
Annual Report 2012

Exploiting the Group's Expertise

Product Focus

The healthcare market is one of the fastest-growing sectors of the global economy. The underlying growth drivers include overall demographic trends, technological progress, globally rising disposable incomes, and more broadly available medical treatment in emerging markets. These trends are coupled with ever more stringent hygienic requirements and demand for lower cost disposables, making the dental consumables market one of the most dynamically growing marketplaces in the world.

In the years ahead, COLTENE is likely to benefit from the increasing importance of oral hygiene and aesthetic dentistry driven by social/lifestyle factors as well as from global demographic and economic trends. The Company has identified significant innovation potential in the areas of restoration, endodontics and treatment auxiliaries.

Restoration

COLTENE provides innovative treatment for aesthetic dental restoration that meets today's medical and lifestyle demands. The Group's comprehensive range of essential restorative materials ensures excellent aesthetic results and simplifies the technique of application. Aesthetic corrections can be carried out easily, whether for incisor extensions, the covering of massive discoloration or the closing of diastemas.



Endodontics

Root canal therapy is required when a tooth is symptomatic due to pulpal and/or periodontal disease. The treatment enables the saving of the tooth and ensures – in comparison to the implant alternative – the advantages of better aesthetics in the anterior region, shorter treatment time and lower costs as well as a non-surgical approach. COLTENE offers decades of know-how in the area of endodontics, having continuously developed innovative, state-of-the-art material, products, and techniques.

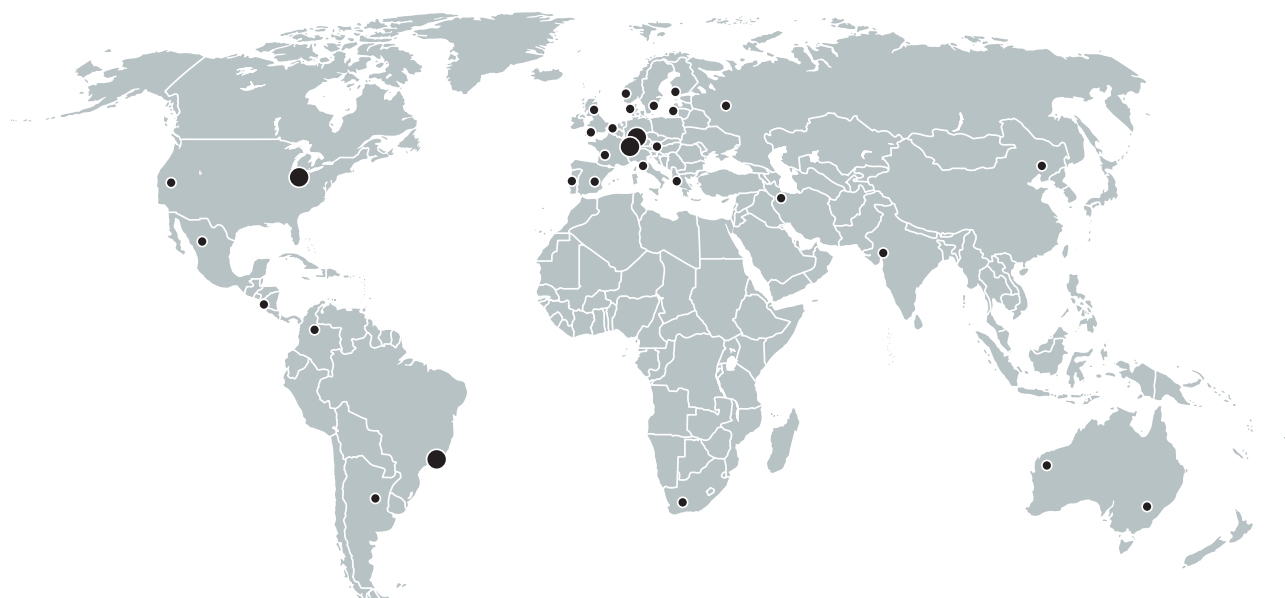


Treatment Auxiliaries

COLTENE's treatment auxiliary products make the daily work in a dental practice easier and more efficient. Cotton rolls, aspirator tips and dental dam products provide optimal moisture control in the oral cavity. Surgical sutures and antimicrobial, haemostatic sponges aid wound healing without complications. COLTENE also manufactures scalers and electrosurgical devices.



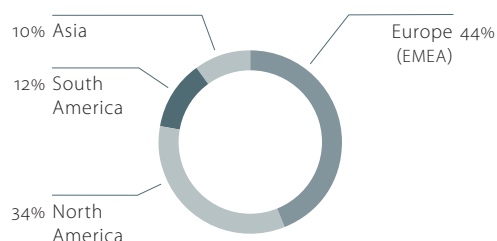
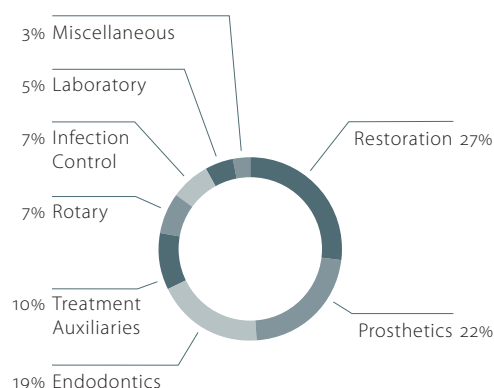
Portrait



COLTENE is an internationally leading developer, manufacturer, and seller of consumables and small equipment for dental practitioners. COLTENE has three state-of-the-art technology centers in Switzerland/Brazil (Chemical based products), Germany (Auxiliaries), and in the USA (Mechanical and Electro Mechanical Products). Group marketing bridges the activities and priorities of the technology centers with the market needs of the sales regions in Europe (EMEA), North America, South America and Asia.

Focusing on dental consumables, COLTENE targets an attractive, long-term growth market that is benefiting from demographic developments in traditional markets as well as from rising disposable incomes in emerging markets. COLTENE strives to support dentists and dental labs with professional, safe and efficient dental processes.

The registered shares of COLTENE Holding AG (CLTN) are listed on SIX Swiss Exchange. Learn more about COLTENE and our products at www.coltene.com

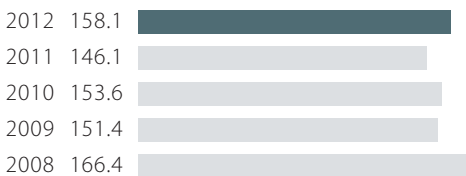


Achievements 2012

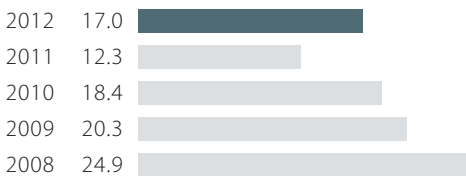
5-Year Overview

(in CHF million, continuing operations, restated)

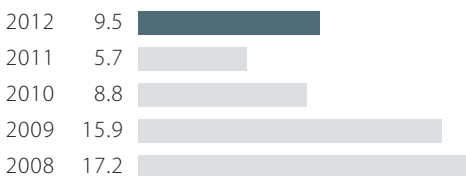
Net Sales



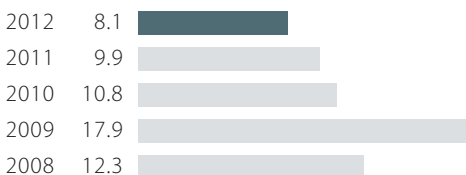
Ebit



Net Profit



Free Cash Flow



Revenue of CHF 158.1 million, reflecting growth of 8.2%, or 7.1% at constant exchange rates

North American markets with strong revenue growth of 18.4%

EBIT margin increased to 10.8% from 8.4% due to efficiency gains and economies of scale

Net income increased to CHF 9.5 million, up by 68.5%

Lower free cash flow at CHF 8.1 million due to temporary higher inventory

Strong equity ratio of 63.4%

Proposed distribution of CHF 1.80 per share from capital contribution reserves

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Product Overview

Restoration

The brands under the umbrella brand COLTENE provide decades of know-how in producing a comprehensive range of essential and innovative restorative materials, such as BRILLIANT, a universal, light cured, fine hybrid composite for anterior and posterior restorations, or COMPONEER, a direct composite veneering system that allows for innovative and amazingly easy restoration of anterior teeth. To complement this range COLTENE also supplies dentists with curing lights.

Miris²
SYNERGY[®]D6
BRILLIANT

ParaCore[®]
COMPONEER[®]
One Coat Bond

Endodontics

COLTENE brands represent profound expertise in essential and reliable endodontic materials. HyFlex Controlled Memory NiTi files for example have excellent mechanical properties. Their increased flexibility and fracture resistance allow for safer and efficient instrumentation also in complex canals. Paper and Guttapercha points, GuttaFlow, RoekoSeal, Para Post and ParaCore are other clinically proven products that ensure successful endodontic therapy.

COLTENE[®]ENDO
whaledent
ParaPostX[®] System
HyFlex[™]CM

roeko

HYGENIC

Prosthetics

For over 45 years, we have specialized in the development and production of condensation- and additional-cured silicones for the dental industry, distributed globally through various distribution channels. Two of our leading brands, SPEEDEX and AFFINIS, are used in several clinics and universities as their products of choice.

AFFINIS[®]
Speedex[®]

PRESIDENT[®]

Treatment Auxiliaries

Roeko and Hygenic treatment auxiliaries are products which make the daily work in a dental practice easier and more efficient. Roeko Luna cotton rolls, Surgitip aspirator tips and the complete range of Dental Dam products provide optimal moisture control in the oral cavity. Roeko Sintraumal surgical sutures and the antimicrobial, haemostatic sponge Gelatam aid wound healing without complications. COLTENE also manufactures scalers and electrosurgery devices.

roeko
HANEL



Rotary Instruments

Rotary Instruments are sold under the company brands Diatech (global distribution, except for USA and Canada) as well as Alpen (USA and Canada). Both brands provide a complete range with clear advantages, such as the multi-layer coating for diamonds and one and two piece carbide burs.

DIATECH⁺
PREMIUM ROTARY INSTRUMENTS

AlpenTM
SWISS ROTARY INSTRUMENTS

Infection Control

COLTENE Hygiene products make the dental office a much safer place. Sterile covers Steri-Quick and Steri-sleeve, Protecta surgical face masks and Rexam gloves provide infection control for the patient and dental team. COLTENE also delivers expertise in manufacturing small equipment, such as ultrasonic cleaners.

