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Early implementation of structural adjustments has already impacted result positively

Although Forbo has performed very well in a number of markets, the company expects net sales to decline by about 8% in the first half of 2009 year-on-year. Due to the implementation of structural adjustments at an early stage, Forbo is forecasting an operating profit (EBIT) of approximately CHF 45 million for the first six months. In order to take advantage of available opportunities and to secure long-term financing, Forbo is examining early refinancing of current credit lines.

Baar, July 2, 2009

Forbo asserts its market position firmly

The economic crisis has seriously affected many of Forbo's customers. Although Forbo performed very well in key market segments and various countries, the decline in sales, which started in the last quarter of the previous year, continued during the first six months of 2009, as expected. On the basis of provisional figures, Forbo is anticipating net sales of around CHF 880 million for the first six months, approximately 8% lower than in the first half of 2008. Exchange rates had a negative impact of about 4% on net sales development, while the acquisitions in 2008 made a gratifying contribution of about 10% to net sales development.

Structural adjustments impact result positively

Based on the provisional figures for the first half of 2009, Forbo is forecasting an operating profit (EBIT) of around CHF 45 million due to the cost-cutting measures implemented since the third quarter of 2008 and the investments made in recent years to develop growth markets. Forbo anticipates an operating cash flow of close to CHF 100 million for the full year 2009.

Securing refinancing

In order to take advantage of available opportunities and to secure long-term financing, Forbo is at present examining early refinancing and prolongation of current credit lines. In addition, as per June 30, 2009, Forbo had cash and securities amounting to approximately CHF 250 million.

Outlook

Barring any further deterioration in the economic environment, Forbo expects net sales in the second half to be on a par with the first six months and forecasts a rise in operating profit due to the structural adjustments it has implemented.

Forbo is a leading producer of flooring systems, adhesives, as well as power transmission and conveyor belt solutions. The company employs some 6,000 people and has an international network of 44 sites with production and distribution as well as 51 pure sales organizations in a total of 35 countries worldwide. Forbo is headquartered in Baar in the canton of Zug, Switzerland.

flooring. bonding. movement.



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Forbo Holding Ltd is listed on the SIX Swiss Exchange (security number 354151, ISIN CH0003541510, Bloomberg FORN SW, Reuters FORN.s).

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