

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
under the Securities Exchange Act of 1934**

For the month of May 2013

Commission File Number: 000-28508

Flamel Technologies, S.A.

(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 of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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

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

EXHIBIT LIST

| Exhibit Number | Description |
|---------------------------|---|
| 99.1 | Notice of a Combined Ordinary and Extraordinary Meeting of Shareholders on June 20, 2013 |
| 99.2 | Draft Resolutions to be submitted at the Ordinary and Extraordinary General Shareholders' Meeting on June 20, 2013 |
| 99.3 | Management Report prepared by the Board of Directors to be presented at the Ordinary Shareholders' Meeting on June 20, 2013 |
| 99.4 | Board Report to be submitted at the Combined Shareholders' Meeting on June 20, 2013 |
| 99.5 | Form of Proxy to Shareholders |
| 99.6 | Form of Proxy to ADS Holders |
| 99.7 | Document and Information Request Form |

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.

Dated: May 28, 2013

Flamel Technologies, S.A.

By: /s/ Michael S. Anderson

Name: Michael S. Anderson

Title: Chief Executive Officer

EXHIBIT INDEX

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- Translated from French -

FLAMEL TECHNOLOGIES
Société Anonyme with a share capital of Euros 3,099,662
Registered Office :
Parc Club du Moulin à Vent
33, avenue du Docteur Georges Lévy
69693 VENISSIEUX (France)

379 001 530 R.C.S. LYON

**NOTICE OF A COMBINED ORDINARY AND EXTRAORDINARY GENERAL
MEETING OF SHAREHOLDERS
ON JUNE 20, 2013**

Sent by Mail on May 20, 2013

Ladies and Gentlemen,

You are cordially invited to attend the Combined Ordinary and Extraordinary General Meeting (the "Meeting") of the shareholders of FLAMEL TECHNOLOGIES (the "Company") which will be held on June 20, 2013 at 11:00 a.m. (French time) at the registered office of the Company, with the following agenda :

Agenda

Resolutions within the competence of the ordinary general shareholders' meeting

1. Approval of Statutory Accounts for year ended December 31, 2012
2. Allocation of results
3. Renewal of Mr. Michael S. Anderson as Director.
4. Renewal of Mrs Catherine Bréchnignac as Director.
5. Renewal of Mr. Guillaume Cerutti as Director.
6. Renewal of Mr. Francis JT Fildes as Director.
7. Renewal of Ambassador Craig Stapleton as Director.
8. Renewal of Mr. Elie Vannier as Director.
9. Renewal of Mr. Stephen H. Willard as Director.
10. Determination of the annual amount of Directors' attendance fees (jetons de presence)
11. Approval of agreements referred to in article L.225-38 et seq. of the French Commercial Code

Resolutions within the competence of the extraordinary general shareholders' meeting

12. Authorization to be granted to the Board of Directors to allocate six hundred thousand (600,000) stock options and taking note of the resulting capital increases.
13. Authorization to be granted to the Board of Directors to allocate two hundred thousand (200,000) existing or to be issued shares at no cost ("free shares") and establishment of the subsequent capital increases.
14. Authorization to be granted to the Board of Directors for issue of a maximum number of three hundred thousand (300,000) stock warrants (BSA) reserved for a category of persons defined by the fifteenth resolution; authorization to be granted to the Board of Directors for carrying out the resulting capital increases.
15. Cancellation of the preferential right of subscription attributed to the shareholders with respect to the capital increase set forth in the fourteenth resolution to the benefit of a category of persons consisting of the Company's directors and Scientific Advisory Board's members who are neither authorized agents nor employees of the company, but including the Chairman of the Board of Directors.
16. Authorization to be granted to the Board of Directors for issue of a maximum number of two hundred thousand (200,000) ordinary shares of a nominal value of EUR 0.12196, in the form of American Depositary Shares (ADS), reserved for a category of persons defined by the seventeenth resolution; authorization to be granted to the Board of Directors for carrying out the resulting capital increases.
17. Cancellation of the preferential right of subscription attributed to the shareholders with respect to the capital increase set forth in the sixteenth resolution to the benefit of a category of persons consisting of any person or company having sold or transferred to the Company asset(s), including any shares, representing immediately or overtime, their ownership or voting rights in any commercial enterprise.
18. Authorization to be granted to the Board of Directors to increase the share capital by issuing of shares reserved for the members of a company savings plan established in application of Articles L.3332-18 et seq. of the French Labor Code.
19. Cancellation of the preferential right of subscription attributed to the shareholders with respect to the capital increase set forth in the eighteenth resolution to the benefit of a category of persons consisting of employees of the Company.
20. Powers for formalities.

ON BEHALF OF THE BOARD OF DIRECTORS

IMPORTANT :

IF YOU EXPECT TO BE PRESENT AT THE MEETING, PLEASE NOTE THAT SHAREHOLDERS WILL BE ADMITTED TO THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING WITH WHATEVER THE NUMBER OF SHARES THEY HOLD PROVIDED THAT IF THEY ARE OWNER OF REGISTERED SHARES THEIR SHARES HAVE BEEN REGISTERED IN A SHARE ACCOUNT HELD BY THE COMPANY AT LEAST ONE DAY PRIOR TO THE DATE OF THE MEETING.

IF THE QUORUM FOR THE ORDINARY MEETING IS NOT MET ON JUNE 20, 2013, SHAREHOLDERS WILL BE INVITED TO VOTE AT A MEETING WHICH WILL BE HELD ON JULY 3, 2013 ON THE SAME AGENDA, AS DESCRIBED IN THIS NOTICE .

- Translated from French -

Quorum required under French law :

The required quorum for ordinary resolutions is one fifth (20%) of the total outstanding shares. If such quorum is not met, the Board of Directors will give a second notice of Shareholders' Meeting.

At this second Meeting, no quorum is required for ordinary resolutions.

The required quorum for extraordinary resolutions is one fourth (25%) of the total outstanding shares with voting rights, upon first call of the shareholders' meeting. If such quorum is not met, the Board of Directors will give a second notice of Shareholders' Meeting. At this second Meeting, which shall not take place earlier than six days after the first meeting, the required quorum is one fifth (20%) of the total outstanding shares with voting rights.

Enclosed documents:

- § Resolutions submitted to the combined ordinary and extraordinary shareholders' meeting to be held on June 20, 2013;
- § Management Report by the Board of Directors to the ordinary shareholders' meeting including notably (Appendix 1) table of the Company's results for the last five financial years;
- § Report by the Board of Directors to the combined shareholders meeting held on June 20, 2013;
- § Voting card
- § Document and information request form.

FLAMEL TECHNOLOGIES

Société Anonyme with a stated capital of 3,099,662 euros

Registered Office:

Parc Club du Moulin à Vent
33, avenue du Docteur Georges Lévy
69693 VENISSIEUX – France

379 001 530 R.C.S. LYON

**RESOLUTIONS SUBMITTED TO THE ORDINARY AND EXTRAORDINARY
GENERAL SHAREHOLDERS' MEETING
TO BE HELD ON JUNE 20, 2013**

**WITHIN THE COMPETENCE OF THE ORDINARY
GENERAL SHAREHOLDERS' MEETING**

1. Approval of Statutory Accounts for year ended December 31, 2012
2. Allocation of results
3. Renewal of Mr. Michael S. Anderson as Director.
4. Renewal of Mrs Catherine Bréchignac as Director.
5. Renewal of Mr. Guillaume Cerutti as Director.
6. Renewal of Mr. Francis JT Fildes as Director.
7. Renewal of Ambassador Craig Stapleton as Director.
8. Renewal of Mr. Elie Vannier as Director.
9. Renewal of Mr. Stephen H. Willard as Director.
10. Determination of the annual amount of Directors' attendance fees (jetons de presence)
11. Approval of agreements referred to in article L.225-38 et seq. of the French Commercial Code

**WITHIN THE COMPETENCE OF THE EXTRAORDINARY
GENERAL SHAREHOLDERS' MEETING**

12. Authorization to be granted to the Board of Directors to allocate six hundred thousand (600,000) stock options and taking note of the resulting capital increases.
13. Authorization to be granted to the Board of Directors to allocate two hundred thousand (200,000) existing or to be issued shares at no cost ("free shares") and establishment of the subsequent capital increases.
14. Authorization to be granted to the Board of Directors for issue of a maximum number of three hundred thousand (300,000) stock warrants (BSA) reserved for a category of persons defined by the fifteenth resolution; authorization to be granted to the Board of Directors for carrying out the resulting capital increases.

15. Cancellation of the preferential right of subscription attributed to the shareholders with respect to the capital increase set forth in the fourteenth resolution to the benefit of a category of persons consisting of the Company's directors and Scientific Advisory Board's members who are neither authorized agents nor employees of the company, but including the Chairman of the Board of Directors.
16. Authorization to be granted to the Board of Directors for issue of a maximum number of two hundred thousand (200,000) ordinary shares of a nominal value of EUR 0.12196, in the form of American Depositary Shares (ADS), reserved for a category of persons defined by the seventeenth resolution; authorization to be granted to the Board of Directors for carrying out the resulting capital increases.
17. Cancellation of the preferential right of subscription attributed to the shareholders with respect to the capital increase set forth in the sixteenth resolution to the benefit of a category of persons consisting of any person or company having sold or transferred to the Company asset(s), including any shares, representing immediately or overtime, their ownership or voting rights in any commercial enterprise.
18. Authorization to be granted to the Board of Directors to increase the share capital by issuing of shares reserved for the members of a company savings plan established in application of Articles L.3332-18 et seq. of the French Labor Code.
19. Cancellation of the preferential right of subscription attributed to the shareholders with respect to the capital increase set forth in the eighteenth resolution to the benefit of a category of persons consisting of employees of the Company.
20. Powers for formalities.

**- RESOLUTIONS WITHIN THE COMPETENCE OF THE ORDINARY
GENERAL SHAREHOLDERS' MEETING –**

FIRST RESOLUTION

Approval of Statutory Accounts for year ended December 31, 2012

The General Shareholders' Meeting, voting under the quorum and majority conditions for ordinary general meetings,

After having taken cognizance of the financial statements for the fiscal year ended on December 31, 2012, and having heard a reading of the Board of Directors' management report and of the general report of the Statutory Auditor pertaining to said fiscal year,

Approves, in their entirety, the above referenced financial statements as they have been presented to it, as well as the transactions recorded in such financial statements and reports, which show a loss in the amount of EUR (12,315,766.04).

Accordingly, the General Shareholders' Meeting grants the Directors full discharge from their duties relative to such fiscal year.

Furthermore and in accordance with Section "223 *quater*" of the General Tax Code, the General Shareholders' Meeting acknowledges that non tax-deductible expenses or charges as set forth at Section 39-4 of the General Tax Code were incurred for a total of EUR 30,634.00 during the fiscal year ended December 31, 2012 corresponding to excess redemption.

SECOND RESOLUTION

Allocation of results

The General Shareholders' Meeting, voting under the quorum and majority conditions for ordinary general meetings,

After having heard a reading of the Board of Directors' management report,

Decides to allocate the loss for the financial year ended on December 31, 2012, amounting to EUR (12,315,766.04), to the carry forward account, which will then amount to EUR (122,076,812).

It is recalled, pursuant to article "243 bis" of the French General Tax Code, that no dividend was distributed for the fiscal years ended December 31, 2012, December 31, 2011 and December 31, 2010.

THIRD RESOLUTION

Renewal of a Director

The General Shareholders' Meeting, voting under the quorum and majority conditions for ordinary general meetings,

After having heard a reading of the Board of Directors' management report, acknowledging that the term of the Director's office of Mr. Michael S. Anderson expires at the end of this meeting,

Decides to renew his office for one (1) year, to expire at the end of the General Shareholders' Meeting called on to approve the financial statements for the fiscal year ending December 31, 2013.

Michael S. Anderson has declared that he has complied with all the conditions required by applicable laws and regulations in order to hold such office.

FOURTH RESOLUTION

Renewal of a Director

The General Shareholders' Meeting, voting under the quorum and majority conditions for ordinary general meetings,

After having heard a reading of the Board of Directors' management report, acknowledging that the term of the Director's office of Mrs. Catherine Bréchnac expires at the end of this meeting,

Decides to renew her office for one (1) year, to expire at the end of the General Shareholders' Meeting called on to approve the financial statements for the fiscal year ending December 31, 2013.

Catherine Bréchnac has declared that she has complied with all the conditions required by applicable laws and regulations in order to hold such office.

FIFTH RESOLUTION

Renewal of a Director

The General Shareholders' Meeting, voting under the quorum and majority conditions for ordinary general meetings,

After having heard a reading of the Board of Directors' management report, acknowledging that the term of the Director's office of Mr. Guillaume Cerutti expires at the end of this meeting,

Decides to renew his office for one (1) year, to expire at the end of the General Shareholders' Meeting called on to approve the financial statements for the fiscal year ending December 31, 2013.

Guillaume Cerutti has declared that he has complied with all the conditions required by applicable laws and regulations in order to hold such office.

SIXTH RESOLUTION

Renewal of a Director

The General Shareholders' Meeting, voting under the quorum and majority conditions for ordinary general meetings,

After having heard a reading of the Board of Directors' management report, acknowledging that the term of the Director's office of Francis J.T. Fildes expires at the end of this meeting,

Decides to renew his office for one (1) year, to expire at the end of the General Shareholders' Meeting called on to approve the financial statements for the fiscal year ending December 31, 2013.

Francis J.T. Fildes has declared that he has complied with all the conditions required by applicable laws and regulations in order to hold such office.

SEVENTH RESOLUTION

Renewal of a Director

The General Shareholders' Meeting, voting under the quorum and majority conditions for ordinary general meetings,

After having heard a reading of the Board of Directors' management report, acknowledging that the term of the Director's office of Ambassador Craig Stapleton expires at the end of this meeting,

Decides to renew his office for one (1) year, to expire at the end of the General Shareholders' Meeting called on to approve the financial statements for the fiscal year ending December 31, 2013.

Ambassador Craig Stapleton has declared that he has complied with all the conditions required by applicable laws and regulations in order to hold such office.

EIGHTH RESOLUTION

Renewal of a Director

The General Shareholders' Meeting, voting under the quorum and majority conditions for ordinary general meetings,

After having heard a reading of the Board of Directors' management report, acknowledging that the term of the Director's office of Elie Vannier expires at the end of this meeting,

Decides to renew his office for one (1) year, to expire at the end of the General Shareholders' Meeting called on to approve the financial statements for the fiscal year ending December 31, 2013.

Elie Vannier has declared that he has complied with all the conditions required by applicable laws and regulations in order to hold such office.

NINTH RESOLUTION

Renewal of a Director

The General Shareholders' Meeting, voting under the quorum and majority conditions for ordinary general meetings,

After having heard a reading of the Board of Directors' management report, acknowledging that the term of the Director's office of Stephen H. Willard expires at the end of this meeting,

Decides to renew his office for one (1) year, to expire at the end of the General Shareholders' Meeting called on to approve the financial statements for the fiscal year ending December 31, 2013.

