

Media release

Straumann posts net revenue growth of 18% in local currencies (14% in CHF) over the first nine months of 2008

- Group achieves double-digit net revenue growth (+11%) in local currencies (l.c.) in third quarter despite deterioration in economic environment
- Strong growth continues in North America in third quarter (+22% l.c.), lifted by Biora reintroduction in the US and new Bone Level Implant range
- Europe posts double-digit growth in third-quarter (+10% in l.c.) constrained by softer performance in Iberia
- Continuing transition of business in key Asian markets; introduction of latest generation products and technologies needed to achieve full turnaround
- New high strength material, Roxolid™, and impressive scientific results presented at EAO

Net revenue figures

Nine months				
(in CHF million)	2008	2007	Growth in CHF	Growth in l.c.
Group net revenue	589.2	518.7	13.6%	18.3%
Europe	378.0	333.7	13.3%	15.5%
<i>in % of Group net revenue</i>	64.2%	64.3%		
North America	120.1	113.9	5.5%	19.1%
<i>in % of Group net revenue</i>	20.4%	21.9%		
Asia/Pacific	73.1	55.8	31.0%	33.5%
<i>in % of Group net revenue</i>	12.4%	10.8%		
Rest of the World	18.0	15.3	17.3%	17.0%
<i>in % of Group net revenue</i>	3.0%	3.0%		

Third quarter				
(in CHF million)	2008	2007	Growth in CHF	Growth in l.c.
Group net revenue	176.4	167.0	5.6%	10.6%
Europe	107.9	100.6	7.3%	10.4%
<i>in % of Group net revenue</i>	61.2%	60.2%		
North America	40.8	37.1	10.1%	22.1%
<i>in % of Group net revenue</i>	23.1%	22.2%		
Asia/Pacific	22.3	24.2	-8.1%	-4.3%
<i>in % of Group net revenue</i>	12.6%	14.5%		
Rest of the World	5.4	5.1	5.9%	5.3%
<i>in % of Group net revenue</i>	3.1%	3.0%		

Basel, 30 October 2008: In the first 9 months of 2008, Straumann's net revenue climbed 18% in l.c. (14% in Swiss francs) to CHF 589 million. Despite the tough economic environment, the Group achieved double-digit growth in local currencies in the third quarter, outpacing the market. The overall performance was driven by sustained growth in North America, and contributions from Straumann's new generation Bone Level implant, the SLActive surface technology, and the CAD/CAM prosthetics business. 14% points of revenue growth in local currencies were generated organically in the first nine months, while the continuing strength of the Swiss franc against major currencies resulted in a negative foreign exchange rate effect of roughly 4%.

Continued strong growth in North America

In the first nine months, North American revenues grew 19% in l.c. to CHF 120 million, or 20% of Group net revenue. The increase in Swiss francs was just 6%, reflecting the overall weakness of the dollar against the franc. Net revenue growth increased in the third quarter by 22% in l.c., lifted by the reintroduction of Straumann's regenerative products in the US and the success of the Bone Level Implant range. A strong presence at the American Academy of Periodontology (AAP) meeting in Seattle in early September helped to support these initiatives.

Europe posts solid performance

In Europe, where Straumann is the dental implant market leader, the Group posted a solid performance over the first nine months as net revenues climbed 16% in l.c. or 13% in Swiss francs to CHF 378 million. This corresponds to 64% of Group net revenue. Double-digit growth was achieved in the third quarter (+10% l.c.), but was constrained by a softer performance in Iberia. Apart from this, a number of countries still achieved double-digit revenue growth of more than 20%.

Asia/Pacific and RoW boosted by newly acquired subsidiaries

While nine-month revenues in the Asia/Pacific region increased 34% in l.c. (31% in CHF) to CHF 73 million (12% of Group), third-quarter revenue decreased by comparison with the same period of 2007, reflecting the discontinuation of the acquisition effects of the Japanese and Korean distributors at the end of June and July respectively. While Straumann has made progress towards turning these businesses around, accelerated growth will depend on the introduction of new products and technologies, which are still awaiting regulatory clearance.

In the rest of the world, which continues to contribute 3% of Group net revenues, 9-month revenue rose 17% to CHF 18 million, on top of a high comparative basis in 2007.

