Media release

Straumann posts net revenue growth of 18% in CHF in 2006

- *Net revenue climbs 16% in local currencies to CHF 599 million*
- *Operating profit before depreciation and amortization jumps 20%, lifting EBITDA margin almost 1% point to 36.4%*
- *Net profit rises 11% to CHF 142 million*
- *Operating cash flow margin improves 1% point to 29.6%, free cash flow increases fivefold to CHF 126 million*
- *New products launched; full pipeline to drive future growth*
- *Market position maintained; expansion of direct distribution continues*
- *Competencies enhanced; almost 200 jobs created*

Key figures

(in CHF million)	2006	2005
Net revenue	599.2	509.6
Growth in %	17.6	21.2
Operating result before depreciation and amortization (EBITDA)	217.8	181.1
Margin in %	36.4	35.5
Growth in %	20.3	16.1
Operating profit (EBIT)	175.3	155.9
Margin in %	29.3	30.6
Growth in %	12.4	22.2
Net profit	141.9	128.2
Margin in %	23.7	25.2
Growth in %	10.7	27.5
Earnings per share (in CHF)	9.09	8.22
Dividend per share (in CHF)	2.50*	2.00
Number of employees	1534	1342

* CHF 3.00 proposed for 2006 payable in 2007 subject to shareholder approval.

Basel, 7 February 2007: Straumann (SWX: STMN), a global leader in implant dentistry and oral tissue regeneration, today reported 2006 full-year net revenue of CHF 599 million, corresponding to an increase of 16% in local currencies or 18% in Swiss francs. Operating profit before depreciation and amortization (EBITDA) jumped 20% from CHF 181 to CHF 218 million. Operating profit (EBIT) rose 12% to CHF 175 million, contributing to an 11% increase in net profit, which reached CHF 142 million. The operating and net profit margins were 29.3% and 23.7% respectively, while earnings per share climbed 11% to CHF 9.09.

Operational and strategic achievements
The Group concluded a challenging but nonetheless successful year, which it deemed to be more than simply a year of transition. One of its biggest undertakings in 2006 was the full-scale roll-out of the unique third-generation implant surface, SLActive, on all major implant types throughout the Group's two largest regions, Europe and North America. Another major achievement was the continued build-up of the production unit in the USA, which opened in mid 2005. The costs associated with this project and the production of SLActive weighed considerably on the gross margin and constrained overall profit growth.

Innovation and new launches
In addition to SLActive, two new regenerative products were introduced: Straumann BoneCeramic, the fully synthetic bone augmentation material that was launched in North America towards the end of 2005, was rolled out in all other major markets. In September, it was launched in Europe as a convenient product combination with Straumann Emdogain under the brandname Emdogain PLUS, which is used to save teeth that have been considerably damaged by periodontal disease. To support and position these and other products, and to drive innovation, the Group continued to invest in research & development. In 2006, Straumann had a larger number of ongoing clinical studies in more centers worldwide than ever before. In addition, the Group sustained and extended its marketing efforts for new and in-market products, for instance through a strong presence at major congresses and meetings.

Infrastructure
Following the large-scale relocations of 2005, the only major change in infrastructure in 2006 was the transfer of the company's UK headquarters to larger, more accessible leased premises. The production expansion in the US continued according to plan: further CNC machines were added, the production team almost doubled and the site began operating in two shifts. As a result, US production capacity doubled.

Distribution channels taken over
With regard to distribution channels, Straumann began 2006 by integrating its Danish distributor, and completed the year by taking over direct distribution in New Zealand. Straumann also announced today that it had just signed a memorandum of understanding that paves the way for the Group to acquire the Straumann-related business of its Japanese distributor at the beginning of third quarter of this year.

Increased global workforce
The Group continued to invest in recruiting and training new talent, creating just under 200 new jobs worldwide and bringing the global workforce to 1534 at year-end. An extensive corporate alignment program was conducted to train all employees about Straumann's core values, brand, new visual identity and other key differentiators. Towards the end of the year, the Group carried out a major reorganization program to streamline and drive innovation and sales excellence – in addition to unlocking hidden potential. One result of this program is that the Management team has been consolidated by establishing an Executive Management Board (EMB) of four supported by an extended leadership team of eight. The EMB includes the President and CEO, the CFO, who heads Finance & Operations, and the Head of Marketing & Products. The fourth member, who will be responsible for Sales, has yet to be appointed.

