

Interim Report 3, January – September 2002

23 October 2002

Nobel Biocare Holding AG Group

- Nobel Biocare is experiencing an increasing currency-adjusted growth trend. Total sales amounted to SEK 2 075.8 million (11.5% currency-adjusted growth). In Q3 2002, sales amounted to SEK 618.0 million (12.8% currency-adjusted growth).
- North America reports an improving growth trend, while the European markets show mixed developments. Japan maintains the strong sales growth.
- Operating income before non-recurring items increased by 45.2% to SEK 427.0 million, and Operating income rose by 34.6% to SEK 367.6 million. In Q3 2002, Operating income before non-recurring items increased by 62.1% to SEK 133.9 million.
- The profitability improvement program resulted in a significant increase of the EBITA margin, before non-recurring items for Dental Implants, to 27.0% for the first nine months compared to 20.3% in the corresponding period 2001. The EBIT margin before non-recurring items for the Group increased to 20.6% compared to 15.4% in 2001. This positive development has resulted in significant improvements in important key ratios, for example EBIT/employee and Return on Operating Capital.
- The new product offering has been successfully introduced at scientific meetings in Europe and the US in September and October. The global commercial launch of the new, streamlined product offer will start on 1 November 2002 as planned.
- As part of the new product offering, the product assortment has been totally re-engineered resulting in a reduction from 2,400 to 800 articles at the end of 2003. The new assortment includes more than 380 new articles and 50 significant improvements of current articles.
- The outlook for the fourth quarter of 2002 is strong in anticipation of the upcoming product launch in November. The Group expects to exceed the set targets for the full year.

<i>SEK M</i>	<i>Jan-Sept 2002</i>	<i>Jan-Sept 2001</i>	<i>Change</i>	<i>Change, currency adjusted</i>
Net sales	2 075.8	1 909.1	+8.7%	+11.5%
<i>of which Dental Implants</i>	<i>1 813.0</i>	<i>1 673.3</i>	<i>+8.3%</i>	<i>+11.2%</i>
<i>of which Procera®</i>	<i>262.8</i>	<i>235.8</i>	<i>+11.5%</i>	<i>+13.8%</i>
Operating income before non-recurring items	427.0	294.0	+45.2%	
Operating income (EBIT)	367.6	273.1	+34.6%	
Net income	219.5	155.4	+41.2%	
Cash flow from current operations	448.6	419.7	+6.9%	
Earnings per share, SEK	8.74*	6.14**	+42.3%	
Earnings per share, CHF	1.40*			
Market value 30 September	10 147	9 300		

*) Average number of Nobel Biocare Holding AG/Nobel Biocare AB shares.

**) Average number of Nobel Biocare AB shares.

The Nobel Biocare Holding AG Group

Sales

Group

Total sales increased by 8.7% to SEK 2 075.8 million (11.5% currency adjusted). In the third quarter, sales increased by 3.0% to SEK 618.0 million (12.8% currency adjusted).

Dental Implants

Sales increased by 8.3% to SEK 1 813.0 million, (11.2% currency adjusted). In the third quarter, sales increased by 2.6% to SEK 540.1 million (12.3% currency adjusted).

Dental Implants Regional Sales, January-September

SEK M	2002	2001	Growth in SEK (in local currency)
Europe	764.6	694.5	10.1% / (9.6%)
North America	690.1	639.3	7.9% / (11.3%)
Asia	210.0	178.8	17.4% / (22.3%)
Rest of the World/Gore	148.3	160.7	-7.7 % / (5.5 %)
Total	1 813.0	1 673.3	8.3% / (11.2%)

Dental Implant Regional Sales, July-September

SEK M	2002	2001	Growth in SEK (in local currency)
Europe	206.6	199.8	3.4% / (5.5%)
North America	213.4	212.9	0.2 % / (13.4%)
Asia	70.8	62.9	12.6% / (23.9%)
Rest of the World/Gore	49.3	50.9	-3.1% / (20.4%)
Total	540.1	526.5	2.6% / (12.3%)

Nobel Biocare is experiencing an increasing currency-adjusted growth trend, while the nominal growth figures have been significantly affected by the continuously weakening USD.

