HALF-YEAR 2013 FINANCIAL REPORT

Contents

HALF-YEAR 2013 ACTIVITY REPORT

1. THE COMPANY'S ACTIVITY AND RESULTS

Sales Increased 23% During First Six Months of 2013

First six months of 2013: Strong growth in Asia-Pacific

By business: Steady growth in clinical and pre-clinical sales

Mauna Kea Technologies posted sales up 23% year-on-year in the first half of 2013, at €4.320 million, with clinical and pre-clinical sales climbing 20% and 34% respectively versus the same period of 2012, to €3.438 million and €0.882 million.

By product and type: Physicians are making increasing use of technology

Sales of consumables, the key indicator of the adoption of Cellvizio by physicians, rose by 31% to €1.110 million in the first half of 2013, compared with a 20% increase in Cellvizio sales in the same period of 2012, to €2.941 million. Sales of services also grew by 20%, to €0.268 million.
Mauna Kea Technologies sold 35 systems in the first six months of 2013 (versus 24 in the same period of 2012), representing a net increase of 32 in the number of systems installed, and 290 probes (versus 188 in the same period of 2012).

By region: Sales in Asia-Pacific up 147%

First-half sales in the APAC region (Asia-Pacific) shot up by 147% compared with in the same period of 2012, boosted by a sales agreement in China and the development partnership with Fujifilm. The Americas, where sales had slowed in the previous quarter, posted growth of 1%, while sales in the EMEA region (Europe, Middle East and Africa) remained broadly flat. The Americas, APAC and EMEA accounted for 49%, 30% and 21% of first-half 2013 sales respectively.

At June 30, 2013, the total installed base of Cellvizio systems numbered 315, with 211 located in hospitals and clinics and 104 in pre-clinical research centers.

Geographically, 112 Cellvizio systems have been installed in North America (104 in the United States), 150 in the EMEA region, 51 in the APAC region and two in Latin America.

Operating income up slightly versus the same period of last year

Operating expenses were broadly unchanged in the first six months of the year at €11.191 million (€11.111 million in the same period of 2012). At June 30, 2013, the gross margin stood at 71%, versus 68% a year earlier.

Sales and marketing expenses, the company's main cost item, accounted for 52% of total operating expenses in the first half of 2013. Research and development expenses, meanwhile, increased by 43% over the period, as the company continued its innovation efforts.
Other revenue totaled €0.271 million over the period, compared with €0.719 million in the first half of 2012. The reason for the difference was a reduction in research tax credits following the receipt during the period of repayable advances for the Persée project of €0.685 million.

The Group made a net loss of €6.612 million in the first half of 2013, compared with a net loss of €6.940 million in the same period of 2012.

During the period, Mauna Kea Technologies reduced its use of cash to €6.1 million, from €7.9 million in the first six months of 2012, and had available cash of €31.5 million at June 30, 2013, from €37.6 million at December 31, 2012.

At June 30, 2013, Mauna Kea Technologies had 113 employees, compared with 107 a year earlier.

2. SITUATION AND HIGHLIGHTS

Outpatient reimbursement in the United States

In January 2013, endomicroscopy procedures using Cellvizio in the upper gastrointestinal tract were added to the list of investigations that can be carried out at ambulatory surgery centers in the United States. These centers, which specialize in outpatient care and less-invasive investigations, are equipped with the latest medical technologies and offer patients a quick and efficient same-day service. A reimbursement rate of $520 was applied by the U.S. health authorities (Medicare and Medicaid) to procedures with a category I CPT® code that were previously created for the use of Cellvizio in hospitals and clinics, and a reimbursement rate of $927 has been effective since January 1, 2013.

There are more than 5,000 ambulatory surgery centers (ASCs) in the United States. On average, each ASC carries out close to 3,700 gastrointestinal endoscopies each year, a total of some 18 million procedures, representing 24% of all procedures carried out in these centers.

Clearance to sell the AQ-Flex™ 19 miniprobe for use in fine needle aspiration procedures

In April 2013, Mauna Kea Technologies received approval from the U.S. Food and Drug Administration (FDA) to sell the AQ-Flex™ 19 miniprobe. This miniprobe, which was previously awarded the CE mark in Europe (where it is already on sale), is used to carry out real-time optical biopsies during endoscopic ultrasound-guided fine needle aspiration procedures. This was the sixth regulatory clearance obtained in the United States for Cellvizio or one of its dedicated probes.

3. PROGRESS AND PROSPECTS

- Entry into the Japanese market

On June 13, 2013, Mauna Kea Technologies signed an exclusive five-year distribution partnership for Cellvizio in Japan with AMCO Inc. This agreement represented a key step forward in obtaining clearance to sell Cellvizio in the world's second-biggest market for endoscopy equipment after the United States.

- Global expansion of the Cellvizio distribution network in pre-clinical research

Mauna Kea Technologies has entered into several distribution agreements centering on its LAB system (pre-clinical research), enabling it to implement its strategy of expanding its distribution network on a worldwide basis.

