

For immediate release

Theratechnologies: Financial results for the first quarter of 2004 and recent operating highlights

- *ThGRF Phase II program winds up with strong HIV-associated lipodystrophy results*
- *THPTH program in osteoporosis now in clinical development*
- *\$ 15.6 million share issue maintains sound financial position*

Montreal, April 19, 2004 – Theratechnologies (TSX:TH) reviews recent highlights and announces its consolidated financial results for the first quarter ended February 29, 2004.

“Our clinical development programs progressed well during the quarter,” said Mr. Luc Tanguay, President and Chief Executive Officer of Theratechnologies. “Exciting Phase II results in HIV-associated lipodystrophy have opened new possibilities for our lead compound’s further development. Coupled with the results reported in October 2003 in our COPD wasting trial, we are well positioned to move into late-stage development in one of these indications by year-end. Our ThPTH osteoporosis program, which entered into Phase I in December, is on track, and ThGLP-1 for type II diabetes is expected to enter Phase I clinical trials in the second half of the year.”

“On the financial side, expenses continue to be tightly controlled and we completed \$15.6 million financing during the quarter. With a very full clinical program in the months ahead and a lot of upside potential, this financing provides a welcome margin of safety against unforeseen financial market fluctuations,” added Mr. Tanguay.

Overview of recent highlights

- **ThGRF program**

HIV-associated lipodystrophy study : The Company announced preliminary results of its Phase II clinical trial on ThGRF in patients with HIV-associated lipodystrophy, a medical condition characterized by body composition changes and metabolic abnormalities that affects an estimated 250,000 patients in North America and Europe. Highlights 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. The marked effect on visceral fat could prove to be an advantage in these patients who generally experience an accumulation of visceral fat associated with higher risk of cardiovascular disease. Good glycemic control was maintained by all patients, including in glucose-intolerant and diabetic patients, who represented 28% of the subjects enrolled. It is estimated that approximately 40% of all HIV-associated lipodystrophy patients are either glucose intolerant or diabetic.

Theratechnologies Inc.

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Overview of recent highlights (continued)

- **Osteoporosis program**

In December 2003, the Company launched a Phase I study for ThPTH, its transdermal formulation of parathyroid hormone for the treatment of osteoporosis, as an alternative to the currently marketed injectable form. The product under development incorporates the Macroflux® patch technology of US-based ALZA Corporation. The results of this study, which will provide preliminary data on the safety of ThPTH and the feasibility of transdermal delivery, are expected in the second quarter.

- **Type II diabetes program**

Pre-clinical development of ThGLP-1 is nearing completion with clinical development slated to begin in the second half of the year. ThGLP-1 has the same sequence of amino acids as natural GLP-1 and could have a safety advantage over other compounds currently in development.

- **Financing**

The Company entered into an agreement with a syndicate of underwriters to issue and sell 4,542,500 common shares of Theratechnologies at a price of \$3.45 per share. Gross proceeds were \$15,671,625. At the end of the first quarter, Theratechnologies had close to three years of cash on an unconsolidated basis.

Management's discussion and analysis of results of operation and financial condition

Summary of operating results

Theratechnologies' consolidated revenues for the first quarter ended February 29, 2004 amounted to \$779,000, compared to \$1,140,000 for the same period in 2003. This variance reflects a reduction in interest revenues from the Company's liquidities, which decreased due to the financing of operations.

Consolidated research and development (R&D) expenditures, before tax credits and grants, totaled \$5,890,000 for the first quarter, compared to \$4,876,000 in 2003. During the first quarter of 2004, Theratechnologies and Celmed invested \$4,098,000 and \$1,792,000 respectively in R&D, compared to \$3,424,000 and \$1,452,000 in 2003.

General and administrative expenses, selling and market development expenses, patents and amortization of other assets were \$2,316,000 for the first quarter, compared to \$1,899,000 for the same period in 2003. The Company maintained these expenses at a stable level, amounting to 28.2% of costs and expenses before tax credits and grants, compared to 28.0% for the first quarter of 2003.

