A French *société anonyme* with a share capital of €242,433.27
Registered Office: 25 rue de Choiseul 75002 Paris
RCS PARIS 490 932 449

2011 Registration Document Update

This Update was filed with the *Autorité des marchés financiers* (the "AMF") on 22 October 2012. It supplements the registration document of STENTYS registered by the AMF on 25 June 2012 under number R.12-033 (the "Registration Document").

The Registration Document and this Update may only be used in support of a financial transaction when supplemented by a securities note that has received approval ("visa") from the AMF. This document was established by the issuer and engages the responsibility of its signatory.

Copies of the Registration Document and the present update are available at no charge at the registered office of STENTYS, located at 25 rue de Choiseul 75002 Paris, and an electronic version is available on the websites of the AMF (www.amf-france.org) and of the Company (www.stentys.com).

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Note

The English version of the 2011 Registration Document Update (the "2011 Registration Document Update" or the "Update") is a free translation of the official "Actualisation du Document de Référence" prepared in France and filed with the *Autorité des marchés financiers* (the "AMF") on 22 October 2012. It supplements the Registration Document registered with the AMF on 25 June 2012 under number R.12-033.

All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions expressed therein, the original version of the document in French takes precedence over this translation.

In this 2011 Registration Document Update, the terms "STENTYS" and the "Company" refer to Stentys, a French *société anonyme* whose registered office is located at 25, rue de Choiseul, 75002 Paris, France, registered with the Commercial Registry of Paris under number 490 932 449. The term "Group" refers to the group of companies composed of the Company and its subsidiary, Stentys, Inc.

A glossary with definitions for certain terms used in this 2011 Registration Document Update is set out in Section 26 of the Registration Document.

Warning

Information on the market and competition

This 2011 Registration Document Update presents information on the Group's markets and competitive positioning. This information results in particular from studies conducted by outside sources. Information freely available to the public, which the Company considers reliable, has not been verified by an independent expert, and the Company cannot guarantee that a third party who may use different methods to collect, analyze or calculate data on these markets would obtain the same results.

Forward-looking information

This 2011 Registration Document Update presents information on the Group's prospects and development priorities. This information is at times identified by the use of the future or conditional tense or forward-looking terms, such as "consider", "plan", "believe", "target", "expect", "intend", "must", aim", "estimate", "believe", wish", "can" or, if applicable, the negative form of these same terms or any other variant or similar terminology. This information is not historical information and must not be interpreted as a guarantee that the events and information presented will in fact occur. This information is based on the data, assumptions and estimates the Group considers reasonable. It may change or be changed due to uncertainties related, in particular, to the economic, financial, competitive and regulatory environment. This information is presented in different Sections of this 2011 Registration Document Update and includes information on the Group's intentions, estimates and objectives related, in particular, to the market in which it operates, its strategy, development, earnings, financial position, cash position and forecasts. The forward-looking information presented in this 2011 Registration Document Update is valid solely on the date of this 2011 Registration Document Update. The Group operates in a competitive environment in constant change. It cannot, therefore, anticipate all risks, uncertainties or other factors that may affect its business, their potential impact on the business or to what degree the materialization of a risk or combination of risks could lead to results significantly different from those indicated in any forward-looking information, it being noted that none of this forward-looking information constitutes a guarantee as to actual results.

Risk factors

Investors are invited to carefully read the risk factors described in Section 4 "Risk Factors" of this 2011 Registration Document Update before making any investment decision. The materialization of

all or part of these risks could have a material, adverse effect on the business, financial position, earnings or prospects of the Group. Furthermore, other risks that have not yet been identified or are considered insignificant by the Group on the date of filing of this 2011 Registration Document Update could also have a material, adverse effect.

1. PERSONS RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THIS 2011 REGISTRATION DOCUMENT UPDATE

Mr Gonzague Issenmann, Chief Executive Officer of STENTYS.

1.2 STATEMENT OF THE PERSON RESPONSIBLE

I certify, after taking all reasonable measures to this end, that the information contained in this Update of the Registration Document registered by the *Autorité des marches financiers* on 25 June 2012 under number R.12-033 is, to my knowledge, true to reality and that no information has been omitted that would alter its import.

I have received an audit completion report from the statutory auditors in which they state that they have verified the information regarding the financial position and financial statements presented in this update of the Registration Document, and that they have reviewed the entire update.

The six-month financial information presented in this Update was the subject of a report of the statutory auditors set out in Section 20.2 of this Update.

Paris,
on 22 October 2012

Gonzague Issenmann
Chief Executive Officer

3. SELECTED FINANCIAL INFORMATION

Section 3 of the Registration Document is supplemented by the following information; the rest of the Section remains unchanged.

The selected financial information presented in this Section 3 was taken from the financial statements for the six months ended 30 June 2012 set out in Section 20 "Historical Financial Information" of this 2011 Registration Document Update.

The following table summarizes the Company's financial statements (IFRS) for the first six months of 2012 and 2011, as well as for the fiscal years ended 31 December 2009, 2010 and 2011.

(IFRS in €)	First six months of 2012 Consolidated*	First six months of 2011 Consolidated*	Fiscal year 2011 12 months Consolidated (audited)	Fiscal year 2010 12 months Consolidated (audited)	Fiscal year 2009 12 months Consolidated (audited)
Total operating revenue	1 149 606	598 967	1 431 578	305 591	0
Manufacturing costs	-627 402	-312 978	-730 138	-162 650	0
Research and development costs	-1 614 409	-1 208 644	- 2 814 777	-2 222 144	-2 388 054
Sales and marketing costs	-3 057 504	-2 130 918	- 4 549 796	-3 912 130	-1 205 698
Administrative costs	-977 305	-979 329	- 2 106 446	-1 339 396	-428 048
Operating profit before payments in shares	-5,127,015	-4,032,903	-8,769,579	-7,330,728	-4,021,800
Payments in shares	-536 876	-355 972	-947 511	-504 690	-550 786
Operating profit	-5 663 889	-4 388 875	-9 717 090	-7 835 418	-4 572 586
Net income	-5 598 857	-4 311 511	- 9 503 315	-7 767 619	-4 584 618
Shareholders' equity	16 968 621	18 095 793	13 668 632	21 956 225	8 520 282
Total non-current liabilities	1 726 062	1 353 045	1 702 275	1 486 296	583 691
Total current liabilities	3 003 738	1 991 664	2 961 844	2 089 495	1 272 090
Total current assets	19 633 442	19 763 290	16 728 098	23 613 027	8 255 252
Total non-current assets	2 064 979	1 677 212	1 604 653	1 918 990	2 120 811
Cash and cash equivalents	16 736 402	18 542 283	14 711 972	22 176 426	7 633 531
Total equity and liabilities	21 698 421	21 440 502	18 332 752	25 532 017	10 376 064
Net cash flows related to operating activities	-5 692 012	-3 760 631	-8 090 561	-6 803 880	-3 430 667
Net cash flows related to investment activities	-598 841	129 657	-90 232	-263 540	-1 202 959
Net cash flows related to financing activities	8 360 666	-3 366	691 860	21 638 368	9 157 749
Cash flow decrease/increase	2 024 430	-3 634 143	-7 464 454	14 542 895	4 542 757

*The interim financial accounts were subject to a limited review by the statutory auditors.
Consolidated revenues (unaudited) for the third quarter and for the first 9 months of fiscal year 2012 respectively amount to €673.6 thousand and €1,823.2 thousand.

4. RISK FACTORS

As part of the preparation of this 2011 Registration Document Update, the Company performed a review of the risks that could have a material adverse effect on the Company, its business, results of operations or financial conditions.

However, investors should also be aware that other risks, either unknown or not considered at the date of this Update likely to have a material adverse effect on the Company, its business, financial situation, earnings, growth and prospects were they to materialize, may exist.

4.1 RISKS RELATED TO INTELLECTUAL PROPERTY AND TO POTENTIAL LITIGATION

4.1.1 Specific Risks Related to Licensing Agreements and to the Use of Technology Belonging to Third Parties

The Company's business depends on the effective protection of its intellectual property and of the licenses it has acquired. The Company does not directly own the two main patents on which its business depends and which are essential to its business, but rather these main patents have been licensed by the Company pursuant to exclusive worldwide licensing agreements. Thus, the Company is required to comply with certain conditions to maintain its rights to these patents. The conditions on maintaining the rights to the patents include, among others, the payment of licensing fees based on the sales made by the Company, the payment of licensing fees upon the occurrence of predefined milestones, the performance of development efforts and the sale of products that incorporate the licensed technology.

More specifically, these agreements contain provisions that result in early termination of each of these licenses, particularly in the event of a breach of contractual provisions, or the insolvency or bankruptcy of the Company (the events of early termination are described in greater detail in Sections 11.3.1 and 11.3.2 of the Registration Document).

The older of these patents, in terms of its filing date, and the one that is most important to the Company given the very broad scope of its claims, is subject to a licensing agreement entered into with the Mayo Foundation for Medical Education and Research and specifically provides that the agreement may be terminated early by the Mayo Foundation for Medical Education and Research in the event STENTYS disputes the validity or the execution of any patent licensed, in any way whatsoever (see Section 11.3.1 of the Registration Document for a detailed description of the events of early termination).

The licensing agreement entered into with Jacques Séguin also provides that he may terminate the agreement in the absence of technical development and/or sale of the licensed products or of products that incorporate the licensed patents over a period of more than 12 consecutive months (see Section 11.3.2 of the Registration Document for a detailed description of the events of early termination).

Any violation by the Company of the conditions regarding the maintenance of the rights to the patents may lead to the loss of the use of the technology or of rights related to these patents.

Should the Company lose one of these licenses or if it were unable to obtain new rights similar to those it holds through the licensing agreements on reasonable terms, it would be unable to develop, manufacture or sell its products. This would have a material adverse effect on the Company's business, its financial situation, earnings and its growth.

In the case of the licensing agreement granted by Jacques Seguin, the Company has a call option that allows it to purchase, at any time, the patents that are the subject of the license granted by Jacques Seguin, as described in Section 11.3.2 of the Registration Document.

4.1.2 Limits of the Protection by Patents and Other Intellectual Property Rights

The Company's commercial operations depend on its ability to obtain, maintain and protect its patents and other intellectual property rights. The Company relies, for the protection of its technologies, on the protection provided by the patents, but also on other means designed to protect intellectual property rights, such as copyrights, trademarks, trade secrets, know-how, confidentiality agreements and other contractual restrictions. However, these means provide only limited protection and may not prevent unlawful use of technologies that belong to the Company.

At the time a patent is filed, other patents may have been previously filed but not yet published and thus they would have precedence without that information being available to the Company. Therefore, the Company cannot be certain of being the first to devise an invention and to file a patent application, particularly given that the publication of patent applications is postponed in most countries until 18 months after an application is filed. As a result, the issuance of a patent does not ensure its validity or applicability, both of which may be disputed by third parties.

Therefore, the Company cannot ensure:

- that applications for the registration of the Company's patents that are in the review process will actually result in the issuance of any patents;
- that the patents issued to the Company will not be disputed, invalidated or circumvented;
- that the extent of the protection provided by the patents will be sufficient to protect the Company against competition and patents of third parties that cover similar devices; and
- that its products will not infringe on patents belonging to third parties.

The Company's competitors may successfully challenge the validity of its patents before a court or in the context of other proceedings. This could reduce the scope of these patents and enable competitors to circumvent them. Therefore, the Company's rights under the patents granted may not provide the expected protection against competition.

Joint ventures, service agreements or subcontracting that the Company has undertaken or may undertake in the future with third parties exposes it to the risk of seeing the third parties involved claiming the benefit of intellectual property rights to the Company's inventions or know-how or compromising the confidentiality of innovations or improvements that have not been patented. Moreover, the Company may be forced to provide, in various forms, information, data or intelligence to third parties with whom it collaborates (such as universities and other public or private entities) concerning the research, development, manufacture and marketing of its products.

Despite the precautions taken by the Company, in particular contractual precautions, with these entities, they may claim ownership of intellectual property rights resulting from trials performed by their employees. In the case of co-ownership of intellectual property rights, these entities may not grant exclusive rights of use to the Company on terms it deems acceptable.

Litigation could prove necessary in order to enforce the Company's industrial or intellectual property rights, to protect trade secrets or to determine the validity and scope of its industrial or intellectual property rights. Any litigation could result in substantial costs and compromise the Company's reputation. Competitors that have more resources than the Company could be better able to bear the costs of a complex proceeding. Any litigation of this kind could have a negative influence on the Company's earnings and financial situation, and/or fail to provide the protection sought.

Finally, evolution or changes in the interpretation of the laws governing intellectual property in Europe, the United States or other countries could enable competitors to use the Company's discoveries to develop or to market the Company's products, or its technologies, without financial compensation. In addition, in some countries, intellectual property rights are not protected in the same

way as they are in Europe or the United States, and the procedures and laws necessary to defend the Company's rights may not be available in these countries.

The materialization of one or more of these risks could have a material adverse effect on the Company's business, its financial situation, earnings, growth or prospects.

As of the date of this Update, the Company has never been involved in litigation concerning its intellectual property rights or the intellectual property rights of third parties.

4.1.3 Specific Risks Related to Infringement

Patents involve complex interpretation and the Company cannot guarantee that third parties will not (i) allege that their patents may apply to the Company's activities and/or (ii) bring legal action against the Company in order to obtain damages and interest or the cessation of its product manufacturing or marketing activities or processes based on claims of intellectual property infringement. Indeed, the patent field relating to the Company's activities is crowded and complex, and patents are subject to interpretation in ongoing litigation. Therefore, the Company cannot be sure that its products and processes will not be the subject of claims of infringement of the intellectual property rights of others. In the period 2005 to 2008, several enforcement actions were brought by Angiotech and its licensee relating to drug eluting stents similar to the Company's DES. Since that time, however, to the Company's knowledge, no new litigation on this patent has been filed, and a number of companies currently offer competing drug eluting stents in Europe. While any outcome in litigation is impossible to predict, similar litigation with respect to the Company's DES could restrict the Company's ability to continue to manufacture and sell its DES freely. If legal proceedings are undertaken and successful, the Company could be forced to curtail manufacture or sale of certain products, which could significantly and adversely affect its business, its financial situation, earnings, growth or prospects.

A lawsuit brought against the Company, regardless of the outcome, could result in substantial costs and compromise its reputation. Competitors that have more resources than the Company could be better able to bear the costs of a complex proceeding. Any litigation of this kind could have a material adverse impact on the Company's ability to pursue all or part of its business.

In addition, in the event of the type of litigation described above, the Company could be required to:

- stop selling or using the product or products that incorporates the contested intellectual property wherever the infringement may be alleged to occur, which would reduce its revenues;
- obtain a license from the party holding such intellectual property rights, which would increase the Company's costs and impair its operating results. In addition, it might not be possible to obtain this license on reasonable conditions, or at all; and/or
- redesign or, in the case of claims concerning trademarks filed, rename its products in order to avoid infringing the intellectual property rights of third parties, which could be impossible or costly, in terms of time and financial resources, and could thus be an obstacle to its marketing efforts, including as a result of the loss of name recognition of its products.

The Company intends, as it has done to date, to carry out the advance studies it considers necessary in relation to these risks, before making investments aimed at introducing its various products in the market.

The Company's trademarks are important elements of its identity and its products' identity. Even though the principal elements of its trademarks have been registered in France, Europe and the United States, other companies could use or attempt to use elements of these trademarks, and thus create confusion in the minds of third parties (see Section 11.4 of the Registration Document).

The materialization of one or more of these risks would have a material adverse effect on the Company's business, its earnings, financial situation, growth and prospects.

4.2 RISKS RELATED TO THE MARKET IN WHICH THE COMPANY OPERATES

4.2.1 Risks Related to the Size of the Market

The overall volume of sales of stents may decrease. Indeed, there has been a decrease in certain risk factors (smoking, hypertension) related to heart disease and better control of hypercholesterolemia as a result of the use of statins, which has reduced the number of procedures requiring the implantation of a stent for a certain category of patient. Although the prevalence of obesity and diabetes tends to offset this phenomenon, there is no assurance that in the future, with better management of patients with obesity and diabetes, such offset will continue. While the number of heart attacks recorded has decreased slightly, to date the total number of heart attacks treated by stents continues to increase as a result of a better organization of emergency systems.

A decrease in the sales volume of stents or the number of heart attacks, as well as the constant downward pressure on stent prices which is likely to continue in the coming years, could have a material adverse effect on the Company, its business, financial situation, earnings, growth and prospects.

4.2.2 Risks Related to Current Competition

The medical device markets in which the Company primarily participates are highly competitive. The Company's main competitors, such as Boston Scientific, Medtronic and Abbott, are large multinationals who have significantly greater financial, technical and human resources than the Company that can be deployed at every stage in the development, manufacturing and marketing process. As a response to a competitor like STENTYS, which intends to take market share, the Company's competitors may significantly increase their marketing budgets and efforts in the countries in which STENTYS is or intends to become present. In order to compete with its competitors, the Company may be required to allocate additional financial resources to marketing its products which could take resources away from other projects, and have a material adverse effect on the Company, its business, financial situation, earnings, growth and prospects.

The markets in which the Company competes and intends to compete are undergoing and are expected to continue to undergo rapid and significant technological changes. A competitor could develop a self-expanding stent for coronary arteries that may be more efficacious or marketed and sold more effectively than the Company's product, or any of its future products. The emergence of such a competitor cannot be excluded and could have a material adverse effect on the Company, its business, financial situation, earnings, growth and prospects.

4.2.3 Risks Related to the Appearance of an Alternate Solution

The products developed by the Company are positioned in very competitive markets. Competing technologies that currently exist, that are in the process of development, or even that are currently unknown, could, in the near future or longer term, take significant market share and hinder the Company's ability to market its products successfully. Developments by other companies of new or improved products, processes or technologies may make the Company's products or proposed products obsolete or less competitive and may negatively impact its net sales. InspireMD, for example is developing a product that could compete with the Company's products in the near future.

The Company may also face competition from non-medical device companies, including pharmaceutical companies, that may offer alternative therapies for disease states intended to be treated using the Company's products.
The Company cannot ensure that other competing technologies will not develop or emerge, or that self-expanding stent technology will become the benchmark for the treatment of obstructed coronary arteries at the level of bifurcations and/or for the treatment of myocardial infarction.

New or existing market players could also develop new technologies that are more efficacious, safer or less costly than those developed by the Company, which could lead to a drop in demand for the Company's products.

Changes in therapeutic solutions, which would constitute an alternative to the use of stents, could reduce the need for implantation of stents and thereby make the Company's products obsolete.

The Company's business, financial situation, earnings, growth and prospects in the medium and long term could be materially affected by the materialization of one or more of these risks.

4.2.4 Risks Related to Carrying Out External Growth Transactions

The Company's long-term operations depend in part on its ability to improve and expand, on an ongoing basis, the products it offers, in order to respond to the constantly changing market demands, withstand strong competitive and technological pressures and broaden its geographic coverage.

The Company might be unable, in its current configuration, to satisfy these demands. As a result, it might have to consider making selective acquisitions of new or complementary products or technologies. Any implementation of such a strategy depends, in part, on the Company's ability to identify attractive targets, carry out such acquisitions on satisfactory conditions, and integrate targets acquired successfully into its operations or technology.

The Company cannot ensure that it will be able to identify the best opportunities and to make these acquisitions, nor can it ensure that it will be able to successfully integrate any products, technologies, teams or companies it may acquire. Any problems encountered by the Company in the integration of acquired products, technologies, teams or companies may have a material adverse effect on its business, financial situation, earnings, growth and prospects.

Furthermore, the acquisition of products, technologies, teams or companies, as well as the conclusion of other significant transactions, could cause the Company to incur significant costs. The Company might also have to finance such acquisitions by taking loans or issuing securities, which could cause it to take financial risks and result in the imposition of certain restrictions or have a dilutive effect on its shareholders.

The Company's business, financial situation, earnings, growth and prospects in the medium to long term could be materially affected by the materialization of one or more of these risks.

4.3 RISKS RELATED TO THE BUSINESS OF THE COMPANY

4.3.1 Risks Related to the Future Results of Clinical Studies, Particularly "Comparative" Studies

In the context of its development, the Company makes use of numerous studies in order to confirm on a large scale that its products are safe and efficacious. These clinical studies are sometimes "randomized", meaning that the participants are divided randomly into an experimental group that uses the Company's products and a control group that uses the "registered" products of competitors.

Clinical studies have uncertain outcomes and if the Company is unable to obtain positive results that prove the therapeutic benefit of the Company's products, it may not obtain the regulatory approvals it needs to commercialize its products. If this risk materializes, the Company's ability to win market share would be materially and adversely affected, which would have a material adverse effect on the Company, its business, financial situation, earnings, development or prospects.

Other clinical studies conducted by the Company use its products under so-called "real life" conditions, which may present unforeseen safety issues and complications related to the use of the medical device in patients. If patients were exposed to unforeseen or serious risks, the Company may decide or the regulatory authorities may require the Company to suspend or terminate the clinical studies. Deaths or other undesirable events, whether or not related to the medical device being the subject of the clinical studies, might occur and cause the delay or interruption of clinical studies. Any event of this type could have a material adverse effect on the Company's reputation, its ability to continue its development plans and market its existing or future products.

If the Company is unable to satisfactorily complete the necessary clinical studies, including obtaining positive results, and meet other requirements for regulatory approval, it may never realize revenues on its future products. It may also be required to curtail or abandon certain development programs. As a result, the Company's business, financial situation, earnings, development or prospects could be adversely affected.

4.3.2 Risks Related to Clinical Trials in the United States

The Company recently received an Investigational Device Exemption (IDE) from the United States Food and Drug Administration (FDA)that allows it to conduct a clinical study in the United States regarding its Bare Metal Stents (BMS). Such a clinical study enables the Company to collect the necessary data for an application for a Pre-Market Approval (PMA), which the Company requires to sell its Bare Metal Stents in the United States. Clinical trials are costly to design and carry out. The Company has never carried out clinical trials in the United States or under the auspices of the FDA before, which may negatively impact the time and cost associated with this trial. There can be no assurance that Company will be able to carry out the planned clinical trial in the United States in a cost-effective and timely manner. In addition, the Company may not obtain positive results from this trial, the trial may cost significantly more than initially planned, and a PMA may never be granted. If any of these events occur, the Company's business, financial situation, earnings, development and prospects would be adversely affected.

4.3.3 Risks Related to Delays in Clinical Studies

Following the obtainment of the certifications that permit CE marking of its products, the Company is performing clinical studies on a large number of patients at numerous centers in Europe. These studies and the publication of their results are expected to make the products developed by the Company rapidly known among important hospitals and doctors recognized for their expertise in interventional cardiology. However, the quality and pertinence of these studies depends on the Company's ability to recruit the number of planned patients within a limited period of time so as to be in a position to publish the results quickly. The geographic remoteness or distribution of the clinical study centers may cause operational and logistical difficulties, which could result in additional costs and time.

If the Company is unable to recruit the required number of patients, resulting in delay of the clinical studies and subsequently the publication of their results, there would be a delay in the recognition of the Company's products, and its ability to capture market share, which might have a material adverse effect on the Company, its business, financial situation, earnings, development or prospects. Furthermore, if the results of these studies are negative, there would be a material adverse effect on the Company's business, financial situation, earnings, development and prospects.

Furthermore, the Company relies on third party contract research organizations to conduct its clinical studies. Although the Company relies on these parties for high quality execution of the Company's clinical studies, the Company is unable to control all aspects of their activities. If these third parties do not carry out their contractual duties or obligations or meet expected deadlines, if the third parties need to be replaced or if the quality or accuracy of the clinical data they collect is compromised due to failure to adhere to the Company's clinical protocols or for other reasons, the Company's planned clinical studies may be extended, delayed or terminated. Any extension, delay or termination would

have a material adverse effect on the Company's business and would compromise its ability to commercialize its products.

