



Media Release

Interim Report 2, 2008

ZURICH, SWITZERLAND – 11 AUGUST 2008

Half year results 2008: Progress on track – guidance re-confirmed

- Revenue growth at constant exchange rates (CER) flat at EUR 323.8 million
- Improving sales in US (NA Q2: +3.7%) and NobelActive launch compensated 2007 World Conference sales
- Leading gross profit margin of 83.0%; including NobelActive ramp up production cost
- Profit from operations (EBIT) EUR 92.7 million; reported margin 28.6%
- Basic earnings per share of EUR 0.47
- Operating cash flow up at EUR 59.1 million
- Successful launch of NobelActive with ~60'000 implants sold in 2008
- Successful World Tour; ~60% non-customer participation
- Going direct: acquisition of Taiwanese distributor completed
- Outlook for 2008 re-confirmed: low single-digit growth at CER; EBIT margin roughly at 2007 level (CER)

Table 1: Selected income statement figures in EUR million

	As reported			CER Growth 2007-2008
	Q2 2008	Half year 2008	Half year 2007	
Revenue	168.2	323.8	341.7	-0.2%
Gross profit	137.8	268.7	289.0	-2.1%
Gross margin	81.9%	83.0%	84.6%	
Profit from operations	43.9	92.7	109.4	-9.9%
Operating (EBIT) margin	26.1%	28.6%	32.0%	
Net profit attributable to equity holders of Nobel Biocare	24.3	57.2	85.6	
Profit margin	14.4%	17.7%	25.1%	
Basic earnings per share, EUR	0.20	0.47	0.69	

Domenico Scala, CEO: “Revenues in the second quarter were as previously indicated and have compensated for the significant sales impact from the 2007 World Conference. Although our revenue growth was still flat, we are seeing some encouraging initial signs that our initiatives are gradually starting to pay off. In the US, improving sales are the result of our initiatives to strengthen the management team and the sales force and improving our go-to-market with an increased customer focus. In Europe, our Q2 revenues were still disappointing. However, several ongoing country-specific measures, including the filling of all vacant management positions should improve our performance in the quarters to come. Asia, on the whole, continues to grow. In Japan, we are awaiting approval for NobelSpeedy and Groovy, which should lead to improving sales. In all regions, we continue to expand our customer base and, thanks to a successful NobelActive launch, we are seeing an increasing number of customer conversions. The progress in reinforcing our sales organization, the improvements in our operations, and the rebuilding of trust with our customers are on track. This confirms the management team’s conviction of improved top line performance for the second half, which, combined with an increased leverage underpins our guidance for the full year.”

For the first half of 2008, **revenues** (CER) were down 0.2%. Reported revenue decreased by 5.2% versus the prior-year period to EUR 323.8 million. The difference between CER and reported revenue growth is mainly attributable to the weakness of the US dollar.

Revenue growth (CER) remained flat in the second quarter. Reported revenue for the quarter decreased by 5.6%, Q2 sales performance should be seen against the background of a strong prior-year performance that was positively influenced by the World Conference as well as some phasing of revenues in Europe.

In **Europe, Middle East and Africa (EMEA)**, revenue (CER) for the first half year declined by 5.0% to 160.3 million. Revenue (CER) in the second quarter declined by 4.8%. Markets such as Russia, the Baltic States, Poland, the Netherlands, Austria and Finland showed continuing growth. Management issues in Germany/Switzerland and the UK continued to have an adverse impact on the Q2 results, however these issues were addressed during the course of the second quarter and should result in improved performance in the second half of the year. In Sweden, anticipation of a reimbursement change, which took place on 1 July, had a particularly negative impact on the second quarter. Also thanks to NobelActive, the trend in new customer acquisition throughout the region made further progress and partially compensated for the continued cautious ordering volume of the existing customer base.

In **North America**, revenues (CER) increased by 1.9% to EUR 100.4 million for the first half year and edged up 3.7% in the second quarter. Management was strengthened through the addition of two new key positions, and the sales force was reinforced, both in terms of numbers of individuals and level of experience. Demand for large-case and higher-end treatments remained somewhat soft, however the postponed reordering pattern of customers was confirmed by the number of orders placed during the second quarter. NobelActive continued to enjoy a high degree of acceptance throughout the market, with strong demand for courses and a large uptake for the new prosthetic platform coming from both existing and new customers.

In **the Asia/Pacific** region, revenue (CER) rose by 12.6% (CER) to EUR 52.4 million for the first half year. Revenue (CER) grew by 9.0% in the second quarter. This solid performance was achieved against the backdrop of a strong prior-year quarter, with its high share of revenues from the 2007 World Conference. The ordering pattern in Japan was temporarily softer due to the delay in market approval for NobelSpeedy and Groovy. In Taiwan, growth slowed due to de-stocking prior to Nobel Biocare taking over the distributors' activities. Strong interest was witnessed during the World Tour meetings in Mumbai, Shanghai and Singapore held in the second quarter; a high non-customer proportion of ~60% attended the conferences.

In **Latin America / Rest of the world**, revenue growth for the first half year was flat. Revenue (CER) during the second quarter eased by 1.3%. This quarterly decline has to be seen in the context of a high share of revenues from the 2007 World Conference. In addition, during the second quarter, Nobel Biocare temporarily stopped the shipment of individualized products and NobelGuide templates to Brazil due to non-conforming import declarations. The products have since been re-registered and the importation has been resumed in July after a two-month interruption.

