
Half-Year Report 2015

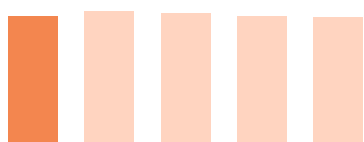
Global Setup

Key Figures

5-Year Overview of First-Half Results 2011–2015

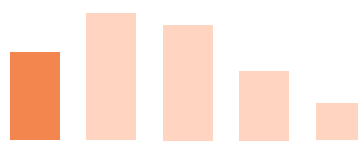
(in CHF million)

Net Sales



2015 2014 2013 2012 2011
73.3 76.0 75.0 73.0 72.4

Net Profit



2015 2014 2013 2012 2011
3.8 5.5 5.0 3.0 1.6

EBIT



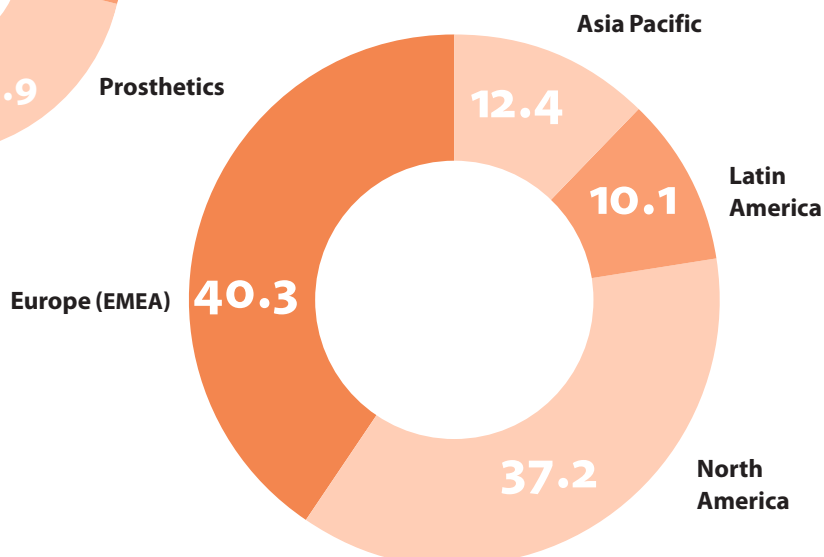
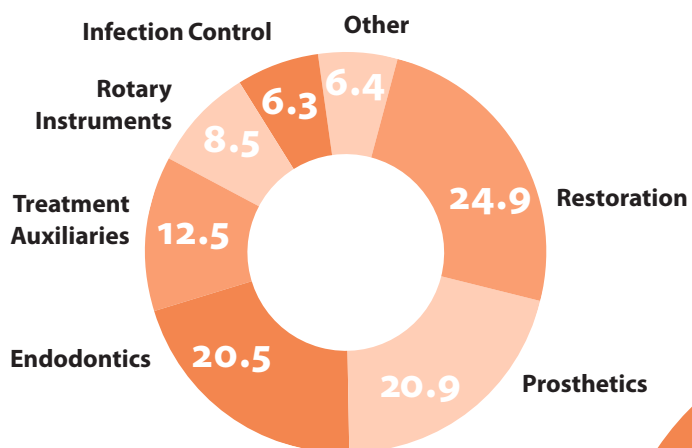
2015 2014 2013 2012 2011
6.5 7.4 7.3 6.9 4.8

Free Cash Flow



2015 2014 2013 2012 2011
2.7 3.9 -0.5 3.0 -0.8

Net Sales in H1 2015 in %



Highlights H1 2015

76.0 mn

Sales in local currencies held at year-ago level

A CHF 1.0 million decline in sales volumes in both the North America and CIS regions and a CHF 0.4 million decline in Brazil were offset by higher sales in other markets around the world.

2.7 mn

Sales and profits impacted by exchange-rate losses

The negative currency translation effect added up to CHF 2.7 million or 3.6% of sales. An exchange-rate loss of CHF 4.4 million caused by the weak euro was partially offset by an exchange-rate gain of CHF 2.1 million due to the appreciation of the US dollar.

8.2 %

Sustained high growth in Asia

COLTENE achieved pleasing growth rates of 15.9% and 15.6% in China and India. Sales in Asia climbed 5.9% in local currencies and 8.2% in Swiss francs.

