

## **FY 2014: Sharp Increase in Operating Profit and Net Profit for the Third Consecutive Year**

- Sales of CHF 162.3 million, up 1.5%, 3.0% in local currencies
- Double-digit sales growth in local currencies of 16.6% and 23.7%, respectively, in India and China
- Operating profit (EBIT) of CHF 22.4 million, plus 15.2%; EBIT margin widens to 13.8%
- Net profit of CHF 15.6 million, plus 18.5%
- Realignment of the distribution organization to special markets and key account management

Altstätten, March 4, 2015 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental consumables, achieved net sales in the financial year 2014 of CHF 162.3 million (2013: CHF 160.0 million). This represents an increase of 1.5% in the reporting currency of Swiss francs. In local currency, sales were up by 3.0% from the year-ago level, which is in line with the market growth rate. COLTENE achieved a significant improvement in its operating profit for the third consecutive year. EBIT rose by 15.2% (16.5% in local currency) to CHF 22.4 million (2013: CHF 19.4 million) and the full-year EBIT margin climbed to 13.8% (2013: 12.2%). This pleasing margin expansion is largely attributable to optimization at the Company's manufacturing sites and to the improvements made at Vigodent. Net profit showed disproportionate growth of 18.5% to CHF 15.6 million (2013: CHF 13.2 million), resulting in a net profit margin of 9.6%.

In 2014 a special focus concerned internal organizational structures, which were adjusted in response to structural change in the marketplace. Management expects greater attention is being given in particular to several major trends: the steady increase in sales over the Internet, the increasing numbers of dental group practices, and the steadily rising percentage of women in the dental profession. Another milestone was the company-wide launch of the COLTENE parent brand as a global seal of quality with the objective of encouraging dental professionals to use other, perhaps lesser known COLTENE products. On the sales front, COLTENE increased its global presence by assigning its own specialists to cover the markets in Japan, Turkey and Poland. The Group established a wholly-owned subsidiary in Spain. COLTENE also expanded its marketing and sales teams in Indonesia, India and China. Across the Group, COLTENE set up dedicated teams for special markets to be able to accommodate the special needs of public institutions such as health authorities and the military as well as serve large group practices. COLTENE is responding to the employment of professionally trained procurement specialists in these customer segments with the systematic expansion and professionalization of its key account management processes.

COLTENE's strong balance sheet continues to show a high equity ratio of 63.2%, ensuring financial stability and entrepreneurial freedom of action. The Board of Directors will propose to the Annual General Meeting on March 25, 2015, the distribution of a dividend of CHF 2.50 per share.

#### **Regional Breakdown: Strong Growth in North America and Asia**

In 2014 COLTENE Group recorded further growth in North America and Asia. The two sales regions delivered higher sales of 3.6% and 9.5%, respectively. Of special mention is the double-digit sales growth in local currencies of 16.6%, 23.7% and 20.9%, respectively, COLTENE achieved in key markets of the future – India, China, and Taiwan. Markets in Europe showed divergent developments and were generally characterized by stiff competition and substantial price pressure. In local currency, sales in the Europe region (which includes the Middle East and Africa) edged 0.4% higher. The Company performed well in key European markets, having increased its sales by 9.1% in the Benelux countries, 6.5% in France, 6.2% in Scandinavia as well as by 1.5% in Germany. Structural change held back sales in the UK, Spain and Switzerland. In these countries COLTENE's sales declined by 8.6%, 7.0% and 3.6%. In South America sales advanced 5.2% in local currency. COLTENE lifted its sales in Brazil by 6.4% in local currency. However, because of the weakness of the Brazilian real, reported sales in Swiss francs declined by 3.5%. Strong growth was achieved in Mexico, where COLTENE's sales rose by 9.6%. In other Latin American countries adverse economic conditions acted as a drag on sales. In Venezuela sales plummeted after strict foreign currency controls were imposed by the Venezuelan government.

