

**2015 results**  
**Sales growth of 12.4% and adjusted EBITDA increased by 3.7%**  
**Net profit up 36%**  
**Record performance in EMEA and Sports**

Paris, February 18<sup>th</sup>, 2016

**Highlights**

- **Net Sales: €2,715m, +12.4% vs. 2014, of which -0.3% organic growth<sup>(1)</sup>**
- **Adjusted EBITDA<sup>(2)</sup> of €285m vs. €275m in 2014 (+3.7%)**
- **Net profit<sup>(3)</sup> increases by 36% vs. 2014, at €83m**
- **Excellent cash flow generation reducing net debt/adjusted EBITDA ratio to 1.7x vs. 2.0x end of 2014**
- **Record sales and EBITDA in EMEA and Sports, improvement in North America profitability and addition of Desso more than offset the adverse conditions in the CIS**
- **EMEA and North America regions (including Sports) now represent 80% of the adjusted EBITDA**
- **A dividend of €0.52 per share will be proposed at the AGM, i.e. 40% of net profit<sup>(3)</sup>**

(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 +0.9%**).

(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.

**Net Sales** for the full year reached **€2,715m**, an increase of +12.4% vs. 2014, thanks primarily to the addition of acquisitions, which accounted for +9.0% (mostly Desso), and to favorable exchange rates outside of the CIS (+7.2%), partly offset by a sizeable negative effect of currencies in the CIS (net of selling price increases) of -€83m (-3.4%). **Organically, sales were stable (-0.3%)**. The EMEA and Sports segments continued on a very good pace in H2, and North America is recovering, with a positive organic growth in the second half of the year. On the opposite, the slowdown of the CIS economies heavily impacted volumes and product mix, leading to a negative organic growth of -13.1% in the CIS, APAC and LATAM reporting segment.

The Group delivered an **adjusted EBITDA** of €285m vs. €275m in 2014, i.e. +3.7%. The **adjusted EBITDA margin increased in all segments, except CIS**. In this region the margin suffered from the decline of sales volumes and from the weakness of the ruble, but remained above Group average. Thanks to the excellent performance in the other segments the margin decrease at Group level was contained to -90 bps. The adjusted EBITDA margin reached record levels in EMEA and Sports, and increased by 120 bps in North America. All geographies benefited from gains on raw material prices. Lastly the addition of Desso had also a positive impact on the consolidated margin.

The **net profit attributable to owners of the Company** amounted to **€83m**, or €1.31 per share, **versus €61m**, or €0.96 per share, in 2014.

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

*“We are proud to report growing results thanks to an increased profitability in all regions except the CIS countries, which were affected by an unfavorable macro-economic environment. In addition to the record performance of EMEA and Sports, our North American Division showed in the second-half that it is now on the path to profitable growth.*

*These results demonstrate the strength of having a balanced business model with multiple product categories, market segments and geographies. Our organic growth and the acquisitions made over the past two years have allowed a geographical rebalancing of the Group profitability, with 80% of the EBITDA now generated in EMEA and North America regions.”*

## Key figures

€ million	2015	2014	% change
Net Sales	2,714.8	2,414.4	+12.4%
<i>Of which Organic growth<sup>(1)</sup></i>			-0.3%
Adjusted EBITDA <sup>(2)</sup>	285.3	275.0	+3.7%
<i>% Net Sales</i>	10.5%	11.4%	
Net profit attributable to owners (non-adjusted)	83.3	61.2	+36%
Earnings per share	€1.31	€0.96	+36%
Net cash-flow from operations <sup>(3)</sup>	192.2	172.4	
Net debt / Adjusted EBITDA <sup>(4)</sup>	1.7x	2.0x	
Dividend per share	€ 0.52	€ 0.38	+37%
<i>% of Net profit attributable to owners of the Company</i>	40%	40%	

(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) 2014: Proforma Desso.