4.3.4 Risks Related to the Use by Cardiologists, Health Professionals and Opinion Leaders of STENTYS Products (Risks Related to Marketing in Europe)

The Company believes that cardiologists and other health professionals will not use its products widely until they are convinced, based on clinical data or scientific publications, that its products offer advantages or are an interesting alternative to products already in the market. These same professionals could be reluctant to change their medical treatment practices or could reconsider the use of certain of the Company's products, particularly for the following reasons, among others:

- their lack of experience with use of the Company's products;
- the absence of favorable clinical data published over a long period or of other evidence of the beneficial nature of the products on patients;
- absence of randomized clinical data;
- fear of liability for using new products and new operating procedures;
- limitations on reimbursements by public or private health insurance plans or collective entities, in particular with respect to the Company's DES which is not currently eligible for reimbursement in France; and
- the time needed for training.

If the Company is unable to convince cardiologists and other health professionals of the benefits and advantages of its products, there could be weak penetration of the market, which would have a material adverse effect on the Company, its business, financial situation, earnings, growth and prospects.

4.3.5 Risks Related to Outsourcing the Manufacture of STENTYS Products and Dependence on Third Party Manufacturers

The Company has decided to outsource all of the different operations involved in the manufacture of its products.

Therefore, the Company depends on third parties for the manufacture of all its products. Its commercial operations rely in part on its ability to obtain manufactured products from its suppliers that comply with regulations, in the quantities and periods demanded and on a profitable basis. Problems could arise during manufacture and distribution and could result in delays in the supply of products. This could result in increased costs, lower sales, damage to relations with clients and, in certain cases, product recalls that cause reputational damage and/or result in potential liability for the Company if these problems are not discovered until the products are sold.

In addition, the manufacture of the Company's products is very complex and demanding, in part because of the regulations applicable to their manufacture and the specifications imposed by the Company. All of the stents and catheters manufactured according to designs patented by the Company are covered under the scope of the certifications obtained by the Company. Therefore, not only have the Company's stents and catheters been granted certification to use the CE mark, but the entire manufacturing process has as well, including sterilization and the polymer coating of the stent, which enable the release of a medication after implantation (stents referred to as active stents or active substance release stents, or DES stents).

Were the Company to change the critical suppliers (stent, stent coating, catheter, sterilization) of its products, it would be required to carry out a revalidation of the manufacturing process and procedures in accordance with the regulations in effect. It could be costly and time-consuming to obtain this new CE mark (which, in such case, would apply to the quality aspects only, given that the design aspects would not be subject to re-certification) and require the attention of the Company's most qualified

personnel. Were this new CE mark to be denied, the Company could be forced to look for another supplier, which might delay the production, development and marketing of its products and increase their manufacturing cost.

The Company has entered into, among others, an agreement with Hemoteq AG, pursuant to which Hemoteq AG coats stents with a polymer coating. If Hemoteq AG were to terminate this agreement, the Company might be unable to find a subcontractor with the same skills within a satisfactory period of time or to obtain satisfactory sales terms.

Dependence on third party manufacturers also gives rise to other risks the Company would not face if it produced its products itself, such as:

- non-conformity of the products manufactured by these third parties with the regulatory and quality control standards;
- violation by these third parties of their agreements with the Company; and
- the breach or non-renewal of these agreements for reasons not within the control of the Company.

The Company is also unable to ensure that its subcontractors or suppliers will always comply with all the regulations, authorizations and standards in effect. If products manufactured by some suppliers do not comply with the regulations or standards in effect, the Company might be subject to penalties. These penalties could include fines, injunctions, damages and interest, the refusal by regulatory authorities of permission to conduct clinical tests, the suspension or stoppage by regulatory authorities of clinical tests underway, the suspension or withdrawal of authorizations or certificates obtained, cancellation of licenses, the seizure or recall of its products, operating restrictions or restrictions on use, and criminal proceedings, all of which might have a significant negative impact on the Company's business.

In addition, as more and more of the Company's products are sold, the Company will make greater use of subcontractors.

The Company is seeking to secure its supply and distribution chain by identifying alternative suppliers, but it may not be able to do so in a timely manner, if at all. Indeed, it cannot ensure that it will be able to maintain the present subcontracting agreements or to enter into new agreements on acceptable terms and conditions, given the small number of specialized companies that have the infrastructures, experience and approvals and/or certifications permitting the production of this type of medical device. In the event of a break or deterioration in its relations with its subcontractors, or when its needs will increase, the Company might be unable to establish relations with other subcontractors, which could be detrimental to its ability to produce, develop and market its products.

The business, financial situation, earnings, growth and prospects of the Company might be materially affected by the materialization of one or more of these risks.

4.3.6 Risks of Dependence on a Small Number of Products

As of the date of this 2011 Registration Document Update, two of the Company's products have been granted certification authorizing the use of the CE mark necessary for their sale. The first is a self-expanding bare metal stent (BMS) for the treatment of acute coronary syndrome (acute myocardial infarction) and of coronary artery obstruction near a bifurcation, and the second is a self-expanding metal stent that releases Paclitaxel (active stent or DES) for the treatment of coronary artery obstruction near a bifurcation (see Section 6.3 of the Registration Document). Given the increasing dominance of DES using a "limus" drug coating, the Company is planning to transition to a Sirolimus coating, for which it will need a new CE mark.

The operations of the Company and its ability to generate revenues will depend on the level of technical and commercial success of these products and on, among others, the occurrence of factors such as:

- the level of success of complementary clinical programs;
- the level of success of its commercial launch; and
- the acceptance of these medical devices by the medical community, treatment prescribers and third party payers (such as government health programs and insurance companies).

The Company will carry on with its R&D efforts in order to improve existing products and develop new products to add to its current product range (see Section 11.1 of the Registration Document).

If the Company is unable to develop or market its most advanced products, its business, prospects, financial situation, earnings or growth might be materially affected.

4.3.7 Risks Related to STENTYS' Dependence on its Network of Exclusive Distributors in Certain Geographic Areas

One of the Company's objectives is to distribute its products via independent distributors in a certain number of countries inside and outside the European Union (see Section 6.5.3 of the Registration Document).

The level of success of the international sale of the Company's products thus depends on the financial resources, expertise and clients of its distributors.

The Company cannot ensure that it will be able to keep its distributors or enter into new distribution agreements, or that these distributors will dedicate the resources necessary for the commercial success of its products.

The use of exclusivity clauses, as provided in the distribution agreements, may be challenged by French or European law. These could also, in certain cases, be deemed unlawful. The exclusive distribution agreements entered into with some independent distributors might not offer the Company the protection desired and might give rise to penalties if some of the clauses they contain are held to be unlawful.

The Company's business, financial situation, earnings, development and prospects in the medium and long term might be materially affected by the materialization of one or more of these risks.

4.3.8 Risks Related to the Future Marketing of STENTYS Products in the United States Market

The growth of the Company's business in the U.S. market is an important element of its future growth.

Aside from the specific risks related to the regulatory environment in the United States, which are described in item 4.4.3 of this Section, and to the potential product liability of the Company, as described in Section 4.3.9. below, the future marketing of the Company's products in the United States implies the implementation of an effective distribution network and/or the establishment of a partnership with a specialized distributor.

The Company believes that distributors play an essential role in the United States because of the relationships they have with cardiologists and other health professionals, and because of the sheer size of the market and its specific characteristics. To enter the market, the Company intends to rely on its subsidiary STENTYS Inc., which will be responsible for establishing the partnership(s) needed to distribute its products.

As part of creating this distribution network, the Company must incur additional expenses and mobilize its management resources, in order to establish and organize the appropriate structure through which to market its products in accordance with applicable laws.

The Company may be unable to enter into distribution agreements or partnerships on economically reasonable conditions, or to maintain them, given the strong competition in the stent market in the United States and the Company's status as a new entrant compared to competitors who are better established and have better recognition in this market.

If such a situation were to occur, it might have a material adverse effect on the Company, its business, financial situation, earnings, growth and prospects.

4.3.9 Risks Related to Potential Product Liability

The Company's business exposes the Company to risks for potential product liability which are inherent in research and development, preclinical and clinical studies, manufacturing, marketing, promotion, sale and use of the Company's products. Criminal or civil proceedings might be brought or filed against the Company by users (patients, surgeons and other health professionals), regulatory authorities, distributors or any other third party that uses or markets its products. Product liability claims may be expensive to defend and may result in judgments against the Company that are material.

As of the date hereof, the Company is not involved in any criminal or civil case in this area and has purchased product defect liability insurance that provides maximum coverage of €4 million per claim and insurance year.

With respect to the U.S. market, concerns about medical risk are complex and specific risk coverage is required. The problem of "product liability" in the United States is particularly acute as this market is inclined towards costly litigation. Once the Company begins clinical studies or makes sales in the United States, it will become exposed to such risks and will obtain insurance coverage at that time.

The Company maintains insurance for the conduct of its clinical studies and it also maintains liability insurance with specified coverage limits per occurrence and in the aggregate. Although the Company believes that its insurance coverage is appropriate for its business and stage of development, it cannot be certain that the insurance policies will be sufficient to cover all claims that may be made against it. Product liability insurance is expensive, difficult to obtain and may not be available in the future on acceptable terms. Any such claims against the Company, regardless of merit, could adversely affect the Company's business, results of operations and prospects and the value of the Company's shares.

4.4 LEGAL RISKS

4.4.1 Risks Related to Regulation and its Evolution

The control, manufacture and sale of the Company's products are subject to obtaining and maintaining legal and regulatory authorizations and certifications necessary for the marketing of medical devices. Indeed, the Company's products are subject to strict regulation that is constantly evolving.

Compliance with this regulatory process can be long and costly, and there can be no assurance that the Company will receive the required clearances for new products or modifications to existing products on a timely basis, or at all, or that any approval will not be subsequently withdrawn or conditioned upon extensive post-market study requirements. Countries around the world have adopted more stringent regulatory requirements than in the past, which have added or are expected to add to the delays and uncertainties associated with new product releases, as well as the clinical and regulatory costs of supporting those releases. If certification or authorization to market the Company's products were refused or withdrawn, or conditioned upon extensive post-market study requirements, their sale

could be delayed or prohibited in the countries involved, or the margins on the sales of such products negatively impacted by the increased study expenses, any of which would have a material adverse effect on the Company, its business, financial situation, earnings, growth and prospects.

Regulations regarding the development, manufacture and sale of medical devices are subject to future change. The Company cannot predict what impact, if any, those changes might have on its business. For example, a new law was recently adopted in France (the "Bertrand Law") which imposes significant new reporting requirements on the pharmaceutical and medical device markets, and the final regulations have not yet been published. Similar laws have been adopted elsewhere or are being considered. The potential evolution of legislation or changes in standards or regulations applicable in the countries in which the Company markets and plans to market its products and new regulatory restrictions could prevent the sale of the Company's products in the event of the withdrawal or suspension of authorizations to market, or could delay sales, making production more costly, among other things. Failure to comply with regulatory requirements could have a material adverse effect on the Company's business, financial condition and results of operations.

Later discovery of previously unknown problems with a product or manufacturer could result in fines, delays or suspensions of regulatory clearances, seizures or recalls of products, physician advisories or other field actions, operating restrictions and/or criminal prosecution. .

If such a situation was to occur, it could have a material adverse effect on the Company, its business, financial situation, earnings, growth and prospects.

4.4.2 Risks Related to the Regulatory Environment in Europe – CE Mark

The Company's products are categorized as medical devices and are governed by, among others, the provisions of European directive 93/42/EEC, which standardizes the conditions for the sale and free circulation of the Company's products within the European Economic Area.

These products cannot be offered in the market unless the certifications allowing the CE marking are obtained; the CE mark is valid for five years. The CE mark is the evidence that the medical device in question complies with essential health and safety requirements established by the applicable European directive and certifies that it has undergone adequate evaluation procedures as to that compliance.

Errors in the choice of classification of a medical device or its misclassification could result in increased costs or longer delays in obtaining the certifications required for CE mark, or could even make it impossible to obtain the certificates required for marketing the medical device in question.

Although the Company's existing products have obtained the CE mark, products being developed will be subject to this same regulation and their marketing could be delayed if the Company is unable to obtain the certifications allowing the CE mark within the time periods established, or at all.

If such a situation was to occur, it would have a material adverse effect on the Company, its business, its financial situation, its earnings, its growth and its prospects.

Renewal applications also involve a long and complex process, with a particular focus on the consideration of regulatory changes, the updating of the management of risks and compliance with the essential requirements of the applicable European directive.

If the Company is unable to renew the certifications necessary for CE mark of its existing products within the required time periods, the sale of its products would be interrupted until these authorizations were obtained, if at all.

If such a situation were to occur, it would have a material adverse effect on the Company, its business, its financial situation, its earnings, its growth and its prospects.

Finally, in September 2012, the European Commission presented a major review proposal for the European legislation on medical devices. More specifically, it plans to replace the current Directive with a regulation, which would apply directly within all Member States and would no longer leave room for national specificities. In substance, the new regulation would significantly strengthen the provisions related to clinical evaluation during the lifespan of a product, as well as market surveillance and vigilance, in order to ensure the safety of patients. A regulatory change of this type would have a negative impact on the Company's operating margin.

4.4.3 Risks Related to the Regulatory Environment in the United States

The U.S. market is governed by the regulation established by the FDA, which regulates pre-clinical and clinical tests, and the manufacture, labeling, distribution and marketing of medical equipment. The FDA has extensive powers to ban medical devices, detain or seize adulterated or misbranded medical devices, order a recall, repair, replacement or refund of such devices, refuse to grant pending PMAs, suspend trials in process under IDEs or require certificates of foreign governments for exports.

The marketing of products, such as those manufactured by the Company, in the U.S. market, is subject to the PMA, or Pre-Market Approval, procedure, which can be long, complex and costly, because it must be based on data taken specifically from clinical tests performed on people.

The Company has received an IDE (Investigational Device Exemption) from the FDA, which is a conditional approval to conduct a clinical study in the United States regarding its BMS stents, in order to collect the data necessary for the PMA procedure required for these products.

While the IDE enables to Company to conduct clinical trials, there can be no guarantee that the Company will receive a PMA in a timely manner, if at all. If the Company is unable to obtain a PMA, it will not be able to market its products in the U.S. market. If such a situation were to occur, it could have a material adverse effect on the Company, its business, financial situation, earnings, growth and prospects. Even after products have received PMA approval, product approvals by the FDA can be withdrawn due to failure to comply with regulatory standards or the occurrence of unforeseen problems following initial approval. There can be no assurance that the Company will receive the required clearances for new products on a timely basis or that any approval will not be subsequently withdrawn or conditioned upon extensive post-marketing study requirements.

4.4.4 Risks Related to the Regulatory Environment in Other Countries

In order to market medical devices in other countries outside the United States and Europe, the Company must obtain the necessary authorizations in the countries concerned (e.g., China, Japan and India).

However, while transfer and mutual recognition of certifications exists in certain countries and these transfers or mutual recognition procedures are important elements in the process of deciding whether to market the Company's products in a new country, there can be no guarantee that Company will be able to diversify its business geographically in an efficient manner, or at all.

The Company's inability to obtain the necessary authorizations for its products could have a material adverse effect on the Company, its business, financial situation, earnings, growth and prospects.

4.4.5 Risks Related to Changes in Reimbursement Policies Concerning Medical Devices

The Company's ability to generate revenue from any products that the Company may develop, the level of success of the Company's products and their performance depends in part on the coverage and

reimbursement conditions in place in the countries where the Company markets or intends to market its products.

Many patients may be unable to pay for any existing product or product that the Company may develop. The Company's ability to achieve acceptable levels of reimbursement by governmental authorities, private health insurers and other organizations will have an effect on its ability to successfully commercialize its products. The availability of reimbursement affects which products customers purchase and the prices they are willing to pay. Reimbursement varies from country to country and can significantly impact the acceptance of new products and services. The Company cannot be sure that optimal reimbursement in the U.S., Europe or elsewhere will be available for the products that the Company has developed or may develop in the future, and any reimbursement that may become available may be decreased or eliminated in the future.

In Europe, the U.S. and the other principal markets in which the Company may in the future sell its products, there is continued economic, regulatory and political pressure to limit the cost of procedures using its medical devices. Third-party payers increasingly are challenging prices charged for medical devices, and many third-party payers may refuse to provide reimbursement or raise co-payments for particular devices.

Further legislative or administrative reforms to the reimbursement systems in the United States, Japan, or other countries in a manner that significantly reduces reimbursement for procedures using the Company's medical devices or denies coverage for those procedures, including price regulation, competitive pricing, coverage and payment policies, comparative effectiveness of therapies, technology assessments and managed-care arrangements, could have a material adverse effect on the Company's business, financial condition or results of operations.

The absence of or insufficient reimbursement for the Company's products or the adoption of more restrictive reimbursement measures might have a material adverse effect on the Company, its business, financial situation, earnings, growth and prospects.

4.4.6 Risks Related to Failures in Industrial Processes (Such as Failure to Comply With Materials Vigilance or Product Traceability)

The Company's products are categorized as medical devices and, as such, are subject to specific regulations in all the countries in which they are manufactured, tested or marketed. These regulations impose obligations in this area, including with regard to:

- design;
- pre-clinical tests and clinical tests of products performed on people;
- manufacture, quality control and quality assurance of the products;
- labeling of the products, including utilization notices;
- storage of the products;
- identification and traceability of the products;
- procedures for data preservation; and
- oversight subsequent to market introduction and reporting of incidents related to the utilization of the products (deaths, serious injuries, failure, etc.).

These regulations apply to the Company as the manufacturer of these products.

The Company currently depends on third party manufacturers for all of its products and likely will do so in the future. The Company cannot ensure that its suppliers or subcontractors comply or will comply with applicable regulations (see Section 4.3.5 above). The organization notified, in the event of a certification audit or follow-up, or the regulatory authorities, during an inspection or on the occasion of any other regulatory process, might identify breaches of the regulations or the applicable standards and require that the breach be remedied by corrective actions that might interrupt the

manufacture and supply of the Company's products. The suspension, total stoppage, or total or partial prohibition of the activities of the Company's suppliers and subcontractors may damage the Company's reputation and materially and adversely impact sales of the Company's products.

The Company has implemented a quality system that is based on procedures which intend, among other things, to detect any product that is not in compliance, internally or externally. This quality system has been certified by a third party entity in accordance with the regulatory requirements of the applicable European directive, 93/42/EEC and with reference standards (ISO 9001 and ISO 13485). These procedures are part of a system to manage non-conformities called the CAPA (Corrective Action and Preventive Action) system, whose purpose is:

- the identification and recording of non-conformities involving products or the quality system;
- recording all investigations and analyses related to analysis of the causes of these non-conformities and of related risks;
- the identification and implementation of corrections or corrective and preventive actions; and
- measurement of the effectiveness of the actions undertaken to correct the non-conformities.

The processing of any report of an incident that has consequences for patients and/or users and/or third parties is defined within the regulations on materials vigilance that describe the procedures for reporting incidents to the competent authorities. The Company has an internal procedure for monitoring and analyzing incident reports received and, if applicable, their reporting by the respective materials vigilance to the national regulatory authorities (for example, to the *Agence nationale de sécurité du médicament et des produits de santé*, or ANSM (the National Agency for Medical and Health Product Safety, in France)).

4.4.7 Environmental Risks

The Company believes that the nature of its business does not give rise to significant environmental risks.

4.5 INSURANCE AND RISK COVERAGE

The Company has purchased a policy that covers the principal insurable risks and has the coverage amounts it deems compatible with the nature of its business. The amounts paid by the Group for all of its insurance policies totals approximately €100,000 for fiscal year 2011, as compared to approximately €60,000 for fiscal year 2010.

Table summarizing the insurance purchased by the Group:

Insurance policy/Risks covered	Insurer	Amount of coverage	Expiration
Operational third party liability insurance	**Amlin**		
* Any bodily injury, property damage or consequential damage, combined but excluding the damage below:		Maximum of €5 million per claim	Renewal as from 1 January

- Gross negligence /occupational illnesses - Consecutive property damage and consequential damage - Non-consecutive consequential damage - Damage resulting from accidental damage to the environment (excluding sites subject to authorization)		- €500,000 per insurance year - €2,000,000 - €1,000,000 - €300,000 per insurance year	
Products liability after delivery and/or after receipt ("*defective products liability* ") * Any bodily injury, property damage or moral damage, combined but excluding the damage below: - Non-consequential consequential damage - Withdrawal costs borne by the insured		Maximum of €4 million per claim and per insurance year €500,000 €200,000	
Comprehensive professional liability insurance * Damage to premises and contents in case of fire, weather events, natural catastrophes, terrorist attacks and acts of terrorism, electrical damage, water damage, broken equipment (computer) * Civil liability in tort resulting from operations (monetary consequences of civil liability only, caused to third parties in the performance of one's activities)	**AXA**	- €13,000 for contents - unlimited as to premises - €6,100,000 not indexed by claim, all liabilities combined, but not to exceed: - 2,500 times the index per claim for property damage and consequential damage combined; - 310 times the index per claim for non-consequential consequential damage	Renewable annually by tacit agreement on 31 July

Civil liability of corporate officers Civil liability of corporate officers and defense costs for their civil or criminal defense. Extension of coverage to services of consultants in crisis management Extension of coverage to legal entity de jure directors of the purchaser Extension of coverage to defense and civil liability of the insured company in the context of negligence that is inseparable from the functions of individual directors Extension to mission coverage for business travel of the purchaser's and its French subsidiaries' de jure directors	**Chartis Europe**	Maximum coverage of €1,000,000 per insurance period Limited to 50% of the maximum coverage indicated for the insureds (€1,000,000) Lump sum of €23,000 limited to €230,000 if more than one insured is a victim of the same covered accident	Renewable annually by tacit agreement on 7 September
Clinical study liability Covers the civil liability of the Company as the performer of clinical studies. The total premium and the coverage purchased for the studies depend on the number of tests performed, their location and the number of subjects participating in them.	**HDI Gerling**	Fixed amount per patient and per protocol based on each clinical study program.	
Transported merchandise Covers all risks of merchandise entrusted to public transporters, and of merchandise transported in the insured's own vehicles; Stands and accessories in displays-shows; Goods stored in the premises of Healthlink, in the Netherlands (provider of logistical services)	**Chartis Europe**	The maximum amount of coverage is €500,000 in relation to storage and €200,000 in relation to transport	Renewable annually by tacit agreement on 1 January
Mission Medical costs Repatriation Kidnapping/ransom Legal protection Travel incidents Accidental bodily injury	**CHUBB**	Unlimited Actual costs €300,000 per claim €800,000 €7,500 €300,000	Renewable annually by tacit agreement on 1 January

4.6 RISKS RELATED TO LITIGATION TO WHICH THE COMPANY IS OR MAY BECOME A PARTY

As of the date of this 2011 Registration Document Update, there are no administrative, criminal, civil or arbitration proceedings, including any proceeding of which the Company is aware, that is pending or with which it has been threatened, that could have, or has had during the last 12 months, a material adverse effect on the Company, its business, financial situation, earnings or growth.

However, the Company may be subject to litigation and claims that could adversely affect the Company's business. From time to time, the Company may become subject to litigation and claims or become otherwise involved in litigation, arbitration proceedings or similar disputes. In addition, the Company regularly includes indemnification provisions in its contractual arrangements and from time to time, may be subject to claims by its contractual counterparties or third parties with respect to these

obligations. The Company has no reason to believe that the Company's contracting partners, or other interested parties in, its agreements would raise any claims against the Company. However, any such claims, regardless of merit, could be time consuming and expensive to defend, could divert management's attention and resources, and could adversely affect the Company's business, results of operations and prospects and the value of the Company's shares.

