News Release

THERATECHNOLOGIES ANNOUNCES FINANCIAL RESULTS

FOR FISCAL YEAR 2013

Montreal, Canada – February 27, 2014 – Theratechnologies Inc. (Theratechnologies) (TSX: TH) today announced its financial results for the year ended November 30, 2013.

Fiscal 2013 Highlights

- Consolidated revenues of $7,553,000
- $3,299,000 in royalties
- Net loss decreased to $4,055,000 from $13,940,000 in 2012
- $12,353,000 in liquidities at year-end

"Decrease in royalties and revenue from sales of goods are a direct result of manufacturing issues and product shortage we experienced last year. Despite those unfortunate circumstances, other financial parameters were all going in the right direction with a net loss three times lower than the previous year, use of cash twice as low and cash on hands remaining at a sustainable level. Our overriding business strategy in 2013 was to focus on *EGRIFTA*™ in order to become cash-flow neutral as soon as possible and these results show that we made solid progress," said Mr. Luc Tanguay, President and Chief Executive Officer.

"Looking ahead, our biggest opportunity for value creation in 2014 lies in the U.S. market. After announcing that we will regain commercial rights for *EGRIFTA*™ in the U.S., we have started working on the implementation of our operational structure to commercialize *EGRIFTA*™ in the U.S. Of course, our priority will be to resolve recent supply issues in order to resume shipment to the U.S. as quickly as possible," added Mr. Tanguay.

Fiscal Year 2013 Financial Results

The financial results presented in this press release are taken from the Company's Management's Discussion and Analysis, or MD&A, and audited consolidated financial statements for the twelve-month period ended November 30, 2013, which have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. The MD&A and audited consolidated financial statements can be found at www.theratech.com, www.sedar.com or www.sec.gov. Unless specified otherwise, all amounts in this press release are in Canadian dollars. As used herein, *EGRIFTA*™ refers to tesamorelin for the reduction of excess abdominal fat in HIV-infected patients with lipodystrophy. *EGRIFTA*™ is our trademark.

For the 12-month period ended November 30, 2013:

Consolidated revenue for the year ended November 30, 2013 amounted to $7,553,000 compared to $13,567,000 in 2012. Our revenues in both years were

mainly sales of *EGRIFTA*™ to EMD Serono for re-sale, royalties received from EMD Serono on U.S. sales to customers, and research services, which include milestone payments and the amortization of the initial payment received upon the closing of the agreement with EMD Serono.

Revenue generated from sale of goods amounted to $2,544,000 in the twelve-month period ended November 30, 2013 compared to $5,235,000 in Fiscal 2012, reflecting lower shipments to EMD Serono and a lower selling price in Fiscal 2013..

The lower level of shipments was largely due to reductions in EMD Serono's inventory as well as to the manufacturing problems encountered during the year. Having resumed shipments to EMD Serono early in the first quarter of fiscal 2014, future shipments are expected to track patient sales over the long term but they can vary significantly in the short term as a function of EMD Serono's procurement policies.

The lower selling price in 2013 was the result of the introduction of the new single-vial presentation of *EGRIFTA*™ in October 2012. While the *EGRIFTA*™ selling price is now lower than in previous years, our markup in percentage terms remains unchanged.

Royalties, which are almost entirely derived from the sales of *EGRIFTA*™*,* were $3,299,000 in Fiscal 2013 compared to $4,255,000 in Fiscal 2012. The royalties reported in Fiscal 2012 are for the 14-month period from October 1, 2011 to November 30, 2012 as they include royalties actually received in the 12 months ended September 30, 2012 as well as an amount of $699,000 based on management's estimate of the royalties earned on *EGRIFTA*™ sales in October and November 2012. The supply shortages in the fourth quarter of Fiscal 2013 also had a negative impact on royalties.

Revenue also includes the amortization of the initial payment of $27,097,000 received upon the closing of the EMD Serono Agreement. For the twelve-month period ended November 30, 2013, $1,710,000 was recognized as revenue related to the initial payment, compared to $4,077,000 in Fiscal 2012. The amortization amounts are adjusted periodically to allow sufficient time for the development work required under the EMD Serono Agreement that has yet to be completed. At November 30, 2013, the remaining deferred revenue related to this transaction recorded on the consolidated statement of financial position amounted to $2,771,000.

For the twelve months ended November 30, 2013, the **cost of sales** was $3,711,000 compared to $5,056,000 in Fiscal 2012. The cost of sales is made up of cost of goods sold and unallocated production costs. The cost of goods sold component in 2013 amounted to $2,262,000 compared to $4,711,000 in the prior year, reflecting lower sale of goods in Fiscal 2013 as described above. Unallocated production costs were $1,449,000 in Fiscal 2013 compared to $345,000 in the prior year due largely to inventory write downs and other costs associated with the manufacturing problems experienced in 2013.

