FLAMEL
technologies

Forward Looking Statements

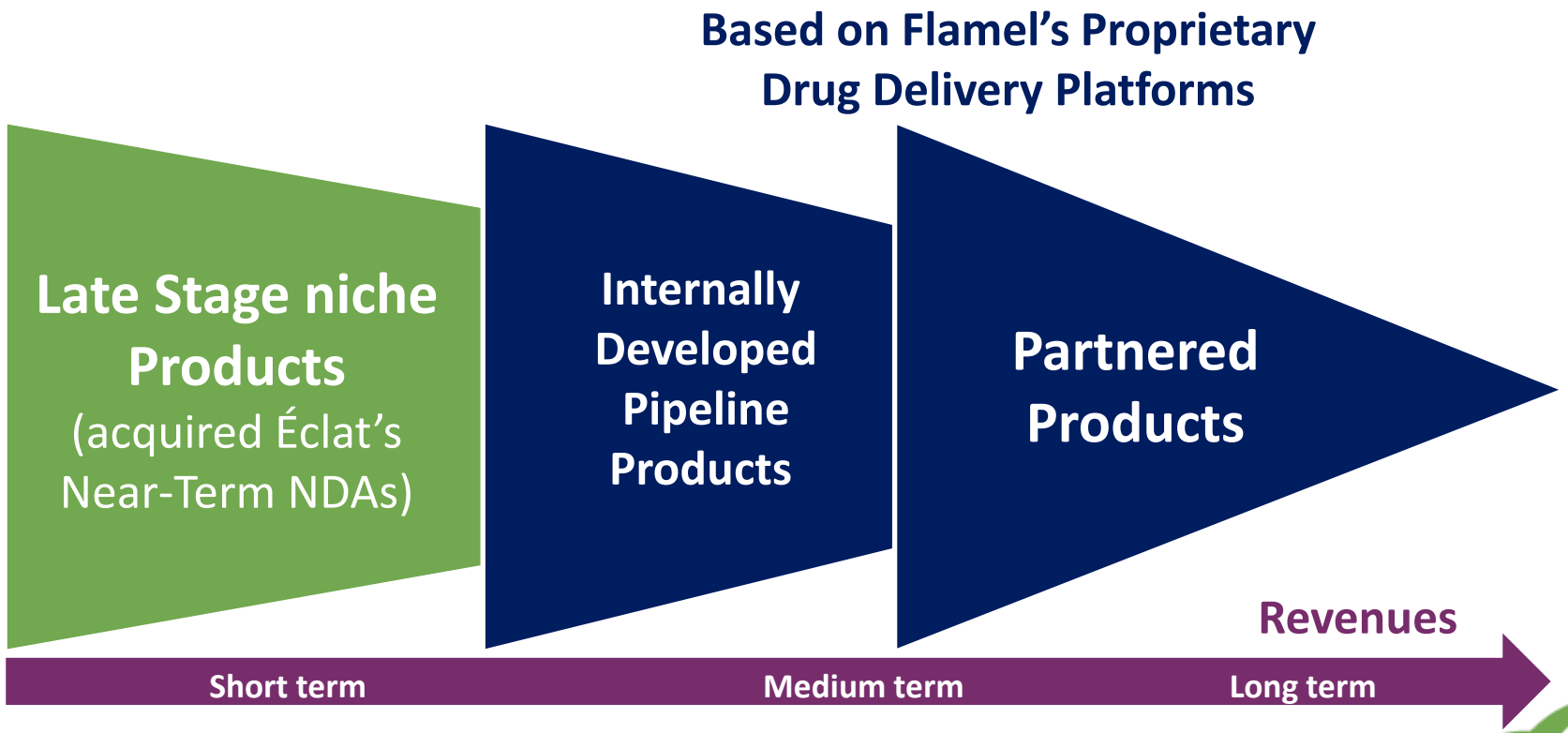
This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including certain plans, expectations, goals and projections regarding financial results, product developments and technology platforms. All statements that are not clearly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

The New Flamel

- Best-in-class delivery platforms for application to internal or external projects
- Acquisition of Éclat Pharmaceuticals in March 2012 added:
  - **Recently launched Bloxiverz™ (neostigmine methylsulfate)**
  - Commercial infrastructure
  - Marketing and product know-how
  - Pipeline of late-stage niche products
- Transformation from dependency on one revenue stream to diversification with three distinct revenue streams
- Better management leverage by being able to control product development activity and regulatory process
  - Less dependent on changing strategy of partners
  - Enhance value creation

Flamel's Revenues

- Flamel focuses on three revenue sources: late stage niche products, partnership products, and internally-developed pipeline products



Progress since Éclat Acquisition

- New managers have joined Flamel:
  - Mike Anderson – CEO (Former CEO of Éclat Pharmaceuticals)
  - Steve Lisi – SVP, Business and Corporate Development
  - Gregg Stetsko, Ph.D. – VP, Research and Development
- First Éclat product approved on May 31, 2013
- Second Éclat application submitted
- $15.0 M debt financing completed in February 2013

