THREE-MONTHLY REPORT
JANUARY-MARCH 2011

- Net revenue amounted to SEK 5.4 million (4.8).*
- The net loss totaled SEK 3.9 million (4.7).
- Earnings per stock unit amounted to SEK -0.03 (-0.08).
- Artimplant's own sales as a proportion of total sales continued to increase and were equivalent to 73% (51) of product sales.
- The launch of complementary Artelon® Tissue Reinforcement products has commenced in the USA.
- A new product for the treatment of osteoarthritis in the thumb base joint has been cleared for sale in Europe.
- A new CFO – Kjell Thörnbring – has been recruited and he has taken up his position.

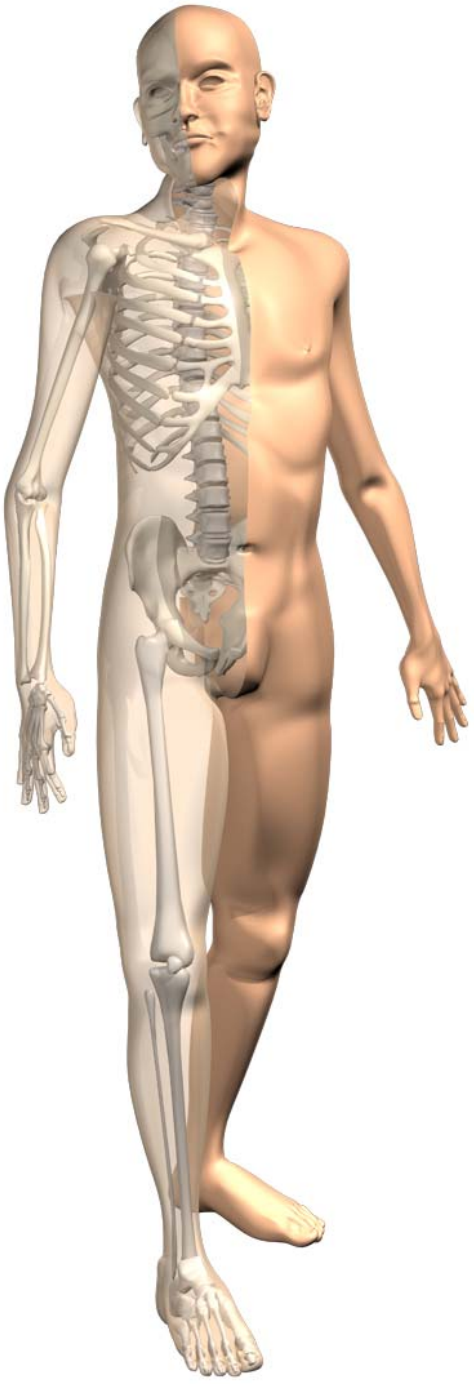
N. B. This is a translation from Swedish. The Swedish version shall always take precedence.

* Figures in brackets refer to the corresponding period last year.

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.

Key events

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

Sales by Biomet Sports Medicine to end-customers remain stable. Sales of Artelon® Spacer by Small Bone Innovations (SBi) continued to fall during the first quarter of 2011.

Based on the positive experience of Artelon® Tissue Reinforcement (ATR) the Company has developed complementary ATR products. The products have been well received on the important USA market.

In co-operation with SBi, Artimplant has developed a new Artelon® CMC Spacer, which has a user-friendly textile design similar to ATR. The product, which will be sold under the brand name Artelon® CMC Soft, was granted CE Marking in Europe during the period.

Financial results

Net revenue for the first quarter amounted to SEK 5.4 million (4.8). Translated using the 2010 USD exchange rate, net revenue for the quarter was SEK 5.6 million. Net revenue was primarily revenue from product sales. Direct sales via agents and sales to Artimplant's local distributors (termed own sales) during the first quarter were equivalent to 73% (51) of product sales.

The gross margin for product sales during the first quarter was 93% (81). The improvement compared with the previous year can be attributed in part to lower fixed production costs and in part to an increase in production volume, primarily of complementary ATR products.

