

Press Release
Västra Frölunda, Sweden, November 21, 2008

Artimplant and BioMedtrix sign exclusive US distribution agreement for knee ligament reconstruction in dogs

Artimplant is entering the veterinary field with Artelon[®] CCL, a new biodegradable implant for reconstruction of knee ligaments in dogs, and has signed an exclusive US distribution agreement with BioMedtrix, NJ, USA.

Artimplant holds a conference call regarding the veterinary field at 2 pm (GMT+1), today November 21, 2008.

Artimplant is putting its first veterinary product on the US market by signing an exclusive US distribution agreement for reconstruction of the cranial cruciate ligament (CCL) in dogs with BioMedtrix.

Conference call regarding the veterinary field at 2 pm (GMT+1), today November 21, 2008.

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US participants: +1 866 458 40 87

Christopher Sidebotham, CEO of BioMedtrix, says;

“The extent of CCL ruptures in the US has been estimated to be over 300,000 cases annually. BioMedtrix expects to enter this market in 2009 based on scientific research and the experience of veterinarian leaders in the industry. With the US documentation in place our expected clinical cases in the first year will be 10,000 procedures with an aggressive annual growth towards establishing the Artelon[®] CCL procedure as the standard for CCL repair. The management team at BioMedtrix has over 30 years' previous experience in total joint design and development. This experience helped us in understanding the strategic fit we have with Artimplant and the potential of Artelon[®] CCL.”

Hans Rosén, CEO of Artimplant says;

“The agreement enables Artimplant and BioMedtrix to explore the unique potential of Artelon[®] CCL. The product has the potential to change the treatment doctrine in veterinary medicine. I am very enthusiastic that the Artelon[®] CCL concept, developed by Dr Julinder, will be brought to the US market by the market leader BioMedtrix. In co-operation with leading US veterinarians, we have also started to develop new Artelon[®] applications in soft tissue repair, such as Achilles tendon repair and collateral ligament repair in the knee and elbow.”

Artimplant has more than 10 years' clinical experience with Artelon[®] in Anterior Cruciate Ligament (ACL) augmentation in humans. The development of Artelon[®] CCL started in collaboration with the Swedish veterinary surgeon Dr Krister Julinder. Artelon[®] is currently being used successfully in the treatment of cranial cruciate ligament injuries in dogs. To date, approximately 30 dogs have received Artelon[®] implants. The cost of CCL reconstructions is generally covered by pet insurance. This is also the case in Sweden, where the cost of Artelon[®] CCL is reimbursed by the leading insurance company in the veterinary field.

Cranial cruciate rupture is the most common injury in dogs resulting in lameness. This injury results in reduced activity, inflammation of the knee and instability. There are many surgical approaches to repairing



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this injury with varying degrees of success. All procedures, including TPLO (Tibial Plateau Leveling Osteotomy), TTA (Tibial Tubercle Advancement), grafts and artificial ligaments, still appear to result in progression of osteoarthritis and do not fully restore the dog's normal activities. The Artelon[®] CCL solution is based on research with a patented biomaterial working in conjunction with the body's own ability to reconstruct. Artelon[®] CCL preserves the anatomy by providing a temporary scaffold, which regenerates the CCL function. Other potential benefits are the restraining of osteoarthritis progression in the knee, a minimally invasive surgical procedure (arthroscopic) as well as the patient's ability to regain normal motion and return to an active lifestyle. All these benefits are of mutual interest to the patient, the patient's owner and the veterinarian.

BioMedtrix will provide training within the veterinary community, establish proficient clinical sites and support the program with prospective studies. Dr Julinder's positive results will be one part of the documentation used for introducing Artelon[®] CCL in the US. At a recent symposium held in conjunction with the Annual Meeting of the American College of Veterinary Surgeons, Artimplant and BioMedtrix presented the scientific basis and clinical experience of Artelon[®] CCL. The aim was to define the prerequisites for the confirmatory clinical studies in collaboration with key US opinion leaders.

Artimplant is a certified medical device manufacturer and well qualified to market veterinary devices in the US. Therefore the marketing and sales support studies can start immediately.

Krister Julinder, veterinary surgeon, says;

"Since 2002 I have been treating CCL deficiency in dogs using biological grafts. Together with orthopedic surgeons specialized in ACL reconstruction in humans, I have adapted their methods to CCL reconstruction. Although results were good I kept looking for a synthetic graft that could enhance the results. The Artelon[®] reinforcement patch seemed to be what I was looking for. Artimplant's vast experience in ACL reconstruction made me even more confident that this was the correct route. With the implant in place, resulting in joint stability, I felt that this was the optimal treatment. Now, after more than 30 reconstructions, the surgical procedure is in place. With experience of excellent clinical outcome and very satisfied dog owners it makes me both happy and proud that Artimplant and BioMedtrix have decided to address the veterinary community in the US. I am eager to convey my clinical experience to the scientific community in order to further establish the science behind it."

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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.



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

BioMedtrix

BioMedtrix is a company focused on veterinary orthopedic implants. Through research sponsorships and collaborations with the world's foremost surgeons, BioMedtrix supports new development programs to address veterinary needs. BioMedtrix is represented in over 95% of the US Veterinary Teaching Universities, selected international universities, and specialty clinics all over the world. With over 30 years of development experience in human and veterinary implants, BioMedtrix has developed proprietary processes and has patents on several designs addressing clinical needs in the canine hip, knee and elbow. Research and testing approaches have demonstrated improved product development cycles with product designs addressing long-term clinical needs.

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 on November 21, 2008 at 12:20 PM (GMT+1).