#### **Breakdown by Product Group: Strong Rotary Instruments**

The sales performance of COLTENE's three key product groups Restoration, Prosthetics and Endodontics diverged during the 2014 fiscal year. Sales in the Rotary Instruments group were sharply higher, rising by 14.1% to CHF 12.4 million (2013: CHF 10.9 million). Prosthetics increased its sales to CHF 35.5 million (2013: CHF 33.2 million) while the Endodontics product group reported slightly positive growth of 1.3%. In absolute terms, its sales grew to CHF 30.6 million (2013: CHF 30.2 million). COLTENE Group achieved its fastest growth with Treatment Auxiliaries products. Sales in this product group surged by more than 25% to CHF 21.3 million (2013: CHF 17.0 million). Business with Restoration products was tempered by unusually severe competitive pressure. Sales declined by 6.8% to CHF 41.8 million (2013: CHF 44.9 million).

#### **Outlook**

COLTENE intends to add innovative technologies to its portfolio and strengthen the Group's global footprint. The management believes that CAD/CAM technology and the Internet will drive further innovation in the dental industry over the medium term. This will open up new opportunities to develop the Group's portfolio in these directions and add new dental consumables to its existing product range. COLTENE expects moderate 2% to 4% growth for the overall market over the medium term, driven by new products.

With regard to the Swiss National Bank's surprising announcement in January 2015 that it was withdrawing the exchange-rate floor of CHF 1.20 to the euro, COLTENE Group is well prepared to cope with the new currency situation as it has local production sites in its key markets. COLTENE is committed to Switzerland as a manufacturing location as well, and is therefore optimizing its cost base in Swiss francs by seeking additional efficiency gains and further widening the international scope of its sourcing activities. It is COLTENE's intention to participate in the ongoing positive development of the market from a local currency basis and to widen its share of the market over the medium term through organic and acquisition-led growth. Also after the recent shifts in the currency situation, management remains committed to its goal of gradually raising the consolidated EBIT margin to 15% of net sales.

### Media and Analysts Conference

Today **Wednesday, March 4, 2015, 10:00 a.m. CET**, Convention Point, SIX Swiss Exchange,  
Selnaustrasse 30, CH-8021 Zurich

The presentation slides will be available for download on [www.coltene.com](http://www.coltene.com)

### Annual General Meeting

The Annual General Meeting of COLTENE Holding AG will be held on Wednesday, March 25, 2015,  
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](http://www.coltene.com)

### Annual Report 2014

The COLTENE Holding AG annual report 2014 was published today and is available on

[www.coltene.com](http://www.coltene.com)

<b>Key Figures in CHF 1 000</b>	<b>2014</b>	<b>2013</b>	<b>Δ%</b>
Net sales	<b>162 348</b>	160 011	+1.5%
Operating profit	<b>22 405</b>	19 445	+15.2%
in % of net sales	<b>13.8%</b>	12.2%	
Net profit for the period	<b>15 633</b>	13 189	+18.5%
Cash flow from operating activities	<b>19 938</b>	23 278	-14.3%
Investments (net)	<b>3 246</b>	6 285	-48.4%
Free cash flow	<b>16 692</b>	16 993	-1.8%
Total assets	<b>164 647</b>	146 859	+12.1%
Net Debt	<b>2 525</b>	10 319	-75.5%
Shareholders' equity	<b>104 117</b>	97 650	+6.6%
in % of total assets	<b>63.2%</b>	66.5%	
Distribution per share	<b>2.50</b>	2.20	+13.6%
Employees (Ø)	<b>909</b>	942	-3.5%

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## Financial Calendar

Last day for inscription into the share register before the shareholders' meeting 2015	March 18, 2015
Shareholders' meeting 2015	March 25, 2015
Semi-annual results 2015	August 27, 2015
Media and analyst's conference 2015, Annual report 2015	March 3, 2016
Shareholders' meeting 2016	March 30, 2016

## 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](http://www.coltene.com).

*Governing is the German version of the media release to the financial year 2014.*

*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.*