ANNUAL REPORT AND ACCOUNTS 2013

AMORIM

CHAIRMAN'S MESSAGE

In 2013, world growth fell below initial expectations for the third consecutive year and the pace of business activity remained only slightly above historic lows. It was, above all, a year in which growth prospects for emerging economies were revised downwards. The Euro Zone moved from recession to recovery, albeit marginally. The United States economy, which grew 1.9%, reflected the negative impact of fiscal contraction and political disputes, particularly on investment.

Portugal continued the process of adjusting the structural imbalances it had accumulated over several years. This contributed to a contraction of the economy for a third consecutive year. However, 2013 was marked by a significant turnaround in the overall trend of the Portuguese economy, with nine months of successive positive surprises on growth following a sharply negative first quarter.

Corticeira Amorim enjoyed one of its best years to date in 2013 with consolidated sales totalling €542.5 million. However, this growth was conditioned by the devaluation of all the company's export currencies, particularly the US dollar, which had by far the greatest negative impact in terms of sales and earnings. In spite of this constraint, the position of the US as **Corticeira Amorim**'s single most important market strengthened in 2013.

Thanks to continuing investment in research, development and innovation, on-going efforts to improve operating efficiency through a range of initiatives in every business unit and consistent approaches to new markets, **Corticeira Amorim** continues to benefit throughout the world from an unbeatable portfolio of cork products and solutions, providing quality services to traditional industries as well as building increasing loyalty from more innovative segments, thanks to the Group's originality and consistency.

The Raw Materials Business Unit (BU), responsible for the procurement of cork for the whole **Corticeira Amorim** Group, was intensely active last year, increasing its purchases by 35% on 2012 to make 2013 its biggest provisioning year to date.

The Cork Stopper BU, which accounts for about 60% of **Corticeira Amorim**'s total turnover, achieved a notable operating performance in 2013, including strong development of its technical stopper ranges (Champagne, Neutrocork, etc.) and the launch of the Helix packaging system, which introduced an easy-open cork stopper into the market. The Composite Cork BU marked the 50th anniversary of its foundation with characteristic dynamism, presenting new solutions and new composites reflecting partnerships in areas including transport and construction as growth in new application sales became increasingly evident. The Floor and Wall Coverings BU, whose ArtComfort and VinylComfort ranges enjoyed appreciable sales growth, consolidated its strategy by achieving notable successes in markets including the US and Germany. In spite of a drop in sales, the Insulation Cork BU continued to conquer new markets thanks to growing interest in its 100% natural solutions, in terms of both their performance and their visual appeal as they became a material of choice in the emerging segment of natural houses.

A number of other projects continued to expand international recognition of cork and **Corticeira Amorim** in 2013:

- *Trafaria Praia*, the Portugal Pavilion at the Venice Art Biennale;
- the installation of cork floor coverings at the Victoria & Albert Museum in partnership with the London Design Festival;
- the Metamorphosis exhibition, curated by Experimentadesign and drawing on the creativity of 10 of today's most acclaimed architects and designers, provided a showcase for cutting-edge uses of cork inspired by the material's unique properties.

Corticeira Amorim's vitality bears witness to our genuine passion for cork and our commitment to progressively expanding its use, adding value to the raw material in a competitive, original and innovative way that is in perfect harmony with nature. These values help us face the challenges of the future with confidence.

Finally, on behalf of myself and the Board of Directors of **Corticeira Amorim**, I would like to express our appreciation and gratitude to all our stakeholders for the support; to all our customers and shareholders for the trust they place in us; and to all our staff for their professionalism, dedication and enthusiasm.

Cordially,

António Rios de Amorim

CORK SPACE, BY ARCHITECT MANUEL AIRES MATEUS, FOR METAMORPHOSIS PROJECT

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Tiago Borges Pinho
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Substitute Member

STATUTORY AUDITOR

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

Hermínio António Paulos Afonso (ROC)
Substitute

As of December 31, 2013

ORGANIZATIONAL CHART

AMORIM NATURAL CORK

RAW MATERIALS

Amorim Florestal, S.A.

Procurement

- **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

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 Raro** 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
- **Agglotap S.A.** Girona - Spain
- **Augusta Cork, S.L.** San Vicente de Alcántara – Spain

Distribution

- **Amorim & Irmãos, S.A. Ind. Unit Distribuição** Santa Maria de Lamas – Portugal
- **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 – Bulgary
- **Amorim Cork America, Inc.** 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
- **Hungarokork Amorim, Rt.** Veresegyház – Hungary
- **Korken Schiesser, GmbH** Viena – Austria
- **Amorim Argentina, S.A.** Buenos Aires – Argentina
- **Portocork America, Inc.** Napa Valley, CA – USA
- **Amorim Cork South Africa (PTY) Ltd.** Cape Town – South Africa
- **Industria Corchera, S.A.** Santiago – Chile
- **Société Nouvelle des Bouchons Trescasses, S.A.** Le Boulou – France
- **I.M. «Moldamorim», S.A.** Chisinau – Moldavia
- **Amorim Cork Beijing, Ltd.** Beijing – China
- **S.A. Oller et Cie** Reims – France
- **Corchos de Argentina, S.A.** Mendoza - Argentina
- **Sagrera et Cie** Reims - France
- **Trefinos Italia SRL** Treviso – Italy
- **Bouchons Prioux S.A.R.L.** Epernay - France
- **Amorim Cork España S.L.** San Vicente de Alcántara – Spain

AMORIM CORK RESEARCH

R&D, INNOVATION

- **Amorim Cork Research & Services, Lda.** Mozelos – Portugal

AMORIM CORK COMPOSITES

COMPOSITE CORK

Amorim Cork Composites, S.A.

Amorim Cork Composites, S.A.
Mozelos – Portugal

Amorim Cork Composites, S.A.
Corroios – Portugal

Drauvil Europea, S.L.
San Vicente de Alcántara – Spain

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

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

Amorim Cork Composites, Inc.
Trevor, WI – USA

Amorim (UK) Limited
West Sussex – United Kingdom

Dyn Cork – Technical Industry, Lda.
Paços de Brandão – Portugal

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

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
Viena – Austria

Amorim Flooring Nordic A/S
Greve – Denmark

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
Fürth – Germany

US Floors Inc.
Dalton, GA – USA

Timberman Denmark A/S
Hadsund – Denmark

INSULATION CORK

Amorim Isolamentos, S.A.

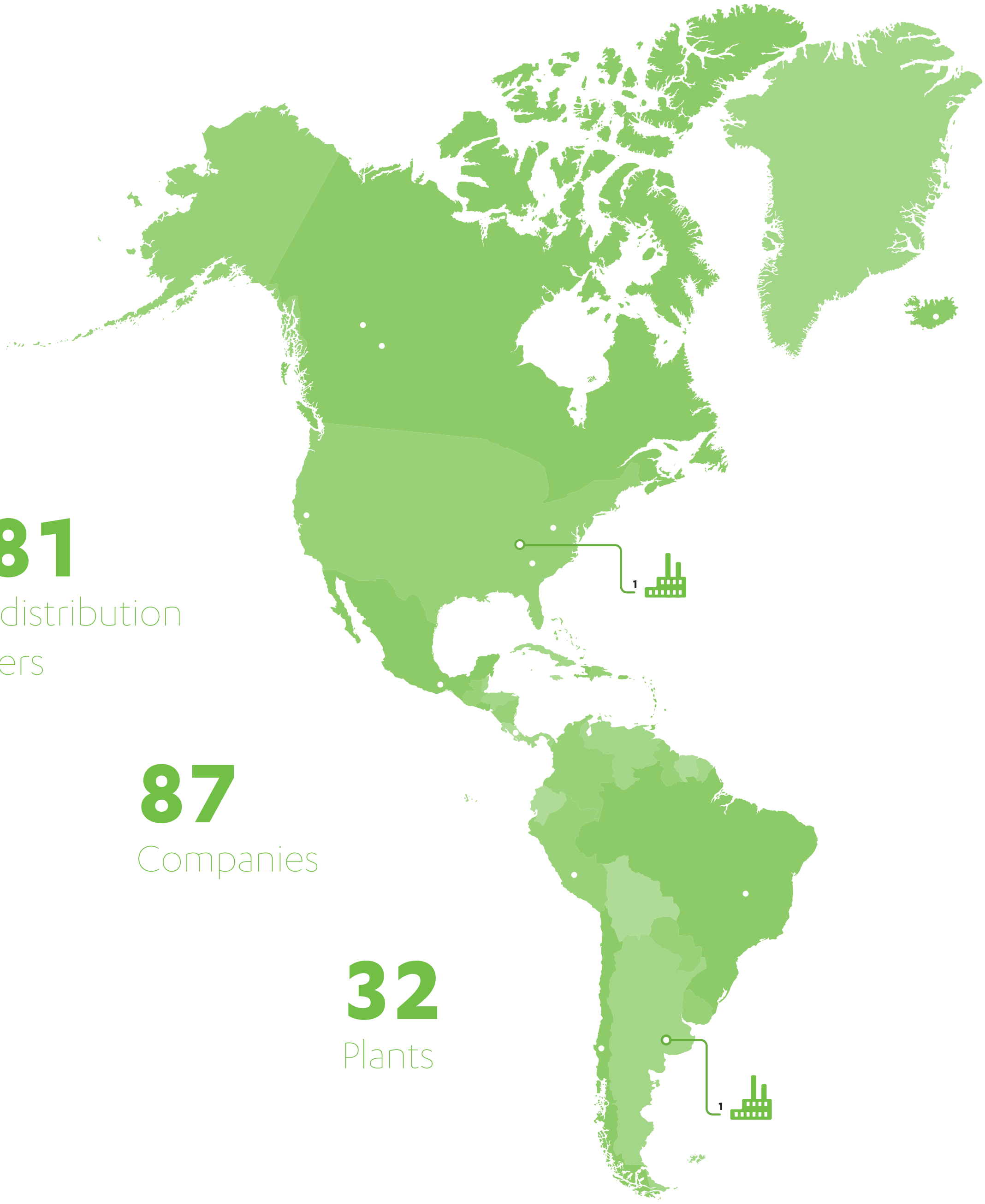
Distribution

Amorim Isolamentos, S.A.
Mozelos – Portugal

Amorim Isolamentos, S.A.
Silves – Portugal

Amorim Isolamentos, S.A.
Vendas Novas – Portugal

WORLDWIDE PRESENCE



281
Key distribution players

87
Companies

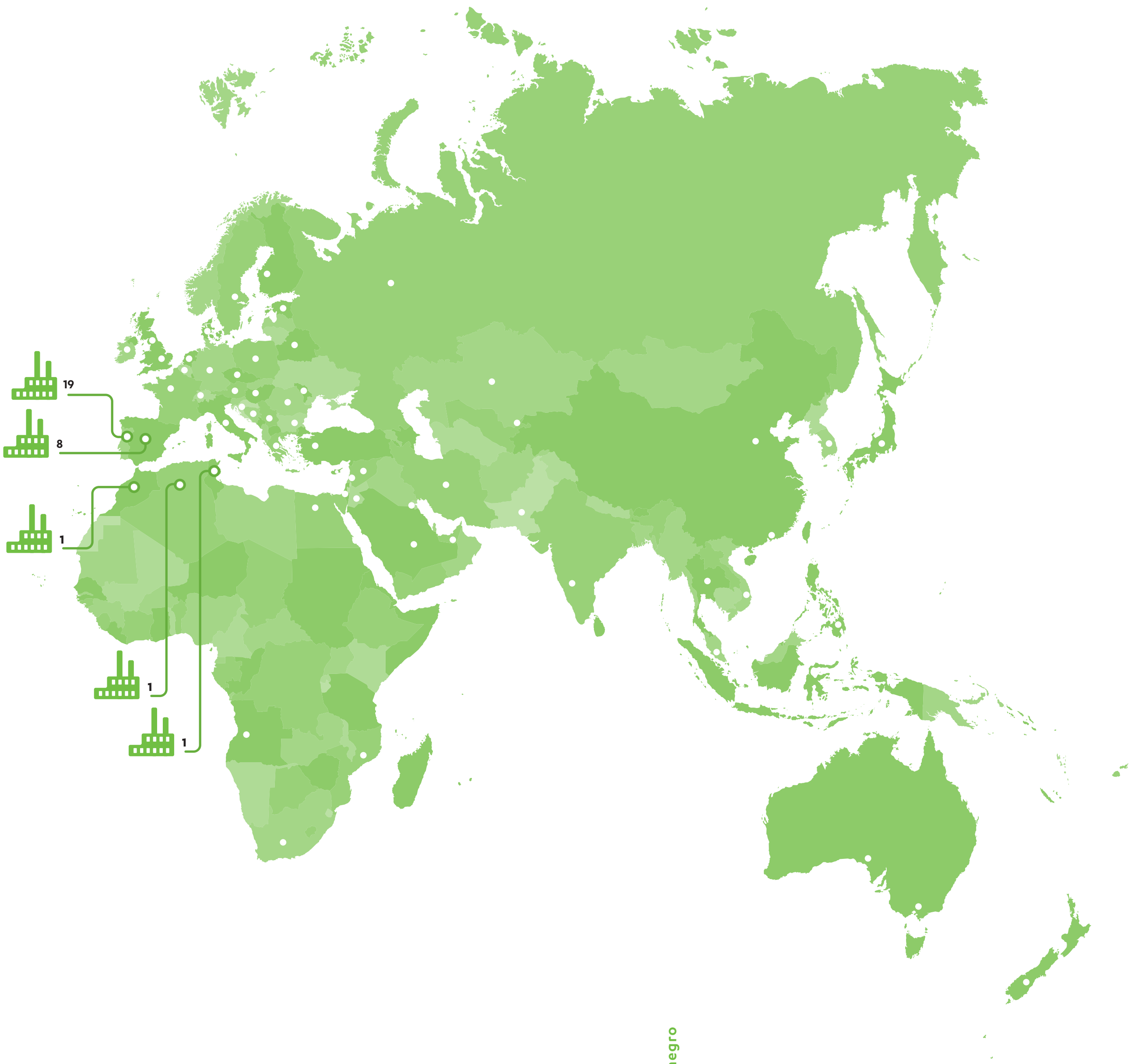
32
Plants

Countries	Algeria	Angola	Argentina	Australia	Austria	Belgium	Belorussia	Bosnia	Brazil	Bulgary	Canada	Cape Verde	Chile	China	Costa Rica	Cyprus
Key distribution players		1		4	3	8	1	1	7	1	2	1	1	6	1	1
Companies	1		2	2	2				1	1			2	3		
Industrial sites	1		1													

Countries	Czech Republic	Denmark	Egypt	Estonia	Finland	France	Georgia	Germany	Greece	Hong Kong	Hungary	Iceland	India	Iran	Ireland	Israel
Key distribution players	3		1	1	2	57	1	29	1	1	2	1	2	1	1	1
Companies		2				9		5			1					
Industrial sites																

Geographic Location

Industrial Sites



Italy	Japan	Jordan	Kazakhstan	Kuwait	Kyrgyzstan	Lebanon	Malta	Mexico	Moldavia	Morocco	Mozambique	Netherlands	New Zealand	Pakistan	Peru	Philippines	Poland	Portugal	Russia	Saudi Arabia	Scotland	Serbia, Macedonia, Montenegro	Singapore	South Africa	South Korea	Spain	Sweden	Switzerland	Syria	Thailand	Tunisia	Turkey	Ukraine	United Arab Emirates	United Kingdom	USA	Vietnam
6	8	1	2	1	1	2	1	2			1	3	1	1	1	2	15	2	9	2	1	1	2	2	7	10	2	11	1	2		3	5	3	12	16	1
3	1								1	2		1					1	19						1		13		1			4				1	8	
										1								19								8					1					1	

SINGIFICANT EVENTS

CORK OAK FOREST (MONTADO)

01

SIGNIFICANT EVENTS

JANUARY

Expanded insulation cork board manufactured by Amorim Isolamentos has been considered **one of the TOP 10 eco-friendly and sustainable products for the construction industry** and, therefore, has been included in the "**Top-10 Green Building Products for 2013**" **by BuildingGreen**, publisher of the GreenSpec directory and Environmental Building News (EBN).

FEBRUARY

Amorim Cork America launches the most sophisticated cork stopper factory in the US, in the centre of Napa Valley. This new facility is part of a concerted strategy of investment in the US that has recently become the biggest wine market consumer in the world.

Amorim Cork Composites' products Acousticork U32 and U68 for insulation of screeds were awarded an A+ rating by London's BRE (Building Research Establishment) in an Environmental Product Declaration (EPD) assessment, providing evidence of its superior performance.

Corticeira Amorim nominated finalist of the European Business Awards as one of the Top 10 Innovative Companies and among the 100 companies that have been awarded a "Ruban d'Honneur" prize in 2012/13 of the European Business Awards.

MARCH

Cork in the Royal College of Art's Design Products MA Program. The initiative is the result of a partnership between the Royal College of Art and Corticeira Amorim. This collaboration with leading international institutions is a part of Amorim's ongoing strategy to make cork a featured material in state of the art design and architectural projects.

EcorkHotel's exterior, in Évora, is covered with expanded insulation cork board supplied by Amorim Isolamentos, in a total area of 1200 m2. The choice of this 100% natural material as the central element of the building's look is in complete harmony with the hotel's setting, a magnificent Alentejo landscape surrounded by cork oak forests. The use of the material results in a number of exceptional benefits in terms of energy savings.

APRIL

The "Braque" project, an acoustic insulation panel, created by the designer Tânia da Cruz, with the support of Amorim Isolamentos, **won the first prize at the Salone Satellite 2013, in Milan**.

MAY

Cork is the key material of the Quiet Motion installation designed by the renowned French designers Ronan & Erwan Bouroullec for BMWi. Presented at the Milan International Furniture Fair 2013, Quiet Motion interprets a visionary concept of sustainable mobility.

Portugal Pavilion "Trafaria Praia" presents cork at the Venice Biennale. The evolvement of Corticeira Amorim has arisen from a desire of the artist Joana Vasconcelos, who set as a priority that materials strongly connected with the Portuguese culture were used in the ferryboat. Her choice of natural cork and her association with Amorim, the leading player in the cork industry become, thus, obvious.

JUNE

Amorim and O-I launch Helix, innovative cork-glass wine packaging solution. The new "twist to open" concept combines an ergonomically-designed stopper made from cork and a glass bottle with an internal thread finish in the neck, creating a high performing and sophisticated wine packaging solution. Helix combines all the benefits of cork and glass – quality, sustainability and premium image with user-friendly, re-sealable convenience.

Corticeira Amorim's operations enable the retention of more than 2 million tons of CO_2 per year. Corticeira Amorim commissioned a study for measuring and independently verifying its environmental carbon footprint according to ISO 14064. The study shows that the activity performed by the company brings benefits to the planet in terms of greenhouse gas emissions, as the amount of CO_2 sequestered by the company is – by far – higher than that it emits.

JULY

Corticeira Amorim provides a free technical advisory service for cork oak forest producers, aiming at identifying and adopting best practices in the management of cork oak forests and associated biodiversity. This service is one of the actions developed by the company within the scope of the European Business & Biodiversity initiative. Since 2008, it has already covered the management of around 17,500 hectares of cork oak forest area in Portugal.

AUGUST

SINCE 1963 50 YEARS

Amorim Cork Composites celebrates its 50th anniversary. Corticeira Amorim Indústria (the original name of the company) was set up with the objective of maximizing the use of the raw material resulting from the production of cork stoppers. What began as a measure to make use of the by-products has resulted a unique enhancement of cork's value and application, thus generating a vast portfolio of cork solutions.

SEPTEMBER

Wicanders flooring showcased at the Victoria and Albert Museum. Corticeira Amorim and the London-based practice FAT - Fashion Architecture Taste joined for the first time at the London Design Festival, presenting cork in this leading international event. With an avant-garde approach to a natural cork floor covering, the project invited the visitor to discover the visual and tactile properties of cork while challenging existing connotations with the material.

Cork on display at the 2013 Lisbon Architecture Triennale and for the second consecutive time with Corticeira Amorim's partnership. The many properties of cork were highlighted in "Future Perfect", one of the main "Close, Closer" program, held between September and December at the Electricity Museum in Lisbon.

OCTOBER

Amorim Isolamentos introduces an innovative solution aimed at building industry, showing new possibilities of using the expanded insulation cork board. Among the new solutions resulting from exploiting new shapes and textures, the possibility of creating personalized and customized products leading to performance improvements in terms of acoustic, thermal and cushioning performance should be emphasized.

NOVEMBER

Corticeira Amorim presents Metamorphosis at Jerónimos Monastery. Curated by Experimentadesign and with the involvement of ten of the most renowned contemporary architects and designers, Metamorphosis offers new products and uses based on cork's unique properties. It explores new fields and typologies, in symbiosis or metamorphosis with other materials, properties and concepts.

DECEMBER

Amorim Revestimentos launches the Natural Power Coat (NPC), an ultimate, resistant and ecological varnish for cork floors. Given its surprising features, NPC offers a 20-year warranty for domestic use and a 10-year for commercial use, the highest guarantee granted by a varnished cork product in the market.

WolzNautic, a world leader in building and installing decks in the yacht industry, has developed together with Amorim Cork Composites **a special cork material - Corecork 3D-Cork - to be used as a leveling process underneath the teak deck in Super Yachts**. Among the many advantages of this innovative cork system - boasting excellent thermal and acoustic insulation properties and humidity resistance - it is worth noting that **it provides a 50% reduction in the weight of decks** compared to existing conventional decking solutions on the market.

Europen Space Agency selects a national consortium for designing a new generation of thermal protection systems. The project is aimed at developing and functionally testing an innovative thermal protection system that will fulfill both structural and thermal functions that will help to simplify spacecraft's re-entry into the Earth's atmosphere. The new solution is based on **an innovative cork composite material** allowing the space shuttle to successfully adapt to the entry into orbit and subsequent descent to the planet's surface.

ARTCOMFORT FLOORING BY WICANDERS, REFERENCE PRIME RUSTIC OAK

CONSOLIDATED MANAGEMENT REPORT

RAW MATERIAL

02

1

ECONOMIC DEVELOPMENTS IN 2013

1.1. GLOBAL OVERVIEW

For the third consecutive year, world growth fell below initial expectations in 2013 and business activity remained close to historic lows. It was, above all, a year in which the growth perspectives for emerging economies were revised downwards. Political factors and the impact of the announcement in May of the withdrawal of non-conventional support measures by the US Federal Reserve hit confidence and had a significant effect on the evolution of economic activity. World trade increased, albeit at the same pace as in 2012. In global terms, the second half of the year was more positive than the early months – the main reasons for the change being production for stock and a recovery in demand targeted at emerging markets. From May onwards, emerging markets, especially those with current account vulnerabilities, were negatively affected by mass capital outflows and a less favourable financing environment, both the result of the changes announced by the US Federal Reserve. Less favourable political contexts also had a negative impact, leading to poorer performance than expected.

In spite of registering positive quarterly growth from April, the **Euro Zone** economy is estimated to have contracted by about -0.4% in 2013, but it passed the point marking the transition from recession to recovery. Investor sentiment regarding the risk of a Euro Zone breakup, which had affected the region for the previous two years, changed radically, re-establishing the bloc as viable region for investment. Unemployment continued to move upwards, reaching record levels. The contraction in credit concession to the non-financial sector worsened. The **United States** registered economic growth of about 1.9%, reflecting the negative impact of fiscal contraction, political disputes (which significantly limited private investment decisions), the deleveraging of corporate balance sheets and the impact of higher mortgage lending rates on the real estate market. Growth gained momentum after the beginning of the year, which was significantly affected by the "sequester" – the fiscal policy process by which an indiscriminate cut in public spending is automatically implemented when the US Congress fails to agree on a budget that reduces the budget deficit. **Japan**, reflecting the effects of "Abenomics" – expansionist monetary and fiscal policies – registered growth of about 1.7%, expanding at a slightly faster pace than in 2012. Among emerging markets, **China** is estimated to have maintained a growth level of 7.7%, despite the country's change of political leadership, with growth in the second half being particularly strong. **India** achieved growth of 4.4%. **Brazil** also grew more than in 2012 – by about 2.3%, according to estimates by international institutions. **Russia** again recorded a disappointing performance, with GDP growth falling from 3.4% in 2012 to 1.5% in 2013.

As in the previous two years, 2013 was characterised by the continuation of ultra-expansionist policies in a substantial number of economies. These persisted in the US (although, in spite of the announced intention of beginning to withdraw extraordinary stimuli, the process only began in December) and in Japan through quantitative easing operations. Policy changes in the opposite direction were exceptions and occurred mostly in emerging markets such as Brazil. In developed economies, which continued to register a gap between actual and potential growth, inflation fell, while the reverse trend was evident in emerging economies. Falling commodity prices also contributed to these trends. The European Central Bank opted to cut its main refinancing rate twice in 2013 – from 0.75% to 0.25%, maintaining its full-allotment approach to providing funds.

CORK STRIPS

1.2. PORTUGAL

In 2013, Portugal continued the process of adjusting the structural imbalances the country had accumulated in previous years, registering a contraction in GDP (of about -1.4%) for the third consecutive year. The year was nevertheless marked by a radical change in economic trends – after a strongly negative first quarter, economic activity in the following nine months consistently delivered positive surprises.

Portugal benefitted from a reduction in the contraction in domestic demand, mainly in the private sector, and from the favourable performance of exports, which in turn benefitted from competitiveness gains, leading to a repositioning of Portuguese exports in terms of added value and market diversification. Investment contracted markedly, albeit by a considerably lesser degree than in 2012. Investment followed a similar pattern to GDP growth, showing positive evolution from April onwards. Undoubtedly, a recovery of business and consumer confidence, as well as measures designed to reanimate investment – including an Extraordinary Fiscal Credit for Investment – were behind this evolution. Portugal's net external financing requirements (the sum of the current and capital account balances), registered a surplus for the second consecutive year, a telling reflection of the adjustment process under way. The trend towards a greater contribution from the tradable goods and services sector also strengthened.

Portugal continued its fiscal consolidation efforts aimed at meeting the targets set out in the country's Economic and Financial Adjustment Programme (EFAPF). The budget deficit was reduced to a level close to, but lower than the official target of 5.5% of GDP, while public debt continued to increase, although at a slower pace than in 2012, to approximately 126% of GDP.

Unemployment rose to an all-time high of more than 17% in the second quarter, but has since been falling. The average jobless rate in 2013 was 16.3%, up from 15.7% in the previous year. The rate of employment also increased, inverting the trend of previous years. Inflation continued to fall sharply to an average annual level of 0.3%. A contraction in domestic demand, wage moderation and a stabilisation of energy prices were among the chief factors in the sharp drop in inflation from 2.8% in 2012.

EXHIBITION AT JERÓNIMOS MONASTERY (LISBON)

2

THE METAMORPHOSIS OF CORK

At the end of 2013, Corticeira Amorim unveiled an exhibition called METAMORPHOSIS, the product of research and development related to uncovering the many-faceted potential of cork. Held at the Jerónimos Monastery in Lisbon from November 7 to December 1, on the occasion of the EXD'13 biennial, the exhibition was opened at a ceremony attended by His Excellency Aníbal Cavaco Silva, the president of Portugal, and Jorge Barreto Xavier, the secretary of state for culture.

METAMORPHOSIS was conceived with the aim of encouraging innovative, creative and cutting-edge uses of cork and exploring the possibilities of this extraordinary raw material. The concept of the exhibition, which was curated by Experimentadesign, was to challenge participants to expand the boundaries of cork, a raw material that is deeply rooted in Portuguese traditions.

The Pritzker Prize winning architects Álvaro Siza, Eduardo Souto de Moura and Herzog & de Meuron were invited to take part, as well as other renowned architects, including Alejandro Aravena, Amanda Levete, João Luís Carrilho da Graça and Manuel Aires Mateus, and three notable product designers, James Irvine, Jasper Morrison and Naoto Fukasawa.

In an experimental initiative, partly aimed at enhancing international perceptions of cork, total creative freedom was accorded to the participants to conceive new territories, functions and formats for cork, which has become such an important resource in the material and manufacturing culture of the 21st century. Fascinated by the properties and characteristics of cork, the invited creators participated enthusiastically in every stage of the process, interacting intensely with Corticeira Amorim and the curators, from concept development to choosing the right type of cork, from testing prototypes to appraising the finished results. Taking advantage of the extraordinary versatility and transformative capacity of the material, they transformed cork – the subject of all their conceptual and creative skill – into unexpected objects that combine design and functionality with unique technical and environmental qualities.

Twelve projects were presented at the exhibition: a truly impressive demonstration that brought together centuries of knowledge of the material, an exploration of its natural properties and the cutting-edge creativity of 10 renowned world talents. More than a record and showcase of this process, METAMORPHOSIS constituted an unequivocal statement that cork is the material of the third millennium.

In addition to the exhibition, a book called Metamorphosis was also published, documenting the creative and production contributions of each designer and architect – from idea to finished work. The book also includes several essays and reflections highlighting the scientific and social value of both cork and cork oak forests (*montados*).

All of **Corticeira Amorim**'s Business Units benefitted from the positive impact of the project, in terms of both enhancing public awareness and perceptions of cork and Amorim as well as in the increased demand for their products that the exhibition generated.

"This exhibition, with works by renowned architects and designers highlights the enormous potential of a product for which Portugal is the world leader. It clearly shows how innovation, creativity, the liaison between companies and research centres can add value to cork and promote it in a different manner, even in those sectors which are considered traditional in Portugal."

CAVACO SILVA,
PRESIDENT OF THE PORTUGUESE REPUBLIC

3

OPERATING ACTIVITIES BY BUSINESS UNIT (BU)

The companies that make up the **Corticeira Amorim** universe are structured into **Business Units (BU)**. Detailing their activities provides an account of the most significant events of the 2013 financial year.

3.1. RAW MATERIALS

The **Raw Materials Business Unit** recorded a slight reduction in activity, a situation that had been expected as a consequence of the 2012 provisioning campaign, which was disrupted by unfavourable weather. However, the BU posted better results than in 2012 due to the implementation of a development programme and several industrial efficiency processes.

