quarterly financial information

The selected financial information provided below is derived from the Company's unaudited quarterly financial statements for each of the last eight quarters. This quarterly information has been restated pursuant to the change in accounting policy related to stock-based remuneration and other payments described in the 2004 Annual Report, and in order to account for discontinued operations. This information includes Celmed's results until July 2, 2004. (See note 2 in the notes to the consolidated financial statements).

	2005		2004				2003	
	Q2	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3
Revenues	**$ 631**	**$ 15,102**	$ 503	$ 585	$ 782	$ 779	$ 897	$ 941
Operating earnings (loss) (1)	**$ (4,784)**	**$ 10,418**	$ (4,655)	$ (4,289)	$ (6,832)	$ (7,094)	$ (7,805)	$ (6,694)
Earnings (loss) from continuing operations (2)	**$ (12,745)**	**$ 9,271**	$ (10,873)	$ (4,137)	$ (6,139)	$ (1,731)	$ (7,771)	$ (6,232)
Net earnings (loss)	**$ (12,745)**	**$ 9,271**	$ (10,873)	$ (4,150)	$ (5,910)	$ (1,883)	$ (14,079)	$ (6,581)
Basic and diluted earnings (loss) per share:								
Continuing activities (2)	**$ (0.36)**	**$ 0.26**	$ (0.31)	$ (0.12)	$ (0.17)	$ (0.06)	$ (0.25)	$ (0.20)
Net earnings (loss)	**$ (0.36)**	**$ 0.26**	$ (0.31)	$ (0.12)	$ (0.17)	$ (0.06)	$ (0.46)	$ (0.21)

(1) Before restructuring costs, proportionate share in loss of a company under significant influence, gains on investments in companies and gains on dilution, discontinued operations and non-controlling interest
(2) Net of non-controlling interest

Financial position

Theratechnologies maintains a sound cash position. At May 31, 2005, liquidities (cash and cash equivalents as well as bonds) amounted to $45,009,000 and tax credits and grants receivable amounted to $1,246,000, for a total of $46,255,000. Adding the $2,565,000 ($2,811,000 less related expenses) from the sale of the investment in Celmed the *pro forma* liquidities (including the Company's tax credits receivable) would be $48,820,000.

For the three-month period ended May 31, 2005, the burn rate from operating activities, excluding changes in operating assets and liabilities, was $3,953,000, compared to a burn rate of $6,138,000 ($4,101,000 without Celmed) in 2004. For the six-month period ended May 31, 2005, cash from operating activities, excluding changes in operating assets and liabilities, was $6,755,000, compared to a burn rate of $12,608,000 ($8,390,000 without Celmed) in 2004, reflecting the payment from ALZA and lower R&D expenses as described above.

At July 12, 2005, the number of shares issued and outstanding was 35,549,019, while outstanding options granted under the stock option plan were 2,488,161. In addition, 1,280,000 warrants were outstanding.

During the quarter, there were no material changes in contractual obligations, other than in the ordinary course of business.

Economic and industry factors were substantially unchanged from those reported in the Company's 2004 annual report.

About Theratechnologies
Theratechnologies (TSX: TH) is a Canadian biopharmaceutical company engaged in the discovery and development of therapeutic peptides in the field of endocrinology and metabolism. The Company uses proprietary discovery technologies to expand its product portfolio. The most advanced clinical program (Phase III) targets HIV-associated lipodystrophy with its lead compound, TH9507 (ThGRF). The Company is evaluating other potential indications for TH9507 and it has an interesting product pipeline targeting type 2 diabetes.

Additional information about Theratechnologies
Further information relating to Theratechnologies is available on the Company's website at http://www.theratech.com/. The Company is listed on the Toronto Stock Exchange under the symbol TH. Additional information, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com.

