Media release

Straumann lifts net profit by 25% in 2007

- *Net revenue climbs 19% (17% in l.c.) to CHF 714 million*
- *Underlying[1] EBIT margin expands 3.0 percentage points to 32.3%*
- *Earnings per share (diluted) increase 24% to CHF 11.26*
- *etkon continues dynamic growth and expands internationally*
- *New generation Bone Level Implant well received*
- *Investments in new Asian subsidiaries to invigorate growth*
- *Distribution channels acquired in emerging Eastern European markets*
- *Cash flow from operating activities jumps 29%*
- *Proposed dividend of 25% to CHF 3.75 per share[2]*

Key figures

(in CHF million)	2007	2006
Net revenue	**713.7**	**599.2**
Growth in %	*19.1*	*17.6*
Operating profit (EBIT)	**201.5**	**175.3**
Margin in %	*28.2*	*29.3*
Underlying[1] margin in %	*32.3*	*29.3*
Growth in %	*14.9*	*12.4*
Net profit	**177.3**	**141.9**
Margin in %	*24.8*	*23.7*
Growth in %	*24.9*	*10.7*
Free Cash Flow[3]	**186.3**	**134.2**
Margin in %	*26.1*	*22.4*
Growth in %	*38.9*	*55.9*
Earnings per share (diluted) (in CHF)	**11.26**	**9.07**
Growth in %	*24.1*	*10.7*
Dividend per share (in CHF)	**3.75[2]**	**3.00**

[1] In this release 'underlying' means excluding the effects of businesses acquired in 2007 and the import detention on Biora products in the US.
[2] The Board of Directors proposes a dividend of CHF 3.75 per share for 2007 payable in 2008, subject to shareholder approval.
[3] Defined as net cash from operating activities less capital expenditures plus proceeds from sale of property, plant and equipment and financial assets, in % of net revenue.

Basel, 7 February 2008: Straumann (SWX: STMN), a global leader in implant, restorative and regenerative dentistry, today reported net revenue growth of 19% (17% in l.c.) in 2007, driven by strong customer demand for existing, newly launched and recently acquired products. With net revenue reaching CHF 714 million, growth was lifted by a 6-percentage-point contribution from acquisitions, while favorable exchange rates added 2-percentage points to the top-line growth. Excluding the effect of the US import detention imposed on Biora products by the Food and Drug Administration (FDA) throughout 2007, the organic growth was 13%. The Group finished the year with fourth-quarter net revenue growth of 20% (19% in l.c.).

Operating profit (EBIT) rose 15% to CHF 202 million, corresponding to an EBIT margin of 28.2%. Excluding the effects of acquisitions and the import detention, the underlying EBIT margin increased to 32.3%. Profitability gains and tax improvements pushed net profit up 25% to CHF 177 million, yielding a net profit margin of 24.8%. With cash from operating activities jumping 29% to CHF 227 million, free cash flow rose 39% to CHF 186 million.

Robust underlying expansion
The solid underlying growth throughout 2007 was driven by Straumann's core implant business, supported by the progressive conversion to SLActive, the third-generation surface technology that significantly reduces healing times and increases security[4]. More than 20% of Straumann implants now have this gold-standard surface and, thanks to its proven benefits, Straumann has maintained a price premium of approximately 30% above the standard SLA.

Progress in regeneratives
With the support of additional clinical data, Straumann's regenerative business continued to develop solidly, except in the US, where the FDA has informed the company that a re-inspection (which is required before the import detention can be lifted) will be scheduled. The date still has to be confirmed and Straumann believes that its regenerative products could be available again to US customers and patients in the second quarter of the current year, pending successful re-inspection.

New generation Bone Level Implant doubles addressable market
One of Straumann's biggest undertakings in 2007 was the clinical development and launch of its new generation Bone Level Implant, which doubles the company's addressable implant market. The new implant and its comprehensive matching prosthetic portfolio were launched in initial European markets, North America, Australia and New Zealand in the fourth quarter and will be rolled out globally in 2008 and beyond.

