

Sirona – The Dental Company

First Quarter 2012 Earnings Presentation
February 3, 2012



First Quarter 2012 Earnings Presentation Safe Harbor Statement / Additional Information



This conference call contains forward-looking information about Sirona Dental Systems, Inc.'s financial results, guidance and estimates, business prospects, and products and services that involve substantial risks and uncertainties or other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. You can identify these statements by the use of words such as "may," "could," "estimate," "will," "believe," "anticipate," "think," "intend," "expect," "project," "plan," "target," "forecast", and similar words and expressions which identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are not guarantees of future performance and involve known and unknown risks and uncertainties, and other factors. Readers are cautioned not to place undue reliance on such statements, which speak only as of the date hereof. For a discussion of such risks, uncertainties and other matters that could cause actual results to differ materially, including risks relating to, among other factors, the market for dental product and services, pricing, future sales volume of the Company's products, the possibility of changing economic, market and competitive conditions, dependence on products, dependence on key personnel, technological developments, intense competition, market uncertainties, dependence on distributors, ability to manage growth, dependence on key suppliers, dependence on key members of management, government regulation, acquisitions and affiliations, readers are urged to carefully review and consider various disclosures made by the Company in its Annual Report on Form 10-K and in its reports on Forms 10-Q and 8-K filed with the U.S. Securities and Exchange Commission, which can be accessed through the SEC's website, www.sec.gov. This presentation contains non GAAP financial measures, which should not be viewed in isolation and do not purport to be an alternative to net income (loss) as an indicator of operating performance or an alternative to cash flows from operating activities as a measure of liquidity. The Company assumes no obligation to and expressly disclaims any obligation to update or revise any forward-looking statements contained in this document to reflect new information or future events or developments after the date any such statement is made.



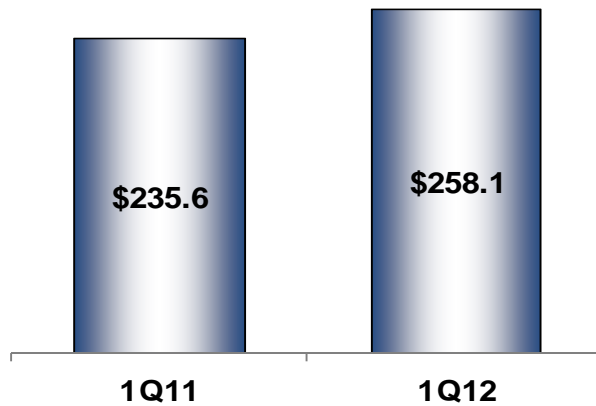
- 1Q12 constant currency revenue growth of 10.2%, with:
 - Imaging up 24.3%
 - Instruments up 8.4%
 - Treatment Centers up 3.8%
 - CAD/CAM up 1.5%
- International revenues 13.6% cc, with particular strength in the Asia Pacific region
- SG&A increased 16.3%, the result of our planned investments in expanding our sales and service infrastructure
- “Signs of caution” we were seeing in Germany and US are moderating
- Guidance - Revenue growth at the upper-end of fiscal year 2012 guidance range of 6% to 8%. OI plus amortization expected to be in the range of \$227 to \$234 million (prev. \$225 to \$234 million)

First Quarter 2012 Earnings Presentation Overview



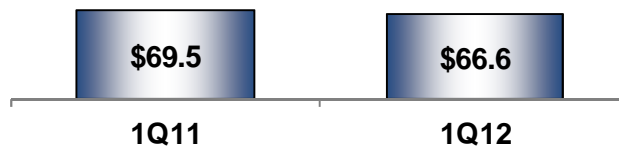
Revenue

(US\$ in millions)



Operating Income plus Amortization

(US\$ in millions)



