



Extraordinary performers
2015 Annual Report

About Straumann

Straumann is a global leader in tooth replacement solutions including dental implants, prosthetics and regenerative products. Headquartered in Basel, Switzerland, the Group is present in more than 100 countries through its broad network of distribution subsidiaries and partners.



FRONT COVER, FROM LEFT TO RIGHT

OLGA LAMUA OLIVAR
Global Customer Solution Manager

ALAIN KOUNGA
Senior Research Manager

URSINA SCHRENK
Team Leader Payroll & Time Management

MARK ZETTLER
Head of Dental Lab

CARMEN BRUMANN
Accountant

GAEL MISEREZ
PC Support

ANDREA BERTSCHI
Legal Associate

MARCEL DOSER
Internal Sales

Extraordinary performers

In 2015, our team of 3500 employees around the world helped to create more smiles and confidence than ever before. In addition, we...

- Lifted our organic revenue growth from 6% to more than 9%
- Overcame the currency shock and exceeded our original profitability targets
- Completed our largest-ever acquisition and became a top-5 player in the value segment
- Extended our global footprint and lead at the top of our industry
- Launched a record number of new products and replenished our development pipeline with even more projects.

More importantly, we began to instill the high-performance culture needed to sustain our success. At its heart are eight core behaviors that we defined during the year. They are illustrated in this report through photographs of our employees bringing an extraordinary dimension of performance to the workplace.



2015 Annual Report

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Throughout this Report, pages references preceded by a capital 'F' refer to our detailed Financial Report, which is published as a separate volume.

Operational performance

KEY FIGURES (in CHF million)

More on p. 48 ff.

	2015	2014	Change (%)
Revenue	799	710	12
Gross profit	615	559	10
Operating profit (EBIT)	173 ¹	148	16
Net profit	72 ²	158	(55)
Cash generated from operating activities	186	146	27
Capital expenditure	35	19	84
Free cash flow	151	128	18
Employees (at year end)	3 471	2 387	45

¹ CHF 186 m, excluding exceptionals (business combination)

² CHF 145 m, excluding exceptionals

REVENUE (ORGANIC)

GROUP

+9%

EUROPE, MIDDLE EAST & AFRICA

ASIA/PACIFIC

+6%

+19%

NORTH AMERICA

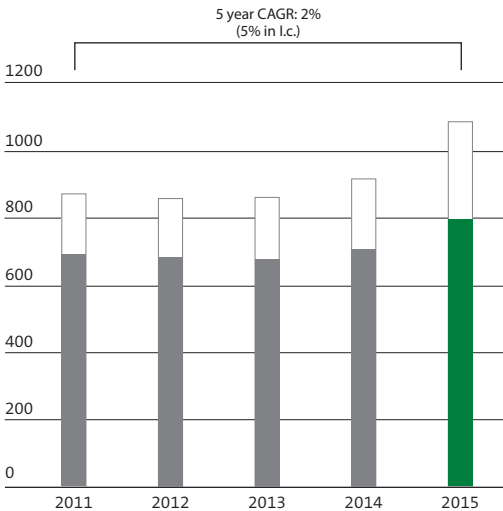
LATIN AMERICA

+8%

+11%

REVENUE (in CHF million)

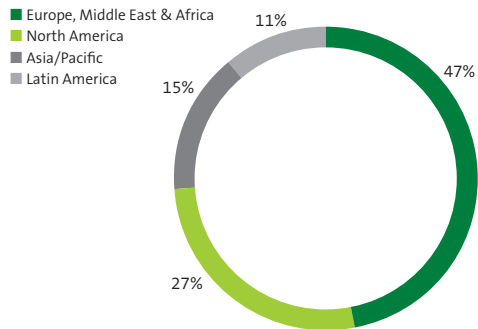
More on p. 48 ff.



■ Reported revenue □ Currency effect (cumulative, indexed 2005)

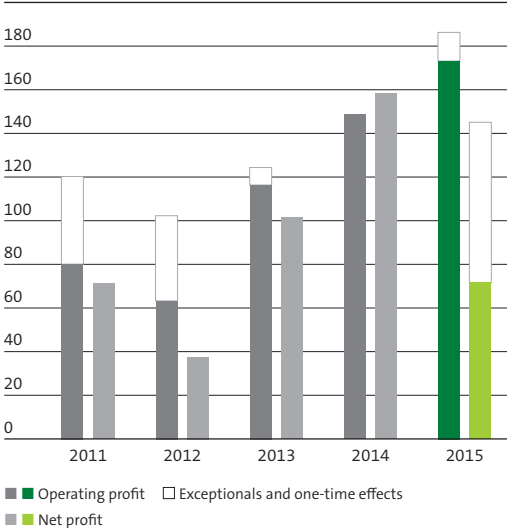
REVENUES BY REGION

More on p. 48 ff.



OPERATING AND NET PROFIT
(in CHF million)

More on p. 48 ff.



GROSS MARGIN (EXCL. EXCEPTIONALS)

79%

Volume expansion, cost control & capacity optimization offset currency impact

EBIT MARGIN (EXCL. EXCEPTIONALS)

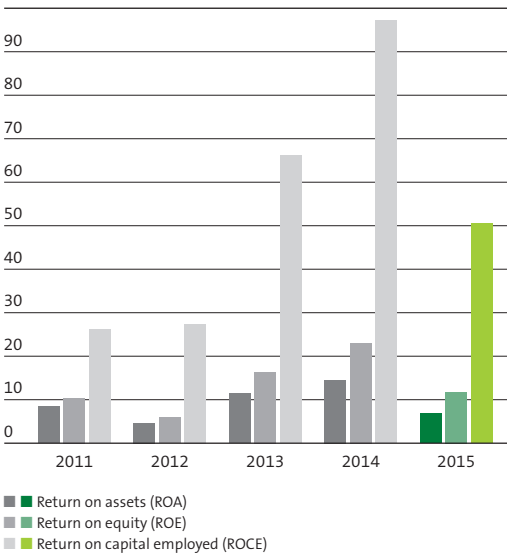
23%

Operational leverage & accretive income from Neodent drive EBIT

PROFITABILITY

Returns on assets, equity and capital employed in %

More on p. 48 ff.



NET PROFIT MARGIN (EXCL. EXCEPTIONALS)

18%

Bottom-line margin matches underlying 2014 level

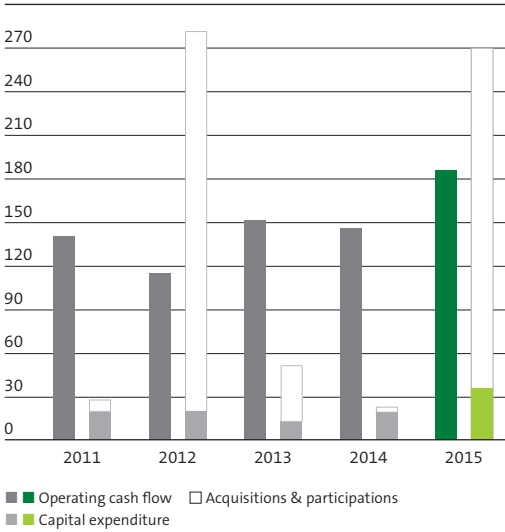
EQUITY RATIO

58%

Solidly financed and able to pursue further investment/acquisition opportunities

CASH FLOW AND INVESTMENTS
(in CHF million)

More on p. 50



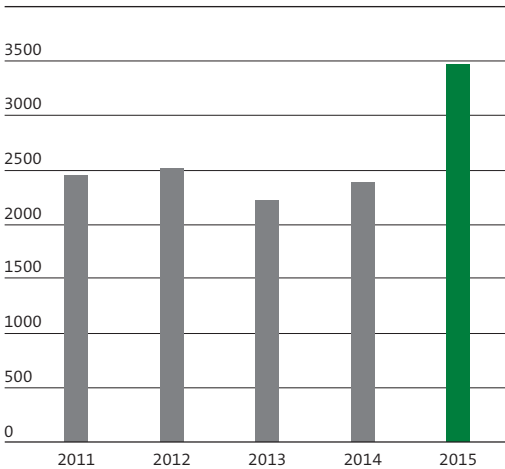
FREE CASH FLOW MARGIN

19%

Strong cash generation continues

EMPLOYEES

More on p. 85 ff.



GROWING ORGANIZATION

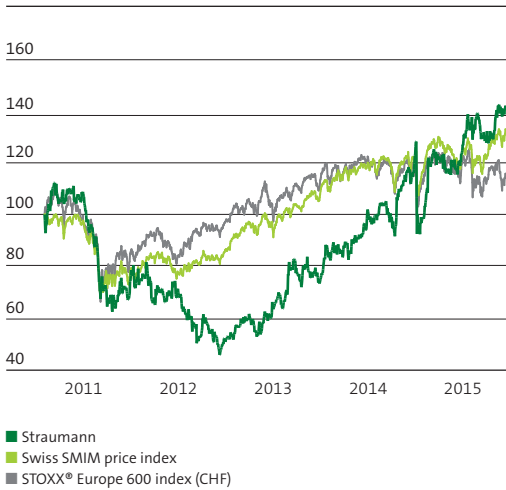
+1084

Of which >900 Neodent employees
join Straumann

Share performance

SHARE PRICE DEVELOPMENT (in %)

More on p. 153



SHARE INFORMATION

More on p. 153 f.

(in CHF)	2015	2014
Earnings per share (EPS) ¹	9.19	8.42
Ordinary dividend per share	4.00 ²	3.75
Payout ratio	44%	37%
Share price at year end	305.00	250.75

¹ Excluding exceptionals and one-time effects² Payable in 2016 subject to shareholder approval

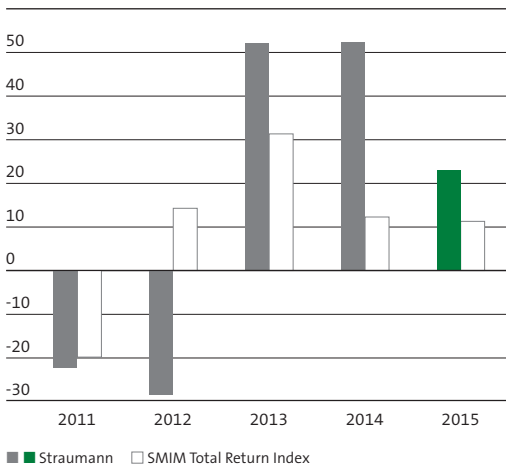
SHARE PRICE

+22%

Top-tier performing stock in SMIM index

TOTAL SHAREHOLDER RETURN (in %)

More on p. 153 f.



TOTAL SHAREHOLDER RETURN

23%

CHF 58 (pre-tax)
Outperformed index for 3rd consecutive year;
3-year total shareholder return = 43%



Extraordinary performers...

focus

Letter to shareholders



Marco Gadola (Chief Executive Officer) and Gilbert Achermann (Chairman of the Board)

DEAR SHAREHOLDER,

No year is ordinary; 2015 was more extraordinary than usual. Thanks to strong growth across our businesses, we increased our market share and strengthened our leadership position in the global tooth replacement market. In addition to driving our premium business, we became a leading contender in the fast-growing value segment, largely due to the full acquisition of the Brazilian implant company Neodent in April.

Despite the setbacks caused by the sudden appreciation of the Swiss franc in January, we exceeded our profitability targets, turning the challenge into an opportunity to focus, increase productivity, improve supply contracts and reduce our exposure without cutting jobs or compromising growth initiatives.

Our global footprint expanded as we secured a more direct access to China and established subsidiaries in Russia, Colombia and Argentina. We brought more

new products and solutions to market than in any previous year. In addition to fully replenishing our development pipeline, we extended our technology platform, investing in partners and collaborations to provide cutting edge solutions and to access new segments. But the bottom line is this: in 2015, we helped to create smiles and restore confidence in more than one-and-a-half million patients around the world.

These achievements are reflected in a marked improvement in our share price and are due to the ingenuity, commitment and hard work of our staff, who have been exemplary in contributing to the cultural transformation that is a key to sustaining high performance in the future.

FINANCIAL PERFORMANCE

REVENUE AND PROFITABILITY EXCEED OUR EXPECTATIONS AGAIN

Lifted by new products and improved sales execution, revenue increased across all our businesses and

regions, driving organic¹ growth up from 6% to 9% and lifting revenue from CHF 710 million in 2014 to CHF 799 million in 2015, of which CHF 63 million was contributed by Neodent. The acquisition of the latter prompted us to report Latin America as a separate region and to reallocate the other countries in our former 'Rest of the World' region to Europe, Middle East & Africa (EMEA).

Europe built on the recovery achieved in 2014 and lifted growth in EMEA to 6%. The region contributed almost half our revenue and nearly a third of our growth. Asia/Pacific is considerably smaller (15% of Group revenue) but generated 30% of growth, as revenue climbed 19%, driven mainly by China and Japan. Latin America expanded 11%, as Neodent and Straumann both grew strongly despite the economic turbulence. North America kept momentum and continued to grow robustly above the market at 8%.

The decision by the Swiss National Bank in January 2015 to stop supporting the Euro exchange rate at CHF 1.20 caused the Swiss franc to soar abruptly against all currencies in which we do business. We responded rapidly with measures to reduce our Swiss cost base, without compromising our ability to innovate and grow the business and without cutting jobs. Fortunately the exchange rates have subsequently picked up but currency headwind still reduced our full-year revenue by CHF 37 million and our operating profit by CHF 22 million.

We were able to offset this thanks to increased sales momentum, continued cost discipline, and accretive income from Neodent. As a result, our underlying EBIT margin improved from 21% to 23% and met the target we set at the beginning of the year of more than 20%. Adjusted for exceptional, non-cash charges related to the consolidation of Neodent, our net profit reached CHF 145 million, bringing the respective margin to 18% and pre-exceptional basic earnings per share to CHF 9.19 (underlying CHF 8.42 in 2014).

FLEXIBILITY TO INVEST IN GROWTH OPPORTUNITIES

We continued to generate a good level of cash, as free cash flow rose 18% to CHF 151 million, lifting the margin to 19%. With our strong free-cash-flow generation, an equity ratio of 58% and a net cash

position of CHF 117 million, the company is solidly financed, and we have the capability to pursue further strategic investments and acquisitions if they should arise.

The fundamental performance and our strategic progress were reflected in a 22% increase in the share price (p. 153 f.) in 2015, making Straumann the eighth-best performing stock in the SMIM index and fourth best over the past three years, with our shares yielding a total shareholder return of 43%.

The Board of Directors will propose an increase in the ordinary dividend to the shareholders for approval at the Annual General Meeting on 8 April 2016. Despite challenging times, Straumann has maintained its dividend at CHF 3.75 per share since 2008. Based on the results and positive developments in 2015, the Board proposes a dividend of CHF 4.00 per share, payable on 14 April 2016.

STRATEGY IMPLEMENTATION

Our strategy centers on three key priorities, which also provided our strategic focus in 2015 as we pursued our goal of being the global provider of choice in tooth replacement:

- Drive a high-performance culture and organization
- Target unexploited growth markets
- Become a total solution provider in tooth replacement.

EXECUTING STRATEGY – A MATTER OF CULTURE

Culture is the way to get things done in an organization and is the driver of sustainable results. Since embarking on our cultural journey in 2014, we have taken a global inventory of our current culture and determined our ideal culture, which fosters constructive behaviour, collaborative leadership and high performance.

At the heart of our cultural change process is the player-learner mind-set, which drives the core behaviours (see p. 85 ff.) needed to attain the high-performance culture we desire. In addition to defining them, we also condensed our vision statement to provide focus and inspiration (see p. 19 f.). To drive change, the strategic management and selected staff across disciplines took part in an international

program of workshops and training modules. These activities and our invigorated Straumann Academy significantly increased investments in staff training and development.

Although transformation takes time, progress was already evident in 2015 and was confirmed in internal surveys and external specialist assessments (p. 85 ff.). Our strong financial results are the best evidence of our growing high performance culture, and there are many other examples: the agility of our response to the currency shock, execution of aligned strategic priorities (p. 22 ff.), new collaborations and partnerships (p. 22 ff.), developing people (p. 88), the speed with which we have integrated Neodent, and strong perception among customers.

TARGETING UNEXPLOITED GROWTH OPPORTUNITIES

INVESTING IN UNDERPENETRATED MARKETS AND SEGMENTS

With regard to the strategic goal of targeting unexploited growth markets, China continues to be exciting. Our key priorities there have been to address the fast-growing private practice sector more effectively and to broaden our geographic reach. In 2015, we completed building consultative sales, training and education teams as well as a network of 20 independent distributors across the nation.

The world's largest market for tooth replacement by revenue is the US but it is still comparatively underpenetrated (p. 41), which is why we have invested over-proportionally there in recent years. This strategy has made the region a key growth generator for Straumann.

By 2020, nearly 40 million adults in the US will be in need of one or two complete dentures.² The ClearChoice chain of dental centers is the country's leading provider of full-arch dental restorations and performs more implant procedures than any other network in the country. Early in 2015, we replaced one of our competitors as the preferred supplier of ClearChoice and thus gained a foothold in the dental-chain segment. Building on this, we have entered supply agreements with two other chains in Europe through our Intradent business platform.

On the other hand, our plans to address the general dentist segment in the US in collaboration with Patterson Dental were less successful. We discontinued our collaboration and began working separately on a novel 'balanced' education approach tailored to general dentists' needs and combining online learning with hands-on experience and mentoring – which will benefit both customers and patients.

In Russia, the third major underpenetrated market we focused on in 2015, we established our own subsidiary and were able to incorporate our local distributor. This gives us a firm basis for investment to build the business.

Across the world we opened subsidiaries in Argentina and Colombia, which, together with Mexico, will act as hubs serving the surrounding markets with both Straumann and Neodent solutions.

AMONG THE TOP 5 IN THE FAST-GROWING VALUE SEGMENT

The attractiveness of the implant business and the constrained economic environment have led to the growth of local value players, who offer implants and prosthetics at lower prices. Many are copycats. Few offer the high level of service, integrated digital workflow, support, innovation and long-term assurance. that are characteristic for Straumann.

The premium segment remains our key focus and we are determined to extend our lead in it. Nevertheless, the value segment is growing faster and offers significant opportunities. Our strategy is to build a portfolio of value companies with growing footprints in key markets, with the goal of achieving global leadership in the segment. Our approach has been through partial ownership, allowing the companies to maintain their own character, flexibility and dynamism (see p. 23 f.). We then have the option of increasing or decreasing our investment, depending on the business development.

NEODENT

In the case of Neodent, we decided to complete the full acquisition in 2015, investing CHF 225 million for the remaining 51%. This is Straumann's largest acquisition to date and it significantly increases our size, spread, market-share and growth opportunities. We

have gained 900 new colleagues and now employ more people in Brazil than in any other country. We have jumped into the top tier of the value segment without jeopardizing our premium business. Neodent complements our range and helps to increase business with dental practices and chains that use multiple systems to offer a range of prices and to enter segments which we have not been able to address with the Straumann portfolio.

INSTRADENT – BRINGING AFFORDABLE HIGH QUALITY IMPLANT OPTIONS TO PATIENTS AROUND THE WORLD

Our intention is not to grow through acquisitions alone but also by driving the international expansion of the value brands in our portfolio and offering them as part of a full solution. This is the mission of our Intradent business platform (see p. 23 f.), which we strengthened considerably with an experienced leadership team.

In Europe, we established Intradent subsidiaries in the Czech Republic and the UK in preparation to compete in the respective value segments, and we entered a joint venture with the aim of providing attractively priced implants in Turkey.

In Asia, we increased our investment in MegaGen (South Korea) and acquired 49% of T-Plus, an established manufacturer of attractively-priced implants in Taiwan, which is one of the region's largest implant markets. Apart from this, we took steps to address the fast-growing value segment in China.

In addition to unlocking markets where we have not been able to compete on price, Intradent is enabling us to provide reliable inexpensive high-quality options for patients around the world who would otherwise be unable to afford implant treatment.

A TOTAL SOLUTION PROVIDER

The dental industry continued to consolidate in 2015, leaving Straumann as the only independent top-tier company focused on tooth replacement. This presents both challenges and opportunities for us: while we now compete against large conglomerates that cover the entire spectrum of dental products and services, we have the advantages of agility and focus. Furthermore, we have the flexibility and resources to make strategic acquisitions and are a preferred partner.

Our strategy to compete in this environment is to be a total solution provider in tooth replacement (see p. 25) by offering conventional, semi-digital and fully-digital solutions for all major indications to dentists, and a comprehensive portfolio for implant-borne solutions to dental laboratories.

One example of a total solution rolled out in 2015 is Pro Arch (p. 30) for complete fixed tooth-replacement solutions that function immediately – cutting treatment sessions and minimizing disruption. It includes all the components and digital workflow solutions from treatment planning and guided surgery to prosthetic design and manufacture. In addition, we are able to offer our customers a complete range of biomaterials through our partnership with botiss.

SHORTENING TIME TO TEETH

Our new Bone Level Tapered (BLT) implant (see p. 28) is an important part of this solution and was a key growth driver in 2015. It enables us to compete in the tapered/conical implant segment, which makes up 60% of the global implant market. Tapered implants provide good immediate stability, making them popular for accelerated procedures, shortening time to teeth. In March, we began rolling the product out in North America, EMEA and parts of Asia. By year-end every fifth Straumann implant sold was a BLT.

MORE COMPETITIVE PROSTHETIC SOLUTIONS

While implants provide the basis of modern tooth replacement systems, the 'bite' comes with prosthetics. To offer cost-effective and comprehensive solutions to our dental lab customers, we introduced a number of products and services, including an array of cost-efficient abutments, innovative ceramic materials, new CAD/CAM scanners, and increased connectivity to our CARES system for labs using scanners made by other companies (p. 30 f.). Our open CAD/CAM system and Scan & Shape Service now enable almost any dental lab to order custom prosthetics from Straumann.

A GOLD STANDARD COMPLEMENTED BY AN UNPARALLELED RANGE OF BIOMATERIALS

2015 marked the 20th anniversary of Emdogain, our unique cornerstone product for regenerating tissues around the tooth. Over the years Emdogain has helped to restore the confidence of countless

patients who would have lost teeth because of periodontitis. It still is the gold standard in periodontal tissue regeneration and one of the most extensively studied dental products. Recent findings have inspired further development, and the most exciting chapter of its history may be written in the future.

Emdogain complements the broad range of biomaterials from our partner botiss, which we continue to roll out and which give us an unparalleled portfolio of regenerative solutions.

NEW TECHNOLOGY PARTNERS

To expand our solutions, we added new partners to the common technology platform that serves both our premium and Intradent businesses (see p. 21). We acquired a 44% stake in Valoc (see p. 24 f.), a Swiss company specialized in innovative systems for securing over-dentures to implants, and we began a collaboration with the Austro-German company Amann Girrbach to develop a state-of-the-art in-lab milling machine for our CARES CAD/CAM system, which we piloted in preparation for launch in 2016.

In June we increased our stake in Dental Wings Inc. to 55% with an option for a stepped increase to full ownership, which secures our access to leading-edge technology. Dental Wings is a leading provider of digital technologies, including dental scanning, implant planning, and the design and manufacture of prosthetics. Its exciting launch pipeline includes a new intraoral scanner and a milling machine that uses laser technology to mill ceramic prosthetic crowns – either in the lab or chairside in the dental practice.

A FUTURE OF ENHANCED CARE

Our passion for innovation prompted further investment in research and development. Although we launched a record number of new products, we more than replenished our pipeline (see p. 37) with customer-driven projects and new leads that come from around the world through our web-based innovation platform. Rigorous scientific testing and clinical documentation continue to be engrained in the Straumann philosophy. At year-end more than 200 studies were in progress – all to provide customers and patients with the confidence that is Straumann's trademark.

Together with our longstanding academic partner the ITI (see p. 84), we continued to invest in training and education to expand the pool of dentists offering implant procedures, to enhance the standard of care, and to ensure long-lasting satisfaction. These aims are also reflected in initiatives like our Young Professionals Program (see p. 82) and Peer-to-Peer mentoring/training program (see p. 33), which were both expanded in 2015.

We are committed to continuing our focus on sustainable development and value creation. This includes running our operations as efficiently as possible to achieve financial, material and energy savings. It also encompasses our charitable support for various dental health initiatives.

Our efforts in 2015 won us new business, set us on course for sustained growth, and inspired shareholder confidence.

LOOKING FORWARD

Continuing consolidation in our industry raises the question of whether the Straumann Group will have the critical mass to retain its leadership position in the field. Based on our good performance, strong global brand and broad portfolio of partnerships, we are confident that we will. We continue to evaluate new opportunities for potential acquisitions and partnerships. The steps we have taken and our strategic focus will enable us to succeed in our fast-changing environment, bringing us closer to our vision of being the partner of choice in tooth replacement.

We are well positioned to further tap the potential of highly promising markets like China and North America, and expect to benefit from the continued improvement in most European markets and Japan. The economic outlook in Brazil remains highly uncertain, but market share gains and our regional expansion projects should help to compensate for this.

Overall, we expect the global implant market to grow solidly in 2016. We are confident that we can continue to outpace this with organic revenue growth in the mid-single-digit range, as we roll out BLT, our range of biomaterials, new solutions for labs including the CARES in-lab mill, new materials, scanners

and more. Further impetus will come from our entry into new markets in Russia and Latin America and the geographical expansion of our Instrandent business.

We foresee further investments in these and other strategic initiatives, while, thanks to the expected promising growth and our operational leverage, we expect to further improve on the 2015 underlying operating profit margin.³

On your behalf, we would like to thank all our extraordinary performers for their hard work, engagement and loyalty to Straumann. In particular, we would like to acknowledge our employees in Switzerland for their commitment in 2015 to help mitigate the severe currency impact. We would like to thank you, our shareholders, for your continued support and confidence in our company.

Yours sincerely,



Gilbert Achermann
Chairman of the
Board of Directors



Marco Gadola
Chief Executive Officer

25 February 2016

REFERENCES/FOOTNOTES

- 1 The term 'organic' used throughout this report means excluding the effects of currency fluctuations and acquired/divested business activities.
- 2 Douglass CW, Shih A, Ostry L. Will there be a need for complete dentures in the United States in 2020? J Prosthet Dent. 2002 Jan;87(1):5-8.
- 3 EBIT margin before acquisition-related one-time effects of CHF 13 million (H1 2015).

Extraordinary performers...

collaborate

FRONT TO BACK

ADRIAN HAUPT
Senior Event Manager

MARC ZETTLER
Head of Dental Lab

THOMAS KONRAD
Senior Manager Corporate Communications

PHILIPP HUETHER
SAP Specialist



Management commentary

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Business model & objectives

Vision, strategy, core behaviors

STRAUMANN IN BRIEF

WHO WE ARE AND WHERE WE COME FROM

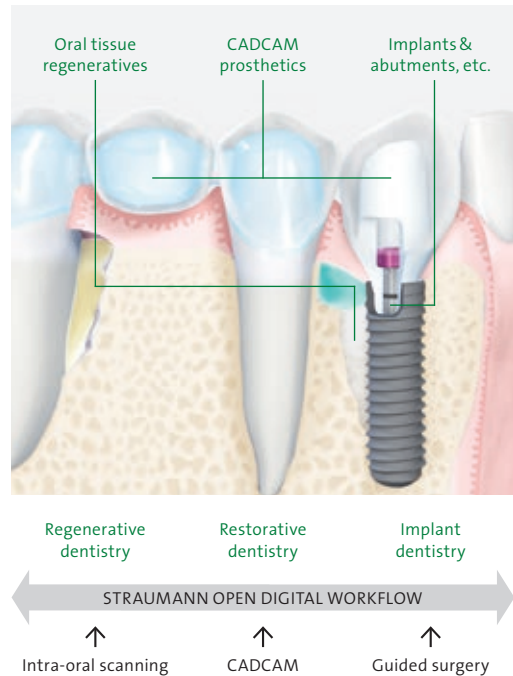
Headquartered in Basel, Switzerland, the Straumann Group is a global leader in tooth replacement. The company was founded in 1954 as a research institute specialized in alloys. In the 1960s, it became a pioneering force in dental implantology, which had become its sole focus by 1990. In 2003, it expanded into oral tissue regeneration and, four years later, entered the field of CAD/CAM tooth restoration in order to provide full tooth replacement solutions. Institute Straumann remained a family-owned business until 1998, when it became a public company, traded on the SIX Swiss exchange.

Today Straumann develops, manufactures and supplies dental implants, instruments, CAD/CAM prosthetics and biomaterials for use in tooth replacement and restoration solutions or to prevent tooth loss (see p. 26 ff.). Implant components and instruments are produced in Switzerland, the US, and Brazil (Neodent), while CAD/CAM prosthetics are milled centrally in Germany, the US, Japan and Brazil. The production facility for Straumann biomaterials is located in Sweden.

The Group offers a wide range of services to dental practitioners, clinics and laboratories all over the world. It is recognized as a leading innovator in its field, working in collaboration with leading universities, clinics, and research institutes to further increase the standard of patient care. Through a unique collaboration with its academic partner the International Team for Implantology (ITI), Straumann supports research and offers training and education to dental professionals.

The Group currently employs 3471 people worldwide. Its products, solutions and services are available in more than 70 countries through a broad network of distribution subsidiaries and partners (see chart on p. 162 f. for overview of subsidiary and distributor locations). More

OUR BUSINESS



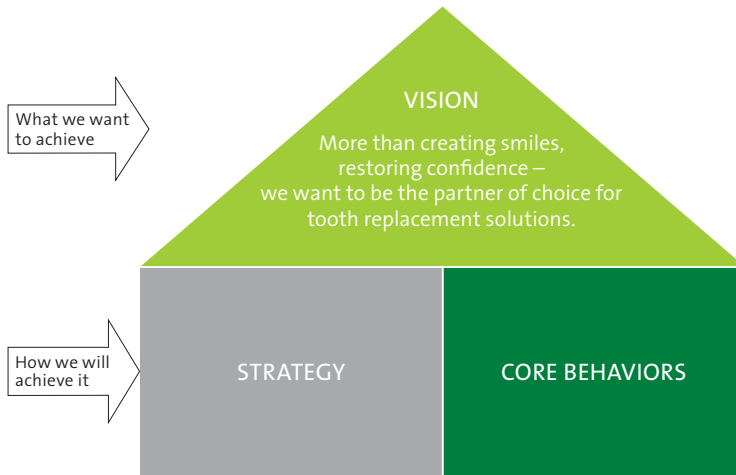
than 90% of the business is conducted directly through fully-owned subsidiaries.

OUR VISION

In 2015, we sharpened and condensed our vision, mission and purpose into a single vision statement: MORE THAN CREATING SMILES, RESTORING CONFIDENCE – WE WANT TO BE THE PARTNER OF CHOICE IN TOOTH REPLACEMENT.

Confidence relates to all our activities; it is built on trust, integrity, respect, communication, transparency, collaboration and delivering what we promise. For our customers, it means peace of mind, because our solutions are predictable and durable. For our employees, confidence means secure, rewarding jobs. For our shareholders, it means sustainable returns from a

OUR COMPANY HOME



highly ethical business. For the communities in which we operate, confidence means that we care for the world around us as a responsible corporate citizen. For all our stakeholders it means that Straumann is a reliable partner. This was confirmed in 2015, when Forbes Magazine ranked Straumann among the top 50 most trustworthy companies in Western Europe.

We want to be the first place that people come to do business, to find genuine solutions, to turn ideas into reality, to learn, master, succeed and improve lives. This is what being the partner of choice means for us.

We are committed to being the premium partner of choice in tooth replacement, offering education, innovation, quality, support, expertise, clinically proven long-term success, and peace of mind. At the same time we are making high quality implant solutions more affordable to a broader population through Neodent and our Instrandent platform.

MAKING VISION A REALITY

The way to a sustainable future is mapped out in our three ‘Strategic Priorities’ (see p. 22 ff.) which form the backbone of our strategy and are constantly monitored and adapted. Making it happen is a matter

of culture and behavior. Thus vision, strategy and behavior form the figurative building of ‘our company home’ (see above).

CORE BEHAVIORS BUILT ON LONG-HELD VALUES

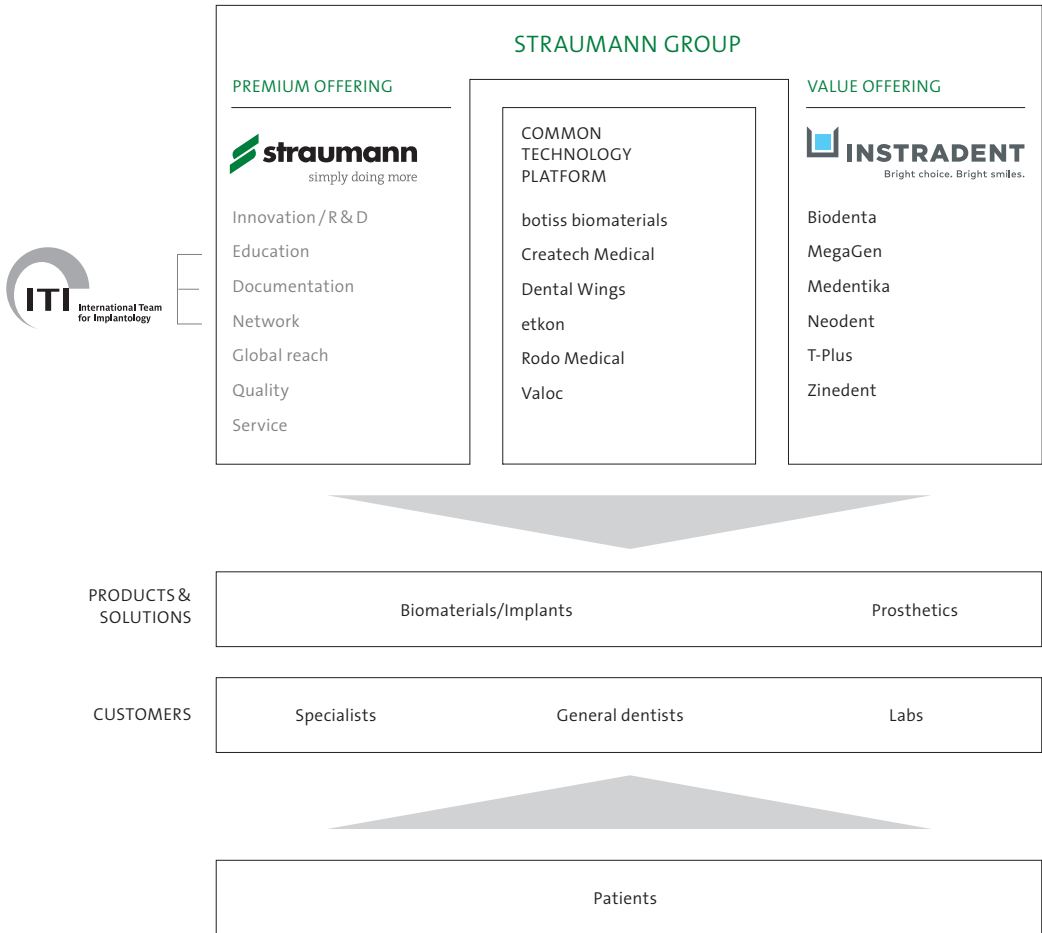
Behavior is the key to the culture that we believe will drive and sustain our success in the future. Building on the values that have made Straumann what it is today, we now focus on the following eight core behaviors that apply for all employees in the Straumann Group:

- Focus on customers
- Collaborate
- Take ownership
- Create opportunities
- Build trust
- Engage
- Communicate effectively
- Be agile.

MINDSET

Having the right mindset is essential for behavioral and cultural change. We need everyone at Straumann to have a player-learner mindset rather than a victim-knower attitude. Player-learners inspire trust; they are energized and embrace change; they listen, find out, share, collaborate, take risks, find solutions, learn by doing, encourage and

OUR BUSINESS MODEL



The Straumann Group is a global leader in tooth replacement. Our core premium business is built on the Straumann Dental Implant system supported by CAD/CAM prosthetics, digital workflows and oral tissue regeneration products, which together make up a comprehensive solution. Innovation (p. 36), research, development, global reach, guaranteed quality, and service excellence are all inherent to the Straumann brand. So too are clinical evidence, high standards of education and a global network. In these areas, we collaborate with leading institutes, universities and the ITI (p. 84).

We produce most of our products in house (p. 93) and sell them to dental professionals either directly or through distribution partners. Our customers (p. 81 ff.) are specialists, general dentists, and dental labs, which prepare the prosthetic restorations for the dentists. Patients are addressed by general dentists, who often decide on the type of treatment and system, and specialists.

We address the value segment of implant dentistry mainly through the Instradent platform of international brands (p. 23) in which we hold investments. To provide complete solutions, we have entered a number of partnerships/agreements that, together with fully and partially-owned companies, form a shared technology platform that can serve both our premium and Instradent businesses (p. 24).

celebrate. In contrast, victim-knowers feel they have no choice; they are skeptical, defensive, reluctant to change, averse to risk, slow to listen and quick to blame; they think they know better but rarely share knowledge.

SIMPLY DOING MORE

The Straumann tradition of ‘simply doing more’ is an integral part of our brand; it is at the heart of these behaviours, and is the overriding principle for everything we do.

Strategy

Growing through culture and comprehensive solutions

At the heart of Straumann's strategy are three key priorities, which provided the strategic focus in 2015 as we pursued our goal of being the provider of choice in tooth replacement:

- Drive a high-performance culture and organization
- Target unexploited growth markets
- Become a total solution provider in tooth replacement.

Each of them translates into a number of clearly defined initiatives and deliverables, which are continuously tracked and adjusted if necessary. They also serve as a basis for individual target-setting and performance assessments. For competitive reasons, details of the various initiatives cannot be disclosed, although most of them are reflected in the major activities, investments, product launches and other achievements featured in this report.

EXECUTING STRATEGY – A MATTER OF CULTURE

High performance organizations consistently outperform, continually innovate and steadily improve. They unlock the potential of employees and use resources and energies effectively without waste. They communicate and collaborate as an aligned team with a shared goal. These are the main characteristics of the culture we are striving to build at Straumann. Culture is the way to get things done, and it drives results, which is why cultural change is our first strategic priority.

Having gained a clear picture of our current, and of our ideal culture (see p.85 ff.) in 2014, we identified the mindset and behavioral levers for cultural transformation and implemented a series of workshops and training modules in 11 countries in 2015. These events focused on self-reflection and role-modelling.

To drive cultural change across all levels, we formed a cross-departmental group of champions at headquarters, who meet regularly with the Executive Management team. In addition, a Community of Practice will support the cultural journey as role models and as a communication bridge across the organization.

Although cultural transformation takes several years, regular internal surveys at HQ have shown clear signs of progress. This is confirmed by an external specialist, who was commissioned to validate our approach, and through a Silver 'Investors in People' Award in the UK, not to mention positive anecdotal observations made by various stakeholders including customers.

The most significant evidence of this strategy in action is found in our 2015 operational performance, including our agile, pragmatic and effective reaction to the currency shock, our full innovation pipeline, the execution of our strategic priorities, and our track record in forging partnerships and in building talent.

PURSUING GROWTH OPPORTUNITIES IN UNDERPENETRATED MARKETS AND SEGMENTS

One key strategic initiative was to gain further access to the Chinese market, which is expected to quadruple in five years. We completed our country organization by building sales, training and education teams, and we appointed a network of 20 independent distributors nationwide.

In North America, which is also underpenetrated, we continued to invest in marketing and sales initiatives. We entered the dental chain segment as a preferred supplier of the ClearChoice network of clinics. Our strategy to address the general dentist segment through a collaboration with Patterson Dental and Spear Education was less successful. Having gained useful insights into

PORTFOLIO OF INVESTMENTS TO TARGET THE VALUE SEGMENT

Company	Specialty	Reach	Key facts	Straumann's stake
Biodenta (Taiwan, Switzerland)	Offers comprehensive solutions for dentists and dental laboratories.	Sold mainly in emerging markets.	Founded 2007 More than 200 employees	CHF 7 million convertible bond acquired in 2014. Options to convert to shares over 5 years.
Medentika (Germany)	Offers broad range of implant prosthetics for multiple implant systems. Recently established own implant business.	Products sold directly in Germany and through distributors in Europe and the rest of the world.	Founded 2005 Offers multi-platform prosthetic systems. 34 employees	51% acquired in 2013.
MegaGen (South Korea)	Offers broad range of implant systems, digital solutions, regenerative tools and products to support implant procedures.	Sold mainly in South Korea; distributors in Europe, North America and emerging markets.	Fast-growing dental implant company. Fills the need for a strong partner based in Asia. More than 200 employees.	USD 20 million convertible bond acquired in 2014, extended by USD 10 million in 2015. Option to convert to shares in 2016.
Neodent (Brazil)	Offers full dental implant system and service.	Market leader in Brazil. Present in major implant markets through Instra-dent or distributors.	Founded 1993; nearly 1000 employees	100% (51% purchased in 2015).
T-Plus (Taiwan)	Offers dental implants and related prosthetic components.	Sold mainly in Taiwan. Regulatory approvals in China, Europe & the US.	Founded 2009. Offers opportunity to tap into the lower end of the value segment and into the Chinese value market. 20 employees	49% acquired in 2015; with options to increase to 90% by 2020.
Zinedent (Turkey)	Distributes dental implants and related prosthetic components with a view to potential manufacture.	Implants for Turkey & other markets	Joint venture	50%

KEY BRANDS BY CATEGORY AND GEOGRAPHY

		EMEA ¹	NAM	LATAM ¹	APAC ¹
Implant systems	Implants	Straumann Biodenta Medentika MegaGen Neodent Zinedent	Straumann MegaGen Neodent	Straumann Neodent	Straumann Biodenta MegaGen T-Plus
	Prosthetics	Straumann Createch Medentika Neodent Zinedent	Straumann Neodent	Straumann Neodent	Straumann Biodenta MegaGen T-Plus
Prosthetics for 3rd party implants	Abutments	etkon Medentika Zinedent	etkon Medentika		Biodenta
	Precision bars/bridges	Createch etkon			
Biomaterials		Straumann botiss	Straumann	Straumann	Straumann

¹ In selected countries

TECHNOLOGY PLATFORM OF OWN COMPANIES AND PARTNERS

Company	Activities	Reach	Key facts	Straumann's stake
botiss biomaterials (Germany)	Oral tissue regeneratives	International	Europe's second largest supplier.	Secured loan of CHF 3.6 million; option to obtain up to 30% in 2017
Creotech Medical (Spain)	Specializes in high-end CAD/CAM bridges, bars and abutments for multiple implant systems.	Sold mainly in Spain, Germany and other markets in Europe.	Established 2006; 30 employees	30% acquired in 2013 with options to increase to 100% by 2019.
Dental Wings (Canada)	Dental prosthetics design (CAD), open software and scanners	Distributed by Straumann and leading dental companies in over 45 countries.	Established 2007; >100 employees. Platform to develop lab & chairside hard- & software solutions	55% (30% acquired in 2011; 14% added in 2012; 11% added in 2015)
etkon (Germany)	Centrally milled CAD/CAM prosthetics.	Global through Straumann	Established 2000; acquired 2007	Fully-owned
Rodo Medical (USA)	Prosthetic fixture devices	Start-up company	Established 2009	13% acquired 2014
Valoc (Switzerland)	Overdenture attachment systems	Global through Straumann	Established 2011	44% acquired 2015

this segment, we are now working on another approach, which focuses on education.

