

## Media release

### **Straumann begins 2008 with net revenue growth of 15% in local currencies (12% in CHF)**

- *Excluding seasonal factors<sup>1</sup> and US import detention on Biora, net revenue rises 23% in local currencies (l.c.)*
- *Pick-up in North America continues as underlying<sup>2</sup> growth accelerates to 20% (l.c.)*
- *European revenue rises 17% (l.c.), lifted by etkon*
- *SLActive and Bone Level Implant support top-line growth; on track to reach SLActive penetration target of 30% in 2008*
- *FDA re-inspection of Biora scheduled for end of May*
- *Agreement signed to acquire remaining etkon franchise partner, giving Straumann direct access to sizeable restorative dentistry market in Iberia; international roll-out of CAD/CAM prosthetics business and other new products continues*
- *Full-year guidance for net revenue growth in low to mid twenties (%) in l.c., with EBIT margin improvement in constant currencies*

#### Key figures

(in CHF million)	Q1 2008	Q1 2007	Change in CHF	Change in l.c.
<b>Group net revenue</b>	<b>200.5</b>	<b>178.7</b>	<b>12.2%</b>	<b>15.4%</b>
<b>Europe</b>	<b>131.6</b>	<b>113.2</b>	<b>16.2%</b>	<b>17.0%</b>
<i>in % of Group net revenue</i>	65.6%	63.4%		
<b>North America</b>	<b>39.0</b>	<b>37.9</b>	<b>2.9%</b>	<b>15.6%</b>
<i>excl. Biora effect<sup>2</sup></i>				<b>19.9%</b>
<i>in % of Group net revenue</i>	19.4%	21.2%		
<b>Asia/Pacific</b>	<b>23.6</b>	<b>22.4</b>	<b>5.7%</b>	<b>5.6%</b>
<i>in % of Group net revenue</i>	11.8%	12.5%		
<b>Rest of the World</b>	<b>6.3</b>	<b>5.2</b>	<b>20.9%</b>	
<i>in % of Group net revenue</i>	3.2%	2.9%		

<sup>1</sup> Up to 3 fewer selling days due to earlier Easter; exceptionally large orders by Japanese distributor in the first quarter of 2007

<sup>2</sup> Excluding the impact of the US import detention on Biora products

**Basel, 28 April 2008:** Straumann, a world leader in implant and restorative dentistry and oral tissue regeneration, today reported 2008 first-quarter net revenue of CHF 201 million, representing an increase of 15% in local currencies (l.c.). Growth in Swiss francs amounted to 12% reflecting the recent strengthening of the Swiss franc against major currencies, most notably the US dollar and the euro. Just under 3 percentage points of net revenue growth was acquisition related.

In most of Straumann's major markets, there were between one and three fewer selling days than in the first quarter of 2007 due to Easter being earlier this year. This and the continuing effect of the import detention on Biora products in the US collectively took more than 3 percentage points off top-line growth. Taking these factors into account, as well as the effect of exceptional advance ordering by the former distributor in Japan in the corresponding period of 2007, first-quarter net revenue would have grown 23% (l.c.). These seasonal effects have been confirmed by orders in April. On this basis and with stronger underlying growth expected in the coming quarters, the Group forecasts full-year net revenue growth in the low to mid twenties percent range in l.c.

In general, first-quarter growth was driven mainly by implant sales to existing and new customers, supported by the increasing penetration of the SLActive implant surface technology and the roll-out of Straumann's new generation Bone Level Implant. The etkon CAD/CAM crown and bridge business, which was consolidated at the beginning of March 2007, also contributed to growth.

### **North America**

The pick-up achieved over recent quarters in Straumann's core business in North America continued. Overall, first-quarter net revenue climbed 16% in l.c. to CHF 39 million. Excluding the impact of the US import detention on Biora products, growth in North America accelerated to 20% in l.c. The weakening of the US dollar meant that the growth in Swiss francs amounted to just 3%.

Straumann took advantage of the Academy of Osseointegration meeting in Boston in March to reinforce the benefits its new Bone Level Implant and CAD/CAM prosthetic lines, which both generated considerable interest.

As previously communicated, the Biora facility in Sweden has to be re-inspected by the US Food and Drug Administration before the import detention can be lifted. A re-inspection has now been scheduled for the end of May and, pending a positive outcome, Biora products could be available again to dental professionals and patients in the US in the third quarter.

### **Europe**

The Easter effect was most pronounced in Europe, with many countries having 3 fewer business days in March. In spite of this, first-quarter European revenues rose 17% in l.c. (16% in CHF) to CHF 132 million.

Germany, Straumann's largest European market, continued to post solid double-digit growth and recently enjoyed a highly successful German ITI meeting. With CAD/CAM as one of the major topics, more than a quarter of the 1650 participants were dental technicians.

The market slow down in Sweden ahead of expected reimbursement regulations in July continued to affect regional growth. With one exception, all other major markets reported double-digit organic growth.

Additional sales contributions came from Eastern Europe following Straumann's acquisition of its distributor in the Czech Republic and Slovakia. This and a new branch office in Hungary strengthen the Group's presence in Eastern Europe and provide direct access to customers in attractive emerging markets.

### **Asia/Pacific and RoW**

Revenue in the Asia/Pacific region increased 6% both in l.c. and Swiss francs to CHF 24 million. Sales growth in the important Japanese market reflected exceptional ordering by the former distributor in the comparative first quarter of 2007.

The integration of Straumann's new Asian subsidiaries is progressing well and the performance is in line with the company's expectations. Straumann is working towards introducing key new products such as SLActive and the new Bone Level Implant in 2009/2010, subject to regulatory approvals.

