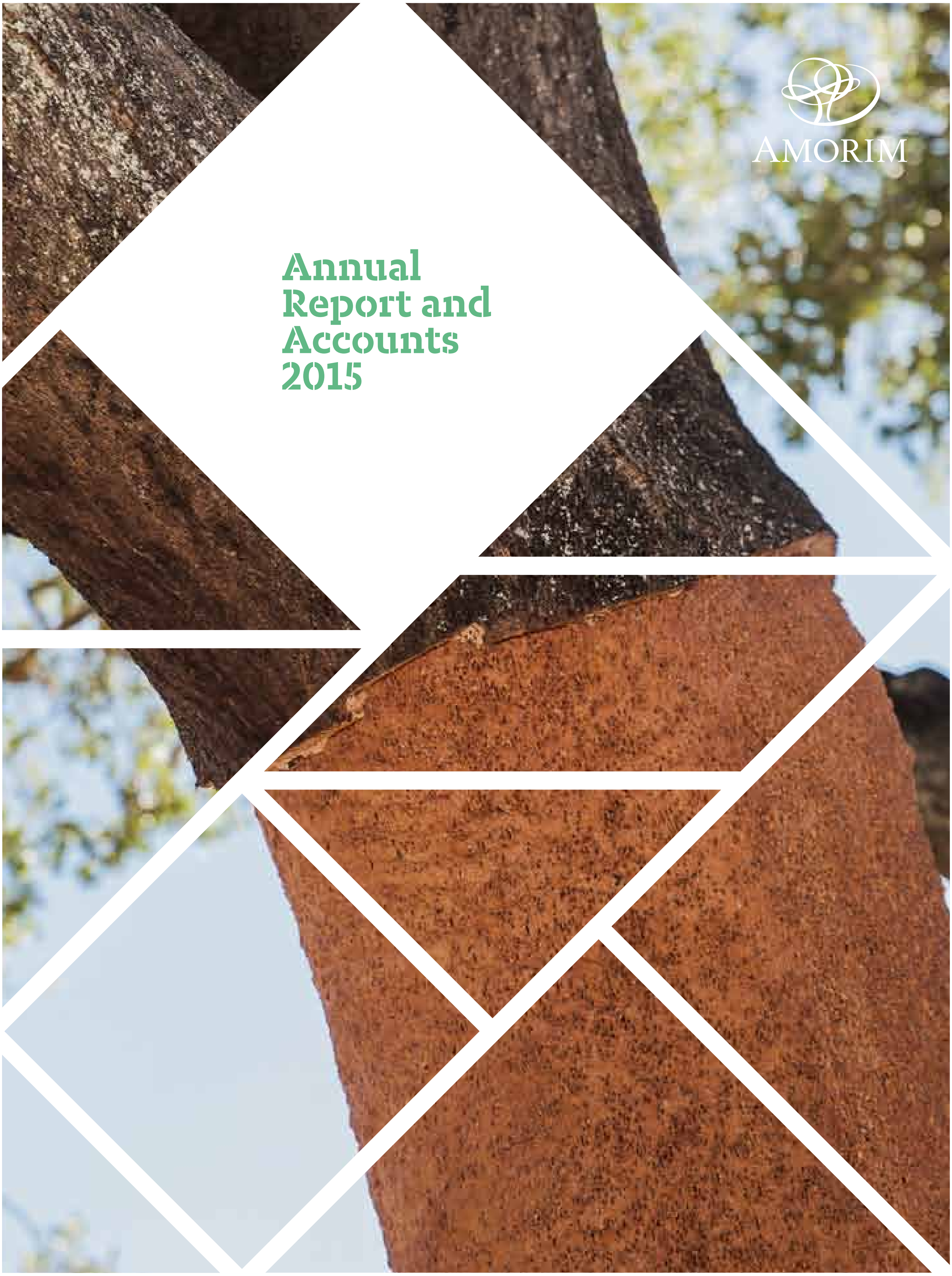
Annual Report and Accounts 2015



CHAIRMAN'S MESSAGE

World economic growth slowed somewhat surprisingly in 2015 to an annual rate of just over 3%. In spite of this deceleration, **Corticeira Amorim**'s most important markets all registered positive, albeit relatively modest, growth.

The US, **Corticeira Amorim**'s single most important market, enjoyed its sixth consecutive year of growth, expanding at a significantly faster rate than the European Union, where most of the Group's other important markets are located. On the negative side, the Russian economy performed poorly, a contraction aggravated by the economic sanctions imposed on the country. This impacted strongly on our sales to the Russian market, hitting the Cork Stopper, Composite Cork and Floor and Wall Coverings Business Units (BU) the hardest.

Total sales exceeded €600 million for the first time on record, reaching €604.8 million, an increase of 7.9% on 2014. Of the €44 million increase in sales, about half was estimated to have resulted from the impact of the favourable EUR/USD exchange rate. Except for Floor and Wall Coverings, all our BU increased their sales in 2015, with Cork Stoppers (+9.9%) and Composite Cork (+17%) performing particularly well.

A strong operating performance saw EBITDA exceed €100 million for the first time thanks to an increase of 16.1%. The EBITDA/sales ratio rose to 16.7%, a considerable improvement on the 15.5% registered in 2014.

Reductions in remunerated debt and the average interest rate paid by the Group led to a significant improvement in the level of financial autonomy, which rose from 51.1% in December 2014 to 53.1% at the end of 2015.

In line with sales and EBITDA, **Corticeira Amorim**'s net profit also passed a significant milestone, exceeding €50 million for the first time following an increase of 53.9% on 2014 to a total of €55 million.

In a significant financial operation at the end of the third quarter, **Corticeira Amorim** sold all the own shares it held, increasing its free float to about 15%. The impact on liquidity was immediate with the average daily volume of share trades increasing significantly. The transaction also increased the likelihood of the Group's shares being included in Portugal's PSI 20 stock market index.

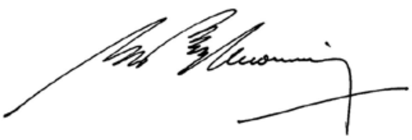
Thanks to our positive financial position, strengthened by the funds raised from the sale of our own shares, **Corticeira Amorim** was able to distribute more than €50 million in dividends, the equivalent of €0.385 per share.

Indeed, 2015 was a landmark year for **Corticeira Amorim** during which our business activities expanded significantly. This strong performance resulted from a clear business vision, a strategy designed to achieve growth and create value, and the dedicated work, professionalism and commitment of all the Group's employees.

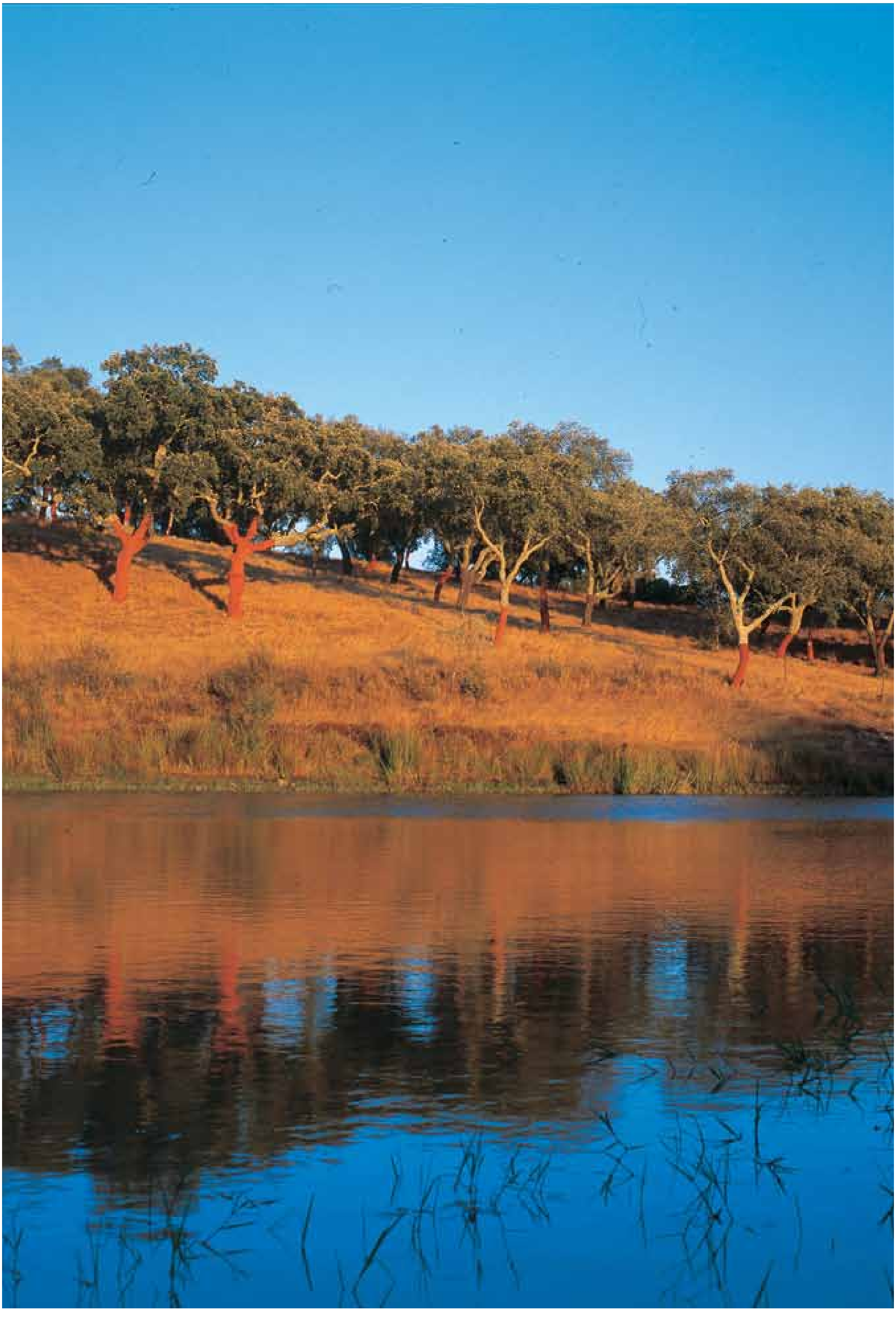
The year of 2016 will bring many challenges. We are conscious, however, of the quality and uniqueness our products, which markets recognise and value. Our innumerable and continuous research, development and innovation initiatives add the benefit of innovative products and unmatchable technical performance to our sales portfolios. We are constantly introducing measures to improve our operating efficiency at every level and the results we have already achieved inspire our teams to better them. For all these reasons, we face the future with confidence and determination.

I would like to conclude by expressing, on behalf of myself and the Board of Directors of **Corticeira Amorim**, our sincere thanks to our customers for their continued support; to our staff for their commitment, professionalism and enthusiasm; to our suppliers for strengthening existing partnerships; and to the shareholders of **Corticeira Amorim** for the trust they place in our team.

Cordially,



António Rios de Amorim



CORK OAK FOREST

BOARD MEMBERS

BOARD OF DIRECTORS

António Rios Amorim
Chairman

Nuno Filipe Vilela Barroca de Oliveira
Vice-Chairman

Fernando José de Araújo dos Santos Almeida
Member

Cristina Rios de Amorim Baptista
Member

Luísa Alexandra Ramos Amorim
Member

Juan Ginesta Viñas
Member

BOARD OF THE GENERAL MEETING

Augusto Fernando Correia de Aguiar-Branco
Chairman

Rita Jorge Rocha e Silva
Secretary

SUPERVISORY BOARD

Manuel Carvalho Fernandes
Chairman

Ana Paula Africano de Sousa e Silva
Member

Eugénio Luís Lopes Franco Ferreira
Member

Durval Ferreira Marques
Substitute Member

STATUTORY AUDITOR

Pricewaterhousecoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda,
represented by **António Joaquim Brochado Correia** (ROC) or by **José Pereira Alves** (ROC)
Auditor

Hermínio António Paulos Afonso (ROC)
Substitute

As of December 31, 2015

ORGANIZATIONAL CHART

RAW MATERIALS

Amorim Florestal, S.A.

Provision

Amorim Florestal, S.A.
Ponte de Sôr – Portugal

Amorim Florestal, S.A.
Coruche – Portugal

Amorim Florestal, S.A.
Abrantes – Portugal

Amorim Florestal, S.A.
Ind. Unit Salteiros
Ponte de Sôr – Portugal

Amorim Florestal España, S.L
Algeciras – Spain

Amorim Florestal España, S.L.
San Vicente de Alcántara – Spain

Amorim Florestal Mediterrâneo, S.L.
San Vicente de Alcántara – Spain

Comatral – Compagnie Marocaine de Transformation du Liège, S.A. Skhirat – Morocco

S.N.L. – Societé Nouvelle du Liège, S.A.
Tabarka – Tunisia

S.I.B.L. – S.A.R.L.
Jijel – Algeria

Augusta Cork, S.L.
San Vicente de Alcántara – Spain

CORK STOPPERS

Amorim & Irmãos, S.G.P.S., S.A.

Production

Amorim & Irmãos, S.A.
Santa Maria de Lamas – Portugal

Amorim & Irmãos, S.A
Ind. Unit Top Series
Vergada – Portugal

Amorim & Irmãos, S.A
Ind. Unit Valada
Valada – Portugal

Amorim & Irmãos, S.A
Ind. Unit Coruche
Coruche – Portugal

Amorim & Irmãos, S.A.
Ind. Unit Champanhe
Santa Maria de Lamas – Portugal

Amorim & Irmãos, S.A.
Ind. Unit Portocork
Santa Maria de Lamas – Portugal

Amorim & Irmãos, S.A.
Ind. Unit Salteiros
Ponte de Sôr – Portugal

Francisco Oller, S.A.
Girona – Spain

Trefinos, S.L.
Girona – Spain

Distribution

Amorim & Irmãos, S.A.
Ind. Unit Distribuição
Santa Maria de Lamas – Portugal

Trefinos Australia, Pty Ltd
Adelaide – Australia

Amorim Australasia
Adelaide – Australia

Amorim Cork Italia, S.p.A.
Conegliano – Italy

Amorim Cork Deutschland, GmbH
Bingen am Rhein – Germany

Amorim Cork Bulgaria, EOOD
Sofia – Bulgaria

Amorim Cork America, Inc.
Napa Valley, CA – USA

ACIC – USA LLC
Napa Valley, CA – USA

Amorim France, S.A.S.
Eysines, Bordeaux – France

Amorim France S.A.S.
Ind. Unit Sobefi
Cognac – France

Amorim France S.A.S.
Ind. Unit Champfleury
Champfleury – France

Victor y Amorim, S.L.
Navarrete (La Rioja) – Spain

Amorim Cork España S.L.
San Vicente de Alcántara – Spain

Hungarokork Amorim, Rt.
Veresegyház – Hungary

Korken Schiesser, GmbH
Vienna – Austria

Portocork America, Inc.
Napa Valley, CA – USA

Amorim Cork South Africa (PTY) Ltd.
Cape Town – South Africa

Corchera Gomez Barris, SA
Santiago – Chile

Wine Packaging & Logistic, SA
Santiago – Chile

Industria Corchera, S.A.
Santiago – Chile

Société Nouvelle des Bouchons Trescasses, S.A.
Le Boulou – France

I.M. «Moldamorim», S.A.
Chisinau – Moldávia

Amorim Cork Beijing, Ltd.
Beijing – China

S.A. Oller et Cie
Reims – France

Corchos de Argentina, S.A.
Mendoza – Argentina

Agglotap S.A.
Girona – Spain

Sagrera et Cie
Reims – France

Trefinos Italia SRL
Treviso – Italy

Trefinos USA
Fairfield, CA – USA

Trefinos Australia
Adelaide – Australia

Bouchons Prioux S.A.R.L.
Epernay – France

R&D, INNOVATION

Amorim Cork Research, Lda.
Mozelos – Portugal

Amorim Cork Services, Lda.
Mozelos – Portugal

Amorim Cork Ventures, Lda.
Mozelos – Portugal

COMPOSITE CORK

Amorim Cork Composites, S.A.

Amorim Cork Composites, S.A.
Mozelos – Portugal

Amorim Industrial Solutions Imobiliária, S.A.
Corroios – Portugal

Corticeira Amorim France, S.A.S.
Lavardac – France

Amorlink – Noise & Vibration Control, Ltd
Istanbul – Turkey

Chinamate (Xi'an) Natural Products Co. Ltd.
Xi'an – China

Amosealtex Cork Co., Ltd
Shanghai – China

Amorim Cork Composites, Inc.
Trevor, WI – USA

Amorim (UK) Limited
West Sussex – United Kingdom

FLOOR AND WALL COVERINGS

Amorim Revestimentos, S.A.

Production

Amorim Revestimentos, S.A.
S. Paio de Oleiros – Portugal

Amorim Revestimentos, S.A.
Lourosa – Portugal

Distribution

Amorim Benelux B.V.
Tholen – Netherlands

Amorim Deutschland GmbH & Co. KG
Delmenhorst – Germany

Amorim Flooring Austria GmbH
Vienna – Austria

Amorim Flooring (Switzerland) AG
Zug – Switzerland

Amorim Revestimientos, S.A.
Barcelona – Spain

Dom Korkowy, Sp. Zo.o
Krakow – Poland

Amorim Flooring North America
Hanover, MD – USA

Cortex Korkvertriebs GmbH
Nürnberg – Germany

US Floors Inc.
Dalton, GA – USA

Timberman Denmark A/S
Hadsund – Denmark

INSULATION CORK

Amorim Isolamentos, S.A.

Distribution

Amorim Isolamentos, S.A.
Mozelos – Portugal

Amorim Isolamentos, S.A.
Silves – Portugal

Amorim Isolamentos, S.A.
Vendas Novas – Portugal

WORLDWIDE PRESENCE

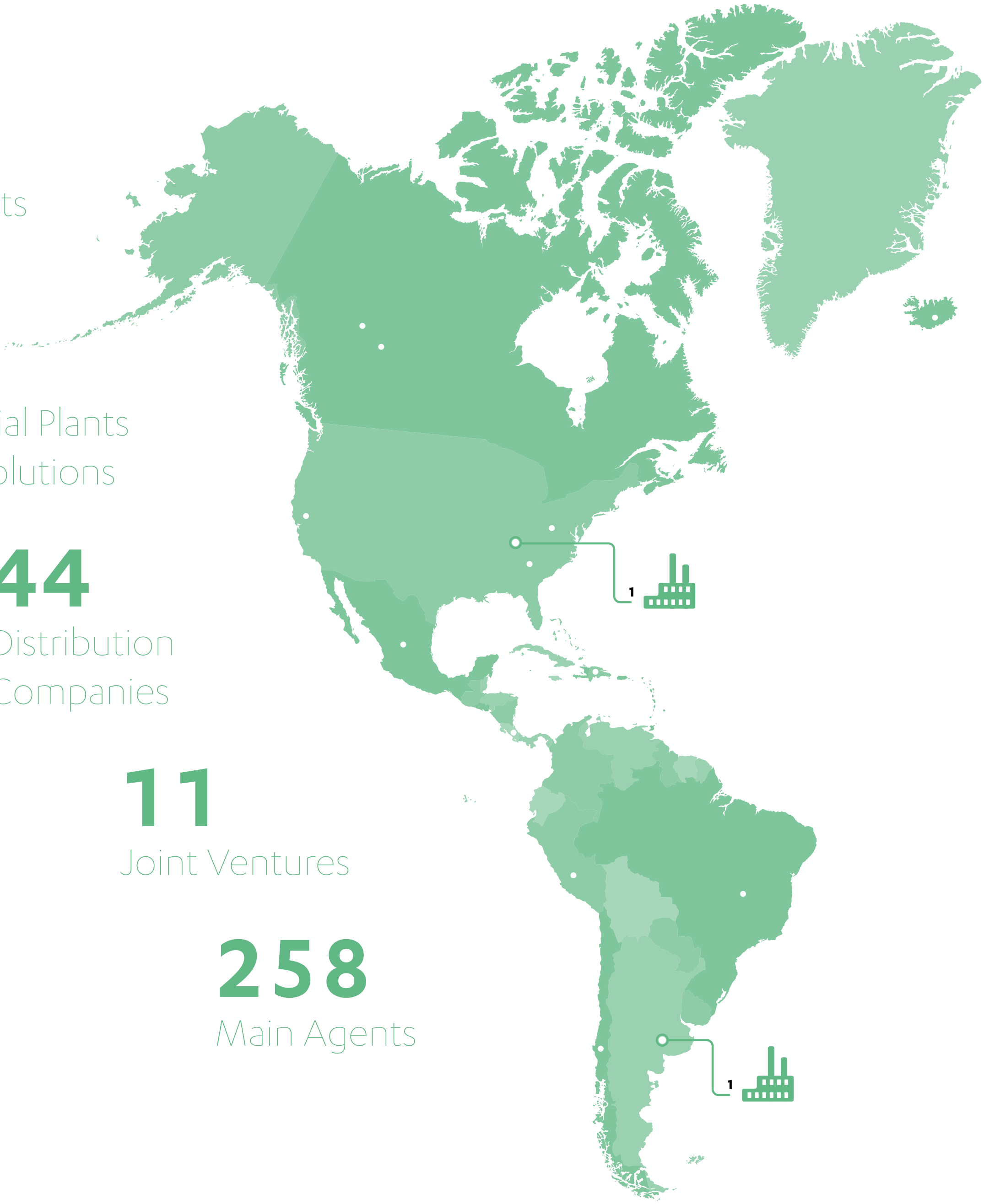
11
Industrial Plants Raw Material

18
Industrial Plants Cork Solutions

44
Distribution Companies

11
Joint Ventures

258
Main Agents

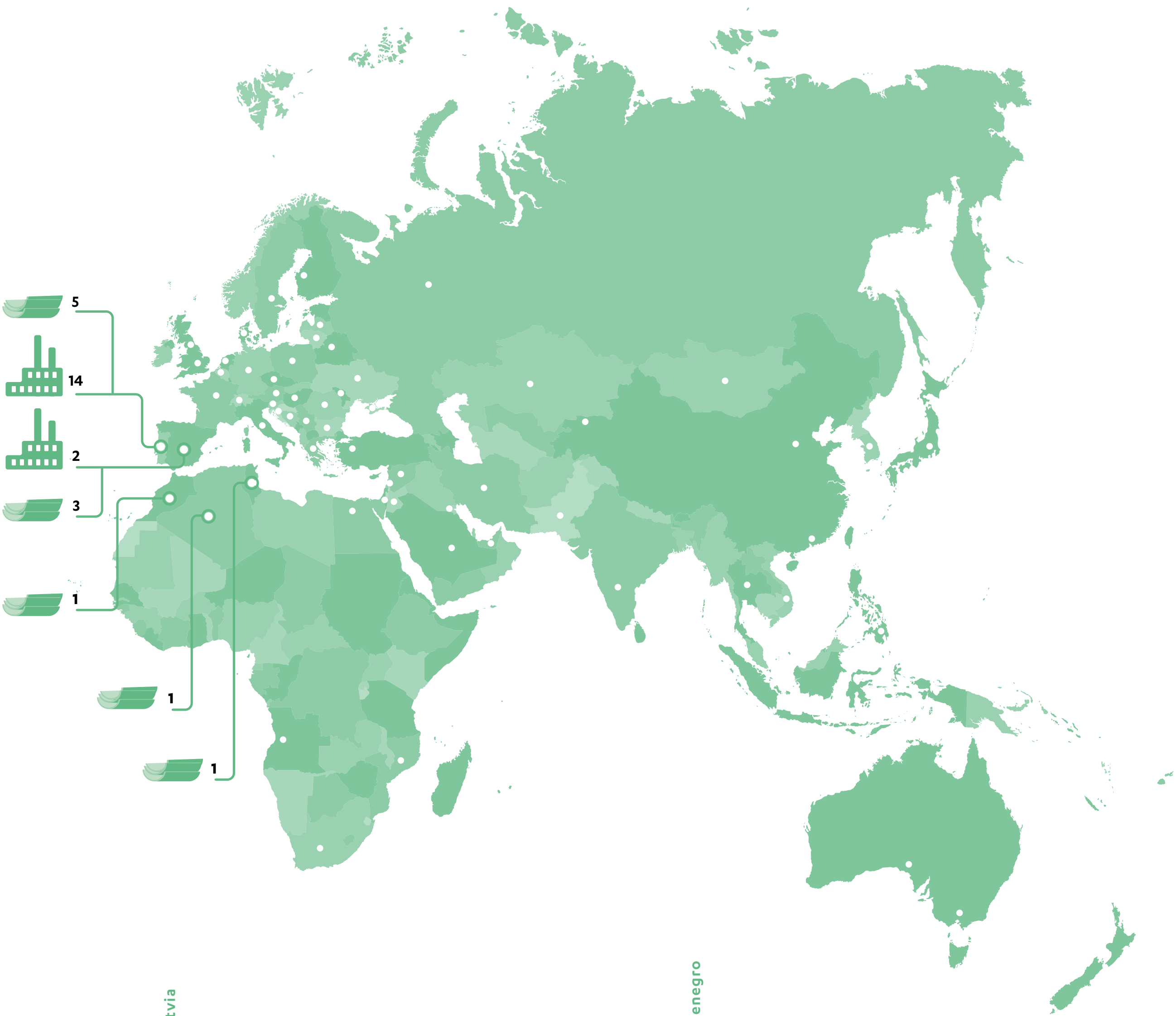


Countries	Angola	Algeria	Argentina	Australia	Austria	Azerbaijan	Belgium	Bosnia	Brazil	Bulgaria	Canada	Cape Verde	Chile	China	Costa Rica	Crimea	Croatia	Czech Republic	Denmark	Dominicana Republic	Egypt	Estonia	Finland	France	Georgia	Germany	Greece	Hong Kong	Hungary	Iceland	India	Israel	Italy	Japan
IP Raw Material		1																																
IP Cork Solutions			1																															
Distribution Companies			1	2	1					1			2	1					1					9		3			1				3	
Joint Ventures			1										2	1					1					1										
Main Agents	1			4	4	1	9	1	6	1	1	1		4	1	1	1	3		1	1	2	2	24	1	29	1	1	2	1	3	1	6	4

Geographic Location

Industrial Plants
Raw Material

Industrial Plants
Cork Solutions



	Jordan	Kazakhstan	Kuwait	Kyrgyzstan	Latvia	Lebanon	Lithuania , Estonia and Latvia	Malta	Mexico	Moldavia	Mongolia	Morocco	Mozambique	Netherlands	Norway	Pakistan	Peru	Philippines	Poland	Portugal	Russia	Saudi Arabia	Scotland	Serbia , Macedonia , Montenegro	Singapore	Slovenia	South Africa	South Korea	Spain	Sri Lanka	Sweden	Switzerland	Syria	Thailand	Tunisia	Turkey	Ukraine	United Arab Emirates	United Kingdom	USA	Vietnam
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																				14									2											1	
										1				1					1	2							1		4			1							1	7	
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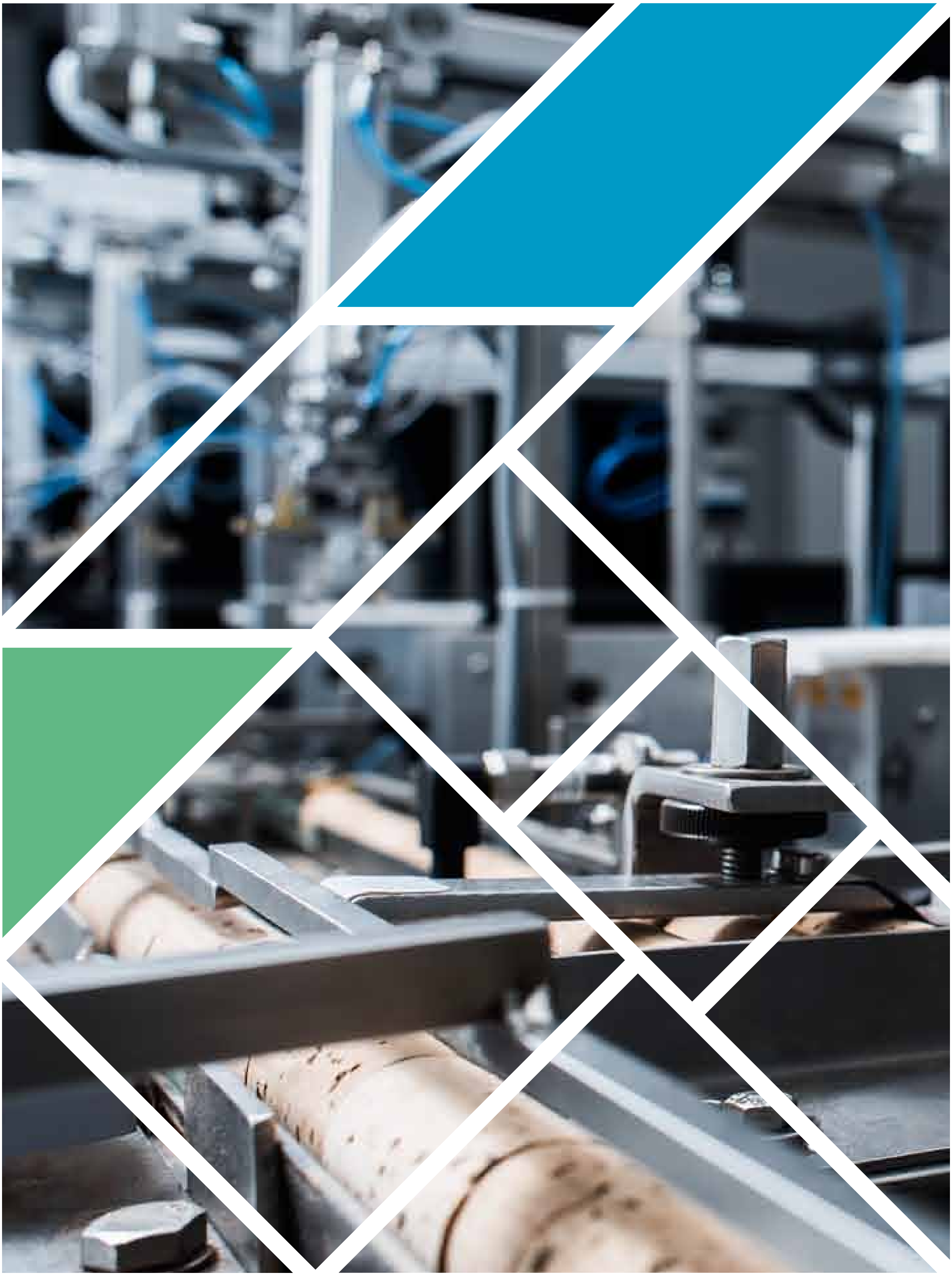
	1	2	1	1	1	2	1	1	3		1	1	1	2	1	1	2	1	16	5	8	2	1	1	3	1	2	12	19	1	2	10	1	1		4	6	3	10	7	1



Singificant Events

01

SINGIFICANT EVENTS

JANUARY

Corticeira Amorim launches Hydrocork, by Wicanders, an innovative water-proof floating floor, with a thickness of only 4 mm and all the benefits of a cork floor (CorkTech technology), particularly in terms of comfort, body wellness, shock absorption and thermal and acoustic insulation. Hydrocork, designed by the Flooring Business Unit, and presented at BAU (Germany), results from the strategic commitment of Corticeira Amorim to R&D and Innovation.

Corticeira Amorim's volunteers plant 2700 cork oak in a burnt area in Peneda Mountain (Portugal). The purpose of planting Portuguese native trees in this area is to create a natural barrier against forest fires in Peneda Mountain, near the Peneda-Gerês National Park. This initiative of the municipality of Melgaço had the support of Quercus' Common Forest Project, ICNF, ANMP and UTAD, with the special support of ESB-UCP. Several employees of Corticeira Amorim volunteered for this tree-planting initiative.

NH hotel chain recycles 2 tons of cork stoppers. Conducted in partnership with Corticeira Amorim, Cork2Cork is a unique recycling programme that turns cork stoppers into flooring for the prestigious NH international hotel chain. The NH Hotels Group collected 1994 kg of cork stoppers in their 77 hotel units, located in Spain, Italy, Germany, France, Belgium and Holland. After being recycled in a pioneering initiative in the industry, the cork stoppers were transformed into new flooring used in the renovation of the hotel units. Since its launch, the recycling of cork stoppers has already produced about 8000 m² of flooring, equivalent to that used in renovation or construction of more than 300 rooms.

FEBRUARY

Corkcomfort collection chosen for the new K Art Gallery, in New York. The renovation of the space, which takes the form of an open white cube, was overseen by the distinguished New York design studio Leong Leong and includes the installation of an Originals Dawn floor, from the Corkcomfort collection, which is distinguished by the natural and genuine look of natural cork. One of the main objectives of K Art Gallery is to highlight how different presentation contexts mediate the reception of art.

Amorim Cork Ventures issues 1st Call for entrepreneurs with ideas, applications or innovative business proposals for the cork sector. The initiative included a capacity building programme for entrepreneurs, in partnership with Gestluz. After the screening phase, entrepreneurs benefited from a process to develop expertise and those selected had access to the Corticeira Amorim incubator.

MARCH

Cavaco Silva and Assunção Cristas visit Corticeira Amorim. In one day dedicated to Portuguese Forests, the President of the Portuguese Republic and the Minister of Agriculture and the Sea visited the Industrial Unit in Ponte de Sôr. The day's activities highlighted the economic importance of the three main forestry sectors – cork oak, eucalyptus and maritime pine. In addition to their unquestionable and recognized value in environmental terms, Portugal's forests and the companies operating in the forestry sector are extremely important in the Portuguese economy, contributing with about 10% of the country's exports. In social terms, the forestry sector is estimated to directly employ around 135,000 workers and involves around 400,000 landowners.

APRIL

Corticeira Amorim partner of several initiatives at Milan Design Week 2015, ensuring that cork remained in the spotlight for the 5th consecutive year in the world's biggest design event: **Lunch Box** - a project to create cork lunchboxes in partnership with the New Academy of Fine Arts in Milan, NABA, one of the world's most charismatic design universities; **Exit** - a modular system of wall or floor coatings, developed by StudioIrvine for MatteoBrioni, combining natural materials like cork, terracotta and marble with raw earth; **Exhibition paying tribute to James Irvine** - with two projects that the renowned designer developed for Corticeira Amorim (Six, of the MATERIA collection, and Stow It, of the Metamorphosis project).

The Helix packaging system won the Best Green Launch award at the 2015 edition of the Drinks Business Green Awards, in London. The event took place in one of the most prestigious spots in London, the Ivy Restaurant, where Patrick Schmitt, Drinks Business editor, highlighted the unprecedented nature of the solution: "The appeal of Helix is based on its convenience and ease of opening, but at the same time because it continues to offer the sustainability credentials of cork." This important recognition adds to the various awards that Helix has won since its launch at Vinexpo in 2013, including the "Oscar of Packaging", in France and Italy.

MAY

Portuguese cork at the Holy Shroud exhibition, in Italy. The expanded insulation corkboard played a key role in the construction of the new prayer building for pilgrims at the Holy Shroud exhibition, in Italy. Built near Turin Cathedral and named Penitenzieri, this building uses expanded insulation corkboard for technical thermal and acoustical insulation as well as on its façade, as the result of a collaboration with Amorim Isolamentos, through its Italian distributor, Tecnosugheri. The building, through which about 4 million pilgrims passed, was open to the public until 24 June.

Towada Community Plaza of Kengo Kuma, with Wicanders flooring. The work, a warm and convivial space for children and adults, was designed based on the architectural features of the city and in terms of comfort and thermal and acoustic insulation, benefits from the application of a Wicanders Corkcomfort glue down HPS floor, of the Nuances reference. Kengo Kuma, admired worldwide for combining tradition and modernity, states that: "The cork floor will have a promising future in Japan. When people realize the credentials of thermal insulation and how easy it is to maintain the equipment, they will start to use it more."

Santa Bárbara Eco-Beach Resort is the first hotel in the Azores covered with cork. Located at Santa Bárbara beach, in S. Miguel, and developed by the architectural firm M-Arquitectos, this new hotel unit was designed based on three key pillars: landscape design, respect for nature and integration. This is the context for the choice of MDFachada expanded insulation corkboard of Amorim Isolamentos which, besides being a material that is 100% natural, durable and an excellent performer in terms of thermal insulation, enables full integration into the surrounding environment.

JUNE

Brazilian Pavilion at Expo Milan 2015 covered with cork. The pavilion stands out due to its unconventional design, in which the architectural and scenographic elements appear to be intimately connected. With the Brazilian Pavilion the tradition of the use of MD Fachada expanded insulation corkboard on the façades of the buildings during major international expositions is renewed. 140 countries participated in the Milan Expo, on the theme "Feeding the Planet, Energy for Life", which had about 20 million visitors.

The **Fabrica** research and communication centre, **a member of the Benetton Group, designed a line of cork furniture for Expo Milan 2015.** Under the theme "You make the Park", the proposal's main materials are cork, Galestro terracotta and wood. Corticeira Amorim was a partner of this project from its conception, with an active role in providing technical advice and the cork required for the entire collection. Developed in close connection with the Expo's theme, this line of sustainable furniture evokes the concept of "what comes from the earth, returns to the earth", supporting the use of materials that are 100% natural and recyclable, wherein cork is the finest example.

During the Fourth Mediterranean Forest Week, held in Barcelona, **Corticeira Amorim was awarded the Forestry Bioeconomy Prize**, in recognition of its role in the protection and development of the most important forest species of this geographical area, the cork oak. The prize was awarded by the European Forest Institute and by the Generalitat of Catalonia, with the collaboration of the Forestry Directorate-Generals of the Mediterranean area.

JULY

Corticeira Amorim and Mercedes-Benz Portugal again joined forces to jointly initiate the development of **new cork boards for the Hawaiian surfer Garrett McNamara.** The goal is, in the short term, to develop new models of tow-in boards especially designed to meet the characteristics of the waves of Nazaré. A few months after having initiated the development of cork boards for Garrett McNamara, the Hawaiian surfer guarantees he has found the ideal material that will soon allow him to face the fury of the waves of Nazaré.

Corticeira Amorim offers free technical advisory service for forestry producers. The service, launched in 2008, was created with the objective of identifying and promoting the adoption of best forest management practices for the cork oak forests and associated biodiversity. So far, the technical advisory service has encompassed over 20,000 hectares of forest area of cork oak. This year, an evaluation of the plant health of oak trees has been introduced for the first time.

SEPTEMBER

Amorim Cork Ventures launches 2nd Call. Lisbon was chosen for the second capacity-building programme of Amorim Cork Ventures, Corticeira Amorim's business incubator that, created about a year ago, has already received more than 190 applications. The holding of the capacity building programme in the Portuguese capital, this time in partnership with Beta-i, aimed at facilitating the access of entrepreneurs with ideas, applications or innovative business proposals for the cork sector, thus preventing missed opportunities due to geographical constraints related to their location.

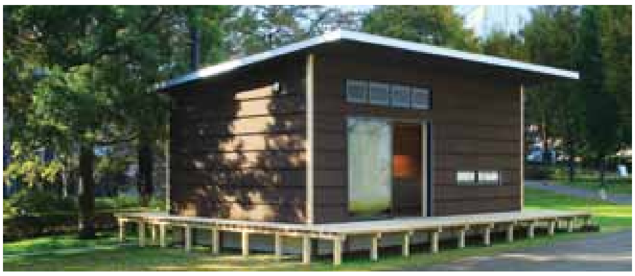
Amorim Isolamentos exhibits the new WAVE FACADE collection at Concreta (Porto). WAVE FACADE takes advantage of the characteristics of expanded insulation corkboard - excellent thermal and acoustic insulation, durability and extreme versatility – to form a wall covering solution that combines design and technical performance and is suitable for both building interiors and exteriors. The WAVE FACADE 2015/2016 collection, which unfolds in numerous visual aspects, is designed by the architect José Pedro Sousa (FAUP/DFL).

Volunteers of Corticeira Amorim plant about 2,500 native trees on the perimeter of PERM, in Santa Maria da Feira. This was the first afforestation initiative that took place in Santa Maria da Feira, which is where the cork industry is predominantly based. It was also made feasible by the Common Forest Project of Quercus. PERM was designed with the purpose of encouraging the concentration of companies engaged in the recovery and recycling of materials, ensuring their treatment respecting the environment. In perfect harmony with this environmental motivation, Santa Maria da Feira Municipal Council challenged Corticeira Amorim to be an active part of a local forestry initiative, with the planting of 2425 trees.

The innovative Helix wine packaging, developed by Corticeira Amorim and Owens-Illinois, was officially launched in South Africa. The presentation took place at Cape Wine 2015, a renowned symposium that brings together representatives of wine, business and lifestyle publications of reference, as well as different personalities of the area. They were eager to learn more about this new easy opening system, which keeps the cork and glass relationship and combines it with quality, sustainability and premium image.

NOVEMBER

Home of Jasper Morrison for Muji covered with cork. The renowned designer, answering the challenge of the iconic Japanese brand Muji, selected the MD Fachada expanded insulation corkboard of Amorim Isolamentos for the facade of the building. This material, in addition to its sustainability characteristics, is an excellent thermal and acoustic insulation. Naoto Fukasawa (JP) and Konstantin Grcic (AL) were the designers who joined forces with Jasper Morrison and, under the slogan "A Rich Life Through Minimalism", presented models of temporary homes. The different models presented have prices between 25,000 and 40,000 dollars, and will be soon available for purchase.



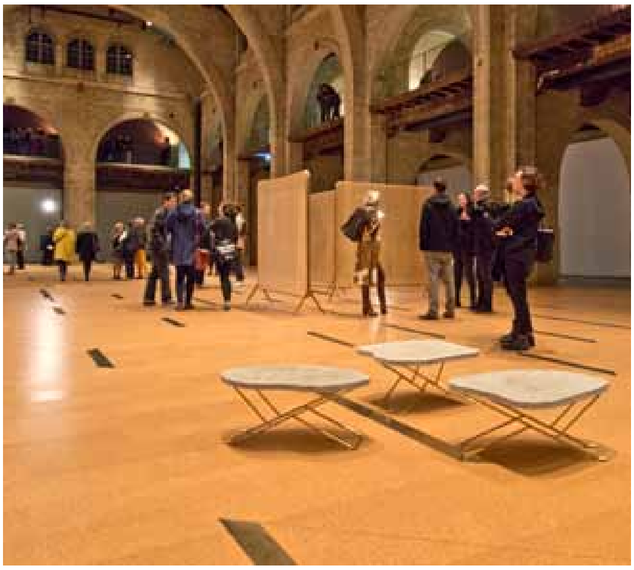
Hydrocork, of Wicanders, won a Green Dot Award in the "New Green Product" category, at the 16th Archivex, an international architecture, interior design and construction exhibition, held in Malaysia. Hydrocork was among the four winners from a total of 50 products nominated for this category. It thus received this "green seal of quality", which attests to its sustainability.

DECEMBER

Amorim Isolamentos supports the creation of Sala A+ which simulates a visit to Torre dos Clérigos. Opened on the International Day of People with Disabilities, this new space of the city of Porto aims to improve the experience of people with limited autonomy. Amorim Isolamentos supported, to this end, the creation of a semi-circular cork capsule, installed in the museum of the Torre dos Clérigos. It is a multisensory perception station that simulates a visit to the top of this historic and emblematic building of the city of Porto. It makes it possible to observe the panoramic views in real time, something that so far could only been achieved by ascending to the Tower.

Amorim Flooring presents the Novel Symmetries collection, of Wicanders. This collection was developed by the renowned Italian designer Antonio Bullo, which conveys the main current trends of interior design in the cork floors. The new collection, with a concept that refers to the combination of "Nature and Geometry", is designed for contemporary environments, providing warmth and comfort offered by a natural material such as cork, an advantage over other typically "cold" materials.

Wicanders cork flooring, of Amorim Flooring takes the lead role in the mosaic with bronze inlay, created by the prestigious Portuguese artist Leonor Antunes for her **solo exhibition at the Bordeaux Museum of Contemporary Art - CAPC.** It is an installation that blends perfectly with the iconic space of the museum's central nave and the sculptures developed by the artist for this purpose, in order to give it new luminosity. The cork mosaic, covers an area of 1500 m2 and occupies the entire floor of the central nave of the CAPC. It was developed from the Wicanders Corkcomfort range, a product line that promotes not only the comfort of cork but also its typical look.



Amorim Flooring presents the Collaborative Innovation and Applied Research Centre. With a covered area of 1000 m² and a total area of 1200 m², this space will be an important vehicle for showcasing Corktech technology – which enhances the characteristics of cork through the use of cutting edge technology – a distinctive element that makes Amorim Flooring coverings stand out from all the other solutions available in the market, a differentiation that results from the incorporation of cork.


WICANDERS
AUTHENTICA

Consolidated Management Report

02

1

MACROECONOMIC TRENDS IN 2015

1.1. GLOBAL OVERVIEW

Surprisingly, the rate of global economic growth in 2015, estimated at about 3.1%, was lower than in the previous year. Business activity remained depressed. Growth decelerated in emerging countries for the fifth consecutive year to about 4%, the lowest level since the 2008-09 financial crisis, while developed economies expanded at a faster rate, consolidating a diverging pattern of growth. Although the US Federal Reserve began normalising US dollar interest rates in December with its first rate increase since 2006, monetary policy was globally accommodating, while fiscal policy was less restrictive. The divergence between the monetary policy of the US (and the UK) and that of other developed economies dominated the evolution of financial markets, affecting the economic performance of several emerging economies. Nevertheless, the prevailing outlook for a gradual increase in US reference interest rates, together with episodes of increased volatility triggered by concern over the impact of that increase on the growth of emerging economies, resulted in more restrictive financial conditions at a global level and an acceleration in capital outflows from emerging economies. The economic climate in 2015 was characterised by an unfavourable evolution of commodity prices, a slowdown in industrial activity and a fall in world trade indicators, especially at the end of the year. The outlook was also affected by a change in China's growth pattern related to the above factors, as the Chinese authorities sought to rebalance growth in favour of services and domestic demand to achieve more balanced growth. The general trend over the year was for the US dollar to strengthen.

The **Euro Zone** expanded faster than in 2014, achieving an annual growth rate of about 1.5%, below initial expectations. Domestic demand recovered, compensating for a reduced contribution to growth from net exports and benefitting from extremely favourable financing conditions over a sustained period (resulting from an expansion of quantitative easing measures), falling oil prices and globally neutral fiscal policies. The slowdown in China and other emerging economies, as well as a persistently high level of private sector debt, hampered economic recovery. Unemployment fell gradually, from 11.5% at the beginning of the year to 10.4% at the end, with significant disparities between member states continuing. In spite of monetary stimulus measures, inflation oscillated close to a marginally positive level, moving further away from the mandatory European Central Bank (ECB) target than in 2014.

The **US** economy is estimated to have grown at a rate of about 2.5% in 2015, marginally higher than in the previous year. The sixth consecutive year of growth for the world's largest economy reflected the strong performance of the real estate sector as well as growth in segments such as automobile sales and credit and improved labour market conditions – the unemployment rate reached a historic low of 5% in December. However, the fall in oil prices had a significant impact on investment in the gas and crude oil extraction sector, penalising aggregate domestic demand, especially at the end of the year. Activity in the industrial sector decelerated, affected by the slowdown in world growth and a stronger US dollar.

Japan grew at an estimated rate of close to 0.6%, faster than in 2014. In response to signs of a slowdown in China and the rest of Asia, one of the country's leading export markets, the Japanese authorities adopted non-orthodox monetary measures in an effort to support the economy.

The **UK** economy expanded at a rate of about 2.2% in 2015, down from 2.9% in 2014. Growth is likely to have been penalised by expectations of a referendum on the country's membership of the European Union and uncertainty over the outcome of the vote.

Economic growth in **Australia** decelerated to a rate of 2.4%.

Developing and emerging economies saw their growth rate slow further to about 4%.

China moved forward with the strategy it began in 2013 to bring about a structural change in its pattern of economic growth. Its annual growth rate in 2015 is estimated at about 6.9%, marked by a slowdown in the second half of the year. India grew by around 7.3%, about the same rate as in 2014. Brazil and Russia both saw their economies contract by about 4%. South Africa expanded at a slower pace than in 2014, growing at a rate of approximately 1.3%.

As in 2014, global monetary policy was marked by a divergence between the US Federal Reserve, on one hand, and the central banks of the other leading developed economies on the other. Overall, monetary policy was characterised by the continuation of an extremely accommodating approach, with the exception of some emerging economies, which, struggling with inflation and increasingly large currency devaluations, opted for tough restrictive measures. The ECB and the Bank of Japan introduced additional non-orthodox measures and, in Europe, the monetary authority cut rates to historically low levels, even introducing negative reference rates for the absorption of excess liquidity. Oil prices continued to fall as they had done the previous year, dropping at an even faster rate from September 2015 onwards. The fact that Saudi Arabia, the effective leader of the Organisation of Petroleum Exporting Countries (OPEC), persisted with its policy of maintaining production levels, in spite of a generalised excess of supply and expectations of production increases by countries such as Iran, aggravated the fall in prices, leading to renewed expectations of global deflationary pressures. Inflation decelerated in developed economies to levels below their official targets, while inflation rates in emerging economies varied depending on the balance between currency devaluations on one side and both falling commodity prices and the impact of demand on the other, especially in countries with larger external imbalances. In some emerging economies – Brazil being the best example – the need to respond to further currency depreciations and/or sharp increases in inflation led to continued interest rates increases.

CORK OAK FOREST

1.2. PORTUGAL

In 2015, Portugal recorded its second consecutive year of growth following a prolonged recession. The economy is estimated to have expanded at a rate of about 1.6%, marginally higher than average annual growth since the country joined the Euro in 1999. In these two years of growth, however, the Portuguese economy recovered only a third of the value destroyed during the crisis. The increase in economic activity was driven, in a way that had not been fully anticipated, but which resulted from the trends observed at the end of 2014, by the growth of domestic demand (especially investment) and, marginally, by an increase in net export demand (reflecting excellent export performance). Nevertheless, the contribution was lower than in the previous year, due to the strong impact on imports of investment in working capital. After four years of contraction, public consumption made a positive contribution to growth in 2015. Growth was stronger in the first half of the year, but decelerated in the third and fourth quarters, a development probably linked to the period of increased political uncertainty that the country experienced at that time. The worsening international outlook, evident in China and the US, but also in countries like Angola and Brazil, also had an impact on the contribution of net external demand to growth. On the positive side, a favourable drop in imported energy costs and the ECB's monetary policy supported the recovery.

