



Press release from Artimplant
Gothenburg, September 17, 1999

Artimplant: Broadened ownership and financing of warrants

In connection with the financing of Artimplant's early explorative research, warrants were issued during the period 1995 to 1997. The total number of warrants amounts to 1,750,000 with the right to subscribe for one series B share each at a price of SEK 16 during the period July 1, 1999 - December 31, 1999, which is expected to provide proceeds of 28 MSEK during this period. In the event of full exercise, the warrants represent 21.2 per cent of the capital and 10.1 per cent of the votes. The new number of shares would then amount to 8,250,000, whereof 1,000,000 series A and 7,250,000 series B. If fully exercised, the equity will amount to 87 MSEK, or SEK 10.54 per share, based on the financial statements as of June 30, 1999.

In order to broaden the ownership in Artimplant and also contribute to the company's financing, seven members of the Board of Directors and key personnel in Artimplant have sold in total 578,000 Artimplant shares to a number of institutional investors. Fully diluted, the number of shares sold correspond to 7.0 per cent of capital and 3.4 per cent of votes in the company. All sellers of shares will use liquid assets made available to exercise existing warrants in Artimplant.

Anders Cedronius, CEO at Artimplant, comments:

"After signing collaboration agreements with two such leading players as Mölnlycke Health Care and Genzyme Tissue Repair in the last six months, we are very pleased that this transaction gives Artimplant a number of new shareholders. The broadened ownership creates an opportunity for a better liquidity in the Artimplant share, that has been quoted on the Stockholm Stock Exchange O-list since November 1997. The exercise of the option program means a substantial cash inflow to the company during the second half of this year. Since the goal is to launch our first product next year, we are now adding resources for clinical trials and marketing activities."

Artimplant is a research based biomaterial company focused on unmet needs in the field of orthopedic surgery. Artimplant's business concept is to develop, manufacture and market biodegradable implants that provide the injured tissue with temporary relief and support the body's natural healing process. The Company's researchers, which represent a unique combination of interdisciplinary competence, have synthesized a vast number of biodegradable polymers, that can be tailored for use in a number of different medical-treatment areas.

Artimplant has developed and patented a resorbable ligament implant that currently is undergoing clinical trial for treatment of injured anterior cruciate ligament (ACL). A ruptured ACL in the knee is one of the most frequent ligament injuries and often leads to lifelong detrimental effects for the injured and substantial costs to society. Artimplant's technology can be applied in numerous other areas and the development activities have expanded to include more than a dozen projects, mainly in the field of orthopedic surgery.

*As part of Artimplant's market strategy Gothenburg Medical Center (GMC) was acquired with the purpose of establishing Swedish headquarters for **Artimplant Academy** – a forum for advanced clinical research, application and education within orthopedic surgery. Cartilage replacement – a new method for treatment of damaged cartilage – was developed by researchers employed or tied to Artimplant. The clinical documentation of the patients who have undergone cartilage replacement at GMC, has formed the basis for the US authorities' approval.*

Artimplant is listed on the O-list of the Stockholm Stock Exchange.

Artimplant's interim reports and press releases can be retrieved from: www.Artimplant.se

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