4.7 FINANCIAL RISKS

The Company is subject to the financial risks described below, among others. Further information can also be found in Note 23 (IFRS 7) of the notes to the consolidated financial statements for the year ended 31 December 2011 (Section 20.1.1 of the Registration Document).

4.7.1 Foreign Exchange Risk

The Company is exposed to changes in the exchange rate between the euro and the U.S. dollar because the Company's financial resources and revenues are in euro while the expenses of its subsidiary, STENTYS Inc., are exclusively in dollars. This is particularly true because the Company has not yet received FDA approval to market its products in the United States, and will not have any revenues in dollars until it does so.

The effects of changes in the exchange rate impact both the Company's net income and shareholders' equity, as follows:

- A change in the euro/dollar exchange rate of +10% would cause net income to increase by €129,505 for the year ended 31 December 2011 and €66,522 for the six months ended 30 June 2012;
- A change in the euro/dollar exchange rate of –10% would cause net income to decrease by €158,284 for the year ended 31 December 2011 and €81,305 for the six months ended 30 June 2012.

The Company has not, at this stage of its development, entered into any hedge to protect its business against exchange rate fluctuations. However, expenses in U.S. dollars will increase significantly due to the costs that will be incurred to undertake clinical trials in the United States, exacerbating the Company's exposure to the risk of exchange rate fluctuations. In the future, the Company may consider the need to undertake hedging with respect to this risk. In that case, the Company will adopt a policy for any hedging strategy. Any hedging undertaken may not be effective to minimize the risk and indeed may lead to losses. Furthermore, were the Company not to make arrangements to hedge against actual rate fluctuations in the future, its operating results could be adversely affected.

4.7.2 Credit Risk

The Company seeks to manage prudently its available cash resources. Cash and equivalents include cash on hand and marketable securities held by the Company (essentially time deposits). At 31 December 2011 and 30 June 2012, cash and marketable securities held by the Company were all invested in products with a maturity of less than six months. In the future, the Company may study other types of investments to optimize its return on its available cash.

In addition, the Company seeks to minimize the credit risk related to its cash, cash equivalents and marketable securities based on the credit quality of the financial institutions where its cash is held.

4.7.3 Interest Rate Risk

As of 31 December 2011 and 30 June 2012, the Company's only financial debt is an advance at a zero rate of interest totaling €1.773 million, received from OSEO Innovation to finance the Company's research program, included in the Company's annual consolidated financial statements for the year

ended 31 December 2011 with a discounted value of €1,604,857, and in the Company's consolidated financial statements for the six months ended 30 June 2012 with a discounted value of €1,663,750.

The Company has not received any loans from any financial institutions; its interest rate risk is therefore limited to the interest rate fluctuations on its cash investments.

4.7.4 Risks Related to Cash Management

The Company seeks to manage prudently its available cash resources. Cash and equivalents include cash on hand and marketable securities held by the Company (essentially time deposits). At 31 December 2011 and 30 June 2012, cash and marketable securities held by the Company were all invested in products with a maturity of less than six months. In the future, the Company may consider investing in other types of investments to optimize its return on its available cash, which may increase the risk related to its cash management.

4.7.5 History of Operating Losses – Specific Risks Related to Projected Losses

The Company has recorded operating losses every year since it began operations in 2006. As of 31 December 2011, the cumulative net losses totaled €25,738,458. These losses are the result of research and development costs, as well as marketing and administrative costs, and costs related to the IFRS transition.

The Company could experience additional operating losses, larger than in the past, in the coming years, as it pursues its research and development and marketing activities, especially regarding:

- increased regulatory requirements regarding the manufacture of its products;
- the expansion of its product portfolio from the addition of new products based on future developments;
- the development of its research and development activities and, perhaps, the purchase of new technologies, products or licenses; and
- the slower adoption of its products by cardiologists, or the slower inclusion of patients in clinical studies.

An increase in these expenses could have a material adverse effect on the Company, its business, financial situation, earnings, growth or prospects.

4.7.6 Liquidity Risk – Future Capital Needs and Uncertain Additional Financing

Historically, the Company has financed its growth by increasing its shareholders' equity through capital increases by, or by issuing bonds convertible into shares to, venture capital companies. To date, it has not made use of bank loans. Therefore, the Company is not exposed to liquidity risk from early repayment clauses in bank loans.

The Company conducted a specific review of its liquidity risk and believes, as of the date of this Update, that it is in a position to meet its upcoming obligations.

As of 31 December 2011, the Company's cash and cash equivalents totaled €14,711,972.

To date the Company's operations have only generated negative operating cash flows. These negative operating cash flows were €(8,090,561) for 2011 and €(3,430,667) and €(6,803,880) for 2009 and 2010, respectively. For the six months ended 30 June 2012, the Company's operating cash flow was €(5,692,012).

The Company expects that its annual operating losses will continue over the next several years. To become profitable, the Company must successfully develop and obtain regulatory approval for its

products. The Company may never generate significant revenues and, even if it does, it may never achieve profitability. To become and remain profitable, the Company must succeed in developing and commercializing products with significant market potential. This will require the Company to be successful in a range of activities, certain of which are only in the preliminary stages for the Company, including developing new products, obtaining regulatory approval, and manufacturing, marketing and selling. The Company may never succeed in these activities and may never generate revenues that are significant or large enough to achieve profitability. Even if the Company does achieve profitability, the Company may not be able to sustain or increase profitability in the long term. The Company's failure to become and remain profitable may cause the market price of its shares to decrease and could impair the Company's ability to raise capital, expand its business, diversify its product offerings or continue its operations.

As at 30 June 2012, the Company had cash and cash equivalents totaling €16,736,402, while cash used in operating and investment activities was €6,290,853 for the first half of 2012, i.e., based on a constant level of activity, the Company has less than 18 months of cash.

The Company has already raised €47.5 million in gross proceeds since its inception to support its operations. It will require substantial additional funds to fund, in the first quarter of 2013, the clinical studies necessary to receive a PMA in the United States for its BMS stents (Apposition V study which is described in Section 6.3.3.5 "Apposition V" of this 2011 Registration Document Update), and, beyond the next 12 months, to broaden and expand its sales and marketing activities, pursuant to the strategy described in Section 6.5 "Distribution of STENTYS products" of this 2011 Registration Document Update, as well as to finance its daily operations and increasing working capital needs as it ramps up its business.

The Company must, therefore, raise capital through one or more capital increases. Clinical trials in the United States are long, costly, and subject to change in order to comply with the requirements of the FDA. The Company cannot guarantee that the amount(s) raised will permit it to fund all of the clinical studies required to receive a PMA in the United States and to fund its commercial roll out plans.

The level of its financial needs and their timing is dependent upon elements that are largely outside the Company's control, such as:

- higher costs and slower growth than expected in its research and development programs and in clinical studies;
- the costs of preparation, filing, defense and maintenance of its patents and other intellectual property rights;
- the cost of post-market surveillance;
- the costs of responding to technological developments and to the market, and to ensure the manufacture and marketing of its products;
- higher costs and longer time periods than expected to obtain regulatory authorizations, including the time needed to prepare applications for the regulatory authorities; and
- new opportunities for the development of new products or the purchase of technologies, products or companies.

In addition, the Company may be unable to raise additional funds or generate sufficient working capital as necessary to meet its financing needs. These additional funds may not be available under financial conditions that are acceptable to the Company. In such case, the Company could have to:

- delay, reduce or end research programs (including the launch of APPOSITION V for the first quarter of 2013);
- obtain funds through partnership agreements that could require it to give up its rights to some of its technologies or some of its products; or
- grant licenses or enter into new collaboration agreements whose terms could be less favorable than those the Company might have obtained in a different context.

Furthermore, if the Company raises capital by issuing new shares, the stakes of its shareholders could be diluted. Debt financing, if available, could also include restrictive conditions.

The materialization of one or more of these risks could have a material adverse effect on the Company, its business, financial situation, earnings, growth or prospects.

4.7.7 Risks Related to the Loss of the Status of a Jeune Entreprise Innovante

STENTYS applied for Jeune Entreprise Innovante (Young Innovative Company) ("**JEI"**) status when it was founded. On 17 August 2007, the Tax Department of Hauts-de-Seine Nord approved the Company's application for eligibility to JEI status.

JEI status enables young companies engaging in research and development to benefit from exemptions for employer contributions and from tax relief.

Companies granted JEI status also benefit from exemptions from employer contributions for social security for employees involved in research and development (researchers, technicians, research and development project managers, attorneys responsible for industrial protection, etc.).

This exemption is also available to corporate officers subject to the general French social security system.

However, in order to benefit from the advantageous status of JEI, companies must satisfy the following five conditions:

- be a company founded in the European Union that, during the fiscal year or the tax period in which it wishes to benefit from JEI status, employs fewer than 250 people, and also has revenues of less than €50 million or has total assets of less than €43 million;
- it must have had, at the end of each fiscal year, research costs that are at least 15% of the expenses deductible for tax purposes during that fiscal year (these research costs are calculated on the basis of those withheld under the research tax credit);
- it must have existed for less than eight years;
- it cannot have been created as part of a concentration, restructuring, extension of existing activity or resumption of such an activity pursuant to Article 44 sexies, III, of the Tax Code;
- be independent pursuant to Article 44 sexies-0 A of the Tax Code; i.e., be at least 50% owned, on an ongoing basis, by:
  - individuals; or
  - a company that satisfies the same conditions whose capital is at least 50% held by individuals; or
  - venture capital companies, mutual investment funds, regional development companies, innovation financing companies or sole proprietor venture capital companies, on condition that there is no dependency between the JEI and such companies; or
  - recognized foundations or associations of public interest of a specific nature; or
  - a company that is itself classified as a JEI that is engaged in research and development projects; or
  - public research and education entities or their subsidiaries.

In 2011, the Company benefited from the JEI status as it fulfilled all the criteria for eligibility. On 6 July 2014, the eighth anniversary of its incorporation, pursuant to the current JEI rules, the Company will definitively lose eligibility for JEI status. However, other factors, such as a change in its share ownership, could cause it to lose its JEI status earlier.

If the Company was to lose its JEI status, this could have a material adverse effect on its earnings, its financial situation and prospects.

4.7.8 Risks Related to Access to Public Advances

If the Company does not comply with the terms and conditions of the reimbursable advances agreement entered into with OSEO Innovation according to which it has received as of 31 December 2011 a total aggregate amount of €1.773 million, it could be forced to repay the sums advanced ahead of schedule. The Company may not have the resources to pay such sums, or if it does, such a situation could deprive the Company of some of the financial resources needed to carry out its research and development projects. Indeed, the Company cannot ensure that it will then have the additional financial means needed or the time or the ability to replace these financial resources with others. If any of these events occur, this would have a material adverse effect on the Company's earnings, its financial situation and prospects.

4.7.9 Risks Related to the Research Tax Credit

The Company has also chosen to take advantage of the Research Tax Credit ("CIR" (*Crédit d'Impôt Recherche*)) to finance its business. This credit is a tax credit offered to companies that make significant investments in research and development. The research costs eligible for the CIR include, among others, salaries and wages, consumables, provision of subcontracted services to approved research entities (public or private), and intellectual property costs.

The Company benefited from research tax credits that were refunded for fiscal years 2009 and 2010. The refund in advance of the 2011 tax credit was requested from the tax authorities in 2012.

As regards 2012 and future years, the tax authorities may challenge the methods used to calculate the Company's research and development costs, the CIR may be challenged due to a change in regulations or may be challenged by the tax authorities even if the Company conforms to the documentation and eligibility requirements regarding costs. If such a situation were to occur, it could have an adverse effect on the Company's earnings, financial situation and prospects.

4.7.10 Risk of Dilution

As part of a policy to motivate its managers and employees, the Company has, since its founding, regularly issued or allocated warrants (BSA) and founders' warrants (BCE). It also issued and allocated stock options in 2010, 2011 and 2012.

The full exercise of all the instruments that give access to the Company's capital outstanding at 30 June 2012 result in the issuance of 1,476,072 new shares, giving rise to dilution of 18.27% of the current authorized capital at 30 June 2012.

A summary table of all securities giving access to Company capital at 31 December 2011 is presented in Section 21.1.4 of the Registration Document and at 30 June 2012 in Section 21.1.4 of this Update.

Exercise of the outstanding instruments that give access to the Company's capital, like any other additional award or issuance, will result in significant dilution of the Company's shareholders.

4.8 RISKS RELATED TO THE COMPANY'S ORGANIZATION

4.8.1 Risk of Dependence on Key Persons

The Company's operations depend heavily on the work and expertise of the members of management and key scientific personnel, the loss of whose services could adversely affect the achievement of planned development objectives. The Company is dependent on the services of all the members of its Executive Committee, in particular its Chief Executive Officer, Gonzague Issenmann, its Chief Technology Officer and its Chief Medical Officer. To date the Company has not purchased any "key person" insurance (insurance policy against permanent disability/death), and the departure of certain key staff members could lead to:

- the loss of know-how and the undermining of certain activities, which would be exacerbated in the event of a move to the competition; or
- shortcomings in terms of technical abilities that could slow the business and could affect, going forward, the Company's ability to achieve its objectives.

In view of this risk, the Company has sought to address these risks through contractual provisions; however, these contractual provisions are often contested and may not be sufficient to protect the Company's interests, in which case its business and future prospects could be materially and adversely affected.

4.8.2 Risks Related to the Need to Attract and Retain Key Persons

For the Company to expand its product development, marketing and commercialization plans, it will need to recruit additional qualified managers and scientists.

The Company competes with other companies, research entities and academic institutions to recruit and retain highly qualified scientific, technical and management personnel. The Company might not be able to attract or retain these key persons on conditions that are economically acceptable.

The inability of the Company to attract or retain these key persons could prevent it from achieving its objectives, and thus this have a material adverse effect on its business, earnings, financial situation, growth and prospects.

In view of this risk, the Company has implemented systems for motivating and creating loyalty in personnel, in the form of compensation that varies based on performance, and of the award of warrants and founders' warrants, although there can be no guarantee that these systems will be sufficient to enable the Company to retain or recruit necessary personnel.

4.8.3 Risks Related to Managing Growth

As part of its growth strategy, the Company must recruit additional personnel and develop its operating capabilities, which could result in its internal resources being overextended.

In particular, the Company is in the process of recruiting and deploying a direct and indirect sales force of direct employees and distributors to market its products in Europe.

To this end, the Company must among other things:

- train, manage, motivate and retain a growing number of employees;
- anticipate the costs related to this growth and the respective financing needs;
- manage its working capital and fund its increasing needs for such capital;
- anticipate the demand for its products and the revenues they are able to generate;
- increase the capacity of its existing operating, financial and management computing systems; and
- increase its product inventory levels.

The Company's inability to meet the challenges described above, generate growth, or surmount difficulties encountered while expanding its business, could have a material adverse effect on its business, earnings, financial situation, growth and prospects.

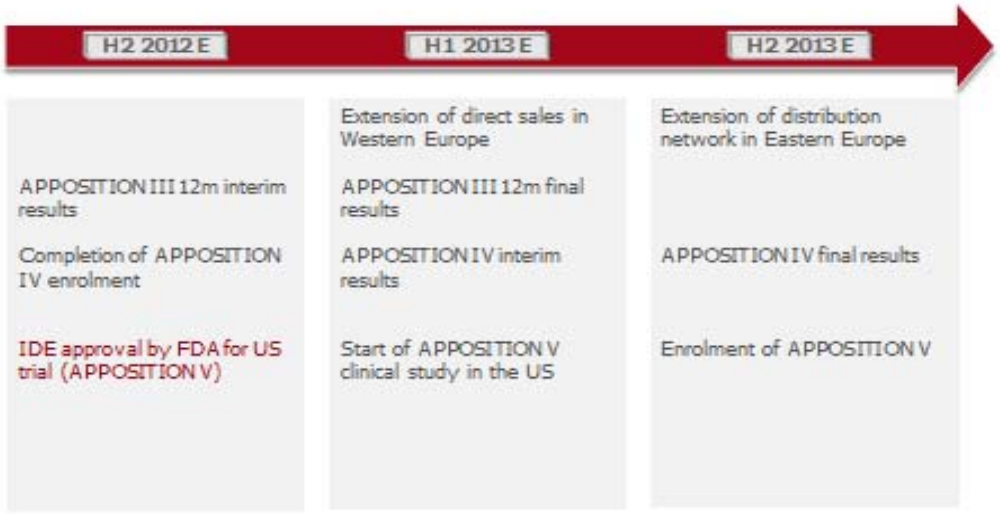
6. BUSINESS OVERVIEW

6.1 GENERAL PRESENTATION

6.1.2 Strategy

The last paragraph of this Section of the Registration Document is replaced in full by the following information:

For the remainder of fiscal year 2012 and for fiscal year 2013, STENTYS has prepared the following communication timetable:



6.2 CORONARY DISEASES

6.2.2 Incidence and Prevalence of Coronary Diseases

The first paragraph of this Section of the Registration Document is supplemented by the following information; the rest of the Section remains unchanged.

In the European Union, it is believed that 85 individuals on average die every hour from a coronary disease (source: European Cardiovascular Disease Statistics – 2008 edition).

6.2.3 Coronary Disease Treatment

6.2.3.2 Treatment of Acute Disease (Myocardial Infarction) and Complications

The last paragraph of this Section of the Registration Document is supplemented by the following information; the rest of the Section remains unchanged.

The rate of intra-stent thrombosis is significantly higher when the stent is used to treat an acute myocardial infarction than when it is used to treat stable angina (source: Leibundgut *et al*, Am Heart J. 2009;158(2):271-276).

6.3 STENTYS: THE HEART ATTACK STENT

6.3.2 DESIGN AND TECHNICAL SPECIFICATIONS

6.3.2.3 Delivery Catheter

The last paragraph of this Section of the Registration Document is supplemented by the following information; the rest of the Section remains unchanged.

At the end of the third quarter of 2012, the Company launched a new stent delivery system that includes an ergonomic handle and a hydrophilic ("slippery") coating. This new systems allows for access to the lesions located in the structures of very complex vessels, such as tortuous or calcified vessels. A photograph of this new ergonomic handle is set out below.

6.3.3 Clinical Results

Section 6.3.3.3 of the Registration Document is updated as follows and a new Section 6.3.3.5 is added; the rest of the Section 6.3.3 remains unchanged.

6.3.3.3 Apposition III

Shortly after the announcement of the APPOSITION II study results, the Company launched the APPOSITION III study. As the previous study, it is a post-market study, and is intended to follow up and evaluate the use of the stent in real life treatment of MI. This study covers 1,000 patients, enrolled in more than 40 centers across Europe. The primary endpoint is the number of major adverse cardiac events (MACE) occurring within a period of 12 months after the stent is implanted, with publication of interim results at 30 days.

Design

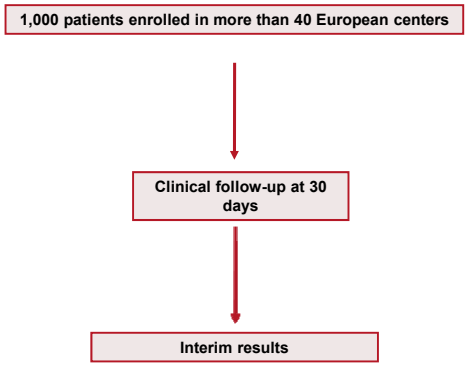
DESIGN:
Prospective, non-randomized, single arm, multi-center trial

OBJECTIVE:
Evaluate the safety and performance of the STENTYS stent in routine clinical use on a large population of STEMI patients

PRIMARY ENDPOINT:
- **Adverse events at 12 months**

SECONDARY ENDPOINT:
- **Adverse events at 30 days and 24 months**

PROCEDURE GUIDES for the use of a balloon catheter:
- **Cohort A: use of a balloon that is not recommended**
- **Cohort B; use of a balloon that is commonly recommended**

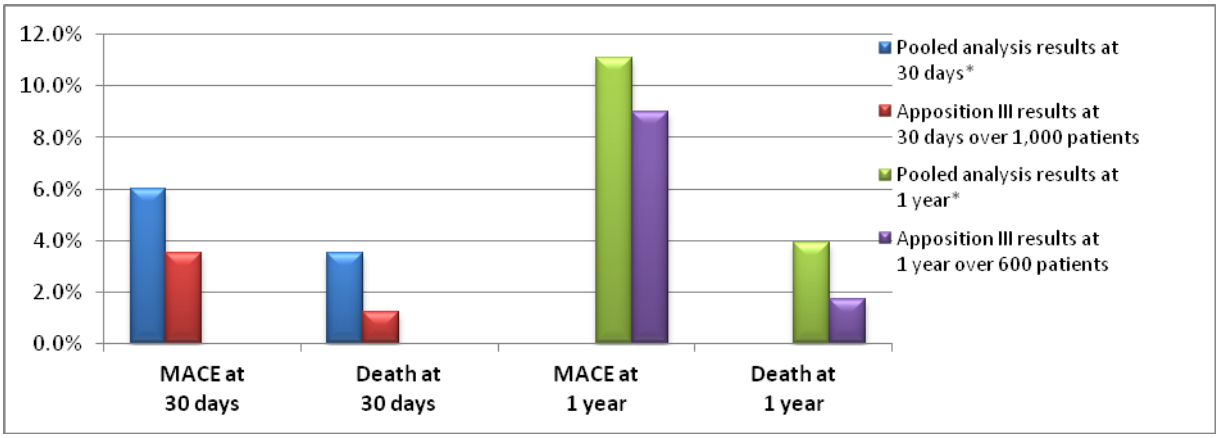


The enrolment of patients lasted until the month of January 2012: the final results of this study will therefore be available in the first half of 2013. However, the Company published the first results at 30 days at the TCT conference in San Francisco in November 2011 covering the first 600 patients, with the full results, for the 1,000 patients of the study, being published at the PCR congress in Paris in May 2012. Interim results at one year covering the first 600 patients were announced on 22 October 2012 and will be presented at the TCT conference in Miami on 25 October 2012.

Interim Results: adverse events (hierarchical)	At 30 days (1,000 patients)	At 1 year (600 patients)
Death	1.2%	1.7%
New infarction	1.4%	1.5%
TLR	0.9%	5.8%
Total	**3.5%**	**9.0%**

The MACE (major adverse cardiac events) and mortality rates at 30 days and at one year were compared to those of a combined analysis conducted by the ACTION group (Professor G. Montalescot at the Pitié-Salpêtrière hospital) covering all recent studies on the use of conventional stents in MI.

Interim Results of the APPOSITION III Study at 30 Days and One Year



** Combined analysis conducted by the ACTION Group (Prof. G. Montalescot) over 15 studies representing 19,767 patients since 2006*

The APPOSITION III results at 30 days covering 1,000 patients showed a MACE rate of 3.5% compared to 6% obtained on average with a conventional stent. Mortality was 1.2% with the STENTYS stent, while mortality in conventional stent studies is approximately 3.5%.

The APPOSITION III results at one year covering the first 600 patients showed a MACE rate of 9.0% compared to 11.1% obtained on average with a conventional stent. Mortality was 1.7% with the STENTYS stent, while mortality in conventional stent studies is approximately 3.9%. Moreover, the revascularization rate (TLR) is 5.8% for the first 600 patients, corresponding to 6.2% for the BMS and 3.8% for the DES.

When the current recommendation on post-dilation via a balloon was observed, the MACE rate at 30 days stood at 2.5%, which is a significant improvement. As for the interim results at one year, post dilation reduced the death rate and new infarction rate to 2.9%.

The final results covering all 1,000 patients will be available in the first half of 2013.

