INTERIM REPORT JANUARY-JUNE 2010

- Net revenue for the second quarter amounted to SEK 5.1 million (7.9) and for the first six months SEK 9.8 million (12.8).*
- The net loss for the second quarter totaled SEK 5.0 million (4.1) and for the first six months SEK 9.8 million (8.6).
- Earnings per share for the second quarter amounted to SEK -0.08 (-0.07) and for the first six months SEK -0.16 (-0.14).
- Artimplant's own sales continued to increase and were equivalent to 62% (27) of product sales for the second quarter and 57% (26) for the first six months.
- Artimplant's own sales in the USA have tripled compared with the second quarter and the first six months of 2009.
- Sales of Artelon® Spacer for the second quarter totaled SEK 2.2 million (4.7) and for the first six months SEK 4.8 million (8.2). Sales of Artelon® Spacer via the Company's licensee fell to a significantly lower level than during the corresponding period in 2009.
- Sales of Artelon® Tissue Reinforcement for the second quarter amounted to SEK 2.4 million (3.1) and for the first six months SEK 4.5 million (4.4). During the first six months no sales took place to Biomet Sports Medicine, which sold from its existing inventory.

Events after the period-end

- The Board of Directors has decided to focus Artimplant's strategy more firmly on marketing with increased intensity in own sales in the USA, which will give rise to a further need for capital.
- The Board of Directors has decided to implement a significant reduction in costs not related directly to marketing and sales in Artimplant AB.
- The Board of Directors has decided to implement a rights issue, which is expected to generate capital input for the Company of SEK 40 million. The issue is subject to approval at an extraordinary meeting of the stockholders. It is the ambition of the Board of Directors that the majority of the issue will be secured through declarations of intent and guarantee undertakings.
- Subscription commitments and guarantee undertakings from the Board of Directors and senior management total just over SEK 5 million.
- The Company has revised its cash flow target and the aim now is that a positive cash flow before changes in working capital will be achieved on a monthly basis during the second half of 2011 (previously the target was "by the end of 2010").

N. B. This is a translation from Swedish. The Swedish version shall always take precedence.
Artimplant will hold a telephone conference by reason of this report on August 3, 2010 at 3 pm (CET). For further information see www.artimplant.com.
* Figures in brackets refer to the corresponding period last year

Artimplant
Degradable Materials for Optimal Tissue Repair

Artimplant

Artimplant's mission is to restore the health of patients by offering medical professionals degradable implants that help the body to heal.

Artimplant is a medical technology company that restores health through the development, production and marketing of degradable implants that regenerate body functions and improve quality of life. Our products are made from Artelon®, a biomaterial developed by the Company. Artimplant produces implants for the treatment of osteoarthritis and the reinforcement of weakened soft tissue. The Company's products are sold through licensees and own sales under the Artimplant brand take place through agents and distributors.

Artelon® CMC/STT Spacer

Artimplant's first product, which is used to treat osteoarthritis (wearing of the cartilage) in the thumb base joint. The product has been granted regulatory clearance and has been launched in Europe, the USA and a small number of other countries.

Artelon® MTP Spacer

A product for the treatment of osteoarthritis in the big toe joint. The product is in the launch phase in Europe.

