



**AMORIM**

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

**Consolidated results**

**September 30, 2012**

# Summary

## Consolidated results

- Highlights
- Consolidated key indicators

## Raw Materials

- Key indicators
- Highlights

## Cork Stoppers

- Key indicators
- Highlights

## Floor & Wall Coverings

- Key indicators
- Highlights

## Cork Composites

- Key indicators
- Highlights

## Insulation Cork

- Key indicators
- Highlights

## Appendices

- Consolidated indicators

# Consolidated results

- Highlights
- Consolidated key indicators

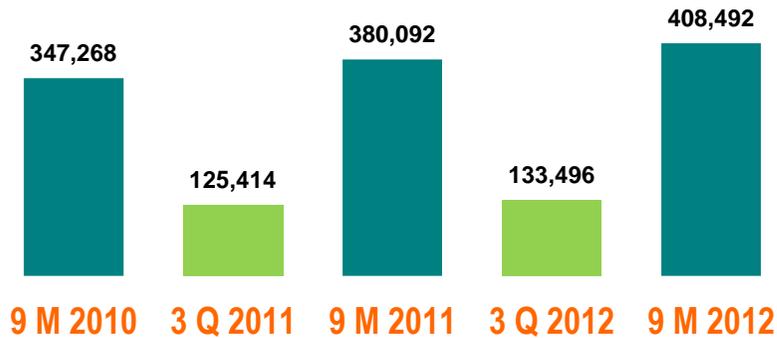
Unit: thousands of euros

# Highlights

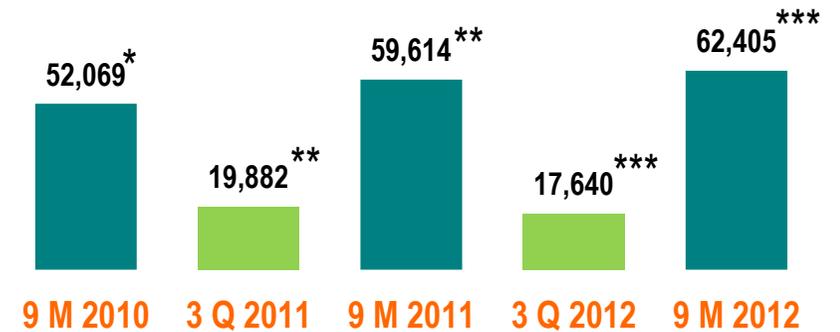
- ❑ September YTD sales (9M12) reached 409 million euros (M€), up 29M€ (7.5%), like-for-like sales (without Trefinos), up 5.5% (6M12: 8.0%);
- ❑ Q3 12 like-for-like sales up 0.5%;
- ❑ All Business Units (BU) recorded a strong decrease of sales during the month of September;
- ❑ Non-current costs: 4.6 M€ (impairments: goodwill North Africa 2M€, Montijo land 1M€, Argentina TVA receivable 1.6M€);
- ❑ Current EBITDA (62.4M€ = 15.3% of sales) and current EBIT (47.3M€) up 4,7% and 6,7% from same period 2011;
- ❑ Net profit totalled 26.5M€, increasing 23.6% from last year comparable of 21.4M€;
- ❑ Dividends paid during second quarter reached 8.2M€; board proposal to the GSM for a Q4 distribution of free reserves of 0.095€ per share;
- ❑ Acquisition of Trefinos (15.1M€) in Q2; entry in the consolidation perimeter in Q3;
- ❑ Net debt (115.2M€) includes the effect of TFR (6.2M€) and its acquisition payment (15.1M€). Decrease of 2M€ from 2011 closing;
- ❑ Cork purchasing campaign finished with higher quantities and higher price.

# Consolidated key indicators

## Sales

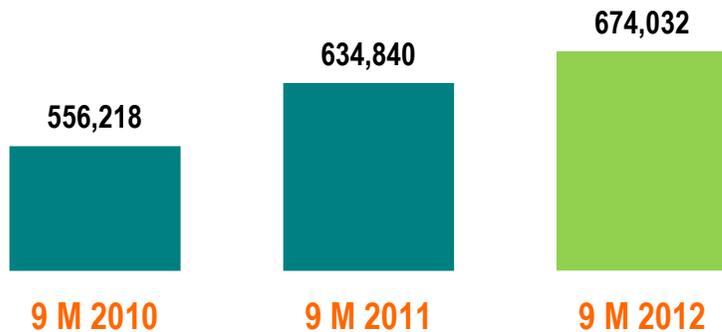


## EBITDA

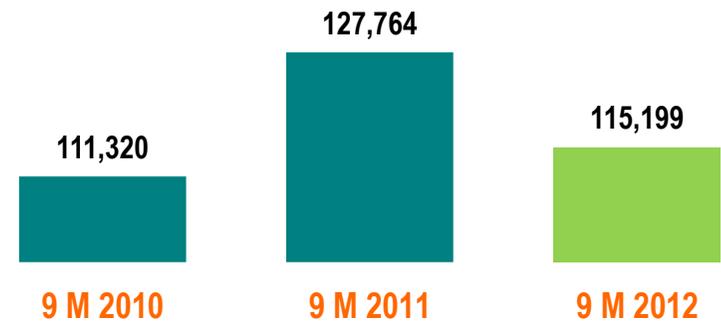


\* Excludes 3,224 K€ (3Q10: 3,224K€) due to impairment  
 \*\* Excludes 5,763 K€ (3Q11: 2,200K€) due to impairment  
 \*\*\* Excludes 4,594 K€ (2Q12: -25K€) due to impairment

