



Full Year Report 2001

(Gothenburg, 7 February 2002)

The Nobel Biocare Group

- Sales increased by 26% to SEK 2 663.2 million (2 109.5). Sales in the fourth quarter amounted to SEK 754.1 million (634.8).
- Operating income amounted to SEK 363.7 million (289.6). Operating income before non-recurring items amounted to SEK 430.1 million (267.3). The year-on-year currency effects were positive, SEK 23 million. Operating income before non-recurring items in the fourth quarter amounted to SEK 136.1 million (123.7).
- Cash flow from current operations amounted to SEK 684.4 million (263.8).
- Earnings per share amounted to SEK 7.45 (5.35).
- Nobel Biocare AB acquired Sandvik AB's 50% share in the dental technology company Procera Sandvik AB, on 27 December 2001.
- Nobel Biocare's shares were upgraded to the Most Traded-segment of the A-list on the Stockholm Stock Exchange, on 1 January 2002.

<i>SEK M</i>	<i>Full year 2001</i>	<i>Full year 2000</i>	<i>Change</i>
Net sales	2 663.2	2 109.5	+26.2%
<i>of which Dental Implants</i>	<i>2 329.5</i>	<i>1 851.0</i>	<i>+25.9%</i>
<i>of which Procera[®]</i>	<i>333.7</i>	<i>258.5</i>	<i>+29.1%</i>
Operating income before goodwill amortization (EBITA)	494.5	326.4	+51.5%
Operating income (EBIT) before non-recurring	430.1	267.3	+60.9%
Non-recurring items	-66.4	22.3	-
Operating income (EBIT)	363.7	289.6	+25.6%
Income before tax	339.0	247.8	+36.8%
Net income	189.0	134.1	+40.9%
Cash flow from current operations	684.4	263.8	+159.4%
Earnings per share, SEK	7.45	5.35	+39.4%
Earnings per share excluding goodwill amortization	12.62	6.82	+85.0%
Average number of shares	25 346 215	25 069 782	
Market value	11 005	7 179	

The Nobel Biocare Group

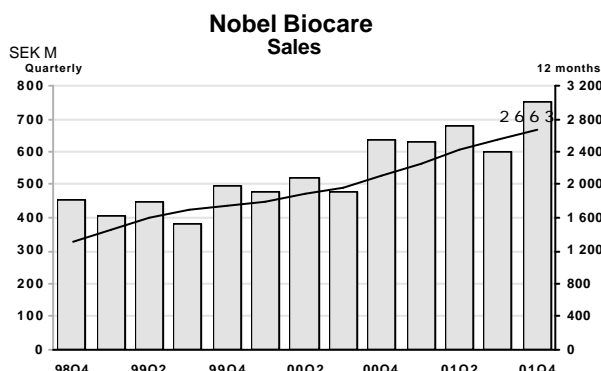
Group sales

Nobel Biocare's sales increased by 26% (17% currency adjusted), compared with 2000, and reached SEK 2 663.2 million (2 109.5). Sales in the fourth quarter amounted to SEK 754.1 million (634.8).

Dental Implant sales increased by 26% (17% currency adjusted) to SEK 2 329.5 million (1 851.0), compared with 2000. Sales in the fourth quarter amounted to SEK 656.3 million (557.6).

Procera® sales increased by 29% (18% currency adjusted) to SEK 333.7 million, (258.5), compared with 2000. Sales in the fourth quarter amounted to SEK 97.9 million (77.2).

Nobel Biocare was able to maintain positive sales momentum throughout the year. Even the fourth quarter of 2001 was strong despite back-order problems for the new TiUnite Replace implants and a strong fourth quarter in 2000.



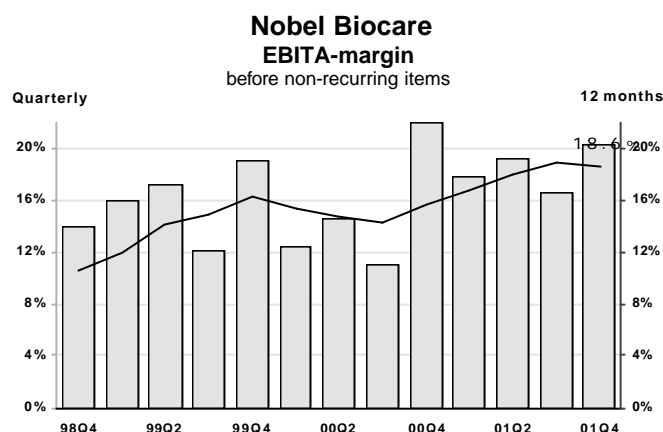
Group results

Operating income (EBIT) before non-recurring items amounted to SEK 430.1 million (267.3). The operating margin (EBIT) before non-recurring items was 16.1% (12.7%).