Russia was the third major underpenetrated market on which we focused. We established our own subsidiary in Moscow and were able to incorporate our local distributor and his team. We can now provide the investment needed to build our business in this attractive market.

A LEADING POSITION IN THE FAST-GROWING VALUE SEGMENT

The premium segment remains our key focus and we are determined to extend our lead in it – through innovation, documented clinical research, differentiated comprehensive solutions, service excellence, high standards of training/education, a global network, and a (lifetime) guarantee on original products. Our activities and achievements in each of these respects are discussed in subsequent chapters.

In recent years, there has been a marked increase in local and regional value players who offer implant and prosthetic products at lower prices. Many are copycats. Few offer the high level of service, support, innovation and long-term assurance that are inherent to the Straumann brand. Nevertheless, the value segment is growing faster than premium and accounts for more than a third of the global implant market. It offers a significant business opportunity

and we need to gain a leading position to secure our overall leadership.

Our strategy has been to build a portfolio of value companies with growing footprints in key markets, making them valuable strategic assets for Straumann. Our initial approach is through partial ownership, ensuring entrepreneurial flexibility and enabling the companies to maintain their own character and dynamism (see table above). It also enables us to treat our interest as a 'strategic' or an 'entrepreneurial' investment, depending on the development of the company and the market.

In 2015, we completed the acquisition of Neodent (see p. 60) and became a top-five company in the global value segment. However, our intention is not to grow simply through acquisitions but by driving the international expansion of the brands in our portfolio and offering them as part of a full solution with multiple value propositions. This is why we concentrated early in the year on building an experienced leadership team to run and develop our Intradent business platform.

In Europe we established further Intradent entities in the Czech Republic and the UK in preparation for market entries in 2016. We also entered a joint venture in Turkey to manufacture and sell value implants.

In Latin America, we established distribution hubs in Argentina, Colombia and Mexico to serve surrounding markets with both value and premium lines.

In Asia, we acquired a 49% stake in T-Plus, an established producer and supplier of attractively priced implants in Taiwan, which is one of the largest implant markets in the region. We also increased our investment in MegaGen (convertible bond) in Korea. We aim to expand our value platform to enter attractive growth markets like Russia, China and elsewhere in Asia.

With regard to the portfolio, we launched a CAD/CAM service for Neodent in Brazil and took an important strategic decision to provide multi-platform prosthetic solutions through our etkon brand. This service will offer attractively-priced, high-quality prosthetics for competitor implant systems. It will launch in 2016 and be sold through the Straumann lab sales force.

A TOTAL SOLUTION PROVIDER

Continuing consolidation in our industry presents both challenges and opportunities for Straumann. While we now have to compete with heavy-weight conglomerates that cover the entire dental spectrum, we have the advantages of agility and focus. We also have the capability to make strategic acquisitions ourselves.

To compete in this environment our strategy is to be a total solution provider in tooth replacement by offering:

- conventional, semi-digital and fully-digital solutions for all major indications to dentists
- a comprehensive portfolio for implant-borne solutions to dental laboratories.

One example of a total solution that we rolled out in 2015 is Pro Arch for treating fully edentulous patients. It combines our new Bone Level Tapered implant range with angulated abutments, bars, bridges, frameworks and full arch bridges. The workflow can be fully supported by our digital solutions – from treatment planning and guided surgery to prosthetic design and manufacture.

To offer a comprehensive portfolio for dental labs we launched a large number of products and services in 2015, including:

- a range of simple, cost-efficient Variobase abutments

- pre-milled blanks with original Straumann connections
- bar and bridge solutions through the convenient CARES Xstream workflow
- innovative ceramic materials
- our CARES 3- and 7series CAD/CAM scanners
- increased connectivity to our CARES system for scanners made by other companies.

In order to fill portfolio gaps and to bring in new technologies we entered several partnerships and agreements, adding to the common technology that serves our premium and Intradent businesses. For instance, we invested in Valoc, a manufacturer of innovative systems for securing over-dentures to implants, and we began a collaboration with Amann Girrbach to offer dental laboratories a state-of-the-art milling machine developed for our CARES CAD/CAM system.

Beyond technology and products, total solutions encompass support, training and education. Two examples of our strategic progress in this respect are the Straumann Young Professionals Program (see p.82) and the Peer-to-Peer mentoring/training program (see p. 33), which were both expanded in 2015.

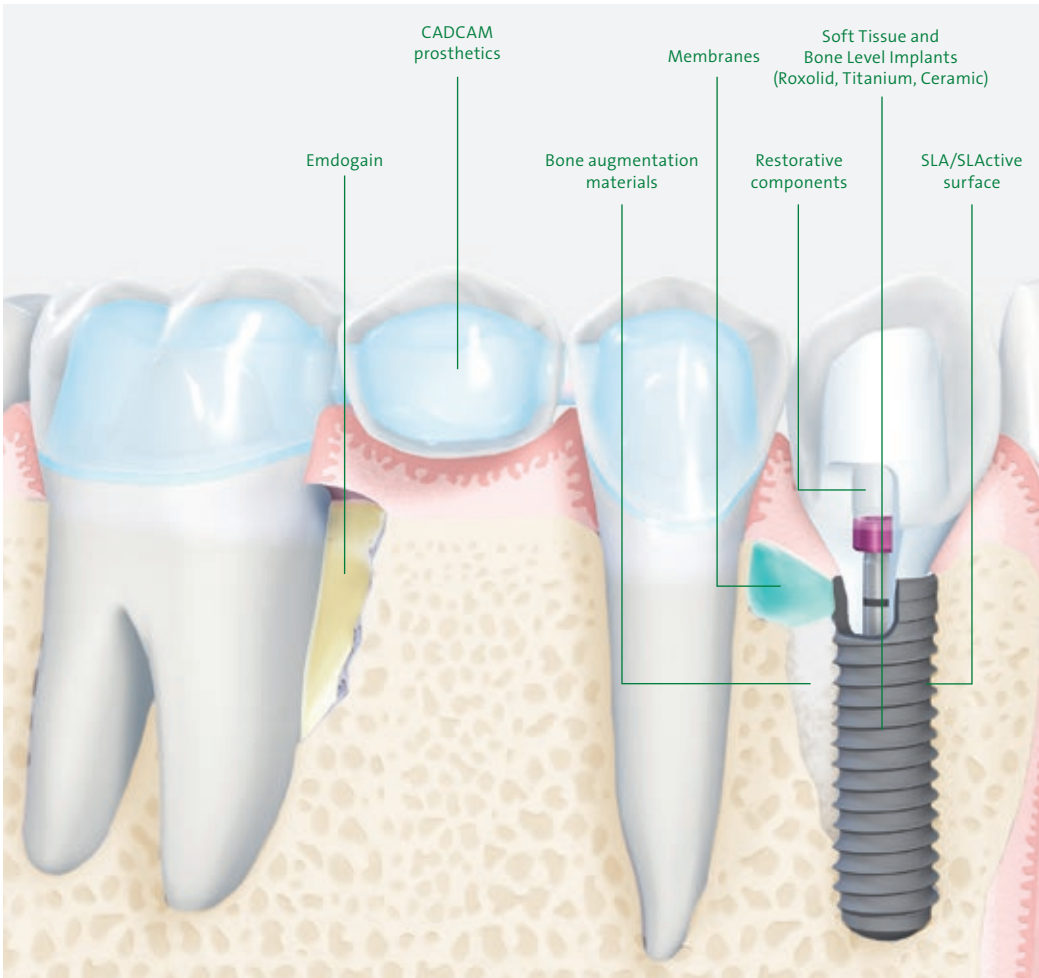
OUTLOOK

Continuing consolidation in our industry raises the question of whether the Straumann Group will have the critical mass to retain its leadership position in the field. Based on our good performance, strong global brand and broad portfolio of partnerships, we are confident that we will. We continue to evaluate new opportunities for potential acquisitions and partnerships. We also continue to watch our changing market and environment carefully and may adapt our strategy accordingly.

Products & services

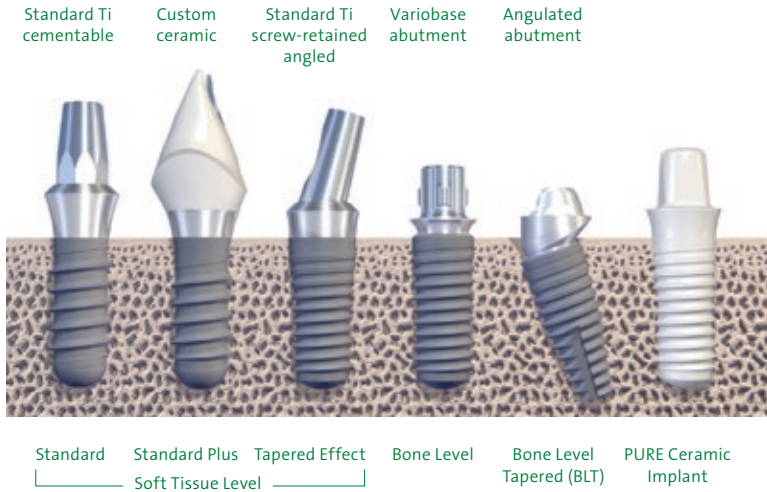
Solutions are our business

STRAUMANN PRODUCTS



Sectional overview of Straumann's products.

THE STRAUMANN DENTAL IMPLANT SYSTEM



Designed for maximum flexibility with a minimum number of components, the highly versatile Straumann Dental Implant System covers all indications and preferences – from standard applications to highly esthetic individualized CAD/CAM solutions.

For more than six decades, Straumann has been innovating, developing, testing and refining products that address patient needs and contribute to their quality of life. We have also been combining products, technologies, procedures and services into solutions that add convenience, save time, reduce cost and add value. Our products and solutions are used by oral surgeons, specialists and general practitioners as well as dental laboratories in procedures that range from saving compromised teeth, to individual tooth restoration right up to complete dental replacement. We strive to broaden treatment options, increase precision and longevity, minimize discomfort, add value and provide security – in line with our vision of ‘more than creating smiles – restoring confidence’.

IMPLANT TREATMENT: SAVING COSTS AND IMPROVING THE QUALITY OF LIFE

Published research shows that – compared with traditional treatments – dental implants are generally cost-saving or cost-effective for single-tooth replacement. For the replacement of multiple teeth, implants represent a cost-effective option over the long term and lead to better improvements in oral-health-related quality of life and decreased healthcare costs¹. The research also shows that patient acceptance, satisfaction, and willingness to pay for dental implants is high, particularly in elderly edentulous patients.

TOOTH REPLACEMENT

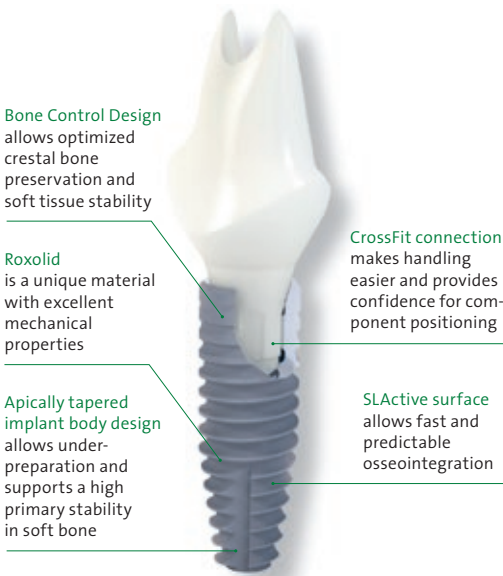
The Straumann Dental Implant System covers all tooth replacement indications from single tooth to fully edentulous. It comprises Soft Tissue Level and Bone Level implants (with parallel wall and tapered designs) in a variety of lengths, diameters and materials. It also includes a wide range of standard and individualized prosthetic components, and all the necessary surgical instruments.

HERITAGE AND BENCHMARK:

THE STRAUMANN SOFT TISSUE LEVEL IMPLANT
Straumann pioneered the Soft Tissue Level implant, which simplifies soft tissue management and prosthetic restoration, saving time, discomfort and cost. Lasting reliability may be its greatest benefit: the Straumann Soft Tissue Level SLA implant has been on the market for almost two decades and is backed by published ten-year clinical results², showing survival and success rates of 99% and 97% respectively, with zero implant fractures. High survival rates after nine years were also reported in a landmark retrospective study³ published in 2014. A follow-up study published in 2016 looking at peri-implantitis (which can lead to implant loss) showed excellent results for Straumann.⁴

BONE LEVEL IMPLANTS – USER PREFERENCES COVERED

In contrast to soft tissue level designs, bone level implants have prosthetic connections that are below the gums, at or close to the crest of the jaw bone. While advantages



Straumann's new Bone Level Tapered implant fitted with a ceramic CAD/CAM custom abutment.

are claimed for each design, market research shows that the choice of implant type is driven mainly by user preference. Today, more than a third of the implants we sell are Bone Level.

BONE LEVEL TAPERED IMPLANT (BLT) – SHORTENING TIME TO TEETH

Implants with tapered or conical designs make up roughly 60% of the global implant market, and their popularity is expected to increase. One reason for this is that they provide improved immediate stability, which makes them popular for accelerated tooth replacement procedures with minimal disruption for the patient.

In addition, tapered designs are suitable for placement in tooth extraction sockets – reducing the need for bone augmentation – and in situations where it is difficult to achieve primary stability, e.g. in low density bone.

Our BLT implant is designed for enhanced primary and secondary stability, convenience and a shortened time to teeth. It is suitable for single and multiple tooth replacements and can be used to address the challenging needs of edentulous patients who want fast, reliable and esthetic full dentures that are fixed, rather than removable. We offer a choice of materials and surfaces.

BLT entered its full market release in 2015 and is now available in all our main markets, except China where registration is still pending.

ROXOLID IMPLANTS – HIGHER STRENGTH AND EXCELLENT OSSEointegration

Biocompatibility, resistance to corrosion, and strength have made titanium the most widely-used dental implant material. However, its strength has limitations. Roxolid is a high performance alloy, specifically designed by Straumann to offer higher strength than pure titanium and excellent osseointegration capabilities. Its strength enables us to make smaller diameter implants for narrow spaces and to avoid bone augmentation, thus reducing invasiveness^{5,6,7} and opening doors to treating patients with insufficient bone.

Our full range of implants has been available in Roxolid since 2014 and the majority of customers have upgraded to it from titanium. Roxolid is being studied in one of the largest clinical research programs to be undertaken with a dental implant. In 2015, 3- and 5-year results were published from randomized controlled clinical trials reporting implant survival rates of 100%⁸ and 98.9%⁹ respectively.

SLACTIVE – MORE THAN A GOLD STANDARD

When Straumann introduced the SLA (sandblasted, large-grit, acid-etched) implant surface in 1997, it became the gold standard, cutting healing times from 12 to 6 weeks and offering improved safety and predictability. As implant dentistry became more common, increasingly difficult cases were treated and practitioners wanted even higher predictability and shorter times to restoration. In 2005, we responded to this with our SLActive surface, which further reduced healing times, resulting in earlier secondary stability and reduced risk of failure.^{10,11,12} Both SLA and SLActive have been extensively investigated and are among the most documented and clinically validated surfaces.

STRAUMANN PURE CERAMIC IMPLANT – MORE THAN ESTHETIC ADVANTAGES

Ceramics offer a distinct esthetic advantage to metals in dental applications and provide a good biocompatible alternative for patients asking for metal-free solutions. Our pure ceramic implant (p. 27) is remarkable in both respects; it is translucent and has an ivory color, just like natural tooth roots, and it has an SLA-like surface to



Neodent's system covers a wide range of clinical needs and features a variety of implant designs and sizes – even a 2.9 mm small diameter, as well as a choice of connections.

advance the healing process and promote highly predictable bone integration.

Another key feature is its mechanical reliability – achieved through an innovative manufacturing process and testing procedure in which every PURE implant undergoes a 360° strength test – a level of quality checking that is exceptional in the dental implant industry. This reliability is demonstrated in an early study published in 2015, which reported 98% success and survival rates with zero breakages.¹³

Although the requirement for metal-free alternatives is not a major driver of today's market, the availability of ceramic implants with similar performance, flexibility and predictability to their metal cousins will change implant dentistry. Straumann PURE is a step in this direction. Germany is the most advanced market for ceramic implants. Launches are now under way in the US and Brazil, which are also very promising markets.

NEODENT'S IMPLANT SYSTEM

Neodent has specialized in the design, development, and manufacture of dental implants and related prosthetic components for more than 20 years and has sold over eight million implants worldwide. Its success has been achieved through a philosophy of making tested implant solutions more affordable to a broader population. Neodent's implant system offers a wide range of products designed to address all clinical needs and bone types. It features a variety of implant designs, two connection types (morse taper and external hex) and two surfaces – NeoPoros, the conventional option, and Acqua, a hydrophilic surface designed to enhance success rates and treatment outcomes. The implants are complemented by a broad range of standard abutments.

Neodent offers excellent alternatives to products sold by our competitors and appeals to dentists and patients who want high quality, state-of-the-art solutions at an attractive competitive price.

RESTORATIVE SOLUTIONS (PROSTHETICS)

The implant provides the foundation, but the bite comes with the prosthetics, which are equally important. We make a broad range of standard and customized abutments which connect the implant to the prosthetic tooth or denture. Recently we added abutments for steep-angled implants, which have to withstand very high mechanical forces. During development testing, the abutments were subjected to more than 5000 hours of rigorous hydropulser tests, representing no fewer than 280 million human biting cycles.



Our investment in Valoc in 2015 (see p. 25) gives us access to an innovative retention system for attaching removable dentures to implant.



Straumann Pro Arch – providing immediate function and causing minimal disruption to patients' daily lives.

VARIOBASE BECOMES A FAMILY

In recent years, there has been a marked increase in the popularity of simple titanium-bonding-base abutments (TiBases). We responded to this trend in 2013 with our CARES Variobase abutment to offer a cost-effective hybrid solution consisting of a titanium bonding base and a ceramic coping. This complements our range of custom abutments and offers labs the combined benefit of an implant-abutment interface with an original Straumann connection and a variety of esthetic shades. The popularity of this solution prompted several additions in 2015: a design to support larger crowns and a new Variobase for bridge and bar restorations, offering highly flexible and cost-effective solutions for multi-tooth restorations. We also developed a Variobase for Sirona's CEREC system, offering a chairside option with an original Straumann connection.

COMPLETE SOLUTIONS FOR EDENTULOUS PATIENTS

Until fairly recently, people suffering from the debilitating handicap of severely damaged dentition had little alternative than to have their remaining compromised teeth removed and to wear plastic dentures held in place by suction or adhesive. The functional limitations, and losses of self-confidence and wellbeing associated with unanchored dentures are well known and well documented.^{14,15,16}

The introduction of dental implants to anchor removable dentures has made a tremendous difference both in terms of health and quality of life.

While removable prostheses are proven and popular, many patients prefer fixed solutions. Another development is

the acceleration of treatment times, so that patients increasingly expect replacement solutions that function immediately and cause minimal disruption to their daily lives. We cover these requirements.

STRAUMANN PRO ARCH

In 2015, we rolled out Straumann Pro Arch – a comprehensive solution comprising a broad range of implants, abutments, CAD/CAM frameworks, bars, bridges and other components and educational support that enable clinicians and dental technicians to provide accelerated fixed full-arch tooth replacements. Furthermore, with Straumann CARES, the complete workflow is supported digitally from treatment planning to guided surgery and computer designed prosthetics. This truly is a complete and flexible solution from a single supplier.

DIGITAL DENTISTRY

While implant dentistry has always been a key area for innovation, many advances are being made in prosthetics and in digital dentistry. Substitution of standard implant prosthetics with digitally individualized components is an important trend. Customers appreciate the advantages of high-precision CAD/CAM solutions, since they can offer efficiency gains for clinicians as well as time/cost savings, greater comfort and lasting satisfaction for patients.

RESTORATIVE SOLUTIONS WITH CAD/CAM

CAD/CAM is used to design and fabricate tooth- and implant-borne prosthetics (onlays, inlays, crowns and bridges) more efficiently than traditional methods. The cornerstones of our system are the software (CARES Visual) for scanning, designing and ordering, and our milling centers in Germany, the US and Japan, which manufacture the prosthetic elements.

Our partnership with Dental Wings is the key to the software and scanning technology. The new state-of-the-art CARES 3- and 7series in-lab scanner was developed by Dental Wings. Thanks to their open software platform (DWOS), users of third-party scanners can connect to our system and produce prosthetics through our validated CARES workflow (covered by our guarantee) or through alternative milling processes.¹⁷

One significant feature added in 2015 was the functionality to produce custom-milled bar options and designs to carry the final restoration.

CARES X-STREAM FOR BRIDGES AND BARS

The X-Stream functionality in CARES Visual enables customers to design abutments and the corresponding prosthetic elements simultaneously from only one scan and one design procedure. Milled for excellent fit and consistent quality in a controlled environment at our etkon facilities, prosthetic parts are delivered together, significantly reducing turnaround time and shipping costs. After the initial launch of CARES X-Stream two years ago, the digital functionality has been developed further and now includes the processing steps for bridges/bars on the new Variobase.

NEW CAD/CAM MATERIALS FOR CARES RESTORATIONS

We offer prosthetics in a range of high performance ceramic materials supplied by third parties. In recent years, we have been developing our own innovative glass ceramic called NICE. Its key advantages include high translucency and flexural strength, short milling times and easy finishing. It comes in two stages of crystallization. The partially crystallized version is easy to mill and can be stained and glazed, making it attractive to labs. The fully crystallized form requires no firing and can be milled, finished and seated directly, making it an ideal chairside solution. At the end of the year, we obtained the CE mark in Europe and look forward to initial launches in 2016.

BECOMING THE PARTNER OF CHOICE FOR DENTAL LABORATORIES

In 2015 we strengthened our efforts to become the partner of choice for dental laboratories. In addition to introducing new Variobases, scanners, and connectivity, we began to offer titanium blanks with pre-fabricated implant connections. The blanks are compatible with a wide range of milling machines and allow labs to fabricate their own customized titanium abutments with original Straumann connections.

Another important initiative addressing labs is our collaboration with Amann Girrbach, a leader in CAD/CAM in-house milling solutions. This concerns the development of a five-axis in-lab milling machine to operate with our CARES CAD/CAM system. The new machine can produce a wide range of prosthetics from a very broad



The five-axis in-lab milling machine developed with Amann Girrbach to operate with our CARES CAD/CAM system entered a controlled market release at the end of 2015.

selection of materials. We began testing it with customers in the fourth quarter in preparation for launch in 2016. It provides an all-round solution for labs, which is complemented by our high-volume, high-precision centralized milling service, offering a unique range of CAD/CAM prosthetic solutions.

NEODENT DIGITAL

Benefitting from our common technology platform, Neodent has also partnered with Dental Wings and launched its own CAD/CAM service, offering in-lab scanners as well as custom abutments and prosthetics. In Brazil, it has also become the national distributor for Amann Girrbach products and services, including the Ceramill range of in-lab milling equipment, which Neodent began marketing and selling at the beginning of 2016. These additions bring it closer to becoming a full service provider for labs and dentists in Brazil.

BIOMATERIALS (REGENERATIVES)

A high proportion of implant procedures require guided bone regeneration, which is why it has been a key strategic initiative for us to offer a full range of effective biomaterials. Through our partnership with botiss, we gained 45 new products and are able to offer customers around the world a truly complete portfolio of innovative and scientifically proven regenerative solutions. Their portfolio of clinically proven, high quality solutions includes membranes for guided tissue and bone regeneration, a full range of bovine, allogenic and synthetic bone graft materials, as well as soft-tissue-graft products. We began selling botiss products in initial European markets in October 2014. At the end of 2015 we had launched throughout the region and were working on regulatory approvals elsewhere.



Various bone graft materials in the botiss range to support implant procedures.

To meet customer needs in North America, where registrations are still pending, we introduced Straumann Membrane Plus and Membrane Flex (collagen membranes) as well as Straumann Xenograft (bovine bone augmentation material), which are both sold under license.

A WIDE COMBINATION OF SOLUTIONS FROM A CONVENIENT ONE-STOP SHOP

	Straumann	botiss
Bone allografts	● ¹	●
Bone xenografts	● ¹	●
Synthetic bone grafts	●	●
Bone blocks		●
Custom bone blocks		●
Collagen cones		●
Fleeces & sponges		●
Membranes	● ¹	●
Soft-tissue grafts		●
Biologics	●	

¹ Sold under license



20 years of Emdogain®. It's just the beginning.

Emdogain still remains the gold standard in periodontal tissue regeneration.

THE GOLD STANDARD IN PERIODONTAL REGENERATION FOR 20 YEARS

Periodontal disease is the most common cause of adult tooth loss¹⁸ and is an important health issue. Treatment involves controlling the inflammation and bacteria that cause it and then restoring the tissues that support the tooth. Straumann Emdogain promotes the regeneration of those tissues and thus helps to preserve endangered teeth.

In 2015, together with many key opinion leaders and representatives of the dental community, we celebrated the 20th anniversary of Emdogain and the fact that it still remains the gold standard in periodontal tissue regeneration. Backed by almost a thousand peer-reviewed publications and 500 human studies, Emdogain is one of the most extensively investigated products in dentistry. Based on total volumes sold, more than two million patients around the world have been treated with Emdogain.

OUTLOOK (PRODUCTS)

Following the busy launch program in 2015, we have a large number of exciting products to roll out globally. We also have a well-stocked development pipeline going forward (p. 37).

We will continue to place significant emphasis on channeling customer feedback into enhancing our products, technologies and workflows. Together with our partners we will continue to develop solutions to improve productivity, treatment options and clinical outcomes. In order to provide clinicians with a comprehensive range of treatment options for their patients, we aim to bring meaningful innovations to the market and to make them

widely available. At the same time, we are working on solutions that help labs to grow their business and improve their efficiency.

SERVICES – A BROAD SPECTRUM

To complement our products and solutions, and to support their effective implementation, we offer a broad spectrum of services. For instance, we assist with networking and arrange experienced mentoring, if requested. Service of this kind requires staff with a very high standard of professional knowledge, able to provide the necessary information and instruction on products. Extensive training is therefore an important aspect. We also offer initiatives to help clinicians develop practical skills, such as practice management and business expansion.

ADDING TO CUSTOMER CONVENIENCE AND CONFIDENCE

We serve and support customers directly through a highly trained sales team, enabling us to provide a personalized service with a high level of expertise. Each Straumann sales subsidiary operates a call center for customers in need of assistance. Callers are quickly linked to a specialist for product support.

We made further improvements to our e-commerce platform in 2015, adding convenience and value for customers. Although most customers still prefer the traditional personal service for ordering, traffic on our e-shop is steadily rising and it accounts for a substantial part of our business.

PEACE OF MIND

Straumann implants are covered by a lifetime guarantee (void if our implants are combined with other manufacturers' components), while our abutments and restorations have a limited guarantee. In 2016, we plan to extend the guarantee on our Roxolid implants in certain countries to include a monetary contribution to the treatment costs in addition to replacing the product if it breaks. We believe that this sets a new benchmark in our industry.

CARES SCAN & SHAPE

Scan & Shape is one of several services to broaden the reach and accessibility of our CAD/CAM franchise. It addresses laboratories that wish to order original Straumann custom abutments but do not have the requisite scanning capabilities. They simply send us a model or wax-up and we do the scanning, design and manufacturing



The 'Peer-to-peer partnership' program helps us to win key customers and to attract young professionals through mentoring.

for them. In addition to quality, precision and convenience, they get original parts and our guarantee – without having to invest in scanning equipment or software.

EXPANDING TRAINING, EDUCATION AND COMMUNICATION

Long-term success and patient satisfaction also depend on the education and experience of the dental professional. Straumann offers a broad educational program, including classic implant dentistry, tissue regeneration and state-of-the-art digital solutions, covering all proficiency levels and relevant specialties.

The program is based on the clinical guidance of the International Team for Implantology with most of the teaching provided by ITI specialists and renowned experts, in collaboration with leading universities. Courses are offered around the world, with the highest concentration in North America and the most rapid increase in China, where Straumann has invested significantly in a consultative sales force as well as a local training and education organization.

We expanded the peer-to-peer partnership program that was conceived and successfully piloted in 2014. It helps us to win key customers from competitors and to attract young professionals through mentoring. It extends from personal coaching to surgical activities where highly experienced implantologists share surgical techniques and experience with their peers in the operating room.

MORE THAN 100 000 FANS ON SOCIAL MEDIA

Social media is an increasingly important channel for reaching customers and addressing their needs for information. More than 100 000 fans have joined our

KEY LAUNCHES IN 2015

Product/Solution	Description	Added value/benefit for customer
SURGICAL		
Bone Level Tapered implant	New generation BLT launched in nearly all key markets	<ul style="list-style-type: none"> – High primary stability, shorter time to teeth – Broad range of lengths and diameters – 2 materials and 2 surfaces
Single-use instruments	Full range of sterilized drills	<ul style="list-style-type: none"> – Convenience and time savings – Patient and practice staff safety
BIOMATERIALS		
botiss biomaterials	Comprehensive portfolio for tissue and bone regeneration, roll-out in Europe	<ul style="list-style-type: none"> – Extensive choice of proven regenerative solutions – Avoids use of patient's own bone/tissue – Innovative solutions including bone rings, cones, CAD/CAM bone grafts, tissue graft matrix, etc.
RESTORATIVE		
Pro Arch	Complete fixed solution for edentulous patients	<ul style="list-style-type: none"> – Fast, flexible, reliable solutions – Attractive, natural-looking teeth – Improved quality of life
etkon & Createch screw-retained bars & bridges	High-end prosthetics	<ul style="list-style-type: none"> – Centralized milling – Very high precision, quality and reliability
Variobase family	Additional Variobase family	<ul style="list-style-type: none"> – Multi-unit restorations (bridges, bars and over-dentures) – Variobase for CEREC chairside workflow – Unique offering
Pre-milled abutment blanks	Semi-finished titanium abutment blanks with pre-fabricated Straumann connections	<ul style="list-style-type: none"> – Labs can make own one-piece custom abutments with original connection – Suitable for a wide range of milling machines
3M ESPE Lava Plus zirconia	High performance prosthetic material	<ul style="list-style-type: none"> – Excellent esthetics, wide range of shades – Uncompromising strength
DIGITAL		
CARES 3- & 7series	State-of-the-art in-lab CAD/CAM scanners	<ul style="list-style-type: none"> – Improved scanning performance, ease of use, and robustness
CARES Visual 9.5	New CAD/CAM software major release	<ul style="list-style-type: none"> – Further streamlines prosthetic workflow – Includes all newly launched CAD/CAM products – Increased functionality
CARES X-Stream	Inclusion of bridge and bar solutions	<ul style="list-style-type: none"> – Up to full-arch full-contour bridges on new Variobase – Streamlines workflow, saves time and costs – Only one scan and one design procedure – Covers all prosthetic components
CARES Synergy	Dynamic interface between guided surgery & prosthetic design	<ul style="list-style-type: none"> – Prosthetically driven implant placement – Provisional restoration made ahead of surgery – Immediate tooth replacement
CARES connectivity	For exocad scanners	<ul style="list-style-type: none"> – Access to CARES & Straumann milling for exocad users
CARES Scan & Shape	Service to design CAD/CAM prosthetics for labs & clinics	<ul style="list-style-type: none"> – ClearChoice clinics can use this service for all their prosthetics
SUPPORT		
Young Professional Pro 2	Program for young dentists in 10 countries	<ul style="list-style-type: none"> – Support along career path
Patient Pro	Patient information portal	<ul style="list-style-type: none"> – Supports dentists in patient education, online and social media marketing – Increase implant treatment rate – Leverage patients as advocates

community on Facebook, and our content was accessed more than 260 000 times in 2015. Our campaign to promote the reliability of our implant system by suspending the CEO upside down on four tiny implant abutment connections (pictured on p. 36) was a huge success, generating more than 75 000 video views.¹⁹ In the UK, Straumann received two FMC Dental Industry awards for 'Best use of social media' and 'Marketing campaign of the year'.

In addition, our customer magazine *Starget* went digital and became accessible on desktop and mobile devices.²⁰ This is a popular channel for keeping customers up to date on innovation, clinical results, product news, expert opinions and our presence at trade events. Information on our education programs is also featured as well as video tutorials and other multimedia content.

STRAUMANN PATIENT PRO – A NEW INFORMATION TOOL
Research tells us that one in two patients consults the internet before, after and sometimes even during consultation with their dentist. Their choice of treatment and the professional who provides it is based on the information found. Straumann Patient Pro is a platform we launched in 2015 to provide dental professionals with digital information for educating patients and promoting their practices. It supports them with materials and tools for the internet and social media as well as for use in their dental practices.

OUTLOOK (SERVICES)

We strive to extend service solutions that enhance convenience, leverage efficiency and add value for customers and patients – for instance by helping dentists build their businesses.

Education is the key to driving implant dentistry – both in established and new markets. It is also essential for sustaining high treatment standards and success rates. This is why we will continue to be its strong advocate, together with the ITI and dental faculties all over the world. To broaden access to education and information, we will make even greater use of new media channels and platforms.

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Innovation

Focused on customer needs and commercial success



The innovative in-lab milling machine using laser technology developed by Dental Wings attracted great interest at the 2015 International Dental Show in Cologne.



Innovation goes beyond product discovery to commercialization. In 2015, we created and ran a highly successful marketing campaign on the importance of original Straumann prosthetic components, in which the CEO was suspended upside down from just four tiny implant connections.

Straumann's history is full of successful inventions that have set industry standards, created smiles and restored not only teeth but also confidence for patients worldwide. The company was a pioneering force in implant dentistry and is still a leading innovator in the field. In 2015, we continued to invest in R&D, boosting the number and quality of our pipeline projects.

Our passion to bring innovation to customers and patients was illustrated in 2015 by the very successful introduction of our Bone Level Tapered (BLT) implant. Its innovative design together with the proven high strength of Roxolid and fast-healing SLActive surface differentiate it as a new generation of conical implant. BLT is also an example of how our innovative creativity extends beyond products to include powerful launch and marketing campaigns.





INNOVATION – DRIVEN BY AND TAILORED FOR CUSTOMERS

We want to be the global partner of choice for tooth replacement solutions and the first point of contact for people with new ideas in our field. The Straumann Innovation Board meets once a month to review and prioritize incoming ideas and suggestions from customers, employees and the academic world. For us, innovation goes beyond creating and developing new ideas. We want to make them commercial successes, which means that our innovation process has to be customer- and market-driven.

FROM IDEAS TO COMMERCIAL PRODUCTS/SOLUTIONS

To collect as many leads as possible, we rely on our web-based innovation platform, which enables customers, researchers, clinicians, employees and other stakeholders

A STOCKED INNOVATION PIPELINE

	Project	Key benefit target	Introduction/rollout
	Advanced implant materials	Superior mechanical performance & esthetic properties	2017+
	Smaller implants	Less invasive procedures	2017
	Hygiene cassette	Simplifies and improves instrument cleaning	2016
	Single-use instruments	Complete portfolio of instruments for single use	2017
	Straumann Novaloc	Overdenture retention system with improved reliability	2016
	Variobase prosthetics	Straumann original solution for implant-borne chairside restorations	2016
	Pro Arch	Extended solutions for fixed full-arch restorations	2016
	Abutment blanks	Original Straumann connection for in-lab mills	2016
	New material (NICE)	Proprietary glass ceramic for restorations with improved handling	2016
	Integrated workflow	Digital workflow support for immediate tooth replacement	2016
	Intra-oral scanner	Integrated digital impression system	2016
	CARES milling system	Integrated in-house milling options	2016
	Emdogain	New indications	2016/2017
	Osteogain	Bone enhancement	2018

Highlights from Straumann's development pipeline. Introduction/rollout dates may be subject to positive clinical results and regulatory clearances, and barring unforeseen circumstances.

to submit ideas in a framework that assures confidentiality and respects intellectual property. The review process ensures that we focus on ideas that have a high probability of commercial success and address customer needs, which vary by market and region. In 2015, more than 100 ideas were submitted from various sources; approximately a tenth of them have been followed up as potential leads.

Our comprehensive development program focuses on projects that will contribute directly to revenue and profit. Interdisciplinary teams including Marketing and R&D work together to expedite the process and to ensure the validity of the concepts.

Although we launched a large number of products in 2015, our pipeline is currently stocked with more projects than in previous years, several of which are highlighted in the table above.

PRECLINICAL AND CLINICAL RESEARCH

THE SCIENTIFIC FOUNDATION

It is essential that all products destined for patients are appropriately tested for biocompatibility, stability, strength, and to ensure that the properties developed in the laboratory can be reproduced on a commercial scale. Technologies, materials and designs that maintain the necessary characteristics are studied in vivo, which often includes evaluating the surgical technique.

Straumann products and technologies are thoroughly evaluated within a defined global clinical study program. This may comprise single- and multi-center studies, as well as investigator-initiated studies. Proposals for the latter are carefully screened and may be supported in various ways. Clinical investigation can further include large post-market surveillance and

HIGHLIGHTS OF SELECTED KEY PUBLICATIONS ON STRAUMANN'S PRODUCTS IN 2015

Authors	Study Title	Product	Journal	Conclusion
Derks J, Schaller D, Ettl D, Syfrig B, Abbott W, Tomasi C, Berglundh T	Effectiveness of implant therapy analyzed in a Swedish population: Prevalence of peri-implantitis.	Tissue Level Implants	J Dent Res. 2016 Jan;95(1):43-9.	The probability of being diagnosed with peri-implantitis 9y after implant therapy was lowest with Straumann TL SLA implants.
Wallkamm B, Ciocco M, Ettl D, Syfrig B, Abbott W, Listrom R, Levin BP, Rosen PS	3y outcomes of Straumann BL SLActive dental implants in daily dental practice: a prospective non-interventional study.	Bone Level Implant	Quintessence Int. 2015 Jul-Aug; 46(7):591-602.	97.5% survival rate after 3y.
Stavropoulos A, Cochran D, Obrecht M, Pippenger BE, Dard M	Effect of osteotomy preparation on osseointegration of immediately loaded, tapered dental implants.	Bone Level Tapered Implant	Advances in Dental Research (accepted).	Increased primary stability of bone level tapered implant (BLT) in underprepared osteotomies.
Cochran D, Stavropoulos A, Obrecht M, Pippenger BE, Dard M	A comparison of tapered and non-tapered implants in the minipig.	Bone Level Tapered Implant	International Journal of Oral & Maxillofacial Implants (accepted).	BLT SLActive showed comparable clinical and histological outcomes to BL SLActive.
Müller F, Al-Nawas B, Storelli S, Quirynen M, Hicklin S, Castro-Laza J, Bassetti R, Schimmel M; Roxolid Study Group	Small-diameter titanium grade IV and titanium-zirconium implants in edentulous mandibles: 5y results from a double-blind, randomized controlled trial.	Roxolid	BMC Oral Health. 2015 Oct 12; 15(1):123.	98.9% survival rate after 60 months.
Ioannidis A, Gallucci GO, Jung RE, Borzangy S, Hämmerle CH, Benic GI	Titanium-zirconium narrow-diameter versus titanium regular-diameter implants for anterior and premolar single crowns: 3y results of a randomized controlled clinical study.	Roxolid	J Clin Periodontol. 2015 Oct 6. Epub ahead of print.	100% survival rate after 3y.
Calvo-Guirado JL, López Torres JA, Dard M, Javed F, Pérez-Albacete, Martínez C, Maté Sánchez de Val JE	Evaluation of extra-short 4-mm implants in mandibular edentulous patients with reduced bone height in comparison with standard implants: 12m results.	4mm Implants	Clin Oral Implants Res. 2015 Oct 3. Epub ahead of print.	97.5% survival rate of the 4mm short implants.
Gahlert M, Kniha H, Weingart D, Schild S, Gellrich NC, Bormann KH	A prospective clinical study to evaluate the performance of zirconium dioxide dental implants in single-tooth gaps.	Stramann PURE	Clin Oral Implants Res. 2015 Apr 1. Epub ahead of print.	97.6% implant survival rate after 1y.
Puisys A, Linkevicius T	The influence of mucosal tissue thickening on crestal bone stability around bone level implants.	Mucoderm	Clin Oral Implants Res. 2015 Feb;26(2):123-9.	Augmentation of thin soft tissues with Mucoderm during implant placement can reduce crestal bone loss.
Guimarães GF, de Araújo VC, Nery JC, Peruzzo DC, Soares AB	Microvessel density evaluation of the effect of enamel matrix derivative on soft tissue after implant placement: a preliminary study.	Emdogain	Int J Periodontics Restorative Dent. 2015 Sep-Oct; 35(5):733-8.	Emdogain may play a beneficial role in wound healing in implant therapy.

non-interventional studies (NIS), with a range of patients and indications treated in daily practice conditions. Very few implant companies perform clinical studies on this scale. The compelling results provide clear reasons why customers should trust in Straumann products rather than undocumented alternatives.

IMPRESSIVE BODY OF EVIDENCE PUBLISHED IN 2015

In 2015, an impressive body of scientific evidence on Straumann products was published in peer-reviewed journals. There were at least 85 publications, including results from our own research, research funded by the ITI (p. 84) or fully independent research. An overview of selected key studies published in 2015 is shown in the table opposite.

More details on these and other relevant publications on our products can be found at <http://www.straumann.com/en/home/science>

Perhaps the most compelling publication came from independent investigators (Derks et al. – see table opposite), without support from Straumann. It was a large retrospective study that evaluated various dental implant systems nine years after placement with regard to peri-implantitis, an inflammation that leads to implant loss if not treated. The results revealed differences between implant systems and were favourable for Straumann.

OUTLOOK

The driving forces of Straumann's innovation process are customer needs and commercial success. Rigorous scientific testing provides customers and patients with reliability, quality and peace of mind. With this in mind we will continue to invest significantly in research and development.

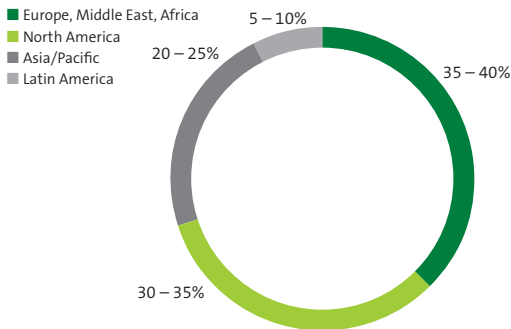


New Economy Magazine selected Straumann as the Most Innovative Implant Dentistry Provider in its 2015 Awards, highlighting our strategic marketing and record number of new products.

