

GENFIT REPORTS

FULL YEAR RESULTS 2008

Lille (France), Cambridge (Massachusetts, United States), April 8, 2009 – GENFIT (Alternext: ALGFT; ISIN: FR0004163111), a biopharmaceutical company at the forefront of drug research and development, focusing on the early diagnosis and preventive treatment of cardiometabolic and neurodegenerative diseases, today announces its consolidated Financial results for the year ending December 31, 2008.

Key consolidated financial data (IFRS standards)

	2008 (million EUR)	2007 (million EUR)
Total revenue	10.2	9.66
Operational result	(5.17)	(5.99)
Net result	(3.96)	(2.8)
Year-end cash position	16.87	15.83

Jean-François Mouney, Chairman of GENFIT's Management Board, stated: "In 2008, GENFIT entered a promising new phase in its history. Despite an overall difficult context for the biopharmaceutical industry, GENFIT has been able to maintain a high level of activity with its major industrial partners, while increasing the value of its own product portfolio. The various breakthroughs recorded in the clinical development of GFT505, and the demonstration of its significant therapeutic potential, as well as our ambitious research efforts in the field of neurodegenerative diseases, particularly Alzheimer's Disease, and our entry into the field of Theranostic tools, are all elements of great satisfaction for our teams. On the financial side, 2008 was, as expected, our second year of controlled loss. This transitory period precedes the signing of significant out-licensing agreements with major industrial players and a return to profit planned for next year."

Main achievements in 2008

In order to prepare for the signing of major out-licensing agreements, GENFIT continued its growth investments in 2008.

Considerable means were thus devoted to the Phase II clinical trials of GFT505, the most advanced molecule developed by GENFIT that aims to treat global cardiometabolic risk associated with prediabetes and diabetes. At the same time, the Company reinforced its investments in the field of neurodegenerative diseases.

The collaborative research programs with major pharma groups continued to generate regular income in 2008. An important step for GENFIT was the continuation of its partnerships with Servier and Sanofi-Aventis. These collaborations came to an end in December 2008, but were renewed at the beginning of 2009.

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2008 Consolidated financial results

Nathalie Huitorel, Chief Financial Officer of GENFIT, said: “Our investment efforts in the clinical development of our most advanced cardiometabolic products, as well as those made in our early stage neurodegenerative disease programs, will be continued in 2009. At the same time, the renewal of our strategic long-term partnerships and more short-term industrial alliances reinforce the profitability of our entire industrial machine. Our financial position remains healthy, with two years of cash available at the end of 2008”.

▪ **Income Statement**

Total revenues amount to € 10.2 million, an increase of 6% compared to the € 9.65 million achieved in 2007. Once again, most of the Company revenues (about 90%) originate from long-term collaboration contracts with pharma industrials (research fees, up-front payments, and milestones).

R&D expenses have been controlled to stabilize at € 12.33 million (before the subtraction of Research Tax Credit and operational grants) compared to € 12.78 million the year before, with a concentration of our efforts on the most promising programs.

General and administrative expenditure increased by 7% to € 6.6 million. This increase is largely due to business development costs incurred within the context of the reinforcement of GENFIT’s presence in the United States, as well as significant intellectual property costs.

Consequently, 2008 shows an operational loss of € 5.17 million compared to € 5.99 million in 2007. GENFIT thus recorded a contained consolidated net loss of € 3.96 million in 2008, compared to € 2.8 million in 2007.

▪ **Balance sheet**

On December 31, 2008, the cash and cash equivalents of the Company amounted to € 16.87 million, compared to € 15.83 million on December 31, 2007. On March 30, 2009, the cash and cash equivalents amounted to € 20.1 million.

On December 31, 2008, the Company possessed a “Research Tax Credit” of € 6.8 million from the French State. Within the framework of the rectifying French finance law for 2009, GENFIT profited from an advance payment of € 3.7 million in February 2009. GENFIT should receive the balance of € 3.1 million in April 2009.

Proprietary programs update

In 2008, GENFIT’s various proprietary programs were coordinated to bring consistent solutions in the diagnosis, prevention and treatment of micro and macrovascular complications linked to prediabetes and diabetes; the treatment of Alzheimer’s Disease by capitalizing on the key role of nuclear receptors; and the field of theranostics by exploiting a major technological breakthrough.

