

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934**

For the month of July 2003

Commission File Number 0-28508

Flamel Technologies
(Translation of registrant's name into English)

Parc Club du Moulin à Vent
33 avenue du Dr. Georges Levy
69693 Vénissieux cedex France
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F [X]

Form 40-F []

Indicate by check mark whether registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes []

No [X]

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(Amounts in thousands of dollars except share data)

	Six months ended June 30,	
	2002	2003
Revenue:		
License and research revenue	\$ 5,360	\$ 6,259
Product sales and services	1,314	1,901
Other revenue	535	372
	7,209	8,532
Costs and expenses:		
Cost of goods and services sold	(1,081)	(1,811)
Research and development	(5,695)	(8,525)
Selling, general and administrative	(1,791)	(2,351)
Stock compensation expense	(10)	(4)
	(8,577)	(12,691)
Profit (loss) from operations	(1,368)	(4,159)
Other income	2,396	1,007
Interest income, net	78	142
Foreign exchange gain (loss)	(147)	(293)
	—	(21)
Income tax benefit	—	(21)
Net profit (loss)	\$ 959	\$ (3,324)
	0.06	\$ (0.20)
Net profit (loss) per ordinary share	\$ 0.06	\$ (0.20)
Weighted average number of ordinary shares outstanding	16,198	16,327

See notes to unaudited condensed consolidated financial statements

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(Amounts in thousands of dollars except share data)

	Three months ended June 30,	
	2002	2003
Revenue:		
License and research revenue	\$ 2,994	\$ 4,297
Product sales and services	1,094	864
Other revenue	268	(162)
	4,356	4,999
Costs and expenses:		
Cost of goods and services sold	(781)	(717)
Research and development	(2,741)	(4,682)
Selling, general and administrative	(860)	(1,341)
Stock compensation expense	(5)	
	(4,387)	(6,740)
Profit (loss) from operations	(31)	(1,741)
Other income	54	260
Interest income, net	61	62
Foreign exchange gain (loss)	(152)	(210)
	(68)	(21)
Income tax benefit	(68)	(21)
Net profit (loss)	\$ 959	\$ (1,650)
Net profit (loss) per ordinary share	\$ (0.00)	\$ (0.10)
Weighted average number of ordinary shares outstanding	16,198	16,327

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(Amounts in thousands of dollars)

	December 31, 2002 (Note)	June 30, 2003 (Unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,527	\$ 11,649
Accounts receivable	3,462	6,008
Inventory	375	1,069
Prepaid expenses and other current assets	347	936
Total current assets	18,711	19,662
Property and equipment, net	3,405	3,431
Other assets:		
Research and development tax credit receivable	890	686
Other long-term assets	70	77
Total other assets	960	763
Total assets	\$ 23,076	\$ 23,856
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 693	\$ 99
Current portion of capital lease obligations	229	190
Accounts payable	1,322	2,388
Current portion of deferred revenue	1,805	2,826
Accrued expenses	2,028	1,897
Advances from customers	361	284
Other current liabilities	71	112
Total current liabilities	6,509	7,796
Long-term debt, less current portion	1,391	1,516
Other long-term liabilities	789	1,144
Deferred revenue, less current portion	1,952	2,678
Capital lease obligation, less current portion	149	81
Total long-term liabilities	4,281	5,419
Shareholders' equity:		
Ordinary shares	2,366	2,384
Additional paid-in capital	71,178	71,854
Accumulated deficit	(56,381)	(59,704)
Deferred compensation	(14)	(10)
Cumulative other comprehensive income	(4,863)	(3,883)
Total shareholders' equity	12,286	10,641
Total liabilities and shareholders' equity	\$ 23,076	\$ 23,856

Note: The balance sheet at December 31, 2002 has been derived from the audited financial statements at that date.

