

## **Sales of CORTICEIRA AMORIM rise by 5.5% to 30 September 2012**

### **HIGHLIGHTS**


- EBITDA amounts to € 62.4 M
- Net profit reaches € 26.487 M
- The Board of Directors proposes the distribution of free reserves to the company's Shareholders in the amount of € 0.095 per share

**Mozelos, 31 October 2012** – Total sales of CORTICEIRA AMORIM in the first nine months of 2012 increased by 7.5% compared to the same period in 2011 to reach a total of € 408.5 M. In comparable terms, excluding the effect of the acquisition of Trefinos, growth stood at 5.5%.

In line with the sales growth, the other indicators show also some improvements. Year-to-date current EBITDA amounted to € 62.4 M, up 4.7% from the same period in 2011. Year-to-date net income as of September 30, 2012 was € 26.487 M versus € 21.434 M in the same period in 2011.

It is worth noting that after 10 consecutive quarters of sales growth, the sales of CORTICEIRA AMORIM in the third quarter of 2012 are roughly in line with the third quarter of 2011, with a 0.5%-increase. However, in terms of total sales in the quarter under consideration, i.e. including the sales of the member companies of the Trefinos Group, which was acquired last June by CORTICEIRA AMORIM, sales growth stands at 6.4%.

As noted above, similarly to what has been observed in the first half of the year, cork floor and wall coverings and natural cork stoppers continued to be the main products to boost sales in the third quarter of 2012. The current economic climate in the U.S., its currency appreciation and improved purchasing power, coupled with the excellent image that cork has achieved in recent years, make the USA the largest and most important market for CORTICEIRA AMORIM. On the other hand, it should be pointed out that in Europe



there was an increase in the sales of cork stoppers to major wine-producing countries, while the other Business Units were impacted by a rather anemic market.

## Growth in all Business Units

Despite the slowing down trend in the third quarter of 2012, almost entirely explained by business performance in September, all BUs reported an increase in sales revenues for the first nine months of the year compared to the same period in 2011.

The **Raw Materials BU** recorded a 16.5% year-to-date rise in sales that stood at € 90.2 M in September 2012. As a result of the price rise of raw materials purchased in 2011 that are now being manufactured, EBITDA fell by half (to € 8.7 M) compared with a year earlier (in line with what was recorded in the first six months of the year).

The **Cork Stoppers BU** reported a 4.5% rise in sales in the first nine months of 2012 on a comparable basis. However, if Trefinos' business is also taken into account, then total sales amounted to € 245.1 M, up 7.8% from the same period a year ago. The sales of natural cork stoppers, Neutrocork® and capsulated cork stoppers continue to perform remarkably well within the total sales of this BU. In late September, year-to-date EBITDA for the nine months ended September 30, 2012, was € 36.8 M, an increase of 34% compared to prior year-to-date EBITDA of 27.5 M €.

As regards the **Floor and Wall Coverings BU**, sales increased by 7.7% to € 98.2 M for the first nine months of 2012 compared to the same period a year ago. Sales of cork floor and wall coverings have reached € 79.7 M in the nine months ended September 30, 2012, up 8.2% from a year earlier. Year-to-date sales to the German market were nearly identical to sales for the same period last year; on the other hand, trade sales to the Nordic markets profited from the entry of Timbermam, a subsidiary that is slowly regaining these ancient and important markets for our cork products. Sales growth continues to be seen mainly in markets outside Europe.

EBITDA in the first nine months of 2012 amounted to € 10.2 M compared to € 8.4 M reported in the same period last year.

The **Cork Composites BU's** year-to-date sales in September reached € 68.3 M, up 3.5% compared to the same period in 2011. A positive factor that contributed to such increase in the sales of this BU - not only in 3Q12, but also in the year-to-date sales - is the fact that the United States is the most important market for this BU and the US economy has been considerably more robust and dynamic than Europe's economy has been. The fact that the billing currency was U.S. dollars was another major contributory factor to the positive

performance of the Cork Composites BU. Breaking it down by segment, construction, within the U.S. and the Russian markets, showed considerable momentum. The sales figures of the other segments were approximately equal to or higher than those in 2011. Year-to-date EBITDA amounted to € 7M, approximately equal to that recorded in the same period last year.

The **Insulation Cork BU's** year-to-date sales reached € 6.9 M, slightly higher than a year before (+0.6%). Sales of insulation corkboard - the prime product manufactured by this BU - dropped by approximately 6% in sales volume, but this volume drop was offset by a favourable price effect as well as a positive exchange rate effect. Year-to-date EBITDA totalled € 1.6 M, an amount almost equal to the one in 2011.

## Key Indicators

	9M12	9M11	Var.	3T12	3T11	Var.
Sales	408,492	380,092	7.5%	133,496	125,414	6,4%
EBITDA	62,404	59,613	4.7%	17,639	19,881	-11,3%
Current EBIT	47,255	44,298	6.7%	13,342	15,850	-15,8%
Net Profit (attributable to shareholders)	26,487	21,434	23.6%	8,770	7,619	15,1%
Equity total assets ratio	45.1%	43.6%	1.6p.p.	-	-	-
Net Debt	115,199	127,764	12,565	-	-	-

Unaudited figures in thousands of euros

## Distribution of free reserves equal to € 0.095 per share

The solid growth in business and profitability over the past few years, in addition to the good prospects for the current financial year, have enabled CORTICEIRA AMORIM to generate increasing cash flows and, as a result, strengthen its equity to total assets ratio. It has thus become possible to make a distribution of free reserves amongst the Company's shareholders without jeopardizing the maintenance of an efficient capital structure of the CORTICEIRA AMORIM Group.

Therefore, the Board of Directors has decided to ask the Chairman of the Group chairing the Shareholders General Meeting to convene an SGM. A motion concerning the distribution of free reserves in the amount of 12,635,000.00 that equals a gross amount per share of € 0.095, to be payable in 2012, shall be put forward to the SGM for approval. Such free reserves are to be distributed amongst CORTICEIRA AMORIM's shareholders in proportion to their ownership of shares.



## **For additional information, contact:**

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## **About CORTICEIRA AMORIM, SGPS, S.A.:**

While tracing its roots to the XIX Century, CORTICEIRA AMORIM SGPS has become the world's largest cork and cork-derived company in the world, generating EUR 495 million in sales throughout 103 countries. CORTICEIRA AMORIM SGPS and its subsidiaries are an integral part of a conservationist effort to guarantee the survival of hundreds of thousands of cork trees throughout the Mediterranean Basin. We are proud of our contribution to the proper use of this important forest, which plays a fundamental role in CO2 fixing, preservation of biodiversity and the fight against desertification. We encourage you to learn more by visiting informative website such as [www.amorim.com](http://www.amorim.com) our [www.corkfacts.com](http://www.corkfacts.com)

## **CORTICEIRA AMORIM, SGPS, S.A.**

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A company incorporated in Santa Maria da Feira - Portugal  
Registration number and corporation tax ID number: PT 500 077 797

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