



YEAR-END REPORT | 2009 JANUARY-DECEMBER

- Net revenue for the fourth quarter increased to SEK 5.8 million (4.6) and doubled for the full year to SEK 24.0 million (12.1)*
- The net loss for the fourth quarter improved to SEK 5.4 million (6.0) and for the full year the net loss improved to SEK 18.6 million (22.6)
- Earnings per share for the fourth quarter improved to SEK -0.09 (-0.10) and for the full year SEK -0.31 (-0.38)
- Product sales to end-customers and distributors multiplied to SEK 8.7 million (1.7) for the full year, equivalent to 37% (15) of product sales
- Sales of Artelon[®] Spacer for the fourth quarter amounted to SEK 2.4 million (3.1) and for the full year sales rose to SEK 13.1 million (7.4)
- Sales of Artelon[®] Tissue Reinforcement for the fourth quarter increased to SEK 3.3 million (1.6) and for the full year to SEK 10.2 million (4.1)
- Goal to reach positive cash flow before changes in working capital, at a monthly basis, towards the end of 2010
- The Board proposes that no dividend be paid for 2009

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 February 11, 2010 at 11 am (CET). For further information see www.artimplant.com.

* 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 in hands and feet, shoulder and other soft tissue injuries as well as oral and veterinary applications. The Company's products are sold through licensees and own sales under Artimplant's 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 launched in Europe, the USA and a small number of other countries.

Artelon[®] MTP Spacer

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

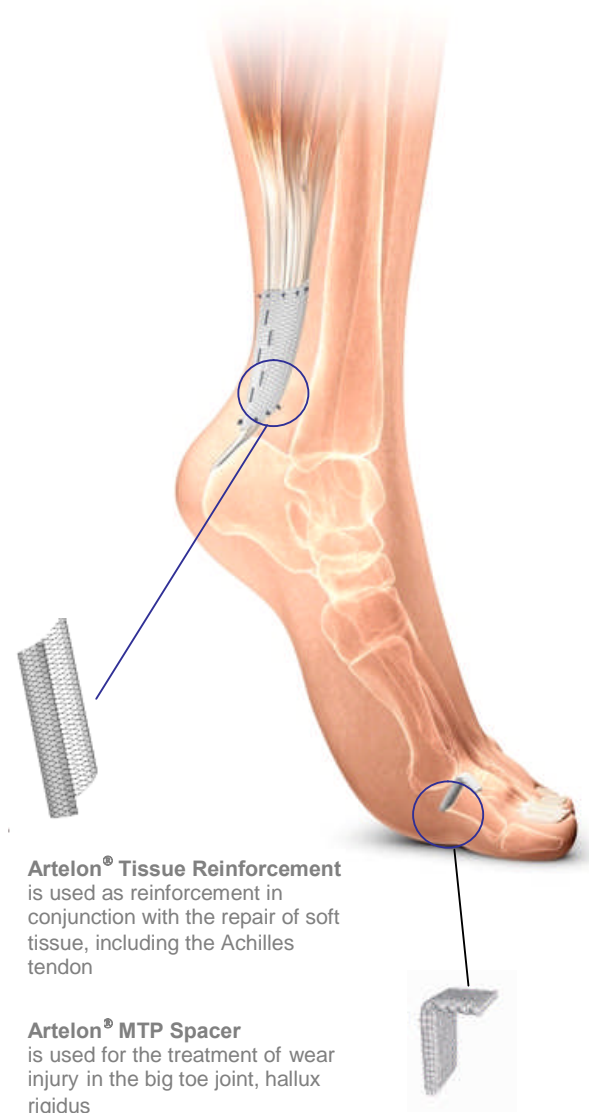
Artelon[®] Tissue Reinforcement

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

Financial results

Net revenue for the fourth quarter increased to SEK 5.8 million (4.6) and doubled for the full year to SEK 24.0 million (12.1). Revenue for the fourth quarter of 2008 included a positive effect of SEK 1.3 million from the transition to reporting license revenue in the quarter during which it was generated instead of with a delay of one quarter. Net revenue derived primarily from product sales and during the full year 63% (85) of revenue originated from licensees and 37% (15) from direct sales via agents and Artimplant's own local distributors.

