News Release

Theratechnologies Announces Financial Results for First Quarter of 2016

Montreal, Canada – March 31, 2016 – Theratechnologies Inc. (Theratechnologies) (TSX: TH) today announced its financial results for the first quarter ended February 29, 2016.

First quarter 2016 financial highlights

- Net sales of *EGRIFTA*® of $8,741,000 compared to $4,567,000
- Adjusted EBITDA of $1,102,000 compared to ($252,000)[1]
- Net loss of $153,000 compared to a net loss of $914,000
- Liquidities of $15,803,000

“Our last quarter really stands out in terms of progress on our business plan. We were able to avoid the usual Q4 to Q1 downward sales trend. In fact, unit sales grew by 9 percent compared to the fourth quarter and again we generated a positive adjusted EBITDA, ending the quarter with a stronger cash position," said Luc Tanguay, President and CEO, Theratechnologies Inc. “On the corporate development side, we obtained approval for the 1mg/vial presentation of *EGRIFTA*® in Mexico while working hard to finalize our transaction for ibalizumab. The ibalizumab deal was signed shortly after the quarter end giving us access to an additional product that will complement *EGRIFTA*® and fits perfectly within our commercial platform. This transaction is truly a game changer for Theratechnologies,” added Mr. Tanguay.

First Quarter 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 unaudited consolidated financial statements for the period ended February 29, 2016, 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 for the first quarter ended February 29, 2016 and the unaudited consolidated financial statements can be found at www.theratech.com and www.sedar.com. Unless specified otherwise, all amounts in this press release are in Canadian dollars and all capitalized terms have the meaning ascribed thereto in our MD&A. As used herein, *EGRIFTA*® refers to tesamorelin for the reduction of excess abdominal fat in HIV-infected patients with lipodystrophy. *EGRIFTA*® is our registered trademark.

Consolidated revenue for the three months ended February 29, 2016 was $8,743,000 compared to $4,571,000 in the comparable period of 2015.

[1] See “Non-IFRS Financial Measures” below

Revenue generated by net sales amounted to $8,741,000 in the three-month period ended February 29, 2016 compared to $4,567,000 in the comparable period of fiscal 2015. The significant increase is principally due to higher volumes, somewhat augmented by exchange rate fluctuations, and a January price increase.

For the three-month period ended February 29, 2016, **cost of sales** rose in relation to the higher sales volumes to $1,369,000 compared to $641,000 in the comparable period of fiscal 2015. Beginning January 1, 2016, under the terms of the EMD Serono Termination Agreement, the Company is obligated to pay royalties to EMD Serono on *EGRIFTA*® sales in the United States. In the three months ended February 29, 2016, these royalties amounted to $348,000 and were included in cost of sales for the period.

R&D Expenses amounted to $1,884,000 in the three months ended February 29, 2016 compared to $1,120,000 in the comparable period of fiscal 2015. Most of the year-over-year increase is the result of increased spending on medical affairs in support of our goal of increasing the *EGRIFTA*® patient base. Medical affairs is largely medical education programs involving opinion-leading physicians and nurses who work with the HIV-infected population to build scientific awareness about *EGRIFTA*® and its therapeutic benefits. R&D expenses also include costs associated with our two Phase 4 clinical trials, which amounted to $686,000 in the first quarter of fiscal 2016 compared to $666,000 in the prior-year period. Other components of R&D Expenses are regulatory affairs and quality assurance.

Because most of our R&D expenses are incurred in the United States, part of the year-over-year expense increase is attributable to the decline in the value of the Canadian dollar versus the US dollar.

Selling and market development expenses amounted to $3,903,000 for the three-month period ended February 29, 2016, compared to $2,516,000 in the comparable period of fiscal 2015. The increase is principally due to growth in our business and an intensified marketing effort which is reflected in the cost of maintaining our sales team as well as the patient call center, reimbursement services, and promotional campaigns aimed at increasing awareness of *EGRIFTA*® and its therapeutic benefits within the HIV community.

Selling and market development expenses also include the amortization of the intangible asset value established for the *EGRIFTA*® commercialization rights. This amortization expense amounted to $525,000 in the first quarter of fiscal 2016 compared to $455,000 in the comparable period of fiscal 2015.

Because most of our Selling and Market Development expenses are incurred in the United States, part of the year-over-year expense increase is attributable to the decline in the value of the Canadian dollar versus the US dollar.

