First-quarter report

Straumann: Good organic[1] growth (+8%) and Neodent strengthen global leadership

- Group revenue climbs 7% in Swiss francs to CHF 193m, including CHF 7m contribution from Neodent in March
- All business segments report growth
- Double-digit increases in North America, Asia/Pacific and Latin America; EMEA held back by price cuts in distributor markets to compensate for strong Swiss franc
- Key trade events used to launch new solutions and holistic prosthetic campaign targeted at dental labs
- Performance to date confirms Group's full-year outlook

REVENUE BY REGION

(in CHF million)	Q1 2015	Q1 2014
Europe, Middle East & Africa (EMEA)[2]	**98.6**	**107.7**
Change in CHF in %	*(8.4)*	*5.4*
Change organic in %	*0.3*	*5.5*
In % of Group revenue	*51.1*	*59.9*
North America	**53.7**	**45.5**
Change in CHF in %	*18.1*	*0.5*
Change organic in %	*11.6*	*5.2*
In % of Group revenue	*27.8*	*25.3*
Asia / Pacific	**28.9**	**22.1**
Change in CHF in %	*30.4*	*(2.3)*
Change organic in %	*34.5*	*8.3*
In % of Group revenue	*14.9*	*12.3*
Latin America[2]	**12.0**	**4.6**
Change in CHF in %	*163.1*	*(2.7)*
Change in organic growth %	*11.7*	*15.0*
In % of Group revenue	*6.2*	*2.5*
GROUP	**193.2**	**179.8**
Change in CHF in %	*7.4*	*2.9*
Change in local currencies in %	*12.3*	*6.0*
Change organic in %	*8.2*	*6.1*

[1] The term 'organic' in this release means 'excluding the effects of currency fluctuations and acquired/divested business activities'.

[2] Owing to the Neodent acquisition Straumann has re-allocated markets from the 'Rest of the World' region to EMEA and Latin America, with effect of 1 January 2015. The respective regional figures for 2014 have been restated accordingly. Straumann has consolidated Neodent fully as of 1 March 2015.

Basel, 30 April 2015: The Straumann Group has made a good start to 2015 by delivering organic growth of 8%. With the inclusion of Neodent, which Straumann has fully consolidated since 1 March 2015, the overall increase amounted to 12%. Stiff currency headwind reduced growth in Swiss francs to 7%, bringing Group revenue to CHF 193 million.

Half of the overall growth was generated in Asia/Pacific, where sales were boosted by initial stocking orders from new dealers in China. North America and Latin America also posted double-digit increases, while a solid underlying performance in the EMEA region was softened by price reductions in distributor markets to offset the sharp appreciation of the Swiss franc.

Straumann has taken a number of decisive steps to mitigate the impact of the strong Swiss franc, which together with the solid Q1 performance has kept it on track to achieve its 2015 targets.

Marco Gadola, Chief Executive Officer, commented: “Our strategic investments in North America and emerging markets continue to drive growth and more than compensate for higher penetrated markets in Europe. With our implant and regenerative businesses growing solidly, we have intensified our efforts to become a full solution partner for dental labs, launching multiple cost-effective solutions and introducing new technology to enhance efficiency and predictability throughout the workflow. This has been supported through new partnerships and investments in our common technology platform. We have also augmented our Instradent platform and completed the acquisition of the remaining 51% of Neodent in April. This brings us a step closer to global leadership in the fast-growing value segment”.

BUSINESS PERFORMANCE

All three of Straumann’s business segments (implants, restorative and regenerative) reported first-quarter growth. Implant volumes continued to expand strongly across all regions, driven in particular by the increased share of the high-performance material, Roxolid®, as well as the introduction of Straumann’s new Bone Level Tapered (BLT) implant.

The restorative business was mixed. Growth in abutments and CADCAM scanners more than compensated for slower sales in tooth-borne prosthetics.

The Regeneratives business posted double-digit growth, led by guided-bone-regeneration products in the botiss range, which Straumann began to distribute in most European markets six months ago.

REGIONS

Due to the incorporation of Neodent and the planned expansion in South American markets, Latin America has gained significant mass and is now treated as a separate region. Formerly, it made up the ‘Rest of the World’ region together with other markets, which are now included with Europe in EMEA (Europe, Middle East and Africa).

Solid performance in EMEA held back by distributor markets

The EMEA region contributes 51% of Group revenue and achieved a solid underlying performance in general, but this was overshadowed by unavoidable price reductions in certain distributor markets to mitigate the impact of the sudden strengthening of the Swiss franc in January. In addition, uncertainty in the Middle East was reflected in postponed tenders and erratic ordering. As a result, regional sales in local currencies were only in line with the prior year period, while revenue in Swiss francs declined 8% to CHF 99 million, reflecting the significant negative currency effect.

At the country level, France, the UK, Sweden and Austria performed especially well, while sales dipped in the Netherlands and Switzerland. Sales grew solidly in the region's largest implant market, Germany, where Straumann has a leading position.

