Summary Interim Consolidated Financial Statements

Six-month period ended June 30, 2018

THE ULTIMATE FLOORING EXPERIENCE

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Unofficial translation, for information purposes only, of the French language.
The present interim financial report relates to the half-year ended June 30, 2018 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. Summary Interim Consolidated Financial Statements

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

Consolidated income statement

(in millions of euros)	Note	January - June 2018	January - June 2017
Net revenue		1,317.3	1,364.0
Cost of sales		(995.8)	(1,001.7)
Gross profit		321.5	362.3
Other operating income		5.8	16.9
Selling and distribution expenses		(162.6)	(163.2)
Research and development		(19.9)	(19.6)
General and administrative expenses		(89.1)	(103.7)
Other operating expenses		(7.3)	(156.4)
Result from operating activities	(3)	**48.4**	**(63.7)**
Financial income		0.4	0.7
Financial expenses		(12.1)	(12.9)
Financial income and expense	(7)	**(11.7)**	**(12.2)**
Share of profit of equity accounted investees (net of income tax)		0.4	1.3
Profit before income tax		37.1	(74.6)
Total income tax	(8)	(8.0)	(22.9)
Profit from continuing operations		29.1	(97.5)
Profit (loss) from discontinued operations (net of income tax)			
Net profit for the period		29.1	(97.5)
Attributable to:			
Owners of Tarkett		28.7	(97.9)
Non-controlling interests		0.4	0.4
Net profit for the period		**29.1**	**(97.5)**
Earnings per share:			
Basic earnings per share *(in EUR)*	(9)	0.45	(1.55)
Basic earnings per share *(in EUR)*	(9)	0.45	(1.54)

Consolidated statement of comprehensive income

(in millions of euros)	**January - June 2018**	**January - June 2017**
Net profit for the period	29.1	(97.5)
Other comprehensive income (OCI)		
Foreign currency translation differences for foreign operations	5.5	(48.1)
Changes in fair value of cash flow hedges	(0.1)	-
Income tax on other comprehensive income	-	-
Restatement for IFRS 9	(0.3)	-
OCI to be reclassified to profit and loss in subsequent periods	5.1	(48.1)
Defined benefit plan actuarial gain (losses)	1.4	2.8
Other comprehensive income (OCI)	-	-
Income tax on other comprehensive income	(0.2)	(1.0)
OCI not to be reclassified to profit and loss in subsequent periods	1.2	1.8
Other comprehensive income for the period, net of income tax	6.3	(46.3)
Total comprehensive income for the period	**35.4**	**(143.8)**
Attributable to: Owners of Tarkett	35.3	(144.0)
Non-controlling interests	0.1	0.2
Total comprehensive income for the period	**35.4**	**(143.8)**

Consolidated statement of financial position

Assets

(in millions of euros)	Note	**June 30, 2018**	**December 31, 2017**
Goodwill	(5)	525.7	510.5
Intangible assets	(5)	86.2	91.4
Property, plant and equipment	(5)	466.4	467.4
Other financial assets		30.2	31.7
Deferred tax assets		80.4	80.1
Other non-current assets		-	-
Non-current assets		1,188.9	1,181.1
Inventories		477.3	404.2
Trade receivables		470.0	356.2
Other receivables		77.8	76.9
Cash and cash equivalents	(7)	98.7	114.7
Current assets		1,123.8	952.0
Total assets		**2,312.7**	**2,133.1**

Equity and liabilities

(in millions of euros)	Note	**June 30, 2018**	**December 31, 2017**
Share Capital	(9)	318.6	318.6
Share premium and reserves		145.8	145.8
Retained earnings		280.3	352.7
Net result for the period		28.7	(38.7)
Equity attributable to equity holders of the parent		773.4	778.4
Non-controlling interests		2.3	2.2
Total equity		775.7	780.6
Interest-bearing loans	(7)	683.5	594.1
Total other liabilities		0.5	0.5
Deferred tax liabilities		35.2	37.8
Employee benefits	(4)	132.5	135.4
Provisions and other non-current liabilities	(6)	47.4	49.7
Non-current liabilities		899.1	817.5
Trade payables		367.2	288.9
Total other liabilities		186.9	197.4
Interest-bearing loans and borrowings	(7)	9.4	12.3
Other financial liabilities		42.8	7.0
Provisions and other current liabilities	(6)	31.6	29.4
Current liabilities		637.9	535.0
Total equity and liabilities		**2,312.7**	**2,133.1**

