

Financial Year 2011

Media and Analysts Meeting

March 15, 2012



2011

Leveraging the Group's Position

Safe Harbour Statement

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2011 Review

Erwin Locher, CEO ad interim and Delegate of the Board

COLTENE at a Glance

Global dental specialist



Comprehensive Product Portfolio

Globally marketed through sales partner



Adhesives/
Restoratives



Endodontics



Prosthetics



Rotary instruments



Treatment auxiliaries



Hygiene

- Focusing on innovative, aesthetically-pleasing filling materials and high-precision mechanical instruments
- Comprehensive R&D portfolio with iterative product improvement in all major segments

Achievements 2011

Leveraging the Group's position

- Revenue of CHF 146.1 million; reflecting organic growth of 1.6% at constant exchange rates (CER)
 - Significant currency fluctuation and inventory reductions at dealers
 - Gain of market shares in a challenging environment
- Emerging markets with strong revenue growth of 25.9%
 - 8.4% organic growth at CER
 - Concluded transition of Vigodent in Brazil
- Operating profit (EBIT) down by 33.6% to CHF 12.3 million
- Free cash flow at CHF 9.9 million
- Strong equity ratio of 63.1%
- Proposed distribution of CHF 1.10 from past capital contributions

Dental Consumables Market

Attractive Growth Perspectives

- Increasing importance of oral hygiene and aesthetic dentistry
 - Global demographic and economic trends
 - Social/lifestyle factors
- Relative stability of dental consumables market
 - Shared costs between patients and public health insurance
 - Less dependent on economic cycle compared to general dental market

Dental consumable markets chairside		Total Market	Increase over 2010	Increase Coltene
United States	USD	3'417.6	3.8%	4.4%
Germany	EUR	891.0	2.0%	2.7%
Brazil	BRL	350.6	7.0%	9.0%

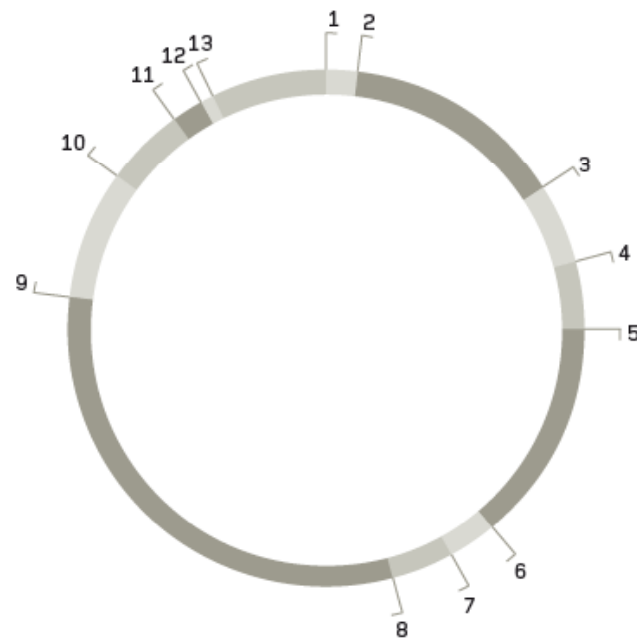
Management Actions 2011

Transition of Brazilian operations and launch of new products

- Reorganization of Vigodent concluded
 - Brazilian subsidiary allows further market penetration
 - Important hub for supplying products to Mercosur markets
- Focus on organic growth
 - Focusing on dental consumables
 - Development of innovative products with sustainable customer benefits
 - Productivity gains
- Enhancing the brand name recognition
 - Tightening customer relations and dialogue to existing and new client groups
 - Strengthening and expanding multi-layer marketing organization

Regional Breakdown

Strong organic growth in emerging markets



1	Switzerland	2%
2	Germany, Austria	14%
3	Great Britain, Ireland	5%
4	France	4%
5	Other Europe	14%
6	Russia and other CIS	3%
7	Middle East and Africa	4%
8	North America	31%
9	Brazil	8%
10	Other South America	5%
11	China	2%
12	India	1%
13	Other Far East, Oceania	7%

