

Media release

Straumann's net revenues rise 16% in local currencies in first nine months of 2006

- *Solid sales expansion across all regions*
- *Europe grows 17% in local currencies with all European countries continuing to deliver double-digit growth*
- *North America positioned for accelerated growth in 2007 as New Head of Straumann USA is appointed*
- *New scientific data presented at EAO strengthen SLActive as the world's most advanced implant surface technology*
- *EAO also used as a platform to launch new esthetic zone solution and to present latest findings on innovative membrane*
- *More than 200 new jobs created*
- *Full-year outlook maintained*

Key figures

(in CHF million)	Q3, 2006	9M, 2006	Q3, 2005	9M, 2005
Net revenue	131.9	437.3	115.4	371.3
Growth in %	14.3	17.8	19.9	18.5
Growth in local currencies in %	14.1	15.8	18.7	19.1

Basel, 25 October 2006: In the first nine months of 2006, Straumann's net revenue grew 16% in local currencies, or 18% in Swiss francs to CHF 437 million. 15% points of revenue expansion was generated organically with just 1% point contributed by acquisitions. This means that the Group's underlying organic growth increased by approximately 1% point above the same period of 2005, when 5% points were acquisition related. A strengthening of the US dollar and the Euro against the Swiss franc resulted in an overall currency effect on 9-month revenue growth of 2 percentage points.

Europe leads solid growth across all regions

European revenues rose 17% (18% in CHF) to CHF 275 million. While Germany continues to be the main driver of Straumann's European business, a good performance was posted by Straumann Iberia, which has become the Group's second largest subsidiary in Europe. Elsewhere in Europe, performances were generally solid with all countries yielding double-digit revenue growth.

In North America, revenues grew 14% (18% in CHF) to CHF 111 million, lifted by the contribution from SLActive, which has exceeded the company's expectations. A new Head of Straumann USA was appointed in the third quarter. This, together with a

similar recent appointment in Canada and the implementation of a number of important initiatives in sales and education, means that Straumann is poised for stronger growth in North America in the course of 2007.

In the Asia/Pacific region, revenues increased 17% in CHF to CHF 43 million. Third-quarter revenues in the region picked up after a soft second quarter following exceptional ordering earlier in the year ahead of price increases. The new Australian subsidiary continued to grow strongly and is preparing to take over distribution in New Zealand at year-end.

Elsewhere, in the rest of the world, Group nine-month revenues climbed 13% in CHF to CHF 9 million.

SLActive continues to establish itself as the new standard of care

At the recent annual meeting of the European Association for Osseointegration (EAO) in Zurich, new scientific findings were presented which suggest that SLActive, Straumann's innovative third-generation implant surface technology, may make the addition of bone promoting/stimulating factors to implant surfaces unattractive. The latest histological studies¹ show that bone grows from the SLActive surface and fills vertical defects. Apart from this, SLActive was shown to enhance the soft tissue response considerably, which may have interesting implications for esthetic parameters¹. These findings will be discussed further at the forthcoming ITI World Symposium in New York in April.

SLActive's positive effect on bone formation was further corroborated by the latest findings from the multicenter clinical trial. In this unique randomized trial, X-ray examinations of 325 implants showed good bone-level maintenance at 5 months after placement, despite the aggressive treatment protocols. In some cases there was even bone gain².

New time-saving simple solutions for the esthetic region

Straumann used the EAO as a platform to launch the SLActive surface on its narrow-neck implant, which is used for tooth replacement in the esthetic front region of the mouth. Also at the EAO, the company launched an innovative, strong, tooth-colored polymer provisional coping for the narrow-neck implant. This makes it possible to prepare a strong, highly esthetic provisional tooth in as little as 5 to 10 minutes. Thus, in appropriate indications, the implant and the provisional tooth could be placed in well under an hour. In such situations, fast loading is made safer and more predictable by the proven unparalleled osseointegration speed of SLActive.

¹ Becker J, Schwarz F (Heinrich-Heine University, Düsseldorf, Germany): Data presented at 15th Annual Scientific Meeting of the EAO, Zurich, 2006

² Zöllner A (University of Witten/Herdecke, Germany): Data presented at 15th Annual Scientific Meeting of the EAO, Zurich, 2006

Further progress with regenerative portfolio

In the third quarter, Straumann completed the European roll-out of Emdogain PLUS, the convenient product combination for the regenerative treatment of wide periodontal defects, that was launched at the end of June.

