

Media Release

Straumann Group pursues global expansion strategy without MegaGen

- *With a strong portfolio of fast-growing value brands, Straumann no longer has a compelling need for MegaGen*
- *MegaGen repays USD-30-million bond with interest ahead of regular maturity*
- *Recent developments and long arbitration make the business case for partnership with MegaGen unattractive*

Basel, 28 February 2017 – The Straumann Group announced today that it will no longer pursue its plans to invest in or partner with the South Korean dental implant company MegaGen Implant Co., Ltd. Instead of converting its USD-30-million bond into MegaGen shares, the Group has received full repayment in cash with interest.

Straumann purchased convertible bonds from MegaGen in 2014/15 for a total of USD 30 million. The agreement between the two companies provided Straumann with the right to convert them into MegaGen shares. An additional agreement with MegaGen's main shareholders entitled Straumann to purchase the additional number of shares to obtain a controlling stake in MegaGen.

In July 2016, Straumann communicated its decision to exercise both the bond conversion right and the option, which triggered the process in the agreements to determine the conversion rate and the price of the additional shares. MegaGen disputed the conversion price and calculation procedure, and despite significantly increased offers from Straumann, initiated arbitration under ICC rules. This could take up to two years depending on the progress of the arbitration.

“The collaborative spirit of partnership that characterized our relationship disappeared when MegaGen's owners initiated arbitration. This and the corresponding long delay are not in the interest of either company and together with other recent developments make the business case unattractive”, explained Marco Gadola, CEO of the Straumann Group.

“Due to the urgent need to expand in the fast-growing non-premium segment in China, India, Russia and Eastern Europe, we have invested in strong partners like Anthogyr, Equinox Medentika and Zinedent – in addition to Neodent. The Straumann Group brand, our shared technology platform and global network offer them considerable leverage and we are very excited about the opportunities that our partnership with them is creating. Strategically, there is no longer a compelling need for a collaboration with MegaGen,” he added.

About Straumann

The Straumann Group (SIX: STMN) is a global leader in tooth replacement solutions that restore smiles and confidence. It unites global and international brands that stand for excellence, innovation and quality in tooth replacement and esthetics, including Straumann, Instrandent, Neodent, and Medentika, etkon and other fully/partly owned companies and partners.

In collaboration with leading clinics, institutes and universities, the Group researches, develops, manufactures and supplies dental implants, instruments, CAD/CAM prosthetics, biomaterials and digital solutions for use in tooth replacement and restoration or to prevent tooth loss.

Headquartered in Basel, Switzerland, the Group employs 3800 people worldwide and its products, solutions and services are available in more than 100 countries through a 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

Homepage: www.straumann.com

Contacts:

Corporate Communication

Mark Hill: +41 (0)61 965 13 21

Thomas Konrad: +41 (0)61 965 15 46

E-mail: corporate.communication@straumann.com

Investor Relations

Fabian Hildbrand: +41 (0)61 965 13 27

E-mail: investor.relations@straumann.com

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