Comments

- Good growth rates in local currencies, but translation into Swiss francs weighs on results
- 26.5% of Group sales in emerging economies
- North America showed slight decline in local currencies due to inventory reductions at dealers
- Divergent development in European countries

Dynamic Brazilian Market

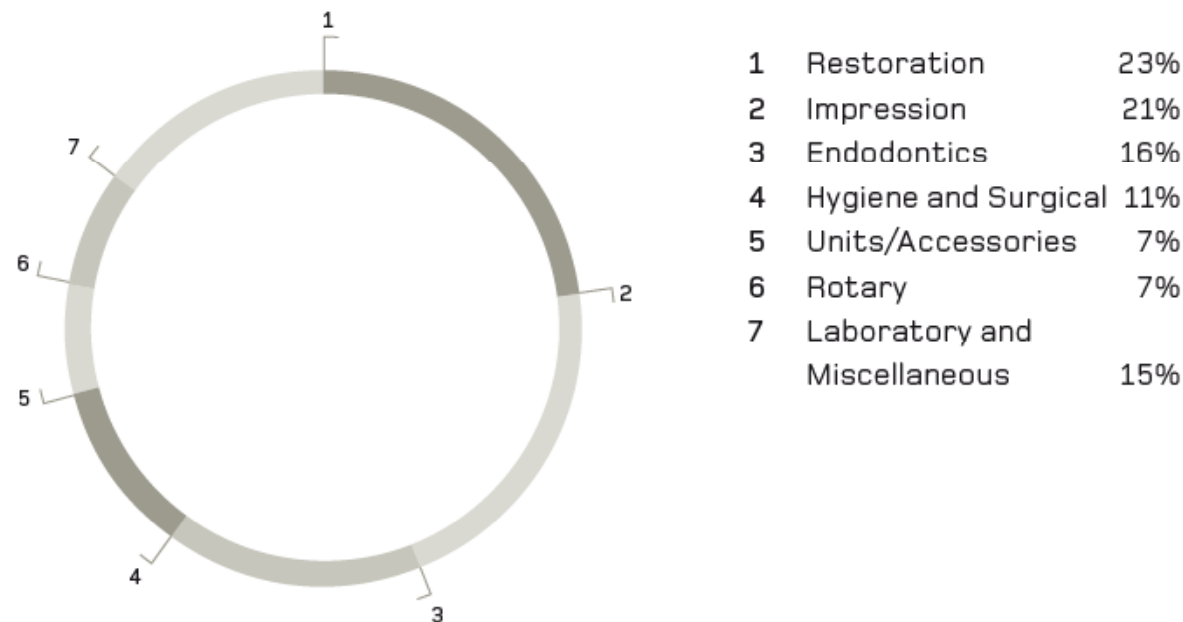
Vigodent fully consolidated

- Leverage COLTENE's position in Brazil
 - Intensified dialogue with key opinion leaders
 - Extended dental school programs
- Shift of local Vigodent offering to COLTENE products with higher margins
 - Migration of local brands to COLTENE “originals” higher perceived embedded technology and bibliographical reference)
- Concluded reorganization of Vigodent
 - Excellent platform to exploit the attractive opportunities of the Brazilian market
 - Hub for supplying products to Mercosur markets



Breakdown by Product Groups

Increasing demand for aesthetic dentistry



Comments

- Sales growth resulted primarily from restoration, impression, and hygiene materials
- Sales in endodontics were below expectations due to delayed launch in the U.S.
- Successful entry into the veneer market at IDS dental show in Cologne, Germany in March 2011

Innovative Products (I)

COMPONEER™



- New composite veneer system
- Designed for simple, safe, and time-saving restorations of front teeth
- Providing patients with a natural and aesthetic smile
- Unique one session-treatment

Innovative Products (II)

HyFlex™ Controlled Memory NiTi files



- New endodontic files
- Adjust to the given root canal anatomies
- Reduce the risks of displacement or perforation of the root canal

