TARKETT

Limited company with a share capital of €318,613,480

Registered office : 1 Terrasse Bellini – Tour Initiale – 92919 Paris la Défense

Company registration number: 352 849 327 RCS Nanterre

HALF-YEAR FINANCIAL REPORT

For the six-month period ended June 30, 2016

Unofficial translation, for information purposes only, of the French language.

The present interim financial report relates to the half-year ended 30 June 2016 and was prepared in accordance with Articles L 451-1-2 III of the French Monetary and Financial Code and 222-4 and subsequent of AMF General Regulations.

1. Certificate of the person responsible of the First Half Year Financial report

1.1. PERSON RESPONSIBLE FOR THE FIRST-HALF FINANCIAL REPORT

Michel Giannuzzi, Chairman of the Management Board.

1.2. CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE FIRST-HALF FINANCIAL REPORT

"*I certify that to the best of my knowledge the condensed consolidated financial statements for the past six months have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the reporting entity and the companies included in the scope of consolidation, and that the half-year activity report includes a fair review of the material events that occurred in the first six months of the financial year, their impact on the financial statements, an account of the main related-party transactions as well as a description of the principal risks and the principal uncertainties for the remaining six months of the year*."

27 July 2016
Michel Giannuzzi
Chairman of the Management Board

2. Management discussion on the first half-year results

2.1 Presentation of the first six months' results

Tarkett delivered +4.2% organic growth in H1 2016, maintaining the vigorous momentum observed in the first quarter. North America (+7.9%), EMEA (+5.7%) and Sports (+11.7%) segments continued on a solid upward trend, reaching record sales. The CIS, APAC & LATAM segment declined organically by -7.9%, mainly due to the still depressed economic situation in the CIS countries.

On a reported basis, net sales increased by +1.9% vs. H1 2015. While there was no change in perimeter, exchange rates had a -2.3% negative impact mostly due to the depreciation of the CIS currencies against the euro and, to a lesser extent, of the Norwegian krone, the Brazilian real and the British pound.

The adjusted EBITDA grew to €151m vs. €128m in H1 2015, i.e. +18.2%. The adjusted EBITDA margin increased by 160 bps to 11.7%. This solid performance has been driven mainly by the very strong margin improvement in North America. New record levels were achieved in EMEA, North America and Sports segments. The CIS, APAC & LATAM segment delivered a healthy margin in a challenging environment. In addition to still favorable raw material prices, all segments benefited from aggressive productivity plans.

The net profit attributable to owners of the Company amounted to €45m, i.e. an increase of +49% versus H1 2015.

Key figures

€ million	H1 2016	H1 2015	% Change
Net Sales *Of which organic growth[(1)]*	1,298.1	1,273.9	+1.9% *+4.2%*
Adjusted EBITDA[(2)] *% Net Sales*	151.4 *11.7%*	128.1 *10.1%*	+18.2%
Net profit attributable to owners (non-adjusted)	45.2	30.4	+48.7%
Net cash-flow from operations[(3)]	(55.3)	(31.7)	
Net debt / LTM Adjusted EBITDA	1.8x	2.3x[(4)]	

(1) Organic growth: At same perimeter and exchange rates (NB: In the CIS, price increases implemented to offset currency fluctuations are not included in the organic growth. Organic growth in the CIS therefore reflects volume and mix variances only).
(2) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.
(3) Net cash flow from operations: defined as cash generated from operations less on-going capital expenditure.
(4) Proforma Desso.

Net sales by segment

€ million	H1 2016	H1 2015	% Change	o/w organic[(1)]
EMEA	471.6	462.6	+2.0%	+5.7%
North America	411.1	373.6	+10.0%	+7.9%
CIS, APAC & LATAM	234.9	277.7	-15.4%	-7.9%
Sports	180.5	160.0	+12.8%	+11.7%
Total Group	**1,298.1**	**1,273.9**	**+1.9%**	**+4.2%**

Adjusted EBITDA(2) by segment

€ million	H1 2016	H1 2015	*H1 2016 Margin (% net sales)*	*H1 2015 Margin (% net sales)*
EMEA	74.8	70.1	*15.9%*	*15.1%*
North America	59.3	33.6	*14.4%*	*9.0%*
CIS, APAC & LATAM	24.8	37.0	*10.6%*	*13.3%*
Sports	18.2	9.9	*10.1%*	*6.2%*
Central costs not allocated	(25.7)	(22.6)	-	-
Total Group	**151.4**	**128.1**	***11.7%***	***10.1%***

(1) Organic growth: At same perimeter and exchange rates (NB: In the CIS, price increases implemented to offset currency fluctuations are not included in the organic growth. Organic growth in the CIS therefore reflects volume and mix variances only).

(2) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.

2.2 Comments by segment

2.2.1 Europe, Middle East, Africa (Emea)

EMEA put in another strong performance, with net sales up by +5.7% on an organic basis. In line with the first quarter trends, most countries delivered growth, in particular the Nordic countries, Germany and the UK. Sales volumes were flat in France and Spain continued to be affected by the political deadlock.

The dynamic Luxury Vinyl Tiles (LVT) category remained the main driver of growth across the region, both in residential and commercial. Our new production line in Poland is on track to be operational by the end of the year.

Reported sales grew by a lower +2.0% due to a reclassification of some Desso sales to other segments and to a negative impact of foreign currencies (mostly the Norwegian krone and the British pound).

The adjusted EBITDA margin reached a new record level of 15.9%, up from 15.1% in H1 2015, thanks to ongoing productivity improvements, volume growth and gains on raw material prices.

2.2.2 North America

In North America, net sales grew by +7.9% organically. All product ranges contributed to this strong growth, including the Vinyl Composition Tiles (VCT) category where we are recovering market share.

Tarkett continues to invest in the expanding LVT category, through digital printing enabling further personalization of designs and decors.

On a reported basis, sales rose by +10.0%, thanks to a slightly stronger US dollar than in H1 2015, and to the reclassification of some Desso sales from EMEA.

The adjusted EBITDA margin increased to a record 14.4% from 9.0% in H1 2015, as a result of volume growth, operational efficiency actions and favorable raw material prices.

2.2.3 CIS, APAC & LATAM

Net sales declined by -7.9% organically, excluding price increases in the CIS countries. In Russia, volumes continued to decrease due chiefly to the lackluster economic climate, but the product mix stopped deteriorating in comparison to last year. Weaker local currencies in the CIS countries affected the reported sales by -€22.6m in H1 2016 ('lag effect' defined as the net impact of currency devaluation mitigated by the three selling price increases implemented since September 2015).
Although the activity was weak in Asia Pacific (except in China), Latin America continued to deliver positive organic growth despite the economic downturn in Brazil.