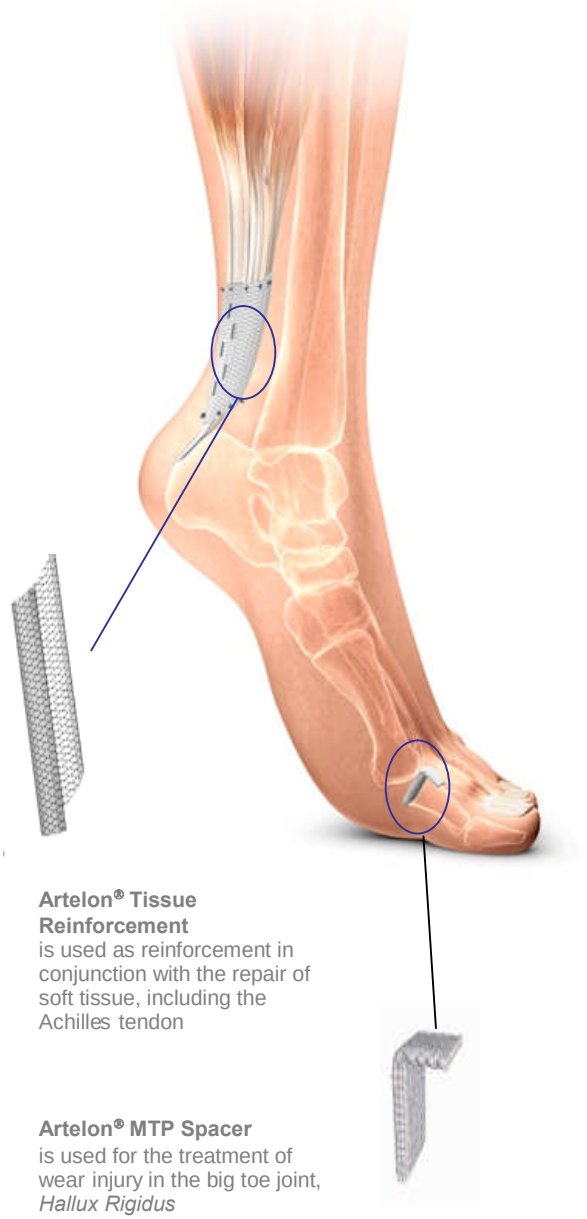
Artelon® Tissue Reinforcement

The product is a mesh used as reinforcement in conjunction with the repair of soft tissue e.g. tendons. The product is currently in the market introduction phase in Europe and the USA.

Artelon® Cosmetic

A product for soft tissue augmentation in the mouth. Approved for sale in Europe.

Artimplant is a public company listed on the NASDAQ OMX Stockholm Exchange in the Small Cap segment and in the Healthcare sector.



Artelon® Tissue Reinforcement
is used as reinforcement in conjunction with the repair of soft tissue, including the Achilles tendon

Artelon® MTP Spacer
is used for the treatment of wear injury in the big toe joint, *Hallux Rigidus*

Key events

Artimplant's own sales are continuing to increase according to plan in the USA and now account for the majority of the revenue.

The Company's positive experience from the launch of Artelon® Tissue Reinforcement (ATR) through in-house activities on the US market has clearly demonstrated new potential for complementary ATR products.

Sales by Biomet Sports Medicine to end-customers remain stable. Artimplant has not had any sales to Biomet Sports Medicine (Biomet) during the first six months as sales have taken place from the licensee's own inventory.

Sales of Artelon® Spacer by Small Bone Innovations (SBi) continued to fall during the second quarter of 2010.

After the period-end the Board of Directors decided to focus Artimplant's strategy on becoming a market-oriented company specializing in the development of orthopedic products. This involves greater emphasis on expanding in-house sales activities, primarily in the USA, accompanied by a significant reduction in cost mass in other functions.

After the period-end, the Board of Directors decided to implement a rights issue, which is expected to generate capital input for the Company of approximately SEK 40 million. The Board's issue decision is subject to approval at an extraordinary meeting of the stockholders on September 6, 2010. The Board of Directors' plan is for the issue to be completed by the end of October 2010.

Financial results

Net revenue for the second quarter amounted to SEK 5.1 million (7.9) and for the first six months to SEK 9.8 million (12.8). Net revenue was primarily revenue from product sales. Direct sales via agents and sales to Artimplant's local distributors (termed own sales) continue to increase and during the second quarter were equivalent to 62% (27) of product sales and for the first six months 57% (26%).

The gross margin for product sales during the second quarter was 78% (85) and during the first six months 80% (89). During the first half of 2010 the production volume was low, which has meant that fixed production costs have had a negative impact on the gross margin.

The operating loss for the second quarter amounted to SEK 5.1 million (4.1) and during the first six months to SEK 9.8 million (8.7). Operating expense for the first six months, excluding the cost of goods and services sold as well as a non-recurring item of SEK 0.8 million during 2009, was SEK 1.7 million lower than the corresponding period the preceding year. This can be attributed mainly to the fact that depreciation of capitalized product development costs for Artelon® CMC Spacer, totaling approximately SEK 0.5 million per quarter, was concluded during 2009.

The net loss for the second quarter was SEK 5.0 million (4.1) and for the first six months SEK 9.8 million (8.6), including a currency exchange rate fluctuation of SEK -0.3 million (-0.1). Earnings per share for the second quarter were SEK -0.08 (-0.07) and for the first six months SEK -0.16 (-0.14).

Seasonal effects

Artimplant has not been exposed during the reporting period to any material seasonal effects, neither in revenue nor in costs.

Investments and cash position

Investments during the first quarter totaled SEK 0.1 million (0.1), of which SEK 0.1 million (0.1) was attributable to intangible assets.

At the end of the period, cash and cash equivalents amounted to SEK 11.5 million (21.4). Total cash flow for the first six months amounted to SEK -4.1 million (-10.0). The

improvement compared with the first half of 2009 can be attributed largely to a positive change in operating capital of SEK 0.9 million (-3.6) and utilization of the operating capital facility to the amount of SEK 4.0 million.