The operating loss for the fourth quarter amounted to SEK 3.8 million (4.7). The cost base has shifted compared with the previous year from research and development costs to sales costs.

The net loss for the first quarter was SEK 3.9 million (4.7), including a currency exchange rate fluctuation of SEK -0.2 million (-). Earnings per stock unit for the fourth quarter were SEK -0.03 (-0.08).

Artimplant and its licensee Small Bone Innovations, Inc. have since the fourth quarter of 2010 been the subject of complaints filed by 11 CMC patients in the USA, all represented by the same counsel. The amount of damages claimed has not yet been determined. Artimplant is fighting all allegations, has filed a notice of loss with the insurance company and deems itself to have adequate insurance cover for any related damages that may arise over and above the deductible. The net result for the first quarter has been affected to the amount of approximately SEK -0.3 million for the deductible and Artimplant estimates that future defense costs will be settled through insurance cover.

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

No investments were made during the first quarter.

At the end of the period, cash and cash equivalents amounted to SEK 26.6 million (12.9). Total cash flow for the first quarter amounted to SEK -10.3 million (-2.7). The deterioration compared with the previous year can be attributed largely to the repayment of a working capital facility of SEK 4.0 million but also an increase in short-term receivables.

During 2010, the Company had access to a working 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 has been available through a bank overdraft facility. Following the new stock issue, which was concluded during the fourth quarter of 2010, an agreement was reached during the first quarter to repay in advance, without an interest supplement, the SEK 4.0 million of the working capital credit facility that had being utilized by the Company. In conjunction with this the remaining part of the credit facility was also terminated.

Personnel

As of March 31, 2011, Artimplant had 20 employees (25), of whom 9 (13) were women and 11 (12) were men. Four product specialists are employed at Artimplant USA, Inc. The remainder are employed by Artimplant AB.

A new CFO, Kjell Thörnbring, has been recruited and has taken up his position.

Market development

Artimplant's own sales in the USA are developing positively. 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. Artimplant has launched complementary ATR products which facilitate and broaden use in conjunction with reinforcement of soft tissue. With four product specialists in place the foundation for the Company's planned market expansion in the USA has been laid and will now be stepped up with better support for new and existing agents.

During the period, total own sales increased to SEK 3.8 million (2.4). Artimplant's work on producing market support documentation based on reported clinical experience and publications has continued. These activities will be of major significance in supporting growth in sales.

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. During the fourth quarter of 2010, the agreement with Biomet was renegotiated, whereupon Artimplant took back the exclusive right to sell ATR outside the USA in return for Artimplant meeting in full the cost of aftermarket studies for ATR.

Artelon® Spacer products have been cleared for the treatment of osteoarthritis in a number of joints in the hand and foot and are sold non-exclusively by the licensee Small Bone Innovations (SBi). The licensee's sales of Artelon® CMC Spacer continued to fall during 2011.

A major retrospective study in the USA, with a patient follow-up period of up to four years, has been prepared for publication. In co-operation with SBi, Artimplant is developing a new Artelon® CMC Spacer, which has a user-friendly textile design similar to ATR. The product, which will be sold under the brand name Artelon® CMC Soft, was granted CE Marking in Europe during the period. Published studies and a new launch are key activities if the licensee is to retake lost sales volumes. SBi is responsible for the majority of Spacer sales.

Sales of Artimplant products to end-customers in Europe are growing 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. Sales in Europe take place from the distributors' own inventory, explaining why invoiced sales from Artimplant vary from quarter to quarter

during the build-up of the distributor organization.

Product and business development

Artimplant's existing focus on new applications based on the unique Artelon® platform is continuing with projects in the clinical phase. The change in the Company's strategic focus, however, means that there will be a prioritization of projects with an orthopedic link within human medicine and primarily in reinforcement of soft tissue. Other projects in the clinical phase will be implemented although with a lower priority unless reported otherwise. The Company's products and product development projects are summarized in the table below.

