

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

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**FORM 6-K**

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

For the month of May 2011

Commission File Number 000-28508

**Flamel Technologies**

(Translation of registrant's name into English)

**Parc Club du Moulin à Vent**

**33 avenue du Dr. Georges Levy**

**69693 Vénissieux Cedex France**

(Address of principal executive offices)

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

Form 20-F  x

Form 40-F  o

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  o

No  x

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

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## INFORMATION FILED WITH THIS REPORT

### Document Index

- 99.1 Press Release dated May 31, 2011
  - 99.2 Notice of a Combined Ordinary and Extraordinary Meeting of Shareholders on June 24, 2011
  - 99.3 Draft Resolutions to be submitted at the Ordinary and Extraordinary General Shareholders' Meeting on June 24, 2011
  - 99.4 Management Report prepared by the Board of Directors to be presented at the Annual Ordinary Shareholders' Meeting on June 24, 2011
  - 99.5 Board Report to be submitted at the combined Shareholders' Meeting on June 24, 2011
  - 99.6 Form of Proxy to Shareholders
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**SIGNATURES**

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

Flamel Technologies S.A.

Dated: May 31, 2011

/s/ Stephen H. Willard  
Stephen H. Willard  
Chief Executive Officer

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## EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description</b>
99.1	Press Release dated May 31, 2011
99.2	Notice of a Combined Ordinary and Extraordinary Meeting of Shareholders on June 24, 2011
99.3	Draft Resolutions to be submitted at the Ordinary and Extraordinary General Shareholders' Meeting on June 24, 2011
99.4	Management Report prepared by the Board of Directors to be presented at the Annual Ordinary Shareholders' Meeting on June 24, 2011
99.5	Board Report to be submitted at the combined Shareholders' Meeting on June 24, 2011
99.6	Form of Proxy to Shareholders
99.7	Form of Proxy to ADS Holders
99.8	Document and Information Request Form



FLAMEL TECHNOLOGIES

**Flamel Technologies Announces Nomination of Ambassador Craig Stapleton, Dr. Catherine Bréchnignac and Mr. Guillaume Cerutti for Election to the Board of Directors**

**Lyon, France** – May 31 – Flamel Technologies (**Nasdaq: FLML**) announced today that the Board of Directors has nominated Dr. Catherine Bréchnignac, Mr. Guillaume Cerutti, and the Honorable Craig Stapleton for election to serve as members of the Company’s Board of Directors. The Company also announced today that Mr. Frederic Lemoine will complete his current term as a member of the Company’s Board at Flamel’s annual meeting, scheduled to be held on June 24, 2011.

**Dr. Catherine Bréchnignac**

Dr. Bréchnignac graduated and received her PhD in Physics from the Ecole Normale Supérieure. She is a member and the “Secrétaire Perpétuel” of the French National Academy of Sciences, a member of the French National Academy of Technologies, a member of the American Academy of Arts & Sciences, a member of the Royal Belgium Academy of Sciences, and also serves as the French Ambassador for science, technology and innovation. In addition, Dr Bréchnignac is a former Chairperson of the National Center for Scientific Research (CNRS); she served as the first Chairperson of the “Haut Conseil des Biotechnologies” (2009-2011); and she was until recently (2008-2011) the Chairperson of the International Council for Science.

Dr. Bréchnignac has served as a board member of Renault SA, and was a Professor at the Georgia Institute of Technology, Member of the International Union of Pure and Applied Physics and Member of the European Physical Society. She has been awarded the French Légion d’Honneur and has received honorary doctorates from the Ecole Polytechnique Fédérale in Lausanne, the Georgia Tech Institute, and the Freie Universität Berlin. She was awarded, among numerous prizes, the prize of the Académie des Sciences in 1991 for her ground-breaking research.

**Mr. Guillaume Cerutti**

Mr. Cerutti is the Chairman and CEO of Sotheby’s France. He graduated from the Ecole Nationale d’Administration (ENA) in 1991 and began his career as a civil servant at the Ministry of Finance and the Economy where he worked as a member of the Inspection Générale des Finances. He was the head of the “Direction Générale de la Concurrence et de la Répression des Fraudes” (the French administration charged with enforcing all anti-trust and fraud related issues). He was the Managing Director of the Centre Georges Pompidou between 1996 and 2001. Between 2002 and 2004 he served as chief of staff of France’s Minister for Culture and Media, and played a decisive role in the preparation of the laws that reformed corporate sponsorship in France. He currently serves as a director of Ingenico SA, and chairman of the Institut de Financement du Cinéma et des Industries Culturelles (IFCIC), a financial company which offers guarantees and loans in the cultural sector in France.

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FLAMEL TECHNOLOGIES

### **The Honorable Craig Stapleton**

Ambassador Stapleton served the United States as Ambassador to France from 2005 until 2009 after having served as the United States Ambassador to Prague. Ambassador Stapleton served as President of Marsh and McLennan Real Estate Advisors of New York from 1982 until 2001. He has served on the board of directors for several companies including Allegheny Properties, Metro PCS, TB Woods and Winston Partners. He was a part owner of the Texas Rangers baseball team from 1989-1998 and is currently a part owner of the St. Louis Cardinals. Ambassador Stapleton is currently serving as a Trustee of the George W. Bush Library and Foundation, the 9/11 Memorial Foundation, the de Tocqueville/United Way Foundation, CERGE (the Center for Economic Research and Graduate Education), and the Association François-Xavier Bagnoud. He has served on the Visiting Committee for Harvard College and the Committee on University Resources. Ambassador Stapleton is President of the Vaclav Havel Foundation in the United States. He currently serves as a Senior Advisor to Stone Point Capital and is the lead director of Abercrombie and Fitch. He received his B.A. (magna cum laude) from Harvard University and his M.B.A. from Harvard Business School.

“We are extremely proud that people of such quality have accepted to join our Board,” said Elie Vannier, the chairman of the Board of Directors of Flamel Technologies. “They offer an impressive and new set of skills to an already highly distinguished independent board of directors, which includes Mr. Lodewijk deVink, Dr. Frank JT Fildes, and Mr. John Vogelstein. We also wish to thank Mr. Lemoine for his service to the Company over the past six years. We deeply regret that his new prominent professional position does not allow him to remain a Flamel director.”

Stephen H. Willard, Flamel’s chief executive officer added: “Our board will benefit from the extensive backgrounds of our proposed three new board members. I am grateful for the expertise that each of them brings to Flamel, and am honored that each should accept to serve on our Board of Directors. I believe that it is a great vote of confidence for Flamel that we should attract such strong board members and am looking forward to working with them in the years to come.”

Mr. Willard continued: “I also wish to thank Mr. Lemoine for his years of service to Flamel. His contributions were very significant to our company’s development.”

### **About Flamel**

**Flamel Technologies SA** (NASDAQ: FLML) is a leading drug delivery company focused on the goal of developing safer, more efficacious formulations of drugs that address unmet medical needs. Its product development pipeline includes biological and chemical drugs formulated with the Medusa® and Micropump® proprietary platforms. Several Medusa-

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## FLAMEL TECHNOLOGIES

based products are at various clinical stages of development; Medusa's lead internal product candidate IFN-alpha XL (long-acting interferon alpha-2b) is currently the subject of a Phase 2 trial in HCV patients. The Company has developed approved products and manufactures Micropump-based microparticles. Flamel Technologies has collaborations with a number of leading pharmaceutical and biotechnology companies, including Baxter, GlaxoSmithKline, Merck Serono and Pfizer. Additional information can be found at [www.flamel.com](http://www.flamel.com).