Consolidated statement of cash flows

(in millions of euros)	Note	January - June 2018	January - June 2017
Cash flows from operating activities			
Net profit before tax		37.1	(74.6)
Adjustments for:			
Depreciation and amortization		59.1	60.1
(Gain) loss on sale of fixed assets		0.0	(0.4)
Net finance costs		11.7	12.2
Change in provisions and other non-cash items		(0.4)	158.7
Share of profit of equity accounted investees (net of tax)		(0.4)	(1.3)
Operating cash flow before working capital changes		107.1	154.7
Increase (-)/Decrease (+) in trade receivables		(109.4)	(122.9)
Increase (-)/Decrease (+) in other receivables		(3.1)	(5.7)
Increase (-)/Decrease (+) in inventories		(71.1)	(60.7)
Increase (+)/Decrease (-) in trade payables		74.7	68.5
Increase (+)/Decrease (-) in other payables		(9.8)	(10.5)
Changes in working capital		(118.7)	(131.3)
Cash generated from operations	(3)	(11.6)	23.4
Net interest paid		(9.4)	(7.0)
Net income taxes paid		(8.2)	(23.0)
Miscellaneous		(2.0)	(2.2)
Other operating items		(19.6)	(32.2)
Net cash (used in)/from operating activities		**(31.2)**	**(8.8)**
Cash flows from investing activities			
Acquisition of subsidiaries net of cash acquired	(2)	(10.0)	-
Acquisitions of intangible assets and property, plant and equipment	(5)	(52.3)	(45.5)
Proceeds from sale of property, plant and equipment	(5)	0.8	0.6
Effect of changes in the scope of consolidation		0.0	-
Net cash from/(used in) investment activities		**(61.5)**	**(44.9)**
Net cash from/(used in) financing activities			
Acquisition of NCI without a change in control		-	(0.5)
Proceeds from loans and borrowings		121.6	369.8
Repayment of loans and borrowings		(39.0)	(221.3)
Payment of finance lease liabilities		(0.4)	(0.6)
Acquisitions/Sales of treasury shares		(4.9)	-
Dividends		(0.0)	(0.4)
Net cash from/(used in) financing activities		**77.3**	**147.0**
Net increase/(decrease) in cash and cash equivalents		(15.4)	93.3
Cash and cash equivalents, beginning of period		114.7	93.1
Effect of exchange rate fluctuations on cash held		(0.6)	(1.8)
Cash and cash equivalents, end of period		**98.7**	**184.6**

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**
January 1, 2017	318.6	145.8	21.4	447.1	932.9	2.3	935.2
Net profit for the period	-	-	-	(97.9)	(97.9)	0.4	(97.5)
Other comprehensive income, net of income tax	-	-	(47.9)	1.8	(46.1)	(0.2)	(46.3)
Total comprehensive income for the period	-	-	(47.9)	(96.1)	(144.0)	0.2	(143.8)
Dividends	-	-	-	(38.0)	(38.0)	(0.4)	(38.4)
Own shares (acquired)/sold	-	-	-	(0.5)	(0.5)	-	(0.5)
Share-based payments	-	-	-	11.9	11.9	-	11.9
Acquisition of NCI without a change in control	-	-	-	(0.8)	(0.8)	-	(0.8)
June 30, 2017	**318.6**	**145.8**	**(26.5)**	**323.6**	**761.5**	**2.1**	**763.6**
Net profit for the period	-	-	-	59.2	59.2	0.3	59.5
Other comprehensive income, net of income tax	-	-	(28.9)	(1.8)	(30.7)	(0.2)	(30.9)
Total comprehensive income for the period	-	-	(28.9)	57.4	28.5	0.1	28.6
Dividends	-	-	-	-	-	-	-
Own shares (acquired)/sold	-	-	-	(1.0)	(1.0)	-	(1.0)
Share-based payments	-	-	-	(6.8)	(6.8)	-	(6.8)
Acquisition of NCI without a change in control	-	-	-	(3.8)	(3.8)	-	(3.8)
Miscellaneous	-	-	-	-	-	-	-
December 31, 2017	**318.6**	**145.8**	**(55.4)**	**369.4**	**778.4**	**2.2**	**780.6**
Net profit for the period	-	-	-	28.7	28.7	0.4	29.1
Other comprehensive income, net of income tax	-	-	5.8	1.1	6.9	(0.3)	6.6
Restatement for IFRS 9	-	-	-	(0.3)	(0.3)	-	(0.3)
Total comprehensive income for the period	-	-	5.8	29.5	35.3	0.1	35.4
Dividends	-	-	-	(37.9)	(37.9)	-	(37.9)
Own shares (acquired)/sold	-	-	-	(4.9)	(4.9)	-	(4.9)
Share-based payments	-	-	-	2.1	2.1	-	2.1
Acquisition of NCI without a change in control	-	-	-	-	-	-	-
Restatement for IFRS 9	-	-	-	0.3	0.3	-	0.3
Miscellaneous	-	-	-	0.1	0.1	-	0.1
June 30, 2018	**318.6**	**145.8**	**(49.6)**	**358.6**	**773.4**	**2.3**	**775.7**

Note 1 > Basis of preparation

1.1 General information

Tarkett's summary Consolidated Financial Statements for the six-month period ending June 30, 2018 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 25, 2018.

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 ("IAS 34"), "Interim Financial Reporting.". In accordance with IAS 34, the accompanying notes relate only to significant events for the six-month period ended June 30, 2018 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, 2017.

a) Amendments, new standards, and revisions to existing standards and interpretations applied during the period

The following new published standards were adopted by the Group for the fiscal year:

- IFRS 15: Revenue from contracts with customers.

  On September 22, 2016, the European Union adapted IFRS 15, "Revenue from Contracts with Customers," application of which was mandatory as from the fiscal year beginning January 1, 2018. Related amendments were adopted on October 31, 2017 and are applicable as of the same date as IFRS 15.

  IFRS 15, "Revenue from Contracts with Customers," replaces IAS 18, "Revenue," and IAS 11, "Construction Contracts," and their related interpretations. It entered into effect on January 1, 2018, and includes new rules for recording revenue and segmenting contracts into performance obligations.

  The standard includes new principles for revenue recognition, as well as new provisions on the information to be included in the notes to the financial statements. It establishes the principle that recognition of revenue should take place when control of a good or service is transfered to the customer, in the amount to which the seller expects to be entitled when all of the contractual obligations have been satisfied.

  Tarkett develops, manufactures, and sells flooring and sports surfaces to professionals and end-users in the residential and commercial markets.

The Group performed an exhaustive review applied it to all of its revenue sources in order to identify and assess the potential impacts of the standard on its revenue recognition.

The Group divided its analysis into its two business sectors: flooring and sports surfaces.

