2008 Full-Year Results

Analysts' & Media Conference
Basel, 12 February 2009

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Disclaimer

This presentation contains certain “forward-looking statements”, which can be identified by use of terminology such as “expect”, “expectation”, “intend”, “continue”, “achieve”, “maintain”, “improve”, “foresee”, “anticipate”, “product introductions”, “outlook”, “forecast”, or similar wording. Such forward-looking statements reflect the current views of management and are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements of the Group to differ materially from those expressed or implied herein. Should such risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this presentation. Straumann is providing the information in this presentation 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.

Agenda

- Highlights and market review
- Business performance
- Building on solid foundations
- Outlook
- Questions & answers

Dentistry not immune to economic upset

- Weakness in the global economy and consumer confidence have led to an unprecedented slowdown in the dental market
- Reduced income has kept many patients away from the dentist
- Elective procedures are being postponed
- General practitioners are tending to treat patients in house with conventional alternative treatments, rather than referring them for implant treatment, despite its superiority
- Customers are reducing stocks
- Dental labs are more hesitant to invest in dental equipment, such as CAD/CAM scanners
- First signs of downturn became evident in isolated markets in September and spread rapidly across various regions in Q4

Market share gains and improved operating performance

- We outpaced our main competitors in terms of net revenue growth in l.c. and thus picked up market share
- We achieved growth across all our businesses
- Full-year net revenues increased +15% (l.c.) to CHF 779 million
- Innovation leadership with new generation products and scientific credibility fuel growth
- Excluding exceptionals[1], operating and net profit margins exceed 27% and 23% respectively
- Strong cash generation and no long-term debt give us a high degree of financial flexibility

[1] Throughout this presentation the term 'exceptionals' refers to the impairments of intangible assets and/or financial assets

Business performance

Beat Spalinger, CFO

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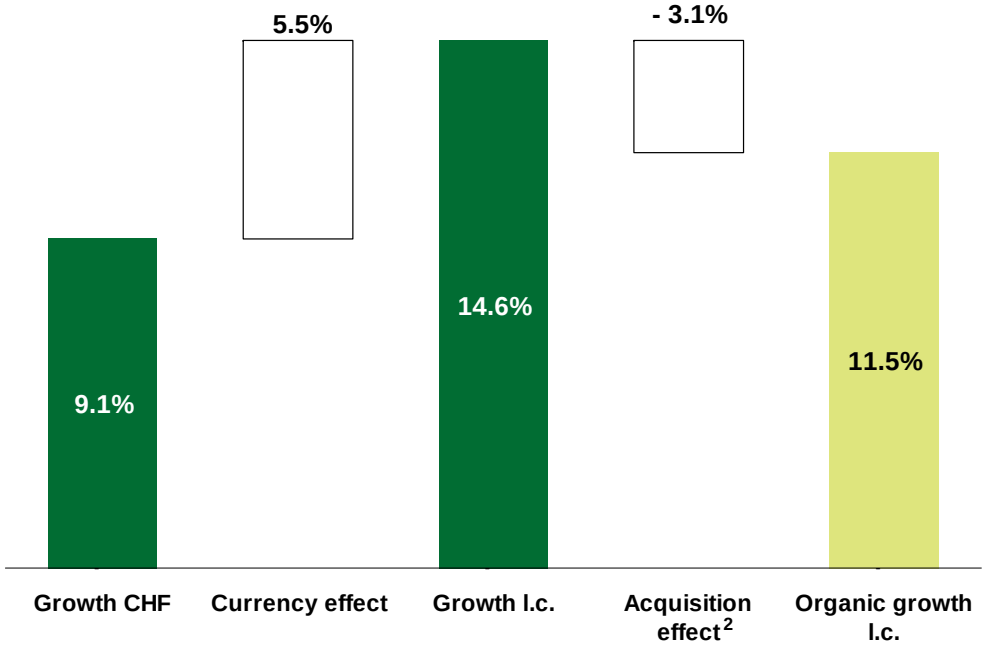
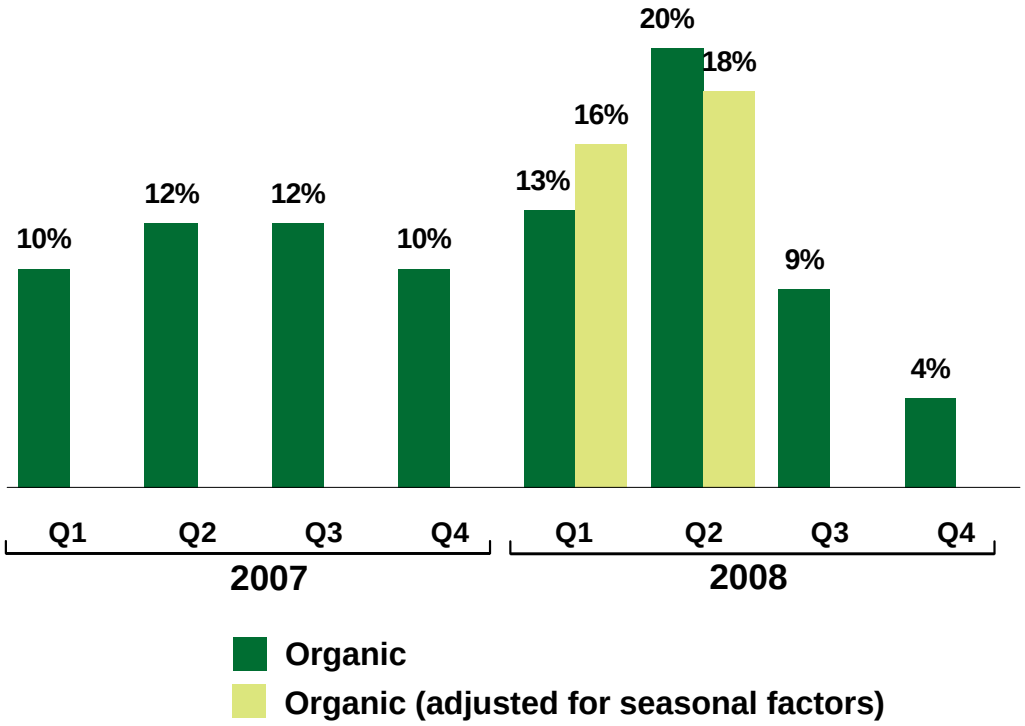
Double-digit organic growth achieved in 2008

FY 2008 net revenue growth in %

Total Group: CHF 779 million



Organic growth[1] by quarter in % (l.c.)

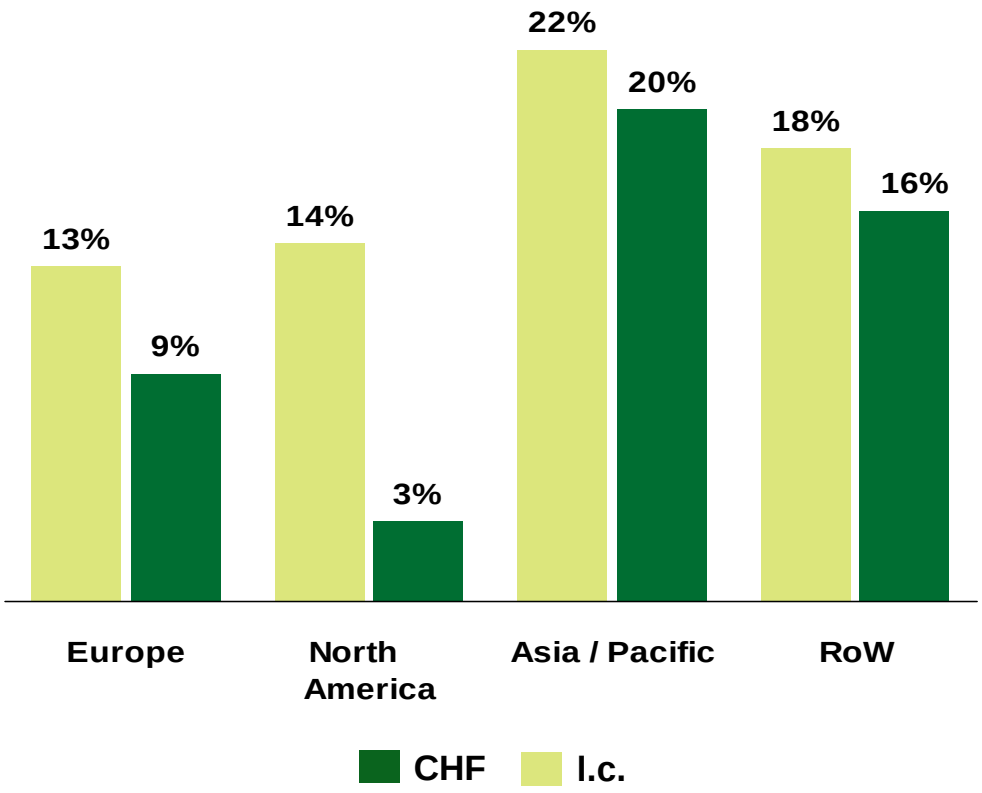


[1] 'Organic growth' excludes FX effects and includes incremental revenue growth of an acquired business upon consolidation