Broad Drug Delivery Portfolio is Distinctive

Medusa®

Hydrogel depot formulation to deliver injectable biologics and small molecules

Micropump®

High-performance, flexible technology for the oral delivery of small molecules

FLAMEL technologies

Trigger Lock™

Abuse resistance technology for opioid analgesics

LiquiTime®

Controlled release, oral liquids for pediatric and geriatric patients

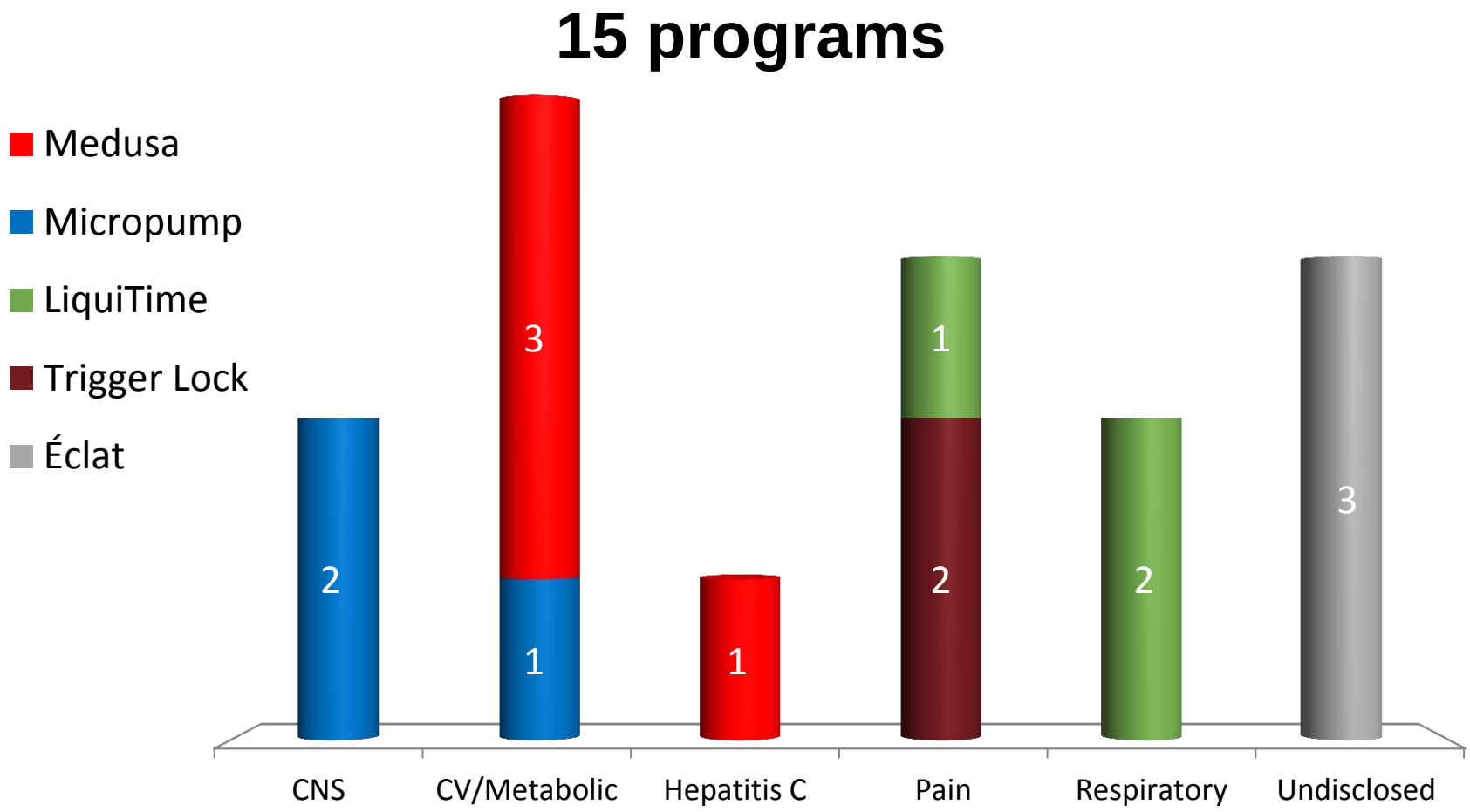
Marketed Product

- BLOXIVERZ™
  - FDA approved in May 2013
  - Launched during third quarter of 2013

