

**Financial Year 2012
Media and Financial Analysts Meeting**

Exploiting the Group's Expertise

Zurich, March 8, 2013

Safe Harbour Statement

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2012 Review

Martin Schaufelberger, CEO

Achievements 2012

Exploiting the Group's expertise

- Revenue of CHF 158.1 million; reflecting growth of 8.2%, or 7.1% at constant exchange rates (CER)
- North American markets with strong revenue growth of 18.4% (11.9% in local currencies)
- EBIT margin increased to 10.8% from 8.4% due to efficiency gains and economies of scale
- Net income increased to CHF 9.5 million, up by 68.5%
- Lower free cash flow at CHF 8.1 million due to temporary higher inventory
- Strong equity ratio of 63.4%
- Proposed distribution of CHF 1.80 per share from capital contribution reserves

COLTENE at a Glance

Global dental specialist

Swiss based small cap with worldwide sales through dental distributors and about 200 sales representatives

Highly recognized global brands for chair-side dental consumables

Development and operations in Europe, North America and Brazil

Strong emerging market position with 28% of total sales in 2012

Net Sales



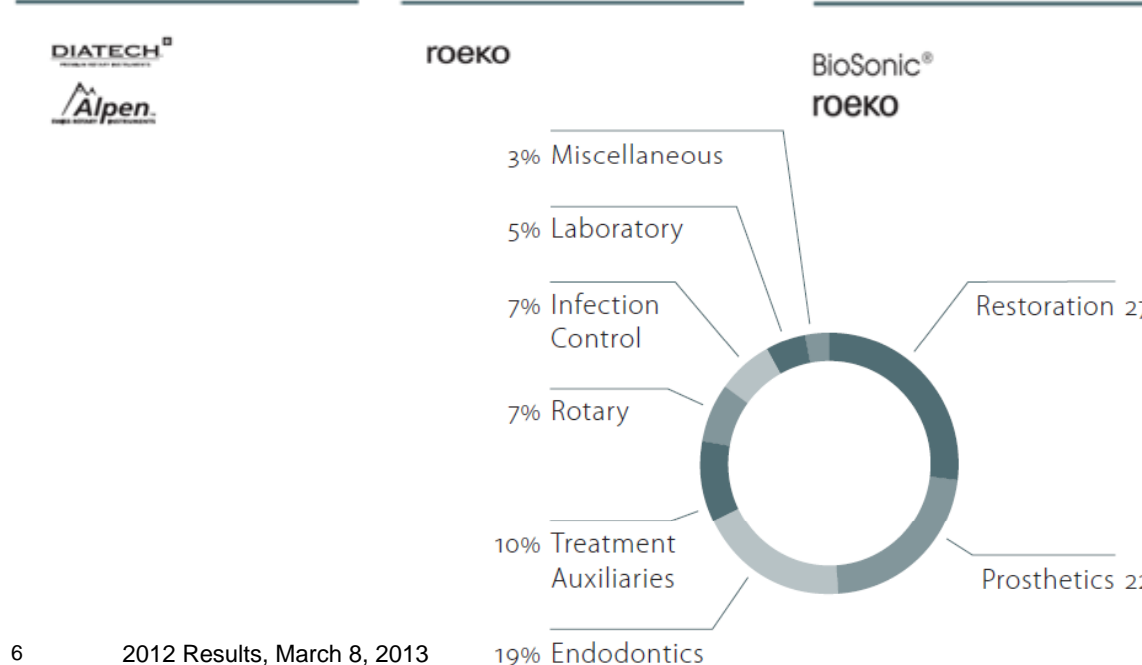
Net Profit



Breakdown by Product Groups

Increasing demand for aesthetic dentistry

Restoration	Endodontics	Prosthetics
<i>Miris</i> SYNERGY [®] D6 BRILLIANT ParaCore [®] COMPONEER [®] One Coat Bond	COLTENE [®] ENDO ParaPost [®] X System HyFlex [®] CM roeko 	AFFINIS [®] <i>Spodex</i>
Rotary Instruments	Treatment Auxiliaries	Infection Control

