

FY 2013: COLTENE Laid a Foundation for Further Growth and Significantly Increased Operating Profit and Net Profit

- Sales of CHF 160.0 million, up 1.2%, 1.9% in local currencies
- Strong emerging markets and North America sales held at high year-ago level
- Operating profit (EBIT) of CHF 19.4 million, plus 11.7%; EBIT margin widens to 12.2%
- Net profit CHF 13.2 million, plus 34.9%
- Free cash flow amounts to CHF 17.0 million, plus 109.1%
- 21 projects initiated to drive strategy forward, most of which already completed
- Uniform IT system and new innovation management
- Expansion of sales and marketing teams in the US, Brazil, Italy, China, and India
- Local presence established in Japan and Poland

Altstätten, February 28, 2014 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental consumables, achieved net sales in the financial year 2013 of CHF 160.0 million (2012: CHF 158.1 million). The strategy-conform discontinuation of unprofitable products and the introduction of the new US tax on medical devices slowed growth. The streamlining of the product range and additional efficiency gains had a positive effect on operating profit. Operating profit (EBIT) was higher at CHF 19.4 million (2012: CHF 17.4 million), up 11.4%. The EBIT margin widened to 12.2% (2012: 11.0%). Net profit for the year amounted to CHF 13.2 million. This represents a significant improvement of 34.9% compared to the previous year (2012: CHF 9.8 million). In a market environment, in which growth rates varied from region to region, COLTENE Group laid a sustainable foundation in fiscal year 2013 from which it strengthens its future position in the dental consumables market and set the scene for further growth.

Management worked hard to implement the revised corporate strategy during the last year. A total of 21 projects, a substantial number of which were finalized by year's end, were directed at targeted expansion coupled with overall streamlining of the product portfolio, cultivation of a broader corporate mindset with increased sharing of best practices, and expertise on a global basis. Systematic alignment of the sales organization to respond to regionally disparate customer needs was another focus. The new IT system now in place at all globally producing sites worldwide improves the planning data basis and increases transparency regarding the movement of goods throughout the value chain. Furthermore, COLTENE intensified its sales efforts and expanded its global footprint. In a new development, COLTENE now has its own sales specialists in Poland and Japan. COLTENE set up a new partnership in Turkey and expanded its sales teams in Italy, the US, Brazil, China, and India.

COLTENE's strong balance sheet continues to show a high equity ratio of 66.5%, ensuring financial stability and entrepreneurial freedom of action. The Board of Directors will propose to the Annual General Meeting on April 15, 2014, the distribution of a dividend of CHF 2.20 per share.

Regional Breakdown: Dynamic BRIC Countries

Sales volume in the EMEA region was better than in the year before and growth stood at 2.2% in Swiss francs. Switzerland and Germany were the two exceptions, as destocking and increased parallel imports resulted in a contraction, respectively, of 20.3% and 11.3%. Sales trends in the US remained at the pleasingly high level from the previous year despite the new tax on medical equipment and supplies. COLTENE's sales in this market were only 1.9% below the exceptionally high prior-year figure. Particularly pleasing growth rates with 9.8% in local currencies were achieved in the BRIC countries. In Brazil, COLTENE increased its sales by 5.0% in local currency, but the weakening of the Brazilian real to the reporting currency led to a reported decline of 5.7% in Swiss francs. Sales volumes in the other South American markets rose 13.4%. In China and India the Group increased its sales by 14.7% and 12.2% in Swiss francs. Solid growth was also seen in the Russia/CIS region with a plus of 12.5%. Growth came in at 10.6% in the Middle East and Africa. An increase of 1.8% was achieved in the Other Far East/Oceania region.

Breakdown by Product Group: Infection Control and Treatment Auxiliaries Grew the Fastest

The Restoration, Prosthetics and Endodontics key product groups were the main sales drivers in 2013, as in the past. Restoration was the top sales driver accounting for 28.1% of total sales with a year-on-year growth rate of 4.9%. The Prosthetics product segment generated 20.7% of total sales and volumes here declined 5.5%. Sales of endodontics products were up 2.5% and accounted for 18.9% of total sales. The fastest growth rates were recorded in Infection Control (10.9%) and Treatment Auxiliaries (8.1%). They accounted for 7.5% and 10.6% of total sales.

Outlook: Higher Sales and Margins

COLTENE is igniting new growth drivers in 2014 after having revised its corporate strategy and establishing a sound platform for its future development. One priority here will be capturing even more gains from the harmonized ERP system that has been installed at all globally producing sites worldwide to optimize planning activities, especially in the areas of sourcing, supply chain management, production, and marketing and sales. Secondly, COLTENE will step up its sales efforts to expand its position in the traditional European markets as well as in the emerging markets. Its distribution concept will be realigned and standardized under the COLTENE master brand and it will also take into account new customer needs such as the exploitation of the Internet as a product information and sales platform. Personal contact and training courses for dentists will nevertheless remain the centerpiece of COLTENE's sales and marketing tactics. Existing partnerships with universities and research institutes in all major markets will therefore be actively developed and new alliances will be sought. These measures should allow the Company to outgrow the market at the top line and increase its EBIT margin to 15% in the medium term.

Media and Analysts Conference

- Today Friday, **February 28, 2014, 10:00 a.m. CET**, Convention Point, SIX Swiss Exchange, Selnaustrasse 30, CH-8021 Zurich
- Dial-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 www.coltene.com

Annual General Meeting

The Annual General Meeting of COLTENE Holding AG will be held on Tuesday, April 15, 2014, 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 www.coltene.com

Annual Report 2013

The COLTENE Holding AG annual report 2013 was published today and is available on www.coltene.com

Key Figures in CHF 1,000	2013	2012¹⁾	Δ%
Net sales	160 011	158 075	+1.2%
Operating profit	19 445	17 406 ¹⁾	+11.7%
in % of net sales	12.2%	11.0%	
Net profit for the period	13 189	9 777 ¹⁾	+34.9%
Cash flow from operating activities	23 278	12 745	+82.6%
Investments	6 285	4 618	+36.1%
Free cash flow	16 993	8 127	+109.1%
Total assets	146 859	152 761	
Net Debt	10 319	20 566	-49.8%
Shareholders' equity	97 650	93 191 ¹⁾	
in % of total assets	66.5%	61.0%	
Distribution per share	2.20	1.80	
Employees (Ø)	942	899	

1) Restated based on IAS 19 revised

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

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Financial Calendar

Last day for inscription into the share register before the shareholders' meeting 2014	April 8, 2014
Shareholders' meeting 2014	April 15, 2014
Semi-annual results 2014	August 7, 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 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.

Governing is the German version of the media release to the financial year 2013.

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.