The adjusted EBITDA margin in the segment reduced to 10.6% from 13.3% in H1 2015, mostly on the back of reduced volumes and weak currencies in the CIS countries (-€12.6m 'selling price lag effect') partially offset by strong cost reduction in those countries in response to the prolonged uncertain economic environment.

Moreover, business development initiatives in China weighed on the adjusted EBITDA through expected start-up costs of the new production line and sales and marketing reinforcement. Latin America succeeded in improving its EBITDA in an adverse economic environment.

2.2.4 Sports

The Sports activities delivered further organic growth with a +11.7% increase, thanks to solid upward trends in most product lines and geographies. Running tracks in North America showed remarkable momentum. The successful installation of our hybrid-turf technology GrassMaster® on several high profile fields - Stade de France, Arsenal in the UK - strengthened our position in this segment of the market.

The strong organic growth combined with productivity initiatives drove further improvement in the adjusted EBITDA margin, which rose to 10.1% compared to 6.2% in H1 2015.

2.3 Net Profit increased by 49% to €45m

Central costs not allocated to the segments slightly increased, mainly as a result of a higher centralization of IT teams and efforts to bolster research & development projects such as our connected floors.

Adjustments to EBIT moved from -€9.2m in H1 2015 to -€11.3m in H1 2016. While restructuring costs were significantly lower than last year since our footprint has been optimized in the past two years, share-based compensation has increased in line with strong financial and share price performance.

Financial expenses were stable over last year and the effective tax rate came out at 35.7%, compared to 36.5% in H1 2015.

2.4 A robust financial structure

Net cash-flow from operations amounted to -€55.3m, compared to -€31.7m in H1 2015. Working capital grew (+€157m vs. +€111m in H1 2015) in line with seasonality and the increase of activity. On-going capital expenditure amounted to €45m versus €42m in H1 2015, remaining in line with our target of 3.0% to 3.5% of net sales.

Net debt decreased by €103m versus end of June 2015, leading to an improvement in the leverage ratio to 1.8x last twelve months adjusted EBITDA vs. 2.3x end of June 2015 (proforma Desso).

The cost and the average maturity of the credit lines were optimized thanks to the issuance of a €300 million private placement in June 2016. This transaction allows Tarkett to diversify its financing sources and highlights investors' confidence in the Group's credit quality as the order book was oversubscribed four times.

2.5 Outlook

North America has anchored its profitable growth strategy and should remain on a positive track in terms of both organic growth and profitability, although the basis of comparison will be higher in the second part of the year. EMEA and Sports also performed very well and should maintain their positive momentum. In the CIS countries, we remain confident in our ability to efficiently manage prices and costs: Tarkett will therefore be very well positioned to benefit from the end of the economic recession in Russia.

The favorable raw materials trend that we experienced over the last year will gradually fade away throughout the rest of the year.

With a very solid balance sheet, Tarkett will continue to seize external growth opportunities.

2.6 Main risks and uncertainties

The main risks and uncertainties that the group may have to face in the next six months are those described in detail in Chapter 6.1 "Main Risks" of the 2015 Registration Document filed with the Autorité des marchés financiers on April 1, 2016.

As of June 30, 2016, there is no significant change in the Group's main legal disputes.

2.7 Related parties transactions

There are no related-party transactions other than those described in note 19 of the annual consolidated financial statements of the 2015 Registration Document and in note 10 of the condensed consolidated interim financial statements included in this report.

3. Condensed interim consolidated financial statements

THE ULTIMATE FLOORING EXPERIENCE

Condensed Interim Consolidated Financial Statements
Six-Month Period Ended June 30, 2016

All figures are presented in millions of Euros unless stated otherwise.

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CONSOLIDATED INCOME STATEMENT

(in millions of euros)	Note	Jan.-June 2016	Jan.-June 2015
Net revenue		**1,298.1**	**1,273.9**
Cost of sales		(936.6)	(947.8)
Gross profit		**361.5**	**326.1**
Other operating income		3.9	5.6
Selling and distribution expenses		(159.0)	(156.1)
Research and development		(19.4)	(16.4)
General and administrative expenses		(97.9)	(90.7)
Other operating expenses		(8.6)	(9.1)
Result from operating activities	(3)	**80.5**	**59.4**
Financial income		0.7	0.8
Financial expenses		(12.0)	(12.7)
Financial income and expense	(7)	**(11.3)**	**(11.9)**
Share of profit of equity accounted investees (net of income tax)		1.7	0.4
Profit before income tax		**70.9**	**47.9**
Total income tax	(8)	(25.3)	(17.5)
Profit from continuing operations		**45.6**	**30.4**
Profit (loss) from discontinued operations (net of income tax)		-	-
Net profit for the period		**45.6**	**30.4**
Attributable to:			
Owners of Tarkett		45.2	30.4
Non-controlling interests		0.4	-
NET PROFIT FOR THE PERIOD		**45.6**	**30.4**
Earnings per share:			
Basic earnings per share (in EUR)	(9)	0.71	0.48
Diluted earnings per share (in EUR)	(9)	0.71	0.48

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	Jan.-June 2016	Jan.-June 2015
Net profit for the period	**45.6**	**30.4**
Other comprehensive income (OCI)		
Foreign currency translation differences for foreign operations	(9.7)	39.6
Changes in fair value of cash flow hedges	3.2	0.3
Income tax on other comprehensive income	(0.9)	(0.1)
OCI to be reclassified to profit and loss in subsequent periods	**(7.4)**	**39.8**
Defined benefit plan actuarial gain (losses)	(22.3)	10.0
Other comprehensive income (OCI)	-	-
Income tax on other comprehensive income	4.6	(1.9)
OCI not to be reclassified to profit and loss in subsequent periods	**(17.7)**	**8.1**
Other comprehensive income for the period, net of income tax	**(25.1)**	**47.9**
Total comprehensive income for the period	**20.5**	**78.3**
Attributable to:		
Owners of Tarkett	20.1	78.1
Non-controlling interests	0.4	0.2
Total comprehensive income for the period	**20.5**	**78.3**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euros)	Note	June 30, 2016	Dec. 31, 2015
ASSETS			
Goodwill	(5)	532.0	538.4
Intangible assets	(5)	113.1	124.2
Property, plant and equipment	(5)	487.3	499.4
Other financial assets		27.6	28.7
Deferred tax assets		95.7	103.1
Other non-current assets		0.5	0.3
Non-current assets		**1,256.2**	**1,294.1**
Inventories	(3)	441.2	376.5
Trade receivables	(3)	447.5	322.0
Other receivables		66.5	60.5
Cash and cash equivalents	(7)	57.4	67.9
Current assets		**1,012.6**	**826.9**
TOTAL ASSETS		**2,268.8**	**2,121.0**