The gross margin for product sales during the fourth quarter, excluding an inventory impairment of SEK 0.4 million, was 80% (78) and for the full year 85% (64). The inventory impairment can be attributed to a lower sales outcome than expected for Artelon[®] Spacer. Compared with the previous year, the gross margin was affected positively by renegotiated license agreements and lower production costs.

The operating loss for the fourth quarter improved to SEK 5.4 million (6.0) and for the full year to SEK 18.5 million (24.3). The operating loss for 2009 includes a non-recurring inventory impairment amounting to SEK 0.4 million in goods and services sold, a non-recurring impairment of patents amounting to SEK 0.3 million in research and development costs, and non-recurring items related to personnel changes amounting to SEK 0.8 million in sales costs. Operating expense for the full year, excluding the cost of goods and services sold as well as the above-mentioned non-recurring items, was SEK 4.3 million higher than the corresponding period the preceding year. This can be attributed mainly to payments to agents and a new sales management team in the USA.

The net loss for the fourth quarter improved to SEK 5.4 million (6.0) and for the full year the net loss improved to SEK 18.6 million

(22.6), including a negative currency exchange fluctuation after tax of SEK -0.5 million (0.0). Earnings per share for the fourth quarter improved to SEK -0.09 (-0.10) and the corresponding improvement for the full year was SEK -0.31 (-0.38).

Reclassification in a previous period

Reclassification of the currency effect between net financial items and operating loss made during the third quarter affects the previously published operating loss for January-June 2009 positively by SEK 0.3 million. The reclassification does not affect published net loss for the period January-June 2009. Currency effects arising from translation of Artimplant USA, Inc. are split in the consolidated statement of comprehensive income between operating loss and net financial items in the same manner as in the Annual Report for 2008.

Investments and cash position

Investments during January-December totaled SEK 0.2 million (0.6), of which SEK 0.2 million (0.5) was attributable to investments in intangible assets.

At the end of the period cash and cash equivalents amounted to SEK 15.6 million (31.4). Total cash flow for January-December improved to SEK -15.8 million (-17.9). The total change in operating capital for January-December was SEK -0.9 million (1.1). It is mainly accounts receivable and accrued royalty revenue that have increased.

The Company has an operating capital credit facility of SEK 8.0 million. As of the date of this report this credit facility had not been utilized. If the credit facility is utilized, a chattel mortgage for the same amount will be furnished as collateral as well as the customary conditions regarding operational development.

Personnel

As of December 31, 2009, Artimplant had 25 employees (25), of whom 13 (15) were women and 12 (13) were men.

Sales of Artelon® products

During the fourth quarter an exclusive distribution agreement was signed with Nordic Medical Supply (NMS) for the distribution of Artimplant's orthopedic products and Scandinavia. NMS is the market leader in orthopedics in Scandinavia and has approximately 14 sales staff in the region.

Emerging Medical Group LLC (EMG), which was previously appointed as the new sales management team for Artimplant USA, commenced build-up work during the fourth quarter aimed at expanding the distributor network. Around 15 new agents have been contracted. Training of these agents commenced in January 2010 and sales have begun at a number of new hospitals. Artimplant is now represented in the majority of the states in the USA through more than 30 agents. In Europe, Artimplant has continued to establish itself via distributors. For the full year the Company's own sales multiplied to SEK 8.7 million (1.7).

Artelon® Spacer is a product for the treatment of osteoarthritis in a number of joints in the hand and foot. Sales revenue from Artelon® Spacer during the fourth quarter amounted to SEK 2.4 million (3.1) and during January-December to SEK 13.1 million (7.4). The licensee Small Bone Innovations (SBI) accounts for the majority of sales. During the fourth quarter, sales of Artelon® CMC Spacer were generally stable on all markets. During the third quarter, US sales of Artelon® CMC Spacer declined following reports of unsatisfactory surgical outcomes. This is attributable to isolated procedures during the immediate post-launch period where user instructions were not followed. This led to two negative case reports being published in

the Journal of Hand Surgery. SBI and Artimplant are currently working on corrective communications to surgeons, including the publication of data confirming the medical benefit of the product and stressing the vital importance of compliance with user instructions.

