2012

HALF-YEAR FINANCIAL REPORT

CONTENTS

I. HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

(thousands of euros)

ASSETS	Note	30-june-2012	31-dec-2011
Non-current intangible assets	3.3	630	724
Property, plant and equipment	3.4	535	546
Financial assets		148	154
Total non-current assets		**1 313**	**1 424**
Inventory and work in process	3.5	1 641	1 291
Accounts receivable	3.6	2 492	2 819
Other current assets	3.7	2 135	1 685
Cash and cash equivalents	3.8	30 631	1 712
Total current assets		**36 898**	**7 507**
TOTAL ASSETS		**38 211**	**8 931**

EQUITY AND LIABILITIES	Note	30-june-2012	31-dec-2011
Share capital	3.9	174	116
Treasury shares	3.9	(373)	
Share-based bonuses	3.9	58 513	22 272
Reserves		(20 350)	(14 101)
Translation reserves		92	99
Consolidated income attributable to the parent		(4 401)	(6 653)
Total shareholders' equity		**33 655**	**1 733**
Provisions	3.1	122	95
Financial liabilities	3.11	736	721
Total non-current liabilities		**859**	**815**
Financial liabilities	3.12.1	4	1 923
Accounts payable – trade		1 827	2 441
Other current liabilities	3.12.2	1 866	2 017
Total current liabilities		**3 697**	**6 382**
TOTAL LIABILITIES		**38 211**	**8 931**

STATEMENT OF COMPREHENSIVE INCOME

(thousands of euros)

	Note	**30-juin-12**	**30-juin-11**
Operating income			
Sales	*3.13.1*	2 327	1 957
Other income	*3.13.1*	517	394
Total income		**2 844**	**2 351**
Direct cost of sales	3.14.1	- 1 709	- 1 131
Indirect cost of production and service	*3.14.2*	- 775	- 788
Research and development	*3.14.3*	- 1 282	- 861
Sales and marketing	*3.14.4*	- 1 584	- 1 288
Regulatory	*3.14.5*	- 314	- 120
Administration	*3.14.6*	- 1 132	- 906
Share-based payments	*3.15*	- 750	- 58
Total expenses		**- 7 546**	**- 5 151**
OPERATING INCOME		**- 4 702**	**- 2 800**
Financial expenses		- 36	- 172
Financial revenue		336	8
INCOME FROM ORDINARY ACTIVITIES BEFORE INCOME TAXES		**- 4 401**	**- 2 964**
Income tax expense		-	5
NET INCOME FOR THE PERIOD - Income attributable to the parent		**- 4 401**	**- 2 959**
Translation adjustments		92	140
COMPREHENSIVE INCOME FOR THE PERIOD		**- 4 309**	**- 2 819**
Earnings per share (in euro)		- 0.28	- 0.26

STATEMENT OF CHANGES IN EQUITY

(thousands of euros)

EOS IMAGING shareholders' equity	Capital	Share-based bonuses	Treasury shares	Consolidated reserves	Translation reserves	Consolidated income attributable to the parent	Total
31/12/2010	**116**	**22 272**		**(9 396)**	**82**	**(4 762)**	**8 312**
Appropriation of income from the previous year				(4 762)		4 762	
Change in translation adjustments					58		58
Capital increase							
Income for the current period						(2 959)	(2 959)
Share-based payments				58			58
30/06/2011	**116**	**22 272**		**(14 100)**	**140**	**(2 959)**	**5 468**
31/12/2011	**116**	**22 272**		**(14 100)**	**99**	**(6 653)**	**1 733**
Appropriation of income from the previous year				(6 653)		6 653	
Change in translation adjustments					(8)		(8)
Capital increase	58	39 781					39 839
Cost of capital increase		(3 539)					(3 539)
Income for the current period						(4 401)	(4 401)
Share-based payments				404			404
Treasury shares			(373)				(373)
30/06/2012	**174**	**58 513**	**(373)**	**(20 350)**	**92**	**(4 401)**	**33 655**

STATEMENT OF CASH FLOWS

(thousands of euros)

