

Nobel Biocare – Interim Report 1, 2008

Zurich, Switzerland – 24 April 2008

Flat revenue growth (CER) in Q1 – High gross profit margin maintained – NobelActive ready for launch in Q2

- Revenue growth at constant exchange rates (CER) flat at EUR 155.6 million
- Industry-leading gross profit margin maintained at 84.1%
- Profit from operations (EBIT) EUR 48.8 million; margin 31.4%.
- Basic earnings per share* reduced to EUR 1.35
- Operating cash flow up to EUR 33.3 million
- Product launches progressing: NobelActive ready for launch in Q2 after successful pre-launch with 2,000 clinicians; new Procera materials and new software introduced
- Growth in new customers; expanded strategic partnerships (e.g. Charité University Berlin)
- Organizational development underway: strengthening of management; initial efficiency gains in core processes
- Acquisition of AlphaBio_{Tec} completed, integration progressing
- Share buyback scheduled to resume in May
- Outlook for 2008: low single-digit growth at CER; EBIT margin roughly at 2007 level (CER)

Table 1.

Selected income statement figures in EUR million	Q1 2008	Q1 2007
Revenue	155.6	163.5
<i>Growth rate based on CER</i>	-0.3%	19.7%
<i>Growth rate in EUR</i>	-4.8%	14.6%
Gross profit	130.9	137.6
<i>Gross margin</i>	84.1%	84.2%
<i>Growth rate</i>	-4.9%	15.1%
Profit from operations	48.8	55.6
<i>Operating (EBIT) margin</i>	31.4%	34.0%
<i>Growth rate</i>	-12.2%	14.6%
Net profit for the period	32.9	43.9
<i>Net profit margin</i>	21.1%	26.9%
<i>Growth rate</i>	-25.1%	18.0%
Basic earnings per share*, in EUR	1.35	1.76

Domenico Scala, CEO: “As indicated earlier, we expected a slow start of the year. However, the current economic uncertainties led to a more cautious ordering pattern, which will now have an even stronger impact in 2008. This more challenging economic environment is also reflected in a more competitive market. Despite disappointing flat growth, we continue to invest in future market expansion without compromising on profitability. We are successfully gaining new customers in all regions. We are also focused on enhancing efficiencies, reducing complexity and expanding our go-to-market approach to drive future growth. In Q2 we will launch NobelActive, which has been strongly embraced by more than 2,000 clinicians during the pre-launch phase. Moreover, Colored Zirconia crowns were successfully launched at the end of Q1 and will expand our prosthetic ceramic range of products. The medium-term outlook remains attractive, and we will continue to develop our unique platform to deliver sustainable, profitable growth.”

*before share split

Revenue growth (CER) was flat in the first quarter. Reported revenue decreased by 4.8%, mainly due to continuing weakness in the US dollar.

In **Europe, Middle East and Africa (EMEA)**, revenue (CER) declined by 5.1% to EUR 77.5 million. Growth has slowed in most Western European countries as customers displayed a more cautious ordering pattern. Strong growth was still achieved in the emerging markets of Russia and the Baltic States. As expected, management issues in Germany/Switzerland and the UK, as well as the reimbursement change in Sweden, continued to have an adverse impact on first quarter performance. Measures aimed at addressing these issues are underway. Encouragingly, newly gained customers across the region continued to show significant growth.

In **North America**, revenue growth (CER) was flat at EUR 47.9 million, mainly due to heightened economic uncertainties. While the company continued to expand its customer base, growth from existing customers slowed mainly due to a more cautious ordering pattern. Large-case treatments remained under pressure. All-on-4 continued to perform favorably as clinicians are seeking more cost-effective solutions for an increasingly cost-conscious patient base. In the first quarter, the number of trained users for NobelActive rose significantly; the demand for training exceeded initial expectations.