This press release contains forward-looking statements that reflect Company's current views with respect to its short-term objectives. These statements involve numerous risks and uncertainties and the Company does not undertake to update this information. Investors are cautioned against placing undue importance on forward-looking information contained herein and should consult the Company's 2004 Annual Report, which contains a analysis of risks and uncertainties connected to the businesses of the Company.

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THERATECHNOLOGIES INC.
CONSOLIDATED BALANCE SHEET
(in thousands of dollars)

	May 31 2005 (unaudited)	November 30 2004 (audited)
Assets		
Current assets:		
Cash and cash equivalents	$ **7,599**	$ 436
Bonds	**11,677**	17,513
Accounts receivable	**345**	395
Tax credits receivable	**1,246**	754
Research supplies	**2,620**	1,542
Prepaid expenses	**597**	202
	24,084	20,842
Bonds	**25,733**	24,105
Investments in public companies (market value : $2,759 in 2005; $3,026 in 2004)	**1,060**	1,362
Investment in a private company (note 2)	**2,565**	11,367
Property and equipment	**2,280**	2,234
Other assets (note 3)	**8,101**	8,040
	$ **63,823**	$ 67,950
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ **4,120**	$ 4,996
Shareholders' equity:		
Capital stock (note 4)	**155,654**	155,594
Contributed surplus	**2,420**	2,257
Deficit	**(98,371)**	(94,897)
	59,703	62,954
Subsequent event (note 10)		
	$ **63,823**	$ 67,950

See accompanying notes to unaudited consolidated financial statements.

THERATECHNOLOGIES INC.
CONSOLIDATED STATEMENT OF EARNINGS
PERIODS ENDED MAY 31
(in thousands of dollars, except per share amounts) (unaudited)

	Second quarter		Six months	
	2005	2004	**2005**	2004
Revenues:				
Royalties, technologies and other (note 5)	**$ 158**	$ 60	**$ 14,830**	$ 139
Interest	**473**	722	**903**	1,422
	631	782	**15,733**	1,561
Operating costs and expenses:				
Research and development	**3,246**	5,675	**6,466**	11,565
Tax credits	**(256)**	(586)	**(488)**	(919)
	2,990	5,089	**5,978**	10,646
General and administrative	**1,364**	2,025	**2,687**	3,987
Selling and market development	**363**	293	**585**	446
Patents and amortization of other assets (note 3)	**698**	207	**849**	408
	5,415	7,614	**10,099**	15,487
Operating (loss) earnings before undernoted items	**(4,784)**	(6,832)	**5,634**	(13,926)
Proportionate share in loss of companies under significant influence	**(5,302)**	(234)	**(6,449)**	(493)
(Loss) gains on investments in companies and gains on dilution (note 6)	**(2,659)**	89	**(2,659)**	4,743
Loss from continuing operations before non-controlling interest	**(12,745)**	(6,977)	**(3,474)**	(9,676)
Gain from discontinued operations (note 7)	**-**	386	**-**	131
Non-controlling interest	**-**	681	**-**	1,752
Net loss	**$ (12,745)**	$ (5,910)	**$ (3,474)**	$ (7,793)
Basic and diluted loss per share (note 4 b):				
Continuing operations net of non-controlling interest	**$ (0.36)**	$ (0.18)	**$ (0.10)**	$ (0.24)
Discontinued operations net of non-controlling interest	**$ -**	$ 0.01	**$ -**	$ 0.01
Net loss	**$ (0.36)**	$ (0.17)	**$ (0.10)**	$ (0.23)
Weighted average number of common shares outstanding	**35,524,730**	35,466,118	**35,519,201**	33,470,291

See accompanying notes to consolidated financial statements.

THERATECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
PERIODS ENDED MAY 31
(in thousands of dollars) (unaudited)

	Second quarter		Six months	
	2005	2004	**2005**	2004
Cash flows from operating activities:				
Net loss	**$ (12,745)**	$ (5,910)	**$ (3,474)**	$ (7,793)
Adjustments for:				
Depreciation of property and equipment	**139**	271	**275**	533
Depreciation of other assets	**563**	137	**683**	268
Stock-based compensation	**129**	286	**163**	517
Proportionate share in loss of companies under significant influence	**5,302**	234	**6,449**	493
Loss (gains) on investments in companies and gains on dilution	**2,659**	(89)	**2,659**	(4,743)
Gain from discontinued operations	**-**	(386)	**-**	(131)
Non-controlling interest	**-**	(681)	**-**	(1,752)
	(3,953)	(6,138)	**6,755**	(12,608)
Change in operating assets and liabilities:				
Interest receivable on bonds	**267**	(405)	**46**	(39)
Accounts receivable	**90**	(170)	**50**	(148)
Tax credits	**(260)**	(584)	**(492)**	(913)
Research supplies	**25**	155	**(1,738)**	274
Prepaid expenses	**(311)**	(273)	**(395)**	(546)
Accounts payable and accrued liabilities	**(1,625)**	(1,485)	**(710)**	(1,762)
	(1,814)	(2,762)	**(3,239)**	(3,134)
Cash used in discontinued operations	**-**	(110)	**-**	(406)
	(5,767)	(9,010)	**3,516**	(16,148)
Cash flows from financing activities:				
Share issue	**60**	49	**60**	15,721
Share issue costs	**-**	(145)	**-**	(1,127)
	60	(96)	**60**	14,594
Cash flows from investing activities:				
Addition to property and equipment	**(101)**	(138)	**(380)**	(378)
Disposal of property and equipment	**-**	-	**-**	122
Addition to other assets	**(67)**	(348)	**(191)**	(387)
Acquisition of bonds	**-**	(17,083)	**(7,389)**	(26,102)
Disposal of bonds	**7,926**	8,871	**11,551**	29,344
Fees related to the disposal of shares in a private company	**(4)**	-	**(4)**	-
Disposal of shares in public companies	**-**	112	**-**	2,481
Net investments related to discontinued operations	**-**	10	**-**	10
	7,754	(8,576)	**3,587**	5,090
Net change in cash and cash equivalents	**2,047**	(17,682)	**7,163**	3,536
Cash and cash equivalents, beginning of period	**5,552**	21,271	**436**	53
Cash and cash equivalents, end of period	**$ 7,599**	$ 3,589	**$ 7,599**	$ 3,589

See accompanying notes to consolidated financial statements.
See note 9 a) for supplemental cash flow information.

THERATECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF DEFICIT
SIX-MONTH PERIOD ENDED MAY 31
(in thousands of dollars) (unaudited)

		2005		2004
Deficit, beginning of year	**$**	**(94,897)**	$	(70,922)
Net loss		**(3,474)**		(7,793)
Share issue costs		**-**		(1,171)
Deficit, end of period	**$**	**(98,371)**	$	(79,886)

See accompanying notes to consolidated financial statements.

THERATECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
PERIODS ENDED MAY 31, 2005
(in thousands of dollars, except per share amounts) (unaudited)

1. Basis of presentation

The financial statements included in this report are unaudited and reflect normal and recurring adjustments, which are in the opinion of the Company, considered necessary for a fair presentation. These financial statements have been prepared in conformity with Canadian generally accepted accounting principles. The same accounting policies as described in the Company's latest annual report have been used. However, these financial statements do not include all disclosures required under generally accepted accounting principles and accordingly should be read in connection with the financial statements and the notes thereto included in the Company's latest annual report. These interim financial statements have not been reviewed by auditors.

2. Significant accounting policies

Consolidation and investments

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions and balances have been eliminated.

The investment in public companies is composed of the investment in Andromed Inc. (“Andromed”) and in Ecopia BioSciences Inc. (“Ecopia”).

The investment in Andromed Inc. (“Andromed”), a company under significant influence, has been accounted for by the equity method. The investment in Ecopia BioSciences Inc., a portfolio investment, is recorded at cost.