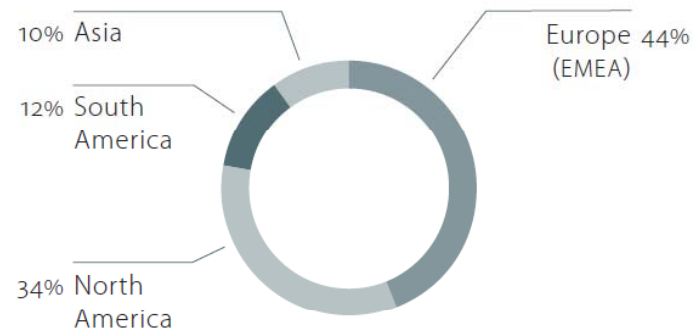


Comments

- Focusing on innovative, aesthetically-pleasing restoration materials and innovative treatment auxiliaries
- Comprehensive R&D portfolio with evolutionary and revolutionary product improvement in all major segments
- In 2012 COLTENE's top-line growth came primarily from the product groups Restoration, Prosthetics and Endodontics

Regional Breakdown

North America Sets the Course



Comments

- Strong performance achieved in North America with increased sales of 11.9% (18.4% in CHF)
- Most European countries with solid sales development
- Sales in Brazil increased by 5.7% (-3.5% in CHF)
- Expanded distribution network supported increased sales in emerging regions

Dental Consumables Market

Improving economic conditions

- North American markets
 - On-going positive market outlook for 2013
 - COLTENE leading the chart of US sales increase by dental manufactures according to SDM market research
- Traditional markets in Europe and South America
 - Moderate growth perspectives
 - Selective market initiatives
- Dynamic emerging markets
 - Strong growth potential
 - COLTENE still under-represented

Management Actions 2012

Operational advances and strategy review

- Continued roll-out of Group-wide ERP system
 - Integration of all manufacturing sites, including the US subsidiary starting as of Jan 1, 2013
 - Completion of project and corresponding investments
- Operational advances in Brazil
 - Impacted sales due to a portfolio alignment and manufacturing issues in H1
 - Normalization of situation in H2
- Switch from the sell-in to the sell-out concept
 - Reduced costs of discounts and rebates
 - Temporary inventory destocking
- Review of corporate strategy, values and principles

Proposals to AGM

- Election of Roland Weiger as a member of the Board
- Re-election of the current members of the Board with the exception of Jerry Sullivan who will step down from his function in April 2013
- Re-election of Ernst & Young AG as auditors
- Distribution of CHF 1.80 from past capital contributions

2012 Financial Review

Dr. Hans Grüter, CFO

Financial Summary

Upwards trend confirmed

- Upwards trend of first half-year 2012 reinforced
 - Regained momentum in sales growth to 8.2%
 - Increased EBIT margin from 8.4% to 10.8%
- Strong increase of net profit for the period
 - 68.5% above prior year
 - Earnings per share of CHF 2.28, proposed payout of 79%
- Lower Free Cash Flow
 - Down to CHF 8.1 million from CHF 9.9 million
 - Due to higher inventory
- Restatement
 - A technically requested restatement led to minor adjustments of deferred tax liability, equity, tax expenses and net profit 2011

Restatement Prior Years

In CHF million

Balance Sheet	31.12.10	Δ	1.1.11 restated
Deferred tax liabilities	6.3	2.5	8.8
Equity	97.8	-2.5	95.4

Profit & Loss Statement	2011	Δ	2011 restated
Tax expenses	3.0	0.3	3.3
Net profit for the period	6.0	-0.3	5.7

Comments

- Since 2002, the German subsidiary amortizes the goodwill in its tax books
- After IFRS changed to an “impairment test only approach”, the tax impact should have been offset by deferred tax liabilities
- A review of this situation led to a requested restatement for 2011 applying the rules of IAS 8