For each of its activities, the Group applied and analyzed revenue recognition using the five steps defined by the standard. The objective was to identify any differences between existing principles for recording the Group's revenue and the new recording methods set forth by IFRS 15. This process confirmed the absence of any significant impact on the Group's Consolidated Financial Statements in light of its current accounting rules.

The flooring activity is the Group's principal activity. The contracts that the Group enters into relate to the supply of identifiable and distinct products constituting the principal performance obligation. No significant long-term contracts were identified. The Group acts in its own name and not as an intermediary. The general terms and conditions of sale provide for payment in under one year, and the Group does not offer variable financing that would necessitate segmented recording pursuant to IFRS 15. Tarkett does not sell extended warranties on its products; therefore, its warranty is not considered a separate service and is recorded in accordance with IAS 37, "Provisions, contingent liabilities and contingent assets."

With respect to the flooring activity, revenue is recorded when the control inherent in the service obligation has been transferred to the customer, it is probable that the consideration will be collected, the associated costs and the possible return of the merchandise can be measured, and the amount of revenue can be reliably calculated. Generally, revenue is recorded at the time of delivery of the performance obligation.

Taking into consideration the nature of the products and the general terms and conditions of sale, sales are usually recorded on the date on which the products leave the Group's warehouses, or upon delivery if Tarkett is responsible for transport.

The sports surfaces activity is composed of sales of products directly to distributors and the sale of installation contracts (including provision of the sports surfaces). The direct sale of products to distributors follows the same Group rules for recording revenue as those described for the flooring activity. With respect to installation contracts, the Group does not perform installations without also providing the sports surfaces; it therefore considers the supply of the products and the installation to be part of the same performance obligation. The general terms and conditions of sale do not offer variable financing or specific components of financing.

Tarkett does not sell extended warranties on its installations; therefore, its warranty is not considered a separate service and is recorded in accordance with IAS 37, "Provisions, contingent liabilities and contingent assets."

In connection with the sports surfaces activity, revenue from services rendered or from construction contracts is recognized in profit or loss in proportion to the stage of completion of the transaction at the balance sheet date. Revenue is recorded as the performance obligations are delivered. The stage of completion is assessed by reference to surveys of work performed. The use of the "percentage of completion"

method requires satisfying one of three conditions set forth in IFRS 15.

Pursuant to Paragraph 35(c) of the standard, the Group records revenue progressively where:

- The asset created by the Tarkett Group's services has no use other than the one provided for in the contract; and
- The Group has an enforceable right to payment for performance completed to date.

As a result, the Group believes that the implementation of IFRS 15 will not have a significant impact on its Consolidated Financial Statements.

> IFRS 9: Financial Instruments.

IFRS 9, "Financial Instruments," adopted by the European Union on November 22, 2016, replaces IAS 39, "Financial Instruments," as from January 1, 2018.

IFRS 9 has been applied retrospectively with effect as of January 1, 2018. The comparative 2017 figures have not been restated as authorized by IFRS 9.

IFRS 9 includes three phases:

- Phase 1 – "Classification and valuation of Financial Instruments",
- Phase 2 – "Impairment of financial assets",
- Phase 3 – "Hedge transactions other than macro hedges.".

Phase 1 – "Classification and measurement of financial assets"

The new categories of financial assets introduced by IFRS 9 have no impact on the method of accounting for the financial assets held by Tarkett as of January 1, 2018.

The table below sets forth the classifications of the Group's financial assets and liabilities in accordance with the former IAS 39 and the new IFRS 9:

As of January 1, 2018 *(in millions of euros)*	**Initial classification in accordance with IAS 39**	**New classification in accordance with IFRS 9**	**Book value as of January 1, 2018 in accordance with IAS 39**	**Book value as of January 1, 2018 in accordance with IFRS 9**
Non current financial assets valued at amortized value	Loans and receivables	Amortized cost	9.3	9.3
Non current financial assets valued at fair value	Assets designated at fair value through profit and loss	Fair value through profit and loss	22.3	22.3
Cash and cash equivalents	Assets designated at fair value through profit and loss	Fair value through profit and loss	114.7	114.7
Interest-bearing loans and borrowings	Liabilities at amortized cost	Amortized cost	606.5	606.5

The changes that IFRS 9 makes to accounting methods for debt restructuring have no impact on the Group, since as of January 1, 2018, it had no debts that had been restructured in a manner treated for accounting purposes as a "modification of debt" (as opposed to an extinguishment of debt).

Therefore, application of Phase 1 of IFRS 9 has no impact on the Group's shareholders' equity as of January 1, 2018.

Phase 2 – "Impairment of financial assets"

IFRS 9 introduced an impairment model for financial assets that is based on expected losses, whereas IAS 39 had been based on a model of objective evidence of losses (with impairment being recorded only following the occurrence of a credit event, such as a payment delay or a significant deterioration in credit quality). The application of IFRS 9 results in earlier recording of impairment on financial assets valued on the balance sheet at amortized cost.

For non-current assets valued at amortized cost, impairment was assessed individually, taking into account the risk profile of the counterparty and the warranties obtained. At the time of the initial recording of such non-current financial assets, impairment is systematically recorded in the amount of the credit losses expected to result from events that may occur in the next twelve months. In the event of a significant deterioration in the counterparty's credit quality, the initial impairment is supplemented to cover all of the expected losses over the remaining maturity of the receivable.

For commercial receivables, the Group conducted a review of each of its customer receivables individually, taking into account the probability of default by the counterparty as well as the extent to which the receivables were hedged, and used the simplified method of provisioning expected losses over the remaining maturity of the receivables.

On the basis of the work performed and in light of the Group's credit risk management procedures, application of the expected loss model has no significant impact on the Group's financial statements as of January 1, 2018.

