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## Kraus and Tarkett Merge Midwest Operations

Joint Venture Aims to Improve Sales, Service and Logistics to Retailers in U.S. Midwest

WATERLOO, Ontario, Canada, December 7, 2006—Kraus Carpet Mills, an integrated carpet and fiber manufacturer and flooring distributor and Tarkett, a worldwide leader in hard-surface flooring, announce a joint venture to merge their respective sales, customer service, and logistics operations in the U.S. Midwest. The new company, Kraus Floors LLC, will be headquartered in Chicago and will serve customers in the U.S. Midwest market.

This new venture will integrate McKee Floor Covering, a Tarkett subsidiary and distributor of wholesale flooring products based in Minneapolis with Kraus Royal Scot's strong infrastructure in Chicago to create a sales and service powerhouse in the U.S. Midwest.

"Kraus has distributed Tarkett product lines in the U.S. Northeast and Southeast for years, and we've just taken on some of their lines in the Northwest. But this Midwest partnership goes beyond the traditional manufacturer-distributor business model," commented Kraus' CEO, Gary Witt. "We're putting the financial and marketing strengths of two great manufacturers to work for our customers and equipping ourselves to offer better service, better value and better retail support programs to our customers in the Midwest."

"We are thrilled about this partnership and are confident this new association with Kraus Carpet Mills will build an efficient distribution platform to cover these key markets," said Guillaume Laverdure, North American President for Tarkett Residential. "Combining our sales, service and logistics operations will enable us to build stronger relationships with Midwest retailers"

For information on Tarkett product offerings, please visit [www.tarkettna.com](http://www.tarkettna.com).

For more information on Kraus, please visit [www.krauscarpet.com](http://www.krauscarpet.com).

**About Kraus**

Founded in 1959, Kraus Carpet Mills is an integrated global manufacturer of fiber and carpet, and a leading North American distributor of flooring products. Kraus' 1000 employees serve global markets from manufacturing facilities at Waterloo, Ontario; Dalton, Georgia; and Queensland, Australia and from twenty distribution centers across North America. Kraus' carpet brands include @work Carpet for Business, Kraus Contract, and Barrett Commercial. Kraus carpet products are best known for their premium performance features such as the proprietary ZipperLock® backing system. For more information, visit Kraus at [www.krauscarpet.com](http://www.krauscarpet.com).

**About Tarkett**

The parent company of Tarkett was founded over 130 years ago and is now the world's largest manufacturer of hard surface flooring with 28 production centers and more than 7,000 employees. Tarkett's comprehensive product lines are known throughout the industry for design, quality and innovation excellence. The corporation's core businesses are segmented into two divisions, commercial and residential. Products include wood, laminate, FiberFloor, and resilient flooring products for residential and commercial applications. In North America the residential products are marketed under the brand names Tarkett and Nafco by Tarkett. For further information visit Tarkett at [www.tarkettna.com](http://www.tarkettna.com).

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