Income Statement

Better performance

In CHF million	2012	%	2011	%	% YoY
Net Sales	158.1	100.0%	146.1	100.0%	8.2%
Material expenses*	-46.8	-29.6%	-44.5	-30.4%	5.2%
Operating expenses	-89.3	-56.5%	-84.4	-57.8%	5.8%
Depr. & Amor.	-5.0	-3.1%	-4.9	-3.4%	0.5%
EBIT	17.0	10.8%	12.3	8.4%	38.9%
Financial result	-2.0	-1.3%	-3.3	-2.2%	-37.7%
Tax expenses	-5.5	-3.5%	-3.3	-2.3%	63.4%
Profit for the period	9.5	6.0%	5.7	3.9%	68.5%

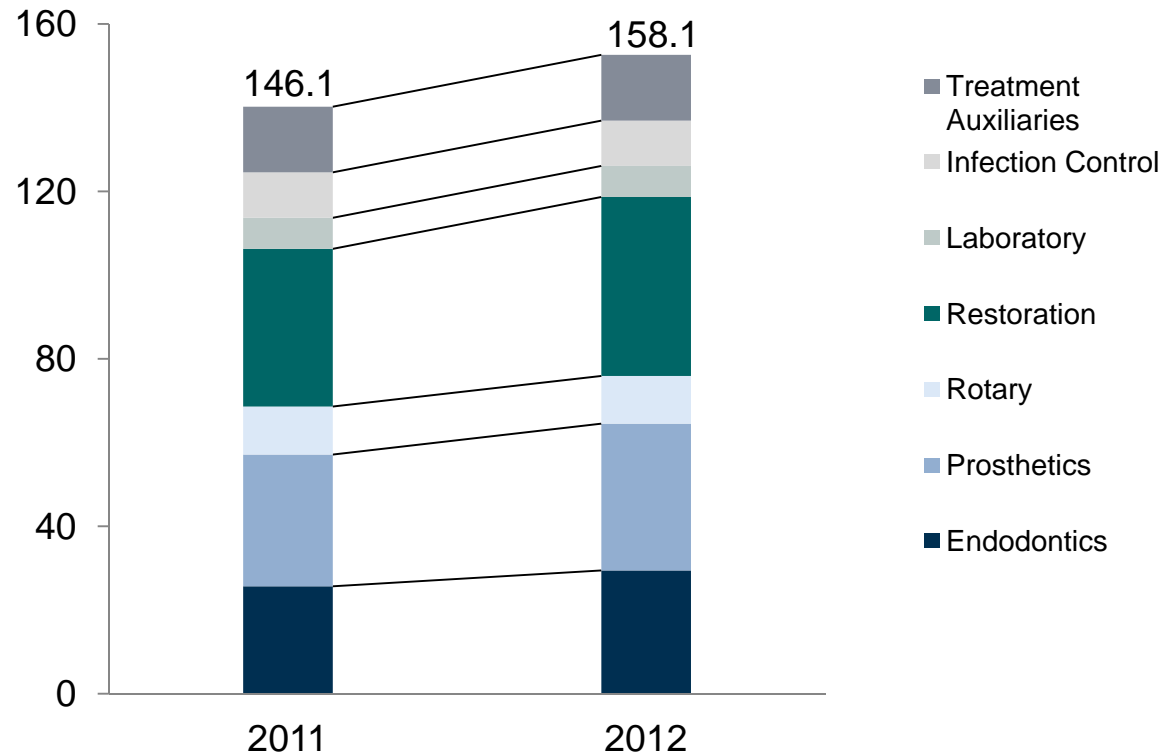
*: Raw materials used, changes in inventory and work performed capitalized

Comments

- Sales increase by 8.2%, at CER 7.1%
- Operating expenses increased by 5.8%, 4.3% CER
- EBIT margin at 10.8%
- The financial result has improved by CHF 1.3 million mainly due to significant lower exchange rate losses
- Tax expenses at applicable rate of 24% (19%), effective rate at 36% (37%) mainly due to losses not capitalized and non-deductibles
- Earnings per share CHF 2.28