Operational Excellence

Constant improvements

- Continued roll-out of group-wide ERP system
 - 2010: Introduction in Switzerland in 2010
 - 2011: Extension on German operations
 - 2012: Inclusion of COLTENE sites in the US
- Improved exchange of information and know-how
- Further balanced allocation of group functions to specific currency areas
 - To offset the tectonic shifts in the global currency landscape
 - As a initial measure, move of logistics from products manufactured in Altstätten, Switzerland to Langenau, Germany

Proposals to AGM

- All members of the Board of Directors are available for re-election
- Election of Ernst & Young AG as auditors
- Distribution of CHF 1.10 from past capital contributions

2011 Financial Review

Dr. Hans Grüter, CFO

Financial Summary

Solid performance despite headwinds

- Top-line performance
 - Expansion of 7.8% CER
 - Decrease of 4.9% in reported CHF
 - 1.6% organic growth CER
- Operational profit
 - Affected by translation effects and by the restructuring of Vigodent
 - EBIT margin down to 8.4%
- Healthy free cash flow
 - Cash flow from operations above PY
 - Increased investments
- Solidly financed
 - High equity ratio of 63% maintained
 - Unused credit line of CHF 63 million
- Headwinds
 - Strong Swiss Franc
1 USD: 1.04 -> 0.89
1 EUR: 1.38 -> 1.23
 - Dealer's inventory reduction
 - Vigodent's restructuring

Income Statement

Solid performance

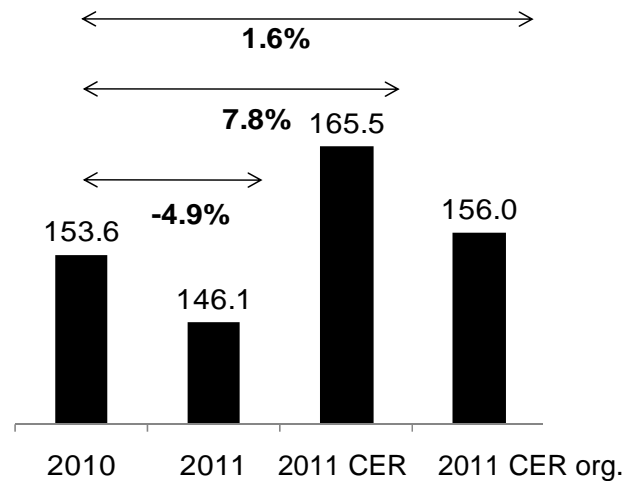
In CHF million	2011	%	2010	%	% YoY
Net Sales	146.1	100.0%	153.6	100.0%	-4.9%
Material expenses*	-44.5	-30.5%	-44.1	-28.7%	0.9%
Operating expenses	-84.4	-57.8%	-86.3	-56.2%	-2.2%
Depr. & Amor.	-4.9	-3.4%	-4.8	-3.1%	2.1%
EBIT	12.3	8.4%	18.4	12.0%	-33.6%
Financial result**	-3.3	-2.3%	-5.1	-3.3%	-35.3%
Tax expenses	-3.0	-2.1%	-4.0	-2.6%	-25.0%
Profit for the period	6.0	4.1%	9.3	6.1%	-35.5%

*: Raw materials used, changes in inventory and work performed capitalized

** : 2010 including profit from discontinued operations

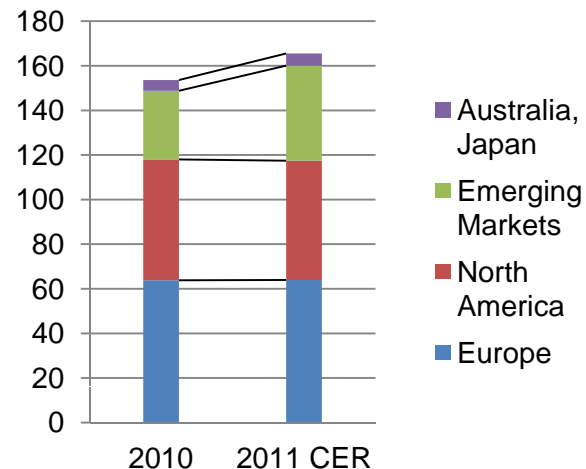
Net Sales Development

Sustained growth in emerging markets



Comments

- Reported decrease of 4.9% to CHF 146.1 million
- Increase of 7.8% to CHF 165.5 million CER
- 1.6% organic growth CER
- Vigodent contributed CHF 10.5 million or 7.2% of total sales
- Consummated dealer's inventory reduction of approx. CHF 3.5 million