Efforts to consolidate the public accounts continued, albeit at a more moderate pace, and Portugal remained subject to analysis under the European Commission's Excessive Deficit Procedure. A period of political uncertainty beginning in September raised concerns over a potential pause in the consolidation process. The budget deficit is estimated to have decreased to 3% of GDP in 2015 (excluding state interventions in the financial sector) with fiscal revenue increasing by about 5% to a new record. However, the structural deficit widened.

The current account continued to improve, resulting in a surplus of more than 0.6% of GDP. Portugal also continued to diversify its export markets. Net external financing requirements were in surplus for the fourth consecutive year, a surplus that in 2015 reached 1.4% of GDP. In short, Portugal achieved growth in a context of external balance.

Unemployment trends produced a positive surprise, dropping throughout the year to an average annual rate of 12.6% and reaching 12.2% at the end of year. This compares with levels above 16% at the worst point of the crisis. Inflation remained positive, but at a lower level than in the previous year, at about 0.6%. However, Portuguese inflation was above the Euro Zone average.

CORK OAK HARVESTING

2

OPERATING ACTIVITIES BY BUSINESS UNIT (BU)

The companies that make up the **Corticeira Amorim** universe are structured into **Business Units (BU)**. This report sets out their most important activities and developments in 2015.

2.1. RAW MATERIALS

Sales by the Raw Materials BU reached €135.54 million, an increase of 3.1% on 2014. EBITDA dropped 2.9% compared with the previous year to €17 million. The drop in EBITDA was mainly related to the 2014 cork purchasing campaign, which, because it was smaller placed greater pressure on purchase prices that year.

The 2015 campaign progressed normally in the Iberian peninsula, enabling the Raw Materials BU to restore stocks to level that will allow the BU to maintain the same level of activity in 2016 as in the previous year and to recover from the impact of the more limited campaign of 2014.

Sales and profitability were affected by a sharp fall in sales to the Floor and Wall Coverings BU, in terms of both natural cork blocks and cork agglomerate. This led the Raw Materials BU to restructure its cork block sector significantly to bring capacity in line with the current level of orders.

In 2015, the BU invested strongly in the technological modernisation of its unit for producing discs for champagne stoppers in terms of both selection and automating disc production. Important steps were also taken to automate the cork preparation process. This involved trials of new production machinery and produced positive results.

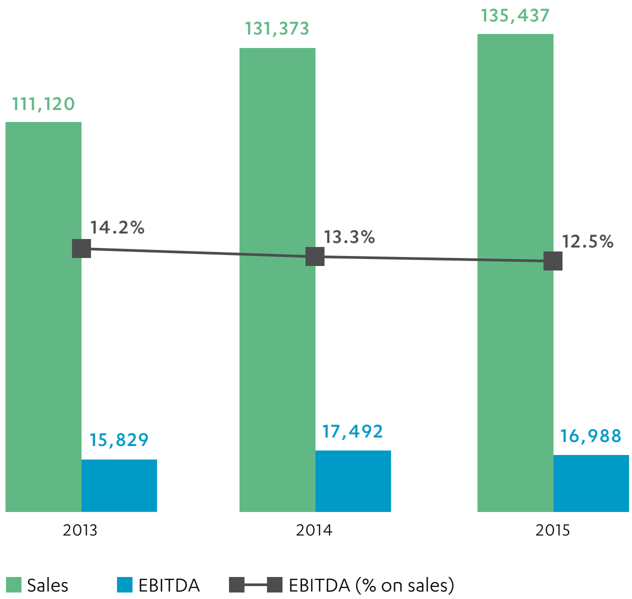
In December 2015, the Raw Material BU acquired a new unit at Ponte de Sor with the aim of expanding the area available for cork preparation and warehousing.

Measures were also taken in 2015 to consolidate the BU's Forest Intervention Project through the launch and development of a wide range of research projects aimed at overcoming some of the problems and threats that cork oak forests face.

Reflecting the conclusions of research and development projects and investments made in 2014, the BU improved the sensory qualities of it products, preparing the way for capitalising more effectively on the qualitative aspects of cork as a raw material. Innovative decontamination and storage process enabled the BU to increases its supply sources and optimise the cork its purchases, even in areas that traditionally involve greater risks in terms of sensorial quality.

CORK STRIPS AND PLANKS

Raw materials — Sales & EBITDA (thousands euros)



CORK STOPPERS INDUSTRIAL PRODUCTION

2.2. CORK STOPPERS

Interesting dynamics characterise the global wine market: world exports have doubled over the past 20 years, with Europe, which exports 58% of its annual production, continuing in the lead. "New World" countries (New Zealand, Chile, Australia and South Africa) have increased exports by 370%. While Europe continues to account for 50% of world wine consumption (84 of the world's 100 most famous brands are French), the US has overtaken Europe in per capita consumption, with an annual average of 12 litres per head of mainly imported wines.

The 12 leading wine-producing countries account for 84% of world production, currently estimated at 47 million hectolitres a year, a total that has increased only 2.2% over the last 20 years. Although European wine production, which accounts for 59% of the world total, has stabilised at 146.6 million hectolitres a year, production by new wine-producing countries has increased 48% over the past 20 two decades. Over this period, Chile, Australia and New Zealand registered growth of between 100% and 300%.

In spite of fierce competition from the US, Argentina, South Africa, Chile, Australia and China, traditional wine-producing countries are still the biggest global suppliers. Together, France, Italy and Spain account for about 47% of world wine production.

The economic crisis and the rising price of wine had a strong impact on wine consumption in Europe, leading European wine producers to adopt a global strategy aimed at reaching other continents, especially Asia and the US. Wine exports, which account for 35% of world wine production, have almost doubled over the past 20 years. Over the same period, the increase in the value of wine exports (87%) exceeded the growth in volume (63%).

World production of sparkling wine, which has been growing at annual rates of about 3%, reached 2.15 billion bottles. The international success of champagne has inspired every country with a even a moderate amount of production capacity, globalising the sparkling wine market and democratising consumption.

The Cork Stopper BU operates in this market, with its differing rates of growth, in accordance with its fragmented geography and segmentation in spite of the growing dominance of a few global players. This means the BU has to monitor market trends and movements in a focused and organised way, adjusting its business strategy whenever necessary.

Positioning itself as a cork specialist, the BU offers this highly demanding market the best value proposition: the best cork stoppers and related services for each wine segment in a portfolio that includes natural, micro-granulate and convenience cork stoppers. It invests strongly in mature markets such as France, Spain, Italy and the US as well as in emerging markets, especially China, where its technical competence and commercial structure have supported its success.

In 2015, the Cork Stopper BU continued to grow, reflecting the following important factors:

- Increased wine consumption in key markets, which had a positive impact on the BU's export markets;
- A well-organised commercial structure supported by critical knowledge of products, the market and customer requirements;
- A board product range that meets all the requirements of a demanding market;
- Operations in every wine market, resulting in high service levels and proximity to customers;
- Corticeira Amorim's recognised position as the best supplier in the market in terms of quality, availability, service, product development capacity and business sustainability.

In 2015, the Cork Stopper BU recorded a 9.9% increase in sales value compared with the previous year (+€355 million) and a 4.6% increase in volume to 4.2 billion units sold. At the same time, the unit maintained its sales mix and strengthened its position in all product segments.

The BU strengthened its position in 2015, not only in mature markets (Italy and Spain), but also in markets with high growth potential (the US, Chile and Argentina). It registered a slight slowdown in France, where the 2015 grape harvest for the great Bordeaux châteaux was down 23%-30% in volume, and a sharp fall in East Europe, especially Russia and Ukraine (in line with trends in 2014).

Sales in 2015, which totalled €392.8 million, benefitted from an important exchange-rate advantage resulting from the appreciation of the US dollar that accounted for 40% of the increase in sales revenue. Sales also benefitted from maintaining or slightly increasing the prices of all the product range, even in markets where the exchange rate appreciated.

Sales of natural cork stoppers, the BU's key product, which accounts for 35% of its total sales volume, increased moderately. In regard to individual markets, sales to France showed no increase and underwent a downgrade in terms of the product mix as a result of the weak 2014 wine harvest. US buyers continued to favour natural cork stoppers across their product range, especially in the premium and ultra-premium segments, which experienced considerable growth. Sales in East Europe fell for the second consecutive year due to political, social and economic factors. Sales to Argentina, Chile and South Africa performed well. These are strategic markets for the BU, where a physical presence and service levels are vital to consolidating and strengthening its market leadership.

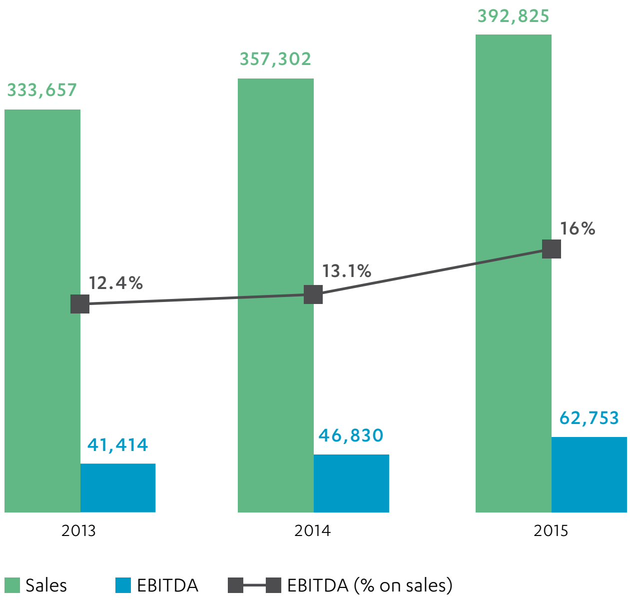
Sales of Neutrocork stoppers increased significantly. In the range of closures available for the table wine market, they are the product whose sales have increased most, not only because of their mechanical consistency and sensorial qualities, but also due to an excellent cost-to-quality ratio. As a result, they have become crucial to the battle against alternative closures.

Sales of Twin Top stoppers also grew, both in volume and value (the exchange-rate effect being important). This occurred across all markets with the exception of East Europe, where sales dropped significantly due to the political, social and economic factors referred to above.

Sales also increased in the champagne stopper segment.

The BU's gross margin rose by 16.8% compared with 2014, reflecting a 9.9% increase in sales, the positive exchange-rate effect and an improvement in the product mix. The positive evolution of exchange rates accounted for 73% of the total increase in sales revenue. Industrial improvements introduced in some consumer segments and the introduction of new artificial vision technology also contributed to the strong margin performance. However, a significant 3% increase in the cost of raw cork had a negative impact on the gross margin.

Cork Stoppers — Sales & EBITDA (thousands euros)



Operating costs increased slightly more than 8% compared with 2014 due to the BU's increased activity, a negative exchange-rate impact and some delay in implementing operational efficiency measures planned for 2015. In spite of this increase, the cost-to-sales ratio improved in comparison with 2014, falling from 27.2% to 26.8% (excluding depreciations and amortisations).

CORK STOPPERS' SENSORIAL ANALYSIS

Non-cash costs (amortisations and impairments) increased considerably. This reflected poorer quality collection and an increase in amortisations resulting from the large investments made in recent years.

The operational efficiency programme, although somewhat delayed, helped control fixed production costs and contributed to an improvement in productivity, with the cash costs-to-gross margin ratio falling by some six percentage points.

EBITDA increased 34%. EBIT grew 40% in comparison with 2014. This reflected increases in sales and the gross margin together with a slight increase in variable costs. There was no change in fixed costs.

Capital invested rose by 13.9% (€28 million), with the average turnover period for third-party balances remaining unchanged. This was not the case with stock levels, for which the average turnover period increased by 13 days. This was due to faster growth and poor supply chain visibility, especially in Portugal and the US. In spite of this, however, the turnover of working capital was 3.22, in line with 2014.

The high level of investment was mainly targeted at improving quality, product performance and operating efficiency. The value of fixed assets increased by €3.7 million.

Highlights of 2015:

- Strengthening market leadership with a 4.6% increase in sales volume in a wine market that grew by about 1%;
- Regaining important positions from alternative closures thanks to an increased awareness of cork and advances in technology and sensorial quality;
- An improved position in the spirits segment, breaking into the Latin American and Asian markets thanks to a strengthened team and an effective production and technological structure;
- Wide promotion of the Helix packaging system, especially among leading customers, with more than 275 presentations and more than 100 trials;
- Important promotion and communication initiatives aimed at increasing proximity to customers and opinion makers;
- Industrial layout improvements and critical defect elimination technology for the production of champagne stoppers;
- Conclusion and stabilisation of the artificial vision process and seal control in the natural cork stoppers for wine segment, thus improving the manufacturing process and product consistency;
- An increase in the BU's knowledge of products and its competitive position in relation to other leading market players, paving the way for overall improvements and a new sales pitch;
- Strengthening the management of processes and teams in line with Lean/Kaizen principles by means of the Cork.mais programme, which is now operational in every area of the BU;
- Strengthening training and improving qualifications and skills across the BU with a view to continuous improvements and adapting skills to market requirements.

WICANDERS, ARTCOMFORT, RECLAIMED

2.3. FLOOR AND WALL COVERINGS

In 2015, the total sales of the Floor and Wall Coverings BU reached €109.8 million, a drop of 5.6% compared with 2014. EBITDA totalled €8.2 million, a significant decline (€15.5 million) from the previous year.

In general terms, the BU's sales and profitability were penalised by a reduction in manufactured product sales (-4.3%) and a sales mix with lower margins. In addition, the negative impact of the EUR/USD exchange rate (€1.5 million) led to an increase in consumer prices for LVT and timber.

Geographically, the drop in sales of manufactured products was focused in East Europe, especially Russia, reflecting the adverse political climate, and in the US. The growth registered in other markets, such as Scandinavia and Germany, although important, was not strong enough to invert the downward trend caused by the fall of sales in the Russian and US markets.

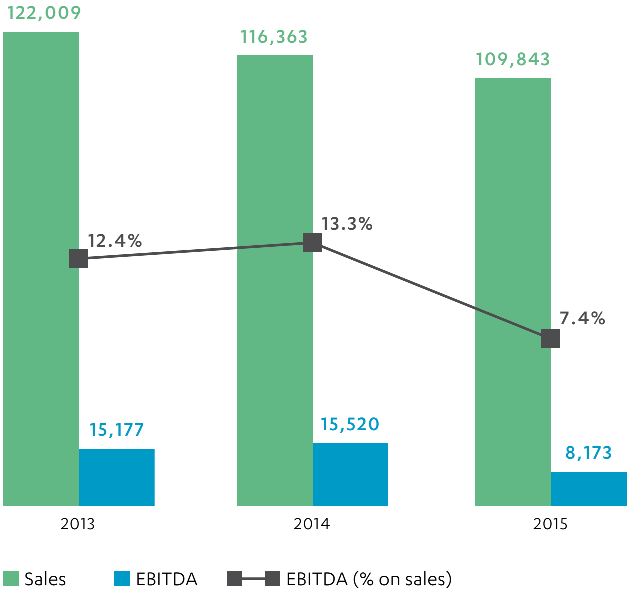
The launch of new water-resistant products with an innovative composition opened up markets for the BU that had previously been at an incipient stage and which now promise to sustain future sales growth.

Volume sales of products retailed but not manufactured by the BU, the result of the investment in value-added products that characterises the unit's position in a highly competitive market, increased by more than 1% in central Europe in spite of strong pressure on the margin caused by the USD/EUR exchange rate.

At the industrial level, the transformation of the product portfolio led to a redesign of manufacturing processes and related technological optimisations, with a special focus on the energy component and on product cost reduction. In regard to the supply chain, efforts continued to optimise invested capital through the introduction of practices aimed at averting and resolving problems related to materials with a low turnover. These practices were expanded to cover all the materials used by the BU, thus strengthening its balance sheet.

In 2015, a decision was made to support the Collaborative Innovation and Applied Research Centre (CICIA) by creating a dedicated space for the project. This innovation and research centre, complemented by an exhibition of the BU's product and solutions portfolio, was the result of strong and targeted investment in the BU's core business – cork – and its mission "to be a global player in the floor and wall covering markets, using CORKTECH as a differentiating factor".

Floor and Wall Coverings — Sales & EBITDA (thousands euros)



The investment in promoting CORKTECH as a distinctive element in the floor and wall coverings sector will differentiate the BU's product range from other solutions available in the market, a differentiation that is based on incorporating cork through the use of appropriate technology.

The creation of the CICIA will enable the BU to optimise and unify the product knowledge of key people in the world of prescription flooring and to promote CORKTECH as the leading competitive advantage of the BU's products.

The Centre has a space dedicated to simulations that will enable stakeholders to interact directly with the Floor and Wall Coverings BU's portfolio of products and solutions. By means of the collaborative process and the feedback obtained, this space will enable the BU to monitor trends and develop new ideas, designs, looks and applications to ensure a permanent increase in the value of cork in high value-added floor and wall covering products.

WICANDERS CORKCOMFORT

The complementarity of this Centre with the AR Academy, the goal of which is to disseminate the advantages of CORKTECH technology to all stakeholders and expand the global level of knowledge of the unique properties of cork as a raw material, as well as its advantages when incorporated in floor and wall covering products, will strengthen the capacity of the BU suitably to position its products in different market segments. This will help increase awareness of the differentiation achieved by using cork and forms the basis of the competitive advantages of the BU's product range.

This new strategy represents a clear strengthening of the BU's existing marketing methods, aimed, through a process of acculturation, at turning stakeholders into messengers of this strategy and equipping them with the necessary knowhow to play an important role in promoting the BU and its products.

2.4. COMPOSITE CORK

In 2015, the turnover of the Composite Cork BU reached €100 million, an increase of 18.6% over the previous year. EBITDA evolved extremely positively, reaching €14.6 million, a gain of 82% compared with 2014. Sales growth made a decisive contribution to the increase.

A significant share of the increase in sales (about 45%) can be attributed to the appreciation of the US dollar in comparison with the 2014 exchange rate, but it does not wholly account for the increase in sales volume.

Geographically, sales in the US increased significantly. Growth was also globally positive in emerging markets. Winning and retaining new customers remained a priority in 2015 and again produced exceptionally positive results.

The launch of new products on the market and the development of new applications, two central goals of the BU's strategy, also made an important contribution to sales growth as well as helping to create value in the market. Generally speaking, commercial margins also increased, even allowing for the positive impact of the exchange rate. Real unit costs for cork and non-cork raw materials fell slightly below 2014 levels, another factor that contributed positively to the BU's performance.

In production, income from cork milling operations evolved favourably in comparison with 2014, reflecting consumer choice and purchasing rigour. Allied to the strong performance of the double-belt press agglomeration processing line, this helped offset the negative impact of some inefficiency verified in the cork rubber processing line, mainly during the first half of the year. These were related to the transfer of production from Corroios to Mozelos.

The relocation of the cork rubber and agglomerate production lines also made it necessary to increase related resources significantly in order to minimise the impact of the move on service levels, although this was not totally achieved, especially during the first months of the year.

Despite these temporary shortcomings in industrial efficiency, however, overall performance levels improved considerably. Operating costs remained under control in spite of, in this case, the negative impact of the exchange rate, and without affecting investments that needed to be made in strategic projects aimed at improving the BU's medium-term performance.

Action was also taken during the year to optimise the capital invested in the BU's operations, specifically in regard to working capital needs, by improving the management of inventories and third-party balances.

In 2015, steps were also taken to strengthen the infrastructures supporting the BU's sustained economic performance in three main areas: innovation, partnerships and human capital. Indeed, the year was an important milestone in the BU's transformation process and the framing of a new ambition for improving performance through a number of important initiatives:

- A strategic clarification of business frontiers and the development of a new global model for segmenting the market, thus improving the identification and fulfilment of opportunities;

- Identifying the priority segments and regions on which growth will be based in the coming years and developing strategies for each specific segment to be implemented in accordance with the specificities of each regional market;

- Developing a new innovation model in line with the strategy for providing the BU with a permanent flow of new products by means of a robust and participative process, both internally and externally;

- Designing a new organisational structure for commercial and innovation operations, including a diagnosis of requirements for developing skills, processes and systems;

- Implementing a comprehensive programme of operating efficiency measures capable of making a real impact in the market, thus actively promoting the competitiveness of the BU and improving customer service levels;

- Completing the process of geographic concentration by transferring the cork rubber production lines and capitalising on synergies and economies of scale in regard to logistical and industrial costs. These initiatives were rescheduled with a view to minimising potential negative impacts on customer service levels.

In terms of the new segmentation model, the industrial market remains the most important segment in the BU's diversified portfolio, although it lost some of its dominance in 2015 due to significant growth in the other main sectors – retail and construction. In spite of having grown about 7%, the industrial segment accounted for 41% of total turnover at the end of 2015, compared with 46% a year earlier.

Of the BU's 11 industrial market segments, only two failed to achieve any growth in relation to 2014: Industrial Packaging and Composite & Rubber Cork Manufacturers, both of which registered slight reductions in sales. Among the other industrial segments, Footwear, Other Industrial Equipment, Machinery & Parts and Automobiles & Auto Parts + Other Vehicles achieved particularly strong sales growth.

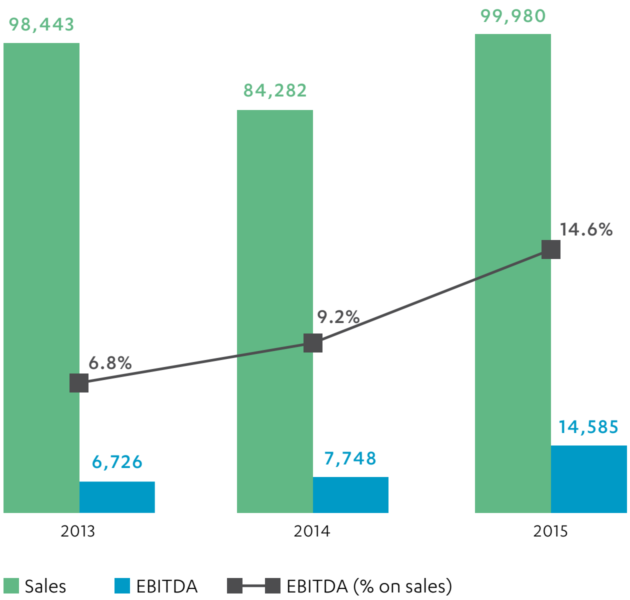
Retail was the second most important cluster of segments in 2015, achieving sales growth of 32% in comparison with the previous year. The Furnishings (which achieved exceptionally high growth starting from sales of only €200,000 in the previous year) Construction Specialty Retail and Office Products contributed particularly strongly to growth. Of the 10 segments in the retail cluster, only Leisure Goods suffered a slight decline in sales.

In construction, the last cluster with only four segments, sales also performed strongly, expanding 44% on 2014 and increasing their relative weight in overall sales from 15% to 18%. All four segments expanded their sales, with Resilient & Engineered Flooring Manufacturers and Other Flooring Type Producers almost doubling their sales volumes.

Finally, in regard to cork materials, the reduction in the commercialisation activities for these raw materials continued as expected to the point where it became almost residual in 2015. There was also a growing trend towards subcontracting some non-core production operations.

In geographical terms, the strongest sales growth was recorded in the US (and not only because of the exchange rate effect). On the negative side, some difficulties were experienced in Russia due to its domestic economic climate. However, in general terms, the year was marked by a broad increase in sales.

Composite Cork — Sales & EBITDA (thousands euros)



In summary, turnover rose strongly, increasing 18.6% in comparison with 2014 with core market sales (that is, excluding raw materials and subcontracting) increasing 21.8%.

As previously mentioned, the evolution of EUR/USD exchange rate had a significant impact. Sales of new products and products for new applications were also important components of the BU's organic growth, which was geographically diversified over several markets.

Investment in fixed assets totalled €3.6 million in 2015 and included:

- Second phase of the transfer of cork rubber agglomerate production and related efficiency improvements;
- Increased granulate production capacity in readiness for projected future growth;
- Energy efficiency measures – electrical and thermal.

TIPSY, BY KEIJI TAKEUCHI FOR MATERIA COLLECTION

2.5. INSULATION CORK

In 2015, the Insulation Cork BU's sales totalled €10 million, an increase of 0.3% on the previous year.

The gross margin rose by 11% compared with 2014. The increase reflects an increase in sales of higher value-added products together with a positive exchange rate effect and the previously mentioned cessation of milled cork sales.

EBITDA totalled €1.2 million, a drop of 24.9% compared with the previous year. Debt impairments relating to two markets played a significant part in this fall. Excluding this effect, EBITDA would have reached €1.9 million, representing a 15% increase on 2014.

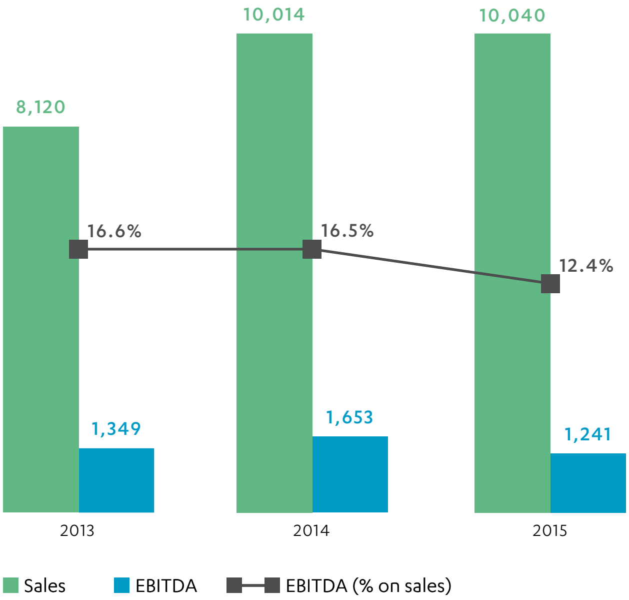
During 2015, the BU engaged in a number of initiatives aimed at enhancing its business potential and consolidating its leadership in the supply of expanded cork agglomerate solutions, thus improving its international profile and perceptions of the real value of its products. These initiatives included:

- In partnership with Gyptec Ibérica, the Insulation Cork BU was represented at Tektónica 2015, highlighting, in particular, the Institute of Architects auditorium. The inspiration behind the Gyptek Business auditorium was Gypcork board, a multilayer building solution that brings together two high-quality Portuguese products – Gyptec laminated plasterboard and expanded cork agglomerate;
- Use of expanded cork agglomerate in the façade of the Penitenzieria building next to Turin Cathedral in Italy and as a technical solution providing thermal and acoustic insulation, it being the principal building material used in constructing the new prayer space for pilgrims who come to see the Holy Shroud of Turin;
- Extensive use of MDFachada expanded cork agglomerate in the Brazilian Pavilion at Expo Milan, a solution that in architectural terms perfectly fits the profile of the project led by Studio Arthur Casas and Atelier Marko Brajovic;
- Participating in dozens of international conferences;
- Participating in GREENFEST, the biggest event in Portugal aimed at advancing sustainability and celebrating the best environmental, social and economic practices. It was based around the theme: Active Citizenship;
- Presenting at Concreta (Portugal) a new collection of wall coverings using innovative concepts that combine insulation and design, namely the WAVE FAÇADE range.

In regard to operating efficiency, the adoption of more efficient working methods, rigorous cost control and investments made in the BU's manufacturing units in recent years generated substantial improvements.

Total capital invested in 2015 fell 8.2% in relation to 2014, due mainly to a reduction in stocks and other net asset items.

insulation Cork — Sales & EBITDA (thousands euros)



MDFAÇADE WAVE

3

INNOVATION, RESEARCH & PRODUCT DEVELOPMENT

3.1. CORK STOPPERS

In 2015, the Cork Stopper BU's research, development and innovation activities were reflected in the launch of new projects and a significant progress in projects already underway.

Efforts to eliminate the sensorial problems affecting cork stoppers made important advances. Projects for direct application in the production process and of critical importance for the future of natural cork stoppers for bottling wine and champagne were concluded. Knowledge was also gained regarding many of the aspects related to the interaction with wine and spirits of the compounds that cause sensorial problems in cork stoppers.

The detection of TCA[1] in natural cork stoppers progressed greatly thanks to the use of methods for analysing individual stoppers very quickly that can be applied directly in the manufacturing process. The first piece of industrial machinery for doing this went into production in 2015 and produced positive results. At the same time, new methods were developed and put into practice capable of achieving the highest possible standards of detection. Equipment for analysing champagne stoppers was also developed as part of this project and is expected to enter the testing phase in 2016.

Research that led to the development of a new method for extracting TCA from the granulate used in champagne stoppers was also concluded successfully. The new process has already been installed and is expected to be applied on an industrial scale in the first quarter of 2016.

Trials were also made of several processes and products aimed at reducing the presence of TCA and other volatile compounds in cork stoppers. These projects involved the collaboration of Portuguese and international partners and will continue in 2016.

An intense study of the interaction of alcoholic beverages with TCA and other volatile compounds responsible for unpleasant odours was carried out in 2015. This has provided the BU with much greater knowledge of the factors that affect that interaction, specifically migration kinetics and the limits of sensory detection. In collaboration with a Portuguese partner, the Cork Stopper BU also undertook a project designed to clarify these limits and understand the real importance of these compounds in the contamination of cork stoppers and, consequently, of wine.

[1] TCA: 2, 4, 6 Tricloroanisol.

ROSA® SYSTEM (RATE OF OPTIMAL STEAM APPLICATION)

In addition to work on sensorial factors, significant advances were made in 2015 on a treatment application for standardising surfaces, on improving the quality of covering solutions and on dealing with clogging in natural cork stoppers.

Considerable progress was also made with innovations related to production processes, including the introduction of new stripping, milling and packaging equipment, which was developed in cooperation with Portuguese companies and has already been installed. This equipment, which the BU has already patented, will make a strong contribution to improving the efficiency of cork stopper production processes.

Other innovation projects related to manufacturing processes, such as the development of new generations of bevelling machinery and electronic selection equipment also advanced in 2015, but have not yet been definitively concluded.

Significant progress was made with the innovation of technical products, namely Neutrocork and TwinTop stoppers, including the development and approval of new formulations following detailed physical-mechanical tests and bottling trials.

In the area of technical products, work was also undertaken throughout the year to develop better performing glues that meet the highest quality standards. Several alternatives to the glues currently in use were validated and a QREN project in this research area was also concluded.

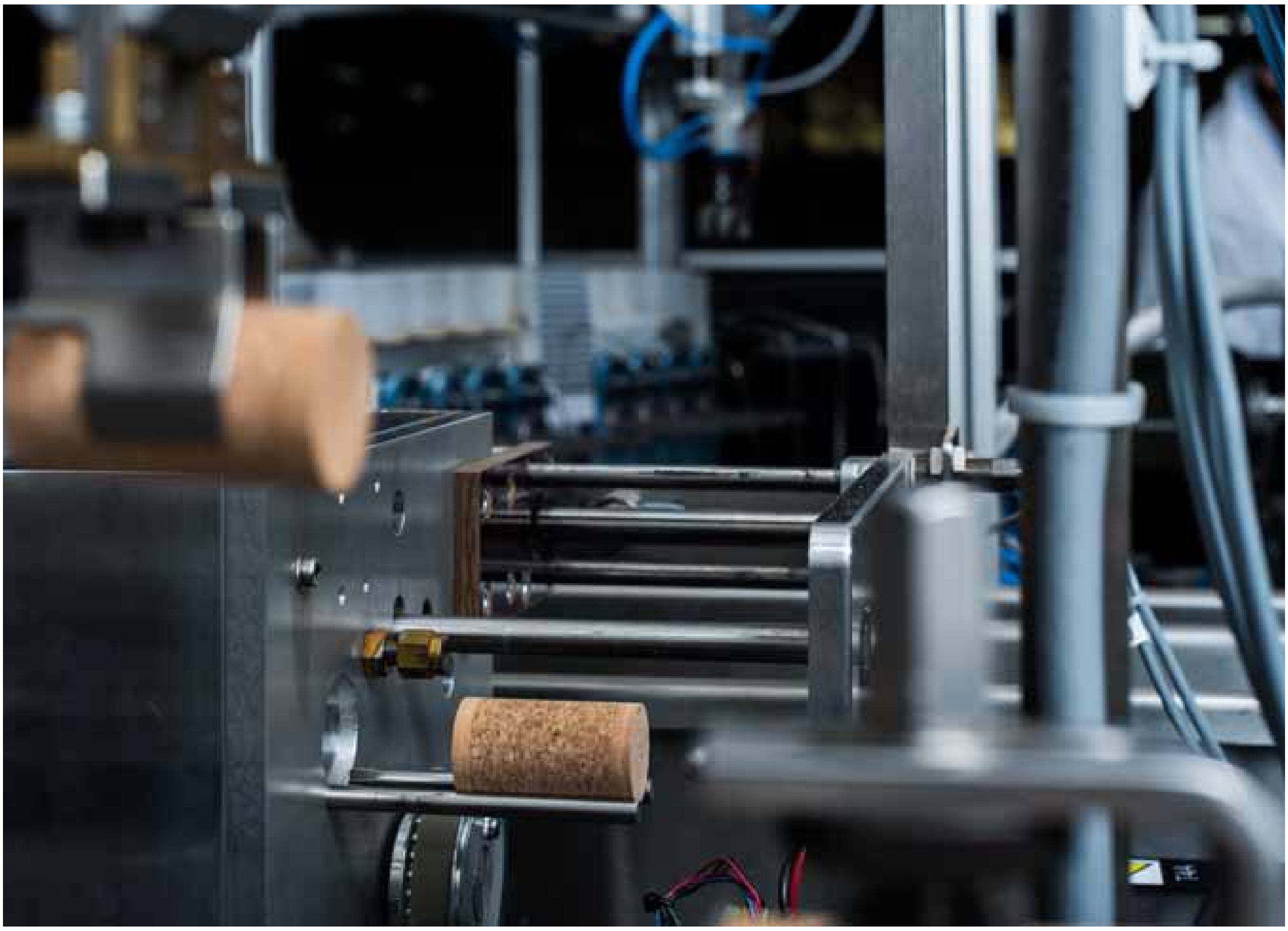
The consumption safety of the products the BU supplies is a constant concern and innumerable analyses were made during the year to control the migration of compounds from the cork or additional components used in producing stoppers. The results obtained guaranteed the quality consistency of the unit's products in compliance with European and US regulations governing food contact products.

To gauge the performance of its products in relation to competing goods, the BU participated in a number of comparative trials of bottle closures, organised either with its customers by the BU itself or by reputed international research institutes in the wine industry. Overall, cork stoppers were shown to be efficient closures and to ensure the balanced ageing of wine. The results of some of these comparisons were published in scientific journals.

The contra-faction of wines and spirits is also a constant concern, especially for higher value-added products, and it falls on the cork industry to contribute to resolving the problem. This is exactly what the Cork Stopper BU has been doing, having in 2015 registered the patent for a system that detects packaging violations of capsule cork stoppers. Projects are also underway aimed at resolving the problem of contra-faction as it relates to cork stoppers used in wine bottles.

In cooperation with Portuguese and international bodies, several studies were made aimed at achieving a better understanding of the BU's products and the factors involved in ensuring a good physical-mechanical performance and how these factors contribute to the balanced and harmonious ageing of bottled wine. Scientific publications setting out the results of these studies were presented at specialist congresses. Careful studies were also made with a view to gathering the information required for a revision of the ISO technical standards that apply to the sector.

In 2015, extensive research was conducted on champagne stoppers: a study was made of the ideal storage for maintaining sealing qualities of champagne stoppers and research was also begun aimed at understanding the expansion that sometimes prevent the formation of the classic mushroom shape associated with champagne stoppers.



TECHNICAL CORK STOPPERS PRODUCTION PROCESS

3.2. FLOOR AND WALL COVERINGS

For the Floor and Wall Coverings BU, 2015 was another year marked by the development and presentation of new technical solutions that highlight its capacity for product innovation. As well as improving the unit's product range, these new solutions will support growth in specific market segments and facilitate entry into new segments.

Inspired by recent trends in eco-design, which prioritise the use of ecological and reusable materials, Reclaimed (Visuals with a story to tell) is the name of a new Artcomfort range based visually on used wood and stone and having the appearance unique restored materials that carry with them their own story. Comprising four different wood looks and three stone looks, the collection is exceptional for the way it reproduces the appearance of wood or stone in cork flooring with a precision never previously seen. This has been made possible by the use of realistic surface printing technology developed for consumers who know and value the benefits of cork flooring, but who aesthetically prefer materials like wood and stone.

Conceived with the motto "Why only fit in when it was created to stand out", the new Authentica technical solution marks a true revolution in the vinyl flooring sector: its innovative composition represents a change of paradigm for this type of flooring. The nucleus of the flooring, which is made from natural materials, is 4mm thick and incorporates a new cork agglomerate that is 2.7mm thick, making it the most environmentally-friendly option available for this category of flooring.

The benefits of introducing a new layer of cork into this flooring range are not limited to its green credentials. The tests that preceded the launch of the collection showed clear improvements in performance, specifically in terms of thermal resistance, with gains of about 18%, and noise reduction, with improvements of about 6%. The collection was developed for spaces with high traffic flows, including busy public spaces.

The CorkComfort range was also renewed with the introduction of a new natural cork look in a collection called Novel Symmetries, developed in partnership with the Italian designer Antonio Bullo.

Other projects were also launched in 2015 with the aim of preparing the Floor and Wall Coverings BU's future product range. The success achieved with the launch of Hydrocork PressFit spurred the further development of water-resistant products as well as the use of the PressFit fitting mechanism in other technical solutions.

A project was launched to develop innovative aesthetic looks for cork in terms of both design and technology. Partnerships with suppliers and the development of skills in the R&D and production teams were crucial to this process.

3.3. COMPOSITE CORK

The Composite Cork BU is dedicated to the continuous development of new cork solutions and to meeting the challenge of discovering new uses for cork composites in different business areas.

A research, development and innovation management system was introduced in 2015 involving a reorganisation of this area and bolstering technical skills in preparation for the global growth of the business.

Strategically focusing innovation projects in this way led to the creation of new business concepts for different clusters of market segments and geographical regions. These included:

a) Construction:

- The creation of a disruptively innovative concept for a flooring core using bio-composites and recycled plastic, excluding PVC, a project that is at the advanced development stage;

WICANDERS, CORKCOMFORT, NOVEL SYMMETRIES

- An underlay range with new functions and made from cork composites;
- New natural substrate solutions made with cork granulate and equipped with new functionalities for the synthetic grass pitch market that will help the BU expand an existing product range that has successfully captured a significant share of the European and US markets;

b) Industry:

- The development of extrusion technology for cork-nitrile rubber that will enhance the BU's range of vibration control and sealing solutions with the introduction of three-dimensional products;
- The development of a new cork composite for use in the bio-sensor industry;
- The development of thermal and acoustic shields to replace foam tiles and synthetic fibre in automobile exhaust systems;

c) Retail:

- The development of new cork agglomerate formulas for applications involving direct or indirect contact with foodstuffs, a project aimed at supporting market share growth among leading international distributers and retailers;

d) Footwear:

- The development of new cork composite materials for the orthopaedic sector that maximise the visual and functional qualities of cork.

The continuation of systematic research aimed creating new value-added solutions in which the use of cork adds a distinct competitive advantage.

In 2015, an initiative was launched to expand the network of international scientific and technological bodies that work with the Composite Cork BU in order to maximise the exploration of new disruptive concepts. The strengthening and expansion of these strategic partnerships will contribute decisively to advancing the BU's knowhow as well as improving efficiency in developing new products, processes and business models.

In this area, the following European R&D cooperation projects were of particular note::

- **Osirys** – the use of natural products that perform well in terms of interior air quality, fire and fungus resistance and energy efficiency; and;

- **Ablamod** – a project aimed at making substantial progress towards the conception of a thermal ablative protection system incorporating aspects of advanced ablation characterisation and modelling. As most interplanetary missions designed to bring back samples use a system of thermal ablative protection, progress with this project would help ensure the low risk re-entry and return of spacecraft.

In 2016, innovation challenges include developing cork composite materials with improved thermal, acoustic and vibration insulation qualities, identify new applications, reducing production costs through the introduction of new technologies and optimising raw material use.

The permanent search for new products, new markets and innovative applications forms the foundation of our growth strategy for the Composite Cork BU.

3.4. INSULATION CORK

In 2015, development cycles were concluded and new R&D projects in consortium were begun with the aim of maintaining the pace of the BU's research activities. These initiatives included:

- Conclusion of the **MDFachadas** and **MDCoberturas** projects, thus fulfilling the goal of optimising a building system that uses expanded cork agglomerate tiles to cover the façades and other outer parts of buildings in a way that also provides the required levels of thermal insulation;

- Conclusion of the **ISOL TILE SYSTEM**, optimising a system that enables ceramic tiles to be laid over thermal insulation on the outside of buildings, guaranteeing compliance with the applicable mechanical requirements, system durability and ensuring high performance in hygrothermic, acoustic and energy terms;

- Conclusion of the **Floatwing** project, a modular floating house providing accommodation that is in harmony with nature and water and that is also self-sufficient and sustainable in both energy and environmental terms;

- Launch of the **Coberturas Verdes** [Green Coverings] project aimed at creating green coverings and living façades using systems made entirely from expanded cork agglomerate, a totally natural and environmentally-friendly product;

- Launch of the **Slimframe PV & Cork Skin** project aimed at creating an insulated building façade system that uses solar energy and developing, as part of a consortium, a solution that uses expanded cork agglomerate and glass for insulation.

The projects are part of a strategy for developing innovative products and applications by creating new solutions that add value to the use of cork as a raw material.

CONVERGE / DIVERGE SPACE, A PARTNERSHIP AMORIM ISOLAMENTOS / IDEIA.M AND THE FACULTY OF ENGINEERING OF THE UNIVERSITY OF PORTO

4

SUSTAINABILITY POLICIES AND PRACTICES

Corticeira Amorim continues to focus on aligning management sub-systems that foster efficiency and integrating them with the strategic aims of a balanced scorecard approach as an important guarantee of the company's sustained development. To guarantee the effective management of environmental and social factors, geared to achieving strategic objectives, Group companies have implemented management policies and systems in keeping with the non-financial risks that their activities incur and the opportunities that emerge in the markets in which they operate.

The companies in the Group have sought to consolidate this alignment by renewing the certification of its management sub-systems. These renewals include:

- At the Cork Stopper BU, the SYSTECODE (Accreditation System for Companies that apply that International Code of Cork Stopper Manufacturing Practice) and HACCP ISO 22000 (Food Safety Management System);

- At the Composite Cork BU, the Programme for the Endorsement of Forest Certification and OHSAS ISO 18001 (Workplace Safety and Hygiene Management System);

- At several Group BUs, ISO 9001 (Quality Management System), the Forest Stewardship Council and ISO 14001 (Environmental Management System).

In 2015, Corticeira Amorim concluded its transition to the most recent guidelines of the Global Reporting Initiative (version G4), a process that will culminate with the publication of the 2015 Sustainability Report, which reflects a revision of the company's Sustainability Strategy in line with a process of consulting stakeholders and analysing the issues involved.

Special mention should also be made of the policies **Corticeira Amorim** has adopted in the form of voluntary ethical commitments related to economic, environmental and social responsibility. The different companies in the Group have adopted these commitments as a management model grounded on responsible competitiveness.

Ethical and legal responsibilities

- To act in a responsible and ethical way in compliance with legal and regulatory requirements and the objectives applicable to the operations of subsidiary companies;

Responsibilities to external stakeholders

- To promote the satisfaction and loyalty of customers by developing differentiated and competitive products and services;

- To guarantee value creation for shareholders over the medium and long term by means of responsible competitiveness;

- To maintain trusting relationships with interested parties, specifically suppliers, customers and society in general;

Product responsibility

- To guarantee quality, based on the continuous improvement of processes as well as products and services and by searching for innovative solutions based on technological developments to meet customers' needs with competitive and differentiated solutions;

Social responsibility

- To develop the skills and qualifications of employees, providing them with an encouraging, healthy and safe working environment;

Environmental responsibility

Corticeira Amorim's activities have unique characteristics in the field of sustainability, constituting a rare example of interdependence between industry and an ecosystem, as well as generating wealth and preserving the environment. By engaging in the regular harvesting of cork, Corticeira Amorim ensures the viability of cork oak plantations in Portugal and the Western Mediterranean Basin, a natural resource that performs a fundamental role in capturing CO_2, preserving biodiversity, regulating the hydrological cycle and combating desertification.

In addition to benefiting from cork as a gift of nature, Corticeira Amorim works to apply and strengthen sustainable development practices to all its operations. As with any other industrial activity, the company's manufacturing processes have an inevitable environmental impact. To minimise this impact, and in keeping with its own sustainable management principles and practices, Corticeira Amorim is committed to:

- Guaranteeing compliance with the legal requirements and any other standards to which the organisation subscribes that apply to the environmental aspects of its operations, products and services;

- Controlling important environmental factors and contributing to pollution prevention;

- Working proactively to identify, evaluate and put into practice appropriate preventive measures for minimising the specific environmental impacts of its different operations, and deploying whenever possible the best available practices and technologies.

Supply Chain Responsibilities

- To give preference, whenever possible, to suppliers who provide raw materials in accordance with the best social and environmental sustainability practices in regard to sourcing and production processes.

CORK OAK FOREST

5 HUMAN RESOURCES

Corticeira Amorim's organisational culture is founded on five essential values: pride, ambition, sobriety, initiative and attitude.

The strategic programmes of the Group's different companies create a need to acquire, develop and differentiate skills adapted to different contexts. The concepts and practices of a goal-driven approach and a merit culture have been adopted by every segment of the Group's workforce, requiring the strengthening of management and remuneration systems. These guidelines lie at the centre of, and constitute the standards governing, the human resources policies and practices that the Group and its subsidiaries implemented in 2015.

At the end of December 2015, Corticeira Amorim had **3,537 employees**. Most of these workers – 2,508 – are employed in Portugal, where the industrial units of Group companies are predominantly based. The other 1,029 work in countries across the world, including not only Spain (228), the US (134), France (106), Germany (71) and Italy (43), but also Morocco, Tunisia and Algeria, countries where the Group has a combined staff of 193. The average number of employees in 2015 was 3,636.

Both the number of employees at the end of 2015 and the average number for the year were at their highest levels since 2010, an increase that reflects the enlargement of the consolidated group and the Group's strong increase in business activity.

The Corticeira Amorim workforce is generally quite stable, a fact reflected in indicators such as turnover and a longevity of employment averaging 15 years. In spite of this, the level of recruitment is quite high, reflecting the impact of variations in industrial activities, a need to strengthen skills and the renewal of some structures.

The average **absentee rate** in 2015 was 3.7%, a reasonable level in terms of the average for industrial companies, although an increase on the previous year. The rate covers short and long-term absences including sick leave, which accounted for 2.9% of the absences registered in Group companies.

Work accidents are also an important and pertinent issue. In spite of a long-term downward trend, a total of 116 work accidents were recorded at Corticeoira Amorim's 20 industrial units in 2015. This represents an increase in comparison with the previous year in both the frequency and the seriousness of accidents. In response, a work accident intervention programme was launched in 2015 with the goal of achieving a substantial and sustained improvement in the Company's performance in this area.

Adapting the workforce to the Group's strategic goals is also a permanent concern. Seeking, attracting, developing, renewing and retaining key skills are fundamental factors in keeping results at the required level.

The need to **develop skills** is common to all Corticeira Amorim companies and structures. From industrial units implementing new technologies and new ways of organising production that require **skilled employees** to the creation of departments dedicated to product, process and organisation innovation, through project management and the development of complex commercial structures, the solicitations and demands for enhanced skills and new structures are great. For this reason, significant investments were made in **training**, with a total of some 45,000 hours of training being given in 2015.

In 2015, investment continued in the **continuous improvement programmes** run by Group companies**,** an area in which Amorim & Irmãos, S.A. received the Kaizen Institute Award, a prize awarded to the best performing companies in this category.

Special mention should also be made of the custom-made training programmes organised by Group companies to meet the needs of specific projects in their commercial, customer service and industrial operations areas.

Another area of intervention in 2015 focused on the Group's **performance management system,** with training and awareness sessions having been provided to 200 staff members on the best ways to assess, communicate and help people to improve their performance.

Adjustments were also made to the Group's performance management process to help make it even more productive in enhancing employee and company performance.

Internal communication was also an important concern. Given the benefits of focusing people on achieving goals, the importance of behaviour in reinforcing the positive aspects of the Company's culture and the key role of communication in when parts of the Group are being restructured, Corticeira Amorim used every opportunity and engaged in a range of initiatives and approaches to transmit key messages, clarify objectives and keep people informed, promoting clarity and alignment with strategic goals.

AR ACADEMY FOR FLOORING COMPETENCIES

6

STOCK MARKET PERFORMANCE

Corticeira Amorim's current share capital stands at €133 million, represented by 133 million ordinary shares with a nominal value €1 and conferring the right to a dividend. The flotation on Euronext Lisbon (hereafter referred to as BVLP – the Lisbon and Porto Stock Market) of the shares issued within the scope of the capital increase that took place on December 19, 2000 was added to the remainder of the company 's shares listed on the BVLP from the beginning of 1991. These shares have been continuously traded on the national system since December 11, 1991.