Therefore, the impacts of the first application of the impairment phase of IFRS 9 are not significant and were not recorded in the Group's shareholders' equity as of January 1, 2018.

Phase 3 – "Hedge transactions other than macro hedges"

The changes made by IFRS 9 to hedge accounting are primarily intended to harmonize the rules companies use to reflect risk management activities in the financial statements.

The impacts of the first application of IFRS 9 on the Group's financial statements concern, in particular, the method of accounting for the time value of currency and interest rate options.

Adjustments in time value recorded during the life of the option are now recorded as a counterpart to other comprehensive income. The initial option premium is either (i) moved into profit

or loss when the hedged transaction impacts profit or loss, where the hedged item is related to a transaction (commercial foreign exchange hedges); or (ii) amortized in profit or loss over the duration of the hedge, where the hedged item is related to a period of time (interest rate hedges).

The impacts of the first application of the standard were restated in the Group's opening shareholders' equity as of January 1, 2018, and represent a net total of €0.3 million.

- In addition, as of January 1, 2018, the Group has adopted the interpretation IFRIC 22: "Foreign currency transactions and advance consideration," as well as IFRS 2, "share-based Payment". Their impacts are not significant.

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 following new published standards have not yet been adopted by the Group:

- IFRS 16: Leases. On January 16, 2016, the IASB published IFRS 16, "Leases," which will replace IAS 17 and the related IFRIC and SIC interpretations, and will eliminate the distinction formerly made between operating leases and finance leases. This standard, which is applicable starting January 1, 2019 (or 2018, if applied early) and has been adopted by the European Union, requires lessees to account for all leases with terms of longer than one year in the manner currently applicable to finance leases under IAS 17, that is to say to record the rights and obligations created by the lease in assets and liabilities.

  The first phase of the project, in 2017, concerned the identification of the Group's lease agreements as well as the collection of the necessary data to precisely measure the impact on the balance sheet.

  The identification of agreements continued in 2018, and the estimate of the impacts is currently being finalized.

  The Group is currently deploying a dedicated information system to generate the accounting entries relating to this standard.

  The Group plans to apply IFRS 16 as from January 1, 2019, using the "simplified retrospective" method.

1.3 Seasonality and significant events

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 2018 are not necessarily indicative of results to be expected for the full year 2018.

A provision in the amount of €150 million was recorded in the accounts as of June 30, 2017 in connection with the procedure with the French Competition Authority. the Group's net operating income for the six months ended June 30, 2017 totaled €(97.5) million. In its decision No. 17-D-20 dated October 18, 2017, the French Competition Authority ordered Tarkett to pay a fine of €165 million. The Group recorded an additional charge of €15 million in the fourth quarter of 2017. These amounts were recorded in "other operating expenses." The entire amount of the fine was paid in December 2017.

Note 2 > Changes in scope of consolidation

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

Number of companies	Dec. 31, 2017	Mergers	Acquisitions	Liquidations	June 30, 2018
Fully consolidated companies	78	(2)	-	-	76
Equity-accounted companies	1	-	-	-	1
Total	**79**	**(2)**	**-**	**-**	**77**

2.1.1 Transactions completed in 2018

a) Mergers

In 2018, in the Netherlands, FieldTurf Benelux BV was merged into Tarkett Sports BV. In Belgium, Tarkett Belux was merged into Tarkett NV.

b) Creations

In early February 2018, through its subsidiary FieldTurf Tarkett SAS, Tarkett created FieldTurf Tarkett Australia, which in the same month acquired the assets of Grassman, an Australian artificial grass manufacturer.

2.1.2 Transactions completed in 2017

a) Mergers

In 2017, in Canada, Nova Scotia Limited and Tandus Centiva GP were merged into Tandus Centiva Limited.

In Serbia, Sintelon RS DOO Backa Palancka and Sintelon DOO Backa Palancka were merged into Tarkett DOO Backa Palancka.

In France, Desso SAS was merged into Tarkett France.

Finally, in the United States, Tarkett Enterprises Inc. and Texas Tile Manufacturing LLC were merged into Tarkett Finance Inc. and Domco Products Texas Inc., respectively.

b) Call options

In November 2017, the option to buy the minority interests (49%) of FieldTurf Benelux B.V. was exercised. FieldTurf Benelux B.V. was already fully consolidated.

In December 2017, the option to buy back the minority interests (49%) of Morton Extrusions Technik (M.E.T GmbH) was exercised. Morton Extrusions Technik (M.E.T GmbH) was already fully consolidated.

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 taking operating income before depreciation and amortization and removing the following revenues and expenses:

- 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)	January - June 2018	Of which adjustments: Restruc-turing	Gains/losses on asset sales/ impairment	Business combinations	Share-based payments	Other	January - June 2018 adjusted
Net revenue	**1,317.3**	**-**	**-**	**-**	**-**	**-**	**1,317.3**
Cost of sales	(995.8)	2.6	-	-	-	-	(993.2)
Gross profit	**321.5**	**2.6**	**-**	**-**	**-**	**-**	**324.1**
Other operating income	5.8	-	-	-	-	-	5.8
Selling and distribution expenses	(162.6)	0.5	-	-	-	(0.2)	(162.3)
Research and development	(19.9)	2.1	-	-	-	-	(17.8)
General and administrative expenses	(89.1)	0.3	0.3	0.5	2.1	1.0	(84.9)
Other operating expenses	(7.3)	0.1	-	0.3	-	-	(6.9)
Result from operating activities (EBIT)	**48.4**	**5.6**	**0.3**	**0.8**	**2.1**	**0.8**	**58.0**
Depreciation and amortization	59.1	(0.7)	(0.3)	-	-	-	58.1
EBITDA	**107.5**	**4.9**	**-**	**0.8**	**2.1**	**0.8**	**116.1**

