

Media release

Straumann reports 2007 first-quarter net revenue of CHF 179 million

- *Net revenue grows 12% in local currencies (l.c.) and in Swiss francs above an exceptionally strong comparative first quarter in 2006*
- *Strategic acquisition of etkon gives Straumann fast-growing presence in attractive CAD/CAM tooth restoration market*
- *Growth of North American core implant business accelerates to low teens*
- *Memorandum of understanding signed to acquire distribution channel in Japan; letter of intent signed to buy out Korean distributor*

Key figures

(in CHF million)	Q1 2007	Q1 2006
Net revenue	178.7	158.9
Growth in l.c. in %	11.6	26.5
Growth in %	12.5	22.5

Basel, 3 May 2007: Straumann, a world leader in implant and restorative dentistry and oral tissue regeneration, today reported 2007 first-quarter net revenue of CHF 179 million, representing an increase of 12% in local currencies (l.c.). With the currency translation effect adding less than 1% point, revenue growth in Swiss francs also amounted to 12%. Almost 2% points were acquisition related, notably to the distribution channel in New Zealand and the etkon business, which was acquired in the second week of March 2007 and contributed CHF 2 million to Group net revenue. The remaining growth was generated organically.

Europe

European revenues rose 10% in l.c. or 13% in Swiss francs to CHF 113 million, with etkon contributing approximately 2% points of regional growth both in l.c. and Swiss francs. The increase was on top of an exceptionally high comparative basis in several countries, most notably in Germany, Straumann's largest market in the region. Straumann's UK and Iberian subsidiaries continued to report strong growth and rank among the fastest growing countries in Europe.

North America

Revenue growth in North America was impacted by the US Food and Drug Administration's import detention on Biora products, which meant that there were no regenerative product sales in the US in February and March 2007. The first quarter was thus driven by growth of the implant business, which picked up to the low-teen range. Overall, Straumann's North American revenues edged up 9% in l.c. to CHF 38 million. The increase in Swiss francs was 3%, reflecting the drop in the dollar against the Swiss franc.

Asia/Pacific and RoW

Revenue in the Asia/Pacific region increased 17% to CHF 22 million. Japanese sales growth slowed ahead of the planned transition of the Straumann business in Japan from the current distributor in the third quarter of 2007. The development of the Australian and New Zealand businesses in the first quarter was particularly pleasing. Elsewhere, in the rest of the world, revenue rose 75% to CHF 5 million driven by strong growth in Brazil and Mexico.

Strategic step into attractive dental restoration business

Undoubtedly the main highlight of the first quarter was Straumann's friendly acquisition of etkon, a rapidly emerging company in the fast-growing market for CAD/CAM-based restorative dentistry. Etkon offers simple-to-use scanning applications, high precision production and the ultimate in materials, including modern ceramics for high-end esthetic outcomes. The combination with etkon positions Straumann as the only company in its segment that provides everything from bone augmentation and periodontal regeneration, through implants and abutments, to individualised inlays, crowns and bridges. Straumann acquired the initial 77% of etkon for EURO 77 million on 8 March and expects to acquire all remaining shares in the near future, bringing the total purchase consideration to EURO 100 million, as previously announced.

Progress made to resolve Biora import detention in US

The FDA has now completed its review of the company's response to the recent 'warning letter' and has determined that the responses appear to be adequate. However, a re-inspection is required to lift the import detention and it may take several months until this can be completed. The date and outcome of the re-inspection will determine how soon Biora products can be made available again to customers and patients in the US.

Direct access to customers expanding

At the outset of the first quarter Straumann took over distribution of its products in New Zealand.

The Group announced today that it has signed a letter of intent to buy out its distributor in Korea, which is estimated to be the second largest market in the Asia /Pacific region. This closely follows the signing of a memorandum of understanding with the Group's Japanese distributor paving the way for Straumann to acquire the distribution channel for its products in Japan. Following closure of the transactions, Straumann expects to take over distribution in both countries in the third quarter. These acquisitions are of key importance to driving Straumann's future development in the region. Once completed, the proportion of the Group's revenues generated by third-party distributors will be less than 5%.