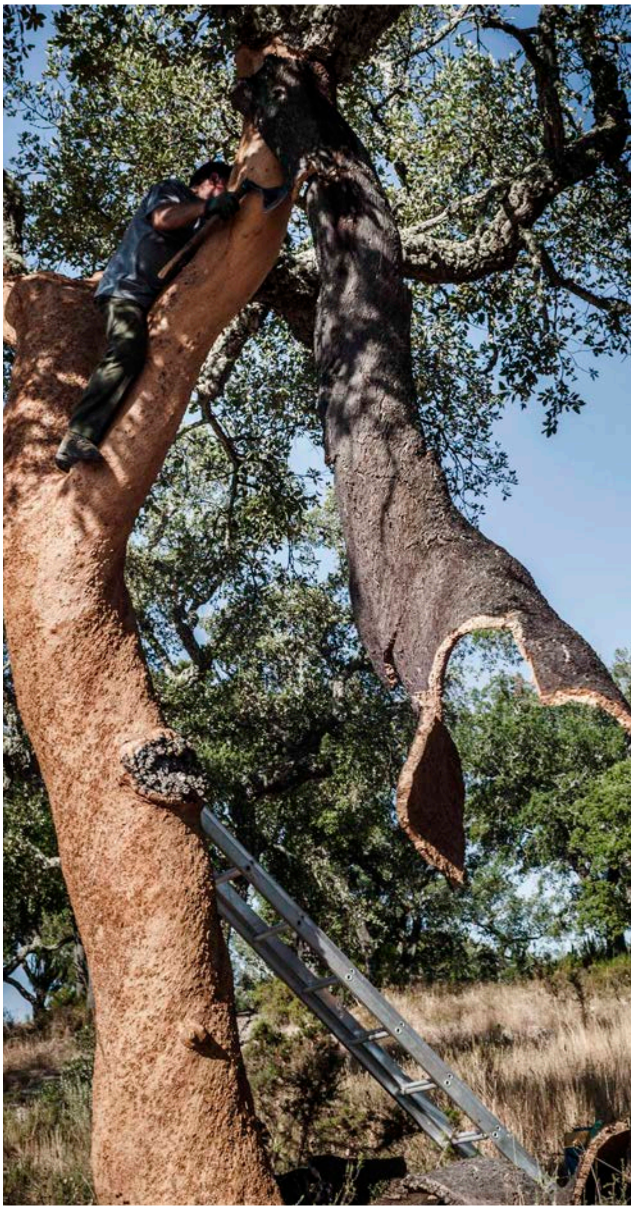
In 2013, the BU's main objectives were the provisioning of raw materials, consolidating cork preparation methods, continuing the modernisation process for manufacturing natural cork discs used in champagne and Twin Top stoppers and maintaining a focus on research and development in the areas of forestry and the sensorial properties of cork.

Provisioning proceeded as planned in 2013, enabling the BU to restore the stock levels needed to ensure the supply of cork to the Corticeira Amorim value chain without any risk of interruption. The BU continued to focus on geographically diversifying its purchasing sources, being active in all the world's cork-growing regions in 2013.

Although the BU prepared a smaller volume of cork than in 2012, the application of new, more efficient working methods, closer industrial monitoring through the use of advanced Kaizen practices, including daily Kaizen, 5 Ss, visual management and Standard Work, allowed for more productive use of the raw material, resulting in a significant increase in the profitability of the BU's preparation units, despite an economic climate in which the price of several inputs, including energy and transport, increased.

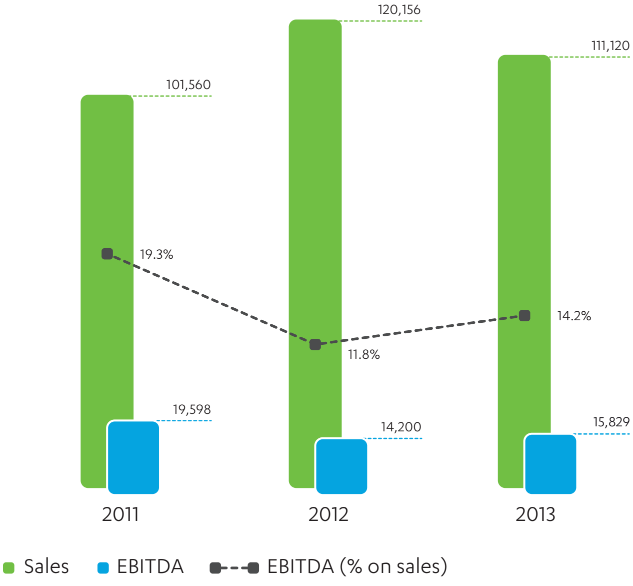
A significant investment was made in 2013 in modernising the production of cork disks for both champagne and Twin Top stoppers. This involved automating processes and adapting the BU's structures to the level of demand from the Cork Stopper BU in terms of both quantity and the quality and sensorial characteristics of the material supplied.

Rigorous stock control and efficient negotiating with suppliers enabled the Raw Materials BU to keep invested capital at appropriate levels.



CORK HARVESTING

Raw Materials — Sales & EBITDA (thousand euros)



3.2. CORK STOPPERS

The activities of the **Cork Stopper Business Unit** have grown consistently, maintaining a constant focus on profitable growth. The BU systematically monitors how the contribution made by its products evolves, maintaining close control over the operating efficiency of the business. In 2013, the BU also integrated the Trefinos company. This had a positive impact on business volume, but lowered operating efficiency from previously achieved levels.

Sales rose by 3.1% compared with 2012. Excluding the contribution of Trefinos, sales fell 1% in value and 2.2% in volume on the previous year.

In terms of markets, 2013 saw a slowdown in France and Australia. Sales in Spain and Italy grew significantly, by about 13% and 7% respectively. East European markets also saw important growth.

Overall, 2013 saw a strengthening of the BU's position in world markets and a broadening of its sales base. The important factors that contributed to this progress included:

- A marked improvement in the sensory and mechanical qualities of our products, especially our technical stoppers;
- A perception of Amorim products as being the best cork stoppers and having the best relation between quality, price and ease of purchase as well as being most in harmony with nature;
- increased wine consumption in reference markets, with a positive impact on exporting markets such as Italy and Spain;
- Increased awareness of cork in the world market, thanks to excellent promotional work and the development of several applications for this remarkable natural product.

Sales of the BU's most important product – natural cork stoppers – were at the same level as 2012, but with important variations in reference markets. France, Sweden and Australia were the markets where sales fell most. Natural cork stoppers represented about 39% of total sales. Specific initiatives aimed at increasing sales to existing customers and gaining new customers were targeted at reference markets. In response to the decline in sales to France, the BU redefined its commercial strategy and restructured its sales force for that market.

Sales of **Neutrocork Stoppers** rose 5.9% on 2012. These stoppers have been particularly well accepted in markets with demanding quality standards, reflecting the product's excellent price-quality relationship, it being suitable for wines with low and medium sales cycles and guaranteeing both efficient sealing properties and the sensorial characteristics expected of a cork stopper.

In the case of **Twin Top Stoppers**, an excellent product that is well positioned in terms of price, but strongly threatened by alternative closures, sales fell by 12.4% compared with the previous year. This was due in large part to a drop in sales to the US. There was a general decrease in sales in all markets, placing this product under strong pressure in 2014. This requires innovation and a reinvention of the product to generate new sales arguments and to make it recognisably advantageous to clients.

Following a decline at the end of 2008, sales of **Champagne Stoppers** began to increase progressively in 2009 and particularly in 2010, a trend that continued through 2011-2013. In terms of champagne consumption, slight growth or stabilisation is expected in mature markets, while rapid growth is projected for new markets. The Cork Stopper BU recorded a year-on-year increase in sales of 2.5%. Sales to reference markets – France, Italy, Australia, Spain, Germany and the US – rose by 0.8%.

In global terms, the BU's gross margin fell by 6.8% in comparison with 2012, with exchange rate differences accounting for 66% of the total reduction. Increased raw material prices and a slight increase in some other specific costs accounted for 2.4 percentage points of the reduction in the gross margin.

Operating costs fell by 1.9% as a result of the implementation of efficiency measures supported by technological evolution and improvements in manufacturing processes. Operating costs represented 28.4% of sales (23.8% in 2012). Maintenance and repairs, advertising and insurance costs related to specific projects undertaken by the BU increased significantly. Provisions fell by 6%.

Earnings before interest, tax, depreciation and amortisation (EBITDA) and earnings before interest and tax (EBIT) both fell in comparison with 2012 (by 9.6% and 13.7% respectively), mainly due to unfavourable exchange rate differences and the slight drop in the gross margin.

NATURAL CORK STOPPERS

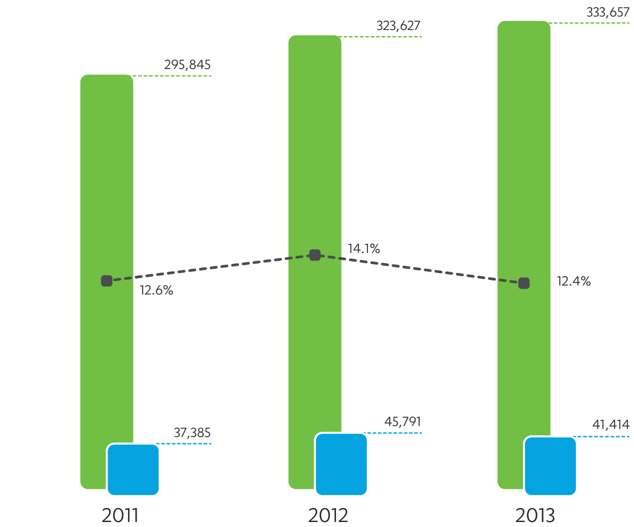
In a world climate of recession and slowdown, sales (excluding the impact of Trefinos) fell by 1%. Operating costs were down 1.9%, essentially as a result of cost control and rationalisation and operating efficiency measures put into practice in 2013. All cost items showed reductions in comparison with 2012, particularly staff costs and external supplies and services, which fell by 1.8% and 0.03% respectively.

The amount of capital invested at the end of 2013 was 12.6% lower than a year earlier, due to an increase in short-term liabilities and an important reduction in stocks and accounts receivable. Investment, mainly focused on industrial process modernisation and innovation, totalled €11 million.

The year was also marked by a wide range of initiatives that contributed to the growth and standing of the Cork Stopper BU, namely:

- the launch of two new easy-open products: Helix and Wine Top;
- an increased presence in champagne and sparkling wine markets as a result of supplying products whose consistent quality has been proven in the market;
- an improved position with multinational customers by winning tenders for supply contracts;
- improved finishing, washing and treatment processes for natural cork stoppers;
- efficient control of the production processes for technical corks, ensuring consistent product quality in line with market requirements;
- integration of the Trefinos group into the BU's operational structure;
- strengthening the BU's position in the spirits market segment and gaining reference customers; and
- focusing on team and human resource development and strengthening and consolidating the **CORK.+ programme**.

Cork Stoppers — Sales & EBITDA (thousand euros)



EBITDA without the effects of goodwill imparity (2012)
2012 and 2013 Sales include Trefinos

3.3. FLOOR AND WALL COVERINGS

In 2013, the total sales of the **Floor and Wall Coverings Business Unit** declined in relation to 2012. The drop originated in a reduction in the trade products business, given that sales of manufactured products remained at the same level as in 2012, with prominence for the BU's new products.

Sales to Germany increased in comparison with 2012, thanks to the success of the Artcomfort and Vinylcomfort product ranges in traditional distribution channels. This compensated from a fall in the Do-it-yourself (DIY) segment due to the restructuring of important customers.

Similarly, the BU's manufactured products were successful in Nordic markets, while sales to the specialised retail segment in the US continued to grow, registering a significant increase in relation to 2012.

On the negative side, sales to Russia contracted, largely as a result of the need to reduce stock levels throughout the distribution chain.

CORKCOMFORT FLOORING BY WICANDERS, REFERENCE TRACES SPICE

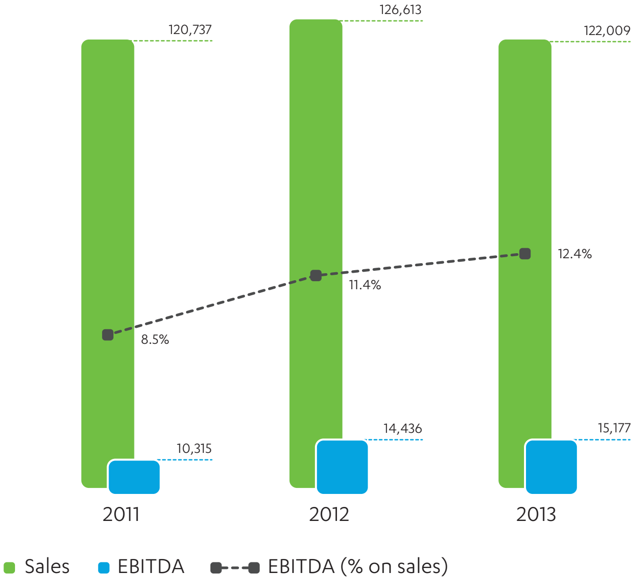
The sales volume of trade products fell in 2013. This was expected as a consequence of focusing the product portfolio on more value-added products, which affected direct importation channels. This shift in positioning had a positive impact on the unit margin for this product range.

In support of this strategic positioning option, significant investments were made in 2013 in point-of-sales promotions of trade products as well as in the promotion of products with greater added value to enhance the Wicanders brand. Industrial operations and the distribution chain continued to come under pressure from raw material purchase prices and transport costs. This factor, together with the meeting of market service targets and the optimisation of capital invested, encouraged the implementation of optimisation practices and processes with the aim of rationalising resource use in every area of the BU.

Marketing cutting-edge floor and wall covering products that incorporate cork remained a priority, leading to the development of cork's unique characteristics through the use of innovative technology in terms of installation techniques, composition and visual attraction. In this area, the BU unveiled a new differentiation concept – Corktech – to highlight the benefits of cork and promote its environmental advantages.

Following on from the important investments made by the sector to promote the image of cork internationally, the BU structured all its educational practices relating to cork, using an innovative concept called CorkAcademy, with the aim of expanding promotional activities related to cork by means of training sessions provided through all its distribution channels.

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



3.4. COMPOSITE CORK

The Cork Composite Business Unit achieved a significant increase of 9.4% in turnover in 2013, largely supported by the sale of cork materials at reduced margins to other Corticeira Amorim units.

EBITDA fell 24.2% on the previous year to €6.7 million, with adjustments for asset impairments (€1.8 million more than in 2012) constituting the main reason for this performance.

The combined effect of these two factors contributed decisively to a deterioration of 3.1 percentage points in the EBITDA/sales ratio.

Plans to grow the BU's business in applications with greater potential did not develop as expected, meaning that, in global terms, sales stabilised at the same level as in 2012.

On the other hand, the development of new products that also make use of new raw materials, and their gradual introduction into the market considerably increased the volume of sales of innovative products and/or applications compared with 2012. This was in line with the BU's forecasts, with the exception of high-density conglomerates (for the NRT segment), which fell a little below expectations.

In terms of more current business, the process of positioning the BU's products further up the value chain was continued, while the process of gaining and retaining new customers continued successfully. However, a slight drop in the sales volume of some industrial and civil construction applications was inevitable, especially in Europe, but also in Asia.

Marketing plans for the BU's range of applications were implemented as planned, consolidating the image renewal implemented in 2012. Customer service indicators remained at the high levels achieved in previous years.

In the area of operational efficiency, a permanent search for continuous improvement and the impact of carefully selected investments helped lift performance to the projected level for most manufactured lines, although productivity could still be improved at some points.

The BU's performance in 2013 was also the result of teams being managed to achieve specific goals at all levels. Strategic partnerships were also sealed with several companies and institutions that brought indisputable value with them.

Finally, mention should be made of the fundamental importance of innovation to the BU. This emerges, among other ways, in the way formal processes are managed, the high level of resources employed and the BU's organisational framework.

In 2013, the group celebrated the 50th anniversary of the foundation of Amorim Cork Composites, S.A. (originally called Corticeira Amorim, Lda.). The historic occasion was marked festively in different initiatives throughout the year involving all stakeholders at a time when the BU continues to reinvent itself and the way the world interacts with cork.

CORK GRANULES

The BU, as usual, supported a range of events in different countries to encourage expand perception of the value of cork as an inexhaustible source of applications and products that extend far beyond the best known and more traditional applications. These included the Metamorphosis Exhibition (described in point 2) and the use of cork in the ferryboat *Trafaria Praia*, which the artist Joana Vasconcelos exhibited at the Portugal Pavilion at the Venice Biennial 2013.

The diversified industrial segment accounted for about 45% of total turnover in 2013, while sales for this segment fell by almost 5% on 2012.

Friction, memo board and composite applications saw the biggest falls in sales, dropping back to levels similar to those prior to the sales growth they achieved in 2012. In the sealing subsector, the sales trend was similar to that for the industrial segment as a whole. The automotive and small gasoline engine segments suffered more significant drops in sales, in contrast with the gas sector where sales rose substantially. Finally, reference should be made to the previously noted negative performance of the NRT segment where sales were also down on 2012.

The civil construction sector returned to growth in 2013, with sales increasing by more than 3% on 2012 and accounting for approximately 26% of turnover.

Turnover for the BU's most representative application (underlays) evolved in line with the market segment as a whole. Underscreed achieved another year of substantial growth, as did sports flooring products. Composites for expansion joints were among the products that suffered a drop in sales in 2013.

Sales of other market applications (transport and consumer goods) rose significantly – 25% in total – but they represent only 9% of total turnover and their performance has a limited impact on overall sales trends.

A large majority of the remaining 20% of turnover consisted of sales related to the management of cork materials. Sales in this segment increased 61% in comparison with 2012, the equivalent of almost €6.9 million. Essentially, this area is engaged in supplying cork granulate and other raw materials to the Cork Stopper BU.

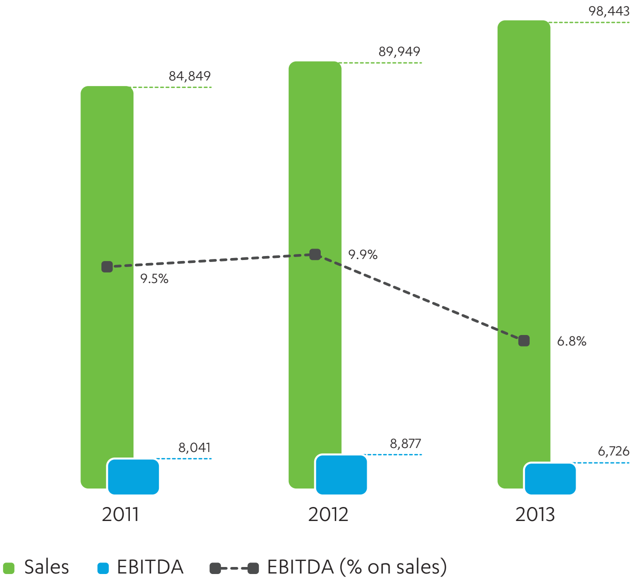
Sales to the group's added value chain was the factor that contributed most to turnover growth, given that the other sales segments remained at approximately the same levels as in 2012, despite a less favourable EUR/USD exchange rate.

The slight deterioration in the gross margin indicates that the gains recorded in the product sales component were not sufficient to compensate for the negative impact of an average devaluation of the dollar against the euro or, above all, for the heavy weight of raw materials (cork), where there is no significant sales margin, in the global sales mix.

Operating costs increased significantly in 2013. In addition to imparity adjustments, this was mainly a result of increased distribution costs, essentially transport, and direct industrial costs, where higher electricity and gas costs were responsible for most of the increase.

Investment in fixed assets was considerably increased in comparison with 2012 to just over €7 million, reflecting the BU's focus on modernisation, especially process and product evolution.

Composite Cork — Sales & EBITDA (thousand euros)



3.5. INSULATION CORK

In 2013, the Insulation Cork Business Unit recorded a 10% drop in sales volume. The decrease was a direct consequence of the impact of the unfavourable economic conditions on public and private consumption and on investment, which affected every segment of the insulation sector.

In spite of the drop in sales, especially in Europe, the BU managed to maintain its gross margin at practically the same level as in 2012, notwithstanding an increase in the average price of raw materials and a devaluation in the US dollar, the unit's invoicing currency, against the euro.

In 2013, the BU advanced with a number of initiatives aimed at tapping its full business and leadership potential as a supplier of high performance, high quality and environmentally-friendly products and solutions. These included:

- the use of Amorim Isolamentos products in the Trafaria Praia ferryboat project, Portugal's Pavilion to the 2013 Venice Biennale and the creation of the artist Joana Vasconcelos;
- the **Braque Project**, involving the development of an acoustic insulation panel conceived by the designer Tânia da Cruz with the BU's support and the first prize winner at the Salone Satellite in Milan. The acoustic insulation system, optimised by the sustainability of natural cork, complies with the high technical and aesthetic standards of the project to an exceptional level;
- the participation of Amorim Isolamentos in "Future Perfect" exhibition at the **Lisbon Architecture Triennial**, where the creative use of cork expertly demonstrated the material's multifaceted qualities;
- participation in the **Idanha Model Sustainable House** project, created by the Idanha-a-Nova (Portugal) Municipal Council in partnership with the journalist Jorge van Kierken with the aim of promoting new lifestyles and encouraging young people to set up homes in region;

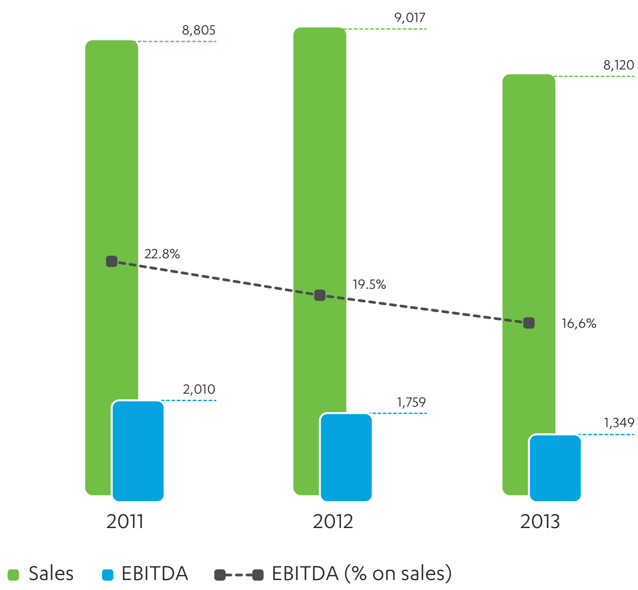
- the BU's participation in international trade fairs and exhibitions, including: the Big 5 Show (Dubai), Project Qatar & Stone Tech (Doha), Ecobuilding (London), Saie Bologna Trade Fair (Milan), Bau (Munich), Construmat Fiera (Barcelona), Living Building (Seattle), Budma (Poland). Special mention should also be made of the BU's participation in the 26th Concreta trade fair (Exponor, Matosinhos, Portugal) with an innovative and 100% sustainable architectural project in partnership with Vitruvius FabLab, Instituto Universitário de Lisboa (ISCTE-Lisbon University Institute) and the Architecture Faculty of the University of Porto (FAUP).

In spite of an adverse international climate, **Corksorb**, a natural cork-based absorbent, maintained its international activities at practically the same level as in 2012, largely due to the implementation of distribution partnerships in several countries and a broader range of available products. The winner in the product category of the **Green Project Awards (GPA)**, Corksorb remains in demand because of its sustainability and excellent technical performance.

In operating terms, the BU worked to maintain the efficiency ratio achieved in recent years despite the unfavourable economic climate, which was reflected in large increases in the price of some of the critical components of the BU's business, transport being one of the most important.

The total amount of capital invested at the end of 2013 was 4.4% higher than a year earlier, due mainly to an increase in raw material stocks.

Insulation Cork — Sales & EBITDA (thousand euros)



AMORIM ISOLAMENTOS' STAND, TOTALLY MADE OF EXPANDED INSULATION CORKBOARD

4

PRODUCT INNOVATION, RESEARCH AND DEVELOPMENT

4.1. RAW MATERIALS

Within the framework of forestry research, various projects of extreme importance to the cork sector were launched in 2013. The Raw Materials BU is fully committed to researching, evaluating and implementing the very best forestry practices ranging from the plantation of cork oaks through to the various extractions of cork. To this end, a variety of planting systems have been put into effect and applying different methodologies, for example, specific fertiliser types, drop-by-drop irrigation or water retaining polymers. All these methods seek to bring about an increased cork oak survival rate as well as boosting their growth potential.

Correspondingly, 2013 saw a series of projects start up in partnership with other benchmark entities from the forestry sector with the overall objective of better understanding the optimal conditions for cork growing and developing strategies for maximising its potential.

Other studies also focused on evaluating and reviewing some of the BU working methods and their influence on the sensorial characteristics of the cork produced. Striving to supply a product of sensorial excellence requires the ongoing evaluation and review of the conditions and lengths of cork storage, the identification and characterisation of those chemical compounds leading to off-flavours in order to develop better treatment strategies, implementing control and prevention methodologies and/or more efficient treatment processes.

The internal work of the BU R&D department as well as the work undertaken in conjunction with other institutions in the national scientific system alongside other partners is aimed at targets designed to ensure excellence in everything relating to the cork industry from its very earliest phases of growth through to the final product.

PRODUCTS AND PROCESSES INNOVATION RELY ON R&D

4.2. CORK STOPPERS

Throughout 2013, the research, development and innovation activities of the Cork Stopper BU were structured around three strategic lines to the business: product and process innovation, raising our understanding about the interactions between stoppers and wines and improving still further the quality of the cork stoppers produced.

Innovating the product and the processes

Following the launch (June 2013, Vinexpo) of the new Helix cork stopper, in partnership with Owens Illinois, bottling tests have been ongoing at various clients in different countries within the objective of consolidating the perception of this new stopper in the marketplace. These tests follow a protocol stipulated by the BU and in the overwhelming majority of cases are supervised by the BU in partnership with the selected target clients.

Furthermore in 2013, validation tests successfully ended on a new stopper that displays the major advantage of ease of opening as this does not require a corkscrew for removal while still retaining the same physical-mechanical characteristics as well as the quality of seal of the current stoppers available on the market. This stopper also provides an added advantage to the company in combating alternative stoppers, especially screw caps. The BU also undertook a set of bottling tests with target clients in order to gauge the level of receptiveness and to prepare for market launch, potentially in 2014. This new stopper incorporates various developments in terms of the opening system and that endow the product with a modern and high quality image.

In 2013, various projects began under the auspices of advancing in the campaign against 2,4,6- Trichloroanizole (TCA). The kinetics of absorption/release of TCA by cork stoppers in alcoholic beverages has been the subject of intense study. This work represents an integral factor in two Master's Degree theses by Portuguese university students undertaking their studies at the BU.

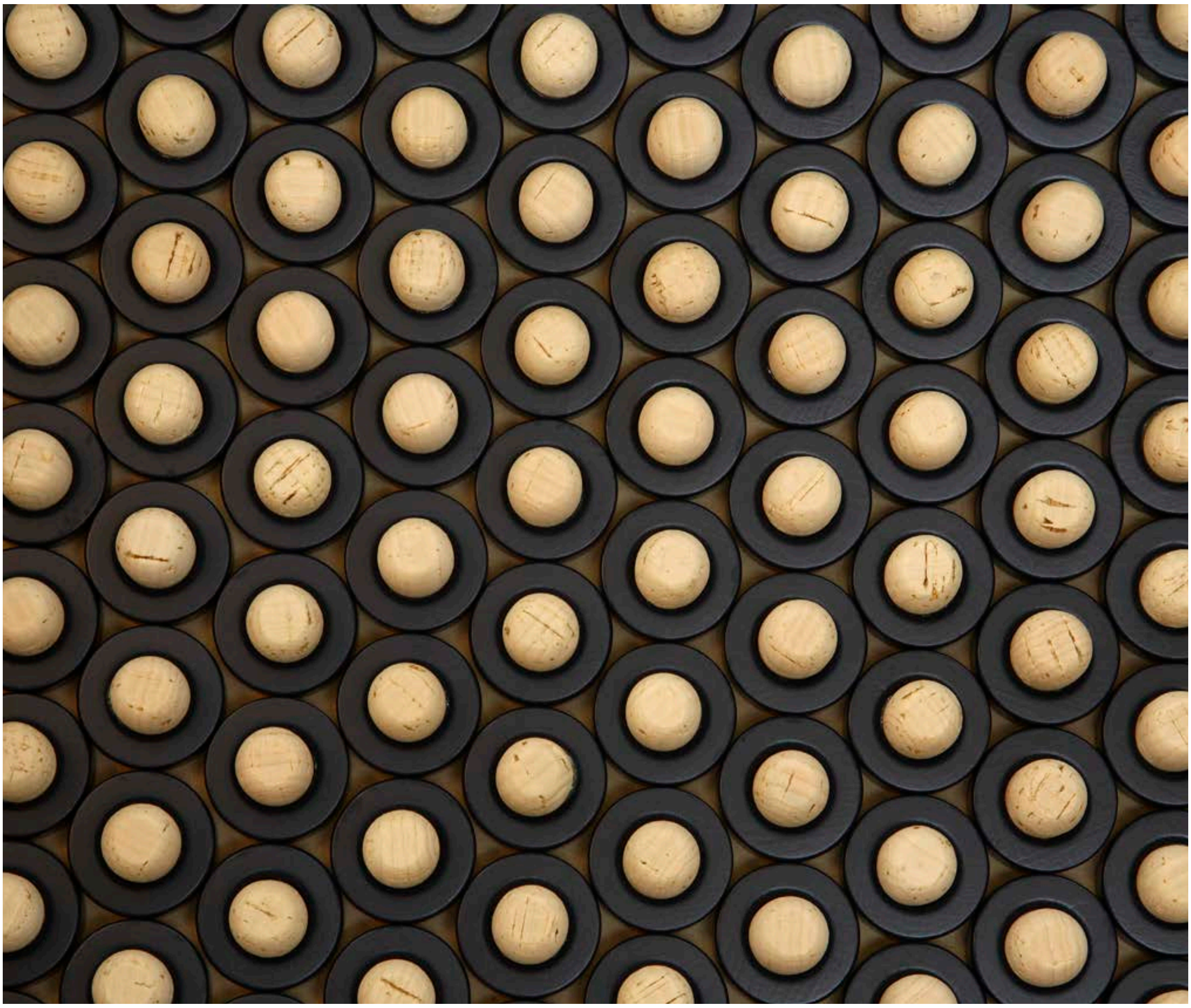
The quantification of TCA in natural cork stoppers through an individual detection system recorded a significant level of development in 2013 having attained the analytical optimisation of the existing industrial pilot project, undertaken its validation and taken the decision to advance with new developments and further investment with the objective of optimising the time taken for completing analysis and extending the ranges of equipment sensitivity. This project, due to its sheer importance to the BU, gains priority dedication by the R&D department and, in parallel with the optimisations necessary, under implementation involving the individual analysis of stoppers from small sample batches sourced from clients.

In partnership with the European University, work began in 2013 on a project attempting to deploy molecules to capture TCA on the stopper surface and hence prevent its release into the wine. This project remains at the laboratory stage of research and draws upon the TCA methods of analysis available at the BU.

New application solutions were developed and implemented for capsules in the Top Series stopper range with the objection of attaining high performance standards in the application to new materials such as glass, metal, etcetera. This proved able to ensure a higher level of thermal resistance as well as a greater resistance to high alcohol solutions (avoiding discolouring through the absorption of sparkling beverages), a better visual appearance (facilitating transparent solutions) and lower material consumption levels.

New materials for the Top Series stopper range were researched and applied enabling significant gains in production as this managed to retain the product's premium characteristics but with lower production costs.

In 2013, testing on a new washing process was intensified in the run up to completion. We correspondingly developed bottling tests with clients in order to validate the final solution developed and with



TOP SERIES RANGE

industrial optimisation now ongoing for this new solution and its respective adaptation to equipment.

The new means of surface treatment application, after having proven its advantages stemming from the far better distribution of the treatment across the entire stopper surface, was evident from its utilisation by different surface treatment machines in Portugal and at the most important BU sales companies.

We also investigated optimisation processes for stripping the cork in a simple and automated fashion that enables significant gains in productivity and safety at this stage in the production process and having already carried out the first tests on the prototype developed in the meanwhile.

