

Media release

Straumann reports growth across all businesses in fourth quarter, as net revenue rises 5% in local currencies (l.c.)

- *Full-year net revenue grows 15% (9% in CHF) despite deterioration in the economic environment*
- *Continued innovation leadership and scientific credibility enable Straumann to gain market share*
- *Prompt measures implemented to adapt organization and cost base with anticipated market developments*
- *Economic downturn leads to revaluation of intangible assets*
- *Excluding exceptionals, 2008 operating and net profit margins will be in line with or above guidance (25% and 20%, respectively)*
- *Fully audited financial statements for 2008 including earnings will be presented on 12 February 2009*

Net revenue figures (unaudited, rounded numbers)

Full-year				
(in CHF million)	2008	2007	Growth in CHF	Growth in l.c.
Group net revenue	779	714	9%	15%
Europe	500	459	9%	13%
<i>in % of Group net revenue</i>	64%	64%		
North America	159	154	3%	14%
<i>in % of Group net revenue</i>	20%	22%		
Asia/Pacific	96	81	20%	22%
<i>in % of Group net revenue</i>	12%	11%		
Rest of the World	23	20	16%	18%
<i>in % of Group net revenue</i>	3%	3%		

Fourth Quarter				
(in CHF million)	2008	2007	Growth in CHF	Growth in l.c.
Group net revenue	189	195	(3%)	5%
Europe	122	125	(2%)	7%
<i>in % of Group net revenue</i>	64%	64%		
North America	39	40	(4%)	1%
<i>in % of Group net revenue</i>	21%	21%		
Asia/Pacific	23	25	(6%)	(4%)
<i>in % of Group net revenue</i>	12%	13%		
Rest of the World	5	5	10%	22%
<i>in % of Group net revenue</i>	3%	2%		

Basel, 16 January 2009: Straumann today reported unaudited 2008 full-year net revenue of CHF 779 million, representing a 15% increase in local currencies (9% in Swiss francs), in line with the Group's guidance. The strengthening of the Swiss franc against major currencies resulted in a negative foreign exchange rate effect of roughly 6% points. Despite the economic crisis and the market slow down, the Group was able to achieve growth across all businesses in the fourth quarter, with net revenues increasing 5% in l.c. (-3% in Swiss francs) to CHF 189 million.

Europe (+7%) and North America (+1%) continued to generate growth in l.c. in the fourth quarter, while Asia Pacific declined (-4%). Overall, Group net revenue growth declined from September through November but stabilized in December.

Straumann announced that it is implementing measures to adapt its organization to market conditions and to reduce its cost base. These measures will not compromise the Group's innovation, selling and service power.

Straumann also communicated that, due to the economic downturn, intangible assets have been revalued, leading to exceptional non-cash write-downs for 2008. Excluding these, 2008 operating and net profit margins will be at, or above, the guided levels of 25% and 20%, respectively. Despite the write-downs, the Group will report a positive net profit for 2008 and expects to offer a dividend to shareholders. Straumann's full-year audited financial statements will be presented on 12 February 2009, as planned.

Prompt action to adapt organization and processes to market conditions

As a result of an anticipated continuation of dynamic growth (+22% in the first six months), the Group created 300 new jobs worldwide increasing its global workforce to almost 2300 in 2008. The unprecedented effects of the economic slow-down, which became evident in September and continued into the fourth quarter, made it clear that this would need to be addressed. As a first action, Straumann reduced working hours in implant production in December.

In parallel, the Group carefully reviewed and reprioritized all projects, and identified cost savings that would not jeopardize innovation, sales force strength, and the ability to bring new products to market, and to meet supply requirements. At the same time, plans were accelerated to implement regional business hubs and service models to enhance efficiency and maintain a high level of customer satisfaction. Efficiency improvements will lead to a reduction of the global work force of approximately 3% worldwide. Straumann will approach this reduction in a socially responsible manner, using natural attrition, fluctuation, and early retirement wherever possible.

Economic situation leads to revaluation of intangible assets

As a consequence of the prevailing economic crisis and expected subdued growth, the value of Straumann's intangible assets related to previous acquisitions has been reassessed. Their value, which totalled CHF 330 million on 30 June 2008, will have to be reduced by roughly half and the corresponding write-downs will be disclosed in the full-year statements, in accordance with International Financial Reporting Standards (IFRS).

Outlook (barring further unforeseen circumstances)

Uncertainty in the global economy and historically weak consumer sentiment make it difficult to guide for the year ahead. From Straumann's perspective, the market for implant, restorative and regenerative dentistry is not expected to grow in 2009.

The strength of its global franchises, product range and innovation capability affirm Straumann's confidence in achieving above-market growth. The aforementioned initiatives, will not compromise the Group's innovation, selling and service power but will lead to efficiency improvements that should enable the Group to deliver an operating margin of more than 20% in 2009, depending on currency developments.

Global demographic trends, low penetration rates and high substitution potential continue to make Straumann's markets highly attractive in the mid and long term. The Group believes that it has the right strategy in place and is well prepared for a market turnaround in the future.

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Disclaimer

This release contains certain "forward-looking statements", which can be identified by the use of terminology such as "will", "guidance", "would", "prevailing", "still be able to", "should", "confidence in achieving", "turnaround", "future", "anticipated", "continue", "mid and long term", "believes", "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 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 approximately 2300 people worldwide and its products and services are available in more than 60 countries through its broad network of distribution subsidiaries and partners.

Analysts' conference call

Analysts and representatives of the financial community will be able to put questions regarding today's announcement to Straumann's CEO and CFO in a telephone conference call at 10.00h CET. There will be no presentation slides. The telephone conference can be accessed at:

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

A recording of the conference call will be available until midnight on 19 January 2009. For further information please contact investor.relations@straumann.com.

General information about Straumann is available on the Investor Relations pages at www.straumann.com.

Key reporting dates (provisional)

12 February 2009	Full-year 2008 results
20 March 2009	Annual General Meeting 2009
28 April 2009	First quarter revenues
11 August 2009	Second quarter revenues and Half-year results
29 October 2009	Third quarter and Nine months revenues

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