HALF-YEAR 2012 FINANCIAL REPORT

SUMMARY

HALF-YEAR 2012 ACTIVITY REPORT

1. THE COMPANY'S ACTIVITY AND RESULTS

Sales Increase 93% During First Six Months of 2012

Sales during the first half of 2012 grew 93% to €3.52 million from €1.82 million in the same period last year, driven by a strong increase in sales of Cellvizio® systems and probes to hospitals, the company's key target market. Sales of Cellvizio® to hospitals and clinics grew 76% to €2.862 million compared to €629,000 in the first half of 2011, while sales of Cellvizio® for pre-clinical research more than tripled to €657,000. Total sales to hospitals and clinics represented 81% of revenues for the period, while total pre-clinical sales made up the other 19% of revenues.

The analysis of sales by product type shows homogeneous growth of equipment sales (sales of Celvizio® systems) and consumables (sales of multi-use miniprobes used with the Cellvizio systems), with both growing at 119%, to €2.447 million and €849,000, respectively. The sale of services were down 29% to €223,000.

At June 30, 2012, 242 Cellvizio systems were installed worldwide, including 149 in hospitals and clinical care facilities and 93 in pre-clinical research facilities. Reflecting the company's sales strategy in the U.S. and Europe, sales from North America now account for 60% of the company's global sales, while sales from the EMEA (Europe Middle East and Africa) and APAC (Asia-Pacific) regions account for 25% and 15% of sales, respectively.

Installed base geographical breakdown

"The robust increase in sales of Cellvizio systems and miniprobes during the first half of 2012 reinforces our new sales and marketing strategy and initiatives to strengthen our U.S. sales team," Sacha Loiseau, Founder and CEO of Mauna Kea Technologies, said. "U.S. sales grew over 149% and now account for 60% of our total global sales."

Operating income in line with expectations of the Company

Operating expenses amounted to €11.111 million over the first 6 months of the year against €5.422 million in the first half 2011, an increase of 105%, in line with the strategy announced by the company to increase its investments significantly, particularly in sales and marketing.

By June 30, 2012, the company's gross margin had risen sharply to 68%, compared to the 58% gross margin reported last year. Sales & Marketing expenses remain the largest expense for the company, representing 54% of total 2012 operating expenses thus far. The company attributed the increase in Sales & Marketing expenses to a major recruitment campaign for sales forces in the US and Europe.

The company continued to focus its effort on innovation, increasing R&D investment by 53%, yielding an R&D to net sales ratio of 37%. Mauna Kea Technologies has increased its employee count by 60% to 107 employees, compared to 67 employees at the same time last year.

Other revenues have increased to €719,000 as of June 30, 2012 compared to €436,000 in the same period last year, due to the increase in research tax credit and subsidies. Including these revenues, the company had net loss of €6.940 million.

Cash and cash equivalents

The company has cash and cash equivalents of € 43.4 million as of June 30, 2012.

2. SITUATION AND HIGHLIGHTS

- **Deploying the sales force in the U.S. and Europe,**

As announced in September 2011, the company has prioritized investing in U.S. and European direct sales teams, recruiting 25 people between the U.S. and France. These teams are divided between sales staff responsible for the sale of programs and equipment and commercial staff in charge of monitoring procedures and training of medical teams.

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

The company announced in early March that the Selection Committee of the American *Medical Association* (AMA) approved the creation of three Class I CPT ® codes for reimbursement. These codes will influence insurance coverage and reimbursement with Medicare and private U.S. insurance programs once they go into effect on January 1, 2013. Two of the codes are reserved for gastroenterologists for the use of Cellvizio® in the upper gastrointestinal tract, while the third code is for pathologists to examine Cellvizio® images of approved indications.

- **Pursuit of clinical developments**

At last, Mauna Kea Technologies has announced that clinicians have published more than 50 new scientific publications showing Cellvizio's clinical utility already in 2012, equal to the number of studies that were published during all of 2011. This new body of evidence brings the total number of Cellvizio publications to 190 and the total number of publications on endomicroscopy to 353.

