

Media release

Straumann's net revenues reach CHF 185 million in Q1, driven by continuing double-digit growth in America

- ✔ *Group net revenue rises 2% (l.c.) as double-digit increases across America offset sluggish markets in struggling parts of Europe and Asia*
- ✔ *Growth fuelled by new generation implant products; over-proportional increases in digital solutions and regenerative products*
- ✔ *Currency headwind eases and is expected to be more or less neutral over full year*
- ✔ *Implementation of new organizational structure to drive growth and efficiency gains*
- ✔ *CARES 7.0 CAD/CAM system well received adding impetus to open standard software initiative*
- ✔ *Full-year outlook unchanged*

NET REVENUES

First quarter 2012				
<i>(in CHF million)</i>	2012	2011	Change in CHF	Change in l.c.
Group net revenue	185.1	188.4	(1.8%)	1.6%
Europe	106.5	113.9	(6.5%)	(2.1%)
<i>in % of Group net revenue</i>	<i>57.5%</i>	<i>60.5%</i>		
North America	44.7	40.1	11.3%	14.0%
<i>in % of Group net revenue</i>	<i>24.1%</i>	<i>21.3%</i>		
Asia/Pacific	25.0	25.5	(1.9%)	(2.4%)
<i>in % of Group net revenue</i>	<i>13.5%</i>	<i>13.5%</i>		
Rest of the World	8.9	8.9	0.2%	4.3%
<i>in % of Group net revenue</i>	<i>4.8%</i>	<i>4.7%</i>		

Basel, 26 April 2012: Straumann today posted a 2% increase in first-quarter net revenue in local currencies (l.c.), driven by continuing double-digit growth in North America and emerging markets. This, together with modest increases in Central Europe, offset declines in markets that continue to be constrained by struggling economies.

Currency headwind reduced top-line growth by almost 4% points, but this was considerably less than in previous quarters and further improvement is expected in the course of the year. As a result, first-quarter net revenue reached CHF 185 million.

From a business perspective, implants continued to expand modestly, while the digital and regenerative franchises both enjoyed good growth. As the overall performance

was in line with Straumann's expectations, the Group's full-year guidance for market growth in the low-single digit range remains unchanged.

CEO Beat Spalinger commented: "The pleasing developments in North America and emerging markets endorse our strategy to invest in underpenetrated regions with high potential. Elsewhere, consumer confidence is still fragile, particularly in Europe, and the gap has widened between markets in depressed economies and those in stable, more prosperous areas. We are responding to these and other trends as we re-shape our organization for the future. Today's numbers show that, so far, we have been able to master the transformation with little disruption to our business. This challenge will increase as we implement the structural changes locally in the second quarter. However, with the new organization in place, we will be well prepared to achieve our long term vision of sustained success and value creation".

BUSINESS AND REGIONAL PERFORMANCES

Straumann's growth in the first quarter was entirely organic. The **implant** business continued to achieve moderate expansion and revenues were again lifted by the Bone Level range and the high performance implant material Roxolid.

The smallest franchise, **Regeneratives**, achieved double-digit growth, driven by Straumann Allograft and Emdogain.

Digital solutions, which include CAD/CAM prosthetics, computer-guided surgery and scanners was the fastest growing area. This reflects the strong demand for individualized abutments and successful efforts to build a broad scanner base that will drive the prosthetic element business in the future. Another strategic initiative is to attract CAD/CAM business through the DWOS standard software platform. The first-quarter launch of Straumann CARES 7.0, which is an 'open' system using DWOS, is an important step in this direction and the move has been well received. CARES 7.0 offers dental labs the possibility of producing prosthetic elements through third-party milling or through Straumann's validated process.

Europe sees gap widening between markets in stable and weak economies

Subdued consumer confidence continued to constrain the European dental markets. So too did the struggling economies in Southern Europe. Spain and Italy, which are important dental markets, both contracted. In contrast, Straumann posted good growth in France and the UK. Sales also increased in Germany, the region's largest market, but the solid performers only partially compensated for their southern neighbors and regional sales dipped 2% in local currencies.