## Total Assets



## Net debt





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# Highlights and key indicators by Business Unit

Unit: thousands of euros

### ☐ Procurement

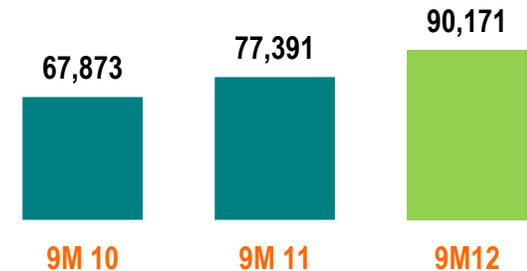
- Cork harvest for the year penalised by adverse weather conditions. Campaign with low quantities. It is expected that this event will not have adverse material effects for the 2013 results;

### ☐ Operating activity

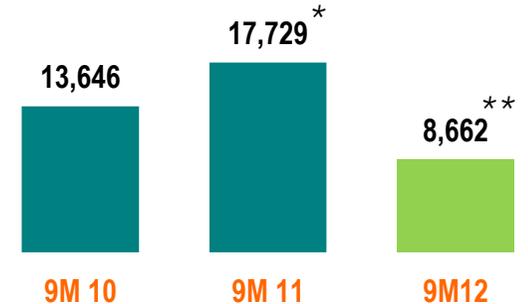
- Sales jumped 16,5%:
  - As a part of the value added chain to the Group, this BU accompanied the growth of activity of the BU's downstream, registering a 12.6% increase in sales to the chain (1S: 14%);
- EBITDA decreased to 8.7M€, from 17.7M€ in 9M11:
  - lower margins due to higher cork prices in the 2011 campaign;
  - Operating costs hit by energy and transportation rising costs.

### ☐ Write-off of North Africa Goodwill 2.0M€ (booked as non-current costs)

#### Sales



#### EBITDA (current)



\* Excludes 2,000 K€ (3Q11) due to impairment  
 \*\* Excludes 1,995 K€ (2Q12) due to impairment

# Highlights and key indicators

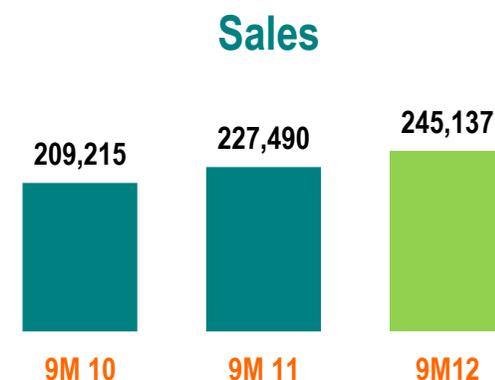


## Cork Stoppers

☐ Sales – 7.8% increase in 9M12 (245.1M€)

☐ (like-for-like increase: 9M = 4.5%; 1S = 6.6%)

- Like-for-like sales (Q3 12) very close to Q3 11, due to September sales decrease (namely in multinational customers);
- Trefinos entry in the consolidation perimeter (Q3 12);
- Like-for-like sales increase due to a volume and a positive exchange rate effect (namely USD);
- Performance by product family (without Trefinos):
  - Natural Cork Stoppers:
    - Increase of 4% justified by volume;
    - Except for the Switzerland and Spain, all markets recorded increases.
  - Champagne Cork Stoppers:
    - Decrease (1%) softened by a price increase;
  - Neutrocork®:
    - Increase of 19% justified by volume (15%);
    - All markets registered increases.
  - Twin Top®:
    - Increase of 5% justified by volume and price (exchange rate);
    - US market saw important growth.



# Highlights and key indicators



## Cork Stoppers

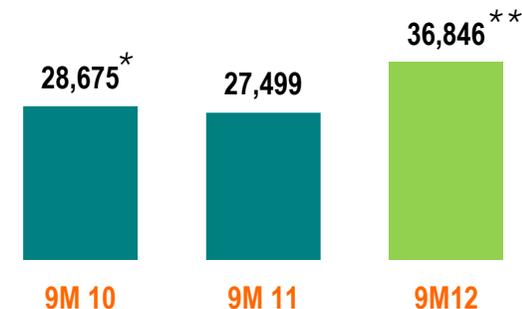
- Performance by product family (without Trefinos):
  - Markets:
    - Growth in the two main markets (France 5% and USA 12%);
    - USA sales benefits from a strong USD.
    - New approach to the Argentinean market (joint-venture with Corchos Argentina);
    - Portuguese and Australian sales increase due to new customers.

### □ Operating activity

- Percentual gross margin profits from a strong USD (average 9M12: 1.28 vs. 9M11: 1.39);
- EBITDA increased by 34%, reaching 36.8M€.