Knowledge on the interactions between stoppers and wines

In 2013, the partnership with the Faculty of Science of the University of Porto deepened with the cooperation bearing interesting results on the knowledge about the compounds that migrate from cork to wine within the scope of efforts to demonstrate the important oenological role that cork plays in the balanced ageing of wines in bottles. Industrial partners underwent selection in order to engage in testing on wine and hence, over the course of 2014, the project results shall display a greater approximation to the realities prevailing in cellars.

In conjunction with a leading national wine cellar and a Portuguese university, we began tests on bottling that have led to a better understanding of the effect of alternative packaging solutions, in particular bag in a box, when compared with the traditional glass bottle sealed with a cork stopper.

The BU also carried out bottling tests in conjunction with national and international cellars within the scope of better adapting the trinomial stopper/bottle/wine. These tests are designed to ascertain the influence of different types of stopper and bottlenecks on the evolution of different wines over the course of time.

Improving the quality of the stoppers produced

Migrant chemicals, with legal limits in effect ensuring such migration remains at trace levels, were the objective of extensive study stemming from the alterations made to legislation for products in contact with food, which rendered the models and conditions for extraction more aggressive. The results, as expected, guarantee the clear safety for the food contact of every different type of product in the Cork Stopper BU range.

In attempts to better understand the methods existing for measuring the permeability of sealed bottles, there was a comparative study of the two methods in effect and already optimised at the Cork Stopper BU for analysis of the permeability of cork stoppers for wines and for champagne. This study continues in 2014.

4.3. FLOOR AND WALL COVERINGS

In 2013, the Floor and Wall Coverings BU both developed and launched new technical solutions for coverings and confirming their competences as product innovations. These new solutions in addition to strengthening the technical and visual advantages of the range, also enable the growth of some market segments and the entry into other new segments.

The new range **ARTCOMFORT**, launched in 2011, contains three collections: Wood, Stone and Fashion, was updated and strengthened as regards the capacity of resistance through the incorporation of a new surface finishing, the **Natural Power Coat NPC,** a resistant and ecological varnish. This represents a solution that strengthens the innovative character of this brand that invests in the development of vanguard and sustainable solutions for cork pavements and coverings displaying high levels of resistance to wear. This technology furthermore drives a reduction in the energy consumption involved in the production process given that the varnish is applied without any recourse to radiation.

Due to the guarantees of exceptional resistance to wear and the corresponding longevity, the new varnish enables applied cork pavements for the first time ever to attain a class of utilisation equivalent to AC6 under the norm EN13329. Thus, this solution has a marketplace guarantee of 20 years for domestic applications and 10 years for commercial purposes and thereby the longest guarantees ever granted for a varnished cork pavement.

In the preparations for 2014, a new collection underwent development with a wood styled appearance, in a new size and with a length of 1.83m. The chiselled and painted grooves of this line confer a sense of realism that hinders any distinction between this cork solution and other originally wood based products.

The **Corkcomfort HPS** and **WoodComfort HPS** ranges, destined essentially for commercial zones with medium to high levels of traffic, were also the subject of innovation and now available with a surface finish free of any phthalates – the new ECO **HPS** surface. These phthalates are plastic compounds that while not banned in the European Union for this type of solution have already been banned from the manufacture of toys as they are deemed to hold negative health impacts. Hence, the Floor and Wall Coverings BU, in the vanguard of ecological and environmentally protective solutions, opted to pre-empt this evolution. The replacement of the current plasticisers by a new generation of non-phthalate plasticisers enables the total maintenance of the technical characteristics of this range.

The BU also presented a new technical solution **Active Floor – Cork pavement applicable to intelligent space management systems**. The core technology is piezoelectric and enabling, in addition to the generation of energy from movements over the pavement system, the establishing of a platform for data collection that, when duly processed, provides the foundations for new functions such as biometric identification, ascertaining the most common routes, triggering devices and other associated functionalities.

In parallel with the development of these new solutions, and in advancing with its mission of making a positive contribution towards **Sustainable Construction**, the Floor and Wall Coverings drafted and published for all its ranges, **Environment Product Declarations** (EPD). These EPDs may now be applied in evaluating the life cycle of buildings and therefore represent important prerequisites for the environmental certification of buildings.

Throughout 2013, other projects were also embarked upon with the objective of maintaining the constant identification of alternative pavement solutions in which cork clearly represents a factor of differentiation, in some situations making recourse to entirely new production technologies. Partnerships with suppliers and the development of skills and competences, whether of the R&D or of the Production teams, prove ever more fundamental in this process.

CORKCOMFORT FLOORING BY WICANDERS, REFERENCE LINN MOON

The following projects are of special note:

- **Cork Flooring Waterproof** with the objective of ensuring cork paving becomes susceptible to recommendation for zones with high humidity and extreme maintenance conditions. The Floor and Wall Coverings BU has under development a floating pavement solution with very high level dimensional stability in the presence of variations in humidity and low levels of water absorption without recourse to any of the traditional maritime fibre agglomerates or any other type of similar profile layers of a natural origin existing in the market.

- **WoodComfort upgrade** with the objective of replacing the ECO HPS finishing with a highly wear resistant and stable varnish in terms of low levels of humidity and high temperatures.

- **New cork visuals** with the objective of making available natural cork visuals through recourse to new processes for decorating surfaces and producing blocks.

- **New installation systems –** the traditional cork solutions, that is products 100% made from cork agglomerates, remain the technical solutions turning in the best solutions from the acoustic (interior noise in rooms), thermal (insulation and temperature conduction) and mechanical (shock resistance) perspectives. Hence, and in efforts to make products still more attractive in terms of installation, the BU also embarked on developing new and/or simpler and faster installation systems.

4.4. COMPOSITE CORK

In 2013, the Composite Cork BU recorded yet another year of major activities in the RD&I field.

New Product Launches

As a result of the permanent presence in the market, sounding out trends and accepting challenges from our client, the BU launched a range of new products of which we would highlight here the reorganisation of its range of vibration control materials with the addition of three new materials destined for the industrial product business. The new portfolio was, from the technical point of view, extensively characterised as a means of being easily understood by a specialist market. These products combine the shock absorbing characteristics of cork with the isolation properties and thereby obtaining high performance applications for the vibrations control industrial field.

In the construction business sector, two new products were launched as under-pavement and especially adapted to the North American market. One is designed for resilient floating floors as in the case of LVT; with the other designed for the case of affixed rigid floors, as in the case of wood, ceramics and decorative stone; both products feature high level LEED rankings and demonstrably low levels of environment impact. They thus complement the range of under-pavements that have been introduced into the major specialist surfaces in the United States with good results.

Still furthermore in this segment, an innovative under-pavement product (entitled Acousticork EHF) was launched and designed for floating floors and that incorporates a "Plug & Play" heating system. This enables the final user to easily install and benefit from such heating in a particular area of a home, for example, following rehabilitation. The simplicity of the system ensures that its installation may be carried out by non-specialist persons and therefore serving a far larger market.

Research and Development Projects

R&D projects in consortium, at both the national and the European level, gained continuity. Specialist fields of study focus particularly on applications interrelated with sustainable construction (BIOBUILD and OSYRIS[1], QUICKBUILD[2]), and in the transport and space sectors (ABLAMOD and DESAIR, a national project backed by Embraer following on from the earlier LIFE project, winner of the international Crystal Cabin Award in 2012).

Highlights include:

- The **DESAIR** project focuses on developing cabin flooring and interior furniture solutions for application in business jets. The objective is to develop products able to ensure the performance and the weighting necessary for such aeronautical applications and demonstrating they may also make recourse to natural and renewable materials. This project is ongoing through to the end of 2014;

- **BIOBUILD** brings together a leading group of European companies involved in the area of planning and producing material, components and structures for the construction sector. The first prototypes were put into practice in 2013 – modules for inner walls, elements for outer facades and false ceilings. The objective involves developing functional pieces on an industrial scale and which minimise energy consumption (embodied energy) in their manufacture. The project remains ongoing through to mid-2015;

- **ABLAMOD** is a European project within the framework of developing the competences and solutions as set out in the technological road map drafted by the European Space Agency (ESA). This strives to introduce disruptive technologies enabling Europe to play a leading role in missions heading into terrestrial orbit and the solar system. Within this scope, the thermal production of space craft and the earth return strategies with low risks represent critical factors to the ESA. ABLAMOD thus works towards the experimental validation and respective computational simulation of new thermal protection materials (TPMs), one of the main spatial applications in which cork has been present ever since the 1960s.

New Technologies and New Challenges

In 2013, a new production line came into operation following the investment of around €6 million in technology unprecedented throughout the cork industry and capable of driving a major innovative dynamic at this BU. While the materials subsequently produced go about consolidating their market position, the BU developed a new material for the paving industry that stands out for its impermeability and dimensional stability when coming into contact with water. This new product is called NRT 3D and enables clients to lay out innovative pavement solution and over a broader spectrum of utilisations whilst still retaining the recognised characteristics of comfort supplied by cork.

As a result of various years of R&D, 2013 saw the completion of a project in the cosmetics and healthcare feature and with various products due for launch in 2014 providing a new area of business to this BU.

CORK COMPOSITES MANUFACTURING PROCESS

[1] BIOBUILD and OSYRIS are European projects under the auspices of the 7th Framework Programme.
[2] The QUICKBUILD project is a recipient of Compete/QREN program support.

Finally, and also at the end of 2013, a consortium led by Amorim Cork Composites won a tender from the European Space Agency for the development of a new concept of thermal shield due for application in future planetary exploration missions, in particular the Mars Sample Return (MSR-O), Phootprint and Marco Polo R.

The Future

New national and international projects are due to get underway in 2014-2015, continuing with the policy of technological networking and boosting the potential for developing new materials and products in conjunction with industrial companies and technology clusters.

Leading business areas include the transport (solutions for railway carriage and coach interiors) and the construction sectors, in particular in terms of renovating and modular construction techniques with priority attributed to domestic and commercial pavement materials through the introduction of new products making up the aforementioned new product line.

The transversal motivation underpinning this dynamic remains the creation of new applications for cork composites turning in differentiated performance standards, ecologically efficient and able to add value – from the point of view of making recourse to "greener" building materials and the corresponding reduction in the consumption of energy throughout the total life cycle of the products – with the Composite Cork BU expected to consolidate and raise its business turnover through such new products in forthcoming years.

4.5. INSULATION CORK

In 2013, cycles of development came to a close with the launch of new R&D projects in consortium seeking to maintain the pace of these activities ongoing at this business unit. The following are among the highlights:

- The **WaterCork** project ended after having complied with its objective of researching the application of cork industrial materials and/or subproducts within the scope of valuing cork as a means of absorbing pesticides and cyanotoxins;

- The **BloCork** project also ended having successfully attained its objective of developing a model of building block making recourse to light concrete incorporating re-granulated cork expanded in its composition as its raw materials;

- The beginning of the **MDFachadas** and **MDCoberturas** project with the objective of optimising the construction system that enables the utilisation of expanded agglomerate sheets in the finishing applied to façades and building coverings and thereby simultaneously endowing the intended level of thermal insulation;

- The launch of the **ISOL TILE SYSTEM** project that seeks to study a system enabling the application of ceramics to the thermal insulation applied externally and thus guaranteeing the meeting of the respective stipulated mechanical requirements in effect for system durability as well as high performances in terms of its hydro-thermal, acoustic and energy properties.

These projects fall within the scope of the strategy for cork development and innovation through the production of new value added applications for the raw material of cork.

5

INTEGRATED MANAGEMENT SYSTEM QUALITY, ENVIRONMENT AND SAFETY

The attention the company devotes to integrating and aligning its different management subsystems can be seen at the www.sustentabilidade.amorim.com website and in the annual publication of its Sustainability Report (beginning in 2006, **Corticeira Amorim** was the first and remains the only company in the sector to publish such an annual report). These two sources provide information that has been independently verified by PricewaterhouseCoopers on the Group's activities in the area of sustainable development.

Corticeira Amorim continues to focus on aligning different management subsystems aimed at improving efficiency and integrating them with the strategic objectives of the balanced scorecard approach as an important guarantee of the Group's sustained development. In this regard, 2013 was characterised by the consolidation of this important alignment through the renewal of the certification of different management subsystems (FSC, ISO 9001, ISO 22000 among others) in different Group companies, including in 2013 the FSC certification of Amorim Compcork. This brought to 37 the total number of **Corticeira Amorim** industrial and/or distribution units with Forest Stewardship Council (FSC) certification, providing the market with additional guarantees of the company's high ethical standards in protecting forest resources.

CORK STOPPERS PRODUCTION

6

HUMAN RESOURCES

The core work of Corticeira Amorim's human resource management activities in 2013 focused on adapting skills and competences to meet current needs and prepare the company's staff for the group's future development.

We highlight the following domains and priority areas of intervention:

Functional Human Resource Mobility: developing a broad spectrum of skills and competences and fostering the adoption of transversal professional career paths as specific targets for the different company structures. Highlights included both the Cork Stopper BU Young Staff Mobility Programme (functional rotation of a set of employees around the different areas of the organisation) and practices aimed at developing business skills at the Composite Cork BU.

Mentoring: implementing specific programmes for recent recruits and specific professional groups (the Raw Materials and Cork Stopper BUs, respectively) with a view to their professional guidance and the structured development of their technical competences and their behavioural and management skills.

Coaching: developing technical, management and behavioural skills of management and commercial teams at the Composite Cork and Cork Stopper BUs. These programmes, in effect for some years now, were strengthened in 2013 and enabled many of the development objectives to be attained.

Training: by definition, this represents the most privileged domain for nurturing and developing skills and competences. In 2013, over 30,000 hours of training took place at Corticeira Amorim. This includes training through empowerment and continuous improvement projects as well as improving to technical skills, including communication, management and team motivation: **Cork +** at Amorim & Irmãos, **Cork SIM** at the Raw Materials BU, **Communicator** at the Floor and Wall Coverings BU and **Empowerment** at the Composite Cork BU. These accounted for some 10,000 hours of training and involved about 500 members of staff.

The first Cork Advanced Program, a transversal Corticeira Amorim project that seeks to provide a broad, integrated and far-reaching vision of the chain of value on which the company's business, processes and products rely, was also launched in 2013. This training programme, targeting in the first phase a group of 30 members of staff from different group companies, involved eighteen trainers (both internal and external) and about 1,000 hours of training.

Recruitment: improving skills and competences also guarantees continuity in strengthening the human resources deployed in the commercial and technical teams of the different companies. Within this framework, we would highlight on-going partnerships with higher education institutions on curricular internships that, in a large majority of cases, culminate in recruitment for professional internships and first employment contracts.

Internal Communication: for the last few years, this area has been a priority for Corticeira Amorim. We have invested strongly in underpinning the ideas system (Cork IN) through thematic campaigns, training for those attributed responsibility for the project's dynamics and improving the ways ideas are handled and processes analysed. The panel of indicators covering the speed of problem resolving and the improving of team spirit has registered significant progress at every BU.

Organisational Culture: for the last few years, the company has undertaken concerted actions focused on developing and consolidating an organisational culture based on the following values: Pride, Ambition, Initiative, Sobriety and Attitude. The Corticeira Amorim Ethics Code and Professional Code of Conduct was also prepared and drafted in 2013.

Key Human Resource Indicators

Total members of staff		3,454
By gender	**Female**	23.5%
	Male	76.5%
Staff (annual average)		3,496
Absenteeism (annual accumulated)		3.4%[1]
Total training		41,700 hours

[1]including all types of absenteeism

CORTICEIRA AMORIM'S STAFF REACHES 3500 PEOPLE

7

PERFORMANCE ON THE STOCK MARKET

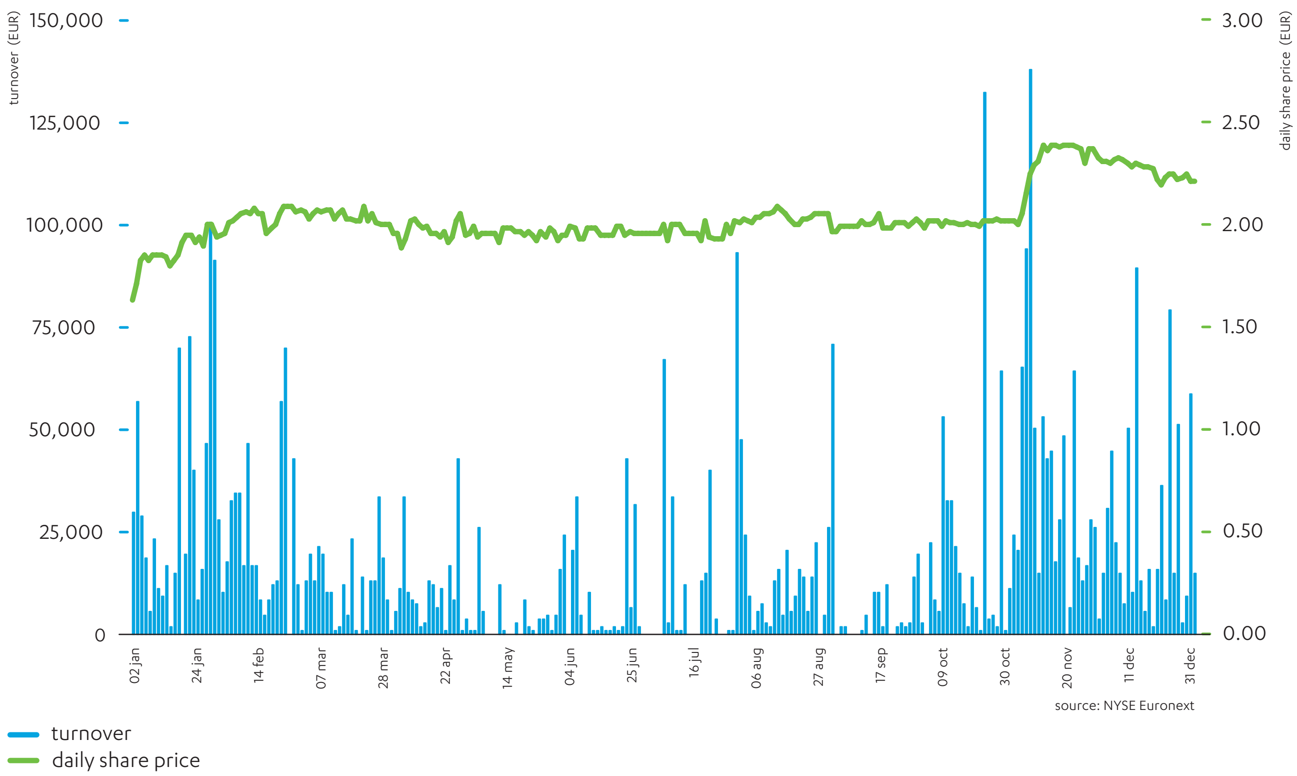
Currently, **Corticeira Amorim**'s share capital stands at €133 million, represented by 133 million ordinary shares with a nominal value €1 and conferring the right to a dividend. The flotation on NYSE Euronext Lisbon (hereafter referred to as BVLP – the Lisbon and Porto Stock Market) of the shares issued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

At the end of 2013, **Corticeira Amorim**'s share price had reached €2.21, a gain of 38.1% on the end of 2012. Around 2.2 million shares were traded (down 23.5% on 2012), in 1,786 deals (up 5.8% on 2012) in operations with a total value of €4.5 million (up 8.3% on 2012).

In 2013, the average share price was €2.04 with the maximum price of €2.40 reached on November 4, 7 and 8.The shares fell to a minimum price in 2013 of €1.56 on January 2 with a corresponding percentile range of 53.85%.

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

Trading volumes on the regulated market (2013)

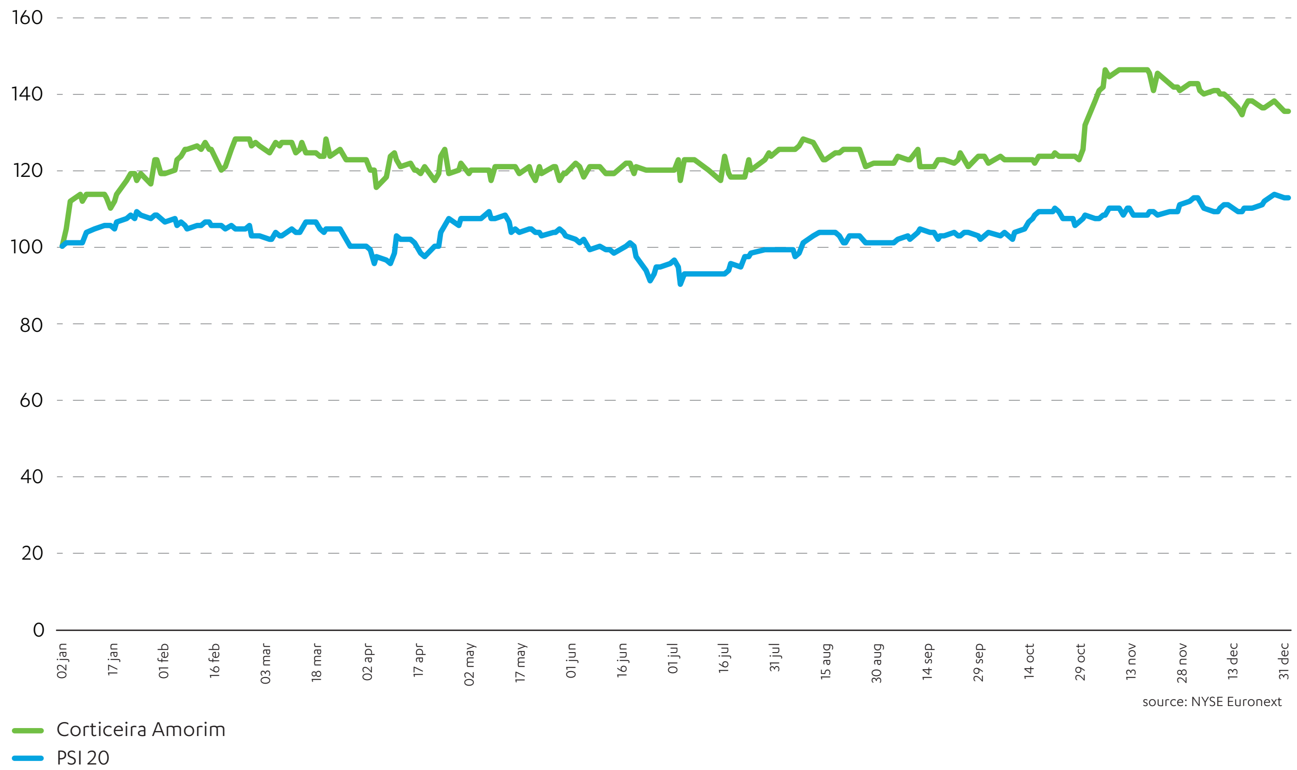


Stock market performance in recent years:

	2011	2012	2013
No. of shares traded	4,448,911	2,856,436	2,184,858
Share prices (€):			
Maximum	1.35	1.65	2.40
Average	1.14	1.42	2.04
Minimum	0.87	1.27	1.56
Year-end	1.35	1.60	2.21
Trading frequency	90.5%	85.2%	89.3%
Stock market capitalisation at year-end (€)	179,550,000	212,800,000	293,930,000

SOURCE: NYSE EURONEXT

Share price performance (2013):



source: NYSE Euronext

Key announcements by Corticeira Amorim in 2013

February 25: Consolidated 2012 results

Consolidated **Corticeira Amorim** sales break the €500 million mark, with the following highlights:

- Sales of €511 million (without acquisitions);
- EBITDA rises 13.8% to €82.5 million;
- Net results surge 22.9% to €31 million;
- USA – becomes the company's main export market.

March 8: Dividend proposal

The Board of Directors proposed that the Shareholder General Assembly deliberate on the distribution of €13.3 million in dividends, that is, a dividend of €0.10 per share. Dividend payment date: April 30.

May 3: Consolidated results for the first quarter of 2013

Corticeira Amorim reports consolidated sales of €133.5 million, highlighting:

- Net results of €5.3 million;
- Sales totalling €133.5 million;
- Despite the international climate, sales rose 1.7%;
- Exchange rate volatility hits first quarter results.

July 30: Consolidated results for the second quarter of 2013

Corticeira Amorim's consolidated sales were in excess of €280 million in the first half of 2013, including:

- Profits of €16.5 million;
- EBITDA of €40 million;
- Strengthened financial autonomy at 47.4%.

October 30: Consolidated results for the third quarter of 2013

Corticeira Amorim's consolidated sales reach €419 million in the first nine months. Highlights included:

- Sales up 2.6% in the first nine months;
- Despite the recovery in the third quarter, profits slide 5% to €25.135 million;
- The financial autonomy ratio improves to 46.8%.

October 30: Proposal for the distribution of free reserves

The Board of Directors proposes the convening of a General Shareholder Meeting to deliberate on a proposal to distribute free reserves of €7.98 million in dividends, that is, €0.06 per share. Dividend payment date: December 19.

8

CONSOLIDATED RESULTS

8.1. SUMMARY OF ACTIVITIES

The year of 2013 did partially reflect the forecasts issued late in the previous year. A gradual improvement in economic activities and the decompression experienced in the financial area brought some grounds for a more optimistic business outlook. This turning of the page was especially sensed in the final months of last year. The recovery of consumption in Europe and the United States represents one sign of the turnaround in sentiment. However, in the meanwhile, no definitive signal has yet been registered. In Portugal, investment remains anaemic. Whether due to reasons for improving budgetary position requirements or still running at low levels of productive capacity utilisation, growth in public and private investment continues to be put back.

Corticeira Amorim recorded a financial performance comparable with the best already attained. The product pipeline targeting operational efficiency and improvements to product quality is well supplied. Many of the projects will only come fully onto stream in 2014 and the following financial years. New ranges of products at all Business Units (BU) have already been or are about to be launched.

In operational terms, **Corticeira Amorim** was negatively impacted by the devaluation of all of its export currencies. The devaluation of the USD was far and away the currency generating the greatest negative impact in terms of both company sales and results. The exchange rate was undoubtedly the main individual factor contributing towards 2013 not having exceeded 2012 in comparable sales and results. An estimated impact of €7 million (€M) on both sales and on EBITDA / results more than explains the differentials with the results returned in 2012.

8.2. CONSOLIDATION PERIMETER

Throughout this financial year, the perimeter of consolidating companies remained equal to that in 2012. For the purposes of comparative accounting, we need to state the Trefinos effect. As announced in June 2012, Trefinos group was incorporated into the consolidated **Corticeira Amorim** group as from the beginning of the second half of this year. Therefore, any comparison between 2013 and 2012 should take into account that 2013 included a full year of Trefinos activities within the group while the 2012 financial year only reflected these activities in the second half of the year.

8.3. CONSOLIDATED RESULTS

Consolidated sales attained €542.5 million (€M), a level 1.5% higher than that reached in the 2012 financial year (€534.2 million).

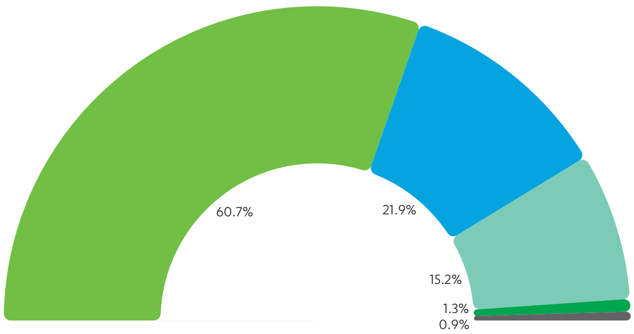
Considering comparable sales, hence excluding the effect of incorporating Trefinos group, total sales slipped back 1%, equivalent to €5 million.

As already stated, the valuation recorded by the Euro in 2013 had an unfavourable impact on sales. The exchange rate effect was estimated at around almost €7 million, an amount that more than explains the fall of €5 million in comparable sales. We would note that in 2012, the exchange rate effect on sales had generated a favourable effect totalling in the region of €10 million.

Furthermore hitting sales levels in 2013, there was a notable drop in wood sales (€5 million). While not a core product, there has been a clear trend towards the reduction in this product's relative weighting in the Floor and Wall Coverings BU portfolio. Another negative factor for sales stemmed from another drop in the sale price of non-transformed cork at the Raw Materials BU (€3 million).

In conclusion, we might say that excluding the exchange rate effect on the set of products manufactured, Corticeira Amorim achieved growth of 1.6% in its comparable consolidated sales. In contrast with 2012, the price effect was practically non-existent. Without any significant alteration in terms of the quantities sold, the aforementioned growth resulted from an improvement in the mix of products sold.

Sales by Business Unit

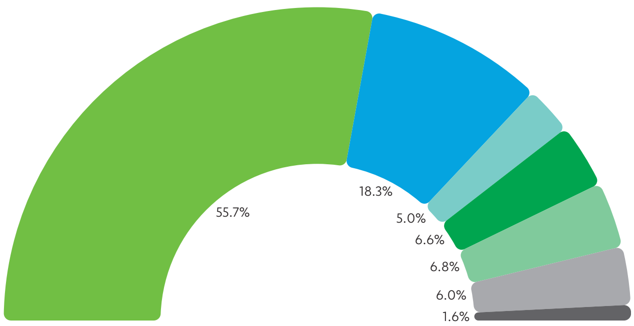


■ Cork Stoppers ■ Floor and Wall Coverings ■ Composite Cork
■ Insulation Cork ■ Raw Materials

The Cork Stopper BU sales to final clients, excluding the Trefinos effect, were practically equal to 2012. Of all the BUs, this is the unit with the single greatest absolute value of exposure to the exchange rate effect (€-4.8 million). This also had a similar impact on the trend in Floor and Wall Coverings BU sales. In effect, and in terms of the products manufactured, the sales were equivalent to those achieved in the previous financial year.

Of the two other BUs with international sales of materials, the Composite Cork BU registered clear growth in its international sales and proving correspondingly able to more than compensate for the decrease registered by the Insulation BU.

Sales by Geographical Area



■ EU* ■ USA ■ Portugal ■ Australasia
■ Rest of America ■ Rest of Europe ■ Africa

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

The United States of America strengthened its position as the largest single market for **Corticeira Amorim**. Sales to this market rose by 3% even with the USD experiencing a 3% devaluation, with its absolute total value bordering close on one hundred million euros (€99 million). Furthermore, as the world's largest current wine consumer, the United States represents a market of excellence for all **Corticeira Amorim** products.

Furthermore on the positive side, the Spanish and Italian markets both reported buoyant markets (cork stoppers).

On the negative side stands the Russian market. Alterations in distribution policies resulted in a fall in sales, which are expected to be reversed in the near future.

The Gross Margin reported an increase (about €3.5 million on an increase in sales of €8.3 million), which represents a Gross Margin percentage of around 43%. In broad terms, this situation corresponds to the contribution made by Trefinos to the Corticeira Amorim consolidated results. In percentage terms, the Gross Margin achieved an improvement on 2012 (51.2% against 50.5%), a variation strongly influenced by the significant changes in the absolute value of Variation in Production. Apart from this particular alteration, the percentage value would have remained similar to 2012. The maintenance of raw material prices played a particular role in the stability experienced.

In the other items within the scope of EBITDA, total expenditure reached €199 million, up €8 million on 2012. This increase incorporates a significant input from the Trefinos (€5.6 million) effect. In comparable terms, costs rose by around €2.3 million.