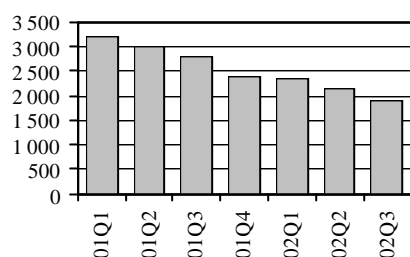
In total, Dental Implants experienced a steady growth trend in the third quarter. North America reports an improving growth trend, while the European markets show mixed developments. Spain, France, the UK and Benelux show steady growth trends whereas sales growth in Germany, Italy and the Nordic countries were impacted by the announcement of the new product assortment and the delays in the administration of the Swedish reimbursement system, respectively. Japan continued to experience strong sales trends.

The implementation of a common sales force and the new integrated concept of Crown&Bridge&Implant to target the general practitioner segment have been accomplished globally.

Third quarter activities were dominated by the introduction of the new product offer. More than 5,000 key customers and dental specialists at the scientific meetings in Brussels, New Orleans and Chicago were thereby exposed to the New Nobel Biocare strategies and products and their response was extremely positive.

The new streamlined product offer comprises at total of 800 products with new manuals and sales support material in eight languages. As part of the new product offer, Nobel Biocare has developed a new implant system, Replace Select Straight, which combines the best documented features of Brånemark System implant design and Replace internal connection. The new implant has created huge interest among both current and new customers. The global commercial launch of the new products will start on 1 November 2002 as planned.

No of articles in stock



The number of articles in stock has been reduced significantly. The new product launch in November 2002 will result in an increased reduction trend.

The Replace Select system is still growing more rapidly than the market as a whole as a result of its user-friendly and versatile approach, which attracts the growing general practitioner segment of the market.

Sales of Gore membranes are included in the Dental Implant business. The newly-launched bio-resorbable Gore membrane Resolut Adapt is gaining acceptance and sales have started to pick up.

Procera

Sales increased by 11.5% to SEK 262.8 million (13.8% currency adjusted). In the third quarter of 2002, sales increased by 6.1% to SEK 77.9 million (16.4% currency adjusted).

Sales of Procera AllCeram and Procera Scanner experienced steady growth trends and growth in Procera is exceeding market growth for the crown & bridge segment.

Nobel Biocare's standard ceramic components are now being manufactured at the Procera production plants, thereby introducing high-end esthetic prosthetic components for dental implants, such as Esthetic Abutment Ceramic and Ceramic Coping for Easy Abutment.

The strong sales trend for personalized prosthetics and standard ceramics for dental implants confirms that the implementation of the new integrated strategy has been successfully initiated.

Operating results

Group

Operating income before goodwill amortization (EBITA) and non-recurring items increased by 46.6% to SEK 500.5 million (341.5).

Operating income before non-recurring items increased by 45.2% to SEK 427.0 million (294.0). Operating income (EBIT) increased by 34.6% to SEK 367.6 million (273.1). The operating margin (EBIT) increased to 17.7% (14.3%) and the operating margin (EBIT) before non-recurring items increased to 20.6% (15.4%).

Goodwill amortization increased to SEK 73.5 million (47.5) mainly as a result of the Procera Sandvik AB acquisition in December 2001. Depreciation amounted to SEK 72.2 million (62.7).

The profitability improvement program, which was announced in October 2001, with the aim of improving the earnings level has resulted in an EBITA margin before non-recurring items for Dental Implants in excess of plan of 27.0% and an EBIT margin before non-recurring items for the Group of 20.6%. The improvement is evenly distributed between high efficiency in the sourcing process and cost containment throughout the Group.

The gross margin increased to 74.8% for the first nine months compared to 74.5% in the first half of 2002.