### Contact:

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*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," 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 products in the development stage may not achieve scientific objectives or milestones or meet stringent regulatory requirements, uncertainties regarding market acceptance of products in development, the impact of competitive products and pricing, and the risks associated with Flamel's reliance on outside parties and key strategic alliances. These and other risks are described more fully in Flamel's Annual Report on the Securities and Exchange Commission Form 20-F for the year ended December 31, 2009. 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.*

FLAMEL TECHNOLOGIES  
Société Anonyme with a share capital of Euros 3,005,783  
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 24, 2011**

Sent by Mail on May 25, 2011

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 24, 2011 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, 2010.
2. Allocation of results.
3. Renewal of Mr. Elie Vannier as Director.
4. Renewal of Mr. Lodewijk J.R. De Vink as Director.
5. Renewal of Mr. John L. Vogelstein as Director.
6. Renewal of Mr. Francis JT Fildes as Director.
7. Renewal of Mr. Stephen H Willard as Director
8. Appointment of Ambassador Craig Stapleton as Director
9. Appointment of Mrs Catherine Bréchnignac as Director
10. Appointment of Mr. Guillaume Cerutti as Director
11. Determination of the annual amount of Directors' attendance fees.
12. Approval of agreements referred to in article L. 225-38 *et seq.* of the Code of commerce



**Resolutions within the competence of the extraordinary general shareholders' meeting**

13. Authorization to be granted to the Board of Directors to allocate two hundred thousand (200,000) shares at no cost ("free shares") and taking note of the resulting capital increases.
14. Authorization to be granted to the Board of Directors to issue a maximum of three hundred fifty thousand (350,000) stock warrants (BSA) reserved for a category of persons consisting of the company's directors who are neither legal representatives nor employees of the Company, but including the Chairman of the Board of Directors; authorization to be granted to the Board of Directors for carrying out the resulting capital increases.
15. Authorization to be granted to the Board of Directors for increasing the share capital through issuances of shares reserved for the members of a company saving plan established pursuant to Articles L.3332-18 et seq. of the Labour Code.
16. Powers for formalities.

Please note that in the event that you are not able to attend the meeting, you may either grant a proxy to your spouse (or partner in a PACS) or to another shareholder, who will be attending the meeting, or vote by mail. You may also address a proxy to the Company without indicating any representative. In this latter case, please note that the Chairman of the meeting will thus (i) vote in favor of the resolutions approved by the Board of Directors and (ii) vote unfavorably for the other resolutions, which would have not been approved by the Board.

If you wish to vote in another way, you shall give a proxy to a representative, who will agree to vote as you require.

Under no circumstances will you be allowed to return to the Company a document including both instructions of vote by mail and by proxy.

The voting instructions will not be taken into account unless the above-mentioned document, duly filled out, reaches the Company at least three days before the Shareholders' meeting.

ON BEHALF OF THE BOARD OF DIRECTORS

**- Translated from French -**

**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 YOU EXPECT NOT TO BE PRESENT AT THE MEETING, YOU MAY COMPLETE AND PROMPTLY RETURN THE FORM OF PROXY AND VOTE BY MAIL ("DOCUMENT UNIQUE DE VOTE PAR CORRESPONDANCE ET PAR PROCURATION"), WHICH IS ENCLOSED FOR YOUR CONVENIENCE.

PLEASE NOTE THAT ANY ABSTENTION EXPRESSED IN THE FORM OF PROXY AND VOTE BY MAIL ("DOCUMENT UNIQUE DE VOTE PAR CORRESPONDANCE ET PAR PROCURATION") OR RESULTING FROM THE ABSENCE OF INDICATION OF VOTE WILL BE DEEMED TO BE AN UNFAVORABLE VOTE TO THE PROPOSED RESOLUTION.

IF THE QUORUM FOR THE ORDINARY MEETING IS NOT MET ON JUNE 24, 2011, SHAREHOLDERS WILL BE INVITED TO VOTE AT A MEETING WHICH WILL BE HELD ON JULY 4, 2011 ON THE SAME AGENDA, AS DESCRIBED IN THIS NOTICE .

**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 24, 2011;
- § 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 24, 2011;
- § Form of proxy and vote by mail;
- § Document and information request form.

**FLAMEL TECHNOLOGIES**

*Société Anonyme* with a stated capital of 3,005,783 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 24, 2011**

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

1. Approval of Statutory Accounts for year ended December 31, 2010.
2. Allocation of results.
3. Renewal of Mr. Elie Vannier as Director.
4. Renewal of Mr. Lodewijk J.R. De Vink as Director.
5. Renewal of Mr. John L. Vogelstein as Director.
6. Renewal of Mr. Francis JT Fildes as Director.
7. Renewal of Mr. Stephen H Willard as Director
8. Appointment of Ambassador Craig Stapleton as Director
9. Appointment of Mrs Catherine Bréchnac as Director
10. Appointment of Mr. Guillaume Cerutti as Director
11. Determination of the annual amount of Directors' attendance fees.
12. Approval of agreements referred to in article L. 225-38 *et seq.* of the "Code de commerce".

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

13. Authorization to be granted to the Board of Directors to allocate two hundred thousand (200,000) shares at no cost ("free shares") and taking note of the resulting capital increases.
14. Authorization to be granted to the Board of Directors to issue a maximum of three hundred fifty thousand (350,000) stock warrants (BSA) reserved for a category of persons consisting of the company's directors who are neither legal representatives nor employees of the Company, but including the Chairman of the Board of Directors; authorization to be granted to the Board of Directors for carrying out the resulting capital increases.

**Translated from French**

15. Authorization to be granted to the Board of Directors for increasing the share capital through issuances of shares reserved for the members of a company saving plan established pursuant to Articles L.3332-18 et seq. of the Labour Code.
16. Powers for formalities.

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

**FIRST RESOLUTION**

*Approval of Statutory Accounts for year ended December 31, 2010*

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, 2010, 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 (7,158,443) €.

Accordingly, the General Shareholders' Meeting grants the Directors full discharge from their duties relative to the said 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 33,460 € during the fiscal year ended December 31, 2010 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, 2010, amounting to (7,158,443) €, to the carry forward account, which will then amount to (103,113,395) €.

It is recalled, pursuant to article “243 bis” of the General Tax Code, that no dividend was distributed for the fiscal years ended December 31, 2009, December 31, 2008 and December 31, 2007.

### **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 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, 2011.

Elie Vannier 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 Lodewijk J.R. De Vink 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, 2011.

Lodewijk J.R. De Vink has declared that he 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 John L. Vogelstein 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, 2011.

John L. Vogelstein 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, 2011.

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 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, 2011.

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.

The General Shareholders meeting acknowledges that the term of the Director's office of Mr. Frédéric Lemoine expires at the end of this meeting and takes advantage of the present meeting to thank him for his work as director and Chairman of the Audit Committee since his first nomination.