Partnership with Quorum Technologies on the U.S. market

All of the commercial partnerships entered into by Mauna Kea Technologies are with top-level distributors in their respective territories, such as Quorum Technologies Inc., the North American leader in confocal microscopy and advanced live-cell imaging techniques. Quorum Technologies Inc. will distribute the full range of Cellvizio LAB systems and products - notably the Cellvizio Dual Band, which provides real-time structural and functional information in several colors, in vivo and in situ - to research laboratories in the United States and also in Canada, where it will be the sole distributor.

The use of Cellvizio's platform to carry out optical biopsies in pre-clinical research will enhance understanding of physiological and pathophysiological processes, leading to the future development of new treatments.

Penetration of new high-potential markets

Mauna Kea Technologies has strengthened its presence in new high-potential markets by entering into commercial partnerships with CS Biotech in Taiwan, Crisel Instruments in Italy, Biotech Europe in Central and Eastern Europe and Merkel Technologies in Israel.

As a result, the Cellvizio LAB range will be offered to research centers in more than 25 countries, compared with fewer than ten previously.

4. EVENTS OCCURRING SINCE THE END OF THE HALF-YEAR PERIOD

On July 29, 2013, the dispute with AntiCancer Inc. was settled. The U.S. District Court for the Southern District of California handed down a judgment rejecting all claims made by AntiCancer Inc. against Mauna Kea Technologies for patent infringement.

5. RISKS AND UNCERTAINTIES - TRANSACTIONS WITH RELATED PARTIES

The risks faced by the company are specified in chapter 4 "Risk Factors" of the company's source document.

Relationships with related parties are covered in Note 21 to the 2013 half-yearly financial statements.

A Public Limited Company (*société anonyme*) with a share capital of €550,523
Head office: 9 rue d'Enghien
75010 Paris, France
Registered at the Paris Register of Commerce and Companies under 431 268 028

Consolidated financial statements prepared in accordance with IFRS, as of June 30, 2013

STATEMENT OF FINANCIAL POSITION
(Amounts in thousands of euros)

	Note	6/30/2013	12/31/2012
ASSETS			
Non-current Assets			
Intangible assets	**3**	3,367	3,163
Property, plant, and equipment	**4**	550	571
Non-current financial assets		69	73
Total of non-current assets		**3,987**	**3,807**
Current assets			
Inventories & Work in progress	**5**	2,278	1,936
Trade receivables	**6**	3,161	3,324
Other current assets	**6**	2,409	2,143
Current financial assets	**7**	110	211
Cash and cash equivalents	**8**	31,527	37,638
Total of current assets		**39,485**	**45,251**
TOTAL OF ASSETS		**43,473**	**49,058**

STATEMENT OF FINANCIAL POSITION
(Amounts in thousands of euros)

	Note	6/30/2013	12/31/2012
EQUITY AND LIABILITIES			
Equity			
Issued capital	**9**	551	542
Share premium	**9**	57,363	56,805
Reserves		(16,898)	(4,054)
Foreign currency translation on reserve		(60)	(76)
Profit / (loss)		(6,612)	(13,056)
Total of equity		**34,343**	**40,162**
Non-current Liabilities			
Long-term loans and borrowings	**10**	3,076	2,362
Non-current provisions	**11**	500	481
Total of non-current liabilities		**3,576**	**2,843**
Current liabilities			
Short-term loans and borrowings	**10**	656	756
Trade payables		1,992	2,178
Other current liabilities	**12**	2,906	3,119
Total of current liabilities		**5,554**	**6,053**
TOTAL OF EQUITY AND LIABILITIES		**43,473**	**49,058**

COMPREHENSIVE INCOME STATEMENT
(Amounts in thousands of euros)

	Note	As of 30 June 2013	As of 30 June 2012
Operating Revenue			
Sales	**13**	4,320	3,519
Other income	**13**	271	719
Total of revenue		**4,591**	**4,238**
Operating Expenses			
Cost of sales		(1,236)	(1,122)
Gross margin		*71%*	*68%*
Research & Development	**15**	(1,859)	(1,297)
Sales & Marketing	**15**	(5,854)	(5,976)
Admnistrative expenses	**15**	(1,955)	(1,916)
Share-based payments	**9**	(286)	(800)
Total of expenses		**(11,191)**	**(11,111)**
Operating profit		**(6,600)**	**(6,873)**
Financial revenue	**16**	42	60
Financial expenses	**16**	(53)	(126)
Profit before tax		**(6,612)**	**(6,939)**
Income tax expense	**17**	(1)	(1)
Profit / (loss)		**(6,612)**	**(6,940)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial differences on defined benefit plans			
Total of items that will not be reclassified to profit or loss			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		16	61
Items that will be reclassified subsequently to profit or loss		16	61
Total of other comprehensive income		**16**	**61**
Comprehensive income		**(6,597)**	**(6,879)**
Weighted average number of shares outstanding (in thousands)		13,678	13,419
Basic earnings per share (EUR/share)		**(0.48)**	**(0.52)**
Weighted average number of potential shares (in thousands)	**19**	15,300	15,205