Operating results, January-September

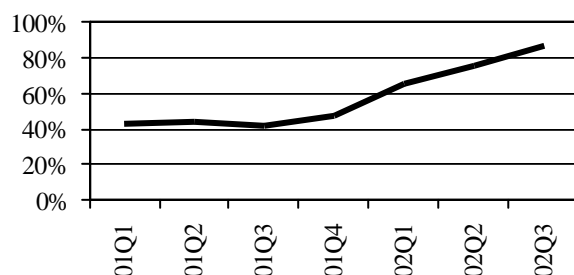
SEK M	2002	% of sales	2001*	% of sales
<i>Operating income before goodwill amortization (EBITA) and non-recurring items</i>				
Dental Implants	489.6	27.0	338.8	20.3
Procera	10.9	4.1	2.7	1.1
Total	500.5	24.1	341.5	17.9
<i>Operating income (EBIT) before non-recurring items</i>				
Dental Implants	436.5	24.1	291.3	17.4
Procera	-9.5	-3.6	2.7	1.1
Total	427.0	20.6	294.0	15.4

Operating results, July-September

SEK M	2002	% of sales	2001*	% of sales
<i>Operating income before goodwill amortization (EBITA) and non-recurring items</i>				
Dental Implants	153.2	28.4	99.7	18.9
Procera	4.2	5.4	-0.7	-0.9
Total	157.4	25.5	99.0	16.5
<i>Operating income (EBIT) before non-recurring items</i>				
Dental Implants	136.5	25.3	83.3	15.8
Procera	-2.6	-3.4	-0.7	-0.9
Total	133.9	21.7	82.6	13.8

* After adjustment for non-recurring items of SEK 20.9 million, which were retroactively restated for the full year 2001.

Return on operating capital (excluding goodwill and non-recurring items)



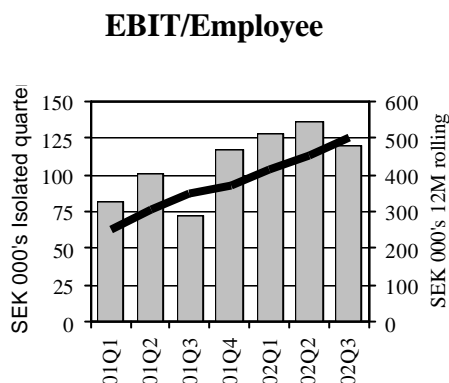
Return on Operating Capital excluding goodwill and non-recurring items shows a significantly improved trend as a result of increased EBIT-margin and improved operating capital turnover.

Non-recurring items of SEK 59.4 million, representing the majority of the consulting costs in relation to the establishment of the new Swiss holding structure, were recorded in the first nine months of 2002.

Dental Implants

Operating income before goodwill amortization (EBITA) and non-recurring items increased by 44.5% to SEK 489.6 million (338.8). Operating income (EBIT) before non-recurring items increased by 49.8% to SEK 436.5 million (291.3).

The EBITA margin before non-recurring items improved to 27.0% (20.3%) as a result of the ongoing profitability improvement program, with approximately 2.5% being allocated to purchasing and production efficiencies, 2.5% lower operating expenses and 1.0% to sales efficiencies.



The strategy of growing with existing resources has resulted in an improving profitability level per employee.

Procera

Operating income before goodwill amortization (EBITA) amounted to SEK 10.9 million (2.7). After goodwill amortization, operating income (EBIT) amounted to SEK -9.5 million (2.7).

The EBITA margin increased to 4.1% (1.1%).

Investments

Capital expenditures on fixed assets totaled SEK 73.1 million (76.0), whereof SEK 47.7 million relates to investments in production facilities.

Liquidity and financial position

Cash flow from current operations amounted to SEK 448.6 million, reducing the net debt from SEK 272.0 million to a net cash position of SEK 64.4 million in the first nine months of 2002.

Liquid assets totaled SEK 393.0 million (31/12/2001: SEK 233.8 million).

Shareholders' equity per average share decreased to SEK 74.81* (31/12/2001: SEK 76.33**), due to paid dividend and negative equity translation adjustments, primarily as a result of the weakening USD.

Parent company

Since 21 June 2002, Nobel Biocare Holding AG has been the parent company of the Nobel Biocare Holding Group. The parent company income statement includes consulting costs in relation to the establishment of the new Swiss holding structure. The balance sheet includes the participation in Nobel Biocare AB as the main asset and the corresponding equity.