**EIGHTH RESOLUTION**

*Appointment of a new 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,

**decides** to appoint Ambassador Craig Stapleton as Director of the Company for one (1) year that will expire at the end of the General Shareholders' Meeting called on to approve the financial statements for the fiscal year ending December 31, 2011.

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.

**NINTH RESOLUTION**

*Appointment of a new 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,

**decides** to appoint Mrs. Catherine Bréchnignac as Director of the Company for one (1) year that will expire at the end of the General Shareholders' Meeting called on to approve the financial statements for the fiscal year ending December 31, 2011.

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

**TENTH RESOLUTION**

*Appointment of a new 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,

**decides** to appoint Mr. Guillaume Cerutti as Director of the Company for one (1) year that will expire at the end of the General Shareholders' Meeting called on to approve the financial statements for the fiscal year ending December 31, 2011.

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

**ELEVENTH 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 eight, a maximum aggregate amount of four hundred and fifty five thousand (455,000) € as annual attendance fees for the fiscal year ending December 31, 2011.

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

**TWELFTH RESOLUTION**

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

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

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

**approves** the agreements entered into or previously authorized and which remained into force during the fiscal year ended December 31, 2010, together with the transactions mentioned therein.



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

**THIRTEENTH RESOLUTION**

Authorization to be granted to the Board of Directors to allocate two hundred thousand (200,000) 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 Code of Commerce:

1. authorizes the Board of Directors 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 Code of Commerce or for the benefit of the company managers referred to in Article L. 225-197-1, II of the Code of Commerce;
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 Code of Commerce and/or the company managers who meet the conditions of Article L. 225-197-1 of the Code of Commerce;
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 the French fiscal 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 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.

**Translated from French**

7. takes due cognizance 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;
8. fixes at thirty-eight (38) months, as from the date of the present Meeting, the duration of validity of the present authorization;
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. takes due cognizance of the fact 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 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 of three hundred fifty thousand (350,000) stock warrants (BSA) reserved for a category of persons consisting of the company's directors who are neither legal representatives nor employees of the company, but including the Chairman of the Board of Directors; 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 Code of Commerce,

1. decides to authorize the Board to issue three hundred fifty thousand (350,000) warrants (BSA) for a subscription price to be paid up in cash and determined by the Board based on the evaluation of an independent expert. Such evaluation shall be the fair value of the warrants (BSA) which will be in part a function of the subscription price of the shares to be determined by the Board, in accordance with the provisions set forth in paragraph 3 below. The subscription amount of these warrants (BSA), if any, will be registered in a special reserve account labelled "issue premium" which will carry rights for all shareholders;

**Translated from French**

2. decides to cancel the preferential right of subscription attributed to the shareholders by Article L. 225-132 of the Code of Commerce and to reserve the subscription of these three hundred fifty thousand (350,000) 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;
  3. decides that each warrant (BSA) will give its holder, subject to the terms and conditions set forth hereafter and in the Board's decision to issue the warrants (BSA), the right to subscribe to one share of the Company for a subscription 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 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;
  4. resolves that the shares thus subscribed upon exercise of the warrants (BSA) shall be fully paid up on the date of their subscription, either in cash or by offset of debt in the conditions laid down by law;
  5. 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 warrants (BSA), provided that such exercise shall occur within four (4) years from the issuance date and that the holder is still a member of the Board of Directors of the Company on the day of such exercise;
  6. If its holder fails to exercise the warrant in whole or in part at the expiry of the above mentioned period, the warrant (BSA) and the attached right to subscribe will lapse automatically;
  7. decides that, as of the issuance date of the warrants (BSA), the Company will be entitled to:
    - conduct any change in its corporate organization,
    - conduct any change in its corporate purpose,
    - change the allocation rule of its profits and to redeem its share capital, subject to the Company taking all the necessary measures to protect the warrants holders pursuant to Article L. 228-99 of the Code of Commerce,
    - issue preferred shares subject to the Company taking all the necessary measures to protect the warrants holders pursuant to Article L. 228-99 of the Code of Commerce;
  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 warrants' holders pursuant to the provisions of Article L. 228-99 of the Code of Commerce;
-

**Translated from French**

9. decides that, in the case of a capital reduction, motivated or not by losses, and conducted through either a decrease of the par value of the shares or a decrease of the number of shares, the warrant holders' rights will be decreased accordingly as if they had been exercised, before the date when the capital decrease has become final;
10. acknowledges that, pursuant to the provisions of Article L. 228-103 *et seq.* of the Code of Commerce, 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 be entitled 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 Code of Commerce. 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. Consequently and in accordance with the provisions of Article L. 228-91 of the Code of Commerce, authorizes the issuance of a maximum of three hundred fifty thousand (350,000) new ordinary shares of an approximate nominal value of 0.12196 € each to which exercise of warrants (BSA) will give rise, that is, a capital increase of an approximate maximum nominal amount of 42,686 €, 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 Code of Commerce;
12. decides that the new shares remitted to the subscriber on exercise of the warrant will be subject to all the provisions of the bylaws of the Company and will carry distribution rights from the date of their creation;
13. acknowledges that, in accordance with Article L. 225-132 paragraph 6 of the Code of Commerce, the decision of the General Shareholders' Meeting automatically entails the waiver by the shareholders of their preferential rights in respect of the shares which may be issued upon exercise of the warrants (BSA), for the benefit of the holders of the above-mentioned three hundred fifty thousand (350,000) warrants (BSA);
14. decides that this authorization is granted for a term of eighteen (18) months starting from the date of this General Shareholders' Meeting;
15. acknowledges that, such warrants (BSA) shall be issued within a maximum period of eighteen (18) months from the date of the General Meeting in accordance with Article L. 225-138 of the Code of Commerce;
16. decides to grant the Board of Directors with all necessary powers to implement this decision under the terms and conditions set forth in the present resolution and by law, and in particular:
  - to issue and fix the subscription price of the warrants (BSA)
  - to determine the beneficiaries amongst the category defined by this resolution,
  - to fix the issue price of the shares to be subscribed upon exercise of the warrants (BSA) in accordance with terms and conditions set forth in the present resolution, the dates, periods and conditions of subscription and final details of the issue within the limits prescribed by this general meeting of shareholders and to allocate the issue premium, as the case may be,

**Translated from French**

- to close the subscription period early or extend its date, if required,
- to gather the subscriptions and payments in respect of the subscription for the aforementioned warrants (BSA),
- to record the number of shares issued on exercise of the warrants (BSA) and carry out any formalities resulting from the corresponding increases in share capital and make the corresponding amendments to the bylaws,
- to take any action required to ensure the protection of the warrant holder in the event of financial operations relating to the Company, in accordance with the legal and regulatory provisions in force, and generally, to take any action and carry out any formality which is useful in respect of this issue.

**FIFTEENTH 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 saving plan established in application of Articles L.3332-18 et seq. of the Labour 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 Code of Commerce and Article L. 3332-18 *et seq.* of the 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. 3332-18 *et seq.* of the Labor Code, for employees of the Company or its affiliates, as defined under Article L. 225.180 of the Code of Commerce, who shall meet additional criteria to be defined by the Board, if any (the "Group Employees");
2. decides to cancel, in favor of those Group Employees, the preferential subscription rights of the shareholders set forth in Article L. 225-132 of the Code of Commerce, to the shares to be issued under this resolution;
3. decides that this authorization is granted for a term of twenty-six (26) months starting from the date of this General Shareholders' Meeting;
4. 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;
5. 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. 3332-18 of the Labor Code;

**Translated from French**

6. 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;
7. 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.