Table 2: Selected income statement figures in EUR million

	As reported			CER Growth 2007-2008
	Q2 2008	H1 2008	H1 2007	
Europe, Middle East and Africa (EMEA)*	82.8	160.3	170.8	-5.0%
Proportion of total revenue	49%	50%	50%	
North America	52.5	100.4	110.9	1.9%
Proportion of total revenue	31%	31%	32%	
Asia/Pacific	27.5	52.4	48.4	12.6%
Proportion of total revenue	16%	16%	14%	
Latin America/Rest of the world*	5.4	10.7	11.5	0.2%
Proportion of total revenue	3%	3%	3%	
Total	168.2	323.8	341.7	-0.2%

*2007 restated to reflect management structure

Gross profit for the first half of 2008 was EUR 268.7 million, equivalent to a reported margin of 83.0% (2007: EUR 289.0 million). On a CER basis, this amounted to a decline of 2.1% when compared to the prior-year period. The 2007 gross profit margin was inflated due to the significant stock up of high margin implants, which occurred at the end of the second quarter. Gross profit for the second quarter was EUR 137.8 million, resulting in a gross margin of 81.9%. In addition to the 2007 stock up effect, the gross profit margin declined mainly due to the consolidation of AlphaBio_{Tec}, ramp-up production costs and a temporary launch offer for NobelActive. Higher pricing discipline in the US was diluted by Europe.

Profit from operations (EBIT) for the first half-year was lower at EUR 92.7 million (2007: EUR 109.4 million) as a result of lower reported sales and a decline in the gross profit margin. Q2 operating profit amounted to EUR 43.9 million. During the second quarter, the absence of a World Conference (as in 2007) was offset by costs associated with four World Tour events, the NobelActive launch, the increased sales forces in all regions, as well as investments aimed at improving the organization. Measures to ensure efficiency gains are underway and should ensure that improving second half-year sales performance yields a higher operating margin. At CER the operating profit margin for the first half year would be approx. 50 bps higher, thus slightly above 29%.

Currencies – Mainly due to the weaker US Dollar, reported revenues decreased (-5%). The Group's main cost currencies (Swiss Franc, Swedish Krona) remained strong, which had an additional small negative impact on the operating margin. New hedging procedures to protect margins from major currency fluctuations will be implemented for 2009.

Net financial expense was EUR 19.7 million for the first half of 2008 (2007: EUR 0.1 million) and EUR 12.8 million for the second quarter. The increase was attributable to higher interest expense resulting from the funding of higher shareholder return (late 2007 and second quarter 2008), the AlphaBio_{Tec} acquisition and buyback related tax payments. Unrealized currency losses incurred in the first quarter of 2008 were fully recovered in the second quarter. Inversely, the company incurred realized and unrealized losses of EUR 14.3 million from the monetization and revaluation of various financial assets. The only remaining exposure from a financial asset at the end of June was an equity markets related investment of approx EUR 14.5 million.

Net profit in the first half year amounted to EUR 57.2 million (2007: EUR 85.6 million) and to EUR 24.3 million for the second quarter. The decline was attributable to lower operating profit and higher financial expense.

Cash flow from operating activities in the first half year increased to EUR 59.1 million. Excluding one-off effects from the acquisition of AlphaBio_{Tec} (additional working capital), cash flow for the first half year would have been EUR 63.7 million.

Cash and cash equivalents amounted to EUR 109.2 million for the first half of 2008 versus EUR 188.1 million at year-end 2007 and EUR 70.1 million at the end of June 2007. While one-off payments for taxes (related to the 2007 buyback), the acquisition of AlphaBio_{Tec} and the shareholder return in 2008 have led to large cash outflows, the sustainable generation of cash from operating activities as well as the partial monetization of the financial portfolio have strengthened the balance sheet.

Share repurchase program – Following the approval from the 2008 AGM, Nobel Biocare launched a new share repurchase program via a second trading line at SWX Europe. A maximum repurchase volume of CHF 750 million over a period of two years was approved in May 2008 by the Swiss Takeover Board. Since approval, Nobel Biocare has bought back 357,000 NOBN shares for a total cost of EUR 8.3 million. The repurchase will be resumed after the expiration of the blackout period associated with the publication of the half-year report.

The **NobelActive launch** in Q2 exceeded the company's expectations. With around 60'000 implants sold since the beginning of the year this is the most successful new launch ever in implant dentistry. NobelActive, positioned for experienced users, was developed to satisfy both surgical and restorative clinicians' requirements with maximum flexibility for implant placement and restorability. Due to its unique design, NobelActive expands treatment options and achieves high initial stability even in limited or compromised bone situations, has redirecting capability for optimal placement, dual-function prosthetic connections both for internally connected abutments and externally connected bridges and built-in platform shifting with more surface for a better esthetic result. NobelActive is supported by solid scientific evidence such as 12-month results from a 5-year prospective multi-center study and eight-month pre-launch activity involving experienced users worldwide. This rigorous introduction of NobelActive has contributed to Nobel Biocare regaining trust with the clinician community and has built a solid foundation for the continued success of this innovative product.

Strong interest in World Tour 2008 – The World Tour was kicked off with successful stops in Mumbai, Shanghai, Dublin and Singapore. This new program, with its stronger focus on customers' needs and science, was very well received and has served to showcase the company to a new audience in the world's fastest growing markets. Almost 60% of the attendees at the conferences were non-customers of Nobel Biocare [prior to the events]. Further stops in Asia, Latin America and selected European countries will follow in the second half of 2008.

Increased global presence – In the second quarter, Nobel Biocare announced the signing of an agreement to take over the operations related to its field of activities from its distributor in Taiwan. These activities will be combined into a newly established subsidiary, thereby expanding the company's activities in this very important Asian market.

Organizational development well underway – The organizational measures initiated to emphasize quality, customer orientation, science and innovation as well as to increase operational efficiency in order to support future growth are progressing according to plan. In addition, management capabilities have been added in key areas in order to further professionalize the organization. In North America, these organizational changes are now completed. In Europe similar initiatives and several country-specific measures are in progress and should be completed by the end of the year. In order to improve customer relations, the company has initiated a successful dialogue with customers throughout the world and developed programs to reach out to new customers. These activities are supported by new processes for going to market, creating corporate advisory boards composed of leading clinicians and researchers in the field of restorative and esthetic dentistry, as well as re-emphasizing scientific leadership. Group wide, during the first half of 2008, the workforce was increased by 299 individuals and amounted to a total of 2,541 employees at the end of the period. This represents a 12% increase in headcount, with the majority of the increase being related to the sales force.