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). A phase marked by lines means that the Company is about to enter this phase.

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 upper jaw	Artelon® Cosmetic*				

* Not cleared for sale in the USA

There is a market for complementary products within the ATR family, mainly for reinforcement of soft tissue. The ATR sizes marketed at present are intended primarily for extensive soft tissue injuries. Artimplant has therefore produced complementary products that facilitate and broaden the use of ATR in the reinforcement of soft tissue.

ATR is used in conjunction with repairs where soft tissue has become weakened. ATR is thus not used primarily in every soft tissue operation. Artimplant's long-term plan is to demonstrate the benefit of using ATR as a general method when repairing soft tissue. This will take place via accumulated clinical experience and the development of a larger product range, including entry products on different price levels.

Artimplant and Tulsa Bone & Joint Associates, Tulsa, Oklahoma, USA, have run a post-market study of ATR for patients with rotator cuff injuries. The study comprised 17 patients. The final patient underwent surgery in October 2009 and a one-year follow-up was concluded in December 2010. Dr. Marberry, who is responsible for the study, has found the preliminary results encouraging: "The preliminary results from the study look promising with regard to shoulder function and patient quality of life." The results are being compiled for publication.

Artimplant is supporting a study dealing with ATR for the treatment of re-ruptures of the Achilles tendon. The study is being run by the University of California Davis, USA.

Artimplant has signed an agreement for a further ATR study for the treatment of reruptures of the Achilles tendon. This study will take place in Westerville, Ohio.

In co-operation with SBi, Artimplant has developed a new Artelon® CMC Spacer, which has a user-friendly textile design similar to ATR. The product will be sold under the brand name Artelon® CMC Soft, which during the period was granted CE Marking in Europe. The main difference between the old Artelon® CMC Spacer and the new Artelon® CMC Soft it is that the size can be adjusted and thus adapted to the needs of each individual patient. It is Artimplant's assessment that Artelon® CMC Soft will gradually replace existing Spacer products for osteoarthritis in the thumb base joint. The product will be launched at a small number of reference clinics during 2011 after which it will be launched generally.

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 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 have been evaluated for six months. No complications have been reported in the study and ethical approval has been received to expand the study.

A laboratory study and an animal study, which were presented at the 9th World Congress of the International Cartilage Repair Society, demonstrate that Artelon® functions as a scaffold for cells in conjunction with cartilage repair. Both locally recruited cells obtained through bleeding as well as *in vitro* cultured human chondrocytes, which are currently in clinical use, have been studied. The results show that the newly formed tissue is improved with the use of Artelon®. During 2011, Artimplant plans to commence the development of a product for patients suffering from arthritis of the knee.

The Bone Scaffold project for dental applications has been concluded as the product does not fall within Artimplant's priority business areas.

Future prospects

Artimplant's direct sales in the USA will account for the majority of ATR sales during 2011. With four product specialists in place, the foundation of the Company's planned market expansion in the USA has been established and will be stepped up with more powerful support for new and existing agents. At the same time, Artimplant will launch a broader range of products.

It is difficult at present today to assess the degree to which the complaints in the USA could affect sales by the Company and the licensees. Artimplant will not provide any forecast regarding the rate at which sales will increase, but works towards that a positive cash flow before changes in working capital will be achieved on a monthly basis during the second half of 2011.

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 and in a prospectus dated September 24, 2010 for the new stock issue. Apart from the above-mentioned complaints in the USA, these have not changed to any material extent.

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 quarter an impairment was made of receivables from Artimplant USA totaling SEK 1.5 million. Together with an impairment of SEK 12.2 million in the opening balance, the total impairment is SEK 13.7 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.

Accounting principles

Artimplant applies IFRS. This three-monthly 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 or the first quarter of 2011 have had any significant impact on the Group.

Further accounting principles can be found in the Company's Annual Report for 2010, which is available on the Company's website.