Organic growth expands 15%
After softer second and third quarters, the Group closed the year with a solid fourth quarter which was 17% up on the comparative period of 2005. 15% points of full-year revenue expansion were generated organically. 1% point was due to 'acquired' businesses, namely the Danish distributor (which was integrated at the beginning of 2006) and the distribution in Australia (which was taken over in mid 2005). Currency developments, which were influenced mainly by the US Dollar and the Euro, amounted to 1.5% points.

Europe
European revenues rose 19% in local currencies (20% in CHF) to CHF 381 million, corresponding to 63% of Group revenues. While Germany continued to be Straumann's main European business contributor, the UK and France posted particularly strong performances, and Belgium and Spain also enjoyed dynamic growth. Elsewhere, full-year performances were generally solid with all countries yielding double-digit underlying revenue growth. European sales growth was particularly impressive in the fourth quarter, growing 24% in local currencies, or 27% in CHF.

North America
In North America, revenues grew 12% in local currencies (14% in CHF) to CHF 149 million, lifted by the introduction of SLActive. North America continues to generate 25% of Group revenues, and although the year was short of Straumann's ambitious expectations for the region, key managerial appointments were made and important initiatives in sales and education were taken. As a result, Straumann believes it is positioned for stronger regional growth in 2007, although it may take several quarters to revitalize dynamic revenue growth in the US, the key North American market.

Asia/Pacific and RoW
In the Asia/Pacific region, revenues increased 12% (in CHF) to CHF 57 million. The region was characterised by strong quarterly fluctuations reflecting the fact that customer access is predominantly through distributors. (This situation is expected to improve once the aforementioned proposed acquisition in Japan has been completed). Consistent strong growth was posted by the Australian subsidiary, which took over distribution in New Zealand at year-end.

Elsewhere, in the rest of the world, revenues climbed 12% in Swiss francs to CHF 12 million, on top of the particularly strong performance of the prior year.

Operating profit rises 12%
The aforementioned production expansion costs and the Group's innovative product mix lifted the cost of goods sold from 18.2 to 19.9% of net revenue, with the result that the gross profit margin was squeezed to 80.1%. Operating costs remained fairly stable as a proportion of net revenue despite the many initiatives outlined above. In percent of net revenue, selling costs rose slightly from 38.7 to 38.9%, while research and development eased from 5.2 to 5.1%, and general administration costs rose from 7.9 to 8.2%, due to an impairment charge related to Straumann's former headquarters in Waldenburg.

The EBITDA margin increased to 36.4% from the prior year level of 35.5%. Depreciation and amortization rose strongly – primarily due to the aforementioned production factors and impairment change. These costs, combined with gains from licensing and successful litigation, resulted in an operating profit of CHF 175.3 million and an EBIT margin of 29.3%.

Net profit rises 11%
The Group's net profit rose 11% to CHF 142 million and would have been considerably higher had it not been for the unfavourable impact of foreign exchange rates on financial income. In the second half of 2006, the Group successfully optimized its tax structure in Sweden leading to a full-year tax rate of 18.4%. As a result, the net profit margin reached 23.7%. Earnings per share consequently rose 11% to CHF 9.09.

Free cash flow increases fivefold
Cash generated from operating activities climbed 21% to CHF 176 million, leading to an improvement in the operating cash-flow margin of 29.4%. Following the high investment cycle of 2005, Straumann's capital expenditure returned to a 'normal' level of 7% in 2006. Cash used for investments in 2006 amounted to CHF 49.8 million, including CHF 7.8 million for the acquisition of the remaining Biora shares and the Danish distributor. A net cash amount of CHF 15.7 million was used for treasury shares. This and a lower level of acquisitions than in 2005 resulted in a five-fold increase in free cash flow to CHF 126.4 million.

After a dividend payment of CHF 39 million, liquidity amounted to CHF 172 million at year-end. Total assets increased by CHF 114 million to CHF 650 million, due mainly to the higher cash balance and the purchase of outstanding Biora shares. Net working capital increased only slightly from CHF 35.5 million to CHF 38.1 million or 6% of net revenue. Based on a weighted average cost of capital of 9%, Straumann achieved an economic profit of CHF 98.4 million, an increase of CHF 5.2 million over the prior year.

33% dividend on net profit
On the basis of the full-year performance, the Board of Directors will propose an ordinary dividend of CHF 3.00 per share to the General Meeting of the Shareholders. This corresponds to a total dividend of CHF 46.8 million and a payout ratio of 33%, which is approximately in line with the previous year.

