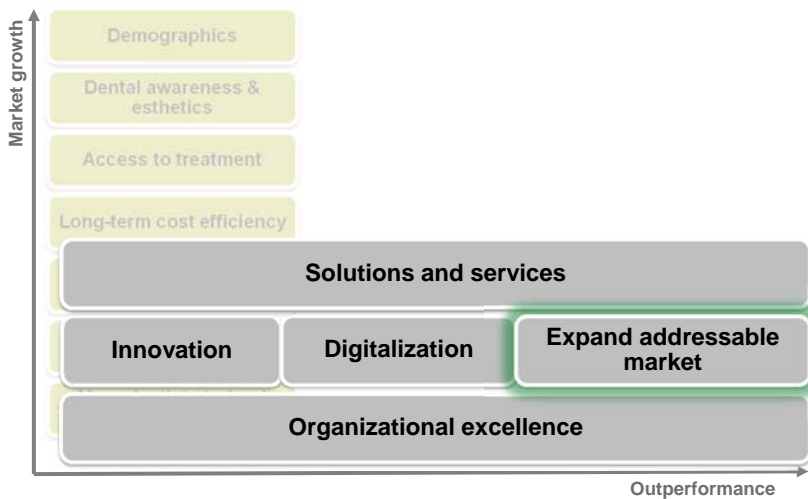


Unlocking the full potential of emerging markets

Beat Spalinger, President & CEO
Capital Markets Day
Amsterdam, 16 May 2012

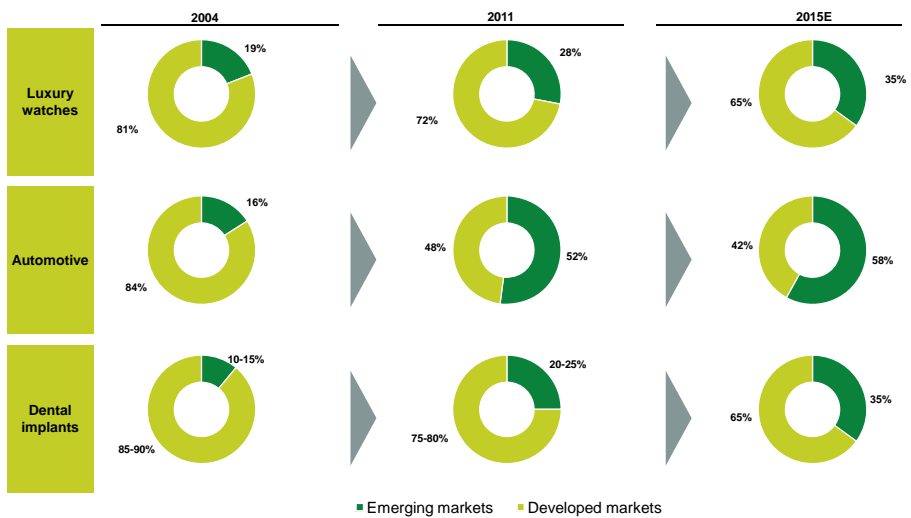
COMMITTED TO
SIMPLY DOING MORE
FOR DENTAL PROFESSIONALS

We seek to outperform by focusing on key levers



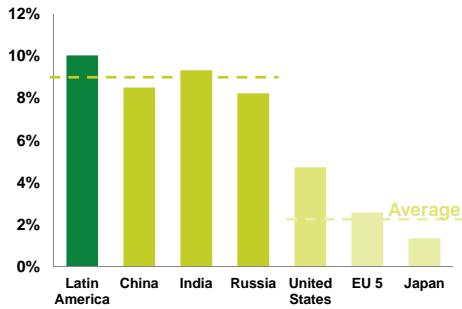
Emerging markets offer superior growth opportunities.