Management change - Alexander Ochsner has been appointed Vice President Sales Europe, Middle East and Africa (EMEA) and Member of the Executive Committee. Alexander Ochsner has extensive experience in the medical device industry. He has held various international sales, marketing and executive management positions with increasing responsibilities at Medela AG, Medtronic Europe SA and most recently Zimmer Dental where he acted as Vice President Europe and Asia Pacific. Alexander Ochsner earned a Master's of Science at the Swiss Federal Institute of Technology in Zurich and a Ph.D. in Natural Sciences at the same institution. He succeeds Jacques Gutedel who decided to leave the company.

Outlook – Barring further economic deterioration and unforeseen events, Nobel Biocare expects organic revenue growth for the full year 2008 in the low single digits (CER) and an EBIT margin roughly at 2007 levels (CER). Therefore, Nobel Biocare expects to slightly underperform the market average this year due to its business mix, which is weighted toward large-case treatments, as well as several country-specific issues.

Further information is available from

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Telephone conference

Telephone conferences for investors and analysts will be held today 11 August 2008 at 08.30 CET and at 14.30 CET, respectively.

To ensure timely participation, please call-in approximately 5-10 minutes prior to the time indicated above.

Dial-in numbers for the conference calls:

+41 91 610 5600	Continental Europe
+44 20 7107 0611	UK
+46 8 5069 2105	Sweden
+1 866 291 4166	USA

For additional local dial-in numbers, please check the separate list on our website.

A **digital playback** service will be available about 90 minutes after each conference until Thursday, 14 August at 5.00 pm CET.

+41 91 612 4330	Continental Europe
+44 20 7108 6233	UK
+1 866 416 2558	USA

For 8.30 am call **ID code 17305** followed by the # sign

For 2.30 pm call **ID code 17361** followed by the # sign

Financial reporting calendar 2008/2009:

Interim Report 3, 2008	03 November 2008
Full Year Report 2008	11 February 2009
Interim Report 1, 2009	29 April 2009
Interim Report 2, 2009	12 August 2009
Interim Report 3, 2009	4 November 2009

The full Interim Report 2 for 2008 is available in English, while an abridged version of the report is available in German.

Disclaimer

This media release contains forward-looking statements based on beliefs of Nobel Biocare's management. When used in this media release, words such as "anticipate", "believe", "estimate", "expect", "intend", "plan" and "project" are intended to identify forward-looking statements. They may involve risks and uncertainties, including technological advances in the medical field, product demand and market acceptance, the effect of economic conditions, the impact of competitive products and pricing, foreign currency exchange rates and other risks. These forward-looking statements reflect the views of Nobel Biocare as of the date made with respect to future events and are subject to risks and uncertainties. All of these forward-looking statements are based on estimates and assumptions made by management of the company and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results or experience could differ materially from the forward-looking statements. Nobel Biocare disclaims any intention or obligation to update these forward-looking statements.

The information was disclosed to the media on 11 August 2008 at 6.45 a.m.

Nobel Biocare is a medical devices group and the world leader in innovative esthetic dental solutions with its brands NobelActive™, Brånemark System®, NobelReplace™, NobelSpeedy™, NobelPerfect®, NobelDirect®, Replace Select (dental implants), Procera® (individualized dental prosthetics), NobelGuide™ (complete patient rehabilitation program) and NobelSmile™ (patient education and awareness program). Nobel Biocare is a full solution provider for restorative esthetic dentistry, offering a wide range of innovative Crown & Bridge & Implant products, as well as training and education, patient information and clinically documented treatment concepts. Nobel Biocare has over 2,500 employees and recorded revenue of EUR 665.9 million in 2007. The Company is domiciled and headquartered in Zurich, Switzerland. Production takes place at six production sites located in Sweden, the US, Japan and Israel. Nobel Biocare has 37 direct sales organizations. The shares of the parent company Nobel Biocare Holding AG are listed on the SWX Swiss Exchange.

Selected financial information

in EUR million	Q2 2008 (unaudited)	Half year 2008 (reviewed)	Half year 2007 (reviewed)
Income statement			
Revenue	168.2	323.8	341.7
Gross profit	137.8	268.7	289.0
Profit from operations (EBIT)	43.9	92.7	109.4
Profit before tax	31.1	73.0	109.3
Profit for the period attributable to equity holders of Nobel Biocare	24.3	57.2	85.6
Balance sheet			
Non-current assets		265.3	203.7
Current assets		387.8	296.2
Total equity		260.9	295.6
Non-current liabilities		272.1	25.2
Current liabilities		120.1	179.1
Total liabilities		392.2	204.3
Cash and cash equivalents incl. bank overdraft		107.5	68.0
Miscellaneous			
Net cash from operating activities	25.8	59.1	48.1
Depreciation, amortization, and impairment losses	4.3	8.6	8.0
Investments in property, plant, equipment, and intangible assets	14.3	21.8	17.7
Employees at end of period		2'541	2'176
Ratios			
Revenue growth (%)	-5.6	-5.2	15.2
Revenue growth in local currencies (%)	0.0	-0.2	20.0
Gross margin (%)	81.9	83.0	84.6
Operating expenses as % of revenue	55.8	54.4	52.6
Operating (EBIT) margin (%)	26.1	28.6	32.0
Profit margin (%)	14.4	17.7	25.1
Return on equity (%)		22.9	24.1
Equity/assets ratio (%)		40	59
Share information*			
Number of shares at end of period		124'316'530	132'204'700
Average number of shares		121'978'875	124'443'840
Number of shares after full conversion		124'564'150	133'086'590
Share price at end of period, CHF		32.78	80.10
Market value at end of period, MCHF		4'075	10'590
Basic earnings per share, EUR		0.47	0.69
Diluted earnings per share, EUR		0.47	0.68
Equity per share, EUR		2.10	2.24
Equity per share after full conversion, EUR		2.09	2.22

*2007 figures adjusted to reflect 2008 share split

Risk and Uncertainties

As a fast-growing, innovative medical technology company, Nobel Biocare is exposed to various risks. Therefore the Group introduced in 2005 an Integrated Risk Management process in which various responsibilities are allocated. Generally, the Group categorizes its risks into:

Strategic risks – such as changes in the market, changes in the competitive environment or new innovations by competitors; operational risks – such as risks related to quality assurance, regulatory affairs, the product development cycle, employees, supply chain, information technology, legal and intellectual property and patient safety; tax risks; reputation risks and risks arising from the company's use of financial instruments which incur credit risk, liquidity risk, currency risk or interest rate risk.

