
Geschäftsbericht 2013

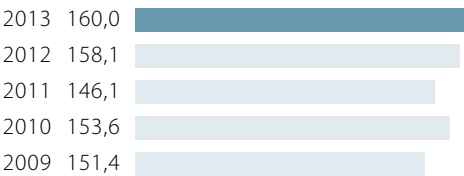
Tragfähiges Fundament gelegt

Ergebnisse 2013

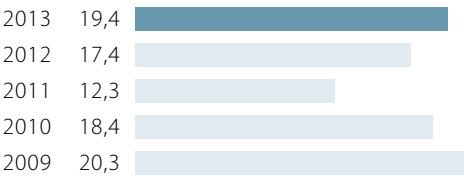
Fünffjahres-Übersicht (2009–2013)

(in CHF Millionen, fortgeführte Aktivitäten, korrigiert)

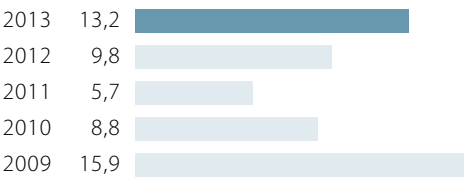
Nettoumsatz



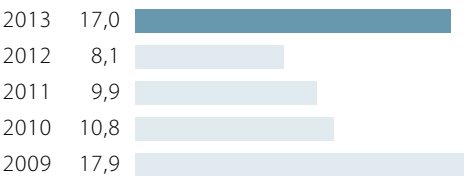
Betriebserfolg (EBIT)



Nettogewinn



Free Cashflow



Umsatz von CHF 160,0 Mio., Wachstum von 1,2% respektive 1,9% bei konstanten Wechselkursen

Dynamische Schwellenländer und auf hoher Vorjahresbasis gehaltene Verkäufe in Nordamerika

Betriebsergebnis (EBIT) von CHF 19,4 Mio., plus 11,7%; Anstieg der EBIT-Marge auf 12,2%

Nettoergebnis von CHF 13,2 Mio., plus 34,9%

Free Cashflow von CHF 17,0 Mio., plus 109,1%

21 Projekte zur Strategieumsetzung initiiert und grösstenteils abgeschlossen

Vereinheitlichtes Informatiksystem und neues Innovationsmanagement

Erweiterung der Verkaufsteams in den USA, Brasilien, Italien, China und Indien

Neue Präsenz vor Ort in Japan und Polen

Produktfokus

Der Gesundheitssektor zählt zu einem der stetig wachsenden Märkte weltweit. Als Wachstumstreiber gelten die demografische Entwicklung, technologischer Fortschritt, die weltweit ansteigenden Einkommen und ein besserer Zugang zu medizinischer Versorgung in den Schwellenländern. Diese Entwicklungen, die steigenden Hygieneanforderungen und die wachsende Nachfrage nach kostengünstigeren Einwegartikeln fördern die weltweit grosse Wachstumsdynamik für zahnmedizinische Verbrauchsgüter.

In den kommenden Jahren dürfte COLTENE von der wachsenden Bedeutung von Mundhygiene und ästhetischer Zahnmedizin profitieren. Sie baut auf soziale Trends, Lifestylefaktoren sowie die globalen demografischen und wirtschaftlichen Entwicklungen. Das Unternehmen hat in den Bereichen Restauration, Endodontie und Behandlungshilfen ein beträchtliches Innovationspotenzial ausgemacht.

Restauration

COLTENE bietet im Bereich der ästhetischen Zahnrestauration innovative Produkte an, die die heutigen medizinischen Anforderungen und Lifestyleansprüche erfüllen. Die umfassende Materialpalette für die Zahnrestauration gewährleistet eine herausragende Ästhetik und erleichtert die Anwendungstechnik. Ästhetische Korrekturen wie Schneidekantenverlängerung, Kaschieren von massiven Zahnverfärbungen oder das Schliessen eines Diastemas lassen sich mühelos vornehmen.



Endodontie

Eine Wurzelkanalbehandlung ist bei einer Pulpitis und/oder Parodontitis angezeigt. Mit dieser Behandlung lässt sich der Zahn erhalten – mit dem Vorteil einer im Vergleich zur Alternativlösung eines Implantats besseren Ästhetik im Frontzahnbereich sowie kürzeren Behandlungszeiten, geringeren Kosten und dem Entfall eines operativen Eingriffs. Mit kontinuierlich weiterentwickelten, innovativen und hochmodernen Materialien, Produkten und Verfahren verfügt COLTENE über ein über Jahrzehnte erarbeitetes Know-how im Bereich der Endodontie.

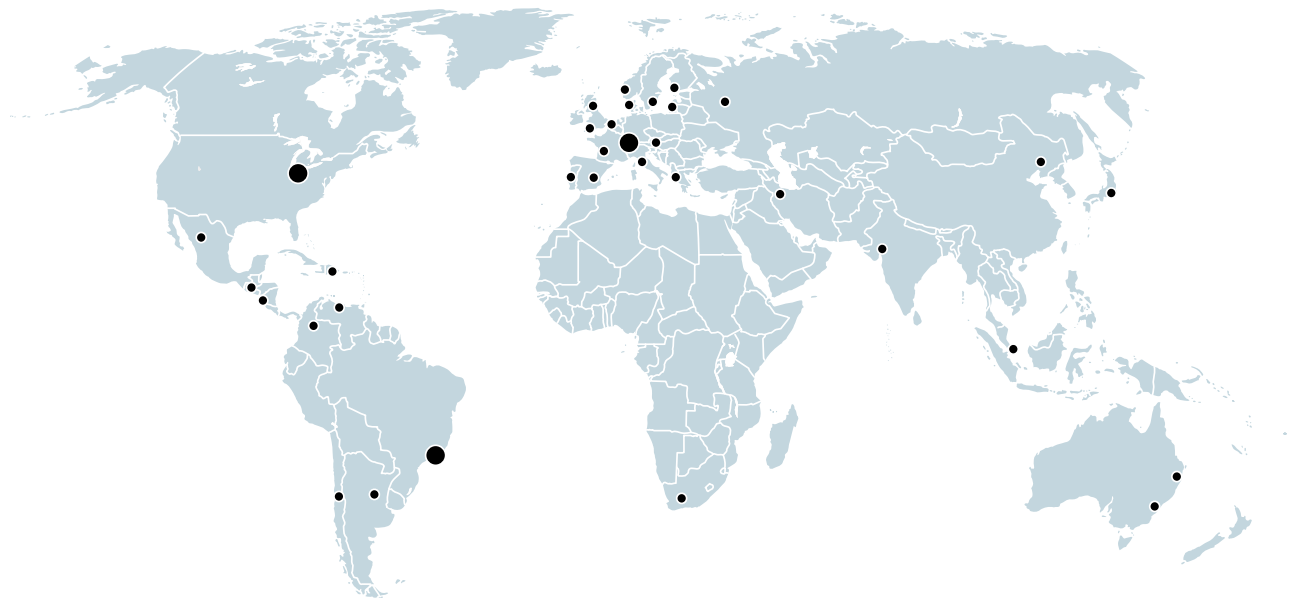


Behandlungshilfen

Die Behandlungshilfen von COLTENE umfassen Produkte, die die tägliche Arbeit in einer Zahnarztpraxis erleichtern. Watterollen, Absaugkanülen und Kofferdam-Produkte gewährleisten eine optimale Feuchtigkeitskontrolle in der Mundhöhle. Das chirurgische Nahtmaterial sowie antibakteriell wirkende, blutstillende Schwämme unterstützen eine komplikationsfreie Wundheilung. COLTENE produziert zudem Geräte für die Zahnsteinentfernung und Elektrochirurgiesysteme.



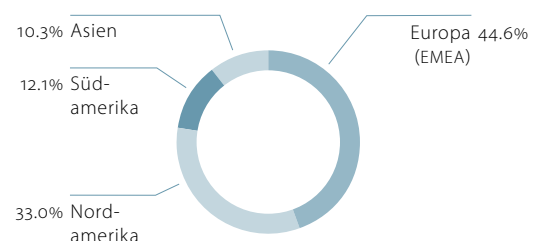
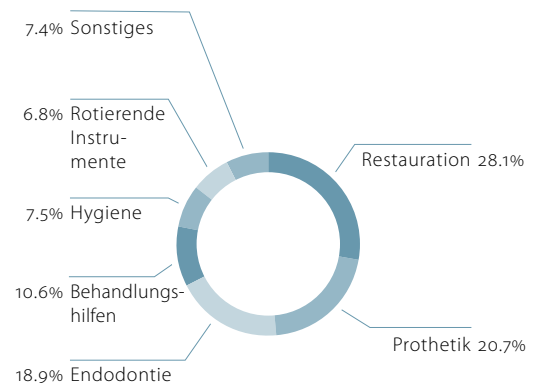
Porträt



COLTENE ist ein international führendes Unternehmen im Bereich Entwicklung, Herstellung und Vertrieb von zahnmedizinischen Verbrauchsgütern und Kleingeräten. COLTENE verfügt über vier moderne Produktionsstätten in der Schweiz, Brasilien (chemisch-technische Produkte), Deutschland (Behandlungshilfen) und in den USA (mechanische und elektromechanische Produkte). Die Vertriebsgesellschaften der Gruppe stimmen die Aktivitäten und Prioritäten der technischen Kompetenzzentren auf die Anforderungen der Absatzmärkte in Europa (EMEA), Nord- und Südamerika sowie Asien ab.

Mit Fokus auf zahnmedizinischen Verbrauchsgütern zielt COLTENE auf einen attraktiven Markt mit langfristigen Wachstumsperspektiven, der von den demografischen Entwicklungen in den traditionellen Märkten sowie den steigenden Einkommen in Schwellenländern profitiert. COLTENE ist bestrebt, Zahnärzte, Zahnärztinnen und Dentallabors mit professionellen, qualitativ hochstehenden, sicheren und effizienten Dentalprodukten zu unterstützen.

Die Namenaktien der COLTENE Holding AG (CLTN) sind an der SIX Swiss Exchange kotiert. Weitere Informationen über COLTENE und die breite Produktpalette stehen auf der Website www.coltene.com zur Verfügung.



Produktübersicht

Restoration

Die Marken unter der Dachmarke COLTENE profitieren von einem während Jahrzehnten erarbeiteten Wissen über die Herstellung von innovativen Produkten zur Zahnrestauration. Beispiele sind BRILLIANT, ein universelles, lichthärtendes Feinhybrid-Komposit für anteriore und posteriore Restaurationen, oder COMPONEER, ein direktes Komposit-Veneering-System für eine innovative und äusserst einfache Frontzahnrestauration. Ergänzt wird dieses Angebot durch Polymerisationslampen für Zahnärzte und Zahnärztinnen.

Miris²

SYNERGY[®]D6

BRILLIANT

BRILLIANT[™]NG

SoloCem[®]

ParaCore[®]

COMPONEER[®]

One Coat Bond

SPEC[®] LED

Endodontie

Die Marken Roeko, Hygenic und Whaledent sind global äusserst bekannt für hochwertige Produkte im Bereich Endodontie. Ihre Zusammenführung unter dem Dach von COLTENE erlaubt den Zahnärzten und Zahnärztinnen eine umfassende endodontische Behandlung. HyFlex CM NiTi Feilen verfügen über einen Controlled-Memory-Effekt. Er ermöglicht ein Vorbiegen der Feilen und gibt ihnen eine hohe Flexibilität und Bruchsicherheit. Durch Wärme im Sterilisationsprozess werden sie wieder in die ursprüngliche Form zurückgeführt. Die Trocknung von Wurzelkanälen mit ROEKO Papierspitzen wird seit Kurzem durch die Absaugung mit der Surgitip-endo ergänzt. Bewährte Füllungsmaterialien, wie Guttaperchaspitzen, GuttaFlow 2 und RoekoSeal sorgen zweifelsohne für hohe Qualität bei der Füllung. Neue Darreichungsformen in automix Spritzen erweitern den Kreis von Anwendungen. ParaPosts, ParaPosts Fiber und ParaCore bilden zusammen mit verschiedenen Kompositen eine direkte Verbindung zu den restaurativen Materialien von COLTENE.

COLTENE[™]ENDO

whaledent
ParaPostX[®] System

HyFlex[™]CM

roeko

HYGENIC

Prothetik

Seit 50 Jahren ist COLTENE auf die Entwicklung und Herstellung kondensations- und additionsvernetzender Silikone für den Dentalmarkt spezialisiert, die weltweit vertrieben werden. SPEEDEX und AFFINIS sind zwei der führenden Produkte, die in vielen Praxen und Universitäten das Produkt erster Wahl darstellen. Durch das hervorragende Anfliessverhalten, die variablen Applikationszeiten sowie die thermo-reaktive Formulierung im Abbindeprozess erlauben es präzisere Modelle herzustellen.

AFFINIS[®]

Speedex[®]

PRESIDENT[®]

Behandlungshilfen

ROEKO und Hygenic Behandlungshilfen umfassen Produkte, welche die tägliche Praxisarbeit erleichtern und effizienter machen. ROEKO Luna Watterollen, Surgitip Absaugkanülen und die komplette Kofferdam-Linie gewährleisten eine optimale Feuchtigkeitskontrolle im Behandlungsbereich: die neue Surgitip-endo ermöglicht durch ihr innovatives Kugelgelenk leichtes und effizientes Absaugen im Wurzelkanal, was in Fachkreisen grosses Interesse weckt. Das chirurgische Nahtmaterial ROEKO Sintraumal sowie der antibakteriell wirkende, blutstillende Gelatineschwamm Gelatamp unterstützen eine komplikationsfreie Wundheilung. Des Weiteren steht HANEL für ein komplettes Programm und die herausragende Qualität der Okklusions- und Artikulationsprüfmittel. COLTENE produziert zudem Geräte für die ultraschallunterstützte Zahnsteinentfernung und das PerFect TCS II Elektrochirurgiesystem.

Rotierende Instrumente

Die rotierenden Instrumente werden unter den Marken DIATECH (weltweiter Vertrieb ausser USA und Kanada) sowie Alpen (für USA und Kanada) verkauft. Bei beiden Marken bietet COLTENE das komplette Sortiment mit klaren Produktvorteilen wie die Mehrfachbeschichtung bei Diamanten und die Einstück-Konstruktion bei Hartmetallinstrumenten an.

Hygiene

Die Produkte der Hygienelinie von COLTENE machen die Zahnarztpraxen hygienischer. COLTENE verfügt mit BioSonic über eine eigene, speziell für den Dentalmarkt entwickelte Linie von Ultraschallgeräten. Sterile Abdeckungen, Steri-Quick und Steri-sleeve, Mundschutz Protecta und Rexam Handschuhe bieten Infektionsschutz für Patient und Praxisteam. Mit Protecta active carbon bietet COLTENE einen Mundschutz, der durch eine Lage Aktivkohle zusätzlich vor unangenehmen Gerüchen schützt.

roeko
HANEL

roeko
Surgitip

roeko
Gelatamp



roeko
Elasti-Dam

roeko
Surgitip-endo

DIATECH⁺
PREMIUM ROTARY INSTRUMENTS

AlpenTM
SWISS ROTARY INSTRUMENTS

BioSonic[®]
roeko

Vorwort



Links: Martin Schaufelberger, CEO
Rechts: Nick Huber, Präsident des Verwaltungsrats

Sehr geehrte Aktionärinnen, sehr geehrte Aktionäre

Im Geschäftsjahr 2013 legte die COLTENE Gruppe ein tragfähiges Fundament, um zukünftig ihre Position im Markt für dentale Verbrauchsgüter auszubauen und die Voraussetzungen für weiteres Wachstum zu schaffen. Mit grosser Tatkraft setzte das Management die im Vorjahr überarbeitete Unternehmensstrategie um. Sie baut auf die Hauptstossrichtungen Produktfokus, Marketing- und Vertriebsoffensiven sowie betriebliche Effizienz und berücksichtigt die neusten Kundenbedürfnisse und Trends im Markt. Einen zweiten Schwerpunkt stellte der Abschluss der Einführung eines einheitlichen Informatiksystems in allen global produzierenden Fertigungsstätten der Gruppe dar. Dieser Meilenstein erlaubt dem Unternehmen, seine Prozesse gruppenweit noch besser aufeinander abzustimmen und zu steuern. Drittens intensivierte COLTENE die Verkaufsanstrengungen und erweiterte ihren globalen Fussabdruck.

2013 legte die COLTENE Gruppe das Fundament für weiteres Wachstum. Die Teams setzten die überarbeitete Strategie grösstenteils um, schlossen die Einführung eines einheitlichen Informatiksystems ab und erweiterten den globalen Fussabdruck.

Die Umsetzung der Strategie zeigte erste Wirkung. Die gezielte Straffung des Sortiments und Aufgabe von nicht rentablen Produkten drückten zwar auf das Umsatzwachstum, wirkten sich hingegen positiv auf den Betriebsgewinn aus.

Das einheitliche Informatiksystem erlaubt der Gruppe, die Prozesse anzugleichen, Produktionszeiten zu verkürzen, die Komplexität abzubauen und dadurch die Lager zu reduzieren.

Trends wie die stark wachsenden Verkäufe über das Internet sowie die steigende Anzahl von Gruppenpraxen verändern die Vertriebsstrukturen nachhaltig.

In einem Gesamtmarkt, der sich regional unterschiedlich entwickelte, konsolidierte COLTENE ihre Nettoerlöse auf Vorjahresniveau. Die Straffung des Sortiments und Aufgabe von unrentablen Produkten als eine Massnahme der Umsetzung der neuen Strategie drückten vorübergehend auf die Umsätze. Zusammen mit weiteren Initiativen wirkte sie sich hingegen positiv auf den Betriebsgewinn aus, den die Gruppe plangemäss weiter ausdehnte. In Nordamerika setzte sich die positive Entwicklung auf der hohen Vorjahresbasis trotz der neuen US-Steuer auf Medizinalgeräten fort, die sich negativ auf den Nettoumsatz auswirkte. Nach Auslieferungspässen in den USA im Zusammenhang mit der Einführung des ERP-Systems mit integrierter Managed-Warehouse Lösung im ersten Semester spielten sich die neuen Prozesse bis im Sommer ein. Insgesamt blieb der Umsatz in Nordamerika mit 1,9% (währungsbereinigt 0,8%) knapp hinter dem hohen Vorjahresresultat zurück. Dynamisch entwickelte sich die Gruppe in den Schwellenländern, wo sie ihre starke Stellung festigte. Erfreuliche Resultate erwirtschaftete COLTENE auch in den BRIC-Staaten. In Brasilien, Russland, Indien und China stiegen die Umsätze in Lokalwährungen deutlich an. In Europa zeigten sich die Märkte uneinheitlich. Insbesondere in Deutschland und der Schweiz musste die Gruppe infolge Lagerabbau und Parallelimporten Rückschläge hinnehmen.