3. PROGRESS AND PROSPECTS

Prospects

Expansion into Brazil, Canada, and Russia

Mauna Kea Technologies continued its territorial expansion in high growth medical device markets, expanding into Brazil, Canada and Russia. ANVISA, the National Health Surveillance Agency in Brazil has cleared the company to sell its Cellvizio® 100 Series endomicroscopic imaging system throughout the country, while Health Canada and the Russian Ministry of Health have provided clearance to sell both the Cellvizio® 100 Series and the AQ Flex® 19 miniprobe throughout Canada and Russia, respectively. Brazil and Russia are among the world's largest medical device markets.

EU launch of a new miniaturized probe to help physicians see signs of pancreatic cancer

The company has recently launched a new probe called QA Flex™ 19. This probe is the first in a new line of Cellvizio miniprobes to provide real-time, cellular-level visualization inside pancreatic cysts. This new technology is comprised of a miniature fiber-optic microscope that is small enough to thread through a 19-guage needle. As with standard fine needle aspiration (FNA) procedures to acquire fluid from pancreatic cysts, these exams are performed with endoscopic ultrasound guidance (EUS). The AQ Flex™ 19 miniprobe has received the European CE Mark and the company is working towards 510(k) clearance in the U.S.

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

None.

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 the subject of Note 21 to the 2012 half-yearly financial statements.

Mauna Kea Technologies

A Public Limited Company (sociéte anonyme) with capital of € 538,095
Head office: 9 rue d'Enghien
75010 Paris, France
Registered at the Paris Register of Commerce and Companies under No. 431 268 028

Consolidated financial statements in accordance with IFRS as of 30 June 2012

STATEMENT OF FINANCIAL POSITION
(Amounts in thousands of euros)

	Note	30/06/2012	31/12/2011
ASSETS			
Non-current Assets			
Intangible assets	**3**	2 907	2 592
Property, plant, and equipment	**4**	564	563
Non-current financial assets		64	64
Total of non-current assets		**3 536**	**3 219**
Current assets			
Inventories & Work in progress	**5**	2 052	1 515
Trade receivables	**6**	1 555	1 409
Other current assets	**6**	2 265	1 868
Current financial assets	**7**	988	943
Cash and cash equivalents	**8**	43 424	51 347
Total of current assets		**50 283**	**57 081**
TOTAL OF ASSETS		**53 819**	**60 300**

STATEMENT OF FINANCIAL POSITION
(Amounts in thousands of euros)

	Note	30/06/2012	31/12/2011
EQUITY AND LIABILITIES			
Equity			
Issued capital	**9**	538	536
Share premium		56 399	56 190
Reserves		(4 346)	2 838
Foreign currency translation on reserve		6	(55)
Profit / (loss)		(6 940)	(7 935)
Total of equity		**45 657**	**51 575**
Non-current Liabilities			
Long-term loans and borrowings	**10**	2 920	2 745
Non-current provisions	**11**	414	390
Total of non-current liabilities		**3 334**	**3 135**
Current liabilities			
Short-term loans and borrowings	**10**	727	978
Trade payables		1 558	2 315
Other current liabilities	**12**	2 544	2 297
Total of current liabilities		**4 829**	**5 590**
TOTAL OF EQUITY AND LIABILITIES		**53 819**	**60 300**

COMPREHENSIVE INCOME STATEMENT

(Amounts in thousands of euros)