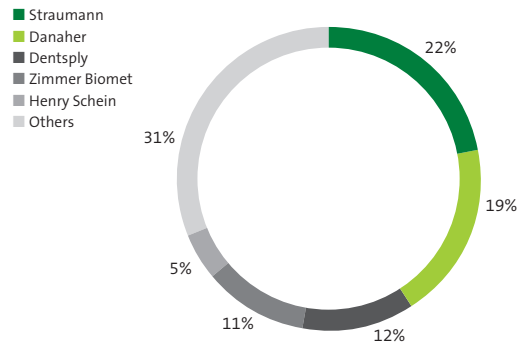
Markets

Increased share of a CHF 7 billion market

THE GLOBAL DENTAL IMPLANT MARKET BY REGION¹



THE GLOBAL DENTAL IMPLANT MARKET BY SHARE OF SALES¹



Consolidated figures for Straumann (incl. Neodent), Danaher (incl. Nobel Biocare, Implant Direct & Sybron) and Henry Schein (incl. Camlog & BioHorizons)

THE MARKET FOR IMPLANT DENTISTRY

The market for implant dentistry comprises dental implants and abutments² along with supporting tools/instruments, which make up only a small portion. Based on our internal estimates as well as reports by other companies and independent research, we believe that the market grew in the mid-single-digit percent range in 2015 and is valued at approximately CHF 3.2 billion¹. Growth was higher in volume than in monetary terms, reflecting strong growth in emerging markets (where average prices are lower), the increased share of value products and modest price deflation in general.

The key regional growth drivers were Asia/Pacific and North America. Europe, the world’s largest market, returned to solid growth having suffered from decline in recent years due to economic recession. Latin America grew

modestly – which was slower than in previous years, mainly due to the contracting economy in Brazil, the region’s largest market.

MARKET STRUCTURE

The market is divided into three segments: premium, value, and discount. Premium companies are distinguished by their clinical documentation, innovative products and solutions, broad product ranges, training, education and superior customer service. Straumann leads the global premium segment and offers a wide range of implants priced at multiple levels.

According to global market research³, dentists choose implants based on quality, ease of use, familiarity, and long-term scientific evidence – areas in which Straumann consistently receives best-in-class ratings. Although price

DENTAL IMPLANT MARKET BY SEGMENT



Premium offering, based on innovative, clinically-proven products and comprehensive services at premium price

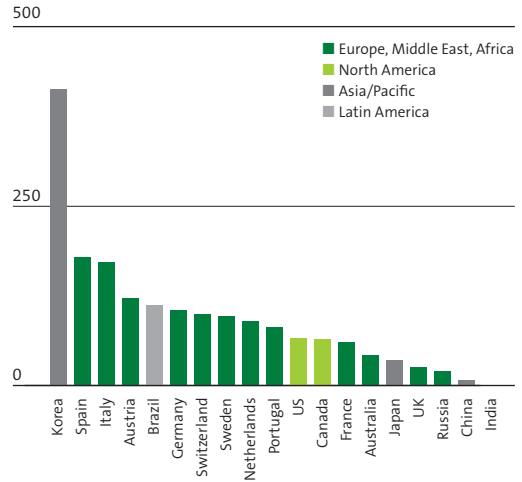
Standard products, often only regional presence, value price

Look-alike products, very limited R&D, training, education, and service

Straumann competes in the premium and – with its SLA titanium range – the upper value segments. In the value segment, the Group competes through its Instrand platform.

DENTAL IMPLANT PENETRATION

Implants sold per 10 000 population in 2015¹



In South Korea, reimbursement was introduced for senior citizens in 2014 and will be extended to a broader age group in 2016/2017. This explains the increased penetration rate.

is not a key driver in the choice of implant brand, it has gained importance, driving faster growth in the value and discount segments.

In response to this trend, Straumann has expanded into the non-premium segment by investing in fast-growing brands like Neodent in 2012/2015, Medentika in 2013, MegaGen in 2014 and T-Plus in 2015. The Group's strategy is to penetrate this segment through segregated brands, without compromising its premium leadership.

Consolidation in recent years has left approximately 60% of the global market in the hands of the four leading multinational manufacturers which make up the premium implant segment. The remainder of the market is highly fragmented and comprises several hundred competitors, most of whom have only a local or regional focus. Some pursue a low price strategy while others offer advanced customer services and education at mid-price points. Based on available market data and industry sources, we believe that the premium players lost approximately 1% of

their collective market share to the non-premium segment in 2015.

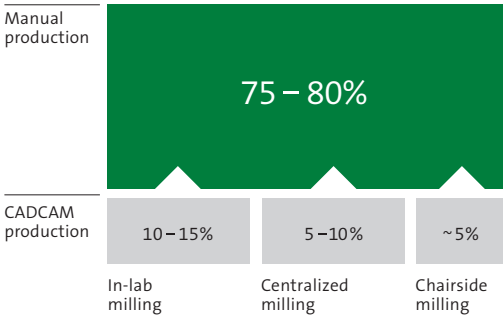
Successful product launches and marketing initiatives helped Straumann to grow strongly in 2015, outperforming its premium competitors and extending its lead in the overall implant market. Currency fluctuations, in particular the strengthening of the Swiss franc and the devaluation of the Brazilian real, heavily impacted our market figures which are reported in Swiss francs. This complicates comparison with prior data. Based on the latest available data, the Straumann Group's share of the global market in 2015 was estimated to be around 22%¹.

THE MARKET FOR RESTORATIVE DENTISTRY

Tooth restorations (e.g. crowns and bridges) are made increasingly by automated processes rather than by hand. Digitalization now makes it possible to design and make prosthetic elements by CAD/CAM (Computer-Aided Design; Computer-Aided Manufacturing), saving time and increasing accuracy. Further advances have come through improved high-performance translucent ceramic materials,

THE CROWN AND BRIDGE MARKET

(In value terms)



which reduce working time and offer excellent esthetics and function.

The market for CADCAM dentistry comprises prosthetic elements (crowns, inlays, onlays, bridges) and equipment (scanners, milling units etc.). According to the latest data, these products collectively generated global revenues of more than CHF 4 billion in 2015⁴.

CADCAM PROSTHETIC ELEMENTS

CADCAM prosthetics can be produced in any of the following sites:

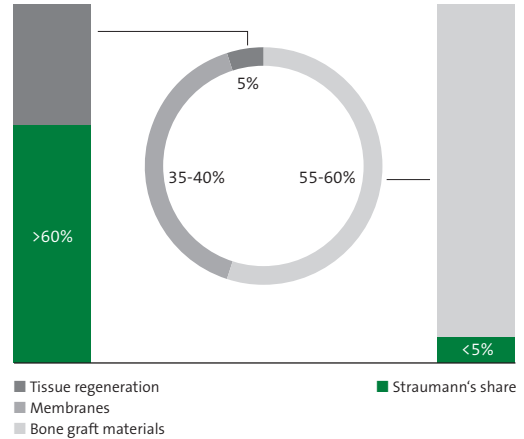
- A dental practice (chairside milling)
- A dental laboratory by a dental technician (in-lab milling),
- An industrial milling center.

In 2015, 30% or more⁴ of all prosthetic elements (tooth-borne and implant-borne) were produced using CADCAM technology. This is expected to increase as more dental professionals adopt this technology. Straumann CADCAM prosthetics are designed with our CARES Visual software (either by labs or through our CARES Scan & Shape service) and manufactured at our etkon milling centers.

Market research⁵ indicates that general dentists (GPs) usually obtain CADCAM manufactured crowns and bridges from a local lab. About two thirds use models or impressions to order the restorations. In the next few years,

THE BIOMATERIALS MARKET

(in value terms)



general practitioners anticipate that most CADCAM restorations will continue to be outsourced and that digital impressions will increasingly replace physical models.

CADCAM EQUIPMENT

CADCAM equipment can be categorized as:

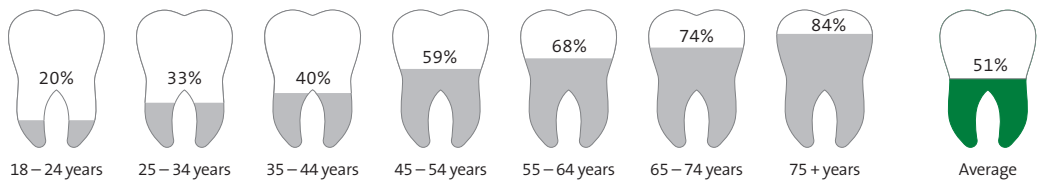
- Chairside systems, in which scanning, design and milling are all performed in the dental practice
- Full in-lab systems, where scanning, design and milling are performed by the lab
- Central milling, where in-lab scanners are connected to an offsite milling center.

According to our estimates, more than two thirds of all CADCAM systems sold are for the latter two categories. In-lab scanning with centralized milling is an attractive solution because it offers laboratories access to the latest technology without investing in expensive, high-maintenance milling equipment.

Straumann is active in the in-lab scanner (and software) segment. We also offer a 'Scan & Shape' service to labs that do not have the requisite scanning capability. This also provides access to our milling centers. Through our collaboration with Amann Girschbacher, we entered the in-lab milling segment at the end of 2015 with the introduction of a 5-axis milling machine to operate with our CARES CADCAM system.

PROPORTION OF ADULTS IN THE US MISSING ONE TOOTH OR MORE

(in % by age group; excluding wisdom teeth)⁸



Lack of reliable market data makes it difficult to quantify market shares in restorative dentistry. We estimate that in 2015 our share of the centrally-milled-element segment was less than 5%.

THE MARKET FOR BIOMATERIALS (REGENERATIVE PRODUCTS)

The 2015 market for oral tissue regeneration products was estimated to be worth between CHF 400 and 500 million⁶. As biomaterials are frequently used to support implant procedures, the market exhibited similar growth to the implant and prosthetic market.

The biomaterials market can be divided into the following segments

- Bone-graft materials
- Membranes
- Tissue-regeneration products.

Straumann is active in all three. Through our partnership with botiss, we now offer an unparalleled range of regenerative solutions across all market segments (see p. 31 f.).

BONE GRAFT MATERIALS

It is currently estimated that up to one in four implants requires bone augmentation/graft procedures⁷. Four types of bone graft material are commonly used:

- Autografts (patient's own bone)
- Allografts (human donor bone, e.g. Straumann Allograft, botiss maxgraft)
- Xenografts (bone sourced from animals, e.g. Straumann Xenograft, botiss cerabone)
- Synthetic bone (e.g. Straumann BoneCeramic).

In 2014, Straumann entered the xenograft segment, which accounts for 45–50% of the bone graft

substitute market. The synthetic and allograft segments make up 15–20% and 35–40% of the market, respectively, and the Group has been present in both for more than five years. Allografts are more commonly used in North America, where they account for half of the market.

MEMBRANES

Oral membranes are used in up to 60% of bone augmentation procedures⁹ and act as barriers to prevent the growth of soft tissue in the space required for bone formation. Straumann has competed in this segment since 2010.

SOFT TISSUE REGENERATION

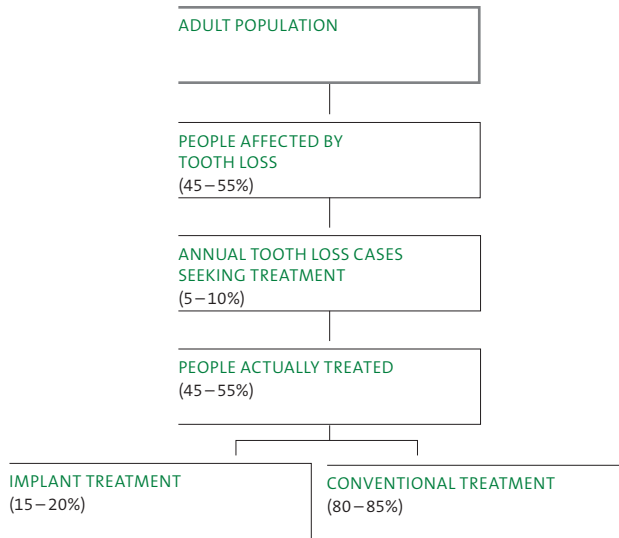
Between 10 and 15% of the general population in developed countries suffer from severe periodontitis¹⁰, the most common cause of tooth loss. Straumann Emdogain is used to regenerate tissues that anchor the tooth when they have been damaged by periodontal disease. Straumann leads this segment and our share is more than two-thirds of the global market.

OUTLOOK

FUNDAMENTAL DRIVERS

In the absence of reimbursement, our markets – especially the premium segment – are subject to the economic environment. A continuation of the economic recovery in Europe should drive further positive developments in that market in the near future. North America and Asia Pacific are expected to be the biggest growth contributors in the coming years. In contrast, Latin America is expected to be muted in 2016 and improvement will depend on a pick-up in the Brazilian economy.

TOOTH LOSS AND TREATMENT (USA)



The population in the US is aging, resulting in more patients with tooth loss. Patients who have been treated are likely to require maintenance work (probably more so with conventional treatment). Most people lose more than one tooth in life and thus re-enter the treatment path.

The unfavorable economic environment in recent years has offered an opportunity for non-premium manufacturers to gain market share. It is likely that momentum in the non-premium segment will continue, endorsing our strategy to expand globally in the value segment.

We expect the improvement seen in the premium segment over the past three years to continue in 2016. Based on demographics, statistics for tooth loss, and the increasing substitution with implants, the overall market has the potential to achieve high-single digit growth in the mid-to-long term.

DEMOGRAPHIC TRENDS

Although caries prophylaxis has reduced tooth loss, in the developed world aging and affluence drive implant business growth. Tooth loss is a function of age⁹ and today, more than 18% of the US population is over the age of 60. This will rise to 22% by 2020¹¹. Furthermore,

the purchasing power of seniors in developed countries is growing¹². There is also significant growth potential in markets like China, where incomes are increasing and implant rates are low.

PREVALENCE OF TOOTH LOSS

Prevalence of tooth loss is defined as the proportion of a population currently suffering from the condition, which is an indicator of the potential for implant dentistry. A study conducted in 2012 in the US⁸ illustrates how significant that potential is. It revealed that:

- 50 – 60% of the adult population had lost at least one tooth in or prior to 2012
- Of those, 45% were fully treated
- Of the untreated portion, 31% or approximately 20 million US adults were planning to receive treatment in the next three years
- More than a million people needed a replacement for an existing restoration (e.g. a tooth-borne bridge).

SUBSTITUTION OF CONVENTIONAL CROWNS AND BRIDGES

As the penetration of dental implants is still very low (see chart on p. 41), the substitution of conventional tooth replacement treatment (tooth-borne bridges) is the most important growth driver for implant dentistry because:

- Only 15 – 20% of adults treated for tooth loss receive implants⁸
- Implants are increasingly regarded as the state-of-the-art treatment
- Competence in implant techniques is growing among dental professionals, especially general dentists
- Market studies foresee increased use of implants in the next 2 – 3 years based on positive responses from general dentists⁵
- Training and education activities provided by companies like Straumann successfully convert dentists to implants
- Rising awareness among patients is expected to drive demand for dental implants.

CADCAM DENTISTRY UNCHANGED

According to US market research, less than one in five dental laboratories are large-sized¹³. Most large labs own at least one scanner and one milling unit, and a significant proportion intend to invest in additional CAD/CAM equipment. Notwithstanding, the CAD/CAM elements business is the main driver in this market.

While small labs are eager to adopt automated workflows, the high cost means that only few have their own CAD/CAM and milling equipment. We see significant potential in outsourced milling in combination with scan-and-design services (e.g. CARES Scan & Shape) for lab customers without scanning capabilities.

Advanced high performance materials, such as Zerion HT, will also contribute to growth in CAD/CAM dentistry.

REFERENCES/FOOTNOTES

- 1 According to 2015 FX rates. Straumann estimates, based on MRG, iData and industry sources; including: Australia, Austria, Belgium, Brazil, Canada, China, Czech Republic, Denmark, France, Germany, Hungary, India, Israel, Italy, Japan, Luxembourg, Mexico, Netherlands, Poland, Romania, Russia, South Korea, Spain, Sweden, Switzerland, Taiwan, Turkey, UK and US.
- 2 See Glossary.
- 3 MRG Perception Pulse, 2012; in Canada, China, France, Germany, Italy, Japan, Netherlands, South Korea, Spain, Sweden, Switzerland, UK and US.
- 4 According to 2015 FX rates. Straumann estimates, based on MRG, iData, Industry Sources and Straumann proprietary study in 2012 conducted by KeyStone Research; including: France, Germany, Italy, Japan, UK and US. CAD/CAM elements include crowns and bridges only.
- 5 Exevia, 2014, based on market research data in Germany, Italy, Spain and the US.
- 6 According to 2015 FX rates. Straumann estimates based on MRG and iData; including: Australia, France, Germany, Italy, Japan, South Korea, Spain, Sweden, Switzerland, UK and US.
- 7 Straumann estimates based on MRG and iData.
- 8 Straumann proprietary study based on 5000 US respondents, conducted by AFG Research in 2012.
- 9 iConsult, 2014, based on market research data in Germany and the US.
- 10 Erik Petersen and Hiroshi Ogawa; Strengthening the prevention of periodontal disease: the WHO approach, *J. Periodontol* 2005;76:2187-2193.
- 11 US Census Bureau, National Population Projections, 2008.
- 12 US Census Bureau, Population Division, 2012.
- 13 The Key Group and Straumann estimates, based on US research data, 2015.

Extraordinary performers...

take
ownership



2015 Business performance

Group

NET REVENUE

In 2015, the Straumann Group achieved strong organic¹ growth of 9%, driven by all business segments and regions. Revenue climbed to CHF 799 million, of which CHF 63 million was contributed by Neodent. Lifted by the acquisition, growth in local currencies amounted to 19%, but was constrained to 12% in Swiss francs, reflecting the appreciation of the Swiss franc – mainly against the Euro and the Brazilian real.

The performance was driven by sustained recovery in Europe, strong growth in Asia/Pacific and Latin America, and a continued robust performance in North America (see p. 56 f. for regional details).

Revenue growth was led by the implant business, driven by strong volume expansion across all regions. Straumann’s high-performance implant material Roxolid was the key driver, with additional impetus from the

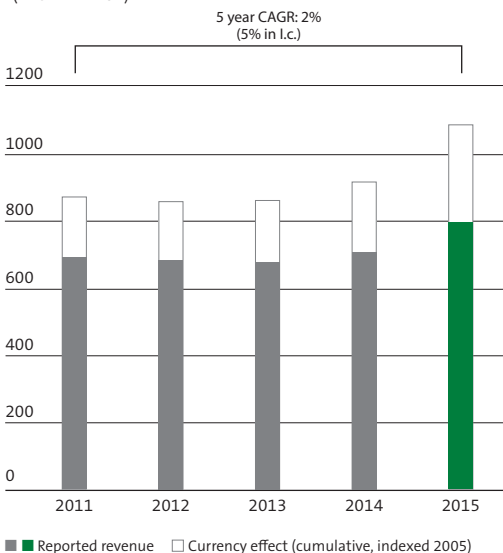
Bone Level Tapered (BLT) implant in North America, EMEA and parts of Asia.

The Restorative business, including CAD/CAM prosthetics and digital equipment, posted solid full-year and fourth-quarter growth. Demand was especially strong for simple cost-effective Variobase abutment solutions. The new CARES 7series in-lab scanner was well received and sales of prosthetic elements rose as the base of installed scanners expanded. The CAD/CAM business also benefitted from increased connectivity, drawing in users of third-party scanners.

Revenue from Biomaterials grew vigorously throughout the year, as Straumann continued to roll out the botiss range in Europe and its bone graft and membrane products in North America. Demand for bone regeneration solutions was particularly strong in Q4.

REVENUE

(in CHF million)



OPERATIONS AND FINANCES

Straumann responded quickly to the abrupt appreciation of the Swiss franc in January with strict cost discipline measures. To protect the business and jobs, the staff in Switzerland agreed in February 2015 to new employment contracts with significant bonus-relevant compensation reductions. Thanks to stronger-than-expected revenue growth, efficiency gains and the level of profitability achieved, it has been possible to maintain the staff and to pay a 2015 discretionary bonus, which fully compensates for the voluntary forfeits in the great majority of cases. Although the exchange rates improved subsequently, the currency headwind still reduced full-year revenue by CHF 37 million and operating profit by CHF 22 million. The Group was able to offset this, thanks to increased sales momentum and accretive income from Neodent.

The Group’s initial 49% stake in Neodent was reported as ‘Share of results of associates’ up to the end of February 2015. After consolidation, it contributed to the Group’s financial statements at all levels. The business combination resulted in several non-cash-relevant effects to various

KEY PERFORMANCE FIGURES

	2015		2014	
	Reported	Excluding exceptionals ¹	Reported	Excluding one-time effect ²
Revenue (CHF m)	798.6		710.3	
Gross profit margin (%)	77.0	78.6	78.7	
EBITDA margin (%)	26.0	27.6	24.8	
EBIT margin (%)	21.6	23.3	20.9	
Net profit margin (%)	9.0	18.1	22.2	18.4
Free cash flow margin (%)	18.9		18.1	

¹ In 2015, the term 'exceptionals' refers to charges related to the Neodent business combination, which amounted to CHF 77m (CHF 73m after tax), including inventory revaluation expenses of CHF 13m (which affected EBITDA and EBIT) and a CHF 64m net loss below the EBIT line. All the exceptionals are non-cash-relevant and apply to H1 2016.

² In 2014, net profit was lifted by a one-time effect of CHF 27 million (or CHF 1.75 per share) related to the capitalization of deferred tax assets in Neodent.

positions in the Group's income statement. These collectively amounted to CHF 73 million after tax.

GROSS PROFIT MARGIN MAINTAINED AT 79% DESPITE ADVERSE CURRENCY IMPACT

Excluding an exceptional inventory-adjustment charge of CHF 13 million related to Neodent, pre-exceptional gross profit increased 12% to CHF 628 million. Strong volume expansion, tight cost control and capacity optimization fully compensated for the negative currency impact of 110 basis points and the underlying gross-profit margin remained stable at nearly 79%.

PRE-EXCEPTIONAL OPERATING MARGIN CLIMBS TO 23%

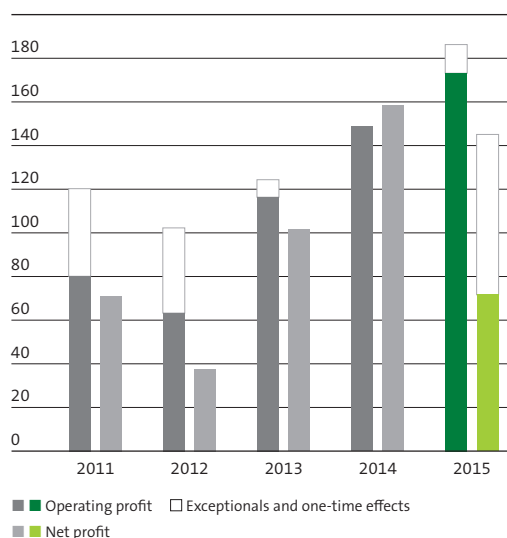
The Group succeeded in mitigating the currency impact through various initiatives including hiring and travel restrictions as well as renegotiated supply agreements.

Distribution costs, which comprise salesforce and directly-related sales activities, amounted to CHF 173 million. Relative to revenue, distribution costs decreased by two percentage points to 22%. Administrative expenses, which include Marketing, Research & Development, General Management and Support functions, increased to CHF 271 million. As a percentage of revenue, they decreased 40 base points to 34%.

Thanks to the improvements in gross-profit and the abovementioned items, earnings before interest, tax,

OPERATING AND NET PROFIT

(in CHF million)



depreciation, amortization (EBITDA) and exceptionals increased by 25% to CHF 221 million, lifting the underlying margin by 280 base points to 28%.

After total amortization and depreciation charges of CHF 35 million, operating profit before exceptionals amounted to CHF 186 million and the underlying EBIT margin expanded 240 basis points to 23%.

BOTTOM LINE NEGATIVELY AFFECTED BY NEODENT BUSINESS COMBINATION EFFECTS

The net financial result was a negative CHF 16 million compared with a negative CHF 7 million in 2014. This is primarily related to foreign-exchange losses subsequent to the sudden appreciation of the Swiss franc, and fair-value adjustments of various financial instruments.

Straumann’s share of results from its associate partners (Dental Wings, Medentika, Createch, T-Plus, Valoc, and Neodent up to 28 February), which are accounted for under the equity method, came to a negative CHF 12 million in contrast to a positive CHF 36 million in the comparative period of 2014. The difference is mainly due to the aforementioned Neodent provisions and the fact that the company contributed over 12 months in 2014 but only two in 2015. Furthermore, the 2014 result benefitted from the capitalization of deferred tax assets amounting to CHF 27 million related to the acquisition of the initial 49% of Neodent.

Income taxes amounted to CHF 9 million and were CHF 11 million lower than in the prior year. The effective income tax rate remained at 11% as the Group benefitted from a tax refund in Germany and a tax

credit related to carrying forward of tax losses (book value adjustments at the holding level). The normalized tax rate going forward is expected to be approximately 15%.

Excluding exceptionals, net profit reached CHF 145 million, bringing the respective margin to 18% and basic earnings per share to CHF 9.19. This compares with an underlying CHF 8.42 in 2014.

FREE CASH FLOW INCREASES 18%

Net cash from operating activities increased 27% to CHF 186 million, thanks to the inclusion of Neodent, improvements in profitability, and working capital management.

Capital expenditures (CAPEX) increased CHF 16 million reflecting the inclusion of Neodent and additional investments of CHF 8 million in Straumann’s CAD/CAM milling facilities in the US and Japan.

The Group continued to generate a good level of cash, and free cash flow rose CHF 23 million to CHF 151 million lifting the margin to 19%.

FURTHER INVESTMENTS IN VALUE SEGMENT AND TECHNOLOGY PLATFORM

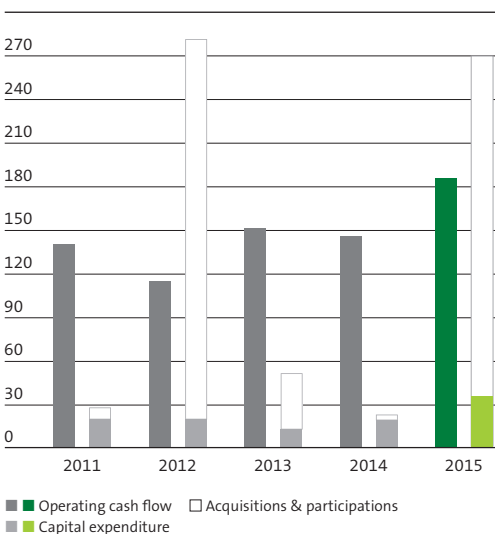
Cash used for investing activities amounted to CHF 48 million, including the aforementioned capital expenditures as well as investments totalling CHF 24 million in companies to advance its value strategy and technology platform (see opposite). In 2015, dividends from the Group’s strategic investments in associate companies amounted to CHF 3 million.

The purchase of the remaining 51% stake in Neodent was accounted for as an equity transaction. Including the respective purchase consideration of CHF 225 million as well as the payment of the regular annual dividend in the amount of CHF 59 million, net cash used in financing activities totalled CHF 275 million.

Consequently, cash and cash equivalents at year-end amounted to CHF 318 million, down from CHF 459 million at the end of 2014. With an equity ratio of 58% and a net cash position of CHF 117 million, the Group is solidly financed and has the capability to pursue further strategic investments and acquisition opportunities if they should arise.

CASH FLOW AND INVESTMENTS

(in CHF million)



OUTLOOK 2016

(barring unforeseen circumstances)

Straumann expects the global implant market to grow solidly in 2016 and is confident that it can continue to outperform by achieving organic growth in the mid-single-digit range. Despite further investments into strategic growth initiatives, the expected revenue growth and operational leverage should lead to further improvements in the underlying operating profit margin².

SUMMARY OF MAIN INVESTMENTS

INVESTMENTS IN HIGH-GROWTH SEGMENTS AND REGIONS

Straumann is building a portfolio of value companies with the goal of global leadership in the fast-growing value segment. In addition to the full acquisition of Neodent in Brazil, Straumann invested further in Megagen (S. Korea) and acquired a stake in T-Plus in Taiwan. To address the premium and value segments in various markets we established several subsidiaries and a joint venture. All of these investments totalled approximately CHF 240 million.

INVESTMENTS IN PRODUCTION

To meet demands of increased volume and new products we invested in our manufacturing facilities in various countries. CHF 8 million was used to expand our CAD/CAM milling facility in the US and to establish a new milling center in Japan, which became operational in 2015.

INVESTMENTS IN R&D

To maintain our innovation pipeline and to support our products with documented evidence we invested approximately 5% of net revenue in R&D. Being a value brand, Neodent invests less in clinical trials, documentation etc, than Straumann and will therefore dilute the Group's overall investment in R&D as a proportion of revenue going forward.

INVESTMENTS IN TECHNOLOGY

In pursuit of our strategy to provide total solutions, we invested a further CHF 8 million in our technology platform, increasing our stake in Dental Wings (CAD/CAM technologies) to 55% and acquiring a 44% stake in Valoc (prosthetic attachment systems).

OTHER INVESTMENTS

Our investments in people (training and development) are covered in the Employees section of this report. Information on investments in distribution, including selling activities as well as intangible and tangible assets, are presented in our financial report.

REFERENCES/FOOTNOTES

1 The term 'organic' means 'excluding the effects of currency fluctuations and acquired business activities': as of March 2015, the Neodent business was fully consolidated and led to an acquisition effect in the Latin American region.

2 Comparison base is the 23% EBIT margin before acquisition-related exceptionals.

Business performance

Regions

The acquisition of Neodent, which was consolidated as of 1 March 2015, prompted us to re-allocate markets from the 'Rest of the World' region to 'Latin America' (LATAM) and 'Europe/Middle East/Africa' (EMEA), offering additional transparency and reflecting the increased importance of Latin America, which now makes up more than a third of our volumes.

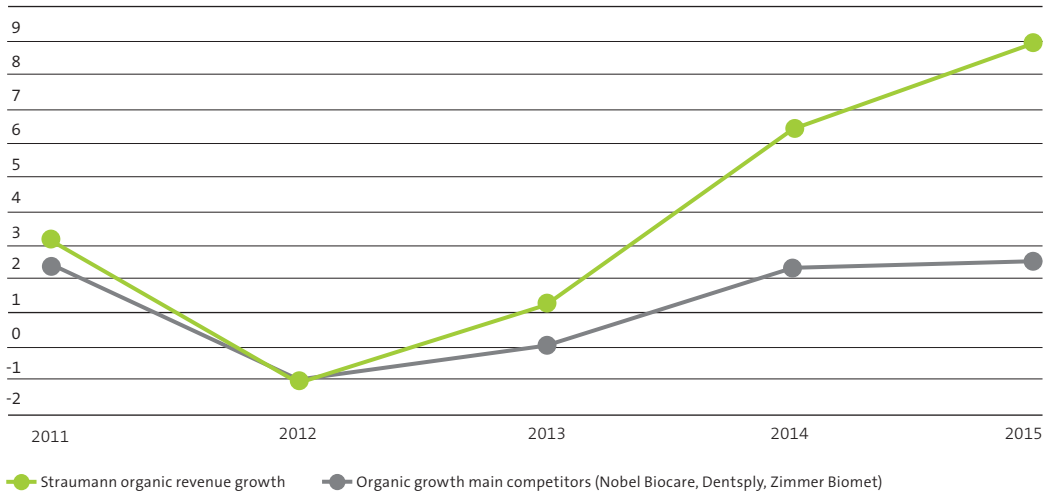
All our regions grew well, driven by healthy demand in all our businesses. The sustained recovery in Europe was particularly pleasing in view of the large proportion of our revenues generated there, and the fact that the market is comparatively mature. Results were also pleasing in Latin America, which achieved double-digit organic growth despite the difficult economic conditions in parts of the region. Asia continued to expand dynamically, while North America posted another robust performance. Based on available research, we strengthened our competitive position in each region.

REGIONAL SALES PERFORMANCE BY QUARTER

(in CHF million)	Q1	Q2	Q3	Q4	Total 2015	Total 2014 (reallocated)
Europe, Middle East & Africa	98.6	94.4	82.8	99.2	375.0	389.2
Change in CHF %	-8.4	-3.9	-1.0	-0.5	-3.6	2.2
Growth (organic) in %	0.3	8.3	8.5	8.3	6.1	3.2
As a % of Group revenue					47	55
North America	53.7	53.4	52.0	57.9	216.9	193.1
Change in CHF %	18.1	14.1	9.0	8.9	12.3	6.3
Growth (organic) in %	11.6	9.3	6.1	6.6	8.3	7.8
As a % of Group revenue					27	27
Asia/Pacific	28.9	31.5	29.0	33.6	122.9	106.7
Change in CHF %	30.4	9.2	6.7	17.7	15.2	8.4
Growth (organic) in %	34.5	12.8	13.2	20.0	19.4	14.0
As a % of Group revenue					15	15
Latin America	12.0	26.1	23.1	22.6	83.7	21.3
Change in CHF %	163.1	368.3	303.3	313.6	292.9	12.1
Growth (organic) in %	11.7	15.6	1.3	16.8	11.0	21.4
As a % of Group revenue					11	3
TOTAL	193.2	205.3	186.9	213.3	798.6	710.3
Change in CHF %	7.4	14.5	13.8	14.1	12.4	4.5
Growth (organic) in %	8.2	10.1	7.6	10.3	9.1	6.4

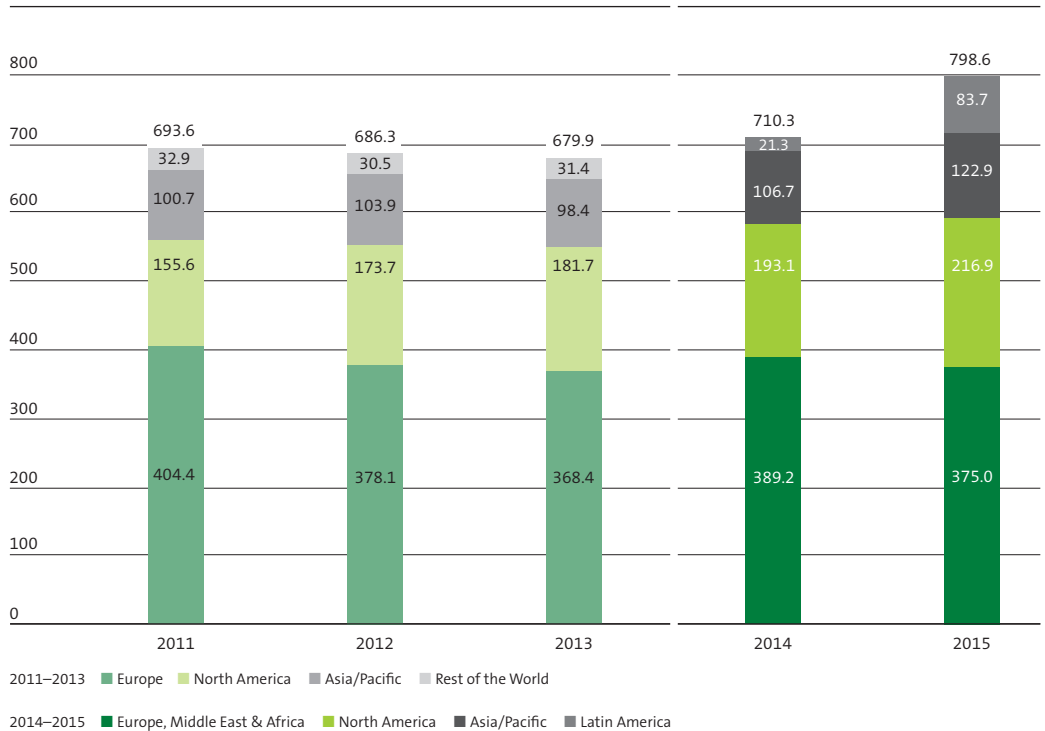
FIVE-YEAR REVENUE GROWTH

(in %)



REGIONAL SALES PERFORMANCE BY YEAR

(in CHF million)



Europe, Middle East & Africa (EMEA)

Building further on the recovery achieved in 2014, our main European markets lifted revenue growth in the region to 6%. All business segments reported growth, with strong performances by BLT implants, our cost-effective and versatile Variobase abutments, and biomaterials for guided bone regeneration.

Strong currency headwind due to the marked depreciation of the Euro squeezed revenue in Swiss francs by 10% to CHF 375 million or 47% of the Group total. In addition to the increase in dental procedures – reflecting the general pick-up in the economy – we benefited from a stream of product launches, most of which were presented at the International Dental Show in March in Cologne. These included BLT and an array of new prosthetic components, as well as innovative CAD/CAM solutions and biomaterials offered in collaboration with partner companies.

Our new 7series in-lab scanner was well received and enabled us to expand our base of installed scanners and sales of prosthetic elements. Demand for biomaterials was strong and contributed to regional growth.

By country, Germany was the main growth contributor, with Spain, France, the UK, and Sweden all performing well. Despite stiff competition from local value and discount players, Italy achieved an encouraging turnaround from the negative trend in past years. Volumes expanded in distributor markets, driven by patient demand and public healthcare tenders, but this was offset by unavoidable price reductions for distributors to compensate for the sharp appreciation of the Swiss franc.

In Q4, we took a significant strategic step forward in Russia by opening our own subsidiary and incorporating our local distributor. This gives us greater control of the business and enables us to provide the necessary investment to boost our currently modest share of this attractive underpenetrated market.

OUTLOOK

In recent years, dental laboratories have invested increasingly in CAD/CAM equipment to produce their own prosthetics in-house. We took an initial step into the in-lab milling segment through a collaboration with Amann Girrbach and initiated the limited market release of our Straumann CARES M Series in-lab mill (p. 31) at the end of the year. We will roll this out in Europe in 2016 as part of a complete solution including scanners, materials and pre-milled abutment blanks.

We will expand our Intradent business in 2016 by entering the value segment in the UK. To serve this and our other Intradent subsidiaries in Europe we are investing in a dedicated European logistics and service hub in Germany, sharing facilities with the Straumann country organization to keep costs and overheads low. It will become operational in 2016 and will support further expansion in Europe.



ORGANIC GROWTH

+6%

REVENUE

CHF 375m

GROWTH IN CHF

-4%

HIGHLIGHTS

- Main European markets build on recovery
- All businesses contribute to positive trend
- Stiff currency headwind cuts growth in CHF by 10%

CONTRIBUTION TO GROUP

47%
of total revenue

CONTRIBUTION COMPARISON

- % of Group growth
- % of Group revenue



CONTRIBUTION TO GROWTH

32%

North America

North America is the world's largest regional market for tooth replacement and still offers significant growth potential due to its comparatively low penetration. Our investments in the region have resulted in organic revenue growth of 8% averaged over the past four years, bringing us closer to regional market leadership.

In 2015, we achieved further organic growth of 8%, led by strong implant sales and our expanding biomaterials business. The appreciation of the US dollar lifted growth in Swiss francs to 12%, bringing revenue to CHF 217 million or 27% of the Group.

BLT boosted implant sales and enabled us to address the conical implant segment, which makes up 70% of all implants sold in the region. Available in titanium and Roxolid with two different surfaces, it differentiates Straumann from the competition. We also launched our Pro Arch edentulous solution, which includes advanced CAD/CAM prosthetic frameworks and full-arch screw-retained bars/bridges, in conjunction with a training program for experienced dentists.

The combination of the aforementioned products sets a new standard in immediate fixed edentulous solutions and, together with our attractively-priced Neodent range, were important factors in securing a 'preferred supplier' contract with the ClearChoice network of clinics. ClearChoice performs more implant procedures than any other network in the US, and this is our largest partnership with a dental clinic chain to date.

To cater for their requirements and other demand for prosthetics, we expanded capacity at our US CAD/CAM center in Arlington.

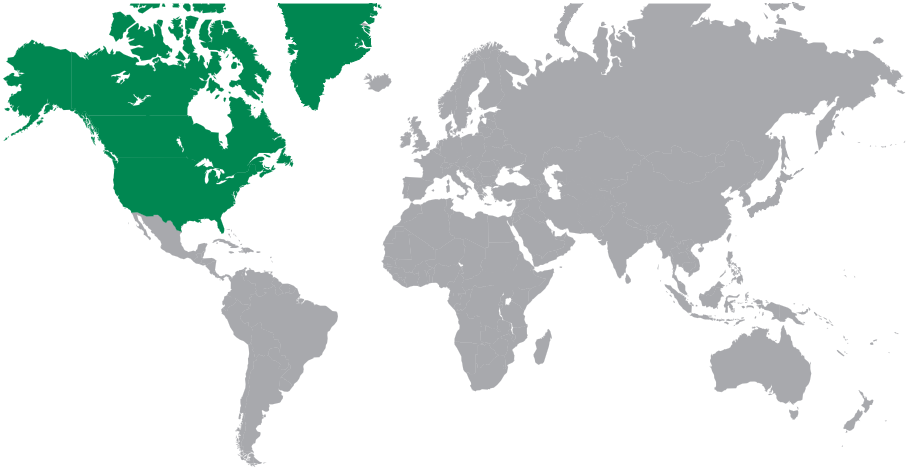
Early in 2016, we received regulatory clearance from the FDA for our PURE ceramic implant, which was launched in Europe in 2015. Straumann will be the first premium player to launch this kind of implant in the US, where demand for esthetic solutions is high and

where the number of patients seeking metal-free alternatives is growing.

OUTLOOK

By year-end, BLT had already gained a 30% share of our implant sales after only a year on the market. With further potential to be exploited, it will be a key growth driver for the region. BLT will be supported by our 'Roxolid Lifetime Plus Guarantee' which will be launched in 2016 and covers part of the treatment costs in addition to product replacement. Together with new 5-year clinical data on Roxolid, this guarantee distinguishes Straumann from the competition. It will support our efforts to drive the use of original abutments on our implants.

Guillaume Daniellot was appointed Head of North America at the end of 2015, having successfully steered Straumann through economic recession and back to solid growth in Western Europe. His drive, leadership skills, experience and industry knowledge will help us to capture further growth opportunities in the region.



ORGANIC GROWTH

+8%

REVENUE

CHF 217m

GROWTH IN CHF

+12%

HIGHLIGHTS

- Continued investment leads to share gains
- Closer to market leadership
- BLT, Roxolid and new biomaterials drive growth

CONTRIBUTION TO GROUP

27%
of total revenue

CONTRIBUTION COMPARISON

- % of Group growth
- % of Group revenue



CONTRIBUTION TO GROWTH

25%

Asia / Pacific

The majority of the Group's revenues in Asia/Pacific are generated in China and Japan, which together powered double-digit increases throughout 2015, driving organic growth in the region to 19%. The depreciation of the Yen and other currencies cut growth to 15% in Swiss francs as revenue reached CHF 123 million. Although APAC contributed only 15% of Group revenue, it was the fastest growing region and contributed 30% of our overall growth.

