



**AMORIM**

**Corticeira Amorim, S.G.P.S., S.A.**

**Consolidated results**

**2011 Fiscal Year**

# Summary

## Consolidated results

- Highlights
- Consolidated key indicators

## Raw Materials

- Key indicators
- Highlights

## Cork Stoppers

- Key indicators
- Highlights

## Floor & Wall Coverings

- Key indicators
- Highlights

## Composite Cork

- Key indicators
- Highlights

## Insulation Cork

- Key indicators
- Highlights

## Appendices

- Consolidated indicators

# Consolidated results

- Highlights
- Consolidated key indicators

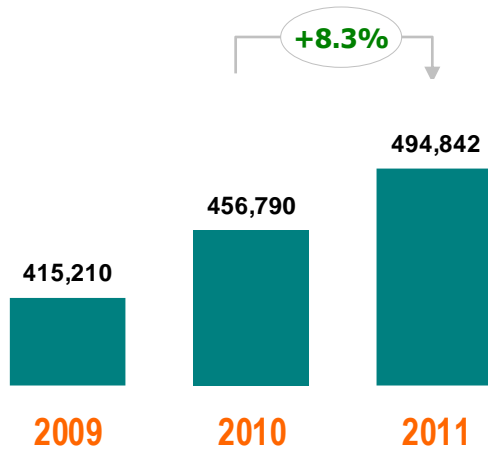
Unit: thousands of euros

# Highlights

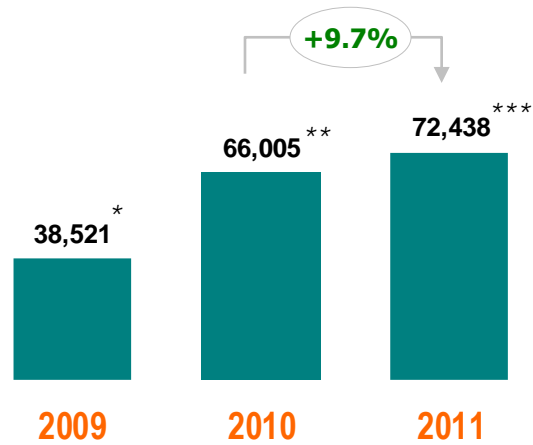
- ❑ CORTICEIRA AMORIM registered the best ever fiscal year during 2011;
- ❑ Consolidated sales totalled 495M€, up 38M€ (8.3%);
- ❑ Cork stoppers BU sales increased 9.1%;
- ❑ Current EBITDA (72.4M€ = 14.6% of sales) and current EBIT (51.4M€) up 9.7% and 13.8% from 2010;
- ❑ Net profit totalled 25.3M€, increasing 23.1% from last year comparable of 20.5M€;
- ❑ Dividends paid during second quarter reached 12.6M€ (0.10 euros per share);
- ❑ Capex reached 25.9M€, a 9.2M€ increase from 2010;
- ❑ Cork purchasing campaign finished with higher quantities and higher price (up 35M€ of raw materials inventory by comparison with Dec 10).
- ❑ Net debt (117.4M€) increases 15M€ since December 2010.

# Consolidated key indicators

## Sales



## EBITDA current

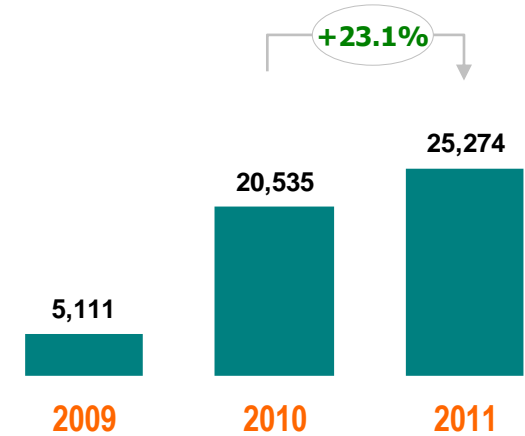


<sup>\*</sup> Excludes restructuring costs (4,515)

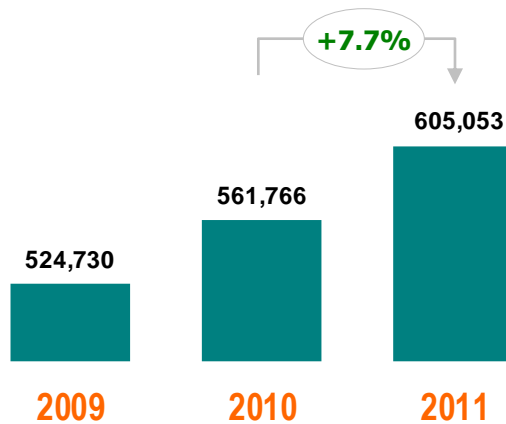
<sup>\*\*</sup> Excludes write-off Goodwill A. Cork South Africa, A. Benelux and US Floors (5,110)

<sup>\*\*\*</sup> Excludes write-off Goodwill SNL and US Floors (5,792).

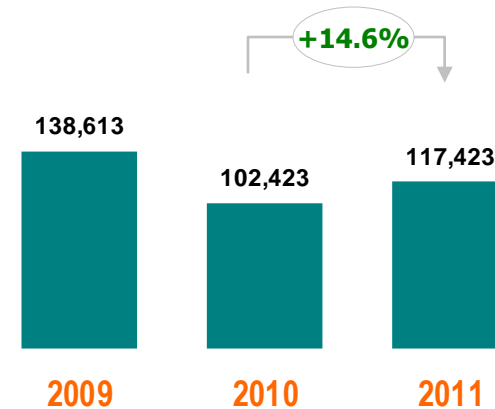
## Net Profit



## Total Assets



## Net debt



Business Unit:

# Raw Materials

- Key indicators
- Highlights

Unit: thousands of euros

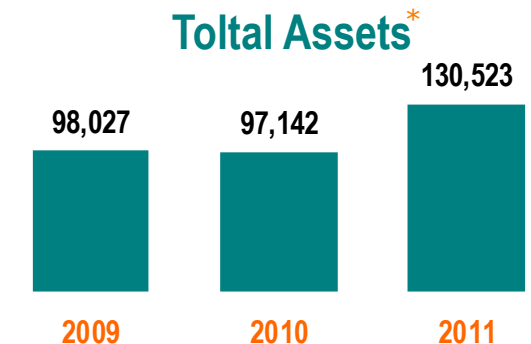
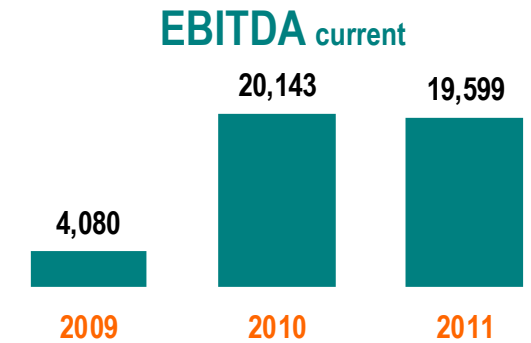
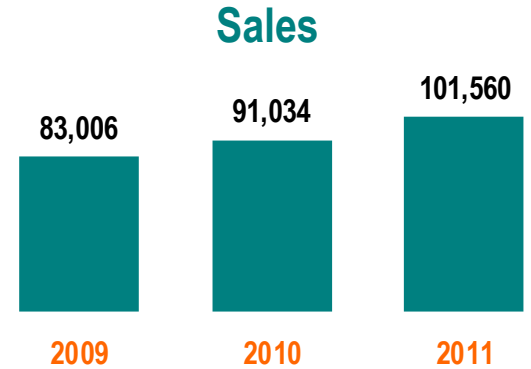
# Highlights and key indicators

## Activity – Cork purchasing campaign: higher quantities and higher prices

- Sales to the value chain of the group up 12.6%, higher than the 8.6% increase in consolidated production, meaning a higher degree of integration in the production cycle;
- Diversification of purchasing areas;
- Cork purchasing campaign finished with higher quantities and higher price;
- Most of the Units (Portugal, Spain and North Africa) with higher activity and results;
- Higher price of manufactured cork (2010 campaign) penalized EBITDA;
- Partial impairment of Tunisia goodwill (2.2M€).

## Outlook

- A slightly less favourable profitability is estimated (higher 2011 campaign prices and energy and transportation costs).



\* Excludes Deferred Taxes and non-trade balances with Group Companies.



AMORIM

Business Unit:

# Cork Stoppers

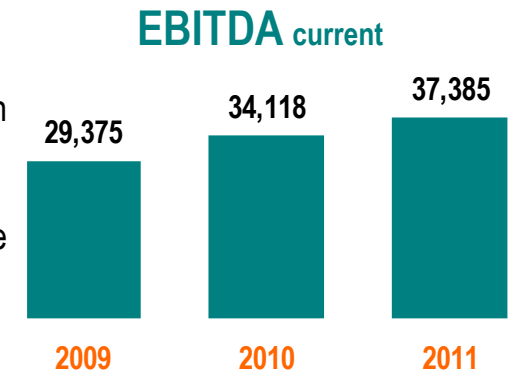
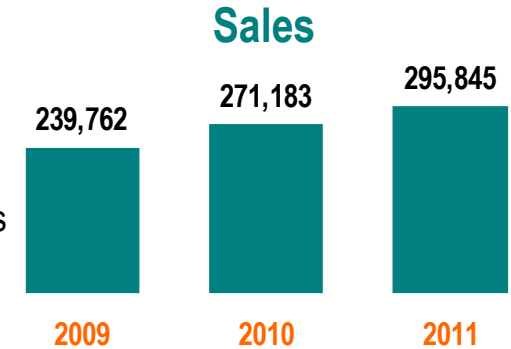
- Key indicators
- Highlights

Unit: thousands of euros



## ☐ Sales – 9.1% increase

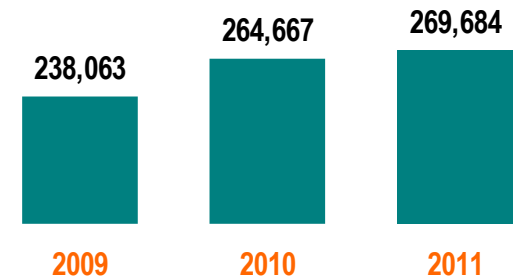
- Growth in all major markets (except for South Africa and Chile);
- All corkstoppers families registered an increase both in volume and in value;
- Negative exchange rate effect on sales hit price increase effect, making volume the reason for sales growth (+243 million of cork stoppers);
- All four major markets (France, USA, Italy and Spain) recorded sales increases between 7% and 11%;
- Natural cork stoppers maintained the growing trend (+9%);
- Special note to champagne cork stoppers (+13%) and agglomerate cork stoppers (+21%). Growth in TwinTop® cork stoppers due, mainly, to volume (+33 million units sold);
- CORTICEIRA AMORIM growth sales rate higher than market growth; Cork market share gains while aluminium and plastics decreased;
- Wine consumption registered a volume increase between 1% and 2%
- EBITDA hit by exchange rate differences and higher energy and transportation costs.



## □ Outlook

- Wine consumption still growing (USA, Asia and Brazil);
- Production capacity reinforcement: operating efficiency, acquisitions or joint-ventures;
- Improving volume-mix versus value with high potential growth and perceived value products;
- Higher market share.

