MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THIRD QUARTER

Revenues

Royalties, technologies and other

Consolidated revenues for the three-month period ended August 31, 2009, amounted to $12,601,000 compared to $106,000 for the same period in 2008. Revenues of the third quarter 2009 include a milestone payment of $10,844,000 associated with the US Food and Drug Administration's ("FDA") acceptance to file the New Drug Application ("NDA") for tesamorelin submitted by the Company, on May 29, 2009. Under the terms of the collaboration and licensing agreement with EMD Serono, Inc. ("EMD Serono"), the acceptance to file tesamorelin's NDA was associated with a milestone payment of US $10 million. All milestone payments, including the aforementioned payment, are recorded when they are earned, as stated in the agreement upon the achievement of predetermined milestones.

For the nine-month period ended August 31, 2009, consolidated revenues were $15,750,000 compared to $116,000 for the same period in 2008. The increased revenues in 2009 are related to the payment received on December 15, 2008 upon the closing of the collaboration and license agreement with EMD Serono. This payment of US $30,000,000 (CAD $36,951,000) included an initial payment of US $22,000,000 (CAD $27,097,000) and a subscription for common shares by Merck KGaA at a price of US $3.67 (CAD $4.52) per share, resulting in gross proceeds of US $8,000,000 (CAD $9,854,000).

The initial payment of $27,097,000 has been deferred and is being amortized over its estimated service period on a straight-line basis. This period may be modified based on additional future information. For the nine-month period ended August 31, 2009, an amount of $4,849,000 related to this transaction was recognized as revenue. At May 31, 2009, the deferred revenues related to this transaction amounted to $22,248,000.

Interest

Interest revenues for the three-month period ended August 31, 2009, amounted to $547,000 compared to $604,000 for the same period in 2008. For the nine-month period ended August 31, 2009, interest revenues were $1,724,000 compared to $1,909,000 for the same period in 2008. This decrease in interest revenues is associated with a lower return on investments as well as a slight decrease in the average level of liquidity during the period.

R&D Activities

Research and Development (R&D) expenditures, before tax credits, totalled $5,681,000 for the third quarter of 2009, compared to $9,602,000 for the same period in 2008, representing a decrease of 40.8%. For the nine-month period ended August 31, 2009, R&D expenditures were $17,692,000, compared to $29,013,000 for the same period in 2008, representing a decrease of 39.0%. The decrease in R&D expenses is due to the conclusion of the Phase 3 clinical trials evaluating tesamorelin in HIV-associated lipodystrophy. The R&D expenses incurred in the third quarter of 2009 are related to the activities associated with the management of the FDA's questions, as a normal part of the review process, and the preparation for a larger-scale production of tesamorelin. The R&D expenses for the third quarter include a non-recurring charge of $1,395,000 associated with the devaluation of research material produced to obtain stability data and to validate the commercial production process, as requested by the FDA.

Other Expenses

For the third quarter of 2009, general and administrative expenses amounted to $1,337,000, compared to $1,392,000 for the same period in 2008. For the nine-month period ended August 31, 2009, general and administrative expenses amounted to $5,515,000 compared to $4,311,000 for the same period in 2008. The increased expenses for the nine-month period ended August 31, 2009 are principally due to

an increase in the exchange loss as well as costs associated with revising the Company's business plan in the first quarter.

Selling and market development costs amounted to $495,000 for the third quarter of 2009, compared to $1,281,000 for the same period in 2008. For the nine-month period ended August 31, 2009, selling and market development expenses amounted to $1,516,000, compared to $2,687,000 for the same period in 2008. The decrease in selling and market development costs is due to the signing of an agreement with EMD Serono for the US commercialization of tesamorelin in HIV-associated lipodystrophy. Following the signing of this agreement, the sales and market development expenses are principally composed of business development expenses outside the United States and the costs of managing the agreement with EMD Serono.

Net Results

Taking account of the changes in revenues and expenses described above, the Company recorded a third-quarter net earnings of $5,824,000 ($0.10 earnings per share), compared to a net loss of $11,220,000 ($0.19 loss per share) for the same period in 2008. For the nine-month period ended August 31, 2009, the net loss was $10,360,000 ($0.17 loss per share), compared to a net loss of $33,466,000 ($0.59 loss per share) for the same period in 2008.

