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GENFIT: HALF-YEAR RESULTS FOR 2011

- **Internal research efforts maintained to ideally position GFT505**
- **An evolution of revenue linked to new "risk-sharing" modes**
- **Tightly controlled cash expenditure**

Lille (France), Cambridge (Massachusetts, United States), October 28th, 2011 – 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 2011, as well as its current cash position.

Jean-François Mouney, Chairman and Chief Executive Officer of GENFIT, declared: *« The first half of 2011 was particularly intense for GFT505, our leading scientific program, with the aim of maximizing its value. The clinical data thus generated have enabled us to demonstrate the efficacy and safety of GFT505 in different sub-populations of pre-diabetic and diabetic patients, and to specify its action on several risk factors that contribute to diabetes and to certain of its hepatic and cardiovascular complications. In parallel, continuing efforts in our biomarker program have placed the Company as one of the most innovative in the field of diabetes and its associated complications. Financially speaking, our half-year performance is in line with our predictions. These are based on a culture of prudent cash expenditure and thus a controlled net loss, despite upfront payments from industrial alliances that have decreased in the short-term, but that are potentially more substantial in the medium-term, as exemplified by the partnership signed with Sanofi at the beginning of the year. »*

MAJOR ACHIEVEMENTS FOR THE FIRST HALF OF 2011

GFT505: The promising clinical data obtained during the period enable the more precise targeting of several risk factors for the overall cardiometabolic management of the diabetic patient: hyperglycemia, insulin resistance, atherogenic dyslipidemia (low level of HDL-C "good cholesterol", high level of triglycerides), and certain inflammatory states. Associated with a perfect safety profile, notably in terms of cardiovascular safety, and with highly beneficial effects on two markers of hepatic dysfunction, this new data clearly positions GFT505 in the fields of:

- The hepatic complications commonly associated with Diabetes: Non-Alcoholic Fatty Liver Disease (NAFLD) and Non-Alcoholic Steato-Hepatitis (NASH),
- The prevention of cardiovascular events in high-risk diabetic patients.

BMGFT01 and BMGFT02 programs: These biomarker programs, dedicated to the early detection of biological parameters associated with diabetes and atherosclerosis, respectively, are based on two proprietary technologies for the capture and characterization of microparticles (MPrint™ and HTMP). At the beginning of 2011, GENFIT received € 4.9 million of support from the Strategic Industrial Innovation program of the French public organization OSEO, as leader of the Micro-Path consortium dedicated to the discovery of new early biomarkers of cardiovascular disease.

Co-research partnership with Sanofi: In the wake of positive results obtained in 2009 and 2010, Sanofi and GENFIT decided to extend and reinforce their historical partnership for three more years through two new research programs focused on the discovery of new treatments that target different metabolic disorders. Under the terms of this new alliance, that is based on a more balanced risk-sharing partnership, GENFIT will

receive annual payments to fund research during the 3-year collaboration, in addition to milestone payments according to the progress of preclinical and clinical development, and the subsequent registration and commercialization of resulting products. The total of these milestone payments could reach € 39.6 million, in addition to royalties from future sales of products developed by Sanofi that result from the collaboration.

MAJOR POST-CLOSING EVENTS

GFT505: The partial results of the GFT505-210-6 pharmaco-clinical trial, concerning 80% of the insulin-resistant patients included in this hospital-based study, demonstrated the original mechanism of action of GFT505 in the liver, as illustrated in particular by a very significant decrease in insulin-induced hepatic glucose production. A key mechanistic element has thus been obtained to pursue the development of GFT505 in NAFLD / NASH. The previously-observed beneficial decrease in hepatic dysfunction markers was confirmed in this study. The preparation of an international multi-center Phase IIb study has already been initiated, such that the first patient should be recruited at the beginning of the second trimester of 2012.

Strengthening of shareholders' equity and cash position: Several capital increases have been finalized after the half-year closing, for a total of approximately € 5.6 million. These capital increases resulted in the issue of 1,762,132 new shares. Consequently, the cash and cash equivalents of the Company currently amount to € 11.8 million.
Moreover, the General Meeting held on September 28, 2011 approved the signature of a share-based equity financing agreement that could, at the Company's sole discretion, represent a total financing of € 5.3 million over 2 years. As of today, a tranche of € 0.2 million has already been withdrawn.

KEY FINANCIAL FIGURES FOR THE FIRST HALF OF 2011 (AUDITED ACCOUNTS - IFRS STANDARDS):

(million EUR)	**30/06/11**	**30/06/10**
Revenues from industrial alliances	1.22	2.06
Public funding of R&D expenses	**2.11**	2.01
Total revenues	**3.38**	**4.08**
Operating result	**(4.33)**	**(3.67)**
Financial result	**(0.02)**	**(0.11)**
Pre-tax income	**(4.35)**	**(3.78)**
Net result	**(4.93)**	**(5.28)**
Cash balance and treasury equivalents	**10.19**	**18.01**
Cash balance (28/10/11) 11.80		

The **total operating revenues** for the first six-month period of 2011 amounted to € 3.38 million versus € 4.08 million for the first half of 2010.

Industrial revenues amounted to € 1.22 million as of June 30, 2011, versus € 2.06 million for the first half of 2010. They were generated by the « research fees » from multi-annual collaborative research programs with the pharmaceutical companies Servier and Sanofi. The decline in these revenues results from new contractual payment methods, characterized by a reduction in upfront payments in favor of more substantial milestone payments.

The revenue from **public funding of R&D expenses** remains stable at € 2.11 million for the first six-month period of 2011 versus € 2.01 million during the same period in 2010.

As of 30 June 2011, the **operating charges** remained stable at € 7.63 million versus € 7.61 million as of 30 June 2010. Expenses linked to subcontracting have increased considerably, due largely to the two GFT505 clinical trials carried out during the first half of 2011. In comparison, the same period in 2010 was devoted to the

preparation and design of these subcontracted studies. As for the personnel costs of the Group, these decreased by 18% compared to the same period in 2010.

The **operating loss** amounts to € 4.33 million in the first half of 2011 versus € 3.53 million in the first half of 2010, when the operating result was favorably affected by a transitory decrease in the Company's development costs for GFT505.

The **financial result** amounts to € (0.02) million versus € (0.11) million as of 30 June 2010, due essentially to an improved performance of the Company's financial investments.

The **tax burden** on the result as of June 30, 2011 amounts to € (0.58) million versus € (1.5) million as of 30 June 2010. Half-year accounts included in 2010 a greater charge than in 2011 coming from the reversal of a higher portion of previously activated fiscal losses (fiscal losses activated prior to December 2007).

Consequently, the **net result** amounts to € (4.93) million as of 30 June 2011 versus € (5.28) million as of 30 June 2010.

The Company's **cash balance and treasury equivalents** amounted to € 10.19 million as of June 30, 2011 versus € 18.01 million as of June 30, 2010. However, as indicated above, this cash position has been strengthened since the half-year closing, to reach, as of today, €11.80 million.

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 (SANOFI, SERVIER, …), 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 II.
With facilities in Lille, France, and Cambridge, MA (USA), the Company has approximately 100 employees. GENFIT is a public company listed on the Alternext trading market by Euronext™ Paris (Alternext: ALGFT; ISIN: FR0004163111).
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