In **the Asia Pacific region**, revenue grew by 17.1% (CER) in the first quarter to EUR 24.9 million, a very solid performance when viewed in light of the already strong prior-year quarter (Q1 2007: 44.9%). In Japan, while outgrowing the market in the first quarter, performance was held back in anticipation of the expected Q2 approval and launch of NobelSpeedy and Groovy. The newly opened Procera manufacturing facility in Japan is now also starting to serve other Asian markets. Again, strong growth was generated in China and India, as well as in Southeast Asia.

In **Latin America**, growth (CER) was flat against a strong prior-year Q1 (55%). Mexico and Columbia showed a stronger start of the year. The company is investing to strengthen management and sales capabilities in most countries following a phase of strong growth.

Table 2.

Revenue by region in EUR million	Q1	Q1	Growth in %	
	2008	2007	EUR	CER
Europe, Middle East and Africa (EMEA)*	77.5	82.8	-6.4%	-5.1%
<i>Proportion of total revenue</i>	<i>50%</i>	<i>50%</i>		
North America	47.9	53.3	-10.1%	0.0%
<i>Proportion of total revenue</i>	<i>31%</i>	<i>33%</i>		
Asia/Pacific	24.9	22.1	12.7%	17.1%
<i>Proportion of total revenue</i>	<i>16%</i>	<i>14%</i>		
Latin America/RoW*	5.3	5.3	0.0%	-0.5%
<i>Proportion of total revenue</i>	<i>3%</i>	<i>3%</i>		
Total	155.6	163.5	-4.8%	-0.3%

*2007 restated to reflect management structure

Gross profit in the first quarter stood at EUR 130.9 million (Q1 2007: EUR 137.6 million), reflecting a gross profit margin that was maintained at an industry-leading 84.1% (Q1 2007: 84.2%). This was driven by an improved product mix (higher share of new products and solutions launched over the past two years), continued pricing discipline, as well as efficiency gains, which more than compensated for adverse foreign exchange impact.

Profit from operations (EBIT) amounted to EUR 48.8 million (Q1 2007: EUR 55.6 million). The reduced operating profit margin of 31.4% is mainly attributable to adverse foreign exchange rates. The company continued to invest in expanding the customer base and preparing for the launch of NobelActive, but also made efforts to improve cost efficiency. However, these measures could not fully compensate for the lower than anticipated growth in revenue.

Currencies - Mainly due to the relative weakness of the US dollar, revenues were diminished by EUR 7.4 million, or 4.7%. Profit from operations (EBIT) was also affected in the amount of EUR 2.5 million, or 4.9%, and thereby reduced the margin by ~10 basis points.

Net financial expense amounted to EUR 6.9 million for the first quarter (versus net financial gain of EUR 0.6 million in Q1 07). The main reason for the increase was a continued adverse currency development in the first quarter leading to a net foreign currency loss of EUR 5.6 million. In addition to the foreign currency result, net financial expense was higher due to increased leverage resulting from the company's issuance of convertible bonds in 2007.

Taxation – The underlying tax rate for the quarter remained unchanged.

Net profit for the first quarter amounted to EUR 32.9 million (Q1 2007: EUR 43.9 million), down 25.1%. Excluding the adverse foreign exchange loss in net financial expense, net profit would have been down 15.1%.

Cash flow from operating activities in the first quarter increased to EUR 33.3 million (EUR 21.0 million). This increase resulted mainly from lower tax payments and a decrease of inventories in the reporting period.

Cash and cash equivalents amounted to EUR 242.8 million at the end of the first quarter versus EUR 186.2 million at year-end 2007.

Annual general meeting (AGM) authorized further cash returns to shareholders. In conjunction with the release of the 2007 financial results, the company's intention to continue the share buy back program also in 2008 was announced. This year, Nobel Biocare plans to repurchase shares in an amount up to its anticipated 2008 cash flow. The buy back will be executed via a 2nd trading line, which is expected to be opened at SWX Europe mid-May. The maximum repurchase volume of the new repurchase program is CHF 750 million over a maximum time period of two years, subject to obtaining regulatory approval.

The AGM also approved a conversion of the company's bearer shares into registered shares, as well as a 1:5 share split. The first trading day of the newly registered and split shares was 3 April 2008.