	30-june-2012	30-june-2011
CASH FLOWS RELATED TO OPERATING ACTIVITIES		
Consolidated net income	(4 401)	(2 959)
Elimination of amortisation and provisions	203	234
Calculated revenue and expenditure related to share-based payments	404	58
Internal financing capacity	**(3 794)**	**(2 667)**
Change in working capital requirements related to operations	**(1 275)**	**489**
Inventory and work in process	*(347)*	*(1 225)*
Accounts receivable	*356*	*122*
Other current assets	*(448)*	*685*
Accounts payable - Trade	*(708)*	*58*
Other current liabilities	*(128)*	*849*
Net cash flow related to operating activities	**(5 069)**	**(2 178)**
CASH FLOWS RELATED TO INVESTMENT ACTIVITIES		
Acquisitions of property, plant and equipment and non-current intangible assets	(117)	(445)
Change in financial assets	5	(44)
Net cash flow related to investment activities	**(112)**	**(489)**
CASH FLOWS RELATED TO FINANCING ACTIVITIES		
Capital increase and bond conversion	34 380	
Reimbursable advances and financial interest	16	333
Acquisition of treasury shares	(373)	
Net cash flow related to financing activities	**34 023**	**333**
Impact of currency rate fluctuations	77	(42)
Change in cash	**28 919**	**(2 376)**
Cash and cash equivalents at beginning of period	1 712	3 915
Cash and cash equivalents at close of period	30 631	1 538
Change in cash	**28 919**	**(2 376)**

NOTES TO THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT EVENTS

The company was floated on the NYSE Euronext regulated market in Paris on 15 February 2012.

Exercising the powers granted by the Extraordinary General Meeting of 16 January 2012, on 15 February 2012, the Board of Directors decided to:

- increase the company's capital by €55K by issuing 5,520,000 common shares at the IPO price, i.e. €6.87 per share or the total sum of €38 million;

- recognise the €2K capital increase linked to the conversion of 957,933 convertible bonds issued on 2 December 2011, into 278,870 common company shares at the IPO price, i.e. the sum of €1,916K.

NOTE 2: ACCOUNTING METHODS AND PRINCIPLES

2.1. Basis of preparation of financial statements

The summarised consolidated financial statements for H1 2012, approved by the Board of Directors on 30 August 2012, were prepared in accordance with the international financial reporting standard IAS 34 "Interim financial reporting".

Since these are summarised financial statements, the half-year consolidated financial statements do not include all of the financial information required for the complete annual financial statements and should be read in conjunction with the Group's financial statements for the year ending 31 December 2011, subject to the specific features required for the interim financial statements described below.

2.2. Principle accounting methods

The accounting principles applied to prepare the 2012 half-year financial statements comply with IFRS standards and interpretations as adopted by the European Union as at 30 June 2012. These are available on the European Commission's website at the following address:
http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.
The accounting principles applied are identical to those used to prepare the annual consolidated financial statements for the year ending 31 December 2011, with the exception of the application of the following new standards, amendments to standards and interpretations adopted by the European Union, whose application is mandatory for the Group as from 1 January 2012, but which have no impact on the Group’s financial statements:

- amendment to IFRS 7 “Disclosures”, entitled “Transfers of Financial Assets”.

In addition, the group elected not to apply early the following new standards, amendments to standards and interpretations that had not yet been endorsed by the European Union or were not yet mandatory as of 30 June 2012:

- amendment to IAS 19 “Defined Benefit Plans”;
- amendment to IAS 1 “Presentation of Items of Other Comprehensive Income”;

- IFRS 9 "Financial Instruments" (phase 1: Classification and Measurement of Financial Assets and Liabilities);
- amendment to IAS 12 "Deferred tax: Recovery of Underlying Assets;
- IFRS 10, 11, 12 and IAS 27 and 28 (2011): set of standards governing consolidation;
- IFRS 13 “Fair Value Measurement”;
- IFRIC 20 "Stripping costs";
- amendment to IAS 32 “Offsetting Financial Assets and Financial Liabilities”;
- amendment to IFRS 7 “Disclosures on Offsetting Financial Assets and Financial Liabilities”;
- amendment to IFRS 1 “Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters”;
- amendment to IFRS 1 "Government Loans".

Management does not anticipate that the application of these standards will have a material impact on the consolidated financial statements.

2.3. Methods for preparing the half-year financial statements

2.3.1. Impairment testing

In the absence of indicators of impairment at 30 June 2012 and in accordance with IAS 36, the Group did not test non-current tangible and intangible assets for impairment.

