

## Theralase Technologies Announces 2008 Third Quarter Results 3Q Revenue Increased by 32% year-over-year

For Immediate Release

Toronto, Ontario – November 27, 2008

### Highlights

- Total 3Q 2008 sales increased by 32% to \$459,789, compared to \$347,580 in 3Q 2007
- Canadian product sales in 3Q 2008 (66% of total sales) rose by 72% year-over-year
- US product sales in 3Q 2008 (25% of total sales) decreased by 32% year-over-year
- Delivered a proprietary light system to be tested, in conjunction with Theralase's patented photodynamic compounds, in the destruction of additional cancer cell lines
- Independent scientific research demonstrated Theralase's superiority for its proprietary laser technology

**Theralase Technologies Inc. (TSXV: TLT)** today announced financial results for the three and nine months ended September 30, 2008.

### Financial Review

Revenue for the three months ended September 30, 2008 was \$459,789, an increase of 32% compared to \$347,580 in the same period in 2007.

Product and product-related sales for 3Q 2008 increased by 36% to \$455,400, compared to \$344,471 in 3Q 2007. Canadian product sales rose 72% while US product sales decreased by 32% compared to 3Q 2007.

The strong growth in Canadian product sales and the subsequent decrease in American product sales is a reflection of the Company focusing its sales and marketing initiatives on the Canadian market and the weakening US economy.

Clinic services revenue increased by 56% to \$4,389 compared to \$2,809 in 3Q 2007 as the Company launched its new Theralase laser rehabilitation clinic in July 2008. Clinic services revenue is expected to increase going forward due to the hiring of a new and experienced clinic director in June 2008. The Company's in-house laser rehabilitation clinic is utilized to treat patients as well as to showcase Theralase's products to healthcare practitioners.

Gross margin for 3Q 2008 was \$327,756, or 71% of revenue, compared to \$250,946, or 72% of revenue, in 3Q 2007. The increase in product related costs is due to the addition of personnel required by the Company to expand its production capacity.

The net loss for the three months ended September 30, 2008 was \$240,751, which included \$84,550 of non-cash expenses (amortization, stock-based compensation expense, foreign exchange gain/loss and lease inducements). This compares to a net loss for the three months ended September 30, 2007 of \$366,418, which included \$173,129 of non-cash expenses.

### Key Corporate Developments

#### **TLC-2000: Biofeedback Laser Technology**

In the third quarter, Theralase completed the alpha prototype of the TLC-2000 biofeedback therapeutic laser system. Clinical studies, have been designed, in conjunction with the Mayo Clinic (Rochester, Minnesota), the Scripps Institute (La Jolla, California) and the University of Buffalo (Buffalo, New York) to demonstrate the efficacy of the new technology in the areas of knee osteoarthritis, diabetic wound healing and myofascial pain, respectively. These clinical studies, if proven successful, could secure a new Current Procedural Terminology (CPT)

code for reimbursement of laser treatments in the U.S. Theralase expects to start selling the TLC-2000 in the first half of 2009.

## **TLC-3000: Cancer Therapy and Wound Healing**

In preparation for the next round of pre-clinical evaluation, Theralase designed, manufactured and delivered the alpha prototype of the TLC-3000 light source to University Health Network in September 2008. The TLC-3000 will be used to activate Theralase's patented Photo Dynamic Compounds (PDCs) in the presence of additional cancer cell lines. The patented PDC's have been proven to selectively destroy two distinct types of brain cancer and colorectal cancer. Published results on the analysis of the PDCs are expected in the fourth quarter of 2008.

## **Breakthrough Scientific Research**

Independent research conducted at University Health Network, demonstrated the superiority of the Company's proprietary laser technology over competitive laser and light based systems. The Company's technology was proven to dramatically influence a cellular process that is key to the efficacy of laser technology. The Company's proprietary technology is able to increase the production of nitric oxide in cells by 700% versus little to no effect by all other competitive wavelengths evaluated. Nitric oxide production is key to tissue healing since it increases the blood supply and reduces inflammation in injured tissue.

## **Outlook**

The Company will focus on increasing product sales and market acceptance of the TLC-1000 laser technology in the fourth quarter of 2008, supported by the new independent scientific research that confirms the superiority of the Company's proprietary technology over other competitive technology. The Company will continue to commercialize its patented next generation TLC-2000 biofeedback technology for launch in the first half of 2009, while researching and developing its patented TLC-3000 photodynamic compounds aimed at the destruction of cancer, bacteria, viruses and fat cells. Due to the requirement of capital to fund the Company's growth, the Company is investigating financing options – on both the debt and the equity side. The Company feels that these initiatives will increase shareholder value as the Company achieves its strategic objectives.

The complete consolidated financial statements and MD&A for three and nine months ended September 30, 2008 can be found at [www.theralase.com](http://www.theralase.com) and [www.sedar.com](http://www.sedar.com).

## **About Theralase**

**Theralase Technologies Inc.** designs, develops and manufactures patented, super-pulsed laser technology used in bio-stimulative and bio-destructive clinical applications. The Theralase technology platform targets several healthcare sectors: firstly, for non-invasive pain management and clinical therapy, used in neural muscular skeletal conditions including arthritis and osteoarthritis; secondly, wound care and healing, (including non-healing fractures and bone fracture regeneration); and thirdly, research and development into combining patented photodynamic compounds with patented super-pulsed, biofeedback laser technology to attack specifically targeted cancers, bacteria, viruses and fat cells.

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# Press Release

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