

Media release

Straumann exercises conversion right and call option to obtain controlling stake in MegaGen

- *USD-30-million bonds to be converted into MegaGen shares; additional shares to be purchased from major shareholders to achieve a controlling stake*
- *Conversion rate and purchase price to be determined in line with contract*
- *Partnership with Straumann in the best interest of MegaGen's staff, customers and shareholders*

Basel, 14 July 2016 – Straumann announced today that is exercising its conversion right and call option to acquire a controlling stake in MegaGen, the South Korean implant manufacturer. The option was obtained in March 2014, when Straumann agreed to purchase convertible bonds from MegaGen for a total of USD 30 million. MegaGen's shareholders consented to the deal by approving the respective increase in the company's conditional capital at their annual general meeting in Kyungsan on 31 March 2014.

The bond agreements between the two companies provide Straumann with the right to convert them into MegaGen shares. An additional agreement with the main shareholders of MegaGen entitles Straumann to purchase the additional number of shares in MegaGen to obtain a controlling stake in MegaGen.

Straumann's decision to exercise the conversion right and the option has triggered the process in the agreements to determine the conversion rate and the price of the additional shares. MegaGen disputes the conversion price and calculation procedure, and has initiated arbitration in Seoul under the ICC rules. Expediency is in the best interest of all parties involved, and Straumann is in the process of responding in order to close the deal as soon as possible. This could take up to two years depending on the progress of the arbitration.

Straumann's CEO Marco Gadola explained: "Our investment has helped MegaGen to drive its growth strategy and to achieve good results in 2015. However, with its domestic market highly penetrated and our industry consolidating rapidly, we are firmly convinced that it is in the best interest of MegaGen's employees, customers and shareholders to have a strong global partner who can help the company to provide complete solutions and to expand internationally. At the same time, MegaGen complements our portfolio with differentiated products and could help us to address the value segment more effectively particularly in the Asia/Pacific and Middle East regions".

About MegaGen

Headquartered in Kyungsan, South Korea, MegaGen Implant Co., Ltd was started in 2002 by a group of dental surgeons including Dr Kwang-Bum Park, the CEO. MegaGen offers a broad range of cost-effective implant systems, supplemented by digital dentistry offerings, regenerative tools and products to support implant

procedures. In 2015, MegaGen achieved global revenues of USD 46m, almost 44% of which was generated in Asia/Pacific. Its products are also sold through distributors in Europe, North America South East Asia and the Middle East. MegaGen is privately owned by approximately 300 shareholders, with the three founding shareholders currently holding more than a third of the shares.

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 biomaterials for use in tooth replacement and restoration solutions or to prevent tooth loss. Straumann currently employs approximately 3500 people worldwide and its products and services are available in more than 100 countries through its broad network of distribution subsidiaries and partners.

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