The third-quarter net earnings include revenues of $12,596,000 related to the agreement with EMD Serono. Excluding this item, the adjusted net loss (see Annex A) amounted to $6,772,000, a decrease of 39.6% compared to the same period in 2008.

For the nine-month period ended August 31, 2009, the net loss included revenue of $15,733,000 and a non-recurring charge of $4,269,000 related to the agreement with EMD Serono. Excluding these two items, the adjusted net loss (see Annex A) amounted to $21,824,000, a decrease of 34.8% compared to the same period in 2008.

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 information has been restated following the adoption of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3064, *Goodwill and Intangible Assets*.

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

	2009				2008			2007
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	**$ 13,148**	$ 2,317	$ 2,009	$ 616	$ 710	$ 716	$ 599	$ 1,294
Net earnings (net loss)	**$ 5,824**	$ (5,430)	$ (10,754)	$ (15,145)	$ (11,220)	$ (11,382)	$ (10,864)	$ (10,300)
Basic and diluted benefit (loss) per share	**$ 0.10**	$ (0.09)	$ (0.18)	$ (0.26)	$ (0.19)	$ (0.20)	$ (0.20)	$ (0.19)

As described above, the increased revenues in 2009 are related to the amortization of the initial payment received at the closing of the agreement with EMD Serono, including a milestone payment of $10,884,000 recorded in August 2009. The increase in the fourth quarter net loss in 2008 is due to an impairment loss related to intellectual property.

Financial Position

At August 31, 2009, liquidities, which include cash and bonds, amounted to $66,390,000, with tax credits receivable amounting to $3,167,000 for a total of $69,557,000.

For the three-month period ended August 31, 2009, the cash flow for operating activities, excluding changes in operating assets and liabilities, was $6,186,000, compared to a burn rate from operating activities of $10,750,000 for the same period in 2008. Excluding the revenue of $12,596,000 related to the agreement with EMD Serono, the adjusted burn rate from operating activities, excluding changes

in operating assets and liabilities (see Annex A), was $6,410,000, a decrease of 40.4%, compared to the corresponding period in 2008.

For the nine-month period ending August 31, 2009, the burn rate from operating activities, excluding changes in operating assets and liabilities, was $9,214,000, compared to $32,033,000 for the same period in 2008. The decrease in the 2009 burn rate is mainly related to the payments received as part of the agreement with EMD Serono as well as the decline in R&D expenditures and in selling and market development costs. Excluding the revenue of $15,733,000 and the non-recurring charge of $4,269,000 related to the agreement with EMD Serono, the adjusted burn rate from operating activities, excluding changes in operating assets and liabilities (see Annex A), was $20,678,000, a decrease of 35.4%, compared to the corresponding period in 2008.

New Accounting Policies
Refer to Note 2 of the Company's unaudited Consolidated Financial Statements for the third quarter of 2009.

The impact of adopting Section 3064, *Goodwill and Intangible Assets*, of the CICA Handbook was to increase the opening deficit and to reduce other assets on December 1, 2007 and 2008 by $941,000 and $599,000 respectively. These amounts correspond to adjustments made to patent costs related to periods prior to these dates. Furthermore, following the adoption of this standard, patents and amortization of other assets presented on the consolidated statements of earnings were reduced by $47,000 for the nine-month period ended August 31, 2008.

Outstanding Share Data
On October 2, 2009, the number of shares issued and outstanding was 60,397,477, while outstanding options granted under the stock option plan were 2,680,466.

Contractual obligations
There were no material changes in contractual obligations during the first nine months of the year, 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 2008 Annual Report.

About Theratechnologies
Theratechnologies (TSX: TH) is a Canadian biopharmaceutical company with core expertise in peptide-based therapeutics. Its most advanced compound, tesamorelin, is an analogue of the human growth hormone releasing factor.

In 2008, Theratechnologies completed its Phase 3 clinical program evaluating tesamorelin in treating excess abdominal fat in HIV patients with lipodystrophy. In addition, the Company signed a collaboration and licensing agreement with EMD Serono, Inc., for the commercialization of tesamorelin in the United States.

With a New Drug Application recently filed with the US authorities, Theratechnologies' growth strategy is firmly focused on the development of tesamorelin, in the United States and in other potential lipodystrophy markets, as well as through additional clinical programs for other medical conditions.

