

Media release
Straumann reports 4% growth in local currencies (l.c.) in the first nine months of 2010

- *Growth driven by implant volumes, lifted by Bone Level implant range and Roxolid®*
- *Third quarter (+3% l.c.) fuelled by North America and modest growth in Europe, offsetting softer performance in Asia/Pacific*
- *Strong negative currency impact as USD and EUR weaken against Swiss franc*
- *New products launched and clinical data presented at EAO in Glasgow*

NET REVENUE

Nine months				
(in CHF million)	2010	2009	Change in CHF	Change in l.c.
Group net revenue	554.1	552.3	0.3%	3.7%
Europe	334.0	345.8	(3.4%)	2.2%
<i>in % of Group net revenue</i>	60.3%	62.6%		
North America	123.4	117.1	5.4%	7.7%
<i>in % of Group net revenue</i>	22.3%	21.2%		
Asia/Pacific	76.3	72.3	5.4%	1.8%
<i>in % of Group net revenue</i>	13.8%	13.1%		
Rest of the World	20.4	17.1	19.1%	12.8%
<i>in % of Group net revenue</i>	3.7%	3.1%		

Third quarter				
(in CHF million)	2010	2009	Change in CHF	Change in l.c.
Group net revenue	161.6	168.2	(3.9%)	2.5%
Europe	92.4	101.6	(9.0%)	1.2%
<i>in % of Group net revenue</i>	57.2%	60.4%		
North America	38.2	36.9	3.6%	6.9%
<i>in % of Group net revenue</i>	23.6%	21.9%		
Asia/Pacific	24.6	23.9	2.7%	(0.6%)
<i>in % of Group net revenue</i>	15.2%	14.2%		
Rest of the World	6.5	5.8	11.2%	7.6%
<i>in % of Group net revenue</i>	4.0%	3.5%		

Basel, 28 October 2010: Straumann today reported nine-month net revenue growth of 4% in local currencies (l.c.) as the market for tooth restoration and replacement continues to show signs of stabilization in a difficult economic environment. The Group's net revenue grew entirely organically and reached CHF 554 million. A further strengthening of the Swiss franc against the US dollar and the Euro resulted in a negative currency effect that squeezed net revenue growth in Swiss francs by more than 3% points (or CHF 18 million).

Straumann's President & CEO, Beat Spalinger commented: "I am pleased that we have met our ambitious launch targets for 2010, delivering innovative products that enhance efficiency, convenience and the standard of care. At the same time, our nine-month top-line performance was in line with our expectations. With consumer confidence still fragile, we remain cautious about how our markets will develop in the near term and about when sustainable economic recovery will come. Nevertheless, with our highly competitive product offering, we are confident that we will grow ahead of the market over the full year. For this reason, we have not changed our guidance for the full year, although the increased currency headwind makes it a stretch to exceed the prior year's level of net revenue in Swiss francs and operating margin."

REVENUE DEVELOPMENT

In the first nine months of 2010, net revenue growth was driven by an increase in the volume of implants sold, thanks mainly to the continued strong uptake of Straumann's Bone Level implant range. Additional impetus was provided by recently launched products like Roxolid and Straumann® Allograft. The CAD/CAM business posted lower sales than in the comparative period of last year due mainly to the fact that existing and prospective customers were waiting for the launch of Straumann's new in-lab scanner and CAD/CAM system, which became available at the end of the third quarter – as planned. The CAD/CAM elements business continued to grow throughout the year.

Regional performances

Net revenue in **Europe** reached CHF 334 million, representing an increase of 2% (l.c.) and corresponding to 60% of the Group total. The significant currency impact resulted in a net revenue contraction of 3% in Swiss francs by comparison with the first nine months of the prior year. The modest overall performance reflects subdued consumer confidence and high unemployment, particularly in important markets such as Iberia and Italy. France, Germany – the largest market in the region, and the UK posted solid growth. By contrast, Sweden was not able to maintain the exceptionally high level of sales achieved in 2009, when the market benefitted from an expansion in the reimbursement system.

In the third quarter, Europe posted slight growth of just over 1% (l.c.), reflecting a tougher baseline comparison than in the second quarter.

North America posted another encouraging quarter, as nine-month net revenue rose 8% (l.c.) to CHF 123 million, or 22% of the Group total. The negative currency effect was less pronounced than in Europe but still reduced regional growth in Swiss francs by 2% points. Throughout the year, growth in the US and Canada was driven by implants – especially Bone Level – and Straumann Allograft, which was launched in the

late fall of 2009. The products enabled the Group to expand its business with existing and new customers.