**SIXTEENTH 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.

**X-X-X**

**FLAMEL TECHNOLOGIES**

Société Anonyme with a share capital of Euros 3,005,783

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 24, 2011**

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, 2010 (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, with the exception of Mr. Frédéric Lemoine for reasons below mentioned, and that you appoint some new directors.

At the Ordinary shareholders meeting, you will hear a reading of the reports by the auditor.

The auditor reports, the annual financial statements, as well as all documents relating thereto were made available to you at the registered office under legal and regulatory conditions.

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 the said annual financial statements are the same as the ones used for previous financial years.

**I. THE COMPANY'S ACTIVITY**

The financial year ending December 31, 2010 represented a satisfactory year for the Company since both our Medusa® and Micropump® drug delivery technologies continued to be improved through both internal and external research and development projects and since the Company has maintained a solid financial position.

## Translated from French

In 2010, the Company's scientists have been dedicated to executing (i) the research programs signed with partners and (ii) the fundamental internal research programs on which government funding have been obtained.

Six new feasibility agreements have been signed in 2010 such that the Company was working at the end of 2010, with eight of the top twenty-five pharmaceutical companies in the world and on twenty-six feasibility or license and development projects across both Micropump® (1 project) and Medusa® (5 projects) technology platforms.

With respect to Medusa®, the projects in development with partners have advanced. The most important of these programs continues to be the long-acting beta-interferon project undertaken with Merck Serono, which has commenced clinical trials and on which significant progress has been made. The Company received from Merck Serono €4 million in success-based milestones in 2010.

According to publicly available documents issued by pharmaceutical companies (press releases, presentations, SEC filings and financial reports), the global market for leading brands of interferon beta exceeded \$6 B in 2010 and this could be a substantial product opportunity in a subcutaneously injected long-acting beta interferon.

Discussions regarding new license opportunities are still ongoing, but have proceeded more slowly than anticipated due to a variety of external factors, notably economical.

We believe that the Company's scientific results were excellent and added considerable value to the programs that we are developing with our partners.

Data has been obtained that demonstrated the improvements that Medusa can achieve with respect to threshold issues such as protein aggregation, insolubility and stability of fragile proteins and peptides.

Clinical results have demonstrated that Micropump® technology is able to control and extend the release of small molecules in a long-acting liquid formulation. This technology is proprietary and is applicable to a wide variety of molecules that have never been formulated in this way.

The interferon-alpha Phase II trial that is being conducted by the ANRS has kept going, but advancing slower than expected due to trial enrolment as well as issues with the comparator drug (PegIntron).

Two previous studies we conducted demonstrated promising results of the formulation as compared to Intron-A® (immediate release interferon-alpha 2b, marketed by Schering Plough, since acquired by Merck) and Peg-Intron® (pegylated interferon-alpha 2b, also marketed by Schering Plough, since acquired by Merck). In both studies patients receiving our drug experienced fewer adverse events than those receiving the comparator treatment. Furthermore in a study presented at the Annual Meeting for the European Association for the Study of the Liver in Milan in April 2008, the results showed a statistically significant reduction in viral load after two weeks in the group comprising genotype-1 naïve patients, and non-responder/relapsed patients, relative to comparator treatment.

We believe that the interferon alpha trial can be a great showcase for one of the many strengths of the Medusa platform.

Regarding Coreg CR, commercialized by our partner GlaxoSmithKline, the Company submitted a Citizen's Petition in April, 2010 and the Federal Drug Administration granted our petition in part last October. As of December 31, 2010, the generic formulation submitted by the company Mutual Pharmaceuticals had not been approved.

The diversification of our revenue stream has been maintained to complement the activity and revenues generated by Coreg CR which, in 2010, represented less than 50% of our revenues. The supply agreement with GlaxoSmithKline expired on December 31, 2010 and negotiations on its renewal are ongoing. The Company is the sole supplier of microparticles to GlaxoSmithKline and anticipates that the negotiations will not have a negative impact on the Company.

The Company has maintained an aggressive approach to cost control and has challenged and reduced costs on non-core activities.



## Translated from French

As a result, we believe the Company remains in a strong position due to its conservative financial approach and its number of relationships which should enable it to support programs that partners decide to pursue for development, while continuing to invest in internal research programs.

### 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 2010 amount to 26.6 million €, compared with 37.7 million € in 2009. The 2010 revenues include 6.2 million € in product sales, 4 million € of License revenue, 8.2 million € of Research revenue and 6.8 million € in Royalties.

Payroll, including social security charges, representing 45.5 % of total operating expenses, increased by 6.2 % in 2010 to 18.9 million €, compared with 17.8 million € in 2009. This is due to the increase in staff late in 2009 to resource our ongoing partnered projects. Since mid 2010 we have sought to optimise our resources as a function of our existing projects portfolio.

Operating expenses have decreased compared with 2009 (-3%) following the reduction in product requirements from GlaxoSmithKline, generating lower production costs, and a reduction in pre-clinical costs.

Financial net income, standing at 429,903 € in 2010, results mainly from financial revenue generated by investing our available cash. The increase in financial net income of 185,490 € is due to improved interest rates negotiated on our fixed term deposits and lower foreign exchange loss.

Net loss before taxes and extraordinary income in 2010 amounted to (14.5) million €, compared with a loss of (4.8) million € in 2009.

After accounting for an extraordinary result of 1.6 million € and of a research tax credit amounting to 5.7 million €, the net loss for the financial year was (7,158,443) € compared to a net profit of 1,270,699 € in the previous financial year.

#### 2. **Balance sheet**

##### Assets

Total assets as of December 2010 amounted to 59.2 million €, including 19.2 million € in Property, Plant and Equipment and 39.1 million € in current assets.

Accounts receivable as of December 31, 2010 stood at 5.6 million €.

Treasury placements totalled 17.3 million € at the end of 2010, including funds invested on the money market (5.8 million €) and fixed term deposits (11.5 million €), to be compared with 24.5 million € at the end of 2009.

##### Liabilities

Shareholders equity, including current year results, amounts to 42.6 million €.

Remaining liabilities amount to 16.6 million €, including 3.5 million € in accounts payable, 2.9 million € in advances from the “French government” for R&D projects, 4.7 million € in social and tax liabilities and 1.3 million € regarding an advance received in 2008 from OSEO, a French government agency, secured against Research and Development tax credits from 2007.

### 3. Capital Investments

Capital investments during the financial year amounted to 2.3 million €, mainly for the consolidation of our chemical development and injectable forms development activities at Pessac.

### 4. Financing

The Company made no significant external financing transactions during the 2010 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 (7,158,443) €.

We propose to you to allocate this entire loss of (7,158,443) € to the retained earnings account, which, following that allocation, will amount to (103,113,395) € (*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 2010 the company recorded 33,460 € in excess depreciation that is not tax-deductible.

In the 2010 financial year the company also incurred 272,808 € in Directors attendance fees that are not tax deductible.

### VI. PAYMENT TERMS :

The French law « Loi de Modernisation de l'Economie (LME) » which is applicable as of January 1, 2009, 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 and for the remainder, have been modified to be so.

