

Fairness opinion – Nobel Biocare Holding AG

Fairness opinion on the public tender offer by Danaher Corporation
to acquire Nobel Biocare Holding AG

26 September 2014

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Introduction

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Introduction

Background

Background

- Nobel Biocare Holding AG ("Nobel Biocare") is listed on the SIX Swiss Exchange with a market capitalisation of CHF 2,111 million as of 15 September 2014. Nobel Biocare is a world leader in the field of innovative implant-based dental restorations
- Nobel Biocare employs some 2,500 people and generated revenues of EUR 566.8 million in 2013. The company is headquartered in Zurich, Switzerland. Production takes place at seven sites located in Canada, Israel, Japan, Sweden, and the United States. Products and services are available in over 80 countries through subsidiaries and distributors
- The company's registered share capital is CHF 49,513,812, divided into 123,784,530 registered shares with a nominal value of CHF 0.40 per share. The shares are fully paid-in and each carries a voting right
- Nobel Biocare announced on 29 July 2014 that the company had been contacted by third parties who were interested in possibly acquiring the company ("media release"). The company retained a financial advisor to evaluate the interest of potential acquirers
- On 15 September 2014, Danaher Corporation ("Danaher") submitted an all-cash public tender offer to the Nobel Biocare shareholders to purchase all publicly held registered shares for a price of CHF 17.10 per share ("pre-announcement")
- The Nobel Biocare Board of Directors has undertaken a careful review of the terms and conditions of the Danaher offer and believes Danaher to be an ideal strategic partner for the sustainable development of Nobel Biocare. The Board of Directors has come to the conclusion that Danaher's offer is in the best interests of the company, shareholders, employees, clients, suppliers and customers
- In connection with this mandate to provide a fairness opinion, N+1 Swiss Capital AG ("Swiss Capital") shall receive no compensation that is dependent on any statements regarding the valuation of Nobel Biocare or the success of a transaction with Danaher. Swiss Capital hereby confirms that it reached its opinion independently in accordance with TOB Circular No. 3 governing assessment experts
- In accordance with the TOB decision of 27 September 2011, Swiss Capital is suitably qualified to prepare fairness opinions through public takeover offers

Introduction

Mandate

Mandate of the Board of Directors

- The Nobel Biocare Board of Directors has retained Swiss Capital to prepare a fairness opinion assessing the financial appropriateness of the offer from the perspective of the public shareholders of Nobel Biocare
- The fairness opinion is intended solely for use by the Board of Directors of Nobel Biocare as part of its report to the shareholders in connection with the offer (in compliance with the Takeover Board ordinance on public takeover offers)
- This fairness opinion can be used for publication in connection with the public tender offer. It may also be referred to in the offer prospectus dated 1 October 2014. Use for any other purposes is not permitted
- The fairness opinion does not constitute a recommendation to the public shareholders of Nobel Biocare to accept or reject the Danaher offer
- Furthermore, it does not assess the following points:
 - Payment terms and other conditions of the offer
 - Legal and fiscal assessment of the transaction structure
 - Possible effects on shareholders if the offer is accepted or rejected
 - Future value of Nobel Biocare shares
- Swiss Capital has neither performed an audit as defined by law, nor any kind of due diligence
- As the valuation is largely based on information provided by the company, Swiss Capital's responsibility is limited to thorough professional analysis and assessment of the information provided

Introduction

Evaluation procedure

Evaluation procedure

- Swiss Capital analysed extensive valuation criteria and conducted comprehensive analyses for Nobel Biocare in order to assess the financial appropriateness of the offer
- The underlying object of assessment is Nobel Biocare Holding AG with its consolidated subsidiaries
- The valuation analysis results in a value range for the operating entity and the Equity Value of Nobel Biocare, respectively. The implied value range for a Nobel Biocare share is an indication that can be used to assess the financial fairness and appropriateness of the offer
- The Nobel Biocare valuation is carried out on a standalone basis
- No consideration has been given to possible effects at the individual shareholder level, such as tax implications
- The value range for Nobel Biocare as a company and the derived value per registered share was calculated primarily on the basis of the discounted cash flow method ("DCF method"). Sensitivity analyses were also carried out as part of the DCF method by varying the major value drivers. Additional valuation methods such as trading multiples and transaction multiples as well as premiums from other public takeovers were considered to test the plausibility of the DCF results
- The valuation is based mainly on the assumptions of the business plan prepared by Nobel Biocare's management. Technical assumptions for valuation purposes (e.g. cost of capital, perpetual growth rate) were not part of the business plan
- Several meetings and conference calls with the company management were held to discuss the plausibility of the information as well as the business plan received

Introduction

Information basis

Information basis

- Swiss Capital made use of the following information for its assessment:
 - Publicly accessible information on Nobel Biocare that was considered relevant for the analysis. This includes the 2010-2013 annual reports, the H1 2014 interim report (unaudited), investor presentations and press releases
 - Internal company information about Nobel Biocare that was considered relevant for the analysis, particularly the 2014 budget and mid-term plan for 2015-2019. The budget was prepared by the Nobel Biocare management and approved by the Board of Directors in November 2013. The preparation of the mid-term plan takes place each year in October. The mid-term plan from October 2013 was updated in June 2014 in relation to a reorganisation project and in view of non-binding offers and was approved by the Board of Directors on 6 July 2014. These figures were re-verified in August 2014, mainly based on the results at the end of June 2014, without any changes to the mid-term plan. This unchanged version was approved by the Board of Directors on 18 August 2014. The initial update in June 2014 related particularly to considerations of current business developments (lower revenue growth, higher margins) and changes to foreign currency exchange rates. The current mid-term plan that forms the basis of this analysis covers the years 2015-2019
 - Meetings and conference calls with the Nobel Biocare management focusing on the company's financial situation and business performance, the current and future market environment, value drivers and underlying assumptions made in the mid-term plan
 - Descriptive documents on strategy with details on the planning assumptions as well as on the measures already implemented or planned in the budget and the mid-term plan
 - Nobel Biocare strategy documents that include assumptions on planned initiatives and measures to be undertaken under the budget and the mid-term plan as well as information on the market development (based on internal and external estimates)
- Documents relating to the PSUP/RSUP employee stock programs
- Details of debt-like balance sheet items
- Capital market and financial data for Nobel Biocare and selected trading multiples (source: Bloomberg)
- Data from transaction multiples (sources: Mergermarket, Equity Research Reports)
- In preparing this fairness opinion, Swiss Capital assumed that the financial information and other data on Nobel Biocare were accurate and complete
- Nobel Biocare's management assured Swiss Capital that it was unaware of any facts or circumstances that would render the given information incomplete, inaccurate or misleading
- Swiss Capital's responsibility is limited to a thorough professional analysis and assessment of the information that have been provided
- The information and criteria in this document are effective as of the date on which this document was prepared

Company

- Overview and group structure
- Business activities and products
- Historic financials
- Market and positioning
- Strategic planning