See notes to unaudited condensed consolidated financial statements

	Six months ended June 30,	
	2002	2003
Cash flows from operating activities :		
Net profit, (loss)	\$ 959	\$ (3,323)
Adjustments to reconcile net loss to net cash provided by operating activities :		
Depreciation and amortization	619	604
Stock compensation expense	10	4
(Gain) loss on disposal of property and equipment		(362)
(Gain) loss on recognition of grants		(769)
Increase (decrease) in cash from :		
Accounts receivable	4,596	(2,162)
Inventory	400	(638)
Prepaid expenses and other current assets	(75)	(542)
Deferred revenue	(23)	1,363
Accounts payable	(48)	916
Accrued expenses	(1,616)	(375)
Research and development tax credit receivable	1,416	274
Other	109	138
Net cash from, (used by) operating activities	6,346	(4,872)
Cash flows from investing activities :		
Purchases of property and equipment	(817)	(368)
Disposal of property and equipment		372
Net cash used for investing activities	(817)	4
Cash flows from financing activities :		
Proceeds of loans	—	135
Cash proceeds from sale of ordinary shares	—	694
Principal payments on loans and capital lease obligations	(212)	(126)
Net cash provided by financing activities	(212)	703
Effect of exchange rate changes on cash and cash equivalents	1,280	1,294
Net increase (decrease) in cash and cash equivalents	6,597	(2,871)
Cash and cash equivalents, beginning of period	5,309	14,527
Cash and cash equivalents, end of period	\$11,906	\$11,649

**CONDENSED CONSOLIDATED STATEMENTS
OF SHAREHOLDERS' EQUITY (UNAUDITED)**
(Amounts in thousands of dollars except share data)

	Ordinary Shares		Additional Paid-In Capital	Accumulated Deficit	Deferred Compensation	Cumulative Translation Adjustment	Shareholders' Equity
	Shares	Amount					
Balance January 1, 2003	16,197,590	\$2,366	\$71,178	\$(56,381)	\$(14)	\$(4,863)	\$12,286
Issuance of ordinary shares at €4.75 (\$5.50)	82,000	12	439				451
Issuance of ordinary shares at €2.78 (\$3.21)	2,500		8				8
Issuance of ordinary shares at €4.88 (\$5.76)	30,000	4	169				173
Issuance of ordinary shares at €5.95 (\$7.02)	5,000	1	34				35
Issuance of ordinary shares at €2 (\$2.75)	10,000	1	26				27
Amortization of deferred compensation					4		4
Net loss				(3,323)			(3,323)
Other comprehensive income Translation adjustment						980	980
Comprehensive income							(2,343)
Balance June 30, 2003	16,327,090	\$2,384	\$71,854	\$(59,704)	\$(10)	\$(3,883)	\$10,641

FLAMEL TECHNOLOGIES S.A.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTES

1. ACCOUNTING POLICIES

The accompanying unaudited condensed consolidated financial statements were prepared in accordance with accounting principles for interim financial statements generally accepted in the United States. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of Flamel Technologies S.A. (the "Company"), all adjustments (consisting of only normal recurring accruals) considered necessary for a fair presentation have been included.

The reporting currency of the Company is the U.S. dollar. The financial statements of the Company, whose functional currency is the Euro, have been translated into U.S. dollar equivalents using the period-end rate for asset and liability accounts, the weighted average rate for income and expense accounts, and historical rates for shareholders' equity accounts. Corresponding translation gains or losses are recorded in shareholders' equity.

Operating results for the three months ended June 30, 2003 are not necessarily indicative of the results that may be expected for the year ending December 31, 2003. These condensed consolidated financial statements should be read in conjunction with the Company's audited annual financial statements.

2. REVENUES

2.1 LICENSE RESEARCH AND CONSULTING AGREEMENTS

In accordance with the long-term research and product development agreement signed with Corning in December 1998, the Company received research and development payments of \$192,000 during the first six months of 2003.

In accordance with the license agreement signed with Servier in December 2001, the Company recognized research and development revenues of \$895,000 and licensing fees of \$1,100,000 for the first six months of 2003. The licensing fees include a milestone payment for \$427,000 for results achieved in June 2003.

In accordance with the license agreement signed with Beecham Pharmaceuticals (Pte) Limited in June 2002, the Company recognized licensing fees of \$281,000 for the first 2003 six months of 2003.