We continued to benefit from the dynamic market in China and the successful transition to our new hybrid distribution model which enables us to address the fast-growing private-practice sector more effectively and broaden our direct access to customers. Although Straumann achieved market leadership through a single distributor in the past, the business has focused on the public hospital segment and we needed a broader approach to address the fast-growing private-practice segment and the rapid geographic expansion. Having established our own subsidiary, we invested further in 2015 by tripling our team, most of whom are in consultative sales, training and marketing. In addition, we created a sales network of more than 20 regional distributors to cover all the provinces. This set-up brings us closer to customers, expands our reach, and will enable us to penetrate emerging segments.

In the second largest regional market, Japan, we gained further market-share thanks to the successful roll-out of SLActive and the introduction of our Bone Level Tapered implant. Towards the end of 2015, we gained registration for Roxolid and can now offer customers our unique combination of fast-healing, high-strength Tissue and Bone Level implants.

The most penetrated implant market in the world (p. 41), South Korea, expanded in 2015 due to the introduction of reimbursement for edentulous patients age 70 and above. The age limit will be lowered to 65 in 2016, which will further stimulate implant volumes and

penetration. However, as the price cap for reimbursement is low, only the domestic value players stand to benefit, emphasizing the challenges this market poses to foreign companies. Nevertheless, Straumann continued to grow as a highly reputed premium brand and is now the only sizeable non-domestic company left in the Korean market.

Our strategic goal of becoming a total solution provider led us to invest in a CAD/CAM milling center near Tokyo—our first in the region, which went into operation in 2015, offering custom abutments and complex prosthetic frameworks for Pro Arch and other solutions. It is also our first center in the world to offer drill templates produced by 3D-printing technology.

Elsewhere in the region, Straumann Australia celebrated its tenth anniversary and we gained further control of our business in Thailand through a new agreement with our agent.

OUTLOOK

The addition of our key premium technologies and our CAD/CAM service offering will help to maintain our momentum and win customers. These and other differentiating solutions will be showcased in May at the ITI congress in Tokyo where some 400 participants are expected.

In China, our new organization and distribution model will strengthen our competitive edge. We have taken steps to enter the value segment there and to roll out our Instrandent platform in other Asian markets. In addition we are looking forward to making our portfolio of biomaterials more widely available in the region in 2016 and beyond.



ORGANIC GROWTH

+19%

REVENUE

CHF 123m

GROWTH IN CHF

+15%

HIGHLIGHTS

- Dynamic growth in China & Japan
- New Chinese organization complete
- CAD/CAM milling center opens

CONTRIBUTION TO GROUP

15%
of total revenue

CONTRIBUTION COMPARISON

- % of Group growth
- % of Group revenue



CONTRIBUTION TO GROWTH

30%

Latin America

The Latin American dental markets have been constrained by difficult economic conditions, especially in Argentina and Brazil, which together with Mexico is a main market for the Group. In spite of continued economic decline in Brazil and the turbulent environment, both Neodent and Straumann achieved double-digit increases. This and a dynamic performance in Mexico lifted the Group's organic revenue growth in the region to 11% and enabled us increase our market share. A pronounced depreciation of the Brazilian Real led to a negative currency impact of 21%, bringing reported regional revenue to CHF 84 million or 11% of the Group.

A POWERFUL COMBINATION

The full acquisition of Neodent has allowed us to capture synergies and to combine certain back-office operations in Brazil without diluting brands, portfolios and philosophies. For example, we transferred the Straumann country organization to Neodent's facilities in Curitiba, where we now share back-office functions. We will also benefit from Neodent's local distribution system as Straumann products will be available through 22 points of distribution in Brazil (including 16 Neodent retail stores), increasing customer proximity and significantly reducing delivery times.

In addition, we have worked hard and fast to integrate systems, processes and documentation, without losing focus on the business. Regulatory Affairs is a good example of how we have combined capabilities to increase efficiency and shorten time to market.

In the fourth quarter, Straumann's BLT implant was launched in Brazil and, based on the very positive reception so far, it should make a significant contribution to the Straumann business in the region.

INVESTING IN NEW MARKETS

Following the acquisition, we took some important steps to enter new markets in the region with a cost-efficient business model that supports both brands without

diminishing the clear distinction between them. To do this, we adapted our set-up in Mexico and opened subsidiaries in Colombia and Argentina. All three will serve as distribution hubs for Neodent and Straumann in their domestic and surrounding markets.

FORGING PARTNERSHIPS TO OFFER FULL SOLUTIONS

In line with the Group's strategy to provide complete solutions, Neodent signed an agreement to distribute Amann Girrbach's range of products in Brazil, which covers the full workflow to produce CAD/CAM prosthetics in dental laboratories. Neodent started to sell the products at the outset of 2016. As a result, we now offer customers in Brazil a unique combination of options including the Neodent/Straumann centralized-milling service, the powerful scanning capabilities of Dental Wings and the convenience of Amann Girrbach's in-lab milling solutions.

OUTLOOK

The business extensions, combined resources, expansion into underpenetrated dental markets and the launch of BLT should all support robust growth in 2016 despite the difficult economic environment in the region, especially the uncertainty in Brazil.

At the same time, the reduction of duplication is expected to yield cost synergies in the single-digit million Swiss franc range, which will help to mitigate the effects of high labor, bureaucracy and general inflation.



ORGANIC GROWTH

+11%

REVENUE

CHF 84m

GROWTH IN CHF

+293%

HIGHLIGHTS

- Neodent acquired and integrated
- Brazil & Mexico dynamic despite turbulent economy
- New hub subsidiaries in Argentina & Colombia

CONTRIBUTION TO GROUP

11%
of total revenue

CONTRIBUTION COMPARISON

- % of Group growth
- % of Group revenue



CONTRIBUTION TO GROWTH

13%



Extraordinary performers...

create
opportunities

Business performance

Financials

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Consolidated income statement

(The notes referred to in this and subsequent tables are the notes to the consolidated financial statements on pp. F 10 ff.)

(in CHF 1 000)	Notes	2015	2014
Revenue	4	798 600	710 270
Cost of goods sold		(183 662)	(151 618)
Gross profit		614 938	558 652
Other income	22	2 161	2 236
Distribution costs		(173 439)	(168 459)
Administrative expenses		(271 092)	(244 112)
Operating profit		172 568	148 317
Finance income	25	44 115	17 016
Finance expense	25	(60 326)	(24 192)
Loss on consolidation of Neodent	25	(63 891)	0
Share of results of associates	8	(12 268)	36 281
Profit before income tax		80 198	177 422
Income tax expense	19	(8 687)	(19 597)
NET PROFIT		71 511	157 825
Attributable to:			
Shareholders of the parent company		70 679	157 825
Non-controlling interests		832	0
Basic earnings per share attributable to ordinary shareholders of the parent company (in CHF)	26	4.52	10.15
Diluted earnings per share attributable to ordinary shareholders of the parent company (in CHF)	26	4.47	10.03

Consolidated statement of financial position

ASSETS

(in CHF 1 000)	Notes	31 Dec 2015	31 Dec 2014
Property, plant and equipment	5	103 841	78 545
Investment properties	6	1 637	4 001
Intangible assets	7	246 500	68 987
Investments in associates	8	48 232	266 589
Financial assets	9	54 396	48 676
Other receivables		2 751	834
Deferred income tax assets	19	43 730	29 948
Total non-current assets		501 087	497 580
Inventories	10	76 113	69 193
Trade and other receivables	11	140 598	128 482
Financial assets	9	1 059	2 995
Income tax receivables		9 142	3 110
Cash and cash equivalents	12	318 297	459 421
Total current assets		545 209	663 201
TOTAL ASSETS		1 046 296	1 160 781

EQUITY AND LIABILITIES

(in CHF 1 000)	Notes	31 Dec 2015	31 Dec 2014
Share capital	13	1 572	1 568
Retained earnings and reserves		603 398	735 268
Total equity attributable to the shareholders of the parent company		604 970	736 836
Straight bond	14	199 520	199 410
Other liabilities	16	6 975	6 954
Financial liabilities	15	618	3 587
Provisions	17	28 832	29 913
Retirement benefit obligations	21	44 496	37 492
Deferred income tax liabilities	19	1 503	9 353
Total non-current liabilities		281 944	286 709
Trade and other payables	18	124 173	105 264
Financial liabilities	15	925	1 326
Income tax payable		15 572	18 697
Provisions	17	18 712	11 949
Total current liabilities		159 382	137 236
Total liabilities		441 326	423 945
TOTAL EQUITY AND LIABILITIES		1 046 296	1 160 781

Consolidated cash flow statement

(in CHF 1 000)	Notes	2015	2014
Net profit		71 511	157 825
Adjustments for:			
Taxes charged	19	8 687	19 597
Interest and other financial result		3 181	3 425
Foreign exchange result		(259)	1 275
Fair value adjustments		5 356	(397)
Loss on consolidation of Neodent		63 891	0
Share of results of associates	8	12 268	(36 281)
Depreciation and amortization of:			
Property, plant and equipment	5, 23	23 215	22 801
Investment properties	6, 23	288	346
Intangible assets	7, 23	9 455	4 738
Impairment of investment properties	6, 23	2 076	0
Change in provisions, retirement benefit obligations and other liabilities		(10 482)	8 264
Share-based payments expense	20, 24	3 599	4 865
Gains on disposal of property, plant and equipment		109	218
Working capital adjustments:			
Change in inventories		(740)	(5 942)
Change in trade and other receivables		6 383	(15 463)
Change in trade and other payables		14 310	4 242
Interest paid		(4 461)	(4 339)
Interest received		3 373	1 008
Income tax paid		(26 162)	(20 022)
Net cash from operating activities		185 598	146 160

(in CHF 1 000)	Notes	2015	2014
Purchase of financial assets		(9 479)	(31 652)
Proceeds from sale of financial assets		0	20 834
Purchase of property, plant and equipment		(32 063)	(16 876)
Purchase of intangible assets		(3 114)	(1 964)
Purchase of investments in associates		(14 206)	0
Deemed acquisition of a subsidiary, net of cash acquired		8 083	0
Contingent consideration paid		(3 153)	(3 961)
Proceeds from loans		3 149	0
Disbursement of loans		(1 401)	(9 828)
Dividends received from associates		3 388	16 444
Net proceeds from sale of non-current assets		700	1 075
Net cash used in investing activities		(48 096)	(25 928)
Purchase of shares of non-controlling interests		(224 532)	0
Transaction costs paid		(813)	0
Dividends paid to the equity holders of the parent	27	(58 564)	(58 264)
Dividends paid to non-controlling interests		(5 016)	0
Proceeds from finance lease		18	158
Proceeds from exercise of options		13 321	11 533
Sale of treasury shares		912	1 582
Net cash used in financing activities		(274 674)	(44 991)
Exchange rate differences on cash held		(3 952)	385
Net change in cash and cash equivalents		(141 124)	75 626
Cash and cash equivalents at 1 January	12	459 421	383 795
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	12	318 297	459 421

Five-year overview

OPERATING PERFORMANCE

(in CHF million)	2011	2012	2013	2014	2015
		Restated			
Net revenue	693.6	686.3	679.9	710.3	798.6
Growth in %	(6.0)	(1.1)	(0.9)	4.5	12.4
Gross profit	528.5	531.5	535.9	558.7	614.9
Margin in %	76.2	77.5	78.8	78.7	77.0
Operating result before depreciation and amortization (EBITDA)	157.4	119.5	148.4	176.2	207.6
Margin in %	22.7	17.4	21.8	24.8	26.0
Growth in %	(25.7)	(24.1)	24.3	18.7	17.8
Operating result before amortization (EBITA)	131.9	91.5	122.6	153.1	182.0
Margin in %	19.0	13.3	18.0	21.5	22.8
Growth in %	(28.7)	(30.6)	33.9	24.9	18.9
Operating profit (EBIT)	79.9	63.1	115.8	148.3	172.6
Margin in %	11.5	9.2	17.0	20.9	21.6
Growth in %	(51.4)	(21.1)	83.6	28.1	16.4
Net profit	71.0	37.5	101.2	157.8	71.5
Margin in %	10.2	5.5	14.9	22.2	9.0
Growth in %	(45.9)	(47.1)	169.8	56.0	(54.7)
Basic earnings per share (in CHF)	4.54	2.43	6.55	10.15	4.52
Value added / economic profit	29.7	(7.7)	52.7	113.7	27.1
Change in value added	(58.7)	(37.4)	60.4	59.3	(86.6)
Change in value added in %	(66.4)	(125.9)	785.3	109.2	(76.2)
as a % of net revenue	4.3	(1.1)	7.8	16.0	3.4
Number of employees (year-end)	2 452	2 517	2 217	2 387	3 471
Number of employees (average)	2 415	2 530	2 308	2 302	3 232
Sales per employee (average) in CHF 1 000	287	271	295	309	247

FINANCIAL PERFORMANCE

(in CHF million)	2011	2012	2013	2014	2015
		Restated			
Cash and cash equivalents	377.1	140.5	383.8	459.4	318.3
Net working capital (net of cash)	68.8	63.0	57.3	64.9	63.3
as a % of revenue	9.9	9.2	8.4	9.1	7.9
Inventories	67.0	63.6	62.3	69.2	76.1
Days of supplies	123	152	161	149	155
Trade receivables	94.1	91.8	93.2	106.8	125.2
Days of sales outstanding	48	49	49	51	53
Balance sheet total	811.3	776.9	1 019.7	1 160.8	1 046.3
Return on assets in % (ROA)	8.5	4.7	11.4	14.5	6.8
Equity	671.1	601.7	631.4	736.8	605.0
Equity ratio in %	82.7	77.4	61.9	63.5	57.8
Return on equity in % (ROE)	10.4	5.9	16.4	23.1	11.8
Capital employed	273.1	187.7	162.3	142.9	341.8
Return on capital employed in % (ROCE)	26.2	27.4	66.2	97.2	50.5
Cash generated from operating activities	140.2	114.6	151.5	146.2	185.6
as a % of revenue	20.2	16.7	22.3	20.6	23.2
Investments	(25.9)	(286.1)	(50.6)	(22.8)	(44.5)
as a % of revenue	3.7	41.7	7.4	3.2	5.6
thereof capital expenditures	(19.4)	(19.4)	(12.6)	(18.8)	(35.2)
thereof business combinations related	(0.4)	(0.7)	0	(4.0)	4.9
thereof investments in associates	(6.1)	(266.0)	(38.0)	0	(14.2)
Free cash flow	121.1	95.2	139.2	128.4	151.1
as a % of revenue	17.5	13.9	20.5	18.1	18.9
Dividend	58.0	57.9	58.2	58.6	62.9 ¹
Dividend per share (in CHF)	3.75	3.75	3.75	3.75	4.00 ¹
Pay-out ratio in % (excluding exceptionals)	59.4	75.7	53.3	37.1	43.4

¹ To be proposed to the shareholder's AGM in 2016



Extraordinary performers...

build trust

LEFT TO RIGHT

RAHEL SCHAFFROTH
Assistant to CFO

ANDREA BERTSCHI
Legal Associate

SANDRA SCHUERMANN
Event Coordinator

Risk and sustainability report

75	Risk management
81	Customers
84	Straumann and the ITI
85	Employees
90	Communities
93	Global production & logistics
95	Environment

Risk management

A holistic approach

The management of opportunities and risks is an integral part of corporate governance and sustainability. An important contribution to safeguarding our long-term success is our commitment to implementing appropriate controls, processes and strategies to identify, assess and manage risks and opportunities associated with our activities in order to prevent or minimize the impact of unexpected events on our business or on our ability to create value and to capture meaningful opportunities.

The objective is to apply – at an early stage and with foresight – a globally standardized process for identifying and managing possible risks to the achievement of the company's objectives.

Risks are identified as possible developments within or outside the company that could jeopardize its sustained growth and profitability. Risk-relevant information is compiled once a year and ad hoc if necessary. The documentation contains a description, an assessment of possible damage, the probability of occurrence, and a list of measures to monitor and counteract the risk.

This approach generally takes into account all relevant types of risk, such as operational, strategic, compliance-related and market risks, as well as internal and external factors.

RESPONSIBILITIES AND ORGANIZATION

At Straumann, the Chief Financial Officer is also the Chief Risk Officer (CRO) and is thus responsible for risk management. We believe that risk assessment and management must be embedded in a comprehensive internal control framework, and we address it through a holistic, disciplined and deliberate approach. For more information see Group Note 30 (p. F 56 ff.).

Risk monitoring and control are management objectives. The assessment process analyzes the implications and

potential impact of external and internal factors on the achievement of the Group's objectives, and provides a basis for managing them.

This matches the approach of the COSO (Committee of Sponsoring Organizations of the Treadway Commission), whose integrated internal control framework is one of the most widely used. For identified risks that arise from accounting and financial reporting, relevant control measures are defined throughout Straumann's Internal Control System (ICS) framework (128 f.).

Various tools and aids are used to assess and manage risks. For instance, foreign exchange risks are managed with an SAP Treasury tool, while external consultants are used on a regular basis to assess insurance coverage risks.

RISK REPORTING

A comprehensive corporate risk assessment report is produced annually and serves as a working document for the coming year. It includes key risks that are critical for Straumann's business.

A specific scenario is developed for each risk topic, including existing and new measures and controls. The risks are ranked and prioritized. Action plans are defined and the implementation of measures to reduce risk is monitored.

The significance of a risk scenario is estimated in terms of EBIT cumulated over three years. Certain risks are assessed according to qualitative criteria, e.g. risks to the Group's reputation.

The reporting of key risks is based on fixed value limits. The report is prepared by Internal Audit and the CRO, and is discussed with the Executive Management Board. The Audit Committee assesses and discusses risks on the basis of the report in consultation with the CRO and/or relevant members of Senior Management regularly. Key findings are presented to the Board.

Pressing risks that emerge very rapidly are discussed by the Board at short notice.

RISK ASSESSMENT

STRATEGIC RISK

MARKET ENVIRONMENT

Straumann is active in specialty segments of the dental industry. Based on the aging population, the increasing number of professionals trained, and increasing awareness, there are no discernible reasons why these segments should not continue to offer attractive growth prospects in the long term (p. 40 ff.). However, the current economic uncertainties and consolidation trend might continue for some time and dampen the prospects of market growth.

Straumann's strategic priorities for 2016 are to drive a high performance culture and organization, to target unexploited growth markets, and to become a total solution provider for tooth replacement (p. 22 ff.).

Our future revenues depend on market reach and expansion as well as on our ability to defend and increase our business with existing customers, to enlarge our customer base, to develop innovative solutions that meet customers' needs and bring them to market in a timely manner.

New market entrants and price pressure from discounters pose a threat to established companies like ours. We conduct analyses of competitors based on our own and external market intelligence to counteract such risks and to evaluate our opportunities. A key strategy in this respect is our expansion into other segments through alliances, partnerships and acquisitions.

OPERATIONAL RISK

LEGAL AND INTELLECTUAL PROPERTY RISKS

We operate in a competitive market, in which intellectual property rights are of significant importance. We therefore actively pursue a strategy of protecting our intellectual property, patents and trademarks. At the time of writing, Straumann was involved in an administrative investigation, which was initiated by Nobel Biocare at the International Trade Commission in the US against Neodent in Brazil and Instrandent USA. The investigation was related to intellectual property-related questions of a specific Neodent product.

MANUFACTURING AND SUPPLIER RISK

Straumann has spread its manufacturing risk by establishing production centers for key products on both sides of the Atlantic. The addition of Neodent's production facilities in South America further spreads this risk.

With regard to suppliers, we pursue a second source strategy, which offers a high degree of independence from single suppliers. Straumann and Neodent production facilities keep about a year's stock of titanium, the key material for our implant systems, to avoid any bottleneck in the supply/demand chain.

PRODUCT RISK AND TREATMENT OUTCOME

We seek to minimize product risks by going well beyond the minimum statutory requirements and conducting large-scale trials under real-life conditions, followed by controlled, selective introductions and long-term product surveillance, wherever appropriate. We also offer a comprehensive range of education courses at all levels in all countries where our products are sold.

FINANCIAL RISK (SEE ALSO P. F 30 FF.)

EXCHANGE RATE RISK

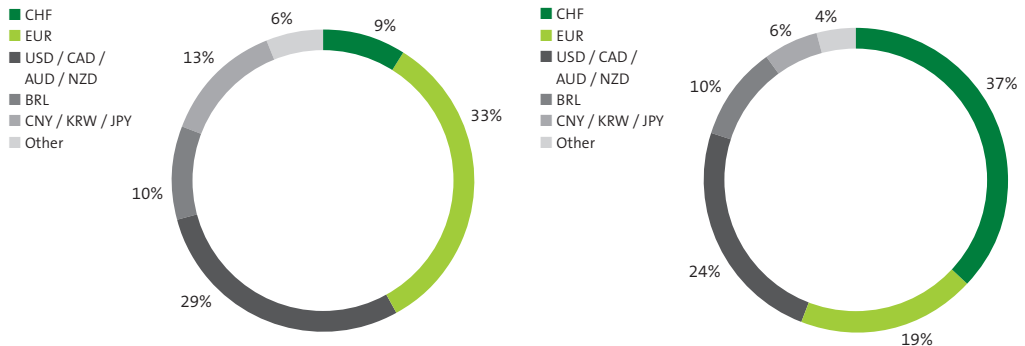
As the majority of our business is international and because we prepare our financial statements in Swiss francs, fluctuations in exchange rates affect both the Group's operating results and the reported values of its assets, liabilities, revenue and expenses.

Straumann's Corporate Treasury is responsible for managing the risks created by currency fluctuations within the Group, following the scope of the policy approved by the Executive Management Board and the Audit Committee of the Board of Directors.

The Group is exposed to transactional and translation risks. Hedging decisions are taken by Corporate Treasury with subsidiaries being co-responsible for identifying currency exposures and informing headquarters.

The key objective is to limit the foreign currency transactional exposure of the Group. Transactional risk arises when the currency structure of Straumann's costs and liabilities deviates to some extent from the currency structure of the sales proceeds and assets, as well as from imbalances in the payment streams between the various currencies. Straumann hedges these risks on a

REVENUE (LEFT) AND COST (RIGHT) BREAKDOWN (MAJOR CURRENCIES)



The charts above show the allocation of net revenues (left) and cost of goods sold, distribution and administrative expenses (right) across the various currencies. All numbers are rounded approximations.

selective basis by means of options, spot transactions and forward transactions. The limitation and management of the translation exposure is a secondary priority.

The major foreign currencies in Straumann’s business are the euro, the US dollar, the Brazilian real, the Chinese renminbi and the Japanese yen. Straumann invoices its subsidiaries in local currencies and its distributors mainly in euro and US dollars. Exchange rate fluctuations have an impact on the company’s assets and earnings, which are reported in Swiss francs. At year end, the Group’s gross transactional booked exposure (TBE) to the euro was 23%. The euro accounted for 33% of the sales and 19% of costs, making it the Group’s most important currency. The US dollar, Canadian dollar, Australian dollar and New Zealand dollar collectively make up 29% of sales, 24% of costs and 53% of TBE. Our major Asian currencies (Japanese yen, Chinese renminbi and Korean won) collectively make up 13% of sales, 6% of costs and 20% of TBE. The Brazilian real makes up 10% of sales and costs, but no transactional booked exposure. The charts above illustrate our sales and cost base in the different currencies. In general, the target is to concentrate the currency risk mainly in Switzerland at the Swiss Group companies. Subsidiaries abroad are usually invoiced by the Swiss companies in the local currency of the subsidiaries. Each subsidiary invoices its local third-party customers in the local currency.

Credit risks arise from the possibility that customers may not be able to settle obligations as agreed. There are no significant concentrations of credit risk within the Group. Counterparty risk encompasses issuer risk on marketable securities, settlement risk on derivative and money-market contracts, and credit risk on cash and time deposits. Exposure to these is closely monitored and kept within predetermined parameters.

Further information on financial risk management is provided in Note 30 on financial risk management objectives and policies (see p. F 56 ff.), in Note 31 on financial instruments, p. F 59 ff. of consolidated financial statements.

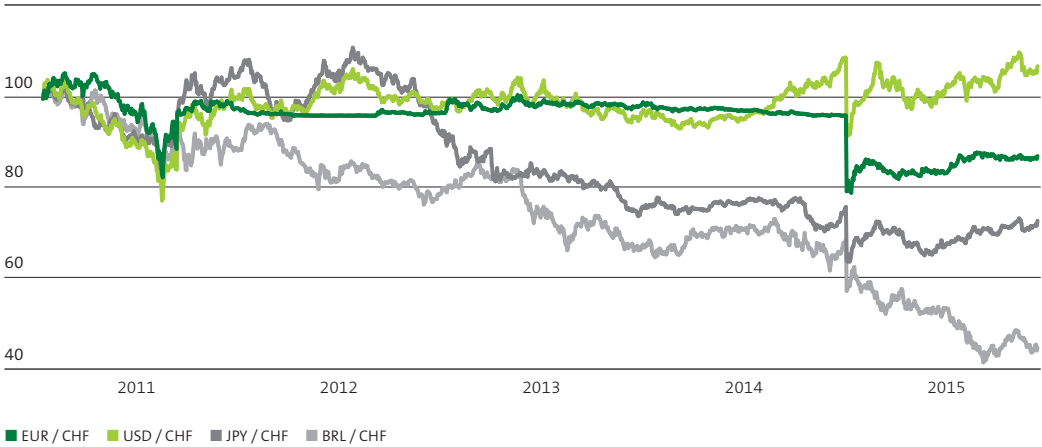
INSURANCE POLICIES

Straumann covers its inherent key business risks in the same way that it covers product or employer liability risks and property loss, i.e. through corresponding insurance policies held with reputable companies.

PENSION LIABILITY RISKS

The Group offers its staff competitive pensions. The pension funds are managed locally and invested by independent financial institutions. The investment strategy is determined by the Group’s Pension Fund Commission and is executed by the financial institution. Neither Straumann nor the trustees are allowed to influence the

CURRENCY CHART (DOLLAR, EURO, YEN, REAL)



specific investment decisions. The pension funds publish regular reports for all members.

The Swiss pension fund represents the largest pension plan of the Group. Based on the recommendations of the Pension Fund Trustees, the Straumann Pension Fund was transferred completely to the independent GEMINI Collective Foundation on 1 January 2016. The transfer has no impact on the pension scheme participants.

FINANCIAL REPORTING RISK

Straumann’s Internal Audit acts as an independent and objective assurance and consulting body, which reports directly to the CFO and the Audit Committee. Internal Audit does not confine itself to financial audits, but also monitors compliance with external and internal policies and guidelines. Acting in a consulting role, its main tasks are to assess internal processes and controls, propose improvements, and assist in their implementation. The objective is to safeguard the Group’s tangible and intangible assets and to evaluate the effectiveness of its risk management and governance processes.

COMPLIANCE RISK

LEGAL COMPLIANCE

It is essential for Straumann to ensure that the company in general and the individual employees conduct business in a legal, ethical and responsible manner. To this end, we implemented a Code of Conduct in 2006.

All employees are invited to report any breach of this internal policy to the Compliance Officer by e-mail or telephone. Infringements of the Code are tracked and appropriate measures taken against non-compliance. We monitor laws and revisions and adapt our internal processes to cover new legal requirements. We fully comply with the ‘Sunshine’ legislation in the United States and France, not least through implementing a data collection system and corresponding policies and guidelines.

Like other leading manufacturers, Straumann is exposed to the risk of damaged public perception of dental implants by third parties, which might be the result of poor implant placement, competitor’s inferior implant quality, or unethical business practices.

Many Straumann country organizations are members of associations of manufacturers of medical/dental products, such as FASMED in Switzerland, Comident in France, Fenin in Spain and ABIMO in Brazil (Neodent). These associations are dedicated to the advancement of medical technology and its safe and effective use.

REGULATORY COMPLIANCE

Companies in the medical device industry face growing scrutiny from regulators around the world and increasing requirements for documentation. In Europe, the Medical Device Directive is under review. The anticipated outcomes include greater surveillance, involvement of competent authorities for

ISO CERTIFICATION AND AUDITS PERFORMED IN 2015

Standard	ISO 9001 Quality management system	ISO 13485 Medical device quality management system	ISO 14001 Environmental management system
Institut Straumann AG (Basel, Gräfelfing)	Yes	Yes	No
Straumann Villeret SA (Villeret)	No	Yes	Yes
Straumann Manufacturing Inc (Andover)	No	Yes	Yes
J.J.G.C Indústria e Comércio de Materiais Dentários S.A [Neodent] (Curitiba)	Yes	Yes	No
Etkon GmbH (Markkleeberg)	No	Yes	No
Biora AB (Malmö)	No	Yes	Yes

higher-class products, longer approval times, access to technical documentation, tests on products, and unannounced audits. We have noticed a reduction in the number of Notified Bodies and an increase in their control. To ensure the readiness of all our certified sites, we have taken the initiative to conduct unannounced internal audits.

In 2015, Straumann subsidiaries in Madrid (Spain), Paris (France), Freiburg (Germany) and Burlington (Canada) were inspected by the local authority. No major observation was identified.

Several regulatory authorities continue to inspect manufacturers in foreign countries. We are prepared for this and have built up experienced teams of regulatory and compliance specialists in Basel, the US, China and Japan. As a consequence, the successful registration of our Roxolid portfolio in Japan was based on excellent collaboration of our experts in Basel with our Japanese colleagues.

Stricter requirements and regulations are also expected in smaller markets, which will increase the need for enhanced compliance and safe and efficient products.

QUALITY COMPLIANCE

To avoid the risks associated with regulatory compliance for Medical Devices, we have a qualified team of specialists in regulatory and quality issues.

Focused quality objectives, supported by key performance indicators, and comprehensive internal as well as supplier-related quality audit programs, assured our status of substantial compliance and helped to identify opportunities for improvement. To streamline processes we run a continuing education program.

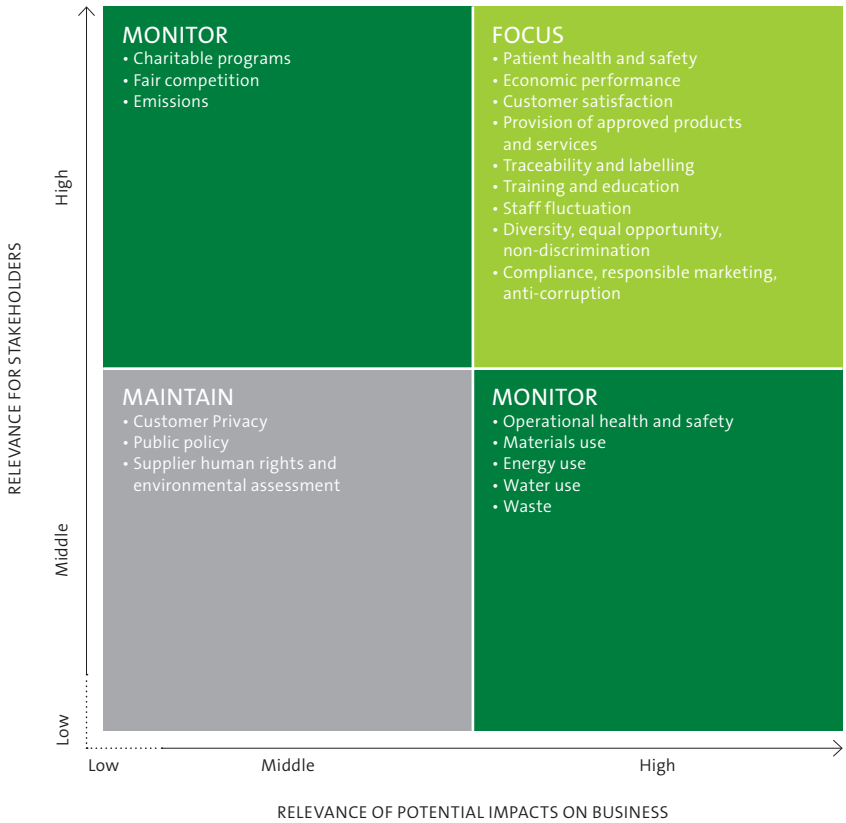
Our internal auditors successfully completed an external four-day course – with examination – on Good manufacturing practices and regulations.

We completed a project to streamline our Quality Management system from Corporate to sites and from sites to Corporate. The new set-up was confirmed in a 44-day audit by our Notified Body involving 10 auditors, after which we obtained recertification.

In 2015, we passed all Notified Body audits, which are required to maintain the certification status of the Quality and Environmental Management Systems at our manufacturing and design/development sites. Overall, there were no critical issues with any authorities related to the status of the Quality and Environmental Management Systems at any of our manufacturing sites.

Straumann collaborates with Neodent in the area of quality compliance and regulatory affairs. Neodent products have received approvals in various markets outside Brazil, including the US and Europe, with Canada soon to follow.

SUSTAINABILITY MATERIALITY MAP



SUSTAINABILITY – MATERIAL TOPICS

We believe a key contribution to our long-term success is to identify and address relevant (or ‘material’) sustainability topics – economic, ecological and social issues that present significant risks or business opportunities. Risk and opportunity management and sustainability are therefore closely linked in our business processes and our communications with all stakeholder groups, which is why we pursue open communication and interactive dialogue with all relevant stakeholder groups.

To identify, support and address relevant and material sustainability topics we conducted interviews with senior managers across the company that were aligned with the provisions of Global Reporting Initiative (GRI) Principles for Defining Report Content to determine the most pertinent sustainability issues for Straumann and

our stakeholders. The chart above gives an overview of the sustainability topics found to be most relevant for our business success (horizontal axis) and the interests expressed by our stakeholders such as clients, investors or community representatives (vertical axis).

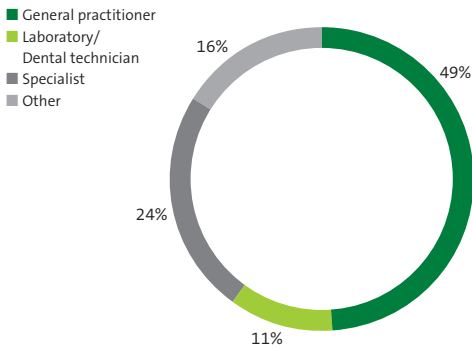
The material sustainability topics are discussed in various parts of this report especially in the following sections on customers, employees, communities, and environment.

This page includes information on the Global Reporting Initiative (GRI) indicators G4-18 and G4-19 (see also page 170-171).

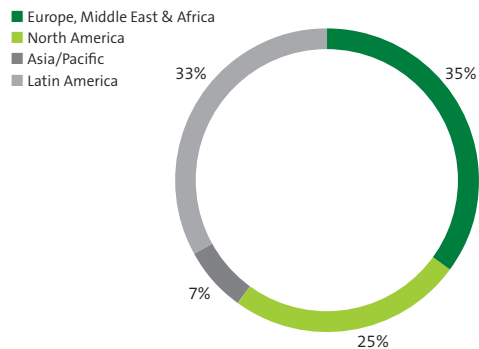
Customers

Learning to serve an evolving customer base

STRAUMANN'S CUSTOMERS BY SEGMENT



STRAUMANN'S CUSTOMERS BY REGION



With the acquisition of Neodent, the proportion of the Group's specialist customers increased, while the proportion of labs/technicians decreased, reflecting the two companies' different portfolios. The geographical picture reflects the concentration of Neodent's customers in Latin America. The chart on the left includes a new segment labelled 'other', which includes hospitals, university clinics, dental chains and distributors, reflecting a growing trend in corporate customers.

SERVING CUSTOMERS DIRECTLY

In 2015, our global customer base expanded to more than 150 000 and includes general dentists, specialists (oral surgeons, periodontists, prosthodontists) and dental technicians/laboratories spread across more than 100 countries. A large part of the increase was due to the integration of Neodent and its Brazilian customer base.

We serve customers directly through more than 1 300 sales and marketing professionals, most of whom are highly trained sales representatives or service staff. Our direct sales approach adds value for customers and helps us to identify, manage and learn from their needs. In 2015, we continued the global training

program to enhance the effectiveness of our sales representatives and to help our customers improve their businesses. The success of this program is reflected in our revenue growth.

CUSTOMER TRENDS CONTINUE

Over the past years we have seen several shifts in our global customer base, due partly to changes in the market and partly to strategic initiatives we have driven.

PRICE SENSITIVITY

While our premium business continues to grow, the premium implant segment in general has been outpaced by the value segment, pointing to the increasing number of dentists whose choice of implant is driven by price.

To win their business we have been building the Intradent platform with multiple value brands and now have a top-five position in the global value segment.

PARTNERING WITH CHAINS

Another important development has been the expansion of dental chains and networks, particularly in North America and Europe. We entered this segment in 2015 as the preferred supplier of ClearChoice, the leading network of clinics in the US. In the meantime, we have learned from working with them and have been able to use our experience to establish agreements with leading chains in Europe.

A RESPONSIBLE APPROACH TO GROWTH

Market research¹ indicates that, in the near future, more implants will be placed collectively by GPs than by specialists. We stepped up our efforts to address this growing customer group in North America by collaborating with Patterson Dental to reach GPs beyond our network and to offer them a tailored product package. This effort was not successful. Having gained useful insights into the needs of this customer group, we are working on another approach focused on education.

ENCOURAGING YOUNG DENTISTS

The sustainability of our business in the mid-to-long term depends on our ability to attract young professionals to implant dentistry. Perception-pulse studies in the past revealed that their most common expectation from companies like ours is for help in building up their business and establishing a reputation as a specialist.

We continued to take a structured approach to this group through dedicated programs, including our Young Professional Program (YPP) which has now been running for more than three years and supports budding professionals on their career paths from studying, through residencies and clinic employment, to setting up their own practices. The program was expanded in 2015, is currently offered in 10 countries and has enrolled more than 5 000 participants.



The Straumann-botiss Young Pro Award is one of several new initiatives to attract and encourage talented young dentists in the field of regenerative dentistry. It invites dental professionals under the age of 35 to submit original work that contributes to the advancement of oral tissue treatment/care. The 2015 prize of 10 000 euros was awarded to Dr Andreas Papst for his research into the use of tissue-graft products for regenerating gum tissues.

THE SHIFT IN GENDER

According to the American Dental Association, new dentists in the US are far more likely to be women than men.² This trend is also evident in other countries, where higher numbers of women are going through dental school. In the US, 60% of dentists aged 44 or below are women, and in many other countries male dentists are a minority.³

For family and lifestyle reasons, women tend not to pursue postgraduate training in implantology and are more likely to practice part time as associates or employees rather than as practice owners. Research published in 2014 concluded that early integration of implant dentistry in the dental curriculum as well as career planning, coaching and female mentoring programs are of utmost importance to meeting future needs for implantologists.⁴ Straumann is well positioned to be the partner of choice for women dentists in tooth replacement because:

- Our tissue level implant solution was designed to support the referral model, in which specialists perform the surgery and generalists do the restoration.
- Our system is comprehensive and designed for simplicity, flexibility and predictable outcomes.

- We are a leader in education together with our academic partner the ITI.
- We are working together with dental schools to support the inclusion of implant dentistry in their curricula.
- We reach out early to young dentists, e.g. through the YPP, which now also addresses the needs and preferences of women.

CONTINUING CONSOLIDATION IN THE LAB INDUSTRY

Surveys we conducted in 2015 in Europe and the US confirm the continuing trend of consolidation in the dental laboratory industry. Large labs are the strongest growing and are also the most digitally advanced. They mill prosthetics for 15 or more implant systems in house and outsource complex cases to milling centers like ours. The use of non-original abutments is widespread. Their business focus implies that they will enlarge their portfolios, reduce costs and gain customers.

The picture is similar for lab chains, which are growing both organically and by acquiring smaller labs. They are also able to achieve cost advantages, e.g. by producing in low-cost countries.

Growth is slower among mid-size and smaller labs. The latter tend to be less cost efficient, cover fewer systems, work conventionally, outsource milling and are less willing/able to go digital.

Together, these developments explain the increasing dominance of a small number of very large labs.

To address these trends among lab customers, we offer a broad portfolio of solutions from simple abutments and blanks for in-house production to complex restorations milled centrally. We also offer training.

For labs without CAD/CAM scanning capabilities, we offer our Scan & Shape service, while others benefit from our extended digital workflows and connectivity.

Our response to the trend in abutment copies is three-fold: we conducted our own original-on-original campaign, we introduced Variobase and pre-milled blanks with Straumann connections, and through etkon we will offer labs the possibility of ordering high-quality CAD/CAM abutments for competitor implant systems.

SAFEGUARDING COMPLIANCE IN THE INTEREST OF PATIENTS

Our Global Sales Compliance Program has been in place since 2009 and is one of several safeguards to ensure compliance with regulations relating to the sale of our products and services. Further supporting our commitment to the patients' interest, much of the scientific information used to endorse our products is peer-reviewed.

OUTLOOK

In 2016, our customer base will broaden as we expand into new geographical markets in Latin America, Russia and Asia. While we continue to develop customer-driven solutions and services for premium customers, our Intradent platform will expand internationally to address price-sensitive customers with a different value proposition. To optimize this approach we will continue to segment and target customers specifically.

REFERENCES/FOOTNOTES

- 1 Exevia, 2014, based on market research data in Germany, Italy, Spain and the US.
- 2 Distribution of dentists in the US, by region and state, 2009. American Dental Association. 2011 Apr.
- 3 FDI Oral Health Atlas p. 61
- 4 Boll A, Gehrke P: Gender aspects of implant dentistry: opportunities and career paths. Z Zahnärztl Implantol 2014;30:267–287

Straumann and the ITI

A forward-looking partnership with 35 years of close collaboration

Straumann enjoys a unique relationship with the International Team for Implantology (ITI), which dates back to 1980. Both organizations share the goal of developing optimal treatment solutions to the benefit of patients. The ITI is dedicated to advancing and promoting clinical expertise in implant dentistry through measures focused on education and research, while Straumann's core competency is the development and marketing of commercial products.

With more than 15 000 Fellows and Members around the world, the ITI is the largest international academic organization in the field and has an important role in the further development of implant dentistry and related tissue regeneration.

COMMITMENT TO RESEARCH AND EDUCATION

The ITI commits more than CHF 2 million each year to supporting implant-related projects led by both ITI-affiliated and non-affiliated researchers worldwide. In 2015, the ITI received 73 applications and awarded 29 research grants. It also awarded 22 scholarship grants to young practitioners, enabling them to spend a year at one of its 22 Scholarship Centers around the world.

The ITI develops and supports educational activities on a local, regional and international basis through events and meetings such as ITI Study Clubs, Education Weeks, and national congresses. In 2015, eleven ITI congresses were held around the world, the largest of which were in Japan and Germany, attracting more than 1400 and 1000 participants, respectively. Preparations began for the triennial ITI World Symposium, which attracts well over 4000 participants and will be held next in 2017, in Basel.

The ITI also holds regular Consensus Conferences to review the latest literature and establish evidence-based guidelines. These are integrated into each volume of the

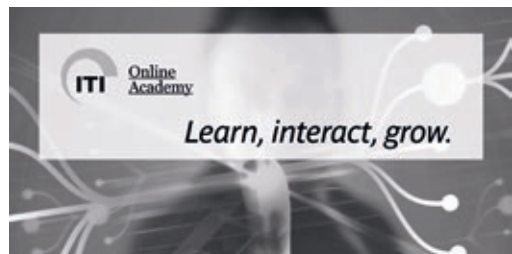
ITI Treatment Guide book series, which is published annually and now comprises nine volumes.

