News Release

*For Immediate Release*

**Theratechnologies Enjoys Strong Momentum in First Quarter 2007**

- Positive TH9507 Phase 3 results presented at important HIV meeting
- Second (confirmatory) Phase 3 trial under way on schedule
- $58 million financing completed

**Montréal, March 28, 2007** – Theratechnologies (TSX: TH) announced today its financial results for the first quarter ended February 28, 2007 and reviewed recent highlights.

"We met three major milestones in the first quarter," said Yves Rosconi, President and Chief Executive Officer, "The release of very convincing Phase 3 clinical results in December, the start of the second Phase 3 trial in January, and a substantial strengthening of our financial position with a $58 million financing in February. All in all, it was an excellent quarter – our most productive to date," he stated.

"As the data come out, it is becoming clear that TH9507 has strong prospects as a treatment for excess visceral fat accumulation in HIV patients and potential advantages over other approaches being developed," Mr. Rosconi continued. "For the balance of the year, we are looking forward to the release of more Phase 3 data in parallel with steady progress on the second Phase 3 trial. We have a strong balance sheet, a clear business plan and great momentum so the outlook is very positive," Mr. Rosconi concluded.

Theratechnologies' Annual Meeting of Shareholders will be held on Thursday, March 29, at 10:00 a.m., in the Salon International of the Centre Mont-Royal, 2200 Mansfield Street, Montréal.

**Recent highlights:**

**Positive phase 3 clinical results presented at HIV meeting**
In December 2006, the Company announced positive results for its Phase 3 clinical trial, testing TH9507 in HIV-associated lipodystrophy. The primary endpoint and important secondary endpoints were achieved. The study was powered to detect an 8% reduction in visceral adipose tissue (VAT) versus placebo. After 26 weeks, patients on TH9507 achieved a 15% reduction in VAT versus baseline and a 20% difference versus placebo. In addition, TH9507 was shown to be well tolerated by patients.

**Forward-looking statements**
*This press release contains forward-looking statements reflecting the Company's current expectations regarding the TH9507 Phase 3 clinical program including, among others, the nature of the results and their timing. By their very nature, these statements involve uncertainties and inherent risks, both general and specific, which give rise to the possibility that predictions will not materialize. We therefore caution investors against placing undue reliance on these statements. We refer you to pages 16 to 18 of the 2006 annual report, which contain a more exhaustive analysis of the risks and uncertainties connected to the business of the Company. We have no obligation what so ever to update forward-looking statements and we do not undertake to do so.*

Theratechnologies Inc.
2310 Alfred-Nobel Blvd., Montreal, Quebec Canada H4S 2A4
Phone: (514) 336-7800 • Fax: (514) 336-7242 • www.theratech.com • thera@theratech.com

The Phase 3 results were presented by Dr. Steve Grinspoon, Associate Professor of Medicine, Harvard Medical School and lead investigator for the TH9507 trial in the United States, at the 14th Conference on Retroviruses and Opportunistic Infections (CROI) in Los Angeles, California on February 26, 2007. CROI is a meeting of the world's leading researchers working to understand, prevent, and treat HIV/AIDS and its complications. Dr. Grinspoon's presentation can be viewed in its entirety via the Internet at www.retroconference.org.

**Start of second Phase 3 trial**
In January 2007, Theratechnologies enrolled the first patient in its second Phase 3 trial testing TH9507. The objective of the new study is to confirm, for regulatory purposes, the results of the first study. The Company expects to complete enrollment in the third quarter of 2007 and announce results in the first quarter of 2008.

In August 2006, the Company received a Special Protocol Assessment (SPA) for this latest trial from the Food and Drug Administration (FDA) in the United States. A special protocol assessment documents the Agency's agreement that the design and planned analysis of a study adequately address objectives in support of a regulatory submission.

**$58 million financing**
February 2007 marked the successful completion of a public offering of 6,875,000 common shares at a price of $8.40 per share for gross proceeds of $57,750,000. The offering, which was made through a syndicate of underwriters led by BMO Capital Markets, included 625,000 additional shares issued pursuant to an over-allotment option, which was exercised in full by the underwriters. The shares were mainly purchased by institutional investors in the United States and Canada.

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FIRST QUARTER

**Revenues**
Consolidated revenues for the three-month period ended February 28, 2007 amounted to $287,000, compared to $475,000 in 2006. Revenues for the quarter are mainly composed of interest from investments. In 2006, revenues were higher because they included income for terminating a non-core licence agreement.

**R&D activities**
Consolidated research and development (R&D) expenditures, before tax credits, totalled $8,100,000 for the first quarter of 2007, compared to $4,285,000 in 2006. The increase in R&D spending in 2007 is primarily related to the execution of the first Phase 3 study for TH9507 and activities for the second Phase 3 study, which started in January 2007.