The Company has access to an operating capital credit facility of SEK 8.0 million. During the second quarter SEK 4.0 million of the credit facility had been utilized. The remainder of the credit is available through a bank overdraft facility. A chattel mortgage for SEK 8.0 million has been furnished as collateral and the credit facility is subject to the customary conditions regarding operational development.

Personnel

As of June 30, 2010, Artimplant had 25 employees (26), of whom 13 (15) were women and 12 (11) were men. During the period, two product specialists were employed at Artimplant USA, Inc. The remainder are employed by Artimplant AB.

Market development

Artimplant's own sales in the USA are developing positively and sales are increasing month by month. The ATR product, which is intended for reinforcement of soft tissue, continues to convince surgeons and patients of its user-friendliness and positive treatment outcome. Sales to date have taken place mainly through a small number of the Company's own agents. Experience up to now reveals considerable potential for increased growth as existing agents gradually increase their sales and new agents are added. At the end of the second quarter, two product specialists were employed to provide training and sales support for Artimplant's agents in the USA. The foundation for the Company's planned market expansion in the USA has been laid and will now be stepped up.

During the second quarter, total own sales increased to SEK 2.9 million (2.1) and SEK 5.3 million (3.3) for the first six months. Artimplant’s own sales in the USA tripled compared with the second quarter and the first six months of 2009.

Artimplant has continued to work on producing clinical market support documentation based on reported clinical experience and publications. These activities are of major significance in supporting growth.

ATR, which has been cleared as general reinforcement for soft tissue injuries, is sold both by Artimplant USA and also non-exclusively by the licensee Biomet as SportMesh™. Biomet sales during the period were stable and took place from their own inventory. The next product delivery to Biomet will take place during the third quarter. Artimplant's sales revenue from ATR during the second quarter totaled SEK 2.4 million (3.1) and SEK 4.5 million (4.4) for the first six months.

Artelon® Spacer is a product that has been cleared for the treatment of osteoarthritis in a number of joints in the hand and foot and is sold non-exclusively by the licensee Small Bone Innovations (SBi). The licensee’s sales of Artelon® CMC Spacer fell during the first six months compared with the second half of 2009. This can be attributed largely to reports of unsatisfactory surgical outcome, which led to a fall in sales during the third quarter of 2009. The reports referred to a small number of cases which occurred during the initial post-launch period where user instructions were not followed. SBi is working on corrective communication to the market. In co-operation with SBi, Artimplant is developing a new Artelon® CMC Spacer, which has a similar user-friendly textile design as ATR. Published studies and a new launch are key activities if the licensee is to retake lost sales volumes. Sales revenue from Artelon® Spacer during the second quarter amounted to SEK 2.2 million (4.7) and for the first six months SEK 4.8 million (8.2). SBi is responsible for the majority of the sales.

Sales of Artimplant products to end-customers in Europe are stable although they have been assigned lower priority as resources have been concentrated on the USA, which in terms of value is the most important market. In the USA surgeons are used to reinforcement products and assimilate new technology more quickly.

Product and business development

Artimplant's existing focus on new applications based on the unique Artelon® platform is continuing. There is a clinical need for complementary products within the ATR family for the reinforcement of soft tissue. The ATR design currently being marketed is aimed primarily at larger soft tissue injuries. A broader product range for soft tissue reinforcement offers surgeons the opportunity to use Artelon® products on more patients. The plan is to launch the new products during 2011.

Artimplant's products and projects can be viewed in four phases: concept evaluation/proof-of-concept (Explore), product development and documentation for market registration (Develop), launch and post-market studies (Market Introduction) and a product established on the market (Established).

Product Concept	Intended use	Product	Explore	Develop	Market Intro.	Established
Resurfacing	Osteoarthritis in the thumb base joint	Artelon® CMC/ STT Spacer				
	Osteoarthritis in the big toe joint	Artelon® MTP Spacer*				
	Osteoarthritis in the facet joints of the lumbar spine	Facet Spacer				
	Osteoarthritis in the knee joint	Knee Resurfacing				
Reinforcement	Soft tissue reinforcement of tendons and ligaments	Artelon® Tissue Reinforcement				
	Knee ligament reconstruction in dogs	Artelon® CCL				
Replenishment	Soft tissue augmentation in the mouth	Artelon® Cosmetic*				
	Bone augmentation in the upper jaw	Bone Scaffold				

* Not cleared for sale in the USA

The Schulthess Clinic in Zurich is conducting a clinical pilot study to demonstrate pain relief in the treatment of osteoarthritis in the facet joints in the spine using an Artelon® implant. The aim of this study is to document safety and user-friendliness in conjunction with treatment using Artelon®. Pain relief with this treatment will be documented and the patients will be followed up over a two-year period. The Schulthess Clinic commenced the study during the second quarter of 2009. All patients in the first part of the study have undergone surgery and will be followed up over a six-month period, after which the Schulthess Clinic will apply for consent to expand the study. The study plan is in compliance with the permit granted to run the study. The Schulthess Clinic is planning to continue operating on new patients from the turn of the year.

