



GENFIT: RESULTS FOR FIRST HALF OF 2009

- **SIGNIFICANT INCREASE OF PUBLIC FUNDING FOR EARLY-STAGE PROPRIETARY RESEARCH PROGRAMS**
- **FOCUS ON THE MOST ADVANCED PROPRIETARY PROGRAMS AND THERANOSTIC PROJECTS IN PREPARATION FOR MAJOR ALLIANCES IN 2010**
- **CONTROLLED LOSS, COMPARABLE TO H1 2008, APART FROM EXCEPTIONAL ITEMS**
- **RESEARCH FEES FROM INDUSTRIAL PARTNERSHIPS MAINTAINED AT A HIGH LEVEL**
- **SUBSTANTIAL INCREASE IN CASH POSITION**

Lille (France), Cambridge (Massachusetts, United States), October 2, 2009 – 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 neurodegenerative diseases, today announced its financial results for the six months ending June 30, 2009, as approved by the Supervisory Board on September 24, 2009.

Jean-François Mouney, Chairman and Chief Executive Officer of GENFIT declared: “During this period, GENFIT sustained its efforts on its most advanced programs, in particular GFT505, while recording new achievements in recent fields of investigation like biomarker projects and the development of innovative preventive treatments for certain neurodegenerative diseases. Financially speaking, the first half of 2009 was marked by a substantial increase in R&D subsidies, linked to Genfit’s increasing implication in multiple public/private collaborative research programs. These additional resources helped to compensate for the reduction in our industrial revenues, due mainly to the in-licensing of a promising program that was formerly developed in partnership with Merck. Our financial losses are thus controlled and these tendencies should be confirmed during the second half of 2009. The prospect of major industrial agreements in 2010 should close the transitional period - that we had largely anticipated - during which our income did not cover the huge investments made on our proprietary programs, and return GENFIT to the financial orthodoxy that governed the seven consecutive profitable fiscal years following its inception”.

Key financial figures for first half of 2009:

<i>(million EUR)</i>	H1 2009	H1 2008 restated (*)
Revenues from industrial alliances	3,23	4,26
Public funding of R&D expenses	2,30	1,98
Total Revenues	5,62	7,36
Operating result	(3,01)	(3,16)
Financial result	(0,04)	0,28
Net result	(3,38)	(1,72)

() H1 2008 financial statement was reprocessed because of the change of presentation described below.*

Items in this press release may contain forward-looking statements involving risks and uncertainties. The Company’s actual results could differ substantially from those anticipated in these statements owing to various risk factors which are described in the Company’s prospectus. This press release has been prepared in both French and English languages. In the event of any differences between the two texts, the French language version shall supersede.

- Over the first six months of 2009, operating subsidies represented an increasing part of the financing of Genfit's most upstream research programs. Consequently, the Management Board decided to book them as operational revenues for the first time in the accounts ending June 30, 2009, whereas they were previously deducted from the corresponding operational expenses. An identical process was undertaken for the Research Tax Credit ("Crédit Impôt Recherche"). These two types of income are now included under the heading «Public funding of R&D expenses» in the consolidated Income statement.
- The total revenues for the first six-month period of 2009 amounted to EUR 5.62 million versus EUR 7.36 million posted in the first half of 2008. In 2008, the total revenues included an exceptional operational income of EUR 1.1 million related to the conversion of a refundable loan into a subsidy. Apart from this exceptional element, the half-year income remains virtually stable.
- In the first half of 2009, public funding of R&D expenses reached EUR 2.3 million, versus EUR 1.9 million during the same period in 2008.
- In the absence of significant recorded milestones during the financial period, industrial revenues were essentially generated by the research fees from multi-annual collaborative research programs with pharmaceutical companies. These incomes amounted to EUR 3.23 million versus EUR 4.26 million in the first half of 2008, due to the in-licensing of the program developed until then in partnership with Merck.
- Over the first six-month period of 2009, operating charges decreased to EUR 8.35 million from EUR 10.03 million in the first half of 2008. This reduction results from the significant financial impact of the pharmaceutical developments and clinical studies related to GFT505 in the first half of 2008. Several further clinical studies related to the GFT505 program have been launched during the first semester of 2009, and will have a financial impact on the accounts only during the second semester.
- The financial result amounted to EUR (0.042) million versus EUR 0.28 million in the first half of 2008, due to the mobilization of a revolving credit facility at the end of 2008 and a reduction in the interest generated by the Company's financial assets due to the drop in medium-term interest rates.
- The H1 2009 income tax of EUR 0.32 million result mainly from the tax deductions and re-integrations related to the accounting of R&D subsidies. GENFIT's net earnings are directly affected during the first half of 2009, and amount to a net loss of EUR 3.37 million (versus EUR 1.72 million during the first half of 2008). It should be noted that the financial agreement linked to the IT-Diab program obtained during the first half of 2008 had led the Company to record a tax credit of EUR 1.16 million in H1 2008. The operational loss was limited to EUR 3.01 million in the first half of 2009 versus EUR 3.16 million in the first half of 2008.
- The Company's cash balance and treasury equivalents amounted to EUR 20.66 million at June 30, 2009 versus EUR 12.30 million at June 30, 2008 and EUR 16.87 million at December 31, 2008.