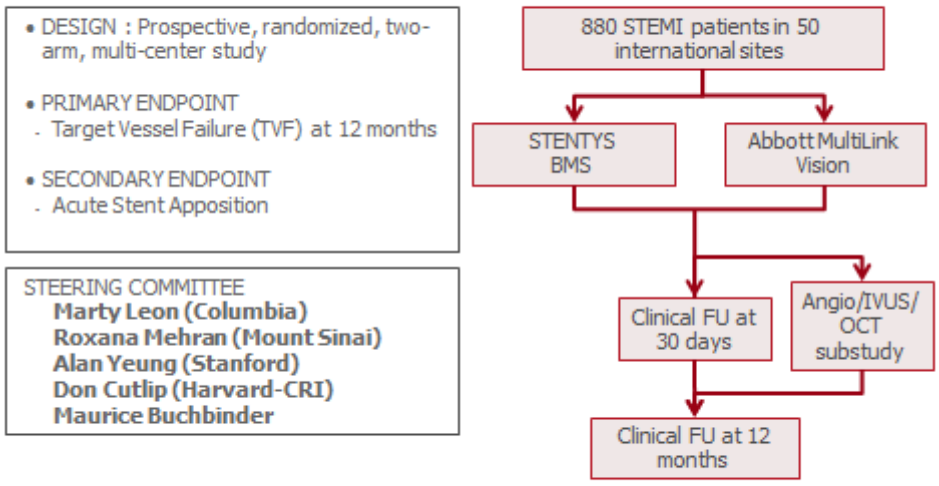
In the framework of this study, the devices were in general sold to the hospitals, which allowed the Company to log sales.

6.3.3.5 Apposition V

On 22 September 2012, the Food & Drug Administration ("FDA") granted a conditional authorization to the Company for the launch of the APPOSITION V clinical study in the United States in the context of an Investigational Device Exemption ("IDE") authorization. APPOSITION V is a prospective, randomized, two-arm, multi-center study that compares the STENTYS BMS stent to Abbott's Multilink Vision stent. This study will cover 880 patients in 50 international sites across the United States and Europe.

A randomized study is based on a protocol that is more complex and restrictive from a regulatory perspective, as more authorizations are required from the relevant national ethics committees. In parallel, it requires much greater logistics, inciting investigators to ask for greater reimbursement of expenses. Two CROs ("*contract research organizations*") will be hired to have teams available in Europe and the United States to manage the different centers covering a broad geographic scope. Also, FDA standards require a very precise and complete collection of data, which entails a large number of visits to hospitals that enroll patients. The additional studies (based on OCT and IVUS imagery) will involve specialized centers (core labs) to analyse all of the images collected.

Furthermore, the protocol provides for thorough, regular follow-up at 30 days, 24 and 36 months, based on alternating in-person visits and telephone interviews. The primary endpoint is the failure of the target vessel at 12 months; this primary endpoint includes death, reinfarction in the target vessel and revascularization of the target vessel. The secondary endpoint is the malapposition of the stent in the acute phase, which will be evaluated in the framework of an IVUS-based substudy on 212 patients.



The specific insurance required, as the STENTYS stent has not yet been approved in the United States, and the use of services from many providers (investigators, CROs and core labs), required for the successful conduct of this study, result in significant costs for the Company. Therefore, the Company may launch the APPOSITION V study only if it manages to raise new funds on the market (in this regard, see Section 4.7.6. "Liquidity Risk – Future Capital Needs and Uncertain Additional Financing" in this Update). Subject to this reservation, the study is expected to begin in the first quarter of 2013 and patient enrolment is anticipated to be completed by the end of the first half of 2014.

6.3.5 Additional Study: Histomorphologic Determinants of Early Stent Thrombosis in Human Coronary Arteries

The second paragraph of this Section of the Registration Document is replaced by the following paragraph; the rest of this Section remains unchanged.

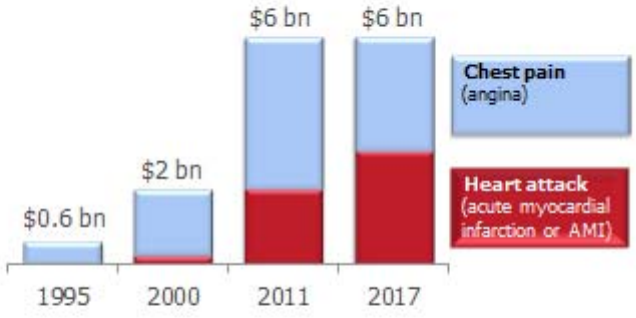
Dr. Virmani concluded that early stent thrombosis in patients suffering from myocardial infarction is a major issue due to its catastrophic consequences: a renewed heart attack. He recommended additional changes to stent' design to reduce this risk and improve patient treatment. The design of STENTYS's self-expanding stents solves the problems and insufficiencies of conventional stents identified in this study.

6.4 CORONARY STENT MARKET

6.4.1 Market Value and Growth

The first graph and the first paragraph of this Section of the Registration Document are replaced by the following information; the rest of this Section remains unchanged.

Stent market evolution and growth since 1995 in billions of dollars



Source: Company estimates based on various market studies, in particular by Credit Suisse, JP Morgan and MedMarket Diligence

As illustrated in the graph above, the coronary stent market has grown significantly since its inception and seems stable at approximately US$ 6 billion in 2011. This rise is mainly attributable to three trends:

a) Primarily, the substitution of invasive coronary bypass surgical procedures with non-invasive "stenting" procedures;
b) A revitalization of the market between 2002 and 2005 with the new generation of drug-eluting stents, which allowed for high unit prices while the price of "non-active" stents dropped significantly under the influence of competitive pressure, and

c) The use of the stents in the treatment of heart attacks, which started at the end of the 1990s, resulted in a new indication, which gained ground progressively. This indication represented approximately 30% of stent implantations in 2010 (Company estimate).

6.5 DISTRIBUTION OF STENTYS PRODUCTS

Sections 6.5.1, 6.5.2 and 6.5.3 of the Registration Document are replaced by the following sections.

The new Section 6.5.1 below describes the reasons for which the APPOSITION V study could be the first study conducted by the Company that may, if the clinical data is positive, convince a majority of physicians to adopt STENTYS's products.

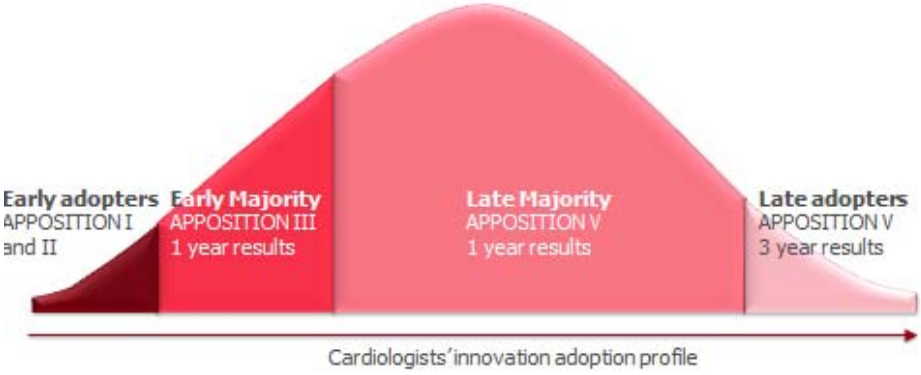
The new Section 6.5.2 below describes and provides details on the increase in the number of centers in which the Company markets and intends to market its products, and provides information on the tools used by the Company to support the pre-launch phase of its products, which started in 2010. This section also includes the different steps for the marketing of the Company's products in the United States, which has been updated to take into account the receipt in September 2012 of the Investigational Device Exemption (IDE) for the conduct of the APPOSITION V study.

Finally, Section 6.5.3, related to the Company's distribution network, indicates that this network will be developed to capture new markets (Eastern Europe, Middle East, South America, etc.), while the direct sales force will be dedicated to the marketing of STENTYS products in Western Europe.

6.5.1 Commercial Strategy

The principles studied and described in relation to the adoption of everyday technological consumer products also apply to the adoption of new technologies by the medical community. End users follow a model that varies in accordance with their attitude regarding innovation. This model breaks the population down into "Early Adopters", "Early Majority", "Late Majority" and "Late Adopters". In the world of medicine, the same principles can be applied to physicians who take decisions for their patients in accordance with the state of the clinical data available. Some physicians, when they are convinced of the potential benefits of a new medical device, start to prescribe this treatment to their patients even before major clinical trials have been conducted. However, some need to see long-term results from a number of randomized studies to change their practices.

STENTYS has designed a clinical study program which aims to demonstrate the medical value of its technology on a step-by-step basis and to collect the clinical data required to progressively convince all cardiologists. Each of these studies intends to satisfy physicians by fulfilling their need for clinical results.



6.5.2 Marketing Plan

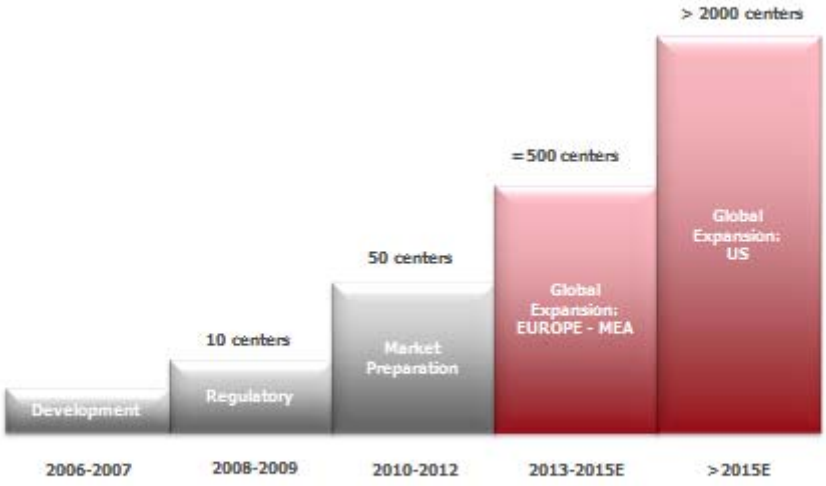
STENTYS started the launch of its technology by way of a pre-launch (market preparation) phase. This phase focuses on the major leading European centers and on key opinion leaders. This step is crucial to achieving widespread communication on a new medical technique. By selecting prestigious centers in each targeted country during this phase, STENTYS hopes to encourage the writing of scientific articles and other forms of communication to establish STENTYS's technology as a well-known solution for the treatment of heart attacks.

To support this pre-launch phase, STENTYS decided to:

- Recruit a dedicated sales force to manage relations and communication with leading cardiologists,
- Conduct post-marketing studies in key centers. These studies are designed to involve opinion leaders (national and international), as well as university hospitals known for their excellence in the selected markets,
- Increase its presence at medical conferences and congresses (national and international); and
- Write articles for leading publications.

After having worked with approximately ten centers (hospitals and clinics) during the previous phase required for obtaining the regulatory authorization, the Company intends to work with up to 100 centers in Europe during the pre-launch phase. This pre-launch phase will end the APPOSITION III study results at one year involving 1,000 heart attack patients. For the time being, these results are expected in the first half of 2013. The objective is to extend STENTYS's presence over hundreds of centers in Europe and EMEA during the next commercial phase. The final expansion, in terms of geographic presence, will take place once market approval has been granted in the US where more than 2,000 centers have catheter labs and cardiology units.

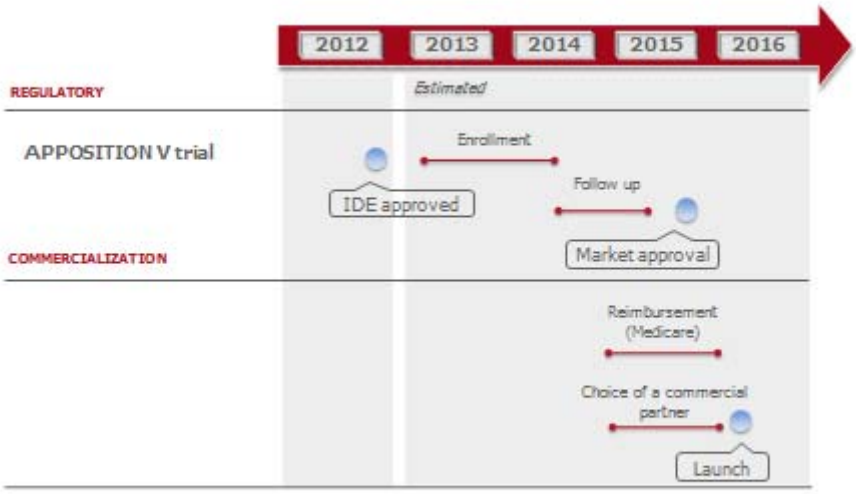
The deployment the Company is targeting is illustrated in the diagram below.



Refer to Section 4.3.4 "Risks Related to the Use by Cardiologists, Health Professionals and Opinion Leaders of STENTYS Products" (risks related to marketing in Europe) in this 2011 Registration Document Update.

In the United States, the approach is very different. The FDA requires the conduct of clinical studies, whose design it approves first, within the US even when such studies have been successfully conducted in other countries. These studies generally involve a large number of patients and are expensive. However, the size and length of these studies may allow for more rapid market adoption once market approval has been granted ("PMA" or "FDA Approval") and the commercial launch of the medical devices has started. Refer to Section 4.3.2 "Risks Related to Clinical Trials in the United States" and Section 4.3.3 "Risks Related to Delays in Clinical Studies" in this 2011 Registration Document Update.

The Company's strategy for the US is to market its product in partnership with one of the main players in this field in the United States. This strategy is illustrated below.



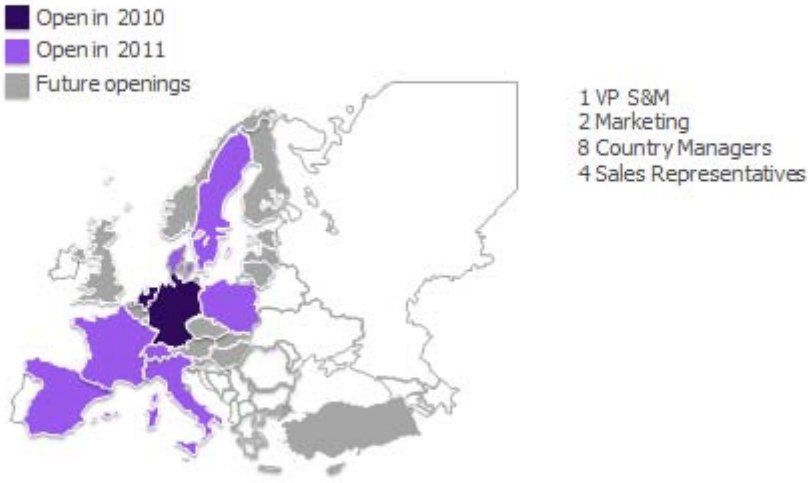
As of 30 June 2012, the Company is able to finance its marketing plan (i.e., its current activities excluding Apposition V clinical trial) for the next 12 to 18 months. Beyond this, it would need additional funds (in this regard, see Section 4.7.6. "Liquidity Risk – Future Capital Needs and Uncertain Additional Financing" in this 2011 Registration Document Update).

6.5.3 Current and Future Distribution Network

Devices can be sold either by the Company's sales force or by a distribution company with its own network of representatives. Unlike the sale of drugs, the relationship between the sales representative and the physician with regard to the sale of medical devices is very important, because representatives also play a technical training role. Promotion utilizing the outcomes of clinical studies like APPOSITION III, which is at the heart of the Company's marketing strategy, requires a presence in the field and frequent contact with physicians and key opinion leaders. Therefore the Company's objective is to recruit qualified sales people so it can control both training and the Company's marketing messages.

In the first phase of its commercial development (pre-launch phase), STENTYS has decided to rely exclusively on its own employees (direct sales force). As of the date of the present 2011 Registration Document Update, the Company has established commercial presence by recruiting highly qualified Country Managers in:
- the Netherlands,
- Germany,
- Switzerland,
- Scandinavia
- Spain,
- Poland,
- France, and
- Italy.

The map below represents the current progression of the deployment of the Company's commercial strategy and its objectives for the future.



During the next phase of geographic expansion, STENTYS plans on marketing its products almost exclusively through distributors. STENTYS will probably enter into distribution agreements in a number of regions, such as Eastern Europe, the Middle East and South America. Depending on the size of the countries or regions in question, these agreements will be included in specific communications issued by the Company (such as press releases).

6.7 MANUFACTURE OUTSOURCING

6.7.4 Main Contracts

Section 6.7.4 of the Registration Document is replaced in full by the following:

Refer to Section 22 of the 2011 Registration Document Update.

6.8 REGULATORY FRAMEWORK

Section 6.8 of the Registration Document is replaced in full by the following information.

6.8.1 European Context

European directives: establishing European regulations harmonized through transposition into national laws.

The CE mark, which is a legal authorization for a manufacturer to deliver its devices within the European Union and guarantees safety for users, indicates that all of the necessary measures were taken by the manufacturer to ensure compliance with European directive requirements. STENTYS' products are subject to the Directive that covers medical devices (Directive 93/42/EEC of 14 June 1993, as amended).

However, in the European Union, a manufacturer must also take the particularities of national transpositions into account. Certain Member States have set up additional conditions regarding such things as, for example, registration or market authorization notification.

For a medical device to be labeled with a CE mark it must comply with what is called the "Essential Requirements."

These "Essential Requirements", which are referred to in the various medical device directives, are written in somewhat general terms to cover a broad spectrum of technologies. Manufacturers must review each Essential Requirement to determine whether it applies to the device, and then identify the harmonized European standard that allows for conformity with this Essential Requirement to be demonstrated.

The obligation to meet the Essential Requirements must be a medical device company's priority to ensure that all necessary measures were taken so that the device does not compromise the safety and health of patients, users, and other persons where appropriate, once it is installed, maintained and used correctly in accordance with its planned use, it being understood that potential risks related to its use constitute risks considered as acceptable in light of the benefit to the patient and compatible with a high level of protection in terms of health and safety. Compliance with the Essential Requirements must be considered both an objective (respecting safety and health) and a means to achieving the objective.

According to the European directives, each stage in the CE marking process must, in addition to considerations related to the safety and planned use of the device, account for other aspects such as design or construction properties, protection against radiation, mechanical, temperature and electrical risks, or measurements of function or labeling.

In September 2012, the European Commission presented a major review proposal for the European legislation on medical devices. More specifically, it plans to replace the current Directive with a regulation, which would apply directly within all Member States and would no longer leave room for national specificities. In substance, the new regulation would significantly strengthen the provisions related to clinical evaluation during the lifespan of a product, as well as market surveillance and vigilance, in order to ensure the safety of patients. Such a regulatory change would cause the operating margin of the Company to decrease.

6.8.2 US Regulations

STENTYS stents cannot be marketed in the United States until Premarket Approval (PMA) is obtained from the Food & Drug Administration (FDA). The PMA application will require supplementation of the existing clinical file with safety and effectiveness data from a new clinical study of a statistically significant population. (see the information related to the Apposition V study in Section 6.3.3.5, as well as Section 4.4.3 "Risks related to the Regulatory Environment in the United States" of the 2011 Registration Document Update).

6.8.3 Other Regulations

Japan:
The marketing of STENTYS stents in Japan is conditional upon obtaining a foreign manufacturer accreditation renewed every five years and issued by the PMDA (Pharmaceuticals and Medical Devices Agency).

China:
The marketing of STENTYS stents in China requires registration with the SFDA (State Food & Drug Administration) after an inspection of the stents and their manufacturing process has been performed. Clinical data obtained in China must be provided.

6.8.4 Authorizations Obtained by STENTYS

STENTYS has obtained the necessary "authorizations/certifications" to market both its BMS and its DES in:

1. The Member States of the European Free Trade Association (EFTA), including the European Union (EU) as well as Iceland, Lichtenstein, Norway and Switzerland (CE mark); and

2. Turkey (EU candidate that authorizes CE-marked medical devices to be marketed on its territory).

Additionally, the CE mark enables applications for market authorization to be made in certain countries, like Israel and other countries in the Middle East and Asia.

9. EXAMINATION OF EARNINGS AND FINANCIAL POSITION

The reader is invited to read the following analysis of STENTYS's financial position and earnings as at 30 June 2012 with the Company's interim consolidated financial statements, and the notes to the interim consolidated financial statements set out in Section 20.1 "Interim Consolidated Financial Statements as at 30 June 2012" in this 2011 Registration Document Update.

9.1 GENERAL PRESENTATION

STENTYS's financial statements for the six months ended 30 June 2012 are characterized by:

- Revenues of €1,149,606 for the first six months of 2012, a 92% increase as compared to the same period of 2011, at which time revenues totaled €598,967
- Operating expenses of €6,813,495, an increase of 37% as compared to the same period of 2011.

Since it was listed on the stock market in October 2010, the Company has invested to accelerate its development.

Between 31 December 2011 and 30 June 2012, personnel has increased by close to 20%, from 25 to 31 individuals, with people hired both in the United States and Europe. Also, the Company has continued to boost its commercial presence by adding to its teams in certain countries where commercial operations have been launched and are expanding rapidly.

Significant events in the first six months of 2012:

The Company increased its capital by way of a private placement. This transaction was finalized on 26 January 2012. In total, institutional investors in France and abroad, purchased 574,639 shares. The subscription price was €14.50, representing a 14.05% discount as compared to the weighted average for the prior three days. The amount raised, less issue costs, totaled approximately €7.8 million.

On 1 February 2012, the Company announced the recruitment of patients for the Apposition III study had ended one month in advance. In total, 1,000 patients were recruited for this real life study, the principal endpoints of which are the number of major adverse events at one month and 12 months.

Furthermore, the German institute responsible for the hospital pricing system (InEK) again granted the "innovative research and treatment device" status (Neue Untersuchungs- und Behandlungsmethoden, or "NUB") to the STENTYS stent for the year 2012. The renewal of this status in Germany once again underlines the innovative nature of the Company's stent in the treatment of heart attacks as compared to its rivals.

During the EuroPCR congress, the Company announced the first APPOSITION III study results, which show a MACE rate of 3.5%, to be compared to the 6% reached on average with a conventional stent. The mortality rate was 1.2% with the STENTYS stent, compared to approximately 3.5% in pooled analysis of studies with conventional stents.

In June 2012, the Company announced the recruitment of the first patient for the APPOSITION IV study, which will evaluate its new self-apposing Sirolimus-eluting stent. This randomized study is planned to treat 150 patients suffering from a heart attack either with the STENTYS stent or with Medtronic's Resolute® drug-eluting stent, and will compare the apposition of these two stents at four and nine months.

9.2 ANALYSIS OF THE INCOME STATEMENTS

Operating Income and Revenues

For the periods under consideration, all revenues were allocated to the Company's operating income, and totaled €1,149,606 and €598,967 respectively for the first six months of 2012 and 2011, in other words, an increase of 92% between the two periods.

During the first six months of 2012, the Company continued to sell its products: Bare Metal Stents (BMS) and Drug-Eluting Stents (DES). It also announced the launch of a new product, an aspiration catheter. The marketing of this new product will start in the second half of 2012.

	1st semester ended June 30	
In €	2012	2011
Revenues	1,149,606	598,967
Operating income	1,149,606	598,967

The research tax credits are recorded as a deduction from operating expenses incurred for the period in the context of the Company's research activities and are therefore not included in operating income.

Operating Expenses

Production Costs

The cost of merchandise sold increased significantly between the first six months of 2011 and the first six months of 2012 from €312,978 to €627,402.

This increase is explained by the strong revenue increase the Company generated over the period. Although sales increased significantly, the gross margin was relatively unchanged between the first six months of 2011 and the first six months of 2012. Current volumes do not yet allow for substantial economies of scale.

Research and Development Expenses

The research costs recorded as expenses for the periods under consideration, net of sums received for the research tax credit, are as follows:

	First six months ended June 30	
In €	30 June 2012	30 June 2011
Research expenses	1,614,409	1,208,644

During the first six months of 2012 and 2011, the research tax credits recorded are €380,980 and €210,049, respectively.

Although the Company was granted most of the certificates required for CE-marking of its products in 2009 and early 2010, it is continuing to invest in research.

