

**MERUS LABS INTERNATIONAL INC.  
ANNOUNCES RESULTS FOR FISCAL 2013**

**Toronto, December 30, 2013 - Merus Labs International Inc.** ("Merus" or the "Company") [TSX: MSL, NASDAQ: MSLI] is pleased to announce today its financial results for its fiscal year 2013.

For the year ended September 30, 2013, the Company incurred a net loss of \$3,102,129 compared to a net loss of \$20,720,548 for the year ended September 30, 2012. For continuing operations in fiscal 2013, revenues were \$28,385,968, the earnings before interest, taxes, depreciation and amortization ("EBITDA") was \$18,372,453 and the adjusted EBITDA which adds back non-cash share based compensation expense and acquisition costs was \$19,365,502. For the year ended September 30, 2012, on a pro forma basis, the revenues, EBITDA, and adjusted EBITDA were \$11,741,019, \$4,639,052 and \$7,372,292, respectively. The comparative year pro forma figures include the results from the beginning of the fiscal period in which the amalgamation of Envoy Capital Group Inc. and Merus Labs International Inc. ("Old Merus") occurred.

"We are very pleased with the results of this year in which we generated adjusted EBITDA of \$19.4 million on in-market net sales of \$32.6 million. Over the last year, the debt has been reduced from approximately \$55 to \$40 million and the interest rate on the outstanding amount is half of what it was previously due to the recent refinancing transaction. Liquidity has also been enhanced as we have ended the fiscal year with \$8.1 million in cash. Enablex® continues to perform well and with our reduced cost of capital the next phase of evolution for Merus will be a broadening of the product portfolio," said Elie Farah, President and CEO of Merus Labs International Inc.

For the year ended September 30, 2013, on a gross basis, the in-market net sales of Enablex® were \$26,494,619. The Company owned Enablex® in the comparative period only for the last quarter of fiscal 2012 and recorded in-market net sales on a gross basis of \$3,927,499. Enablex® revenues have exceeded management's expectation, however, a substantial portion of the year over year increase was due to order timing. Large orders placed in the last fiscal quarter of 2013 will result in lower than normal Enablex® ordering and associated revenues in the first quarter of fiscal 2014. Per the Company's service agreement with the vendor of Enablex®, Novartis Pharma AG ("Novartis"), during the operational transition period Novartis managed the supply, distribution, and promotion to the market. During the third quarter of fiscal 2013, the operational transition period ended and going forward Novartis will only manufacture the product for Merus until the Company's contract manufacturer transfers the manufacturing of the product into its facility. Consequently, the Company recorded Enablex® revenues net of cost of goods and marketing and selling expense since the product was acquired in July 2012 until June 30, 2013.

For the year ended September 30, 2013, the net sales for Vancocin® were \$6,151,577. On a pro-forma basis, for the comparative period ended September 30, 2012, the net sales of Vancocin® were \$9,389,108. The decrease was primarily due to the entry of a generic Vancomycin which received reimbursement status during the Company's fiscal 2013 first quarter. In the fourth quarter of fiscal 2013, the Factive® product was divested resulting in a loss on discontinued operations of \$598,475.

The Company completed its amalgamation on December 19, 2011 and consequently, the reported results in the Company's financial statements for the comparative year include the revenue and operating expenses of the acquired entity from December 20 through September 30, 2012. Management's discussion and analysis, containing a full analysis of financial results, is available on EDGAR ([www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

#### **About Merus Labs International Inc.**

Merus is a specialty pharmaceutical company engaged in the acquisition and licensing of pharmaceutical products. The Company utilizes its expertise in pharmaceutical markets and its access to capital to acquire and license niche branded products. Merus further enhances the sale and distribution of these products by the introduction of a focused marketing and promotion plan.

#### **Cautionary Statement**

Certain statements contained in this press release may constitute "forward-looking statements" within the meaning of Section 21E (i) (1) of the United States Securities Exchange Act of 1934. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Merus' actual results to be materially different from any future results expressed or implied by these statements. Such factors include the following: general economic and business conditions, changes in demand for Merus' products, changes in competition, the ability of Merus to integrate acquisitions or complete future acquisitions, Merus' ability to complete any financing, interest rate fluctuations, currency exchange rate fluctuations, dependence upon and availability of qualified personnel and changes in government regulation. In light of these and other uncertainties, the forward-looking statements included in this press release should not be regarded as a representation by Merus that Merus' plans and objectives will be achieved. These forward-looking statements speak only as of the date of this press release, and we undertake no obligation to update or revise the statements.

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