Entry into promising CAD/CAM dental prosthetic market
The main strategic highlight in 2007 was the Group's friendly acquisition of etkon AG at the beginning of March. This establishes Straumann in the highly attractive field of CAD/CAM dental prosthetics. The combination positions Straumann as a differentiated partner providing solutions to rescue, restore or replace teeth. At year-end, Straumann owned 95.4% of all etkon shares and expects the remainder to be tendered in the course of 2008, bringing the total purchase consideration to EUR 100 million. The cost implications of etkon include the amortization of acquired intangible assets and certain integration and restructuring costs. In the 10 months since the acquisition, etkon contributed CHF 27 million to Straumann's 2007 net revenues.

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[4] Oates TW et al. Int J Oral Maxillofac Implants 2007; 22 :755-760

Key distribution channels taken over
In July and August, Straumann acquired its Japanese and Korean distributors, gaining direct access to customers in the world's fourth and fifth largest markets for dental implants. Subsidiaries and leadership were put in place rapidly, and most of the key management and staff were retained, making the transitions seamless from the customer's perspective. Shortly after year-end, the Group took over distribution in Hungary and acquired its distributor in the Czech Republic and Slovakia. These initiatives mean that the portion of the Group's revenues generated through third-party distributors is only about 5%.

New talent strengthens team
Straumann continued to invest in recruiting and training new talent with particular emphasis on strengthening its leadership team with high caliber managers from mature consumer industries. The global workforce increased by 421 to 1955 at year-end, of which 241 were newly created jobs.

Solid European performance
In Europe, where Straumann generated 64% of its business, full-year net revenue grew 16% in local currencies (21% in Swiss Francs) to CHF 459 million. Mid-teen growth was achieved throughout the year, with a solid fourth-quarter (15% l.c.) in view of the high comparative base in 2006, when sales grew 24% in l.c.

Most countries reported good performances with double-digit underlying revenue growth. etkon contributed to the regional expansion, predominantly in its home market Germany. The UK and Iberian subsidiaries enjoyed dynamic growth throughout the year, while the French subsidiary was restructured to invigorate growth. The fragmented Italian market was impacted by new tax regulations, which resulted in treatment delays towards the end of the year. In Sweden, treatment postponements in connection with reimbursement changes (expected in mid 2008) led to a marked deceleration.

Substantial pick-up in North America
In North America, which accounts for 22% of the Group, revenues reached CHF 154 million. The import detention in the US meant that net revenue increased just 7% in l.c. (3% in CHF) compared with 2006. Excluding this effect, the underlying business grew 16% in local currencies over the full year and 18% in the fourth quarter, reflecting an encouraging pick-up in US implant sales and the contribution of the Bone Level Implant launch in October. Throughout the year, Straumann upgraded its education and sharpened its sales approach. These initiatives, together with the continuing success of SLActive, consistent pricing discipline and the successful launch of our new Bone Level Implant at the end of October, fuelled a progressive improvement of our business performance.

Asia/Pacific boosted by new subsidiaries
In the Asia/Pacific region, net revenue rose 42% to CHF 81 million (11% of Group). While the third and fourth quarters were boosted by the acquisitions in Japan and Korea, the underlying growth in both countries had slowed in the run-up to the transition. It will take some time to recapture dynamic growth although the integration has progressed well and key issues have already been addressed. Apart from this, the regional performance was underpinned by consistent strong growth in Australia, which took over direct distribution in New Zealand at the outset of 2007. Another regional highlight in 2007 was the opening of a Straumann Representative Office in Beijing, China, which will provide important insights into this key emerging market.

RoW continues dynamic performance
In the rest of the world – where Brazil and Mexico are among the key contributors – full-year revenues climbed 61% to CHF 20 million. This was on top of the particularly strong growth rates in 2006, underscoring the attractive potential in this group of countries.

Profitability gains drive operating profit up 15%
The cost of goods sold increased slower than net revenue thanks to process improvements, scale effects and a decrease in start-up costs in Andover. This offset the higher costs of the complex production of SLActive and the Bone Level Implant, as well as the dilutive effect of the restorative business. As a result, gross profit rose 21% to CHF 582 million and the gross margin expanded 1.5 percentage points to 81.6%.