STATEMENT OF CHANGES IN EQUITY
(Amounts in thousands of euros)

		Issued capital	Share premium	Treasury shares	Reserves	Foreign currency translation on reserve	Profit / (loss)	Total of equity
Equity as of	**12/31/2011**	**536**	**56,190**	**(73)**	**2,886**	**(55)**	**(7,909)**	**51,575**
Allocation of the profit / (loss)					(7,909)		7,909	(0)
Capital transactions		2	209					211
Share-based payment transactions					880			880
Treasury shares transactions				(122)	(7)			(129)
Comprehensive income as of	6/30/2012					61	(6,940)	(6,879)
Equity as of	**6/30/2012**	**538**	**56,399**	**(195)**	**(4,150)**	**6**	**(6,940)**	**45,657**

STATEMENT OF CHANGES IN EQUITY
(Amounts in thousands of euros)

		Issued capital	Share premium	Treasury shares	Reserves	Foreign currency translation on reserve	Profit / (loss)	Total of equity
Equity as of	**12/31/2012**	**542**	**56,805**	**(184)**	**(3,869)**	**(76)**	**(13,056)**	**40,162**
Allocation of the profit / (loss)					(13,056)		13,056	
Capital transactions		8	558					566
Share-based payment transactions					313			313
Treasury shares transactions				(43)	(58)			(101)
Comprehensive income as of	6/30/2013					16	(6,612)	(6,597)
Equity as of	**6/30/2013**	**551**	**57,363**	**(228)**	**(16,670)**	**(60)**	**(6,612)**	**34,343**

CASH-FLOW STATEMENT
(Amounts in thousands of euros)

	Note	As of 30 June 2013	2012
Cash flows from operating activities			
Profit / (loss)		(6,612)	(6,940)
Elimination of amortisations, depreciations and provisions		341	284
Share-based payment transaction expense and revenue	**9**	286	880
Other items excluded from the auto-financing capacity		(37)	19
Revenue and expenses related to the discounting of repayable advances	***13/1***	*(37)*	*23*
Interest expenses paid		*4*	
Net gain or loss from cash equivalents		*(8)*	*(16)*
Other non-cash items		*4*	*12*
Unrealised gains and losses related to changes in the fair value			(24)
Elimination of the income tax expense		1	1
Auto-financing capacity		**(6,021)**	**(5,781)**
Income tax expense paid		(1)	(1)
Change in WCR related to business activities		(880)	(1,552)
Inventories & Work in progress		*(321)*	*(485)*
Trade receivables		*173*	*(124)*
Other current assets		*(266)*	*(394)*
Trade payables		*(187)*	*(759)*
Other current liabilities		*(279)*	*210*
Net cash flows from operating activities (A)		**(6,901)**	**(7,334)**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	**3/4**	(490)	(577)
Change in loans and advances granted		105	
Other cash flows from investing operations			(21)
Net cash flows from investing activities (B)		**(384)**	**(598)**
Cash flows from financing activities			
Proceeds from exercise of share options	**9**	566	211
Repurchases and resales of treasury shares		(101)	(129)
Net financial interests paid		4	16
Gain from cash equivalents		*8*	*16*
Interest expenses paid		*(4)*	
Other cash flows from financing operations	**10**	705	(100)
Net cash flows from financing activities (C)		**1,173**	**(2)**
Net foreign exchange difference (D)		2	11
Change in cash (A) + (B) + (C) + (D)		**(6,110)**	**(7,923)**
Cash at the beginning of the period	**8**	37,638	51,347
Cash at the end of the period	**8**	31,527	43,424
Change in cash		**(6,110)**	**(7,923)**

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Accounting principles

1.1 Accounting principles applied by the Group

The financial statements are presented in thousands of euros.

The summarized consolidated financial statements of the first half-year 2013, approved by the Board of Directors meeting on August 30, 2013, have been prepared in compliance with international financial reporting standard IAS 34 “Interim Financial Reporting.

The Board of Directors assumed continuity of operation despite of the available cash totaling € 31.5 million as of June 30, 2013, which is sufficient to meet the Company’s future requirements.

Since they are summary financial statements, the half-year consolidated financial statement do not include all the financial disclosures required in a full set of annual financial statements. They should therefore be read in conjunction with the Group's financial statements for the period ended December 31, 2012, subject to the specific characteristics for the preparation of interim financial statements, described below.

1.2 Main accounting methods

Aside from the specific characteristics for the preparation of interim financial statements set out in Note 1.3 Basis of preparation of half-year financial statements, the significant accounting policies used are the same as those used for the preparation of the consolidated financial statements for the fiscal year ended December 31, 2012, with the exception of the following new standards, revised standards and interpretations, adopted by the European Union and mandatory for fiscal years beginning on or after January 1, 2013:

- Amendment to IAS 12 “Income Taxes - Deferred Taxes: Recovery of Underlying Assets”,
- Amendment to IFRS 7 “Disclosures - Offsetting Financial Assets and Financial Liabilities”,
- IFRS 13 “Fair Value Measurement”,
- Annual improvements to IFRS: 2009 - 2011 cycle.