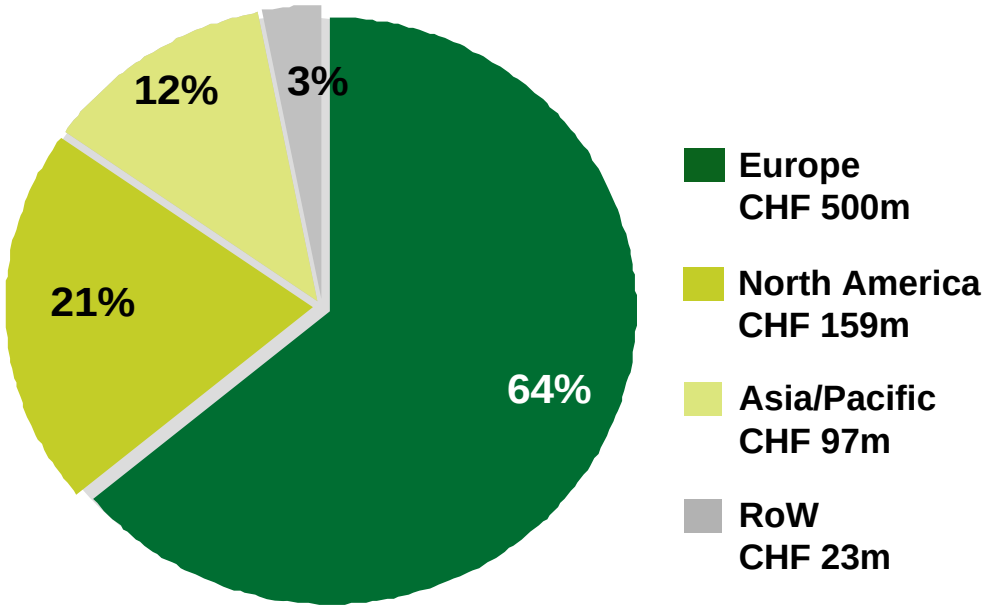
[2] Acquisition effect relates to former Asian and Czech distributors, and etkon

Consistent strong performance in North America and Europe in 2008

Regional growth in %
Total Group: 15% (l.c.), 9% (CHF)



Net revenue by region in %
Total Group: CHF 779 million



Europe posts solid growth

- Solid growth achieved in Q4
- Sales increases fuelled by new products and technologies
- Rebound in Sweden in H2 following new reimbursement legislation
- Softer performance in Iberia; dynamic growth in UK, France, Austria and Benelux

(in CHF million)	**Q4 07**	**Q4 08**	*% CHF*	**FY 07**	**FY 08**	*% CHF*
Net revenue	**125.2**	**122.2**	*-2.4%*	**458.9**	**500.2**	*+9.0%*
Growth in % l.c.	*+14.5%*	*+6.9%*		*+16.1%*	*+13.3%*	

Sustained turnaround in North America

- Deceleration of US market in Q4; strong comparison basis
- Throughout the year Straumann picked up market share, especially through the successful launch of the Bone Level range
- Regenerative products contributed 2% to regional growth in Q4

(in CHF million)	**Q4 07**	**Q4 08**	*% CHF*	**FY 07**	**FY 08**	*% CHF*
Net revenue	**40.2**	**38.8**	*-3.5%*	**154.1**	**158.9**	*+3.2%*
Growth in % l.c.	*+10.5%*	*+1.3%*		*+7.1%*	*+14.2%*	

Asia/Pacific lifted by acquired subsidiaries

- Performance in H2 reflects discontinuation of acquisition effects
- Accelerated growth depends on introduction of new products and technologies awaiting regulatory clearance in 2009/10
- Market clearance for SLActive in Korea
- Strong growth in Brazil and distributor business such as Russia, China and Turkey

(in CHF million)	**Q4 07**	**Q4 08**	*% CHF*	**FY 07**	**FY 08**	*% CHF*
APAC net revenue	**24.9**	**23.3**	*-6.2%*	**80.7**	**96.5**	*+19.5%*
Growth in % l.c.	*+69.6%*	*-4.2 %*		*+ 40.4%*	*+21.9%*	
ROW net revenue	**4.7**	**5.2**	*+9.5%*	**20.0**	**23.1**	*+15.5%*
Growth in % l.c.	*+28.3%*	*+21.7%*		*+57.0%*	*+18.0%*	

Details of impairments

CHF million Cash generating unit	Intangible asset	R&D	SG&A	Finance result	Total
CAD/CAM business					
	Goodwill	-	108.5		108.5
	Other intangibles	6.7	32.9		39.6
Regenerative business					
	Goodwill	-	18.0		18.0
	Other intangibles	-	-		-
Korean implant business					
	Goodwill	-	2.8		2.8
	Other intangibles	-	3.7		3.7
Total					
	Goodwill		129.3		129.3
	Other intangibles	6.7	36.6		43.3
	Total	6.7	165.9		172.6
Financial asset					
	Available-for-sale financial assets			12.0	12.0
	Total			12.0	12.0