**Other expenses**
For the first quarter of 2007, general and administrative expenses, selling and market development expenses, patents and amortization of other assets (SG&A) were $2,388,000, compared to $1,813,000 for the same period in 2006. The increase in expenses in 2007 is principally due to stock-based compensation expenses which were unusually high following a special distribution of stock options to all employees, in January 2007, ($751,000 compared to $425,000 in 2006). The stock-based compensation did not have an impact on the Company's cash flow. In addition, the higher expenses reflect the Company's growth and development.

**Net results**
Reflecting the changes in revenues and expenses described above, the Company recorded a first-quarter net loss of $9,439,000, compared to $5,477,000 for the same period in 2006.

**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.

| | 2007 | | | 2006 | | | | 2005 |
|---|---|---|---|---|---|---|---|---|
| | **Q1** | **Q4** | **Q3** | **Q2** | **Q1** | Q4 | Q3 | Q2 |
| Revenues | **$ 287** | **$ 367** | **$ 412** | **$ 395** | **$ 475** | $ 319 | $ 409 | $ 631 |
| Operating loss | **$ (9,439)** | **$ (6,942)** | **$ (7,251)** | **$ (6,221)** | **$ (5,447)** | $ (5,580) | $ (5,065) | $ (4,784) |
| Net loss | **$ (9,439)** | **$ (6,942)** | **$ (7,251)** | **$ (6,221)** | **$ (5,447)** | $ (5,651) | $ (5,218) | $(12,745) |
| Basic and diluted loss per share | **$ (0.20)** | **$ (0.15)** | **$ (0.16)** | **$ (0.14)** | **$ (0.15)** | $ (0.16) | $ (0.15) | $ (0.36) |

**Financial position**
Theratechnologies maintains a sound financial position. At February 28, 2007, liquidities, which include cash and bonds, amounted to $82,538,000 and tax credits receivable amounted to $1,570,000, for a total of $84,108,000.

During the quarter, the Company completed a public offering for the sale and issuance of 6,875,000 common shares, including those issued pursuant to the over-allotment option, for a cash consideration of $57,750,000. Issue costs totaled $3,238,000, resulting in net proceeds of $54,512,000. During the quarter, the Company also issued 203,499 common shares following the exercise of stock options, for cash proceeds of $763,000.

For the three-month period ended February 28, 2007, the burn rate from operating activities, excluding changes in operating assets and liabilities, was $7,562,000, compared to $4,733,000 in 2006. The increased burn rate in 2007 is the result of the planned increase in Phase 3 program activities which translate into higher R&D expenses as described above.

**Changes in accounting policies**
At the beginning of the fiscal year 2007, the Company adopted the following sections of the Canadian Institute of Chartered Accountants (CICA) Handbook: Section 1530 entitled “Comprehensive income”, Section 3251 entitled “Equity”, Section 3855 entitled “Financial instruments – Recognition and measurement”, and Section 3865 entitled “Hedges”. These sections of the Handbook apply to quarterly results effective October 1, 2006. The adoption of these standards had no material impact on the Company’s operating results (see note 2 of the Consolidated Financial Statements).

**Outstanding share data**
Between March 1st and March 27, 2007, 270,000 options were exercised, at an average exercise price of $1.92 per share, for cash proceeds of $518,000. On March 27, 2007, the number of shares issued and outstanding was 54,123,858, while outstanding options granted under the stock option plan were 2,361,834.

**Contractual obligations**
Apart from the financing mentioned above, there were no material changes in contractual obligations during the quarter, other than in the ordinary course of business.

**Economic and industry factors**
Economic and industry factors were substantially unchanged from those reported in the Company's 2006 annual report.

**About Theratechnologies**
Theratechnologies (TSX: TH) is a Canadian biopharmaceutical company that discovers or acquires novel therapeutic products for development and commercialization. These products target unmet medical needs in commercially attractive specialty markets. The most advanced program is TH9507, in Phase 3 clinical development in HIV-associated lipodystrophy. The Company also has other promising projects at earlier stages of development.

**Additional information about Theratechnologies**
Further information about Theratechnologies is available on the Company's website at www.theratech.com. Additional information is also available on SEDAR at www.sedar.com.

# # #

**Information:**
Luc Tanguay
Senior Executive Vice President and
Chief Financial Officer
Phone: 514-336-4804, ext. 204
ltanguay@theratech.com

Marie-Noël Colussi
Vice President, Finance
Phone: 514-336-4804, ext. 237
mncolussi@theratech.com