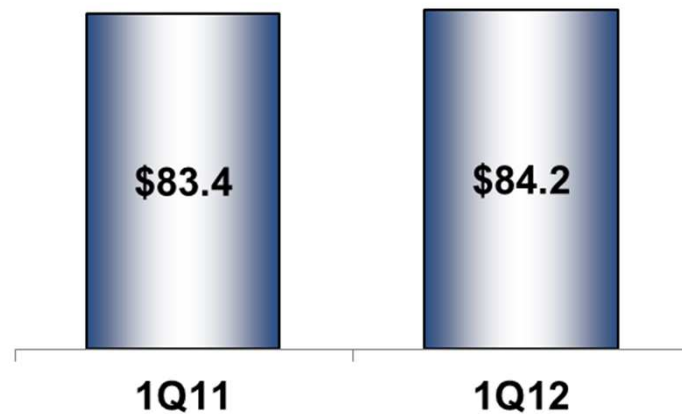
- International revenues increased 12.7%, up 13.6% cc, with particularly strong growth in the Asia Pacific region
- Record sales level in the US, up 2.0% against a challenging prior year comparison
- Operating Income plus Amortization declined 4.1% to \$66.6 million, as increased gross profit was offset by planned investments in expanding our global sales and service infrastructure

First Quarter 2012 Earnings Presentation CAD/CAM Segment



CAD/CAM Revenue

(US\$ in millions)

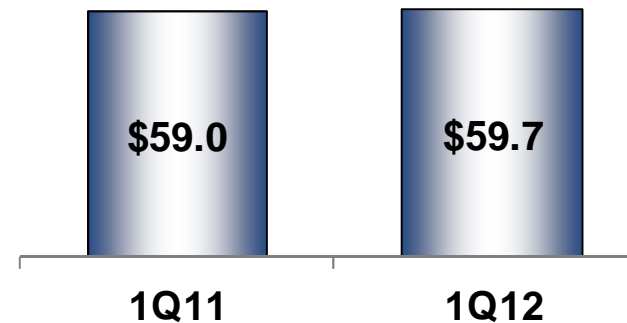


Revenue Growth

Reported	+1.0%
<u>Currency</u>	<u>+0.5%</u>
Constant Currency	+1.5%

Segment Gross Profit

(US\$ in millions)



Segment Gross Profit Margin

1Q11	70.8%
<u>1Q12</u>	<u>70.9%</u>
Change	+10 bps

First Quarter 2012 Earnings Presentation CAD/CAM Segment



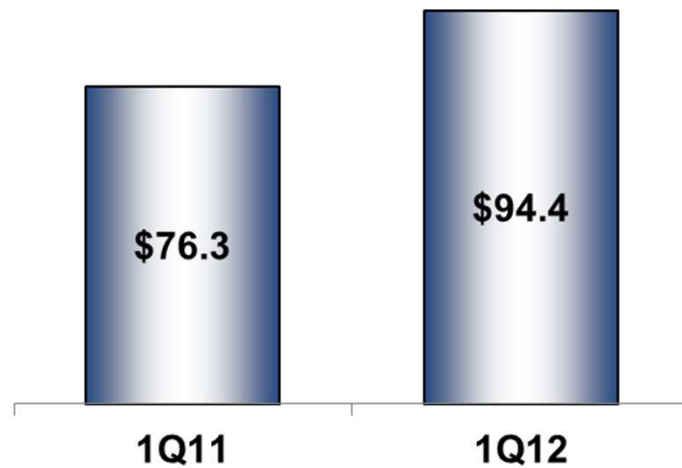
- Record segment revenues of \$84.2 million, up 1%, or up 1.5% cc
- Very strong revenue growth in non-US, non-European markets
- German revenues declined as a result of the successful trade up program in the prior year quarter
- CEREC 4.0 hitting the mark
- Margins relatively flat vs. prior year

First Quarter 2012 Earnings Presentation Imaging Segment



Imaging Revenue

(US\$ in millions)