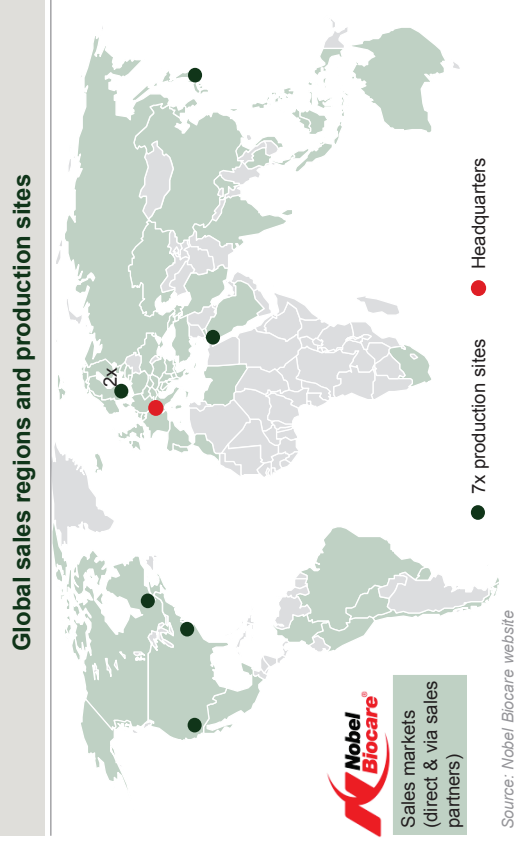
Company Overview and group structure

Company description

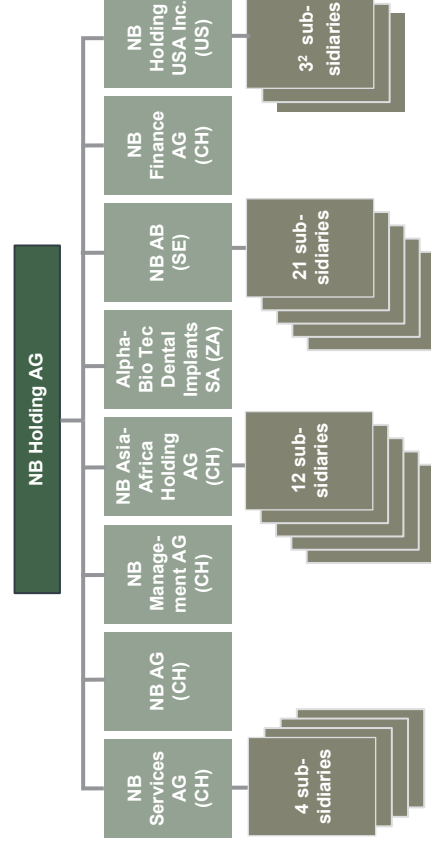
- Nobel Biocare is a world leader in the field of innovative implant-based dental restorations. The company currently employs some 2,500 people and generated revenues of EUR 567 million in 2013 with an EBIT of EUR 64 million (11.3% EBIT margin)
- The company is listed on the SIX Swiss Exchange (SIX: NOBN) since 2002 and offers a wide range of solutions, from single tooth to fully edentulous indications with dental implant systems. Alongside tooth implants, the product range includes prosthetics, software and diagnostics equipment
- Dentists and dental technicians in over 80 countries have access to Nobel Biocare products and services through sales partners or Nobel Biocare's own comprehensive sales force with local direct representatives
- The company was founded in Sweden in 1981 and is now headquartered in Zurich. There are seven production sites in Canada, Israel, Japan, Sweden and the United States

Group structure

- Nobel Biocare Holding AG holds eight subsidiaries (all 100%) located in Switzerland, the United States, Sweden and South Africa
- The eight directly held subsidiaries themselves have a total of 40 (direct) subsidiaries¹



Group structure



Company

Business activities and products

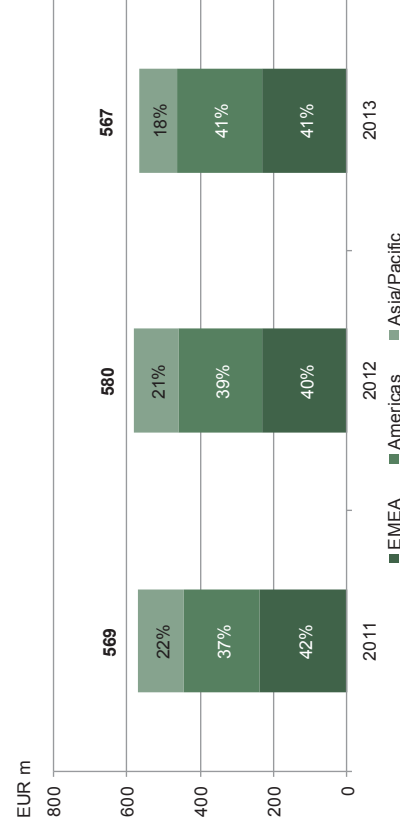
Business model

- Nobel Biocare offers tooth implants, full ceramic crowns, bridges, guided implant surgery, as well as scanners and software for CAD/CAM systems¹. The company is active primarily in the premium segment, which makes up approx. 60% of the dental implant market. The value segment with lower-priced solutions makes up the remaining 40%
- The company offers dentists and dental technicians comprehensive customer service through its sales force of more than 750 people, an online shop and a wide range of training and continuing education programs
- Operations are divided into three geographic regions – EMEA (Europe, Middle East and Africa), Americas and APAC (Asia-Pacific), with EMEA and Americas each providing ca. 40% of revenue. The most important countries are the United States (ca. 33% of 2013 revenue) and Japan (ca. 9% of 2013 revenue)

Product portfolio

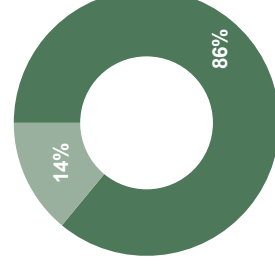
- The Nobel Biocare product portfolio is divided into the two business segments of Implant Systems and Individualized Solutions, which are sold in all three geographical regions and often as combined solutions
- The Implant Systems segment (86% of 2013 revenue) covers a wide range of pre-fabricated bone-level and tissue-level dental implants for all indications, bone types and surgical protocols
- The Individualized Solutions segment (14% of 2013 revenue) offers a comprehensive range of high-precision individualized prosthetics and CAD/CAM systems, diagnostics, treatment planning and guided surgery solutions

Revenue by region 2011-2013



Source: Nobel Biocare, 2012 and 2013 annual reports

Product segments in % of 2013 revenue



■ Implant Systems ■ Individualized Solutions

Source: Nobel Biocare

Company Historic financials

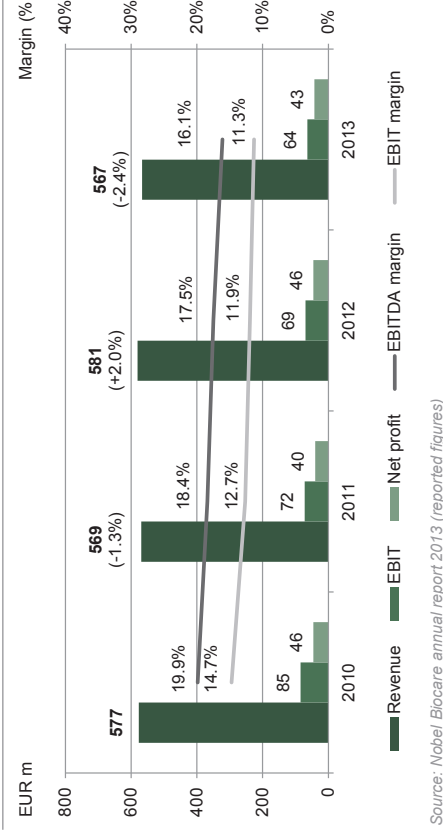
Revenue for 2013 and H1 2014

- Given the strong international orientation of the company, changes in exchange rates compared to the EUR (reporting currency) have a significant effect on the operational performance. In 2013, the weak USD and JPY reduced revenue growth in particular, which in turn weakened e.g. the positive effect of reduced employee fluctuation in the sales force
- The 2013 revenue of EUR 567 million reflected a 2.4% decline from 2012, due to negative exchange rate effects. Based on constant exchange rates, a 2.2% revenue increase would have resulted
- Regionally, in 2013 the United States showed strong growth, while in Japan the company still felt the impact from an adverse media campaign about dental implant treatments that significantly affected it as the local market leader
- In H1 2014, the company achieved higher revenue (+2.5% at constant exchange rates) compared to the previous half-year in both product segments and all regions. Japan also showed signs of recovery, with low single-digit growth. However, given the negative currency effects (with a negative impact on revenue of approx. EUR 13.5 million), revenue of EUR 283.1 million was about 2.2% lower compared to H1 2013

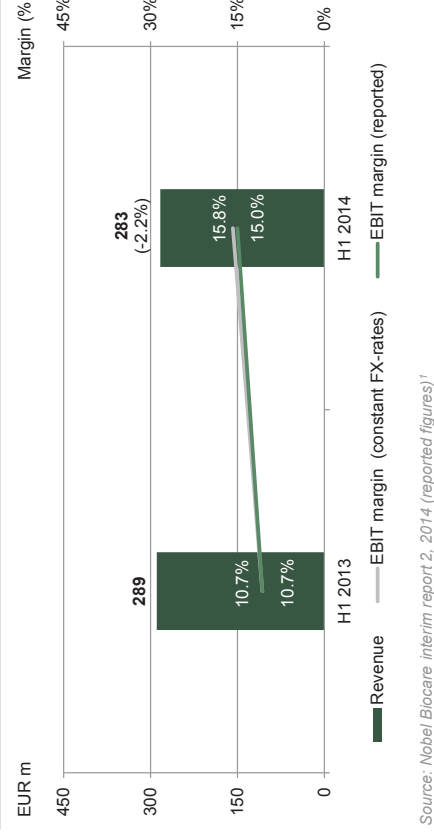
Margins

- The reported EBIT margin in 2013 was 11.3% (EBITDA margin 16.1%). Adjusted for one-time costs relating to strategic reorganisation and currency effects, the 2013 EBIT margin was 13.4%
- The company has implemented various cost-cutting measures and efficiency programs since 2012, which were reflected in a significant improvement in EBIT margin in H1 2014. The margin increased to 15.8% in H1 2014 based on constant exchange rates (and 15.0% after adjustment for currency effects), in comparison to an EBIT margin of 10.7%¹ in H1 2013 (identical before and after currency effects)

Development of revenue and profitability 2010-2013



Year-on-year revenue and EBIT margin trend in H1 2014



Company

Market and positioning (1/2)

Market share and positioning in dental implants market

- The global market for dental implants is estimated at a volume of approx. EUR 2.6 billion¹ and is a sub-market of the global dental market estimated at EUR 17 billion². The dental implants market is divided into two segments premium and value
- Nobel Biocare is mainly active in the premium segment, with a market share of approx. 29%
- Nobel Biocare is active in the cheaper value segment via its separate brand Alpha-Bio Tec ("ABT"), but only has a market share of approx. 3%
- Across both segments, Nobel Biocare has a market share of approx. 18%