### Total Assets\*





AMORIM

Business Unit:

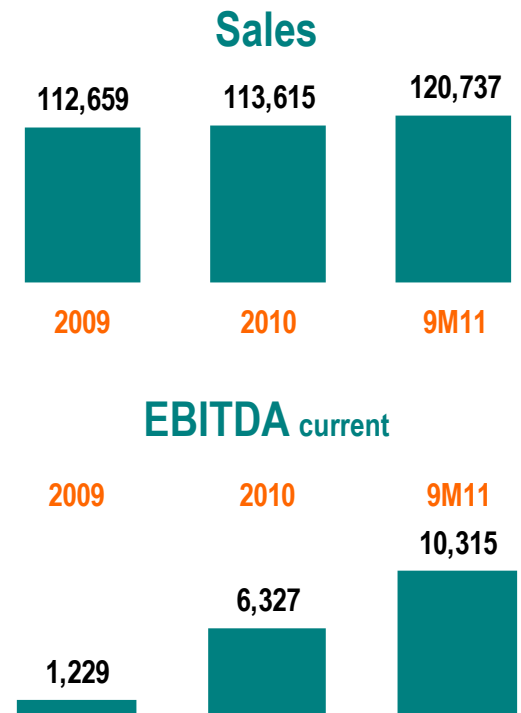
# Floor & Wall Coverings

- Key indicators
- Highlights

Unit: thousands of euros

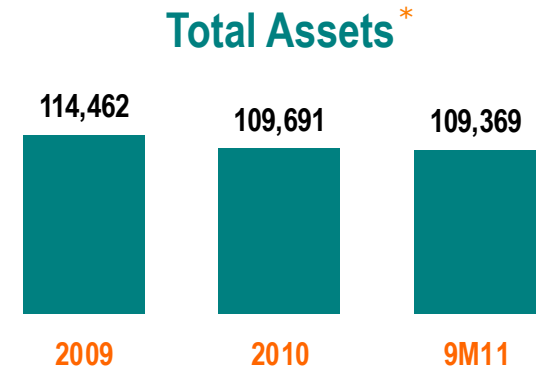
## □ Sales – +10% (own products)

- Special note to sales of own products (+7.7M€: +10%);
- Corkstyle and LVT sales increases;
- Wood and laminated flooring sales reversed decrease trend of prior years. Higher value products allowed for a better margin;
- Consolidated sales increased 6.3%
- Positive evolution in Eastern European and North American markets;
- New joint-venture (Timberman) consolidated beginning July 1<sup>st</sup>;
- New collection launched at year-end;
- Sharp increase in EBITDA.
- USF remaining goodwill (3,6M€) write-off



## □ Outlook

- Good receptiveness in the launching of the new collection;
- New markets with enlargement of the distribution network;
- Higher profitability through a new value perception by the market.



Business Unit:

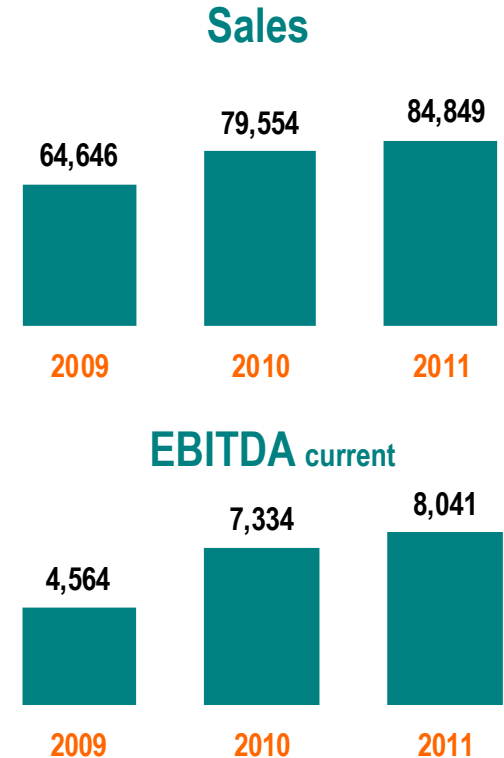
# Composite Cork

- Key indicators
- Highlights

Unit: thousands of euros

## □ Sales – 6.7% increase

- Quarters and full year harder to compare with 2010 good performances (+23%);
- Sales reached 84.8M€ beating activity before the crisis (2007: 82.2M€);
- Exchange rate negative effect call off sales price increases, making volume the reason for growth;
- Except for Home&Office, all product families registered higher sales;
- Higher non-cork raw material, energy prices and USD rate impacted percentual gross margin and EBITDA;
- Higher activity allows for a better EBITDA;



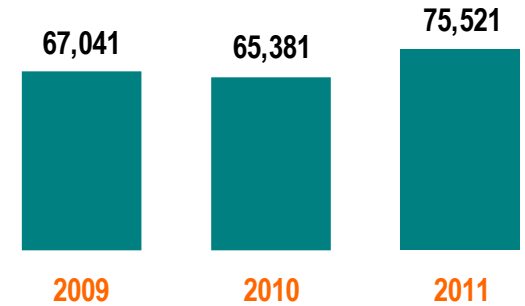
## ☐ Sales (cont.)

- Start-up of the Dyn Cork project and investment in a new press machine;

## ☐ Outlook

- New capacity and new technology will allow for better profitability starting second half;
- High value applications growth;
- Cost increase in several raw materials, transportation and energy will fully impact 2012.

### Total Assets\*



\* Excludes Deferred Taxes and non-trade balances with Group Companies.



Business Unit:

# Insulation Cork

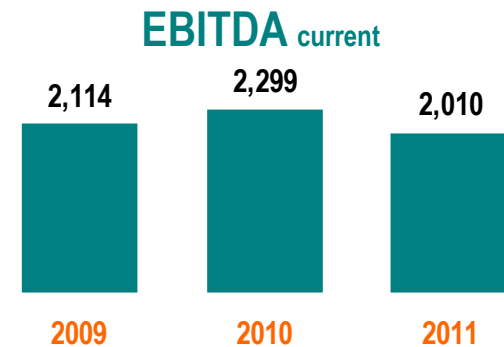
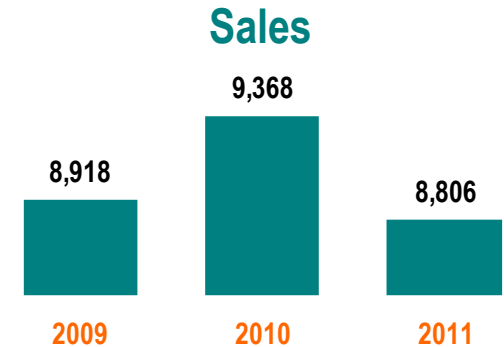
- Key indicators
- Highlights

Unit: thousands of euros

# Highlights and key indicators

## ☐ Sales – 6% decrease

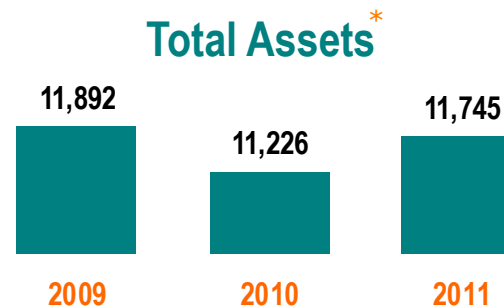
- Second half sales reversed sales growth (1H: +0,5%);
- Construction and renovation markets exposure: projects cancelled or delayed;
- Rebound of Middle East market not enough for the drop of French and Italian markets;
- EBITDA decrease due to sales fall and higher raw materials prices and USD rate;
- CorkSorb project consolidation.



