



# 2008 Nine-Month and Third-Quarter Revenues

Analysts' & Media Conference Call  
Basel, 30 October 2008

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# Highlights

Gilbert Achermann,  
President & CEO

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# New CFO and EVP, Finance & Operations



- Experienced executive with a strong track record in finance, management, administration and crisis management
- CFO of Unique, the operating company of Zurich International Airport, for 9 years
- 13 years at KPMG Zurich; Partner and Head of Corporate Finance

# Further market share gains achieved through double-digit\* growth in challenging environment

- Net revenue climbs 18% l.c. over nine-months
- Double-digit growth (+11%) in Q3, leading to further market share gains
- Continued strong growth in North America (+22%) in Q3, lifted by reintroduction of regeneratives and roll-out of Bone Level Implant
- Europe posts double-digit growth (+10%) in Q3, constrained by soft performance in Iberia
- Revenues in Asia/Pacific (9M: +34%, Q3: -4%) reflect organizational transition and absence of latest generation products

# Innovation and scientific leadership continues; share of voice leveraged

## AAP (Seattle)

- Platform to relaunch regeneratives to large US customer segment

## EAO (Warsaw)

- Novel high strength material Roxolid™ presented
- Important preclinical and clinical data publicized

## ITI Brazilian Meeting (São Paulo)

- 1200 participants, 32 key opinion leader speakers

**3rd ITI Treatment Guide**  
published





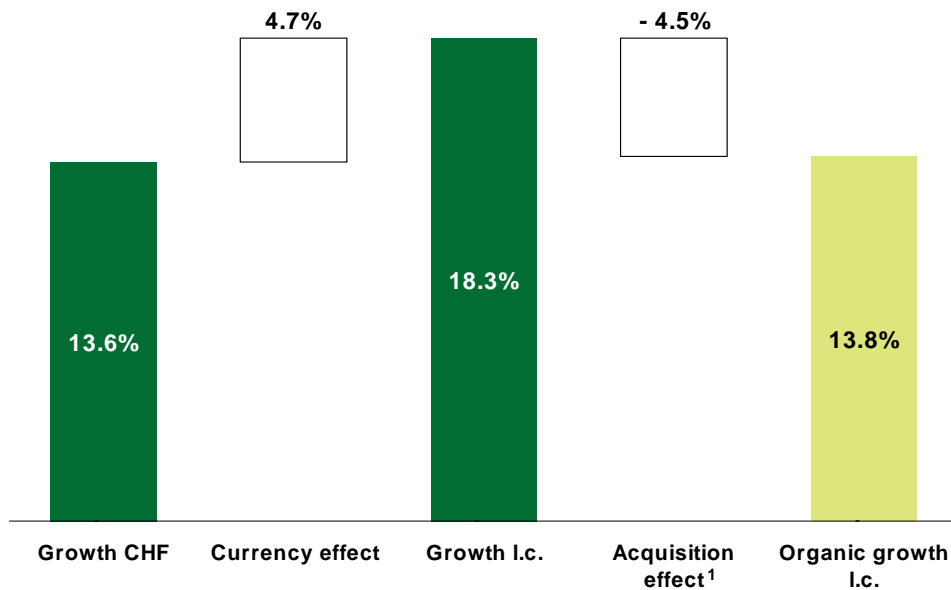
# Business performance

Beat Spalinger, CFO

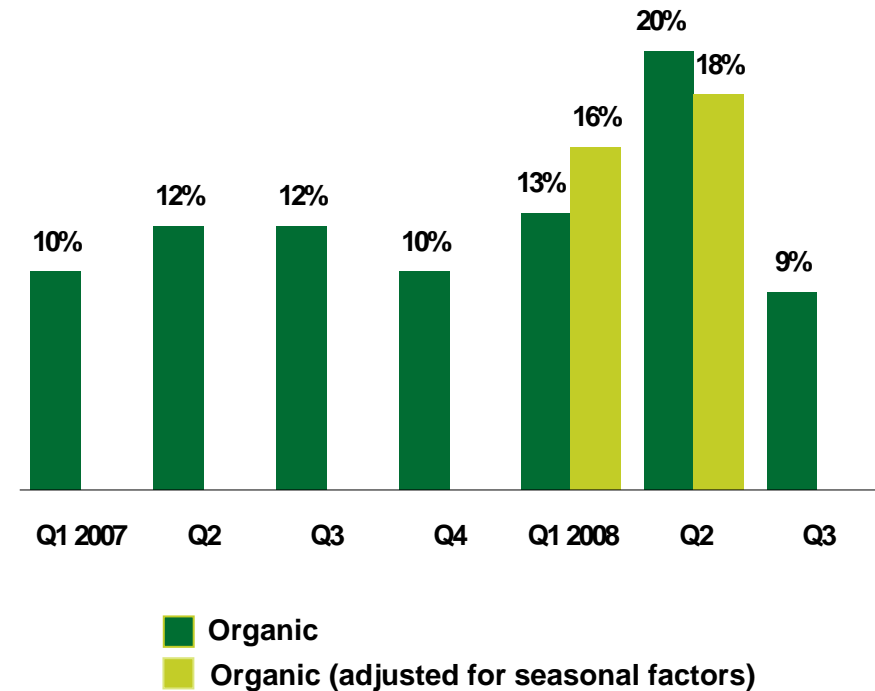
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# Performance driven by continued organic growth

**9M 2008 net revenue growth in %**  
Total Group: CHF 589 million



**Organic growth<sup>2</sup> by quarter in % (l.c.)**



<sup>1</sup> Acquisition effect relates to former Asian and Czech distributors and etkon

<sup>2</sup> 'Organic growth' excl. FX effects and incl. incremental revenue growth of acquired businesses upon consolidation

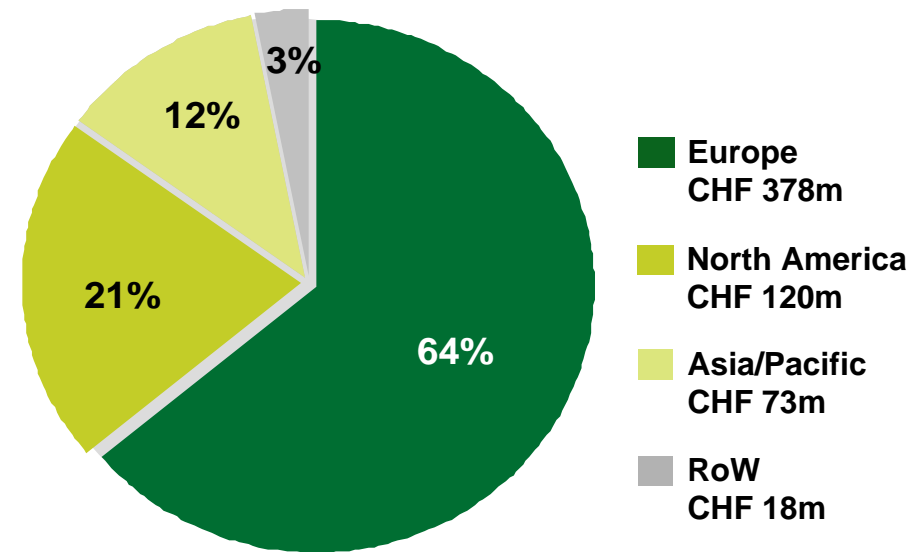
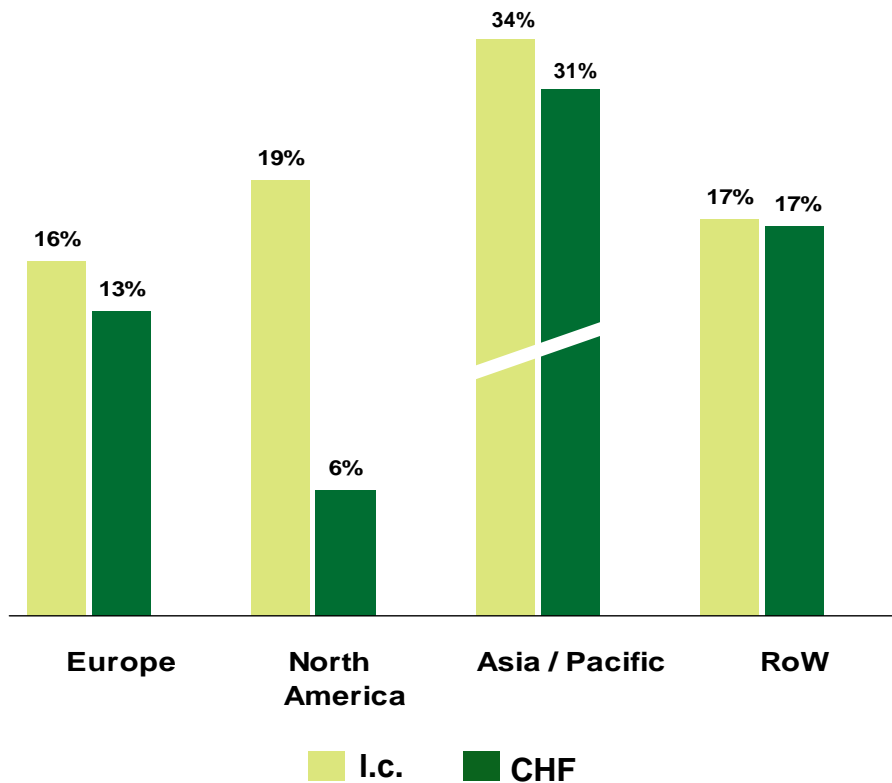
# All regions post solid increases over 9 months