Additionally, the Group differentiates between internal and external risks. Integrated Risk Management is discussed at least annually at the board level, and the Group is in the process of documenting its Internal Control System (ICS).

No material changes with respect to risks and uncertainties, with the exception of these mentioned in this report, have occurred during the period under review. For more information on risks and uncertainties facing the company and the companies within the Group, reference is made to pages 88-92 and 123-129 of the Nobel Biocare Annual Report 2007. The Annual Report is available on the Internet at www.nobelbiocare.com.

Assurance

The Board of Directors and CEO certify that the first half year financial report gives a true and fair view of the Company's and Group's business, financial position and profit or loss, and describes the principal risks and uncertainties that the company and the companies within the Group face.

Nobel Biocare Holding AG

Rolf Soiron
Chairman of the Board

Stig Eriksson
Board member

Antoine Firmenich
Board member

Robert Lilja
Board member

Jane Royston
Board member

Rolf Watter
Board member

Ernst Zaengerle
Board member

Edgar Fluri
Board member (as of 1 July 2008)

Domenico Scala
CEO

Zurich, 8 August 2008

Condensed consolidated financial statements

INTERIM REPORT 2, 2008

Half year figures of this report have been reviewed by the Company's auditors.
Quarterly figures are not audited or reviewed by the Company's auditors
(see Review report on page 20).

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Condensed consolidated statement of income

in EUR million		April - Jun 2008	Jan - Jun 2008	Jan - Jun 2007
	Note	(unaudited)	(reviewed)	(reviewed)
Revenue	7	168.2	323.8	341.7
Cost of sales		-30.4	-55.1	-52.7
Gross profit		137.8	268.7	289.0
Selling expenses		-64.7	-119.1	-130.4
Administrative expenses		-23.1	-45.0	-38.4
Research and development expenses		-6.1	-11.9	-10.8
Profit from operations (EBIT)		43.9	92.7	109.4
Financial income	12	0.9	20.3	3.6
Financial expenses	12	-13.7	-40.0	-3.7
Profit before tax		31.1	73.0	109.3
Income tax expenses		-6.8	-15.8	-23.7
Net Profit attributable to equity holders of Nobel Biocare		24.3	57.2	85.6
Basic earning per share, EUR*		0.20	0.47	0.69
Diluted earning per share, EUR*		0.20	0.47	0.68

*2007 figures adjusted to reflect 2008 share split

Condensed consolidated balance sheet

in EUR million		30 June 2008	30 June 2007	31 Dec 2007
	Note	(reviewed)	(reviewed)	(audited)
Assets				
Property, plant and equipment		64.8	54.0	56.9
Intangible assets		184.1	136.4	124.5
Financial assets and receivables		3.1	1.9	1.8
Deferred tax assets		13.3	11.4	12.6
Total non-current assets		265.3	203.7	195.8
Inventories		38.9	32.1	35.4
Trade receivables		172.3	149.9	152.8
Other current receivables		43.9	44.1	16.9
Financial investments		23.5	-	66.8
Cash and cash equivalents		109.2	70.1	188.1
Total current assets		387.8	296.2	460.0
Total assets		653.1	499.9	655.8
Equity and liabilities				
Total equity attributable to equity holders of Nobel Biocare	8	260.9	295.6	267.9
Provisions		12.2	17.3	11.0
Convertible bond	10	218.1	-	206.5
Other non-current liabilities	11	41.8	7.9	7.7
Total non-current liabilities		272.1	25.2	225.2
Total current liabilities	9	120.1	179.1	162.7
Total liabilities		392.2	204.3	387.9
Total equity and liabilities		653.1	499.9	655.8

Consolidated statement of cash flows

in EUR million	Note	Apr-Jun 2008 (unaudited)	Jan-Jun 2008 (reviewed)	Jan-Jun 2007 (reviewed)
Profit before tax		31.1	73.0	109.3
Adjusted for:				
Depreciation, amortization, and impairment losses		4.3	8.6	8.0
Financial income	12	-0.9	-20.3	-0.9
Financial expenses	12	13.7	40.0	2.1
Share-based payment expense	6	3.6	6.8	6.2
Other non-cash income and expenses		3.2	3.5	-0.6
Changes in working capital and provisions:				
(Increase)/decrease in trade and other current receivables		-6.5	-17.6	-37.7
(Increase)/decrease in inventories		-3.9	-1.9	-1.6
Increase/(decrease) in trade and other current liabilities		-2.1	-2.9	0.7
Increase/(decrease) in provisions, accrued expenses, and deferred income		0.8	-1.4	-0.2
Income taxes paid		-17.5	-28.7	-37.2
Net cash from operating activities		25.8	59.1	48.1
Acquisition of subsidiary, net of cash acquired	13	-44.6	-44.6	-
Acquisition of property, plant, and equipment		-9.6	-15.2	-13.2
Acquisition of intangible assets		-4.7	-6.6	-4.5
Disposal of current financial investments		56.1	56.1	-
Acquisition of current financial investments		-20.9	-20.9	-
Interest received		2.4	3.2	0.9
Net cash used in investing activities		-21.3	-28.0	-16.8
Exercised warrants and options	8.1	-	0.1	13.1
Acquisition of treasury shares and settlement of related liability	8.3	-6.4	-6.4	-72.8
Payment of withholding tax liabilities	9	-73.8	-73.8	-
Increase/(decrease) in short-term borrowings (interest bearing liabilities)	9	-11.4	17.0	31.8
Proceeds from long-term borrowings (interest bearing liabilities)	11	25.0	25.0	-
Interest paid		-1.5	-1.8	-1.0
Dividends paid	8.2	-73.5	-73.5	-64.3
Net cash used in financing activities		-141.6	-113.4	-93.2
Increase/(decrease) in cash and cash equivalents		-137.1	-82.3	-61.9
Cash and cash equivalents at beginning of period ¹		242.8	186.2	130.9
Effect of exchange rate differences on cash held		1.8	3.6	-1.0
Cash and cash equivalents at end of period¹		107.5	107.5	68.0

