GI Dynamics, Inc. - ASX Announcement

German Diabetes Society Releases Statement Regarding GI Dynamics' Termination of U.S. ENDO Trial

Interim analysis of trial data demonstrates statistically significant benefit of EndoBarrier Therapy in reducing blood sugar levels

LEXINGTON, Massachusetts & SYDNEY, Australia - 28 September 2015 - GI Dynamics, Inc. (**ASX: GID**), a medical device company that provides innovative treatments for type 2 diabetes and obesity, today announced that the German Diabetes Society (DDG) has published their scientific statement regarding the termination of the U.S. pivotal study (ENDO Trial). The statement balances background for the termination of the FDA study and the preliminary results with the experiences and data observed in Germany.

Based on a review of ENDO Trial study data as of August 1, 2015, a significant ($p = 0.008$) reduction in HbA1c by 1.11 percentage points (8.8 baseline HbA1c) was observed in the intervention group after 12 months. The HbA1c reduction recorded in the [German] national register is 1.72 percentage points (baseline: 8.6%).

The DDG's affirmative statement maintains support for hospitals and physicians to offer EndoBarrier Therapy as a beneficial treatment option to obese patients who have uncontrolled type 2 diabetes.

The DDG statement can be downloaded using the following links:

Original (German) version: http://www.deutsche-diabetes-gesellschaft.de/fileadmin/Redakteur/Stellungnahmen/2015/DDG_Stellungnahme_Endobarrier_01.09.2015.pdf

Certified translation (English): http://www.gidynamics.com/media/publications-abstracts/MC-1022%20EN%20Rev%20A_DDG%20Statement%20on%20EndoTrial_English.pdf

The "Positioning Paper of Three German Medical Societies" can be downloaded using the following links:

Original (German) version: http://www.dgvs.de/fileadmin/user_upload/Leitlinien/positionspapiere/s-0034-1366570.pdf

Certified translation (English): http://www.gidynamics.com/media/publications-abstracts/MC-0970%20EN%20Rev%20A_German%20Consensus%20Paper%20Reprint%20%28English%29.pdf

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About EndoBarrier Therapy

EndoBarrier Therapy works in conjunction with, but is not a substitute for, prescribed medication, physical activity and a healthy, balanced diet. 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 obese type 2 diabetes with BMI ≥ 30 kg/m^2, or obese patients with BMI ≥ 30 kg/m^2 with ≥ 1 comorbidities, or obese patients with BMI >35 kg/m^2. 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 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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