

Media Release

## Synthes Posts Continued Strong Growth in the Third Quarter 2007

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### Third quarter 2007

- **Consolidated sales** of US\$ 689.2 million, representing an increase of 15.8% (13.1% in local currencies) over prior year
- Stronger growth in **Asia Pacific**, especially in Spine
- **Europe** gained momentum and strengthened its leadership position in all three divisions

### First nine months 2007

- **Consolidated sales** of US\$ 2,021.7 million, representing an increase of 14.7% (12.3% in local currencies) over prior year
- **North America** once again strong, mainly due to above-market growth in Trauma
- **Europe** and **Rest of the World** benefited from further penetration of new products and educational efforts

### Sales Figures (unaudited)

In US\$ millions	3 <sup>rd</sup> Quarter 2007 (July – September)			
Consolidated Net Sales	2007	2006	% Change (US\$)	% Change (local currencies) <sup>1</sup>
North America	431.7	382.6	12.8%	12.6%
Europe	156.1	126.4	23.5%	15.2%
Asia Pacific	60.6	50.3	20.6%	15.5%
Rest of the World	40.8	35.8	13.9%	6.9%
<b>Total</b>	<b>689.2</b>	<b>595.1</b>	<b>15.8%</b>	<b>13.1%</b>

In US\$ millions	YTD 2007 (January – September)			
Consolidated Net Sales	2007	2006	% Change (US\$)	% Change (local currencies) <sup>1</sup>
North America	1,274.0	1,133.7	12.4%	12.3%
Europe	459.4	379.8	20.9%	12.5%
Asia Pacific	175.1	155.8	12.4%	9.5%
Rest of the World	113.2	93.4	21.2%	16.4%
<b>Total</b>	<b>2,021.7</b>	<b>1,762.7</b>	<b>14.7%</b>	<b>12.3%</b>

<sup>1</sup> Local currencies: 2007 results translated at 2006 foreign exchange rates.

## Product Highlights

Significant growth contributors in **TRAUMA** in the third quarter were the **TFN** (Trochanteric Fixation Nail) and the **PFNA** (Proximal Femoral Nail). Both products are femoral nails which are used to treat one of the most common fractures (upper leg).

The **RAFN** (Retrograde Antegrade Femoral Expert Nail), another product for the fixation of the femur, has also had a significant impact on growth, especially in the US.

The **LCP Small Fragment** system was a further notable growth contributor in the third quarter on a worldwide basis.

New product Trauma launches in the third quarter included two high volume fracture systems: the **LCP Volar Column Distal Radius Plate** and the US release of the **Expert Lateral Entry Femoral Recon Nail**.

The anatomically shaped LCP Volar Column Distal Radius Plate is an optimal new fixation system for wrist fractures with an easy-to-use instrumentation set.

The Expert Lateral Entry Femoral Recon Nail is a state-of-the-art intramedullary nail, intended for the fixation of complex fractures of the femoral shaft and proximal femur.

Both of these products have already been very well received by orthopaedic and traumatology surgeons worldwide.

In **SPINE**, the **SynFix-LR**, a cage with screws to replace and fuse a diseased intervertebral disc, is still proving its clinical superiority with its unique anterior-only access and was a key contributor to the division's growth in the third quarter.

The **Pangea** pedicle screw-system, used to stabilize degenerated lumbar spine segments, also continued to gain momentum and contributed significantly to Spine's growth.

One important third quarter 2007 product launch in Spine has been **Antegra**, a new plate to stabilize degenerated lumbar spine segments anteriorly, used in conjunction with a cage. Antegra's unique screws and flexible instrumentation satisfy the implantation preferences of different surgeons while simplifying the procedure.

**CMF** (Cranio-Maxillofacial) experienced double-digit growth in all regions. Most notably, **MatrixNEURO** contributed to this result on a global scale. MatrixNEURO is a complete plate-and-screw system for fast closure of bone flaps and rapid fixation of cranial fractures.

**Patient-Specific Implants (PSI)** also significantly contributed to CMF's growth in the third quarter. PSI are customized implants offered in PEEK or Titanium and provide a solution to patients with large craniofacial defects.

One noteworthy new CMF product release is **DermaMATRIX**. DermaMATRIX is a human skin collagen (acellular dermis) for use mostly by plastic surgeons for breast reconstruction and abdominal wall repair. The product – which is currently only sold in the US – is sourced from human donors through Synthes' collaboration with the MTF (Musculoskeletal Transplant Foundation). It is the only skin allograft on the market produced from human skin that meets United States Pharmacopeia Standards for sterility.

### **Third quarter 2007 regional sales performance**

Growth in **North America** is in large part fueled from the continued strong above-market growth in Trauma (including Power Tools) and CMF, due to important new products, technical service excellence and unrivaled educational efforts.

In **Europe**, Synthes continues to gain market share with double-digit growth in Trauma, Spine and CMF. The company experienced very strong growth in CMF and as a result has gained leadership position in this division. This has now resulted in Synthes leading the market in Europe in all three divisions.

Pricing and reimbursement pressure have further increased but Synthes is best positioned to tackle these challenges.

**Asia Pacific** has picked up growth momentum, especially in China and India. Growth is achieved in all divisions, predominantly in Spine. In Trauma, the Asia-specific intramedullary nail (PFNA) continues to be well received in Japan.

The **other regions** are still important areas for growth. Most notably, Brazil and Colombia have exhibited strong growth during the first nine months of this year.

### **Outlook**

For the fourth quarter 2007 Synthes expects to maintain low double-digit sales growth.

### **Synthes: A leading medical device company**

Synthes is a leading global medical device company. We develop, produce and market instruments, implants and biomaterials for the surgical fixation, correction and regeneration of the human skeleton and its soft tissues.

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