Artimplant and Tulsa Bone & Joint Associates, Tulsa, Oklahoma, USA, are running a post-market study of ATR for patients with rotator cuff injuries. The study comprises approximately 20 patients. The final patient underwent surgery in October 2009 and a one-year follow-up is taking place.

Artimplant is supporting a number of studies involving the treatment of stiff big toe (*Hallux Rigidus*) using Artelon® MTP Spacer. A one-year follow-up of an investigator-initiated, multicenter study is currently being concluded.

In collaboration with SBi, Artimplant is developing a new Artelon® CMC Spacer based on the same user-friendly textile design as ATR, which is expected to contribute to improved user-friendliness

By using Artelon® as an artificial ligament (Artelon® CCL) conditions are created for the body to restore a functional ligament. In cooperation with American veterinary experts and Artimplant's veterinary medicine distributor BioMedtrix, Artimplant has planned a prospective investigation with Artelon® CCL in the USA.

Artimplant has evaluated the use of Artelon® for soft tissue reinforcement of, among other things, the Achilles tendon in dogs. Approximately ten centers have enrolled in a multicenter study, which is already in progress, aimed at documenting reinforcement of the Achilles tendon in dogs.

Events after the period-end

The Board of Directors has decided to direct Artimplant's strategy at becoming more market oriented within orthopedics. The positive growth in own sales in ATR in the USA in recent quarters has convinced senior management and the Board to implement the change and build up a market based on the unique features of the Artelon® products. The shift in the Company's strategic focus will make new demands on the Artimplant organization. The Board has therefore decided to make an organizational change that will free up resources to facilitate a greater focus on marketing and sales supporting activities.

Artimplant is planning to reinforce its presence on the strategically important US market. This will improve conditions for the successful launch of existing and future products. The Company is planning to employ more product specialists in the USA to increase market penetration. With these measures the ambition is to achieve:

- a higher gross margin
- a more offensive, dedicated sales program
- assurance of product use
- a stable, growing customer base for existing and future products

The Company also has plans for restructuring that will lead to a significant reduction in costs not related directly to marketing and

sales. The planned activities are a consequence of the decision by the Board to make the Artimplant strategy more market-oriented. The decision will not impact on the Company's ambitious plan for existing development projects or undertakings in clinical studies. At present, no new development projects are planned under the Company's auspices, thus opening up scope for the restructuring that will bring about a reduction in operating costs. Following restructuring costs, the estimated annual cost reduction will be about SEK 5 million.

In order to assure the Company's expansion plans in the USA, it is estimated that approximately SEK 40 million after issue costs will be required as additional capital. The Board has therefore decided to implement a rights issue. The decision by the Board to implement the issue is subject to approval at an extraordinary meeting of the stockholders on September 6, 2010. Subject to approval of the issue decision, the Board plans to make public the final terms and conditions in the middle of September. Following approval, the issue is planned to be completed by the end of October 2010. It is the ambition of the Board of Directors that the majority of the issue will be secured through declarations of intent and guarantee undertakings. Subscription commitments and guarantee undertakings from the Board and senior management amount to just over SEK 5 million.

Future prospects

The plan is for the Company's growth during 2010 to be achieved through increased own sales of existing products within orthopedics. Artimplant's direct sales in the USA will account for the majority of the growth in sales, which are expected to increase gradually as new agents begin selling and building up confidence in Artimplant's products in each sales district.

In conjunction with the planned rights issue and the formulation of a new strategic plan, the Board of Directors and the senior management have reviewed Artimplant's objectives. The Company is now working with the goal that a positive cash flow before changes in working capital will be achieved on a monthly basis during the second half of 2011. The previously communicated aim was: "The Company does not provide a forecast of the rate at which sales will increase although Artimplant is working towards the goal that a positive cash flow before changes in working capital will be achieved on a monthly basis by the end of 2010”. The reason for the adjustment in the goal announced previously is mainly lower revenue than planned from the Company's licensees.

Artimplant's business operations are based on exploiting the Company's unique biomaterial platform Artelon®. The orthopedic areas hip, knee and spine offer the greatest market potential. Artimplant intends to continue investing in projects in these areas at the same time that the scientific base is reinforced for cleared products, which offers support for increased sales.

Significant risks and uncertainty factors

The Company's significant risks and uncertainty factors are presented in the Board of Directors' Report in the most recent annual report. These have not changed to any material extent apart from the following addition.