□ Impairments totalled 2.6M€ (Montijo land: 1M€ and Argentinean TVA receivable 1.6M€) (booked as non-current costs)

### EBITDA (current)



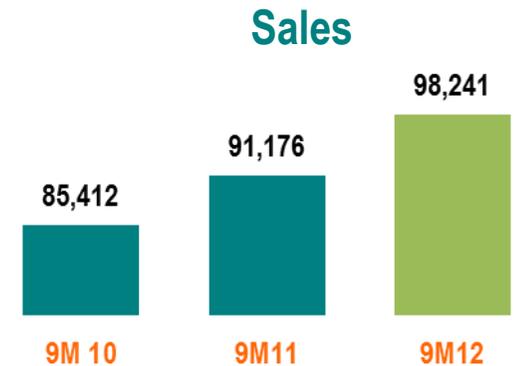
\* Excludes 1,423 K€ (3Q10) due to impairment  
\*\* Excludes 2,599 K€ (1Q12 and 2Q12) due to impairment

# Highlights and key indicators

## Floor & Wall Coverings

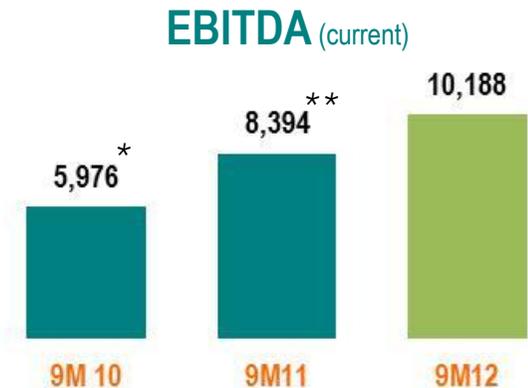
### ☐ Sales increase of 7.7% (own products: +8.2%)

- Q3 growth softening due to September activity;
- Fall-off of wood sales in Q3 (33% without Timberman);
- Good performance in North America, Eastern Europe and Asia markets;
- Sluggish main central European markets (except LVT in Germany), namely in the DIY market;
- Positive contribution from Timberman (slowly recovery cork markets in Scandinavia);
- Cork coverings growth due mainly to volume (+5.4%);
- Highlights for the LVT (+25%).



### ☐ Operating activity

- Strong increase in the percentual gross margin (49% vs. 45.5%):
  - Favourable product mix (higher weight of own finished products and Timberman entry with a higher margin);
  - Positive impact of a strong USD (in own products);
- EBITDA reached 10.2M€, higher than 8.4M€ in 9M11.



\* Excludes 1,801 K€ (3Q10) due to impairment  
 \*\* Excludes 3,563 K€ (1Q12 and 2Q12) due to impairment

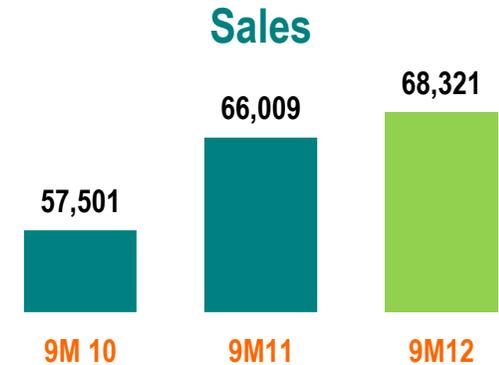


# Highlights and key indicators

## Cork Composites

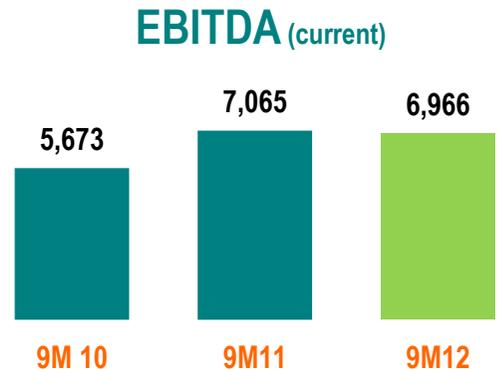
### ☐ Sales increase of 3.5% (market sales +7.1%)

- Sales increase: half part due to price and half part due to a strong USD
- Construction: fastest growing segment (+18%) with special emphasis on USA and Russia;
- Industry: most important segment with +1.4% (U.S. market: +10%);
- Sealing: flat sales benefiting from a strong USD (USA is the main market)



### ☐ Operating activity

- Percentual gross margin hit by raw-materials price increase (namely cork waste);
- EBITDA reached 7M€, almost equaling the value of 9M11;
- New press finished testing during 3Q. Delivering sales during fourth quarter





# Highlights and key indicators

## Insulation Cork

### ☐ Sales flat (+0,6%)

- Sales suffered from the postponing of a few projects;
- Sales price and exchange effect increase levelled drop in quantities sold of expanded cork agglomerate (-6%);
- Preparation for launch of MD Fachada in the international market;
- Flat sales in the main market (France) and middle East;
- Falloff of the second most important market (Italy).

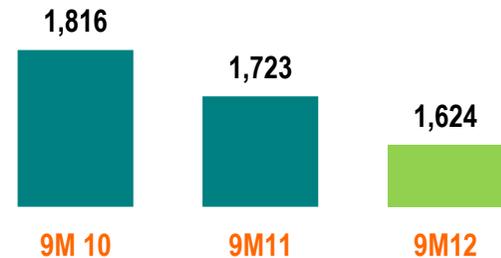
### ☐ Operating activity

- Increase in percentual gross margin (sales price increase);
- Stable EBITDA (1.6M€).