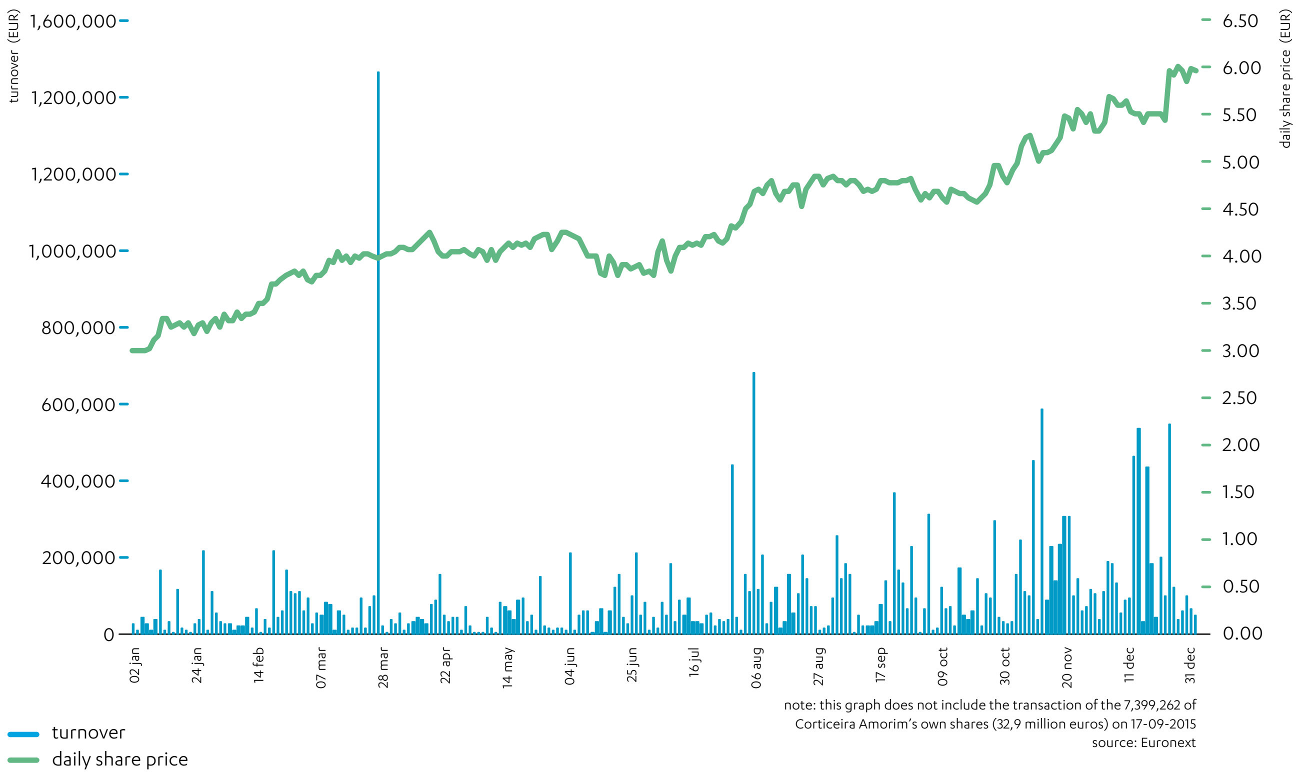
On September 16, 2015, Corticeira Amorim launched a private offer for the sale of 7,399,262 of its own shares, representing 5.563% of is share capital, through a process accelerated bookbuilding. The offer was concluded on the same day with the placement of all the shares on offer at a price of €4.45 per share. The share transaction was registered with the market on September 17, 2015. The Company's stock market indicators reflect this operation.

At the end of 2015, **Corticeira Amorim**'s share price was €5.948, an appreciation of 97% on the closing price at the end of 2014. About 12.7 million shares (264.6% more than in 2014) were traded in 8,875 separate trades (103.7% more than in 2014) in operations with a total value of approximately €56.8 million (up 481.7% on 2014).

In 2015, the average share price was €4.34 (compared with €2.85 in 2014). The shares reached a maximum price of €6.29 on December 22. The minimum price for the year of €2.99 was registered on January 2. The percentage change between the lowest and highest share price in 2015 was 110.37%.

The following charts illustrate **Corticeira Amorim**'s stock market performance:

Trading volumes on the regulated market in 2015



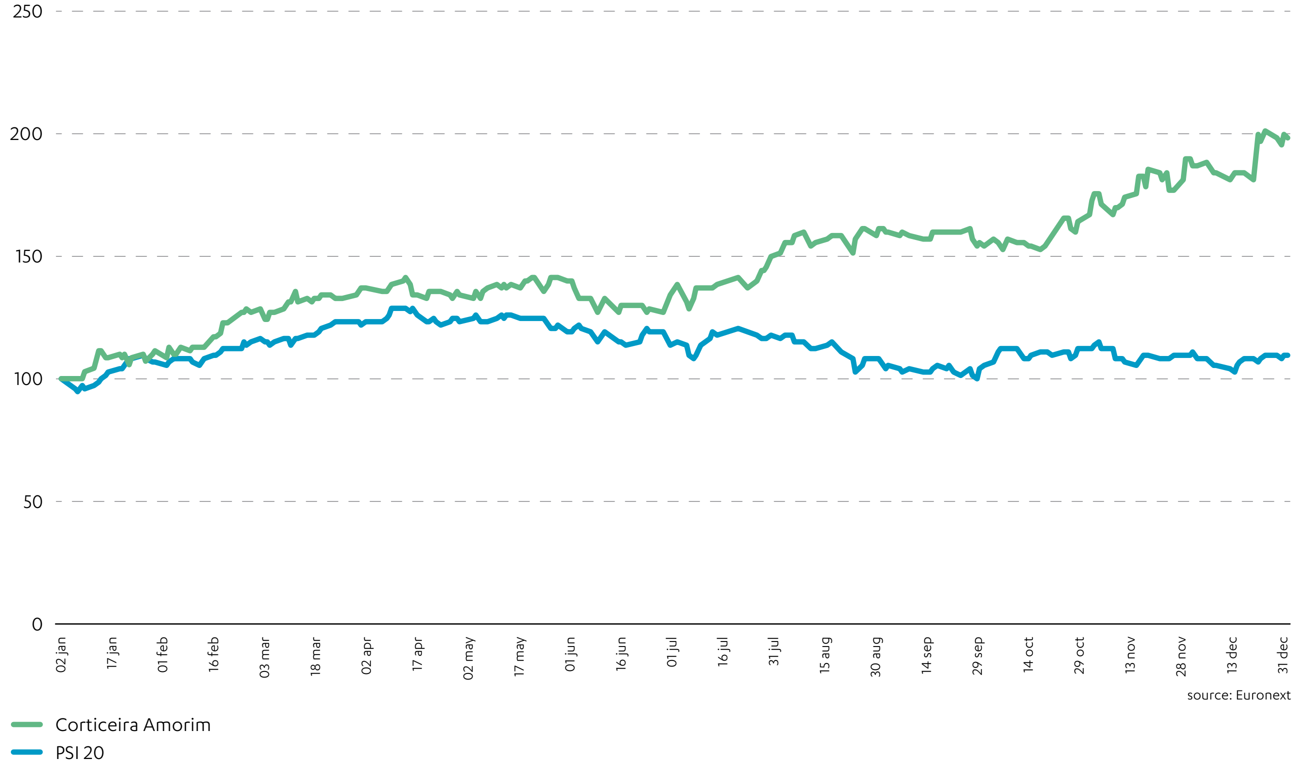
note: this graph does not include the transaction of the 7,399,262 of Corticeira Amorim's own shares (32,9 million euros) on 17-09-2015
source: Euronext

Stock market performance in recent years:

	2012	2013	2014	2015
No. of shares traded	2,856,436	2,184,858	3,481,685	12,693,424
Share prices (€):				
Maximum	1.65	2.40	3.65	6.29
Average	1.42	2.04	2.85	4.34
Minimum	1.27	1.56	2.20	2.99
Year-end	1.60	2.21	3.02	5.948
Trading frequency	85.2%	89.3%	96.1%	98.8%
Stock market capitalisation at year-end (€)	212,800,000	293,930,000	401,660,000	791,084,000

source: Euronext

Share price performance versus PSI20 (2015):



source: Euronext

Corticeira Amorim main stock market announcements in 2015 were:

February 19: Consolidated results for 2014
Corticeira Amorim reported record sales of €560 million in 2014, with the following highlights:

- Sales increased 3.3% to €560.3 million;
- EBITDA grew by 11% to €86.7 million;
- A further improvement in the financial autonomy ratio, which exceeded 50% for the first time;
- A proposal for a gross dividend of €0.14 per share was made to the Shareholders' General Meeting.

March 24: Announcement of the payment of a gross dividend of €0.14 per share

May 11: Consolidated results for the first quarter of 2015
Corticeira Amorim's sales rose to €147 million, with the following highlights:

- Turnover rose 6%, benefitting from a positive evolution of the exchange rate, especially of the US dollar;
- Net profits reached €8.4 million, an increase of 41% on the first quarter of 2014;
- EBITDA rose 44% to €23.8 million.

August 3: Consolidated results for the second quarter of 2015
Corticeira Amorim's quarterly sales exceeded €300 million for the first time, with the following highlights:

- EBITDA grew by 24.7% to €54 million;
- Quarterly profits increased 42.4% to €26 million.

September 16: Private offer for sale of own shares:

- Announcements of a private offer for the sale of 7,399,262 own shares representing up to 5.563% of total share capital, aimed exclusively at institutional investors through a process of accelerated bookbuilding, subject to demand, price and market conditions;
- Announcement of the private sale of all the own shares on offer to institutional investors at a price of €4.45 in a sale that raised a total of €32.9 million.

November 2: Consolidated results for the third quarter of 2015
Corticeira Amorim's nine-month sales reached their highest level to date in 2015, with the following highlights:

- Sales rose 7.7% to €463 million;
- All Business Units reported higher sales than in the first nine months of 2014;
- EBITDA totalled €80 million, the result of a strong operating performance.

November 13: Announcement of the payment of a gross dividend of €0.245 per share

CORK RUBBER GASKETS

7

CONSOLIDATED RESULTS

7.1. SUMMARY OF ACTIVITIES

Although the overall pace of world economic growth slowed in 2015, the economies of **Corticeira Amorim**'s most important markets grew, albeit at a moderate rate.

The US, **Corticeira Amorim**'s most important market, grew for the sixth consecutive year, not at a rapid pace but nevertheless at a considerably faster rate than the modest growth registered in the European Union, where the Group's next most important markets are located.

Among **Corticeira Amorim**'s other significant markets, Russia performed poorly, a contraction aggravated by the economic sanctions imposed on the country. Dating from the second half of 2014, the sanctions strongly conditioned sales to the Russian market. The Floor and Wall Coverings Business Unit (BU), in particular, as well as the Cork Stopper and Composite Cork BUs were the units most affected.

As highlighted in the Group's quarterly reports, the exchange rate effect was highly beneficial for **Corticeira Amorim**'s operations, with the appreciation in the US dollar accounting for almost all of this advantage. Combined with the growth of the US economy and the special focus of sales teams on the US market, these factors highlight the fundamental importance that the US has gained for **Corticeira Amorim**'s sales and profits in recent years.

For the first time, sales exceeded €600 million to reach €604.8 million, an increase of 7.9% on the €560.3 million registered in 2014. Sales growth in the fourth quarter (8.6%) was higher than the annual average despite a weaker exchange rate advantage.

About half of the €44 million increase in sales is estimated to have resulted from the exchange rate effect. Excluding this effect, sales revenue rose by around 4%, a performance almost totally due to an increase in sales volume.

All BU, except the Floor and Wall Coverings unit, registered an increase in sales, both in total sales and sales to end-customers. The Floor and Wall Coverings BU, which in the third quarter succeeded in slightly reversing a downward sales trend, suffered a further drop in the fourth quarter, with sales to Russia proving particularly difficult throughout the year.

The sales performance of the Cork Stopper BU (+9.9%) and the Composite Cork BU (+17% to end-customers) deserves highlighting. The strength of the US economy, the focus of the Group's commercial teams on the US and the strong appreciation of the US dollar, as referred to previously, were responsible for a significant part of these strong growth rates.

The Group's strong operating performance saw EBITDA exceed €100 million for the first time as it grew 16.1% to €100.7 million.

The EBITDA/sales ratio rose to 16.7%, a notable improvement on the 15.5% recorded in 2014. A drop in the fourth quarter resulted not only from the weak performance of floor and wall coverings in last three months, but also from a tightening of the criteria for the impairment of overdue customer balances and of inventories from which there have been no sales for a determined period.

The significant improvement in financial costs reflected a decrease in remunerated debt as well as a further drop in the average interest rate paid.

Associated company results performed exceptionally well as they had in previous quarters. Improved performances by Trescases and Corchos of Argentina (cork stoppers) and US Floors (floor and wall coverings) saw appropriated earnings more than double.

In keeping with sales and EBITDA, **Corticeira Amorim**'s net profit also passed a significant milestone, exceeding €50 million for the first time as it rose to €55.012 million, an increase of 53.9% on 2014.

Net profit in the fourth quarter was €13.402 million, almost double the profit achieved in the same quarter of 2014.

At the end of the third quarter, **Corticeira Amorim** sold all the own shares it held, increasing its free float to about 15%. The impact on liquidity was almost immediate with the average daily volume of trades increasing significantly.

In light of a considerably positive financial position, strengthened by the funds raised from the sale of its own shares, **Corticeira Amorim** was able to distribute a robust €50.169 million in dividends in 2015, the equivalent of 37.72 euro cents a share.

Because of its importance in the makeup of the Group's financial structure, special mention should be made of the loan agreement that **Corticeira Amorim** signed with the European Investment Bank at the end of the first quarter. The €35-million loan with a four-year grace period was negotiated at an all-in interest rate lower than other existing loan at that date. The agreement has enabled **Corticeira Amorim** to lengthen the terms of its debt substantially and considerably lower the average interest rate on its remunerated debt.

7.2. CONSOLIDATION PERIMETER

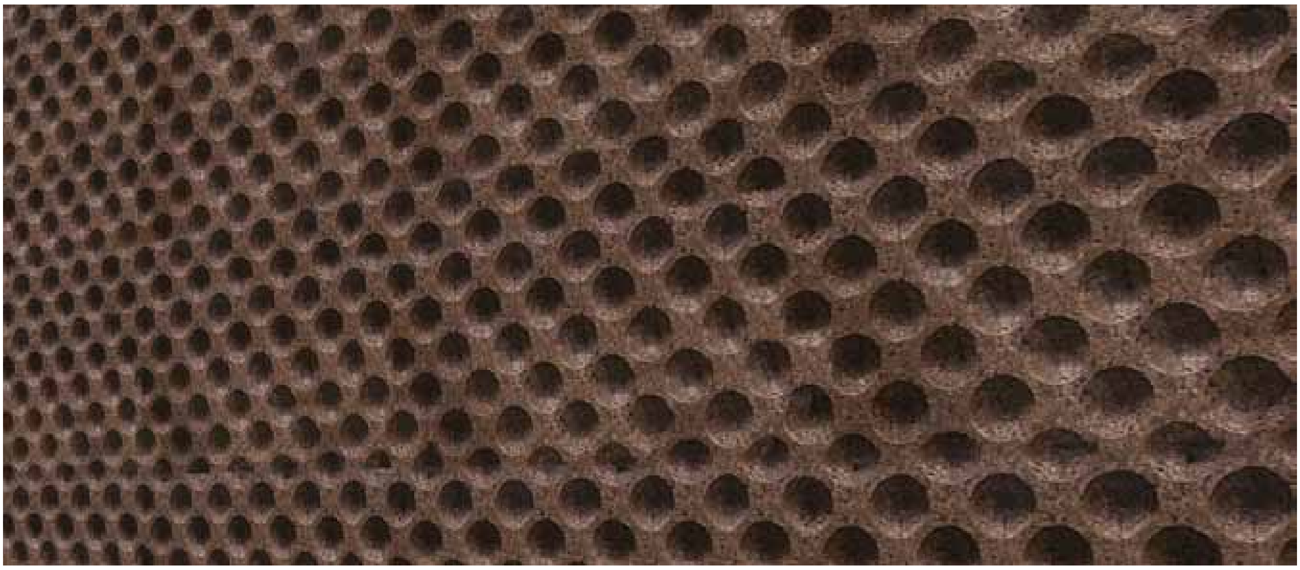
There not having been any changes in the group of companies that make up **Corticeira Amorim**, the financial statements for 2015 are comparable with those of 2014.

7.3. CONSOLIDATED RESULTS

Passing the sales milestone of €600 million, as previously mentioned, resulted from a combination of volume growth and the positive exchange rate effect. As also mentioned, all BUs, with the exception of Floor and Wall Coverings, reported significant increases in sales:

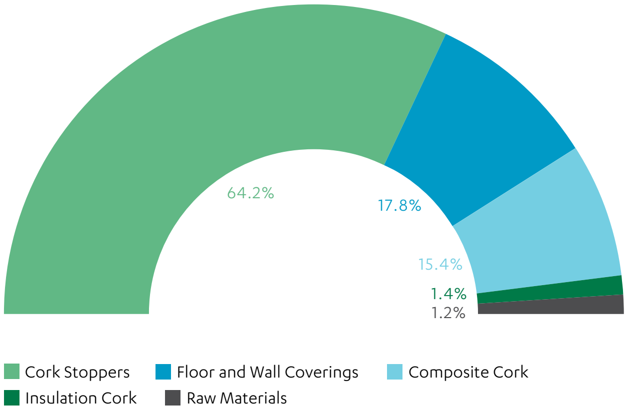
	End Customers
Cork Stopper BU	+10%
Floor and Wall Coverings BU	-5.2%
Composite Cork BU	+17%
Insulation Cork BU	+4.9%
Consolidated	+7.9%

The Raw Materials BU, about 95% of whose sales are to other BUs, especially the Cork Stopper BU, also saw its business grow. In line with the sales growth of its main customer, its sales increased 3.1% without the advantage of any exchange rate benefit.



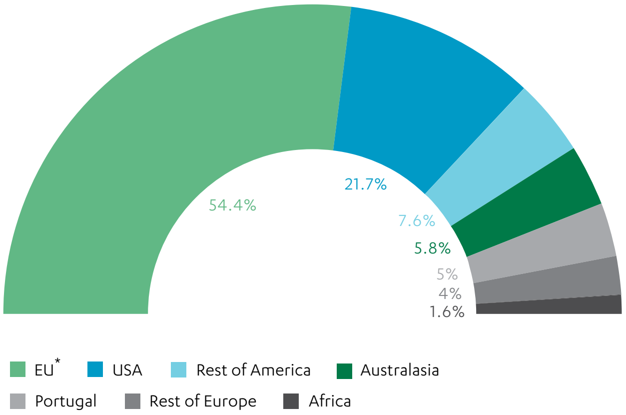
MDFAÇADE WAVE

Sales by Business Unit



In regard to markets, the US strengthened its position as the Group's most important sales destination. As previously mentioned, this improvement was not wholly a result of the exchange rate effect. Volume growth, the sales mix and a continuous effort to take the best advantage of such a strong market have also contributed to the growing importance of the US. The activities of the Cork Stopper and Composite Cork BU clearly reflect the advantages of the US market.

Sales by Geographical Area



* It includes Switzerland and Norway and excludes Portugal.
Sales to non-Group Clients.

The increase of about €32 million in the gross margin (sales plus production variations less the cost of incorporated materials) reflected a small percentage gain. In spite of using slightly higher-priced cork from the 2014 purchasing campaign, the Group was able to report an improvement in this important ratio. The absolute value totalled €315.6 million.

The increase in business activity and the exchange rate effect, especially at the Group's four US units, had significant upward impact on operating costs (excluding depreciations and amortisations).

The increase of about of €18 million in operating costs (a 9.2% increase on 2014, of which about 2% was due to the exchange rate effect) reflected a sharp increase in staff costs. As well as reflecting the exchange-rate effect referred to above, the €8M increase in staff costs also resulted from an increase in the average number of workers (an additional 139 workers, representing an increase of 4%). In spite of a reduction in the number of employees at the Floor and Wall Coverings BU, aimed at adjusting the workforce to a drop in business volume, the Cork Stopper and Composite Cork BUs reported significant increases in their headcounts. The increase in the number of workers at Composite Cork BU partly reflected the need to meet an important order placed by a well-known international distribution chain, which required the hiring of a large number of workers. Part of the increase also reflects some overlapping of cork rubber production at the Corroios and Mozelos plants, which was only corrected at the end of the year. Increased business activity at the Cork Stopper BU required some increase in the number of workers, especially in the production of Top Series stoppers. The growth in employee numbers was also influenced by internalising previously subcontracted work, the costs being transferred to staff expenditure.

The 4% increase in spending on suppliers and services was in line with the increase in business volumes. A significant increase in spending on research and development projects that cannot be capitalised contributed to the increase in this cost item. One example of this was the one-off cost involved in developing the ND Tech project, which was not eligible for capitalisation.

A natural increase in commission, transport and energy costs also contributed to the increase in supplier and services costs.

In 2015, projects aimed at improving operating efficiency could not all be translated into reductions in operating costs. Following the conclusion and start-up of these projects, the benefits of these projects should, in 2016, produce the returns that it was not possible to achieve in 2015.

Registering costs that involved no cash outlay also impacted operating costs. The adoption of more demanding criteria for registering impairments on customers' overdue balances and on inventories from which there have been no sales for a determined period led to an increase of about €4.3 million in these costs. The total increase in impairment costs was €3 million.

The unfavourable change of about of €2.2 million in other gains and operating costs resulted from a lower recognition of gains from investment grants and from exchange rate differences relating to accounts receivable.

EBITDA exceeded €100 million to reach a total of €100.7 million, a 16% increase on 2014.

The EBITDA/sales ratio rose to 16.7%, a notable improvement on the 15.5% registered in 2014.

As mentioned in the summary of activities, performance in the fourth quarter was affected by weak sales of floor and wall coverings. Compared with the previous quarters, when performance was already considerable below potential, EBITDA at this BU fell by about €2 million in the last three months of 2015. As noted previously, an especially high level of impairments was also registered in the last quarter. As a result, the EBITDA/sales ratio for this period was 14.5%.

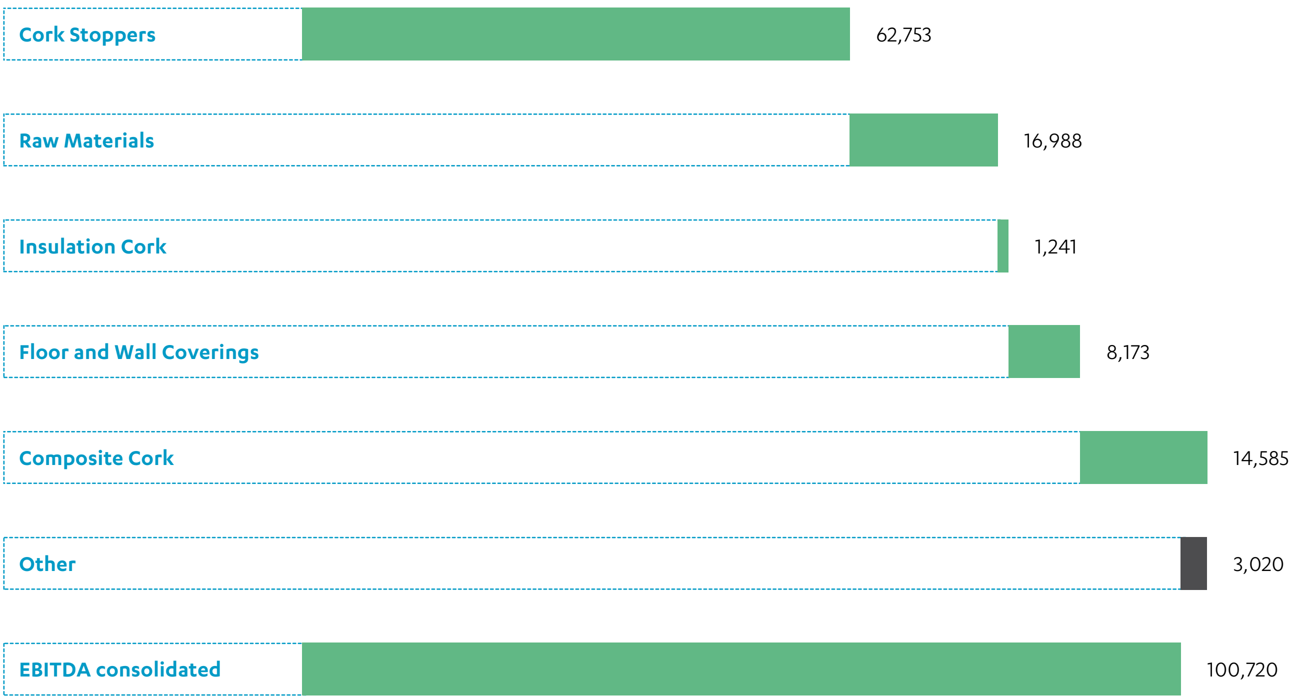
As reported in the segment report, EBITDA at the Cork Stopper and Composite Cork BUs evolved positively, but it fell at the Floor and Wall Coverings and Insulation Cork BUs. At the Raw Materials BU, the decrease reflected the use of cork purchased in 2014 at a higher price.

Finally, the combined EBITDA/sale ratio for the Raw Materials and Cork Stoppers rose from 17.7% in 2014 to 19.9% in 2015, a clear indication of the strength of this business within **Corticeira Amorim**.

EBITDA/Sales Ratio

	2014	2015
The Raw Materials BU	13.3%	12.5%
Cork Stopper BU	13.1%	16.0%
Cork Stopper + Raw Materials BUs	17.7%	19.9%
Floor and Wall Coverings BU	13.3%	7.4%
Composite Cork BU	9.2%	14.6%
Insulation Cork BU	16.5%	12.4%
Consolidated	15.5%	16.7%

EBITDA: BU Contribution (thousands euros)



EBIT totalled €75.7 million, an increase of 17.5% that was in line with the growth in EBITDA.

A one-off gain of €2.9 million relating to an impairment of goodwill was registered, reducing this item to zero in the balance sheet.

Financial results improved successively in each quarter. Interest paid in 2015 totalled €2.1 million, almost half the amount paid in 2014. Interest paid in the fourth quarter totalled €0.4 million, reflecting a notable reduction in interest costs over the year.

Income from associated companies also performed positively. Profits from companies in which **Corticeira Amorim** does not own a majority holding totalled €3.1 million, a substantial increase on the €1.3 million registered in 2014.

As mentioned in the summary of activities, this increase reflected the strong performance of Trescases and Corchos of Argentina (Cork Stoppers BU) and US Floors (Floor and Wall Coverings BU).

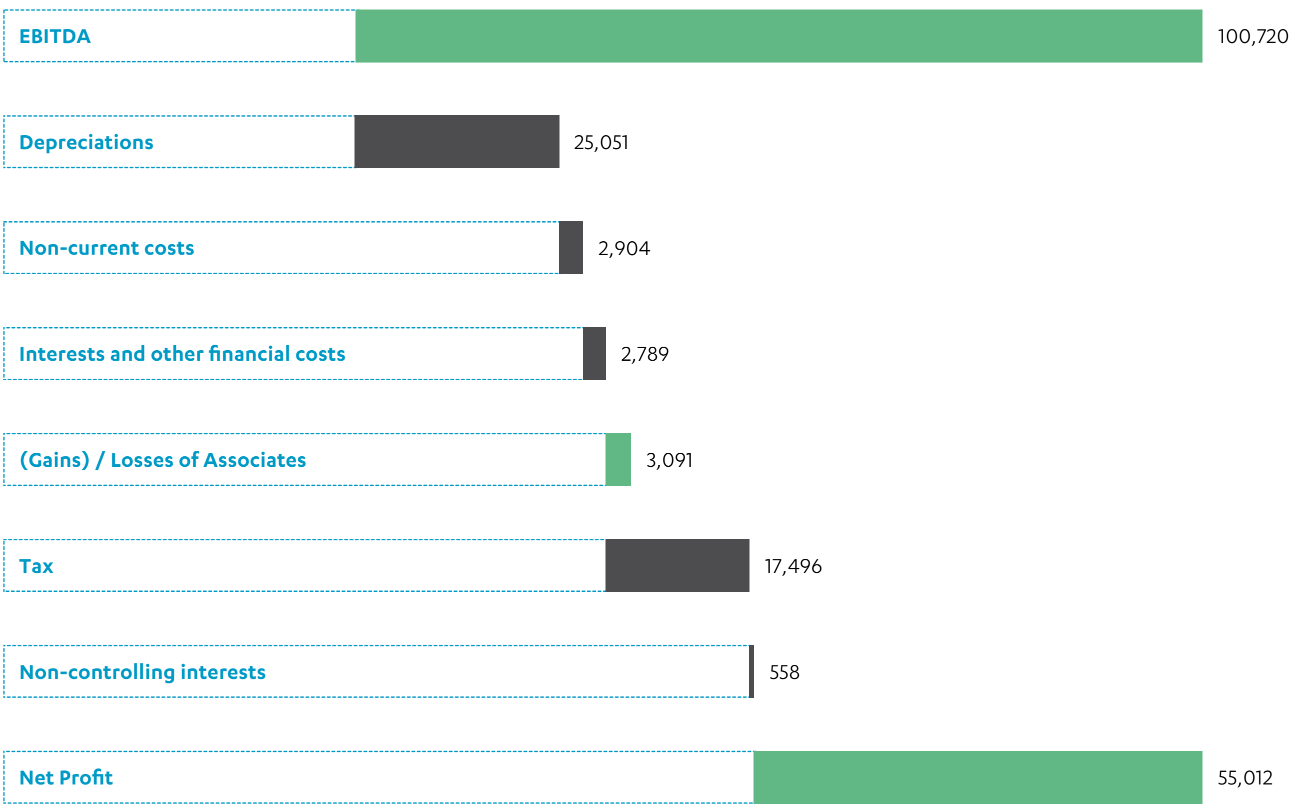
Provisions made for new tax processes did not affect tax on earnings. The positive impact of this was further enhanced by the favourable outcome of two tax cases, one of them dating back to 1994!

Fiscal benefits were, as usual, calculated in the fourth quarter. In spite of the prudence with which benefits were accounted for, the increase in relation to 2014 was an additional contribution to the lower tax burden registered 2015.

After estimated corporation tax of €17.5 million and the appropriation of €0.6 million in earnings for minority interests, **Corticeira Amorim**'s net profit for 2015 rose to €55.012 million, an increase of 53.9% on the €35.756 million reported for 2014.

Net profit in the fourth quarter totalled €13.402 million, almost double the earnings achieved in the same period of 2014.

Composition of Net Profit (thousands euros)



8

CONSOLIDATED DEMONSTRATION OF THE FINANCIAL POSITION

For a better understanding of the balance sheet, it should be noted that in mid-September **Corticeira Amorim** disposed of all the own shares that had for a long period been held in its portfolio. This operation took the form of a private placement for sale of 7,399,262 shares representing 5.56% of the company's share capital at a price of €4.45 per share. The sale raised €32.9 million gross. Given that this was a transaction that involved shareholders, without any change in the control of the company, the accounting gain from the sale was registered directly as equity (€25.7 million).

The balance sheet totalled €667 million, an increase of about of €50 million compared with the end of 2014. Operating items accounted for most of the increase in asset value. In fact, the increase in business activities, the impact of exchange rate conversion on the assets of non-euro subsidiaries, especially the four US units, accounted for a large part of the overall increase. The increase in inventories and customers alone totalled €34 million. The increase of about €9 million in tangible and non-tangible fixed assets also helps explain the overall increase in the value of assets.

Net remunerated debt fell by about €4 million to €83.9 million, a reduction that could have been larger. The expected allocation of resources to operating items (customers and inventories) was only partially compensated for by the increase in the suppliers account. However, payments of about of €5 million made in December relating to investments expected to be made at a later date prevented a bigger reduction in remunerated debt at the end of the year.

An increase of about €40 million in equity compensated for the increase in assets.

In spite of the significant increase in assets, the financial autonomy ratio increased from 51.1% at the end of 2014 to 53.1% at the end of 2015.

The operations relating to the sale of own shares, dividends distributed in 2015 and EIB loan agreement are described in the summary of activities.

MATERIA, CORK BY AMORIM, CURATED BY EXPERIMENTADESIGN

9

MAIN CONSOLIDATED FIGURES

		2015	2014	Variation	4Q15	4Q14	Variation
Sales		604,800	560,340	7.9%	141,911	130,655	8.6%
Gross Margin – Value		315,613	283,583	11.3%	73,274	70,457	4.0%
	1)	50.7%	49.8%	+ 0.9 p.p.	50.4%	50.5%	+ 0.07 p.p.
Operating Costs – current		239,944	219,197	9.5%	59,046	55,468	6.4%
EBITDA – current		100,720	86,722	16.1%	20,565	20,639	- 0.4%
EBITDA/Sales		16.7%	15.5%	+ 1.2 p.p.	14.5%	15.8%	+ 1.31 p.p.
EBIT – current		75,669	64,386	17.5%	14,229	14,990	5.1%
Non–current costs	2)	2,904	6,354	–	- 3	2,840	–
Net Income		55,012	35,756	53.9%	13,402	6,722	99.4%
Earnings per share		0.431	0.285	51.3%	0.101	0.054	88.3%
Net Bank Debt		83,896	87,558	- 3,662	–	–	–
Net Bank Debt/EBITDA (x)	3)	0.83	1.01	- 0.18 x	–	–	–
EBITDA/Net Interest (x)	4)	70.5	30.8	39.71 x	74.9	38.2	36.67 x
Equity/Net Assets	5)	53.1%	51.1%	+ 2.0 p.p.	–	–	–

1) RELATED TO PRODUCTION
2) GOODWILL IMPAIRMENT AND INDUSTRIAL RESTRUCTURING
3) CURRENT EBITDA OF THE LAST FOUR QUARTERS
4) NET INTEREST INCLUDES INTEREST FROM LOANS DEDUCTED OF INTEREST FROM DEPOSITS (EXCLUDES STAMP TAX AND COMMISSIONS)

10

THE ACTIVITIES OF CORTICEIRA AMORIM'S NON-EXECUTIVE BOARD MEMBERS

In accordance with Portugal's Corporate Governance Act (*Código do Governo Societário*), which sets out the recommendations of the Security Markets Commission (CMVM) on corporate structure and governance, **Corticeira Amorim** provides the following information on the activities of its non-executive board members.

During 2015, the non-executive members of the Board of Directors regularly attended the monthly meetings of the Board, where all matters that could not be delegated or were included on the agenda because of their importance, scale or critical timing were discussed and analysed.

The meetings were organised administratively to ensure that all board members, executive and non-executive, could adequately prepare beforehand, encouraging the active participation of all members in the debate, analysis and tabling of decisions in benefit of the productivity of the meetings and the efficiency of the Group. The calendar of ordinary meetings of the Board of Directors was agreed at the beginning of 2015 to enable all members to attend. Any board member, including non-executive members, could submit points or discussion subjects for inclusion in the agenda up to two working days before each meeting.

A system has been implemented that enables the Executive Board to report to the Board of Directors in such a way as to ensure that the activities of the two bodies are properly aligned and that all members of the Board of Directors are informed in a timely fashion of the activities undertaken by the Executive Board.

As a consequence, and excepting matters that are of the exclusive competence of the Board of Directors, non-executive board members were informed of and able to follow:

- the development of operating activities and the main economic and financial indicators of all the BUs that comprise **Corticeira Amorim**;
- information relation to the Group's consolidated finances: financing, investment, financial autonomy and extra-patrimonial responsibilities;
- activities carried out by different support services and their impact on the Group;
- the development of IR&D activities;
- the calendar of the main events involving **Corticeira Amorim** and its BU, given that the Group is often represented at international events, such as trade missions, by one or more non-executive member of the Board of Directors.

WICANDERS, HYDROCORK

11

FUTURE PERSPECTIVES

11.1. MACROECONOMIC CONDITIONS

11.1.1. Global Outlook

In 2016, the **World Economy** is expected to grow at a faster pace than in 2015, at around 3.4%. It is significant, however, that the IMF has made three downward revisions of its growth forecast for 2016 in less than a year, pointing to a slowdown, the rebalancing of the Chinese economy and the fall in commodity prices as important factors. Growth in emerging economies is projected to recover at a more gradual pace. International trade is likely to expand at a slower rate; lower global demand and excess supply will be reflected in maritime freight rates; it is feared that commodity prices will continue to fall sharply and take a long time to recover, penalising producer countries, almost all of which are emerging economies, and forcing significant economic adjustments. Brazil and Russia are likely to be particularly badly affected. Developed economies are expected to lead economic growth, continuing the trend of recent years. The slowdown in China, resulting from changes currently underway in the country's growth model (and the countless challenges this process involves) will have a significant impact, hitting hardest the economies most dependent on trade with China. Faced with this prospect, the market is looking towards the US as an alternative engine of world growth.

The economic outlook is dominated by expectations of an increase in US interest rates and deflationary pressures resulting from lower levels of business activity and the fall in commodity prices, especially oil. The risks to world growth, which also include geopolitical tensions, instability and risk aversion in financial markets, are significant. The climate in the US will be dominated by the presidential election on November 8, while the debate over Britain's membership of the EU and migratory flows are the most critical challenges facing Europe. The broad global impact of a sharper slowdown than forecast in China and a rapid and unexpected increase in risk aversion are among other risks that could affect forecast trends in 2016.

The **Euro Zone** will face several challenges in 2016 – the slowdown in emerging markets with has a direct impact on the European export sector; the challenge of the UK's "Brexit" referendum and the continuing negotiations around that issue; the need for European banks to strengthen their capital ratios and bad debt management, together with the new rules set out in the EU's Bank Recovery and Resolution Directive; the threat of extreme events such as terrorist attacks; and, above all, the flow of migrants to Europe and the integration of refugees. Political cohesion and the response of public services responsible for integrating refugees into society and the labour market will be critical in this regard. It is nevertheless estimated that the European economy will grow at a faster pace than in 2015, at about 1.7%, supported by stronger domestic demand. The ECB will act to keep monetary policy highly accommodating – "lower for longer" – focusing on asset purchasing programmes (quantitative easing) and increasing the use unorthodox measures, such as negative absorption rates. It will use these measures to combat increasing downward pressures on prices and future inflation expectations and to achieve price stability by eliminating the gap between actual inflation levels and its mandatory inflation target. The labour market should continue to improve as it has in recent years, but as has so far been the case, at a pace too low to produce a sharp drop in unemployment rates. The average EU jobless rate is expected to drop to 10.5% (compared with 7.5% before the 2008 crisis). In the run-up to the US president election, the selection of candidates by the competing parties and their positions on sensitive world economic issues are likely to generate some degree of volatility.

The **US** economy should perform strongly in 2016, although below the level that had been forecast not long ago – a consolidation of growth rather than an increase in momentum. Growth is expected to be close to 2.5%, supported by increased consumption. The labour market should continue to perform extremely positively, as it did in 2015, and the real estate market should continue to expand. The Industrial sector is likely to show signs of slowing down, a trend common to numerous economies across the world; it is feared the sharp fall in the price of energy inputs will lead to a contraction of investment in oil prospecting, affecting some segments of the financial markets. Inflation trends in 2016 will depend on the impact of the US dollar on import prices and on the extent to which the impact of lower energy prices dissipates; labour market trends are likely to lead to wage pressures, leading to projected inflation of about 1.8%. Having started a cycle of monetary normalisation in December 2015, the Federal Reserve is expected to raise interest rates at a slow and gradual pace. Monetary conditions will remain highly accommodating.

The **UK** will hold a referendum on its membership of the EU. It will take place on June 23 and could cause some instability given the real possibility of Britain leaving the EU. This uncertainty will dominate the outlook for the UK and could affect economic trends. Growth will continue to be supported by private consumption and by the continuation of favourable monetary conditions.

The performance of the **Japanese** economy is expected to improve in 2016 in spite of the difficulties the country faces in implementing more structural measures. Growth is expected to find support in an ultra-expansionist monetary policy, a favourable fiscal context and the fall in energy prices. Consumption and investment should make a larger contribution to growth. The Japanese economy is expected to expand by about 1%.

Australia, sensitive to trends in China, should register economic growth marginally above 2%.

As in 2015, the pace of economic growth is decelerating in **China**, the world's second largest economy. The 2016 growth rate is forecast at around 6%, which would be the lowest annual rate of expansion for the past 26 years. China faces significant challenges relating to the process of rebalancing its economy, investment in consumption, external demand as the motor of growth in domestic consumption and, in sectorial terms, its service industries. Managing the opening of financial markets, and thus giving primacy to prices defined by the market, and the evolution of the yuan (CNY), will be critical. The Chinese authorities are expected to focus their attention on excess credit, installed industrial capacity and real estate trends.

Among the **BRIC** economies, India is likely to be the only country to see economic growth accelerate in 2016, reaching an expected growth rate of around 7.5%. The economic performances of Brazil and Russia are likely to prove disappointing for a third consecutive year – the economies of both countries being expected to contract, especially, it is feared, in Brazil. Both face a growing dilemma in regard to their economic and monetary policies – with economic growth becoming increasingly doubtful while inflation rises sharply. The credibility of the monetary authorities in these countries will be crucial in this regard. Elections to the Duma, the lower house the Russian Federation's parliament, will be held on September 18.

South Africa should experience a significant slowdown, with economic growth expected to drop to 0.7% in 2016, down from 1.3% in 2015. The main challenges are likely to be structural problems and a weakening of international confidence.

11.1.2.Portugal

In 2016, Portugal is forecast to register economic growth of around 1.7%, marginally higher than in 2014, but in line with projections for the Euro Zone average. The Portuguese economy faces increasing challenges, beginning with the performance of its main export markets, such as Spain, which has been experiencing political uncertainty since December, as well as markets that have become increasingly important to Portugal in recent years, such as Angola. However, the positive outlook for the German economy could prove a compensatory factor for Portugal. The impact of interventions in the banking sector (in December 2015) on public accounts and international credibility (due to the reversal of previous measures) are aspects that could affect Portugal's country risk premium and future levels of economic activity. Alarm signals and expressions of the concern by international institutions were at a peak at the end of 2015 and during the first weeks of 2016. These are indications that the Portuguese authorities should not underestimate, on pain of weakening the country's economic recovery and international credibility. In 2016, Portugal is unlikely to be able to remove the country from external oversight under EU's excessive deficit procedures.

Growth, however, is likely to be more balanced than in 2015, with domestic demand contributing positively (increasing by a projected 1.8%), while net exports are likely to make only a slightly positive or zero contribution. In spite of an expected increase in disposable family income, private consumption should increase at a slower pace than in 2015, largely due to stronger growth in savings. The current account balance should remain in surplus, at around 0.5% of GDP, providing a positive basis for financing the economy. The political choices made by the government will have a different impact on the consolidation of public accounts and the debt-to-GDP ratio than had previously been expected. In contrast to recent years, public consumption will increase, the budget deficit will be reduced at a more moderate pace and public debt is unlikely to fall significantly. After significant and unexpected growth in 2015, especially in the first half, investment is expected to increase at a slower pace, reflecting a drop in external demand and a stabilisation in utilised production capacity at close to the historic average. Inflation is forecast at around 1%, although it is estimated that the continuing fall in energy prices and more moderate growth in business activity could result in downward pressure on prices. Unemployment should continue to fall at the same moderate pace of the previous year to 11%-12%.

11.2. OPERATIONAL ACTIVITIES

11.2.1. Raw Materials

The outlook for 2016 in terms of business activity differs little from that of 2015. Provided the needs of the Group's value chain remain at the same level, the profitability of the BU's units in the Iberian Peninsula will remain at similar levels to those of 2015. The unit in Morocco is expected to suffer a drop in profitability resulting from the purchase price of cork acquired in 2015.

Starting 2016 with a balanced level of stocks tailored to meet demand from Group companies means the BU can focus on achieving the best price/quality ratio in its non-virgin cork purchasing campaign, seeking at the time of purchase to acquire batches with the required sensorial characteristics.

In terms of operating efficiency, the BU will continue to implement rigorous plans for rationalising operating costs that apply to all its production units and to develop projects aimed at improving industrial processes.

At the units producing discs for champagne and Twin Top stoppers, 2016 will be a year for consolidating investments made in previous years, the units having already reached a notable level of efficiency.

Lengthy work is still required in the area of cork preparation, focusing on researching new solutions to help make these labour-intensive processes more efficient.

In 2016, the BU also aims to reduce the amount of capital invested in stocks of finished products and products in the process of production by changing planning methods, introducing more rigour into production processes and adopting new decontamination methods.

11.2.2. Cork Stopper

Up to 2018, US demand is expected to drive the growth of the world wine market, which is forecast to expand by about 11% between 2014 and 2018 to 4.5 billion bottles.

The growth rate of Chinese wine consumption is projected to drop from 69% to 25% to an estimated total of 2.2 billion bottles in 2018.

BOTE, BY NENDO FOR MATERIA COLLECTION

Demand for sparkling wines and rosés will be a global market driver, while the deceleration of the Chinese economy and government repression of abusive consumption of high value drinks will see the US resume its role as the main engine of world growth. As a result, the US is forecast to become the world's biggest consumer of wine by 2018, ahead of France, Italy, Germany and China, including Hong Kong.

Over the same period, per capita consumption is expected to fall in Italy, France, Switzerland and Portugal, while countries such as Austria and Greece could register a slight increase.

As a result of these trends, by 2018 the Asia-Pacific region's share of world wine consumption will have increased from 11% to 12%; Europe will account for 61%, the US, Canada and Latin America for 24% and Africa and the Middle East for 3%.

In 2016, the challenge for this BU will be to maintain profitability levels by means of more efficient management of the capital invested in the business. In particular, more efficient ways of controlling the supply chain will be implemented, as well as better ways of controlling credit in poorly-regulated markets with a view to increasing the rotation of working capital.

The BU will remain focused on improving its products and services as a means of increasing market share.

It is imperative that the BU consolidates and defends its market position, broadens its customer base and improves it customer retention rate. It also needs to gain market positions for alternative products based on their sustainability and product reliability.

In the context, the Cork Stopper BU's priorities will be:

- to develop and promote a differentiated product portfolio with the aim of creating and optimising value;
- to launch disruptive products that meet the needs of end-consumers;
- to focus on sales of ND Tech, Helix and Twin Top Evo stoppers;
- to strengthen the skills base so that the Cork Stopper BU is perceived by its customers as their best business partner;
- to enhance the business of supplying direct customers in Portugal by providing the same level of quality and service at a lower cost;
- to improve supply chain management with a view to cutting costs, reducing the amount of invested capital and improving service levels;
- to continue aligning suppliers with the best practices of the Group's raw material value chain;
- to focus, in the industrial area, on sensorial qualities and product homogeneity;
- to prioritise operating efficiency and technological improvement projects likely to have a significant impact;
- to strengthen competitiveness by leading in operating efficiency and adjusting the BU's cost structure to the margin it generates;
- to build a team development programme to enhance the BU's customer and market culture;
- to extend training, cork knowhow and an understanding of the BU's business model to every employee;
- to consolidate the BU's sustainability policy and practices; and
- to strengthen partnerships and gain new sources of knowledge.

11.2.3. Floor and Wall Covering

Projected sales for the Floor and Wall Coverings BU in 2016 are based on the success of new products featuring differentiating factors thanks to the technologies used in creating their look as well as new finishes and dimensions in tune with modern trends.

Particularly noteworthy was the launch of the AUTHENTICA range at Domotex 2016. This floating flooring improves on the advantages of CORKTECH by using more cork in its production. It also has the advantage of combining ecological efficiency and flexibility with improved thermal and insulation performance.

In addition, the introduction of new looks for the BU's products, multiplying the variety of unique looks available, will help it to fulfil customer requirements more effectively.

Following the BU's revaluation of the growth aspects of its new strategic performance cycle, a number of opportunities were identified in priority markets. Focusing the management team and strengthening commercial capacity will be crucial factors in this growth strategy.

The BU has been focusing on the development of areas that have been identified as priority markets, always taking into account changing factors that could in some way affect this classification, particularly by identifying new opportunities as they arise.

In parallel with its commercial development activities, important initiatives aimed at preparing the BU for a new industrial approach will be consolidated in 2016, with the aim of maintaining the BU's dynamism in the competitive environment that characterises the flooring industry.

Performance in 2016 will benefit from consolidating the gains made in 2014/2015 in low-profit markets by gaining and keeping new customers, energising relationships with existing customers on the basis of their potential and taking advantage of the full range of products available in the BU's portfolio.

In regional terms, East Europe will be a priority market, taking into account the need to rebuild sales through a new commercial approach and by promoting the brand that consolidates the BU's presence in this market.

Innovation will continue to be one of the main pillars for developing the competitive advantages of the Floor and Wall Coverings BU. New products that will strengthen its leadership of the sector are due to be launched, ensuring that the products and services the unit introduces onto the market maintain the high value offering that differentiates the BU from its competitors.

11.2.4. Composite Cork

The Composite Cork BU is optimistic about 2016, when it expects to consolidate and improve on its strong performance in 2015.

From the commercial point of view, the launch pad for the year is a new approach to markets and a new organisational structure designed to meet the challenges the BU faces.

The outlook for the construction segment is positive. Plans are in place for the launch of new products developed in recent months and for broadening the geographical scope of market segments that have traditionally been concentrated in Europe.

The outlook for the industrial and retail segments is also encouraging, especially in regard to the expected impact of giving market segments that are concentrated geographically a more global reach. This will be supported by the BU's new commercial organisation, which complements regional sales responsibilities with global management of market segments and value offerings.

CORK OAK TREE

The BU should achieve higher levels of operating efficiency than in 2015 as a result of concentrating production at a single location in Portugal, as well as benefitting from other important initiatives currently underway that will reduce costs and improve customer service levels.

Focusing on priority segments and regions and the introduction of new products onto the market will continue to be the main engines of growth. The BU also plans to optimise commercial customer management to maximise potential and foster value creation.

In total alignment with this strategy, the BU will also develop and implement a digital marketing plan to advance and promote the singularity of cork among stakeholders.

Customer satisfaction will play an even more central role in the BU's strategy. Maximising potential in this area will naturally require higher service levels, building on the rationalisation of the BU's product range opportunely communicated to the market.

A constant search for more efficient use of resources will continue to be a management priority, especially in areas such as energy and the use of raw materials.

Priorities for 2016 for creating the right conditions for continued success are clearly defined and cover a range of areas:

- in the area of human capital, the priority will be to upgrade the skills of people working in the commercial areas and in innovation;
- in the industrial area, a deeper analysis will be made of the organisational structure, processes, systems and staff in the areas of production, maintenance, logistics, infrastructures, quality, hygiene and safety;
- a strategic reflection will be undertaken on the impact of world trends that will affect the whole industry in coming years, namely automatisation, robotisation, digitalisation and artificial intelligence;
- in regard to partnerships, the goal will be to make the necessary adjustments to consolidate existing partnerships and to forge new partnerships in priority markets and segments;

* the theme of innovation is crucial, consequently the implementation of the process designed in 2015 (I-Cork System) will be strengthened to ensure that innovation is continuous and systematic.

11.2.5. Insulation Cork

In 2016, the Insulation Cork BU expects volume sales to grow in the expanded cork conglomerate segment, reflecting a recovery in the overall market and an expansion in emerging markets, even though there have been no consistent indications of a rapid recovery in the world economy, especially not in Europe.

The BU will continue to focus on highlighting the technical and ecological advantages of its products, concentrating on the regions and cultures that are most sensitive to environmental concerns.

It will maintain industrial flexibility and product versatility, focusing on specific applications and on responding to special project requests, as well as on complementing other insulation solutions. The unique characteristics of the products and solutions marketed by the BU – their superior performance and their natural and environmentally-friendly qualities, as well as a focus on new expanded cork conglomerate applications for external walls and the use of insulation products in building renovation, will help the BU achieve greater visibility and expand its position in the market.