2.3.2. Discount rate

The change in discount rates during H1 2012 was taken into account in the summarised interim consolidated financial statements. The discount rate used to calculate the provision for employee benefits at 30 June 2012 is 3.4% (compared to 4.3% at 31 December 2011).

NOTE 3: COMMENTS ON THE STATEMENT OF FINANCIAL POSITION, THE INCOME STATEMENT AND THE STATEMENT OF CASH FLOWS

3.1. Change in the scope of consolidation

The scope of consolidation remained unchanged during the first half.

3.2. Effects of acquisitions (takeovers)

The Group did not acquire any companies during H1 2012.

3.3. Non-current intangible assets

The company made no significant investments during the period.

3.4. Property, plant and equipment

The company made no significant investments during the period. No development cost was capitalised in H1 2012.

3.5. Inventory and work in process

At 30 June 2012, inventories are recognised at €1,641K, compared to €1,291K at 31 December 2011. This increase is mainly due to advanced production during H1 2012 so that the company can deliver orders in the portfolio during the second half of the year.
Inventories recognised at 30 June 2012 consist of work-in-process inventory for the amount of €1,163K, hired or trial equipment for €355K and spare parts for maintenance activity for the sum of €123K.

3.6. Accounts receivable

At 30 June 2012, no accounts receivable are covered by the factoring agreement set up in 2011.

Accounts receivable (in thousands of euro)	**30-june-2012**	**31-dec-/2011**
Accounts receivable	2 625	2 945
Depreciation of accounts receivable	(133)	(127)
Net total accounts receivable	**2 492**	**2 819**

3.7. Other current assets

Other current assets (in thousands of euro)	30-june-2012	31-dec-2011
Research tax credit	979	512
Value added tax	394	221
Prepaid expenses	227	443
Subsidies to be received	431	383
Other receivables	104	125
Total other current assets	**2 135**	**1 685**

3.8. Cash and cash equivalents

Cash and cash equivalents (in thousands of euro)	30-june-2012	31-dec-2011
Short-term bank deposits	30 331	1 644
Money market funds (SICAV)	300	69
Total	**30 631**	**1 712**

Please refer to note 1.

3.9. Equity

3.9.1. Issued capital

The table below shows the change in the company's capital over the period:

Date	Transaction	Capital	Issue premium	Number of shares constituting the share capital
		In thousands of euro		
31/12/2011		**116**	**22 272**	**11 603 559**
15/02/2012	Capital increase	58	39 780	5 798 870
	Cost of capital increase		(3 539)	
30/06/2012		**174**	**58 513**	**17 402 429**

At 30 June 2012, share capital stood at €174,024, divided into 17,402,429 fully subscribed and paid up common shares with a par value of €0.01.

All preference shares and convertible bonds were converted into common shares during the IPO on 15 February 2012.

3.9.2. Treasury shares

At 30 June 2012, the company holds 67,453 treasury shares under the liquidity agreement set up after the IPO. These shares reduced consolidated equity by €373K.

3.9.3. Stock options and bonus shares

Using the authorisation granted by the Extraordinary General Meeting of 16 January 2012, the Board of Directors granted 360,000 bonus shares to a member of management on the same day.

The company has issued the following stock option plans:

Type	Date granted	Strike price	In progress at 30.06.12
SO 2009	07/07/2009	1.00 €	495 389
SO 2010	06/07/2010	1.00 €	323 500
SO 2010	20/05/2011	1.00 €	49 625
Bonus shares	15/02/2012		360 000
			1 228 514

The impact on the statement of comprehensive income of share-based payments is presented in Note 3.15.

3.10. Provisions

The change in this item corresponds to the provision for retirement payment commitments.

3.11. Non-current financial liabilities

In the context of its participation in the Industrial Strategic Innovation project [in France], the company received a reimbursable advance from OSEO in July 2009, for a maximum of €1,275K.

At 30 June 2012, payments made totalled €680K.

Reimbursements will be made according to the company's operating profit/loss, i.e. 0.5% of revenue from sales of products from the project, from the year following the year in which the company achieves aggregate sales of €30 million, then 0.75% once aggregate sales reach €50 million. The advance will be considered as fully reimbursable when the total payments made discounted at a rate of 4.47% equals the total amount of the aid paid discounted at the same rate.