## Regional growth in %

Total Group: 18% (I.c.), 14% (CHF)

## Net revenue by region in %

Total Group: CHF 589 million



# Double-digit growth across Europe

- /// Double-digit increases in Germany and Italy
- /// Softer performance in Iberia
- /// Dynamic growth in UK, France, Austria and Benelux
- /// FDA routine inspection of Basel and Villeret sites completed without 'observations'



<i>(in CHF million)</i>	<b>Q3 07</b>	<b>Q3 08</b>	<i>CHF Δ%</i>	<b>9M 07</b>	<b>9M 08</b>	<i>CHF Δ%</i>
<b>Net revenue</b>	<b>100.6</b>	<b>107.9</b>	+7%	<b>333.7</b>	<b>378.0</b>	+13%
<i>Growth in % l.c.</i>	+20%	+10%		+17%	+16%	

# North America continues to outperform

- Further acceleration despite deterioration in the US economy
- Growth lifted by successful relaunch of regenerative products and roll-out of Bone Level Implant
- Regulatory clearances for 'CARES' addition to bone level prosthetic range and preoperative kit for guided surgery (launches in 2009)



<i>(in CHF million)</i>	<b>Q3 07</b>	<b>Q3 08</b>	<i>CHF Δ%</i>	<b>9M 07</b>	<b>9M 08</b>	<i>CHF Δ%</i>
<b>Net revenue</b>	<b>37.1</b>	<b>40.8</b>	+10%	<b>113.9</b>	<b>120.1</b>	+6%
<i>Growth in % l.c.</i>	+4%	+22%		+6%	+19%	
<i>Growth in % l.c. excl. Biora effect</i>		+16%			+19%	

# Turnaround challenge in Asia/Pacific

- ≡ Q3 2008 reflects discontinuation of acquisition effects
- ≡ Accelerated growth will depend on the introduction of new products and technologies awaiting regulatory clearance in 2009 and 2010
- ≡ Turnaround of acquired businesses in Japan and Korea not expected before late 2009