The Company has not applied in advance the latest standards, amendments, revisions and interpretations of standards published whose application will only be mandatory for financial years opened after 1 January 2013. This pertains to the following standards and amendments: IFRS 10 “Consolidated Financial Statements”, applicable for financial years opened from January 1, 2014,

- IFRS 11 “Joint Arrangements”, applicable for financial years from January 1, 2014,
- IFRS 12 “Disclosure of Interests in Other Entities”, applicable for financial years from January 1, 2014,
- IAS 27 “Revised Separate Financial Statements,” applicable for financial years from January 1, 2014,
- IAS 28 “Revised Investments in Associates and Joint Ventures”, applicable for financial years from January 1, 2014,
- Amendments to IFRS 10, 11 and 12, Transition Guidance, applicable for financial years from July 1, 2014,
- Amendment to IAS 32 “Offsetting Financial Assets and Financial Liabilities”, applicable for financial years from January 1, 2014.

The Company has also not applied in advance the standards, amendments, revisions and interpretations of standards published and not endorsed by the European Union :IFRS 9 “Financial Instruments”,

- Amendments to IFRS 10, 12 and IAS 27 “Investment Entities”;
- Amendment to IAS 36 “Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets”;
- Amendment to IAS 39 “Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting”;
- IFRIC 21 “Levies Charged by Public Authorities”.

Management foresees that the application of these standards will have no material impact on the consolidated financial statements.

1.3 Basis of preparation of the interim financial statements

1.3.1 Taxes

The half-year's income tax expense is calculated for each country based on an estimated average effective rate calculated on an annual basis and applied to the country's half-yearly profit. Where applicable, this estimate takes into account the use of tax loss carryforwards and whether or not they are activated.

1.3.2 Impairment tests

Failing indications of impairment as of 30 June 2013, and in accordance with the provisions of IAS 36, the Group did not conduct impairment tests on property, plant and equipment and intangible assets.

1.3.3 Actuarial assumptions

There was no material change to the actuarial assumptions used to calculate retirement benefits between December 31, 2011 and June 30, 2012, or between December 31, 2012 and June 30, 2013. Consequently, the actuarial assumptions used to calculate pension obligations as of June 30, 2012 and June 30, 2013 are the same as those used at December 31, 2011 and December 31, 2012, respectively.

Note 2: Company and scope

Founded in May 2000, Mauna Kea Technologies SA (the Company) develops and markets medical devices, particularly optical instruments for medical imaging.

As part of its development in the United States, the Company created Mauna Kea Technologies Inc. on January 3, 2005.

	6/30/2013		12/31/2012		Consolidation method
Companies	% of interests	% of control	% of interests	% of control	
Mauna Kea Technologies SA (1)	100%	100%	100%	100%	Full consolidation
Mauna Kea Technologies Inc	100%	100%	100%	100%	Full consolidation

(1) Parent company

There were no changes in scope in first-half 2013.

Note 3: Intangible assets

The changes in intangible assets break down as follows:

INTANGIBLE ASSETS
(Amounts in thousands of euros)

	12/31/2012	Increase	Decrease / Scrappring	Reclassification	6/30/2013
Development costs	2,313				2,313
Patents, licenses and trademarks	1,046	20		35	1,101
Software packages	204	40	(11)	114	348
Development costs in progress	390	280			671
Patents, licenses and trademarks in progress	539	71		(35)	576
Other intangible assets in progress	114			(114)	
Total gross of intangible assets	**4,607**	**411**	**(11)**		**5,007**
Amort. / dep. of development costs	(1,052)	(140)			(1,192)
Amort. / dep. of patents, licenses and trademarks	(292)	(37)			(328)
Amort. / dep. of software packages	(100)	(30)	11		(119)
Total amort. / dep. of intangible assets	**(1,444)**	**(207)**	**11**		**(1,640)**
Total net of intangible assets	**3,163**	**204**			**3,367**

Capitalized development expenditure for the period mainly concerns the Second Generation Cellvizio Dual BAND, Cellvizio Software 2.2 and Urology probe projects.

