



PRESS RELEASE

- **2011 half-year results in line with expectations**
- **€5.3m OSEO payment for the completion of a key stage of the Company's development programme**
- **Substantial increase in the cash position, estimated at €36m at end-September, notably thanks to the success of the rights issue**

Paris, September 20th 2011: CARMAT (FR0010907956, ALCAR), the designer and developer of the world's most advanced total artificial heart, today announces its results* for the first half to June 30th 2011, as well as recent events.

- **Half-year results**

In thousands of Euros	H1 2011	H1 2010
Income		
Operating subsidies	3,623	3,194
Total income	3,623	3,194
Operating expenses		
- other external expenses	6,494	4,923
- other operating expenses	2,802	2,011
Total operating expenses	9,296	6,934
Operating profit/loss	-5,673	-3,740
Financial profit/loss	-18	-31
Extraordinary profit/loss	56	0
Research tax credit	843	651
Net profit/loss	-4,792	-3,120

**Half-year results were settled by the Board on September 19th 2011.*

Over the 1st half of 2011, CARMAT recorded an operating income of €3.6m entirely corresponding to the operating subsidies received following the completion of key stages in the development of the CARMAT total artificial heart. In line with the business plan presented at the time of its IPO, no turnover was recorded by the Company over the 1st half of 2011, as the CARMAT total artificial heart is still in its development phase. Over the half-year, operating expenses totalled €9.3m, compared to €6.9m over the 1st half of 2010. This increase corresponds to an intensive preparatory phase for clinical trials and the product's industrialisation, as well as to an increase in payroll taxes resulting from changes in the law concerning the "Jeunes Entreprises Innovantes" (Young Innovative Companies).

Taking into account a research tax credit of €0.9m, the Company recorded a net loss of -€4.8m for the 1st half of 2011. .

Gross assets increased to €6.1m at June 30th 2011 (vs. €5.5m at December 31st 2010), thus reflecting the investments carried out in new test benches for the finalisation of preclinical tests.

The workforce remained stable, with 36 staff at June 30th 2011 (vs. 35 at December 31st 2010).

- **OSEO payment of 5.3m Euros validating the completion of a key stage in the total artificial heart development programme**

In early September, CARMAT received a further payment of €3.6m in subsidies and €1.7 in repayable advances. This total payment of €5.3m acknowledges the success of the third key stage of the CARMAT total artificial heart's research and development programme in May.

This further OSEO payment emphasises our public partner's continued confidence in the breakthroughs achieved.

Thus far, OSEO has paid €19m of the €33m assigned in June 2009, which is the largest sum ever given to an innovative SME by OSEO. Consequently, CARMAT still stands to receive a further €14m from OSEO.

- **Cash position**

As at June 30th 2011, cash and marketable cash instruments totalled €7.4m.

The cash position on June 30th 2011 does not include €29.3m (gross amount) raised by the capital increase of end-July, €5.3m OSEO payment of early September and €2.8m of 2010 Research Tax Credit received in July.

The cash position at end-September is therefore estimated at approximately €36m.

Marcello Conviti, Chief Executive Officer of CARMAT, concludes: *"These results are fully in line with our internal objectives, notably with regards to the cash position. The substantial strengthening of the latter, thanks to the funds raised at the end of July, should enable CARMAT to bring our project through to CE certification by 2013. We are actively working towards the obtention of the necessary authorisations for the first implants. We are currently carrying out the complementary testing to be added to the file we already submitted to Afssaps. We also filed a request to carry out a clinical trial in France with the "Comité de Protection des Personnes" (research ethics committee), and hope to receive their response by the end of October. We are efficiently coordinating our contractors. The progress achieved in all of these important milestones comforts the hypothesis of the first implants taking place between the end of December and next March. Given the scale of this programme, the results obtained since the start of the year and those expected in the very near future are very satisfactory."*

About CARMAT: CARMAT, the world's most advanced total artificial heart

The only credible response for all cases of end-stage heart failure - a true public health issue. CARMAT's ultimate aim is to provide a response to a major public health issue associated with cardiovascular disease, the world's leading cause of death: heart failure. This disease currently affects over 20 million patients in Europe and the United States. By pursuing the development of its total artificial heart, CARMAT intends to overcome the well-known shortfall in heart transplants for the tens of thousands of people suffering from end-stage heart failure.

The result of combining two types of unique expertise: the medical expertise of Professor Carpentier, known throughout the world for inventing Carpentier-Edwards® heart valves - most widely used worldwide - and the technological expertise of EADS, a global aerospace leader.

Imitating the natural heart. Given its size and weight, the choice of structural materials and its innovative physiological functions, CARMAT's total artificial heart could, assuming upcoming clinical trials are successful, potentially benefit tens of thousands of patients a year – with no risk of rejection and providing them with unparalleled quality of life.

A project leader acknowledged at the European level: with the backing of the European Commission, CARMAT has received the largest grant-in-aid (a total of €33m) made to an SME by OSEO (the French state innovation agency).

Strongly committed, prestigious founders and shareholders: Truffle Capital (the leading European venture capital firm), EADS, the Foundation Alain Carpentier and thousands of institutional and individual shareholders have placed their trust in CARMAT.

For further information, visit www.carmatsa.com



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