Net Sales Development

Focus products with best performance

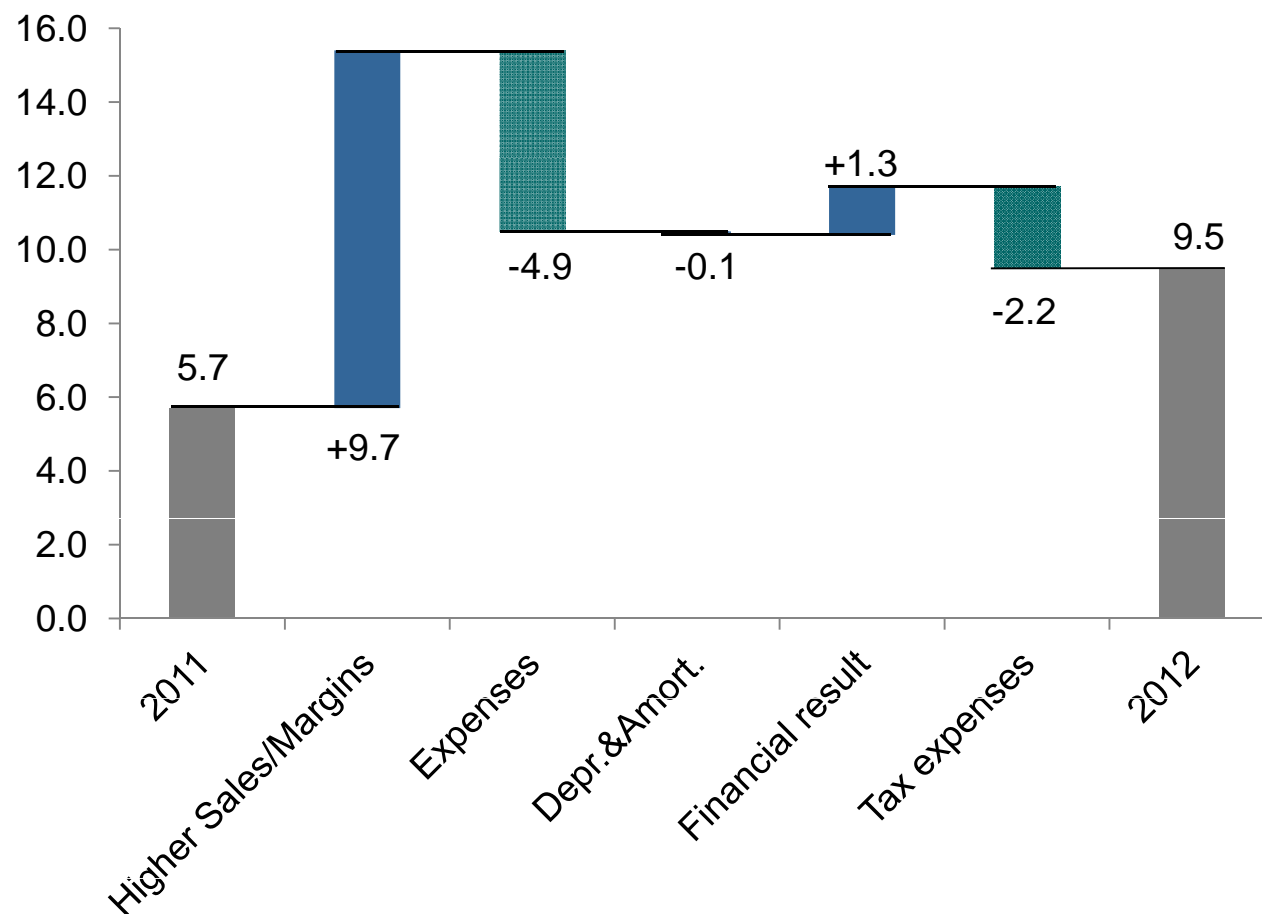


Comments

- The three largest segments showed good growth:
 - +14.8% Endodontics** (18.6% of total sales)
 - +13.5% Restoration** (27.1% of total sales)
 - +11.4% Prosthetics** (22.2% of total sales)