Additional information about Theratechnologies
Further information about Theratechnologies is available on the Company's website at www.theratech.com. Additional information, including the Annual Information Form and the Annual Report, is also available on SEDAR at www.sedar.com.

Forward-Looking Information
This press release and the management's discussion and analysis for the third quarter incorporated therein contain certain statements that are considered "forward-looking information" within the meaning of applicable securities legislation. This forward-looking information includes, the approval by the FDA of tesamorelin as a therapeutic product, the commercialization of tesamorelin and its success in the treatment of HIV-associated lipodystrophy in the US, the Company's success to penetrate markets outside of the US and that no unforeseen events occur that would result in the Company increasing its capital. Words such as "will", "may", "could", "should", "outlook", "believe", "plan", "envisage", "anticipate", "expect" and "estimate", or variations of these terms and similar expressions denote forward-looking information.

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 the Company's control, which could cause actual results to differ materially from those that are disclosed in or implied by such information. These risks and uncertainties include, in particular, the risk that the Company may not obtain all required approvals from the FDA and from other regulatory agencies to market its products, the risk that the Company's products may not be accepted by the market, delays or cost overruns that could result from the use of third-party suppliers and the risk that the Company may not conclude partnership agreements outside of the United States.

Although the forward-looking information is based upon what the Company believes are reasonable assumptions, certain assumptions used in these forward looking statements, and the Company's anticipated objectives, take into consideration that the FDA and other regulatory agencies will approve the US commercialization of tesamorelin for the treatment of HIV-associated lipodystrophy, that the Company will continue to have a good business relationship with its third party suppliers and that the Company will not face any unexpected events.

Consequently, all of the forward-looking information contained herein is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences or effects on the Company, its business, its financial condition or its results of operation. Furthermore, the forward-looking information reflects current expectations regarding future events only as of the date of release of this press release.

Investors are referred to the Company's public filings available at www.sedar.com. In particular, further details and descriptions of these risks and other factors are disclosed in the "Risk and Uncertainties" section of the Company's Annual Information Form, dated February 24, 2009, for the year ended November 30, 2008. The Company 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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ANNEX A

Non-GAAP measures

The Company uses measures that do not conform to generally accepted accounting principles ("GAAP") to assess its operating performance. Securities regulators require that companies caution readers that earnings and other measures adjusted to a basis other than GAAP do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, these measures should not be considered in isolation. The Company uses non-GAAP measures such as adjusted net loss and the adjusted burn rate from operating activities before changes in operating assets and liabilities, to measure its performance from one period to the next without including changes caused by certain items that could potentially distort the analysis of trends in its operating performance, and because such measures provide meaningful information on the Company's financial condition and operating results.

Definition and reconciliation of non-GAAP measures

In order to measure performance from one period to another, without accounting for changes related to revenues and fees associated with the collaboration and license agreement with EMD Serono, management uses adjusted net loss and adjusted burn rate before changes in operating assets and liabilities. These items are excluded because they affect the comparability of the financial results and could potentially distort the analysis of trends in the Company's operating performance. The exclusion of these items does not necessarily indicate that they are non-recurring.

(Thousands of dollars)

	August 31st (3 months)		August 31st (9 months)	
Adjusted net loss	**2009**	**2008**	**2009**	**2008**
Net earnings (net loss), per the financial statements	$ 5,824	$ (11,220)	$ (10,360)	$ (33,466)
Adjustments:				
Revenues associated with a collaboration and license agreement (note 7 to the consolidated financial statements)	(12,596)	-	(15,733)	-
Fees associated with collaboration and license agreement	-	-	4,269	-
Adjusted net loss	$ (6,772)	$ (11,220)	$ (21,824)	$ (33,466)

	August 31st (3 months)		August 31st (9 months)	
Adjusted burn rate before changes in operating assets and liabilities	**2009**	**2008**	**2009**	**2008**
Cash flow (burn rate) before changes in operating assets and liabilities, per the financial statements	$ 6,186	$ (10,750)	$ (9,214)	$ (32,033)
Adjustments:				
Revenues associated with a collaboration and license agreement (note 7 to the consolidated financial statements)	(12,596)	-	(15,733)	-
Fees associated with collaboration and license agreement	-	-	4,269	-
Adjusted burn rate before changes in operating assets and liabilities	$ (6,410)	$ (10,750)	$ (20,678)	$ (32,033)