Annual Report and Accounts **2012**

AMORIM

CHAIRMAN'S MESSAGE

In 2012, the world economy was affected by a climate of great uncertainty and instability. While the US economy grew 2.3% and registered notable progress in key areas such as investment, job creation and real estate, the Eurozone sovereign debt crisis worsened, resulting in an estimated 0.5% contraction in gross domestic product. A combination of restrictive fiscal policies, rising unemployment, credit access difficulties and capital flight to lower risk countries deepened recession in southern European, while the resulting instability and lower levels of confidence hit growth in northern Europe.

Given that the European economy still represents about 60% of **Corticeira Amorim**'s sales, the recession in the second half of the year inevitably affected the company's performance. It was only by continuing to gain market share in European markets and expanding business in regions not affected by the European virus that **Corticeira Amorim** was able to soften the impact of this recession on the company.

In recent years, wine consumption has consistently increased in these new markets, more than offsetting the downturn in European consumption. The US market has become particularly important, undergoing a complete revolution in consumption patterns over the past few years that has made the country the world's largest wine market. The US is now the largest single market for **Corticeira Amorim**'s product range. For cork stoppers, floor and wall coverings and composite agglomerates, the US is now one of the Group's leading export destinations.

Corticeira Amorim's growth in sales over 12 consecutive quarters is not only the result of gaining bigger shares of the cork stopper market, due, especially, to a continuing fall in plastic closure sales. New cork-based applications are brought out every year. An already vast network of sales companies and agents is winning over, and holding onto, an increasing range of diversified markets. From construction to real estate, and transport to aeronautics, the indisputable added value provided by Amorim cork solutions has gained widespread recognition.

In 2012, **Corticeira Amorim** exceeded €500 million in sales for the first time, an achievement that gains even greater significance given the Group's simultaneous increase in operating efficiency.

Two important developments during the year deserve special mention:

- the company's largest ever acquisition: 90.91% of Trefinos, S.L., a holding company that owns six firms in Spain, France and Italy that produce and market champagne and sparkling wine stoppers;

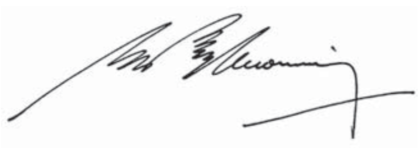
- the selection of cork produced by **Corticeira Amorim** as the distinctive decorative element of the Serpentine Gallery Pavilion in London, a feature of the world's most ambitious architectural program of its type, now in its 12th edition, and coordinated in 2012 by the renowned architectural firm of Herzog & de Meuron and the Chinese artist Ai Weiwei. A stage for countless cultural and social events throughout the summer of 2012, the Pavilion became an incomparable showcase for cork as a natural, versatile and sophisticated material with a boundless range of applications. The impact of this project, which was extensively covered by the media, has been extremely positive for the reputation and international image of both cork and **Corticeira Amorim**, helping to lift demand for the Group's products.

The 2013 financial year is crowded with uncertainties, but also full of hope. The constant factor underlying everything undertaken by all those representing **Corticeira Amorim** will be a continuous effort to improve our business, the service we provide and our results.

On behalf of the Board of Directors, I would like express our appreciation and gratitude to our clients and shareholders for the trust they place in us; to the wide range of organisations with which we interact for their support; and to our employees for their professionalism and dedication.

Finally, a word of affectionate recognition for Américo Ferreira de Amorim who, this year, celebrated his 60th year in the business. His life has been dedicated to fostering and nurturing the cork business and to developing **Corticeira Amorim**. His example continues to inspire us all.

Cordially,



António Rios de Amorim

BOARD MEMBERS

BOARD OF DIRECTORS

António Rios Amorim
Chairman

Nuno Filipe Vilela Barroca de Oliveira
Vice-Chairman

Fernando José de Araújo dos Santos Almeida
Member

Cristina Rios de Amorim Baptista
Member

Juan Ginesta Viñas
Member

Jorge Manuel Seabra de Freitas
Member

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Joaquim Taveira da Fonseca
Chairman

Tiago Borges Pinho
Secretary

SUPERVISORY BOARD

Durval Ferreira Marques
Chairman

Joaquim Alberto Hierro Lopes
Member

Gustavo José de Noronha da Costa Fernandes
Member

Alberto Manuel Duarte de Oliveira Pinto
Substitute Member

STATUTORY AUDITOR

Pricewaterhousecoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda, represented by **José Pereira Alves** (ROC) or by **António Joaquim Brochado Correia** (ROC)
Auditor

Hermínio António Paulos Afonso (ROC)
Substitute

As of December 31, 2012.