ONLINE ACADEMY HIGHLY SUCCESSFUL

Just over a year ago, the ITI launched its Online Academy, an e-learning platform for practitioners at all levels of experience. This project has flourished with over 200 000 visits and more than 3 million page views in its first 12 months. New content was added throughout 2015 and a new campus dimension was introduced. This is a virtual learning space, which allows external institutions and the ITI's 27 regional and country sections to create tailored educational content in local languages in campus classrooms for selected groups. By the end of 2015, each of the 650 ITI Study Clubs had been allocated its own classroom.

OUTLOOK

Straumann is fully committed to supporting and leveraging the ITI relationship and to unlocking its great potential going forward. The ITI is committed to supporting its membership in working to the highest standards and using the latest methods and technologies optimally. To capture opportunities and master challenges in a constantly changing environment, the ITI is working on an organizational approach that increases flexibility, reaction speed and efficiency. At the same time it is broadening the horizon of its Vision 2017 to 2020.



Employees

Creating a high performance organization

The strength and spread of our global team increased significantly in 2015, due largely to the acquisition of Neodent, the expansion of our organization in China, and the creation of a subsidiary in Russia. These accounted for nearly all of our 1 084 staff additions, reflecting our strategy to unlock growth opportunities in emerging markets, and bringing total headcount to 3471 at year end.

In Switzerland, our numbers increased very slightly to 769, which is remarkable because the euro-exchange rate crisis forced many Swiss companies to downsize. We were able to avoid job losses mainly because our staff agreed to compensation reductions (p. 136). Their flexibility, pragmatism and spirit of ‘simply doing more’ dispelled uncertainty and allowed us to focus on important growth initiatives. When momentum

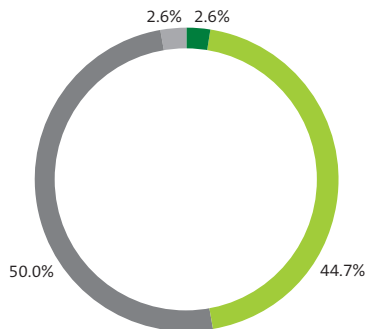
accelerated, we adhered to a restrictive hiring policy and managed to absorb increases in demand, as well as portfolio expansion and pipeline additions without taking on additional staff.

OUR CULTURAL JOURNEY

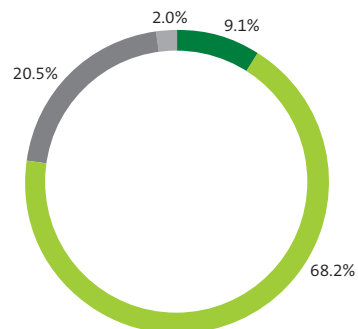
Having gained a clear picture of our organizational culture through structured anonymous surveys, we defined an ideal culture¹ in 2014, which fosters constructive behavior, collaborative leadership and high performance. For Straumann, this means enabling everyone to do their best, focusing our efforts and resources optimally on aligned priorities, being agile to seize opportunities, constantly challenging what we do in order to improve and innovate, sharing openly, collaborating efficiently, avoiding waste, and continually delivering what we promise.

EMPLOYEE SENTIMENT

- Very happy
- Happy
- Unhappy
- Very unhappy

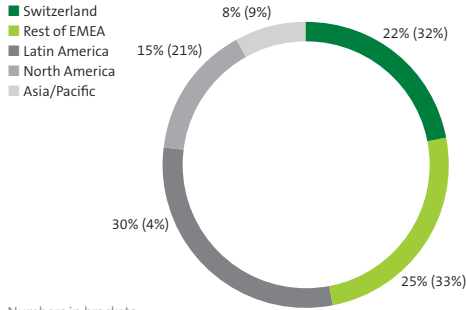


Least happy (4 Feb)



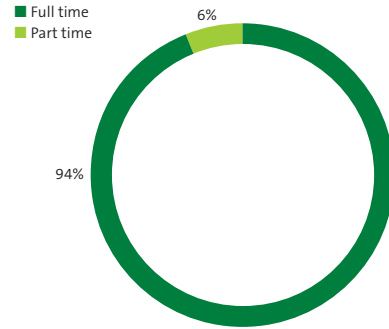
Happiest (23 Oct)

EMPLOYEES BY REGION

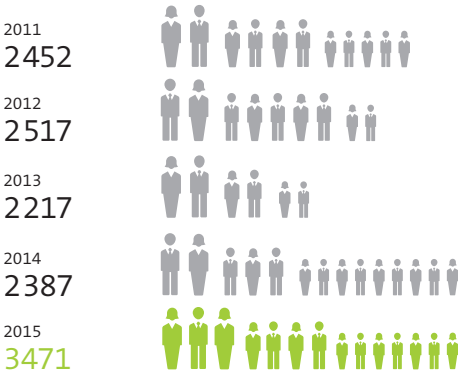


Numbers in brackets refer to 2014.

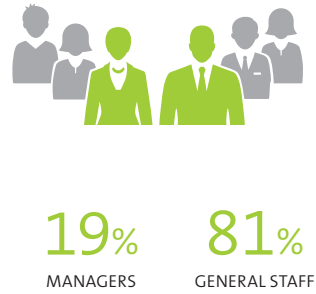
EMPLOYMENT



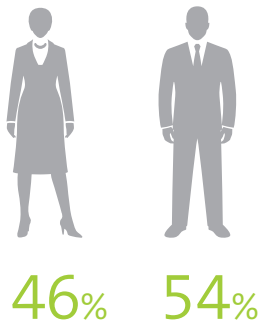
EMPLOYEES



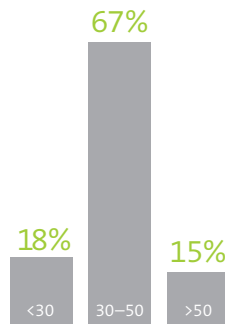
LEADERSHIP



GENDER



AGE



Cultural change is a strategic priority which we believe has to start at the top.

HUMAN RESOURCES KEY FIGURES

Parameter		Unit	2015 ¹	2014	2013
Staff size	Employees	Total headcounts	3 471	2 387	2 217
		Full-time equivalents	3 235	2 330	2 164
Employment type	Part-time employees	% of headcount	6	7	7
Gender diversity	Women in general staff (excl. Mgmt)	%	45	48	47
	Women in SMD pool ²	%	28	24	24
	Women in management	%	21	29	31
Training and education	Investment in staff learning ³	CHF million	2.6	1.7	1.5
	Average annual training & learning	Days/employee	3	3	3
Fluctuation and absence	Staff fluctuation ⁴	%	9	13	22
	Absence rate due to sickness ⁵	%	4	3	3
	Absence rate due to workplace accidents ⁵	%	0	0	0
	Work-related fatalities	Number	0	0	0
Employee protection	Reported cases of discrimination	Number	0	0	0

¹ Including Neodent

² Strategic Management Development group.

³ Only direct expenses for internal and external training activities are counted here. Salaries paid to employees while in training are additional and are not included.

⁴ Includes resignations, terminations and retirements.

⁵ Switzerland only. Proportion of absence time compared to target working hours.

STAFF STRUCTURE BY CATEGORY AND AGE GROUP (%)¹

Age	<30	30–50	>50	Unit	2015
General staff (excl. Management)	17.42	53.00	11.00	% of headcount	81.42
Management ²	0.19	14.11	4.28	% of headcount	18.58
TOTAL	17.61	67.11	15.28		100

¹ Including Neodent

² Job position "Manager" and all levels above

In 2015, we defined the mindset and core behaviors (p. 20 f.) to achieve this culture and launched a number of initiatives to stimulate their adoption. We conducted a global cultural inventory by surveying 1200 people across the organization and followed up with high performance team workshops in all regions. To gain critical mass, the entire strategic management took part in an international program of workshops and training modules, which is being extended to areas of middle management.

To drive cultural change across levels, we focused initially on top management and an interdisciplinary group of

35 Cultural Change Champions (CCCs) as role models and as a communication bridge across the organization. The latter now work as a Community of Practice, which will include new Champions from other geographies.

In addition, we redefined and simplified Straumann's global competency model to reflect our vision, core behaviors and ideal culture. This will be reflected in performance management, promotions, recruiting, development and succession planning.

An array of externally provided assessment tools are used to measure organizational culture and effectiveness as

well as group and leadership styles. It usually takes 3–4 years to see a distinct change in an organization's culture, which is why we do not foresee an organizational cultural inventory re-assessment until 2018. However, surveys at Group headquarters in 2015 show clear signs of progress (see chart p. 85), which is an external validation of our overall approach and a Silver Award from Investors in People in the UK have confirmed.

ENGAGEMENT

The Executive Management Board regularly meets with the CCCs and with a newly appointed group of staff representatives at headquarters, who act as a sounding board. These and various other focus groups provide open and constructive dialogue as well as direct feedback on staff engagement. During the year, 16 general staff meetings were held with the CEO in five countries in addition to 13 informal small group sessions in Basel.

In February, we began to track mood and engagement in our headquarters population on a monthly basis by using a simple anonymous survey in a consistent and representative group of approximately 50 employees. The responses showed that staff sentiment was lowest when the currency crisis hit but improved significantly by year end, when more than 80% agreed that staff motivation was high and that 'Straumann is a great place to work'.

This partly reflects the strong business results and communicated expectation of a discretionary bonus – competitive salaries, benefits and incentives are significant engagement drivers and are discussed in our Compensation Report (p. 132 ff.).

DEVELOPING SKILLS AND ENHANCING LEADERSHIP

Training and development are essential to meet the requirements for an international company in the Medical Device Industry and to attract and retain staff. In addition to introductory product and technical training, we offered updates to staff who have been with the company for some time.

Feedback from leavers in 2014 pointed to development and work/life balance as areas for improvement. We continued to work on this in 2015 from several angles. We increased our overall investment in staff training and education significantly, devoting a considerable

portion to the cultural change programs. As a result, the number of training days at Straumann increased, but this was offset by the lower number of training days at Neodent. One aspect of our cultural journey is to encourage and enable our staff to make Straumann 'a better place to work', which resulted in a number of employee-initiated activities. Resources were also injected into the Straumann Academy, which is devoted to personal development, and includes the following:

STRATEGIC MANAGEMENT DEVELOPMENT (SMD)

The SMD process involves senior management, staff in key positions, and future leaders; it reviews leadership, performance, behavior, and career potential as a basis for development, deployment, and succession planning.

GLOBAL DEVELOPMENT PROGRAM (GDP)

Now entering its third year, this program identifies and develops future leaders with a view to filling our succession pipeline. The 18-month program is for members of general staff to middle management who have leadership aspirations and potential. It includes international assignments, assessments and mentoring by top management. The program included nine participants in 2015.

PROFESSIONAL CAREER PATH (PCP)

The PCP is designed to provide career opportunities outside line-management by enabling individuals to progress through four clearly defined, benchmarked stages to the level of 'Expert'. Following the successful pilot program in 2014, we expanded the model to R&D, Information Technology and Operations in 2015.

In addition to the above, we maintained our apprenticeship, internship and Corporate Graduate Programs.

DIVERSITY AND EMPLOYEE PROTECTION

The integration of Neodent has broadened our diversity significantly. The Straumann Group now employs more people in Brazil than in any other country.

A diverse team adds value and supports our ability to serve an increasingly diverse customer base. We monitor diversity with regard to age, gender, origin and educational background. Following the combination with Neodent, the average age of our workforce has gone down. So too has the proportion of women in our staff. Nevertheless, with 45% female employees, gender diversity is still generally strong and has been strengthened

by the addition of a female Executive Vice President to the leadership team.

Our onboarding training for new employees focuses on corporate alignment including our Code of Conduct, which protects employees from discrimination (unequal treatment based on gender, race, religion, or sexual orientation). No cases of discrimination were reported in 2015. Health/safety training and awareness are given due importance throughout the Group, and no workplace fatalities or serious accidents were reported in 2015.

RESPONSIBILITY AND ETHICAL BEHAVIOR

Straumann's Code of Conduct defines our expectations for ethical behavior in all our business activities. Being an integral part of the company's employment contracts, it prohibits any form of human rights violation, bribery, corruption, unfair competition, misleading marketing, etc. Neodent has a good record as a responsible, ethical company and its Code of Conduct is very similar to Straumann's, which will facilitate the integration of the Group's ethical principles in 2016.

Employees are obligated to report any violation, suspected violation or misconduct. In 2015, two Code of Conduct violations were reported, one of which led to dismissal.

We also expect ethical practices in our supply chain, as presented in our 'Code of Conduct for Suppliers' which refers to working conditions, human rights protection, business ethics, legal compliance, and environmental protection.

OUTLOOK

Excluding acquisitions, we expect our workforce to grow in 2016 as we pursue our strategy to exploit growth opportunities in emerging markets and attractive segments. We will continue to refine and expand our staff development programs, but the key priority in 2016 will be driving behavioral and mindset changes to produce a high performance culture.

REFERENCES / FOOTNOTES

1 Straumann 2014 Annual Report, p. 88

Communities

Enhancing well-being and quality of life

RECOGNITION FOR SERVING THE COMMUNITY

In 2015, Straumann was honored with the prestigious Pierre Fauchard Academy (PFA) 'Dental Trade and Industry Recognition Award' for 'outstanding service and merit to the profession and community'. In addition to commending our 'commitment to clinical research and the highest standards of patient care', the PFA highlighted our 'ongoing contribution to communities through outreach to developing regions by providing public service, education and leadership development in oral healthcare worldwide'.

We take pride in the fact that our solutions help more than one-and-a-half million people every year. Our biggest contribution to the community is through providing safe, effective, lasting solutions that enhance well-being and quality of life – creating smiles and restoring confidence.

At the same time, we acknowledge that millions of people around the world do not have access to even basic dental care. This motivates our support for charitable initiatives that make dental treatment and education about oral hygiene available to the underprivileged. Like most of our sponsoring activities, these are connected to our field of business – since this is where we can make a meaningful difference.

SUPPORT FOR THE UNDERPRIVILEGED

2015 was similar to previous years in terms of sponsoring activities. We evaluated some 50 requests, of which we supported 15. In each case, clear goals were set. We look for continuity and sustainability in the charitable projects we support, which is reflected in our long-standing relationships and commitments. An overview of our supported projects is presented opposite. Our donations to these and other projects in 2015 totaled approximately CHF 100 000.



Straumann support funded building renovations and a vehicle for school visits at the Albert Schweitzer Clinic in Lambaréné, Gabon in central Africa.

STRAUMANN AID

Straumann AID (Access to Implant Dentistry), which was set up in 2007, is another global initiative to help underprivileged patients who are in need of implant treatment but cannot afford it. It relies on collaboration with dentists from the ITI network, who provide the treatment without charge, while Straumann makes the respective product donations.

As foreseen in our 2014 report, we donated the final restorations for the patients treated in the One Day a Smile event.

OUTREACH IN DEVELOPING REGIONS

Elsewhere, we continued to support basic dental care initiatives, mostly in developing regions. We are grateful to our dental partners – many of whom are volunteers – for their devotion and for ensuring that the funds are used efficiently.

MAIN INITIATIVES AND PROJECTS SPONSORED BY STRAUMANN IN 2015

REGION	LEAD PARTNER	OBJECTIVE ¹	STATUS/RESULTS
Alaska	Academy of Prosthodontics Foundation / University of Connecticut team	Dental outreach project to elderly patients, supported since 2005	2015 project completed; dentures and implants provided
Bali	Bali Children Foundation	Dental care for children, supported since 2012	Ongoing dental treatment for children in Straumann Dental Clinic
Cambodia	'Hope for All' Clinic	Dental student scholarships and clinic support since 2007	Ongoing; three dental students fully supported
	Basel University student team	Dental outreach project	2015 project completed
Cameroon	Geneva University student team	Dental outreach project	2015 project completed
Chile	University of Connecticut team	Dental outreach project, supported since 2008	2015 project completed
Dominican Republic	Zurich University student team	Dental care at SOS Children's Village	2015 project completed
France	Afopi Dental Campus	'One-day-a-smile' dental charity for treatment of 14 needy patients	Donation of final restorations for patients treated in 2014
Gabun	Secours Dentaire International	Support for Albert-Schweitzer-Hospital dental clinic in Lambaréné	Ongoing
Kenya	Bonn University students team	Dental outreach project	2015 project completed
Kos Island (Greece)	Employee initiative	Emergency aid for refugees	>CHF 10 000 donated for hands-on assistance on location
Madagascar	New York Columbia University team	Dental outreach project	2015 project completed
Nicaragua	Sonrisa foundation	Free dental care for orphaned children; dental student scholarship	Ongoing project
Tonga	Freiburg University student team	Dental outreach project	2015 project completed
United States	National Foundation for Ectodermal Dysplasia	Financial, treatment and PR, supported since 2004	Ongoing project
Other	Straumann AID	Free products for underprivileged individuals	Ongoing

¹ In each case clear prerequisites and goals were set.

A CARING TRADITION FOR ECTODERMAL DYSPLASIA PATIENTS

We continued our longstanding commitment to helping people affected by ectodermal dysplasia (ED). Sufferers typically have severely malformed or missing teeth from infancy, and their dental treatment is rarely covered by insurance. Straumann provides free implants and prosthetics as well as financial support to the National Foundation for Ectodermal Dysplasia (NFED), a US-based non-profit organization that helps patients and their families around the world.

SUPPORT FOR YOUNG DENTISTS

We continued to sponsor four young dental students in Cambodia and Nicaragua, who are connected with charitable projects that we support in underprivileged areas. Our hope is that these students will help address the huge local need and sustain the respective projects.

All the abovementioned projects focus on dentistry and thus promote Straumann's reputation among relevant stakeholders as a caring, responsible corporate citizen. This supports our business and thus adds value for our shareholders.

EMPLOYEES REACH OUT TO REFUGEES

Our staff in Basel responded generously to the refugee crisis in Southern Europe by supporting an employee initiative to provide hands-on assistance in Greece. Staff donations were matched by the company resulting in an overall donation of more than CHF 10 000.

CLEAR PRINCIPLES

Straumann is politically neutral in all its sponsoring activities. We refrain from making statements on public policy and from political lobbying, and we do not sponsor politicians or political parties. Sponsoring requests and initiatives are evaluated according to

clearly defined principles and policies by our Corporate Sponsoring Committee, which reports periodically to the Executive Management.

OUTLOOK

In 2016, we plan to continue our support for charitable activities in the dental field, focusing on dental education programs and on initiatives and projects that provide access to dental treatment for needy people. We plan further sponsored events, for example to treat edentulous patients who are unable to afford tooth replacement treatment. These kinds of involvement are in the interest of multiple stakeholder groups.



The Pierre Fauchard Academy honored Straumann with its prestigious 'Dental Trade and Industry Recognition Award' for outstanding service and merit to the profession and the community.

Global production & logistics

Innovation and efficiency overcome economic pressure

The sudden appreciation of the Swiss franc early in 2015 challenged our production and logistics teams to exceed their existing cost reduction programs in order to prevent the gross margin from sagging. This was important as the currency situation gave us no pricing manoeuvrability. The challenge unleashed a surge of creativity, leading to a productivity increase of more than 9% in implant production.

SAVING THROUGH INNOVATION AND 'DOING IT OURSELVES'

Our plants in Villeret (Switzerland) and Andover (USA), which produce the implant and standard prosthetic portfolio, both made important contributions. Significant savings were generated with automated packaging systems, camera-based product inspection, the elimination of paper through increased use of electronic instructions for product use, and standard package designs-innovations that justify having a centre of production excellence in Switzerland.

Besides improving automation, the two factories coordinated to optimize capacity utilization which averaged approximately 98% throughout the year. We continued to transfer technology from Villeret to Andover, building the flexibility to transfer production volumes quickly in response to market changes. With the capability for instrument manufacture installed, Andover now has all the manufacturing technologies found in Villeret.

GROWING DEMAND MET WITH EXISTING CAPACITY

Both plants had to cater for the roll-out of multiple new products. With regard to volumes, the most challenging was the new bone level (BLT) implant range, which includes corresponding new instruments and accounted for more than 18% of the entire implant portfolio at year-end. Demand for new products increased production volume



More than 1 million implants were manufactured in 2015 at the Neodent Factory in Curitiba, Brazil.

by 15%, which we managed to absorb with practically no staff increases, thanks to greater efficiency.

Our biomaterials plant in Sweden reduced costs by insourcing the packaging process, which also shortened the overall lead time significantly.

HIGH-QUALITY, ATTRACTIVELY PRICED PROSTHETICS FOR COMPETITOR SYSTEMS

Having taken the strategic decision to supply CAD/CAM prosthetics for third-party implants through our etkon brand, we equipped our milling centres to accommodate various competitor implant systems. Our strategy is to offer dental laboratories a single source for high-quality CAD/CAM prosthetics and Ti-base abutments for all leading implant systems as well as the materials for producing final crowns in-house manufacture – from a single source.

CONSISTENT APPROACH AS MILLING CAPABILITIES EXPAND

We opened our first Asian milling centre in Japan in October and significantly increased the size of our facility in Arlington, USA, to meet demand for screw-retained bars and bridges from the ClearChoice chain

STRAUMANN'S PRODUCTION SITES

LOCATION	PRODUCTS	STAFF	MARKETS	CERTIFICATION
Villeret, Switzerland	Implant systems	360	Global	ISO, FDA, Anvisa, MHLW
Curitiba, Brazil (Neodent)	Implant systems	418	Latin America, US, Iberia, Italy	Anvisa, ISO, FDA
Andover, USA	Implant systems	109	Global	ISO, FDA, Anvisa, MHLW
Markkleeberg, Germany	CADCAM prosthetics	66	Europe	ISO
Arlington, USA	CADCAM prosthetics	25	USA	FDA
Narita, Japan	CADCAM prosthetics	8	Japan (Asia)	n/a
Malmö, Sweden	Biomaterials	26	Global	ISO, FDA, Anvisa, MHLW

of clinics. All our CAD/CAM facilities will operate under the etkon brand and use the same machinery, materials, and milling strategies, making it easy to establish new centres with the same high quality standards in other geographies.

INFRASTRUCTURE IMPROVED

We continue to improve and invest in infrastructure, and are piloting a 'paperless' shop-floor management system in Villeret, where electronic certification files have helped to minimize hardcopy documentation. Apart from this, we streamlined and standardized our global quality management system, adding efficiency and transparency. Our Six Sigma program is becoming a standard process for problem-solving and quality improvement and has led to a 1.5 percentage point reduction of scrap in implant production.

External audits have reconfirmed the high standard of our quality management system (p. 79).

LOGISTICS MASTERS HUGE INCREASE IN UNITS STOCKED

The main challenge for our Logistics function was to manage the stream of new products and to balance supplies of the various product families (e.g. Roxolid versus titanium implants, SLA versus SLActive surfaces, Bone Level versus Tissue Level, etc.). At the same time, the Neodent, Medentika and botiss portfolios had to be stocked and handled at our central warehouse in Basel, which was possible thanks to investments made in 2014.

OUTLOOK

Our focus for Production and Logistics in 2016 will include the roll-out of BLT to other countries, our collaboration with ClearChoice in the US, and the launch of new CAD/CAM and standard prosthetic products.

We plan to invest in a new milling centre for China and a CAD/CAM service for Russia. We will continue working on processes to produce new ceramic and small-diameter implant solutions and on developing novel manufacturing processes with new technologies such as 3D printing.



Three-dimensional printing technology used to produce surgical templates at Straumann's new CAD/CAM center in Japan.

Environment

Using resources and energies effectively and without waste

One characteristic of the high performance culture we want to create at Straumann is the use of resources and energies effectively and without waste (p. 22). We conduct our business in an environmentally responsible manner, exceeding basic legal requirements, and reflecting our ISO 14001 certification. Our managers are committed to improving processes with due regard for the environment, and our employees are encouraged to consider environmental protection in their daily business – as expressed in our Code of Conduct. Our attention to global environmental responsibility is exemplified by the inclusion of the Neodent site in our monitoring within a year of its acquisition.

As a medical device manufacturer, we are subject to stringent regulations. Adherence to strict quality-control protocols for identity and purity as well as analysis of raw materials ensure that manufactured products are safe and effective. Full documentation of all manufacturing processes provides traceability.

ENVIRONMENTAL PERFORMANCE

Our product portfolio ranges from titanium and ceramic dental implants to prosthetic elements made of ceramic, metal, or polymer, and to biomaterials for tissue regeneration. Environmental impact occurs mainly in the production process as well as in research and development. Our principal product is dental implants, which are produced from rods of titanium or titanium-zirconium alloy on computerized CNC lathes. In the manufacturing process, cutting oil is used as a cooling agent, followed by sand-blasting, acid etching, cleaning, packaging, and sterilization.

Apart from production and research activities, our environmental impacts are low compared with most manufacturing companies. We do not produce dental filling materials or surgical equipment, and so do not use significant amounts of metals such as mercury, lead, or manganese that are often found in production processes of manufacturers serving the dental industry.

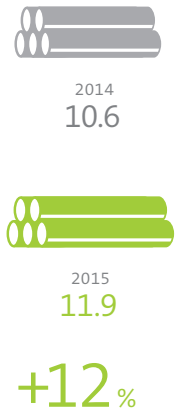
In 2015, volumes increased at our implant and prosthetics production facilities in general. This accounts for the main differences in our environmental reporting and performance compared with 2014.

This environmental performance report is based on available data for our group headquarters in Basel (Switzerland) and all production sites in operation during the entire reporting year: Villeret (Switzerland), Markkleeberg (Germany), Malmö (Sweden), Andover (USA), and Arlington (USA). We have also included full-year data for Neodent's production site in Curitiba (Brazil), which Straumann acquired in Spring 2015. With Neodent, our headcount has increased by more than 900, which affects various data points, especially per-capita measurements. Owing to different reporting practices, certain data-points have not been tracked uniformly. We hope to include them and data from our new milling center in Narita, Japan, in 2016.

TITANIUM AND OTHER RAW MATERIALS

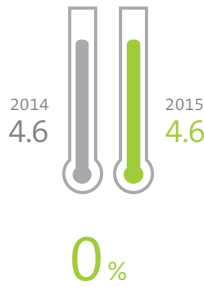
While volumes of implants and abutments sold expanded, the reported amount of titanium used remained roughly stable. This is mainly due to the use of semi-finished goods from previous build-to-stock production

TITANIUM RECYCLING
(tons)

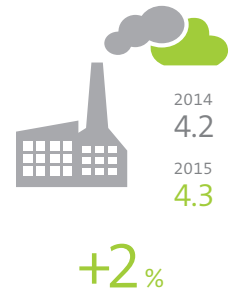


Increase in production reflected in higher consumption, waste and emissions.

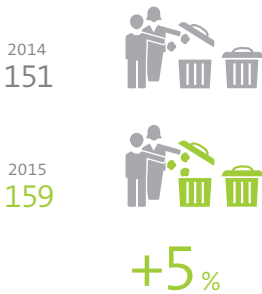
HEATING ENERGY
(GWh)



CO₂ EMISSIONS PER CAPITA
(tons)



REFUSE
(tons)



PAPER CONSUMPTION PER CAPITA
(1000 sheets)



WATER
(m³)



Continuing progress towards paper-free processes

All figures in this chart exclude Neodent (data not yet available).

carried over from 2014. In addition, the trend towards bone-level implants, which require less titanium than tissue level implants, continued in 2015. The rise in titanium recycling was mostly due to waste that was accumulated in 2014 and sent for recycling in 2015.

Yttrium stabilized zirconium oxide is used for ceramic implants and prosthetic components. Consumption increased due to the rollout of our PURE ceramic implant, a change to new prosthetic materials (requiring process development and testing), and the increase in more sophisticated prosthetic designs (which require larger amounts of material to be cut away). The latter also led to an increase in consumption of cobalt-chrome, which – like polymethylmethacrylate (PMMA) – is used in crown and bridge solutions.

OPERATING MATERIALS

The use of cleaning solvents and acids increased along with implant production. Our production team in Andover succeeded in prolonging the useful life of acids enabling more implants to be etched per batch. The sharp increase in recycled oils was due to replacement, which is conducted every two to three years in Villeret.

We are pleased to report progress toward our goal of achieving paperless workflow processes. This is reflected in a further reduction of paper consumption overall and per-capita for the fourth consecutive year. Apart from the paper consumed in house, we purchase printed products, a significant portion of which are the instructions for use (IFU) of our products. In 2015, we moved from conventional paper-based IFUs to online instructions, greatly reducing external paper use and reducing packaging.

ENERGY USE AND GREENHOUSE GAS EMISSIONS

Energy use increased due to production growth. While electricity consumption developed roughly in line with production activities, heating energy use remained constant. Climatic conditions were generally favorable with regard to heat consumption. However, insulation measures in Arlington meant that heating energy remained stable despite the facility expansion.

Including Neodent, heating per capita went down because the site in Brazil does not require heating.

Increased energy consumption led to higher emissions. We monitor CO₂ emissions that are generated by electricity and heating, and distinguish between direct (Scope 1) and indirect (Scope 2) emissions. While Scope 1 encompasses emissions from sources such as burning natural gas, Scope 2 comprises emissions from sources such as electricity and district heat. Business activities with minimal impact, or for which meaningful data are not available, are not included in our carbon reporting. Among these are emissions resulting from the transportation of products (which are small and light) and employee travel.

WATER AND WASTE

Water consumption generally rose as a result of production growth. Furthermore, our facility in Arlington switched from purchasing treated water to using an in-house water treatment system, which led to an increase in reported water consumption.







The amount of hydroxide sludge – a by-product of waste-water treatment, which depends on the quantity and composition of the water treated – increased in line with production growth. While solvent waste remained constant, diverse contaminated materials (including cleaning rags, filters, and other debris) as well as electronic scrap, increased. With the inclusion of Neodent, contaminated waste increased significantly, mainly because of site construction waste and the regulated classification of waste in Brazil. Overall, the increase in refuse corresponded to production growth.

OUTLOOK

While the quality of our products and the safety of patients is our main priority, we strive for continuous improvement of our environmental performance. For example, at our production site in Andover, we evaluated the feasibility of replacing existing 400-watt metal halide lamps with equivalent LED units, potentially saving up to 200 MWh annually.

Furthermore, we are analyzing the installation of photovoltaic panels at the Neodent production site in Curitiba. Generally, we are expecting considerable changes in our overall environmental performance reporting in 2016 due to the full integration of the performance data of Neodent.

ENVIRONMENTAL KEY PERFORMANCE FIGURES

		Performance indicator	Unit	2015		2014
				incl. Neodent	excl. Neodent	excl. Neodent
Product raw materials 	Titanium	Consumption	tons	22.36	14.76	14.66
		Recycled (consumption minus product)	tons	n/a ¹	11.90	10.63
	Cobalt chrome	Consumption	tons	3.16	3.04	2.59
		Recycled	tons	n/a ¹	1.96	2.10
	Zirconia	Consumption	tons	2.28	2.20	1.73
Polymethyl methacrylate	Consumption	kg	24	24	19	
Operating materials 	Various oils	Consumption	tons	77.45	48.14	46.63
		Recycled	tons	n/a ¹	41.84	31.69
	Cleaning solvents	Consumption	tons	n/a ¹	36.60	34.66
		Recycled	tons	n/a ¹	21.50	19.50
	Acids ²	Consumption	tons	52.93	42.05	38.55
	Paper	Consumption	m sheet	5.85	4.25	4.49
Consumption per capita ³		sheet/employee	3 529	3 623	3 979	
Energy 	Electricity	Consumption	MWh	32 395	17 610	16 691
		Consumption per capita ³	MWh/employee	19.55	15.00	14.80
	Heating	Total heating energy	MWh	4 604	4 604	4 623 ⁴
		– Fossil fuel	MWh	3 801	3 801	3 816 ⁴
		– District heat	MWh	803	803	807
Total heating energy per capita ³	MWh/employee	2.78	3.92	4.1 ⁴		
Emissions 	CO ₂ emissions ⁵	Total emissions	tons	6 015	4 991	4 721 ^{4,6}
		– Direct (Scope 1, excluding vehicle fuel)	tons	779	779	782 ⁴
		– Indirect (Scope 2)	tons	5 236	4 212	3 939 ⁶
	Total emissions per capita ³	tons/employee	3.6	4.3	4.2 ^{4,6}	
Water 	Water	Consumption	m ³	49 734	34 894	29 975
		Consumption per capita ³	m ³ /employee	30.0	29.7	26.6
Waste 	Diverse waste	Hydroxide sludge	tons	n/a ¹	17.1	13.5
		Contaminated material	tons	130.6	15.6	13.8
		Solvents	tons	n/a ¹	3.3	3.2
	Refuse	Total	tons	229.6	158.5	151.4
		Per capita ³	kg/employee	139	135	134

n/a = data not available

¹ Neodent was acquired in 2015 and this datapoint will be reported when the data collection process has been refined.

² As 'consumed amounts' are more relevant than 'recycled amounts', this data point has been revised and 2014 data restated.

³ Per capita figures refer to employees at our environmental reporting sites only.

⁴ Natural gas consumption: data quality was retroactively optimized for the Arlington site.

⁵ Scope 1 covers CO₂ emitted by sources owned/controlled by the Group (e.g. heating boilers). Scope 2 covers emissions generated externally to produce the electricity, heat, or steam we consume.

⁶ CO₂ emissions recalculated ('location-based' approach) in order to comply with the new Greenhouse Gas Protocol Scope 2 Guidance.

This page includes information on the Global Reporting Initiative (GRI) indicator G4-22 (see also page 170-171).

Extraordinary performers...

engage

FACES (FRONT TO BACK)

ALAIN KOUNGA

Senior Research Manager

HOLGER HERWEG

Customer Experience Center

HENRI CRUYPENYNCK

Responsible Quality Control

ABEL FERRANDEZ

Senior Project Leader SDIS

YANIK SEGGINGER

Associate Regional Marketing Manager

THOMAS WAGNER

Head of Marketing Switzerland

DANIEL TSCHOPP

Head Global IT Servicedesk

PHILIPPE WEBER

Export Coordinator

OTHER BODIES FEATURED

ANDREAS AUGAT

Graduate Program Participant

THOMAS JENSEN

Head Portfolio Management & Pricing

SANDRO KLOTER

Head Corporate Network & Telecom Services

FABIAN WIDMER

Facilities Crew Member

FRANCK MARTIN

Head of Strategic Procurement



Corporate governance

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PRINCIPLES

The principles and rules of Straumann's corporate governance are laid down in the Articles of Association, the organizational regulations, the code of conduct, and the charters of the Board Committees. These principles and rules are the basis of our corporate governance disclosures, which comply with the Directive on Information relating to corporate governance published by the SIX Swiss Exchange, where Straumann's shares have been traded since the company's initial public offering in 1998.

GROUP STRUCTURE

Straumann Holding AG is a listed stock corporation incorporated under the laws of Switzerland and domiciled and registered in Basel. Information about the company's shares, which are traded on the main segment of the SIX Swiss Exchange under the symbol STMN, is provided on p. 153 f.

Straumann Holding AG is the ultimate parent company of the Straumann Group (referred to collectively as 'the Group'), which is headquartered in Basel and includes a total of 41 wholly owned subsidiaries (see chart p. 104 f.), and nine companies in which non-controlling interests are held (see table on p. 106).

OPERATIONAL STRUCTURE

In 2015, the operational structure of the Straumann group comprised the following groups/departments and sales regions (in alphabetical order):

- Corporate Services, comprising: Corporate Communications, Human Resources, Legal Compliance & Intellectual Property and Strategic Planning & Business Development
- Customer Solutions & Education, comprising: Customer Marketing, Marketing Communications and Product Management
- Finance, comprising: Treasury, Controlling and all other finance-related functions, Corporate IT, Corporate Procurement, Facility Management, Internal Audit and Investor Relations
- Intradent Management & Strategic Alliances
- Research, Development & Operations, comprising: Project Management, Research & Development, Technical Services, Quality Management & Regulatory Affairs, Production, Corporate Logistics
- Sales Central Europe and worldwide Distributor Management (excluding APAC and LATAM)
- Sales Western Europe

- Sales North America
- Sales Latin America and regional Distributor Management
- Sales Asia/Pacific and regional Distributor Management.

LEGAL STRUCTURE

LISTED COMPANIES

Straumann Holding AG is listed in the main segment of the Swiss stock exchange. No other company controlled by Straumann Holding AG is listed on a stock exchange.

Name	Straumann Holding AG
Domicile	Peter Merian-Weg 12, 4052 Basel, Switzerland
Listed on	SIX Swiss Exchange
Security ID	0 01228 007
ISIN	CH 0012 280 076
Ticker symbol	STMN

NON-LISTED GROUP COMPANIES

The Straumann Group is managed through its Headquarters in Basel. As laid down in the organizational regulations, the respective Regional Sales Head, the CFO and the General Counsel represent Straumann Holding AG on the boards of these subsidiaries. The major subsidiaries of Straumann Holding AG are presented overleaf and in Note 34 to the Financial Statements on p. F 64 of the Financial Report.

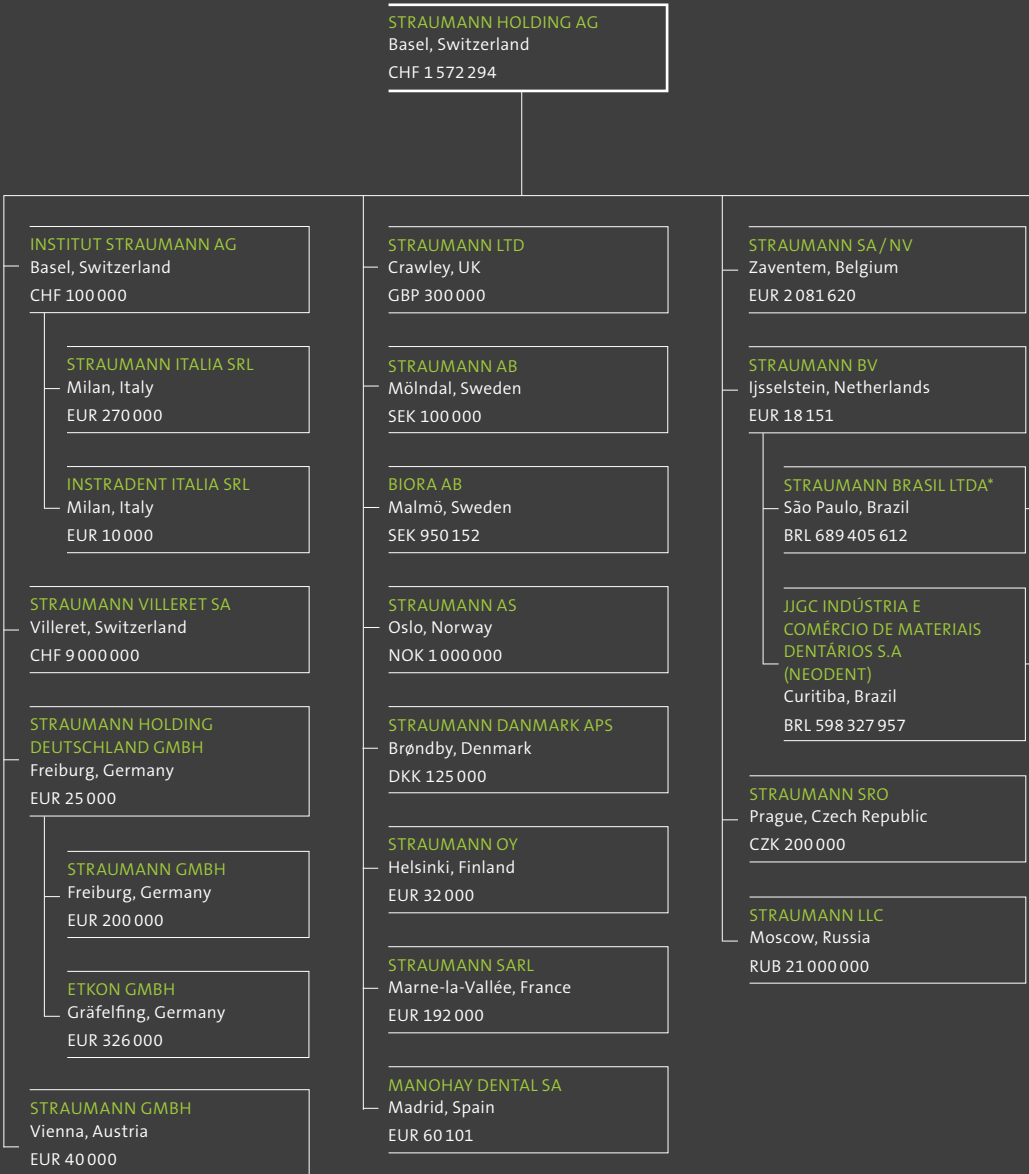
Straumann's premium products and services are sold through Institut Straumann AG, various distribution subsidiaries, and third-party distributors (see chart on p. 162 f. for overview of subsidiary and distributor locations).

In 2015, the Group expanded the Intradent business platform, which was created in 2014 to drive and manage the distribution and internationalization of specific value brands through its own growing network of country organizations and third-party distributors.