The OMX Nordic Exchange approved the company's application for **delisting from the OMX Nordic Exchange**. Swedish shareholders who wish to dispose of their holdings are currently offered a commission-free dealing service until the last day of trading, which is 9 May 2008.

In the first quarter, the company made **progress in enhancing the platform to deliver sustainable growth:**

NobelActive™ to be launched in the second half of May 2008. This newly designed implant offers dental professionals novel and unique treatment possibilities. The controlled approach to introducing NobelActive continued in the first quarter of 2008. During the pre-launch phase, over 25,000 implants have been sold and more than 2,000 clinicians have been trained in the use of this product. The launch is now scheduled for the second half of May and will be supported by a one-year prospective multi-center clinical study as well as extensive feedback from clinicians. NobelActive demonstrates high initial stability even in compromised bone situations, bone-condensing properties, a built-in platform shifting and a dual function prosthetic connection.

New Procera materials and new software introduced – At the Annual Chicago Dental Society midwinter meeting, Nobel Biocare introduced its updated Procera CAD/CAM dentistry system featuring a fuller range of all-ceramic products, including three new shades of colored Zirconia crown and a new software platform.

NobelDirect and NobelPerfect one-piece implant marketing surveillance ceased – In February, after having reviewed all submitted data and information, the Swedish Medical Product agency (SMPA) stated "the investigation showed that, on average, the marginal bone level around NobelDirect was normal and did not deviate from what is typically seen around conventional two-piece implants"... "There is no potential hazard associated with the continued use of the NobelDirect and NobelPerfect one-piece implant to the patients, provided the instructions are followed". As a result, the SMPA closed the investigation and ceased marketing surveillance for the two products.

Expanded strategic partnerships – The **University Partner Program** was further expanded through the agreement with the dental school of Charité - Universitätsmedizin Berlin. This partnership marked the third European university to join the Nobel Biocare supported University Partner Program. Currently, 24 leading dental schools worldwide have joined the program.

Organizational development underway – Following last years' appointment of a new Head of Global Human Resources and Head of Business Development and Strategic Planning, Nobel Biocare, on 5 March 2008, announced Dr. Dirk W. Kirsten's appointment as new Chief Financial Officer and member of the Executive Committee. He assumed his new role as of 1 April 2008. The same day, the company also announced the appointment of Dr. Hans Schmotzer as new Head of Research and Development and member of the Executive Committee. Hans Schmotzer will take up his new position on 1 July 2008.

Increasing global presence – Also in the first quarter, Nobel Biocare announced the signing of an agreement to take over the operations related to its field of activities from its distributor in Hungary, DentalPlus. These activities will be combined into a newly established subsidiary, thereby expanding the company's activities into this very important market in Eastern Europe.

Acquisition of AlphaBio_{TEC}, Ltd. closed, integration progressing – In early February, Nobel Biocare announced the acquisition of the leading dental implant company in Israel and the innovator of the predecessor product to NobelActive. With this acquisition, Nobel Biocare has gained immediate access to some of the fastest-growing market segments in implant dentistry, such as orthodontic mini-screws and small-diameter implants, which we expect to introduce in 2009. At the same time, the company will gain a market-leading position in Israel and further expand its position in Russia, Poland and Latin America. The closing of the transaction was finalized on 2 April 2008.

Outlook – In view of the current economic uncertainty and elective nature of some of the company's products, Nobel Biocare has reduced its market growth assumptions for 2008 from previously ~15% to a revised ~8%. Nobel Biocare expects its growth to slightly under-perform the market average this year due to its business mix, which is weighted toward the large-case treatments, as well as several country-specific issues in Europe. Taking into account the revised market growth, the company foresees organic revenue growth in the low single digits (CER) and an EBIT margin at 2007 levels (CER) for the full year.

NOBEL BIOCARE HOLDING AG



Domenico Scala
Chief Executive Officer

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Telephone conferences for investors and analysts will be held today 24 April 2008 at 08.30 CET and at 15.30 CET, respectively.