In accordance with the license agreement signed with SB Pharma Puerto Rico Inc. in March 2003, the Company recognized research and development revenues of \$1,584,000 and licensing fees of \$1,114,000 for the first six months of 2003. The licensing fees include a milestone payment for \$943,000 for results achieved in June 2003.

In accordance with the license agreement signed with Biovail in February 2003, the Company recognized licensing fees of \$47,000 for the first six months of 2003.

The Company received research and development payments on three feasibility studies with undisclosed partners for an amount of \$989,000 for the first six months of 2003.

2.2 OTHER REVENUES

In accordance with the long-term research and product development agreement signed with Corning in December 1998, the Company recognized revenue of \$313,000 corresponding to the royalties for the six months period ended June 30, 2003.

3. OTHER INCOME

The Company recognized in February 2003 revenue of \$376,000 from the sale of the equipments of its pilot plant of Vénissieux.

The Company recognized in March 2003 a revenue of \$768,000 from grants made by French public agencies linked to investments in the development of the Pessac facility, following the achievement of the conditions of those grants.

Item. 2

Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Revenues for the six months ended June 30, 2003 increased to \$8.5 million, compared to \$7.2 million for the first half of 2002.

License and research revenue for the six months ended June 30, 2003 of \$6.3 million included \$2.7 million revenue from GlaxoSmithKline, \$2.0 million from Servier, \$1.0 million from feasibility studies with other partners and \$0.2 million from the on going research collaboration with Corning. License and research revenue for the first half of 2002 largely consisted of revenues from Novo-Nordisk, Corning, and various undisclosed partners.

Other revenues for the six months ended June 30, 2003 consisted of royalties from Corning and the sale of equipment from the Company's pilot plant in Venissieux. Other income included \$0.7 million in French government grants. Other revenue in the first quarter of 2002 included \$2.3 million received in settlement of litigation with the Wellcome Foundation regarding Flamel's long acting acyclovir product Genvir. Revenues from product sales and services were \$1.9 million in the six months ended June 30, 2003, compared to \$1.3 million in the first quarter of 2002, largely as a result of increased toll manufacturing.

Total operating costs for the six months ended June 30, 2003 amounted to \$12.7 million, up from \$8.6 million in the comparable half of 2002, largely as a result of the increased value of the Euro to the dollar and increases in clinical and preclinical studies. Research and Development costs for the first six months of 2003 increased to \$8.5 million from \$5.7 million in the first half of 2002, largely as a result of the exchange rate and clinical and preclinical trial expenses. Sales, General and Administrative costs increased to \$2.4 million from \$1.8 million in the first half of 2002, largely due to variation in exchange rates.

Overall, the Company had a loss of \$3.3 million for the six months ended June 30, 2004, compared to a gain of \$1.0 million in the comparable period in 2002.

As a result of fluctuations in the amount of quarterly revenues, which may arise from the signing of research collaborations, license agreements or other extraordinary transactions, interim results are not necessarily indicative of the operating results for the full year.

Liquidity and Capital Resources

On June 30, 2003, the Company had \$11.6 million in cash, compared to \$11.9 million in cash at the end of the first half of 2002.

Net cash from operating activities amounted to a decline of \$2.9 million for the first six months of 2003 which is due primarily to the loss for the period, offset by increases in deferred revenue from the recent licensing agreements and exchange rates.

INFORMATION FILED WITH THIS REPORT

Document Index

- 3.1 Bylaws of Flamel Technologies as amended July 31, 2003.
- 99.1 Press release dated July 30, 2003 ("Flamel Technologies Announces Second Quarter Results, Achievement of Two Additional Milestones from Partners Due to Operating Success").

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Flamel Technologies

Dated: August 15, 2003

By: /s/ Stephen H. Willard

Name: Stephen H. Willard
Title: Executive Vice President,
Chief Financial Officer and General
Counsel

FLAMEL TECHNOLOGIES

A joint stock company with a share capital of € 1,975,445.34
Registered office located at VENISSIEUX (Rhône) Parc Club du Moulin à Vent
33, avenue du Docteur Georges Lévy

R.C.S. LYON B 379.001.530

BY LAWS

Up dated as of July 31, 2003

ARTICLE 1 – FORM

The Company is a joint stock company governed by applicable laws and regulations and by these by-laws.