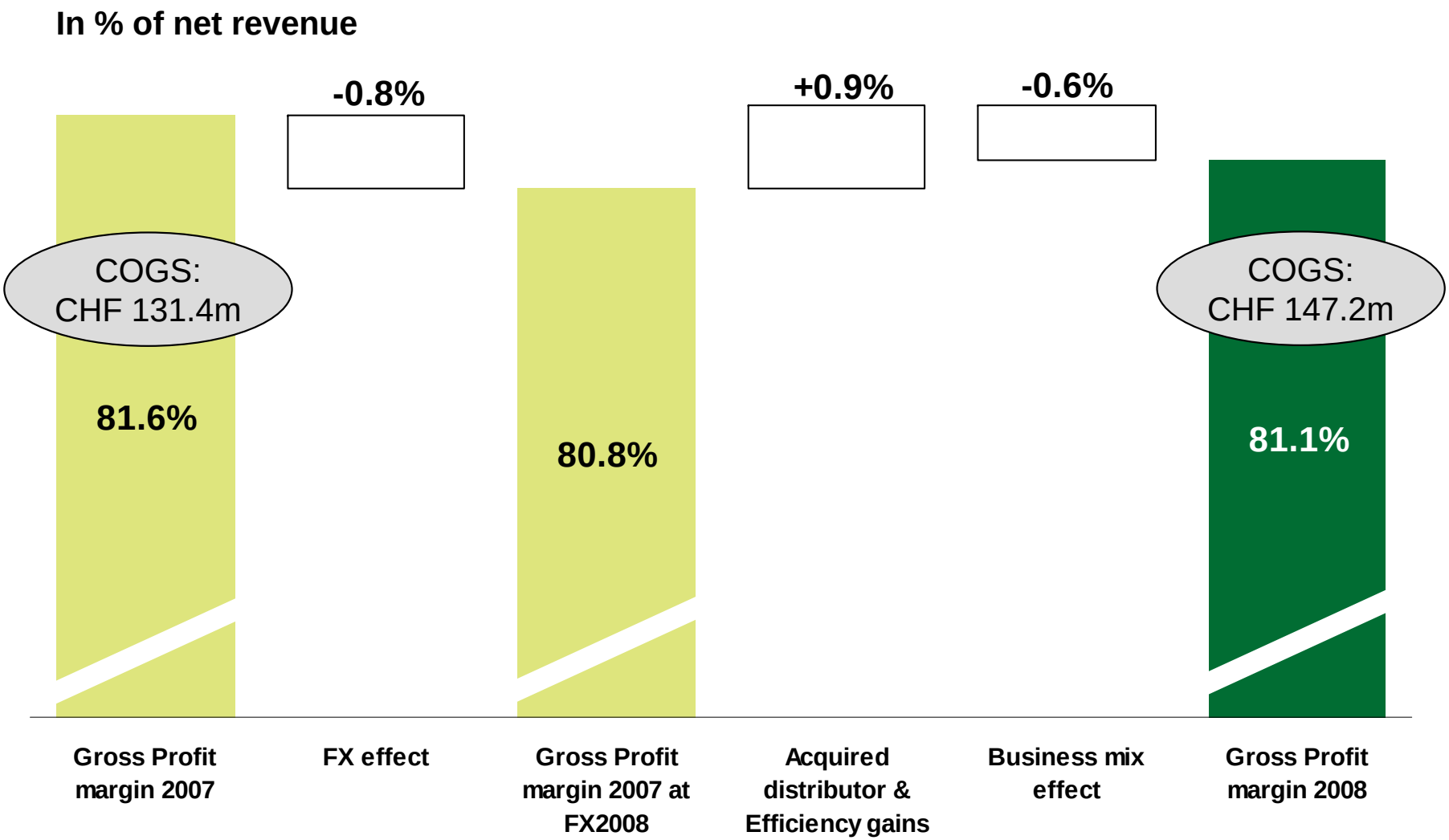
Underlying margins expanded

CHF million	FY 2007		FY 2008		YoY Change[2]
	Reported	FX adjusted	Reported	Pre-exceptional[1]	
Net Revenue	**713.7**	**679.5**	**778.7**	**778.7**	**9%**
growth in % CHF	*19.1%*		*9.1%*		
growth in % l.c.	*17.1%*		*14.6%*		
Gross Profit	**582.3**	**549.2**	**631.5**	**631.5**	**8%**
Gross Profit margin	*81.6%*	*80.8%*	*81.1%*	*81.1%*	
EBITDA	**244.1**	**225.3**	**274.1**	**274.1**	**12%**
EBITDA margin	*34.2%*	*33.2%*	*35.2%*	*35.2%*	
EBIT	**201.5**	**183.6**	**40.4**	**213.0**	**6%**
EBIT margin	*28.2%*	*27.0%*	*5.2%*	*27.4%*	
Net Profit	**177.3**	**159.5**	**8.2**	**180.1**	**2%**
Net Profit margin	*24.8%*	*23.5%*	*1.0%*	*23.1%*	
Free Cash Flow	**186.3**		**144.4**		**(22%)**
Free Cash Flow margin	*26.1%*		*18.5%*		

[1] Throughout this presentation the term 'exceptionals' refers to the impairments of intangible assets and/or financial assets

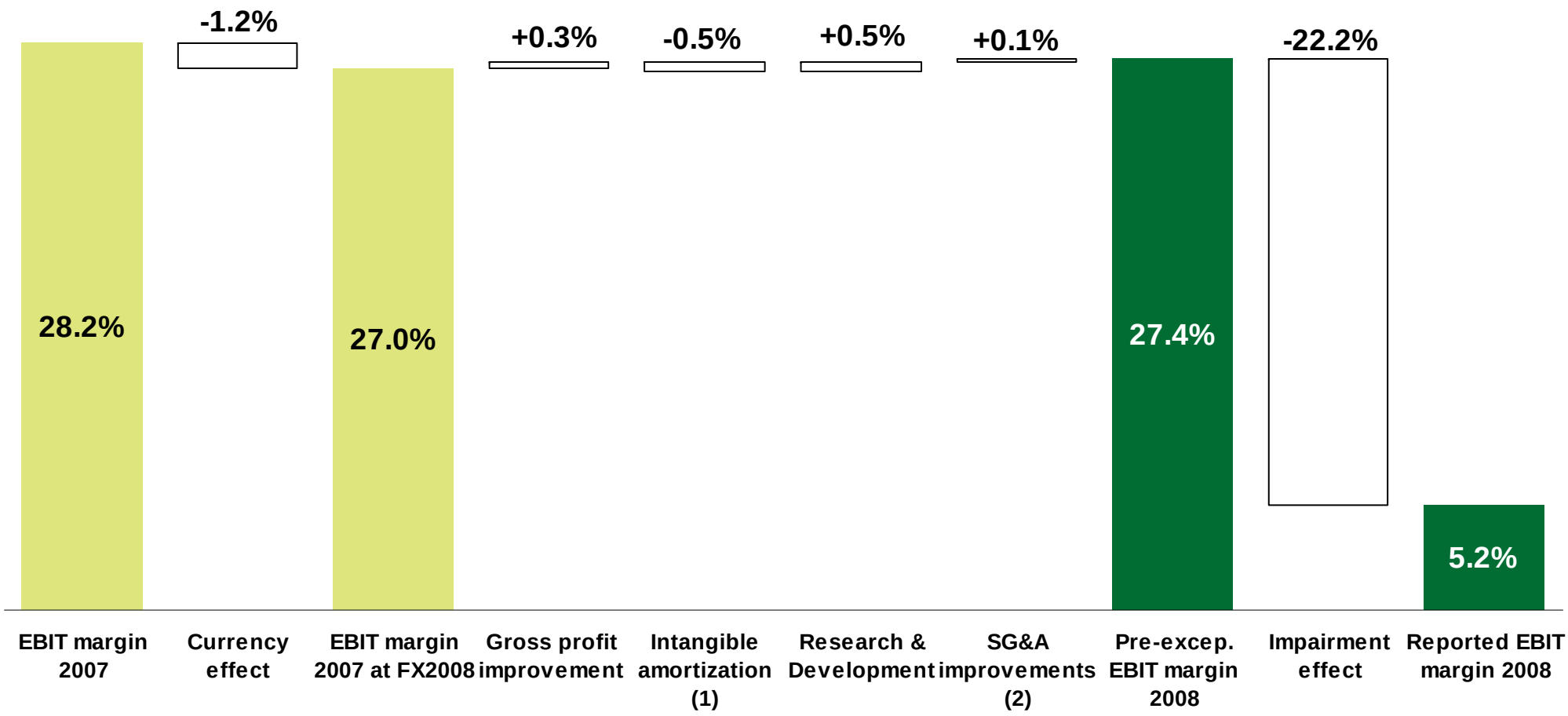
[2] Pre-exceptional figures are compared with reported previous year values

