

Media release

Straumann to acquire 49% of Neodent, Brazil's leading dental implant company

- *Unique opportunity to gain leading presence in the world's second largest dental implant market*
- *Straumann to pay CHF 260 million in cash for stake in privately held company*
- *Clear path to control with options to increase ownership to 100%*
- *Companies to unlock potential of Latin American markets through dual brand strategy*

Basel, 16 May 2012 – Straumann announced today that it has signed an agreement to acquire a 49% stake in Neodent, the leading dental implant company in Brazil, for approximately CHF 260 million in cash. The acquisition will enable Straumann to gain a leading position in Brazil, the world's second largest market for implant dentistry^{1,2}, and to enhance its access to additional Latin American markets. The agreement also provides Straumann with options to increase its stake to 100% over the next six years.

Neodent is a privately held company specializing primarily in the design, development, and manufacture of dental implants and related prosthetic components. Under the entrepreneurial leadership of its founding owners, Drs Geninho Thomé and Clemilda de Paula Thomé, the company has expanded rapidly over the past ten years and today controls approximately a third of the Brazilian market. This success has been achieved through a philosophy of making tested implant solutions more affordable to a broader population.

Having grown at an average rate of approximately 20% over the past three years, Neodent achieved sales of BRL 167 million (approx. CHF 80 million) in 2011, which was generated almost entirely in its domestic market. The company is also highly profitable and generated an EBITDA margin of more than 40%.

A highly attractive growth market

It is estimated that around two million implants were sold in Brazil in 2011², making it second only to the US market in terms of volume. It is also expected to enjoy significant growth in the coming years driven by favorable demographics, benefiting from an aging population and an expanding middle class.

Beat Spalinger, Straumann's President & CEO, commented: "Neodent is a leading brand in one of the world's most attractive and dynamic tooth replacement markets. It is a well-run, efficient company that has similar values to Straumann and is strongly committed to the well-being of patients. The Neodent brand offers access to a huge market segment that we are less able to address and serve through the Straumann brand alone. With this

¹ By volume

² iData Research Inc. 2011 and Straumann estimates

acquisition and the envisioned dual brand strategy, Straumann can unlock the full potential of the South American markets.”

Dr Geninho Thomé, co-founder and CEO of Neodent, noted: “Straumann’s investment is important for Brazil and recognizes the tremendous achievements of our staff over the past ten years. We are extremely proud to become part of the Straumann Group, which we see as the pioneering global leader in implant dentistry. I am convinced that our partnership will contribute significantly to the standard of patient care in South America.”

Dual brand strategy to build on strong positioning in Brazil and Latin America

Brazil and Latin America are different from Straumann’s traditional markets with regard to segment size. Whilst the premium segment in Latin American markets remains attractive, it is relatively small in absolute terms. In Brazil international premium manufacturers account for less than 20% of the overall market, whereas in developed markets, such as Europe and North America, it is thought to be higher than 70%.

In order to maximize their market potential, the two companies will continue to operate independently as separate businesses and brands addressing distinct customer segments in Brazil and Latin America. The dual brand strategy will enable them to build on their respective current positioning: Straumann as a leading global provider of innovative premium solutions and services, and Neodent as a regional leader offering solutions that are tailored to local market needs.

Strong balance sheet enables Straumann to pay cash

Having high liquidity and no debt, Straumann intends to finance the consideration of approximately CHF 260 million in cash from existing reserves. This initial tranche represents a historic EBITDA³ multiple of approximately 13. The deal, which is expected to close in the near future, also provides Straumann with the option to increase its stake in two further steps, leading to outright ownership in six years’ time. With Geninho Thomé expected to continue as CEO in the coming years, the agreement is thus structured to ensure continuity.

Straumann’s ongoing share purchase program unaffected

The acquisition does not affect Straumann’s ongoing share purchase program, which is driven by the Group’s continuing strong conviction that its current share price does not reflect the true value of the company.

About Neodent

Founded in 1993 as JJGC Indústria e Comércio de Materiais Dentários S/A, Neodent was the first Brazilian company in the implant sector to receive certification from the Ministry of Health. It started to manufacture dental implants and related instruments with just one production employee. After rapid expansion, the company moved to its own premises in Curitiba in 1998, where its headquarters and a state-of-the-art manufacturing facility are located today. Neodent employs more than 700 employees and operates more than 10 branches in Brazil. It also has two subsidiaries abroad (Portugal and Mexico) and works with more than 10 distributors in South America and other geographies.

³Adjusted for extraordinary items



Similar to Straumann, Neodent places considerable importance on education and training, with the aim of ensuring treatment standards and patient care. It does this through the ILAPEO (Instituto Latino Americano de Pesquisa e Ensino Odontológico) institute, which is one of the largest dedicated implant training centers in the world, offering courses to thousands of participants each year.

About Straumann

Headquartered in Basel, Switzerland, Straumann (SIX: STMN) is a global leader in implant, restorative and regenerative dentistry. 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 2450 people worldwide and its products and services are available in more than 70 countries through its broad network of distribution subsidiaries and partners.

Straumann Holding AG, Peter Merian-Weg 12, 4002 Basel, Switzerland.

Phone: +41 (0)61 965 11 11 / Fax: +41 (0)61 965 11 01

E-mail: investor.relations@straumann.com or corporate.communication@straumann.com

Homepage: www.straumann.com

Contacts:

Corporate Communication:

Mark Hill Thomas Konrad
+41 (0)61 965 13 21 +41 (0)61 965 15 46

Investor Relations:

Fabian Hildbrand
+41 (0)61 965 13 27

Analysts' and media conference call

Straumann will conduct a telephone conference at 17.00h Swiss time to respond to questions from representatives of the financial community and media who are unable to attend its Capital Markets Day event in Amsterdam.

The telephone conference can be accessed at:

+41 (0)91 610 56 09 (Europe and RoW)
+44 (0)203 059 58 62 (UK)
+1 (1)866 291 41 66 (USA)

Presentation slides

The presentation slides that will be used in the aforementioned conference call are available at www.straumann.com/cmd.

Upcoming reporting dates

21 August 2012 Q2 sales and Half-year results 2012
30 October 2012 Q3 and 9M sales 2012

Details on upcoming investor relations activities are published on www.straumann.com
(Investors > IR events).

Disclaimer

This release contains certain “forward-looking statements”, which can be identified by the use of terminology such as ‘opportunity’, ‘option’, ‘to increase’, ‘will’, ‘expected’, 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, to realize its expansion projects in a timely manner, and to maintain its business relationships with suppliers, customers and other third parties. 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.

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