The Supplies and Services item, stripped of the Trefinos effect, advanced by approximately €1.5 million. This included an increase in Publicity and Advertising (€0.7 million), explained by the Wood Studio project launched in the Netherlands and Germany. There was some rise in transport costs, although at a lower rate than that recorded in 2012, which explains the remainder. As stated in the annual business report for last year, **Corticeira Amorim** identified the cost of transport as an item with a growing weighting in the cost structure. Particular attention got paid to this item, which in recent years has become a critical factor to the business. New solutions have been generated in order to ensure that this item does not prove a negative factor to the international competitiveness of the **Corticeira Amorim** group.

In terms of human resource costs, the rise of €2.5 million derives from the Trefinos effect (€3.1 million) and by the increase of about €1.4 million in the redundancy compensation item.

This financial year saw an intensification of measures designed to bring about greater productivity that did see some growth in this item even while remaining below the growth in activities.

The average number of members of staff was 3,496 (2012: 3,470). The weighting of human resource costs on consolidated sales came in at 18.4% (2012: 18.3%) caused by both the rise in the number of employees and the level of the aforementioned redundancy payments.

Despite the active exchange rate coverage policy, the sustained devaluation of the main business currencies resulted in a net negative exchange rate position of approximately €1.6 million, which contrasts with the positive result of €0.2 million in 2012.

In the remaining operational items, there is the writing down of the goodwill stemming from the holding in the subsidiary Oller et Cie (€0.6 million), as well as the other net imparities of €1.3 million, of which €1.1 million derive from buildings no longer housing activities or due to come out of production in the short term. There is also the relative gain due to the partial reversion of €0.8 million due to the imparity existing on the VAT amount to be received by our subsidiary in Argentina. This reversion arises out of the effective receipt of that amount, which has now been owed for several financial years.

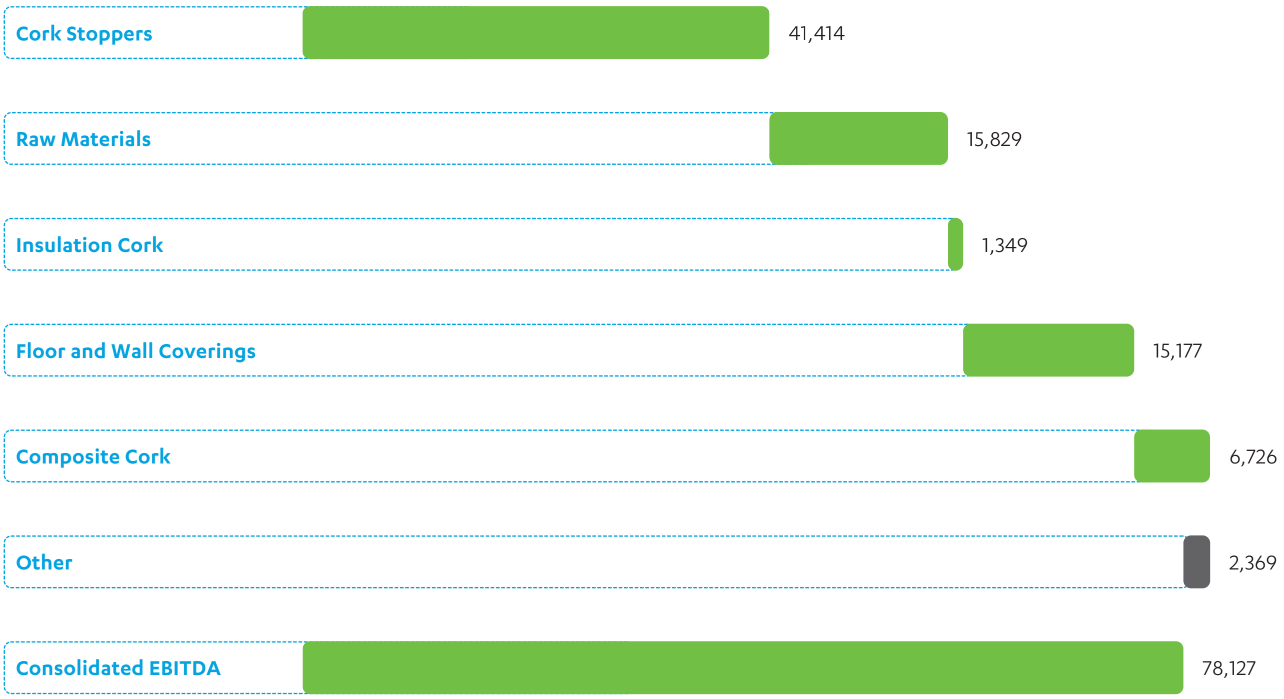
The 2012 financial year had included non-recurrent operational costs to the amount of €7 million, relative to the costs in writing down goodwill and imparities in other assets. In the 2013 financial year, due to intangible factors, no amounts were incorporated into this results item. To a certain extent, this does harm the comparability of the EBITDA results.

The EBIDTA result reported in 2013 stands at €78.1 million (2012: €82.5 million). In terms of the sales weighting, this indicator comes in at 14.4% (2012: 15.4%). The fourth quarter result for this indicator was above 15%.

Due to the effect of not recording any non-recurrent expenditure in 2013, this financial year was strongly harmed, as indeed already mentioned, by the impact of the devaluation of all the main export currencies. The adverse effect of €7 million on sales had a practically identical effect on EBITDA and the final results. This effect had been €7 million to the positive in 2012.

CORK OAK FOREST (MONTADO)

EBITDA: BU Contribution (thousand euros)



In late 2013, the government approved DL No. 115-A/2013 stipulating for an exceptional regime for the regularising of fiscal debts and unpaid social security charges. Given the slowness of the judicial process deciding on fiscal litigation, **Corticeira Amorim** opted to partially participate in this measure. Hence, December saw the payment of around €4.3 million deriving from fiscal processes dating to 1996/7/8 and 2008.

This sum relates to processes involving Stamp Duty (€1.7 million) and corporate taxation (IRC) amounting to €2.6 million.

This payment does not prevent **Corticeira Amorim** from continuing to judicially defend its position. In case of a favourable ruling, **Corticeira Amorim** shall be reimbursed with the amount paid with the respective sum subject to remuneration at the rate of 4%. In case of an unfavourable ruling, no further sums shall be demanded of **Corticeira Amorim** as would otherwise normally be the case, such as fines and penalty interest rate charges.

We would note that provisions have already been made for all these fiscal processes.

In the net financial costs items (2013: €7.8 million *vs* 2012: €6.2 million), 2013 saw the recording of a provision of €2.7 million relating to the fiscal contingencies relative to stamp duty. The aforementioned sum of €1.7 million also falls within the scope of total provisions.

In terms of the actual financial costs themselves, their net value dropped significantly (2013: €5.1 million *vs* 2012: €6.2 million). This reduction stemmed from not only a lower average level of remunerated debt (2013: €120 million *vs* 2012: €123 million) but also, and above all, to the decline in the average interest rate charged. This reduction began to take moderate effect in late 2012 and dipped again sharply in the final quarter of 2013.

DRESSING, BY RAQUEL CASTRO FOR SOUL MATE COLLECTION

The EBITDA/Net interest ratio remained at extremely comfortable levels (2013: 20.8 *vs* 2012: 17.2).

In contrast to the preceding financial year, the results ascertained at group companies returned a positive and relevant result. With the exception of the result at US Floors, which improved but remained in the red, all other group companies made a positive contribution (2013: €0.7 million *vs* 2012: €-0.2 million).

The pre-tax result rose to €49.5 million, up from €47.9 million in 2012.

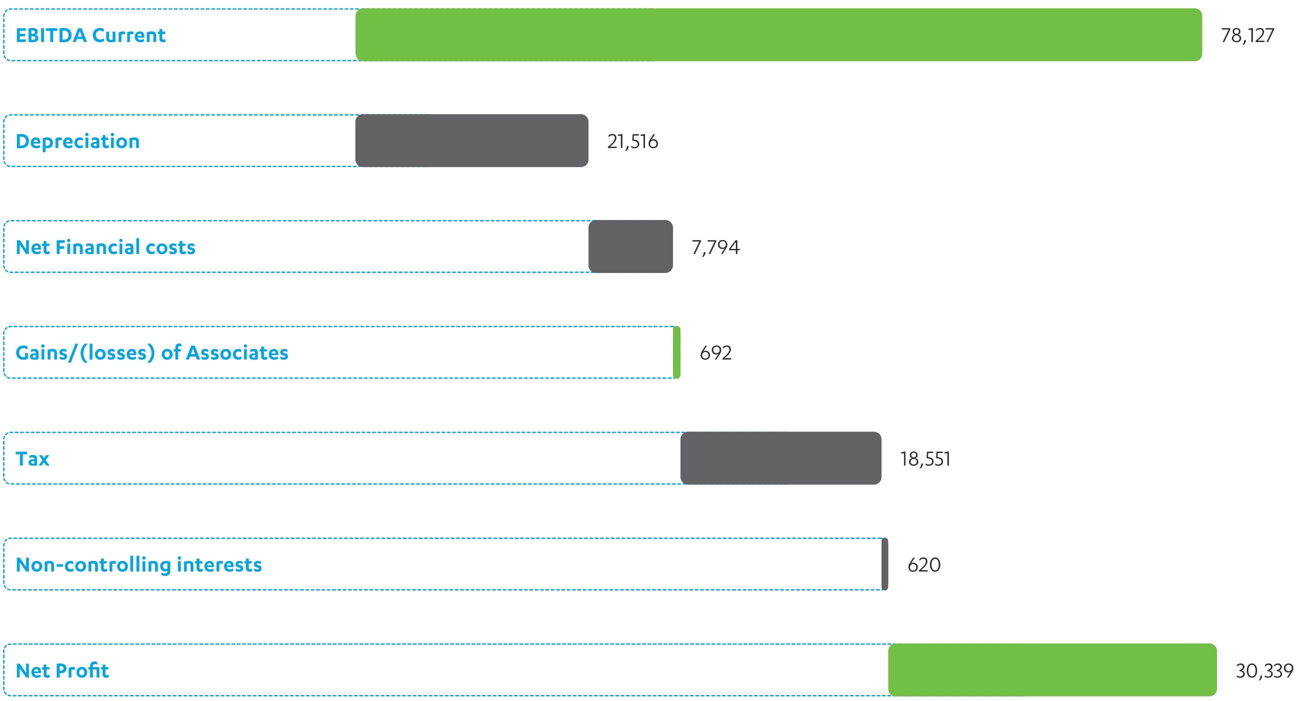
Estimating the corporate tax (IRC) burden was a particularly complex process. The calculation relative to the consolidated regime in effect in Portugal (RETGS) takes into account the three additional charges in effect in 2013 and in addition to the regular autonomous taxation that in recent years has represented an important proportion of the tax paid on company earnings. In total, all these additional charges raised core taxation in Portugal from 25% to 31.6%.

A second factor taken into consideration in estimating IRC was the calculation of the fiscal benefits available in Portugal. In addition to those already existing (SIFIFE/RFAI), this financial year benefitted from the introduction of CFEI (exceptional fiscal credit for investment). The **Corticeira Amorim** policy involves great caution in registering fiscal benefits conditioning the future attaining of objectives. Hence, only the CFEI benefit had any net material impact on reducing taxation (€2.9 million).

Finally, an extraordinary item entered into accounting for the provisions set aside for fiscal contingencies (€5.9 million). The aforementioned regularisation regime (RERD) and an aggressive approach to the structures for appreciating the fiscal litigation (with the tax courts and authorities) led **Corticeira Amorim** to strengthen the provisions set aside. As already detailed, the existence of provisions does not result in **Corticeira Amorim** lowering its commitment to ensuring the cases are resolved in its favour.

Following estimated taxation of €18.6 million and non-controlled interests of €0.6 million, the net result attributable to shareholders of **Corticeira Amorim** amounted to €30.339 million, a fall of 2.3% on the 2012 result of €31.055 million.

Composition of Net Profit (thousand euros)



9

CONSOLIDATED DEMONSTRATION OF THE FINANCIAL POSITION

The balance sheet totalled €627 million at the end of 2013, €17 million down on the level recorded at the end of 2012. We would recall that the balance sheet was then boosted by around €30 million in applications included under the item cash and equivalents, abnormally high in late 2012. Stripping out this amount, 2013 recorded an increase in assets of around €13 million. In sum, this variation corresponds to the increase in the value of stocks. Closing the year on €244 million (2012: €231 million), the variation in stocks results from the variation in the value of the raw materials item for cork stocks. This increase, in turn, stems from a fairly significant procurement campaign.

In terms of liabilities, and also in large part due to the cork procurement campaign, there was a corresponding rise in the suppliers' item (€26 million). Also of importance was the decrease in the amount of remunerated debt. In addition to the already mentioned deleveraging, this debt item recorded a fall of around €17 million.

Net remunerated debt stood at €104.4 million at the end of 2013 (2012: €121.6 million). We would also note that were it not for the circumstance of the Fiscal Authorities having reversed the policy of reimbursing VAT on time in the last month of 2013, **Corticeira Amorim** would have closed the year with remunerated debt standing at practically €100 million. However, there was also the noteworthy improvement in the reimbursement of VAT on the situation in effect at the close of 2012. In fact, 2012 ended with the amount of VAT still for reimbursement totalling €9 million but dropping to €3.6 million at the end of 2013. We would furthermore refer to how this sum was received in early January 2014 while also recalling the effect of the December payment of €4.3 million relative to RERD.

The financial year saw the distribution of two dividends with a combined total of 16 cents per share, the same amount as distributed in 2012. In absolute terms, the dividends distributed totalled €20.1 million.

The level of equity capital stood at €302 million (2012: €295 million). The financial autonomy ratio rose to 48.1%, an improvement on the 45.9% attained at the end of 2012. It should be noted that the comparable ratio for 2012, when stripping out the boost effect detailed above, was 48.1%.

VILLA EXTRA MUROS, FEATURING EXPANDED INSULATION CORKBOARD, REFERENCE MDFACHADA

10

MAIN CONSOLIDATED FIGURES

		2013	2012	Variation	4Q13	4Q12	Variation
Sales		542,500	534,240	1.5%	123,359	125,749	-1.9%
Gross Margin – Value		277,483	273,960	1.3%	67,765	66,195	2.4%
	1)	51.2%	50.5%	+ 0.7 p.p.	49.9%	50.8%	-0.88 p.p.
Operating Costs - current		220,872	212,701	3.8%	54,332	52,191	4.1%
EBITDA - current		78,127	82,465	-5.3%	19,028	20,061	-5.1%
EBITDA/Sales		14.4%	15.4%	-1.03 p.p.	15.4%	16.0%	-0.53 p.p.
EBIT - current		56,611	61,259	-7.6%	13,433	14,004	-4.1%
Non-current costs	2)	0	6,978	-100.0%	0	2,384	-
Net Income		30,339	31,055	-2.3%	5,204	4,567	13.9%
Earnings per share		0.242	0.246	-1.9%	0.041	0.036	14.3%
Net Bank Debt		104,447	121,579	-17 132	-	-	-
Net Bank Debt/EBITDA (x)	4)	1.30	1.47	-0.17 x	-	-	-
EBITDA/Net Interest (x)	3)	20.8	17.2	3.64 x	25.3	20.5	4.75 x
Equity/Net Assets		48.1%	45.9%	+ 2.2 p.p.	-	-	-

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

CORK STOPPERS FOR SPARKLING WINES

11

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 2013, 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 2013 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.

CORK COMPOSITES MANUFACTURING PROCESS

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 BUs, 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.

12

FUTURE PERSPECTIVES

12.1. MACROECONOMIC CONDITIONS

12.1.1. Global Perspective

The world economy is forecast to register a better rate of growth in 2014 than that attained in the two preceding years and estimated in the region of 3.7%. This growth primarily depends on contributions from the US and China that together account for 51% of world GDP and expected to generate 75% of the forecast growth. The year of 2014 should also reflect the period of a rotation in growth from emerging markets to advanced economies – a more solid expansion in the US economy, a soft touchdown in the rate of Chinese growth, prospects for Japan to cause a positive surprise, a more upbeat context in the United Kingdom and a return to growth, even if still incipient and fragile in the rest of the EU.

Irrespective of the optimism as regards the global economic performance, the better performance of the developed economies is not expected to enable growth to exceed potential. In the face of the alterations ongoing and anticipated to extend throughout the rest of the year, the level of monetary policy in the United States and the United Kingdom, and the ongoing changes in the patterns of Chinese economic growth, the emerging economies should reflect the consequences of diverse adjustments and more severe to the extent of their lag in implementing reforms and correcting structural imbalances or coinciding with specific problems whether social and/or political in each one of the geographies. The year should also stand out for the deflationary pressures experienced by some developed economies and, in sharp contrast, by rising prices in emerging markets. Nevertheless, the global monetary conditions are expected to remain stable and hence forecast to continue extremely expansionist. International trade should experience significant growth in its rate of expansion and greater than in the last two years and estimated as in the region of 4.5%.

The **Eurozone** should record growth of approximately 1.0% in 2014. Nevertheless, this still represents an evolution distinctive to that recorded in 2012 and 2013. The year also contains European parliamentary elections. In the face of the financial and economic crisis and subsequent recession and the institutional instability experienced at the beginning of the second decade in the 21st century, it may be expected that the social discontent may result in greater participation and, in turn, there are fears this may lead to a parliament less in favour of the European project. Additionally, the ECB shall be undertaking the Asset Quality Review (AQR) at the main European banks and which display the characteristics of potentially threatening systemic risk. This initiative takes place within the framework of efforts moving towards the creation of a Banking Union and that will attribute the ECB responsibility for supervising the Eurozone banking sector. The **United States**, in turn, is expected to grow by around 2.8%, a faster rate than that obtained in 2013 but only in line with that returned in 2012. The expectation of a reduction in domestic policy divergences and less fiscal pressures will enable the carry-over of growth in the second half of 2013 to turn into a higher pace of growth. **Japan** should also extend in 2014 the rate of growth attained in the previous year, around 1.7%. The authorities are expected to continue increasing their fiscal and monetary economic stimulus package to compensate for the negative effects resulting from a hike in the tax on consumption coming into effect in April. Nuclear power production is only slowly coming back onto stream and hence expected to lead to a continuation of the current account deficits.

China, in turn, is likely to display a modest downturn in economic growth and reaching a level of around 7.5%. The authorities aim to turn the economy towards a pattern of growth better focused on domestic demand whilst simultaneously slowing the concession of credit and advancing with controls over the shadow banking system. **India** and **Russia** are forecast to experience an acceleration in the rate of growth while **Brazil** should, in an election year, retain growth rates similar to those in 2013.

12.1.2.Portugal

In 2014, Portugal should register economic growth of around 0.8%, a positive performance and which contrasts sharply with the contractions observed in the three preceding years. Contrary to that forecast one year ago, the Portuguese economy began the 2014 financial year already benefitting from this consistent and added contribution stretching back through the second half of the year ending. The completion of the Economic and Financial Assistance Programme should take place by the end of the first six months. The capacity of the state to finance itself in the primary market, even if still supported by some precautionary programme, represents an essential stage. The conditionality inherent to any such programme will reasonably enable a reduction in the country risk and, in conjunction with a more favourable economic context, thus guaranteeing a virtuous cycle. Nevertheless, continued efforts at fiscal consolidation may be expected to remain a critical condition. The expansion, at a modest pace, should draw support from the positive performance of net exports – taking into account the better performance expected from key trade partners and in the expectation of maintaining the recently observed gains in competitiveness – and also against a lower level of contraction in domestic demand. A less restrictive context in terms of sourcing financing for the economy should remain as a critical factor. The investment in support of the progress registered since the second quarter of 2013 represents an essential factor to the performance expected in 2014. The maintenance of the tendency towards recovery, on getting confirmed, will ensure the annulment of one of the sharpest adjustments made since the beginning of the recession and strengthen the capacity for the economy to respond.

Unemployment, a lagging indicator, is expected to have peaked at its maximum level in 2013, estimated at around 16.3%. In 2014, an inversion in the peak trend in effect since 2010 is forecast with different private entities predicting unemployment remains a fraction above 15%.

After the decrease experienced in the last financial year, inflation should rise slightly in 2014 and to a level in the region of 1.0%. The lower level of contraction/stabilisation expected for internal demand will prove determinant to the outcome of this forecast. Factors such as stability in the price of energy factors and the exchange rate hold a predominant influence over these deflationary pressures.

12.2. OPERATIONAL ACTIVITIES

12.2.1. Raw Materials

In 2014, in terms of raw material procurement activities (cork), the Raw Materials BU expects to benefit from the campaign undertaken in 2013 thus alleviating some of the additional pressures that might come to bear on procurement. The BU aims to guarantee the cork needs for the group's 2015 working requirements, maintaining the balance between quantity, quality and price. In order to achieve this, the BU aims to complete the process of reorganising the procurement structure in Portugal and Spain and maintain its investment in training, functional mobility and geographic mobility.

As regards profitability, the expectations for 2014 involve attaining the level of annual results reported in 2013 correspondingly forecasting the absorbing rises in prices through greater industrial efficiency and the optimisation of transport flows.

12.2.2. Cork Stoppers

There is the expectation that the wine market shall continue to grow at a good pace. The USA, Asia (India and China) and Brazil hold high growth potential and shall certainly become core markets in forthcoming years.

The Old World, despite being stable in terms of consumption, represents the largest market in terms of both volume and value to the Cork Stopper BU. Arguments about service, quality and efficiency in operations shall prove determinant to improving the competitive positioning.

The BU faces a challenge in growing the value and boosting the business turnover. While there are no perspectives of percentage point increases, the priorities involve innovating, reaching out to new markets and developing the BU's presence in emerging markets, driving a rising business value at the core of the wine industry.

Strategic planning for 2013-2015, concentrating on the pillars of growth, quality and operational efficiency, backed by comparative advantage in the distribution network are the focus of attention of the entire organisation alongside developing the business and achieving its objectives. Striving for continuous and permanent improvements and backed by the team development programme have together proven a factor of differentiation in approaching markets.

Control over the capital invested also represents one of the BU's priorities through the disposal of assets not allocated to core activities and a plan for the controlled increase in cork stopper stocks both in Portugal and internationally.

In commercial terms, consolidating the market position represents one priority alongside broadening the client base, boosting the rate of retention/loyalty. The quality of service, the strong supply chain, quality and the sustainability of the products establish some of the key arguments to gaining positions as alternative products and thereby boosting the BU product market share.

Within this context, the Cork Stopper BU holds the following priorities:

- Raising market share and growing sales (volume, value and service);
- Winning over new clients and markets without losing those currently existing;
- The launch of new products into the market;
- The development of economic rationalisation and excellent quality technologies, leading both on cost and on service.

The following feature among the strategic objectives for 2014 and in keeping with the strategic alignment in effect at the Cork Stopper BU:

- Attaining equilibrium in the "volume-mix and value" favouring products with greater growth potential and greater perceived value by clients;
- Identifying target clients for Natural, Bartop and Champagne stoppers;
- Strengthening leadership among multinational and large domestic clients;
- Strengthening competitiveness through leadership in operational efficiency, adjusting the cost structure to the margins generated;
- Building on the commercial network through capillary growth that ensures cost efficiency and prioritising the products with greatest growth potential;
- Reducing the average TCA value to non-detectable levels;
- Improving the quality index, strengthening controls over processes, technically developing products and guaranteeing the sealing function characteristics;
- Attributing priority to all rationalisation and technological/automation evolutionary projects as well as industrial process efficiencies, especially in natural cork stoppers;
- Enabling the direct supply of clients in Portugal, with equal conditions of service and quality and bringing about reductions in costs;
- Improving the management of the supply chain to reduce costs and the capital invested while also raising service standards;
- Continuing with the team development programme as a means of deepening the client and market focused culture.

12.2.3. Floor and Wall Coverings

Based on the sales prospects for 2014, the Artcomfort collections shall continue to attain success with the differentiating factors underpinned by the technologies deployed in terms of the visuals, new finishings and dimensions more appropriate to market trends.

The exploration of market opportunities for potential growth, retaining and expanding the client base represent priorities within the scope of diversifying the geographic distribution of sales.

2014 shall benefit from the consolidation of the healthy profitability in all current geographic areas alongside bringing in new clients, the loyalty of existing clients in accordance with their potential and exploring the full variety of products available in the BU portfolio. The BU will also continue to adapt its distribution structures to service requirements and the profitability returned by the different segments in which the BU operates.

Innovation also remains one of the pillars of development for the competitive advantage of the Floor and Wall Coverings BU with 2014 expected to see some product launches and new releases able to strengthen the BU's leadership in its sector and increasingly enable its products get presented to markets as featuring advantageous alternatives at competitive prices when compared with other flooring categories, such as laminated and wooden floors, among others.

The presenting to the market of flooring solutions in which cork serves as a factor of differentiation and competitive advantage over other mass volume paving categories combine to open the horizons for the growth of the Floor and Wall Coverings BU.

12.2.4. Composite Cork

The Composite Cork BU estimates that 2014 will prove a still more positive year with a strengthening of the profitability indicators.

Sales should focus more on core BU activities, targeting beyond the current group scope, which should grow moderately in all geographic areas and in all the main product ranges.

DOOR HANDLES, BY ARCHITECT EDUARDO SOUTO DE MOURA FOR METAMORPHOSIS PROJECT

In conjunction with this growth, the improvements to the gross margin deriving from production will remain one of the main focuses of attention alongside operational efficiency.

Various initiatives are planned for implementation in 2014 designed to foster the growth potential. Correspondingly, the winning over of new clients and the retention of those existing businesses both represent central objectives. Therefore, the BU is undertaking a strengthening of its structure and commercial presence in geographies hitherto with lower levels of penetration through a more generalist approach. Every market will see a continuation of the replication of models of success attained from different applications in different parts of the globe. In some cases, partnerships with local players in the target markets proves the means of boosting sustainable growth.

The improvement in gross production profitability will remain a priority. In order to attain this objective, the BU will continue to seek to reposition its proposed value to the market and always attempting to ensure clients gain the best indices of service and quality performance. Furthermore, the increase in sales of new products – differentiated, for new applications and technologically advanced – also represents a very important factor in the creation of value and fully worth continuing with. Alongside these initiatives, from the internal point of view, the sourcing of raw materials (cork and non-cork) shall remain subject to increasingly selective criteria and aligned with the strategic challenges faced by the Composite Cork BU.

The competitiveness of the products and solutions available for different applications represent an essential factor in taking and retaining international markets. Hence, the constant search for productivity gains correspondingly still represents a relevant component to the ongoing activities.

As fundamental pillars to the entire strategy and across its respective different dimensions, the BU will strive to continue to ensure:

- The motivation for exceptional performance levels attained by all members of staff as well as the organisational dynamic;
- The establishment of partnerships in order to access other types of resources and competences;
- The existence and reinforcement of a true culture of innovation.

12.2.5. Insulation Cork

The unique characteristics of the products and solutions provided by this BU, their superior performance, natural and ecological, as well as the investment in the more sustainable construction friendly markets – with the new MDFachadas systems as well as a construction solution for external insulation (ETICS) with expanded cork agglomerate and concretes – all contribute to the greater visibility and utilisation of BU products.

The implementation of a set of initiatives and actions aligned with the global strategy will bring about the profitable growth objectives for the generality of the products and optimise the capital invested in this business.

12.3. RESULTS

For the first time in many years, the macroeconomic perspectives for the forthcoming financial year are, it might be said, upbeat. There is a generalised positive sentiment. Confidence indices have improved in Europe and in the United States. Economic growth estimates remain weak in Europe but, nevertheless, still growth. They are better still in the United States and not even the recent dark clouds looming over emerging market seem able choke off this sentiment.

With Western Europe and the United States accounting for practically 80% of its market, **Corticeira Amorim** will not miss out on capitalising on this almost optimism.

However, in the meanwhile, there are dangers present. We would immediately begin with the valuation of the Euro against all **Corticeira Amorim** export currencies. While 2013 already saw a 3% devaluation of the USD and still greater devaluations in the cases of the rand, Chilean peso and Australian dollar, the year of 2014 began still more penalising. The lack of sensitivity towards this problem, as shown by the financial authorities at the European Union level, does not provide grounds for cheer. German exports may be able to stand up to this strong Euro but what about those of other economies?

At the internal level, **Corticeira Amorim** begins the year having already ensured its needs in terms of cork raw materials, both in terms of quantity and price. It is hoped that the quality also corresponds to that desired. The high number of projects, whether undergoing implementation or still in the pipeline, targeting the improvement of the productive processes, with clear benefits in terms of both earnings and quality, should serve to ensure notable operational gains.

In the absence of disruptive factors to the global financial situation, or even in Portugal, the conditions prevailing in early 2014 may prove favourable to overcoming the targets set in 2013.

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BUSINESS RISKS AND UNCERTAINTIES

Throughout its long history – now spanning over three centuries, dealing successfully with the profound and where not radical changes and transformations to society, surviving two World Wars –, **Corticeira Amorim** has proven able at appropriately and timely diagnosing the risks and uncertainties surrounding its businesses and strongly facing them as opportunities and challenges.

The difficulties experienced by some of the world's major economies shall continue to impact on the global development of economic activities and hence **Corticeira Amorim**, as any other economic actor, will continue to operate in an uncertain economic environment that still prevails in some export markets and despite the existence of some positive indicators in some emerging markets:

A PERFECT MATCH: NATURAL CORK STOPPER AND WINE

I. **The construction sector** – the sharp slowdown in the activities of this sector, whether in terms of new constructions or the renovation of existing constructions, coupled with the postponement of purchase decisions by the final consumer, resulting in the slowing of global demand for products destined to this sector and correspondingly including floor and wall coverings and thermal and acoustic insulation.

   The global slowdown shall continue to be countered by leveraging the identified opportunities for growth, whether through strengthening the presence in markets already identified as bearing high growth potential, especially emerging markets, or through increasing market shares in more mature markets. These opportunities gain strong support from the launch of new collections and the development of the portfolio of production, eventually through expanding the range under production.

   Growing final consumer awareness about the sustainability also certainly represents a factor driving the choice of cork coverings, which, in turn, represents an important motor of growth for the sales volume;

II. **The world wine sector** – the capacity for the recovery of consumption per capita in core European Union countries such as France, Spain and Italy remains questionable. Furthermore, the trade-down phenomenon, ongoing for some time now, may continue to impact on the Cork Stopper BU product mix.

   Corticeira Amorim continues to implement an R&D policy enabling the sustained development of its cork stopper range capacities in terms of quality, quantity and price, satisfying the needs of any wine producer in whatever the market. Today, the range of products made available by the BU guarantees all producers gain the opportunity to bottle with cork stoppers and thereby also benefitting from added values in terms of sustainability, product enhancement and CO_2 retention, which remain unequivocal factors of product differentiation on a global scale.

In the long term, the **Corticeira Amorim** performance may also fall susceptible to the following factors subject to continuous monitoring and evaluation:

I. **Exchange rate volatility** – a factor with the potential to erode the business margins. In the short term, the effects of exchange rate volatility can be counterbalanced by an active policy of hedging against the invoiced currencies – in the current financial year, consolidated sales in non-Euro currencies accounted for 28.2% of non-group client invoicing and by the exchange rate risk coverage policy that has been consistently adopted (for example, natural coverage through contracting the appropriate financial instruments); in the long term, **Corticeira Amorim** has committed to developing new products/solutions with greater added value in order to achieve a product mix capable of overcoming such constraints. Thus, we correspondingly assume an organisational model focused on the creation of value to the business and moving up the value chain in order to overcome this risk;

II. **Climate change** – a potential factor reducing the level of available raw materials to the extent that they may lead to imbalances in the ecosystems hosting cork oaks, especially due to the incidence of severe droughts, hindering their propagation and growth. However, still more importantly, there is the capacity of the cork oak and of cork (raw material and products) to fix carbon that contributes to mitigating the greenhouse gas emissions causing the aforementioned climate changes.

