



PRESS RELEASE

**First half 2010 results in line
with the company's forecasts**

Progress of the total artificial heart project fully in line with expectations

Paris, 16 September 2010:

CARMAT (FR0010907956, ALCAR), the designer and developer of the world's most advanced total artificial heart, today announces its results for the first half of the financial year, ending 30 June 2010.

€ 000	H1 2010*
Income	
Operating subsidies	3,194
Total income	3,194
Operating expenses	
Other external expenses	4,923
Other operating expenses	2,011
Total operating expenses	6,934
Operating profit	(3,740)
Net financial income	(31)
Research tax credit	651
Net income	(3,120)

*Comparison of income statement items with the prior period is not valid since there is no common reference period. The 2009 financial year was 19 months long.

As announced at the time of the company's IPO, in the first half of the financial year CARMAT received a €3.2 million operating subsidy from OSEO, being a payment by OSEO for progress on the programme in the period in question. This operating subsidy formed the entirety of income from operations during the period. Since CARMAT's artificial heart is currently in the development phase, the company has not generated any revenue to date.

Note that CARMAT also received €0.8 million from OSEO in repayable advances during the period. These repayable advances have been recognised on the balance sheet under *Other Equity*, the value of which has increased as a result to €1.3 million from €0.5 million at 31 December 2009.

Operating expenses amounted to €6.9 million in the first half of the year. This is in line with the company's expectations. In particular, *Other external expenses* amounted to €4.9 million. These relate to research and development expenses to complete design and modelling work on the artificial heart.

After taking into account a research tax credit of €651,000, net income for the first half of 2010 amounted to a loss of €3.1 million.

Free cash at 30 June 2010 includes proceeds from a number of financing transactions in the first half of the year. These included the following in particular: the €3.2 million operating subsidy from OSEO, a €0.9 million capital increase, and a €2 million bond issue in May. As a result, after outflows of cash related to the continuing business, cash amounted to €3.0 million compared with €0.7 million at the end of 2009.

Recent events and outlook: IPO a great success and work on preparing clinical investigations in line with expectations

CARMAT has been listed on the NYSE Euronext Paris Alternext market since 13 July 2010. The great success of the capital increase in conjunction with the stock market listing has enabled the company to increase equity to €14.6 million. At 31 August 2010, cash amounted to €16.1 million.

Investors also continue to show strong interest in CARMAT shares. The stock is now among the most liquid traded on Alternext, with an average of 13,218 shares being traded each day.

Marcello Conviti, Chief Executive Officer of CARMAT, concludes: *“Work on preparing clinical investigations is proceeding completely in line with our expectations. The first clinical trials on humans are planned as soon as 2011.”*

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

The only credible response for all cases of end-stage heart failure, which is a real public health issue: CARMAT’s aim is to be able to provide a response to a major public health issue associated with heart disease, the world’s leading cause of death: chronic and acute heart failure. Indeed, this disease currently affects over 100 million patients in developed countries. 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 heart failure.

The result of the combination of two types of unique expertise: the medical expertise of Professor Carpentier, known throughout the world for inventing Carpentier-Edwards® heart valves, which are the most used in the world, and the technological expertise of EADS, world aerospace leader.

Imitating the natural heart: given its size, its 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 the lives of tens of thousands of patients a year whilst ensuring there is no risk of rejection and providing them with an unparalleled quality of life.

A project leader acknowledged at a European level: with the backing of the European Commission, CARMAT has been granted the largest subsidy ever given to an SME by OSEO; a total of €33 million.

Substantial involvement of prestigious shareholders: Truffle Capital, the leading European venture capital firm, EADS, the Foundation Alain Carpentier and thousands of institutional and individual shareholders who have also shown their confidence in CARMAT.

For more information: www.carmatsas.com

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