

FY 2012: COLTENE Outperformed Markets and Grew Net Profit Disproportionally

- Revenue of CHF 158.1 million, reflecting growth of 8.2%, or 7.1% at constant exchange rates
- North American markets with strong revenue growth of 18.4% respectively 11.9% currency adjusted
- EBIT margin increased to 10.8% from 8.4% due to efficiency gains and economies of scale
- Net income increased to CHF 9.5 million, up by 68.5%
- Lower free cash flow at CHF 8.1 million due to temporary higher inventory
- Strong equity ratio of 63.4%
- Proposed distribution of CHF 1.80 per share from capital contribution reserves

Altstätten, March 8, 2013 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental consumables, achieved net sales in the financial year 2012 of CHF 158.1 million (2011: CHF 146.1 million), reflecting an expansion of the Group's turnover of 8.2% or 7.1% at constant exchange rates. Operating income (EBIT) increased by 38.9% to CHF 17.0 million (2011: CHF 12.3 million). Correspondingly the EBIT margin improved to 10.8% in 2012 up from 8.4% in 2011. Net profit amounted to CHF 9.5 million compared to CHF 5.7 million (restated by CHF -0.3 million) recorded in 2011 (+68.5%). In an ongoing competitive market environment, COLTENE increased its turnover and operating margins at clearly better-than-market rates. The Group's net earnings grew disproportionately. These positive developments are primarily attributable to the higher sales level, operational advances and unified internal processes by sharing group-wide expertise and production know-how.

In the 2012 financial year the COLTENE Group consolidated its strong product portfolio and reviewed its internal organization and processes. After the arrival of the new CEO Martin Schaufelberger, the Board of Directors redefined the Company's business strategy with the support of the Senior Management, taking into account the latest economic and social developments and changed customer needs. Highest priority was directed to exploiting existing products and brands and leveraging the Group's expertise by initiating new projects to further improve operational excellence and market penetration in the organization's sales regions in Europe, North America, South America and Asia. A second focus was in strengthening the group approach in the Company's management processes. Management standardized organizational structures at the Group's historically grown subsidiaries in Switzerland, Germany, the US and Brazil, each with its specific expertise and strong brands. This includes greater emphasis on centralized functions such as marketing whilst keeping the flexibility of the regional sales teams so they can still adapt to the needs of customers in the local markets. Third, COLTENE further strengthened its unique position and presence in key traditional and emerging markets.

COLTENE's healthy balance sheet continues to show a high equity ratio of 63.4%, ensuring financial stability and entrepreneurial independence. The Board of Directors will propose to the Annual General Meeting on April 15, 2013, the distribution of CHF 1.80 per share out of the reserves from previous capital contributions. The Board proposes the election of Roland Weiger as a new member of the Board of Directors. The current members of the Board of Directors Niklaus Huber (President), Robert Heberlein, Erwin Locher and Matthew Robin are available for re-election. Jerry Sullivan, former CEO and current Board Member of COLTENE, will not seek re-election at the end of his current period of office in April 2013.

Regional Breakdown: North America Sets the Course

It is the Group's declared goal to achieve slightly higher than average growth in the developed countries and strong growth in emerging markets. Most European countries showed solid sales developments and were able to top the volumes generated in the previous year. Exceptions were Great Britain/Ireland where sales decreased by 3.6% due to late entry with new products. A strong performance was achieved in North America. Sales in the region increased by 18.4% (in local currency 11.9%) as the sales teams in the US and Canada profited from the improved economic conditions and new product sales in 2012. Brazil reached a positive sales growth of 5.7% for the full year at constant exchange rates. However, sales in reported Swiss francs decreased by 3.5% due to the devaluation of the Brazilian Real. In the first half year, sales were impacted by a portfolio alignment and manufacturing issues. The situation normalized in the second half. In its other Emerging Regions, COLTENE increased its sales in India and China by 22.7% and 37.9% respectively. Russia/CIS achieved a pleasing growth rate of 16.7%. Other Far East/Oceania increased its sales by 3.6%. The Middle East and Africa region showed a sales increase of 3.7%, whilst other South American markets expanded sales volumes by 5.0%.