Artelon® Tissue Reinforcement (ATR) has been cleared as general reinforcement for soft tissue injuries. It is sold non-exclusively by licensee Biomet Sports Medicine as SportMesh™. Artimplant's sales revenue from ATR and SportMesh™ during the fourth quarter totaled SEK 3.3 million (1.6) and during January-December SEK 10.2 million (4.1).

Biomet Sports Medicine accounts for the majority of the sales. During the year Artimplant's direct sales via agents and sales through distributors have increased the quickest and thus accounted for an increasingly higher proportion of the Company's total sales for this product group. Artimplant's ongoing activities, such as clinical studies and case reports, are crucial for a continued increase in market penetration.

During the year, Artimplant and Biomet Sports Medicine have revised the existing license agreement whereby the parties have agreed that Artimplant will take over Biomet Sports Medicine's responsibility for clinical studies and for ensuring that at least two studies are conducted involving ATR/SportMesh™. The studies will cover the treatment of rotator cuff injuries and tears in the Achilles tendon. A revised agreement came into effect on April 1, 2009. Artimplant's payment for products sold now comprises a fixed price billed on delivery to Biomet Sports Medicine.

Product and business development

The Schulthess Clinic in Zurich is conducting a clinical pilot study of Artelon® implants. The aim of this study is to document safety

and user-friendliness in the treatment of painful osteoarthritis in the facet joints in the spine with Artelon[®]. Pain relief with this treatment will be investigated and the patients will be followed up over a two-year period. The Schulthess Clinic commenced the study during the second quarter when the first patient was enrolled. Patient inclusion in the study is proceeding according to plan.

Artimplant and Tulsa Bone & Joint Associates, Tulsa, Oklahoma, USA, are running a post-market study of ATR for patients with tears in the rotator cuff tendons. The study comprises approximately 20 patients. The final patient underwent surgery

in October, whereupon a one-year follow-up commenced.

Artimplant is investing in a number of studies involving Artelon[®] MTP Spacer. A Swedish investigator-initiated, multicenter study is in progress on the treatment of stiff big toe (*Hallux Rigidus*) using Artelon[®] MTP Spacer. The final patient underwent surgery in May, whereupon a one-year follow-up commenced. A further investigator-initiated study commenced in Finland in September. The product satisfies an obvious clinical need as at present there are no good treatment methods available for these patients.

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	Artelon [®] Bone Scaffold				

* Not cleared for sale in the USA

A post-market study has been conducted by the Brånemark Clinic in Gothenburg regarding Artelon[®] Cosmetic for replenishment of soft tissue in dental applications. The study results which confirm the clinical function of the product are currently being compiled.

In 2008, the Swedish Medical Products Agency gave the go-ahead for a study of Artelon[®] Bone Scaffold with the aim of securing regulatory clearance for the product. The product will be used for bone replenishment in the upper jaw in conjunction with the fitting of dental implants. The study is being conducted in co-operation with Swedish oral surgery experts. All patients in the study have now undergone surgery with Artelon[®] Bone Scaffold and have received dental implants. The long-term function of the product will be followed up during 2010.

During the year, Artimplant commenced two contract development projects for SBi. One project aims to develop a second-generation Spacer product for the treatment of thumb base osteoarthritis. The second project aims to develop a product for stabilization of the joint between the navicular bone and the lunate bone in the hand.

Knee joint osteoarthritis is a very common disorder and its incidence increases with age. More extensive injuries in elderly patients are normally treated by means of a prosthesis whilst for younger patients there is no good treatment alternative. During the fourth quarter of 2008 Artimplant commenced a proof-of-concept animal study to assess whether Artelon[®] can provide support in restoring a functional surface in the knee joint. The Company will make a decision regarding the next phase during 2010.

