



# 2006 Nine-Month and Third-Quarter Sales Briefing

Analyst Conference Call  
25 October 2006

COMMITTED TO  
**SIMPLY DOING MORE**  
FOR DENTAL PROFESSIONALS

# Disclaimer

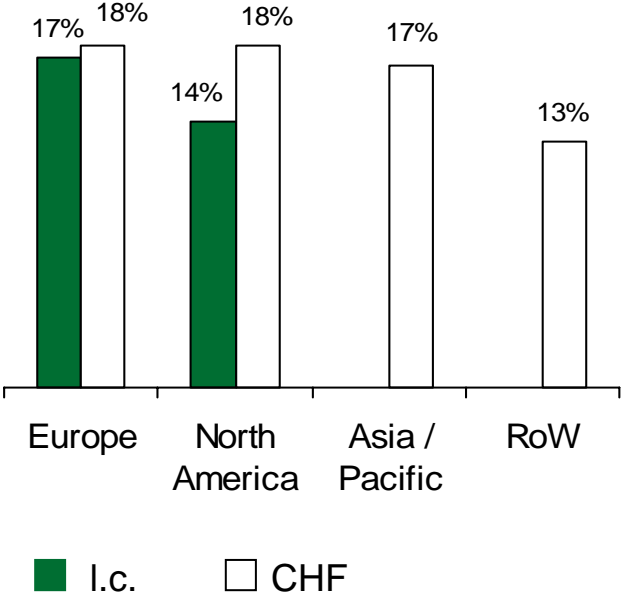
This presentation contains certain “forward-looking statements”, which can be identified by use of terminology such as “expect”, “expectation”, “intend”, “continue”, “achieve”, “maintain”, “improve”, “foresee”, “anticipate”, “product innovations”, “outlook”, “forecast”, or similar wording. Such forward-looking 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

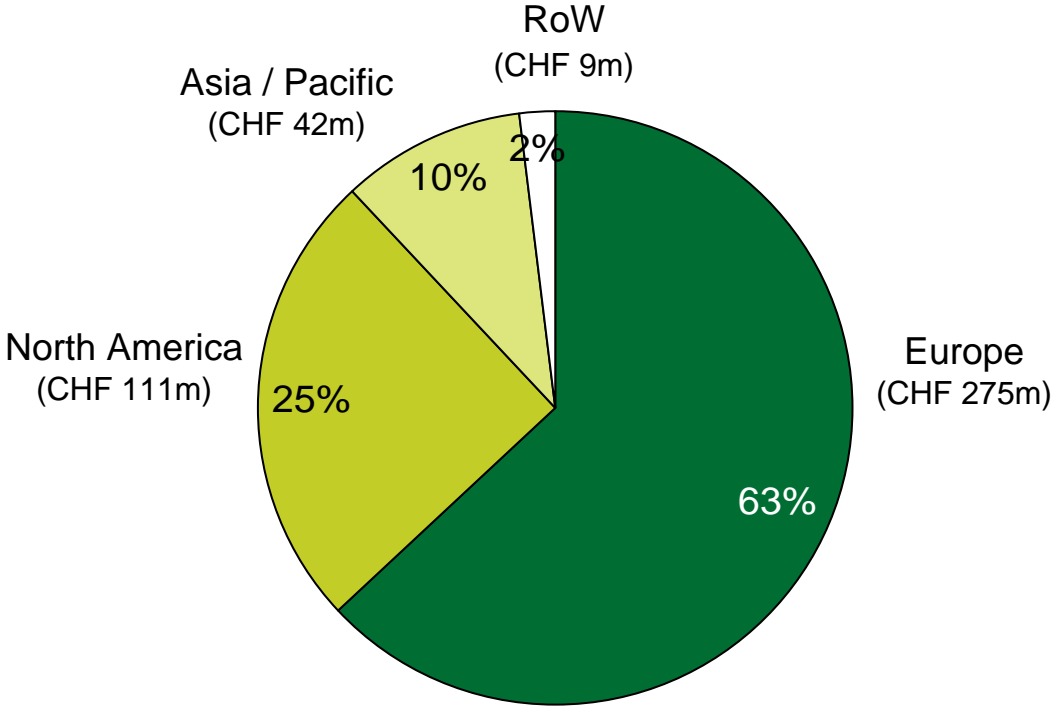
1. Financial performance and US update
2. Advances in the standard of patient care
3. Opportunities to spur future growth
4. Outlook
5. Q&A

