



Half-year 2011 results
Media and analyst conference
August 19, 2011

Safe Harbour Statement

Before we may start with the presentation, we need to remind you that the information made available in this conference and webcast may include forward-looking statements that reflect the intentions, beliefs or current expectations and projections of COLTENE Holding AG about the future results of operations, financial condition, liquidity, performance and similar circumstances. Such statements are made on the basis of assumptions and expectations which may prove to be erroneous, although COLTENE Holding AG believes them to be reasonable at this time.

Speakers

Erwin Locher, Delegate of the Board of Directors

- **Key figures and overview H1 2011**
- **Measures and strategy update**
- **Outlook**

Dr. Hans Grüter, Chief Financial Officer

- **Financial results H1 2011**

Content

1. COLTENE – Key figures and overview H1 2011

2. Measures and strategy update

3. Financials

4. Outlook

5. Q&A

COLTENE – H1 2011 highlights

Sales

- **CHF 72.4 million (-1.7% in Swiss Francs, +12.7% in local currencies)**
- Organic growth 6.5% at constant exchange rates
- Acquisition of Vigodent contributes 6.2%
- Sales in emerging economies now at 26% of group sales (18%)

Earnings

- **EBIT CHF 4.8 million** (up 2.3% at constant rates; -17.9% in reported CHF)
- **Net profit CHF 1.8 million** (prior period: CHF 2.6 million)

Cash Flow/ Balance Sheet

- **Operating cash flow CHF 1.5 million**
- Negative free cash flow of CHF 0.8 million
- Solid equity ratio of 57%

Management

- Search for new CEO on track
- Erwin Locher leads company ad interim as Delegate of the Board

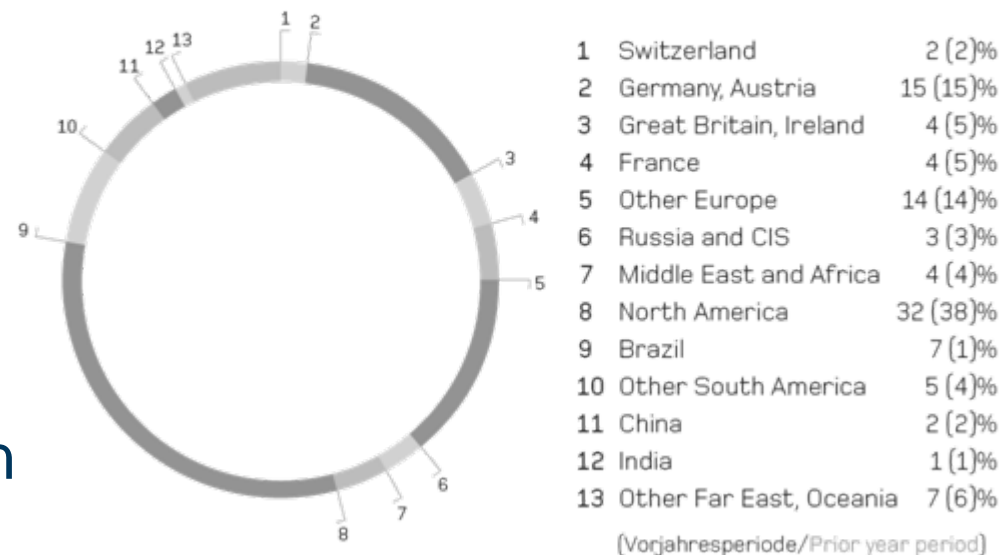
Measures

- Continue organic growth above market
- Sales, marketing and innovation focus
- Restructure and reposition Vigodent
- Increase natural hedge and mitigate exchange rate risks

Sales – Geographic balance

- Maintain balanced geographic sales split with continued investment in EU und US sales force
- Established position in emerging economies that allow for future growth
- Focus on sell-out with gradual inventory reduction at distribution partners
- More targeted customer visits of COLTENE sales representatives

