

Media Release

First Half 2012: Improving Operational Performance

- **Revenue of CHF 73.0 million, reflecting growth of 0.9%, respectively 2.5% at constant exchange rates**
- **North American markets with strong revenue growth of 15.8%**
- **Operating profit (EBIT) 43.9% higher at CHF 6.8 million**
- **Net income increased to CHF 3.1 million, improving by 78.5%**
- **Free cash flow increased to a healthy CHF 3.0 million, up from a cash drain of CHF 0.8 million in the prior year**
- **Market approvals in further important countries for the new composite veneer system COMPONEER™ and HyFlex™ Controlled Memory Files**

Altstätten, August 17, 2012 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental consumables, achieved net sales in the first six months of 2012 of CHF 73.0 million (2011 H1: CHF 72.4 million), reflecting 2.5% growth at constant exchange rates or 0.9% in reported Swiss francs. 2.8% of the growth is attributable to volume increases achieved in the traditional markets, 1.9% to advances in emerging markets, measured at constant exchange rates. Operational profit (EBIT) increased significantly by 43.9% (49.9% at constant exchange rates) to CHF 6.8 million (2011 H1: CHF 4.8 million). As a result, the EBIT margin improved to 9.4% from 6.6% in the prior year. Net profit for the first half of the financial year 2012 reached CHF 3.1 million, representing a significant improvement by 78.5% compared to the previous year. As a result of higher cash flow from operating activities and lower investments the free cash flow increased to CHF 3.0 million (2011 H1: -CHF 0.8 million).

The teams worldwide continued to introduce its new flagship products in the core areas of restoration, aesthetics and endodontics. In particular, the Company received important market approvals in additional countries for its new composite veneer system COMPONEER™ and HyFlex™ Controlled Memory Files. Furthermore the Group improved its operational performance. On one hand, it modified its purchase volume incentive schemes for clients, switching from the sell-in to the sell-out concept. This measure resulted in reduced costs of discounts and rebates offered to customers and temporary inventory destocking, which negatively impacted sales in the first six months of 2012 in the amount of approximately CHF 2.5 million.

After having achieved organizational stability by the end of 2011, the Brazilian subsidiary focused on leveraging the Group's expertise to expand its market presence. The achievements included the combination of Vigodent's and COLTENE's product lines to better accommodate the needs of the local customers. Another challenge represented the procurement and quality of the raw materials purchased in the local market and their implementation in the manufacturing processes.

Regional Breakdown: Strong North American Markets

In the first six months 2012 the Company's geographic sales split has further changed: COLTENE achieved 34.3% of its Group sales in the traditional European countries (2011 H1: 38.2%), 36.9% in North America (2011 H1: 32.1%) and 25.7% in the emerging economies (2011 H1: 26.4%). **European countries** showed divergent developments. **North America**, the largest market for COLTENE, recorded a pleasing sales increase of 15.8%. The US and Canada strongly recovered from the region's previously difficult economic environment. Thanks to its continued efforts to expand and strengthen the Group's distribution network in the dynamic Asian region, COLTENE increased its sales in **India** and **China** by 32.1% and 49.9%, respectively. Sales volumes in the **Middle East** and **Africa** region decreased by 26.8% primarily due to the embargo for Iran and erratic tender business in Iraq. In Brazil sales flattened in local currency, mainly due to manufacturing issues. **Other South America** markets were down by 10.2%. This adverse development is primary attributable to the difficult economic situation in the region as well as import restrictions.

Breakdown by Product Group: Focus on Restoration and Endodontics

Looking at the various product segments, sales growth resulted primarily from restoration and endodontics and rotary systems. Both key segments, restoration and endodontics, further grew by 7.5% and 12.4% respectively. COLTENE is currently pushing the registration of its flagship products composite veneer system called COMPONEER™ and HyFlex™ Controlled Memory NiTi files into new markets. Both innovative systems are perceived very well by customers due to their simple and easy application as well as their dual benefits for the dentist and patients.

Outlook: Implementation of Global Marketing Approach

In the attractive chair-side dental market, which is benefiting from the growing awareness of oral hygiene and aesthetic dentistry among broad sections of the population, COLTENE is well positioned to capture future growth opportunities. This anticipated growth is additionally supported by global demographic and economic factors.

In the second half of the 2012 financial year COLTENE aims to focus on further gradual organizational improvements, efficiency gains in the Group's worldwide logistics, and a review of the manufacturing processes of the various product groups. A second emphasis will be laid on the globalization and group-wide integration of the organization's marketing approach. The various subsidiaries added to the COLTENE Group in past years have enjoyed a strong market presence in their home markets with their original trade mark and brands. Management sees significant potential for leveraging the respective local strengths of these brands at a global level. In the absence of extraordinary factors, COLTENE aims to achieve sales growth slightly above overall market rates in the years ahead.

Media and Analysts Conference Call: Today Friday, August 17, 2012; 3:00 p.m. CET

- Dail-in-information: Switzerland: +41 (0)91 610 56 00; UK: +44 (0)203 059 58 62; USA: +1 (1)866 291 41 66
- The conference call will be held in English. Please log in some 5 minutes prior to the start of the conference. Basis for the discussion are the interim report, the media release and a brief presentation available for download on August 17, 2012 from 7:00 a.m. CET on http://www.coltene.com/10208/Financial_Reports.html. At the end of the conference participants will be given the opportunity to ask questions.

Semi-annual Report 2012

The COLTENE Holding AG semi-annual report 2012 was published today and is available on http://www.coltene.com/10249/Half-year_Reports.html.

Key figures

In CHF 1,000	2012 H1	2011 H1	Δ%
Net sales	73 022	72 386	0.9
Operating profit (EBIT)	6 840	4 754	43.9
in % of net sales	9.4%	6.6%	
Profit for the period	3 145	1 762	78.5
Cashflow from operating activities	4 887	1 495	226.9
Investments (without associates)	1 922	2 304	-16.6
Free cashflow	2 965	-809	
Total assets	153 030	149 887	
Bank loans	30 108	30 177	
Shareholders' equity	94 802	94 592	
in % of total assets	61.9%	63.1%	
Employees (Ø)	887	908	

Sign-up for e-mail subscription is available at <http://www.coltene.com/10225/Newsletter.html>.

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Financial Calendar

Full-year Results 2012	March 14, 2013
Annual General Meeting of Shareholders	April 19, 2013
Half-year Report 2013	August 15, 2013

About COLTENE

COLTENE is an internationally leading developer, manufacturer and seller of dental consumables and small equipment. COLTENE has state-of-the-art production facilities in the USA, Switzerland, Germany, Hungary and Brazil. Dentists and dental labs use COLTENE products for traditional as well as implant-based therapies and dental reconstructions. 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.

This press release and oral statements or other written statements made, or to be made, by us contain forward-looking statements that do not relate solely to historical or current facts. These forward-looking statements are based on the current plans and expectations of our management and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations, as well as future results of operations and financial condition. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.