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Media Release

First Half of 2016:

Higher sales and substantially higher margins – innovation management intensified

Altstaetten, August 5, 2016 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental consumables, recorded sales of CHF 75.6 million in the first half of 2016 (2015 H1: CHF 73.3 million). This represents a year-on-year increase of 3.2% in the reporting currency of Swiss francs. At constant exchange rates, sales were up by 1.0%. Thanks to a shift in the product mix, efficiency gains and cost optimization, COLTENE's operating profit (EBIT) increased by 39.9% to CHF 9.0 million (2015 H1: CHF 6.5 million). This raised the EBIT margin for the traditionally weaker first half of the year to 11.9% (2015 H1: 8.8%). Net profit for the period almost doubled to CHF 7.2 million (2015 H1: CHF 3.8 million; +90.6%). This significant increase is also attributed to the positive net financial result. Last year's first-half financial result was negatively impacted by heavy foreign exchange losses of CHF 1.7 million at Vigodent due to the significant depreciation in the value of the Brazilian real. Free cash flow slightly decreased to CHF 2.1 million (2015 H1: CHF 2.7 million) due to an increase in inventory, higher taxes and relatively higher capital expenditure. COLTENE Group intensified its innovation management activities and broadened its materials partnership with SIRONA for the CAD/CAM CEREC system in the pursuit of management's strategic goals for 2016 - 2018.

The expansion of the marketing and sales activities, in particular the official inauguration of the new Group subsidiary in Japan, and the recruitment of a Vice President Sales at Group level have produced first positive results. Special attention was focused on innovation in the key product groups of Restoration, Endodontics and Treatment Auxiliaries. Innovation management efforts were intensified and new structures and resources were put in place to ensure the swift execution of promising projects. At the same time the various teams continued to streamline product portfolios and move forward with the implementation of globally uniform marketing and branding initiatives. Growth of COLTENE branded products led to an improvement in the margin.

Demand picks up in the EMEA and Asia regions

Sales trends across the various regions varied in the first half of 2016. In Europe, the Middle East and Africa (EMEA) sales rose by 7.5% in Swiss francs thanks to faster growth in Southern and Eastern Europe and considerable pent-up demand in the CIS region and the Middle East. In the Middle East COLTENE benefited after international sanctions against Iran were lifted. In Asia COLTENE increased its sales in Swiss francs by 8.8%. Sales in China, a key market for the future, grew by 13.4% while growth in India was flat at 0.5% after growing briskly in previous reporting periods. In North America sales declined by 0.8% due to the communicated reduction in inventory at major distributors. However, the

sell-out of COLTENE products in the market increased by approximately 3.0%, which is testimony to the positive demand from dentists in the US for COLTENE brand products. Turning to Latin America, sales in Swiss francs dropped 6.5% because of the persisting economic difficulties in several key markets. The Congress for Latin America Key Opinion Leaders and Dealers held in Riviera Maya, Mexico in May 2016 had a positive impact on business. Brazilian sales rose by 8.6% in local currency. Management simplified leadership structures at its Brazilian subsidiary by entrusting the local CFO with general management responsibility. Further, it hired a new National Sales Manager who is responsible for all sales teams in the country.

Restoration strong

COLTENE's key product groups Restoration, Prosthetics and Endodontics reported higher sales in the first half of 2016. Restoration achieved the highest sales growth. Its sales rose by 5.3% to CHF 19.2 million (2015 H1: CHF 18.3 million). Endodontics reported 5.1% sales growth to CHF 15.8 million (2015 H1: CHF 15.0 million). Both product groups profited from their established product range and the launch of new products. Sales of the Prosthetics product group increased by 1.8% to CHF 15.6 million (2015 H1: CHF 15.3 million). While the Infection Control and Treatment Auxiliaries product groups reported growth of 4.7% and 4.1%, sales of Rotary Instruments were flat. In this product group, as with Laboratory products, the strategic shift from private label products to COLTENE brand products has had a major impact.

Outlook

COLTENE is closely monitoring the processes of change in the marketplace from the vantage point of its global organizational structure after introducing more simplified, standardized operating procedures worldwide. Specialist teams are addressing current and new market opportunities with a mix of customer- and product-specific sales and marketing activities, innovation, and effective, dependable partnerships. For example, COLTENE plans to hire an additional 20 field staff in the second half of 2016 to raise the effectiveness and efficiency of its sales force. Management's strategic goals for 2016 - 2018 with respect to marketing & sales, innovation and partnerships will help the Company to benefit from the forecast market growth and to gradually increase the EBIT margin to 15% over the coming years.

Interim Report 2016

The COLTENE Holding AG interim report 2016 was published today and is available at www.coltene.com.

Key Figures (in CHF 1,000)	2016 H1	2015 H1	Δ%
Net sales	75 599	73 288	3.2%
Operating expenses	42 917	42 181	1.7%
Operating profit (EBIT)	9 025	6 453	39.9%
in % of net sales	11.9%	8.8%	
Net profit for the period	7 179	3 767	90.6%
Cash flow from operating activities	4 897	4 335	13.0%
Investments (net)	2 776	1 671	66.1%
Free cash flow	2 121	2 664	-20.4%

Key Figures (in CHF 1,000)	30.06.2016	30.06.2015	Δ%
Net debt	6 232	9 636	-35.3%
Total assets	149 320	142 495	4.8%
Shareholders' equity	98 529	90 078	9.4%
in % of total assets	66.0%	63.2%	
Employees (FTE Ø)	869	887	-2.0%

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

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Corporate Calendar

Full-year Results 2016	March 9, 2017
Annual General Meeting of Shareholders	March 29, 2017

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 2016 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.