The total number of outstanding shares in Nobel Biocare Holding AG on 30/9/2002 totaled 25,115,187 (31/12/2001 for Nobel Biocare AB: 25,354,900).

Following the redemption of all the outstanding warrants and options, the total number of shares will be 26,357,605.

Status report on disputes

There are no material developments in the disputes reported previously. As mentioned in the 2001 annual report, a competitor in Germany has claimed that the surface of the Nobel Biocare TiUnite fixture surface infringes a previous East German patent. After Nobel Biocare rejected this claim, a suit has been filed against Nobel Biocare Deutschland GmbH. Nobel Biocare has, however, not changed its assessment of the potential outcome of any of the ongoing disputes.

Outlook

Nobel Biocare has exceeded its targets for 2002 so far and is well in line with the priorities and objectives set in October 2001:

- Increasing the EBITA margin before non-recurring items for Dental Implants from 21% (2001) to >24% by the end of 2002 and the EBIT margin before non-recurring items for the Group from 16% (2001) to >20% in 2002.
- Implementation of a new sales strategy targeting a new market segment, i.e. general practitioners.
- Implementation of a new, integrated global market concept named Crown&Bridge&Implant, to drive long-term sales growth with the aim of transforming Nobel Biocare into a world leading company for innovative esthetic dental solutions.
- Preparation and launch of a new product assortment combining the best features of Brånemark System, Replace and Procera in November 2002.
- The full impact of the strategic repositioning and integration of Procera within the Nobel Biocare organization.

The outlook for the fourth quarter of 2002 is strong in anticipation of the upcoming product launch on 1 November 2002 and preorders taken for the new assortment at the scientific meetings in Europe and the US in September and October.

Nobel Biocare is thereby well prepared for a new growth level targeting 20% growth from 2003 based on the following growth formula:

- The new C&B&I (Crown&Bridge&Implant) strategy
- Re-allocation and re-focusing of resources in the sales organization
- Dedicated sales organization focusing on specialists, general practitioners and dental laboratories
- Streamlined product assortment
- Innovative new products to be launched in 2003, such as the Scalloped implant and the One-piece implant.

23 October, 2002

NOBEL BIOCARE HOLDING AG

Heliane Canepa
President & CEO

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| <ul style="list-style-type: none">• Nobel Biocare Capital Markets Day will be held on 11 December 2002 in Gothenburg, Sweden.• The Full Year Report 2002 will be published on 6 February 2003. The printed Annual Report for 2002 will be distributed in April 2003. |
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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	July-Sept 2002	July-Sept 2001	Jan-Sept 2002	Jan-Sept 2001	Full year 2001
Net sales	618.0	599.9	2 075.8	1 909.1	2 663.2
Cost of goods sold	-147.6	-189.8	-523.1	-580.4	-822.1
Gross income	470.4	410.1	1 552.7	1 328.7	1 841.1
R&D, sales and administration expenses	-336.5	-328.2	-1 125.7	-1 034.7	-1 408.9
Other operating income and operating expenses - net	-	0.7	-	-	-2.1
Non-recurring items	-6.0	-20.9	-59.4	-20.9	-66.4
Operating income	127.9	61.7	367.6	273.1	363.7
Financial income and expenses - net	-3.1	-8.2	-15.0	-26.7	-24.7
Income before tax	124.8	53.5	352.6	246.4	339.0
Taxes	-46.1	-21.6	-130.5	-91.0	-150.0
Minority Interest in earnings	-2.6	-	-2.6	-	-
Net income	76.1	31.9	219.5	155.4	189.0
Earnings per share	3.03*	1.26**	8.74***	6.14**	7.45**
Earnings per share after full dilution	2.88	1.20	8.33	5.84	7.10

*) Average number of Nobel Biocare Holding AG shares.

