



Safe Harbour Statement

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Speakers

Andreas Meldau, Chief Executive Officer

- Management analysis
- Strategy implementation

Dr. Hans Grüter, Chief Financial Officer

- Financial results FY 2010

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1. COLTENE – Key figures and sales development 2010

2. Attractive business model in global dental market

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Highlights 2010 (1)

Main business impacts 2010

- + Strong growth in China and India
- + Sound performance and successful market initiatives in traditional markets
- + Improved structure in sales and marketing (i.e. global S&M; Italy; Eastern Europe)
- Development at Vigodent SA in Brazil
- Currency impacts

Key performance figures FY 2010

- Sales: CHF 153.6 million, up 1.4% or 6.2% at constant currency rates and excluding Vigodent SA
- EBIT down 9.3% to CHF 18.4 million
 - resulting in an EBIT margin of 12% after 13.4% in 2009
 - Adjusted for FOREX and excl. Vigodent, EBIT would have increased to 23.0 million
- Net profit: CHF 9.3 million down from CHF 16.4 million
 - EPS down from CHF 3.94 to CHF 2.24

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Highlights 2010 (2)

Strong balance sheet

- Strong equity ratio of 61.7% and low net debt level
- Lower cash flow from operating activities of CHF 14.2 million; down 44% from CHF 25.4 million in 2009
 - Free cash flow of CHF 10.8 million or 7% of sales (before investments in subsidiaries)

High pay-out ratio of 78.1% of net result

- Board of Directors proposes to pay out a dividend of CHF 1.75 per share
- Annual General Meeting will be held on April 28th, 2011 in Altstätten/SG

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Sales development 2010 (1)

- + Back to pre-crisis sales levels
 - + Sales up 6.2% adjusted for currency effects, excl. Vigodent
- + Recovery resulted in quarterly more even sales pattern
 - + 2HY stronger than 1HY 2010
 - + Q4 below average; less of a year-end sales boost
- + Strong growth in China (+58%) and India (+93%)
- + Targeted market initiatives in Italy and Latin America
 - + Own sales team in Italy
 - + Targeted events for opinion leaders in Latin America

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Sales development by region FY 2010 vs. FY 2009 (excerpt)	2010 Growth in % (fx adj.)	2010 Growth in % (actual)
Germany	12%	2%
France	9%	-1%
Great Britain	-6%	-13%
Benelux	18%	7%
Scandinavia	-5%	-13%
South Europe	-5%	-15%
East Europe	-7%	-16%
CIS	10%	6%
Middle East and Africa	-1%	-4%
North America	8%	4%
Latin America (excl. Brazil)	14%	7%
Australia	4%	0%
China	62%	58%
India	90%	93%
Other Far East	-19%	22%
Total Net Sales	6.2%	1.4%

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Sales development 2010 (2)

Development by Region – Rationale

- Germany and France: good growth based on customer-oriented activities (closer to dentists/POS) incl. CRM support
- Great Britain, Scandinavia and Eastern Europe: after many years of continuous growth a certain ceiling was reached in 2010; however these regions will be back to positive results in 2011
- CIS countries and Latin America: ongoing successful development based on strong dealer relationships
- Middle East: in 2010 basically flat, YoY depending on tenders
- North America: good growth in a challenging market, based on expanded business with small and mid-size partners
- China and India: successful track record while executing three-year-plan and ramping-up business in these areas
- Far East: not successful – esp. in South Korea due to local competition; Japan needs review of Go-to-Market strategy

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Sales development 2010 (3)

Development and current situation at Vigodent SA, Brazil

- 40% stake acquired in 2009 granted limited control
- Partnership with former owner no longer sustainable given the disappointing sales and earnings performance
- + COLTENE acquired rest of stock in Oct. to gain full control
 - + Turnaround process immediately initiated
 - + New local management installed by year-end
 - + Two months (Nov.- Dec.) fully consolidated
 - + Gain on call option CHF 1.2 million
 - Loss of CHF 0.8 million for Jan.- Oct.
 - Impairment of CHF 3.0 million

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Sales development 2010 (3)

- FOREX impacts on reported Swiss franc figures
 - 6.2% sales increase in local currencies equates 1.4% increase in reported CHF
- Results analysis, adjusted for FOREX and Vigodent
 - Reported EBIT of CHF 18.4 million would rise to CHF 23.0 million