	Note	As of 30 June 2012	2011
Operating Revenue			
Sales	**13**	3 519	1 820
Other income	**13**	719	436
Total of revenue		**4 238**	**2 256**
Operating Expenses			
Cost of sales		(1 122)	(757)
Gross margin		*68%*	*58%*
Research & Development	**15**	(1 297)	(845)
Sales & Marketing	**15**	(5 976)	(2 406)
Admnistrative expenses	**15**	(1 916)	(1 224)
Share-based payments	**9**	(800)	(190)
Total of expenses		**(11 111)**	**(5 422)**
Operating profit		**(6 873)**	**(3 167)**
Financial revenue	**16**	60	95
Financial expenses	**16**	(126)	(78)
Profit before tax		**(6 939)**	**(3 149)**
Income tax expense		(1)	(2)
Profit / (loss)		**(6 940)**	**(3 151)**
Other comprehensive income			
Exchange differences on translation of foreign operations		61	(9)
Comprehensive income		**(6 879)**	**(3 160)**
Weighted average number of shares outstanding (in thousands)*		13 419	8 932
Basic earnings per share (EUR/share)		**(0,52)**	**(0,35)**
Weighted average number of potential shares (in thousands)	**19**	15 205	10 357

*On 25 May 2011, the company consolidated its shares as follows: 4 old shares replaced by 1 new one.

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	**31/12/2010**	**357**	**30 168**		**(19 707)**	**(64)**	**(3 893)**	**6 862**
Allocation of the profit / (loss)					(3 893)		3 893	
Allocation of carry forward			(25 746)		25 746			
Capital transactions *			(910)					(910)
Share-based payment transactions					209			209
Comprehensive income as of	30/06/2011					(9)	(3 151)	(3 160)
Equity as of	**30/06/2011**	**357**	**3 513**		**2 356**	**(73)**	**(3 151)**	**3 002**

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	**31/12/2011**	**536**	**56 190**	**(73)**	**2 912**	**(55)**	**(7 935)**	**51 575**
Allocation of the profit / (loss)					(7 935)		7 935	
Capital transactions		2	209					211
Share-based payment transactions					880			880
Gilbert Dupont liquidity contract				(122)	(7)			(129)
Comprehensive income as of	30/06/2012					61	(6 940)	(6 879)
Equity as of	**30/06/2012**	**538**	**56 399**	**(195)**	**(4 150)**	**6**	**(6 940)**	**45 657**

*The premiums are decreased by the costs directly attributable to the increase in capital completed on 5 July 2011.

CASH-FLOW STATEMENT
(Amounts in thousands of euros)

	Note	As of 30 June 2012	As of 30 June 2011
Cash flows from operating activities			
Profit / (loss)		(6 940)	(3 151)
Elimination of amortisations, depreciations and provisions		284	277
Share-based payment transaction expense and revenue	**9**	880	209
Other items excluded from the auto-financing capacity		19	(86)
Revenue and expenses related to the discounting of repayable advances	***13/16***	*23*	*(26)*
Net gain or loss from cash equivalents	***16***	*(16)*	*(60)*
Other non-cash items		*12*	
Unrealised gains and losses related to changes in the fair value	**7**	(24)	
Capital gain or loss from asset sales			4
Elimination of the income tax expense		1	2
Auto-financing capacity		**(5 781)**	**(2 745)**
Income tax expense paid		(1)	
Change in WCR related to business activities		(1 552)	(75)
Inventories & Work in progress		*(485)*	*(48)*
Trade receivables		*(124)*	*(375)*
Other current assets		*(394)*	*78*
Trade payables		*(759)*	*155*
Other current liabilities		*210*	*115*
Net cash flows from operating activities (A)		**(7 334)**	**(2 820)**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	**3/4**	(577)	(555)
Net change of current financial assets	**7**	(21)	
Net cash flows from investing activities (B)		**(598)**	**(555)**
Cash flows from financing activities			
Proceeds from exercise of share options	**9**	211	
Proceeds from issue of shares*			(106)
Received from equity holders of the parent			*(106)*
Received from non-controlling interests			
Repurchases and resales of treasury shares		(129)	
Net financial interests paid		16	60
Net gain or loss from cash equivalents	***16***	*16*	*60*
Other cash flows from financing operations	**10**	(100)	(60)
Net cash flows from financing activities (C)		**(2)**	**(106)**
Net foreign exchange difference (D)		11	(6)
Change in cash (A) + (B) + (C) + (D)		**(7 923)**	**(3 487)**
Cash at the beginning of the period	**8**	51 347	6 323
Cash at the end of the period	**8**	43 424	2 835
Change in cash		**(7 923)**	**(3 487)**

*The change in “Trade payables” specific to the costs of the transaction on the capital made after 30 June 2011 for k€ 804 is accounted for in the “Proceeds from issue of shares” line to present the disbursement as of 30 June 2011 specific to the increase in capital thereon.

