

Implanet: 2013 annual revenue

- *Positive marketing dynamic for JAZZ*
- *All Knee sales transferred to indirect distribution*

Paris, 28 January 2014 – IMPLANET (Euronext: IMPL, FR0010458729), a medical technology company specializing in vertebral and knee-surgery implants, today announces its consolidated revenue for the year to 31 December 2013.

<i>In € thousands - IFRS</i>	2013	2012	Δ
JAZZ	592	127	+366.1%
Other Spine	219	193	+13.5%
Spine	811	320	+153.4%
Knee + Arthroscopy	4,086	4,343	-5.9%
Hip	1,793	1,743	+2.9%
Total Implants	6,690	6,406	+4.4%
Other rebilling	-	241	-
Total	6,690	6,647	+0.6%

2013 revenue: growth in Spine activity

In 2013, Implanet recorded revenue of €6,690 thousand (+0.6%), including €2,314 thousand overseas (35% of total sales). In accordance with what was previously announced, the Company's 2012 revenue included €241 thousand in items rebilled to GHX for various services (including providing premises). Despite a satisfactory year in terms of activity, revenue remained stable in 2013, reflecting the change in the business model associated with the development of Spine activity to the detriment of Orthopedics. Implanet focused on the buoyant growth of the Spine segment, which resulted in a particularly positive dynamic for the JAZZ implant, whose sales totaled €592 thousand from 1,953 units sold around the world in 2013.

Knee activity: change in the business model

As announced at the time of the IPO, there was a significant change in the product mix over 2013, with the least-promising orthopedic segments such as the Hip prosthesis being gradually abandoned and with the change in the distribution model for the Knee segment. Indeed, in 2013 Knee sales were transferred from a direct sales model to an indirect distribution model, enabling marketing costs to be more spread out. This change in the distribution method impacted Knee-segment sales, representing a loss in revenue of close to €350 thousand.

Lastly, delivery delays from a sub-contractor in arthroscopy resulted in €700 thousand worth of sales being postponed from 2013 to 2014.

Ludovic Lastennet, CEO of Implanet, states: "2013 was a year of in-depth transformation on every operational level, which enabled us to lay the foundations for future profitable growth. Thus, on a strategic level, 2013 saw the successful launch of our innovative JAZZ implant devoted to spine surgery, as well as a necessary evolution in our product mix. This strategic decision is leading the Company to

gradually abandon its less-profitable activities and transfer our sales on the Knee segment to an indirect distribution model. On an organizational level, the setting up of a specific structure in the United States has enabled tangible results to be rapidly obtained. Lastly, on a financial level, the success of our IPO in November allowed us to raise more than €14 million. Although these decisions affected our overall growth over the year and should lead to significant inventory depreciation at 31 December 2013, notably with regard to the rapid dephasing of our Hip activity, this should not overshadow the substantial upramping of JAZZ and the development of this high-potential activity in the United States. The revitalization of our implant portfolio in Knee surgery, combined with a solid financial structure based on a higher-margin growth model, allow us to look to 2014 with confidence."

Next financial press release: 2013 annual results, on 18 March 2014

About IMPLANET

Founded in 2007 and based near Bordeaux, IMPLANET is a medical technology company that manufactures high-quality implants for orthopedic surgery. Its flagship product, the JAZZ latest-generation implant, aims to improve the treatment of spinal pathologies requiring vertebral fusion surgery. IMPLANET's proven orthopedic platform, based on perfectly controlling the traceability of its products, gives the Company the proven ability to enhance this innovation. Protected by four families of international patents, JAZZ has obtained 510(k) regulatory approval from the Food and Drug Administration (FDA) in the United States and the CE mark. IMPLANET employs 33 staff and recorded 2012 sales of €6.6 million.

For further information, please visit www.implanet.com

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