www.genfit.com

GENFIT: HALF-YEAR RESULTS FOR 2013

- **Rapid progress of the Phase IIb clinical trial of GFT505 in NASH, and scientific publications in major international journals**
- **New potential of GFT505 in cirrhosis and liver cancer**
- **Identification and pharmacological validation of new drug candidates targeting the nuclear receptors Rev-erb and ROR**
- **New milestone achieved in the alliance with Sanofi**
- **Exceptional items explain the half-year net financial result**
- **Solid treasury established at €30 M**

Lille (France), Boston (Massachusetts, United States), October 25, 2013 – GENFIT (Alternext: ALGFT; ISIN: FR0004163111), a biopharmaceutical company at the forefront of drug discovery and development, focusing on the early diagnosis and preventive treatment of cardiometabolic and associated disorders, today announces its financial results for the first half of 2013.

Jean-François Mouney, Chairman and Chief Executive Officer of GENFIT, declared: *«The first half of 2013 was particularly marked by the rapid progress of the recruitment of patients to the Phase IIb clinical trial of GFT505 in NASH. Moreover, the identification of an additional anti-fibrotic mechanism of action of GFT505 opens the way to the exploration of its potential in cirrhosis and liver cancer. At the same time, the notoriety of our leading drug candidate in NASH was strengthened by the publication of scientific articles in major international journals.*
The efforts devoted to our other proprietary research programs (on the nuclear receptors Rev-erb and ROR, in particular) also continue to bear fruit, with the identification and pharmacological validation of novel synthetic ligands.
To continue to support these programs, including those in the field of biomarkers, we have significantly reinforced our financial resources during the period.
We are also working on the progressive evolution of the Company towards the dimension of an efficient and specialized bio-pharma.»

1. Major achievements for the first half of 2013

- **GFT505: rapid progress of the Phase IIb clinical trial in NASH and new potential in cirrhosis and liver cancer**

Initially developed by GENFIT to address global cardiometabolic risk in populations suffering from the metabolic syndrome, and in particular pre-diabetic and diabetic patients, GFT505 is currently being tested in a Phase IIb clinical trial in NASH (Non-Alcoholic Steato-Hepatitis).

GENFIT launched this Phase IIb study of GFT505 in NASH in September 2012, after obtaining FDA (Food and Drug Administration) approval to perform the study in the United States. The initiation of the clinical investigation centers and the recruitment of patients have since progressed at a rapid pace. To date the study has thus recruited 139 diabetic and non-diabetic patients with a histological diagnosis of NASH by liver biopsy at the time of recruitment. The study is currently ongoing in Europe and the United States in 56 clinical investigation centers.

In parallel, preclinical data obtained in January 2013 showed that the therapeutic potential of GFT505 covers all the stages of NASH up to cirrhosis and its evolution towards liver cancer. The underlying anti-fibrotic mechanism of action demonstrated by this latest work opens the door to the evaluation of GFT505 in hepatic/cirrhotic fibrosis linked to chronic viral- or alcohol-induced hepatitis.

- **Identification and pharmacological validation of new drug candidates targeting the nuclear receptors Rev-erb and ROR**

Concerning the Rev-erb program, the therapeutic activity of new proprietary compounds has been demonstrated in pre-clinical models of diabetes. Novel synthetic ligands of the Rev-Erbα receptor have been identified by GENFIT and shown to regulate glucose metabolism.

Concerning the RORγt program, GENFIT now has *in vitro* proof-of-concept anti-inflammatory data. During the period, a new family of proprietary ligands for the treatment of auto-immune diseases has thus been identified and validated.

- **New milestone achieved in the alliance with Sanofi**

In the context of the collaborative R&D program with Sanofi initiated in March 2011 for a period of 3 years, a second scientific milestone was achieved in January 2013, resulting in a new milestone payment.

2. Principal financial results for the first half of 2013

- Over the first six months of the 2013 financial year, the **total operating revenues** progressed slightly to € 2.87 million versus € 2.65 million for the first half of 2012.

