

DOMCO TARKETT INC.

PRESS RELEASE

For immediate release

DOMCO TARKETT REPORTS Q4 AND YEAR-END RESULTS Second Half Gains/New Structure Position Company For Increased Profitability

Farnham, Quebec, March 14, 2002 - Domco Tarkett Inc. (TSE: DOC) today released fourth quarter and year-end results for the period ended December 31, 2001. Net earnings for the year were \$7.9 million or \$0.31 per share, compared to \$7.8 million or \$0.31 per share, for the corresponding period in the previous year. Sales were \$649.6 million compared to \$657.3 million a year ago.

"While full year results were flat with the previous year, the Company showed significant year-over-year second half improvement in net earnings, despite the weak economy and the events of September 11," said Domco Tarkett President Ulf Mattsson.

Revenue and earnings for the fourth quarter and the year ended December 31, 2001 were as follows:

Financial highlights (in thousands of dollars, except per share data)				
	Three months ended December 31, 2001		Twelve months ended December 31, 2001	
	2001	2000	2001	2000
Revenues	139,174	154,428	649,621	657,297
Net income (loss)	(2,946)	(3,699)	7,923	7,838
Earnings per share				
Basic	(0.12)	(0.14)	0.31	0.31
Diluted	(0.12)	(0.14)	0.31	0.31

2001 Operating Results

84.7% of the \$649.6 million in total sales were generated in the U.S., compared to 84.8% during the same period in 2000.

In the resilient flooring segment sales of \$387.6 million were generated compared to \$420.7 million the previous year, a decrease of 8%.

Sales in the hardwood-flooring segment increased by 15% to \$183.6 million from \$159.1 million a year ago. The hardwood segment accounted for 28.3% of the Corporation's consolidated net sales, compared to 24.2% a year ago.

Sales related to distribution activities totalled \$78.5 million, an increase of 1.3% over the \$77.5 million last year. This increase is due to the acquisition in March 2001 of certain assets of HFI Hardwood Flooring Inc., a hardwood-flooring distributor serving Western Canada.

Gross Margin

Consolidated gross margin reached 29.7% of sales, compared to 30.7% for fiscal 2000. This decline is due to the strong growth in the hardwood segment where margins are lower than in the resilient segment.

EBITDA

For fiscal 2001, Domco Tarkett reported earnings before interest, taxes, depreciation and amortization (EBITDA) of \$50.0 million (or 7.7% of consolidated sales). In fiscal 2000 this figure was \$53.3 million (or 8.1% of consolidated sales).

Indebtedness

The company significantly reduced its long-term debt by 17.2% from \$171.8 million in 2000 to \$142.3 million in 2001. Early payments on its credit facilities were made using the cash generated by efficient management of the working capital.

Commentary

These results combine strong performance in the hardwood segment, modest growth in distribution activities and a decrease in sales in the resilient flooring segment. The decline in the resilient segment was primarily in the residential sector, while sales of commercial resilient flooring remained constant. The softness in the residential market reflects the popularity among consumers of flooring surfaces such as wood and ceramic. Domco Tarkett is responding by developing new products that compete more effectively with these surfaces.

"Results for the year were negatively affected by global political and economic uncertainties as well as by the tragic events of 9/11. Despite this, our second half was stronger than last year's. Nonetheless, our performance is not yet where it should be. While we significantly increased our hardwood business we felt it was necessary to take decisive measures to improve the profitability of our resilient segment. As such, we undertook an aggressive cost reduction program and separated the resilient business into Domco Tarkett Residential and Domco Tarkett Commercial," stated Mr. Mattsson.

"The realigned divisions bring Domco and Tarkett together as a single team pursuing a single goal while maintaining its distinct brands and distribution networks. The new structure consolidates responsibility and decision-making within each division. It also improves our speed-to-market and facilitates timely product innovation. I believe this reorganization makes the best use of the considerable talents of all our people."

Outlook

Mr. Mattsson said the economic outlook remains uncertain at least for the first half of the year. Nonetheless, Domco Tarkett has two principal objectives for fiscal 2002; to improve the profitability of its resilient business and to continue growing its successful hardwood business.

"In response to consumer demand for realistic product finishes, we have increased efforts to introduce new flooring products and finishes to the market. As an example, our R&D efforts during the last half of the year resulted in the development of a breakthrough, patent pending technology. Our new TruTex Innovative Surfacing technology provides resilient sheet flooring with the most realistic representation of ceramic or stone. Renewing this emphasis on product innovation will help us capture a greater share of this market. We will also continue to raise the profile of our successful line of hardwood products."

Profile

Domco Tarkett Inc. headquartered in Farnham, Quebec, Canada, is the second largest North American manufacturer of resilient and hardwood flooring. With ten manufacturing facilities and extensive distribution networks serving all regions of Canada and the United States, Domco Tarkett offers one of the most comprehensive, high-quality product lines in the flooring industry. Its products are sold to commercial and residential users under the Azrock, Domco, Harris Tarkett, Nafco and Tarkett brands. Domco Tarkett employs approximately 2,300 people.

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FOR FURTHER INFORMATION PLEASE CONTACT:

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Forward-looking statement

Except for historical information provided herein, this press release may contain information and statements of a forward-looking nature concerning the future performance of the Company. These statements are based on suppositions and uncertainties as well as on management's best possible evaluation of future events. Such factors may include, without excluding other considerations, fluctuations in quarterly results, evolution in customer demand for the Company's products and services, the impact of price pressures exerted by competitors, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results.

