

Media release

Straumann continues to outperform the market as net revenues reach CHF 552 million in the first nine months of 2009

- Signs of further stabilization in net revenue development in third quarter, led by Europe, Latin America and Asia/Pacific
- Net revenue decreases 3% in local currencies (l.c.) over first nine months, but by less than 1% in third quarter
- New high-performance implant material, Roxolid™ launched in North America and Europe; 1-year clinical results presented at EAO¹
- Regenerative offering broadened in North America with Straumann Allograft and additional indication for Emdogain
- Group expects full-year net revenue to be around CHF 730-740 million, with the EBIT margin in the region of 22-24%, thanks to continuing efficiency and cost management initiatives

NET REVENUE

Nine months				
(in CHF million)	2009	2008	Change in CHF	Change in l.c.
Group net revenue	552.3	589.2	(6.3%)	(2.6%)
Europe	345.8	378.0	(8.5%)	(1.8%)
<i>in % of Group net revenue</i>	62.6%	64.2%		
North America	117.1	120.1	(2.5%)	(3.8%)
<i>in % of Group net revenue</i>	21.2%	20.4%		
Asia/Pacific	72.3	73.1	(1.1%)	(5.5%)
<i>in % of Group net revenue</i>	13.1%	12.4%		
Rest of the World	17.1	18.0	(4.9%)	3.6%
<i>in % of Group net revenue</i>	3.1%	3.0%		

Third quarter				
(in CHF million)	2009	2008	Change in CHF	Change in l.c.
Group net revenue	168.2	176.4	(4.6%)	(0.9%)
Europe	101.6	107.9	(5.8%)	0.2%
<i>in % of Group net revenue</i>	60.4%	61.2%		
North America	36.9	40.8	(9.7%)	(7.8%)
<i>in % of Group net revenue</i>	21.9%	23.1%		
Asia/Pacific	23.9	22.3	7.5%	2.6%
<i>in % of Group net revenue</i>	14.2%	12.6%		
Rest of the World	5.8	5.4	6.8%	15.6%
<i>in % of Group net revenue</i>	3.5%	3.1%		

Basel, 29 October 2009: In the first 9 months of 2009, Straumann's net revenue reached CHF 552 million, 3% (l.c.) below the strong prior-year period, reflecting the prevailing economic recession and reduced patient traffic in dental practices. The performance continues to be above the market, based on available data. On a quarter-by-quarter basis the company reported a slight improvement in net revenue development in the third quarter and thus confirmed its outlook for the full year. The continuing strength of the Swiss franc against major currencies resulted in a negative currency effect of almost 4%.

REGIONAL PERFORMANCE

Europe sees returning stability

In **Europe**, Straumann's largest region, net revenue reached CHF 346 million (63% of the Group) in the first nine months of 2009, reflecting a year-on-year contraction of 2% in l.c. The continued weakness of the euro, the Swedish krona and the British pound against the Swiss franc resulted in a negative currency effect of 7 percentage points over the first nine months.

In the third quarter, net revenue in l.c. grew very slightly above the comparative quarter of 2008, pointing towards a stabilization in the European dental markets. Straumann Germany, Iberia and Switzerland posted low single-digit contractions in the third quarter compared with 2008. However, Straumann believes that these subsidiaries continued to outperform their local markets. France, Italy and the Nordic region all achieved top-line growth.

Taking these results and available market data into account, Straumann believes that it has continued to strengthen its market position in the region.

Little sign of market recovery in North America

Straumann's regional net revenues amounted to CHF 117 million or 21% of the Group total. This represents a contraction of 4% in l.c. or 3% in Swiss francs. In the third quarter, net revenue dipped 8% in l.c., reflecting the exceptionally strong comparative period in 2008, when Straumann's regenerative products were re-launched in the US. Excluding this effect, revenue development on a rolling quarter basis would have been relatively stable.

Mixed performance in Asia/Pacific

With the major Asian markets continuing to feel the effects of recession, the **Asia/Pacific** region reported a 6% decrease in revenues in l.c. over the first nine months. In Swiss francs, the shortfall amounted to just 1%, mainly due to the strengthening of the Japanese yen since the summer of 2008. The region generated CHF 72 million or 13% of Group net revenue.

In Japan, the region's largest market, Straumann made further organizational and operational progress but continues to await marketing clearances for its new-generation products, including SLActive and the Bone Level implant range. Marketing approval was obtained for SLActive in China, where Straumann's business continued to grow strongly. A good performance was also reported in other distributor markets.

The business in the **Rest of the World** saw a return to growth in local currencies in the third quarter, lifted by good performances in Brazil and Mexico. In the first nine months, regional net revenue reached CHF 17 million, corresponding to a 5% decrease in Swiss francs. In local currencies, however, net revenue increased by 4%.

