

MEDIA RELEASE

PAGE 1 OF 3

Best result in Forbo's history – Over the two billion net sales mark – Well above EBIT margin target – Significant increase in cash distribution to shareholders

Forbo increased net sales in 2007 to CHF 2,004.0, representing an increase of 6.6% or CHF 124.5 million. Organic growth accounted for 4.7% and exchange rate factors for 1.9%. Operating profit (EBIT) rose to CHF 162.4 million, up 48.2% compared to the previous year. Net income increased to CHF 110.7 million, 80.9% higher than the previous year. This is the best result ever achieved in the history of Forbo.

Baar, March 18, 2008

Profitable, organic growth predominates

This year again, the focus was on profitable, organic growth. The strategic reorientation and the investments made in recent years to expand into new markets, products and services, along with the generally positive economic situation, were instrumental in strengthening the Forbo Group.

Margin target clearly exceeded

All three divisions reported significantly higher margins owing to profitable, organic growth and to the continuous focus on high-margin products, combined with effective measures to increase productivity. For the Group as a whole, operating profit before depreciations and amortizations (EBITDA) came to CHF 221.9 million (previous year: CHF 182.3 million). Operating profit (EBIT) rose to CHF 162.4 million, which marked a significant increase compared to the previous year (CHF 109.6 million). Forbo considerably beat the EBIT margin target of 6% to 7% for 2007 – announced three years ago – with a margin of 8.1% in the year under review (previous year: 5.8%).

Net income increased from CHF 61.2 million to CHF 110.7 million, which was 80.9% higher than the previous year.

It was thus well ahead of the net income result of CHF 90.7 million set in 2000, previously the best year in the company's history.

Return on assets (ROA) increased steeply from 9.3% the previous year to 13.5% in 2007.

Net debt reduced

Despite purchases of own shares, the Group's net debt amounted to only CHF 41.6 million at year-end 2007. By the end of 2007, Forbo held about 9.6% of its own shares.

Proposal of a par value reduction of CHF 10 per share

Given the increase in operating profit, the Board of Directors proposes to the Ordinary General Meeting on April 25, 2008 that the cash distribution be increased from CHF 6 to CHF 10 per share. This distribution is to take place in the form of a reduction in par value.

Share buyback program of up to 10 percent planned

The Board of Directors plans to buy back up to 10 percent of the company's shares in the next two to three years in order to reduce share capital, and return to shareholders capital that is not needed for operations.

Given Forbo's low level of net debt, a holding of almost 10 percent of the Group's own shares, and a cash flow that is set to remain strong, this share buyback program will not restrict the company's scope for external growth.

MEDIA RELEASE

PAGE 2 OF 3

The Board of Directors, however, reserves the right to interrupt or discontinue the program should the cash be needed to finance further external growth.

Performance of the three divisions

The **Flooring Systems** division generated net sales of CHF 864.4 million in the 2007 business year, representing an increase of 8.8% versus the previous year. The commercial market segment reported substantial growth worldwide for both linoleum products and vinyl floor coverings, especially in North America and the Southern Europe region. Profitability in the residential market segment also improved following measures to increase earnings and the roll out new products. Operating profit (EBIT) came to CHF 94.9 million, up 46.9% compared with the previous year (CHF 64.6 million).

The **Bonding Systems** division increased net sales in 2007 to CHF 763.7 million, representing an increase of 4.5%. This growth was driven mainly by the general economic upswing in Europe and the good situation prevailing in Asia. In North America, a strong decline in demand was felt in the second half of the year. This affected in particular the construction-related industrial segments and the manufacture of durable goods such as doors, furniture, and the automotive industry, including motor homes. Despite the strong increase in raw material prices, the division increased operating profit (EBIT) to CHF 53.7 million, up 19.6% compared with the previous year (CHF 44.9 million).

The **Movement Systems** division grew net sales in the past twelve months by 6.1% to CHF 375.9 million. The robust health of the OEM plant engineering market again contributed to positive growth particularly in Europe. Towards the end of the year under review, the economy in North America showed signs of slowing down. However, this was offset by major projects in which the division was involved. Investment in process optimizations and in new technologies let to efficiency gains that were reflected in higher profits.

The division more than doubled operating profit (EBIT) to CHF 28.0 million (2006: CHF 13.1 million).

Outlook for 2008

Forbo assumes that the economic situation will weaken in 2008. Nevertheless, the Group is guardedly optimistic since it is well placed, with its new products and services plus further efficiency gains, to more than offset the negative impact.

For the 2008 business year, therefore, Forbo anticipates a further increase in net sales and another over-proportional rise in profits.

Forbo is a leading producer of flooring systems, adhesives and chemical bounds, as well as power transmission and conveyor belt solutions. The company employs about 6,000 people and has an international network of 31 production companies, with distribution, and 42 sales organizations in a total of 34 countries. Forbo is headquartered in Baar in the canton of Zug, Switzerland.

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

Contact person:
This E. Schneider
Delegate of the Board of Directors and CEO
Phone +41 58 787 25 49
Fax +41 58 787 20 49

MEDIA RELEASE

PAGE 3 OF 3

Financial Overview Group

	2007 CHF million	2006 CHF million	Change versus previous year
Net sales Group	2,004.0	1,879.5	+ 6.6%
EBITDA	221.9	182.3	+ 21.7%
EBIT	162.4	109.6	+48.2%
Group profit	110.7	61.2	+ 80.9%

	2007 CHF	2006 CHF	Change versus previous year
Earnings per share (undiluted)	43.64	23.60	+ 84.9%