Emerging markets have gained share rapidly



All BRIC countries will become top 12 healthcare markets by 2020

Anticipated growth in healthcare costs between 2010-20



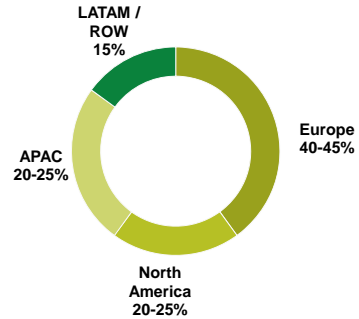
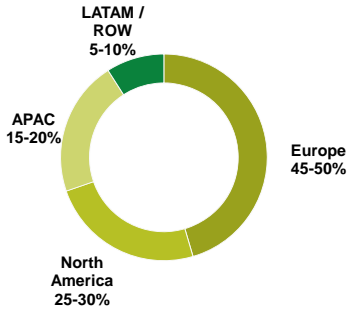
2000 Rank	2010 Rank	2020 Rank
US	US	US
Japan	Japan	China
Germany	Germany	Japan
France	France	Germany
Italy	China	Brazil
UK	UK	France
Canada	Italy	UK
China	Canada	Italy
Spain	Brazil	Spain
Netherlands	Spain	Russia
Australia	Australia	India
Brazil	Netherlands	Argentina

But a tailored strategy is required to unlock the full potential of emerging markets.

The dental implant market is worth CHF 3.5bn and is concentrated mainly in developed countries...

Geographic split by value...

...and by volume



Straumann's premium strategy...

Dental implant market



Characteristics

Portfolio

Product breadth

Service quality

- Premium price
- Top 5 brands
- Innovation leaders
- Clinically-proven products
- Broad portfolio incl. CAD/CAM
- Comprehensive services



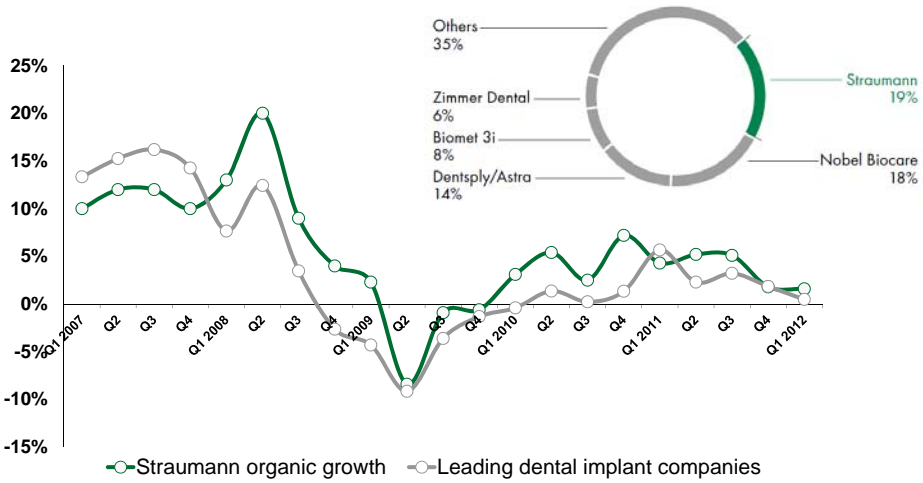
- Value price
- Established, regional brands
- Standard products



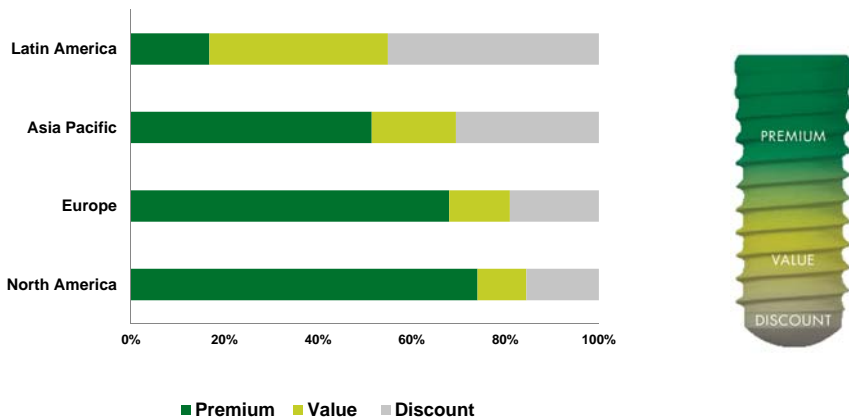
- Focus on price
- Mostly local
- Look-alike products, no R&D
- Very limited T&E and service



...has achieved leadership through organic growth



But not all markets are 'premium', which means we are limited with our current range



Dilemma:

Straumann is a leading international brand in Brazil and has grown 8% points faster¹ than Neodent, the local value segment leader. But Straumann can only address 15-20% of the overall Brazilian market with its current offering.