In certain countries, Straumann has established fully-owned subsidiaries under the name of 'Manohay' with the purpose of distributing both premium and value brands from a single point but keeping the brands separate (see overleaf for overview of subsidiary and distributor locations and p. 162 f. for details including

Principal Group Companies

Ownership & share capital



**STRAUMANN
MANUFACTURING, INC**
Andover, USA
USD 1

STRAUMANN USA, LLC
Andover, USA
USD 1

STRAUMANN CANADA LTD
Burlington, Canada
CAD 100 000

MANOHAY MEXICO SA DE CV
Mexico DF, Mexico
MXN 9 392 615

MANOHAY COLOMBIA SAS
Bogota, Colombia
COP 2 800 000 000

MANOHAY ARGENTINA SA
Buenos Aires, Argentina
ARS 3 700 000

STRAUMANN SINGAPORE PTE LTD
Singapore, Singapore
SGD 1

STRAUMANN PTY LTD
Victoria, Australia
AUD 100

**STRAUMANN
NEW ZEALAND LTD**
Napier, New Zealand
NZD 0

STRAUMANN JAPAN KK
Tokyo, Japan
JPY 10 000 000

ETKON JAPAN KK
Shibayama, Japan
JPY 10 000 000

**STRAUMANN (BEIJING) MEDICAL
DEVICE TRADING CO LTD**
Beijing, China
RMB 40 000 000

STRAUMANN DENTAL KOREA INC
Seoul, Republic of Korea
KRW 2 300 000 000

**STRAUMANN DENTAL INDIA
PVT LTD**
Gurgaon, India
INR 6 000 000

INSTRADENT AG
Basel, Switzerland
CHF 100 000

INSTRADENT IBERIA SL
Madrid, Spain
EUR 3 000

INSTRADENT LTD
Crawley, UK
GBP 1 000

INSTRADENT S.R.O.
Prague, Czech Republic
CZK 100 000

INSTRADENT USA, INC
Andover, USA
USD 2 000 001

At 31 December 2015
Values indicate share capital

* Merged into Neodent
as of January 1, 2016

STRAUMANN'S PARTICIPATION AND REPRESENTATION IN OTHER COMPANIES

On 31 December 2015, Straumann held the following non-controlling stakes:

Non-consolidated company	Location	Activities	Capital rights held	Straumann representation
Creotech Medical SL	Mendaro (Spain)	CADCAM prosthetics for multiple implant systems	30%	1 Board seat (Guillaume Daniellot until 12 Jan. 2016, thereafter Jens Dexheimer)
Dental Wings Inc	Montreal (Canada)	Dental prosthetics design (CAD), software and scanners	55%	2 Board seats (Marco Gadola, Frank Hemm)
Instradent Deutschland GmbH	Hügelsheim (Germany)	Distribution of implant & prosthetic value brands	51%	At general meeting, but not controlling interest
Medentika GmbH	Hügelsheim (Germany)	Implant prosthetics & dental implants	51%	At general meeting, but not controlling interest
Open Digital Dentistry AG (in liquidation)	Zug (Switzerland)	(Assets and activities transferred to Dental Wings GmbH)	44%	n/a
RODO Medical, Inc.	San Jose (USA)	Prosthetics	13%	At general meeting
T-Plus	New Taipei City (Taiwan)	Dental implant systems	49%	1 Board seat (May Yin Wong)
Valoc AG	Möhlil (Switzerland)	Prosthetics (implant based denture-attachment systems)	44%	1 Board seat (Vincenzo Grande)
Zinedent Implant Üretim AS	Ankara (Turkey)	Joint venture, supply of dental implants and prosthetics	50%	1 Board seat (Raffaele Peraro)

The Straumann Group has no other significant shareholdings of more than 10%.

Straumann's investments in companies outside the premium segment).

On 31 December 2015, Straumann Holding AG directly or indirectly held 100% of the capital and voting rights in all consolidated Group companies. In addition, Straumann Holding AG directly or indirectly held capital rights in the companies listed in the table above.

CHANGES IN 2015 AND EARLY 2016

In April 2015, Straumann increased its ownership of Neodent, Latin America's leading dental implant company, from 49% (acquired in 2012) to 100%, strengthening its position in the global value segment.

In September 2015, the Group sold 49% of its fully-owned subsidiary Instradent Deutschland GmbH to the shareholders of Medentika GmbH. As a result, Straumann now holds non-controlling stakes of 51% in Instradent Deutschland GmbH and Medentika GmbH. The former Medentika Implant GmbH was merged into Medentika GmbH in early 2015.

The following Group companies were established in 2015: Straumann LLC in Russia, Straumann New Zealand

Limited, Manohay Colombia SAS, etkon Japan K.K., Instradent s.r.o. in the Czech Republic, and Instradent Ltd. in the United Kingdom. Straumann Mexico SA de CV was renamed Manohay Mexico SA de CV.

In early 2016, Instradent Canada Limited was established and Straumann Brasil Ltda was merged into Neodent, which is now responsible for the promotion and sale of premium and value products in Brazil in addition to the design, development, and manufacture of Neodent dental implants and related prosthetic components.

PARTICIPATIONS IN OTHER COMPANIES

In 2015, Straumann invested further in the value segment and in its common technology platform (p. 24), acquiring:

- an additional convertible bond from the Korean implant company MegaGen,
- a 49% stake in T-Plus, the Taiwan-based implant supplier,
- an additional 11% stake in Straumann's digital technology partner Dental Wings, and
- a 44% stake in Valoc – a Swiss supplier of implant based denture-attachment systems.

The Group also entered a joint venture with its distributor in Turkey, creating the Zinedent company to distribute and potentially manufacture implants for Turkey and other markets.

CROSS SHAREHOLDINGS

Straumann does not have, and has not entered into, any cross-shareholdings with other companies relating to equity or voting rights.

CAPITAL STRUCTURE

In April 2015, 46 390 conditional shares were converted into ordinary shares. There have been no further changes in Straumann's share capital in the past three years. On 31 December 2015, the share capital was composed of 15 722 939 registered shares – fully paid in, each with a nominal value of CHF 0.10 – and conditional capital of CHF 27 706.10, divided into 277 061 registered shares each with a nominal value of CHF 0.10. Straumann Holding AG did not have any authorized share capital.

The conditional share capital was approved for an unlimited period at an extraordinary General Meeting in 1998 for use in equity participation plans for employees and management (see Compensation Report for details).

Straumann has no other categories of shares than registered shares. There are no restrictions on the transferability of Straumann Holding's shares. Purchasers of shares are entered in the share register as shareholders with voting rights if they expressly declare that they have acquired the registered shares in their own name and for their own account. If a purchaser is not willing to make such a declaration, he/she is registered as a shareholder without voting rights. Proof of acquisition of title in the shares is a prerequisite for entry in the share register.

Nominees approved by the Board of Directors are recorded in the share register as shareholders with voting rights. Nominees who have not been approved by the Board of Directors may be refused recognition as shareholders if they do not disclose the beneficiary. In such cases, the nominees will be recorded in the share register as shareholders without voting rights. At 31 December 2015, no nominee had applied/asked for registration and voting rights.

Straumann has not issued any financial instruments (participation certificates, dividend-right certificates,

warrants, options or other securities granting rights to Straumann shares) other than the options/warrants and Performance Share Units granted to certain employees as a component of compensation (see Compensation report p. 141 f.) and the CHF-200-million domestic straight bond launched in 2013 and due on 30 April 2020 (see Financial Report Note 14, p. F 40 for details).

SHAREHOLDERS

SIGNIFICANT SHAREHOLDERS

In 2015, the Group reported a significant shareholder restructuring and was notified of five transactions according to Art. 20 of the Federal Act on Stock Exchanges and Securities Trading (Stock Exchange Act, SESTA):

- In January, Straumann reported an internal restructuring of Parvus, which took effect on 30 December 2014 and resulted in Parvus Asset Management (UK) LLP transferring its entire investment management business – including its stake in Straumann – to Parvus Asset Management Europe Limited. The latter reported two sales in 2015, one in July and one in September, reducing its holding to less than 3%.
- In April and twice in September, Straumann reported purchases of shares and 'contracts for difference' by companies of the BlackRock Group (parent company BlackRock Inc., New York, USA) amounting to a shareholding at year-end of more than 5%.

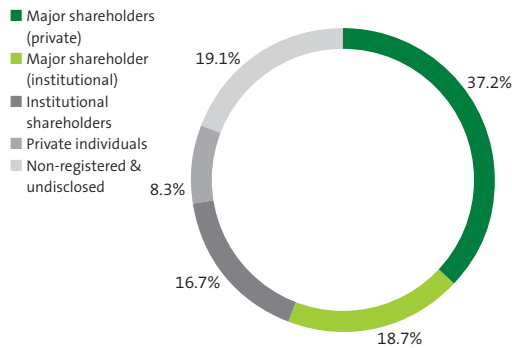
Details of the transactions are published on the SIX Swiss Exchange online reporting platform.

ENTRIES IN THE SHARE REGISTER

Straumann's share register, in which the owners and usufructuaries of registered shares, including names and addresses, are recorded, is maintained and administered on behalf of the Company by Nimbus AG, Ziegelbrückstrasse 82, 8866 Ziegelbrücke, Switzerland. Only persons recorded in the share register as shareholders or usufructuaries are acknowledged as such by the Company. The transfer of registered shares requires the authorization of the Board of Directors, which delegated this power to Nimbus AG. Authorizations will be granted after purchasers have provided their name, nationality, and address and declared that the shares were acquired in their own name and for their own account. Persons who have voting rights but no title to shares as a consequence of legal provisions (e.g. legal representatives of minors) will be referenced in the share register upon request.

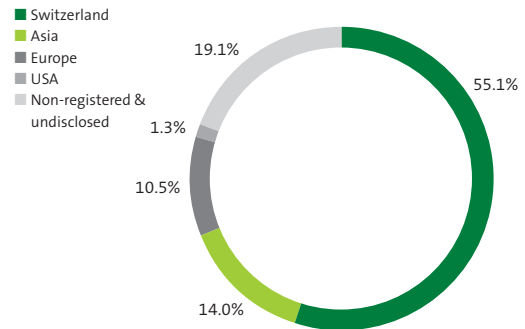
SHAREHOLDINGS ON 31 DECEMBER 2015

(By segment)



SHAREHOLDINGS ON 31 DECEMBER 2015

(By geography)



Registered shareholders must inform the company of any change of address. If they fail to do so, all notices will be deemed to be legally valid if sent to the address recorded in the share register. The Company may, after hearing the parties concerned, delete entries in the register if these are based on false information.

There are no statutory rules concerning deadlines for entry in the share register. However, for organizational reasons, the share register is closed several days before the General Meeting. Participation and voting at the 2016 General Meeting is reserved for shareholders registered in the share register with voting rights on March 30, 2016. Shareholders who sell their shares prior to the Meeting are no longer entitled to vote.

SHAREHOLDERS' PARTICIPATION RIGHTS

VOTING RIGHTS AND REPRESENTATION RESTRICTIONS

Each share duly entered in Straumann's share register as being held in the shareholder's own name and for the shareholder's own account entitles the shareholder to one vote. On 31 December 2015, 81% of the issued capital was registered in the share register. All shares have the same entitlements to dividends. There are no preferential rights granted to any shareholders or shares.

All shareholders may be represented at the General Meeting by a proxy. Proxies and directives issued to the independent voting representative may either be given in writing or online via the Nimbus Shareholder Application ShApp (<https://shapp.ch>). Other voting

representatives must have a proxy signed by hand by the shareholder. The Board of Directors decides whether proxies will be recognized.

The independent voting representative is elected by the General Meeting for a term of office until the end of the next annual general meeting. The independent voting representative may be reelected. In case of vacancy, the Board of Directors shall designate one for the next General Meeting.

QUORUMS

The General Meeting adopts its resolutions and holds its ballots by a majority of votes cast. Abstentions and invalid ballots are not taken into account. The legal provisions (in particular section 704 of the Swiss Code of Obligations) that stipulate a different majority are reserved. Votes on resolutions and elections are held electronically. In case of technical difficulties, the chairman may order an open or written ballot. Likewise, the chairman may repeat a ballot if he considers that the outcome is doubtful. In such a case, the preceding ballot is not considered. The General Meeting may only approve the annual financial statements and resolve on the appropriation of the balance sheet profit if the Auditors' report is available and the Auditors are present.

CONVOCATION OF GENERAL MEETINGS,

AGENDA PROPOSALS

The Shareholders' General Meeting is convened by the Board of Directors within six months of the end of the

SHAREHOLDERS BY VOLUME OF SHARES HELD

(absolute number)	31 Dec 2015	31 Dec 2014
1–100 shares	4 893	5 097
101–1000	2 219	2 428
1 001–10 000	249	238
10 001–100 000	56	55
100 001–1 000 000	8	7
1 000 001 and more	3	3
TOTAL	7 428	7 828

MAJOR SHAREHOLDERS

(in %)	31 Dec 2015 ¹	31 Dec 2014 ¹
Dr h.c. Thomas Straumann (Vice Chairman of the Board)	17.3	17.3
GIC Private Ltd	13.6	13.6
Dr h.c. Rudolf Maag	12.2	12.2
BlackRock Group ²	5.0	n/a
Simone Maag de Moura Cunha	4.4	4.4
Gabriella Straumann	3.3	3.3
Parvus Asset Management (UK) LLP ^{2,3}	n/a	8.5
TOTAL	55.8	59.3

¹ Or at last reported date if shareholdings are not registered in the share register

² Not registered in Straumann's share register

³ Dropped below the 3% threshold in September 2015

CAPITAL STRUCTURE

(in CHF 1 000)	31 Dec 2015	31 Dec 2014
Equity	604 970	736 836
Reserves	(126 910)	(122 132)
Retained earnings	731 880	857 400
Ordinary share capital (fully paid in)	1 572	1 568
Conditional share capital	28	32
Authorized share capital	0	0
Number of registered shares	15 722 939	15 676 549
Treasury shares (% of total)	<0.05%	0.4%
Nominal value per share (in CHF)	0.10	0.10
Registration restrictions	None	None
Voting restrictions or privileges	None	None
Opting-out, opting-up	None	None

business year. In 2016, the Shareholders' General Meeting will take place on 8 April at the Basel Congress Center. Shareholders individually or jointly representing at least 10% of the share capital may request an extraordinary General Meeting. The request must be made to the Board of Directors in writing, stating the agenda items and motions.

Invitations to the General Meeting are issued in writing and are delivered via ordinary mail to the address recorded in the share register at least 20 days before the date of the General Meeting and are published on the company's website (www.straumann.com). If shareholders agree to electronic delivery of notices, the invitation will also be sent by e-mail.

All agenda items and proposals by the Board of Directors and by shareholders who have requested the General Meeting must be announced in the notice convening the General Meeting.

Shareholders who individually or jointly represent shares with a par value of at least CHF 15 000 may request that an item be included in the agenda. The request shall be in writing at least 45 days before the General Meeting and must set forth the agenda items and the proposals of the shareholder(s).

2015 GENERAL MEETING

The 2015 annual general meeting took place on 10 April 2015 and was attended by 407 shareholders, who together with proxies, represented 80.1% of the total share capital. Shareholders were also able to provide voting instructions online to the independent proxy.

The meeting approved the Management Report, Financial Statements and Consolidated Financial Statements for the 2014 business year, the appropriation of the available earnings in 2014, and the discharge of the Board of Directors for the 2014 business year. The meeting also approved the compensation of the Board of Directors and the Executive Management (see p. 145 ff. of the Compensation Report). The Chairman, Members of the Board, and Members of the Compensation Committee were all re-elected. Neovius Schlager & Partner was appointed as the independent voting representative and Ernst & Young AG as auditors.

The minutes of the meeting (including the voting results) are published in the Investors section of the company's website (www.straumann.com > Investors > Corporate Governance > Annual General Meeting).

BOARD OF DIRECTORS

The Board of Directors of Straumann Holding AG comprised seven non-executive members. No Director has been a member of the company's Executive Management during the past three years except for Gilbert Achermann, who took over the additional role of CEO for an interim period of four months in 2013.

The Directors are all Swiss citizens. The average age of the Members of the Board at year-end was 56.

GILBERT ACHERMANN

Swiss (born 1964)

Chairman of the Board

Gilbert Achermann holds various mandates in privately-owned and publicly-listed companies across a range of industries, including banking, consumer goods, medical devices, pharma services and retail. In addition to his role as Chairman of Straumann, his activities in 2015 included Board membership at the private bank Julius Baer Group, and Chairman & Co-CEO of the Vitra/Vitrashop Group, a family-owned furniture and retail company.

In previous years, he served as Chairman of the Siegfried Group, a listed pharma service company, and Vice Chairman of the Moser Group, a privately owned luxury watchmaking company. From 2002 to 2010, he was CEO at Straumann, which he joined as CFO in 1998.

Gilbert Achermann started his professional life at UBS in Investment Banking in 1988, working in Switzerland, New York, London and Frankfurt. He holds an Executive MBA from IMD in Lausanne and a bachelor's degree from the University of St. Gallen.

He has been a Member of Straumann's Board of Directors since 2009 and was appointed Chairman in 2010.

Gilbert Achermann has been a major contributor to the Company's past success. He represents continuity, stability and credibility among the various stakeholders. The Board benefits from his extensive knowledge of the dental industry, his broad functional, regional and managerial expertise, and the extensive experience and insight he gains from directorships in other industries.

DR H.C. THOMAS STRAUMANN

Swiss (born 1963)

Vice Chairman of the Board

Thomas Straumann's skills in precision engineering were complemented by his studies at the Basel Management School and the Management and Commercial School of Baselland. In 1990, he was responsible for restructuring Institut Straumann AG and was CEO and Chairman of the Board of Directors until 1994. He was Chairman of the Board of Straumann Holding AG until 2002. In 2004, he was awarded an honorary doctorate by the University of Basel, Switzerland.

Thomas Straumann is the principal shareholder of Straumann Holding AG; he has been a Member of its Board of Directors since 1990.

He complements the Board with his understanding of the dental and medical device industries through personal management experience and various shareholdings. Having built up several companies, in which he is still involved, he is a true entrepreneur and has a diverse portfolio of interests, including not-for-profit activities.

DR SEBASTIAN BURCKHARDT

Swiss (born 1954)

Member of the Audit Committee; Secretary of the Board

Sebastian Burckhardt began his studies in the fields of economics and law and obtained his doctorate law degree at the University of Basel. He is a lawyer admitted to the Bar of Switzerland and a civil law notary in Basel. He was admitted to the New York Bar following studies at New York University School of Law. He is a partner at Vischer AG law firm in Basel.

Sebastian Burckhardt has been a member of the Board of Directors of Straumann since 2002.

Straumann's Board of Directors benefits from Dr Burckhardt's expertise as an independent lawyer. He is a specialist in corporate and commercial law and in mergers, acquisitions, joint ventures, licensing, distribution and technology agreements. His knowledge extends well beyond legal matters and includes many years' experience on corporate boards.



FROM LEFT TO RIGHT

DR BEAT LÜTHI

ULRICH LOOSER

GILBERT ACHERMANN

STEFAN MEISTER

DR SEBASTIAN BURCKHARDT

DR H.C. THOMAS STRAUMANN

ROLAND HESS



ROLAND HESS

Swiss (born 1951)

Chairman of the Audit Committee

From 2008 until 2012, Roland Hess served as senior advisor to the Executive Committee of the Board of Schindler Holding AG, Ebikon, and held positions on several Boards of Directors for companies within the Schindler Group. He joined Schindler in 1984 and rose through positions of increasing responsibility in controlling, finance and regional management to become President of the Elevator and Escalator Division. From 1971 to 1984, he worked for Nestlé, initially in accounting, then as an international auditor, and finally as Chief Financial Officer of a Group company.

His career includes several years in North and Latin America, in addition to assignments in Europe. He holds a degree in business administration from Lucerne Business School and studied at Harvard Business School near Boston.

Roland Hess has been a member of the Board of Directors of Straumann since 2010.

He has a long and distinguished track record in larger companies in more mature industries, combined with in-depth regional and functional experience. In addition, he complements the Board with expertise in compliance, risk management and standardized global procedures.

ULRICH LOOSER

Swiss (born 1957)

Member of the Audit Committee; Member of the Compensation Committee

Ulrich Looser is a partner of BLR & Partners AG. From 2001 to 2009, he was with Accenture Ltd, where he became Chairman of its Swiss affiliate (2005) and Managing Director of the Products Business in Austria, Switzerland and Germany. Earlier, he spent six years as a partner at McKinsey & Company Ltd. Mr Looser graduated in physics at the Swiss Federal Institute of Technology (ETH), Zurich, and in economics at the University of St. Gallen.

Ulrich Looser has been a member of the Board of Directors of Straumann since 2010.

His expertise in strategy, project and human capital management is of great value to the Straumann Board. He also adds in-depth consultancy and business development experience.

DR BEAT LÜTHI

Swiss (born 1962)

Member of the Compensation Committee

Beat Lüthi is CEO and co-owner of CTC Analytics AG, Zwingen, a globally active medium-sized Swiss company in the field of chromatography automation. After obtaining his PhD in Engineering from the Swiss Federal Institute of Technology (ETH), Zurich, he began his career with Zellweger Uster AG, a leading manufacturer of quality control equipment in textile production. In 1990, he moved to Mettler-Toledo International Inc and rose to the position of General Manager of the Swiss affiliate. In 1994, he completed an executive program at INSEAD and subsequently joined the Feintool Group in 1998. During his four-year tenure as CEO, the company went public and doubled in size. In 2003, he returned to Mettler-Toledo as CEO of the Laboratory Division. At the end of 2007, he joined CTC Analytics to lead and further develop the company as an entrepreneur. Under his lead, the company more than tripled its number of employees.

Beat Lüthi has been a member of the Board of Directors of Straumann since 2010.

Beat Lüthi combines entrepreneurship and corporate experience in different industries, which make him a valuable contributor to strategic and operational matters. His scientific background together with his experience as acting CEO and Board member in various industrial businesses are of further benefit to the Straumann Board.

STEFAN MEISTER

Swiss (born 1965)

Chairman of the Compensation Committee

Stefan Meister started his career at Sandoz Pharma in 1991. From 1995 to 2009, he worked for Celesio AG, a leading pharmaceutical distribution and services company. From 1999, he was a member of the Celesio Management Board, where his responsibilities included finance and controlling, IT, human resources, and the

pharmacy business. In 2010, he joined the Management Board of Franz Haniel & Cie GmbH, a family-owned, international group of companies which held – amongst others – a major stake in Metro AG and a majority stake in Celesio. At Haniel, he was responsible for the operating businesses CWS-boco and ELG as well as Group Finance, IT and Corporate Responsibility.

In 2011, he took office as Group Chief Operating Officer and member of the Board of Waypoint Capital, the Geneva-based holding company for the investments of the Bertarelli family, working closely with the Board and its Chairman.

Stefan Meister holds a degree in economics from Basel University. He has been a member of the Board of Directors of Straumann since 2010.

He complements the Board with in-depth knowledge in the Life Sciences sector and from industries with comparable business models/challenges to those of Straumann. He also has a wealth of experience in corporate governance, mergers and acquisitions, finance and human resources management.

ELECTIONS AND TERM OF OFFICE

The members of the Board of Directors, the Chairman of the Board and the members of the Compensation Committee (which shall at least be 3) are all elected individually by the Shareholders' General Meeting for a term of one year. Re-election is permitted until the age of 70.

If the position of Chairman of the Board or a position in the Compensation Committee falls vacant, the Board of Directors appoints a replacement from among its own members for the remaining term of office.

At the Annual General Meeting in April 2015, Gilbert Achermann, Dr h.c. Thomas Straumann, Dr Sebastian Burckhardt, Roland Hess, Ulrich Looser, Dr Beat Lüthi and Stefan Meister were all re-elected to the Board for a further one-year term. Gilbert Achermann was elected as Chairman of the Board; Stefan Meister, Beat Lüthi and Ulrich Looser were re-elected to the Compensation Committee. The Board appointed Dr h.c. Thomas Straumann as its Vice Chairman and Roland Hess, Sebastian Burckhardt and Ulrich Looser as members of the Audit Committee.

OTHER ACTIVITIES AND VESTED INTEREST

None of the Directors had any significant business connections with Straumann Holding AG or any of its subsidiaries in 2015.

Unless stated in the CVs (see above) or in the table "Material Memberships" (p. 116), none of the Directors:

- Performed any activities in governing or supervisory bodies of significant foreign or domestic organizations, institutions or foundations under private or public law
- Held any permanent management or consultancy position for significant domestic or foreign interest groups
- Held any official function or political post.

PERMITTED MANDATES OUTSIDE STRAUMANN

(PURSUENT TO ART. 12 OAEC)

Art. 4.4 of Straumann's Articles of Association states that no member of the Board of Directors may perform more than 15 additional mandates (i.e. mandates in the highest-level governing body of a legal entity required to be registered in the Commercial Register or in a corresponding foreign register) in commercial enterprises, of which no more than five may be in listed companies.

The following are exempt from the foregoing restrictions:

- Mandates in enterprises that are controlled by the Company
- Mandates in enterprises that are performed at the instruction of the Company
- Mandates in associations, organizations and legal entities with a public or charitable purpose, and in foundations, trusts, and employee pension funds; no member of the Board of Directors may perform more than ten such mandates.

Mandates in several legal entities under common control or under the same economic authority shall be deemed as one mandate.

STRAUMANN BOARD OF DIRECTORS – MATERIAL MEMBERSHIPS IN OTHER BOARDS

Member	Commercial enterprise	Charity/other	Location	Function
Gilbert Achermann	Julius Bär Gruppe AG/ Bank Julius Bär & Co. AG		CH	Board member
	Vitra Holding AG and group companies (until 31 December 2015)		CH	Chairman
		International Team for Implantology (ITI)	CH	Board member
Thomas Straumann	Centervision AG		CH	Chairman
	CSI-BHE AG		CH	Chairman
	Grand Hotel Les Trois Rois		CH	Board member
	Medartis Holding AG and Medartis group companies		CH	Chairman
		FDR Foundation for Dental Research and Education	CH	Board member
		International Bone Research Association	CH	Board member
Sebastian Burckhardt	Amsler Tex AG		CH	Board member
	Applied Chemicals International AG and ACI Group companies		CH	Board member
	Dolder AG		CH	Chairman
	Le Grand Bellevue SA		CH	Board member
	Grether AG		CH	Board member
	Immobilien-gesellschaft zum Rheinfels AG		CH	Chairman
	persona service AG and persona service group companies		CH	Board member
	Qgel SA		CH	Board member
		Fondation Bénina	CH	Member, Board of trustees
	Gehörlosen- und Sprachheilschule Riehen / GSR Wieland Stiftung / Stiftung Autismuszentrum	CH	Vice Chairman, Board of trustees	
	Misrock-Stiftung	CH	Member of the Board of trustees	
Roland Hess	Société Civile Immobilière Solivie		F	Board member

Member	Commercial enterprise	Charity/other	Location	Function	
Ulrich Looser	Bachofen Holding AG		CH	Chairman	
	BLR & Partners AG & BLR group companies		CH	Chairman	
	Econis AG		CH	Chairman	
	Kardex AG		CH	Board member	
	LEM Holding SA		CH	Board member	
	Spross Entsorgungs Holding AG & Spross group companies		CH	Board member	
		Economiesuisse	CH	Board member	
		Schweizerische Studienstiftung	CH	Board member	
		Swiss-American Chamber of Commerce: 'Doing Business in the US'	CH	Board member	
		Swiss National Fund	CH	Member, Board of trustees	
		University Hospital Balgrist, Zürich	CH	Member, Board of trustees	
		University of Zürich	CH	Board member	
	Beat Lüthi	APACO AG		CH	Board member
		CTC Analytics AG		CH	CEO & Board member
INFICON Holding AG			CH	Chairman	
		American Chamber of Commerce	CH	Panel member	
		Industrieverband Laufen-Thierstein-Dorneck-Birseck	CH	Board member	
		Stiftung Behindertenwerk St. Jakob	CH	Member, Board of trustees	
Stefan Meister	Affidea B.V.		NL	Supervisory director	
	Ares Allergy Holdings Inc & Ares group companies		USA	Board member	
	Campus Biotech Sarl & associated group companies		CH	Board member	
	Esaote SpA		I	Board member	
	Northhill Capital Holdings Limited		GBJ	Chairman	
	Stallergenes Greer PLC		GB	Board member	
	Waypoint Group Holdings Limited & Waypoint group companies		GBJ	Board member	
		American Chamber of Commerce	CH	Panel member	
	Center for Leadership & Values in Society, University of St. Gallen	CH	Council member		

OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS

The Board of Directors meets for one-day meetings at least four times a year and as often as business requires. In 2015, the full Board held six meetings and three telephone conferences, while the Audit Committee and the Compensation Committee both met five times (see the table 120 for details).

The CEO and CFO generally participate in Board meetings and are occasionally supported by other EMB members. Dr Andreas Meier, General Counsel of the Group, is responsible for the minutes.

The Board of Directors consults external experts on specific topics where necessary.

The Board of Directors is responsible for the strategic management of the company, the supervision of the EMB and the financial control. It reviews the company's objectives and identifies opportunities and risks. In addition, it decides on the appointment and/or dismissal of members of the EMB. The Board of Directors also provides a mentoring service to the Executive Management. This aims to provide executives with an experienced sparring partner/coach and a sounding board for testing ideas and seeking qualified independent opinions.

The Board of Directors has the following specific tasks and duties:

- To approve the Group's vision, behaviors and strategy
- To determine the principal organization and processes of the Group
- To approve the Group's strategic plan, financial medium-term plan and annual budget
- To approve the semi-annual financial statements
- To approve the annual report, the compensation report and the annual financial statements and submit these to the annual general meeting
- To prepare and approve the agenda of the annual general meeting and to implement its resolutions
- To appoint and dismiss the CEO and the members of the EMB
- To decide on the proposal of the Compensation Committee regarding the compensation payable to Board members, the CEO and the EMB
- To supervise the EMB and approve important transactions.

The Board of Directors has a quorum if a majority of members is present. This does not apply to resolutions that require public notarization, which do not require a quorum. Valid resolutions require a majority of the votes cast. In the event of a tie, the chairman of the meeting has the decisive vote.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has an Audit Committee and a Compensation Committee, each consisting of no fewer than three Board members with relevant background and experience.

The members of the Compensation Committee are elected by the General Meeting for a term of one year. In the event of a vacancy in the Compensation Committee, the Board of Directors appoints the replacement from among its own members for the remaining term of office. The members of the Audit Committee are appointed by the Board of Directors. Both Committees constitute themselves and appoint their chairman from among their members.

The Board of Directors may establish further committees or appoint individual members for specific tasks.

AUDIT COMMITTEE

Members: Roland Hess (Chair), Sebastian Burckhardt and Ulrich Looser

The Committee's main tasks are to:

- Assess the management of financial and other risks and the compliance with risk-related procedures and other relevant standards
- Oversee the performance of the external auditors, assess the fees paid, and assure their independence
- Oversee the activities of the internal audit function
- Review and discuss the financial statements with the CFO and with the external auditors and approve the quarterly statements for the first and third quarter of each financial year
- Review and assess processes and assumptions used for the financial planning and forecast cycles
- Review the funding, investing and management of liquid assets and propose profit distribution to the Board of Directors.

Board of Directors

GILBERT ACHERMANN
CHAIRMAN
Swiss, 1964
Board member since 2009

DR H.C. THOMAS STRAUMANN
VICE CHAIRMAN
Swiss, 1963
Board member since 1990

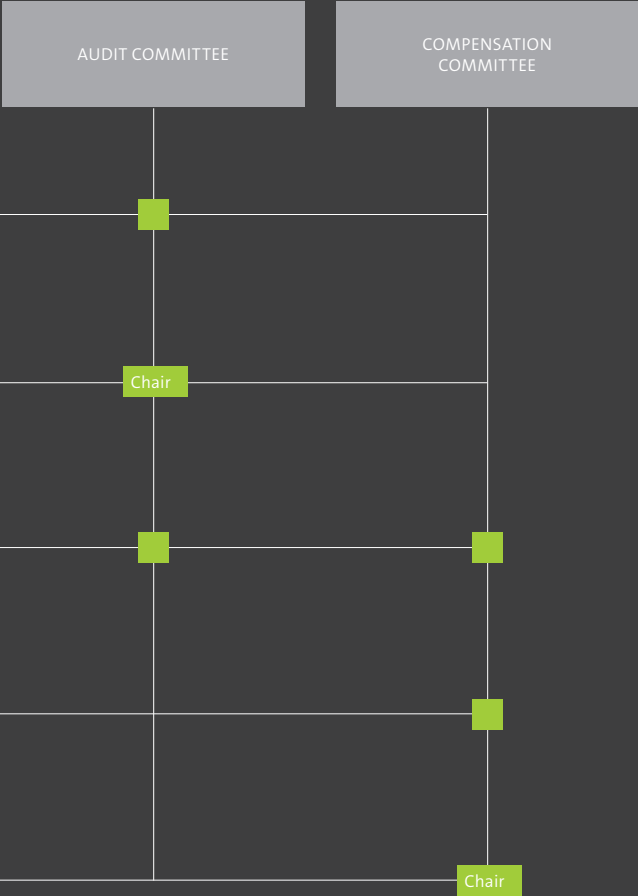
DR SEBASTIAN BURCKHARDT
Swiss, 1954
Board member since 2002

ROLAND HESS
Swiss, 1951
Board member since 2010

ULRICH LOOSER
Swiss, 1957
Board member since 2010

DR BEAT LÜTHI
Swiss, 1962
Board member since 2010

STEFAN MEISTER
Swiss, 1965
Board member since 2010



TIME (DAYS) SPENT BY DIRECTORS AT BOARD/COMMITTEE MEETINGS AND ON COMPANY RELATED MATTERS

2015 MEETINGS	Achermann	Straumann	Burckhardt	Hess	Looser	Lüthi	Meister
Board ¹	9	8	9	9	9	9	8
Audit Committee	5	-	5	5	5	-	-
Compensation Committee	5	-	-	-	5	5	5
Other ²	55	30	10	12	10	10	11
TOTAL DAYS 2015	74	38	24	26	29	24	24

¹ incl. 3 telephone conferences

² Meeting preparation, travel

COMPENSATION COMMITTEE

Members: Stefan Meister (Chair), Ulrich Looser, Dr Beat Lüthi

The Committee's main tasks are to:

- Prepare the compensation report and submit it to the Board of Directors for approval and submission to the annual general meeting
- Review the compensation principles for any compensation paid to the Board of Directors, the CEO and the EMB and submit them to the Board of Directors for approval
- Prepare proposals concerning the compensation of the Board of Directors, the CEO and the EMB and submit them to the Board of Directors for approval and submission to the annual general meeting
- Establish the targets and target amounts of the short- and long-term performance-based compensation components and determine the amount payable under the scheme
- Discuss the CEO's proposals for appointments to the EMB with the CEO and submit them to the Board of Directors for approval
- Assess candidates for the CEO role and submit a proposal to the Board of Directors for approval
- Prepare agreements concerning payments to a new CEO or EMB member according to Article 4.3 in the Articles of Association and submit them to the Board of Directors for approval
- Review the composition of the Board of Directors and make proposals in the context of a regular renewal, taking into consideration the representation of major shareholders, balanced skills, experience and diversity.

ASSIGNMENT OF RESPONSIBILITIES TO THE EXECUTIVE MANAGEMENT BOARD

The Board of Directors has delegated responsibility for the operational management and sustainable development of the company to the CEO and the EMB. For details on the specific responsibilities see the operational structure on page 126.

The Board of Directors has not delegated any management tasks to companies or persons outside the Group.

EXECUTIVE MANAGEMENT BOARD

The Board has delegated the executive management of the Group to the Chief Executive Officer (CEO) and the other members of the Executive Management Board (EMB). The CEO and, under his direction, the other EMB members are responsible for the Group's overall business, affairs and day-to-day management. The EMB is also responsible for implementation of strategic decisions and stakeholder management. The CEO reports to the Board regularly and whenever extraordinary circumstances so require. Each member of the EMB is appointed and discharged by the Board. On 31 December 2015, the EMB comprised nine members under the leadership of the CEO, Marco Gadola.

On 30 March 2015, Petra Rumpf joined Straumann as Head of Instrandent & Strategic Alliances. She succeeded Dr Sandro Matter, who left Straumann in December 2014.

On 1 January 2016, the Head of Straumann's LATAM region, Matthias Schupp, was appointed to the EMB, reflecting the increasing importance of Latin America, which now generates more than 10% of the Group's revenue and employs a quarter of its workforce. At the same time, Andy Molnar relinquished his responsibilities as Head Sales North America and stepped down from the EMB. He was succeeded by Guillaume Daniellot, whose role as Head Sales Western Europe transferred to Jens Dexheimer, who joined the EMB. Thus, on 1 January 2016, the EMB comprised ten members.

MARCO GADOLA

Swiss (born 1963)
CEO

Marco Gadola has a strong executive track record in a broad range of global businesses. He rejoined Straumann in 2013 as CEO, having previously served as Chief Financial Officer and Executive Vice President Operations from 2006 to 2008, when he left to pursue a career development opportunity at Panalpina, a world leader in supply chain management. Having started as Panalpina's Chief Financial Officer, he became Regional CEO Asia/Pacific in 2012, with overall responsibility for the regional business.

Prior to his first term at Straumann, he spent five years at Hero, the Swiss-based international food group, where he was also CFO and responsible for IT and operations.

Previously, he spent nine years at the international construction tool manufacturer Hilti, where he held a number of senior commercial/sales and finance-related positions in various countries. Before that, he worked for Sandoz International Ltd, as Audit Manager, and for Swiss Bank Corporation, Basel, in Corporate Finance.

Mr Gadola graduated from Basel University in business administration and economics. He also completed various programs at the London School of Economics and at IMD in Lausanne.

DR PETER HACKEL

Swiss (born 1969)
Chief Financial Officer

Peter Hackel rejoined Straumann in 2014, after three years at Oerlikon Industrial Group, where he was CFO of the global segment Oerlikon Drive Systems. He first joined Straumann in 2004 in a Project Management and Business Development role and rose to become Head of Group Controlling and Member of the Corporate Management Group. Prior to Straumann, he spent three years at Geistlich Biomaterials, as Director of Marketing & Sales Orthopaedics, and two years at McKinsey & Company as a Consultant.

Peter Hackel offers a valuable combination of financial and business expertise together with an analytical scientific background. He obtained both his Master's degree and PhD in Biochemistry and Molecular Biology from the Swiss Federal Institute of Technology (ETH) in Zurich and complemented his education with studies in Business Administration at the University of Hagen in Germany.

DR GERHARD BAUER

German (born 1956)
Head Research, Development & Operations

Gerhard Bauer is a seasoned executive with a broad international background in Global Operations. He has spent more than 30 years in the pharmaceutical and medical device industry in various leadership positions.

Prior to joining Straumann in 2010, Dr Bauer held managerial positions at Nextpharma, a specialist company in the biotech industry, and Bausch & Lomb, a global leader in eye-care products. From 1992 to 2008, his

career at Bausch & Lomb was distinguished by increasing responsibility and, in 2006, he was appointed Head of Global Operations & Engineering and Member of the Executive Team. From 1984 to 1992, he worked for Ciba Vision, a subsidiary of Novartis. He began his career in production at GlaxoSmithKline in 1983.

Dr Bauer received his PhD from the Institute of Pharmaceutics at the Ludwig-Maximilians-University in Munich where he also obtained his MSc in Pharmaceutics. Additionally, he received an advanced degree in Pharmaceutical Technology from the Bavarian Chamber of Pharmacists.

WOLFGANG BECKER

German (born 1966)

Head Sales Central Europe & Distributors EMEA

Wolfgang Becker holds a number of business school diplomas including that of the St. Gallen Management Center.

He began his professional career at Straumann in 1986 and held a series of managerial positions of increasing responsibility in the company's German subsidiary, becoming Head of Human Resources in 1991, Head of Marketing in 2000, and General Manager of Straumann Germany in 2001. He served on Straumann's Executive Committee as Head of Sales Europe from 2005 to 2006. Since then, he has been responsible for Straumann's business in Central and Eastern Europe, and headed the Group's distributor business from 2007 to 2008.

Wolfgang Becker rejoined the Group's Executive Management Board in his current role in 2013.

GUILLAUME DANIELLOT

French (born 1970)

Head Sales North America

Appointed to new position in 2015, effective 1 January 2016

Having obtained a Bachelor's degree in Physics from the University of Dijon and a Masters in Marketing from FGE in Tours, Guillaume Daniellot completed his studies with a Masters in Business Administration at the ESC European School of Management in Paris.

His professional career began in hospital product management – initially at Coloplast and then at B. Braun, as an international business unit manager. He switched to the dental industry in 2001, joining Dentsply France, where he became Sales & Marketing Director.

Mr Daniellot joined Straumann in 2007 as Managing Director of Straumann France. Two years later, he transferred to Group Headquarters to become Head of Global Sales Digital Dentistry. Shortly afterwards he took over responsibility for Straumann's Prosthetic Laboratory Business Group, including global management of sales, marketing, product development, training and education. In both these roles he was a member of the Corporate Management Group. He joined Straumann's Executive Management Board as Head Sales Western Europe in 2013.

JENS DEXHEIMER

German (born 1966)

Head Sales Western Europe

Appointed to new position in 2015, effective 1 January 2016

Jens Dexheimer is responsible for Straumann's Western European region, which includes Benelux, France, Iberia, Italy, the UK and Scandinavia. In his previous positions, he successfully managed the business in Germany, the Group's largest European market, and Iberia.

He moved to Straumann in 2010 from Wella/Procter & Gamble, which he joined in 1996 and where he rose through various international roles of increasing responsibility from regional Human Resources management to country, divisional and regional leadership. He began his career in consumer goods industry with Benckiser in Germany.

Mr Dexheimer obtained a degree in Economics at the State Vocational Academy in Mannheim and a Masters' Degree from Mainz University. He also completed an Executive Development Program at Kellogg University in Chicago.

FRANK HEMM

Swiss (born 1970)
 Head Customer Solutions & Education
 Appointed to current position in 2013

Frank Hemm holds a Master's degree in Economics from the University of St. Gallen and a Master's in Business Administration from Kellogg Graduate School of Management in Chicago. His business career began in management consulting with Andersen Consulting and McKinsey, focusing on business process re-engineering and strategic management consulting.

He joined Straumann in 2004 and was initially responsible for Corporate Business Development & Licensing. He was appointed Head of Sales, Western Europe in 2007 and became a member of the Corporate Management Group. A year later, he was given responsibility for the Asia/Pacific Region as Head of Sales based in Singapore, where he established and built up Straumann's regional headquarters. In addition to leading the integration and turnaround of the acquired distributors in Japan and Korea, he also expanded Straumann's presence in China.

In 2012, Mr Hemm was appointed to the Executive Management Board as Head of EMEA and LATAM, and he moved into his current role in 2013.

DR ALEXANDER OCHSNER

Swiss (born 1964)
 Head Sales APAC

Alexander Ochsner is a seasoned executive with extensive international experience in the medical device industry, having spent more than a decade in senior managerial roles at the top of the dental implant industry in regional leadership positions.

Before moving to the dental industry, he held managerial positions in marketing/sales at Medtronic and Medela, where he gained experience of the medical device market in the Far East as Area Sales Manager & Executive Director of the Japanese subsidiary. From 2002 to 2008, he worked for Zimmer Dental, where he was Vice President Europe & Asia/ Pacific and a member of the Divisional Executive Team.

Alexander Ochsner joined Straumann in September 2012 from Nobel Biocare, where he was Senior Vice President & General Manager EMEA and member of the Executive Committee.

Dr Ochsner gained his PhD at the Swiss Federal Institute of Technology (ETH) in Zurich, where he also attained an MSc in natural sciences. He has held his current position since 2012.

PETRA RUMPF

German (born 1967)
 Head of Instrandent & Strategic Alliances

Petra Rumpf has a strong executive track record in the dental implant industry and 20 years' experience in growth management, e-commerce, operational turnaround, strategy and Mergers & Acquisitions (M&A).

She worked for Nobel Biocare from 2007 to 2014, where she was Member of the Executive Committee and responsible for Corporate Development and M&A, global e-commerce, clinical training & education, and the successful development of the distributor business. She also managed the successful initiation of the Foundation for Oral Rehabilitation (FOR), a global foundation that is active in the area of science, education and humanity. During her last three years with the company, Petra Rumpf was also responsible for AlphaBio Tec – which is active in more than 50 countries, guiding its successful expansion into China and emerging markets.

Before joining Nobel Biocare, she spent 16 years at Capgemini Consulting, where she rose through various managerial roles to become Vice President Strategy & Transformation Consulting. Her work covered a spectrum of countries and industries with a focus on life sciences and high-tech.