Liquidity risk. If the planned rights issue cannot be implemented, or if the existing working capital credit facility were to be terminated as a result of operational developments, the Company would need to secure capital input in some other way. If the Company were to fail to secure the requisite capital input, Artimplant's future operations could be jeopardized.

Parent Company

The majority of Artimplant's operations are run through the Parent Company, Artimplant AB. Artimplant USA, Inc. is the Company's only subsidiary and is at present fully funded by the Parent Company. The Parent Company is responsible for continuity at the subsidiary and during the first half of 2010 an impairment was made of receivables from Artimplant USA totaling SEK 3.1 million. Together with the provision of SEK 9.0 million in the opening balance, the total impairment is SEK 12.1 million, which is equivalent to the subsidiary's negative equity. The impairment does not affect the Group's result. The difference in the Parent Company's equity compared with the Group's equity can be explained by the internal profit on products sold by the Parent Company to the subsidiary and amounts to SEK 10.4 million. See summary of the Parent Company Statement of Comprehensive Income and Statement of Financial Position on pages 12-13.

Accounting principles

Artimplant applies IFRS. This interim report has been prepared in accordance with IAS 34, the Swedish Annual Accounts Act and RFR 1.3. The Parent Company's financial statements are prepared in accordance with exceptions and addenda in RFR 2.3. No new or amended IFRS, which came into effect in 2010, had any significant impact on the Group.

The reclassification in the accounting records of currency effects, which was made in the third quarter 2009, has been taken into account in the comparison figures in this report.

Further accounting principles can be found in the Company's Annual Report for 2009, which is available on the Company's website.

Forthcoming information

Nine-monthly report	October 28, 2010
Year-end report	February 10, 2011
Three-monthly report	May 4, 2011
Six-monthly report	August 3, 2011

Financial reports are available on the Company's website www.artimplant.com and are also distributed to the media. For information regarding the business model, technology and products, see Artimplant's Annual Report for 2009, which is available on the Company's website.

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Reg. No.	556404-8394

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Amounts in KSEK	Apr-Jun 2010	Jan-Jun 2010	Apr-Jun 2009	Jan-Jun 2009	Jan-Dec 2009
Net sales	5,054	9,810	7,907	12,755	23,998
Cost of goods and services sold	-1,298	-2,275	-1,195	-1,427	-4,328
Gross profit/loss	**3,756**	**7,535**	**6,712**	**11,328**	**19,670**
Other income	58	130	-46	298	451
Research and development costs (1, 2)	-3,474	-6,989	-4,247	-8,451	-14,995
Selling costs	-3,988	-7,573	-4,797	-8,565	-17,049
Administrative costs	-1,407	-2,855	-1,509	-2,886	-5,729
Other costs	-8	-57	-171	-388	-861
Operating loss	**-5,063**	**-9,809**	**-4,058**	**-8,664**	**-18,513**
Interest income and other financial income	15	74	169	286	311
Interest expense and other financial expenses	23	-33	-193	-190	-431
Net financial items	**38**	**41**	**-24**	**96**	**-120**
Loss after financial items	**-5,025**	**-9,768**	**-4,082**	**-8,568**	**-18,633**
Taxes	-	-	-	-	-
Loss for the period*	**-5,025**	**-9,768**	**-4,082**	**-8,568**	**-18,633**
Loss attributable to the Parent Company's stockholders	-5,025	-9,768	-4,082	-8,568	-18,633
Earnings per stock unit, SEK	-0.08	-0.16	-0.07	-0.14	-0.31
Earnings per stock unit after dilution, SEK	-0.08	-0.16	-0.07	-0.14	-0.31

** Same as the comprehensive income for the period*

The statements include depreciation of tangible fixed assets and amortization of intangible fixed assets as shown in the following table.

Amounts in KSEK	Apr-Jun 2010	Jan-Jun 2010	Apr-Jun 2009	Jan-Jun 2009	Jan-Dec 2009
(1) Capitalized R&D cost	-	-	546	1,092	1,635
(2) Patents and brands	189	374	221	443	866
Machinery and equipment	114	235	153	305	610
Total depreciation	**303**	**609**	**920**	**1,840**	**3,111**

ALLOCATION OF CONSOLIDATED NET SALES

Amounts in KSEK Source of revenue	Apr-Jun 2010	Jan-Jun 2010	Apr-Jun 2009	Jan-Jun 2009	Jan-Dec 2009
Product sales by licensees	1,811	4,094	5,685	9,371	14,572
Product sales by end customer and distributors	2,937	5,319	2,113	3,272	8,680
One-off and project milestone income	-	-	-	-	-
Contract product development and other sales	306	397	109	112	746
	5,054	**9,810**	**7,907**	**12,755**	**23,998**