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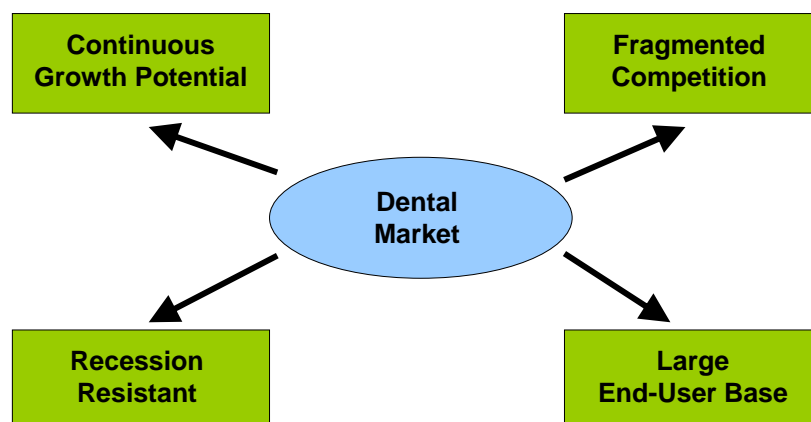
COLTENE business model

- Address traditional *and* emerging markets
 - Global presence, low exposure to single markets
 - Build strong market positions in all markets
- Focus on stable dental consumables market
 - Close to patient treatments
 - More stable than overall dental market which is exposed to equipment business
- Focus on dentists' and dental laboratories' needs
 - Ongoing innovation
 - Loyal customer base

→ Build a solid, stable, profitable and predictable business

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Sound and sustainable business



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Support from long-term growth drivers

- Increasing dental **insurance** coverage
- Rising awareness for **oral health**
- Higher emphasis on **aesthetic dentistry** (world-wide)
- **Aging** population – retaining natural dentition
 - 50-80 year-old population approx. to double until 2030
- Expanding global **middle-class**
 - Emerging markets to have >1bn customers by 2030
 - 20% of the population to get access to dental treatment
- Greater dental practice **productivity** required
- Product development towards general practitioners **usability**

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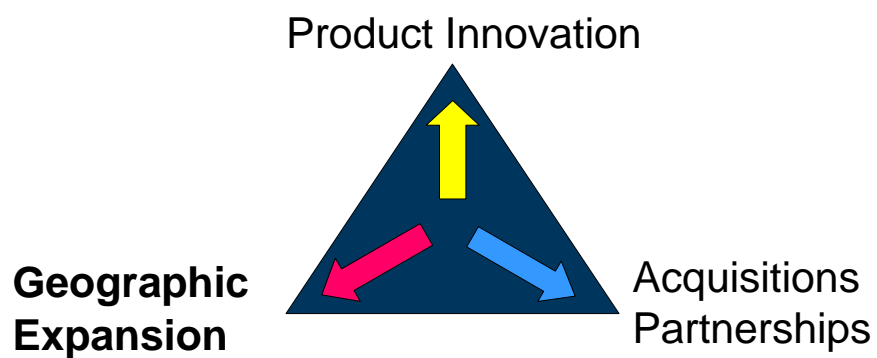
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Geographic Coverage



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Strategy implementation: Three pillars

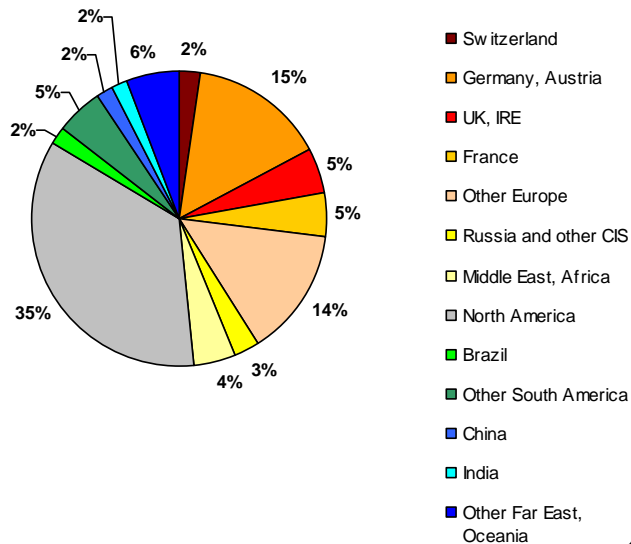


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Geographically broadly based sales split