Petra Rumpf holds an MBA from the Clark University in Worcester (USA) and a BA in economics from the Trier University in Germany.



FROM LEFT TO RIGHT

MARCO GADOLA

DR PETER HACKEL

DR GERHARD BAUER

WOLFGANG BECKER

DR ALEXANDER OCHSNER

GUILLAUME DANIELLOT

ANDY MOLNAR

PETRA RUMPF

FRANK HEMM



AS OF 1 JANUARY 2016

JENS DEXHEIMER



MATTHIAS SCHUPP



Executive Management Board



¹ Position held by Guillaume Daniellot until 31.12.2015.
² Position held by Andy Molnar until 31.12.2015.

MATTHIAS SCHUPP

German (born 1964)

Head Sales Latin America, CEO of Neodent

Appointed to current position in 2015, effective 1 January 2016

Matthias Schupp joined Straumann from Procter & Gamble in 2007 as Regional Manager, Western Europe. In 2013, he was appointed Head of Sales for the LATAM region and joined the management of Neodent, of which he became CEO early in 2015. He joined Straumann's Executive Management Board at the beginning of 2016.

Mr Schupp has a strong track record in country/regional management in various industries. He began his career in marketing and customer service with Merck KGaA, the German Pharmaceuticals, Fine Chemicals and Diagnostics company, and rose through country management to the position of regional Manager Latin America and US. He moved to Wella in 2000 as Managing Director of the business in Russia and became Managing Director Professional Care Portugal in 2004, following the acquisition of Wella by P&G.

Having graduated at the German/Brasilian High School in Rio de Janeiro, he gained most of his training in Business Administration and Management on the job through managerial and professional development programs at Merck and P&G.

ANDY MOLNAR

British (born 1962)

Head Sales North America (until 31 December 2015)

Andy Molnar has a proven track record in the dental and healthcare industries, having held senior managerial roles in global business sales and country management.

Under his leadership as General Manager of Straumann UK from 2006–2009, the company rose to national market leadership in implant dentistry. In 2009, Mr Molnar moved to Group headquarters as Senior Vice President Global Regenerative Sales and member of the Corporate Management Group.

He joined Straumann in 2005 from SIDHIL, a UK medical equipment company, where he was Sales and Marketing Director. However, the bulk of his career –

11 years – was spent in sales and management roles at GlaxoSmithKline Pharmaceuticals.

Andy Molnar holds a Bachelor of Science degree in Physiology and Biochemistry from Reading University and an MBA from Bradford University. He has held the position of Head Sales North America from 2012 to 2015.

For changes in the EMB in 2015 and early 2016 please see p. 121.

OTHER ACTIVITIES AND VESTED INTEREST

Marco Gadola is Vice President of the Board of Directors of Calida Holding AG, Switzerland, and Head of its Audit Committee. In 2015, he was a member of the Board of Directors and Board of trustees of the independent academic network International Team for Implantology (ITI). Under a collaboration agreement, Straumann supports the ITI with payments (see Note 29 of the Audited Consolidated Financial Statements on p. F 54). In early 2016, he was replaced on this Board by Frank Hemm.

Alexander Ochsner is an advisor of the Essence & DM Dental Industry Investment Partnership, a private-equity fund addressing the dental sector in China.

Other than these, no member of the EMB:

- Performed any activities in governing or supervisory bodies of significant foreign or domestic organizations, institutions or foundations under private or public law
- Held any permanent management or consultancy function for significant domestic or foreign interest groups
- Held any official function or political post.

PERMITTED MANDATES OUTSIDE STRAUMANN

(PURSUENT TO ART. 12 OAEC)

Art. 4.4 of Straumann's Articles of Association states that no member of the EMB may perform more than five mandates (i.e. mandates in the highest level governing body of a legal entity required to be registered in the Commercial Register or in a corresponding foreign register) in commercial enterprises, of which no more than one may be in a listed company. The following are exempt from the foregoing restrictions:

- Mandates in enterprises that control the Company or are controlled by the same
- Mandates in enterprises that are performed at the instruction of the Company

– Mandates in associations, organizations, and legal entities with a public or charitable purpose, and in foundations, trusts, and employee pension funds. No member of the Executive Management may perform more than three such mandates.

Mandates in several legal entities under common control or under the same economic authority shall be deemed as one mandate.

At the general meeting in 2016, the Board of Directors will propose to the shareholders that the maximum number of mandates in listed companies exercised by individual EMB members should be increased from one to two, which reflects the practice in 55% of SPI companies according to a study published in 2015 by Ethos, the Swiss Foundation for Sustainable Development.

MANAGEMENT CONTRACTS

The Board of Directors and the EMB have not delegated any managerial powers to persons or companies outside the Group.

INTERNAL MANAGEMENT DEVELOPMENT

Straumann continued the Strategic Management Development System (SMD) program initiated in 2008 to attract, develop and deploy key talent. The Group's goal is to fill at least 50% of key management positions with internal candidates and this goal was again met in 2015.

COMPENSATION, SHAREHOLDINGS AND LOANS

The compensation and equity holdings as well as the basic principles and elements of the programs determining them for the members of the Board of Directors and the EMB and their related parties are disclosed in the Compensation Report on p. 146 f. and also in the audited financial statements in Note 4 on p. F 77 f.

CHANGES OF CONTROL AND DEFENCE MEASURES

The Articles of Association of Straumann Holding AG do not contain provisions for opting out or opting up. There are no change-of-control clauses included in agreements and schemes benefiting members of the Board of Directors or the Executive Management Board or other management staff.

INFORMATION AND CONTROL MECHANISMS FOR THE BOARD OF DIRECTORS AND THE EMB MANAGEMENT INFORMATION SYSTEM

The Group's Management Information System encompasses management, business and financial reporting. The information is provided to the Executive Management Board once a month and to the Board of Directors as a monthly summary and in detail on a quarterly basis.

Straumann has built up a state-of-the-art SAP enterprise resource planning system, which covers 90% of all business transactions of the Group's fully consolidated entities. With the exception of the newly acquired Brazilian company Neodent, the system links all other major subsidiary companies and production sites directly with Group headquarters. This greatly reduces the potential for error or fraud, and it enables the Executive and Senior Management to monitor local processes and related figures directly, in detail and in real time. Neodent is integrated in the Group's reporting system but not in SAP.

INTERNAL CONTROL SYSTEM

The Group's Internal Control System (ICS) is a key instrument for designing business processes, measuring progress towards financial goals and addressing potential financial issues before they occur. It also supports the design of business processes in order to achieve the desired level of control in terms of efficiency and effectiveness.

The company's approach is to ensure that internal controls are accurate, timely, robust, and receive appropriate management attention in each respect. To achieve this, dedicated control templates are used for each business process to address major risks. The templates are continuously improved.

In addition, each entity (sales affiliate, production site or global function) has a designated, trained person or team that is ultimately accountable for the assessment undertaken and the decisions arising from it. Clear benefits of the Internal Control System include enhanced segregation of duties, increased control consciousness and higher awareness of potential risks and their consequences.

The ICS program is coordinated by Corporate Internal Audit, which meets with the external auditors on a regular basis to discuss the status of internal control

issues and the status of remediation of control deficiencies. Internal controls are evaluated annually by the external auditors and by Internal Audit according to an agreed program.

INTERNAL AUDIT

Corporate Internal Audit at Straumann is an independent and objective assurance and consulting body, reporting directly to the CFO and to the Audit Committee of the Board of Directors.

The main task of Corporate Internal Audit is to evaluate the effectiveness of the Group's governance and risk management processes, to review and assess internal controls, to monitor compliance with external and internal policies and procedures, and to ensure the economical and efficient use of the company's resources. In this role, Corporate Internal Audit promotes the exchange of best practices within the Straumann Group, proposes improvements, and monitors their implementation. In addition, Corporate Internal Audit pursues the development of the Group's Internal Control System.

In 2015, Corporate Internal Audit performed four audits at global and local levels, according to the audit program approved by the Audit Committee of the Board of Directors. This was fewer than originally planned owing to personnel changes in the Audit team.

CORPORATE RISK MANAGEMENT

The Board of Directors is responsible for the overall supervision of risk management and uses the Internal Audit function to this end. The Board has delegated the task of risk management to the Chief Risk Officer (CRO), who is also the CFO. Through its Audit Committee, the Board assesses and discusses risks on a regular basis in consultation with the CRO and/or the relevant members of senior management (see 'Risk Management' on p. 74 ff.).

EXTERNAL AUDITORS

The Shareholders' General Meeting elects and appoints the Group's external auditors on an annual basis. In April 2015, Ernst & Young AG, Basel, was re-elected as auditor of Straumann Holding AG for a second term of one year. The auditor in charge is Daniel Zaugg, Swiss Certified Public Accountant, who took over the mandate in 2014.

The Board of Directors supervises the external auditors through the Audit Committee, which met five times in

2015. The external auditors participated in two of these meetings, discussing the reports on the 2014 Audit Plan and the half-year review. Details of the instruments that assist the Board in obtaining information on the activities of the external auditors can be found opposite.

The worldwide fees paid to the auditors were as follows:

(in CHF 1000)	31 Dec 2015	31 Dec 2014
Total audit fees	828	839
Tax consultancy	0	0
Legal	0	0
Transaction services	135	336
Other services	0	0
Total non-audit fees	135	336
TOTAL	963	1175

INFORMATION POLICY

Straumann is committed to a policy of open, transparent and continuous information. In accordance with the rules of the SIX Swiss Exchange, Straumann publishes detailed sales figures on a quarterly basis as well as annual and half-yearly reports. Detailed information is provided at the Shareholders' General Meeting, and the minutes are published on the company's website. Where necessary or appropriate, the company also publishes additional information on significant events. The CEO, CFO, the Head of Investor Relations and the Head of Corporate Communication & Public Affairs are responsible for communication with investors and representatives of the financial community, media and other stakeholders.

In addition to personal contacts, discussions, and presentations in Europe, North America, and Latin America, Straumann held four quarterly financial results conferences for the media and analysts in 2015, two of which were teleconferences. The average participation at each event was more than 60 attendants on-site or remote by conference call. The conferences were transmitted live via audio webcast and/or traditional conference call. In addition, Straumann's top management attended two sector-specific and four general equity conferences. Research analysts from 19 banks/national institutions cover developments at the Straumann Group and are listed on p. 156 of this report as well as on the 'Investors' section of the Straumann corporate website.

Apart from this, Straumann frequently publishes media releases, briefing documents, and videos, which are archived and available from the company's website (www.straumann.com). The company offers a media release subscription service via its website and takes care to ensure that investor-relevant media releases are circulated broadly and in a timely manner according to the rules of the SIX Swiss Exchange and with due regard for the principles of fair disclosure. The company does not update its releases, reports and presentations, which means that the information they contain is only valid at the time of publication. Straumann advises against relying on past publications for current information.

ANNUAL REPORT & COMPENSATION REPORT

Straumann's Annual Report is a key instrument for communicating with various stakeholder groups. It is published in English (with a summary in German) in hard copy (with the Financial Report as separate print) and electronically on the company's website, where it can also be downloaded. The Compensation Report is issued as part of the Annual Report and can be downloaded from the company's website in the Investors section under www.straumann.com > Investors > Corporate Governance > Compensation.

Printed versions of the Compensation Report and full Annual Report can be ordered from:
investor.relations@straumann.com.

MEDIA USED FOR REPORTING PURPOSES

The company's website is www.straumann.com. The company's journal of record is the 'Schweizerisches Handelsamtsblatt' ('SHAB' – Swiss Official Gazette of Commerce). Further information requests should be addressed to:

Head of Investor Relations:
investor.relations@straumann.com
Tel. +41 61 965 11 11

Head of Corporate Communication:
corporate.communication@straumann.com
Tel. +41 61 965 11 11

CALENDAR

Straumann's calendar of planned reporting dates and investor relations events in 2016 can be found on p. 155 and is also published and updated on the company's website.



In 2015, Straumann's 2014 Annual Report received a prestigious Swiss HarbourClub/BILANZ award for value reporting (best in class for print and third overall) – outranking many of the world's largest companies. The same report also received the Silver Award of the League of American Communications Professionals in their 2014 Vision Awards. Our Annual Report has consistently featured among the Top-10 in the BILANZ/HarbourClub ratings for the past ten years.

Compensation report

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FOREWORD

In 2015, the Compensation Committee met five times and covered the topics on p. 135. Our main focus was on the impact of the strong Swiss franc and to review the aptness of fundamental compensation elements.

MITIGATING THE STRONG CURRENCY IMPACT

In response to the sharp appreciation of the franc against most currencies in January, the company took several measures to manage costs in order to protect its business and jobs. In Switzerland, our management and staff agreed in February to new employment contracts with significant compensation reductions depending on seniority. The Board of Directors also agreed to reduce their compensation significantly.

Due to the currency volatility and the resulting uncertainty, the Board considered it necessary to use operating profit (EBIT) rather than economic profit (EP) as the main performance indicator for the short-term incentive – as a temporary measure.

The Compensation Committee was closely involved in compiling these measures, which reflect Straumann's principle of addressing challenges in an entrepreneurial and forward-looking manner. We have committed to review them annually and can revoke them should there be a sustained recovery of the exchange rates.

CONTINUED REVIEW

It is essential that our compensation system effectively supports the company's efforts to build and foster a high-performance culture and to attract the best talent in our industry. It therefore seeks to promote sustainable performance, entrepreneurship and loyalty – thus combining the interests of shareholders, management and employees.

To ensure that we remain competitive as an employer, we periodically make comparisons with peer companies. In 2015, we commissioned an independent benchmark analysis of the overall remuneration of our executives, senior managers, and sales teams around the world. This showed that our compensation schemes compare well with the benchmarks.

Thus, apart from the aforementioned changes to the remuneration in Switzerland, there were no significant changes to the compensation system in 2015.

ACHIEVEMENT OF OBJECTIVES

The company delivered its 2015 EBIT-margin target of more than 20% despite the currency impact. This was achieved through organic top-line growth of 9%, efficiency gains and successful cost management. At the same time, the company made good progress with all of its strategic priorities. In recognition of this remarkable performance, the Board has decided to award a discretionary bonus to the staff in Switzerland for the 2015 business year, which fully compensates for the voluntary forfeits in the great majority of cases.

The 3-year objective (total shareholder return of 10% per year) for the 2012 tranche of the long-term incentive program for senior management was exceeded, yielding the capped maximum payout of 200%.

LOOKING AHEAD

In 2016, the main focus of the Committee will be the continuous assessment of Straumann's compensation system to maintain its competitive edge. In this context we will extend the benchmark analysis across further functions of the Group in addition to addressing any significant deviations identified in 2015.

The Board foresees only basic compensation increases that are linked to structural adjustments. In high inflation countries, local management may grant general merit increases. This approach will be implemented carefully and with due regard to local developments as well as our aim to remain a competitive employer.

Although exchange rates remained adverse, they stabilized in 2015. Hence the Board has decided to revert to economic profit as the major performance indicator for the short-term incentive in 2016 and beyond.

On behalf of the Board and our shareholders, I would like to thank our staff for their commitment and achievement. I would also like to thank the shareholders and the Board for their confidence in the Compensation Committee, and the management team for their constructive approach to the dialog in 2015.



Stefan Meister

Chairman of the Compensation Committee

INTRODUCTION

This report provides an overview of Straumann's compensation principles and practices and is in line with the Swiss Code of Best Practice for Corporate Governance and Swiss law.

It provides information on the compensation of the general staff, management, Executive Management Board (EMB) and the Board of Directors (BoD). It also explains the equity participation programs, including disclosure on the equity participation of the EMB and the Board of Directors. The compensation paid to these two groups is presented in the audited table on p. 146 f.

Straumann's present compensation system has been in place since 2011, when the Compensation Committee conducted a comprehensive review of the company's overall approach to rewarding employees and compensating the Board. The system was published in our Compensation Reports, which were approved through consultative votes in 2011–13 and formally approved for 2014 by the respective Shareholder's Annual General Meetings (AGM).

The compensation system is built on principles designed to:

- Align the interests of the leadership team and employees with those of our shareholders
- Support our attractiveness as a global employer, helping us to recruit and retain an engaged workforce
- Reward individuals according to clear targets
- Encourage entrepreneurship, above-market performance, accountability and value creation
- Bring out the best in each of our colleagues in line with our cultural journey objectives.

RESPONSIBILITY FOR COMPENSATION

The Board of Directors nominates the members of the Compensation Committee for election by the AGM. The Committee is entrusted with the design of the compensation system, which applies to the Board of Directors and EMB. It reviews the compensation principles and programs annually and benchmarks remuneration against relevant benchmarks and other related criteria. The Committee reports to the Board of Directors on its views regarding compensation practices as well as on the compensation of the EMB at least once a year and proposes changes when necessary. Further information on the duties of the

COMPENSATION RECOMMENDATIONS & DECISIONS

Recipient	Compensation recommended by	Compensation decided by
Chairman of the Board	Compensation Committee/Board of Directors	AGM
Board Members		
CEO	Chairman of the Board/Compensation Committee/Board of Directors	
Executive Management	CEO	
Senior Management	EMB	CEO
Management and staff	Line Management	EMB

Compensation Committee can be found on p. 120 in the section on Corporate Governance.

At the 2016 AGM, the shareholders will be asked to approve:

- The short-term incentive (STI) of the EMB for the 2015 business year
- The total fixed compensation of the EMB for the period 1 April 2016–31 March 2017
- The total long-term incentive (LTI) for the 2016 grant for the EMB (pending final approval by the Board of Directors based on 2016 results)
- The total compensation of the Board of Directors for the period between the 2016 and 2017 AGMs.

In 2015, the Compensation Committee met five times with all its members present. The Chairman of the Board and the CEO participated in all of the meetings except during discussions concerning the evaluation and determination of their own compensation. The calendar and general agenda of the Committee are presented in the table opposite.

TOPICS AND SCHEDULE OF THE COMPENSATION COMMITTEE MEETINGS 2015

FEBRUARY	APRIL	AUGUST	OCTOBER	DECEMBER
<p>Reviewed</p> <ul style="list-style-type: none"> – CEO & EMB performance – Compensation measures addressing currency impact incl. Company target change from EP to EBIT <p>Approved</p> <ul style="list-style-type: none"> – 2014 compensation report – Compensation of new EMB member <p>Determined 2015 target framework</p>	<p>Reviewed</p> <ul style="list-style-type: none"> – HR policies – Compensation Committee charter – Impact of new regulations <p>Followed up</p> <ul style="list-style-type: none"> – Currency impact measures – AGM feedback on Corporate Governance, Improvements, miscellaneous 	<p>Reviewed</p> <ul style="list-style-type: none"> – Proposal for CH pension fund transfer – Fundamental compensation elements – Refined LTI concept – Leadership development programs – Cultural Journey progress <p>Update on global benchmarking, incentive compensation management projects</p>	<p>Reviewed</p> <ul style="list-style-type: none"> – BoD composition & compensation – Straumann total remuneration system (including 2015/16 STI & LTI) 	<p>Reviewed</p> <ul style="list-style-type: none"> – 2015 Compensation Report topics – Compensation benchmarks for CEO & EMB – 2016 salary development plan

COMPENSATION PRINCIPLES

The compensation principles outlined below are valid for all Straumann employees, including the EMB, but not the Board of Directors, unless expressly stated.

VALUE CREATION DRIVES COMPENSATION

We believe that a compensation system driven by value creation encourages sustainable performance, loyalty and entrepreneurship and is thus in the interests of management, employees and shareholders alike. We are committed to compensating our staff, management and Board of Directors in a way that is competitive and rewards sustainable long-term performance as well as current success.

It is Straumann’s view that the company’s success depends largely on the quality and engagement of its employees. A modern compensation system is an important instrument for attracting, retaining and motivating talented people. Straumann’s compensation system takes these factors into account in that it

- Offers competitive compensation packages
- Fosters a high-performance culture that differentiates and rewards above-average individual performance, both in the short and long term
- Links variable long-term compensation to value generated by the company over the long term based on shareholder expectations

- Is benchmarked with comparable companies in the industry
- Provides employees with benefits based on good practices and regulations in local markets, and
- Is periodically reviewed by the Compensation Committee.

COMPREHENSIVE BENCHMARKING

Straumann’s policy is to pay employees, the EMB and the Board of Directors a base compensation that is close to the median of comparable medical device companies in the respective local market. In addition, the variable compensation elements are set to enable the overall compensation to be moved toward the upper quartile for outstanding performance.

Benchmark reviews for the EMB are conducted externally and include market analyses by industry specialists. Bespoke benchmarks include a peer group of comparable companies in various industries selected according to the following criteria:

- Comparable scope and business complexity
- Comparable geographic footprint
- Companies with whom we compete for talent.

In 2015, we commissioned benchmarks from well-known global providers for our Strategic Management and our sales teams around the world. The analysis

and comparison revealed that our compensation was generally in line with or above the benchmark in most countries with few exceptions. Any significant deviations from the benchmarks will be addressed in the 2016 compensation reviews.

ETHICAL, FAIR STANDARDS

We are committed to fair and equal treatment of all our employees and seek to be in full compliance with International Labor Standards. Compensation is not influenced by gender. Local minimum wage regulations have no bearing on our compensation policy, as our compensation clearly surpasses them.

TOTAL COMPENSATION AND COMPENSATION ELEMENTS

Overall, Straumann spent CHF 316 million on compensation, benefits and social costs in 2015, corresponding to an average of CHF 91 000 per employee (2014: CHF 120 000). In 2015, the average compensation per employee (total compensation divided by the average number of employees) went down significantly for the following reasons:

- The consolidation of Neodent and the build-up of our team in China collectively added almost 1000 new employees in regions where the cost of living and personnel costs are considerably lower than in Europe, North America and Japan, where more than two-thirds of our staff were located in 2014.
- Our staff in Switzerland, including the Board of Directors, agreed to compensation reductions to help mitigate the impact of the sharp appreciation of the Swiss franc against most currencies. Specifically, the reductions are in the form of waived bonus/incentive rights as presented in the table on the right and required new contracts for all employees.
- We restricted pay increases to structural changes only, to support our cost reduction initiatives.

As in the past, the compensation of employees and managers in 2015 comprised fixed as well as short- and long-term variable components, the mix of which was defined by role, profile, location and strategic impact. For the Executive and Senior Management, greater emphasis has generally been placed on the long-term variable component, in line with our strategic objective of promoting entrepreneurship. Their compensation mix has included a long-term variable compensation element, emphasizing long-term, sustainable decision-making and staff retention.

However, in response to the exceptional currency developments in 2015, the Executive Management and the Senior Management in Switzerland agreed to waive their right to a long-term incentive. Notwithstanding, they do not forego their long-term incentive payout for 2012–2014.

DETAILS OF COMPENSATION

REDUCTION INITIATIVE IN SWITZERLAND

Level	Voluntary reduction through	Proportion of total compensation
General staff	Reduced short-term incentive (bonus)	5%
Lower and middle management	Reduced short-term incentive (bonus)	6%
Senior and executive management	Forfeit of long-term incentive	10–35%
Board of Directors	Reduced fixed compensation	17%

The EMB and the Compensation Committee have committed to review the aptness of these measures annually.

SUMMARY OF OVERALL COMPENSATION

FIXED COMPONENTS

In 2015, the fixed compensation elements included the following:

- Base salary
- Pension plans (depending on local practices and regulations)
- Other benefits (depending on local practices and regulations).

BASE SALARY

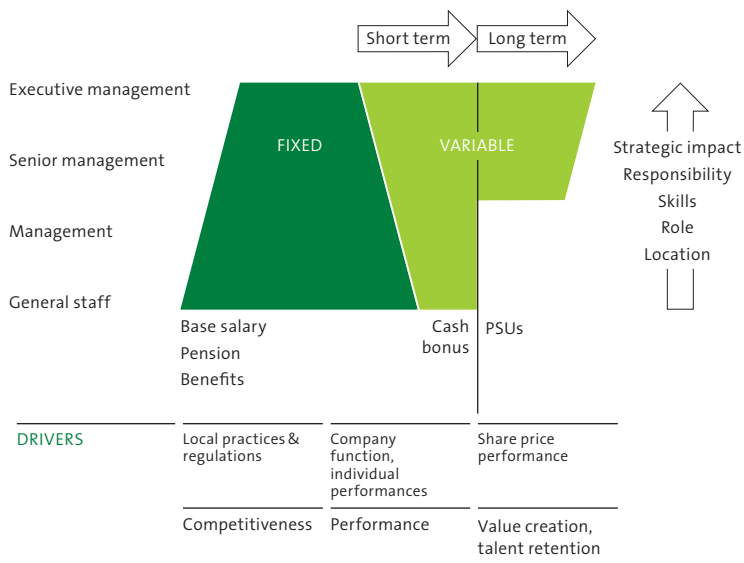
Straumann employees receive a fixed salary based on:

- Job profile
- Experience and skills
- External comparisons
- Place of work and local regulations
- Strategic importance of the position.

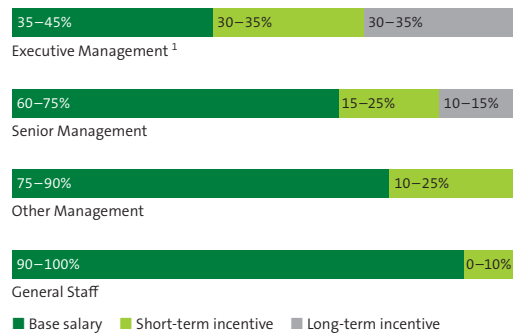
SALARY PROGRESSION 2015–W2016

As mentioned previously, there were no general salary increases in 2015. Where necessary, structural adjustments were made to adjust salaries to benchmarks and for staff who took on new roles and/or increased responsibilities. For 2016, the Board of Directors foresees only basic compensation increases that are linked to structural adjustments. In countries with

COMPENSATION MIX

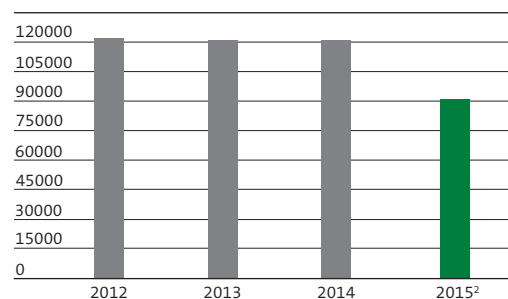


PAY MIX CORRIDOR (AT-TARGET ACHIEVEMENT)



¹ At target, the variable compensation (incl. STI and LTI) for the CEO will amount to 190% of base salary and in average to 104% of base salary for the remaining EMB members.

TOTAL COMPENSATION AVERAGE PER EMPLOYEE



² Including Neodent

high inflation, the local management teams may grant general merit increases. These approaches will be implemented carefully and with due regard to local developments as well as our ambition to remain a competitive employer.

PENSION PLANS

Internal analyses carried out in recent years showed that Straumann and its subsidiaries fulfill and, in some respects, exceed local legal requirements. In most cases, pension obligations are fully funded. Where this is not

SUMMARY OF OVERALL COMPENSATION

ELEMENTS OF TOTAL REMUNERATION

Element	Type	Description
Base salary	Fixed cash	<ul style="list-style-type: none"> - Fixed compensation, determined by scope and complexity of the role - Generally within an 80-120% range of relevant market median
Variable pay	Short-term incentives (STI – one year)	<ul style="list-style-type: none"> - For EMB, Senior Management and a broad group of employees, paid annually - Payout range: 0-200% of target - Performance measured against business results and accomplishment of individual and financial targets
	Long-term incentives (LTI – three years)	<ul style="list-style-type: none"> - Performance Share Units (PSUs) - For the EMB and a defined Senior Management group - Payout range: 0-200% of target - The grants made prior to 31.12.2011 vest in three installments (after 1, 2 and 3 years) and are determined according to the Group's total shareholder return (TSR) and return on shareholders' equity (ROE) over three calendar years - Since 01.01.2012, PSUs with a 3-year vesting period have been granted and shares are allocated based on a TSR of 10% p.a. over a 3-year period; see p. 141 f. (for 2015 the LTI for eligible employees in Switzerland and the EMB was forfeited)
Employee benefits	Fixed benefits	<ul style="list-style-type: none"> - Employee benefits are provided in line with local market practices - Pension plans are being de-risked in line with Group guidelines - Benefits are positioned towards relevant market medians

the case, liabilities are reported in the Annual Report following actuarial rules.

Further information on pension plans is provided in Note 21 to the audited consolidated financial statements on p. F 48 ff. Information on pension fund risks is also provided in the Risk Analysis on p. 78.

SWITZERLAND

There are two defined contribution pension plans in Switzerland, which together make up the occupational benefits at Straumann. The basic insurance plan offers protection against the financial consequences of old age, death and disability to all employees of Institut Straumann AG and Straumann Villeret SA. There is additional supplementary insurance for selected management whose proportion of variable compensation is high. Straumann employees in Switzerland and the Chairman of the Board of Directors are eligible for this pension scheme.

The pension plans were run semi-autonomously until the end of 2015. Due to the increase in regulations and

complexity, a higher level of professional expertise is required to manage them. Based on the recommendations of the Pension Fund Trustees, the EMB decided in August to transfer the Straumann Pension Fund completely to the independent GEMINI Collective Foundation with effect of 1 January 2016. The transfer has no impact on the pension scheme participants.

EUROPE

In other European countries, Straumann offers retirement insurance according to local practices. According to IFRS accounting standards, the majority of European pension plans are considered funded or unfunded defined contribution plans.

USA

A 401k retirement plan is provided to all Straumann employees in the USA over 21 years of age to enable them to save for retirement. The 401k plan is a defined contribution plan whereby (a) the employee has the option of making deferral elections from his/her pay on a pre-tax basis and (b) Straumann USA may

make matching contributions should the employee elect to make deferral elections. The plan is a tax-qualified plan under the Employee Retirement Income Security Act (ERISA).

In addition to the 401k plan, Straumann USA has a Supplemental Executive Retirement Plan (SERP) for a select management group. The purpose of this plan is to provide eligible employees with defined employer contributions and the opportunity to elect to defer receipt of certain compensation that would otherwise be payable to them in cash. The plan is intended to be a non-qualified, unfunded, deferred compensation arrangement for purposes of Title I of ERISA and is intended to comply with Section 409A of the Internal Revenue Code. According to IFRS, SERP is treated as a defined contribution plan.

OTHER BENEFITS

Straumann's benefit programs are an integral part of total compensation and are designed to enable the company to compete for and retain employees and managers. Benefits are structured to support our overall business strategy and are aligned with local practices and legislation. Examples of benefits include public transportation passes, lunch vouchers, the use of company cars, mobile phones, and concessions on Straumann products.

EMPLOYEE SHARE PARTICIPATION PLAN

Employees in Switzerland have the opportunity to purchase Straumann shares for 75% of the average share price over a period of seven trading days beginning on the ex-dividend day (see table above right). The shares are subject to a two-year blocking period and are dividend-bearing from the day of purchase.

In 2015, the plan was continued at a reduced level as one of the cost-reduction measures to mitigate the strong currency impact. While all employees in Switzerland were able to participate, the number of shares they could purchase was reduced by 50% and ranged from a minimum of 10 to a maximum of 500, depending on their level in the organization. It is planned to reinstate the plan fully in 2016.

The shares required for this plan were held by the Group as Treasury shares.

The Board of Directors is not eligible for this program.

EMPLOYEE SHARE PLANS

	Employees participating	Shares issued	Discount share price at issue	End of lock-up period
2015	86	4 653	CHF 196	April 2017
2014	107	11 495	CHF 138	April 2016
2013	44	2 405	CHF 88	April 2015

VARIABLE COMPONENTS

In 2015, the variable compensation components included one or more of the following:

- Performance-related short-term incentive
- Long-term incentive (Performance Share Plan)

SHORT-TERM INCENTIVE (STI)

The STI scheme (table overleaf) is tied directly to profit generated by the Group. For some areas, additional specific financial and/or individual performance criteria apply. Hence, the payout is based on a combination of the following:

- Company performance
- Achievement of specific financial target
- Individual performance

COMPANY PERFORMANCE

In general economic profit (EP) is the key performance indicator in Straumann's STI scheme. The Board of Directors – in consultation with the EMB – sets the absolute target for EP generation in Swiss francs annually, prior to the respective performance cycle, based on medium-term business plans and the defined budget for the year of performance. The pay-out ranges from 0 to 200% of the target.

EP is calculated by deducting a capital charge from the net operating profit after tax (NOPAT). The Board of Directors may exclude extraordinary elements from the calculation of the EP. The capital charge represents the cost of capital calculated on the basis of an average equity return expected by investors. This scheme builds the basis for our general bonus calculation model.

The main advantage of EP as a performance objective is that it goes beyond revenue growth and profitability increase and takes into account the resources used to achieve these increases and the resulting additional capital costs.

Based on its business development and growth projections at the outset of 2015, the Group's objective was to continue investing in growth initiatives and, at the same time, to increase profitability in order to achieve a sustainable EBIT margin of more than 20%. When the Swiss National Bank discontinued its policy to maintain a minimum exchange rate of the Euro of CHF 1.20 in January, the Swiss franc appreciated dramatically against most major currencies in which the Group does business – especially the Euro.

Straumann calculated that a continuation of the foreign exchange rate impact would reduce its full-year EBIT forecast by up to CHF 40 million given the mid-January exchange rate, cutting the corresponding margin expectation to less than 16%. The Group promptly initiated a cost reduction program to protect margins without compromising key investments. To drive the implementation and success of these initiatives, the Board of Directors considered it necessary – as a temporary measure – to use operating profit (EBIT) rather than economic profit (EP) as the main performance indicator for the short-term incentive.

For the bonus calculation, the original EBIT target including the currency impact was set as the lower threshold. The upper threshold was based on the achievement of the cost-saving initiatives, which would yield an EBIT margin of 20% in spite of the currency impact. The lower threshold would yield 0% bonus achievement, the mid-point 100% and the upper threshold 200%. The target relates to organic EBIT, i.e. excluding the effect of acquisitions and currencies. Thanks to good topline growth, efficiency gains and successful cost management the Group actually achieved an organic EBIT margin of 23.3% and exceeded the upper threshold, resulting in a maximum bonus achievement of 200%.

In the meantime the currency situation is more stable and predictable, which has enabled the Board to revert to EP as the major performance indicator for the short-term incentive in 2016 and beyond.

SPECIFIC FINANCIAL TARGETS

Specific financial targets are used for the following organizational units: Sales Regions, Customer Solutions & Education, Intradent Management, and Research, Development & Operations. The targets are derived from annual budgets and are set by the CEO together with the

member of the EMB responsible for the respective organizational unit. In 2015, for example, improvements to contribution margin and to strategic key sales initiatives were set as specific financial targets for the Sales Regions whilst improvement to cost of goods sold was defined as a specific financial target for Research, Development & Operations.

INDIVIDUAL PERFORMANCE

Individual performance is measured by the achievement of targets established with the respective line manager at the beginning of the year in the performance management process. These may involve a combination of specific project targets, the development of competences or skills, and specific contributions to team or organizational unit targets. A global performance management system supervised by Human Resources ensures that the objectives are defined in line with the company's strategic goals and that their achievement is assessed continuously during the year.

WEIGHTING OF PERFORMANCE CRITERIA

The weighting of the performance criteria depends on the role and responsibilities of the individual (see table on left). Overall, there is a stronger focus on individual targets as determined by management, in order to encourage and reward above-average individual performance appropriately.

SHORT-TERM INCENTIVE PERFORMANCE CRITERIA WEIGHTING

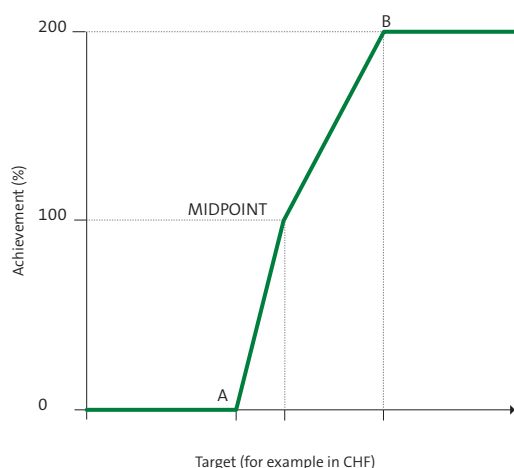
Management Level	Company	Financial	Individual
Chief Executive Officer	80%		20%
Executive Vice President	40–80%	0–40%	20–50%
Senior Vice President	20–40%	0–60%	20–60%
Vice President	20–40%	0–60%	20–60%
Management (Director, Senior Manager, Manager)	20–30%	0–60%	20–70%
Staff	0–20%	0%	80–100%

This table shows the weighting of the different types of performance measures according to the level of the employee and depending on the organizational unit the employee is working in

MEASUREMENT OF ACHIEVEMENT

The measurement scale for the achievement of company performance and financial targets ranges from 0% to a

SHORT-TERM INCENTIVE TARGET ACHIEVEMENT (STI)



In the short-term incentive model, the scale for financial target achievement extends from 0% to a maximum of 200% and is based on a line joining three points: 0% (point A), 100% (midpoint) and 200% (point B). The difference on the horizontal axis between the midpoint and point B must be equal to, or greater than, the difference between the midpoint and point A. The actual target achievement is measured by way of linear interpolation.

maximum of 200% of target and is based on a line joining three points as explained in the illustration above.

For individual target achievement, the assessment scale ranges from 0% to 150% of target. It is based on descriptors with corresponding percentage ranges:

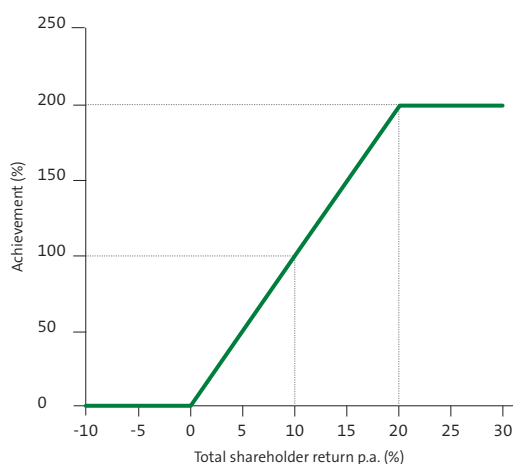
- Exceeds expectations
- Meets expectations
- Partially meets expectations.

LONG-TERM INCENTIVES (LTI)

The LTI program is designed for the EMB, Senior Management and other key employees depending on role, responsibility, location, strategic impact, and market practice. Participation is determined by the Board of Directors, who themselves are not eligible.

As noted previously, the Executive and Senior Management team in Switzerland agreed in their new contracts to forgo their long-term incentive plan

SHARE ALLOCATION BASED ON PERFORMANCE SHARE UNITS AND TOTAL SHAREHOLDER RETURN



The compensation model awards shares according to the number of PSUs allocated and the total shareholder return achieved per annum over a three-year vesting period. At the end of the performance period, no shares will be allocated for a TSR of 0% p.a. or less; one share will be granted per vested PSU if the TSR is +10% p.a. and two shares per vested PSU for a TSR of +20% p.a. or more (capped at 200%). For a TSR between 0% and 10% p.a. or between 10% and 20% p.a., the number of shares allocated per vested PSU is calculated on a linear basis.

for 2015 as part of the measures to mitigate the currency impact.

PERFORMANCE SHARE PLAN

This plan was introduced in 2012 and is designed to:

- Offer an attractive variable compensation element related to TSR
- Increase shareholdings of key employees, and
- Align participants' interests with those of the shareholders.

GRANT

Participants in the plan are granted Performance Share Units (PSUs) entitling them to receive shares after a three-year vesting period. PSUs are granted once a year after the AGM. No cash investment is required from the participants. The number of PSUs granted is equal to the participant's LTI value divided by the fair value of one PSU at the grant date. The LTI target value is a percentage of the total target compensation, and is

determined in accordance with the participant's role in the organization.

ALLOCATION OF SHARES

The PSUs vest at the end of the performance period and are converted into shares. They are forfeited if the individual leaves the company before the vesting date.

The number of shares allocated per PSU depends on the achievement of an absolute Total-Shareholder-Return target, which is determined by the Board of Directors and is currently set at 10% per annum for the 3-year performance period. Performance against the TSR target is calculated using the average of the closing share prices over the period of seven trading days starting on the ex-dividend date in the year of grant and in the year of vesting. The achievement factor is capped at 200%.

Current participants are entitled to Performance Share Units that were awarded in 2012–2014 and vest in 2015–2017. The three-year TSR target for the PSUs that were awarded in 2012 and vested in 2015 was clearly exceeded and resulted in a maximum achievement factor of 200%.

TOTAL SHAREHOLDER RETURN

TSR is the profit (or loss) realized by an investment at the end of a year or specific period. It includes capital gains or losses from changes in the share price as well as gross dividends.

PSU FAIR VALUE

The fair value of the PSUs granted has been determined using a Monte Carlo simulation algorithm. The valuation was performed by independent specialists applying the following significant inputs into the model: grant date, vesting date, average reference price, performance target including 'cap' and 'floor', share price at issue, risk-free interest rate, volatility, and expected dividend rate.

OPTION PLAN (UP TO AND INCLUDING 2011)

Up to the end of 2011, tradable options (non-tradable for participants outside Switzerland) with a term of six years and a two-year vesting period were allocated. The exercise price was equal to the share price on 31 December/1 January. The value of the options was determined at grant date and is expensed as a personnel expense from service commencement to the end of the vesting

period. The fair value of the options granted was determined using the Black-Scholes valuation model. The calculation of the option value was performed by independent specialists. Since 2012, no further option allocations have been made.

REGULATIONS RELATING TO COMPENSATION

The Swiss Ordinance against Excessive Compensation (OaEC) is fully reflected in Straumann's compensation schemes for the EMB and Board of Directors and in the Articles of Association (AoA), which are available on our website: www.straumann.com/articles.

AGREEMENTS WITH BOARD OF DIRECTORS AND EMB

Agreements with members of the Board of Directors regarding their compensation, and with members of the EMB regarding their employment may be temporary or permanent. Temporary agreements have a maximum term of one year, with the possibility of renewal, while permanent agreements have a notice period of no more than 12 months. Non-compete clauses are permissible. Compensation may be paid as indemnity for non-compete clauses. In such cases, the compensation must not exceed the last annual total compensation paid to the individual and may not be paid for more than one year (see Art. 4.5 AoA).

In 2015 no compensation was paid to related parties of members of the EMB and members of the Board of Directors.

COMPENSATION OF THE EMB

The principles for the compensation of the EMB specify both a fixed cash component, which includes base salary and other fixed compensation items, and a variable component (see Art. 4.2 AoA). The latter includes:

- An STI based on the achievement of corporate performance targets, and/or financial targets, and/or individual targets, and
- A variable share-based LTI based on the achievement of performance targets over a period of three years (not granted in 2015).

The compensation of each member of the EMB is determined according to role and responsibilities and is based on external benchmarks. Each member receives a base salary and is included in the STI plan, as described earlier. The compensation packages of the existing

members of the EMB remained more or less unchanged in 2015 with regard to the fixed cash component and STI.