ARTICLE 2 – CORPORATE NAME

The corporate name is **FLAMEL TECHNOLOGIES**.

All the decisions and documents of the Company addressed to third parties, including but not limited to, letters, invoices, announcements and releases must indicate the name of the Company, immediately preceded or followed by, in legible form, the words *société anonyme* or of the initials “S.A.”, the indication of the amount of the share capital and the SIREN number followed by the mention “R.C.S.”, followed by the name of the city where is located the court is registrar with which the Company is registered.

ARTICLE 3 – COMPANY PURPOSE

The purpose of the Company is, in France or abroad:

- on the one hand :
 - design, realization of new materials for the chemical industry as well as for other industries, specifically in the field of pharmacy, health (biomaterials), cars, aerospace, telecommunications, motorists (turbines), packing and conditioning (specifically in the field of biodestruction);
 - research and development of polymer and ceramic materials corresponding to identified needs;
-

- filing, study, acquisition, operation and concession of patents, licenses, processes, trademarks and specialized knowledge linked with, or relating to, in any way, to the above mentioned technological fields; and
- production and sale of designed materials ;
- on the other hand:
- design, development, manufacture, distribution, import, export of drugs, pharmaceutical specialities and other health products, as well as the exploitation of pharmaceutical specialities, drugs and other health products,
- and generally, all operations, of any kind, economic or legal, financial, civil or commercial that can be directly or indirectly linked, on its own behalf or on the behalf of third parties, either alone or with third parties, with this corporate purpose or with any similar, related or complementary purpose, as well as the direct or indirect participation of the Company to all activities or industrial operations on any kind, if such activities or operation can be directly or indirectly linked to the company purpose or to any similar, related or complementary purpose.

ARTICLE 4 – REGISTERED OFFICE

The registered office is at VENISSIEUX (Rhône) 33, avenue du Docteur G. Lévy — Parc Club du Moulin à vent.

Notwithstanding the power granted to the shareholders by law and these by-laws in this respect, the registered office may be transferred to any other site in the same *département* or an adjoining *département* upon a decision of the board of directors, subject to ratification at the subsequent ordinary general shareholders meeting, or any other locality by virtue of a decision of an extraordinary general shareholders meeting.

ARTICLE 5 — DURATION

The duration of the Company has started to run as of August 10, 1999 and shall expire on August 9, 2099, except in cases of early dissolution or extension.

ARTICLE 6 – SHARE CAPITAL

The amount of the Share Capital is set at one million nine hundred seventy five thousand four hundred forty five euros and thirty four cents (€1,975,445.34) divided in 16,197,590 shares with a par value of 0.12 cents of euros each, fully subscribed and paid-up.

ARTICLE 7 – FISCAL YEAR

Each fiscal year shall last one year starting January first of each year and ending on December 31 of the same year.

By exception, the first fiscal year shall end on December 31, 1991.

ARTICLE 8 — ALLOCATION OF THE PROFITS

If the results of the fiscal year, as approved by the general shareholders meeting, show the existence of a distributable profit, the general shareholders meeting shall decide to allocate such profit to one or several reserve accounts of which the general shareholders meeting decides the attribution or use, to carry it forward or to distribute it.

After acknowledging the existence of reserves, the general shareholders meeting may decide the distribution of the amounts taken from the reserves. In this case, the decision expressly mentions the reserve accounts from which the amounts are taken. The general shareholders meeting may also grant to each shareholder, an option between the payment in cash or in shares of all or part of the paid dividend.

ARTICLE 9 — TYPE OF THE SHARES

The shares are registered.

They shall be registered on an account opened by the Company in the name of the shareholder under the conditions set forth in applicable law and regulations. An affidavit of inscription on the account can be granted to the shareholder on shareholder's request.

ARTICLE 10 – SALE AND ASSIGNMENT OF SHARES

Shares are freely negotiable under the conditions and limitations set forth by applicable law and regulations.