The EAO provided a good opportunity to present the first preclinical results for Straumann's innovative hydrogel-based membrane³, which confirmed the product's efficacy and ease of handling. The first clinical trial was successfully completed in the third quarter, with each of the endpoints being met. On this basis, applications for regulatory clearance should be submitted in the current quarter.

Continuing leadership in evidence-based innovation

Straumann today published a summary of pipeline projects and initiatives that are expected to contribute to future growth in coming years. These include implant line extensions and potential new implant materials offering expanded options for esthetic treatment solutions.

New talent added

The Group continued to create further job opportunities; over 200 new positions were added over the first nine months of 2006, bringing the global workforce to 1544. Recruitments in the third quarter were predominantly in sales and production, a focus that will continue in coming quarters.

Management appointments

Straumann has appointed Jim Frontero as CEO and President of Straumann USA, LLC. Mr Frontero is a highly experienced manager with an impressive track record and an executive MBA training; his career includes 19 years in sales and marketing in the medical device industry, giving him a thorough understanding of customer requirements and service. These qualities make him ideally suited to lead Straumann's US business into the next stage of its development. Prior to joining Straumann at the end of the third quarter of 2005, Jim Frontero spent 15 years at Boston Scientific Corporation, the world's largest medical device company dedicated to less-invasive medicine, where he rose to the position of Director, Global Marketing & US Sales. He began his career with SmithKline Beecham, after graduating from Cornell University with a Bachelor of Science degree.

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.

³ Jung R (University of Zurich, Switzerland): Data presented at 15th Annual Scientific Meeting of the EAO, Zurich, 2006

About Straumann

Headquartered in Basel, Switzerland, the Straumann Group (SWX: STMN) is a global leader in implant dentistry and oral tissue regeneration. In collaboration with the International Team for Implantology (ITI), leading clinics, research institutes and universities, the Group researches and develops implants, instruments and tissue regeneration products for use in tooth replacement solutions or to prevent tooth loss. The Group manufactures implant system components and instruments in Switzerland and the US and dental tissue regeneration products in Sweden. Straumann also offers comprehensive training and services to the dental profession worldwide. Altogether, Straumann employs approximately 1544 people worldwide and its products and services are available in more than 60 countries through the Group's 18 distribution subsidiaries and broad network of distribution partners.

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Analysts' and media conference call

Straumann will present the 2006 nine-month sales results as well as an update on the Group's strategic and pipeline projects to representatives of the media and financial community in a telephone conference call at 09.00 h Swiss time. Presentation slides for the conference call should be downloaded from www.straumann.com in advance. The telephone conference can be accessed at:

+41 91 610 5600 (Europe and ROW) or

+44 207 107 0611 (UK) or

+1 (1) 866 291 4166 (USA)

A **telephone recording** of the conference will be available for 30 hours at the following numbers: +41 91 612 4330 (Europe), +44 207 108 6233 (UK) or +1 (1) 866 416 2558 (USA) – **ID Code: 620** followed by the # sign. **Further information** and the **presentation slides** are available on the Investor Relations pages at www.straumann.com.

Key reporting dates in 2007

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

Quarterly revenues by region

(in CHF million)	Q1, 2006	Q2, 2006	Q3, 2006	9M, 2006
Europe	99.9	94.7	80.4	275.0
Growth in %	25.5	11.8	17.2	18.1
Growth in local currencies in %	24.6	10.6	15.6	16.8
In % of Group sales	62.9	64.6	61.0	62.9
North America	36.9	37.3	36.7	110.9
Growth in %	27.8	17.7	9.3	17.8
Growth in local currencies in %	14.6	14.6	11.8	13.7
In % of Group sales	23.2	25.4	27.8	25.4
Asia / Pacific	19.1	11.0	12.4	42.5
Growth in %	35.4	(3.9)	14.3	16.7
In % of Group sales	12.0	7.5	9.4	9.7
RoW	3.0	3.5	2.4	8.9
Growth in %	(0.9)	40.1	2.5	13.3
In % of Group sales	1.9	2.4	1.8	2.0
Total	158.9	146.5	131.9	437.3
Growth in %	26.5	12.4	14.3	17.8
Growth in local currencies in %	22.5	10.8	14.1	15.8