Comments

- Small increase in Europe from CHF 63.8 million to CHF 64.0 million CER
- Small decrease in North America from CHF 54.2 million to CHF 53.4 million CER (dealer's inventory reductions)
- Emerging markets organic growth of 8.4% CER

EBIT Margin

Affected by currency fluctuations and Vigodent

In CHF million	2010 Result	2011 Result	Fx Adjustments	Vigodent** Adjustments	2011 Adjusted
Net Sales	153.6	146.1	19.4	-9.5	156.0
Material expenses*	-44.1	-44.5	-6.8	3.6	-47.7
Operating expenses	-86.3	-84.4	-8.9	7.0	-86.3
Depreciation & amortisation	-4.8	-4.9	-0.5	0.4	-5.0
EBIT	18.4	12.3	3.2	1.5	17.0
In % of net sales	12.0%	8.4%			10.9%

*: Raw materials used, changes in inventory and work performed capitalized

**: Delta 2010 to 2011

Comments

- Main impact due to currency translation (CHF 3.2 million) and Vigodent (CHF 1.5 million)
- Adjusted EBIT margin of 10.9% comparable with 12.0% of prior year
- Operating expenses on same level as prior year
- Vigodent's EBIT in 2011 was CHF -2.2 million

Financial Expenses and Taxes

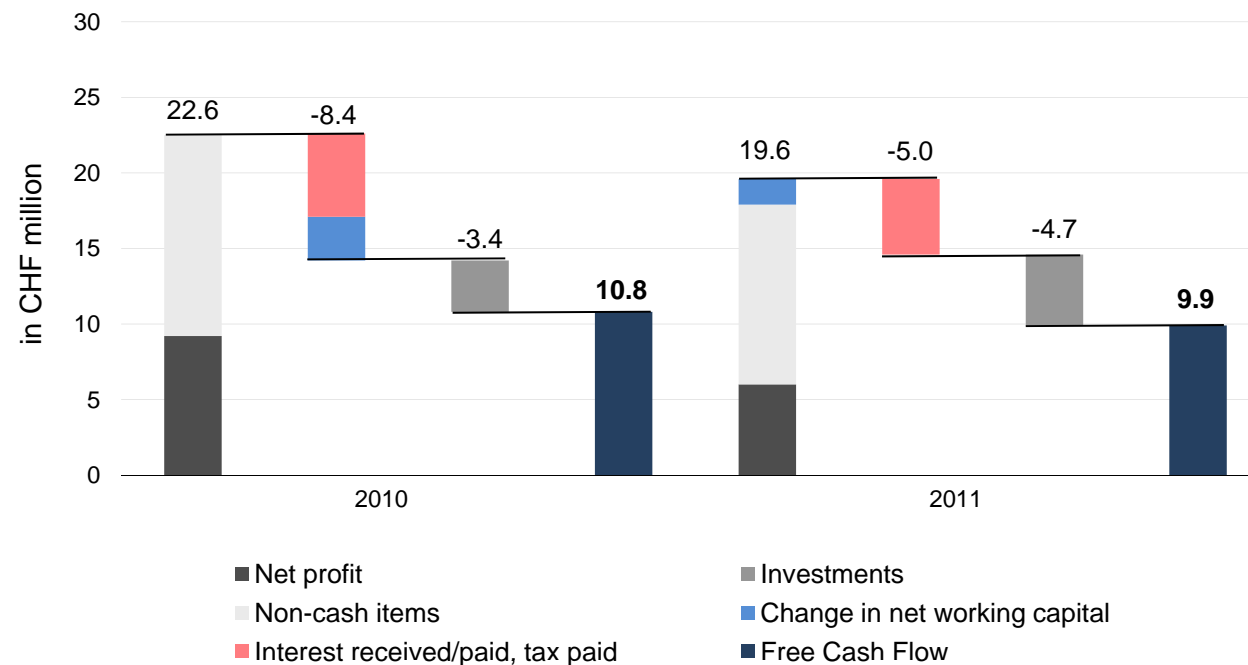
In CHF million	2011	2010	% YoY
EBIT	12.3	18.4	-33.6%
Interest income and expenses	-1.2	-0.7	
Exchange rate differences	-2.1	-1.9	
Gain on call option associates	0.0	1.2	
Share of loss of associates	0.0	-0.8	
Impairment on associates	0.0	-3.0	
Net profit before tax	9.0	13.2	-31.8%
Tax expenses	-3.0	-4.0	
Net profit continuing operations	6.0	9.2	-34.8%
Discontinued operations	0.0	0.1	
Profit for the period	6.0	9.3	-35.5%