Research expenses increased by 34% from €1,208,644 to €1,614,409 respectively for the first six months of 2011 and 2012. This increase is explained by a number of factors:

- Development of new products (aspiration catheter, small DES, etc.)
- Preparation of the US study (IDE)
- "Milestone" payment to the Mayo Clinic in the framework of the licensing agreement.

In parallel, personnel expenses, as well as expenses related to the clinical studies, fell as the Company entered into a new development phase (in particular, APPOSITION IV). While costs related to development expenses increased and should continue to increase, pursuant to IFRS, these costs were capitalized for the period and no longer affect the income statement. For more information, refer to Note 2.4 of the interim consolidated financial statements for the period ended 30 June 2012.

Furthermore, research and development expenses recorded in the first six months of 2012 take into account the amortization of development expenses capitalized in prior years.

Marketing and Sales Costs

Between the first six months of 2011 and the first six months of 2012, marketing and sales expenses increased by 43% from €2,130,918 to €3,057,504, respectively.

As the Company is in a pre-launch phase, it intends to increase its sales and marketing expenses.

This increase is explained mainly by:

- An increase in personnel expenses: the Company began to increase its sales force in the first six months of 2011 and continued to do so through the first six months of 2012. The teams recruited in 2011 therefore fully contributed to the personnel expenses for the first six months of 2012.
- The significant growth in expenses related to congresses, sales representation, etc.: these expenses increased from €483,299 to €1,115,936. The sales force increase allows for greater attendance at all European congresses and certain ones in the United States. While past efforts focused on major European congresses (PCR, JIM, etc.), the Company is now present at national congresses, such as HighTech in Marseille, DGK in Mannheim, etc.
- The increase in expenses related to clinical studies incurred after the products were placed on the market: in the first six months of 2011, the Company mainly recorded patient recruitment expenses for the APPOSITION III study, while, for the first six months of 2012, it recorded greater, additional expenses for the APPOSITION III study (recruitment, CRO, core lab, etc.).

Administrative Expenses

Administrative expenses fell very slightly from €979,329 to €977,305 between the first six months of 2011 and the first six months of 2012.

Although payroll costs increased between the first six months of 2011 and the first six months of 2012 further to a number of new hires, rising from €212,995 to €395,800, administrative expenses remained stable. This stagnation is explained by tight control over costs and expenses.

Composition of Net Income

Financial Income and Expenses

At the end of the first six months of 2012, financial income totaled €65,032 as compared to €77,364 for the first six months of 2011.

Corporate taxes

In light of the deficits recorded in prior years, the Company did not record any corporate tax expenses for the periods under consideration.

Composition of earnings per share

The loss per issued share (weighted average number of shares in circulation during the year) totals €0.708 and €0.594 per share for the periods ended 30 June 2012 and 2011, respectively.

9.3 BALANCE SHEET ANALYSIS

Non-current assets

Non-current assets came to €2,064,979 and €1,604,653 on 30 June 2012 and 31 December 2011, respectively.

This difference is explained mainly by an increase in intangible assets further to the capitalization of development expenses, in particular related to the APPOSITION IV study (new generation of drug-eluting stents).

Financial assets also increased somewhat with a rise in deposits and guarantees.

Current Assets

Between 31 December 2011 and 30 June 2012, current assets recorded increased from €16,728,098 to €19,633,442.

This change is explained by an increase in cash available, which went from €14,711,972 as at 31 December 2011 to €16,736,402 as at June 2012, mainly due to the capital increase carried out by the Company in January 2012, offset by the losses recorded by the Company in the first six months of 2012.

This change is also explained by the increase in inventories recorded by the Company, which increased from €717,513 to €996,040 between 31 December 2011 and 30 June 2012. This increase is due to the acceleration of the marketing of STENTYS's products. It must also be noted that during the first six months of 2012, the Company did not benefit from the reimbursement of the Research Tax Credit receivable, recorded in 31 December 2011 in the amount of €419,151. As at 30 June 2012, STENTYS had recorded a Research Tax Credit in the amount of €380,980.

Non-current Liabilities

In 2009, STENTYS obtained a repayable innovation grant from OSEO; in this respect the Company has received a total aggregate amount of €1,773 million as of 31 December 2011 for a project to develop a new coronary bifurcation stent in a nickel-titanium shape memory alloy, self-expanding and with separable mesh (clinical and pre-IDE studies). The OSEO payments will be staggered between the signing of the agreement and the end of the project, which will be announced at the latest on 30 June 2011.

In addition to the €500,000 received upon signing in 2009, in the first six months of 2010 and 2011, the Company called for the following payments:

- €500,000 on 19 April 2010
- €400,000 on 29 June 2010
- €372,953 on 4 July 2011

The Company started to reimburse OSEO as follows:

- €50,000 on 2 July 2012
- €50,000 on 1 October 2012

10. CASH AND CAPITAL

The reader is invited to read this analysis of STENTYS's financial position and earnings as at 30 June 2012 with the Company's interim consolidated financial statements, and the notes to the interim consolidated financial statements set out in Section 20.1 "Interim Consolidated Financial Statements as at 30 June 2012" in this 2011 Registration Document Update.

10.1 SHAREHOLDERS' EQUITY

The net changes in the Company's shareholders' equity are based on the recording of deficits for each year, offset by the capital increases. The deficits recorded during the two periods under consideration take into account the IFRS2 expense of €355,972 during the first six months of 2011 and €536,876 during the first six months of 2012.

10.2 CASH FLOWS

10.2.1 Cash Flows Relating to Operating Activities

Cash consumption relating to operating activities for the first six months of 2012 and 2011 came to €5,692,012 and €3,760,631, respectively. Cash flow relating to operating activities increased significantly as a result of an increase in research, marketing and sales expenses, but also due to the Company's greater working capital requirements

10.2.2 Cash Flows Relating to Investment Activities

As a general rule, the Company's operations do not require significant investment in tangible assets, insofar as the Company subcontracts most production and validation matters to third parties. The Company's investments in tangible assets for the first half of 2012 and 2011 came to €13,493 and €35,634, respectively. However, during the first half of 2012 and 2011, the Company acquired intangible assets totaling €566,389 and €3,870, respectively. The acquisition completed in the first half of 2012 corresponds to development expenses for new studies.

10.2.3 Cash Flows Relating to Financing Activities

As mentioned previously, the Company has carried out several capital increases (see Section 10.1.1 of the Registration Document) and has obtained grants from OSEO.

For the period from 1 January to 30 June 2012, the Company recorded a positive cash flow related to financing activities of €8,360,666 mainly resulting from a capital increase of €7.8 million, net of the costs related to such capital increase, by way of a private placement carried out in January 2012.

10.3 INFORMATION ON LOAN CONDITIONS AND FINANCING STRUCTURE

Maturity of liabilities recorded as at June 30, 2012

	Gross amount	Less than one year	From one to five years	More than five years
	€	€	€	€
Financial LIABILITIES				
Long-term debt	1,663,750	275,899	1 387,851	
Subsidy				
Other debt				
Short-term loans and financial debt				
Suppliers and other liabilities	3,003,738	3,003,738		
Total liabilities	**4,667,488**	**3,279,637**	**1,387,851**	

10.4 RESTRICTIONS ON THE USE OF CAPITAL

None.

10.5 SOURCES OF FINANCING REQUIRED IN THE FUTURE

As at 30 June 2012, the Company had cash and cash equivalents totaling €16,736,402, while cash used in operating and investment activities was €6,290,853 for the first half of 2012, i.e., based on a constant level of activity, the Company has less than 18 months of cash. The Company is considering carrying out a capital increase to finance its future activities.

11. RESEARCH AND DEVELOPMENT, PATENTS, LICENSES, TRADEMARKS AND DOMAIN NAMES

11.1 RESEARCH AND DEVELOPMENT

The third paragraph of this Section of the Registration Document is replaced by the following paragraph; the rest of the Section remains unchanged.

On the date of this 2011 Registration Document Update, STENTYS's research and development team is made up of 13 people, engineers, technicians and individuals in charge of regulatory, medical and clinical affairs, six of whom are based in Princeton, New Jersey, three in Belgium and four in Paris, at the Company's registered office. Each engineer and technician has very specialized competences covering the following fields of activity:

- management of design and development projects for innovative medical supplies – design and development of endovascular implants;
- management of projects for innovative medical supplies – design and development of endovascular catheters;
- management of projects for innovative medical supplies – design and development of the coating for active endovascular implants (with drugs);
- management of projects for innovative medical supplies - design and development of endovascular implants;
- management of projects for verification and validation of innovative medical supplies; and
- follow-up of clinical trials.

This Section of the Registration Document is supplemented by the following information; the rest of the Section remains unchanged.

As part of the preparation of the Apposition V study, the details of which are set out in Section 6.3.3.5 of this 2011 Registration Document Update, in addition to the members of its Scientific and Strategic Advisory Board, the Company has consulted the following individuals:

- **Martin Leon**, New York-Presbyterian Hospital, Columbia University, Chairman of the Cardiovascular Research Foundation,
- **Alan Yeung,** Chief of the Division of Cardiovascular Medicine, Stanford University School of Medicine, and
- **Donald Cutlip,** Director of the Cardiac Catheterization Laboratory, Cardiovascular Institute at Beth Israel Deaconess Medical Center in Boston.

11.2 PATENTS AND PATENT APPLICATIONS

The third paragraph of this Section of the Registration Document is replaced by the following paragraph; the rest of this Section remains unchanged.

To protect its innovative products, STENTYS has a large portfolio of patents it either owns or for which it has an exclusive license. These 28 patents and patent applications are summarized in the table below:

	USA	France	EU	Japan	Canada
Patents	9	5	6	4	4

11.2.1 Patents for Which Licenses have been Granted by the Mayo Foundation

The third paragraph of this Section of the Registration Document is replaced by the following paragraph; the rest of the Section remains unchanged.

- The first of these two patents is the U.S. patent that was the subject of a filing in the United States in April 2000 and the issuance of U.S. patent, US 6,485,510, on 26 November 2002. A European patent application was filed in September 2006 under No. EP 1 723932 A2; this patent application is currently undergoing a patentability examination.

11.2.2 Patent for Which a License has been Granted by Jacques Séguin

The last paragraph of this Section of the Registration Document is replaced by the following paragraph; the rest of the Section remains unchanged.

The other patent applications are being processed (a request for accelerated processing was filed for the European patent application), either undergoing a patentability examination (U.S. application and Canadian application) or awaiting the start of patentability examinations.

11.2.3 Patent Relating to the Disconnection Mechanism

The last paragraph of this Section of the Registration Document is replaced by the following paragraph; the rest of the Section remains unchanged.

The other patent applications are currently under patentability examination (European application and Japanese application) or awaiting the commencement of the patentability examination (Canadian application).

11.2.5 Application for U.S. Patent Relating to a Stent Structure

The second paragraph of this Section of the Registration Document is replaced by the following paragraph; the rest of the Section remains unchanged.

The U.S. patent was issued in July 2012 (No. US 8,221,489).

11.2.6 Application for U.S. Method Patent

This Section of the Registration Document is completed by the following information; the rest of the Section remains unchanged.

The U.S. patent application is currently being processed.

11.2.7 Application for a "Sheath Recoil by Balloon" Patent

This table replaces the first table in Section 11.2.7 of the Registration Document:

PATENTS OWNED BY STENTYS:

Ref. No.	Country	Abbreviated Title	Filing No.	Filing Date	Owners	Publication No.	Inventor(s)	Remarks	Issuance / Registration Date
1146	FR	Frangible bridges with three branches	07 00109	9 January 2007	STENTYS	FR 2 911 063	Gonzague ISSENMANN	Issued	20 March 2009
1146	PCT	Frangible bridges with three branches	PCT/IB2008/000025	8 January 2008	STENTYS	WO 2008084376	Gonzague ISSENMANN	Pursued in EP, U.S., CA and JP	
1146	EP	Frangible bridges with three branches	08 702192.9 (PCT/IB2008/000025)	8 January 2008	STENTYS		Gonzague ISSENMANN	Undergoing examination	
1146	U.S.	Frangible bridges with three branches	12/448,771 PCT/IB2008/000025	8 January 2008	STENTYS		Gonzague ISSENMANN	Issued	6 Dec 2011
1146	CA	Frangible bridges with three branches	2,673,378 PCT/IB2008/000025	8 January 2008	STENTYS		Gonzague ISSENMANN	Request for examination to be filed in 2013	
1146	JP	Frangible bridges with three branches	2009-545248 PCT/IB2008/000025	8 January 2008	STENTYS		Gonzague ISSENMANN	Undergoing examination	
1373	FR	Catheter handle (recoil system)	07 04542	25 June 2007	STENTYS	FR 2 917 602	David ATLANI, Gonzague ISSENMANN	Issued	19 March 2010
1425	FR	Catheter handle (form of the handle)	07 04541	25 June 2007	STENTYS	FR 2 917 601	David ATLANI, Gonzague ISSENMANN	Issued	19 March 2010
1425	PCT	Catheter handle (form of the handle)	PCT/IB2008/052546	25 June 2008	STENTYS	WO 2009001309	David ATLANI, Gonzague ISSENMANN	Pursued in EP, U.S., CA and JP	
1425	EP	Catheter handle (form of the handle)	08 776505.3 PCT/IB2008/052546	25 June 2008	STENTYS		David ATLANI, Gonzague ISSENMANN	Undergoing examination	
1425	U.S.	Catheter handle (form of the handle)	12/452,046 PCT/IB2008/052546	25 June 2008	STENTYS		David ATLANI, Gonzague ISSENMANN	Pending examination	
1425	CA	Catheter handle (form of the handle)	2,690,941 PCT/IB2008/052546	25 June 2008	STENTYS		David ATLANI, Gonzague ISSENMANN	Request for examination to be filed in 2013	
1425	JP	Catheter handle (form of the handle)	2010 514211 PCT/IB2008/052546	25 June 2008	STENTYS		David ATLANI, Gonzague ISSENMANN	Undergoing examination	
2420	U.S.	Device and method for treating a body lumen	12/544,591	20 August 2009	STENTYS		Gonzague ISSENMANN, Hikmat HOJEIBANE	Issued	
2420	EP	Device and method for treating a body lumen	EP10745400.1 (PCT/IB2010/053327)	21 July 2010	STENTYS		Gonzague ISSENMANN, Hikmat HOJEIBANE	Pending examination	
	U.S.	Method for treating a body lumen	12/247,077	7 October 2008	STENTYS - Séguin	US 2010/0030324	Jacques SEGUIN, Gonzague	Undergoing examination	

							ISSENMANN		
2732	FR	Sheath recoil by balloon	11 50788	1 Feb. 2011	STENTYS		David ATLANI, Hikmat HOJEIBANE, Gonzague ISSENMANN	Pending research report	
2732	U.S. (P)	Sheath recoil by balloon	61/438,477	1 Feb 2011	STENTYS		David ATLANI, Hikmat HOJEIBANE, Gonzague ISSENMANN	Provisional application	
2732	PCT	Sheath recoil by balloon	PCT/IB2012/050 403	31 Jan 2012	STENTYS		David ATLANI, Hikmat HOJEIBANE, Gonzague ISSENMANN		

This table replaces the second table in Section 11.2.7 of the Registration Document:

PATENTS LICENSED TO STENTYS:

Ref. No.	Country	Abbreviated Title	Filing No.	Filing Date	Owners	Publication No.	Inventor(s)	Remarks	Issuance/ Registration Date
539	FR	Frangible stent	05 01614	17 February 2005	Jacques SEGUIN	FR 2 881 946	Jean-Claude LABORDE, Jacques SEGUIN, Gonzague ISSENMANN	Issued	4 January 2008
539	PCT	Frangible stent	PCT/IB2006/000305	16 February 2006	Jacques SEGUIN	WO 2006087621	Jean-Claude LABORDE, Jacques SEGUIN, Gonzague ISSENMANN	Pursued in EP, U.S., CA and JP	
539	EP	Frangible stent	06 710387.9 PCT/IB2006/000305	16 February 2006	Jacques SEGUIN		Jean-Claude LABORDE, Jacques SEGUIN, Gonzague ISSENMANN	Pending examination	
539	U.S.	Frangible stent	11/884,114 PCT/IB2006/000305	16 February 2006	Jacques SEGUIN		Jean-Claude LABORDE, Jacques SEGUIN, Gonzague ISSENMANN	Undergoing examination	
539	CA	Frangible stent	2,597,695 PCT/IB2006/000305	16 February 2006	Jacques SEGUIN		Jean-Claude LABORDE, Jacques SEGUIN, Gonzague ISSENMANN	Undergoing examination	
539	JP	Frangible stent	2007-555721 PCT/IB2006/000305	16 February 2006	Jacques SEGUIN		Jean-Claude LABORDE, Jacques SEGUIN, Gonzague ISSENMANN	Issued	16 March 2012
	U.S.	Multi-section stent	09/292,558	15 April 1999	Mayo Foundation	6,258,117	CAMRUD	Issued	10 July 2001
	EP	Multi-section stent	922183.9	14 April 2000	Mayo Foundation	EP 1173109	CAMRUD	Issued	13 September 2006
	CA	Multi-section stent	CA 2370184	14 April 2000	Mayo Foundation	CA 2370184	CAMRUD	Issued	2 September 2008
	JP	Multi-section stent	JP 2000 611846	14 April 2000	Mayo Foundation	JP 2002541909	CAMRUD	Pending examination	
	AU	Multi-section stent	AU 42410/00	14 April 2000	Mayo Foundation	AU 772971	CAMRUD	Issued	26 August 2004

	MX	Multi-section stent	PA/a/2001/010407	14 April 2000	Mayo Foundation		CAMRUD	Pending examination	
	U.S.	Multi-section stent	09/549,681	14 April 2000	Mayo Foundation	6,485,510	CAMRUD	Issued	26 November 2002
	EP	Multi-section stent	6019074.1	12 Sept 2006	Mayo Foundation	EP 1723932	CAMRUD	Issued	22 November 2006
	U.S.	Multi-section stent	10/282,691	29 October 2002	Mayo Foundation	6,699,280	CAMRUD	Issued	2 March 2004

11.3 COLLABORATION, RESEARCH, SERVICE AND LICENSING AGREEMENTS

11.3.1 Exclusive Licensing Agreement with the Mayo Foundation for Medical Education and Research

This Section of the Registration Document is replaced in full by the following information:

The Company has entered into an exclusive worldwide licensing agreement, with the Mayo Foundation for Medical Education and Research ("Mayo Foundation"), an American foundation, pursuant to which the Company may use all the patents registered in the U.S. under Nos. US 6,258,117, US 6,485,510 and US 6,699,280 and the patent registered in Australia under No. 772,971, as well as any continuation, division, substitution, new issuance and re-examination of those patents and any patent deriving from the aforementioned patents and any identical patent filed abroad, more fully described in Section 11.2.1 above. This exclusive license covers, at the same time, the products, methods and procedures used to treat body lumens at the level of the bifurcations in those lumens.

This agreement took effect on 1 October 2006 and will terminate on 14 April 2020, i.e., the expiration date of the last of the patents licensed to STENTYS.

The patents covered by this license have very general claims and describe a medical device or stent with a structure that is partially separable after deployment in a body lumen.

The technology covered by these patents is essential to the Company's activity and is used to manufacture the STENTYS stent.

It should be noted that in the event where the Company would not receive Food and Drug Administration (FDA) approval for the marketing of one of the products licensed under the agreement before 31 December 2011, the Company was contractually obligated to pay a milestone in the amount of US$ 250,000 to protect the exclusivity of the license as it applies to the United States. As the Company was not granted said authorization before this date, it recorded an invoice for the milestone in the amount of US$ 250,000, which was paid n the first six months of 2012.

The Mayo Foundation may terminate the agreement early under the following conditions:

(i) Early termination for breach of contract

The Mayo Foundation may request the early termination of the license in the event that STENTYS breaches its contractual obligations ("default"), and such breach is not remedied within a period of 60 days following notification of the breach.

This breach might specifically involve, without being limited to, non-payment of annual maintenance fees or licensing fees.

Prior to any human trials, STENTYS shall carry an insurance policy covering contractual liability and product liability, in an amount sufficient and for a time period sufficient to cover the liability

assumed by the Licensor, such amount being at least US$5 million. This insurance must specifically include the Mayo Foundation as an additional insured.

In the event of loss sustained by the Mayo Foundation because of the use of the patents licensed to STENTYS, non-compensation of the former may also be considered to constitute a breach of contract.

Finally, the agreement specifically stipulates that a breach by STENTYS of its confidentiality obligation under the agreement, as well as an unauthorized use of any name, logo, trade name, service mark or manufacturer's mark of the Mayo Foundation or its subsidiaries, or the name of an employee or agent of the Mayo Foundation, may lead to early termination.

(ii) Early termination in the event that STENTYS calls into question or challenges the licensed patents

The Mayo Foundation may request the early termination of the license in the event that STENTYS challenges the validity or enforceability of the licensed patents in any manner.

(iii) Early termination in the event of the insolvency of STENTYS or insolvency proceedings

The license provides for termination by the Mayo Foundation in the following cases:

- STENTYS ceases conducting business in the normal course;
- STENTYS becomes insolvent or bankrupt or admits its inability to pay its debt as they are due;
- STENTYS becomes the subject of any proceeding under any statute relating to insolvency or the protection rights of creditors.

14. ADMINISTRATIVE, EXECUTIVE AND OVERSIGHT BODIES AND GENERAL MANAGEMENT

14.1 MANAGERS AND DIRECTORS

Crédit Agricole Private Equity, a director of the Company, has changed its corporate name to Omnes Capital.

14.1.1 Members of the Board of Directors

The information below replaces the last paragraph of Section 14.1.1 of the Registration Document:

Over the past five years, none of these persons has:

- been convicted of fraud;
- been associated in his or her capacity as manager or director with a bankruptcy, sequestration, or liquidation, with the exception of (i) Michel Darnaud, director of Ceragenix, Inc, which was subject to bankruptcy proceedings in 2010, and (ii) Sofinnova Partners, a director of Mobiwire SA, which was subject to bankruptcy proceedings in 2011;
- been prohibited from acting in a managerial capacity;
- been subject to incriminations or official public sanctions pronounced by legal or regulatory authorities.

14.1.2 Other Corporate Positions

Name	Other positions currently held		Positions held over the past five financial years and having ended by the present date
	Company	Position	
Jacques SEGUIN	RECOR Inc. MIVALVE SA ENTOURAGE BIOINSPIRE Inc.	Director Chairman Director Chairman	Chairman and CEO of COREVALVE Inc.
Gonzague ISSENMANN	None		None
SOFINNOVA Partners ***represented by*** ***Antoine PAPIERNIK***	**Stentys SA**	Director	Diatos SA (France) Fovea Pharmaceuticals SA (France) Spinevision SA (France) Corevalve SA (France)
Positions held in a personal capacity by Antoine PAPIERNIK	Sofinnova Partners SAS (France) Addex Pharmaceuticals SA (Switzerland) EOS Spa (Italy) Lectus Therapeutics Ltd (UK) Entourage Medical Technologies Inc (USA) MD Start (Switzerland) CoAxia Inc (USA) Recor Medical Inc (USA) Mainstay Medical Inc (USA)	CEO Director Director Director Director Director Director Director Director	Director of Corevalve Inc (USA) Director of Orexo AB (Sweden) Director of Movetis NV (Belgium) Director of Pro-Med AG (Austria) Director of Lectus Therapeutics Ltd. (UK)
Michel DARNAUD	None		None
Michael LESH	Middle Peak Medical Evera Medical	Chairman Chairman	Director of HeartScape Technologies
CREDIT AGRICOLE PRIVATE EQUITY ***represented by*** ***Alexia PEROUSE***	SuperSonic Imagine Circulite Inc. Spineguard EyetechCare Cellnovo Ltd Enterome Biosciences Pixium Vision	Member of the Supervisory Board Director Director Director Observer Observer Director	Member of the Supervisory Board of Mutabilis Director of EOS Imaging (formerly Biospace Med)
Positions held in a personal capacity by Alexia PEROUSE	None		None

14.1.3 Director Biographies

The third paragraph of this Section of the Registration Document is replaced by the following paragraph; the rest of this Section remains unchanged.