Stephen H. Willard has declared that he has complied with all the conditions required by applicable laws and regulations in order to hold such office.

TENTH RESOLUTION

Determination of the annual amount of Directors' attendance fees (jetons de presence)

The General Shareholders' Meeting voting under the quorum and majority conditions for ordinary general meetings,

After having heard a reading of the Board of Directors' management report,

Decides to allocate to the Board of Directors, under condition of adoption of resolution three to nine, a maximum aggregate amount two thousand twenty five hundred Euros (EUR 225,000) as annual attendance fees for the fiscal year ending December 31, 2013.

The General Shareholders' Meeting acknowledges that the Board will determine the allocation and payment date of said attendance fees.

ELEVENTH RESOLUTION

Approval of agreements referred to in article L.225-38 et seq. of the French Commercial Code

The General Shareholders' Meeting voting under the quorum and majority conditions for ordinary general meetings,

After having heard a reading of statutory auditor's special report regarding the agreements referred to in article L.225-38 et seq. Of the French Commercial Code,

Approves the agreements entered into or previously authorized and which remained into force during the fiscal year ended December 31, 2012, together with the transactions mentioned therein.

**- RESOLUTIONS WITHIN THE COMPETENCE OF THE EXTRAORDINARY GENERAL
SHAREHOLDERS' MEETING -**

TWELFTH RESOLUTION

Authorization to be granted to the Board of Directors to allocate six hundred thousand (600,000) stock options and taking note of the resulting capital increases.

The General Shareholders' Meeting, deliberating under the conditions of quorum and majority required for Extraordinary General Meetings,

After having heard a reading of the report of the Board of Directors and of the special report of the Statutory Auditor,

In accordance with Articles L.225-177 et seq. of the French Commercial Code,

1. Decides to authorize the Board of Directors to grant in one or several times, for the benefit of employees of the Company or of some of them, as well as for the benefit of executive officers, as referred to in Article L.225-185 paragraph 4 of the French Commercial Code, a maximum number of six hundred thousand (600,000) options granting a right to subscription to the Company's shares to be issued as a capital increase of the Company.
2. Decides that each option shall entitle to the subscription for one (1) ordinary share of the Company and that the subscription price of each share by the beneficiaries of the options, which shall be determined by the Board of Directors on the date when such options are granted by the Board, will be the closing market price for the share, in the form of ADS, on the NASDAQ Global Market, on the day preceding the date of the meeting of the Board of Directors, provided that such price shall not be less than 80% of the average of the closing market price for the share on the NASDAQ Global Market, in the form of ADS, during the last twenty trading days preceding the meeting. In this case, the price for the share shall be equal or superior to 80% of the average of the closing market price for the share on the NASDAQ Global Market, in the form of ADS, during the last twenty trading days preceding the meeting. The price of the shares, thus determined by the Board of Directors, may not subsequently be modified during the option period. However, in accordance with Article L.225-181 paragraph 2 of the French Commercial Code, when the Company conducts a share capital redemption or a share capital reduction, a change in the profit distribution, a free allocation of shares, an incorporation of reserve, profit, share premium to the share capital, a distribution of reserves or any issue of shares or of securities giving right to the allocation of shares with a preferential right to subscribe shares reserved to the shareholders, the Company shall take all necessary measures to protect the interests of the options beneficiaries pursuant to article L.228-99 of the French Commercial Code.
3. Decides that the options shall be exercised within a maximum ten-year term as from the date they were granted by the Board of Directors.
4. Decides to authorize the Board of Directors and to grant it all powers in order to:
 - (i) set the terms and conditions of grant of the options, freely determine the beneficiaries of such options, subject to the provisions of applicable laws and regulations, and, within such framework, if it considers it appropriate, set the obligation for each beneficiary to be an employee of the Company and/or of the companies referred to in Article L.225-180-I of the French Commercial Code, and/or to be an officer of the Company within the meaning of Article L.225-185 paragraph 4 of the French Commercial Code, at the time of the exercise of the options;

- (ii) set, if it considers it appropriate, a period of untransferability of the subscribed shares, in accordance with the conditions provided by applicable laws and regulations,
 - (iii) set the subscription price of the shares to which the options thus granted give right, in accordance with the terms and conditions determined by the Extraordinary General Shareholders' Meeting,
 - (iv) set the exercise period(s) of the options thus granted, subject to the prohibitions and/or limitations provided by applicable laws and regulations and the by-laws in this regard, at the times that it will deem to be appropriate.
5. Decides to authorize the Board of Directors and to grant it all powers for the purpose of issuing a maximum of 600,000 shares with a nominal value of EUR 0.12196, and accordingly, increasing the share capital in a maximum nominal amount of EUR 73,176.00.
6. Acknowledges that, in accordance with Article L.225-178 paragraph 1 of the French Commercial Code, the authorization thus granted to the Board of Directors entails, for the benefit of options beneficiaries, express waiver, by the shareholders, of the preferential right to subscribe for the shares that will be issued subsequently to the exercise of options.
7. Decides accordingly to authorize the Board and to grant it all powers in order to:
- (i) Receive the subscriptions and related payments,
 - (ii) Deposit the funds in a bank account in accordance with the law,
 - (iii) Acknowledge the number of shares issued as a consequence of the exercises of the options granted, in accordance with the provisions of Article L.225-178 paragraph 3 of the French Commercial Code, to amend the by-laws accordingly and, more generally,
 - (iv) Take all measures necessary to implement the capital increase and complete all formalities required by law.
8. Decides that this authorization is granted for a term thirty eight months (38) months starting from the date of this General Shareholders' Meeting;
9. Acknowledges that, in the event that the Board of directors should make use of this authorization, it shall inform the ordinary general meeting each year of the operations performed by virtue of the provisions stipulated in articles L.225-177 to L.225-186 of the French commercial code pursuant to the conditions stipulated by article L.225-184 of said code.

THIRTEENTH RESOLUTION

Authorization to be granted to the Board of Directors to allocate two hundred thousand (200,000) existing or to be issued shares at no cost ("free shares") and establishment of the subsequent capital increases.

The General Meeting, deliberating under the conditions of quorum and majority required for Extraordinary General Meetings,

After hearing the reading of the report by the Board of Directors and the audit report by the Statutory Auditors,

In application of Articles L.225-197-1 et seq. of the French Commercial Code:

1. Decides to authorize the Board of Directors for a term of thirty eight months to proceed, in one or several times, with the free allocation of the Company's shares, existing or to be issued, for the benefit of the employees of the Company or the companies and the economic interest groupings which are linked to it pursuant to the conditions stipulated in Article L.225-197-2 of the French Commercial Code or for the benefit of the company managers referred to in Article L.225-197-1, II of the French Commercial Code;
2. Decides that the Board of Directors shall determine the identity of the beneficiaries, who can be employees or certain categories thereof of both the company and the companies which are affiliates, pursuant to the conditions of Article L.225-197-2 of the French Commercial Code and/or the company managers who meet the conditions of Article L.225-197-1 of the French Commercial Code;
3. Decides that the Board of Directors shall determine the conditions and, where appropriate, the criteria for allocation of the shares;
4. Decides that the total number of shares freely allocated is fixed at two hundred thousand shares (200,000), excluding adjustment of this number in order to take account of the operations necessary for preserving the rights of the beneficiary. In any event, the number of shares that can be allotted free of charge by the Board by virtue of the present delegation cannot exceed ten percent (10%) of the registered capital existing on the day of the first allocation;
5. Decides that allocation of the shares to French tax resident beneficiaries will be definitive only on expiry of a minimum acquisition period of two (2) years and that the minimum duration of the beneficiary's obligation of conservation at the end of the acquisition period is fixed at two (2) years, the Board of Directors having the option of extending either of the time limits. Nonetheless, the shares will be definitively allocated prior to expiry of this period in the event of disability of the beneficiary corresponding to classification in the second or third of the categories provided for in Article L.341-4 of the French Social Security Code;
6. Decides, in dispensation from the above, that beneficiaries who are not residents of France on the allocation date, for whom the taxable event coincides with the end of the acquisition period, will be allocated the shares definitively on expiry of a minimum acquisition period of four (4) years, except in the event of disability, as stated above. The securities will not then be subject to a holding period.
7. Acknowledges that, in accordance with Article L.225-197 paragraph 4 of the French Commercial Code, the authorization thus granted to the Board of Directors entails, for the benefit of free shares beneficiaries, express waiver, by the shareholders, of the preferential right to subscribe for the shares that will be issued subsequently to the definitive acquisition of the free shares.
8. Acknowledges that, concerning the shares to be issued, the present decision will include, at the end of the acquisition period, a capital increase through incorporation of reserves, profits or share premiums in favor of the beneficiaries of said shares and correlative renunciation by the shareholders in favor of said beneficiaries to the part of the reserves, profits or premiums thus incorporated;
9. Delegates all powers to the Board of directors in order to implement the present authorization within the limits fixed above and thus determine the effects on the rights of the beneficiaries of the operations modifying the capital or likely to influence the value of the shares to be allotted and realized during the periods of acquisition and conservation; where appropriate, to establish the existence of sufficient reserves and proceed, at the time of each allotment, with transfer to a non-available reserves account of the sums required for paying up the new shares to be allotted; to decide on capital increase(s) through the incorporation of reserves, premiums or profits correlative to the issuance of new shares allotted free of charge; to proceed with acquisitions of the necessary shares by means of offers of sale made to all shareholders proportionally to the number of ordinary shares held by each of them; to take all useful measures for ensuring compliance with the obligation of conservation required of the beneficiaries; and, generally, to do everything, within the scope of the regulations in force, that the implementation of the present authorization will require;

10. Decides that this authorization is granted for a term thirty eight months (38) months starting from the date of this General Shareholders' Meeting;
11. Acknowledges that, in the event that the board of directors should make use of this authorization, it shall inform the ordinary general meeting each year of the operations performed by virtue of the provisions stipulated in articles L.225-197-1 to L.225-197-3 of the French commercial code pursuant to the conditions stipulated by article L.225-197-4 of said code.

FOURTEENTH RESOLUTION

Authorization to be granted to the Board of Directors for issue of a maximum number of three hundred thousand (300,000) stock warrants (BSA) reserved for a category of persons defined by the fifteenth resolution; authorization to be granted to the Board of Directors for carrying out the resulting capital increases.

The General Shareholders' Meeting, voting under the quorum and majority requirements for extraordinary general meetings,

After having heard a reading of the Board of Directors' report and Statutory Auditor's special report, acknowledging that the share capital of the Company is fully paid up,

In accordance with the provisions of Articles L.225-138 and L.228-91 *et seq.* of the French Commercial Code,

1. Decides to authorize the Board to issue, on one or more occasions, in the proportion and at the time of its choice, a maximum of three hundred thousand (300,000) stock warrants (BSA) representing three hundred thousand (300,000) new ordinary shares, in the form of American Depositary Shares (ADS), for a subscription price, per one stock warrant, which shall be one tenth (10%) of the average market price of the share, in the form of ADS, on the NASDAQ, on the closing of the trades on the twenty days preceding the decision of the Board to issue such stock warrants (BSA).
2. Decides that the approximate maximum nominal amount of capital increase which may be realized, immediately or overtime, under the present decision and in accordance with the provisions of Article L.228-91 of the French Commercial Code, is EUR 36,588.00, representing the issuance of 300,000 ordinary shares of a nominal value of EUR 0.12196, without taking into account, as the case may be, any additional shares that may be issued to protect the interests of the warrants' holders pursuant to the provisions of Article L.228-99 of the French Commercial Code;
3. Decides that the subscription price of stock warrants (BSA) have to be fully paid up on the date of their subscription in cash or by off-set against outstanding receivables, as provided by law and as determined by the Board. The subscription amount of these stock warrants (BSA), if any, will be registered in a special reserve account labelled "issue premium" which will carry rights for all shareholders;
4. Decides that each stock warrant (BSA) will give its holder, subject to the terms and conditions set forth hereafter and in the Board's decision to issue the stock warrants (BSA), the right to subscribe to one (1) ordinary share of the Company for an exercise price which shall be the market price for the share, in the form of ADS, on the NASDAQ, on the closing of the trades on the day preceding the decision of the Board to issue such stock warrants (BSA), provided that such price shall not be less than 80% of the average of the market price for the share on the NASDAQ, in the form of ADS, during the last twenty trading days preceding such Board's decision. In this case, the price for the share shall be equal to 80% of the average of the market price for the share on the NASDAQ, in the form of ADS, during the last twenty trading days preceding such Board's decision;

5. Resolves that the shares thus subscribed upon exercise of the stock warrants (BSA) will have to be fully paid up on the date of their exercise in cash;
6. Decides that each warrant (BSA) shall be exercised by its holder in accordance with the conditions set forth by the Board's decision to issue the stock warrants (BSA), provided that such exercise shall occur within four (4) years from the issuance date and that the holder is still an active member of the Scientific Advisory Board or a Director of the Company on the day of such exercise; being specified that, in the case of Directors, the BSA holders will have the right to retain the possibility to exercise their BSA even if they are no longer a Director of the Company, provided they notify the Company within three (3) months of having left their position as a Director and in paying simultaneously to the Company an additional subscription price of EUR 0.01 per BSA; if its holder fails to exercise the warrant in whole or in part at the expiry of the above mentioned period, the stock warrants (BSA) and the attached right to subscribe will automatically be void and null;
7. Decides that, upon issuance of the stock warrants (BSA), the Company shall be entitled to modify its form or its business purpose, modify the rules regarding the distribution of its profits, redeem its capital, create preferred shares resulting in such a change or redemption, subject to meeting the obligations of Article L.228-99 of the French Commercial Code;
8. Decides that, in the event the Company issues, under any circumstances, new shares with a preferential right to subscribe reserved to its shareholders, or if the Company conducts a distribution of its reserves, in cash or in kind, and of its share premiums or if the Company changes the allocation of its profits through the issuance of preferred shares, the Company will take all the necessary measures to protect the interests of the holders of the stock warrants (BSA) pursuant to the provisions of Article L.228-99 of the French Commercial Code;
9. decides that, in the case of a capital reduction, whether or not motivated by losses, and conducted through either a decrease of the shares' value or a decrease of the shares' number, the rights of the holders of the stock warrants (BSA) will be decreased accordingly as if they had been exercised before the date on which the capital decrease has become final;
10. acknowledges that, pursuant to the provisions of Article L.228-103 et seq. of the Commercial Code, the warrants' holders will all be grouped together in order to defend their common interests, in an assembly (a "masse") with a civil personality. General warrants holders meetings will be convened to authorize any changes in the issuance terms and conditions and to decide on any decision regarding the conditions of subscription or allocation of the shares as set forth at the time issuance took place. Each warrant will give access to one voting right. The conditions regarding the quorum and the majority will be those determined in the second and third paragraph of Article L.225-96 of the Commercial Code. The expenses incurred in connection with such meetings, as well as, generally, any expenses in connection with the assembly ("masse") will be borne by the Company;
11. decides that the new shares remitted to the subscriber on exercise of the stock warrants (BSA) will be subject to all the provisions of the bylaws of the Company and will carry distribution rights from the date of their issuance;
12. decides that this authorization is granted for a term of eighteen (18) months starting from the date of this General Shareholders' Meeting;

13. decides to grant the Board of Directors all necessary powers to implement this decision under the terms and conditions set forth in the present resolution and by law, and in particular:
- (i) to issue and determine the subscription price of the stock warrants (BSA)
 - (ii) to determine the beneficiaries amongst the category defined by this resolution,
 - (iii) to determine the exercise price of the shares to be issued upon exercise of the stock warrants (BSA) in accordance with terms and conditions set by the present resolution, the dates, periods and conditions of exercise and final details of the issuance within the limits laid down by this general meeting of shareholders and to allocate the issue premium, as the case may be,
 - (iv) to close the subscription period early or extend its date, if required,
 - (v) to gather the subscriptions to the stock warrants (BSA) by the stock warrants' holder(s) and payments in respect of the subscription for the aforementioned stock warrants (BSA),
 - (vi) to record the number of shares issued due to exercise of the stock warrants (BSA), to carry out the formalities resulting from the corresponding capital increases and to make the related modifications of the by-laws,
 - (vii) to take any steps to ensure protection of the holder(s) of stock warrants (BSA) in case of a financial operation concerning the Company, this pursuant to the legal and regulatory provisions in effect, and generally,
 - (viii) to take all steps and to carry out all formalities that are useful in connection with the present issuance.
14. Acknowledges that the Board of Directors, when it uses this authorization, will provide a special report to the next General Meeting which indicates the final terms and conditions of the operation; such report will be put at the shareholders' disposal at the company's head office within fifteen (15) days following the meeting of the Board of Directors at the latest; a special report will be also issued by the Statutory Auditors.

