PRESS RELEASE

Resilient performance in 2014
despite worsening conditions in Russia in Q4

Paris-Nanterre, February 18th, 2015

Highlights

- **Net Sales: €2,414m, -4.1% of which -2.3% organic growth vs. 2013(1)**
- **Adjusted EBITDA(2) of €275m and adjusted EBITDA margin of 11.4% of sales**
- **In Russia, selling price increases of 15% to 20% in January 2015**
- **Net profit attributable to owners of the Company (non-adjusted) of €61m**
- **Acquisition of Desso completed on December 31st 2014**
- **Solid net cash flow from operations of €172m**
- **Leverage(3) of 2.0x after Desso acquisition**
- **A dividend of €0.38 per share will be proposed at the AGM, i.e. 40% of net profit(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) Based on a Net debt post Desso acquisition and an adjusted EBITDA pro-forma for Desso.
(4) Net profit attributable to owners of the Company.

Net Sales for the full year came in at **€2,414m**, down -4.1% vs. 2013.

The Group posted a **negative organic growth of -2.3%,** excluding the full-year impact of acquisitions (+0.5%) and a strong negative exchange rates impact (-2.3% or -€58m including a 'lag effect' of selling price increases in Russia of -€42m). While the Sports segment continuously improved and trends in EMEA remained healthy, the negative organic growth reflects mainly shrinking volumes in CIS countries and a North American residential activity lower than last year.

The Group reached an **adjusted EBITDA** of €275m vs. €310m in 2013. **Adjusted EBITDA margin** decreased to **11.4%** (-90 bps vs. 2013 of which -50 bps are due to the devaluation of the ruble in Q4 2014). Tarkett reacted by increasing selling prices in Russia from 15% to 20% depending on the products in January 2015. The adjusted EBITDA margin was also penalized by the ramp-up costs of the new VCT (Vinyl Composition Tiles) line in Florence (Alabama).

The acquisition of **Desso** (€208m of sales in 2014), a leading commercial carpet tiles company in Europe, was closed on December 31st 2014. It is in line with Tarkett's value-creative and selective acquisitions strategy.

Net profit attributable to owners of the Company amounted to **€61m, versus €98m** in 2013.

Commenting on the financial results, **Michel Giannuzzi, CEO of Tarkett, declared:**

"*Despite strong headwinds in Russia throughout the year, Tarkett balanced business model proved its resilience. In this context, we maintained our focus on selling prices in Russia, cash and cost discipline and restructuring actions. Moreover Desso and the three other acquisitions made during the year enable Tarkett to expand its portfolio and will benefit Tarkett results from 2015 onwards.*

Although the economic situation in Russia will remain uncertain for some time, Tarkett should benefit from a weaker euro and the erosion of some raw materials prices.

We remain firmly committed to our strategic goals of sustainable and profitable growth, enhanced by selective acquisitions, while continuing to keep an extremely tight focus on operational efficiency."

Key figures

€ million	2014	2013
Net Sales *% change* *Of which Organic growth(1)*	2,414.4 *-4.1%* *-2.3%*	2,516.4
Adjusted EBITDA(2) *% Net Sales*	275.0 *11.4%*	310.0 *12.3%*
Net profit attributable to owners of the Company (non-adjusted) *% Net Sales*	61.2 *2.5%*	97.6 *3.9%*
Net cash-flow from operations(3)	172.4	192.4
Net debt / Adjusted EBITDA(2) pro-forma for Desso in 2014	2.0x	1.4x
Dividend per share *% of Net profit attributable to owners of the Company*	€ 0.38 *40%*	€ 0.62 *40%*

Net sales and adjusted EBITDA(2) by segment

€ million	2014	2013	% change	o/w organic(1)
EMEA				
Net Sales	681.3	669.6	*+1.7%*	*+1.2%*
Adjusted EBITDA(2) *% Net Sales*	77.0 *11.3%*	71.3 *10.6%*		
North America				
Net Sales	658.0	673.6	*-2.3%*	*-2.1%*
Adjusted EBITDA(2) *% Net Sales*	63.8 *9.7%*	74.0 *11.0%*		
CIS, APAC & LATAM				
Net Sales	771.1	887.5	*-13.1%*	*-7.8%*
Adjusted EBITDA(2) *% Net Sales*	146.0 *18.9%*	190.1 *21.4%*		
Sports				
Net Sales	304.0	285.8	*+6.4%*	*+6.2%*
Adjusted EBITDA(2) *% Net Sales*	26.7 *8.8%*	15.0 *5.2%*		
Central costs not allocated				
Adjusted EBITDA(2)	(38.5)	(40.3)		

(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.