# Solid double-digit revenue growth across all regions

9M 2006 revenue growth by region  
Group: 16% (l.c.), 18% (CHF)

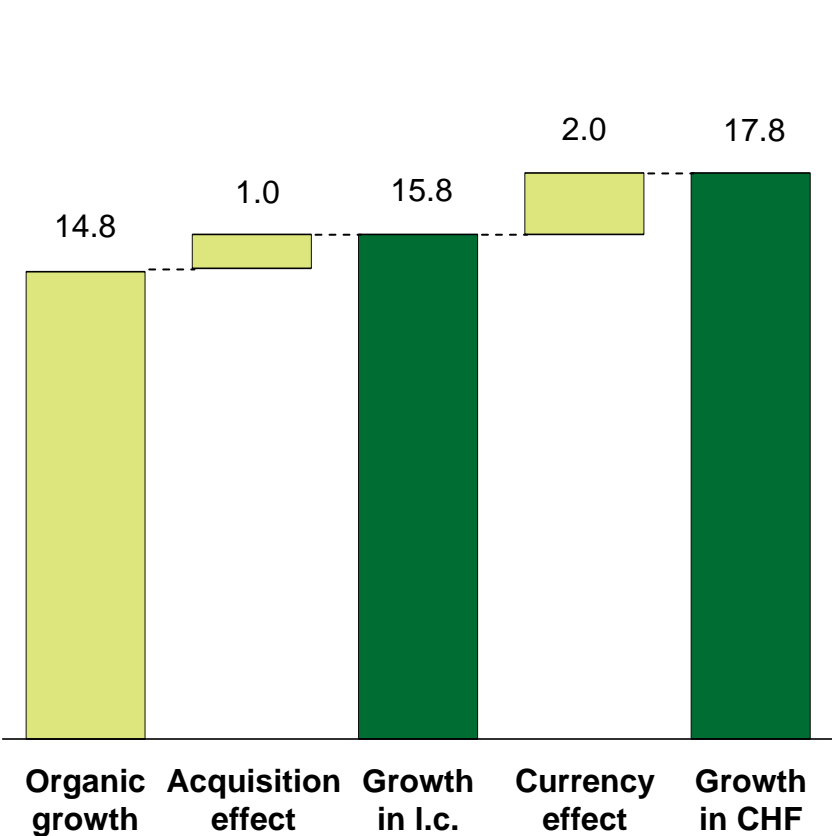


9M 2006 revenue by region  
(Total: CHF 437 million)