FIFTEENTH RESOLUTION

Cancellation of the preferential right of subscription attributed to the shareholders with respect to the capital increase set forth in the fourteenth resolution to the benefit of a category of persons consisting of the Company's directors and Scientific Advisory Board's members who are neither authorized agents nor employees of the company, but including the Chairman of the Board of Directors.

The General Shareholders' Meeting, voting under the quorum and majority requirements for extraordinary general meetings,

After having heard a reading of the Board of Directors' report and Statutory Auditor's special report, acknowledging that the share capital of the Company is fully paid up,

In accordance with the provisions of Articles L.225-138 and L.228-91 *et seq.* of the French Commercial Code,

1. Decides to cancel the preferential right of subscription attributed to the shareholders to the shares which could be issued upon exercise of the 300,000 stock warrants issued under the fourteenth resolution of the General Shareholders Meeting and to reserve the subscription of such stock warrants (BSA), to the following category of beneficiaries:

- Directors of the Company who are not officers and/or employees of the Company, but including the Chairman of the Board of Directors; and/or,
 - Scientific Advisory Board's members who are neither directors nor employees of the Company
2. Grants the Board of Directors all necessary powers to determine the beneficiaries amongst the category defined by this resolution and the exact number of stock warrants to be issued, up to a limit of a nominal amount of EUR 36,588.00.

SIXTEENTH RESOLUTION

Authorization to be granted to the Board of Directors for issue of a maximum number of two hundred thousand (200,000) ordinary shares of a nominal value of EUR 0.12196, in the form of American Depositary Shares (ADS), reserved for a category of persons defined by the seventeenth resolution; authorization to be granted to the Board of Directors for carrying out the resulting capital increases.

The General Shareholders' Meeting, voting under the quorum and majority requirements for extraordinary general meetings,

After having heard a reading of the Board of Directors' report and Statutory Auditor's special report, acknowledging that the share capital of the Company is fully paid up,

In accordance with the provisions of Articles L225-129, L.225-129-2, L.225-138 and *seq.* of the French Commercial Code,

1. Decides to authorize the Board to issue, on one or more occasions, in the proportion and at the time of its choice, a maximum of two hundred thousand (200,000) new ordinary shares, in the form of American Depositary Shares (ADS);
2. Decides that the subscription price will be fully paid up by off-set against outstanding receivables which shall correspond to the value of the assets sold or transferred to the Company by the subscribers, who are beneficiaries of cancellation of the preferential right of subscription set forth in the seventeenth resolution.
3. Decides that the acquisition price of such will be calculated on the basis of a valuation made by an independent evaluator.
4. Decides that the approximate maximum nominal amount of capital increase which may be realized, immediately or overtime, under the present decision, is EUR 24,392.00, representing the issuance of two hundred thousand (200,000) ordinary shares of a nominal value of EUR 0.12196;
5. Decides that, in accordance with article L225-138 II of the French Commercial Code that the issue price of one (1) ordinary share of the Company shall be the market price for the share, in the form of ADS, on the NASDAQ, on the closing of the trades on the day preceding the decision of the Board to issue such Reserved Shares, provided that such price shall not be less than 80% of the average of the market price for the share on the NASDAQ, in the form of ADS, during the last twenty trading days preceding such Board's decision. In this case, the price for the share shall be equal to 80% of the average of the market price for the share on the NASDAQ, in the form of ADS, during the last twenty trading days preceding such Board's decision;
6. Decides that the Reserved Shares will be subject to all the provisions of the bylaws of the Company and will carry distribution rights from the date of their creation;

7. Decides that this authorization is granted for a term of eighteen (18) months starting from the date of this General Shareholders' Meeting;
8. Decides to grant the Board of Directors all necessary powers to implement this decision under the terms and conditions set forth in the present resolution and by law, and in particular:
 - (i) set the terms and conditions of issuance, subscription and vesting of such Reserved Shares, within the limits laid down by this general meeting of shareholders,
 - (ii) determine the beneficiaries of such Reserved Shares amongst the category defined by this resolution and the number of ordinary shares to be issued,
 - (iii) limit the amount of the capital increase to the amount of the subscriptions collected, provided such amount is equal to or above three quarters (3/4) of the capital increase,
 - (iv) where appropriate, increase, within the limit of 15% of the initial issue, the number of shares to be issued, in accordance with Article L.225-135-1 of the French Commercial Code, should the Board acknowledges an excess demand;
 - (v) to record the number of shares issued, to carry out the formalities resulting from the corresponding capital increases and to make the related modifications of the articles of association,
 - (vi) deduct from the "issuance premiums" account the amount of the expenses relating to these share capital increases and charge, if it deems fit, on this account the necessary amounts to increase the legal reserve to one tenth of the new share capital after each issuance,
 - (vii) to prepare and file, with assistance from the Company's officers and outside advisors, a registration statement with the United States Securities and Exchange Commission to register the ADS to be issued upon issuance of any Reserved Shares
 - (viii) to take all steps and to carry out all formalities that are useful in connection with the present issuance.
9. Acknowledges that the Board of Directors, when it uses this authorization, will provide a supplementary report to the next General Meeting which indicates the final terms and conditions of the operation; such report will be put at the shareholders' disposal at the company's head office within fifteen (15) days following the meeting of the Board of Directors at the latest; a supplementary report will be also issued by the Statutory Auditors.

SEVENTEENTH RESOLUTION

Cancellation of the preferential right of subscription attributed to the shareholders with respect to the capital increase set forth in the sixteenth resolution to the benefit of a category of persons consisting of any person or company having sold or transferred to the Company asset(s), including any shares, representing immediately or overtime, their ownership or voting rights in any commercial enterprise.

The General Shareholders' Meeting, voting under the quorum and majority requirements for extraordinary general meetings,

After having heard a reading of the Board of Directors' report and Statutory Auditor's special report, acknowledging that the share capital of the Company is fully paid up,

In accordance with the provisions of Articles L.225-129, L.225-129-2, L.225-132 and L.225-138 of the French Commercial Code,

1. Decides to cancel the preferential right of subscription attributed to the shareholders to the shares which could be issued under the sixteenth resolution of the General Shareholders Meeting and to reserve the subscription of such shares, to the following category of beneficiaries: any person or company having sold or transferred to the Company asset(s), including any shares, representing immediately or overtime, their ownership or voting rights in any commercial enterprise
2. Grants the Board of Directors all necessary powers to determine the beneficiaries amongst the category defined by this resolution and the exact number of stock warrants to be issued, up to a limit of a nominal amount of EUR 24,392.00.

EIGHTEENTH RESOLUTION

Authorization to be granted to the Board of Directors to increase the share capital by issuing of shares reserved for the members of a company savings plan established in application of Articles L.3332-18 et seq. of the French Labor Code.

The General Shareholders' Meeting, voting under the quorum and majority requirements for extraordinary general meetings, after having heard a reading of the Board of Directors' report and Statutory Auditor's special report, acknowledging that the share capital of the Company is fully paid up,

In accordance with the provisions of Articles L.225-129, L.225-129-1, L.225-129-6 and L.225-138-1 of the French Commercial Code and Article L.3332-18 et seq. Of the French Labor Code,

1. Authorizes the Board of Directors to carry out, on one or more occasions, on its own resolution, an increase of the share capital, through the issuance of shares reserved, directly or through an Employee Profit Sharing FCP ("*Plan Epargne entreprise*"), to members of a company sponsored saving plan, as provided for in Article L.3332-1 et seq. Of the Labor Code, for employees of the Company or its affiliates, as defined under Article L.225.180 of the French Commercial Code, who shall meet additional criteria to be defined by the Board, if any (the "Group Employees");
2. Decides that this authorization is granted for a term of twenty-six (26) months starting from the date of this General Shareholders' Meeting;
3. Decides to set at 1% of the share capital, as of the date of this meeting, the issuance of shares that could result from the use of this authorization;
4. Decides that the subscription price per share for the shares to be issued in accordance with this authorization shall be determined by the Board of Directors in accordance with Article L.3332-20 of the French Labor Code;
5. Decides to grant the Board of Directors with all powers necessary to implement this resolution in accordance with applicable laws and regulations, and subject to the limitations and conditions specified above;
6. Acknowledges that, in the event the Board uses this authorization, it shall so inform the next ordinary general meeting of the shareholders of the operations in accordance with applicable laws and regulations.

NINETEENTH RESOLUTION

Cancellation of the preferential right of subscription attributed to the shareholders with respect to the capital increase set forth in the eighteenth resolution to the benefit of a category of persons consisting of employees of the Company.

The General Shareholders' Meeting, after having heard a reading of the Board of Directors' report and Statutory Auditor's special report, decides to cancel, to the benefit of those Group Employees (as defined above), the preferential subscription rights of the shareholders to the shares to be issued under the eighteenth resolution;

TWENTIETH RESOLUTION

Powers for formalities.

The General Shareholders' Meeting grants a power of attorney to the bearer of an original, an extract or a copy hereof, in order to effect all publication, filing and other formalities required by law.

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FLAMEL TECHNOLOGIES

Société Anonyme with a share capital of Euros 3,099,662

Registered Office :

Parc Club du Moulin à Vent
33, avenue du Docteur Georges Lévy
69693 VENISSIEUX (France)

379 001 530 R.C.S. LYON

MANAGEMENT REPORT BY THE BOARD OF DIRECTORS

TO THE ORDINARY SHAREHOLDERS MEETING

HELD ON JUNE 20, 2013

To the Shareholders,

Pursuant to French law and the Company's Articles of Incorporation, the Board of Directors has called an ordinary shareholders meeting to present to you the report concerning FLAMEL's ("the Company") situation and business during the financial year ending on December 31, 2012 (the "Financial Year") and to submit the annual financial statements concerning the said Financial Year for your approval.

In addition, we propose to you that you renew the terms of the directors for the coming year.

At the Ordinary shareholders meeting, the auditor's reports will be read to you.

The auditor reports, the annual financial statements, as well as all documents relating thereto have been made available to you at the Company's registered office according to legal and regulatory requirements.

The annual financial statements presented to you have been established in accordance with French accounting laws, principles and methods.

Please note that the accounting methods used to prepare these annual financial statements are the same as the ones used for previous financial years.

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I. THE COMPANY'S ACTIVITY

Flamel Technologies is a specialty pharmaceutical company with a long history of expertise in drug delivery, focusing on the development of safer and more efficacious formulations, tackling unmet medical needs in the process. We are focusing on (i) the development and licensing of five versatile, proprietary drug delivery platforms (ii) the development of novel, high-value products based on our drug delivery platforms and (iii) as a result of our acquisition of Éclat the development, approval, and commercialization of niche branded and generic pharmaceutical products in the U.S.

We acquired, through our wholly owned subsidiary Flamel US Holdings, Inc. ("Flamel US"), all of the membership interests of Éclat Pharmaceuticals, LLC from Éclat Holdings, LLC (subsequently renamed Breaking Stick, LLC), an affiliate of our largest shareholder Deerfield Capital L.P. in March 2012. Éclat Pharmaceuticals, LLC is in St. Louis, Missouri, US. It has focused on pursuing FDA approvals through the 505(b)(2) regulatory mechanism and adds marketing and licensing knowledge of the commercial and regulatory process in the U.S., which we believe will enhance the ability of the Company to identify potential product candidates for development, leverage new opportunities for the application of our drug delivery platforms, and to license and market products in the United States.

As a result of our acquisition of Éclat, we have implemented an altered business model allowing the Company to blend novel, high-value internally developed products with its leading drug delivery capabilities and to commercialize niche branded and generic pharmaceutical products in the US. By adopting this revised strategy, the company should become less dependent in the future on the often changing strategies of its partners. Our core strength is as a science-based, market-focused innovator of drug delivery platforms and products. The key elements of our strategy that enable us to build upon our strengths are:

- to maximize the potential of our existing drug delivery platforms;
- to develop additional drug delivery platforms;
- to develop proprietary and new formulations of compounds; and,
- to leverage capabilities of our drug delivery platforms with pharmaceutical partners.

The addition of Éclat Pharmaceuticals creates a more vertically integrated business model. The company will be less dependent in the future on the often, changing strategies of its partners and while it continues to explore development, supply and licensing opportunities for its drug delivery platforms with third parties, these will not be the sole source of revenue and profit opportunities.

II. RESULTS OF THE FINANCIAL YEAR ACTIVITY

The following results have been prepared in accordance with French accounting standards, which have been applied consistently with prior year.

1. Income Statement

Revenues for fiscal year 2012 amount to 17.2 million €, compared with 22.5 million € in 2011. The 2012 revenues include 7.1 million € in product sales, 0.5 million € of License revenue, 4.1 million € of Research revenue and 5.5 million € in Royalties.

Payroll, including social charges, representing 47.4 % of total operating expenses, increased by 1.3 % in 2012 to 17.4 million €, compared with 17.2 million € in 2011. Despite the reduction in personnel over the last few years, the increase in payroll costs is due to the one-off severance charges incurred in March 2012 subsequent to the departure of our former CEO.

Operating expenses has remained stable in relation to the previous year (-0.81%) as we have maintained tight cost controls in an attempt to align and adapt our costs to the revenue stream.

Financial net income, standing at 112,861 € in 2012, is generated from interest earned from investing our available cash off set by realized and unrealised foreign exchange losses.