Currency adjusted gross margin expanded



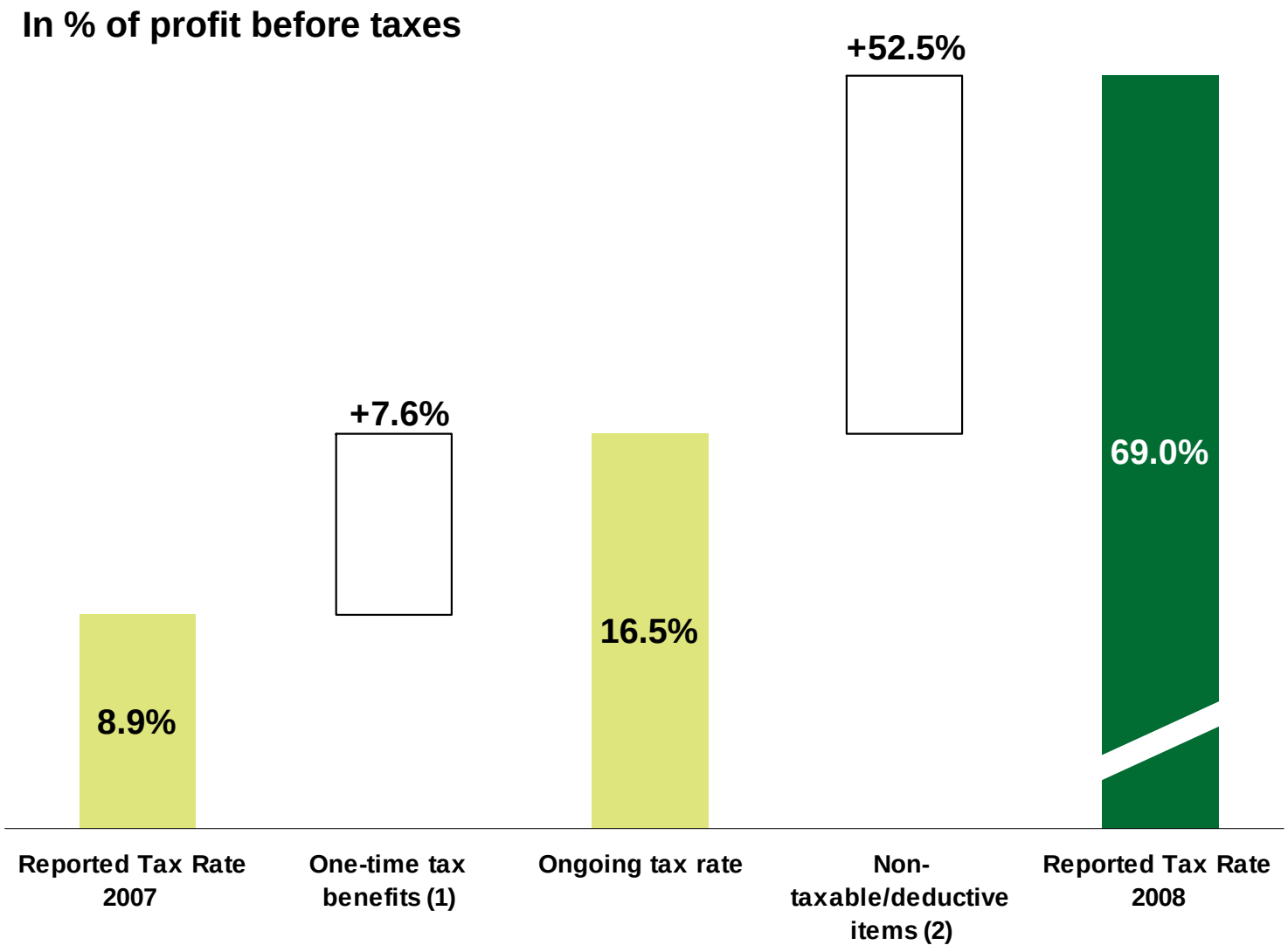
Underlying EBIT margin improves despite adverse currency effects and higher amortizations

In % of net revenue



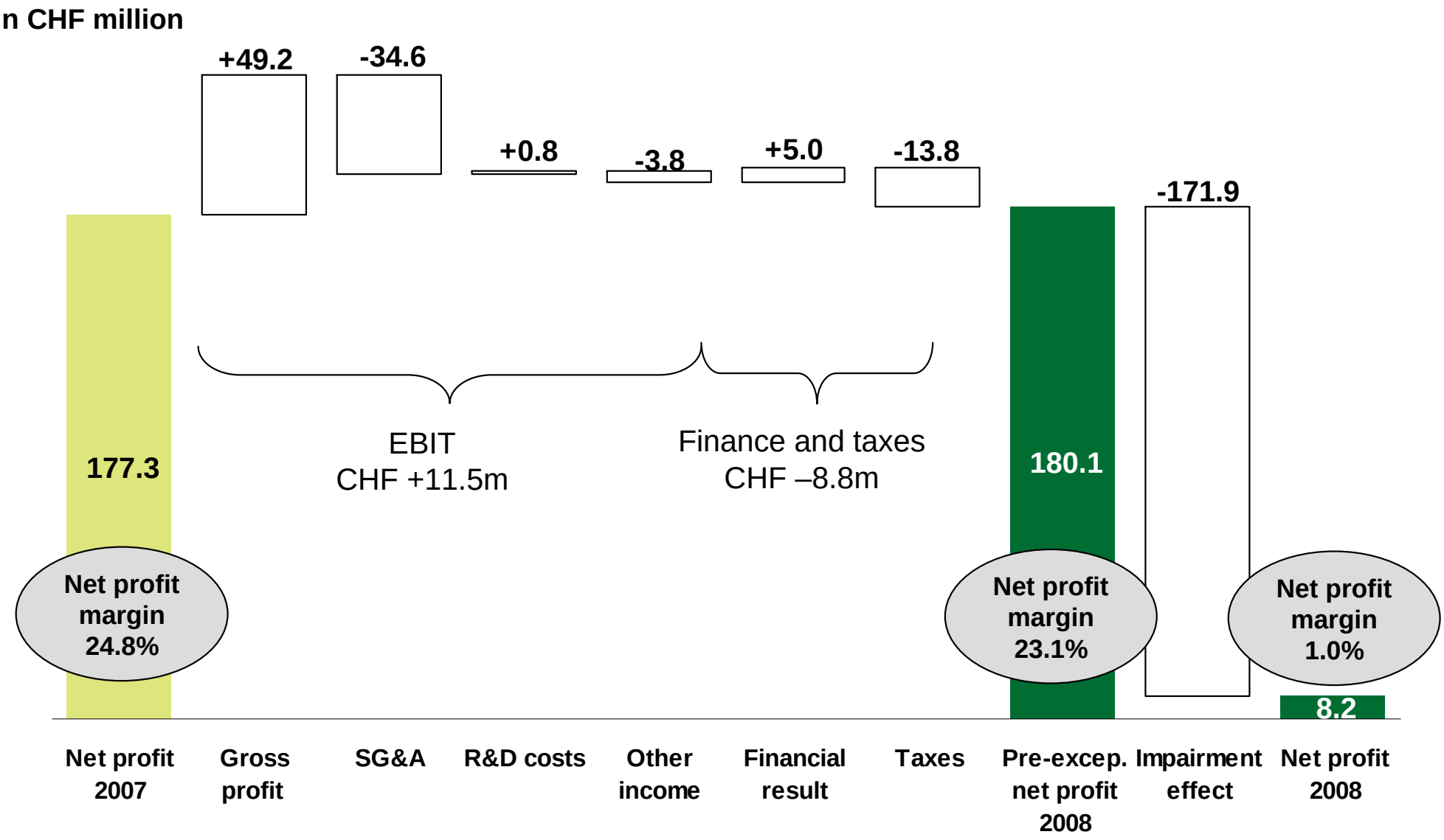
[1] Regular intangible amortization in connection with recent acquisitions (CHF 10.6 million in 2008)
[2] Including 'other income'

