

Q3 2015 results
+10.6% growth in net sales
Organic growth (+0.9%) thanks to North America, EMEA and Sports

- **Net sales rose by +10.6% vs. Q3 2014 on a reported basis**
- **Organic growth⁽¹⁾ of +0.9% thanks to North America (+2.5%), EMEA (+6.2%) and Sports (+11.2%)**
- **Adjusted EBITDA⁽²⁾ stable at €113.2m despite a negative currency impact in CIS countries of -€33.4m**

Key figures

€ million	Q3 2015	Q3 2014 ⁽³⁾	9M 2015	9M 2014 ⁽³⁾
Net Sales	808.8	731.2	2,082.7	1,838.8
% change	+10.6%		+13.3%	
Of which Organic growth ⁽¹⁾	+0.9%		+0.1%	
Adjusted EBITDA ⁽²⁾	113.2	112.9	241.2	237.6
% Net Sales	14.0%	15.4%	11.6%	12.9%

(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) Figures restated to reflect the impact of the IFRIC 21, leading to a change in the recognition date for certain tax liabilities.

Net Sales

Net sales increased by **+0.9%** on an **organic** basis in the third quarter, resulting from a positive growth in all regions, with the exception of CIS countries. EMEA continues to deliver a strong performance. Volumes in North America were driven up by good trends in Luxury Vinyl Tiles (LVT) and commercial carpet. The Sports segment maintained a solid momentum. Volume and mix decline in the CIS region was broadly in line with the first half, however reported sales suffered from the sudden ruble devaluation experienced in August: the negative 'lag effect' on sales (net impact of currency devaluation mitigated by selling price increases) reached -€43m.

The change in **perimeter** had a **+8.2%** positive impact, reflecting primarily the acquisitions of Desso (mainly) and Renner Sport Surfaces. Overall, **exchange rates** contributed positively for **+1.5%**.

Adjusted EBITDA

The **adjusted EBITDA⁽²⁾** was stable vs. Q3 2014⁽³⁾, at €113m. The improvement in EMEA, North America and Sports totally offset the strong negative impact from the 'lag effect' in the CIS countries of -€33m. Despite a 140 bps retreat vs. Q3 2014⁽³⁾, the **adjusted EBITDA margin** remained at a healthy 14.0% of sales.

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

"We delivered a positive organic growth in the quarter thanks to robust trends in EMEA and Sports segments as well as a progressive recovery in North America. In the CIS, volume and mix decline was in line with the first half, but we have been hit by the sudden devaluation of the ruble in August. We are pleased to report that all other segments have offset the impact of the ruble devaluation on adjusted EBITDA, demonstrating the resilience of our balanced business model."

Net sales by segment

€ million	Q3 2015	Q3 2014	% Q3 2015 vs. Q3 2014	
			Reported	Organic ⁽¹⁾
Europe, Middle East, Africa (EMEA)	230.9	174.2	+32.5%	+6.2%
North America	214.1	178.1	+20.2%	+2.5%
CIS, APAC & LATAM	164.6	234.6	-29.8%	-10.5%
Sports	199.2	144.2	+38.1%	+11.2%
Consolidated Net Sales	808.8	731.2	+10.6%	+0.9%

(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**).

In **EMEA**, net sales rose by +6.2% on a like-for-like basis. The LVT category kept gaining share across all the regions. Most countries contributed to the segment's momentum, with France remaining a noticeable exception. Desso's EMEA activities delivered once again a very good performance and the integration is progressing as planned.

The third quarter saw a return to organic revenue growth (+2.5%) in **North America**. This progress reflects an improvement in the commercial activity, especially in the dynamic LVT category and the commercial carpet tiles. The Vinyl Composition Tiles (VCT) production is back to normal and the Group is actively focusing on regaining the lost volumes.

