

CARMAT

PRESS RELEASE

CARMAT receives payment of over €4 million in public financial support after reaching key development milestones for the company's total artificial heart

€4 million from Oséo and €300,000 from Yvelines County Council

Paris, January 26th 2011

CARMAT (FR0010907956, ALCAR), the designer and developer of the world's most advanced total artificial heart, today announced that it had received €4 million from the French state innovation agency Oséo (taking the amount already paid to €13 million, out of a total of €33 million in financial support approved in June 2009 - the largest ever award by Oséo) and €300,000 from Yvelines County Council (the balance of a €1.5 million R&D grant), as part of the "Carmat" research project.

The €4 million Oséo payment corresponds to the second milestone success in the "Carmat" research programme - the industrial assembly of the first 2 prostheses. Payment of the balance by Yvelines County Council follows on from commissioning of the company's industrial facilities for assembly of the prostheses. Carmat is eligible to receive up to €20 million in further milestone payments for the projects.

"We are delighted to receive these payments, which prove that our business plan is right on schedule and confirms the renewed trust placed in us by our partners Oséo and Yvelines County Council. The payments validate the highly innovative nature of the "Carmat" project. They will enable us to continue developing the world's most advanced total artificial heart and provide a further treatment option in the fight against cardiovascular disease", commented Carmat CEO, Marcello Conviti.

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 founders and shareholders: Truffle Capital, the leading European venture capital firm, EADS, the Foundation Alain Carpentier (Carmat's co-founder) and thousands of institutional and individual shareholders who have also shown their confidence in CARMAT.

Carmat's Board of Directors is constituted by André-Michel Ballester, Jean-Claude Cadudal (Chairman), Professor Alain Carpentier, Michel Finance, Henri Lachmann and Philippe Pouletty MD.

For more information: www.carmatsas.com

Disclaimer

This press release and the information contained herein do not constitute an offer to sell or subscribe to, or a solicitation of an offer to buy or subscribe to, shares in Carmat ("the Company") in any country. This press release contains forward-looking statements that relate to the Company's objectives. Such forward-looking statements are based solely on the current expectations and assumptions of the Company's management and involve risk and uncertainties. Potential risks and uncertainties include, without limitation, whether the Company will be successful in implementing its strategies, whether there will be continued growth in the relevant market and demand for the Company's products, new products or technological developments introduced by competitors, and risks associated with managing growth. Unfavourable developments in connection with these and other risks and uncertainties described, in particular, in the Company's prospectus prepared in connection with its IPO and on which the French *Autorité des marchés financiers* ("AMF") granted its visa number 10-180 on June 14, 2010, could cause the Company to fail to achieve the objectives expressed by the forward-looking statements above.



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