NEW PRODUCTS INTRODUCED

At leading scientific meetings, Straumann launched its new high performance dental implant material Roxolid™, which combines higher tensile and fatigue strengths² with excellent osseointegration³. Small diameter (3.3mm) Roxolid implants, which are designed to increase reliability and confidence, are now available in Europe and North America as Bone or Tissue Level options.

At the EAO, Straumann provided an update on the large clinical program involving Roxolid, which began more than 2 years ago and includes trials in more than 350 patients in 60 centers in 9 countries. Together with highly promising initial results, the company announced that the program has been extended to look further into the need for bone augmentation and the performance of Roxolid in narrow spaces as well as in the anterior region. The preclinical program has also been broadened to investigate healing characteristics and to draw direct comparisons with other titanium alloys.

Additions to regenerative portfolio

In addition to launching Roxolid, the Group used the AAP⁴ meeting in Boston as a platform for the US introduction of Straumann® Allograft, the oral bone augmentation material supplied through Straumann's partnership with LifeNet Health®. Allograft materials make up more than 50% of the dental bone augmentation market in the US, which was estimated to be worth USD 97 million in 2008⁵.

At the same meeting, Straumann announced that it had received FDA approval for a new indication of Emdogain, which can now be used in the US with a number of bone graft materials⁶ in wide defects where additional soft tissue support is needed.

With these new offerings, Straumann continues its commitment to providing dental professionals in the US with a range of treatment options as part of a comprehensive portfolio of products for restorative, replacement and regenerative dentistry.

In-market products achieve important milestones

In September, the Group reported that it had sold more than one million dental implants with its third generation SLActive surface technology since the product's introduction in 2005. SLActive is now available on Straumann implants in more than 70 countries, including China, where marketing approval was obtained in the third quarter.

In order to meet future demand for SLActive, the company has extended its Swiss manufacturing site in Villeret to house a dedicated production unit, which recently became operational.

Also in September, Straumann's CAD/CAM unit reported that it had sold over a million individualized crown and bridge elements since entering the CAD/CAM field. The significance of this milestone lies in the fact that this business is comparatively new and has only recently expanded internationally.

OUTLOOK (barring further unforeseen circumstances)

Continuing uncertainty in the global economy and weak consumer confidence make it difficult to guide for the short and mid term. On the basis of published results and available research, the overall market for implant, restorative and regenerative dentistry is expected to contract in the mid-single digit range in 2009.

The strength of Straumann's global franchises, product range and innovation capability affirm the company's confidence in outperforming its markets. Depending on currency developments, the Group expects full-year net revenue to be around CHF 730-740 million with the operating (EBIT) margin in the region of 22-24% – thanks to continuing efficiency and cost management initiatives, which will more than offset increased investments in innovation, marketing and product development.

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

Contact:

Mark Hill, Corporate Communication
+41 (0)61 965 13 21

Fabian Hildbrand, Investor Relations
+41 (0)61 965 13 27

Disclaimer

This release contains certain "forward-looking statements", which can be identified by the use of terminology such as "continues", "signs of", "believes", "further", "expects", "outlook", "continuing", "designed", "commitment", "future demand", "expected", "will", "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 release. 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 (SIX: 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 2200 people worldwide and its products and services are available in more than 70 countries through its broad network of distribution subsidiaries and partners.

Analysts' and media conference call

Straumann will present the 2009 9-month sales results to representatives of the media and financial community in an audio webcast and telephone conference call at 09.00 h Swiss time today.

The audio webcast can be heard live and for a period of time afterwards on the Straumann website at www.straumann.com.

The telephone conference can be accessed at:

+41 (0)91 610 56 05 (*Europe and ROW*) or
+44 (0) 207 107 06 13 (*UK*) or
+1 (1) 866 865 51 44 (*USA*)

The presentation slides and additional information are available on the Investor Relations pages at www.straumann.com.

Key dates in 2009/10

02 November 2009	ZKB breakfast meetings, Zurich
04 November 2009	Vontobel Health Care Tour, Basel
17-18 November 2009	Investor Day 2009, Villeret/Basel
16 February 2010	2009 fourth quarter and full-year results, Basel
26 March 2010	Annual General Meeting, Basel

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

REFERENCES

¹ 18th Annual Meeting of the European Association for Osseointegration (EAO) in Monaco, October 2009

² Compared with grade 4 annealed and cold worked titanium; data on file, comparing material with specifications from standard ASTM F67

³ Thoma DS et al. 'Evaluation of a new titanium-zirconium dental implant. A comparative radiographic study in the canine mandible' Oral presentation at the 24th Annual meeting of the Academy of Osseointegration (AO), San Diego, USA, February 2009; Abs. SO4.

⁴ Annual Meeting of the American Academy of Periodontology, Boston, USA, September 2009

⁵ Millennium Research

⁶ Autograft, allograft, bone derived xenograft, β -tricalcium phosphate, and bioactive glass