Outlook
Looking ahead, the Group remains very optimistic about the inherent growth opportunities in the field of implant dentistry and dental tissue regeneration. By virtue of its innovation and service leadership, the Group is confident that - in the coming years - it will be able to grow above market, while further expanding margins, thanks to improving operational excellence.

In 2007, Straumann foresees full-year net revenue growth of 17-18% in Swiss francs, with full-year operating and net profit margins reaching 29-30% and 24-25% respectively. In the first half of the year, North American growth will be constrained until the FDA import detention on Biora products is lifted, while in the second half, additional lift is expected to come from the distribution acquisition in Japan.

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Concerning forward looking statements

This release contains certain "forward-looking statements", which can be identified by the use of terminology such as "future", "memorandum of understanding", "paves the way", "will", "as of", "to streamline and drive", "unlocking", "yet to", "believe", "is positioned for stronger growth", "may", "revitalize", "optimistic", "is confident that", "improving", "outlook", "expected", "foresees", "sees", or similar wording. Such forward-looking statements reflect the current views of management and are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Group to differ materially from those expressed or implied. These include risks related to the success of and demand for the Group's products, the potential for the Group's products to become obsolete, the Group's ability to defend its intellectual property, the Group's ability to develop and commercialize new products in a timely manner, the dynamic and competitive environment in which the Group operates, the regulatory environment, changes in currency exchange rates, the Group's ability to generate revenues and profitability, and the Group's ability to realize its expansion projects in a timely manner. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this report. Straumann is providing the information in this release 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.

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 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, including training and education, which is provided in collaboration with the International Team for Implantology (ITI). Altogether, Straumann employs approximately 1534 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.

Media and analysts' conference

Straumann's 2006 financial results conference will take place at 09.30h Swiss time in Basel today. The event will be webcast live on the internet and a playback will be available.

Webcast, presentation slides and further information are available at www.straumann.com.

Key reporting dates in 2007

30 March	Annual General Meeting, Straumann Holding AG
3 May	Q1 sales
9 August	Q2 sales and H1 results
2 November	Q3 and 9M sales

Details of Straumann roadshows and other events for investors are published on www.straumann.com.

Selected Financial Information

Operating performance

(in CHF million)	2006	2005
Net revenue	599.2	509.6
Growth in %	17.6	21.2
Gross profit	479.7	416.6
Margin in %	80.1	81.8
Operating result before depreciation and amortization (EBITDA)	217.8	181.1
Margin in %	36.4	35.5
Growth in %	20.3	16.1
Operating result before amortization (EBITA)	185.2	162.2
Margin in %	30.9	31.8
Growth in %	14.2	18.5
Operating profit (EBIT)	175.3	155.9
Margin in %	29.3	30.6
Growth in %	12.4	22.2
Net profit	141.9	128.2
Margin in %	23.7	25.2
Growth in %	10.7	27.5
Earnings per share (in CHF)	9.09	8.22
Value added (economic profit)	98.4	93.2
Increase in value added	5.2	13.1
Increase in value added in %	5.5	16.4
In % of net revenue	16.4	18.3
Number of employees (year-end)	1 534	1 342
Number of employees (average)	1 483	1 236
Sales per employee (average) in CHF 1 000	404	412

Financial performance

(in CHF million)	2006	2005
Cash and short-term bank deposits	171.8	94.2
Net working capital (net of cash)	38.1	35.5
In % of net revenue	6.1	5.2
Balance sheet total	650.1	536.3
Return on assets in % (ROA)	23.9	27.3
Equity	506.8	420.0
Equity ratio in %	77.9	78.8
Return on equity in % (ROE)	30.6	35.0
Capital employed	506.8	420.0
Return on capital employed in % (ROCE)	37.8	42.6
Cash generated from operating activities	176.2	145.4
In % of net revenue	29.4	28.5
Investments	49.8	122.0
In % of net revenue	8.3	23.9
Capital expenditures	42.1	59.4
Acquisitions	7.8	61.7
Free cash flow	126.4	23.4
In % of net revenue	21.1	4.6
Dividend	39.0	31.1
Pay-out ratio in %	30.5	31.0