Operating income (EBIT) amounted to SEK 363.7 million (289.6).

The year-on-year currency impact on operating income was a positive SEK 23 million. Operating income in the fourth quarter amounted to SEK 90.5 million (123.7). Operating income before non-recurring items amounted to SEK 136.1 (123.7).

Operating expenses amounted to 49.1% (53.4% excluding the cost of redeeming synthetic options in 2000) of net sales in 2001.

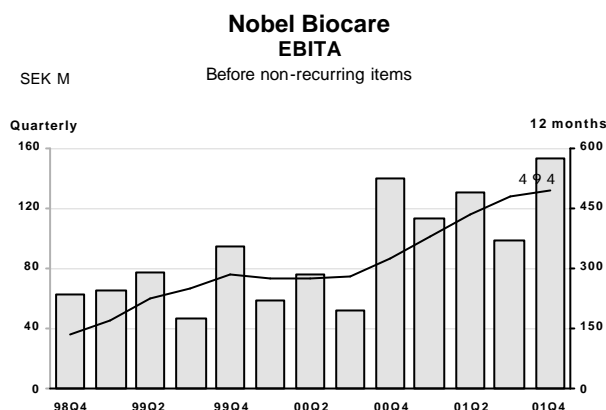


Goodwill amortization amounted to SEK 64.4 million (59.1) and depreciation increased by SEK 24.1 million to SEK 86.6 million, mainly due to currency effects.

The EBITA margin before non-recurring items amounted to 18.6% (15.5%).

An assortment rationalization program was completed in 2001, resulting in a reduction of approximately 1 000 components (25% of the total assortment). A total of SEK 22.5 million was included in the cost of goods sold in relation to this program.

This reduction, together with improved materials management, led to an improvement in inventory turnover, and, together with other measures, this resulted in a significant reduction in working capital of 156.3 million.



Non-recurring items of SEK 66.4 million were recorded in 2001. In Q3 2001, the accruals of severance pay of SEK 20.9 million for the former executive management was reported as an ordinary expense. This item has now been reclassified retroactively as a non-recurring item. In Q4 2001, additional non-recurring items were charged with accruals for scrapping costs, due to a new, more conservative policy for inventory valuation (SEK 39.1 million), and the costs of reorganizations in the European subsidiaries (SEK 6.4 million).

Non-recurring items of SEK 22.3 million in 2000 related to the reimbursement of SPP surplus pension funds.

Financial income and expenses, net, totaled SEK -24.8 million (-41.8).

Income before tax amounted to SEK 339.0 million (247.8).

As of 1 January 2001, a number of new accounting principles were introduced in Sweden, whereof the most important one requires all companies to account for deferred taxes. In 2001, SEK 150.0 million (113.7) was reported as taxes, of which SEK 33.8 million (36.7) is current tax and SEK 116.2 million (77.0) is deferred tax. The effective tax rate for 2001 has been affected by the Group's significant taxable income in high-taxed countries and some extra-ordinary tax accruals. For comparative purposes, the income statements and balance sheets for 2000 have been recalculated.

Investments

Capital expenditures on tangible fixed assets totaled SEK 102.2 million (91.7).

Personnel

The number of employees at the end of December 2001 was 1 328 (1 196), of whom 418 (379) were employed in Sweden.

Liquidity and financial position

Liquid assets totaled SEK 233.8 million (31/12/2000: SEK 164.1 million).

Cash flow from current operations amounted to SEK 684.4 million (263.8).

Net debt decreased by SEK 109.7 million to SEK 272.0 million in 2001. As a result of the acquisition of 50% of Procera Sandvik AB in Q4, the net debt was higher on 31 December compared with 30 September 2001.

The net debt/equity ratio was 14.1% (22.0%) and the debt/equity ratio was 27.0% (32.4%).

Development of the group's equity:

	2001	2000
Beginning balance	1 737.9	1 602.1*
Net income	+189.0	+134.1
Warrants and options	+1.3	+3.7
Translation differences	+67.2	+48.1
<u>Dividends</u>	<u>-60.8</u>	<u>-50.1</u>
Ending balance	1 934.6	1 737.9

*) The beginning balance on 1 January 2000 has been restated (+66.8) as a result of further analyses and information received in connection with the valuation of deferred tax assets (RR9).