(in millions of euros)	January - June 2017	Of which adjustments: Restruc-turing	Gains/losses on asset sales/ impairment	Business combinations	Share-based payments	Other [(1)]	January - June 2017 adjusted
Net revenue	**1,364.0**	**-**	**-**	**-**	**-**	**-**	**1,364.0**
Cost of sales	(1,001.7)	0.5	-	-	-	-	(1,001.2)
Gross profit	**362.3**	**0.5**	**-**	**-**	**-**	**-**	**362.8**
Other operating income	16.9	-	(0.1)	-	-	-	16.8
Selling and distribution expenses	(163.2)	(0.6)	-	-	-	-	(163.8)
Research and development	(19.6)	0.4	-	-	-	-	(19.2)
General and administrative expenses	(103.7)	0.8	0.3	-	11.9	0.3	(90.4)
Other operating expenses	(156.4)	0.4	-	0.3	-	150.0	(5.7)
Result from operating activities (EBIT)	**(63.7)**	**1.5**	**0.2**	**0.3**	**11.9**	**150.3**	**100.5**
Depreciation and amortization	60.1	-	(0.3)	-	-	-	59.8
EBITDA	**(3.6)**	**1.5**	**(0.1)**	**0.3**	**11.9**	**150.3**	**160.3**

(1) The adjustment of €150 million is related to the provision recorded in connection with the procedure with the French Competition Authority.

3.2 Segment information

By operating segment

January - June 2018 *(in millions of euros)*	Flooring			Sports Surfaces	Central	Group
	EMEA	North America	CIS, APAC and Latin America			
Net revenue	464.3	378.3	261.7	213.0	-	1,317.3
Gross profit	135.1	99.4	48.6	38.4	(0.0)	321.5
% of net sales	*29.1%*	*26.3%*	*18.6%*	*18.0%*		*24.4%*
Adjusted EBITDA	57.1	35.5	31.1	13.9	(21.5)	116.1
% of net sales	*12.3%*	*9.4%*	*11.9%*	*6.5%*		*8.8%*
Adjustments	(1.4)	(0.2)	(0.1)	(1.0)	(5.9)	(8.6)
EBITDA	55.7	35.3	31.0	12.9	(27.4)	107.5
% of net sales	*12.0%*	*9.3%*	*11.8%*	*6.1%*		*8.2%*
EBIT	33.0	15.0	12.2	3.4	(15.2)	48.4
% of net sales	*7.1%*	*4.0%*	*4.7%*	*1.6%*		*3.7%*
Capital expenditures	16.8	13.5	8.9	5.7	5.5	50.4

January - June 2017 *(in millions of euros)*	Flooring			Sports Surfaces	Central	Group
	EMEA	North America	CIS, APAC and Latin America			
Net revenue	481.3	412.7	275.7	194.3	-	1,364.0
Gross profit	146.5	122.2	58.6	35.6	(0.6)	362.3
% of net sales	*30.4%*	*29.6%*	*21.3%*	*18.3%*		*26.6%*
Adjusted EBITDA	68.5	51.7	40.2	23.0	(23.1)	160.3
% of net sales	*14.2%*	*12.5%*	*14.6%*	*11.9%*		*11.8%*
Adjustments [1]	(151.5)	(0.3)	(0.1)	(0.0)	(12.0)	(163.9)
EBITDA	(83.0)	51.4	40.1	23.0	(35.1)	(3.6)
% of net sales	*(17.3)%*	*12.5%*	*14.5%*	*11.9%*		*(0.3)%*
EBIT	(98.0)	13.6	21.4	13.6	(14.3)	(63.7)
% of net sales	*(20.4)%*	*3.3%*	*7.7%*	*7.0%*		*(4.7%)*
Capital expenditures	14.2	11.4	5.0	8.8	5.5	44.9

(1) EMEA: includes the adjustment of €150.0 million recorded in connection with the procedure with the French Competition Authority (See Note 1.3).

3.3 Changes in 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, relating to second-quarter activity. Inventories are also generally higher at the end of June, in preparation for peak activity in the third quarter.

3.4 Net cash flow from operations

The Group uses net cash flow from operations as a performance indicator.

It is defined as follows:

- cash generated from operations minus current investments;
- current investments are defined as investments in tangible and intangible assets other the construction of new factories or distribution sites and the acquisition of companies or activities

(in millions of euros)	January - June 2018	January - June 2017
Cash generated from operations	(11.6)	23.4
Acquisitions of intangible assets and property, plant and equipment	(52.3)	(45.5)
Restatement of capital investments	1.9	0.6
Net cash flow from operations	**(62.0)**	**(21.5)**

Note 4 > Employee benefits

Provisions for pensions and similar obligations

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, 2018 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 2017 for 2018. 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, 2018 through the use of the sensitivity analyses.

Assumptions

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

	June 30, 2018		December 31, 2017	
	Pensions	Post-employment healthcare benefits	Pensions	Post-employment healthcare benefits
Discount rate	3.24%		3.06%	
Including:				
United States	4.25%	4.25%	3.75%	3.75%
Germany	1.50%		1.50%	
Sweden	2.50%		2.75%	
United Kingdom	2.75%		2.40%	
Canada	3.75%		3.75%	
Salary increases	2.87%		2.87%	
Inflation	2.40%		2.40%	

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;
- Canadian AA "Mercer Yield Curve Canada" bonds.