Sales split geographic regions:

	2010	2009
Europe	48%	51%
North America	35%	34%
Brazil/ South America	7%	6%
China/ India/ Far East	10%	9%



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Sales by Geographic Region (1)

Traditional markets

- Sales growth in US and Europe fairly balanced (in sync.)
 - However still varying from area to area during a 12 months period
- Sales development primarily attributable to targeted efforts at key clients and point-of-sale level
- Established sales organization in Italy (3 sales people)
- Started enhanced global CRM program
 - Focus today: US, GER, UK, F, Italy, Southern Europe
 - Main target: Clear improvement in customer data know-how (= end-user environment, purchasing decisions/ processes)
 - Roll out to further countries within next 1-2 years
- Still some remaining high dealers' inventories (esp. US)

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Sales by Geographic Region (2)



Focus Latin America/ Brazil

- Sales performance in Latin America (without Brazil) +7%
 - Focused expansion and increased network of opinion leaders
 - Above-average growth: Mexico, Peru, Venezuela and Costa Rica
- Completion of takeover of Vigodent SA in Oct. 2010 to reverse negative trend in KPIs and to gain full control
 - COLTENE consolidated Vigodent sales for Nov. and Dec. 2010
 - Disappointing sales by Vigodent in 2010 (flat)
 - Overall business in Brazil +80% (not comparable to prev. year)
- Turnaround process has been immediately initiated after takeover
 - New local General Manager
 - Built-up of business plans by segment and restructuring of organization: market focus and increase in efficiency overall

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Sales by Geographic Region (3)



Focus China

- Sales up +58%
- Extended dealer network in place
- Ongoing investments in marketing and distribution resp. sales organization
- Ongoing investments into opinion leader platform and market pull
- Sales of COLTENE products into market clearly increased: gained market share
- Strengthen market position
- Participation at major exhibitions and dental shows



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Sales by Geographic Region (4)



Focus India

- Sales up +93%
- Ongoing investments in marketing and distribution
- Distribution network built-up
- Sales volumes doubled YoY: on small but increasing level
- Careful distribution model put in place
- Strong participation at congresses and major exhibitions



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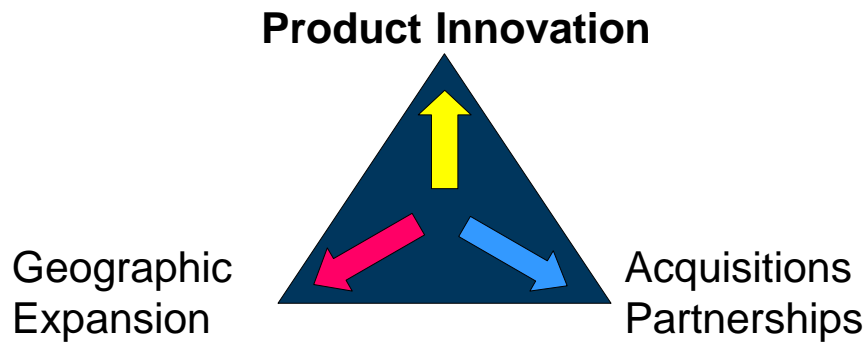
Sales by Geographic Region (5)

Rest of Asia/ Other Far East

- Below prior year level: esp. Japan and South Korea
 - Japan: Launch of new products (particularly prosthetics) did not advance as planned with current partners
 - South Korea: Tough competition from local manufacturers (some currency effect due to lower EUR and USD)
- Southeast Asia behind last year's performance
- Further potential for COLTENE in these markets
 - Hired new regional sales manager operating out of Malaysia
 - Started intensive new discussions with existing and potential additional partners in the area
- Special focus in 2011 in order to regain growth mode