The equity/assets ratio was 63.5% (31/12/2000: 67.3%).

Shareholders' equity per average share was SEK 76.33 (31/12/2000: SEK 69.32).

The number of shares on 31/12/2001 totaled 25,354,900 (31/12/2000: 25,155,086) after the further redemption of warrants issued in connection with the acquisition of Steri-Oss Inc. The average number of shares in 2001 was 25,346,215 (25,069,782).

A global staff options program was approved by the Annual General Meeting on

23 April 2001. The program is aimed at about 125 leading executives and other key individuals. The

option program comprises a total of 1,196,000 options, which can be issued over a period of three years. On 31 December 2001, none of these options had been redeemed.

Following the redemption of all the outstanding warrants and options, the total number of shares will be 26,617,318.

Parent company

Nobel Biocare AB (publ) is the parent company of the Nobel Biocare Group. The accounts of the parent company include manufacturing operations in Sweden, central warehousing and distribution in the Netherlands and the operations of Nobel Biocare Norden AB, which is the sales and distribution entity for Sweden, including the branches in Denmark, Finland and Norway.

The capital expenditures of the parent company, which relate predominantly to investments in office equipment and production machinery, amounted to SEK 44.7 million (35.1) in 2001. Interest-bearing assets in the parent company exceeded interest-bearing liabilities by SEK 498.3 million (SEK 571.0 million at year-end 2000).

New management

Hellane Canepa was appointed as the new President of Nobel Biocare AB on 21 August 2001. Harrieth Sundaeus was appointed Chief Financial Officer on 26 September 2001.

Acquisition of 50% of Procera Sandvik AB

Nobel Biocare AB acquired Sandvik AB's 50% share in the dental technology company Procera Sandvik AB on 27 December 2001. Nobel Biocare thereby strengthened its market position by gaining full control of the development and production of individualized ceramic prosthetics for both conventional and implant dentistry.

Furthermore, Nobel Biocare will utilize its

worldwide sales and distribution power in a far more cost-effective manner and thereby secure the new strategy of future successful development and penetration of the entire dental market.

All critical knowledge for the development and industrial production of individualized prosthetics in ceramics will be transferred to Nobel Biocare. Integration with Nobel Biocare's production and development organizations will be finalized in the first half of 2002.

The acquisition of the 50% share in Procera Sandvik AB is made up of a cash payment and a deferred purchase price based on the sales value up to and including 2012. Both the cash portion, which was paid in 2001, and the best estimate of the deferred purchase price, have been recorded as participation in Group companies in the parent company's balance sheet at 31 December 2001.

Before the acquisition, Nobel Biocare's share of Procera Sandvik AB was consolidated with 100% of net sales and 55% of operating income respectively. As of 27 December 2001, Nobel Biocare will consolidate 100% of operating income.

Dividend

The Board of Directors proposes a dividend for 2001 of SEK 3.00 (SEK 2.40) per share, in line with the company's long-term dividend policy.

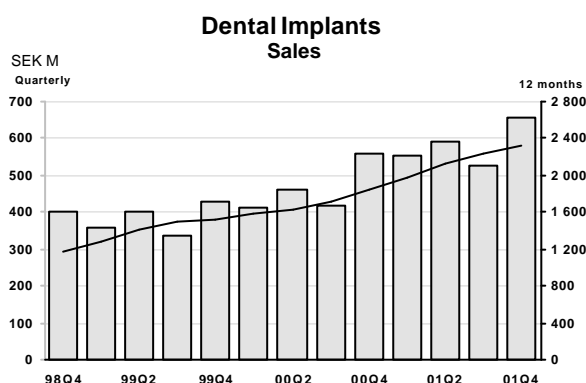
Annual General Meeting

The Annual General Meeting will be held on 24 April 2002 at 5 pm. at the Gothenburg Concert Hall, Stenhammarsalen, Götaplatsen, Gothenburg, Sweden.

Business Area Dental Implants

Both the Brånemark System and Steri-Oss/Replace brands experienced strong sales growth trends in 2001 and Nobel Biocare further strengthened its global market share. Sales in 2001 increased by 26% (17% currency adjusted) and totaled SEK 2 329.5 million (1 851.0). Sales in the fourth quarter amounted to SEK 656.3 million (557.6).

Excluding sales of Gore products, Dental Implant sales increased by 24% (14% currency adjusted).



