

Mauna Kea Technologies Announces Full Year 2011 Financial Results

Sales of Cellvizio® systems and probes to hospitals grew +71%

Gross margin reaches record high 68% of sales

Cash and cash equivalents of €51 million at Dec. 31, 2011

PARIS (April 4, 2012) – Mauna Kea Technologies (NYSE Euronext: MKEA, FR0010609263), the leader in the endomicroscopy market, today announced its full financial results for the 12 months ended December 31, 2011 approved at the Board meeting of 4th April, 2012.

Euros - IFRS	Dec. 31, 2011	Dec. 31, 2010
Operating Revenue		
Sales	5,015,751	4,049,478
Other Income	960,219	1,680,922
Total Revenue	5,975,970	5,730,400
Operating Expenses		
Cost of Goods Sold	(1,583,849)	(1,406,721)
<i>Gross Margin</i>	<i>68%</i>	<i>65%</i>
R&D	(2,299,959)	(1,832,796)
Sales & Marketing	(6,288,468)	(4,356,320)
Overhead	(3,278,723)	(1,800,590)
Share-based Payments	(653,507)	(325,257)
Total Expenses	(14,104,506)	(9,721,684)
Operating Income	(8,128,536)	(3,991,284)
Net Earnings	(7,934,649)	(3,892,508)

“In 2011 our successful IPO provided us with the resources required to implement our ambitious growth strategy,” Sacha Loiseau, Founder and CEO of Mauna Kea Technologies, said. *“The recent award of reimbursement codes in the U.S. demonstrates that Cellvizio endomicroscopy may play an important role in the standard diagnostic work-up of gastrointestinal abnormalities. This, combined with the deployment of a highly skilled sales force, should have a significant impact on our business in 2012.”*

Sales to Hospitals and Clinical Facilities up +71%

Sales were up +24% to €5.02 million from €4.05 million in 2010, driven by very strong Cellvizio “clinical sales” i.e. to hospitals and clinical facilities in the U.S and Europe, the company’s largest market. Full-year clinical sales totaled €4.43 million, up +71% from 2010 levels.

Preclinical sales to research laboratories fell -60% to €589,000 during 2011, primarily as a result of a lack of government funds in the US and overall marketing activity around this market segment.

Sales of Cellvizio systems rose +18% to €3.39 million, while sales of consumables (miniproboscopes) rose a strong +24% to €1.02 million. Related services sales grew by +70% to €609,000.

As of December 31, 2011, 218 Cellvizio systems were installed worldwide, including 131 in hospitals and clinical care facilities and 87 in preclinical research laboratories. North America and Europe account for 58% and 28% of sales, respectively, while Asia accounts for 3% and Middle East for 10%.

Other income amounted to €960,219, driven mainly by payments associated with the company's collaboration under the PERSEE project and a €199,000 research tax credit. In total, the company received a total payment of €1.7 million from OSEO in late 2011, including €1.1 million that was recorded as a repayable advance.

Gross Margin Reaches Record High 68% of Sales

The gross margin was 68% at the end of December 2011, up three basis points from the year prior and the highest in the company's history.

The operating expenses came in at €14.10 million for 2011, compared to €9.72 million in 2010, an increase of +45%, in line with company expectations.

Sales and marketing expenses rose +44% to €6.29 million from €4.36 million in 2010 reflecting the company's aggressive growth and clinical marketing strategies. Following its successful initial public offering (IPO) in July 2011, the company committed to executing a strong marketing & sales effort to generate demand and increase awareness of Cellvizio. Besides, the ratio of R&D expenses to net sales remained stable at 46%.

In the 12 months ended December 31, 2011, the company grew from 68 employees to 88.

After consideration of a financial result of €195,000 instead of €102,000 in 2010, the company reported a net loss of €7.93 million for the year.

Cash and cash equivalents as of December 31, 2011 were €51.3 million, after integrating the capital increase carried out by the Company in July 2011, as part of its IPO on NYSE Euronext Paris.

Recent Events and Outlook

U.S. and EU Sales Teams Growing with Strong New Leadership

The company has recently appointed two seasoned executives of the medical device industry to play a key leadership role in executing the company's sales strategy. This new structuring at the top of the company's sales teams, made up of 25 representatives today, aims to accelerate the sales of Cellvizio on its priority markets, the U.S. and Europe.

Thierry Thauré currently leads the U.S. business as CEO of Mauna Kea Technologies North America and Georges Tabary is joining the company as Vice President Sales for the EMEA region. The company believes that their leadership will enable the acceleration of Cellvizio sales in priority markets of the U.S. and Europe.

Cellvizio is approved for category I CPT® codes in the US

With the support of U.S. gastroenterology societies, Mauna Kea Technologies was recently awarded three Class I CPT codes for the use of Cellvizio in the digestive tract. These codes will influence insurance coverage and reimbursement with Medicare and private U.S. insurance programs once they go into effect in early 2013.

About Mauna Kea Technologies

Mauna Kea Technologies is a global medical device company and leader in the endomicroscopy market. The company researches, develops and markets innovative tools to visualize and detect abnormalities in the gastro-intestinal and pulmonary tracts. Its flagship product, Cellvizio®, a probe-based Confocal Laser Endomicroscopy (pCLE) system, provides physicians and researchers high-resolution cellular views of tissue inside the body. Large, international, multi-center clinical trials have demonstrated Cellvizio's ability to help physicians more accurately detect early forms of disease and make treatment decisions immediately. Designed to improve patient outcomes and reduce costs within a hospital, Cellvizio can be used with almost any endoscope. Cellvizio has 510(k) clearance from the U.S. Food and Drug Administration and the European CE-Mark for use in the GI and pulmonary tracts.

For more information about Mauna Kea Technologies, go to www.maunakeatech.com

Next Press Release: 2012 First Quarter Sales, April 18, 2012 (after markets)

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