The region achieved net revenue growth of 7% (l.c.) in the third quarter, making it the fourth consecutive quarter of solid growth.

The **Asia/Pacific** region contributed 14%, or CHF 76 million, to Group net revenue in the first nine months. This represents an increase of 2% (l.c.) over the comparative period of 2009. In contrast to the aforementioned regions, the currency effect was favorable and lifted regional growth in Swiss francs to 5%.

The Group's business in China continued to grow strongly although the tooth replacement market is still in infancy and hence, comparatively small. Australia also posted solid growth, but these two markets were not able to offset the contraction in the large Japanese market, where the Group continues to compete without its new generation products.

In the third quarter, net revenue in the region dipped almost 1% (l.c.) reflecting the generally slow market and the fact that distributors restocked in the previous quarter.

Net revenue in the **Rest of the World** rose 13% in l.c. and 19% in Swiss francs, driven by good performances in Brazil, Mexico and countries in the Middle East. With net revenue reaching CHF 20 million, the region contributed 4% to the Group total.

INNOVATION AND CLINICAL EXCELLENCE

Since its half-year report, Straumann has launched a number of important new products including a new CAD/CAM system and a new-generation membrane for guided bone regeneration. The company used the European Association for Osseointegration (EAO) meeting in Glasgow in October as a platform to highlight the new products and to publish clinical findings, including 5-year data on SLActive, 1-year data on Roxolid, and 1- and 3-year data on Straumann® MembraGel®.

New CAD/CAM dental restoration system

Launched towards the end of the third quarter in initial markets in Europe and North America, the new Straumann® CARES® CAD/CAM dental restoration system is the latest component in Straumann's portfolio of digital solutions. It comprises: advanced scanning technology, new design software, an extended range of prosthetic applications and an additional material – all designed to enhance efficiency, precision, patient comfort and treatment outcome.

Straumann CARES Digital Solutions also includes state-of-the-art guided surgery, intra-oral scanning. The complete package comes from a single provider and is designed for seamless connectivity to simplify workflows and link dental professionals across disciplines.

Much-awaited PEG membrane

Straumann's new-generation membrane, Straumann MembraGel, is for use in guided oral bone regeneration procedures. Convenient to apply, it provides an effective barrier



to facilitate undisturbed bone regeneration. It biodegrades and does not require removal by surgery.

Straumann MembraGel is being launched initially in key European markets, North America and Australia in conjunction with an education program to ensure optimal results from the outset.

Based on the fact that at least one in four implant procedures requires bone augmentation¹, the global market for GBR membranes is estimated to be worth CHF 200 million².

OUTLOOK (barring unforeseen circumstances)

With continuing uncertainty in the global economy, Straumann continues to assume that its market will grow in the low-single-digit range in 2010.

Based on its clinically-proven innovative products, organizational strength, market presence, and differentiated services, the Group is convinced that it can deliver above-market performance. With the goal of simply doing more for customers and patients, it will continue to invest in all its business franchises, its innovation pipeline, and its marketing and sales organizations to create superior treatment solutions and services.

Taking this into account and assuming that there will be no unexpected additional currency headwind, the Group expects to achieve levels of full-year net revenue (in Swiss francs) and operating margin at least in line with the prior year – in spite of additional second-half operating expenses related to the introduction of new products/technologies in digitalization and regeneratives.

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 more than 2300 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

+41 (0)61 965 13 21

Thomas Konrad

+41 (0)61 965 15 46

Investor Relations:

Fabian Hildbrand
+41 (0)61 965 13 27

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Analysts’ and media conference call

Straumann will present the 2010 third-quarter net revenue results to representatives of the financial community and media in a webcast telephone conference call at 3.30 pm Swiss time.

The audio webcast of the conference call (www.straumann.com/conference-webcast) will be available until 27 November 2010.

The telephone conference can be accessed at:

+41 (0) 91 610 56 00 (*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/2010-Q3-Presentation.pdf and on the Investor Relations pages at www.straumann.com.

Upcoming reporting dates

15 February 2011 Full-Year results 2010

18 March 2011 Annual General Meeting 2010

26 April 2011 First-quarter revenues 2011

Details on upcoming investor relations activities are published on www.straumann.com (Investor Relations > Calendar).

References

¹ iData. US market for dental bone graft substitutes and other biomaterials, 2007.

² Countries covered by Millenium Research Group 2009, Straumann estimate