Strong 2016 Results:
Organic growth of 1.7%
17% increase in adjusted EBITDA, for a margin of 12.2%
Net profit up 42%

Highlights **Paris, February 9, 2017**

- **Net sales of €2,739m, up 0.9% vs. 2015 and an organic growth of 1.7%[(1)]**
- **Positive organic growth in all segments in the fourth quarter**
- **Adjusted EBITDA[(2)] of €334m, up 17% and margin of 12.2% (vs. 10.5% in 2015)**
- **Net profit[(3)] up 42% vs. 2015, to €119m**
- **Strong cash flow generation: net debt/adjusted EBITDA of 1.1x vs. 1.7x at December 31, 2015**
- **A dividend of €0.60 per share will be proposed at the AGM, vs. €0.52 last year**

(1) Organic growth: At constant scope of consolidation and exchange rates (Note: in the CIS, price increases implemented in order to offset currency fluctuations are not included in organic growth. As a result, organic growth reflects only changes in volumes and the product mix. **Including price increases in the CIS, organic growth would total +2.9%**).
(2) Adjusted EBITDA: adjustments include expenses related to restructurings, acquisitions, and certain other non-recurring items.
(3) Net profit attributable to owners of the Company.

Net sales at constant scope of consolidation and exchange rates grew by **1.7%** in 2016. Tarkett benefited from strong growth in the Sports (+6.1%), North America (+3.7%), and EMEA (+3.1%) segments over the full year. In the CIS, APAC and Latin America segment, net sales decreased by 6.4% over the year but improved in the last quarter, with a positive organic growth of 0.7%. The Sports segment recorded solid growth for the third consecutive year. All segments had positive organic growth in the fourth quarter.

Reported sales grew by **0.9%** vs. 2015. Exchange rates had a negative impact (-0.8%), due in particular to the decline in the British pound. In the CIS countries, the increased strength of the ruble as well as successive selling price increases limited the net exchange rate effect for the full year which was positive in the second half of 2016. The scope of consolidation had no effect on the year.

Adjusted EBITDA reached **€334m** vs. €285m in 2015, a rise of **17%**. **Adjusted EBITDA margin increased by 170 basis points** as compared with 2015, reaching **12.2%.** The margin improved in all segments, and in particular in the CIS, APAC and Latin America segment. Favorable raw material prices provided a benefit of €19m over the year. In addition, productivity gains reached 2.5% of production costs.

Net profit attributable to owners of the Company totaled **€119m**, a **42%** increase from 2015.

Cash flow generated at year-end has been strong as a result of good working capital management in the second half of the year. **Net debt** amounted to €378m, leading to an improvement of the leverage ratio to 1.1x adjusted EBITDA (1.7x at year-end 2015).

Commenting on these results, **Michel Giannuzzi, CEO,** said:

"I am very proud of Tarkett's 2016 results, achieved thanks to a particularly strong fourth quarter with a good growth in all segments and an increase in EBITDA margin. I am confident in the Group's ability to continue to generate profitable growth, despite the still uncertain political and economic environment. In addition, we are on the lookout for acquisition opportunities to reinforce our growth."

Key Figures

€ million	2016	2015	Change (as a %)
Revenue *of which organic growth*[1]	2,739.3	2,714.8	+0.9% *+1.7%*
Adjusted EBITDA[2] *% of net sales*	334.4 *12.2%*	285.3 *10.5%*	+17.2%
Net profit attributable to owners of the Company (unadjusted) Basic earnings per share	118.6 €1.87	83.3 €1.31	+42.4%
Free cash flow	148.0	173.4	
Return on invested capital (ROIC)[3]	9.3%	7.0%	
Net debt / adjusted EBITDA	1.1x	1.7x	
Dividend per share *% of net profit attributable to owners of the Company*	€0.60[4] *32%*	€0.52 *40%*	

(1) Organic growth: at constant scope of consolidation and exchange rates (Note: in the CIS, price increases implemented in order to offset currency fluctuations are not included in organic growth. **Therefore, organic growth reflects only the effects of volume and product mix**).
(2) Adjusted EBITDA: adjustments include expenses related to restructurings, acquisitions, and certain other non-recurring items.
(3) Defined as Net operating profit after tax [Adjusted EBIT * (1 - Normative tax rate of 35%)] divided by the invested capital [Goodwill + Tangible and intangible assets + Working capital].
(4) Will be proposed at the AGM.