To ensure timely participation, please call-in approximately 15-20 minutes prior to the time stated below.

The dial-in numbers for the 08:30 CET telephone conference are:

+41 43 456 9368 (Europe)
+44 12 1260 4860 (UK)
+46 8 5051 3703 (Sweden)
+1 866 291 4166 (USA)

The dial-in numbers for the 15:30 CET telephone conference are:

+41 43 456 9368 (Europe)
+44 12 1260 4860 (UK)
+46 8 5051 3703 (Sweden)
+1 412 858 4600 (USA)

Financial Reporting Calendar 2008:

Interim Report 2, 2008
Interim Report 3, 2008

11 August 2008
03 November 2008

The full Interim Report 1, 2008 is available in English and Swedish, 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 character of the information is such that it shall be disclosed by Nobel Biocare Holding AG (publ) in accordance with the Swedish Securities Market Act (2007:528).

The information was disclosed to the media on 24 April 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 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 total 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 about 2,400 employees and recorded revenue of EUR 665.9 million in 2007. The Company is domiciled and headquartered in Zurich, Switzerland. Production takes place at five production sites located in Sweden, the US and Japan. Nobel Biocare has direct sales organizations in 36 countries. The shares of the parent company Nobel Biocare Holding AG are listed on SWX Swiss Exchange (Ticker symbol: NOBN) and OMX Nordic Exchange Stockholm, Sweden (delisting in process; last trading day will be 9 May 2008).

SELECTED FINANCIAL INFORMATION (unaudited)

in EUR million	Q1 2008	Q1 2007	FY 2007
Income Statement			
Revenue	155.6	163.5	665.9
Gross Profit	130.9	137.6	559.3
Profit from operations (EBIT)	48.8	55.6	216.7
Profit before tax	41.9	56.2	212.0
Net profit for the period	32.9	43.9	166.2
Balance sheet			
Non-current assets	198.1	195.9	195.8
Current assets	523.9	344.2	460.0
Total equity	222.0	409.3	267.9
Non-current liabilities	242.7	26.1	225.2
Current liabilities	257.3	104.7	162.7
Total assets	722.0	540.1	655.8
Cash and cash equivalents	242.8	148.1	186.2
Miscellaneous			
Net cash from operating activities	33.3	21.0	134.1
Depreciation, amortization and impairment losses	4.3	4.0	
Investments in property, plant and equipment and intangible assets	7.5	5.7	32.0
Employees at end of period	2 375	2 108	2 242
Ratios			
Revenue growth (%)	-4.8	14.6	10.9
Revenue growth CER (%)	-0.3	19.7	15.4
Gross margin (%)	84.1	84.2	84.0
Operating expenses as % of revenue	52.8	50.2	51.4
Operating (EBIT) margin (%)	31.4	34.0	32.5
Net profit margin (%)	21.1	26.9	25.0
Return on equity (%)	14.8	11.4	49.8
Equity/assets ratio (%)	31	76	41
Share information*			
Number of shares at end of period	26 566 694	26 381 420	26 565 794
Average number of shares	24 351 366	24 888 024	24 687 804
Number of shares after full conversion	26 617 318	26 617 318	26 617 318
Share price at end of period, CHF	231.0	443.0	303.0
Market value at end of period, MCHF	6 137	11 687	8 049
Basic earnings per share, EUR	1.35	1.76	6.73
Diluted earnings per share, EUR	1.35	1.74	6.70
Equity per share, EUR	9.12	14.46	11.04
Equity per share after full conversion, EUR	8.34	13.55	10.24

*before 1:5 share split in April 2008

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 the 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 quarter 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