CHANGE IN DEVELOPMENT COSTS (CAPITALISED PORTION)
(Amounts in thousands of euros)

	6/30/2013	12/31/2012
External costs	36	118
Wages and salaries, social security costs	312	416
Research Tax Credit	(93)	(125)
Share-based payment transaction expense	26	66
Gross change in development costs	**280**	**475**
Amortisation of development costs	(140)	(293)
Net change in development costs	**140**	**182**

Note 4: Property, plant and equipment

The changes in property, plant and equipment break down as follows:

PROPRETY, PLANT AND EQUIPMENT
(Amounts in thousands of euros)

	12/31/2012	Increase	Decrease / Scrappring	Exchange differences	Reclassification	6/30/2013
Laboratory equipment	1,032	33	(52)		(23)	989
Fixture in buildings	50	1				51
Other property, plant and equipment *	636	71	(12)	1		695
Total gross of property, plant and equipment	**1,718**	**105**	**(65)**	**1**	**(23)**	**1,735**
Amort. / dep. of laboratory equipment	(754)	(60)	52		16	(747)
Amort. / dep. of fixture in buildings	(18)	(3)				(21)
Amort. / dep. of other property, plant and equipment *	(375)	(55)	12			(417)
Total amort. / dep. of property, plant and equipment	**(1,147)**	**(118)**	**65**	**(1)**	**16**	**(1,185)**
Total net of property, plant and equipment	**571**	**(14)**	**0**	**0**	**(7)**	**550**

*Other property, plant and equipment include computer equipment for a gross total of k€ 465 and depreciation and amortization amounting to k€ 297 as of June 30, 2013.

In the period, demonstration equipment for a net amount of k€ 7 was reclassified in inventory prior to its sale.

Note 5: Inventories and work in progress

The inventories and work in progress line-item break down as follows:

INVENTORIES & WORK IN PROGRESS
(Amounts in thousands of euros)

	6/30/2013	12/31/2012
Inventories of raw materials	840	936
Inventories & work in progress of finished goods	1,502	1,074
Total gross of inventories & work in progress	**2,342**	**2,010**
Dep. of inventories of raw materials	(61)	(75)
Dep. of inventories & work in progress of finished good	(3)	
Total dep. of inventories & work in progress	**(64)**	**(75)**
Total net of inventories & work in progress	**2,278**	**1,936**

Note 6: Trade receivables and other current assets

6.1 Trade and accounts payable

TRADE RECEIVABLES
(Amounts in thousands of euros)

	6/30/2013	12/31/2012
Trade receivables	3,248	3,324
Dep. of trade receivables	(87)	
Total net of trade receivables	**3,161**	**3,324**

The trade receivables not past due and not depreciated amounts to k€ 851 as of June 30, 2013.

6.2 Other current assets

The other current assets break down as follows:

OTHER CURRENT ASSETS
(Amounts in thousands of euros)

	6/30/2013	12/31/2012
Personnel and related accounts	78	43
Research Tax Credit	1,361	1,100
Other tax receivables	210	367
Other receivables	546	557
Prepaid expenses	214	76
Total gross of other current assets	**2,409**	**2,143**
Dep. of other current asets		
Total net of other current assets	**2,409**	**2,143**

The other tax receivables relate primarily to k€ 88 in VAT deductible, k€ 95 in VAT refunds claimed and k€ 24 in competitiveness and employment tax credits.

The other receivables include public subsidies due to be received in the amount of k€ 198 and supplier down-payments totaling k€ 266.

The changes in research tax credits are presented in the table below:

CHANGES IN THE RESEARCH TAX CREDIT RECEIVABLE
(Amounts in thousands of euros)

	12/31/2012	Operating revenue	Payment received	Capitalised portion	6/30/2013
Research Tax Credit	1,100	168		93	1,361

The estimated research tax credit was down to k€ 261 as of June 30, 2013 from k€ 474 in the same period last year. The reduction was due to payment during the half-year of a repayable advance for the Persée project (k€ 685) which minus the research tax credit amount of the period for k€ 205.

Note 7: Current Financial assets

The securities account opened under the Company's liquidity contract is domiciled with Gilbert Dupont. The total for execution of the contract amounts to k€ 350.
The amount not invested in treasury shares as of June 30, 2013 is k€ 110.

Note 8: Cash and cash equivalents

The cash and cash equivalents line breaks down as follows:

CASH AND CASH EQUIVALENTS (Amounts in thousands of euros)	6/30/2013	12/31/2012
Short-term bank deposits	528	721
Money market funds	31,000	36,917
Total of cash and cash equivalents	**31,527**	**37,638**
of which, unrealised gains are	16	16

Note 9: Capital

9.1 Issued capital

The Company's share capital totals five hundred and fifty thousand five hundred and twenty-three euros and twenty-eight cents (€ 550,523.28), divided into 13,763,082 shares, with a par value of € 0.04 each, all fully subscribed and paid up.

This figure does not include share purchase warrants (BSA), stock warrants for business creator shares (BSPCE) and stock options granted to certain investors and natural persons,who may or may not be employees of the Company.

