

Theratechnologies and EMD Serono Announce Collaboration and Licensing Agreement for Tesamorelin in the United States

- EMD Serono to acquire US rights for tesamorelin, a Phase 3 compound being investigated for the treatment of excess abdominal fat in HIV patients with lipodystrophy
- Theratechnologies to receive up to US\$215 million (CAD\$277 M) plus increasing royalties on net sales in the US
- Merck KGaA, Darmstadt Germany, of which EMD Serono, Inc. is an affiliate, to make an equity investment in Theratechnologies
- EMD Serono acquires option to participate in future tesamorelin indications in the US
- EMD Serono contributes extensive commercialization and marketing knowledge for tesamorelin launch and will assist in tesamorelin FDA approval process
- EMD Serono delivers on business development strategy in the US marketplace

Montréal, Canada– October 29, 2008 – Theratechnologies (TSX:TH) and EMD Serono Inc., an affiliate of Merck KGaA , Darmstadt Germany, today announced they have entered into a collaboration and licensing agreement for the exclusive commercialization rights to tesamorelin in the United States for the treatment of excess abdominal fat in HIV patients with lipodystrophy. Theratechnologies retains all tesamorelin commercialization rights outside of the US.

This announcement marks the end of the strategic review process initially announced earlier this year and led by the Independent Committee of the Board of Directors of Theratechnologies. Speaking on behalf of the Independent Committee, Mr. Paul Pommier, Chairman of the Board of Directors of Theratechnologies proudly stated: “We are extremely pleased to have entered into this strategic agreement with EMD Serono after a careful and rigorous review of all alternatives available to the Company. EMD Serono’s strong commercialization expertise, demonstrated success and unique understanding of HIV-associated disorders, including lipodystrophy, solidified our decision to partner tesamorelin as it provides us with the best opportunity to maximize the present and future potential of this drug and provide it to patients promptly following approval. We believe this landmark agreement provides a clear validation of tesamorelin’s potential and successful commercialization should provide attractive value to our shareholders in the near term.”

“We are delighted to have EMD Serono as our partner for launching and commercializing tesamorelin in the US. EMD Serono has a major presence in the area of HIV-associated disorders and growth hormone with drugs such as Serostim. Its strong track record of successfully commercializing new drugs as well as its unique expertise in endocrinology and its understanding of HIV-associated lipodystrophy makes EMD Serono an excellent strategic partner to bring the value of tesamorelin to patients in need, post approval,” commented Mr. Yves Rosconi, President and CEO of Theratechnologies.

“We are excited about this collaboration and believe that EMD Serono’s scientific expertise, established physician relationships and highly trained specialty sales force coupled with Theratechnologies’ regulatory experience and understanding of HIV-associated disorders will ultimately benefit patients. Together, I am confident that our teams can maximize the potential of tesamorelin in the marketplace and we are looking forward to the opportunities for tesamorelin in the US once approved,” said Mr. Fereydoun Firouz, President and CEO of EMD Serono, Inc. “This partnership reinforces our commitment to our endocrinology franchise in the US and specifically to the field of HIV-associated disorders. Tesamorelin, with its strong clinical data, will address an important market that we currently cannot serve and is a key addition to our portfolio. Together our organizations are best suited to bring to patients a potential treatment option for an unserved illness,” added Mr. Firouz.

Tesamorelin is a growth hormone-releasing factor analogue with therapeutic potential in a variety of anabolic and lipolytic indications and is in the final stages of its second Phase 3 clinical trial to assess the safety and efficacy when used to reduce visceral adipose tissue in HIV patients with lipodystrophy. The purpose of the study is to confirm the results of the first Phase 3 study, concluded in October 2007.

Terms of the Agreement

Under the terms of the agreement, Theratechnologies will receive an upfront payment of US\$30 million (CAD\$38.7 M) which includes a license fee of US\$22 million (CAD\$ 28.4 M) and an equity investment of US\$8 million (CAD\$10.3 M) in Theratechnologies common stock at a price of US\$3.67 (CAD\$ 4.73) per share by Merck KGaA, providing Merck KGaA a 3.6% ownership in Theratechnologies. Theratechnologies may receive up to US\$215 million (CAD\$277 M) in total payments, including the upfront payment, and payments based on the achievement of certain development, regulatory and sales milestones. Theratechnologies will be entitled to receive increasing royalties on annual net sales of tesamorelin in the US.

Theratechnologies will be responsible for conducting research and development for additional indications. EMD Serono will have the option to co-develop and commercialize additional indications for tesamorelin in the US. EMD Serono will equally share in the development costs related to such additional indications if it exercises its option. Theratechnologies will, in such case, also have the right, subject to EMD Serono's agreement, to opt to co-promote such additional indications.

Consummation of this transaction is subject to customary closing conditions and notification to, and regulatory review by, the US Federal Trade Commission and US Department of Justice under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR Act"), and the expiration of certain statutory waiting periods under the HSR Act. The transaction is expected to close in December 2008.