Payment terms of accounts payable as at December 31, 2010 were as follows:

#### Accounts Payable as at December 31, 2010

Total Accounts Payable in k€ : 

1,309 K€
----------

#### Non past due Accounts Payable as of December 31, 2010

Payment Date	Amount k€
< 30 days:	95 K€
Between 31 & 60 days:	975 K€
Between 61 days & 90 days:	
> 91 days:	

**Past Due Accounts Payable as of December 31, 2010**

Date past due	Amount k€
< 30 days:	<b>180 K€</b>
Between 31 & 60 days:	<b>15 K€</b>
Between 61 days & 90 days:	
> 91 days:	<b>44 K€</b>

**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 2010, together with the level of cash at the end of 2009, enabled the Company to finance its activity and its development for the year ended December 31, 2010. We believe the Company's position in 2010, despite global economic uncertainties, has been achieved as a result of the value we offer to our partners and our careful management of costs.

The Company progressed in 2010 with the following events:

- Continued diversification of projects portfolio.
- Advancement of projects in development with partners, the most important one being clinical development which could create a substantial product opportunity in a subcutaneously injected long-acting beta interferon.
- Improvement in some key ways of the Company's two intellectual property platforms (Medusa® and Micropump®).
- Increase of the Company's investment in property and equipment in order to rationalize consolidation of development facilities at Pessac.
- Maintenance of a conservative financial approach, so that the Company remains in a strong financial position.

Lack of execution of new license agreements as well as continuation of the economic crisis which lead to a reduction by large pharmaceutical companies of their investment in research and development has made 2010 a difficult year, but we believe a solid financial position has been maintained and the scientific success of the Company has been reinforced.

**IX. GOALS AND PROSPECTS FOR THE COMPANY FOR 2011**

Management of the Company anticipates the following developments for 2011:

- Conversion of the programs that have yielded good scientific and clinical results into strong commercial license and development agreements.
- Maintain the Company's existing strategy by supporting programs that partners decide to pursue for development, while continuing to invest in internal research programs to develop the Company's next generation technology platform.
- Maintain a large pipeline of feasibility agreements and convert successful ones into larger scale of license and development agreements,
- Finance as much as possible the feasibility of the Company research and development stage with partners and government grants.
- Maintain an aggressive approach to cost controls and challenge costs on non-core activities.
- Pursue production of CoregCR microparticles in line with GSK demand requirements.

We believe that future anticipated revenues and our current cash position together with strict prioritization of costs should allow the company to finance its activity and development for the current financial year.

**X. THE COMPANY'S RESEARCH AND DEVELOPMENT ACTIVITIES**

The Company's two technology platforms Medusa® and Micropump® have been significantly reinforced during the 2010 financial year:

**Micropump®:**

Clinical results have been obtained which show that the Micropump® technology is able to control and extend the release of small molecules in long acting liquid formulations.

Projects with partners on other applications are ongoing.

**Medusa®:**

The Medusa® technology has demonstrated its improvements with important issues such as protein aggregation, insolubility and stability of fragile proteins and peptides. Projects with partners are ongoing.

**XI. EMPLOYEES**

As of 31 December 2010, there were 288 employees.

**XII. CAPITAL**

As of December 31, 2010, the Company's capital stood at 3,005,783 €, consisting of 24,645,650 shares at a nominal amount of 0.12196 €, as a result of three capital increases (*Cf appendix 2*).

- The first as a result of the definitive grant as of May 4, 2010 of 40,000 shares following the grant of free shares to employees in April 3, 2008 for 4,878.4 €.
- The second as a result of the definitive grant as of December 06, 2010 of 205,050 shares following the grant of free shares to employees in December 10, 2008 for 24,398 €.
- The third, acknowledged by the Board of Directors on March 2, 2011 for 7,683.48 €, resulting from the issue of 63,000 shares subsequent to exercise of 63,000 stock options.

A total of 97.5 % 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 Messrs Elie Vannier, Frédéric Lemoine, Lodewijk J. R. de Vink, John L. Vogelstein, Francis J.T. Fildes and Stephen H. Willard expires at the end of the Ordinary shareholders meeting to which you are invited.

We inform you that Mr Frédéric Lemoine has resigned from his function as Chairman of the Audit Committee during its meeting on May 6, 2011 and has also informed management and members of the Board that he cannot accept reappointment to his office as director, as his main activities are henceforth consuming his fulltime attention. As a result he has expressed the wish not to be renewed in his office as director of the Company.

## Translated from French

Consequently, we propose to you to renew the terms for all Directors, except Mr. Frédéric Lemoine, who we thank for his work as director of the Company and Chairman of the Audit Committee.

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, 2011. (*Third to seventh resolution*)

We are also delighted to propose to you to appoint three new directors:

- Mr. Craig Stapleton who was the ambassador to France from the United States from 2005 to 2009. Ambassador Craig Stapleton has had a very distinguished business career, and also serves as lead director of Abercrombie and Fitch.
- Mrs Catherine Bréchnignac who is graduated, PhD in Physics and research director in French "Ecole Normale Supérieure". She is also the Permanent Secretary of French National Academy of Sciences, member of American Academy of Arts & Sciences, French Ambassador for sciences and technology and former President of NCRS.
- Mr Guillaume Cerutti who is graduated from the French "Ecole Nationale d'Administration"(ENA) and began his career as civil servant at the Ministry of Finance and Economy (Inspection Générale des Finances). Since 2007, he is Chairman and Chief Executive Officer of Sotheby's France.

We propose to you to appoint Ambassador Craig Stapleton, Mrs Catherine Bréchnignac and Mr Guillaume Cerutti as Directors for (1) year until the next Ordinary Shareholders Meeting to be held to approve the financial statements for the financial year ending on December 31, 2011. (*Eighth to tenth resolution*).

Ambassador Craig Stapleton, Mrs Catherine Bréchnignac and Mr Guillaume Cerutti's full résumés are available at the head office of the Company and on the Company's Website.

#### **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 four hundred fifty five thousand € (455,000) be assigned to the Board of Directors as annual attendance fees, being the same proportional amount compared with previous fiscal year and for which the distribution and breakdown thereof will be decided by the Board of Directors. (*Eleventh resolution*)

We also propose that the Directors be allowed to acquire a maximum of three hundred fifty thousand (350,000) autonomous stock warrants (BSA). (*Fourteenth resolution*)

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

1. Mr. Elie Vannier, Chairman of the Board of directors  
Mr Vannier is also Director of Ingénico, Famar, Conbipel and Compagnie Européenne de Téléphonie, and Deputy Chairman of the Supervisory Board of Groupe Loret
2. Mr. Stephen H. Willard, Chief Executive Officer  
Mr Willard is also Director of ETRADE Financial Corporation.
3. Mr. Frédéric Lemoine, Director  
Mr Frédéric Lemoine is also Chairman of the Executive Board of Wendel and Director of Groupama, Director of Bureau Veritas, Legrand and Saint Gobain

4. Mr. John L. Vogelstein, Director  
Mr John L. Vogelstein is also Senior Advisor of Warburg Pincus LLC and Chairman of New Providence Asset Management. He is also Chairman of the New York City Ballet, Chairman of Prep for Prep, Vice Chairman of the Overseers Board of The Leonard N. Stern School of Business at New York University, Chairman of Third Way, Director of the Jewish Museum and Chairman at Christie's Advisory Board.
5. Mr. Lodewijk J. R. de Vink, Director  
Mr Lodewijk J. R. de Vink is also Director of Alcon and Roche, member of the European Advisory Council of Rothschild, Director and member of Sotheby's International Advisory Board.
6. Mr. Francis J.T. Fildes, Director  
Mr. J.T. Fildes was also a Director of ProStrakan Pharmaceuticals Group PLC and is Director of Fildes Partners Ltd, and a fellow of the "Royal Society of Medicine and the Royal Society of Chemistry".