Comments

- Higher interest expenses due to 12 months consolidation of Vigodent (PY 2 months) and higher average debt
- Exchange rate difference and other expenses increase from CHF 1.9 million to CHF 2.1 million
- Financial result CHF -3.3 million compared to CHF -5.2 million in 2010
- Effective tax rate with 33.5% on a high level due to Vigodent's losses which were not capitalized in 2011

Cash Flow Statement

Free cash flow remains on a healthy level



Comments

- NWC changes compensated lower net profit and non-cash items leading to a higher cash flow from operations in 2011
- Investments in equipment CHF 1.6 million higher than PY
- Investments in intangibles, mainly SAP
 - Roll-out in Switzerland and Germany successfully completed
 - Roll-out in the US planned for summer 2012
- 2011 investments on the level of depreciation & amortization expenses

Balance Sheet Structure

Solidly financed

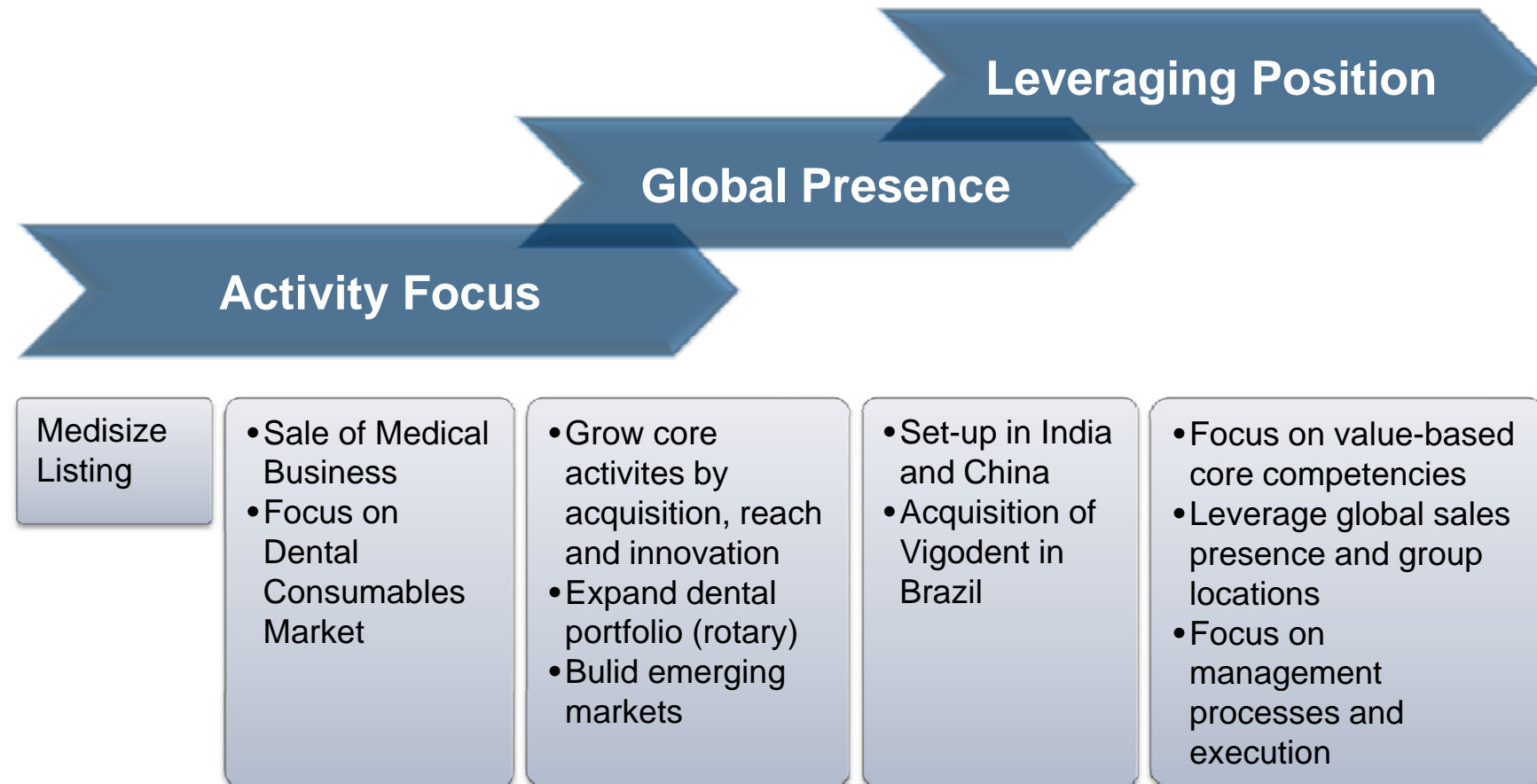
In CHF million	31.12.11	31.12.10	Δ	Comments