Change in net liabilities recognized in the balance sheet *(in millions of euros)*	June 30, 2018			December 31, 2017		
	Pensions	Post-employment healthcare benefits	Total	Pensions	Post-employment healthcare benefits	Total
Balance sheet liability/asset at beginning of year	133.4	2.0	135.4	145.6	8.5	154.1
Total expenses recognized in income statement	4.2	0.0	4.2	9.5	(5.6)	3.9
Amounts recognized in OCI in the financial year	(1.3)	(0.1)	(1.4)	(7.3)	(0.3)	(7.6)
Business combinations/ divestitures/transfers	-	-	-	-	-	-
Employer contributions	(1.9)	-	(1.9)	(4.7)	-	(4.7)
Benefit payments from employer	(2.5)	(0.2)	(2.7)	(4.8)	(0.1)	(4.9)
Exchange rate adjustment (gain)/loss	(1.1)	0.0	(1.1)	(4.9)	(0.5)	(5.4)
Balance sheet liability/asset at end of year	**130.8**	**1.7**	**132.5**	**133.4**	**2.0**	**135.4**

Note 5 > Tangible and intangible assets

5.1 Goodwill

The changes in goodwill can be analyzed as follows:

(in millions of euros)	June 30, 2018	Dec. 31, 2017
Opening carrying amount	510.5	550.4
New goodwill	7.4	0.5
Adjustment to initial purchase price allocation	-	-
Foreign exchange gain & loss	7.8	(40.4)
Closing carrying amount	**525.7**	**510.5**

The change was primarily the result of a foreign exchange effect, due to the evolution of exchange rates between the euro and the U.S. dollar, as well as of the acquisition of the Grassman assets.

5.2 Tangible 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 2018, in connection with its ongoing capital expenditures, the Group capitalized assets totaling €50.4 million (as of the first half 2017: €44.9 million).

Asset sales during the first half of 2018 totaled €0.8 million (first half of 2017: €0.6 million).

During the first half of 2018, depreciation and amortization totaled €59.1 million (first half of 2017: €60.1 million).

The remaining variation in assets corresponds primarily to the impacts of foreign currency translation differences for €1.3 million.

5.3 Impairment

In the absence of any indication of a loss in value, no impairment testing was conducted as of June 30, 2018.

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, 2017	Allowance	Decrease	Change in scope	Transfer	Foreign exchange gain & loss	June 30, 2018
Product warranty provision	3.7	0.3	(0.5)	-	-	0.0	3.5
Restructuring provisions	-	-	-	-	-	0.0	-
Claims & litigation provisions	2.9	0.0	(0.7)	-	-	(0.1)	2.1
Other provisions	5.2	-	(0.4)	-	-	-	4.8
Provision for additional tax assessments	1.2	0.0	(0.0)	-	-	0.0	1.2
Financial provisions	36.7	-	(1.9)	-	-	1.0	35.8
Total Provisions – long-term	49.7	0.3	(3.5)	-	-	0.9	47.4
Product warranty provision	19.1	1.7	(2.6)	-	(1.0)	0.3	17.5
Restructuring provisions	2.0	0.3	(0.4)	(0.0)	(0.0)	(0.0)	1.9
Claims & litigation provisions	8.1	4.7	1.7	0.0	0.8	0.1	12.0
Other provisions	0.2	0.1	(0.1)	-	-	(0.0)	0.2
Total Provisions – short-term	29.4	6.8	(4.8)	0.0	(0.2)	0.4	31.6
Total Provisions	**79.1**	**7.1**	**(8.3)**	**0.0**	**(0.2)**	**1.3**	**79.0**

6.2 Potential liabilities

There were no significant changes in the guarantees granted by Tarkett to third parties in 2018.

Asbestos

In the United States, the Group has been a defendant in lawsuits by third parties relating to personal injury from asbestos. Expected costs of the current or future cases are covered by Group's insurances, sellers' guarantees granted by third-parties and by provisions that management, based on the advice and information provided by its legal counsel, considers to be sufficient.

Note 7 > Financing and Financial Instruments

7.1 Financial income and expense

(in millions of euros)	January - June 2018	January - June 2017
Interest income on loan assets & cash equivalents	0.3	0.5
Other financial income	0.1	0.2
Total financial income	**0.4**	**0.7**
Interest expenses on loans and overdrafts	(6.3)	(4.7)
Finance leases	(0.1)	(0.1)
Commission expenses on financial liabilities	(1.5)	(2.3)
Cost of loans and debt renegotiation	(0.5)	(0.5)
Interest on provisions for pensions	(2.2)	(2.4)
Foreign exchange gains and losses	(1.1)	(2.1)
Impairment on financial assets	(0.0)	(0.1)
Changes in value of interest rate derivative instruments to hedge debt	(0.4)	(0.6)
Other financial liabilities	(0.0)	(0.1)
Total financial expenses	**(12.1)**	**(12.9)**
Financial result	**(11.7)**	**(12.2)**

7.2 Net debt – interest-bearing loans and borrowings

7.2.1 Net Debt

(in millions of euros)	June 30, 2018		December 31, 2017	
	Long-term	Short-term	Long-term	Short-term
Bank loans (unsecured)	87.2	2.3	-	3.2
Issuance of unsecured notes	593.9	-	591.3	-
Other loans (unsecured)	0.1	0.1	0.2	0.1
Bank overdrafts (unsecured)	-	6.3	-	8.1
Finance lease obligations	2.3	0.7	2.6	1.0
Interest bearing loans and borrowings	**683.5**	**9.4**	**594.1**	**12.4**
Total interest bearing loans and borrowings	**692.9**		**606.5**	
Cash and cash equivalents	(98.7)		(114.7)	
Net debt	**594.2**		**491.8**	

The growth in net debt since December 31, 2017 is due to the seasonality of the Group's business, which results in an increase in working capital requirement in the first half, which is absorbed in the second half of the year.