Any transfer of shares takes place, as far as both the Company and third parties are concerned, by way of transfer order signed by the assignor or its representative and the assignee if the shares have not yet been paid-up. The transfer order is registered on the day of its receipt on a numbered and initialized register called "*registre des mouvements*" (share transfer ledger).

The Company may require that the signatures on the transfer orders be certified by a public officer or a mayor, without prejudice to any legal rules to the contrary.

Shares transfer fees are borne by the assignee, except agreement to the contrary between the parties.

Transfer orders concerning shares not paid up to amounts due and payable shall be rejected.

The Company updates, at least on a six-month basis, the list of shareholders with the indication of the domicile declared by the shareholders.

Title to the shares results from their inscription in the name of the holder(s) on the registers or accounts held to that end by the Company or its representative.

ARTICLE 11 – RIGHTS AND DUTIES ATTACHED TO THE SHARES

Each share gives the right to title in the Company's assets, a share in profit and in the liquidation surplus, proportional to the value of the existing shares.

The same treatment shall be applied to all the shares that make up or that shall re make up the share capital, as far as the fiscal expenses are concerned.

As a consequence, all taxes that, for any reason, due to the repayment of the capital of these shares, could become due with respect to certain of them only, either during the life of the Company or upon liquidation thereof, shall be allocated among all the shares composing the capital at the moment of this repayment or these repayments, such that all existing or future shares grant to their holder, for the paid-up but not redeemed amount, the same real benefits and give them the right to receive the same net proceeds.

Each time it is necessary to hold several shares to exercise any right, the isolated shares or shares in an number less than the one required number, shall give no right to their holders against the Company; the shareholders shall, in this case, be personally responsible for the gathering of the necessary number of shares.

ARTICLE 12 – PAYMENT OF THE SHARE CAPITAL

The amounts that remain to be paid on the shares to be paid in cash are requested by the board of directors.

The shareholders are informed of the amounts requested and of the date when the corresponding amounts must be paid, either by a newspapers notice inserted fifteen days in advance in a journal authorized to publish legal notices in the *département* where the registered office is located, or by registered letter sent to each of the shareholders within the same time period.

A shareholder that does not proceed on time with the requested payments on the shares he holds, shall automatically and without prior notice owe a late payment interest calculated day by day, as of the date the amount was due, at the legal rate applicable in commercial matters plus tree points and without prejudice to enforcement measures set forth by law.

ARTICLE 13 – BOARD OF DIRECTORS

The Company is managed by a Board of Directors composed of at least three members and a maximum of eighteen members.

During the term of the Company, the members of the Board of Directors are appointed and removed, in the conditions provided by applicable laws and regulations.

Each member of the Board of Directors must own at least one share during the whole term of his/her office.

The term of office of the members of the Board of Directors is one year. It expires at the end of the shareholders' meeting called on to rule on the financial statements for the last financial year.

In accordance with the law, the members of the Board must not be older than seventy.

ARTICLE 14 — DELIBERATIONS OF THE BOARD OF DIRECTORS

Board Meetings are convened by the Chairman, as frequently as the interests of the Company so require, either at the registered office, or in any other place indicated in the convening notice.

The members of the Board are convened to meetings by any means, even verbally.

When the Board of Directors has not met for more than two months, at least one third of the members of the Board may request the Chairman to convene a meeting for a defined agenda.

The Managing Director may also request the Chairman to convene a meeting for a defined agenda.

The Chairman is bound by the requests that are addressed to him pursuant to these last two paragraphs.

For sake of validity of deliberations, the effective attendance of at least half of the members in office is required.

Subject to decisions for which the effective attendance of the members of the Board is required by law, the Board of Directors may provide in its internal rules that the Directors taking part in the Board meeting by videoconference – the nature and applicability of which are determined by applicable regulations – are deemed present for purposes of calculating the quorum and majority of Directors.

Decisions are made with the majority of members present or duly represented: each member holds one vote, and each member may only hold one proxy. The Chairman has no tie-breaking vote.

Deliberations of the Board are recorded in minutes drawn-up, signed and recorded in accordance with applicable laws and regulations.