In cooperation with Swedish veterinary experts, Artelon[®] has been used successfully in the treatment of cruciate ligament injuries in dogs. By using Artelon[®] as an artificial ligament (Artelon[®] CCL) conditions are

created for the body to restore a functional ligament. An investigation with a one-year follow-up of the surgical results will be concluded during 2010. Positive results from the study will create an important basis for future market penetration.

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. Prior to the study a biomechanical evaluation was carried out. The evaluation has led to a second-generation product design and an improved surgical procedure. The first dogs subsequently underwent surgery in the CCL study. Inclusion is continuing according to plan. The plan is for all dogs to undergo surgery during 2010 whereupon a one-year follow-up will commence. Successful results are a prerequisite for the future launch of Artelon[®] CCL in the USA.

During 2009, Artimplant also evaluated the use of Artelon[®] for soft tissue reinforcement of, among other things, the Achilles tendon in dogs. The results from a minor case study in the USA have been compiled for presentation at a scientific symposium. Marketing has commenced on a small-scale and ten or so centers have notified an interest in participating in a multicenter study.

Summary of 2009

Artimplant presented the following operational direction for 2009:

- At least a doubling of sales compared with 2008
 - Increased revenue in the USA and Europe through Artimplant's licensees.
 - Increased sales under the Company's auspices, primarily through local distributors in the USA and Europe.
- Commence a limited launch of Artelon[®] CCL for cruciate ligament reconstruction in dogs.

- Submit an application to the FDA for the marketing of products within the CMF (cranio-maxillofacial) area.
- Conclude the clinical study for Artelon[®] Bone Scaffold for bone replenishment in the upper jaw and apply for product registration in Europe.
- Develop a new Spacer product together with SBI.
- Complete the evaluation of the potential to develop a product for knee joint osteoarthritis.
- Continually reinforce the scientific and clinical base for Artelon[®].

The operational direction for 2009 has been largely followed. A strength factor and strategic investment is an increasingly higher proportion of direct sales, which indicates that the Company's long-term investment in its own market establishment is beginning to have an effect. The Company's establishment on the market and better clinical documentation are a prerequisite for ensuring continued growth in sales.

Certain development activities have commenced and others have been reduced in priority. The design and surgical procedure for Artelon[®] CCL have been developed further based on a US biomechanical evaluation. A prospective study of Artelon[®] CCL has commenced although the build-up of reference clinics has been postponed pending the study results. Market prospecting with regard to soft-tissue reinforcement in dogs commenced during the year. Apart from this, a number of treatment concepts for soft-tissue reinforcement in humans and dogs have been documented. The aim of applying for FDA regulatory clearance for products within the CMF (cranio-maxillofacial) area has been postponed indefinitely due to limited business potential. Product registration of Artelon[®] Bone Scaffold has been postponed pending a follow-up of a current study and future decisions regarding the business orientation.

Other activities in the business orientation for 2009 have commenced or been completed.

Future prospects

The plan is for the Company's growth during 2010 to be achieved through increased Company 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. The Company does not provide a forecast of the rate at which the sales will increase although Artimplant works towards the goal of reaching positive cash flow before changes in working capital, at a monthly basis, towards the end of 2010.

In the event operating capital, primarily accounts receivable, requires financing, a capital credit facility of SEK 8 million is available.

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.

Parent Company

The majority of 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 January-December 2009 an impairment was made of receivables from Artimplant USA totaling SEK 2.9 million. Together with the provision of SEK 6.1 million in the opening balance, the total impairment is SEK 9.0 million, which is equivalent to the subsidiary's negative equity. The impairment does not affect the Group 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 8.8 million. The aim is that the subsidiary will become self-financing at the beginning of 2010 and thus commence amortization of its liabilities to the Parent Company. See summary of the Parent Company Statement of Comprehensive Income and Statement of Financial Position on pages 13-14.

Accounting principles

Artimplant applies IFRS. This interim report has been prepared in accordance with IAS 34, the Swedish Annual Accounts Act and RFR 1.2. The Parent Company's financial statements are prepared in accordance with exceptions and addenda in RFR 2.2. In addition, the Company is subject to the Swedish Code of Corporate Governance. The following new principles have been applied since January 1, 2009.