Geographic areas	Apr-Jun 2010	Jan-Jun 2010	Apr-Jun 2009	Jan-Jun 2009	Jan-Dec 2009
North America	4,604	8,945	6,598	10,815	18,705
Europe	450	865	1,309	1,940	5,041
Other areas	-	-	-	-	252
	5,054	**9,810**	**7,907**	**12,755**	**23,998**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in KSEK	6/30/2010	6/30/2009	12/31/2009
ASSETS			
Capitalized product development	1,191	1,734	1,191
Patents and brands	1,307	2,015	1,587
Total intangible fixed assets	*2,498*	*3,749*	*2,778*
Machinery and equipment	520	1,029	723
Total tangible fixed assets	*520*	*1,029*	*723*
Total fixed assets	**3,018**	**4,778**	**3,501**
Raw materials, semi-finished and finished goods	3,817	5,205	4,137
Total inventories, etc.	*3,817*	*5,205*	*4,137*
Accounts receivable	2,586	3,213	2,946
Other receivables	1,378	1,339	1,014
Prepaid expenses and accrued income	3,089	4,133	3,286
Total short-term receivables	*7,053*	*8,685*	*7,247*
Cash and bank accounts	11,521	21,377	15,613
Total current assets	**22,391**	**35,267**	**26,997**
TOTAL ASSETS	**25,409**	**40,045**	**30,498**

Amounts in KSEK	6/30/2010	6/30/2009	12/31/2009
STOCKHOLDERS' EQUITY & LIABILITIES			
Capital stock	5,924	5,924	5,924
Other capital reserves	26,671	39,953	39,953
Retained loss	-8,475	-3,664	-3,390
Translation difference	-	-	-
Loss for the period	-9,768	-8,568	-18,633
Total equity	**14,352**	**33,645**	**23,853**
Provisions	**46**	**46**	**65**
Long-term interest-bearing liabilities	4,000	**-**	**-**
Total non-current liabilities	**4,000**	**-**	**-**
Accounts payable	1,168	1,057	1,147
Other current liabilities	600	2,017	1,393
Accrued expenses and prepaid income	5,243	3,280	4,040
Total current liabilities	**7,011**	**6,354**	**6,579**
TOTAL STOCKHOLDERS' EQUITY & LIABILITIES	**25,409**	**40,045**	**30,498**

CONSOLIDATED CHANGES IN STOCKHOLDERS' EQUITY DURING THE PERIOD

Amounts in KSEK	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
Capital stock	**5,924**	**5,924**	**5,924**
Other capital reserves at the beginning of the period*	39,953	58,270	58,270
Reduction in other capital reserves	-13,282	-18,317	-18,317
Total other capital reserves	**26,671**	**39,953**	**39,953**
Retained loss at the beginning of the period	-22,024	-22,229	-22,229
Reduction in other capital reserves	13,282	18,317	18,317
Benefit, employee stock option (IFRS 2)	267	247	521
Loss for the period	-9,768	-8,568	-18,633
Total retained loss	**-18,243**	**-12,232**	**-22,024**
Equity at the period-end	**14,352**	**33,645**	**23,853**

** Other capital reserves have been reduced annually to cover the retained loss.*
Total other capital reserves before issue costs amount to SEK 438 million.

CONSOLIDATED CASH FLOW STATEMENTS

Amounts in KSEK	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
Operating activities			
Net loss after financial items	-9,768	-8,568	-18,633
Adjustment for items not effecting cash flow	866	2,269	3,974
Cash flow from operations before changes in working capital	**-8,902**	**-6,299**	**-14,659**
Cash flow from changes in working capital			
Changes in inventories etc.	320	-479	589
Changes in receivables	194	-4,484	-3,035
Changes in liabilities	429	1,374	1,576
Cash flow from operations	**-7,959**	**-9,888**	**-15,529**
Investment activities			
Acquisition of intangible fixed assets	-94	-117	-215
Acquisition of tangible fixed assets	-39	-25	-25
Sale of tangible fixed assets	-	11	11
Cash flow from investment activities	**-133**	**-131**	**-229**
Financing activities			
Long-term loan	4,000	-	-
Cash flow from financing activities	**4,000**	**-**	**-**
Cash flow for the period	**-4,092**	**-10,019**	**-15,758**
Cash and cash equivalents at the beginning of the per	**15,613**	**31,371**	**31,371**
Translation of foreign liquid assets	**-**	**25**	**-**
Cash and cash equivalents at the period-end	**11,521**	**21,377**	**15,613**

