H1 2016 results
Excellent H1 with +4.2% organic growth
Adjusted EBITDA margin up by 160 bps
Net profit increased by 49%

Paris, July 27th, 2016

Highlights

- **Net Sales of €1,298m, +4.2% organic growth[1] (+1.9% on a reported basis)**
- **Adjusted EBITDA[2] of €151m vs. €128m in H1 2015 and margin up by 160 bps at 11.7%**
- **Net profit[3] of €45m vs. €30m in H1 2015 i.e. +49%**
- **Record revenue and adjusted EBITDA margin in EMEA, North America and Sports segments**
- **Successful €300m private placement, extending the Group's debt maturity and reducing its cost**

(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. **Including CIS price increases, the organic growth reached +5.1%**).
(2) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.
(3) Net profit attributable to owners of the Company.

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.

Commenting on the financial results, **CEO Michel Giannuzzi** stated:

"We are extremely pleased that both net sales and profitability have strongly improved in the first half of 2016. Tarkett reaped the benefits of restructuring actions taken over the previous years, effective ongoing productivity initiatives, still favorable raw material prices and additional sales volumes. North America outperformed its profitable growth objectives and together with EMEA and Sports segments has reached a record level of revenue and adjusted EBITDA margin; while the CIS showed remarkable resilience.

The Group's strong performance in the first half demonstrates the relevance of our strategy and balanced business model with multiple geographies, product categories and market segments."

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.

Comments by segment

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.

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.

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.

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.

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.

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.

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.

Our medium term objectives and strategic initiatives will be communicated during an Investor Day, to be held in Paris on October 27th, 2016.

Audited consolidated financial statements for H1 2016 are available on Tarkett's website. The related analysts' conference will be held on Thursday July 28th, 2016 at 11:00 am CET and an audio webcast service (live and replay) as well as the results presentation will be available at *www.tarkett.com*.

Financial Calendar - *Publications to be released after market close*

- October 26, 2016: Third quarter Financial Results
- October 27, 2016: Investor Day

About Tarkett

With net sales of 2.7 billion euros in 2015, Tarkett is a global leader in innovative and sustainable 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 12,000 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, ticker TKTT, ISIN: FR0004188670). www.tarkett.com.

Investor Relations Contact

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

Media Contact

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

Disclaimer

The Supervisory Board of Tarkett held on July 27, 2016, reviewed the consolidated financial statements of the Group as of June 30, 2016. Limited review has been carried out and auditors' report on financial statements is being 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 référence'. 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.

Appendices

Quarterly Net Sales by segment

€ million	Q1 2016	Q1 2015	% Change	o/w organic(1)
EMEA	232.4	226.5	+2.6%	+5.5%
North America	187.2	162.8	+15.0%	+11.4%
CIS, APAC & LATAM	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	o/w organic(1)
EMEA	239.3	236.0	+1.4%	+6.0%
North America	223.9	210.8	+6.2%	+5.2%
CIS, APAC & LATAM	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%**

Group Adjusted EBITDA(2) by quarter

€ million	2016	2015	*2016 margin (% sales)*	*2015 margin (% sales)*
Q1	45.0	31.8	*7.8%*	*5.7%*
Q2	106.5	96.2	*14.8%*	*13.5%*

Net Sales by segment – Half-year

€ 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	**1,298.1**	**1,273.9**	**+1.9%**	**+4.2%**

Adjusted EBITDA(2) by segment – Half-year

€ million	H1 2016	H1 2015	*H1 2016 Margin (% sales)*	*H1 2015 Margin (% 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	**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.

SIMPLIFIED CONSOLIDATED INCOME STATEMENT

€ million	H1 2016	H1 2015	% Change
Net Sales	**1,298.1**	**1,273.9**	**+1.9%**
Adjusted EBITDA[(1)] *% Net Sales*	**151.4** *11.7%*	**128.1** *10.1%*	**+18.2%**
Depreciation Adjustments to EBIT	(59.6) (11.3)	(59.5) (9.2)	
EBIT *% Net Sales*	**80.5** *6.2%*	**59.4** *4.7%*	**+35.5%**
Net financial expenses	(11.3)	(11.9)	
Profit before taxes Income tax expenses *Effective tax rate*	70.9 (25.3) *35.7%*	47.9 (17.5) *36.5%*	
Net profit attributable to owners	**45.2**	**30.4**	**+48.7%**
Earnings per share	€0.71	€0.48	

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