Sales and administrative expenses increased to CHF 356 million or 49.9% of sales, while research and development costs increased slightly to CHF 31.2 million or 4% of sales. In spite of the integration, start-up, and personnel costs related to the aforementioned acquired businesses, operating profit before depreciation and amortization (EBITDA) rose 12%, with the EBITDA margin exceeding 34%.

The operating profit rose 15% to CHF 202 million, while the EBIT margin was squeezed by just over 1 percentage point to 28.2%. Excluding the effects of acquisitions and the US import detention, the underlying EBIT margin would have expanded 3 percentage points to 32.3%.

Net profit margin expands to 24.8%
For currency hedging considerations, the acquisition of etkon was financed with cash and a short-term euro loan, which will be repaid using earnings generated in euros. Interest expense on the loan, together with other financial expenses amounted to CHF 6.6 million. This was mostly offset by interest of CHF 4.1 million. Currency exchange rates were mainly responsible for the negative net financial result of CHF 7.0 million. A one-time revaluation of deferred tax liabilities and a further improved tax structure resulted in an exceptional full-year tax rate of 8.9%. The underlying tax rate going forward is expected to be in the region of 17%. Profitability gains combined with tax structure improvements led to a 25% rise in net profit to CHF 177 million. The net profit margin increased 1.1 percentage points to 24.8% and diluted earnings per share consequently rose 24% to CHF 11.26.

Strong improvements in cash flow
Net cash from operating activities rose 29% to CHF 227 million. Net cash used in investing activities amounted to CHF 250 million, of which CHF 162 million were due to the etkon acquisition. Net cash from financing activities was a positive CHF 58 million reflecting the aforementioned euro loan. Free cash flow increased strongly to CHF 186 million, lifting the free cash flow margin to 26%.

The combination of all these activities together with a dividend payment of CHF 47 million meant that overall cash and cash equivalents on 31 December 2007 amounted to CHF 190 million.

Proposed dividend increase of 25% to CHF 3.75 per share
On the basis of the 2007 performance, the Board of Directors proposes a 25% increase in the ordinary dividend to CHF 3.75 per share, subject to the shareholders' approval at their annual general meeting on 28 March 2008. This corresponds to a payout ratio of 33%.

Outlook (barring unforeseen circumstances)

The strength of Straumann's underlying business and the growing contributions from new products, technologies and subsidiaries are expected to drive full-year revenue growth in 2008 to the mid-twenties range in local currencies.

As efficiency improvements are expected to exceed the higher levels of amortization related to acquisitions, the Group foresees an improvement of around 50 basis points in full-year operating margin. With the tax rate returning to normal, the net profit margin is expected to be around 23%.

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Concerning forward looking statements

About Straumann

Headquartered in Basel, Switzerland, the Straumann Group (SWX: STMN) is a global leader in implant dentistry and oral tissue regeneration. In collaboration with leading clinics, research institutes and universities, the Group researches and develops implants, instruments and tissue regeneration products for use in tooth replacement solutions or to prevent tooth loss. The Group manufactures implant system components and instruments in Switzerland and the US and dental tissue regeneration products in Sweden. Straumann also offers comprehensive training and services to the dental profession worldwide, including training and education, which is provided in collaboration with the International Team for Implantology (ITI). Altogether, Straumann employs approximately 2000 people worldwide and its products and services are available in more than 60 countries through the Group's 21 distribution subsidiaries and broad network of distribution partners.

Media and analysts' conference

Straumann's 2007 financial results conference will take place at 10.00h Swiss time in Basel today. The event will be webcast live on the internet and a playback will be available.

Webcast, presentation slides and further information are available at www.straumann.com.

Annual report

A PDF version of Straumann's audited 2007 Annual Report is available on request from Straumann Corporate Communication:
corporate.communication@straumann.com

Key reporting dates in 2008

28 March	Annual General Meeting, Straumann Holding AG
28 April	Q1 sales
7 August	Q2 sales and H1 results
30 October	Q3 and 9M sales

Details of Straumann roadshows and other events for investors are published on www.straumann.com.

