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Press Release
Västra Frölunda, Sweden, February 2nd , 2009

Artimplant and Small Bone Innovations, Inc. revise terms of five License, Supply and Distribution agreements

Artimplant and Small Bone Innovations, Inc. (SBI) have agreed to amend and consolidate the terms of five different License, Supply and Distribution agreements relating to the Artelon® range of biodegradable spacers. The agreements have been converted to non-exclusive in exchange for lower minimum sales commitments from SBI. Artimplant has committed to support SBI with additional clinical documentation in exchange for a higher share of profit from SBI sales. The revisions are retroactive to January 1, 2009.

Conference call, in Swedish, regarding the changed agreements at 11 am (GMT+1), today February 2, 2009. Dial-in details will be available at <http://www.artimplant.com/investors-media/presentations.html> before the call.

Artimplant and SBI are parties to five license, supply and distribution agreements covering the Artelon® CMC Spacer, CMC Spacer Arthro, MTP Spacer, STT Spacer and DRU Spacer (“Original Agreements”). Artimplant and SBI have renegotiated the following material terms of the Original Agreements that have been incorporated into a single new restated agreement (“New Agreement”):

- The Agreements have been converted to non-exclusive.
- Minimum sales quotas are lowered and SBI’s geographical territory is adjusted.
- Artimplant commits to support SBI with additional clinical documentation.
- The payment due to Artimplant per unit sale is significantly increased.
- The Initial Term of the New Agreement will run from 1/1/09 – 12/31/14.
- An option agreement providing Artimplant the right to sell and SBI the right to purchase regulatory files have been terminated.

Long-term the changes in terms are deemed to be very positive for both SBI and Artimplant. Artimplant will take on an increased responsibility in strengthening the clinical documentation and SBI will receive a stronger scientific basis on which it can increase sales. Moreover, the New Agreement enables Artimplant to more actively work in collaboration with SBI’s management to drive sales in and outside the U.S.

In the short-term, the changes are cash-flow negative for Artimplant. The changes release SBI from its bi-annual purchase and sales obligations under the Original Agreements, as well as releasing the company from its obligation to purchase regulatory files from Artimplant. However, the increased flexibility and anticipated growth of Artelon® Spacer products with higher returns make the changes very attractive for both companies.

Hans Rosén, CEO of Artimplant says;

“We are very pleased to improve both margin and flexibility in our business relationship with SBI. The revised agreement will create a more efficient working relationship where the respective strength of the partners is better utilized. SBI is our primary business partner for resurfacing of small bones and joints. Artimplant will increase its efforts to support the growth of SBI sales in a long term prosperous relationship.”



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Anthony G. Viscogliosi, Chairman and CEO of SBI says;

“We are delighted to have revised our working agreements to create greater synergies between SBI’s marketing and distribution strength and Artimplant’s research, development, clinical documentation and manufacturing skills. The New Agreement provides increased incentive for both our companies to continue to build the Artelon® brand. To date, the Artelon® platform has been an important part of SBI’s success, and this New Agreement promises to strengthen Artelon’s role as a key element of our upper limb portfolio.”

For additional information, please contact:

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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 OMX Nordic Exchange Stockholm in the Small Cap segment and in the healthcare sector.

Small Bone Innovations

Small Bone Innovations, Inc. (SBI) is a private company and was founded in 2004 by Viscogliosi Brothers, LLC, (VB), the New York-based merchant banking firm that specializes in the musculoskeletal/orthopedic sector. VB created SBI as the first company to focus purely on small bone & joint science. By integrating established companies and professionals in the field, SBI offers a broad, clinically proven portfolio of products and technologies to treat trauma and diseases in small bones & joints. Today, SBI has more than 130 employees at facilities in New York, NY, Morrisville, PA, and Bourg-en-Bresse, France.

For more information on SBI, please visit: www.totalsmallbone.com

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 shall make public pursuant to the Swedish Financial Instruments Act and the Swedish Securities Exchange and Clearing Operations Act and/or stock market agreements. Information was made available for publication February 2nd at 8:45am (GMT+1).