Media Release

Straumann's staff agrees to proposed compensation reductions to mitigate currency impact

Basel 19 February 2015 – Straumann has informed its staff about the outcome of an internal survey concerning cost reduction measures to mitigate the impact of the significant appreciation of the Swiss franc against major currencies in which the Group does business – especially the Euro. The proposed measures aim at maintaining profitability, protecting the business in Switzerland and avoiding job losses.

On 3 February, the company asked its employees in Switzerland if they would agree to overall compensation reductions in the form of bonus cuts. It also asked its cross-border commuters if they would agree to salary payments in Euros rather than in Swiss francs – instead of the compensation cuts.

A number of employees raised concerns about the latter suggestion and the company made an alternative unified proposal for all staff, without the payment in Euros. This was submitted to the employees in a survey. The new proposal is that all members of the general staff forgo part of their bonus payments, reducing their overall compensation by approximately 5%. For lower management, the reduction will be approximately 6%, while the compensation cuts for the leadership team remain as previously announced.

More than 93% of the staff in Switzerland responded to the survey, of which 96% agreed to the proposal.

"We have been able to take quick action to address the currency impact. I am very grateful to our staff for engaging in an open constructive dialogue and, above all, for their great solidarity and support. This will help us to maintain our current level of employment and to protect our business going forward", commented Marco Gadola, CEO.

As reported on 3 February, 95% of the Group's business is outside Switzerland; approximately 40% of its revenues are in Euros, while 45% of its costs (production and operating) are in Switzerland. Based on Straumann's assessment, the currency impact could cut as much as CHF 75 million from the Group's revenue in 2015 and CHF 40 million from EBIT. Straumann is addressing the negative impact of the currency situation through various initiatives in addition to the aforementioned measures.

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 2320 people worldwide and its products and services are available in more than 70 countries through its broad network of distribution subsidiaries and partners. The Group employs approximately 780 people in Switzerland, of whom approximately 220 are cross-border commuters.

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