

## MERUS LABS ANNOUNCES RECORD Q1 2015 RESULTS

- Net revenues of \$10.6 million, an increase of 70% over Q1/14
- Adjusted EBITDA of \$7.6 million, an increase of 166% over Q1/14

**Toronto, February 11, 2015 - Merus Labs International Inc.** ("Merus" or the "Company") [TSX: MSL, NASDAQ: MSLI] is pleased to announce today its financial results for its first quarter of fiscal year 2015.

"I am pleased with the substantial progress that our expanded Merus team has made towards achieving our FY2015 corporate goals and creating long-term shareholder value." commented Barry Fishman, CEO of Merus Labs. "Over the last few months we successfully executed on our business priorities – expanding and strengthening the team, executing plans to seize existing product profit-enhancing moves, and filling our pipeline with additional value-creating product acquisition opportunities."

For the three months ended December 31, 2014, the Company incurred a net loss of \$216,044 compared to a net loss of \$1,885,761 for the three months ended December 31, 2013. Revenues for the first quarter of fiscal 2015 were \$10,627,977, earnings before interest, taxes, depreciation and amortization ("EBITDA") was \$7,458,767 and adjusted EBITDA which adds back non-cash share based compensation expense, foreign exchange, investment expenses and acquisition costs was \$7,559,286. For the same period last year, revenues, EBITDA, and adjusted EBITDA were \$6,257,043, \$2,072,002 and \$2,832,288, respectively.

"We were able to translate the positive momentum from our Sintrom transaction into a significant increase in revenue and EBITDA for our first full fiscal quarter with the product" said Mr. Fishman. "We are generating strong cash flow from our current products and have greatly enhanced our business development efforts to drive future growth."

Revenues from Sintrom, recorded on a net basis during the three months ended December 31, 2014, were \$3,842,108. During the current period, the Company recorded Sintrom revenues in the statements of operations entirely on a net basis, whereby revenues were recorded net of cost of goods and selling expenses, subject to a transition arrangement whereby Novartis continues to provide certain sales and distribution functions while the parties work through the process of transferring the necessary marketing authorizations. As a result of this arrangement the Company is considered to be acting as an agent rather than principal and revenues are recorded on a net basis. Had the Company recorded Sintrom on a gross basis, product revenues would have been \$7,882,433 and cost of goods for the product would have been \$4,040,325.

Revenues attributable to Enablex for the three months ended December 31, 2014 were \$5,964,568. Revenues from Enablex for the prior year comparative period were \$4,665,136. In-market sales of Enablex during the period continued to track as planned.

Revenues attributable to Vancocin were \$821,301 for the three months ended December 31, 2014, compared to \$1,591,907 for the three months ended December 31, 2013. The decrease in revenue from this product in the current fiscal year was primarily due to the entry of a second generic Vancomycin which began to impact the market during the third quarter of fiscal 2014.

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)).

The Company will hold a conference call tomorrow, Thursday, February 12th at 8:30am ET to discuss the first quarter fiscal 2015 results. The conference call can be accessed by dialing (888) 241-0551 and entering conference ID 84586325. International participants may dial (647) 427-3415. A replay of the call will be available at this number for those not able to attend live. The live call and archive may also be accessed via webcast at [https://engage.vevent.com/rt/meruslabs\\_ao-021215](https://engage.vevent.com/rt/meruslabs_ao-021215)

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

Merus Labs is a specialty pharmaceutical company focused on acquiring established products. The Company leverages its expertise in European and North American markets to optimize the value of underdeveloped pharmaceutical assets.

#### ***Non-IFRS Financial Measures***

The terms “EBITDA” and “adjusted EBITDA” are non-IFRS measures that do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. The Company believes EBITDA and adjusted EBITDA are important measurements that allow it to assess the operating performance of its ongoing business on a consistent basis without the impact of amortization and impairment expenses, debt service obligations and other non-operating items. The Company excludes amortization and impairment expenses because their level depends substantially on non-operating factors such as the historical cost of intangible assets. The Company's method for calculating EBITDA and adjusted EBITDA may differ from that used by other issuers and, accordingly, this measure may not be comparable to EBITDA and adjusted EBITDA used by other issuers. See the Company's First Quarter 2015 MD&A for a reconciliation of these measures to loss from continuing operations (the nearest IFRS measure).

#### ***Forward-Looking Statements***

Certain statements contained in this press release may constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements include statements relating to the Company's future business and operating plans, the future pricing of the Company's products, the Company's ability to acquire future products, the Company's ability to secure financing to complete acquisitions, and the

Company's future results of operations. Such statements involve assumptions relating to the Company's business, including government regulation of the pricing of the Company's products, the competitive environment of the Company's products, the stability of foreign exchange rates and the availability of prospective acquisition targets. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's 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. Investors should refer to the 2014 MD&A and the Company's annual reports for a more comprehensive discussion of the risks that are material to the Company and its business. 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.

***For further information please contact:***

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