As a result, this advance is entered in the statement of financial position under debts in the amount of €736K.

3.12. Financial liabilities and other current liabilities

3.12.1. Financial liabilities

Following the IPO, in its session of 15 February 2012, the Board of Directors recognised the conversion of the 957,933 convertible bonds issued on 2 December 2011 into 278,870 common shares.

3.12.2. Other current liabilities

Other current liabilities (in thousands of euro)	**30-june-2012**	**31-dec-2011**
Provision for customer warranties	270	318
Tax liabilities	240	170
Social security liabilities	772	1 074
Other liabilities	283	283
Deferred revenue	301	172
Total other current liabilities	**1 866**	**2 017**

Other debts at 30 June 2012 include in particular royalties payable for the sum of €243K.

3.13. Revenue from ordinary activities

3.13.1. Sales and other revenue

Sales and other revenue	**Period from 1 to 30 June**	
(in thousands of euro)	**2012**	**2011**
Sales of equipment	1 985	1 719
Sales of services	342	238
Sales	**2 327**	**1 957**
Subsidies	51	219
Research tax credit	466	176
Total revenue from ordinary activities	**2 844**	**2 351**

Half-year sales increased 19% compared to H1 2011.
Equipment sales increased 15% compared to 30 June 2011. Five systems were sold at an average sale price which was the same as that of the previous year.

Sales of services, essentially comprising maintenance contracts, increased 45% over the period.

During the first half, five customers each represented more than 10% of consolidated sales.

It is to be noted that sales are marked by strong seasonal variation; the second half of the year contributes significantly to annual sales, in particular the fourth quarter. During the previous year, first half sales only accounted for 28% of annual sales.

3.13.2. Sales by geographical area

Sales by geographical area (in thousands of euro)	Period from 1 to 30 June 2012	2011
France	605	1 341
North America	876	51
Europe	482	41
Rest of world	364	524
Total sales by geographical area	**2 327**	**1 957**

The bulk of sales were made abroad, with the sale of two systems in the United States, one in Asia and one in Europe.

3.14. Breakdown of expenditure by function

3.14.1. Direct cost of sales

Direct cost of sales (in thousands of euro)	Period from 1 to 30 June 2012	2011
Purchasing and subcontracting	1 455	948
Payroll	212	148
Royalties	42	35
Total direct cost of sales	**1 709**	**1 131**

The increase in the direct cost of sales during H1 2012 compared to H1 2011 is mainly due to the 53% increase in the costs of purchases and subcontracting, linked on the one hand to the 25% growth in production volumes for equipment sold during the period, but also the significant increase in installed systems, of which a substantial part, under warranty, does not generate revenue yet.

The 43% increase in payroll charges reflects the cost of employees recruited in 2011 to help develop the company's activity.

3.14.2. Indirect cost of production and service

Indirect cost of production and service (in thousands of euro)	**Period from 1 to 30 June** **2012**	**2011**
Purchasing and subcontracting	256	312
Travel expenses	148	180
Payroll	370	296
Total indirect cost of production and service	**775**	**788**

The indirect cost of production and service remained stable compared with the previous year.

The 25% increase in payroll charges is due to the expansion of support functions in 2011, necessary due to the increased production activity and number of systems under warranty or with an associated maintenance contract.

The reduction of external costs helped neutralise the impact of the expansion of the workforce on the total indirect cost of production and service.

3.14.3. Research & Development

Research and development (in thousands of euro)	**Period from 1 to 30 June** **2012**	**2011**
Purchasing and subcontracting	305	168
Travel expenses	8	25
Payroll	831	534
Amortisation and provisions	138	134
Total research and development	**1 282**	**861**

During H1 2012, the company moved forward with its programmes to make 3D reconstruction tools more user-friendly and for their application in prosthetic surgery.
The company also pushed forward with its research programme as part of the European VPHOP project.

Research and development costs recognised during H1 2012 mainly include the salaries of the R&D team. The increase in payroll charges over the period is mainly due to development costs not being capitalised in H1 2012, compared to €249K capitalised during H1 2011.