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 summarised consolidated financial statements of the first half-year of 2012, approved by the Board of Directors' meeting of 30 August 2012, have been prepared in compliance with international financial reporting standard IAS 34 "Interim Financial Statements".

The Board of Directors assumed continuity of operation given the cash available as of 30 June 2012, which comes to € 43.4 million and makes it possible to cover the company's future requirements.

As condensed financial statements, the half-year consolidated financial statements do not include all the financial information required for complete annual financial statements and must be read together with the Group's financial statements for the financial year ended on 31 December 2011 and subject to the particularities specific to the drawing up of interim financial statements described below.

1.2 Main accounting methods

The new standards, amendments, revisions and interpretations of standards published whose application is mandatory from 1 January 2012 have no material effect on the consolidated financial statements as of 30 June 2012. This pertains to the following standard amendment:

- IFRS 7 Amendment, "disclosures about transfers of financial assets".

Furthermore, 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 2012. This pertains to the following standards and amendments:

- IAS 1 Amendment, "presentation of items of other comprehensive income", applicable to financial years opened from 1 July 2012,
- Revised IAS 19, "employee benefits", applicable to financial years opened from 1 January 2013.

The Company has also not applied in advance the standards, amendments, revisions and interpretations of standards published and not endorsed by the European Union:

- All the standards amended as part of the 2011 annual improvement of the IFRS,
- IFRS 9, "financial instruments",
- IFRS 10, "consolidated financial statements",
- IFRS 11, "joint arrangements",
- IFRS 12, "disclosure of interests in other entities",
- IFRS 13, "fair value measurement",
- Revised IAS 27, "separate financial statements",
- Revised IAS 28, "investments in associates and joint ventures",
- IAS 12 Amendment, "recovery of underlying assets",
- IAS 32 Amendment, "offsetting financial assets and financial liabilities",
- IFRS 1 Amendment, "severe hyperinflation – removal of fixed dates for first-time adopters",
- IFRS 7 Amendment, "Disclosures - offsetting financial assets and financial liabilities",
- IFRIC 20, "stripping costs in the production phase of a surface mine".

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 semi-annual 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 pre-tax half-yearly profit. This estimate takes into account where applicable the use and capitalisation or not of deficits that can be carried over.

1.3.2 Impairment tests

Failing indications of impairment as of 30 June 2012, and in accordance with the provisions of IAS 36, the Group has not conducted impairment tests on the property, plant and equipment and intangible assets.

Note 2: Company and scope

Created in May 2000, Mauna Kea Technologies SA (the "Company") develops and markets medical devices, in particular medical imaging optical instruments.

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

	30/06/2012		31/12/2011	
Companies	**% of interests**	**% of control**	**% of interests**	**% of control**
Mauna Kea Technologies SA (1)	100%	100%	100%	100%
Mauna Kea Technologies Inc	100%	100%	100%	100%

(1) Parent company of the Group

No change in scope was made during the financial year.