Forthcoming information

Six-monthly report	August 3, 2011
Nine-monthly report	November 1, 2011
Year-end report	February 9, 2012
Three-monthly report	May 3, 2012
Annual General Meeting	May 3, 2012

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, please see Artimplant's Annual Report for 2010, which is available on the Company's website.

For further information please contact

Hans Rosén, Chief Executive Officer
Tel + 46 31 746 56 44, +46 708 583 470
hans.rosen@artimplant.com

Kjell Thörnbring, CFO
Tel. +46 31 746 56 54, +46 703 119 025
kjell.thornbring@artimplant.com

Artimplant AB
Hulda Mellgrens gata 5
SE-421 32 Västra Frölunda
Sweden

Telephone +46 (0)31 746 56 00
Fax +46 (0)31 746 56 60
Web www.artimplant.com
Reg. No. 556404-8394
Reg. office: Municipality of Gothenburg,
County of Västra Götaland

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Amounts in KSEK	Jan-Mar 2011	Jan-Mar 2010	Jan-Dec 2010
Net sales	5,379	4,756	18,466
Cost of goods and services sold	-380	-977	-4,024
Gross profit/loss	**4,999**	**3,779**	**14,442**
Other income	-	72	947
Research and development costs (1, 2)	-2,566	-3,515	-14,637
Selling costs	-4,653	-3,585	-15,917
Administrative costs	-1,509	-1,448	-5,831
Other costs	-47	-49	-966
Operating loss	**-3,776**	**-4,746**	**-21,962**
Interest income and other financial income	41	59	155
Interest expense and other financial expenses	-115	-56	-558
Net financial items	**-74**	**3**	**-403**
Loss after financial items	**-3,850**	**-4,743**	**-22,365**
Taxes	-	-	-
Loss for the period*	**-3,850**	**-4,743**	**-22,365**
Loss attributable to the Parent Company's stockholders	-3,850	-4,743	-22,365
Earnings per stock unit, SEK	-0.03	-0.08	-0.32
Earnings per stock unit after dilution, SEK	-0.03	-0.08	-0.32

** Same as the comprehensive income for the period*

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

Amounts in KSEK	Jan-Mar 2011	Jan-Mar 2010	Jan-Dec 2010
(1) Capitalized R&D cost	30	-	631
(2) Patents and brands	177	185	755
Machinery and equipment	40	121	474
Total depreciation	**247**	**306**	**1,859**

ALLOCATION OF CONSOLIDATED NET SALES

Amounts in KSEK Source of revenue	Jan-Mar 2011	Jan-Mar 2010	Jan-Dec 2010
Product sales by licensees	1,436	2,283	6,966
Product sales by end customer and distributors	3,817	2,382	11,064
One-off and project milestone income	-	-	-
Contract product development and other sales	126	90	436
	5,379	**4,756**	**18,466**

Geographic areas	Jan-Mar 2011	Jan-Mar 2010	Jan-Dec 2010
North America	4,223	4,341	16,804
Europe	1,156	415	1,662
Other areas	-	-	-
	5,379	**4,756**	**18,466**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in KSEK	3/31/2011	3/31/2010	12/31/2010
ASSETS			
Capitalized product development	529	1,191	559
Patents and brands	780	1,482	957
Total intangible fixed assets	*1,309*	*2,673*	*1,516*
Machinery and equipment	241	606	281
Total tangible fixed assets	*241*	*606*	*281*
Total fixed assets	**1,550**	**3,279**	**1,797**
Raw materials, semi-finished and finished goods	3,311	3,978	3,210
Total inventories, etc.	*3,311*	*3,978*	*3,210*
Accounts receivable	3,199	1,481	1,794
Other receivables	1,067	1,161	916
Prepaid expenses and accrued income	2,782	2,322	2,297
Total short-term receivables	*7,048*	*4,964*	*5,007*
Cash and bank accounts	26,597	12,922	36,890
Total current assets	**36,956**	**21,864**	**45,107**
TOTAL ASSETS	**38,506**	**25,143**	**46,904**