The implementation of a number of initiatives and projects in line with the BU's global strategy will help it achieve its objective of profitable growth for the BU's range of products and to optimise the capital invested in its business.

11.3. RESULTS

Although the forecasts published by the IMF project a higher rate of world growth in 2016 than in 2015, the events witnessed at the end of January and during the first days of February are cause for concern. If several markets do experience a fall, **Corticeira Amorim** could face a more difficult year than the one that has recently ended. As always, special mention should be made of the exchange-rate risk resulting from the Group's exposure to the US dollar. The recent drop in the value of this currency could be an indication that the cycle of dollar appreciation has come to an end.

The Cork Stopper BU is forecasted to continue mirroring the growth of the wine, sparkling wine and spirits markets and a solid foundation is in place for it do so: a diversified range of products of superior and consistent quality and performance; continuous improvement and development of its product portfolio; and a dynamic commercial network that is active in every market. The challenge will be to increase market share by expanding the customer base and improving customer retention rates as well as by gaining market positions for alternative products based on their sustainability and product reliability.

The Composite Cork BU has taken on the challenge of improving on its excellent performance in 2015. Thanks to organisational changes introduced in 2015, the BU has the benefit of a new vision and a new structure for following markets where new products and solutions designed for growth segments can be successfully placed, such as construction and retail as well as more diversified and demanding technical areas. Another goal for 2016 is regional diversification of sales. The BU will also benefit from a new increase in operating efficiency, thanks to important initiatives currently underway that will reduce production costs and improve customer service levels.

The Floor and Wall Coverings BU will work to find alternatives to the Russia market and definitively to establish Hydrocork as its new flagship product. Recent development of its range of products and solutions will help the BU to meet customer needs more effectively. The technical performance, convenience and sustainability credentials of the BU's products will enable it to face with optimism the challenge of increasing its business volume, particularly in its priority markets.

CORK PLANKS

12

BUSINESS RISKS AND UNCERTAINTIES

During the Company's long history, which already encompasses three centuries, it has successfully coped with deep, sometimes radical transformations in society and come through two world wars. Through this history, **Corticeira Amorim** has accurately and in a timely manner identified the risks and uncertainties associated with its business and faced them with confidence as challenges and opportunities.

The difficulties that some of the world's largest economies are undergoing, particularly the current instability affecting Eastern Europe and Russia, continue to affect the development of the global economy. Like other businesses, **Corticeira Amorim** operates in an uncertain economic climate that continues to affect some of its main export markets:

I. The construction sector – the marked slowdown of activity in this sector, in terms of new building and renovation, as well as the postponement of purchase decisions by final consumers, has led to a deceleration in global demand for construction materials, including floor and wall coverings and thermal and acoustic insulation.

   We will continue to offset this global slowdown by tapping growth opportunities, strengthening our presence in emerging markets we have already identified as having high growth potential and increasing our share of more mature markets. These opportunities will also benefit significantly from the launch of new product collections and the development of a portfolio of products designed to expand the range of solutions the Group produces.

   A growing awareness among final consumers of the importance of sustainability will also favour the choice of cork for floor and wall coverings, constituting an important driver of sales growth.

II. **The world wine sector** – the possibility of a recovery in consumption per capita in key European Union countries such as France, Spain and Italy remains questionable. In fact, wine consumption in some of these large wine-producing and wine-consuming countries is undergoing a slight decline. On the other hand, the US maintains a significant weight in the market to which all wine exporters are turning their attention. Its size and obvious capacity to accommodate premium prices make the US the key market for energising the future growth of the wine industry.

   Corticeira Amorim continues to implement an R&D policy that supports the development of a range of cork stoppers capable of satisfying the requirements of any wine producer in any market in terms of quality, quantity and price. Today, the range of products produced by the Cork Stopper BU makes it feasible for all wine producers to use cork stoppers, benefitting from their advantages in terms of sustainability, added value and CO_2 retention, factors which remain indisputable product differentiating factors worldwide. This trend was reinforced with the launch of the innovative proposal Helix, in which, for the first time, consumers can enjoy the technical advantages of sustainability and premium image associated with the cork stoppers without, however, need a corkscrew to open the bottles. It is hoped that this kind of innovation enables the consumption of the target wine of this product, of greater rotation, boosting the fractional consumption without loss of quality. On the other hand, the launch during 2016 of ND Tech technology of individual detection will be a clear strengthening of the perception of quality of wines sealed with Amorim products.

Over the long term, **Corticeira Amorim**'s performance could also be influenced by the following factors, which are permanently monitored and assessed:

I. **Exchange rate volatility** – a factor that may erode business margins. Over the short term, the effects of exchange rate volatility have been offset by an active policy of substituting invoicing currencies – in 2015 consolidated sales in non-Euro currencies represented 33% of sales to companies outside the Group – and by adopting a consistent policy of hedging exchange rate risk (either through natural hedging or appropriate financial instruments); over the long term **Corticeira Amorim** is committed to developing new products/solutions with greater added value to establish a product mix capable of overcoming these limitations. As a result, the company has adopted an organisational model geared to moving up the value chain and neutralising this risk;

ACOUSTICORK

II. Climate change – a factor that could potentially reduce the availability of raw materials as it could, due to severe droughts, destabilise the ecosystem on which the cork oak depends, which would threaten the propagation and growth of the tree. More importantly, the capacity of the cork oak and of cork, both as a raw material and in the form of cork products, to retain carbon helps to mitigate the emission of the greenhouse gases that cause climate change. In this respect, a study at the University of Aveiro, completed in 2015, leaves no doubt about the important role of the Cork oak and the ecosystem that surrounds it: for each ton of Cork produced, cork oak forests (*montado*) sinks more than 73 tons of carbon dioxide, equivalent to the emissions of this gas released to go about 450,000 kilometers by car.

The cork oak is the basis of an ecological system that is unique in the world, contributing to the survival of many species of indigenous fauna and to the protection of the environment. The tree is only to be found in seven countries in the western Mediterranean basin – Portugal, Spain, France, Italy, Morocco, Algeria and Tunisia – where it acts as a barrier against the advance of desertification, as it can survive in dry climates with little rainfall, helping to fix soil and organic material, reducing erosion and increasing water retention.

Corticeira Amorim products are also important absorbers of carbon, which they retain until the end of their useful life. As suggested by the researchers and authors of the study previously mentioned "the use of cork products contributes to climate change mitigation, both by its capacity to accumulate the carbon and by its ability to replace alternative products more energy-intensive".

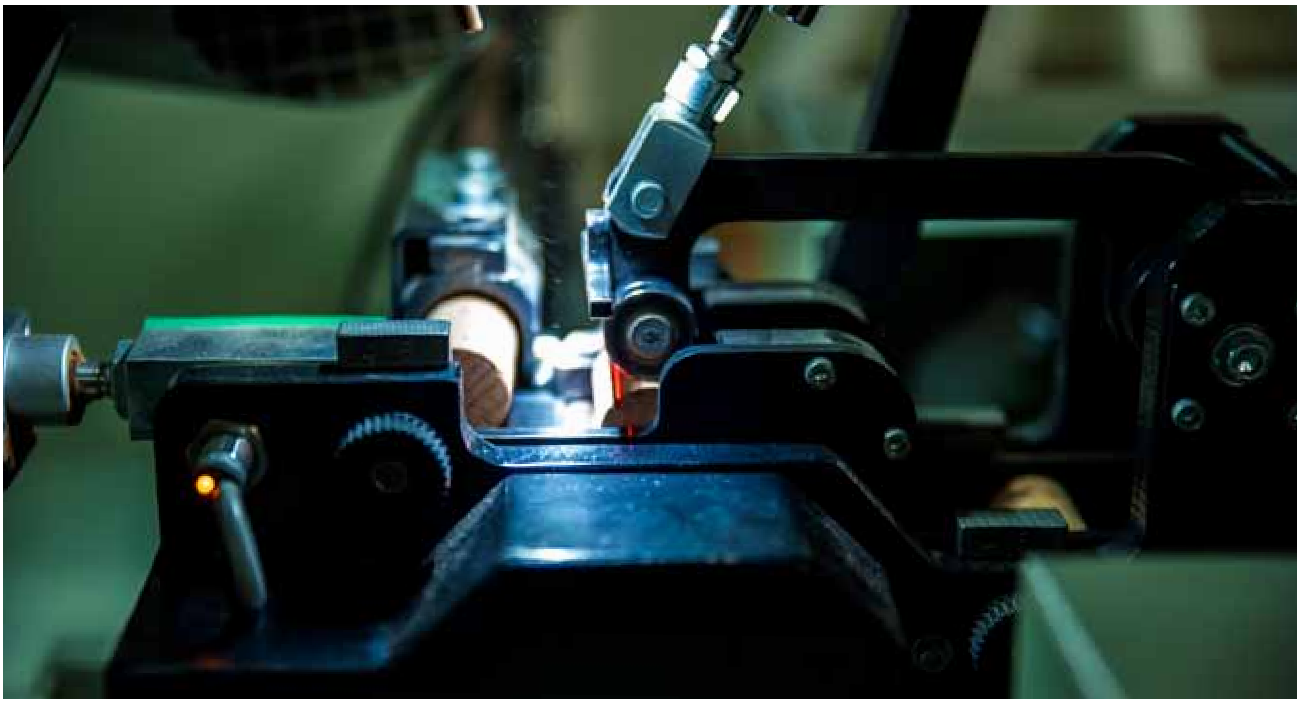
The industrial processing of cork harvested from cork oaks is the best way to guarantee the preservation and development of the *montado* (a sustainable agricultural system based around cork oak estates) and to ensure their economic viability. *Montados* have today become a focus of attention. Specific legislation to protect them has been approved and several non-governmental organisations that seek to protect forests have devised programmes aimed at improving and certifying forest management practices.

The fixation of CO_2 and the increased use of cork for thermal insulation as eco-construction develops will create an opportunity for highlighting the unique advantages of cork products.

III. The development of alternative closures – the tendency of wine producers to reduce the use of alternative closures continued in 2015 with regard to plastic stoppers. With regard of the *screwcaps* there was a reduction in the rate of growth of these artificial closures. On the other hand, market data produced by Nielsen continued to show that of the 100 leading wine brands in the US, those using cork stoppers enjoy faster sales growth than those using artificial closures. According to a report published by the US Cork Quality Council, US consumers are prepared to pay 4.20 USD more for a bottle of wine sealed with a cork stopper. Cork continues to strengthen its role as a prime stopper and benchmarking in critical factors such as quality, performance and image; since 2010, it has increased its penetration in the world's largest wine market to a 50% stake.

However, artificial closure manufacturers have sought to find formulas more consistent with the micro-oxygenation requirements of wine producers. While these efforts remained largely unsuccessful, in 2015 plastic closure manufacturers continued to look for alternative raw materials to oil, efforts to which some wine producers were receptive. In spite of these efforts, plastic closures continue to be associated with low-grade wine and lower levels of profitability for producers and distributors. Screw-cap closures remain limited by the following factors:

- the phenomenon of reduction remains an important technical question. But liners have been introduced for these closures, aimed at preventing oxygen from entering bottles;
- in terms of market share gains, the pace of growth in screw-top sales may have increased slightly, although the promotional campaign launched in 2012 still doesn't have a visible impact on perception of the public in what relates to screw-cap closures. It is therefore cost, more than image or performance, that is benefitting screw-caps;



CORK STOPPERS INDUSTRIAL PRODUCTION

- Although the crisis of 2008 may have slightly diminished awareness of the environmental and ecological costs involved in the use of manufactured products, there has lately been a growing understanding of this fact. This awareness has now become an irreversible reality, requiring these costs to be mediated and controlled;

During 2015, the Portuguese Cork Association (APCOR) concluded its a second multi-year campaign to promote cork internationally, focusing on crucial markets with high growth potential including the US, Germany, France, China and Italy. During 2016 it is expected the release of the third campaign by APCOR.

IV. **The development of composites materials –** the discovery of new material properties or new methods for transforming, producing or combining materials can result in new composite materials with properties that may offer competitive advantages to Corticeira Amorim, especially its Composite Cork BU, or, alternatively, to its competitors.

Thus, in a scenario in which (i) no discoveries in terms of cork properties or combinations of cork with other materials resulting in new applications or composite materials capable of generating new value are made; or (ii) significant advances are made in developing the properties of competing products (and/or ways of combining them with other materials) that cannot be matched by Amorim could have unfavourable consequences for Corticeira Amorim, such as: a loss of competitiveness in some business areas and the need to redefine its strategy in terms of price, equipment and obsolete techniques.

In the opposite scenario, in which (i) the discovery of new properties of cork or complementary materials to cork; (ii) the discovery of new ways of combining cork with other materials to create new composites; or (iii) the immunity of applications using cork to new discoveries by alternative closure manufacturers would enable Corticeira Amorim, and particularly its Composite Cork BU, to discover new properties for existing applications, add value to its products over those of its competitors, and obtain competitive advantages using new composite materials enabling it to explore new applications.

A focus on research, development and innovation (RDI) together with investment in production technology are the keys to ensuring that the latter scenario materialises and prevents the former from happening. Increasing awareness of the value of cork and recognition of its technical and environmentally-beneficial qualities will benefit that continuous affirmation of cork on the world stage, an end to which the promotion of its advantages should also continue.

Corticeira Amorim's activities are exposed to a range of **financial risks**: market risk (including foreign exchange and interest rate risk), credit risk, liquidity risk and capital risk. Under the terms of line e) paragraph 5 of article 508C of Portugal's Commercial Company Code, the Company's aims and policies in regard to managing these risks, including policies for hedging the main foreseeable transactions for which risk coverage accounting is used, as well as exposure to price, credit, liquidity and cash flow risks, are duly set out in the note on "Financial Risk Management" included in the Notes to the Consolidated Accounts.

13 TREASURY STOCKS

On 16 of September 2015, Corticeira Amorim has launched a private offer for sale of up to 7,399,262 of its own shares representing up to 5.56% of its share capital, exclusively addressed to institutional investors through an accelerated bookbuilding, subject to demand, price and market conditions (private offer), having the same been completed that same day.

The 7,399,262 shares were sold to institutional investors, at the price of € 4.45 per share, having the transmission of shares been effected on 17 September 2015.

There was no other transactions with own shares, as for that, at the end of 2015, Corticeira Amorim held no own shares.

14 PROPOSED APROPRIATION OF PROFIT

Based on the annual financial statements for the year ended 31 December 2015 and in view of the fact that the Company's net profit for the year was € 38,182,985.95, the Board of Directors of Corticeira Amorim, S.G.P.S., S.A. hereby proposes that the Annual General Meeting considers and approves a resolution that the above net profit for the year in the amount of € 38,182,985.95 be appropriated as follows:

- € 1,909,149.30 to be transferred to the Legal Reserve;
- € 21,280,000.00 to be allocated to dividend payment, being € 0.16 per share; and
- € 14,993,836.65 to be transferred to Free Reserves.

15

STATEMENT OF RESPONSABILITY

In accordance with line c) of number 1 of article 245 of the Portuguese Securities Code, the members of the Board of Directors state that, to the best of their knowledge, the annual accounts and other documents included in the statement of accounts were drawn up in accordance with the applicable accounting standards, giving a true and accurate account of assets and debts, of the financial situation and profits/losses of **Corticeira Amorim**, S.G.P.S., S.A. and the companies that are consolidated by the group. They also state that the management report faithfully expresses the business evolution, performance and position of **Corticeira Amorim**, S.G.P.S., S.A. and the companies that are consolidated by the group and that the report includes a special chapter describing the main risks and uncertainties of the company's businesses.

16

SUBSEQUENT EVENTS

Subsequent to December 31, 2015 and until the date of this report, there were no other relevant facts that may have a material adverse effect on the financial position and future results of **Corticeira Amorim** and the subsidiaries included in the consolidation.

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FINAL WORDS

The Board of Directors would like to take this opportunity to express its gratitude to:

- the Company's Shareholders and Investors for their unfailing trust;
- the Credit institutions with which the Group works for their invaluable cooperation; and
- the Supervisory Board and the Statutory Auditor for the rigour and quality of their work.

To all our Employees, whose willingness and commitment have contributed so much to the development and growth of the companies belonging to the **Corticeira Amorim** Group, we express our appreciation.

Mozelos, February 11, 2016

The Board of Directors of Corticeira Amorim, S.G.P.S., S.A.

António Rios de Amorim
Chairman

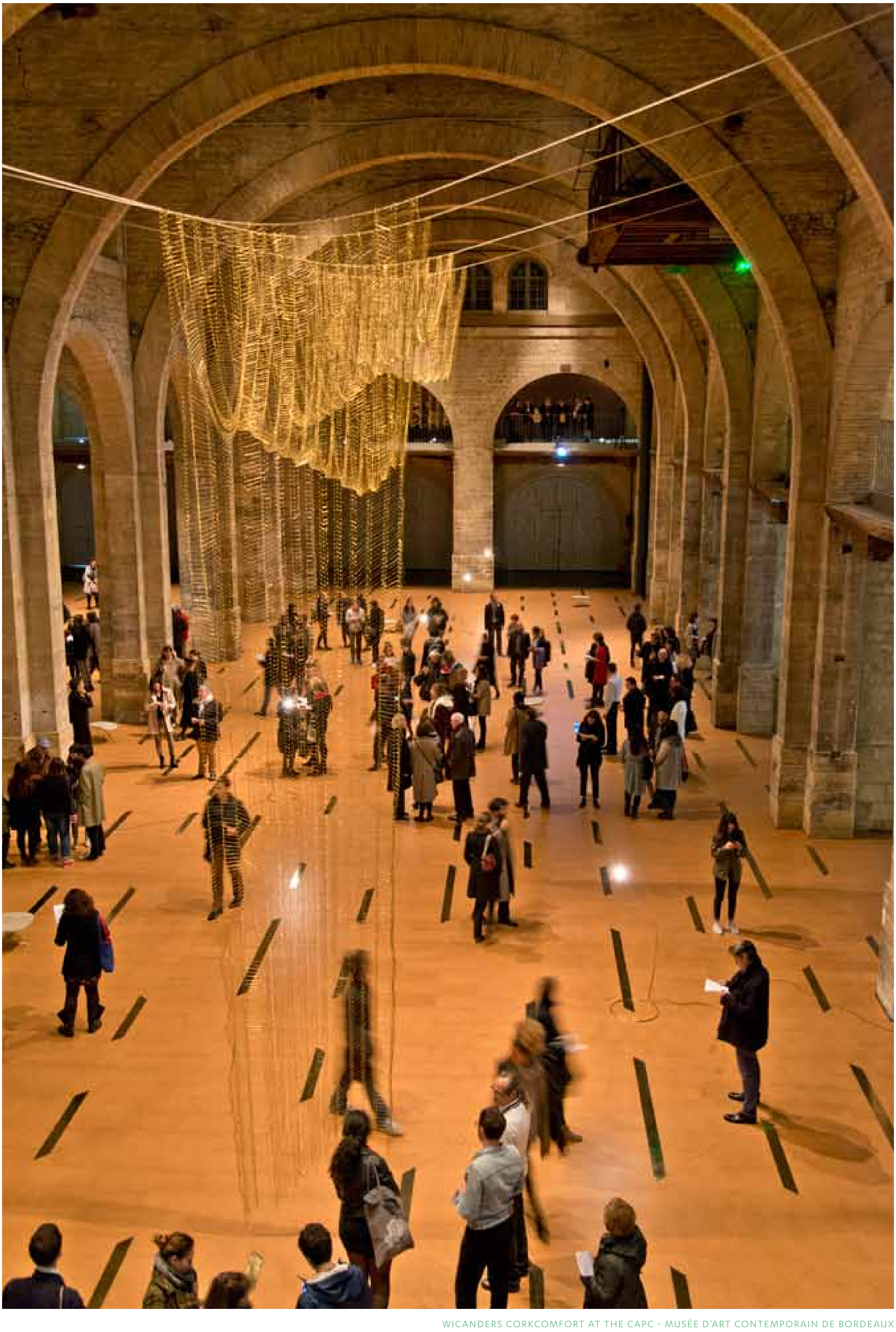
Nuno Filipe Vilela Barroca de Oliveira
Vice-Chairman

Fernando José de Araújo dos Santos Almeida
Member

Cristina Rios de Amorim Baptista
Member

Luísa Alexandra Ramos Amorim
Member

Juan Ginesta Viñas
Member



WICANDERS CORKCOMFORT AT THE CAPC - MUSÉE D'ART CONTEMPORAIN DE BORDEAUX


YOU MAKE THE PARK

Corporate Governance Report

03

INTRODUCTION CORPORATE GOVERNANCE

Corticeira Amorim has been reviewing its corporate governance since 1999, the date on which the Portuguese Securities Market Commission (CMVM) published the first recommendations on the governance of listed companies, aiming at the improvement of mechanisms for the protection of investors in securities markets. The Company compares it with, on the one hand, what are considered best practices, and on the other, with the circumstances of its activity and the challenges it has to meet. As a result, it has been implementing a set of measures which, overall, have the main objectives of strengthening the internal systems of control and supervision, enhancing transparency, fostering the participation of shareholders in the life of the company and ensuring the sustained creation of shareholder value.

This document describes corporate governance policies and practices adopted by the Company, while also providing a qualitative assessment of them compared with the best practices listed in the CMVM corporate governance code.

Section 8 of this report also includes the information referred to in articles 447 and 448 of the Portuguese Companies' Code (CSC), in paragraphs 6 and 7 of article 14 of CMVM Regulation No. 5/2008 (Transactions of Directors) and in article 3 of Law No. 28/2009, of 19 July (Remuneration Policy).

PART I MANDATORY INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

CORK OAK FOREST

A.

SHAREHOLDER STRUCTURE

I. CAPITAL STRUCTURE

1. The capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including an indication of shares that are not admitted to trading, different classes of shares, rights and duties of same and the capital percentage that each class represents (Article 245-A/1/a)).

Corticeira Amorim's share capital amounts to EUR 133 million and is represented by 133 million ordinary shares for a nominal value of one euro each, and which grant the right to dividends.

All shares issued by the Company are listed on Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A.

Distribution of capital among shareholders:

Shareholder	No. of shares owned (quantity)	Stake	Voting rights
Qualifying interests:			
Amorim Capital, S.G.P.S., S.A.	67,830,000	51.000%	51.000%
Investmark Holdings, B.V.	24,975,157	18.778%	18.778%
Amorim International Participations, B.V.	20,064,387	15.086%	15.086%
Free float	20,130,456	15.136%	15.136%
Total	133,000,000	100.000%	100.000%

2. Restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (Article 245-A/1/b)).

There are no restrictions on the transfer of shares.

3. Number of treasury shares, the percentage of share capital that it represents and corresponding percentage of voting rights that corresponded to treasury shares (Article 245-A/1/a)).

At 17 September 2015, Corticeira Amorim held a treasury stock of 7,399,262 shares, representing 5.563% of its share capital and which would correspond to 5.563% of the voting rights if those rights had not been suspended pursuant to the provisions of Article 324(1)(a) of the Portuguese Companies' Code.

Corticeira Amorim held no treasury stock at 31 December 2015.

4. The disclosures of important agreements to which the company is a party and that come into effect, amend or terminated in cases such as a change in the control of the company after a takeover bid, and the respective effects, except where due to their nature, would be seriously detrimental to the company; this exception does not apply where the company is specifically required to disclose said information pursuant to other legal requirements (Article 245-A/1/j)).

At 31 December 2015 there were loan agreements entered into by **Corticeira Amorim** and several banking institutions containing covenants requiring the maintenance of **Corticeira Amorim**'s controlling interest in contracts regarding loans totalling forty-five million euros. In the case of change of shareholder control, the contracts provide the possibility - but not the obligation - of early repayment of the amounts loaned.

There are no other agreements according to the terms set out in this paragraph.

5. A system that is subject to the renewal or withdrawal of countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.

The Articles of Association of the Company do not include measures of this type and, to the best knowledge of **Corticeira Amorim**, there are no other arrangements and/or measures with that same goal.

6. Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights (Article 245-A/1/g)).

Corticeira Amorim has no knowledge of the existence of any shareholders' agreements that might lead to the aforementioned restrictions.

II. SHAREHOLDINGS AND BONDS HELD

7. Details of the natural or legal persons who, directly or indirectly, are holders of qualifying interests (Article 245-A/1/c) & /d) and Article 16) with details of the percentage of capital and votes attributed and the source and causes of the attribution.

Shareholder	No. of shares (quantity)	Share capital with voting rights
Amorim Capital SGPS, S.A.		
Directly	67,830,000	51.000%
Attributable total	67,830,000	51.000%
Amorim Investimentos e Participações, SGPS, S.A.		
Directly	–	–
Through Amorim Capital SGPS, S.A., which holds a 100% interest	67,830,000	51.000%
Attributable total	67,830,000	51.000%
Interfamília II, SGPS, S.A.[a]		
Directly	–	–
Through Amorim Investimentos e Participações, SGPS, S.A., in which it holds a 100% interest	67,830,000	51.000%
Attributable total	67,830,000	51.000%
Investmark Holding BV		
Directly	24,975,157	18.778%
Attributable total	24,975,157	18.778%
Warranties, SGPS, S.A.		
Directly	–	–
Through Investmark Holding BV, in which it holds a 100% interest	24,975,157	18.778%
Attributable total	24,975,157	18.778%
Américo Ferreira de Amorim		
Directly	–	–
Through the shareholder Warranties, SGPS, S.A., in which it holds a 70% interest.	24,975,157	18.778%
Attributable total	24,975,157	18.778%
Amorim International Participations, BV		
Directly	20,064,387	15.086%
Attributable total	20,064,387	15.086%
Amorim, Sociedade Gestora de Participações Sociais, S.A.[b]		
Directly	–	–
Through Amorim International Participations BV, in which it holds a 100% interest	20,064,387	15.086%
Attributable total	20,064,387	15.086%

[a] The capital of Interfamília II is wholly owned by three companies (Amorim Holding Financeira, SGPS, S.A. (5.63%), Amorim Holding II, SGPS, S.A. (44.37%) and Amorim - Sociedade Gestora de Participações Sociais, S.A. (50%)) none of which has a controlling interest in the company. The capital of first two companies is held by Américo Ferreira de Amorim and by his wife and daughters and the third by António Ferreira de Amorim and by his wife and children. As far as the Company is aware, there are no agreements between the referred companies for the purpose of the concerted exercise of the voting rights in Interfamília II, SGPS, S.A.

[b] The capital of Amorim, Sociedade Gestora de Participações Sociais, S.A. is held by António Ferreira de Amorim, by his wife and children, but none of them holds a controlling interest in the company

8. A list of the number of shares and bonds held by members of the management and supervisory boards.

a) **Corticeira Amorim** shares held and/or traded directly by members of the governing bodies of the Company:

i. The members of the governing bodies did not trade any shares representing the share capital of the Company during the 2015 financial year. At 31 December 2015, they did not hold any shares in Corticeira Amorim.

b) **Corticeira Amorim** shares held and/or traded directly by companies in which the members of the Company's governing bodies exercise management or supervisory responsibility:

i. Amorim Capital, SGPS, S.A. in which António Rios de Amorim, Chairman of the Board of Directors of Corticeira Amorim, holds the position of Member of the Board of Directors, did not trade any shares of Corticeira Amorim. This means that at the end of year he held 67,830,000 shares, representing 51% of the share capital, which correspond to 51% of the voting rights.

ii. Amorim International Participations, BV, in which Cristina Rios de Amorim Baptista, Member of the Board of Directors of Corticeira Amorim, holds the position of Director, did not trade any shares of Corticeira Amorim. This means that at the end of year she held 20,064,387 shares, representing 15.086% of the share capital, which correspond to 15.086% of the voting rights.

The share ownership referred to in paragraphs i. and ii. refers to 31 December 2015, remaining unchanged at the date of publication of this report.

c) List of Shareholders holding at least one-tenth of the Company's share capital:

i. Amorim Capital, SGPS, S.A. held 67,830,000 shares of **Corticeira Amorim**, corresponding to 51% of the share capital and 51% of the voting rights;

ii. Investmark Holdings, B.V. held 24,975,157 shares in **Corticeira Amorim**, representing 18.778% of this Company's share capital and 18,778% of voting rights;

iii. Amorim International Participations, B.V. held 20,064,378 shares in **Corticeira Amorim**, representing 15.086% of this Company's share capital and 15.086% of voting rights.

The share ownership referred to in paragraphs i., ii. and iii. refers to 31 December 2015, remaining unchanged at the date of publication of this report.

d) Transactions involving Directors and Officers:

In accordance with the provisions set out in sections 14.6 and 14.7 of Regulation no. 5/2008 of CMVM and according to notices received from persons/entities covered by this regulation, it is hereby reported that no transactions involving the Company's shares were carried out in the second half of 2015 by **Corticeira Amorim**'s Directors and Officers.

No company which controls **Corticeira Amorim** or any of **Corticeira Amorim**'s directors or officers or any person closely related to such directors or officers carried out transactions involving **Corticeira Amorim**'s financial instruments.

9. Special powers of the Board of Directors, especially as regards resolutions on the capital increase (Article 245-A/1/i)) with an indication as to the allocation date, time period within which said powers may be carried out, the upper ceiling for the capital increase, the amount already issued pursuant to the allocation of powers and mode of implementing the powers assigned.

It is the responsibility of **Corticeira Amorim**'s Board of Directors to maintain effective control over the activities of the Company. It is the highest strategic decision making body and also the body responsible for monitoring the most important and relevant aspects of the Company's business and affairs, including significant matters decided on or simply examined by the Executive Committee, therefore ensuring that all members of the Board of Directors are aware of the measures adopted as a response to Board decisions and can monitor their implementation and effectiveness.

As provided for in the Portuguese Companies' Code, the role of the Board of Directors is to manage the Company's business and affairs and decide on any matter relating to its management while abiding by the resolutions adopted by the General Meeting or the decisions made by the Supervisory Board whenever required by law or the Articles of Association.

VINIPORTUGAL LIBRARY, LISBON

These duties include, among others:

a) Choosing its Chairman;

b) Co-opting Directors;

c) Requesting the convening of General Meetings;

d) Preparing annual reports and financial statements;

e) Acquisition, disposal and encumbrance of real estate; provision of guarantees and furnishing collateral and security on behalf of the company;

f) Opening or closing establishments or important component parts thereof;

g) Significantly expanding or reducing the Company's activity;

h) Making major changes in the Company's organisation;

i) Establishing or terminating important and long-lasting cooperation projects with other companies;

j) Change of head office;

k) Merging, de-merging or changing the legal status of the Company;

l) Deciding on any matters put forward at the request of any director for resolution of the Board of Directors.

The Company's Articles of Association[2] give the Board of Directors the following powers: the exercise of all powers of direction, management, administration and representation of the company; transfer the head office of the company to any other location permitted by law; create in any part of the national territory or abroad, delegations, agencies, subsidiaries, branches, offices or other forms of representation of the company; acquire, dispose of or encumber in any way the company's own shares and debt instruments and any rights, as well as perform the operations on those securities deemed appropriate; acquire, sell, exchange and lease real estate by any acts or contracts as well as encumber them, even if through the pledging of assets; exercise and promote the exercise of rights of the company in the companies in which it holds interests; acquire, sell, exchange, lease or encumber in any manner movable property; negotiate with credit institutions financing operations; carry out transactions in bank accounts, deposit and withdraw money, issue, accept, sign and endorse cheques, bills of exchange, promissory notes, invoice statements and other negotiable instruments; admit fault, give up or settle any legal action, as well as enter into arbitration and approve the resulting rulings; perform any other duties envisaged herein and in law.

The Board of Directors may delegate any of their powers as follows:

- In one or more Directors or an Executive Committee the day-to-day management of the Company, establishing the limits of delegation and/or engaging any or some directors to handle certain administration matters – in this context, the matters described in sub-paragraphs a) to k) are not delegable;

- The implementation of the decisions made by the Board of Directors, the management of the Company's ordinary course of business, the authority and power to implement certain management duties as well as the determination of the *modus operandi* of the Executive Committee may be delegated to any director or to an Executive Committee – However, the duties described in sub-paragraphs a), b), c), d), f), j) and k) are non-delegable.

VINIPORTUGAL TASTING ROOM, LISBON

As far as increases in the share capital are concerned and in accordance with article 8 of the Company's Articles of Association the Board may, by unanimous decision of its members, increase the share capital, one or more times, in accordance with the law, up to EUR 250 million. It is the Board of Directors' responsibility to fix the terms and conditions for share capital increases as well as the share subscription period and payment procedures.

In the financial year under review, the Board of Directors has not decided to undertake any increase of the share capital of the Company.

10. Information on any significant business relationships between the holders of qualifying interests and the company.

The Company did not conduct any business operation or deal with holders of qualifying interests or the entities with which they are in any relationship in accordance with Article 20 of the Portuguese Securities' Code outside normal market conditions. Any business that occurred fell under the current activity of the contracting parties. The procedures applicable to these transactions are described in paragraphs 89 to 91 below.

[2] The company's Articles Association provide that, by unanimous decision of its members, the Board of Directors may pass resolutions about capital increases, once or more times, in accordance with the law, up to EUR 250 million, it is also responsible for deciding on the respective terms, conditions method and length of the subscription and payment period. However, according to the general law such discretion is not currently in force:

- The last assignment of powers to the Board of Directors was given by the General Meeting of 2 October 2000, with the resolution to amend article 8, paragraph 1, of the Memorandum of Association and consequent public deed of 16 October 2000; Article 8, paragraph 1 of the Memorandum of Association does not indicate the term for the exercise of the powers;

- Article 456, paragraph 1(b) of the Portuguese Companies' Code states that the Memorandum of Association should establish the period, not exceeding five years, during which the powers may be exercised. It also states that in the absence of any indication, the period shall be five years; paragraph 4 of the same article 456 states that the General Meeting, deciding with the majority required for amendment of the Memorandum of Association, may renew the powers of the Board of Directors;

- These powers have not been renewed since October 2005.

Additional information: in October 2000 no capital increases were issued under the powers of the Board of Directors.

B.

CORPORATE BOARDS AND COMMITEES

I.GENERAL MEETING

a) Composition of the Presiding Board of the General Meeting

11. Details and position of the members of the Presiding Board of the General Meeting and respective term of office (beginning and end).
The Presiding Board of the General Meeting consists of a chairman and a secretary. These posts were held in the current term of office (2014 to 2016) by:

Chairman: Augusto Fernando Correia de Aguiar-Branco

Secretary: Rita Jorge Rocha e Silva
Beginning of first term of office:
24 May 2014
End of current term of office:
31 December 2016, remaining in office until a new election pursuant to law.

No changes in the composition of the Presiding Board of the General Meeting took place during 2015.

b) Exercising the right to vote

12. Any restrictions on the right to vote, such as restrictions on voting rights subject to holding a number or percentage of shares, deadlines for exercising voting rights, or systems whereby the financial rights attaching to securities are separated from the holding of securities (Article 245-A/1/f)).
There are no statutory guidelines providing for the existence of shares that do not carry voting rights or determining that voting rights exceeding a certain threshold shall not be counted if such votes are cast by only one shareholder or by a shareholder who is related to that shareholder. The Articles of Association do not envisage mechanisms that aim to cause a time lag between the entitlement to receive dividends or subscribe for new securities and the voting rights of each ordinary share.

Each share is entitled to one vote.

The blocking of shares to attend the General Meeting must be made at least five business days before the date designated for the respective meeting. The same rule applies when a General Meeting is scheduled for a later date, when the initial session of the General Meeting is suspended.

The Articles of Association provide for the possibility of shareholders voting by mail, provided that the ballots reach the Company at least three business days before the General Meeting. Postal ballot forms must reach the registered office of the Company not less than three business days before the Annual General Meeting. Votes sent by mail are equivalent to negative votes for proposals submitted after the date on which such votes were cast. The presence of the shareholder at the General Meeting revokes the vote it may have sent by mail.

Corticeira Amorim's Articles of Association allow electronic voting, provided that there are adequate technical resources available to enable checking the validity of electronic votes and ensuring their data integrity and confidentiality. Votes sent by electronic means must be received by the Company by the third business day prior to the General Meeting. The Chairman of the General Meeting must check prior to the convening of the General Meeting, the existence of technical means and communication to ensure the safety and reliability of the votes cast. If the Chairman of the presiding Board decides that the technical requirements for voting by electronic means are met, such information shall be included in the Notice calling the meeting. Votes sent by electronic means are equivalent to negative votes for proposals submitted after the date on which such votes were cast. The presence of the shareholder at the General Meeting revokes the vote it may have sent by mail or by electronic means.

Postal ballot forms are available from **Corticeira Amorim**'s registered office (Rua de Meladas, no. 380 – 4536-902 Mozelos - Portugal) and from the Company's website (*www.corticeiraamorim.com*). At the request of a shareholder, such postal ballot forms may be provided by e-mail.

13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in Article 20/1.
The Articles of Association do not provide for any limit on the number of votes that each shareholder (either separately or jointly with other shareholders) is entitled to cast or exercise.

14. Details of shareholders' resolutions that, imposed by the Articles of Association, may only be taken with a qualified majority, in addition to those legally provided, and details of said majority.
The Company's Articles of Association establish specific requirements for convening/decision-making quorums, for the following situations:

- Restriction or withdrawal of pre-emption rights in share capital increases – the Company's Articles of Association require that the Annual General Meeting be attended by shareholders accounting for at least 50 per cent of the paid-up share capital;
- Removal from office of a director elected under the special rules set out in article 392 of the Portuguese Companies' Code, in the event that shareholders accounting for at least 20 per cent of the share capital have not voted against the removal of such director;
- Exercising the right to vote – the need to own at least one share of the Company's stock at least five business days prior to the date scheduled for holding the General Meeting;
- In order that a General Meeting requisitioned by shareholders may pass resolutions – it is required that the General Meeting be attended by shareholders owning shares representing at least the minimum amount of share capital required by law to legitimise the reason for calling such meeting;
- Change in Board composition– such resolution requires the approval of shareholders who represent not less than 2/3 of the total share capital;
- Winding-up the Company – such resolution requires the approval of shareholders representing at least 85 per cent of the paid-up share capital.

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Details of corporate governance model adopted.
Corticeira Amorim has adopted a system of corporate governance commonly known as the "strengthened Latin" model, which is based on a clear separation between administrative and supervisory bodies as well as double supervision through a supervisory board and a statutory auditor.

The Board of Directors considers that the adoption of this model has resulted in the constitution of a supervisory body with stronger and effective supervisory powers composed entirely of members subject to an incompatibility regime and broader independence regulations. It also considers that attributing these powers to an autonomous body – the Supervisory Board – helps create an efficient corporate governance model because it establishes a clear division between the management and supervisory bodies, avoiding the granting of supervisory powers to individual members of the Board of Directors, which by law is a collegial body.

As a consequence, the Board of Directors is confident that the corporate governance model adopted is suitable for the specific circumstances of **Corticeira Amorim** for the following reasons:

- It embodies a framework of principles of corporate governance and good practices designed to promote greater transparency and a high level of professionalism and competence;
- It ensures the alignment of interests across the organisation, specifically among shareholders, members of the governing bodies, directors and officers and other employees of the Company;
- It encourages shareholder participation in the life of the Company;
- It fosters the efficiency and competitiveness of **Corticeira Amorim**.

Corticeira Amorim encourages an internal reflection on corporate governance structures and practices adopted by the Company by comparing their efficiency with the potential benefits to be gained from implementing other practices and/or measures prescribed in the CMVM Corporate Governance Act or by other organisations.

This matter – as well as **Corticeira Amorim**'s organisational development issues – has been reviewed by the Executive Committee. Reflection on the corporate governance structure itself has been conducted by the Executive Committee – in the presence of the market relations officer – and by the Board of Directors.

16. Articles of association rules on the procedural and material requirements governing the appointment and replacement of members of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable. (Article 245-A/1/h).

The rules governing the appointment and replacement of members to the board of directors are those provided for in law, in addition to a number of specific features set out in the Company's Articles of Association:

The election of members to the board shall be done on the basis of lists specifying the office to be filled by each Director. The voting shall be carried out in the following manner:

First: one Director shall be elected separately from among the people proposed on the lists subscribed by the groups of shareholders who own between 10% and 20% of the share capital. Each list must propose at least two eligible persons for each office to be filled, but the same shareholder may not subscribe to more than one list. If, on a first poll, there are lists submitted by more than one group of shareholders, then a poll shall be first taken among all such lists and, thereafter, among the names of the candidates listed in the winning list. The lists of candidates may be submitted to the General Meeting before the business on the agenda relating to the election of Directors starts to be discussed;

Second: the General Meeting shall elect the remaining directors. All shareholders present may take part in the respective resolution, regardless of whether or not they signed or voted on any of the lists of the first phase. The General Meeting cannot elect the remaining Directors until it has elected one of the nominees on the lists of the first phase, unless no list has been proposed.

The term of office of the Board members is three calendar years. At the end of the Directors' term, the shareholders must elect new directors or re-elect - one or more times - current Directors.

At the time of voting the management report, the annual financial statements and the proposal for appropriation of profit, the Annual General Meeting may decide to remove any or all directors from the Board. This will not imply the payment of any compensation to any Director so removed from office regardless of whether a Director's discharge from employment has been for cause or without cause. However, this provision will not apply to a Board member elected under special election procedures on a first poll if members holding at least a 20% stake in the share capital of the Company resolve against removing any such Director from office regardless of the cause for a Director's discharge from employment.

When a Director is declared to be definitively absent, and there are no substitutes, he/she shall be replaced by co-option, unless the directors in office are not sufficient in number for the board to function. If there is no co-option within 60 days of the absence, the supervisory board appoints a replacement. The co-option and appointment by the supervisory board shall be subject to ratification at the next general meeting.

If a director elected under the special rules of the first stage is absent permanently, and there is no respective substitute, a new election shall be held, at which the special rules of the first phase apply, with necessary adaptation.

17. Composition of the Board of Directors, with details of the Articles of Association's minimum and maximum number of members, duration of term of office, number of effective members, date when first appointed and end of the term of office of each member.

According to the Articles of Association, the company is administered by a Board of Directors composed of a Chairman, a Vice-Chairman and one to nine other members. In the current term, the Board of Directors consists of a Chairman, a Vice-Chairman and four members, all incumbent members.

The duration of the term of office of the Board of Directors is three calendar years.

The Board of Directors was composed of six members over 2015:

Chairman: António Rios de Amorim
Date of first appointment to the Board of Directors:
29 March 1990
First appointment as Chairman of the Board of Directors:
31 March 2001
End of term of current office:
31 December 2016, remaining in office until a new election pursuant to law.

Vice-Chairman: Nuno Filipe Vilela Barroca de Oliveira
Date of first appointment to the Board of Directors:
28 March 2003
End of term of current office:
31 December 2016, remaining in office until a new election pursuant to law.

Member: Fernando José de Araújo dos Santos Almeida
Date of first appointment to the Board of Directors:
31 July 2009

End of term of current office:
31 December 2016, remaining in office until a new election pursuant to law.

Member: Cristina Rios de Amorim Baptista
Date of first appointment to the Board of Directors:
20 July 2012
End of term of current office:
31 December 2016, remaining in office until a new election pursuant to law.

Member: Luísa Alexandra Ramos Amorim
Date of first appointment to the Board of Directors:
28 March 2003
Elected as member of the Board of Directors at the General Meeting of Shareholders of **4 April 2013**
End of term of current office:
31 December 2016, remaining in office until a new election pursuant to law.

Member: Juan Ginesta Viñas
Date of first appointment to the Board of Directors:
20 July 2012
End of term of current office:
31 December 2016, remaining in office until a new election pursuant to law.

18. Distinction to be drawn between executive and non-executive directors and, as regards non-executive members, details of members that may be considered independent.

The **Board of Directors** of CORTIEIRA AMORIM is composed of three executive members and three non-executive members. Its composition remained unchanged during 2015:

Executive Members:

Chairman:	António Rios de Amorim
Vice-Chairman:	Nuno Filipe Vilela Barroca de Oliveira
Member:	Fernando José de Araújo dos Santos Almeida

Non-Executive Members:

Member:	Cristina Rios de Amorim Baptista
Member:	Luísa Alexandra Ramos Amorim
Member:	Juan Ginesta Viñas

None of the non-executive members are independent.

19. Professional qualifications and other relevant curricular information of each member of the Board of Directors.

António Rios de Amorim (Chairman):
Chairman of the Board and CEO of **Corticeira Amorim** since March 2001. He was CEO of Amorim & Irmãos (1996-2001), Director of Sociedade Figueira-Praia (1993-2006), operational manager at Amorim - Empreendimentos Imobiliários, promoter of the Lisbon Towers and Arrábida Shopping projects (1993-1995), and Executive Director of Amorim Hotéis, SA, in charge of the development of the Ibis and Novotel chains in Portugal. *Degree of Commerce* – Faculty of Commerce and Social Sciences – University of Birmingham (1989) and attended *The Executive Program in Business Administration:* Managing the Enterprise – Columbia University Graduate School of Business (1992), *Managerial Skills for International Business* – INSEAD (2001) and *Executive Program in Strategy and Organization* – Graduate School of Business Stanford University (2007). He was a member of the European Round Table of Industrialists - the only Portuguese corporate group to belong to this association (1991-1995). Chairman of the Portuguese Cork Association (2002-2012) and the Confédération Européenne du Liège (since 2003). In February 2006, he was awarded the Commendation of Grand Officer of the Order of Agricultural, Commercial and Industrial Merit by the Portuguese President.
Age: 48

Nuno Filipe Vilela Barroca de Oliveira (Vice-Chairman):
Graduate in business administration from Portuguese Catholic University. He served as a Non-Executive Director of **Corticeira Amorim**, from March 2003 to September 2005, he then proceeded to carry out executive functions from that date. Non-executive director of various companies in the Amorim Group (since 2000) and executive director of Barrancarnes (2000-2005). After a year in the commercial area of Møre Codfish (Norway), he took part in the Comett programme and held an internship in Merril Lynch (London), then began his professional activity in the Banco Comercial Português Group, where, for three years, he collaborated in the areas of Studies and Planning, International Area and Investment Funds.
Age: 45

Fernando José de Araújo dos Santos Almeida (Member)
Graduated with a Bachelor's Degree in Economics from the University of Porto, Faculty of Economics (1983/84). He joined **Corticeira Amorim** in 1991 and held various positions in several of the Group's member companies. In 2002, he took over as Manager of Organisational Development and Business Management Planning and Control at **Corticeira Amorim**.
Age: 54

Cristina Rios de Amorim Baptista (Member):
She graduated in Economics from the Faculty of Economics of Porto, in 1991. She completed an MBA in International Banking and Finance from the University of Birmingham (UK) in 1992 and a postgraduate degree in International Management from the Portuguese Catholic University in 2001. She began working in 1992, for international institutions such as S.G. Warburg España in Madrid (Corporate Finance), N.M. Rothschild & Sons Limited (Corporate Finance) in London, Rothschild Asset Management Limited (Asset Management) in London, and Soserfin, S.A. (management of economic studies and research). She was a Member of the Board of Directors of Fundação Casa da Música (2006 to March 2013) and of Fundação AEP (2009 to April 2013).
She joined the upper management of the Amorim Group in 1994 and is currently Director and CFO of Amorim. In 1997 she took office as Investor Relations Officer at **Corticeira Amorim**. In July 2012 she took the role of Director of **Corticeira Amorim**, SGPS, S.A.
Age: 47

Luísa Alexandra Ramos Amorim (Member):
Bachelor's degree in Hotel Management and graduate (CESE) in Marketing, from ISAG. Director of Amorim – Investimentos e Participações (since 2002). Executive Manager of Natureza, S.G.P.S (since 2002) and Marketing Manager of J. W. Burmester (2000-2002). Began working in the Amorim Group as Assistant to Hotel Management in Amorim Hotéis e Serviços and Sociedade Figueira Praia (1996-1997). She worked in various business areas of the Group in Portugal and abroad, between 1998 and 2000.
Age: 42

Juan Ginesta Viñas (Member):
With a wide and extensive professional experience in managing businesses, he has played relevant roles in several international companies such as International Harvester (sales manager), DEMAG EO (sales manager), Hunter Douglas (General Manager and the person responsible for the industrial firms located in Brazil, Argentina and Chile) and Torras Domenech (Managing Director and CEO). He has been a director of Trefinos, SL since 1996.
Age: 75

20. Customary and meaningful family, professional or business relationships of members of the Board of Directors, with shareholders that are assigned qualifying holdings that are greater than 2% of the voting rights.

Companies holding or to which qualifying holdings exceeding 2% of the voting rights of Corticeira Amorim are attributable, which have directors of Corticeira Amorim on their Board of Directors:

- António Rios de Amorim is a member of the Board of Directors of Amorim Capital, SGPS, S.A.

- António Rios de Amorim, Nuno Filipe Vilela Barroca de Oliveira, Cristina Rios de Amorim Baptista and Luísa Alexandra Ramos Amorim are members of the Board of Directors of Amorim Investimentos e Participações, SGPS, S.A.

- António Rios de Amorim, Nuno Filipe Vilela Barroca de Oliveira, Cristina Rios de Amorim Baptista and Luísa Alexandra Ramos Amorim are members of the Board of Directors of Interfamília II, SGPS, S.A.

- Cristina Rios de Amorim Baptista is a member of the management body of Amorim International Participations, B.V.

- António Rios de Amorim and Cristina Rios de Amorim Baptista are members of the Board of Directors of Amorim – Sociedade Gestora de Participações Sociais, S.A.

Américo Ferreira de Amorim is Luísa Alexandra Ramos Amorim's father, and Nuno Filipe Vilela Barroca de Oliveira's father-in-law.

António Ferreira de Amorim is the father of António Rios de Amorim and Cristina Rios de Amorim Baptista.

There are no commercial relations between the members of the Board of Directors and shareholders to whom a qualifying interest is imputed.

21. Organisational charts or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the company, including information on delegating powers, particularly as regards the delegation of the company's daily management.

As provided for in **Corticeira Amorim**'s articles of association, the committee members currently in office are:

Presiding Board of the General Meeting

Composition and term of office as described in section 11 herein.

The Chairman of the Presiding Board of the General Meeting is responsible for:

- Calling the General Meetings - preparing the notice and fostering its publication;

- Receiving requests for the inclusion of items on the agenda and, in the event they are approved, publish the matters included on the agenda in the same manner used for the notice;

- In the case of virtual general meetings (cyber- meetings, online meetings and meetings by conference call), ensure the authenticity and security of communications;

- Choose the location for the general meeting within the national territory, provided that the head office does not allow the meeting to be held on satisfactory terms;

- Chair the general meeting, direct and guide the work, in particular, check those attending and the quorum, organise the attendance list, call the meeting to order, allow, limit or deny the floor to speak, present postal votes, calculate total votes and announce the results;

- Authorise the presence in the general meeting of 3rd parties from outside the company; the general meeting may revoke this authorisation;

- Adjourn the general meeting, immediately setting its restart date at no more than 90 days; the same session cannot be suspended twice;

- End the session, ensure the minutes are drafted and sign them.