BioSonic[®]
roeko

Foreword



Left: Martin Schaufelberger, CEO
Right: Nick Huber, Chairman of the Board

Dear Shareholders,

In the 2012 financial year the COLTENE Group consolidated its strong product and service portfolio and reviewed its internal organization and processes. After the arrival of the new CEO Martin Schaufelberger, the Board of Directors and the Senior Management redefined the Company's business strategy, taking into account the latest economic and social developments and changed customer needs. Highest priority was directed to exploiting existing products and brands as well as leveraging the Group's expertise by initiating new projects to further improve operational excellence and market penetration in all sales regions in Europe, North America, South America, and Asia. A second focus was strengthening the group approach in the Company's management processes. Management standardized organizational structures at the Group's historically grown subsidiaries in Switzerland, Germany, the US, and Brazil, each with its specific expertise and strong brands. This includes greater emphasis on centralized functions such as marketing whilst keeping the flexibility of the regional sales teams so they can still adapt to the needs of customers in the local markets. Third, COLTENE further strengthened its position and presence in key traditional and emerging markets. The Group especially profited from the positive market development in the US.

In a competitive market environment, COLTENE increased its turnover and operating margins at clearly better-than-market rates. The Group's net earnings grew disproportionately. These positive developments are primarily attributable to the higher sales level, operational advances, and unified internal processes by sharing Group-wide expertise and production know-how.

The 2012 financial year was characterized by the review process of the COLTENE Group strategy, the focus on the Group approach in the Company's management structure as well as the positive development of the US-markets.

COLTENE will continue to profit from lifestyle trends. The Group has identified promising growth potential in the core areas of Restoration, Endodontics, and Treatment Auxiliaries.

Vigodent serves COLTENE as a strong foothold in the attractive Brazil market and as an efficient hub for addressing the needs of other Mercosur regions.

The revised Group strategy aims to pave the way for the Company's return to profitable growth.

Special efforts were addressed to the needs and benefits of both practitioners and patients. The Company is aiming to provide dentists with state-of-the-art products and simplified treatment methods that help to reduce patient inconvenience, treatment time, and costs. In order to better demonstrate the Group's comprehensive product portfolio, management advanced the global marketing and sales approach under the common COLTENE umbrella brand to leverage the Company's various trademarks and their distinctive strengths, especially in their specific home markets.

Innovation as One Source of Enhanced Profitability

In 2012 COLTENE continued to invest significant R&D resources in the development of new innovative product platforms, primarily focusing on the promising growth potential in the core areas of Restoration, Endodontics, and Treatment Auxiliaries. R&D expenses equaled 3.1% of sales in 2012. It is planned to gradually increase R&D investments and its effectiveness in the coming years. In the reporting period, COLTENE introduced SoloCem, a self-adhesive resin cement with anti-bacterial zinc oxide that ensures reliable, tight restoration, with a particularly low level of shrinkage. Furthermore, the Company received important market approvals in additional countries for its flagship products, the new composite veneer system COMPONEER™ and HyFlex™ Controlled Memory Files. In parallel, the Group's experts are enhancing the existing product groups by adding new components.

In addition, the Group further improved its operational efficiency by leveraging the existing structures and processes. One major achievement was the continued roll-out of the Group-wide ERP system with the integration of the US operations starting as of the beginning of 2013. Now having all major sites connected, this Group project and the corresponding investment are finalized. The new infrastructure allows the Company to optimize its processes and align them with the Group.

Advances at Vigodent

In Brazil, COLTENE continued to combine Vigodent's offering with its own proven product lines to better accommodate the needs of the local customers. From an operational view, Vigodent achieved encouraging improvements and results in the second half year. However, the progress rate is lower than expected and therefore lagging behind original plans. In the first half, the procurement and quality of the raw materials purchased in the local market and their implementation in manufacturing processes negatively impacted operational performance. The measures immediately initiated by local, multi-disciplinary task forces backed by the Group's expert know-how showed positive effects in the second half as set forth above. For the full year 2012, Vigodent's operational performance remains negative, but above last year's result. In 2013, management will further push

new marketing and sales initiatives. The Group's expanded presence will serve COLTENE as a strong foothold for capturing the opportunities of the attractive Brazilian market and, at the same time, will allow the Vigodent sales specialists to liaise with the Group's distribution organization in other Mercosur markets. Together with its operations in the other BRIC markets of Russia/CIS, India, and China, the COLTENE Group is well positioned to profit from its presence in both traditional and emerging markets.

Outlook: Focus on Profitable Growth

Today, COLTENE is well positioned in the attractive chair-side dental market to tackle new challenges and enhance the sustainability of its business strategy. Looking ahead, it is likely that the segment of the dental market addressed by COLTENE will continue to profit from social and lifestyle trends, such as the growing awareness of aesthetic dentistry, oral hygiene, and less invasive and expensive treatment methods.

In 2013, COLTENE will continue to push the organization's integrated marketing approach to leverage on a global scale the Group's various trademarks and brands, each of which have specific strengths in their home markets. Management sees further significant potential and therefore also plans to add more management capacities in this area. In an effort to enhance added value, the marketing and sales teams will further deepen their close partnerships with distributors and customers. In particular, COLTENE will strengthen its network with key opinion leaders and market its products directly to dental practitioners via global, regional, or local distribution partners.

The revised Group strategy taking into account the latest market developments will fully exploit and leverage the Group's expertise, thereby paving the way for the Company's return to profitable growth. The strategy builds on the three pillars Product Focus, Marketing & Sales Push, and Operational Excellence and concentrates the Group's innovation power on the attractive product groups of Restoration, Endodontics, and Treatment Auxiliaries. Strengthening and expanding distribution networks in the traditional European and North American markets as well as in the important emerging markets are equally important elements. COLTENE's new Group strategy has implications for corporate organizational structure, marketing, branding, manufacturing and logistics as well as innovation. In each of these areas a number of projects were initiated during the fourth quarter of 2012 and they should contribute to enhanced sales levels and improved margins already in 2013. In the mid- to long-term perspective and in the absence of extraordinary factors, COLTENE aims to increase its sales levels above market average and improve EBIT margins step by step up to a midterm target of 15% of net sales.

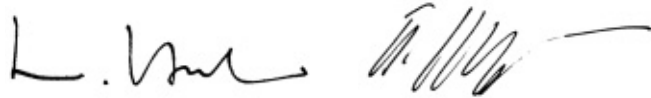
Thanks

On behalf of the Board of Directors and the Executive Management we thank all our employees for their steadfast dedication. Given the ongoing challenging market environment, a high level of flexibility and strong commitment to the Group's operational priorities were required of all employees. Special mention is made of Jerry Sullivan, who will step down from the Board of Directors in April after 30 years with the Company. We thank Jerry Sullivan for his many years of valuable service to COLTENE, as a member of management, as CEO, and in recent years as a Board member. His profound knowledge of the dental market and the COLTENE organization has been of great benefit. We also thank our customers, business partners, and suppliers for their excellent collaboration with our teams. Last but not least, we express our thanks to our shareholders for their continued confidence and trust in our strategy to sustainably enhance the Group's mid- and long term prospects.

Yours sincerely,

Nick Huber
Chairman of the Board

Martin Schaufelberger
CEO

The image shows two handwritten signatures in black ink. The signature on the left is 'L. Huber' and the signature on the right is 'M. Schaufelberger'.

COLTENE Group Strategy

Major market trends that are likely to vitalize COLTENE's business proposition are aging populations, digital dental technologies, emerging market growth, and increased price pressure. These assessments are based on the following pillars.

Customer Needs

- More female dentists
- Aesthetics is important for baby boomers
- Internet changes consumer behavior
- Reduced treatment times

Business Environment

- Demographic change: aging population in the "1st world"
- Fast growth in emerging markets: expanding middle class

New Technologies

- Digitalization changes workflows, procedures (CAD/CAM) and value chains
- Convenient, easy to use technologies

Competition

- Increased price pressure:
 - Less reimbursement by insurers
 - Group practices
 - Low-cost manufacturing
- Dealer control of market increasing
- In mature markets brands gaining importance
- Geographical shift of business

Focus on profitable growth: the COLTENE Group strategy for returning to profitable growth rests on three key elements.

Product Focus

Streamline the Company's six product groups and focus innovation and precious Company resources on the most attractive product segments of Restoration, Endodontics and Treatment Auxiliaries on a global scale.

Marketing & Sales Push

Intensify expansion of the business in emerging markets and launch selective marketing initiatives in the established markets EMEA and North America.

Operational Excellence

Build a high-performance organization by aligning the processes and organization to a first class product and service provider for the selected product segments.

Corporate Values and Principles

COLTENE is convinced that it is people who make the Company strong. A leading market position is not possible without their untiring commitment. Involvement and engagement at all levels begin with open, appropriate information to encourage strong work ethics, integrity, loyalty, and identification with the Company. COLTENE staff can expect a high level of tolerance for other ideas and proactive cooperation with others characterized by a more pragmatic than dogmatic approach. These values contribute to the Company's successful and sustainable development.

Organizational Principles

- We are customer oriented.
- We build on a flat and flexible organizational structure (few levels, broad span of control).
- We define clear levels of responsibility, and formulate well defined objectives.
- We focus on operational speed, personal responsibility, and actual outcomes.
- We aim to reduce bureaucracy to a minimum.

Focus on people's know-how: the cultivation of a corporate culture that makes the best of all expertise and talent within the work force is a key success factor for COLTENE.

Our core aim is to enhance dental treatments and applications that allow dentists to offer health, aesthetics and lifestyle choice to their patients.

Our success is driven by our people.

Innovation is the key to our successful future.

Our marketing concept is based on cooperation with distributors.

We recognize that supply chain management and worldwide logistics are becoming more important.

We create a climate of innovation to ensure continuous improvement.

Operational Review

In the 2012 financial year the dental market experienced moderate growth after the European and particularly North American economy recovered from the debt crisis and consumer spending picked up again. In addition the currency situation changed and had a small positive impact on sales in 2012. Over the entire reporting period the average EUR/CHF exchange rate was weaker than in 2011, but the important USD/CHF currency relation was stronger. In the vast majority of its actively managed markets, including the Group's emerging market organizations, COLTENE was able to benefit from improving economic conditions. A review of the German subsidiary's tax situation resulted in a restatement of the prior year's Group financial statements, reducing equity by CHF 2.5 million as per January 1, 2011. Correspondingly, deferred tax liabilities grew by the same amount. Tax expenses increased and net income decreased by CHF 0.3 million in 2011.

