

Report on the 2000 financial year

(Gothenburg, 5 February 2001)

The Nobel Biocare Group

- Sales increased by 21% to SEK 2,109.5 million (1,738.1).
excluding goodwill amortization was SEK 348.7 million (274.1). Currency effects were negative, SEK 16 million.
- Dental Implant sales increased by 21% to SEK 1,851.0 million (1,528.4). In the fourth quarter of 2000, Dental Implants grew by 29%.
- Earnings per share increased by 48% and amounted to SEK 8.39 (5.66).
- Procera® sales increased by 23% to SEK 258.5 million (209.7). Sales of Procera® AllCeram copings grew by 46% in the fourth quarter and 38% for the whole of 2000.
- TiUnite™, the new titanium implant surface that was launched in the US and Germany during Q4 2000, accounted for 50% of Brånemark System implant sales in December 2000 on these markets.
- Operating income amounted to SEK 289.6 million (219.1). Operating income

<i>SEK M</i>	<i>2000</i>	<i>1999</i>	<i>Change</i>
Net turnover	2 109.5	1 738.1	+21.4%%
<i>of which Dental Implants</i>	<i>1 851.0</i>	<i>1 528.4</i>	<i>+21.1%</i>
<i>of which Procera®</i>	<i>258.5</i>	<i>209.7</i>	<i>+23.3%</i>
Operating income before non-recurring items	267.3	228.2	+17.1%
Non-recurring items	22.3	-9.1	
Operating income	289.6	219.1	+32.2%
Income after net financial items	247.8	184.4	+34.4%
Earnings per share, SEK	8.39	5.66	+48.2%
Earnings per share excluding goodwill amortization and non-recurring items, SEK	9.85	8.24	+19.5%

The Nobel Biocare Group

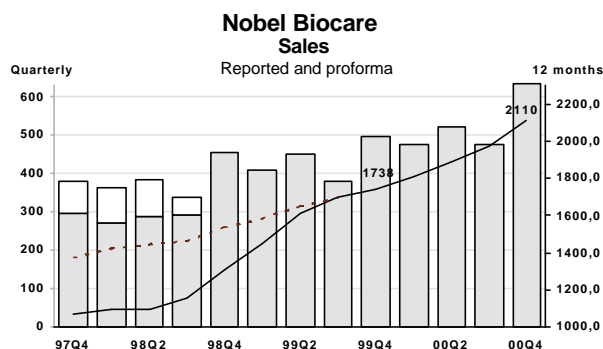
Group sales

Nobel Biocare sales increased by 21.4% to SEK 2 109.5 million (1 738.1).

Dental Implant sales increased by 21.1% compared with 1999 and reached SEK 1 851.0 million (1 528.4). 2000. The sales growth was particularly strong in the fourth quarter 2000. Sales developed very favorably as a result of the recent years' "breakthrough" in product development, that has resulted in several launches of new and innovative products.

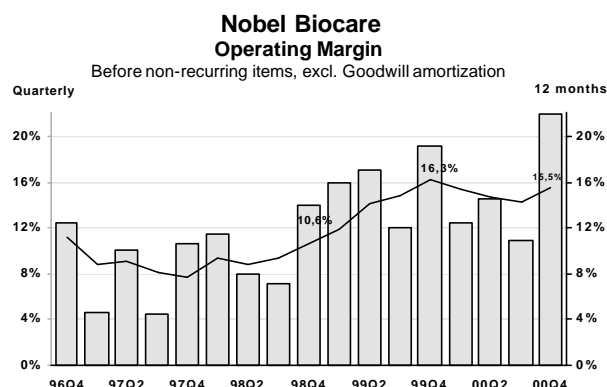
Sales in Procera® totaled SEK 258.5 million, an increase of 23.3% compared with 1999. Scanner sales met the target with 280 scanners. The growth rate for Procera® AllCeram continued to improve and the yearly running rate in December was above 700,000 copings (500,000 in December 1999).

The distribution of Gore tissue regeneration products, which started in June 2000, developed satisfactorily.

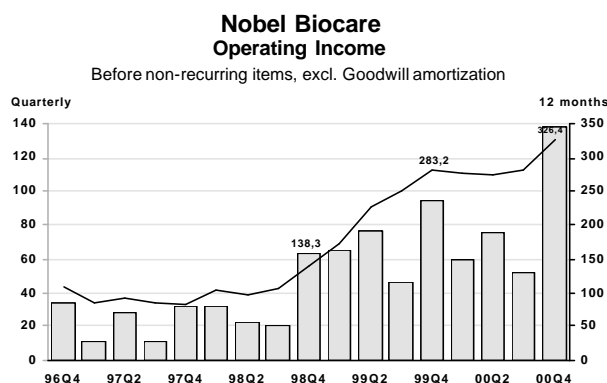


Group results

Operating income amounted to SEK 289.6 million (219.1), including the calculated present value of future reimbursements from SPP, SEK 22.3 million. The year-on-year currency impact on operating income was a negative SEK 16 million.