NET SALES BY GEOGRAPHIC REGIONS 1 HY 2011



Sales – Development fx adjusted and actual

Sales development by region H1 2011 vs. H1 2010	2011 H1 Growth in % (fx adj.)	2011 H1 Growth in % (actual)
Switzerland	- 2.9 %	- 13.2 %
Germany, Austria	+ 8.1 %	- 4.5 %
Great Britain	- 14.5 %	- 23.2 %
France	- 17.3 %	- 25.9 %
Other Europe	+ 4.8 %	- 6.5%
Russia and CIS	+ 7.0 %	- 3.6%
Middle East and Africa	+ 8.0 %	- 2.9 %
North America	+ 2.2 %	- 14.4 %
Brazil (H1 2010 withouth Vigodent)	+ 1103, 6%	+ 1000.5%
Other South America	+ 48.3 %	+ 29.1 %
China	+ 8.2 %	- 5.6 %
India	+ 12. 1 %	- 5.8%
Other Far East, Oceania	+ 26.2 %	+ 10.1 %
Total	+ 12. 7%	- 1.7 %

Marketing – Global launches



- Focus on major new products with clear, cost-effective benefits for patients and dentists
- Global product launch to leverage marketing investment
- Focus on high-margin segments
 - Restoration
 - Impression
 - Endodontics

The relevance of dental consumables

COMPONEER™

- 1-session treatment with pre-fabricated composite veneers
- Broad range of indications, mainly esthetics but also functional
- Low cost for patient or insurer
- Ease of use for dentist
- Differentiation potential for dentist
- High margin product



Content

1. COLTENE – Key figures and overview H1 2011

2. Measures and strategy update

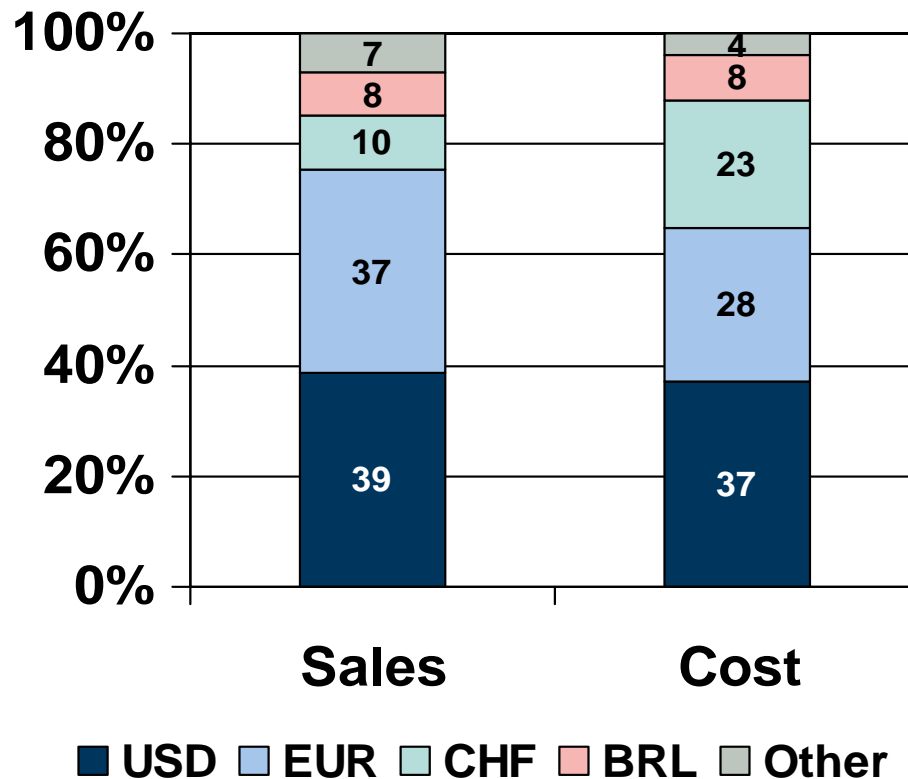
3. Financials

4. Outlook

5. Q&A

Earnings and cash flow – Natural hedge

Cost and Sales by currency



- Good natural hedge in USD-linked economies
- Move of Group functions to locations outside of Switzerland
- Leverage global organisation with formation or consolidation of centers of excellence in the US, in EU-countries, in Switzerland and Brazil