During the first quarter of 2004, the Company realized gains on investments in companies and gains on dilution of \$4,654,000. These gains are detailed in note 3 of the consolidated financial statements.

During the first quarter of 2004, Celmed examined the relevance of pursuing its activities in the treatment of Parkinson's disease. Management intends to explore the many possibilities with regards to its technology pertaining to neurology. In this context, Celmed discontinued its development activities for this program and proceeded to reclassify related expenses under "Discontinued operations". For the first quarter, these expenses totaled \$255,000, compared to \$1,239,000 for the same period in 2003.

The operating loss for the quarter ended February 29, 2004, was \$7,094,000 (before proportionate share in loss of a company under significant influence, gains on investments in companies and gains on dilution, non-controlling interest and discontinued operations), compared to \$5,223,000 for the first quarter of 2003. Principally as a result of the gains referred to above, the net loss for the first quarter was limited to \$1,883,000, compared to \$5,751,000 in 2003.

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 described below and in order to account for discontinued operations.

	2004				2003				2002
	Q1	Q1	Q2	Q3	Q4	Q2	Q3	Q4	
Revenues	\$ 779	\$ 1,140	\$ 1,028	\$ 941	\$ 897	\$ 1,436	\$ 1,381	\$ 1,206	
Loss (earnings) from continuing operations (1)	\$ (1,731)	\$ (4,988)	\$ (6,571)	\$ (6,232)	\$ (7,771)	\$ 292	\$ (4,405)	\$ (7,029)	
Net loss	\$ (1,883)	\$ (5,751)	\$ (7,388)	\$ (6,581)	\$ (14,079)	\$ (240)	\$ (4,930)	\$ (7,925)	
Basic and diluted result per share									
Continuing operations (1)	\$ (0.06)	\$ (0.16)	\$ (0.21)	\$ (0.20)	\$ (0.25)	\$ 0.01	\$ (0.14)	\$ (0.23)	
Net loss	\$ (0.06)	\$ (0.19)	\$ (0.24)	\$ (0.21)	\$ (0.46)	\$ (0.01)	\$ (0.16)	\$ (0.26)	

(1) Net of non-controlling interest

Financial situation

Theratechnologies maintained an adequate cash position in the first quarter. At February 29, 2004, cash and cash equivalents as well as bonds amounted to \$83,238,000 and tax credits and grants receivable amounted to \$1,466,000, for a total of \$84,684,000, compared to \$74,957,000 at November 30, 2003. Liquidities, tax credits and grants were \$55,519,000 for Theratechnologies and \$29,165,000 for Celmed.

For the quarter ended February 29, 2004, the burn rate, excluding changes in operating assets and liabilities, was \$6,470,000, that is \$4,289,000 for Theratechnologies and \$2,181,000 for Celmed. Celmed's liquidities are restricted to the support of its own activities.

As for financing activities during the first quarter of 2004, Theratechnologies issued, in February, 4,542,500 common shares for a cash consideration of \$15,672,000, including the over-allotment option.

At April 16, 2004, the number of shares issued and outstanding was 35,461,131 common shares, while outstanding options granted under the stock option plan were 2,671,500. In addition, 4,880,000 warrants were outstanding.

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

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

Change in accounting policy

In accordance with amendments made to Section 3870 of the Canadian Institute of Chartered Accountants ("CICA") Handbook, the Company early implemented the recommendation to account for stock option awards to employees using the fair value method on a retroactive basis and by restating the comparative figures for 2003 (see note 2 in the notes to the consolidated financial statements).

About Theratechnologies

Theratechnologies (TSX:TH) is a Canadian biotechnology company engaged in the discovery and development of therapeutic products in the field of endocrinology and metabolism. The Company has and is developing a portfolio of peptides at various stages of development for the treatment of catabolic (loss of the body's synthesis and regeneration capacity) and metabolic disorders, as well as osteoporosis and type II diabetes. In addition, Theratechnologies is expanding its peptide portfolio through proven, proprietary technologies. Its subsidiary, Celmed BioSciences, develops photodynamic-based therapies targeting niche markets in oncology/hematology.