**) Average number of Nobel Biocare AB shares.

***) Average number of Nobel Biocare Holding AG/Nobel Biocare AB shares.

CONDENSED CONSOLIDATED BALANCE SHEET

SEK M	30/09/02	30/09/01	31/12/01
Assets			
Intangible fixed assets	1 395.8	1 064.9	1 590.1
Tangible fixed assets	266.8	246.3	286.6
Financial fixed assets	30.3	126.9	79.9
Total fixed assets	1 692.9	1 438.1	1 956.6
Inventories	221.0	288.5	218.7
Current receivables	615.5	605.9	636.9
Financial current assets	393.0	405.3	233.8
Total current assets	1 229.5	1 299.7	1 089.4
TOTAL ASSETS	2 922.4	2 737.8	3 046.0
Liabilities and equity			
Equity	1 879.8	1 904.9	1 934.6
Minority Interest	19.4	-	-
Provisions	213.2	15.4	203.7
Long-term liabilities	295.5	460.6	450.3
Current liabilities	514.5	356.9	457.4
TOTAL EQUITY AND LIABILITIES	2 922.4	2 737.8	3 046.0

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Jan-Sept	Jan-Sept	Full year
SEK M	2002	2001	2001
Operating income	367.6	273.1	363.7
Amortization/ depreciation	145.7	110.2	151.0
Other adjustments for items not included in cash flow	13.2	-2.1	72.0
Interest received/ paid and similar items net	-4.1	-19.8	-30.8
Taxes paid	-32.6	-37.5	-21.7
Cash flow generated by current operations before changes in working capital	489.8	323.9	534.2
Changes in working capital	-41.2	95.8	150.1
Cash flow from current operations	448.6	419.7	684.3
Cash flow from investment operations	-73.1	-76.0	-460.2
Cash flow after investment operations	375.5	343.7	224.1
Redemption of warrants	7.8	3.2	1.3
Loans net	-126.8	-159.3	-96.7
Dividends paid	-76.1	-60.8	-60.8
Cash flow from financing operations	-195.1	-216.9	-156.2
Cash flow after financing operations	180.4	126.8	67.9
Cash and bank at the start of the year	233.8	164.1	164.1
Exchange rate difference in cash and bank	-21.2	-	1.8
Cash and bank at the end of the period/year	393.0	290.9	233.8

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Jan-Sept	Jan-Sept	Full year
SEK M	2002	2001	2001
As of 1 January	1 934.6	1 737.9	1737.9
Dividend	-76.1	-60.8	-60.8
Warrants and options	7.8	3.2	1.3
Translation adjustment	-186.6	69.2	67.2
Minority interest	-19.4	-	-
Net result for the period	219.5	155.4	189.0
As of the end of the period/ year	1 879.8	1 904.9	1 934.6

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1. Accounting and valuation principles

As in previous years, Nobel Biocare's accounting and valuation principles comply with the recommendations and statements of the Swedish Financial Accounting Standards Council, which have been consistently applied.

As of 1 January 2002, a number of new accounting standards were introduced in Sweden, whereof the one most important to Nobel Biocare's operations, RR15 Intangible Assets, requires all companies to distinguish their research and development (R&D) activities in research costs which are to be expensed and development costs, which in special circumstances can be capitalized. Nobel Biocare's R&D expenditures include wages and salaries, cost of materials, and overhead costs related to R&D. Research costs are not capitalized but are charged directly to the income statement. Development costs are only capitalized when it is reasonably certain that the related product can be marketed commercially at a profit.

As the shares of the Company were listed on 24 June 2002 on the SWX Swiss Exchange, Swiss GAAP FER 12, Presentation of Interim Statements, has been adopted.

Note 2. Changes in key figures

Income statement

The year-on-year currency impact on operating income was a negative SEK 5.1 million.

Goodwill amortization increased to SEK 73.5 million (47.5), mainly as a result of the Procera Sandvik AB acquisition in December 2001. Depreciation amounted to SEK 72.2 million (62.7).

Non-recurring items of SEK -59.4 million, representing the majority of the consulting costs in relation to the establishment of the new Swiss holding structure, were recorded in the first nine months of 2002.

Balance sheet

Capital expenditures on fixed assets totaled SEK 73.1 million (76.0), whereof SEK 47.7 million relates to investments in production facilities.