Regional sales development

(in CHF million)	H1	H2	Total 2006	Total 2005
Europe	194.6	185.9	380.5	316.1
Growth in %	18.5	22.5	20.4	20.6
Growth in local currencies in %	17.4	20.0	18.6	20.5
In % of net revenue	63.7	63.3	63.5	62.0
North America	74.2	75.1	149.3	131.3
Growth in %	22.5	6.1	13.7	19.0
Growth in local currencies in %	14.6	10.0	12.2	17.7
In % of net revenue	24.3	25.6	24.9	25.8
Asia/Pacific	30.1	26.9	57.0	51.1
Growth in %	17.7	5.3	11.5	25.8
In % of net revenue	9.9	9.2	9.5	10.0
Rest of the World	6.5	5.9	12.4	11.1
Growth in %	17.8	5.9	11.9	54.1
In % of net revenue	2.1	2.0	2.1	2.2
Total	**305.4**	**293.8**	**599.2**	**509.6**
Growth in %	19.3	15.9	17.6	21.2
Growth in local currencies in %	16.6	15.6	16.1	20.7
In % of full-year sales	51.0	49.0	100.0	100.0

Regional sales development by quarter

(in CHF million)	Q1	Q2	Q3	Q4	Total 2006
Europe	99.9	94.7	80.4	105.5	380.5
Growth in %	25.5	11.8	17.2	26.9	20.4
Growth in local currencies in %	24.6	10.6	15.6	23.7	18.6
In % of net revenue	62.9	64.6	61.0	65.2	63.5
North America	36.9	37.3	36.7	38.4	149.3
Growth in %	27.8	17.7	9.3	3.2	13.7
Growth in local currencies in %	14.6	14.6	11.8	8.3	12.2
In % of net revenue	23.2	25.4	27.8	23.7	24.9
Asia/Pacific	19.1	11.0	12.4	14.5	57.0
Growth in %	35.4	(3.9)	14.3	(1.4)	11.5
In % of net revenue	12.0	7.5	9.4	9.0	9.5
Rest of the World	3.0	3.5	2.4	3.5	12.4
Growth in %	(0.9)	40.1	2.5	8.5	11.9
In % of net revenue	1.9	2.4	1.8	2.2	2.1
Total	**158.9**	**146.5**	**131.9**	**161.9**	**599.2**
Growth in %	26.5	12.4	14.3	17.1	17.6
Growth in local currencies in %	22.5	10.8	14.1	16.8	16.1
In % of full-year sales	26.5	24.5	22.0	27.0	100.0

Consolidated Balance Sheets

Assets

(in CHF 1 000)	31 Dec 2006	31 Dec 2005
Property, plant and equipment	129 468	132 233
Investment properties	9 000	12 200
Intangible assets	156 032	142 229
Financial assets	400	432
Deferred income tax assets	24 821	25 428
Total non-current assets	**319 721**	**312 522**
Inventories	58 974	48 141
Trade receivables	85 348	69 648
Income tax receivables	1 152	632
Other receivables	13 123	11 144
Cash and short-term bank deposits	171 807	94 195
Total current assets	**330 404**	**223 760**
Total assets	**650 125**	**536 282**

Equities and liabilities

(in CHF 1 000)	31 Dec 2006	31 Dec 2005
Share capital	1 562	1 558
Retained earnings and reserves	505 190	416 920
Total equity attributable to the shareholders of the parent company	**506 752**	**418 478**
Minority interests	0	1 511
Total equity	**506 752**	**419 989**
Provisions	1 925	2 378
Deferred income tax liabilities	16 368	16 226
Pension liabilities	4 514	3 487
Total non-current liabilities	**22 807**	**22 091**
Trade payables	25 001	24 220
Income tax liabilities	29 580	26 881
Provisions	39	149
Other liabilities	65 946	42 952
Total current liabilities	**120 566**	**94 202**
Total liabilities	**143 373**	**116 293**
Total equity and liabilities	**650 125**	**536 282**

Consolidated Income Statement

(in CHF 1 000)	2006	2005
Net revenue	**599 204**	**509 553**
Cost of goods sold	(119 455)	(92 905)
Gross profit	**479 749**	**416 648**
Other income	8 257	3 078
Selling costs	(232 863)	(197 051)
General administrative costs	(49 346)	(40 333)
Research and development costs	(30 476)	(26 404)
Operating profit	**175 321**	**155 938**
Financial income	1 649	3 099
Financial expense	(3 003)	(543)
Profit before income taxes	**173 967**	**158 494**
Income taxes and deferred income taxes	(32 039)	(30 287)
Net profit	**141 928**	**128 207**
Attributable to:		
Shareholders of the parent company	141 725	127 863
Minority interests	203	344
Basic earnings per share (in CHF)	**9.09**	**8.22**
Diluted earnings per share (in CHF)	**9.07**	**8.19**