All of the bank loans are unsecured, except for the assignment of receivables line of credit, and include mainly:

- a "Schuldschein" for €252.5 million and USD 50 million entered into on April 13, 2017 and of which €150.5 million matures in April 2024, with the remainder maturing in April 2022;
- a "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, with the remainder maturing in June 2021;

- a €650.0 million multicurrency revolving syndicated credit facility entered into in June 2015, maturing in 2020, and of which €81.5 million had been drawn down as of June 30, 2018;
- a French-law, German-law, and Spanish-law assignment of receivables line of credit for €50.0 million maturing on December 31, 2018, and which had not been used as of June 30, 2018.

The main legal and financial covenants under the revolving syndicated credit facility are similar to those under the “Schuldschein” agreements.

7.2.2 Details of loans and borrowings

June 30, 2018 *(in millions of euros)*	**Currency of draw-down**	**Interest rate**	**Total**	**12 months or less until 06/30/2019**	**2 years until 06/30/2020**	**3 to 5 years until 06/30/2023**	**More than 5 years**
Unsecured loans							
Term Facilities Europe	EUR	0.40%	2.3	2.3	-	-	-
Revolving Facilities Europe	USD	2.69%	81.5	-	81.5	-	-
Other bank loans	RMB	5.70%	5.7	-	1.5	4.2	-
Total bank loans			89.5	2.3	83.0	4.2	-
Private Placement Europe	EUR	1.15% – 1.722%	502.5	-	-	352.0	150.5
Private Placement Europe	USD	3.96%-4.08%	91.4	-	-	91.4	-
Other loans		0.25%	0.2	0.1	0.1	-	-
Bank overdrafts			6.3	6.3	-	-	-
Finance lease obligations			3.0	0.7	0.9	0.9	0.5
Total interest-bearing loans			**692.9**	**9.4**	**84.0**	**448.5**	**151.0**

December 31, 2017 *(in millions of euros)*	**Currency of draw-down**	**Interest rate**	**Total**	**12 months or less until 12/31/2018**	**2 years until 12/31/2019**	**3 to 5 years until 12/31/2022**	**More than 5 years**
Unsecured loans							
Term Facilities Europe	EUR	0.40%	2.3	2.3	-	-	-
Other bank loans	EUR-BRL	25.56%	0.9	0.9	-	-	-
Total bank loans			3.2	3.2	-	-	-
Private Placement Europe	EUR	1.15% – 1.722%	502.5	-	-	502.5	-
Private Placement Europe	USD	2.96% – 3.39%	88.8	-	-	88.8	-
Other loans		0.25%	0.3	0.1	0.1	0.1	-
Bank overdrafts			8.1	8.1	-	-	-
Finance lease obligations			3.6	1.0	1.0	1.1	0.5
Total interest-bearing loans			**606.5**	**12.4**	**1.1**	**592.5**	**0.5**

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, 2018, as well as with the financial ratio covenants, as detailed below:

Net debt/Adjusted EBITDA *(in millions of euros)*	**June 30, 2018**	**December 31, 2017**
Net debt	594.2	491.8
Adjusted EBITDA for last 12 months	270.9	315.1
Ratio [(1)]	2.2	1.6

(1) Must be below 3.0.

Adjusted EBIT/Net interest *(in millions of euros)*	**June 30, 2018**	**December 31, 2017**
Adjusted EBIT for last 12 months	153.8	196.3
Net interest for last 12 months	11.2	9.5
Ratio [(2)]	13.7	20.7

(2) Must be above 2.5.

7.2.4 Fair value of financial assets and liabilities

The fair value of financial assets and liabilities remains at the same level as compared with December 31, 2017.

June 30, 2018	**Fair Value Category**	**Liabilities at amortized cost**	**Liabilities at amortized cost**	**Fair value through profit and loss**	**Hedging Derivatives**	**Carrying amount**	**Fair value**
Non current financial assets	Level 2	7.6	-	22.6	-	30.2	30.2
Other current financial assets	Level 2	-	-	-	2.9	2.9	2.9
Accounts receivable		470.0	-	-	-	470.0	-
Cash and cash equivalents	Level 2	-	-	98.7	-	98.7	98.7
Interest-bearing loans and borrowings	Level 2	-	692.9	-	-	692.9	692.9
Other financial liabilities, non-current	Level 2	-	0.5	-	-	0.5	0.5
Other financial liabilities, current	Level 2	-	40.8	-	2.0	42.8	42.8
Accounts payable		-	367.2	-	-	367.2	-

December 31, 2017	Fair Value Category	Liabilities at amortized cost	Liabilities at amortized cost	Fair value through profit and loss	Hedging Derivatives	Carrying amount	Fair value
Non current financial assets	Level 2	9.3	-	22.3	-	31.6	31.6
Other current financial assets	Level 2	-	0.1	0.1	0.7	0.9	0.9
Accounts receivable		356.2	-	-	-	356.2	356.2
Cash and cash equivalents	Level 2	-	-	114.7	-	114.7	-
Interest-bearing loans and borrowings	Level 2	-	606.5	-	-	606.5	606.5
Other financial liabilities, non-current	Level 2	-	0.5	-	-	0.5	0.5
Other financial liabilities, current	Level 2	-	7.0	-	-	7.0	7.0
Accounts payable		-	288.9	-	-	288.9	-

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, 2017.

