Weight loss: GI Dynamics raises $52M, announces share purchase plan

Mass Device

GI Dynamics says it's set to raise about $52 million from a private placement and is looking to drum up another $2.3 million from existing shareholders to back a U.S. trial of its EndoBarrier weight loss device.

GI Dynamics [1] (ASX:GID [2]) said it's raised roughly $52.2 million (A$57.5 million) in a private placement and is offering another $2.3 million (A$2.5 million) in a stock purchase plan for existing shareholders.

The Lexington, Mass.-based medical device company said it plans to use the cash to fund a U.S. clinical trial of its EndoBarrier weight loss and diabetes treatment, a plastic sleeve used to line the gut to inhibit the uptake of nutrients from food.

"We are very pleased with the successful completion of this financing," CEO Stuart Randle said in prepared remarks. "With the FDA's approval last year to allow us to move forward with a pivotal trial in the United States rather than a pilot trial, our clinical investment needs increased. This financing allows us to fully and rapidly resource our pivotal trial (The ENDO Trial) in the United States while continuing to expand our commercial footprint and sales ramp in Europe, Australia, South America and the Middle East and build the case for reimbursement in key markets."

Source URL (retrieved on *04/25/2015 - 1:36am*):
http://www.mdtmag.com/news/2013/07/weight-loss-gi-dynamics-raises-52m-announces-share-purchase-plan?qt-video_of_the_day=0

Links:
[1] http://www.massdevice.com/company/gi-dynamics
[2] http://www.google.com/finance?q=ASX%3AGID