¹ Cash and cash equivalents including bank overdraft of EUR 1.7 million (2007: EUR 2.1 million)

Condensed consolidated statement of changes in equity

Jan-Jun 2008 (reviewed)

in EUR million	Share Capital	Share Premium	Treasury Shares	Translation Reserve	Hedging Reserve	Other Retained Earnings	Total Retained Earnings	Total equity attributable to equity holders of Nobel Biocare
Balance at 1 Jan 2008	32.0	190.8	-510.5	-40.1	-0.2	595.9	555.6	267.9
Foreign exchange translation differences	1.0	4.9	-23.6	15.6			15.6	-2.1
Effective portion of changes in fair value of cash flow hedges					1.4		1.4	1.4
Net change in fair value of cash flow hedges transferred to profit or loss					0.2		0.2	0.2
Net change in fair value of available for sale financial assets transferred to profit and loss						0.5	0.5	0.5
Net gain and losses recognized directly in equity	1.0	4.9	-23.6	15.6	1.6	0.5	17.7	-
Profit for the period						57.2	57.2	57.2
Total recognized income and expense for the period	1.0	4.9	-23.6	15.6	1.6	57.7	74.9	57.2
Share capital reduction	-2.1	-	409.5			-407.4	-407.4	-
Acquisition of treasury shares			-6.7					-6.7
Sale of treasury shares			-2.9	19.4				16.5
Written put options own shares			-7.4					-7.4
Share options and warrants exercised		0.1						0.1
Share based payment expense						6.8	6.8	6.8
Dividends to shareholders						-73.5	-73.5	-73.5
Balance at 30 June 2008	30.9	192.9	-119.3	-24.5	1.4	179.5	156.4	260.9

Jan-Jun 2007 (reviewed)

in EUR million	Share Capital	Share Premium	Treasury Shares	Translation Reserve	Hedging Reserve	Other Retained Earnings	Total Retained Earnings	Total equity attributable to equity holders of Nobel Biocare
Balance at 1 Jan 2007	32.8	120.5	-251.1	-23.2	0.3	481.5	458.6	360.8
Foreign exchange translation differences	-1.0	-3.4	8.9	-10.5			-10.5	-6.0
Effective portion of changes in fair value of cash flow hedges					-0.3		-0.3	-0.3
Net change in fair value of cash flow hedges transferred to profit or loss					-0.3		-0.3	-0.3
Net gains and losses recognized directly in equity	-1.0	-3.4	8.9	-10.5	-0.6		-11.1	-6.6
Profit for the period						85.6	85.6	85.6
Total recognized income and expense for the period	-1.0	-3.4	8.9	-10.5	-0.6	85.6	74.5	79.0

Acquisition of treasury shares			-99.2					-99.2
Share options and warrants exercised	0.2	12.9						13.1
Share based payment expense						6.2	6.2	6.2
Dividends to shareholders						-64.3	-64.3	-64.3
Balance at 30 June 2007	32.0	130.0	-341.4	-33.7	-0.3	509.0	475.0	295.6

Notes to the condensed consolidated financial statements

Note 1 Organization

Nobel Biocare Holding AG (the Company) is domiciled in Switzerland. The condensed consolidated financial statements of the Company for the period ended 30 June 2008, comprise the Company and its subsidiaries (the Group). Nobel Biocare is a medical devices group and the world leader in innovative esthetic dental solutions with its brands NobelActive™, Brånemark System®, NobelReplace™, NobelSpeedy™, NobelPerfect®, NobelDirect®, Replace Select, (dental implants), Procera® (individualized dental prosthetics), NobelGuide™ (complete patient rehabilitation program) and NobelSmile™ (patient education and awareness program). Nobel Biocare is a full solution provider for restorative esthetic dentistry, offering a wide range of innovative Crown & Bridge & Implant products, as well as training and education, patient information and clinically documented treatment concepts.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on 8 August 2008.

Note 2 Statement of compliance

The Group applies International Financial Reporting Standards (IFRS). The condensed consolidated interim financial statements have been prepared in accordance with the requirements of IAS 34 *Interim Financial Reporting* and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2007.

The accounting policies are the same as those applied in the consolidated financial statements for the year ended 31 December 2007, except for the interpretations described in Note 3 that were adopted effective 1 January 2008.

Note 3 Effect of adopting new and amended standards and interpretations

The following interpretations were adopted effective 1 January 2008:

- IFRIC 11 / IFRS 2 - Group and treasury share transactions,
- IFRIC 12 - Service concession arrangements, and
- IFRIC 14 - The limit on a defined benefit asset, minimum funding requirements and their interaction.

The adoption of IFRIC 11 / IFRS 2, IFRIC 12 and IFRIC 14 had no impact on the condensed consolidated financial statements.