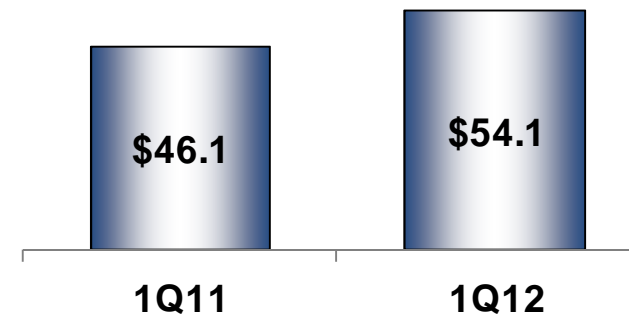


Revenue Growth

Reported	+23.8%
Currency	+0.5%
Constant Currency	+24.3%

Segment Gross Profit

(US\$ in millions)



Segment Gross Profit Margin

1Q11	60.5%
1Q12	57.3%
Change	-320 bps

First Quarter 2012 Earnings Presentation Imaging Segment

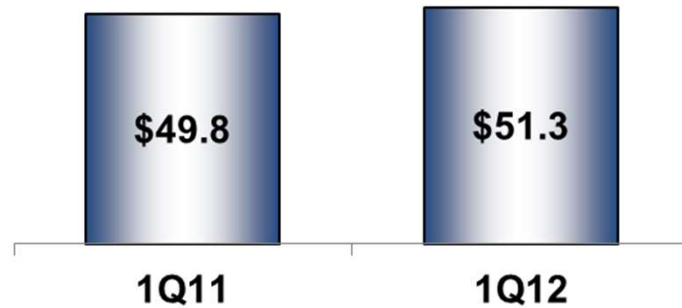


- Revenues of \$94.4 million, up 23.8% and up 24.3% cc, with continued growth in all major markets and very strong growth in international markets
- Continued robust performance of the Orthophos 2D and 3D product line
- Margin compression due to product mix – high sales level of Orthophos panoramic units
- Imaging segment gross profit increased 17.2% to a record level of \$54 million

First Quarter 2012 Earnings Presentation Treatment Centers



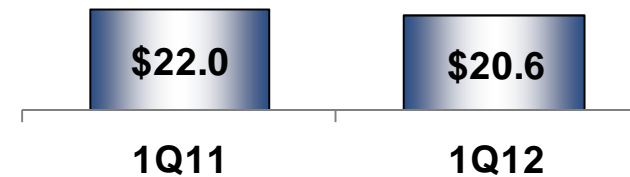
Treatment Center Revenue (US\$ in millions)



Revenue Growth

Reported	+3.0%
<u>Currency</u>	<u>+0.8%</u>
Constant currency	+3.8%

Segment Gross Profit (US\$ in millions)



Segment Gross Profit Margin

1Q11	44.3%
<u>1Q12</u>	<u>40.1%</u>
Change	-420 bps

First Quarter 2012 Earnings Presentation Treatment Centers



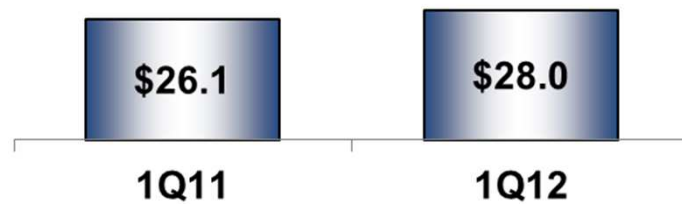
- Record revenues of \$51.3 million, up 3.0%, or up 3.8% cc
- SINIUS – pleased with the reception in the marketplace
- High ratio of sales of economy treatment centers and larger volume projects
- Margin compression due to product mix

First Quarter 2012 Earnings Presentation Instruments



Instruments Revenue

(US\$ in millions)

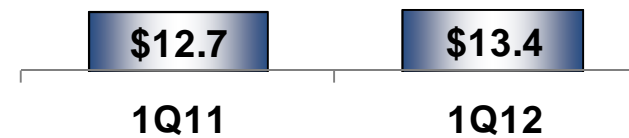


Revenue Growth

Reported	+7.5%
<u>Currency</u>	<u>+0.9%</u>
Constant Currency	+8.4%

Segment Gross Profit

(US\$ in millions)