In the 2012 financial year COLTENE achieved net sales of CHF 158.1 million (2011: CHF 146.1 million), reflecting 8.2% growth in reported Swiss francs and 7.1% at constant exchange rates. Sales in emerging markets grew by 7.9% at constant exchange rates to CHF 44.4 million.

Operating profit (EBIT) increased significantly by 38.9% (38.6% at constant exchange rates) to CHF 17.0 million (2011: CHF 12.3 million). EBIT growth was primarily the result of efficiency gains in the Group's organization and economies of scale due to higher sales volumes. The Brazilian subsidiary improved its operational profit slightly compared to the prior year. Promising improvements towards the end of the year could not totally offset operational losses in the first half caused by manufacturing issues and related weak sales. The EBIT margin for the Group improved to 10.8% from 8.4% in the prior year.

Exchange rate differences and other financial expenses decreased from CHF 2.2 million to CHF 1.1 million. Interest expenses for bank overdrafts and loans were at the same level as in the prior year. At CHF 5.5 million, tax expenses increased by CHF 2.1 million compared to the previous year as a result of the higher profit.

Net profit for the 2012 financial year reached CHF 9.5 million, representing a significant improvement of 68.5% compared to the prior year's result (2011: CHF 5.7 million restated).

A review of the goodwill amortization in the supplement tax books of the German subsidiaries resulted in a restatement of the prior year's Group financial statements. Since the acquisition in 2002 the German subsidiary has amortized the goodwill in its tax books. After IFRS changed to an impairment test only approach, the tax impact of the German subsidiary's goodwill amortization should have been offset by a deferred tax liability. Applying IAS 8, the Group Statement

Consolidated sales in financial year 2012 benefited slightly from the more favorable currency situation

COLTENE's growth of 8.2% clearly outpaced the general market growth of approximately 3–4% thanks to the Group's innovative and comprehensive product offering as well as its presence in traditional and emerging markets.

EBIT growth of 38.9% is primarily the result of efficiency gains within the Group's organizations and economies of scale.

COLTENE will concurrently strengthen and expand its distribution networks in both traditional and emerging markets, the latter of which include Brazil, India, and China.

of Financial Position as per January 1, 2011, was restated, reducing equity by CHF 2.5 million and increasing deferred tax liabilities by the same amount. The Group Income Statement 2011 was restated as well leading to an increase of the deferred tax expenses of CHF 0.3 million. Accordingly net profit was reduced by the same amount and earnings per share declined from CHF 1.44 to CHF 1.36.

In the reporting period COLTENE generated a cash flow from operating activities of CHF 12.7 million. This figure was CHF 1.8 million below the amount recorded in 2011 primarily due to increased inventories. Cash flow from investing activities reached CHF 4.6 million. Net investments in machinery and equipment amounted to CHF 3.4 million while investments in intangible assets amounted to CHF 1.2 million, mainly used for the extended installation of the Group-wide ERP system, which is being implemented at the US facilities as of the beginning of 2013. As a result of lower cash flow from operating activities and a maintained level of investments, free cash flow declined to CHF 8.1 million (2011: CHF 9.9 million).

With bank debts at CHF 24.6 million, COLTENE's healthy balance sheet continues to show a high equity ratio of 63.4% (2011: 61.3%), ensuring financial stability and entrepreneurial independence.

Regional Breakdown: North America Sets the Course

In 2012, COLTENE benefited from its market presence both in the developed countries as well as in the important emerging markets such as Brazil, India, and China. It is the Group's declared goal to achieve slightly higher than average growth in the developed countries and strong growth in emerging markets. In the 2012 financial year the Company's geographic sales mix continued to change: COLTENE achieved 44.1% of its Group sales in the region Europe, Middle East, and Africa (2011: 46.4%), 34.0% in North America (2011: 31.1%), 12.0% in South America (2011: 12.9%), and 9.9% in Asia (2011: 9.6%). The emerging markets represents 27.8% of the total Group sales (2011: 28.2%).

Most European countries showed solid sales developments and were able to top the volumes generated in the previous year. An exception was Great Britain/Ireland where sales decreased by 3.6%. Whilst inventory destocking contracted the volumes in Germany/Austria and in France in the first half of 2012, these markets stabilized in the second half and the revenue losses turned into sales increases of 3.9% and 5.7%, respectively.

A strong performance was achieved in North America. Sales in the region increased by 18.4% as the sales teams in the US and Canada profited from the improved economic conditions and a comparative low sales base in 2011.

Brazil reached a positive sales growth of 5.7% for the full year at constant exchange rates. However, sales in reported Swiss francs decreased by 3.5% due to the devaluation of the Brazilian real. In the first half year, sales were impacted by the portfolio alignment and manufacturing issues in connection with the procurement and quality of the raw materials purchased in the local market. The situation normalized in the second half.

Thanks to its continued efforts to expand and strengthen the Group's distribution network in the other emerging regions, COLTENE increased its sales in India and China by 22.7% and 37.9%, respectively. Russia/CIS, another important emerging region, reached a pleasing growth rate of 16.7%. Other Far East/Oceania increased its sales by 3.6% compared to the previous year. Middle East and Africa showed a sales increase of 3.7%, whilst other South America markets expanded sales volumes by 5.0%.

Breakdown by Product Group: Endodontics delivered highest growth

In 2012 COLTENE's top-line growth came primarily from the product groups Restoration, Prosthetics, and Endodontics. Restoration comprised the largest volume with a share of 27.1% of total sales and a 2012 growth rate of 13.5%. Prosthetics accounted for 22.2% of total sales and grew by 11.4%. Endodontics had a share of 18.6% of total sales and an annual growth rate of 14.8%, the highest within the Company's product and services portfolio. Treatment Auxiliaries, Rotary Instruments and Infection Control maintained their sales volumes on a constant level.

In 2012 COLTENE continued to market its flagship products, the composite veneer system COMPONEER™ and the HyFlex™ Controlled Memory NiTi files, into new markets. The Group received important market approvals in additional countries. Both innovative systems have been received very well by customers due to their simple and easy application as well as dual benefits for the dentist and patient. COLTENE is currently extending the product line, adding new shapes and colors and thereby enhancing the added value to clients. Additional new products include SoloCem, a self-adhesive resin cement with antibacterial zinc oxide that ensures reliable, tight restoration, with a particularly low level of shrinkage.



Innovation is key to the success of COLTENE. Our continuous product improvements are driven by knowledge gained from well-established and ongoing dialogue with the world's leading specialists and opinion leaders, as well as practitioners.

“I enjoy the opportunity of contributing in the innovation process, seeing the development of a new product from scratch and its final outcome offering new benefits to practitioners and patients.”

Dr Ralf Böhner, Manager Research and Development Adhesive Materials



COLTENE is a leading developer and manufacturer of high-precision carbide and diamond instruments, impression materials, and innovative, aesthetically pleasing filling materials since the mid-sixties. COLTENE has state-of-the-art production facilities in Switzerland, the United States, Germany, and Hungary.

“The work with high-precision carbide and diamond instruments offers a wide range of interesting challenges every day that allows us to consistently improve the manufacturing process and the quality of our products.”

James Chance, Production Team Leader



The unique expertise and close relationships to opinion leaders and practitioners allows COLTENE to anticipate to new industry trends whilst, at same time, serving the specific needs of local markets. Through existing and new partnerships, COLTENE will continue to further strengthen its technological competence and geographic reach.

“In my daily work I link internal departments such as Product Management, R&D, Graphics and Sales to the international market to provide comprehensive information and guidelines for all parties.”

Martina Obwegeser, Marketing Communications Manager



Focusing on the global dental market and primarily on dental consumables, COLTENE targets an attractive, long-term growth market that is benefiting from demographic development in traditional markets, as well as from rising disposable incomes in emerging markets.

“COLTENE products are highly innovative and recognized for their quality. Practitioners especially appreciate COLTENE’s support in terms of marketing and distribution concepts, tailored to the specific requirements of the individual markets.”

Margit Wiedenmann, Area Sales Manager Eastern Europe and Southern Europe



COLTENE is an experienced developer, manufacturer, and distributor of reliable, high-quality dental products. COLTENE is actively engaged in dental education on many levels. Our products are used and demonstrated in classrooms and clinics throughout the world, where our dental experts share their experience and knowledge.

“As a dental expert
I accompany the
development of our
products from R&D
to market maturity.
This process is carefully
monitored throughout
the entire value chain
to ensure flawless quality.”

Cigdem Yigit, Professional Services Application Technology

Corporate Governance

COLTENE Holding AG

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, 2012, unless otherwise stated. Significant changes that have occurred between that date and the copy deadline for this report have also been indicated as appropriate.

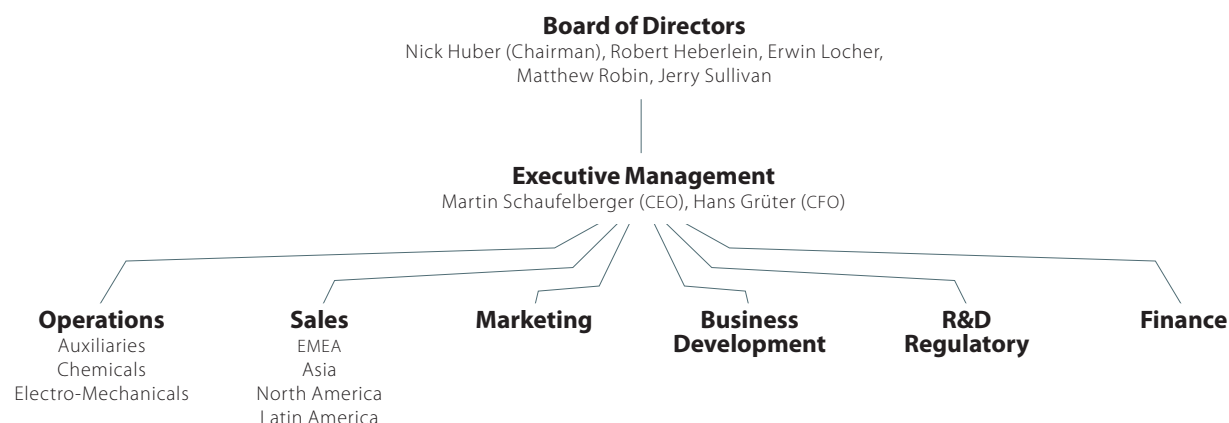
1 Group Structure and Shareholders

1.1 Group Structure

1.1.1 Operative Group Structure

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.