At the beginning of April, the largest dental meeting in the region, the biannual International Dental Exhibition and Meeting (IDEM), was held in Singapore and featured a number of ITI Fellows among the key speakers. Straumann took advantage of the event to publicize the forthcoming opening of its new regional hub in Singapore.

The Australian and New Zealand businesses continued to develop well and expect to benefit from the CAD/CAM prosthetics range, which was launched in the first quarter.

Elsewhere, in the rest of the world, net revenue rose 20% to CHF 6 million, corresponding to 3% of the Group.

### **Agreement to acquire remaining etkon franchise partner**

Straumann also announced today that it has entered into an agreement to acquire Etkon CAD-CAM Iberica, S.L., the privately owned etkon franchise partner in Spain. Financial details were not disclosed.

Etkon Iberica, which holds exclusive distribution rights for etkon CAD/CAM products in Spain and Portugal, is the only remaining etkon franchise partner that Straumann does not own.

The acquisition will give Straumann direct access to the highly attractive CAD/CAM crown and bridge segment in one of the most dynamic dental markets in Europe. With the completion of this transaction, Straumann will own all etkon franchise rights worldwide. Straumann currently holds 98% of all the shares in etkon AG and expects to acquire the remainder by the end of the current year.

### **Second wave of prosthetics for new bone level implant line**

At the end of the first quarter, Straumann initiated the launch of a second wave of prosthetic components for its new Bone Level Implant. Approximately 140 new items complement what the company believes is the most convenient, comprehensive and

flexible bone level portfolio available. It fully covers all indications and preferences but with fewer parts than leading competitors, which makes selection and handling easier and thus increases security, in addition to being cost-effective.

The significance of this launch is twofold: firstly, the choice of implant is being driven increasingly by prosthetic requirements. Secondly, the initial wave of Bone Level Implants sold are now approaching the final restoration phase of treatment and Straumann has succeeded in bringing a complete prosthetic range to market to meet this need at the right time.

### **Shareholders' AGM**

At their Annual General Meeting on 28 March in Basel, the shareholders approved all the proposals of the Board of Directors, including the 9th consecutive increase in the ordinary dividend since the company became publicly traded in 1998. The Meeting approved a 25% increase in the dividend to CHF 3.75 per share, paid as of 2 April 2008. Dr h.c. Rudolf Maag (Chairman of the Board), Dr Sebastian Burckhardt and Jürg Morant were all re-elected to the Board for a further 3 years. Details are available at [www.straumann.com](http://www.straumann.com).

### **Outlook (barring unforeseen circumstances)**

On the basis of the underlying performance in the first quarter and the expected contributions from new products, technologies and subsidiaries, Straumann expects full-year revenue growth in 2008 in the low to 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 calculated with constant (2008) currency rates. Accounting for the normalized tax rate and the current strength of the Swiss franc, the net profit margin is expected to be around 22%.

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### **Concerning forward looking statements**

This release contains certain "forward-looking statements", which can be identified by the use of terminology such as "on track", "to reach", "agreement to acquire", "pending", "maintain", "expected", "forecast", "could be", "scheduled", "attractive", "proposed", "will", "further", "expectation", "outlook", or similar wording. Such forward-looking statements reflect the current views of management and are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Group to differ materially from those expressed or implied. These include risks related to the success of and demand for the Group's products, the potential for the Group's products to become obsolete, the Group's ability to defend its intellectual property, the Group's ability to develop and commercialize new products in a timely manner, the dynamic and competitive environment in which the Group operates, the regulatory environment, changes in currency exchange rates, the Group's ability to generate revenues and profitability, and the Group's ability to realize its expansion projects in a timely

manner. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this report. Straumann is providing the information in this release as of this date and does not undertake any obligation to update any forward-looking statements contained in it as a result of new information, future events or otherwise.

#### **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, CAD/CAM prosthetics in Germany, 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.

#### **Analysts' and media conference call**

Straumann will present the 2008 first-quarter 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](http://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 the evening of 29 April 2008 at the following telephone numbers:

+41 91 612 43 30 (Europe), +44 207 108 62 33 (UK) or +1 (1) 866 416 25 58 (USA).

The ID Code is 16854 followed by #. Further information and the presentation slides are available on the Investor Relations pages at [www.straumann.com](http://www.straumann.com).

#### **Key reporting dates in 2008**

07 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](http://www.straumann.com).

**First-quarter net revenue by region**

(in CHF million)	Q1 2008	Q1 2007
<b>Europe</b>	<b>131.6</b>	<b>113.2</b>
<i>Growth in %</i>	16.2	13.3
<i>Growth in local currencies in %</i>	17.0	9.7
<i>In % of Group net revenue</i>	65.6	63.4
<b>North America</b>	<b>39.0</b>	<b>37.9</b>
<i>Growth in %</i>	2.9	2.6
<i>Growth in local currencies in %</i>	15.6	8.8
<i>% of Group net revenue</i>	19.4	21.2
<b>Asia / Pacific</b>	<b>23.6</b>	<b>22.4</b>
<i>Growth in %</i>	5.7	17.3
<i>In % of Group net revenue</i>	11.8	12.5
<b>Rest of the World</b>	<b>6.3</b>	<b>5.2</b>
<i>Growth in %</i>	20.9	75.0
<i>In % of Group net revenue</i>	3.2	2.9
<b>Total</b>	<b>200.5</b>	<b>178.7</b>
<i>Growth in %</i>	12.2	12.5
<i>Growth in local currencies in %</i>	15.4	11.6