Net loss before taxes and extraordinary income in 2012 amounted to (18.7) million €, compared with a loss of (13.1) million € in 2011.

After accounting for an extraordinary result of 1.3 million € and of a research tax credit amounting to 5.1 million €, the net loss for the financial year was (12,315,766) € compared to a net loss of (6,647,651) € in the previous financial year.

2 . Balance sheet

Assets

Total assets as of December 2012 amounted to 47.0 million €, including 15.0 million € in Property, Plant and Equipment and 31.2 million € in current assets.

Accounts receivable as of December 31, 2012 stood at 4.0 million €.

Treasury placements totalled 4.9 million € at the end of 2012, including funds invested on the money market (0.3 M€) and fixed term deposits (4.6 M€), to be compared with 16.3 million € at the end of 2011.

Liabilities

Shareholders equity, including current year results, amounts to 22.3 million €.

Remaining liabilities amount to 24.7 million €, including 2.1 million € in accounts payable, 3.6 million € in conditional advances from the “French government” for R&D projects, 3.6 million € in social and tax liabilities and 9.6 million € regarding advances received in 2012 from OSEO, a French government agency, secured against Research and Development tax credits from 2010 and 2011.

3 . Capital Investments

Capital investments during the financial year amounted to 0.9 million €, mainly for on-going requirements in R&D equipment and facilities maintenance.

4 . Financing

The Company made no significant external financing transactions during the 2012 fiscal year.

The financial statements are subject to shareholders’ approval at the Ordinary shareholders meeting. (*First resolution*)

III. ALLOCATION OF EARNINGS

The financial statements as presented to you show a net loss for the financial year of (12,315,766.04) €.

We propose to you to allocate this entire loss of (12,315,766.04) € to the retained earnings account, which, following that allocation, will amount to (122,076,812) € (*Second resolution*).

IV. DIVIDENDS PAID FOR THE LAST THREE FINANCIAL YEARS AND THE CORRESPONDING TAX CREDIT

We inform you, pursuant to Article 243 bis of the General Taxation Code, that no dividends were distributed during the last three financial years.

V. NON DEDUCTIBLE CHARGES

During the financial year 2012 the company recorded 30,634 € in excess depreciation that is not tax-deductible.

In the 2012 financial year the company also incurred 230,243.00 € in Directors attendance fees that are not tax deductible.

VI. PAYMENT TERMS

Since January 1, 2009, the French law « Loi de Modernisation de l'Economie (LME) » requires a reduction and harmonization of payment terms.

The new laws on maximum payment terms are applicable to all economic entities.

The payment terms applied by the Company were for the most part in compliance with the law. Payment terms of accounts payable in each of the last two financial years were as follows:

Accounts Payable in each of the last two financial years

| | <u>31/12/2011</u> | <u>31/12/2012</u> |
|---------------------------------------|-------------------|-------------------|
| Total Accounts Payable in k€ : | 892 K€ | 644 K€ |
| <u>Non past due Accounts</u> | | |
| <u>Payment Date</u> | | |
| < 30 days: | 82K€ | 83 K€ |
| Between 31 & 60 days: | 762K€ | 297 K€ |
| Between 61 days & 90 days: | - | 151 K€ |
| > 91 days: | - | - |
| <u>Past Due Accounts</u> | | |
| <u>Date past due</u> | | |
| < 30 days: | 4 K€ | 44 K€ |
| Between 31 & 60 days: | 1 K€ | 20 K€ |
| Between 61 days & 90 days: | - | - |
| > 91 days: | 43 K€ | 50 K€ |

VII. TABLE OF EARNINGS FOR THE LAST FIVE FINANCIAL YEARS

Pursuant to Article R 225-102 al 2 of the French Commercial Code, you will find attached the table summarizing the company's earnings in each of the last five financial years.

(Cf. Appendix 1)

VIII. PROGRESS MADE – DIFFICULTIES ENCOUNTERED

As expected, earnings for 2012, together with the level of cash at the end of 2011, enabled the Company to finance its activity and its development for the year ended December 31, 2012. Despite global economic uncertainties and upheaval in the pharmaceutical industry, the Company has pursued a change in its strategy to adapt to this environment.

Flamel Technologies continues to explore development, supply and licensing opportunities for its five drug delivery platforms with third parties, but will not rely completely on those partnerships to create revenue and profit opportunities. Over the course of 2011 and 2012, we have attempted to maintain a diversified revenue stream with pharmaceutical companies across diverse therapeutic areas and for both new and marketed molecules. In 2012 we have conducted a thorough review of our partnership projects and have sought to complement these with products that will be developed in-house, which will in turn provide diversified revenue sources in the future and less reliance on our partners for the success in bringing our technology to commercialized products. Maintaining a diversified product, project and customer portfolio is critical to our ongoing success and our goal is to retain a steady number of externally funded programs in our pipeline, while developing products in-house and leveraging revenues from the commercialization of niche branded and generic products in the U.S. provided to us by the Eclat acquisition.

As in previous years, in 2012 our scientists have been dedicated to executing the research programs signed with our partners and fundamental internal research programs, including those for which we have obtained government funding. The majority of these programs are early stage and pre-clinical programs. We added four internal proprietary products in to our programs in 2012 in addition to our partnered programs and continued fundamental research aimed at improving our drug delivery capabilities and offerings.

Business activities with Pharma and Biotech companies strongly depend on partners' corporate strategic priorities. Such arrangements generally include termination provisions in the event either party decides that, for strategic or other reasons, it does not wish to pursue the alliance.

In early 2012, we discontinued our Medusa platform collaboration with Pfizer following their decision not to pursue the development activities. In late 2012, we discontinued our Medusa platform collaboration with Merck Serono due to their decision not to pursue the development activities.

Where agreements provide for the possibility of future payments, there can be no assurance that the payments contemplated under these agreements will be paid, either at all or in part. Future payments are contingent upon a number of factors, such as clinical, regulatory and market success, that are subject to numerous risks and uncertainties and contemplated payments are neither indicative of the likelihood of receipt of such payments nor of a consistent or predictable future revenue stream.

Flamel also has several important programs that currently are not partnered. Our formulation of Interferon-Alpha XL, a long acting formulation of Interferon-Alpha, is one of our more important development programs and is an example of the potential of the Medusa platform to improve the safety and efficacy of therapeutic proteins. Interferon-alpha is a naturally occurring protein that the body uses as part of its immune response and which is part of the current standard of care for the treatment of Hepatitis C virus. We continue to explore licensing opportunities with interested parties for the further development of the Medusa platform with respect to interferon-alpha.

The lead product using our Micropump technology is Coreg CR[®], on which we commenced development with GSK in 2003. The product was approved in 2006 and is marketed and sold in the U.S. The supply agreement with GSK for the production of Coreg CR[®] microparticles was renewed in 2011 and we remain the sole supplier of Coreg CR[®] microparticles for GSK. Under the agreement, we will receive guaranteed minimum payments to supply Coreg CR[®] microparticles over a minimum period of five years. From January 1, 2013, GSK may terminate the agreement at their sole discretion by giving six months written notice. Revenues generated by Coreg CR[®] remain a significant portion of our revenue and revenues from GSK contributed to 61% of our revenues in 2012.

Through the acquisition of Éclat, we have gained a product portfolio of one FDA approved product that is currently marketed in the U.S., Hycet[®] (hydrocodone acetaminophen oral solution) as well as a portfolio of other products in various stages of development. On October 18, 2012, Flamel received FDA's acceptance for its first New Drug Application (NDA) for an undisclosed hospital-based product. Flamel has received a Prescription Drug User Fee Act (PDUFA) date, the target date for the FDA to complete its review of the NDA, of May 31, 2013.

Flamel's business is subject to substantial risks, including the uncertainties associated with the research and development of new products or technologies, the length and uncertainty linked to the results of clinical trials and regulatory procedures, uncertainties relating to collaborative arrangements with large companies, difficulties in the scale-up and manufacturing of its products, the uncertainty relating to the market acceptance of new products based on its technologies and uncertainties arising from the Éclat acquisition and the development and commercialization of its portfolio of products. The time required for the Company to achieve sustained profitability, and consequently, the amount of future losses, is highly uncertain. Operating losses may also fluctuate from quarter to quarter as a result of differences in timing of revenues recognized or expenses incurred. The risks facing the Company are described more fully under "Risk Factors" in the Company's Annual Report on Form 20-F for the year ended December 31, 2012 that has been filed with the U.S. Securities and Exchange Commission (SEC) and is publicly available.

Over 2012, our external project portfolio has continued to reduce resulting in the decrease in research and development revenues. Discussions on potential license and development agreements are typically a long process, but we remain committed to pursuing discussions with potential partners where we believe our strategies are aligned, our technology can provide value to our partner and our partner is in a position to finance the development and commercialization of the target product.

IX. GOALS AND PROSPECTS FOR THE COMPANY FOR 2013

The Company intends to pursue a strategy whereby three distinctive sources of revenue covering the short term, the mid-term and the long term will be pursued as opposed to one source of revenue from collaborative agreements, as was the case a year ago. The acquisition of Éclat in March 2012 has resulted in an altered business model allowing the Company to blend novel, high-value internally developed products with its leading drug delivery capabilities and to commercialize niche branded and generic pharmaceutical products in the U.S.

We expect our research and development costs to increase as we pursue the development of our own products. We completed a debt financing in February 2013 to support the development, regulatory approval and, if approved, commercial launch, of products currently under development by Éclat. Our subsidiary Éclat had one approval request accepted by FDA in October 2012, with a PDUFA date of May 2013. This NDA acceptance is an important milestone for our business and we believe it demonstrates the expanded capabilities of Flamel. This is the first of what we expect to be multiple new product applications to come from our internal pipeline over the next few years. If approved we anticipate generating revenue streams on these products in 2013 and beyond, which will be supplemented by further products from the Éclat business in 2014. Revenues from these products are expected to provide the necessary funds to pursue the development of our internal product portfolio based on our drug deliveries capabilities.

Flamel expects to maintain its investment in its research and development activities in line with the internal and external project portfolio, while being vigilant to ensure that investments in non-core activities are limited. In 2012, our investment in property and equipment was comparable with 2011, since investments were limited to our day to day needs. We continue to maintain an aggressive approach to cost controls and are committed to challenging our costs on non-core activities. As projects advance to later stage development we expect to see an increase in R&D expenditure, including regulatory costs and the payment of FDA filing fees, which are expected to be \$2 million for each product our subsidiary files with the FDA in the next twelve months.

X. THE COMPANY'S RESEARCH AND DEVELOPMENT ACTIVITIES

Flamel has developed and owned outstanding drug delivery platforms that are able to tackle key challenges in the formulation of drugs:

- For injectable formulations, Medusa[®] (and its application DeliVax[®]); and,
- For oral formulations, Micropump[®] (and its applications LiquiTime[®] and Trigger-Lock[™]).

Altogether, our innovative drug delivery platforms allow us to select unique product development opportunities, from the Life Cycle Management (LCM) of marketed products, including Biobetters, to the development of new compounds, biological or chemical (via NDA regulatory path). Competitive differentiated product profiles (e.g. improvement of efficacy and/or bioavailability and/or pharmacokinetics) are being developed by including our innovative drug delivery platforms in their formulations. Those product development opportunities offer the ability to grow market share and also protection of market position through patent extension and/or product differentiation (incl. new indications and new patient populations) in multiple marketplaces.

Micropump[®]:

The Micropump controlled-release drug delivery platform (**oral drugs**) is designed to increase the absorption time of drugs, particularly for drugs only absorbed in the small intestine. Micropump enables the achievement of precise pharmacokinetics. Micropump can be presented in various dosage forms such as capsules, tablets, sachets or oral suspensions (**LiquiTime[®]**) without modifying the release rate. Flamel has also developed another drug delivery platform for oral drugs, i.e. **Trigger Lock[™]** for the controlled release of narcotic and opioid analgesics while defeating most commonly employed methods of tampering.

Micropump[®] technology has successfully transitioned to commercial stage with Coreg CR[®], a Micropump-based controlled-release formulation of carvedilol phosphate, sold in the US since 2007 by GlaxoSmithKline (GSK).

We have licensed our Micropump[®] formulation of controlled release aspirin to New Haven Pharmaceuticals. Further, we have licensed the Micropump[®] platform for the development of a controlled release formulation of a central nervous system medication. From time to time we have conducted Micropump/LiquiTime[®] feasibility studies on other proprietary therapeutic compounds under confidential agreements with the pharmaceutical companies owning the rights to these compounds. A Trigger Lock[™] application is in co-development with a major pain therapy company.

In addition, as part of our new business model, and the building-up of an internal products portfolio, several products formulated using either Micropump[®] or LiquiTime[®] are under development at Flamel; other Trigger-Lock[™] based products are under consideration. Those products will be marketed either by the Company and/or by partners via licensing/distribution agreements.

Medusa®:

The Medusa drug delivery platform consists of proprietary hydrogels for the formulation and/or the extended release of a broad range of biologics (including proteins, antibodies, peptides and vaccines) and of small molecules (injectable drugs). The hydrogels, which are easy and cost effective to produce under EMA/FDA cGMP requirements, have been proven to be safe and biodegradable. A comprehensive ADME and regulatory toxicology package has been completed; a type IV Drug Master File (DMF) has been filed with the US FDA (assigned number 024634) in February 2011 and recently updated in February 2013. Medusa enables the controlled delivery from 1 day up to 14 days of non-denatured or non-modified drugs that remain fully active (as distinguished from protein engineering or chemical modification approaches). It is used to develop biobetters with potentially improved efficacy and reduced toxicity, as well as greater patient convenience. In addition, DeliVax®, Medusa's vaccine applications, permits the efficient formulation of vaccines or combinations of vaccines.

Several Medusa-based products have been successfully tested in clinical trials. We have feasibility study relationships with pharmaceutical and biotechnology partners. These projects involve both novel and already-marketed molecules. Flamel expects some of these projects to evolve into license agreements as a function of many factors. These include the promise of the molecule itself (particularly with respect to novel molecules there is a high rate of attrition); the success of formulation work that we conduct for our partners; the evolving strategy and marketing focus of our partners; and the pharmaco-economics associated with the eventual product and the indication(s) for which it is being developed.

In addition, as part of our new business model, and the building-up of an internal products portfolio, one particular Medusa-based product is under development at Flamel; several others are under consideration. Those products will be marketed either by the Company and/or by partners via licensing/distribution agreements.

Patents

In addition to seeking patent protection in the United States and France, to further protect the inventions that we consider important to the development of our business, we will generally file international patent applications pursuant to the Patent Cooperation Treaty (PCT) in Europe, Japan, Canada, and key foreign markets on a selective basis; therefore, in addition to the above-named countries, we also have patents granted or patent applications pending in a number of other countries, including Mexico, Brazil, China, India and South Korea.

In selected cases, an invention developed jointly by Flamel Technologies and a partner may be assigned to the partner. The information provided herein does not include such patent applications.