## ☐ Outlook

- New markets and products (sustainable construction):
  - MDF façades;
  - Ecological houses;
  - Lambourdé insulation solutions;

Greater visibility and use of BU products.



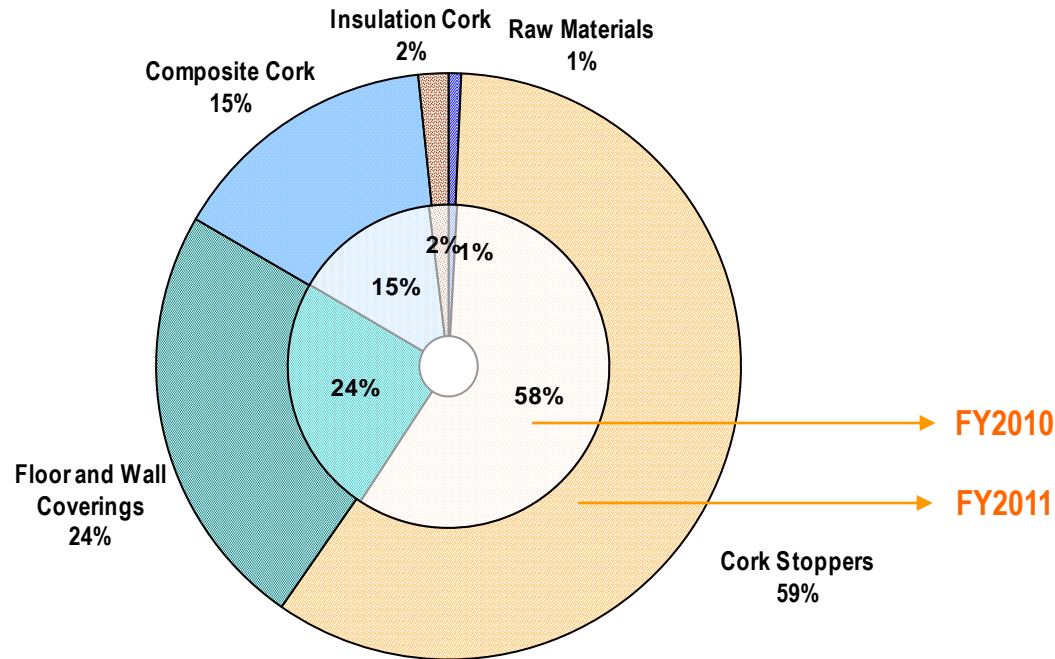
*\* Excludes Deferred Taxes and non-trade balances with Group Companies.*

# Appendices

- Consolidated indicators
- Financial statements

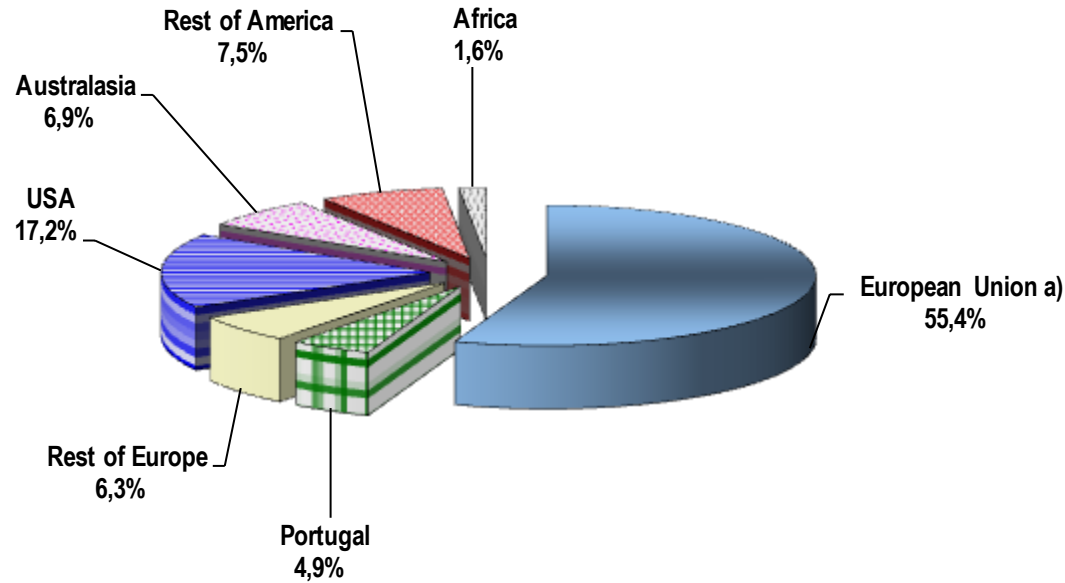
Unit: thousands of euros

# Breakdown Sales by Business Unit



	2009	2010	2011
Raw Materials	1%	1%	1%
Cork Stoppers	57%	58%	59%
Floor and Wall Coverings	27%	24%	24%
Composite Cork	13%	15%	15%
Insulation Cork	2%	2%	2%