Consolidated Cash Flow Statements

(in CHF 1 000)	2006	2005
Operating profit	**175 321**	**155 938**
Depreciation, amortization and impairment	42 519	25 117
Change in provisions	(354)	(497)
Change in pension assets/liabilities	905	(382)
Issuance of share options and employee shares	3 039	2 705
Gains and losses from disposals of property, plant and equipment	415	(123)
Changes in net working capital	(16 721)	(17 128)
Foreign exchange impact on intra-group payments	778	0
Foreign exchange gains and losses	(2 288)	2 181
Interests paid	(716)	(543)
Interests received	1 649	919
Income tax paid	(28 317)	(22 777)
Net cash from operating activities	**176 230**	**145 410**
Purchase of property, plant and equipment	(28 461)	(49 673)
Purchase of intangible assets	(13 631)	(11 467)
Acquisition of subsidiaries, net of cash acquired	(2 924)	(61 697)
Acquisition of minority interests	(4 837)	(943)
Proceeds from the sale of financial assets	38	1 788
Net cash used in investing activities	**(49 815)**	**(121 992)**
Dividends paid	(39 040)	(31 135)
Proceeds from options exercised/shares issued	5 512	8 368
Repayment of loans	0	(14 079)
Purchase of treasury shares	(18 005)	0
Sale of treasury shares	2 345	0
Net cash used in financing activities	**(49 188)**	**(36 846)**
Effect of exchange rate differences on cash held	385	518
Net increase/decrease in cash and short-term bank deposits	**77 612**	**(12 910)**
Cash and short-term bank deposits at 1 January	**94 195**	**107 105**
Cash and short-term bank deposits at 31 December	**171 807**	**94 195**

Consolidated Statement of Changes in Equity

	Attributable to the shareholders of the parent company							
(in CHF 1 000)	Share capital	Capital reserves and share premium	Treasury shares	Other reserves	Translation reserves	Retained earnings	Minority interests	Total equity
Balance at 1 January 2005	**1 552**	**36 336**	**0**	**0**	**(1 982)**	**273 591**	**2 131**	**311 628**
Currency translation adjustments					1 180		(21)	1 159
Effect of cash flow hedges, net of tax								0
Total gains and losses recognized directly in equity	**0**	**0**	**0**	**0**	**1 180**	**0**	**(21)**	**1 159**
Net profit						127 863	344	128 207
Total recognized income and expense	**0**	**0**	**0**	**0**	**1 180**	**127 863**	**323**	**129 366**
Dividends paid						(31 135)		(31 135)
Issue of share capital	1	8 367						8 368
Issue of share options and employee shares	5	2 700						2 705
Acquisition of minority interests							(943)	(943)
Purchase of treasury shares								0
Sale of treasury shares								0
Balance at 31 December 2005	**1 558**	**47 403**	**0**	**0**	**(802)**	**370 319**	**1 511**	**419 989**
Balance at 1 January 2006	**1 558**	**47 403**	**0**	**0**	**(802)**	**370 319**	**1 511**	**419 989**
Currency translation adjustments					7 870		12	7 882
Effect of cash flow hedges, net of tax				(301)				(301)
First time recognition defined benefit plans						129		129
Total gains and losses recognized directly in equity	**0**	**0**	**0**	**(301)**	**7 870**	**129**	**12**	**7 710**
Net profit						141 725	203	141 928
Total recognized income and expense	**0**	**0**	**0**	**(301)**	**7 870**	**141 854**	**215**	**149 638**
Dividends paid						(39 040)		(39 040)
Issue of share capital		5 508						5 508
Issue of share options and employee shares	4	2 355	684					3 043
Acquisition of minority interests							(1 726)	(1 726)
Issuer's own equity instruments			(15 000)					(15 000)
Purchase of treasury shares			(18 005)					(18 005)
Sale of treasury shares			2 345					2 345
Balance at 31 December 2006	**1 562**	**55 266**	**(29 976)**	**(301)**	**7 068**	**473 133**	**0**	**506 752**

The financial statements above are an extract of the fully audited statements published in Straumann's 2006 Annual Report.