Net sales by segment

€ million	2016	2015	Change (as a %)	of which organic growth [1]
EMEA	906.5	917.6	-1.2%	+3.1%
North America	816.7	771.2	+5.9%	+3.7%
CIS, APAC & Latin America	549.6	586.7	-6.3%	-6.4%
Sports	466.5	439.3	+6.2%	+6.1%
Group Total	**2,739.3**	**2,714.8**	**+0.9%**	**+1.7%**

Adjusted EBITDA[2] by segment

€ million	2016	2015	*2016 margin (% net sales)*	*2015 margin (% net sales)*
EMEA	136.7	137.5	*15.1%*	*15.0%*
North America	113.0	84.0	*13.8%*	*10.9%*
CIS, APAC & Latin America	81.0	66.9	*14.7%*	*11.4%*
Sports	54.1	41.4	*11.6%*	*9.4%*
Central costs not allocated	(50.4)	(44.5)	-	-
Group Total	**334.4**	**285.3**	***12.2%***	***10.5%***

(1) Organic growth: at constant scope of consolidation and exchange rates (Note: in the CIS, price increases implemented in order to offset currency fluctuations are not included in organic growth. **Therefore, organic growth reflects only the effects of volume and product mix**).
(2) Adjusted EBITDA: adjustments include expenses related to restructurings, acquisitions, and certain other non-recurring items.

Comments by reporting segment

Europe, Middle East and Africa (EMEA)

Net sales at constant scope and exchange rate increased by **3.1%** in 2016. The Nordic countries recorded sustained activity throughout the year. Germany and the Netherlands also saw growth. After three years of decreasing sales in a declining market, sales in France were stable over the full year and positive in the fourth quarter. After a strong year in 2015, Spain was penalized by the political uncertainty, despite an improvement in the fourth quarter.

The slowdown recorded in the second semester was primarily due to lower volumes (in particular in the commercial office sector) in the United Kingdom, following the Brexit vote. The Middle Eastern countries and Turkey also retreated in the second half, affected by the instability in that region.

The Luxury Vinyl Tiles (LVT) category saw sustained growth over the course of the year in both the residential and commercial sectors. The new LVT production line in Poland is now operational and will enable the Group to continue to respond to the growing demand for these products.

Reported sales slightly decreased by **1.2**%, due to the reclassification of some of Desso's sales into other segments and the negative impact of exchange rates (primarily the British pound).

Adjusted EBITDA margin reached **15.1%**, vs. 15.0% in 2015, as the continued productivity improvements and growth in volumes were partially offset by negative exchange rates and by marketing investments.

North America

In North America, **organic sales grew by 3.7%** in 2016. Activity was strong in the commercial sector despite weaker demand for carpet in the office sector during the second semester. Rubber and accessories performed very well while volumes in the VCT (Vinyl Composition Tiles) category are back to normal.

Luxury Vinyl Tiles (LVT) continue to grow at a fast pace in North America as well, and Tarkett will keep investing in this category in 2017 in order to pursue its development.

Reported sales increased by **5.9%** due to the reclassification of certain of Desso EMEA's sales.

Adjusted EBITDA margin strongly improved, to **13.8%** as compared with 10.9% in 2015, thanks to higher volumes, greater operational efficiency, and favorable raw material prices.

CIS, APAC and Latin America

Organic sales decreased by 6.4% (excluding price increases in the CIS). In the fourth quarter organic growth was slightly positive (0.7%) for the first time since 2013, thanks to a very dynamic December in Russia, helped by end-of-year promotions. The product mix ceased to deteriorate as compared to the previous year, and even improved slightly during the second half of the year.
Sales were lower in the Asia-Pacific zone during the year, despite a positive fourth quarter. Latin America experienced slight organic growth in 2016, although the second half was affected by Brazil's economic difficulties.

Adjusted EBITDA margin significantly increased, reaching **14.7%** vs. 11.4% in 2015. The implementation of strong cost reductions in the CIS zone, as well as a slight improvement in the product mix, led to this clear rebound. In addition, successive increases in selling prices combined with the gradual recovery of the ruble improved EBITDA by €11.6m in the second half of 2016 (net impact of currency devaluations and past selling price increases). Thus, in CIS, APAC & Latin America, the margin in the second half was 17.9% (vs. 10.6% in the first half of 2016 and 9.7% in the second half of 2015).
In Asia Pacific, the recovery of volumes at the end of the year resulted in an improvement in profitability in the second half as compared with the first half. Adjusted EBITDA in Latin America remained good despite the unfavorable economic environment.

