



GI Dynamics, Inc. – ASX Announcement

GI Dynamics, Inc. Announces Corporate Restructuring

LEXINGTON, Massachusetts & SYDNEY, Australia – 21 August 2015 – GI Dynamics, Inc. (ASX: GID) (GI Dynamics), a medical device company that provides innovative treatments for type 2 diabetes and obesity, today announced that it is reducing headcount by approximately 46% as part of its efforts to restructure its business and expenses in response to the termination of its U.S. pivotal trial of EndoBarrier Therapy and to ensure sufficient cash remains available to establish new priorities, continue limited market development and research, and to evaluate strategic options. Following this reduction in workforce, GI Dynamics expects to have approximately 29 full-time employees. GI Dynamics estimates that it will incur aggregate charges in connection with its reduction in workforce of approximately US\$0.6 million for employee severance and benefit costs. Of this amount, GI Dynamics expects to record a restructuring charge of approximately US\$0.5 million in the third quarter ending 30 September 2015. All charges are expected to result in future cash expenditures.

GI Dynamics committed to this course of action on 20 August 2015, and expects to complete the reduction in workforce by 31 December 2015.

Robert Solomon
Vice President of Finance & Company Secretary

About GI Dynamics

GI Dynamics, Inc. (ASX: GID) is the developer of EndoBarrier[®], the first endoscopically-delivered device therapy approved for the treatment of obese type 2 diabetes with BMI ≥ 30 kg/m², or obese patients with BMI ≥ 30 kg/m² with ≥ 1 comorbidities, or obese patients with BMI >35 kg/m². The liner is indicated for a maximum implant duration of 12 months. 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. Founded in 2003, GI Dynamics is headquartered in Lexington, Massachusetts. For more information, please visit www.gidynamics.com.

Forward-Looking Statements

This announcement contains forward-looking statements concerning: our development and commercialization plans; our potential revenues and revenue growth, costs, excess inventory, 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 consequences of terminating the ENDO Trial and the possibility that future 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; risks related to excess inventory; risks related to assumptions regarding the size of the available market, benefits of our products, product pricing, timing of product launches, future financial results and other factors

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GI Dynamics, Inc., is a corporation incorporated in Delaware, USA, whose stockholders have limited liability. ARBN 151 239 388

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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