Tax rate impacted by non-tax-deductible impairments

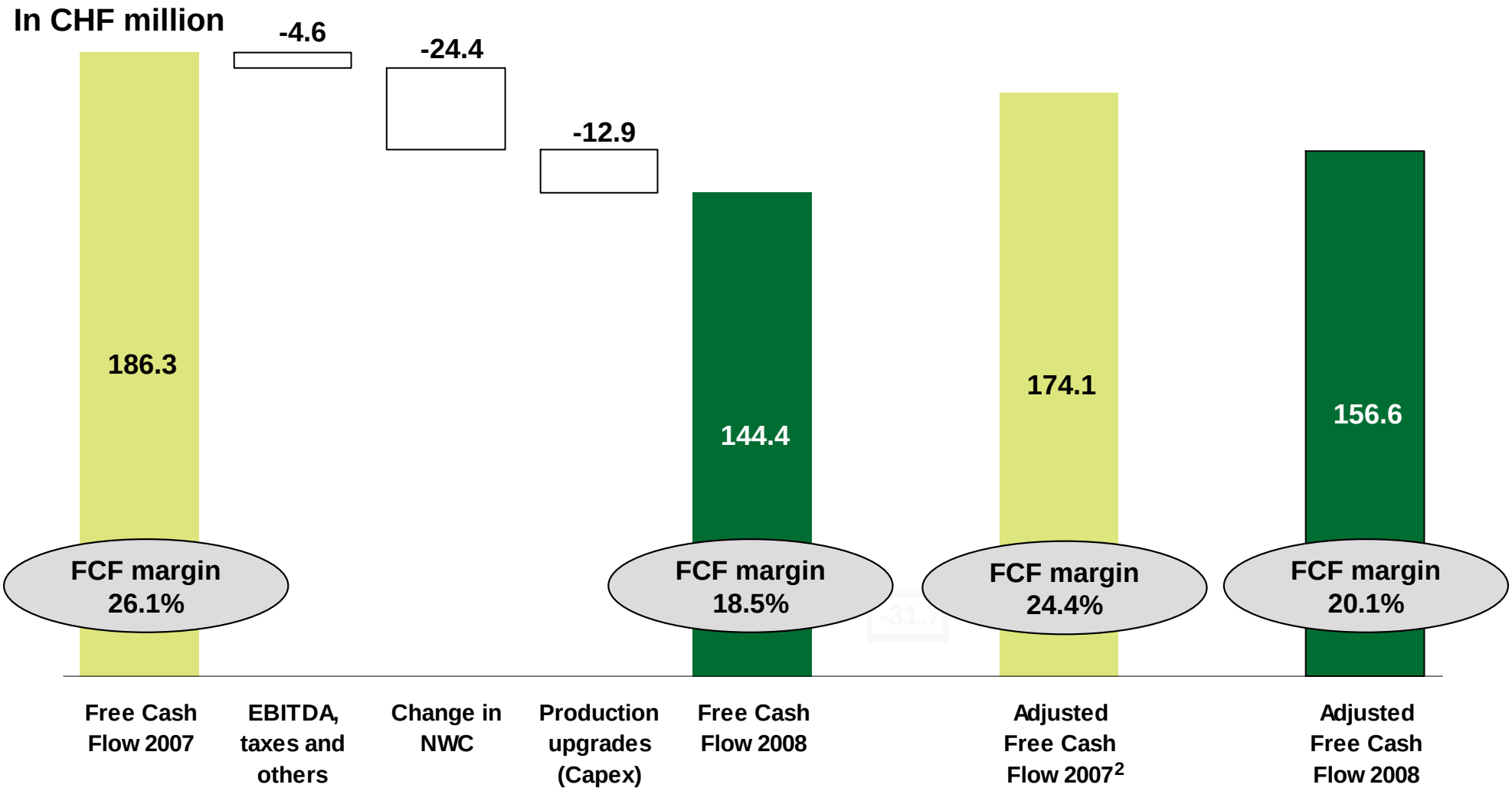


[1] Revaluation of deferred tax liabilities
[2] Mainly goodwill impairment

Pre-exceptional net profit margin increases



Strong operating cash flow – Free cash flow[1] constrained by outstanding tax payments



[1] Free cash flow (FCF) is defined as net cash from operating activities less capital expenditures plus proceeds from sale of property, plant and equipment (PPE) and financial assets in % of net revenue

[2] Adjusted free cash flow eliminates the effect of the uneven distribution of outstanding tax settlements from 2006 and 2007

Fast implementation of efficiency measures

- In anticipation of weaker growth in 2009, we are adapting our global organization and cost base to market conditions, including workforce reduction of 3%
  - Affected people informed in January; cost savings (CHF double-digit million) from Q2 on
  - Some reductions through natural attrition and early retirement; majority are redundancies
  - Provisions (CHF lower single digit million) booked in association with cost measures
- Prioritize projects; focus on key markets
- Increase efficiency by improving processes
- Eliminate duplicity (e.g. accelerate implementation of hub structures)

Building on solid foundations

Gilbert Achermann,
President & CEO

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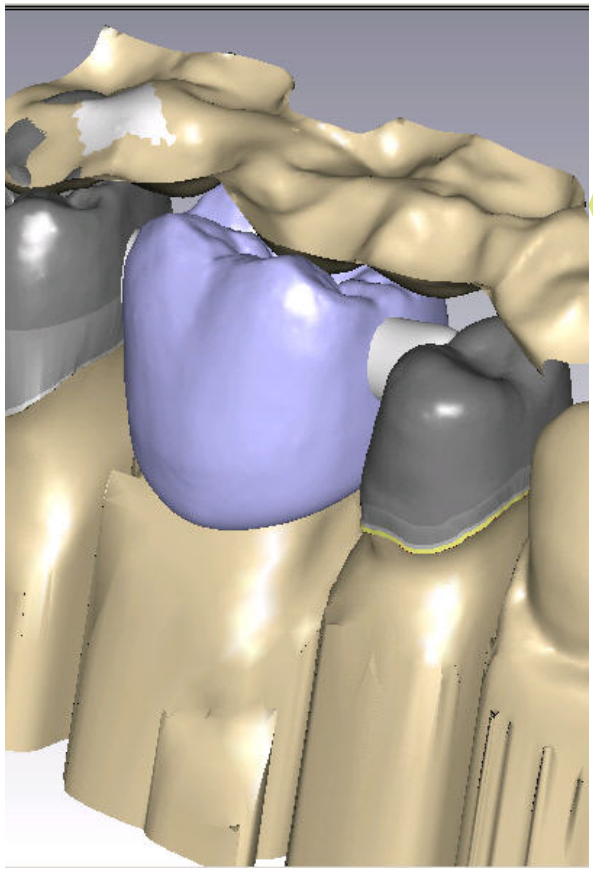
Excellent progress with Bone Level and SLActive

- Approaching 5% share of bone level segment captured in first year on the market
- 140 new prosthetic components launched in 2008

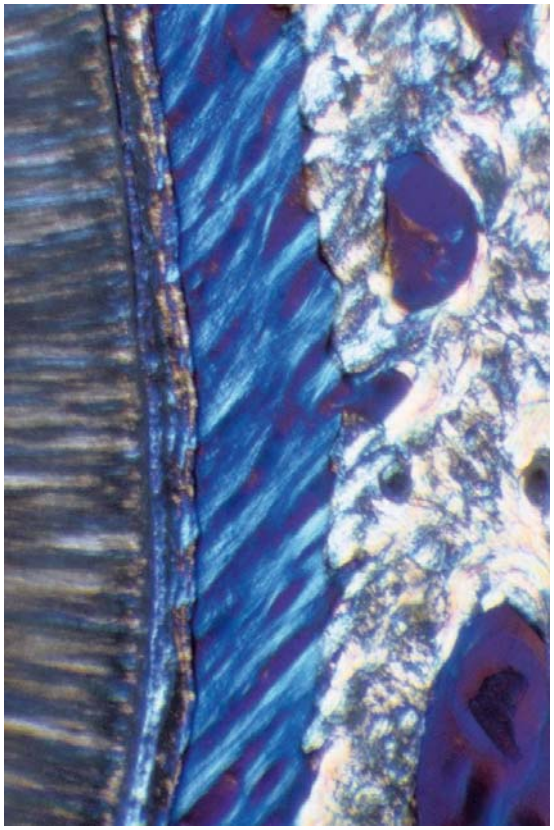
- Penetration target of 30% reached
- 30% price premium
- Superiority to TiUnite in head-to-head preclinical study
- SLA = ‘value’ competitor