3.14.4. Sales and marketing

Sales and marketing	Period from 1 to 30 June	
(in thousands of euro)	2012	2011
Purchasing and subcontracting	274	306
Studies	103	
Trade fairs and exhibitions	150	85
Travel expenses	216	198
Payroll	840	699
Total Sales and marketing	**1 584**	**1 288**

Sales and marketing expenditure increased 23% during H1 2012 in comparison with H1 2011. This is mainly due to the 20% increase in payroll charges, linked to the expansion of the marketing team, as well as the cost of clinical studies and costs linked to increased participation in medical conventions.

3.14.5. Regulatory

Regulatory	Period from 1 to 30 June	
(in thousands of euro)	2012	2011
Purchasing and subcontracting	178	23
Travel expenses	5	9
Payroll	131	88
Total regulatory	**314**	**120**

The significant increase in regulatory expenses during H1 2012 is mainly due to specific external costs incurred at the start of the year as part of the routine audit of the company by the FDA (Food and Drug Administration), in March 2012.
The increased payroll charges over the period are linked to recruitment in 2011, as well as the payment of an exceptional bonus during the first half of the year.

3.14.6. Administration

Administration	Period from 1 to 30 June	
(in thousands of euro)	2012	2011
Purchasing and subcontracting	193	150
Rent	120	96
Banks and insurance	35	41
Fees	200	207
Income and other taxes	35	31
Travel expenses	44	25
Payroll	391	256
Amortisation and depreciation	113	100
Total administration costs	**1 132**	**906**

The 25% increase in general expenses between H1 2011 and H1 2012 is mainly due to the expansion of the workforce, linked to the recruitment of a financial director, as well as the payment of an exceptional bonus during the first half of the year. Moreover, following the IPO in February 2012, the Group recognised recurring admission fees for the first time in H1 2012.

3.15. Share-based payments

On 16 January 2012, the company awarded 360,000 bonus shares to a member of management under the condition precedent of the first listing of company shares. Since the company was floated on the Euronext market in Paris on 15 February 2012, the shares were allocated on this date. The vesting period for the bonus shares (two years from this date) is followed by a non-assignability period of two years.

The fair value of bonus shares takes into account an estimated non-assignability discount based on the difference between:

- reimbursement of the loan to finance the purchase of shares at the end of the vesting period;
- and the forward sale of options granted at the end of the non-assignability period.

In accordance with IFRS 2, the cost of the bonus share plan is expensed, offset by an increase in equity over the period in which the rights to receive equity benefits vest, i.e., a period of two years.

The expense recognised at 30 June 2012 for bonus shares is €404K, to which the cost of payroll taxes attached to bonus shares should be added for the sum of €345K.

The valuation of the different option plans issued by the company at 30 June 2012 is as follows:

Type	Option fair value	Number of shares granted	Fair value of plan (in thousands of euro)
SO 2007	5.26 €	255 900	1 345
SO 2009 (a)	0.47 €	395 845	487
SO 2009 (b)	1.49 €	200 657	299
SO 2010 (a)	1.04 €	413 500	429
SO 2010 (b)	1.09 €	53 000	58
Bonus shares	5.15 €	360 000	1 854
Total			**4 472**

3.16. Financial result

At the end of H1 2012, there was a financial profit of €300K against a loss of €164K during H1 2011. This variation is linked to income from the investment of funds during the IPO (term deposits).

3.17. Comments on the statement of cash flows

Net cash flow from operating activities during H1 2012 was negative at €(5,069)K. This includes a loss of €4,401K from which the IFRS2 expense must be deducted, as well as amortisation and depreciation recognised at €607K for the period.

Working capital requirement amounted to €(1,275)K at 30 June 2012 compared to €489K at 30 June 2011. This fall is due in particular to the reduction in trade accounts payable and the payment in H1 2011 of subsidies which were not received in H1 2012.

Net cash flows from investments amounted to €(112)K during H1 2012. These are mainly linked to the acquisition of fixed materials for development work.

Net cash flows from financing amount to €34,023K in H1 2012. These mainly comprise the capital increase performed during the period following the IPO.

NOTE 4: COMMENTS ON OFF-BALANCE SHEET COMMITMENTS

There was no significant change in off-balance sheet commitments between 31 December 2011 and 30 June 2012.