Erhöhte innerbetriebliche Transparenz

Das Management initiierte insgesamt 21 Projekte zur Umsetzung der überarbeiteten Unternehmensstrategie. Sie konnten bis zum Jahresende zu einem erheblichen Teil abgeschlossen werden. Inhaltlich widmeten sie sich der punktuellen Erweiterung bei gleichzeitiger Straffung des Produktportfolios, der Stärkung des Gruppendenkens und damit dem Stärken- und Know-how-Austausch weltweit. Die konsequente Ausrichtung der Vertriebsorganisation auf die regional unterschiedlichen Kundenbedürfnisse bildete einen weiteren Schwerpunkt. Das nun in allen global produzierenden Werken eingeführte neue Informatiksystem vermittelt dem Unternehmen verbesserte Planungsdaten und erhöhte Transparenz über den Warenfluss entlang der gesamten Wertschöpfungskette. Auf dieser Basis optimiert die Gruppe ihre betrieblichen Abläufe weiter mit dem Ziel, Produktionszeiten zu verkürzen, Lager zu reduzieren und die Komplexität abzubauen.

Ein zweiter Fokus richtete sich auf die Stärkung und den Ausbau des Vertriebs. Die Gruppe veranstaltete in allen wichtigen Märkten intensive Trainings und Verkaufsseminare mit ihren Kunden, um die engen Kundenbeziehungen zu pflegen und die Vertrautheit von Zahnärzten, Zahnärztinnen und Fachleuten mit COLTENE Produkten zu erhöhen. Im Mai führte COLTENE nach einer mehrjährigen Pause das Latin-American Key-Opinion-Seminar in Mayo, Mexiko, durch. An diesem vielbeachteten Kongress nahmen rund 220 Fachleute aus 18 Ländern teil, darunter zahlreiche Restaurations-, Prothetik- und Endodontiespezialisten. Parallel zur Schulungsoffensive baute COLTENE ihr Vertriebsnetz gezielt aus. Neu ist COLTENE mit eigenen Vertriebs Spezialisten in Polen und Japan vertreten. Zudem begründete COLTENE in der Türkei eine neue Partnerschaft und erweiterte namentlich in Italien, den USA, in Brasilien sowie in Indien und China ihre Verkaufsteams.

Innovationsmanagement neu organisiert

2013 investierte COLTENE erneut beachtliche Mittel in die Forschung und Entwicklung und sorgte mit zahlreichen neuen, innovativen Produkten und Behandlungshilfen für Aufsehen im Markt. Dabei konzentrierte sich die Gruppe vor allem auf die Fokusproduktgruppen Restauration, Endodontie und Behandlungshilfen, wo das Unternehmen besonders grosses Wachstumspotenzial sieht. Die F&E-Ausgaben betrugen 2013 2,6% des Gesamtumsatzes der Gruppe. Geplant ist, die F&E-Aufwendungen und ihre Effektivität in den kommenden Jahren schrittweise zu erhöhen.

Parallel reorganisierte COLTENE das Ideen- und Innovationsmanagement, um neue Markttrends noch frühzeitiger zu antizipieren und den sich verändernden Kundenbedürfnissen noch besser zu entsprechen. Aus einer Vielzahl von Quellen, darunter Rückmeldungen von Kunden und Mitgliedern des Advisory Boards sowie den Erkenntnissen der eigenen Spezialistenteams, sammelt COLTENE in allen Unternehmensbereichen systematisch neue Ideen für innovative Produkte oder Prozessoptimierungen.

Aktuell sind wesentliche Projekte auf das Marketing und den Vertrieb ausgerichtet. Sie zeigen Lösungen für neue Bedürfnisse auf, die den Markt für dentale Verbrauchsgüter in den nächsten Jahren nachhaltig strukturell verändern werden. Klar akzentuiert hat sich zum einen der Trend zu volumenmässig rasch ansteigenden Verkäufen über das Internet. Digitale Verkaufsplattformen sprengen traditionelle, nach einzelnen Märkten strukturierte Vertriebskonzepte und fordern eine global abgestimmte, erhöhte Produktinformations- und Preisgestaltungstransparenz. Ein zweiter Trend betrifft die zahlenmässig schnell wachsende Anzahl von Gruppenpraxen. Diese verfügen zunehmend über professionelle Einkaufsstrukturen.

Operative Verbesserungen in den USA und Brasilien

Der Rollout des neuen ERP-Systems in der amerikanischen Produktionsstätte in Cuyahoga Falls, Ohio, wirkte sich positiv auf die betriebliche Effizienz aus. Auch im Bereich der Fertigung realisierte Coltène/Whaledent Inc. Fortschritte. Die amerikanische Gruppengesellschaft baute ihre Fertigungszentren für rotierende Instrumente wie zum Beispiel für Diamantbohrer und Glasfaserstifte aus. In der brasilianischen Gruppengesellschaft Vigodent stabilisierte COLTENE in der Berichtsperiode die Prozessabläufe und setzte ein striktes Kostenmanagement um. Mit Blick nach vorne intensiviert COLTENE ihre Marketing- und Verkaufsanstrengungen in der Region. Das Management unterstützte das Team mit erfahrenen Produktspezialisten aus Portugal und Argentinien, die für Anfang 2014 ein umfassendes Schulungsprogramm organisierten. Mit zunehmender Marktverankerung wird das bewährte Vigodent Angebot mit ausgewählten COLTENE Produkten ergänzt. Bereits 2013 lancierte COLTENE das auf die lokalen Bedürfnisse zugeschnittene Komposit-Veneering-System COMPONEER BRILLIANT. Zudem wurde die lokale Produktion von COLTENE C-Silikonen aufgenommen.

Stärkung der Fachkompetenz in der Unternehmensführung

In der Berichtsperiode erweiterte und stärkte COLTENE ihre Führungsgremien. An der Generalversammlung im April wählten die Aktionäre Prof. Dr. med. dent. Roland Weiger in den Verwaltungsrat. Er folgte auf Jerry Sullivan, ehemaliger CEO und langjähriger Verwaltungsrat des Unternehmens, der nicht mehr zur Wiederwahl zur Verfügung stand. Die Zuwahl von Roland Weiger – er ist Ordinarius und Vorsteher der Klinik für Parodontologie, Endodontologie und Kariologie an der Universität Basel sowie Direktor des Departements Zahnmedizin – sichert COLTENE wichtige Markt- und Kundennähe. Mit seinen umfangreichen Kenntnissen in der Zahnbehandlung und seinem speziellen Expertenwissen im Bereich der restaurativen Zahnheilkunde bringt Roland Weiger in einem zentralen Tätigkeitsbereich des Unternehmens wertvolles Branchen-Know-how in die Arbeit des Verwaltungsrats ein.

Anfang März stiess Dr. Werner Barth mit über 15 Jahren Erfahrung in verschiedenen Verkaufs- und Marketingfunktionen als neuer Leiter Globales Marketing zu COLTENE. Er treibt die konzernweite Integration des Marketings weiter voran und richtet die historisch gewachsenen Produktsegmente mit ihren spezifischen Marken und Stärken in ihren Heimmärkten unter der Dachmarke COLTENE vermehrt global aus.

Am 1. Januar 2014 nahm Gerhard Mahrle als neuer Gruppen-CFO und Mitglied der Gruppenleitung seine Tätigkeit für COLTENE auf. Er trat die Nachfolge von Dr. Hans Grüter an. Gerhard Mahrle ergänzt das Führungsteam der COLTENE Gruppe mit seiner langjährigen Erfahrung als CFO verschiedener börsenkotierter Unternehmen.

Ausblick: Umsatz- und Margenausweitung

2014 strebt COLTENE auf der Basis der weitgehend umgesetzten, überarbeiteten Unternehmensstrategie und des damit ausgelegten soliden Fundaments neue Wachstumsschritte an.

Zum einen beabsichtigt das Unternehmen, das in allen global produzierenden Werken vereinheitlichte Informatiksystem für eine optimierte Planung insbesondere in den Bereichen Beschaffung, Supply Chain Management, Fertigung sowie Marketing und Vertrieb noch besser zu nutzen. Zweitens wird COLTENE ihre Verkaufsanstrengungen weiter intensivieren, um ihre Positionen in den traditionellen europäischen Märkten sowie in den Schwellenmärkten auszubauen. Dabei wird sie ihr Distributionskonzept mit einem vereinheitlichten Auftritt unter der Dachmarke COLTENE auch auf neue Kundenbedürfnisse wie die Nutzung des Internets als Produktinformations- und Verkaufsplattform ausrichten. Dessen ungeachtet bleiben der persönliche Kontakt und die Schulung der Zahnärzte und Zahnärztinnen von zentraler Bedeutung. COLTENE beabsichtigt deshalb, die bestehenden Partnerschaften zu Universitäten und Forschungsinstituten in allen wichtigen Märkten intensiv zu pflegen und neue Kooperationen abzuschliessen. Diese Massnahmen sollen es dem Unternehmen erlauben, ein über dem Marktdurchschnitt liegendes Umsatzwachstum zu erzielen und die EBIT-Marge mittelfristig auf 15% des Nettoumsatzes zu steigern.

Dank

Im Namen des Verwaltungsrats und der Konzernleitung danken wir allen Mitarbeitenden weltweit für ihr ausserordentliches Engagement während des ganzen Jahres. 2013 war für die schweizerische Gesellschaft Coltène/Whaledent AG in Altstätten ein besonderes Jahr. Sie feierte ihr 50-Jahre-Jubiläum. Die Unternehmensleitung nahm diesen Meilenstein im März zum Anlass, ihren Partnern und Freunden mit einem speziellen Jubiläumsempfang an der internationalen Dentalmesse IDS in Köln zu danken. Im Juni veranstaltete die Coltène/Whaledent AG in Altstätten einen Tag der offenen Tür. Sie lud die Angehörigen der Mitarbeitenden sowie Partner und Nachbarn ein, das Unternehmen zu besuchen und besser kennen zu lernen. Wir danken unseren Kunden und Geschäftspartnern für ihre Loyalität und die ausgezeichnete Zusammenarbeit mit den COLTENE Teams. Schliesslich sprechen wir unseren Aktionären für das dem Unternehmen entgegengebrachte Vertrauen unseren Dank aus.

Mit freundlichen Grüssen

Nick Huber

Präsident des Verwaltungsrats

Martin Schaufelberger

CEO



Globaler Auftritt unter starker Dachmarke

- Einheitliche Vermarktung aller Produktgruppen
- Stärkung des Bekanntheitsgrads der Marke COLTENE als Qualitätssiegel
- Weltweite Etablierung der Dachmarke COLTENE
- Historisch gewachsene Produktmarken vermehrt global nutzen

Enge Zusammenarbeit mit den Händlern

- Intensivierter Erfahrungsaustausch und Schulung
- Periodisch wiederkehrende Verkaufsseminare in allen wichtigen Märkten
- Etablierung von Innovations- und Know-how-Panels
- Gewinn neuer Partnerschaften

Optimierung der Produktpalette

- Straffung des Angebots
- Abstimmung des Angebots auf regionale Bedürfnisse
- Selektive Ergänzung einzelner Produktfamilien zur Abdeckung des gesamten Behandlungsablaufs

Ausbau der Vertriebsorganisation

- Eigene Präsenz vor Ort in neuen Märkten
- Stärkung der Hubfunktion von Brasilien für die Mercosur-Region
- Neue Kooperationen mit Universitäten und Meinungsführern aus der Industrie

Nutzung neuer Verkaufskanäle

- Ausbau des E-Business
- Vereinfachung und marktübergreifende Harmonisierung der digitalen Verkaufsabläufe
- Einrichten von weltweit abgestimmten Produktauswahl- und Selektionsplattformen

Operativer Rückblick

Im Geschäftsjahr 2013 entwickelte sich das Marktwachstum für dentale Verbrauchsgüter regional unterschiedlich. Insgesamt schwächte es sich weiter ab. Zudem führt die zunehmende globale Beschaffung zu intensiviertem Wettbewerb vorab in den traditionellen europäischen Märkten. Beide Faktoren resultierten in der Berichtsperiode in einem erhöhten Preisdruck. Während in Nordamerika die für COLTENE relevanten Segmente des Dentalmarktes um rund 2–3% zulegten, fiel das Wachstum in Europa flach oder in einzelnen Ländern rückläufig aus. Erneut erfreulich mit markanten Zuwachsraten in Lokalwährungen von durchschnittlich über 10% entwickelten sich die Verkäufe in den Schwellenländern. COLTENE profitierte besonders von der Belebung des Geschäfts in den BRIC-Staaten. Der Wechselkurseffekt fiel 2013 auf das Gesamtergebnis minimal aus. Während das Verhältnis CHF/EUR sich leicht positiv auswirkte, war das Verhältnis CHF/USD leicht negativ. Die signifikante Abschwächung des brasilianischen Real und der indischen Rupie belasteten das Ergebnis in Schweizer Franken.

Im Geschäftsjahr 2013 erzielte COLTENE einen Nettoumsatz von CHF 160,0 Mio. (2012: CHF 158,1 Mio.). Dies entspricht einem leichten Zuwachs von 1,2% in der Berichtswährung Schweizer Franken. Währungsbereinigt übertrafen die Nettoerlöse das Vorjahresergebnis um 1,9%. Mit der Eliminierung von unrentablen Produkten straffte COLTENE strategiekonform das Sortiment. Dadurch entgingen dem Unternehmen vorübergehend Umsätze, welche die Gruppe kontinuierlich mit Innovationen in ihren Fokusproduktgruppen ersetzt. In den USA drückte die Einführung der neuen US-Steuer auf Medizinalgeräten auf die Nettoerlöse.

Die strategiekonforme Straffung des Sortiments und weitere Effizienzsteigerungen wirkten sich positiv auf den Betriebsgewinn aus. Das Betriebsergebnis (EBIT) stieg um 11,7% (10,8% währungsbereinigt) auf CHF 19,4 Mio. (2012: CHF 17,4 Mio.) an. Die EBIT-Marge erhöhte sich auf 12,2% (2012: 11,0%). Wegen einer Änderung des IFRS-Standards für die Verbuchung von Pensionsverpflichtungen mussten die Zahlen für das Jahr 2012 angepasst werden. Dies wirkte sich vor allem auf den EBIT, die Pensionsrückstellungen und das Eigenkapital aus. Nach der Beseitigung der Auslieferengpässe im ersten Semester in Zusammenhang mit der Einführung des ERP-Systems erwirtschaftete die amerikanische Gruppengesellschaft im zweiten Halbjahr ein deutlich besseres operatives Ergebnis. Auch die brasilianische Gruppengesellschaft schloss die Berichtsperiode mit einem ausgeglichenen Betriebsergebnis ab. Sie festigte 2013 ihre Organisation und die betrieblichen Abläufe.

Bei leicht erhöhten Nettoerlösen steigerte COLTENE das Betriebsergebnis (EBIT) markant um 11,7% auf CHF 19,4 Mio. Der Reingewinn stieg überproportional um 34,9% auf CHF 13,2 Mio. an und der Free Cashflow verbesserte sich um 109,1% auf CHF 17,0 Mio.

Generell führten 2013 der intensivierte Wettbewerb sowie strukturelle Veränderungen zu anhaltendem Preisdruck, der auf das Wachstum des Marktes für dentale Verbrauchsgüter drückte.

COLTENE erzielte in den folgenden Regionen besonders erfreuliche Wachstumsraten in Lokalwährungen:

- 14,1% in Lateinamerika ohne Brasilien
 - 11,0% in der Region Naher Osten und Afrika
 - 10,6% in Grossbritannien/Irland
 - 9,8% in den BRIC-Staaten
-

Die Fokusproduktgruppen Restauration und Endodontie profitierten von Produktinnovationen und erhöhten ihre Anteile am Gesamtumsatz der Gruppe weiter.

Wechselkursdifferenzen und andere Finanzaufwendungen stiegen von CHF 1,2 Mio. auf CHF 1,7 Mio. Der Zinsaufwand für Bankkredite reduzierte sich gegenüber dem Vorjahr leicht um CHF 0,3 Mio. auf CHF 0,9 Mio. Mit CHF 3,8 Mio. fiel der Steueraufwand um CHF 1,7 Mio. geringer als im Vorjahr aus. Die Steuerrate reduzierte sich dank der grösseren Ausgeglichenheit der Ergebnisse vor Steuern unter den Gruppengesellschaften gegenüber dem Vorjahr markant von 36,1% auf 22,4%. Der Reingewinn im Geschäftsjahr 2013 erreichte CHF 13,2 Mio. Dies bedeutet eine signifikante Verbesserung von 34,9% im Vergleich zum Vorjahr (2012: CHF 9,8 Mio.).

In der Berichtsperiode erzielte COLTENE einen Cashflow aus operativer Tätigkeit in Höhe von CHF 23,3 Mio., der um CHF 10,5 Mio. über dem Vorjahreswert lag und hauptsächlich auf das bessere Ergebnis, auf eine Reduktion des Nettoumlaufvermögens und Währungseffekte zurückzuführen war. Der Cashflow aus Investitionstätigkeit betrug CHF 6,3 Mio. und umfasste unter anderem den Kauf von Landreserven in Altstätten zu einem Kaufpreis von CHF 2,1 Mio. Die Nettoinvestitionen in Maschinen und Anlagen beliefen sich auf CHF 3,4 Mio. Die Investitionen in immaterielle Vermögenswerte in Höhe von CHF 0,8 Mio. bezogen sich vor allem auf den Abschluss der Einführung des konzernweiten ERP-Systems in der nordamerikanischen Produktionsstätte. Der Free Cashflow erhöhte sich markant auf CHF 17,0 Mio. (2012: CHF 8,1 Mio., plus 109,1%) insbesondere dank des verbesserten Cashflows aus operativer Tätigkeit.