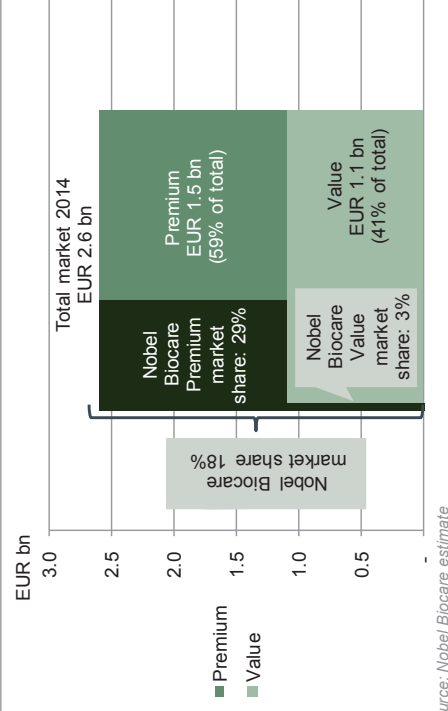
Market shares of competitors

- Analysing direct competitors in the dental implants market, Nobel Biocare has the second-largest market share, only trailing Straumann (Swiss dental implants manufacturer)
- Other major market participants include Dentsply (US-based dental company), Zimmer & Biomet 3i (Biomet, a US-based tooth implants manufacturer, was acquired by Zimmer Holdings in April 2014⁴) and Camlog (a Swiss subsidiary of US-based Henry Schein Inc.)
- Further market participants share the remaining 32% of the market

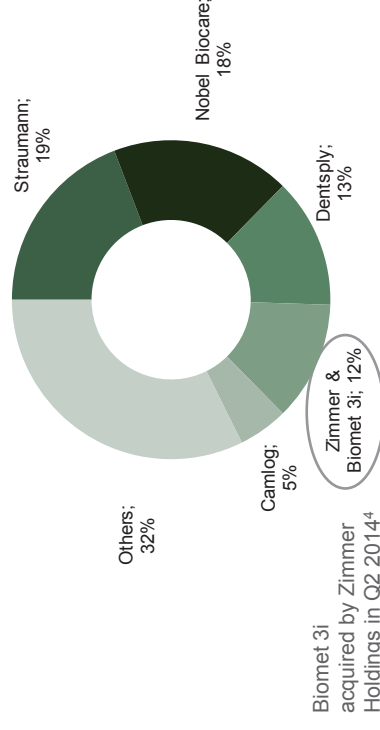
General market characteristics

- The dental implants market is considered a cyclical market, as there are very few cost refunds for dental implant treatments in most countries. Patients usually have to pay for the treatment themselves and therefore often request tooth implants in an upward trending economic environment

2014 estimate of market shares in dental implants market¹



2013 Nobel Biocare's market share relative to competitors³



Company

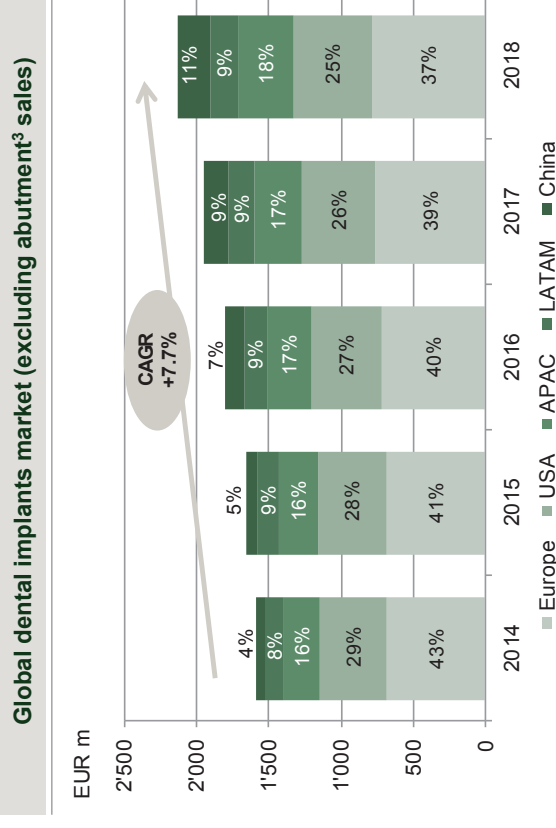
Market and positioning (2/2)

Market outlook for the dental implants market

- Recent market studies suggest that only approx. 1% of all missing teeth are currently treated with implants¹. This is due mainly to a) the high costs of treatment and b) lack of education among dentists and other dental professionals
- Of the roughly 1.7 million licensed dentists worldwide, only around 200,000 (ca. 12%) place implants. About 10 million patients are treated and some 12 million implants placed each year
- Market research studies² for the dental implant market predict market growth of 7.7% p.a. for the period 2014–2018 (premium and value segments, not including abutment³ sales), driven among other things by significant growth in China and Latin America
- Nobel Biocare applies a more conservative market estimate and is expecting medium-term growth of ca. 4% p.a. for the global dental implants market (including abutment sales)

Risks

- Despite the positive outlook for Nobel Biocare, there are several risk factors that could have a negative impact on market prospects and Nobel Biocare's financial planning
- As Nobel Biocare is active in a cyclical market, an economic downturn with falling demand and volatile exchange rates could have a negative effect on overall business performance
- Nobel Biocare is active in the premium segment and has only limited exposure to the dynamically growing value segment. Strong competition from value providers and lower priced products could impact the expected market growth in the premium segment and/or increase price pressure in the premium segment
- Specific risks in terms of product quality and safety (recalls, peri-implantitis⁴), negative media campaigns (e.g. in Japan) and patent disputes could negatively impact Nobel Biocare's business



Source: EU/NA iData 2013, LATAM/APAC/China iData 2012 APAC = Japan, Australia, South Korea

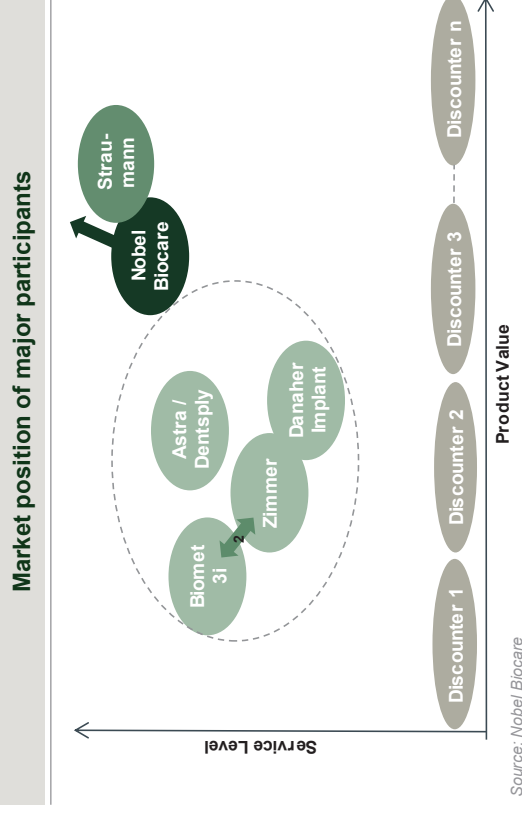
Company Strategic planning

Strategy

- Nobel Biocare and Straumann differentiate themselves from their direct competitors in terms of service level and product value. Nobel Biocare also stands out for its extensive product and solutions portfolio as well as its variety of clinical treatments. In recent years, however, Nobel Biocare has lost market share to Straumann. New strategic initiatives are targeted at improving its relative market position in order to win back market share
- Accordingly, Nobel Biocare launched its “Designing for Life” turnaround strategy in 2012. The strategy includes the ongoing review and improvement of business processes to increase organisational efficiency and cost-effectiveness as well as a strong focus on customers and patients to improve the service level
- In 2013, the strategy proved to be successful with the company achieving positive revenue growth of 2.2% (at constant exchange rates) after 5 years of negative growth. Not all competitors had a positive revenue development (at constant exchange rates) in 2013

Guidance for 2014 and mid-term plan 2015-2019

- The management expects that the company will outgrow the market and will win back market share. For 2014, the company targets 3-4% revenue growth (at constant exchange rates) and an EBIT margin improvement of about 1.5-2.0 percentage points (from 12.1%¹ in 2013)
- For the 3-5 years after 2014, the company targets to grow faster than the market average and to improve its EBIT margin by 1.0-1.5 percentage points each year



Annual revenue growth rates of major market participants



Valuation considerations

- Valuation process
- Discounted cash flow method
- Share price and analyst estimates
- Comparable companies
- Comparable transactions
- Premiums of public takeovers