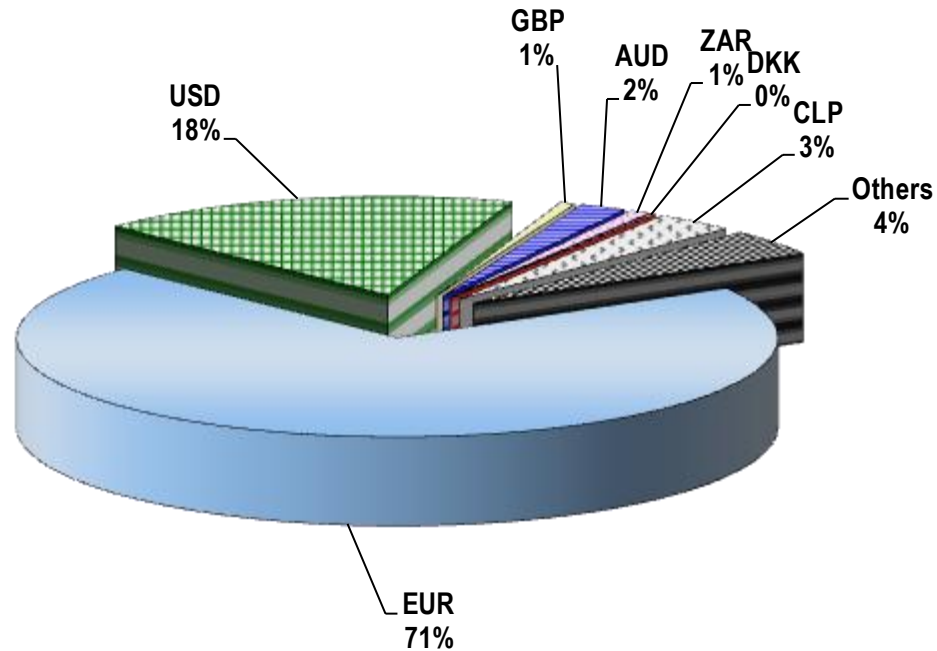
# Breakdown Sales by Geographic Areas



	2009	2010	2011
<b>European Union a)</b>	<b>59.0%</b>	<b>56.7%</b>	<b>55.4%</b>
<b>Portugal</b>	<b>5.1%</b>	<b>4.5%</b>	<b>4.9%</b>
<b>Rest of Europe</b>	<b>5.1%</b>	<b>5.9%</b>	<b>6.3%</b>
<b>USA</b>	<b>15.8%</b>	<b>16.7%</b>	<b>17.2%</b>
<b>Australasia</b>	<b>6.0%</b>	<b>6.8%</b>	<b>6.9%</b>
<b>Rest of America</b>	<b>7.1%</b>	<b>7.6%</b>	<b>7.5%</b>
<b>Africa</b>	<b>1.6%</b>	<b>1.7%</b>	<b>1.6%</b>

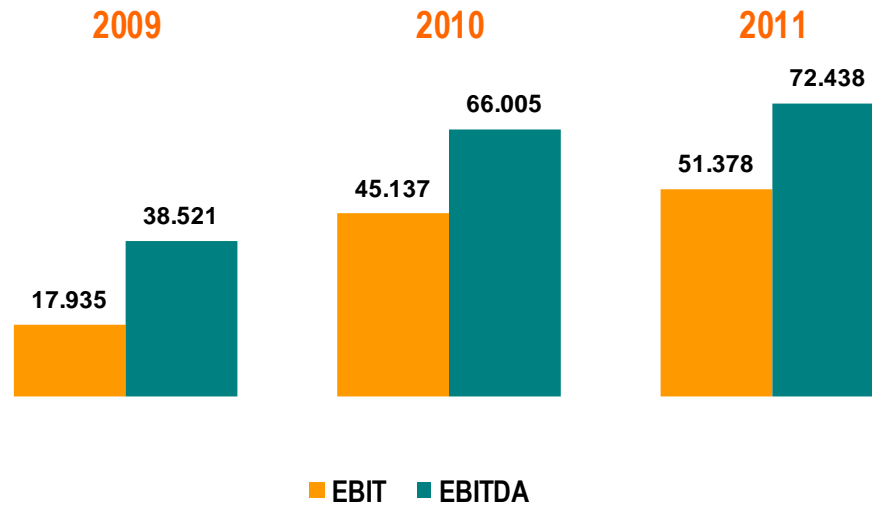
a) Includes Switzerland and Norway and excludes Portugal.

# Breakdown Sales by Currency



	2009	2010	2011
EUR	70.3%	69.5%	70.6%
USD	16.7%	18.1%	18.0%
GBP	0.7%	0.6%	0.7%
AUD	1.8%	2.1%	2.0%
ZAR	1.1%	1.1%	0.9%
DKK	1.1%	0.4%	0.2%
CLP	3.9%	4.1%	3.4%
Others	4.3%	4.1%	4.3%