The Secretary of the Presiding Board of the General Meeting is responsible for:

- Assisting the Chairman of the Presiding Board in conducting the work, including checking attendance and quorum, organising the attendance list;

- Reading the agenda stated on the notice and the documents referred to the presiding board during the session;

- Taking notes for drawing up the minutes;

- Counting the votes;

- Draw up the minutes and sign them.

Board of Directors

Composition and term of office as described in section 17 of this report; duties as described in section 9 of this report.

Advisors to the Board of Directors

The meetings of the Board of Directors can rely on, besides the presence of its members, the presence of its advisors, Mr. Américo Ferreira de Amorim, who has held the post since 2001, and Mr. Joaquim Ferreira de Amorim, appointed in July 2012.

The Advisors to the Board of Directors are people who advise the Board of Directors about the various issues addressed at board meetings, but they don't have the right to vote on resolutions passed at meetings.

In the specific case of **Corticeira Amorim**, the unrivalled experience, vision of the future and entrepreneurial spirit of Mr. Américo Ferreira de Amorim and the extensive knowledge of the cork industry of Mr. Joaquim Ferreira de Amorim are an important contribution to the development of the Company, assuming an important role in the meetings of the Board: informed and knowledgeable advisors while simultaneously challenging and driving new initiatives and approaches.

Executive Committee

Composition and term of office as described in section 28 of this report; duties as described in section 29 of this report.

Supervisory Board

Composition and term of office as described in section 31 of this report; duties as described in sections 37 and 38 of this report.

Statutory Auditor

Composition, term of office and duties as described in section 39 herein.

Remuneration Committee

Composition, term of office and duties as described in section 67 herein.

Organisational Structure of the Company

As detailed in section 9, the role of the Board of Directors is to manage the Company's business and affairs and decide on any matter relating to its management while abiding by the resolutions adopted by the Annual General Meeting or the

CORK BEEHIVE, BY ANNA LOSKIEWICZ

decisions made by the Supervisory Board whenever required by law or the articles of association. As provided for in law and the articles of association, the Board of Directors has delegated the day to day management to an Executive Committee, as described in sections 28 and 29 of this report.

The non-executive members of the Board of Directors regularly attend the monthly meetings of the Board of Directors, which analyse and decide on the evolution of all non-delegable matters and all issues whose relevance, materiality and / or criticality becomes pertinent to their inclusion in the agenda of the Board.

The organisation of meetings allows all Directors – both executive and non-executive directors – to adequately prepare themselves in advance in order to participate fully in the meeting and to assess and devise measures to improve meeting productivity and organisation efficiency. The calendar of regular Board meetings is agreed upon at the beginning of every financial year so that all members may be able to be present. Any Director, including non-executive directors, may request the inclusion of items/topics in the agenda to be considered by the directors, up to the second business day prior to any board meeting.

A reporting system between the Executive Committee and the Board of Directors has been implemented across the organisation with a view to ensuring alignment of their activities and that the Directors are informed of the activities of the Executive Committee in a timely fashion. The Executive Committee provides in good time and an appropriate manner to the request, all information requested by other Board Members and which are necessary in accordance with their respective duties.

Thus, in addition to matters which by law or the articles of association fall to be considered exclusively by the Board of Directors, non-executive directors are aware of and monitor:

- The progress of the operating activities and the main economic and financial key performance indicators of each BU which forms part of **Corticeira Amorim**;
- Relevant consolidated financial information: financing, investment, equity to total assets ratio and off-balance sheet liabilities;
- The business carried on by the various support divisions and their impact on the organisation;
- The progress in Research, Development and Innovation (RDI) activities;
- The calendar of the major events of **Corticeira Amorim** and its BUs. The Organisation is often represented by one or more non-executive directors at international events, such as trade missions.

Board of Directors

EXECUTIVE DIRECTORS

António Rios de Amorim
CHAIRMAN

Nuno Filipe Vilela Barroca de Oliveira
VICE-CHAIRMAN

Fernando José de Araújo dos Santos Almeida
MEMBER

NON-EXECUTIVE DIRECTORS

Cristina Rios de Amorim Baptista
MEMBER

Luísa Alexandra Ramos Amorim
MEMBER

Juan Ginesta Viñas
MEMBER

Advisors to the Board of Directors

Américo Ferreira de Amorim

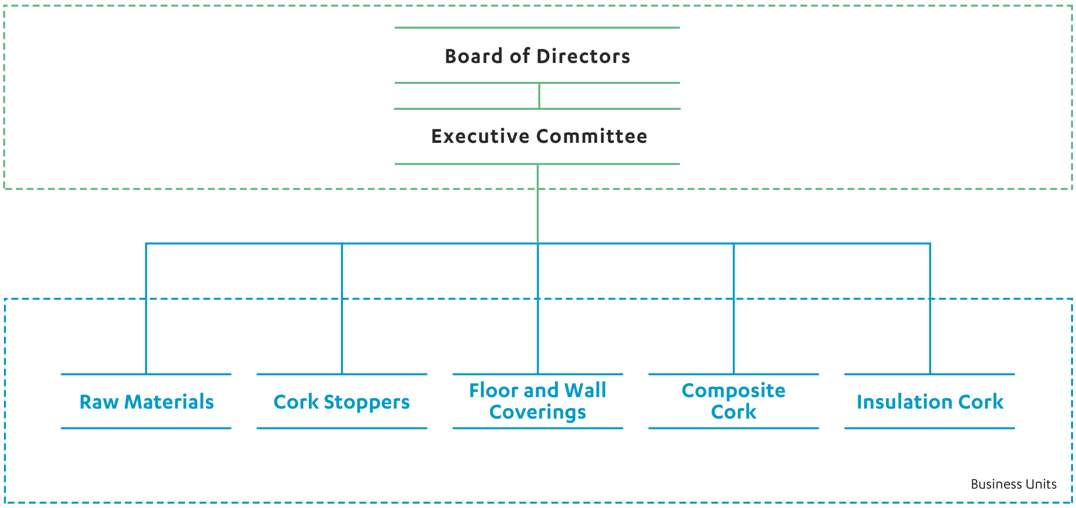
Joaquim Ferreira de Amorim

Corticeira Amorim's operating structure is divided into five Business Units (BUs).

Using a management model based on a strategic-operational holding company concept, these BUs are co-ordinated by **Corticeira Amorim**'s Executive Committee, which has very broad management powers, except for those specifically reserved to the Board of Directors by law or the Company's articles of association.

The strategic alignment of the entire organisation is enhanced through the use of a balanced scorecard approach by **Corticeira Amorim** and its BUs. In this regard, **Corticeira Amorim**'s Board of Directors is responsible for approving strategic initiatives and goals (i) for the organisation as a whole and (ii) specifically for **Corticeira Amorim** and each BU.

Each BU has a Board of Directors composed of non-executive and executive members, including the General Manager of the BU. This body is the authority responsible for deciding on all matters deemed relevant. The diagram below shows how the management structure of the business is currently organised:



The Support Divisions are responsible for monitoring and coordinating the operation of the BUs and their functional areas, under the coordination of the members of the Executive Committee, as shown in the diagram below: (situation as at 31 December 2015).

GENERAL MEETING

Presiding Board of the General Meeting

Augusto Fernando Correia de Aguiar-Branco
CHAIRMAN

Rita Jorge Rocha e Silva
SECRETARY

Remuneration Committee

José Manuel Ferreira Rios
CHAIRMAN

Álvaro José da Silva
MEMBER

Rui Fernando Viana Pinto
MEMBER

Supervisory Board

Manuel Carvalho Fernandes
CHAIRMAN

Ana Paula Africano de Sousa e Silva
MEMBER

Eugénio Luís Lopes Franco Ferreira
MEMBER

Durval Ferreira Marques
ALTERNATE

Statutory Auditor

Pricewaterhousecoopers & Assoc. SROC, Lda., representado por José Pereira Alves (ROC) ou por António Joaquim Brochado Correia (ROC)
IN OFFICE

Hermínio António Paulos Afonso (ROC)
ALTERNATE

Advisors to the Board of Directors

Américo Ferreira de Amorim
Joaquim Ferreira de Amorim

Board of Directors

António Rios de Amorim
CHAIRMAN

Nuno Filipe Vilela Barroca de Oliveira
VICE-CHAIRMAN

Fernando José de Araújo dos Santos Almeida
MEMBER

Cristina Rios de Amorim Baptista
MEMBER

Luísa Alexandra Ramos Amorim
MEMBER

Juan Ginesta Viñas
MEMBER

Company's Secretary

Pedro Jorge Ferreira Magalhães
IN OFFICE

Pedro Nuno Esteves Duarte
ALTERNATE

Executive Commitee

António Rios de Amorim
CHAIRMAN

Nuno Filipe Vilela Barroca de Oliveira
MEMBER

Fernando José de Araújo dos Santos Almeida
MEMBER

Financial
António Rios de Amorim

Legal and Tax
António Rios de Amorim

Investor Relations
António Rios de Amorim

Institutional Communication
António Rios de Amorim

Internal Audit
Nuno Filipe Vilela Barroca Oliveira

Human Resources
António Rios de Amorim

Strategic Planning
Fernando José Araújo dos Santos Almeida

Management Control
Fernando José Araújo dos Santos Almeida

Organisational Development
Fernando José Araújo dos Santos Almeida

Sustainability
Nuno Filipe Vilela Barroca Oliveira

Information Systems and Technologies
Fernando José Araújo dos Santos Almeida

Procurement, Energy and Transport
Fernando José Araújo dos Santos Almeida

ALMA GÉMEA COLLECTION, AMORIM IN PARTNERSHIP WITH MATECERÂMICA

At intervals deemed appropriate, the managing director of the relevant support division or the Executive Committee or even the Board of Directors may request a review (and they effectively do so) of the activity carried out by the different support divisions in order that the need or opportunity to create new positions or implement new strategies may be considered by the Board of Directors.

b) Functioning

22. Availability and place where rules on the functioning of the Board of Directors, may be viewed.

The *modus operandi* of the Board of Directors of **Corticeira Amorim** scrupulously complies with all applicable rules of procedure regarding the Board of Directors, specifically those set out in the Portuguese Companies' Code, in the Company's articles of association and in the regulations issued by the CMVM. This already constitutes real rules of procedure, that are adequate to and foster its efficient operation to safeguard the performance of this collegiate body in the efficient pursuit of the interests of the Company and all its shareholders.

Hence, although no formal Internal Rules as referred in this section do actually exist, **Corticeira Amorim** believes that the principles of good business practice are part of the core values upheld by both the members of this governing body and the other staff who assist and/or advise them.

Given that these internal rules have not yet been formalised, they are not available on the Company's website. However, the Board of Directors complies with all rules of procedure prescribed by law [Portuguese Companies' Code, Portuguese Securities' Code, regulations and instructions issued by the CMVM] or by the Company's articles of association, which are available at the CMVM's website (*www.cmvm.pt*) or at the Company's website (*www.corticeiraamorim.com*), respectively.

23. The number of meetings held and the attendance report for each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

Pursuant to the Articles of Association, the Board of Directors shall meet when and where corporate interest requires. Ten meetings of the Board of Directors were held during 2015, and all the members of the Board in office attended or were represented at the 10 meetings. Overall attendance was 100%. If the representation of directors is eliminated from this calculation, the attendance rate will be 95.3%.

The following were represented by another director: Nuno Filipe Vilela Barroca de Oliveira and Juan Ginesta Viñas at the meeting of 4 May; and Luísa Alexandra Ramos Amorim at the meeting of 12 January. The other members of the Board of Directors attended all the meetings in person.

24. Details of competent corporate boards undertaking the performance appraisal of executive directors.

Pursuant to the articles of association, the General Meeting or a Committee it elects shall decide on the assessment of the performance of the executive directors.

As stated in section 67 of this report, there is a Remuneration Committee (term of office of three years, 2014 to 2016), which is responsible for carrying out the assessment referred to in this point, and it effectively did so.

25. Predefined criteria for assessing executive directors' performance.

Pursuant to the statement on the policy for remunerations awarded to the Board of Directors approved at the General Shareholders' Meeting of 24 March 2015 (Section 69), as proposed by the company's Remuneration Committee, a variable remuneration shall be added, if deemed adequate and feasible, to the fixed remuneration for executive directors. This variable remuneration shall be calculated weighing up financial and non-financial indicators, and according to the contribution of the executive directors, that is impartial and measurable through the balanced scorecard method (which establishes, defines and implements three-year goals and targets: results, innovation, financial soundness, value creation, competitiveness and growth) on an individual and/or collective basis, to the sustainable development of the business activity, to the medium/long term profitability of the Company and to the creation of value for the Shareholder.

26. The availability of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and details of the positions held at the same time in other companies within and outside the group, and other relevant activities undertaken by members of these boards throughout the financial year.

António Rios de Amorim (Chairman):

Company	Position Held
Corticeira Amorim Group	
Amorim Natural Cork, S.A.	Chairman of the Board
Amorim Florestal, S.A.	Chairman of the Board
Amorim Florestal España, S.L.	Chairman of the Board
Amorim & Irmãos, S.A.	Chairman of the Board
Amorim Compcork, Lda.	Manager
Amorim & Irmãos, S.G.P.S., S.A.	Chairman of the Board
Amorim Industrial Solutions – Imobiliária, S.A.	Chairman of the Board
Amorim Isolamentos, S.A.	Chairman of the Board
Amorim Revestimentos, S.A.	Chairman of the Board
Amorim Cork Composites, S.A.	Chairman of the Board
Amorim Cork Research, Lda.	Manager
Amorim Cork Services, Lda.	Manager
Chapius, S.L.	Chairman of the Board
Comatral – Compagnie Marrocaine de Transformation du Liège, S.A.	Chairman of the Board and Chairman of the Presiding Board of the General Meeting
Dom Korkowy, Sp. Zo.o	Member of the Board of Directors
Equipar – Participações Integradas, SGPS, Lda.	Manager
Korken Schiesser GmbH	Manager
Francisco Oller, S.A.	Member of the Board of Directors
Olimpíadas Barcelona 92, S.L.	Chairman of the Board
Société Nouvelle des Bouchons Trescasses, S.A.	Administrator
SIBL – Société Industrielle Bois Liège, S.A.R.L.	Manager
Other Companies	
Afaprom – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Agolal, S.A.	Member of the Board of Directors
Amorim, S.G.P.S., S.A.	Member of the Board of Directors
Amorim Capital – Sociedade Gestora de Participações Sociais, S.A.	Member of the Board of Directors
Amorim – Investimentos e Participações, S.G.P.S., S.A.	Member of the Board of Directors
Amorim – Participações Agro-Florestal, S.G.P.S., S.A.	Member of the Board of Directors
Amorim – Participações Imobiliárias, S.G.P.S., S.A.	Member of the Board of Directors
Bomsobro – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Caneicor – Sociedade Agro-Florestal da Caneira, S.A.	Member of the Board of Directors
Cimorim – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Corunhal – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Fruticor – Sociedade Agrícola de frutas e Cortiças, S.A.	Member of the Board of Directors
Interfamília II, S.G.P.S., S.A.	Member of the Board of Directors
Agropecuária Mirantes e Freires, S.A.	Member of the Board of Directors
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	Manager
QM1609 – Investimentos Imobiliários, S.A.	Member of the Board of Directors
Quinta Nova de Nossa Senhora do Carmo, S.A.	Member of the Board of Directors
Resiféria – Construções Urbanas, S.A.	Member of the Board of Directors
Clube de Tiro, Caça e Pesca a Agolal	Treasurer

Nuno Filipe Vilela Barroca de Oliveira (Vice-Chairman):

Company	Position Held
Corticeira Amorim Group	
Amorim Florestal, S.A.	Member of the Board of Directors
Amorim Natural Cork, S.A.	Member of the Board of Directors
Amorim & Irmãos, S.A.	Vice-Chairman of the Board of Directors
Amorim & Irmãos, S.G.P.S., S.A.	Member of the Board of Directors
Amorim Cork Ventures, Lda.	Manager
Amorim Isolamentos, S.A.	Member of the Board of Directors
Amorim Revestimentos, S.A.	Member of the Board of Directors
Amorim Cork Composites, S.A.	Member of the Board of Directors
Amorim Industrial Solutions – Imobiliária, S.A.	Member of the Board of Directors
Other Companies	
Amorim – Investimentos e Participações, S.G.P.S., S.A.	Member of the Board of Directors
API – Amorim Participações Internacionais, S.G.P.S., S.A.	Member of the Board of Directors
Casa das Heras – Empreendimentos Turísticos, S.A.	Member of the Board of Directors
Interfamília II, S.G.P.S., S.A.	Member of the Board of Directors
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	Manager
Paisagem de Alqueva, S.A.	Member of the Board of Directors
Quinta Nova de Nossa Senhora do Carmo, S.A.	Manager

Fernando José de Araújo dos Santos Almeida (Member):

Company	Position Held
Corticeira Amorim Group	
Amorim Revestimentos, S.A.	Member of the Board of Directors
Amorim Cork Services, Lda.	Manager
Vatrya – Consultoria e Marketing, Lda.	Manager

Cristina Rios de Amorim Baptista (Member):

Company	Position Held
Corticeira Amorim Group	
Amorim & Irmãos, S.A.	Chairman of Remuneration Committee
Amorim Cork Services, Lda.	Manager
Other Companies	
Afaprom – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Agolal – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Agro-Pecuária Mirante e Freires, S.A.	Member of the Board of Directors
Amorim – Investimentos e Participações, S.G.P.S., S.A.	First Vice-Chairman of the Board of Directors
Amorim – Participações Agro-Florestais, S.G.P.S., S.A.	Member of the Board of Directors
Amorim – Participações Imobiliárias, S.G.P.S., S.A.	Member of the Board of Directors
Amorim – Serviços e Gestão, S.A.	Member of the Board of Directors
Amorim – Sociedade Gestora de Participações Sociais, S.A.	Member of the Board of Directors
Amorim – Viagens e Turismo, Lda.	Manager
Amorim Desenvolvimento, S.G.P.S., S.A.	Member of the Board of Directors
Imotur – Fundo Especial de Investimento Imobiliário Fechado	Member of Advisory Committee
Amorim Global Investors, S.G.P.S., S.A.	Member of the Board of Directors
Bomsobro – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Caneicor – Sociedade Agro-Florestal da Caneira, S.A.	Member of the Board of Directors
Cimorim – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Corunhal – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors

Company	Position Held
Fruticor – Sociedade Agrícola de Frutas e Cortiças, S.A.	Member of the Board of Directors
Interfamília II, S.G.P.S., S.A.	First Vice-Chairman of the Board of Directors
Amorim International Participations, B.V.	Director
Resiféria – Construções Urbanas, S.A.	Member of the Board of Directors
MCMAB – Serviços e Gestão, Lda.	Manager

Luísa Alexandra Ramos Amorim (Member):

Company	Position Held
Other Companies	
Amorim – Investimentos e Participações, SGPS, S.A.	Member of the Board of Directors
Bucozal – Investimentos Imobiliários e Turísticos, Lda.	Manager
Interfamília II, SGPS, S.A.	Member of the Board of Directors
Quinta Nova de Nossa Senhora do Carmo, S.A.	Chairman of the Board
Vintage Prime, SGPS, S.A.	Member of the Board of Directors

Juan Ginesta Viñas (Member):

Company	Position Held
Corticeira Amorim Group	
Trefinos, S.L.	Chairman of the Board
Other Companies	
Les Finques, S.A.	Sole Director

c) Committees within the Board of Directors or Supervisory Board and Board Delegates

27. Details of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and the place where the rules on the functioning thereof is available.

There is an Executive Committee, created by delegation of powers by the Board of Directors. Although there are no formal rules of procedure available for viewing, the functioning of the Executive Committee complies with all the rules governing its work, namely those of the Portuguese Companies' Code, the Articles of Association and the procedures adopted internally. This constitutes by itself adequate rules of procedure that enable the implementation of the best practices, safeguarding the effectiveness of the Company and creating value for shareholders.

As already referred to for the Board of Directors, it should be added that the principles of good business practice are part of the core values upheld by both the members of this committee and the staff members who assist and/or advise them.

28. Composition of the Executive Committee.

The Executive Committee shall consist of three members, i.e., a Chairman and two Members. The composition of this board remained unchanged in 2015, so the members at the end of the year continued to be:

Chairman: António Rios de Amorim

Member: Nuno Filipe Vilela Barroca de Oliveira

Member: Fernando José de Araújo dos Santos Almeida

The term of office of the Executive Committee coincides with that of the Board of Directors.

29. Description of the powers of each of the committees established and a summary of activities undertaken in exercising said powers.

The **Executive Committee** exercises the powers delegated to it by the Board of Directors - in the precise terms provided for in the articles of association and in law, as described in section 9 herein -, with a view to streamlining management practices and making possible closer and continuous monitoring of the Company's different areas (management, operations and support) and its operating and business processes.

According to **Corticeira Amorim**'s articles of association, the Executive Committee is vested with the power to implement the decisions made by the Board of Directors, manage the Company's ordinary course of business and implement certain management duties. The activity of the Executive Committee was conducted in 2015 according to these duties, with the purpose of performing:

- The day-to-day management of the company;
- The implementation of the decisions taken by the Board of Directors;
- The alignment of the activity of the various business units that constitute the Company, and analysis of the respective reporting;
- Budget estimates and setting goals and objectives;
- In terms of human resources: analysis of the evolution of indicators, policy and priorities for training, performance assessment, salary policy;
- Monitoring the evolution of critical business factors, definition and implementation of management measures concerning those factors (evolution of prices of main inputs, interest rates and exchange rates);

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- Follow up and decisions on investment, loans and taking on liabilities;

- Definition of the internal audit and internal control activities and reporting on the main conclusions;

- Policy definition and decision on priority action in the field of Research, Development and Innovation;

- Monitoring the Corticeira Amorim share price: transactions, price development, analysts' estimates;

- The analysis and reflection on the corporate governance model and its suitability to the company and respective goals.

With a properly implemented reporting system within the Company, information flows from the members of the Executive Committee to the Directors, thus ensuring that the performance of the members of both the Board and the Committee are aligned and that every director is informed of the work and activities of the Executive Committee in a timely manner.

The Chairman of the Executive Committee, who is also the Chairman of the Board of Directors, provides timely minutes of meetings of the Executive Committee meetings to the Chairman of the Supervisory Board.

The Executive Committee, met sixteen times during 2015. The attendance rate was 93.8%. Individually, the attendance rate of António Rios de Amorim and Fernando José de Araújo dos Santos Almeida was 100%; while that of Nuno Filipe Vilela Barroca de Oliveira was 81% (three absences; reason: representation of the company abroad).

III. SUPERVISION

a) Composition

30. Details of the Supervisory Body (Supervisory Board, the Audit Committee or the General and Supervisory Board) representing the model adopted.

The Company has adopted the governance model commonly known as the "reinforced Latin" model, with a double supervisory mechanism consisting of a supervisory board and a statutory auditor.

31. Composition of the Supervisory Board, with details of the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date of first appointment, date of end of the term of office for each member.

The articles of association establish that the Supervisory Board consists of three members and one or several alternate members. The Supervisory Board was composed of three members and one alternate member during the current mandate (2014-2016):

Chairman: Manuel Carvalho Fernandes

Member: Ana Paula Africano de Sousa e Silva

Member: Eugénio Luís Lopes Franco Ferreira
Date of first appointment to the Supervisory Board:
24 March 2014
End of term in office:
31 December 2016, remaining in office until a new election pursuant to law

Alternate: Durval Ferreira Marques
Date of first appointment to the Supervisory Board:
28 May 2007
Date of first appointment as Alternate to the Supervisory Board:
24 March 2014
End of term in office:
31 December 2016, remaining in office until a new election pursuant to law

32. Details of the members of the Supervisory Board, which are considered to be independent pursuant to Article 414 (5) of the Portuguese Companies' Code.

As far as the Company knows, all members of the Supervisory Board, both incumbent and alternate members, meet the independence criteria set out in Article 414 (5) as well as the incompatibility rules envisaged in Article 414-A(1), both of the Portuguese Companies' Code.

The alternate member of this board, Durval Ferreira Marques, is not considered to be independent since he does not meet the criterion set out in subparagraph (b), paragraph 5 of Article 414 (after three terms as Chairman of the Supervisory Board, he was elected the alternate for that same body). He meets the remaining requirements of independence as well as the incompatibility rules referred to in the preceding paragraph.

33. Professional qualifications of each member of the Supervisory Board, and other important curricular information.

Manuel Carvalho Fernandes (Chairman):
Graduated with a Bachelor's Degree in Economics from the University of Porto, Faculty of Economics. MBA from Universiteit te Leuven Kaholieke (Leuven, Belgium). Professional career in the financial sector (1979 - 1995) - Banco Português do Atlântico, State Secretary of the Treasury (1986-1988), President of Banco Comercial de Macau (1989-1995), the Insurance Company Bonança (1992-1995) and of the Portuguese Banks' Union (1993-1995). Director of Banco Mais (1997-2011), Seguros Sagres (2006-2008), Finibanco (2004-2006). CEO of SGAL - Sociedade Gestora Alta de Lisboa (1998-2007).

In the last five years he has held several director level positions in a number of companies (other than those referred to in number 36): BANIF, SGPS, S.A., BANIF – Banco Internacional do Funchal, S.A., Tecnicrédito, SGPS, S.A., Banco MAIS, S.A., Finpro, SCR, S.A. and Finpro Unipessoal, Lda.

Ana Paula Africano de Sousa e Silva (Member):
Graduated with a Bachelor's Degree in Economics from the University of Porto, Faculty of Economics. PhD degree in Economics (specialisation in International Economics) from the University of Reading - England, in 1995; equivalence to a PhD degree from the Faculty of Economics of the University of Porto in January 1996. Completed the lecture part of the Master in Economics in 1989, Faculty of Economics of Porto. Senior technician (part-time) in the Studies Department of the Portuguese Statistics Agency (Instituto Nacional de Estatística), Porto Regional Office, from March 1996 to February 1998. Working in the Economics Faculty of Porto University, where he is a member of the Scientific Board and also lectures: Theory and Foreign Trade Policy (Master of Economics), International Commerce (Master of Economics and International Management), International Strategic Management (MEGI), International Economics (Bachelors of Economics and Management); Economic Integration, Applied Economic Studies, Microeconomics and Macroeconomics (Bachelor's Degree in Economics).

Combines teaching with extensive scientific work (supervising PhD theses, master's degree dissertations, sitting on juries) and academic publications.

Member of the Inter-university Association of European Studies in Portugal and the European Union Studies Association (Pittsburgh, USA).

For the past five years he has not held any director level positions.

Eugénio Luís Lopes Franco Ferreira (Member):
Graduated with a Bachelor's Degree in Economics from the University of Porto, Faculty of Economics in 1976 where he lectured Financial Mathematics in 1976/1977. Began working in 1966. In 1977 he joined Price Waterhouse, currently, PricewaterhouseCoopers (Partner in 1991). He worked in the Audit Department, participating in numerous audits of corporations and other entities, mainly in the industrial and service areas. In most cases, the extension of the responsibilities as auditor

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included becoming a member of supervisory boards or working as a sole supervisor. He also performed at the same time a variety of in-house roles, namely: manager of the Porto office; nationwide responsibility for the technical function of auditing and risk management ("Technical Partner" and "Risk Management Partner"); nationwide responsibility for the administrative, financial and IT functions ("Finance & Operations Partner"); responsibility of the Audit Department; Member of the Executive Committee ("Territory Leadership Team"). He ceased to work for PricewaterhouseCoopers in 2009, becoming a self-employed professional consultant.

He is a member of the Portuguese Statutory Auditors Association (member of the Board of Governors in 2009 -2011), of the Portuguese Economists Association, of the Portuguese Accountants Association and Partner of the Portuguese Institute of Corporate Governance.

For the past five years he has not held any director level positions.

Durval Ferreira Marques (Alternate Member):
Graduated with a Bachelor's Degree in Economics from the University of Porto, Faculty of Economics, he was a technical education lecturer and a technical assistant at the Directorate-General of the Central Bank of Angola. He held management positions in the finance, insurance, media and industry sectors in South Africa for over 25 years. He was also a representative of the Portuguese Business Association in South Africa and Mozambique.

For the past five years he has not held any director level positions.

b) Functioning

34. Availability and place where the rules on the functioning of the Supervisory Board may be viewed.

The **Rules of the Supervisory Board of the Company** can be viewed at http://www.amorim.com/xms/files/Investidores/2_Orgaos_Sociais/2014-2016_Regulamento_do_Conselho_Fiscal.pdf

35. The number of meetings held and the attendance report for each member of the Supervisory Board.

The Supervisory Board meets whenever called by the Chairman or by any other two members of the Supervisory Board, and at least every quarter, pursuant to article 10 of the rules of procedure of that body. Five meetings of the Supervisory Board were held during 2015. The Chairman of the Supervisory Board missed only one of the meetings because he was out of the country. Nevertheless, he still participated by video conference in part of that meeting.

The overall attendance was 93.3%; that of the Chairman was 80% and of the other members it was 100%.

36. The availability of each member of the Supervisory Board, indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of these Boards.

Manuel Carvalho Fernandes (Chairman):

Company	Position Held
Grupo AFSA, SGPS, S.A. - management positions:	
AFSA, SGPS, S.A.	Director
COEPAR – Consultoria e Investimentos, S.A.	Director
S2IS – Serviços e Investimentos, SGPS, S.A.	Director
BRASILIMO – Investimentos Imobiliários no Brasil, SGPS, S.A.	Director
SSL – Serviços e Investimentos, S.A.	Director
QMETRICS – Serviços, Consultoria e Avaliação da Satisfação, S.A.	Director
Other companies - management positions:	
Faceril – Fábrica de Cerâmica do Ribatejo, S.A.	Director
Coeprimob – Promoção Imobiliária, S.A.	Director
Qdata, Lda.	Manager
Quaternaire, S.A.	Director
Grupo AFSA, SGPS, S.A. - other positions:	
Douro Empreendimentos Imobiliários, Lda.	Advisory Board
Brasilimo Empreendimentos Imobiliários, Lda.	Advisory Board
Other companies - other positions:	
Oriente Foundation	Curator

Ana Paula Africano de Sousa e Silva (Member):

Institution	Position Held
Other companies	
University of Porto	Lecturer
Faculty of Economics from the University of Porto	Member of the Board of Representatives
	Member of the Scientific Committee of the Master's Degree in Economics and International Management
CEFUP (Centre of Economic and Financial Studies)	Member

Eugénio Luís Lopes Franco Ferreira (Member):

Company	Position Held
Other companies	
NOS, SGPS, S.A.	Member of the Supervisory Board

Since 2009, he acts professionally as a self-employed consultant.

Durval Ferreira Marques (Alternate Member): Does not hold any post in any other company.

c) Powers and duties

37. A description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the external auditor.

The Supervisory Board is responsible for monitoring the independence of the Statutory Auditor, especially in relation to the provision of additional services.

The Supervisory Board is aware of the company's practices on this topic (described in the following paragraphs). The Supervisory Board ensured it was fully informed during the year of the nature and extent of the contracted services and the respective amounts. It did not identify in the current year any situation, taking into account the mitigating factors of risk, that might affect the independence of the Statutory Auditor.

Other services are contracted from PricewaterhouseCoopers (and not the additional services provided by the external auditor), subject to approval by the Executive Committee. Such services essentially refer to assistance for the implementation of administrative mechanisms to address legal formalities.

Under such services:

i. PricewaterhouseCoopers does not lead the underlying projects. These projects are always headed by the appropriate department of **Corticeira Amorim**;

ii. The representatives from PricewaterhouseCoopers appointed to the position of Statutory Auditor of Corticeira Amorim do not collaborate on these projects;

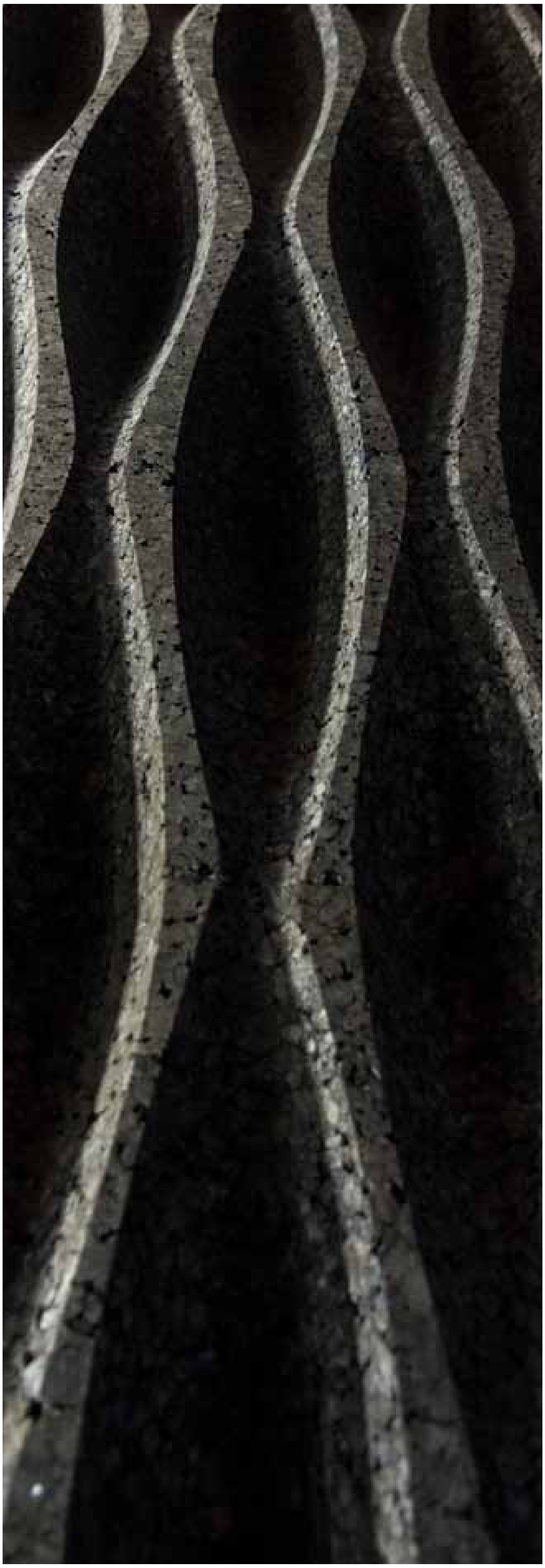
There are, therefore, no issues regarding the independence of the work of the Statutory Auditor.

It is to be noted that the entry into force on 1 January 2016 of Law No. 140/2015 of 7 September, approving the new Statutes of the Order of Statutory Auditors and Law No. 148/2015 of 9 September approving the Legal Regime for Audit Supervision, implied that the provision of services by the Statutory Auditor is substantially limited (a wide range of services are legally prohibited and the rest are limited to 30% of the total fees paid to the Statutory Auditor) and that the non-prohibited services require the prior approval of the Supervisory Board.

38. Other duties of the supervisory body.

The Supervisory Board is responsible, under the law and respective Rules of Procedure, for the following:

- Oversee the management of the company;
- Monitor compliance with the law and articles of association;
- Check the correctness of the accounting records and documents supporting those records;
- Check when deemed convenient and in the manner considered adequate, the extent of cash and stocks of any kind of goods or assets owned by the company or received as collateral, deposit or otherwise;
- Check the accuracy of the financial statements;
- Check whether the accounting policies and valuation criteria adopted by the company lead to a correct assessment of the assets and profits;
- Prepare an annual report on its supervisory action and give an opinion on the report, accounts and proposals submitted by management;
- Convene the General Meeting when the Chairman of that Presiding Board does not and should do so;
- Monitor the effectiveness of the risk management system, internal control system and internal audit system;
- Receive reports of irregularities presented by shareholders, company employees or others, giving them due treatment;



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- Analyse the reports of irregularities received, requesting from the company's other corporate bodies and structures the necessary explanations for the reported situations;

- Suggest, following the analysis referred to in the preceding paragraph, measures to safeguard from the occurrence of such irregularities and give knowledge of them to the Board of Directors and to the internal or external entities that each situation warrants, while always guaranteeing the non-disclosure of the identity of those reporting such situation, unless they expressly do not wish such;

- Outsource for the provision of expert services to assist one or more of its members in the exercise of their duties; the hiring and remuneration of experts must take into account the importance of the entrusted matters and the financial situation of the company; the scope and conditions of the provision of services to be hired must be communicated in advance to the Board of Directors;

- Examine and issue its prior opinion on the transactions with Qualified Shareholders, as set down in specific regulations;

- Suspend directors when their health temporarily prevents them from performing their duties, or when other personal circumstances preclude them from carrying out their duties for a period of time presumably greater than sixty days and they ask the Supervisory Board to be temporarily suspended or the Board deems this to be in the interest of the company;

- Declare the removal from office of Directors when, following their appointment, there occurs some form of incapacity or incompatibility that poses a barrier to that appointment and the director does not leave that post or does not remove the supervening incompatibility within thirty days;

- Comply with all other duties set down by law or the articles of association;

- Must assess the management report, the annual accounts, the legal certification of accounts or impossibility of certification and issue and send the report and opinion to the Board of Directors, within fifteen days from the date of receipt of said components of the report of accounts;

- Issue in its report and opinion a statement that, relating to the annual directors' report, the annual accounts, and other accounting documents required by law or CMVM Regulations, to the best of its knowledge, the information was prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and profit/loss of the company and the companies included in the consolidation perimeter, and that the management report faithfully describes the evolution of the business, the company's performance and position and of the companies included in the consolidation perimeter, and it contains a description of the principal risks and uncertainties that they face;

- Supervise the process of preparing and disclosing financial information;

- Propose to the General Meeting the appointment of a Statutory Auditor;

- Supervise the audit of the company's accounts and accounting documents;

- Supervise the independence of the Statutory Auditors, especially in relation to the provision of additional services;

- Check that the published report on the corporate governance structure and practices includes the provisions referred to in article 245-A of the Portuguese Securities' Code.

The entry into force of the laws referred to in section 37, on 1 January 2016 means the Supervisory Board will have added responsibilities particularly in terms of interaction with the Statutory Auditor. The Supervisory Board is assigned the following duties:

- Inform the Board of Directors of the results of the statutory audit and explain how this contributed to the integrity of the process of preparation and disclosure of financial information, as well as the role played by the Supervisory Board in this process;

- Monitor the process of preparation and disclosure of financial information and submit recommendations or proposals to ensure its integrity;

- Supervise the effectiveness of the internal quality control, risk management and internal audit systems, as regards the process of preparation and disclosure of financial information;

- Monitor the statutory audit of the individual and consolidated annual accounts, in particular the implementation of the same;

- Check and monitor the independence of the statutory auditor and, in particular, verify the adequacy and approve the provision of other services besides the audit services;

- Select the Statutory Auditor to propose to the General Meeting for contracting.

IV. STATUTORY AUDITOR

39. Details of the statutory auditor and the partner representing it.
The Statutory Auditor shall consist of one member and one alternate member, any one of which may be a statutory auditor or statutory auditor firm.

The members of this body in office on 31 December 2013, elected for the 2011 to 2013 term, remained in office according to law until an election was held, which was on 24 March 2014, in the General Meeting. This General Meeting re-elected all members for a new term, namely from 2014 to 2016:

Member: PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda, registered in the CMVM since 15 July 2004 under number 20161485, represented by José Pereira Alves (Statutory Auditor) or António Joaquim Brochado Correia (Statutory Auditor).

Alternate: Hermínio António Paulos Afonso (Statutory Auditor)
End of term of office:
31 December 2016, remaining in office until a new election pursuant to law.

The Statutory Auditor is responsible for the following:

- Undertake all necessary examinations and checks for the audit and issue of the statutory audit certificate of the company's accounts. The following must be checked, in particular:

  The correctness of the accounting records and documents supporting those records;

  When deemed convenient and in the manner considered adequate, the extent of cash and stocks of any kind of goods or assets owned by the company or received as collateral, deposit or otherwise;

The accuracy of the financial statements;

Whether the accounting policies and valuation criteria adopted by the company lead to a correct assessment of the assets and profits;

- Immediately report by registered letter to the chairman of the board of directors the facts in its possession that it considers indicate serious difficulties in the pursuit of the company's object, including repeated non-payments to suppliers, bad debts, issuing cheques without sufficient funds, failure to pay social security contributions or taxes. Request that the Chairman of the Board of Directors, in the event no reply was made to a letter or request or the reply received was deemed unsatisfactory, the convening of the board of directors to meet, with the statutory auditor present, to appraise the facts and take the appropriate decisions. If the meeting is not held or if the adopted measures are not deemed adequate to safeguard the interests of the company, it must require, by registered letter, that a general meeting is convened to appraise and decide on the facts contained in the mentioned registered letters and the minutes of the above-referred meeting of the board of directors.

40. State the number of years that the statutory auditor consecutively carries out duties with the company and/or group.

Pricewaterhousecoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. has performed the duties for eleven consecutive years, while the Statutory Auditor representing that company has been in this role for four years.

There is no policy of rotation of the Statutory Auditor. Continuation in service of the statutory auditor is subject to a careful assessment of the advantages and disadvantages thereof, in particular the expertise and experience acquired in the type of business in which the Company is engaged in. **Corticeira Amorim**'s external auditors, PricewaterhouseCoopers & Associados, S.R.O.C., Lda., meet the independence requirements and this is reinforced by the fact the partner in charge of the Company's audit is proposed to be rotated every seven years, a procedure in line with the best international practices. The audit of the company over the last four years has been conducted by António Joaquim Brochado Correia.

The Supervisory Board is effectively responsible for annually assessing the Statutory Auditor, supervising the audit of the accounts and the financial statements of the company, overseeing the independence of the Statutory Auditor, notably as regards the provision of additional services. It may also propose the dismissal or termination of the contract celebrated with the Statutory Auditor.

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41. Description of other services that the statutory auditor provides to the company.
The Company and companies with which it is in a group relationship contracted the following services from PricewaterhouseCoopers, including other entities belonging to the same network, services whose nature and value are detailed in the following table:

Type of service	Corticeira Amorim		Other group companies		Total	
	€	%	€	%	€	%
Audit of accounts	54,000	94.9%	254,159	66.2%	308,159	69.9%
Assurance	1,000	1.8%	7,176	1.9%	8,176	1.9%
Tax consultancy	1,892	3.3%	9,953	2.6%	11,845	2.7%
Others (besides auditing)	0	0.0%	112,371	29.3%	112,371	25.5%
Total	56,892	100.0%	383,659	100.0%	440,551	100.0%

The term "Other services" essentially refers to assistance for the implementation of administrative mechanisms to address legal formalities.

The independence of these service providers is not called into question as the leadership of the projects such service providers take on is always assumed by the appropriate department of **Corticeira Amorim**.

V. EXTERNAL AUDITOR

42. Details of the external auditor appointed in accordance with Article 8 and the partner that represents same in carrying out these duties, and the respective registration number in the CMVM.
The external audit of Corticeira Amorim is performed by the Statutory Auditor (as identified in section 39).

43. State the number of years that the external auditor and respective partner that represents same in carrying out these duties consecutively carries out duties with the company and/or group.
As set out in section 40 above.

44. Rotation policy and schedule of the external auditor and the respective partner that represents said auditor in carrying out such duties.
As set out in section 40 above.

45. Details of the Board responsible for assessing the external auditor and the regular intervals when said assessment is carried out.
As set out in section 40 above.

46. Details of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the hiring of such services and a statement on the reasons for said hire.
As set out in section 41 above. (identification of work) and in section 37. (internal procedures).

47. Details of the annual remuneration paid by the company and/or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and the percentage breakdown relating to the following services.
As set out in section 41 above.

C.

INTERNAL ORGANISATION

I. ARTICLES OF ASSOCIATION

48. The rules governing amendment to the articles of association (Article 245-A/1/h).

The rules governing the amendment of the Articles of Association of the Company are those provided for by law, with the addition of the following specific provisions set out in the aforementioned articles: the Company is managed by a Board of Directors consisting of a Chairman, a Vice-Chairman and from one to nine other Members. This statutory provision may be amended only with the approval by a majority of shareholders representing at least two-thirds of the Company's share capital.

II. REPORTING OF IRREGULARITIES

49. Reporting means and policy on the reporting of irregularities in the company.

It is the responsibility of **Corticeira Amorim**'s Supervisory Board - in accordance with its rules of procedure – to receive the information on wrongful acts reported by shareholders, employees or other individuals or bodies and to treat such whistle-blowing reports appropriately.

Such reports shall be addressed to:

> **Supervisory Board of Corticeira Amorim, SGPS, S.A.**
> Address - Registered office of the company:
> Rua de Meladas, n.º 380 – Apartado 20 - 4536-902 MOZELOS
> Telephone: 22 747 54 00

The Company ensures that the Supervisory Board will be the first to be made aware of the contents of such whistle-blowing reports (no employee of the Company is authorised to open mail specifically addressed to this corporate body or any of its individual members).

It is the Supervisory Board's responsibility to review any such reports and ask the Company's other governing bodies and officers for any explanations on the disclosed events and the circumstances surrounding the situation. In dealing with concrete situations, the Supervisory Board is entitled to:

- Suggest measures to prevent such irregularities occurring;
- Report any identified and confirmed irregularities to the Board of Directors and relevant authorities, both internal and external, in accordance with each specific situation.

The Company guarantees that the identity of whistle-blowers will not be disclosed throughout the process, unless they expressly choose to disclose their identity.

Corticeira Amorim believes that there are a number of measures, i.e. (i) the assignment of such responsibilities to the Supervisory Board – a body composed entirely of independent members, thus ensuring the impartial handling and consideration of irregularities reported to the Company; (ii) the non-imposition of the use of a specific format for such reports and the fact that the whistleblower may use the channels it deems most suitable to make the report; (iii) the obligation to ensure protection of personal data (scrupulously following the instructions given by whistleblowers regarding confidentiality) that safeguard the rights of both whistleblowers and other staff members involved, while ensuring that the reporting process remains simple, and contribute effectively to promoting the impartial investigation and clarification of the situations reported.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. Individuals, boards or committees responsible for the internal audit and/or implementation of the internal control systems.

The Internal Audit Department has powers over such matters.

51. Details, even including organisational structure, of hierarchical and/or functional dependency in relation to other boards or committees of the company.

These departments work under the command of the Board of Directors, closely directed by the Executive Committee.

52. Other functional areas responsible for risk control.

The main aim of the Board of Directors and the Executive Committee is to establish an integrated overview of critical success factors in terms of profitability and/or associated risks with a view to creating sustainable value for both the Company and its shareholders.

Because of **Corticeira Amorim**'s specific business characteristics, two critical factors have been identified at the operational level: (i) market risk and business risk and (ii) raw materials (cork) risk. The management of such risks is the responsibility of the relevant BU.

53. Details and description of the major economic, financial and legal risks to which the company is exposed in pursuing its business activity.

Market risk and operational business risk:
In the first instance, market risk and business risk are managed by the four BUs – Cork Stoppers, Floor and Wall Coverings, Cork Composites and Insulation Cork – that are involved in the markets that deal in **Corticeira Amorim**'s finished products.

In devising a strategic plan for these BUs – a strategic plan based on the balanced scorecard methodology – a number of key factors for value creation are identified by using a multifaceted approach that encompasses the outlook for finance, market/customers, processes and infrastructures. Using this approach, strategic objectives and goals are defined as well as the actions required to achieve them.

The adopted method strengthens alignment between the defined strategy and operational planning where such are defined, for a shorter time horizon, the priority actions to develop to reduce risk and ensure sustained value creation. The BUs have implemented processes that allow the systematic monitoring of these actions, which are subject to periodic monitoring and monthly evaluation by the Board of Directors of the BU.

Raw materials (cork) risk:
The management of the procurement, storage and preparation of the single variable common to all business activities of **Corticeira Amorim**, i.e. the raw material (cork) is centralised in an autonomous BU, given the critical nature of this factor across all the BUs. This permits the following:

- Form a specialised team exclusively focused on raw materials;
- Make the most of synergies and integrate all raw materials (cork) manufactured by other BUs in the relevant BU's production process;

- Improve the management of raw materials from a multinational perspective;
- Strengthen its presence in cork-producing countries;
- Keep an updated historical record of production status by cork-producing forest unit;
- Strengthen relationships with producers, promote forest certification, improve the technical quality of products and enter into research and development partnerships with forestry-related partners;
- Prepare, discuss and enable the Board of Directors to decide on a multi-annual purchasing policy to be implemented;
- Ensure that an optimal mix of raw materials is used to meet market demand for finished products;
- Ensure the supply stability of cork, a critical variable for **Corticeira Amorim**'s operations, over the long term.

Legal Risk:
As far as legal risks are concerned, the main risk to the business of **Corticeira Amorim** and its subsidiaries relates to the potential for loss arising from amendments made to legislation – in particular, labour legislation, environmental regulations and similar –, which could have an impact on **Corticeira Amorim**'s operations and affect its business' performance and profitability.

The Legal Department in cooperation with the Organisational Development and Strategic Planning area seek to anticipate such amendments and adapt corporate governance practices accordingly. The numerous certification processes (food safety, quality, environmental management, human resources, etc.), as described in more detail in Chapter 5 of the Management Report, are based on procedures designed, implemented and regularly and strictly audited by certifying organisations, thus guaranteeing the minimisation of such risks. Wherever possible and practicable, the Organisation takes out insurance to mitigate the effects of uncertain but potentially unfavourable events.

Under the direction of the Board of Directors and assisted by an Executive Committee or an Executive Director, **Corticeira Amorim**'s support divisions play an important role in managing critical risk factors, including risk prevention and detection. The finance department, the organisational development department, the management planning and control department and the internal audit department play an essential role in this regard.

Financial Risk:
As **Corticeira Amorim** is one of Portugal's most international companies, it pays special attention to managing exchange rate risk as well as liquidity and interest rate risk.

In addition to the responsibilities of the finance department regarding prevention, monitoring and management of the above risks, the main objectives of this department are to assist with the definition and implementation of global financial strategies and with the coordination of the financial management of the group's BUs. It is structured as follows:

- a Financial Board (FB), which coordinates the financial function at a central level. The FB is responsible for developing policies and measures (to be approved by the Executive Committee) and implementing them, for conducting global dealings with financial counterparts, for monitoring progress and preparing regular reports (to the director responsible for the financial section and to the Executive Committee and the Board of Directors);
- Financial Managers who, at the company level, follow the progress of business deals managing their financial component in accordance with the advocated policies and measures, articulating their work performance with the FB.