#### Sales



#### EBITDA (current)

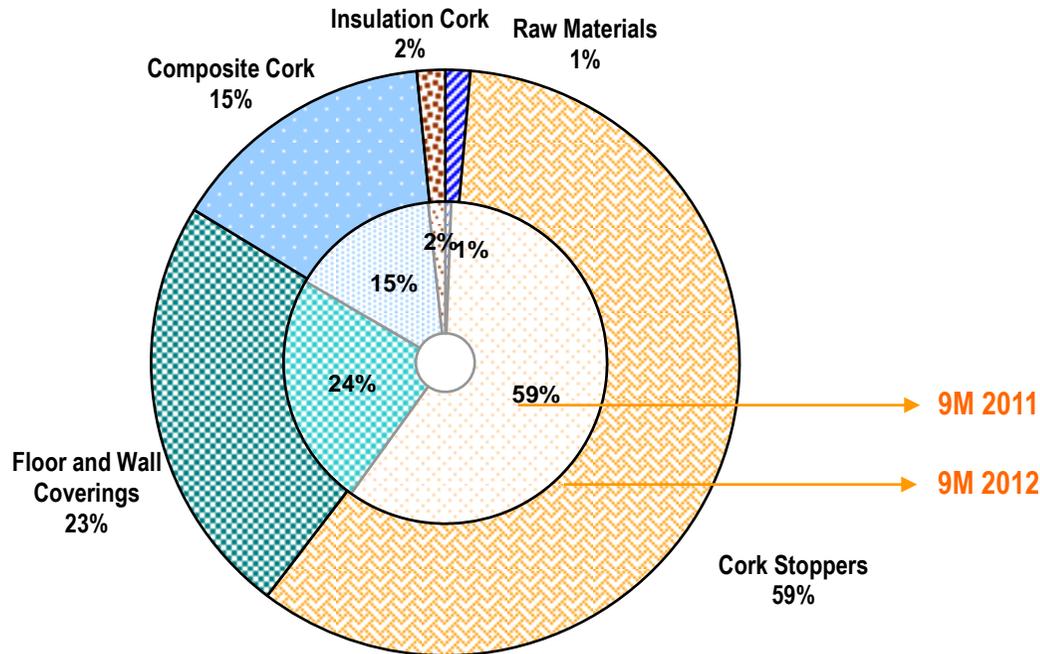


# Appendices

- Consolidated indicators

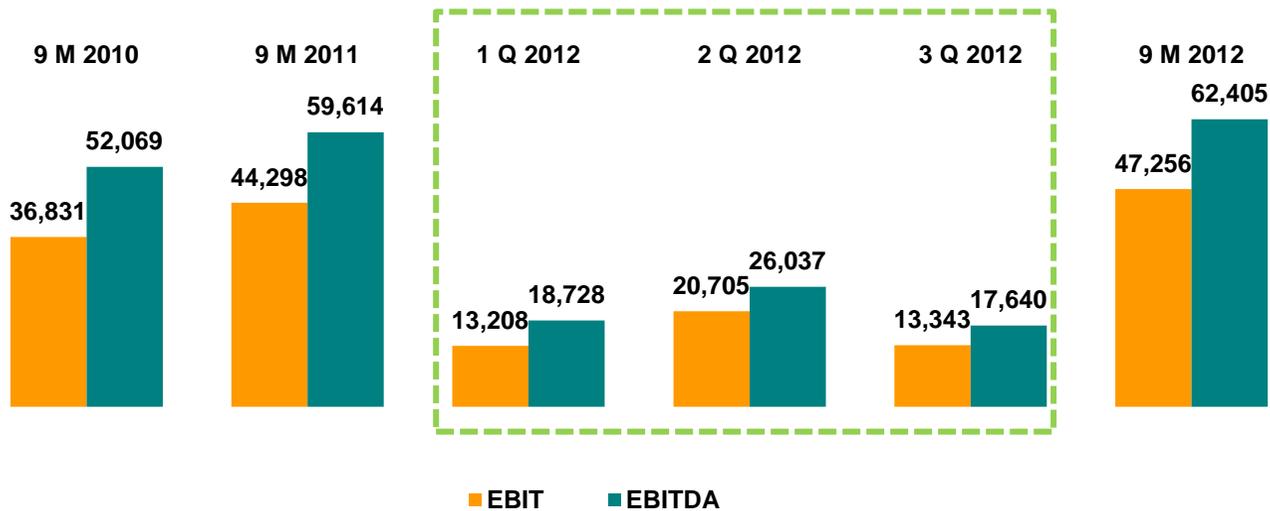
Unit: thousands of euros

# Breakdown Sales by Business Unit



	9M 2010	9M 2011	9M 2012
Raw Materials	1.0%	0.6%	1.4%
Cork Stoppers	59.0%	59.3%	59.0%
Floor and Wall Coverings	23.9%	23.5%	23.4%
Composite Cork	14.1%	14.9%	14.7%
Insulation Cork	2.0%	1.7%	1.6%