CAD/CAM and Regeneratives advance



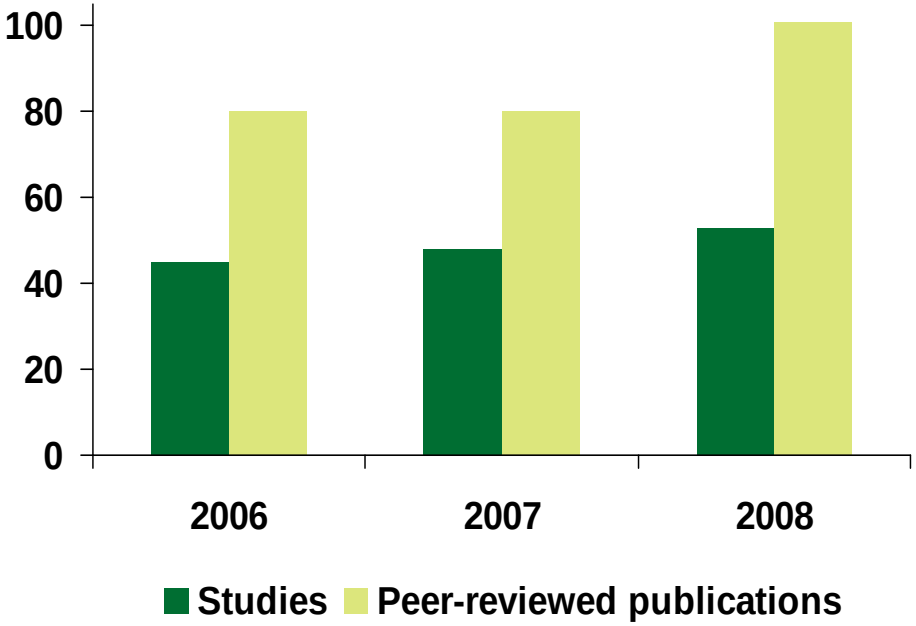
- CAD/CAM scanner base increased; labs hesitant to invest in equipment
- etkon further integrated; custom abutment launched
- Powerful etkon visual software upgrade

- Regeneratives pick up distinctly
- Successful US relaunch
- Head-to-head studies on BoneCeramic and membrane



Continued commitment to R&D

- More than 50 studies ongoing involving 200 centers
- More than 100 peer-reviewed publications in 2008



Roxolid: a new generation, high performance material with exciting potential benefits

High strength implants

- ➔ expanded indications
- ➔ greater safety and reliability

Enhanced osseointegration

- ➔ potentially faster healing
- ➔ increased predictability

Thinner implant designs

- ➔ reduced need for bone augmentation
- ➔ high-end esthetics
- ➔ more treatment options

Available in initial markets in 2009*

* Controlled market release pending sufficient clinical data and regulatory clearances

Roxolid: Documenting safety and efficacy

Pilot study

- 22 partially edentulous patients treated
- Preliminary 6-12 month data presented at EAO 2008: very promising survival rates[1]

Multi center study

- Double-blind randomized design assessing success and survival rates, crestal bone, and soft tissue parameters
- Over 90 patients already treated in 8 centers
- No adverse events reported to date

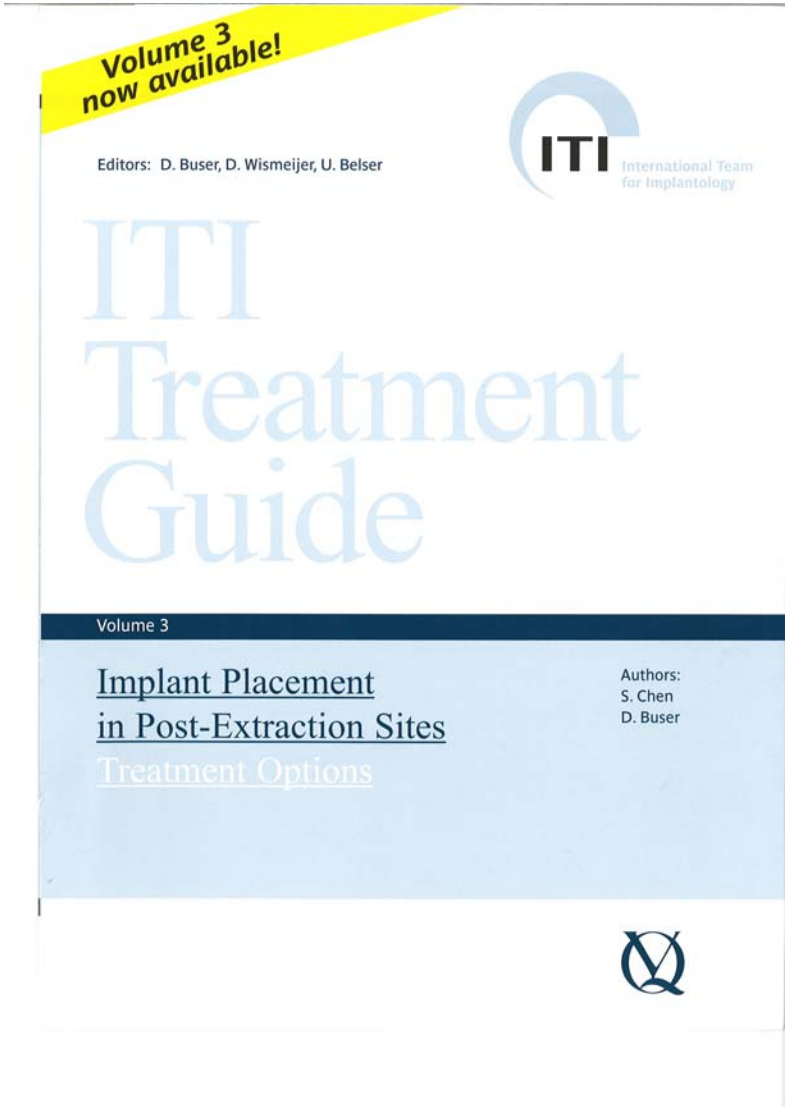
Non-interventional study (planned)

- >300 patients worldwide
- 30-40 centers
- Planning phase completed

[1] Barter S et al. Clinical data presented at the 17th Annual Scientific Meeting of the European Association for Osseointegration (EAO), Warsaw

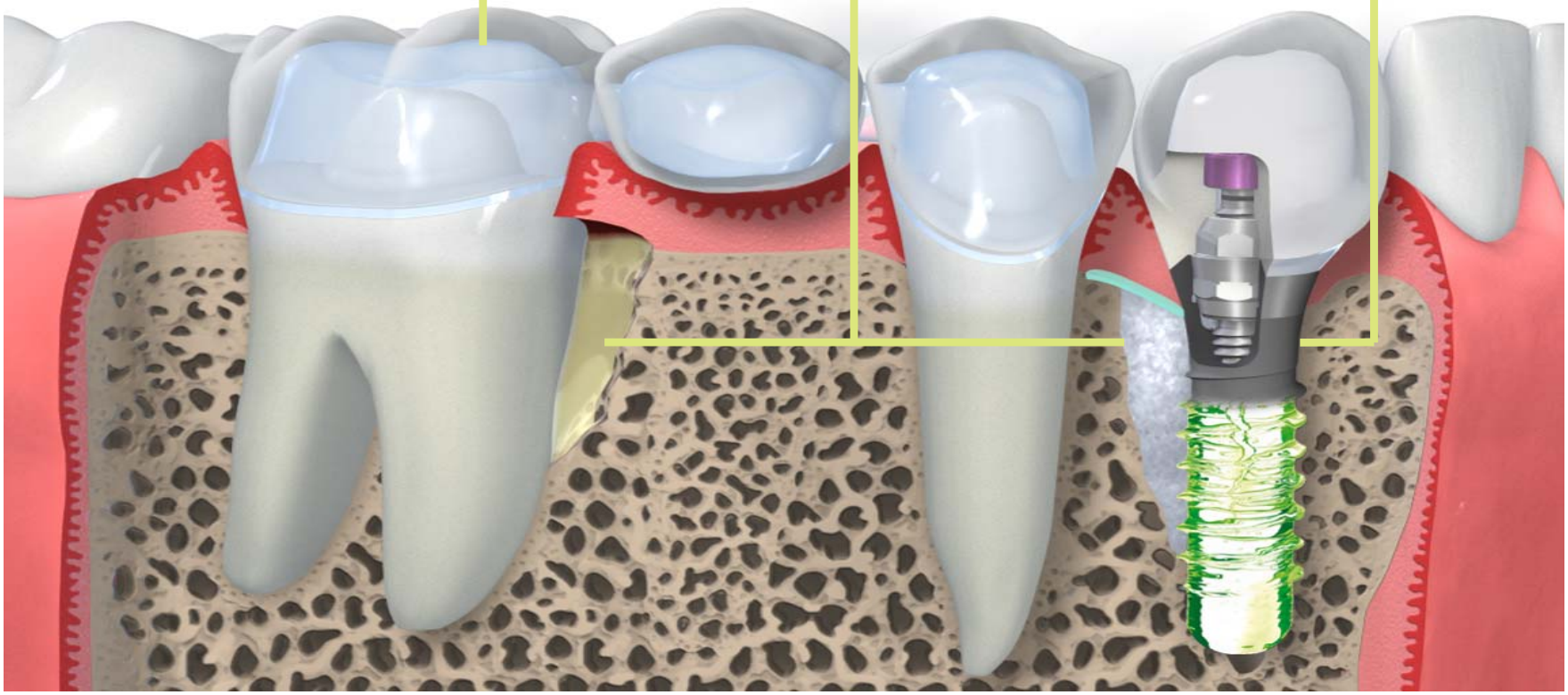
Scientific credibility built on ITI relationship