**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. (*Twelfth resolution*)

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

Our company holds 100% of its Flamel Technologies Inc. subsidiary.

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

As of December 31, 2010, employees directly held 546,255 shares in the company, representing 2.2% of the capital.

We remind you that the Board of Directors decided:

1/On May 4, 2010, to acknowledge issuance of 40 000 shares to two beneficiaries as a result of the definitive grant subsequent to the grant made by the Board on April 3, 2008 on the basis of a delegation of power that you granted on May 15, 2007. The share capital was effectively increased by 40 000 shares.

2/On December 06, 2010:

- v To acknowledge issuance of 205,050 shares to 110 beneficiaries as a result of the definitive grant subsequent to the grant made by the Board on December 10, 2008 on the basis of a delegation of power that you granted on October 24, 2005, May 15, 2007 and June 3, 2008. The share capital was effectively increased by 200,050 shares, since the acquisition period of 5,000 of the 205,050 shares is four years because the free shares were granted to non French tax resident employee.

**Translated from French**

- v To grant 230,000 free shares to the company's employees, on the basis of a delegation of power that you granted on June 3, 2008, June 24, 2009 and June 25, 2010. 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**

We believe that no major event has occurred between January 1, 2011 and the date of this report which would have a material impact on the annual accounts for the 2010 fiscal year.

Nevertheless, we remind you that the Board of Directors acknowledged a share capital increase of 7,683.48 Euros on March 2, 2011 as a result of the exercise of 63,000 stock options, thus bringing share capital to 3,005,783 Euros (see XII).

Moreover, in March 2011, we received notice that Lupin Pharmaceuticals filed a New Drug Application for a generic formulation of Coreg CR. In May 2011, we announced the filing of a lawsuit in the U.S. District Court for the District of Columbia against Lupin for infringement of a patent associated with CoregCR.

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**

**Caution:** The foregoing document is subject to the "forward looking statement language" available on the Company Website.

## APPENDIX 1

**TABLE OF EARNINGS FOR THE LAST FIVE FINANCIAL YEARS**  
**Fiscal year ending December 31, 2010**

**FINANCIAL RESULTS OF LAST FIVE YEARS**

**Montant en euros**

31/12/2006      31/12/2007      31/12/2008      31/12/2009      31/12/2010

a) Share Capital	2 925 755,11	2 933 194,62	2 951 947,15	2 968 823,50	3 005 783,48
b) Number of Ordinary Shares	23 990 590	24 051 590	24 205 350	24 342 800	24 645 650
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	4 013 250	3 947 800	3 725 357	4 341 840	4 370 990
<b>SHARE CAPITAL</b>					

a) Revenues	18 688 260,16	31 260 019,88	23 781 681,19	36 521 247,22	25 324 364,68
b) Income before taxes, depreciation and provisions	-17 441 621,37	-13 370 141,82	-7 378 250,04	1 218 053,54	-9 477 166,03
c) Income Tax (Tax Credit)	-1 687 151,21	-1 699 714,96	-4 663 240,07	-4 742 258,00	-5 720 673,00
d) Employee's Profit-Sharing					
e) Income after taxes, profit sharing, depreciation and provisions	-17 259 531,76	-17 494 103,08	-5 226 231,48	1 270 699,14	-7 158 443,00
f) Profit Distribution					
<b>ANNUAL OPERATIONS AND EARNINGS</b>					

a) Income after tax and profit sharing and before depreciation and provisions	-0,66	-0,49	-0,11	0,24	-0,15
b) Income after tax, profit-sharing, depreciation and provisions	-0,72	-0,73	-0,22	0,05	-0,29
c) Dividend per share					
<b>EARNINGS PER SHARE</b>					

a) Average number of employees	302	331	285	299	301
b) Payroll Costs	11 368 518,68	13 100 279,60	11 678 122,25	12 155 475,20	12 888 143,45
c) Social tax costs	6 321 735,63	5 892 622,28	5 278 445,72	5 634 990,17	5 991 371,53
<b>PERSONNEL COSTS</b>					

/div&gt;



## 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, 1996	Stock-options « plan 96 » 1,000,000 securities Capital increase of € 121,959	April 30, 2010	Exercised options 40,000	€ 4,878.40	March 2, 2011
Nov 20, 2000	1, 000,000 Stock-option « plan 2000 » Capital increase of € 121,959	Nov 23, 2010	Exercised options 3,000	€ 365.88	March 2, 2011
Dec 19, 2001	Stock-options « plan 2001 » 750,000 securities Capital increase of € 91,469	Dec 21, 2010	Exercised options 20,000	€ 2,439.20	March 2, 2011
Feb 18, 2003	Stock-options« plan 2003 » 1,000,000 securities Capital increase of € 121,959				
Nov 7, 2003	Stock-options« plan 2004 » 1,000,000 securities Capital increase of €121,960				
March 4, 2005	Issue of 40,000 warrants Capital increase of €4,878 Stock-options “plan 2005” 1,500,000 securities Capital increase of €182,940				
Oct 24, 2005	Issue of 250,000 warrants Capital increase of €30,490 200,000 free shares Capital increase of €24,392	Dec 06, 2010	Effective allocation of 7,800 free shares attributed on Dec 10, 2008	€ 951.288	Dec 06, 2010
June 12, 2006	Issue of 150,000 warrants Capital increase of €18,294				
May 15, 2007	500,000 stock-options “Plan 2007” Capital increase of €60,980 200,000 free shares Capital increase of €24,392 Issue of 150,000 warrants Capital increase of €18,294	May 4, 2010  Dec 06, 2010	Effective allocation of 40,000 free shares attributed on April 3, 2008  Effective allocation of 124,800 free shares attributed on Dec 10, 2008	€ 4,878.40  € 15,220.6	May 4, 2010  Dec 06, 2010
June 3, 2008	200,000 free shares Capital increase of €24,392 Issue of 250,000 warrants Capital increase of €30,490	Dec 06, 2010	Effective allocation of 67,450 free shares attributed on Dec 10, 2008	€ 8,226.2	Dec 06, 2010
June 24, 2009	200,000 free shares Capital increase of €24,392 Issue of 250,000 warrants Capital increase of €30,490				
June 25, 2010	750,000 stock options “plan 2010” Capital increase of €91,470 200,000 free shares Capital increase of €24,392 Issue of 250,000 warrants Capital increase of €30,490				

**FLAMEL TECHNOLOGIES**

*Société Anonyme* with a stated capital of 3,005,783 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 24, 2011**

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 plan for a free allocation of shares in the amount of two hundred thousand (200,000) shares,
2. a proposal to issue a total of three hundred fifty thousand (350,000) securities offering access to the capital, taking the form of autonomous stock warrants (BSA) reserved for the company's directors who are neither legal representatives nor employees of the company, but including the Chairman of the Board of Directors,
3. 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 2010 for Flamel and to the figures for the financial year ending on December 31, 2010 in your Board's management report.