EQUITY AND LIABILITIES			
Share capital	(9)	318.6	318.6
Share premium and reserves		145.8	145.8
Retained earnings		317.6	287.1
Net result for the period		45.2	83.3
Equity attributable to equity holders of the parent		**827.2**	**834.8**
Non-controlling interests		2.3	1.9
Total equity		**829.5**	**836.7**
Interest-bearing loans	(7)	579.9	540.6
Other liabilities		4.4	4.4
Deferred tax liabilities		44.8	47.9
Employee benefits	(4)	161.1	145.5
Provisions and other non-current liabilities	(6)	46.4	46.9
Non-current liabilities		**836.6**	**785.3**
Trade payables	(3)	309.4	247.7
Other liabilities		174.3	191.9
Interest-bearing loans and borrowings	(7)	45.5	9.5
Other financial liabilities		35.5	5.5
Provisions and other current liabilities	(6)	38.0	44.4
Current liabilities		**602.7**	**499.0**
TOTAL EQUITY AND LIABILITIES		**2,268.8**	**2,121.0**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	Jan.-June 2016	Jan.-June 2015
Cash flows from operating activities			
Net profit before tax		70.9	47.9
Adjustments for:			
Depreciation and amortization		60.4	60.3
(Gain) loss on sale of fixed assets		0.2	-
Net finance costs		11.3	11.9
Change in provisions and other non-cash items		4.9	1.1
Share of profit of equity accounted investees (net of tax)		(1.7)	(0.4)
Operating cash flow before working capital changes		**146.0**	**120.8**
Increase (-) / Decrease (+) in trade receivables		(128.6)	(97.0)
Increase (-) / Decrease (+) in other receivables		(4.9)	1.0
Increase (-) / Decrease (+) in inventories		(67.6)	(77.7)
Increase (+) / Decrease (-) in trade payables		62.8	64.4
Increase (+) / Decrease (-) in other payables		(18.4)	(1.5)
Changes in working capital		**(156.7)**	**(110.7)**
Cash generated from operations		**(10.7)**	**10.1**
Net interest paid		(12.6)	(13.2)
Net income taxes paid		(18.7)	(16.4)
Other		(2.6)	(0.1)
Other operating items		**(33.9)**	**(29.6)**
NET CASH (USED IN) / FROM OPERATING ACTIVITIES		**(44.6)**	**(19.5)**
Cash flows from investing activities			
Acquisition of subsidiaries net of cash acquired	(2)	(0.1)	(1.6)
Acquisition of property, plant and equipment and intangible assets	(5)	(43.9)	(41.8)
Proceeds from sale of property, plant and equipment	(5)	0.4	0.2
Effect of changes in the scope of consolidation		(0.1)	-
NET CASH FROM / (USED IN) INVESTMENT ACTIVITIES		**(43.7)**	**(43.2)**
Net cash from / (used in) financing activities			
Acquisition of NCI without a change in control		(4.0)	0.3
Proceeds from loans and borrowings		410.4	479.9
Repayment of loans and borrowings		(328.0)	(454.1)
Payment of finance lease liabilities		(0.2)	(0.2)
Dividends		-	-
NET CASH FROM / (USED IN) FINANCING ACTIVITIES		**78.2**	**25.9**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(10.1)**	**(36.7)**
Cash and cash equivalents, beginning of period		67.9	135.1
Effect of exchange rate fluctuations on cash held		(0.4)	2.7
CASH AND CASH EQUIVALENTS, END OF PERIOD		**57.4**	**101.2**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in millions of euros)	Share capital	Share premium and reserves	Translation reserves	Reserves	**Total equity (Group share)**	Non-controlling interests	**Total equity**
Balance at January 1, 2015	**318.6**	**145.8**	**(47.1)**	**303.3**	**720.6**	**5.2**	**725.8**
Net profit for the period	-	-	-	30.4	**30.4**	-	**30.4**
Other comprehensive income	-	-	39.6	8.1	**47.7**	0.2	**47.9**
Total comprehensive income for the period	**-**	**-**	**39.6**	**38.5**	**78.1**	**0.2**	**78.3**
Dividends	-	-	-	(24.1)	**(24.1)**	-	**(24.1)**
Share-based payments	-	-	-	0.8	**0.8**	-	**0.8**
Acquisition of NCI without a change in control	-	-	-	(5.0)	**(5.0)**	(3.6)	**(8.6)**
Other	-	-	-	(0.7)	**(0.7)**	-	**(0.7)**
Total transactions with shareholders	**-**	**-**	**-**	**(29.0)**	**(29.0)**	**(3.6)**	**(32.6)**
Balance at June 30, 2015	**318.6**	**145.8**	**(7.5)**	**312.8**	**769.7**	**1.8**	**771.5**
Balance at January 1, 2016	**318.6**	**145.8**	**1.4**	**369.0**	**834.8**	**1.9**	**836.7**
Net profit for the period	-	-	-	45.2	**45.2**	0.4	**45.6**
Other comprehensive income, net of taxes	-	-	(9.7)	(15.4)	**(25.1)**	-	**(25.1)**
Total comprehensive income for the period	-	**-**	**(9.7)**	**29.8**	**20.1**	**0.4**	**20.5**
Dividends	-	-	-	(33.1)	**(33.1)**	-	**(33.1)**
Own shares (acquired) / sold	-	-	-	0.2	**0.2**	-	**0.2**
Share-based payments	-	-	-	5.6	**5.6**	-	**5.6**
Other	-	-	-	(0.4)	**(0.4)**	-	**(0.4)**
Total transactions with shareholders	**-**	**-**	**-**	**(27.7)**	**(27.7)**	**-**	**(27.7)**
Balance at June 30, 2016	**318.6**	**145.8**	**(8.3)**	**371.1**	**827.2**	**2.3**	**829.5**

NOTE 1 - BASIS OF PREPARATION

1.1 GENERAL INFORMATION

Tarkett's summary consolidated financial statements for the six-month period ending June 30, 2016 reflect the financial condition of Tarkett and its subsidiaries (the "**Group**") as well as its interests in associates and joint ventures.

The Group is a leading global flooring and sports surfaces company, providing integrated solutions to professionals and end-users in the residential and commercial markets.

The Group completed its initial public offering on November 21, 2013.

The Group's registered office is located at *1 Terrasse Bellini - Tour Initiale - 92919 Paris La Défense, France*.

