



## A MEDICAL DEVICE COMPANY PIONEERING A BREAKTHROUGH TREATMENT FOR TYPE 2 DIABETES AND OBESITY

### GI DYNAMICS, INC.

GI Dynamics, Inc. (ASX: GID) is pioneering the development and commercialization of effective, non-surgical treatments targeting the large and growing global patient populations with type 2 diabetes and/or obesity. The company's flagship product, the EndoBarrier® Gastrointestinal Liner (the EndoBarrier), is a novel, non-surgical device proven to lower blood glucose levels and promote weight loss in diabetic and/or obese patients while implanted. The EndoBarrier has received CE mark approval in Europe and TGA approval in Australia to treat type 2 diabetes and/or obesity for up to 12 months. GI Dynamics currently markets the EndoBarrier in select regions in Europe and South America and is planning near-term commercial expansion into Australia and additional European countries. Founded in 2003, GI Dynamics is headquartered in Lexington, Mass. For more information, please visit [www.gidynamics.com](http://www.gidynamics.com).

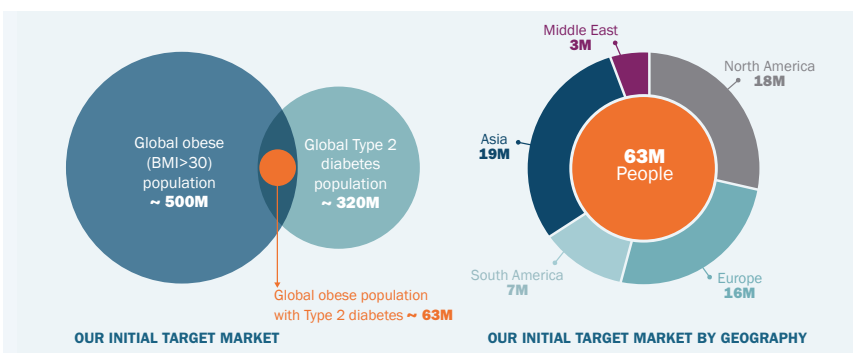
### GLOBAL MARKET OPPORTUNITY

Diabetes and obesity are significant and growing health problems of epidemic proportions, and treatment of these diseases represents two of the largest healthcare markets in the world. Current treatment options for type 2 diabetes and obesity include:

- **Lifestyle changes** - The most common non-invasive treatment is adoption of a healthy diet and exercise regimen, which are proven to reduce obesity and therefore slow the progression of diabetes. However, in many cases, these are not successful or sustainable in the long term.
- **Drug therapy** - Type 2 diabetes is commonly treated with a range of pharmaceutical therapies. Although drugs are capable of temporarily restoring glucose control, they do not measurably impact the progression of the disease over time.
- **Bariatric surgery** - The most common types of bariatric surgery are gastric bypass and gastric banding. Gastric bypass is an effective treatment for type 2 diabetes and obesity; however, for many patients the risks associated with surgery and the significant and irreversible changes to the anatomy far outweigh the benefits.

Better treatment options for type 2 diabetes and obesity are urgently needed. The EndoBarrier is a new therapeutic paradigm for the treatment of these diseases. This groundbreaking, non-surgical approach offers patients one solution to improve and control their glucose levels and lose weight at the same time.

#### Our initial target market is obese patients with type 2 diabetes



### FINANCIAL HIGHLIGHTS

In September 2011, GI Dynamics raised approximately A\$80 million through a successful Australian initial public offering (IPO) and is using the funds to expand the global commercialization of its flagship product, the EndoBarrier. The company has a register of blue chip healthcare investors, as well as industry investors including Medtronic and Johnson & Johnson Development Corporation. Shares in the company (in the form of CHES Depository Interests or CDIs) currently trade on the Australian Securities Exchange (ASX) under the stock symbol "GID."

ASX: GID (as CDIs)	
Price per CDI (As of 4 Jan 12)	A\$0.93
52 Week Range	A\$0.75 - 1.07
Avg Trading Vol (3M)	73,209
Cash & Equivalents (As of 28 Oct 11)	US\$71M
Market Cap	A\$258.2M
Free float	26%

### MANAGEMENT TEAM

#### Stuart A. Randle

President and Chief Executive Officer

#### Andy Levine

Founder and Chief Technology Officer

#### Robert Crane

Chief Financial Officer

#### Mark C. Twyman

Chief Commercial Officer

#### Sherrie Coval-Goldsmith

Vice President, Clinical and Regulatory Affairs

#### Karl Blohm, Ph.D.

Vice President, International

### BOARD OF DIRECTORS

#### Timothy J. Barberich

Founder and Former CEO, Sepracor, Inc., Chairman, BioNevia Pharmaceuticals, Inc. and Director, HeartWare International, Inc.

#### Graham J. Bradley

Chairman, Stockland Corporation Limited, Po Valley Energy Ltd. and HSBC Australia Ltd.

