

COLTENE Holding AG  
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## **COLTENE records solid revenue increase and operating profit despite losses due to Vigodent SA and currency effects**

- Revenue of CHF 153.6 million; organic growth 6.2% (excluding Vigodent and adjusted for currency effects)
- Operating profit (EBIT) down by 9.3% year-on-year to CHF 18.4 million; without Vigodent and adjusted for currency rate effects up year-on-year to CHF 23.0 million (2009: CHF 20.3 million)
- Profit of CHF 9.3 million after CHF 16.4 million in fiscal year 2009
- Free cash flow (before investments in subsidiaries) at CHF 10.8 million below prior year
- Proposed dividend payment of CHF 1.75 per share

*Altstätten, March 17, 2011.* COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental consumables, performed quite well in its traditional markets in 2010. Revenues were up organically by 6.2% to CHF 153.6 million. The results, however, were negatively affected by developments at the Brazilian company Vigodent SA and adverse currency effects. At CHF 18.4 million, EBIT was lower than in 2009 when it was CHF 20.3 million, but this still amounts to a solid EBIT margin of 12.0%. Operating profit adjusted for exchange rate effects and eliminating the impact of Vigodent was CHF 23.0 million and would have exceeded the prior-year figure. COLTENE reports a profit of CHF 9.3 million for the full year 2010, after CHF 16.4 million in the prior year. Per year-end, COLTENE shows a healthy balance sheet with a solid equity ratio of 61.7%. The Board of Directors will propose to the Annual General Meeting on April 28, 2011 the payment of a dividend in the amount of CHF 1.75 per share.

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### **BRIC countries deliver positive development**

Against the backdrop of globally flat markets, sales developments in local currency terms show that COLTENE's growth is broadly based. Emerging markets China and India recorded particularly strong growth in 2010. The opening of our own subsidiaries and intensive marketing activities are paying off: India nearly doubled sales with 93% and China grew sales by 58% thanks to investments in marketing and distribution. By contrast, Vigodent's sales development was not satisfactory: after assuming full control of the company, COLTENE initiated a turnaround process. The remainder of Latin America delivered very satisfying consolidated sales growth of 7%. Sales to the CIS region (former Soviet Union) rose again by 6% thanks to the forging of close partnerships in countries like Russia.

Europe's markets showed mixed developments. While sales in Germany, Austria, Italy and Switzerland rose between 2% and 11%, sales dropped in France, Southern Europe, UK, Eastern Europe and Scandinavia.

North America saw sales grow by around 4%. This is a good result in view of the region's persistently difficult economic environment.

### **Solid operating profit for full-year 2010**

Cost of materials in relation to sales was 28.7%, only slightly higher than in 2009 when it was at 28.5%. Personnel costs and other expenses increased compared with the prior-year period by 3.3% to CHF 2.7 million. The rise in costs is mainly attributable to the continued expansion of the sales organisation and intensified marketing activities in various market regions. EBIT for 2010 was CHF 18.4 million, down by 9.3% compared with CHF 20.3 million in 2009. The EBIT margin was 12.0% for fiscal year 2010 after 13.4% in 2009. Adjusted for currency effects and Vigodent's costs, the EBIT margin would have been 14.3%, and thus would have exceeded the prior-year figure by almost one percentage point. This demonstrates that COLTENE has maintained, by sector and general industry comparison, an attractive EBIT margin.

For full year 2010, COLTENE posts a profit of CHF 9.3 million after 16.4 million last year. The result in the business year 2010 was negatively impacted by two factors. One factor was a currency loss of CHF 1.9 million after a gain of CHF 0.6 million was recorded in the prior-year period. Another factor was the loss on the participation in Vigodent SA, which was taken over 100% per October 2010.

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A loss of CHF 0.8 million relating to the participation in Vigodent was recorded for the months of January to October in addition to an impairment of CHF 3.0 million. The share purchase agreement for the remaining 60% was valued positively at CHF 1.2 million at the moment of the acquisition of the remaining share, which resulted in a total loss of CHF 2.6 million. COLTENE remains convinced that significant improvements can be achieved now that the 100% takeover of Vigodent has been completed and a turnaround process has been initiated.

For fiscal year 2010, this amounts to fully diluted earnings per share of CHF 2.24 after CHF 3.94 for 2009.

#### **High equity ratio and healthy balance sheet**

For fiscal year 2010 COLTENE generated cash flow from operating activities in the amount of CHF 14.2 million after CHF 25.4 million in 2009. The equity ratio was a solid 61.7% in 2010 after 70.4% in 2009. COLTENE has a low net debt level. The Board of Directors will propose the payment of a dividend in the amount of CHF 1.75 per share to the Annual General Meeting on April 28, 2011. This shows that the Board of Directors is maintaining its dividend policy and, based on the company's stable business model, is convinced that it will be able to continue to pay out attractive dividends in the future.

#### **Outlook**

With a clear strategic focus on dental consumables, a broad geographic reach and a stable dental market, COLTENE is well positioned to achieve sustainable business success and continuous growth. For 2011 COLTENE expects to achieve some growth in an unchanged market and a sustainable profit.

The turnaround of the Brazilian company Vigodent will be a key focus in 2011. The goal is to ensure that this subsidiary delivers top and bottom line results that are in line with expectations.

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**Media/Analysts conference and webcast: Today, March 17, 2011, 09:00 a.m.**

COLTENE Holding will discuss its full year results at an English-speaking analyst and media conference today, March 17, 2011; 09:00 a.m. CET; **Convention Point SIX, Swiss Exchange**, Selnaustrasse 30, CH-8021 Zurich. The presentations will be webcast simultaneously and later archived in the Investors & Media section at [http://www.coltene.com/10226/Conference\\_Calls\\_-\\_Webcasts.html](http://www.coltene.com/10226/Conference_Calls_-_Webcasts.html). Please log in some 10 minutes prior to the start of the conference.

**Annual General Meeting**

The Annual General Meeting of COLTENE Holding AG will be held on Thursday, April 28, 2011, at 4.00 p.m. at COLTENE Holding AG, Feldwiesenstrasse 20, 9450 Altstätten/SG. The invitation to COLTENE's Annual General Meeting is now available at [http://www.coltene.com/index\\_en.php?TPL=10210](http://www.coltene.com/index_en.php?TPL=10210)

**Annual report 2010**

The complete annual report 2010 is now available 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 1000	2010	2009
Net sales	<b>153 578</b>	151 385
Operating profit	<b>18 441</b>	20 337
In % of net sales	<b>12.0%</b>	13.4%
Profit for the period	<b>9 285</b>	16 357
Cashflow from operating activities	<b>14 172</b>	25 354
Investments (without associates)	<b>3 335</b>	7 504
Free cashflow	<b>10 837</b>	17 850
Total assets	<b>158 688</b>	157 178
Bank loans	<b>34 072</b>	22 879
Shareholders' equity	<b>97 848</b>	110 726
In % of total assets	<b>61.7%</b>	70.4%
Dividend per share in CHF	<b>1.75</b>	3.10
Employees (φ)	<b>786</b>	767

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.*