As of December 31, 2012, we owned approximately 23 U.S. and 366 foreign patents and 34 U.S. and 224 foreign patent applications. During 2012, we were granted forty-four (44) new patents and filed for one new patent application with the French Patent Office and the corresponding U.S. provisional patent applications.

XI. EMPLOYEES

As of 31 December 2012, there were 243 employees.

XII. CAPITAL

As of December 31, 2012, the Company's capital stood at 3,099,662 €, consisting of 25,415,400 shares, as a result of two capital increases (Cf appendix 2).

- The first as a result of the definitive grant as of December 10, 2012 of 258,150 shares following the grant of free shares to employees on December 10, 2008 for Non-French tax resident, on December 6, 2010 for French tax resident and on December 07, 2011 for 31,483.97 €
- The second, acknowledged by the Board of Directors on February 26, 2013 for 23,782.20 €, resulting from the issue of 195,000 shares subsequent to exercise of 195,000 stock options.

A total of 96.00 % of share capital is listed on Nasdaq in the form of ADS (through the Bank of New York).

XIII. MANAGEMENT OF THE COMPANY AND ITS BOARD

The duration of the term as a company director of Ms. Catherine Bréchnignac and Messrs Michael S. Anderson, Guillaume Cerutti, Francis J.T. Fildes, Craig Stapleton, Elie Vannier, and Stephen H. Willard expires at the end of the Ordinary shareholders meeting to which you are invited.

Consequently, we propose to you to renew the terms for a further year, for all Directors.

The directors' office will be renewed for a duration of one (1) year, namely until the Ordinary shareholders meeting to be held to approve the financial statements for the financial year ending on December 31, 2013. (*Third to ninth resolution*)

XIV. DETERMINATION OF THE DIRECTORS' ATTENDANCE FEES

In view of the Directors' participation and the level of their responsibilities, we propose to you that the amount of two hundred twenty five thousand euros (€ 225.000) be assigned to the Board of Directors as annual attendance fees, equivalent to the previous fiscal year and for which the distribution and breakdown thereof will be decided by the Board of Directors. (*Tenth resolution*)

XV. MANDATES AND FUNCTIONS EXERCISED IN ANY COMPANY, DURING THE PAST FINANCIAL YEAR, BY EACH OF THE COMPANY'S AUTHORIZED AGENTS

The Company's Board of Directors currently consists of eight members, seven of whom are outside directors and whom we believe bring broad experience to Flamel:

- Stephen H Willard, Chairman of the Board of Directors of the Company, who is former CEO of Flamel Technologies SA and director of ETRADE Financial Corporation.
- Michael S. Anderson, CEO of Flamel Technologies SA since March 2012 and CEO of Éclat Pharmaceuticals LLC since its creation in November 2010, former CEO of its generic business, former President and CEO of ETHEX Corporation and Ther-Rx Corporation, subsidiaries of KV Pharmaceuticals .
- Catherine Bréchnignac, Permanent Secretary for the French National Academy of Sciences, former Chairperson of the French National Centre for Scientific Research (CNRS), member of the American Academy of Arts and Sciences and French Ambassador for Sciences and Technology;
- Guillaume Cerutti, Chairman and Chief Executive Officer of Sotheby's France, former CEO of the French Directorate General for Competition, Consumer Affairs and Repression of Fraud, (Ministry of Finance and Economy), Chairman of the Board of the '*Institut de Financement du Cinéma et des Industries Culturelles*';

- Francis JT Fildes, former Senior Vice President: Head of Global Development for AstraZeneca, PLC, former Director of ProStrakan Pharmaceuticals PLC and Director of Fildes Partners Ltd, and a Fellow of the Royal Society of Medicine and the Royal Society of Chemistry;
- The Honorable Craig Stapleton, former United States Ambassador to France and Director of Carlisle Bank and Lead Director of Abercrombie and Fitch;
- Elie Vannier, former Group Managing Director of WALLY, former Chief Operating Officer of GrandVision SA and a current Director of Ingénico, Famar, Conbipel and Pharmacie Principale.

XVI. CONVENTIONS MENTIONED IN ARTICLES L 225-38 ET SEQ. OF THE CODE OF COMMERCE

Please note that the auditor has drawn up a special report, submitted to you, indicating that certain conventions mentioned in Articles L.225-38 et seq. of the Code of Commerce were concluded or renewed during the last financial year.

We ask you to approve and/or ratify, as the case may be, any convention mentioned in Articles L.225-38 et seq. of the Code of Commerce that have been concluded or renewed during the financial year, and which might appear in the auditor's report. (*Eleventh resolution*)

XVII. ACQUISITION OF SIGNIFICANT HOLDINGS IN COMPANIES HAVING THEIR REGISTERED OFFICES IN FRANCE AND ACQUISITIONS OF CONTROL

The Company has two direct wholly owned subsidiaries: Flamel US Holdings, Inc., a Delaware corporation, created for the acquisition of Éclat Pharmaceuticals in March 2012, and Flamel Technologies, Inc., a Virginia corporation.

Éclat Pharmaceuticals, LLC, a Delaware limited liability company, is a wholly owned subsidiary of Flamel US Holdings, Inc. Talec Pharma, LLC, a Delaware limited liability company, is a wholly owned subsidiary of Éclat Pharmaceuticals, LLC.

XVIII. EMPLOYEE SHAREHOLDING, DIRECTLY OR BY WAY OF A COMPANY INVESTMENT FUND OR SAVINGS PLAN

As of December 31, 2012, employees directly held 877,669 shares in the Company, representing 3.5 % of the capital.

We remind you that the Board of Directors decided:

On December 10, 2012:

- To acknowledge issuance of 214,150 shares to 94 beneficiaries as a result of the definitive grant subsequent to the grant made by the Board on December 6, 2010 on the basis of a delegation of power that you granted on June 3, 2008, June 24, 2009 and June 25, 2010. The share capital was effectively increased by 258,150 shares, since the acquisition period of 6 000 of the 214,150 shares is four years because the free shares were granted to non-French tax resident employee and 5,000 free shares from the 2008 Plan were definitely granted, as well as 45,000 free shares definitively acquired by Mr Stephen H Willard on December 31, 2012.
- To grant 189,700 free shares to the company's employees, on the basis of a delegation of power that you granted on June 25, 2010, June 24, 2011 and June 22, 2012. The conditions for allocating the said free shares provide:

- Regarding French resident beneficiaries: The acquisition period, meaning the period at the end of which the shares shall be definitively allocated to the beneficiary, is two years starting from the allocation date, subject to the respect of an attendance condition at the end of this two years period. At the time of their definitive allocation the shares must be held for a further two years period at the end of which they may be transferred without limitation except with respect to transaction windows.
- Regarding non-French resident beneficiaries: The acquisition period, meaning the period at the end of which the shares shall be definitively allocated to the beneficiary, is four years starting from the allocation date, subject to the beneficiary still being an employee at the end of a two years period after allocation date. At the time of their definitive allocation, the shares may be transferred without limitation except the respect of transaction windows.

XIX. IMPORTANT EVENTS OCCURRING BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE PRESENT REPORT

Moreover, we remind you that the Board of Directors acknowledged a share capital increase of 23,782.20 € Euros on February 26, 2013 as a result of the exercise of 195,000 stock options, thus bringing share capital to 3,099,662 Euros (see XII).

On February 4 2013, the Company received funding of \$15 million in relation to a Facility and Royalty agreement signed through its wholly owned subsidiary Flamel US Holdings, Inc, with Deerfield Capital Management, a current shareholder. Consideration received was as follows:

- \$12.4 million for a Facility agreement of a nominal value of \$15 million, including a premium on reimbursement of \$2.6 million. The principal amount of the Loan must be repaid over four years as follows: 10% on July 1, 2014, and 20%, 30% and 40% on the second, third, and fourth anniversary, respectively, of the original disbursement date of the Loan. Interest will accrue at 12.5% per annum to be paid quarterly in arrears, commencing on April 1, 2013, and on the first business day of each July, October, January and April thereafter.
- \$2.6 million for a Royalty agreement whereby, the Company's wholly owned subsidiary Éclat subject to required regulatory approvals and launch of product, is to pay a 1.75% Royalty of the net sales of certain products sold by Éclat and any of its affiliates until December 31, 2024.

The above commitments are secured by a Security Agreement on the intellectual property and regulatory rights related to certain 'Éclat' Products, and will be secured by Pledge agreements on certain receivables and certain physical assets owned by the Company.

On March 8, 2013, with respect to the putative class action filed against the Company and certain of its current and former officers, the Court granted the Company's motion to dismiss and the action was dismissed with prejudice and costs.

In the first quarter of 2013, the Company filed a second NDA, through its subsidiary Eclat, with the FDA and incurred a filing fee of \$2 million. A 'refusal to file' letter has been received citing the need to reformat parts of certain datasets in the application. The letter does not comment on the approvability of the product. The Company is working closely with the agency to provide the information requested for resubmission of this application.

The Board invites you after reading the reports by the auditor, to discuss these matters and vote on the resolutions submitted to you.

On behalf of the Board of Directors

This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including certain plans, expectations, goals and projections regarding financial results, product developments and technology platforms. All statements that are not clearly historical in nature are forward-looking, and the words "anticipate," "assume," "believe," "expect," "estimate," "plan," "will," "may," and similar expressions are generally intended to identify forward-looking statements. All forward-looking statements involve risks, uncertainties and contingencies, many of which are beyond our control that could cause actual results to differ materially from those contemplated in such forward-looking statements. These risks include risks that the acquisition of Éclat Pharmaceuticals may not be successfully integrated or that certain payment acceleration events may be triggered; the new hospital-based product under FDA review may not be approved or such approval may be delayed; the reacquisition of the exclusive rights to develop and commercialize IFN- β XL worldwide and identification of an alternative strategic partner for the program may not be successful; the identified opportunities will not result in shorter-term, high value results; clinical trial results may not be positive or our partners may decide not to move forward; products in the development stage may not achieve scientific objectives or milestones or meet stringent regulatory requirements; products in development may not achieve market acceptance; competitive products and pricing may hinder our commercial opportunities; we may not be successful in identifying and pursuing opportunities to develop our own product portfolio using Flamel's technology; and the risks associated with our reliance on outside parties and key strategic alliances. These and other risks are described more fully in Flamel's Annual Report on Form 20-F for the year ended December 31, 2012 that has been filed with the Securities and Exchange Commission (SEC). All forward-looking statements included in this release are based on information available at the time of the release. We undertake no obligation to update or alter our forward-looking statements as a result of new information, future events or otherwise.

APPENDIX 1

TABLE OF EARNINGS FOR THE LAST FIVE FINANCIAL YEARS

Fiscal year ending December 31, 2012

FLAMEL TECHNOLOGIES - December 31, 2012

FINANCIAL RESULTS OF LAST FIVE YEARS

| | <u>12/31/2008</u> | <u>12/31/2009</u> | <u>12/31/2010</u> | <u>12/31/2011</u> | <u>12/31/2012</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | In euros | | | | |
| a) Share Capital | 2,951,947 | 2,968,824 | 3,005,783 | 3,044,396 | 3,099,662 |
| b) Number of Ordinary Shares | 24,205,350 | 24,342,600 | 24,645,650 | 24,962,250 | 25,415,400 |
| c) Number of Preference Shares | | | | | |
| d) Maximum number of shares to be issued by : - Bond Issue - Exercise of Stock Options and Warrants and issue of Free Shares | 3,725,357 | 4,341,840 | 4,370,990 | 4,481,640 | 7,723,140 |
| SHARE CAPITAL | | | | | |
| a) Revenues | 23,781,681.19 | 36,521,247.22 | 25,324,364.68 | 22,503,580.78 | 17,183,940.00 |
| b) Income before taxes, depreciation and provisions | (7,378,250.04) | 1,218,053.54 | (9,477,166.03) | (7,856,268.36) | (14,124,502.34) |
| c) Income Tax (Tax Credit) | (4,663,240.07) | (4,742,258.00) | (5,720,673.00) | (4,931,445.00) | (5,067,856.00) |
| d) Employee's Profit-Sharing | | | | | |
| e) Income after taxes, profit sharing, depreciation and provisions | (5,226,231.48) | 1,270,699.14 | (7,158,443.00) | (6,647,651.00) | (12,315,766.04) |
| f) Profit Distribution | | | | | |
| ANNUAL OPERATIONS AND EARNINGS | | | | | |
| a) Income after tax and profit sharing and before depreciation and provisions | (0.11) | 0.24 | (0.15) | (0.12) | (0.36) |
| b) Income after tax, profit-sharing, depreciation and provisions | (0.22) | 0.05 | (0.29) | (0.27) | (0.48) |
| c) Dividend per share | | | | | |
| EARNINGS PER SHARE | | | | | |
| a) Average number of employees | 285 | 299 | 301 | 278 | 243 |
| b) Payroll Costs | 11,678,122.25 | 12,155,475.20 | 12,888,143.45 | 11,817,905.34 | 12,037,122.88 |
| c) Social tax costs | 5,278,445.72 | 5,634,990.17 | 5,991,371.53 | 5,398,852.98 | 5,400,517.43 |
| PERSONNEL COSTS | | | | | |

APPENDIX 2
REPORT CONCERNING DELEGATIONS MADE TO THE BOARD

| AUTHORIZATION GRANTED BY AN EXTRAORDINARY SHAREHOLDERS MEETING TO THE BOARD | | IMPLEMENTATION BY THE BOARD | | | |
|---|---|-----------------------------|---|------------------------|--------------------------------|
| Date | Nature | Date | Nature | Share capital increase | Approval by Board of Directors |
| May 10, 96 | 1 000 000 stocks options Capital increase of € 121 960 | | | | |
| Nov 20, 00 | 1 000 000 stocks options Capital increase of € 121 960 | | | | |
| Dec 19, 01 | 750 000 warrants Capital increase of € 91 470 | Mar 8, 12 | 195 000 exercised options | € 23 782,20 | Feb 26, 13 |
| Feb 18, 03 | 1 000 000 stocks options Capital increase of € 121 960 | | | | |
| Nov 7, 03 | 1 000 000 warrants Capital increase of € 121 960 | | | | |
| Mar 4, 05 | 1 500 000 stocks options Capital increase of € 182 940 40 000 warrants Capital increase of € 4 878 | | | | |
| Oct 24, 05 | 250 000 warrants Capital increase of € 30 490 200 000 free shares Capital increase of € 24 392 | | | | |
| Jun 12, 06 | 150 000 warrants Capital increase of € 18 294 | | | | |
| May 15, 07 | 500 000 stocks options Capital increase of € 60 980 150 000 warrants Capital increase of € 18 294 200 000 free shares Capital increase of € 24 392 | | | | |
| Jun 3, 08 | 250 000 warrants Capital increase of € 30 490 200 000 free shares Capital increase of € 24 392 | Dec 6, 12 | Effective allocation of 5 000 free shares attributed on Dec 10, 2008 Effective allocation of 25 000 free shares attributed on Dec 6, 2010 | € 3 658,80 | Dec 10, 12 |
| Jun 24, 09 | 250 000 warrants Capital increase of € 30 490 200 000 free shares Capital increase of € 24 392 | Dec 6, 12 | Effective allocation of 19 800 free shares attributed on Dec 6, 2010 | € 2 414,81 | Dec 10, 12 |
| Jun 25, 10 | 750 000 stocks options Capital increase of € 91 470 250 000 warrants Capital increase of € 30 490 200 000 free shares Capital increase of € 24 392 | Dec 6, 12 Dec 7, 12 | Effective allocation of 118 350 free shares attributed on Dec 6, 2010 Effective allocation of 45 000 free shares attributed on Dec 7, 2011 | € 19 922,17 | Dec 10, 12 |
| Jun 24, 11 | 350 000 warrants Capital increase of € 42 686 200 000 free shares Capital increase of € 24 392 | | | | |
| Jun 22, 12 | 1 000 000 stocks options Capital increase of € 121 960 200 000 free shares Capital increase of € 24 392 | | | | |