IAS 1 Presentation of Financial Statements

A reworked IAS 1 Presentation of Financial Statements has been applied since January 1, 2009. The change means, among other things, that certain transactions which were previously reported under equity should instead be reported in the Statement of

Comprehensive Income after net result.

Artimplant has not had any such transactions during 2009.

The Parent Company has one wholly owned subsidiary and all the Group's assets and results are thus attributable to the Parent Company's shareholders.

IFRS 8 Operating Segments

On January 1, 2009, IFRS 8 Operating segments, came into force. The new standard requires that segment information is presented from the point of view of the executive management, which means that it is presented in the manner in which it is used in the internal reports and followed up by the chief operating decision-maker in the Group, the Artimplant CEO. The financial statements are not divided into segments in internal reports as Artimplant's costs and assets essentially refer to all geographical markets and revenue categories. Comparative figures for the allocation of net revenue have been recalculated.

Further accounting principles can be found in the Company's Annual Report for 2008, which is available on the Company's website.

Annual General Meeting and Election Committee

Artimplant AB's Annual General Meeting will be held on May 4, 2010, at 5 pm at the Company's head office, located at Hulda Mellgrens gata 5, SE-421 32 Västra Frölunda. Shareholders who wish to have a matter taken up at the Annual General Meeting can submit the proposal to the Company by e-mail at agm2010@artimplant.com or to Artimplant AB, Attn: Annual General Meeting 2010 at the above address. Proposals must be submitted by March 12, 2010 at the latest to ensure that they are included in the summons to the meeting and thus also in the agenda for the Annual General Meeting.

In preparation for the 2010 Annual General Meeting the Election Committee, comprising

- John Arnold, J&C Arnold Revocable Trust
- Sven Zetterqvist, The Life Insurance Company Skandia
- Anders Cedronius, private stockholder
- Ingemar Kihlström, chairman, Artimplant AB

proposes the re-election of Ingemar Kihlström as chairman and the re-election of Anna Malm Bernsten, Mats Lindquist, Wenche Rolfsen as members. As Lennart Ribohn has declined reelection, the Election Committee proposes Håkan Johansson for election to the Board.

The Election Committee can be contacted through the Chairman of the Board Ingemar Kihlström on +46 733 82 11 02.

The Board proposes that no dividend be paid for 2009

Forthcoming information

Annual report 2009	March 31, 2010
Three-monthly report	May 4, 2010
Annual General Meeting	May 4, 2010
Six-monthly report	August 3, 2010
Nine-monthly report	October 28, 2010
Year-end report	February 10, 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 2008, which is available on the Company's website.

For further information please contact

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Amounts in KSEK	Oct-Dec	Jan-Dec	Okt-Dec	Jan-Dec
	2009	2009	2008	2008
Net sales	5,763	23,998	4,568	12,114
Cost of goods and services sold	-1,607	-4,328	-912	-4,194
Gross profit/loss	4,156	19,670	3,656	7,920
Other income	72	451	417	1,359
Research and development costs (1, 2)	-3,546	-14,995	-4,068	-15,502
Selling costs	-4,465	-17,049	-3,604	-11,688
Administrative costs	-1,610	-5,729	-1,517	-5,195
Other costs	-6	-861	-911	-1,209
Operating loss	-5,399	-18,513	-6,027	-24,315
Interest income and other financial income	22	311	288	2,284
Interest expense and other financial expenses	-22	-431	-245	-602
Net financial items	0	-120	43	1,682
Loss after financial items	-5,399	-18,633	-5,984	-22,633
Taxes	-	-	-	-
Loss for the period	-5,399	-18,633	-5,984	-22,633
Earnings per stock unit, SEK	-0.09	-0.31	-0.10	-0.38
Earnings per stock unit after dilution, SEK	-0.09	-0.31	-0.10	-0.38

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

Amounts in KSEK	Oct-Dec	Jan-Dec	Okt-Dec	Jan-Dec
	2009	2009	2008	2008
(1) Capitalized R&D cost	-	1,635	546	2,183
(2) Patents and brands	209	866	230	895
Machinery and equipment	153	610	181	721
Total depreciation	362	3,111	958	3,800

Note that a reclassification of currency effect improving the operating loss by KSEK 322 compared to earlier published numbers for January-June 2009 has been made. The reclassification does not affect the net loss. See further information on page 2.