Note 8 > Total income tax

8.1 Income tax expense

(in millions of euros)	January - June 2018	January - June 2017
Current tax	(10.7)	(13.8)
Deferred tax	2.7	(9.1)
Total income tax	**(8.0)**	**(22.9)**

Theoretical income taxes determined using the French corporate income tax rate of 32% for 2018 and 34.43% for 2017 can be reconciled as follows to the actual income tax charge:

(in millions of euros)	January - June 2018	January - June 2017
Pre-tax profit from continuing operations (a)	37.1	(74.6)
Profit from equity-accounted subsidiaries (b)	0.4	1.3
Pre-tax profit from fully consolidated activities (a-b)	36.7	(75.9)
Income tax at nominal French income tax rate	(11.7)	26.1
Effect of:		
Taxation of foreign companies at different rates	4.0	6.0
Exchange rate effects on non-monetary assets	(1.3)	(1.7)
Changes in unrecognized deferred tax assets	1.3	1.8
Permanent differences	(1.3)	(2.8)
Other permanent difference [1]	-	(51.6)
Taxes on dividends (Withholding at the source, 3% contribution)	-	(1.5)
Other items	1.0	0.8
Income tax expenses	**(8.0)**	**(22.9)**
Effective rate	**21.9%**	**-30.1%**

(1) In 2017, is exclusively related to the provision recognized in connection with the procedure with the French Competition Authority.

Without the provision recorded as of June 30, 2017 in connection with the procedure with the French Competition Authority, the effective tax rate would have been 30.9% as of June 30, 2017.

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 United States, with a local tax rate of 21%.

Exchange rate effects on tax bases
The deferred income tax expense of €(1.3) 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 expense is required by IFRS, even if the revalued tax basis does not generate any tax obligation in the future.

Note 9 > Shareholders' equity and earnings per share

9.1 Share capital

	June 30, 2018	Dec. 31, 2017
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)	January - June 2018	January - June 2017
Number of shares outstanding at the end of the period	63,723	63,723
Weighted average number of treasury shares held by Tarkett	(558)	(399)
Weighted average number of shares outstanding (undiluted)	**63,165**	**63,324**

Basic earnings per share

Basic earnings per share as of June 30, 2018 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).

	January - June 2018	January - June 2017
Profit for the period attributable to Tarkett shareholders *(in millions of euros)*	28.7	(97.9)
Weighted average number of shares outstanding (undiluted)	63,165	63,324
Basic earnings per share *(in euros)*	**0.45**	**(1.55)**

Weighted average number of shares outstanding (diluted earnings)

(in thousands of shares)	January - June 2018	January - June 2017
Number of shares outstanding at the end of the period	63,723	63,723
Weighted average number of treasury shares held by Tarkett	(558)	(399)
Impact of share-based payment plans	482 (1)	382 (1)
Weighted average number of shares outstanding (diluted)	**63,647**	**63,706**

(1) 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, 2018 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).

	January - June 2018	January - June 2017
Profit for the period attributable to Tarkett shareholders *(in millions of euros)*	28.7	(97.9)
Weighted average number during the period (diluted earnings)	63,647	63,706
Basic earnings per share *(in euros)*	**0.45**	**(1.54)**

Dividends

Tarkett paid dividends in the amount of €0.60 per share to its shareholders on July 5, 2018, in accordance with the decision of the General Shareholders' Meeting of April 26, 2018. In 2017, the Group had paid a dividend of €0.60 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 shareholder, Société Investissement Deconinck ("SID");
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 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:

(in millions of euros)	**January - June 2018**	**January - June 2017**
Joint ventures		
Sale of goods to Tarkett	12.3	12.6
Sale of goods by Tarkett	(0.7)	(0.5)
Purchase of services from Tarkett	7.5	9.2

10.2 Principal shareholders

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

As of June 30, 2018, SID had invoiced a total of €150,000 under the Assistance Agreement.

Tarkett is a party to a Service Agreement with SID providing for a lump-sum annual payment of €55,000.

As of June 30, 2018, Tarkett had invoiced a total of €27,500 under the Service Agreement.

10.3 Members of the Management Board and Supervisory Board

None.

Note 11 > Subsequent events

As of July 1, 2018, the Tarkett Group, through its subsidiary FieldTurf Tarkett USA Holdings Inc., acquired Tennis and Track Company, a U.S. company.

2. Statutory Auditors Review Report on the 2018 Summary Interim Consolidated Financial Statements

This is a free translation into English of the Statutory Auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional 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 Half-yearly Financial Information

For the period from 1st January to 30 June 2018

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 half-yearly Consolidated Financial Statements of Tarkett, for the period from 1st January 2018 to 30 June 2018;
- the verification of the information presented in the half-yearly management report.

These half-yearly Consolidated Financial Statements are the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our review.

1. 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 half-yearly Consolidated Financial Statements do not give a true and fair view of the assets and liabilities and of the financial position of the Group as at 30 June 2018 and of the results of its operations for the period then ended in accordance with IFRSs as adopted by the European Union.

Without qualifying our conclusion, we draw your attention on the note "1.2.1. Statement of compliance and applicable standard" to the half-yearly Consolidated Financial Statements which sets out the impacts of first application as at 1st January 2018 of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from contracts with customers".

2. Specific verification

We have also verified the information presented in the half-yearly management report on the half-yearly Consolidated Financial Statements subject to our review. We have no matters to report as to its fair presentation and consistency with the half-yearly Consolidated Financial Statements.

Paris-La Défense, on the 25 July 2018

The Statutory Auditors,

KPMG Audit
A division of KPMG S.A.
Philippe Grandclerc, *Partner*
Renaud Laggiard, *Partner*

Mazars
Juliette Decoux, *Partner*
Éric Schwaller, *Partner*

Tarkett
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