Copies and excerpts of the minutes for producing in court or elsewhere shall be validly certified either in accordance with applicable laws and regulations.

ARTICLE 15 – POWERS OF THE BOARD OF DIRECTORS

The Board determines the orientations of the Company's activity and ensures that they are implemented. Subject to the powers expressly granted to the Shareholders Meetings and within the corporate purpose, the Board may address any issue relating to the good operation of the Company and settles Company business through its deliberations.

In its relations to third parties, the Company is bound even by the actions of the Board of Directors that are unrelated to the corporate purpose, unless it can prove that the third party knew that the action exceeded the purpose or could not ignore it under the circumstances, it being excluded that the publication of the by-laws alone is sufficient to constitute such proof.

The Board of Directors undertakes the checks and verifications that it considers to be appropriate. Each Director receives all the information necessary to accomplish his mission and has access to all documents that he considers useful.

ARTICLE 16 – CHAIRMAN OF THE BOARD OF DIRECTORS

The Board of Directors elects from amongst its members a Chairman, who must be an individual. The Board determines the Chairman's term of office, which may not exceed his term of office as a Director.

The Chairman of the Board of Directors represents the Board vis-à-vis shareholders and third parties. He organizes and manages the work of the Board and reports thereon to the meeting of the shareholders. He oversees the good operation of the Company bodies, in accordance with applicable laws and regulations.

The Chairman of the Board may simultaneously hold offices of managing directors, member of a Board of Directors, of sole managing director, or member of a supervisory Board of stock corporations (*sociétés anonymes*) having their registered office in the French territory, only to the extent permitted by applicable laws and regulations

The Chairman of the Board is re-eligible. The Board of Directors may remove him/her at any time.

ARTICLE 17 – GENERAL MANAGEMENT

The general management of the Company is carried out, under his responsibility, either by the Chairman of the Board of Directors or by any other individual appointed by the Board, whether or not chosen from amongst its members, and having the title of Managing Director (*Directeur Général*).

The Board of Directors chooses between these two ways of exercising the General Management by a simple majority vote. Absent a vote to that effect, general management is undertaken by the Chairman of the Board of Directors, until a contrary decision is adopted by the Board of Directors.

When the general management of the Company is undertaken by the Chairman of the Board of Directors, the provisions of these by-laws relating to the Managing Director apply to the Chairman of the Board.

The Managing Director is appointed for a term of one year, expiring at the end of the general shareholders' meeting called on to rule on the approval of the financial statements for the last financial year.

The Managing Director has the most extensive powers to act under all circumstances in the name of the Company. He exercises these powers within the limit of the corporate purpose and subject to the powers expressly granted by law to Board and Shareholder meetings.

He represents the Company in its relations with third parties. The Company is even bound by the actions of the Managing Director that are not within the scope of the corporate purpose, unless it can prove that the third party knew that the action exceeded this purpose or could not ignore this fact under the

circumstances, it being excluded that the publication of the by-laws alone is sufficient to constitute such proof.

The provisions of these by-laws and the decisions of the Board of Directors limiting the powers of the Managing Director may not be invoked against third parties. Upon a proposal by the Managing Director, the Board of Directors may appoint one or several individuals with the title of Executive Managing Director, responsible for assisting the Managing Director. The Board of Directors may not appoint more than five Executive Managing Directors.

Executive Managing Directors have the same powers as the Managing Director in respect of third parties. With the Managing Director's approval, the Board of Directors determines the extent and duration of the powers assigned to the Executive Managing Directors.

The Managing Director may be removed at any time by the Board of Directors. The Executive Managing Directors may also be removed, upon a proposal of the Managing Director. If the removal is without just cause, it may give rise to damages, unless the Managing Director also assumes the functions of the Chairman of the Board of Directors.

Whenever the Managing Director ceases to carry or is prevented from carrying out his duties, the Executive Managing Directors retain their duties and attributions, subject to a contrary decision by the Board, until a new Managing Director is appointed.

An individual may not hold more than one office of Managing Director of stock corporations (*sociétés anonymes*) having their registered office on the French territory.

