

Press Release

The Straumann Group Announces a License, Manufacturing and Supply Agreement for Dental Applications with Nektar Therapeutics

Waldenburg, Switzerland, January 24, 2003 – The Straumann Group (SWX:STMN), a leader in implant dentistry, announced today a license, manufacture and supply agreement with Nektar Therapeutics (Nasdaq: NKTR), formerly Inhale, Shearwater, and Bradford Particle Design, to use and source Nektar's PEG-based hydrogel technology for dental regeneration products.

Through the development of a PEG-based hydrogel product, which will be used by dentists to support the tissue regeneration involved in dental surgery, Straumann is working to offer a simple-to-use and effective product in this field. Straumann expects to introduce first products to market by 2004.

Under the agreement, Straumann will license and source Nektar's PEG-based hydrogel technology and material exclusively for its proprietary formulation. Nektar will receive milestone and manufacturing payments, as well as royalties on successfully commercialized products.

"We consider Nektar to be the premier manufacturer and supplier of PEG hydrogel technology, and Nektar's important expertise and experience will allow us to stay at the forefront of innovation in the field of implant dentistry. This agreement is an important step in bringing to market a novel product for dental tissue regeneration – an effort we started with our acquisition of Kuros Therapeutics last year," said Gilbert Achermann, CEO of The Straumann Group.

"We are pleased to be working with Straumann, who, with more than 20% market share, is one of the two largest producers of dental implant products," said Ajit Gill, president and chief executive officer of Nektar. "This innovative product will offer Straumann the continued ability to confirm and build its position in the USD 800 million dental implant market, which is growing at 10% - 15% annually."

Nektar's proprietary advanced PEGylation chemistry is a molecule engineering technology for the chemical attachment of polyethylene glycol (PEG) chains to a broad range of drug substances such as peptides and proteins, including antibody fragments; small molecules; and other drugs. Nektar Hydrogels are cross-linked PEG molecules that can serve as biomaterials or as depots to prolong drug release from an injection site. Ultimately, Nektar Hydrogels may reduce the frequency of dosing and improve patient compliance. Nektar Hydrogels are used in Confluent Surgica l's SprayGel™ product for prevention of surgical adhesions, approved in Europe and in pivotal testing in the United States.



Nektar Therapeutics, formerly Inhale, Shearwater and Bradford Particle Designs, enables the development of high-value, differentiated pharmaceutical products based on its leading drug delivery capabilities. Nektar's expanded technology and development expertise allows it to develop and offer to partners new product opportunities, solve more development challenges, and realize the full potential of their therapeutics from new molecular entities to life-cycle management products. For additional information, please see Nektar's website <http://www.nektar.com>

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The Straumann Group, with headquarters in Waldenburg, Switzerland, is a leader in the field of implant dentistry. Straumann develops, produces and markets products worldwide for oral implantology (ITI® DENTAL IMPLANT SYSTEM, instruments) in cooperation with the International Team for Oral Implantology (ITI), leading hospitals, research institutes and universities. Through the acquisition of Kuros Therapeutics, which had proprietary technology in biomaterials for soft and hard tissue regeneration, Straumann gained the necessary competency to develop tissue regeneration products for the dental market. Straumann products are all manufactured in Switzerland. The company is represented by subsidiaries in 14 countries worldwide, and in 34 countries by distributors. Sales in fiscal year 2002 amounted to CHF 275 million. Straumann has 750 employees worldwide, of whom 220 are employed at the company's headquarters in Waldenburg/Switzerland, and 160 at its production plant in Villeret/Switzerland.

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