**1. 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 Code of Commerce) (Thirteenth resolution)**

We propose that you delegate the option to the Board of Directors, for a duration of 38 months, to proceed, within the framework of Article L.225-197-1 of the Code of Commerce, 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 members of the salaried staff or certain categories among them, both of the Company and of the companies connected with it directly or indirectly, under the conditions Article L.225-197-2 of the Code of Commerce;
- The authorized agents meeting the conditions set forth in Article L.225-197-1 of the Code of Commerce.

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 the French 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 above-mentioned categories of the Social Security Code.

As a departure from the foregoing, the beneficiaries who are not French residents on the date of allocation for whom the generating fact of taxation coincides with the end of the period of acquisition shall definitively receive the shares at the end of a minimum acquisition period of four years, except in case of disability, as mentioned above. Those same beneficiaries shall not then be required to observe any period for keeping the shares.

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

Within the limits set above, the Board shall hold full powers to 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 beneficiaries' rights of the operations modifying the capital or which might influence the value of the shares to be allocated and carried out during the periods of acquisition and of preservation, if the case arises, record the existence of sufficient reserves and carry out, at the time of each allocation, the transfer to an account of frozen reserves of the amounts required for paying up the new shares to be awarded, decide on the capital increase or increases by incorporation of reserves, premiums on shares or profits, related to the issue of the new shares allocated without charge, carry out the required acquisitions of shares by means of sale offers made to all shareholders in proportion to the number of ordinary shares held by each of them, take all useful steps to guarantee respect for the preservation obligation incumbent on the beneficiaries, and generally do, within the framework of the rules and regulations in effect, everything made necessary by implementation of the present authorization.

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

**2. Proposal to issue a total of three hundred fifty thousand (350,000) Autonomous Stock warrants (BSA) reserved for the category of persons consisting of the company's directors who are neither legal representatives nor employees of the Company, but including the Chairman of the Board of Directors.***(Fourteenth resolution)*

During the present meeting, we will propose that you renew the mandates of Messrs. Elie Vannier (Chairman of the Board of Directors), Lodewijk J. R. De Vink, John L. Vogelstein and Francis J.T. Fildes (Directors who are not employees) and to appoint three new directors.

The Company believes the profit-sharing in the form of shares is the most effective way of aligning the interests of the directors and 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 fifty thousand (350,000) stock warrants (BSA).

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 stock warrants (BSA) and the subscription price of the said stock warrants (BSA) in the light of their fair value.

This decision to issue stock warrants (BSA) presupposes, if you decide to adopt it, elimination of the shareholders' preferential application rights to the stock warrants (BSA), in order to reserve subscription thereto for their beneficiaries.

We inform you that with respect to the said three hundred fifty thousand (350,000) stock warrants (BSA), you will have to suppress the shareholders' preferential application right appearing in Article L. 225-132 of the Code of Commerce, 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.

We propose that you authorize the Board of Directors to issue a maximum of three hundred fifty thousand (350,000) stock warrants (BSA) for a subscription price having to be paid up in full at the time of subscription by cash payments, and set by the Board of Directors on the basis of a valuation made by an independent expert. The said valuation shall have to correspond to the fair value of the stock warrants (BSA), and in particular shall include the subscription price of the shares as determined by the Board of Directors in accordance with the provisions in the following paragraph.

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, at a subscription price to be determined by the Board of Directors with reference to the trading price of the share, in the form of ADS, 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 decide that each stock warrant (BSA) may be exercised by its holder subject to the terms and conditions defined below and decided on by the Board upon the issuance of the stock warrants (BSA), no more than four (4) years following their date of issuance, and only as long as the said holder is a member of the Board of Directors on the date of the said exercise.

We propose that you decide that upon issuance of the stock warrants (BSA), the Company shall be entitled to do the following:

- modify its form,
- modify its business purpose,

- modify the rules regarding the distribution of its profits, redeem its capital, subject to taking the steps required for maintaining the rights of the holders of the stock warrants (BSA) under the conditions set forth in Article L. 228-99 of the Code of Commerce,
- create preferred shares, subject to taking the steps required for maintaining the rights of the holders of the stock warrants (BSA) under the conditions set forth in Article L. 228-99 of the Code of Commerce.

We propose that you decide that if the Company decides to issue securities including a preferential application right for the shareholders, to increase its capital by incorporation of reserves, profits or premiums on shares, or to distribute reserves in cash or in portfolio securities, or decides to modify the distribution of its profits by issuing preferred shares, the Company shall take the required steps for maintaining the rights of the holders of stock warrants (BSA) under the conditions defined in Article L. 228-99 of the Code of Commerce.

We propose that you decide that in case of a reduction of its capital, whether or not that is due to losses, and carried out by reducing the par value or the number of securities constituting the capital, the rights of the holders of the stock warrants (BSA) shall be reduced as a result, as if they had exercised them before the date on which the capital reduction has become final.

We propose that you take note, pursuant to the provisions of Article L. 228-103 et seq. of the Code of Commerce, 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 Code of Commerce. 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 to approve the issuance of a maximum number of three hundred fifty thousand (350,000) 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 42,686 €, 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 Code of Commerce.

We propose that you decide that the new shares delivered to the subscriber at the time of exercise of its stock warrants (BSA) shall be subject to all of the provisions of the Articles of Incorporation, and shall bear dividend rights as of the time of their issuance.

We propose that you set the duration of validity of the present authorization at eighteen (18) months, starting with the date of the present meeting.

We propose that you take note, pursuant to the provisions of Article L. 225-138 of the Code of Commerce, of the fact that the issuance of the stock warrants (BSA) shall have to be carried out within a period of eighteen (18) months, starting with the date of the present meeting.

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 subscription price of the shares to be issued upon exercise of the stock warrants (BSA), subject to the terms and conditions laid down in your resolution, the opening and closing dates of the subscriptions, and the definitive conditions of the said issue, and enter the premium on shares, if any,
- order early closing of the subscription or extend it, depending on the case,
- 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.

**3. Proposal to authorize the Board to increase the share capital through issuance of shares reserved for the employees** (*Fifteenth resolution*)

Pursuant to the provisions of Article L. 225-126-6 of the Code of Commerce 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, to the holders of stock warrants and to any other holder of securities offering access to the Company's capital, pursuant to the applicable legal and regulatory provisions.

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 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. 3332-18 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 Code of Commerce.

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.

**4. Powers for formalities** (*Sixteenth resolution*)

This 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 twelfth resolution*), which you will find described in the management report submitted by your Board of Directors, we advise 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 (*Thirteenth to sixteenth resolution*), we advise the shareholders to **vote in favour of the thirteenth, fourteenth and sixteenth resolutions**, and to **vote against the fifteenth resolution**.

**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.0 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.0 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.