## Net sales by segment

€ million	FY 2015	FY 2014	% Variation	o/w organic <sup>(1)</sup>
EMEA	917.6	681.3	+34.7%	+6.7%
North America	771.2	658.0	+17.2%	-0.7%
CIS, APAC & LATAM	586.7	771.1	-23.9%	-13.1%
Sports	439.3	304.0	+44.5%	+17.2%
<b>Total Group</b>	<b>2,714.8</b>	<b>2,414.4</b>	<b>+12.4%</b>	<b>-0.3%</b>

## Adjusted EBITDA<sup>(2)</sup> by segment

€ million	FY 2015	FY 2014	FY 2015 Margin (% net sales)	FY 2014 Margin (% net sales)
EMEA	137.5	77.1	15.0%	11.3%
North America	84.0	63.8	10.9%	9.7%
CIS, APAC & LATAM	66.9	146.0	11.4%	18.9%
Sports	41.4	26.7	9.4%	8.8%
Central costs not allocated	(44.5)	(38.5)	-	-
<b>Total Group</b>	<b>285.3</b>	<b>275.0</b>	<b>10.5%</b>	<b>11.4%</b>

(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)

In **EMEA**, Tarkett delivered in 2015 a record +6.7% **organic growth**. Most countries contributed to this excellent performance, in particular the Nordic countries, Germany and Central Europe. Spain and Italy also grew strongly. France remained in negative territory, penalized by still difficult construction and renovation markets. The addition of Desso boosted the **reported sales** growth to 34.7%.

The **adjusted EBITDA margin** reached a record level at 15.0%, up from 11.3% in 2014. Operational leverage, productivity plans, gains on raw material prices, as well as the benefit from previous year restructuring of the wood business all contributed to that performance.

The **LVT** category (luxury vinyl tiles) continued to be the main driver of the growth across the region. In order to satisfy this growing demand, the Group is increasing its production capacity with a new production line in Poland that will be operational in H2-2016.

The integration of **Desso** into the Division structure and teams is fully effective, following a very swift and efficient transition. This business delivered excellent results and took full advantage of favorable exchange rates and raw material costs.

### North America

After a weak first-half, **North America** delivered in H2 a positive organic growth of +1.4%, thanks in particular to the carpet tiles and LVT businesses. The production of VCT (vinyl composition tiles) on the new line is now normalized, but the volumes lost during to the ramp-up phase are still to be recovered.

The **adjusted EBITDA margin** is well oriented, growing from 9.7% to 10.9% year to year and notably from 8.8% to 12.7% in H2, as a result of operational efficiency improvement, better product mix and favorable raw material prices.

The new leadership team is now established and will focus on regaining market shares and improving profitability.

### CIS, APAC & LATAM

**Net sales** declined by -13.1% organically, strictly reflecting volume and mix. The market conditions in Russia were unfavorable throughout the year, in particular due to the contraction of consumer purchasing power, as salaries did not keep up with inflation. The high volatility and the weakness of the ruble impacted reported sales by -€83m, of which -€43m in the third quarter alone, when the price increases implemented in September only partially offset the fall of the ruble in the middle of the peak season. In December, an additional price increase was implemented (+6%) and another one (+10% in average) is planned for March 2016.

In APAC, Australia enjoyed a very good year. We continued to grow in China, where the company develops a 'niches' strategy supported by local production in carpet and more recently also in vinyl. Likewise, Latin America achieved a positive organic growth, even in Brazil where the economic situation has kept worsening.

The **adjusted EBITDA margin** in the segment dropped to 11.4% from 18.9% in 2014. This decline resulted essentially from a combination of reduced volumes, a lower product mix in the CIS and the heavy impact of the weak and volatile ruble, which alone accounted for -€49m.

### Sports

The **Sports activities** delivered another outstanding performance, with an organic growth of +17.2%. All product lines performed very well. Sales of turf benefited in particular from the success of our turn-key offering and from well-received product innovation. **Desso Sports** was integrated into the Sports Division, bringing in particular its well-recognized hybrid-turf technology (GrassMaster). That technology was recently chosen by

Stade de France in Paris, which hosts high-profile events such as the rugby Six Nations tournament and the soccer EURO 2016.

