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Corticeira Amorim, SGPS, S.A.
Public Company
Edifício Amorim I
Rua de Meladas, n.º 380
4536-902 Mozelos VFR
Portugal

Share Capital: EUR 133,000,000.00
A company incorporated in Santa Maria da Feira
Registration and Corporate Tax ID No:
PT 500 077 797

About CORTICEIRA AMORIM, SGPS, S.A.:
Corticeira Amorim traces its roots back to the 19th century and has become the world's largest cork processing company in the world, generating more than 600 million euros in sales throughout 103 countries. Corticeira Amorim and its subsidiaries are an integral part of a conservationist effort to guarantee the survival of hundreds of thousands of cork oak 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, the preservation of biodiversity and the fight against desertification. We encourage you to learn more by visiting informative websites such as www.amorim.com or www.amorimcork.com

Sales of Corticeira Amorim exceed 156 million euros in the first quarter

Highlights:

- *Best quarter in sales drives a 16% increase in EBITDA, to 27.6 M€*
- *Profits in the quarter rise to 13.9 M€*
- *Sales growth in all Business Units*

Corticeira Amorim closed the first quarter with a net profit of 13.9 million euros, up 64.7% on the same quarter last year (8.4 M€).

Business activity was buoyed by remarkable growth in sales, which rose to 156.7 M€, 6.3% higher than the first quarter of 2015 (147.4 M€). It should be noted that all Business Units (BU) of Corticeira Amorim contributed to this evolution, mainly due to a volume effect.

Key elements of this positive performance included the role of the Cork Stoppers BU, which continues to record excellent sales growth (+ 7.8%), and the resumption of sales growth in the Floor and Wall Coverings BU, in clear contrast with the trend recorded in recent quarters.

In the period under review, and in contrast with recent financial years, this positive earnings evolution benefited from the fact that the foreign exchange impact was less than 1 M€.

EBITDA of 27.6 M€ was approximately 16% higher than in the first quarter of 2015. This performance was also due to the favourable evolution of operating costs, which generated an EBITDA/sales ratio of 17.6% – higher than the ratio recorded in the first quarter of 2015 (16.2%).

In line with the trend recorded in recent quarters, the first quarter of 2016 was also marked by further improvements in financial performance, resulting from lower interest rates and less net bank debt compared to the first quarter of 2015

All Business Unit record sales growth

The **Raw Materials Business Unit** recorded positive sales growth - +7.6% - in line with the positive growth of its main client - the Cork Stoppers BU.

EBITDA was 3.8 M€ - lower than the first quarter of 2015 (6.5 M€) - due to the higher price of cork in the 2014 campaign. This effect was partially offset by greater control of operating costs and increased activity.

Sales of the **Cork Stoppers Business Unit** rose to 102.4 M€, an increase of 7.8%, driven by volume and essentially by the mix effect impacted by the positive sales growth of natural cork stoppers, which are the highest value added product of this BU. The result also reflects the impact of the incorporation of two new distribution companies (in the USA and Portugal) into this business unit in the second half of 2015

The increased activity, better mix of sales and stable operating costs generated EBITDA of 17.8 M€ - 36% higher than the first quarter of 2015.

The **Floor and Wall Coverings Business Unit** recorded 4.1% growth in sales, which rose to 29.7 M€.

This performance was mainly attributable to the growth of sales of manufactured products, in particular the innovative Hydrocork flooring collection, which was launched in early 2015 and now represents over 10% of this BU's sales.

EBITDA was 2.8 M€, significantly higher than the level of 1.8 M€ recorded in the first quarter of 2015.

The **Composite Cork Business Unit** recorded sales of 24.4 M€, 5% higher than the first quarter of 2015, even without benefiting from the exchange rate effect.

Key drivers of this growth were the Furnishings segment, of the Retail cluster, and the supply of inlays for the Hydrocork range of flooring, of the Floor and Wall Coverings BU.

EBITDA was 4.4 M€, more than double the level of 2.1 M€ recorded in the first quarter of 2015.

With sales of 2,9 M€ - 25% higher than the level in the first quarter of 2015 - the **Insulation Cork Business Unit** recorded the highest growth of all business units, primarily driven by sales growth of expanded cork agglomerate and the MDFachada solution.

EBITDA increased 29%, to 0.7 M €.

Key Indicators

		1Q16	1Q15	Variation
Sales		156,691	147,351	6.3%
Gross Margin – Value		82,406	79,176	4.1%
	1)	51.7%	49.7%	+ 2. p.p.
Operating Costs - current		61,296	61,582	-0.5%
EBITDA - current		27,597	23,803	15.9%
EBITDA/Sales		17.6%	16.2%	+ 1.5 p.p.
EBIT - current		21,110	17,594	20.0%
Non-current costs	2)	1,680	2,909	-42.25%
Net Income		13,913	8,446	64.7%
Earnings per share		0.105	0.067	56.3%
Net Bank Debt		87,123	90,340	- 3,217
Net Bank Debt/EBITDA (x)	3)	0.83	0.96	-0.13 x
EBITDA/Net Interest (x)	4)	82.3	54.7	27.61 x
Equity/Net Assets		55.0%	50.9%	+ 4. p.p.

1) Related to Production

2) Figures refer to the provision for labor and customs litigation in Amorim Argentina, deferred costs concerning business started in the previous year and adjustments related to non-controlling interests (2016) and write-off of Goodwill (2015)

3) Current EBITDA of the last four quarters

4) Net interest includes interest from loans deducted of interest from deposits (excludes stamp tax and commissions)