PRESS RELEASE

Q1 2015 results
Strong increase in net sales (+13.9%)

Paris, April 21\textsuperscript{st}, 2015

- Net Sales increased by +13.9\% vs. Q1 2014 thanks to strong growth in EMEA and Sports segments, Desso’s contribution and favorable exchange rates
- Stable net sales at same perimeter and exchange rates\textsuperscript{(1)} despite a weak macro situation in CIS countries
- Adjusted EBITDA\textsuperscript{(2)} at €31.8m vs. €34.2m\textsuperscript{(3)} in Q1 2014, mostly due to unfavorable volume and mix in CIS countries

Key figures

<table>
<thead>
<tr>
<th></th>
<th>€ million</th>
<th>Q1 2015</th>
<th>Q1 2014\textsuperscript{(3)}</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>561.2</td>
<td>+13.9%</td>
<td>492.9</td>
</tr>
<tr>
<td>% change</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Of which Organic growth\textsuperscript{(1)}</td>
<td>-0.2%</td>
<td></td>
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<tr>
<td>Adjusted EBITDA\textsuperscript{(2)}</td>
<td>31.8</td>
<td>5.7%</td>
<td>6.9%</td>
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<tr>
<td>% Net Sales</td>
<td></td>
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\textsuperscript{(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).
\textsuperscript{(2)} Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.
\textsuperscript{(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 reached €561m, up 13.9\% from €493m in the same period one year earlier.

Change in perimeter had a +10.5\% positive impact reflecting the acquisitions of Desso (consolidated since January 1\textsuperscript{st}, 2015), Gamrat Flooring and Renner Sport Surfaces. The exchange rates contributed positively for +3.6\% thanks chiefly to the significant depreciation of the euro during the first quarter.

On an organic basis, net sales were stable -0.2\%. The positive trends observed in EMEA through 2014 gained strength while the Sports segment delivered another good performance in the first quarter, which is structurally the smallest of the year. Conversely, the CIS region continued to suffer from the ruble devaluation, the contraction of the Russian economy and the conflict in Ukraine. In North America, the ramp-up of the new VCT (Vinyl Composition Tiles) production line in Florence (Alabama) is still penalizing the volumes in the commercial activity.

Adjusted EBITDA

The adjusted EBITDA amounted to €31.8m vs. €34.2m in Q1 2014 (restated to reflect the impact of IFRIC 21 of -€1.6m). The adjusted EBITDA margin narrowed to 5.7\% (-120 bps vs. restated Q1 2014). The volume expansion in EMEA and Sports, some erosion of raw material prices and the integration of Desso drove the adjusted EBITDA up. These positive elements were more than offset by a volume and mix decline in Russia and Ukraine and the lag effect between the depreciation of the ruble and the implementation of selling price increases. The ramp-up costs of the new production line in Florence (in the USA) continued to weigh negatively on the results.
Commenting on the financial results, Michel Giannuzzi, CEO of Tarkett, declared:

“In the first quarter, Tarkett stable organic sales performance reflects the strong growth in the EMEA and Sports segments which offset the weak demand in the CIS countries. The integration of Desso is smoothly moving forward and the Group is initiating sales of its very innovative connected floor (FloorInMotion). Tarkett pursues its strategy of sustainable and profitable growth, enhanced by selective acquisitions, while maintaining a tight focus on operational efficiency.”

**Net sales by segment**

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q1 2015</th>
<th>Q1 2014</th>
<th>% Q1 2015 vs. Q1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Reported</td>
</tr>
<tr>
<td>Europe, Middle East, Africa (EMEA)</td>
<td>226.5</td>
<td>169.4</td>
<td>+33.7%</td>
</tr>
<tr>
<td>North America</td>
<td>162.8</td>
<td>140.8</td>
<td>+15.6%</td>
</tr>
<tr>
<td>CIS, APAC &amp; LATAM</td>
<td>126.4</td>
<td>157.9</td>
<td>-19.9%</td>
</tr>
<tr>
<td>Sports</td>
<td>45.5</td>
<td>24.8</td>
<td>+83.3%</td>
</tr>
<tr>
<td><strong>Consolidated Net Sales</strong></td>
<td><strong>561.2</strong></td>
<td><strong>492.9</strong></td>
<td><strong>+13.9%</strong></td>
</tr>
</tbody>
</table>

(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.**)

The positive momentum noted in **EMEA** in 2014 strengthened in the first quarter and net sales improved by +5.2% on a like-for-like basis. France continued to be affected by tough market conditions and low construction activity, posting a like-for-like contraction in sales in the quarter. The Nordic countries reported a sustained organic growth, with only Finland seeing a sales decline over the quarter. Markets proved bullish in Central Europe and Germany. Southern Europe continued to pick up, fueled by accelerating trends in Spain and Italy. The integration of Desso’s European activities, whose contribution to net sales amounted to €49.1m over the quarter, is progressing well. The positive results for the quarter were also supported by the momentum of Luxury Vinyl Tiles (LVT) sales. New collections were successfully launched during the quarter: iD Inspiration Limited Edition® (glued-down) and the iD Inspiration Loose-lay® (little subfloor preparation).

Net sales in **North America** retreated 3.4% organically. We experienced across all activities a soft start of the year. Volumes in the commercial activity were still negatively affected by the ramp-up of the new production line of VCT (Vinyl Composition Tiles) in Florence (Alabama), preventing Tarkett from fully responding to the demand. On a reported basis, net sales rose by +15.6% powered by the weakening of the euro against the US dollar.

The **CIS, APAC & LATAM** segment posted a 10.9% decrease organically, strictly reflecting volume and mix. In Russia, the selling price increases implemented in January and February (15% to 20% depending on the products), enabled to limit the net impact of currency devaluation to -€16m on sales and -€5m on adjusted EBITDA. The volumes suffered from a weak demand, compounded by a shift of mix towards entry-level products. The conflict in Ukraine also contributed to the lower activity of the segment.
In the CIS, Tarkett launched innovative wood flooring collections using a digital printing technology that offers a wide variety of exceptional designs. Thanks to this innovation, customers can import pictures, graphical elements or texts on wood and change colors and nuances in combination with the individual grain of each plank. Sales developed positively in China and Australia, while in Latin America net sales contracted slightly, reflecting the slowdown of the economy in Brazil.

The **Sports** segment net sales increased by +49% on an organic basis, on the back of favorable market conditions in North America. However, the first quarter is the smallest of the year in terms of volumes and cannot be considered as a valid proxy for the whole year. On a reported basis, net sales rose by 83% thanks to the weakening of the euro against the US dollar and the 9.6% contribution from Desso Sports and Renner Sport Surfaces.

**Outlook**

The recent strengthening of the ruble demonstrates that the economic environment in Russia remains volatile. Tarkett will continue to be highly responsive to adapt its selling prices, product offering and cost structure to the market conditions. In the other regions, demand should remain positive and the Group should continue to benefit from its productivity and innovation efforts. A weaker 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 Wednesday April 22nd at 10:30 am CET and an audio webcast service (live and replay) will also be available at [www.tarkett.com](http://www.tarkett.com).

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

- 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 about 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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