<i>(in CHF million)</i>	<b>Q3 07</b>	<b>Q3 08</b>	<i>CHF Δ%</i>	<b>9M 07</b>	<b>9M 08</b>	<i>CHF Δ%</i>
<b>APAC net revenue</b>	<b>24.2</b>	<b>22.3</b>	- 8%	<b>55.8</b>	<b>73.1</b>	+31%
<i>Growth in % l.c.</i>	+ 96%	- 4%		+ 30%	+ 34%	
<b>ROW net revenue</b>	<b>5.1</b>	<b>5.4</b>	+ 6%	<b>15.3</b>	<b>18.0</b>	+17%
<i>Growth in % l.c.</i>	+ 106%	+ 5%		+ 68%	+ 17%	

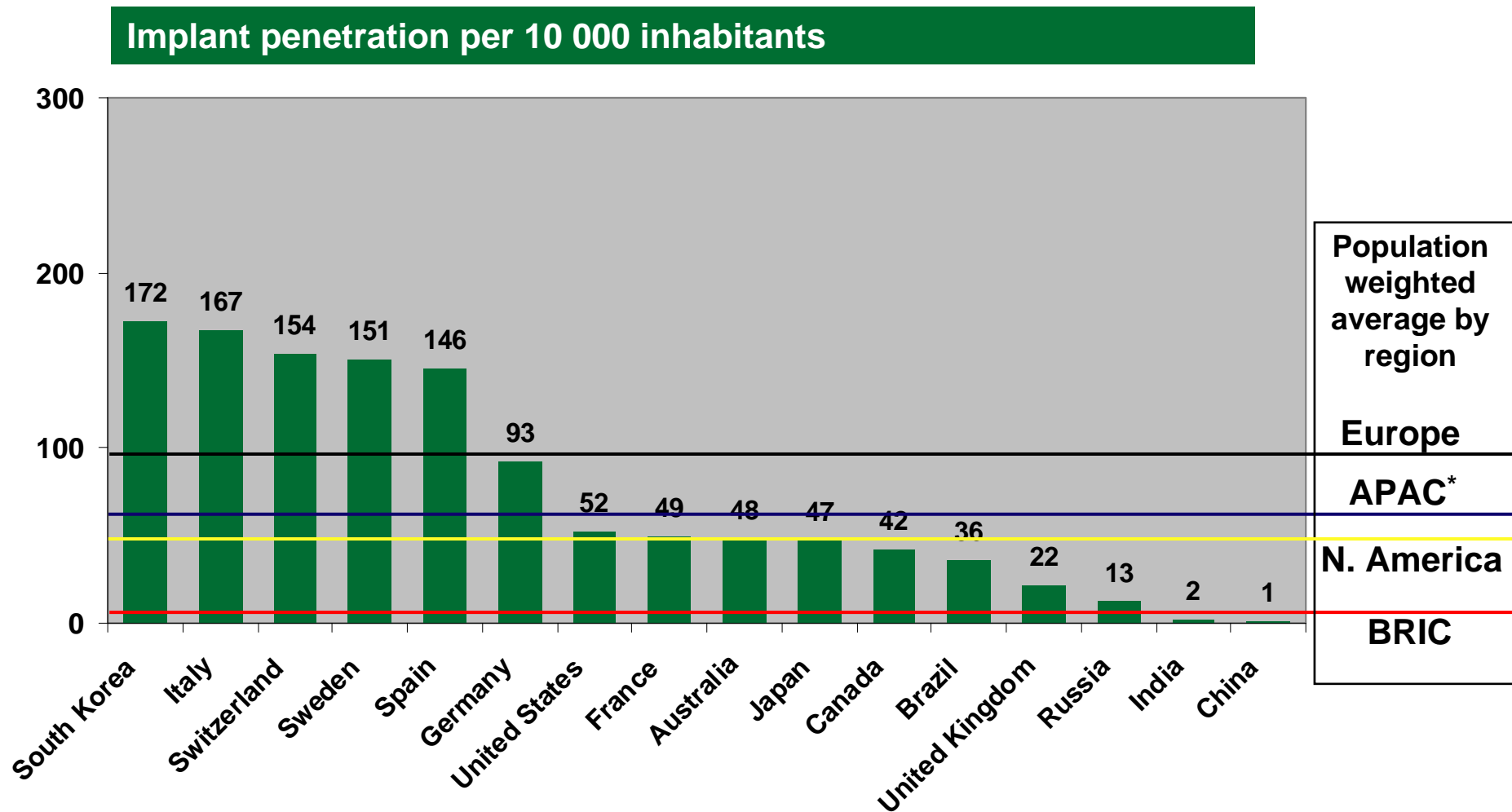


# Solid fundamentals for future growth

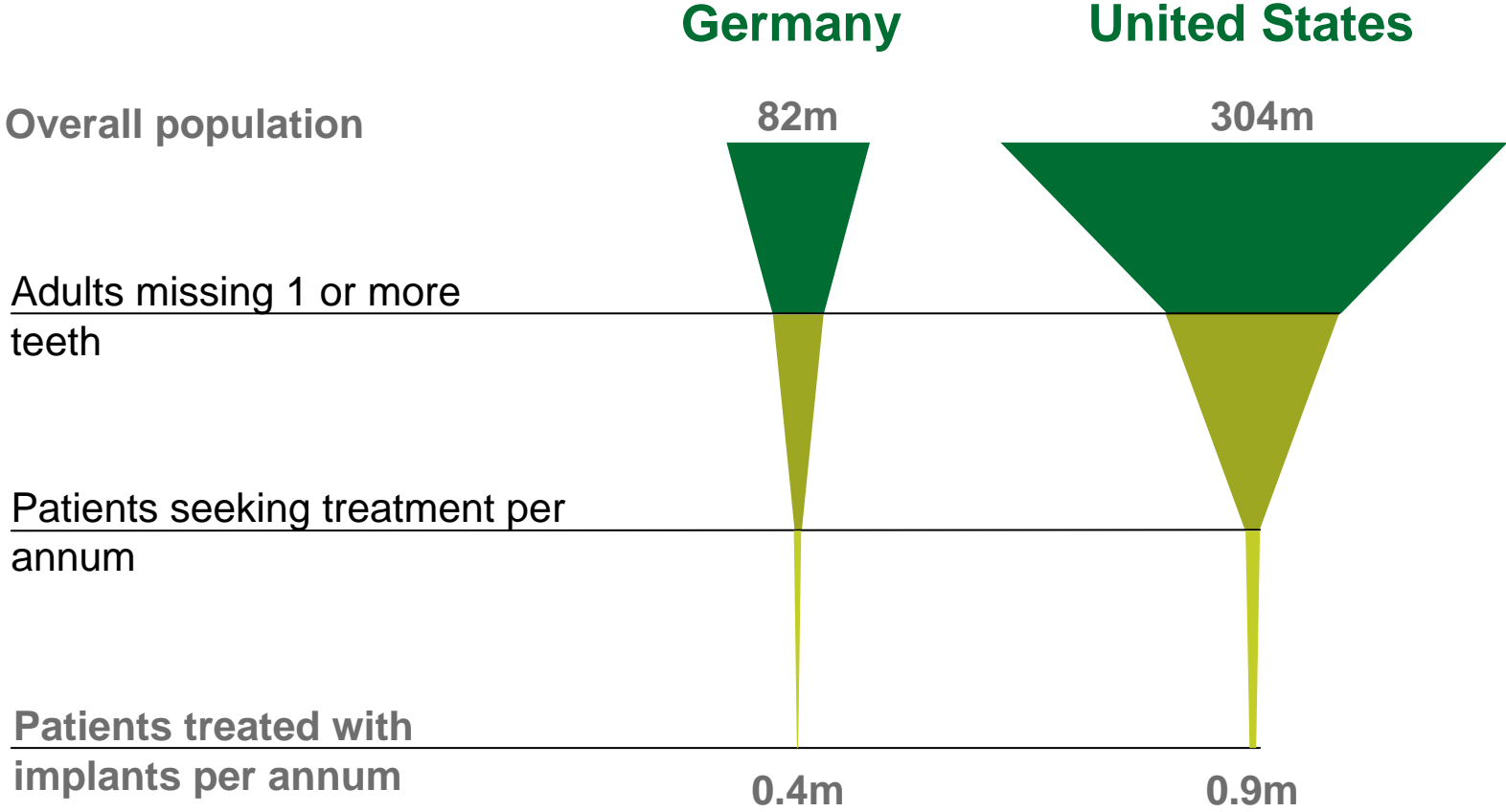
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President & CEO