On July 2, 2004, Celmed BioSciences Inc. (“Celmed”) acquired NewBiotics Inc. and issued shares from its capital stock to the shareholders of the acquired company. Consequently, Theratechnologies’ interest in Celmed decreased from 59.7% to 42%. An adjustment clause in connection with the interest of founding investors could reduce the Company’s interest to 37.3%. Since the date of this transaction, the Company no longer exercises control over Celmed and the interest in this company is accounted for by the equity method.

(in thousands of dollars, except per share amounts) (unaudited)

2. Significant accounting policies (continued)

Consolidation and investments (continued)

In June 2005, Theratechnologies sold the totality of its shares in Celmed (see note 10). As of May 31, 2005, the investment in this company is recorded at the upfront payments to be received amount less related expenses.

3. Other assets

During the first half of 2005, management reassessed its strategy regarding non-core products and the related patent portfolio. As a result, the Company recorded a write off of $444 of certain patent costs and deferred development expenses.

4. Capital stock

		May 31 2005		November 30 2004
Authorized in unlimited number and without par value:				
Common shares				
Preferred shares issuable in one or more series				
Issued:				
35,549,019 common shares (35,513,549 in 2004)	**$**	**155,654**	$	155,594

During the second quarter of 2005, the Company issued 35,470 shares for cash consideration of $60.

a) Stock-based compensation and other stock-based payments

The weighted-average fair value of the 415,000 options granted during the six-month period ended May 31, 2005 is $0.97 per option. The fair value of the options granted during 2005 was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 3.77%, expected dividend yield of nil, expected volatility of 51% and an average expected option life of 6 years.

b) Diluted loss per share

Diluted loss per share were not presented as the effect of options and warrants would have been anti-dilutive. Furthermore, the exercise of options and warrants would not have been considered in such computation since their exercise prices were higher than the average market price during the reporting periods of 2004 and 2005.

5. Royalties, technologies and other

In December 2004, the Company completed an agreement to terminate three co-development projects using ALZA Corporation's Macroflux® transdermal technology. The Company retains the rights to develop its molecules with all other means of delivery and ALZA retains the commercialization rights to Macroflux® with other molecules. In this regard, the Company received a payment of $14,640 (US $12,000).

(in thousands of dollars, except per share amounts) (unaudited)

6. Loss (gains) on investments in companies and gains on dilution

During the quarters ended February 29, 2004 and May 31, 2004, the Company realized gains on investments in companies of $1,929 and $89 respectively, resulting from the sale of shares in public companies.

In January and February 2004, Celmed's institutional investors exercised adjustment clauses in relation to their investment, thus reducing the Company's interest in Celmed from 61.6% to 56.1%. In February 2004, Celmed proceeded with the redemption for a nominal amount of shares of certain shareholders because the milestones related to these shares were not achieved. In April 2004, Celmed proceeded with the redemption of shares of a non-controlling shareholder in connection with the sale of a US subsidiary. These redemptions resulted in an increase of the Company's interest in Celmed to 59.7%.

Consequently, the deferred gain of $3,762 at November 30, 2003 was attributed to non-controlling interests, and the adjustment to their interest resulted in a gain of $2,725, which is included in the statement of earnings for the period ended February 29, 2004.

On May 31, 2005, the Company recorded a reduction in value of $2 659 in relation to the sale of its shares in Celmed on June 20, 2005 (see note 10).

7. Discontinued operations

During the first quarter of 2004, Celmed studied the relevance of pursuing its activities in the treatment of Parkinson's disease. In this context, Celmed discontinued its development activities for this program. In April 2004, Celmed disposed of the shares of its US subsidiary in the field of neurology.