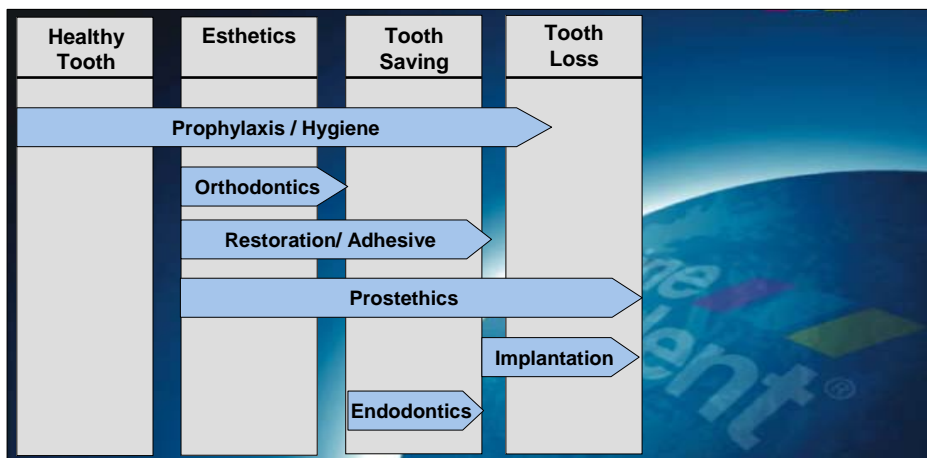
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Strategy implementation: Three pillars



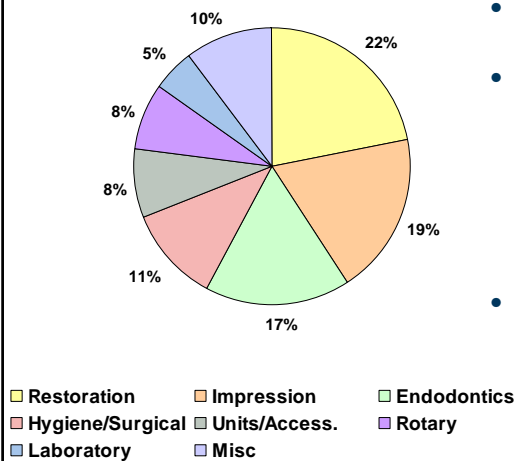
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Comprehensive Product Range



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Well-balanced and comprehensive product portfolio



- Broad based growth across all product groups
- Positive gains in
 - Aesthetic restorations
 - Rotary instruments
 - Hygiene and surgical equipment
 - Laboratory products
- Continuous innovation cycle
 - Ongoing process for all core product areas (focus)

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Innovation in Products and Services (1)

AFFINIS product line



- 10 year anniversary of AFFINIS in 2010
- Product line has been completed
- Particularly suitable for the production of highly accurate dental and jaw impressions

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Innovation in Products and Services (2)

PINDEX Split Sleeves



Laboratory equipment:

- PINDEX standard model system is the benchmark for orthodontic work.
- PINDEX Split Sleeves act as precise anchors for individual pins.

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Innovation in Products and Services (3)

SYNERGY D6 Flow



Filling products:

- SYNERGY D6 Flow is a complement in filling therapy because it covers a wide range of natural tooth shades.
- This innovative flow version ideally complements the existing offering in COLTENE's filling therapy.

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Innovation in Products and Services (4)

HyFlex CM NiTi files



→Launch of a unique rotary Endo File by end of 2010

HyFlex CM (Controlled Memory) NiTi files optimally adapt to the anatomy of the canal, are safe for multi-use and are clearly more resistant to fatigue separation.

This product perfectly completes COLTENE's Endodontics line.

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Unique features of COLTENE Hyflex CM NiTi Endo File



NiTi instruments with controlled memory wire



Normal NiTi instruments

- ✓ Very flexible
- ✓ Has very little re-bound (CM)
→ creates less resistance
- ✓ File follows the root canal better, smaller risk to bind and less removal of dentin (lean restoration)
- ✓ 300% more resistant to breaking than standard NiTi files
- ✓ Will not break as other NiTi Files (unwinds before breaking)

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Innovation in Products and Services (5)

PerFect TCS II

Surgical equipment:



- PerFect TCS II is a high frequency electro-surgery instrument, which helps to manage gingiva with:

- greater efficiency
- less bleeding than a common scalpel

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Innovation in Platforms and Services (6)