Corporate governance:

On September 24, 2009, the Supervisory Board renewed the mandate of Jean-François Mouney as Chairman and Chief Executive Officer of GENFIT for a further five years.

Items in this press release may contain forward-looking statements involving risks and uncertainties. The Company's actual results could differ substantially from those anticipated in these statements owing to various risk factors which are described in the Company's prospectus. This press release has been prepared in both French and English languages. In the event of any differences between the two texts, the French language version shall supersede.

Consolidated Balance Sheet

(in 000's of euros)	30/06/2009	31/12/2008
<u>Non current assets</u>		
Goodwill	74.9	74.9
Other intangible assets	239.6	232.6
Other tangible assets	9 420.8	9 575.7
Other non current financial assets	29.3	20.2
Other non current assets	2 465.0	3 003.7
Deferred tax debit	3 746.8	4 127.2
Non current assets	15 976.4	17 034.3
<u>Current assets</u>		
Inventory	36.9	39.1
Tax payable	12.4	12.3
Receivables	602.6	789.0
Other current assets	4 360.5	10 325.2
Current financial assets	548.6	921.4
Cash and Cash equivalents	20 661.7	16 870.9
Current assets	26 222.6	28 957.9
TOTAL ASSETS	42 199.0	45 992.2
Capital	2 817.7	2 817.7
Premiums	14 361.6	14 361.6
Consolidated reserves	5 523.9	9 211.2
Translation differential	-52.2	-48.0
Net result	-3 375.6	-3 960.5
Shareholders equity group share	19 275.3	22 381.9
Minority interest	0.0	0.0
Total shareholders' equity	19 275.3	22 381.9
<u>Non current Liabilities</u>		
Non current provisions	212.5	198.2
Non current conditional loans	1 899.9	1 519.7
Non current financial liabilities	3 000.0	3 328.2
Deferred tax credit		
Other non current liabilities	3 871.4	4 452.5
Non current liabilities	8 983.7	9 498.6
<u>Current Liabilities</u>		
Current provisions	2.3	2.2
Current conditional loans	0.0	30.0
Current Financial liabilities	6 954.5	6 822.2
Trade payables	3 846.5	3 549.4
Other current liabilities	3 136.7	3 707.9
Current liabilities	13 940.0	14 111.7
TOTAL SHAREHOLDERS EQUITIES AND LIABILITIES	42 199.0	45 992.2

Items in this press release may contain forward-looking statements involving risks and uncertainties. The Company's actual results could differ substantially from those anticipated in these statements owing to various risk factors which are described in the Company's prospectus. This press release has been prepared in both French and English languages. In the event of any differences between the two texts, the French language version shall supersede.