The financial organisational structure is coordinated as follows:

- Daily and weekly reports and fortnightly debates on financial markets and economic developments that may have an impact on the companies' business;
- Regular (monthly) reports on globally agreed conditions;
- Quarterly meetings of finance managers with a view to reviewing the current specific state of affairs and defining measures to be implemented;
- On the basis of reports submitted to the Board of Directors, the most important aspects of the financial operations (debt, investments, liabilities) shall be discussed.

54. Description of the procedure for identification, assessment, monitoring, control and risk management.

The system of internal control and risk management currently implemented in the company stems from an in-depth and continuous process of improvement and adaptation of internal reflection in the company, involving both the Board of Directors, in particular its Executive Committee, and the different support areas - in particular the area of Organisational Development and Strategic Planning - or the support of external specialised consultants, where appropriate.

Also noteworthy is the Internal Audit area, whose work has significant impact on reducing the organisation's operational risks. The main tasks are to assess and review internal control systems with a view to optimising resources and safeguarding assets as well as monitoring activities carried out in order to provide the management bodies with a reasonable degree of certainty that business goals will be achieved.

The reporting system implemented in the Company – either at regular intervals or on demand of the Board of Directors, the Executive Committee or officers responsible for the Management – includes both measurement and objective evaluation of such risks which – after being discussed by the Board of Directors or the Executive Committee – will, if appropriate, give rise to the determination of additional or corrective measures whose implementation and impact will be followed up by the governing body that approved such measures.

The growing complexity of the business environment triggers off a close monitoring of the systems implemented in the Company. Such monitoring includes contributions and opinions from both the Supervisory Board and the Statutory Auditor and this leads to the adoption of more effective procedures when it is deemed advisable.

Under the Rules of Procedure of the Supervisory Board, it is this Board's responsibility to monitor the effectiveness of the risk management system, the internal control system and the internal auditing system.

55. Core details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information (Article 245-A/1/m).

In regard to the **preparation and disclosure of financial information - including the consolidated**, the Company promotes close cooperation among all those involved in the process to ensure that:

- Disclosure complies with all applicable legal requirements and best practices in terms of transparency, relevance and reliability;
- The information has been properly checked both internally and by the appropriate supervisory bodies;

- The information has been approved by the appropriate governing body;

- Its public disclosure complies with all relevant legal requirements and recommendations, specifically those of the CMVM and is made in the following order: first, via the data dissemination system of the Portuguese Securities Market Commission (www.cmvm.pt); second, via the Company's website (www.corticeiraamorim.com); third, by means of a long list of Portuguese and foreign media contacts; and fourth, to **Corticeira Amorim**'s staff and to shareholders, investors, analysts and other stakeholders, whose contacts are stored in a database.

The process of preparation of financial information, including consolidated information, is dependent on the process of registration of the operations and the support systems. There is an Internal Control Procedures Manual and Accounting Manual, approved by the Board and which is mandatorily adopted by all companies of the Corticeira Amorim Group. These manuals contain a set of policies, rules and procedures to (i) ensure that the process of preparation of financial information follows homogeneous principles and (ii) the quality and reliability of the financial information is ensured.

The implementation of accounting policies and internal control procedures relating to the preparation of financial information is subject to evaluation by the internal and external auditors.

The consolidated financial information by Business Unit is assessed, validated and approved by the management of the respective Business Unit, every quarter. This procedure has been consistently adopted by all the Corticeira Amorim Group's business units.

The consolidated financial information of Corticeira Amorim is approved by the Board of Directors and presented to the Supervisory Board, before its publication.

It is also to be emphasized that the referred Internal Control Procedures Manual contains a set of rules intended to ensure that the process of disclosure of financial information, including consolidated information, guarantees the quality, transparency and fairness in the dissemination of information.

IV. INVESTOR ASSISTANCE

56. Department responsible for investor assistance, composition, functions, the information made available by said department and contact details.

Through its **Investor Relations Department**, **Corticeira Amorim** maintains permanent contact with the Market, thus ensuring that the principle of equality among shareholders is upheld and that uneven access of investors to information is prevented.

This Department, headed by the Investor Relations Officer, brings together and coordinates the work of professionals from other departments (Management Control, Legal and tax, Administrative and financial) of Corticeira Amorim in order to provide impartial and timely replies to all requests from investors (whether existing or potential).

Role:
The Investor Relations Department, supervised by **Corticeira Amorim**'s Investor Relations Officer, has the following responsibilities:

- Regular publication of the Company's operation performance evaluation reviews and financial results, including co-ordination and preparation of their twice-yearly public presentation delivered at the Company's registered office (either in person or via conference call);

- Disclosure of privileged information;

- Disclosure of information on qualifying interests;

- Receipt and centralisation of all questions and queries raised by investors and answers to such questions;

- Participation in conferences and meetings with investors and analysts.

The following measures carried out in 2015 in the context of contact with investors are especially noteworthy:

- Presentation of annual business activity and results via audio-conferencing, thereby promoting interaction in the disclosure of that information;

- One-on-one meetings held by invitation on the premises of investment banks;

- Participation in international road shows;

- Meetings held on the Company's premises with investors and teams of analysts, to whom the major industrial facilities were presented.

Corticeira Amorim has been using its information technology to regularly disclose and disseminate its economic and financial information, including the Company's operation performance evaluation reports and financial results as well as its answers to specific questions and queries raised by investors.

Type of information made available (in Portuguese and English):

- The name of the Company, its public company status, registered office and other information set out in article 171 of the Portuguese Companies' Code;

- Articles of Association;

- Identification of the members of the Company's governing bodies and the investor relations officer;

- The Office of Investor Assistance, its functions and means of accessing this Office;

- Financial statements, including an annual report on the corporate governance structure and practices;

- Six-month calendar of corporate events released at the beginning of each half-year;

- Notices to members of Annual General Meetings to be given during a 21-day period prior to the date fixed for each meeting;

- Motions submitted for discussion and vote at a General Meeting during a 21-day period prior to the date fixed for the meeting;

- Absentee voting form;

- Proxy form for Annual General Meetings;

- Disclosure of biannual and quarterly information on the Company's business affairs;

- Press releases: financial results, confidential information, qualifying interests in the share capital of the Company;

- Business presentations to investors and market analysts.

From the beginning of 2009 onwards, the minutes of the General Meetings and statistical information on the attendance of shareholders at the General Meetings are also made available for consultation within five working days of the holding of the Annual General Meeting.

Contact information:
This Department can be reached by telephone at +351 22 747 54 00, by fax +351 22 747 54 07 or by e-mail at corticeira.amorim@amorim.com.

57. Investor Relations Officer.
The post of Investor Relations Officer of **Corticeira Amorim** is held by Cristina Rios de Amorim Baptista.

58. Data on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years.
The response rate to requests for information is 100%. The reply is provided, on average, within 24 hours (working days), except for highly complex cases (reply within five working days) that require consultation with external resources to the Company and are, therefore, dependent on the deadlines for the reply from such resources. Such cases accounted for less than 5% of all information requests received in 2015. At the end of 2015 there were no unanswered requests.

V. WEBSITE

59. Address.
Corticeira Amorim provides a vast range of information on its website www.corticeiraamorim.com about its corporate structure, business activity and the development of its business.

60. Place where information on the firm, public company status, headquarters and other details referred to in Article 171 of the Commercial Companies' Code is available.
http://www.amorim.com/investidores/informacao-institucional/estruturas-juridica/

61. Place where the articles of association and rules of procedure of the boards and/or committees are available.
Articles of Association:
http://www.amorim.com/investidores/informacao-institucional/estruturas-juridica/

Rules of procedure of the Supervisory Board:
http://www.amorim.com/investidores/informacao-institucional/orgaos-sociais/

62. Place where information is available on the names of the corporate boards' members, the Investor Relations Officer, the Office of Investor Assistance or comparable structure, respective functions and contact details.
Holders of corporate positions:
http://www.amorim.com/investidores/informacao-institucional/orgaos-sociais/

Investor Relations Officer:
http://www.amorim.com/investidores/informacao-institucional/

The Office of Investor Assistance, its duties and means of accessing this Office:
http://www.amorim.com/investidores/informacao-institucional/

63. Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements.
Accounting reports:
http://www.amorim.com/investidores/relatorio-e-contas/
http://www.amorim.com/investidores/resultados/

Half-yearly calendar of company events:
http://www.amorim.com/investidores/calendario-de-eventos/

64. Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto is disclosed.
http://www.amorim.com/investidores/informacao-institucional/assembleia-geral/

65. Place where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available.
http://www.amorim.com/investidores/informacao-institucional/assembleia-geral/

LUNCH BOX, AMORIM IN PARTNERSHIP WITH NABA AND T12 LAB

D.
REMUNERATION

I. POWER TO ESTABLISH

66. Details of the powers for establishing the remuneration of corporate boards, members of the executive committee or chief executive and directors of the company.

It is the responsibility of the Annual General Meeting to appoint a Remuneration Committee. The ability and capacity of the members of the Committee to perform the duties assigned to them in an independent manner for their entire term of office, i.e. to determine the remuneration policy of the members of the governing bodies that shall foster over the medium and long-term the alignment of the interests with those of the Company.

The adoption of the balanced scorecard methodology, which assesses performance using both financial and non-financial measures, enables the Remuneration Committee to evaluate every financial year, whether or not goals are achieved and to what degree. The balanced scorecard serves also as the basis for preparation of the reports of the Remuneration Committee and the Board of Directors on the remuneration policy for members of the Board and the supervisory board as well as on the remuneration policy for other senior executives and officers, respectively, to be submitted every year to the Annual General Meeting for approval.

Thus,

- the Remuneration Committee of **Corticeira Amorim** is responsible for setting the fixed and variable remuneration to be awarded to members of the Board of Directors, and also setting the remuneration to be awarded to members of the remaining governing bodies;
- The Board of Directors of **Corticeira Amorim** is responsible for setting the fixed and variable remuneration to be awarded to its officers.

II. REMUNERATION COMMITTEE

67. Composition of the remuneration committee, including details of individuals or legal persons recruited to provide services to said committee and a statement on the independence of each member and advisor.

Pursuant to the Articles of Association, the Remuneration Committee has three members, who will choose the respective President, positions held by:

Chairman: José Manuel Ferreira Rios;
Member: Álvaro José da Silva;
Member: Rui Fernando Viana Pinto
End of term in office:
31 December 2016, remaining in office until a new election pursuant to law.

No natural or legal person was hired to assist the Remuneration Committee.

The Remuneration Committee met four times in 2015, with the attendance of all the members in office.

Pursuant to the Articles of Association of Corticeira Amorim, the task of this Committee is to decide on the fixed remuneration to be paid to the members of the Presiding Board of the General Meeting, the Supervisory Board and the Statutory Auditors. It is also responsible for deciding on the remuneration of each director, which directors' remuneration consists of profit sharing as well as the percentage attributable to each of these.

The members of **Corticeira Amorim**'s Remuneration Committee should not be formally considered independent from the Board of Directors. However, it is generally believed – particularly by the Annual General Meeting which elected the Committee members – that they have adequate technical skills, practical experience and balanced personality to enable them to fully and effectively discharge their role.

68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee.

Members of the Remuneration Committee were selected on the basis of their wide experience in managing human resources, monitoring and benchmarking other companies' remuneration policies and their knowledge in terms of best remuneration practices and labour law.

Professional qualifications of each member of the Remuneration Committee and other important curricular information:

José Manuel Ferreira Rios (Chairman):
Graduated with a Bachelor's Degree in Economics from the University of Oporto, Faculty of Economics and attended the third year of law school at the Catholic University of Oporto. Attended various safety and human resources courses organised by the Portuguese Insurance Association (Associação Portuguesa de Seguros), between 2005 and 2008. Has held director posts in several companies since 1975 including, among others, leadership in the area of human resources. Manager and responsible for the management of information technology, information systems, human resource management and performance analysis and assessment (1999 to date, in the company: OSI – Sistemas Informáticos e Electrotécnicos, Lda). Head of the Corporate Department of Asset and Human risk analysis, of the Amorim Group, from 2002 to the present date.

Álvaro José da Silva (Member):
Graduated with a Bachelor's Degree in Economics from the University of Porto; Post graduation course in Finances, from ISAG. Held the post of manager of the Studies, Information and Control Office of Portucel (1978-1983); Financial Director of Isopor Portugal and Dow Chemical Portugal (1983 – 1989). Head of the Consolidation and Management Control Department of the Amorim Group, from 1989 to the present date. Speaker at various training courses.

Extensive knowledge of the labour market and employment practices and remuneration. Attended various courses and seminars that address these issues, in particular the issues of pay per performance.

Rui Fernando Viana Pinto (Member):
Accounting and auditing course of Instituto Superior de Contabilidade e Administração do Porto. Worked as an auditor in the company Burton & Meyer (1976) and as a tax inspector of the Tax Inspection Service of the Directorate-General for Taxation (DGCI)/Ministry of Finance (1978-1989). Has held the post of manager of the Tax Department of the Amorim Group, from 1989 to the present date.

Knowledge of the labour market and employment practices, in particular the associated tax issues.

III. REMUNERATION STRUCTURE

69. Description of the remuneration policy of the Board of Directors and Supervisory Boards as set out in Article 2 of Law No. 28/2009 of 19 June.

Under the proposal submitted by the Company's Remuneration Committee, the General Shareholders' Meeting held on 24 March 2015 approved the following remuneration policy:

1. The remuneration of the Members of the Supervisory Board is in the form of an attendance fee. This is established for the entire term of office, considering the characteristics of the Company and market practices;

2. The members of the Board of Directors shall be paid adequate remuneration taking into account:

   - The individual remuneration package agreed upon between the Company and each Director;

   - Observance of the principles of internal equity and external competitiveness, taking into account relevant information disclosed by the main Portuguese economic groups on their remuneration policies and practices;

   - Whenever such is adequate and feasible, such remuneration shall primarily consist of a fixed pay (for executive and non-executive directors) plus a variable pay (for executive directors only) as performance-based premium;

   - The award of the variable pay component of remuneration to the executive members of the Board of Directors shall be a performance bonus, resulting from the degree of compliance with the goals, objectives and strategic initiatives and priority actions defined in a three-year plan, with the respective annual variations. This will ensure the weighing up of financial and non-financial indicators for performance assessment as well as the short-term performance with the contribution of the annual performance to medium / long term economic sustainability of the Organisation;

   - The actual amount of the variable pay shall depend on the appraisal to be carried out every year by the Remuneration Committee on the performance of the Board members, examining the contribution of each individual executive director to both the Company's profit in the relevant financial year and compliance with the Company's targets and implementation of the medium/long-term strategies adopted by the Company; the development of the results and the level of compliance with the following strategic objectives: innovation, financial soundness, value creation, competitiveness and growth;

   - The payment of the variable pay component, if any, may be made wholly or in part after determination of the profit (or loss) for the years in respect of the whole term of office. There is, therefore, the possibility of the variable pay being reduced if the profit for the year reflects a significant deterioration in the Company's performance in the last financial year or if it is expectable that a significant deterioration will occur in the financial year underway;

   - The members of the Board of Directors are prohibited from concluding contracts with the Company or with its subsidiaries and/or companies in which it holds an interest, which may mitigate the risk inherent to the variability of the remuneration as determined by the Company;

   - The Company's remuneration policy does not provide for the allotment of shares and/or options to acquire shares or based on share price variation or any retirement benefit scheme to members of the governing bodies.

70. Information on how remuneration is structured so as to enable the aligning of the interests of the members of the Board of Directors with the company's long-term interests and how it is based on the performance assessment and how it discourages excessive risk taking.

The remuneration policy approved by the General Meeting and described in section 69 is fully adopted.

71. Reference, where applicable, to there being a variable remuneration component and information on any impact of the performance appraisal on this component.

The remuneration policy approved by the General Meeting and described in section 69 is fully adopted. The executive members of the Board of Directors earn a variable remuneration component which depends on the evaluation of their performance, in particular the respective contribution either to the profit obtained in the financial year in question or to comply with goals and implementation of the strategies defined by the Company for the medium/long term (results, innovation, financial soundness, value creation, competitiveness and growth).

72. The deferred payment of the remuneration's variable component and specify the relevant deferral period.

The remuneration policy approved by the General Meeting and described in section 69 is fully adopted. In those terms, the payment of the variable pay component, if any, may be made wholly or in part after determination of the profit (or loss) for the years in respect of the whole term of office. There is, therefore, the possibility of the variable pay being reduced if the profit for the year reflects a significant deterioration in the Company's performance in the last financial year or if it is expectable that a significant deterioration will occur in the financial year underway.

In the financial year under review there were no deferred payments of part of variable component of remuneration as the deterioration referred to in the previous paragraph did not occur.

73. The criteria whereon the allocation of variable remuneration as shares is based, and also on maintaining company shares that the executive directors have had access to, on the possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value.

Variable remuneration in the form of shares as described in this section does not exist.

74. The criteria whereon the allocation of variable remuneration as stock options is based and details of the deferral period and the exercise price.

Variable remuneration in the form of stock options as described in this section does not exist.

75. The key factors and grounds for any annual bonus scheme and any additional non-financial benefits.

There are no other systems of annual bonus or other non-cash benefits besides those identified in the previous sections.

76. Key characteristics of the supplementary pensions or early retirement schemes for Directors and state date when said schemes were approved at the general meeting, on an individual basis.

There are no supplementary pensions or early retirement schemes.

As mentioned in section 69, the Remuneration Committee of **Corticeira Amorim** submitted to the General Meeting held on 24 March 2015 the remuneration policy for the members of the Board of Directors. This proposal, which was approved, expressly stated that the award of the benefits referred to in this note is not the remuneration policy.

Although no retirement benefit systems similar to the ones described in this subsection were in place in the Company on the date hereof, should their implementation be proposed, the General Assembly shall assess the characteristics of the systems adopted and in force in the respective financial year (just as it assessed the non-assignment).

IV. REMUNERATION DISCLOSURE

77. Details on the amount relating to the annual remuneration paid as a whole and individually to members of the company's Board of Directors, including fixed and variable remuneration and as regards the latter, reference to the different components that gave rise to same.

In the 2015 financial year, all the members of the **Board of Directors** earned remunerations from Corticeira Amorim amounting to EUR 590,497.15:

- the executive members earned fixed remunerations amounting to EUR 453,477.15 (António Rios de Amorim: EUR 208,722.89; Nuno Filipe Vilela Barroca de Oliveira: EUR 117,512.89; Fernando José de Araújo dos Santos Almeida: EUR 127,242.13 euros) and variable remuneration – corresponding to a performance bonus arising from the appraisal of the development of the results and compliance with the following strategic objectives: innovation, financial soundness, value creation, competitiveness and growth - which amounted to EUR 137,020.00 (António Rios de Amorim: EUR 50,500.00; Nuno Filipe Vilela Barroca de Oliveira: EUR 25,500.00; Fernando José de Araújo dos Santos Almeida: EUR 61,020.00);

- the non-executive members of this Board did not receive any remuneration for the performance of their roles on the Board of Directors of **Corticeira Amorim**.

As at 31 December 2015, there were no deferred payments of fixed or variable remunerations.

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or are subject to a common control.

In the 2015 financial year none of the members of the Board of Directors have earnings from other associate or affiliated companies included in the consolidation of Corticeira Amorim.

The companies in a control relationship with Corticeira Amorim, SGPS, S.A. - for the performance of administration duties in those same companies - paid remunerations to Cristina Rios de Amorim Baptista: fixed remuneration of EUR 192 342.13 and variable remuneration of EUR 70 830.00 and to Luísa Alexandra Ramos Amorim: fixed remuneration of EUR 56 500.00.

79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded.

The variable component of the remuneration package for Directors is similar to a performance bonus and is contingent on the degree of compliance with the Company's strategic targets, goals and initiatives and its three-year priority action plan and annual variations. Of note for this purpose were, among others, the analysis of the development of the results and the level of compliance with the following strategic objectives: innovation, financial soundness, value creation, competitiveness and growth.

The amounts paid to the members of the Board of Directors pursuant to this section are broken down in section 77.

80. Compensation paid or owed to former executive Directors concerning contract termination during the financial year.

No compensation was paid or is owed to former Directors regarding the termination of their duties in 2015.

81. Details of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory board for the purposes of Law No. 28/2009 of 19 June.

In the 2015 financial year, all the members of the **Supervisory Board** have earnings which amounted to EUR 40,800,00 (Manuel Carvalho Fernandes: EUR 12,000.00; Ana Paula Africano de Sousa e Silva: EUR 9,600.00; Eugénio Luís Lopes Franco Ferreira: EUR 9,600.00; Durval Ferreira Marques: EUR 9,600.00). Under the remuneration policy set out herein, the members of the Supervisory Board did not earn any variable remuneration.

82. Details of the remuneration in said year of the Chairman of the Presiding Board to the General Meeting.

The Chairman and the Secretary of the Board of the General Meeting earned EUR 10,000.00 and EUR 3,000.00, respectively.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. The envisaged contractual restraints for compensation payable for the unfair dismissal of Directors and the relevance thereof to the remunerations' variable component.

No contractual restraints are envisaged in accordance with this section.

84. Reference to the existence and description, with details of the sums involved, of agreements between the company and members of the Board of Directors and managers, pursuant to Article 248-B/3 of the Securities' Code that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid. (art. 245-A/1/l).

There are no agreements according to the terms set out in this section. No agreements providing for the payment of compensations to the Company's directors and officers (other than where required by law) have been entered into by and between the Company and its Directors or Officers.

VI. SHARE AWARD AND/OR STOCK OPTION PLANS

85. Details of the plan and the number of persons included therein.

No share award or stock option plans exist.

86. Characteristics of the plan (award conditions, non-transfer of share clauses, criteria on share pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares or options to be awarded, the existence of incentives to purchase and/or exercise options).

Pursuant to the remuneration policy approved at the General Meeting and as described in section 85, there are no share award or stock option plans.

The Company believes that if plans of this type are to be implemented, the General Meeting should consider the characteristics of the plans to adopt, as well as their achievement in each financial year.

87. Option rights to acquire shares ("stock options") granted to company workers and employees.

None exist.

88. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees (Article 245-A/1/e)).

Control mechanisms of this type do not exist.

E.

RELATED PARTY TRANSACTIONS

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties.
All business conducted by the Company with related parties respects the interests of the Company and its subsidiaries, it is examined by the competent body of the Business Unit that is a counterparty in the transaction and undertaken (i) in normal market conditions or (ii) when the specificity of transactions does not allow to determine this value by using the cost-plus criterion, with margins in the range 2%-5%. Business of significant value (transaction greater than EUR 1 million) or, by their nature, of particular relevance to the Company, is analysed by the Executive Committee and/or Board of Directors.

In accordance with the regulation on transactions with holders of qualifying holdings[3] approved and in force from 1 August 2014, conducting transactions with holders of qualifying holdings and/or related entities should be subject to prior opinion of the Supervisory Board in the following cases:

- **i.** Transactions whose value per transaction exceeds one million euros or where the value accumulated during the year exceeds three million euros. The prior opinion of the Supervisory Board will not be necessary for continuous implementation contracts or renovations in terms substantially similar to those of the contract previously in force;

- **ii.** Transactions with a significant impact on the business activity of **Corticeira Amorim** and/or its subsidiaries due to their nature or strategic importance, regardless of the original value;

- **iii.** Transactions exceptionally undertaken, outside of normal market conditions, regardless of the respective value.

The assessment to be made under the authorisation procedures and prior opinion applicable to transactions with holders of qualifying holdings and/or related entities shall take into account, among other relevant aspects and according to the specific case, the principle of equal treatment of shareholders and other stakeholders, the pursuit of the interests of the Company, as well as the impact, materiality, nature and justification of each transaction.

The value of these transactions is disclosed annually in the Consolidated Annual Report and Accounts of Corticeira Amorim (section 92 herein).

90. Details of transactions that were subject to control in the referred year.
In the year under review there were no transactions subject to the prior opinion of the Supervisory Board.

[3] In spite of the fact the approved rules on transactions with holders of qualifying holdings and in force from 1 August 2014, are not available to the public, the relevant content of the same is reported in this note 89.

91. A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the holders of qualifying interests or entity-relationships with the former, as envisaged in Article 20 of the Securities' Code.
As set out in section 89 above.

II. DATA ON BUSINESS DEALS

92. Details of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of said data.
The transactions of **Corticeira Amorim** with related parties are, in general, due to the provision of services by the subsidiaries of AMORIM - INVESTIMENTOS E PARTICIPAÇÕES, SGPS, S.A., (Amorim Serviços e Gestão, S.A., Amorim Viagens e Turismo, Lda., OSI – Sistemas Informáticos e Electrotécnicos, Lda.). The total of services provided by these companies to the companies of **Corticeira Amorim** was EUR 7.627 million. The value of transactions in the opposite direction was EUR 116,900.

The sales of Quinta Nova, S.A., a subsidiary of AMORIM - INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A., to the companies of the universe of **Corticeira Amorim** totalled EUR 23,000 (2014: EUR 42,000). The transactions in the opposite direction amounted to EUR 79,900.

Purchases of cork (reproduction cork) during the year from companies owned by the major indirect shareholders of **Corticeira Amorim** amounted to EUR 1.317 million, corresponding to less than 2% of total purchases of that raw material.

WICANDERS CORKCOMFORT AT THE CAPC - MUSÉE D'ART CONTEMPORAIN DE BORDEAUX

PART II CORPORATE GOVERNANCE ASSESSMENT

GARRETT MACNAMARA'S CORK SURF BOARD, A PARTNERSHIP WITH MERCEDES-BENZ

1. DETAILS OF THE CORPORATE GOVERNANCE CODE IMPLEMENTED

In matters of corporate governance **Corticeira Amorim** is governed by: (i) current Portuguese legislation, in particular the Portuguese Companies' Code, Portuguese Securities' Code and the regulations issued by the Portuguese Securities Market Commission (CMVM), which may all be accessed on the CMVM's website: www.cmvm.pt; (ii) its own articles of association, which are available on the Company's website at: http://www.amorim.com/investidores/informacao-institucional/estruturas-juridica/; and (iii) the 2013 CMVM Corporate Governance Code as referred to in the CMVM Regulation no. 41/2013 and which, despite just being a recommendatory framework, is an important benchmark of good practice, which is also available at www.cmvm.pt.

Corticeira Amorim assesses its practices in relation to the aforementioned Corporate Governance Code on a 'comply or explain' basis. This report on **Corticeira Amorim**'s corporate governance structures and practices is benchmarked against all legislation, regulations and recommendations to which our Company is subject.

2. ANALYSIS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE IMPLEMENTED

I. VOTING AND CORPORATE CONTROL

I.1. Companies shall encourage shareholders to attend and vote at general meetings and shall not set an excessively large number of shares required for the entitlement of one vote, and implement the means necessary to exercise the right to vote by mail and electronically.
Complies. Sections: 12, 13 and 56.

I.2. Companies shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law.
Does not comply. Section 14.

The **Articles of Association of Corticeira Amorim** enshrine a quorum for calling meetings to order/taking decisions that is greater than that established in law[4] **in the following situations:**

- Restriction or withdrawal of pre-emption rights in share capital increases – the Company's articles of association require that the Annual General Meeting be attended by shareholders accounting for at least 50 per cent of the paid-up share capital (article 7);

- Removal of a director elected under the special provisions set out in article 392 of the Portuguese Companies' Code - in order that a resolution on this issue may be adopted, it is necessary that shareholders accounting for at least 20 per cent of the share capital shall not vote against the resolution to remove a Director from office (article 17);

- In order that resolutions may be passed at an Annual General Meeting convened by shareholders, the meeting shall be attended by members holding shares equivalent to the minimum amount required by law to justify the calling of such a meeting (article 22);

- Change in the composition of the Board of Directors – this resolution must be approved by shareholders accounting for at least two-thirds of the share capital (article 24);

- Winding-up of the Company – this resolution must be approved by shareholders accounting for at least 85 per cent of the paid-up share capital (article 33).

Therefore, non-compliance with the CMVM's Recommendation and the requirement of a higher quorum than that provided for by the Portuguese Companies' Code gives shareholders - particularly small or minority shareholders - an important role in a number of decisions that can have significant impact on corporate life (winding-up), corporate governance model (removal of a Director proposed by minority shareholders and change in the composition of the Board of Directors), ownership rights of shareholders (restriction or abolition of shareholders' pre-emptive subscription rights in share capital increases) and an appropriate participation in Annual General Meetings convened by shareholders.

Thus, after reviewing the above considerations, we are of the opinion that keeping these conditions will contribute to enhance and protect shareholders' rights and role in respect of significant corporate governance matters – values that the Corporate Governance Code seeks to protect.

I.3. Companies shall not establish mechanisms intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share, unless duly justified in terms of long-term interests of shareholders.
Complies. Section 12.

I.4. The company's articles of association that provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or jointly with other shareholders, shall also foresee for a resolution by the General Assembly (5 year intervals), on whether that statutory provision is to be amended or prevails – without super quorum requirements as to the one legally in force – and that in said resolution, all votes issued be counted, without applying said restriction.
Not applicable. The Company Articles of Association do not provide for limitations on the number of votes that may be held or exercised by a shareholder, either separately or jointly with other shareholders. **Section 13.**

I.5. Measures that require payment or assumption of fees by the company in the event of change of control or change in the composition of the Board and that which appear likely to impair the free transfer of shares and free assessment by shareholders of the performance of Board members, shall not be adopted.
Complies partially. The Company concluded financing contracts with possible early repayment in the event of a change in shareholder control. No measures have been implemented specifically targeting the effects described in this recommendation. **Sections 4 and 84.**

II. SUPERVISION, MANAGEMENT AND OVERSIGHT

II.1. Supervision and Management

II.1.1. Within the limits established by law, and excepting small-sized companies, the Board of Directors shall delegate the daily management of the company and said delegated powers shall be identified in the Annual Report on Corporate Governance.
Complies. Sections 27 to 29.

II.1.2. The Board of Directors shall ensure that the company acts in accordance with its objectives and shall not delegate its responsibilities as regards the following: i) define the general strategy and policies of the company, ii) define business structure of the group, iii) decisions considered strategic due to the amount, risk and particular characteristics involved.
Complies. As better detailed in **section 9**, only day-to-day management can be delegated.

II.1.3. The General and Supervisory Board, in addition to its supervisory duties, shall take full responsibility at corporate governance level. Hence, through statutory provision or by equivalent means, the requirement shall be established for this body to decide on the strategy and major policies of the company, the definition of the corporate structure of the group and the decisions that shall be considered strategic due to the amount or risk involved. This body shall also assess compliance with the strategic plan and the implementation of key policies of the company.
Not applicable. The model adopted by Corticeira Amorim does not include this body, as described in **section 15**; the powers to define policy and strategies under this recommendation are powers that cannot be delegated by the Board of Directors. The Supervisory Board and the Statutory Auditor have supervisory powers, with the specific nature arising from the scope of the respective activity.

II.1.4. Except for small-sized companies, the Board of Directors shall create the necessary committees in order to:

a) Ensure a competent and independent assessment of the performance of the executive directors and its own overall performance, as well as of other committees;
Does not comply. Section 69.

[4] The Portuguese Companies' Code establishes the following requirements for valid decision-making at the general meeting:

Quorum (article 383):

1. On first convening, resolutions may be passed at an Annual General Meeting regardless of the number of members present in person or by proxy, unless otherwise laid down in the following paragraph or in the Company's articles of association.
2. On first convening, the Annual General Meeting can pass resolutions to amend the Company's articles of association or the Company's merger, de-merger, transformation or winding-up or any other matters in respect of which an unspecified qualified majority is required by law, if shareholders jointly holding at least one third of the Company's share capital are present in person or by proxy at such meeting.
3. On second convening, resolutions may be passed at an Annual General Meeting regardless of the number of members present in person or by proxy at the meeting or the Company's share capital held by such members.

Majority (article 386):

1. Resolutions at an Annual General Meeting shall be passed by a simple majority of the votes cast, regardless of the percentage of share capital held by the members attending the meeting, unless otherwise provided for by law or in the Company's articles of association; abstentions are not counted.
1. In the event of competing motions for appointment of members to the governing bodies or appointment of statutory auditors or statutory audit firms, the motion receiving the highest number of votes will win.
1. Resolutions on any matter specified in section 383(2) must be carried by a majority of two-thirds of the votes cast, regardless of whether the meeting is convened for the first or for the second time.
1. On second convening, resolutions on any matter specified in section 383(2) may be carried by a simple majority of the votes cast by shareholders present in person or by proxy at the meeting and jointly holding at least half of the Company's share capital.

b) Reflect on the system structure and governance practices adopted, verify its efficiency and propose to the competent bodies, measures to be implemented with a view to their improvement.
Complies. Section 15.

II.1.5. The Board of Directors should set goals in terms of risk-taking and create systems for their control to ensure that the risks effectively incurred are consistent with those goals.
Complies. Section 54.

Moreover, pursuant to the remunerations policy referred to in section 69, the award of the variable pay component of remuneration corresponds to a performance bonus, resulting from the degree of compliance with the goals, objectives and strategic initiatives and priority actions defined in a three-year plan, with the respective annual variations. This will ensure the weighing up of financial and non-financial indicators for performance assessment as well as the short-term performance with the contribution of the annual performance to medium / long term economic sustainability of the Organisation.

II.1.6. The Board of Directors shall include a number of non-executive members ensuring effective monitoring, supervision and assessment of the activity of the remaining members of the board.
Complies. Section 18.

II.1.7. Non-executive members shall include an appropriate number of independent members, taking into account the adopted governance model, the size of the company, its shareholder structure and the relevant free float.
Does not comply.

Although the Board of Directors does not include independent non-executive members as recommended by the Corporate Governance Code, the Company believes that the existence of two supervisory teams – a supervisory board and a statutory auditor – whose members are all independent, **ensures the interests envisaged by this recommendation are fully and appropriately safeguarded**. In addition, it is believed that the observance of this independence requirement coupled with the liability regime for members of the Supervisory Board, meet the conditions necessary to ensure effective supervision to a high standard of impartiality, rigour and independence.

II.1.8. When board members that carry out executive duties are requested by other board members, said shall provide the information requested, in a timely and appropriate manner to the request.
Complies. Section 15.

II.1.9. The Chairman of the Executive Committee shall provide the Chairman of the Board of Directors, the Chairman of the Supervisory Board with the notice of meetings and respective minutes.
Complies. Section 29.

II.1.10. If the chair of the Board of Directors carries out executive duties, said body shall appoint, from among its members, an independent member to ensure the coordination of the work of other non-executive members and the conditions so that said can make independent and informed decisions or to ensure the existence of an equivalent mechanism for such coordination.
Does not comply.

The Board of Directors of Corticeira Amorim does not include independent non-executive members, so it is not possible to establish the relationship on the terms set out in this recommendation.

Nonetheless, the Company believes that the **procedures described in section 21 of this report constitute a system that in practice ensures the fulfilment of the goals advocated by this recommendation**.

II.2. Supervision

II.2.1. Depending on the applicable model, the Chair of the Supervisory Board shall be independent in accordance with the applicable legal standard, and have the necessary skills to carry out their relevant duties.
Complies. Sections 31 to 33.

II.2.2. The supervisory body shall be the main representative of the external auditor and the first recipient of the relevant reports, and is responsible, inter alia, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the company.
Does not comply.

The Supervisory Board is responsible for proposing the Statutory Auditor. It was the Board of Directors who approved its remuneration in the year under review, while the Financial Board was responsible for ensuring the adequate conditions for provision of the services. **This segmentation allows, it is believed, the reasonable safeguarding of the interests that this recommendation protects.**

Therefore, the non-adoption of the recommendation stems from the implementation of a scheme of dialogue and representation with the External Auditor which also guarantees the protection of the interests covered by it. In fact, the removal of issues more of a bargaining nature from the scope of the Supervisory Board/External Auditor relationship, as is the case of fees (but not the scope or extent of the work) facilitates the relationship between these independent and supervisory bodies of the Company. Moreover, the Supervisory Board takes a decision on the work performed by the Statutory Auditor at the end of each financial year. The Company discloses that opinion together with the other accounting documents.

This practice was reviewed in 2014 (by the Executive Committee). It was decided to continue to favour the independence of the two supervisory bodies from each other, keeping the procedures described in this section.

II.2.3. The supervisory board shall assess the external auditor on an annual basis and propose to the competent body its dismissal or termination of the contract as to the provision of their services when there is a valid basis for said dismissal.
Complies. Sections 38 and 40.

II.2.4. The supervisory board shall assess the functioning of the internal control systems and risk management and propose adjustments as may be deemed necessary.
Complies. Section 38.

II.2.5. The Audit Committee, the General and Supervisory Board and the Supervisory Board decide on the work plans and resources concerning the internal audit services and services that ensure compliance with the rules applicable to the company (compliance services), and should be recipients of reports made by these services at least when it concerns matters related to accountability, identification or resolution of conflicts of interest and detection of potential illegalities.
Complies. Section 38.

The head of the Internal Audit Department meets quarterly with the Supervisory Board of the Company, to present and discuss the annual work plan, the resources allocated and the actions undertaken, particularly through the preparation and discussion of a report describing the implementation of such plan the work carried out and the conclusions of such actions.

II.3. Definition of Remunerations

II.3.1. All members of the Remuneration Committee or equivalent should be independent from the executive board members and include at least one member with knowledge and experience in matters of remuneration policy.
Does not comply. Section 67.

The members of **Corticeira Amorim**'s Remuneration Committee should not be formally considered independent from the Board of Directors. However, it is generally believed – particularly by the Annual General Meeting which elected the Committee members – that **they have adequate technical skills, practical experience and balanced personality to enable them to fully and effectively discharge their role.**

II.3.2. No natural or legal person that provides or has provided services in the past three years, to any structure under the board of directors, the Board of Directors of the company itself or who has a current relationship with the company or consultant of the company, shall be hired to assist the Remuneration Committee in the performance of their duties. This recommendation also applies to any natural or legal person that is related to the above by employment contract or provision of services.
Complies. No person was hired or contracted according to the terms of this recommendation.

II.3.3. The statement on the remuneration policy for the members of the Board of Directors and Supervisory Boards as set out in Article 2 of Law No. 28/2009 of 19 June, shall also contain:

a) Identification and details of the criteria for determining the remuneration paid to the members of the governing bodies;
Does not comply.

The remuneration policy statement described in section 69 and prepared in accordance with the provisions of Article 2 of Law 28/2009 of 19 June, does not include the information envisaged in this recommendation.

b) Information regarding the maximum potential, in individual terms, and the maximum potential, in aggregate form, to be paid to members of corporate bodies, and identify the circumstances whereby these maximum amounts may be payable;
Does not comply. The statement on remuneration policy does not contain this information, as described in **section 69**.

c) Information regarding the enforceability or unenforceability of payments for the dismissal or termination of appointment of board members.
Does not comply. The statement on remuneration policy does not contain this information, as described in **section 69**.

It is concluded that, as not all the practices listed in recommendation II.3.3 are complied with, recommendation II.3.3. is deemed to not have been complied with, in accordance with the interpretation of the Portuguese Securities Market Commission.

II.3.4. Approval of plans for the allotment of shares and/or options to acquire shares or based on share price variation to board members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly assess said plan.
Not applicable, since the Company has not set up any share or share options plan. **Sections 69, 85 and 86.**

II.3.5. Approval of any retirement benefit scheme established for members of governing bodies shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly assess said system.
Not applicable, since there is no supplementary pensions or early retirement scheme for members of the corporate bodies. **Section 76.**

III. REMUNERATION

III.1. The remuneration of the executive members of the board shall be based on actual performance and shall discourage taking on excessive risk-taking.
Complies. Section 69.

Pursuant to the remunerations policy referred to in section 69, the award of the variable pay component of remuneration corresponds to a performance bonus, resulting from the degree of compliance with the goals, objectives and strategic initiatives and priority actions defined in a three-year plan, with the respective annual variations. This will ensure the weighing up of financial and non-financial indicators for performance assessment as well as the short-term performance with the contribution of the annual performance to medium / long term economic sustainability of the Organisation.

III.2. The remuneration of non-executive board members and the remuneration of the members of the supervisory board shall not include any component whose value depends on the performance of the company or its value.
Complies. Section 69.

III.3. The variable component of remuneration shall be reasonable overall in relation to the fixed component of the remuneration and maximum limits should be set for all components.
Does not comply.

It must be stressed that current practice clearly reflects a reasonable balance (**Section 77**) not only in terms of absolute values but also in terms of the ratio between fixed and variable remuneration, that there is only a limit - imposed by the Articles of Association - for the part that is established as profit sharing, which cannot exceed 3% for the entire Board of Directors.

III.4. A significant part of the variable remuneration should be deferred for a period of no less than three years, and the right of way payment shall depend on the continued positive performance of the company during that period.
Does not comply. Section 77.

The deferral under the conditions specified in this Recommendation is not usual practice. It should be emphasized that the award of the variable component of remuneration to the executive members of the Board of Directors and Officers of the Company, which represents a performance bonus, results from the verification of compliance with the goals, objectives and strategic initiatives and priority actions defined in a three-year plan, with the respective annual variations, which safeguards the interests covered by this recommendation, although for a period not exceeding three years.

III.5. Members of the Board of Directors shall not enter into contracts with the company or with third parties which intend to mitigate the risk inherent to remuneration variability set by the company.
Complies. Section 69.

III.6. Executive board members shall maintain the company's shares that were allotted by virtue of variable remuneration schemes, up to twice the value of the total annual remuneration, except for those that need to be sold for paying taxes on the gains of said shares, until the end of their term of office.
Not applicable.

The Company has not, nor ever had, schemes for awarding shares as variable remuneration. The remuneration policy also does not envisage schemes for awarding shares as variable remuneration.

III.7. When the variable remuneration includes the allocation of options, the beginning of the exercise period shall be deferred for a period not less than three years.
Not applicable.

The Company has not, nor ever had, schemes for awarding shares as variable remuneration. The remuneration policy also does not envisage schemes for awarding shares as variable remuneration.

III.8. When the removal of board member is not due to serious breach of their duties nor to their unfitness for the normal exercise of their functions but is yet due to inadequate performance, the company shall be endowed with the adequate and necessary legal instruments so that any damages or compensation, beyond that which is legally due, is unenforceable.
Complies.

No legal instrument has been entered into with Directors requiring the company, as provided for in this Recommendation, to pay any damages or compensation beyond that which is legally due.

IV. AUDITING

IV.1. The external auditor shall, within the scope of its duties, verify the implementation of remuneration policies and systems of the corporate bodies as well as the efficiency and effectiveness of the internal control mechanisms and report any shortcomings to the supervisory body of the company.
Does not comply.

The mandate of the Statutory Auditor does not cover checking the remuneration policies and systems implemented in the Company. **It is belief of the Board of Directors that the remuneration management system currently implemented ensures compliance with the remuneration policy adopted by the General Meeting of Shareholders.**

As set out in **section 39**, the performance of all other duties - that must be diligently and effectively carried out - are the Statutory Auditor's responsibility.

IV.2. The company or any entity with which it maintains a control relationship shall not engage the external auditor or any entity with which it finds itself in a group relationship or that incorporates the same network, for services other than audit services. If there are reasons for hiring such services - which must be approved by the supervisory board and explained in its Annual Report on Corporate Governance - said should not exceed more than 30% of the total value of services rendered to the company.
Does not comply.

The services that the Company contracts from PricewaterhouseCoopers, which holds the corporate office of Statutory Auditor, and which do not require the prior approval of the Supervisory Board, primarily include supporting the implementation of administrative procedures for complying with formalities established by law **and subject to rules safeguarding potential issues relating to the independence of this body, as best illustrated in sections 37 and 41**.

IV.3. Companies shall support auditor rotation after two or three terms whether these encompass periods of four or three years, respectively. Its continuance beyond this period must be based on a specific opinion of the supervisory board that explicitly considers the conditions of auditor's independence and the benefits and costs of its replacement.
Does not comply.

As set out in **section 40**, there is no policy of rotation of Statutory Auditor. Continuation in service of the statutory auditor beyond the recommended three-year term is subject to a careful assessment of the advantages and disadvantages, in particular the expertise and experience acquired in the type of business in which the Company is engaged in. **PricewaterhouseCoopers & Associados, SROC, Lda meets the independence requirements and, in addition, this firm of auditors - in line with international best practices - is willing to rotate the auditor assigned to Corticeira Amorim every seven years.**

In addition to a Statutory Auditor, **Corticeira Amorim** has also a Supervisory Board consisting wholly of independent members, whose work cannot be validly performed for a period exceeding three terms.

Therefore, the interests envisaged in this recommendation are believed to be fully protected.

V. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

V.1. The company's business with holders of qualifying interests or entities with which they are in any type of relationship pursuant to article 20 of the Portuguese Securities' Code, shall be conducted during normal market conditions.
Complies. Sections 89 and 92.

V.2. The supervisory or oversight board shall establish procedures and criteria that are required to define the relevant level of significance of business with holders of qualifying interests - or entities with which they are in any of the relationships described in article 20/1 of the Portuguese Securities' Code – thus significant relevant business is dependent upon prior opinion of that body.
Complies. Sections 89 and 92.

VI. INFORMATION

VI.1. Companies shall provide, via their websites in both the Portuguese and English languages, access to information on their progress as regards the economic, financial and governance state of play.
Complies. Sections 59 to 65.

VI.2. Companies shall ensure the existence of an investor support and market liaison office, which responds to requests from investors in a timely fashion and a record of the submitted requests and their processing shall be kept.
Complies. Section 56.