The organization of COLTENE Group can be described as follows:



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, 2012, the market capitalization amounted to CHF 125 million. Information on the companies belonging to the COLTENE Group, which are not listed, is shown on page 63 of the Financial Report.

1.2 Major Shareholders

On December 31, 2012, the following shareholders held more than 3% of the voting stock of COLTENE Holding AG:

Huwa Finanz- und Beteiligungs AG, Heerbrugg/SG, Bahnhofstrasse 2, 9435 Heerbrugg, holds 925 323 registered shares. This equals voting rights of 21.93%. Huwa Finanz- und Beteiligungs AG is under control of Hans Huber, Appenzell/AI (source: according to share register).

Tweedy, Browne Company LLC, 350 Park Avenue, New York, NY 10022/USA held 307 890 registered shares representing 7.30% of the voting rights since a purchase on May 23, 2012. Of these shares, 218 165 belong to Tweedy, Browne Global Fund, Inc.

Credit Suisse Asset Management Funds AG, Kalandergasse 4, 8045 Zurich, holds 226 650 shares or 5.37% of the voting rights since a purchase on June 13, 2012.

Robert Heberlein, Zumikon/ZH, held directly and indirectly through Burix Holding AG, Zurich, which he controls, 166 303 registered shares, representing 3.94% of the voting rights (source: according to Corporate Governance disclosures).

UBS Fund Management (Switzerland) AG, P.O. Box, 8098 Zurich, holds 126 978 shares or 3.01% of the voting rights since a purchase on May 27, 2011.

1.3 Cross-Shareholding

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

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 72 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/index_en.php?TPL=10209.

2.1 Capital

Details on the capital are included in the COLTENE Holding AG's financial statements on page 67.

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	31.12.2012	31.12.2011	31.12.2010
Share capital	422	422	422
Statutory reserves	84	84	18 015
Capital contribution reserve	8 785	13 417	–
Reserves for treasury stock	275	3 240	3 010
Net income brought forward	35 925	30 422	30 458
Total	45 491	47 585	51 905

Based on the AGM's decision April 20, 2012, the Company distributed CHF 1.10 per share out of reserves from previous capital contributions. Subsequently, the Company paid to its shareholders on April 27, 2012, a total amount of TCHF 4632.

Based on the AGM's decision on April 28, 2011, the "Reserves from previous capital contributions" in the amount of TCHF 20 677 were set apart and presented separately through a transfer from the balance sheet item "Statutory reserves" in the amount of TCHF 17 930 and from the balance sheet item "Net income brought forward" in the amount of TCHF 2747 to a new balance sheet item "Capital contribution reserves". The AGM decided on April 28, 2011 to distribute to the shareholders CHF 1.75 out of the "Reserves from previous capital contributions". The total amount paid out was TCHF 7261.

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. The shares are traded in the main section of SIX Swiss Exchange (security no. 2.534.325, ISIN CH0025343259, symbol CLTN). All shares are fully paid up and entitled to dividends. 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

On December 31, 2012, the Board of Directors of COLTENE Holding AG consisted of five members.

3.1 Members of the Board of Directors

The personal details together with the other activities and vested interests of individual members of the 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
- Member of the Board of Directors of Orell Füssli Holding AG, Zurich

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)
- Economics, University Basel, MBA, University of Toronto (Rotman)/University St. Gallen
- Non-executive member (July 1, 2011 until May 31, 2012 CEO ad interim)
- 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

- Member of the Board of Directors of Thommen Medical AG, Waldenburg/BL
- 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.

Jerry Sullivan

- Member of the Board of Directors until AGM April 15, 2013 (year of first election: 2008)
- Bachelor of arts
- Non-executive member
- American citizen, born in 1944

Professional background (main stages)

1981–1992 President and CEO, Whaledent International Inc., USA
1992–2002 Managing Director, Coltène/Whaledent Inc., Cuyahoga Falls, Ohio/USA
2003–2006 CEO Gurit Heberlein Dental Care, Wattwil/SG
2006–2008 CEO COLTENE Holding AG (former Medisize Holding AG), Wattwil/SG

Other important activities and vested interests

Jerry Sullivan has no other important activities and vested interests.

Roland Weiger

- Non-executive member for election for the Board of Directors at the AGM April 15, 2013
- Prof. Dr med. dent., University of Tübingen, Germany
- 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 Cariology at the University 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 re-elected. 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.

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

Board and Management

Board of Directors



Nick Huber

1964, Swiss citizen
Chairman
Elected in: 2005



Robert Heberlein

1941, Swiss citizen
Member
Elected in: 2005



Jerry Sullivan

1944, American citizen
Member
Elected in: 2008



Erwin Locher

1953, Swiss citizen
Member
Elected in: 2009



Matthew Robin

1965, British and Swiss citizen
Member
Elected in: 2006

Executive Management



Martin Schaufelberger

1964, Swiss citizen
Chief Executive Officer
Member since 2012



Dr Hans Grüter

1959, Swiss citizen
Chief Financial Officer
Member since 2006

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. The chairman of the Board of Directors organizes and manages the work of the Board of Directors.

The Board has formed 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, Jerry Sullivan

The Audit and Corporate Governance Committee assists the Board of Directors in its supervisory duties. More specifically, the Audit and Corporate Governance Committee 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 the fulfillment of defined measures
- review and assessment of the effectiveness of the internal control system and control the fulfillment and effectiveness of corrective actions
- review of the company and the consolidated financial statements as well as interim statements intended for publication
- regularly review of the principles concerning Corporate Governance
- proposal to the Board of Directors of amendments to the Articles of Incorporation or internal regulations

Nomination and Compensation Committee

Chairman: Matthew Robin

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

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 re-election to the Board of Directors
- preparation of the selection and assessment of the candidates for the position of the CEO
- approval of appointments of division heads and other 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 2012, the Board of Directors met eight times. The Audit and Corporate Governance Committee met two times. The Nomination and Compensation Committee met three times.

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 summarised as follows: with the exception of decisions which according to article 716a of the Swiss Code of Obligations are part of its indefeasible 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 mechanism 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 Notes to Group Financial Statements page 47.

4 Executive Management

On December 31, 2012, COLTENE Holding AG's Executive Management consisted of the CEO and the CFO.

4.1 Members of the Executive Management

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

Erwin Locher (July 1, 2011 until May 31, 2012)

Delegate of the Board of Directors and Chief Executive Officer ad interim, COLTENE Group
(His personal details together with the other activities and vested interests are presented under section 3.1)

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

Hans Grüter

- 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 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. In addition, all members of the Board of Directors receive a fixed number of shares having a restriction period of three years. The yearly fixed amount in cash and the 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 performance indicators (KPI) such as EBIT and net sales, as well as to the fulfillment of personal targets. KPI's 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 69 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 (previous year a total of TCHF 58 as disclosed in note 24 of the notes to Group financials statements).

In addition, on December 31, 2012, 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/index_de.php?TPL=10209.

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 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 Company 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 Gazette of Commerce. 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, 2012, 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 AGM 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 269 996.

Audit services are defined as the standard audit work performed each year in order to issue opinions on the parent company and consolidated financial statements of the Group, to issue opinions relating to the effectiveness of the Group's internal controls over financial reporting, and to issue reports on local statutory financial statements. 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

The auditors have not supplied additional services during the year under review.

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 2012, the Audit and

Corporate Governance Committee held two meetings, one with the former auditors PricewaterhouseCoopers AG, St.Gallen and one with E&Y. 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 re-election. 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, 2012, 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 72.

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 72.

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 72 and 73.

Group Income Statement

In CHF 1000	Ref.	2012	restated 2011
Net sales	1	158 075	146 133
Changes in inventories of finished goods and work in progress		4 438	-1 126
Work performed and capitalized		19	14
Raw material and consumables used	2	-51 241	-43 379
Personnel expenses	3	-55 167	-53 651
Other operating expenses	5	-34 146	-30 807
Depreciation and amortization	6	-4 959	-4 934
Operating profit (EBIT)		17 019	12 250
Financial income	7	170	187
Financial expenses	7	-2 196	-3 437
Net profit before tax expenses		14 993	9 000
Tax expenses	8	-5 463	-3 344
Net profit for the period	10	9 530	5 656
Earnings per share	10	CHF 2.28	CHF 1.36
Diluted earnings per share	10	CHF 2.28	CHF 1.36

The notes are part of COLTENE Group financial statements.
For restatement details see page 43.

Group Statement of Comprehensive Income

In CHF 1000	2012	restated 2011
Net profit for the period	9 530	5 656
Other comprehensive income for the period:		
Exchange differences on translating foreign operations before tax	-2 197	-1 546
Comprehensive income for the period	7 333	4 110
Profit for the period attributable to the owner of the parent	9 530	5 656
Comprehensive income for the period attributable to the owner of the parent	7 333	4 110

The notes are part of COLTENE Group financial statements.
For restatement details see page 43.

Group Statement of Financial Position

In CHF 1000	Ref.	31.12.2012	31.12.2011	restated 1.1.2011
Cash and cash equivalents		4 000	3 128	4 133
Trade accounts receivable	11	30 892	30 644	33 088
Tax receivables		57	173	108
Other receivables and prepaid expenses	12	4 155	3 256	3 789
Inventories	13	34 234	29 938	32 469
Current assets		73 338	67 139	73 587
Property, plant, and equipment	1, 14	28 720	30 540	31 680
Financial assets	15	19	26	5
Intangible assets	1, 16	47 629	48 927	50 310
Deferred tax assets	9	3 055	3 255	3 106
Non-current assets		79 423	82 748	85 101
Total assets		152 761	149 887	158 688
Bank loans	17	24 566	30 177	34 072
Trade accounts payable	18	6 506	5 601	8 612
Other accounts payable and accruals	19	10 954	10 681	9 378
Tax liabilities		2 510	761	1 553
Provisions	20	776	378	192
Current liabilities		45 312	47 598	53 807
Other liabilities		0	0	14
Deferred tax liabilities	9	9 319	9 342	8 759
Provisions	20	1 270	1 082	729
Non-current liabilities		10 589	10 424	9 502
Total liabilities		55 901	58 022	63 309
Share capital		421	414	415
Currency translation adjustments		-29 785	-27 588	-26 042
Retained earnings		126 224	119 039	121 006
Total equity	22	96 860	91 865	95 379
Total liabilities and equity		152 761	149 887	158 688

The notes are part of COLTENE Group financial statements.
For restatement details see page 43.