GENFIT thus streamlined its portfolio of scientific programs in order to concentrate its development efforts on the most promising ones.

• **GFT505**

In 2008, GFT505, the most advanced compound of a new generation of drug candidates developed by GENFIT, showed its major therapeutic potential by acting simultaneously on several risk factors associated with prediabetes and diabetes. In November 2008, GENFIT announced the results of a new clinical study that followed up on a first Phase IIa clinical trial. The excellent tolerance and significant safety margin of GFT505 were thus confirmed. Not only were adverse secondary effects not observed, but GFT505 had no effect on safety markers even at the highest tested dose.

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- **GFT1229/GFT679**

Following on from GFT505, GFT1229 and GFT679 are the founders of a series of new chemical entities whose range of activity makes it possible to target complementary risk factors, in particular insulin resistance. GFT1229 and GFT679 can provide protection against microcirculatory disorders and prevent micro and macrovascular complications associated with diabetes and prediabetes.

- **BMGFT01/02-03**

BMGFT01/02-03 constitute a new set of development programs based on a breakthrough technology in the field of early biomarkers, that enables a prompt and predictive response concerning the efficacy of new therapeutic solutions targeting certain metabolic pathologies (BMGFT01-02) and neurodegenerative diseases (BMGFT03).

- **TGFTX2**

The TGFTX2 program targets the reduction of abdominal obesity in the treatment of (pre)diabetic patients. GENFIT has identified and validated a specific therapeutic target in visceral adipose tissue, and has developed the key assays necessary for a drug discovery program. Potential pharma partners therefore have at their disposal a complete package for the rapid discovery of active compounds to target this innovative therapeutic concept.

- **G15750 et TGFTX1-X3**

The G15750 and TGFTX1-X3 programs target various nuclear receptors in order to tackle neurodegenerative diseases, in particular Alzheimer's Disease. The main goal of these early stage research programs is to sign new industrial alliances of co-research or co-development.

Industrial partnership update

- **Sanofi-Aventis**

Initially dedicated to type 2 diabetes and vascular inflammation, the program SAVX1 was renewed and extended until the end of 2010.

The molecule AVE0897, developed for the treatment of type 2 diabetes, continues its Phase I clinical trials. A new collaboration has been initiated in the field of neurodegenerative diseases.

- **Servier**

The two SERX1 research programs, focused on the parallel treatment of multiple risk factors of insulin resistance and type 2 diabetes, recorded encouraging achievements, and the payment of milestones is expected in 2009.

- **Solvay**

Continuation of research on the compounds selected at the end of 2006. Among those compounds, one (SLV341) is currently in Phase I, and another (SLV342) will enter Phase I in 2009. A new molecule targeting atherosclerosis and resulting from the SOL02 research program is today in preclinical development.

- **Pierre Fabre**

Initiated in 2001, the collaboration with Pierre Fabre is progressing in accordance with its development plan; this collaborative research program in type 2 diabetes and insulin resistance is entering the phase of lead compound selection.

- **Merck KGaA**

In February 2009, GENFIT and Merck Santé signed a strategic agreement concerning the “MKG02” program. According to this agreement, Merck Santé transfers to GENFIT the entire scientific data resulting from a six-year collaborative program in the field of type 2 diabetes and obesity. This agreement follows the decision by Merck Serono to suspend research & development in the diabetes field.

In parallel with the long-term collaborations described above, GENFIT also recorded turnover coming from more short-term alliances with companies such as **Abbott, Lesaffre, and Otsuka Pharmaceuticals**.

These partnerships enable pharma groups to use the technological tools and platforms developed by GENFIT for the in-depth characterization of drug candidates or the identification of compound mechanisms of action. These collaborations offer a wonderful opportunity for GENFIT to initiate new scientific relations with pharma leaders, before considering, where applicable, longer-term strategic alliances.

Research activities carried out within consortia

As in the past, GENFIT has carried out part of its research efforts within the framework of national, European and international consortia. These programs correspond for the Company either to new directions allowing for future scientific diversification, to highly innovative technological developments, or to the further exploitation of proprietary programs already initiated by GENFIT.