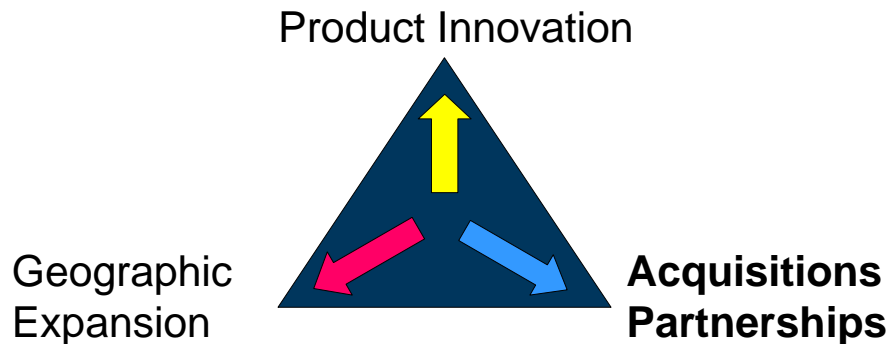


New marketing approaches

- Enhanced dialogue with key opinion leaders and buying influencers to facilitate new sales channels and business activities.
- Partnering online educational platforms used by next-generation dentists like gIDE (www.globalinstituteonline.com)
- In 2010 COLTENE organized various seminars in partnership with gIDE

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Strategy implementation: Three pillars



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Acquisitions and Partnerships (1)

Acquisition of Vigodent SA in Brazil

- Acquisition of remaining 60% to reverse unsatisfying trend of KPIs and to gain full control
- Turnaround process was initiated immediately
- New local General Manager
- An excellent platform for manufacturing and product sales into Brazil and beyond
- Ongoing improvement process
- Focus on local success in product sales as well as exporting Vigodent products to RoW in 2011
- Sales of TCHF in 2010: 1'961 (Nov./ Dec.)
- Net loss of TCHF for 2010: 874



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Acquisitions and Partnerships (2)

- Ongoing: active and diligent process
- Prime Focus is to successfully integrate and manage Vigodent SA Brazil
 - needs further attention from Executive Management
 - substantial changes (in many directions - incl. organization) and improvements (in all disciplines) are necessary
 - goal is to get back to profitable business asap
- Strong emphasis on additional distributions partnerships
 - in the sense of solution partners (with specific know-how)
 - focusing on dedicated range of products and services

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Strategy Implementation: Summary

- ✓ Strategy implementation clearly on track
- ✓ Takeover of Vigodent in Brazil and initiated turnaround
- ✓ Further expand key competencies
- ✓ Platform for future growth in China, India and Russia
- ✓ Successful new product launches and continuous improvements

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Profit & Loss Statements (TCHF)	2010	2009	% YoY
Net Sales	153'578	151'385	1.4%
Material expenses*	44'113	43'146	2.2%
Personnel expenses	55'321	53'879	2.7%
Other expenses	30'981	29'675	4.4%
Depreciation & Amortization	4'722	4'348	8.6%
EBIT	18'441	20'337	-9.3%

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

Comments

- 6.2 % net sales growth forex & Vigodent adjusted
- Materials 28.7% of net sales, slightly above PY (28.5%)
- Personnel & other exp. 86'302, 3.3% above PY (5.1 % forex & Vigodent adjusted)
- 12.0% EBIT-Margin compared to 13.4% of PY (14.3% forex & Vigodent adjusted)

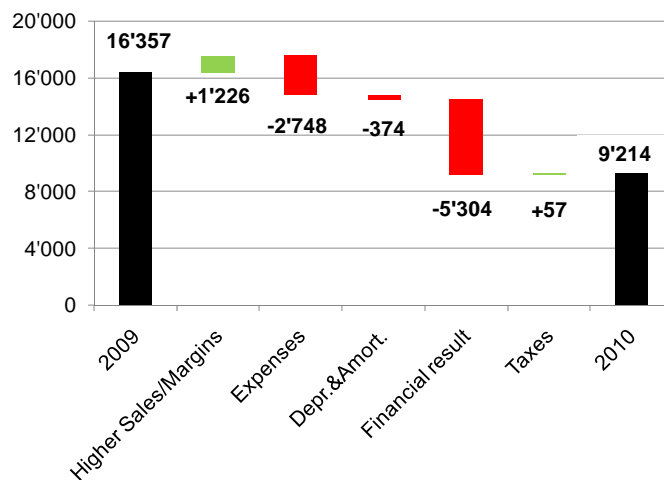
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Profit & Loss Statements (TCHF)	2010	2009	% YoY
EBIT	18'441	20'337	-9.3%
Interest income and expenses	-717	-355	
Exchange rate differences	-1'938	639	
Gain on call option associates	1'220	0	
Share of loss of associates	-838	-210	
Impairment on associates	-2'957	0	
Net profit before tax	13'211	20'411	-35.3%
Tax expenses	-3'997	-4'054	-1.4%
Net profit continuing operations	9'214	16'357	-43.7%
Discontinued operations	71	0	
Profit for the period	9'285	16'357	-43.2%