FLAMEL TECHNOLOGIES

Société Anonyme with a stated capital of 3,099,662 euros

Registered Office:

Parc Club du Moulin à Vent
33, avenue du Docteur Georges Lévy
69693 VENISSIEUX – France

379 001 530 R.C.S. LYON

**REPORT BY THE BOARD OF DIRECTORS TO THE COMBINED
SHAREHOLDERS MEETING HELD ON JUNE 20, 2013**

Ladies and Gentlemen:

We have called you to meet in the form of a shareholders meeting in order to submit the following items to you for your approval as extraordinary matters:

1. a proposal for installation of a new stock option plan bearing six hundred thousand (600,000) shares,
2. a proposal for installation of a new plan for a free allocation of shares in the amount of two hundred thousand (200,000) shares,
3. a proposal to issue a total of three hundred thousand (300,000) securities offering access to the capital, taking the form of autonomous stock warrants (BSA) reserved for the Company's directors and the Scientific Advisory Board's members who are neither legal representatives nor employees of the company, but including the Chairman of the Board of Directors,
4. a proposal to issue a total of two hundred thousand (200,000) ordinary shares, reserved for a category of persons consisting of any person or company having sold or transferred to the Company shares or asset representing immediately or over time, their ownership or voting rights in any commercial enterprise; authorization to be granted to the Board of Directors for carrying out the resulting capital increases,
5. a proposal for a capital increase reserved for the employees.

Before informing you of the details about these proposals, we would like to remind you that you will find all information relative to the important events of the year 2012 for Flamel and to the figures for the financial year ending on December 31, 2012 in your Board's management report and in the Company's publicly available filings with the U.S. Securities and Exchange Commission including its Annual Report on Form 20-F for the year ended December 31, 2012.

1 .. A proposal for installation of a new stock option plan bearing on six hundred thousand (600,000) shares (Twelfth resolution)

To enable the Company to attract and/or keep talented senior managers and employees, and insofar as the number of stock options that your Board was authorized to allocate in connection with previous plans are almost fully utilized, we propose to you to delegate an option to the Board of Directors, for a term of thirty-eight (38) months, to grant, all at once or in installments, pursuant to Articles L.225-177 et seq. of the French Commercial Code, to the benefit of the Company's employees or some such employees, as well as to the benefit of the senior authorized agents, as mentioned in Article L.225-185 paragraph 4 of the French Commercial Code, a maximum of six hundred thousand (600,000) options granting a right to subscription to the Company's shares to be issued as a capital increase of the Company.

Each option could create a right to subscription to one Company share, the subscription price of which, for the beneficiaries of the options, could be determined by the Board of Directors on the day on which it grants the options.

We remind you in this connection that the Company's securities, even though listed in the form of ADS (American Depositary Shares) on the NASDAQ Global Market, are, according to French law, not considered as listed for trading on a regulated market. Hence the subscription price for each share must be determined in accordance with the objective methods adopted in connection with valuation of the shares, as provided for in Article L.225-177, paragraph 4 of the French Commercial Code, on the basis of appropriate weighting of the net worth, of the profitability and of the activity prospects of the business.

In application of Article L.225-177, paragraph 4 of the French Commercial Code the most objective valuation method and most appropriate in the Company's case given its trading on the NASDAQ, is the market value of the ADS on the NASDAQ. The fact is that the price of the share, if calculated as a function of its mathematical value and/or of the net worth, the profitability and the prospects of the Company's activity, even if weighted, could result, in the light of the history of the share price, in the form of ADS, on the NASDAQ, in a valuation substantially below the actual economic value of the share, the trading price of which on the NASDAQ remains the most objective valuation method.

Hence we propose to you that the price of the share to which each option would create a right will be valued by the Board of Directors in accordance with the closing price of the share, in the form of ADS on the NASDAQ, on the day prior to the date of the meeting of the Board of Directors, provided that said price is no less than 80% of the average trading price of the share on the NASDAQ, in the form of ADS, during the last twenty trading sessions prior to the said meeting. In such a case, the price of the share should be equal to or greater than 80% of the average trading price of the share on the NASDAQ, in the form of ADS, during the last twenty sessions preceding the said meeting. The said minimum price is the one applicable to companies whose securities are listed for trading on a regulated market.

As provided for by law, the price of the shares, determined in this way by the Board of Directors, could not then be modified for the entire duration of the option, unless, pursuant to Article L.225-181, paragraph 2, of the French Commercial Code, when the Company carries out a redemption or reduction of the capital, a modification of the distribution of profits, a free allocation of shares, an incorporation into the capital of reserves, profits or premiums on shares, a distribution of reserves or any issue of capital securities or of other securities creating a right to allocation of capital securities including an application right reserved for the shareholders, it will have to take the steps required for protection of the interests of the beneficiaries of the options under the conditions laid down in Article L.228-99 of the French Commercial Code.

The options should be exercised within a maximum period of 10 years starting from the date of their award to the beneficiaries by the Board of Directors.

Hence we propose to you that you should authorize the Board of Directors and entrust it with full powers for the following purposes:

- set the terms and conditions of grant of the options, freely determine the beneficiaries of such options, subject to the provisions of applicable laws and regulations, and, within such framework, if it considers it appropriate, set the obligation for each beneficiary to be an employee of the Company and/or of the companies referred to in Article L.225-180-I of the French Commercial Code, and/or to be an officer of the Company within the meaning of Article L.225-185 paragraph 4 of the French Commercial Code, at the time of the exercise of the options,
- set, if it considers it appropriate, a period of non-transferability of the subscribed shares, in accordance with the conditions provided by applicable laws and regulations,
- set the subscription price of the shares to which the options thus granted give right, in accordance with the terms and conditions determined by the Extraordinary General Shareholders' Meeting,
- set the exercise period(s) of the options thus granted, subject to the prohibitions and/or limitations provided by applicable laws and regulations and the by-laws in this regard, at the times that it will deem to be appropriate.

As a result of the foregoing authorization, we also propose to you that you should authorize the Board of Directors and grant it full powers for the purpose of issuing a maximum of 600,000 shares with a nominal value of EUR 0.12196, and accordingly, increasing the share capital in a maximum nominal amount of EUR 73,176.00.

Pursuant to Article L.225-178, paragraph 1, of the French Commercial Code, the authorization thus granted to the Board of Directors entails, for the benefit of options beneficiaries, express waiver, by the shareholders, of the preferential right to subscribe for the shares that will be issued subsequently upon the exercise of options.

Finally, we propose that you should authorize the Board and fully empower to do the following:

- (i) Receive the subscriptions and related payments,
- (ii) Deposit the funds in a bank account in accordance with the law,
- (iii) Acknowledge the number of shares issued as a consequence of the exercises of the options granted, in accordance with the provisions of Article L. 225-178 paragraph 3 of the French Commercial Code, to amend the by-laws accordingly and, more generally,
- (iv) Take all measures necessary to implement the capital increase and complete all formalities required by law.

We remind you that, in the event that the Board of directors should make use of this authorization, it shall inform the ordinary general meeting each year of the operations performed by virtue of the provisions stipulated in articles L.225-177 to L.225-186 of the French commercial code pursuant to the conditions stipulated by article L.225-184 of said code.

2 .. A proposal for installation of a new plan for a free allocation of shares to the benefit of the members of the salaried staff and/or of certain authorized agents (Article L.225-197-1 of the French Commercial Code) (Thirteenth resolution)

We propose that you delegate the option to the Board of Directors, for a term of thirty-eight (38) months, to proceed, within the framework of Article L.225-197-1 of the French Commercial Code, with a free allocation of new shares resulting from a capital increase by incorporation of reserves, premiums on shares or profits.

The beneficiaries of the said allocations could be:

- the employees of the Company or the companies and the economic interest groupings which are linked to it pursuant to the conditions stipulated in Article L.225-197-2 of the French Commercial Code;
- the company managers referred to in Article L.225-197-1, II of the French Commercial Code.

We propose that you authorize the Board of Directors to allocate, without charge, a maximum of two hundred thousand (200,000) shares.

The allocation of the shares to French tax resident beneficiaries will be definitive only at the end of an acquisition period having a minimum duration of two (2) years starting with the Board's decision to allocate the shares. However, the shares will be definitively allocated before the end of the said period in case of disability of the beneficiary corresponding to classification in the second or the third of the categories provided for in Article L.341-4 of the Social Security Code.

Furthermore, the French resident beneficiaries shall have to keep the shares allocated for a minimum duration of two (2) years starting with the time of their definitive allocation. As an exception, the shares allocated shall be freely transferable in case of a request for award filed by the heirs of a deceased beneficiary or in case of disability of the beneficiary corresponding to their classification in the aforementioned categories of the Social Security Code.

In dispensation from the above, the beneficiaries who are not residents of France on the allocation date, for whom the taxable event coincides with the end of the acquisition period, will be allocated the shares definitively on expiry of a minimum acquisition period of four (4) years, except in the event of disability, as stated above. The securities will not then be subject to a holding period.

The Board of Directors shall have the option of increasing the duration of the said minimum acquisition and preservation periods.

The Board shall hold full powers to implement the present authorization within the limits fixed above and thus determine the conditions and, if the case arises, the criteria for allocation of the shares, determine the identity of the beneficiaries of the free allocations from among the persons complying with the conditions set above, as well as the number of shares due to each of them, determine the effects on the rights of the beneficiaries of the operations modifying the capital or likely to influence the value of the shares to be allotted and realized during the periods of acquisition and conservation; where appropriate, to establish the existence of sufficient reserves and proceed, at the time of each allotment, with transfer to a non-available reserves account of the sums required for paying up the new shares to be allotted; to decide on capital increase(s) through the incorporation of reserves, premiums or profits correlative to the issuance of new shares allotted free of charge; to proceed with acquisitions of the necessary shares by means of offers of sale made to all shareholders proportionally to the number of ordinary shares held by each of them; to take all useful measures for ensuring compliance with the obligation of conservation required of the beneficiaries; and, generally, to do everything, within the scope of the regulations in force, that the implementation of the present authorization will require

The present authorization shall entail, by right, a waiver by the shareholders of their preferential subscription right to the new shares issued by incorporation of reserves, premiums on shares and profits.

We remind you that, in the event that the Board of directors should make use of this authorization, it shall inform the ordinary general meeting each year of the operations performed by virtue of the provisions stipulated in articles L.225-197-1 to L.225-197-3 of the French commercial code pursuant to the conditions stipulated by article L.225-197-4 of said code.

3 .. Proposal to issue a total of three hundred thousand (300,000) Autonomous Stock warrants (BSA) reserved for the category of persons consisting of the Company's directors and the Scientific Advisory Board's members who are neither legal representatives nor employees of the Company, but including the Chairman of the Board of Directors. (Fourteenth and Fifteenth resolutions)

During the present meeting, we will propose that you renew the mandates of Messrs. Catherine Brechignac, Guillaume Cerutti, Francis J.T. Fildes, Ambassador Craig Stapleton, Elie Vannier and Stephen H. Willard (Directors who are not employees).

In addition, on June 22, 2012, the Board of Directors approved the constitution of a Scientific Advisory Board to advise the Company's Board of Directors and the Company's executive team in the Company's strategy in research and development. The Scientific Advisory Board's members have considerable knowledge and experience and are qualified in scientific or pharmaceutical development.

The Company believes the profit-sharing in the form of shares is the most effective way of aligning the interests of the directors, of the Scientific Advisory Board members, of the employees and of retaining key staff.

Hence, and in the light of their important contribution to Company management, we propose that you authorize the issuance of a maximum of three hundred thousand (300,000) stock warrants (BSA) representing three hundred thousand (300,000) new ordinary shares, in the form of American Depositary Shares (ADS).

We propose that you decide to approve the issuance of a maximum number of three hundred thousand (300,000) Company shares with a par value of 0.12196 € each, to which exercise of the stock warrants (BSA) issued will create a right, namely a capital increase in a maximum nominal amount of EUR 36,588.00, to which one must reserve, if the case arises, a number of additional shares to be issued to safeguard the rights of the holders of the stock warrants (BSA) under the conditions defined in Article L.228-99 of the French Commercial Code.

In order to give the Board the greatest possible flexibility, we propose that you authorize the Board to use the said authorization for a period of eighteen (18) months, and to delegate the powers to the Board to determine the beneficiaries of the stock warrants (BSA) and the subscription price of the said stock warrants (BSA) in the light of their fair value.

We inform you that with respect to the said three hundred thousand (300,000) stock warrants (BSA), you will have to suppress the shareholders' preferential application right appearing in Article L.225-132 of the French Commercial Code, and reserve applications for a category of persons consisting of:

- the Company's directors who are neither legal representatives nor Company employees, but including the Chairman of the Board of Directors; and/or
- Company Scientific Advisory Board's members, who are neither directors nor Company employees (*Fifteenth resolution*).

We propose that you decide that the subscription price of a stock warrant (BSA) shall be one tenth (10%) of the average market price of the share, in the form of ADS, on the NASDAQ, on the closing of the trades on the twenty days preceding the decision of the Board to issue such stock warrants (BSA).

We propose that you decide that the subscription price determined by the Board of Directors in accordance with the provisions in the above paragraph having to be paid up in full at the time of subscription by cash payments or by off-set against outstanding receivables, as provided by law and

We propose that you decide that a stock warrant (BSA) shall give its holder, subject to the terms and conditions defined below and by the decision of the Board of Directors relative to the issuance of the stock warrants (BSA), the right to subscribe to one (1) Company share, in the form of ADS, at an exercise price to be determined by the Board of Directors with reference to the trading price of the share, on the NASDAQ, at the close of that market on the day preceding the decision by the Board of Directors relative to the issue of the stock warrants, but only as long as the said price is no less than 80% of the average trading prices of the share on the NASDAQ, in the form of ADS, during the last twenty trading sessions prior to the said decision; in that case, the price of the share shall have to be equal to 80% of the average trading prices of the share on the NASDAQ, in the form of ADS, during the last twenty sessions preceding the decision by the Board of Directors relative to issue of the stock warrants.