Valuation considerations

Valuation process

Basic information

- The discounted cash flow (DCF) method has been used as the primary valuation method to determine the fair value of the Nobel Biocare shares. The DCF method allows to include several company-specific factors
- The key assumptions of the underlying business plan have been tested for plausibility in several dialogues with the company management and compared to industry benchmarks
- Market-based methods – trading and transaction multiples – have been applied as further plausibility check for the valuation
- The valuation date is 15 September 2014¹

Number of shares

- Nobel Biocare has a share capital of 123,784,530 issued shares as of the valuation date
- The group also has two active employee stock option plans, the Restricted Share Unit Plan (RSUP) and the Performance Share Unit Plan (PSUP). A total of 1,699,157 options have been issued under these plans
- As of 30 June 2014, Nobel Biocare held 1,379,552 treasury shares (approx. 1.1% of the issued shares) to cover these plans
- The per-share valuation is based on 124,104,135 fully diluted shares (in accordance with management information)

	Nr. of Shares
Ausgegebene Aktien	123'784'530
Treasury Shares	1'379'552
Shares outstanding	122'404'978
RSUP+PSUP	1'699'157
Fully diluted shares outstanding	124'104'135

Earnings value-based valuation method

Discounted cash flow (DCF) method

- The DCF method is regarded as one of the most recognised and accurate methods in company valuation
- The DCF method has therefore been applied as the primary valuation method

Market-based valuation methods

Trading and transaction multiples are especially helpful in substantiating the DCF value range

Trading multiples

- To achieve an accurate valuation using trading multiples, it is important to identify a peer group comparable to Nobel Biocare. Companies are considered to be comparable if their business models, competitive environment, size, growth prospects, risk-and-opportunity profiles, etc. are similar to Nobel Biocare

Transaction multiples

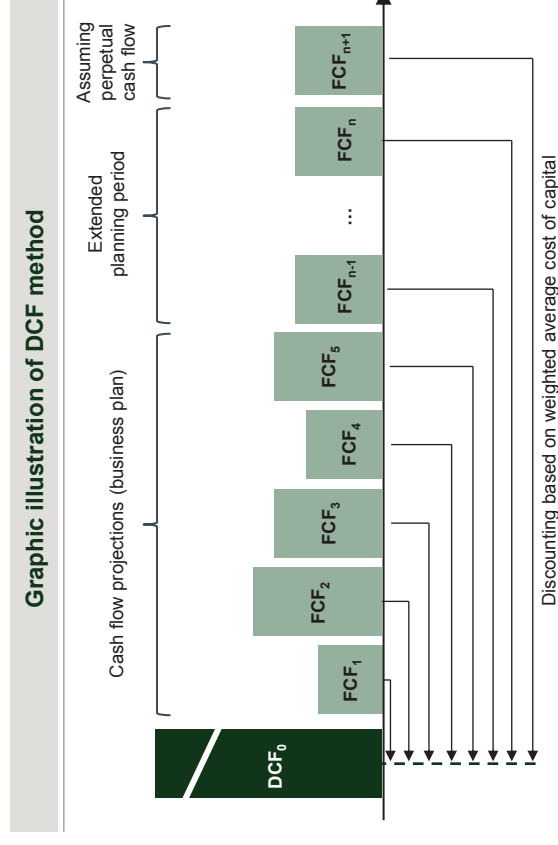
- Transaction multiples are derived from comparable transactions involving companies that are active in the same industries as Nobel Biocare
- The prices paid in such transactions vary greatly according to the specific interests of the parties involved. To a certain degree, they are based on subjective valuations. Consequently, it is crucial to carefully analyse the transaction parameters (majority or minority shareholdings, high strategic premiums based on synergies, tax benefits, etc.)

Valuation considerations

Discounted cash flow method (1/4)

Theoretical concept

- The DCF method is based on future free cash flow projections before financing activities. This represents cash flows available to both equity investors and debt providers that are then discounted at the weighted average cost of capital (WACC)¹⁾ to the date of valuation in order to reflect the time value of money as well as the entrepreneurial risk
- The DCF calculation is based primarily on the 2014 budget and the 2015-2019 business plan established by management
- Swiss Capital extrapolated the years 2020-2023 (4 years) to complete the extended 10-year planning period typical for valuations
- The long-term free cash flow projections are based on a going-concern assumption (after the end of the planning period). These cash flows are the basis of the terminal value which therefore includes all future cash flows subsequent to the planning periods
- The resulting Enterprise Value is the aggregate of the free cash flow during the business plan period until 2019, during the extended planning period from 2020-2023 and the terminal value, which are discounted to 15 September 2014 at the weighted average cost of capital
- The enumeration on the lower right illustrates how the free cash flow calculation, based on earnings before interest and taxes (EBIT), is derived
- The weighted average cost of capital (WACC) is defined as the cost of capital or required rate of return for equity investors and debt providers. The cost of equity is calculated using the capital asset pricing model (CAPM). The WACC for Nobel Biocare is calculated based on the following assumptions



Free cash flow calculation

Free cash flows:

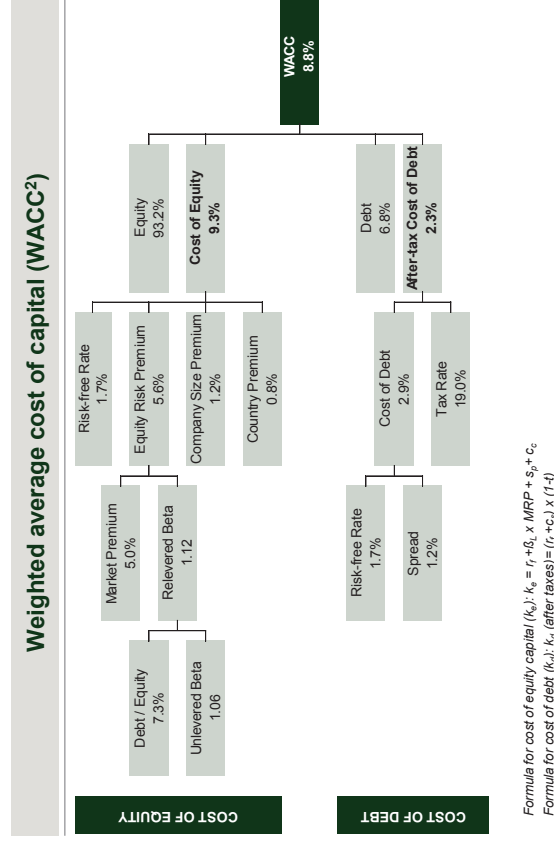
$$\begin{aligned}
 &\text{EBIT} \\
 &- \text{adjusted taxes on EBIT (unlevered)} \\
 &= \text{NOPAT} \\
 &+ \text{depreciations} \\
 &- / + \text{investments/divestments in fixed assets} \\
 &- / + \text{investments/divestments in net working capital} \\
 &+ / - \text{increase/decrease of provisions} \\
 &= \text{Free cash flows}
 \end{aligned}$$

Valuation considerations

Discounted cash flow method (2/4)

Determining the weighted average cost of capital (WACC²)

- **Risk-free interest rate:** Since Nobel Biocare generates nearly all of its revenue (ca.99%) outside of Switzerland, a regionally¹ revenue-weighted average of 10-year government bonds of the most revenue-intense currencies (USD, EUR, JPY) was used to derive the risk-free interest rate applied
- **Market risk premium:** A market risk premium of 5.0% was applied, which is typical for developed stock markets according to Damodaran
- **Country risk premium:** Given the high share of revenues generated abroad, a relative country risk premium – as suggested by Damodaran – weighted by regional revenues was applied in addition to the market risk premium
- **Company size premium:** The returns required by investors vary based on the size of the company. According to Ibbotson, for companies the size of Nobel Biocare, an additional premium of 1.2% has to be applied
- **Beta:** The unlevered beta was calculated on the basis of comparable companies and re-levered to the target capital structure for Nobel Biocare. An unlevered beta of 1.06 for the peer group has been determined as of the valuation date (see Appendix 2)
- **Risk premium for debt (spread):** The spread is defined as the difference between the calculated risk-free interest rate and Nobel Biocare's effective financing costs
- **Tax rate:** According to the long-term average tax rate of 19.0% used in the business plan
- **Capital structure:** Nobel Biocare's target capital structure has been determined based on the capital structure of comparable companies and is assumed to be composed of 93.2% equity and 6.8% debt (see Appendix 2)



Valuation considerations

Discounted cash flow method (3/4)

Planning assumptions

Business plan

- The business plan established by the Nobel Biocare management formed the basis for determining the fair value of a Nobel Biocare share as of 15 September 2014
- The business plan (2014 budget and 2015-2019 business planning period) was presented on 6 July 2014 and has been approved by the Board of Directors

Revenue

- The compound annual growth rate (CAGR) of revenue for the planning period 2014-2019 is 6.2%

EBITDA

- The EBITDA margin increases from 17.9% to 25.9% in the same period primarily due to increasing revenues (operating leverage), the restructuring measures implemented (Procera, etc.) and efficiency gains (various programs such as sales force streamlining initiatives)