# EBIT & EBITDA evolution

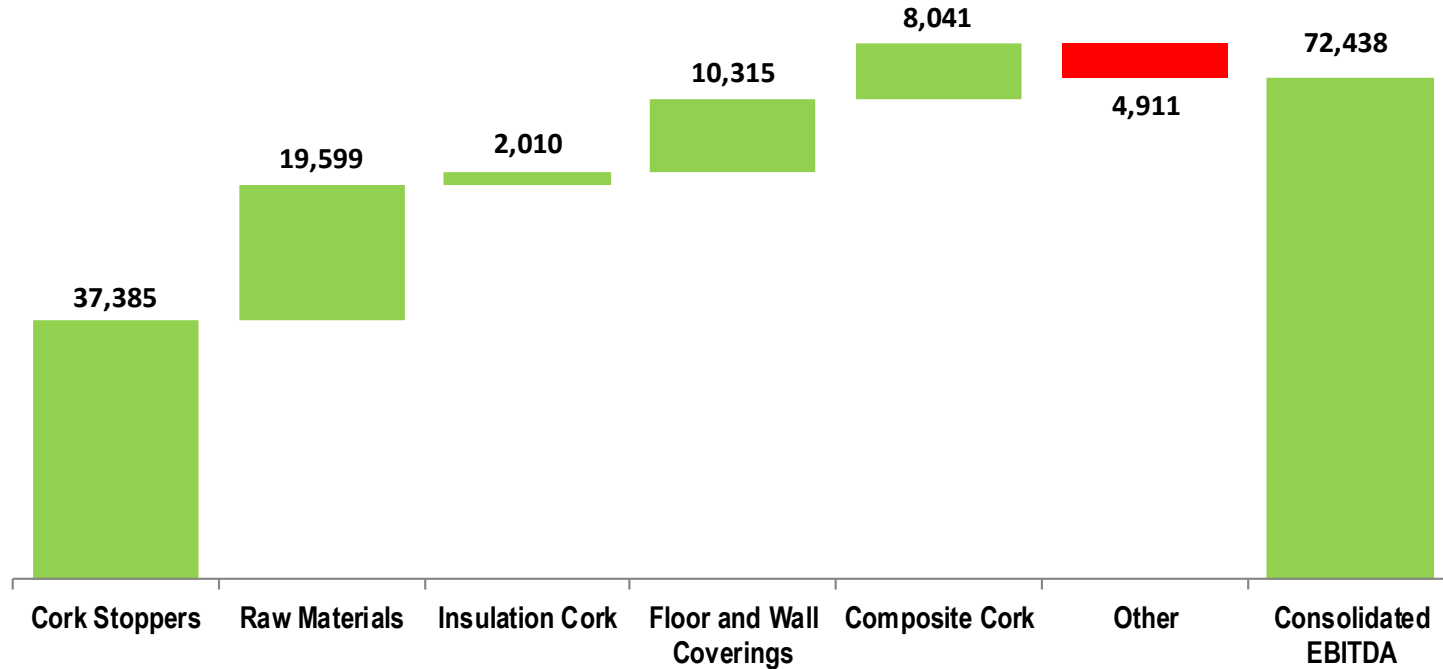


	2009	2010	2011
Gross Margin	196,907	236,830	255,007
Other operating costs (current) <sup>1</sup>	174,966	187,893	200,587
<b>EBIT</b>	<b>17,935</b>	<b>45,137</b>	<b>51,378</b>
<b>EBITDA</b>	<b>38,521</b>	<b>66,005</b>	<b>72,438</b>

<sup>1</sup> Excludes non current costs



# Breakdown EBITDA by Business Unit

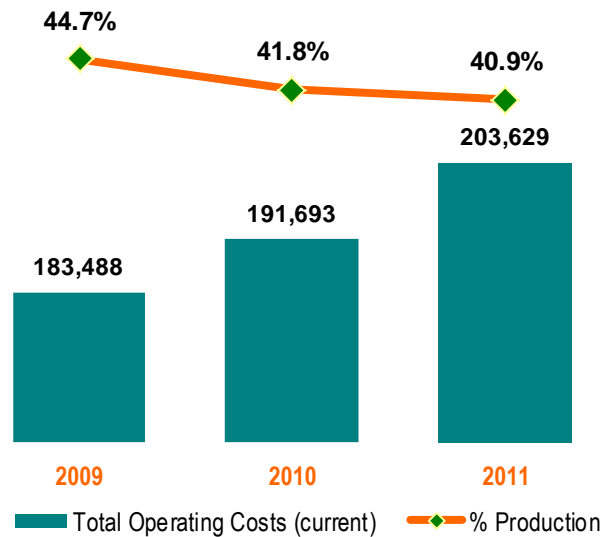


	2009	2010	2011
Raw Materials	10%	29%	25%
Cork Stoppers	71%	49%	48%
Floor and Wall Coverings	3%	9%	13%
Composite Cork	11%	10%	10%
Insulation Cork	5%	3%	3%



# Operating Costs Breakdown

Value and % (production):



	2009	2010	2011
<b>External supplies</b>	71,078	78,320	86,602
<b>Staff costs</b>	93,506	90,712	93,751
<i>Staff costs (reorganization)</i>	8,522*	3,800	3,042
<b>Depreciation</b>	20,587	20,867	21,060
<b>Provisions</b>	613	2,140	1,872
<b>Other operating expenses and profits</b>	2,297	347	-344
<b>Total Operating Costs (current)</b>	<b>183,488</b>	<b>191,693</b>	<b>203,629</b>
<b>% Production</b>	<b>44.7%</b>	<b>41.8%</b>	<b>40.9%</b>

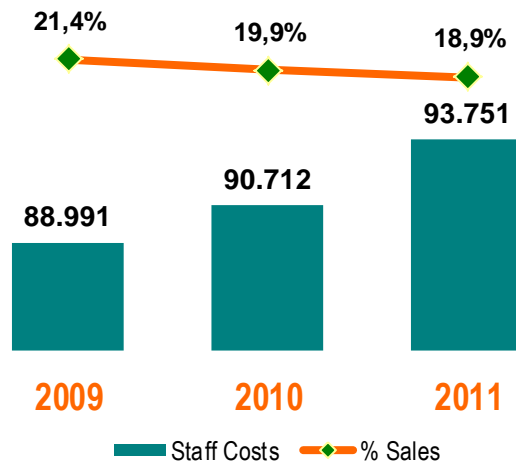
\* of which 4,515 are considered to be non current