# EBIT & EBITDA evolution

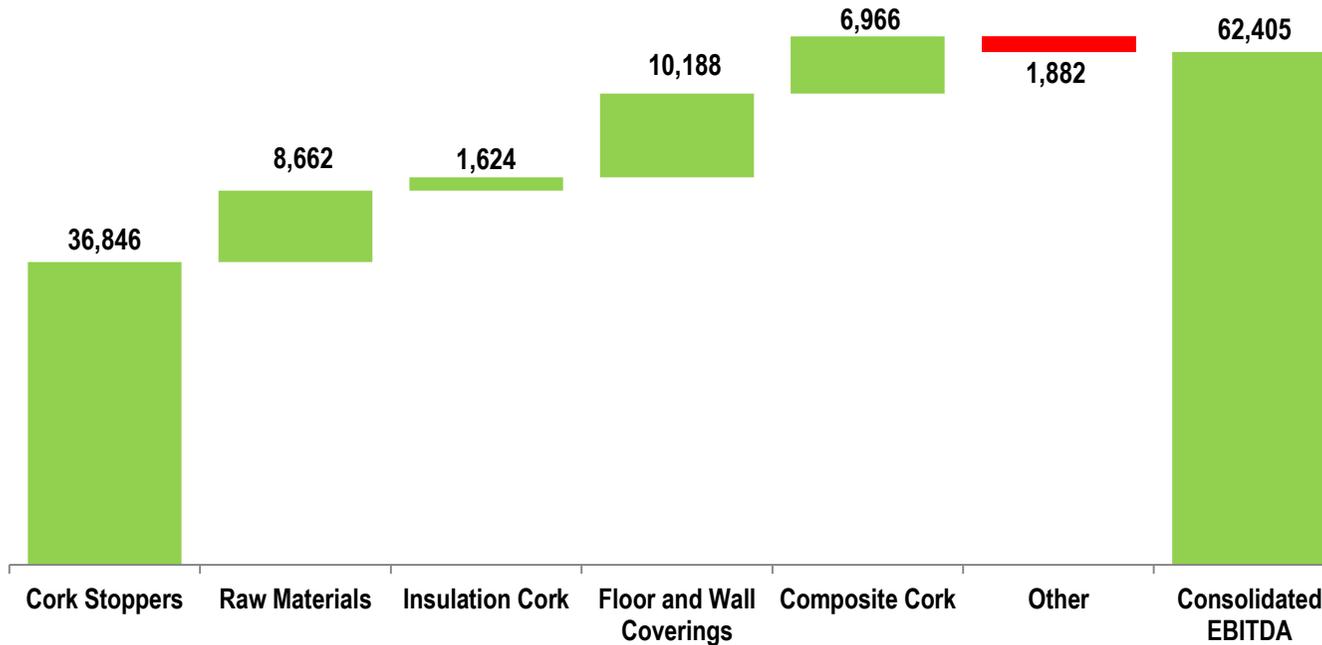


	9 M 2010	9 M 2011	1 Q 2012	2 Q 2012	3 Q 2012	9 M 2012
Gross Margin	175,385	196,043	67,856	72,453	67,457	207,765
Other operating costs (current)	135,783	150,823	54,647	51,748	54,113	160,509
<b>EBIT</b> *	36,831	44,298	13,208	20,705	13,343	47,256
<b>EBITDA</b> *	52,069	59,614	18,728	26,037	17,640	62,405

\* Excludes restructuring costs

# Breakdown EBITDA by Business Unit

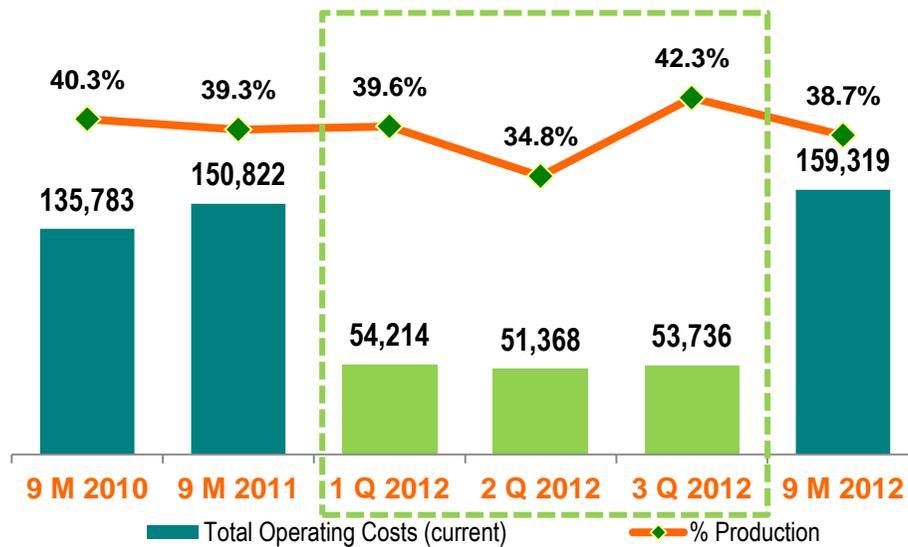
## Current EBITDA



	9 M 2010	9 M 2011	1 Q 2012	2 Q 2012	3 Q 2012	9 M 2012
Raw Materials	24%	28%	23%	7%	13%	13%
Cork Stoppers	51%	44%	48%	62%	62%	57%
Floor and Wall Coverings	11%	13%	17%	19%	10%	16%
Composite Cork	10%	11%	9%	11%	13%	11%
Insulation Cork	3%	3%	3%	2%	3%	3%