Mozelos, 11 February 2016

The Board of Directors of Corticeira Amorim, S.G.P.S.,

António Rios de Amorim
Chairman

Nuno Filipe Vilela Barroca de Oliveira
Vice-Chairman

Fernando José de Araújo dos Santos Almeida
Member

Cristina Rios de Amorim Baptista
Member

Luísa Alexandra Ramos Amorim
Member

Juan Ginesta Viñas
Member

EXIT, COVERINGS WITH CORK, DESIGNED BY STUDIOIRVINE FOR MATTEO BRIONI

04

Consolidated Financial Statements

Consolidated Statement of Financial Position (thousand euros)

	Notes	December 2015	December 2014
ASSETS			
Property, plant and equipment	IX	190,352	182,893
Investment property	IX	5,008	5,190
Goodwill	X	0	2,911
Investments in associates	V and XI	13,304	10,841
Intangible assets	IX	2,489	1,091
Other financial assets	XI	4,177	3,631
Deferred tax assets	XII	8,359	6,708
Non-current assets		**223,690**	**213,265**
Inventories	XIII	271,705	247,633
Trade receivables	XIV	132,545	122,606
Income tax assets	XV	3,139	2,233
Other current assets	XVI	28,678	25,673
Cash and cash equivalents	XVII	7,461	6,036
Current assets		**443,530**	**404,181**
TOTAL ASSETS		**667,219**	**617,446**
EQUITY			
Share capital	XVIII	133,000	133,000
Treasury stock	XVIII	0	-7,197
Other reserves	XVIII	152,754	140,617
Net Income		55,012	35,756
Non-Controlling Interest	XIX	13,368	13,393
TOTAL EQUITY		**354,133**	**315,569**
LIABILITIES			
Interest-bearing loans	XX	41,211	26,225
Other borrowings and creditors	XXII	10,015	11,533
Provisions	XXX	32,227	27,951
Deferred tax liabilities	XII	6,743	6,970
Non-current liabilities		**90,196**	**72,678**
Interest-bearing loans	XX	50,146	67,369
Trade payables	XXI	121,184	115,303
Other borrowings and creditors	XXII	49,518	44,007
Income tax liabilities	XXIII	2,042	2,520
Current liabilities		**222,890**	**229,199**
TOTAL LIABILITIES AND EQUITY		**667,219**	**617,446**

(this statement should be read with the attached notes to the consolidated financial statements)

Consolidated Income Statement by Nature – Of the Year and Fourth Quarter (thousand euros)

4Q15 (non audited)	4Q14 (non audited)		Notes	2015	2014
141,911	130,655	Sales	XIX	604,800	560,340
71,976	69,006	Costs of goods sold and materials consumed		307,375	286,205
3,339	8,809	Change in manufactured inventories		18,188	9,448
24,112	24,698	Third party supplies and services	XIX	100,537	96,429
30,754	27,146	Staff costs	XXV	111,881	103,315
600	-1,166	Impairments of assets	XXVI	3,291	149
2,411	3,051	Other gains	XXVII	8,934	9,613
-345	2,192	Other costs	XXVII	8,117	6,581
20,565	**20,639**	**Current EBITDA**		**100,720**	**86,722**
6,337	5,650	Depreciation	IX	25,051	22,336
14,228	**14,989**	**Current EBIT**		**75,669**	**64,386**
-3	2,840	Non-current costs	XXVI	2,904	6,354
1,126	2,759	Financial costs	XXVIII	2,847	6,036
418	*769*	*Interest Costs*		*2,139*	*4,078*
212	*1,990*	*Provisions and other fiancial costs*		*709*	*1,958*
32	56	Financial income	XXVIII	58	180
1,050	354	Share of (loss)/profit of associates	XI	3,091	1,280
14,188	**9,801**	**Profit before tax**		**73,066**	**53,456**
408	2,850	Income tax	XII	17,496	16,776
13,779	**6,951**	**Profit after tax**		**55,570**	**36,680**
378	229	Non-controlling Interest	XVIII	558	924
13,402	**6,722**	**Net Income attributable to the equity holders of Corticeira Amorim**		**55,012**	**35,756**
0.101	**0.054**	**Earnings per share - Basic and Diluted (euros per share)**	XXXIV	**0.431**	**0.285**

(this statement should be read with the attached notes to the consolidated financial statements)

Consolidated Statement of Comprehensive Income – Of the Year and Fourth Quarter (thousand euros)

4Q15 (non audited)	4Q14 (non audited)		2015	2014
13,779	**6,952**	**Net Income (before non-controlling Interest)**	**55,570**	**36,680**
		Itens that could be reclassified through income statement:		
-475	208	Change in derivative financial instruments fair value	-124	-55
197	622	Change in translation differences and other	641	1,502
		Itens that will not be reclassified through income statement:		
0	0	Gain in treasury stock sale	25,279	0
-279	**830**	**Net Income directly registered in Equity**	**25,796**	**1,447**
13,501	**7,782**	**Total Net Income registered**	**81,366**	**38,127**
		Attributable to:		
13,071	7,384	Corticeira Amorim Shareholders	81,111	37,303
430	398	Non-controlling Interest	255	824

(this statement should be read with the attached notes to the consolidated financial statements)

Consolidated Statement Of Cash Flow – Of The Year And Fourth Quarter (thousand euros)

4Q15 (non audited)	4Q14 (non audited)		2015	2014
		OPERATING ACTIVITIES		
159,726	157,019	Collections from customers	642,252	615,763
-128,195	-129,576	Payments to suppliers	-514,686	-510,078
-30,379	-27,503	Payments to employees	-110,261	-105,064
1,152	**-60**	**Operational cash flow**	**17,305**	**621**
-5,906	-4,769	Payments/collections - income tax	-15,611	-9,479
22,989	25,124	Other collections/payments related with operational activities	52,952	72,455
18,235	**20,295**	**Cash flow before extraordinary items (1)**	**54,646**	**63,597**
		INVESTMENT ACTIVITIES		
		Collections due to:		
78	10	Tangible assets	484	675
1	9	Investment property	50	11
82	86	Other assets	227	189
33	11	Interests and similar gains	64	78
2,095	3,927	Investment subsidies	2,095	3,927
125	125	Dividends	287	298
		Payments due to:		
-14,145	-6,627	Tangible assets	-31,189	-21,216
-31	-627	Financial investments	-92	-2,514
-1,197	-453	Intangible assets	-1,617	-563
-2,229	-1,009	Investment subsidies	-2,229	-1,009
-15,188	**-4,548**	**Cash flow from investments (2)**	**-31,920**	**-20,124**
		FINANCIAL ACTIVITIES		
		Collections due to:		
3,082	0	Loans	0	0
0	0	Sale of treasury stock	32,927	0
391	426	Others	1,925	1,984
		Payments due to:		
0	-2,166	Loans	-2,575	-16,517
-960	35	Interests and similar expenses	-2,894	-3,690
-32,597	-8,912	Dividends	-50,509	-24,425
-96	-108	Others	-428	-432
-30,181	**-10,725**	**Cash flow from financing (3)**	**-21,555**	**-43,080**
-27,134	5,022	Change in cash (1) + (2) + (3)	1,171	393
21	11	Exchange rate effect	-31	3
22,453	-10,832	Cash at beginning	-5,799	-6,195
-4,659	-5,799	Cash at end	-4,659	-5,799

(this statement should be read with the attached notes to the consolidated financial statements)

Consolidated Statement of Changes in Equity (thousand euros)

	Balance Beginning	Changing in perimeter	Appropriation of N-1 profit	Dividends	Net Profit N	Increases / Reclassif	Decreases / Reclassif	Translation Differences	End Balance
DECEMBER 31, 2015									
Equity:									
Share Capital	133,000	–	–	–	–	–	–	–	133,000
Treasury Stock – Face Value	-7,399	–	–	–	–	–	7,399	–	0
Treasury Stock – Disc. and Premiums	201	–	–	–	–	–	-201	–	0
Paid-in Capital	38,893	–	–	–	–	–	–	–	38,893
IFRS Transition Adjustments	0	–	–	–	–	–	–	–	0
Hedge Accounting	-45	–	–	–	–	–	-124	–	-169
Reserves									
Legal Reserve	12,243	–	2,051	–	–	–	–	–	14,294
Other Reserves	89,300	–	33,705	-50,169	–	25,729	25	–	98,590
Translation Difference	226	–	–	–	–	–	–	919	1,145
	266,419	**0**	**35,756**	**-50,169**	**0**	**25,729**	**7,099**	**919**	**285,753**
Net Profit for the Year	**35,756**	–	**-35,756**	–	**55,012**	–	–	–	**55,012**
Non-Controlling Interest	**13,393**	**13**	–	**-293**	**558**	–	–	**-303**	**13,368**
Total Equity	**315,569**	**13**	**0**	**-50,462**	**55,570**	**25,729**	**7,099**	**616**	**354,133**
DECEMBER 31, 2014									
Equity:									
Share Capital	133,000	–	–	–	–	–	–	–	133,000
Treasury Stock – Face Value	-7,399	–	–	–	–	–	–	–	-7,399
Treasury Stock – Disc. and Premiums	201	–	–	–	–	–	–	–	201
Paid-in Capital	38,893	–	–	–	–	–	–	–	38,893
IFRS Transition Adjustments	0	–	–	–	–	–	–	–	0
Hedge Accounting	10	–	–	–	–	–	-55	–	-45
Reserves									
Legal Reserve	12,243	–	–	–	–	–	–	–	12,243
Other Reserves	82,886	–	30,339	-23,864	–	–	-61	–	89,300
Translation Difference	-1,445	–	–	–	–	–	–	1,671	226
	258,389	**0**	**30,339**	**-23,864**	**0**	**0**	**-116**	**1,671**	**266,419**
Net Profit for the Year	**30,339**	–	**-30,339**	–	**35,756**	–	–	–	**35,756**
Non-Controlling Interest	**13,009**	**0**	–	**-433**	**924**	–	**-20**	**-87**	**13,393**
Total Equity	**301,737**	**0**	**1**	**-24,297**	**36,680**	**0**	**-135**	**1,584**	**315,569**

(this statement should be read with the attached notes to the consolidated financial statements)

05

Notes to the Consolidated Financial Statements

I

INTRODUCTION

At the beginning of 1991, Corticeira Amorim, S.A. was transformed into **Corticeira Amorim**, S.G.P.S., S.A., the holding company for the cork business sector of the Amorim Group. In this report, **Corticeira Amorim** will be the designation of **Corticeira Amorim**, S.G.P.S., S.A., and in some cases the designation of **Corticeira Amorim**, S.G.P.S. together with all of its subsidiaries.

Corticeira Amorim, directly or indirectly, holds no interest in land properties used to grow and explore cork tree. Cork tree is the source of cork, the main raw material used by **Corticeira Amorim** production units. Cork acquisition is made in an open market, with multiple agents, both in the demand side as in the supply side.

Corticeira Amorim is mainly engaged in the acquisition and transformation of cork into a numerous set of cork and cork related products, which are distributed worldwide through its network of sales company.

Corticeira Amorim is a Portuguese company with a registered head office in Mozelos, Santa Maria da Feira. Its share capital amounts to 133 million euros, and is represented by 133 million shares, which are publicly traded in the Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

Amorim Capital - Sociedade Gestora de Participações Sociais, S.A. held 67,830,000 shares of **Corticeira Amorim** as of December 31, 2015 corresponding to 51.00 % of its share capital (December 2014: 67,830,00 shares). Amorim Capital - Sociedade Gestora de Participações Sociais, S.A. consolidates in Interfamilia II, S.G.P.S., S.A., which is its controlling and mother company, owned by Amorim family.

These financial statements were approved in the Board Meeting of February 11, 2016. Shareholders have the capacity to modify these financial statements even after their release.

Except when mentioned, all monetary values are stated in thousand euros (Thousand euros = K euros = K€).

Some figures of the following notes may present very small differences not only when compared with the total sum of the parts, but also when compared with figures published in other parts of this report. These differences are due to rounding aspects of the automatic treatment of the data collected.

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II

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

a. BASIS OF PRESENTATION

Consolidated statements were prepared based in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as of December 31, 2015.

Consolidated statements were prepared based on a going concern basis and using the records as stated in the companies' books included in the consolidation which adopted local general accepted accounting principles. Accounting adjustments were made in order to comply with group accounting policies, following the historical cost principle, except for financial instruments, which are registered according to IAS 39.

b. CONSOLIDATION

Group companies

Group companies, often designated as subsidiaries, are entities (including structured entities) over which **Corticeira Amorim** has control. **Corticeira Amorim** controls when it is exposed to, or holds the rights over variable generated returns through its involvement with the entity. It must have also the capacity to influence those variable returns through the power it has over the entity activity.

Group companies are consolidated line by line, being the position of third-party interests in the shareholding of those companies stated in the consolidated financial position in the "Non-controlling interest" account. Date of first consolidation or de-consolidation is, in general, the beginning or the end of the quarter when the conditions for that purpose are fulfilled.

Profit or loss is allocated to the shareholders of the mother company and to the non-controlling interest in proportion of their correspondent parts of capital, even in the case that non-controlling interest become negative.

IFRS 3 is applied to all business combinations past January 1, 2010, according to Regulamento no. 495/2009, of June 3, as adopted by the European Commission. When acquiring subsidiaries the purchasing method will be followed. According to the revised IFRS, the acquisition cost will be measured by the given fair value assets, by the assumed liabilities and equity interest issued. Transactions costs will be charged as incurred and the services received. The exceptions are the costs related with debt or capital issued. These must be registered according to IAS 32 and IAS 39. Identifiable purchased assets and assumed liabilities will be initially measured at fair value. The acquirer shall recognized goodwill as of the acquisition date measured as the excess of (i) over (ii) below:

(i) the aggregate of:
- the consideration transferred measured in accordance with this IFRS;
- the amount of any Non-controllable interest in the acquiree; and
- In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed

In the case that (ii) exceeds (i), a difference must be registered as a gain.

The values of assets and liabilities acquired as part of a business combination can be reviewed for a period of 12 months from the date of acquisition.

The acquisition cost is subsequently adjusted when the purchase price / allocation is contingent upon the occurrence of specific events agreed with the seller / shareholder.

Any contingent payments to be transferred by the Group are recognized at fair value at the acquisition date. Subsequent changes in fair value that may occur, evaluated as assets or liabilities are recognized in accordance with IAS 39.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated but considered an impairment indicator of the asset transferred.

The amounts reported by the Group's subsidiaries are adjusted where necessary to conform with the accounting policies of **Corticeira Amorim**.

Non-controlling interest

Non-controlling Interest are recorded at fair value or in the proportion of the percentage held in the net asset of the acquire, as long as it is effectively owned by the entity. The others components of the non-controlling interest are registered at fair value, except if other criteria is mandatory.

Transactions with Non-controlling interests are treated as transactions with Group Equity holders, when no loss of control occurs.

In any acquisition from non-controlling interests, the difference between the consideration paid and the accounting value of the share acquired is recognised in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss.

Equity companies

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill. Future impairments of goodwill will be adjusted against the carrying amount of investments. The Group's share of its associates post-acquisition profits or losses is recognised in the income statement, in the "Gain/(losses) in associates" account, and its share of post-acquisition movements in reserves is recognised in reserves. The carrying amount is also adjusted by dividends received. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the group does not recognise further losses, unless it has incurred obligation on behalf of the associate, in this case the liabilities will be recorded in a "Provisions" account.

The accounting policies adopted by the associates are adjusted to the accounting policies of the group.

Exchange rate effect
Euro is the legal currency of **Corticeira Amorim**, S.G.P.S., S.A., and is the currency in which two thirds of its business is made and so Euro is considered to be its functional and presentation currency.

In non-euro subsidiaries, all assets and liabilities denominated in foreign currency are translated to euros using year-end exchange rates. Net exchange differences arising from the different rates used in transactions and the rate used in its settlements is recorded in the income statement.

Assets and liabilities from non-euro subsidiaries are translated at the balance sheet date exchange rate, being its costs and gains from the income statement translated at the average exchange rate for the period / year.

Exchange differences are registered in an equity account "Translation differences" which is part of the line "Other reserves".

Whenever and a non-euro subsidiary is sold or liquidated, accumulated translation differences recorded in equity is registered as a gain or a loss in the consolidated income statement by nature.

c. TANGIBLE FIXED ASSETS
Tangible fixed assets are originally their respective historical cost (including attributable expenses) or production cost, including, whenever applicable, interest costs incurred throughout the respective construction or start-up period, which are capitalised until the asset is ready for its projected use.

Tangible fixed assets are subsequently measured at acquisition cost, deducted from cumulative depreciations and impairments.

Depreciation is calculated on the straight-line basis, over the following years, which represent a reasonable estimate of the useful lives:

	Number of years
Buildings	20 to 50
Plant machinery	6 to 10
Motor vehicles	4 to 7
Office equipment	4 to 8

Depreciation is charged since the beginning of the moment in which the asset is ready to use. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Current maintenance on repair expenses are charged to the actual income statement in which they occurred. Cost of operations that can extend the useful expected life of an asset, or from which are expected higher and significative future benefits, are capitalized.

An asset's carrying amount is written down to its recoverable amount and charged to the income statement if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses and disposals are included in the income statement.

d. INTANGIBLE ASSETS
Intangible assets are initially measured at cost. Subsequently they are measured at cost less accumulated depreciation.

Research expenditures are recognised in the income statement as incurred.

Development expenditure is recognised as intangible asset when the technical feasibility being developed can be demonstrated and the Group has the intention and capacity to complete their development and start trading or using them and that future economic benefits will occur.

Amortisation of the intangible assets is calculated by the straight-line method, and recorded as the asset qualifies for its required purpose:

	Number of years
Industrial Property	10 to 20
Software	3 to 6

The estimated useful life of assets are reviewed and adjusted when necessary, at the balance sheet date.

e. INVESTMENT PROPERTY
Investment property includes land and buildings not used in production.

Investment property are initially registered at acquisition cost plus acquisition or production attributable costs, and when pertinent financial costs during construction or installation. Subsequently are measured at acquisition cost less cumulative depreciations and impairment.

Periods and methods of depreciation are as follows in c) note for tangible fixed asset.

Properties are derecognized when sold. When used in production are reclassified as tangible fixed asset. When land and buildings are no mores used for production, they will be reclassified from tangible fixed asset to investment property.

f. GOODWILL
Goodwill arises from acquisition of subsidiaries and represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired at the date of acquisition. If positive, it will be included as an asset in the "goodwill" account. If negative, it will be registered as a gain for the period.

In Business combinations after January 1, 2010, Goodwill will be calculated as referred in b).

For impairment tests purposes, goodwill is allocated to the cash-generating unit or group of cash-generating units that are expected to benefit from the upcoming synergies.

Goodwill will be tested annually for impairment, or whenever an evidence of such occurs; impairment losses will be charged to the income statement and, consequently, its carrying amount adjusted.

g. NON-FINANCIAL ASSETS IMPAIRMENT
Assets with indefinite useful lives are not amortised but are annually tested for impairment purposes.

For the estimate of impairments, assets are allocated to the lowest level for which there is separate identifiable cash flows (cash generating units).

Assets under depreciation are tested for impairment purposes whenever an event or change of circumstances indicates that its value cannot be recovered. Impairment losses are recognized as the difference between its carrying amount and its recoverable amount. Recoverable corresponds to the higher of its fair value less sales expenses and its value for use. Non-financial assets, except goodwill, that generated impairment losses are valued at each reporting date regarding reversals of said losses.

h. OTHER FINANCIAL ASSETS
This caption is primarily related to investments in equity instruments available for sale, which have no stock exchange share price and whose fair value cannot be estimated reliably and are therefore measured at cost. Dividends, if any, are recognized in the period in which they occur, when the right to receive is established.

i. INVENTORIES
Inventories are valued at the lower of acquisition cost or production cost and net realisable value. Acquisition cost includes direct and indirect

expenses incurred in order to have those inventories at its present condition and place. Production cost includes used raw material costs, direct labour, other direct costs and other general fixed production costs (using normal capacity utilisation).

Where the net realisable value is lower than production cost, inventory impairment is registered. This adjustment will be reversed or reduced whenever the impairment situation no longer takes place.

Year-end quantities are determined based on the accounting records, which are confirmed by the physical inventory taking. Raw materials, consumables and by-products are valued at weighted average cost, and finished goods and work-in-progress at the average production cost which includes direct costs and indirect costs incurred in production.

j. TRADE AND OTHER RECEIVABLES

Trade and other receivables are registered initially at fair value and subsequently registered at amortized cost, and adjusted for any subsequent impairment losses which will be charged to the income statement.

Medium and long-term receivables, if applicable, will be measured at amortised cost using the effective interest rate of the debtor for similar periods.

Trade and other receivables are derecognised when the rights to receive cash flows from the investments expire or are transferred, as well as all the risks and rewards of its ownership.

k. FINANCIAL ASSETS IMPAIRMENT

At each reporting date, the impairment of financial assets at amortised cost is evaluated.

Financial asset impairment occurs if after initial register, unfavourable cash flows from that asset can be reasonably estimated.

Impairment losses are recognized as the difference between its carrying amounts and expected future cash flows (excluding future losses that yet have not occurred), discounted at the initial effective interest rate of the asset. The calculated amount is deducted to the carrying amount and loss recognised in the earnings statement.

l. CASH AND CASH EQUIVALENTS

Cash includes cash in hand, deposits held at call in banks, time deposits and other no-risk short-term investments with original maturities of three months or less. In the Consolidated Statement of Cash Flow, this caption includes Bank overdrafts.

m. SUPPLIERS, OTHER BORROWINGS AND CREDITORS

Debts to suppliers and other borrowings and creditors are initially registered at fair value. Subsequently are measured at amortised cost using effective interest rate method. They are classified as current liabilities, except if **Corticeira Amorim** has full discretion to defer settlement for at least another 12 months from the reporting date.

Liabilities are derecognised when the underlying obligation is extinguished by payment, cancelled or expire.

n. INTEREST BEARING LOANS

This line includes interest bearing loans amounts. Any costs attributable to the lender, will be deducted to the loan amount and charged, during its life, using the effective interest rate.

Interests are usually charged to the income statement as they occur. Interests arising from loans related with capital expenditure for periods longer than 12 months will be capitalised and charged to the specific asset under construction. Capitalisation will cease when the project is ready for use or suspended.

o. INCOME TAXES – CURRENT AND DEFERRED

Income tax includes current income tax and deferred income tax. Except for companies included in groups of fiscal consolidation, current income tax is calculated separately for each subsidiary, on the basis of its net result for the period adjusted according to tax legislation. Management periodically addresses the effect of different interpretations of tax law.

Deferred taxes are calculated using the liability method, reflecting the temporary differences between the carrying amount of consolidated assets and liabilities and their correspondent value for tax purposes.

Deferred tax assets and liabilities are calculated and annually registered using actual tax rates or known tax rates to be in vigour at the time of the expected reversal of the temporary differences.

TECHNICAL CORK STOPPERS

Deferred tax assets are recognized to the extent that it is probable sufficient future taxable income will be available utilisation. At the end of each year an analysis of the deferred tax assets is made. Those that are not likely to be used in the future will be derecognised.

Deferred tax liabilities are recognized for all taxable temporary differences, except those related to i) the initial recognition of goodwill; or ii) the initial recognition of assets and liabilities that do not result from a business combination, and that at transaction date does not affect the accounting or tax result.

Deferred taxes are registered as an expense or a gain of the year, except if they derive from values that are booked directly in equity. In this case, deferred tax is also registered in the same line.

p. EMPLOYEE BENEFITS

Corticeira Amorim Portuguese employees benefit exclusively from the national welfare plan. Employees from foreign subsidiaries (about 30% of total **Corticeira Amorim**) or are covered exclusively by local national welfare plans or benefit from complementary contribution plans.

As for the defined contribution plans, contributions are recognised as employee benefit expense when they are due.

Corticeira Amorim recognises a liability and an expense for bonuses attributable to a large number of directors. These benefits are based on estimations that take in account the accomplishment of both individual goals and a pre-established **Corticeira Amorim** level of profits.

q. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions are recognised when **Corticeira Amorim** has a present legal or constructive obligation as a result of past events, when it is more likely than not an outflow of resources will be required to settle the obligation and when a reliable estimation is possible.

Provisions are not recognised for future operating losses. Restructuring provisions are recognised with a formal detail plan and when third parties affected are informed.

When there is a present obligation, resulting from a past event, but it is not probable that an out flow of resources will be required, or this cannot be estimated reliably, the obligation is treated as a contingent liability. This will be disclosed in the financial statements, unless the probability of a cash outflow is remote.

Contingent assets are not recognized in the financial statements but disclosed when it is probable the existence of an economic future inflow of resources.

r. REVENUE RECOGNITION

Revenue comprises the value of the consideration received or receivable for the sale of goods and finished products. Revue is shown, net of value-added tax, returns, rebates, and discounts, including cash discounts. Revenue is also adjusted by any prior period's sales corrections.

Services rendered are immaterial and, generally, are refunds of costs related with finish product sales.

Sales revenue is recognised when the significant risk and rewards of ownership of the goods are transferred to the buyer and its amount can be reliably measured. Revenue receivable after one year will be discounted to its fair value.

s. GOVERNMENT GRANTS

Grants received are related generally with fixed assets expenditure. No-repayable grants are present in the balance sheet as deferred income, and recognised as income on a systematic basis over the useful life of the related asset. Repayable interest bearing grants are presented as interests bearing debt; if no-interest bearing, they are presented as "Other borrowings". Reimbursable grants with "out of market" interest rates are measured at fair value when they are initially recognised. Difference between nominal and fair value at initial recognition is treated as an income to be recognised. This will be presented in other gains during the useful life span of the said asset. Subsequently, these grants are measured at amortised cost.

t. LEASING

When a contract indicates that the significant risks and rewards of the ownership of the asset are transferred to **Corticeira Amorim**, leasing contracts will be considered as financial leases.

All other leasing contracts are treated as operating leases. Payments made under operating leases are charged to the income statement.

Whenever **Corticeira Amorim** qualifies as lessee of finance leases, assets under lease are recognized as Tangible Fixed Assets and are depreciated over the shorter of the term of the contract and the useful life of the assets.

u. DERIVATIVE FINANCIAL INSTRUMENTS

Corticeira Amorim uses derivatives financial instruments as forward and spot exchange rate contracts, options and swaps; these are intended to hedge its business financial risks and are not used for speculative purposes. **Corticeira Amorim** accounts for these instruments as hedge accounting, following all its standards. Dealing is carried out by a central treasury department (dealing room) on behalf of the subsidiaries, under policies approved by the Board of Directors. Derivatives are recorded at their fair value. The method of recognising is as follows:

a. Fair value hedge

Changes in the fair value of derivatives that qualify as fair value hedges and that are expected to be highly effective, are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

b. Cash flow hedge

Changes in the fair value of derivatives that qualify as cash flow edges and that are expected to be highly effective, are recognised in equity, being transferred to income statement in the same period as the respective hedged item affects results; the gain or loss relating to the ineffective portion is recognised immediately in the income statement.

c. Net investment hedge

For the moment, **Corticeira Amorim** is not considering any foreign exchange hedge over its net investments in foreign units (subsidiaries).

Corticeira Amorim has fully identified the nature of its activities' risk exposure and documents entirely and formally each hedge; uses its information system to guarantee that each edge is supported by a description of: risk policy, purpose and strategy, classification, description of risk, identity of the instrument and of the risk item, description of initial measurement and future efficiency, identification of the possible derivative portion which will be excluded from the efficiency test.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, or the forecasted transaction no longer remains highly provable or simply is abandoned, or the decision to consider the transaction as a hedge, the company will de-recognised the instrument.

v. EQUITY

Ordinary shares are included in equity.

When **Corticeira Amorim** acquires own shares, acquisition value is recognised deducting from equity in the line treasury stock.

III

FINANCIAL RISK MANAGEMENT

Corticeira Amorim activities expose it to a variety of financial risks: market risks (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk.

MARKET RISK

a. Exchange rate risk

Corticeira Amorim operates in various international markets, being, consequently, exposed to exchange rates variations in the local currencies in which conducts its business. Around one third of its total sales are denominated in currencies other than its reporting currency (euro), of which around two thirds is USD denominated. The remaining sales are concentrated in South African rand, Chilean peso, British pound and Australian dollar. About 90% of the goods and services acquired are euro based. Most of the remaining value is denominated in USD.

Exchange rate risk derives not only from the effects of the exchange rates variations in non-euro assets and liabilities euro counter value, but also from the effects in the book orders (future transactions) and from net investments in operating units located in non-euro areas.

Exchange rate risk management policy established by **Corticeira Amorim** Board points out to a total hedging of the assets deriving from sales in the most important currencies and from USD acquisitions. As for book orders up to 90 days, each Business Unit responsible will decide according to exchange rate evolution. Book orders, considered relevant, due after 90 days, will be presented by the Business Unit responsible to the Board.

As of December 31, 2015, exchange rates different from the actual as of that date, would have no material effect in financial assets or liabilities values, due to the said hedging policy. As for book orders any effect would be registered in Equity. As for non-euro net investments in subsidiaries/associate, any exchange rate effect would be registered in Equity, because **Corticeira Amorim** does not hedge this type of assets. As these investments are not considered relevant, the register of the effects of exchange rates variations was 1,145 K€ as of December 31, 2015 (2014: 225 K€).

b. Interest rate risk

As of December 31, 2014, all interest bearing debt was linked to variable interest rate. As of December 31, 2015, from the total interest bearing debt, 25 M€ were linked to fixed interest rate for a 10 year period.

Most of the risk derives from the noncurrent-term portion of that debt at variable rate (16.2 M€ as of 31/12/2015 and 26.2 M€ as of 31/12/2014). During 2010 and 2013 Corticeira Amorim, SGPS, SA signed interest rate swaps regarding the economic hedging of the interest rate risk. In its books, these were registered as an available-for-sale derivative. The derivative contracted in 2010 expired in 2015. These loans accounted, respectively, at the end of those periods about 18% and 28% of total interest bearing debt.

As of December 31, 2015, for each 0.1% variation in euro based debt, a total effect of -91 K€ in **Corticeira Amorim** profits would be registered.

CREDIT RISK

Credit risk is due, mainly, to receivables from customers related to trade sales. Credit risk is monitored by the operating companies Financial Departments, taking in consideration its history of trade relations, financial situation as well as other types of information that **Corticeira Amorim** business network has available related with each trading partner. Credit limits are analysed and revised, if necessary, on a regular basis. Due to the high number of customers, spread through all continents, the most important of them weighting less than 3% of total sales, credit risk is naturally diminished.

Normally no guarantees are due from customers. **Corticeira Amorim** does not make use of credit insurance.

Credit risk derives also from cash and cash equivalents balances and from financial derivative instruments. **Corticeira Amorim** previously analysis the ratings of the financial institutions so that it can minimize the failure of the counterparts.

The maximum credit risk is the one that results from the failure to receive all financial assets (December 2015: 170 million euros and December 2014: 156 million euros).

LIQUIDITY RISK

Corticeira Amorim financial department regularly analyses future cash flows so that it can deliver enough liquidity for the group to provide operating needs, and also to comply with credit lines payments. Excess of cash is invested in interest bearing short-term deposits. This police offer the necessary flexibility to conduct its business.

Financial liabilities estimated non-discounted cash flows maturities are as follows:

	Up to 1 year	1 to 2 years	2 to 4 years	More than 4 years	Total
Interest-bearing loans	67,369	20,957	1,219	4,049	93,594
Other borrowings and creditors	37,703	4,362	4,938	2,234	49,237
Trade payables	115,303				115,303
Total as of December 31, 2014	**220,375**	**25,319**	**6,157**	**6,283**	**258,134**
Interest-bearing loans	50,146	1,916	5,916	33,379	91,357
Other borrowings and creditors	44,259	3,538	6,287	191	54,275
Trade payables	121,184				121,184
Total as of December 31, 2015	**215,589**	**5,454**	**12,203**	**33,570**	**266,816**

(thousand euros)

Liquidity risk hedging is achieved by the existence of non-used credit line facilities and, eventually bank deposits.

Based in estimated cash flows, 2016 liquidity reserve, composed mainly by non-used credit lines, will be as follows:

	2016
Opening balance	**139**
Operating cash in and cash out	95
Capex	-26
Interest and dividends	-23
Income tax	-17
Bank debt payments	-10
Closing balance	**158**

(million euros)

NOTE: includes dividends to be approved in the March 30, 2016 shareholders meeting

CAPITAL RISK

Corticeira Amorim key objective is to assure business continuity, delivering a proper return to its shareholders and the correspondent benefits to its remaining stakeholders. A careful management of the capital employed in the business, using the proper combination of capital in order to reduce its costs, obtains the fulfilment of this objective. In order to achieve the proper combination of capital employed, the Board can obtain from the General Shareholders Meeting the approval of the necessary measures, namely adjusting the dividend pay-out ratio, the treasury stock, raising capital through new shares issue, sale of assets or other type of measures.

The key indicator for the said combination is the Equity / Assets ratio. **Corticeira Amorim** considers that a 40% ratio is a clear sign of a perfect combination, and should not deviate significantly from the range 40%-50%, depending on actual economic conditions and of the cork sector in particular, is the objective to be accomplished. The said ratio register was:

	2015	2014	2013
Equity	354,133	315,569	301,737
Assets	667,219	617,446	627,307
Ratio	**53.1%**	**51.1%**	**48.1%**

(thousand euros)

FINANCIAL ASSETS AND LIABILITIES FAIR VALUE

As of December 31, 2015 and December 2014, financial instruments measured at fair value in the financial statements of **Corticeira Amorim** were composed solely of derivative financial instruments. Derivatives used by **Corticeira Amorim** have no public quotation because they are not traded in an open market (over the counter derivatives).

According to the accounting standards, a fair value hierarchy is established that classifies three levels of data to be used in measurement techniques at fair value of financial assets and liabilities:

Level 1 data – public quotation (non-adjusted) in liquid markets for comparable assets or liabilities;

Level 2 data – different data of public quotation observable for the asset or the liability, directly or indirectly;

Level 3 data – non observable data for the assets or the liability.

As of December 31, 2015, derivative financial instruments recognised as assets in the consolidated statement of financial position are not material, reaching 1,051 thousand euros (2014: 81 K€) and 449 thousand euros as liabilities (2014: 2,589 K€), as stated in notes XVI and XXII.

As stated in notes III b) and XIX, **Corticeira Amorim** entered two swaps to hedge interest rate risk. These swaps are recorded as trading derivatives and are evaluated by external financial entities. For one of these swaps, matured in 2015, a proprietary model which utilises, on top of other inputs, a proprietary index (level 3). For the other, the evaluation uses observable inputs indirectly in the market (level 2).

Corticeira Amorim uses forward outrights and options to hedge exchange rate risk, as stated in note XXX. Evaluating exchange rate hedge instruments requires the utilisation of observable inputs (level 2). Fair value is calculated using a proprietary model of **Corticeira Amorim**, developed by Reuters, using discounted cash flows method for forwards outrights. As for options, it is used the Black & Scholes model.

Summary of the financial instruments derivatives fair value:

			31/12/2015		31/12/2014	
Nature	**Hierarchy**	**Type**	**Notional**	**Fair Value**	**Notional**	**Fair Value**
		Cash flow hedge	2,961	123		
		Fair value hedge	8,821	529	1,710	81
		Trading derivatives	17,374	398		
	Level 2 Total		**29,157**	**1,051**	**1,710**	**81**
Total Assets			**29,157**	**1,051**	**1,710**	**81**
		Cash flow hedge	24,220	-374	10,483	-174
		Fair value hedge	20,745	-139	28,984	-2,208
		Trading derivatives	29,095	64	20,000	-124
	Level 2 Total		**74,061**	**-449**	**59,467**	**-2,505**
		Trading derivatives	0	0	30,000	-83
	Level 3 Total		0	0	30,000	-83
Total Liabilities			**74,061**	**-449**	**89,467**	**-2,589**

(thousand euros)

YOU MAKE THE PARK, OUTDOOR FURNITURE, A PARTNERSHIP WITH FABRICA

IV

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When evaluating equity and net income, **Corticeira Amorim** makes estimates and assumptions concerning events only effective in the future. In most cases, estimates were confirmed by future events. In such cases where it doesn't, variations will be registered when they'll be materialized.

The useful lives used represent best estimate for the expected period of use of property. They are periodically reviewed and adjusted if necessary, as described in Note II. c.

Still to be noted 8,359 K€ registered in deferred tax assets (2014: 6,708 K€). These values will be recovered if the business plans of the companies that recorded those assets are materialized in the future (Note XII).

Provisions for tax contingencies and other processes are based on the best estimate of management regarding losses that may exist in the future that are associated with these processes (Note XXX).

V

CONSOLIDATED ACCOUNTS PREPARATION PROCESS

The description of the main elements of the internal control system and risk management of the group, in relation to the process of the consolidated accounts [art. C-508/5 / f) and 8 CSC], is as follows:

The financial information preparation process is dependent on the actors in the registration process of operations and support systems. In the group there is an Internal Control Procedures Manual and Accounting Manual, approved by the Board which must be adopted by all companies of the **Corticeira Amorim** Group. These manuals contain a set of rules and policies to ensure that in the financial information preparation process homogeneous principles are followed, and to ensure the quality and reliability of financial information.

The implementation of accounting policies and internal control procedures relating to the preparation of financial information is subject to the evaluation by the internal and external audit.

Every quarter, the consolidated financial information by business unit is assessed, validated and approved by the management of each of the group's business units.

Before its release, the consolidated financial information of **Corticeira Amorim** is approved by the Board of Directors and presented to the Supervisory Board.

BUILDING FAÇADE WITH EXPANDED INSULATION CORKBOARD

VI

COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company		Head Office	Country	2015	2014
Raw Materials					
Amorim Natural Cork, S.A.		Vale de Cortiças - Abrantes	Portugal	100%	100%
Amorim Florestal, S.A.		Ponte de Sôr	Portugal	100%	100%
Amorim Florestal España, SL		San Vicente Alcántara	Spain	100%	100%
Amorim Florestal Mediterrâneo, SL		Cádiz	Spain	100%	100%
Amorim Tunisie, S.A.R.L.		Tabarka	Tunisia	100%	100%
Augusta Cork, S.L.		San Vicente Alcántara	Espanha	100%	100%
Comatral - C. de Maroc. de Transf. du Liège, S.A.		Skhirat	Morocco	100%	100%
SIBL - Société Industrielle Bois Liége		Jijel	Algeria	51%	51%
Société Nouvelle du Liège, S.A. (SNL)		Tabarka	Tunisia	100%	100%
Société Tunisienne d'Industrie Bouchonnière	(b)	Tabarka	Tunisia	45%	45%
Vatrya - Serviços de Consultadoria, Lda		Funchal - Madeira	Portugal	100%	100%
Cork Stoppers					
Amorim & Irmãos, SGPS, S.A.		Santa Maria Lamas	Portugal	100%	100%
ACIC USA, LLC	(f)	California	U. S. America	100%	–
Agglotap, SA		Girona	Spain	91%	91%
All Closures In, S.A..		Paços de Brandão	Portugal	100%	–
Amorim & Irmãos, S.A.		Santa Maria Lamas	Portugal	100%	100%
Amorim Argentina, S.A.		Buenos Aires	Argentina	100%	100%
Amorim Australasia Pty Ltd		Adelaide	Australia	100%	100%
Amorim Bartop, S.A.	(f)	Mozelos	Portugal	100%	–
Amorim Cork América, Inc.		California	U. S. America	100%	100%
Amorim Cork Beijing Ltd		Beijing	China	100%	100%
Amorim Cork Bulgaria EOOD		Plovdiv	Bulgaria	100%	100%
Amorim Cork Deutschland GmbH & Co KG		Mainzer	Germany	100%	100%
Amorim Cork España, S.L.		San Vicente Alcántara	Spain	100%	100%
Amorim Cork Itália, SPA		Conegliano	Italy	100%	100%
Amorim Cork South Africa (Pty) Ltd		Cape Town	South Africa	100%	100%
Amorim France, S.A.S.		Champfleury	France	100%	100%
Bouchons Prioux		Epernay	France	91%	91%
Carl Ed. Meyer Korken	(d)	Delmenhorst	Germany	–	100%
Chapuis, S.L.		Girona	Spain	100%	100%
Corchera Gomez Barris		Santiago	Chile	50%	50%
Corchos de Argentina, S.A.	(b)	Mendoza	Argentina	50%	50%
Equipar, Participações Integradas, Lda.		Coruche	Portugal	100%	100%
FP Cork, Inc.		California	U. S. America	100%	100%
Francisco Oller, S.A.		Girona	Spain	92%	92%
Hungarocork, Amorim, RT		Budapeste	Hungary	100%	100%
Indústria Corchera, S.A.	(c)	Santiago	Chile	50%	50%
Korken Schiesser Ges.M.B.H.		Viena	Austria	69%	69%
Olimpiadas Barcelona 92, S.L.		Girona	Spain	100%	100%
Portocork América, Inc.		California	U. S. America	100%	100%
Portocork France, S.A.S.		Bordéus	France	100%	100%
Portocork Internacional, S.A.		Santa Maria Lamas	Portugal	100%	100%
Portocork Itália, s.r.l		Milão	Italy	100%	100%
Sagrera et Cie		Reims	France	91%	91%

Company		Head Office	Country	2015	2014
S.A. Oller et Cie		Reims	France	92%	92%
S.C.I. Friedland		Céret	France	100%	100%
S.C.I. Prioux		Epernay	France	91%	91%
Société Nouvelle des Bouchons Trescases	(b)	Perpignan	France	50%	50%
Trefinos Australia		Adelaide	Australia	91%	91%
Trefinos Italia, s.r.l		Treviso	Italy	91%	91%
Trefinos USA, LLC		Fairfield, CA	U. S. America	91%	91%
Trefinos, S.L		Girona	Spain	91%	91%
Victor y Amorim, Sl	(c)	Navarrete - La Rioja	Spain	50%	50%
Wine Packaging & Logistic, S.A.	(b)	Santiago	Chile	50%	50%
Floor & Wall Coverings					
Amorim Revestimentos, S.A.		S. Paio de Oleiros	Portugal	100%	100%
Amorim Benelux, BV		Tholen	Netherlands	100%	100%
Amorim Deutschland, GmbH - AR	(a)	Delmenhorst	Germany	100%	100%
Amorim Flooring, SA	(g)	S. Paio de Oleiros	Portugal	100%	100%
Amorim Flooring (Switzerland) AG		Zug	Switzerland	100%	100%
Amorim Flooring Austria GesmbH		Vienna	Austria	100%	100%
Amorim Flooring Investments, Inc.		Hanover - Maryland	U. S. America	100%	100%
Amorim Flooring North America Inc.		Hanover - Maryland	U. S. America	100%	100%
Amorim Japan Corporation		Tokyo	Japan	100%	100%
Amorim Revestimientos, S.A.		Barcelona	Spain	100%	100%
Cortex Korkvertriebs GmbH		Fürth	Germany	100%	100%
Dom KorKowy, Sp. Zo. O.	(c)	Kraków	Poland	50%	50%
Timberman Denmark A/S		Hadsund	Denmark	51%	51%
US Floors, Inc.	(b)	Dalton - Georgia	U. S. America	25%	25%
Zodiac Kork- und Holzprodukte GmbH	(d)	Fürth	Germany	–	100%
Composites Cork					
Amorim Cork Composites, S.A.		Mozelos	Portugal	100%	100%
Amorim (UK) Ltd.		Horsham West Sussex	United Kingdom	100%	100%
Amorim Compcork, Lda		Mozelos	Portugal	100%	100%
Amorim Cork Composites Inc.		Trevor Wisconsin	U. S. America	100%	100%
Amorim Deutschland, GmbH - ACC	(a)	Delmenhorst	Germany	100%	100%
Amorim Industrial Solutions - Imobiliária, S.A.		Corroios	Portugal	100%	100%
AmorLink	(b)	Istambul	Turkey	25%	25%
Amosealtex Cork Co., Ltd	(b)	Xangai	China	30%	30%
Chinamate (Shaanxi) Natural Products Co. Ltd		Shaanxi	China	100%	100%
Chinamate Development Co. Ltd		Hong Kong	China	100%	100%
Corticeira Amorim - France SAS		Lavardac	France	100%	100%
Florconsult – Consultoria e Gestão, Lda		Mozelos	Portugal	100%	100%
Postya - Serviços de Consultadoria, Lda.		Funchal - Madeira	Portugal	100%	100%
Florconsult – Consultoria e Gestão, Lda.		Mozelos	Portugal	100%	100%
Postya – Serviços de Consultadoria, Lda.		Funchal – Madeira	Portugal	100%	100%
Insulation Cork					
Amorim Isolamentos, S.A.		Vendas Novas	Portugal	80%	80%
Holding					
Corticeira Amorim, SGPS, S.A.		Mozelos	Portugal	100%	100%
Ginpar, S.A. (Générale d' Invest. et Participation)		Skhirat	Morocco	100%	100%
Amorim Cork Research, Lda.		Mozelos	Portugal	100%	100%
Amorim Cork Services, Lda.		Mozelos	Portugal	100%	100%
Amorim Cork Ventures, Lda		Mozelos	Portugal	100%	100%
Corkyn Composites, Lda	(e) (b)	Mozelos	Portugal	25%	–
Ecochic portuguesas – footwear and fashion products, Lda	(e) (b)	Mozelos	Portugal	24%	–
Soc. Portuguesa de Aglomerados de Cortiça, Lda		Montijo	Portugal	100%	100%

(a) One single company: Amorim Deutschland, GmbH & Co. KG

(b) Equity method consolidation

(c) Corticeira Amorim controls the operations of the company – line-by-line consolidation method

(d) Zodiak merged with Cortex during 1H2015 and CEM Korken merged with A. C. Deutschland during 2H2015

(e) Associate set-up in 2015

(f) Subsidiary set-up in 2015

(g) ex-Amorim Top Series (set-up by BU Cork Stoppers in 2014)

VII

EXCHANGE RATES USED IN CONSOLIDATION

Exchange rates		Year end 2015	Average 2015	Year end 2014	Average 2014
Argentine Peso	ARS	14.04839	10.28032	10.77468	10.12833
Australian Dollar	AUD	1.48970	1.47766	1.47188	1.48290
Lev	BGN	1.95570	1.95573	1.95471	1.95580
Brazilian Real	BRL	4.31170	3.70044	3.12113	3.22070
Canadian Dollar	CAD	1.51160	1.41856	1.46614	1.40630
Swiss Franc	CHF	1.08350	1.06786	1.21462	1.20240
Chilean Peso	CLP	768.730	725.899	756.917	733.560
Yuan Renminbi	CNY	7.06080	6.97333	8.18575	7.53580
Danish Krone	DKK	7.46260	7.45870	7.45482	7.44530
Algerian Dinar	DZD	116.071	111.1085	106.6354	106.119
Euro	EUR	1	1	1	1
Pound Sterling	GBP	0.73395	0.72584	0.80612	0.77890
Hong Kong Dollar	HKD	8.4166	8.60559	10.29987	9.3798
Forint	HUF	315.980	309.996	308.706	315.540
Yen	JPY	131.070	134.314	140.306	145.230
Moroccan Dirham	MAD	10.7376	10.8028	11.1387	10.93
Zloty	PLN	4.26390	4.18412	4.18426	4.27320
Tunisian Dinar	TND	2.21090	2.17523	2.25012	2.25770
Turkish Lira	TRL	3.17650	3.02546	2.90650	2.83200
US Dollar	USD	1.08870	1.10951	1.32850	1.21410
Rand	ZAR	16.9530	14.1723	14.4037	14.0353

TOPSERIES CORK STOPPERS

VIII

SEGMENT REPORT

Corticeira Amorim is organised in the following Business Units (BU): Raw Materials, Cork Stoppers, Floor and Wall Coverings, Composite Cork and Insulation Cork.

For purposes of this Report, the Business approach was selected as the primary segment. This is consistent with the formal organization and evaluation of business. Business Units correspond to the operating segments of the company and the segment report is presented the same way they are analysed for management purposes by the board of **Corticeira Amorim**.

The following table shows the main indicators of the said units, and, whenever possible, the reconciliation with the consolidated indicators (values in thousand EUR):

2015	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Ajustm.	Consolidated
Trade Sales	7,344	388,493	107,440	92,944	8,536	43	0	604,800
Other BU Sales	128,093	4,332	2,403	7,036	1,504	2,172	-145,540	-
Total Sales	135,437	392,825	109,843	99,980	10,040	2,215	-145,540	604,800
EBITDA (current)	16,988	62,753	8,173	14,585	1,241	-2,771	-249	100,720
Assets	151,055	328,086	92,934	75,122	11,850	2,246	5,927	667,219
Liabilities	42,909	109,411	31,317	28,542	2,367	14,650	83,890	313,086
Capex	6,914	16,958	3,003	3,593	289	638	–	31,394
Year Depreciation	-2,552	-12,252	-4,800	-4,802	-604	-42	–	-25,051
Non-cash cost	38	-5,257	-715	-181	-476	135	0	-6,456
Gains/Losses in associated companies	-8	1,331	1,782	-12	0	-3	–	3,091
2014	**Raw Materials**	**Cork Stoppers**	**Floor & Wall Coverings**	**Composite Cork**	**Insulation Cork**	**Holding**	**Ajustm.**	**Consolidated**
Trade Sales	5,253	353,306	113,345	79,431	8,138	866	0	560,340
Other BU Sales	126,120	3,996	3,018	4,850	1,876	5,992	-145,853	-
Total Sales	131,373	357,302	116,363	84,282	10,014	6,859	-145,853	560,340
EBITDA (current)	17,492	46,830	15,520	7,748	1,653	-1,806	-714	86,722
Assets	136,146	300,237	87,860	79,754	12,866	475	106	617,446
Liabilities	38,095	102,214	28,630	25,898	2,353	14,703	89,983	301,877
Capex	2,816	12,917	1,409	3,334	562	182	–	21,220
Year Depreciation	-2,878	-11,105	-4,659	-2,976	-613	-105	–	-22,336
Non-cash cost	35	62	-1,867	-1,244	18	504	0	-2,493
Gains/Losses in associated companies	0	810	490	-19	0	0	–	1,280

(thousand euros)

NOTES:
Adjustments = eliminations inter-BU and amounts not allocated to BU.
EBITDA = Profit before interests, depreciation, equity method, non-controlling interests and income tax.
Provisions and asset impairments were considered the only relevant non-cash material cost
Segments assets do not include DTA (deferred tax asset) and non-trade group balances
Segments liabilities do not include DTL (deferred tax liabilities), bank loans and non-trade group balances.

The decision to report EBITDA figures allows a better comparison of the different BU performances, disregarding the different financial situations of each BU. This is also coherent with the existing Corporate Departments, as the Financial Department is responsible for the bank negotiations, being the tax function the responsibility of the Holding Company.

Cork Stoppers BU main product is the different kinds of existing cork stoppers. The main markets are the bottling countries, from the traditional ones like France, Italy, Germany, Spain and Portugal, to the new markets like USA, Australia, Chile, South Africa and Argentina.

Raw Materials BU is, by far, the most integrated in the production cycle of **Corticeira Amorim**, with 95% of its sales to others BU, specially to Cork Stoppers BU. Main products are bark and discs.

The remaining BU produce and sell a vast number of cork products made from cork stoppers waste. Main products are cork floor tiles, cork rubber for the automotive industry and antivibratic systems, expanded agglomerates for insulation and acoustic purposes, technical agglomerates for civil construction and shoe industry, as well as granulates for agglomerated, technical and champagne cork stoppers.

Major markets for flooring and insulation products are in Europe and for composites products the USA. Major production sites are in Portugal, where most of the invested capital is located. Products are distributed in practically all major markets through a fully owned network of sales companies. About 70% of total consolidated sales are achieved through these companies.

Capex was concentrated in Portugal. Assets in foreign subsidiaries totalize 265 million euros, and are mostly composed by inventories (99 million), customers (84 million) and tangible fixed assets (50 million).

In non-current assets, special note to 141 M€ (2014: 135 M€) of tangible fixed assets located in Portugal (foreign countries: 50 M€ vs 48 M€ in 2014), 4.8 M€ (2014: 5.0 M€) of property investment (foreign countries: 0.2 M€ vs 0.2 in 2014), 1.3 M€ (2014: 0.5 M€) of intangible assets (foreign countries: 1.1 M€ vs 0.6 M€ in 2014) and 3.9 M€ (2014: 3.2 M€) of other financial assets (foreign countries: 0.3 M€ vs 0.4 M€ in 2014).

Sales by markets:

Markets	2015		2014	
European Union	358,909	59.3%	341,459	60.9%
From which: Portugal	29,977	5.0%	24,834	4.4%
Other European countries	24,176	4.0%	27,310	4.9%
United States	131,206	21.7%	107,967	19.3%
Other American countries	45,940	7.6%	39,104	7.0%
Australasia	34,822	5.8%	35,749	6.4%
Africa	9,747	1.6%	8,750	1.6%
Others	**604,800**	**100%**	**560,340**	**100%**

(thousand euros)

WICANDERS CORKCOMFORT

IX

TANGIBLE, INTANGIBLE AND PROPERTY INVESTMENT ASSETS

	Land and buildings	Machinery	Other	Total tangible assets	Intangible assets	Investment property
Gross value	225,357	326,674	45,828	597,859	4,136	15,489
Depreciation and impairments	-140,187	-248,092	-24,918	-413,197	-3,444	-10,240
Opening balance (jan 1, 2014)	**85,170**	**78,582**	**20,910**	**184,662**	**692**	**5,250**
Increase	4,259	12,949	3,601	20,809	411	0
Period deprec. and impairments	-5,841	-15,319	-1,714	-22,874	-172	-480
Sales and other decreases	-22	190	-235	-67	6	-2
Transfers and reclassifications	2,329	11,466	-14,452	-657	153	463
Translation differences	789	147	84	1,020		-40
Gross value	229,817	348,850	37,020	615,687	4,670	15,432
Depreciation and impairments	-143,133	-260,835	-28,826	-432,794	-3,579	-10,242
Closing balance (dec 31, 2014)	**86,684**	**88,015**	**8,194**	**182,893**	**1,091**	**5,190**
Gross value	229,817	348,850	37,020	615,687	4,670	15,432
Depreciation and impairments	-143,133	-260,835	-28,826	-432,794	-3,579	-10,242
Opening balance (jan 1, 2015)	**86,684**	**88,015**	**8,194**	**182,893**	**1,091**	**5,190**
Increase	8,289	15,718	5,804	29,811	1,583	0
Period deprec. and impairments	-6,070	-16,410	-1,720	-24,200	-269	-476
Sales and other decreases	-3	-387	-173	-563	0	0
Transfers and reclassifications	108	1,223	283	1,614	81	379
Translation differences	709	46	42	797	4	-85
Gross value	239,478	362,075	41,846	643,399	6,332	15,486
Depreciation and impairments	-149,761	-273,869	-29,416	-453,046	-3,843	-10,478
Closing balance (Dec 31, 2015)	**89,717**	**88,205**	**12,430**	**190,352**	**2,489**	**5,008**

(thousand euros)

The amount of 5,008 K€, referred as Property Investment (2014: 5,190 K€), is due, mainly, to land and buildings that are not used in production.