Comments by segment

Europe, Middle East, Africa (EMEA)

In **EMEA**, Tarkett delivered in 2014 a positive **organic growth** of +1.2%, with contrasts persisting from one country to the other. Scandinavia posted a solid performance in 2014 (with the exception of Finland turning negative in the second half). Germany and Central Europe performed well. The upbeat momentum has been confirmed in Italy and Spain. France remained negative, as a result of shrinking construction and renovation markets. The selling prices increased slightly in EMEA on the back of very innovative products launches (eco-innovation based on phthalate-free technology).

Thanks to a strict management of costs and productivity actions, the **adjusted EBITDA margin** rose to 11.3% of sales from 10.6% in 2013.

In April 2014, Tarkett acquired **Gamrat Flooring** in Poland, with net sales of approximately €20m in 2013, strengthening its vinyl flooring activities in Central Europe.
On December 31st, 2014, Tarkett acquired **Desso**, a well-established brand specialized in commercial carpets and sport fields in Europe. This acquisition strengthens the product portfolio of the Group by adding high-end carpets and carpet tiles for its European clients. Desso posted in 2014 net sales of €208m; 90% will be integrated into EMEA segment and 10% to the Sports segment from 2015 onwards.

North America

In **North America net sales** declined -2.1% organically, affected by a continuing weak performance in the residential activity. However the commercial activity experienced a slight growth over the year as a whole: good dynamics in LVT enabled to get back to positive territory in the fourth quarter after the contraction experienced in the third quarter.

The **adjusted EBITDA margin** narrowed to 9.7% of sales from 11.0% in 2013, as a result of deteriorating margins in residential and one-time costs linked to the ramp-up of the new VCT (Vinyl Composition Tiles) line in Florence (Alabama) after the transfer of production from Houston (Texas) that took place in July 2014.

CIS, APAC & LATAM

CIS, APAC & LATAM segment's **net sales** declined by -7.8% organically, strictly reflecting volume and mix. After a stabilization of market conditions in Russia and Ukraine in the third quarter, the sharp devaluation of the ruble in the fourth quarter (that accelerated mid-December) created strong volatility. This situation led to temporary better volumes in the fourth quarter in Russia, especially in December, as local consumers anticipated upcoming increases in selling prices. In Ukraine, volumes have strongly dropped in 2014 (losing almost 50% versus 2013), as the business in the Eastern side of the country has almost stopped since the second quarter of the year.
In APAC, organic sales contracted slightly due to a weak demand and price pressure in Australia, combined with lower activity in the office segment in China. In Latin America, Tarkett posted a good organic growth in a tightening macroeconomic environment driven by a sustained development of LVT sales and a selective selling price increases policy.

The **adjusted EBITDA margin** in the CIS, APAC & LATAM segment, although reduced by 250 bps, remained at a healthy 18.9% (from 21.4% of sales in 2013). For the first nine months of 2014, adjusted EBITDA margin had been protected thanks to the selling price increase implemented in the first half in Russia and the cost structure adjustments. The decline in margin is thus mainly resulting from the sharp fall of the ruble in the fourth quarter that led to a 'lag effect' of currencies of -€16m on adjusted EBITDA over the quarter (net impact of currency devaluations mitigated by price increases). As a consequence, the Group decided to increase selling price in Russia in January 2015 by 15% to 20% depending on the products.

Moreover, cost actions put in place in 2014 in the CIS countries continued to be further deployed in 2015 and production capacity is continuously optimized to adapt to the evolution of the activity. Some specific restructuring initiatives have also been taken in Russia and in Ukraine.

In **Asia Pacific**, Tarkett acquired in May 2014 the 30% minority interest of its subsidiary dedicated to distribution of its products in **China** as well as industrial assets for vinyl flooring production, located near Beijing.

Sports

Sports activities remained on an upward trend: **net sales** gained +6.2% organically in 2014, mainly driven by the continued momentum of artificial turf in North America, as well as the good trends in Europe albeit with contrasting patterns from one country to the next.

The **adjusted EBITDA margin** edged up to 8.8% from 5.2% of sales in 2013, thanks to volume growth and the resolution of some litigations in first-half 2014.