The impact of the following new and amended standards and interpretations has not yet been systematically analyzed. However, management has conducted a preliminary assessment which is reflected in the following table:

Standard/Interpretation		Effective date	Planned adoption by Nobel Biocare
IFRIC 13 – Customer Loyalty Programmes	*	1 July 2008	Financial year 2009
IFRIC 16 - Hedges of a net investment in a foreign operation	*	1 October 2008	Financial year 2009
IAS 1 (revised) – Presentation of financial statements	**	1 January 2009	Financial year 2009
IAS 23 (revised) – Borrowing costs	*	1 January 2009	Financial year 2009
IFRS 8 – Operating segments	**	1 January 2009	Financial year 2009
IFRS 2 (amendment) – Share-based payments –vesting conditions and cancellations	*	1 January 2009	Financial year 2009
IAS 32 (amendment) – Financial instruments: Presentation and IAS 1 (amendment) – Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation	*	1 January 2009	Financial year 2009
IFRS 1 (amendment) – First-time adoption of IFRS and IAS 27 (amendment) – Consolidated and separate financial statements - cost of an investment in a subsidiary, jointly controlled entity or associate	*	1 January 2009	Financial year 2009
IFRIC 15 - Agreements for the construction of real estate	*	1 January 2009	Financial year 2009
IFRS 3 (revised) - Business combinations	***	1 July 2010	Financial year 2010
IAS 27 (amendment) – Consolidated and separate financial statements	***	1 July 2010	Financial year 2010

* No or no significant impact on the consolidated financial statements of the Group.

** The primary expectation is that there will be changes in presentation or additional disclosures in the consolidated financial statements of the Group.

*** The revised standards may have a significant impact on the accounting for future acquisitions or transactions with non-controlling interests occurring on or after the adoption by the Group.

Note 4 Basis of preparation

The condensed consolidated financial statements are presented in Euro (EUR), rounded to millions with one decimal and include all the subsidiaries controlled by Nobel Biocare.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses as well as the disclosure of contingent liabilities. Actual results may differ from these estimates. Critical judgments made by management in the application of IFRS and key sources of estimation uncertainties were the same as those that applied to the consolidated financial statements for the year ended 31 December 2007. Income tax expense is recognized based upon the weighted average annual income tax rate expected for the full financial year.

Note 5 Seasonality

The Group is not exposed to material seasonal variations in its operations.

Note 6 Share-based payment transactions

On 9 February 2005, the Board of Directors of Nobel Biocare decided on a staff option program for employees and officers of the Group. The staff option program comprises a total of 5,500,000 options, to be granted over three years. The options vest after approximately 27 months after the grant date and can be exercised during the one-year period starting on the vesting date. The options are conditional on 27 months of service being provided by the employees participating in the plan from the grant date. This program replaces the Company's previous staff option program that was launched in 2001.

During 2005, 1,645,000 options were granted without consideration under the staff option program. The exercise price for these options is CHF 50.48, which equals the average share price during five trading days following the publication of the full year report for 2004. Options granted in 2005 vested on 1 July 2007, and could be exercised during the period 1 July 2007 up to and including 30 June 2008. The fair value of the options granted in 2005 is CHF 8.42. From July 2007 to 30 June 2008, 528,770 options were exercised. The residual options forfeited or expired on 30 June 2008.

During 2006, 1,790,750 options were granted without consideration under the staff option program. The exercise price for these options is CHF 59.66, which equals the average share price during five trading days

following the publication of the full year report for 2005. Options granted in 2006 vest on 1 July 2008 and can be exercised during the period 1 July 2008 up to and including 30 June 2009. The fair value of options granted in 2006 is CHF 10.05. During 2006, 2007 and 2008, 216,250 options granted in 2006 forfeited. 100,000 options were early exercised in 2007. As of 30 June 2008, 1,474,500 options granted in 2006 were outstanding.

During 2007, 2,087,250 options were granted without consideration under the staff option program. The exercise price for these options is CHF 84.70, which equals the average share price during five trading days following the publication of the full year report for 2006. Options granted in 2007 vest on 1 July 2009 and can be exercised during the period 1 July 2009 up to and including 30 June 2013 (extension of exercise period by 3 years based on Board decision as at 1 February 2008; the extension is not applicable to board members). The fair value of options granted in 2007 is CHF 14.27. During of 2007 and 2008, 42,000 options granted in 2007 forfeited. As of 30 June 2008, 2,045,250 options granted in 2007 were outstanding.

During 2008 no new options were granted under the existing staff option program. A new long-term incentive plan (restricted stock unit program and long-term cash plan) will be placed and communicated in the third quarter 2008.

Under IFRS 2, the fair value of the options granted is recognized as a personnel expense with a corresponding increase in equity. EUR 6.8 million were charged as a personnel expense for the six months ended 30 June 2008 (the six months ended 30 June 2007: EUR 6.2 million). A detailed description of the staff option program can be found in the corporate governance section 2.7 of the annual report 2007, which is published on the web under www.nobelbiocare.com.

Note 7 Segment reporting

Nobel Biocare's business is conducted in one business segment comprising two product groups, Implants and Crown & Bridge, with similar risks and rates of return. The business is managed on a global basis and is run in four geographical areas. Secondary segment reporting is based on geographical areas, as the risks and returns from the business conducted by Nobel Biocare derive from the global product assortment, supported by the global marketing, quality, logistics and research and development functions.

Revenue by region - year-to-date in EUR million	Half year	Half year	Change in %	
	2008	2007	EUR	local curr.
Europe, Middle East and Africa (EMEA)*	160.3	170.8	-6.2%	-5.0%
<i>Proportion of total revenue</i>	<i>50%</i>	<i>50%</i>		
North America	100.4	110.9	-9.5%	1.9%
<i>Proportion of total revenue</i>	<i>31%</i>	<i>32%</i>		
Asia/Pacific	52.4	48.4	8.3%	12.6%
<i>Proportion of total revenue</i>	<i>16%</i>	<i>14%</i>		
Latin America/Rest of the world*	10.7	11.5	-6.9%	0.2%
<i>Proportion of total revenue</i>	<i>3%</i>	<i>3%</i>		
Total	323.8	341.7	-5.2%	-0.2%

*2007 restated to reflect management structure

Note 8 Equity

8.1 Share capital

With effect on 2 April 2008, the company executed a 1:5 share split and a parallel conversion of its bearer shares into registered shares. The new registered shares have a nominal value of CHF 0.40 per share and are listed at SWX Swiss exchange.