Group Cash Flow Statement

In CHF 1000	Ref.	2012	restated 2011
Net profit for the period		9 530	5 656
Depreciation and amortization	6, 14, 16	4 959	4 934
Other non-cash items		11 335	7 319
Change in accounts receivable from deliveries and sales		-1 392	1 448
Change in inventories		-7 508	1 033
Change in other current assets		-1 327	482
Change in current liabilities		1 707	-1 281
Interest paid		-1 187	-1 195
Interest received		121	92
Income tax paid		-3 493	-3 905
Cash flow from operating activities		12 745	14 583
Purchase of property, plant, and equipment		-3 493	-3 390
Proceeds from sale of property, plant, and equipment		74	58
Purchase of intangible assets		-1 201	-1 277
Proceeds of financial assets net		2	-27
Cash flow from investing activities		-4 618	-4 636
Proceeds from loans and financial liabilities		11 955	25 340
Repayments of loans and financial liabilities		-16 802	-28 542
Distribution to shareholders out of capital contribution reserves	22	-4 632	-7 261
Proceeds / Purchase of treasury stock		2 294	-363
Cash flow from financing activities		-7 185	-10 826
Exchange rate differences		-70	-126
Change in cash and cash equivalents		872	-1 005
Cash and cash equivalents at beginning of year		3 128	4 133
Cash and cash equivalents at end of year		4 000	3 128

The notes are part of COLTENE Group financial statements.
For restatement details see page 43.

Group Statement of Changes in Equity

In CHF 1000	Ref.	Share capital	Currency translation adjustments	Retained earnings	Total
1.1.2011 (restated)		415	-26 042	121 006	95 379
Comprehensive income for the year		0	-1 546	5 656	4 110
Share-based transactions with management	3, 24	0	0	120	120
Distribution out of capital contribution reserves	22	0	0	-7 261	-7 261
Change in treasury stock		-1	0	-482	-483
31.12.2011 (restated)		414	-27 588	119 039	91 865
Comprehensive income for the year		0	-2 197	9 530	7 333
Share-based transactions with management	3, 24	0	0	64	64
Distribution out of capital contribution reserves	22	0	0	-4 632	-4 632
Change in treasury stock		7	0	2 223	2 230
31.12.2012		421	-29 785	126 224	96 860

The notes are part of COLTENE Group financial statements.
For restatement details see page 43.

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 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 in line.

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 changed.

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, 2012:

- Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards – Severe hyperinflation and removal of fixed dates for first time adopters’
- Amendments to IFRS 7 revised – Disclosures – Transfer of financial assets (effective July 1, 2011)
- Amendments to IAS 12 – Income taxes – Recovery of underlying assets (effective January 1, 2012)

Forthcoming standards and interpretations are:

- Amendments to IAS 1 – Presentation of financial statements – Presentation of items of other comprehensive income (effective July 1, 2012)
- IFRS 10 – Consolidated Financial Statements (effective January 1, 2013)
- IFRS 11 – Joint Arrangements (effective January 1, 2013)
- IFRS 12 – Disclosure of Interests in Other Entities (effective January 1, 2013)
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transition guidance (effective January 1, 2013)
- IFRS 13 – Fair Value Measurement (effective January 1, 2013)
- IAS 19 (revised) – Employee Benefits (effective January 1, 2013)
- IAS 27 (revised) – Separate Financial Statements (effective January 1, 2013)
- IAS 28 (revised) – Investments in Associates and Joint Ventures (effective January 1, 2013)
- Amendment to IFRS 1 – First-time adoption of International Financial Reporting Standards – Government loans (effective January 1, 2013)
- Amendment to IFRS 7 – Financial Instruments: Disclosures – Offsetting financial assets and liabilities (effective January 1, 2013)
- IFRIC 20 – Stripping costs in the production phase of a surface mine (effective January 1, 2013)
- Annual improvements 2011 (effective January 1, 2013)
- Amendment to IAS 32 – Financial Instruments: Presentation – Offsetting financial assets and liabilities (effective January 1, 2014)
- IFRS 9 – Financial Instruments (effective January 1, 2015)

The Group does not anticipate any significant impact of these changes on future consolidated financial statements with the exception of IAS 19. In case of early adoption the restated balance as per January 1, 2012 would have been CHF 4.0 million for the net defined benefit liability and the equity would be reduced by CHF 3.4 million. The defined pension cost recognized in profit and loss with the amount of CHF 0.8 million, actuarial gains and losses recognized in other comprehensive income of CHF 1.3 million increased the net defined benefit liability while the ordinary contributions paid by the plan participants of CHF 0.7 million reduced the amount to a total net defined benefit liability of CHF 5.4 million as per December 31, 2012. The equity would have been reduced by the same amount.

The Group financial statements are based on the single audited financial statements of the Group's subsidiaries, prepared according to consistent 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 26, 2013, for issue. The financial statements are subject to approval by the Annual General Meeting of Shareholders scheduled to take place on April 15, 2013.

Restatement Prior Periods

A review of the goodwill amortization in the supplementary tax books of the German subsidiary led to a requested restatement of prior year Group financial statements.

Since the acquisition in 2002 the German subsidiary amortizes the goodwill in its tax books. After the cease of the amortization of the goodwill under IFRS, the tax impact of the German subsidiary's goodwill amortization should have been offset by a deferred tax liability.

Applying IAS 8 the error was corrected as follows: The Group statement of financial position as per January 1, 2011 was restated, reducing equity by CHF 2.5 million and

increasing deferred tax liabilities by the same amount. The Group income statement 2011 was restated as well leading to an adjustment of the deferred tax expenses of CHF 0.3 million and to a total deferred tax liabilities as per December 31, 2011 of 2.7 million. Accordingly net income was also reduced by CHF 0.3 million and therefore earnings per share were reduced from CHF 1.44 to CHF 1.36.

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 de-consolidated as of the date on which control ceases. The major companies consolidated are shown in the summary provided on page 63.

Within the scope of consolidation, the following changes took place in 2012: COLTENE do Brasil Participações Ltda., São Paulo was merged with Vigodent SA Indústria e Comércio, Bonsucesso/Rio de Janeiro as of October 31, 2012. In 2011 the following changes took place: COLTENE Service AG, Dübendorf was merged with Coltène/Whaledent AG as of January 1, 2011.

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 (contingent) 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.

Purchases from non-controlling interests may result in a difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary. 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 in hand, deposits held at call 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 provisions for impairment. Provisions for impairment are made when it is objectively foreseeable that the carrying amount can not be collected in full. Provisions for impairment correspond 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 property, plant, and equipment are carried as assets and depreciated. The corresponding lease obligations are shown as 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
- Held-to-maturity investments
- Available for sale

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. 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 financial position 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 when the Group provides money, goods, or services directly to a debtor with no intention of trading the receivables. Receivables are included in current assets, except for maturities greater than twelve months after the balance sheet date. These 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 current bid prices. 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 will be taken into account 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 can not 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, for example goodwill, 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 recover-

able 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 upon 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 plans. The Swiss pension plan administrated by an independent insurance company is accounted for as defined benefit plans according to IAS 19. The pension liability resulting from defined benefit plans is calculated by independent actuaries yearly using the "projected unit credit method." Actuarial gains and losses are charged or credited on a straight-line basis to

income over the employee's expected average remaining working lives, when they exceed the greater of 10% of the present value of the defined benefit obligation and 10% of the fair value of plan assets at the beginning of the period ("corridor approach").

Share-Based Payments

All members of the Board of Directors are paid for their services with a yearly fixed amount in cash. In addition, all members of the Board of Directors receive a fixed number of shares having a restriction period of three years. The yearly fixed amount in cash and the number of shares awarded are determined by the Compensation and Nomination Committee once a year 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. KPI's 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 (see notes to COLTENE Holding AG page 69). The program is defined and reviewed by the Compensation and Nomination Committee on an annual basis.

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. No provisions are recognized for non-reclaimable withholding taxes on retained earnings at subsidiaries as such dividends are not foreseen for the immediate future.

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

Research and Development

Research costs (including 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 cur-

rency 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 financial positions and income statements of foreign subsidiaries were 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 of shareholders' equity and the income statements are absorbed under shareholders' equity and have no effect on the profit for the period. 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

	31.12.2012	Ø 2012	31.12.2011	Ø 2011	31.12.2010
1 USD	0.9133	0.9377	0.9351	0.8854	0.9406
1 EUR	1.2073	1.2051	1.2167	1.2330	1.2465

Financial Risk Management

Financial risk management is ensured according to the principles defined by Group management. These principles define how credit, interest, and currency risk 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 policies, the aim consisting in minimizing the above-mentioned risk, including hedging costs. 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 potential of all counterpar-

ties (especially key accounts) on the basis of experiences and expectations. If appropriate, management also applies credit insuring instruments, for example credit limits.

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 2012 with all other variables held constant, net profit for the year would have been TCHF 161 (previous year TCHF 177) lower, as a result of higher interest expenses on current bank loans. If the interest rates had been lower by 50 bps for 2012 with all other variables held constant, net profit for the year would have been TCHF 161 (previous year TCHF 177) 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, 2012, 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 187 lower (previous year TCHF 14), mainly as a result of foreign exchange gains/losses on translation of USD denominated accounts receivables from deliveries and sales, accounts payables to supplier, current bank loans and intercompany loans. Net profit is more sensitive to movement in CHF/USD exchange rates in 2012 than 2011 mainly because of the increased net liability in USD. At December 31, 2012, if the CHF had strengthened by 5% against the USD, net profit would have been TCHF 187 higher (previous year TCHF 14). The same sensitivity analysis (+/-5%) for EUR results in a change of net profit of TCHF +/-84 (previous year TCHF +/-85). Net profit is remaining on the same level of sensitivity due to the fact that the net amount and the currency rate remain on a similar level.