Domenico Scala
CEO

Zurich, 23 April 2008

NOBEL BIOCARE

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM REPORT 1, 2008

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

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CONSOLIDATED INCOME STATEMENT (unaudited)

in EUR million	Note	Jan-Mar 2008	Jan-Mar 2007	FY 2007
Revenue		155.6	163.5	665.9
Cost of sales		-24.7	-25.9	-106.6
Gross profit		130.9	137.6	559.3
Selling expenses		-54.4	-51.6	-236.4
Administrative expenses		-21.9	-25.0	-84.0
Research and development expenses		-5.8	-5.4	-22.2
Profit from operations (EBIT)		48.8	55.6	216.7
Financial income		19.4	4.1	10.7
Financial expenses		-26.3	-3.5	-15.4
Profit before tax		41.9	56.2	212.0
Income tax expenses		-9.0	-12.3	-45.8
Net profit for the period attributable to equity holders of Nobel Biocare		32.9	43.9	166.2
Basic earnings per share, EUR		1.35	1.76	6.73
Diluted earnings per share, EUR		1.35	1.74	6.70

CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)

in EUR million	Note	30 Mar 2008	31 Mar 2007	31 Dec 2007
Assets				
Property, plant and equipment		58.0	49.0	56.9
Intangible assets		123.6	133.5	124.5
Financial assets		3.3	2.3	1.8
Deferred tax assets		13.2	11.1	12.6
Total non-current assets		198.1	195.9	195.8
Inventories		33.4	29.7	35.4
Current receivables		155.3	138.5	152.8
Other current receivables		22.1	26.0	16.9
Financial investments		68.5	0.5	66.8
Cash and cash equivalents		244.6	149.5	188.1
Total current assets		523.9	344.2	460.0
TOTAL ASSETS		722.0	540.1	655.8
Equity and liabilities				
Total equity attributable to equity holders of Nobel Biocare	8	222.0	409.3	267.9
Provisions		11.8	17.0	11.0
Convertible bond		220.6	-	206.5
Other non-current liabilities		10.3	9.1	7.8
Total non-current liabilities		242.7	26.1	225.2
Total current liabilities		257.3	104.7	162.7
Total liabilities		500.0	130.8	387.9
TOTAL EQUITY AND LIABILITIES		722.0	540.1	655.8

CONSOLIDATED CASH FLOW STATEMENT (unaudited)

in EUR million	Note	Q1 2008	Q1 2007	FY 2007
Profit before tax		41.9	56.2	212.0
Adjusted for				
Depreciation and amortization and impairment losses		4.3	4.0	17.2
Financial income		-19.4	-0.6	-3.2
Financial expenses		26.3	0.9	6.2
Cost for staff option programs	6	3.2	2.7	12.9
Other non-cash income and expenses		0.3	0.2	1.8
Changes in working capital and provisions				
Increase in trade and other receivables		-11.1	-15.6	-30.6
Increase/decrease in inventories		2.0	0.8	-4.9
Increase/decrease in trade and other payables		-0.8	-2.2	-8.5
Increase/decrease in provisions, accrued expenses and deferred income		-2.2	1.1	-2.3
Income taxes paid		-11.2	-26.5	-66.5
Net cash from operating activities		33.3	21.0	134.1
Acquisition of				
Property, plant and equipment		-5.6	-5.0	-24.9
Intangible assets		-1.9	-0.7	-7.1
Acquisition/disposal of financial investments ¹		-	-	-65.9
Interest received		0.8	0.6	3.2
Net cash used in investing activities		-6.7	-5.1	-94.7
Exercised warrants and options		0.1	7.9	32.7
Acquisition of treasury shares and settlement of related liability	8.3	-	-7.5	-258.9
Proceed from sale of own shares	8.3	-	-	118.0
Acquisitions of call options own shares	8.3	-	-	-36.6
Increase in interest-bearing liabilities		28.4	1.9	1.7
Proceed from issue convertible bond	10	-	-	232.8
Transaction cost on convertible bond	10	-	-	-4.9
Interest paid		-0.3	-0.3	-2.4
Dividends paid	8.2	-	-	-64.3
Net Cash from financing activities²		28.2	2.0	18.1
Increase/decrease in cash and cash equivalents		54.8	17.9	57.6
Cash and cash equivalents at beginning of period ²		186.2	130.9	130.9
Effect of exchange rate differences on cash held		1.8	-0.7	-2.3
Cash and cash equivalents at end of period²		232.1	148.1	186.2