Mit Bankschulden in Höhe von CHF 16,8 Mio. weist die Bilanz von COLTENE weiterhin eine hohe Eigenkapitalquote von 66,5% aus (2012: 61,0%). Die Nettoverschuldung beträgt CHF 10,3 Mio. Damit bleiben die finanzielle Stabilität und der unternehmerische Handlungsspielraum der Gruppe gewahrt.

Geschäftsverlauf nach Regionen: Dynamische BRIC-Staaten

2013 profitierte COLTENE vom Marktwachstum in Nordamerika und in den Schwellenländern. Deutliche Umsatzsteigerungen erzielte COLTENE vorab in den BRIC-Staaten, wo die Nettoerlöse in Landeswährung mit Ausnahme von Brasilien überall zweistellig zulegen. In Nordamerika konnte COLTENE die Umsätze auf dem hohen Niveau des Vorjahres konsolidieren. In einzelnen, hart umkämpften europäischen Märkten musste COLTENE Rückschläge hinnehmen. Mit Blick nach vorne verfügt die Gruppe aufgrund ihrer Untervertretung in einigen Märkten jedoch auch in Europa über Wachstumschancen.

Der Gesamtumsatz im Geschäftsjahr 2013 teilte sich wie folgt auf die Verkaufsregionen auf: COLTENE erzielte 44,6% des Gruppenumsatzes in der Region Europa, Naher Osten und Afrika (2012: 44,1%), 33,0% in Nordamerika (2012: 34,0%), 12,1% in Südamerika (2012: 11,9%) und 10,3% in Asien (2012: 9,9%). Der Umsatz in den Schwellenländern legte erneut um 10,1% (2012: 7,9%) auf währungsbereinigte CHF 44,5 Mio. zu und erreichte einen Anteil am Gesamtumsatz von 28,2% (2012: 27,8%).

Die Verkäufe in den meisten europäischen Ländern lagen über den Vorjahresvolumen und zeigten insgesamt ein Wachstum in Schweizer Franken von 1,4%. Eine Ausnahme bildeten die Schweiz und Deutschland, wo der Abbau von Lagerbeständen und vermehrte Parallelimporte zu Einbussen von 20,3% respektive 11,3% führten. In Nordamerika setzte sich die erfreuliche Umsatzentwicklung auf der hohen Vorjahresbasis trotz der neuen Steuer auf Medizinalgeräten fort. Insgesamt verpasste COLTENE das ausserordentlich hohe Vorjahresergebnis um 1,9% knapp. Besonders erfreuliche Wachstumsraten erzielte die Gruppe in den BRIC-Staaten. In Brasilien steigerte COLTENE ihre Volumen um 5,0% in lokaler Währung. Die Abschwächung des brasilianischen Real führte jedoch zu einem Rückgang von 5,7% in Schweizer Franken. In den übrigen südamerikanischen Märkten legten die Verkäufe um 13,4% zu. In China und Indien konnte die Gruppe die Verkäufe in Schweizer Franken um 14,7% respektive 12,2% steigern. Ein solides Wachstum wies die Region Russland/GUS mit einem Plus von 12,5% aus. In der Region Naher Osten und Afrika erreichte das Wachstum 10,7%. Eine Zunahme um 1,8% erwirtschaftete COLTENE auch in der Region Übriges Fernost /Ozeanien.

Geschäftsverlauf nach Produktgruppen: Hygieneprodukte und Behandlungshilfen mit grösstem Wachstum

Im Jahr 2013 waren die Fokusproduktgruppen Restauration, Prothetik und Endodontie wiederum die Hauptumsatzträger. Zahnrestaurationen waren 2013 mit einem Anteil von 28,1% am Gesamtumsatz und einer Wachstumsrate von 4,9% der grösste Umsatzträger. Die Produktgruppe Prothetik erwirtschaftete 20,7% des Gesamtumsatzes, wobei sich das Volumen um 5,5% rückläufig entwickelte. Die endodontischen Produkte trugen bei einem Wachstum von 2,5% 18,9% zum Gesamtumsatz bei. Die höchsten Zuwachsraten erreichten die Hygieneprodukte und die Behandlungshilfen mit 10,9% respektive 8,1%. Sie erreichten einen Anteil am Gesamtumsatz von 7,5% und 10,6%. Mit einem Rückgang von 7,4% schnitten die sonstigen Produkte, die stark von der Sortimentsstraffung betroffen waren, am schlechtesten ab.

Die in der Berichtsperiode neu lancierten Produkte leisteten einen beachtlichen Umsatzbeitrag. Im März stellte COLTENE mit ihrem Auftritt an der wichtigen internationalen Dentalmesse IDS in Köln ihre hohe Innovationskraft unter Beweis. In der Produktgruppe Restauration wurde das Komposit-Veneering-System COMPONEER mit COMPONEER CLASS V um ein weiteres Produkt für die Restauration von Zahnhälsen erweitert.

Parallel wurde die Komposit-Befestigungszement-Familie modernisiert und ergänzt. Das seit Jahren international sehr erfolgreiche ParaCore stellt mit seiner einzigartigen Indikationsbreite das Rückgrat dar. Die beiden neusten Zemente DuoCem und SoloCem verbinden neben der starken und dauerhaften Befestigung von Restaurationen auch die Beigabe von antibakteriellem Zink. Darüber hinaus kommt SoloCem ohne übliches, separates Adhäsivsystem aus. Hervorragende Hafteigenschaften und einfache Anwendung in der Praxis gehören zu den überzeugenden Erfolgsfaktoren.

Im Bereich Endodontie bietet COLTENE ihre HyFlex™ Controlled-Memory NiTi Feilen zur Behandlung von Zahnwurzeln nun mit Längenmarkierungen und steril abgepackt an. Die Handhabung von Feilen wird zusätzlich durch den neuen CanalPro Apex Locator vereinfacht. Er zeigt auf der brillanten, farbigen 3-D-Benutzeroberfläche mit höchster Messgenauigkeit das Vordringen der Feile im Kanal an. Darüber hinaus lancierte COLTENE ROEKO GuttaFlow 2, ein einzigartiges Kaltfüll- und Verschluss-System für Wurzelkanäle.



In der Schweiz und in Deutschland beschäftigt COLTENE zwanzig Vertriebsspezialisten. Zahnärzte und Zahnärztinnen in dieser Region verlangen qualitativ hochwertige Instrumente und Verbrauchsmaterialien, welche die Behandlung vereinfachen und zugleich Mehrwert für den Patienten schaffen. In beiden Märkten ist die Nachfrage nach ästhetischen Zahnrestaurationen und Wurzelbehandlungen gross. Besonders gefragt in Deutschland und in der Schweiz sind die Produkte MIRIS 2, SYNERGY, COMPONEER, HyFlex, Spüllösungen und ROEKO.

«Die Rückmeldungen und Bedürfnisse unserer Kunden sind für unsere Arbeit sehr wichtig. Unsere Kunden haben mit COLTENE einen Partner, der in der Lage ist, attraktive, hochwertige Produkte anzubieten, die ihren vielfältigen Anforderungen genügen.»

Nicole Besse, Area Sales Manager Germany
Frank Müller, Director Sales EMEA

COLTENE Lateinamerika koordiniert ein Team von 13 Vertriebsspezialisten. Deren Standorte sind Mexiko, Kolumbien, Venezuela, Chile, Costa Rica, Guatemala und die Dominikanische Republik. Den Ländern dieser Region mit ihren eigenen Kulturen ist die Nachfrage nach hochwertigen Dentalprodukten und -behandlungen zu Preisen, die ihrem Einkommen entsprechen, gemeinsam. In Lateinamerika ist eine besonders hohe Nachfrage nach Speedex, BRILLIANT NG, Coltolux LED und HyFlex CM zu verzeichnen.

«COLTENE verfügt über ein starkes Vertriebsnetz. Es überzeugt durch sein Leistungsangebot und zuverlässige Belieferung von Zahnärzten, Zahnärztinnen und Hochschulinstituten. Wir bieten echten Mehrwert, was unsere Kunden zu schätzen wissen.»

Lucas Beric, Sales Manager Latin America South
Nicolas Zottola, Sales Manager Latin America North





In Grossbritannien und Frankreich beschäftigt die Vertriebsorganisation rund acht Spezialisten. Diesen beiden Märkten ist eine vergleichsweise strenge staatliche Regulierung gemeinsam. In Grossbritannien haben private Zahnarztpraxen derzeit einen Marktanteil von 10% mit steigender Tendenz. COLTENE ist im kassenärztlichen und privaten Sektor tätig. Marktführende Produkte in Grossbritannien und Frankreich sind HyFlex CM, PRESIDENT und AFFINIS, ROEKO, COMPONEER und MIRIS 2 sowie Dental Dam.

«Im Dentalmarkt ist es ausserordentlich wichtig, Qualität ohne Kompromisse anzubieten. COLTENE bietet Zahnärzten und Zahnärztinnen einen herausragenden Service sowie regelmässige Schulungen.»

Stephen Mallinson, Managing Director Coltène/Whaledent Ltd UK
Mathieu Kovéz, Sales Manager France



In Nordamerika ist COLTENE mit 53 Vertriebsspezialisten präsent. Die Produkte des Unternehmens stossen auf grosse Nachfrage und verbessern die zahnärztlichen Behandlungsmethoden, wovon Zahnärzte, Zahnärztinnen und Patienten gleichermaßen profitieren. Besonders gefragt in Nordamerika sind rotierende Feilen des Typs HyFlex Endo, rotierende Instrumente der Marke Alpen, BioSonic Ultraschallreiniger, Wurzelstifte und S.P.E.C. 3 Polymerisationslampen.

«Innovation und Qualität sind für unsere Kunden von sehr grosser Bedeutung. COLTENE ist in der Lage, innovative Produkte schnell und effizient auf den Markt zu bringen. Diese Fähigkeit stellt die Basis für die ausgezeichneten Beziehungen zu Grosshändlern und Endkunden dar.»

June King, National Account Manager USA
Don Berse, Director of North American Sales

In Brasilien besteht das COLTENE Vertriebsteam aus zwanzig Spezialisten. Als dynamischer BRIC-Markt weist Brasilien ein rasches Wirtschaftswachstum auf und stellt den grössten Markt Lateinamerikas dar. Der erstklassige Kundenservice und die Präsenz in den sozialen Netzwerken zeigen grossen Erfolg: Nach nur sechs Monaten nutzen in Brasilien bereits 25% der zahnmedizinischen Fachkräfte unsere Angebote. In Brasilien besteht eine grosse Nachfrage nach hochwertigen Restaurationsmaterialien, darunter BRILLIANT NG, COMPONEER und ParaCore.

«Unsere Produkte sind darauf ausgerichtet, den Zahnärzten und Zahnärztinnen hohen Komfort zu bieten, ihnen die Arbeit zu erleichtern und die Behandlungszeiten zu verkürzen. Damit können sie die Kosten senken und höchste Behandlungsqualität gewährleisten.»

Eduardo Franco, General Manager Vigodent SA
Sergio Plumari, National Sales Manager Brazil





Auf der iberischen Halbinsel und in Italien ist COLTENE sehr gut positioniert. Das Unternehmen beschäftigt sechs Vertriebspezialisten in Spanien und sieben in Italien. Besonders gefragt sind ästhetische Zahnrestaurationen. Ausschlaggebend für unseren Erfolg sind unsere ausserordentlichen Kenntnisse und Fähigkeiten im Bereich der zahnmedizinischen Praxis sowie unsere attraktive Preispolitik. In Spanien und Italien besteht eine hohe Nachfrage nach COMPONEER/SYNERGY D6 und nach prothetischen Lösungen.

««Sell to educate and train to sell.» Dieses Motto beschreibt treffend das Konzept für die Weiterentwicklung unserer Märkte. Kundenfeedbacks sind für uns eine wertvolle Quelle, damit wir die Anforderungen der verschiedenen Märkte besser verstehen lernen.»

Jorge Pérez Benítez, Sales Manager Spain
Francesco Terzani, Sales Manager Italy



Die COLTENE Niederlassungen in Indien und China werden von vier Regional Manager und drei Vertriebsspezialisten unterstützt. Ein besonderes Charakteristikum der regionalen Märkte in Asien sind die ausserordentlich engen Beziehungen zu Hochschulen und Universitäten. COLTENE beabsichtigt, das Vertriebsnetz in dieser Region zu erweitern. Trotz Unterschieden ist den Märkten die hohe Nachfrage nach erstklassigen Produkten wie COMPONEER BRILLIANT, AFFINIS und dem gesamten Sortiment an Wurzelstiften gemeinsam.

«Entscheidend für das Wachstum von COLTENE sind die Kooperation mit Grosshändlern vor Ort und unsere wertvollen Schulungsangebote. Sie gewährleisten höchste Qualität von der Fertigung über die zahnärztliche Praxis bis zum Patienten.»

Rodolfo Frei, Sales Director Asia-Pacific
Owen Yew, Sales Manager Southeast Asia

Corporate Governance

COLTENE Holding AG (December 31, 2013)

The following chapter describes the principles of corporate governance applied at Group and senior management level within the COLTENE Group. The central elements are contained in the Articles of Incorporation and organizational regulations and are based on the guidelines and recommendations set out in the "Swiss Code of Best Practice for Corporate Governance" published by *economiesuisse*. To make orientation easier, order and sequence of the individual sections are generally following those used in the "Guidelines concerning Information on Corporate Governance" published by SIX Swiss Exchange. All information is valid as at December 31, 2013, unless otherwise stated. Significant changes that have occurred between that date and the publication date of this report have also been indicated as appropriate.

1 Group Structure and Shareholders

1.1 Group Structure

1.1.1 Company History

COLTENE Group is targeting the markets for dental consumables. The Company evolved from the Health Care Division of the former Gurit-Heberlein AG and was incorporated as per December 15, 2005, under the name Medisize Holding AG and listed as an independent company on June 23, 2006, on SIX Swiss Exchange. Medisize was operating with two segments in the dental and medical consumables markets. Effective as at April 30, 2008, the medical segment was sold to the Finnish Medifig Group and the Company name was changed to COLTENE Holding AG.

1.1.2 Legal Structure of Subsidiaries

Of all the companies consolidated, COLTENE Holding AG (the COLTENE Group's holding company) is the only one listed. It is headquartered in Altstätten/SG; COLTENE Holding AG's registered shares (security no. 2.534.325, ISIN CH0025343259, symbol CLTN) are quoted on SIX Swiss Exchange. On December 31, 2013, the market capitalization amounted to CHF 193.4 million. Information on the companies belonging to the COLTENE Group, which are not listed, is shown on page 69 of the Financial Report.

1.2 Major Shareholders

On December 31, 2013, there were 1434 shareholders (previous year: 1401) entered in the share register and the following shareholders held stakes equaling or exceeding the legal disclosure threshold of 3% of the voting stock of COLTENE Holding AG:

Huwa Finanz- und Beteiligungs AG, Heerbrugg/SG, Bahnhofstrasse 2, 9435 Heerbrugg, held 926 465 registered shares. This equals voting rights of 21.96%. *Huwa Finanz- und Beteiligungs AG* is under control of Hans Huber, Appenzell/AI.

Credit Suisse Funds AG, Kalandergrasse 4, 8045 Zurich, held 326 027 shares or 7.73% of the voting rights.

Tweedy, Browne Company LLC, 350 Park Avenue, New York, NY 10022/USA, held 241 712 registered shares representing 5.73% of the voting rights.

UBS Fund Management (Switzerland) AG, P.O. Box, 8098 Zurich, held 209 987 shares or 4.98% of the voting rights.

Robert Heberlein, Zumikon/ZH, held directly and indirectly through Burix Holding AG, Zurich, which he controls, 166 653 registered shares, representing 3.95% of the voting rights.

Schroder Investment Management (Switzerland) AG, P.O. Box, 8021 Zurich, held 127 920 shares or 3.03% of the voting rights.

All other shareholders held a stake of 52.62% of the voting rights of COLTENE Holding AG.

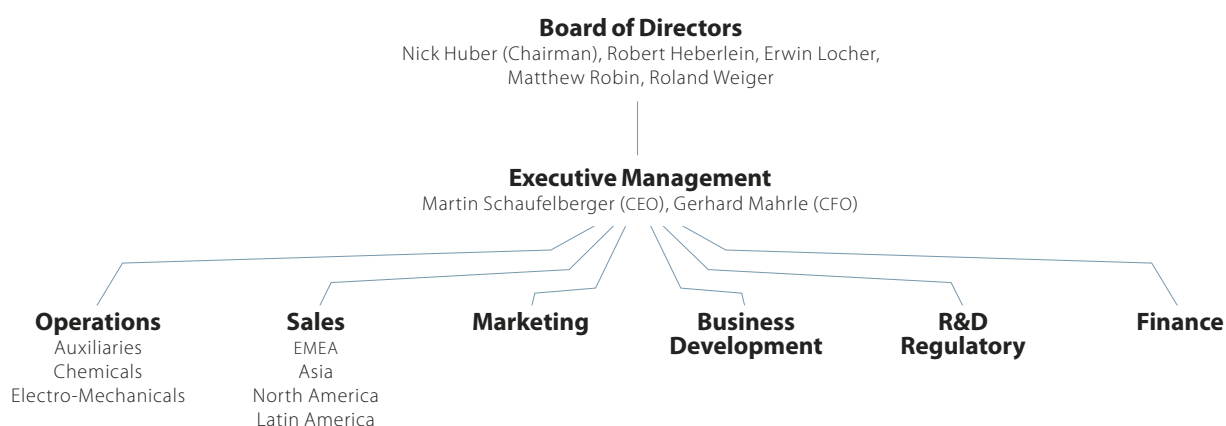
The Company held treasury shares amounting to 0.02% (0.23%) at the balance sheet date. Shares pending registration of transfer amounted to 15.0% (19.44%) of the total as at December 31, 2013.