Note 3: Intangible assets

The changes in intangible assets break down as follows:

INTANGIBLE ASSETS
(Amounts in thousands of euros)

	31/12/2011	Increase	Decrease	Reclassification	30/06/2012
Development costs	1 779			283	2 062
Patents, licenses and trademarks	836	25		61	923
Software packages	87	5			92
Development costs in progress	449	305		(283)	471
Patents, licenses and trademarks in progress	507	140		(61)	586
Total gross of intangible assets	**3 658**	**476**			**4 134**
Amort. / dép. of development costs	(759)	(124)			(883)
Amort. / dép. of patents, licenses and trademarks	(229)	(30)			(258)
Amort. / dép. of software packages	(78)	(7)			(85)
Total amort. / dép. of intangible assets	**(1 066)**	**(161)**			**(1 226)**
Total net of intangible assets	**2 592**	**315**			**2 907**

The main projects the development costs of which were capitalised over the period relate to the Second Generation Cellvizio Dual Band and the AQFlex probes.

The period was marked by the start of the First Generation Cellvizio Dual Band's marketing, which resulted in the start of amortisation of this project's development costs.

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

	30/06/2012	31/12/2011
External costs	33	64
Wages and salaries, social security costs	275	755
Research Tax Credit	(82)	(227)
Share-based payment transaction expense	80	112
Gross change in development costs	**305**	**704**
Amortisation of development costs	(124)	(219)
Net change in development costs	**181**	**485**

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)

	31/12/2011	Increase	Decrease	Exchange differences	Reclassification	30/06/2012
Laboratory equipment	977					977
Fixture in buildings	33	12				45
Computer equipment	356	43	(1)	2		400
Other property, plant and equipment	236	46				282
Total gross of property, plant and equipment	**1 602**	**101**	**(1)**	**2**		**1 704**
Amort. / dép. of laboratory equipment	(686)	(54)		(1)		(741)
Amort. / dép. of fixture in buildings	(12)	(3)				(15)
Amort. / dép. of computer equipment	(259)	(30)	1	(1)		(289)
Amort. / dép. of other property, plant and equipment	(82)	(12)				(94)
Total amort. / dép. of property, plant and equipment	**(1 039)**	**(100)**	**1**	**(2)**		**(1 140)**
Total net of property, plant and equipment	**563**	**1**				**564**

Note 5: Inventories and work in progress

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

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

	30/06/2012	31/12/2011
Inventories of raw materials	1 080	768
Inventories & work in progress of finished goods	1 004	780
Total gross of inventories & work in progress	**2 084**	**1 548**
Dep. of inventories of raw materials	(32)	(33)
Dep. of inventories & work in progress of finished good		
Total dep. of inventories & work in progress	**(32)**	**(33)**
Total net of inventories & work in progress	**2 052**	**1 515**

The k€ 537 increase in inventory is explained by the expected increase in sales in the next semester.

Note 6: Trade receivables and other current assets

6.1 Trade accounts and notes receivable

The k€ 146 increase in trade accounts and notes receivable is explained by the increase in customer accounts in the USA related to the increase in sales made over the last two months of the period.

6.2 Other current assets

The other current assets line-item breaks down as follows:

OTHER CURRENT ASSETS
(Amounts in thousands of euros)

	30/06/2012	31/12/2011
Personnel and related accounts	57	44
Research Tax Credit	900	426
Other tax receivables	627	722
Other receivables	502	471
Prepaid expenses	179	204
Total gross of other current assets	**2 265**	**1 868**
Dep. of other current asets		
Total net of other current assets	**2 265**	**1 868**

The other tax claims relate to the deductible VAT as well as to the VAT reimbursement requested for a total of k€ 627.

The other receivables mainly include public subsidies to be received for k€ 372 for which the expenses that are the subject of the subsidy have been incurred.

The development of this research tax credit is presented as follows:

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

	31/12/2011	Operating revenue	Payment received	Capitalised portion	30/06/2012
Research Tax Credit	426	392		82	900

Note 7: Current financial assets

The treasury share account opened as part of the Company's liquidity contract, previously domiciled with Société Générale, is now domiciled with Gilbert Dupont. Over the period, an additional k€ 150 contribution to the liquidity account was made by the company for the implementation of this contract.