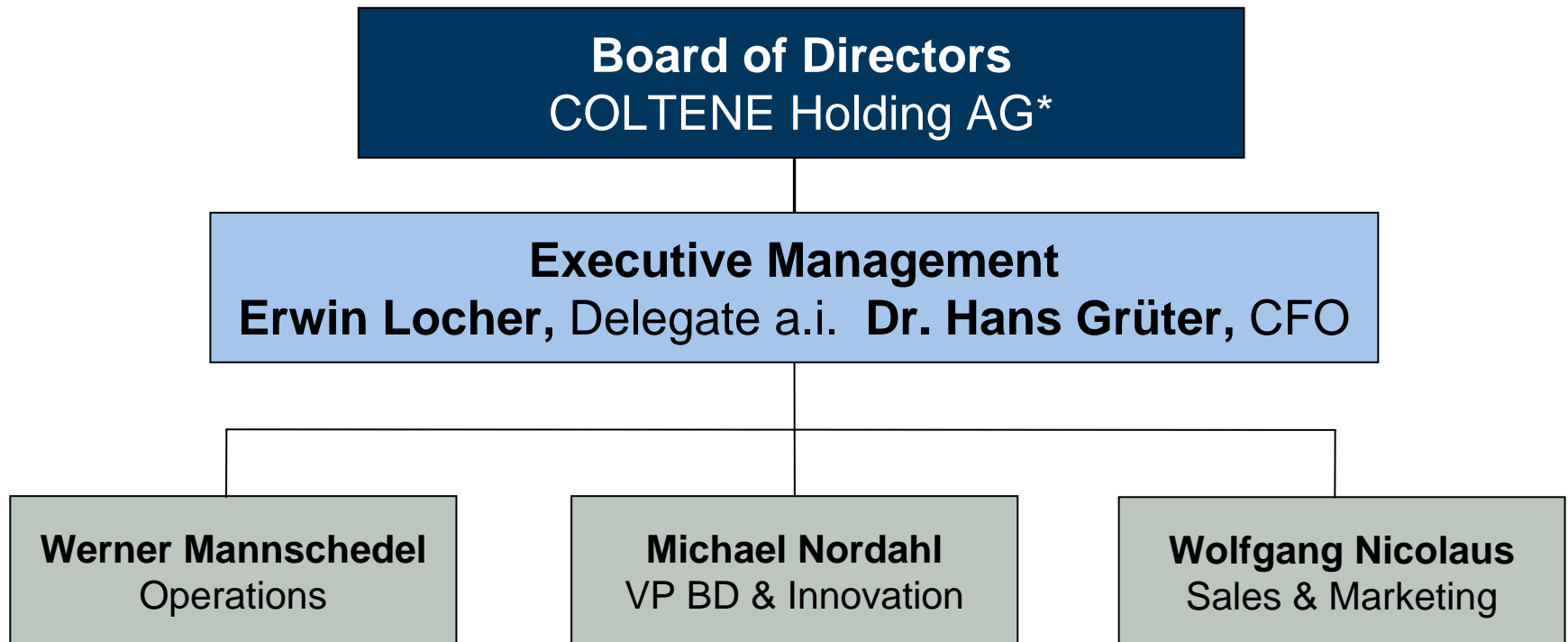
Vigodent

- New management with solid experience in dental market in Brazil
- Turnaround plan on track and implemented until December 2011
- Organizational integration into Group after completion of turnaround
- Sales in first half at CHF 5 Mio. margin improved and loss narrowed

Management

- Search for new CEO on track
- Increased leadership by the Board
- Ad interim Management successful