Vision 2020 assumptions for emerging markets

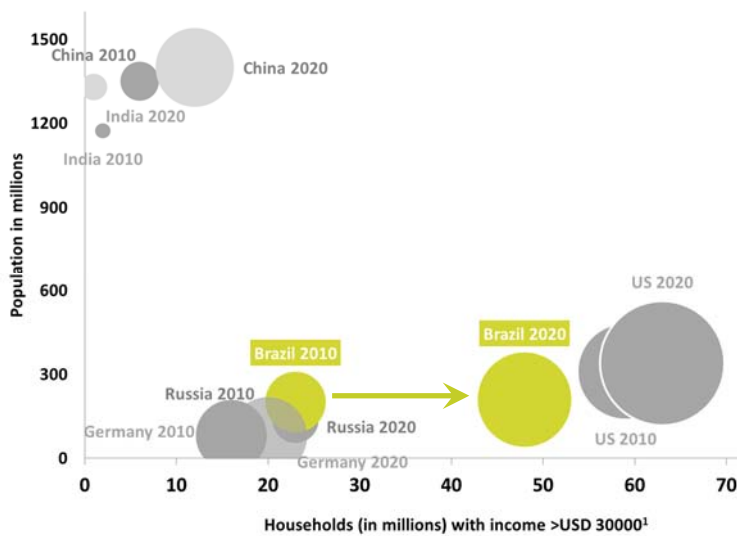
- ✓ In emerging markets, the value and discount segment will be occupied **largely by local/regional players**
- ✓ Benchmark analyses show that companies in similar industries rarely succeed in building a 'second, lower priced brand' with a green field approach. Successful companies usually **acquire local companies with established brands**
- ✓ The **premium segment in emerging markets remains attractive**, but relatively small in absolute terms. Over time, it is expected to gain increasing significance as the purchasing power and disposable income of the population increases
- ✓ Operationally, different brands have to be **managed independently** as they address different market segments

Neodent – a significant step to tapping into emerging markets.

Why Brazil?



Brazil has an attractive growth profile



¹ Bubble size indicates implant market size in value in 2010 and e2020 (Source MRG).
² Sources: Brazil FGV; Russia: Ernst & Young, 2011; India: McKinsey Global Institute 2010; China: BCG 2010; USA: U.S. Census Bureau, 2010.

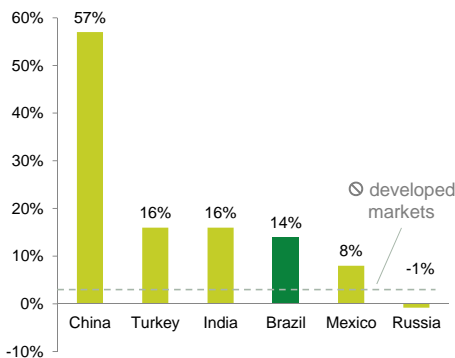
Size and growth make Brazil an attractive market



- Total population 203 million in 2011
- Population highly concerned about esthetics and dental care
- More than 13 million are aged 65 or older; more than 30 million are fully edentulous; 120 million partially edentulous
- 11% of world's dentists (approx. 235K¹) are in Brazil; more than 50% of Brazil's dentists offer implant treatments
- Second largest dental implant market worldwide
- Local dental implant and abutment market is worth approx. USD 250 million and grew 15% (CAGR) from 2008–11²

Increasing urbanization and the aging population will drive future demand

Awareness and accessibility:
Growth in urban population (1990–2008)