1.3 Cross-Shareholding

COLTENE Holding AG has no cross-shareholding arrangements with other companies.

1.4 Structure of Group Operations

The Organization of the COLTENE Group as per January 1, 2014, can be described as follows:



The COLTENE Group is operationally headed by the Executive Management which consists of the Group CEO and the Group CFO who acts also as deputy CEO. The CEO directly leads Operations and Sales. Group Finance is led by the CFO. The Executive Management together with the heads of Marketing, Business Development, and R&D/Regulatory form the COLTENE Group Management. The Group Management is responsible for the operational management of the holding company and the Group. The Group is managed by the Board of Directors through the Executive Management. The Board of Directors and the Executive Committee are assisted in their work by various central Group functions. The separation of responsibilities between the Board of Directors and the Executive Management is explained in section 3.4, page 37.

2 Capital Structure

Information about the capital structure can be found in COLTENE Holding AG's Articles of Incorporation, in the Financial Statements of COLTENE Holding AG as well as in the Investor Relations section on page 78 of this report. The Articles of Incorporation in German as well as an unofficial translation in English are available on the website at www.coltene.com.

2.1 Capital

Details on the capital are included in the COLTENE Holding AG's financial statements on page 72.

2.2 Authorized or Contingent Capital in Particular

COLTENE Holding AG has no authorized or contingent capital.

2.3 Changes in Capital

The following changes in equity have occurred during the last three financial years.

Changes in equity			
In CHF 1000	31.12.2013	31.12.2012	31.12.2011
Share capital	422	422	422
Statutory reserves	84	84	18 015
Capital contribution reserve	1 193	8 785	
Reserves for treasury stock	45	275	3 010
Net income brought forward	45 344	35 925	30 458
Total	47 089	45 491	51 905

Based on the General Meeting's decision April 15, 2013, the Company distributed CHF 1.80 per share out of reserves from previous capital contributions. Subsequently, the Company paid to its shareholders on April 22, 2013, a total amount of TCHF 7592.

2.4 Shares and Participation Certificates

The Company's share capital consists of 4 219 000 registered shares with a par value of CHF 0.10 each. All shares are fully paid up and entitled to dividends. They entitle the holder to one vote at the General Meeting. The right to apply the special rules concerning treasury shares held by the Company is reserved, particularly in relation to the exemption from the entitlement to dividends.

The shares are traded in the main segment of SIX Swiss Exchange (security no. 2.534.325, ISIN CH0025343259, symbol CLTN). COLTENE Holding AG has not issued any participation certificates.

2.5 Profit-Sharing Certificates

COLTENE Holding AG has not issued any profit-sharing certificates.

2.6 Restrictions on Transferability of Shares and Nominee Registrations

According to §4 of the Articles of Incorporation, only individuals who are registered in the share register may be recognized as the owners or beneficiaries of traded shares. Registration of ownership may be refused only in cases where the purchaser does not expressly declare that he has acquired the shares for his or her own account. The Board of Directors may cancel a registration of a shareholder or nominee in the share register, after hearing the respective parties, if the entry was made based on false declarations. The relevant party is to be immediately informed of this cancellation. The Board of Directors may define principles for the registration of fiduciaries or nominees and stipulate the necessary rules to guarantee compliance with the afore-mentioned principles.

2.7 Convertible Bonds and Warrants/Options

COLTENE Holding AG has no outstanding convertible bonds or options.

3 Board of Directors

3.1 Members of the Board of Directors

On December 31, 2013, the Board of Directors of COLTENE Holding AG consisted of five members. The Articles of Incorporation stipulate a minimum of three. All board members are non-executive and have no material business interest with the COLTENE Group. They are independent in the sense of the Swiss Code of Best Practice for Corporate Governance, with the exception of Erwin Locher, who served as Group CEO ad interim from July 1, 2011, until May 31, 2012, and have not served on either the management of COLTENE Holding AG (holding company) or the management board of any subsidiary during the past three years. In the year under review Roland Weiger and the dental department of the University of Basel, supervised by Roland Weiger, received for lecturing activities and the realization of scientific workshops the amount of CHF 9990.

The personal details together with the other activities and vested interests of individual members of the actual Board of Directors are listed below:

Nick Huber

- Chairman of the Board of Directors (year of first election: 2005)
- Businessman
- Non-executive member
- Swiss citizen, born in 1964

Professional background (main stages)

- 1990–1995 Account Manager, IBM (Schweiz) AG, Zurich
- 1995–2005 Divisional Head, SFS Unimarket AG, Heerbrugg/SG
- Since 2005 Member of the Executive Management of SFS Services AG, Heerbrugg/SG

Other important activities and vested interests

- Member of the Board of Directors of Alpha Rheintal Bank, Heerbrugg/SG
- Member of the Board of Directors of Huwa Finanz- und Beteiligungs AG, Heerbrugg/SG
- Member of the Board of Directors of Gurit Holding AG, Wattwil/SG

Robert Heberlein

- Member of the Board of Directors (year of first election: 2005)
- Attorney-at-law
- Non-executive member
- Swiss citizen, born in 1941

Professional background (main stages)

- 1977–2008 Partner, Lenz & Staehelin, Zurich
- Since 2009 Counsel of Lenz & Staehelin, Zurich

Other important activities and vested interests

- Chairman of the Board of Directors of Huwa Finanz- und Beteiligungs AG, Heerbrugg/SG
- Member of the Board of Directors of Gurit Holding AG, Wattwil/SG

Erwin Locher

- Member of the Board of Directors
(year of first election: 2009)
- Economist, University of Basel, MBA,
University of Toronto (Rotman)/University of St. Gallen
- Non-executive member
(July 1, 2011 until May 31, 2012, CEO ad interim
of the COLTENE Group)
- Swiss citizen, born in 1953

Professional background (main stages)

- 1979–1982 Sandoz AG, Basel, Internal Auditor
- 1982–1986 Mibelle AG, Buchs/AG (subsidiary of Migros),
Head Logistics
- 1986–1987 Zellweger AG, Uster/ZH, Treasurer
- 1987–1991 Mibelle AG, Buchs/AG (subsidiary of Migros),
Vice President Finance
- 1991–1996 Allo Pro AG, Baar/ZG (subsidiary of
Sulzer Medica), Vice President Finance,
then President
- 1996–2004 Mathys Medical AG, Bettlach/SO,
CEO and President Synthes Division

Other important activities and vested interests

- CEO and Member of the Board of Directors of
Thommen Medical AG, Grenchen/SO
- President Medtech Switzerland, Bern

Matthew Robin

- Member of the Board of Directors
(year of first election: 2006)
- M. Eng. in Chemical Engineering, Imperial College,
University of London
- Non-executive member
- British and Swiss citizen, born in 1965

Professional background (main stages)

- 1987–1998 Lonza Fine Chemicals, various functions
in the USA and in Switzerland (last function:
Business Director US Custom Manufacturing)
- 1998–2003 Disetronic, Burgdorf/BE (last function:
Head Disetronic Injection Systems)
- 2003–2006 Ypsomed Holding AG, Burgdorf/BE, CEO
- 2007–2011 Tecan Holding AG, Männedorf/ZH,
Divisional Head Liquid Handling & Robotics
- Since 2011 ELSA-Mifroma, Estavayer-le-Lac/FR, CEO

Other important activities and vested interests

Matthew Robin has no other important activities and vested interests.

Roland Weiger

- Member of the Board of Directors at the AGM
(year of first election 2013)
- Prof. Dr. med. dent., University of Tübingen, Germany
- Non-executive member
- German citizen, born in 1961

Professional background (main stages)

- 2000–2002 Professor of Endodontology,
University of Tübingen, Germany
- 2002–2011 Chairman of the Research Committee,
European Society of Endodontology (ESE)
- Since 2002 Professor and Director, Clinic of
Periodontology, Endodontology and
Carillogy at the University of Basel
- Since 2012 Director of the Department of Dental
Medicine, University of Basel

Other important activities and vested interests

- President of the Expert Commission of the
Swiss Organisation for Preventative and Restorative
medicine (SVPR)
- Member of the Board of the Swiss Society
of Periodontology (SSP)
- Member of the Board of the German Society for
Endodontology and Dental Traumatology (DGET)
- Member of the Research Fund of the Society
of Swiss Dentists (SSO)
- President of the Finance Committee of the
Department of Dental Medicine, University of Basel

3.2 Election and Term of Office

The members of the Board of Directors are elected by the shareholders for a period of one year. At the end of their term of office, members may be reelected. There is no limit to the period of office or age of members of the Board of Directors. The members of the Board of Directors are elected person by person.

Board and Management

Board of Directors



Nick Huber

1964, Swiss citizen
Chairman
First election in: 2005



Robert Heberlein

1941, Swiss citizen
Member
First election in: 2005

Executive Management



Roland Weiger

1961, German citizen
Member
First election in: 2013



Martin Schaufelberger

1964, Swiss citizen
Chief Executive Officer
Member since 2012



Erwin Locher

1953, Swiss citizen

Member

First election in: 2009



Matthew Robin

1965, British and Swiss citizen

Member

First election in: 2006



Gerhard Mahrle

1957, Swiss citizen

Chief Financial Officer

Member since January 1, 2014



Hans Grüter

1959, Swiss citizen

Chief Financial Officer

Member since 2006 until December 31, 2013

3.3 Internal Organization

3.3.1 Allocation of Tasks within the Board of Directors

The Board of Directors is ultimately responsible for the management of the Company and the supervision of the persons in charge of the management. The Board of Directors represents the Company and takes care of all matters which are not delegated by law, the Articles of Incorporation, or the organizational regulations to another body.

The Board of Directors' main duties can be summarized as follows:

- determination and formulation of the business strategy
- purchase and sale of participations or establishment and liquidation of Group companies
- approval of investments in and divestments of fixed assets exceeding CHF 200 000 in value
- definition of COLTENE Group's finance strategy
- determination of financial accounting and reporting, financial control, and financial planning
- definition of COLTENE Group's organizational structure
- appointment of the persons in charge of the management and their supervision
- approval of the Auditor's report and Annual Report as well as preparation of the General Meeting of the Shareholders and the execution of its resolutions

3.3.2 Membership of the Committees of the Board of Directors, their Duties and Responsibilities

The Board of Directors has delegated the operational management to the Executive Management headed by the Chief Executive Officer (CEO). The chairman of the Board of Directors organizes and manages the work of the Board of Directors.

The Board has formed the following permanent committees:

Audit and Corporate Governance Committee

Chairman: Robert Heberlein

Members: Nick Huber, Erwin Locher (suspended during his duty as CEO ad interim), Matthew Robin, Roland Weiger

The Audit and Corporate Governance Committee assists the Board of Directors in its supervisory duties and has the following main tasks and duties to perform:

- approval of the auditing program and audit fees and form a judgment of the effectiveness of the external audits
- review, amendment, and approval of the risk management assessment and system as well as control of the fulfillment of defined measures
- review and assessment of the functioning of the internal control system and control of the fulfillment of corrective actions
- review of consolidated financial statements as well as interim statements intended for publication
- regular review of the principles concerning Corporate Governance
- proposals to the Board of Directors of amendments to the Articles of Incorporation or internal regulations if necessary

Nomination and Compensation Committee

Chairman: Matthew Robin

Members: Robert Heberlein, Nick Huber, Erwin Locher (suspended during his duty as CEO ad interim), Roland Weiger

The Nomination and Compensation Committee carries out the following duties:

- determination of the remuneration of the members of the Board of Directors
- definition of the principles for the remuneration of the members of the Executive Management Board and submission of these to the Board of Directors for approval
- definition of principles for the selection of candidates for election or reelection to the Board of Directors
- preparation of the selection and assessment of the candidates for the position of the CEO
- approval of appointments of members of the senior management
- approval of the remuneration to be paid to the senior management
- approval of the general guidelines for the Human Resources management of the Group

3.3.3 Working Methods of the Board of Directors and its Committees

The Board of Directors meets annually for at least four ordinary, mainly one-day meetings. Extraordinary meetings may be held as necessary. Every member of the Board of Directors is entitled to request an immediate meeting, provided that he names its purpose. In 2013, the Board of Directors met seven times. These meetings lasted in average 4 to 6 hours. The Audit and Corporate Governance Committee met twice for a 2 hours meeting. The Nomination and Compensation Committee met three times. Their meetings lasted in average 1 hour.

Meetings are summoned in writing by the Chairman. An invitation together with a detailed agenda and documentation is sent to all participants at least seven days in advance of the date set for the meeting.

As a rule, the Chief Executive Officer and the Chief Financial Officer attend meetings of the Board of Directors. In order to ensure that the Board of Directors has sufficient information to make decisions, other members of staff or third parties may also be invited to attend.

The Board of Directors is quorate if all members have been duly invited and the majority of its members take part in the decision-making process. Members may participate in deliberations and the passing of resolutions by telephone, by video conference, or other suitable electronic media if all participants are in agreement. The decisions of the Board of Directors are taken on the basis of the votes submitted. In the event of a tie, the Chairman has the casting vote. Decisions may also be made in writing.

Proposals may also be sent to all members and they are regarded as passed if the majority of members agree unconditionally and no member insists on discussion of the issues in question in a formal meeting. Members of the Board of Directors are obliged to leave meetings when issues are discussed that affect their own interests or the interests of persons close to them.

All proposals and decisions are entered in the minutes to the meeting. The minutes also contain a summary of important requests to speak and any deliberations.

3.4 Definition of Areas of Responsibility

The areas of responsibility between the Board of Directors and the Executive Management are defined in COLTENE Holding AG's organizational regulations and can be summarized as follows: with the exception of decisions which according to article 716a of the Swiss Code of Obligations are part of its inderogable and non-transferable duties, and those additional duties listed under 3.3.1, the Board of Directors has delegated the executive control of COLTENE Group and, with it, operational management of the entire COLTENE Group, to the Executive Management.

3.5 Information and Control Instruments vis-à-vis Executive Management

As a rule, the Executive Management updates the Board of Directors on operations and COLTENE Group's financial position every month. In addition, the CEO and CFO report on business and all matters of relevance to the Board of Directors at each meeting of the Board of Directors. Every member of the Board of Directors has the right to ask any member of the Executive Management for information about matters within his remit, even outside meetings. The Chairman of the Board of Directors is also informed by the CEO about all businesses and issues of a fundamental nature or of special importance.

Based on an approved Risk Management policy by the Board of Directors an extensive system for monitoring and controlling the risks linked to the business activities is in place. The executive management is responsible for the risk identification, analysis, controlling, reporting, and monitoring the implementation. The Board of Directors reviews once a year the risk management and the results of implemented corrective actions.

Based on an approved Internal Control System policy by the Board of Directors the internal control mechanisms are reviewed and documented based on defined requirements. At least once a year a member of the audit committee reviews in detail the assessments made and corrective actions implemented. These findings are reviewed regularly by the Board of Directors.

Regarding the management of financial risks see the Notes to Group Financial Statements page 48.

4 Executive Management

On December 31, 2012, COLTENE Holding AG's Executive Management consisted of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). Hans Grüter, CFO of the COLTENE Group since 2006, left COLTENE at the end of 2013. His successor, Gerhard Mahrle, joined the COLTENE Executive Management on January 1, 2014, and took over the responsibilities and duties as Group CFO.

4.1 Members of the Executive Management

The personal details together with the other activities and vested interests of individual members of the actual Executive Management are listed below.

Martin Schaufelberger (since June 1, 2012)

- Chief Executive Officer COLTENE Group
- Electrical Engineer, Fachhochschule für Technik, Rapperswil/SG
- MBA Marketing, City University of Seattle, Zurich/Seattle
- Swiss citizen, born in 1964

Professional background (main stages)

- 1988–1998 Zellweger Uster AG, Uster/ZH, various functions in Switzerland and Japan. Last function: General Manager Strategic Marketing
- 1998–2001 Head Marketing and Sales Kunststoff Schwanden AG, Schwanden/GL
- 2001–2007 Deputy CEO Kunststoff Schwanden AG, Schwanden/GL
- 2007–2012 CEO Kunststoff Schwanden AG, Schwanden/GL

Gerhard Mahrle (since January 1, 2014)

- Chief Financial Officer COLTENE Group
- Lic. oec. HSG, University of St. Gallen
- Swiss citizen, born in 1957

Professional background (main stages)

- 1985–1992 Various senior positions in finance at the Galenica Group and the Hilti Group
- 1992–1998 CFO Eugster/Frismag Group, Romanshorn/TG
- 1998–2000 CFO Batigroup Holding AG, Basel/BS
- 2000–2009 CFO sia Abrasives Holding AG, Frauenfeld/TG
- 2009–2013 CFO Kardex AG, Zürich/ZH

Hans Grüter (until December 31, 2013)

- Chief Financial Officer COLTENE Group
- PhD Business Administration University Zurich, AMP Wharton University of Pennsylvania
- Swiss citizen, born in 1959

Professional background (main stages)

- 1996–1998 CFO, Melcher AG, Uster/ZH
- 1998–2001 Divisional President Europe, Power One Inc., Camarillo, USA
- 2002–2006 CFO Wicor Holding AG (Weidmann Group), Rapperswil/SG
- Since 2006 CFO COLTENE Group (former Medisize Holding AG)

4.2 Management Contracts

No agreements pertaining to the provision of managerial services exist between COLTENE Holding AG and other companies or natural persons outside the COLTENE Group.

5 Compensation, Shareholdings, and Loans

The Chairman of the Board of Directors and all members of the Board of Directors are paid for their services with a yearly fixed amount in cash and a variable cash portion. In addition, they receive a fixed number of shares and a variable number of shares, all having a restriction period of three years. The yearly fixed and variable amounts in cash as well as the fixed and variable number of shares awarded are determined by the Nomination and Compensation Committee once a year depending on the Company's performance.

The compensations of the Chief Executive Officer and of the Chief Financial Officer are determined by the Board of Directors on the recommendation of the Nomination and Compensation Committee.