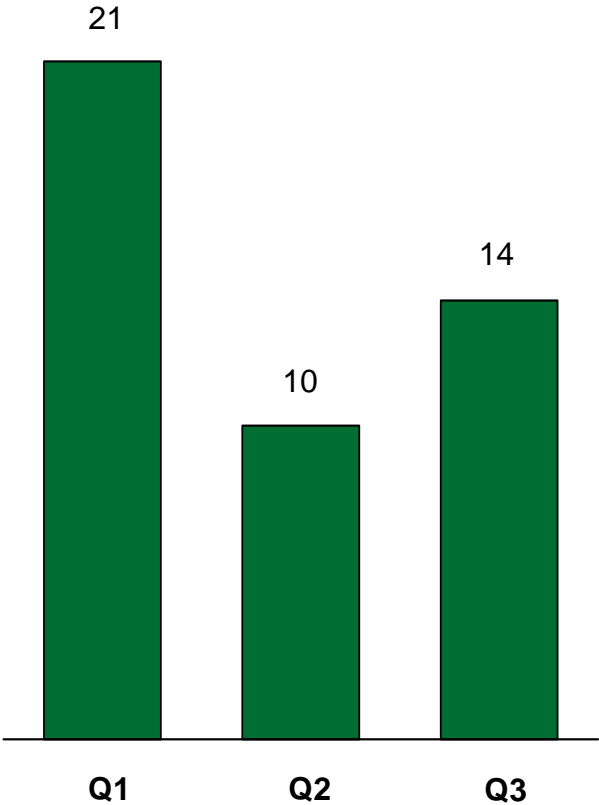


# Net revenue driven by organic expansion

Contribution to 9M 2006 net revenue growth in %



2006 organic growth by quarter in %



# Continued revenue growth over 9-month period

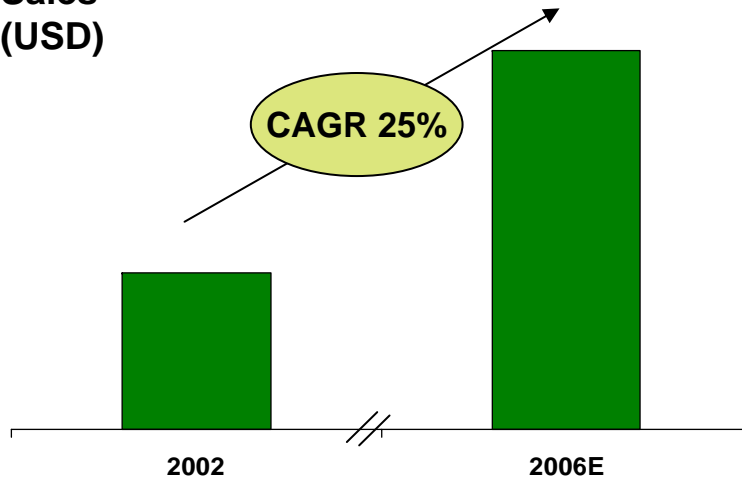
CHF million	2006			2006 9M
	Q1	Q2	Q3	
<b>Europe</b>	<b>99.9</b>	<b>94.7</b>	<b>80.4</b>	<b>275.0</b>
growth in CHF (%)	25.5	11.8	17.2	18.1
growth in locals (%)	24.6	10.6	15.6	16.8
<b>North America</b>	<b>36.9</b>	<b>37.3</b>	<b>36.7</b>	<b>110.9</b>
growth in CHF (%)	27.8	17.7	9.3	17.8
growth in locals (%)	14.6	14.6	11.8	13.7
<b>Asia/Pacific</b>	<b>19.1</b>	<b>11.0</b>	<b>12.4</b>	<b>42.5</b>
growth in CHF (%)	35.4	(3.9)	14.3	16.7
<b>Rest of World</b>	<b>3.0</b>	<b>3.5</b>	<b>2.4</b>	<b>8.9</b>
growth in CHF (%)	(0.9)	40.1	2.5	13.3
<b>Total Group</b>	<b>158.9</b>	<b>146.5</b>	<b>131.9</b>	<b>437.3</b>
growth in CHF (%)	26.5	12.4	14.3	17.8
growth in locals (%)	22.5	10.8	14.1	15.8

# Actions taken to spur growth in US

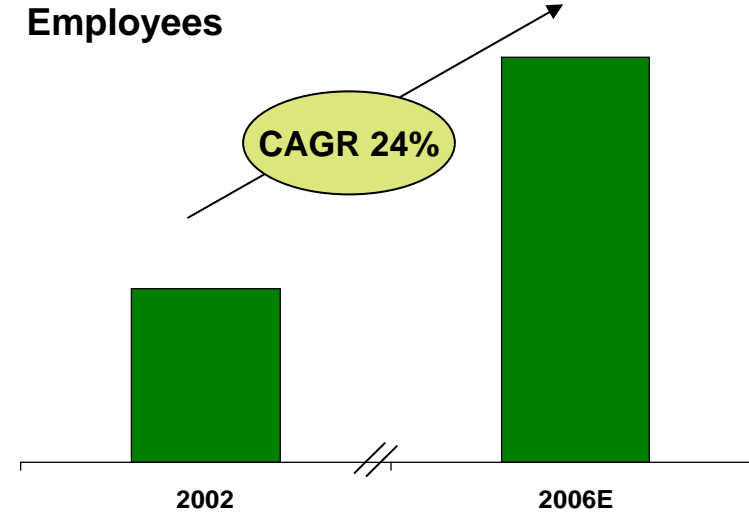
- Key leadership position filled
- Initiatives to increase sales-force productivity and effectiveness
  - Sales organization doubled since 2004
  - Optimization of structure, territory planning and customer coverage
  - Sales training program upgraded
  - Competitive, realistic incentive program; career opportunities to recognize performance, and loyalty
- Customer discount and loyalty program simplified and improved
- Very successful launch of SLActive
- Education management and resources strengthened; further increase in courses in 2007