"These milestone and royalty payments provide Theratechnologies with a fully-financed business plan through the commercialization of tesamorelin for its first indication in the US. Theratechnologies will also have the financial flexibility to pursue the development of a second indication and build the long term value of the compound," noted Mr. Luc Tanguay, Senior Executive Vice President and CFO of Theratechnologies.

BMO Capital Markets and Lazard acted as financial advisors and Fasken Martineau and Kirkland & Ellis LLP acted as legal counsels to Theratechnologies.

Conference Call and Webcast

The Company will hold a conference call and webcast today at 7:30 a.m. to discuss this strategic agreement. To participate, please dial: 416-644-3431 or 1-800-590-1508 (toll free). Please dial-in five minutes prior to the teleconference in order to ensure your participation. The webcast will be available on the Company's website at <http://www.theratech.com/>.

A replay of the conference call will be available from 9:30 a.m. today, October 29, 2008, until November 5, 2008 at 11:59 p.m. at the following number: 1-416-640-1917, pass code 21287837# or 1-877-289-8525, pass code 21287837#. The webcast will be posted for 30 days at the link indicated above.

HIV-Associated Lipodystrophy

Several factors including the antiviral drug regimen and the virus itself are thought to contribute to HIV-associated lipodystrophy which is characterized by body composition changes, dyslipidemia and glucose intolerance. The changes in body composition include excess abdominal fat accumulation. There is currently no approved treatment available for HIV-associated lipodystrophy, a condition that can stigmatize patients and discourage HIV treatment adherence.

About Theratechnologies

Theratechnologies (TSX:TH) is a Canadian biopharmaceutical company that discovers innovative drug candidates in order to develop them and bring them to market. The Company targets unmet medical needs in financially attractive specialty markets. Its most advanced program is tesamorelin, which is concluding a confirmatory Phase 3 clinical trial for a serious metabolic disorder known as HIV-associated lipodystrophy. The Company also has other 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.

About EMD Serono

EMD Serono, Inc., an affiliate of Merck KGaA, Darmstadt, Germany, is a leader in the US biopharmaceutical arena, integrating cutting-edge science with unparalleled patient support systems to improve people's lives. The company has strong market positions in neurodegenerative diseases, with Rebif® (interferon beta-1a), as well as in endocrinology, with Saizen® (somatropin (rDNA origin) for injection), Serostim® (somatropin (rDNA origin) for injection) and Zorbtive™ (somatropin (rDNA origin) for injection). EMD Serono is a leader in fertility treatments, with Gonal-f® (follitropin alpha for injection), Luveris® (lutropin alfa for injection) and Ovidrel® Prefilled Syringe (choriogonadotropin alpha injection). With a clear focus on the patient and a leadership presence in the biopharmaceutical industry, EMD Serono's US footprint continues to grow, with more than 950 employees around the country and fully integrated commercial, clinical and research operations in the company's home state of Massachusetts.

For more information, please visit www.emdserono.com

About Merck KGaA

Merck KGaA is a global pharmaceutical and chemical company with total revenues of EUR 7.1 billion in 2007, a history that began in 1668, and a future shaped by 30,968 employees in 60 countries. Its success is characterized by innovations from entrepreneurial employees. Merck's operating activities come under the umbrella of Merck KGaA, in which the Merck family holds an approximately 70% interest and free shareholders own the remaining approximately 30%. In 1917 the US subsidiary Merck & Co. was expropriated and has been an independent company ever since.

For more information, please visit www.merckserono.net or www.Merck.de

Forward-Looking Information

This press release contains forward-looking statements relating to the proposed transaction with EMD Serono, including statements regarding the completion of the proposed transaction and other statements that are not historical facts. Such forward-looking statements are subject to important risks, uncertainties and assumptions. The results or events predicted in these forward-looking statements may differ materially from actual results or events. As a result, you are cautioned not to place undue reliance on these forward-looking statements.

Forward-looking information is based upon a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Theratechnologies' control that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. Further, although the forward-looking information contained in this press release is based upon what Theratechnologies believes are reasonable assumptions, investors are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Certain assumptions made in preparing the forward-looking information include, but are not limited to, applicable governmental authority approvals, and certain termination rights available to the parties under the agreements. These approvals may not be obtained, the other conditions to the transaction may not be satisfied in accordance with their terms, and/or the parties to the agreements

may exercise their termination rights, in which case the proposed transaction could be modified, restructured or terminated, as applicable. The reader is cautioned that these risks and uncertainties are not exhaustive of the risks and uncertainties that may affect any of the Company's forward-looking statements. The reader is also cautioned to consider these and other risks and uncertainties carefully and not to put undue reliance on forward-looking statements.

Consequently, all of the forward-looking information contained in this press release is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments anticipated by Theratechnologies will be realized or, even if substantially realized, that they will have the expected consequences or effects on the Company, its business, financial conditions or results of operations. Furthermore, the forward-looking information reflects current expectations regarding future events and speaks only as of the date of release of this press release and represents Theratechnologies' expectations as of that date. Theratechnologies does not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

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