

**PRESS RELEASE**

## 2011 half-year results

- **Implementation of sales strategy in private clinics and community hospitals begins**
- **+11% growth in clinical sales**
- **New people added to Sales and Marketing teams**
- **FDA Clearance for Cellvizio® 100 series obtained**

**Paris, 31 August 2011:**

Today Mauna Kea Technologies (NYSE Euronext: MKEA), leader in the endomicroscopy field, announced its half-year results ended 30 June 2011.

In k€ - IFRS	<b>1HY 2011</b> (30 June 2011)	<b>1HY 2010</b> (30 June 2010)
<b>Operating income</b>		
<i>Incl. Sales</i>	1,820	1,960
<i>Incl. Other Income</i>	436	677
<b>Total income</b>	<b>2,256</b>	<b>2,637</b>
<b>Operating expenses</b>		
<i>Incl. Cost of Goods Sold</i>	757	760
<i>Incl. Research and Development</i>	845	907
<i>Incl. Sales &amp; Marketing</i>	2,406	2,164
<i>Incl. Overhead expenses</i>	1,224	908
<i>Incl. Share-based Payments</i>	190	140
<b>Total expenses</b>	<b>5,422</b>	<b>4,879</b>
<b>Operating profit</b>	<b>-3,167</b>	<b>-2,242</b>
<b>Net profit</b>	<b>-3,151</b>	<b>-2,064</b>

**Activity: +11% growth in clinical sales (use of Cellvizio in clinical institutions)**

Sales for the first half of 2011, which were down by 7.1%, consisted k€1,629 in clinical sales and k€191 in pre-clinical sales (use of Cellvizio® in preclinical research). Clinical sales were up by 11% compared to the first half of 2010. In June, the Company posted its first sales in the United States and France to community hospitals, which now constitute the core target of the Mauna Kea Technologies sales strategy and its primary engine of growth.

The pre-clinical sales are down by 61%. The drop in pre-clinical business is due specifically to the budget freeze in the United States, which disrupted the distribution of research funds from the NIH (National Institutes of Health), the foremost source of financing for this type of research equipment.

The other income includes subsidies, research tax credits and other credits, as well as the share of subsidies linked to reimbursable advances. Their 35.6% decline is primarily due to the near-absence of subsidies received in the first half of 2011 versus k€558 received during the same period last year, as the subsidies related to the robotics surgery program (Persee) are contractually scheduled for the second half of 2011.

With respect to the analysis of the sales trend by product and by category, sales of *equipment* were down by 18.7% to k€1,119, taking into account the decline in pre-clinical sales. Sales of *consumables* (miniprobos) posted a gain of 2% to k€388, thus representing 21% of sales, compared to 19% for the first half-year of 2010.

Compared to the first half of 2010, the sale of associated *services* advanced by 53% to k€313.

As of 30 June 2011, Mauna Kea Technologies had an installed base of 193 Cellvizio® worldwide, 111 of them in clinical institutions and 82 in preclinical research centers. Geographically, North America and Europe, which are the two historical marketing zones for Cellvizio®, contributed 55% and 29% of sales, respectively, although Asia and the Middle East represent 6% and 10% of sales, respectively.

#### **Operating profit: in line with Company expectations**

Operating expenses were k€5,422 for the first 6 months of the year versus k€4,879 in the first half of 2010, i.e. an increase of 11.1%, in line with the Company's expectations. The gross margin rate, which was 58% at 30 June 2011, is close to the margin rate at 30 June 2010, which was 61%. The increase in Sales & Marketing expenses as well as overhead expenses shows that Mauna Kea Technologies is gearing up for growth. Sales and Marketing continue to be the Company's largest spending item, and accounted for 44% of all operating expenses in the first half of 2011, while the ratio of Research and Development expenses to results remained stable, at 46%.

Mauna Kea Technologies had 67 employees at 30 June 2011 versus 64 employees at 30 June 2010.

After counting a financial income of k€17 versus k€178 at 30 June 2010, due to foreign-exchange variations and tax, the Company's net profit is (k€3,151).

Cash at 30 June 2011 was k€2,835. However that level of cash does not include proceeds from the capital increase that Mauna Kea Technologies carried out in July 2011, through its IPO on the NYSE Euronext Paris stock exchange.

#### **Recent events: big success of IPO, setup of sales strategy and FDA Clearance for the Cellvizio® 100 Series**

Mauna Kea Technologies' successful IPO enabled it to raise 56.5 millions euros. The world's only company to market miniaturized probe-based endomicroscopy equipment, Mauna Kea Technologies now has the full leeway required to successfully carry out its ambitious sales strategy.

During the first semester, Mauna Kea Technologies started the reinforcement of its sales and marketing management. The Company notably recruited a Director of Sales for the United States, who has 12-year of experience in sales of innovative medical equipment, and a Vice-President Global Marketing, who has more than 20 years of experience in all areas of marketing and more than 10 years in the field of innovative medical technologies.

Regarding clinical studies and as announced on 26 July 2011, the publication of five new clinical studies in the most prestigious scientific journals is yet another validation of the importance of the innovation provided by Cellvizio® and the support from the medical community.

Mauna Kea Technologies announced that it has just obtained 510(k) clearance from the US Food and Drug Administration (FDA) to market the next generation endomicroscopy Cellvizio® system in the United States, called the Cellvizio® 100 Series. This clearance represents a major milestone for the Company. The Cellvizio® 100 Series obtained the CE mark in April 2011 and has already been launched in Europe.

Sacha Loiseau, Founder and CEO of Mauna Kea Technologies, says: "*Mauna Kea Technologies is now starting a new decisive phase in its history: backed by a very large number of clinical publications that prove the full, high medical value of Cellvizio®, support from the foremost opinion leaders and Specialty Societies, the regulatory clearances necessary in the United States and Europe for marketing Cellvizio® in two medical specialties, and substantial financing. We now have all the resources to successfully carry out marketing and sales strategy. The next steps will consist of further additions to the sales and marketing teams in the United States and France, as announced at the time of the IPO.*"

#### **About Mauna Kea Technologies**

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

For more information about Mauna Kea Technologies visit [www.maunakeatech.com](http://www.maunakeatech.com)

#### **Next press release: Q3 results 2011: 15 November 2011**

##### **United States**

###### **Erich Sandoval**

Lazar Partners Ltd.

Tel: +1 917 497 2867

[esandoval@lazarpartners.com](mailto:esandoval@lazarpartners.com)

##### **France and Europe**

###### **ALIZE RP**

Caroline Carmagnol

Tel: + 33 1 42 68 86 43 / + 33 6 64 18 99 59

[caroline@alizerp.com](mailto:caroline@alizerp.com)

Anne –Sophie Cosquéric

Tel: + 33 1 42 68 86 41

[Anne-sophie@alizerp.com](mailto:Anne-sophie@alizerp.com)

##### **Mauna Kea Technologies**

Eric Cohen

Vice President Finance

Tel: +33 1 70 08 09 70

[investor-vpf@maunakeatech.com](mailto:investor-vpf@maunakeatech.com)

##### **NewCap.**

Investor Relations and Financial Communication

Pierre Laurent / Axelle Vuillermet

Tel: +33 1 44 71 94 94

[maunakea@newcap.fr](mailto:maunakea@newcap.fr)