63.2 %

Solid balance sheet and high equity ratio

A solid financial base gives the Company stability and – looking towards the future – the necessary freedom to seize growth opportunities if and when appropriate.

Foreword

Dear Shareholders,

In the first half of 2015 COLTENE Group consolidated its sales in local currencies at the year-ago level. COLTENE Group was confronted with various challenges during the reporting period: the Swiss National Bank's decision to abandon the minimum exchange rate to the euro, the economic weakness in the CIS and Mercosur markets, and widespread destocking by dealers in North America to improve inventory turnover. Thanks to the Company's global setup and top quality, well positioned product portfolio, management reaction to the divergent market conditions was quick and flexible. Looking towards the future, COLTENE initiated new cost-cutting programs and made good progress with the internationalization of its operations as well as the expansion of its marketing and sales capabilities.

Costs aligned with competitive environment

Structural market change is leading to greater competition and price pressure, especially in the traditional European markets. COLTENE has responded to this situation by increasing its operating efficiency while lowering costs, primarily at its production, logistics and administrative units. Extensive measures had to be taken after the Swiss National Bank removed the minimum exchange rate of CHF 1.20 to the euro in mid-January. The SNB's decision created a twin challenge for COLTENE. The products COLTENE makes in Switzerland and exports to other countries became more expensive while similar products produced in the Eurozone became more competitive. To cushion the negative effects of the strong Swiss franc, COLTENE renegotiated prices with its suppliers and imposed a temporary hiring freeze. As a result of the high local costs in Altstätten, this site will be focused even more on knowledge-intensive activities going forward. COLTENE will seek further efficiency gains and modernize its production assets to alleviate the pressure on its costs in Switzerland. Manufacturing specialists are working diligently on production automation projects.

COLTENE is implementing strict cost management and a new sales offensive to bolster sales growth.

Aligning the marketing and sales organization with market needs

During the period under review COLTENE expanded its direct presence in key growth markets. The Group decided to establish two new sales and distribution companies in Turkey and Japan. COLTENE also expanded its local teams in China and India to take advantage of the dynamic growth in these markets. These additional sales specialists strengthen its key account management and are the relationship managers for wholesale distributors and special markets.

Ensuring sustainable growth

After the full and successful implementation of the 2012–2015 strategy, the Board of Directors reviewed its business strategy again, taking into consideration technology advancements and the ongoing structural change in the Company's target markets. During the past three years

priority had been given to achieving profitable growth on the wings of product focus, marketing and sales campaigns, and greater operating efficiency. Management is now aiming to firmly secure the Company's market positions and achieve further growth during the years ahead. The Executive Board presented a corresponding plan of action to the Board of Directors for approval and has already begun implementing the new strategic projects.

COLTENE stands by its manufacturing base in Switzerland. The skills and know-how of the workforce is a critical success factor.

Due to the strategic objectives and in order to establish a broader platform for the targeted sustained growth, the Board of Directors has decided to enlarge the Executive Board by three members effective October 1, 2015. Under the direction of Martin Schaufelberger, CEO, COLTENE Group Management will be composed of Gerhard Mahrle, CFO, Werner Mannschedel, Global R&D Manager, Dr. Werner Barth, Global Marketing Manager, and Christophe Loretan, Global Sales Manager. The CVs are available on www.coltene.com.

Outlook

The strong Swiss franc is a challenge for COLTENE. Thanks to its global setup with production sites located in every major market and its strong market footing, the Group's medium-term goals are not at risk but the timeline for achieving them has been pushed back. In order to establish a sound and broad platform for the targeted sustainable growth, COLTENE will add new technologies and products to its portfolio, step up its marketing activities and selectively expand its sales organization as critical success factors, and reduce costs through the continual optimization of operating efficiency and organizational internationalization. Management is also evaluating opportunities for growth that would enable it to expand the Group's technology portfolio and market presence. Even with the new currency situation, management aims to grow along with the underlying market and gradually increase the EBIT margin to 15% during the coming years.

On behalf of the Board of Directors and the Executive Board, we thank all employees for their hard work and our business partners and shareholders for the trust they have placed in COLTENE Group.