ALLOCATION OF CONSOLIDATED NET SALES

Amounts in KSEK	Oct-Dec	Jan-Dec	Okt-Dec	Jan-Dec
	2009	2009	2008	2008
Source of revenue				
Product sales by licensees	2,222	14,572	3,068	9,964
Product sales by end customer and distributors	3,381	8,680	1,155	1,699
One-off and project milestone income	-	-	81	81
Contract product development and other sales	160	746	264	370
	5,763	23,998	4,568	12,114

Geographic areas	Oct-Dec	Jan-Dec	Okt-Dec	Jan-Dec
	2009	2009	2008	2008
North America	3,378	18,705	4,177	11,113
Europe	2,255	5,041	391	1,001
Other areas	130	252	-	-
	5,763	23,998	4,568	12,114

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in KSEK	12/31/2009	12/31/2008
ASSETS		
Capitalized product development	1,191	2,826
Patents and brands	1,587	2,547
<i>Total intangible fixed assets</i>	<i>2,778</i>	<i>5,373</i>
Machinery and equipment	723	1,307
<i>Total tangible fixed assets</i>	<i>723</i>	<i>1,307</i>
Total fixed assets	3,501	6,680
Raw materials, semi-finished and finished goods	4,137	4,726
<i>Total inventories, etc.</i>	<i>4,137</i>	<i>4,726</i>
Accounts receivable	2,946	1,123
Other receivables	1,014	1,071
Prepaid expenses and accrued income	3,286	2,018
<i>Total short-term receivables</i>	<i>7,247</i>	<i>4,212</i>
Cash and bank accounts	15,613	31,371
Total current assets	26,997	40,309
TOTAL ASSETS	30,498	46,989

Amounts in KSEK	12/31/2009	12/31/2008
STOCKHOLDERS' EQUITY & LIABILITIES		
Capital stock	5,924	5,924
Other capital reserves	39,953	58,270
Retained loss	-3,390	404
Loss for the period	-18,633	-22,633
Total equity	23,853	41,965
Provisions	65	20
Accounts payable	1,147	1,114
Other current liabilities	1,393	1,445
Accrued expenses and prepaid income	4,040	2,445
Total current liabilities	6,579	5,004
TOTAL STOCKHOLDERS' EQUITY & LIABILITIES	30,498	46,989

CONSOLIDATED CHANGES IN STOCKHOLDERS' EQUITY

Amounts in KSEK	Jan-Dec 2009	Jan-Dec 2008
Capital stock	5,924	5,924
Other capital reserves at the beginning of the period	58,270	71,989
Reduction in other capital reserves	-18,317	-13,718
Reclassification	-	-1
Total other capital reserves	39,953	58,270
Retained loss at the beginning of the period	-22,229	-13,664
Reduction in other capital reserves	18,317	13,718
Reclassification	-	-54
Benefit, employee stock option (IFRS 2)	521	404
Loss for the period	-18,633	-22,633
Total retained loss	-22,024	-22,229
Equity at the period-end	23,853	41,965

CONSOLIDATED CASH FLOW STATEMENTS

Amounts in KSEK	Jan-Dec 2009	Jan-Dec 2008
Operating activities		
Net loss after financial items	-18,633	-22,633
Adjustment for items not effecting cash flow	3,974	4,151
Cash flow from operations before changes in working capital	-14,659	-18,482
Cash flow from changes in working capital		
Changes in inventories etc.	589	-353
Changes in receivables	-3,035	1,829
Changes in liabilities	1,576	-351
Cash flow from operations	-15,529	-17,357
Investment activities		
Acquisition of intangible fixed assets	-215	-471
Acquisition of tangible fixed assets	-25	-129
Sale of tangible fixed assets	11	10
Cash flow from investment activities	-229	-590
Financing activities		
Cash flow from financing activities	-	-
Cash flow for the period	-15,758	-17,948
Cash and cash equivalents at the beginning of the period	31,371	49,240
Translation of foreign liquid assets	-	79
Cash and cash equivalents at the period-end	15,613	31,371