Sports

The Sports segment experienced a solid **organic growth of 6.1%** in 2016, growing for the third consecutive year. The fourth quarter has been strong, helped by favorable weather conditions allowing sport fields' installations until the end of the year. Activity in the athletic tracks in North America was particularly dynamic in 2016, while artificial grass was well oriented both in North America and in Europe.

The strong organic growth and initiatives to improve productivity led to another increase in **adjusted EBITDA margin**, which was **11.6%**, as compared with 9.4% in 2015.

Net result attributable to owners of the Company: increase of 42% to €119m

Central costs not allocated to the segments increased to €50.4m (vs. €44.5m in 2015), due to significant investments in initiatives to improve the customer experience, in IT systems and the continuation of our research and development projects.

Adjustments to EBIT went from +€3.2m in 2015 to €(23.0)m in 2016. In 2015, Tarkett had realized a pre-tax gain of €28m on the sale of a property that it owned in Houston. In 2016, restructuring costs were lower than in the previous year. Share-based payments increased in line with the Company's strong financial results and stock price.

Net financial costs decreased significantly in 2016, to €21.0m, vs. €31.9m in 2015, thanks to the debt reduction and to the lower cost of the June 2016 refinancing. In addition, net financial costs in 2015 had been impacted by currency losses, notably in the CIS countries, which did not recur in 2016. The effective tax rate was 31.2% vs. 36.9% in 2015, notably due to the application of IAS 12.41 (exchange rate differences in the CIS on non-monetary assets and liabilities of entities whose functional currencies are different from the local currency).

A solid balance sheet

Tarkett once again generated strong **net cash flow from operations** of €205.8m, an increase from €192.2m in 2015. Free cash flow, available for dividends and acquisitions, reaches €148.0m.

Working capital requirements increased in line with the activity. **Ongoing capital expenditures** totaled €91.5m, or 3.3% of net sales, vs. €79.3m in 2015.

Net debt decreased by €104m as compared with year-end 2015, to €378m, resulting in an improvement in the leverage ratio to 1.1 times adjusted EBITDA (1.7x at year-end 2015).

The Management Board will propose payment of a €0.60 **per-share dividend** at the Annual General Meeting on April 27, 2017, corresponding to 32% of net profit attributable to owners of the Company. This proposal is in line with the Group's 2020 objectives.

Outlook

Market trends in the Sports, EMEA and North America segments are expected to remain positive in 2017. However, Tarkett will face a high basis for comparison in the first half, since the first half of 2016 was quite dynamic in these segments. Furthermore, numerous political uncertainties in these regions may have a detrimental effect on the activity.

Volumes should have reached a low point in the CIS countries and 2017 should show a stabilization. The Group is planning to reinforce its manufacturing footprint by investing in a new production line for wood flooring at its Moscow-region facility. It should be operational in 2018 and will represent an investment of €15m in 2017.

Following a favorable evolution of raw material prices from which the Group benefited in 2015 and 2016, raw material prices began to rise.

Given its very strong balance sheet, Tarkett will continue to actively seek out opportunities for external growth.

Objectives confirmed for the 2017-2020 period *(excluding transformative acquisitions)*

Tarkett expects to achieve net sales of **€3.5bn**(1) by 2020 and we also confirm our intention to generate €500m in additional sales by 2020 through acquisitions.

Adjusted EBITDA margin(2) should remain **above 12% over the entire period of the plan.** Additionally, Return on Invested Capital (ROIC)(3) should be **greater than 9%** and the leverage (4) should be **below 2.5x**.

Lastly, we confirm the objective of an annual dividend payment of **at least €0.60** per share between now and 2020.

(1) Net sales including acquisitions; organic growth outperforming estimated market growth.
(2) Adjusted EBITDA: adjustments include expenses related to restructurings, acquisitions, and certain other non-recurring items.
(3) Defined as Net operating profit after tax [Adjusted EBIT * (1 - Normative tax rate of 35%)] divided by the invested Capital [Goodwill + Tangible and intangible assets + Working capital].
(4) Net debt divided by adjusted EBITDA.