The interim summary consolidated financial statements were authorized for issue by the Management Board on July 26, 2016.

1.2 SIGNIFICANT ACCOUNTING PRINCIPLES

1.2.1 STATEMENT OF COMPLIANCE AND APPLICABLE STANDARD

The condensed interim consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). In accordance with IAS 34, the accompanying notes relate only to significant events for the six-month period ended June 30, 2016 and do not include all of the information required for complete annual financial statements. They should therefore be read in conjunction with the consolidated financial statements as at December 31, 2015.

a) AMENDMENTS OR REVISIONS TO EXISTING STANDARDS AND INTERPRETATIONS APPLIED DURING THE PERIOD

The Group has not implemented early application of any new standards or interpretations during the period.

b) EARLY ADOPTION OF NEW STANDARDS OR INTERPRETATIONS DURING THE PERIOD

The Group has not implemented early application of any new standards or interpretations during the period.

c) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group is currently analyzing the impact of applying IFRS 15, "Revenue from Contracts with Customers," which will apply to the Group as from the fiscal year beginning January 1, 2018 if adopted by the European Union.

The Group is not aware of any other recent changes to IFRS standards that may be adopted early but have not yet been implemented by the Group.

1.3 SEASONALITY

The Group's business is significantly affected by seasonality. The first half of the year is structurally smaller than the second, due to weather conditions that are more favorable to the construction industry and exterior installations, as well as to the increased availability of certain buildings, such as schools and universities, for renovation.

Consequently, the operating results for the first half of 2016 are not necessarily indicative of results to be expected for the full year 2016.

NOTE 2 - CHANGES IN SCOPE OF CONSOLIDATION

The Tarkett Group's scope of consolidation is as follows.

Number of companies	Dec. 31, 2015	Mergers	Acquisitions	Liquidations	June 30, 2016
Fully consolidated companies	**88**	-	-	**(2)**	**86**
Equity-accounted companies	**1**	**-**	**-**	**-**	**1**
TOTAL	**89**	**-**	**-**	**(2)**	**87**

Transactions completed during the first six months of 2016

a) Liquidations

In April 2016, Galerija Podova D.o.o Banja Luka was liquidated.
In June 2016, Desso Sports Systems GmbH was liquidated.

Transactions completed in 2015

a) Mergers

In April 2015, Tarkett Jaslo Sp z.o.o. was merged into Tarkett Polska Sp z.o.o.
In June 2015, Desso Holding BV was merged into STAP B BV. Following the merger, STAP B BV was renamed Desso Holding BV.
In July 2015, Desso Asia Ltd and Desso Trading Asia Ltd were merged into Tarkett Hong Kong.
In September 2015, Desso GmBH was merged into Tarkett GmBH.
In November 2015, Desso SA was merged into Tarkett Floors, SL.

b) Acquisitions

On April 30, 2015, through its subsidiary Beynon Sports Surfaces Inc., Tarkett acquired certain assets of California Track and Engineering ("CTE"), a company specialized in the sale and installation of athletic tracks. Certain key employees of the company joined the Group following the transaction. In addition, CTE has since ceased all commercial installation activity.
On December 31, 2015, Tarkett acquired Ambiente Textil Handelsgesellschaff m.b.h. ("Ambiente"), Desso's exclusive distributor in Austria.
Ambiente has been fully consolidated and held at 100% since its acquisition by Tarkett.
Information relating to goodwill generated by these acquisitions is included in Note 5.1.

c) Liquidations

In July 2015, Desso Pty Ltd. was removed from the trade register.
In December 2015, Desso Masland Hospitality LLC was liquidated.

d) Acquisition option

In August 2015, Tarkett exercised its option to acquire the 49% minority interest in Easyturf. Easyturf, which was already fully consolidated, is now 100% owned by the Group.

NOTE 3 - OPERATING DATA

3.1 COMPONENTS OF THE INCOME STATEMENT

Adjusted EBITDA is a key indicator permitting the Group to measure its operating and recurring performance.

It is calculated by deducting the following revenues and expenses from operating income before depreciation and amortization:

- restructuring costs to improve the future profitability of the Group;
- gains or losses on disposals of significant assets;
- impairment and reversal of impairment based on Group impairment testing only;
- costs related to business combinations and legal reorganizations, including legal fees, transactions costs, advisory fees and other adjustments;
- expenses related to share-based payments due to their non-cash nature; and
- other one-off expenses considered exceptional by their nature.

(in millions of euros)	Jan.-June 2016	Of which adjustments: Restructuring	Gains/losses on asset sales/impairment	Business combinations	Share-based payments	Other	Jan.-June 2016 adjusted
Net revenue	**1,298.1**	**-**	**-**	**-**	**-**	**-**	**1,298.1**
Cost of sales	(936.6)	(1.3)	-	-	-	-	(935.3)
Gross profit	**361.5**	**(1.3)**	**-**	**-**	**-**	**-**	**362.8**
Other operating income	5.0	-	-	-	-	-	5.0
Selling and distribution expenses	(159.0)	(0.1)	-	-	-	-	(158.9)
Research and development	(19.4)	-	-	-	-	-	(19.5)
General and administrative expenses	(97.9)	(1.4)	(0.8)	(0.1)	(5.6)	(0.9)	(89.2)
Other operating expenses	(9.7)	-	-	(1.0)	-	-	(8.6)
Result from operating activities (EBIT)	**80.5**	**(2.9)**	**(0.8)**	**(1.1)**	**(5.6)**	**(0.9)**	**91.8**
Depreciation and amortization	60.4	-	0.8	-	-	-	59.6
EBITDA	**140.9**	**(2.9)**	**-**	**(1.1)**	**(5.6)**	**(0.9)**	**151.4**

(in millions of euros)	Jan.-June 2015	Of which adjustments: Restructuring	Gains/losses on asset sales/impairment	Business combinations	Share-based payments	Other	Jan.-June 2015 adjusted
Net revenue	**1,273.9**	**-**	**-**	**-**	**-**	**-**	**1,273.9**
Cost of sales	(947.8)	(4.9)	0.2	-	-	-	(943.1)
Gross profit	**326.1**	**(4.9)**	**0.2**	**-**	**-**	**-**	**330.8**
Other operating income	5.6	0.7	-	-	-	0.7	4.3
Selling and distribution expenses	(156.1)	(0.5)	-	-	-	-	(155.6)
Research and development	(16.4)	(0.1)	-	-	-	-	(16.3)
General and administrative expenses	(90.7)	(0.4)	(0.8)	(0.1)	(0.9)	(0.9)	(87.6)
Other operating expenses	(9.1)	-	-	(2.1)	-	-	(6.9)
Result from operating activities (EBIT)	**59.4**	**(5.2)**	**(0.6)**	**(2.2)**	**(0.9)**	**(0.3)**	**68.6**
Depreciation and amortization	60.3	-	0.8	-	-	-	59.5
EBITDA	**119.7**	**(5.2)**	**0.2**	**(2.2)**	**(0.9)**	**(0.3)**	**128.1**