NOTE 5: INFORMATION ON RELATED PARTIES

The compensation shown below, paid to members of the company's Board of Directors and Executive Committees, is recognised as expenditure during the reporting periods presented:

(in thousands of euro)	Period ended 30 June 2012	2011
Compensation and benefits in kind	565	410
Share-based payments	1 854	33
Consultancy fees	45	58
Total	**2 464**	**500**

The valuation methods for share-based payments are presented in Note 3.15.

NOTE 6: SUBSEQUENT EVENTS

None.

II. HALF-YEAR MANAGEMENT REPORT

1. HIGHLIGHTS DURING H1 2012

1.1. IPO

As part of its listing on the NYSE Euronext Paris regulated market on 15 February 2012, the Group raised €37.9 million, by issuing 5,520,000 shares subscribed for at a price of €6.87.

As a result, at its meeting on 15 February 2012, the Board of Directors resolved to raise the share capital of EOS Imaging SA by a nominal amount of €55,200 from €116,035.59 to €171,235.59, through the issue without preferential subscription rights, by means of a public offering, of 5,520,000 common shares, at a price of €6.87 each, i.e. a par value of €0.01 and an issue premium of €6.86.

The 957,933 convertible bonds issued on 2 December 2011 were converted on that date into 278,870 common company shares valued at the listing price, namely €6.87 per share.

At its 15 March 2012 meeting, the Board of Directors exercised the powers granted to it in the Seventeenth Resolution of the Annual (Ordinary and Extraordinary) General Meeting of 15 February 2012, and authorised the establishment of a liquidity agreement for which €500,000 is set aside.

1.2. COMMERCIAL DEVELOPMENT

The Group has continued its commercial development in Europe and Asia with the signing of exclusive distribution agreements in Singapore and Italy.

The Group also considerably expanded its commercial presence in the United States with the signing of new agent agreements, meaning that the company is now present in the majority of American territory. In June 2012, the Group recruited two additional regional sales managers, responsible for expanding the network of agents and the company's sales dynamic.

1.3. RESEARCH AND DEVELOPMENT

During the first half of the year, the Group pushed forward with its short-term programmes to develop EOS equipment (version 3.3, which will be rolled out across the installed base in H2 2012, including in particular a lower dose) and the sterEOS Imaging and 3D reconstruction workstation (version 1.5, which will be rolled out across the installed based in H2 2012, including in particular a full post-operative measurement of the hip).
The Group also obtained a public financing agreement for two medium-term programmes. The first programme, aimed at developing the application of EOS 3D technology to prosthetic surgery will begin in H2 2012. The second is for the development of EOS equipment and will be launched at the start of 2013.

Finally, in the research field, the company continued work on its programme forming part of the European VPHOP project on dual energy imaging to measure bone quality.

1.4. Regulatory

During H1 2012, the Group was granted authorisation to market EOS in Saudi Arabia and filed an authorisation to market in Singapore via its commercial partner in this country.

1.5. Clinical

The work already undertaken by the EOS users opinion leader sites resulted in nine new articles in peer-reviewed journals in H1 2012, five of which have a very significant impact factor (>2). The published results increase the exposure of EOS technology within the medical community.

1.6. Governance

The Ordinary and Extraordinary General Meeting met on 29 June 2012 and adopted all of the resolutions. In particular, it approved the appointments of Michael J. Dormer and Eric Beard to the Board of Directors for a term of three years.

Michael J. Dormer has more than 30 years of experience in the medical device field, specifically in orthopaedics, a field in which he held senior positions at Johnson & Johnson.

Eric Beard also has vast experience in the health industry, in particular at Baxter where his international career spanned more than 30 years.

These two appointments reinforce Group governance and provide international expertise to help accelerate the Group's growth in Asia and the United States.

2. Events after 30 June 2012

The Group expanded its sales management by recruiting a VP Sales Europe in August. This strategic recruitment should allow the Group to push forward and consolidate its sales dynamic.

3. EXAMINATION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR H1 2012

3.1. EXAMINATION OF THE CONSOLIDATED INCOME STATEMENTS

SALES

Sales and other revenue (in thousands of euro)	Period from 1 to 30 June 2012	2011
Sales of equipment	1 985	1 719
Sales of services	342	238
Sales	**2 327**	**1 957**

Consolidated sales for H1 2012 amounted to €2.33 million, i.e. a 19% increase compared to 30 June 2011.
Equipment sales increased 15% compared to 30 June 2011, totalling €1.98 million, thus representing 85% of the Group's total sales.
Sales of services mainly comprise maintenance contracts. The 45% increase in the sale of services is directly linked to the increased number of systems entering a maintenance contract at the end of the warranty period.