Yours sincerely,

Nick Huber
Chairman of the Board of Directors



Martin Schaufelberger
CEO



Global Setup

Having selectively internationalized its business over the past several years with centers of excellence and manufacturing now located across Europe, North America and Latin America and global standard processes, COLTENE is well positioned to anticipate and respond to changing market conditions. The current global setup also serves as a natural currency hedge and a platform for group-wide knowledge sharing and will allow the Group to quickly identify new market trends and needs.

The Group is currently pursuing the following priorities:

Strict cost management

- **New cost-savings at the Swiss headquarters to offset the negative effects of the strong Swiss franc.**
 - **Additional cost-savings programs worldwide and further internationalization to secure the Company's long-term competitiveness.**
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A new sales offensive

- **Tailoring the sales force to meet specific requirements in the individual regions.**
 - **Establishing a greater local presence by installing own teams in key growth markets – beginning in Turkey and Japan.**
 - **Launch of the new products recently unveiled at the international dental trade show (IDS) in Cologne, for example BRILLIANT EverGlow, GuttaFlow Bioseal, HyFlex EDM and Affinis Black Edition. These new products will contribute to top-line growth in the second half of 2015 and beyond.**
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Strategy changes to ensure sustainable growth

- **Analysis of market conditions and formulation of new strategic initiatives.**
- **Focus on sustainable growth.**

North America

Group subsidiaries	2
Sales specialists	51
Share of total sales	37.2%
Population	400 million
No. of dentists per 100 000 population*	32

Most successful COLTENE products

ParaPosts, Dental Dam, Biosonic
Cleanser & Solution, Alpen Rotary, Affinis

Market developments and trends

Change in population age structure and diversity will be reflected in the prevalence of certain disease patterns; endodontic treatments are projected to increase. Customers use the Internet to obtain more detailed information about treatment options and products.

EMEA

Group subsidiaries	9
Sales specialists	70
Share of total sales	40.3%
Population	2.2 billion
No. of dentists per 100 000 population*	27

Europe:	58
Middle East:	27
Africa:	7

Most successful COLTENE products

ROEKO line, Speedex, Affinis, Hygenic and ParaPosts.

Market developments and trends

Demographic change means more restorative dentistry, dental implant and root canal treatments. Digitalization will change how dentists work in the years ahead.

Latin America

Group subsidiaries	1
Sales specialists	32
Share of total sales	10.1%
Population	600 million
No. of dentists per 100 000 population*	66

Most successful COLTENE products

Speedex, Brilliant NG, ParaPosts, President,
Hygenic Guttapercha

Market developments and trends

Endodontics, restorative dentistry, and dental prosthetics are growth areas. Online channels will be used more extensively for education and training purposes and for marketing activities.

Asia Pacific

Group subsidiaries	2
Sales specialists	53
Share of total sales	12.4%
Population	4.1 billion
No. of dentists per 100 000 population*	12

Most successful COLTENE products

Affinis, Metal & Fiber Posts, Diatech Diamonds,
Speedex, Gelatamp

Market developments and trends

Endodontics, restorative dentistry, and dental prosthetics are areas with potential. Education and training programs will support growth opportunities.

*Sources: WHO, FDI

Operational Review

COLTENE's sales volumes in the rapidly expanding Asian markets continued to grow during the first half of fiscal 2015. Sales were particularly strong in China, India and other countries in Southeast Asia. In Western Europe COLTENE experienced new signs of local growth in some of its traditional markets such as Germany/Austria and UK/Ireland. Meanwhile business in the CIS region weakened due to the collapse of the ruble and the ongoing political crisis in eastern Ukraine. In North America, distributors drew down their inventories in an effort to improve logistics and warehouse throughput. These cost-optimization efforts led to a slight reduction in sales volumes at COLTENE. The significant depreciation of the euro after the Swiss National Bank removed the CHF/EUR floor in mid-January 2015 diminished reported sales for the period. This negative currency translation effect was only partially offset by a stronger dollar. At the same time the strong Swiss franc improved the competitive position of manufacturers in the Eurozone. In local currency COLTENE's consolidated sales of CHF 76.0 million for the first half of 2015 were unchanged versus the same period from last year (2014 H1: CHF 76.0 million); after translation into the CHF reporting currency sales were 3.6% lower at CHF 73.3 million.