The **adjusted EBITDA margin** improved again, to 9.4% compared to 8.8% in 2014. The improvement is even more significant considering that 2014 margin was pushed up by a one-time profit linked to the resolution of some litigations.

### **Net profit increased by 36% at €83m**

**Central costs** not allocated to the segments increased by €6m, mainly as a result of a higher centralization of IT teams and projects.

**Adjustments to EBIT** went from -€39m in 2014 to +€3m in 2015. The main difference resides in the €28m pre-tax capital gain on the sale of the Houston property. Restructuring costs were significantly lower than in 2014, since our footprint has been significantly optimized in the past two years.

The **financial expenses** were stable over last year despite an increase in the average debt following the acquisition of Desso. The **effective tax rate** came out at 36.9%, compared to 39.2% in 2014.

### **A strong balance sheet structure**

Once again Tarkett generated a very solid Net cash-flow from operations of €192m, above last year's €172m. The free cash-flow, available for dividends and acquisitions, reached €173m.

The Net debt decreased to €482m, allowing the leverage ratio to drop to 1.7x 2015 adjusted EBITDA vs 2.0x in December 2014 (proforma Desso). The liquidity and the maturity of the credit lines were significantly enhanced with the new 5-year syndicated facility of €650m signed in June 2015.

At the Annual Shareholder Meeting of April 26<sup>th</sup>, 2016, the Management Board will propose a dividend of **€0.52 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**

North America and EMEA regions, which now represent 80% of Group sales and EBITDA, should continue to benefit from the rise of modular products both in carpet and vinyl, as well as from a solid demand in sports surfaces. Meanwhile oil-related input costs should also be favorable and help mitigate the effects of the recession in the CIS, where we will continue to actively manage selling prices and costs.

The rapid improvement of our leverage ratio since the acquisition of Desso enables us to keep playing an active role in the consolidation of our industry.

*Audited consolidated financial statements for FY 2015 and the presentation of FY 2015 results are available on Tarkett's website. The related analysts' conference will be held on Friday February 19<sup>th</sup>, 2016 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 market closing**

- April 21, 2016: First quarter Financial Results
- April 26, 2016: Annual General Meeting
- July 27, 2016: Half-year Financial Results
- October 26, 2016: Third quarter Financial Results

**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](http://www.tarkett.com).

**Investor Relations Contact**

Tarkett - Jacques Bénétreau - [jacques.benetreau@tarkett.com](mailto:jacques.benetreau@tarkett.com)

Tarkett - Alexandra Baubigeat Boucheron - [alexandra.baubigeatboucheron@tarkett.com](mailto:alexandra.baubigeatboucheron@tarkett.com)

**Media Contact**

Tarkett - Véronique Bouchard Bienaymé - [communication@tarkett.com](mailto:communication@tarkett.com)

Brunswick - [tarkett@brunswickgroup.com](mailto:tarkett@brunswickgroup.com) - Tel: +33 (0) 1 53 96 83 83

**Disclaimer**

The Supervisory Board of Tarkett held on February 18, 2016, reviewed the consolidated financial statements of the Group as of December 31, 2015. 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 référence', registered on April 2d, 2015 available on its Internet website ([www.tarkett.com](http://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 2015	Q1 2014	% Variation	o/w organic <sup>(1)</sup>
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%
<b>TOTAL</b>	<b>561.2</b>	<b>492.9</b>	<b>+13.9%</b>	<b>-0.2%</b>

€ million	Q2 2015	Q2 2014	% Variation	o/w organic <sup>(1)</sup>
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%
<b>TOTAL</b>	<b>712.7</b>	<b>614.8</b>	<b>+15.9%</b>	<b>-0.6%</b>

€ million	Q3 2015	Q3 2014	% Variation	o/w organic <sup>(1)</sup>
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%
<b>TOTAL</b>	<b>808.8</b>	<b>731.2</b>	<b>+10.6%</b>	<b>+0.9%</b>

