

Media release

14.2.2008

Agreement between the SWX Swiss Exchange and Forbo Holding AG

The SWX Swiss Exchange has reached an agreement with Forbo Holding AG in connection with violations of the time limit for disclosing management transactions pursuant to Art. 74a of the Listing Rules. Under the agreement, Forbo Holding AG undertakes for the next three years to inform and instruct their Members of the Management Board and the Executive Members of the Board of Directors at least once per year with regard to their obligations in the context of the disclosure of management transactions. It also undertakes to adapt the processes of its reporting system.

Under Art. 74a of the Listing Rules, issuers must ensure that persons subject to the reporting requirement (members of the board of directors and the management board) report all transactions to the issuer on the second Exchange day after the transaction date at the latest.

Transactions of an issuer's members of the board of directors and management board that exceed the threshold of CHF 100,000 per calendar month must be reported to the SWX by the issuer within two trading days of receiving the information. The reports then are published on the SWX Website. It follows that no more than four trading days may pass between the transaction and transmission of the information to the SWX. If the transactions of a person subject to the reporting requirement amount to no more than CHF 100,000 within a given calendar month, the issuer collects the reports, orders them by person and sends them to the SWX on the fourth Exchange day after the end of the calendar month at the latest (Art. 74a para 4 LR).

The purpose of the disclosure of management transactions is to provide market participants as rapidly as possible with information on transactions executed by the management of listed companies.

Because Forbo Holding AG falsely interpreted mnr 20 of the Directive on the Disclosure of Management Transactions (Management Transactions Directive, MTD), it failed to report the purchase of shares and/or options that it allotted to Members of the Management Board in the context of a bonus/shareholding programme in 2006 and 2007.

Pursuant to mnr 20 RMLT, such allotments are exempt from the reporting requirement only when they are based on an employment contract or are part of a remuneration and the person subject to the reporting requirement has no choice in the matter. The latter did not apply in this case, because the bonus or shareholding programme of Forbo Holding AG specifies that persons subject to the reporting requirement must receive 50% of the bonus in the form of share and options and 0% to 50% of the rest either in cash or in shares and options, whichever they prefer. The reports, which were submitted belatedly on 5 December 2007, concerned transactions completed by persons subject to the reporting requirement who had this choice.

Specifically, the transactions were carried out by four (2006) and three (2007) Members of the Management Board. The late reports concerned the allotment of 704 shares in the amount of CHF 216,832 and 2,709 options in the amount of CHF 72,330 in 2006 and the allotment of 456 shares in the amount of CHF 214,580 and 1,809 options in the amount of CHF 71,473 in 2007.

Another case concerned the sale of 1,000 call options on 23 August 2007 by a Member of the Management Board which resulted in sales proceeds in the amount of CHF 905,349.00. As required under the rules of the company, the person subject to the reporting requirement declared this transaction one working day in advance but refrained to report the transaction to Corporate Legal too, which is responsible for reporting. Therefore, the report reached the SWX and was published after a significant delay on 5 December 2007.

Under the agreement, Forbo Holding AG undertakes for the next three years to inform and instruct their Members of the Management Board and the Executive Members of the Board of Directors at least once per year with regard to their obligations in the context of the disclosure of management transactions. It also undertakes to adapt the processes of its reporting system. Finally, the SWX and Forbo Holding AG have agreed that the company will document the fulfilment of these requirements and submit the relevant documents to the SWX.

The Rules of Procedure of SWX permit investigations to be concluded by means of an agreement if, as a result, relevant information can be provided to the public faster or more precisely than would be the case with a properly concluded sanction proceeding.

Information on provisions regarding the disclosure of management transactions is available at:

http://www.swx.com/admission/being_public/management_transactions_en.html

Published management transactions are available on the SWX website at:

http://www.swx.com/admission/being_public/mtrans/publication_en.html

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SWX Swiss Exchange

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