- The fastest growing network in implant dentistry
- >600 Fellows, >5000 Members, 24 Sections
- Renowned academics at leading Universities and dental schools
- New agreement with Straumann
- New executive leadership
- ITI Treatment Guide, volume 3 published



Transition from screws to solutions covering all customer segments

CAD/CAM prosthetics	Regeneratives	Implants
Technicans/labs General dentists	Specialists	Specialists/surgically active dentists



Ethical standards: support for AdvaMed

- Straumann has joined AdvaMed[1] in the US and supports AdvaMed's initiatives for advancement of the safe and effective use of medical technologies

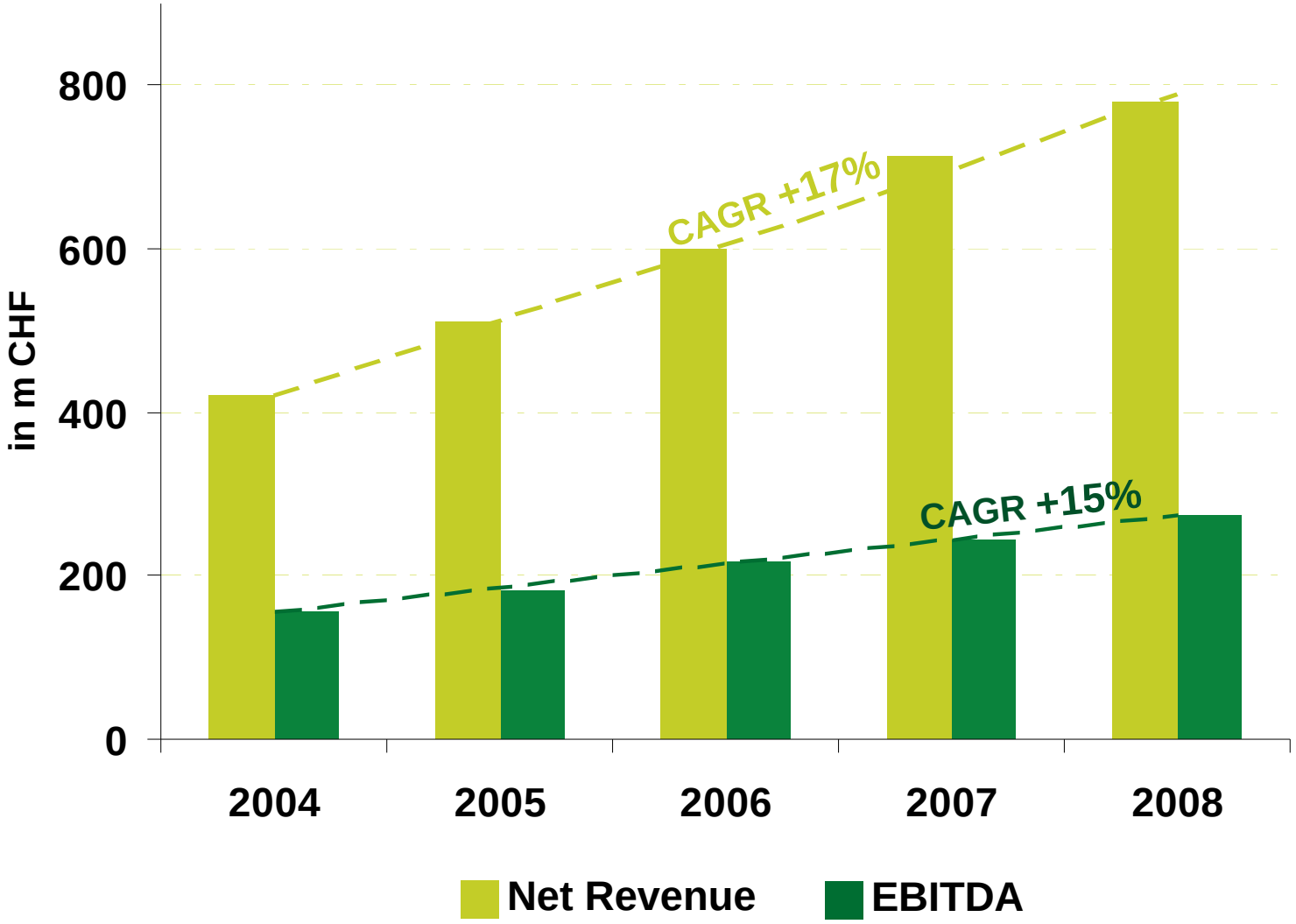
- Comprehensive code of ethics covering:
  - 'Sponsorship' of research, education, conferences etc.
  - Hospitality and donations
  - Promotional activities
  - Arrangements with consultants

[1] Advanced Medical Technology Association

Building and developing our key asset

- High caliber professionals attracted from other industries to broaden skills and best-in-class practices
- Considerable investment in upgrading Quality Management
- 150 new jobs sustained worldwide
- First global employee survey conducted and benchmarked to high performance company index
- Staff fluctuation stable
- Straumann Academy and programs to develop internal talent with goal of filling 50% of managerial positions internally

Strong track record over the past 5 years



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Outlook

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The fundamental attractiveness of our business has not changed

- More than a quarter of a billion people in the industrialized world are missing one or more teeth
- Penetration levels are still very low, as only 10-15% of people seeking treatment for tooth loss get implant solutions, despite their superiority
- There are huge patient populations in emerging economies, where implant and CAD/CAM dentistry are not established
- Only a small proportion of dental labs have invested in CAD/CAM technology, which will determine their ability to survive in the long term
- Regeneratives have only started to make in-roads in many countries
- There is no reason to suggest that our markets should not expand in the mid to long term

2009 guidance
(barring unforeseen circumstances)

Uncertainty in the global economy and historically weak consumer sentiment make it difficult to guide for the year ahead. From Straumann's perspective, the market for implant, restorative and regenerative dentistry is not expected to grow in 2009.

The strength of its global franchises, product range and innovation capability affirm **Straumann's confidence in achieving above-market growth**. All cost containment initiatives, will not compromise the Group's innovation, selling and service power but will lead to efficiency improvements that should enable the Group to deliver an **operating margin of more than 20% in 2009, depending on currency developments.**

Global demographic trends, low penetration rates and high substitution potential continue to make Straumann's markets highly attractive in the mid and long term. The Group believes that it has the right strategy in place and is well prepared for a market turnaround in the future.

2008 Annual Report – pre-print version available

- Comprehensive value reporting
- Independent expert opinions, executive interviews, corporate governance, compensation report, outlooks, etc.
- Follows GRI guidelines for sustainability reporting
- Quality of Straumann's reporting recognized in second consecutive award as best Annual Report in Switzerland

Questions & Answers

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Calendar of upcoming events

13-19 February 2009	**European Roadshow**
02 March 2009	**US Roadshow**
20 March 2009	**Annual General Meeting 2009, Basel**
25 March 2009	**Dividend ex-date**
28 April 2009	**First quarter 2009 net revenues**

Detailed calendar on www.straumann.com

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Appendix

A replenished innovation pipeline (surgical)

Project	Key benefit	Introduction	Roll-out	Potential
SLActive	Increased security, cuts healing time to 3-4 weeks	Launched in most markets	Launches in Korea ('09) and Japan (expected '10)	>35% of implant unit sales by end 2009
Bone Level Implant	Expanded options for treatment approaches	Launched in Europe, N. America and initial APAC markets	Roll-out Asia and RoW ('09)	Addressable segment: ~60% of implant market
Roxolid	Small diameter implants, high strength and osseoconductivity	Initial lunches planned '09		Addressable segment: ~10-20% of future market
New implant material	Tooth-colored implant for high-end esthetics	Initial launches planned '11/'12		Addressable segment: ~10-20% of future market
Straumann Guided Surgery Kit	Instruments enabling template based surgery; ease of use	Launch planned '09		n.a.