R&D expenses, net of tax credits, amounted to $7,371,000 in the twelve months ended November 30, 2013 compared to $6,341,000 in Fiscal 2012. R&D expenses include our share of expenses for the two Phase 4 clinical trials currently being conducted by EMD Serono. We are responsible for all of the costs associated with the

diabetic retinopathy study, which amounted to $3,005,000 in Fiscal 2013 compared to $1,502,000 in the prior year. Our fifty percent share of the long-term safety study was $654,000 in Fiscal 2013 compared to $117,000 in the prior year. R&D expenses in 2013 also included costs associated with our project aimed at improving the manufacturing process for *EGRIFTA*™, while those of 2012 included the development costs of TH1173 and a new formulation of *EGRIFTA*™. The remaining R&D expenses in both years are mainly costs associated with helping our commercial partners to pursue regulatory approvals in their respective jurisdictions.

Selling and market development expenses amounted to $250,000 for the twelve months ended November 30, 2013, compared to $852,000 in Fiscal 2012, reflecting cost savings from restructuring initiatives in Fiscal 2012.

General and administrative expenses amounted to $3,815,000 in the twelve months ended November 30, 2013 compared to $5,462,000 in Fiscal 2012. The expenses in 2013 were lower largely as a result of the restructuring initiatives in 2012.

In Fiscal 2013, we recovered previously expensed **restructuring costs** in the amount of $3,111,000. This was largely as a result of the lease amendment agreement entered into in April 2013, which eliminated the remaining $3,133,000 of an onerous lease provision. The onerous lease provision was originally established in the amount of $4,055,000 as part of the 2012 restructuring initiatives and was the principal element of the $6,176,000 in restructuring costs incurred in the first nine months of that year.

Taking into account the revenue and expense variations described above, we recorded a **net loss** of $4,055,000 or $0.07 per share in the twelve months ended November 30, 2013 compared to a net loss of $13,940,000 or $0.23 per share in Fiscal 2012

Our objective in managing capital is to ensure a sufficient **liquidity position** to finance our business activities. For the twelve months ended November 30, 2013, the use of cash in operating activities was $7,744,000 compared to $15,634,000 in Fiscal 2012.

As at November 30, 2013, cash and bonds, and tax credits and grants receivable amounted to $12,353,000 compared to a liquidity position of $20,924,000 ($20,503,000 in cash and bonds, and tax credits and grants receivable of $421,000) at the end of Fiscal 2012.

Fourth Quarter 2013 Financial Results

Consolidated revenue for the three months ended November 30, 2013 amounted to $1,246,000 compared to $3,899,000 for the comparable period of 2012.

Revenue generated from the sale of goods for the three months ended November 30, 2013 was $311,000 compared to $1,375,000 in the comparable period in Fiscal 2012. The decline reflects lower shipments to EMD Serono linked to the manufacturing problems encountered in Fiscal 2013.

Royalties were $615,000 in the three months ended November 30, 2013, compared to $1,656,000 in the comparable period of Fiscal 2012. The royalties reported for the

fourth quarter of Fiscal 2012 included royalties received in the three months ended September 30, 2012 as well as an amount of $699,000 based on management's estimate of the royalties earned on EGRIFTA™ sales in October and November 2012. The supply shortage in the fourth quarter of Fiscal 2013 had a negative impact on royalties in that year.

Revenue related to the amortization of the initial payment received upon the closing of the EMD Serono Agreement was $320,000 for the three-month period ended November 30, 2013, compared to $868,000 in the comparable period of Fiscal 2012. The amortization amounts are adjusted periodically to allow sufficient time for the development work required under the EMD Serono Agreement that has yet to be completed.

The **cost of sales** for the three months ended November 30, 2013 was $1,155,000 compared to $1,323,000 in the comparable period of Fiscal 2012. The cost of sales is made up of cost of goods sold and unallocated production costs. The cost of goods sold component for the three months ended November 30, 2013 was $322,000 compared to $1,288,000 in the comparable period of Fiscal 2012, reflecting lower sale of goods in 2013 as described above. Unallocated production costs were $833,000 in the three months ended November 30, 2013 compared to $35,000 in the prior year period, mainly due to inventory write downs and other costs associated with the manufacturing problems experienced during the period.

R&D expenses, net of tax credits, amounted to $1,547,000 in the three months ended November 30, 2013 compared to $1,894,000 in the comparable period of Fiscal 2012. R&D expenses include our share of expenses for the two Phase 4 clinical trials currently being conducted by EMD Serono. We are responsible for all of the costs associated with the diabetic retinopathy study, which amounted to $893,000 in the three months ended November 30, 2013 compared to $404,000 in the comparable period of 2012. Our fifty percent share of the long-term safety study was $133,000 in the fourth quarter of Fiscal 2013 compared to $82,000 in the prior-year period.

Selling and market development expenses amounted to $60,000 for the three months ended November 30, 2013, compared to $116,000 for the comparable period of Fiscal 2012, reflecting cost savings from restructuring initiatives in Fiscal 2012.

General and administrative expenses amounted to $1,201,000 in the three months ended November 30, 2013 compared to $556,000 in the comparable period of Fiscal 2012. The 2013 expenses include costs associated with the EMD Serono Termination Agreement. The expenses in 2012 were lower as a result of the suspension of executive bonuses in that year.