Selected Financial Information

Operating performance

(in CHF million)	2007	2006
Net revenue	713.7	599.2
Growth in %	19.1	17.6
Gross profit	582.3	479.7
Margin in %	81.6	80.1
Operating result before depreciation and amortization (EBITDA)	244.1	217.8
Margin in %	34.2	36.4
Growth in %	12.0	20.3
Operating result before amortization (EBITA)	218.5	185.2
Margin in %	30.6	30.9
Growth in %	18.0	14.2
Operating profit (EBIT)	201.5	175.3
Margin in %	28.2	29.3
Growth in %	14.9	12.4
Net profit	177.3	141.9
Margin in %	24.8	23.7
Growth in %	24.9	10.7
Basic earnings per share (in CHF)	11.29	9.09
Value added (economic profit)	129.4	98.4
Increase in value added	31.0	5.2
Increase in value added in %	31.5	5.5
In % of net revenue	18.1	16.4
Number of employees (year-end)	1 955	1 534
Number of employees (average)	1 736	1 483
Sales per employee (average) in CHF 1 000	411	404

Financial performance

(in CHF million)	2007	2006[1]
Cash and cash equivalents	190.2	171.8
Net working capital (net of cash)	40.8	38.0
In % of net revenue	5.7	6.3
Inventories	79.6	59.0
Days of supplies	208	161
Trade receivables	94.6	85.3
Days of sales outstanding	44	47
Balance sheet total	946.5	646.9
Return on assets in % (ROA)	22.2	21.0
Equity	623.5	503.6
Equity ratio in %	65.9	77.8
Return on equity in % (ROE)	31.5	31.5
Capital employed	560.7	326.1
Return on capital employed in % (ROCE)	35.9	53.8
Cash generated from operating activities	227.2	176.2
In % of net revenue	31.8	29.4
Investments	287.0	49.8
In % of net revenue	40.2	8.3
Capital expenditures	42.5	42.1
Acquisitions	244.5	7.8
Free cash flow	186.3	134.2
In % of net revenue	26.1	22.4
Dividend	58.4	46.7
Pay-out ratio in %	33.0	32.9

[1] The presentation of 2006 figures has been adapted to the 2007 format

Regional sales development

(in CHF million)	H1	H2	Total 2007	Total 2006
Europe	233.1	225.8	458.9	380.5
Growth in %	19.8	21.5	20.6	20.4
Growth in local currencies in %	15.2	17.1	16.1	18.6
In % of net revenue	66.3	62.4	64.3	63.5
North America	76.8	77.3	154.1	149.3
Growth in %	3.4	2.9	3.2	13.7
Growth in local currencies in %	7.2	7.1	7.1	12.2
In % of net revenue	21.8	21.4	21.6	24.9
Asia / Pacific	31.6	49.1	80.7	57.0
Growth in %	5.2	82.5	41.7	11.5
In % of net revenue	9.0	13.6	11.3	9.5
Rest of the World	10.2	9.8	20.0	12.4
Growth in %	55.8	66.1	61.1	11.9
In % of net revenue	2.9	2.6	2.8	2.1
Total	**351.7**	**362.0**	**713.7**	**599.2**
Growth in %	15.2	23.2	19.1	17.6
Growth in local currencies in %	13.1	21.3	17.1	16.1
In % of full-year sales	49.3	50.7	100.0	100.0

