

COLTENE Holding AG
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FY 2011: Solid Performance in Local Currencies in a Challenging Market Environment

- **Revenue of CHF 146.1 million; reflecting organic growth of 1.6% at constant exchange rates to previous year**
- **Emerging markets with strong revenue growth of 25.9% (8.4% organic growth at constant exchange rates)**
- **Operating profit (EBIT) down by 33.6% to CHF 12.3 million due to significant currency fluctuations and the now concluded restructuring of Vigodent in Brazil**
- **Free cash flow, down slightly at CHF 9.9 million, remains at a healthy level**
- **Strong equity ratio of 63.1%**
- **Proposed distribution of CHF 1.10 per share out of the reserves from previous capital contributions**

Altstätten, March 15, 2012 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental consumables, achieved net sales in the financial year 2011 of CHF 146.1 million (2010: CHF 153.6 million), reflecting an expansion of the Group's turnover in local currencies by 7.8% and a decrease of 4.9% in reported Swiss francs. Supported by the geographic diversification, the Group grew organically by 1.6% in its traditional markets. 6.2 percentage points of the sales increase in local currencies was attributable to the acquisition of Vigodent in Brazil. Operating income (EBIT) decreased by 33.6% (-16.3% at constant exchange rates) to CHF 12.3 million (2010: CHF 18.4 million). As a result, the EBIT margin declined to 8.4% in 2011 from 12.0% in 2010 (2011: 9.3% at constant exchange rates). Net profit for the financial year 2011 amounted to CHF 6.0 million compared to CHF 9.3 million recorded in 2010.

In the 2011 financial year COLTENE achieved solid market performance in local currencies despite the challenging market environment and the impact of significant currency fluctuations as well as the transition of Vigodent in Brazil, which was concluded at the end of 2011. In spite of inventory reductions at dealers, the Group organically grew by 1.6% at constant exchange rates. More importantly, COLTENE strengthened its presence in important markets worldwide in 2011 and is now well positioned to exploit the growth potential of many dynamic dental market segments. In the years ahead, the dental market will

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benefit from the increasing importance of oral hygiene and aesthetic dentistry driven by social/lifestyle factors as well as from global demographic and economic trends.

COLTENE's healthy balance sheet continues to show a high equity ratio of 63.1%, ensuring financial stability and entrepreneurial independence. The Board of Directors will propose to the Annual General Meeting on April 20, 2012, the distribution of CHF 1.10 per share out of the reserves from previous capital contributions as well as the election of Ernst & Young Ltd. as Auditors. All current members of the Board of Directors Niklaus Huber (President), Robert Heberlein, Erwin Locher, Matthew Robin and Jerry Sullivan are available for re-election.

Regional Breakdown: Divergent Developments

COLTENE's sales organization achieved good growth rates in local currencies in many countries but translation into Swiss francs resulted in negative trends in several geographic areas. Primarily due to the acquisition of Vigodent the Company's geographic sales split has further changed: In the financial year 2011, COLTENE achieved 26.5% of its Group sales in emerging economies, up from 20.0% a year ago. Brazil's contribution to the overall net sales reached 7.6% in 2011.

European countries showed divergent developments. Softening market conditions in France as well as in Germany and Austria were exacerbated by inventory destocking at distributors, while the UK and Ireland region reported solid 5.3% growth in local currency. In Switzerland, COLTENE topped sales of previous year by 4.8%. North America, the largest market for COLTENE, recorded a slight sales decrease of 1.5% in local currency, which translated into a decline of 16.2% in Swiss francs.

Breakdown by Product Groups: Increasing Demand for Aesthetic Dentistry

Looking at the various product segments, sales growth resulted primarily from restoration, impression, and hygiene materials. Sales in endodontics were below expectations due to patent issues in the USA which have now been settled.

At the International Dental Show IDS in Cologne, Germany, in March 2011, COLTENE attracted considerable attention with its innovative products for esthetic dental restoration and root canal treatments – two of COLTENE's prime areas of competence. Among the innovative products introduced to the market at IDS were the new composite veneer system called COMPONEER™ and HyFlex™ Controlled Memory NiTi files. COMPONEER™ and HyFlex™ are flagship products that will generate considerable sales growth and enhance COLTENE's market position and its image among distributors and end users.

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Outlook: Further Leveraging the Group's Position

New directives issued at the end of June by the Board of Directors reinforced COLTENE's business model, focusing on dental consumables and, in particular, on the Group's core competencies in the areas of restoration, aesthetics and endodontics.

Today, COLTENE is well positioned to seize and benefit from arising opportunities in the globally dynamic growing dental market. The Board of Directors and Management are focusing on gradual improvement by building on the Company's global structure and core competencies. To this end, the Group aims to further leverage its brand with innovative solutions and its emerging market network with additional growth in less saturated markets. In parallel, COLTENE sets about expanding its sales and lean manufacturing capabilities and multi-layer marketing organization.

In 2012, a weakening economy and the strong Swiss franc are likely to affect demand for dental consumables. While sales in traditional and emerging markets should increase thanks to newly launched products and certain operational improvements will flow through to the income statement, the Company will continue to trim dealer inventories in coordination with distributors in mature markets.

Media and Analysts Conference and Webcast

- Today Thursday, **March 15, 2012; 09:00 a.m. CET**, Convention Point, SIX Swiss Exchange, Selnaustrasse 30, CH-8021 Zurich
- Dail-in-information for **conference call/webcast**:
 - Europe: +41 (0)91 610 56 00
 - Great Britain: +44 (0)203 059 58 62
 - USA (Toll free): +1 (1)866 291 41 66
- **Webcast** is accessible at http://www.coltene.com/10226/Conference_Calls_-_Webcasts.html and later archived in the Investors & Media section of the Company's website

Annual General Meeting

The Annual General Meeting of COLTENE Holding AG will be held on Friday, April 20, 2012, 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/10210/Annual_General_meeting.html

Annual Report 2011

The COLTENE Holding AG annual report 2011 was published today and is available on http://www.coltene.com/10208/Financial_Reports.html

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Key figures

In CHF 1,000	2011	2010
Net sales	146 133	153 578
Operating profit	12 250	18 441
in % of net sales	8.4%	12.0%
Profit for the period	5 988	9 285
Cashflow from operating activities	14 583	14 172
Investments (without associates)	4 636	3 335
Free cashflow	9 947	10 837
Total assets	149 887	158 688
Bank loans	30 177	34 072
Shareholders' equity	94 592	97 848
in % of total assets	63.1%	61.7%
Distribution per share out of the reserves from previous capital contributions	1.10	1.75
Employees (Ø)	892	786

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

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

Last day for inscription into the share register before the shareholders' meeting 2012	April 12, 2012
Shareholders' meeting 2012	April 20, 2012
Semi-annual results 2012	August 17, 2012

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, Hungary and Brazil. 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.

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.