Antoine Papiernik is managing partner at Sofinnova Partners. At Sofinnova Partners, Antoine Papiernik invested in many companies in Europe, such as Actelion, Addex, Orexo, NovusPharma, and Stentys, respectively listed on the Zurich stock exchange, the Stockholm stock exchange, the New Market in Milan, and Euronext Paris, as well as in Movetix (initially listed on Euronext Brussels, then sold to shire), Cotherix (initially listed on NASDAQ, then sold to Actelion), CoreValve (sold to Medtronic) and Fovea (sold to Sanofi Aventis). He is also an investor in and sits on the boards of directors of MD Start, CoAxia, EOS, Mainstay and Recor. Antoine Papiernik holds an MBA from Wharton School, University of Pennsylvania.

The fifth paragraph of this Section of the Registration Document is replaced by the following paragraph; the rest of this Section remains unchanged.

Alexia PEROUSE started her career at Chiron Vaccines, then Parteurop Développement working on operational and strategic missions in the biotech sector. In 1999, she joined the capital risk sector at Sofinnova Partners, then Omnes Capital since 2005. She developed investments in the fields of life sciences and medtech. In particular, she monitored Mutabilis (sold to Pharma Omnium International), Biolipox (sold to Orexo) and Fovea Pharmaceuticals (sold to Sanofi-Aventis). She currently sits on the boards of directors of SuperSonic Imagine, Circulite Inc., Stentys (Euronext: STNT), Spineguard, EyetechCare and Pixium Vision as a director, and on the boards of directors of Cellnovo Ltd and Enterome as an observer. Alexia holds an MSc in Neurosciences and an MBA from the *Institut d'Administration des Entreprises*.

15. COMPENSATION AND BENEFITS

15.1 COMPENSATION OF DIRECTORS AND MANAGERS

15.1.1 Compensation of Directors

The third paragraph of this Section of the Registration Document is supplemented by the following information; the rest of this Section remains unchanged.

On 27 September 2012, the Board of Directors ended the mission entrusted to Mr. Michel Darnaud. Mr. Darnaud received €30,000 in the context of this mission for the period between 1 January 2012 and 27 September 2012.

16 FUNCTIONS OF ADMINISTRATIVE AND EXECUTIVE BODIES

16.1 COMPANY MANAGEMENT

The third paragraph of this Section of the Registration Document is replaced by the following paragraph; the rest of this Section remains unchanged.

In a resolution dated 26 August 2010, the Board of Directors chose to separate the functions of Chairman and Chief Executive Officer. As a result, Mr Jacques Séguin is Chairman of the Board of Directors and the Company is represented with regard to third parties by Gonzague Issenmann as Chief Executive Officer.

Also refer to Section 14 of this 2011 Registration Document Update.

16.2 INFORMATION ON AGREEMENTS BETWEEN THE MANAGERS AND THE COMPANY

This Section of the Registration Document is supplemented by the following information; the rest of the Section remains unchanged.

On 27 September 2012, the Board of Directors terminated the related party agreement entered into with Mr. Michel Darnaud, Director of the Company, pursuant to the conditions set out in Section 15.1.1 above.

Finally, Mr. Gonzague Issenmann, Chief Executive Officer, is covered by unemployment insurance for corporate executives *("garantie sociale")* since 2011, which is paid by the Company.

17 WORKFORCE

Section 17 of the Registration Document is replaced in full by the following information:

17.1 HUMAN RESOURCES

17.1.1 Operational Organization as at 30 June 2012

17.1.2 Management

The principal managers of the Group all have considerable experience in their respective fields as set out below:

	**Gonzague Issenmann, Chief Executive Officer** See biography in Section 14.1.3
	**Hikmat Hojeibane, Chief Technology Officer** Hikmat Hojeibane is a research and development expert in the medical technology sector, with over 20 years of experience in such companies as Johnson & Johnson, CR Bard, Cryocath and B Braun. Prior to joining STENTYS, he spent the largest part of his career working as a technical expert at Cordis (the cardiology unit of J&J), where he developed advanced stent and catheter technologies including for the treatment of bifurcation stents and other cardiovascular diseases.
	**René Spaargaren, Chief Medical Officer** Before coming to STENTYS, Dr. Spaargaren held the position of Vice President of International Clinical Affairs in 2002 at ev3, where he was responsible for leading the development of new products from the research and development phase to their approval in the medical community and their launch on international markets. Before ev3, Dr. Spaargaren worked for seven years (1995-2002) for Boston Scientific Corp. as Medical Director for Europe and three years (1992-1995) for Medtronic as Clinical Manager, Europe.

	**Stanislas Piot, Chief Financial Officer** After he began his professional career at Banque Worms in Hong Kong, Stanislas Piot joined the Paris capital markets staff of Crédit Lyonnais. He moved on to Oddo in 2000, where he specialized in initial public offerings for growth stocks. In 2005, Stanislas arrived at Natixis, where he would spend almost three years before going to Ipsogen in October 2007, where he led the IPO on the Alternext market in June 2008. Stanislas joined STENTYS in May 2010.

	He is a graduate of the Université de Paris II in econometrics and finance.
	**Luc Morisset, Director of Regulatory Affairs and Quality** Luc Morisset joined STENTYS in April 2007 and has 25 years of experience in European regulatory affairs. Luc is a graduate of Université of Compiègne (UTC), France, and has a degree in biomedical engineering. Prior to joining STENTYS, he began his career as a hospital biomedical engineer (1986-1988), then worked at the French Ministry of Health (1989-1994), where he was responsible for the prior approval for the marketing of specific devices in France, then, he worked at G-Med (certified body, 1994-1996) where he was in charge of the control and conformity assessment of medical devices. He later joined MedPass International (1996-2007), where he helped medical devices manufacturing companies develop regulatory strategies for rapidly obtaining the CE mark and approvals for clinical trials.
	**Lucien Goffart, Vice President Sales and Marketing** Lucien Goffart has more than 12 years of experience in medical device companies. He worked for Johnson & Johnson, Abbott, and more recently for Volcano, where he filled a number of positions within the European Sales and Marketing Department. Lucien holds a number of Master degrees.
	**Benoit Vandenbossche, Director of Operations** Benoit Vandenbossche has expertise in both plant management and purchasing. He began his career as a plant manager for Eiffage. He then worked for Faurecia (an international automobile equipment manufacturer) in France and Canada. Benoit acquired a high level of experience in quality and lean manufacturing in several Faurecia Group plants. Over the past six years, Benoit chose to develop his experience as a purchasing manager for France and Europe. Benoit is a graduate of the Université de Technologie of Compiègne (UTC) and has a master's degree from the Virginia Polytechnic Institute and State University (VPI&SU).

17.1.3 Number and Distribution of Employees

As of the close of the periods under consideration, the Group workforce has grown as follows:

Workforce as of closing	**30 September**	**31 December**		
	2012	**2011**	**2010**	**2009**
Management, administration	4	4	2	1
Research & Development	11	9	7	6
Production	2	1	1	0
Regulatory affairs	2	2	1	1
Commercial	15	10	6	3
TOTAL	**34**	**26**	**17**	**11**
Including, by country:				
*France**	*12*	*10*	*8*	*6*
United States	*6*	*5*	*4*	*3*
*Switzerland**	*1*	*1*	*1*	*0*
*Germany**	*3*	*1*	*1*	*0*
*Netherlands**	*2*	*1*	*1*	*0*
*Belgium**	*5*	*4*	*2*	*2*
*Italy**	*1*	*1*	*0*	*0*
*Spain**	*1*	*1*	*0*	*0*
*Poland**	*1*	*1*	*0*	*0*
*Denmark**	*1*	*1*	*0*	*0*
*Sweden**	*1*	*0*	*0*	*0*

*Stentys SA employees

17.2 SHAREHOLDINGS AND STOCK OPTIONS OF DIRECTORS AND EXECUTIVES

As at 30 September 2012, the direct and indirect shareholding of the members of the Board of Directors and the number of securities granting access to Company capital that they hold are as follows:

	Number of shares held on 30 September 2012	Securities granting access to capital (1)						
		(09-06) founders warrants (BCE)	(06-09) founders warrants (BCE)	(03-08) founders warrants (BCE2)	(03-08) warrants (BSA)	(08-10) founders warrants (BCE)	(08-10) warrants (BSA)	(03-12) founders warrants (BCE)
Jacques SEGUIN (2)	829,998	270,253	199,904			83,333	0	
Gonzague ISSENMANN	148,000	60,913	33,429	200,000		100,000	0	30,000
SOFINNOVA	1,953,032						0	
Michael LESH	0				30,782		6,666	
Omnes Capital (Ex-Crédit Agricole Private Equity) (3)	924,361						0	
Michel DARNAUD	0						46,666	

(1) The characteristics and conditions of exercise of these securities are detailed in Section 21.1.4 of the 2011 Registration Document Update. The numbers indicated correspond to the number of shares that may be subscribed considering the 1-for-3 reverse stock split approved by the General Meeting of 26 August 2010.
(2) Jacques Séguin holds STENTYS shares through a family holding company called Medical Device Investment.
(3) The number of shares stated is held through five investment funds managed directly or indirectly by Omnes Capital.

- Information on the stock options, warrants and/or founders' warrants (BCE) allocated to ten highest ranking employees who are not corporate officers.

TEN HIGHEST RANKING NON-CORPORATE OFFICER EMPLOYEES OPTIONS AND WARRANTS THEY HAVE EXERCISED															
	Total number of BCE / BSA / stock options allocated / shares subscribed or purchased	**Average weighted price**	**2007**		**2008**		**2009**	**2010**					**2011**	**2012**	
			BCE 1 (08.07)	**BSA** (08.07)	**BSA** (03.08)	**BCE 3** (03.08)	**BCE 3** (03.08)	**BCE** (12.09)	**BCE** (12.09)	**BCE** (12.09)	**BCE** (08.10)	**Stock options**	**Stock options**	**BCE** (03.12)	**Stock options**
Date of meeting			03 Aug. 2007	03 Aug. 2007	17 March 2008	17 March 2008	17 March 2008	15 Dec. 2009	15 Dec. 2009	15 Dec. 2009	26 Aug. 2010	26 Aug. 2010	31 May 2011	31 May 2011	31 May 2011
Date of Board of Directors' meeting					1 Oct. 2008	1 Oct. 2008	24 June 2009	10 Feb. 2010	21 April 2010	13 July 2010	19 Nov. 2010	19 Nov. 2010	27 Sept. 2011	23 March 2012	23 March 2012
Total number of BCE/BSA/stock options awarded to the ten highest-ranking employees of the Company and its subsidiary, holding the highest number of BCE/BSA/stock options thereby awarded (total number)	685 664	€4.75	60 000	90 000	20 000	100 000	0	65 000	25 000	140 000	53 331	13 333	40 000	62 000	17 000
Total number of BCE/BSA/stock options exercised by the ten highest-ranking employees of the Company and its subsidiary, holding the highest number of BCE/BSA/stock options thereby exercised (total number)	39,948	0	0	3 000	19 998	6 000	0	750	10 200	0	0	0	0	0	0

*Group employees and not just those of the parent company are taken into account.

17.3 PROFIT-SHARING AND INVESTMENT AGREEMENTS

There are no profit-sharing or investment agreements to date within the Company.

18 PRINCIPAL SHAREHOLDERS

Section 18 of the Registration Document is replaced in full by the following information:

18.1 LIST OF PRINCIPAL SHAREHOLDERS

- Principal shareholders for whom the Company has precise information on their holdings (to the Company's knowledge at the time of registration of the present document):

	Number of shares	% of capital and voting rights
Medical Device Investment (1)	829,998	10.27%
Sofinnova	1,953,032	24.17%
OMNES Capital (ex-Crédit Agricole Private Equity) (2)	924,361	11.44%
Gonzague Issenmann	148,000	1.83%
Subtotal "Board of Directors"	**3,855,391**	47.71%
Scottish Equity Partner	725,688*	8.98%
Capital Ventures International	400,000	4.95%
Public - Miscellaneous	3,100,030	38.36%
TOTAL	**8,081,109**	100.00%

*Since 12 July 2012, 600,000 of the shares held by Scottish Equity Partner are subject to a call option in favor of Capital Ventures International, described in the paragraph entitled "Disclosure Statements".

- Changes in the distribution of capital over the past three fiscal years.

	31 Dec. 2009		31 Dec. 2010		31 Dec. 2011	
	Shares	%	Shares	%	Shares	%
Jacques Séguin - Medical Device Investment (1)	2 606 500	17%	952 166	13%	869 128	12%
Gonzague Issenmann	444 000	3%	148 000	2%	148 000	2%
Sofinnova	6 435 244	41%	2 561 747	35%	2 145 081	29%
Credit Agricole Private Equity (2)	1 814 486	12%	1 025 794	14%	979 166	13%
Subtotal "Board of Directors" (3)	**11 300 230**	**72%**	**4 687 707**	**65%**	**4 141 375**	**57%**
Scottish Equity Partner	3 628 974	23%	1 209 658	17%	1 209 658	17%
Public and miscellaneous	769 286	5%	1 350 367	19%	1 952 026	27%
	15 698 490	100%	7 247 732	100%	7 303 059	100%

(1) Family holding held by Jacques SEGUIN, Chairman of the Board of Directors of the Company;

(2) Through various funds, including *CA Europe Innovation 2008, Capital Invest PME, CA Innovation 10, LCL Innovation 2008 and LCL Innovation 2009*

(3) Board of Directors as it has been composed since 19 November 2010

- Disclosure statements

On 12 April 2012, Sofinnova Partners, acting on behalf of FCPR Sofinnova Capital V, which it manages, declared it had dropped below the thresholds of 25% of the capital and voting rights on 5 April 2012 further to a sale of shares in the market, and therefore holds on behalf of said fund 1,953,032 shares and voting rights in Stentys, i.e., 24.8% of the capital and voting rights (on the basis of capital composed of 7,876,310 shares, representing as many voting rights).

On 13 July 2012, SEP III, L.P. declared it had dropped below the threshold of 15% of the capital and voting rights on 26 January 2012 further to the increase in the Company's share capital, and therefore holds 1,125,688 shares and voting rights in Stentys, i.e., 14.29% of the capital and voting rights (on the basis of capital composed of 7,876,130 shares representing as many voting rights).

On 13 July 2012, SEP III, L.P. declared it had dropped below the threshold of 10% of the capital and voting rights on 12 July 2012 further to an off-market sale of shares, and therefore holds 725,688 shares and voting rights in Stentys, i.e., 8.98% of the capital and voting rights (on the basis of capital composed of 8,079,014 shares representing as many voting rights).

On 13 and 18 July 2012, Capital Ventures International declared it had risen above the thresholds of 5% and 10% of the capital and voting rights on 12 July 2012, and therefore holds 1,000,000 shares and voting rights in Stentys, i.e., 12.38% of the capital and voting rights (on the basis of capital composed of 8,079,014 shares representing as many voting rights), as follows:

- 400,000 shares acquired off-market on 12 July 2012 from SEP III, L.P., and

- 600,000 shares assimilated under an agreement entered into on 12 July 2012 with SEP III, L.P. by virtue of which Capital Ventures International has a call option with physical settlement related to the 600,000 shares held by SEP III, L.P., which can be exercised at any time until 9 April 2013 on one or more occasions, at the price of €15.70 per share. If the market price for the Stentys share on 9 April 2013 exceeds €20, Capital Ventures International has agreed to pay SEP III, L.P. 50% of an amount equal to the number of shares acquired through the exercise of the option, multiplied by the difference between the share price for the Stentys share on 9 April 2013 and €20.

Capital Ventures International also made the following declaration of intention:

"Capital Ventures states that:
- It financed the acquisition of Stentys shares from its own equity.
- It acts alone.
- It does not intend to continue its purchase of shares except for the shares subject to the call option, which relate to a total of 600,000 Stentys shares.
- It does not intend to take over control of Stentys.
- Its investment results from financial considerations, with no particular strategy vis-à-vis Stentys.
- It does not intend to modify Stentys' strategy, nor carry out the operations listed in Article 223-17 I, 6° of the General Regulation ("*Règlement Général*") of the AMF.
- It has not entered into a temporary sales agreement related to Stentys shares or voting rights.
- It does not plan to request the appointment of one or more individuals as members of Board of Directors of Stentys."

To the Company's knowledge, no other shareholders directly or indirectly or jointly hold 5% or more of the capital or voting rights.

18.2 VOTING RIGHTS OF PRINCIPAL SHAREHOLDERS

As of the date of this Update, the voting rights for each shareholder are equal to the number of shares held by each of them. Double voting rights have not been instituted.

18.3 CONTROL OF THE COMPANY

As of the date of this Update, the Company is not directly or indirectly owned or controlled, within the meaning of the terms of Article L. 233-3 of the French Commercial Code.

18.4 AGREEMENT THAT MAY CAUSE A CHANGE OF CONTROL

No specific item in the acts of incorporation, Bylaws, charter, or rules of the Company could have the effect of delaying, deferring, or preventing a change in its control.

18.5 STATUS OF PLEDGES

None.

20 FINANCIAL INFORMATION CONCERNING THE ASSETS, FINANCIAL POSITION AND EARNINGS OF THE ISSUER

20.1 INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2012

FINANCIAL POSITION
(amounts in euros)

	Note	June 30, 2012	December 31, 2011
		€	€
ASSETS			
Non-current assets			
Intangible assets	**2.4**	1,821,974	1,350,563
Fixed assets		76,571	106,615
Financial assets	**2.5**	166,434	147,475
Other non-current assets			
Total non-current assets		2,064,979	1,604,653
Current assets			
Inventories and works in process	**2.6**	996,040	717,513
Client receivables and attached accounts	**2.7**	624,373	467,349
Other receivables	**2.8**	1,276,628	831,265
Cash and cash equivalents		16,736,402	14,711,972
Total current assets		19,633,442	16,728,098
TOTAL ASSETS		21,698,421	18,332,752

FINANCIAL POSITION
(amounts in euros)

	Note	June 30, 2012	December 31, 2011
		€	€
LIABILITIES			
Shareholders' equity			
Treasury stock	**2.9**	242,433	219,092
Share premiums		48,085,673	39,173,161
Reserves		-25,738,458	-16,235,142
Earnings		-5,598,857	-9,503,315
Cumulative conversion rate adjustments		-22,170	14,837
Total shareholders' equity		16,968,621	13,668,632
Non-current liabilities			
Long-term debt		1,663,750	1,604,857
Subsidy		0	0
Provisions	**2.10**	62,312	97,418
Other debt		0	
Total non-current liabilities		1,726,062	1,702,275
Current liabilities			
Short-term loans and financial debt			
Suppliers and attached accounts		2,291,949	2,014,358
Other liabilities		711,789	947,487
Deferred revenue			0
Total current liabilities		3,003,738	2,961,844
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		21,698,421	18,332,752

OVERALL PERFORMANCE
(amounts in euros)

	Note	June 30, 2012	June 30, 2011
		€	€
Income			
Revenues	**2.11**	1 149 606	598 967
Total income		**1 149 606**	**598 967**
Operating expenses			
Cost of merchandise sold	**2.12.1**	(627 402)	(312 978)
Research & Development	**2.12.2**	(1 614 409)	(1 208 644)
Sales & Marketing	**2.12.3**	(3 057 504)	(2 130 918)
Administrative expenses	**2.12.4**	(977 305)	(979 329)
Payments in shares	**2.12.5**	(536 876)	(355 972)
Current operating income		(5 663 889)	(4 388 875)
Financial income	**2.13**	185 642	179 416
Financial expenses	**2.13**	(120 610)	(102 053)
EBIT		(5 598 857)	(4 311 511)
Corporate tax			
Net income		(5 598 857)	(4 311 511)
Average weighted number of shares in circulation		7 905 697	7 254 177
Base earnings per share (€/share)		(0,708)	(0,594)
Average weighted number of potential shares		9 449 803	8 806 011

	June 30, 2012	June 30, 2011
Net income	(5 598 857)	(4 311 511)
Other items of overall performance	(37 008)	37 915
Overall performance for the period	(5 635 864)	(4 273 596)

CHANGES IN SHAREHOLDERS' EQUITY

(amounts in euros)

	Number of shares	Amount	Reserves linked to capital	Cumulative losses	Conversion reserves	Total shareholders' equity
At December 31, 2010	**7 247 732**	**217 432**	**37 958 314**	**-16 235 143**	**15 622**	**21 956 225**
Net loss				-9 503 315		-9 503 315
Capital increase	55 327	1 660	253 248			254 908
Stock warrant (BSA) subscription			63 998			63 998
Société Générale liquidity contract			-35 399			-35 399
Payments in shares			933 000			933 000
Conversion reserves					-785	-785
At December 31, 2011	**7 303 059**	**219 092**	**39 173 161**	**-25 738 458**	**14 837**	**13 668 632**
Net loss				-5 598 857		-5 598 857
Capital increase	574 639	17 239	7 801 697			7 818 936
Stock warrant (BSA) subscription	203 411	6 102	535 629			541 730
Société Générale liquidity contract			10 651			10 651
Payments in shares			564 536			564 536
Conversion reserves					**-37 008**	-37 008
At June 30, 2012	**8 081 109**	**242 433**	**48 085 673**	**-31 337 315**	**-22 171**	**16 968 621**

CASH FLOW STATEMENT

(amounts in euros)

	June 30, 2012	June 30, 2011
Cash flows related to operating activities		
Earnings for the period	(5 598 857)	(4 311 511)
Reconciliation of net income and cash used for operating activities:		
Amortizations and depreciations	159 799	210 396
Calculated expenses related to payments in shares	564 536	355 972
Other items excluded from cash (balancing items, provisions, latent capital gains/(losses), etc.)	49 160	(133 251)
Research tax credit receivable		
Self-financing capacity before cost of net financial debt and taxes	(4 825 362)	(3 878 393)
Inventories and works in process	(278 527)	(195 203)
Client receivables	(184 654)	(126 262)
Other receivables	(445 363)	574 750
Suppliers	277 591	98 914
Other current liabilities	(235 698)	(234 437)
Change in working capital requirements	(866 651)	117 762
Net cash flows related to operating activities	(5 692 012)	(3 760 631)
Cash flows related to investment activities		
Acquisitions of fixed assets	(13 493)	(35 634)
Acquisitions of intangible assets	(566 389)	(3 870)
Acquisitions of financial assets	(18 960)	(5 145)
Disposal of capital assets		174 306
Changes in debt on capital assets		
Other flows related to investment transactions		
Net cash flows related to investment activities	(598 841)	129 657
Cash flows related to financing activities		
Loan increases (decreases)	-	(135 751)
Redeemable bond (ORA) issues		-
Capital increase	8 360 666	132 386
Net cash flows related to financing activities	8 360 666	(3 366)
Exchange profits/(losses) out of cash flow	(45 383)	197
Cash flow (decreases)/increases	2 024 430	(3 634 143)
Cash, cash equivalents and bank overdrafts at opening	14 711 972	22 176 426
Cash, cash equivalents and bank overdrafts at closing	16 736 402	18 542 283

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING METHODS AND PRINCIPLES

1.1 Financial Reporting Principles Adopted for the Group's Financial Statements

The condensed consolidated financial statements for the first six months of 2012 approved by the Board of Directors on 30 August 2012 were prepared according to the international accounting standard IAS 3 "Interim Financial Reporting".

As these are condensed financial statements, the consolidated financial statements for the first six months of 2012 do not include all the financial information required for complete annual financial statements and must be read in parallel with the Group's financial statements for the year ended 31 December 2011, subject to the specificities directly related to the preparation of the interim financial statements described below.

