

Media release 09/04

Straumann posts 26% rise in nine-month sales to CHF 314 million

Nine-month sales

(in CHF million)	9M 2003	9M 2004	Change in CHF (%)	Change in l.c. (%)
Group	248.0	313.5	26.4	26.9
Implants Division	243.1	296.8	22.1	22.5
% of Group	98.0	94.7		
Biologics Division	4.9	16.7	7.1	10.7
% of Group	2.0	5.3		

Third-quarter sales

(in CHF million)	Q3 2003	Q3 2004	Change in CHF (%)	Change in l.c. (%)
Group	84.6	96.3	13.7	16.6
Implants Division	79.7	90.8	13.9	16.5
Biologics Division	4.9	5.5	11.5	18.2

In the first nine months of 2004, Straumann's Group sales climbed 27% in local currencies (l.c.), or 26% in Swiss francs, to CHF 314 million. Sales growth continued to be driven by volume increases, which contributed 21% points, while price increases added one further percentage point. With the growth effect from the Biora acquisition discontinuing at the end of June, just 4% points of sales growth over nine months were acquisition related. The effect of currency translations amounted to 1% point, as the positive effect of the Euro only partially offset the negative impact of the US dollar.

Third-quarter sales rose 17% in local currencies (14% in CHF) on top of a particularly strong comparative period in 2003.

Biologics enjoyed a further acceleration with third-quarter sales up 18% in local currencies, reflecting the successful transfer of the distribution organization from Biora to Straumann earlier in the year.

The Implants Division reported a 17% rise in third-quarter sales in local currencies, which would have been higher had it not been for the combined effect of early ordering in Japan, the severe hurricanes in Florida (a significant contributor to US sales), and treatment postponements in Germany in anticipation of partial reimbursement in 2005.

Strong nine-month sales growth across all regions

In Europe, where 62% of Straumann's revenues are generated, nine-month sales rose 27% (24% in l.c.) to CHF 196 million. In Germany, sales growth amounted to 22% in local currencies, while Spain maintained sales growth of 31% in local currencies. The Netherlands and Sweden posted respective local currency gains of 38% and 34% on the back of exceptional first-half sales boosted by patients' taking advantage of current reimbursement benefits. Sales in France rose 35% in local currencies, while Italy recorded a 20% (CHF) rise. Meanwhile in Switzerland, where market penetration is the highest, sales growth amounted to 11%.

Across the Atlantic, North American sales grew 33% in local currencies to CHF 82 million. Translated into Swiss francs, growth amounted to 25% reflecting the weakness of the US dollar against the Swiss franc. The third quarter was notably impacted by the severe hurricanes in Florida.

The Asia/Pacific region continued to report good growth, with regional sales up 22% to CHF 31 million, led by good performances in Australia, New Zealand and South East Asia. Sales also increased in Japan, where a significant portion of orders came in the second quarter this year in connection with the Japanese ITI scientific congress in June.

Group sales in the rest of the world reached CHF 5 million up 64% from the first nine months of 2003.

Outlook (barring unforeseen circumstances)

As forecast, the Group reiterates its goal of achieving full-year sales growth in the region of 26% in local currencies compared with 2003. Full-year operating margin is expected to be not less than 30%, with the net profit margin in the region of 23% - based on the expected full-year tax rate of 22%.

Disclaimer

This interim report contains certain "forward-looking statements", which can be identified by the use of terminology such as "will", "expected to", "forecast", or similar wording. Such forward-looking statements reflect the current views of management and are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Group to differ materially from those expressed or implied. These include risks related to the success of and demand for the Group's products, the potential for the Group's products to become obsolete, the Group's ability to defend its intellectual property, the Group's ability to develop and commercialize new products in a timely manner, the dynamic and competitive environment in which the Group operates, the regulatory environment, changes in currency exchange rates, and the Group's ability to generate revenues and profitability. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release. Straumann is providing the information in this release as of this date and does not undertake any obligation to update any forward-looking statements contained in it as a result of new information, future events or otherwise.

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About Straumann

Headquartered in Waldenburg, Switzerland, Straumann is a global leader in oral implantology and tissue regeneration. In collaboration with the International Team for Implantology (ITI), leading clinics, research institutes and universities, the Group researches, develops, produces and distributes implants, instruments and tissue regeneration products for use in tooth replacement solutions or to prevent tooth loss. Straumann also provides training and services to the dental profession worldwide. Straumann's implants and instruments are manufactured in Switzerland, whilst its dental tissue regeneration products are produced in Sweden. With affiliates in 14 countries and distributors in 35, Straumann employs more than 1000 people worldwide. In 2003, the Group generated sales of CHF 344 million and a net income of CHF 80 million.

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2004 Quarterly sales by division

Growth rates compared with 2003

(in CHF million)	Q1	Q2	Q3	9M
Group	107.9	109.3	96.3	313.5
growth (%)	35.5	30.5	13.7*	26.4
growth (%) in l.c.	33.3	31.1	16.6*	26.9
Implants Division	102.4	103.6	90.8	296.8
growth (%)	28.6	23.6	13.9	22.1
growth (%) in l.c.	26.5	24.2	16.5	22.5
Biologics Division	5.5	5.7	5.5	16.7
growth (%)	0.6	9.8	11.5	7.1
growth (%) in l.c.	2.5	12.4	18.2	10.7

* Sales growth reflects the discontinuation of the growth effect from the Biora acquisition in June 2003

2004 Quarterly sales by region

Growth rates compared with 2003

(in CHF million)	Q1	Q2	Q3*	9M
Europe	70.5	67.6	57.5	195.5
growth (%)	38.5	26.0	16.4	27.0
growth (%) in l.c.	31.5	24.6	16.6	24.4
% of Group	65.3	61.8	59.7	62.4
North America	26.0	28.0	27.9	81.9
growth (%)	31.1	38.0	9.1	24.7
growth (%) in l.c.	41.0	44.9	18.1	33.4
% of Group	24.1	25.7	28.9	26.1
Asia/Pacific	9.6	12.1	8.9	30.6
growth (%)	18.6	37.9	7.8	21.8
% of Group	8.9	11.0	9.3	9.8
Rest of World	1.8	1.6	2.0	5.4
growth (%)	124.1	51.7	38.2	63.8
% of Group	1.7	1.5	2.1	1.7
Total	107.9	109.3	96.3	313.5
growth (%)	35.5	30.5	13.7	26.4
growth (%) in l.c.	33.3	31.1	16.6	26.9

* Sales growth reflects the discontinuation of the growth effect from the Biora acquisition in June 2003