

Chinese Dental Implant Market Booming

Millennium Research Group has conducted a detailed analysis of the dental implant market in its Chinese Markets for Dental Implants 2007 report. The report finds that this emerging market is growing quickly at a compound annual growth rate of more than 35 percent. A strong driver of this growth is the deregulation of dental services in China. Dental services in China are generally provided in government-managed facilities; however, ongoing deregulation of dental services is resulting in the emergence of an increased number of private dental practices and increasing accessibility to dental services such as dental implant therapy.

In 2006, the Chinese dental implant market, comprising sales of dental implant fixtures, final abutments and other tools, is expected to be valued at close to \$120 million by 2011. In addition to deregulation of dental services, increased clinical awareness and training will promote procedure growth and, thus, revenue growth.

“The fast-growing Chinese dental implant market provides an excellent revenue opportunity for dental implant manufacturers,” says Chris Shutsa, senior analyst at MRG. “This opportunity is highlighted by our forecast of an over five-fold increase in dental implant unit sales in China over the next five years.”

Chinese Markets for Dental Implants 2007 is the latest installment in MRG’s global coverage of the dental implants market that also includes the U.S., Europe, Asia Pacific, Brazil, India, Russia and Canada. Selected companies covered in this report series include leading international manufacturers such as 3i, Astra Tech, Bicon, Biohorizons, Camlog, Dentsply, Lifecore Biomedical, Klockner, Impladent, Nobel Biocare, Straumann, Thommen Medical, Zest Anchors and Zimmer Dental.

Recent News Draws Attention to Oral Health Crisis

The tragic death of a Maryland boy from a common cavity made headlines across the country recently, raising questions about how this could happen in the world’s most prosperous country.

“The truth is that this child died because our dental system failed him, and it continues to fail millions of other children,” said Kim Volk, president and CEO of Delta Dental Plans Association. “Our nation is in the midst of a growing oral health crisis that is largely ignored, and it’s claiming children among its primary victims.”

In fact, no disease in America is as widespread as childhood cavities. Cavities are almost entirely preventable and the cost of prevention is relatively minimal, yet millions of children suffer the social and physical burdens of the disease. By the time American teens reach the age of 17, nearly 75 percent of them have been affected by tooth decay.

Socioeconomic factors play a role in these disparities in terms of the burden of dental disease and access to care. Additional reasons exacerbate the disparities, including lack of community programs like water fluoridation and low public awareness of the importance of

oral health, as well as an inability to pay for care.

Access to care stands out as one of the major issues. Approximately 25 percent of low-income children entering kindergarten have never visited a dentist. Expanding dental insurance is one way to increase access for children to get the care and preventive services they need. Without insurance, people are 2.5 times less likely to receive dental care and are three times as likely to need it as those with insurance.

“It shouldn’t take the death of a child to sound the alarm bell, but it’s crucial that we heed the warning and respond,” said Volk. “We know the steps to take, we know it is cost effective and we know the benefits. Now it’s up to policymakers and private organizations to work together to make it happen.”

Recently, American Dental Association President Kathleen Roth, DDS, testified before the health subcommittee of the U.S. House of Representatives energy and commerce committee on improving access to dental care. Roth urged the subcommittee to reform Medicaid in order to better address unmet oral health needs.

According to Dr. Roth:

- Every child should see a dentist within six months of the appearance of the first tooth, and no later than the child’s first birthday.
- Additional community-based initiatives are needed, such as water fluoridation, and the broader availability of dental sealants and topical fluoride.
- Innovations in the dental workforce must be embraced. The ADA has modeled a new type of allied dental professional, the community dental health coordinator, who could greatly enhance the productivity of the dental team by extending our reach into underserved communities. This model is unique, in that it combines the provision of preventive services with triage, case management and referral to fully qualified dentists when needed.

“Dentists can do more, but only if state and federal governments give us the support we need,” Dr. Roth says. “We call upon our many friends in Congress to work with us to ensure that every American child can face his or her future with a smile.”

Source: Delta Dental Plans Association and American Dental Association

Industry Roundup

Market Moves

BIOMET 3i and **Materialise Dental** have entered into a cooperative agreement to offer clinicians and patients a new option for dental implant treatment. By using the combination of BIOMET 3i CT Guidance Instrumentation Kits in conjunction with Materialise SimPlant planning software and SAFE System SurgiGuides, clinicians will be able to attain a higher level of treatment planning while more precisely placing BIOMET 3i Implants in the pre-planned positions. In more progressive scenarios, the combined technologies will enable fabrication of provisional restorations in advance of the surgery, thereby providing patients with same day surgical and restorative solutions.

National Dentex Corp., announced that it's 2006 sales increased 10.5

percent to more than \$150 million compared to sales figures for 2005. However, net income for 2006 decreased by 18.7 percent.

