

**Media release**
**Straumann posts 5% growth in local currencies (l.c.) in the first nine months of 2011, lifted by strong sales in North America**

- ✎ *Net revenue reaches CHF 518 million, driven by growth across all regions and business franchises*
- ✎ *North America recaptures double-digit growth in Q3; Europe edges up; APAC posts solid growth; dynamic expansion continues in the 'Rest of the World'*
- ✎ *Currency headwind cuts CHF 60 million off Group net revenue*
- ✎ *Innovative nano material for CAD/CAM and new-generation, small-diameter, soft-tissue-level implants offer additional options for customers*
- ✎ *Full-year guidance unchanged*

**NET REVENUE**

<b>Nine months</b>				
(in CHF million)	<b>2011</b>	<b>2010</b>	<b>Change in CHF</b>	<b>Change in l.c.</b>
<b>Group net revenue</b>	<b>518.0</b>	<b>554.1</b>	<b>(6.5%)</b>	<b>4.9%</b>
<b>Europe</b>	<b>303.7</b>	<b>334.0</b>	<b>(9.1%)</b>	<b>1.4%</b>
<i>in % of Group net revenue</i>	58.6%	60.3%		
<b>North America</b>	<b>113.2</b>	<b>123.4</b>	<b>(8.3%)</b>	<b>9.6%</b>
<i>in % of Group net revenue</i>	21.8%	22.3%		
<b>Asia/Pacific</b>	<b>75.8</b>	<b>76.3</b>	<b>(0.7%)</b>	<b>5.4%</b>
<i>in % of Group net revenue</i>	14.6%	13.8%		
<b>Rest of the World</b>	<b>25.4</b>	<b>20.4</b>	<b>24.8%</b>	<b>31.2%</b>
<i>in % of Group net revenue</i>	4.9%	3.7%		

  

<b>Third quarter</b>				
(in CHF million)	<b>2011</b>	<b>2010</b>	<b>Change in CHF</b>	<b>Change in l.c.</b>
<b>Group net revenue</b>	<b>150.7</b>	<b>161.6</b>	<b>(6.7%)</b>	<b>5.1%</b>
<b>Europe</b>	<b>84.4</b>	<b>92.4</b>	<b>(8.7%)</b>	<b>1.7%</b>
<i>in % of Group net revenue</i>	56.0%	57.2%		
<b>North America</b>	<b>35.2</b>	<b>38.2</b>	<b>(7.8%)</b>	<b>11.3%</b>
<i>in % of Group net revenue</i>	23.3%	23.6%		
<b>Asia/Pacific</b>	<b>24.0</b>	<b>24.6</b>	<b>(2.1%)</b>	<b>5.2%</b>
<i>in % of Group net revenue</i>	16.0%	15.2%		
<b>Rest of the World</b>	<b>7.1</b>	<b>6.5</b>	<b>9.8%</b>	<b>18.1%</b>
<i>in % of Group net revenue</i>	4.7%	4.0%		

**Basel, 25 October 2011:** Straumann today reported continued solid growth as net revenue climbed 5% in local currencies both in Q3 and over the first nine months of 2011. The performance was led by North America, which returned to double-digit growth in Q3, and the 'Rest of the World' region, which continued to expand dynamically. Group net revenue reached CHF 518 million and would have been CHF 60 million higher had it not been for the currency impact, which worsened to 12% points in Q3 – despite the welcome initiative of the Swiss National Bank to prevent the Swiss franc strengthening further against the euro.

Straumann's President & CEO, Beat Spalinger commented: "In view of the continuing fiscal uncertainty and the comparative performances of other companies, we can be pleased with our consistent improvement, particularly in North America. We have continued to convince customers of the value of our products and solutions and have brought them further new innovations to enhance treatment options and long-term outcomes. Going forward, the burdens of sovereign debt, the fragility of consumer confidence and the strength of the Swiss franc are all matters for concern. But they should not deter us from our full-year targets, which – based on our 9-month performance – are still within reach, barring any unforeseeable events".

## **BUSINESS AND REGIONAL PERFORMANCES**

All regions grew throughout the nine-month period. With a rise of almost 10% (l.c.), North America contributed just over 40% of the Group's overall growth. Asia/Pacific achieved solid increases despite the declining dental implant market in the region's largest market, Japan. In the tough European environment, Straumann succeeded in achieving slightly stronger growth than in the previous quarter, while the 'Rest of the World' region again reported good double-digit expansion.

On the product level, nine-month growth was fuelled by the continuing success of the Bone Level implant range and Roxolid<sup>®</sup>, the high-performance implant material. Considerable impetus came from scanning equipment sales, most notably the iTero<sup>®</sup> intraoral system. A further, but smaller contribution came from the regenerative portfolio.

### **Europe edges up**

Straumann's largest region, Europe contends with high unemployment, sovereign debt issues and emerging fears of renewed recession in the coming year. These factors have added to the fragility of consumer confidence, constraining demand for non-reimbursed dental procedures. In spite of this, Straumann succeeded in lifting regional net revenue to 2% (l.c.) in Q3.

Performances varied at the country level: France and Germany continued to post good results, Sweden reported results in line with the previous year, while Italy, Switzerland and the UK lagged somewhat.

The weakness of the euro, the British pound and the Swedish krona against the Swiss franc resulted in a negative currency effect of more than 10% points. Regional net revenue amounted to CHF 84 million in Q3 and CHF 304 million over the first nine months, corresponding to growth rates of 2% and 1% (l.c.) respectively. Europe thus contributed 58% to Group net revenue.

### **Double-digit growth in North America**

North America also achieved an acceleration as quarterly revenue growth rose 1% point to more than 11% (l.c.) in Q3. This was due to robust sales of implants and Straumann® Allograft, boosted by the intra-oral scanner business.