Note 8: Cash and cash equivalents

The cash and cash equivalents line-item breaks down as follows:

CASH AND CASH EQUIVALENTS
(Amounts in thousands of euros)

	30/06/2012	31/12/2011
Short-term bank deposits	637	3 112
Money market funds	42 787	48 205
Term deposit accounts		30
Total of cash and cash equivalents	**43 424**	**51 347**
of which, unrealised gains are	134	134

Note 9: Capital

9.1 Issued capital

The share capital is set at the amount of five hundred thirty-eight thousand ninety-four euros and eighty-four cents (€ 538,094.84). It is divided into 13,452,371 shares fully subscribed for and paid up of a par value of € 0.04.

This figure does not include stock subscription warrants (BSAs), stock warrants for business creator shares (BSPCEs) 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 31 December 2011:

Date	Type of transaction	Issued capital (en K€)	Share premium (en K€)	Number of shares comprising the issued capital (in thousands)
31/12/2011		**536**	**56 190**	**13 403**
02/03/2012	Exercise of stock options	0	19	5
16/03/2012	Exercise of BSA warrants	1	76	16
02/04/2012	Exercise of BCE warrants	1	58	16
03/05/2012	Exercise of stock options	0	10	3
04/05/2012	Exercise of BSA warrants	0	47	10
	Total	**538**	**56 399**	**13 452**

9.2 Stocks warrants and options

The Company issued stock subscription warrants (BSAs) representing compensation, stock warrants for employees (BSPCEs and other warrants) and stock options for which the development that have occurred since 31 December 2011 are presented below :

Type	Date of granting	Exercise price	Price	Outstanding as of 31.12.2011	Granted	Exercised	Forfeited / Expired	Outstanding as of 30.06.2012
Options granted before the 1st january 2012				5 790 533	0	196 620	56 250	5 537 663

Following the consolidation of shares (4 old shares for 1 new one) on 25 May 2011, four BSAs, BSPCEs, or stock options are needed to subscribe to one share for warrants with grant dates prior to that date. For warrants and options granted subsequent to that date, the rate is one warrant per share.

The payment for the options is made in shares of stock.

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

	As of 30 June	
	2012	2011
Share-based payments (capitalised portion)	80	19
Share-based payments (expense of the period)	800	190
	880	**209**

9.3 Acquisition by the Company of its own shares

The Company's combined general meeting held on 15 June 2012 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's 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 described below:

Maximum number of shares that may be purchased: 10% of the total number of shares as of 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 taken into consideration for the calculation of the 10% limit stipulated above corresponds to the number of shares purchased minus the number of shares resold during the time period of the authorization.

Objectives of the share repurchase program:

- to ensure the liquidity of the shares of the Company's stock within the framework of a liquidity agreement to be concluded with an independent investment service provider in compliance with the ethics charter recognised by the AMF;
- to meet the obligations related to stock option, free stock award, or employee savings plans, or other awards of shares to the employees and executives of the Company or the company associated with it;
- 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 commissions, with a total limit of € 5,000,000.

It is specified that the number of shares acquired by the Company to be retained and subsequently delivered in payment or in an exchange within the framework of any merger, de-merger, or capital contribution may not exceed 5% of its share capital.

Summary of the shares purchased and sold since implementation of the liquidity contract:

	2011		2012	
	3rd quarter	4th quarter	1st quarter	2nd quarter
Securities purchased	2 100	18 631	11 921	66 944
Price	10,32	11,62	12,01	9,73
Total amount	21 671	216 482	143 193	651 218
Securities sold	1 100	12 804	12 655	51 997
Price	10,43	11,97	12,38	9,78
Total amount	11 474	153 294	156 621	508 662

As of 30 June 2012, the Company held 21,040 Mauna Kea Technologies shares acquired at the average price of € 9.46 and valued at € 194,620, resulting in an unrealised capital loss of € 4,400.