# Successful profitable US operation

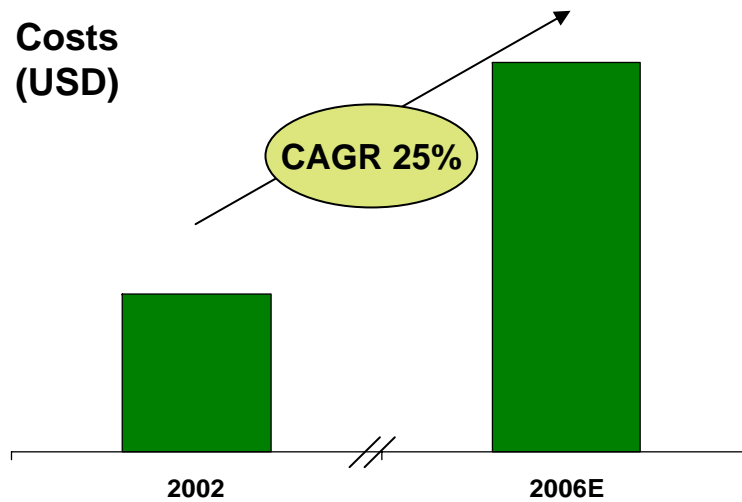
Sales  
(USD)



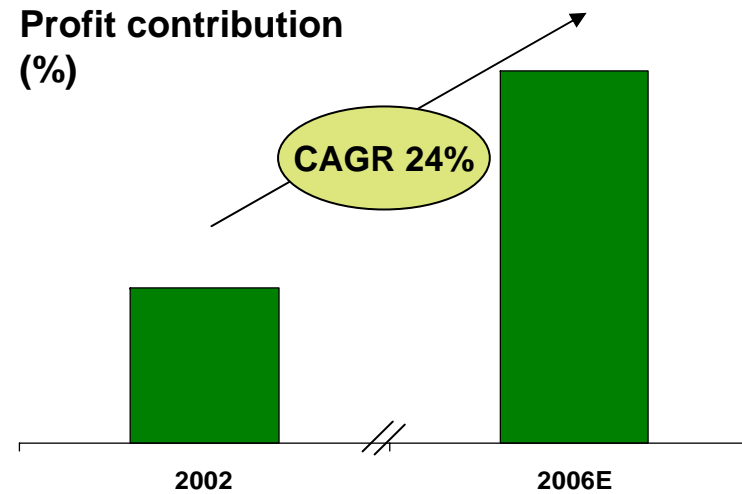
Employees



Costs  
(USD)



Profit contribution  
(%)



# Agenda

1. Financial performance and US update
2. Advances in the standard of patient care
3. Opportunities to spur future growth
4. Outlook
5. Q&A

# Continuing commitment to treatment quality and patient care through ITI

- ITI Treatment Guide Vol. 1 launched
- National congresses in Germany, Brazil and Italy in Q3 with 3000 participants
- 13 national congresses in 2006, >10 000 participants
- Build-up to first Asia Congress (Shanghai) in December; World Symposium (New York) in April 2007