The 2016 audited consolidated financial statements and the presentation of 2016 results are available on Tarkett's website. The related analysts' conference call will take place on Friday, February 10, 2017, at 11:00 AM, Paris time, and an audio webcast (live and replay, in English) will also be available at www.tarkett.com.

Financial calendar- *publications will be released after market closing*

- April 25, 2017: first-quarter financial results
- April 27, 2017: Annual General Meeting
- July 26, 2017: half-year financial results
- October 24, 2017: third-quarter financial results

About Tarkett

With net sales of more than €2.7 billion in 2016, Tarkett is a global leader in innovative solutions for flooring and sports surfaces. Offering a wide range of products including vinyl, linoleum, carpet, rubber, wood & laminate, synthetic turf and athletic tracks, the Group serves customers in more than 100 countries worldwide. With 12,500 employees and 34 industrial sites, Tarkett sells 1.3 million square meters of flooring every day, for hospitals, schools, housing, hotels, offices, stores and sports fields. Committed to sustainable development, the Group has implemented an eco-innovation strategy and promotes circular economy. Tarkett is listed on Euronext Paris (compartment A, ISIN: FR0004188670, ticker TKTT). www.tarkett.com

Investor Relations Contacts

Tarkett - Jacques Bénétreau - jacques.benetreau@tarkett.com
Tarkett - Alexandra Baubigeat Boucheron - alexandra.baubigeatboucheron@tarkett.com

Media Relations Contact

Tarkett - Véronique Bouchard Bienaymé - communication@tarkett.com
Brunswick - tarkett@brunswickgroup.com - Tel.: +33 (0) 1 53 96 83 83

Disclaimer

On February 9, 2017, Tarkett's Supervisory Board reviewed the Group's consolidated financial statements as of and for the year ended December 31, 2016. The audit of the financial statements has been completed and the statutory auditors' report on the financial statements has been issued.

This press release may contain estimates and/or forward-looking statements. Such statements do not constitute forecasts regarding Tarkett's results or any other performance indicator, but rather trends or targets, as the case may be. These statements are by their nature subject to risks and uncertainties, many of which are outside Tarkett's control, including, but not limited to the risks described in Tarkett's 'document de référence', registered on April 1st, 2016 available on its Internet website (www.tarkett.com). These risks and uncertainties include those discussed or identified under 'Facteurs de Risques' in the 'document de reference'. These statements do not warrant future performance of Tarkett, which may materially differ. Tarkett does not undertake to provide updates of these statements to reflect events that occur or circumstances that arise after the publication of the press release.

Tarkett
THE ULTIMATE FLOORING EXPERIENCE

Appendix

Quarterly net sales by segment

€ million	Q1 2016	Q1 2015	Change (as a %)	of which organic growth(1)
EMEA	232.4	226.5	+2.6%	+5.5%
North America	187.2	162.8	+15.0%	+11.4%
CIS, APAC & Latin America	103.5	126.4	-18.1%	-11.0%
Sports	53.2	45.5	+17.0%	+14.1%
Total	**576.3**	**561.2**	**+2.7%**	**+4,2%**

€ million	Q2 2016	Q2 2015	Change (as a %)	of which organic growth(1)
EMEA	239.3	236.0	+1.4%	+6.0%
North America	223.9	210.8	+6.2%	+5.2%
CIS, APAC & Latin America	131.4	151.3	-13.1%	-5.3%
Sports	127.3	114.5	+11.2%	+10.7%
Total	**721.8**	**712.7**	**+1.3%**	**+4.2%**

€ million	Q3 2016	Q3 2015	Change (as a %)	of which organic growth(1)
EMEA	222.9	230.9	-3.5%	+1.1%
North America	216.6	214.1	+1.1%	-0.6%
CIS, APAC & Latin America	157.7	164.6	-4.2%	-10.1%
Sports	197.2	199.2	-1.0%	-0.9%
TOTAL	**794.3**	**808.8**	**-1.8%**	**-2.1%**

€ million	Q4 2016	Q4 2015	Change (as a %)	of which organic growth(1)
EMEA	211.9	224.1	-5.4%	+0.2%
North America	189.1	183.5	+3.0%	+0.1%
CIS, APAC & Latin America	157.1	144.3	+8.9%	+0.7%
Sports	88.8	80.1	+10.9%	+10.6%
TOTAL	**646.9**	**632.1**	**+2.3%**	**+1.6%**