Breakdown by Product Group: Endodontics Delivered Highest Growth

In 2012 COLTENE's top-line growth came primarily from the product groups Restoration, Prosthetics and Endodontics. Restoration comprised the largest volume with a share of 27.1% of total sales and a 2012 growth rate of 13.5%. Prosthetics accounted for 22.2% of total sales and grew by 11.4%. Endodontics had a share of 18.6% of total sales and an annual growth rate of 14.8%, the highest within the Company's product and services portfolio. Treatment Auxiliaries, Rotary Instruments and Infection Control maintained their sales volumes on a constant level.

In 2012 COLTENE continued to invest significant R&D resources in the development of new innovative product platforms, primarily focusing on promising growth potential in the core areas of Restoration, Endodontics and Treatment Auxiliaries. Additionally, the Company received important market approvals in additional countries for its flagship products, the new composite veneer system COMPONEER™ and HyFlex™ Controlled Memory Files.

Outlook: Focus on Profitable Growth

The revised Group strategy taking into account the latest market developments will fully exploit and leverage the Group's expertise, thereby paving the way for the Company's return to profitable growth. The strategy builds on the three pillars 'Product Focus', 'Marketing & Sales Push' and 'Operational Excellence' and concentrates the Group's innovation power on the attractive product groups of Restoration, Endodontics and Treatment Auxiliaries. Strengthening and expanding distribution networks in the traditional European and North American markets as well as in the important emerging markets are equally important elements. COLTENE's new Group strategy has implications for corporate organizational structure, marketing, branding, manufacturing and logistics as well as innovation. In each of these areas a number of projects were initiated during the fourth quarter of 2012 and they should contribute to enhanced sales levels and improved margins throughout 2013. In the mid- to long-term perspective and in the absence of extraordinary factors, COLTENE aims to increase its sales levels above market average and improve EBIT margins step by step up to a midterm target of 15% of net sales.

Media and Analysts Conference

- Today Friday, **March 8, 2013, 10:30 a.m. CET**, Convention Point, SIX Swiss Exchange, Selnaustrasse 30, CH-8021 Zurich
- Dail-in-information for **attendees of the telephone call**
 - Europe: +41 (0)58 310 50 00
 - Great Britain: +44 (0)203 059 58 62
 - USA (Toll free): +1 631 570 56 13

The presentation slides will be available for download on

http://www.coltene.com/index_en.php?TPL=10250

Annual General Meeting

The Annual General Meeting of COLTENE Holding AG will be held on **Monday, April 15, 2013, at 4.00 p.m.** at **Hotel-Restaurant Sonne, Sonnensaal, Kugelgasse 2, 9450 Altstätten.**

The invitation to COLTENE's Annual General Meeting is now available at

http://www.coltene.com/index_en.php?TPL=10210

Annual Report 2012

The COLTENE Holding AG annual report 2012 was published today and is available on

http://www.coltene.com/10248/Annual_Reports.html

Key figures

In CHF 1,000	2012	2011	Δ%
Net sales	158 075	146 133	8.2%
Operating profit	17 019	12 250	38.9%
in % of net sales	10.8%	8.4%	
Net profit for the period	9 530	5 656 ¹	68.5%
Cashflow from operating activities	12 745	14 583	-12.6%
Investments	4 618	4 636	
Free cashflow	8 127	9 947	-18.3%
Total assets	152 761	149 887	
Bank loans	24 566	30 177	
Shareholders' equity	96 860	91 865 ²	
in % of total assets	63.4%	61.3%	
Distribution per share out of the reserves from previous capital contributions	1.80	1.10	
Employees (Ø)	899	892	

1: Restated by TCHF -332

2: Restated by TCHF -2 469 as per January 1, 2011

Sign-up for e-mail subscription is available at <http://www.coltene.com/index.php?TPL=10225>

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Financial Calendar

Last day for inscription into the share register before the shareholders' meeting 2013	April 5, 2013
Shareholders' meeting 2013	April 15, 2013
Semi-annual results 2013	August 15, 2013

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.