The currency headwind from across the Atlantic was even more pronounced than in Europe, cutting revenue growth in North America by almost 20% points. As a result, net revenue amounted to only CHF 35 million in Q3 and CHF 113 million over the nine-month period, corresponding to 22% of the Group total.

### **Solid growth maintained in Asia/Pacific**

Revenue in the Asia/Pacific region increased 5% (l.c.) – both over nine months and in Q3, bringing the respective net revenue totals to CHF 76 million and CHF 24 million, corresponding to 15% of the Group.

The performance in Asia was driven by growth in China and Japan, while Korea declined from the comparative levels of last year. Against the trend in Japan, where the market is still thought to be declining, Straumann generated growth for a second consecutive quarter, thanks to the roll-out of the Bone Level implant range.

### **Strong growth in the Rest of the World**

In the 'Rest of the World', net revenue expanded 18% in l.c. and 10% in Swiss francs, reflecting customer gains in Brazil and a good performance in Mexico. With net revenue reaching CHF 7 million in Q3 and CHF 25 million over the nine-month period, the region contributed 5% to the Group total.

## **FURTHER INNOVATIONS BROUGHT TO CUSTOMERS**

Following the numerous product and service additions at the IDS earlier in the year, the Group took advantage of the Annual Scientific Meeting of the European Association for Osseointegration (EAO) to introduce two further innovations.

### **New class of tooth restoration material**

The first is a novel Resin Nano Ceramic for CAD/CAM crowns, inlays, onlays and veneers. Developed by 3M ESPE and called '3M™ ESPE™ Lava™ Ultimate Restorative', the new material combines nano ceramic components with a highly cross-linked resin matrix. It features brilliant esthetics with durability and does not require layering or firing. It thus streamlines workflows, offering benefits to dentists, dental labs and patients.

### **New-generation small-diameter soft-tissue-level implant**

Straumann also introduced a new-generation small-diameter, soft-tissue-level implant, which offers increased flexibility and additional treatment options. Small-diameter implants are used for limited inter-dental spaces or narrow bone ridges. The new implant is indicated for single-tooth gaps in the anterior region and multiple-tooth replacement with bridges or fixed/removable overdentures. Being a tissue-level design, it facilitates soft-tissue management and can be placed in a one-step procedure that avoids a second surgical intervention. It is currently being introduced through a controlled market release, with a full launch planned for next spring – in Europe and North America<sup>1</sup>, followed by other markets<sup>1</sup>.



### **ITI membership tops 10 000**

Straumann's long-standing academic partner, the International Team for Implantology (ITI), announced that it has increased its global membership to more than 10 000. This reflects its leadership as an academic organization dedicated to the promotion of evidence-based education and research in implant dentistry. This achievement marks another milestone in the ITI's 31-year history, during which its unique academic partnership with Straumann has led to many technological and therapeutic advances in the field. It has also created a platform from which to disseminate evidence-based educational principles to a constantly growing professional audience.

### **OUTLOOK (barring unforeseen circumstances)**

Straumann estimates that the current macro-economic uncertainty will constrain recovery in its main markets. As a result, the Group expects the market to grow in the low-to-mid-single digit range over the full year.

With its clinically-proven products, organizational strength, differentiated services, and its investments in Sales personnel, the Group is convinced that it can again deliver above-market performance over the full year.

Despite the recent initiative of the Swiss National Bank to prevent a further appreciation of the Swiss franc, its strength against the euro and the US dollar can be expected to exert continued pressure on margins although to a lesser extent than in the first nine months of this year. Bearing this and the aforementioned growth estimate in mind, and excluding the impairment charge related to Japan (reported in the first half), Straumann's full-year operating margin is expected to be in the high teens.

### **About Straumann**

Headquartered in Basel, Switzerland, the Straumann Group (SIX: STMN) is a global leader in implant and restorative dentistry and oral tissue regeneration. In collaboration with leading clinics, research institutes and universities, Straumann researches, develops and manufactures dental implants, instruments, prosthetics and tissue regeneration products for use in tooth replacement and restoration solutions or to prevent tooth loss. Straumann currently employs more than 2400 people worldwide and its products and services are available in more than 70 countries through its broad network of distribution subsidiaries and partners.

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**Analysts' and media conference call**

Straumann will present its 2011 third-quarter net revenue results to representatives of the financial community and media in a webcast telephone conference call at 3:00 p.m. Swiss time.

The audio webcast of the conference call ([www.straumann.com/conference-webcast](http://www.straumann.com/conference-webcast)) will be available until 25 November 2011.

The telephone conference can be accessed at:

+41 (0)91 610 56 05 (Europe and RoW)

+44 (0)207 107 06 13 (UK)

+1 (1)631 570 56 13 (USA)

**Presentation slides**

The slides for the conference call are available at [www.straumann.com/Straumann-2011-Q3-presentation.pdf](http://www.straumann.com/Straumann-2011-Q3-presentation.pdf) and on the Investor Relations pages at [www.straumann.com](http://www.straumann.com).

**Upcoming events**

09 November 2011	Vontobel Healthcare Tour, Basel
10 November 2011	Investor meetings, Chicago
11 November 2011	Investor meetings, Boston
28 November 2011	Credit Suisse Midcap conference, Zurich
29 November 2011	Berenberg European conference, London
22 February 2012	Full-year 2011 Media- & Analyst conference, Basel

Details on upcoming investor relations activities are published on [www.straumann.com](http://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 'options', 'within reach', 'planned', 'expect' 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 hire and retain key talented individuals, 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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<sup>1</sup> Pending regulatory approvals/clearances