

COLTENE Holding AG  
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## **COLTENE reports for 2009 positive results in a difficult business environment**

- Sales decline by 9.0% to CHF 151.4 million or by 6.5% at constant currency rates respectively
- Solid full year 2009 EBIT margin of 13.4%
- Profit from continuing operations CHF 16.4 million after CHF 17.7 million in 2008; 7.5% below previous year
- Cash flow from operating activities of continuing operations of CHF 25.4 million after CHF 18.5 million in 2008
- Proposal to pay dividend of CHF 3.10 per share

*Altstätten, March 18, 2010.* COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental consumables, reports a sales decrease of 9.0% to CHF 151.4 million for the financial year 2009. Despite the difficult economic environment, COLTENE was able to largely close a sales gap that had originated in the first quarter of the year. At constant currency exchange rates the company recorded a sales decline of only 6.5% compared with the previous year. While the EBIT of CHF 20.3 million is somewhat lower than the prior year's CHF 24.9 million, the EBIT margin of 13.4% resulting for the year 2009 continues to be very solid. From continuing operations – taking only the performance of the dental business into consideration – COLTENE achieved a profit of CHF 16.4 million in 2009 compared with CHF 17.7 million in 2009. Even in the challenging business environment of 2009, COLTENE was able to reinforce its cash flow and improve its sound balance sheet further. The Board of Directors will thus propose to the Annual General Meeting of April 28, 2010 the payment of a dividend of CHF 3.10 per share for the year 2009.

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### **Unequal sales trends in traditional and emerging markets**

Sales trends in the traditional markets diverged markedly. While sales in Great Britain, Scandinavia and the Middle East increased by 5 to 10%, sales in Germany, France and Southern Europe decreased because economic uncertainty in the markets led to inventory reductions in the dental distribution networks. In the CIS region (former Soviet Union) sales dropped as a result of the economic downturn in Ukraine while sales levels in Russia remained on the previous year's level.

Cautious consumer behavior adversely affected sales in North America. End consumers sometimes opted for less expensive dental treatments. However, the overall sales developments in North America were largely in line with the ongoing difficult market environment in that area.

The establishment of own subsidiaries in China and India as well as the intensified marketing initiatives were all well worth while for COLTENE. In India sales doubled in 2009, supported by a positive economic environment, and in China sales remained at previous year's level. In the remaining countries of the Far East, sales increased by 4% in Swiss francs.

In Brazil and in the rest of Latin America sales remained below the previous year. Through its 40% participation in the Brazilian company Vigodent, COLTENE was able to increase Vigodent sales of COLTENE products by 20% and to successfully introduce new products into the Brazilian market.

### **Respectable financial year 2009**

Personnel and operating costs were significantly reduced by CHF 8.1 million thanks to rapidly taken, decisive cost reduction measures. In absolute terms, EBIT decreased by 18.4% to CHF 20.3 million. The resulting EBIT margin, however, fell only by 1.6 percentage points to 13.4%. In a sector and a general industry comparison COLTENE thus continues to achieve an attractive EBIT margin. COLTENE reports a profit of CHF 16.4 million for 2009 compared with CHF 17.7 million in 2008 when comparing only continuing operations. Not least due to the lower number of outstanding shares, this translates for the financial year 2009 into fully diluted earnings per share of CHF 3.94, up from CHF 3.88 recorded in the previous year.

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### **Positive cash flow, strong equity ratio and attractive dividend**

COLTENE generated for 2009 a cash flow from operating activities of continuing operations of CHF 25.4 million after CHF 18.5 million in the prior year. The equity ratio increased slightly to considerable 70.4% in the year under review compared with 70.1% recorded in 2008. In addition COLTENE shows very limited net debt. The Board of Directors will propose to the Annual General Meeting of Shareholders on April 28, 2010 the payment of a dividend of CHF 3.10 per share. As a percentage of the profit for the period, this amounts to a total payout ratio of 80.0%. The Board of Directors thus maintains its previous dividend payout policy. Due to COLTENE's successful business model, the Board is confident in its ability to continue paying attractive dividends in the future.

### **Outlook**

With a targeted focus on dentistry, COLTENE is active in a stable, mid- to longer-term growth market. For the financial year 2010 COLTENE expects some growth in an unchanged market.

### **Annual General Meeting**

The Ordinary Annual General Meeting of Shareholders will take place on Wednesday, April 28, 2010 at 4 p.m. at COLTENE Holding AG, Feldwiesenstrasse 20, 9450 Altstaetten/SG.

### **Company calendar**

COLTENE has decided not to publish any Q1 and Q3 sales figures for the 2010 financial year.

### **Annual Report 2009**

The complete Annual Report 2009 of COLTENE Holding AG is ready for download at [http://www.coltene.com/index\\_en.php?TPL=10208](http://www.coltene.com/index_en.php?TPL=10208)

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## Key Figures

in CHF thousands	2009	2008
Net sales *	<b>151 385</b>	166 419
Operating profit *	<b>20 337</b>	24 922
In % of net sales	<b>13.4%</b>	15.0%
Net profit continuing operations	<b>16 357</b>	17 682
Cash flow from operating activities *	<b>25 354</b>	18 526
Investments (without associates) *	<b>7 504</b>	6 253
Free cash flow *	<b>17 850</b>	12 373
Total assets	<b>157 178</b>	161 472
Bank loans	<b>22 879</b>	2 640
Shareholder's equity	<b>110 726</b>	113 161
In % of total assets	<b>70.4%</b>	70.1%
Dividend per share in CHF	<b>3.10</b>	4.30
Employees *	<b>767</b>	751

\* From continuing operations

### Media/Analysts conference and webcast: Today, March 18, 2010, 09:00 a.m.

COLTENE Holding will discuss its full year results at an English-speaking analyst and media conference today, March 18, 2010; 09:00 a.m. CET; Convention Point SIX, Swiss Exchange, Selnaustrasse 30, CH-8021 Zurich. The presentations will simultaneously be webcast and later archived in the Investors & Media section of [http://www.coltene.com/index\\_en.php?TPL=10226](http://www.coltene.com/index_en.php?TPL=10226). Please log in some 10 minutes prior to the start of the conference.

Sign-up for e-mail subscription is available at [www.coltene.com/news](http://www.coltene.com/news).

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**About COLTENE**

COLTENE is an internationally leading developer, manufacturer and seller of dental consumables and small equipment. COLTENE has state-of-the-art production facilities in the USA, Switzerland, Germany, and Hungary. Dentists and dental labs use COLTENE products for traditional as well as implant-based therapies and dental reconstructions. The registered shares of COLTENE Holding AG (CLTN) are listed on SIX Swiss Exchange. Learn more about COLTENE and our products at [www.coltene.com](http://www.coltene.com)

*This press release and oral statements or other written statements made, or to be made, by us contain forward-looking statements that do not relate solely to historical or current facts. These forward-looking statements are based on the current plans and expectations of our management and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations, as well as future results of operations and financial condition. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*