Consolidated Income statement

	((in 000's of euros))		
	6 months Closed on 30/06/09	12 months Closed on 31/12/08 restated	6 months Closed on 30/06/08 restated
Revenues from industrial alliances	3 227.2	8 760.6	4 265.3
Public funding of R&D expenses	2 298.5	4 593.9	1 983.9
Other Income	100.0	1 141.5	1 113.0
Total income	5 625.7	14 496.0	7 362.2
Purchases consumed	-1 010.9	-2 270.4	-1 206.6
Operational subcontracting	-1 530.0	-3 775.0	-1 951.6
Personnel expenses	-3 643.7	-7 496.3	-4 072.8
Other operational expenses	-1 668.9	-4 171.1	-2 341.1
Net expenses for depreciation, provisions and losses in value	-500.0	-967.8	-457.6
Current operating profit	-2 727.8	-4 184.6	-2 667.5
Stock option plan Expenses	-277.9	-994.2	-497.1
Results on disposals of non current assets	-0.5	4.8	0.0
Operating profit	-3 006.2	-5 174.0	-3 164.6
Net income generated by cash	228.4	823.0	397.3
Financial expenses and income	-270.8	-360.9	-112.6
Net finance costs	-42.4	462.1	284.7
Profit before income tax	-3 048.6	-4 711.9	-2 879.9
Tax burden	-327.0	751.4	1 160.5
Profit for the period	-3 375.6	-3 960.5	-1 719.4
Gains/Losses booked as shareholders equity:			
Conversion differences	-4.2	9.6	-12.5
Changes of fair value for assets available for sale	-7.1	-44.0	-5.4
Fair value change for the period	11.5	-32.7	-5.4
Less Gains recycled as result for the period	-18.6	-11.3	0.0
Tax impact of fair value change	2.4	14.7	1.8
Gains/Losses booked as shareholders equity	-8.9	-19.7	-16.1
Comprehensive income	-3 384.5	-3 980.2	-1 735.5
Profit for the period			
Profit attributable to:			
Minority interest	0.0	0.0	0.0
Equity holders of the company	-3 375.6	-3 960.5	-1 719.4
Comprehensive income			
Profit attributable to:			
Minority interest	0.0	0.0	0.0
Equity holders of the company	-3 384.5	-3 980.2	-1 735.5
(in euros and number of shares)			
Net result per share			
Weighted average number of shares	11 270 626	11 270 626	11 270 626
Net result Group per share	-0.30	-0.35	-0.15
Weighted average diluted number of shares	11 270 626	11 270 626	11 270 626
Diluted net result – Group share per share	-0.30	-0.35	-0.15

Items in this press release may contain forward-looking statements involving risks and uncertainties. The Company's actual results could differ substantially from those anticipated in these statements owing to various risk factors which are described in the Company's prospectus. This press release has been prepared in both French and English languages. In the event of any differences between the two texts, the French language version shall supersede.

Impact of accounting presentation changes:

Annual results ending December 31, 2008:

(in 000's of euros)	12 months	Reallocation	Reallocation	Reallocation	Total Reallocation	12 months
	Closed on 31/12/08	IFRS 2 charge	Research Tax	R&D grants		Closed on 31/12/08
	Published	Payment in shares	credit			Restated
Revenues from industrial Alliances	8 760.6					8 760.6
Public funding of R&D expenses	0.0		3 397.2	1 196.7	4 593.9	4 593.9
Other income	1 440.1		-298.6		-298.6	1 141.5
Total income	10 200.7	0.0	3 098.6	1 196.7	4 295.3	14 496.0
Purchases consumed	-1 743.5		-309.9	-217.0	-526.9	-2 270.4
Operational subcontracting	-2 460.6		-1 099.7	-214.7	-1 314.4	-3 775.0
Personnel expenses	-6 640.8	994.2	-1 300.7	-549.0	-855.5	-7 496.3
Other operational expenses	-3 797.5		-161.3	-212.3	-373.6	-4 171.1
Net expenses for depreciation, provisions and losses in value	-737.1		-227.0	-3.7	-230.7	-967.8
Current operating profit	-5 178.8	994.2	0.0	0.0	994.2	-4 184.6
Stock option plan Expenses		-994.2			-994.2	-994.2
Results on disposals of non current assets	4.8					4.8
Operating profit	-5 174.0	0.0	0.0	0.0	0.0	-5 174.0
Net income generated by cash	823.0					823.0
Financial expenses and income	-360.9					-360.9
Net finance costs	462.1	0.0	0.0	0.0	0.0	462.1
Profit before income tax	-4 711.9	0.0	0.0	0.0	0.0	-4 711.9
Tax Burden	751.4					751.4
Profit for the period	-3 960.5	0.0	0.0	0.0	0.0	-3 960.5
profit attributable to:						
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Equity holders of the company	-3 960.5	0.0	0.0	0.0	0.0	-3 960.5