¹ Fixed term deposits

² Cash and cash equivalents including bank overdraft

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)

in EUR million	Note	30 Mar 2008	31 Mar 2007	31 Dec 2007
Balance at 1 Jan		267.9	360.8	360.8
Foreign exchange translation differences		-8.7	-3.1	-15.7
Gain/(loss) on hedging instruments		-0.4	-0.3	-0.4
Change in fair value of available for sale financial assets		0.5	-	-0.5
Net gains and (losses) recognized directly in equity		-8.6	-3.4	-16.6
Profit for the period		32.9	43.9	166.2
Total recognized income and expense for the period		24.3	40.5	149.6
Acquisition of treasury shares	8.3	-	-2.5	-325.4
Sale of treasury shares	8.3	-	-	118.0
Acquisition of call options own shares	8.3	-	-	-37.7
Issue of convertible bond	10	-	-	21.2
Share options and warrants exercised	8.1	0.1	7.9	32.7
Effect of staff option programs	6	3.2	2.6	12.9
Dividends to shareholders	8.2	-73.5	-	-64.2
Balance at end of reporting period		222.0	409.3	267.9

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 March 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 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 total 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 23 April 2008.

For the quarterly interim reporting, Nobel Biocare applies the "4-4-5 routine", which means that the first three quarters consist of 13 weeks (4-4-5) each.

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*.

Note 3 Basis of preparation

The condensed consolidated financial statements are presented in euro (EUR), rounded to millions with one decimal.

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.

The accounting policies are the same as those applied in the consolidated financial statements for the year ended 31 December 2007. The following new and amended standards and interpretations IAS 1 revised: *Presentation of Financial Statements*, IAS 23 revised: *Borrowing Costs*, IFRS 8:

Operating Segments, IFRIC 11 - IFRS 2: Group and Treasury Share Transactions, IFRIC 14 - IAS 19: The limit of defined benefit assets, minimum funding requirements and their interaction will be applied in the course of this reporting year. The effect of adopting new and amended standards and interpretations is described below.

Note 4 Effect of adopting new and amended standards and interpretations

The impact of all the new and amended standards and interpretations has not yet been systematically analyzed, but none of these standards and interpretations are expected to have a significant impact on the consolidated financial statements.

As already discussed in more detail in the consolidated financial statements for the year ended 31 December 2007, the IFRIC has issued a number of new interpretations that are effective for the 2008 financial year. These interpretations have no, or no significant impact on the Group's consolidated financial statements.

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 1,104,600 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, 329,000 options were granted without consideration under the staff option program. The exercise price for these options is CHF 252.40, 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 can 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 42.12. During 2005, 2006, 2007 and 2008 19,400 of the options granted in 2005 forfeited. From July 2007 to 30 March 2008, 105,754 options were exercised. As of 30 March 2008, 203,846 options granted in 2005 were outstanding.

During 2006, 358,150 options were granted without consideration under the staff option program. The exercise price for these options is CHF 298.30, 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 50.25. During 2006, 2007 and 2008, 38,250 options granted in 2006 forfeited. 20,000 options were early exercised in 2007. As of 30 March 2008, 299,900 options granted in 2006 were outstanding.

During 2007, 417,450 options were granted without consideration under the staff option program. The exercise price for these options is CHF 423.50, 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 fair value of options granted in 2007 is CHF 71.34. During of 2007 and 2008, 7,900 options granted in 2007 forfeited. As of 30 March 2008, 409,550 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 second 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 3.2 million were charged as a personnel expense for the three months ended 30 March 2008 (the three months ended 31 March 2007: EUR 2.7 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 in EUR million	Q1	Q1	Growth in %	
	2008	2007	EUR	CER
Europe, Middle East and Africa (EMEA)* <i>Proportion of total revenue</i>	77.5 50%	82.8 50%	-6.4%	-5.1%
North America <i>Proportion of total revenue</i>	47.9 31%	53.3 33%	-10.1%	0.0%
Asia/Pacific <i>Proportion of total revenue</i>	24.9 16%	22.1 14%	12.7%	17.1%
Latin America/RoW* <i>Proportion of total revenue</i>	5.3 3%	5.3 3%	0.0%	-0.5%
Total	155.6	163.5	-4.8%	-0.3%