The cork oak constitutes the core of a unique ecological system worldwide and fostering the survival of many species of indigenous fauna as well as safeguarding the environment. The trees only survive in seven countries around the Western Mediterranean basin – Portugal, Spain, France, Italy, Morocco, Algeria and Tunisia, where they serve as barriers against desertification as they survive in climates with low levels of rainfall, helping trap the soil and other organic matter to prevent erosion and boosting the water retention capacity.

Corticeira Amorim products also represent important stores of carbon and remaining so throughout the product's life cycle.

The industrial valuation of cork extracted from these trees represents the greatest guarantee of the preservation and expansion of the cork tree forests through enabling their economic viability. Today, these cork forests are under the spotlight with specific legislation stipulating their protection, various non-governmental organisational programmes seeking to preserve these forests as well as improving and certifying forestry management practices.

Thus, the aforementioned facts represent another opportunity to differentiate cork based products (trapping of CO_2 and increasing their utilisation in thermal insulation through the development of eco-building).

III. Development of substitute stoppers – there appears to be a downwards trend in the utilisation of the plastic stopper type by wine producers while recourse to screw caps remains steady. The North American market continues to return positive signs and remains the world's largest wine market and where consumers retain a preference for cork despite a clear and renewed interest in screw caps in this market. Furthermore, market data gathered by the specialist firm Nielsen continue to demonstrate that the 100 largest wine brands in the USA experience higher growth rates when adopting cork stoppers when compared with the universe of brands making recourse to artificial alternatives. As in previous years, it remains important to take technical factors into consideration when analysing the plastic stopper market, for example, its incapacity to encounter manufacturing formulas efficiently replicating the balance clearly present in cork between the forces required for stopper extraction and the level of optimal permeability to oxygen. Cork has continued to strengthen its role as the stopper of preference and the benchmark for quality, performance and image. However, there has been the attempt on behalf of some artificial stopper manufacturers to come up with formulas more consentaneous with the needs for micro-oxygenation required during maturing in cellars. However, the results of these attempts would not seem to have attained any sustained success. The difficulties in managing in a quantifiable and predictable fashion the vast range of micro-oxygenation needs in effect for the different grape types and different harvests for different markets remains a factor needing taking into consideration. As mentioned in previous years, the plastic stoppers effectively launched in 2013 represent a product seeking to generate a smaller environmental footprint.

Similar to plastic, the screw caps continue to be associated with lower quality wines and with correspondingly lower profitability for producer and distributor. In the case of screw caps, these are also conditioned by the following factors:

- The reduction phenomenon remains a relevant technical question to wine industry stakeholders;
- The level of gain in market share, the rate of growth remains similar to that attained in recent years. Its 2012 launched promotional campaign does not seem to have shaped the perception of the general public towards this stopper type;
- The swiftly advancing awareness in modern societies about the environmental and ecological costs of product utilisation is today an irreversible reality and demanding the measurement and control of these impacts. Hence, the replacement of a natural product – cork – by a manufactured product resulting from an industrial process that consumes more energy can only ever mean that the planet and indeed society as a whole shall continue to suffer the natural resistance of the individual consumer.

Furthermore, strengthening this perception of cork in the Chinese market continues to influence the consolidation of this material as the stopper of preference for the wine sector particularly due to the importance of China as an export market. However, we would stress the relevance of the awareness campaign currently under implementation by the Chinese authorities as regards ostentatious consumption and the real impact this may have for the export of western products that suddenly become seen as unnecessary luxuries.

In late 2013, the Portuguese Cork Association contracted a second pluri-annual cork promotion campaign. Showing particular attention to crucial markets of high growth potential such as the USA, China and Brazil, this campaign is expected to make an important contribution to the future growth of cork exports.

Corticeira Amorim activities are also exposed to a variety of **financial risks**: market risks (including risks posed by exchange rates and interest rates), credit risks, liquidity risks and capital risks. According to the terms of line e) of number 5, article 508C of the Commercial Company Code, the objectives and policies of companies within the scope of managing these risks include policies for covering each of the main categories of foreseeable transactions making recourse to accountancy coverage and the exposure to risks related to prices, credits, liquidity and cash flows are duly identified in the "Financial Risk Management" note included in the Notes to Consolidated Accounts.

CORK COMPOSITES

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TREASURY STOCK

During the 2013 financial year, **Corticeira Amorim** acquired 15,300 treasury stock over several different trading sessions, corresponding to 0.012% of the Company's share capital, at an average price of € 1.873 per share, in transactions totalling 28,659 euros, as follows:

Date	Hour		Quantity	Unit Price (€)	Average Price (€)
17-01-2013	14:18		4,265	1.82	
17-01-2013	14:18		735	1.82	
		Subtotal	5,000		1,820
18-01-2013	14:31		3,441	1.85	
18-01-2013	14:31		1,559	1.85	
		Subtotal	5,000		1,850
23-01-2013	15:46		2,000	1.94	
23-01-2013	15:46		800	1.95	
23-01-2013	15:46		2,200	1.95	
		Subtotal	5,000		1,946
08-04-2013	11h11		300	1.93	
		Subtotal	300		1,930
		Year Total	15,300		1,873

No treasury stock was sold in 2013.

The transactions were made in strict accordance with the regulations for authorising the acquisition or sale of treasury stock approved by the General Meeting of Shareholders. They do not constitute a programme of share repurchasing as set out in EC regulation no. 2273/2007 of December 22.

The transactions described were deemed appropriate given the market opportunities, the availability of financial resources in the Company and the immaterial impact they would have on either the normal formation of share prices or the Company's free float.

On December 31, 2013, **Corticeira Amorim**'s treasury stock totalled 7,399,262 shares, representing 5.563% of the Company's share capital.

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PROPOSED APPROPRIATION OF PROFIT

Based on the annual financial statements for the year ended 31 December 2013 and in view of the fact that the Company's net loss for the year was € 2,462,821.68 and the amount of the Company's distributable reserves was € 24,221,042.05 the Board of Directors of Corticeira Amorim, S.G.P.S., S.A. hereby proposes that the Annual General Meeting consider and approve a resolution as follows:

1. that the above net loss for the year in the amount of € 2,462,821.68 be carried forward to a Retained Earnings account, and

2. that a sum of € 15,960,000.00 - a part of the amount that appears under the "Free Reserve" account - be paid out as dividends to shareholders equivalent to a dividend of € 0.12 per share.

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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.

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SUBSEQUENT EVENTS

Subsequent to December 31, 2013 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 Group'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 sincere appreciation.

Mozelos, February 13, 2014

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

Juan Ginesta Viñas
Member

Luisa Alexandra Ramos Amorim
Member

AMORIM CORK COMPOSITES' STAND AT AMBIENTE FAIR, GERMANY

CORPORATE GOVERNANCE REPORT

HELIX, THE INNOVATIVE AND SOPHISTICATED PACKAGING SYSTEM THAT COMBINES ALL THE BENEFITS OF CORK AND GLASS – QUALITY AND SUSTAINABILITY WITH USER-FRIENDLY, RE-SEALABLE CONVENIENCE

03

INTRODUCTION CORPORATE GOVERNANCE

From the publication, in 1999, of the first Portuguese Securities Market Commission's (or "CMVM") recommendations on corporate governance aimed at improving the mechanisms protecting investors in securities markets, **Corticeira Amorim** has been engaged in a process of reviewing its corporate governance system. On the one hand, our Company has been comparing its corporate governance principles and practices to what it is considered to be the best existing practices and, on the other hand, to the circumstances underlying its business and the challenges the Company has to face. As a result of this process **Corticeira Amorim** has been implementing a number of measures, whose main objectives are to strengthen the internal systems of control and supervision, increase transparency, encourage shareholder participation in the corporate life and guarantee sustained creation of shareholder value.

This document describes the corporate governance policies and practices adopted by our Company and it also provides a qualitative evaluation of those policies and practices by comparison with the best practices framework set out in the CMVM Corporate Governance Code.

Item 8. of this report includes information set out in articles 447 and 448 of the Portuguese Companies' Code, in sections 14(6) and 14(7) of the CMVM Regulation no. 5/2008 (Transactions involving Directors and Officers) and in article 3 of Law No. 28/2009 of 19 July (Remuneration Policy).

PART I INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

CORK PLANK

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)).
The share capital of **Corticeira Amorim** is EUR 133 million and is divided into 133 million ordinary shares of a nominal value of EUR 1 each. These shares give their holders the right to dividends.

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

Distribution of capital among shareholders:

Shareholders	Shares owned (number)	Interest	Voting rights[1]
Treasury stock	7,399,262	5.563%	-
Qualifying holdings:			
Amorim Capital, S.G.P.S., S.A.	67,830,000	51.000%	54.004%
Investmark Holdings, B.V.	24,975,157	18.778%	19.885%
Amorim International Participations, B.V.	20,064,387	15.086%	15.975%
Freefloat	12,731,194	9.572%	10.136%
Total	133,000,000	100.000%	100.000%

[1] Considering the suspension of voting rights associated with 7 399 262 shares held as treasury stock.

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 31 December 2013, **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.

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 2013 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 thirty-seven 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.

List of holders of qualifying interests as at 31 December 2013:

Shareholder	No. of shares owned (quantity)	Interest	Voting rights [1]
Amorim Capital, S.G.P.S., S.A.	67,830,000	51.000%	54.004%
Investmark Holdings, B.V.	24,975,157	18.778%	19.885%
Amorim International Participations, B.V.	20,064,387	15.086%	15.975%
Total qualifying interests	112,869,544	84.864%	89.864%

[1] Considering the suspension of voting rights associated with 7 399 262 shares held as treasury stock

Amorim – Investimentos e Participações, S.G.P.S., S.A. held at 31 December 2013 an indirect qualifying holding in **Corticeira Amorim** of 67,830,000 shares corresponding to 51% of the Company's share capital. The referred indirect interest is held through Amorim Capital – Sociedade Gestora de Participações Sociais, S.A. Amorim – Investimentos e Participações, S.G.P.S., S.A. is 100% owned by Interfamília II, S.G.P.S., S.A.

Investmark Holdings B.V. is a wholly-owned subsidiary of Warranties, S.G.P.S., S.A. which, in turn, is 70 per cent owned by Mr. Américo Ferreira de Amorim.

Amorim International Participations, B.V. is a wholly-owned subsidiary of Amorim – Sociedade Gestora de Participações Sociais, S.A.

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 2013 financial year. At 31 December 2013, 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 managerial 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 54.004% 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 Member of the Board of Directors, 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 15.975% of the voting rights.

   The share ownership referred to in paragraphs i. and ii. refers to 31 December 2013, 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 54.004% of the voting rights;

  ii. Investmark Holdings, BV held 24,975,157 shares in **Corticeira Amorim**, representing 18.778% of this Company's share capital and 19,885% of voting rights;

  iii. Amorim International Participations, BV held 20,064,378 shares in **Corticeira Amorim**, representing 15.086% of this Company's share capital and 15.975% of voting rights;

  The share ownership referred to in paragraphs i. , ii. and iii. refers to 31 December 2013, 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 the Portuguese Securities Market Commission and according to notices received from persons/entities covered by this regulation, it is hereby reported that no other transactions involving the Company's shares were carried out in the second half of 2013 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.

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) Moving the Company's head office to another location and increasing its share capital;

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 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

MICROSOFT OFFICES (LISBON) WITH CORKCOMFORT FLOORING BY WICANDERS 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.

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.
There are no commercial relations between the holders of qualifying interests and the company.

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B.

CORPORATE BOARDS AND COMMITTEES

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 is composed of a chairman and a secretary. These posts were held by the following on 31 December 2013:

Chairman: Mr. Joaquim Taveira da Fonseca

Secretary: Mr. Tiago Borges de Pinho
Beginning of first term of office:
28 May 2007
1st renewal of term of office:
28 March 2008
2nd renewal of term of office:
01 April 2011
End of current term of office:
31 December 2013, 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 2013.

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 quora, 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 Annual General Meeting;

- In order that an Annual General Meeting requisitioned by shareholders may pass resolutions – it is required that the Annual 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.

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II. MANAGEMENT AND SUPERVISION

a) Composition

15. Details of corporate governance model adopted.
The Company has adopted a governance model commonly known as "reinforced Latin" model, which advocates a separation between the roles of supervision and that of the Management as well as a double supervisory mechanism consisting of a supervisory board and a statutory auditor.

The Board of Directors considers that the adoption of this model permits the existence of a supervisory board with enhanced and effective monitoring powers. The board is composed entirely of members who are subject to strict requirements on conflicts of interest and independence. Moreover, the assignment of this task to an independent body – the Supervisory Board – favours the establishment of an efficient corporate governance model that contributes to a clear separation of powers and responsibilities between the different governing bodies and thus prevents supervisory powers from being assigned to a group of members of the Board of Directors which, according to the law, is a collegiate body.

Accordingly, after taking the specific circumstances of **Corticeira Amorim** into account, the Board of Directors is firmly convinced that the corporate governance model adopted by the Company is quite adequate and appropriate for the following reasons:

- it embodies a framework of principles of corporate governance and good practice 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, 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 ongoing process of 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 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, the Executive Board and the General and Supervisory Board, where applicable, 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 2013:

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 office:
31 December 2013, 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 office:
31 December 2013, 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 office:
31 December 2013, 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 office:
31 December 2013, 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 office:
31 December 2013, remaining in office until a new election pursuant to law.

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

José Manuel Seabra de Freitas held the post of member of the Board of Directors **until April 2013**.

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, or, where applicable, details of independent members of the General and Supervisory Board.

The **Board of Directors** is composed of three executive members and three non-executive members.

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:	Juan Ginesta Viñas
Member:	Luísa Alexandra Ramos Amorim

None of the non-executive members are independent.

19. Professional qualifications and other relevant curricular information of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

António Rios de Amorim (Chairman):
The Chairman of **Corticeira Amorim**'s board of directors and executive committee since March 2001. He was a managing director of Amorim & Irmãos (1996-2001), a Director of Sociedade Figueira-Praia (1993-2006), an operations manager of Amorim - Empreendimentos Imobiliários, a company which developed the Torres de Lisboa and the Arrábida Shopping Centre projects (1993-1995), an executive director of Amorim Hotéis, with responsibility for developing the Ibis and Novotel hotel chains in Portugal. He graduated with a Bachelor of Commerce degree from the Faculty of Commerce and Social Sciences of the University of Birmingham (1989), and attended the Executive Programme 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 – **Corticeira Amorim** was the only Portuguese business group that made part of this prestigious association (1991-1995). He has been the Chairman of the Portuguese Cork Association (2002-2012) and the Confédération Européenne du Liège since 2003. In February 2006, he was awarded the decoration of *Comenda de Grande-Oficial da Ordem de Mérito Agrícola, Comercial e Industrial* (an award for outstanding merit in the field of agriculture, trade and industry) by the President of the Portuguese Republic.
Age: 46

Nuno Filipe Vilela Barroca de Oliveira (Vice-Chairman):
He graduated in Business Administration and Management from Portuguese Catholic University. He was a non-executive director of **Corticeira Amorim** from March 2003 to September 2005, when he moved to an executive post. He has been a non-executive director of several companies of the Amorim group (since 2000) and was an executive director of Barrancarnes (2000-2005). After working for a year in the trading business of Møre Codfish (Norway), he participated in the Comett programme and worked as an intern at Merrill Lynch (London) before moving to Banco Comercial Português, where he worked for three years in the analysis and planning, international and investment funds departments.
Age: 43

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 several positions in various 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: 52

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 Birmigham (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 Manager 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: 45

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: 73

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: 40

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

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 the father of Luísa Alexandra Ramos Amorim, father-in-law of Nuno Filipe Vilela Barroca de Oliveira and uncle 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 mandate 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 unrivaled 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.

CORK AND CONCRETE, A NEW MATERIAL CREATED BY ARCHITECT CARRILHO DA GRAÇA FOR METAMORPHOSIS PROJECT

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 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

Juan Ginesta Viñas
MEMBER

Luísa Alexandra Ramos Amorim
MEMBER

Advisors to the Board of Directors

Américo Ferreira de Amorim

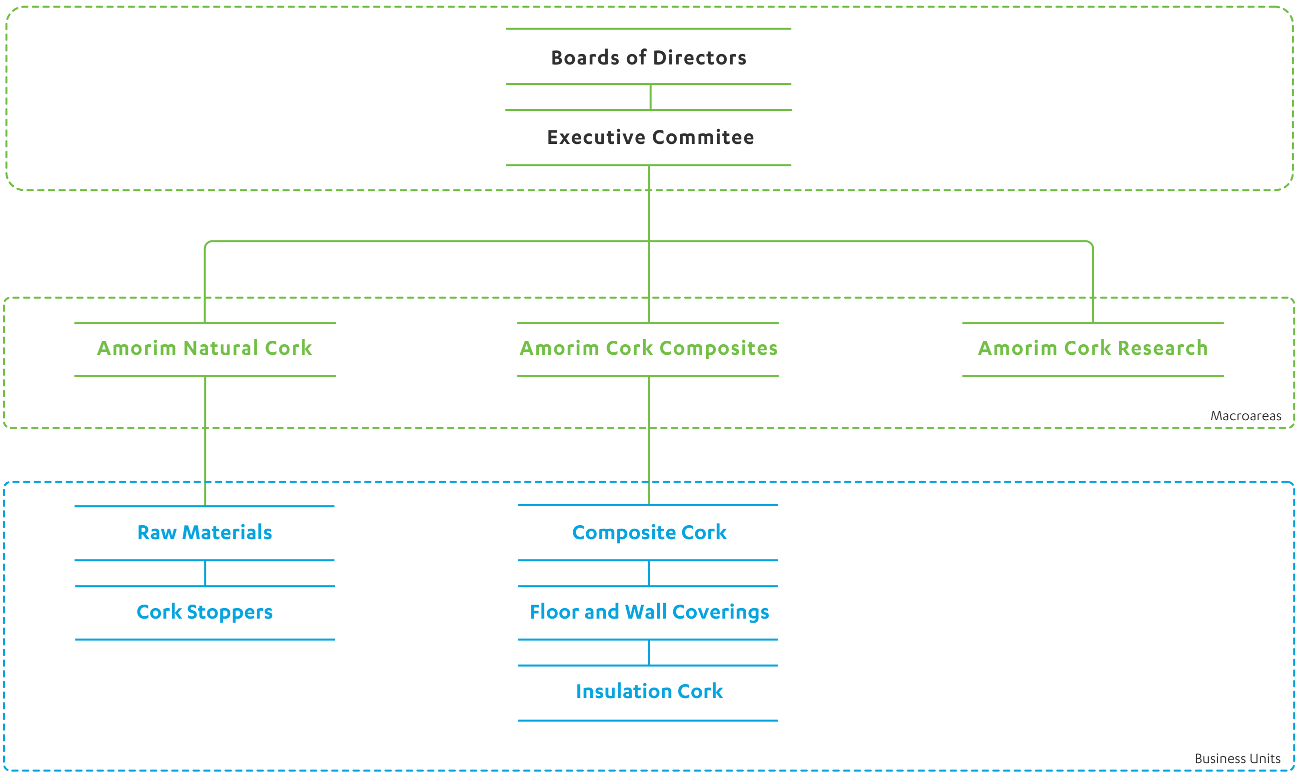
Joaquim Ferreira de Amorim

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

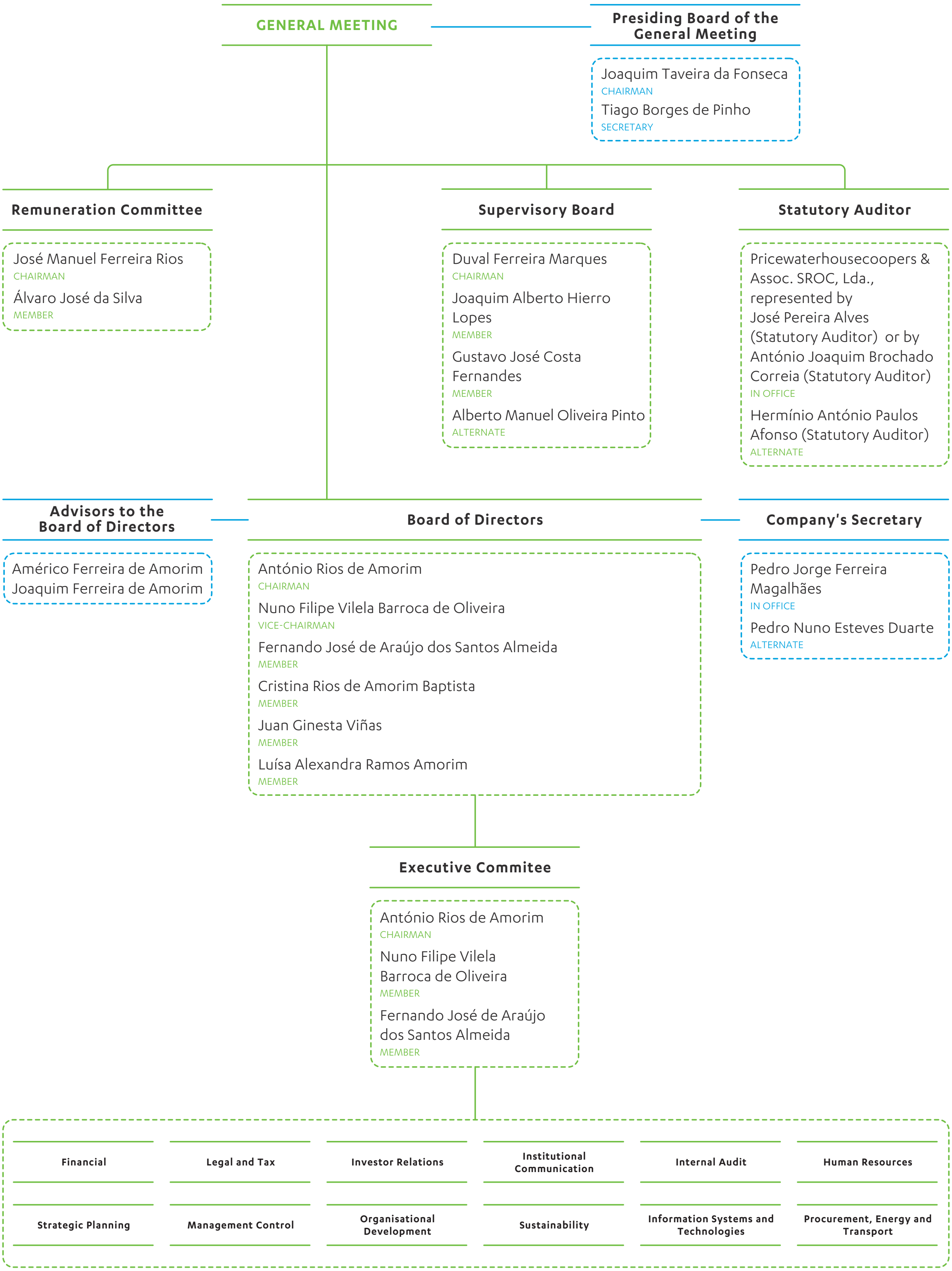
Using a management model based on a strategic-operational holding company concept, these BUs are co-ordinated by **Corticeira Amorim**'s Executive Committee, which has very broad management powers, except for those specifically reserved to the Board of Directors by law or the Company's articles of association.

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 following diagram:



CORK OAK TREE RECENTLY HARVESTED

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, the General and Supervisory Board and the Executive Board, where applicable, 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 Portuguese Securities Market Commission ("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) 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 throughout 2013, attended by all the members of the Board in office. The attendance record was thus 100%.

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

The General Meeting or a committee it elects shall decide on the assessment of the performance of the executive directors.

25. Predefined criteria for assessing executive directors' performance.

Pursuant to the statement on the remuneration policy of the Board of Directors approved at the General Shareholders' Meeting of 4 April 2013 (Section 69), 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) 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
Corticeira Amorim Group	
Amorim Natural Cork, S.A.	Chairman of the Board of Directors
Amorim Florestal, S.A.	Chairman of the Board of Directors
Amorim Florestal España, S.L.	Chairman of the Board of Directors
Amorim & Irmãos, S.A.	Chairman of the Board of Directors
Amorim Compcork, Lda.	Director
Amorim & Irmãos, S.G.P.S., S.A.	Chairman of the Board of Directors
Amorim Industrial Solutions – Imobiliária, S.A.	Chairman of the Board of Directors
Amorim Isolamentos, S.A.	Chairman of the Board of Directors
Amorim Revestimentos, S.A.	Chairman of the Board of Directors
Amorim Cork Composites, S.A.	Chairman of the Board of Directors
Amorim Cork Research & Services, Lda.	Director
Chapius, S.L.	Chairman of the Board of Directors
Comatral – Compagnie Marrocaine de Transformation du Liège, S.A.	Chairman of the Board of Directors and Chairman of the Group chairing the Annual General Meeting
Dom Korkowy, Sp. Zo.o	Member of the Board of Directors
Korken Schiesser GmbH	Director
S.A. Oller et Cie	Director
Olimpíadas Barcelona 92, S.L.	Chairman of the Board of Directors
Société Nouvelle des Bouchons Trescasses, S.A.	Director
SIBL – Société Industrielle Bois Liège, S.A.R.L.	Director
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
Mirantes e Freires, S.A.	Member of the Board of Directors
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	Director
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
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
Caribbean Seafood – Trading e Marketing, S.A.	Chairman 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.	Director
Paisagem de Alqueva, S.A.	Member of the Board of Directors
Quinta Nova de Nossa Senhora do Carmo, Lda.	Director

Fernando José de Araújo dos Santos Almeida (Member)

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

Cristina Rios de Amorim Baptista (Member):

Company	Position
Corticeira Amorim Group	
Amorim & Irmãos, S.A.	Chairman of the Remuneration Committee
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.	Director
Amorim Desenvolvimento, S.G.P.S., S.A.	Member of the Board of Directors
Amorim Investments, B.V.	Director B
Imotur – Fundo Especial de Investimento Imobiliário Fechado	Member of the 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
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
Finpro, S.C.R., S.A.	Member of the Investment Committee
Resiféria – Construções Urbanas, S.A.	Member of the Board of Directors
Resinfe – Investimentos e Promoção Imobiliária, S.A.	Member of the Board of Directors

Juan Ginesta Viñas (Member):

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

Luísa Alexandra Ramos Amorim (Member):

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

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 Board and/or details of the Board Delegate/s, where applicable.

The Executive Committee shall consist of three members, i.e., a Chairman and two Members. The members of the Committee as at 31 December 2013 were as follows:

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 2013 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);
- 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 notice of meetings and minutes of the Executive Committee meetings to the Chairman of the Supervisory Board.

The Executive Committee met nineteen times throughout 2013, with all executive directors attending all the meetings. The attendance record was thus 100%.

INSPIRO, THE NEW METRO FROM SIEMENS, FEATURES CORK TECHNICAL SOLUTIONS DEVELOPED BY AMORIM CORK COMPOSITES

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, as stated above, 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, the Audit Committee, the General and Supervisory Board or the Financial Matters Committee, where applicable, 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 and reference to the section of the report where said information is already included pursuant to paragraph 18.

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, at 31 December 2013:

Chairman: Durval Ferreira Marques

Member: Joaquim Alberto Hierro Lopes

Member: Gustavo José de Noronha da Costa Fernandes

Alternate member: Alberto Manuel Duarte de Oliveira Pinto

Date of first appointment to the Supervisory Board:
28 May 2007
1st renewal of term of office:
28 March 2008
2nd renewal of term of office:
01 April 2011
End of current term of office:
31 December 2013, remaining in office until a new election pursuant to law.

32. Details of the members of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, which are considered to be independent pursuant to Article 414/5 CSC and reference to the section of the report where said information already appears pursuant to paragraph 19.

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.

33. Professional qualifications of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and other important curricular information, and reference to the section of the report where said information already appears pursuant to paragraph 21.

Durval Ferreira Marques (Chairman):
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 held several director level positions in a number of Portuguese companies.
Date of first appointment to the Supervisory Board: 28 May 2007.
End of term of office: 31 December 2013.
At 31 December 2012, Mr Durval Ferreira Marques did not hold any shares in **Corticeira Amorim**.

Joaquim Alberto Hierro Lopes (Member):
He graduated in Accounting and Business Administration from the Higher Institute of Accounting and Business Administration of Porto. He has a Bachelor’s Degree in Mathematics from the University of Porto, Faculty of Sciences and a Master’s Degree in Business Administration from the University of Porto. He attended the preparatory course for Certified Public Accountant and the tax law course.

He has lectured at the University of Porto. He was also Chairman of the Board and a member of the Scientific Committee of Portugal’s Higher Institute of Administration and Management (ISAG – Instituto Superior de Administração e Gestão). He has held senior management positions and has been a member of the board of a number of Portuguese and international companies. In recent years, he has held several director and manager level positions in GED Group member companies and has been an Executive Director of GED Partners since March 2008. He is also a member of the governing bodies of several companies.

Gustavo José de Noronha da Costa Fernandes (Member):
He is a lawyer based in Santa Maria da Feira, Portugal. He has held several senior positions in the Portuguese Bar Association: member of the Porto District Commission (1992-1995), of the Higher Commission (2002-2004) and of the Porto Ethics Commission (2005-2007). He is a practising lawyer and a manager of the Gustavo Fernandes, Domingos Leite e Associados law firm.

Alberto Manuel Duarte de Oliveira Pinto (Alternate Member):
He has a Bachelor’s Degree in Law from the Portuguese Catholic University and a Master’s Degree in the History of Africa from the University of Lisbon, Faculty of Humanities. In recent years, he has lectured at several higher education institutions: the University of Lisbon’s Faculty of Humanities, the University of Coimbra’s Faculty of Sciences and Technology, Independente University and Autónoma de Lisboa University. He has written a number of essays, academic studies and works of fiction.

b) Functioning

34. Availability and place where the rules on the functioning of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, may be viewed, and reference to the section of the report where said information already appears pursuant to paragraph 24.

The **Rules of the Supervisory Board of the Company** can be viewed at *http://www.amorim.com/en/for-investors/institutional-informations/board-members/*.

35. The number of meetings held and the attendance report for each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and reference to the section of the report where said information already appears pursuant to paragraph 25.

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. The Supervisory Board met five times during 2013, and all the incumbent members of the body attended those meetings.

INSPIRO, A DETAIL OF THE ALUCORK FLOORING

36. The availability of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of these Boards throughout the financial year, and reference to the section of the report where such information already appears pursuant to paragraph 26.