In November 2014, Tarkett acquired the American company **Renner Sport Surfaces**, specialized in tracks and tennis courts, strengthening its North American leadership position. Renner Sport Surfaces realized approximately US$12m of sales in 2013.
Desso Sports will contribute to the segment from 2015 onwards and bring a well-recognized new technology of hybrid turf.

Central Costs

Central costs not allocated to the segments decreased by €1.8m, owing to an ongoing tight rein on costs.

Adjustments to EBIT

Adjustments to EBIT rose from €30m in 2013 to €39m in 2014 reflecting among other things, the several restructuring initiatives, especially the restructuring costs linked to Marty wood plant in France and costs related to acquisitions.

Net Profit attributable to owners of the Company (non-adjusted)

The net profit attributable to owners of the Company contracted to €61m from €98m in 2013.

A strong balance sheet structure

Net cash-flow from operations reached €172m, after €192m in 2013. This solid cash flow generation, in spite of a decline in results has been made possible thanks to an efficient management of cash, a strict discipline on the working capital and a slight decrease in capital expenditure (down €10m) to 3.2% of net sales.

Net debt amounted to €595m, i.e. 2.0x 2014 adjusted EBITDA pro-forma for Desso. The increase in the net debt is linked to the several acquisitions made during the year, especially Desso for €154m.

At the Annual Shareholder Meeting of April 24th 2015, the Management Board will propose a dividend of €0.38 per share, representing 40% of the net profit attributable to owners of the Company. This proposal is in line with the Group’s mid-term guidance.

Outlook

While the economic environment in Russia will remain unsettled for some time, Tarkett should benefit from a weaker euro and the erosion of certain raw materials prices.

In this context, Tarkett will continue to roll out its strategy of sustainable and profitable growth, underpinned by selective acquisitions while keeping strict control on costs and cash.

Audited consolidated financial statements for FY 2014 and the presentation of FY 2014 results are available on Tarkett's website. The related analysts' conference will be held on Thursday 19th of February 2015 at 11:00 am CET and an audio webcast service (live and replay) will also be available at www.tarkett.com.

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

- April 21, 2015: First quarter Financial Results
- April 24, 2015: Annual General Meeting
- July 29, 2015: Half-year Financial Results
- October 21, 2015: Third quarter Financial Results

About Tarkett

Tarkett is a global leader in innovative and sustainable solutions for flooring and sports surfaces. With 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 net sales of 2.4 billion euros in 2014 are balanced between Europe, North America and the region comprising CIS countries, APAC & LATAM. Tarkett is listed on Euronext Paris (compartment A, ticker TKTT, ISIN: FR0004188670) and is included in the following indices: SBF 120, CAC Mid 60, CAC Mid & Small, CAC All-Tradable www.tarkett.com.

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Disclaimer

The Supervisory Board of Tarkett held on February 18, 2015, reviewed the consolidated financial statements of the Group as of December 31, 2014. Audit procedures have 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 reference', registered on April 17th, 2014 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.

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Appendices

Quarterly Net Sales by segment and Consolidated Adjusted EBITDA

€ million	Q1 2014	Q1 2013	% Variation	o/w organic(1)
EMEA	169.4	166.4	+1.8%	+3.6%
North America	140.8	149.0	-5.5%	-0.7%
CIS, APAC & LATAM	157.9	179.9	-12.3%	-3.4%
Sports	24.8	25.7	-3.6%	-0.5%
Consolidated Net Sales	**492.9**	**521.0**	**-5.4%**	**-0.2%**
€ million	**Q1 2014**	**Q1 2013**	**% Net Sales Q1 14**	**% Net Sales Q1 13**
Consolidated Adjusted EBITDA(2)	**35.8**	**45.1**	**7.3%**	**8.7%**

€ million	Q2 2014	Q2 2013	% Variation	o/w organic(1)
EMEA	177.6	175.6	+1.1%	+0.8%
North America	178.0	185.3	-3.9%	+1.1%
CIS, APAC & LATAM	187.1	219.4	-14.7%	-11.0%
Sports	72.1	69.0	+4.5%	+8.4%
Consolidated Net Sales	**614.8**	**649.3**	**-5.3%**	**-2.3%**
€ million	**Q2 2014**	**Q2 2013**	**% Net Sales Q2 14**	**% Net Sales Q2 13**
Consolidated Adjusted EBITDA(2)	**89.9**	**88.1**	**14.6%**	**13.6%**