Tax rate

- Management expects the tax rate to decrease slightly from its current level of 22.6% to 19.0% towards the end of the planning period (the average tax rate in Switzerland currently amounts to 17.9%)

Investments (capex) and D&A

- According to management assumptions, the capex will amount to 3.8% of revenue during the planning period and increase to 5% of revenue thereafter. Depreciation and amortization (D&A) account for 4.2% of revenues during the planning period

Net working capital

- The change in net working capital is based on management estimates and correlates with revenue developments. The anticipated change in net working capital corresponds to ca. 20% of the revenue growth planned

Net cash

- Net cash was EUR 71.5 million as of 30 June 2014. Accounting for long-term pension obligations of EUR 17.7 million, net cash decreases to EUR 53.9 million
- According to management information, minimum operating cash amounts to CHF 25 million (ca. 4% of revenue)
- Debt-like items of EUR 11.3 million were also considered. These items consist primarily of the expected cash outflow relating to provisions made for restructuring (Procera) and one-time tax risks
- In total, the valuation includes adjusted net cash of EUR 17.6 million as per 30 June 2014
- See Appendix 1 for details

Valuation parameters at a glance

- Valuation date: 15 September 2014
- Adjusted net cash: EUR 17.6 million (as per 30 June 2014)
- Average revenue growth 2014-19: +6.2% (CAGR)
- Average EBITDA margin 2014-19: 22.5%
- Average capex 2014-19: 3.8% (*in % of revenue*)
- Average D&A 2014-19: 4.2% (*in % of revenue*)
- Average change in net working capital 2014-19: 20% (*in % of revenue growth*)
- Tax rate: 19.0% (according to management)
- WACC: 8.8% / perpetual growth rate: 2.0%
- Relevant number of shares (fully diluted): 124,104,135

Valuation considerations

Discounted cash flow method (4/4)

Valuation of Nobel Biocare

- For the extrapolation period of 2020-2023, revenue growth has been gradually reduced to the perpetual growth rate of 2%, while the EBITDA margin forecasted in the last year of the mid-term plan has been kept constant
- As part of the DCF method, sensitivity analyses were also conducted using changes in key value drivers (perpetual growth rate and WACC)
- Based on these assumptions, the Enterprise Value has been determined to be EUR 1.7 billion as of 15 September 2014 (cf. table on right)
- The adjusted net cash position of EUR 17.6 million has been added to the Enterprise Value to determine the Equity Value of Nobel Biocare
- Based on 124.1 million shares (fully diluted), a EUR/CHF exchange rate of 1.21 and the sensitivity analyses of key value drivers, a DCF value per Nobel Biocare share of CHF 15.5-18.0 as per 15 September 2014 is derived

Determining the value per share using DCF

EUR m	
Sum of "un-levered" Free Cashflows 2014-23 (@ 8.8% WACC)	694.1
Present Value of Terminal Value (@ 2.0% perpetual growth rate)	1'002.5
= Enterprise Value (EV)	1'696.6
Adjusted Net Cash (per 30 June 2014)	17.6
= Equity Value	1'714.2
Number of fully diluted shares outstanding (m)	124.1
Implied Share Price (EUR)	13.8
Exchange rate (EUR/CHF)	1.21
Implied Share Price (CHF) @ 2.0% perpetual growth rate	16.7
Implied Share Price (CHF) based on sensitivities	15.5 - 18.0

Sensitivities

WACC	Enterprise value (EUR millions) at perpetual growth rate				
	1.0%	1.5%	2.0%	2.5%	3.0%
7.8%	1'806.6	1'898.3	2'005.9	2'133.8	2'288.4
8.3%	1'674.3	1'750.5	1'838.8	1'942.3	2'065.4
8.8%	1'559.4	1'623.3	1'696.6	1'781.6	1'881.2
9.3%	1'458.7	1'512.8	1'574.3	1'644.9	1'726.7
9.8%	1'369.6	1'415.8	1'467.9	1'527.1	1'595.1

WACC	Share price (CHF) at perpetual growth rate				
	1.0%	1.5%	2.0%	2.5%	3.0%
7.8%	17.7	18.6	19.7	20.9	22.4
8.3%	16.4	17.2	18.0	19.0	20.2
8.8%	15.3	15.9	16.7	17.5	18.5
9.3%	14.3	14.9	15.5	16.2	17.0
9.8%	13.5	13.9	14.4	15.0	15.7

Valuation considerations

Share price and analyst estimates

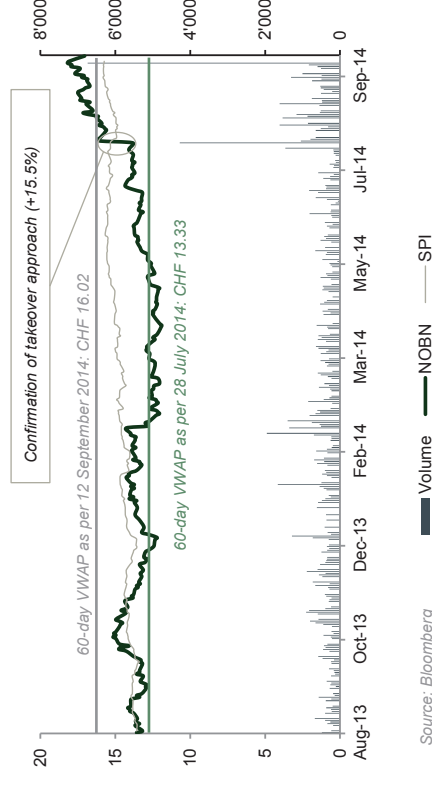
Development of share price and volume

- The chart to the right shows the historical development of Nobel Biocare's share price over the last twelve months (LTM). The closing price on 15 September 2014 was CHF 17.05
- The 60-day VWAP is defined as the volume-weighted average price of all stock market transactions executed during the last 60 trading days
 - The 60-day VWAP, unaffected by the takeover discussions, as per 28 July 2014 (the day before the media release regarding the takeover approach on 29 July 2014) was CHF 13.33
 - The 60-day VWAP as per 12 September 2014 was CHF 16.02 (last VWAP before the valuation date as per 15 September 2014)
- The monthly median of daily traded volumes over the full last twelve months before the media release was 0.27% at its minimum, and thus well above the liquidity threshold of 0.04%¹

Analyst estimates

- Currently published analyst recommendations show a mixed picture of buy or sell recommendations
- The average target price of all analysts is approx. CHF 15.5 per share
- The average price of analysts who did not factor in a takeover valuation assessment is approx. CHF 14.8 per share

Development of share price and volume (LTM)



Analyst recommendations at a glance²

Date	Analyst	Recommendation	Target price	Takeout valuation
12-Sep-14	Barclays	Hold	17.2	No
11-Sep-14	Bank am Bellevue	Hold	12.7	No
10-Sep-14	Credit Suisse	Buy	20.0	Yes
08-Sep-14	Commerzbank	Hold	13.5	No
02-Sep-14	Bernstein	Hold	18.5	Yes
01-Sep-14	Kepler Cheuvreux	Hold	17.5	Yes
01-Sep-14	Main First	Sell	14.0	No
29-Aug-14	Berenberg	Hold	16.6	No
28-Aug-14	HSBC	Sell	14.4	No
28-Aug-14	Jefferies	Sell	13.5	No
22-Aug-14	Bank Vontobel	Hold	17.0	No
21-Aug-14	Deutsche Bank	Hold	16.0	No
21-Aug-14	JPMorgan	Sell	12.0	No
21-Aug-14	Exane BNP Paribas	Sell	16.0	No
31-Jul-14	UBS	Hold	16.0	Yes
23-Jun-14	Goldman Sachs	Hold	13.0	Yes
Ø Analyst target price			15.5	
Ø Analyst target price (excl. takeover valuation)			14.8	

Sources: Bloomberg, Nobel Biocare press release

1) According to TBO Circular No. 2 "Liquidity as defined by the law governing acquisitions" of 26 February 2010 2) Source: Bloomberg

Valuation considerations

Comparable companies

Market-based valuation – trading multiples

- Since the number of pure-play peer companies in the market for dental implants and prosthetic solutions is limited, the universe of potential comparable companies has been extended to include listed competitors in adjacent industries such as dental equipment or medical supplies
- It was further considered that the selected comparable companies generate a substantial share of their revenues in dentistry or ideally have a subsidiary in the dental implant market (such as Zimmer)
- The group of selected companies has also been compared with broker and industry reports in order to ensure that the most suitable companies are included in the selection
- The list of selected comparable companies can be found in Appendix 3

Valuation result

- The respective Enterprise Values of the group of comparable companies were calculated based on current market capitalisation and their latest available net debt/cash
- These values were compared to the EBITDA 2014 consensus estimate (I/B/E/S Consensus) of each comparable company to calculate the respective trading multiple
- The average of the group of these EBITDA multiples (14.8x) was applied to the EBITDA 2014 of Nobel Biocare, resulting in an Enterprise Value for Nobel Biocare of EUR 1.5 billion. The value per share was increased by 10% (upper threshold) and decreased by 10% (lower threshold) to derive the value range. This range based on trading multiples amounts to CHF 13.3-16.2