<b>FLAMEL TECHNOLOGIES</b> Société Anonyme au capital de 3.005.783 € Siège social : Parc Club du Moulin à Vent 33, avenue du Docteur Georges Lévy 69693 VENISSIEUX – France 379 001 530 R.C.S. LYON	<b>ASSEMBLEE GENERALE MIXTE ORDINAIRE ET EXTRAORDINAIRE</b> du 24 Juin 2011 (à 11 heures au siège social) sur 1 <sup>ère</sup> convocation ou du 4 Juillet 2011 sur deuxième convocation  <b>COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING</b> of June 24, 2011 (at 11.00 am. at the registered office)(1 <sup>st</sup> calling) or July 4, 2011 (2 <sup>nd</sup> calling)	CADRE RESERVE / For Company's use only  Identifiant / Account  Nombre d'actions / Number of shares  Nombre de voix / Number of voting rights
--	--	--

<b>0 JE VOTE PAR CORRESPONDANCE / I VOTE BY POST</b> Cf. au verso renvoi (3) – See reverse (3)	<b>0 JE DONNE POUVOIR AU PRESIDENT DE L'ASSEMBLEE GENERALE</b>  Date et signer au bas du formulaire sans rien remplir  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)	<b>0 JE DONNE POUVOIR A :</b> (soit le conjoint, soit un autre actionnaire – cf. renvoi (2) au verso – pour me représenter à l'assemblée // 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.  M., Mme ou Mlle / Mr., Mrs. or Miss : _____  Adresse/Address : _____
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1      2      3      4      5 <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  6      7      8      9      10 <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  11   12   13   14   16 <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Oui/ Yes      Non/No Abst/Abs  15 <input type="checkbox"/> <input type="checkbox"/>	Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement) / Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary) Cf. au verso renvoi (1) – See reverse (1)  _____ _____ _____
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Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / If amendments or new resolutions are presented during the meeting :  -- Je donne pouvoir au Président de l'A.G. de voter en mon nom / I appoint the Chairman of the meeting to vote on my behalf ..... <input type="checkbox"/>  -- Je m'abstiens (l'abstention équivaut à un vote contre) / I abstain from voting (its equivalent to a vote against) ..... <input type="checkbox"/> -- Je donne procuration (cf. au verso renvoi (2)) à M., Mme ou Mlle ..... pour voter en mon nom // I appoint (see reverse (2)) Mr., Mrs. or Miss / to vote on my behalf ..... <input type="checkbox"/>	Date et signature :  _____
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Pour être prise en considération, toute formule doit parvenir au plus tard : in order to be considered, this completed form must be returned at the latest :	Sur 1 <sup>ère</sup> convocation / on 1 <sup>st</sup> notification AGO- AGE / ordinary meeting / extraordinary meeting  21 Juin 2011 / June 21, 2011	Sur 2 <sup>ème</sup> convocation / on 2 <sup>nd</sup> notification AGO- AGE / ordinary meeting / extraordinary meeting  01 Juillet 2011 / July 01, 2011
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A la SOCIETE / to the Company

21 Juin 2011 / June 21, 2011

01 Juillet 2011 / July 01, 2011



**UTILISATION DU DOCUMENT**

- A. L'adonnataire 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'adonnataire 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'adonnataire est indispensable**

<p>(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 le nom, prénom et qualité du signataire.                  Si le signataire n'est pas lui-même un adonnataire (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).</p>	
<p><b>VOTE PAR CORRESPONDANCE</b>                  (3) Art. L.226-107 du Code de Commerce (extraît) :                  « 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 signe 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 notifiant aucune case,                  - soit de voter « non » ou de voter « abstenu » (ce qui équivaut à voter « non ») sur certaines ou sur toutes les résolutions en notifiant 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 notifiant la case correspondant à votre choix.                  En outre, pour le cas où des amendements aux résolutions présentées ou des résolutions nouvelles seraient déposés 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 notifiant la case correspondante à votre choix.</p>	<p><b>POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE OU POUVOIR A UNE PERSONNE DÉNOMMÉE</b>                  (2) Art. L.226-108 du Code de Commerce (extraît) :                  « 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.</p>

(\*): 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 §° 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**

<p>(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).</p>	
<p><b>POSTAL VOTING FORM</b>                  (3) Art L.226-107 of Code de Commerce (extraît): "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.</p>	<p><b>PROXY TO THE CHAIRMAN OF THE MEETING OR PROXY TO ANOTHER SHAREHOLDER</b>                  (2) Art L.226-108 of Code de Commerce (extraît): "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.</p>

(\*): 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 §° 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.

# Flamel Technologies S.A.

▼ FOLD AND DETACH HERE ▼

Please mark your votes as indicated in this example

x

The Board of Directors advises to vote in favor of all resolutions, except for fifteenth (15) resolution.

	FOR	AGAINST	ABSTAIN		FOR	AGAINST	ABSTAIN
<b>ORDINARY RESOLUTIONS</b>							
1. Approval of Statutory Accounts for year ended December 31, 2010;	o	o	o	9. Appointment of Mrs. Catherine Brechignac as Director;	o	o	o
2. Allocation of Result;	o	o	o	10. Appointment of Mr. Guillaume Cerutti as Director;	o	o	o
3. Renewal of Mr Elie Vannier as Director;	o	o	o	11. Determination of the annual amount of Directors' Attendance Fees;	o	o	o
4. Renewal of Mr Lodewijk J.R. DeVink as Director;	o	o	o	12. Approval of agreements referred to in article L.225-38 et seq. of the Code of Commerce.	o	o	o
				<b>EXTRAORDINARY RESOLUTIONS</b>			
5. Renewal of Mr John L. Vogelstein as Director;	o	o	o	13. Authorization to be granted to the Board of Directors to allocate 200,000 shares at no cost ("free shares") and taking note of the resulting capital increases.	o	o	o
6. Renewal of Mr Francis JT Fildes as Director;	o	o	o	14. Authorization to be granted to the Board of Directors to issue a maximum of 350,000 warrants (BSA) reserved for a category of persons consisting of the company's directors who are neither legal representatives nor employees of the company, but including the Chairman of the Board of Directors; authorization to be granted to the Board of Directors for carrying out the resulting capital increases.	o	o	o
7. Renewal of Mr. Stephen H. Willard as Director;	o	o	o	15. Authorization to be granted to the Board of Directors for increasing the share capital by issues of shares reserved for the members of a company saving plan established in application of Articles L.3332-18 et seq. of the Labour Code.	o	o	o
8. Appointment of Ambassador Craig Stapleton as Director;	o	o	o	16. Powers for formalities.	o	o	o

Mark Here for Address Change or Comments  
See ReveRSe

o

**NOTE: Please sign as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.**

Signature \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_



▼ FOLD AND DETACH HERE ▼

## Flamel Technologies S.A.

**Instructions to the Bank of New York Mellon, as Depositary (Must be received prior to 5:00 p.m. on June 16, 2011)**

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 17, 2011 at the Combined Shareholders Meeting of Flamel Technologies S.A. to be held on June 24, 2011 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.

Address change/comments (Mark the corresponding box on the reverse side)

BNY MELLON SHAREOWNER SERVICES  
PO BOX 3549  
S HACKENSACK NJ 07606-9249

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

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FLAMEL TECHNOLOGIES  
Société Anonyme with a share capital of Euros 3,005,783  
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 Euros 3,005,783 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 24, 2011 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 Crédit Lyonnais\*\*.

Done in \_\_\_\_\_, on \_\_\_\_\_

*Signature of the shareholder*

\* *To be deleted if not requested*  
\*\* *To be deleted if unuseful*

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