Sales in Europe (excluding the Nordic countries) increased by 28% (18% currency adjusted).

In North America, sales increased by 29% (16% currency adjusted).

Sales in the Asia/Pacific region grew by 21% (16% currency adjusted). Japan continued to report moderate sales improvement.

In Latin America, sales increased by 27% (33% currency adjusted).

Operating income (EBIT) amounted to SEK 359.6 million (273.3). Operating income (EBIT) before non-recurring items amounted to SEK 426.0 million (251.0)

The market reception for Nobel Biocare's innovative new TiUnite implant surface has exceeded all expectations in terms of both sales and clinical performance. The clinical performance of the TiUnite surface has been shown to produce significant improvements in both implant survival and immediate function.

The TiUnite surface accounted for 50% of total Brånemark System implant sales in 2001.

In September 2001, the launch of TiUnite on the Replace brand started and initial sales exceeded plans. TiUnite Replace will be successively launched on all markets in the course of the first quarter of 2002. Replace Select is the fastest growing implant brand on the market.

The transfer of skills between the implant brands also resulted in the launch of the Esthetic Abutment for Brånemark System. This is a component that was originally developed for Replace and is aimed at the growing market for cemented prosthetic solutions.

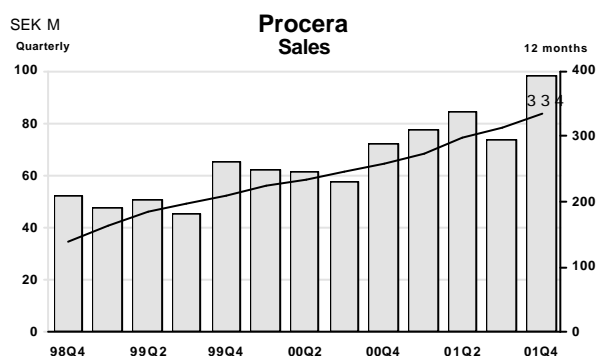
Sales of Gore Tissue Regeneration products increased compared with 2000.

Business Area Procera

Sales in Procera® totaled SEK 333.7 million (258.5). This corresponds to an increase of 29% (18 % currency adjusted) compared with 2000. Sales in the fourth quarter amounted to SEK 97.9 million (77.2).

The volume growth for Procera® AllCeram in 2001 was 18%. Growth in North America, accounting for 69% of the total volume, was 15%.

The slowdown in the US dental laboratory business affected the growth rate for Procera copings in North America. Outside North America, the growth rate improved slightly.



Sales of scanners reached the target of 20-25 scanners a month in 2001. The total number of laboratories that have purchased a Procera scanner now exceeds 1 300 in 35 countries.

Operating income (EBIT) amounted to SEK 4.1 million (16.3). As of 2001, the Procera

business has been is charged with its share of operating expenses at HQ.

A thinner more translucent coping for highly esthetic solutions, Procera® AllCeram 0.4 mm, was launched in Europe during the spring at a premium price. Sales have developed favorably and the new coping accounted for 10% of coping sales in Europe in 2001.

A new administrative system was introduced at the Stockholm production site. It helped to shorten delivery times by one day for 65% of all orders.

At the Chicago Midwinter meeting on 20 February 2002, and at the Academy of Osseointegration in Dallas on 13 March 2002, Nobel Biocare will introduce a series of new products:

- A completely new Procera 3D CAD design program. The plan is to upgrade all present Procera Network laboratories worldwide and to equip all new customers with the new 3D CAD during 2002.
- Launch of Procera AllCeram 0.4 esthetic coping in North America.
- Launch of Procera Ceramic Abutment.

Following the acquisition of Sandvik AB's 50% share in Procera Sandvik AB, Nobel Biocare has full control of Procera business. The development and manufacture of ceramic prosthetics will be fully integrated in Nobel Biocare's organization during the first half of 2002. The Procera production sites will remain in Stockholm, Sweden, and Fair Lawn, New Jersey, USA.

Gothenburg, 7 February, 2002

NOBEL BIOCARE AB (publ.)

Heliane Canepa
President

This report has not been reviewed by the company's auditors.

Further information is available from:

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Publishing dates for financial information:

Beginning April	Annual Report 2001 (Swedish)
24 April	Annual General Meeting
24 April	Interim Report 1

Nobel Biocare is an innovative, medical devices company, whose core business comprises dental implants and dental prosthetics. The company's product systems for dental implants, Brånemark System® and Replace, are world leaders and have a global market share of around 40%.

