GI Dynamics, Inc. – ASX Announcement

New Clinical Data Highlighting Safety and Efficacy of EndoBarrier® Therapy Presented at the 19th World Congress of International Federation for the Surgery of Obesity and Metabolic Disorders

Data Further Demonstrate the Utility of EndoBarrier Therapy in the Treatment of Patients with Type 2 Diabetes and Obesity

MONTREAL, Canada, LEXINGTON, United States and SYDNEY, Australia – 29 August 2014 – GI Dynamics, Inc. (**ASX: GID**), a medical device company developing innovative treatments for type 2 diabetes and obesity, today announced that new data findings demonstrating the safety and efficacy of EndoBarrier® Therapy were presented during three oral and two poster presentations at the 19th World Congress of International Federation for the Surgery of Obesity and Metabolic Disorders (IFSO), held August 26-30, 2014, in Montreal, Canada.

"The data from these presentations focus on real-world experience with EndoBarrier and highlight the growing interest in and usage of EndoBarrier Therapy among physicians in their clinical practice," said David Maggs, M.D., chief medical officer of GI Dynamics. "Collectively, the findings show that EndoBarrier positively impacts HbA1c, helps achieve significant weight loss during treatment and shows sustained effects six months after the device is removed. These studies also reveal important information about how to best manage EndoBarrier patients for optimal outcomes, and we are pleased to see this exchange of knowledge and experience by our customers at a global medical meeting."

The schedule of IFSO poster and oral presentations is as follows:

Date & Time: Thursday, August 28 at Noon EDT and Friday, August 29 at Noon EDT
Session: General Poster Sessions
Title: Experience in Over 150 Patients with the EndoBarrier / Duodenal - Jejunal Bypass Liner
Abstract Number: P.463
Location: Palais des Congres, 220ABC
Presenter: Bark Betzel, M.D., Epidemiologist, PhD student, Department of Surgery, Rijnstate Hospital, Arnhem, The Netherlands

Date & Time: Thursday, August 28 at Noon EDT and Friday, August 29 at Noon EDT
Session: General Poster Sessions
Title: Risk Reducing Strategy in Super Obese Patients: The Potential Role for the Endobarrier
Abstract Number: P.466
Location: Palais des Congres, 220ABC
Presenter: Mr Saurav Chakravartty, Clinical Research Fellow, King's College Hospital, London, United Kingdom

Date & Time: Friday, August 29 at 3:30 p.m. EDT
Session: OS22 – New Technologies
Title: Safety and Effectiveness of the EndoBarrier in Clinical Practice
Abstract Number: OS22.03
Location: Palais des Congres, 520AB
Presenter: Alex Escalona, M.D., Assistant Professor of Surgery, Department of Digestive Surgery, Pontificia Universidad Católica de Chile, Santiago, Chile

Date & Time: Friday, August 29 at 3:30 p.m. EDT
Session: OS22 – New Technologies
Title: Frequency and Management of Complications of the Duodenal-Jejunal Bypass Liner
Abstract Number: OS22.04
Location: Palais des Congres, 520AB
Presenter: Bark Betzel, M.D., Epidemiologist, PhD student, Department of Surgery, Rijnstate Hospital, Arnhem, The Netherlands

Date & Time: Friday, August 29 at 3:30 p.m. EDT
Session: OS22 – New Technologies
Title: What Happens to Overweight and Type 2 Diabetes After Explantation of the EndoBarrier®/Duodenal-Jejunal Bypass Liner?
Abstract Number: OS22.05
Location: Palais des Congres, 520AB
Presenter: Bark Betzel, M.D., Epidemiologist, PhD student, Department of Surgery, Rijnstate Hospital, Arnhem, The Netherlands

The EndoBarrier device is currently under investigation in the U.S. in a multicenter, pivotal clinical trial (The ENDO Trial) for the treatment of patients who have uncontrolled type 2 diabetes and are obese. EndoBarrier Therapy has been approved in select countries internationally since 2010 and is currently available in Chile, Australia and select countries in Europe and the Middle East.

Important Safety Information for EndoBarrier
EndoBarrier Therapy does not work for everyone; and individual results may vary. In clinical studies, the most common complications were nausea, vomiting and upper abdominal pain. Other uncommon risks include infection, trauma, device migration and bleeding, any of which may result in endoscopic or surgical removal.

About GI Dynamics
GI Dynamics, Inc. (ASX: GID) is the developer of EndoBarrier®, the first endoscopically-delivered device therapy approved for the treatment of type 2 diabetes and/or obesity. EndoBarrier is approved and commercially available in multiple countries outside the U.S. EndoBarrier is not approved for sale in the U.S. and is limited by federal law to investigational use only in the United States. GI Dynamics is conducting a pivotal clinical trial of EndoBarrier in the U.S. for the treatment of patients who have uncontrolled type 2 diabetes and are obese. Founded in 2003, GI Dynamics is headquartered in Lexington, Massachusetts. For more information, please visit www.gidynamics.com.

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Forward-Looking Statements

This announcement contains forward-looking statements concerning: our development and commercialization plans; our potential revenues and revenue growth, costs, profitability and financial performance; our ability to obtain reimbursement for our products; our clinical trials, and associated regulatory submissions and approvals; the number and location of commercial centres offering the EndoBarrier®; and our intellectual property position. These forward-looking statements are based on the current estimates and expectations of future events by the management of GI Dynamics, Inc. as of the date of this announcement and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those indicated in or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: risks associated with the possibility that clinical trials will not be successful or confirm earlier results; risks associated with obtaining funding from third parties; risks relating to the timing and costs of clinical trials, the timing of regulatory submissions, the timing, receipt and maintenance of regulatory approvals, the timing and amount of other expenses, and the timing and extent of third-party reimbursement risks associated with commercial product sales, including product performance; competition; risks related to market acceptance of products; intellectual property risks; and assumptions regarding the size of the available market, benefits of our products, product pricing, timing of product launches, future financial results and other factors including those described in our filings with the U.S. Securities and Exchange Commission. Given these uncertainties, you should not place undue reliance on these forward-looking statements. We do not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

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