Comments

- Financial result impacted by exchange losses 1'938 TCHF and negative impact of Vigodent 2'575 TCHF
- Effective tax rate of 30% compared to 20% PY. Delta due to weighted tax rate of 28% (PY 23%) and negative effects of 2% versus positive effects PY of 3%
- Net profit continuing operations / net sales (return on sales) at 6.0% (PY 10.8%) 41

Net Profit Development (TCHF)



Cash Flow continuing operations (TCHF)	2010	2009	% YoY
Net profit	9'214	16'357	
Non cash items	13'327	9'303	
Changes in NWC	-2'886	4'026	
Interest received/paid, tax paid	-5'483	-4'332	
Cash Flow from operations	14'172	25'354	-44.1%
Purchases, proceeds PPE, intangibles, fin.	-3'335	-7'504	
Acquisition of subsidiaries	-5'973	-7'948	
Cash Flow from investments	-9'308	-15'452	
Free cash flow (pre purchase subsidiaries)	10'837	17'850	-39.3%

Comments

- Decreased cash flow from operations to 9.2% of net sales (PY 16.7%) main impact (apart from net profit) inventory variations.
- Investments in machinery and equipment 1.8 MCHF, intangibles assets (SAP) 1.6 MCHF and purchase of Vigodent 6.0 MCHF.
- Decreased free cash flow in %-age of net sales to 7.1% (PY 11.8%)

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Balance Sheets (TCHF)	31.12.10	31.12.09
Cash & cash equivalents	4'133	5'880
Receivables	36'985	38'238
Inventory	32'469	27'296
Property, plant & equipment	31'680	32'978
Financial, intangible & tax assets	53'421	52'786
Total assets	158'688	157'178
Payables & short term liabilities	19'735	16'679
Bank loans	34'072	22'879
Other long term liabilities	7'033	6'894
Equity	97'848	110'726
Total liabilities & equity	158'688	157'178

Comments

- Solid balance sheet with equity ratio of 61.7% (PY 70.4%)
- Net debt of 29'939 TCHF compared to 16'999 TCHF PY
- Unused uncommitted credit lines of 61.4 MCHF

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Summary

Solid underlying performance increase

In TCHF	2009 Result	<i>2010 Result</i>	<i>FX Adjustments</i>	<i>Vigodent* Adjustments</i>	2010 Adjusted
Net Sales	151'385	153'578	9'208	-1'961	160'825
Material & other	-131'048	-135'137	-5'580	2'911	-137'806
EBIT	20'337	18'441	3'628	950	23'019
In % of net sales	13.4%	12.0%			14.3%

* For the period Oct 29 to Dec 31, 2010 as consolidated entity

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COLTENE Competitive Advantages

In the market place

- Company clearly focused on dental consumables business
- Targeting both traditional and emerging dental markets
- Product offering for comprehensive applications and treatments
- Continuous product updates (innovation cycles)
- Global presence and geographic reach
- Oriented toward healthy and sustainable growth

In terms of financial strength

- Business model generating positive cash flow
- Solidly financed
- Goal remains to achieve attractive dividend yield

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COLTENE Outlook 2011

- Flat to slightly growing market expected
- Special focus in 2011
 - Core product areas (innovation)
 - Restorative materials (new product launch IDS)
 - Endodontics systems (new root canal files)
 - Infection Control/ Hygiene/ Surgical
 - Turnaround resp. clear improvement with Vigodent SA
 - Geographical Expansion
 - China and India organization/ growth
 - Asian markets in general (special focus on Japan)
 - Italy resp. Southern Europe business development



- ➡ Sales in line with market growth or higher
- ➡ EBIT prior-year level or above

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Invitation to visit our world-wide locations



Cuyahoga Falls (Akron)
& BC Vermont
USA



Langenau (Ulm), Germany
Budapest, Hungary



Altstätten & Rüthi, Switzerland



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Further information:

www.coltene.com