New material presented

The 17th Annual Scientific Meeting of the European Association for Osseointegration (EAO) in Warsaw, Poland, provided an excellent platform for Straumann to present a new material that could make dental implants smaller, stronger and safer. Called Roxolid, the new material is an alloy of titanium and zirconium and is currently undergoing clinical trials in six countries. Preliminary (6-12 month) clinical observations¹ showed very promising implant survival rates, while exciting results from a preclinical study demonstrated that Roxolid integrated with bone better than pure titanium².

¹ Barter S et al. Clinical data presented at the 17th Annual Scientific Meeting of the European Association for Osseointegration (EAO), Warsaw, September 2008

² Gottlow J et al. Preclinical data presented at the 23rd Annual meeting of the Academy of Osseointegration (AO), Boston, February 2008, and at the 17th Annual Scientific Meeting of the European Association for Osseointegration (EAO), Warsaw, September 2008

Pending further positive findings from the broad ongoing clinical program and regulatory approvals, Roxolid implants are expected to become available in initial markets in the course of 2009.

SActive outperforms

At the same meeting, the results of a preclinical head-to-head study were presented, which compared Straumann's third generation implant surface on titanium implants with a leading competitor surface (TiUnite^{®3}) at three time points (10 days, 3 and 6 weeks) after implant placement². At each time, SActive demonstrated higher mean shear strength values (indicative of surface osseointegration), which were statistically significant at both 3 and 6 weeks. The investigators concluded that SActive was more effective in enhancing interfacial shear strength.

Straumann gains 'share of voice' through ITI

Straumann's academic partner, the ITI, also helped to raise Straumann's share of voice in the third quarter. In addition to the global publication of its *3rd Treatment Guide*, the ITI hosted its largest ever South American congress in São Paulo, which was attended by 1200 participants and featured 32 key opinion leader speakers.

FDA inspection in Switzerland

In September, Straumann's facilities in Basel and Villeret were subject to a routine inspection by the US Food and Drug Administration. No observations have been reported to the company, although official written confirmation is still pending.

Outlook (barring further unforeseen circumstances)

Global demographic trends, low penetration rates and high substitution potential continue to make the market for implant dentistry highly attractive in the mid and long term. However, the exceptional current economic environment makes near term forecasts difficult. Taking this and a sluggish October into account and on the basis of softer growth in the third quarter than in the first six months, Straumann foresees full-year net revenue growth of around 15-17% in local currencies.

Although efficiency improvements and cost control management will contribute to profit margins, they will not fully offset the effect of softer topline growth combined with amortization related to acquisitions and unfavourable foreign exchange rates. As a result, operating and net profit margins are expected to reach 25% and 20% respectively.

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³ Registered trademark of Nobel Biocare

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About Straumann

Headquartered in Basel, Switzerland, the Straumann Group (SWX: STMN) is a global leader in implant and restorative dentistry and oral tissue regeneration. In collaboration with leading clinics, research institutes and universities, Straumann researches, develops and manufactures dental implants, instruments, prosthetics and tissue regeneration products for use in tooth replacement and restoration solutions or to prevent tooth loss. Straumann currently employs more than 2200 people worldwide and its products and services are available in more than 60 countries through its broad network of distribution subsidiaries and partners.

Analysts’ and media conference call

Straumann will present the 2008 9-month sales results to representatives of the media and financial community in a telephone conference call at 09.00 h Swiss time. Presentation slides for the conference call should be downloaded from www.straumann.com in advance. The telephone conference can be accessed at:

+41 91 610 56 00 (Europe and ROW) or
+44 207 107 06 11 (UK) or
+1 (1) 866 291 41 66 (USA)

A recording of the conference call will be available until midday on 1 November 2008. For further information please contact investor.relations@straumann.com.

The presentation slides and additional information are available on the Investor Relations pages at www.straumann.com.

Key reporting dates (provisional)

12 February 2009	FY 2008 results
20 March 2009	AGM 2009
28 April 2009	Q1 revenues
12 August 2009	Q2 revenues and H1 results
29 October 2009	Q3 and 9M revenues

Details of roadshows and other events for investors are published on <http://www.straumann.com> (Investor Relations > Events)