The CHF 2.7 million decrease in sales in Swiss francs versus the prior-year period is attributable to a negative currency impact. The weakness of the euro (minus CHF 4.4 million) and the Brazilian real (minus CHF 0.6 million) had a particularly detrimental effect on reported sales in Swiss francs. A stronger dollar compared to the previous year (plus CHF 2.1 million) offset only part of the negative impact from those currencies.

Sales volumes in the CIS region declined by CHF 1.0 million as a result of political turmoil and by CHF 1.0 million in North America due to destocking by wholesale dealers in North America. On a positive note, dealer sales of COLTENE products to dentists in the US rose by 4.1% in volume terms. A weak economy in Brazil reduced sales volumes there by CHF 0.4 million. The CHF 2.4 million decline in sales volumes in these three regions was offset by growth in other markets worldwide. Organic growth excluding the weakness in the CIS region, North America and Brazil amounted to 3.2%.

Immediately after the withdrawal of the CHF/EUR exchange rate peg, management initiated action to counter the renewed rise in the Swiss manufacturing costs resulting from the Swiss franc's appreciation. COLTENE optimized its cost base in Swiss francs by further rationalizing the production of diamond burs and dental impression materials, further internationalizing procurement activities and by renegotiating supplier agreements. Production efficiency is being now controlled and monitored with the help of a new operating data system. The resulting savings were, however, unable to fully offset the aforemen-

tioned declines in sales. Operating profit (EBIT) for the Group retreated by 13.3% to CHF 6.5 million (2014 H1: CHF 7.4 million). The EBIT margin declined to 8.8% compared to 9.8% in the first half of 2014. At the bottom line, losses attributable to currency effects at Vigodent led to a 31.7% decline in net profit to CHF 3.8 million (2014 H1: CHF 5.5 million). The largely natural hedge stemming from COLTENE's global setup mitigated the impact of the negative currency effect on reported earnings.

COLTENE is seeking additional efficiency gains and further internationalizing its business in response to the strong Swiss franc.

Expansion and strengthening of marketing and sales

COLTENE laid the groundwork for a new sales offensive by selectively expanding and reorganizing its marketing and sales operations and it created the necessary structures to allow it to better meet the specific needs of the distinct sales regions. The partial reorganization of its marketing and sales operations takes into consideration ongoing structural changes in the marketplace, such as the growing volume of online sales, the growing number of group dental practices, the rapid increase in the number of female dentists and the emergence of special markets with large order volumes. In order to better meet the needs of these customer groups, interdisciplinary project teams are working on Customer Relations Management (CRM) tools, uniform cross-market pricing policies and arranging detailed contracts with wholesale dealers.

As for new growth opportunities, the Group expanded its distribution operations during the period under review and decided to establish two new subsidiaries, one in Turkey and the other in Japan. Turkey offers the Company enticing growth opportunities given the growing purchasing power of its middle class coupled with a greater emphasis on good health and physical attractiveness. In Japan COLTENE sees ample opportunities to achieve better market penetration with its high-end products. Management also reassigned duties and responsibilities within the various sales regions with the aim of better addressing the needs and particularities of the individual regions and markets with its experienced team of professionals. For example, sales responsibility for the Europe, Middle East and Africa region is now shared by two experts with vast experience in their respective domestic markets. This change will allow management to move forward with new sales campaigns in France, the Benelux, Iberia and Italy and to enter new markets, primarily in Central and Eastern Europe. COLTENE built up its teams in Brazil and the neighboring Mercosur countries and expanded its structures in Asia to improve the coordination of its activities in the key growth markets of India and China. Christophe Loretan will join COLTENE Group Management as Global Sales Manager on October 1, 2015 to strengthen and coordinate the sales teams worldwide.

New trade show stand, new products and website

The international dental show in Cologne (IDS) from March 10 to 14, 2015, the premier trade fair for dental consumables worldwide, marked the debut of COLTENE as an umbrella brand for the Company's comprehensive range of products. The uniform corporate design for the full range of COLTENE products caught the attention of industry experts and encouraged dentists to discover and use COLTENE products they might not have been familiar with. COLTENE also unveiled numerous new products for restoration, endodontics, prosthetics, treatment auxiliaries and other applications. These included BRILLIANT EverGlow, a new universal, light-cured hybrid composite with excellent polishing properties, Guttaflow Bioseal, a novel filling material system for biocompatible sealing of root canals, HyFlex EDM, a root canal file with a special surface coating to minimize fracturing, and Affinis Black Edition, a new dental impression material with excellent readability of the impression and superior flow.