€ million	Q3 2014	Q3 2013	% Variation	o/w organic(1)
EMEA	174.2	169.7	+2.7%	+0.4%
North America	178.1	186.3	-4.4%	-5.0%
CIS, APAC & LATAM	234.6	263.4	-10.9%	-11.0%
Sports	144.2	137.1	+5.2%	+6.4%
Consolidated Net Sales	**731.2**	**756.5**	**-3.3%**	**-3.8%**
€ million	**Q3 2014**	**Q3 2013**	**% Net Sales Q3 14**	**% Net Sales Q3 13**
Consolidated Adjusted EBITDA(2)	**112.3**	**116.6**	**15.4%**	**15.4%**

€ million	Q4 2014	Q4 2013	% Variation	o/w organic(1)
EMEA	160.1	157.9	+1.4%	-0.8%
North America	161.1	153.0	+5.3%	-3.6%
CIS, APAC & LATAM	191.5	224.7	-14.8%	-4.3%
Sports	62.9	54.0	+16.6%	+5.8%
Consolidated Net Sales	**575.6**	**589.6**	**-2.4%**	**-2.3%**
€ million	**Q4 2014**	**Q4 2013**	**% Net Sales Q4 14**	**% Net Sales Q4 13**
Consolidated Adjusted EBITDA(2)	**37.0**	**60.2**	**6.4%**	**10.2%**

(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.

Net Sales by segment – Half-year and Full Year

€ million	H1 2014	H1 2013	% Variation	o/w organic(1)
EMEA	347.0	342.0	+1.5%	+2.2%
North America	318.8	334.3	-4.6%	+0.3%
CIS, APAC & LATAM	345.0	399.4	-13.6%	-7.6%
Sports	96.9	94.7	+2.3%	+6.0%
Consolidated Net Sales	**1,107.6**	**1,170.3**	**-5.4%**	**-1.4%**

€ million	H2 2014	H2 2013	% Variation	o/w organic(1)
EMEA	334.4	327.6	+2.1%	+0.2%
North America	339.2	339.3	0.0%	-4.4%
CIS, APAC & LATAM	426.1	488.1	-12.7%	-7.9%
Sports	207.1	191.1	+8.4%	+6.2%
Consolidated Net Sales	**1,306.8**	**1,346.1**	**-2.9%**	**-3.1%**

€ million	2014	2013	% Variation	o/w organic(1)
EMEA	681.3	669.6	+1.7%	+1.2%
North America	658.0	673.6	-2.3%	-2.1%
CIS, APAC & LATAM	771.1	887.5	-13.1%	-7.8%
Sports	304.0	285.8	+6.4%	+6.2%
Consolidated Net Sales	**2,414.4**	**2,516.4**	**-4.1%**	**-2.3%**

(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**).

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Consolidated Adjusted EBITDA[1] by segment – Half-year and Full Year

€ million	H1 2014	H1 2013	*H1 2014 Margin (% net sales)*	*H1 2013 Margin (% net sales)*
EMEA	41.3	38.5	*11.9%*	*11.3%*
North America	34.1	36.6	*10.7%*	*11.0%*
CIS, APAC & LATAM	61.8	76.4	*17.9%*	*19.1%*
Sports	6.7	(0.9)	*6.9%*	*-0.9%*
Central costs not allocated	(18.1)	(17.4)	-	-
Adjusted EBITDA[1]	**125.7**	**133.2**	***11.4%***	***11.4%***

€ million	H2 2014	H2 2013	*H2 2014 Margin (% net sales)*	*H2 2013 Margin (% net sales)*
EMEA	35.8	32.8	*10.7%*	*10.0%*
North America	29.7	37.3	*8.8%*	*11.0%*
CIS, APAC & LATAM	84.2	113.7	*19.8%*	*23.3%*
Sports	20.0	15.9	*9.7%*	*8.3%*
Central costs not allocated	(20.4)	(22.9)	-	-
Adjusted EBITDA[1]	**149.3**	**176.8**	***11.4%***	***13.1%***

€ million	2014	2013	*2014 Margin (% net sales)*	*2013 Margin (% net sales)*
EMEA	77.0	71.3	*11.3%*	*10.6%*
North America	63.8	74.0	*9.7%*	*11.0%*
CIS, APAC & LATAM	146.0	190.1	*18.9%*	*21.4%*
Sports	26.7	15.0	*8.8%*	*5.2%*
Central costs not allocated	(38.5)	(40.3)	-	-
Adjusted EBITDA[1]	**275.0**	**310.0**	***11.4%***	***12.3%***

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