



News Release

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

- EMD Serono to acquire US rights in tesamorelin, a Phase III compound being investigated for the treatment of excess abdominal fat in HIV patients with lipodystrophy
- Theratechnologies to receive up to US\$215 million plus increasing royalties on net sales in the US
- Merck KGaA, Darmstadt, Germany, of which EMD Serono is an affiliate, to make 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

Rockland, Massachusetts, October 29, 2008 – EMD Serono Inc., an affiliate of Merck KGaA , Darmstadt Germany, and Theratechnologies (TSX:TH) announced today they have entered into a collaboration and licensing agreement for the exclusive commercialization rights, by EMD Serono, Inc., 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.

“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.

This deal is an example of the execution of EMD Serono’s pursuit of alliances in the US marketplace, as part of a strategic business imperative to maximize its commercialization expertise, market presence, and physician relationships in specialty markets, to ultimately offer partners like Theratechnologies the opportunity to bring their products to patients living with unmet medical needs.

Speaking on behalf of the Board of Directors, 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.

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 which includes a license fee of US\$22 million and an equity investment of US\$8 million in Theratechnologies common stock at a price of \$3.67USD [\$4.73CAD] per share by Merck KGaA, providing Merck KGaA a 3.6% ownership in Theratechnologies. Theratechnologies may receive up to US\$215 million 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.

About 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 EMD Serono, Inc.

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 merckserono.net or Merck.de

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

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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 and regulatory filings are also available on SEDAR at www.sedar.com.