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Extraordinary Shareholders' Meeting approves Share buyback in the amount of CHF 50 million

- Free issuance of tradable put options
- Share buyback program to be launched in November and closed in December 2008

Wattwil, October 2, 2008. The extraordinary shareholders' meeting of COLTENE Holding AG (SIX Swiss Exchange [formerly SWX Swiss Exchange]): CLTN), an internationally leading developer and manufacturer of dental consumables, today approved the reduction of the share capital by a maximum amount of CHF 46,100 to not less than CHF 421,900 by way of a share buyback program through the free issuance of tradable put options. The put options are expected to be issued during the second half of November so that they can be exercised after a two-week trading period in the first half of December. The tendered shares will be paid in cash before the end of the year. Based on the share buyback program, an amount of approximately CHF 50 million shall be paid to the shareholders.

After the sale of the medical business closed at the end of April 2008, COLTENE announced its intention to return the majority of the net cash proceeds of CHF 93.4 million to the shareholders, given the strong cash flows generated by the ongoing dental business. By means of an increased dividend and a par value reduction, COLTENE has already returned CHF 42.1 million to its shareholders in the course of this year. The extraordinary shareholders' meeting today approved the planned capital reduction and thereby enabled the payment of an additional CHF 50 million to the shareholders.

The meeting resolved to repurchase own shares in the amount of approximately CHF 50 million through the free issuance of tradable put options to the existing shareholders. The shares bought back under the share buyback program will be cancelled in order to accrete earnings per share and to reduce the current share capital of CHF 468,000 by a maximum amount of CHF 46,100 to not less than CHF 421,900.

The detailed terms and time-table of this shareholder-friendly share buyback program will be announced mid-November. The put options will be issued during the second half of November for trading until the beginning of December and can subsequently be exercised. The tendered shares are expected to be paid in cash before the end of the year.

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