Segment Gross Profit Margin

1Q11	48.7%
<u>1Q12</u>	<u>47.8%</u>
Change	-90 bps

First Quarter 2012 Earnings Presentation Instruments



- Record revenues of \$28.0 million, up 7.5%, or up 8.4% cc
- Growth driven by large volume projects
- Margin contraction mainly due to product mix

First Quarter 2012 Earnings Presentation

Operating Performance



	\$'000s		
	<u>1Q12</u>	<u>1Q11</u>	<i>% chg.</i>
Revenue	\$ 258,116	\$ 235,646	9.5%
Cost of sales	119,333	105,232	13.4%
Gross profit	138,783	130,414	6.4%
Selling, general and administrative expense	73,646	63,323	16.3%
Research and development	13,286	13,510	(1.7)%
Other operating income items (net)	(2,461)	(2,432)	
Operating income	54,312	56,013	(3.0)%
Loss / (Gain) on foreign currency transactions, net	2,230	(761)	
Loss on derivative instruments	436	1,635	
Interest expense, net	903	950	(4.9)%
Other expenses / (income)	262	(866)	
Income before taxes	50,481	55,055	(8.3)%
Income tax provision	11,611	12,112	
Net income	38,870	42,943	(9.5)%
Less: Net income attrib. to noncontrolling interests	593	551	
Net income attributable to Sirona Dental Systems, Inc.	\$ 38,277	\$ 42,392	(9.7)%



Guidance

The Transition to Digital Imaging Continues....