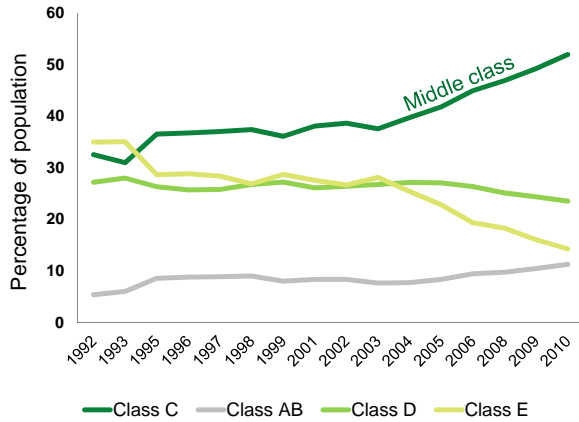


Future patient pool:
Brazil's aging population



The new Brazilian middle class represents an attractive patient pool

Social class development in Brazil



- Brazilian middle class has doubled since 2000
- One in every two Brazilians belongs to the middle class today

Growing dentist population will drive supply side

235 000	Total number of dentists
160 000	General practitioners
75 000	Specialists
120 000	Dentists involved in implant procedures
10 000	Surgeons
35 000	All-rounders (offer entire implant treatment)
75 000	Only restore implants
180	Dental schools
10 000	New dentists graduate annually
9 000	Dental labs
1 000	Medium to large dental labs (>20 employees)

Number of dentists is expected to increase to 285K by 2016

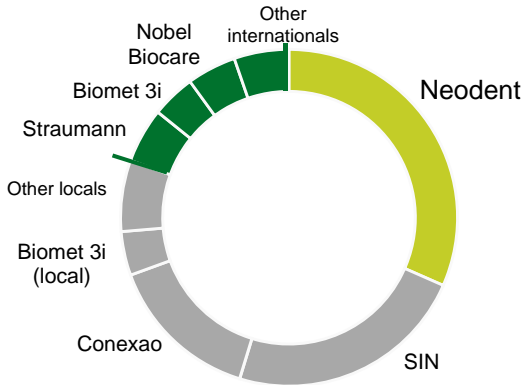
We believe that the value of the Brazilian implant market will grow by more than 10% over the coming years.

Why Neodent?

Neodent is the undisputed leader in Brazil



Brazilian dental implant market 2011
(Total value: approx. CHF 250m)



STRAUMANN CMD 2012

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Source: Market share data in value by iData Research 2011, Straumann estimates

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Neodent is the undisputed leader in Brazil



- ✓ Based in Curitiba, Southern Brazil
- ✓ Specializes in the development, design and manufacture of dental implants and related prosthetics
- ✓ Controls roughly a third of the domestic market
- ✓ Strong reputation for customer focus and service; perceived as a 'high quality company' by Brazilian dentists
- ✓ Strong on education; associated with ILAPEO¹, one of the world's largest implant training centers (specializes in post-graduate implantology and periodontology; trains >2000 students p.a.)
- ✓ Reputation for research supported by highest number of clinical posters and dental journal publications in Brazil
- ✓ Cost-efficient, modern production in Curitiba

STRAUMANN CMD 2012

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¹ Instituto Latino Americano de Pesquisa e Ensino Odontológico

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Neodent key figures



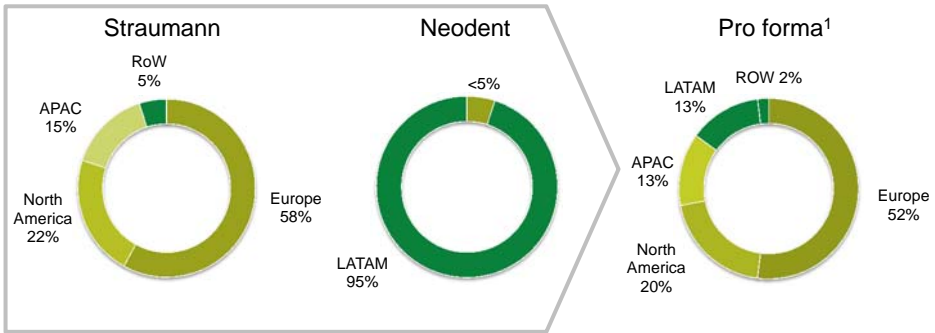
Founded	Net revenue 2011 ¹	CAGR 2009-11
1993	BRL 167m	21%

Employees	Profitability / margins	Ownership
700+	>40% adj. EBITDA >25% net profit	Privately held