The Group is working closely with its long-standing distributor in Russia to establish a local Straumann subsidiary in Moscow this year. Russia is an attractive market for tooth replacement but Straumann's market share is still small. Investment is needed to expand the business and the new set-up will enable Straumann to invest with a higher level of control over the business. The new subsidiary is to include the existing distributor team, complemented by additional sales personnel.

Another strong quarter in North America

North America continued to report strong sales as organic growth rose to 12%. Revenue in Swiss francs climbed 18%, reflecting an improvement in the USD exchange rate. All businesses contributed to the encouraging performance but growth was strongest in implants, complemented by solid restorative sales. Roxolid and SLActive were key drivers and, together with the controlled release of the BLT implant, have helped to win new customers and increase Straumann's share-of-wallet among existing customers.

Asia/Pacific boosted by stocking in China

Asia/Pacific posted the strongest increase with revenue climbing 35% (organic). This was driven mainly by an exceptionally strong performance in China, complemented by good growth in Korea and Australia. In China, where the company is transitioning to a new hybrid distribution model, sales were boosted by initial stocking orders from new dealers. Japan was expectedly below the very strong prior-year performance, when sales benefitted from the introduction of SLActive and customer purchases ahead of a VAT increase in April.

Good performance in Latin America

The newly-created Latin America region progressed positively and accounts for approximately 10-15% of Group revenue, including Neodent. First-quarter revenue increased 12% (organic), lifted by a strong performance in Mexico and continued growth in Brazil. Neodent posted 10% growth in its domestic market, despite challenging economic conditions.

OPERATIONAL AND STRATEGIC PROGRESS

Full market launch of BLT underway

With the controlled release phase completed, the BLT implant range has entered a full market release in North America and parts of Europe. Although more than 60% of implants sold have tapered designs, Straumann is only just entering this segment. The high-strength material Roxolid and fast-healing SLActive surface make this a highly competitive new-generation tapered implant.

New solutions presented at key events

At the Chicago Midwinter Meeting, the Academy of Osseointegration and the International Dental Show, the Group's main focus was on the restorative business and included the following introductions:

- Pro Arch, a comprehensive combination of implants, abutments, CADCAM frameworks, auxiliary components and educational support, which enable clinicians and labs to provide accelerated, fixed, full-arch tooth replacement.
- The Variobase family of simple, highly flexible cost-efficient abutments, including new heights for larger crowns, options for screw- or cement-retained bridge and bar restorations, and Straumann original Variobase components for the CEREC®[3] chairside workflow.
- Pre-milled abutment blanks for labs to fabricate one-piece customized titanium abutments with original Straumann connections.
- CARES® X-Stream™ for bridges and bars, which streamlines the prosthetic workflow so that all the components are manufactured from a single scan and design procedure.
- The CARES M Series in-lab milling machine developed by Amann Girrbach to operate with the CARES CADCAM system.
- The latest CARES 3 and 7 series in-lab CADCAM scanners, co-developed with Straumann's partner Dental Wings, who also presented a new intra-oral scanner and a revolutionary laser-ablation in-lab mill.
- Innovative overdenture attachment systems produced by Valoc AG, the newest partner in Straumann's technology platform.

With Straumann's existing range of solutions and technology partnerships, these additions bring the Group closer to its goal of becoming a total solution provider and the partner of choice for dentists and dental labs.

[3] CEREC® is a registered trademark of Sirona Dental Systems GmbH, Germany.

AGM approves all proposals including maintained dividend level
At the AGM on 10 April 2015, the shareholders approved all the proposals put forward by the Board of Directors with a large majority, including the 2014 dividend of CHF 3.75 per share, which was paid on 17 April 2015.

OUTLOOK 2015 (barring unforeseen circumstances)
Straumann expects the global implant market to show further improvements in 2015 and its revenue to grow organically in the mid-single-digit range. Reported revenues in Swiss francs will be influenced by the recent exchange rate turbulence. The Group will seek to balance investments between growth markets and other strategic projects, while taking decisive steps to mitigate the consequences of the appreciation of the Swiss franc. These measures will help Straumann to achieve its 2015 EBIT margin target of at least 20% (organic), assuming exchange rates remain more or less at the February levels[4]. Neodent will be accretive to the Group's reported EBIT margin before acquisition-related one-time effects.

About Straumann
Headquartered in Basel, Switzerland, the Straumann Group (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. Including its Neodent business, the Group currently employs approximately 3400 people worldwide and its products and services are available in more than 70 countries through its broad network of distribution subsidiaries and partners.

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[4] EURCHF: 1.05 and USDCHF: 0.92

undertake any obligation to update any statements contained in it as a result of new information, future events or otherwise.

Analysts' and media conference call
Straumann will present its 2015 first-quarter net revenue results to representatives of the financial community and media in a webcast telephone conference call today at 09:00 a.m. Swiss time.

The audio webcast of the conference call (www.straumann.com/webcast) will be available for the next month.

Presentation slides
The slides for the conference call are available at www.straumann.com/Straumann-2015-Q1-Presentation.pdf and on the Investors pages at www.straumann.com.

The telephone conference can be accessed at:
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