There was a recovery of previously expensed **restructuring costs** amounting to $18,000 in the three months ended November 30, 2013. The restructuring costs in the comparable period of Fiscal 2012 were $4,526,000, which resulted from restructuring activities at that time.

Taking into account the revenue and expense variations described above, we recorded a **net loss** of $2,598,000 or $0.04 per share in the three months ended November 30, 2013 compared to a net loss of $4,341,000 or $0.07 per share in the comparable period of Fiscal 2012.

In the three months ended November 30, 2013, the use of cash in operating activities amounted to $1,404,000 compared to $3,756,000 in the comparable period of Fiscal 2012.

Conference Call Details

A conference call will be held today at 8:30 a.m. ET to discuss the results. The call will be hosted by Luc Tanguay, President and Chief Executive Officer. The conference call is open to questions from financial analysts. Media and other interested individuals are invited to participate in the call on a “listen-only” basis.

The conference call can be accessed by dialling 1-800-755-1805 (North America) or 1-416-981-9000 (International). The conference call will also be accessible via webcast at www.theratech.com. Audio replay of the conference call will be available until March 6, 2014, by dialling 1-800-558-5253 (North America) or 1-416-626-4100 (International) and by entering the playback code 21708367.

About Theratechnologies

Theratechnologies (TSX: TH) is a specialty pharmaceutical company addressing unmet medical needs in metabolic disorders to promote healthy ageing and improved quality of life. Further information about Theratechnologies is available on the Company's website at www.theratech.com, on SEDAR at www.sedar.com and on the SEC’s website at www.sec.gov.

Forward-Looking Information

This press release contains forward-looking statements and forward-looking information, or, collectively, forward-looking statements, within the meaning of applicable securities laws, that are based on our management’s belief and assumptions and on information currently available to our management. You can identify forward-looking statements by terms such as "may", "will", "should", "could", “would”, "outlook", "believe", "plan", "envisage", "anticipate", "expect" and "estimate", or the negatives of these terms, or variations of them. The forward-looking statements contained in this press release include, but are not limited to, statements regarding the commercial distribution of *EGRIFTA*™ outside of the United States, our capacity to solve our manufacture problems and to resume the manufacture of *EGRIFTA*™ and ensure a reliable source of supply, the closing date of the transaction with EMD Serono, we regaining our commercialization rights to *EGRIFTA*™ in the United States, our capacity to commercialize *EGRIFTA*™ after such closing date and our ability to increase the patient base leading to higher revenues and cash flows and our capacity to find new commercial partners for the European territory.

Forward-looking statements are based upon a number of assumptions and include, but are not limited to, the following: *EGRIFTA*™ will receive approvals in various territories outside the United States, no additional clinical studies will be required by regulatory authorities outside of the United States to obtain these regulatory approvals, *EGRIFTA*™ will be accepted by the marketplace in territories outside of the United States and will be on the list of reimbursed drugs by third-party payors in these territories, the relationships with our commercial partners and third-party suppliers will

be conflict-free, the United States Food and Drug Administration, or FDA, will not issue any order or decision having the effect of suspending the commercialization of *EGRIFTA*™ in the United States before and after May 1, 2014, the *EGRIFTA*™ shortage will have a limited impact on market acceptance of the product by patients and healthcare professionals and we will be able to increase the patient base for *EGRIFTA*™, we will resume the manufacture of *EGRIFTA*™, we will have continuous supply of *EGRIFTA*™, we will have all the infrastructure necessary to commercialize *EGRIFTA*™ in the United States after the closing date and we will be able to find and enter into agreements with commercial partners for Europe on commercially reasonable terms.

Forward-looking statements are subject to a variety of risks and uncertainties, many of which are beyond our control that could cause our actual results to differ materially from those that are disclosed in or implied by the forward-looking statements contained in this press release. These risks and uncertainties include, but are not limited to: *EGRIFTA*™ will not be approved outside of the United States or, if approved, *EGRIFTA*™ will not be accepted by the marketplace in these countries or will not obtain reimbursement coverage by third-party payors, we will not be able to resume the manufacture of *EGRIFTA*™, and, if we resume the manufacture of *EGRIFTA*™, we may not be able to avoid other drug-shortage, the FDA may issue an order withdrawing the product from the market or preventing the commercialization of *EGRIFTA*™, the closing of the transaction with EMD Serono may not occur and we may not be able to regain our rights to *EGRIFTA*™ in the United States, we may not have all the infrastructure in place to commercialize *EGRIFTA*™ in the United States after the closing date, we may default under our contractual obligations if we are unable to resume the manufacture and delivery of *EGRIFTA*™ in the United States and we may be unable to find commercial partners in Europe. We refer potential investors to the "Risks Factors" section of our Annual Report on Form 20-F dated February 27, 2014 for additional risks related to our business. The Annual Report is available on www.sedar.com, www.sec.gov and www.theratech.com. The reader is cautioned to consider these and other risks and uncertainties carefully and not to put undue reliance on forward-looking statements. Forward-looking statements reflect current expectations regarding future events and speak only as of the date of this press release and represent our expectations as of that date.

We undertake no obligation to update or revise the information contained in this press release, whether as a result of new information, future events or circumstances or otherwise, except as may be required by applicable law.

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