Profit Development

Net income significantly increased



Comments

- The profit increased from CHF 5.7 million in 2011 to CHF 9.5 million in 2012.
- Positive drivers:
 - Higher margins due to the good sales growth
 - Lower (negative) financial result
- Negative drivers:
 - Higher expenses also for future benefits
 - Tax expenses mainly due to higher profits

Cash Flow Statement

Free cash flow suffers from higher inventories

In CHF million	2012	2011	% YoY
Net profit	9.5	5.7	
Non cash items	16.3	12.2	
Changes in NWC	-8.5	1.7	
Interest, tax paid/received	-4.6	-5.0	
Cash Flow from operations	12.7	14.6	-12.6%
PPE, intangibles, fin. (net)	-3.4	-3.3	
Intangibles, fin. (net)	-1.2	-1.3	
Cash Flow from investments	-4.6	-4.6	-0.4%
Free cash flow	8.1	9.9	-18.3%
In % of net sales	5.1%	6.8%	

Comments

- Cash flow from operations down by CHF 1.9 million due to increased inventories
- Cash flow from investments on same level as last year
- Free Cash Flow of 5.1% of net sales

Balance Sheet Structure

Solidly financed

In CHF million	31.12.12	31.12.11	Δ	Comments
Cash & cash equivalents	4.0	3.1	0.9	• Inventory increased by CHF 4.3 million
Receivables	35.1	34.1	1.0	• Bank loans reduced by CHF 5.6 million to CHF 24.6 million
Inventory	34.2	29.9	4.3	• Equity ratio with 63.4% remained on a high level
Property, plant & equipment	28.7	30.5	-1.8	• Unused credit lines of CHF 67 million
Financial, intangible & tax assets	50.8	52.2	-1.4	
Total assets	152.8	149.9	2.9	
Payables & short term liabilities	20.7	17.4	3.3	
Bank loans	24.6	30.2	-5.6	
Other long term liabilities	10.6	10.4	0.2	
Equity	96.9	91.9	5.0	
Total liabilities & equity	152.8	149.9	2.9	

Corporate Values, Principles and Strategy Outlook

Martin Schaufelberger, CEO

Corporate Values and Principles

Focus on people

- Our core aim is to enhance dental treatments and applications to offer health, aesthetics and lifestyle choice to patients.
- Our success is driven by our people.
- Innovation is the key to our successful future.
- Our marketing concept is based on cooperation with distributors.
- We recognize that Supply Chain Management and worldwide logistics are becoming more important.
- We create a climate of innovation to ensure continuous improvement.