ORGANIZATIONAL CHART

AMORIM NATURAL CORK

RAW MATERIALS

Amorim Florestal, S.A.

Procurement

Amorim Florestal, S.A.
Ponte de Sôr – Portugal

Amorim Florestal, S.A.
Coruche – Portugal

Amorim Florestal, S.A.
Abrantes – Portugal

Amorim Florestal, S.A. Ind. Unit Salteiros
Ponte de Sôr – Portugal

Amorim Florestal España, S.L
Algeciras – Spain

Amorim Florestal España, S.L.
San Vicente de Alcántara – Spain

Amorim Florestal Mediterrâneo, S.L.
San Vicente de Alcántara - Spain

Comatral – Compagnie Marocaine de Transformation du Liège, S.A.
Skhirat – Morocco

S.N.L. – Societé Nouvelle du Liège, S.A.
Tabarka – Tunisia

S.I.B.L. – S.A.R.L.
Jijel – Algeria

CORK STOPPERS

Amorim & Irmãos, S.G.P.S., S.A.

Production

Amorim & Irmãos, S.A.
Santa Maria de Lamas – Portugal

Amorim & Irmãos, S.A
Ind. Unit Raro
Vergada – Portugal

Amorim & Irmãos, S.A
Ind. Unit Valada
Valada – Portugal

Amorim & Irmãos, S.A
Ind. Unit Coruche
Coruche – Portugal

Amorim & Irmãos, S.A.
Ind. Unit Champanhe
Santa Maria de Lamas – Portugal

Amorim & Irmãos, S.A.
Ind. Unit Portocork
Santa Maria de Lamas – Portugal

Amorim & Irmãos, S.A.
Ind. Unit Salteiros
Ponte de Sôr – Portugal

Francisco Oller, S.A.
Girona – Spain

Trefinos, S.L.
Girona - Spain

Agglotap S.A.
Girona - Spain

Augusta Cork, S.L.
San Vicente de Alcántara – Spain

Distribution

Amorim & Irmãos, S.A.
Ind. Unit Distribuição
Santa Maria de Lamas – Portugal

Amorim Australasia
Adelaide – Australia

Amorim Cork Italia, S.p.A.
Conegliano – Italy

Amorim Cork Deutschland, GmbH
Bingen am Rhein – Germany

Amorim Cork Bulgaria, EOOD
Sofia – Bulgary

Amorim Cork America, Inc.
Napa Valley, CA – USA

Amorim France, S.A.S.
Eysines, Bordeaux – France

Amorim France S.A.S.
Ind. Unit. Sobefi
Cognac – France

Amorim France S.A.S.
Ind. Unit. Champfleury
Champfleury – France

Victor y Amorim, S.L.
Navarrete (La Rioja) – Spain

Hungarokork Amorim, Rt.
Veresegyház – Hungary

Korken Schiesser, GmbH
Viena – Austria

Amorim Argentina, S.A.
Buenos Aires – Argentina

Portocork America, Inc.
Napa Valley, CA – USA

Amorim Cork South Africa (PTY) Ltd.
Cidade do Cabo – South Africa

Industria Corchera, S.A.
Santiago – Chile

Société Nouvelle des Bouchons Trescases, S.A.
Le Boulou – France

I.M. «Moldamorim», S.A.
Chisinau – Moldavia

Amorim Cork Beijing, Ltd.
Pequim – China

S.A. Oller et Cie
Reims – France

Corchos de Argentina, S.A.
Mendoza - Argentina

Sagrera et Cie
Reims - France

Trefinos Italia SRL
Treviso – Italy

Bouchons Prioux S.A.R.L.
Epernay - France

Amorim Cork España S.L.
San Vicente de Alcántara – Spain

AMORIM CORK RESEARCH

R&D, INNOVATION

Amorim Cork Research & Services, Lda.
Mozelos – Portugal

AMORIM CORK COMPOSITES

COMPOSITE CORK

Amorim Cork Composites, S.A.