COLTENE's new website also went live just in time for the IDS trade show. It presents the Group in a fresh and appealing design and provides dental practitioners with in-depth product information and practical tips on how to use them and how to order them. COLTENE also introduced a comprehensive, group-wide Product Information Management system (PIM). It contains text modules for all of the Company's relevant languages and images of its products. This new PIM system supports marketing efforts, enhances website maintenance efficiency and makes it easier to create marketing documents while lowering costs.

Business performance by region: Renewed growth in Asia

COLTENE Group increased its sales in Asia by 8.2% in the first half of 2015 and by 3.2% in North America, where the dollar provided some extra tailwind. Reported sales in Swiss francs declined by 10.8% in Europe and by 8.4% in Latin America. In Asia, COLTENE achieved pleasing growth in China and India, two key markets for future growth, with sales up 15.9% and 15.6% in local currency. COLTENE also generated strong growth in other countries in Southeast Asia, for example in Malaysia (plus 71%), Singapore (plus 55%), South Korea (plus 31%) as well as Taiwan and Thailand (plus 5.7% and 7.9%). In Europe sales in some of its long-standing markets such as Germany/Austria and UK/Ireland rose by 7.0% and 17.0% in local currency. In other European markets, Switzerland and France for example, stiff competition and parallel imports reduced sales by 9.2% and 0.3%, respectively. Local sales in Russia and the CIS region plunged 33.4% compared to the prior-year number. The weak ruble and political turmoil in east Ukraine had a negative impact on consumer spending in this region. In North America, dealers deliberately drew down their

Sales in Asia increased by 8.2% and accounted for 12.4% of total sales.

inventories to improve warehouse throughput and save costs. As a result, COLTENE's sales to wholesale distributors in North America declined by 2.8% in local currency. Turning to Latin America, sales in Brazil and other Mercosur countries were hurt by the soft economy. Brazilian sales declined 10.5% in local currency. However the Group strengthened its footing and increased its sales in other Latin American markets, such as Paraguay, Argentina and Mexico (plus 81%, 9.9% and 5.7%, respectively, in local currencies).

Breaking down Group sales for the first half of 2015 by region, COLTENE achieved 40.3% of its total sales in EMEA, which represents Europe, the Middle East and Africa (2014 H1: 43.6%), 37.2% in North America (2014 H1: 34.8%), 10.1% in Latin America (2014 H1: 10.6%) and 12.4% in Asia (2014 H1: 11.0%). Emerging market sales dropped 5.4% (3.6% at constant exchange rates) from the level achieved in the first half of 2014 and accounted for 26.6% of total sales (2014 H1: 27.1%).

Business performance by product group: Endodontics strong

COLTENE's key product groups Restoratives, Prosthetics and Endodontics produced divergent results during the first half of 2015. Business at the Endodontics products group was positive and its sales rose by 4.0% to CHF 15.0 million (2014 H1: CHF 14.4 million) whereas both the Prosthetics and Restoratives segments experienced intense competitive pressure. Sales in the Restoratives segment were 7.0% lower at CHF 18.3 million (2014 H1: CHF 19.6 million) and 8.6% lower at CHF 15.3 million in the Prosthetics product group (2014 H1: CHF 16.7 million). Rotary Instruments reported the Group's fastest growth rate. Their first-half sales increased 8.6% to CHF 6.2 million (2014 H1: CHF 5.7 million).

Financial Commentary

COLTENE generated sales of CHF 73.3 million during the first six months of the 2015 fiscal year (2014 H1: CHF 76.0 million). This represents a decline of 3.6% in the CHF reporting currency. At constant exchange rates COLTENE consolidated its sales at the year-ago level. The decline in reported sales is attributable to a negative currency translation effect of CHF 2.7 million. A stronger dollar compared to the first half of last year was unable to completely offset the negative impact of the weak euro. Sales declines of CHF 1.0 million in both the CIS region (political turmoil in eastern Ukraine) and in North America (inventory drawdowns by dealers) and a CHF 0.4 million drop in Brazilian sales because of a soft economy were offset by the growth achieved in other markets across the world. Operating profit (EBIT) fell 13.3% to CHF 6.5 million (2014 H1: CHF 7.4 million) and the EBIT margin slipped to 8.8% from 9.8% in the first half of 2014.