Apart from their basic salary, the members of the Executive Management receive a performance- and success-related bonus. The basic salary takes into account the functional value of the position, the individual qualifications required and local employment conditions. A bonus and share participation program is in place for the members of the Executive Management as well as a limited number of key managers. The functional parameters of this program are measuring the performance to targets to key perfor-

mance indicators (KPI) such as EBIT and net sales, as well as to the fulfillment of personal targets. KPIs account for 75% and personal targets for 25%. Depending on the seniority of a participant, 20% of the bonus is allocated in shares at a fixed share price benchmarked to the SPI. Total bonus, including shares (if any), is capped depending on the seniority between 40% and 100% of the fixed salary of any participant. The program is defined and reviewed by the Nomination and Compensation Committee on an annual basis.

For a summary of the remunerations paid during the year under review, refer to page 75 of the Financial Report.

Apart from the ordinary pro rata salary and bonuses, no exit remuneration to a person leaving office during the year under review, and no remuneration to former members of governing bodies was paid during the year under review. No loans, securities, advances, or credits have been granted to members of the Board of Directors or members of the Executive Management or parties closely linked to any of them in the year under review.

In addition, on December 31, 2013, there were no options on shares of COLTENE Holding AG issued.

6 Shareholders' Participation Rights

Details of shareholders' participation rights can be found in the Articles of Incorporation of COLTENE Holding AG. The Articles of Incorporation in German are available on the website at www.coltene.com.

6.1 Voting Right Restrictions and Representation

The Articles of Incorporation contain no restrictions on voting rights. Every registered share represented at the General Meeting is entitled to one vote. A shareholder may vote his own shares or be represented at the General Meeting by way of a written proxy.

6.2 Statutory Quorums

Unless otherwise determined by law, a General Meeting convened in accordance with the Articles of Incorporation is quorate regardless of the number of shareholders attending or the number of shares represented. To be valid and subject to legal or statutory provisions, resolutions require an absolute majority of the votes submitted.

Important decisions of the General Meeting as defined in article 704 §1 of the Swiss Code of Obligations require at least two thirds of the votes present and the absolute majority of the par value of shares represented.

6.3 Convocation of the General Meeting of Shareholders

The ordinary General Meeting of the Shareholders takes place annually within six months of the end of the Company's financial year. Extraordinary General Meetings can be called by decision of the General Meeting, the Board of Directors, at the request of the auditors, or if shareholders representing at least a tenth of the share capital submit a request in writing, stating the purpose to the Board of Directors.

The invitation to the General Meeting of Shareholders is published in the Swiss Official Commercial Gazette. All shareholders whose addresses are registered in the share register are notified by a letter.

6.4 Agenda

The Articles of Incorporation contain no regulations relating to agendas that differ from those set forth by the law.

6.5 Entries in the Share Register

Shareholders and/or beneficiaries of registered shares are entitled to vote if they are registered in the share register at the time of the General Meeting of Shareholders. The Board of Directors shall determine and indicate in the invitation to any General Meeting of Shareholders the relevant cut-off date for registrations in the share register that shall be relevant for the eligibility of any shareholder to participate in and vote at such General Meeting.

7 Changes of Control and Defense Measures

7.1 Public Purchase Offers

The Articles of Incorporation of COLTENE Holding AG do not stipulate an alleviation or exemption for the duty to submit a public offer according to articles 32 and 52 of the Swiss Federal Act on Stock Exchanges and Securities Trading (SESTA) (Bundesgesetz über die Börsen und den Effektenhandel, BEHG).

7.2 Clauses on changes of Control

No change of ownership clauses are in effect at December 31, 2013, at COLTENE Group and senior management level.

8 Auditors

8.1 Duration of Mandate and Lead Auditor's Term of Office

Ernst & Young AG, St. Gallen (E&Y), has been elected as COLTENE Holding AG's statutory auditor at the General Meeting April 20, 2012, and E&Y also serves as Group auditors. Rico Fehr is lead auditor since that date.

The Audit and Corporate Governance Committee ensures that the lead auditor is rotated at least every seven years.

8.2 Auditing Fees

The total sum charged for auditing services during the year under review by E&Y in its capacity as COLTENE Group's statutory auditor amounted to CHF 264 002 (CHF 269 996 in the previous year).

Audit services are defined as the standard audit work performed each year in order to issue opinions on the Group companies in scope and consolidated financial statements of the Group, to issue opinions relating to the existence of the Group's internal control system, and to issue reports on local statutory financial statements if required. Also included are audit services that are only provided by the Group auditor, such as auditing of non-recurring transactions and implementation of new accounting policies, as well as audits of accounting infrastructure system controls.

8.3 Additional Fees

E&Y was also paid fees totaling CHF 37 292 (CHF 0 in previous year) for non-audit related services. The entire amount was paid for tax advice (tax audits).

8.4 Supervisors and Control Instruments Pertaining to the Auditors

As explained in section 3.3.2., the Board of Directors has established an Audit and Corporate Governance Committee to monitor the external auditors (statutory and COLTENE Group auditors).

The Audit and Corporate Governance Committee, acting on behalf of the Board of Directors, is responsible for overseeing the activities of E&Y. During 2013, the Audit and Corporate Governance Committee held two meetings. At these meetings, the auditors participated during the discussion of agenda items that dealt with accounting, financial reporting, or auditing matters and any other matters relevant for their audit.

As part of its duties, the Audit and Corporate Governance Committee also assesses the services and fees charged by the external auditors as well as their independence from the entire Board of Directors and COLTENE management. Criteria applied for the performance assessment include technical and operational competence, independent and objective view, sufficient resources employed, focus on areas of significant risk to COLTENE Holding AG, willingness to probe and challenge, ability to provide effective, practical recommendations, and open and effective communication and coordination with the Audit and Corporate Governance Committee.

On an annual basis, the Audit and Corporate Governance Committee and E&Y discuss E&Y's independence from COLTENE Group and COLTENE management.

Based on the outcome of the performance of E&Y as well as other criteria, the Audit and Corporate Governance Committee decides on its recommendation to the Board of Directors whether E&Y should be proposed to the Annual General Meeting for reelection. Based on the recommendation by the Audit and Corporate Governance Committee the Board of Directors nominates an independent auditor for election at the Annual General Meeting.

The Audit and Corporate Governance Committee recommended to the Board of Directors the approval, and the Board of Directors approved the Annual Report for the year ended December 31, 2013, including the audited financial statements.

9 Information Policy

COLTENE Holding AG provides its shareholders with information in the form of the Annual Report and Half-year Report. Important events are published immediately through press releases and/or letters to shareholders. Further information can be requested at the contact address indicated on page 78.

10 Internet

Shareholders and other interested parties can obtain information about COLTENE Group on the Internet at www.coltene.com and subscribe to a news service. For details refer to page 78.

11 Ad Hoc Publicity

COLTENE Holding AG maintains regular contact with the financial world in general and with important investors. At the same time, it abides by the legally prescribed principle of treating all parties equally as regards communication. Relevant new facts are published openly and are available to all interested parties.

For important dates of publications this year, the following year and contact addresses refer to pages 78 and 79.

Group Income Statement

In CHF 1000	Ref.	2013	restated 2012
Net sales	1	160 011	158 075
Changes in inventories of finished goods and work in progress		- 175	4 438
Work performed and capitalized		81	19
Raw material and consumables used	2	-47 642	-51 241
Personnel expenses	3	-57 045	-54 780
Other operating expenses	5	-30 599	-34 146
Depreciation and amortization	6	-5 186	-4 959
Operating profit (EBIT)		19 445	17 406
Financial income	7	117	170
Financial expenses	7	-2 560	-2 286
Net profit before tax expenses		17 002	15 290
Tax expenses	8	-3 813	-5 513
Net profit for the period	10	13 189	9 777
Earnings per share	10	CHF 3.13	CHF 2.33
Diluted earnings per share	10	CHF 3.13	CHF 2.33

The notes are part of COLTENE Group financial statements.
For restatement details see page 49.

Group Statement of Comprehensive Income

In CHF 1000	2013	restated 2012
Net profit for the period	13 189	9 777
Other comprehensive income (OCI)		
OCI to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translating foreign operations	-1 912	-2 197
Net OCI to be reclassified to profit or loss in subsequent periods	-1 912	-2 197
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial gains/(losses) on defined benefit plans	593	-1 278
Income tax effect	-103	216
Net OCI not to be reclassified to profit or loss in subsequent periods	490	-1 062
OCI, net of tax	-1 422	-3 259
Total comprehensive income, net of tax	11 767	6 518
Profit for the period attributable to the owner of the parent	13 189	9 777
Comprehensive income for the period attributable to the owner of the parent	11 767	6 518

The notes are part of COLTENE Group financial statements.
For restatement details see page 49.

Group Statement of Financial Position

In CHF 1000	Ref.	31.12.2013	restated 31.12.2012	restated 1.1.2012
Cash and cash equivalents		6 509	4 000	3 128
Trade accounts receivable	11	30 001	30 892	30 644
Tax receivables		73	57	173
Other receivables and prepaid expenses	12	2 764	4 155	3 256
Inventories	13	29 692	34 234	29 938
Current assets		69 039	73 338	67 139
Property, plant, and equipment	1, 14	29 648	28 720	30 540
Financial assets	15	11	19	26
Intangible assets	1, 16	45 874	47 629	48 927
Deferred tax assets	9	2 287	3 055	3 255
Non-current assets		77 820	79 423	82 748
Total assets		146 859	152 761	149 887
Financial liabilities	17	16 828	24 566	30 177
Trade accounts payable	18	4 668	6 506	5 601
Other accounts payable and accruals	19	10 828	10 954	10 681
Tax liabilities		2 382	2 510	761
Provisions	20	131	776	378
Current liabilities		34 837	45 312	47 598
Deferred tax liabilities	9	8 648	8 568	8 757
Provisions	20	5 724	5 690	4 521
Non-current liabilities		14 372	14 258	13 278
Total liabilities		49 209	59 570	60 876
Share capital		422	421	414
Currency translation adjustments		-31 697	-29 785	-27 588
Retained earnings		128 925	122 555	116 185
Total equity	22	97 650	93 191	89 011
Total liabilities and equity		146 859	152 761	149 887

The notes are part of COLTENE Group financial statements.
For restatement details see page 49.

Group Cash Flow Statement

In CHF 1000	Ref.	2013	restated 2012
Net profit for the period		13 189	9 777
Depreciation and amortization	6, 14, 16	5 186	4 959
Other non-cash items		4 806	11 088
Change in accounts receivable from deliveries and sales		73	-1 392
Change in inventories		4 374	-7 508
Change in other current assets		1 629	-1 327
Change in current liabilities		-1 879	1 707
Interest paid		-777	-1 187
Interest received		88	121
Income tax paid		-3 411	-3 493
Cash flow from operating activities		23 278	12 745
Purchase of property, plant, and equipment ¹		-5 545	-3 493
Proceeds from sale of property, plant, and equipment		56	74
Purchase of intangible assets		-803	-1 201
Proceeds of financial assets net		7	2
Cash flow from investing activities		-6 285	-4 618
Proceeds from loans and financial liabilities		18 001	11 955
Repayments of loans and financial liabilities		-25 046	-16 802
Distribution to shareholders out of capital contribution reserves	22	-7 592	-4 632
Proceeds of treasury stock		283	2 294
Free cash flow		16 993	8 127
Cash flow from financing activities		-14 354	-7 185
Exchange rate differences		-130	-70
Change in cash and cash equivalents		2 509	872
Cash and cash equivalents at beginning of year		4 000	3 128
Cash and cash equivalents at end of year		6 509	4 000

The notes are part of COLTENE Group financial statements.

For restatement details see page 49.

¹ Netted with outstanding liabilities for capex of TCHF 100 for 2013 and TCHF 57 for 2012

Group Statement of Changes in Equity

In CHF 1000	Ref.	Share capital	Treasury shares	Currency translation adjustments	Retained earnings	Total
1.1.2012		414	-5 188	-27 588	124 227	91 865
Restatement IAS 19 revised		0	0	0	-2 854	-2 854
1.1.2012 (restated)		414	-5 188	-27 588	121 373	89 011
Comprehensive income for the year		0	0	-2 197	8 715	6 518
Share-based transactions with management	3, 24	0	64	0	0	64
Distribution out of capital contribution reserves	22	0	0	0	-4 632	-4 632
Change in treasury stock		7	2 223	0	0	2 230
31.12.2012 (restated)		421	-2 901	-29 785	125 456	93 191
Comprehensive income for the year		0	0	-1 912	13 679	11 767
Share-based transactions with management	3, 24	0	184	0	0	184
Distribution out of capital contribution reserves	22	0	0	0	-7 592	-7 592
Change in treasury stock		1	99	0	0	100
31.12.2013		422	-2 618	-31 697	131 543	97 650

The notes are part of COLTENE Group financial statements.
For restatement details see page 49.

Notes to Group Financial Statements

Reporting Entity

COLTENE Holding AG (former Medisize Holding AG) – the holding company of the COLTENE Group (“the Group”) – is a stock corporation according to Swiss Code of Obligations. The Company’s legal domicile is in Altstätten, Switzerland. COLTENE Holding AG was founded in accordance with Swiss company law on December 15, 2005. The Group was originally active in the dental and medical markets. COLTENE Holding AG was established to integrate the former Health Care division of Gurit Holding AG under one company as well as to list COLTENE Holding AG as an independent company at the SIX Swiss Exchange on June 23, 2006. After the sale of the entire medical business on April 30, 2008, the Group is fully focused on the dental business.

Operating Segments and Products

Under the umbrella brand COLTENE the Group develops, manufactures, and sells mainly via distribution channels a broad and comprehensive range of disposables and tools for dentists and dental laboratories. The Group operates one operating segment defined in line with management structure, the organizational setup, the reporting and allocation of resources by the chief decision maker and the products of the Group. Therefore internal and external reporting are aligned.

Principles of Consolidation

General Remarks

The Group financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). The figures are based on the historical cost convention except for certain financial assets and liabilities carried at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates which could impact the assets, liabilities, and contingent liabilities at the balance sheet date as well as income and expenses of the reporting period. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. If at a later point of time such judgments and estimates made by management differ from the actual circumstances, the original judgments and estimates made are changed for the

year in which the respective circumstances have occurred.

The International Accounting Standards Board (IASB) and the IFRS Interpretation Committee (IFRIC) issued the following new and amended IFRS and interpretations to be applied for annual periods beginning on or after January 1, 2013:

- Amendment to IAS 1, “Presentation of financial statements – Presentation of items of other comprehensive income”
- IFRS 10, “Consolidated financial statements”
- IFRS 11, “Joint arrangements”
- IFRS 12, “Disclosure of interests in other entities”
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transition guidance
- IFRS 13, “Fair value measurement”
- IAS 19 (revised), “Employee benefits”
- IAS 28 (revised), “Investments in associates and joint ventures”

Forthcoming standards and interpretations are:

- Amendment to IAS 32, “Financial instruments: Presentation” – Offsetting financial assets and financial liabilities
- Amendment to IAS 39, “Financial instruments: Recognition and measurement” – Novation of derivatives and continuation of hedge accounting
- IFRIC 21, “Levies”
- IFRS 9, “Financial instruments”
- IAS 19 revised amendment
- Annual improvements (2010–2012 and 2011–2013 cycle)

The Group does not anticipate any significant impact of these changes on future consolidated financial statements and no early adoption is foreseen.

The Group financial statements are based on the single audited financial statements of the Group’s subsidiaries, prepared according to consistent Group accounting principles as of December 31. The Group financial statements were prepared in accordance with Swiss company law and IFRS which are the listing regulations of the SIX Swiss Exchange. If no information to the contrary is provided, the applicable currency unit shall be thousand Swiss francs (TCHF). Swiss francs are the functional currency of the Holding company as well as the reporting currency of the Group.

The COLTENE Holding AG Board of Directors authorized these financial statements on February 27, 2014, for issue. The financial statements are subject to approval by the Annual General Meeting of Shareholders scheduled to take place on April 15, 2014.

Restatement

IAS 19 revised (Employee Benefits) includes a number of amendments to the accounting for defined benefit plans. Actuarial gains and losses are permanently excluded from profit and loss. Those are recognized in full in other comprehensive income when they occur. Expected returns on plan assets are no longer recognized in profit or loss, instead, interest is calculated on the net defined benefit liability (asset) in profit or loss, using the discount rate used to measure the defined benefit obligation. Unvested past service costs are now recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized. Other amendments include new disclosures, such as quantitative sensitivity information. The standard became effective for recognition as of January 1, 2013. According to the standard and IAS 8, a restatement for the Group financial statements were done as provided in the table below:

Restatement effects due to IAS 19 revised		
In CHF 1000	31.12.2012	1.1.2012
Balance sheet		
Deferred tax liabilities	-751	-585
Provision for pensions	4 420	3 439
Retained earnings	-3 669	-2 854
Total liabilities and equity	0	0
In CHF 1000		2012
Income Statement		
Personnel expenses		387
Interest expenses		-90
Deferred taxes		-50
Net profit for the period		247
In CHF 1000		2012
Other comprehensive income (OCI)		
Actuarial losses on defined benefit plans		-1 278
Income tax effect		216
Net OCI not to be reclassified to profit or loss in subsequent periods		-1 062

Companies Consolidated

Group subsidiaries, controlled directly or indirectly by COLTENE Holding AG, are fully consolidated. Subsidiaries are fully consolidated as of the date on which control is transferred to the Group. Subsidiaries are deconsolidated as of the date on which control ceases. The major companies consolidated are shown in the summary provided on page 69.

Within the scope of consolidation, the following changes took place in 2013: As of July 16, 2013 Coltène Italy Srl., Milano, was incorporated. In 2012 the following changes took place: COLTENE do Brasil Participações Ltda., São Paulo, was merged with Vigodent SA Indústria e Comércio, Bonsucesso/Rio de Janeiro, as of October 31, 2012.

Consolidation Method and Goodwill

The Group applies the purchase price method to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities assumed are measured initially at fair value on the date of acquisition, irrespective of the extent of any non-controlling interests. Acquisition-related costs are expensed as incurred.

The positive difference of the cost of acquisition over the Group's share of the fair value of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets, the negative difference is accounted for in the Group income statement.