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)

	31/12/2011	Receipt	Repayment	Others	30/06/2012
Repayable advances	3 567		(100)	52	3 519
Discounted portion of repayable advances	114			(28)	85
Others	42				42
Total of loans and borrowings	**3 723**		**(100)**	**23**	**3 646**

Following the updating of the repayment projections of the COFACE advances, an amount of k€ 243 has been reclassified from short-term loans and borrowings to long-term debts.

Note 11: Non-current provisions

NON-CURRENT PROVISIONS
(Amounts in thousands of euros)

	31/12/2011	Allowance	Unused reversals	Used reversals	Reclassification	30/06/2012
Pension plan provision	130	29				159
Provisions for personnel disputes	176					176
Provision for software update	58					58
Others provisions for expenses	25	2		(8)		20
Total of non-current provisions	**390**	**31**		**(8)**		**414**

Note 12: Other current liabilities

The other current liabilities line-item breaks down as follows:

OTHER CURRENT LIABILITIES
(Amounts in thousands of euros)

	30/06/2012	31/12/2011
Taxes payable	116	76
Staff and social security payable	1 872	1 418
Other payable	64	61
Deferred revenue	491	742
Total of other current liabilities	**2 544**	**2 297**

The k€ 454 increase in staff and social security payable is explained by the increase in the workforce.

The decrease in deferred revenue is mainly explained by the entry on the income statement of k€ 283 relating to the share of the Persée subsidy received in December 2011 for which the costs financed were incurred during the period.

Note 13: Sales and operating revenue

The sales and operating revenue break down in the following manner:

SALES AND OPERATING REVENUE
(Amounts in thousands of euros)

	As of 30 June	
	2012	**2011**
Sales	3 519	1 820
Subsidies	285	10
Research Tax Credit and other tax credits	391	368
Discounted portion of repayable advances	28	58
Other income	15	
Total of revenue	**4 238**	**2 256**

The Group's sales are made up of sales of Cellvizio® products and accessories (probes, software, etc.) as well as services provided.

SALES BY TYPE
(Amounts in thousands of euros)

	As of 30 June	
	2012	**2011**
Total sales of "equipements"	2 447	1 119
Total sales of "consumables" (probes)	849	388
Total sales of "services"	223	313
Total sales by type	**3 519**	**1 820**

The sales by geographical sector as of 30 June 2012 and 2011 were the following:

SALES BY GEOGRAPHICAL AREA
(Amounts in thousands of euros)

	As of 30 June	
	2012	**2011**
EMEA (Europe, Middle East, Africa)	891	708
including France	*371*	*143*
America *	2 099	997
including United States of America	*2 011*	*806*
Asia	529	115
Total sales by geographical area	**3 519**	**1 820**

*The sales made in Canada accounted for k€ 20 as of 30 June 2012 compared to k€ 191 as of 30 June 2011.

For the purposes of geographical analysis, the Group's management allocates sales according to the place of delivery of the products or, in the case of services provided, according to the location of the customer's registered office.

As of 30 June 2012, no customer of the Group accounted for more than 10% of consolidated sales.
As of 30 June 2011, the Group's largest customer accounted for 10% of consolidated sales.

Note 14: Employee benefits expense

The Group employed 107 people as of 30 June 2012, compared to 67 as of 30 June 2011.

The employee benefits expense breaks down as follows:

EMPLOYEE BENEFITS EXPENSE
(Amounts in thousands of euros)

	As of 30 June	
	2012	**2011**
Wages and salaries, social security costs	5 666	2 688
Pension costs	29	7
Share-based payment transaction expenses	800	190
Total of employee benefits expense	**6 495**	**2 885**

Note 15: External expenses

15.1 Research and Development Department

RESEARCH & DEVELOPMENT
(Amounts in thousands of euros)

	As of 30 June	
	2012	**2011**
Purchases consumed	87	40
Employee benefits expenses	862	514
External expenses	165	150
Net change in amortisation and depreciation	184	141
Total of Research & Development	**1 297**	**845**

The amounts presented as of 30 June 2011 on the “Professional Fees, Royalties” and “Other expenses” lines were combined on the “External expenses” line, with the exception of k€ 40 corresponding to “Purchases consumed”.
As of 30 June 2011, these “Purchases consumed” were included in the “Other expenses”.