BLOXIVERZ™

- First and only FDA-approved neostigmine methylsulfate injection, with proven
  - Safety *(safety of currently marketed unapproved drug products is unknown)*,
  - Efficacy *(no confirmation that unapproved drugs are effective or deliver the active ingredient(s) in their labeled amount and timeframe)*, and
  - Quality *(unapproved drugs may not be manufactured according to current good manufacturing practice regulations)*
- Form: 10 mL multiple dose vial for intravenous injection
  Strengths: 0.5 mg/mL or 1 mg/mL
- Indication: reversal of the effects of non-depolarizing neuromuscular blocking agents (NMBAs) after surgery
- Website: www.bloxiverz.com

Flamel's Pipeline



2013 / 2014 Development Milestones

Technology	2H 2013	1H 2014	2H 2014
Éclat submission # 2 (unidentified) *	NDA submission (completed)	FDA PDUFA	
Éclat Products *		1 FDA filing	1 FDA filing
Micropump		Clinical data, *2 programs (CNS)*	1 FDA filing *(CV/metabolic)*
Medusa	Preclinical data, *1 program (CV / metabolic)*	Preclinical data, *1 program (CV / metabolic)*	Clinical data, *1 program (CV / metabolic)*
LiquiTime		Clinical data, 1 *program (Pain)*	Clinical data, 1 *program (Respiratory)*
Trigger Lock		*FDA IND meeting*	Clinical data, 1 *program*

* Flamel's proprietary drug delivery technologies are not employed in the Éclat products.

Intellectual Property

- Key patents extend until 2030
- Broad portfolio of issued patents
  - 369 issued patents in 46 countries
  - 179 pending patents

Platform	Date of expiration	
	US	Europe
Medusa®	December 2030	December 2029
Micropump®	September 2025	September 2025
Trigger Lock™	April 2027	October 2029
LiquiTime®	September 2025	April 2023

Recent Financial Results

In USD million, except EPS and shares data	Three months as of September 30, 2012 pro forma (unaudited)	Three months as of September 30, 2013 pro forma (unaudited)
Total Revenue	**5.4**	**5.6**
Total Costs and Expenses	**(11.9)**	**(12.4)** *
Profit/Loss from Operations	**(6.5)**	**(6.8)**
Net Loss	**(6.4)**	**(6.4)**
Adjusted net loss	**(5.5)**	**(5.6)**
Adjusted diluted EPS	**($0.22)**	**($0.22)**
Diluted EPS	**($0.26)**	**($0.25)**
Diluted Shares Outstanding	**25.2 million**	**25.5 million**

* *including fair value remeasurement of acquisition liabilities: (1.06) M in 2012, (1.04) M in 2013, which includes impact of passage of time on valuation of acquisition liabilities (was classified in interest expense in prior period)*

- Cash and Marketable Securities at September 30, 2013 were $9.3 M

Financial Information as of September 30, 2013 is unaudited and may be subject to change in subsequent SEC filings

Condensed Balance Sheet (Unaudited)

In USD million, except shares data	December 31, 2012	March 31, 2013
Current assets	**25.1**	**39.2**
Cash & mrkt sec.	*9.2*	*15.4*
A/R	*5.5*	*5.2*
R&D tax credit	*6.6*	*15.0*
Prepaid exp. & other current assets	*3.8*	*3.7*
LT assets	**92.2**	**83.4**
Total Assets	**117.3**	**122.7**
Current liabilities	**14.4**	**13.5**
LT liabilities	**72.4**	**87.5**
LT debts (less current portion) [1]	*33.3*	*50.8*
Deferred tax liabilities	*14.1*	*12.6*
Other LT liabilities [2]	*25.0*	*24.1*
Shareholder's equity	**30.5**	**21.7**
Liabilities & shareholder's equity	**117.3**	**122.7**

[1] *includes government loans for R&D projects + acquisition liability contingent consideration, note and warrant consideration, and facility and royalty agreement concluded in February 2013*

[2] *includes R&D credit tax financing, funding from partner GSK, provision for retirement indemnity and employee service award provision*

Senior Management

Name	Title	Joined Flamel	Experience
Michael S. Anderson	Chief Executive Officer	2012	40+ years Pharma
Rafael Jorda, Ph.D.	Executive Vice President, Chief Operating Officer	1991	20+ years
Steven A. Lisi	SVP, Business and Corporate Development	2012	17+ years Financial
Gregg Stetsko, Ph.D.	VP, Research and Development	2013	30+ years Pharma
Siân Crouzet	Principal Financial Officer	2005	16+ years Financial
Yves Bourboulou	Director, Manufacturing	2004	20+ years Pharma

Key Investment Considerations

- Flamel is focused on three revenue sources: late-stage niche products, partnership products, and internally-developed pipeline products
- Internal pipeline positioned to deliver multiple NDA filings over the next few years → Bloxiverz approved by the FDA on May 31, 2013 and second Éclat has an FDA PDUFA date of April 28, 2014
- Four proprietary controlled-release platforms provide best-in-class solutions for drug delivery challenges
- Diversified mix of partnered and wholly-owned projects addressing both large and niche markets
- Management has greater control of Flamel's strategic direction and value creation – less partner dependent