The table below presents the history of the Company's capital since December 31, 2012:

Date	Type of transaction	Issued capital (en K€)	Share premium (en K€)	Number of shares comprising the issued capital
	Total	**542**	**56,805**	**13,562**
2/4/2013	Exercise of BSPCE	5	256	114
2/5/2013	Exercise of stock-options	1	50	13
3/1/2013	Exercise of BSPCE	1	111	34
3/5/2013	Exercise of stock-options	1	57	14
6/30/2013	Exercise of BSPCE	1	85	27
	Total	**551**	**57,363**	**13,763**

9.2 Share purchase warrants and stock options

The Company issued share purchase warrants (BSA) representating compensation, stock warrants for employees (BSPCEs and others), as well as stock options whose change since December 31, 2012 is as follows:

Type	Date of granting	Exercise price	Price	Outstanding as of 12.31.2012	Granted	Exercised	Cancelled	Outstanding as of 6.30.2013	Potential options
Options granted before the 1st january 2013				5,245,260		805,344	384,756	4,055,160	1,470,915
BSPCE 2013	5/7/2013	10.28	10.83		63,000			63,000	63,000
				5,245,260	**63,000**	**805,344**	**384,756**	**4,118,160**	**1,533,915**

The number of cancelled warrants includes 216,504 warrants included in the calculation of the total share-based payment expense.

Following the 1-for-4 reverse stock split on May 25, 2011, four BSAs, BSPCEs or SOs are now required for one share in the case of warrants granted prior to this date. The parity is 1-for-1 for warrants and options granted after the date of the reverse split.

Options are settled in shares.

DETAILS OF THE RESTATEMENT OF SHARE-BASED PAYMENTS
(Amounts in thousands of euros)

	As of 30 June	
	2013	**2012**
Share-based payments (capitalised portion)	26	80
Share-based payments (expense of the period)	286	800
	313	**880**

Changes in the share-based payment expense are primarily due to the cancellation of 105,000 warrants for stock-option plans and BSPCEs at December 5, 2011.

9.3 Treasury shares as of June 30, 2013

The Company's combined general meeting held on June 19 2013 authorized the Board of Directors, for a time period of eighteen months from the date of the meeting, to implement, in one or more stages, a program for the repurchase of the shares of the Company'stock pursuant to, the provisions of Article L. 225-209 of the French Commercial Code, and in accordance with the General Regulations of the Autorité des Marchés Financiers (AMF)under the conditions set out below:

Maximum number of shares that may be purchased: 10% of the total number of shares on the share repurchase date. When the shares are acquired with the intent of encouraging the regular trading and liquidity of the stock, the number of shares included in the calculation of the 10% ceiling above is equal to the number of shares purchased minus the number of shares resold during the time period of the authorization.

Objectives of share repurchase program:

- to ensure the liquidity of the Company's shares under the terms of a liquidity contract to be concluded with an independent investment service provider, in compliance with the ethics charter approved by the AMF;
- to fulfill the obligations arising from stock option programs, bonus share grants, employee saving schemes or other share grants to the employees and executives of the Company or its associated companies;
- to deliver shares when rights attached to securities giving access to the share capital are exercised;
- to purchase shares to hold and deliver subsequently for exchange or in payment within the framework of any external growth transactions, or
- to cancel some or all of the shares of stock thereby bought back.

Maximum purchase price: €30 per share, excluding fees and commission, up to an overall limit of €5,000,000.

It is specified that the total number of shares acquired by the Company to hold and for their subsequent exchange or use as consideration in any merger, de-merger or capital contribution may not exceed 5% of the Company's share capital.
As of June 30, 2013, the Company held 23,337 Mauna Kea Technologies shares, acquired at an average price of € 9.75 per share and valued at € 215,867, resulting in an unrealized capital loss of € 11,669 accounted in the consolidated reserves.

Note 10: Loans and borrowings

The changes in loans and borrowings break down as follows:

CHANGES IN LOANS AND BORROWINGS
(Amounts in thousands of euros)

	12/31/2012	Receipt	Repayment	Reclassification	Others	6/30/2013
Repayable advances	3,088	825	(120)	(52)	(13)	3,727
Discounted portion of repayable advances	24				(24)	
Others	5					5
Total of loans and borrowings	**3,117**	**825**	**(120)**	**(52)**	**(37)**	**3,732**

Following the updating of the repayments projections of COFACE advances, the sum of k€ 95 was reclassified from short-term loans and borrowings to long-term debts.

The subsidy portion of repayable advances not yet posted to income as of June 30, 2013 was recognized in deferred income.

The Company received:

- k€ 685 in repayable advances in relation to the Persée project,
- k€ 140 in repayable advances following submission of the end-of-program technical report relative to the development of a multimodal endoscopic device for medical diagnostics.

Note 11: Non-current provisions

NON-CURRENT PROVISIONS
(Amounts in thousands of euros)

	12/31/2012	Allowance	Unused reversals	Used reversals	Others	6/30/2013
Pension plan provision	174	20	(9)			185
Provisions for personnel disputes	244				2	246
Provision for software update	23					23
Others provisions for expenses	40	5				46
Total of non-current provisions	**481**	**25**	**(9)**		**2**	**500**

Note 12: Other current liabilities

Other current liabilities break down as follows:

OTHER CURRENT LIABILITIES
(Amounts in thousands of euros)

	6/30/2013	12/31/2012
Taxes payable	116	213
Staff and social security payable	2,004	2,145
Other payable	102	133
Deferred revenue	684	628
Total of other current liabilities	**2,906**	**3,119**

The tax liabilities mainly concern taxes on payroll, sales and value added tax.