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# Low penetration makes market highly attractive

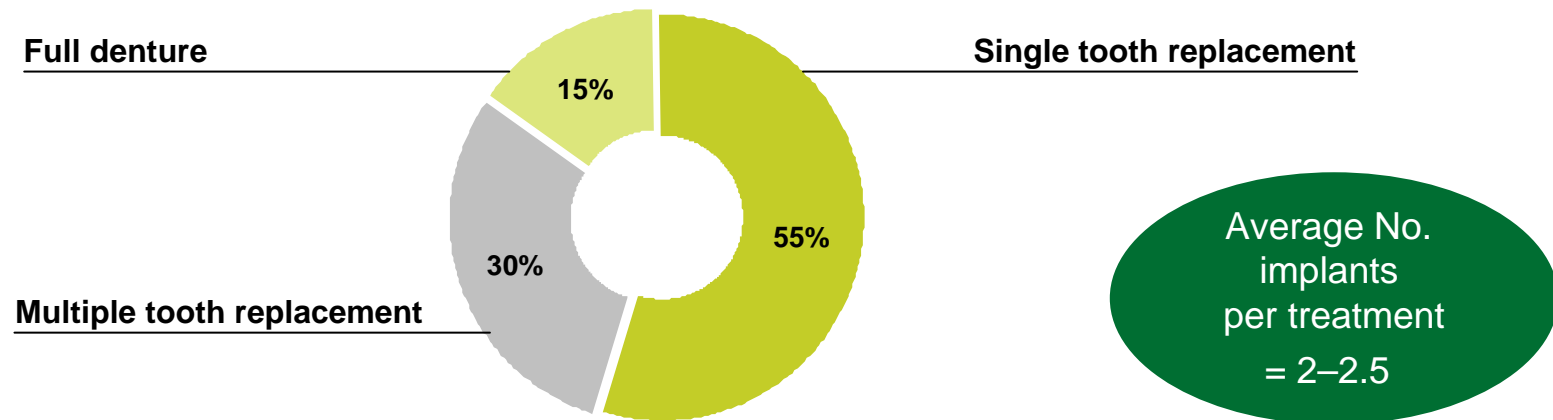


# Huge potential – even in developed countries



# Implants are an affordable, preferable alternative for the most common indication

## Estimated tooth replacement by indication



## Comparative costs

Indication	Germany		US	
	Implant solution*	Conventional	Implant solution*	Conventional
Single tooth	€1850 – 2100	€1700	\$ 3350 – 3600	\$ 2700
Multiple tooth**	€3700 – 4300	€800 – 2900	\$ 5000 – 8050	\$ 2700 – 3600
Full denture	€4200 – 4900	€900	\$ 6000 – 10 300	\$ 1200