The operating margin was 13.7% (12.6%). The operating margin has been negatively affected by the large negative currency effect. Excluding the currency effects, the operating margin was 15.0% (12.6%). Excluding non-recurring items, the operating margin was 12.7% (13.1%).



Operating expenses amounted to 53.4% (55.1%) in 2000.

Goodwill amortization amounted to SEK 59.1 million (55.0). Depreciation increased by SEK 6.1 million to SEK 62.5 million.

Financial income and expenses, net, were negatively influenced by currency and totaled SEK -41.8 million (-34.7).

Income after net financial items amounted to SEK 247.8 million (184.4).

Investments

Capital expenditures, net, totaled SEK 101.1 million (82.5).

Personnel

The number of employees at the end of December 2000 was 1 196 (1 140), of whom 379 (357) were employed in Sweden.

Liquidity and financial position

Liquid assets totaled SEK 164.1 million (31/12/1999: SEK 121.8 million). Operating cash flow was SEK 230.6 million (67.0). Operating cash flow before capital expenditures, net, amounted to SEK 331.7 million (149.5).

Net debt totaled SEK 381.7 million (437.5). Net debt decreased by SEK 111.2 million in the fourth quarter as a direct consequence of the limited change of operating capital, turning almost all reported earnings before tax into cash.

The equity/assets ratio was 64.2% (31/12/1999: 60.5%).

Shareholders' equity per share was SEK 60.24 (31/12/1999: SEK 52.52).

The number of shares totaled 25,155,086 (31/12/1999: 24,922,934) after the further redemption of warrants issued in connection with the acquisition of Steri-Oss Inc.

Swedish Pension Plan SPP surplus funds

The group's share of SPP's surplus is SEK 23.5 million. The amount of the payment reimbursed in September 2000, SEK 4.7 million, and the discounted present value of the future payments have been recorded as a non-recurring item, SEK 22.3 million.

Synthetic options

Operating income in the first quarter of 2000 was charged with SEK 9.8 million for the redemption of synthetic options held by present and former employees of Nobel Biocare. All the options had been redeemed as of 31 March 2000.

Dividend

The Board of Directors proposes a dividend for 2000 of SEK 2.40 (SEK 2.00) per share, in line with the company's long-term dividend policy.

Annual General Meeting

The Annual General Meeting will be held on 20 April 2001 at 5 pm, at the Gothia Towers Hotel, Room Ahlstromer 1, Möllevägen 24, Gothenburg, Sweden.

Business Area Dental Implants

Dental implants are used permanently to replace missing teeth. A screw-shaped element is installed in the jawbone and functions as a replacement for the natural dental root. The products are offered to dentists for the

treatment of all types of missing teeth and are used at around 50,000 clinics in some 50 countries. Nobel Biocare markets dental implants under two brands, Brånemark System® and Steri-Oss®, with a global market share of some 40%. So far, 1.4 million patients have been treated.

Dental Implant sales

The positive global sales trend for dental implants continued. Sales within the business area increased by 21.1% and totaled SEK 1 851.0 million (1 528.4). Excluding distributor sales of Gore products, sales increased by 18.8%. Currency-adjusted sales growth for the business area were 16% in an improving and accelerating trend, above the estimated market growth of 10-12%. The sales growth reached a record high level of 30% in the fourth quarter.

Currency adjusted, sales in Europe (excl. the Nordic countries) increased by 19% and were especially strong in Germany, France, Spain and Italy. Sales in the Nordic region increased by 5%. Sweden recovered nicely and experienced stronger growth than the other Nordic countries.

In North America, sales increased by 14% which is above market growth.

The Asian region grew by 9%. Due to a change of distributors for the Steri-Oss brand in Southeast Asia, the sales growth was moderate in 2000. A positive trend was reported in Japan.

Growth was strong in Latin America and increased by 76%.

Chile, Nobel Biocare is now well positioned for future growth in Latin America.

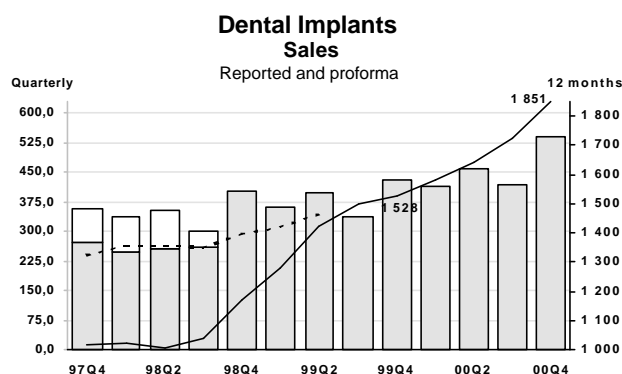
Dental Implants experienced a strong sales upturn during the fall of 2000. The success of Replace Select, which was launched late in 1999, accelerated throughout 2000 and is the fastest growing brand on the dental implant market.