Additional information about Theratechnologies

Further information relating to Theratechnologies is available on the Company's website at 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 regarding the clinical development of ThGRF and its future commercialization in the indications described above. Such statements inherently involve numerous risks and uncertainties, including the availability of funds and resources, the success and timely completion of clinical trials and the granting of the necessary authorizations. Actual future results may differ materially from the anticipated results. Investors are cautioned against placing undue importance on forward-looking information contained herein and should consult the Company's 2003 Annual Report, which contains a more exhaustive 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)

	February 29 2004	November 30 2003
	(Unaudited)	(Audited) (Restated)
Assets		
Current assets:		
Cash and cash equivalents	\$ 21,271	\$ 53
Bonds	28,061	39,303
Accounts receivable	536	463
Tax credits and grants receivable	1,446	1,117
Research supplies	909	990
Prepaid expenses	870	597
	53,093	42,523
Bonds	33,906	34,484
Investments in companies (market value: \$5,994 in 2004; \$5,876 in 2003)	1,695	2,395
Property, plant and equipment	5,072	5,324
Other assets	9,767	9,866
	\$ 103,533	\$ 94,592
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 7,017	\$ 7,132
Deferred gain	-	3,762
Non-controlling interest	13,298	13,264
Shareholders' equity:		
Capital stock (note 4)	155,463	139,791
Contributed surplus (note 2)	1,731	1,565
Deficit	(73,976)	(70,922)
	83,218	70,434
Discontinued activities (note 5)		
	\$ 103,533	\$ 94,592

See accompanying notes to unaudited consolidated financial statements.

THERATECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF EARNINGS
THREE-MONTH PERIOD ENDED FEBRUARY 29
(in thousands of dollars, except per share amounts) (Unaudited)

	2004	2003
		(Restated)
Revenues:		
Royalties, technologies and other	\$ 79	\$ 95
Interest	700	1,045
	<u>779</u>	<u>1,140</u>
Operating costs and expenses:		
Research and development	5,890	4,876
Tax credits and grants	(333)	(412)
	<u>5,557</u>	<u>4,464</u>
General and administrative	1,962	1,510
Selling and market development	153	221
Patents and amortization of other assets	201	168
	<u>7,873</u>	<u>6,363</u>
Operating loss before undernoted items	<u>(7,094)</u>	<u>(5,223)</u>
Proportionate share in loss of a company under significant influence	(259)	(446)
Gains on investments in companies and gains on dilution (note 3)	4,654	97
Loss from continuing operations before non-controlling interest	<u>(2,699)</u>	<u>(5,572)</u>
Loss from discontinued operations (note 5)	(255)	(1,239)
Non-controlling interest	1,071	1,060
Net loss	<u>\$ (1,883)</u>	<u>\$ (5,751)</u>
Basic and diluted loss per share:		
Continuing operations net of non-controlling interest	\$ (0.06)	\$ (0.16)
Discontinued operations	\$ (0.06)	\$ (0.19)

See accompanying notes to unaudited consolidated financial statements.

THERATECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE-MONTH PERIOD ENDED FEBRUARY 29
(in thousands of dollars) (Unaudited)

	2004	2003
		(Restated)
Cash flows from operating activities:		
Net loss	\$ (1,883)	\$ (5,751)
Adjustments for:		
Depreciation of property, plant and equipment	262	362
Amortization of other assets	131	129
Stock-based compensation	231	158
Proportionate share in loss of company under significant influence	259	446
Gains on investments in companies and gains on dilution	(4,654)	(97)
Loss from discontinued operations	255	1,239
Non-controlling interest	(1,071)	(1,060)
	(6,470)	(4,574)
Change in operating assets and liabilities:		
Interest receivable on bonds	366	373
Accounts receivable	22	102
Tax credits and grants receivable	(329)	194
Research supplies	119	(1,530)
Prepaid expenses	(273)	(188)
Accounts payable and accrued liabilities	(277)	(1,790)
	(372)	(2,839)
Cash from discontinued operations	(296)	(1,067)
	(7,138)	(8,480)
Cash flows from financing activities:		
Share issue	15,672	26
Share issue costs	(982)	-
	14,690	26
Cash flows from investing activities:		
Addition to property, plant and equipment	(240)	(366)
Disposal of property, plant and equipment	122	-
Addition to other assets	(39)	(122)
Acquisition of bonds	(9,019)	(240)
Disposal of bonds	20,473	13,944
Disposal of shares in company	2,369	-
Investments from discontinued operations	-	(13)
	13,666	13,203
Net change in cash and cash equivalents	21,218	4,749
Cash and cash equivalents, beginning of period	53	196
Cash and cash equivalents, end of period	\$ 21,271	\$ 4,945