#### Michael Carusi

General Partner, Advanced Technology Ventures

#### Anne J. Keating

Board Member, Ardent Leisure Management Ltd., ClearviewWealth Ltd., Goodman Group Ltd., Garvan Institute of Medical Research and REVA Medical, Inc.

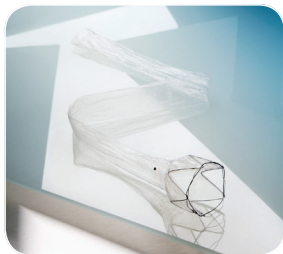
#### Jack Meyer (Chairman)

Former President and CEO of Urologix, Inc.

#### Stuart A. Randle

President and Chief Executive Officer, GI Dynamics, Inc.

## THE ENDOBARRIER: A NOVEL APPROACH FOR THE TREATMENT OF TYPE 2 DIABETES AND OBESITY



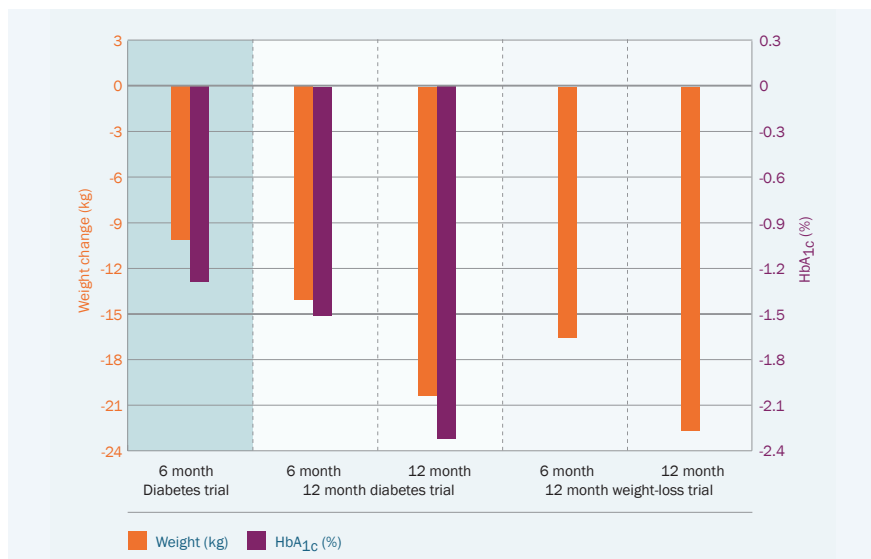
The EndoBarrier is a medical device that is inserted non-surgically (through the mouth without cutting any tissue). It consists of a 60cm long liner that is placed inside a section of the patient's intestine. The EndoBarrier acts as a physical barrier between food and that part of the intestinal wall where the device is present, mimicking the effects of a gastric bypass, without the risks associated with surgery.

New research reveals treatment with the EndoBarrier affects key gastrointestinal hormones involved in insulin sensitivity, satiety and weight loss and that these changes allow for rapid improvement in type 2 diabetes. To date, results from clinical studies involving more than 500 patients have demonstrated the EndoBarrier to be a safe and effective treatment for type 2 diabetes and obesity when used for up to 12 months. In clinical trials, EndoBarrier patients have:

- Experienced rapid and significant improvement of blood glucose levels
- Reduced or ceased use of their oral anti-diabetes medications
- Lost weight, with up to 20% total body weight lost in 12 months

Additionally, initial studies have suggested that the EndoBarrier has an improvement to glycemic control and weight loss up to six months after removal of the device. For more information, please visit [www.endobarrier.com](http://www.endobarrier.com).

### Our six-month diabetes trial, 12-month diabetes trial and 12-month obesity trial demonstrate the significant treatment outcomes for our patients



ABOVE: Weight loss and HbA1c results – GI Dynamics clinical studies.

The EndoBarrier® IS NOT APPROVED FOR SALE IN THE UNITED STATES AND IS CONSIDERED INVESTIGATIONAL

## FORWARD-LOOKING STATEMENTS

This announcement contains or may contain forward-looking statements that are based on management's beliefs, assumptions and expectations and on information currently available to management. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation our expectations with respect to our ability to commercialize our EndoBarrier® including our estimates of potential revenues, costs, profitability and financial performance; our ability to develop and commercialize new products including our ability to obtain reimbursement for our products; our expectations with respect to our clinical trials, including enrolment in or completion of our clinical trials and our associated regulatory submissions and approvals; our expectations with respect to the integrity or capabilities of our intellectual property position. Management believes that these forward-looking statements are reasonable as and when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. GI Dynamics does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. GI Dynamics may not actually achieve the plans, projections or expectations disclosed in forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, described in "Risk Factors" in our Prospectus lodged with the Australian Securities & Investments Commission on 3 August 2011.

## CONTACT INFORMATION

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