

FY 2015: Solid Operating Results despite Declining Sales

- Sales of CHF 154.5 million, down by 4.8% or 1.1% in local currencies; negative currency impact of CHF 6.0 million or 3.7%
- Sales volumes declined in Russia, Ukraine and Brazil due to soft economies, strong growth in Asia
- EBIT margin held at solid, sustainable level of 13.2%
- Entry in the CAD/CAM market with the launch of BRILLIANT Crios

Altstaetten, March 3, 2016 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental consumables, in a challenging environment achieved net sales of CHF 154.5 million in the financial year 2015 (2014: CHF 162.3 million). At -1.1% in constant currencies, Group sales were nearly held at the year-ago level. In the Company's reporting currency of Swiss francs, sales declined by 4.8%. Business in China and India, two key markets for future growth, showed pleasing growth of 16.3% and 6.2%, respectively, in local currency. In North America sales increased 5.6% in Swiss francs and 0.5% in local currencies. In EMEA sales volumes receded by 0.4% only despite the soft economy in the CIS region. Due to the weak economy in Brazil sales declined in Latin America 16.3%. With operating profit (EBIT) of CHF 20.4 million (2014: CHF 22.4 million), the Group held the EBIT margin at a solid level of 13.2%. Net profit declined by 14.7% to CHF 13.3 million (2014: CHF 15.6 million) owing to higher tax expenses in the US and the currency-induced deterioration in the net financial result. The Board of Directors will propose at the Annual General Meeting on March 30, 2016, the distribution of a dividend of CHF 2.20 per share.

Particular challenges in 2015 stemmed from the Swiss National Bank's decision to abandon the ceiling on the Swiss franc's value against the euro announced on January 15, 2015, the economic slowdown in important markets, not to mention the process of destocking among large dental supply dealers in North America. COLTENE addressed the strong Swiss franc by cutting additional costs especially in Switzerland and further globalizing the business. The focus was on standardizing organizational structures and operating procedures and the continued steadfast implementation of the global sourcing concept. In parallel, COLTENE further strengthened its sales structures and established new Group companies in Turkey and Japan. Additionally, COLTENE prepared in its role as the official materials partner for Sirona's CAD/CAM CEREC system the launch of BRILLIANT Crios, new reinforced composite blocs for reliable, aesthetically appealing and quick chairside-manufactured restorations, as of the first quarter 2016.

Business performance by region: Further growth in Asia

In 2015 COLTENE Group defended its position in key core markets despite strong market headwinds. Measured in the reporting currency of Swiss francs, sales in Asia rose by 8.2%. COLTENE achieved strong growth in local currency in the key target markets of China (plus 16.3%) and India (plus 6.2%). With some extra tailwind from the stronger dollar sales in North America rose by 5.6%, while sales growth in local currency amounted to just 0.5%. Due to a deliberate inventory destocking by dealers, sales of COLTENE products to dealers (sell-in) virtually stagnated whereas sales of COLTENE products through distributors covering the North American market (sell-out) rose by more than 4.0%. Sales in the EMEA region were down by 10.7% (at constant currencies by 0.4%). Sales in local currency increased in Germany/Austria (plus 2.7%) and in the sub-regions of the Middle East and Africa (plus 13.1%). In other European markets, Switzerland and France for example, strong competition and parallel imports resulted in lower sales of 5.6% and 8.1%, respectively. Local sales in Russia and other CIS countries showed a sharp contraction of 23.7% compared to the previous year. In Latin America, sales were down by 24.8% (at constant currencies by 16.3%). In local currency, Brazilian sales declined by 29.8%. Sales were impacted by the recession in this market and the ongoing concentration process of the distributor structures.

Business performance by product group: Endodontics now the second-largest product group

The sales performance of COLTENE's three key product groups Restoration, Prosthetics and Endodontics diverged during the 2015 fiscal year. A positive trend was observable in the Endodontics products group, where sales rose by 3.7% to CHF 31.7 million (2014: CHF 30.6 million). On the other hand, competitive pressure impacted both the Prosthetics and Restoration product groups. Restoration sales receded by 6.3% to CHF 39.2 million (2014: CHF 41.8 million). At Prosthetics sales were down by 12.4% to CHF 31.0 million (2014: CHF 35.5 million). Rotary Instruments and Infection Control reported incremental sales growths of 0.2% to CHF 12.5 million (2014: CHF 12.4 million) and 1.1% to CHF 10.5 million (2014: CHF 10.4 million), respectively.

Group Management expanded and strengthened

COLTENE increased the number of seats on its Group Management Board to five to better support its global setup. This decision established a broader base for top-level executive leadership and will help it to guide and grow the now much more internationalized organization. As of October 1, 2015, COLTENE Group Management, chaired by Martin Schaufelberger as CEO, consists of Gerhard Mahrle, CFO, Werner Mannschedel, Vice President R&D, Dr. Werner Barth, Vice President Marketing, and Christophe Loretan, Vice President Sales.

Outlook

Looking ahead and taking into consideration the new foreign exchange reality, COLTENE Group aims to boost its innovation and efficiency and improve its operational track record. During the year under review the Board of Directors, working closely with the Executive Management Board, reviewed Company strategy and established new priorities for the 2016-2018 period. The new strategic priorities aim to grow Group sales in step with the underlying market and gradually increase the EBIT margin to 15% during the coming years.

Media and Analysts Conference

Today **Thursday, March 3, 2016, 10:00 a.m. CET**, ConventionPoint, SIX Swiss Exchange,
Selnaustrasse 30, CH-8021 Zurich

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 Wednesday, March 30, 2016,
at 4.00 p.m. at Hotel-Restaurant Sonne, Sonnensaal, Kugelgasse 2, 9450 Altstaetten.

The invitation to COLTENE's Annual General Meeting is now available at www.coltene.com

Annual Report 2015

The COLTENE Holding AG annual report 2015 was published today and is available on
www.coltene.com

Key Figures in CHF 1 000	2015	2014	Δ%
Net sales	154 496	162 348	-4.8%
Operating profit	20 385	22 405	-9.0%
in % of net sales	13.2%	13.8%	
Net profit for the period	13 335	15 633	-14.7%
Cash flow from operating activities	18 164	19 938	-8.9%
Investments (net)	4 451	3 246	37.1%
Free cash flow	13 713	16 692	-17.9%
Total assets	149 187	164 647	-9.3%
Net cash position / (Net debt)	864	(2 525)	-134.2%
Shareholders' equity	101 578	104 117	-2.4%
in % of total assets	68.1%	63.2%	
Distribution per share	2.20	2.50	-12.0%
Employees (Ø)	888	909	-2.3%

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 2016	March 23, 2016
Shareholders' meeting 2016	March 30, 2016
Semi-annual results 2016	August 5, 2016
Media and analyst's conference 2016, Annual report 2016	March 9, 2017
Shareholders' meeting 2017	March 29, 2017

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 2015.

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.