On 30 June 2008, the total number of outstanding registered shares was 124,316,530 (31 December 2007: 132,828,970). The decrease reflects the capital reduction as resolved by the AGM (Annual General Meeting)

on March 27, 2008. 8,522,440 treasury shares with a par value of CHF 0.40 were cancelled which reduced the share capital by EUR 2.1 million (CHF 3.4 million) to a total amount of EUR 30.9 million (CHF 49.7 million).

Further, 10,000 shares were issued under the conditional capital upon exercises of warrants and options which increased the share capital by CHF 4,000.

The share capital may be increased by issuing no more than 247,620 shares, each with a par value of CHF 0.40, to be fully paid up, equaling an amount of no more than CHF 99,048 by virtue of the exercise of option rights granted to employees, directors and officers of the Group.

8.2 Dividend

The AGM on 27 March 2008 approved a dividend of CHF 4.75 (2007: CHF 4.25) per bearer share, less 35% withholding tax, payable to its shareholders on 2 April 2008.

The total amount of the approved gross dividend is CHF 115.7 million or EUR 73.5 million.

8.3 Treasury shares

On 1 January 2008, the Company held 2,215,021 own bearer shares (before share split as per 2 April 2008) of which 1,704,488 (=8,522,440 registered shares after share conversion and share split) were cancelled upon the share capital reduction.

On April 9, 2008 the Group transferred 549,130 treasury shares (new registered shares) to seller of AlphaBioTec Ltd. as part of the purchase consideration.

On 14 May 2008 the Company announced a share buy back program of maximum CHF 750 million on a separate second trading line. The company intends to cancel the shares when all the shares under the program have been acquired. Under this program, the Company acquired 357,000 shares for a consideration of EUR 8.3 million, thereof 269,000 were settled at the balance sheet date for a consideration of EUR 6.7 million under this share buy back program (2007: acquisition of 2,445,750 shares (489,150 before split) for a consideration of EUR 117.8 million under the share buy back program announced on 7 April 2006 and acquisition of 4,372,440 shares (874,488 before split) for a consideration of EUR 207.6 million resulting from exercise of put options issued to shareholders on 8 November 2007).

In November 2007, the Group decided to hedge its existing exposure under the Employee Stock Option program by means of derivatives rather than by holding physical shares - thereby selling 2,947,335 shares (589,467 before split) for a consideration of EUR 115.4 million.

The total amount of Nobel Biocare Holding AG shares held by the Company at the end of the interim period was 2,272,535.

Note 9 Short-term interest bearing loans

As of 30 June 2008, the Group had bank overdrafts used in an amount of EUR 1.7 million.

Nobel Biocare has taken up a short-term loan of EUR 28.5 million to finance the acquisition of 100% of the shares in AlphaBioTec Ltd, Israel with a final maturity date 30 December 2008. EUR 9.5 million of that loan have been repaid – according to the agreed credit terms – in June, further installments of each EUR 9.5 million will be made in September and December 2008.

As of 26 June 2008 the Group has paid the Swiss withholding tax liability of EUR 73.8 million, which was incurred in connection with the acquisition of 874,488 treasury shares in 2007.

Note 10 Convertible bond

On 8 November 2007, the Group issued through its wholly-owned subsidiary Nobel Biocare Investment N.V., Curacao, Netherlands Antilles, a 1% convertible senior unsecured bond of CHF 385.0 million (EUR 232.7 million) with a maturity date of 8 November 2011. The redemption price will be 102.05% of the principal amount (at maturity date), conversion price CHF 428.20 (CHF 85.64 reflecting 2008 share split). Early redemption on or after 30 November 2009 is at the option of the issuer, if the parity value is at least 130% of the accreted principal amount during a period of 20 consecutive days ending not earlier than 5 days prior to the redemption notice. On 10 November 2007, the conversion price was reduced to CHF 424.83 (CHF 84.97 reflecting 2008 share split) due to the issuance of put options in favour of existing shareholders.

Note 11 Long-term interest bearing loans

In context with larger dividend payments and the parallel acquisition of AlphaBioTec Ltd., the Company has temporarily drawn a further bank loan of EUR 25 million, which was still outstanding at the end of June. This loan is drawn under a revolving facility and has to be redeemed by July 2009.

Note 12 Net financial result

in EUR million	Jan-Jun 2008	Jan-Mar 2008	Apr-Jun 2008
Net interest result	-6.3	-1.7	-4.6
Net foreign exchange result	0.9	-5.5	6.4
Net investment result and other	-14.3	0.4	-14.7
Net financial result	-19.7	-6.9	-12.8

Net financial expense was EUR 19.7 million for the first 6 months. Due to increased gearing following last year's convertible issue as well as larger dividend and tax payments in Q2 2008, net interest expense has increased accordingly.

The foreign exchange result of EUR 0.9 million improved thanks to better unrealized gains in Q2 2008 result.

Inversely, the company incurred realized (EUR 7.4 million) and unrealized (EUR 6.9 million) losses from the monetization and revaluation of various financial assets. The only remaining exposure from a financial asset at the end of June was an equity markets related investment of EUR 14.5 million which is marked to market.

Note 13 Acquisition of AlphaBio_{Tec}

On April 2, 2008 the group acquired 100% of the share capital of AlphaBio_{Tec} Ltd., Israel. Details of the acquisition are as follows:

13.1. Analysis of assets and liabilities acquired

The assets and liabilities as of 2 April 2008 arising from the acquisition are as follows:	Acquiree's carrying	
	amount	Fair value
	mEUR	mEUR
Property, plant and equipment	1.4	1.4
Intangible assets	-	not finally determined
Trade receivables	6.5	6.3
Inventories	2.9	3.5
Other receivables	0.4	0.4
Prepaid expenses and accrued income	0.6	0.6
Cash and cash equivalents	1.3	1.3
Provisions	0.0	0.0

Trade payables	-0.8	-0.8
Current income tax liabilities	-	-
Other liabilities	-5.4	-5.4
Accrued expenses and deferred income	-	-
Net assets acquired (provisional, excluding intangible assets)	6.9	7.3

The initial accounting for the acquisition of AlphaBioTec Ltd. has only been provisionally determined at the balance sheet date. The assets and liabilities of AlphaBioTec Ltd. are included in the consolidated financial statements of Nobel Biocare Group at provisional values, because the process of determining fair values for AlphaBioTec Ltd.'s identifiable assets, liabilities and contingent liabilities is not yet complete. Further, negotiations over adjustments of the purchase price, including contingent purchase consideration elements, are still in process. Accordingly, both goodwill and the extent and value of the identified assets, liabilities and contingent liabilities included in the purchase accounting, are subject to change.