3.2 SEGMENT INFORMATION

By operating segment

Jan.-June 2016 (in millions of euros)	Flooring			Sports Surfaces	Central	Group
	EMEA	North America	CIS, APAC and Latin America			
Net revenue	**471.6**	**411.1**	**234.9**	**180.5**	**-**	**1,298.1**
Gross profit	**155.1**	**128.6**	**39.1**	**38.7**	**-**	**361.5**
% of net sales	*32.9%*	*31.3%*	*16.6%*	*21.4%*		*27.8%*
Adjusted EBITDA	**74.8**	**59.3**	**24.8**	**18.2**	**(25.7)**	**151.4**
% of net sales	*15.9%*	*14.4%*	*10.6%*	*10.1%*		*11.7%*
Adjustments	**(1.0)**	**(1.3)**	**(1.1)**	**(0.3)**	**(6.8)**	**(10.5)**
EBITDA	**73.8**	**58.0**	**23.7**	**17.9**	**(32.5)**	**140.9**
% of net sales	*15.6%*	*14.1%*	*10.1%*	*9.9%*		*10.9%*
EBIT	**52.6**	**34.1**	**5.3**	**10.0**	**(21.5)**	**80.5**
% of net sales	*11.2%*	*8.3%*	*2.3%*	*5.5%*		*6.2%*
Ongoing capital expenditures	**19.8**	**7.7**	**6.8**	**6.1**	**4.2**	**44.6**

Jan.-June 2015 (in millions of euros)	Flooring			Sports Surfaces	Central	Group
	EMEA	North America	CIS, APAC and Latin America			
Net revenue	**462.6**	**373.6**	**277.7**	**160.0**	**-**	**1,273.9**
Gross profit	**149.9**	**97.2**	**49.1**	**29.4**	**0.5**	**326.1**
% of net sales	*32.4%*	*26.0%*	*17.7%*	*18.4%*		*25.6%*
Adjusted EBITDA	**70.1**	**33.6**	**37.0**	**9.9**	**(22.6)**	**128.1**
% of net sales	*15.1%*	*9.0%*	*13.3%*	*6.2%*		*10.1%*
Adjustments	**(3.4)**	**(1.7)**	**(0.6)**	**-**	**(2.7)**	**(8.4)**
EBITDA	**66.8**	**31.9**	**36.4**	**9.9**	**(25.3)**	**119.7**
% of net sales	*14.4%*	*8.5%*	*13.1%*	*6.2%*		*9.4%*
EBIT	**49.3**	**9.3**	**14.7**	**1.7**	**(15.5)**	**59.4**
% of net sales	*10.7%*	*2.5%*	*5.3%*	*1.1%*		*4.7%*
Ongoing capital expenditures	**12.4**	**8.9**	**10.3**	**5.1**	**5.1**	**41.8**

3.3 BREAKDOWN OF WORKING CAPITAL REQUIREMENT

As a result of seasonality effects, business is stronger during the second and third quarters of the year as compared with the first and last quarters. The result is an automatic increase in trade receivables and trade payables as of June 30, based on second-quarter activity. Inventories are also generally higher at the end of June, in preparation for peak activity in the third quarter.

NOTE 4 - EMPLOYEE BENEFITS

Employee benefits

In accordance with the laws and practices of each country in which it operates, the Group participates in employee benefit plans providing retirement pensions, post-retirement health care, other long term benefits (jubilees) and post-employment benefits (retirement indemnities, pre-retirement) to eligible employees, former employees, retirees and their beneficiaries fulfilling the required conditions.

Amounts recognized in respect of employee benefit obligations in the statement of financial position as of June 30, 2016 are generally determined by adjusting the opening statement of financial position for the current service cost, interest cost, and benefits paid as projected by the actuaries in 2015 for 2016. However, where material changes occur, such as significant changes in market conditions, provisions for retirement and similar benefits and the value of the plans are adjusted as of June 30, 2016 through the use of the sensitivity analyses.

Assumptions:

Accounting for actuarial values is based on long-term interest rates, predicted future increases in salaries and inflation rates. The main assumptions are presented below:

	June 30, 2016		Dec. 31, 2015	
	Pensions	Other employment-related commitments	Pensions	Other employment-related commitments
Discount rate	3.03%		3.70%	
Including:				
United States	3.75%	4.50%	4.50%	4.50%
Germany	1.25%		2.00%	
Sweden	2.75%		3.50%	
United Kingdom	2.85%		3.60%	
Canada	3.70%		4.20%	
Salary increases	2.62%		2.62%	
Inflation	2.28%		2.28%	

Discount rates are determined by reference to the yield on high-quality bonds. They are calculated on the basis of external indices commonly used as references:

- United States: iBoxx $ 15+ year AA
- Euro zone: iBoxx € Corporate AA 10+
- Sweden: bonds of Swedish companies
- United Kingdom: iBoxx £ 15+ year AA
- Canada: Canadian AA “Mercer Yield Curve Canada” bonds

Change in net liabilities recognized in the balance sheet (*in millions of euros*)	June 30, 2016			Dec. 31, 2015		
	Pensions	Other employment-related commitments	TOTAL	Pensions	Other employment-related commitments	TOTAL
Balance sheet liability/asset at beginning of year	**134.4**	**11.1**	**145.5**	**149.1**	**6.3**	**155.4**
Total expenses recognized in income statement	4.1	(4.5)	(0.4)	7.1	4.7	11.7
Amounts recognized in OCI in the financial year	22.3	-	22.3	(16.0)	(0.1)	(16.1)
Business combinations / divestitures / transfers	-	-	-	(0.6)	-	(0.6)
Employee contributions	(2.1)	-	(2.1)	(4.7)	-	(4.7)
Benefit payments from employer	(2.3)	(0.1)	(2.4)	(4.7)	(0.2)	(4.9)
Exchange rate adjustment (gain) / loss	(1.7)	(0.1)	(1.8)	4.2	0.4	4.6
Balance sheet liability/asset at end of year	**154.7**	**6.4**	**161.1**	**134.4**	**11.1**	**145.5**

Other employment-related commitments include the variable portion of put and call options on minority interests, which are considered to be compensation.