Regional sales development by quarter

(in CHF million)	Q1	Q2	Q3	Q4	Total 2007
Europe	113.2	119.9	100.6	125.2	458.9
Growth in %	13.3	26.6	25.0	18.6	20.6
Growth in local currencies in %	9.7	20.9	20.3	14.5	16.1
In % of net revenue	63.4	69.3	60.2	64.2	64.3
North America	37.9	38.9	37.1	40.2	154.1
Growth in %	2.6	4.3	0.9	5.0	3.2
Growth in local currencies in %	8.8	5.8	3.5	10.5	7.1
In % of net revenue	21.2	22.5	22.2	20.6	21.6
Asia / Pacific	22.4	9.2	24.2	24.9	80.7
Growth in %	17.3	(15.8)	95.5	71.4	41.7
In % of net revenue	12.5	5.3	14.5	12.8	11.3
Rest of the World	5.2	5.0	5.1	4.7	20.0
Growth in %	75.0	39.6	115.9	33.8	61.1
In % of net revenue	2.9	2.9	3.1	2.4	2.8
Total	**178.7**	**173.0**	**167.0**	**195.0**	**713.7**
Growth in %	12.5	18.1	26.6	20.4	19.1
Growth in local currencies in %	11.6	14.8	24.2	18.9	17.1
In % of full-year sales	25.0	24.2	23.4	27.4	100.0

Consolidated Balance Sheets

Assets

(in CHF 1 000)	31 Dec 2007	31 Dec 2006[1]
Property, plant and equipment	139 772	129 468
Investment properties	8 700	9 000
Intangible assets	379 054	152 854
Other financial assets	562	400
Deferred income tax assets	30 099	24 821
Total non-current assets	**558 187**	**316 543**
Inventories	79 565	58 974
Trade and other receivables	115 011	98 471
Income tax receivables	3 533	1 152
Cash and cash equivalents	190 185	171 807
Total current assets	**388 294**	**330 404**
Total assets	**946 481**	**646 947**

Equities and liabilities

(in CHF 1 000)	31 Dec 2007	31 Dec 2006[1]
Share capital	1 563	1 562
Retained earnings and reserves	618 116	502 012
Total equity attributable to the shareholders of the parent company	**619 679**	**503 574**
Non-controlling interests	3 816	0
Total equity	**623 495**	**503 574**
Financial liabilities measured at amortized costs	4 438	0
Provisions	3 171	1 925
Retirement benefit obligations	4 522	4 514
Deferred income tax liabilities	20 590	16 368
Total non-current liabilities	**32 721**	**22 807**
Trade and other payables	95 469	75 947
Interest-bearing loans and borrowings	123 973	0
Financial liabilities measured at amortized costs	9 006	0
Other financial liabilities	0	15 000
Income tax payable	52 380	29 580
Provisions	9 437	39
Total current liabilities	**290 265**	**120 566**
Total liabilities	**322 986**	**143 373**
Total equity and liabilities	**946 481**	**646 947**

[1] The presentation of 2006 figures has been adapted to the 2007 format

Consolidated Income Statement

(in CHF 1 000)	2007	2006[1]
Net revenue	**713 654**	**599 204**
Cost of goods sold	(131 383)	(119 455)
Gross profit	**582 271**	**479 749**
Other income	6 531	8 257
Selling and administrative costs	(356 062)	(282 209)
Research and development costs	(31 230)	(30 476)
Operating profit	**201 510**	**175 321**
Finance income	18 572	5 767
Finance costs	(25 596)	(7 121)
Profit before income tax	**194 486**	**173 967**
Income tax expense	(17 223)	(32 039)
Net profit	**177 263**	**141 928**
Attributable to:		
Shareholders of the parent company	175 866	141 725
Non-controlling interests	1 397	203
Basic earnings per share (in CHF)	**11.29**	**9.09**
Diluted earnings per share (in CHF)	**11.26**	**9.07**

[1] Operating foreign exchange results are recognized from 2007 onwards as 'finance income/costs'. For 2007, the net operating foreign exchange gain was CHF 1.7 million (2006: CHF 1.3 million).