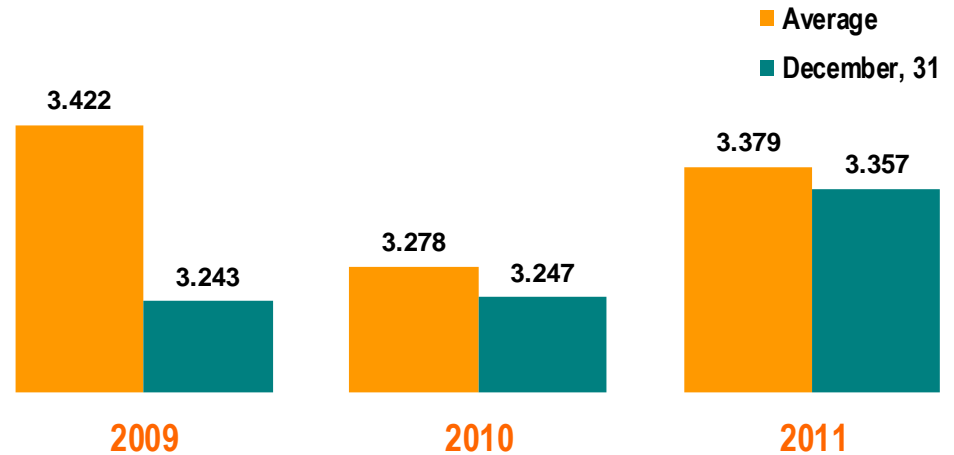
# Staff Costs \*

\* Excluding charges with reorganization

## Value and % (sales):



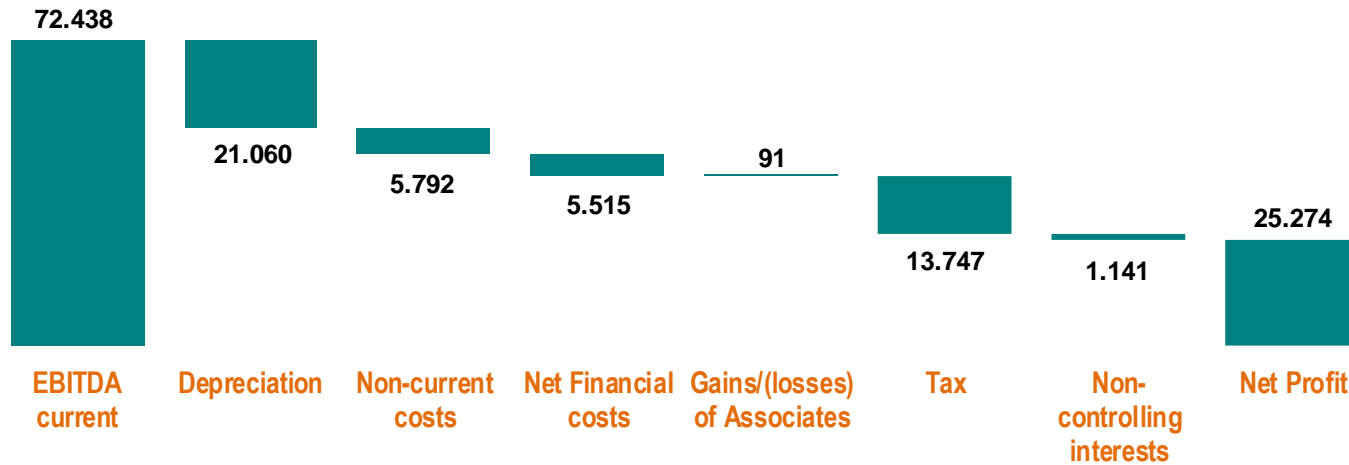
## Number of employees:



Comparison *:		%
+	Accounting Variance	3,3%
-	Exchange Rate Impact	-0,3%
-	Impact due to consolidation range	2,8%
=	Adjusted Variance	0,8%

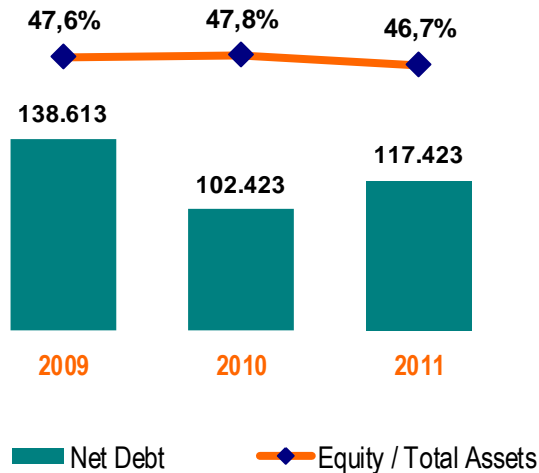
\* Staff Costs variance: FY11 vs FY10

# Net Profit



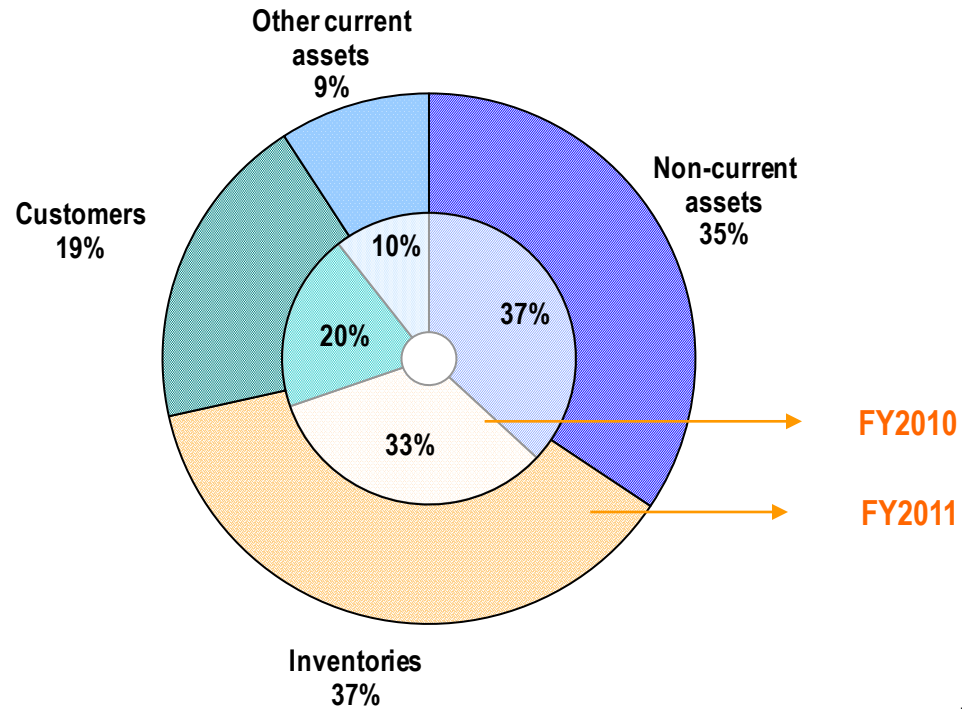
	2009	2010	2011
EBIT current	13,420	45,137	51,378
Interest	5,694	4,164	5,515
Restructuring costs	4,515	5,110	5,792
(loss)/profit of associates	381	350	91
EBT	8,106	36,214	40,162
Tax	2,204	14,461	13,747
Minority interests	791	1,218	1,141
<b>Net Profit</b>	<b>5,111</b>	<b>20,535</b>	<b>25,274</b>