Cash flow from current operations amounted to SEK 448.6 million (419.7). Net debt decreased by SEK 336.4 million to a net cash position of SEK 64.4 million in the first nine months of 2002.

The significant translation adjustments recorded in equity in the first nine months of 2002 are predominantly related to the weakening USD and the deflation in Latin-American currencies.

Other

The number of employees at the end of September 2002 was 1 340 (1 260), of whom 425 (391) were employed in Sweden. The comparative figures for 2001 do not include Procera Sandvik AB, which was acquired on 27 December 2001.

Note 3. Segment sales and operating results

Sales January-September

SEK M	2002	2001	Growth in SEK (in local currency)
Dental Implants			
Europe	764.6	694.5	10.1% / (9.6%)
North America	690.1	639.3	7.9 % / (11.3%)
Asia	210.0	178.8	17.4% / (22.3%)
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Subtotal	1 813.0	1 673.3	8.3% / (11.2%)
Procera	262.8	235.8	11.5% / (13.8%)
Total	2 075.8	1 909.1	8.7% / (11.5%)

Sales July-September

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Rest of the World/Gore	49.3	50.9	-3.1% / (20.4%)
Subtotal	540.1	526.5	2.6% / (12.3%)
Procera	77.9	73.4	6.1% / (16.4%)
Total	618.0	599.9	3.0% / (12.8%)

Operating results, January-September

SEK M	2002	% of sales	2001	% of sales
<i>Operating income before goodwill amortization (EBITA) and non-recurring items</i>				
Dental Implants	489.6	27.0	338.8	20.3
Procera	10.9	4.1	2.7	1.1
Total	500.5	24.1	341.5	17.9
<i>Operating income (EBIT) before non- recurring items</i>				
Dental Implants	436.5	24.1	291.3	17.4
Procera	-9.5	-3.6	2.7	1.1
Total	427.0	20.6	294.0	15.4

Operating results, July-September

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<i>Operating income before goodwill amortization (EBITA) and non-recurring items</i>				
Dental Implants	153.2	28.4	99.7	18.9
Procera	4.2	5.4	-0.7	-0.9
Total	157.4	25.5	99.0	16.5
<i>Operating income (EBIT) before non- recurring items</i>				
Dental Implants	136.5	25.3	83.3	15.8
Procera	-2.6	-3.4	-0.7	-0.9
Total	133.9	21.7	82.6	13.8

Note 4. Change in consolidation scope

As of 30 September 2002, the Group's parent company is Nobel Biocare Holding AG and the figures as of and for the period ended 30 September 2002 have therefore been consolidated on the basis of that new structure (see also Note 5). The transaction in connection with the offer to the shareholders of Nobel Biocare AB has been accounted for as a common control transaction. For comparative purposes, the Nobel Biocare AB Group's financial statement information has been disclosed for prior periods.

Until 26 December 2001, Procera Sandvik AB was a joint venture between Nobel Biocare AB and Sandvik Hard Materials AB and was recorded until that date according to the proportional method. Since 27 December 2001, Procera Sandvik AB, now changed to Nobel Biocare Procera AB, has been a wholly-owned company and is therefore fully consolidated.

Note 5. Equity

Share capital

On 27 May 2002, Nobel Biocare Holding AB made a public offer to the shareholders of Nobel Biocare AB to acquire all the outstanding shares in Nobel Biocare AB; 94.6% of the Nobel Biocare AB shareholders accepted the offer. The shareholders who accepted the offer, in return for Nobel Biocare AB shares, received shares in Nobel Biocare Holding AG on a one-for-one share basis. Following the successful offer on 21 June 2002, the ordinary share capital in Nobel Biocare Holding AG was increased by CHF 47,910,484, representing 23,955,242 bearer shares, resulting in a total number of bearer shares of 24 005 242, each with a par value of CHF 2. The capital was increased by way of a capital contribution consisting of shares in Nobel Biocare AB tendered by shareholders of Nobel Biocare AB during the offer.