Exchange differences, interest paid and other financial expenses rose to CHF 1.7 million (2014 H1: CHF 0.2 million). This increase in net financial expense stemmed primarily from foreign exchange losses on COLTENE Holding's loan of CHF 1.4 million to Vigodent. The decline in the tax rate to 20.6% from 24.5% in the year-ago period can be traced in part to tax-deductible currency losses on the repayment of intercompany loans in connection with the acquisition of Roeko in 2002. Net profit for the first half of 2015 amounted to CHF 3.8 million, which is 31.7% less than in the previous-year period (2014 H1: CHF 5.5 million).

Cash flow from operating activities declined to CHF 4.3 million (2014 H1: CHF 5.6 million, minus 23.2%), mainly as a result of the lower net profit. Cash flow from investment activities amounted to CHF -1.7 million, most of which entailed replacement expenditure. Net capital expenditure on plant and equipment amounted to CHF 1.6 million. Expenditure on intangibles in the amount of CHF 0.1 million was mainly for software. Due to the decline in cash flow from operating activities, free cash flow was CHF 1.2 million lower at CHF 2.7 million (2014 H1: CHF 3.9 million).

Gross bank borrowings amounted to CHF 18.4 million. COLTENE's equity ratio as at June 30, 2015 was still a high 63.2% (June 30, 2014: 64.5%) and the net debt position amounted to CHF 9.6 million. The solid balance sheet and low net debt give COLTENE the stability and entrepreneurial freedom it needs to forge its future.

Interim Group Income Statement

In CHF 1000	Ref.	1 HY 2015	1 HY 2014
Net sales	3	73 288	76 020
Changes in inventories of finished goods and work in progress		678	-1 271
Work performed and capitalized		21	40
Raw material and consumables used		-22 628	-22 548
Personnel expenses		-27 540	-27 627
Other operating expenses		-14 641	-14 626
Depreciation and amortization		-2 725	-2 545
Operating profit (EBIT)		6 453	7 442
Financial income		30	66
Financial expenses		-1 739	-207
Net profit before tax expenses		4 744	7 302
Tax expenses	4	-977	-1 788
Net profit for the period		3 767	5 514
Earnings per share		CHF 0.89	CHF 1.31
Diluted earnings per share		CHF 0.89	CHF 1.31

The notes are part of COLTENE Group financial statements.

Interim Group Statement of Comprehensive Income

In CHF 1000	1 HY 2015	1 HY 2014
Net profit for the period	3 767	5 514
Other comprehensive income (OCI)		
OCI to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translating foreign operations	-6 775	338
Net OCI to be reclassified to profit or loss in subsequent periods	-6 775	338
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial gains/(losses) on defined benefit plans	-400	16
Income tax effect	44	-3
Net OCI not to be reclassified to profit or loss in subsequent periods	-356	13
OCI, net of tax	-7 131	351
Total comprehensive income, net of tax	-3 364	5 865
Profit for the period attributable to the owner of the parent	3 767	5 514
Comprehensive income for the period attributable to the owner of the parent	-3 364	5 865

The notes are part of COLTENE Group financial statements.

Interim Group Statement of Financial Position

In CHF 1000	Ref.	6/30/2015	12/31/2014
Cash and cash equivalents		8 811	18 277
Accounts receivable		29 059	34 817
Tax receivables		493	172
Other receivables and prepaid expenses		4 154	3 164
Inventories		28 963	29 632
Current assets		71 480	86 062
Property, plant, and equipment		28 158	30 168
Financial assets		26	21
Intangible assets		40 284	45 587
Deferred tax assets		2 547	2 809
Non-current assets		71 015	78 585
Total assets		142 495	164 647
Current bank loans		18 447	20 802
Accounts payable		4 362	5 941
Other accounts payable and accruals		9 139	11 924
Tax liabilities		1 573	2 534
Other short-term provisions		444	526
Current liabilities		33 965	41 727
Deferred tax liabilities		8 602	9 500
Other long-term provisions		9 850	9 303
Non-current liabilities		18 452	18 803
Total liabilities		52 417	60 530
Share capital		422	422
Currency translation adjustments		-35 326	-28 551
Retained earnings		124 982	132 246
Total equity	5	90 078	104 117
Total liabilities and equity		142 495	164 647

The notes are part of COLTENE Group financial statements.