During the first half of 2014, following an evaluation made by an independent entity, it was booked a 1,124 K€ impairment in land and building in Corroios. As it is planned the discontinuing of the operations at this site during the second half of 2014, (concluded in the end of 2015), the property value is no longer recoverable through use. As a result, an impairment was registered. The report was issued by Cushman & Wakefield, which concluded that the market value was superior to the book value. The evaluation was based on the value that would result from the development of an allotment project for logistics, trade and services. Comparative market for construction and development costs were used. The gross yield used for rental purposes was 10%, with the discount rate of financial flows being 11%. This figure was presented in the Consolidated Statement of Income as non-recurring expenses.

The increase in depreciation / impairment charges in 2015 is influenced by an impairment loss of 1,392 K€ recognized in fixed assets of the group in China, coupled with the decision of the management to change the Composite BU strategy for this market.

Expenses related with tangible fixed assets had no impact during 2015 and 2014. No interest was capitalised during 2015.

X

GOODWILL

As stated in point II f), goodwill impairment tests are made each year.

Exceptionally were performed in the first half of 2015 impairment tests, which led to the registration of 2,911 K€ impairments.

Value in use approach was part of the goodwill impairment tests calculations.

Cash flows were estimated, based on the budget and plans approved by management. The growth assumptions contemplated the expected growth in the wine, champagne and sparkling wine markets, as well as the evolution of the market share of **Corticeira Amorim** in this business.

In the first half of 2015, the profitability of the subsidiary Industria Corchera changed significantly due to a drop in sales and an increase of structural costs. These changes impacted the cash flows expected for that subsidiary, and as a result, the test performed led to the need of a goodwill write-off. In that test, growth rates were used from 1% to 2% for the period 2016-2018 and 1.5% for the following years. The discount rate used was 8%. Compared to the test performed in 2014, a drop was observed of approximately 30% in the estimated cash flow for the implicit period and 40% in relation to perpetuity.

Volumes expected for the underlying goodwill of the subsidiary SA Oller et Cie are not being met, due to the substitution effect on customers by other group products. The test carried out in this period considered a growth rate of 1% and an 8% discount rate.

From tests performed in 2014 derived the write-off of the goodwill associated with Amorim Deutschland. Market conditions resulting from the failure of the biggest flooring customer in Germany, led to a substantial change in the retail market of this country. This noticeably reduced the prospects of profitability of that subsidiary. As a result, the test led to the need of the write-off of that goodwill. In that test, sales growth rate of 1% for the three year period 2015 to 2017 and 0.5% for the following years was used. The discount rate used was 10%. In view of the test conducted in 2013, there was a break for about half the estimated cash flow for the implicit period and in perpetuity.

In the remaining tests conducted in 2014, the discount rates ranged between 8.2% and 10%, varying growth rates between 0.5% and 1% for perpetuity.

2014	Openning	Increases	Decreases	Reclassification	Closing
Oller et cie	750	–	–	–	750
Industria Corchera	1,314	–	–	–	1,314
Corchera Gomez Barris	0	159	–	–	159
Amorim France	250	–	–	–	250
Amorim Cork Italia	274	–	–	–	274
Korken Schiesser	164	–	–	–	164
Amorim Deutschland	2,503	–	2,503	–	0
GOODWILL	**5,255**	**159**	**2,503**	**0**	**2,911**

2015	Openning	Increases	Decreases	Reclassification	Closing
Oller et cie	750	–	750	–	0
Industria Corchera	1,314	–	1,314	–	0
Corchera Gomez Barris	159	–	159	–	0
Amorim France	250	–	250	–	0
Amorim Cork Italia	274	–	274	–	0
Korken Schiesser	164	–	164	–	0
GOODWILL	**2,911**	**0**	**2,911**	**0**	**0**

(thousand euros)

XI

EQUITY COMPANIES AND OTHER FINANCIAL ASSETS

EQUITY COMPANIES:

	2015	2014
Initial Balance	**10,841**	**8,129**
In / Out	5	1,533
Results	3,091	1,280
Dividends	-250	-250
Exchange Differences	-414	167
Other	32	-19
End Balance	**13,304**	**10,841**

(thousand euros)

During 2014, Industria Corchera, SA participated in a capital increase in Wine Packaging & Logistic, S.A., corresponding to 1,495 of the total 1,533 in "In / Out". The remainder corresponds to the set-up of two associates in Turkey and China.

In 2015, the value in "Exchange Difference" refers to the associates Corchos Argentina and US Floors (in 2014 mainly US Floors).

CORK BENCHES, BY NAOTO FUKASAWA

	2015				2014			
	Financial stake	Goodwill	Total	Contrib. to net income	Financial stake	Goodwill	Total	Contrib. to net income
US Floors	3,876	0	3,876	1,782	1,588	0	1,588	490
Trescases	4,437	1,715	6,152	589	4,098	1,715	5,813	421
Soc. Tunisienne Bouchons	111	0	111	-8	153	0	153	0
Wine Packaging & Logistic	1,688	0	1,688	75	1,694	0	1,694	-9
Corchos Argentina	1,447	0	1,447	667	1,330	0	1,330	398
Other	30	0	30	-14	263	0	263	-20
End Balance	**11,589**	**1,715**	**13,304**	**3,091**	**9,126**	**1,715**	**10,841**	**1,280**

(thousand euros)

Most important associate companies are Société Nouvelle des Bouchons Trescases, US Floors inc, Corchos de Argentina and Wine Packaging & Logistic, of which a summary of its financial situation are presented:

	Trescases	US Floors	Corchos Argentina	Wine Packaging
2015	K €	K USD	K ARS	K CLP
Current assets	14,977	99,827	90,153	1,702,788
Non-current assets	1,075	3,269	4,197	5,771,769
Assets	16,052	103,096	94,350	7,474,557
Equity	8,874	16,876	40,660	3,931,408
Sales	29,231	203,798	139,360	–
Operating Profit	1,744	19,522	22,873	-116,387
Net Income	1,178	7,907	13,717	-35,299
2014				
Current assets	14,443	62,810	49,472	2,888,625
Non-current assets	1,253	5,717	4,489	1,097,207
Assets	15,696	68,527	53,961	3,985,832
Equity	8,196	8,969	26,943	3,966,707
Sales	27,024	111,535	112,061	–
Operating Profit	1,232	6,237	20,477	-44,053
Net Income	843	2,602	8,580	18,261

OTHER FINANCIAL ASSETS:

In Other Financial Assets the most important values refers, mostly to equity instruments at cost.

STUDIOILSE EXHIBITION AT THE STOCKHOLM FURNITURE FAIR 2015

XII

INCOME TAX

The differences between the tax due for the current period and prior periods and the tax already paid or to be paid of said periods is registered as "deferred tax" in the consolidated income statement, according to note II j), and amounts to 1,927 K€ (2014: 760 K€).

On the consolidated statement of financial position this effect amounts to 8,359 K€ (31/12/2014: 6,708 K€) as Deferred tax asset, and to 6,743 K€ (31/12/2014: 6,970 K€) as Deferred tax liability.

Deferred tax related with items directly registered in equity was 76 K€ (credit balance) and relates to hedge accounting. No other deferred tax values related with other equity movements were booked.

It is conviction of the Board that, according to its business plan, the amounts registered in deferred tax assets will be recovered as for the tax carry forward losses concerns.

	2015	2014
Related with Inventories and third parties	5,198	3,981
Related with Tax Losses	939	749
Related with Fixed Tangible Assets / Intang. / P. Inv.	1,068	1,294
Others	1,154	684
Deferred Tax Assets	**8,359**	**6,708**
Related with Fixed Tangible Assets	4,531	4,806
Related with other taxable temporary differences	2,212	2,164
Deferred Tax Liabilities	**6,743**	**6,970**
Current Income Tax	-19,423	-17,536
Deferred Income Tax	1,927	760
Income Tax	**-17,496**	**-16,776**

(thousand euros)

The difference between the variation in the financial position and the value expensed in income statement (1,927 K€) is justified by the translation differences (27 K€ debit) in the non-euro subsidiaries financial position values and by the variation in deferred tax related with hedging instruments (76 K€ credit).

SIX, BY JAMES IRVINE FOR MATERIA COLLECTION

CORK IN BRAZIL PAVILION AT THE MILAN EXPO 2015

Following chart explains the effective income tax rate, from the original income tax rate of most of Portuguese companies:

Income Tax Conciliation	2015	2014
Income Tax - Legal	**21.0%**	**23.0%**
Effect of additional tax rates over base rate (Portugal)	5.7%	5.5%
Effect of tax benefits/excess of prior estimate	-4.2%	-1.7%
Effect of provisions for contingencies	0.0%	1.0%
Effect of non-taxable gains and losses	1.1%	0.0%
Effect of different tax rates (foreign subsidiaries) and others	1.5%	1.6%
Effect of recognising / non-recognising of differed taxs (foreign subs.)	0.2%	0.6%
Effect of variation of differed tax liabilities	-1.4%	-0.4%
Income tax - effective[1]	**23.9%**	**29.6%**

[1] Income Tax / Pre-tax Profit, Equity Gains, Non-controlling Interests, non-fiscal impairments and stamp tax provisions

During 2015, a total of 15,611 K€ (2014: 9,479 K€) of income tax was paid. Of this amount, 11,295 K€ (2014: 6,072 K€) was paid in Portugal.

Corticeira Amorim and a large group of its Portuguese subsidiaries are taxed since January 1, 2001, as a group special regime for tax purposes (RETGS), as according to article 63, of the income tax code (CIRC). The option for this special regime is renewable every five years.

According to law, tax declarations for **Corticeira Amorim** and its Portuguese subsidiaries are subject of revision and possible correction from tax authorities generally during the next four years.

No material effects in the financial statements as of December 31, 2015, are expected by the Board of **Corticeira Amorim** from the revisions of tax declarations that will be held by the tax authorities.

Tax losses to be carried forward are related with foreign subsidiaries. Total amounts to 32 M€, of which around 3 M€ are considered to be utilised. These losses can be fully used up to 2020 and beyond.

XIII

INVENTORIES

	2015	2014
Goods	7,818	8,862
Finished and semi-finished goods	109,585	95,055
By-products	247	291
Work in progress	15,244	11,540
Raw materials	141,313	133,239
Advances	1,571	1,059
Goods impairments	-1,036	-1,180
Finished and semi-finished goods impairments	-1,782	-965
Raw materials impairments	-1,255	-267
Inventories	**271,705**	**247,633**

(thousand euros)

Impairment losses	2015	2014
Initial Balance	**2,413**	**2,253**
Increases	2,179	76
Decreases	519	177
Others	0	261
End Balance	**4,073**	**2,413**

(thousand euros)

Increases in impairment losses hit cost of goods sold and materials consumed in income statement.

From the increase in impairment losses in 2015, an amount of 1,347 K€ resulted from the revision of the estimate of the impairment of finished products in the Cork Composites BU. Given the similarity of the goods this BU with those of the Floor and Wall Coverings BU, it is considered that the criteria of this BU, based on aging, is the most adequate to estimate the impairment of that BU.

CORK ENHANCES THE ECO-EFFICIENCY OF TRANSPORTATION

XIV

TRADE RECEIVABLES

	2015	2014
Gross amount	144,975	132,384
Impairments	-12,429	-9,777
Trade receivables	**132,546**	**122,606**

(thousand euros)

Impairment losses	2015	2014
Initial Balance	**9,777**	**10,463**
Increases	3,408	2,163
Decreases	511	1,813
Others	-245	-1,036
End Balance	**12,429**	**9,777**

(thousand euros)

At the end of each period, Trade receivables credit quality is analysed. Due to specific business environment, balances unpaid up to 90 days are not impaired. From 90 to 120 days a 30% impairment register is considered and from 120 to 180 days 60%. Over 180 days as well as all doubtful balances are fully impaired. These rules do not overcome specific cases analysis.

Due and past due balances are as follows:

	2015	2014
Due	103	95
Past due between 0 and 90 days	27	25
Past due between 90 and 120 days	2	2
Past due between 120 and 180 days	3	2
Doubtful and past due over 180 days	10	8
Impairment	13	10

(million euros)

CORK IN THE AUTOMOTIVE INDUSTRY

XV

INCOME TAX

	2015	2014
Income tax - advances / minimum / excess est.	811	426
Income tax - advances	1,983	1,568
Income tax - withholding	345	239
Income tax - special payment (RERD)	4,265	4,265
Income tax - special payment (RERD) impairment	-4,265	-4,265
Income tax	**3,139**	**2,233**

(thousand euros)

The amount of 4,265 K€ refers to a payment made under an exceptional regime of regularisation of debts to the tax authority and to social security (DL 151-A/2013) (RERD). **Corticeira Amorim** has decided to partially adhere. A total of 4,265 K€ was paid in December 2014. This payment refers to stamp tax (1,678 K€) and income tax cases (2,587 K€). The amount related with stamp tax was provisioned. As for the income tax cases, they were already provisioned, including late payment interest. To be noted that **Corticeira Amorim** was not a debtor to the social security and to the tax authority. Those amounts were subject to court ruling. The cases that were chosen to adhere are old cases (1996, 1997, 1998 and 2008), but, in circumstance of unfavourable ruling by the court, the outcome could impose heavy penalties and late payment interests. RERD allowed for the payment of the capital without any payment regarding late payment interests and other costs. Due to the fact that adhesion to RERD does not imply a mandatory abandonment of the court cases and those processes are still in court, **Corticeira Amorim** will continue to fight for its rights.

XVI

OTHER ASSETS

	2015	2014
Advances to suppliers / suppliers	2,133	3,988
Accrued income	996	93
Deferred costs	2,565	1,192
Hedge accounting assets	1,051	81
VAT	18,771	17,045
Others	3,162	3,273
Other current assets	**28,678**	**25,673**

(thousand euros)

As of December 31, 2015 and 2014, there were no overdue in the amounts of VAT.

XVII

CASH AND CASH EQUIVALENTS

	2015	2014
Cash	167	173
Bank Balances	6,412	5,486
Time Deposits	794	359
Others	89	18
Cash and cash equivalents as for financial position	**7,461**	**6,036**
Overdrafts	-12,120	-11,835
Cash and cash equivalents as for cash flow statement	**-4,659**	**-5,799**

(thousand euros)

XVIII

CAPITAL AND RESERVES

SHARE CAPITAL

As of December 31, 2015, the share capital is represented by 133,000,000 ordinary registered shares, conferring dividends, with a par value of 1 Euro.

The Board of **Corticeira Amorim** is authorised to raise the share capital, one or more times, respecting the conditions of the commercial law, up to 250,000,000 €.

TREASURY STOCK

In mid-September 2015 **Corticeira Amorim** sold all of its long held treasury stock. This operation took place in the form of a private offer for sale of 7,399,262 shares, representing 5.56% of share capital at a price of 4.45 euros per share. Total cash inflow was 32.9 M€. Since this operation involves shareholders but no company control change, the registered gain from the sale was recorded directly in equity (25.7 M€).

No sales and purchases were registered during 2014.

As of December 31, 2015, **Corticeira Amorim** held no treasury stock. As of December 31, 2014, **Corticeira Amorim** held 7,399,262 of its own shares, corresponding 5.563% of its share capital.

LEGAL RESERVE AND SHARE PREMIUM

Legal reserve and share premium are under the legal reserve rule and can only be used for (art. 296 CSC):

- Offset losses in the financial position that cannot be offset by the use of other reserves;
- Offset losses of prior year that cannot be offset by the profit of the year nor the use of other reserves;
- Incorporation in share capital.

Legal reserve and share premium values are originated from Corticeira Amorim, SGPS, S.A. books.

OTHER RESERVES

Value is composed from other reserves account and prior year's results of Corticeira Amorim, SGPS, S.A. books, as well as non-distributed cumulative results of Corticeira Amorim, SGPS, S.A. subsidiaries.

Individual accounts of **Corticeira Amorim** registered distributable reserves as dividends, considering 2015 net profits, amounting to 59 985 K €.

DIVIDENDS

In the Shareholders' General Meeting of March 24, 2015 and November 13, 2015, a dividend distribution of 0.14 and 0.245 euros per share was approved.

	2015	2014
Approved dividends	51,205	25,270
Portion attributable to own shares	-1,036	-1,406
Dividends paid	**50,169**	**23,864**

(thousand euros)

Summary of changes in Equity:

	2015	2014
Initial Balance	**315,569**	**301,737**
Change in treasury stock	7,197	0
Gain in treasury stock sale	25,729	0
Dividends paid	-50,169	-23,864
Change in hedge accounting adjustments	-124	-55
Change in translation differences	919	1,671
Others	25	-61
Net Income	55,012	35,756
Change in Non-controlling Interests (note XVIII)	-25	384
End Balance	**354,133**	**315,569**

(thousand euros)

XIX

NON-CONTROLLING INTEREST

	2015	2014
Initial Balance	**13,393**	**13,008**
In / Out	13	-12
Results	558	924
Dividends	-293	-433
Exchange Differences	-303	-87
Others	0	-7
End Balance	**13,368**	**13,393**

(thousand euros)

	2015			2014		
	Impact on Balance Sheet	Impact on Net Income	Dividends paid	Impact on Balance Sheet	Impact on Net Income	Dividends paid
Trefinos	1,653	152	73	1,574	125	209
Francisco Oller	1,885	176	21	1,729	116	–
Amorim Isolamentos	1,822	90	40	1,772	156	–
Industria Corchera	5,999	27	–	6,260	229	59
Timberman	564	221	–	344	192	–
Victor y Amorim	818	158	153	813	141	148
Other	627	-266	7	901	-35	17
End Balance	**13,368**	**558**	**293**	**13,393**	**924**	**433**

Summary indicators of the main subsidiaries with non-controlling interests:

	Trefinos	Francisco Oller	Amorim Isolamentos	Industria Corchera	Timberman	Victor y Amorim
2015	K €	K €	K €	K CLP	K DKK	K €
Current assets	14,435	12,464	7,730	11,899,065	26,412	2,195
Non-current assets	10,832	15,674	4,461	4,570,694	4,449	623
Assets	25,267	28,138	12,191	16,469,759	30,861	2,818
Total Equity	17,571	22,520	8,898	9,006,634	11,288	1,638
Sales	27,677	22,516	10,064	13,064,702	83,157	4,947
Operating profit	2,365	2,765	812	-117,572	5,093	426
Net Income	1,680	2,071	627	-203,723	4,095	321
2014						
Current assets	15,921	13,143	8,225	10,916,688	22,541	1,770
Non-current assets	9,898	14,186	4,635	4,771,657	5,707	660
Assets	25,819	27,329	12,860	15,688,345	28,248	2,430
Total Equity	16,922	19,858	8,606	9,100,472	7,193	1,628
Sales	25,220	21,096	10,038	13,432,141	70,068	4,682
Operating profit	1,857	1,899	1,034	475,893	3,475	386
Net Income	1,268	1,380	778	378,829	2,660	283

XX

INTEREST BEARING DEBT

At year-end, interest bearing loans was as follows:

	2015	2014
Overdrafts and Bank loans	40,179	42,383
Bonds	9,967	0
Commercial Paper	0	24,985
Interest-bearing loans - current	**50,146**	**67,369**

(thousand euros)

Loans were denominated in euros, except 41% (2014: 16%).

	2015	2014
Bank loans	39,940	5,258
Reimbursable subsidies	1,271	1,039
Bonds	0	19,929
Interest-bearing loans - non-current	**41,211**	**26,225**

(thousand euros)

At the end of 2015, loans were denominated in euros 91% (2014: 88%) and USD 8% (2014: 12%).

As of December 31, 2015, maturity of non-current interest bearing debt was as follows:

Between 01/01/2017 and 31/12/2017	1,916
Between 01/01/2018 and 31/12/2018	152
Between 01/01/2019 and 31/12/2019	5,764
After 01/01/2020	33,379
Total	**41,211**

(thousand euros)

From non-current and current interest bearing debt, 66,357 K€ carries floating interest rates. Remaining 25,000 K€ carries fixed interest rate. Average cost, during 2015, for all the credit utilized was 2.05% (2014: 3.73%).

Note that at the end of the first quarter **Corticeira Amorim** effected a loan agreement with the EIB. This ten year loan, in the amount of 35 M€, with a grace period of four years, was negotiated at an all-in cost lower than any existing loan to date. With this financing **Corticeira Amorim** could substantially lengthen the terms of its debt and, at same time, lowering considerably average rate of interest-bearing debt.

During first quarter 2013, a three year interest rate swap with a notional of 20,000 K€ was contracted. With the contract, **Corticeira Amorim** pays interest at a fixed rate and in exchange receives interest at a variable rate, according to Euribor 6 month.

As of December 2015, **Corticeira Amorim** had credit lines with contractual clauses that include covenants generally used in these type of contracts, namely: cross-default, pari-passu and in some cases negative pledge.

As of December 31, 2015 three foreign subsidiaries had a 4.5 million euro loan mortgage guarantee.

At the same date, **Corticeira Amorim** had utilized credit lines with associated financial covenants. These included, namely, ratios accomplishment that allowed for an accompaniment of the financial position of the company, most of all its capacity to pay its debt, of which the most important is Debt to EBITDA ratio (net interest bearing debt/current EBITDA). Also ratio related with balance sheet structure.

As of December 31, 2015, these ratios were as follows:

Net interest bearing debt / current EBITDA (X)	0.83
Equity / Assets	53.1%

Ratios above fully and easily accomplished the demands of the contracts that formalized said loans. If by chance they did not accomplish the possibility of an early payment was conceivable.

On top of the said full accomplishment, it has to be noted that the capacity of full repayment was reinforced by the existence, as of that date, of non-used credit lines that amounted to 131 M€.

XXI

SUPPLIERS

	2015	2014
Suppliers - current account	53,502	53,479
Suppliers - confirming	62,036	57,377
Suppliers - accrualls	5,646	4,447
Suppliers	**121,184**	**115,303**

(thousand euros)

From the total values, 49% comes from Cork Stoppers BU (2014: 54%) and 25% from Raw Materials BU (2014: 24%).

XXII

OTHER LOANS AND CREDITORS

	2015	2014
Non interest bearing grants	8,794	10,831
Other	1,221	702
Other loans and creditors - non current	**10,015**	**11,533**
Non interest bearing grants	3,381	1,442
Deferred costs	21,815	18,646
Deferred income - grants	5,148	6,130
Deferred income - others	110	173
VAT	7,136	5,879
State and social security - withholding and others	6,214	5,023
Other	5,714	6,713
Other loans and creditors - current	**49,518**	**44,006**

(thousand euros)

In Deferred costs the part related with salaries (vacations) at year-end amounted to 10,851 K€ (2014: 9,857 K€).

In 5,714 K€ (2014: 6,713 K€) is included a value of 449 K€ (2014: 2,589 K€), which refers to the fair value of exchange risk and interest rate risk derivatives. In the remaining value, a total of 676 K€ (2014: 658 K€) refers to salaries to be paid.

In Other loans and creditors – non-current (10,015 K€), maturity is as follows: 2017 (3,538 K€), 2018 (2,913 K€), 2019 (3,374 K€) and 2020 and further (191 K€).

Non-reimbursable subsidies (no interest bearing)	2015	2014
Opening Balance	**6,130**	**6,395**
Transfer to gains	-1,473	-2,272
Received during the year	345	0
Reclassifications / Transfers	146	2,006
Closing Balance	**5,148**	**6,130**

Reimbursable subsidies (no interest bearing)	2015	2014
Opening Balance	**13,435**	**12,305**
Paid during the year	-2,229	-1,009
Received during the year	1,750	3,921
Reclassifications / Transfers	-781	-1,781
Closing Balance	**12,175**	**13,435**

(thousand euros)

“Transfers” is due largely to reimbursable benefits that were in the meantime, in some subsidiaries, converted into non-reimbursable and to the recognition of interest through measurement at amortized cost.

HELIX

XXIII

TAX LIABILITIES

Includes income tax estimate to be paid by some subsidiaries, when 2015, tax declaration is presented.

XXIV

THIRD PARTY SUPPLIES AND SERVICES

	2015	2014
Subcontractors	2,825	3,964
Special Services	9,526	7,426
Advertising	6,897	5,862
Security	1,028	1,101
Professional Fees	987	864
Commissions	6,900	6,018
Maintenance	8,193	8,836
Tools	1,545	1,551
Power	11,917	11,387
Oil and gas	1,660	1,624
Travel	4,128	3,991
Transports	22,381	21,539
Rentals	4,815	5,043
Communications	1,221	1,146
Insurance	3,175	3,262
Representation expenses	897	816
Data systems	4,195	4,495
Others	8,706	7,504
Capitalized Costs	-459	0
Third party supplies and services	**100,538**	**96,429**

(thousand euros)

XXV

STAFF COSTS

	2015	2014
Board remuneration	644	552
Employees remuneration	85,575	79,242
Social Security and other	16,968	16,452
Severance costs	3,386	2,018
Other	5,462	5,051
Capitalized costs	-154	0
Staff costs	**111,881**	**103,315**
Average number of employees	**3,636**	**3,497**
Final number of employees	**3,537**	**3,468**

(thousand euros)

Board's remuneration includes Corticeira Amorim, SGPS, SA and any of its subsidiaries. Includes also Fiscal Board and General Meeting board members expenses. Amounts stated in this chart derive from the company's books, and so refers to amounts expensed during the period.

Contributions related with defined contributions plans amounted to 214 K€ (2014: 404 K€).

PINO, BY DANIEL CARAMELO FOR MATERIA COLLECTION

XXVI

IMPAIRMENTS OF ASSETS AND NON-CURRENT COSTS

	2015	2014
Receivables	3,117	359
Inventories	0	-177
Tangible assets	-106	-34
Others	281	0
Impairments of assets and non-current costs	**3,291**	**149**

(thousand euros)

Receivables include customers and debtors.

	2015	2014
Goodwill impairment (A. Deutschland)	2,904	2,503
Corroios production transfer costs	0	371
Real estate impairment (Corroios)	0	1,224
Compensation	0	2,256
Non-current costs	**2,904**	**6,354**

(thousand euros)

In 1H2015, goodwill impairment was recorded as described in Note X.

As described in Note X, during 2014 an impairment of 1,224 K€ on Corroios land and buildings was recorded. Also in the year 2014, was recorded the write-off of the goodwill associated with Amorim Deutschland (2,503 K€), as described in Note X. The amount of compensation in 2014 refers to restructuring related to Corroios (Amorim Cork Composites) and Spain (Agglotap and Augusta Cork).

XXVII

OTHER OPERATING GAINS AND COSTS

	2015	2014
Gain in fixed assets and p. investment disposals	129	402
Provisions reversals	132	1,071
Operating subsidies	877	895
Investment subsidies	1,473	2,272
Suplementary income	1,784	1,904
Building rentals	144	446
Own works	329	170
Gain in inventory differences	17	0
Other	4,049	2,453
Other operating gains	**8,934**	**9,613**

(thousand euros)

	2015	2014
Exchange rate hedging: exchange differences	5,537	-1,956
Exchange rate hedging: var. derivative fair value	-2,886	3,145
Taxes (other than income)	1,364	1,462
Provisions	393	74
Loss in fixed assets and p. investment disposals	241	68
Bank charges	428	430
Bad debts	282	343
Loss in inventory differences	88	207
Donations and fees	480	415
Other	2,189	2,395
Other operating costs	**8,117**	**6,581**

(thousand euros)

XXVIII

FINANCIAL COSTS AND FINANCIAL INCOME

	2015	2014
Interest costs - bank loans	1,461	2,853
Interest costs - other entities	678	1,225
Stamp tax	315	2,182
Interest costs - other	393	-224
Financial costs	**2,847**	**6,036**
Interest gains - bank deposits	33	39
Interest gains - delayed payments	16	53
Interest gains - other	10	88
Financial income	**58**	**180**

(thousand euros)

Stamp tax value includes a provision of 212 K€ (2015) and 1,990 K€ (2014), as stated in Note XXX.

Interest costs – other entities includes 214 K€ (2014: 694 K€) due to interest rate swap differential, as well as 388 K€ (2014: 506 K€) related with interest discount deriving from non-interest bearing loans.

In 2014, the value of -224 K€ includes the gain coming from the variation in the swap Fair Value (557 K€), as well as costs related with loans commissions and others.

As for 2015, the value of 393 K€ includes the gain coming from the variation in the swap Fair Value (195 K€), as well as costs related with loans commissions and others, as well as costs related with the treasury stock sale.

XXIX

RELATED-PARTY TRANSACTIONS

Corticeira Amorim consolidates indirectly in INTERFAMILIA II, S.G.P.S., S.A. with head-office at Mozelos (Santa Maria da Feira, Portugal), Amorim Group holding company, which holds 100% of AMORIM - INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A. (AIP).

As of December 31, 2015 and 2014, financial stake of Amorim Group in **Corticeira Amorim** was 51% of its share capital. As of December 31, 2014, that stake corresponded to 54.004% of the voting rights.

Corticeira Amorim related party transactions are, in general, due to the rendering of services through some of AIP subsidiaries (Amorim Serviços e Gestão, S.A., Amorim Viagens e Turismo, S.A., OSI – Sistemas Informáticos e Electrotécnicos, Lda.). Total sales of these subsidiaries to the remaining **Corticeira Amorim** companies totalled 7,627 K€ (2014: 7,270 K€).

Sales from Quinta Nova, S.A., AMORIM - INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A. subsidiary to **Corticeira Amorim** subsidiaries reached 23 K€ (2014: 42 K€). Purchases totalled 80 K€.

Cork acquired during 2015, from companies held by the main indirect shareholders of **Corticeira Amorim**, amounted to 1,317 K€ (2014: 2,490 K€). This corresponds to less than 2% of total acquisitions of that cork raw-material.

Balances at year-end 2015 and 2014 are those resulting from the usual payment terms (from 30 to 60 days) and so are considered to be immaterial.

All transactions with related-parties are based on market prices. When a transaction cannot use that policy, it is used the "cost plus" basis ranging from 2% to 5%.

During 2015 no transactions were made and no balances booked with related parties Amorim Capital, SGPS, SA, Amorim Investimentos e Participações, SGPS, SA and Interfamília II, SGPS, SA.

Total **Corticeira Amorim** key staff short-term remuneration reached 2,279 K€ during 2015 (2014: 1,656 K€). No payments were made related with post-employment benefits, other long-term benefits, termination benefits and equity compensation benefits.

XXX

PROVISIONS, GUARANTEES CONTINGENCIES AND COMMITMENTS

PROVISIONS

	2015	2014
Income tax	29,896	25,617
Guarantees to customers	364	727
Others	1,967	1,607
Provisions	**32,227**	**27,951**

(thousand euros)

During 2015 a total 4.3 M€ of provisions related with income tax was recorded. That total refers to tax contingencies. The remaining two types of provisions had variations that cancelled each other.

With regard to provisions for tax benefits, they reported in 2015 a net increase of 3.6 M€. Additionally were also recognized provisions of 0.7 M€ to address situations where there are doubts about the acceptance by tax authorities of the existence of tax losses. This occurs in two Spanish subsidiaries.

During the year were reversed provisions for taxes, namely income tax, in the amount of 0.7 M€. A 0.6 M€ provision was registered in order to reinforce interest due related with tax processes.

Tax cases are in general related with Portuguese companies. Live processes, in judicial phase as in graceful stage, which can affect adversely **Corticeira Amorim**, correspond to fiscal years of 1997, 1998, 1999, and from 2003 to 2014. The most recent fiscal year analysed by Portuguese tax authorities was 2013. It should be noted, however, that the approval of the tax benefits cannot be considered as complete, since their obligations continue for several years.

These tax cases are basically related with questions like non-remunerated guarantees given between group companies, group loans (stamp tax), interest costs of holding companies (SGPS), and with the acceptance as fiscal costs of losses related with the closing of subsidiaries.

Claims by the tax authorities are related with income tax, stamp tax and marginally VAT.

Income tax provisions refer to live tax cases, in court or not, as well as accounting recorded situations that can raise questions in future inspections by the tax authority.

At the end of each year, an analysis of the tax cases is made. The procedural development of each case is important to decide new provisions, or reverse or reinforce existing provisions. Provisions correspond to situations that, for its procedural development or for doctrine and jurisprudence newly issued, indicate a probability of an unfavourable outcome for **Corticeira Amorim** and, if that happens, a cash outflow can be reasonably estimated.

Note that during the year there were no developments worthy of note in the processes mentioned above.

The value of tax processes to date for the 2015 accounts amounted to 17.1 M€, for which 15.1 M€ of provisions were recognized, corresponding to 88% of that amount. For cases for which provisions were recorded, an estimated value of 2.2 M€ of default interest was recorded.

In addition to the tax provisions referred to above, **Corticeira Amorim** has recorded a provision to cover the tax benefits to apply for 2015 and applied in previous years. The certification requirement of expenses eligible in SIFIDE projects, the requirement for maintenance of jobs over five years in RFAI projects as well as other constraints to the realization of benefits, has led **Corticeira Amorim** to record provisions in order to take account of future and probable breaches of such requirements. This provision amounted in late 2015 to 9.9 M€.

To note that, **Corticeira Amorim** has been set aside provisions due to uncertainty about the acceptance by tax authorities of the existence of tax losses in two Spanish subsidiaries. The provision at the end of 2015 was 2.3 M€.

Total contingent liability resulting from not accrued tax proceedings and other contingencies unrecorded liabilities, amounts to 4.4 M €.

In addition to these processes, **Corticeira Amorim** has a large number of other favourable processes. They refer, in essence, to payments related with autonomous taxation, inspection fees and tax benefits. The value of these processes mounts to 0.8 M€, which is not registered as assets. In addition to **Corticeira Amorim** made in 2013 payments for taxes and social security in the amount of 4.6 M€, of which the most important is for payment established by Decree Law 151-A / 2013 (RERD) worth 4.3 M€. This payment does not imply the abandonment of **Corticeira Amorim** of the defence of its own interest in these processes. Total contingent assets amounts to 5.4 M€.

It is considered correct the total value of 29.9 M€ of provisions related with contingencies regarding income tax and 2.3 M€ regarding other contingencies.

GUARANTEES

During its operating activities **Corticeira Amorim** issued in favour of third-parties guarantees amounting to 113,501 K€ (2014: 66,030 K€).

Beneficiary	Amount	Purpose
Government agencies	5,123	Capex grants / subsidies
Tax authority	2,971	Tax lawsuits
Banks	105,320	Credit lines
Other	86	Miscellaneous guarantees
TOTAL	**113,501**	

(thousand euros)

As of December 31, 2015, future expenditure resulting from long-term motor vehicle rentals totals 1,552 K€, and for computer hardware and software totals 363 K€. Total is due 2016 (273 K€), 2017 (311 K€), 2018 (511 K€), 2019 (749 K€) and 2020 and further (71 K€).

Commitments related with fixed assets totalled 2,985 K€, all expected to be materialized during 2016. Cork purchase commitments amount to 17,187 K€ (2016: 13,456 K€; 2017: 1,802 K€ and 2018: 1,929 K€).

TOWADA COMMUNITY CENTER, JAPÃO, DE KENGO KUMA

XXXI

EXCHANGE RATE CONTRACTS

As of December 31, 2015, forward outright and options contracts related with sales currencies were as follows:

	2015		2014	
USD	43,307	95%	13,186	79%
ZAR	2,027	4%	2,812	17%
HUF	161	0%	115	1%
GBP	0	0%	571	3%
Forward - long positions	**45,495**	**100%**	**16,684**	**100%**
USD	4,503	100%	1,595	100%
Forward - short positions	**4,503**	**100%**	**1,595**	**100%**
USD	26,321	100%	22,899	100%
Options - long positions	**26,321**	**100%**	**22,899**	**100%**
USD	6,900	100%	0	–
Options - short positions	**6,900**	**100%**	**0**	**–**

(thousand euros)

It is expected that hedged highly probable transactions in foreign currencies occur during the first half of 2016. The corresponded value recognised in equity as hedge accounting will be recorded in income statement in that same period.

The amount recognised in comprehensive income statement as "change in derivative financial instruments fair value" reached -124 thousand euros (2014: -55 thousand euros).

In relation with fair value hedging, during 2015 a gain of 2,887 thousand euros was recorded in the hedging instruments (2014: loss of 3,145 thousand euros) and a loss of 5,174 thousand euros was recorded in the hedged items (2014: gain of 2,646 thousand euros). As of December 31, 2015, notional for long positions reached 24.3 million euros and notional for short positions reached 5.2 million euros regarding fair value hedging.

No gains or losses were recorded regarding hedge inefficiency.

XXXII

AUDITOR'S FEES

PricewaterhouseCoopers auditor's remuneration for the group of subsidiaries and for **Corticeira Amorim** was 442 K€ (2014: 400 K€).

XXXIII

ACTIVITY DURING THE YEAR

Corticeira Amorim sales are composed by a wide range of products that are sold through all the five continents, over 100 countries. Due to this notorious variety of products and markets, it is not considered that this activity is concentrated in any special period of the year. Traditionally first half, specially the second quarter, has been the best in sales; third and fourth quarter switch as the weakest one.

XXXIV

OTHER INFORMATION

a. Net profit per share calculation used the average number of issued shares deducted by the number of average owned shares. The non-existence of potential voting rights justifies the same net profit per share for basic and diluted.

	2015	2014
Total issued shares	133,000,000	133,000,000
Average nr. of treasury shares	5,290,979	7,398,429
Average nr. of outstanding shares	127,709,021	125,601,571
Net Profit (thousand euros)	55,012	35,756
Net Profit per share (euros)	0.431	0.209

b. IFRS disclosures - New standards as at 31 December 2015:

1. The impact of the adoption of the standards and interpretations that became effective as of 1 January 2015 is as follows:

Standards

a. **Annual Improvements 2011 - 2013.** The 2011-2013 annual improvements affects: IFRS 1, IFRS 3, IFRS 13 and IAS 40. The adoption of these improvements had no impact on the consolidated financial statements of the entity.

Interpretations

a. **IFRIC 21** (new), 'Levies'. Interpretation to IAS 37 and the recognition of a liability, clarifying that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment. The adoption of this interpretation had no impact on consolidated financial statements of the entity.

2. The following standards and amendments to existing standards have been published and are mandatory for the accounting periods beginning on or after 1 February 2015, but that the Corticeira Amorim has not early adopted:

Standards

a. **Annual Improvements 2010 - 2012**, (generally effective for annual periods beginning on or after 1 February 2015). The 2010-2012 annual improvements affects: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and 38, and IAS 24. No significant impacts are expected of the future adoption of these improvements on the consolidated financial statements of the entity.

b. **IAS 19** (amendment), 'Defined benefit plans – Employee contributions' (effective for annual periods beginning on or after 1 February 2015). This amendment applies to contributions from employees or third parties to defined benefit plans and aims to simplify the accounting when contributions are not associated to the number of years of service. No impacts are expected of the future adoption of this amendment on the consolidated financial statements of the entity.

c. **IAS 1** (amendment), 'Disclosure initiative' (effective for annual periods beginning on or after 1 January 2016). This amendment provides guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements, the disclosure of accounting policies and OCI items presentation when arising from investments measured at equity method. No significant impacts are expected of the future adoption of these improvements on the consolidated financial statements of the entity.

d. IAS 16 and IAS 38 (amendment), 'Acceptable methods of depreciation and amortisation calculation' (effective for annual periods beginning on or after 1 January 2016). This amendment clarifies that the use of revenue-based methods to calculate the depreciation / amortization of an asset is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an asset. It shall be applied prospectively. No impacts are expected of the future adoption of this amendment on the consolidated financial statements of the entity.

e. IAS 16 and IAS 41 (amendment), 'Agriculture: bearer plants' (effective for annual periods beginning on or after 1 January 2016). This amendment defines the concept of a bearer plant and removes it from the scope of IAS 41 – Agriculture, to the scope of IAS 16 – Property, plant and equipment, with the consequential impact on measurement. However, the produce growing on bearer plants will remain within the scope of IAS 41 - Agriculture. No impacts are expected of the future adoption of this amendment on the consolidated financial statements of the entity.

f. IAS 27 (amendment), 'Equity method in separate financial statements' (effective for annual periods beginning on or after 1 January 2016). This amendment allows entities to use equity method to measure investments in subsidiaries, joint ventures and associates in separate financial statements. This amendment applies retrospectively. The future adoption of this amendement will have no impact on the consolidated financial statements of the entity.

g. Amendment to IFRS 10, 12 and IAS 28, 'Investment entities: applying consolidation exception'' (effective for annual periods beginning on or after 1 January 2016). This amendment is still subject to endorsement by the European Union. This amendment clarifies that the exemption from the obligation to prepare consolidated financial statements by investment entities applies to an intermediate parent which is a subsidiary of an investment entity. The policy choice to apply the equity method, under IAS 28, is extended to an entity which is not an investment entity, but has an interest in an associate, or joint venture, which is an investment entity. The future adoption of this amendement will have no impact on the consolidated financial statements of the entity, because it is not an investment entity.

h. IFRS 11 (amendment), 'Accounting for the acquisition of interests in joint operations (effective for annual periods beginning on or after 1 January 2016). This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business, through the application of IFRS 3's principles. No significant impacts are expected of the future adoption of these improvements on the consolidated financial statements of the entity.

i. Annual Improvements 2012 - 2014, (effective for annual periods beginning on or after 1 January 2016). The 2012-2014 annual improvements affects: IFRS 5, IFRS 7, IAS 19 and IAS 34. No significant impacts are expected of the future adoption of these improvements on the consolidated financial statements of the entity.

j. IFRS 9 (new), 'Financial instruments' (effective for annual periods beginning on or after 1 January 2018). This standard is still subject to endorsement by the European Union. IFRS 9 replaces the guidance in IAS 39, regarding: (i) the classification and measurement of financial assets and liabilities; (ii) the recognition of credit impairment (through the expected credit losses model); and (iii) the hedge accounting requirements and recognition. No significant impacts are expected of the future adoption of these improvements on the consolidated financial statements of the entity.

k. IFRS 15 (new), 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2018). This standard is still subject to endorsement by European Union. This new standard, applies only to contracts with customers to provide goods or services, and requires an entity to recognise revenue when the contractual obligation to deliver the goods or services is satisfied and by the amount that reflects the consideration the entity is expected to be entitled to, following a five step approach. No impacts are expected of the future adoption of this amendment on the consolidated financial statements of the entity.

c. Financial Assets and Liabilities

Financial Assets are mainly registered in the Loans and Other Receivables caption. As for Financial Liabilities they are included in the Amortized Liabilities caption.

Detail is as follows:

	Loans and receivables	Fair value through profit or loss	Derivatives as hedging	Available for sale assets	Total
Trade receivables	122,606	–	–	–	122,606
Other current assets	24,400	–	81	3,631	28,112
Cash and cash equivalents	6,036	–	–	–	6,036
Total as of December 31, 2014	**153,042**	**0**	**81**	**3,631**	**156,754**
Trade receivables	132,545	–	–	–	132,545
Other current assets	24,919	398	652	4,177	30,146
Cash and cash equivalents	7,461	–	–	–	7,461
Total as of December 31, 2015	**164,925**	**398**	**652**	**4,177**	**170,153**

(thousand euros)

	Fair value through profit or loss	Derivatives as hedging	Other financial liabilities at amortized cost	Total
Interest-bearing loans	–	–	93,594	93,594
Other borrowings and creditors	207	2,382	46,648	49,237
Trade payables	–	–	115,303	115,303
Total as of December 31, 2014	**207**	**2,382**	**255,545**	**258,134**
Interest-bearing loans	–	–	91,357	91,357
Other borrowings and creditors	-64	514	53,825	54,275
Trade payables	–	–	121,184	121,184
Total as of December 31, 2015	**-64**	**514**	**266,366**	**266,816**

(thousand euros)

Customers balances are denominated in USD (8.2%), CLP (5.8%), ZAR (1.4%), AUD (1.1%), being the remaining almost totally euro based. As business in Argentina started to be conducted by associate Corchos Argentina, customer's balances in Argentinian pesos (ARS) no longer exist. Exchange differences are due, mainly, to non-euro based customer's balances, as well as foreign currency loans used as a hedge accounting instrument.

Mozelos, February 11, 2016

The Board of Corticeira Amorim, S.G.P.S., S.A

António Rios de Amorim
Chairman

Nuno Filipe Vilela Barroca de Oliveira
Vice-President

Fernando José de Araújo dos Santos Almeida
Member

Cristina Rios de Amorim Baptista
Member

Luísa Alexandra Ramos Amorim
Member

Juan Ginesta Viñas
Member

CICIA'S FAÇADE COVERED WITH EXPANDED INSULATION CORKBOARD

06

Legal Opinion

CORTICEIRA AMORIM, S.G.P.S., SA

REPORT AND OPINION OF THE SUPERVISORY BOARD – FINANCIAL YEAR 2015

Dear Shareholders,

Under the terms of law and in accordance with the assignment we have been entrusted with, we hereby present our report on the activities of the Supervisory Board and our opinion on the Individual and Consolidated Directors' Report and the Individual and Consolidated Financial Statements submitted by the Board of Directors of CORTICEIRA AMORIM, S.G.P.S., S.A. for the year ended 31 December 2015.

I - ACTIVITY CARRIED OUT

Throughout the financial year the Supervisory Board closely monitored the business performance of the Company and its main subsidiaries and supervised compliance with the Law and the Articles of Association; the Supervisory Board monitored the Management of the Company, the effectiveness of risk management, internal audit and internal control systems, preparation and disclosure of financial information and ensured the completeness and accuracy of the accounting records as well as of the individual and consolidated financial statements and the accounting policies and valuation criteria adopted by the Company in order to ensure that they adequately reflect Corticeira Amorim, S.G.P.S., S.A.'s assets and its individual and consolidated accounts and cash flow.

In carrying out our duties, we have met with the representative of the Statutory Auditors and the External Auditor in order to monitor the audit work carried out so far and become acquainted with the audit findings, in addition to assessing the Auditors' independence. We have also met with the departmental representatives with responsibility for preparing the individual and consolidated accounts, as well as the Internal Auditor and we have received full support and collaboration from them all. We also met with the members of the Board of Directors and the Executive Committee, who answered all of the questions raised by the Supervisory Board and explained the Company's plans and objectives.

The Supervisory Board reviewed the Statutory Audit and the Auditors' Report on the Individual and Consolidated Financial Statements for the year ended 31 December 2015, which comprise the Individual and Consolidated Statement of Financial Position as at 31 December 2015, the Individual and Consolidated Income Statement by Nature of Expense, the Individual and Consolidated Income Statement and Other Comprehensive Income, the Individual and Consolidated Statement of Changes in Equity and the Individual and Consolidated Statement of Cash Flows and related notes. These documents were issued without qualification.

The Supervisory Board has also reviewed the Corporate Governance Report.
The Supervisory Board is responsible only for checking whether all the provisions referred to in section 245-A of the Portuguese Securities Market Act are included in the Corporate

Governance Report. The Supervisory Board confirmed that the Corporate Governance Report contains such provisions.

II - OPINION

Within the scope of our responsibilities, we hereby state that to the best of our knowledge and belief the financial statements referred to above have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit and loss of CORTICEIRA AMORIM, S.G.P.S., SA and the GROUP it heads, and that the Directors' Report presents fairly the development and performance of the business and the position of the GROUP, together with a description of the principal risks and uncertainties that it faces. It is further certified that the Corporate Governance Report contains the provisions referred to in section 245-A of the Portuguese Securities Market Act.

Therefore, taking into account the measures taken and the opinions and information received from the Board of Directors, the personnel of the Company, the Statutory Auditor and the External Auditor, the Supervisory Board is of the opinion that:

1. there is nothing to prevent the Individual and Consolidated Directors' Report for the year ended 31 December 2015 from being approved;
2. there is nothing to prevent the Individual and Consolidated Financial Statements for 2015 from being approved;
3. there is nothing to prevent the Board's proposed appropriation of profit - which is duly substantiated by the amount of profit made and the Company's financial position - from being approved,

and, as a result, the Supervisory Board issues an opinion in favour of the approval of the above documents.

III - ACKNOWLEDGEMENTS

Finally, the Supervisory Board wishes to express its thankfulness to the other Governing Bodies and personnel of the Company for all the assistance and aid rendered to it in carrying out its duties.

Mozelos, 2 March 2016

The Supervisory Board

Manuel Carvalho Fernandes - Chairman

Ana Paula Africano de Sousa e Silva - Member

Eugénio Luís Lopes Franco Ferreira - Member pwc

Audit Report for Statutory and Stock Exchange Regulatory Purposes on the Consolidated Financial Information

(Free translation from the original in Portuguese)

Introduction

1 As required by law, we present the Audit Report for Statutory and Stock Exchange Regulatory Purposes on the financial information included in the consolidated Management Report and in the attached consolidated financial statements of Corticeira Amorim, S.G.P.S., S.A., comprising the consolidated statement of financial position as at December 31st, 2015 (which shows total assets of Euro 667,129 thousand and total shareholder's equity of Euro 354,133 thousand including non-controlling interests of Euro 13,368 thousand and a net profit of Euro 55,012 thousand), the consolidated statement of income by nature, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare the consolidated Management Report and the consolidated financial statements which present fairly, in all material respects, the financial position of the Company and its subsidiaries, the consolidated results and the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows; (ii) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the European Union and which is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code; (iii) to adopt appropriate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any significant matters which have influenced the activity, financial position or results of the Company and its subsidiaries.

3 Our responsibility is to verify the financial information included in the financial statements referred to above, namely as to whether it is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code, for the purpose of issuing an independent and professional report based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Accordingly, our audit included: (i) verification that the Company and its subsidiaries' financial statements have been appropriately examined and, for the cases where such an audit was not carried out, verification, on a sample basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements and assessing the reasonableness of the estimates, based on the judgements and criteria of the Board of Directors used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations and the utilization of

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the equity method; (iii) assessing the appropriateness of the accounting principles used and their disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; (v) assessing the overall presentation of the consolidated financial statements; and (vi) assessing the completeness, truthfulness, accuracy, clarity, objectivity and lawfulness of the consolidated financial information.

5 Our audit also covered the verification that the information included in the consolidated Directors' Report is consistent with the financial statements as well as the verification set forth in paragraphs 4 and 5 of Article 451º of the Companies Code.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the consolidated financial statements referred to above, present fairly in all material respects, the consolidated financial position of Corticeira Amorim S.G.P.S., S.A. as at December 31st, 2015, the consolidated results and the consolidated comprehensive income of its operations, the changes in consolidated equity and the consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and the information included is complete, true, up-to-date, clear, objective and lawful.

Report on other legal requirements

9 It is also our opinion that the information included in the [consolidated] Directors' Report is consistent with the consolidated financial statements for the year and that the Corporate Governance Report includes the information required under Article 245º-A of the Portuguese Securities Market Code.

March 1st, 2016

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