Staff and social security payables relate primarily to provisions for paid leave, bonuses and commission, and to amounts due to social security bodies.

Deferred income essentially comprises maintenance contracts on systems sold (maintenance periods of one to three years), as well as a one-year warranty on Cellvizio.

Note 12a: Financial instruments accounted on the balance sheet

FINANCIAL INSTRUMENTS ON BALANCE SHEET
(Amounts in thousands of euros)

As of 30 June 2013	**Value on the balance sheet**	**Fair value through profit or loss**	**Loans and receivables**	**Debt at amortised cost**
Assets				
Non-current financial assets	69		69	
Trade receivables	3,161		3,161	
Other current assets	2,409		2,409	
Current financial assets	110		110	
Cash equivalents (1)	31,000	31,000		
Cash	528		528	
Total of assets	**37,277**	**31,000**	**6,277**	
Liabilities				
Long-term loans and borrowings	3,076			3,076
Short-term loans and borrowings	656			656
Trade payables	1,992			1,992
Other current liabilities	2,906			2,906
Total of liabilities	**8,630**			**8,630**

As of 31 December 2012	**Value on the balance sheet**	**Fair value through profit or loss**	**Loans and receivables**	**Debt at amortised cost**
Assets				
Non-current financial assets	73		73	
Trade receivables	3,324		3,324	
Other current assets	2,143		2,143	
Current financial assets (1)	211		211	
Cash equivalents (1)	36,917	36,917		
Cash	721		721	
Total of assets	**43,388**	**36,917**	**6,472**	
Liabilities				
Long-term loans and borrowings	2,362			2,362
Short-term loans and borrowings	756			756
Trade payables	2,178			2,178
Other current liabilities	3,119			3,119
Total of liabilities	**8,415**			**8,415**

(1) Fair value measurement of these financial assets at fair value through profit or loss refers to an active market (IFRS 7 Level 1 inputs).

Note 13: Sales and operating revenue

Sales and operating revenue consist of the following:

SALES AND OPERATING REVENUE
(Amounts in thousands of euros)

	As of 30 June	
	2013	**2012**
Sales	4,320	3,519
Subsidies	13	285
Research Tax Credit and other tax credits	192	391
Discounted portion of repayable advances	56	28
Other income	10	15
Total of revenue	**4,591**	**4,238**

The Group's sales comprise sales of Cellvizio® products and accessories (probes, software and others), and services provided

The competitiveness and employment tax credit is accounted under Research tax credit and other tax credits.

SALES BY TYPE
(Amounts in thousands of euros)

	As of 30 June	
	2013	**2012**
Total sales of "equipements"	2,941	2,447
Total sales of "consumables" (probes)	1,111	849
Total sales of "services"	268	223
Total sales by type	**4,320**	**3,519**

The sales by geographical area as of June 30, 2013 and 2012 are as follows:

SALES BY GEOGRAPHICAL AREA
(Amounts in thousands of euros)

	As of 30 June	
	2013	**2012**
EMEA (Europe, Middle East, Africa)	891	891
including France	*400*	*371*
America	2,124	2,099
including United States of America	*1,814*	*2,011*
Asia	1,305	529
including China	*691*	
Total sales by geographical area	**4,320**	**3,519**

For the purposes of geographical analysis, sales are allocated by management according to the place of delivery, or, in the case of services, according to the location of the customer's registered office.

As of 30 June 2013, one distributor accounted for 16% of consolidated sales.
As of 30 June 2012, no single Group customer accounted for more than 10% of consolidated sales.

Note 14: Employee benefits expense

The Group employed 113 people as of June 30, 2013, compared with 107 as of June 30, 2012.

The employee benefits expense breaks down as follows:

EMPLOYEE BENEFITS EXPENSE
(Amounts in thousands of euros)

	As of 30 June	
	2013	**2012**
Wages and salaries, social security costs	5,711	5,666
Pension costs	11	29
Share-based payment transaction expenses	286	800
Total of employee benefits expense	**6,009**	**6,495**

Note 15: External expenses

15.1 Research & Development Department

RESEARCH & DEVELOPMENT
(Amounts in thousands of euros)

	As of 30 June	
	2013	**2012**
Purchases consumed	14	87
Employee benefits expenses	1,155	862
External expenses	479	165
Net change in amortisation and depreciation	211	184
Total of Research & Development	**1,859**	**1,297**

15.2 Sales & Marketing Department

SALES & MARKETING
(Amounts in thousands of euros)

	As of 30 June	
	2013	**2012**
Purchases consumed	33	127
Employee benefits expenses	3,222	3,805
External expenses	2,470	2,017
Net change in amortisation and depreciation	130	27
Total of Sales & Marketing	**5,854**	**5,976**

15.3 Administrative Expenses

ADMINISTRATIVE EXPENSES
(Amounts in thousands of euros)