At December 31, 2012, if the CHF had weakened by 5% against the USD with all other variables held constant, equity at the year would have been TCHF 1668 higher (previous year TCHF 1834), 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 1668 lower (previous year TCHF 1834). The same sensitivity analysis (+/-5%) for EUR results in a change of equity of TCHF +/-558 (previous year TCHF +/-588).

Categories of financial assets and liabilities

Financial assets					
In CHF 1000					
	Loans and receivables	Carrying amount 31.12.	Market value 31.12.	Fair value Level	
2012					
Cash and cash equivalents	4 000	4 000	4 000	n/a	
Trade accounts receivable	30 862	30 862	30 862	n/a	
Other receivables and prepaid expenses	4 155	4 155	4 155	n/a	
Total	39 017	39 017	39 017		
2011					
Cash and cash equivalents	3 128	3 128	3 128	n/a	
Trade accounts receivable	30 644	30 644	30 644	n/a	
Other receivables and prepaid expenses	3 256	3 256	3 256	n/a	
Total	37 028	37 028	37 028		
Financial liabilities					
In CHF 1000					
	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit and loss	Carrying amount 31.12.	Market value 31.12.	Fair value Level
2012					
Bank loans	24 566	0	24 566	24 566	n/a
Trade accounts payable	6 506	0	6 506	6 506	n/a
Other accounts payable and accruals	10 928	0	10 928	10 928	n/a
Forwards*	0	26	26	26	Level 2
Total	42 000	26	42 026	42 026	
2011					
Bank loans	30 177	0	30 177	30 177	n/a
Trade accounts payable	5 601	0	5 601	5 601	n/a
Other accounts payable and accruals	10 660	0	10 660	10 660	n/a
Forwards*	0	21	21	21	Level 2
Total	46 438	21	46 459	46 459	

* included in line item Other accounts payable and accruals in the Group statement of financial position, see also note 19.

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 (especially potential acquisition), 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 and total equity divided by total liabilities and equity. These ratios were at December 31 as follows:

Capital risk management		
In CHF 1000	2012	2011
Interest-bearing debt	24 566	30 177
EBITDA	21 978	17 184
Debt ratio	1.1	1.8
Equity ratio in %	63.4%	61.3%

Targets for these ratios are for debt ratio below three times 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 in a reasonable time frame.

Main Sources of Uncertainties

The Group makes judgements and estimates concerning the future. By definition, the resulting accounting estimates rarely correspond to the related 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 sections.

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 its 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 if they are not correct and could have a negative impact on net profit.

1 Group-Wide Information

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

Net sales geographical areas

In CHF 1000	2012	2011
Switzerland	3 027	3 437
Germany, Austria	20 633	19 857
Great Britain, Ireland	6 907	7 166
France	6 610	6 255
Other Europe	20 839	20 375
Russia and other CIS	5 630	4 825
Middle East and Africa	6 110	5 890
North America	53 813	45 462
Brazil	10 697	11 087
Other South America	8 183	7 794
China	3 241	2 350
India	2 126	1 732
Other Far East, Oceania	10 259	9 903
Net sales	158 075	146 133

Net sales products and services

In CHF 1000	2012	2011
Endodontics	29 428	25 642
Prosthetics	35 084	31 497
Rotary	11 390	11 451
Restoration	42 770	37 684
Laboratory	7 406	7 411
Infection control	10 818	10 867
Treatment auxiliaries	15 718	15 672
Miscellaneous	5 461	5 910
Net sales	158 075	146 133

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

One customer group qualifies as a major customer – over 10% of net sales – with net sales of TCHF 32 510 (previous year TCHF 30 437) corresponding to 20.6% of Group net sales (previous year 20.8%).

The property, plant, and equipment and the intangible assets by geographical areas are as follows:

Property, plant, and equipment geographical areas

In CHF 1000	31.12.2012	31.12.2011
Switzerland	9 784	11 092
Germany	1 307	779
Other Europe	266	254
China	21	19
India	38	54
USA	14 587	15 207
Brazil	2 717	3 135
Property, plant, and equipment	28 720	30 540

Intangible assets geographical areas

In CHF 1000	31.12.2012	31.12.2011
Switzerland	8 610	8 301
Germany	18 235	18 358
Other Europe	106	105
China	7	7
India	1	6
USA	12 657	12 956
Brazil	8 013	9 194
Intangible assets	47 629	48 927

2 Raw Material and Consumables Used

Raw material and consumables used amounted to 32.4% (previous year 29.7%) of net sales.

3 Personnel Expenses

The average workforce amounted to 899 employees (previous year 892).

Detailed information on personnel expenses:

Personnel expenses

In CHF 1000	2012	2011
Wages and salaries	43 004	41 488
Expenses for defined benefit plans	1 131	956
Expenses for defined contribution plans	1 709	1 710
Other personnel expenses	9 323	9 497
Total	55 167	53 651

Personnel expenses include TCHF 64 (previous year TCHF 120) for share-based payment transactions with management. For information on expenses for post-employment benefits according to IAS 19, 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 plans:

Pension liabilities		
In CHF 1000	2012	2011
Pension costs		
Current service cost	824	748
Interest expenses	378	458
Expected return on plan assets	-307	-366
Recognized actuarial losses	236	116
Total	1 131	956
Actual return on plan assets	350	420
Expected contribution for 2012/2011	1 235	1 372
Change in pension liabilities		
Balance 1.1.	16 810	16 652
Current service cost	824	748
Interest expenses	378	458
Employee contributions	537	576
Paid pensions from plans with separated assets	-953	-2 832
Actuarial losses	1 150	1 208
Balance 31.12.	18 746	16 810
Change in plan assets		
Balance 1.1.	12 268	13 308
Employee contributions	537	576
Employer contributions	698	796
Paid pensions from plans with separated assets	-953	-2 832
Expected return on plan assets	307	366
Actuarial gains and losses	43	54
Balance 31.12.	12 900	12 268
Details to plan assets		
Receivables from insurance company	12 900	12 268
Total	12 900	12 268
Split of plan assets (in %)		
Fixed interest-bearing securities	78.24 %	77.10 %
Mortgages	7.35 %	7.02 %
Shares and fund participation	0.84 %	1.26 %
Private equity and hedge funds	0.41 %	0.58 %
Shares in investments and in affiliated companies	0.80 %	0.84 %
Real estate	11.17 %	11.38 %
Other capital investments	1.19 %	1.82 %
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	2012	2011
Assets and liabilities included in balance sheet		
Liabilities of plans with separated assets	18 746	16 810
Plan assets	12 900	12 268
Underfunding	5 846	4 542
Unrecognized actuarial losses	-4 865	-3 994
Net amount	981	548
Changes in net amount		
Balance 1.1.	548	388
Expenses for defined benefit plans	1 131	956
Employers contributions	-698	-796
Balance 31.12.	981	548
Actuarial assumptions		
Discount rate	1.75%	2.25%
Expected return on plan assets	n/a	2.50%
Future salary increase	1.50%	1.50%
Inflation	1.00%	1.00%
Future pension increase	0.00%	0.00%
Mortality (GT)	BVG 2010	BVG 2010

Pension liabilities					
In CHF 1000	2012	2011	2010	2009	2008
Other information					
Experience adjustments on plan assets	43	54	52	-378	-97
Experience adjustments on pension liabilities	112	104	7	38	-105
Over-/underfunding					
Liabilities of plans with separated assets	18 746	16 810	16 652	14 421	13 838
Plan assets	12 900	12 268	13 308	12 426	12 574
Over-/underfunding	5 846	4 542	3 344	1 995	1 264

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 2012, TCHF 4908 (previous year TCHF 4740) 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 32 (previous year TCHF 14).

6 Depreciation and Amortization

Depreciation and amortization		
In CHF 1000	2012	2011
Depreciation on property, plant, and equipment	4 129	4 008
Amortization of intangible assets	830	926
Total	4 959	4 934

7 Financial Income and Expenses

Financial income and expenses		
In CHF 1000	2012	2011
Interest income on cash and cash equivalents	121	92
Other financial income	49	95
Total financial income	170	187
Interest expenses for bank overdrafts and loans	-1 132	-1 197
Exchange rate differences and other financial expenses	-1 064	-2 240
Total financial expenses	-2 196	-3 437
Total financial result (net)	-2 026	-3 250

8 Tax Expenses

Tax expenses comprise the following positions:

Tax expenses		
In CHF 1000	2012	restated 2011
Current taxes	5 377	3 058
Deferred taxes	86	286
Total	5 463	3 344

For restatement details see page 43.

Tax expenses can be analyzed as follows:

Tax expenses		
In CHF 1000	2012	restated 2011
Net profit before tax expenses	14 993	9 000
Tax expenses at applicable tax rate of 23.8% (18.8%)	3 574	1 692
Effects of non-tax deductible expenses	741	538
Effects of tax exempt or reduced income	1	72
Effects of tax loss not capitalized in current year	790	1 165
Effects of tax loss used not capitalized in prior years	-18	-154
Tax adjustments prior years by tax authorities	312	11
Other impacts	63	20
Effective tax	5 463	3 344
Effective tax rate in %	36.4%	37.2%

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 rate increased from 18.8% to 23.8% mainly due to a significant increased income before tax at our Group company in the US with an applicable tax rate of 35%. The expected tax rates applied by the different companies are unchanged to prior year.

Tax expenses of TCHF 5463 represent an effective tax rate of 36.4% (prior year 37.2%) of the net profit before tax expenses. For 2012 the difference between applicable and effective tax rate is mainly due to Vigodent's tax losses not capitalized, non-tax deductible expenses and impaired deferred tax assets at our French subsidiary based on a tax assessment notice.

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

Tax losses		
In CHF 1000	2012	2011
Tax losses capitalized		
Expiration within 1 year	0	0
Expiration between 1 and 5 years	2 659	2 383
Expiration over 5 years	3 704	5 439
Total	6 363	7 822
Tax credits of capitalized tax losses		
Expiration within 1 year	0	0
Expiration between 1 and 5 years	786	708
Expiration over 5 years	1 238	1 808
Total	2 024	2 516
Tax losses not capitalized		
Expiration within 1 year	0	0
Expiration between 1 and 5 years	0	561
Expiration over 5 years	4 845	3 553
Total	4 845	4 114
Tax credits of not capitalized tax losses		
Expiration within 1 year	0	0
Expiration between 1 and 5 years	0	140
Expiration over 5 years	1 647	1 208
Total	1 647	1 348

Tax liabilities comprise of 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.