General and administrative expenses amounted to $1,083,000 in the three-month period ended February 29, 2016, up slightly from $1,020,000 in the comparable period of fiscal 2015.

Finance income for the three months ended February 29, 2016 was $28,000 compared to $258,000 in the comparable period of fiscal 2015. The higher income in the first quarter of 2015 included a gain of $188,000 on the renegotiation of the long-term obligation owed to EMD Serono, or Long-term Obligation.

Finance costs for the three months ended February 29, 2016 were $685,000 compared to $436,000 in the comparable period of fiscal 2015. Finance costs in the first quarter of fiscal 2016 included $594,000 of accretion expense on the Long-term Obligation compared to $574,000 in the comparable period of fiscal 2015. Finance costs in the first quarter of fiscal 2016 also included a foreign currency expense of $75,000 compared to a foreign currency gain of $105,000 in the comparable period of fiscal 2015.

Adjusted EBITDA[1] was $1,102,000 in the three months ended February 29, 2016 compared to $(252,000) in the comparable period of fiscal 2015. The growth in Adjusted EBITDA is principally due to the success of our business plan focused on growing *EGRIFTA*® sales in the United States market. For a reconciliation of net loss and Adjusted EBITDA see "Non-IFRS Financial Measures" below.

Taking into account the revenue and expense variations described above, we recorded a net loss of $153,000 or $0.00 per share in the three months ended February 29, 2016 compared to a net loss of $914,000 or $0.01 per share in the comparable period of fiscal 2015.

In the three-month period ended February 29, 2016, operating activities generated **cash flow** of $389,000, compared to $720,000 in the comparable period of fiscal 2015. In the first quarter of fiscal 2016, changes in operating assets and liabilities reduced cash flow by $668,000. These included an increase in trade and other receivables and lower accounts payable and accrued liabilities, partly offset by a reduction in inventories and higher provisions for chargebacks, rebates and returns.

As at February 29, 2016, **cash, cash equivalents and bonds** amounted to $15,803,000 compared to $15,350,000 at November 30, 2015.

Non-IFRS Financial Measures

Reconciliation of net (loss) or profit to adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)

Adjusted EBITDA is a non-IFRS financial measure. A reconciliation of the Adjusted EBITDA is presented in the table below. We use adjusted financial measures to assess our operating performance. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation. We use Adjusted EBITDA to measure operating performance from one period to the next without the variation caused by certain adjustments that could potentially distort the analysis of trends in our business, and because we believe it provides meaningful information on our financial condition and operating results.

We obtain our Adjusted EBITDA measurement by adding to net profit or loss, finance income and costs, depreciation and amortization, income taxes, as well as federal investment CRA credits recorded in 2014. We also exclude the effects of certain non-monetary transactions recorded, such as share-based compensation for stock option plan and write down of inventories, for our Adjusted EBITDA calculation. We believe it is useful to exclude these items as they are either non-cash expenses, items that cannot be influenced by management in the short term, or items that do not impact core operating performance. Excluding these items does not imply they are necessarily nonrecurring. Share-based compensation costs are a component of employee remuneration and can vary significantly with changes in the market price of the company's shares. In addition, other items that do not impact core operating performance of the company may vary significantly from one period to another. As such, Adjusted EBITDA provides improved continuity with respect to the comparison of our operating results over a period of time. Our method for calculating Adjusted EBITDA may differ from that used by other companies.

Adjusted EBITDA

(in thousands of Canadian dollars)

	Three-month periods ended February 29 and 28	
	2016	2015
	$	$
Net profit (loss)	**(153)**	(914)
Add (deduct):		
Depreciation and amortization	**528**	459
Finance costs	**685**	436
Finance income	**(28)**	(258)
Share-based compensation for stock option plan	**70**	15
Income tax expenses	**0**	10
Adjusted EBITDA	**1,102**	(252)

Subsequent Event

On March 18, 2016, we entered into a 12-year collaboration agreement with TaiMed Biologics, Inc. to market and distribute ibalizumab in the United States and in Canada. Ibalizumab is a novel CD4-directed HIV entry-inhibitor and is the first humanized monoclonal antibody in clinical trials for the treatment of HIV. It is currently in a late-stage Phase III clinical trial, the last step before submitting the product for regulatory approval to the Food and Drug Administration in the United States.