Cash & cash equivalents	3.1	4.1	-1.0	<ul style="list-style-type: none"> • Currency impact on the total balance sheet rather small (CHF 1.9 million) • Reduced DSO lead to lower receivables • Some progress made in inventory reduction; further potential to be realized • Bank loans reduces by CHF 3.9 million to CHF 30.2 million • Unused uncommitted credit lines of CHF 63 million • Equity ratio with 63% remained on a high level
Receivables	34.1	37.0	-2.9	
Inventory	29.9	32.5	-2.5	
Property, plant & equipment	30.5	31.7	-1.1	
Financial, intangible & tax assets	52.2	53.4	-1.2	
Total assets	149.9	158.7	-8.8	
	31.12.11	31.12.10	Δ	
Payables & short term liabilities	17.4	19.7	-2.3	
Bank loans	30.2	34.1	-3.9	
Other long term liabilities	7.7	7.0	0.7	
Equity	94.6	97.8	-3.3	
Total liabilities & equity	149.9	158.7	-8.8	

Growth Drivers and Outlook

Erwin Locher, CEO ad interim and Delegate of the Board

Major Shifts From 2006 - 2013

Ascension to a leading player with global footprint



Growth Drivers (I)

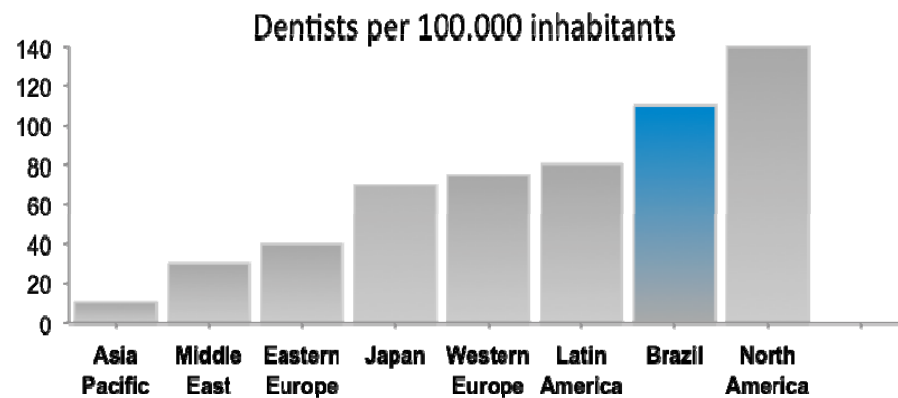
Leverage brand with innovative solutions