We propose that you resolve that the shares thus subscribed upon exercise of the stock warrants (BSA) shall be fully paid up on the date of their exercise in cash.

We propose that you decide that each BSA shall be exercised by its holder in accordance with the conditions set forth by the Board's decision to issue the warrants BSA, provided that such exercise shall occur within four (4) years from the issuance date and that the holder is still an active member of the Scientific Advisory Board or a Director of the Company on the day of such exercise; being specified that, in the case of Directors, the BSA holders will have the right to retain the possibility to exercise their BSAs even if they are no longer a Director of the Company, provided they notify the Company within three (3) months of having left their position as a Director and in paying simultaneously to the Company an additional subscription price of 0.01 euro per BSA. If the holder fails to exercise the stock warrant in whole or in part at the expiry of the above mentioned period, the BSAs and the attached right to subscribe will automatically be void and null.

We propose that you decide that upon issuance of the BSAs, the Company shall be entitled to modify its form or its business purpose, modify the rules regarding the distribution of its profits, redeem its capital, create preferred shares resulting in such a change or redemption, subject to meeting, as the case may be, the obligations of said warrant agreements and Article L.228-99 of the French Commercial Code.

We propose that you decide that if the Company decides, after the issuance of the stock warrants (BSA), to issue securities including a preferential subscription right for the shareholders, to distribute reserves, in cash or in specie, or premiums, or to modify the distribution of its profits by issuing preferred shares, the Company shall take all the necessary measures to protect the interests of the holders of the stock warrants (BSA) pursuant to the provisions of Article L.228-99 of the French Commercial Code.

We propose that you decide that in the case of a capital reduction, whether or not motivated by losses, and conducted through either a decrease of the shares' value or a decrease of the shares' number, the rights of the holders of the stock warrants (BSA) will be decreased accordingly as if they had been exercised before the date on which the capital decrease has become final.

We propose that you take note, pursuant to the provisions of Article L.228-103 et seq. of the French Commercial Code, that the holders of the stock warrants (BSA) are grouped by right, for defence of their common interests, into a whole enjoying legal personality. The general meetings of the holders of the stock warrants (BSA) are called to authorize any modification of the issue contract and to rule on any decision affecting the conditions regarding subscription to or allocation of capital securities determined at the time of the issue. Each stock warrant (BSA) creates a right to one vote. The quorum and majority conditions are the ones established in the second and third paragraphs of Article L.225-96 of the French Commercial Code. The meeting expenses as well as all expenses relating to the functioning of the whole are for the Company's account.

We propose that you decide that the new shares remitted to the subscriber on exercise of the stock warrants (BSA) will be subject to all the provisions of the bylaws of the Company and will carry distribution rights from the date of their issuance.

We propose that you set the validity term of the present authorization at eighteen (18) months, starting from the date of this General Shareholders' Meeting according to the provisions of Article L.225-138 of the French Commercial Code.

Finally, we propose that you decide to grant full powers to the Board of Directors to implement the present authorization, pursuant to the provisions and within the limits to be laid down in your resolution, and in particular for the following purposes:

- issue the stock warrants (BSA) and determine their subscription price,
- close out the list of the beneficiaries within the defined category of persons,
- determine the exercise price of the shares to be issued upon exercise of the stock warrants (BSA), in accordance with terms and conditions set by the present resolution, the dates, periods and conditions of exercise and final details of the issuance within the limits laid down by your resolution and to allocate the issue premium, as the case may be,
- order early closing of the subscription or extend it, if required,
- gather the subscriptions to the stock warrants (BSA) and the payments relating thereto,
- record the number of shares issued due to exercise of the stock warrants (BSA), carry out the formalities resulting from the corresponding capital increases and make the related modifications of the Articles of incorporation,
- take any steps to ensure protection of the holders of stock warrants (BSA) in case of a financial operation concerning the Company, this pursuant to the legal and regulatory provisions in effect, and
- generally, take all steps and carry out all formalities that are useful in connection with the present issue.

We remind you that when the Board of Directors uses this authorization, it will provide a special report to the next General Meeting which indicates the final terms and conditions of the operation; such report will be put at the shareholders' disposal at the company's head office within fifteen (15) days following the meeting of the Board of Directors at the latest; a special report will be also issued by the Statutory Auditors.

4 .. Proposal to issue a total of two hundred thousand (200,000) ordinary shares, on the form of American Depositary Shares (ADS) reserved for the category of persons consisting of any person or company having sold or transferred to the Company shares or asset representing immediately or overtime, their ownership or voting rights in any commercial enterprise; authorization to be granted to the Board of Directors for carrying out the resulting capital increases (the “Reserved Shares”). (Sixteenth and Seventeenth resolutions)

According to our new business model, to make the most of new opportunities in pharmaceutical markets, we should be able to rapidly offer incentive compensations to stakeholders of companies or products of interest.

The Company believes the profit-sharing in the form of shares is the most effective way to attract stakeholders of companies or products of interest and to align their interests and those of the Company.

Hence, and in the light of their important contribution to Company strategy, we propose that you authorize the issuance of a maximum of two hundred thousand (200,000) ordinary shares in the form of American Depositary Shares (ADS), which have to be fully paid up on the date of their subscription by offset against outstanding receivables, as provided by law (the “Reserved Shares”).

As the amount of such outstanding receivables corresponds to the value of the assets sold or transferred to the Company, we inform you that the acquisition price of such assets will be calculated on the basis of a valuation made by an independent evaluator. The said valuation shall have to correspond to the fair value of the assets sold or transferred to the Company.

We propose that you decide to approve the issuance of a maximum number of two hundred thousand (200,000) Company ordinary shares with a par value of EUR 0.12196 each will create a right, namely a capital increase in a maximum nominal amount of EUR 24,392.00.

In order to give the Board the greatest possible flexibility, we propose that you authorize the Board to use the said authorization for a period of eighteen (18) months, and to delegate the powers to the Board for determining the beneficiaries of the ordinary shares and the number of ordinary shares to be issued.

We inform you that with respect to the said a two hundred thousand (200,000) Reserved Shares, you will have to suppress the shareholders’ preferential application right appearing in Article L.225-132 of the French Commercial Code, and reserve applications for a category of persons consisting of any person or company having sold or transferred to the Company shares or asset representing immediately or overtime, their ownership or voting rights in any commercial enterprise (**Seventeenth Resolution**).

We propose that the issue price of one (1) ordinary share of the Company shall be the market price for the share, in the form of ADS, on the NASDAQ, on the closing of the trades on the day preceding the decision of the Board to issue such Reserved Shares, provided that such price shall not be less than 80% of the average of the market price for the share on the NASDAQ, in the form of ADS, during the last twenty trading days preceding such Board’s decision. In this case, the price for the share shall be equal to 80% of the average of the market price for the share on the NASDAQ, in the form of ADS, during the last twenty trading days preceding such Board’s decision.

We propose that you decide that the new Reserved Shares delivered to any person or company within the category defined herein shall be subject to all of the provisions of the bylaws, and shall bear dividend rights as of the time of their issuance.

We propose that you set the validity term of the present authorization at eighteen (18) months, starting from the date of this General Shareholders' Meeting according to the provisions of Article L.225-138 of the French Commercial Code.

Finally, we propose that you decide to grant full powers to the Board of Directors to implement the present authorization, in accordance with the terms and conditions to be laid down in your resolution, and in particular for the following purposes:

- (i) set the terms and conditions of issuance, subscription and vesting of such Reserved Shares, within the limits laid down by this general meeting of shareholders,
- (ii) determine the beneficiaries of such Reserved Shares amongst the category defined by this resolution and the number of ordinary shares to be issued,
- (iii) limit the amount of the capital increase to the amount of the subscriptions collected, provided such amount is equal to or above three quarters (3/4) of the capital increase,
- (iv) where appropriate, increase, within the limit of 15% of the initial issue, the number of shares to be issued, in accordance with Article L.225-135-1 of the French Commercial Code, should the Board acknowledge an excess demand;
- (v) to record the number of shares issued, to carry out the formalities resulting from the corresponding capital increases and to make the related modifications of the articles of association,
- (vi) deduct from the "issuance premiums" account the amount of the expenses relating to these share capital increases and charge, if it deems fit, on this account the necessary amounts to increase the legal reserve to one tenth of the new share capital after each issuance,
- (vii) to prepare and file, with assistance from the Company's officers and outside advisors, a registration statement with the United States Securities and Exchange Commission to register the ADS to be issued upon issuance of any Reserved Shares
- (viii) to take all steps and to carry out all formalities that are useful in connection with the present issuance.

We remind you that when the Board of Directors uses this authorization, it will provide a special report to the next General Meeting which indicates the final terms and conditions of the operation; such report will be put at the shareholders' disposal at the company's head office within fifteen (15) days following the meeting of the Board of Directors at the latest; a special report will be also issued by the Statutory Auditors.

5 .. Proposal to authorize the Board to increase the share capital through issuance of shares reserved for the employees (Eighteenth and Nineteenth resolutions)

Pursuant to the provisions of Article L.225-126-6 of the French Commercial Code and of Article L.3332-18 of the Labour Code, we remind you that the shareholders must make a decision on a draft resolution aimed at carrying out a capital increase under the conditions laid down in Article L.3332-18 of the Labour Code (reserved, directly or through the intermediary of a company investment fund, for the members of a company savings plan, even in the absence of such a plan within the Company), on the occasion of each capital increase by cash conveyance that is proposed to them.

As a result of the proposals regarding a capital increase listed above, we therefore invite you to make a decision on the proposed capital increase reserved for the Company's employees.

Such a resolution implies the suppression of the preferential application right granted to the shareholders pursuant to the applicable legal and regulatory provisions (***Nineteenth Resolution***).

In order to comply with this legal requirement, we are submitting for your approval a draft resolution authorizing the Board of Directors and delegating to it, for a period of twenty-six (26) months, the powers required to increase the share capital, in a nominal amount equal at most to 1% of the share capital on the date of the present meeting, to set the issue price under the conditions laid down in the provisions of Article L.3332-20 of the Labour Code, subject to supervision by the Auditor, and to determine the number of shares allocated to each beneficiary pursuant to the provisions of Article L.225-138 of the French Commercial Code.

We draw your attention to the fact that the Company does not have a company savings plan.

Furthermore, the Board of Directors considers that the present authorization is unnecessary in view of the Company's situation and other existing compensation tools. Hence we invite you to vote **against** this resolution.

6 .. Powers for formalities (*Twentieth resolution*)

The twentieth resolution is a usual one granting the required powers for carrying out the notice and other formalities to be required in the light of the nature of the present combined Shareholders meeting of an ordinary and extraordinary nature.

* * *

In the light of the draft resolutions subject to the jurisdiction of the Ordinary Shareholders' Meeting (first to eleventh resolution), which you will find described in the management report submitted by your Board of Directors, we recommend the shareholders to **vote in favour of these resolutions**.

Furthermore, and in the light of the draft resolutions subject to the jurisdiction of the Extraordinary Shareholders meeting (twelfth to twentieth resolution), we recommend the shareholders to **vote in favour of the twelfth, thirteenth, fourteenth, fifteenth, sixteenth, seventeenth and twentieth resolutions**, and to **vote against the eighteenth and nineteenth resolutions**.

The Board of Directors

DOCUMENT UNIQUE DE VOTE PAR CORRESPONDANCE OU PROCURATION
FORM OF PROXY AND VOTE BY MAIL

+IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / *Before selecting, please see instructions on reverse side*

QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM

A **Ú** Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / *I wish to attend the shareholders' meeting and request an admission card : date and sign at the bottom of the form.*
 B **Ú** J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / *I prefer to use the postal voting form or the proxy form as specified below.*

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| FLAMEL TECHNOLOGIES Société Anonyme au capital de 3.099.662 € Siège social : Parc Club du Moulin à Vent 33, avenue du Docteur Georges Lévy 69693 VENISSIEUX – France 379 001 530 R.C.S. LYON | ASSEMBLEE GENERALE MIXTE ORDINAIRE ET EXTRAORDINAIRE du 20 juin 2013 (à 11 heures au siège social) sur 1 ^{ère} convocation ou du 3 juillet 2013 sur deuxième convocation COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING of June 20, 2013 (at 11.00 am. at the registered office)(1 st calling) or July 3, 2013 (2 nd calling) | CADRE RESERVE / For Company's use only Identifiant / Account Nombre d'actions / Number of shares Nombre de voix / Number of voting rights |
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| Ú JE VOTE PAR CORRESPONDANCE / I VOTE BY POST Cf. au verso renvoi (3) — <i>See reverse (3)</i> | Ú JE DONNE POUVOIR AU PRESIDENT DE L'ASSEMBLEE GENERALE Date et signer au bas du formulaire sans rien remplir <i>I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE MEETING Date and sign the bottom of the form without completing it Cf. au verso renvoi (2) – See reverse (2)</i> | Ú JE DONNE POUVOIR A : (soit le conjoint, soit un autre actionnaire – cf. renvoi (2) au verso – pour me représenter à l'assemblée / <i>I HEREBY APPOINT (you may give your PROXY either to your spouse or to another shareholder – see reverse (2) — to represent me at the above- mentioned meeting.</i> M., Mme ou Mlle / Mr., Mrs. or Miss : _____ Adresse/Address : _____ _____ |
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| Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / <i>If amendments or new resolutions were presented during the meeting :</i> — Je donne pouvoir au Président de l'A.G. de voter en mon nom / <i>I appoint the Chairman of the meeting to vote on my behalf</i> — Je m'abstiens (l'abstention équivaut à un vote contre) / <i>I abstain from voting (is equivalent to a vote against</i> Ú — Je donne procuration (cf. au verso renvoi (2)) à M., Mme ou Mlle _____ pour voter en mon nom / <i>I appoint (see reverse (2)) Mr., Mrs. or Miss / to vote on my behalf.</i> Ú | Date et signature : _____ |
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| Pour être prise en considération, toute formule doit parvenir au plus tard : / <i>In order to be considered, this completed form must be returned at the latest :</i> A la SOCIETE / to the Company | Sur 1 ^{ère} convocation / on 1 st notification AGO- AGE / ordinary meeting / extraordinary meeting | Sur 2 ^{ème} convocation / on 2 nd notification AGO- AGE / ordinary meeting / extraordinary meeting |
| 17 juin 2013 / June 17, 2013 | 01 juillet 2013 / July 01, 2013 | |

UTILISATION DU DOCUMENT

- A. L'actionnaire désire assister personnellement à l'assemblée. Dans ce cas, il doit, au recto du document, cocher la case A puis dater et signer au bas du formulaire.
- B. A défaut, l'actionnaire peut utiliser le formulaire de vote (*). Dans ce cas, il doit, au recto du document, cocher la case B et choisir l'une des trois possibilités :
— Voter par correspondance (cocher la case appropriée, puis dater et signer au bas du formulaire)
— Donner pouvoir au Président de l'Assemblée Générale (dater et signer au bas du formulaire sans remplir)
— Donner pouvoir à une personne dénommée (cocher et compléter la case appropriée, puis dater et signer au bas du formulaire)

QUELLE QUE SOIT L'OPTION CHOISIE la signature de l'actionnaire est indispensable

(1) Le signataire est prié d'inscrire très exactement, dans la zone réservée à cet effet, ses nom (en majuscules d'imprimerie), prénom usuel et adresse ; si ces indications figurent déjà sur le formulaire, il est demandé au signataire de les vérifier et, éventuellement, de les rectifier.
Pour les personnes morales, indiquer les nom, prénom et qualité du signataire.
Si le signataire n'est pas lui-même un actionnaire (exemple : Administrateur légal, Tuteur, etc.) il doit mentionner ses nom, prénom et la qualité en laquelle il signe le formulaire de vote.
Le formulaire adressé pour une Assemblée vaut pour les autres Assemblées successives convoquées avec le même ordre du jour (Art. R 225.77 §3 du Code de commerce).