The purchase accounting process is expected to be concluded during the second half of 2008.

13.2. Cost of acquisition and goodwill

	mEUR
Cash paid	45.2
Treasury shares transferred to Seller	16.5
Direct costs associated with the acquisition	0.7
Total purchase consideration	62.4
Less: Fair value of net assets acquired (provisional, excluding intangible assets)	-7.3
Goodwill (provisional)	55.1

The fair value of the treasury shares transferred was based on the closing share price at the acquisition date.

The Goodwill is attributable to the expected synergies and of know-how of the assembled workforce of the acquired business.

13.3. Net cash outflow on acquisition

	mEUR
Purchase consideration settled in cash	45.2
Direct costs associated to the acquisition settled in cash	0.7
Less: Cash and cash equivalents in subsidiaries acquired	-1.3
Cash outflow on acquisition	44.6

13.4. Impact of acquisition on the results of the group

The additional business generated by AlphaBioTec Ltd. had no significant impact on the group's revenue and profit from operations (EBIT) for the period ended June 30, 2008, i.e. contribution to revenues and EBIT was less than 3%. Had the acquisition been effected at 1 January 2008, revenue and profit of the group for the period would not have been significantly different to the reported figures.

Note 14 Ongoing disputes

Litigation / Legal proceedings

At the beginning of July 2005, a lawsuit against Nobel Biocare claiming patent infringement was filed by a doctor in New York. The suit concerns two patents, which the doctor alleges are infringed by the Stargrip products. Nobel has evaluated these patents in depth and has numerous defences that it will vigorously pursue. Nobel Biocare contends that it does not infringe these patents and that the patent claims are invalid based upon prior art. This suit has been put on hold by the court pending further investigation of the US Patent Office.

In July 2006, Nobel Biocare was served a lawsuit filed in Düsseldorf, Germany, by the Belgian company Materialise N.V.. Materialise N.V. alleges that Nobel Biocare's solution NobelGuide infringes a European patent held by Materialise N.V., respectively one of its affiliates. On 14 August 2007 the Lower Regional Court of First Instance (Landgericht) in Düsseldorf decided that NobelGuide infringes patent rights of Materialise N.V.. Materialise has decided to enforce the decision against deposit of a security of Euro 1.6 million. Nobel Biocare has raised objections against the security. Nobel Biocare had previously investigated the patent at issue in the lawsuit as well as the corresponding US Patent. In the opinion of Nobel Biocare and its German and US patent attorneys, Nobel Biocare is not infringing valid patent claims of Materialise N.V.. Nobel Biocare is confident of the strength of its own intellectual property rights protecting NobelGuide. Therefore, Nobel Biocare has appealed the decision of the Düsseldorf court in September 2007. In July 2008 the Landgericht Düsseldorf decided that the bank guarantee submitted by Materialise as security in the provisional enforcement of the first instance decision was not sufficient, thus invalidating the provisional enforcement started by Materialise before. In the same context Nobel Biocare has filed a claim with the German Patent Court to nullify Materialise N.V.'s patent already in June 2007. Furthermore, Nobel Biocare has filed a lawsuit with the US Federal Court in Santa Ana (California) in August 2007. The purpose of the suit is to obtain a declaratory judgment that Nobel Biocare is not infringing any valid patent claim of Materialise N.V. by offering NobelGuide solutions in the US. Materialise decided to file a counterclaim in the same lawsuit in the same court. Irrespective of its legal position and in order to protect its German customers from any negative consequences of the German lawsuit, Nobel Biocare decided to launch a new updated version of the NobelGuide software in early March. In Nobel Biocare's opinion this software does neither fall under Materialise's patent, irrespective of its validity, nor under the decision of the Landgericht Düsseldorf of August 2007. The Landgericht Düsseldorf dismissed a request for an injunction against this updated version filed by Materialise on 24 July 2008. It remains to be seen whether Materialise will appeal this decision.

There are other minor disputes regarding contractual obligations, including warranty- and labor related disputes, arising from the ordinary business of the Nobel Biocare and its subsidiaries pending.

In the opinion of the Management, and based on currently available information, the handling and settlement of these disputes will have no material adverse effect upon the financial position or operation of the Group.

Note 15 Management changes

As of 1 April 2008, Dr. Dirk Kirsten assumed the position as new Chief Financial Officer and member of the Executive Committee of Nobel Biocare. As of 16 June 2008, Dr. Hans Schmotzer assumed the function as Head of Research and Development and member of the Executive Committee.

Note 16 Subsequent events

There have not been any material events between the end of the interim period and the date of authorization that would require adjustments to the condensed consolidated interim financial statements or disclosure. Alexander Ochsner has been appointed Vice President Sales Europe, Middle East and Africa (EMEA) and Member of the Executive Committee with immediate effect.

Review Report to the Board of Directors of Nobel Biocare Holding AG, Kloten

Introduction

We have been engaged to review the accompanying condensed consolidated balance sheet of Nobel Biocare Holding AG as at 30 June 2008 and the related condensed consolidated statements of income, changes in equity, and cash flows for the six-month period then ended, and selected explanatory notes (the consolidated interim financial information) on pages 9 to 19. The Board of Directors is responsible for the preparation and presentation of this consolidated interim financial information in accordance with International Accounting Standard 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information as at 30 June 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

KPMG Ltd

Rolf Hauenstein

Peter Stössel

Zurich, 8 August 2008