€ million	Q4 2015	Q4 2014	% Variation	o/w organic <sup>(1)</sup>
EMEA	224.1	160.1	+40.0%	+9.6%
North America	183.5	161.1	+13.9%	+0.2%
CIS, APAC & LATAM	144.3	191.5	-24.6%	-16.5%
Sports	80.1	62.9	+27.4%	+9.3%
<b>TOTAL</b>	<b>632.1</b>	<b>575.6</b>	<b>+9.8%</b>	<b>-1.7%</b>

### Group Adjusted EBITDA<sup>(2)</sup> by quarter

€ million	2015	2014	2015 margin (% sales)	2014 margin (% sales)
Q1	31.8	34.2	5.7%	6.9%
Q2	96.2	90.5	13.5%	14.7%
Q3	113.2	112.9	14.0%	15.4%
Q4	44.1	37.4	7.0%	6.5%

(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

€ million	H1 2015	H1 2014	% Variation	o/w organic <sup>(1)</sup>
EMEA	462.6	347.0	+33.3%	+5.7%
North America	373.6	318.8	+17.2%	-2.8%
CIS, APAC & LATAM	277.7	345.0	-19.5%	-13.1%
Sports	160.0	96.9	+65.1%	+30.5%
<b>TOTAL</b>	<b>1,273.9</b>	<b>1,107.6</b>	<b>+15.0%</b>	<b>-0.4%</b>

€ million	H2 2015	H2 2014	% Variation	o/w organic <sup>(1)</sup>
EMEA	455.0	334.4	+36.1%	+7.8%
North America	397.6	339.2	+17.2%	+1.4%
CIS, APAC & LATAM	308.9	426.1	-27.5%	-13.2%
Sports	279.3	207.1	+34.8%	+10.7%
<b>TOTAL</b>	<b>1,440.9</b>	<b>1,306.8</b>	<b>+10.3%</b>	<b>-0.2%</b>

### Adjusted EBITDA<sup>(2)</sup> by segment – Half-year

€ million	H1 2015	H1 2014	H1 2015 Margin (% sales)	H1 2014 Margin (% sales)
EMEA	70.1	40.8	15.1%	11.8%
North America	33.6	33.8	9.0%	10.6%
CIS, APAC & LATAM	37.0	61.8	13.3%	17.9%
Sports	9.9	6.5	6.2%	6.7%
Central costs not allocated	(22.6)	(18.2)	-	-
<b>TOTAL</b>	<b>128.1</b>	<b>124.7</b>	<b>10.1%</b>	<b>11.3%</b>

€ million	H2 2015	H2 2014	H2 2015 Margin (% sales)	H2 2014 Margin (% sales)
EMEA	67.4	36.2	14.8%	10.8%
North America	50.4	30.0	12.7%	8.8%
CIS, APAC & LATAM	29.9	84.2	9.7%	19.8%
Sports	31.4	20.2	11.3%	9.8%
Central costs not allocated	(21.9)	(20.3)	-	-
<b>TOTAL</b>	<b>157.2</b>	<b>150.3</b>	<b>10.9%</b>	<b>11.5%</b>

(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	2015	2014	% change
Net Sales	2,714.8	2,414.4	+12.4%
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>285.3</b>	<b>275.0</b>	<b>+3.7%</b>
<i>% Net Sales</i>	<i>10.5%</i>	<i>11.4%</i>	
Depreciation	(123.9)	(99.5)	
Adjustments to EBIT	3.2	(39.0)	
<b>EBIT</b>	<b>164.6</b>	<b>136.6</b>	<b>+20.5%</b>
<i>% Net Sales</i>	<i>6.1%</i>	<i>5.7%</i>	
Net financial expenses	(31.9)	(31.0)	
Net Profit before taxes	132.4	103.9	
Income tax expenses	(48.9)	(40.7)	
<i>Effective tax rate</i>	<i>36.9%</i>	<i>39.2%</i>	
<b>Net profit</b>	<b>83.5</b>	<b>63.2</b>	
Net profit attributable to owners	83.3	61.2	+36%
Earnings per share	€1.31	€0.96	+36%