CONSOLIDATED KEY RATIOS

	Oct-Dec 2009	Jan-Dec 2009	Okt-Dec 2008	Jan-Dec 2008
Earnings per stock unit, SEK	-0.09	-0.31	-0.10	-0.38
Earnings per stock unit after dilution, SEK	-0.09	-0.31	-0.10	-0.38
Equity per stock unit, SEK	0.40	0.40	0.71	0.71
Equity per stock unit after dilution, SEK	0.40	0.40	0.71	0.71
No. of stock units in issue at the period-end	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
No. of stock units in issue after dilution	61,346,566	61,346,566	60,793,245	60,793,245
Return on equity, %	neg	neg	neg	neg
Return on capital employed, %	neg	neg	neg	neg
Return on capital, %	neg	neg	neg	neg
Equity/assets ratio, %	78	78	89	89

PARENT COMPANY INCOME STATEMENTS

Amounts in KSEK	Oct-Dec 2009	Jan-Dec 2009	Okt-Dec 2008	Jan-Dec 2008
Net sales	5,521	28,192	4,561	16,401
Cost of goods and services sold	-1,618	-4,554	-840	-4,407
Gross profit/loss	3,903	23,638	3,721	11,994
Other income	583	2,151	1,299	2,241
Research and development costs (1,2)	-3,546	-14,995	-4,068	-15,502
Selling costs	-2,824	-12,203	-2,958	-8,928
Administrative costs	-1,610	-5,729	-1,517	-5,195
Other costs	-128	-3,345	-911	-1,209
Operating loss	-3,622	-10,483	-4,434	-16,599
Interest income and other financial income	211	1,360	1,123	3,157
Interest expense and other financial expenses	-62	-1,781	-223	-612
Impairment of receivables subsidiaries	-1,526	-2,898	-2,143	-4,668
Net financial items	-1,377	-3,319	-1,243	-2,123
Loss after financial items	-4,999	-13,802	-5,677	-18,722
Taxes	-	-	-	-
Loss for the period	-4,999	-13,802	-5,677	-18,722

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

Amounts in KSEK	Oct-Dec 2009	Jan-Dec 2009	Okt-Dec 2008	Jan-Dec 2008
(1) Capitalized R&D cost	-	1,635	546	2,183
(2) Patents and brands	209	866	230	895
Machinery and equipment	151	603	180	715
Total depreciation	361	3,105	957	3,794

PARENT COMPANY BALANCE SHEETS

Amounts in KSEK	12/31/2009	12/31/2008
ASSETS		
Total intangible fixed assets	2,778	5,373
Total tangible fixed assets	715	1,293
Stock and participation in subsidiaries	10	10
Total financial fixed assets	10	10
Total fixed assets	3,503	6,676
Total inventories, etc.	3,825	4,543
Accounts receivable	1,923	848
Receivables from affiliated companies	9,736	4,480
Other receivables	1,014	1,071
Prepaid expenses and accrued income	3,162	2,158
Total short-term receivables	15,835	8,557
Cash and bank accounts	15,020	30,850
Total current assets	34,680	43,950
TOTAL ASSETS	38,183	50,626

Amounts in KSEK	12/31/2009	12/31/2008
STOCKHOLDERS' EQUITY & LIABILITIES		
Total equity	32,596	45,877
Provisions	65	20
Total current liabilities	5,522	4,729
TOTAL STOCKHOLDERS' EQUITY & LIABILITIES	38,183	50,626

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, February 11, 2010
Artimplant AB (publ)

Ingemar Kihlström
Chairman of the Board

Hans Rosén
CEO

Mats Lindquist
Board Member

Lennart Ribohn
Board Member

Wenche Rolfsen Sandsborg
Board Member

Anna Malm Bernsten
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 February 11, 2010 at 8:45 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 was 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. Up to 2008, over 11,000 patients had been treated with an Artelon[®] implant.