In 2008, GENFIT continued to take an active part in the following projects: **AMI-DIAB** (Fonds Unique Interministériel), **OLNORME** (EurotransBio), **HEPADIP** (EU’s FP6), **X-TRA-NET** (EU’s FP6), **INDABIP** (EU’s FP6), **BIOBRIDGE** (EU’s FP6), **CO-MAX** (ANR-RIB), **INFLAM** (ANR), **TOBI** (EU’s FP7), **IT-Diab** (Oséo).

Outlook for 2009-2010

“The high level of investment and the progress achieved in 2008 and during the first months of 2009 allow us to reasonably anticipate the conclusion of a licensing agreement on GFT505 with a major industrial company next year. This agreement should provide a first and very significant up-front payment for GENFIT. Other programs like BMGFT01 and TGFTX2 have been designed to seek licensing agreements of the same type but at more upstream stages of development, while allowing a maximum creation of value”, **concluded Jean-François Mouney, CEO of GENFIT**.

Financial Calendar 2009

Annual Shareholders' Meeting: June 2009

Half Year Results: October 2009

Consolidated Income Statement:

(in 000's of euros)	31/12/2008	31/12/2007
Net turnover	8 760,6	9 477,3
Other income	1 440,1	180,6
Total revenues	10 200,7	9 657,9
Purchase consumed	-1 743,5	-2 005,2
Operational subcontracting	-2 460,6	-3 697,4
Personnel expenses	-6 640,8	-6 201,5
Other operational expenses	-3 797,5	-2 898,5
Net expense for depreciation, provisions and losses in value	-737,1	-850,8
Results on disposals of non current assets	4,8	5,0
Operational result	-5 174,0	-5 990,6
Net income generated by cash	823,0	1 001,8
Financial expenses and income	-360,9	-390,8
Financial result	462,1	611,0
Tax burden	751,4	2 578,8
Net result	-3 960,5	-2 800,8
including:		
Minority interests	0,0	0,0
Group share	-3 960,5	-2 800,8

(In euros and number of shares)

Net result per share		
Weighted average number of shares	11 270 626	11 270 626
Net result Group share per share	-0,35	-0,25
Weighted average diluted number of shares	11 270 626	11 270 626
Diluted net result – Group share per share	-0,35	-0,25

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Consolidated Balance Sheet:

(in thousands of EUR)	31/12/2008	31/12/2007
<u>Non-current Assets</u>		
Goodwill	74,9	74,9
Other intangible assets	232,6	241,1
Other tangible assets	9 575,7	9 381,9
Other Non-current Financial assets	20,2	0,1
Other non-current assets	3 003,7	4 319,8
Deferred tax debit	4 127,2	3 473,0
Non-current assets	17 034,3	17 490,9
<u>Current Assets</u>		
Inventory	39,1	30,5
Tax payable	12,3	44,9
Receivables	789,0	631,2
Other current assets	10 325,2	4 639,8
Current Financial assets	921,4	1 548,8
Cash and cash equivalent	16 870,9	15 827,7
Current assets	28 957,9	22 722,9
TOTAL ASSETS	45 992,2	40 213,7
Capital	2 817,7	2 817,7
Premiums	14 361,6	14 361,6
Consolidated reserves	9 211,2	11 047,1
Translation differential	-48,0	-57,6
Net result for the Financial year	-3 960,5	-2 800,8
Shareholder Equity Group Share	22 381,9	25 367,9
Minority interests	0,0	0,0
Total shareholder equity	22 381,9	25 367,9
<u>Non-current Liabilities</u>		
Non-current provisions	198,2	96,2
Non-current conditional loans	1 519,7	1 577,7
Non-current Financial liabilities	3 328,2	2 981,3
Deferred tax credit		
Other non-current liabilities	4 452,5	2 760,7
Non-current liabilities	9 498,6	7 415,9
<u>Current Liabilities</u>		
Current provisions	2,2	12,0
Current condition loans	30,0	385,0
Current financial liabilities	6 822,2	716,7
Trade payables	3 549,3	3 588,9
Other current liabilities	3 707,9	2 727,3
Current liabilities	14 111,6	7 430,0
TOTAL LIABILITIES	45 992,2	40 213,7

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About GENFIT:

GENFIT is a biopharmaceutical company focused on the Research 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, PIERRE FABRE, 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, respectively 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 over 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

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