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

Joaquim Alberto Hierro Lopes (Member):

Company	Position
Other Companies – Subsidiaries of the GED Group	
Estudio Pereda4, S.L.[1]	Member of the Board of Directors
FASE – Estudos e Projetos, S.A.	Chairman of the Board of Directors
GED Iberian Private Equity, S.A.[1]	Member of the Board of Directors
GED Partners I, S.L.[1]	Member of the Board of Directors
GED Sur Capital, S.A.[1]	Member of the Board of Directors
Global Engineering, S.L.[1]	Member of the Board of Directors
Grupo Asijara Holdings, S.L.[1]	Member of the Board of Directors
Nuceri Business, S.L.[1]	Member of the Board of Directors
Nuceri International, S.L.[1]	Member of the Board of Directors
Numerforum, Consultores de Gestão Unipessoal, Lda.	Managing Director
Serlima Services, S.A.	Member of the Board of Directors

[1] Spain

Gustavo José de Noronha da Costa Fernandes (Member):

Company	Position
Other Companies	
Gustavo Fernandes, Domingos Leite e Associados	Manager
Clínica Alcaide, Lda.	Manager
Bioplay – Comércio Alimentar, S.A.	Member of the Board of Directors
Dorismar – Indústria e Comércio de Bacalhau, Lda.	Manager

Alberto Manuel Duarte de Oliveira Pinto (Alternate Member): Does not hold any post in any other company.

CORK TILES, BY DESIGNER JASPER MORRISON FOR METAMORPHOSIS PROJECT

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 Auditors, especially in relation to the provision of additional services.

The Company's practice in such matters (described in the following paragraphs) is well known to the Supervisory Board - which does not oppose it; the Supervisory Board is made aware, at least annually, of the contracted services and the respective amounts. No issues or doubts as regards those services were raised in the current year.

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 post 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.

38. Other duties of the supervisory body and, where appropriate, the Financial Matters Committee.

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, if any;
- Receive reports of irregularities presented by shareholders, company employees or others, giving them due treatment;
- 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;
- 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;

MANUFACTURING PROCESS OF CORK INTO DESIGN OBJECTS

- 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;

- Appraise the annual management report, the accounts for the year, the statutory audit certificate of the accounts or the impossibility of that certificate being issued;

- If it agrees with the statutory audit certificate or the statement that the issue of such certification is impossible, then it must explicitly state this in its opinion;

- If it does not agree with the statutory audit certificate or the statement that the issue of such certification is impossible, then it must include the reasons for such disapproval in its report;

- Send the report and opinion to the Board of Directors within fifteen days of the date on which it received the referred accounting documents;

- Issue in its report and opinion a statement that, relating to the annual directors' report, the annual accounts, the statutory audit certificate 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;

- Perform, at any time of the year, all verification and inspection actions deemed appropriate to fulfil its supervisory obligations;

- Whenever it becomes aware of facts that make it difficult for the normal pursuit of the company's object, report them immediately by registered letter to the Statutory Auditors;

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

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 Statutory Auditor was:

Member: PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda, registered in the CMVM since 15 July 2004 under number 9077, represented by José Pereira Alves (Chartered Certified Accountant) or António Joaquim Brochado Correia (Chartered Certified Accountant).

Alternate member: Hermínio António Paulos Afonso (Chartered Certified Accountant).

End of term of office:
31 December 2013, 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. It must check, 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, this 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 nine consecutive years, while the Statutory Auditor representing that company has been in this role for two 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 two years has been conducted by António Joaquim Brochado Correia.

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.

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:

Type of service	Corticeira Amorim		Other group companies		Total	
	€	%	€	%	€	%
Audit of accounts	54,000	87.8	251,589	65.3	305,589	68.4
Assurance	6,300	10.2	13,463	3.5	19,763	4.4
Tax consultancy		0.0	11,461	3.0	11,461	2.6
Others (besides auditing)	1,214	2.0	109,061	28.3	110,275	24.7
Total	61,514	100.0	385,574	100.0	447,088	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 – PO Box 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 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 internally and externally, 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 reports and fortnightly debates on financial markets and economic developments that may have an impact on the group's member companies;
- Regular monthly reports on the terms of and benchmarks for the group's global financial operations;
- 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 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 or necessary.

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 **disclosure of financial information**, 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 Portuguese Securities Market Commission ("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 existence of an Internal Control Procedures Manual is also to be highlighted. It is a written document approved by the Management, necessarily adopted by all companies that form part of the **Corticeira Amorim** Group, which contains a set of rules to ensure that, in the process of preparation and disclosure of financial information, all the above listed rules for the quality, transparency and equity in information disclosure are adopted.

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 2013 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;

- 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 an AGM during a 21-day period prior to the date fixed for the meeting;

- Absentee voting form;

- Proxy form for Annual General Meetings;

- Disclosure of half-yearly 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. Market Liaison 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, except for highly complex cases 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 1% of all information requests received in 2013.

V. WEBSITE

59. Address (es).

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/en/for-investors/institutional-informations/legal-structure/

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/en/for-investors/institutional-informations/legal-structure/

Rules of procedure of the Supervisory Board:
http://www.amorim.com/en/for-investors/institutional-informations/board-members/

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/en/for-investors/institutional-informations/board-members/

Investor Relations Officer:
http://www.amorim.com/en/for-investors/institutional-informations/

The Office of Investor Assistance, its duties and means of accessing this Office:
http://www.amorim.com/en/for-investors/institutional-informations/

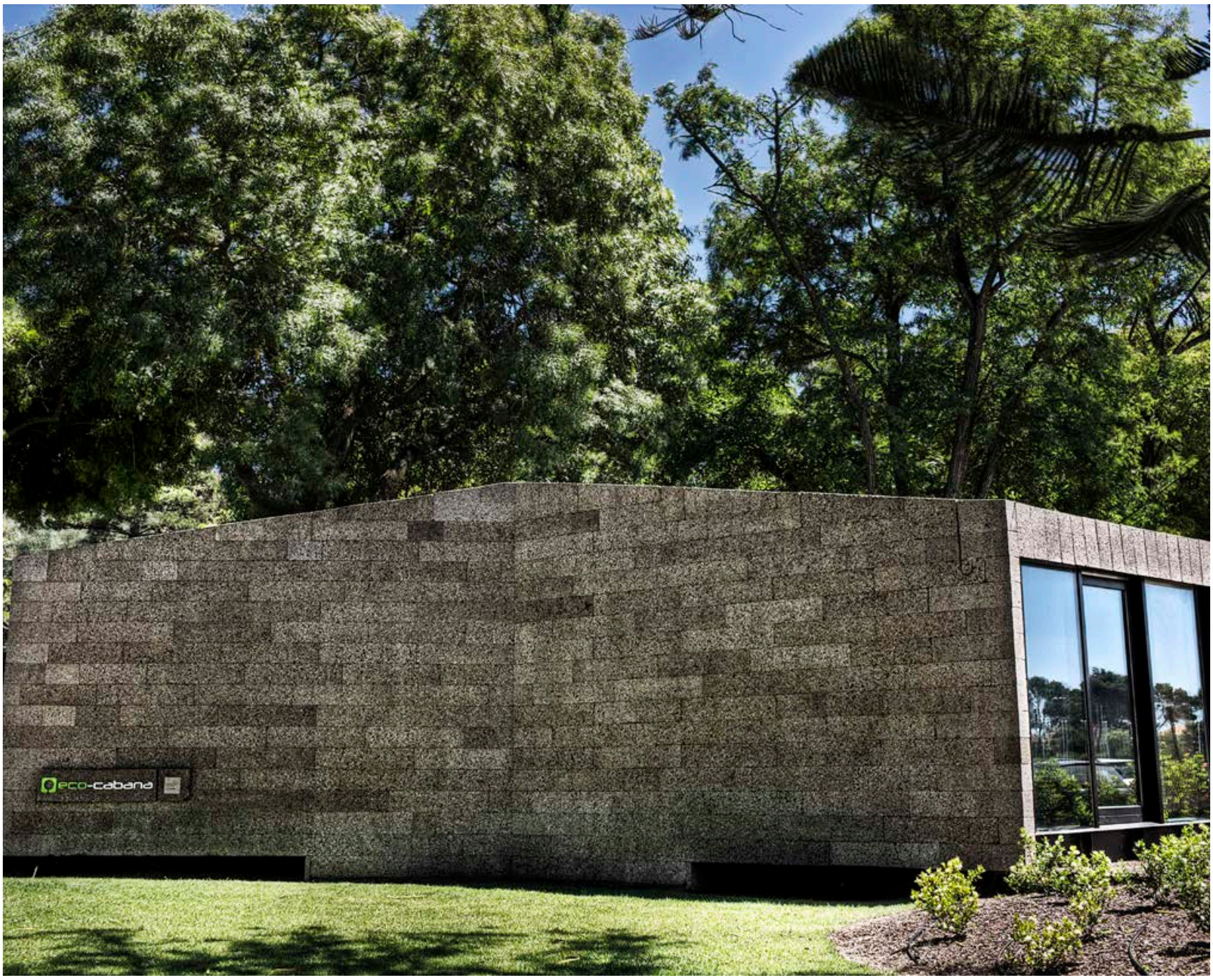
63. Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual,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

http://www.amorim.com/en/for-investors/results/

Half-yearly calendar of company corporate events:
http://www.amorim.com/en/for-investors/calendar-of-events/

64. Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto is disclosed.
http://www.amorim.com/en/for-investors/institutional-informations/general-annual-meeting/

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/en/for-investors/institutional-informations/general-annual-meeting/



"ECO CABANA", MODULAR HOUSE BUILDING, FEATURING EXPANDED INSULATION CORKBOARD

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 Supervisory Board, fully respecting the policies and guidelines contained in the Statement that the Remuneration Committee submitted to the General Meeting for appraisal.

- The Board of Directors of **Corticeira Amorim** is responsible for setting the fixed and variable remuneration to be awarded to the Officers and Managers, also setting the remuneration to be awarded to the members of the Presiding Board of the General Meeting, fully respecting the policies and guidelines contained in the Statement that the Board of Directors submitted to the General Meeting for appraisal.

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.

The Remuneration Committee of **Corticeira Amorim** has three members, one Chairman and two Members. The members of the Committee as at 31 December 2013 were as follows:

Chairman: José Manuel Ferreira Rios;
Member: Álvaro José da Silva;
End of term in office: **31 December 2013**, remaining in office until a new election pursuant to law.

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.

The Remuneration Committee met five times in 2013.

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.

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.

A remuneration policy was submitted by **Corticeira Amorim**'s Remuneration Committee to shareholders for consideration and approval at the Annual General Meeting held on 4 April 2013. The following remuneration policy was approved by the Annual General Meeting:

1. In line with market practice and the duties and responsibilities inherent in the position held by the members of the **Supervisory Board** as well as their technical and professional knowledge and skills required for carrying out the supervisory functions, these members shall be paid exclusively a fixed remuneration payable in twelve instalments per year.

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 payable, the remuneration shall be essentially composed of a fixed component - payable to executive and non-executive directors, and to which a variable remuneration shall be added for executive directors. This variable component of executive directors, weighing up financial and non-financial indicators, shall be calculated according to the contribution, that is impartial and measurable through the balanced scorecard method (which establishes, defines and implements three-year goals and targets) 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;

    - The award of the variable 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 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 Company's remuneration policy does not provide for the allotment of shares or call options on shares to members of the Board of Directors.

Although this issue is not expressly set out in the report on remuneration policy, the Directors consider that they are barred from entering into contracts either with the Company and its subsidiaries and/or affiliates or with third parties, which contracts might mitigate the risk inherent in the variability of their remuneration fixed by the Company and, therefore, the directors are scrupulous in complying with the conduct requirements of that concept.

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.

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.

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.

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 Company believes that the features of the systems adopted and in force in the relevant financial year should be considered by the Annual General Meeting.

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 2013 financial year, all the members of the **Board of Directors** have earnings from Corticeira Amorim which amounted to EUR 493,092.37:

- the executive members earned fixed remunerations amounting to EUR 451,302.37 (António Rios de Amorim: EUR 208,704.55; Nuno Filipe Vilela Barroca de Oliveira: EUR 117,795.31; Fernando José de Araújo dos Santos Almeida: EUR 124,802.51) and variable remunerations – corresponding to performance bonuses - amounting to EUR 41,790.00 (António Rios de Amorim: EUR 25,300.00; Fernando José de Araújo dos Santos Almeida: EUR 16,490.00);

- 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 2013, 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 2013 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.

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.

The amounts paid to the members of the Board of Directors pursuant to this section are broken down in sections 78 and 79.

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 2013.

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 2013 financial year, all the members of the **Supervisory Board** have earnings which amounted to EUR 42,900.00 (Durval Ferreira Marques: EUR 13,200.00; Joaquim Alberto Hierro Lopes: EUR 9,900.00; Gustavo José de Noronha da Costa Fernandes: EUR 9,900.00; Alberto Manuel Duarte de Oliveira Pinto: EUR 9,900.00). 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 of the Presiding Board of the General Meeting earned ten thousand euros in 2013. The overall remuneration paid in 2013 to all members of that board amounted to thirteen thousand euros.

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. (Article 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. Stock option plans for the company employees and staff.
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.

CORK USED AT THE SCENOGRAPHY OF MODALISBOA (LISBON FASHION SHOW)

E.

RELATED PARTY TRANSACTIONS

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties (For said purpose, reference is made to the concept resulting from IAS 24).
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 in absolutely normal market conditions. Business of significant value (transaction greater than EUR 1 million) is analysed by the Executive Committee and/or Board of Directors. 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.
All transactions with related parties were subject to prior comparison between the proposed transaction terms and current market prices.

There were no transactions of one million euros or over.

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.
No transactions were subject to a preliminary assessment by the Supervisory Board.

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 essentially summarised in 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 7.124 million (2012: EUR 7.034 million).

Purchases of cork (reproduction cork) during the year from companies owned by the major indirect shareholders of **Corticeira Amorim** amounted to EUR 1.188 million, corresponding to less than 2% of total purchases of that raw material.

The services are usually negotiated with related parties on a “cost plus” basis in an interval between 2% and 5%.

PART II CORPORATE GOVERNANCE ASSESSMENT

CORK PLANK

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/en/for-investors/institutional-informations/legal-structure/*; 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[1] **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.

[1] The Portuguese Companies' Code establishes the following requirements for valid decision-making at the general meeting:

Quorum (§ 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 voting (§ 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.
2. 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.
3. 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.
4. 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.

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 in concert 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.
Complies. 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. Section 4 and 84.

II. SUPERVISION, MANAGEMENT AND OVERSIGHT

II.1. Supervision and Management

II.1.1. Within the limits established by law, and except for the small size of the company, 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 strategy and general 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 supervision, shall take full responsibility at corporate governance level, whereby through the statutory provision or by equivalent means, shall enshrine the requirement 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 and the General and Supervisory Board, depending on the model adopted, 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;
Complies. Section 69.

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 or the General and Supervisory Board, depending on the applicable model, 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.

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 Chair of the Executive Board or of the Executive Committee shall submit, as applicable, to the Chair of the Board of Directors, the Chair of the Supervisory Board, the Chair of the Audit Committee, the Chair of the General and Supervisory Board and the Chairman of the Financial Matters Board, the convening notices and minutes of the relevant meetings.
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, the Audit Committee or the Financial Matters Committee 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 Auditors. The Board of Directors approves its remuneration, while the Financial Board is 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.

Given the existence of this recommendation and the fact that a new Supervisory Board is to be elected at the next General Meeting of Shareholders of Corticeira Amorim, it is the Company's intention to propose the revision of this procedure, moving it closer to the recommended practice.

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. Section 38.

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 improprieties.
Complies. Section 38.

II.3. Remuneration Setting

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. Any 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 not 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 by employment contract or provision of services with the above.
Complies. No person was hired or contracted according to the terms of this recommendation.

II.3.3. A statement on the remuneration policy of the management and supervisory bodies referred to in Article 2 of Law No. 28/2009 of 19 June, shall also contain the following:

a) Identification and details of the criteria for determining the remuneration paid to the members of the governing bodies;
Complies. Section 69.

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 of 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 of 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.I 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.
Complies. Sections 69, 85 and 86.

II.3.5. Approval of any retirement benefit scheme established for members of corporate members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly assess said system.
Complies. 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.

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 of 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 not 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 mandate.
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 on 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 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 chartered accountants - 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.
Does not comply.

As referred to in **sections 89 and 92**, all transactions are carried out in market conditions and they comply with the procedures described in those sections.

Given the existence of this recommendation and the fact that a new Supervisory Board is to be elected at the next General Meeting of Shareholders of Corticeira Amorim, it is the Company's intention to propose the revision of this procedure, moving it closer to the recommended practice.

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, February 13, 2014

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

Juan Ginesta Viñas
Member

Luisa Alexandra Ramos Amorim
Member

CORK OAK FOREST (MONTADO)

CONSOLIDATED FINANCIAL STATEMENTS

CORK FLOORING IN THE VICTORIA & ALBERT MUSEUM

04

Consolidated Statement of Financial Position (thousand euros)

	Notes	December 2013	December 2012
ASSETS			
Property, plant and equipment	VIII	184,661	182,173
Investment property	VIII	5,249	6,076
Goodwill	IX	5,255	5,865
Investments in associates	V and X	8,129	8,018
Intangible assets	VIII	693	555
Other financial assets	X	2,373	3,735
Deferred tax assets	XI	6,384	6,746
Non-current assets		**212,744**	**213,168**
Inventories	XII	244,063	231,211
Trade receivables	XIII	121,069	124,108
Income tax assets	XIV	8,026	4,852
Other current assets	XV	33,616	31,414
Cash and cash equivalents	XVI	7,788	39,015
Current assets		**414,562**	**430,600**
TOTAL ASSETS		**627,307**	**643,767**
EQUITY			
Share capital	XVII	133,000	133,000
Treasury stock	XVII	-7,197	-7,169
Other reserves	XVII	132,587	123,696
Net Income		30,339	31,055
Non-Controlling Interest	XVIII	13,009	14,665
TOTAL EQUITY		**301,737**	**295,246**
LIABILITIES			
Interest-bearing loans	XIX	33,623	52,363
Other borrowings and creditors	XXI	10,448	13,227
Provisions	XXIX	25,085	21,038
Deferred tax liabilities	XI	7,282	6,490
Non-current liabilities		**76,438**	**93,119**
Interest-bearing loans	XIX	78,612	108,231
Trade payables	XX	125,203	99,240
Other borrowings and creditors	XXI	42,822	40,082
Income tax liabilities	XXII	2,495	7,848
Current liabilities		**249,132**	**255,402**
TOTAL LIABILITIES AND EQUITY		**627,307**	**643,767**

(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)

4Q13 (non audited)	4Q12 (non audited)		Notes	12M13	12M12
123,359	125,748	Sales	VII	542,500	534,240
68,070	64,199	Costs of goods sold and materials consumed		264,356	268,035
12,475	4,646	Change in manufactured inventories		-662	7,755
24,176	23,142	Third party supplies and services	XXIII	97,266	93,205
24,280	24,689	Staff costs	XXIV	100,154	97,678
-337	-1,638	Impairments of assets	XXV	1,930	1,008
2,155	2,313	Other gains	XXVI	7,765	6,739
2,773	2,255	Other costs	XXVI	7,770	6,343
19,028	**20,061**	**Current EBITDA**		**78,127**	**82,465**
5,595	6,057	Depreciation	VIII	21,516	21,206
13,433	**14,003**	**Current EBIT**		**56,611**	**61,259**
0	2,384	Non-current costs	XXV	0	6,978
3,968	1,453	Financial costs	XXVII	8,888	7,360
140	192	Financial income	XXVII	1,095	1,207
363	-587	Share of (loss)/profit of associates	X	692	-192
9,967	**9,771**	**Profit before tax**		**49,509**	**47,936**
4,529	5,254	Income tax	XI	18,551	16,203
5,438	**4,517**	**Profit after tax**		**30,958**	**31,733**
234	-52	Non-controlling Interest	XVIII	620	678
5,204	**4,568**	**Net Income attributable to the equity holders of Corticeira Amorim**		**30,339**	**31,055**
0.041	**0.036**	**Earnings per share - Basic and Diluted (euros per share)**	XXXIII	**0.242**	**0.246**

(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)

4Q13 (non audited)	4Q12 (non audited)		12M13	12M12
5,438	**4,517**	**Net Income** (before non-controlling Interest)	**30,958**	**31,733**
		Itens that could be reclassified through income statement:		
-215	39	Change in derivative financial instruments fair value	-176	197
-1,091	-925	Change in translation differences and other	-2,794	939
-1,306	**-886**	**Net Income directly registered in Equity**	**-2,970**	**1,136**
4,132	**3,631**	**Total Net Income registered**	**27,988**	**32,869**
		Attributable to:		
4,228	3,952	Corticeira Amorim Shareholders	28,263	31,812
-96	-321	Non-controlling Interest	-275	1,057

(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)

4Q13 (non audited)	4Q12 (non audited)		2013	2012
		OPERATING ACTIVITIES		
154,110	139,020	Collections from customers	595,190	588,693
-101,630	-104,669	Payments to suppliers	-457,311	-464,501
-26,773	-26,323	Payments to employees	-99,206	-98,549
25,707	**8,028**	**Operational cash flow**	**38,673**	**25,643**
-7,491	-4,176	Payments/collections - income tax	-22,528	-11,101
3,269	5,869	Other collections/payments related with operational activities	50,116	37,505
21,485	**9,721**	**Cash Flow before Extraordinary Items (1)**	**66,261**	**52,047**
		INVESTMENT ACTIVITIES		
		Collections due to:		
135	167	Tangible assets	404	612
2	0	Intangible assets	2	0
-3	-21	Investment property	0	6
130	28	Other assets	1,285	157
122	519	Interests and similar gains	970	1,430
1,644	2,927	Investment subsidies	1,835	5,860
125	125	Dividends	255	255
		Payments due to:		
-13,795	-4,451	Tangible assets	-25,995	-20,329
-210	-554	Financial investments	-1,271	-14,653
-182	-340	Intangible assets	-351	-406
-12,032	**-1,600**	**Cash Flow from Investments (2)**	**-22,866**	**-27,068**
		FINANCIAL ACTIVITIES		
		Collections due to:		
0	0	Loans	0	17,214
646	126	Others	1,469	476
		Payments due to:		
-4,242	23,847	Loans	-43,140	0
-1,093	-1,689	Interests and similar expenses	-6,040	-6,917
-7,542	-11,959	Dividends	-20,396	-20,497
-235	-686	Acquisition of treasury stock	-264	-686
-173	-146	Others	-568	-1,478
-12,639	**-15,160**	**Cash Flow from Financing (3)**	**-68,939**	**-11,888**
-3,186	-7,039	Change in Cash (1) + (2) + (3)	-25,544	13,091
-193	-134	Exchange rate effect	-498	24
-2,817	27,019	Cash at beginning	19,846	6,731
-6,195	19,846	Cash at end	-6,195	19,846

(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	Transl. Diff.	End Balance
DECEMBER 31, 2013									
Equity:									
Share Capital	133,000	-	-	-	-	-	-	-	133,000
Treasury Stock - Face Value	-7,384	-	-	-	-	-15	-	-	-7,399
Treasury Stock - Disc. and Premiums	216	-	-	-	-	-15	-	-	201
Paid-in Capital	38,893	-	-	-	-	-	-	-	38,893
IFRS Transition Adjustments	0	-	-	-	-	-	-	-	0
Hedge Accounting	186	-	-	-	-	-	-176	-	10
Reserves									
Legal Reserve	12,243	-	-	-	-	-	-	-	12,243
Other Reserves	71,762	-	31,055	-20,096	-	-	165	-	82,886
Translation Difference	611	-	-	-	-	-	-	-2,056	-1,445
	249,527	**0**	**31,055**	**-20,096**	**0**	**-30**	**-11**	**-2,056**	**258,389**
Net Profit for the Year	**31,055**	-	**-31,055**	-	**30,339**	-	-	-	**30,339**
Non-Controlling Interest	**14,665**	**0**	-	**-310**	**620**	-	**-1,062**	**-904**	**13,009**
Total Equity	**295,246**	**0**	**0**	**-20,406**	**30,959**	**-30**	**-1,073**	**-2,959**	**301,737**
DECEMBER 31, 2012									
Equity:									
Share Capital	133,000	-	-	-	-	-	-	-	133,000
Treasury Stock - Face Value	-6,787	-	-	-	-	-597	-	-	-7,384
Treasury Stock - Disc. and Premiums	541	-	-	-	-	-325	-	-	216
Paid-in Capital	38,893	-	-	-	-	-	-	-	38,893
IFRS Transition Adjustments	-8,332	-	-	-	-	-	8,313	20	0
Hedge Accounting	-11	-	-	-	-	197	-	-	186
Reserves									
Legal Reserve	12,243	-	-	-	-	-	-	-	12,243
Other Reserves	76,469	-	25,274	-20,162	-	0	-9,819	-	71,762
Translation Difference	-1,435	-	-	-	-	-	1,322	724	611
	244,580	**0**	**25,274**	**-20,162**	**0**	**-725**	**-184**	**744**	**249,527**
Net Profit for the Year	**25,274**	-	**-25,274**	-	**31,055**	-	-	-	**31,055**
Non-Controlling Interest	**12,439**	**1,487**	-	**-318**	**678**	-	**-26**	**405**	**14,665**
Total Equity	**282,293**	**1,487**	**0**	**-20,480**	**31,733**	**-725**	**-210**	**1,149**	**295,246**

(this statement should be read with the attached notes to the consolidated financial statements)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

STOOLS, BY ARCHITECT ÁLVARO SIZA VIEIRA FOR METAMORPHOSIS PROJECT

05

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.

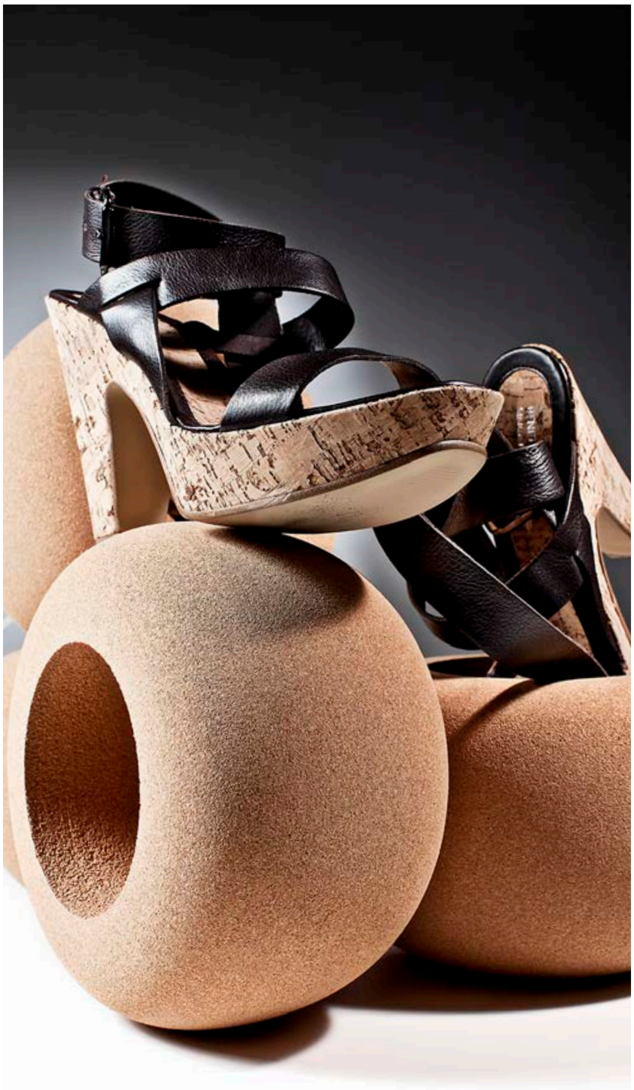
Corticeira Amorim is a Portuguese company with a registered head office in Mozelos, Santa Maria da Feira. Its share capital amounts to 133 million euros, and is represented by 133 million shares, which are publicly traded in the Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

Amorim Capital - Sociedade Gestora de Participações Sociais, S.A. held 67,830,000 shares of **Corticeira Amorim** as of December 31, 2013 corresponding to 51.00 % of its share capital (December 2012: 67,830,00 shares). Amorim Capital - Sociedade Gestora de Participações Sociais, S.A. was fully owned by Amorim family.

These financial statements were approved in the Board Meeting of February 13, 2014.

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.



FOOTCORK, STYLISH AND COMFORTABLE CORK FOOTWEAR COMPONENTS

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 on a going concern basis and using the records as stated in the companies' books, which adopted Portuguese general accepted accounting principles. Accounting adjustments and reclassifications were made in order to comply with accounting policies followed by the IFRS, as adopted by the European Union (IAS – International Accounting Standards and the IFRS – International Financial Reporting Standards) and legal for use as of December 31, 2013.

b. CONSOLIDATION

Group Companies

Group companies, often designated as subsidiaries, are entities over which **Corticeira Amorim** has a shareholding of more than one-half of its voting rights, or has the power to govern its management, namely its financial and operating policies.

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.

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.

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.

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.

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 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

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.

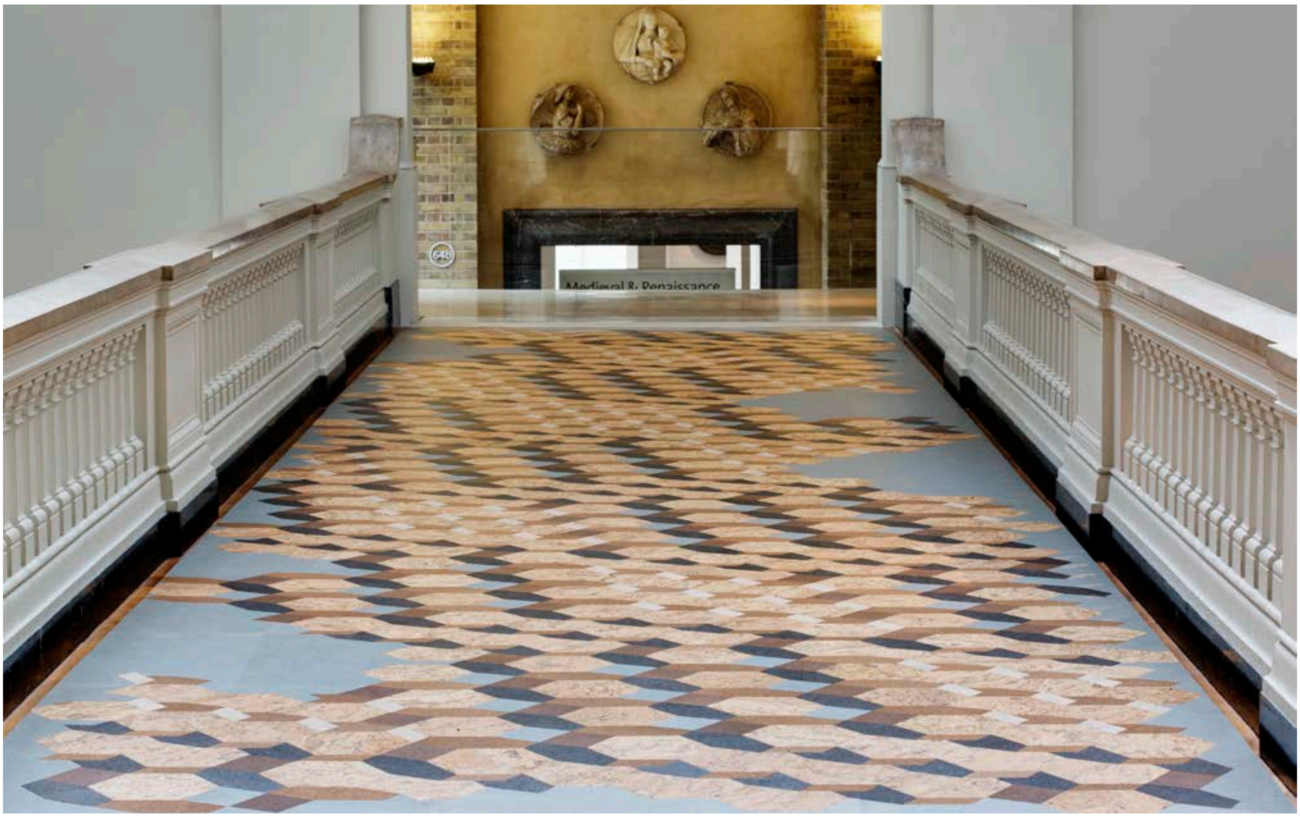
e. INVESTMENT PROPERTY

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 d) 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 more used for production, they will be reclassified from tangible fixed asset to investment property.