*2007 restated to reflect management structure

Note 8 Equity

8.1 Share capital

The total number of outstanding shares in Nobel Biocare Holding AG on 30 March 2008 was 26,566,694 (31 December 2007: 26,565,794). The increase is due to the exercise of warrants and options.

The share capital will be reduced by CHF 3.4 million to a total amount of CHF 49.7 million by way of cancellation of 1,704,488 treasury shares with a par value of CHF 2.

The share capital may be increased by issuing no more than 50,624 shares, each with a par value of CHF 2, to be fully paid up, equaling an amount of no more than CHF 101,248 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 126.2 million or EUR 73.5 million.

8.3 Treasury shares

On 1 January 2008, the Company held 2,215,021 own shares of which 1,704,488 will be cancelled. During 2008, no additional treasury shares were acquired (2007: acquisition of 489,150 shares for a consideration of EUR 117.8 million under the share buy back program announced on 7 April 2006). 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 589,467 shares for a consideration of CHF 189.6 million (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 2,215,021.

Nobel Biocare's activities within its share buyback program are reported bi-weekly on the web under www.nobelbiocare.com.

Note 9 Short-term interest bearing loans

As of 30 March 2008, the Group had bank overdrafts used in an amount of EUR 1.8 million. All covenants were met at 30 March 2008.

Nobel Biocare has taken up a short-term loan of USD 45.0 million to finance the acquisition of 100% of the shares in AlphaBio_{Tec} Ltd, Israel with a maturity date 30 December 2008. Following the conditions quarterly installments of USD 15.0 million will be repaid in June, September and December 2008.

Note 10 Long-term interest bearing loans

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 redemptions price will be 102.05% of the principal amount (at maturity date), conversion price 428.20 CHF, early redemption on or after 30 November 2009 at the option of the issuer if the parity value is at least 130% for the accreted principal amount during a period of 20 days. On 10 November 2007, the conversion price was reduced to 424.83 CHF due to the issuance of put options in favor of existing shareholders.

Note 11 Ongoing disputes

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 depths 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 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 issue surrounding NobelDirect and NobelPerfect in the Swedish came to a close on 25 February 2008. The Swedish Medical Products Agency (Läkemedelsverket) decided to close the marketing surveillance on the products and to rescind the related directive issued on 6 December 2006 based on the data presented by Nobel Biocare.

There are other minor IP-related as well as other 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 adverse material effect upon the financial position or operation of the Group.

Note 12 Management Changes

On 5 March 2008 Nobel Biocare announced the appointment of Dr. Dirk Kirsten as new Chief Financial Officer and member of the Executive Committee. He assumed his new role as of 1 April 2008, replacing Dr. Thomas Bögli who had decided to pursue other opportunities outside the company. The same day, the company also announced the appointment of Dr. Hans Schmotzer as Head of Research and Development and member of the Executive Committee. Hans Schmotzer, a German citizen, will take up his new post starting latest in September of 2008.

Note 13 Subsequent events

Based on the decision of the Annual General Meeting on 27 March 2008, the shares of the company were split on 2 April 2008. Holders of 1 share of Nobel Biocare were given 5 new shares of Nobel Biocare Holding AG. At the same time the bearer shares were converted into registered shares.

On 2 April 2008 the agreement between Nobel Biocare and AlphaBio_{Tec} Ltd, Israel was closed. The operations of AlphaBio_{Tec} will be considered in the consolidated financial statements of Nobel Biocare starting that date. The Company has agreed to buy all outstanding shares for a consideration of \$ 95 million. More detailed information regarding this transaction will follow in H1 reporting.

There have not been any other 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.