The position for Brånemark System has radically been strengthened by the introduction of

- TiUnite surface to shorten healing time
- Stargrip, the effective delivery system and - Streamline with the Multi-unit abutment. Sales accelerated strongly during the second half of 2000 for Brånemark System, which accounts for approximately two-thirds of Nobel Biocare's dental implant sales.

TiUnite™ - a new fixture surface launch

TiUnite™ is a new, unique implant with designed surface properties. TiUnite was successfully launched on Brånemark System implants in the fourth quarter of 2000 in the US and Germany. The response has been very positive and constitutes an important vehicle for competitor conversion. TiUnite accounted



With the subsidiary in Brazil and the two newly opened branch offices in Argentina and

Business Area Dental Implants

for 50% of Brånemark System implant sales in the US and Germany in December 2000. TiUnite will be rolled out on the remaining markets in January/ February 2001 along with capacity build-up.

The TiUnite titanium surface is an innovation that features an enlarged surface area, which enhances the bone healing process and increases the initial stability.

The TiUnite surface will also be launched on Replace implants during the first half of 2001.

Brånemark System® Novum – new fixed teeth in one day

The launch of Brånemark System® Novum, another pioneering product launch, started in November 2000. With this treatment, the patient is offered a permanent tooth reconstruction in one day.

The new treatment concept has attracted a great deal of attention and was covered by full-page articles in newspapers like *The Times*, *the Daily Telegraph* and *the Herald Tribune* and

has also been shown on several TV channels in the UK and Denmark.

Distribution of Gore tissue regeneration products

Sales of Gore tissue regeneration products amounted to SEK 35.7 million (June-December 2000). The transfer has been smooth and the Gore distribution business is now well integrated in Nobel Biocare's dental implant business.

Shop-on-line

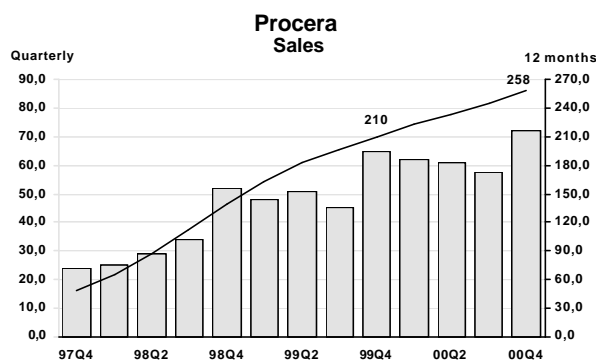
Nobel Biocare will start an e-trade pilot test with a new shop-on-line offer to customers in the US and Sweden in February, 2001. This is an extension of the previous version and covers the total dental implant assortment.

Business Area Procera®

Procera® is a CAD-CAM-based process for the industrial production of the inner core, the coping, of dental crowns made of ceramic material or titanium. A Procera® AllCeram crown has superior strength and esthetic properties, as well as a significantly lower material cost, compared with conventional dental crowns. So far, more than 600,000 patients have been treated with Procera®. The product system is marketed to dental laboratories, which invest in computer-aided equipment from Procera®. A production file is sent by modem to a Procera® production unit, where the coping is produced industrially and then shipped to the dental laboratory. After applying the porcelain, the dental laboratory delivers the crown to the dentist.

Procera Sales

Sales in Procera® totaled SEK 258.5 million (209.7) and increased by 23.3% compared with 1999. Procera® AllCeram sales grew by 42%. Operating income continued to improve faster than sales.



Procera® has further strengthened its position in the single-crown segment and is gaining market share on all its markets. The competitive situation within the CAD/CAM segment did not change in 2000, further strengthening the first mover advantage for Procera®.

Consolidated Income Statement

SEK M

Full year
2000

%

Full year
1999

%

The isolated volume growth for Procera® AllCeram in the fourth quarter 2000 was

46%, with the US, accounting for 70% of the total volume, growing by more than 50%. The volume increase for Procera® AllCeram was 38% compared with 1999. Prices remained stable.

The yearly running rate of copings in December 2000 was well above 700,000 copings compared to 500,000 in December 1999.

Sales of scanners were strong during the fourth quarter, reaching a total volume of 280 scanners for the whole of 2000, which is slightly above 1999 volume. Procera® was successfully introduced in Brazil and Japan in 2000. In all, more than 1 050 scanners have now been installed in some 30 countries. Eleven new countries were added in 2000.