Transaction with non-controlling interests without change in control may result in a difference between consideration paid and the share of net assets acquired. This difference is taken to equity.

The assets, liabilities as well as the income and expenses of the consolidated subsidiaries are recorded in their entirety in the consolidated financial statements. The share of profit and equity to which third-party shareholders are entitled is shown separately in the Group statement of financial position and income statement. Intra-Group transactions are eliminated.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in equity is also directly recognized in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

Principles of Valuation

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the Group statement of financial position.

Accounts Receivable

Accounts receivable in respect of deliveries and services and other accounts receivable are initially recognized at fair value and subsequently measured at amortized cost, minus allowance for doubtful accounts. Allowance is made when it is objectively foreseeable that the carrying amount cannot be collected in full. Allowance corresponds to the difference between the carrying amount and the present value of estimated future cash flows.

Inventories

Inventories are stated at the lower of weighted average cost and net realizable value. The cost of finished goods and work in progress comprises design costs, raw material, direct labor, other direct costs, and related production overheads (based on normal operating capacity). It

excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Value adjustments are made for obsolete and slow moving items.

Property, Plant, and Equipment

Property, plant, and equipment take into account the categories listed in the following:

- Machinery and equipment
- Land
- Buildings (including installations)
- Assets under construction

Machinery and equipment are stated at acquisition cost less depreciation on a straight-line basis over the useful life of normally five to ten years, 15 years in exceptional cases. Buildings are stated at historical cost less depreciation on a straight-line basis over the useful life of 40 to 50 years. Land is stated at historical cost and is not depreciated.

Leases in which the Company holds all significant risks and rewards of ownership are classified as financial leases. The respective assets are carried as property, plant, and equipment and depreciated. The corresponding lease obligations are shown as financial liabilities. Leasing installments are allocated accordingly to capital repayments and interest expenses.

Financial Assets

Classification

The Group classifies its financial assets as follows:

- At fair value through profit or loss
- Loans and receivables

The classification depends on the purpose of the financial assets. Management determines the classification of its financial assets at initial recognition. In the current and prior reporting periods, the Group only held financial assets at fair value through profit or loss as well as loans and receivables.

Financial Assets at Fair Value Through Profit or Loss

This category has two subcategories, i.e. financial assets held for trading, and assets designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or by management,

if so designated. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within twelve months following the reporting date.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise from the ordinary course of business or from lending activities. Receivables are included in current assets, except for maturities greater than twelve months after the balance sheet date. Such loans and receivables are classified as non-current financial assets.

Recognition

Regular purchases and sales of investments are recognized on trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the income statement. Financial assets are derecognized when rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Subsequent Measurement/Impairment

Financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from fair value changes are presented in the income statement as financial income or financial expense in the period in which they arise. Loans and receivables are carried at amortized cost using the effective interest method.

The fair values of quoted investments are based on a price within the bid-ask spread that is most representative for fair value. If the market for a financial asset is not active as well as for unlisted securities, the Group establishes fair value by means of specific valuation techniques: recent at arm's length transactions, reference to other similar instruments, discounted cash flow analysis, and option pricing models. On each reporting date, the Group determines whether there is objective evidence

that financial assets were impaired. In the case of an impairment of the financial assets, the respective expenses are recorded in the income statement.

Intangible Assets

Goodwill

Goodwill is the difference of the costs of acquisition over the Group's share of the fair value of the identifiable net assets acquired and represents the future economic benefit, which cannot be recognized as a separate asset. Goodwill is carried in the currency of the acquired business and tested annually for impairment and carried at cost less accumulated impairment losses. All goodwill is allocated to the cash-generating unit COLTENE Group as the entire Group benefits from acquisitions and is therefore monitored on Group level.

Intangible Assets Other Than Goodwill

Intangible assets contain patents, software, and others. They are stated at historical costs less amortization on a straight-line basis over the useful life normally not exceeding seven years. Intangible assets resulting from purchase price allocations such as trademarks, brand names, or customer relations are amortized up to 25 years.

Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortization or depreciation and are tested annually for impairment. Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Loans and Other Liabilities

Loans and other liabilities are recognized initially at fair value, net of transaction costs incurred. Loans and other liabilities are subsequently carried at amortized cost;

any differences between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources which can be reliably estimated will be required to settle the obligation. Such provisions are made to cover guarantee obligations and liability claims where these are not insured. Provisions for restructuring measures are made as soon as the corresponding decision is taken and communicated.

Cash-out may differ from the amount provided for as it is based on assumptions and estimates available at that time.

Post-Employment Benefits

The Group maintains various pension fund schemes according to state law and other legal requirements according to the respective local regulations. The non-governmental pension plans are mostly organized in form of legally independent pension funds; contributions are paid both by employer and employee. All pension plans outside Switzerland are accounted for as defined contribution plan. The Swiss pension plan is administrated by an independent insurance company and accounted for as defined benefit plans according to IAS 19 revised. The pension liability resulting from defined benefit plans is calculated annually by an independent actuary using the "projected unit credit method". Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding interest recognized in profit and loss), are recognized immediately in other comprehensive income with corresponding debit or credit to the statement of financial position in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under personnel expenses and financial expenses in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and settlements
- Net interest expense or income

Share-based Payments

All members of the Board of Directors are paid for their services with a yearly fixed and variable amount in cash. In addition, all members of the Board of Directors receive a fixed and variable number of shares having a blocking period of three years. The yearly compensation of the Board of Directors awarded is determined by the Compensation and Nomination Committee annually depending on the Company's performance.

A bonus and share participation program is in place for the members of the Executive Management as well as a limited number of key managers. The function parameters of this program are measuring the performance to targets to key performance indicators (KPI) such as EBIT and net sales, as well as to the fulfillment of personal targets. KPIs account for 75 % and personal targets for 25 %. Depending on the seniority of a participant, up to 20 % of the bonus is allocated in shares at a fixed share price benchmarked to the SPI. Total bonus, including shares (if any), is capped depending on the seniority between 40 % and 100 % of the fixed salary of any participant (see notes to COLTENE Holding AG, page 75). The program is defined and reviewed by the Compensation and Nomination Committee annually.

Taxes

All taxes payable on income for the financial year are provided for in full at the reporting date and in due compliance with the applicable tax laws. According to the liability method, deferred income tax on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements at enacted or substantially enacted tax rates on reporting date is provided in full. Deferred tax assets are recognized to the extent that future taxable profit will be available to use tax loss carry forwards. No provisions are recognized for non-reclaimable withhold-

ing taxes on dividends. Such withholding taxes are only payable when dividends are paid out.

Net Sales

Net sales comprise the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Net sales are shown net of value-added tax, rebates and discounts, and after eliminating intra-Group transactions. The Group recognizes net sales when the amount of net sales can be reliably measured, it is probable that future economic benefits will flow to a Group entity, and when specific criteria have been met, for example risks and rewards of ownership have been transferred to the customer.

Repair and Maintenance Costs

Repair and maintenance costs (included in other operating expenses) are recognized in the income statement when they occur. Expenses increasing the value of property, plant, and equipment are recognized as assets and depreciated accordingly.

Research and Development

Research costs (included in other operating expenses) are expensed as they occur. Development costs are capitalized if they can be determined accurately and if it can be safely assumed that the project in question will be completed successfully and result in future benefits. Development costs capitalized are amortized on a straight-line basis and over a maximum period of five years.

Earnings per Share

Earnings per share are calculated by dividing the profit attributable to shareholders of the Group by the weighted average number of shares issued during the year excluding shares purchased by the Group and held as treasury shares.

Dividend and Capital Distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Foreign Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). Transactions conducted in foreign currencies are converted into the functional currency at the exchange rate applicable on the transaction date. E.g. accounts receivable and payable as well as loans in foreign currencies are shown at the year-end exchange rates. Gains and losses are reported in the income statement.

The statement of financial position and income statement of foreign subsidiaries are converted into Swiss francs (presentation currency) at the rate applicable at year-end respectively at the average exchange rate for the year. Differences resulting from the conversion into the Group presentation currency are recognized in equity. In the event of the sale of a subsidiary, foreign currency differences are taken into account as part of the capital gain or loss resulting from the sale. Goodwill from acquisition of foreign companies and fair-value adjustments of assets and liabilities in connection with acquisitions are also converted at year-end rates.

The most important exchange rates are listed below:

The most important exchange rates

	31.12.2013	Ø 2013	31.12.2012	Ø 2012	31.12.2011
1 USD	0.8902	0.9267	0.9133	0.9377	0.9351
1 EUR	1.2256	1.2304	1.2073	1.2051	1.2167

Financial Risk Management

Financial risk management is ensured according to the principles defined by Group management. These principles define how credit, interest, and currency risks are to be managed. Additional rules governing the management of liquid and financial assets were also defined. The subsidiaries manage their financial risk according to the defined risk policy. If appropriate, derivative financial instruments are used to hedge certain risk positions. The Group does not apply hedge accounting. Derivative financial instruments are only agreed upon with first class counterparties (banks with rating A or better).

Credit Risk

There is no substantial credit risk concentration in the Group. Group subsidiaries, however, have relationships with certain key accounts (see note 1). Management regularly assesses the credit risk of all counterparties (especially key accounts) on the basis of experiences and expectations. If appropriate, management also applies credit insuring instruments, for example credit limits or prepayments.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of bank credit lines and the ability to close out market positions. Group management monitors rolling forecasts of the Group's liquidity reserve (comprises unused credit lines (see note 17) and cash and cash equivalents) on the basis of expected cash flows.

Interest Risk

Sales and operating cash flow do not depend on market rate changes. The Group undertakes no substantial interest-bearing activities. Bank loans are subject to fixed as well as variable interest rates, with management deciding upon the interest rate risk to be taken in every individual case. For further details see note 17.

If the interest rates had been higher by 50 bps for 2013 with all other variables held constant, net profit for the year would have been TCHF 130 (previous year TCHF 161) lower, as a result of higher interest expenses on current bank loans. If the interest rates had been lower by 50 bps for 2013 with all other variables held constant, net profit for the year would have been TCHF 130 (previous year TCHF 161) higher, as a result of lower interest expenses on current bank loans.

Currency Risk

The Group is internationally active and thus exposed to currency fluctuations mainly in EUR and USD. If possible and feasible, currency risk is reduced by matching the currency in – and outflows. Starting from September 2011, the estimated EUR exposure is hedged by forwards. Forwards are placed on a rolling base at the end of each quarter. For the actual quarter 40% to 80% of the estimated exposure is hedged. For next quarter 20% to 60%, for the next to last quarter 0% to 40% and for the last

quarter 0% to 20% is hedged. Hedges are made by Management based on approved guidelines by the Board of Directors. Risk associated with the translation of the foreign currency financial positions of subsidiaries is not hedged.

At December 31, 2013, if the CHF had weakened by 5% against the USD with all other variables held constant, net profit for the year would have been TCHF 434 lower (previous year TCHF 187), mainly as a result of foreign exchange differences on translation of USD denominated accounts receivables from deliveries and sales, accounts payables to suppliers, current bank loans and intercompany loans. Net profit is more sensitive to movement in CHF/USD exchange rates in 2013 than 2012 mainly because of the increased net liability in USD. At December 31, 2013, if the CHF had strengthened by 5% against the USD, net profit would have been TCHF 434 higher (previous year TCHF 187). The same sensitivity analysis (+/- 5%) for EUR results in a change of net profit of TCHF +/- 76 (previous year TCHF +/- 84).

At December 31, 2013, if the CHF had weakened by 5% against the USD with all other variables held constant, equity at the year would have been TCHF 1334 higher (previous year TCHF 1668), mainly as a result of the conversion of the financial statements of foreign subsidiaries. If the CHF had strengthened by 5% against the USD, the equity would have been TCHF 1334 lower (previous year TCHF 1668). The same sensitivity analysis (+/- 5%) for EUR results in a change of equity of TCHF +/- 370 (previous year TCHF +/- 558).

Categories of financial assets and liabilities

Financial assets				
In CHF 1000				
	Loans and receivables	Financial assets at fair value through profit and loss	Carrying amount 31.12. ²	Fair value level
2013				
Cash and cash equivalents	6 509		6 509	n/a
Trade accounts receivable	30 001		30 001	n/a
Other receivables and prepaid	2 732		2 732	n/a
Forwards ¹	0	32	32	Level 2 ³
Total	39 242	32	39 274	
2012				
Cash and cash equivalents	4 000		4 000	n/a
Trade accounts receivable	30 892		30 862	n/a
Other receivables and prepaid expenses	4 155		4 155	n/a
Total	39 017		39 017	
Financial liabilities				
In CHF 1000				
	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit and loss	Carrying amount 31.12. ²	Fair value level
2013				
Bank loans	16 828	0	16 828	n/a
Trade accounts payable	4 668	0	4 668	n/a
Other accounts payable and accruals	10 828	0	10 828	n/a
Total	32 324	0	32 324	
2012				
Bank loans	24 566	0	24 566	n/a
Trade accounts payable	6 506	0	6 506	n/a
Other accounts payable and accruals	10 954	0	10 928	n/a
Forwards ¹	0	26	26	Level 2 ³
Total	42 026	26	42 026	

¹ Included in line item Other receivables and prepaid expenses for 2013 and Other accounts payable and accruals for 2012 in the Group statement of financial position, see also note 19.

² Carrying amount is a reasonable approximation for fair value.

³ Level 2: financial instruments with directly observable market inputs.

Capital Risk Management

The Group's objective when managing the capital is to assure the Group's ability to maintain going concern of the Group, to support the Group's strategy, to provide attractive returns to shareholders and to aim for an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may propose to adjust the dividend policy, to return capital to shareholders or issue new shares. In line with industry measures, the Group monitors the capital basis with the two ratios interest-bearing debt divided by EBITDA (leverage factor) and total equity divided by total liabilities and equity (equity ratio). These ratios were at December 31 as follows:

Capital risk management		
In CHF 1000		restated
	2013	2012
Interest-bearing debt	16 828	24 566
EBITDA	24 631	21 978
Leverage factor	0.7	1.1
Equity ratio in %	66.5%	61.0%

Targets for these ratios are for leverage factor below 3.0 and for equity ratio above 40%. Group management would allow these ratios to be higher respectively lower for a short period of time in case strong evidence is given that the targets can again be achieved within a reasonable time frame.

Significant Estimates and Judgements

The Group makes judgements and estimates concerning the future. The resulting accounting estimates therefore may not correspond to the actual results. The estimates and assumptions bearing a significant risk of entailing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the following section.

Goodwill

The Group's goodwill is tested annually for impairment using discounted cash flow projections. These calculations require the use of estimates regarding projected sales, product prices and costs, interest rate as well as tax rate (see note 16).

Property, Plant, and Equipment

The Group assets are reviewed annually for impairment. To assess if any impairment exists, estimates are made of the future cash flows expected to result from the use of the assets and their eventual disposal. Factors such as changes in the planned use of buildings, machinery, or equipment, the closure of facilities or technical obsolescence can lead to shortened useful life or impairment.

IAS 19 Post-Employment Benefits

The annual calculations done by the independent actuaries are based on several estimates and assumptions. Those estimates and assumptions include a certain risk. Changes in estimates will lead to actuarial gains and losses recognized in other comprehensive income. For sensitivity analysis please see note 4 Pension liabilities.

Tax

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

Tax liabilities comprise expected income tax payments based on taxable profit of the year as well as pending tax assessments. All tax credits from capitalized tax losses are assessed annually. The assessments are based on business plans. Underlying estimation and assumptions are main sources of uncertainties.

1 Group-wide Information

Net sales by geographical areas (determined by site of customer) and by products and services are as follows:

Net sales by geographical areas		
In CHF 1000	2013	2012
Switzerland	2 412	3 027
Germany, Austria	18 293	20 633
Great Britain, Ireland	7 525	6 907
France	6 627	6 610
Other Europe	23 340	20 839
Russia and other CIS	6 334	5 630
Middle East and Africa	6 765	6 110
North America	52 799	53 813
Brazil	10 093	10 697
Other South America	9 280	8 183
China	3 716	3 241
India	2 386	2 126
Other Far East, Oceania	10 441	10 259
Net sales	160 011	158 075

Net sales by products and services		
In CHF 1000	2013	2012
Endodontics	30 163	29 428
Prosthetics	33 151	35 084
Rotary	10 909	11 390
Restoration	44 878	42 770
Laboratory	7 385	7 406
Infection control	11 994	10 818
Treatment auxiliaries	16 999	15 718
Miscellaneous	4 532	5 461
Net sales	160 011	158 075

In the process of a new strategy for COLTENE the allocation of the different product groups was refined. Prior year figures were amended accordingly.

Net sales of TCHF 32 967 (previous year TCHF 32 510) corresponding to 20.6% of Group net sales (previous year 20.6%) were generated with one customer (group). No other major customers exist.

Property, plant, and equipment and intangible assets by geographical areas are as follows:

Property, plant, and equipment by geographical areas

In CHF 1000	31.12.2013	31.12.2012
Switzerland	11 592	9 784
Germany	1 357	1 307
Other Europe	292	266
China	21	21
India	31	38
USA	14 218	14 587
Brazil	2 137	2 717

Property, plant, and equipment	29 648	28 720
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Intangible assets by geographical areas

In CHF 1000	31.12.2013	31.12.2012
Switzerland	8 252	8 610
Germany	18 564	18 235
Other Europe	118	106
China	7	7
India	0	1
USA	12 260	12 657
Brazil	6 673	8 013

Intangible assets	45 874	47 629
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2 Raw Material and Consumables Used

Raw material and consumables used amounted to 29.8% (previous year 32.4%) of net sales.

3 Personnel Expenses

The average workforce amounted to 942 employees (previous year 899).

Detailed information on personnel expenses:

Personnel expenses		
In CHF 1000	2013	restated 2012
Wages and salaries	44 277	43 004
Expenses for defined benefit plans	781	744
Expenses for defined contribution plans	3 420	1 799
Other personnel expenses	8 567	9 233
Total	57 045	54 780

Personnel expenses include TCHF 184 (previous year TCHF 64) for share-based payment transactions with management. For information on expenses for post-employment benefits according to IAS 19 revised, please refer to note 4.

