

First Half 2013:

Strategy Execution on Track, Growth Slightly Above Market, Improved Revenues

- Sales of CHF 75.0 million, up 2.8%, 2.2% at constant exchange rates
- Order intake in North America at high prior-year level
- Europe with growth above market, dynamic growth in Asia and several emerging markets
- Operating profit (EBIT) of CHF 7.3 million, up 5.6%; EBIT margin rises to 9.7%
- Net profit of CHF 5.0 million, up 68.7%
- Negative free cash flow of CHF -0.5 million due to temporary inventory build-up
- New composite shells for restoring tooth necks and novel GuttaFlow filling system for sealing root canals

Altstätten, August 8, 2013 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental consumables, achieved net sales in the first half of 2013 of CHF 75.0 million (2012 H1: CHF 73.0 million), reflecting an expansion of the Group's turnover of 2.8% or 2.2% at constant exchange rates. That is slightly faster than the corresponding market growth rates, which ranged between 2-3% in North America and were either flat or slightly negative in Europe. Operating income (EBIT) reached CHF 7.3 million, an increase of 5.6% compared to the prior-year period, and the EBIT margin for the traditionally weaker first half of the year slightly improved from 9.4% to 9.7%. Net profit amounted to CHF 5.0 million, an increase of 68.7% primarily because of a more favorable tax rate (2012 H1: CHF 3.0 million, restated). A major milestone was set during the reporting period when the Company completed its strategic review and moved on to the implementation phase of a total of 21 projects.

COLTENE profited from the steady market momentum across Asia and in various other emerging markets during the first half of the 2013 financial year. The upward order trend in the USA continued. Some markets in Europe were challenging but overall business developments are positive.

A negative free cash flow of CHF -0.5 million was recorded (2012 H1: CHF 3.0 million) due to higher inventories and a rise in order fulfillment at the end of the reporting period, which led to a temporary increase in accounts receivable. With the introduction of SAP in the USA, a sound platform for systematically improving inventory management and logistics operations is now in place.

Emerging Markets Contribute a Greater Share of Sales

Sales growth in the first half of 2013 stemmed primarily from the pleasing growth of markets in Germany, South America and various emerging markets such as India, China and Russia, which displayed clearly higher than average growth rates. Once again, the Group was able to benefit from its strong footing in the key markets of the future. Business in several European markets was challenging.

The geographic sales mix for the first six months of 2013 is as follows: COLTENE achieved 43.3% of Group sales in the Europe, Middle East and Africa region (2012 H1: 41.2%), 34.7% in North America (2012 H1: 36.9%), 11.7% in South America (2012 H1: 11.4%) and 10.3% in Asia (2012 H1: 10.5%). Sales in emerging markets accounted for 26.6% of total Group sales (2012 H1: 25.7%).

Restoration Grows the Fastest

COLTENE's sales were once again primarily driven by the product segments Restoration, Prosthetics and Endodontics. These three segments displayed pleasing business developments. Restoration was the top sales driver accounting for 27.5% of total sales with a year-over-year growth rate of 12.4% in the first half. The Prosthetics product segment accounted for 21.5% of total sales and reported sales growth of 2.7%. Endodontics accounted for 20.0% of total sales. Sales volume decreased by 3.3%, which can be traced to the private label business, whereas the new product launches showed positive growth rates. The Treatment Auxiliaries and Infection Control reported growth rates of 10.0% and 7.9%, respectively.

Strong Product Pipeline and Operational Advances

In March COLTENE used its presence at the IDS, a major international trade fair for the dental industry in Cologne, to showcase its impressive power of innovation and to introduce various new products to a large audience of specialists. Attention centered on the new COMPONEER™ composite shells Class V for restoring tooth necks and whitening anterior teeth as well as on ROEKO GuttaFlow 2 in the area of Endodontics, a novel filling system for sealing root canals. COLTENE also launched SoloCem, a dual-curing cement (that can also be applied without bonding), and DuoCem, another dual-curing cement that is ideal for everyday use in dental practices thanks to its easy handling and excellent adhesive properties.

Outlook: Steadfast Implementation of Strategy

Key elements of the revised Group strategy build on the improved capacity of innovation in all business units, the expansion of the business in emerging markets and established markets as well as the standardization of organizational structures. A total of 21 projects in the three priority areas of Product Focus, Marketing & Sales Push, and Operational Excellence were identified and initiated. These projects are being implemented concurrently and will be completed on an ongoing basis. These measures are designed to secure the attainment of the medium-term targets – better-than-market sales growth and a steady increase in the EBIT margin to 15% of net sales.

Martin Schaufelberger, CEO of COLTENE Holding AG, comments: "Further innovation is under way at the Restoration, Endodontics and Treatment Auxiliaries segments. COLTENE also will selectively expand its presence in a number of additional countries. Another goal set by management entails the ongoing optimization of group-wide operating processes and procedures, thereby capturing further synergy potential. Examples of such measures are global coordination of the supply chain, and in particular reduction of inventories as well as standardization of production."

Media and Analysts Conference Call: Today Thursday, August 8, 2013; 9:00 a.m. CET

- Dail-in-information: Switzerland: +41 (0)58 310 5000 UK: +44 (0)203 059 58 62; USA: +1 (1)866 291 41 66
- The conference call will be held in English. Please log in some 5 minutes prior to the start of the conference. Basis for the discussion are the interim report, the media release and a brief presentation available for download on August 8, 2013 from 7:00 a.m. CET on http://www.coltene.com/10208/Financial_Reports.html. At the end of the conference participants will be given the opportunity to ask questions.

Interim Report 2013

The COLTENE Holding AG interim report 2013 was published today and is available on http://www.coltene.com/10249/Half-year_Reports.html.

Key Figures

In CHF 1,000	2013 H1	2012 H1 (restated)	Δ%
Net sales	75 037	73 022	2.8
Operating profit (EBIT)	7 269	6 885 ¹	5.6
in % of net sales	9.7%	9.4%	
Profit for the period	4 982	2 954 ²	68.7
Cashflow from operating activities	1 595	4 887	-67.4
Investments	2 067	1 922	7.5
Free cashflow	-471	2 965	
Total assets	157 191	150 030	
Bank loans	32 660	30 108	
Shareholders' equity	92 182	88 540 ³	
in % of total assets	58.6%	57.9%	
Employees (Ø)	937	887	

1: Restated by TCHF 45 due to IAS 19 revised

2: Restated by TCHF -191 due deferred tax liability adjustment as in the annual report 2012

3: Restated by TCHF 6 262 due do IAS 19 revised (TCHF 3 385) and deferred tax liability adjustment (TCHF 2 877)

Sign-up for e-mail subscription is available at <http://www.coltene.com/10225/Newsletter.html>.

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Financial Calendar

Full-year Results 2013	March 14, 2014
Annual General Meeting of Shareholders	April 15, 2014
Half-year Report 2014	August, 2014

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 USA, 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 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.