Interim Group Cash Flow Statement

In CHF 1000	Ref.	1 HY 2015	1 HY 2014
Net profit for the period		3 767	5 514
Depreciation and amortization		2 725	2 545
Other non-cash items		3 045	2 496
Change in accounts receivable		3 310	84
Change in inventories		-1 387	731
Change in other current assets		-1 013	-944
Change in current liabilities		-3 292	-1 857
Interest paid		-664	-342
Interest received		15	56
Income tax paid		-2 171	-2 636
Cash flow from operating activities		4 335	5 647
Purchase of property, plant, and equipment		-1 589	-1 532
Proceeds from sale of property, plant, and equipment		14	13
Proceeds of financial assets		-12	4
Purchase of intangible assets		-84	-209
Cash flow from investing activities		-1 671	-1 724
Proceeds from loans and financial liabilities		13 943	13 060
Repayments of loans and financial liabilities		-15 285	-8 124
Distribution to shareholders	5	-10 547	-9 281
Purchase of treasury stock		-1 578	-742
Proceeds of treasury stock		1 450	779
Cash flow from financing activities		-12 017	-4 308
Exchange rate differences		-113	32
Change in cash and cash equivalents		-9 466	-353
Cash and cash equivalents at beginning of year		18 277	6 509
Cash and cash equivalents at end of half-year		8 811	6 156

The notes are part of COLTENE Group financial statements.

Interim Group Statement of Changes in Equity

In CHF 1000

	Ref.	Share capital	Treasury shares	Translation of foreign operations	Retained earnings	Total
1.1.2014		422	-2 619	-31 697	131 544	97 650
Comprehensive income for the half-year				338	5 527	5 865
Share-based payment transactions with management			306			306
Distribution out of capital contribution reserves	5				-1 182	-1 182
Distribution of Dividends					-8 100	-8 100
Change in treasury stock			-269			-269
30.6.2014		422	-2 582	-31 358	127 789	94 270
1.1.2015		422	-2 599	-28 551	134 845	104 117
Comprehensive income for the half-year				-6 775	3 411	-3 364
Share-based payment transactions with management			224			224
Distribution of Dividends	5				-10 547	-10 547
Change in treasury stock			-352			-352
30.6.2015		422	-2 727	-35 326	127 709	90 078

The notes are part of COLTENE Group financial statements.

Selected Notes

COLTENE Holding AG (former Medisize Holding AG) – the holding company of the COLTENE Group (“the Group”) – is a stock corporation pursuant to the 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.

Under its umbrella brand COLTENE, the Group develops, manufactures, and sells via distribution channels a broad and comprehensive range of consumables and tools for dentists and dental laboratories. The Group operates one segment defined in line with the management structure, the organizational set-up, the reporting and allocation of resources by the chief operating decision maker of the Group.

These unaudited interim financial statements were prepared in accordance with IAS 34, using the same principles of consolidation and accounting policies as in the Group’s 2014 Annual Report.

1 Applied Accounting Standard

The accounting policies applied in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended December 31, 2014, except for new standards and interpretations effective as of January 1, 2015.

The applications of the new standards which are in force since January 2015 have no material impact on the annual report and the interim financial statement 2015.

2 Currency Exchange Rates

The most important exchange rates

	31.12.2014	30.6.2015	1 HY 2015	31.12.2013	30.6.2014	1 HY 2014
1 USD	0.9895	0.9342	0.9475	0.8902	0.8924	0.8909
1 EUR	1.2028	1.0365	1.0583	1.2256	1.2166	1.2214

3 Entity-Wide Information

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

Net sales by geographic areas		
In CHF 1000	1 HY 2015	1 HY 2014
Switzerland	935	1 170
Germany, Austria	6 871	7 406
Great Britain, Ireland	3 035	3 006
France	2 869	3 315
Other Europe	10 663	11 422
Russia and CIS	2 078	3 726
Middle East and Africa	3 063	3 040
North America	27 289	26 451
Brazil	2 721	3 682
Other South America	4 689	4 412
China	2 625	2 125
India	1 470	1 238
Other Far East, Oceania	4 980	5 027
Net sales	73 288	76 020