15.2 Sales and Marketing Department

SALES & MARKETING
(Amounts in thousands of euros)

	As of 30 June	
	2012	**2011**
Purchases consumed	127	77
Employee benefits expenses	3 805	1 394
External expenses	2 017	887
Net change in amortisation and depreciation	27	48
Total of Sales & Marketing	**5 976**	**2 406**

The amounts presented as of 30 June 2011 on the “Professional Fees, Royalties”, “Travel expenses, Receptions” and “Other expenses” lines were combined on the “External expenses” line, with the exception of k€ 77 corresponding to “Purchases consumed”.
As of 30 June 2011, these “Purchases consumed” were included in the “Other expenses”.

15.3 Administrative Expenses Department

ADMINISTRATIVE EXPENSES
(Amounts in thousands of euros)

	As of 30 June	
	2012	**2011**
Purchases consumed	22	16
Employee benefits expenses	862	663
External expenses	886	532
Taxes	115	83
Net change in amortisation and depreciation	30	(69)
Total of Administrative expenses	**1 916**	**1 224**

The amounts presented as of 30 June 2011 on the “Rents”, “Professional Fees, Royalties” and “Other expenses” lines were combined on the “External expenses” line, with the exception of k€ 16 corresponding to “Purchases consumed”.
As of 30 June 2011, these “Purchases consumed” were included in the “Other expenses”.

Note 16: Financial revenue and expenses

The financial revenue and expenses break down as follows:

FINANCIAL REVENUE AND EXPENSES
(Amounts in thousands of euros)

	As of 30 June	
	2012	**2011**
Gains on current financial assets	24	
Foreign exchange gains	19	21
Gains on cash equivalents	16	63
Other financial incomes	1	10
Total of financial revenue	**60**	**95**
Foreign exchange losses	(75)	(43)
Losses on cash equivalents		(3)
Discounting expenses	(52)	(31)
Total of financial expenses	**(126)**	**(78)**
Total of financial revenue and expenses	**(67)**	**17**

Note 17: Income tax expense

As it did as of 31 December 2011, the Company does not capitalize its tax losses. The income tax expense relates to the minimum tax that the subsidiary owes in the United States entered into the accounts according to the principles set out in note 1.3.1.

Note 18: Commitments

Considering purchases made over the period, which have enabled the Company to fulfill part of its short term commitments to subcontractors, the amount of commitments, with terms of less than one year, made with subcontractors of sub-assemblies necessary for the manufacturing has decreased by k€ 509 compared with the 31 December 2011, and amounted to k€ 1 077 as of 30 June 2012.
The other Company’s obligations have not changed significantly over the past half-year.

Note 19: Earnings per share

The instruments giving a deferred right to the capital (BSA, BSPCE or stock options) are considered antidilutive since they bring about an increase in earnings per share. Hence, the diluted earnings per share are identical to the basic earnings per share.

Note 20: Management of financial risk

Risk management has not been changed significantly over the past half-year.

Note 21: Related party transactions

The expenses presented below, relating to the parties affiliated with the Company, were recognised as expenses during the periods presented:

RELATED PARTY TRANSACTIONS
(Amounts in thousands of euros)

	As of 30 June	
	2012	**2011**
Wages and salaries	183	124
Directors' fees	4	
Share-based payments	18	33

The amount of the remuneration granted to the related parties in 2011 has been corrected to take into account the amount of the remuneration granted to the related parties that were not members of the Board of Directors.

Note 22: Subsequents events

None.

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, 2012

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
92400 Courbevoie – Paris-La Défense 1
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, 2012

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, 2012 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, 2012

The Statutory Auditors

French original signed by

COFIDEC	ERNST & YOUNG et Autres
Denis Polack	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, 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