The company's other product line, Procera®, is a unique, IT-based process for the industrial production of dental prosthetics. The system has been launched in some 30 countries.

Nobel Biocare has around 1 300 employees and in 2001 turnover totaled SEK 2 663 million. The company's headquarters are located in Gothenburg, Sweden, while production takes place in Sweden and the US.

Nobel Biocare has its own sales companies in 26 countries. **www.nobelbiocare.com**

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Consolidated Income Statement

SEK M	Oct-Dec 2001	Oct-Dec 2000	Full year 2001	Full year 2000
Net sales	754.1	634.8	2 663.2	2 109.5
Cost of goods sold	-241.7	-187.4	-822.1	-639.0
Gross income	512.4	447.4	1 841.1	1 470.5
R&D, sales and administration expenses	-374.2	-323.2	-1 408.9	-1 200.9
Other operating income and operating expenses - net	-2.2	-0.5	-2.1	-2.3
Non-recurring items	-45.5	0.0	-66.4	22.3
Operating income	90.5	123.7	363.7	289.6
Financial income and expenses - net	2.1	-15.3	-24.7	-41.8
Income before tax	92.6	108.4	339.0	247.8
Taxes	-59.0	-51.1	-150.0	-113.7
Net income	33.6	57.3	189.0	134.1

Consolidated Balance Sheet

SEK M	31/12/01	31/12/00
Assets		
Intangible fixed assets	1 590.1	1 055.3
Tangible fixed assets	286.6	212.8
Financial fixed assets	79.9	155.8
Total fixed assets	1 956.6	1 423.9
Inventories	218.7	296.8
Current receivables	569.4	576.9
Financial current assets	301.3	285.6
Total current assets	1 089.4	1 159.3
TOTAL ASSETS	3 046.0	2 583.2
Equity	1 934.6	1 737.9
Allocations	203.7	17.0
Long-term liabilities	450.3	504.7
Current liabilities	457.4	323.6
TOTAL EQUITY AND LIABILITIES	3 046.0	2 583.2

Consolidated Cash Flow

SEK M	Full year 2001	Full year 2000
Funds provided internally	528.1	301.0
Change in working capital etc.	156.3	-37.2
Cash flow from current operations	684.4	263.8

Investments	-460.3	-107.8
Change in interest-bearing liabilities	-95.4	-63.0
Dividends	-60.8	-50.1
Net cash flow (currency adjusted)	67.9	42.9

The Nobel Biocare Group – Quarterly Review

SEK M	4/2001	3/2001	2/2001	1/2001	4/2000	3/2000
Net sales	754.1	599.9	678.7	630.5	634.8	475.6
Operating expenses	-601.2	-500.9	-548.6	-518.1	-495.4	-423.3
Operating income excluding non-recurring items and amortization of goodwill	152.9	99.0	130.1	112.4	139.4	52.3
Amortization of goodwill	-16.9	-16.4	-15.7	-15.3	-15.7	-14.9
Operating income excl. non-recurring items	136.0	82.6	114.4	97.1	123.7	37.4
Non-recurring items	-45.5	-20.9	-	-	-	-
Operating income	90.5	61.7	114.4	97.1	123.7	37.4

Summary of Operations

SEK M	Full year 2001	Full year 2000
Net sales	2 663.2	2 109.5
Operating income	363.7	289.6
Operating margin excluding goodwill amortization	16.1%	16.5%
Operating margin	13.7%	13.7%
Income before tax	339.0	247.8
Cash flow from current operations	684.4	263.8
Return on average capital employed	15.4%	13.0%
Return on average equity	10.1%	8.1%
Equity/assets ratio	63.5%	67.3%
Earnings per share excl. goodwill amortization, SEK	10.00	7.71
Earnings per share, SEK	7.45	5.35
Balance sheet total	3 046.0	2 583.2
Equity	1 934.6	1 737.9
Investments in tangible fixed assets	102.2	91.7
Equity per share, SEK	76.33	69.32
Average number of shares	25 346 215	25 069 782
Number of employees	1 328	1 196

Key figures, excluding non-recurring items

Operating income	430.1	267.3
Operating margin excluding goodwill amortization	18.6%	15.5%
Operating margin	16.1%	12.7%
Income before tax	405.4	225.5
Return on average capital employed	18.2%	12.0%
Return on average equity	13.7%	6.8%
Earnings per share excl. goodwill amortization, SEK	12.62	6.82

Earnings per share, SEK

10.07

4.46