PRESS RELEASE

2011 annual results

- **Results in line with the Company's expectations**
- **Sound cash position of €29.4m as at December 31st 2011**

Paris, March 13th 2012

CARMAT (FR0010907956, ALCAR), the designer and developer of the world's most advanced total artificial heart project, providing an alternative to patients suffering from terminal heart failure, today announced its annual results for the financial year to 31st December 2011.

- **2011 annual results***

In euros	31/12/2011	31/12/2010
Operating income		
- operating subsidies	6,051,177	5,048,697
- other operating income (reversal of provisions)	50,576	
Total operating income	**6,101,753**	**5,048,697**
Operating expenses		
- other purchases and external expenses	16,276,476	11,190,896
- other operating expenses	5,916,331	4,340,044
Total operating expenses	**22,192,807**	**15,530,940**
Operating loss	**-16,091,054**	**-10,482,243**
Financial profit/(loss)	97,271	-20,807
Exceptional items	37,234	16,066
Research tax credit	2,515,527	2,750,499
Net loss	**-13,441,022**	**-7,736,485**

* *Annual accounts were closed by the Board on March 8th 2012. Audit procedures relative to these accounts have been carried out. The auditors' report is currently being prepared.*

Over 2011, CARMAT received €6.0m in operating subsidies from OSEO, which was recorded as "Operating Subsidies" on the P&L statement. This operating subsidy represents the bulk of operating income over the period. Indeed, the Company generated no income from its activity in 2011 given that CARMAT's total artificial heart is currently in its development phase.

Moreover, CARMAT also received €1.7 million in repayable advances from OSEO, in 2011. These repayable advances were recognized on the balance sheet as "Other Equity", the value of which has subsequently increased to €3.7 million, compared to €2.0 million as at December 31st 2010.

Operating expenses totalled €22.2m over the year, including €16.3m for "Other Purchases and External Expenses". This is in line with the Company's forecasts, with the increase reflecting the major progress made over the year regarding the development of CARMAT's artificial heart, and in particular the installation of new means of integration and new test benches, as well as the industrial assembly of the prostheses used for the preclinical trials and the training of 3 surgical teams.

After a research tax credit of €2.5 million is taken into account, 2011 net loss amounted to €13.4 million.

- **Cash position**

The Company's cash position includes the proceeds of the shares issue carried out by CARMAT on the NYSE Euronext Paris Alternext market in July 2011. The Company thus had a cash position of €29.4 million as at December 31st 2011, compared to €11.4m as at December 31st 2010.

CARMAT still stands to receive a further €3.0m in operating subsidies and €10.8m in repayable advances from OSEO after completion of the next key stages of development.

- **2011 highlights and recent events**

- *File submitted to AFSSAPS*

  CARMAT submitted its file to AFSSAPS during the 2nd quarter of 2011. The Company used the pre-submission procedure available to innovative technologies that enables it to gradually add data to the file as it becomes available.

- *Double ISO 13485 and ISO 9001 certification*

  On July 1st 2011, CARMAT received confirmation of its certification under both the ISO 9001 and the ISO 13485 standards, which define the requirements of quality management systems for the medical devices industry. ISO 13485 certification is a major step in the CE mark filing process for medical devices.

- *Substantial success of the shares issue*

  A capital increase with preferential subscription rights took place between July 13th and July 29th 2011. This shares issue was guaranteed for a total of €10.5m by Truffle Capital. However, this commitment was not triggered, given substantial global demand that represented an oversubscription of 27.4%. Once the extension clause was fully implemented, the gross total raised by the operation was €29.3m.

- *Favourable opinion from the Patient Protection Committee*

  On November 28th 2011, CARMAT received a favourable opinion from the Patient Protection Committee for the first clinical trial in France involving the implantation of the total artificial heart in patients.

- *Preclinical trials continuing*

  The results of the biocompatibility and sterility tests carried out on the bioprosthesis, its components and its manufacturing process have been submitted to AFSSAPS. The data that still needs to be submitted in order to complete the file notably concerns the endurance of the whole system including the prosthesis and all of its external components. These tests, which are taking place at the current time, are the final step prior to clinical trials, subject to authorisation being granted by AFSSAPS.

Marcello Conviti, Chief Executive Officer of CARMAT, concludes: "*These annual results reflect the major milestones achieved in 2011 by the world's most advanced artificial heart project. Thanks to the support of our long-term shareholders, such as Truffle Capital and the Marie Lannelongue surgical centre, and our new shareholders, CARMAT's capital increase was a resounding success. We now have a cash position that allows us to serenely and confidently look at the next stages in this project and to complete the preclinical programme with all the rigour the stakes of this project demand. 2012 should thus see the fruition of over 20 years of scientific effort devoted to the development of unique and exceptional technology.*"

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

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, the Marie Lannelongue Cardiothoracic Centre and thousands of institutional and individual shareholders have placed their trust in CARMAT.

For further information, visit: *www.carmatsa.com*

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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. The Company's objectives as mentioned in this press release may not be achieved for any of these reasons or due to other risks and uncertainties. No guarantee can be given as to any of the events anticipated by the forward-looking statements, which are subject to inherent risks, including those described in the *Document de Référence* registered with the *Autorité des Marchés Financiers* under number R.11-017 on April 27, 2011 and the *Note d'Opération* that was approved with visa no. 11-308 on July 11, 2011, changes in economic conditions, the financial markets or the markets in which Carmat operates. In particular, no guarantee can be given concerning the Company's ability to finalize the development, validation and industrialization of the prosthesis and the equipment required for its use, to manufacture the prostheses, satisfy the requirements of the AFSSAPS, enroll patients, obtain satisfactory clinical results, perform the clinical trials and tests required for CE marking and to obtain the CE mark.

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CARMAT

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