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

5.1 GOODWILL

The changes in goodwill can be analyzed as follows:

(in millions of euros)	June 30, 2016	Dec. 31, 2015
Opening carrying amount	538.4	532.6
New goodwill	-	1.6
Adjustment to initial allocation of Ambiente	0.1	-
Adjustment to initial purchase price allocation of Desso	-	(28.7)
Foreign exchange effects	(6.5)	33.0
Closing carrying amount	**532.0**	**538.4**

The foreign exchange effect of €(6.5) million related primarily to the exchange rate between the euro and the U.S. dollar.

5.2 PRINCIPAL CHANGES IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Ongoing capital expenditures are defined as investments in tangible and intangible assets other than factory construction and acquisitions of companies or activities.

During the first half of 2016, in connection with its ongoing capital expenditures, the Group capitalized assets totaling €43.2 million (as of the first half 2015: €38.3 million).

Asset sales during the first half of 2016 totaled €0.4 million (as of the first half 2015: €0.2 million).

During the first half of 2016, depreciation and amortization totaled €60.4 million (as of the first half of 2015: €60.3 million).

The remaining variation in assets corresponds primarily to the impacts of foreign currency translation differences for €4.6 million.

5.3 IMPAIRMENT

The Group carried out an analysis for indications of possible impairment as of June 30, 2016. Impairment testing was performed on the North American Residential and APAC CGU. The analysis and testing did not result in recording any impairment as of June 30, 2016.

Testing of the value of goodwill and other intangible assets will be performed systematically during the second half of the year.

NOTE 6 - PROVISIONS

6.1 PROVISIONS

Changes in provisions can be analyzed as follows:

(in millions of euros)	Dec. 31, 2015	Allowance	Reversal	Change in scope	Transfer	Foreign exchange effect	June 30, 2016
Product warranty provision	2.3	0.1	-	-	-	-	2.4
Restructuring provisions	-	-	-	-	-	-	-
Claims & litigation provisions	3.0	0.1	(0.1)	-	-	0.3	3.3
Other provisions	3.6	-	-	-	-	-	3.6
Provision for additional tax assessments	1.8	-	(0.1)	-	-	-	1.7
Financial provisions	36.2	0.4	(0.5)	-	-	(0.7)	35.4
Total Provisions - Long-term	**46.9**	**0.6**	**(0.7)**	**-**	**-**	**(0.4)**	**46.4**
Product warranty provision	24.2	1.0	(2.6)	-	-	(0.3)	22.3
Restructuring provisions	8.8	1.3	(3.9)	-	0.1	-	6.3
Claims & litigation provisions	11.3	0.7	(2.6)	-	0.1	(0.1)	9.4
Other provisions	0.1	-	(0.1)	-	-	-	-
Total Provisions - Short-term	**44.4**	**3.0**	**(9.2)**	**-**	**0.2**	**(0.4)**	**38.0**
Total Provisions	**91.3**	**3.6**	**(9.9)**	**-**	**0.2**	**(0.8)**	**84.4**

6.2 POTENTIAL LIABILITIES

In late March 2013, the “Autorité de la concurrence” (French Competition Authority) launched investigations against several flooring manufacturers, including Tarkett, in relation to possible anti-competitive practices in the French market for vinyl flooring.

The investigations are still ongoing. The timing of their finalization is currently not known and it is not yet possible to evaluate their potential outcome.

NOTE 7 - FINANCING AND FINANCIAL INSTRUMENTS

7.1 FINANCIAL RESULT

(in millions of euros)	Jan.-June 2016	Jan.-June 2015
Interest income on loan assets & cash equivalents	0.5	0.6
Other financial income	0.2	0.2
Total financial income	**0.7**	**0.8**
Interest expenses on loans and overdrafts	(5.5)	(7.6)
Finance leases	(0.1)	-
Commission expenses on financial liabilities	(2.4)	(2.9)
Cost of loans and debt renegotiation	(0.4)	-
Interest on provisions for pensions	(2.6)	(2.4)
Foreign exchange gains and losses	1.3	(0.1)
Impairment on financial assets	(0.1)	(0.2)
Changes in value of derivative instruments	(2.0)	0.6
Other financial expense	(0.2)	(0.1)
Total financial expenses	**(12.0)**	**(12.7)**
FINANCIAL RESULT	**(11.3)**	**(11.9)**

7.2 NET DEBT – INTEREST-BEARING LOANS AND BORROWINGS

7.2.1 Net Debt

(in millions of euros)	June 30, 2016		Dec. 31, 2015	
	Long-term	Short-term	Long-term	Short-term
Bank loans (secured)	-	33.1	-	-
Bank loans (unsecured)	274.7	3.8	536.6	4.5
Issuance of unsecured bonds	300.9	-	-	-
Other loans (unsecured)	0.2	0.2	-	2.0
Bank overdrafts (unsecured)	-	7.8	-	4.0
Finance lease obligations	4.1	0.6	4.0	0.9
Interest bearing loans and borrowings	**579.9**	**45.5**	**540.6**	**11.4**

	June 30, 2016	Dec. 31, 2015
Total interest bearing loans and borrowings	**625.4**	**550.2**
Cash and cash equivalents	(57.4)	(67.9)
Net debt	**568.0**	**482.3**

On June 21, 2016, Tarkett completed the issuance of a German-law private placement (known as a "Schuldschein") in the following tranches:

- €56.5 million five-year fixed rate;
- €67.5 million five-year floating rate;
- USD 56.5 million five-year floating rate;
- €91 million seven-year fixed rate; and
- €35 million seven-year floating rate,

The principal legal and financial undertakings in the issuance agreement are similar to those of the revolving syndicated credit facility entered into in June 2015. The proceeds from the issuance were used for the partial early repayment of €300 million of the €450 million term loan entered into in October 2013, which is thus reduced to €150 million.

All of the bank loans are unsecured, with the exception of the assignment-of-receivables credit line, and primarily include:

- A €150.0 million syndicated term facility drawn down in two tranches in October 2013 and January 2014, and maturing in full in October 2018.
- The above-mentioned "Schuldschein" for €250.0 million and USD 56.5 million, entered into on June 21, 2016 and of which €126 million matures in June 2023 and the remainder matures in June 2021.
- A €650.0 million multicurrency revolving syndicated credit facility entered into in June 2015, of which USD 133.0 million had been used as of June 30, 2016.

A French-law, German-law, and Spanish-law €50.0 million assignment-of-receivables line of credit, of which €33 million had been used as of June 30, 2016. Although the maturity date of the credit line was extended to December 31, 2018 by amendment dated June 3, 2016, it remains classified in short-term debt because it is backed by short-term trade receivables.