Determining the value per share using EBITDA multiple 2014

EUR m	2014
EBITDA	101.6
EBITDA Multiple	14.8x
= Enterprise Value (EV)	1'501.5
Adjusted Net Cash (per 30 June 2014)	17.6
= Equity Value	1'519.0
Number of fully diluted shares outstanding (m)	124.1
Implied Share Price (EUR)	12.2
Exchange rate (EUR/CHF)	1.21
Implied Share Price (CHF)	14.8
Implied Share Price +/- 10% (CHF)	13.3 - 16.2

Valuation considerations

Comparable transactions

Market-based valuation – transaction multiples

- Transaction multiples were obtained by identifying relevant transactions in the dental implant and medical technology sector from the period of 1998-2014
- Transactions with undisclosed transaction details were not included
- See Appendix 4 for a detailed overview of the selected transactions

Valuation result

- Based on the historic valuation of the transactions identified, the respective transaction multiples were calculated. Unlike with the trading multiples, a large number of transactions was available, so the median of all EBITDA multiples (14.5x) was selected and applied to Nobel Biocare's EBITDA 2013 (EUR 91.3 million)
- This resulted in an Enterprise Value of EUR 1.3 billion. The value per share was increased by 10% (upper threshold) and decreased by 10% (lower threshold) to derive the value range. This value range calculated using the transaction multiples amounts to CHF 11.7-14.3
- The transaction multiples were applied to Nobel Biocare's 2013 EBITDA since the transaction multiples were also derived based on historical values

Determining the value per share using EBITDA multiple 2013

EUR m	2013
EBITDA	91.3
EBITDA Multiple	14.5x
= Enterprise Value (EV)	1'323.2
Adjusted Net Cash (per 30 June 2014)	17.6
= Equity Value	1'340.8
Number of fully diluted shares outstanding (m)	124.1
Implied Share Price (EUR)	10.8
Exchange rate (EUR/CHF)	1.21
Implied Share Price (CHF)	13.0
Implied Share Price +/- 10% (CHF)	11.7 - 14.3

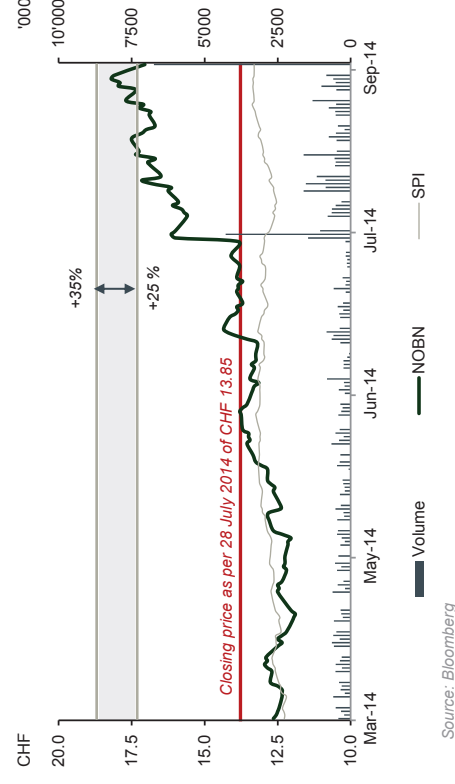
Valuation considerations

Premiums of public takeovers

Analysis of premiums paid in public takeover situations in Switzerland

- Subjective interests play a major role in public takeovers. Potential acquirers may in some circumstances be willing to pay significant control premiums
- This is especially true in contested takeover situations, where potential acquirers outbid each other resulting in higher premiums paid
- Another important factor is whether a bidder is already a majority shareholder of the target company when the offer is announced. In such instances, the willingness to pay an additional premium on the share price will be reduced
- The following criteria in selecting public takeover transactions were used (see Appendix 5 for a list):
 - Transactions since 1 January 2006
 - Target company is/was listed on the SIX Swiss Exchange
 - Pure real estate companies not considered
 - Transaction value of at least CHF 100 million
 - Consideration of friendly, neutral, hostile and competitive offers
 - Offers in cash and/or shares
- Since 2006, average premiums of 29% were paid compared to the closing price 4 weeks before the announcement of the tender offer and approx. 30% compared to the 60-day VWAP on the day before the announcement of the tender offer
- Applying an average premium of 25-35% to the closing price, unaffected by the takeover discussions, of CHF 13.85 as per 28 July 2014 (prior to the confirmation of the takeover approach on 29 July 2014) results in a value range of CHF 17.3-18.7

Applying an average takeover premium of 25-35%¹



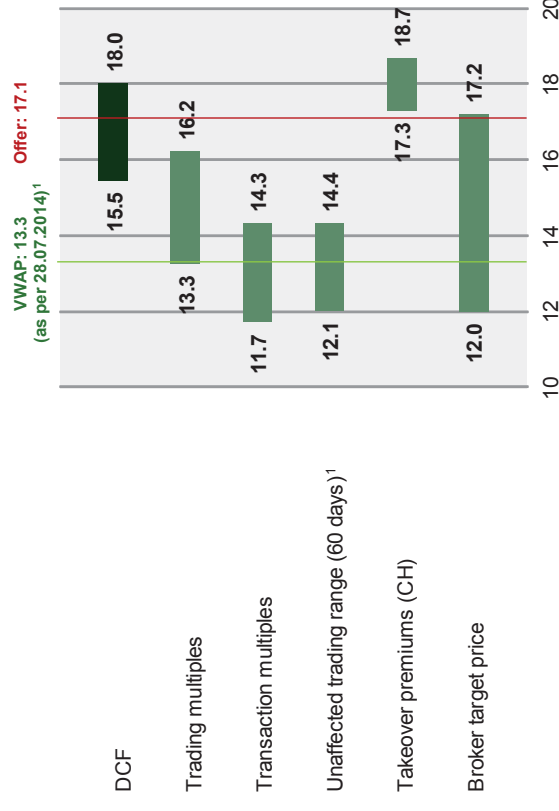
Result of the fairness opinion

Result of the fairness opinion Valuation result for Nobel Biocare

Valuation assessment

- The illustration on the right summarizes the results of the valuation analyses. The DCF method was used as the primary valuation method, while trading and transaction multiples, VWAP, public takeover premiums paid in Switzerland and analyst estimates were used to test the plausibility of the DCF valuation result
- The DCF valuation results in a value range of CHF 15.5-18.0 per share
- Valuation using the trading multiples based on EBITDA 2014 results in a value range of CHF 13.3-16.2 per share
- The value range obtained by analysing the transaction multiples amounts to CHF 11.7-14.3. The relatively lower value range is primarily attributable to the lower EBITDA 2013 compared to the EBITDA 2014 of Nobel Biocare
- The 60-day trading range (min/max), unaffected by the takeover discussions, from 2 May 2014 until 28 July 2014¹ (the day before the press release on 29 July 2014 regarding confirmation of takeover approach) was CHF 12.1-14.4. The corresponding 60-day VWAP as per 28 July 2014¹ amounted to CHF 13.33
- Danaher's offer of CHF 17.1 per Nobel Biocare share represents a premium of 6.7% compared to the 60-day VWAP of CHF 16.02 as per 12 September 2014 and a premium of 23.5% compared to the closing price, unaffected by the takeover discussions, of CHF 13.85 as per 28 July 2014¹
- Applying public takeover premiums of 25-35% paid in the Swiss market to the closing price, unaffected by the takeover discussions, of CHF 13.85 as per 28 July 2014¹ results in a value range of CHF 17.3-18.7 per Nobel Biocare share
- Excluding analysts explicitly factoring a takeover valuation into their valuation, the target prices range from CHF 12.0-17.2
- This fairness opinion is based on the valuation date 15 September 2014

Valuation overview (per share, in CHF)



Based on the value range of CHF 15.5-18.0 using DCF valuation, Danaher's public tender offer of CHF 17.1 to the shareholders of Nobel Biocare is considered as financially fair and appropriate

Kurt Rüegg
Kurt Rüegg
Senior Partner

Martin Menzi
Martin Menzi
Senior Partner

Appendices

- Appendix 1: Calculation of adjusted net cash
- Appendix 2: Analysis of betas and derivation of WACC
- Appendix 3: Trading multiples
- Appendix 4: Transaction multiples
- Appendix 5: Public takeover premiums
- Appendix 6: List of abbreviations

Appendix 1

Calculation of adjusted net cash

EUR m	30 June 2014
Convertible bond	-101.1
Other interest-bearing liabilities	-4.2
Pension liabilities	-17.7
Cash and cash equivalents	172.7
Other Interest-bearing assets	4.1
Net (cash)/debt	53.9
Minimum Operating Cash	-25.0
Net (cash)/debt excl. Min. Operating Cash	28.9
Debt-like items	-11.3
Net (cash)/debt incl. Debt-like items	17.6