1.2 Principal Accounting Methods

The accounting principles adopted to prepare the six-month financial statements for 2012 comply with the IFRS and interpretations thereof as adopted in the European Union. These standards are available on the European Commission's website:
http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm .
The accounting principles adopted are those used to prepare the annual consolidated financial statements for the year ended 31 December 2011, with the exception of the application of the following new standards, amendments to standards and interpretations adopted by the European Union:

- Amendment to IFRS 7 "Disclosures: Transfers of Financial Assets"

The application of this standard had no impact on the interim consolidated financial statements for the period ended 30 June 2012.

Furthermore, the Group decided not to apply the following new standards, amendments to standards and interpretations adopted by the European Union in advance; the application thereof is not mandatory for six-month financial statements in 2012:

- Amendment to IAS 19 "Defined Benefits Plans'
- Amendment to IAS 1 "Presentation of Items of Other Comprehensive Income"

Management is of the opinion that the application of amendments to IAS 1 and to IAS 19 should not have a significant impact on the consolidated financial statements.

Finally, the Group does not apply the new standards, amendments to standards and interpretations that have not yet been adopted by the European Union. Management is of the opinion that the application of these standards will not have a significant impact on the consolidated financial statements.

1.3 Methods to Prepare the Six-Month Financial Statements

1.3.1 Loss-of-Value Tests

In the absence of any signs of loss of value as at 30 June 2012 and pursuant to the terms of IAS 36, the Group did not proceed with a loss-of-value test on the tangible and intangible assets.

1.3.2 Discount Rate

The change in discount rate in the first six months of 2012 was taken into account in the condensed interim consolidated financial statements. The discount rate used to calculate the provision for

personnel benefits as at 30 June 2012 is 4.35% for the euro zone, which was the same as at 31 December 2011.

2. COMMENTS ON THE STATUS OF THE FINANCIAL POSITION, THE INCOME STATEMENT AND THE CASH FLOW TABLE

2.1 Significant Events for the Period

In the first six months, the Company carried out a capital increase by way of a private placement. The transaction was finalized on 26 January 2012. In total, institutional investors in France, but especially abroad, purchased 574,639 shares. The subscription price was €14.50, representing a 14.05% discount as compared to the weighted average for the prior three days. The amount raised less issue costs totaled approximately €7.8 million.

On 23 March 2012, the Board of Directors granted 134,500 BCE/SO to employees and the president of the Company. Each BCE/SO gives right to the subscription of one ordinary share of the Company. The exercise price is €16.03 per share.

A number of studies in progress entered their clinical phase, which should lead to obtaining CE-Mark approval. The capitalization of development expenses directly attributable to these studies started during the first six months of 2012.

2.2 Change in the Scope of Consolidation for the First Six Months of 2012

No change in scope took place in the first six months.

2.3 Impact of Acquisitions (takeovers)

The Group did not acquire any company in the first six months of 2012.

2.4 Intangible Assets

As at 30 June 2012, the Company decided to capitalize as intangible assets the development expenses incurred for new studies in their clinical phase, taking the position that all the criteria set out below have been fulfilled:

(a) Technical feasibility required to complete the development project,
(b) The Company's intention to complete the project,
(c) Its capacity to use this intangible asset,
(d) Demonstration of the probable future financial benefits associated with the asset,
(e) Availability of technical, financial and other resources to complete the project, and
(f) Reliable evaluation of the development expenses.

The costs directly attributable to the production of the asset can be capitalized. They include:

- The costs of the services used or consumed to generate the intangible asset,
- The personnel salaries and costs committed to generate the asset, including costs related to payments in shares.

The expenses are only capitalized from the date on which the conditions underlying the capitalization of the intangible asset have been fulfilled. The expenses cease being recorded as assets when the intangible asset is ready to be used. The end of development date is the same as the date on which the

regulatory registration has been completed. The start date for the amortization is the date of the first sale.

Development costs recorded as assets are amortized linearly over their period of use. This period is the same as the period that runs from the expiration date of the first product-related invention patent, i.e., 14 April 2019.

Breakdown of development expenses

In €	30 June 2012	30 June 2011
External costs	406 798	
Employee expenses	286 313	
Payments in shares	34 916	
Research tax credit	(161 677)	
Net total	**566 349**	**0**

2.5 Financial Assets

The increase in financial assets between 31 December 2011 and 30 June 2012 is explained mainly by the increase in deposits and guarantees in France.

2.6 Inventories and Goods in Process

Between 31 December 2011 and 30 June 2012, the Company's inventories increased from €717,513 to €996,040. This change is explained by the rapid expansion of the marketing of STENTYS products during the first six months of 2012.

Inventories recorded as at 30 June 2012 include stents being manufactured (coating, addition of the catheter, sterilization) and also finished products (self-expanding, drug-eluting and non-eluting stents, as well as aspiration catheters) stored with the Company's logistics partner located in the Netherlands.

2.7 Client Receivables

Client receivables increased from €467,349 to €624,373 between 31 December 2011 and 30 June 2012, an illustration of the Company's commercial development. As at 30 June 2012, the Company recorded a provision for bad debt in the amount of €27,630, representing aged receivables.

2.8 Other Receivables

In the first six months of 2012, the Company did not benefit from the reimbursement of the Research Tax Credit receivable, recorded on 31 December 2011 in the amount of €419,151. As at 30 June 2012, STENTYS recorded a Research Tax Credit receivable in the amount of €380,980 for the first six months of 2012.

2.9 Shareholders' Equity

As at 30 June 2012, share capital totaled €242,433.27, divided into 8,081,109 ordinary shares. Legally, the share capital recognized is €237,270.42. The difference is explained by the exercise of 514,205 BCE during the second half of the half-year, thereby creating 172,095 additional shares. The issue of these new shares will be noted at a future Board of Directors' meeting.

In the first six months, the Company carried out a capital increase by way of a private placement. The transaction was finalized on 26 January 2012. In total, institutional investors in France, but especially abroad, purchased 574,639 shares. The subscription price was €14.50, representing a 14.05% discount as compared to the weighted average for the prior three days. The amount raised less issue costs totaled approximately €7.8 million.

During the first six months of 2012, a total number of 203,411 shares were created further to the exercise of 608,153 BCE/BSA. The exercise of these BCE/BSA increased share capital by €6,102.33 and generated an issue premium of €535,628.56.

Furthermore, at the Board of Directors' meeting held on 23 March 2012, the Company's employees and president received an allocation of 134,500 BCE/SO giving access to the subscription of as many ordinary shares. The exercise price was set at €16.03 per share.

Reconciliation between the number of shares in circulation on 1 January 2012 and those in circulation on 30 June 2012:

Number of shares in circulation as at 1 January 2012	7 303 059
Issue of shares in the framework of the capital increase	574 639
Issue of shares further to the exercise of the BSA/BCE	203 411
Number of shares in circulation as at 30 June 2012	8 081 109

2.10 Provisions

During the first six months of 2012, the Company reversed its provision in the amount of €40,667 as the risk it covered had disappeared.

2.11 Revenues

After having recorded revenues of €1,431,578 in the year 2011, including €598,967 in the first six months of 2011, STENTYS accelerated the marketing of its products in continental Europe and recorded revenues of €1,149,606 in the first six months.

On a six-month basis, the Company recorded the following revenues:

in €	First six months of 2012	First six months of 2011
Revenues	1 149 606	598 967

2.12 Analysis of Operating Costs

2.12.1 Cost of Merchandise Sold

Production costs increased significantly, which is associated with the change in revenues recorded for the period.

2.12.2 Research and Development

	30 June 2012	30 June 2011
Employee expenses	494 308	665 738
Design & prototypes	335 365	130 182
Clinical studies	62 829	222 368
Research tax credit	-100 927	-210 049
Fees & consultants	108 075	85 216
Amortizations	102 351	129 980
Intellectual property	208 177	27 894
Other	404 231	157 314
	1 614 409	1 208 644

During the first six months of 2012, the Company continued to invest in research by adding to its dedicated team and pursuing its regulatory work (quality assurance, certification, etc.). The reduction in employee expenses, as well as clinical study expenses, is explained by the launch of a new development phase. The costs related to development expenses were capitalized over the period and therefore do not affect the income statement.

As referred to above, the Company recorded a Research Tax Credit in the first six months of 2012, which is deducted from the research expenses incurred. On 30 June 2011, the amount recorded was higher as no development expense was recorded for the period.

Among the Research and Development expenses recorded in the first six months of 2012, the intellectual property costs increased significantly further to the payment of a contractual "milestone", which caused a payment of US$ 250,000 to the Mayo Foundation for territorial exclusivity.

The research expenses recorded during the first six months of 2012 take into account the amortization of development costs capitalized previously and recorded by the Company in the framework of the CE-marking process for its products. The amortization of the development expenses will end in 2019.

2.12.3 Sales and Marketing

	30 June 2012	30 June 2011
Employee expenses	1 272 705	888 863
Congresses, communication, representation and travel expenses	1 115 936	483 299
Clinical studies	498 176	258 711
Research tax credit	-118 376	
Amortization	17 598	29 100
Miscellaneous fees	198 338	248 588
Other	73 127	222 356
	3 057 504	2 130 918

Sales and marketing expenses increased between the first six months of 2011 and the first six months of 2012 further to the numerous hires during the first six months of 2011 (sales representatives in Switzerland, Poland, Spain, Scandinavia, Italy and France) and recorded in the first six months of 2012. In parallel to these employee expenses, the expenses related to congresses, communication and marketing increased significantly.

Miscellaneous fees dropped substantially in 2012 as the Company contracted for less recruitment firm services.

2.12.4 Administrative Expenses

	30 June 2012	30 June 2011
Employee expenses	395 800	212 995
Communication and travel	42 219	48 896
Fees and consultants	130 154	379 382
Other	409 132	338 055
	977 305	979 329

Between the first six months of 2011 and the first six months of 2012, administrative expenses remained stable.

However, employee expenses increased with the arrival of new employees in the first six months of 2011 (accounted for throughout the first six months of 2012) and 2012. These new hires allow for less use of consulting services.

2.12.5 Payments in Shares

Since STENTYS was founded, the Board of Directors has granted BCE/BSA/SO to corporate officers, employees and/or service providers. The corresponding charge is recorded at the time the stock options and warrants are allocated and is staggered over the acquisition period, it being noted that these options and warrants may be exercised at any time throughout a 10-year period from the date they are allocated. They can be analyzed as follows:

Date granted	End of validity	Type	Exercise price	Price	Risk-free rate	Number of options remaining	Probable cost of plan at June 30, 2012	Charge for the six month period ended June 30, 2012
29/09/2006	31/07/2016	BCE 1	0.812	0.812	3.64%	993 499	582 730	0
03/08/2007	03/08/2017	BCE1(08.07)	0.812	0.812	4.39%	60 000	24 809	0
03/08/2007	03/08/2017	BSA(08.07)	0.812	0.812	4.39%	87 000	37 203	0
17/03/2008	17/03/2018	BCE3(03-08)	1.3778	1.3778	3.79%	700 000	472 500	0
26/06/2008	25/06/2018	BSA(03-08)	1.3778	1.3778	4.80%	50 002	68 902	0
01/10/2008	01/10/2018	BCE3(03-08)	1.3778	1.3778	4.02%	94 000	66 441	0
01/10/2008	01/10/2018	BSA(03-08)	1.3778	1.3778	4.02%	92 348	93 506	0
02/12/2008	02/12/2018	BSA(12-09)	1.3778	1.3778	3.00%	0	32 045	0
16/06/2009	16/06/2019	BCE2(03-08)	1.3778	1.3778	2.75%	600 000	373 996	0
24/06/2009	01/08/2019	BCE3(03-08)	1.3778	1.3778	2.75%	0	63 100	0
10/02/2010	10/02/2020	BCE(12-09)	1.3778	1.3778	2.30%	64 250	57 362	0
21/04/2010	21/04/2020	BCE(12-09)	1.3778	1.3778	2.10%	14 800	20 835	0
17/05/2010	17/05/2020	BCE(12-09)	1.3778	1.3778	2.08%	140 000	86 425	4 130
19/11/2010	19/11/2020	BCE (08-10)	12.00	12.00	2.20%	238 663	989 469	111 920
19/11/2010	19/11/2020	BSA (08-10)	12.00	12.00	2.20%	18 332	74 667	10 432
20/06/2011	07/01/2016	BSA (08-10)	12.00	22.35	1.80%	6 666	73 003	14 223
23/06/2011	07/01/2016	BSA (08-10)	12.00	21.47	1.65%	46 666	474 531	92 989
27/09/2011	27/09/2021	SO (05-11)	14.67	18.21	1.79%	66 000	617 875	176 653
23/03/2012	23/03/2022	BCE (03-12)	16.03	15.97	1.96%	113 500	837 625	130 114
23/03/2012	23/03/2022	SO (03-12)	16.03	15.97	1.96%	21 000	154 980	24 074
Total						**3 406 726**	**5 202 003**	**564 536**

The charge recorded as at 30 June 2012 is €564,536, including €529,621 impacting the income statement. The balance of €34,916 corresponds to the portion of the charge attributable to the production of the intangible asset on the balance sheet.

2.13 Financial Income

At the end of the first six months of 2012, financial income totaled €65,032, as compared to €77,363 for the first six months of 2011.

3. COMMENTS ON OFF-BALANCE SHEET COMMITMENTS

Between 31 December 2011 and 30 June 2012, off-balance sheet commitments did not change significantly.

4. INFORMATION ON RELATED PARTIES

During the first six months of 2012, no specific agreement was signed with a related party. The special mission entrusted to Michel Darnaud, a Director of the Company, continued according to specifications.

5. POST-CLOSING EVENTS

None.

20.2 VERIFICATION OF HISTORIC SIX-MONTH FINANCIAL INFORMATION

Period from January 1 to June 30, 2012

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

To the Shareholders,

In compliance with the assignment entrusted to us by your articles of association and your annual general meeting and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Stentys, for the period from January 1 to June 30, 2012, and the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we would not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the interim management report in respect of the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed half-yearly consolidated financial statements.

Paris and Paris-La Défense, August 30, 2012

The statutory auditors
French original signed by

Philippe DECLERCQ

ERNST & YOUNG et Autres
Patrick Cassoux

21 ADDITIONAL INFORMATION

21.1 SHARE CAPITAL

21.1.1 Amount of Share Capital

On 31 December 2011, the Company's share capital amounted to €219,050.13 divided into 7,301,671 shares with a nominal value of €0.03 each, all fully subscribed and paid up and all of the same category. At the beginning of the fiscal year, the number of shares in circulation was 7,247,732.

On 26 January 2012, the Company carried out a capital increase for a nominal amount of €17,239.17 in the context of a private placement with qualified investors, thereby bringing the share capital to €236,289.30, divided into 7,876,310 shares with a nominal value of €0.03 each, all fully subscribed and paid up and all of the same category.

The share capital increased by a nominal amount of €981.12 related to the exercise of 96,446 warrants and founders' warrants recorded by the Board of Directors at its meeting held on 6 March 2012, thereby bringing the total share capital to €237,270.42, divided into 7,909,014 shares, fully subscribed and paid up and all of the same category.

The share capital increased by a nominal amount of €5,162.85 related to the exercise of warrants and founders' warrants during the first half of the 2012 year and therefore amounted to €242,433.27 divided into 8,081,109 shares fully subscribed as of 30 June 2012 and paid up and all of the same category. This increase was legally recorded by the Board of Directors held on 27 September 2012.

21.1.2 Securities not Representing Capital

None.

21.1.3 Acquisition of Treasury Shares by the Company

The combined general meeting of the Company held on 9 May 2012 authorized the Board of Directors, for a period of eighteen months from the date of the meeting, to implement, on one or more occasions, a program to buy back Company shares under the provisions of Article L. 225-209 of the French Commercial Code in accordance with the General Regulation of the *Autorité des Marchés Financiers (AMF)* pursuant to the conditions described below:

Maximum number of shares that may be purchased: 10% of share capital at the date of the buyback of shares. When the shares are acquired in order to promote the coordination and liquidity of securities, the number of shares taken into account to calculate the 10% limit mentioned above corresponds to the number of shares purchased, less the number of shares sold during the period of the authorization.

Share buyback goals:

- to promote the coordination and liquidity of Company securities under the terms of a liquidity agreement to be entered into an independent investment service provider, in compliance with the AMAFI Charter of Ethics dated 23 September 2008, which was recognized by the *Autorité des Marchés Financiers* on 1 October 2008; or

- to help meet obligations related to programs for stock options, allocation of free shares, employee savings plans, or other allocations of shares to employees of the Company or an associated company, including (i) the implementation of any Company stock option purchase plan under the provisions of Articles L. 225-177 and following of the French Commercial Code, (ii) the allotment of shares to employees for their participation in the Company's expansion and the implementation of any Company savings plan as provided by law, including Articles L. 3332-1 to L. 3332-8 and following of the French Labor Code, or (iii) the allocation of free shares under the provisions of Articles L. 225-197-1 and following of the French Commercial Code; or
- to remit shares in connection with the exercise of rights attached to securities granting access to capital through redemption, conversion, exchange, presentation of a warrant, or any other manner, in compliance with current regulations; or
- to buy shares for retention and subsequent remittance for exchange or payment as part of any future external growth operations; or
- cancellation of all or part of the shares redeemed.

Maximum purchase price: €35 per share, excluding charges and commissions, for a maximum theoretical amount of €27,681,549.

It is further noted that the number of shares acquired by the Company for their retention and subsequent remittance as payment or an exchange in connection with a merger, demerger, or contribution may not exceed 5% of its capital.

The shares thus purchased may be cancelled.

During the fiscal year ended 31 December 2011, this buyback program was used exclusively in the context of the liquidity contract to fulfill the objective of secondary market trading or of the liquidity of the Company share entered into with Société Générale as an investment service provider.

	Q1	Q2	Q3	Q4
Securities purchased	25,814	18,304	12,549	14,923
Price	17,503	22.183	16,572	15.554
Total	451,819.01	406,040.79	207.960.90	232,112.93
Securities sold	24,181	16,342	15,075	14,075
Price	17.187	22.431	16.808	16.127
Total	415,595.70	366,570.17	253,374.49	226,993.98

As at 31 December 2011, the Company held 2,665 Stentys shares acquired at an average price of €14.03 and valued at €15.10, i.e., a latent positive income of €2,844.25.

As at 30 September 2012, this buyback program was used exclusively in the context of the liquidity contract whose purpose is to support the secondary market trading or the liquidity of the Company's shares, entered into with Société Générale until May, then with the broker Gilbert Dupont acting as an investment service provider.

	Q1	Q2	Q3
Securities purchased	14,396	37,373	161,204
Price	16.084	13.4346	13.738
Total	231,541.48	502,096.08	2,214,582
Securities sold	11,788	40,139	157,276
Price	16.503	13.6961	13.746
Total	194,534.41	549,749.62	2,161,972

As at 30 September 2012, the Company held 4,547 Stentys shares acquired at an average price of €13.60 and valued at €61,839.20, i.e. latent negative income of €954.87.

21.1.4 Securities Granting Entitlement to a Share of Capital

On the date of this 2011 Registration Document Update, the securities granting access to Company capital are:

Detailed information on the allocation of securities granting access to capital																		
	$BCE_{(09.06)}$	**$BCE_{1(08.07)}$**	**$BSA_{(08.07)}$**	**$BSA_{(03.08)}$**	**$BSA_{(03.08)}$**	**$BCE_{3(03.08)}$**	**$BCE_{(06.09)}$**	**$BCE_{2(03.2008)}$**	**$BCE_{3(03.08)}$**	**$BCE_{(12.09)}$**	**$BSA_{(12.09)}$**	**$BCE_{(12.09)}$**	**$BCE_{(12.09)}$**	**Options**	**$BCE_{(08.10)}$**	**$BSA_{(08.10)}$**	**Options**	**$BCE_{(03.12)}$**	**Options**
Date of general meeting	29-Sept.-2006	03-Aug.-2007	03-Aug.-007	17-March-2008	17-March-2008	17-March-2008	16-June-2009	17-March-2008	17-March-2008	15-Dec.-2009	15-Dec.-2009	15-Dec.-2009	15-Dec.-2009	26-Aug-2010	26-Aug-2010	26-Aug-2010	31-May-2011	31-May-2011	31-May-2011
Date of Board of Directors' meeting				26-June-2008	01-Oct.-2008	01-Oct.-2008		16-June-2009	24-June-2009	10-Feb.-2010	10-Feb.-2010	21-April-2010	13-July-2010	19-Nov.-2010	19-Nov.-2010	07-Jan.-2011	27-Sept.-2011	23-March-2012	23-March-2012
Total number of founders' warrants (BCE)/warrants (BSA)/stock options allocated	1,533,499	60,000	90,000	100,000	155,000	100,000	700,000	600,000	100,000	95,000	50,000	25,000	140,000	18,332	255,329	53,332	66,000	113,500	21,000
Total number of shares that may be subscribed at the time of allocation(*)	511,166	20,000	30,000	16,666	51,666	33,333	233,333	200,000	33,333	31,666	16,666	8,333	46,666	18,332	255,329	53,332	66,000	113,500	21,000
Of which the total number that may be subscribed by the corporate officers:	511,166				40,000		233,333	200,000							183,333	53,332		30,000	
Jacques SEGUIN	440,253						199,904								83,333				
Gonzague ISSENMANN	70,913						33,429	200,000							100,000			30,000	
Michael LESH					40,000											6,666			
Michel DARNAUD																46,666			
Start date of exercise of BCE/BSA/SO	-1	-2	-3	30-June-2008	31-Oct.-2008	01-Oct.-2008	16-June-2009	16-June-2009	24-June-2009	10-Feb.-2010	10-Feb.-2010	21-April-2010	13-July-2010	19-Nov.-2010	19-Nov.-2010	07-Jan.-2011	27-Sep.-2012	23-March-2013	23-March-2013
Expiration date of BCE/BSA/SO	31-July-16	03-Aug-2017	03-Aug-2017	25-June-2018	01-Oct.-2018	01-Oct.-2018	15-June-2019	15-June-2019	01-Aug.-2019	10-Feb.-2020	10-Feb.-2020	21-April-2020	13-July-2020	19-Nov.-2020	19-Nov.-2020	07-Jan.-2016	27-Sep.-2021	23-March-2022	23-March-2022
Exercise price	€0.81	€0.81	€0.81	€1.38	€1.38	€1.38	€1.38	€1.38	€1.38	€1.38	€1.38	€1.38	€1.38	€12.00	€12.00	€12.00	€14.67	€16.03	€16.03
Subscription price	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€1.20	€0.00	€0.00	€0.00
Subscription price post-split	€2.44	€2.44	€2.44	€4.13	€4.13	€4.13	€4.13	€4.13	€4.13	€4.13	€4.13	€4.13	€4.13	NA	NA	NA	NA	NA	NA
Exercise terms	Completed	1./achievement of objectives 2./regulatory authorizations granted	1./period of employment conditions 2./regulatory authorizations granted	N/A	1./period of employment conditions *and/or* 2./regulatory authorizations granted(**) (**)	1./period of employment conditions 2./regulatory authorizations granted	Completed	1./regulatory authorizations granted 2./achievement of objectives	1./period of employment conditions 2./regulatory authorizations granted 3./achievement of objectives	1./period of employment conditions 2./regulatory authorizations granted 3./achievement of objectives	N/A	1/period of employment conditions 2./regulatory authorizations granted 3./achievement of objectives	1./achievement of objectives 2./period of employment conditions	Period of employment conditions	Period of employment conditions	N/A	Period of employment conditions	Period of employment conditions	Period of employment conditions
Number of shares subscribed at 30 September 2012	180,000	0	1,000	16,666	15,884	2,000	0	0	14,444	4,305	16,666	3,400	0	0	4,373	0	0	0	0
Cumulative number of cancelled or lapsed BCE/BSA/SO	0	0	0	0	15,000	0	0	0	56,668	17,835	0	0	0	0	12,293	0	0	0	0
BCE/BSA/SO remaining at 30 September 2012	993,499	60,000	87,000	50,000	92,348	94,000	700,000	600,000	0	64,250	0	14,800	140,000	18,332	238,663	53,332	66,000	113,500	21,000
Total number of shares that may be subscribed at 30 September 2012 (*)	331,166	20,000	29,000	16,666	30,782	31,333	233,333	200,000	0	21,416	0	4,933	46,666	18,332	238,663	53,332	66,000	113,500	21,000

(*) The numbers of shares indicated have been adjusted to reflect the 1-for-3 reverse stock split approved by the General Meeting of 26 August 2010 whereas, at the time of their respective allocations, each founders' warrant or warrant allocated before 26 August 2010 gave the right to subscribe to one share.