A replenished innovation pipeline (regenerative)

Project	Key benefit	Introduction	Roll-out	Potential
Straumann BoneCeramic	Fully-synthetic, optimal handling, morphology and resorption	Launched in N. America, Europe and initial APAC	Launches in Korea (’09) and Japan (expected ’10)	Addressable market: Up to 25% of all implant procedures
Straumann Emdogain PLUS	Convenient combination for wide periodontal defects	Launched in Europe and initial APAC markets (’06)	N. America planned ‘09	Addressable market: Up to 10% of periodontal surgical treatments
Membrane	Resorbable, easy and precise to use	Initial launches planned ‘10		Addressable market: >50% of guided bone regeneration procedures

A replenished innovation pipeline (prosthetics)

Project	Key benefit	Introduction	Roll-out	Potential
New prosthetic materials	Full crown restoration	Launch planned '09		Addressable segment: >30% of CAD/CAM elements market
New abutment	High performance, tooth colored, high-end esthetics	Launch planned '09		Addressable segment: 10-15% of abutment market
Straumann Customized abutments	High-end esthetics	Etkon scanned custom abutments launched in Europe and N. America ('08)		Addressable segment: 10-15% of abutment market
Digital dentistry projects	Digital workflow: Imaging plus CAD/CAM	Initial launch planned '10		n.a.

Net revenue growth by quarter

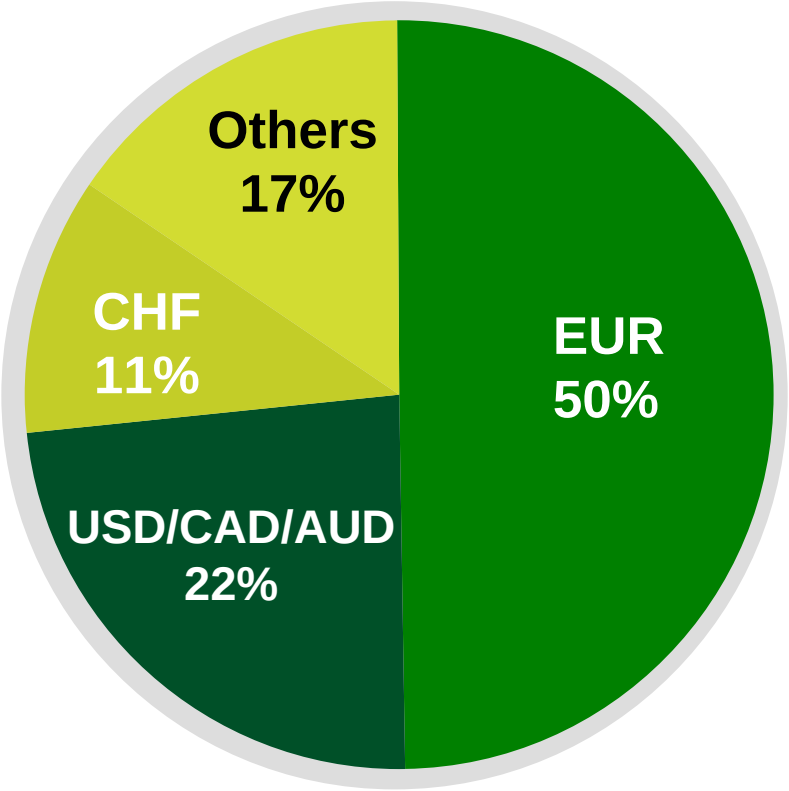
CHF million	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008
Europe	**131.6**	**138.5**	**107.9**	**122.2**	**500.2**
growth in % CHF	16.3	15.5	7.3	(2.4)	9.0
growth in % l.c.	17.0	18.2	10.4	6.9	13.3
North America	**39.0**	**40.3**	**40.8**	**38.8**	**158.9**
growth in % CHF	2.9	3.6	10.1	(3.5)	3.2
growth in % l.c.	15.6	19.8	22.1	1.3	14.2
Asia / Pacific	**23.6**	**27.2**	**22.3**	**23.3**	**96.5**
growth in % CHF	5.7	196.7	(8.1)	(6.2)	19.5
growth in % l.c.	5.6	197.5	(4.3)	(4.2)	21.9
Rest of the world	**6.3**	**6.2**	**5.4**	**5.2**	**23.1**
growth in % CHF	20.9	24.0	5.9	9.5	15.5
growth in % l.c.	20.1	25.8	5.3	21.7	18.0
Group	**200.5**	**212.3**	**176.4**	**189.5**	**778.7**
growth in % CHF	12.2	22.7	5.6	(2.8)	9.1
growth in % l.c.	15.4	28.7	10.6	4.6	14.6

Second half results provide basis for outlook

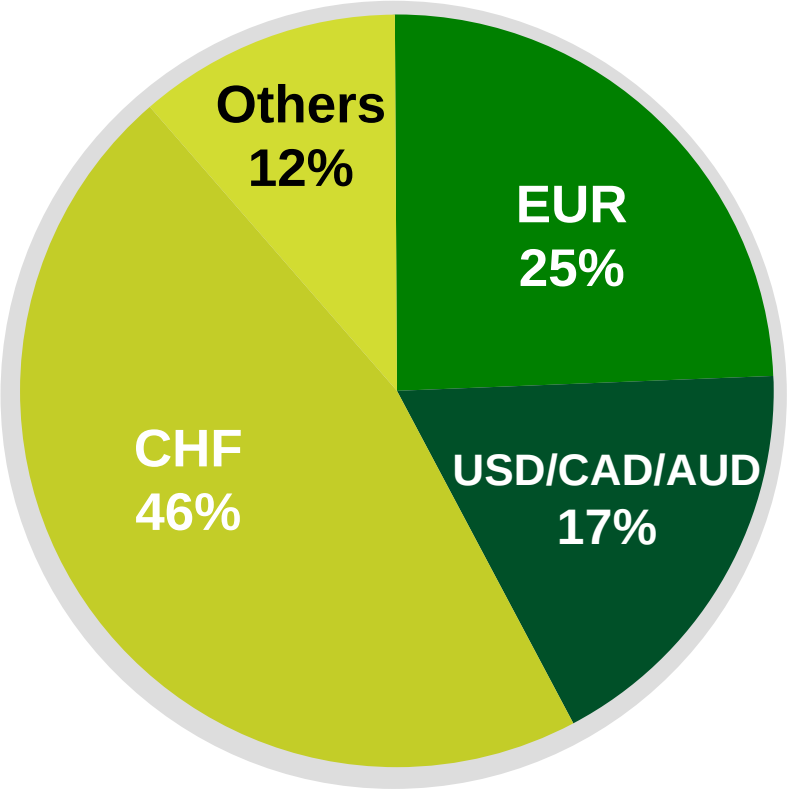
CHF million	H1 2008	H2 2008 Pre-exceptional	FY 2008 Pre-exceptional
Net Revenue	**412.8**	**365.9**	**778.7**
growth in % CHF	*17.4%*	*1.1%*	*9.1%*
EBITDA	**150.4**	**123.6**	**274.1**
EBITDA margin	*36.4%*	*33.8%*	*35.2%*
EBIT	**119.8**	**93.2**	**213.0**
EBIT margin	*29.0%*	*25.5%*	*27.4%*
Net Profit	**100.5**	**79.6**	**180.1**
Net Profit margin	*24.3%*	*21.8%*	*23.1%*

Transactional currency exposure

Global net revenue distribution in %



Global cost distribution in %



Charts represent the total net revenues and the total cost of goods sold, selling and administrative costs as well as R&D expenses in the various currencies. All numbers are rounded approximations.