7.2.2 Details of loans and borrowings

(in millions of euros) June 30, 2016	Currency of draw-down	Interest rate	Total	12 months or less until 6/30/2017	2 years until 6/30/2018	3 to 5 years until 6/30/2021	More than 5 years
Unsecured loans							
Term Facilities Europe	EUR	0.40%-1.75%	157.0	2.3	2.3	152.4	-
Term Facilities Europe	USD	0.0%	-	-	-	-	-
Revolving Facilities Europe	USD	1.06%	119.8	-	-	119.8	-
Other bank loans	EUR-BRL	1.75%-20.27%	1.7	1.5	0.1	0.1	-
Total bank loans			**278.5**	**3.8**	**2.4**	**272.3**	**-**
Private Placement Europe	EUR	1.25%-1.65%	250.0	-	-	124.0	126.0
Private Placement Europe	USD	2.39%	50.9	-	-	50.9	-
Financing backed by business receivables	EUR	0.45%	33.1	33.1	-	-	-
Other loans		0.50%	0.4	0.2	0.1	0.1	-
Bank overdrafts			7.8	7.8	-	-	-
Finance lease obligations			4.7	0.6	1.0	2.3	0.8
Total interest-bearing loans			**625.4**	**45.5**	**3.5**	**449.6**	**126.8**

(in millions of euros) Dec. 31, 2015	Currency of draw-down	Interest rate	Total	12 months or less until 12/31/2016	2 years until 12/31/2017	3 to 5 years until 12/31/2020	More than 5 years
Unsecured loans							
Term Facilities Europe	USD	0.4%-2.0%	457.0	2.3	2.3	452.4	-
Other bank loans	EUR-BRL	1.4%	81.7	-	-	81.7	-
Other bank loans		1.7%-4.8%	2.4	2.2	0.2	-	-
Total bank loans			**541.1**	**4.5**	**2.5**	**534.1**	**-**
Other loans	EUR	0.5%	0.2	0.2	-	-	-
Bank overdrafts		0.5%-5.5%	4.0	4.0	-	-	-
Finance lease obligations			4.9	0.9	1.1	2.9	-
Total interest-bearing loans			**550.2**	**9.6**	**3.6**	**537.0**	**-**

7.2.3 Covenants

The facilities mentioned above contain covenants binding on the borrower, including financial ratio covenants: the ratio of net debt to adjusted EBITDA may not exceed 3.0, and the ratio of EBIT to net interest may not be lower than 2.5.

The Group is in compliance with all of its banking covenants as of June 30, 2016, as well as with the financial ratio covenants, as detailed below:

Net debt/adjusted EBITDA *(in millions of euros)*	June 30, 2016	Dec. 31, 2015
Net debt	568.0	482.3
Adjusted EBITDA for last 12 months	308.6	285.3
Ratio (1)	**1.8**	**1.7**

(1) must be below 3.0

Adjusted EBIT/Net interest *(in millions of euros)*	June 30, 2016	Dec. 31, 2015
Adjusted EBIT for last 12 months	184.6	161.4
Net interest for last 12 months	10.4	12.3
Ratio (2)	**17.8**	**13.1**

(2) Must be above 2.5

7.2.4 Fair value of financial assets and liabilities

June 30, 2016	Fair Value Category	Hedging Derivatives	Assets designated at fair value through profit and loss	Loans and receivables	Liabilities at amortized cost	Carrying amount	Fair value
Non current financial assets valued at amortized value	Level 2	-	-	11.6	-	**11.6**	**11.6**
Non current financial assets valued at fair value	Level 2	-	16.0	-	-	**16.0**	**16.0**
Trade receivables		-	-	447.5	-	**447.5**	**-**
Cash and cash equivalents	Level 2	-	57.4	-	-	**57.4**	**57.4**
Loans and borrowings	Level 2	-	-	-	625.5	**625.5**	**625.5**
Other financial liabilities, non-current	Level 2	-	-	-	4.3	**4.3**	**4.3**
Other financial liabilities, current	Level 2	0.6	-	-	34.9	**35.5**	**35.5**
Trade payables		-	-	-	309.4	**309.4**	**-**

Dec. 31, 2015	Fair Value Category	Hedging Derivatives	Assets designated at fair value through profit and loss	Loans and receivables	Liabilities at amortized cost	Carrying amount	Fair value
Non current financial assets valued at amortized value	Level 2	-	-	12.2	-	**12.2**	**12.2**
Non current financial assets valued at fair value	Level 2	-	17.8	-	-	**17.8**	**17.8**
Trade receivables		-	-	322.0	-	**322.0**	**-**
Cash and cash equivalents	Level 2	-	67.9	-	-	**67.9**	**67.9**
Loans and borrowings	Level 2	-	-	-	550.2	**550.2**	**550.2**
Other financial liabilities, non-current	Level 2	-	-	-	4.4	**4.4**	**4.4**
Other financial liabilities, current	Level 2	0.7	-	-	4.8	**5.5**	**5.5**
Trade payables		-	-	-	247.7	**247.7**	**-**

Fair values are categorized into three levels in a fair value hierarchy based on the inputs used in the valuation techniques, as follows:

- Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or the liability, either directly (prices) or indirectly (derived from prices).
- Level 3: inputs relating to the asset or liability that are not based on observable market data (unobservable inputs).

7.2.5 FINANCIAL RISK MANAGEMENT

The Group's financial risk (market risk, credit risk and liquidity risk) management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2015.

NOTE 8 - INCOME TAX EXPENSE

Income tax (current and deferred) for the interim period is calculated on the basis of the half-year results. It is noted that recognition of deferred taxes is adjusted only to reflect changes during the half year.

(in millions of euros)	**Jan.-June 2016**	**Jan.-June 2015**
Current tax	(18.5)	(20.3)
Deferred tax	(6.8)	2.8
Total income tax	**(25.3)**	**(17.5)**

Theoretical income taxes determined using the French corporate income tax rate of 34.43% for 2016 and 2015 can be reconciled as follows to the actual income tax charge:

(in millions of euros)	**Jan.-June 2016**	**Jan.-June 2015**
Income tax at French income tax rate	(24.4)	(16.5)
Effect of:		
Taxation of foreign companies at different rates	5.6	6.9
Exchange rate effects on tax bases	2.5	2.1
Recognition of deferred tax assets relating to previous years	0.9	0.7
Changes in unrecognized deferred tax assets	(1.2)	(2.6)
Permanent differences - non-deductible items	(5.4)	(0.7)
Tax effects relating to distributions	(1.7)	(4.1)
Other items	(1.6)	(3.3)
Income tax expense recorded	**(25.3)**	**(17.5)**
Effective rate	**35.7%**	**36.5%**

Taxation of foreign companies at different rates:

The main contributing countries are Russia, with a local income tax rate of 20%, Sweden, with a local tax rate of 22%, and the Netherlands, with a local tax rate of 25%.