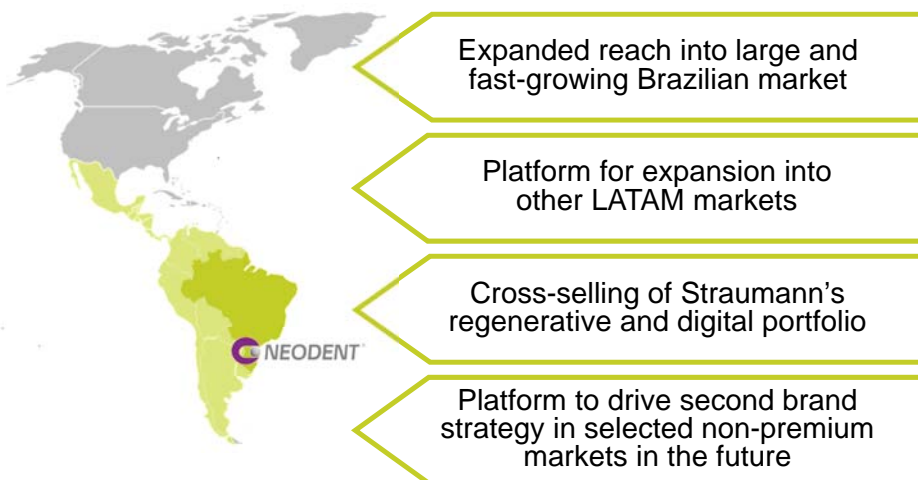
Our aim:
**Clear market leadership
in Latin America and brand expansion
in selected non-premium markets.**

How a full combination would look

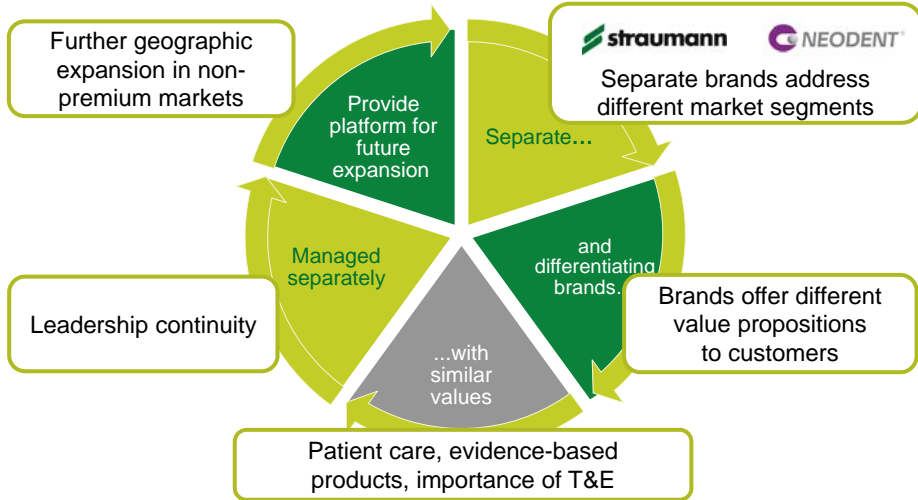


Full combination will position Straumann well to participate in future growth markets

Transaction creates value



Excellent combination to tap into emerging markets



Transaction structure and economic benefit.

Phased acquisition with pre-defined roadmap

	Step 1: 2012	Further steps: 2015 onwards
Straumann ownership	49%	Options to increase stake to 100%
Purchase price	About CHF 260m	Based on fixed LTM EBITDA multiple
Adj. EBITDA multiple	13	Less than 13
Accounting	Equity consolidation	Full consolidation
EPS impact	Acquisition is cash EPS accretive from year one ¹ . IFRS EPS accretive from year 3 or possibly earlier depending on final purchase price allocation	
Financing	Acquisition in cash, financed fully from existing reserves	
Timing	Closing and cash outflow expected by Q2 2012	
Antitrust filing	Merger to be submitted to Brazilian Competition Policy System. Both parties are confident that approval will be granted without restrictions	
Governance	Unanimous decisions needed for certain board decisions	

Key points in brief



- A first major step in Vision 2020 to expanding our addressable market
- Initiative to spur growth
- Unique investment opportunity to expand into large and dynamic Brazilian market
- Second brand provides platform to roll out regional strategy in selected non-premium markets in LATAM and beyond
- Excellent fit, strong financials, phased acquisition, clear path to control