Consequently, operating results for these activities have been reclassified under item "Discontinued operations". The results are shown below:

	Second quarter		Six months	
	2005	2004	**2005**	2004
Costs and expenses:				
General and administrative	**$ -**	$ (58)	**$ -**	$ (42)
Research and development	**-**	104	**-**	322
Patents and amortization of other assets	**-**	-	**-**	21
Gain on disposal of subsidiary	**-**	(432)	**-**	(432)
Gain from discontinued operations	**$ -**	$ 386	**$ -**	$ 131
Gain from discontinued operations attributable to parent company	**$ -**	$ 229	**$ -**	$ 77
Non-controlling interest before discontinued activities	**$ -**	$ 838	**$ -**	$ 1,806
Loss from continuing operations, net of non-controlling interest	**$ (12,745)**	$ (6,139)	**$ (3,474)**	$ (7,870)

THERATECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
PERIODS ENDED MAY 31, 2005
(in thousands of dollars, except per share amounts) (unaudited)

8. Segmented information

	Therapeutic peptides	Cell therapy	Other segments	Intersegment adjustments and eliminations	Total
Second quarter ended May 31, 2005					
Revenues from external customers	$ **150**	$ **-**	$ **-**	$ **-**	$ **150**
Revenues from companies under significant influence	**8**	**-**	**-**	**-**	**8**
Loss from continuing operations	**(4,784)**	**(5,149)**	**(153)**	**(2,659)**	**(12,745)**
Net loss	**(4,784)**	**(5,149)**	**(153)**	**(2,659)**	**(12,745)**
Total assets	**60,527**	**2,565**	**1,060**	**(329)**	**63,823**
Six months ended May 31, 2005					
Revenues from external customers	$ **14,810**	$ **-**	$ **-**	$ **-**	$ **14,810**
Revenues from companies under significant influence	**20**	**-**	**-**	**-**	**20**
Earnings (loss) from continuing operations	**5,634**	**(6,147)**	**(302)**	**(2,659)**	**(3,474)**
Net earnings (net loss)	**5,634**	**(6,147)**	**(302)**	**(2,659)**	**(3,474)**
Total assets	**60,527**	**2,565**	**1,060**	**(329)**	**63,823**

(in thousands of dollars, except per share amounts) (unaudited)

8. Segmented information (continued)

	Therapeutic peptides	Cell therapy (1)	Other segments	Intersegment adjustments and eliminations	Total
Second quarter ended May 31, 2004					
Revenues from external customers	$ 60	$ -	$ -	$ -	$ 60
Intersegment revenues	21	-	-	(21)	-
Loss from continuing operations	(4,587)	(1,892)	(234)	574	(6,139)
Net loss	(4,587)	(1,663)	(234)	574	(5,910)
Total assets	62,251	31,579	1,439	(112)	95,157
Six months ended May 31, 2004					
Revenues from external customers	$ 139	$ -	$ -	$ -	$ 139
Intersegment revenues	42	-	-	(42)	-
Loss from continuing operations	(9,284)	(4,392)	(493)	6,299	(7,870)
Net Loss	(9,284)	(4,315)	(493)	6,299	(7,793)
Total assets	62,251	31,579	1,439	(112)	95,157

(1) The 2004 net loss for this sector was reduced by the non-controlling interest.

9. Supplemental information

a) The following transactions were concluded by the Company and did not impact cash flow.

	May 31 2005	May 31 2004
Addition to property and equipment financed by accounts payable and accrued liabilities	**$ 190**	$ 24
Addition to other assets financed by accounts payable and accrued liabilities	**22**	388
Share issue cost financed by accounts payable and accrued liabilities	**-**	44

b) General and administrative expenses include a gain on exchange of $47 for the second quarter of 2005 (loss of $5 in 2004) and a loss of $3 for the six-month period ended May 31, 2005 (gain of $40 in 2004).

10. Subsequent event

On June 20, 2005, the Company completed the sale of its 37,3% interest in Celmed BioSciences for total proceeds of up to $8,400. The acquirer is a group of minority shareholders of Celmed

The proceeds include an upfront payment of $2,811, as well as milestone payments tied to the success of Celmed's more advanced products totalling $5,589. The milestone payments will be recorded once the related milestones are reached.

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