9 Deferred Taxes

Deferred tax assets include the following positions:

Deferred tax assets		
In CHF 1000	2012	2011
1.1.	3 255	3 106
Additions	375	503
Reversals	-346	-126
Currency effects	-229	-228
31.12.	3 055	3 255

Deferred tax liabilities include the following positions:

Deferred tax liabilities		
In CHF 1000	2012	2011
1.1. (restated for 2011)	9 342	8 759
Additions	1 192	1 319
Reversals	-1 120	-669
Currency effects	-95	-67
31.12.	9 319	9 342

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	2012		restated 2011	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Receivables and accruals	0	276	28	382
Inventories	697	714	514	400
Property, plant, and equipment	0	5 478	0	5 990
Intangible assets	0	3 636	0	3 103
Financial liabilities	167	0	94	0
Provisions	1 031	79	710	74
Deferred taxes from losses carried forward	2 024	0	2 516	0
Offset of deferred assets and liabilities	-864	-864	-607	-607
Total	3 055	9 319	3 255	9 342

For restatement details see page 43.

Deferred tax assets to be recovered after more than twelve months amount to TCHF 3055 (previous year TCHF 3255). 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 8622 (previous year TCHF 8828). Deferred tax liabilities to be recovered within twelve months amount to TCHF 697 (previous year TCHF 514).

10 Net Profit for the Period

The net profit amounts to TCHF 9530 (previous year TCHF 5656). The earnings per share (EPS) are calculated as follows:

Earnings per share

	restated	
	2012	2011
Weighted number of shares issued at 31.12.	4 188 545	4 147 795
Earnings per share (based on net profit for the period)	2.28	1.36
Diluted earnings per share (based on net profit for the period)	2.28	1.36

For restatement details see page 43.

11 Trade Accounts Receivable

Trade accounts receivable

In CHF 1000	2012	2011
Trade accounts receivable (gross)	32 288	31 683
Allowance	-1 396	-1 039
Total	30 892	30 644

Trade accounts receivable by currency

In CHF 1000	2012	2011
CHF	4 100	3 953
EUR	8 636	9 036
USD	12 755	11 562
Other currencies	5 401	6 093
Total	30 892	30 644

Trade accounts receivable (gross) by maturity

In CHF 1000	2012	2011
Not due	25 544	26 393
Past due 1 to 30 days	3 798	2 389
Past due 31 to 60 days	570	381
Past due 61 to 90 days	288	779
Past due 91 to 120 days	413	41
Past due over 120 days	1 675	1 700
Total	32 288	31 683

Trade accounts receivable by maturity

In CHF 1000	2012	2011
Not due	25 415	26 298
Past due 1 to 30 days	3 788	2 381
Past due 31 to 60 days	539	356
Past due 61 to 90 days	237	734
Past due 91 to 120 days	297	0
Past due over 120 days	616	875
Total	30 892	30 644

Change in allowance

In CHF 1000	2012	2011
1.1.	1 039	1 177
Additions	400	426
Used	-61	-413
Reversals	52	-112
Currency effects	-34	-39
31.12.	1 396	1 039

The amounts due are monitored on a monthly basis. The carrying amount of receivables equals to 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, 2012, no trade accounts receivable are pledged as securities for bank loans (previous year TCHF 164).

12 Other Receivables and Prepaid Expenses

These items include:

Other receivables and prepaid expenses

In CHF 1000	2012	2011
Other receivables	3 715	1 874
Prepaid expenses	805	1 382
Allowance	- 365	0
Total	4 155	3 256

Change in allowance

In CHF 1000	2012	2011
1.1.	0	0
Additions	375	0
Used	0	0
Reversals	0	0
Currency effects	- 10	0
31.12.	365	0

13 Inventories

Inventories are as follows:

Inventories

In CHF 1000	2012	2011
Raw materials	13 261	11 941
Trade merchandise	2 042	1 959
Work in progress	7 454	7 347
Finished goods	11 477	8 691
Total	34 234	29 938

No inventories are pledged or measured at selling price less variable selling expenses (net realizable value).

Change in allowance

In CHF 1000	2012	2011
1.1.	4 551	4 691
Additions	2 530	1 074
Used	- 1 479	- 1 016
Reversals	0	- 156
Currency effects	- 74	- 42
31.12.	5 528	4 551

14 Property, Plant, and Equipment

Gross values

In CHF 1000	Machinery and Equipment	Land	Buildings (incl. Inst.)	Assets under Construction	Total
Value 31.12.2010	40 311	1 594	37 195	111	79 211
Additions	1 256	0	1 327	861	3 444
Disposals	-229	0	-229	0	-458
Currency effects	-455	-38	-325	23	-795
Reclassification	-853	0	1 348	-495	0
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

Accumulated depreciation

In CHF 1000	Machinery and Equipment	Land	Buildings (incl. Inst.)	Assets under Construction	Total
Value 31.12.2010	27 019	396	20 116	0	47 531
Depreciation	2 243	52	1 713	0	4 008
Disposals	-229	0	-171	0	-400
Currency effects	-234	1	-44	0	-277
Reclassification	-1 104	0	1 104	0	0
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

Net values

In CHF 1000	Machinery and Equipment	Land	Buildings (incl. Inst.)	Assets under Construction	Total
Value 31.12.2010	13 292	1 198	17 079	111	31 680
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

Leased property, plant, and equipment amount to TCHF 0 (previous year TCHF 12).

Contractual commitments

As per December 31, 2012, contractual commitments to acquire machinery and equipment of TCHF 375 were entered upon (previous year TCHF 220).

Pledged assets

No property, plant, and equipment are pledged for as per December 31, 2012 and 2011.

Fire insurance values

Fire insurance values of property, plant, and equipment amount to TCHF 91 584 (previous year TCHF 92 355).

15 Financial Assets

Financial assets consist of TCHF 1 securities (previous year TCHF 1) and of TCHF 18 loans (previous year TCHF 25).

16 Intangible Assets

Goodwill is allocated to the Group's cash-generating units (CGUs), which is the Group in total. Vigodent SA was exceptionally considered as a cash-generating unit in 2011. In 2012 Goodwill relating to Vigodent S.A. was allocated to the the Group's CGU due to the fact that the benefit from the acquisition of Vigodent S.A. is attributable to the entire Group. 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 plans figures. 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		
	2012	2011
CGU Group		
Long-term growth rate	2.5%	2.5%
Gross profit margin	70 – 72%	69 – 71%
Discount rate	8.6%	8.5%
CGU Vigodent		
Long-term growth rate	n/a	2.5%
Gross profit margin	n/a	65 – 67%
Discount rate	n/a	12.5%

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 need for an impairment.

Gross values

In CHF 1000	Goodwill	Other intangible assets	Total
Value 31.12.2010	43 038	10 599	53 637
Additions	0	1 197	1 197
Disposals	0	0	0
Currency effects	-1 300	-389	-1 689
Reclassification	0	0	0
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

Accumulated amortization

In CHF 1000	Goodwill	Other intangible assets	Total
Value 31.12.2010	0	3 327	3 327
Amortization	0	926	926
Disposals	0	0	0
Currency effects	0	-35	-35
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

Net values

In CHF 1000

	Goodwill	Other intan- gible assets	Total
Value 31.12.2010	43 038	7 272	50 310
Value 31.12.2011	41 738	7 189	48 927
Value 31.12.2012	40 591	7 038	47 629

No impairment was recognized for both periods. Within "other intangible assets" there is no category with an indefinite useful life. The other intangible assets net mainly consist of the ERP system amounting to CHF 3.5 million, trade names amounting to CHF 2.0 million, customer relationships amounting to CHF 0.9 million and finally patents amounting to CHF 0.6 million.

As per December 31, 2012 and 2011, 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

	2012	2011
Unsecured bank loans	24 566	29 589
Secured bank loans	0	588
Total	24 566	30 177

Current bank loans

In CHF 1000

Maturity		Currency	Interest rate	2012
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

Current bank loans

In CHF 1000

Maturity		Currency	Interest rate	2011
14.01.12	Unsecured bank loan	BRL	27.42%	7
30.01.12	Unsecured bank loan	CHF	0.91%	5 175
30.01.12	Unsecured bank loan	CHF	0.91%	5 000
30.01.12	Unsecured bank loan	CHF	0.65%	2 500
30.01.12	Unsecured bank loan	CHF	1.04%	1 300
31.01.12	Unsecured bank loan	USD	1.19%	5 985
31.01.12	Unsecured bank loan	USD	1.10%	5 003
05.02.12	Unsecured bank loan	BRL	24.00%	151
20.03.12	Unsecured bank loan	BRL	28.03%	30
30.03.12	Unsecured bank loan	CHF	1.15%	2 000
09.04.12	Unsecured bank loan	BRL	5.10%	252
05.06.12	Unsecured bank loan	BRL	4.89%	755
24.09.12	Unsecured bank loan	BRL	4.79%	604
18.10.12	Unsecured bank loan	BRL	4.99%	827
28.12.12	Secured bank loan	BRL	15.35%	164
31.12.12	Secured bank loan	INR	11.50%	424
Total				30 177

Total uncommitted credit lines amount to TCHF 92 073 (previous year TCHF 93 268) of which 27% are used (previous year 32%). Covenants exist for selected bank loans and the conditions of the covenants are met for both periods.

The Group intends to repay the current bank loans of TCHF 24 566 and the accrued interest of TCHF 88 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	2012	2011
CHF	2 348	1 703
EUR	1 794	1 160
USD	1 766	1 729
Other currencies	598	1 009
Total	6 506	5 601

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	2012	2011
Other accounts payable	2 674	4 187
Short-term financial leasing	0	12
Accruals	8 280	6 482
Total	10 954	10 681

Derivative financial instruments

In CHF 1000	2012	2011
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Currency related instruments

Contract amount		
(Forward exchange rate contracts)	4 704	4 832
Fair value (included in accruals)	-26	-21

Forward exchange rate contracts by currencies

EUR	4 704	4 832
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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, 2012 and 2011. 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, 2012 and 2011.