Exchange rate effects on tax bases:

The deferred tax income of €2.5 million is due to the effect of changes in the exchange rate on non-monetary assets and liabilities of entities whose functional currency is different from the local currency. Recognition of this income is required by IFRS, even if the revalued tax basis does not generate any tax obligation in the future.

Effect of permanent differences - non-deductible items

Effects of permanent differences - non-deductible items are primarily due to the tax treatment of certain income and expenses.

In the first half of 2016, they related primarily to the specificities of share-based payments, exchange rate changes, and certain provisions.

Tax effects relating to distributions:

Tax effects related to distributions primarily relate to the French 3% contribution.

NOTE 9 - SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

9.1 SHARE CAPITAL

	June 30, 2016	Dec. 31, 2015
Share capital *(in €)*	318,613,480	318,613,480
Number of shares	63,722,696	63,722,696
Par value *(in €)*	5.0	5.0

9.2 EARNINGS PER SHARE & DIVIDENDS

Weighted average number of shares outstanding (basic earnings)

(in thousands of shares)	Jan.-June 2016	Jan.-June 2015
Weighted average number of shares during the period	63,723	63,723
Weighted average number of treasury shares held by Tarkett	(205)	(183)
Weighted average number of shares outstanding	**63,518**	**63,540**

Basic earnings per share

Basic earnings per share as of June 30, 2016 are calculated on the basis of the Group's share of net profit and on the weighted average number of shares outstanding during the period (and after deduction of the weighted average number of treasury shares).

	Jan.-June 2016	Jan.-June 2015
Profit for the period attributable to Tarkett shareholders *(in m€)*	45.2	30.4
Weighted average number of shares outstanding	63,518	63,540
Basic earnings per share *(in €)*	**0.71**	**0.48**

Weighted average number of shares outstanding (diluted earnings)

(in thousands of shares)	Jan.-June 2016	Jan.-June 2015
Weighted average number of shares during the period	63,723	63,723
Weighted average number of treasury shares held by Tarkett	(205)	(183)
Impact of share-based payment plans	183	183
Number of shares potentially outstanding at the end of the period (diluted)*	**63,701**	**63,723**

**free share grant plans provide only for the grant of existing shares and not for issuance of new shares.*

Diluted earnings per share

Diluted earnings per share as of June 30, 2016 are calculated on the basis of the Group's share of net profit and on the weighted average number of shares outstanding during the period and the weighted average number of potential shares outstanding (and after deduction of the weighted average number of treasury shares).

	Jan.-June 2016	Jan.-June 2015
Profit for the period attributable to Tarkett shareholders *(in m€)*	45.2	30.4
Number of shares potentially outstanding at the end of the period (diluted)	63,701	63,723
Diluted earnings per share *(in €)*	**0.71**	**0.48**

Dividends

Tarkett paid dividends in the amount of €0.52 per share to its shareholders on July 7, 2016, in accordance with the decision of the General Shareholders' meeting of April 26, 2016. In 2015, the Group had paid a dividend of €0.38 per share.

NOTE 10 - RELATED PARTIES

In accordance with IAS 24, "Related Party Disclosures," the Group has identified the following related parties:

1. Joint ventures;
2. The Group's principal shareholders, the Société d'Investissement Deconinck ("**SID**") and KKR International Flooring 2 SARL;
3. The members of Tarkett's Management Board and Supervisory Board.

Transactions entered into during the first half of the year with the Group's joint ventures and principal shareholders are detailed below.

10.1 JOINT VENTURES

All transactions between fully consolidated entities are eliminated in consolidation.

Transactions with related entities and jointly held entities are entered into on arm's length terms.

The Group has only one joint venture, Laminate Park GmbH & Co KG, jointly controlled with the group Sonae in Germany.

The Group's transactions with its joint venture may be summarized as follows:

	Jan.-June 2016	Jan.-June 2015
Joint ventures		
Sale of goods to Tarkett	12.8	13.2
Purchase of services from Tarkett	(0.5)	(0.8)

In addition, loans between the Tarkett Group and its joint ventures totaled €9.2 million as of June 30, 2016 (as compared with €9.2 million as of December 31).

10.2 PRINCIPAL SHAREHOLDERS

Société d'Investissement Deconinck holds 50.18% of Tarkett's share capital and as such controls and coordinates the Group's activities.

As of June 30, 2016, SID had invoiced a total of €250 thousand under the Assistance Agreement (as compared with €250 thousand as of June 30, 2015).

Tarkett is a party to a Service Agreement with SID providing for a lump-sum annual payment of €75.0 thousand.

As of June 30, 2016, Tarkett had invoiced a total of €37.5 thousand under the Service Agreement (as compared with €37.5 thousand as of June 30, 2015).

KKR International Flooring 2 SARL (KKR) holds 15.70% of Tarkett's share capital, and therefore has significant influence. SID and KKR are parties to a shareholders' agreement.

10.3 MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

None.

NOTE 11 - SUBSEQUENT EVENTS

As of the date hereof, there are no material subsequent events to be disclosed.

4. Statutory Auditors report

KPMG Audit
Tour Eqho
2 avenue Gambetta
CS 60055
92066 Paris La Défense Cedex
France

Mazars
61, rue Henri Regnault
92075 Paris La Défense
France

Tarkett

Statutory Auditors Review Report on the 2016 summary interim consolidated financial statements

For the six-month period ended 30 June 2016

Tarkett

Tour initiale - 1, Terrasse Bellini - 92919 Paris La Défense

This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Tarkett

Registered office: Tour initiale - 1, Terrasse Bellini - 92919 Paris La Défense

Share capital: €.318 613 480

Statutory Auditors Review Report on the 2016 summary interim consolidated financial statements

For the six-month period ended 30 June 2016

To the Shareholders

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying summary interim consolidated financial statements for the six-month period ended 30 June 2016,
- the verification of the information presented in the half-yearly management report.

These summary interim consolidated financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these summary interim consolidated financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying summary interim consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

II. Specific verification

We have also verified information given in the half-yearly management report on summary interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the summary interim consolidated financial statements.

The Statutory Auditors

Paris La Défense, 27 July 2016

KPMG Audit *A division of KPMG S.A.*	Mazars	
Philippe Grandclerc *Partner*	Juliette Decoux *Partner*	Eric Schwaller *Partner*