

## **Sales of CORTICEIRA AMORIM increase by 9%**

### **HIGHLIGHTS:**

- CORTICEIRA AMORIM posts profit of 5.8 M€ in Q1
- EBITDA amounts to 18.7 M€
- Sales growth in the two main Business Units

**Mozelos, May 18, 2012** - The first quarter of 2012 (1Q12) proved to be very positive for CORTICEIRA AMORIM, both in terms of sales and profitability.

The growth of the wine market as well as the increase in CORTICEIRA AMORIM's market share and the opening up and development of new markets for floor and wall coverings were important contributory factors to that growth.

Consolidated sales amounted to 131.3 million Euros (M€), an increase of about 11 M€ (+ 9%) compared to the same quarter in 2011. This led to an increase in EBITDA to 18.7 M€ in 1Q12, up 9.7% compared with 1Q11.

Net income for the first quarter 2012 amounted to 5.8 M€, which represents an increase of 11.8% compared to 5.2 M€ in the same quarter last year.

Almost every Business Unit (BU) contributed to boost business growth, although the sales performance of the two largest Business Units deserves a special mention. In fact, the sales increase in both the Cork Stoppers BU (+7.2%) and the Floor and Wall Coverings BU (+14.8%) contributed decisively to a positive trend in consolidated sales.

The equity to total assets ratio rose to 46.5% as at March 31, 2012.

## Business Units increase sales

### **Raw Materials BU**

First quarter sales increased by about 19% as compared to 1Q11. Sales to the chain value of the Group jumped by 17% in Q1 of 2012. This performance of the Raw Materials BU is the result of the manufacture of high quantities of cork acquired in 2011 as well as an enhanced integration into the production cycle of CORTICEIRA AMORIM.

### **Cork stoppers BU**

With a total of 76.5 M€ (+7.2%) in 1Q12, the sales of the Cork Stoppers BU maintained a growth pace similar to that observed in recent quarters. This was the result of the growth of the wine market as well as the increase in CORTICEIRA AMORIM's market share.

The contribution of natural cork wine stoppers to this increase continues to be relevant (+10.7%). The sales of this premium product accounted for more than 40% of total sales of cork closures in 1Q12.

The sales increase in the Cork Stoppers BU was to a great extent due to the positive behaviour of its two most important markets, i.e. France (+7.2%) and the USA (+10.4%).

### **Floor and Wall Coverings BU**

This BU reported a significant growth in sales (33.3 M€: +14.8%). The increase in the sales of both manufactured products and trade products - in particular, wood veneered floor and wall coverings - neared the total sales of this BU. The inclusion of Timberman in the consolidation scope of CORTICEIRA AMORIM from 3Q11 had a positive effect on 1Q12 performance.

The rise in sales resulted mainly from an increase in the quantities of products sold. Both manufactured products and wood veneered floor and wall coverings recorded increases in their gross margins.

The new markets in North America, Eastern Europe and China were responsible for the sales growth in this BU.

### **Cork Composites BU**

1Q12 sales of the Cork Composites BU increased slightly, reaching 22.6 M€ (+1.3%). However, sales to end users grew about 5%, a reflection of a greater strength of foreign markets.

Sales of cork composites to the building industry, especially to the U.S. market, recorded a positive growth.

### **Insulation Cork BU**

The sales of the Insulation Cork BU remained at roughly the same level as in 1Q11 (2.4 M€: -1.2%). The start of the financial year was greatly affected by the postponement of projects. The French and Italian markets - the most important markets for this BU - showed a decrease which, by itself, justifies the dropping sales numbers in this BU.

Some recovery was felt in March 2012 and even in April 2012, suggesting a possible reversal of the trend recorded in 1Q12.

## **Highlights**

	1Q12	1Q11	Increase
Sales	131,276	120,416	9.0%
EBITDA	18,728	17,079	9.7%
EBIT	13,207	11,557	14.3%
Net profit (attributable to shareholders)	5,761	5,153	11.8%
Equity to total assets ratio	46.5%	45.7%	+0,8 pp

Unaudited figures (in thousand of Euros)



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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 Euro 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 correct utilisation of these important forests that are home to several endangered species throughout the region. We encourage you to learn more by visiting informative websites such as [www.amorim.com](http://www.amorim.com) and [www.corkfacts.com](http://www.corkfacts.com)

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

Public company

Edifício Amorim I

Rua de Meladas, n.º 380

4536-902 MOZELOS VFR

PORTUGAL

Share capital: € 133,000,000,00

A company incorporated in Santa Maria da Feira - Portugal

Registration number and corporation tax ID number: PT 500 077 797

# AMORIM