# SLActive – Unparalleled leadership in surface technology



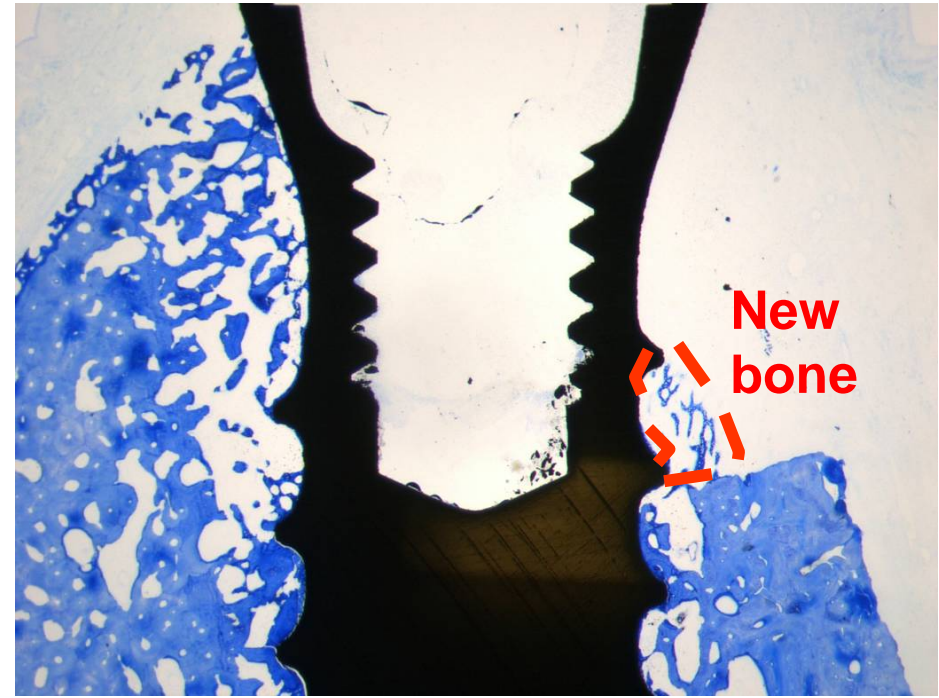
- Third-generation surface well received, especially in US; contribution to sales exceeds expectations
- Premium pricing ( $\geq 30\%$ ) to continue
- Fully-automated production to start 2007
- Initial results from a large-scale study shows good bone-level maintenance at 5 months\*
- Exciting new scientific findings presented at EAO
- Findings suggest that SLActive could make the addition of bone-inducing agents on implant surfaces unattractive