Amounts in KSEK	3/31/2011	3/31/2010	12/31/2010
STOCKHOLDERS' EQUITY & LIABILITIES			
Capital stock	11,849	5,924	11,849
Other capital reserves	26,671	39,953	53,387
Retained loss	-4,152	-21,890	-8,469
Loss for the period	-3,850	-4,743	-22,365
Total equity	**30,518**	**19,244**	**34,402**
Provisions	**2**	**76**	**12**
Accounts payable	2,274	781	2,342
Current interest-bearing liabilities	-	-	4,000
Other current liabilities	357	349	548
Accrued expenses and prepaid income	5,355	4,693	5,600
Total current liabilities	**7,986**	**5,823**	**12,490**
TOTAL STOCKHOLDERS' EQUITY & LIABILITIES	**38,506**	**25,143**	**46,904**

CONSOLIDATED CHANGES IN STOCKHOLDERS' EQUITY

Amounts in KSEK	Jan-Mar 2011	Jan-Mar 2010	Jan-Dec 2010
Capital stock at the beginning of the period	11,849	5,924	5,924
Issue new stock	-	-	**5,924**
Capital stock	**11,849**	**5,924**	**11,849**
Other capital reserves at the beginning of the period*	53,387	39,953	39,953
Issue new stock	-	-	32,585
Expenses issue new stock	-	-	-5,869
Reduction in other capital reserves	-	-	-13,282
Total other capital reserves	**53,387**	**39,953**	**53,387**
Retained loss at the beginning of the period	-30,834	-22,024	-22,024
Reduction in other capital reserves	-	-	13,282
Benefit, employee stock option (IFRS 2)	-34	134	273
Loss for the period	-3,850	-4,743	-22,365
Total retained loss	**-34,718**	**-26,633**	**-30,834**
Equity at the period-end	**30,518**	**19,244**	**34,402**

** Other capital reserves have been reduced annually to cover the retained loss.*
Total other capital reserves before issue expenses amount to SEK 477 million.

CONSOLIDATED CASH FLOW STATEMENTS

Amounts in KSEK	Jan-Mar 2011	Jan-Mar 2010	Jan-Dec 2010
Operating activities			
Net loss after financial items	-3,850	-4,743	-22,365
Adjustment for items not effecting cash flow	203	449	2,189
Cash flow from operations before changes in working capital	**-3,647**	**-4,294**	**-20,176**
Cash flow from changes in working capital			
Changes in inventories etc.	-101	159	928
Changes in receivables	-2,041	2,283	2,240
Changes in liabilities	-504	-759	1,910
Cash flow from operations	**-6,293**	**-2,611**	**-15,098**
Investment activities			
Acquisition of intangible fixed assets		-80	-226
Acquisition of tangible fixed assets		-	-39
Cash flow from investment activities	**0**	**-80**	**-265**
Financing activities			
Long-term loan	-4,000	-	4,000
Share issue		-	32,640
Cash flow from financing activities	**-4,000**	**-**	**36,640**
Cash flow for the period	**-10,293**	**-2,691**	**21,277**
Cash and cash equivalents at the beginning of the per	**36,890**	**15,613**	**15,613**
Cash and cash equivalents at the period-end	**26,597**	**12,922**	**36,890**

CONSOLIDATED KEY RATIOS

	Jan-Mar 2011	Jan-Mar 2010	Jan-Dec 2010
Earnings per stock unit, SEK	-0.03	-0.08	-0.32
Earnings per stock unit after dilution, SEK	-0.03	-0.08	-0.32
Equity per stock unit, SEK	0.26	0.32	0.29
Equity per stock unit after dilution, SEK	0.26	0.32	0.29
No. of stock units in issue at the period-end	118,489,580	59,244,790	118,489,580
No. of stock units in issue after dilution	120,005,108	61,346,566	120,532,181
Average no. of stock units in issue during period	118,489,580	59,244,790	69,118,922
Av. no. of stock units in issue during period after dilution	120,005,108	61,346,566	71,161,523
Cash flow per stock unit, SEK	-0.09	-0.05	0.31
Operating margin, %	neg	neg	neg
Return on equity, %	neg	neg	neg
Return on capital employed, %	neg	neg	neg
Return on capital, %	neg	neg	neg
Equity/assets ratio, %	79	77	73