Group adjusted EBITDA(2) by quarter

€ million	2016	2015	*2016 Margin (% of Net Sales)*	*2015 Margin (% of Net Sales)*
Q1	45.0	31.8	*7.8%*	*5.7%*
Q2	106.5	96.2	*14.8%*	*13.5%*
Q3	119.2	113.2	*15.0%*	*14.0%*
Q4	63.7	44.1	*9.8%*	*7.0%*

(1) Organic growth: at constant scope of consolidation and exchange rates (Note: in the CIS, price increases implemented in order to offset currency fluctuations are not included in organic growth. **Therefore, organic growth reflects only the effects of volume and product mix**).
(2) Adjusted EBITDA: adjustments include expenses related to restructurings, acquisitions, and certain other non-recurring items.

Half-year net sales by segment

€ million	H1 2016	H1 2015	Change (as a %)	of which organic growth[1]
EMEA	471.6	462.6	+2.0%	+5.7%
North America	411.1	373.6	+10.0%	+7.9%
CIS, APAC & Latin America	234.9	277.7	-15.4%	-7.9%
Sports	180.5	160.0	+12.8%	+11.7%
TOTAL	**1,298.1**	**1,273.9**	**+1.9%**	**+4.2%**

€ million	H2 2016	H2 2015	Change (as a %)	of which organic growth[1]
EMEA	434.9	455.0	-4.4%	+0.7%
North America	405.6	397.6	+2.0%	-0.3%
CIS, APAC & Latin America	314.7	308.9	+1.9%	-5.0%
Sports	286.0	279.3	+2.4%	+2.3%
TOTAL	**1,441.2**	**1,440.9**	**+0.0%**	**-0.5%**

Half-year 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 & Latin America	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	**151.4**	**128.1**	***11.7%***	***10.1%***

€ million	H2 2016	H2 2015	*H2 2016 margin (% net sales)*	*H2 2015 margin (% net sales)*
EMEA	61.9	67.4	*14.2%*	*14.8%*
North America	53.7	50.4	*13.2%*	*12.7%*
CIS, APAC & Latin America	56.2	29.9	*17.9%*	*9.7%*
Sports	35.9	31.4	*12.6%*	*11.3%*
Central costs not allocated	(24.7)	(21.9)	-	-
TOTAL	**183.0**	**157.2**	***12.7%***	***10.9%***

(1) Organic growth: at constant scope of consolidation and exchange rates (Note: in the CIS, price increases implemented in order to offset currency fluctuations are not included in organic growth. **Therefore, organic growth reflects only the effects of volume and product mix**).
(2) Adjusted EBITDA: adjustments include expenses related to restructurings, acquisitions, and certain other non-recurring items.

Simplified consolidated income statement

€ million	2016	2015	Change (as a %)
Revenue	**2,739.3**	**2,714.8**	**+0.9%**
Adjusted EBITDA[1] *% of net sales*	**334.4** *12.2%*	**285.3** *10.5%*	**+17.2%**
Depreciation and amortization Adjustments to EBIT	(120.7) (23.0)	(123.9) 3.2	
EBIT *% of net sales*	**190.7** *7.0%*	**164.6** *6.1%*	**+15.9%**
Financial income and expenses	(21.0)	(31.9)	
Profit before income tax Income tax *Effective tax rate*	172.3 (53.0) *31.2%*	132.4 (48.9) *36.9%*	
Net profit attributable to owners of the Company	**118.6**	**83.3**	**+42.4%**
Basic earnings per share	€1.87	€1.31	

(1) Adjusted EBITDA: adjustments include expenses related to restructurings, acquisitions, and certain other non-recurring items.

Definition of alternative performance indicators (not defined by IFRS)

The Tarkett Group uses the following non-IFRS financial indicators:

- Organic growth
- Adjusted EBITDA
- Net cash flow from Operations
- Free cash flow
- Return on invested capital or “ROIC”

These indicators are calculated as follows:

- **Organic growth:**
    - This indicator measures the change in net revenue as compared with the same period in the previous year, at constant exchange rates and scope of consolidation.
    - The exchange rate effect is obtained by applying the previous year's exchange rate to sales for the current year and calculating the difference as compared with sales for the current year. It also includes the effect of price adjustments in the CIS countries intended to offset movements in local currencies against the euro.
    - The effect of consolidation scope is composed of:
        - current-year sales by entities that were not included in the consolidation scope during the same period of the previous year, until the anniversary of their consolidation; and
        - the reduction in sales relating to discontinued operations that are not included in the consolidation scope for the current year but were included in sales for the same period in the previous year, until the anniversary of the disposal.

