

COLTENE Holding AG
Feldwiesenstrasse 20
9450 Altstätten, Switzerland

T + 41 71 757 54 72
F + 41 71 757 53 03
info@coltene.com
www.coltene.com

Place, Date:
Altstätten, 07.08.2014

Media Release

H1 2014: Sales Growth in Local Currencies Above Market Average, Higher Net Profit

- Sales of CHF 76.0 million, incremental growth of 1.3% and 4.7% at constant exchange rates
- Asia and North America developing well, competitive pressure in Europe and Latin America
- Operating profit (EBIT) up 2.4% to CHF 7.4 million; EBIT margin widened to 9.8%
- Net profit of CHF 5.5 million, up 10.7%
- Free cash flow of CHF 3.9 million due to solid operating performance

Altstätten, August 7, 2014 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental consumables, achieved net sales in the first half of 2014 of CHF 76.0 million (H1 2013: CHF 75.0 million), reflecting an expansion of the Group's turnover of 1.3% in Swiss francs or 4.7% at constant exchange rates. Operating income (EBIT) increased to CHF 7.4 million (H1 2013: CHF 7.3 million). Correspondingly, the EBIT margin for the traditionally weaker first half of the year slightly improved from 9.7% to 9.8%. Net profit rose to CHF 5.5 million (H1 2013: CHF 5.0 million). Free cash flow amounted to CHF 3.9 million (H1 2013: CHF -0.5 million). With a net debt position of CHF 15.8 million (H1 2013: CHF 28.1 million) and an equity ratio of 64.5% (H1 2013: 58.6%), COLTENE is well financed and has a strong balance sheet. The group has completed the implementation of the key elements of its revised strategy. Having aligned its strategy with the latest market trends and developments, COLTENE has laid a sound foundation for future expansion.

In contrast to the year-ago period, the Swiss franc appreciated against the major foreign currencies in the first half of 2014. Therefore, translation into Swiss francs had a negative impact on the local currency sales growth rates in several markets. As the Group also incurs costs in all major currencies, currency movements had an only marginal impact on reported operating profit and net profit.

Business Performance by Region: Asia and North America Gaining Momentum

In the first half of 2014 COLTENE's sales in the four regional markets of EMEA, North and Latin America, and Asia rose by 2.2%, 6.6%, 1.4% and 13.1% in local currency. Sales in Asia were particularly pleasing thanks to above-average growth in Japan, China, and India. COLTENE expects the free trade agreement between China and Switzerland that went into effect on July 1, 2014, to fuel further gains in this major market. North America, where COLTENE also achieved above-average growth, is the Group's second-most important market after EMEA. However, its reported growth in Swiss francs was

likewise reduced by currency losses due to the weaker US dollar. Economic headwinds in several countries across Latin America had a negative impact on COLTENE's growth. The weaker Brazilian real was an additional drag on the sales measured in Swiss Francs in Brazil.

Business Performance by Product Group: Treatment Auxiliaries Strong

In the first six months of 2014 the best performing key product group was Treatment Auxiliaries, which reported 41.4% sales growth. Prosthetics sales were 3.8% higher compared to the first half of 2013, while Restoration, the largest product group, reported a 4.8% decline (-1.2% in local currencies) in sales due to intense competition.

The first of a number of new products that will be introduced to the markets in the second half of 2014, is called Fill-Up!. This innovative composite filling material will be launched in Europe in September 2014. As a flowable, dual-curing bulk composite, Fill-Up! is an ideal material for corrective procedures and treatments of posterior teeth, for filling cavities, and for core build-ups. Other innovative products in the pipeline include novel consumables for digital dentistry technology and for endodontic procedures.

Launch of New Umbrella Brand Strategy

The Group launched its new umbrella brand strategy with the objective of strengthening the COLTENE parent brand and raising market awareness of its broad range of products. The stated objective is to couple the excellent market presence and high recognition rates of the many products and brands that the Group has established over decades with the COLTENE umbrella brand. The umbrella brand will also serve as a global seal of quality that will help to convey the positive experiences of dentists with individual products across the entire COLTENE portfolio. Moreover, this should raise the market profile of lesser known products and brands, vitalizing their sales volumes. Management is confident that the globally uniform market appearance under the COLTENE umbrella brand will help to highlight the breadth and the quality of the product range and support future sales growth.

Outlook: Early Anticipation of Customer Needs

COLTENE is continually monitoring and evaluating general market trends. Management expects online sales to continue growing and the number of group dental practices that employ professionally trained procurement specialists to increase. Against this background COLTENE is tracking and evaluating product order and delivery data to gain a better understanding of customer activity and preferences and address specific needs. In view of its revised business strategy and the improvements in its operational competencies, the Group reiterates its mid-term targets of achieving better-than-market sales growth and gradually increasing the EBIT margin to 15% of net sales.

Interim Report 2014

The COLTENE Holding AG interim report 2014 was published today and is available at www.coltene.com.

Key Figures (in CHF 1,000)	H1 2014	H1 2013	Δ%
Net sales	76 020	75 037	1.3%
Operating profit (EBIT)	7 442	7 269	2.4%
in % of net sales	9,8%	9,7%	
Net profit for the period	5 514	4 982	10.7%
Cash flow from operating activities	5 647	1 595	254.0%
Investments	1 724	2 067	-16.6%
Free cash flow	3 923	-472	
Net debt	15 813	28 139	-43.8%
Total assets	146 085	157 191	-7.1%
Shareholders' equity	94 270	92 182	2.3%
in % of total assets	64,5%	58,6%	
Employees (FTE Ø)	906	956	-5.2%

Sign-up for e-mail subscription is available at www.coltene.com.

For further information: Michael Düringer, Corporate Communications/Investor Relations, phone +41 43 244 81 42, mobile +41 79 653 19 75, e-mail michael.dueringer@coltene.com

Financial Calendar

Full-year Results 2014	February 27, 2015
Annual General Meeting of Shareholders	March 25, 2015
Half-year Report 2015	August 7, 2015

About COLTENE

COLTENE is an internationally active developer, manufacturer and seller of dental consumables and small equipment in the areas of restoration, endodontics, prosthetics and treatment auxiliaries. COLTENE has state-of-the-art production facilities in the US, Germany, Brazil and Switzerland as well as own distribution organizations in all major markets including China and India. Dentists and dental labs all around the globe trust the high-quality COLTENE products. 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.

Governing is the German version of the media release to the half-year results 2014.

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.