Net sales by products and services

In CHF 1000	1 HY 2015	1 HY 2014
Endodontics	14 996	14 422
Prosthetics	15 301	16 739
Rotary	6 202	5 713
Restoration	18 261	19 644
Laboratory	3 320	3 817
Infection Control	4 582	4 681
Treatment Auxiliaries	9 183	9 697
Miscellaneous	1 443	1 306
Net sales	73 288	76 020

4 Tax Expenses

Tax expenses of TCHF 977 represent a tax rate of 20.6% (prior year 24.5%) of the profit before tax expenses. The reduction of tax expenses is mainly due to one-off tax-deductible currency exchange losses resulting from the partial amortization of an intercompany loan that was initially issued by COLTENE Holding AG to Coltène/Whaledent AG for the acquisition of the Roeko shares in 2002.

5 Equity

Based on the AGM decision of April 15, 2014, the Company distributed CHF 1.92 per share as dividend and distributed out of reserves from previous capital contributions CHF 0.28 per share. Subsequently, the Company paid to its shareholders on April 24, 2014, a total amount of TCHF 9281.

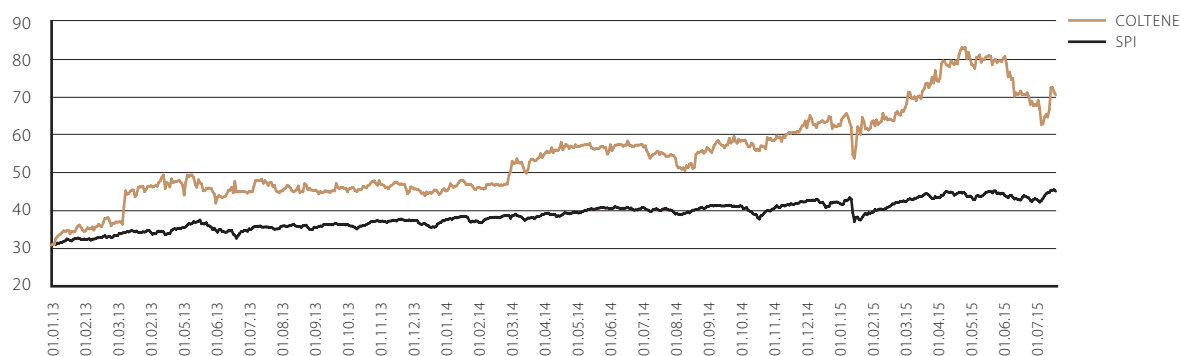
Based on the AGM decision of March 25, 2015, the Company distributed CHF 2.50 per share as dividend. Subsequently, the Company paid to its shareholders on March 31, 2015, a total amount of TCHF 10 547.

6 Subsequent Events

The Board of Directors authorized the Group's interim financial statements on July 30, 2015, 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.

Investor Relations

Share Price Performance



COLTENE's share price increased by 9.9% during the first half of 2015, from CHF 63.00 to CHF 69.25. COLTENE paid a dividend of CHF 2.50 per share in April 2015.

Shareholder Structure

As of June 30, 2015, there were 1563 shareholders entered in the share register (1522 on December 12, 2014). The following shareholders held 3% or more of the share capital of COLTENE Holding AG as of June 30, 2015:

	30.06.2015	31.12.2014
Huwa Finanz- und Beteiligungs AG	25.19%	24.80%
Rätikon Privatstiftung	10.40%	3.01%
Tweedy, Browne Company LLC	6.90%	6.92%
UBS Fund Management (Switzerland) AG	4.29%	5.23%
Robert Heberlein	3.96%	3.96%
Credit Suisse Funds AG	3.06%	4.16%

Contact

Gerhard Mahrle, CFO
 COLTENE Holding AG, Feldwiesenstrasse 20, 9450 Altstätten
 Phone +41 71 757 54 37; E-Mail investor@coltene.com

Share Register

Karin Wagner, ShareCommService AG
 Phone +41 44 809 58 52; E-Mail karin.wagner@sharecomm.ch

Corporate Calendar

Media and Analyst's Conference 2015, Annual Report 2015	March 3, 2016
Annual General Meeting 2016	March 30, 2016

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COLTENE Holding AG

Feldwiesenstrasse 20

CH-9450 Altstätten

Phone +41 (0)71 757 53 80

Telefax +41 (0)71 757 53 01

www.coltene.com

info@coltene.com