(**) The BSA granted to Mr. Lesh are not subject to any conditions.

The table above does not mention two plans allocated by the Board of Directors at its meetings of 2 December 2008 and 18 February 2009 because those plans have been cancelled in full since then.

In total, the full exercise of all the securities described above could lead to the creation of 1,476,072 new shares, for a dilution equal to 18.27% of existing capital at 30 June 2012 and 15.45% of post-exercise capital.

21.1.5 Authorized Capital

Summary table of delegations for capital increases existing as at 30 September 2012 and use made of these delegations since 1 January 2011:

Issue	Date of general meeting	Term of validity	Maximum	Use made of these delegations
Capital increase through the issue of shares or securities giving access to Company capital, with preemptive rights	9 May 2012 (9th resolution)	26 months (until 9 July 2014)	- Maximum nominal amount of the capital increases: €117,000 - Maximum nominal amount of debt securities: €30,000,000	None
Capital increase through the issue of shares or securities giving access to capital, without preemptive rights, by public offering	9 May 2011 (12th resolution)	26 months (until 31 July 2013)	- Maximum nominal amount of the capital increases: €103,795.62(1) - Maximum nominal amount of debt securities: €20,000,000 (2)	None
Capital increase through the issue of shares or securities giving access to Company capital, without preemptive rights by way of an offer as provided by Article L. 411-2 II of the French Monetary and Financial Code	31 May 2011 (13th resolution)	26 months (until 31 July 2013)	- Maximum nominal amount of the capital increases: €103,795.62(1) - Maximum nominal amount of debt securities: €20,000,000 (2)	See below
Increase in the number of securities to be issued for a capital increase with or without preemptive rights	31 May 2011 (14th resolution)	26 months (until 31 July 2013)	Up to 15% of the initial issue(1) (2)	None
Capital increase through the issue of shares without preemptive rights and free setting of the issue price	31 May 2011 (15th resolution)	26 months (until 31 July 2013)	Up to 10% of the capital per year(1)	None
Capital increase through the issue of shares or securities giving access to Company capital, compensating contributions in kind in the event of an exchange offer	31 May 2011 (16th resolution)	26 months (until 31 July 2013)	Maximum nominal amount of the capital increases: €103,795.62(1)	None
Capital increase through the issue of shares or securities giving access to Company capital, compensating contributions in kind of shares or securities	31 May 2011 (17th resolution)	26 months (until 31 July 2013)	Up to 10% of the capital(3)	None
Capital increase through incorporation of reserves, profits or issue premiums	31 May 2011 (19th resolution)	26 months (until 31 July 2013)	Maximum nominal amount of capital increases: €100,000(3)	None

Issue	Date of general meeting	Term of validity	Maximum	Use made of these delegations
Allocation of founders' warrants (BCE) to employees or executives	31 May 2011 (20th resolution)	18 months (until 30 November 2012) / or date on which the terms of Article 163 Bis G of the French General Tax Code are no longer fulfilled	Maximum amount of the authorization: 626,399 shares(4)	Use of the delegation for 113,500 BCE by resolution of the Board of Directors dated 23 March 2012
Allocation of warrants in favor of a category of individuals (member of the Scientific and Strategic Advisory Board)	31 May 2011 (21st resolution)	18 months (until 30 November 2012)	Maximum amount of the authorization: 626,339 shares(4)	None
Allocation of stock options in favor of employees or executives	31 May 2011 (22nd resolution	38 months (until 31 July 2014)	Maximum amount of the authorization: 626,339 shares(4)	Use of the delegation for up to 66,000 shares per allocation of 66,000 stock options by resolution of the Board of Directors dated 27 September 2011 21,000 stock options by resolution of the Board of Directors dated 23 March 2012
Allocation of free shares to employees or executives	31 May 2011 (23rd resolution)	38 months (until 31 July 2014)	Maximum amount of the authorization: 626,339 shares(4)	None

(1) up to an aggregate maximum of €103,795.62, as initially provided in the 18th resolution of the general meeting held on 31 May 2011
(2) up to an aggregate maximum of €20,000,000
(3) autonomous amount that is not allocated to the aggregate maximum described in (1)
(4) up to an aggregate maximum of 626,339 shares common to the 20th, 21st, 22nd and 23rd resolutions

On 25 January 2012, the Board of Directors gave the Chief Executive Officer authorization to subdelegate in the context of the use of the delegation referred to in the 13th resolution of the combined general meeting of the shareholders on 31 May 2011, authorizing him to proceed with a capital increase through the issue of shares or securities giving access to capital, without preemptive rights, by way of an offering as provided in Article L. 411-2 II of the French Monetary and Financial Code. On 26 January 2012, the Chief Executive Officer, using this sub-delegation, decided on a capital increase with a nominal value of €17,239.17 in the context of a private placement with qualified investors, thereby bringing the share capital to €236,289.30, divided into 7,876,310 shares with a nominal value of €0.03 each, all of the same category and all fully subscribed and paid up.

21.1.6 Information on the Capital of any Member of the Group Subject to an Option or a Conditional or Unconditional Agreement to be put under Option

With the exception of Capital Ventures International's call option covering 600,000 shares held by Scottish Equity Partner (see Section 18.1 "List of Principal Shareholders") and to the knowledge of the Company, there is no other option for purchase or sale or other commitments in favor of Company shareholders or that has been approved by them in respect of Company shares.

21.1.7 History of Share Capital over the Past Three Fiscal Years

The table below sets out in summary form the change in capital over the past three fiscal years to 30 September 2012.

Date	Type of transaction	Capital	Issue premiums (*)	Number of shares created	Number of shares comprising capital	Par value	Share capital
16 June 2009	Exercise of B share warrants	€43,547.69	€5,956,453.04	4,354,769	13,884,004	€0.01	€138,840.04
16 June 2009	Issue for cash of B shares	€18,144,86	€2,481,853.95	1,814,486	15,698,490	€0.01	€156,984.90
10 July 2010	Reimbursement of redeemable bonds	€3,268.99	€496,373.25	362,899	16,061,389	€0.01	€160,613.89
20 Aug 2010	Reduction of capital	-€0.10		-10	16,061,379	€0.01	€160,613.79
26 Aug 2010	1-for-3 reverse stock split			-10,707,586	5,353,793	€0.03	€160,613.79
22 Oct 2010	Issue for cash	€56,818.17	€22,670,449.83	1,893,939	7,247,732	€0.03	€217,431.96
22 April 2011	Exercise of warrants	€499.98	€68,387.26	16,666	7,264,398	€0.03	€217,931.94
7 Dec 2011	Exercise of warrants and founders' warrants	€1,118.19	€172,612.53	37,273	7,301,671	€0.03	€219,050.13
26 Jan 2012	Issue for cash	€17,239,17	€8,315,026.33	574,639	7,876,310	€0.03	€236,289.30
6 Mar 2012	Exercise of warrants and founders' warrants	€981.12	€122,079.07	32,704	7,909,014	€0.03	€237,270.42
27 Sep 2012	Exercise of warrants and founders' warrants	€5,162.85	€425,797.89	172,095	8,081,109	€0.03	€242,433.27

(*) The issue premiums shown above are for their gross values whereas their values net of capital increase costs are included in the financial statements.

Since the closing of fiscal year 2011, the following capital increases have been recorded:

- A capital increase for a nominal amount of €17,239.17 (which gave rise to the payment of an issue premium of €8,351,026.33) by creating 574,639 new shares with a nominal value of €0.03 bringing the share capital to €236,289.30 was carried out and recorded by the Chief Executive Officer on 26 January 2012.

- A capital increase for a nominal amount of €981.12 (which gave rise to the payment of an issue premium of €122,079.07) by creating 32,704 new shares with a nominal value of €0.03 on the exercise of warrants/founders' warrants and bringing the share capital to €237,270.42 was carried out and recorded by the Board of Directors on 6 March 2012.

- A capital increase for a nominal amount of €5,162.85 (which gave rise to the payment of an issue premium of €425,797.89) by creating 172,095 new shares with a nominal value of €0.03 on the exercise of warrants/founders' warrants and bringing the share capital to €242,433.27 was carried out and recorded by the Board of Directors on 27 September 2012.

21.2 ACT OF INCORPORATION AND BYLAWS

21.2.1 Corporate Purpose

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

- The study, research, development, marketing, and all activities related to the marketing, in France and abroad, of products and medical devices in the fields of health and biotechnology;
- All the above, directly or indirectly, on its behalf or on behalf of third parties, either alone or with third parties, through the creation of new companies, contribution, sponsorship, subscription, purchase of securities or corporate rights, merger, alliance, joint venture, or acquisition or disposal through leasing or management of any assets or rights, or otherwise;
- And more generally, all financial, industrial, commercial, civil, or tangible property or real estate transactions that can be linked directly or indirectly to the specified object or any similar or related object or an object conducive to the growth of corporate assets.

21.2.2 Provisions in the Bylaws and Elsewhere Relating to Members of the Administrative and Executive Bodies

21.2.2.1 Board of Directors

Composition of the Board of Directors

The Company is administered by a Board of Directors consisting of at least three (3) members and no more than eighteen (18) members, who are appointed in accordance with the laws and regulations in force.

In the event of a merger, the maximum number of eighteen (18) members may be exceeded under the conditions and limits established by the laws in force.

The Directors may be individuals or corporate entities. The latter must, upon appointment, designate a permanent representative who is subject to the same conditions and obligations and incurs the same liabilities as if he or she were a director in his or her own name, without prejudice to the liability of the corporate entity that he or she represents. The authority of the permanent representative is given for the term of the corporate entity he or she represents and must be renewed at every renewal of term of the corporate entity.

If the corporate entity revokes the mandate of its representative, it must notify the Company of the dismissal without delay by registered letter, and it must disclose the identity of its new permanent representative. The same is true in the event of the death, resignation, or extended incapacity of the permanent representative.

Meetings of the Board of Directors

The Board of Directors shall meet at the registered offices or any other place indicated by the author of the notice of meeting, as often as the interests of the Company require, upon the notice of its Chairman or the Chief Executive Officer in the capacity of the Chairman of the Board of Directors.

In addition, if the Board of Directors has not met for more than two months, Directors representing at least one third of the members of the Board may, by indicating the agenda of the meeting, request that the Chairman of the Board of Directors convene a meeting.

The Chief Executive Officer, in the event that this position is separate from that of the Chairman of the Board of Directors as the option is set forth in Article 21 of the Bylaws, may ask the Chairman of the Board of Directors to convene the Board of Directors with a specific agenda.

The Chairman of the Board of Directors is bound by the requests he or she receives by virtue of the two preceding paragraphs.

Notices of meeting shall be made by all means available.

Board meetings are chaired by the Chairman of the Board of Directors or the Chief Executive Officer in the capacity of the Chairman of the Board of Directors or, in their absence, the eldest of the Director attending the meeting, or by a Director chosen by the Board at the beginning of the meeting.

Any Director may be legally represented by another Director and vote in his or her place at a specific meeting of the Board, and each Director may have only one proxy during the same meeting.

However, for the validity of deliberations, the effective presence of at least half of the Directors is required.

Decisions are made by a majority of members present or represented; in the event of a tie, the Chairman has the deciding vote.

A register of attendance signed by all Directors attending each Board meeting is kept at the registered office.

The Board of Directors shall provide in its charter that, for purposes of quorum and majority, the Directors attending the meeting by videoconference or telecommunication that enables them to be identified and that ensures their effective participation, will be deemed present in accordance with applicable regulations.

Compensation of Managers

The Directors may receive as compensation for their activities a fixed annual amount in the form of directors' fees which amount shall be determined by the General Meeting and maintained until decision to the contrary.

The Board shall distribute the amount of the directors' fees among its members as it sees fit.

The compensation of the Chairman of the Board of Directors, the Chief Executive Officer, and the Deputy Chief Executive Officers is determined by the Board of Directors.

Apart from wages received pursuant to an employment contract, the Directors may not receive any compensation, permanent or otherwise, other than that authorized by law.

Powers of the Board of Directors

a) Principles

The Board of Directors determines the general orientations of the Company's business and oversees the implementation thereof.

The Board has power to decide or authorize the issue of bonds.

Subject to the powers explicitly granted to Shareholders' Meetings and within the limits of the corporate purpose, the Board of Directors is seized with any matter affecting the proper functioning of the Company and it settles by its deliberations the matters under its authority.

In relations with third parties, the Company is bound even by the acts of the Board of Directors that do not fall within the corporate purpose, unless it proves that the third party knew that the act was outside that purpose or that it could not have been unaware of it considering the circumstances, it being excluded that the mere publication of the Bylaws is sufficient to constitute such evidence.

The Board shall conduct inspections and verifications that it deems appropriate.

Each director must receive the information necessary to accomplish his or her mission and may obtain from general management all documents that he or she deems useful.

The Board of Directors may delegate permanent or temporary missions that it defines to one or more of its members or any persons selected from its own members.

It may decide to establish committees to study issues that it or its Chairman shall submit for their consideration and approval.

The Board of Directors determines the composition and powers of committees that operate under its responsibility.

b) Role of the Chairman of the Board of Directors

The Chairman of the Board of Directors organizes and directs the activities of the Board, which reports to the General Meeting, and executes its decisions. He ensures the proper functioning of the bodies of the Company and guarantees that the Directors are able to fulfill their mission.

21.2.2.2 General Management

Appointment - Dismissal

Based on the choice made by the Board of Directors in accordance with the provisions of the above article, general management is guaranteed by either the Chairman of the Board of Directors or by any other person appointed by the Board of Directors and bearing the title of Chief Executive Officer.

If the Board chooses to separate the functions of Chairman of the Board of Directors and Chief Executive Officer, it shall appoint the Chief Executive Officer, set the length of his or her term, and determine his or her compensation, and, as needed, the limits of his or her powers.

The functions of the Chief Executive Officer shall expire automatically on the last day of the calendar quarter in which he or she reaches his or her seventy-fifth (75th) birthday.

When this age limit has been reached while in office, the Chief Executive Officer shall be deemed to have resigned automatically and a new Chief Executive Officer shall be appointed.

The Chief Executive Officer may be dismissed at any time by the Board of Directors. If dismissal is decided without just cause, it may give rise to damages, unless the Chief Executive Officer also acts as Chairman of the Board of Directors.

When the general management of the Company is carried out by the Chairman of the Board of Directors, the provisions of the law and these Articles relating to the Chief Executive Officer shall be applicable to him or her.

It is to be noted that the Board of Directors meeting of 26 August 2010 decided to split the functions of Chairman and Chief Executive Officer. Refer to Section 16.1.

Powers

The Chief Executive Officer, whether this function is held by the Chairman of the Board of Directors or by another person, is vested with very broad powers to act in all circumstances on behalf of the Company.

He or she exercises these powers within the limits of the corporate purpose and subject to those limits that the law specifically assigns to Shareholders' Meetings and the Board of Directors.

The Chief Executive Officer represents the Company in its dealings with third parties.

The Company is bound even by acts of the Chief Executive Officer that do not fall under the corporate purpose, unless it proves that the third party knew that the act was outside that purpose or that it could not have been unaware of it considering the circumstances, it being excluded that the mere publication of the Bylaws is sufficient to constitute such evidence.

21.2.3 Rights, Privileges and Restrictions Attached to Company Shares

21.2.3.1 Voting Rights

The voting rights attached to shares are proportional to the portion of capital they represent and each share gives right to at least one vote, subject to the application of laws and regulations.

21.2.3.2 Rights to Dividends and Profits

Each share gives right to ownership of corporate assets, the distribution of profits in an amount proportional to the number of existing shares, considering the par value of shares and rights of shares in different categories.

21.2.3.3 Limitation Period of Dividends

Dividends not claimed within a period of five years from the date of payment shall be escheat to the French State (Article L 1126-1 of the French General Code of Ownership of Public Corporations).

21.2.3.4 Right to Liquidation Surplus

Each share gives right in the liquidation surplus to a share proportional to the number of existing shares, considering the par value of shares and rights of shares in different categories.

21.2.3.5 Preemptive Right

Company shares all have preemptive rights to capital increases.

21.2.3.6 Limitation of Voting Rights

None.

21.2.3.7 Identifiable Bearer Securities

Shares are in registered or bearer form, as the shareholder chooses. When shares are registered, they are recorded in an individual account under the terms and conditions stipulated by the laws and regulations in force.

The Company may at any moment, under the legal and regulatory conditions in force, ask the central depository that maintains its share issuance account, at the Company's expense, for information relating to holders of securities giving immediate or future voting rights in its Shareholders' Meetings, and the number of securities held by each of them and, where applicable, the restrictions that may affect those securities.

21.2.3.8 Buyback of Treasury Shares by the Company

Refer to Section 21.1.3.

21.2.4 Conditions for Modifying the Rights of Shareholders

Shareholders' rights as contained in the Company Bylaws may be amended only by the extraordinary general meeting of shareholders of the Company.

21.2.5 Shareholders' General Meetings

The General Meeting consists of all shareholders, irrespective of the number of shares they own.

General Meetings, whether ordinary or extraordinary, or special according to the purpose of the resolutions proposed, can also meet at any time of year.

General Meetings are convened under the conditions of form and deadlines set by law.

Meetings are held at the registered offices or at any other place designated in the notice of meeting.

Any shareholder has the right to obtain disclosure of documents necessary to enable him or her to make an informed choice and have an informed opinion on the management and operation of the Company.

All Shareholders, irrespective of the number of shares held, may therefore participate in general meetings in person or by proxy or by voting by mail according to the laws and regulations in force.

The right to participate in General Meetings is conditional on the registration of securities either in the registered security accounts held by the Company or in bearer security accounts held by an authorized intermediary. With regard to bearer shares, the registration of the securities is proven by way of a shareholder's certificate issued by the authorized intermediary.

These formalities must be finalized three (3) business days prior to 0:00 hours (Paris time) on the day of the general meeting, unless provided otherwise in the laws or regulations.

The Ordinary General Meeting is the one called to make any decisions that do not change the Bylaws.

The Extraordinary General Meeting alone is empowered to amend the Bylaws. It may not, except by unanimous vote of the shareholders, increase the undertakings of shareholders, with the exception of transactions resulting from an exchange or a duly approved and executed reverse stock split.

Special Meetings ratify the decisions of the General Meeting to amend the rights relating to any class of shares.

The Ordinary, Extraordinary, and Special General Meetings deliberate under the conditions of quorum and majority required by the laws that govern them.

21.2.6 Mechanisms to Delay, Defer or Prevent a Change of Control

The Company Bylaws do not contain means for delaying, deferring or preventing a change of control.

21.2.7 Crossings of Bylaw Thresholds

None.

21.2.8 Specific Stipulations Governing Changes of Capital

There exists no specific stipulation in the Company Bylaws governing changes in its capital.

22 MAJOR CONTRACTS

The information below replaces the contents of Section 22, as well as the contents of Section 6.7.4 of the Registration Document.

With the exception of the licensing agreements for patents described in Section 11 and the supply agreements described below, the Company has not entered into major agreements other than those entered into in the normal course of business.

Supply agreement between the Company and Admedes Schuessler, GmbH dated 18 February 2010

On 18 February 2010, the Company entered into a supply agreement with Admedes Schuessler, GmbH (a company registered in Germany) pursuant to which Admedes Schuessler, GmbH manufactures and sells the STENTYS stents to the Company.

This agreement was entered into for a period that expires on the later of: (i) 31 December 2014, or (ii) one year after market approval (PMA) is granted and the commercial launch of the STENTYS stent in the United States, both parties also being entitled to terminate the agreement at any time subject to 30 days' notice.

Supply agreement between the Company and Creganna-Tactx dated 1 January 2010

On 25 January 2010, the Company entered into an agreement, effective retroactively as of 1 January 2010, related to the development and manufacturing of the BMS and DES stents with Creganna–Tactx (a company registered in California), formerly called TacPro Inc.

The agreement is for an initial period of two years from the date its effective date. At the end of this initial period, the agreement can be renewed for a one-year period, for five years, unless it is terminated by either party at least three months before the end of the current renewal period of one year. The agreement can also be terminated:

(i) By either party at any time in the event of a serious breach that has not been remedied after said breach has been notified, and

(ii) By the Company, with or without grounds, subject to six months' written notice, it being noted that, in this event, the Company is required to purchase the finished products in the quantities indicated in the agreement.

Furthermore, in all circumstances in which the Company may terminate the agreement, it is required to purchase all the products and materials in Creganna-Tactx's stock, within the limit, however, of the materials and products indicated in the 12-month forecast provided by the Company to Creganna-Tactx.

Supply agreement between the Company and Hemoteq AG dated 22 December 2008

On 22 December 2008, the Company entered into an agreement with Hemoteq AG pursuant to which Hemoteq QG (a company registered in Germany) is responsible for the coating of the Rapamycin-eluting stents with polysulfone coating. This agreement confers a non-exclusive worldwide right on the Company to sell the stents that use the coating technology developed by Hemoteq AG for the period of the agreement.

This agreement was entered into for an initial period of two years, renewable every year thereafter. Either party may terminate the agreement subject to written notice served on the other party at least three months before the term of the agreement.

Supply agreement between the Company and Hemoteq AG dated 24 October 2006

On 22 June 2012, the Company amended the agreement entered into on 24 October 2006 with Hemoteq AG (a company registered in Germany) pursuant to which Hemoteq AG is responsible for the coating of the Paclitaxel-eluting stents with polysulfone coating. This agreement confers on the Company a non-exclusive worldwide right to sell the stents that use the coating technology developed by Hemoteq AG for the period of the agreement.

This agreement, entered into for an initial period of two years, is renewable every year thereafter and was extended by way of an amendment for a period of five years effective 22 June 2012. Either party may terminate the agreement subject to written notice served on the other party at least three months before the term of the agreement.

Services agreement between the Company and Parter Sterilization Services dated 30 April 2009

For the sterilization of its stents and catheters, Stentys Inc. signed an agreement with Parter Sterilization Services (PSS) (a company registered in California), entered into for an undefined period.

Services agreement between the Company and Healthlink Europe BV dated 26 January 2010

The Company entered into an agreement with Healthlink Europe BV (a company registered in the Netherlands), which took effect on 26 January 2010, pursuant to which Healthlink Europe provides logistics, storage, and inventory, packaging, order preparation and distribution management services to the Company.

This agreement was entered into for an initial period of two years, renewable for one-year periods, subject to notice of three months being served before the term of the agreement. The agreement may also be terminated pursuant standard provisions under normal conditions and, in particular, by either party, with or without grounds, subject to written notice of three months.

The Company will be required to reimburse all the costs incurred by Healthlink Europe BV in relation to the termination of the agreement, including loss of revenue or margin for the machines or services acquired specifically by Healthlink Europe BV to provide the services for STENTYS in the event of (i) termination by the Company, unless said termination is based on a contractual breach attributable to Healthlink Europe BV, or (ii) termination by Healthlink Europe BV based on a contractual breach attributable to STENTYS.