

MERUS LABS INTERNATIONAL INC. ANNOUNCES FIRST QUARTER RESULTS FOR FISCAL 2014

Toronto, February 13, 2014 - 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 2014.

Revenues for the three months ended December 31, 2013 were \$6,257,043, which were comprised of sales of Enablex® and Vancocin®. Gross margin during the same period was \$5,274,377 (84%).

For the three months ended December 31, 2013, the Company incurred a net loss of \$1,885,761 compared to net earnings of \$297,541 for the three months ended December 31, 2012. For the three months ended December 31, 2013, EBITDA was \$2,704,095, compared to \$4,440,422 for the same period last year. Adjusted EBITDA, which adds back non-cash share based compensation expense and acquisition costs, was \$ 2,832,288, compared to \$ 4,827,682 for the prior year comparative period.

For the current period, on a gross basis, the in-market net sales of Enablex® were \$4,724,001 and on a net basis were \$4,665,136. In the comparative three month period in 2012, on a gross basis, the in-market net sales of Enablex® were \$6,230,892 (\$6,631,633 less \$400,741 in partnership accruals) and on a net basis were \$4,360,052. Revenues on a gross basis for Enablex® during the three months ended December 31, 2013 were lower compared to the prior year period primarily due to order timing. Larger than expected orders placed in the last fiscal quarter of 2013 resulted in lower than normal Enablex® ordering and associated revenues in the first quarter of fiscal 2014 as distribution transitioned from Novartis to Merus.

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. Since the third quarter of fiscal 2013, the operational transition period has substantially 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, there is no longer a significant difference between the recorded Enablex® revenues on a net basis and the gross in-market net sales.

For the three months ended December 31, 2013, the net sales for Vancocin® were \$1,591,907. For the comparative three months ended December 31, 2012, the net sales of Vancocin® were \$1,916,098. The decrease in revenue from this product in the current period was primarily due to the entry of a generic Vancomycin, which received reimbursement status in several provinces towards the end of the comparative period.

"After our debt restructuring late in fiscal 2013, the interest burden has been dramatically reduced and we are accelerating our deleveraging program. We continue to pay down debt and with cash equivalents and short term investments totaling \$9.4 million our

financial position has substantially improved. As expected, this quarter's EBITDA was impacted by Enablex® ordering patterns but the underlying business is continuing to perform well." said Elie Farah, President and CEO of Merus Labs International Inc.

Director Resignation

Mr. Ahmad Doroudian has decided to resign as a member of management and from the Board of Directors of Merus Labs International Inc. to pursue other interests. The Board of Directors takes this opportunity to thank Mr. Doroudian for his valued contributions as the Executive Vice Chairman of the Board and the pivotal role he played in the development of the Company. The Directors wish Mr. Doroudian well in his future endeavors. His resignation is effective as of February 13, 2014.

Management's discussion and analysis, containing a full analysis of financial results, is available on EDGAR (www.sec.gov/edgar.shtml) and on SEDAR (www.sedar.com). This news release does not constitute an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any jurisdiction.

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 under its short form prospectus or otherwise, 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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