CONSOLIDATED KEY RATIOS

	Apr-Jun 2010	Jan-Jun 2010	Apr-Jun 2009	Jan-Jun 2009	Jan-Dec 2009
Earnings per stock unit, SEK	-0.08	-0.16	-0.07	-0.14	-0.31
Earnings per stock unit after dilution, SEK	-0.08	-0.16	-0.07	-0.14	-0.31
Equity per stock unit, SEK	0.24	0.24	0.57	0.57	0.40
Equity per stock unit after dilution, SEK	0.24	0.24	0.57	0.57	0.40
No. of stock units in issue at the period-end	59,244,790	59,244,790	59,244,790	59,244,790	59,244,790
Average no. of stock units in issue during period	59,244,790	59,244,790	59,244,790	59,244,790	59,244,790
No. of stock units in issue after dilution	61,288,676	61,288,676	61,366,789	61,366,789	61,346,566
Cash flow per stock unit, SEK	-0.02	-0.07	-0.06	-0.17	-0.27
Operating margin, %	neg	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg	neg
Return on capital employed, %	neg	neg	neg	neg	neg
Return on capital, %	neg	neg	neg	neg	neg
Equity/assets ratio, %	56	56	84	84	78

PARENT COMPANY INCOME STATEMENTS

Amounts in KSEK	Apr-Jun 2010	Jan-Jun 2010	Apr-Jun 2009	Jan-Jun 2009	Jan-Dec 2009
Net sales	5,639	10,042	9,520	15,141	28,192
Cost of goods and services sold	-1,386	-2,380	-1,231	-1,557	-4,554
Gross profit/loss	**4,253**	**7,662**	**8,289**	**13,584**	**23,638**
Other income	1,466	1,953	-	1,477	2,151
Research and development costs (1,2)	-3,474	-6,989	-4,247	-8,451	-14,995
Selling costs	-2,380	-4,536	-3,460	-6,246	-12,203
Administrative costs	-1,407	-2,855	-1,509	-2,886	-5,729
Other costs	-285	-662	-967	-1,889	-3,345
Operating loss	**-1,827**	**-5,427**	**-1,894**	**-4,411**	**-10,483**
Interest income and other financial income	449	654	208	1,146	1,360
Interest expense and other financial expenses	-85	-254	-562	-1,022	-1,781
Impairment of receivebles subsidiaries	-2,216	-3,073	-448	-1,941	-2,898
Net financial items	**-1,852**	**-2,673**	**-802**	**-1,817**	**-3,319**
Loss after financial items	**-3,679**	**-8,100**	**-2,696**	**-6,228**	**-13,802**
Taxes	-	-	-	-	-
Loss for the period*	**-3,679**	**-8,100**	**-2,696**	**-6,228**	**-13,802**

** Same as the comprehensive income for the period*

The income statements include depreciation of tangible fixed assets and amortization of intangible fixed assets as shown in the following table.

Amounts in KSEK	Apr-Jun 2010	Jan-Jun 2010	Apr-Jun 2009	Jan-Jun 2009	Jan-Dec 2009
(1) Capitalized R&D cost	-	-	546	1,092	1,635
(2) Patents and brands	189	374	221	443	866
Machinery and equipment	116	233	152	302	603
Total depreciation	**305**	**607**	**919**	**1,837**	**3,105**

PARENT COMPANY BALANCE SHEETS

Amounts in KSEK	6/30/2010	6/30/2009	12/31/2009
ASSETS			
Total intangible fixed assets	*2,498*	*3,749*	*2,778*
Total tangible fixed assets	*504*	*1,017*	*715*
Stock and participation in subsidiaries	10	10	10
Total fixed assets	**3,012**	**4,776**	**3,503**
Total inventories, etc.	*3,441*	*4,915*	*3,825*
Accounts receivable	1,164	2,829	1,923
Receivables from affiliated companies	12,533	6,800	9,736
Other receivables	1,378	1,339	1,014
Prepaid expenses and accrued income	2,629	4,133	3,162
Total short-term receivables	*17,704*	*15,101*	*15,835*
Cash and bank accounts	10,903	20,927	15,020
Total current assets	**32,048**	**40,943**	**34,680**
TOTAL ASSETS	**35,060**	**45,719**	**38,183**

Amounts in KSEK	6/30/2010	6/30/2009	12/31/2009
STOCKHOLDERS' EQUITY & LIABILITIES			
Total equity	**24,762**	**39,896**	**32,596**
Provisions	**46**	**46**	**65**
Total long term liabilities	**4,000**	**-**	**-**
Total current liabilities	**6,252**	**5,777**	**5,522**
TOTAL STOCKHOLDERS' EQUITY & LIABILITIES	**35,060**	**45,719**	**38,183**

The Board of Directors and the CEO certify that this Report provides a true and fair overview of the Parent Company's and the Group's operations, financial position and results and presents the material risks and uncertainty factors facing the Parent Company and the companies that form part of the Group.