## Net debt and Equity/ Total Assets:



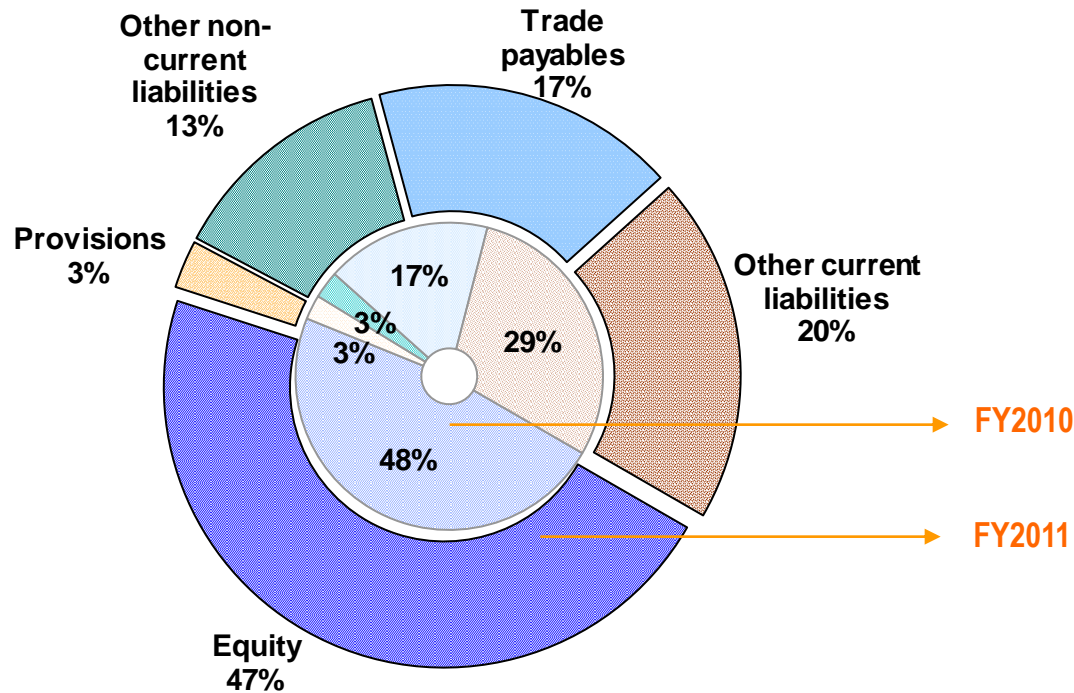
	2009	2010	2011
Net Debt	138,613	102,423	117,423
Equity and Minority interests	249,845	268,545	282,292
EBITDA / Interest	7.4	28.4	22.0
Net Debt / EBITDA	3.60	1.55	1.62
Equity / Total Assets	47.6%	47.8%	46.7%
Gearing	55.5%	38.1%	41.6%

# Total Assets



	2009	2010	2011
Non-current assets	219,353	206,973	207,869
Inventories	174,789	184,798	224,922
Customers	98,584	110,311	116,758
Other current assets	32,004	59,684	55,504
<b>Total Assets</b>	<b>524,730</b>	<b>561,766</b>	<b>605,053</b>
Capex	16,043	16,684	25,914

# Equity and Liabilities



	2009	2010	2011
Equity	249,845	268,545	282,292
Provisions	4,581	14,557	16,700
Other non-current liabilities	100,858	16,133	79,092
Trade payables	74,601	97,778	105,939
Other current liabilities	94,845	164,753	121,030
<b>Total Liabilities</b>	<b>274,885</b>	<b>293,221</b>	<b>322,761</b>

# Consolidated Statement of Financial Position

	December 2011	December 2010
<b>Non-current assets</b>	<b>207,869</b>	<b>206,973</b>
<b>Current assets</b>		
Inventories	224,922	184,798
Other current assets	172,262	169,995
<b>Total current assets</b>	<b>397,184</b>	<b>354,793</b>
<b>Total Assets</b>	<b>605,053</b>	<b>561,766</b>
<b>Equity (M. I. included)</b>	<b>282,292</b>	<b>268,545</b>
<b>Non-current liabilities</b>		
Bank borrowings	62,464	14,239
Other non-current liabilities	33,328	21,699
<b>Total non-current liabilities</b>	<b>95,792</b>	<b>35,938</b>
<b>Current liabilities</b>		
Bank borrowings	76,641	121,496
Other current liabilities	150,328	135,787
<b>Total current liabilities</b>	<b>226,969</b>	<b>257,283</b>
<b>Total Liabilities and Equity</b>	<b>605,053</b>	<b>561,766</b>

# Key Figures

	2011	2010	Variation	4Q11	4Q10	Variation	
Sales	494,842	456,790	8.3%	114,750	109,522	4.8%	
Gross Margin – Value	255,007	236,830	7.7%	58,965	61,445	-4.0%	
	1)	51.2%	51.6%	-0.45 p.p.	51.7%	50.6%	+1.1 p.p.
Operating Costs - current	203,629	191,691	6.23%	51,885	53,137	-2.36%	
EBITDA - current	72,437	66,006	9.7%	12,824	13,937	-8.0%	
EBITDA/Sales	14.6%	14.4%	+ 0.2 p.p.	11.2%	12.7%	-1.55 p.p.	
EBIT - current	51,378	45,139	13.8%	7,080	8,308	-14.8%	
Non-current costs	2)	5,792	5,110	N/A	29	1,886	N/A
Net Income	25,274	20,535	23.08%	3,839	2,808	36.72%	
Earnings per share	0.200	0.162	23.61%	0.030	0.022	38.26%	
Net Bank Debt	117,424	102,423	15,001	-	-	-	
Net Bank Debt/EBITDA (x)	4)	1.62	1.55	0.07 x	-	-	-
EBITDA/Net Interest (x)	3)	22.0	28.4	-6.41 x	16.2	28.1	-11.87 x
Equity/Net Assets	46.7%	47.8%	-1.15 p.p.	-	-	-	

1) Related to Production

2) Goodwill impairment

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





AMORIM

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

Rua de Meladas, nº 380  
P.O. Box 20  
4536-902 MOZELOS VFR  
PORTUGAL

Tel.: +351 22 747 54 00  
Fax: +351 22 747 54 07

Email: [corticeira.amorim@amorim.com](mailto:corticeira.amorim@amorim.com)  
[www.corticeiraamorim.com/en](http://www.corticeiraamorim.com/en)