

## Media release

### **Straumann opens new North American headquarters, education center and production facility in Andover, Massachusetts**

- *Straumann continues expansion strategy having climbed to #2 from #4 in the US over the past 2 years*
- *New Andover production facility brings Swiss-based company closer to US customers and reduces currency exchange exposure*
- *Company aims to double North American workforce to more than 500 in 5 years*
- *Regional contribution to Group sales targeted to rise from present 26% to more than 30% in 2008*

**Andover, Massachusetts, 8 June 2005:** At an inauguration ceremony today, Straumann, a global leader in implant dentistry and oral tissue regeneration, officially opened its new combined North American headquarters, training and production center in Minuteman Park, Andover.

Located just 25 miles north of downtown Boston, the 161 000-square-foot (15 000-square-meter) building was refurbished from an empty shell in less than a year, enabling all 100 of Straumann's current US headquarter staff to move in on schedule.

With training and education being central to Straumann's philosophy, the new facility has been equipped with a 35 000-square-foot (3 250-square-meter), world-class training center incorporating multiple operating suites with television links, a simulation laboratory, dental lab facilities and a lecture theater/auditorium.

Andover also houses Straumann's first manufacturing unit outside Switzerland and will produce high precision implants and components for tooth replacement. Six CNC Swiss screw machines have already been installed, with an additional four to be in place by the end of 2005. The 80 000-square-foot (7 400-square-meter) production area offers space for 65 machines based on current manufacturing technology. Andover complements Straumann's current production unit in Villeret, Switzerland, which is also expanding capacity. The new unit is being set up according to the rigorous quality requirements of the Villeret facility to guarantee Straumann Swiss precision - made in the USA.

To meet the increasing demand for its dental implants and tissue regeneration products, and to drive future growth, Straumann intends to double its North American workforce within five years to 500 people, some 300 of whom will be based in Andover.

The company's expansion in Andover reflects its strategic priority to grow in the key US market, where it has climbed two ranks in two successive years. North America contributes just over a quarter of the Group's total sales, a figure that Straumann aims to boost to more than 30% by 2008. To achieve this ambitious goal and drive future growth, the company has doubled its US sales team in the past two years.

CEO Gilbert Achermann commented: "We are very pleased with the rapid progress that we have made in equipping and transitioning to this impressive facility, which together with our new global headquarters in Basel marks the entry into an exciting new phase in our company history. The US market offers Straumann a tremendous opportunity, and we are investing in people and infrastructure to get even closer to our US customers and to take maximum advantage of our rising position in the market. The build-up of production here will also reduce our currency exposure by shifting part of our cost base closer to where we generate revenues".

Russell Olsen, Executive Vice President North America and President of Straumann USA explained the rationale for the location: "Andover offers us access to an important pool of scientific and skilled labor talent in the Boston area, and Minuteman Park places us in a cluster of other leading companies in the medical device business. Importantly, the proximity to our previous location means that we were able to retain all our staff and offer them a great new place to work".

Despite the improvement and progress in oral health in the United States, by age 17, 7% percent of young Americans have lost at least one permanent tooth. Among adults aged 35 to 44, 69% have lost at least one permanent tooth. As many as 26% of adults aged 65 to 74 have lost all their natural teeth<sup>1</sup>. More recent estimates indicate that 33% of the US population over 65 years of age currently suffer from a lack of teeth<sup>2</sup>. This implies that more than 40 million Americans could benefit from the clinical advantages that dental implants may offer. There is also a clear need for effective tissue regeneration products that address the problem of receding gums and help prevent tooth loss due to periodontitis - particularly among the population aged 55 and above.

Although there are more than 120 000 general practice dentists and over 20 000 specialists in the USA, only a small proportion practice implant dentistry, with the result that just 32 of every 10 000 Americans receive oral implants - in contrast to European countries, where the number is up to or more than three times higher. However, the body of dentists trained to offer implant treatment is increasing in the US, as is the awareness of the benefits of implants over conventional crowns and bridges. These factors, combined with long-term success of implants, and the increasing age and wealth of the population provide a strong basis for future growth.

"With Straumann's clinically proven products, our strong commitment to training and education, and our broad partnership network with leading Universities and dental centers, I am convinced that we are making a significant contribution towards meeting those needs and raising the quality of life", said Rudolf Maag, Chairman of Straumann's Board of Directors, who will open the new headquarters at today's ribbon-cutting ceremony attended by local dignitaries and opinion leaders in implant dentistry and oral tissue regeneration.

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<sup>1</sup> *Statistics published by the Surgeon General, U.S. Department of Health and Human Services, May 2000*

<sup>2</sup> *Goldman Sachs Global Investment Research, June 2005*

## About Straumann

With an overall market share of approximately 26%, Straumann is a global leader in implant dentistry and dental tissue regeneration. Since its foundation in 1954, the Swiss-based company has been driven by passion for scientific discovery and belongs to the pioneers of modern dental implantology.

Straumann researches, develops, produces and distributes dental implants, instruments and tissue regeneration products. It works in closely with the International Team for Implantology (ITI), an independent international network of eminent clinicians and researchers, as well as leading clinics, research institutes and universities.

With its roots in Swiss precision and clinical excellence, the Straumann® Dental Implant System is renowned for its exceptional quality and is one of the most extensively scientifically documented implant systems in the world. Over the past ten years, several million Straumann implants have been placed, providing patients with dental replacement solutions that are widely regarded as the closest thing to natural teeth.

Straumann also develops and manufactures products that help to heal periodontally compromised teeth or to support implant procedures. These include innovative products such as Emdogain®, a convenient protein-based gel which regenerates the periodontal tissue that supports the teeth. Its indications include the treatment of tissue recession due to periodontitis. Emdogain® is manufactured in Sweden, whilst Straumann implants and instruments are made in Switzerland.

In 2004, the Straumann Group generated sales of CHF 420 million of which approximately 6% are re-invested in research and development, making Straumann one of the leading contributors to Research and Development in the field. With its global business expanding at a compound average rate of 20% over the past 4 years, Straumann has created a number of new employment opportunities, increasing its staff to more than 1100 employees worldwide.

From its headquarters in Basel, Switzerland, Straumann's products and services are available in more than 60 countries through the company's subsidiaries and broad network of distributors.

### Disclaimer

This release contains certain "forward-looking statements", which can be identified by the use of terminology such as: "continues", "expansion", "aims", "increase", "targeted", "to rise" "expect", "plan", "intend", "will", "to be", "aims to", "to drive", "future", "goal" or similar wording. Such forward looking statements include statements regarding projected growth of Straumann's North American workforce, regional contribution to sales, future investment, and growth in the market for the Company's products. Such forward looking statements reflect the current views of members of the Board/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. Should one or more of these risks or uncertainties materialize either partially or fully, 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 this release as a result of new information, future events or otherwise.

**Pictures**

Photographs of the new facility and Straumann's sites and activities are available via [www.straumann.com](http://www.straumann.com).

A selection of Andover pictures will be available for a certain period at:

[http://straumann.imagedirector.net/album/?album\\_code=n8vxwehxjcfg](http://straumann.imagedirector.net/album/?album_code=n8vxwehxjcfg)

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