    - The evolution of net sales from one year to the next is broken down as follows:

€ million	**2016**	**2015**	Change (as a %)	*of which exchange rate effect*	*of which effect of consolidation scope*	*of which organic growth*
Group Total - H1	1,298.1	1,273.9	+1.9%	*-2.3%*	-	*+4.2%*
Group Total - H2	1,441.2	1,440.9	+0.0%	*+0.5%*	-	*-0.5%*
Group Total - FY	2,739.3	2,714.8	+0.9%	*-0.8%*	-	*+1.7%*

- **Adjusted EBITDA**:
    - Adjusted EBITDA is calculated by deducting the following revenues and expenses from operating income before depreciation and amortization:
        - restructuring costs incurred to increase the Group's future profitability;
        - capital gains and capital losses recognized on significant asset sales;
        - provisions and reversals of provisions for loss of value;
        - costs relating to corporate and legal restructuring;
        - costs relating to share-based payments;
        - other one-off expenses considered non-recurring by their nature.

    - Note 3.1 to the consolidated financial statements includes a table that reconciles operating income with adjusted EBITDA, as well as the effect of adjustments by type.

- **Net cash flow from operations**:
  - Cash generated from operations minus capital expenditures.
  - Capital expenditures are defined as investments in property, plant and equipment and intangible assets, excluding construction of new plants or distribution sites and acquisitions of companies or activities.

  - Net cash flow from operations for the year may be broken down as follows:

€ million	2016	2015
Cash generated from operations	297.3	271.4
Acquisitions of property, plant and equipment and intangible assets	(91.9)	(80.6)
Restatement of non-recurring investments	0.4	1.3
Net cash flow from operations	**205.8**	**192.2**

- **Free cash flow**:
  - Net cash flow from operations, as defined above, to which the following inflows are added to (or outflows are subtracted from) the cash flow statement:
    - Net interest received (paid);
    - Net taxes collected (paid);
    - Miscellaneous operational items deposited (disbursed); and
    - Proceeds (losses) from disposals of fixed assets.

  - Free cash flow may be broken down as follows:

€ million	2016	2015
Net cash flow from operations	205.8	192.2
Net interest paid	(15.3)	(22.7)
Net taxes paid	(41.1)	(32.9)
Miscellaneous operational items	(2.1)	0.7
Proceeds from sale of property, plant and equipment	0.7	36.2
Free Cash Flow	**148.0**	**173.4**

Note 3.5 to the consolidated financial statements includes a table showing the reconciliation of the line items in the Statement of Cash Flows to operating cash flow and free cash flow.

- **Return on invested capital ("ROIC"):**
  - It is the ratio between:
    - Net operating profit after taxes and before financial items (NOPAT), and
    - Invested capital (which corresponds to the sum of property, plant and equipment, intangible assets (including goodwill), and net working capital)

Net operating profit after taxes (NOPAT) is calculated as follows:

€ million	2016	2015
Result from operating activities (EBIT)	**190.7**	**164.6**
Adjustments		
Restructuring costs	5.0	9.0
Gains (losses) on disposal of fixed assets/Impairment	2.4	(26.6)
Adjustments for business combinations	4.6	10.9
Share-based payments	8.7	2.0
Advisory fees and other provisions	2.3	1.5
Adjusted EBIT	**213.7**	**161.4**
Normative tax rate	35%	35%
Net operating profit after taxes (NOPAT) (A)	**138.9**	**104.9**

Invested capital is calculated as follows:

€ million	2016	2015
Property, plant and equipment	488.6	499.4
Intangible assets	108.5	124.2
Goodwill	550.4	538.4
Working capital(1)	347.8	327.3
Total invested capital (B)	**1,495.3**	**1,489.3**

(1) Working capital includes inventory, trade and other receivables, deferred tax assets and liabilities, trade payables, other liabilities, and other short-term provisions, restated for financial items (€8.7m) and for amounts payable on fixed assets (€4.5m).

The Group's return on invested capital is as follows:

€ million	2016	2015
Return on invested capital (ROIC) (A/B)	**9.3%**	**7.0%**