Appendix 2

Analysis of betas and derivation of WACC (1/2)

WACC

- WACC describes the weighted required rate of return for equity investors and debt providers. The cost of equity capital is calculated using the capital asset pricing model (CAPM). The cost of debt has been adjusted with the expected tax rate of 19%. The beta of Nobel Biocare is the two-year beta as per 28 July 2014 (last trading date before the media release confirming the takeover approach on 29 July 2014)

Comparable companies	Levered beta ¹	Marginal tax rate	Debt (LCm)	Equity market value (LCm)	Debt to equity	Unlevered beta ²	Levered return	Unlevered return ³
Nobel Biocare	1.39	17.9%	122.4	2'110.5	5.8%	1.33	8.6%	8.3%
Straumann	0.99	17.9%	203.6	3'500.6	5.8%	0.94	6.6%	6.4%
Dentsply	0.87	40.0%	1'367.2	6'616.8	20.7%	0.77	6.0%	5.6%
Sirona	0.69	40.0%	79.5	4'492.9	1.8%	0.68	5.1%	5.1%
Align	1.70	40.0%	0.0	4'352.3	0.0%	1.70	10.2%	10.2%
Zimmer	0.96	40.0%	1'687.4	17'663.6	9.6%	0.91	6.5%	6.2%
Average	1.10	32.6%			7.3%	1.06	7.2%	7.0%

Macroeconomic assumptions	Levered cost of equity ⁴				
	Debt/equity	0.96	1.01	1.06	1.16
Risk-free rate	2.3%	8.5%	8.8%	9.0%	9.6%
Risk premium	4.8%	8.6%	8.9%	9.2%	9.7%
Company size premium	7.3%	8.7%	9.0%	9.3%	9.8%
Country risk premium	9.8%	8.8%	9.1%	9.4%	9.9%
Estimated market return	12.3%	8.9%	9.2%	9.5%	10.0%

Capital structure		WACC ⁵			
Debt to capitalization	Equity to capitalization	Debt/equity	0.96	1.01	1.06
2.2%	97.8%	2.3%	8.4%	8.6%	8.9%
4.5%	95.5%	4.8%	8.3%	8.6%	8.8%
6.8%	93.2%	7.3%	8.3%	8.5%	8.8%
8.9%	91.1%	9.8%	8.3%	8.5%	8.8%
10.9%	89.1%	12.3%	8.2%	8.5%	8.7%

1) Source: Bloomberg, 15 September 2014

3) Unlevered return = (risk-free rate + (unlevered beta * risk premium))

5) WACC = ((debt/capitalization * (cost of debt * (1 - tax rate))) + (equity/capitalization * levered cost of equity))

2) Unlevered beta = (levered beta / (1 + ((1 - tax rate) * debt/equity))). Assumes beta of debt = 0.0

4) Levered cost of equity = (risk-free rate + (levered beta * risk premium))

Appendix 2

Analysis of betas and derivation of WACC (2/2)

WACC components	Explanation	Source
Risk-free rate (r_f)	1.7% Regionally revenue-weighted average of 10-year government bonds in most revenue-intense currencies	Current return of 10-year government bonds (USD, EUR, JPY), Bloomberg (15 September 2014)
Market risk premium (MRP)	5.0% MRP is the difference between the market return and the risk-free rate of respective government bonds over a relevant time period	Damodaran: "Equity Risk Premiums (ERP) - Determinants, Estimation and Implications" (2014)
Country risk premium (c_c)	0.8% Regionally revenue-weighted country risk premium	Damodaran: "Country Default Spreads and Risk Premiums" (2014)
Company size premium (s_p)	1.2% Empirical studies have shown that investors require different premiums depending on a company's size in order to compensate its implied risk	Ibbotson (2012)
Beta (unlevered)	1.06 Formula: $\beta_U = \beta_L / [1 + ((D/E) \times (1-t))]$	Modigliani & Miller
Beta (levered)	1.12 Formula: $\beta_L = \beta_U \times [1 + ((D/E) \times (1-t))]$	Modigliani & Miller
Cost of equity	9.3% Formula: $k_e = r_f + \beta_L \times \text{MRP} + s_p + c_c$	
Risk-free rate (r_f)	1.7% Regionally revenue-weighted average of 10-year government bonds in most revenue-intense currencies	Current return of 10-year government bonds (USD, EUR, JPY), Bloomberg (15 September 2014)
Spread (c_s)	1.2% The spread is defined as the difference between the calculated risk-free rate and the effective financing costs of Nobel Biocare	Company information
Avg. tax rate (t)	19.0% Long-term tax rate	According to management information
Cost of debt (after tax)	2.3% Formula: $k_d = (r_f + c_d) \times (1-t)$	
Equity to capitalization	93.2% Current average capital structure of comparable companies	Bloomberg (15 September 2014)
Debt to capitalization	6.8% Current average capital structure of comparable companies	Bloomberg (15 September 2014)
WACC	8.8%	

Appendix 3

Trading multiples

Company	LC	Share Price Perform. 52w	Market Cap. (CHF m)	Net Debt (CHF m)	EV (CHF m)	Enterprise Value to					
						Revenues			EBITDA		
						2014	2015	2016	2014	2015	2016
Nobel Biocare	CH	22.0%	2'110.5	(89.4)	2'021.1	2.9x	2.8x	2.6x	16.4x	14.4x	13.1x
Straumann	CH	25.4%	3'500.6	(135.8)	3'364.7	4.9x	4.1x	3.7x	19.9x	15.5x	13.5x
Dentsply	US	5.8%	6'191.0	1'216.6	7'408.8	2.6x	2.6x	2.5x	12.7x	11.9x	10.8x
Sirona	US	18.1%	4'203.8	(203.5)	4'002.7	3.6x	3.3x	3.1x	13.0x	11.7x	NA
Align	US	15.1%	4'072.3	(470.3)	3'601.9	5.0x	4.4x	3.9x	18.6x	16.3x	14.0x
Zimmer	US	27.7%	16'527.0	(9.9)	16'518.9	3.7x	3.6x	3.5x	9.7x	9.3x	8.5x
High*						5.0x	4.4x	3.9x	19.9x	16.3x	14.0x
Average*						4.0x	3.6x	3.3x	14.8x	12.9x	11.7x
Median*						3.7x	3.6x	3.5x	13.0x	11.9x	12.2x
Low*						2.6x	2.6x	2.5x	9.7x	9.3x	8.5x

*excl. Nobel Biocare

Company	YoY Revenue Growth			EBITDA Margin			EBIT Margin		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Nobel Biocare	0.6%	5.0%	5.4%	17.8%	19.3%	20.2%	13.1%	14.9%	16.2%
Straumann	1.8%	17.9%	10.3%	24.4%	26.6%	27.6%	20.0%	21.5%	22.7%
Dentsply	1.7%	3.3%	4.1%	20.8%	21.4%	22.7%	16.8%	17.5%	18.6%
Sirona	6.2%	8.8%	7.1%	27.4%	27.9%	29.0%	21.7%	22.4%	21.7%
Align	15.5%	13.6%	13.9%	27.2%	27.3%	27.9%	24.9%	25.4%	26.1%
Zimmer	2.2%	3.8%	3.6%	38.6%	38.9%	40.7%	30.6%	31.1%	31.5%
High*	15.5%	17.9%	13.9%	38.6%	38.9%	40.7%	30.6%	31.1%	31.5%
Average*	5.5%	9.5%	7.8%	27.7%	28.4%	29.6%	22.8%	23.6%	24.1%
Median*	2.2%	8.8%	7.1%	27.2%	27.3%	27.9%	21.7%	22.4%	22.7%
Low*	1.7%	3.3%	3.6%	20.8%	21.4%	22.7%	16.8%	17.5%	18.6%