# Operating Costs Breakdown

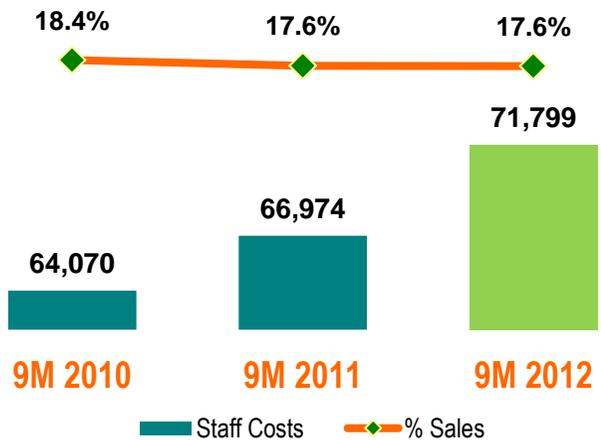
## Value and % (Production):



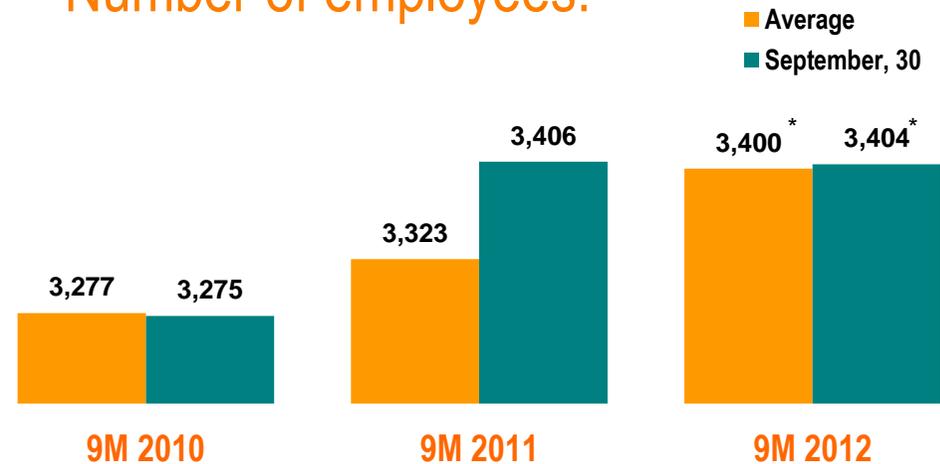
	9 M 2010	9 M 2011	1 Q 2012	2 Q 2012	3 Q 2012	9 M 2012
External supplies	58,068	65,386	22,420	23,926	23,717	70,063
Staff costs *	64,070	66,974	25,027	25,013	21,759	71,799
Depreciation	15,238	15,315	5,520	5,332	4,297	15,149
Provisions	1,919	1,477	1,180	-489	1,955	2,646
Other operating expenses and profits	3,513	-1,670	-68	2,413	-2,008	337
<b>Total Operating Costs (current)</b>	<b>135,783</b>	<b>150,822</b>	<b>54,214</b>	<b>51,368</b>	<b>53,736</b>	<b>159,319</b>
<b>% Production</b>	<b>40.3%</b>	<b>39.3%</b>	<b>39.6%</b>	<b>34.8%</b>	<b>42.3%</b>	<b>38.7%</b>

\* Excludes restructuring costs

## Value and % (sales):



## Number of employees:

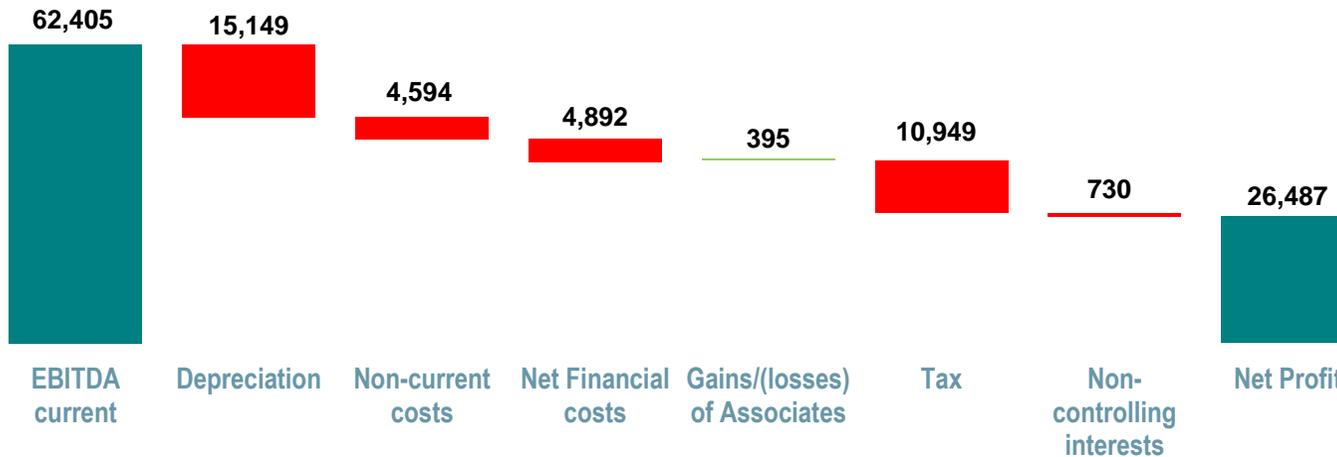


\* Employees from Trefinos are not included

Comparison*:		%
+	Accounting Variance	7.2%
-	Exchange Rate Impact	0.4%
-	Impact due to consolidation range	2.8%
-	Headcount Impact	1.2%
=	Adjusted Variance	2.7%