The Board of Directors is authorized until 14 May 2004 to increase the share capital up to a maximum aggregate amount of CHF 2,739,316 by issuing a maximum of 1,369,658 bearer shares to be fully paid up, each with a par value of CHF 2. In accordance with the Company's Articles of Association, the Board of Directors is entitled to exclude the preferential rights of shareholders to subscribe to shares in certain circumstances.

As a result of additional shares tendered by Nobel Biocare AB shareholders during the prolonged period of the public tender offer by the Company dated 27 May 2002 and extended by a resolution by the Board of Directors on 20 June 2002 until 9 July 2002, the share capital was increased by CHF 2,219,890 on 11 July 2002, by issuing 1,109,945 bearer shares from the authorized share capital. As a result, the authorized share capital as of 30 September 2002 amounts to CHF 519,426 or 259,713 bearer shares with a par value of CHF 2 per share.

The share capital may be increased by issuing no more than 1,242,418 shares, each with a par value of CHF 2, to be fully paid up, by an amount of no more than CHF 2,484,836 by virtue of the exercise of option rights granted to employees, directors and officers of the Company or its affiliates.

Nobel Biocare AB's shares were delisted from the Stockholm Stock Exchange (Stockholmsbörsen) on 18 July 2002. A compulsory acquisition procedure to acquire the remaining approximately 1% of the shares in Nobel Biocare AB will be initiated in January 2003.

Minorities

The minority interest represents the outstanding shares (1.0%) on 30 September 2002 in Nobel Biocare AB, which had not been exchanged for Nobel Biocare Holding AG shares. Minority interest has been recorded on the income statement for the first nine months of 2002.

Paid dividend

Following a decision at the Annual Shareholders' meeting on 24 April 2002, SEK 76.1 million was paid as dividend during the second quarter.

Note 6. IFRS reconciliation

The application of International Financial Reporting Standards (IFRS), formerly International Accounting Standards (IAS), has the following approximated effects on net income and equity (SEK M):

Net income	Jan-Sept 2002	Jan-Sept 2001	Jan-Dec 2001
Net income according to Swedish accounting standards	219.5	155.4	189.0
Items affecting net profit			
currency effect of derivative instruments	15.2	-19.2	-3.0
tax effects on adjustments	-4.2	5.4	0.8
Net change in net income	11.0	-13.8	-2.2
Net income according to IFRS	230.5	141.6	186.8
Net income in SEK per share according to IFRS	9.17*	5.59**	7.37**
Net income in SEK per share after full dilution according to IFRS	8.75	5.32	7.02
Number of shares	25 127 256*	25 313 345**	25 346 215**
Number of shares after full dilution	26 357 605	26 617 318	26 617 318
Equity	30/09/02	30/09/01	31/12/01
Equity according to Swedish accounting standards	1 879.8	1 904.9	1 934.6
Items affecting equity			
currency effect of derivative instruments	4.2	-27.2	-11.0
tax effects on adjustments	-1.2	7.6	3.1
Net change in equity	3.0	-19.6	-7.9
Equity according to IFRS	1 882.8	1 885.3	1 926.7

* Average number of Nobel Biocare Holding AG/Nobel Biocare AB shares

** Average number of Nobel Biocare AB shares

Derivative instruments and hedging activities

Nobel Biocare uses forward exchange contracts to hedge future cash flows in foreign currency. Under Swedish GAAP, outstanding contracts exceeding the net foreign currency exposure in the balance sheet are not accounted for in the consolidated accounts. Since the criteria for qualification for hedge accounting under IFRS are not met, the outstanding forward exchange contracts are valued at fair value. The gain or loss from measuring the derivative instruments at fair value is recognized immediately in the income statement.

Review report to the Board of Directors of

Nobel Biocare Holding AG, Zurich

We have reviewed the condensed consolidated interim financial statements (consolidated income statement, balance sheet, cash flow statement, statement of changes in equity and selected explanatory notes) as presented on pages 7 to 13 of Nobel Biocare Holding AG as of 30 September 2002 and for the period then ended. The corresponding figures for prior periods were reviewed by other auditors.