# SLActive promotes regeneration in bone defects\*

SLA



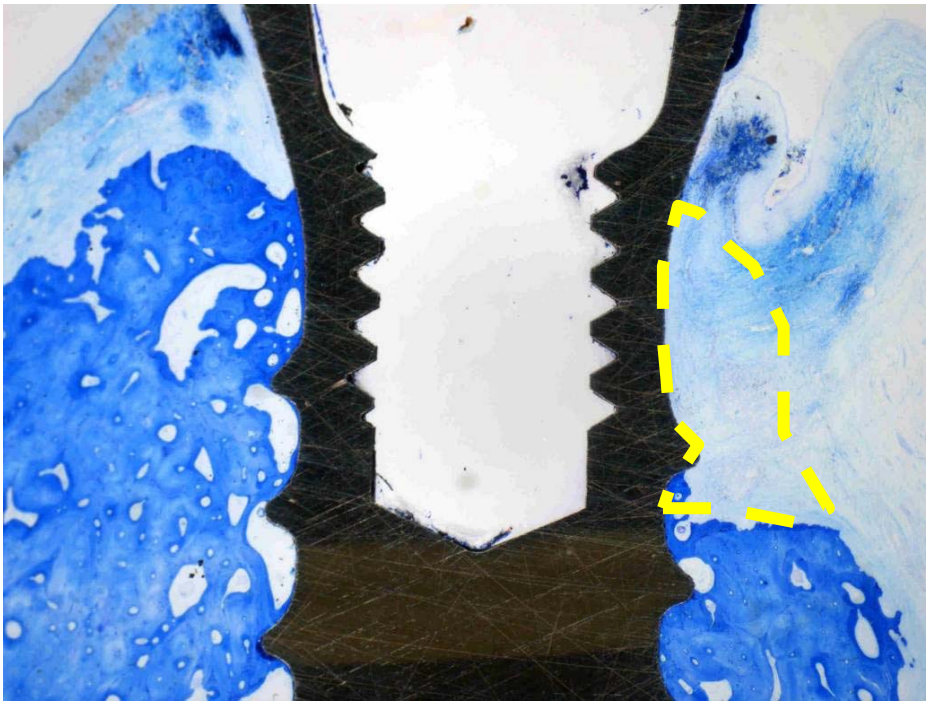
SLActive



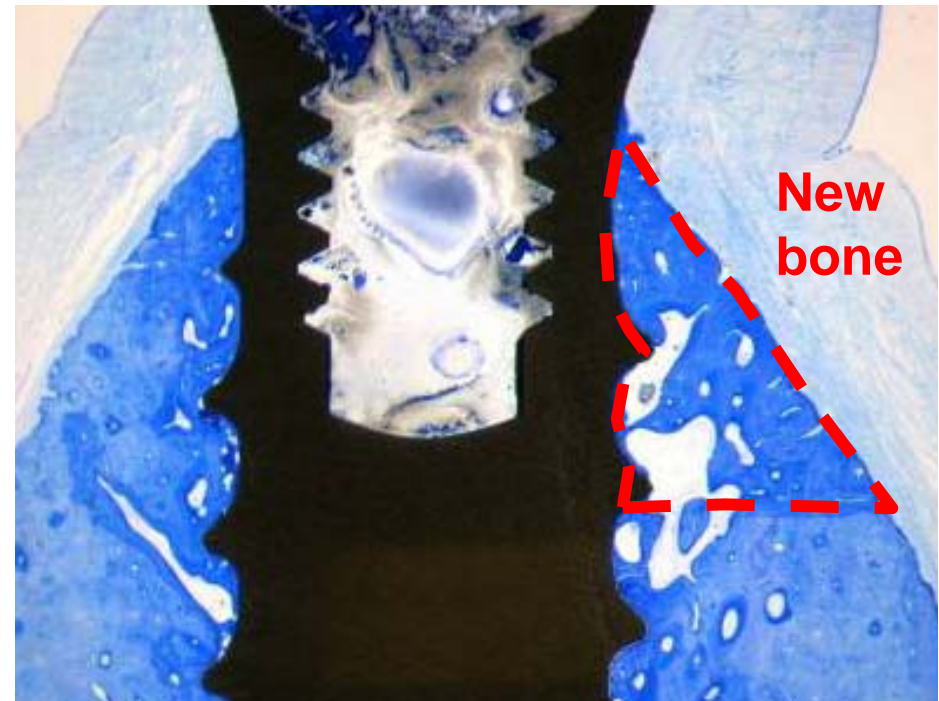
Histological cross-sections at 2 weeks after implant placement

# Defect completely filled at 12 weeks with SLActive

SLA



SLActive



Histological cross-sections at 12 weeks after implant placement

# New solutions for restricted space in the esthetic zone



## Strong esthetic provisionals

- Titanium/polymer
- Easy and fast to shape
- Minimal chair-time
- Individual soft-tissue management

## High-strength small-diameter implant

- Extended indications
- Single-tooth replacement
- Fixed partial dentures (bridges)
- Hybrid prosthetics

## Unique SLActive surface

- Fastest osseointegration
- Higher security
- Increased predictability

# Regenerative products to support esthetic solutions

## Emdogain PLUS

- New product combination for wide periodontal defects
- Rolled out Europe-wide in Q3
- US submission in preparation; launch planned in 2007



## Membrane

- Fully-synthetic PEG-hydrogel membrane for GBR<sup>1</sup>
- All endpoints met in clinical trial, demonstrating efficacy and handling benefits; preclinical results presented at EAO<sup>2</sup>
- Regulatory submissions planned for Q4 2006; launch 2007, pending clearance



<sup>1</sup> Guided Bone Regeneration

<sup>2</sup> Jung R (University of Zurich, Switzerland): Data presented at 15th Annual Scientific Meeting of the EAO, Zurich, 2006