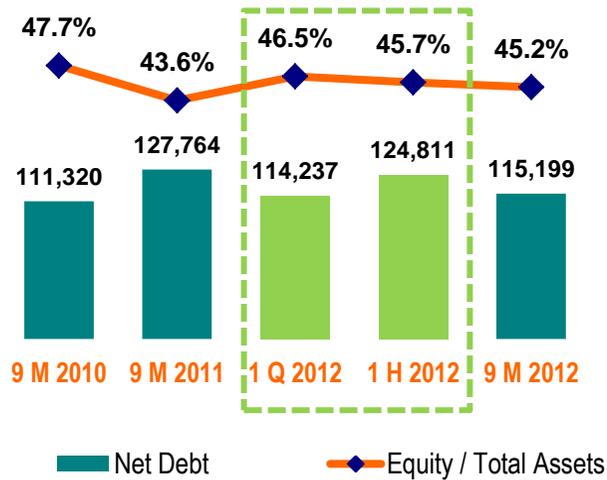
\* Staff Costs variance: 9M12 vs 9M11

# Net Profit



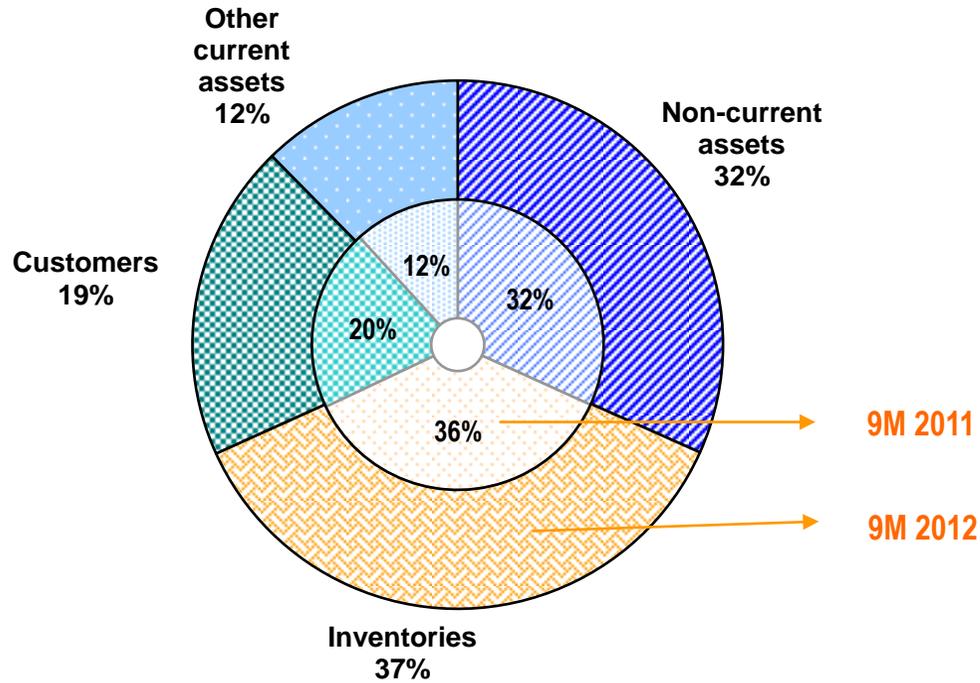
	9 M 2010	9 M 2011	1 Q 2012	2 Q 2012	3 Q 2012	9 M 2012
EBIT current	36,831	44,298	13,208	20,705	13,343	47,256
Interest	3,048	3,572	1,585	1,837	1,470	4,892
Restructuring costs	3,224	5,763	1,843	2,776	-25	4,594
(loss)/profit of associates	622	372	-5	386	14	395
EBT	31,180	35,334	9,775	16,478	11,912	38,166
Tax	12,276	13,186	3,990	4,094	2,864	10,949
Minority interests	1,178	715	25	428	276	730
<b>Net Profit</b>	<b>17,726</b>	<b>21,434</b>	<b>5,761</b>	<b>11,955</b>	<b>8,771</b>	<b>26,487</b>