The remuneration of the Chairman, and that of the Managing Director and Executive Managing Directors, is determined by the Board of Directors; it may be fixed or proportional or both.

ARTICLE 18 – STATUTORY AUDITORS

The control of the Company's financial statements is carried out by one or several statutory auditors, appointed and exercising their duties, in the conditions provided by law.

The statutory auditor(s) may be assisted with one or several controllers appointed by the Board of Directors and chosen either from amongst its members, or from outside them. The controllers may be invited by the Chairman to attend to meetings of the Board of Directors. In this case, they have a consultative vote.

ARTICLE 19 – GENERAL MEETINGS OF SHAREHOLDERS

Shareholders' meetings are called in the conditions provided by applicable laws and regulations.

Meetings take place at the registered office or at any other place indicated in the calling notice.

The right to participate in shareholders' meetings is subject to:

- the registration of the shareholder in the Company's share accounts for owners of registered shares,
- the deposit, at the place indicated in the calling notice, of a certificate of account registration issued by the bank, the financial establishment or the stockbroker, depository of the shares, as the case may be, for the owners of bearer shares.

The time period during which these formalities must be completed expires a day before the date of the meeting.

General meetings of shareholders are chaired by the Chairman of the Board of Directors, or, in his/her absence, by a director specially delegated to this end by the Board, failing which the shareholders' meeting elects its chairman.

The duties of scrutineers are fulfilled by two members of the meeting present and accepting, who hold the higher number of shares.

The meeting officials appoint the secretary of the meeting, who may be chosen from outside the shareholders.

An attendance sheet is drawn up in the conditions provided by applicable laws and regulations.

Are deemed to be present for purposes of calculating the quorum and majority, the shareholders who participate in the meeting by videoconference or by means of telecommunication, the nature and conditions of which are determined by a Decree issued by the Council of State.

The copies and excerpts of the minutes of the shareholders' meeting are validly certified in accordance with the conditions provided by applicable laws and regulations.

ARTICLE 20 – POWERS AND RESOLUTIONS OF THE SHAREHOLDERS' MEETINGS

The ordinary and extraordinary shareholders' meetings, ruling under the conditions of quorum and majority prescribed by provisions respectively governing them, exercise the powers granted to them by applicable laws and regulations.

ARTICLE 21 – DISSOLUTION – LIQUIDATION

Upon expiration of the term of the Company or in the event of earlier dissolution, the shareholders' meeting determines the method of liquidation and appoints one or several liquidators, of whom it determines their powers, and who exercise their duties in accordance with applicable laws and regulations.

ARTICLE 22 – DISPUTES

Any dispute that may arise during the existence or liquidation of the Company, either between the shareholders or between the Company and the shareholders, regarding the interpretation or the

enforceability of these by-laws or regarding, generally, any corporate matter, will be submitted to the relevant courts having jurisdiction where the registered office is located.

To that effect, in the event of a dispute, every shareholder must elect domicile in a place where the courts have jurisdiction over the registered office and all summons or services of process are validly delivered to this domicile.

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Flamel Technologies Announces Second Quarter Results, Achievement of Two Additional Milestones from Partners Due to Operating Success

Lyon, France, July 30, 2003 – Flamel Technologies S.A. (NASDAQ: FLML) today announced its financial results for the second quarter of 2003.

For the second quarter, Flamel reported operating revenues of \$5.0 million, compared to \$4.4 million in the second quarter of 2002. Expenses increased to \$6.7 million, from \$4.4 million in the second quarter of 2002, largely as a result of a 23% increase in the Euro against the U.S. dollar during the 12 month period and increased clinical studies, primarily related to Basulin®, Flamel's long-acting insulin product. Net loss in the second quarter of 2003 was \$1.65 million, compared to a loss of \$ 68 thousand in the second quarter of last year. Net income per share for the second quarter of 2003 was (\$0.10), compared to a net loss per share in the second quarter of 2002 of (\$0.00). Cash on hand at the end of the second quarter was \$11.6 million, with an additional \$3.5 million in account receivable at the end of the second quarter a year ago.