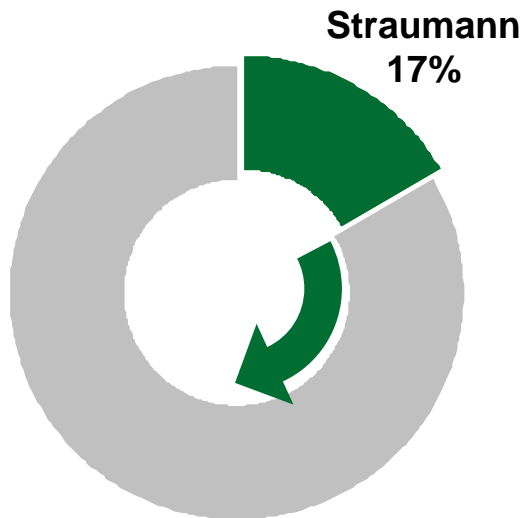
\* Without bone augmentation

\*\* e.g. 3-unit bridge supported on 2 implants or tooth stumps

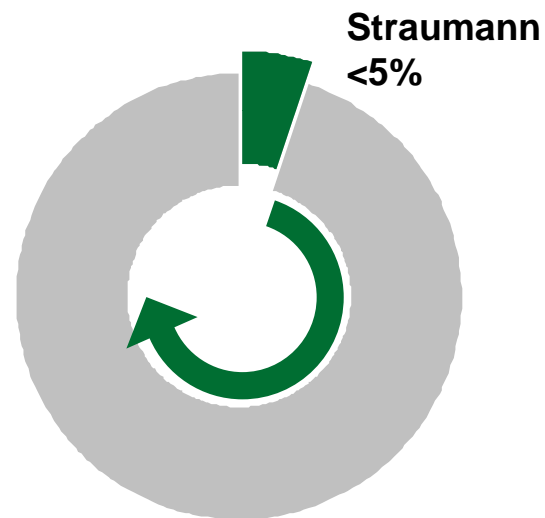
Source: Straumann

# Straumann's growth opportunity in terms of share and market

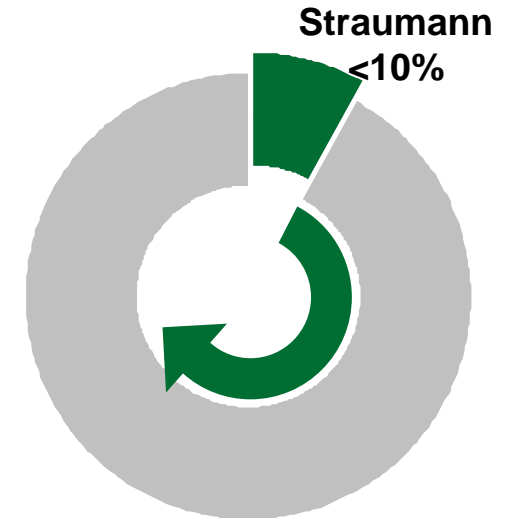
Implant dentistry  
market\* 2007  
100% = CHF 3.3bn



CAD/CAM dentistry  
market\* 2007  
100% = CHF 1.1bn



Regenerative dentistry  
market\* 2007  
100% = CHF 0.3bn





# Outlook

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# Economic pressure presents short-term challenges

- In the absence of reimbursement/insurance, patients are postponing elective dental procedures
- As patient traffic drops, dentists will treat in house rather than refer; conventional treatment is therefore expected to increase
- Practices will reduce inventories
- Pricing pressure is expected to increase

# Long-term opportunities for industry leaders

- ≡ Long-term attractiveness of the industry is unaffected
- ≡ Brand loyalty is not negatively impacted by recession
- ≡ Regulatory requirements for clinical standards will increase (e.g. MDD 93/42/EEC)
- ≡ Technologies that enhance productivity (e.g. CAD/CAM) will drive substitution
- ≡ Industry consolidation is expected to increase

# A consistent, reliable partner positioned for sustained success

- ≡ Access to established customer base
  - ability to increase share of wallet and sell more product
- ≡ Financial independence and strategic flexibility
  - zero debt
  - strong free cash flow
  - controlling shareholders with a long-term view
- ≡ Continuous innovation stream
  - pricing power
  - differentiation from competitors