OTHER OPERATING INCOME

Other income (in thousands of euro)	Period from 1 to 30 June 2012	2011
Subsidies	51	219
Research tax credit	466	176
Total revenue from ordinary activities	**517**	**394**

Other operating income includes public financing, comprising subsidies and Research Tax Credits.

The one-off decrease in subsidies is due to subsidised research programmes coming to an end. These will be replaced by new programmes at the start of H2 2012, as indicated in paragraph 1.3 below.

The drop in subsidies registered in income is offset by the increase in Research Tax Credits. This increase is due to the fact that the Research Tax Credit was particularly limited in the previous year due to the significant amount of subsidies collected during that period.

OPERATING EXPENSES

	30-june-2012	30-june-2011
Direct cost of sales	(1,709)	(1,131)
Indirect cost of production and service	(755)	(788)
Research and development	(1,282)	(861)
Sales and marketing	(1,584)	(1,288)
Regulatory	(314)	(120)
Administration	(1,132)	(906)
Share-based payments	(750)	(58)
Total expenses	**(7,546)**	**(5,151)**

DIRECT COST OF SALES

The increase in the direct cost of sales during H1 2012 compared to H1 2011 is mainly due to the 25% increase in production volume for equipment sold during the period and the 41% increase in installed systems, of which a significant part, still under warranty, does not generate revenue yet.

INDIRECT COST OF PRODUCTION AND SERVICE

The development of the production activity and number of systems under warranty or maintenance contracts resulted in the expansion of support functions in 2011. The increased payroll charges were offset by the reduction in external costs. The indirect cost of production and service therefore remained stable in H1 2012 in comparison with the previous year.

RESEARCH AND DEVELOPMENT EXPENSES

During H1 2012, the company moved forward with its programmes to make 3D reconstruction tools more user-friendly and for their application in prosthetic surgery.
The company also pushed forward with its research programme as part of the European VPHOP project.
The increase in research and development costs during H1 2012 is mainly due to development costs not being capitalised, compared to €249K capitalised during H1 2011.

SALES AND MARKETING COSTS

Sales and marketing expenditure increased 23% during H1 2012 compared to H1 2011.
This change is mainly linked to the expansion of all sections of the marketing team: application support, clinical and operational marketing. The growth in clinical studies and costs associated with increased attendance at medical conventions also contributed to this increased expenditure.

REGULATORY COSTS

There was a 2.6-fold increase in regulatory costs between H1 2012 and H1 2011. The sharp rise during Q1 2012 is mainly due to specific external costs incurred at the start of the year as part of the routine audit of the company by the FDA (Food and Drug Administration), in March 2012.
The increased payroll charges over the period are linked to recruitment in 2011, as well as the payment of an exceptional bonus during the first half of the year.

ADMINISTRATION COSTS

The 25% increase in general costs between H1 2012 and H1 2011 is mainly due to the expansion of the workforce, linked to the recruitment of a financial director, as well as the payment of an exceptional bonus during the first half of the year. Moreover, following the IPO in February 2012, the Group recognised recurring admission fees for the first time in H1 2012.

FINANCIAL RESULT

The company recorded income of €300,000, mainly comprising income from the investment of funds during the IPO in February 2012, compared with a net charge of €164,000 the previous year, mainly comprising translation adjustments.

CONSOLIDATED NET INCOME

The Group's activities generated a loss of €4,309,000 during H1 2012, compared to €2,819,000 in H1 2011.

Net earnings per share, calculated based on the average number of shares in circulation, amounted to €-0.28 in H1 2012, compared to €-0.26 in H1 2011.

3.2. EXAMINATION OF THE CONSOLIDATED BALANCE SHEET

NON-CURRENT ASSETS

At 30 June 2012, non-current assets amounted to €1,313,000 compared to €1,424,000 at 31 December 2011. This slight drop is due to the depreciation of property, plant and equipment and capitalised development costs in H1 2012, as well as limited investments over the period. No development costs were capitalised in the first half.