# Agenda

1. Financial performance and US update
2. Advances in the standard of patient care
3. Opportunities to spur future growth
4. Outlook
5. Q&A

# Leading position to capture growth opportunities in Europe



- Maintain overall market leadership through continued investment in sales, marketing and education
- Direct distribution in all major countries attained
- Continuous operating improvement in established markets; develop emerging Eastern European markets 2008/9

# Fundamentals in place for North American growth



- New leadership to drive growth momentum through sales productivity and education initiatives
- Explore opportunities for extrinsic growth to increase share of voice

# Extending direct access to Asia/Pacific region



- Establish direct presence in all key markets; negotiations underway with main distributors for transfer of distribution to Straumann
- Establish Asian regional office (planned 2008)

# Continuing leadership in evidence-based innovation

Project	Key benefit	Pre-clinical	Clinical	Introduction	Roll-out	Potential
<b>SLActive</b>	Hydrophilic surface cuts healing time to 3-4 weeks	11 studies completed	3 large scale studies continuing > 500 implants	2005 Europe 2006 N. America	2008 Japan	>30% of implant unit sales by end 2008
<b>Line extensions</b>	Expanded options for treatment approaches	Studies ongoing	Program started	2008		Addressable segment: ~50% of implant market
<b>New implant material (1)</b>	Tooth-colored implant for high-end esthetics	Studies ongoing	Program to start 2007	2009		Addressable segment: ~10-20% of future market
<b>New implant material (2)</b>	Smaller size, same strength and osseointegration	Studies ongoing; promising in-vitro results	Program to start 2007	2008 Europe 2009 N. America		Addressable segment: ~10-20% of future market

# Continuing leadership in evidence-based innovation

Project	Key benefit	Pre-clinical	Clinical	Introduction	Roll-out	Potential
<b>CARES</b>	Reliable, customized high-end esthetics	Extensive durability testing	2 trials ongoing >60 patients	2005 Europe (key mkts)	2006 Europe 2007 NA 2008 Asia	Up to 10% of prosthetic volume
<b>Straumann BoneCeramic</b>	Fully-synthetic, optimal handling, morphology and resorption	Bi-phasic calcium phosphates extensively documented	6 studies 14 centers >140 patients	2005 N. America 2006 Europe 2006 initial APAC	2008 Asia (J)	Addressable market: up to 25% of all implant procedures
<b>Straumann Emdogain PLUS</b>	Convenient combination for wide periodontal defects	Components extensively documented	3 studies >100 patients	2006 Europe 2007 N. America	2007 APAC (key mkts)	Addressable market: up to 10% of periodontal surgical tmts.
<b>Membrane</b>	Resorbable, easy to use	4 studies	1 study, 40 patients Further studies planned	2007 Europe 2007 N. America		Addressable market: >50% of guided bone regeneration procedures

# Agenda

1. Financial performance and US update
2. Advances in the standard of patient care
3. Opportunities to spur future growth
4. Outlook
5. Q&A

## **Outlook (barring unforeseen circumstances)**

On the basis of developments over the first nine months, the Group still expects full-year net revenue to grow around 15% in local currencies. Full-year operating and net profit margins are estimated to be around 29% and 23% respectively.

Looking further ahead, Straumann continues to believe that the underlying dental implant and oral tissue regeneration market is capable of growing annually at around 15% over the coming years based on the substitution potential for conventional tooth replacement procedures, demographics, prevalence and incidence trends, and the lack of any disruptive technology.

# Agenda

1. Financial performance and operational achievements
2. Advances in the standard of patient care
3. Opportunities to spur future growth
4. Outlook

5. Q&A

# Important dates

## Business reporting dates

7 February 2007	2006 full-year results
30 March 2007	Shareholders' Annual General Meeting
3 May 2007	Q1 sales
9 August 2007	H1 results
2 November 2007	9M and Q3 sales

## Selected congresses and meetings

2-3 December 2006	First ITI Asia Congress, Shanghai
22-25 February 2007	Chicago mid-winter meeting
20-24 March 2007	Internationale Dentalschau (IDS), Cologne
26-28 April 2007	ITI World Symposium, New York