

# CHAIRMAN'S LETTER

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to report on another very exciting year for Theratechnologies and its shareholders. Details of the many achievements appear elsewhere in this report and I will not repeat them here. What ultimately counts for shareholders was that the financial markets began to take notice of these achievements in 2007 and that Theratechnologies' market value increased substantially in the first six months of the year.

It was within this very favorable context that the Board of Directors met for its regular quarterly meeting last July. While we were obviously pleased with the Company's first-half performance, the directors were also conscious that shareholder value creation going forward would be increasingly tied to the successful commercialization of tesamorelin. I should stress that the Board had no particular reason to doubt our current strategy of retaining the commercial rights to our flagship product although it must be said that some of our major shareholders have, from time to time, expressed concerns about the risks associated with going at it alone. Furthermore, given the significant progress made and the resulting dramatic improvement in the Company's circumstances, we felt it was a good time to revisit the corporate strategy. Subsequently, with this in mind, a special committee of four outside directors, myself included, was created. Our mandate was to consider all strategic options available – from the status quo to a possible sale of the Company, and everything in between – and report back to the full Board with specific recommendations. The Board also authorized the committee to employ the services of outside industry experts as appropriate.

The independent committee met regularly over the subsequent six months and presented its recommendations to the Board in January of this year. Our overall conclusion was that the approach of retaining tesamorelin's commercial rights continues to offer very attractive potential returns for shareholders. However, we also became convinced that if favorable terms could be obtained, other approaches should also be considered. This gave rise to the Board's recently announced decision to appoint a team of Canadian and US financial advisors to help us explore the various strategic alternatives available to the Company. While the principal objective of the strategic review is to maximize the value of tesamorelin for shareholders, the best interests of Theratechnologies' employees and other stakeholders will also be taken into account. The review is currently underway and will likely take several months to complete. Once completed, we will share our findings with shareholders.

Even as we take some time to reconsider our future direction, there can be no denying that the achievements of Theratechnologies over the past few years speak eloquently to the quality of leadership that we have in place throughout the organization. In executing any business plan, there are always unexpected challenges that give leaders an opportunity to shine. This past year was no exception and our team shone as never before. On behalf of the Board, and all other shareholders, I take this opportunity to acknowledge Yves Rosconi's strong leadership, as well as the valued contribution of each and every member of the team in making Theratechnologies the success it is today.



**Paul Pommier**  
Chairman of the Board  
February 13, 2008