The like-for-like decline in net sales in the **CIS, APAC & LATAM** segment (strictly reflecting volume and mix) remained contained to -10.5% in the third quarter. Tarkett reacted quickly to the sharp devaluation of the Russian ruble that occurred in August, by implementing a new selling price increase (+8% in average), effective mid-September. However this increase had only a marginal effect in the third quarter: the net effect of the local currencies devaluation ('lag effect') reached -€43m on sales and -€33m on adjusted EBITDA.

Sales in Asia Pacific moved up thanks to vigorous trends in Australia. In Latin America, net sales expanded slightly thanks to the selling price increases implemented in Brazil as well as healthy trading in other countries.

After a very strong first half, the **Sports** segment continued to perform well, with net sales increasing by +11.2% on an organic basis. All business lines delivered growth, artificial turf in North America remaining the largest contributor. The third quarter, which is structurally the busiest for this activity, further demonstrates the healthy fundamentals of this market and the need for innovative and sustainable solutions. Desso Sports' activities are successfully integrated within the Sports' division, adding unique solutions to its product offering.

Outlook

Tarkett will remain highly responsive to adapt its selling prices and cost structure in the CIS countries. The other segments should remain positively oriented and the Group should further benefit from its continuous improvement actions and productivity initiatives. A weak euro and the moderate erosion in the price of certain raw materials should also contribute positively.

An audio-conference will be held for the analysts on Thursday October 22nd at 10:30 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 Paris market closing

- February 18, 2016: Full year 2015 Financial Results
- April 26, 2016: Annual General Meeting

About Tarkett

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's 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). www.tarkett.com.

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Appendices

Quarterly Net Sales by segment and Adjusted EBITDA

€ million	Q1 2015	Q1 2014 ⁽³⁾	% Variation	o/w organic ⁽¹⁾
EMEA	226.5	169.4	+33.7%	+5.2%
North America	162.8	140.8	+15.6%	-3.4%
CIS, APAC & LATAM	126.4	157.9	-19.9%	-10.9%
Sports	45.5	24.8	+83.3%	+48.7%
Net Sales	561.2	492.9	+13.9%	-0.2%
€ million	Q1 2015	Q1 2014 ⁽³⁾	% Net Sales Q1 15	% Net Sales Q1 14
Adjusted EBITDA⁽²⁾	31.8	34.2	5.7%	6.9%

€ million	Q2 2015	Q2 2014 ⁽³⁾	% Variation	o/w organic ⁽¹⁾
EMEA	236.0	177.6	+32.9%	+6.1%
North America	210.8	178.0	+18.4%	-2.2%
CIS, APAC & LATAM	151.3	187.1	-19.1%	-14.9%
Sports	114.5	72.1	+58.8%	+24.2%
Net Sales	712.7	614.8	+15.9%	-0.6%
€ million	Q2 2015	Q2 2014 ⁽³⁾	% Net Sales Q2 15	% Net Sales Q2 14
Adjusted EBITDA⁽²⁾	96.2	90.5	13.5%	14.7%

€ million	Q3 2015	Q3 2014 ⁽³⁾	% Variation	o/w organic ⁽¹⁾
EMEA	230.9	174.2	+32.5%	+6.2%
North America	214.1	178.1	+20.2%	+2.5%
CIS, APAC & LATAM	164.6	234.6	-29.8%	-10.5%
Sports	199.2	144.2	+38.1%	+11.2%
Net Sales	808.8	731.2	+10.6%	+0.9%
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Adjusted EBITDA⁽²⁾	113.2	112.9	14.0%	15.4%

€ million	9M 2015	9M 2014 ⁽³⁾	% Variation	o/w organic ⁽¹⁾
EMEA	693.5	521.2	+33.0%	+5.8%
North America	587.7	496.9	+18.3%	-0.9%
CIS, APAC & LATAM	442.4	579.6	-23.7%	-12.0%
Sports	359.1	241.1	+49.0%	+19.0%
Net Sales	2,082.7	1,838.8	+13.3%	+0.1%
€ million	9M 2015	9M 2014 ⁽³⁾	% Net Sales 9M 15	% Net Sales 9M 14
Adjusted EBITDA⁽²⁾	241.2	237.6	11.6%	12.9%

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