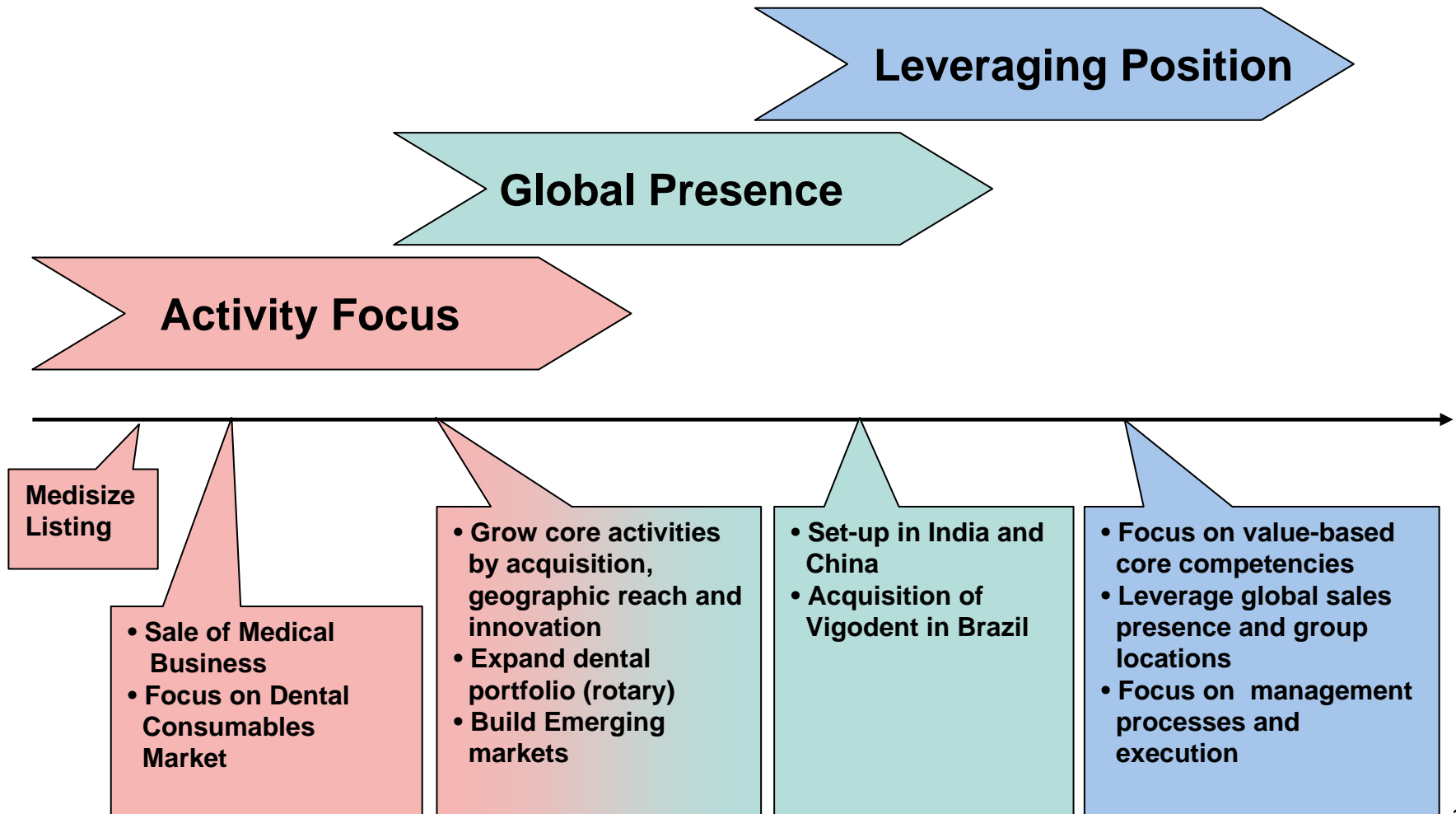
COLTENE – Leadership



* Chairman:
Members:

Nick Huber
Robert Heberlein, Erwin Locher, Matthew Robin, Jerry Sullivan

COLTENE – Major shifts 2006 - 2012



COLTENE – Focus

Dental consumables market with growth potential and limited downside

- Dental consumables market more stable than large medical and dental equipment markets
- Potential shift from expensive to lower-cost dental treatments
- Key competencies in Restoration, Impression, Endodontics
- Innovation targeted at clear benefits for patients and dentists
- Global structure established

Attractive underlying market growth

- Demographic
- Economic
- Technological

→ Focus shifts to internal sales and earnings growth

Content

1. COLTENE – Key figures and overview H1 2011

2. Measures and strategy update

3. Financials

4. Outlook

5. Q&A

Group Income Statement (1)