Awards and Appointments

CMP Industries, LLC, has appointed **Devon O. Howe** as president and CEO. Howe has 13 years of dental experience with Miltex and Dentsply Prosthetics.



Howe

Noteworthy

The European Union-funded **IntelliDrug** project has developed an innovative smart device the size of a tooth that can dispense medicine as and when the patient needs it. Aimed at people suffering from chronic diseases and drug addiction, the project addresses the need for new, less invasive and better controlled drug delivery systems. The intelligent device is designed as a dental prosthesis consisting of a drug-filled reservoir, a valve, two sensors and several electronic components, including micro-actuators.

The **American Dental Association's council on membership** is considering creating a single category of membership for dental team members after a request was made by the ADA's house of delegates, according to the council's unofficial report of major action. The new category would have ex-officio representation on select councils and earned representation, not to exceed one representative in the ADA's house of delegates. The council recommended



Ivoclar Vivadent (above and right)



HealthpointCapital Announces Purchase of MicroDental Laboratories

at their Feb. 23-24 meeting there be further quantitative research and feedback before going further.

The **Ivoclar Vivadent** education team hosted a comprehensive training course in e.max CAD Feb. 15-17. Attending the course at IOAD were Michael Yates, Laura Johnson, Ryan Ward, Ross Adams, Brin Vogel, Steve Hooper, Kevin Hudi, Brother Strom and Ken Cathers, CDT. Also, the education team hosted a comprehensive training course in Esthetic Simplified Predictable Dentures March 3-5. The course focuses on endentulous anatomy, simplified impression procedures for complete and partial dentures, posterior denture occlusion, and the improvement of communication between the clinician and the laboratory technician. Attending the course at Ivoclar Vivadent's Amherst, N.Y., facility were Brian Holland, David Ireland, Michelle Ireland, Kara Black, Allison Pepi, Karin Schlegel, Dr. Frank Lauciello and Ken Cathers, CDT.

The **Alliance of Dental Manufacturers** announces the launch of their new Web Site www.theallianceofdm.com. The Alliance of Dental Manufacturers is a group of nine independently owned companies who have formed an alliance to better communicate with their clients. The Alliance of Dental manufacturer members are: **Dedeco International, Dental Ventures of America, Dillon Company, Indenco Dental Products, Lang Dental Manufacturing, Preat Corporation, Nevin Laboratories, Vaniman Manufacturing** and **Whip Mix Corp.**

The **Dental Technicians International Association** (DTIA) is a not-for-profit organization whose mission is to define and promote the accomplishments of dental technician professionals, and to increase awareness of the profession of dental technology, whose passion and commitment is to serve society through the creation of dental prosthetics. For more information on the DTIA visit www.dtia.net.

HealthpointCapital, LLC acquired MicroDental Laboratories, Inc., by its portfolio company, DTI Dental Technologies, Inc. Terms of the transaction were not disclosed.

"The dental market represents one of the fastest growing sectors in the medical technology industry," said John H. Foster, DTI chairman of the board of and chairman and managing director of HealthpointCapital. "The dental laboratory industry is a primary beneficiary of the public's increasing interest in and willingness to pay for improved dental function and esthetics. We were particularly attracted to MicroDental because of its strong brand, the depth of its management team and staff and the relationships it has built through unparalleled service to cosmetically-oriented dentists. The combination of Micro and DTI will create significant value because of its increased ability to utilize the latest in technology and provide continuing education to its technicians and dentists while maintaining the service levels our clients expect."

MicroDental Laboratories is the world's leading cosmetic dentistry laboratory and maker of industry-leading MACVENEERS™. Prior to this transaction, MicroDental had been a portfolio company of Riverside Partners since 2001. It operates from three state-of-the-art facilities in Dublin, Calif., Salt Lake City and Las Vegas and maintains a laboratory at The Las Vegas Institute for Advanced Dental Studies in Las Vegas, Nevada. The company had acquired Sunrise Dental Ceramics in 2002 and Beccen Dental Laboratories in 2006.

At a Glance

MicroDental Laboratories (www.microdental.com) in California employs more than 500 people and has been in business for 42 years. The company holds numerous patents, and many of the procedures MicroDental has developed have become industry best practices. In 1997, it created the Micro Advanced Cosmetics (MAC) division. MAC team members are among the most highly trained technicians in the industry, using the most advanced pressed ceramic materials and the most sophisticated CAD/CAM and color matching technology available today to create MACVENEERS.

DTI Dental Technologies Inc. (www.dtidental.com), headquartered in Vancouver, British Columbia, was founded in 1997 and has more than 400 employees and a network of 16 labs in Canada and the United States. DTI is a portfolio company of Healthpoint Capital (www.healthpointcapital.com), a values-driven, research-based private equity firm exclusively focused on the orthopedic and dental device businesses. It has \$600 million of institutional capital under management.

Source: MicroDental Laboratories and Goldsmith Agio Helms