The weakness of the euro and the British pound against the Swiss franc resulted in a negative currency effect of 4 percentage points, bringing regional net revenue to CHF 107 million.

Double-digit growth sustained in North America

Revenues in North America rose 14% (l.c.), the highest quarterly rise since 2006. This was driven by implants, CAD/CAM prosthetics, scanning equipment, Straumann Allograft and Emdogain. With the negative currency impact easing, net revenue in Swiss francs climbed 11% to CHF 45 million.

Asia/Pacific mixed – strong growth in LATAM

The market in the Asia/Pacific region was mixed. Despite the very challenging economic environment, Straumann continued to grow in the largest market, Japan. This was thanks mainly to the introduction of the Bone Level range, which was launched at the end of the first quarter in 2011.

While the emerging Chinese market progressed positively, the overall regional result was overshadowed by Korea, where public perception of implant treatment has been impaired by aggressive media campaigns. As a result, Straumann's regional net revenue declined 2% both in local currencies and Swiss francs to CHF 25 million.

Strong LATAM offsets irregular distributor markets in the Rest of the World

In the 'Rest of the World', net revenue rose 4% (l.c.), which was considerably less than in previous quarters, due to fluctuating orders in distributor markets. In contrast, Brazil and Mexico continued to develop dynamically. Due to the negative currency effect, net revenue reached the prior year level of CHF 9 million.

Reorganized for the future

Straumann's portfolio, geographic reach and customer base have expanded considerably in recent years, adding significant complexity – particularly at the sales level. To address this, the Group initiated an in-depth reorganization project including the transformation of its sales team into four dedicated sales forces focused on specific customer and product groups. The primary goals are to leverage growth by improving efficiency and to bring new solutions to market more expediently.

The new corporate structure was implemented on schedule in the first quarter. The country and sales-force transitions will be completed in Q2.

Vision 2020

Straumann is well positioned to provide superior solutions over the next few years, and has broadened its horizon to address longer-term sustainability in a Vision 2020 project. This included a long-term strategy review, analyzing market trends, growth drivers and strategic direction for the current decade. Vision 2020 provides a valuable roadmap for the future and will be communicated in Straumann's 'Capital Markets Day' in Amsterdam on 16 May.

OUTLOOK (barring unforeseen circumstances)

The Group expects challenging developments especially in parts of Europe and Asia, while the outlook for North America and emerging markets is optimistic. In 2012, Straumann's markets are expected to grow in the low-single digit percentage range.

On the basis of its differentiated solutions and services, geographic presence, and new organizational structure, Straumann is well positioned to succeed in 2012 and beyond.

The Group is therefore confident that it can continue to grow ahead of the market in local currencies. Assuming that the Swiss National Bank continues to prevent the euro dropping below CHF 1.20, Straumann does not expect additional currency headwind in 2012. The Group will continue to invest in all its franchises, its pipeline, and its Marketing & Sales organization to create and drive superior treatment solutions and services. It will also continue to optimize efficiency and expects to achieve gross and

New Online Annual Report

A new online version of Straumann's 2011 Annual Report is now available, offering spreadsheet and other downloads at the following link:

<http://annualreport.straumann.com>.

Upcoming reporting dates

21 August 2012 Q2 sales and Half-year results 2012

30 October 2012 Q3 and 9M sales 2012

Details on upcoming investor relations activities are published on www.straumann.com (Investor Relations > Calendar).

Disclaimer

This release contains certain "forward-looking statements", which can be identified by the use of terminology such as 'expected', 'continue', 'to drive', 'will', 'further', 'goal', 'improve', 'well positioned', 'long-term', 'future', 'vision', 'outlook', 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, the Group's ability to generate revenues and profitability, to realize its expansion projects in a timely manner, and to maintain its business relationships with suppliers, customers and other third parties. 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 report. 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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