

## **MERUS LABS INTERNATIONAL INC. ANNOUNCES FIRST QUARTER RESULTS FOR FISCAL 2013**

**Toronto, February 13, 2013 - Merus Labs International Inc.** ("Merus" or the "Company") [TSX: MSL, NASDAQ: MSLI] is pleased to announce today its financial results for the first quarter of fiscal 2013. The results from the first quarter of fiscal 2013, for both revenue and earnings, exceeded management's expectations.

For the three months ended December 31, 2012, the Company earned net income of \$297,541 compared to a net loss of \$295,444 for the three months ended December 31, 2011. For the three months ended December 31, 2012, EBITDA was \$4,820,381, compared to (\$692,705) for the same period last year. Adjusted EBITDA, which adds back non-cash share based compensation expense and acquisition costs, was \$5,207,641, compared to (\$216,351) for the prior year comparative period

Revenues for the three months ended December 31, 2012 were \$6,979,044, which were comprised of sales of Vancocin, Factive, and Enablex. Gross margin during the same period was \$6,614,204 (95%).

Per the Company's service agreement with the vendor of Enablex®, Novartis Pharma AG ("Novartis"), during the operational transition period Novartis will manage the supply, distribution, and promotion to the market. Consequently, the Company recorded Enablex® revenues net of cost of goods and marketing and selling expense for the three month period ended December 31, 2012. Had the Company reported Enablex on a gross basis for the current period, revenues, cost of goods sold and sales and marketing expenses would have been higher by \$2,271,661, \$1,307,286 and 964,375, respectively. EBITDA would be unchanged. For the three months ended December 31, 2012, the in-market net sales for Enablex were \$6,631,633. Revenues, recorded on a net basis were \$4,360,052 after deducting costs of goods sold and marketing costs. The Company did not own Enablex® during the comparative three month period in 2011.

For the three months ended December 31, 2012, the net sales for Vancocin were \$1,916,098. For the comparative three months ended December 31, 2011, the net sales recorded in the Company's pro-forma statements of operations which reflect the net sales of Vancocin if the Company had acquired Old Merus as of October 1, 2011, were \$2,795,539. The decrease of approximately \$879,441 was primarily due to the entry of a generic Vancomycin which received reimbursement status in several provinces during the Company's fiscal 2013 first quarter.

For the three months ended December 31, 2012, the net sales for FACTIVE® were \$702,894. The Company did not own FACTIVE® during the comparative three month period in 2011.

“We are pleased with the results of this quarter and have gained significant financial traction highlighted by in-market net sales of \$9.3 million and adjusted EBITDA of \$5.2 million. During the quarter the Company paid down approximately \$5 million in debt and subsequent to quarter end entered into promotion and distribution agreements with selected partners in certain European countries for Enablex® to drive top line growth for the product. We have also made great progress from a day to day operational perspective which will serve the Company well as we complement the existing portfolio with future product acquisitions.” said Elie Farah, President and CEO of Merus Labs International Inc.

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, 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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