

# CHAIRMAN'S LETTER

## Dear Shareholders,

At this time last year, Theratechnologies was in the early stages of a strategic review that had been mandated by the Board of Directors in order to consider all alternatives available to the Company and therefore realize fully the potential of tesamorelin. The process was concluded very successfully in late October with the signing of a collaboration and licensing agreement for the US market with EMD Serono, Inc.

Our new partner for the US market is an affiliate of a large, German-based pharmaceutical company, Merck KGaA. More relevant to our needs, EMD Serono has a solid US sales and marketing infrastructure with enormous experience in the fields of HIV and growth hormone therapy — two strengths that are critical to achieving our long-term goal of bringing tesamorelin from our discovery lab to the market. With an aggregate deal value of US\$215 million (which is approximately CDN\$265 M) plus royalties, the partnership also adds a high degree of financial security at a time when the capital markets all over the world are inhospitable, to say the least. Taken together, these benefits have considerably reduced the risks associated with Theratechnologies and this at a time when there seems to be a lot of risk everywhere and in all endeavors.

While the strategic review was a major focus for us for most of 2008, I am pleased to say that management was careful not to lose sight of our number one operating priority, which was the completion of the tesamorelin Phase 3 clinical program. The program was successfully wrapped up on schedule with the announcement of the 52-week results for the second Phase 3 trial in mid-December. On behalf of the Board and shareholders, I would like to thank all of our employees and, in particular, Yves Rosconi, our President and CEO, for his leadership throughout a year when it was very difficult at certain times to stay motivated and positive about the future.

Despite the continued turmoil in capital markets, the year ahead promises to be an exciting one for our shareholders. At the operating level, we will be pushing full speed ahead with the tesamorelin-approval process, and we will be doing this with the support of our colleagues at EMD Serono. Concurrently, the Board of Directors and senior management are considering and evaluating the different choices and alternatives Theratechnologies now has to continue to grow. These options include, amongst others, exploring strategic alliances for the commercialization of tesamorelin outside of the US for HIV-associated lipodystrophy and evaluating other potential indications for tesamorelin. During the process we must bear in mind that conserving cash and investing wisely are of utmost importance within the current economic environment.

The past year has been a very difficult one for investors across all sectors of the economy and particularly in the biotech sector. While we can't ignore the forces of the broader marketplace, I encourage you to consider the tremendous progress that Theratechnologies made in 2008 and the strong platform that is now in place for future growth: we have a very experienced team and an exceptionally well-qualified commercial partner; we are the leading company in the field of HIV-associated lipodystrophy; we have a strong balance sheet and a long history of conserving cash and investing it wisely. Above all, we have a clear and unwavering commitment to realize fully the potential of tesamorelin. In combination, these factors will assist us in reaching our objective which is to transform Theratechnologies into a strong revenue-generating company that will self-finance its future growth.

In closing, I would like to sincerely thank my fellow directors for their valued counsel and input during 2008. You can very well imagine that during our strategic review process they were frequently called upon to share with us their vast experience and expertise. On their behalf, I also thank our long-standing shareholders for their continued support and patience and welcome our new shareholders to Theratechnologies.



**Paul Pommier**

Chairman of the Board

February 27, 2009