20 Provisions

The column "Legal and personnel related" covers the risk of litigation and 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 is more than five years. Provisions are as follows:

Provisions				
In CHF 1000	Legal & personnel related	Pension plans & social security	Guarantee & others	Total
31.12.2010	192	524	205	921
Additions	313	208	126	647
Reversals	-111	0	0	-111
Used	0	-6	0	-6
Currency effects	14	-2	-3	9
31.12.2011	408	724	328	1 460
Additions	570	433	54	1 057
Reversals	0	-50	0	-50
Used	-362	-54	0	-416
Currency effects	-3	-1	-1	-5
31.12.2012	613	1 052	381	2 046

Provision by maturity

In CHF 1000	Legal & personnel related	Pension plans & social security	Guarantee & others	Total
31.12.2011				
Short-term provisions	100	50	228	378
Long-term provisions	308	674	100	1 082
31.12.2012				
Short-term provisions	545	0	231	776
Long-term provisions	68	1 052	150	1 270

21 Financial Leasing and Operating Leasing

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

Leasing In CHF 1000	Operating leasing		Financial leasing	
	2012	2011	2012	2011
No later than 1 year	1 221	1 178	0	12
Later than 1 year and no later 5 years	2 333	2 820	0	0
Later than 5 years	270	27	0	0
Total	3 824	4 025	0	12
Total over 1 year	2 603	2 847	0	0

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

The short-term financial leasing liabilities of TCHF o (previous year TCHF 12) are reported in other accounts payable and accruals. No long-term financial leasing liabilities exist for both reporting periods.

22 Equity

The share capital represents the capital of COLTENE Holding AG adjusted by treasury stock. Treasury stock on December 31, 2012, included 9739 shares (previous year 79 491).

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 1.80 per share out of the capital contribution reserves will be proposed to the Annual General Meeting on April 15, 2013.

Based on the AGM decision on April 20, 2012, the Company distributed from the capital contribution reserve CHF 1.10 (previous year CHF 1.75) per share, to its shareholders on April 27, 2012. The total amount paid was TCHF 4632 (previous year TCHF 7261).

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 compensation

In CHF 1000	2012	2011
Salaries and other short-term employee benefits	1 735	1 220
Share-based payments	64	121
Post-employment benefits	236	95
Total	2 035	1 436

Other transactions

In CHF 1000	2012	2011
Other receivables from key management ²	0	58

¹ Included in other receivables (see note 12).

² See also notes COLTENE HOLDING AG page 69.

For further details concerning the remuneration to the Board of Directors and Executive Management see notes to COLTENE Holding AG on page 69.

25 Subsequent Events

The Board of Directors authorized the Group financial statements on February 26, 2013, for issue. As per this date, the Board of Directors and Executive Management were unaware of any important events subsequent to the closing of books.

Major Group Companies

Company	Activity	Currencies	Registered capital	Group ownership 2012	Group ownership 2011
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%
– Endodent Inc., Duarte CA / USA	1	USD	30 000	100%	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 / Whaledent Dental Materials & Equipment Trading Co. Ltd, Beijing CN	3	CNY	5 000 000	100%	100%
Coltène / Whaledent Private Limited, Mumbai IN	3	INR	19 800 000	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	7 383 711	100%	100%

¹ Production and sales of dental specialties.

² Sales services and marketing of dental specialties.

³ Sales of dental specialties.

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 38 to 63), for the year ended December 31, 2012. The prior period financial statements were audited by another auditor whose report dated February 21, 2012, expressed an unqualified opinion on those financial statements.

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 and 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 December 31, 2012 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)

Markus Abderhalden
Licensed audit expert

St. Gallen, February 26, 2012

Income Statement COLTENE Holding AG

In CHF	2012	2011
Income from investments	2 809 890	3 241 770
Financial income	1 579 642	1 885 017
Total income	4 389 532	5 126 787
Financial expenses	- 608 968	- 1 145 799
Administrative expenses	- 1 243 111	- 1 028 899
Tax expenses	0	- 10 874
Total expenses	- 1 852 079	- 2 185 572
Profit of the year	2 537 453	2 941 215

Balance Sheet COLTENE Holding AG

In CHF	31.12.2012	31.12.2011
Cash and cash equivalents	227 906	145 711
Other receivables from third parties	41 027	25 155
Other receivables from subsidiaries	808 133	419 947
Other receivables from Board of Directors	0	57 911
Prepaid expenses and accrued income	825	71 623
Current assets	1 077 891	720 347
Loans to subsidiaries	44 209 198	50 231 898
Investments in subsidiaries	22 031 114	22 031 114
Own shares	274 911	2 531 788
Non-current assets	66 515 223	74 794 800
Total assets	67 593 114	75 515 147
Bank loans	21 694 198	26 962 425
Other liabilities to third parties	122 783	32 447
Other liabilities to subsidiaries	23 339	842 050
Accruals and provisions	261 850	93 000
Current liabilities	22 102 170	27 929 922
Share capital	421 900	421 900
Statutory reserves	84 380	84 380
Capital contribution reserve	8 784 999	13 416 733
Reserves for treasury stock	274 911	3 239 947
Net income brought forward	35 924 754	30 422 265
Total equity	45 490 944	47 585 225
Total liabilities and equity	67 593 114	75 515 147

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
31.12.2010	421 900	18 014 757	0	3 010 000	30 458 103	51 904 760
Transfer		-17 930 377	17 930 377			0
Transfer			2 747 106		-2 747 106	0
Distribution to shareholders			-7 260 750			-7 260 750
Transfer				229 947	-229 947	0
Profit of the year					2 941 215	2 941 215
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

Notes to COLTENE Holding AG

In CHF	31.12.2012	31.12.2011
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 63		
Treasury stock		
9739 (79 491) shares par value CHF 0.10 (CHF 0.10)	274 911	2 531 788
Purchases: 52 045 (17 624) shares at an average price of	28.99	32.89
Sales: 121 797 (8133) shares at an average price of	30.92	34.45
Share-based transactions with management: 2000 (2255) shares at an average price of	31.90	53.10
Significant shareholders*		
Huwa Finanz- und Beteiligungs AG, Heerbrugg	21.93 %	20.27 %
Tweedy, Browne Company LLC, New York / USA	7.30 %	5.18 %
Credit Suisse Asset Management Funds AG, Zurich	5.37 %	3.04 %
Robert Heberlein, Zumikon	3.94 %	3.58 %
UBS Fund Management (Switzerland) AG, Zurich	3.01 %	3.01 %
FMR Corp., Boston / USA	< 3 %	9.99 %
Number of shares held by Board of Directors		
Nick Huber, Chairman	2 300	2 050
Robert Heberlein, Member	166 303	151 153
Erwin Locher, Member	10 806	9 056
Matthew Robin, Member	2 250	1 000
Jerry Sullivan, Member	677	427
Total	182 336	163 686
Number of shares held by Executive Management		
Martin Schaufelberger (joined the company as of June 1, 2012)	2 000	n/a
Hans Grüter, Chief Financial Officer	3 420	3 061
Total	5 420	3 061
Other receivables from Board of Directors		
Nick Huber, Chairman	0	11 747
Robert Heberlein, Member	0	11 658
Erwin Locher, Member	0	11 747
Matthew Robin, Member	0	11 747
Jerry Sullivan, Member	0	11 012
Total	0	57 911

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

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	
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
2011							
Nick Huber, Chairman	80 000	8 988	0	0	5 932	0	94 920
Robert Heberlein, Member	60 000	8 988	0	0	2 834	0	71 822
Erwin Locher, Member ¹	60 000	8 988	0	0	4 598	0	73 586
Matthew Robin, Member	60 000	8 988	0	0	4 598	0	73 586
Jerry Sullivan, Member	60 000	8 988	0	0	0	0	68 988
Total	320 000	44 940	0	0	17 962	0	382 902
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	
2012							
Hans Grüter, Chief Financial Officer	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
2011							
Hans Grüter, Chief Financial Officer	360 000	0	18 316	37 807	106 353	23 843	546 319
Other members ²	347 575	0	35 621	38 710	60 967	24 265	507 138
Total	707 575	0	53 937	76 517	167 320	48 108	1 053 457

¹ The total remuneration for Erwin Locher amounts to CHF 242 554 (2011: CHF 235 856) including the remuneration for his function as ad interim CEO (see also below remuneration to executive management).

² Including remuneration of CHF 145 800 (2011: CHF 162 269) for Erwin Locher as ad interim CEO.

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 and Distribution out of Reserves from Capital Contributions

In CHF	2012	2011
Allocation of the profit of the year		
Net income carried forward from previous year	30 422 265	30 458 103
Profit of the year	2 537 453	2 941 215
Transfer from (to) reserves for treasury stocks	2 965 036	-229 947
Transfer to reserves from previous capital contributions	0	-2 747 106
Total amount at the disposal of the AGM	35 924 754	30 422 265
Dividend distribution	0	0
Balance to be carried forward	35 924 754	30 422 265
Distribution out of reserves from capital contributions		
Available reserves from previous capital contributions	8 784 999	13 416 733
Distribution to shareholders of CHF 1.80 per share (1.10 per share) without to treasury shares	-7 594 200*	-4 640 900
Distribution reduction due to treasury shares	0*	9 166
Balance to be carried forward	1 190 799*	8 784 999

* 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 66 to 70), for the year ended December 31, 2012. The prior period financial statements were audited by another auditor whose report dated February 21, 2012, expressed an unqualified opinion on those financial statements.

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 December 31, 2012 comply with Swiss law and the company's articles of incorporation.

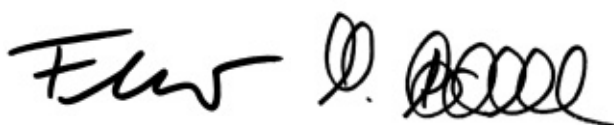
Report on other legal requirements

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)

Markus Abderhalden
Licensed audit expert

St. Gallen, February 26, 2012

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 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:

Telekurs: CLTN

Valorennummer: 2.534.325

ISIN: CH0025343259

Key Figures per Share (in CHF)

Price at year-end	29.60
Highest price (15.02.2012)	36.00
Lowest price (15.06.2012)	24.80
Earnings per share	2.28
Equity per share	23.12
Distribution per share	1.80
Taxable value	30.75

Important Dates

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

March 8, 2013

Presentation of annual results 2012
Financial analysts' and media conference
Publication of Annual Report 2012

April 15, 2013

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

August 15, 2013

Presentation of half-year results 2013
Conference Call/Webcast
Publication of Half-Year Report 2013

March 2014

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

April 2014

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/news.

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