

COLTENE Holding AG, c/o COLTENE Services AG  
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## Solid first half-year

- Sales growth of 1% (without currency translation effect +8.4%) to CHF 81.9 million
- Solid operational earnings of CHF 9.5 million
- Exceptional charges of CHF 1.9 million
- CHF 7.0 million earnings from continuing operation and CHF 29.7 million earnings contribution from sale of medical business
- Cash flow from continuing operations CHF 10.9 million
  
- Conference Call today, Thursday, August 21, 2008, 04:00 p.m. CEST
  - Dial-in number +41 (0)52.267.07.83
  - PIN-Code for participants 389833

***Dübendorf, August 21, 2008. COLTENE Holding AG (SWX Swiss Exchange: CLTN), an internationally leading developer and producer of dental consumables looks back on a successful first half-year of 2008.***

COLTENE achieved consolidated sales reported in Swiss francs of CHF 81.9 million, up 1% over the same period of last year. Excluding currency translation effects, sales would have increased 8.4%. COLTENE grew sales in all target markets, reporting remarkable increases in Eastern Europe, Asia, South Africa and Latin America, while the traditional markets in Europe and North America grew less, yet still above the overall growth of the dental market.

### **EBIT Development**

COLTENE reports EBIT of CHF 9.5 million which is 17.7% lower compared with the same period of last year. Achieving a constant gross margin and an EBIT margin of 11.6%, the operational performance of COLTENE remained solid. The operational earnings were impacted by an increase in personnel and marketing costs arising as a result of the advanced international expansion and exceptional charges totalling CHF 1.9 million. These charges include additional write-offs following a review of material stocks and an amount of CHF 0.9 million for former CEO Jerry Sullivan contractually agreed when the new management team chaired by Andreas Meldau, CEO, and Hans Grüter, CFO, took over. Excluding these exceptional effects as well as the negative impact of CHF 0.3 million from currency translation, the EBIT would have stood at CHF 11.7 million. This is slightly above the previous year's figure and yields an unchanged EBIT margin of 14.3%.

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### Earnings contribution from the sale of the medical business

With solid earnings from continuing operations of CHF 7.0 million and an earnings contribution of CHF 29.7 million from the sale of the former medical business in April, COLTENE reports earnings per share of CHF 8.04 after CHF 2.68 for the same period last year. After exceptional effects, earnings from continuing operations resulted in earnings per share of CHF 1.53 down from CHF 1.87 in the first semester of 2007.

### Strong cash flow and solid balance sheet

The Dental activities generated a 53.0% higher operational cash flow of CHF 10.9 million. The strong cash flows generated in the Dental business bolster COLTENE's ability to continue to pay generous dividends in the future as previously announced.

The sale of the medical business and the cash received from it largely changed the Group's balance sheet. COLTENE shows cash and cash equivalents of CHF 62.7 million and only CHF 7.1 million of interest bearing debt at the end of June 2008. The net cash position stood at CHF 55.6 million and the equity ratio rose to 81.2%. The strong balance sheet provides an excellent basis for future organic growth and acquisitions.

### Key figures

<i>MCHF</i>	<i>1 HY 2008</i>	<i>1 HY 2007</i>	<i>Delta</i>
Net sales*	81.9	81.1	1.0%
EBIT**	9.5	11.6	-17.7%
Net profit continuing operations	7.0	8.7	-19.5%
Profit from discontinued operations	29.7	3.7	
Profit for the period	36.7	12.4	
Cash flow from operations (continuing operations)	10.9	7.1	53.0%
Shareholders' equity	170.8		
Total assets	210.3		
Shareholders' equity in % of total assets	81.2%		

\*: growth without currency translation effect 8.4%

\*\* : EBIT 2008 excluding special items CHF 11.7 Mio.

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## **Outlook**

Following the strong increase in the dividend payment to a total amount of CHF 19.6 million and the par value reduction in the amount of CHF 22.6 million implemented in July 2008, COLTENE plans to return another CHF 50 million to shareholders by means of a shareholder-friendly capital redemption plan. Overall, COLTENE expects a stronger second half from continuing operations, both in sales and earnings.

## **Half-year report**

The full half-year report is available for download from 07:00 a.m. today at <http://www.coltene.com/investor-relations/publications.html>

## **Conference call**

COLTENE Holding AG will host an English-speaking conference call at 04:00 p.m. CEST to discuss the half-year results in more detail.

Please dial +41 (0)52.267.07.83 five to ten minutes prior to the call in order to participate in the conference call. The PIN-Code for participants is 389833. During the presentation, participants will be in a listen-only mode. To ask a question during the question-and-answer session, you may press \*14 on your touchtone telephone. To withdraw a question, please press \*15.

A replay of the call will be available for seven days following the conference call. To access the replay, please dial +41 (0)52.267.07.00; the conference ID is 670672#. The conference call is also available and will be archived as a live webcast in the investor relations section of the COLTENE webpage [www.coltene.com](http://www.coltene.com).

Accompanying presentation slides will be available today at 03:00 p.m. CEST at <http://www.coltene.com/investor-relations/publications.html>

**E-mail alerts:** sign-up for e-mail alerts on COLTENE Holding AG is available at [http://www.coltene.com/investor-relations/news\\_en.html](http://www.coltene.com/investor-relations/news_en.html)

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