## Net debt and Equity/ Total Assets:



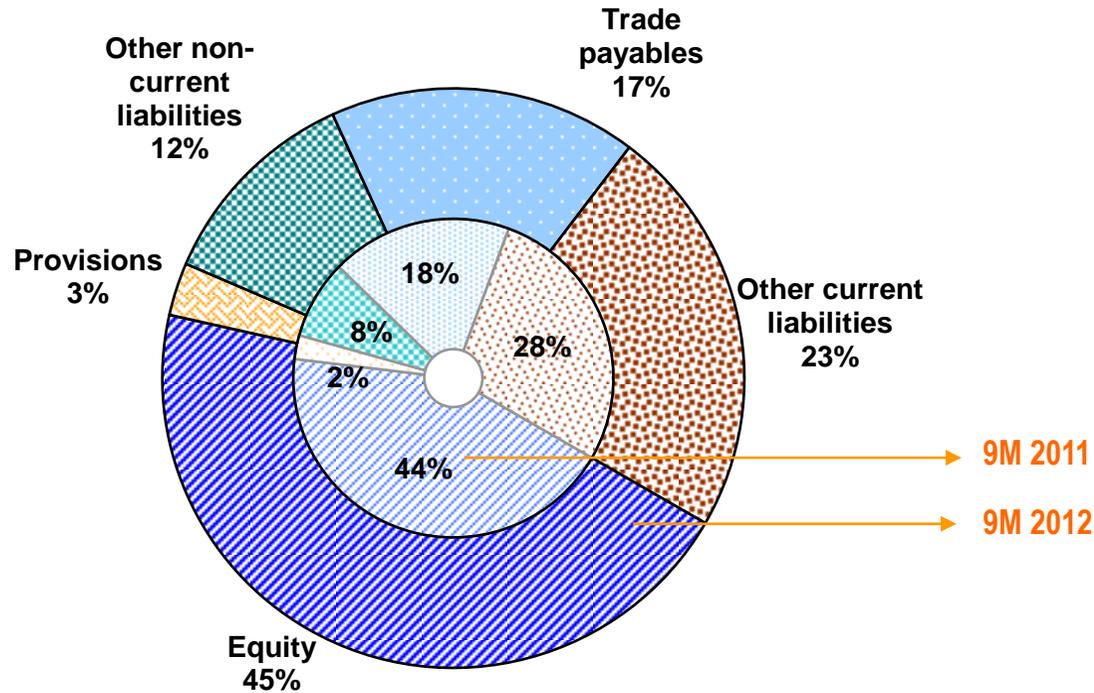
	9 M 2010	9 M 2011	1 Q 2012	1 H 2012	9 M 2012
Net Debt	111,320	127,764	114,237	124,811	115,199
Equity and Minority interests	265,549	276,720	289,133	292,883	304,494
EBITDA / Interest	28.4	34.7	16.3	17.8	16.3
Equity / Total Assets	47.7%	43.6%	46.5%	45.7%	45.2%
Gearing	41.9%	46.2%	39.5%	42.6%	37.8%

# Total Assets



	9M10	9M11	9M12
Non-current assets	210,582	201,835	213,584
Inventories	184,998	229,717	246,350
Customers	116,058	128,778	130,916
Other current assets	44,580	74,510	83,182
<b>Total Assets</b>	<b>556,218</b>	<b>634,840</b>	<b>674,032</b>
Capex	11,006	17,230	13,597

# Equity and Liabilities



	9M10	9M11	9M12
Equity	265,549	276,720	304,494
Provisions	5,247	15,334	19,862
Other non-current liabilities	16,356	50,638	79,165
Trade payables	98,799	116,327	115,521
Other current liabilities	170,267	175,821	154,990
<b>Total Liabilities</b>	<b>290,669</b>	<b>358,119</b>	<b>369,538</b>

# Consolidated Statement of Financial Position

	September 2012	December 2011	September 2011
<b>Non-current assets</b>	<b>213,584</b>	<b>207,869</b>	<b>201,835</b>
<b>Current assets</b>			
Inventories	246,350	224,922	229,717
Other current assets	214,098	172,261	203,287
<b>Total current assets</b>	<b>460,448</b>	<b>397,183</b>	<b>433,004</b>
<b>Total Assets</b>	<b>674,032</b>	<b>605,053</b>	<b>634,840</b>
<b>Equity (M. I. included)</b>	<b>304,494</b>	<b>282,292</b>	<b>276,720</b>
<b>Non-current liabilities</b>			
Bank borrowings	63,812	62,464	43,599
Other non-current liabilities	35,215	33,328	22,373
<b>Total non-current liabilities</b>	<b>99,027</b>	<b>95,792</b>	<b>65,972</b>
<b>Current liabilities</b>			
Bank borrowings	92,592	76,641	116,638
Other current liabilities	177,919	150,328	175,510
<b>Total current liabilities</b>	<b>270,511</b>	<b>226,969</b>	<b>292,148</b>
<b>Total Liabilities and Equity</b>	<b>674,032</b>	<b>605,053</b>	<b>634,840</b>

# Key Figures

	9M12	9M11	Variation	3Q12	3Q11	Variation	
Sales	408,492	380,092	7.5%	133,496	125,414	6.4%	
Gross Margin – Value	207,765	196,042	6.0%	67,457	62,077	8.7%	
	1)	50.5%	51.1%	-0.58 p.p.	53.1%	50.0%	+3.1 p.p.
Operating Costs - current	160,510	151,744	5.78%	54,115	46,227	17.06%	
EBITDA - current	62,404	59,613	4.7%	17,639	19,881	-11.3%	
EBITDA/Sales	15.3%	15.7%	-0.41 p.p.	13.2%	15.9%	-2.64 p.p.	
EBIT - current	47,255	44,298	6.7%	13,342	15,850	-15.8%	
Non-current costs	2)	4,594	5,763	N/A	-25	2,200	N/A
Net Income	26,487	21,434	23.57%	8,770	7,619	15.11%	
Earnings per share	0.210	0.170	23.57%	0.069	0.060	15.11%	
Net Bank Debt	115,199	127,764	-12,565	-	-	-	
Net Bank Debt/EBITDA (x)	4)	1.53	1.66	-0.13 x	-	-	-
EBITDA/Net Interest (x)	3)	16.32	23.75	-7.43 x	13.55	19.55	-6.01 x
Equity/Net Assets	45.2%	43.6%	+1.59 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

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