Gothenburg, August 3, 2010
Artimplant AB (publ)

Ingemar Kihlström	Hans Rosén	Mats Lindquist
Chairman of the Board	CEO	Board Member
Håkan Johansson	Wenche Rolfsen Sandsborg	Anna Malm Bernsten
Board Member	Board Member	Board Member

This report has not been reviewed by the Company's auditors.

This information is information which Artimplant is required to publish pursuant to the Swedish Financial Instruments Act and/or the Swedish Securities Exchange and Clearing Operations Act and/or stock market agreements. The information was published on August 3, 2010 at 2 pm (CET).

History

1986 – 1996 - A medical need is identified and the development of a new biomaterial commences. During subsequent years material, product and production development takes place and the technology is verified through preclinical trials.

1997 - The Company acquires a Swedish patent for Artelon® hydrolyzable fiber polymers for use in temporary implants. The Company is floated on the Stockholm Stock Exchange. The first cruciate ligament (ACL) operations on human patients using implants from Artimplant are carried out within the framework of a pilot study.

1998 - The Company acquires Gothenburg Medical Center, a clinic specializing in sports-related injuries.

1999 - Pilot studies in the treatment of damaged thumb ligament and thumb base osteoarthritis are initiated. Artimplant's first multicenter trial in ACL reconstruction begins. Artimplant begins cooperation with Mölnlycke Health Care AB in the field of wound care.

2000 - The first multicenter trial in ACL reconstruction is concluded. The second multicenter ACL reconstruction trial begins. Artimplant's Artelon® patent is approved in the USA and Europe. The marketing organization is expanded.

2001 - Artimplant's quality assurance system is certified by Lloyds Register Quality Assurance. Artimplant's first product, the Artelon® Augmentation Device ACL is granted CE-certification and can now be marketed in Europe. The task of building up the Company's own marketing and sales organization ceased during the autumn. Products and material technology will be commercialized through the granting of licenses to leading companies with a global presence.

2002 - Agreement on wound care signed with Mölnlycke Health Care AB. An extensive restructuring program is commenced to reduce the Company's cost base.

2003 - The Company signs an agreement with Atlantech for sales in the UK of its Artelon® Augmentation Device ACL. Artimplant's Artelon® CMC Spacer for treating thumb base osteoarthritis receives clearance for marketing in Europe. Artelon® Surgical Suture is given clearance by the FDA for sales on the American market. The subsidiary Gothenburg Medical Center is sold.

2004 - Artelon® CMC Spacer receives clearance for marketing from the FDA for sales on the US market. Licensing agreements signed with Small Bone Innovations. A licensing agreement is signed with Biomet Inc. for the production of SportMesh™. Cooperation with Atlantech for the sale of Artelon® Augmentation Device ACL is concluded. Cooperation between Artimplant and Mölnlycke Health Care within wound care is concluded.

2005 - Four new licensing and development agreements are signed with Small Bone Innovations. A distribution agreement for Artelon® Surgical Suture in North America is signed with ArthroCare. Artelon® implant for reinforcing rotator cuffs is cleared for marketing in Europe. Office opened in the United States.

2006 - The Company receives clearance for marketing by the FDA for the sale of the SportMesh™ rotator cuff implant in the USA. Four new Spacer products for the treatment of osteoarthritis in the hand and foot are granted clearance for marketing in Europe. The product Artelon® Augmentation Device ACL is discontinued. Sales of Artelon® CMC Spacer to end-customers increase significantly.

2007 - The Company's sales increase markedly and cash flow improves considerably. The FDA grants clearance to market Artelon® Tissue Reinforcement for soft tissue reinforcement in several new indications in the USA. Two new Spacer products for osteoarthritis in the hand are granted clearance by the FDA for marketing in the USA.

2008 - Sales of Artelon® Tissue Reinforcement increase significantly whilst there is a lack of growth in sales of Artelon® Spacer. The agreement with Small Bone Innovations is renegotiated, making it non-exclusive from 2009. Artimplant is initiating new development projects for the treatment of knee joint osteoarthritis and osteoarthritis in the facet joint in the spine. Agreement signed with BioMedtrix regarding the distribution in the USA of Artelon® CCL for cruciate ligament reconstruction in dogs.

2009 - Sales double and product sales to end-customers and distributors multiply, increasing its share of total sales to 37% (15). All patients are enrolled for the American post-market study of Artelon® Tissue Reinforcement for the treatment of patients with tears in the rotator cuff tendons. The first patients are included in a clinical study for the treatment of osteoarthritis in the facet joint in the spine with an Artelon® implant. Product design and procedure are developed further for Artelon® CCL. The first dogs in a prospective investigation in the USA undergo cruciate ligament reconstruction using Artelon® CCL.