- **Amorim Cork Composites, S.A.**
  Mozelos – Portugal
- **Amorim Cork Composites, S.A.**
  Corroios – Portugal
- **Drauvil Europea, S.L.**
  San Vicente de Alcántara – Spain
- **Corticeira Amorim France, S.A.S.**
  Lavardac – France
- **Chinamate (Xi'an) Natural Products Co. Ltd.**
  Xi'an – China
- **Amorim Cork Composites, Inc.**
  Trevor, WI – USA
- **Amorim (UK) Limited**
  West Sussex – United Kingdom
- **Dyn Cork – Technical Industry, Lda.**
  Paços de Brandão – Portugal
- **Amorim Industrial Solutions Imobiliária, S.A.**
  Corroios – Portugal

FLOOR AND WALL COVERINGS

Amorim Revestimentos, S.A.

Production

- **Amorim Revestimentos, S.A.**
  S. Paio de Oleiros – Portugal
- **Amorim Revestimentos, S.A.**
  Lourosa – Portugal

Distribution

- **Amorim Benelux B.V.**
  Tholen – Netherlands
- **Amorim Deutschland GmbH & Co. KG**
  Delmenhorst – Germany
- **Amorim Flooring Austria GmbH**
  Viena – Austria
- **Amorim Flooring Nordic A/S**
  Greve – Denmark
- **Amorim Flooring (Switzerland) AG**
  Zug – Switzerland
- **Amorim Revestimientos, S.A.**
  Barcelona – Spain
- **Dom Korkowy, Sp. Zo.o**
  Cracóvia – Poland
- **Amorim Flooring North America**
  Hanover, MD – USA
- **Cortex Korkvertriebs GmbH**
  Fürth – Germany
- **US Floors Inc.**
  Dalton, GA – USA
- **Timberman Denmark A/S**
  Hadsund – Denmark

INSULATION CORK

Amorim Isolamentos, S.A.

Distribution

- **Amorim Isolamentos, S.A.**
  Mozelos – Portugal
- **Amorim Isolamentos, S.A.**
  Silves – Portugal
- **Amorim Isolamentos, S.A.**
  Vendas Novas – Portugal