Successful trade events

The first quarter was marked by the biennial International Dental Show in Cologne, Germany, which proved to be highly successful for Straumann and etkon. In addition to unveiling its new 5-D Highspeed production technology, etkon saw a strong rise in orders for its award-winning laser scanners.

More recently, Straumann's academic partner, the ITI, staged its biennial World Symposium, which has become renowned as one of the leading independent scientific events in implant dentistry and oral tissue regeneration. This year's meeting in New York, which focused on myth and reality in implant dentistry, was completely sold out and was attended by 3000 participants from around the world.

Research update

Among other important research findings, there were presentations by key investigators taking part in the first clinical study of Straumann's new bone-level implant line extension. The presentations contained intermediate data on more than 20 patients with a six-month follow-up period. Excellent results have been reported with regard to both hard and soft tissue, supporting observations made in the preclinical stages of the ongoing systematic program of studies. The new line extension will give Straumann access to a significant market segment in 2008 and will enable the Group to offer clinicians every implant option with Straumann simplicity, in Straumann quality, and with the unique proven benefits of SLActive.

Head of global sales appointed

The Group also announced today that it has recruited a high profile executive to join its Executive Management Board in the newly created position of Head of Global Sales. The person in question will begin at Straumann in July and will be named then.

Other news

At their Annual General Meeting on 30 March 2007, Straumann shareholders approved all proposals of the Board of Directors, including the 8th consecutive increase in the ordinary dividend since the company became publicly traded in 1998. Based on the 2006 business performance, the shareholders approved a 20% increase in the dividend to CHF 3.00 per share, paid as of 4 April 2007. The shareholders also re-elected Mr Dominik Ellenrieder and Dr h.c. Thomas Straumann to the Board of Directors for a further period of three years.

Outlook

Barring unforeseen circumstances, Straumann foresees 2007 full-year net revenue growth of around 18% in local currencies, excluding the recently acquired etkon business. North American growth will be constrained until the import detention on Biora products in the US is resolved, while additional lift is expected to come from the foreseen distribution acquisitions in Japan and Korea later in the year.

Excluding acquisitions, full-year operating and net profit margins are expected to reach 29-30% and 24-25% respectively.

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Concerning forward-looking statements

This document contains certain “forward-looking statements”, which can be identified by the use of terminology such as “fast-growing”, “to acquire”, “maintains outlook”, “planned”, “emerging”, “expects”, “will”, “can be”, “foresees”, “until”, 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 and restorative dentistry and oral tissue regeneration. In collaboration with leading clinics, research institutes and universities, Straumann researches, develops and manufactures dental implants, instruments, prosthetics and tissue regeneration products for use in tooth replacement and restoration solutions or to prevent tooth loss. Straumann employs approximately 1650 people worldwide and its products and services are available in more than 60 countries through its broad network of distribution subsidiaries and partners.

Further reporting dates in 2007

8 August 2007	Half-year report; Analysts and media conference
2 November 2007	Q3 and 9M sales

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

First-quarter net revenues by region

(in CHF million)	Q1 2007	Q1 2006
Europe	113.2	99.9
Growth in %	13.3	25.5
Growth in local currencies in %	9.7	24.6
In % of Group sales	63.4	62.9
North America	37.9	37.0
Growth in %	2.6	27.8
Growth in local currencies in %	8.8	14.6
In % of Group sales	21.2	23.3
Asia / Pacific	22.4	19.1
Growth in %	17.3	35.4
In % of Group sales	12.5	12.0
Rest of the world	5.2	3.0
Growth in %	75.0	0
In % of Group sales	2.9	1.9
Total	178.7	158.9
Growth in %	12.5	26.5
Growth in local currencies in %	11.6	22.5