VOTE PAR CORRESPONDANCE

(3) Art. L 225-107 du Code de Commerce (extrait) :

« Tout actionnaire peut voter par correspondance, au moyen d'un formulaire dont les mentions sont fixées par décret. Les dispositions contraires des statuts sont réputées non écrites.
Pour le calcul du quorum, il n'est tenu compte que des formulaires qui ont été reçus par la Société avant la réunion de l'Assemblée, dans les conditions de délais fixés par décret. Les formulaires ne donnant aucun sens de vote ou exprimant une abstention sont considérés comme des votes négatifs. »

Si vous désirez voter par correspondance, vous devez obligatoirement cocher la case JE VOTE PAR CORRESPONDANCE au recto.

Dans ce cas, il vous est demandé :

Pour les projets de résolutions proposées ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance :

- soit de voter « oui » pour l'ensemble des résolutions en ne noircissant aucune case,
- soit de voter « non » ou de vous « abstenir » (ce qui équivaut à voter « non ») sur certaines ou sur toutes les résolutions en noircissant individuellement les cases correspondantes.

Pour les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance :

- de voter résolution par résolution en noircissant la case correspondant à votre choix.
En outre, pour le cas où des amendements aux résolutions présentées ou des résolutions nouvelles seraient déposées lors de l'assemblée, il vous est demandé d'opter entre 3 solutions (pouvoir au Président de l'Assemblée Générale, abstention ou pouvoir à personne dénommée), en noircissant la case correspondante à votre choix.

POUVOIR AU PRÉSIDENT DE L'ASSEMBLEE GENERALE OU POUVOIR A UNE PERSONNE DENOMMEE

(2) Art. L 225-106 du Code de Commerce (extrait) :

« Un actionnaire peut se faire représenter par un autre actionnaire, par son conjoint ou par le partenaire avec lequel il a conclu un pacte civil de solidarité. »

Tout actionnaire peut recevoir les pouvoirs émis par d'autres actionnaires en vue d'être représenté à une Assemblée, sans autres limites que celles résultant des dispositions légales ou statutaires fixant le nombre maximal des voix dont peut disposer une même personne tant en son nom personnel que comme mandataire. Avant chaque réunion de l'Assemblée Générale des actionnaires, le Président du Conseil d'Administration ou le Directoire, selon le cas, peut organiser la consultation des actionnaires mentionnés à l'article L. 225-102 afin de leur permettre de désigner un ou plusieurs mandataires pour les représenter à l'Assemblée Générale conformément aux dispositions du présent article. Cette consultation est obligatoire lorsque, les statuts ayant été modifiés en application de l'article L. 225-23 ou de l'article L. 225-71, l'Assemblée Générale ordinaire doit nommer au Conseil d'Administration ou au Conseil de surveillance, selon le cas, un ou des salariés actionnaires ou membres des Conseils de surveillance des fonds communs de placement d'entreprise détenant des actions de la société.

Les clauses contraires aux dispositions des alinéas précédents sont réputées non écrites.

Pour toute procuration d'un actionnaire sans indication de mandataire, le Président de l'Assemblée Générale émet un vote favorable à l'adoption de projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire, selon le cas, et un vote défavorable à l'adoption de tous les autres projets de résolution. Pour émettre tout autre vote, l'actionnaire doit faire choix d'un mandataire qui accepte de voter dans le sens indiqué par le mandant.

(*) Le texte des résolutions figure dans le dossier de convocation joint au présent formulaire (art R 225-81 du Code de Commerce) : ne pas utiliser à la fois « JE VOTE PAR CORRESPONDANCE » et « JE DONNE POUVOIR A » (art R 225-81 8° CC). La langue française fait foi.

NB : Si les informations contenues sur le présent formulaire sont utilisées pour un fichier nominatif informatisé, elles sont soumises aux prescriptions de la Loi 78-17 du 6 janvier 1978, notamment en ce qui concerne le droit d'accès et de rectification pouvant être exercé par l'intéressé.

INSTRUCTIONS FOR COMPLETION

- A. If the shareholder wishes to attend the meeting personally, tick box A on the front of the document. Please also date and sign at the bottom of the form.
- B. Otherwise, the shareholder may use this form as a postal vote (*).
In this case, check box B on the front of the form and choose one of the three possibilities:
-use the postal voting form (tick the appropriate box, date and sign below)
-give your proxy to the Chairman of the meeting (date and just sign at the bottom without filling in)
-give your proxy to another shareholder (tick and fill in the appropriate box, date and sign below)

WHICHEVER OPTION IS USED the shareholder's signature is necessary

(1) The shareholder should write his exact name and address in capital letters in the space provided; if this information is already supplied, please verify and correct if necessary. If the shareholder is a legal entity, the signatory should indicate his/her full name and the capacity in which he is entitled to sign on the legal entity's behalf. If the signatory is not the shareholder (e.g. a legal guardian, etc.), please specify your full name and the capacity in which you are signing the proxy.
The forms sent for one meeting will be valid for all meetings subsequently convened with the same agenda (art. R 225-77§3 Code de Commerce).

POSTAL VOTING FORM

(3) Art L. 225-107 of Code de Commerce (extract): "A shareholder can vote by post using a postal voting form determined by law.

Any other methods are deemed to be invalid".

Only the forms received by the Company before the meeting, within the time limit and conditions determined by law, are valid to calculate the quorum.

The forms giving non voting directions or indicating abstention are deemed to vote against.

If you wish to use the postal voting form, you must tick the box on the front of the document "I VOTE BY POST".

In such event, please comply with the following instructions:

For the resolutions proposed or agreed by the Board, you can:

- either vote "for" all the resolutions by leaving the boxes blank
- or vote "against" or "abstention" (*which is equivalent to voting against*) by shading boxes of your choice.

For the resolutions not agreed by the Board, you can:

- vote resolution by resolution by shading the appropriate boxes,
In the case of amendments or new resolutions during the shareholders' meeting, you are requested to choose between three possibilities (proxy to the chairman of the meeting, abstention or proxy to another shareholder by shading the appropriate box.

PROXY TO THE CHAIRMAN OF THE MEETING OR PROXY TO ANOTHER SHAREHOLDER
(2) Art L. 225-106 of Code de Commerce (extract): "A shareholder can have himself/herself represented by another shareholder, his/her spouse or his/her partner in a "Pacte Civil de Solidarité""

Any shareholder can receive proxies issued by the other shareholders to have themselves represented at a meeting, without any other limitations other than those laid down by the law or by the articles of association fixing the maximum number of votes to which a person is entitled both in his/her own name or a proxy. Before each shareholders' meeting, the Chairman of the Board of Directors or the Executive Board may consult the shareholders listed in article L. 225-102 in order to allow them to designate one or several proxies to represent them at the shareholders' meeting in accordance with this article. Such consultation is obligatory when the articles of association, having been modified pursuant to articles L. 225-23 or L. 225-71, require the shareholders' ordinary meeting to appoint to the Board of Directors or the Executive Board, one or more shareholder employees or members of the Executive Board of a pension fund holding shares in the company. The clauses in contradiction with the provisions of the foregoing paragraphs are deemed to be invalid.

When proxies do not indicate the name of the appointed proxy, the chairman of the meeting will vote the proxy in favor of the adoption of the draft resolutions presented or approved by the Board of Directors or the Executive Board, and will vote the proxy against the adoption of all the other draft resolutions. To give any other vote, the shareholder must choose a proxy who accepts to vote as he/she indicates.

(*) The text of the resolutions are in the notification of the meeting which is sent with this proxy (art R225-81 Code de Commerce) : please do not use both « I VOTE BY POST » and « I HEREBY APPOINT » (art R 225-81 8° CC). The French version of this document governs. The English translation is for convenience only.

NB : If any information included in this form is used for a computer file, it is protected by the provisions of law 78-17 of January 6, 1978, especially about rights of access and alteration that can be exercised by interested parties.

ORDINARY RESOLUTIONS

1. Approval of Statutory Accounts for year ended December 31, 2012.
2. Allocation of results.
3. Renewal of Mr. Michael S. Anderson as Director.
4. Renewal of Mrs Catherine Bréchnignac as Director.
5. Renewal of Mr. Guillaume Cerutti as Director.
6. Renewal of Mr. Francis JT Fildes as Director.
7. Renewal of Ambassador Craig Stapleton as Director.
8. Renewal of Mr. Elie Vannier as Director.
9. Renewal of Mr. Stephen H. Willard as Director.
10. Determination of the annual amount of Directors' attendance fees.
11. Approval of agreements referred to in article L. 225-38 et seq. of the French Commercial Code.

17. Cancellation of the preferential right of subscription attributed to the shareholders with respect to the capital increase set forth in the sixteenth resolution to the benefit of a category of persons consisting of any person or company having sold or transferred to the Company asset(s), including any shares, representing immediately or overtime or voting rights in any commercial enterprise.
18. Authorization to be granted to the Board of Directors to increase the share capital by issuing of shares reserved for the members of a company savings plan established in application of Articles L.3332-18 et seq. of the French Labor Code.
19. Cancellation of the preferential right of subscription attributed to the shareholders with respect to the capital increase set forth in the eighteenth resolution to the benefit of a category of persons consisting of employees of the Company.
20. Powers for formalities.

EXTRAORDINARY RESOLUTIONS

12. Authorization to be granted to the Board of Directors to allocate six hundred thousand (600,000) stock options and taking note of the resulting capital increases.
13. Authorization to be granted to the Board of Directors to allocate two hundred thousand (200,000) existing or to be issued shares at no cost ("free shares") and establishment of the subsequent capital increases.
14. Authorization to be granted to the Board of Directors for issue of a maximum number of three hundred thousand (300,000) stock warrants (BSA) reserved for a category of persons defined by the fifteenth resolution; authorization to be granted to the Board of Directors for carrying out the resulting capital increases.
15. Cancellation of the preferential right of subscription attributed to the shareholders with respect to the capital increase set forth in the fourteenth resolution to the benefit of a category of persons consisting of the Company's directors and Scientific Advisory Board's members who are neither authorized agents nor employees of the company, but including the Chairman of the Board of Directors.
16. Authorization to be granted to the Board of Directors for issue of a maximum number of two hundred thousand (200,000) ordinary shares of a nominal value of EUR 0.12196, in the form of American Depositary Shares (ADS), reserved for a category of persons defined by the seventeenth resolution; authorization to be granted to the Board of Directors for carrying out the resulting capital increases.

▼ PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. ▼

Proxy — Flamel Technologies S.A.

Instructions to the Bank of New York Mellon, as Depositary (Must be received prior to 5:00 p.m. (New York City Time) on June 12, 2013)

The undersigned registered owner of American Depositary Shares hereby requests and instructs The Bank of New York Mellon, as Depositary, to endeavor, in so far as practicable, to vote or cause to be voted the amount of Ordinary Shares or other deposited securities represented by such American Depositary Shares registered in the name of the undersigned on the books of the Depositary as of the close of business on May 13, 2013 at the Combined Shareholders Meeting of Flamel Technologies S.A. to be held on June 20, 2013 in respect of the resolutions specified on the reverse.

Please direct the Depositary how it is to vote by placing an X in the appropriate box beside each resolution.

If no instructions are received by the Depositary from any Owner with respect to any of the Deposited Securities represented by the American Depositary Shares evidenced by such Owner's Receipts on or before the date established by the Depositary for such purpose, the Depositary shall deem such Owner to have instructed the Depositary to vote such Deposited Securities and the Depositary shall vote such Deposited Securities in favor of any resolution proposed by the management of the Issuer and against any resolution not proposed by such management, except in case where (i) the Issuer does not wish such vote cast, (ii) substantial opposition exists or (iii) such matter materially and adversely affects the rights of holders of Shares or American Depositary Shares.

NOTE: As registered owners of American Depositary Shares are not registered as holders of Shares on the registry maintained by or on behalf of Flamel Technologies, S.A., in accordance with French company law and the statutes of the Flamel Technologies S.A., registered owners of American Depositary Shares have no standing to (i) appear and vote at any meeting of holders of Shares, or (ii) propose any resolution at any shareholders' meeting. If a holder of American Depositary Shares wishes to appear and vote at any meeting of the holders of Shares, or to propose any resolution at such meeting, such holder must surrender its receipts and withdraw the corresponding Deposited Securities pursuant to Section 2.5 of the Deposit Agreement and become registered on the registry maintained by or on behalf of Flamel Technologies S.A. at least (i) one (1) Paris Business Day prior to the date of the relevant shareholders' meeting to appear and vote at such meeting, or (ii) twenty five (25) calendar days prior to the date of the relevant shareholders' meeting to propose any such resolution.

(Continued and to be marked, dated and signed, on the other side)

FLAMEL TECHNOLOGIES
Société Anonyme with a share capital of EUR 3,099,662
Registered Office :
Parc Club du Moulin à Vent
33, avenue du Docteur Georges Lévy
69693 VENISSIEUX (France)

379 001 530 R.C.S. LYON

DOCUMENT AND INFORMATION REQUEST FORM

Article R.225-81 of the French Code de Commerce

I, the undersigned:

_____ (*first and last names and address*) owner of _____ (*number of shares owned*) registered shares of Flamel Technologies, a *Société Anonyme* with a share capital of EUR 3,099,662 having its registered office at Parc Club du Moulin à Vent, 33, avenue du Docteur Georges Lévy, 69693 VENISSIEUX (France), identified under number 379 001 530 R.C.S. LYON (the "Company"),

Hereby request that the documents referred to Art R.225-83 of the French Code de Commerce and relating to the combined ordinary and extraordinary meeting of the shareholders of the Company to be held at the registered office on June 20, 2013 at 11 a.m. (French time), be addressed to me at (*address*) _____ .

In my capacity of owner of registered shares, I hereby also request in accordance with Article R.225-88 of the French Code de Commerce that a proxy form together with the documents and information set forth at Articles R.225-81 and R.225-83 of the French Code de Commerce be addressed to me on the occasion of each subsequent shareholders' meeting.*

I hereby declare that these shares are registered in an account held by CACEIS or Bank of New-York Mellon, in the form of ADR**.

Done in _____, on _____

Signature of the shareholder

*To be deleted if not requested
** To be deleted if not applicable
