Press Release  
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First step towards treatment of spinal disorders with Artelon®

Artimplant is taking its first step towards treatment of spinal disorders with its proprietary biomaterial Artelon®. An Artelon® implant will now be used for investigational treatment of osteoarthritis of the lumbar facet joints. The investigator, Schulthess Clinic Spine Center, plans to start enrolling patients during the second quarter of 2009.

Schulthess Clinic Spine Center in Zürich has received the letter of confirmation from Swissmedic to commence the clinical investigation of an Artelon® implant. The aim of this pilot clinical investigation is to evaluate the feasibility of treating painful osteoarthritis of the lumbar facet joints of the spine with an Artelon® implant. The pain relief provided by this treatment will be examined and the patients will be followed up for two years. The study will form the basis for documenting the safety and ease of use of the Artelon® implant in spine applications and establishing the post-surgical instructions.

Artimplant has more than nine years’ clinical experience of Artelon® in the treatment of osteoarthritis in small joints in the hand, wrist and foot. The principles behind helping the body to heal and regain functional joints do not differ to any great extent from one part of the body to another. Applying the Artelon® resurfacing concept to the facet joint is a logical step for Artimplant and is in line with the trend in spine surgery towards motion preservation. Compared to other spine surgery alternatives the procedure is simple. Implanting the Artelon® device is less invasive than most other spine procedures and can be performed through the patient’s back. Thereby the patient can resume normal activities after a short recovery period.

Arthritis of the lumbar facet joints is a source of significant low back pain. Like other joints in the body that are covered with articular cartilage, the lumbar facet joints can be affected by arthritis. Normally, the facet joints fit together snugly and glide smoothly, without pressure. If pressure builds up on the joint surface, the cartilage is eroded. As a disc thins with aging and from daily wear and tear, the space between the two spinal vertebrae shrinks. This causes the facet joints to press together. Facet joints can also become arthritic due to a back injury earlier in life. The body responds to this extra pressure by developing bone spurs. Eventually, the joint surfaces become arthritic. When the articular cartilage degenerates, or wears away, the bone underneath is uncovered and rubs against bone. The joint becomes inflamed, swollen and painful.

The treatment for facet arthritis typically proceeds in a stepwise fashion. Initially, anti-inflammatory medication is usually combined with some form of physiotherapy. When primary treatment is no longer effective, surgery is an option. Traditionally, fusion has been the standard approach. The basis of the fusion concept is to immobilize the joint and hence the elimination of pain, believed to originate from friction between the degenerated joint surfaces during motion. While this approach can be effective in relation to the joint in question, it is often accompanied by various drawbacks, such as loss of function and overload of adjacent structures. Consequently, joint fusion is ultimately abandoned in general orthopedics and replaced by artificial joint surgery. In the spine, motion-preserving technology is still in a state of development and expectations for the future are high. Some disc replacement and dynamic stabilization products are available on the market. However, it is estimated that over 50 percent of patients with chronic back pain exhibit some or most of that pain in the facet joints. A recently approved procedure known as Total Disc Replacement (TDR) addresses degenerative disc disease (DDD) but fails to treat degenerative facet joints, which usually contributes to back pain in patients with DDD. Recent studies of patients who underwent TDR surgery indicate that over 50 percent of patients have progression of facet joint disease two years after the
TDR procedure. Additionally, symptomatic facet joints are the leading contraindication for TDR present in approximately 90 percent of patients requesting TDR but later undergoing other spinal procedures.

According to different U.S. National Institutes of Health back pain is the second most common medical condition for which people seek medical treatment. The spinal market is the third-largest and fastest-growing segment in the orthopedic industry. Medtech Insight Inc. has estimated the total value of the U.S. spinal market for 2008 at USD 2 billion. The majority of the value is estimated to come from fusion implants that immobilize segments of the spinal column. Future growth however, projected to add over USD 1 billion through to 2012, is anticipated to come from motion-preserving implants. The aim of the Artelon® facet solution is to relieve pain and maintain the native function of the facet joint. It is a game-changing technology that adds force to the projected evolution. According to P&M Corporate Finance it is estimated that the worldwide facet replacement market will grow from USD 5 million in 2009 to USD 500 million in 2015.

Artimplant’s business operations are based on exploring the Company’s unique biomaterial platform Artelon®. There is considerable interest in Artimplant and the technology the company controls. A positive result from this study, performed by the Schulthess Clinic, will create a scientific and commercial basis for the use of Artelon® in the facet application. Moreover, it will create a foundation for other treatments of spinal disorders with Artelon® and increase the interest in Artimplant.

Schulthess Clinic Spine Center, comments;
"By using a new biologically based motion preserving technique, a physiological treatment of degenerative facet joint disease ("facet syndrome") of the lumbar spine is introduced. We expect considerable advantages compared to the actual fusion procedures."

Hans Rosén, CEO Artimplant, says;
“We are very enthusiastic about the cooperation with Schulthess Clinic Spine Center. The study is driven by an apparent clinical need to find a cure for patients with chronic back pain related to osteoarthritis in lumbar facet joints. At present there are no effective treatment options for this large population of patients. The market potential for Artelon® in the treatment of facet osteoarthritis is of significant value."

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Artimplant
Artimplant is a biomaterials company focused on solutions to problems in orthopedic and oral surgery. We restore health through the development, production and marketing of degradable implants that regenerate body functions and improve quality of life. Our products, made from Artelon®, meet unmet clinical needs and are marketed in a growing number of therapy areas. Artimplant produces implants for treatment of osteoarthritis in hands and feet, for shoulder and other soft tissue injuries as well as oral surgery and veterinary medical applications.

Artimplant is a public company listed on the NASDAQ OMX Stockholm Exchange in the Small Cap segment and in the healthcare sector.
Schulthess Clinic
The Schulthess Clinic in Zurich, Switzerland, is one of Europe’s leading orthopedic hospitals. Its central mission is to free people from pain and restore their mobility. As a top orthopedic hospital it specializes in the sophisticated treatment of the musculoskeletal system for patients with joint, back, hand and foot disorders. The Schulthess Clinic has a proven track record with vast experience and high caseload of over 14,000 surgical interventions a year. The Schulthess Clinic is also home to the Swiss Olympic Medical Center, the FIFA Medical Assessment and Research Center and the FIFA Medical Center. More information can be found in the Schulthess Clinic Corporate Video, www.schulthess-klinik.ch/data/_flashfilms/11EN_KWS.html

Forward-looking statements
This press release contains forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on these forward-looking statements. Actual results may differ materially from those indicated by these forward-looking statements as a result of risks and uncertainties impacting the Company's business including increased competition; the ability of the Company to expand its operations and to attract and retain qualified professionals; technological obsolescence; general economic conditions; and other risks detailed from time to time in the Company's filings.

This is information which Artimplant is required to make public pursuant to the Swedish Financial Instruments Act and the Swedish Securities Exchange and Clearing Operations Act and/or stock market agreements. This information was made available for publication on April 8, 2009 at 12:15 pm (GMT+1).