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COLTENE Holding AG reports restrained start into 2009 driven by inventory reductions at distribution partners

- **Inventory reductions at distribution partners drive sales decline of 20.0% to CHF 32.1 million in the first three months of 2009**
- **Single-digit sales decrease expected for FY2009 vs. prior year**
- **Measures being implemented to reduce costs**
- **Half year results expected to be below previous year**
- **For FY2009, COLTENE projects solid EBIT margin between 10% and 14%**

Altstätten, April 24, 2009. **COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and manufacturer of dental consumables, faced a sales decline in Q12009 by 20.0% to CHF 32.1 million, due to inventory reductions with dealers, mainly in Europe. The currency effects compared with the prior year period were minimal (sales decline at constant currency exchange rates were 20.8%). For FY2009, COLTENE expects a sales drop in single digit percentage points compared with last year. For FY2009, COLTENE projects a single digit sales decline and an EBIT margin between 10% and 14%.**

Sales decline particularly in Europe

Sales in the first quarter of 2009 were CHF 32.1 million compared with CHF 40.1 million in the same period of 2008, which corresponds to a decline of 20.0%. A majority of the market regions and product categories were impacted by the global economic downturn. As a result of stagnant consumption of dental consumables by dentists and dental labs, our distribution partners took a dedicated step in reducing inventory levels, which became particularly apparent in Europe in the first quarter while the stock-level adjustments in the USA had already started toward the end of 2008. Sales to end customers remained roughly at last year's level and in line with the overall market. The first half-year of 2009 will remain challenging for the global dental market. COLTENE will continue to focus on its traditional markets and on growth opportunities

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in the emerging markets. For full year sales 2009, COLTENE expects a decrease compared to prior year in single digit percentage points.

A challenging 2009

At the beginning of 2009 COLTENE initiated rapid measures to re-align its cost structure. These measures will reduce costs and enable the company to maintain sustainable profitability. For HY2009, COLTENE expects the EBIT result to be below that of the previous year. For FY2009, the EBIT margin is projected to be within a solid range of 10% to 14%. COLTENE is convinced that the rapid cost reduction measures, significant liquidity and a strong balance sheet represent competitive advantages in current markets. COLTENE is confident that it is well-positioned to capture opportunities that arise in this environment in order to expand its leading position.

Financial stability

Fully focused on the dental market, COLTENE Holding AG continues to have a sound business model in place that generates solid cash flows. A strong balance sheet and an equity capital ratio greater than 70% underscore the company's financial stability and independence.

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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.