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## GENFIT: SIGNING OF A € 2M

### CONVERTIBLE BOND LOAN AGREEMENT

**Lille (France), Cambridge (Massachusetts, United States), August 3, 2012** – 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, reports today the signing of a two millions euros (€2.000.000) bond loan agreement, convertible in ordinary shares of the Company, according to the powers granted to the Management Board by the 26<sup>th</sup> and 27<sup>th</sup> resolutions of the Shareholders Meeting held on June 26, 2012.

Following these resolutions, the convertible bond issuance (the “Bonds”) has been reserved to YA Global Master SPV Ltd – a holding managed by the investment company Yorkville Advisors LLC (the “Bondholder”).

The commitment fee payable to the Bondholder, equal to five (5) per cent of the bond loan, will be fully paid-up in ordinary shares of the Company at a price of 95% of the lowest volume-weighted average price for the five (5) trading days prior to the Bonds issuance date, i.e. on July 26, 2012. This payment resulted in the issuance of 62,656 new shares, immediately assimilated to the existing shares. The number of the Company outstanding shares is thus increased to 15,148,321. By cons, except in case of Company Default, the Bonds will not bear any interest, even in the case of repayment of the Bonds in cash.

The two hundred (200) Bonds are issued at par, i.e. at a unit subscription price equal to their nominal value, corresponding to ten thousands euros (€10,000) each. They will not be admitted to trading on a regulated market and will not be transferable, except to a subsidiary of the Bondholder.

Each Bond will be converted into a number N of ordinary shares of the Company, calculated as follows:

$$N = V_n / P$$

- N: Number of ordinary shares of the Company with a nominal value of 0.25 €
- V<sub>n</sub>: Nominal value of the Bonds
- P: 95% of the lowest volume-weighted average price for the five (5) trading days prior to the Bonds conversion date

The Bonds are convertible into shares at any time at the Bondholder’s discretion for a maximum amount of five hundred euros (€500,000) by period of thirty (30) days. At the current share price, this conversion capacity by period of thirty (30) rolling days corresponds to around 320,000 new shares and to a maximum cumulated amount of approximately 1.3 million new shares considering the bond loan total amount.

In case of non conversion into shares, the Bonds will be repaid in cash in full six months after issuance date, at their par value.

During this convertible bond loan agreement, GENFIT and the Bondholder have decided to suspend their Standby Equity Distribution Agreement (see Company release dated August 24, 2011). For memory, GENFIT initiated this Standby Equity Agreement in February 2012 (see Company release dated February 22, 2012).

**Jean-François Mouney, chairman's to GENFIT's Management Board commented:** *"Like the SEDA, whose implementation is made technically difficult by current market conditions, this bond loan agreement allows GENFIT to consolidate its cash position, without being too dilutive for our long-term shareholders. It allows also GENFIT to increase available resources in order to, if the need arises, pursue the most advanced R&D programs of the Company, and to maximize their values before signing licensing agreements with pharmaceutical companies."*

**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 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). [www.genfit.com](http://www.genfit.com)

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