*excl. Nobel Biocare

Appendix 4

Transaction multiples

Date	Target company	Bidder company	Enterprise value EUR(m)	Target revenue	EV/ sales	EV/ EBITDA	Target description
26.02.2014	MDH AG Mamisch Dental Health	Lifco Dental International AB	150	45	3.3x	7.5x	MDH AG Mamisch Dental Health is a Germany based company which provides foreign dental prosthesis
26.11.2013	BioHorizons, Inc. (60% Stake)	Henry Schein, Inc.	186	87	2.1x	n.a.	BioHorizons, Inc., is a US based company headquartered in Birmingham, Alabama, manufacturing dental equipment and products
04.04.2013	Heraeus Dental	Mitsui Chemicals Inc	450	354	1.3x	n.a.	Heraeus Dental, is a Germany based provider of cosmetic dentistry, tooth preservation, prosthetics, periodontology and digital dentistry
04.12.2012	Young Innovations Incorporated	Linden LLC	227	82	2.8x	10.4x	Young Innovations Incorporated is a US based company engaged in development, manufacturing and marketing of supplies and equipment used by dentists
16.05.2012	Neodent (49% Stake)	Straumann Holding AG	444	69	6.3x	12.9x	Neodent is a Brazil based company engaged in manufacturing of dental implants and related prosthetic components, mainly active in the value segment
22.06.2011	Astra Tech AB	DENTSPLY International	1254	400	3.4x	17.1x	Astra Tech AB is a Sweden based developer and manufacturer of healthcare devices for single use and dental implants
26.04.2011	EDP European Dental Partners Holding GmbH	Lifco AB	257	120	2.1x	16.8x	EDP European Dental Partners Holding GmbH, is a Germany based company engaged in the design, manufacture, and trade of dental equipment
29.03.2011	Cadent, Inc.	Align Technology, Inc.	135	28	4.8x	n.a.	Cadent, Inc., is a US based provider of 3D digital scanning solutions for orthodontics and dentistry industries
18.11.2010	Implant Direct LLC (75% Stake)	Sybron Dental Specialties Inc	220	44	5.0x	n.a.	Implant Direct LLC, is a US based company engaged in manufacturing dental implant products
13.10.2009	PaloDEX Group Oy	Danaher Corporation	276	77	3.6x	20.3x	PaloDEX Group Oy, is a Finland based designer and manufacturer of dental imaging (x-ray) equipment for dentists
11.11.2008	BioCad Medical Inc.	Nobel Biocare Holding AG	194	69	2.8x	14.5x	BioCad Medical Inc., is a Canada based medical prosthetic software developer headquartered in Quebec
15.01.2008	Lifecore Biomedical Inc	SBT Acquisition Inc	131	51	2.5x	14.5x	Lifecore Biomedical Inc, is a US based manufacturer of dental implant systems
12.04.2006	Sybron Dental Specialties Inc	Danaher Corporation	1738	541	3.2x	14.5x	Sybron Dental Specialties Inc is a US-based company that designs, manufactures and markets dental, dental implant, and infection prevention products
26.09.2005	Sirona Dental Systems, Inc.	Schick Technologies, Inc.	1213	320	3.8x	19.8x	Sirona Dental Systems GmbH, is a Germany based manufacturer of dental equipment and technologies
02.05.2005	Sirona Dental Systems, Inc.	Madison Dearborn; Beecken Petty O' Keefe	800	320	2.5x	13.1x	Sirona Dental Systems GmbH, is a German manufacturer of equipment for dental practices, laboratories and clinics
29.03.2004	Kaltenbach & Voigt GmbH	Danaher Corporation	350	450	0.8x	n.a.	Kaltenbach & Voigt GmbH (KaVo), is a German designer, manufacturer and supplier of dental equipment
10.11.2003	Sirona Dental Systems, Inc.	EQT Partners AB	418	284	1.5x	n.a.	Sirona Group, is a German based dental equipment manufacturer
28.12.2000	Fiadent GmbH	Dentsply International Inc	106	44	2.4x	n.a.	Fiadent GmbH, is a German company manufacturing dental implants
02.11.2000	Core Vent Corporation/ Paragon Implant Company	Centerpulse AG	116	33	3.3x	n.a.	Core Vent Corporation/ Paragon Implant Company, is a provider of medical services and products
30.08.1999	3i Implant Innovations Inc	Biomet, Inc.	167	60	2.5x	17.0x	3i Implant Innovations Inc, is a US based provider of dental implants
29.06.1998	Steri-Oss Inc	Nobel Biocare Holding AG	110	35	3.2x	n.a.	Steri-Oss, is a US dental products company
Average					3.0x	14.9x	
Median					2.8x	14.5x	

Appendix 5

Public takeover premiums since 1 January 2006

Announcement	Target company	Bölder	Consideration	Transaction value (CHF m)	Premium (4 weeks prior announcement)	Premium (based on 60-day VWAP)
07-Jul-14	Nationale Suisse	Helvetia Holding AG	Cash/Shares	1'974	33%	33%
16-May-14	PubliGroupe SA	Swisscom AG	Cash	486	71%	73%
27-Nov-13	Tornos Holding AG (66.68% Stake)	Walter Fust (Private Investor)	Cash	101	4%	4%
02-Oct-13	Acino Holding AG	Avista Capital & Nordic Capital	Cash	522	57%	54%
05-Aug-13	Società Elettrica Sopracenerina SA	SES Holding SA	Cash	164	N/A	2%
04-Jul-13	Schmolz + Bickenbach AG	Venetos Holding AG	Cash	1'483	0%	0%
31-Jul-12	Bank Sarasin & Cie AG	Grupo Safra SA	Cash	699	1%	3%
12-Dec-11	Newave Energy Hldg SA	ABB Ltd	Cash	175	40%	36%
08-Nov-11	Uster Technologies AG	Toyota Industries Corp.	Cash	372	7%	12%
20-Jun-11	EGL AG	Apco Holding AG	Cash	2'244	0%	21%
17-May-11	Edipresse SA	Lamunière SA	Shares/Cash	2'378	N/A	N/A
26-Apr-11	Absolute Private Equity AG	HarbourVest Acquisition GmbH	Cash	796	2%	6%
11-Apr-11	Schulthess Group AG	NIBE Industrier AB	Shares/Cash	629	20%	24%
17-Jan-11	Feintool International Holding AG	Artemis Beteiligungen	Cash	267	4%	7%
06-Dec-10	Winterthur Technologie AG	3M (Schweiz) AG	Cash	364	15%	23%
22-Sep-10	Neue Aargauer Bank AG	Credit Suisse Group AG	Cash	2'681	N/A	24%
28-Jul-10	Day Software Holding AG	Adobe Systems Inc	Cash	214	75%	59%
05-Apr-09	Quadrant AG	Aquamit BV	Cash	237	0%	58%
15-Sep-08	Ciba Specialty Chemicals	BASF SE	Cash	3'453	59%	64%
26-Aug-08	sia Abrasives Holding AG	Robert Bosch GmbH	Cash	385	21%	17%
09-Jul-08	Speedel Holding AG	Novartis AG	Cash	511	74%	80%
12-Dec-07	Von Roll Holding AG	Familie von Fink	Cash	1'567	0%	0%
10-Dec-07	SEZ Holding Ltd	Lam Research Corp	Cash	639	55%	54%
07-Aug-07	Unilabs SA	Caplo AB	Cash	747	94%	30%
05-Mar-07	Getaz Romang SA	CRH PLC	Cash	459	22%	25%
26-Feb-07	Converium Holding AG	SCOR	Shares/Cash	2'664	25%	16%
19-Dec-06	SIG Holding AG	Rank Group Ltd	Cash	2'828	19%	52%
05-Jan-07	Serono International SA	Merck KGaA	Cash	2'1931	28%	31%
07-Dec-06	Bank Linth	Liechtensteinische Landesbank	Cash	270	10%	31%
06-Sep-06	Saurer AG	OC Oerlikon AG	Cash	1'964	49%	36%
22-Aug-06	Agle Charmilles SA	Georg Fischer AG	Shares/Cash	733	12%	14%
31-Jan-06	Amazys Holding AG	X-Rite Inc	Cash	257	39%	38%
				Average	29%	30%
				Median	21%	25%

Notes:

- Target company is/was listed on the SIX Swiss Exchange
- Transaction value¹ of at least CHF 100 million
- Inclusion of friendly, neutral, hostile and competitive offers
- Pure real estate companies not considered
- Offers in cash and/or shares

Appendix 6

List of abbreviations

▪ ABT	Alpha-Bio Tec (subsidiary of Nobel Biocare)	▪ FCF	free cash flow
▪ AG	Aktiengesellschaft (stock corporation)	▪ FX	foreign exchange rate
▪ APAC	Asia-Pacific	▪ H1	1 st half year
▪ approx.	approximately	▪ JPY	Japanese yen
▪ bn	billions	▪ LATAM	Latin America
▪ ca.	circa	▪ LC	Local currency
▪ CAD/CAM	computer-aided design / manufacturing	▪ LTM	last twelve months
▪ CAGR	compound annual growth rate	▪ m	millions
▪ Capex	capital expenditures	▪ N/A	not applicable
▪ CAPM	capital asset pricing model	▪ NOBN	stock ticker for Nobel Biocare
▪ cf.	confer (see, by way of comparison)	▪ p.a.	per annum
▪ CF	cash flow	▪ PSUP	Performance Share Unit Plan
▪ CHF	Swiss francs	▪ RSUP	Restricted Share Unit Plan
▪ D&A	depreciation and amortization	▪ SIX	SIX Swiss Exchange
▪ DCF	discounted cash flow	▪ TOB	(Swiss) Takeover Board
▪ E	estimates	▪ TV	terminal value
▪ EBIT	earnings before interest and taxes	▪ US/USA	United States of America
▪ EBITDA	earnings before interest, taxes, depreciation and amortization	▪ USD	US dollars
▪ e.g.	exempli gratia (for example)	▪ vs.	versus (as opposed to)
▪ EMEA	Europe, Middle East and Africa	▪ VWAP	volume-weighted average price
▪ EUR	euros	▪ WACC	weighted average cost of capital
▪ EV	Enterprise Value	▪ YoY	Year-on-year

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