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Place, date:
Altstaetten, August 7, 2015

Media Release

First Half of 2015:

Local Sales Held at Year-Ago Level Thanks to Global Setup – Reported Sales and Profits in CHF Impacted by Exchange-Rate Movements

Altstaetten, August 7, 2015 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental consumables, recorded sales of CHF 73.3 million in the first half of 2015 (2014 H1: CHF 76.0 million). At constant exchange rates, sales matched the previous year's figure of CHF 76.0 million. The decline in reported sales of 3.6% or CHF 2.7 million is attributable to a negative currency effect. A stronger dollar compared to the first half of last year was unable to completely offset the negative impact of the weak euro. Sales declines of CHF 1.0 million in both the CIS region (political turmoil in eastern Ukraine) and in North America (deliberate drawdowns of dealer inventories) and a CHF 0.4 million drop in Brazilian sales because of a soft economy were offset by the growth achieved in other markets across the world. Excluding the aforementioned sales declines, COLTENE Group achieved organic growth of 3.2%. COLTENE cushioned the negative impact of currency movements on EBIT and net profit with efficiency gains and cost-savings programs. The reduction in sales led to a 13.3% decline in operating profit (EBIT) to CHF 6.5 million (2014 H1: CHF 7.4 million). The corresponding EBIT margin in the traditionally weaker first half of the year therefore slipped from 9.8% to 8.8%. Net profit was additionally weakened by foreign exchange losses at Vigodent, resulting in a 31.7% decline to CHF 3.8 million (2014 H1: CHF 5.5 million). Free cash flow amounted to CHF 2.7 million (2014 H1: CHF 3.9 million). Thanks to its global setup, COLTENE Group is well prepared to further strengthen its market position in the coming years. The Board of Directors has decided to enlarge the COLTENE Group Management Board by three members effective October 1, 2015. Under the direction of Martin Schaufelberger, CEO, the Executive Board will be composed of Gerhard Mahrle, CFO, Werner Mannschedel, Dr. Werner Barth and Christophe Loretan.

COLTENE Group was confronted with currency-induced market challenges during the first half of 2015. Adverse exchange-rate movements diminished reported sales by CHF 2.7 million and the economic weakness in the CIS and Mercosur regions caused some market headwinds. In North America dealers deliberately lowered their inventory levels to increase inventory turnaround and that resulted in lower sales. However, dealers' sales to dentists in the USA rose by 4.1%. Thanks to the Company's global reach and top quality product portfolio, management reaction to the divergent market conditions was quick and flexible. Company management initiated new cost-cutting programs and expanded its sales organization. Decisions to establish two new sales companies in Turkey and Japan and expand existing teams in India and China lay the basis for further growth.

Business performance by region: Renewed growth in Asia

COLTENE Group increased its sales in Asia by 8.2% in the first half of 2015 and by 3.2% in North America, where the dollar provided some extra tailwind. Reported sales in Swiss francs declined by 10.8% in Europe and by 8.4% in Latin America. In Asia, COLTENE achieved pleasing growth in China and India, two key markets for future growth, with sales up 15.9% and 15.6% in local currency. In Europe sales in some of its long-standing markets such as Germany/Austria and UK/Ireland rose by 7.0% and 17.0% in local currency. Local sales in Russia and the CIS region plunged by 33.4% compared to the prior-year number. In North America wholesale dealers deliberately reduced their inventories to improve inventory turnover, resulting in a 2.8% decline in sales in local currency. Turning to Latin America, sales in Brazil and other Mercosur countries were hurt by the soft economy.

Business performance by product group: Endodontics strong

COLTENE's key product groups produced divergent results during the first half of 2015. Business at the Endodontics products group was positive and its sales rose by 4.0% to CHF 15.0 million (2014 H1: CHF 14.4 million) whereas both the Prosthetics and Restoratives segments experienced intense competitive pressure. Sales in the Restoratives segment were 7.0% lower at CHF 18.3 million (2014 H1: CHF 19.6 million) and 8.6% lower at CHF 15.3 million in the Prosthetics product group (2014 H1: CHF 16.7 million). Rotary Instruments reported the Group's fastest growth rate. Their first-half sales increased 8.6% to CHF 6.2 million (2014 H1: CHF 5.7 million).

Enlargement of Group Management Team

Due to the strategic objectives and in order to establish a broader platform for the targeted sustained growth, the Board of Directors has decided to enlarge the Executive Board by three members effective October 1, 2015. Under the direction of Martin Schaufelberger, CEO, COLTENE Group Management will be composed of Gerhard Mahrle, CFO, Werner Mannschedel, Global R&D Manager, Dr. Werner Barth, Global Marketing Manager, and Christophe Loretan, Global Sales Manager. The CVs are available on www.coltene.com.

Outlook

In order to further strengthen its market position in the coming years, COLTENE will add new technologies and products to its portfolio, step up its marketing activities and expand its sales organization as critical success factors, and reduce costs through the continual optimization of operating efficiency and organizational internationalization. Management is also evaluating opportunities for growth that would enable it to expand the Group's technology portfolio and market presence. Despite the current foreign exchange situation, management aims to grow along with the underlying market and gradually increase the Company's EBIT margin to 15% during the coming years.

Interim Report 2015

The COLTENE Holding AG interim report 2015 was published today and is available at www.coltene.com.

Key Figures (in CHF 1,000)	2015 H1	2014 H1	Δ%
Net sales	73 288	76 020	-3.6%
Operating expenses	42 213	42 161	-0.1%
Operating profit (EBIT)	6 453	7 442	-13.3%
in % of net sales	8.8%	9.8%	
Net profit for the period	3 767	5 514	-31.7%
Cash flow from operating activities	4 335	5 647	-23.2%
Investments (net)	1 671	1 724	-3.1%
Free cash flow	2 664	3 923	-32.1%

Key Figures (in CHF 1,000)	30.06.2015	31.12.2014	Δ%
Net debt	9 636	2 525	281.6%
Total assets	142 495	164 647	-13.5%
Shareholders' equity	90 077	104 117	-13.5%
in % of total assets	63.2%	63.2%	
Employees (FTE Ø)	887	909	-2.4%

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

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Corporate Calendar

Full-year Results 2015	March 3, 2016
Annual General Meeting of Shareholders	March 30, 2016

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.

This is a translation of the German media release on the 2015 H1 results. In case of inconsistencies between the two language versions, the German version of the media release is governing.

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.