CURRENT ASSETS

At 30 June 2012, current assets amounted to €36,898,000, compared to €7,507,000 at 31 December 2011.
This is mainly due to the increase in the cash balance, which amounts to €30,631,000 at 30 June 2012, compared to €1,712,000 at 31 December 2011, which represents an increase of €28,919,000.

This increase is mainly due to income from the IPO in February 2012, less the transaction costs deducted from the issue premium, the loss recorded for H1 2012 and the increase in working capital requirement linked to the company's activity.

The following is also to be noted:

- a €350,000 increase in inventory and work in process over the period, as a result of advanced production in the first half to allow the Group to deliver orders in the portfolio during the second half;
- a €450,000 increase in other current assets over the period, mainly due to the 2011 Research Tax Credit, for the sum of €476,000, which should be collected during H2 2012;
- a €327,000 reduction in accounts receivable, linked to the seasonal variation in sales, resulting in particularly high accounts receivable at 31 December.

EQUITY

At 30 June 2012, equity amounted to €33,655,000 compared to €1,733,000 at 31 December 2011.

This increase is mainly due to the capital increase of €39,839,000 linked to the €37,922,000 of funds raised by the IPO in February 2012, as well as the conversion of a €1,915,000 bond into common shares on the same date.

Over the period, the capital increase was reduced by:

- the costs of the IPO, deducted from the issue premium;
- the loss corresponding to H1 2012;
- the company's buy-back of its own shares under the liquidity agreement with the Gilbert Dupont bank.

NON-CURRENT LIABILITIES

At 30 June 2012, non-current liabilities amounted to €859,000, compared to €815,000 at 31 December 2011. These comprise a provision for warranties amounting to €122,000 and a reimbursable advance from Oséo for the sum of €736,000.
The €44,000 increase over the half year corresponds to a €28,000 adjustment in the provision for warranties and the adjustment of the financial costs incurred on reimbursable advances totalling €16,000.

CURRENT LIABILITIES

At 30 June 2012, current liabilities amount to €3,698,000 compared to €6,382,000 at 31 December 2011. The €2,684,000 reduction over the period is mainly due to the conversion, on the date of the IPO, of a bond into common shares, totalling €1,915,000.

It is also due to the €614,000 fall in trade accounts payable, linked in part to the seasonal variation in production, which is particularly high at the end of the year, generating significant trade accounts payable at the end of the year, and also a reduction in the average time to pay suppliers.

4. MAIN RISKS AND UNCERTAINTIES

The risk factors to which the Group is exposed are outlined in the International Offering Memorandum filed with the Financial Markets Authority on 20 January under No. I.12-002.

There was no significant change in the nature of these risks during H1 2012, with the exception of liquidity risk.
In fact, when it listed on the NYSE Euronext Paris regulated market on 16 February 2012, the Group raised €37.9 million. This funding is designed to support it until it reaches profitability. As a result, there is now no liquidity risk over the medium term.

5. OUTLOOK

Despite an unfavourable economic climate in the European market, the Group plans to continue developing its activity in H2 2012.
This is mainly based on the assessed potential of the North American market, which in 2012 benefited from significant investments in the health sector, as a result of the reform of the health system initiated in 2010. In 2012, this market should compensate for the dynamic observed in the French and European markets in 2011.

III. STATUTORY AUDITORS' REPORT ON HALF-YEAR FINANCIAL INFORMATION AT 30 JUNE 2012

LYDIA BOURGEOIS ERNST & YOUNG Audit

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.

EOS IMAGING

Period from January 1 to June, 30, 2012

Statutory auditor's review report on the first half-yearly

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Membre de la compagnie
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Commissaire aux Comptes
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EOS Imaging

Period from January 1 to June, 30, 2012

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

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting 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 Eos Imaging, for the period from January 1 to June 30, 2012, and
- the verification of the information contained in the interim 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 interim 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

Lydia BOURGEOIS	ERNST & YOUNG Audit
	Franck Sebag

IV. STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

"I certify that, to the best of my knowledge, the condensed financial statements at the end of the half year have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit and loss of the company and all its consolidated companies, and that the half-year management report presents a true picture of the material events during the first six months of the year, their impact on the half-year financial statements, the main related-party transactions and a description of the main risks and uncertainties for the remaining six months of the year."

Paris, 30 August 2012

Marie Meynadier, CEO of EOS Imaging