CORK IN THE VICTORIA & ALBERT MUSEUM, A PARTNERSHIP BETWEEN CORTICEIRA AMORIM, LONDON DESIGN FESTIVAL AND SEAN GRIFITH FROM FASHION ARCHITECTURE TASTE

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.

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
Relates, mainly, to financial applications corresponding to equity instruments measured at cost.

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 cost, adjusted for any subsequent impairment losses which will be charged to the income statement.

Medium and long-term receivables will be measured at amortised cost using the effective interest rate of the debtor for similar periods.

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.

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.

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 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 25% 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
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.

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.

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 initially recorded at cost in the consolidated statements of financial position and subsequently re-measured at their fair value. The method of recognising is as follows:

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.

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; the gain or loss relating to the ineffective portion is recognised immediately in the income statement.

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.

ARTCOMFORT FLOORING BY WICANDERS, REFERENCE KHAKI OAK

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 30% of its total sales are denominated in currencies other than its reporting currency (euro), of which around 20% 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, 2013, 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 -1,445 K€ as of December 31, 2013 (2012: 611 K€). In these values is included the effect of not hedging net investments in subsidiaries/associate.

b. Interest rate risk

As of December 31, 2013 and 2012, all interest bearing debt is linked to variable interest rate. Most of the risk derives from the noncurrent-term portion of that debt. As for December 31, 2013, noncurrent-term debt was 30% of total interest bearing debt (2012: 32%). 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. As of December 31, 2013, for each 0.1% variation in euro based debt, a total effect of -112 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 2.5% 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 2013: 171 million euros and December 2012: 201 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	108,231	41,729	8,710	1,923	160,594
Other borrowings and creditors	33,823	829	6,184	6,213	47,050
Trade payables	99,240	0	0	0	99,240
Income tax liabilities	7,848	0	0	0	7,848
Total as of December 31, 2012	**249,142**	**42,558**	**14,895**	**8,137**	**314,732**
Interest-bearing loans	78,612	8,095	20,818	4,709	112,234
Other borrowings and creditors	35,940	2,938	6,694	815	46,388
Trade payables	125,203	0	0	0	125,203
Income tax liabilities	2,495	0	0	0	2,495
Total as of December 31, 2013	**242,250**	**11,033**	**27,512**	**5,524**	**286,320**

(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, 2014 liquidity reserve, composed mainly by non-used credit lines, will be as follows:

	2014
Opening balance	**150**
Operating cash in and cash out	90
Capex	-25
Interest and dividends	-24
Income tax	-14
Bank debt payments	-25
Closing balance	**152**

(million euros)

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 a range between 35%-45%, depending on actual economic conditions and of the cork sector in particular, is the objective to be accomplished. The said ratio register was:

	Dec. 2013	Dec. 2012	Dec. 2011
Equity	301,737	295,246	282,292
Assets	627,307	643,767	605,053
Ratio	**48.1%**	**45.9%**	**46.7%**

(thousand euros)

FINANCIAL ASSETS AND LIABILITIES FAIR VALUE

As of December 31, 2013 and December 2012, 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 accounting standards assets and liabilities fair value measurement hierarchy is as follows:

Level 1 – public quotation (non-adjusted) in liquid markets for comparable assets or liabilities;

Level 2 – different inputs of public quotation observable for the asset or the liability, directly or indirectly;

Level 3 - inputs for the assets or the liability that are not based in observable market data (non-observable inputs).

As of December 31, 2013, derivative financial instruments recognised as assets in the consolidated statement of financial position are not material, reaching 875 thousand euros (2012: 524 K€) and 779 thousand euros as liabilities (2012: 1,485 K€), as stated in notes XV and XXI.

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, 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:

			31/12/2013		31/12/2012	
Nature	**Hierarchy**	**Type**	**Notional**	**Fair Value**	**Notional**	**Fair Value**
		Cash flow hedge			3,423	56
		Fair value hedge	21,364	875	23,350	467
	Level 2 Total		21,364	875	26,773	524
Total Assets			**21,364**	**875**	**26,773**	**524**
		Cash flow hedge	664	-11		
		Trading derivatives	20,000	-97		
	Level 2 Total		20,664	-108		
		Trading derivatives	30,000	-670	30,000	-1,485
	Level 3 Total		30,000	-670	30,000	-1,485
Total Liabilities			**50,664**	**-779**	**30,000**	**-1,485**

(thousand euros)

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.

As for 2013, no estimates and judgements were identified as having important impact in **Corticeira Amorim** results if not materialized.

As for assets, goodwill amounts to 5,255 K€ (2012: 5,865 K€). This value is supported by impairment tests made at year-end. The judgment used in these tests are key factors in order to decide or not if there is any impairment. Still to be noted 6,384 K€ registered in deferred tax assets (2012: 6,746 K€). These values will be recovered if the business plans of the companies that recorded those assets are materialized in the future.

CORK STRIPS AND STOPPERS

V

COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company		Head Office	Country	2013	2012
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%
Comatral - C. de Maroc. de Transf. du Liège, S.A.		Skhirat	MOROCCO	100%	100%
Cork International, S.A.R.L.		Tabarka	TUNISIA	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	(d)	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%
Agglotap, SA	(f)	Girona	SPAIN	91%	-
Amorim & Irmãos, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Amorim Argentina, S.A.		Tapiales - Buenos Aires	ARGENTINA	100%	100%
Amorim Australasia Pty Ltd		Adelaide	AUSTRALIA	100%	100%
Amorim Cork America, Inc.		California	U. S. A.	100%	100%
Amorim Cork Beijing		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 Italia, 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%
Augusta Cork, S.L.	(f)	San Vicente Alcántara	SPAIN	91%	-
Bouchons Prioux	(f)	Epernay	FRANCE	91%	-
Carl Ed. Meyer Korken		Delmenhorst	GERMANY	100%	100%
Chapuis, S.L.		Girona	SPAIN	100%	100%
Corchos de Argentina, S.A.	(d)	Mendoza	ARGENTINA	50%	50%
Equipar, Participações Integradas, Lda.		Coruche	PORTUGAL	100%	100%
FP Cork, Inc.		California	U. S. A.	100%	100%
Francisco Oller, S.A.		Girona	SPAIN	92%	87%
Hungarocork, Amorim, RT		Budapeste	HUNGARY	100%	100%
Industria Corchera, S.A.	(e)	Santiago	CHILE	50%	50%
Korken Schiesser Ges.M.B.H.		Viena	AUSTRIA	69%	69%
Olimpiadas Barcelona 92, S.L.		Girona	SPAIN	100%	100%
Portocork America, Inc.		California	U. S. A.	100%	100%
Portocork France, S.A.S.		Bordeaux	FRANCE	100%	100%
Portocork Internacional, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Portocork Italia, S.A.		Milan	ITALY	100%	100%
Sagrera et Cie	(f)	Reims	FRANCE	91%	-
S.A. Oller et Cie		Reims	FRANCE	92%	87%
S.C.I. Friedland		Céret	FRANCE	100%	100%
S.C.I. Prioux	(f)	Epernay	FRANCE	91%	-
Société Nouvelle des Bouchons Trescases	(d)	Perpignan	FRANCE	50%	50%

Company		Head Office	Country	2013	2012
Trefinos Australia		Adelaide	AUSTRALIA	91%	-
Trefinos Italia, SRL	(f)	Treviso	ITALY	91%	-
Trefinos, S.L	(f)	Girona	SPAIN	91%	-
Victor y Amorim, Sl	(e)	Navarrete - La Rioja	SPAIN	50%	50%
Wine Packaging & Logistic, S.A.	(b) (d)	Santiago	CHILE	50%	-
Floor & Wall Coverings					
Amorim Revestimentos, S.A.		S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Benelux, BV - AR	(a)	Tholen	NETHERLANDS	100%	100%
Amorim Deutschland, GmbH & Co. KG - AR	(c)	Delmenhorst	GERMANY	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. A.	100%	100%
Amorim Flooring Nordic A/s		Greve	DENMARK	100%	100%
Amorim Flooring North America Inc		Hanover - Maryland	U. S. A.	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.	(e)	Kraków	POLAND	50%	50%
Timberman Denmark A/S		Hadsund	DENMARK	51%	51%
US Floors, Inc.	(d)	Dalton - Georgia	U. S. A.	25%	25%
Zodiac Kork- und Holzprodukte GmbH		Fürth	GERMANY	100%	100%
Composite Cork					
Amorim Cork Composites, S.A.		Mozelos	PORTUGAL	100%	100%
Amorim (UK) Ltd.		Horsham West Sussex	UNITED KINGDOM	100%	100%
Amorim Benelux, BV - ACC	(a)	Tholen	NETHERLANDS	100%	100%
Amorim Compcork, Lda	(g)	Mozelos	PORTUGAL	100%	100%
Amorim Cork Composites Inc.		Trevor Wisconsin	U. S. A.	100%	100%
Amorim Deutschland, GmbH & Co. KG - ACC	(c)	Delmenhorst	GERMANY	100%	100%
Amorim Industrial Solutions - Imobiliária, S.A.		Corroios	PORTUGAL	100%	100%
Chinamate (Shaanxi) Natural Products Co. Ltd		Shaanxi	CHINA	100%	100%
Chinamate Development Co. Ltd		Hong Kong	CHINA	100%	100%
Corticeira Amorim - France SAS - ACC	(b)	Lavardac	FRANCE	100%	100%
Drauvil Europea, SL		San Vicente Alcantara	SPAIN	100%	100%
Dyn Cork - Technical Industry, Lda	(d)	Paços de Brandão	PORTUGAL	50%	50%
Florconsult – Consultoria e Gestão, Lda		Mozelos	PORTUGAL	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' Investiss. et Participation)		Skhirat	MOROCCO	100%	100%
Amorim Cork Research & Services, Lda.		Mozelos	PORTUGAL	100%	100%
Soc. Port. 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) Directly held by Industria Corchera, SA.

During 2013, the consolidation perimeter was equal to 2012. For comparable purposes it has to be taken in account the Trefinos effect. As stated in June 2012, Trefinos group was consolidated beginning the second half 2012. This way, when comparing 2013 versus 2012 it must be noted that while in 2013 Trefinos contributed the whole year for the consolidated activity of **Corticeira Amorim**, in 2012 it contributed only with its second half activity.

VI

EXCHANGE RATES USED IN CONSOLIDATION

Exchange rates		Year end 2013	Average 2013	Year end 2012	Average 2012
Argentine Peso	ARS	8.95762	7.28700	5.84651	6.48485
Australian Dollar	AUD	1.54230	1.37770	1.24071	1.27120
Lev	BGN	1.95570	1.95570	1.95569	1.95570
Brazilian Real	BRL	3.25760	2.86866	2.50844	2.70360
Canadian Dollar	CAD	1.46710	1.36837	1.28421	1.31370
Swiss Franc	CHF	1.22760	1.23106	1.20528	1.20720
Chilean Peso	CLP	722.020	658.181	624.667	631.020
Yuan Renminbi	CNY	8.32080	8.16505	8.11110	8.22000
Danish Krone	DKK	7.45930	7.45792	7.44368	7.46100
Algerian Dinar	DZD	107.276	105.2171	99.1735	102.653
Euro	EUR	1	1	1	1
Pound Sterling	GBP	0.83370	0.84926	0.81087	0.81610
Hong Kong Dollar	HDK	10.6576	10.30317	9.97369	10.2254
Forint	HUF	297.040	296.873	289.249	292.300
Yen	JPY	144.720	129.663	102.492	113.610
Moroccan Dirham	MAD	11.2313	11.1495	11.0776	11.1432
Zloty	PLN	4.15430	4.19749	4.18474	4.07400
Tunisian Dinar	TND	2.26020	2.15676	2.00533	2.04590
US Dollar	USD	1.37910	1.32812	1.28479	1.31940
Rand	ZAR	14.5660	12.8330	10.5511	11.1727

I-SEAT, DEVELOPMENT OF INTELLIGENT RAILWAY CARRIAGE SEATING FOR LONG DISTANCE AND HIGH SPEED TRAIN

VII

SEGMENT REPORT

Corticeira Amorim is organised in the following Business Units (BU): Raw Materials; Cork Stoppers; Floor and Wall Coverings; Composite Cork; 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):

2013	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjust.	Consolidated
Trade Sales	4,688	329,473	118,813	82,276	7,197	53	0	542,500
Other BU Sales	106,432	4,184	3,195	16,167	923	2,201	-133,102	-
Total Sales	111,120	333,657	122,009	98,443	8,120	2,254	-133,102	542,500
EBITDA (current)	15,829	41,414	15,177	6,726	1,349	-1,966	-402	78,127
Assets	153,014	295,413	103,086	88,320	13,346	4,833	-30,706	627,307
Liabilities	42,035	114,121	40,575	27,166	2,076	12,454	87,144	325,570
Capex	3,792	11,920	3,507	7,205	401	11	-	26,834
Year Depreciation	-1,672	-11,332	-4,639	-3,205	-621	-47	-	-21,516
Non-cash cost	-376	-393	-775	-1,467	55	-4	0	-2,960
Gains/Losses in associated companies	0	743	-160	109	0	0	-	692
2012	**Raw Materials**	**Cork Stoppers**	**Floor & Wall Coverings**	**Composite Cork**	**Insulation Cork**	**Holding**	**Adjust.**	**Consolidated**
Trade Sales	7,295	317,490	123,058	77,350	8,291	756	-	534,240
Other BU Sales	112,861	6,137	3,555	12,599	726	2,502	-138,380	-
Total Sales	120,156	323,627	126,613	89,949	9,017	3,258	-138,380	534,240
EBITDA (current)	14,200	45,791	14,436	8,877	1,759	-2,379	-218	82,466
Assets	114,566	310,809	98,183	82,351	13,191	31,653	-6,987	643,767
Liabilities	39,678	88,462	31,952	19,186	2,228	15,912	151,103	348,520
Capex	1,994	13,152	1,267	4,118	775	67	-	21,373
Year Depreciation	-1,750	-10,934	-4 793	-3,117	-566	-47	-	-21,207
Non-cash cost	-1,986	-3,730	-763	205	-29	17	0	-6,286
Gains/Losses in associated companies	-5	798	-451	-534	-	-	-	-192

(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 composite 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 249 million euros, and are mostly composed by inventories (86 million), customers (73 million) and tangible fixed assets (48 million).

In non-current assets, special note to 137 M€ (2012: 129 M€) of tangible fixed assets located in Portugal (foreign countries: 48 M€ vs 53 M€ in 2012), 4.9 M€ (2012: 5.5 M€) of property investment (foreign countries: 0.3 M€ vs 0.5 in 2012), 0.2 M€ (2012: 0.2 M€) of intangible assets (foreign countries: 0.5 M€ vs 0.4 M€ in 2012) and 2.0 M€ (2012: 2.7 M€) of other financial assets (foreign countries: 0.4 M€ vs 1.0 M€ in 2012).

Sales by markets:

Markets	2013		2012	
European Union	329,277	60.7%	317,730	59.5%
From which: Portugal	27,042	5.0%	26,583	5.0%
Other European countries	32,725	6.0%	38,098	7.1%
United States	99,107	18.3%	96,209	18.0%
Other American countries	37,139	6.8%	36,562	6.8%
Australasia	35,689	6.6%	36,438	6.8%
Africa	8,564	1.6%	9,203	1.7%
TOTAL	**542,500**	**100%**	**534,240**	**100%**

(thousand euros)

VINYLCOMFORT FLOORING BY WICANDERS, REFERENCE HONEY OAK

VIII

TANGIBLE, INTANGIBLE AND PROPERTY INVESTMENT ASSETS

	Land and buildings	Machinery	Other	Total tangible assets	Intangible assets	Investment property
Gross Value	209,776	286,731	39,230	535,737	3,168	15,078
Depreciation and impairments	-129,640	-211,646	-22,080	-363,366	-2,741	-7,502
Opening balance (Jan 1, 2012)	**80,136**	**75,085**	**17,150**	**172,371**	**427**	**7,576**
In Companies	5,082	4,521	1,266	10,869	67	-
Increase	1,716	6,838	12,421	20,975	398	11
Period Deprec. and Impairments	-4,575	-14,392	-1,476	-20,443	-394	-2,231
Sales and other Decreases	-62	-224	-251	-537	-26	-
Transfers and Reclassifications	828	10,708	-12,694	-1,158	82	771
Translation Differences	-5	221	-121	95	-	-52
Gross Value	218,624	320,142	41,459	580,225	3,822	15,641
Depreciation and impairments	-135,504	-237,385	-25,164	-398,053	-3,268	-9,566
Closing balance (Dec 31, 2012)	**83,120**	**82,757**	**16,295**	**182,172**	**554**	**6,075**
Gross Value	218,624	320,142	41,459	580,225	3,822	15,641
Depreciation and impairments	-135,504	-237,385	-25,164	-398,053	-3,268	-9,566
Opening balance (Jan 1, 2013)	**83,120**	**82,757**	**16,295**	**182,172**	**554**	**6,075**
Increase	2,864	8,568	15,062	26,494	340	0
Period Deprec. and Impairments	-5,625	-14,466	-1,653	-21,744	-203	-694
Sales and other Decreases	-208	-297	-119	-624	-	-
Transfers and Reclassifications	5,457	2,638	-8,548	-453	1	-
Translation Differences	-438	-618	-128	-1,184	-	-132
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
Closing balance (Dec 31, 2013)	**85,170**	**78,582**	**20,910**	**184,662**	**692**	**5,250**

(thousand euros)

The amount of 5,249 K€, referred as Property Investment (2012: 6,076 K€), is due, mainly, to land and buildings that are not used in production.

During 2013, it was booked a 180 K€ impairment in investment property, as well as a 918 K€ impairment in land and buildings. The first impairment refers to a plot of land in Montijo and it was based on an evaluation report of Cushman & Wakefield. The second refers to land and building in S. V. Alcântara (Spain). As it is planned the discontinuing of the operations at this site during the first quarter of 2014, an impairment was registered. The report was issued by Pedro Gomez-Pompa Perez Ingenieria y Consultoria, which concluded that the market value was superior to the value in use.

Values in "in companies" are related with business concentrations, namely Trefinos acquisition (2012).

Expenses related with tangible fixed assets had no impact during 2013 and 2012. No interest was capitalised during 2013.

IX

GOODWILL

2012	Openning	Increases	Decreases	Reclassification	Closing
Tunisia companies	1,995	-	1,995	-	0
Oller et cie	1,360	-	-	-	1,360
Industria Corchera	1,314	-	-	-	1,314
Trescases	1,715	-	-	-1,715	0
Amorim France	239	11	-	-	250
Amorim Cork Italia	274	-	-	-	274
Korken Schiesser	164	-	-	-	164
Corchos Argentina	1,868	-	130	-1,738	0
Timberman	417	-	417	-	0
Amorim Deutschland	2,503	-	-	-	2,503
GOODWILL	**11,849**	**11**	**2,542**	**-3,453**	**5,864**

(thousand euros)

2013	Openning	Increases	Decreases	Reclassification	Closing
Oller et cie	1,360	-	610	-	750
Industria Corchera	1,314	-	-	-	1,314
Amorim France	250	-	-	-	250
Amorim Cork Italia	274	-	-	-	274
Korken Schiesser	164	-	-	-	164
Amorim Deutschland	2,503	-	-	-	2,503
GOODWILL	**5,865**	**0**	**610**	**0**	**5,255**

(thousand euros)

Decreases in Timberman were due to the write-off of the goodwill associated with wood business. In Corchos Argentina, 130K€ is the adjustment to prior year provisional calculation of goodwill.

Trescases and Corchos Argentina goodwill was reclassified to Investments in associates.

Decreases in Tunisia companies recorded in 2012, refers to the write-off of the remaining goodwill associated with North Africa subsidiaries. This cost was considered as a non-recurrent item in that same year.

For the first half accounts, an impairment test was made regarding Oller et Cie. An impairment of 610 K€ was recorded. This test was conducted in a value in use methodology.

As stated in point II f), goodwill impairment test is made each year. A discount rate of 8.3% was used. Growth rates between 0.5% and 1% were used.

Tests made during 2013 used the same assumptions as 2012, except for Tunisia and Corchos Argentina.

Value in use approach was part of the goodwill impairment tests calculations.

Tests included three year cash flow projections based in budget and business plans approved by management. Growth rate assumptions for cork stoppers BU goodwill took in attention the estimated growth in the wine champagne and sparkling wine markets, as well as **Corticeira Amorim** evolution of the market share. In cork floor coverings, the growth of Germany and Germany speaking neighbours markets were taken in consideration in the impairment test. As for this BU, evolution of cork coverings market share in overall coverings market was also considered.

In a sensibility analysis test made, 1% variation in discount rate growth and in growth rate in perpetuity, no goodwill impairment was due from that variation.

X

EQUITY COMPANIES AND OTHER FINANCIAL ASSETS

EQUITY COMPANIES:

	2013	2012
Initial Balance	**8,018**	**5,967**
In / Out	204	0
Results	693	-192
Dividends	-250	-250
Exchange Diferences	-465	0
Goodwill Reclassification	0	3,453
Other	-71	-960
End Balance	**8,129**	**8,018**

(thousand euros)

During 2013, "In/Out" refers to the set-up of Wine packaging & Logistic, SA. "Exchange Differences" are due to Corchos Argentina.

As stated in the prior note during 2012, a goodwill reclassification was recorded in Trescases and Corchos Argentina.

In "Other" (-960 K€) is due mainly to Corchos Argentina goodwill write-off (1,738 K€). Business environmental conditions in Argentina deteriorated with frequent legislation changes, namely custom taxes. This led to higher discount rates in assessing investments in this country, and consequently justified the write-off. This loss was partly compensated by a reclassification to Provisions account of negative value of 645 K€ related with Dyn Cork associate. This negative value was the result of **Corticeira Amorim** share of the losses of this associate.

AN OBJECT RESULTING FROM THE CORK WORKSHOP DEVELOPED BY MARIE BLAISSE, AT BOISBUCHET (FRANCE)

	2013			2012		
	Financial Stake	Goodwill	Total	Financial Stake	Goodwill	Total
US Floors	1,098	0	1,098	1,228	0	1,228
Trescases	3,926	1,715	5,641	3,769	1,715	5,484
Soc. Tunisienne Bouchons	154	0	154	153	0	153
Wine Packaging & Logistic	165	0	165	0	0	0
Corchos Argentina	1,025	0	1,025	1,115	0	1,115
Dyn Cork	0	0	0	0	0	0
Others	45	0	45	38	0	38
End Balance	**6,414**	**1,715**	**8,129**	**6,303**	**1,715**	**8,018**

(thousand euros)

Most important equity companies are Société Nouvelle des Bouchons Trescases, US Floors, inc and Corchos de Argentina, of which a summary of its financial situation are presented:

Trescases	2013	2012
Current Assets	12,571	13,752
Current Liabilities	5,064	5,608
Non-current Assets	1,246	1,296
Equity	7,853	7,540
Sales	26,512	27,298
Operating Profits	1,445	1,465
Profits before Tax	1,250	1,432
Income Tax	436	494
Results	814	938

(thousand euros)

US Floors	2013	2012
Current Assets	43,819	34,097
Current Liabilities	15,828	13,111
Non-current Assets	6,001	7,566
Equity	6,367	7,056
Sales	81,797	68,490
Operating Profits	-37	-2,251
Profits before Tax	-904	-3,019
Income Tax	215	701
Results	-689	-2,318

(thousand USD)

As for Corchos de Argentina sales reached 67,818 KARS (2012: 51,201 KARS). Equity at year-end 2013 was 18,363 KARS (2012: 12,258 KARS) and profits reached 5,468 KARS (2012: 3,209 KARS).

OTHER FINANCIAL ASSETS:
In Other Financial Assets the most important values refers, mostly to financial applications.

CORK GRANULES

XI

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 -1,953 K€ (2012: 612 K€).

On the consolidated statement of financial position this effect amounts to 6,384 K€ (31/12/2012: 6,746 K€) as Deferred tax asset, and to 7,282 K€ (31/12/2012: 6,490 K€) as Deferred tax liability.

Deferred tax related with items directly registered in equity was 3 K€ 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.

	2013	2012
Related with Inventories and third parties	3,888	3,798
Related with Tax Losses	958	1,724
Related with Fixed Tangible Assets/Intang./P. Inv.	1,206	1,078
Others	332	146
Deferred Tax Assets	**6,384**	**6,746**
Related with Fixed Tangible Assets	5,399	4,562
Related with other taxable temporary differences	1,883	1,928
Deferred Tax Liabilities	**7,282**	**6,490**
Current Income Tax	-16,598	-16,815
Deferred Income Tax	-1,953	612
Income Tax	**-18,551**	**-16,203**

(thousand euros)

Credit variation in the financial position net deferred taxes (1,153 K€) is impacted by reclassifications (755 K€ Dr). The difference between the variation in the financial position (corrected by these reclassifications) and the value expensed in income statement (-1,953 K€) is justified by the translation differences (45 K€ Dr) in the non-euro subsidiaries financial position values.

During 2013, a 5,879 K€ (2012: 4,171 K€) provision for tax contingencies was registered. This value was considered as current income tax.

Following chart explains the effective income tax rate, from the original income tax rate of most of Portuguese companies:

Income Tax Conciliation	2013	2012
Income Tax - Legal	**25.0%**	**25.0%**
Effect of additional tax rates over base rate (Portugal)	5.4%	6.1%
Effect of tax benefits/excess of prior estimate	-9.2%	-2.0%
Effect of provisions for contingencies	10.6%	0.0%
Effect of non-taxable gains and losses	0.9%	0.3%
Effect of different tax rates (foreign subsidiaries) and others	0.9%	0.1%
Effect of recognising / non-recognising of differed taxs (foreign subs.)	1.1%	0.4%
Effect of variation of differed tax liabilities	2.2%	0.0%
Income Tax - Effective (1)	**36.9%**	**29.9%**

(1) Income Tax / Pre-tax Profit, Equity Gains, Non-controlling Interests and non-fiscal impairments

During 2013, a total of 22,528 K€ of income tax was paid. Of this amount, 19,799 K€ was paid in Portugal, of which 19,393 K€ refers to companies that are part of the fiscal consolidation (RETGS).

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, 2013, 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 34 M€, of which around 4 M€ are considered to be utilised. These losses can be fully used up to 2018 and beyond.

XII

INVENTORIES

	2013	2012
Goods	16,838	16,567
Finished and semi-finished goods	79,550	84,879
By-products	227	299
Work in progress	18,048	13,204
Raw materials	130,849	119,349
Advances	803	262
Goods impairments	-889	-1,372
Finished and semi-finished goods impairments	-1,125	-1,418
Raw materials impairments	-238	-558
Inventories	**244,063**	**231,211**

(thousand euros)

Impairment losses	2013	2012
Initial Balance	**3,348**	**2,804**
Increases	149	939
Decreases	1,033	333
Others	-211	-62
End Balance	**2,253**	**3,348**

(thousand euros)

Impairment increases hit costs of goods sold and materials consumed in income statement.

CORK OAK FOREST (MONTADO)

XIII

TRADE RECEIVABLES

	2013	2012
Gross amount	131,532	135,847
Impairments	-10,463	-11,739
Trade receivables	**121,069**	**124,108**

(thousand euros)

Impairment losses	2013	2012
Initial Balance	**11,739**	**13,236**
Increases	1,343	1,347
Decreases	1,869	3,392
Others	-750	548
End Balance	**10,463**	**11,739**

(thousand euros)

At the end of each period, Trade receivables credit quality is analysed. Due to specific business environment, balances unpaid up to 120 days are not impaired. From 120 to 180 days a 60% impairment register is considered. 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:

	2013	2012
Due	88	90
Past due between 0 and 120 days	33	32
Past due between 120 and 180 days	2	3
Doubtful and past due over 180 days	8	11
Impairment	10	11

(million euros)

MANUFACTURING PRODUCTION OF TECHNICAL CORK STOPPERS

XIV

INCOME TAX

	2013	2012
Income tax - advances / minimum / excess est.	4,624	1,692
Income tax - advances	3,154	2,976
Income tax - withholding	249	185
Income tax - special payment (RERD)	4,265	0
Income tax - special payment (RERD) impairment	-4,265	0
Income tax	**8,026**	**4,852**

(thousand euros)

Increase in "Income tax - advances / minimum / excess est." is due, mainly, to the fact that Portuguese companies made advance payments that at year-end were higher than what it should be, considering specially the tax benefits approved by Decree Law 49/2013 (CFEI).

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. 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. For this reason, a provision reversal for these income tax cases was recorded, totalling 1,019 K€). Due to the fact that adhesion to RERD does not imply a mandatory abandonment of the court cases, **Corticeira Amorim** will continue to fight for what it considers to be its right, this payment was registered as a receivable asset. As these contingencies were, in a prudent approach, already provisioned, it was decided to reclassify them from provisions to impairments of an asset receivable.

XV

OTHER ASSETS

	2013	2012
Advances to suppliers / suppliers	4,825	3,473
Accrued income	323	517
Deferred costs	1,996	1,943
Hedge accounting assets	875	524
TVA	22,103	21,679
Others	3,493	3,278
Other current assets	**33,616**	**31,413**

(thousand euros)

As stated in the management report, TVA from Portuguese subsidiaries to be received from tax authority is past due from legal timetable (9 M€: Dec. 2012 vs. 3.6 M€: Dec. 2013).

XVI

CASH AND CASH EQUIVALENTS

	2013	2012
Cash	209	282
Bank Balances	5,651	5,320
Time Deposits	1,910	33,390
Others	18	23
Cash and cash equivalents as for financial position	**7,788**	**39,014**
Overdrafts	-13,984	-19,169
Cash and cash equivalents as for cash flow statement	**-6,195**	**19,845**

(thousand euros)

XVII

CAPITAL AND RESERVES

SHARE CAPITAL

As of December 31, 2013, 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

No sales were registered during the year.

During 2013, **Corticeira Amorim** bought 15,300 of its own shares, representing 0.012% of its total share capital, with an average unit price of 1.873 €, totalling 28,659.00 €. As of December 31, 2013, **Corticeira Amorim** held 7,399,262 of its own shares, representing 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, SA books.

OTHER RESERVES

Value is composed from other reserves account and prior year's results of Corticeira Amorim, SGPS, SA books, as well as non-distributed cumulative results of Corticeira Amorim, SGPS, S.A. subsidiaries.

From the value of 82,886 K€ of this line, a total of 24,221 K€ can be distributed as dividends to the shareholders of Corticeira Amorim, SGPS, S.A.

