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Purely performance-related, long-term compensation model for Forbo's Delegate of the Board of Directors has been extended

The Board of Directors of Forbo Holding Ltd and This E. Schneider, Delegate of the Board of Directors, have extended the employment agreement into the year 2013. The core elements are again based on a full assumption of business and entrepreneurial risks.

Baar, January 14, 2009

In addition to the current insurance benefits paid by the employer, the Delegate of the Board of Directors, This E. Schneider, will receive for the employment period between January 1, 2011 and April 30, 2013 a cash payment of CHF 150,000 per year, which will be used to settle his employee contributions to insurances. In compensation for all other cash payments and other remunerations (including bonuses, inflation, adjustments, options, etc.), This E. Schneider will receive a total of 29,775 Forbo shares. This share-package has a tax value as per today of CHF 1.7 million per year.

The shares were transferred to This E. Schneider with devolved profit and risk per January 1, 2009 and they have a vesting period of five years, i.e. they cannot be sold before January 1, 2014. If This E. Schneider leaves the company, the relevant proportion of these shares must be returned.

This compensation model is again oriented on the long-term and sustainable development of the company and is therefore very much in the interests of the company and its shareholders.

"After Forbo's operational success in recent years under the management of This E. Schneider, the Board of Directors is very pleased that the Delegate has accepted the proposal for the share-based remuneration,

vested for the next five years and that he has extended his employment agreement ahead of time in this challenging economic environment. With this remuneration model, This E. Schneider emphasizes the fact that he is prepared to take on a full share of the business risk and bear the consequences of his actions, reflecting his commitment to steer the company in the interest of the shareholders during this challenging economic period," said Chairman of the Board of Directors Dr. Albert Gnaegi, explaining the compensation model defined by the Board of Directors.

Forbo is a leading producer of flooring systems, adhesives as well as power transmission and conveyor belt solutions.

The company employs some 6,500 people and has an international network of 42 production companies with distribution, and 47 sales organizations in a total of 35 countries, generating annual net sales of over CHF 2 billion. Forbo is headquartered in Baar in the canton of Zug, Switzerland.

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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