Consolidated Cash Flow Statements

(in CHF 1 000)	2007	2006[1]
Operating profit	**201 510**	**175 321**
Depreciation of property, plant and equipment	25 258	29 449
Depreciation and impairment of investment properties	300	3 200
Amortization of intangible assets	17 011	9 870
Change in provisions	7 503	(354)
Change in retirement benefit obligation	63	905
Share-based payment expense	4 675	3 039
Losses on disposals of property, plant and equipment	456	415
Working capital adjustments:		
Increase in inventories	(11 091)	(9 849)
Decrease / Increase in trade and other receivables	2 406	(17 092)
Increase in trade and other payables	2 164	10 220
Foreign exchange result on intra-group payments	(924)	778
Foreign exchange result	(2 129)	(2 288)
Interest paid	(6 574)	(716)
Interest received	4 077	1 649
Income tax paid	(17 475)	(28 317)
Net cash from operating activities	**227 230**	**176 230**
Purchase of property, plant and equipment	(32 957)	(28 461)
Purchase of intangible assets	(9 567)	(13 631)
Acquisition of subsidiaries, net of cash acquired	(208 606)	(2 924)
Net proceeds from sale of financial assets and property, plant and equ ment	1 575	38
Net cash used in investing activities	**(249 555)**	**(44 978)**
Dividends paid	(46 729)	(39 040)
Purchase of shares of non-controlling interests	(35 936)	(4 837)
Proceeds from exercise of options	1 983	5 512
Proceeds from loans and borrowings	120 650	0
Purchase of treasury shares	(2 877)	(18 005)
Sale of treasury shares	3 022	2 345
Net cash used in financing activities	**40 113**	**(54 025)**
Effect of exchange rate differences on cash held	590	385
Net increase in cash and cash equivalents	**18 378**	**77 612**
Cash and cash equivalents at 1 January	**171 807**	**94 195**
Cash and cash equivalents at period end	**190 185**	**171 807**

[1] The presentation of 2006 figures has been adapted to the 2007 format

Consolidated Statement of Changes in Equity

(in CHF 1 000)	Share capital	Share premium	Treasury shares	Cash flow hedge reserve	Translation reserves	Retained earnings	Non-controlling interests	Total equity
	Attributable to the shareholders of the parent company							
Balance at 1 January 2006	**1 558**	**47 403**	**0**	**0**	**(802)**	**370 319**	**1 511**	**419 989**
Currency translation adjustments					7 870		12	7 882
Effect of cash flow hedges, net of tax				(301)				(301)
First-time recognition defined benefit plans						129		129
Total gains and losses recognized directly i equity	**0**	**0**	**0**	**(301)**	**7 870**	**129**	**12**	**7 710**
Net profit						141 725	203	141 928
Total recognized income and expense	**0**	**0**	**0**	**(301)**	**7 870**	**141 854**	**215**	**149 638**
Dividends paid						(39 040)		(39 040)
Exercise of options	4	5 508						5 512
Share based payments		2 355	684					3 039
Issuer's own equity instruments			(15 000)					(15 000)
Purchase of treasury shares			(18 005)					(18 005)
Sale of treasury shares			2 345					2 345
Goodwill on transactions with holders of non-controlling interests						(3 178)	(1 726)	(4 904)
Balance at 31 December 2006	**1 562**	**55 266**	**(29 976)**	**(301)**	**7 068**	**469 955**	**0**	**503 574**
Balance at 1 January 2007	**1 562**	**55 266**	**(29 976)**	**(301)**	**7 068**	**469 955**	**0**	**503 574**
Currency translation adjustments					1 914			1 914
Effect of cash flow hedges, net of tax				301				301
Total gains and losses recognized directly i equity	**0**	**0**	**0**	**301**	**1 914**	**0**	**0**	**2 215**
Net profit						175 866	1 397	177 263
Total recognized income and expense	**0**	**0**	**0**	**301**	**1 914**	**175 866**	**1 397**	**179 478**
Dividends paid						(46 729)		(46 729)
Exercise of options	1	1 982						1 983
Share based payments						4 675		4 675
Acquisition of subsidiaries with non-controlling interest							8 816	8 816
Issuer's own equity instruments			15 000					15 000
Purchase of treasury shares			(2 877)					(2 877)
Sale of treasury shares			3 187			(165)		3 022
Put options granted to holders of non-controllin interests						(7 353)		(7 353)
Goodwill on transactions with holders of non-controlling interests						(29 697)	(6 397)	(36 094)
Balance at 31 December 2007	**1 563**	**57 248**	**(14 666)**	**0**	**8 982**	**566 552**	**3 816**	**623 495**

The financial statements above are an extract of the fully audited statements published in Straumann's 2007 Annual Report.