1'000 CHF	<i>1 HY 10</i>	<i>%</i>	<i>1 HY 11</i>	<i>%</i>	<i>% YoY</i>
Net Sales	73'667	100.0%	72'386	100.0%	-1.7%
Changes in inventories	1'281	1.7%	2'203	3.0%	72.0%
Raw materials	-23'452	-31.8%	-23'687	-32.7%	1.0%
Personnel expenses	-27'780	-37.7%	-27'921	-38.6%	0.5%
Other expenses*	-15'592	-21.2%	-15'777	-21.8%	1.2%
Depreciation&amortization	-2'335	-3.2%	-2'450	-3.4%	4.9%
EBIT	5'789	7.9%	4'754	6.6%	-17.9%
Net Sales currencies adjusted	73'667		83'032		12.7%

*: including work performed capitalized

Group Income Statement (2)

1'000 CHF	1 HY 10	%	1 HY 11	%	% YoY
EBIT	5'789	7.9%	4'754	6.6%	-17.9%
Exchange rate gains & losses	-630		-950		
Financial income	1'695		107		
Financial expenses	-294		-825		
Share of loss of associates	-764		0		
Impairment on associates	-1'972		0		
Net profit before tax	3'824	5.2%	3'086	4.3%	-19.3%
Tax expenses	-1'210	-1.6%	-1'324	-1.8%	
Profit for the period	2'614	3.5%	1'762	2.4%	-32.6%
Fx translation foreign operation	-1'412	-1.9%	-5'867	-8.1%	
Comprehensive income	1'202	1.6%	-4'105	-5.7%	

Group Cash flow Statement

1'000 CHF	1 HY 10	%*	1 HY 11	%*
Profit of the period	2'614		1'762	
Non-cash items**	6'448		6'576	
Change in receivables from sales	3'825		-193	
Change in other NWC items	-1'236		-4'538	
Interest, tax paid, received	-2'222		-2'112	
CF from operations	9'429	12.8%	1'495	2.1%
Purchase & proceeds PPE	-898		-1'438	
Purchase fin. & intangibles	-699		-866	
CF from investments***	-1'597		-2'304	
FCF prior acquisitions***	7'832	10.6%	-809	-1.1%

*: in % of net sales **: depreciation, amortization and other non-cash items *** continuing operations

Group Statement of Financial Position

1'000 CHF	31.12.10		30.6.11	
Cash & cash equivalents	4'133		3'936	
Receivables from deliveries & sales	33'088		31'293	
Other receivables	3'897		4'354	
Inventory	32'469		32'778	
Property, plant & equipment	31'680		29'078	
Financial, intangible & tax assets	53'421		50'974	
Total assets	158'688		152'413	
Bank loans & other loans	34'072		42'116	
Payables to suppliers	8'612		4'727	
Other short term liabilities	11'123		12'885	
Other long term liabilities	7'033		6'266	
Equity (equity ratio)	97'848	62%	86'419	57%
Total liabilities & equity	158'688		152'413	

Summary

1'000 CHF	2010 Result	2011 Result	<i>Fx</i>	<i>Vigodent</i>	2011 adj.
Net Sales	73'667	72'386	83'032	5'008	78'024
Material & other	-67'878	-67'632	-77'111	-6'164	-70'947
EBIT	5'789	4'754	5'921	-1'156	7'077
In % of net sales	7.9%	6.6%			9.1%

Content

1. COLTENE – Key figures and overview H1 2011

2. Measures and strategy update

3. Financials

4. Outlook

5. Q&A

COLTENE Outlook 2011

- Stable market growth of dental consumables
- FX continue to reduce Group sales and impact results
- Economic uncertainties prevail and might impact ordering behaviour of distribution partners

- Special focus in 2011
 - Turnaround at Vigodent
 - Reduce cost in Swiss franc
 - Tightly manage and reduce NWC

⇒ FY 2011 Sales of CHF 143 – 149 million

⇒ FY 2011 EBIT of CHF 11 – 12 million



Further information:

www.coltene.com