# Innovation sustains competitive advantage and fuels growth

Bone Level range



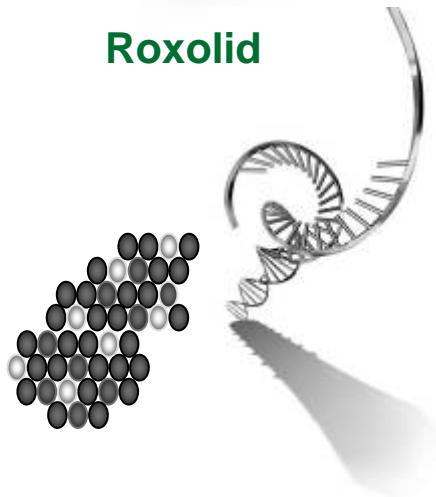
CAD/CAM prosthetics



SLActive



Roxidid



Relaunched regeneratives



Membrane



# Outlook 2008

(barring further unforeseen circumstances)

Global demographic trends, low penetration rates and high substitution potential continue to make the market for implant dentistry highly attractive in the mid and long term. However, the exceptional current economic environment makes near term forecasts difficult. Taking this and a sluggish October into account, and on the basis of softer growth in the third quarter than in the first six months, Straumann foresees full-year net revenue growth of around 15-17% in local currencies.

Although efficiency improvements and cost control management will contribute to profit margins, they will not fully offset the effect of softer topline growth combined with amortization related to acquisitions and unfavourable foreign exchange rates. As a result, operating and net profit margins are expected to reach 25% and 20% respectively.



# Questions & answers

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# Calendar of upcoming events

5-6 November 2008	<b>UK Investor Trip (Edinburgh)</b>
5 November 2008	<b>Scandinavian Investor Trip (Copenhagen, Stockholm)</b>
18 November 2008	<b>CS Swiss Equity Mid Cap Conference 2008 (Zurich)</b>
19 November 2008	<b>Japanese Investor Trip (Tokyo)</b>
12 February 2009	<b>Full-year results 2008</b>
20 March 2009	<b>AGM 2009</b>

**Detailed calendar on [www.straumann.com](http://www.straumann.com)**

# Your contacts

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# Appendix

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# North America continues to grow above market

CHF million	Q1 2007	Q2 2007	Q3 2007	Q1 2008	Q2 2008	Q3 2008
<b>Europe</b>	<b>113.2</b>	<b>119.9</b>	<b>100.6</b>	<b>131.6</b>	<b>138.6</b>	<b>107.9</b>
growth in % CHF	13.3	26.6	25.0	16.3	15.5	7.3
growth in % l.c.	9.7	20.9	20.3	17.0	18.2	10.4
<b>North America</b>	<b>37.9</b>	<b>38.9</b>	<b>37.1</b>	<b>39.0</b>	<b>40.3</b>	<b>40.8</b>
growth in % CHF	2.6	4.3	0.9	2.9	3.6	10.1
growth in % l.c.	8.8	5.8	3.5	15.6	19.8	22.1
growth in % l.c. excl. Biora	13.6	15.1	12.6	19.9	19.8	16.4
<b>Asia/Pacific</b>	<b>22.4</b>	<b>9.2</b>	<b>24.2</b>	<b>23.6</b>	<b>27.2</b>	<b>22.3</b>
growth in % CHF	17.3	-15.8	95.5	5.7	196.7	-8.1
growth in % l.c.	17.2	-17.3	92.8	5.6	197.5	-4.3
<b>Rest of the World</b>	<b>5.2</b>	<b>5.0</b>	<b>5.1</b>	<b>6.3</b>	<b>6.2</b>	<b>5.4</b>
growth in % CHF	75.0	39.6	115.9	20.9	24.0	5.9
growth in % l.c.	76.3	36.1	106.1	20.1	25.8	5.3
<b>Group</b>	<b>178.7</b>	<b>173.0</b>	<b>167.0</b>	<b>200.5</b>	<b>212.3</b>	<b>176.4</b>
growth in % CHF	12.5	18.1	26.6	12.2	22.7	5.6
growth in % l.c.	11.6	14.8	24.2	15.4	28.7	10.6