- Amongst these revenues, **industrial revenues** amounted to € 0.96 million versus € 0.95 million for the first half of 2012. They were essentially generated by the research fees and milestone payments resulting from the collaborative research alliance with SANOFI. The revenue from **public funding of R&D expenses** amounted to € 1.79 million for the first six months of 2013 versus € 1.69 million for the first half of 2012.

- As of 30 June 2013, the **current operating expenses** amounted to € 8.4 million, an increase compared to the first half of 2012 (€ 7.3 million). Amongst these expenses, those for the subcontracting of clinical, toxicology, and pharmacokinetic studies, as well as the manufacturing costs of the drug products used in clinical trials were stable and in line with the development plan. The personnel costs of the Company temporarily increased to € 4.07 million (versus € 3.02 million one year earlier). This evolution is due to the exceptional impact of the bonus awarded to GENFIT employees to compensate the effects of salary restrictions in place for two years, and to reward their strong implication that has led to the scientific results obtained during the period and the related capital increases. The **current operating loss** amounts to € 5.53 million in the first half of 2013 versus € 4.65 million in the first half of 2012.

- The **financial result** remains low at € 0.04 million versus € 0.1 million as of 30 June 2012.

- The **tax burden** of the Company on 30 June 2013 amounts to €2.3 million, corresponding to the inclusion of deferred taxes activated as of 31 December 2012. The activation of these deferred taxes is due to the exercising of the early purchase option of the leasing-purchase agreement on the Company's premises, and the subsequent re-evaluation of its assets. Since these premises were sold during the first half of 2013, the deferred taxes have been entirely integrated as of 30 June 2013. In the light of the integration of this exceptional tax burden, the **net financial result** amounts to € (7.89) million as of 30 June 2013 versus € (4.54) million as of 30 June 2012.

- The Company's **cash balance and treasury equivalents** amounted to € 29.35 million as of June 30, 2013 versus € 6.30 million as of 31 December 2012 and €11.05 million as of June 30, 2012. This strong increase is the result of several operations that took place during the first half of 2013: the partial implementation of the bond loan agreement convertible in ordinary shares, for a gross amount of €6.85 M during the period; a private placement of a gross amount of €14.3 M; and the sale of the Company's premises to a specialized investor for a gross amount of €9.6 M. The capital gain from this real estate operation did not impact the net financial result, but enabled the strengthening of the Company's capital situation.

Summary of the key financial figures for the first half of 2013 (IFRS standards)

(million EUR)	**30/06/13**	**30/06/12**
Revenues from industrial alliances	0.96	0.95
Public funding of R&D expenses	1.79	1.69
Total revenues	**2.87**	**2.65**
Current operating result	**(5.53)**	**(4.65)**
Financial result	**0.04**	**0.1**
Pre-tax income	**(5.58)**	**(4.54)**
Net result	**(7.89)**	**(4.54)**
Gross cash	**29.35**	**11.05**

About GENFIT:

GENFIT is a biopharmaceutical company focused on the Discovery and Development of drug candidates in therapeutic fields linked to cardiometabolic disorders (prediabetes/diabetes, atherosclerosis, dyslipidemia, inflammatory diseases…). GENFIT uses a multi-pronged approach based on early diagnosis, preventive solutions, and therapeutic treatments and advances therapeutic research programs, either independently or in partnership with leading pharmaceutical companies, including Sanofi, to address these major public health concerns and their unmet medical needs.
GENFIT's research programs have resulted in the creation of a rich and diversified pipeline of drug candidates at different stages of development, including GENFIT's lead proprietary compound, GFT505, that is currently in Phase IIb.
With facilities in Lille, France, and Cambridge, MA (USA), the Company has approximately 80 employees. GENFIT is a public company listed on the Alternext trading market by Euronext™ Paris (Alternext: ALGFT; ISIN: FR0004163111). www.genfit.com

Contacts:

GENFIT
Jean-François Mouney – CEO & Chairman of the Management Board
Ph. +333 2016 4000

MILESTONES – Press Relations
Bruno Arabian
Ph. +331 7544 8740 / +336 8788 4726 – barabian@milestones.fr