DOMCO TARKETT INC.
Audited Consolidated Balance Sheets
(in thousands of dollars)

Assets	December 31, 2001	December 31, 2000
Current assets		
Cash and cash equivalents	\$ 56,484	\$ 53,907
Accounts receivable	55,330	66,751
Income taxes recoverable	2,990	5,669
Inventories	133,592	139,395
Prepaid expenses	4,955	5,607
Future income taxes	2,275	786
	255,626	272,115
Property, plant and equipment	163,009	163,402
Goodwill, net of accumulated amortization	133,786	132,964
Other assets	23,881	27,105
	\$ 576,302	\$ 595,586
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 84,375	\$ 95,681
Current portion of long-term debt	15,499	16,347
	99,874	112,028
Long-term debt	126,778	155,442
Accrued employees' future benefit liabilities	25,395	24,749
Future income taxes	4,847	4,261
	256,894	296,480
Shareholders' equity		
Capital stock (25,407,535 common shares) and contributed surplus	166,931	166,931
Retained earnings	121,275	113,352
Deferred translation adjustments	31,202	18,823
	319,408	299,106
	\$ 576,302	\$ 595,586

DOMCO TARKETT INC.
Audited Consolidated Statements Of Cash Flows
(in thousands of dollars)

	3 Months Ended December 31, 2001	3 Months Ended December 31, 2000	12 Months Ended December 31, 2001	12 Months Ended December 31, 2000
Cash flows from (used in) operating activities				
Net income	\$ (2,946)	\$ 1,249	\$ 7,923	\$ 7,838
Adjustments to determine net cash from operating activities				
Depreciation	5,736	5,843	23,597	23,562
Amortization	2,479	2,011	8,696	8,090
Loss on disposal of property, plant and equipment	-	237	-	-
Future income taxes	989	511	280	3,823
Other	(661)	232	(108)	(1,323)
Net change in non-cash working capital items related to operations	23,824	(9,892)	17,488	23,051
	<u>29,421</u>	<u>191</u>	<u>57,876</u>	<u>65,041</u>
Cash flows used in financing activities				
Repayment of long-term debt	(6,931)	(9,430)	(39,398)	(13,744)
Dividends	-	-	-	(3,811)
Other	(298)	(14)	(818)	(394)
	<u>(7,229)</u>	<u>(9,444)</u>	<u>(40,216)</u>	<u>(17,949)</u>
Cash flows used in investing activities				
Purchase of property, plant and equipment	(8,526)	(4,016)	(16,598)	(17,064)
Proceeds from disposal of property, plant and equipment	491	1,308	568	1,763
Business acquisition	(238)	-	(1,331)	-
	<u>(8,273)</u>	<u>(2,708)</u>	<u>(17,361)</u>	<u>(15,301)</u>
Effect of changes in exchange rates on cash and cash equivalents	(65)	(335)	2,278	2,135
Net (decrease) increase in cash and cash equivalents	13,854	(12,296)	2,577	33,926
Cash and cash equivalents, beginning of period	<u>42,630</u>	<u>40,388</u>	<u>53,907</u>	<u>19,981</u>
Cash and cash equivalents, end of period	\$ <u>56,484</u>	\$ <u>28,092</u>	\$ <u>56,484</u>	\$ <u>53,907</u>

DOMCO TARKETT INC.
Audited Consolidated Statements of Income
(in thousands of dollars, except per share amounts)

	3 Months Ended December 31, 2001	3 Months Ended December 31, 2000	12 Months Ended December 31, 2001	12 Months Ended December 31, 2000
Revenues	\$ 139,174	\$ 154,428	\$ 649,621	\$ 657,297
Cost of goods sold	<u>100,340</u>	<u>110,122</u>	<u>456,530</u>	<u>455,668</u>
Gross margin	38,834	44,306	193,091	201,629
 Expenses				
Administrative, distribution and selling expenses	<u>33,684</u>	<u>36,151</u>	<u>143,111</u>	<u>148,292</u>
 Income before depreciation, interest on long-term debt, provision for income taxes and amortization of goodwill	<u>5,150</u>	<u>8,155</u>	<u>49,980</u>	<u>53,337</u>
 Other expenses				
Depreciation	5,736	6,182	23,597	23,562
Amortization of goodwill	1,968	1,981	7,555	7,250
Interest on long-term debt	<u>1,895</u>	<u>3,746</u>	<u>10,048</u>	<u>13,912</u>
	<u>9,599</u>	<u>11,909</u>	<u>41,200</u>	<u>44,724</u>
 Income (loss) before provision for income taxes	<u>(4,449)</u>	<u>(3,754)</u>	<u>8,780</u>	<u>8,613</u>
 Provision for income taxes				
Current	(2,492)	(1,055)	577	(3,048)
Future	<u>989</u>	<u>1,000</u>	<u>280</u>	<u>3,823</u>
	<u>(1,503)</u>	<u>(55)</u>	<u>857</u>	<u>775</u>
 Net income (loss)	\$ <u>(2,946)</u>	\$ <u>(3,699)</u>	\$ <u>7,923</u>	\$ <u>7,838</u>
 Earnings per share				
Basic	<u>\$ (0.12)</u>	<u>\$ (0.14)</u>	<u>\$ 0.31</u>	<u>\$ 0.31</u>
Fully diluted	<u>\$ (0.12)</u>	<u>\$ (0.14)</u>	<u>\$ 0.31</u>	<u>\$ 0.31</u>