The terms of the transaction include a US$2,000,000 payment obligation, of which US$1,000,000 was paid in cash at the signature of the agreement and US$1,000,000 will be paid at the commercial launch through the issuance of 957,169 common shares of Theratechnologies.

A further US$3,000,000 will become due at commercial launch, subject to certain conditions. This amount will be payable as follows: US$2,000,000 in common shares of Theratechnologies at a price to be determined upon FDA approval and US$1,000,000 in common shares of Theratechnologies at a price to be determined upon commercial launch, based on the volume-weighted average trading price of Theratechnologies' common shares on the TSX prior to each of these dates.

Once sales have reached an aggregate amount of US$20,000,000 over four consecutive quarters, Theratechnologies will make a US$7,000,000 milestone payment (payable in two annual installments). Theratechnologies will also pay these additional sales related milestones: US$10,000,000 once annual sales of ibalizumab reach US$200,000,000, US$40,000,000 once annual sales reach US$500,000,000, and US$100,000,000 once annual sales reach US$1,000,000,000.

Theratechnologies will also pay development milestones to TaiMed. A US$3,000,000 milestone is due upon the approval of the once every two weeks intramuscular route of administration, again payable in two annual installments. TaiMed will also be planning a larger Phase III trial with the once every four weeks intramuscular or subcutaneous route of administration, to address a much broader patient population. This development milestone will consist of an upfront milestone payment of up to US$50,000,000, depending on the size of the newly targeted population, which will be paid quarterly, based on a percentage of net sales generated by the product.

Pursuant to the terms of the agreement, Theratechnologies has exclusive rights to commercialize ibalizumab in the United States and in Canada. TaiMed will continue to be responsible for development of ibalizumab and seek approval from the FDA whereas Theratechnologies will be responsible to obtain the approval from Health Canada. TaiMed will manufacture and supply ibalizumab to Theratechnologies. The transfer price is determined at 52% of net selling price of the product and 10% is added for the first manufactured products until an additional amount of US $5,500,000 has been paid.

Revised guidance

For the twelve months ending November 30, 2016, we continue to expect that net sales of *EGRIFTA*® will be in the range of $46,000,000 to $49,000,000. However, given the additional expense associated with ibalizumab agreement we now anticipate that Adjusted EBITDA[1] in Fiscal 2016 will be in the range of $9,000,000 to $11,000,000 (previously $10,000,000 to $12,000,000).

Conference Call Details

A conference call will be held the same day 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 will be 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 1-877-223-4471 (North America) or 1-647-788-4922 (International). The conference call will also be accessible via webcast at **http://www.gowebcasting.com/7350**. Audio replay of the conference call will be

available until April 14, 2016, by dialling 1-800-585-8367 (North America) or 1-416-621-4642 (International) and by entering the playback code 65258669.

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 among HIV patients. Further information about Theratechnologies is available on the Company's website at www.theratech.com and on SEDAR at www.sedar.com.

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 approval and commercialization of ibalizumab as a treatment and our anticipated revenue and Adjusted EBITDA for Fiscal 2016.

Forward-looking statements are based upon a number of assumptions and include, but are not limited to, the following: our marketing campaign in the United States will allow us to increase the patient base for *EGRIFTA*®and to thereby grow our sales, revenues and achieve positive earnings, we will have continuous supply of *EGRIFTA*®, the ongoing Phase III clinical trial for ibalizumab will generate positive results and Ibalizumab will be approved by the United States Food and Drug Administration, or FDA, the FDA will not issue any order or decision having the effect of suspending the commercialization of *EGRIFTA*® in the United States, the relationships with our commercial partners and third-party suppliers will be conflict-free and no unforeseen event will result in unplanned expenditures.

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, the risk that sales of *EGRIFTA*® in the United States decrease, the risk that we are unable to supply *EGRIFTA*® in the United States, in Canada and to our commercial partners in Europe, Mexico and South Korea because of increasing sales or because of manufacturing issues which would deplete our current inventory, the risk that *EGRIFTA*® is subject to a recall, the risk that Phase III results from the ongoing clinical

trial for ibalizumab are not conclusive, the risk that the FDA does not approve Ibalizumab and the risk that our operating expenses are materially adversely affected by unforeseen events.

We refer potential investors to the "Risks Factors" section of our Annual Information Form dated February 24, 2016 available at www.sedar.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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