



PRESS RELEASE

Nobel Biocare sets up company with Novare and Swedestart to develop CFRA business area

An agreement has been reached with the venture-capital companies Novare Kapital and Swedestart to transfer operations in Nobel Biocare's CFRA (Cranio-Facial Rehabilitation and Audiology) business area to a new company with the aim of financing the development and marketing of bone-anchored hearing aids and facial prostheses, as well as new products for hearing rehabilitation.

"A joint venture with Novare and Swedestart will create improved opportunities for the development and growth of our unique hearing aids and equipment," says the President of Nobel Biocare, Jack Forsgren. "These products and systems give patients with hearing disabilities that are difficult to treat superior rehabilitation compared with traditional hearing aids.

"The product area has excellent development potential. The reason why we have chosen to run future developments in partnership with Novare and Swedestart is that this area is not part of Nobel Biocare's core operations which focus on the field of dentistry," Jack Forsgren continues.

Nobel Biocare will be supplying the staff and industrial expertise, as well as other operating assets via a non-cash issue. Novare and Swedestart will be supplying expertise and gradually contribute with a total of SEK 30 M to the new company via a new share issue. These operations will not be consolidated within Nobel Biocare. The new company will have its headquarters in Göteborg, Sweden.

Nobel Biocare's BAHA® hearing aid is based on the principle of hearing by bone conduction. The sound waves are transported to the inner ear in the form of vibrations via the cranium. This hearing aid is prescribed for patients with sticky ear and chronic infections or patients without an auditory meatus. Nobel Biocare is currently the only company on the market with this kind of bone-anchored hearing aid.

Operations associated with BAHA began as a research project between the Chalmers University of Technology and Sahlgrenska Hospital in Göteborg in Sweden and have since been developed using Nobel Biocare's expertise and technology relating to titanium implants, in combination with modern hearing-aid technology. Since the mid-1980s, more than 5,000 patients have been treated with BAHA. These hearing aids and systems have been approved by both European health-care authorities and the FDA in the USA and are marketed in the Nordic countries, the UK, France, Germany, the Benelux countries, the USA and Canada.

In 1998, this business area had a turnover of some SEK 34 M.

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NOBEL BIO CARE AB

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Nobel Biocare is a Swedish listed company with a leading position on the world market for dental implants. Following the acquisition of the US implant company Steri-Oss, Nobel Biocare's global market share is around 40%.

The company's new and rapidly-expanding business area, Procera®, markets a unique, patented CAD/CAM-based process for the industrial production of dental crowns made of ceramic and titanium. This system has been very successfully launched in parts of Europe and North America.

The CFRA business area is responsible for marketing implant systems for facial prostheses and bone-anchored hearing aids. Nobel Biocare has more than 1,000 employees and turnover in 1997 totalled SEK 1,068 million for Nobel Biocare and some SEK 300 million for the recently-acquired implant company Steri-Oss Inc. The company's headquarters are located in Göteborg, while production takes place in Sweden and the USA. Nobel Biocare has its own sales companies in some 20 countries.