DIVIDENDS

In the Shareholders' General Meeting of April 4, 2013 and November 29, 2013, a dividend distribution of 0.10 and 0.06 euros per share was approved.

	2013	2012
Approved dividends	21,280	21,280
Portion attributable to own shares	-1,184	-1,118
Dividends paid	**20,096**	**20,162**

(thousand euros)

Summary of changes in Equity:

	2013	2012
Initial Balance	**295,246**	**282,292**
Change in treasury stock	-30	-922
Dividends paid	-20,096	-20,162
Change in hedge accounting adjustments	-176	197
Change in translation differences	-2,056	744
Others	165	-184
Net Income	30,339	31,055
Change in Non-controlling Interests (note XVIII)	-1,656	2,226
End Balance	**301,737**	**295,246**

(thousand euros)

XVIII

NON-CONTROLLING INTEREST

	2013	2012
Initial Balance	**14,665**	**12,439**
In / Out	-1,054	1,487
Results	620	678
Dividends	-310	-317
Exchange Differences	-904	405
Others	-9	-27
End Balance	**13,008**	**14,665**

(thousand euros)

As for 2012, value of 1,487 is due to the entry of Trefinos in consolidation perimeter. Timberman entry (182).

As for 2013, value of -1,054 corresponds to the decrease caused by the purchase of 5% of its own shares recorded by subsidiary Francisco Oller.

XIX

INTEREST BEARING DEBT

At year-end, interest bearing loans was as follows:

	2013	2012
Overdrafts and Bank loans	68,413	63,308
Bonds	0	24,923
Commercial Paper	10,200	20,000
Interest-bearing loans - current	**78,613**	**108,231**

(thousand euros)

Loans were denominated in euros, except 10% (2012: 16%).

	2013	2012
Bank loans	13,545	36,863
Reimbursable subsidies	188	0
Bonds	19,891	0
Commercial Paper	0	15,500
Interest-bearing loans - non-current	**33,623**	**52,363**

(thousand euros)

During 2013, there was a bond issue with a value of 20 M€ with three years maturity.

At the end of 2013, loans were denominated in euros (91%) and USD (9%). At the end of 2012, loans were denominated in euros.

As of December 31, 2013, maturity of non-current interest bearing debt was as follows:

Between 01/01/2015 and 31/12/2015	8,095
Between 01/01/2016 and 31/12/2016	20,574
Between 01/01/2017 and 31/12/2017	245
After 01/01/2018	4,709
Total	**33,623**

(thousand euros)

As of that date, around 90% of total interest bearing debt was euro based. The remaining was mostly USD based (7%).

Non-current and current interest bearing debt carries floating interest rates. Average cost, during 2013, for all the credit utilized was 4.40% (2012: 5.09%).

During first quarter 2010, a five year interest rate swap with a notional of 30,000 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 a Monetary Market index, a euribor 6 month proxy.

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 a Monetary Market index, a euribor 6 month proxy.

As of December 31, 2013 three foreign subsidiaries had a 4.6 million euro loan mortgage guarantee.

At the same date, **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 and financial ratios.

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. The most common ratio was the one that relates Debt with EBITDA (net interest bearing debt/current EBITDA). Other ratios that relate EBITDA with interest costs (current EBITDA/net interest) and Equity with total assets are part of the said contracts.

As of December 31, 2013, these ratios were as follows:

Net interest bearing debt / current EBITDA	(X)	1.30
Current EBITDA / net interest	(X)	20.8
Equity / Assets		48.1%

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 148 M€.

XX

SUPPLIERS

	2013	2012
Suppliers - current account	119,990	94,432
Suppliers - accrualls	5,213	4,808
Suppliers	**125,203**	**99,240**

(thousand euros)

A total of 28% is balances from Raw Materials BU (2012: 34%).

Increase is in part explained by higher confirming values in the Portuguese companies.

XXI

OTHER LOANS AND CREDITORS

	2013	2012
Non interest bearing grants	9,551	12,410
Other	898	817
Other loans and creditors - non current	**10,448**	**13,227**
Non interest bearing grants	1,301	667
Deferred costs	17,175	16,831
Deferred income - grants	6,396	6,161
Deferred income - others	486	97
TVA	5,246	5,060
State and social security - withholding and others	5,251	5,562
Other	6,967	5,703
Other loans and creditors - current	**42,822**	**40,082**

(thousand euros)

In Deferred costs the part related with salaries (vacations and vacations paid) at year-end amounted to 9,194 K€ (2012: 8,645 K€).

In 6,967 K€ (2012: 5,703 K€) is included a value of 778 K€ (2012: 1,485 K€), which refers to the fair value of exchange risk and interest rate risk derivatives. In the remaining value, a total of 1,494 K€ (2012: 820 K€) refers to salaries to be paid.

In Other loans and creditors – non-current (10,448 K€), maturity is as follows: 2015 (2,938 K€), 2016 (4,051 K€), 2017 (2,643 K€) and 2018 and further (815 K€).

Non-reimbursable subsidies (no interest bearing)	2013	2012
Opening Balance	**6,161**	**5,663**
Transfer to gains	-1,405	-1,642
Additions	0	58
Received during the year	95	1,010
Reclassifications / Transfers	1,545	1,073
Closing Balance	**6,395**	**6,161**

Reimbursable subsidies (no interest bearing)	2013	2012
Opening Balance	**13,077**	**9,016**
Paid during the year	-778	-179
Received during the year	1,515	5,181
Reclassifications / Transfers	-1,510	-940
Closing Balance	**12,305**	**13,077**

(thousand euros)

"Transfers" is due largely to reimbursable benefits that were in the meantime, in some subsidiaries, converted into non-reimbursable.

BRAQUE, A PROJECT BY TÂNIA DA CRUZ, MADE OF EXPANDED INSULATION CORKBOARD, AWARDED WITH THE 2013 SALONE SATELLITE PRIZE

XXII

TAX LIABILITIES

Includes income tax estimate to be paid by some subsidiaries, when 2013, tax declaration is presented.

XXIII

THIRD PARTY SUPPLIES AND SERVICES

	2013	2012
Subcontractors	5,658	5,878
Special Services	7,391	6,746
Advertising	6,866	6,150
Security	1,134	1,111
Professional Fees	784	600
Commissions	5,379	5,221
Maintenance	7,856	7,222
Tools	1,199	1,523
Power	11,621	11,244
Oil and gas	1,685	1,765
Travel	3,756	3,440
Transports	21,583	20,376
Rentals	4,590	4,764
Communications	1,151	1,295
Insurance	3,493	3,153
Representation expenses	831	834
Data systems	4,377	4,206
Others	7,913	7,677
Third party supplies and services	**97,266**	**93,205**

(thousand euros)

For comparable purposes, it has to be noted that Trefinos effect was 2.566 K€.

XXIV

STAFF COSTS

	2013	2012
Board remuneration	549	775
Employees remuneration	76,033	75,344
Social Security and other	15,867	15,248
Severance costs	2,948	1,505
Other	4,757	4,806
Staff costs	**100,154**	**97,678**
Average number of employees	**3,496**	**3,470**
Final number of employees	**3,454**	**3,501**

(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.

Trefinos entry impacted 74 in the average number of employees (one semester). In terms of staff costs, the effect was 3,127 K€.

Contributions related with defined contributions plans amounted to 391 K€ (2012: 241 K€).

A DETAIL OF BRAQUE PROJECT

XXV

IMPAIRMENTS OF ASSETS AND NON-CURRENT COSTS

	2013	2012
Receivables	592	568
Inventories	-397	-333
Goodwill	610	640
Tangible assets	1,126	132
Impairments of assets and non-current costs	**1,930**	**1,008**

(thousand euros)

Receivables include customers and debtors.

The value of 610 refers to the goodwill write-off of Oller et Cie., as stated in note IX.

As stated in note VIII, in consequence of independent evaluations, a 180 K€ property investment impairment was booked, as well as a land and buildings impairment of 918 K€. These impairment are included in the 1,126 K€ value.

During 2012, there was an additional goodwill impairment amounting to 1,995 K€ considered as non-current.

Still during 2012, it was registered impairments regarding an investment property in Montijo (1,685 K€) and a TVA receivable in Argentina (1,560 K€). These impairments were considered as non-current costs.

Non-current costs included also 1,738 K€ related with associates regarding, Corchos Argentina goodwill.

	2013	2012
Goodwill impairment (subsidiary)	0	1,995
TVA Argentina	0	1,560
Land impairment Montijo	0	1,685
Goodwill impairment (associate)	0	1,738
Non-current costs	**0**	**6,978**

(thousand euros)

XXVI

OTHER OPERATING GAINS AND COSTS

Other operating gains	2013	2012
Exchange rate hedging: exchange differences	0	-2,056
Exchange rate hedging: var. derivative fair value	0	2,327
Gain in fixed assets and p. investment disposals	213	195
Provisions reversals	281	731
Operating subsidies	729	634
Investment subsidies	1,405	1,642
Suplementary income	1,453	1,930
Building rentals	111	135
Own works	167	201
Gain in inventory differences	56	0
Other	3,349	1,002
Other operating gains	**7,765**	**6,739**

(thousand euros)

Other operating costs	2013	2012
Exchange rate hedging: exchange differences	1,999	0
Exchange rate hedging: var. derivative fair value	-407	0
Taxes (other than income)	1,567	1,686
Provisions	914	436
Loss in fixed assets and p. investment disposals	465	257
Bank charges	546	720
Bad debts	292	154
Loss in inventory differences	36	78
Donations and fees	736	756
Other	1,624	2,256
Other operating costs	**7,771**	**6,343**

(thousand euros)

XXVII

FINANCIAL COSTS AND FINANCIAL INCOME

	2013	2012
Interest costs - bank loans	4,521	5,731
Interest costs - other entities	1,320	574
Stamp tax	2,990	320
Interest costs - other	58	735
Financial costs	**8,888**	**7,360**
Interest gains - bank deposits	767	930
Interest gains - delayed payments	323	186
Interest gains - other	4	91
Financial income	**1,095**	**1,207**

(thousand euros)

Stamp tax value of 2,990 includes a provision of 2,657 K€, as stated in note XXIX.

Interest costs – other entities includes the interest related with the 2010 swap. Interest costs – other includes the fair value of the swap and costs related with commissions.

Change in the fair value of the swap (2013: 491 K€ gain vs 2012: 29 K€ gain) is included in Interest costs – other.

XXVIII

RELATED-PARTY TRANSACTIONS

Corticeira Amorim consolidates indirectly in **Amorim - Investimentos e Participações , S.G.P.S., S.A.** (AIP) with head-office at Mozelos (Santa Maria da Feira, Portugal), Amorim Group holding company.

As of December 31, 2013 and 2012, indirect stake of AIP in **Corticeira Amorim** was 51%, corresponding as 54.004% (2012: 53.998%) 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 7,124 K€ (2012: 7,034 K€).

Cork acquired during 2013, from companies held by the main indirect shareholders of CORTICEIR AMORIM, amounted to 1,188 K€. This corresponds to less than 2% of total acquisitions of that raw-material.

Balances at year-end 2013 and 2012 are those resulting from the usual payment terms (from 30 to 60 days) and so are considered to be immaterial.

Services rendered from related-parties are based on the “cost plus” basis raging from 2% to 5%.

During 2013 no transactions were made and no balances booked with related parties Amorim Capital, SGPS, SA, Vertente Financeira, SGPS, SA, Amorim Investimentos e Participações, SGPS, SA and Interfamília II, SGPS, SA.

Total **Corticeira Amorim** key staff short-term remuneration reached 2,036 K€ during 2013 (2012: 2,034 K€). No payments were made related with post-employment benefits, other long-term benefits, termination benefits and equity compensation benefits.

XXIX

PROVISIONS, GUARANTEES, CONTINGENCIES AND COMMITMENTS

	2013	2012
Income tax	21,480	17,199
Guarantees to customers	1,305	1,116
Others	2,300	2,723
Provisions	**25,085**	**21,038**

(thousand euros)

As stated in note XI, during 2013 a total 5,879 K€ of provisions related with income tax was recorded. Additionally were recorded stamp tax provisions totalling 2,667 K€. As stated in note XIV, there was a reclassification of 4,265 K€ to receivables from tax authority impairment.

Tax cases are in general related with Portuguese companies and correspond to fiscal years of 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2003, 2004, 2007, 2008, 2009 and 2010. The most recent fiscal year analysed by Portuguese tax authorities was 2010.

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 TVA.

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.

Court cases totalled 13.1 M€ at the end of 2013, being 8.8 M€ due to tax cases. Of that total, about 4.3 M€ of tax cases were paid (RERD). Of the remaining, 3.7 M€ were provisioned, of which 2.3 M€ corresponded to court tax cases.

Live tax cases, in court stage or not, totals 21.1M€. These includes 16.9 M€ of capital. Regarding non-contentious situations, there was a total of 10.5 M€ in provisions.

Contingent liabilities, due from tax cases, in court or in non-contentious, as well as other type of court cases, totals 7 million euros. No provisions are recorded for these situations.

It is considered appropriate the total value of 21.5 M€ of provisions related with contingencies regarding income tax and 3.6 M€ regarding other contingencies.

During its operating activities **Corticeira Amorim** issued in favour of third-parties guarantees amounting to 82,427 K€ (2012: 90,410 K€).

Beneficiary	Amount	Purpose
Government agencies	4,382	Capex grants / subsidies
Tax authority	6,473	Tax lawsuits
Banks	71,388	Credit lines
Other	184	Miscellaneous guarantees
TOTAL	**82,427**	

(thousand euros)

As of December 31, 2013, future expenditure resulting from long-term motor vehicle rentals totals 1,678 K€, and for computer hardware and software totals 336 K€. Total is due 2014 (200 K€), 2015 (459 K€), 2016 (676 K€), 2017 (517 K€) and 2018 and further (162 K€).

Commitments related with fixed assets and cork suppliers are not recorded and amount to 9,209 K€ (2014: 6,935 K€; 2015: 1,484 K€ and 2016: 790K€).

XXX

EXCHANGE RATE CONTRACTS

As of December 31, 2013, forward outright and options contracts related with sales currencies were as follows:

	2013		2012	
USD	12,577	83%	4,622	44%
AUD	1,218	8%	2,773	27%
ZAR	281	2%	2,019	19%
HUF	303	2%	588	6%
GBP	707	5%	435	4%
Forward - long positions	**15,086**	**100%**	**10,437**	**100%**
SEK	0	-	201	100%
Forward - short positions	**0**	**-**	**201**	**100%**
USD	5,628	100%	16,136	100%
Options - long positions	**5,628**	**100%**	**16,136**	**100%**
USD	1,314	100%	0	0%
Options - short positions	**1,314**	**100%**	**0**	**0%**

(thousand euros)

As for Cork Stoppers BU, cash flow hedging at the end of 2013, related with exchange rate transactions, was expected to occur between January and July 2014. For Cork Flooring BU, it was expected to occur between March and August 2014.

It is expected that hedged highly probable transactions in foreign currencies occur during the first half of 2014. 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 -176 thousand euros (2012: 197 thousand euros).

In relation with fair value hedging, during 2013 a gain of 875 thousand euros was recorded in the hedging instruments and a loss of 779 thousand euros was recorded in the hedged items. As of December 31, 2013, notional for long positions reached 21.4 million euros (USD: 19.5 M€) regarding fair value hedging.

No gains or losses were recorded regarding hedge inefficiency.

XXXI

AUDITOR'S FEES

PricewaterhouseCoopers auditor's remuneration for the group of subsidiaries and for **Corticeira Amorim** was 447 K€ (2012: 423 K€).

XXXII

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.

XXXIII

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.**

	2013	2012
Total issued shares	133,000,000	133,000,000
Average nr. of treasury shares	7,398,429	6,833,880
Average nr. of outstanding shares	125,601,571	126,166,120
Net Profit (thousand euros)	30,339	31,055
Net Profit per share (euros)	0,242	0,246

b. **IFRS disclosures - New standards as at 31 December 2013:**

1. The impact of the adoption of the standards and interpretations that became effective as of 1 January 2013 is as follows:

Standards

- **IAS 1** (amendment), 'Presentation of financial statements'. This amendment changes the disclosure of items presented in other comprehensive income (OCI), requiring entities to separate items in OCI on whether or not they may be recycled to profit and loss in the future and the related tax amount if OCI items presented before tax. The adoption of this amendment had impact in the financial statements.

- **IAS 12** (amendment), 'Income taxes'. This amendment requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale, except for the investment properties measured at fair value model. The amendments also incorporate into IAS 12 the guidance previously contained in SIC 21, which is accordingly withdrawn. The adoption of this amendment had no impact in the financial statements.

- **IAS 19** (amendment), 'Employee benefits'. This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses are recognised immediately, and only, in OCI (no corridor approach allowed). Finance cost for funded benefit plans are calculated on a net funding basis. Termination benefits qualify for recognition only when the employee has no future-service obligation. The adoption of this amendment had impact in the financial statements.

- **Annual improvements to IFRSs 2009 – 2011**, The 2009-2011 annual improvements affects: IFRS 1 (second adoption of IFRS 1 and exemptions), IAS 1 (presentation of additional financial statements when a change of accounting policy is mandatory or voluntary), IAS16 (classification of spare parts and servicing equipment when the definition of PP&E is met), IAS 32 (tax impact classification when related to transactions involving equity or dividends) and IAS 34 (exemption of total assets and liabilities disclosure by segment). The adoption of these amendments had no impact in the financial statements.

- **IFRS 1** (amendment), 'First time adoption of IFRS'. This amendment creates an additional exemption when an entity that has been subject to severe hyperinflation presents financial statements in accordance with IFRSs for the first time. The other change refers to the replacement of references to a fixed date with "the date of transition to IFRS" for retrospective adoption exemptions. The adoption of this amendment had no impact in the financial statements, since the Entity already applies IFRS.

- **IFRS 1** (amendment) 'First time adoption of IFRS – government loans'. This amendment clarifies how a first-time-adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, giving the same relief that was granted to existing preparers in 2009. The adoption of this amendment had no impact in the financial statements, since the Entity already applies IFRS.

- **IFRS 7** (amendment) 'Disclosures - Offsetting Financial Assets and Financial Liabilities'. This amendment is part of the IASB offsetting project which introduces new disclosure requirements about entity's right to offset (assets and liabilities), the amounts offset, and the effects of these in the credit exposure. The adoption of this amendment had no impact in the financial statements.

- **IFRS 13** (new), 'Fair value measurement and disclosure'. IFRS 13 aims to improve consistency by providing a precise definition of fair value and a single source of fair value measurement, and disclosure requirements for use across IFRSs. The adoption of this standard had no impact in the financial statements.

Interpretations

- **IFRIC 20** (new),'Stripping costs in the production phase of a surface mine. This interpretation refers to the accounting of overburden waste removal costs in the production phase of a surface mine, as an asset, considering that the waste removal generates two potential benefits: immediate extraction of mineral resources and improved access to further quantities of mineral resources to be extracted in the future. The adoption of this interpretation had no impact in the financial statements.

2. The following standards, amendments to existing standards and interpretations have been published and are mandatory for the Entity's accounting periods beginning on or after 1 January 2014 or later periods, but that the Entity has not early adopted:

- **IFRS 10 (new),** 'Consolidated financial statements' (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). IFRS 10 replaces all the guidance on control and consolidation in IAS 27 and SIC 12, changing the definition of control and the criteria applied to determine control. The core principal that a consolidated entity presents a parent and its subsidiaries as a single entity remain unchanged. The Entity will apply IFRS 10 in the period it becomes effective.

- **IFRS 11 (new),** 'Joint arrangements' (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). IFRS 11, focus on the rights and obligations of the joint arrangements rather than its legal form. Joint arrangements can be joint operations (rights to the assets and obligations) or joint ventures (rights to net assets, applying equity method). Proportional consolidation of joint venture is no longer allowed. The Entity will apply IFRS 11 in the period it becomes effective.

- **IFRS 12 (new)**, 'Disclosure of interest in other entities' (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). This standard sets out the required disclosures for all types of interests in other entities, such as: subsidiaries, joint arrangements, associates and structured entities, to allow the evaluation of the nature, risks and financial effects associated with entity's interests. The Entity will apply this standard in the period it becomes effective.

- **Amendment to IFRS 10, 11 and 12**, 'Transition guidance' (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). This amendment clarifies that, when from the adoption of IFRS 10 results a different accounting treatment from IAS 27/SIC12 application, the comparatives must be adjusted to only the preceding comparative period, being the differences calculated recognised as at the beginning of the comparative period, in equity. The IFRS 11 amendment refers to the obligation of impairment testing over the financial investment, which results from the proportional consolidation elimination. Specific disclosures requirements are included in IFRS 12. The Entity will apply this amendment in the period it becomes effective.

- **IAS 27** (revised 2011), 'Separate financial statements' (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). IAS 27 was revised after the issuance of IFRS 10 and contains the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the entity prepares separate financial statements. The Entity will apply the revised standard in the period it becomes effective.

- **IAS 28** (revised 2011),'Investments in associates and joint ventures' (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). IAS 28 was revised after the issuance of IFRS 11 and prescribes the accounting for investments in associates and joint ventures, and sets out the requirements for the application of equity method. The Entity will apply the revised standard in the period it becomes effective.

- **IAS 32** (amendment) 'Offsetting Financial Assets and Financial Liabilities' (effective for annual periods beginning on or after 1 January 2014). This amendment is part of the IASB offsetting project which clarifies the meaning of "currently has a legally enforceable right to set-off", and clarifies that some gross settlement systems (clearing houses) may be equivalent to net settlement. The Entity will apply this amendment in the period it becomes effective.

- **IAS 36** (amendment) 'Recoverable amount disclosure for Non-financial assets' (effective for annual periods beginning on or after 1 January 2014). This standard addresses the disclosure of information about the recoverable amount of impaired assets when based on fair value less cost to sell model. This amendment is not expected to have impact on the Entity's financial statements.

- **IAS 39** (amendment) 'Novation of derivatives and continuation of hedge accounting' (effective for annual periods beginning on or after 1 January 2014). This amendment allow hedge accounting to continue in a situation where a derivative designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws and regulation. This amendment is not expected to have impact on the Entity's financial statements.

- **Amendment to IFRS 10, 11 and IAS 27**,'Investment entities' (effective for annual periods beginning on or after 1 January 2014). This amendment defines an investment entity and introduces an exception from consolidation under IFRS 10, for the investment entities that qualify, for which all investments in subsidiaries are required to be measured at fair value through profit and loss under IAS 39. Specific disclosures requirements are included in IFRS 12. The Entity will apply this amendment in the period it becomes effective.

- **IAS 19** (amendment), 'Defined benefit plans – Employee contributions' (effective for annual periods beginning on or after 1 July 2014). This standard is still subject to endorsement by European Union. This amendment apply to contributions from employees or third parties to defined benefit plans and aims to simplify the accounting when contributions are independent of the number of years of service. This amendment is not expected to have impact on the Entity's financial statements.

- **Annual Improvement 2010 - 2012**, (generally effective for annual periods beginning on or after 1 July 2014). These improvements are still subject to endorsement by European Union. The 2010-2012 annual improvements affects: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38. The Entity will apply 2010-2012 annual improvements in the period it becomes effective.

- **Annual Improvement 2011 - 2013**, (generally effective for annual periods beginning on or after 1 July 2014). These improvements are still subject to endorsement by European Union. The 2011-2013 annual improvements affects: IFRS 1, IFRS 3, IFRS 13 and IAS 40. The Entity will apply 2011-2013 annual improvements in the period it becomes effective, except for IFRS 1 because the Entity already reports under IFRS.

- **IFRS 9** (new), 'Financial instruments - classification and measurement' (effective date not yet defined). This standard is still subject to endorsement by European Union. IFRS 9 refers to the first part of financial instruments new standard and comprises two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. Financial instrument are measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise financial instruments are measured at fair value through profit and loss. The Entity will apply IFRS 9 in the period it becomes effective.

- **IFRS 9** (amendment), 'Financial instruments – hedge accounting" (effective date not determined). This amendment is still subject to endorsement by European Union. This amendment is the third phase of IFRS 9 and reflects a substantial overhaul of the hedge accounting rules of IAS 39, removing the quantitative assessment of hedge effectiveness, allowing more items to be eligible as hedged items and permitting the deferral of certain impacts of hedging instruments in Other comprehensive Income. This amendment objective is to better reflect the risk management practices. The Entity will apply IFRS 9 in the period it becomes effective.

- **IFRIC 21** (new), 'Levies' (effective for annual periods beginning on or after 1 January 2014). This standard is still subject to endorsement by European Union. 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 Entity will apply this standard in the period it becomes effective.

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.

CORK OAK FOREST, HIGHLIGHTING A CORK OAK HARVESTED IN 2010

Detail is as follows:

	Loans and receivables	Fair value through profit or loss	Derivatives as hedging	Available for sale assets	Total
Trade receivables	124,108	-	-	-	124,108
Income tax assets	4,852	-	-	-	4,852
Other current assets	28,947	-	524	3,735	33,206
Cash and cash equivalents	39,015	-	-	-	39,015
Total as of December 31, 2012	**196,922**	**0**	**524**	**3,735**	**201,181**
Trade receivables	121,069	-	-	-	121,069
Income tax assets	8,026	-	-	-	8,026
Other current assets	30,798	-	875	2,373	34,046
Cash and cash equivalents	7,788	-	-	-	7,788
Total as of December 31, 2013	**167,681**	**0**	**875**	**2,373**	**170,929**

(thousand euros)

	Fair value through profit or loss	Derivatives as hedging	Other financial liabilities at amortized cost	Total
Interest-bearing loans	-	-	160,594	160,594
Other borrowings and creditors	1,484	-	45,566	47,050
Trade payables	-	-	99,240	99,240
Income tax liabilities	-	-	7,848	7,848
Total as of December 31, 2012	**1,484**	**0**	**313,248**	**314,732**
Interest-bearing loans	-	-	112,235	112,235
Other borrowings and creditors	764	-	45,624	46,388
Trade payables	-	-	125,203	125,203
Income tax liabilities	-	-	2,495	2,495
Total as of December 31, 2013	**764**	**0**	**285,557**	**286,321**

(thousand euros)

Customers balances are denominated in USD (6.2%), CLP (5.8%), ZAR (0.6%), AUD (1.0%), 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 13, 2014

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

Juan Ginesta Viñas
Member

Luisa Alexandra Ramos Amorim
Member

ACOUSTICORK UNDERLAYS FROM AMORIM CORK COMPOSITES

LEGAL OPINION

CORK BENCHES, BY DESIGNER NAOTO FUKASAWA FOR METAMORPHOSIS PROJECT

06

CORTICEIRA AMORIM, S.G.P.S., S.A.

SUPERVISORY BOARD'S REPORT

To the Company's Shareholders,

In accordance with the law and the powers, duties and responsibilities conferred on us, we are pleased to submit the report on our supervisory activities for your consideration and we issue our opinion on the Directors' Report and the annual financial statements prepared by the Board of Directors of CORTICEIRA AMORIM, SGPS, SA for the year ended December 31, 2013.

I - RESPONSIBILTIES OF THE SUPERVISORY BOARD MEMBERS

During the year under review, we have monitored the business of the Company at such intervals and to the extent deemed appropriate and we have been given access to all critical documents deemed relevant. No situation disrespecting the law or the Company's Articles of Association has been noted by this Board while checking the accuracy and completeness of the bookkeeping. We have also examined the reports of the Statutory Auditors issued by PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., a firm of chartered accountants and registered auditors. Our examinations included the annual financial statements and the consolidated annual financial statements of CORTICEIRA AMORIM, SGPS, SA, both of which were prepared in accordance with the law.

To be more precise, the procedures carried out by this Board included:

- monitoring the business of the Company either by holding regular meetings with the members of the Board of Directors, the Executive Committee and other officers of the Company or by perusing the relevant minutes and we have received all explanatory information requested;
- assessing the appropriateness and consistency of application of the accounting policies adopted by the Company;
- examining the system of internal control implemented in the Company;
- examining the financial information disclosure by the Company.

We should like to underline the major substantive and diligent contribution of the entire organization – from the Board of Directors down to the administrative staff – towards making possible that this Board could accomplish its mission in an accurate and efficient manner.

Attention should also be drawn to the level of professional expertise and competence shown by PricewaterhouseCoopers & Associados, SROC, Lda. (the chartered accountants of the Company), in particular by its representative Mr. António Joaquim Brochado Correia and his team during the year ended December 31, 2013.

II – CONCLUSION

In carrying out our duties, we have noted:

- that the Statement of Financial Position, the Income Statement and other accounting records and their explanatory notes in respect to both the annual financial statements and the consolidated annual financial statements have been prepared in accordance with the relevant legal requirements;
- the appropriateness of the accounting policies and valuation criteria used by the Company, which policies and criteria are adequately reflected in the notes to the annual financial statements and the consolidated annual financial statements;
- that the Directors' Report is sufficiently clear as to the business performance and the state of affairs of the Company and the Group and highlights the most significant aspects;
- that the proposal for appropriation of profit is well-founded.

III – OPINION

Based on the information obtained from the Board of Directors and a number of administrative staff of the Company and taking the report of the Statutory Auditors into account, we are of the opinion that:

i. the Directors' report should be approved;

ii. the Company's annual financial statements and the consolidated annual financial statements should be approved;

iii. the proposal for appropriation of profit should be approved.

IV - STATEMENT OF RESPONSIBILITY

In accordance with Section 245.1(c) of the Portuguese Securities Market Act and in our capacity as members of the Supervisory Board, we hereby attest that to the best of our knowledge the annual financial statements and other accounting records and supporting documents were prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of CORTICEIRA AMORIM, SGPS, SA and the undertakings included in the consolidation taken as a whole.

We also state that the Directors' report fairly reflects the evolution to date of CORTICEIRA AMORIM, SGPS, SA's business activities, its business performance and state of affairs as well as of the undertakings included in the consolidation taken as a whole. The Directors' report includes a special chapter identifying the major business risks and uncertainties faced by the Company.

We further attest that the data referred to in Section 245-A of the Portuguese Securities Market Act are included in the Corporate Governance Report on the structure and corporate governance practices adopted by CORTICEIRA AMORIM, SGPS, SA.

V - ACKNOWLEDGMENTS

Finally, a word of appreciation to:

- the Directors, for their availability, cordiality and transparency;
- the Organization, for making all human and material resources deemed necessary to assist us in our work readily available; and
- the auditors Messrs.' PricewaterhouseCoopers for their excellent work in providing public evidence of the high standards of internal control and financial reporting consistently adopted by CORTICEIRA AMORIM, SGPS, SA.

Mozelos, February 27, 2014

THE SUPERVISORY BOARD

Durval Ferreira Marques

Joaquim Alberto Hierro Lopes

Gustavo José de Noronha da Costa Fernandes 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, 2013 (which shows total assets of Euro 627,307 thousand and total shareholder's equity of Euro 301,737 thousand including non-controlling interests of Euro 13,009 thousand and a net profit of Euro 30,339 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 the equity method; (iii) assessing the appropriateness of the accounting principles used and their

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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 Management 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, 2013, 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 Management 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.

February 27th, 2014

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represented by:

António Joaquim Brochado Correia, R.O.C.

TITLE

Annual Report and Accounts 2013 – CORTICEIRA AMORIM, S.G.P.S., S.A.

PROPERTY AND COORDINATION

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