- For example with
 - COMPONEER™ in aesthetic dentistry, or
 - HyFlex™ in endodontics
- Innovation driven to improve the Customer value proposition
 - Outcome
 - Ease of use
 - Differentiation for the dentist towards his patient
 - Affordability

Growth Drivers (II)

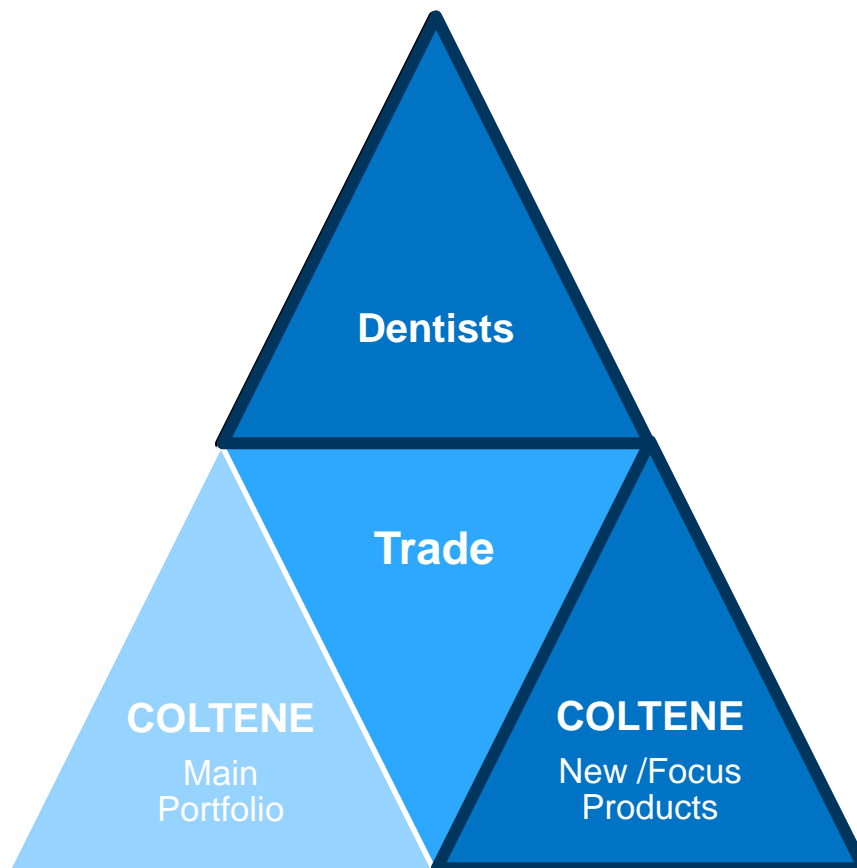
Leverage of emerging market network



- For example with
 - Vigodent in Brazil
 - Established sales networks in India and China
- Vigodent's local brands and COLTENE's global products allow for new market position and significant future growth
- Intensified marketing and sales activities in Asia with a special focus on India and China

Growth Drivers (III)

Leverage of sales and marketing organization



- For example with
 - Multi-layer marketing approach
 - Focused sales efforts
- The Coltene Sales organization promotes new or focus products directly to the dentist, especially to key opinion leaders
- The full portfolio of Coltene products is sold and distributed by global, regional or local distribution partners

Growth Drivers (IV)

Leverage of portfolio and lean manufacturing capabilities



- For example with
 - OEM
 - Private label volumes
- COLTENE owns highly automated manufacturing centers for various product groups
- Defined proactive strategy to participate in the growth potential of private label products

Outlook

Further leveraging the Group's position

- Management expects in 2012
 - + Growing dental consumables markets in most areas of the world
 - + Increased sales in traditional and emerging markets thanks to newly launched products and promotions
 - + Positive effects from operational improvements
 - Continued strength of the Swiss Franc
 - Continued and planned inventory reductions at dealers
- COLTENE well positioned to exploit growth potential
 - Well positioned in both traditional and emerging markets
 - Core competencies in the areas of restoration, aesthetics and endodontics
 - Wide and versatile product range based on solid expertise in key state-of-the-art technologies
 - Broadly based organizational structure

Thank you for your Attention



2011

Leveraging the Group's position