PARENT COMPANY INCOME STATEMENTS

Amounts in KSEK	Jan-Mar 2011	Jan-Mar 2010	Jan-Dec 2010
Net sales	5,889	28,192	17,038
Cost of goods and services sold	-719	-4,554	-4,206
Gross profit/loss	**5,170**	**23,638**	**12,832**
Other income	108	2,151	3,398
Research and development costs (1,2)	-2,566	-14,995	-14,637
Selling costs	-1,965	-12,203	-8,821
Administrative costs	-1,509	-5,729	-5,831
Other costs	-1,606	-3,345	-4,559
Operating loss	**-2,368**	**-10,483**	**-17,618**
Interest income and other financial income	118	1,360	1,105
Interest expense and other financial expenses	-467	-1,781	-1,751
Impairment of receivebles subsidiaries	-1,516	-2,898	-3,262
Net financial items	**-1,865**	**-3,319**	**-3,908**
Loss after financial items	**-4,233**	**-13,802**	**-21,526**
Taxes	-	-	-
Loss for the period*	**-4,233**	**-13,802**	**-21,526**

** Same as the comprehensive income for the period*

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

Amounts in KSEK	Jan-Mar 2011	Jan-Mar 2010	Jan-Dec 2010
(1) Capitalized R&D cost	30	1,635	631
(2) Patents and brands	177	866	755
Machinery and equipment	39	603	468
Total depreciation	**246**	**3,105**	**1,853**

PARENT COMPANY BALANCE SHEETS

Amounts in KSEK	3/31/2011	3/31/2010	12/31/2010
ASSETS			
Total intangible fixed assets	*1,309*	*2,673*	*1,516*
Total tangible fixed assets	*231*	*598*	*270*
Stock and participation in subsidiaries	10	10	10
Receivables from affiliated companies	7,605	-	6,177
Total financial fixed assets	*7,615*	*10*	*6,187*
Total fixed assets	**9,155**	**3,281**	**7,973**
Total inventories, etc.	*2,870*	*3,660*	*2,870*
Accounts receivable	1,460	209	530
Receivables from affiliated companies	3,174	10,641	5,243
Other receivables	1,063	1,161	911
Prepaid expenses and accrued income	2,424	2,307	2,036
Total short-term receivables	*8,121*	*14,318*	*8,720*
Cash and bank accounts	26,033	12,531	35,853
Total current assets	**37,024**	**30,509**	**47,443**
TOTAL ASSETS	**46,179**	**33,790**	**55,416**

Amounts in KSEK	3/31/2011	3/31/2010	12/31/2010
Total equity	**39,717**	**28,308**	**43,982**
Provisions	**2**	**76**	**12**
Accounts payable	2,182	732	2,288
Current interest-bearing liabilities	-	-	4,000
Other current liabilities	279	346	477
Accrued expenses and prepaid income	3,999	4,328	4,657
Total current liabilities	**6,460**	**5,406**	**11,422**
TOTAL STOCKHOLDERS' EQUITY & LIABILITIES	**46,179**	**33,790**	**55,416**

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, May 4, 2011
Artimplant AB (publ)

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

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 May 4, 2011 at 11:30 AM (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.

2010 - Own sales have doubled and account for 61% (37) of total product sales whilst license revenue has halved. Artimplant's strategy is market oriented with a focus on the strategically important USA market and Artelon® Tissue Reinforcement. Four product specialists are employed in the USA and costs not related directly to marketing and sales are reduced in Sweden. The American post-market study on Artelon® Tissue Reinforcement for the treatment of the rotator cuff in the shoulder is concluded.