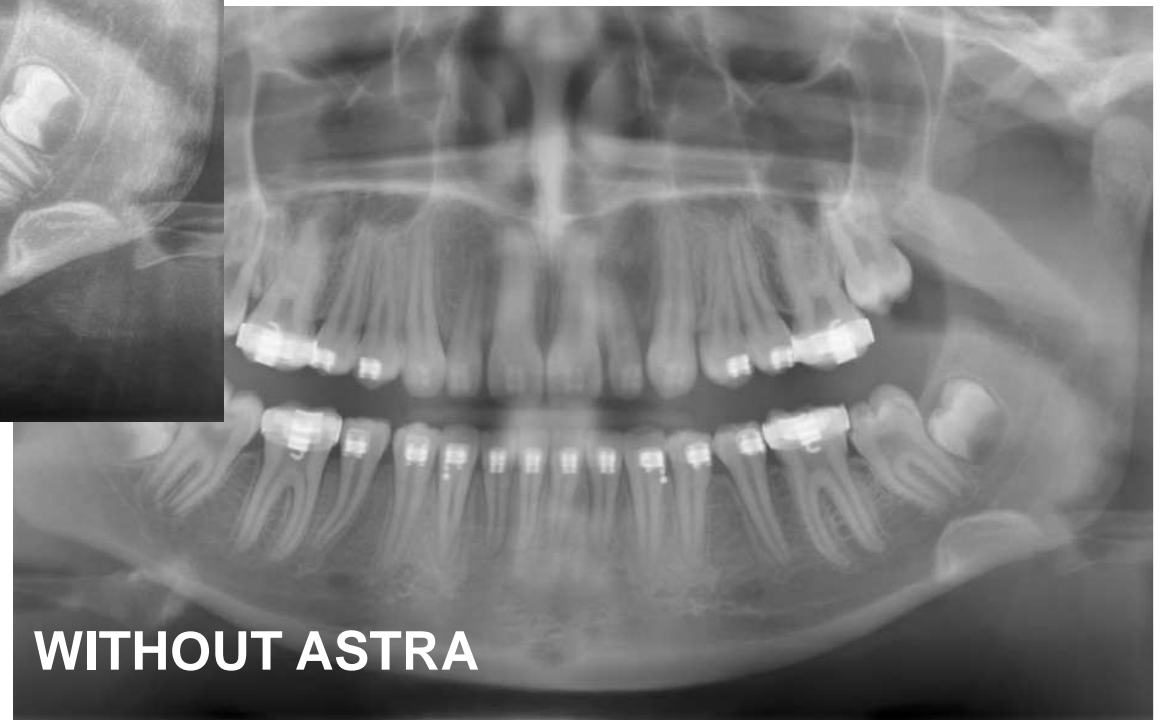


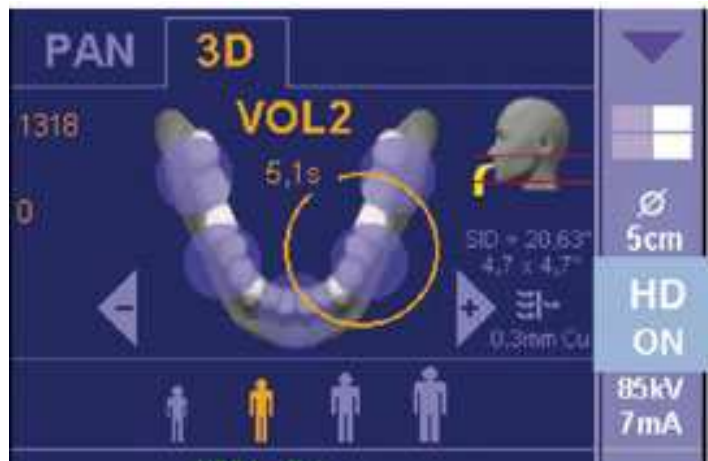
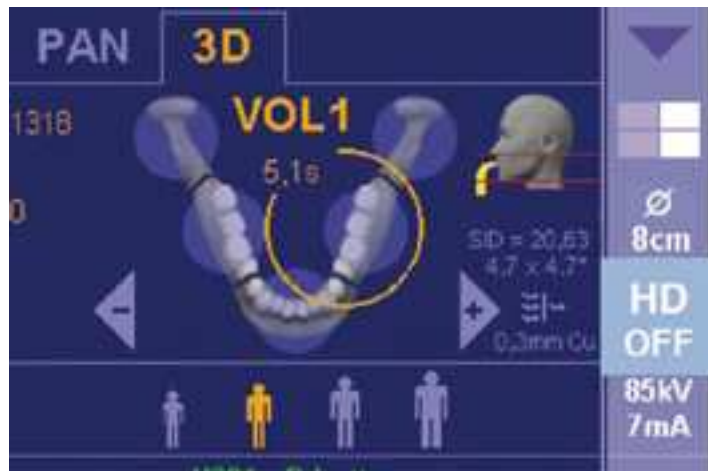
- Increased Productivity:
 - Patient spends less time in the chair (faster throughput)
 - Dentist does not spend '000s each year on film & chemicals
 - Film costs rising as price of silver increases
- Increases diagnostic capabilities & expands the range of treatment options (Endo, Implant etc.)
- Trend towards Electronic Health Records (EHR)
- Insurance Companies prefer electronic claim submission
- ALARA - As Low As Reasonably Achievable
- Dental students are increasingly being taught with digital imaging

Imaging Innovations – ASTRA

sirona.

The Dental Company





- Endodontic treatment requires higher definition, but only for a localized area
- Endo mode for XG 3D allows the dentist to take a 5cm field of view
- Extraordinarily detailed image in a high-resolution
- Reduces the patients' radiation exposure and saves time when determining the diagnosis



- Solid business momentum continues
 - Commitment to innovation
 - Global sales and service infrastructure
 - Geographic diversification
 - Best-in-class distribution network
 - Outstanding team effort
 - Strong financial position
- Sirona well positioned to successfully compete in 2012 and beyond

First Quarter 2012 Earnings Presentation Questions and Answers



Q&A