4 Pension Liabilities

Defined benefit plan exists for Coltène/Whaledent AG.
All other subsidiaries operate defined contribution plans.
Detailed information on the defined benefit plan:

Pension liabilities		
In CHF 1000		restated
	2013	2012
Pension costs		
Current service cost	781	744
Interest expenses on defined benefit obligation (DBO)	320	366
Interest income on plan assets	-225	-276
Total	876	834
Reconciliation of the present value of the DBO		
DBO 1.1.	18 301	16 255
Current service cost	781	744
Ordinary contribution paid by employees	564	537
Interest expenses on (DBO)	320	366
Contribution paid by plan participants	734	1 183
Benefits paid	-1 051	-2 136
Actuarial (gain) and loss on DBO	-494	1 352
DBO 31.12.	19 155	18 301
Actuarial (gains)/losses arising from changes in financial assumptions	-930	1 014
Reconciliation of fair value of plan assets		
Fair value 1.1.	12 900	12 268
Interest income on plan assets	225	276
Ordinary contribution paid by employer	730	698
Ordinary contribution paid by employees	564	537
Contribution paid by plan participants	734	1 183
Contribution paid to plan participants	-1 051	-2 136
Return on plan assets excl. interest income	99	74
Fair value 31.12.	14 201	12 900
Details to plan assets		
Receivables from insurance company	14 201	12 900
Total	14 201	12 900
Split of plan assets (in %)		
Fixed interest-bearing securities	78.50 %	78.24 %
Mortgages	6.89 %	7.35 %
Shares and fund participation	0.28 %	0.84 %
Private equity and hedge funds	0.16 %	0.41 %
Shares in investments and in affiliated companies	0.67 %	0.80 %
Real estate	12.37 %	11.17 %
Other capital investments	1.13 %	1.19 %
Total	100.00 %	100.00 %

No significant investments were made in COLTENE Holding AG. For both periods no short-term payables against pension plans exist.

Pension liabilities		
In CHF 1000		restated
	2013	2012
Net defined liability (asset)		
Present value of the defined benefit obligation, 31.12.	19 155	18 301
Fair value of plan assets, 31.12.	– 14 201	– 12 900
Net defined benefit liability (asset) recognized in balance sheet	4 954	5 401
Changes in net amount		
Net defined benefit liability (asset), 1.1.	5 401	3 987
Defined benefit cost recognized in profit and loss	876	834
Defined benefit cost recognized in other comprehensive income	– 593	1 278
Ordinary contribution paid by employer	– 730	– 698
Balance 31.12.	4 954	5 401
Actuarial assumptions		
Discount rate	2.00%	1.75%
Interest rate on the saving accounts	2.00%	2.00%
Future salary increase	1.50%	1.50%
Inflation	1.00%	1.00%
Future pension increase	0.00%	0.00%
Mortality (Generation table)	BVG 2010	BVG 2010
Pension liabilities – Sensitivity analysis		
In CHF 1000	2013	2012
Sensitivity to discount rate assumptions		
Discount rate +0.50% – effect on DBO	– 1 015	– 1 007
Discount rate –0.50% – effect on DBO	1 149	1 135
Sensitivity to salary increase assumptions		
Salary increase rate +0.50% – effect on DBO	– 345	
Salary increase rate –0.50% – effect on DBO	364	
Sensitivity to mortality assumptions		
+1 additional year – effect on DBO	– 306	
–1 additional year – effect on DBO	326	

The expected return of plan assets is the expected rate of Swiss Life AG “Portfolio for Kollektivleben”. The pension liabilities are reported in other long-term provisions.

5 Other Operating Expenses

Other operating expenses include repair and maintenance cost of property, plant, and equipment as well as R&D costs. In 2013, TCHF 4115 (previous year TCHF 4908) were spent on research and development and accounted for as such in the income statement. Other operating expenses include gains from sales of property, plant, and equipment of TCHF 8 (previous year TCHF 32).

6 Depreciation and Amortization

Depreciation and amortization

In CHF 1000	2013	2012
Depreciation on property, plant, and equipment	3 890	4 129
Amortization of intangible assets	1 296	830
Total	5 186	4 959

7 Financial Income and Expenses

Financial income and expenses

In CHF 1000	2013	restated 2012
Interest income on cash and cash equivalents	88	121
Other financial income	29	49
Total financial income	117	170
Interest expenses for bank overdrafts and loans	-879	-1 132
Exchange rate differences and other financial expenses	-1 681	-1 154
Total financial expenses	-2 560	-2 286
Total financial result (net)	-2 443	-2 116

8 Tax Expenses

Tax expenses comprise the following positions:

Tax expenses

In CHF 1000	2013	restated 2012
Current taxes	3 264	5 377
Deferred taxes	549	136
Total	3 813	5 513

For restatement details see page 43.

Tax expenses can be analyzed as follows:

Tax expenses

In CHF 1000	2013	restated 2012
Net profit before tax expenses	17 002	15 290
Tax expenses at applicable tax rate of 25.1 % (23.7 %)	4 265	3 624
Effects of non-tax-deductible expenses	29	741
Effects of tax-exempt or reduced income	-706	1
Effects of tax loss not capitalized in current year	620	790
Effects of tax loss used not capitalized in prior years	-18	-18
Effects of change in tax rate of deferred taxes	-398	0
Tax adjustments prior years by tax authorities	-69	312
Other impacts	90	63
Actual tax expense	3 813	5 513
Effective tax rate in %	22.4 %	36.1 %

For restatement details see page 43.

The applicable tax rate represents a weighted average rate based on all Group companies. Compared to last year the applicable tax rate increased from 23.7% to 25.1%. The slight increase is related to the changed taxable contribution of the different entities with different tax rates.

The expected tax rates applied by the different companies are unchanged to prior year except for Coltène/ Whaledent AG with a tax rate of 11% compared to 17% in 2012.

Tax expenses of TCHF 3813 represent an effective tax rate of 22.4 % (prior year 36.1%) of the net profit before tax expenses. For 2013 the difference between applicable and effective tax rate is mainly due to Vigodent's tax losses not capitalized, effects of reduced income at the Holding company and a reduced deferred tax rate at Coltène/ Whaledent AG.

The Group has the following tax-relevant losses to be carried forward:

Tax losses		
In CHF 1000	2013	2012
Tax losses capitalized		
Expiration within 1 year	0	0
Expiration between 1 and 5 years	2 297	2 659
Expiration over 5 years	3 145	3 704
Total	5 442	6 363
Tax credits of capitalized tax losses		
Expiration within 1 year	0	0
Expiration between 1 and 5 years	677	786
Expiration over 5 years	1 052	1 238
Total	1 729	2 024
Tax losses not capitalized		
Expiration within 1 year	0	0
Expiration between 1 and 5 years	0	0
Expiration over 5 years	2 513	4 845
Total	2 513	4 845
Tax credits of not capitalized tax losses		
Expiration within 1 year	0	0
Expiration between 1 and 5 years	0	0
Expiration over 5 years	854	1 647
Total	854	1 647

The main portion of tax losses not capitalized is attributable to Vigodent S.A. In the year reported no further tax assets have been built because the goodwill can be deducted from taxable profits due to the merger of Vigodent with Coltène do Brasil. Furthermore 70% of annual taxable profits must be paid according to Brazilian tax law before tax assets can be used. Therefore the management decided not to create further deferred taxes.

9 Deferred Taxes

Deferred tax assets include the following positions:

Deferred tax assets		
In CHF 1000	2013	2012
1.1.	3 055	3 255
Additions	10	375
Reversals	-514	-346
Currency effects	-264	-229
31.12.	2 287	3 055

Deferred tax liabilities include the following positions:

Deferred tax liabilities		
In CHF 1000	2013	restated 2012
1.1. (restated for 2012)	8 568	8 757
Additions	1 295	1 192
Reversals	-1 120	-1 286
Currency effects	-95	-95
31.12.	8 648	8 568

For restatement details see page 43.

Deferred tax assets and liabilities are based on the valuation differences between Group valuation and tax valuation in the following financial position items:

Deferred tax details				
In CHF 1000	2013		restated 2012	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Receivables and accruals	0	173		276
Inventories	499	373	697	714
Property, plant, and equipment	0	5 347	0	5 478
Intangible assets	0	4 065	0	3 636
Financial liabilities	862	0	918	0
Provisions	558	51	1 031	79
Deferred taxes from losses carried forward	1 729	0	2 024	0
Offset of deferred assets and liabilities	-1 361	-1 361	-1 615	-1 615
Total	2 287	8 648	3 055	8 568

For restatement details see page 43.

Deferred tax assets to be recovered after more than twelve months amount to TCHF 2287 (previous year TCHF 3055). There are no deferred tax assets to be recovered within twelve months for both years.

Deferred tax liabilities to be recovered after more than twelve months amount to TCHF 8149 (previous year TCHF 7871). Deferred tax liabilities to be recovered within twelve months amount to TCHF 499 (previous year TCHF 697).

10 Earnings per Share

Net profit amounts to TCHF 13 189 (previous year TCHF 9777). Earnings per share (EPS) are calculated as follows:

Earnings per share

	restated	
	2013	2012
Weighted number of shares issued at 31.12.	4 216 542	4 188 545
Earnings per share (based on net profit for the period)	CHF 3.13	CHF 2.33
Diluted earnings per share (based on net profit for the period)	CHF 3.13	CHF 2.33

For restatement details see page 43.

11 Trade Accounts Receivable

Trade accounts receivable (net)

In CHF 1000	2013	2012
Trade accounts receivable (gross)	30 930	32 288
Allowance	-929	-1 396
Total	30 001	30 892

Trade accounts receivable (net) by currency

In CHF 1000	2013	2012
CHF	2 956	4 100
EUR	8 116	8 636
USD	13 036	12 755
Other currencies	5 893	5 401
Total	30 001	30 892

Trade accounts receivable (gross) by maturity

In CHF 1000	2013	2012
Not due	23 852	25 544
Past due 1 to 30 days	4 468	3 798
Past due 31 to 60 days	802	570
Past due 61 to 90 days	95	288
Past due 91 to 120 days	441	413
Past due over 120 days	1 272	1 675
Total	30 930	32 288

Trade accounts receivable (net) by maturity

In CHF 1000	2013	2012
Not due	23 725	25 415
Past due 1 to 30 days	4 460	3 788
Past due 31 to 60 days	786	539
Past due 61 to 90 days	63	237
Past due 91 to 120 days	437	297
Past due over 120 days	530	616
Total	30 001	30 892

Change in allowance

In CHF 1000	2013	2012
1.1.	1 396	1 039
Additions	205	400
Used	-443	-61
Reversals	-193	52
Currency effects	-36	-34
31.12.	929	1 396

The amounts due are monitored on a monthly basis. The carrying amount of receivables also represents the maximum exposure to credit risk.

No collaterals exist in both reporting periods. The change in the allowance due to addition or reversal is included in other operating expenses.

As per December 31, 2013, no trade accounts receivable are pledged (previous year none).

12 Other Receivables and Prepaid Expenses

These items include:

Other receivables and prepaid expenses		
In CHF 1000	2013	2012
Other receivables	1 724	3 715
Prepaid expenses	1 057	805
Allowance	-17	-365
Total	2 764	4 155
Change in allowance		
In CHF 1000	2013	2012
1.1.	365	0
Additions	17	375
Used	-20	0
Reversals	-351	0
Currency effects	6	-10
31.12.	17	365

13 Inventories

Inventories are as follows:

Inventories (net)		
In CHF 1000	2013	2012
Raw materials	9 410	13 261
Trade merchandise	1 637	2 042
Work in progress	8 982	7 454
Finished goods	9 663	11 477
Total	29 692	34 234
No inventories are pledged or measured at selling price less variable selling expenses (net realizable value).		
Inventories (gross)		
In CHF 1000	2013	2012
Raw materials	11 076	16 208
Trade merchandise	1 811	2 357
Work in progress	9 298	8 628
Finished goods	10 676	12 569
Allowance	-3 169	-5 528
Total	29 692	34 234
Change in allowance		
In CHF 1000	2013	2012
1.1.	5 528	4 551
Additions	-248	2 530
Used	-1 872	-1 479
Reversals	-233	0
Currency effects	-6	-74
31.12.	3 169	5 528

14 Property, Plant, and Equipment

Gross values

In CHF 1000	Machinery and Equipment	Land	Buildings (incl. inst.)	Assets under Construction	Total
Value 31.12.2011	40 030	1 556	39 316	500	81 402
Additions	438	0	1 470	1 642	3 550
Disposals	-1 700	0	-1 736	-3	-3 439
Currency effects	-659	-52	-504	-38	-1 253
Reclassification	197	0	357	-554	0
Value 31.12.2012	38 306	1 504	38 903	1 547	80 260
Additions	687	2 056	952	1 950	5 645
Disposals	-380		-444	-15	-839
Currency effects	-592	-60	-530	-39	-1 220
Reclassification	1 485		140	-1 641	-16
Value 31.12.2013	39 507	3 500	39 021	1 802	83 830

Accumulated depreciation

In CHF 1000	Machinery and Equipment	Land	Buildings (incl. inst.)	Assets under Construction	Total
Value 31.12.2011	27 695	449	22 718	0	50 862
Depreciation	2 268	55	1 806	0	4 129
Disposals	-1 411	0	-1 486	0	-2 897
Currency effects	-375	-11	-168	0	-554
Reclassification	-13	0	13	0	0
Value 31.12.2012	28 164	493	22 883	0	51 540
Depreciation	2 114	55	1 721	0	3 890
Disposals	-369		-401	0	-770
Currency effects	-283	-14	-172	0	-469
Reclassification	-12		3	0	-9
Value 31.12.2013	29 614	534	24 034	0	54 182

Net values

In CHF 1000	Machinery and Equipment	Land	Buildings (incl. inst.)	Assets under Construction	Total
Value 31.12.2011	12 335	1 107	16 598	500	30 540
Value 31.12.2012	10 142	1 011	16 020	1 547	28 720
Value 31.12.2013	9 893	2 966	14 987	1 802	29 648

Leased property, plant, and equipment amount to TCHF 0 for both periods.

Contractual commitments

As per December 31, 2013, contractual commitments to acquire machinery and equipment of TCHF 424 were entered upon (previous year TCHF 375).

Pledged assets

No property, plant, and equipment was pledged for as of December 31, 2013 and 2012.

Fire insurance values

Fire insurance values of property, plant, and equipment amount to TCHF 95 264 (previous year TCHF 91 584).

15 Financial Assets

Financial assets consist of TCHF 1 securities (previous year TCHF 1) and of TCHF 10 loans (previous year TCHF 18).

16 Intangible Assets

Goodwill is allocated to the Group's cash-generating unit (CGU), which is the Group in total. Further, executive management monitors goodwill on a Group level. This impairment test for goodwill is based on the discounted cash flow method and on approved budgets and key business plan figures (2014 – 2017). Cash flow after this period is extrapolated by the rates given below. The value in use is the basis to calculate the recoverable amount.

Following assumptions were made:

Goodwill assumptions

	2013	2012
CGU Group		
Long-term growth rate	2.5 %	2.5 %
Gross profit margin	69 – 69.5 %	70 – 72 %
Discount rate	9.5 %	8.6 %

The long-term growth rates used are consistent with the forecasts included in industry reports. Gross profit is defined as net sales less raw material and consumables used and less changes in inventories of finished goods and work in progress. The gross profit margin is calculated in percentage of net sales. Management determined the gross profit margin based on past performance and its expectations. The discount rates used are pre-tax and reflect specific risks relating to the dental industry.

Based on this impairment test, there is no need for an impairment. Even in case of a reasonably possible change in the key assumptions, there is still no risk to record an impairment.

Gross values

In CHF 1000	Goodwill	Other intangible assets	Total
Value 31.12.2011	41 738	11 407	53 145
Additions	0	1 013	1 013
Disposals	0	– 113	– 113
Currency effects	– 1 147	– 419	– 1 566
Reclassification	0	0	0
Value 31.12.2012	40 591	11 888	52 479
Additions	0	803	803
Disposals	0	– 13	– 13
Currency effects	– 898	– 482	– 1 380
Reclassification	0	7	7
Value 31.12.2013	39 693	12 203	51 896

Accumulated amortization

In CHF 1000	Goodwill	Other intangible assets	Total
Value 31.12.2011	0	4 218	4 218
Amortization	0	830	830
Disposals	0	– 113	– 113
Currency effects	0	– 85	– 85
Value 31.12.2012	0	4 850	4 850
Amortization	0	1 296	1 296
Disposals	0	– 13	– 13
Currency effects	0	– 111	– 111
Value 31.12.2013	0	6 022	6 022

Net values

In CHF 1000	Goodwill	Other intangible assets	Total
Value 31.12.2011	41 738	7 189	48 927
Value 31.12.2012	40 591	7 038	47 629
Value 31.12.2013	39 693	6 181	45 874

No impairment was recognized for the periods presented. No intangible assets with an indefinite useful life are held by the group. The other intangible assets mainly consist of the ERP system amounting to CHF 3.1 million, trade names and customer relationship amounting to CHF 2.6 million as well as patents amounting to CHF 0.5 million.

As per December 31, 2013 and 2012, there are no contractual commitments to acquire intangible assets.

17 Bank Loans

The following tables show details of current bank loans as well as of non-current bank loans. Book values are equal to fair values.

