

COLTENE Services AG
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COLTENE reports for 2008 sound business performance despite weakening economy

- **4.1% sales increase at constant exchange rates in 2008 equivalent to consolidated 1.0% sales decrease to CHF 166.4 million**
- **Solid full year 2008 EBIT margin of 15.0%**
- **High 18.2% EBIT margin in second half of 2008**
- **Profit from continued operations CHF 17.7 million after CHF 18.6 million in 2007**
- **Profit for the period including earnings from sale of Medical business CHF 48.1 million versus CHF 26.3 million in 2007**
- **Proposal to pay unchanged dividend of CHF 4.30 per share**

Wattwil, March 18, 2009. COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and manufacturer of dental consumables, reports nearly unchanged sales of CHF 166.4 million for the full financial year 2008. This consolidated decrease of 1.0% in reported Swiss francs is equivalent to a 4.1% sales increase at constant currency exchange rates. As a result of the economic downturn, sales dropped slightly by 2.9% in the second half over the same prior year period. Excluding the sale of the Medical business and based solely on continued operations, COLTENE achieved profits for the fiscal year 2008 of CHF 17.7 million. EBIT remained practically unchanged over 2007 at CHF 24.9 million. COLTENE has a strong balance sheet and sound cash flow, enabling it to maintain its payout policy: The Board of Directors will propose to the Annual General Meeting on April 17, 2009 the payment of an unchanged dividend of CHF 4.30 at nominal CHF 0.10 for the year 2008.

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COLTENE reports sales of CHF 166.4 million for 2008, which equates to a 1.0% decline consolidated in Swiss francs versus CHF 168.1 million in 2007. Sales were up by 4.1% at constant currency exchange rates, and thus exceeded the overall market growth.

Continuous sales development in all key markets

COLTENE was able to report strong sales particularly in emerging markets and BRIC countries. Brazil saw a sales increase of 60% owing to the rising disposable incomes of a growing middle class and targeted product offering. Russia posted a remarkable rise of 30%. In China, the sales company established in 2008 saw sales surge by more than 100%. India as well recorded a double-digit sales increase.

In Europe COLTENE was able to further strengthen its position thanks to growth in Germany, France, and Switzerland. Adjusted for currency exchange rates, sales development in the remaining European countries remained at or slightly exceeded prior year levels except for Southern Europe, where particularly Italy lagged behind its 2007 performance.

The decline in private expenditures in the US and Canada made market development in these regions difficult. The overall more cautious consumer mood negatively impacted sales in the US. Distributors were also reluctant to replenish their stocks.

Solid year 2008

Based solely on continued activities in the Dental business, COLTENE records profits for the full-year 2008 of CHF 17.7 million versus a profit CHF 18.6 million in 2007. Including a profit contribution of CHF 30.4 million from the sale of the Medical business end-April, COLTENE recorded profits of CHF 48.1 million for 2008 after achieving CHF 26.3 million in 2007. EBIT for 2008 remained nearly constant at CHF 24.9 million as did EBIT-Margin standing at 15.0% compared with 15.3% in 2007, which is attractive compared with the overall industry. For the fiscal year 2008, COLTENE achieved earnings per share of CHF 10.55 after 5.67 in 2007.

Sound cash flow and strong balance sheet

Cash flow from operating activities was CHF 18.5 million in 2008 after achieving CHF 17.0 million the prior year. The equity ratio for the year under review stands at a remarkable 70.1%

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compared with 66.9% in 2007. The Board of Directors will propose to the Annual General Meeting of Shareholders the payment of an unchanged dividend of CHF 4.30 per share. Based on the year-end closing price of the COLTENE share, this results in a dividend yield of 10%. The Board of Directors is confident that it will be able to continue its attractive dividend payout policy in the future, taking into account the company's growth strategy and development.

Key Figures (in CHF 000)	2008	2007
Net sales*	166 419	168 110
Operating profit*	24 922	25 678
In % of net sales	15.0%	15.3%
Net profit from continuing operations	17 682	18 551
Cash flow from operating activities*	18 526	16 999
Investments (without subsidiaries) *	6 253	2 900
Free cash flow*	12 373	14 099
Total assets	161 472	247 568
Bank loans	2 640	36 555
Shareholders' equity	113 161	165 665
In % of total assets	70.1%	66.9%
Dividend per share in CHF	4.30	4.30
Employees*	751	686

* from continued operations

Media/Analysts conference and webcast: Today, March 18, 2009, 09:00 a.m.

COLTENE Holding will discuss its full year results at an English-speaking analyst and media conference today, Wednesday, March 18, 2009; 09:00 a.m. CET; Convention Point SIX, Swiss Exchange, Selnaustrasse 30, CH-8021 Zurich. The presentations will simultaneously be webcast and later archived in the investor relations section of http://www.coltene.com/investor-relations_en.html. Please log in some 10 minutes prior to the start of the conference.

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Annual General Meeting

The Ordinary Annual General Meeting of Shareholders will take place on Friday, April 17, 2009 at 4 p.m. at Group subsidiary Coltène/Whaledent AG, Feldwiesenstrasse 20, 9450 Altstaetten/SG.

Sign-up for e-mail alerts is available at
http://www.coltene.com/investor-relations/news_en.html

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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, and Hungary. 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.