	As of 30 June	
	2013	**2012**
Purchases consumed	29	22
Employee benefits expenses	1,123	862
External expenses	694	886
Taxes	46	115
Net change in amortisation and depreciation	62	30
Total of Administrative expenses	**1,955**	**1,916**

Note 16: Financial revenue and expenses

The table below shows the breakdown in financial revenue and expenses:

FINANCIAL REVENUE AND EXPENSES
(Amounts in thousands of euros)

	As of 30 June	
	2013	**2012**
Gains on current financial assets		24
Foreign exchange gains	33	19
Gains on cash equivalents	8	16
Other financial incomes		1
Total of financial revenue	**42**	**60**
Foreign exchange losses	(30)	(75)
Losses on cash equivalents	(4)	
Discounting expenses	(18)	(52)
Total of financial expenses	**(53)**	**(126)**
Total of financial revenue and expenses	**(11)**	**(67)**

Note 17: Income tax expense

As was the case at year-end 2012, the Group does not capitalize its tax losses. The income tax expense relates to the minimum tax due from the United States subsidiary recognized in the financial statements in accordance with the accounting principles described in Note 1.3.1 above.

Note 18: Commitments

The Company had the following commitments as of June 30, 2013:

Commitments under operating leases

- Commitments under operating leases amounted to k€ 195 for terms of less than one year and to k€ 347 for terms of more than one year. The increase in these commitments from the December 31, 2012 figure is due to the new lease signed by Mauna Kea Technologies Inc. for the period 02/01/2013 to 02/28/2015 in relation to 1325 Satellite Boulevard, Unit 108, Suwanee, GA, 30024, USA.

Commitments under other contracts

- Commitments to suppliers totaled k€ 893 for terms of less than one year and k€ 496 for terms of one to five years. The increase in these commitments is due to signature of procurement contracts with suppliers of raw materials used in the manufacture of Cellvizio products and probes.

- The Company is committed to contributing to the initiatives of the Fondation San T Dige for a total of k€ 25, in tranches of k€ 5 per year from 2013 to 2017. A provision of k€ 2,5 was recognized as of June 30, 2013. This foundation is dedicated to research and development in the field of hepato-gastroenterology.

There were no material changes to the Company's other commitments in the half-year period.

Note 19: Earnings per share

Instruments giving deferred right to the capital (BSAs, BSPCEs and stock options) are considered antidilutive, since they lead to an increase in earnings per share. Accordingly, the diluted earnings per share are identical to the basic earnings per share.

Note 20: Management of financial risk

There was no material change to the management of financial risk over the past half-year.

Note 21: Related party transactions

The related party transactions shown below were recognized as expenses during the periods presented:

RELATED PARTY TRANSACTIONS
(Amounts in thousands of euros)

	As of 30 June	
	2013	**2012**
Wages and salaries	204	183
Directors' fees	31	4
Share-based payments	3	18

Note 22: Subsequent events

The dispute with Anticancer Inc. was settled on July 29, 2013. The Federal Court of the Southern District of California issued a ruling rejecting all infringement of patent claimed by AntiCancer Inc. against Mauna Kea Technologies.

COFIDEC

ERNST & YOUNG et Autres

This is a free translation into English of the statutory auditors' review report on the half-yearly consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. This report also includes information relating to the specific verification of information given in the Group's interim management report. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

Mauna Kea Technologies
Period from January 1 to June 30, 2013

Statutory Auditors' Review Report
on the first half-yearly financial information

COFIDEC
155, boulevard Haussmann
75008 Paris
S.A.R.L. au capital de € 32.800

Commissaire aux Comptes
Membre de la compagnie
régionale de Paris

ERNST & YOUNG et Autres
1/2, place des Saisons
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S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Mauna Kea Technologies
Period from January 1 to June 30, 2013

Statutory auditors' review report
on the first half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Mauna Kea Technologies, for the period from January 1 to June 30, 2013 and
- the verification of the information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of half-yearly financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – standard of the IFRSs, as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the interim management report in respect of the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed half-yearly consolidated financial statements.

Paris and Paris-La Défense, August 30, 2013

The Statutory Auditors

French original signed by

COFIDEC	ERNST & YOUNG et Autres
Thibault Faure	Denis Thibon

ATTESTATION OF THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

(Article 222-3-4 of the General Regulations of the AMF [*Autorité des Marchés Financiers*/French Financial Markets Authority])

I attest that, to my knowledge, the condensed financial statements for the last half-yearly period were prepared in accordance with the applicable accounting standards (IFRS standards as adopted by the European Union for consolidated financial statements) and give a fair representation of the company's assets, financial position and results, and that the half-yearly activity report presents an accurate picture of the significant events occurring during the first six months of the fiscal year, their impact on the financial statements and the principal transactions between related parties, along with a description of the principal risks and the principal uncertainties for the remaining six months of the year.

Alexandre Loiseau

Chief Executive Officer