

Roeko acquisition by Coltène/Whaledent boosts dental activities

Gurit-Heberlein's acquisition of Roeko in Langenau/Ulm, Germany, with effect from 1 January 2002, will significantly expand dental consumables operations in the Group's Health Care Division. Roeko specializes in the manufacture of dental medical products and root canal treatment consumables and posts annual sales in the region of DEM 30 million. The acquisition will also consolidate Gurit-Heberlein's strategic position in the dental market as well as open up valuable economies of scale and potential synergies.

Wattwil, November 27, 2001. Gurit-Heberlein's acquisition of Roeko GmbH + Co.KG in Langenau/Ulm, Germany, represents a strategic expansion of the Group's Health Care Division in the dental sector. With effect from January 1, 2002, Gurit-Heberlein Group company Coltène AG will acquire 100% of the stock in a company that has until now been in private hands. The company will remain an independent legal entity, managed by and integrated in the Coltène/Whaledent dental group. The two parties to the agreement have decided not to reveal the sale price.

German company Roeko is well established in its market and specializes in the manufacture of specific dental medial products and consumables for root canal treatment. The range includes top-quality cotton products, paper points for drying and guttapercha tips for filling root canals during surgery, as well as special-purpose dental sundries. Roeko addresses a market segment where production processes require massive capital investment and entry levels are correspondingly high. The company has further manufacturing facilities in Hungary and the USA and generates annual sales of around DEM 30 million with approximately 140 employees. Its products are sold through specialist distributors and as OEM products. Roeko holds dominant shares in its home market in Germany for its main products.

This acquisition gives Gurit-Heberlein advantageous economies of scale in a rapidly consolidating market as well as the potential for cost-saving operative synergies, particularly in distribution and marketing. Roeko products are an ideal extension to the Group's range of disposable dental products and strengthen the Coltène/Whaledent Group's position as an all-round supplier.

The positive synergies and the rapid integration of this acquisition lead Gurit-Heberlein to expect a further short-term improvement in profitability.