Flamel's second quarter revenues included license and research revenues of \$4.3 million, which included a \$1.0 million milestone payment from GlaxoSmithKline and a \$0.5 million milestone payment from Servier, each in respect of a licensing agreement between Flamel and such party. These revenues exceeded license and research revenues of \$3.0 million in the second quarter of 2002. Product sales and services declined to \$0.9 million, compared to \$1.1 million in the second quarter of 2002, reflecting diminished services to Corning and constant toll manufacturing revenues. Other revenues were negative for the quarter (\$0.2 million), reflecting accounting writedowns, compared to \$0.3 million in the second quarter of last year.

Costs and expenses of Flamel's research and development increased to \$4.7 million, from \$2.7 million in the second quarter of 2002, largely as a result of the increase of 23% in the value of the Euro against the U.S. dollar during the twelve month period and increasing clinical and preclinical study work, primarily related to Flamel's Basulin® product. Costs of goods and services sold declined moderately to \$0.7 million from \$0.8 million a year ago. SG&A increased to \$1.3 million from \$0.9 million, largely as a result of the economic appreciation of the Euro.

Dr. Gerard Soula, president and chief executive officer of Flamel, commented : "I am pleased that we have achieved the technical success which has triggered two additional milestones in this quarter. Our next goal is to advance the clinical development of Basulin®, for which we have increased our expenses during the quarter. We expect the Phase II(a) clinical trial will begin in September."

Flamel Technologies S.A. is a biopharmaceutical company principally engaged in the development of two unique polymer-based delivery technologies for medical applications. Flamel's Medusa® nano-encapsulation technology is designed to deliver therapeutic proteins. Micropump® is a controlled release technology for the oral administration of small molecule drugs. Flamel's expertise in polymer science has also been instrumental in the development of a photochromic eyeglass lens product now marketed by Corning Inc. Additionally, Flamel has developed new herbicide delivery systems now being tested by Monsanto and has patented a biomaterial, ColCys™.

This document contains a number of matters, particularly as related to the status of various research projects and technology platforms, that constitute forward-looking statements within the meaning of the Private Securities Litigation

Reform Act of 1995. The presentation reflects the current view of management with respect to future events and is subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. These risks include risks that products in the development stage may not achieve scientific objectives or milestones or meet stringent regulatory requirements, uncertainties regarding market acceptance of products in development, the impact of competitive products and pricing, and the risks associated with Flamel's reliance on outside parties and key strategic alliances. These and other risks are described more fully in Flamel's Annual Report on the Securities and Exchange Commission Form 20-F for the year ended December 31, 2001.

FLAMEL TECHNOLOGIES S.A.
CONSOLIDATED STATEMENT OF OPERATIONS
(Amounts in thousands, except per share data)

	Three months ended		Six months ended	
	June 30 2002	June 30 2003	June 30 2002	June 30 2003
Revenues				
Licence and research revenue	2,994	4,297	5,360	6,259
Product sales and services	1,094	864	1,314	1,901
Other revenue	268	(162)	535	372
Total revenue	4,356	4,999	7,209	8,532
Costs and expenses				
Cost of goods and services	(781)	(717)	(1,081)	(1,811)
Research and development	(2,741)	(4,682)	(5,695)	(8,525)
Selling, general and administrative	(860)	(1,341)	(1,791)	(2,351)
Stock compensation expense	(5)	(10)	(10)	(4)
Total costs and expenses	(4,387)	(6,740)	(8,577)	(12,691)
Loss from operations	(31)	(1,741)	(1,368)	(4,159)
Other income	54	260	2,396	1,007
Interest income, net	61	62	78	142
Foreign exchange gain/(loss)	(152)	(210)	(147)	(293)
Income tax benefit	(21)	(21)	(21)	(21)
Net Profit, (Loss)	(68)	(1,650)	959	(3,324)
Net Income,(Loss) per ordinary share	\$ (0.00)	\$ (0.10)	\$ 0.06	\$ (0.20)
Weighted average number of ordinary shares outstanding	16,198	16,327	16,198	16,327