If there are changes in the EMB subsequent to the AGM, the following apply:

- The total compensation (at target) of a new CEO shall not exceed 140% of the compensation paid to the departing CEO.
- The compensation of any other incoming member of the EMB shall not exceed 140% of the average compensation paid to EMB members (excluding the CEO).
- In addition, and as defined in the AoA, incoming EMB members may receive compensation to offset any losses of valuable rights associated with giving up their prior activities. The amount of this compensation may not exceed CHF 1 000 000 for a CEO or CHF 500 000 for other members (see Art. 4.3 AoA).

At the 2015 AGM, the shareholders prospectively approved a fixed compensation of CHF 5.0 million for the collective EMB (as composed in April 2015) for the period between 1 April 2015 and 31 March 2016. The variable STI for the business year ending 31 December 2015 will be submitted for approval by the shareholders at the AGM in 2016. The table on page 146 shows the compensation paid to the EMB in 2015 in accordance with the OaEC.

COMPENSATION PAID TO FORMER MEMBERS OF THE EMB

In 2015, Dr Sandro Matter and Thomas Dressendörfer received compensation based on their employment contracts. Neither was a member of the EMB in 2015.

LOANS TO EMB

The AoA do not allow for loans, advances or credits to any member of the EMB or related parties.

SHAREHOLDINGS OF THE EMB

The shareholdings in Straumann shares and stock options of the members of the EMB who held office at the end of 2015 are shown in the table on p. F 77.

PERFORMANCE SHARE UNIT FAIR VALUE

	2015	2014
Grant date	22.04.2015	25.04.2014
Vesting date ¹	22.04.2018	25.04.2017
Share price at grant	262.50	184.00
Risk-free interest rate	-0.63% p.a.	0.14% p.a.
Expected volatility	31.75% p.a.	31.81% p.a.
Expected dividend yield ²	0%	0%
Estimated fair value	CHF 208.06	CHF 152.33

¹ Seven trading days after the ex-dividend date.

² Assuming immediate reinvestment of dividend payment.

OUTSTANDING PERFORMANCE SHARE UNITS

	2015	2014
As of 1 January	99 810	79 138
Granted PSUs	7 586	30 063
Exercised	(23 559)	0
Forfeited PSUs ¹	(7 038)	(9 391)
Expired PSUs	0	0
AS OF 31 DECEMBER	76 799	99 810

¹ Eligible participants who left Straumann voluntarily or as part of the 2013 reorganization forfeited their PSU allocations for 2012 and 2013.

NUMBER OF OPTIONS OUTSTANDING UNDER THE STOCK OPTION PLAN

	2015	2014	2013
As of 1 January	131 702	199 470	260 676
Granted options	0	0	0
Exercised options	(47 447)	(62 796)	0
Forfeited options	0	0	(12 497)
Expired options	(7 055)	(4 972)	(48 709)
As of 31 December	77 200	131 702	199 470
Options available for exercise	84 255	136 647	156 057

	Options expiring at year-end	Options available for exercise
2015	7 055	77 200
2016	44 783	77 200
2017	32 417	32 417
TOTAL	84 255	

SUMMARY OF ALL VALID WARRANTS ISSUED IN THE STRAUMANN STOCK OPTION PLAN

Name/symbol	Year	Security ID number	Market maker	Type/ratio	Number	Strike price	Expiry
STMNCC ¹ Wt 12.16 (STMN16)	2010	12217893	Credit Suisse Derivatives	American 50:1	2 278 450	214.00	12.2016
STRAUM16 OPT1 ESOP (USA)	2010	4000211	Not traded	American 1:1	5 812	214.00	12.2016
STRAUM16 OPT1 ESOP (other countries)	2010	4000211	Not traded	American 1:1	1 750	214.00	12.2016
STMCS ¹ Wt 12.17 (STMN17)	2011	14630069	Credit Suisse Derivatives	American 50:1	2 226 400	162.10	12.2017
STRAUM17 OPT1 ESOP (USA)	2011	4000212	Not traded	American 1:1	2 105	162.10	12.2017
STRAUM17 OPT1 ESOP (other countries)	2011	4000212	Not traded	American 1:1	750	162.10	12.2017
TOTAL VALID WARRANTS ISSUED					4 515 267		

¹ Traded on the SIX Swiss Exchange.

VALUE DEVELOPMENT OF OPTIONS

Name/symbol	Grant	Vesting	Value at grant	Value at vesting	Value 31.12.2015
STMNCC ¹ Wt 12.16 (STMN16)	2010	2012	53.50	3.00	92.00
STMCS ¹ Wt 12.17 (STMN17)	2011	2013	38.00	32.00	143.00

¹ Traded on the SIX Swiss Exchange.

COMPENSATION OF THE BOARD OF DIRECTORS

According to the AoA, the compensation of the Board of Directors must be approved by the AGM and consists of a fixed compensation component only, which is paid in cash and shares (Art. 4.1 AoA). The Board of Directors establishes the compensation payable to its members within the limits approved by the AGM.

The 2015 AGM approved a maximum total compensation for the Board of Directors for the term of office ending at the 2016 AGM of CHF 2.25 million. It consists of a fixed compensation paid in cash and shares. The proposed total amount includes social security charges and the fringe benefits disclosed in the Compensation Report.

Approximately 40% of the compensation is paid in shares which are blocked for 2 years. In addition to shares allocated as part of their compensation, each member of the Board of Directors is required to hold at least a further 2 000 Straumann shares, demonstrating

engagement with the company. This approach is in line with best practice.

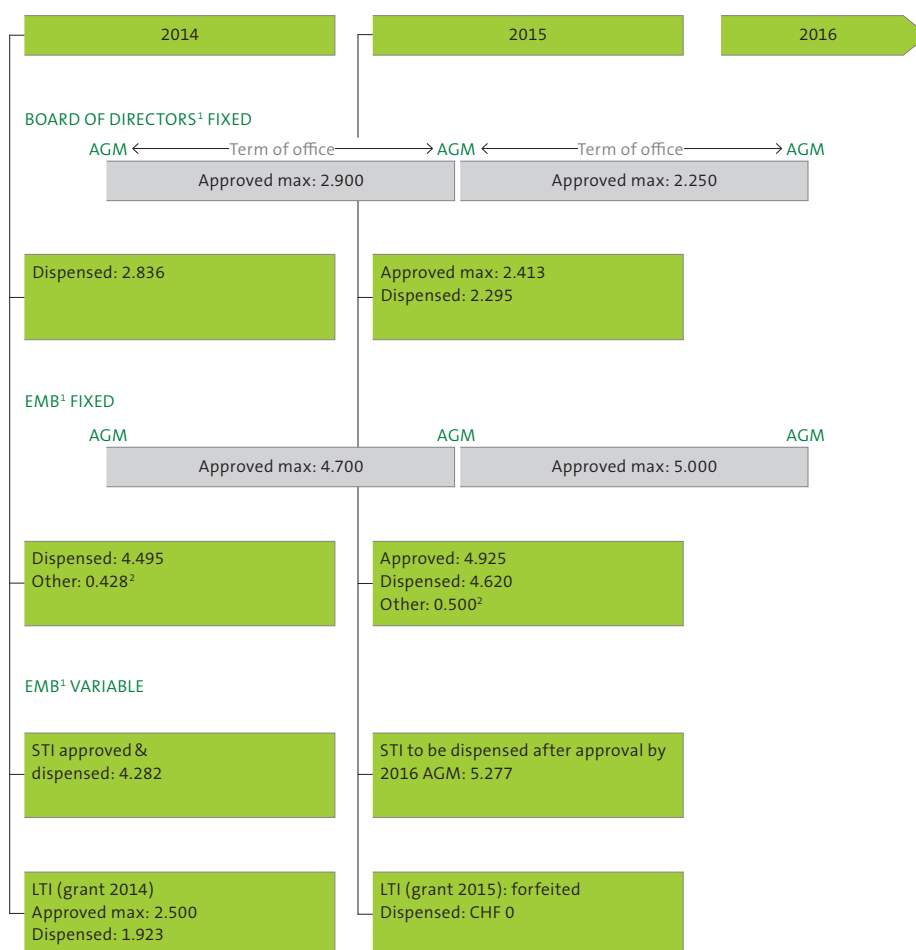
Irrespective of role, all members of the Board of Directors are entitled to reimbursement from the company for their reasonable expenses for travel to and from Board meetings, or on behalf of the Board, and other related incidental expenses, in accordance with the expense regulations for Members of the Board of Directors of Straumann Holding AG.

As part of the cost-saving measures introduced in February 2015 to mitigate the impact of the Swiss franc appreciation, the Board of Directors proposed a maximum collective compensation to the AGM that was CHF 650 000 below the compensation in 2014.

The compensation of the Board of Directors is laid out in the tables on p. 146 f. in accordance with Swiss law and is in line with current market practices.

COMPENSATION APPROVED¹ AND DISPENSED

(in CHF million)



¹ As composed at time of respective AGM and including social costs.

² 'Other compensation' according to Art. 4.3 of Articles of Association includes compensation of Peter Hackel in 2014 and Petra Rumpf in 2015 for remuneration forfeited due to resignation from previous employment.

In April, the AGM approves the maximum fixed compensation of the Board of Directors for their new term of office, which runs between AGMs. At the same time, the AGM approves the fixed compensation of the Executive Management Board for the period starting on 1 April and ending on 31 March, as well as their short-term incentive for the completed business year, and their long-term incentive grant for the current year.

In each case the approvals relate to the Board and EMB configurations at the time of the respective AGM. This chart shows the amounts approved by the AGM, the respective portions thereof calculated for the calendar year, and the amounts dispensed in the calendar year to the active members of the Board and EMB.

2015 (AUDITED TABLE)

(in CHF 1 000)	Fixed compensation			Other compensation	Total compensation
BOARD OF DIRECTORS					
Gilbert Achermann (Chairman)	624			119	743
Dr h.c. Thomas Straumann (Vice Chairman)	312			17	329
Dr Sebastian Burckhardt	212			11	223
Roland Hess (Chairman Audit Committee)	262			14	276
Ulrich Looser	212			11	223
Dr Beat Lüthi	212			11	223
Stefan Meister (Chairman HR Committee)	262			14	276
Total	2 096			197	2 293

(in CHF 1 000)	Fixed compensation	Performance bonus	Performance share units	Other compensation	Total compensation
EXECUTIVE MANAGEMENT BOARD					
Marco Gadola (CEO)	750	1 535	0	306	2 591
Other members (7 until 31 Mar 2015, thereafter 8) ¹	2 831	2 910	0	2 113	7 854
Former member	484	367	0	449	1 300
Total	4 065	4 812	0	2 868	11 745
TOTAL	6 161	4 812	0	3 065	14 038

¹ Includes compensation of remuneration components forfeited by Petra Rumpf due to resignation from previous employment.

None of the Board members received any compensation from the Straumann Group other than that disclosed in this report.

COMPENSATION PAID TO FORMER MEMBERS OF THE BOARD OF DIRECTORS

In 2015, no payments to former members of the Board or related parties were made.

LOANS TO MEMBERS OF THE BOARD OF DIRECTORS

The AoA do not allow for loans, advances or credits to any member of the Board of Directors or related parties. Thus, no such payments were made in 2015.

APPROVAL OF COMPENSATION

The AGM prospectively approves the maximum compensation payable to the Board of Directors for the term of office ending at the next AGM. Likewise, the AGM approves the maximum fixed compensation of the EMB

prospectively for the period commencing on 1 April and ending on 31 March of the next calendar year. The variable short-term components of the EMB's compensation are approved retroactively for the business year preceding the AGM (see art. 3.1.9 AoA and table on p. 145).

The compensation of the individual members of the Board and the EMB is decided by the Board of Directors on recommendation of the Compensation Committee and within the limits set by the AGM. The relevant criteria are explained on p. 142 ff., and the compensation awarded to the Board of Directors and the EMB is disclosed on the tables above and opposite.

For 2016, a maximum collective STI of CHF 6.0 million (including social costs and other compensation) is budgeted for the EMB if all relevant targets are achieved to the defined maximum (subject to approval at the 2017 AGM). In addition, the Board of Directors will submit a

2014 (AUDITED TABLE)

(in CHF 1 000)	Fixed compensation			Other compensation	Total compensation
BOARD OF DIRECTORS					
Gilbert Achermann (Chairman)	721			179	900
Dr h.c. Thomas Straumann (Vice Chairman)	360			27	387
Dr Sebastian Burckhardt	251			20	271
Roland Hess (Chairman Audit Committee)	305			23	328
Ulrich Looser (Chairman Strategy Committee ¹)	264			21	285
Dr Beat Lüthi	251			20	271
Stefan Meister (Chairman HR Committee)	305			23	328
Former member					
Dominik Ellenrieder ¹	53			13	66
Total	2 510			326	2 836

(in CHF 1 000)	Fixed compensation	Performance bonus	Performance share units	Other compensation	Total compensation
EXECUTIVE MANAGEMENT BOARD					
Marco Gadola (CEO)	750	1 209	780	260	2 999
Other members (8 until 30 Nov 2014, thereafter 9) ²	2 415	2 224	1 046	1 431	7 116
Former member	440	305	97	172	1 014
Total	3 605	3 738	1 923	1 863	11 129
TOTAL	6 115	3 738	1 923	2 189	13 965

¹ Until 31 March 2014

² Includes compensation of remuneration components forfeited by Peter Hackel due to resignation from previous employment.

maximum fixed compensation for the EMB of CHF 5.8 million to the AGM. In each case, these figures apply to the EMB as composed on 1 January 2016.

None of the EMB received any compensation from the Straumann Group other than that disclosed in this report.

As noted, the EMB agreed to forgo its LTI and hence waived its right to the 2015 PSU allocation under the Long Term Incentive Plan with a value of CHF 2 500 000. Consequently, the AGM did not vote on long-term compensation components.

Going forward, the Board of Directors is keen to reinstate the Long Term Incentive scheme for the EMB as soon as the exchange-rate environment in Switzerland makes this appropriate. As a preparatory step, it will propose that the AGM approves a maximum LTI component of CHF 2.8 million for the EMB in 2016, which the Board may or may not award, depending on the performance and situation at the end of the 2016 business year.

Report of the statutory auditor on the remuneration report of Straumann Holding AG, Basel

TO THE GENERAL MEETING OF STRAUMANN HOLDING AG, BASEL

Basel, 9 February 2016

REPORT OF THE STATUTORY AUDITOR ON THE REMUNERATION REPORT

We have audited the remuneration report of Straumann Holding AG for the year ended 31 December 2015. The audit was limited to the information according to articles 14 – 16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables labeled “audited” on page 146 and page 147 of the remuneration report.

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the

reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the remuneration report for the year ended 31 December of Straumann Holding AG complies with Swiss law and articles 14 – 16 of the Ordinance.

Ernst & Young Ltd



Daniel Zaugg
Licensed audit expert
(Auditor in charge)



Daniel Maiwald
Licensed audit expert

Extraordinary performers...

communicate effectively

LEFT TO RIGHT

CARMEN BRUMANN
Accountant

LAETITIA STEINER
Team Assistant

TONE BAUER
SAP Basis Experte

ANOIR BELMKADERN
Complaint Handling Specialist

LUKAS WYDER
HR Projects & Analytics

DOMINIK SCHNEIDER
Head Digital & Content Marketing



Information for investors

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Share performance

Outstanding in the SMIM index

2015 was a challenging year for investors, with global equity markets growing at an average 3%. Clearly this was more than most fixed-income investments returned but only slightly higher than high-risk, high-grade corporate bonds. Japan and the top-performing markets in Europe rose around 10%, while emerging markets lost 6% on average.

The Swiss stock market suffered from the Swiss National Bank's decision in mid-January to stop underpinning the CHF-Euro exchange rate, which had offered exporting companies in Switzerland a free currency hedge over the previous four years. Within just two trading days, Swiss stocks lost an average 15% of their market values. Straumann's enterprise value was disproportionately affected and dropped 28%.

Although most of the losses were subsequently recovered, the Swiss main index SMI closed the year 2% lower than it began. By comparison, the STOXX Europe 600® index gained 8% in Euro but lost 3% in Swiss franc terms. The mid-cap stocks represented in the SMIM index performed better and increased 9% on average, driven by rising earnings, healthy balance sheets, less exposure to

battered emerging markets, and continued stimuli from central banks.

With its share price climbing 22%, Straumann was the eighth best performing stock in this national index. Over the past three years, the stock has yielded a total shareholder return of 43% – ranking it the fourth best performing stock in the SMIM. This outstanding performance reflects strong fundamental margin improvements, increased sales momentum across all regions, and successful strategic reorientation, which have inspired investors. In a perception poll of 75 investment professionals conducted in December, three out of four investors expressed their confidence in the company's strategy and its executive management.

Total pre-tax shareholder return amounted to 23% or CHF 58. The average daily closing price of the share ranged between CHF 199 and CHF 307, with the year-end closing price at CHF 305. On average, 40 225 shares were traded daily, which was 22% above the prior year and good in view of the free-float adjusted market capitalization of CHF 2.9 billion (at 31 December 2015).

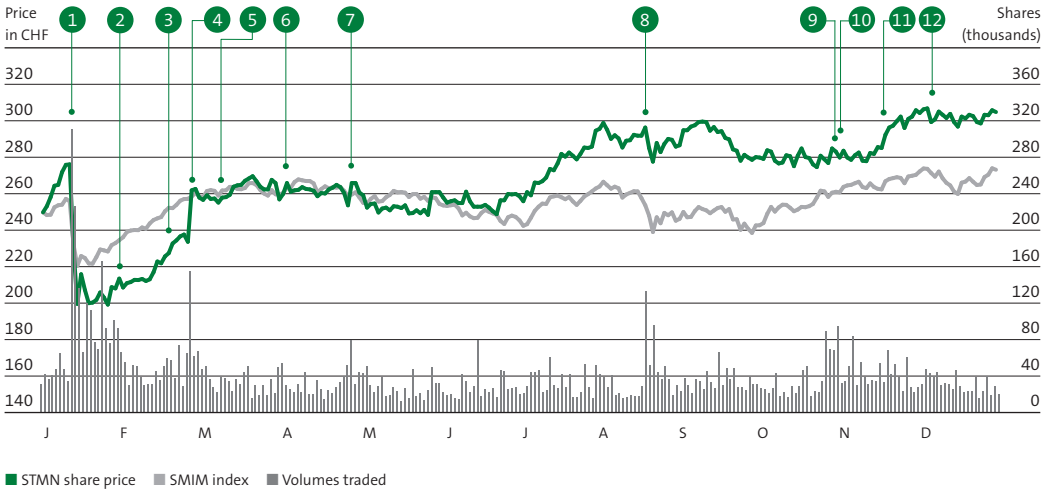
SHARE PRICE DATA

(in CHF)

	2015		2014	
	Value	Date	Value	Date
First trading day	249.90	05.01.15	165.60	03.01.14
Lowest ¹	199.20	28.01.15	165.60	03.01.14
Highest ¹	307.00	02.12.15	255.00	08.12.14
Last trading day	305.00	30.12.15	250.75	30.12.14
Average	268.00		207.54	
Tax value	305.00		250.75	
Total shareholder return, gross of tax	23.1%		52.6%	
Share price performance	21.6%		50.3%	
Market capitalization at year end (CHF million)	4 779		3 915	

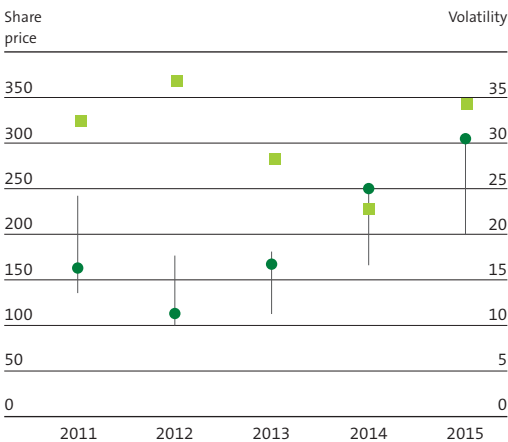
¹ Value reflects closing price

SHARE PRICE DEVELOPMENT



- 1 15 Jan SNB discontinues minimum exchange rate of CHF 1.20 per euro.
- 2 3 Feb Cost-saving measures announced to mitigate effect of CHF-strength.
- 3 19 Feb Employees agree to proposed compensation reductions to mitigate FX impact.
- 4 27 Feb FY 2014 shows significant profitability improvements.
- 5 11 Mar Multiple new solutions presented at IDS congress.
- 6 7 Apr Straumann acquires 100% of Neodent.
- 7 30 Apr Q1 2015: Promising start into the year.
- 8 20 Aug H1 2015: Strong organic growth of 9% and underlying EBIT margin of 24%.
- 9 28 Oct Sirona adds Straumann Variobase to its CEREC offering
- 10 29 Oct Straumann on track with organic growth of 8% in Q3.
- 11 16 Nov Neodent becomes distributor for Amann Girrbach in Brazil.
- 12 2 Dec Straumann hosts Investor Visitor Day in Curitiba, Brazil.

HIGHEST/LOWEST VALUES (in CHF)



● At last day of trading (left scale) ■ Annualized volatility in % (right scale)

STOCK EXCHANGE INFORMATION

Listing	SIX Swiss Exchange (STMN)
Bloomberg	STMN SW
Reuters	STMN.S
Investdata	STMN
Ex date	12 April 2016
Payment date	14 April 2016
Security ID	001 228 007
ISIN	CH 0012 280 076

Calendar

Reporting dates & key events

KEY DATES IN 2016

25 February	2015 full-year results
8 April	Annual General Meeting
12 April	Dividend ex-date
3 May	Q1 sales
23 August	Q2 sales and H1 results
27 October	Q3 and 9M sales

PLANNED INVESTOR RELATIONS EVENTS AND CONFERENCES IN 2016

Members of Straumann's Executive Management and/or Investor Relations team plan to take part in the following events (subject to availability):

ROADSHOWS & CONFERENCES

15 January	Helvea Baader Swiss Equities Conference, Bad Ragaz (CH)
26 February	Investor Meetings, London
18 March	Investor Meetings, Paris
22 March	Carbon Free Roadshow, Video Conference
23 March	Kepler Cheuvreux Swiss Seminar, Zurich
28 April	Investor Meetings, Chicago
29 April	Investor Meetings, New York
11 May	Investor Meetings, Benelux
6 June	Investor Meetings, Geneva
7 - 8 June	Vontobel Swiss Equities Conference, Interlaken (CH)
6 July	Investor Meetings, Montreal
7 July	Investor Meetings, Boston
8 July	Investor Meetings, New York
6 September	Investor Meetings, London
7 September	Goldman Sachs EU / Medtech Conference, London
15 September	UBS Best of Switzerland Conference, Ermatingen (CH)
29 September	Investor Meetings, Paris
31 October	Investor Meetings, Zurich

CORPORATE GOVERNANCE ROADSHOWS

26 February	Investor Meetings, London
22 March	Investor Meetings, Singapore
28 April	Investor Meetings, Chicago
31 October	Investor Meetings, Zurich

SELECTED DENTAL MEETINGS

12–14 February	International Congress of Oral Implantologists [ICOI] Winter Implant Symposium (Miami, USA)
18–20 February	Academy of Osseointegration AO 31th Annual Meeting (San Diego, USA)
25–27 February	Chicago Dental Society 151st Midwinter Meeting (Chicago, USA)
26–27 February	LMT Lab Day (Chicago, USA)
10–12 March	Expodental (Madrid, Spain)
7–9 April	Dental Forum (Paris, France)
21–23 April	International Osteology Symposium (Monaco)
26–29 April	ITI Annual General Meeting (Chicago, USA)
28–30 April	ITI Congress North America (Chicago, USA)
9–11 June	Dental Bern (Berne, Switzerland)
9–12 June	Sino-Dental (Beijing, China)
16–17 June	Neodent Congress (Curitiba, Brazil)
9–10 September	Bone & Tissue Days (Berlin, Germany)
29 September – 1 October	25th Annual Scientific Meeting of the European Association for Osseointegration [EAO] (Paris, France)
22–26 August	26th ITI Education Week (Berne, Switzerland)
25–27 August	International Congress of Oral Implantologists [ICOI] Summer Implant Symposium (San Diego, USA)
10–13 September	102nd Annual Meeting of the American Academy of Periodontology [AAP] (San Diego, USA)
24–26 November	30. Kongress der Deutschen Gesellschaft für Implantologie [DGI] (Hamburg, Germany)
25–30 November	Greater New York Dental Meeting (New York, USA)
8–10 December	17th American Dental Congress (Phoenix, USA)

If you are interested in meeting Straumann's top management at one of the meetings, please contact investor.relations@straumann.com.

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Publications

Media releases

The Straumann Annual Report is published in February and presented at the analysts' and media conferences. It is also available online at www.straumann.com. The half-year interim report is published in the form of a media release in August. Other media releases include the quarterly sales reports published in April for the first quarter and in October for the third quarter.

Where necessary or appropriate, Straumann also publishes additional information on significant events.

Press releases and presentations can be downloaded from the Straumann homepage at www.straumann.com. Please see Information Policy on p. 129 f.

2015 MEDIA RELEASES

3 February	Straumann announces cost-saving measures to mitigate currency impact
19 February	Straumann's staff agrees to proposed compensation reductions to mitigate currency impact
27 February	Straumann's operating profit margin reaches 21% in 2014
5 March	Straumann suspends CEO on four dental implants
9 March	Straumann invests in Valoc AG, a Swiss supplier of innovative overdenture attachment systems
9 March	Straumann partners with Amann Girrbach to enter in-lab milling segment
11 March	Multiple new solutions presented at IDS 2015 bring Straumann closer to being a total solution provider of choice
27 March	Petra Rumpf joins Executive Management Board as Head of Instrandent & Strategic Alliances
1 April	2015 IADR/Straumann Award in Regenerative Periodontal Medicine presented to Mariano Sanz
7 April	Straumann increases ownership of Neodent to 100%
10 April	Straumann shareholders approve all proposals at 2015 AGM
30 April	Good organic growth (+8%) and Neodent strengthen global leadership

4 June	Dental community celebrates 20th anniversary of successful periodontal tissue regeneration with Straumann Emdogain
15 June	Straumann secures access to leading-edge digital technology by increasing stake in Dental Wings to 55%
29 June	nt-trading acknowledges Straumann patent and removes copied implant components from US market
20 August	Straumann reports organic growth of 9% in first half of 2015 with further profitability improvements
28 October	Straumann and Sirona collaborate to offer dental practices and labs a broader range of CAD/CAM prosthetic options
29 October	Straumann on track with organic growth of 9% in first 9 months
16 November	Neodent becomes distributor for Amann Girrbach in Brazil
25 November	Straumann receives prestigious Pierre Fauchard Academy Dental Trade and Industry Recognition Award
3 December	Straumann announces leadership changes to strengthen momentum in Europe and North America
7 December	Straumann-botiss YoungProAward goes to Andreas Pabst

2016 MEDIA RELEASES

20 January	Excellent results for Straumann in independent peri-implantitis study
8 February	Rising stars sought in 2016 YoungPro Award
25 February	Straumann posts organic revenue growth of 9% with 25% rise in underlying operating profit in 2015
25 February	Straumann and Anthogyr announce partnership

Extraordinary performers are...

agile

VERONICA OSSIPOWSKI (LEFT)
Recruiting Specialist

URSINA SCHRENK (RIGHT)
Team Leader Payroll & Time Management



Appendix

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Global presence

Straumann around the world

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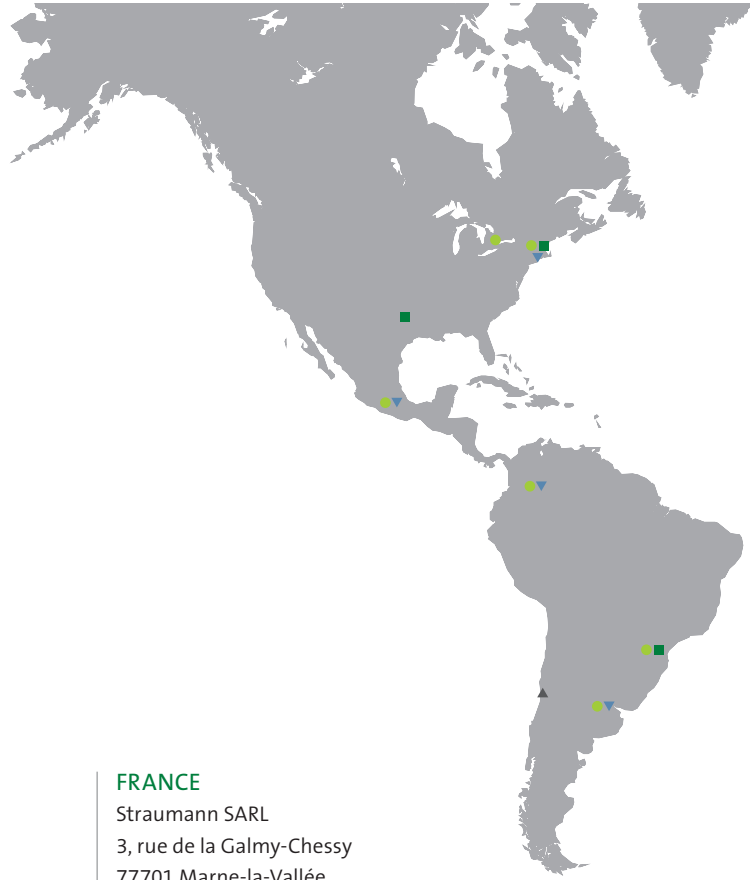
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Straumann's products and services are available in more than 100 countries through our subsidiaries and a broad network of distributors.

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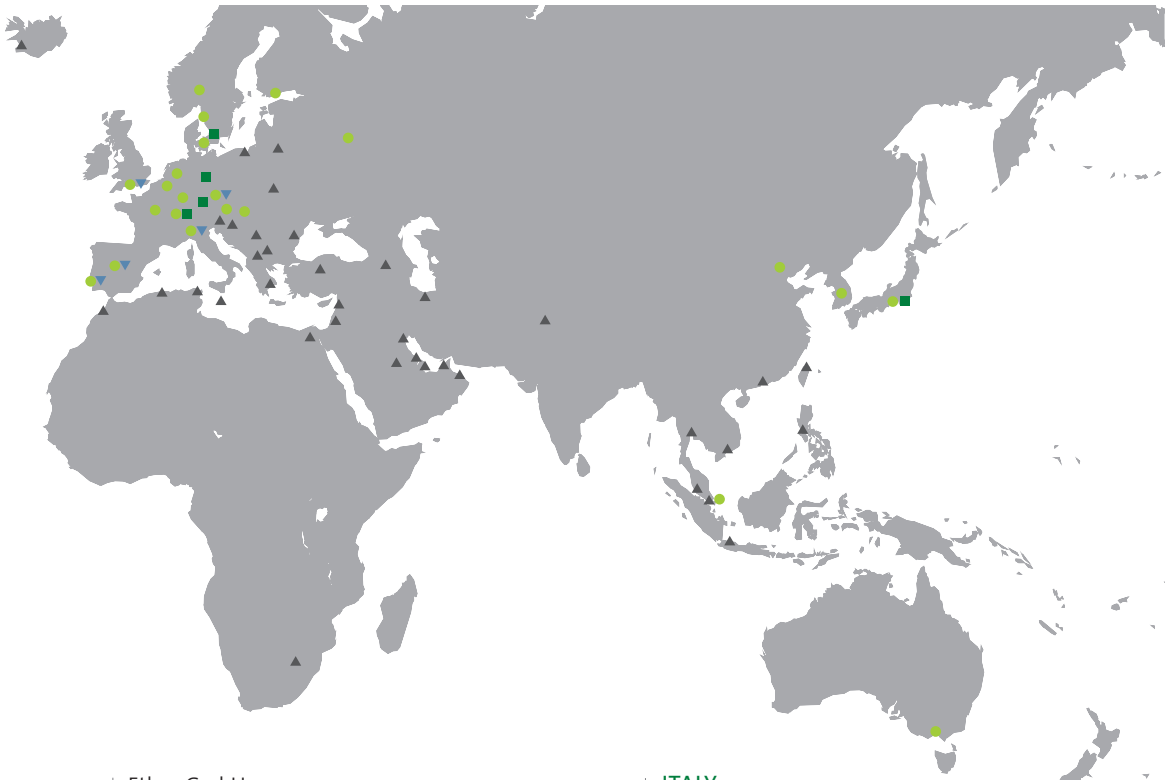
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Glossary

DENTAL/MEDICAL TERMS

ABUTMENT

A component that protrudes into the oral cavity and connects the implant to the prosthesis.

ASTM

ASTM International is an international standards organization that develops and publishes voluntary consensus technical standards for a wide range of materials, products, systems, and services.

BONECERAMIC

Straumann's fully synthetic bone substitute used in bone augmentation procedures.

BONE LEVEL IMPLANT

Implant which connects with the abutment at bone crest level.

BONE LEVEL TAPERED (BLT) IMPLANT

Bone level implant with tapered profile which provides excellent primary stability.

BRIDGE

An appliance used to bridge the gap left by missing teeth by using one or more false teeth fixed to crowns anchored on tooth stumps or implants.

CADCAM

Computer-aided design/computer-aided manufacturing: A computer system is used both for designing a product and for controlling manufacturing processes.

CARES

CARES is a brand that Straumann uses for its digital prosthetic services, including CAD/CAM, software, functionality, scanning technology, etc.

CROWN

A tooth-shaped cap attached to a tooth stump or implant abutment.

DENTAL TECHNICIAN

Dental professional who manufactures crowns, bridges, dentures and other dental prosthetics according to the dentist's specifications.

DWOS

Dental Wings Open Software is an open software platform that allows prosthetics to be designed using data from multiple sources.

EDENTULOUS

Having no teeth (can refer to upper and/or lower jaw).

EMDOGAIN

An extract of enamel matrix proteins which are involved in the development of cementum, periodontal ligament and bone.

GUIDED SURGERY

Surgery in which 3D imaging technologies are used to plan the position, depth and angle of an implant.

HYDROPHILIC

Readily absorbing or attracting water, or having chemical groups that interact with water.

INTRA-ORAL SCANNING

Digital scanning to create a 3D image of the patient's teeth that replaces the conventional process of impression-taking followed by model casting.

ITI

International Team for Implantology.

LOXIM

A transfer piece temporarily attached to the implant during placement which then detaches quickly and easily without disturbing the implant position.

MEMBRANE

A barrier used in guided bone regeneration to prevent tissue from occupying space into which new bone should form, and to stabilize bone augmentation materials.

NARROW NECK IMPLANT

Small diameter implant for limited interdental spaces or narrow bone ridges.

NIS

Non-interventional study, designed to evaluate products in everyday clinical settings, where the clinician can use the product as deemed suitable, within treatment guidelines, and results are tracked.

ONE-STAGE PROCEDURE

Surgical procedure whereby the implant is placed but not covered by the gum tissue during healing, eliminating the necessity of a second surgical procedure to expose the implant.

OSSEointegration

The biological process of bone integrating with the implant.

PERI-IMPLANTITIS

Inflammatory tissue pathology and/or progressive bone loss at implant site, resulting from plaque accumulation and bacterial infiltration around dental implants. If not treated successfully, peri-implantitis can lead to implant loss.

PERIODONTICS

Branch of dentistry concerned with the care and treatment of the supporting tissues of the teeth from the gingiva to the adjacent alveolar bone and ligament.

PERIODONTIST

Dental professional specialized in the tissue and bone surrounding the teeth and in treating the diseases that affect them.

PERIODONTITIS

Progressive disease of the periodontal tissues, resulting in the gradual loss of the tooth and supporting structures.

PRE-MILLED ABUTMENT BLANKS

Titanium blanks with pre-fabricated implant connections, compatible with a wide range of milling machines and enabling labs to fabricate one-piece customized titanium abutments with original Straumann connections in house.

PRO ARCH

A comprehensive restoration system for the entire jaw comprised of implants, abutments, and prosthetic components.

PROSTHODONTIST

A dental professional who carries out prosthetic restorations on natural teeth and implants.

RCT

Randomized controlled trial.

REFERRAL MARKET

A market characterized by a relatively large number of specialists and in which general dentists tend to refer patients to specialists for procedures like implant placement.

RESTORATIVE DENTISTRY

Branch of dentistry concerned with the replacement or reconstruction of teeth.

ROXOLID

Straumann's proprietary alloy of titanium and zirconium, which combines high tensile and fatigue strengths with excellent osseointegration.

SCAN & SHAPE

A Straumann CARES brand service, by which dental technicians generate CAD/CAM-based, customized abutments from a model or wax-up.

SCREW-RETAINED BARS AND BRIDGES

Bridges are devices used to 'bridge' a toothless gap and are fixed with screws to two or more dental implants; bars are commonly used to support partial or full dentures.

SLA

SLA refers to a second-generation implant surface technology introduced by Straumann in 1997.

SLACTIVE

Straumann's third-generation implant surface technology. By virtue of its hydrophilic properties, healing time is cut in half.

SOFT TISSUE LEVEL IMPLANT

Implant where the connection between the implant and the abutment is placed at the level of the gums, so that the soft tissue surrounds the polished collar of the implant.

TITANIUM

Metallic element isolated from minerals as an iron-gray powder; used in many dental and orthopedic applications.

TWO-STAGE PROCEDURE

Surgical procedure whereby the implant is inserted and a healing cap placed, which is then covered by the gum tissue during healing phase. A second surgical procedure is performed later, in which the healing cap is removed and an abutment and provisional prosthesis is placed.

VARIORASE

Straumann hybrid abutment with a titanium bonding base and a zirconium dioxide coping. Cost-effective metal-to-metal implant abutment with an original Straumann connection and a variety of esthetic shades.

X-STREAM

Solution-driven function within the CARES Visual software, providing a one-step, single-tooth implant-based prosthetic restoration process which significantly reduces turnaround time and shipment cost.

ZIRCONIA

ZrO₂ – the white oxide of zirconium used for its infusibility and luminosity in dental implants, prosthetics, enamels and glazes.

ZIRCONIUM

A grayish-white ductile metallic element obtained from zircon and used in ceramic and refractory compounds as an alloying agent.

ZLA

The ZLA surface of Straumann's ceramic implant features a topography characterized by macro- and micro-roughness, similar to the SLA surface, to enhance cell attachment and osseointegration.

FINANCIAL & LEGAL TERMS

AMORTIZATION

Systematic allocation of the depreciable amount of an intangible asset over its useful life.

AGM

Annual general meeting of the shareholders.

AOA

Articles of Association.

CAGR

Compound annual growth rate.

DEPRECIATION

Systematic allocation of the depreciable amount of a tangible asset.

DOS-DAYS OF SUPPLIES

Inventory level at the end of a quarter divided by cost of goods sold for a given quarter, times 90. An indicator that helps to determine how long it takes to turn the inventory into actual sales.

DSO-DAYS OF SALES OUTSTANDING

Trade receivables divided by revenue for a given quarter, times 90. A measure of the average number of days that it takes to collect revenue after a sale has been made.

EARNINGS PER SHARE (EPS)

Net profit divided by the number of shares.

EBIT

Earnings before interest and taxes; also referred to here as operating profit.

EBITDA

Earnings before interest, taxes, depreciation and amortization.

EQUITY RATIO

Shareholder equity divided by total assets in %.

ERP

Enterprise resource planning.

FREE CASH FLOW

Net cash from operating activities, less capital expenditures, plus net proceeds from property, plant and equipment.

FREE CASH FLOW MARGIN

Free cash flow divided by Group net revenue in %.

FREE CASH FLOW YIELD

Free cash flow per share divided by the stock price of the company.

GOODWILL

Future economic benefits arising from assets that are not capable of being individually identified and separately recognized.

IFRS

International Financial Reporting Standards.

IMPAIRMENT LOSS

The amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable value.

NET PROFIT MARGIN

Net profit divided by Group net revenue in %.

OPEX

Operating expenses, also called non-manufacturing expenses, including distribution costs, marketing, research & development, as well as general administrative expenses.

ORGANIC GROWTH

Growth excluding the effect from business combination and currency effects.

PAY-OUT RATIO

Dividend paid divided by net profit over the same period in %.

REVENUES

Sales, see p. F 20

ROA

Return on assets; net profit divided by average assets in %.

ROCE

Return on capital employed; earnings before interest and taxes divided by average capital employed in %.

ROE

Return on equity; net profit divided by average equity in %.

SALES

See 'sale of goods' on p. F 20

TOTAL SHAREHOLDER RETURN (TSR)

Profit or loss realized by an investment. TSR includes capital gains/losses from increases/decreases in stock price as well as received gross dividends.

WACC

Weighted average cost of capital.

WRITE-DOWN

See 'impairment loss'.

Global Reporting Initiative

Tenth year of GRI reporting

Sustainability is an integral part of business success and an important part of the context of our achievements and progress. This is why we have consistently integrated sustainability topics in our annual report since 2004.

To provide transparency for stakeholders who determine or are affected significantly by our business/ activities (including customers, shareholders, employees, and members of the communities in which we operate) we have based our sustainability reporting on the guidelines of the Global Reporting Initiative (GRI). GRI is a nonprofit, multi-stakeholder organization that provides companies with a systematic basis for informing stakeholders on corporate responsibility in a clear and comparable manner. Our 2015 Annual Report applies the GRI sustainability reporting guidelines for the tenth consecutive year. It is also our first report developed in accordance with the latest GRI G4 Guidelines – Core option. The report has undergone and successfully completed the GRI Materiality Disclosures Service on 24 February 2016.

The GRI G4 sustainability reporting guidelines require us to determine which sustainability topics are most relevant or material for our company and stakeholders. Our corresponding assessment and the topics determined to be material are discussed on page 80. The material topics listed are relevant for Straumann’s operations, shareholders, and employees, as they can influence cost, brand reputation, and ultimately business success. Economic and environmental topics found to be material are also relevant for the local communities where we operate. In addition, environmental topics are of interest for environmental organizations. Product-related topics are relevant for our customers and the patients they serve, and human resources topics influence the competence of our team and ultimately the peace of mind we provide to our customers.



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REPORT PROFILE

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SPECIFIC STANDARD DISCLOSURES

Reference	Location	Reason for omissions
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ECONOMIC PERFORMANCE

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Page numbers prefaced with "A" refer to our Addendum GRI Sustainability Reporting, published on www.straumann.com under Media, Publications and Reports, Annual Reports.

Points to note

FINANCIAL REPORT

Straumann's detailed financial report is published in English as a separate volume. It can be viewed or downloaded through our website:

<http://annualreport.straumann.com>

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FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that reflect the current views of management. Such statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Straumann Group to differ materially from those expressed or implied in this release. Straumann is providing the information in this report as of this date and does not undertake any obligation to update any statements contained in it as a result of new information, future events or otherwise.

PRODUCT AVAILABILITY

The availability and indications of the products mentioned and/or illustrated in this report may vary according to country.

STRAUMANN TRADEMARKS & BRANDS

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