See accompanying notes to unaudited consolidated financial statements.

THERATECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF DEFICIT
THREE-MONTH PERIOD ENDED FEBRUARY 29
(in thousands of dollars) (Unaudited)

	2004	2003
Restated deficit, beginning of period (note 2)	\$ (70,922)	\$ (37,123)
Net loss	(1,883)	(5,751)
Share issue costs	(1,171)	-
Deficit, end of period	\$ (73,976)	\$ (42,874)

See accompanying notes to unaudited consolidated financial statements.

THERATECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTH PERIOD ENDED FEBRUARY 29, 2004
(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. Except for the change described below, 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.

2. Change in accounting policy

On December 1st, 2001, the Company early implemented the recommendations issued in Section 3870 of the Canadian Institute of Chartered Accountants ("CICA") Handbook, "Stock-based compensation and other stock-based payments". Only awards granted as of the implementation date were covered by the new standard. Under this standard, awards of stock options to non-employees must be accounted for on a fair value basis. No compensation cost was recognized for stock option awards to employees. However, the *pro forma* information on the net loss and net loss per share was disclosed as if the Company had accounted for these awards on a fair value basis for options granted since the implementation date. Any consideration resulting from the exercise of stock options was credited to share capital.

THERATECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
THREE MONTH PERIOD ENDED FEBRUARY 29, 2004
(in thousands of dollars, except per share amounts) (Unaudited)

2. Change in accounting policy (continued)

In accordance with the subsequent changes made to Section 3870, the Company early implemented the recommendation to account for stock option awards to employees using the fair value method on a retroactive basis and by restating the comparative figures for 2003 in order to take into account the cost relating to these awards, which had been included in the *pro forma* information note for prior periods since December 1, 2001. Consequently, the deficit at the beginning of 2004 and 2003 increased by \$1,457 and \$428, respectively. Compensation costs of \$147, net of non-controlling interest, was recognized for the quarter ended February 28, 2003, specifically \$60 in research and development expenses, \$71 in general and administrative expenses, \$27 in selling and market development costs and (\$11) in non-controlling interest.

3. Gains on investments in companies and gains on dilution

During the first quarter ended February 29, 2004, the Company realized gains on investments in companies of \$1,929.

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%. Consequently, the gain on dilution of \$3,762 which had been deferred was attributed to non-controlling interests and the adjustment to their interest resulted in a gain of \$1,940.

In addition, in February 2004, Celmed proceeded with the redemption for a nominal amount of shares of certain shareholders because the milestones connected to these shares were not achieved. This redemption resulted in a rise of Theratechnologies' interest in Celmed to 58.5% and a gain of \$785 was recorded.

4. Capital stock

	February 29 2004	November 30 2003
Authorized in unlimited number and without par value:		
Common shares		
Preferred shares issuable in one or more series		
Issued:		
35,461,131 common shares		
(30,918,631 at November 30, 2003)	\$ 155,463	\$ 139,791

In February 2004, the Company concluded an underwriting agreement regarding an initial public offering for the sale and issue of 4,542,500 common shares, including the over-allotment option, at an issue price of \$3.45 per share, for a cash consideration of \$15,672. Share issue costs amounted to \$1,171.

THERATECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
THREE MONTH PERIOD ENDED FEBRUARY 29, 2004
(in thousands of dollars, except per share amounts) (Unaudited)

4. Capital stock (continued)

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

The fair value of the options granted was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions for Theratechnologies: risk-free interest rate ranging from 3.92% to 4.99%, expected dividend yield of nil, expected volatility ranging from 36% to 76% and expected option life of 6 years. The weighted-average fair value of the 60,000 options granted during the three month period ended February 29, 2004 is \$2.04 per option. In regard to Celmed BioSciences, a private company, the assumptions are as follows: risk-free interest rate ranging from 3.81% to 5.16%, expected dividend yield of nil, no expected volatility and expected option life of 6 years. Celmed granted 620,000 options with a weighted-average fair value of \$1.04 for the three month period ended February 29, 2004.

The Black-Scholes model, used by the Company to calculate option values, as well as other accepted option valuation models, was developed to estimate fair value of freely tradable, fully transferable options without vesting restrictions, which significantly differs from the Company's stock option awards. These models also require four highly subjective assumptions, including future stock price volatility and expected time until exercise, which greatly affect the calculated values.

b) Earnings per share

The weighted average number of outstanding shares for the purposes of calculating diluted earning or loss per share is as follows:

	February 29 2004	February 28 2003
Weighted average number of outstanding shares	31,452,532	30,788,535
Number of shares which can be exercised net of potential share buyback	12,323	49,109
Weighted average number of shares used for the calculation of the diluted earnings per share	31,464,855	30,837,644

THERATECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
THREE MONTH PERIOD ENDED FEBRUARY 29, 2004
(in thousands of dollars, except per share amounts) (Unaudited)

5. Discontinued operations

During the first quarter of 2004, Celmed studies the relevance of pursuing its activities in the treatment of Parkinson's disease. Management intends to explore the many possibilities with regards to its technology pertaining to neurology. In this context, Celmed discontinued its development activities for this program.

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

	February 29 2004	February 28 2003
Costs and expenses:		
General and administrative	\$ 16	\$ 201
Research and development	218	814
Patents and amortization of other assets	21	202
Future income tax	-	22
Loss from discontinued operations	\$ (255)	\$ (1,239)
Loss from discontinued operations attributable to parent company	\$ (152)	\$ (763)
Non-controlling interest in discontinued operations	\$ 968	\$ 584
Loss from continuing operations, net of non-controlling interest	\$ (1,731)	\$ (4,988)

The main components of discontinued activities are:

	February 29 2004
Cash	\$ 1
Accounts receivable	96
Prepaid expenses	66
Property, plant and equipment	110
Accounts payable and accrued liabilities	67

TERATECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
THREE MONTH PERIOD ENDED FEBRUARY 29, 2004
(in thousands of dollars, except per share amounts) (Unaudited)

6. Segmented information

	Therapeutic peptides	Cell therapy	Other segments	Intersegment adjustments and eliminations	Total
First Quarter ended February 29, 2004					
Revenues from					
external customers	\$ 79	\$ -	\$ -	\$ -	\$ 79
Intersegment revenues	21	-	-	(21)	-
Loss from discontinued					
operations	-	(255)	-	-	(255)
Net loss	(4,697)	(2,652)	1,670	3,796	(1,883)
Total assets	68,711	33,607	1,695	(480)	103,533

First Quarter ended February 28, 2003 (restated)

Revenues from					
external customers	\$ 95	\$ -	\$ -	\$ -	\$ 95
Intersegment revenues	38	-	-	(38)	-
Loss from discontinued					
operations	-	(1,239)	-	-	(1,239)
Net loss	(3,702)	(2,760)	(349)	1,060	(5,751)
Total assets	69,561	59,405	3,168	(193)	131,941

7. Supplemental cash flow information

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

	February 29 2004	November 30 2003
Addition to property, plant and equipment financed by accounts payable and accrued liabilities	\$ 74	\$ 92
Addition to other assets financed by accounts payable and accrued liabilities	50	19
Share issue cost financed by accounts payable and accrued liabilities	189	-

General and administrative expenses include a gain on exchange of \$45 for the first quarter of 2004 (gain of \$171 for the same period in 2003).

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