These condensed consolidated interim financial statements are the responsibility of the board of directors. Our responsibility is to issue a report on these condensed consolidated interim financial statements based on our review.

We conducted our review in accordance with the International Standard on Auditing issued by the International Federation of Accountants (IFAC) applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the condensed consolidated interim financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements referred to above do not give a true and fair view of the financial position, the results of operations and the cash flows in accordance with accounting principles generally accepted in Sweden.

Accounting principles generally accepted in Sweden vary in certain significant respects from International Financial Reporting Standards (IFRS). The application of the latter would have affected the determination of the consolidated interim net income of Nobel Biocare Holding AG for each of the periods ended 30 September 2002 and 2001 and of the consolidated shareholder's equity as of 30 September 2002 and 2001 to the extent summarized in Note 6 to the consolidated interim financial statements.

KPMG Fides Peat

Erik Willems

Thomas Schmid

Zurich, 23 October 2002

THE NOBEL BIOCARE HOLDING AG GROUP — QUARTERLY REVIEW

SEK M	3/2002	2/2002	1/2002	4/2001	3/2001	2/2001
Net sales	618.0	728.9	728.9	754.1	599.9	678.7
Operating expenses	-460.6	-554.9	-559.8	-601.2	-500.9	-548.6
Operating income excluding non-recurring items and amortization of goodwill	157.4	174.0	169.1	152.9	99.0	130.1
Amortization of goodwill	-23.5	-24.5	-25.5	-16.9	-16.4	-15.7
Operating income excl. non-recurring items	133.9	149.5	143.6	136.0	82.6	114.4
Non-recurring items	-6.0	-53.4	-	-45.5	-20.9	-
Operating income	127.9	96.1	143.6	90.5	61.7	114.4

SUMMARY OF OPERATIONS

SEK M	Jan-Sept 2002	Jan-Sept 2001	Full year 2001
Net sales	2 075.8	1 909.1	2 663.2
Operating income	367.6	273.1	363.7
Operating margin excluding goodwill amortization	21.3%	16.8%	16.1%
Operating margin	17.7%	14.3%	13.7%
Income after financial income and expenses	352.6	246.4	339.0
Cash flow from current operations	448.6	419.7	684.3
Return on average capital employed	23.4%	15.7%	15.4%
Return on average equity	15.5%	11.2%	10.1%
Equity/assets ratio	64.3%	69.6%	63.5%
Net debt/equity	-0.03	0.08	0.14
Net debt/EBITA	-	-	0.64
Interest coverage ratio	15.9	8.4	10.1
Earnings per share, SEK	8.74*	6.14**	7.45**
Earnings per share, CHF***	1.40	-	-
Earnings per share after dilution, SEK	8.33*	5.84**	7.10**
Balance sheet total	2 922.4	2 737.8	3 046.0
Equity	1 879.8	1 904.9	1 934.6
Investments	73.1	76.0	102.2
Equity per share, SEK	74.81*	75.25**	76.33**
Average number of shares	25 127 256*	25 313 345**	25 346 215**
Number of shares after full dilution	26 357 605	26 617 318	26 617 318
Number of employees	1 340	1 260	1 328

Key figures, excluding non-recurring items

Operating income	427.0	294.0	430.1
Operating margin excluding goodwill amortization	24.1%	17.9%	18.6%
Operating margin	20.6%	15.4%	16.1%
Income after financial income and expenses	412.0	267.2	405.4
Return on average capital employed	27.2%	16.9%	18.2%
Return on average equity	18.2%	12.7%	12.4%
Earnings per share, SEK	10.22*	6.96**	9.1**

*) Average number of Nobel Biocare Holding AG/Nobel Biocare AB shares.

**) Average number of Nobel Biocare AB shares.

***) Currency rate CHF: 6.25

Nobel Biocare is an innovative, medical devices company, whose core business comprises dental implants and dental prosthetics. The company is the world leader in dental implants with its product systems Brånemark System® and Replace™.

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 more than 35 countries.

Nobel Biocare has around 1,300 employees and in 2001 sales 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 organizations in 27 countries. **www.nobelbiocare.com**