New customers are an important volume driver for coping growth. Close to 40% of the total volume growth comes from customers who started working with Procera in 2000.

Procera® AllCeram Laminates for esthetic dentistry were launched in September 2000, thereby extending the customer proposition to Procera® Network laboratories and increasing the attractiveness of Procera®.

The production cost per coping continues to decrease as a result of increased volumes and the introduction of new production technology. The improvements are being achieved at both the US and the Swedish production units.

In 2001, the Procera product line will be extended to include two new ceramic copings – Procera® AllZirkon, made of zirconia that is the strongest ceramic material in the market, and Procera® AllCeram esthetic, a thin coping for esthetically challenging single-crown restorations.

Net turnover	2 109.5	100.0	1 738.1	100.0
Cost of goods sold	-639.0	-30.3%	-472.1	-27.2%
Gross income	1 470.5	69.7%	1 266.0	72.8%
R&D, sales and administration expenses	-1 200.8	-56.9%	-1 040.1	-59.8%
Other operating income and operating expenses - net	-2.4	0.1%	2.3	0.1%
Non-recurring items	22.3	1.0%	-9.1	0.5%
Operating income	289.6	13.7%	219.1	12.6%
Financial income and expenses - net	-41.8	2.0%	-34.7	-2.0%
Income after financial income and expenses	247.8	11.7%	184.4	10.6%
Taxes	-36.7	-1.7%	-43.2	-2.5%
Income after taxes	211.1	10.0%	141.2	8.1%

Consolidated Balance Sheet

SEK M	31/12/00	31/12/99
Assets		
Intangible fixed assets	1 055.3	1 056.4
Tangible fixed assets	212.8	171.9
Financial fixed assets	54.7	35.6
Total fixed assets	1 322.8	1 263.9
Inventories	296.8	255.8
Current receivables	576.9	521.9
Financial current assets	164.1	121.8
Total current assets	1 037.8	899.5
TOTAL ASSETS	2 360.6	2 163.4
Equity	1 515.3	1 309.0
Allocations	17.1	32.7
Long-term liabilities	504.7	455.8
Current liabilities	323.5	365.9
TOTAL EQUITY AND LIABILITIES	2 360.6	2 163.4

Cash Flow

SEK M	Full year 2000	Full year 1999
Funds provided internally	296.7	199.9
Change in operating capital etc.	-47.0	-192.2
Net investments	-94.3	-85.0
Change in interest-bearing liabilities	-63.0	114.5
Dividends	-50.1	-42.3
Net cash flow	42.3	-5.1

The Nobel Biocare Group – Quarterly Review

SEK M	4/2000	3/2000	2/2000	1/2000	4/1999	3/1999
Net sales	634.8	475.6	521.0	478.1	495.9	382.1
Operating expenses	-495.4	-423.3	-445.4	-418.6	-401.2	-335.9
Operating income excluding non-recurring items and amortization of goodwill	139.4	52.3	75.6	59.5	94.7	46.2
Amortization of goodwill	-15.7	-14.9	-14.7	-14.2	-13.9	-14.9
Operating income excl. non-recurring items	123.7	37.4	60.9	45.3	80.8	31.3
Non-recurring items	-	-	22.3	-	-9.1	-
Operating income	123.7	37.4	83.2	45.3	71.7	31.3

Summary of Operations

SEK M	Full year 2000	Full year 1999
Net sales	2 109.5	1 738.1
Operating income	289.6	219.1
Operating margin excluding goodwill amortization	16.5%	15.8%
Operating margin	13.7%	12.6%
Income after financial income and expenses	247.8	184.4
Return on average capital employed	14.7%	12.4%
Return on average equity	15.2%	11.3%
Equity/assets ratio	64.2%	60.5%
Earnings per share excl. goodwill amortization, SEK	10.74	7.87
Earnings per share, SEK	8.39	5.66
Balance sheet total	2 360.6	2 163.4
Equity	1 515.3	1 309.0
Net investment	101.1	82.5
Equity per share, SEK	60.24	52.52
Number of shares	25 155 086	24 922 934
Number of employees	1 196	1 140
Key figures, excluding non-recurring items		
Operating income	267.3	228.2
Operating margin excluding goodwill amortization	15.5%	16.3%
Operating margin	12.7%	13.1%
Income after financial income and expenses	225.5	193.5
Return on average capital employed	13.6%	12.9%
Return on average equity	13.6%	12.1%
Earnings per share excl. goodwill amortization, SEK	9.85	8.24
Earnings per share, SEK	7.50	6.03

Gothenburg, 5 February 2001

NOBEL BIO CARE AB (publ.)

Board of Directors

Further information is available from:

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Publishing dates for financial information in 2001

Annual Report 2000 (Swedish)	April 2
Interim Report 1	April 20
Interim Report 2	August 14
Interim Report 3	October 23