Half year results ending June 30, 2008:

(in 000's of euros)	6 months	Reallocation	Reallocation	Reallocation	Total Reallocation	6 months
	Closed on 30/06/08	IFRS 2 charge	Research Tax	R&D grants		Closed on 30/06/08
	Published	Payment in shares	credit			Restated
Revenues from industrial alliances	4 265.3					4 265.3
Public funding of R&D expenses	0.0		1 472.8	511.1	1 983.9	1 983.9
Other income	1 113.0					1 113.0
Total income	5 378.3	0.0	1 472.8	511.1	1 983.9	7 362.2
Purchases consumed	-956.3		-142.2	-108.1	-250.3	-1 206.6
Operational subcontracting	-1 403.3		-459.9	-88.4	-548.3	-1 951.6
Personnel expenses	-3 870.2	497.1	-462.9	-236.8	-202.6	-4 072.8
Other operational expenses	-1 976.4		-291.2	-73.5	-364.7	-2 341.1
Net expenses for depreciation, provisions and losses in value	-336.7		-116.6	-4.3	-120.9	-457.6
Current operating profit	-3 164.6	497.1	0.0	0.0	497.1	-2 667.5
Stock option plan Expenses		-497.1			-497.1	-497.1
Results on disposals of non current assets						
Operating profit	-3 164.6	0.0	0.0	0.0	0.0	-3 164.6
Net income generated by cash	397.3					397.3
Financial expenses and income	-112.6					-112.6
Net finance costs	284.7	0.0	0.0	0.0	0.0	284.7
Profit before income tax	-2 879.9	0.0	0.0	0.0	0.0	-2 879.9
Tax Burden	1 160.5					1 160.5
Profit for the period	-1 719.4	0.0	0.0	0.0	0.0	-1 719.4
profit attributable to:						
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Equity holders of the company	-1 719.4	0.0	0.0	0.0	0.0	-1 719.4

Items in this press release may contain forward-looking statements involving risks and uncertainties. The Company's actual results could differ substantially from those anticipated in these statements owing to various risk factors which are described in the Company's prospectus. This press release has been prepared in both French and English languages. In the event of any differences between the two texts, the French language version shall supersede.

About GENFIT:

GENFIT is a biopharmaceutical company focused on the Discovery and Development of drug candidates in strategic therapeutic fields linked to cardiometabolic and neurodegenerative disorders (prediabetes/diabetes, atherosclerosis, dyslipidemia, obesity, Alzheimer's...). GENFIT uses a multi-pronged approach based on early diagnosis, preventive solutions, and therapeutic treatments to address these major public health concerns and their unmet medical needs. GENFIT's proprietary research programs and its partnerships with leading pharmaceutical companies, including SANOFI-AVENTIS, SOLVAY GROUP, and SERVIER, have resulted in the creation of a rich and diversified pipeline of drug candidates at different stages of development. GENFIT's lead proprietary compound, GFT505, is currently in Phase II and two other compounds, in partnership with SANOFI-AVENTIS (AVE0897) and SOLVAY (SLV341), are in the advanced stages of Phase I.

With facilities in Lille, France, and Cambridge, MA (USA), the Company has about 130 employees, including over 100 scientists. 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 – Chairman of the Management Board
+33 (0)3 20 16 40 00

MILESTONES – Press Relations

Bruno Arabian
+33 (0)1 75 44 87 40 / +33 (0)6 87 88 47 26 - barabian@milestones.fr