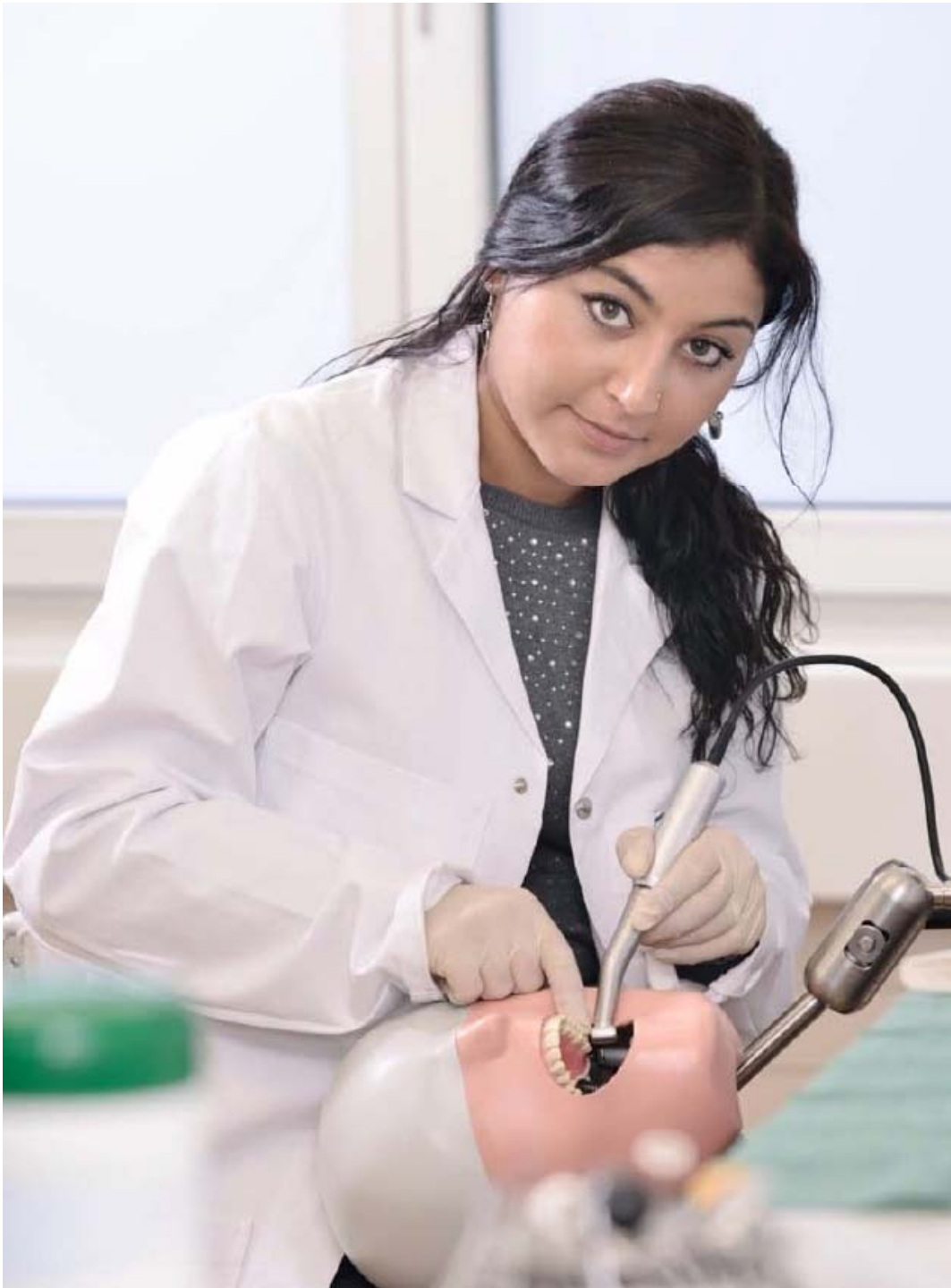
“I enjoy the opportunity of contributing in the innovation process, seeing the development of a new product from scratch and its final outcome offering new benefits to practitioners and patients.”

Dr. Ralf Böhner, Manager Research and Development
Adhesive Materials



“The work with high-precision carbide and diamond instruments offers a wide range of interesting challenges every day that allows us to consistently improve the manufacturing process and the quality of our products.”

James Chance, Production Team Leader



“As a dental expert I accompany the development of our products from R&D to market maturity. This process is carefully monitored throughout the entire value chain to ensure flawless quality.”

Cigdem Yigit, Professional Services Application Technology

COLTENE Group Strategy

Focus on profitable growth

Product Focus

- Streamline existing six product segments
- Focus of innovation and Company resources on the most attractive product segments Restoration, Endodontics and Treatment Auxiliaries

Marketing & Sales Push

- Intensified market expansion in emerging markets
- Selective marketing initiatives in established markets EMEA and North America

Operational Excellence

- High performance organization thanks to:
- Aligned organization structures and processes
 - First class supply chain management / logistics

Outlook

Focus on profitable growth

- Attractive position in the chair-side dental market
 - Positive demographic change
 - Favorable social and lifestyle trends
 - High technological expertise and broad offering
 - Balanced presence in established and emerging markets
- Reinforced business strategy focusing on the pillars
 - Innovation
 - Continued market expansion
 - Strive for operational excellence
- Financial guidance
 - Yearly increase of the Group's sales above market average
 - Improvement of EBIT margin up to 15% in the mid-term view

Thank you for your Attention

**Exploiting
the Group's
Expertise**