Current bank loans			
In CHF 1000	2013	2012	
Unsecured bank loans	16 828	24 566	
Secured bank loans	0	0	
Total	16 828	24 566	

Current bank loans				
In CHF 1000			Interest rate	2013
Maturity		Currency		
31.01.14	unsecured	CHF	0.68%	150
28.02.14	unsecured	CHF	0.94%	2 056
31.01.14	unsecured	USD	1.24%	1 602
31.01.14	unsecured	USD	1.07%	4 229
31.01.14	unsecured	CHF	1.15%	5 528
31.12.13	unsecured	INR	11.50%	421
04.04.14	unsecured	BRL	11.47%	188
26.05.14	unsecured	BRL	11.72%	565
20.11.14	unsecured	BRL	12.12%	619
18.11.14	unsecured	BRL	11.37%	452
08.05.14	unsecured	BRL	11.47%	603
21.08.14	unsecured	BRL	11.74%	415
Total				16 828

Current bank loans

In CHF 1000			Interest rate	2012
Maturity		Currency		
31.01.13	unsecured	CHF	0.68%	1 500
31.01.13	unsecured	CHF	0.94%	2 600
31.01.13	unsecured	USD	1.24%	4 416
31.01.13	unsecured	USD	1.07%	12 078
28.02.13	unsecured	CHF	1.15%	1 100
04.04.13	unsecured	BRL	13.47%	223
31.05.13	unsecured	BRL	13.26%	669
18.11.13	unsecured	BRL	11.37%	535
25.11.13	unsecured	BRL	11.47%	732
08.05.14	unsecured	BRL	11.47%	713

Total **24 566**

Total uncommitted credit lines amount to TCHF 92 256 (previous year TCHF 92 073) of which 18% are used (previous year 27%). Covenants exist for selected bank loans. Covenants were met for both periods.

The Group intends to repay the current bank loans of TCHF 16 828 and the accrued interest of TCHF 164 within less than twelve months and to finance cash needs by renewing existing bank loans and by additional bank loans out of existing credit lines.

18 Trade Accounts Payable

Trade accounts payable

In CHF 1000	2013	2012
CHF	818	2 348
EUR	1 486	1 794
USD	2 085	1 766
Other currencies	279	598
Total	4 668	6 506

All accounts payable to suppliers fall due and will be paid within 120 days.

19 Other Accounts Payable and Accruals

Other accounts payable and accruals

In CHF 1000	2013	2012
Other accounts payable	2 571	2 674
Accruals	8 257	8 280
Total	10 828	10 954

Derivative financial instruments

In CHF 1000	2013	2012
-------------	------	------

Currency related instruments

Contract amount		
(Forward exchange rate contracts)	2 427	4 704
Fair value (included in prepaid expenses/accruals)	32	-26

Forward exchange rate contracts by currencies

EUR	2 427	4 704
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The tables show the contract or underlying principal amounts and fair values of derivative financial instruments analyzed by type of contract at December 31, 2013, and 2012. Contract or underlying principal amounts indicate the volume of business outstanding at the consolidated balance sheet date and do not represent amounts at risk. The fair values are determined by reference to market prices or standard pricing models that used observable market inputs at December 31, 2013, and 2012.

20 Provisions

The column "Legal and personnel related" covers the risk of litigation and employment contract termination benefits. The next category "Pension plans and social security" includes provisions for pension plans and other social security include future pension claims and age-related part-time work agreements, promised pension or capital payments to the extent to which these payables are not included or reinsured by a legally separate fund. The remaining column "Guarantees and others" mainly contains provisions for guarantees estimated based on experience for guarantee claims that cannot be insured and are based on the assessment of specific cases.

A capital outflow from long-term provisions is expected in the next one to five years with the exception of pension plans where the outflow lasts more than five years. Provisions are as follows:

Provisions

In CHF 1000	Legal & personnel related	Pension plans & social security	Guarantee & others	Total
1.1.2012 restated	408	4 163	328	4 899
Additions	570	1 414	54	2 038
Reversals	0	-50	0	-50
Used	-362	-54	0	-416
Currency effects	-3	-1	-1	-5
31.12.2012 restated	613	5 472	381	6 466
Additions	1 071			1 071
Reversals	-1 040	-449	-150	-1 639
Used			-1	-1
Currency effects	-44	1	1	-42
31.12.2013	600	5 024	231	5 855

Provision by maturity

In CHF 1000	Legal & personnel related	Pension plans & social security	Guarantee & others	Total
31.12.2012				
Short-term provisions	545	0	231	776
Long-term provisions	68	5 472	150	5 690
31.12.2013				
Short-term provisions	0	0	131	131
Long-term provisions	600	5 024	100	5 724

21 Operating Leasing

Operating leasing and rental commitments not recognized in the balance sheet are as follows:

Operating leasing

In CHF 1000	2013	2012
No later than 1 year	996	1 221
Later than 1 year and no later 5 years	2 012	2 333
Later than 5 years	209	270
Total	3 217	3 824
Total over 1 year	2 221	2 603

For 2013 lease expenses amounted to TCHF 1985 (previous year TCHF 2072).

Several operating leasing contracts for property, plant, and equipment exist.

22 Equity

The share capital represents the capital of COLTENE Holding AG adjusted by treasury stock. Treasury stock on December 31, 2013, included 993 shares (previous year 9739).

The outstanding capital consists of 4 219 000 (previous year 4 219 000) registered shares of CHF 0.10 (previous year CHF 0.10) par value per share. All shares are issued and fully paid; there is no additional conditional or approved capital.

The distribution of CHF 0.28 per share out of the capital contribution reserves and a dividend of CHF 1.92 will be proposed to the General Meeting on April 15, 2014.

Based on the General Meeting decision on April 15, 2013, the Company distributed from the capital contribution reserve CHF 1.80 (previous year CHF 1.10) per share to its shareholders on April 21, 2013. The total amount paid was TCHF 7592 (previous year TCHF 4632).

23 Contingent liabilities

On April 30, 2008, COLTENE Holding AG sold its entire Medical segment by transferring the shares of the two subsidiaries Medisize Schweiz AG and Medisize Medical Business Beheer B.V. together with its subsidiaries to Medifiq Healthcare Corporation. Consequently, the Group signed a sale and purchase agreement in which the Group represents and warrants to the buyer a comprehensive catalogue of items to an extent generally in line with industry standard for such kind of transactions. The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than provided for. With regard to operating activities, the Group has no contingent liabilities resulting from bills of exchange, letter of credits or guarantees.

24 Transactions with Related Parties

Key management compensation¹

In CHF 1000	2013	2012
Salaries and other short-term employee benefits	1 832	1 735
Share-based payments	184	64
Post-employment benefits	352	236
Total	2 368	2 035

¹ See also notes COLTENE HOLDING AG page 75.

For further details concerning the remuneration to the Board of Directors and Executive Management see notes to COLTENE Holding AG on page 75.

25 Subsequent Events

The Board of Directors authorized the Group financial statements on February 27, 2014, for issue. As per this date, the Board of Directors and the Executive Management were unaware of any important events subsequent to the reporting date.

Major Group Companies

Company	Activity	Currencies	Registered capital	Group ownership 2013	Group ownership 2012
Coltène/Whaledent AG, Altstätten CH	1	CHF	1 600 000	100%	100%
Coltène/Whaledent Vertriebservice und Marketing GmbH, Altstätten CH	2	CHF	20 000	100%	100%
Coltène/Whaledent GmbH + Co. KG, Langenau DE	1	EUR	1 850 000	100%	100%
– Dentalia Kft., Bicske HUN	1	HUF	3 000 000	100%	100%
– Endodont Inc., Duarte CA/USA*	1	USD	30 000	n.a.	100%
Coltène/Whaledent Ltd., Burgess Hill GB	3	GBP	200 000	100%	100%
Coltène/Whaledent S.à.r.l., Le Mans FR	3	EUR	503 000	100%	100%
Coltène Italy S.r.l., Milano IT	3	EUR	10 000	100%	n/a
Coltène/Whaledent Dental Materials & Equipment Trading Co. Ltd, Beijing CN	3	CNY	5 000 000	100%	100%
Coltène/Whaledent Private Limited, Mumbai IN	3	INR	64 800 000	100%	100%
Coltène/Whaledent Inc., Cuyahoga Falls OH/USA	1	USD	5 000 000	100%	100%
Vigodent SA Indústria e Comércio, Rio de Janeiro BR	1	BRL	33 578 255	100%	100%

¹ Production and sales of dental specialties.

² Sales services and marketing of dental specialties.

³ Sales of dental specialties.

* Liquidated in 2013.

Report of the Statutory Auditor to the General Meeting of COLTENE Holding AG, Altstätten

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of COLTENE Holding AG, which comprise the income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes (pages 44 to 69), for the year ended 31 December 2013.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law, Swiss Auditing Standards and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the

accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2013 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd



Rico Fehr
Licensed audit expert
(Auditor in charge)



Iwan Zimmermann
Licensed audit expert

St. Gallen, February 27, 2014

Income Statement COLTENE Holding AG

In CHF	2013	2012
Income from investments	9 550 000	2 809 890
Financial income	1 467 925	1 579 642
Total income	11 017 925	4 389 532
Financial expenses	-287 214	-608 968
Administrative expenses	-1 526 559	-1 243 111
Tax expenses	-14 400	0
Total expenses	-1 828 173	-1 852 079
Profit of the year	9 189 752	2 537 453

Balance Sheet COLTENE Holding AG

In CHF	31.12.2013	31.12.2012
Cash and cash equivalents	238 969	227 906
Other receivables from third parties	3 306	41 027
Other receivables from subsidiaries	279 750	808 133
Prepaid expenses and accrued income	825	825
Current assets	522 850	1 077 891
Loans to subsidiaries	26 527 592	44 209 198
Investments in subsidiaries	33 819 068	22 031 114
Own shares	44 985	274 911
Non-current assets	60 391 645	66 515 223
Total assets	60 914 495	67 593 114
Bank loans	13 564 952	21 694 198
Other liabilities to third parties	139 530	122 783
Other liabilities to subsidiaries	3 962	23 339
Accruals and provisions	117 400	261 850
Current liabilities	13 825 844	22 102 170
Share capital	421 900	421 900
Statutory reserves	84 380	84 380
Capital contribution reserve	1 192 954	8 784 999
Reserves for treasury stock	44 985	274 911
Net income brought forward	45 344 432	35 924 754
Total equity	47 088 651	45 490 944
Total liabilities and equity	60 914 495	67 593 114

Statements of Changes in Equity COLTENE Holding AG

In CHF	Share capital	Statutory reserves	Capital contribution reserves	Reserves for treasury stock	Net income brought forward	Total
31.12.2011	421 900	84 380	13 416 733	3 239 947	30 422 265	47 585 225
Distribution to shareholders			-4 631 734			-4 631 734
Transfer				-2 965 036	2 965 036	0
Profit of the year					2 537 453	2 537 453
31.12.2012	421 900	84 380	8 784 999	274 911	35 924 754	45 490 944
Distribution to shareholders			-7 592 045			-7 592 045
Transfer				-229 926	229 926	0
Profit of the year					9 189 752	9 189 752
31.12.2013	421 900	84 380	1 192 954	44 985	45 344 432	47 088 651

Notes to COLTENE Holding AG

In CHF	31.12.2013	31.12.2012
Contingent liabilities		
Warrants Medifiq Healthcare Corporation (see notes to the Group financial statements, note 23)	p. m.	p. m.
Joint and several liability for VAT liabilities of COLTENE Holding AG, Altstätten, Coltène/Whaledent AG, Altstätten, Coltène/Whaledent Vertriebsservice und Marketing GmbH, Altstätten	p. m.	p. m.
Significant investments		
See list on page 69		
Treasury stock		
993 (9739) shares par value CHF 0.10 (CHF 0.10)	44 985	274 911
Purchases: 23 673 (52 045) shares at an average price of	44.43	28.99
Sales: 32 419 (121 797) shares at an average price of	39.54	30.92
Share-based transactions with management: 6350 (2000) shares at an average price of	43.70	31.90
Significant shareholders*		
Huwa Finanz- und Beteiligungs AG, Heerbrugg	21.96%	21.93%
Credit Suisse Asset Management Funds AG, Zurich	7.73%	5.37%
Tweedy, Browne Company LLC, New York/USA	5.73%	7.30%
UBS Fund Management (Switzerland) AG, Zurich	4.98%	3.01%
Robert Heberlein, Zumikon	3.95%	3.94%
Schroder Investment Management	3.03%	< 3%
Number of shares held by Board of Directors		
Nick Huber, Chairman	2 550	2 300
Robert Heberlein, Member	166 653	166 303
Erwin Locher, Member	10 056	10 806
Matthew Robin, Member	2 500	2 250
Jerry Sullivan, Member ¹	n.a.	677
Roland Weiger	0	n.a.
Total	181 759	182 336
Number of shares held by Executive Management		
Martin Schaufelberger; CEO	3 151	2 000
Hans Grüter, CFO (left the company as of January 31, 2014)	5 340	3 420
Total	8 491	5 420

* The Company is aware of the following registered shareholders who own over 3% of the shares.

¹ resigned from BoD in April 2013.

Remuneration to Board of Directors

In CHF	Base remuneration		Variable remuneration ³		Other remuneration		Total
	in cash	in shares	in cash	in shares	Social security	Other benefits	
2013							
Nick Huber, Chairman	100 000	12 110	5 000	0	17 961	0	135 071
Robert Heberlein, Member	80 000	12 110	0	0	9 040	0	101 150
Erwin Locher, Member	80 000	12 110	0	0	14 208	0	106 318
Matthew Robin, Member	80 000	12 110	0	0	14 208	0	106 318
Roland Weiger, Member	60 000	11 460	0	0	10 739		82 199
Jerry Sullivan, Member	20 000	650	0	0	0	0	20 650
Total	420 000	60 550	5 000	0	66 156	0	551 706
2012							
Nick Huber, Chairman	80 000	8 988	20 000	0	8 301	0	117 289
Robert Heberlein, Member	60 000	8 988	20 000	0	4 833	0	93 821
Erwin Locher, Member ¹	60 000	8 988	20 000	0	6 756	0	95 744
Matthew Robin, Member	60 000	8 988	20 000	0	6 756	0	95 744
Jerry Sullivan, Member	60 000	8 988	20 000	0	0	0	88 988
Total	320 000	44 940	100 000	0	26 646	0	491 586

Remuneration to Executive Management

In CHF	Base remuneration		Variable remuneration ³		Other remuneration		Total
	in cash	in shares	in cash	in shares	Social security	Other benefits	
2013							
Martin Schaufelberger, CEO	370 000	0	326 677	44 371	142 132	36 393	919 573
Other members	360 100	0	288 010	74 016	144 191	30 226	896 543
Total	730 100	0	614 687	118 387	286 323	66 619	1 816 116
2012							
Hans Grüter, CFO	360 100	0	280 000	61 029	131 010	32 633	864 772
Other members ²	361 633	0	172 800	43 200	78 524	22 664	678 821
Total	721 733	0	452 800	104 229	209 534	55 297	1 543 593

¹ The total remuneration for Erwin Locher for 2012 amounts to CHF 242 554 including the remuneration for his function as ad interim CEO (see also below remuneration to executive management).

² Including remuneration for 2012 of CHF 145 800 for Erwin Locher as CEO ad interim.

³ The variable remuneration which includes cash bonus and shares is basically not a cash payment in the reporting period. It is mainly accrued for and will be paid out the next year based on the decision of the Compensation Committee.

Risk management

The Group identifies, records, and assesses the business risks for the entire Group according to the Group's Risk Management Policy and in line with the Group's Internal Control System Policy. Measures to regulate, monitor, and reduce selected risks are defined and the implementation is monitored. The Board of Directors is in charge of supervising the risk management process.

Proposed Appropriation of Disposable Profit, Distribution out of Reserves from Capital Contributions, and Dividend Distribution

In CHF	2013	2012
Allocation of the profit of the year		
Net income carried forward from previous year	35 924 754	30 422 265
Profit of the year	9 189 752	2 537 453
Transfer to reserves for treasury stocks	229 926	2 965 036
Total amount at the disposal of the AGM	45 344 432	35 924 754
Dividend distribution (1.92 per share)	-8 100 480 *	0
Balance to be carried forward	37 243 952	35 924 754
Distribution out of reserves from capital contributions		
Available reserves from previous capital contributions	1 192 954	8 784 999
Distribution to shareholders of CHF 0.28 per share (1.80 per share) without treasury shares	-1 181 320 *	-7 592 045
Balance to be carried forward	11 634	1 192 954

* Amount will be adapted according to the amount of treasury shares.

**Report of the Statutory Auditor to the General Meeting
of COLTENE Holding AG, Altstätten**

***Report of the statutory auditor on the financial
statements***

As statutory auditor, we have audited the financial statements of COLTENE Holding AG, which comprise the income statement, balance sheet, statement of changes in equity and notes (pages 72 to 76), for the year ended 31 December 2013.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies

used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2013 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd



Rico Fehr
Licensed audit expert
(Auditor in charge)



Iwan Zimmermann
Licensed audit expert

St. Gallen, February 27, 2014

Investor Relations

Company Capital

The registered shares of COLTENE Holding AG were listed on SIX Swiss Exchange as at June 23, 2006. After the par value reduction on July 14, 2008, and after the share repurchase on December 9, 2008, the share capital of COLTENE Holding AG consists of 4 219 000 registered shares at CHF 0.10 par value Securities number 2.534.325

Stock Market Trading

The registered shares of COLTENE Holding AG are listed on the Main Standard of SIX Swiss Exchange. Prices are published in the Swiss daily and financial press as well as in electronic price information systems under the following symbols or numbers:

Symbol: CLTN

Swiss Securities No.: 2.534.325

ISIN: CH0025343259

Key Figures per Share (in CHF)

Price at year-end	45.85
Highest price (13.05.2013)	49.80
Lowest price (03.01.2013)	30.25
Earnings per share	3.13
Equity per share	23.15
Distribution per share	2.20
Taxable value	45.85

Important Dates

Important dates for publications this year and the following year are:

February 28, 2014

Presentation of annual results 2013
Financial analysts' and media conference
Publication of Annual Report 2013

April 15, 2014

General Meeting of the Shareholders,
at Hotel Sonne, Altstätten/SG

August 7, 2014

Presentation of half-year results 2014
Conference Call
Publication of Half-Year Report 2014

February, 2015

Presentation of annual results 2014
Financial analysts' and media conference
Publication of Annual Report 2014

April, 2015

General Meeting of the Shareholders

Internet/E-Mail Bulletins

Further information about COLTENE can be found at www.coltene.com. To obtain a subscription to the Group's news service, please register in the Investors & Media section at www.coltene.com.

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COLTENE Holding AG

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The extract of the reporting
section of the Annual Report 2013
in German is the governing text.