WORLDWIDE PRESENCE

296
Key distribution players

84
Companies

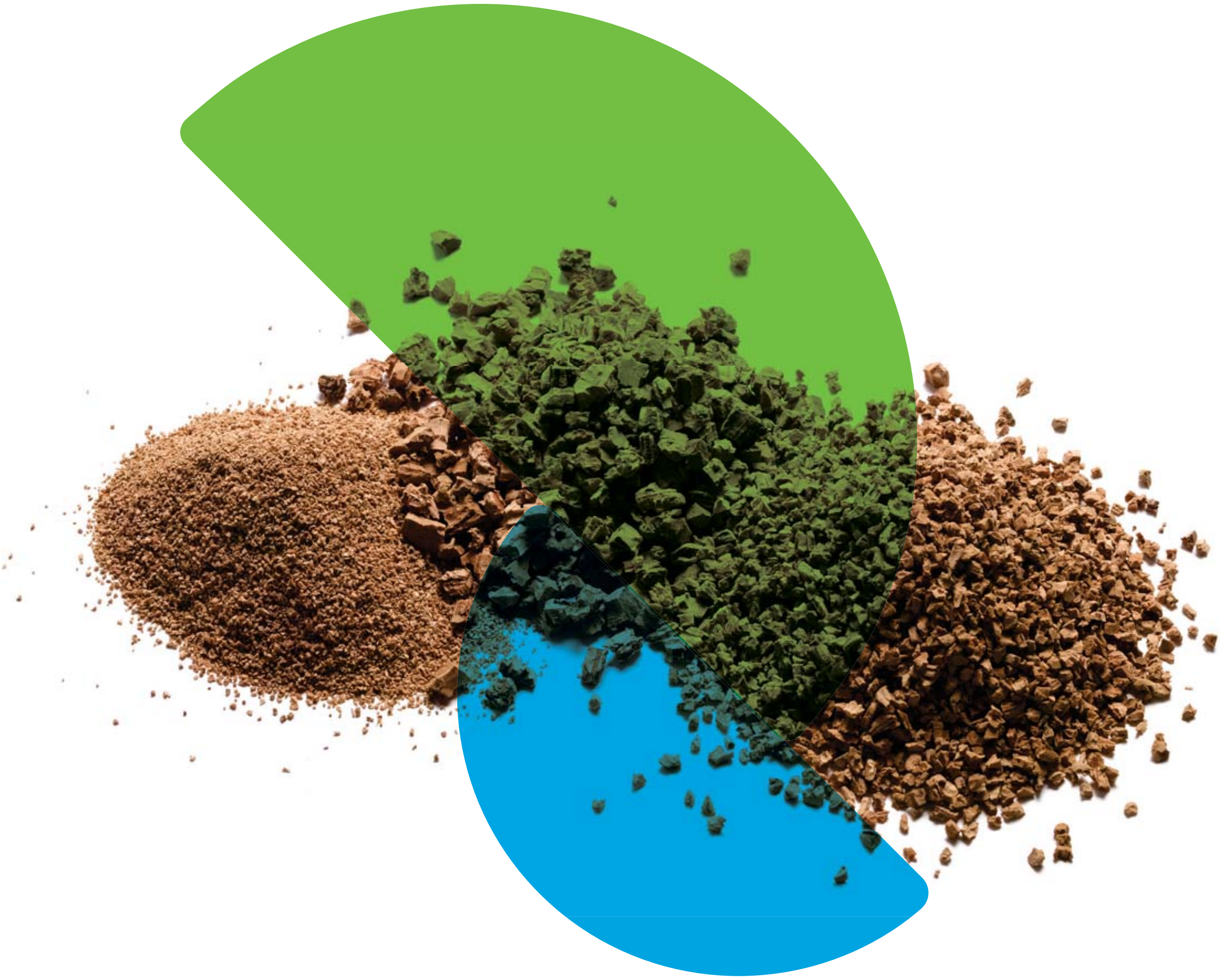
30
Plants

Countries	South Africa	Germany	Saudi Arabia	Algeria	Argentina	Australia	Austria	Belgium	Belorussia	Bosnia	Brazil	Bulgaria	Canada	Kazakhstan	Chile	China	Cyprus	South Korea	Costa Rica	Croatia	Denmark	Egypt	United Arab Emirates	Scotland	Spain	Estonia	USA	Philippines	Finland	France	Georgia
Key distribution players	2	31	2			4	3	8	1	1	7	1	2	2	2	8	1	7	1	1		1	4	1	44	1	15	2	2	38	1
Companies	1	5		1	2	1	2				1	1			1	3					2				14		7			9	
Industrial sites				1	1																				8		1				

	Greece	Netherlands	Hong Kong	Hungary	India	Iran	Ireland	Iceland	Israel	Italy	Japan	Jordan	Kuwait	Lebanon	Malta	Morocco	Mexico	Moldavia	Nigeria	New Zealand	Pakistan	Peru	Poland	Portugal	Kyrgyzstan	United Kingdom	Czech Republic	Russia	Serbia, Macedonia, Montenegro	Singapore	Syria	Sweden	Switzerland	Thailand	Tunisia	Turkey	Ukraine	Vietnam
	1	3	1	2	2	1	1	1	1	6	8	1	1	2	1		3		1	1	1	1	14	1	1	6	3	9	1	3	1	2	11	2		4	5	1
		1		1						2	1					2		1					1	18		1							1		4			
																1								17											1			

01

SIGNIFICANT EVENTS



SIGNIFICANT EVENTS

FEBRUARY

VEGA rocket equipped with **Corticeira Amorim** cork solutions

The incorporation of cork into aerospace projects goes back several decades. On this occasion, cork was used for thermal protection on board the new European Space Agency rocket, testifying to the quality of its technical performance in the broader aerospace sector. The cellular composition of cork and its consequent reaction to fire ensures slow combustion as it consumes heat, thus preventing overheating in the rocket's structure. Cork is used in the external section of the cone and the sections of rockets most sensitive to temperature. Cork is applied in different thicknesses depending on the thermal load.

APRIL

LIFE Project wins international Crystal Cabin Award in the Visionary Concepts category

Designed and developed by the Portuguese firms Almadesign, **Corticeira Amorim**, Couro Azul, INEGI and SETSA, with the additional participation of Embraer (aeronautics), the LIFE Project is a new concept for the future of executive aviation that focuses on providing comfort and sophistication through a combination of state-of-the-art solutions and technologies in natural and sustainable materials such as cork. Considered the "Oscar of Aeronautical Interiors", the Crystal Cabin Award is a unique international prize awarded for excellence in business innovation.

Corticeira Amorim is a case study for the European Forum on Eco-Innovation

Promoted annually by the European Commission with the aim of producing recommendations for eco-innovation policies, this forum draws on the support of political decision-makers, globally recognised specialists and leading companies involved in the sector. In 2012, at the forum in Amsterdam on "Scaling-up Sustainable Construction through Value Chain Innovation", **Corticeira Amorim** was presented as a case study in the area of sustainable construction, international recognition not only of the company's leadership in this field but also of the potential for using cork in construction and interior design.

Corticeira Amorim wins Kaizen Lean award for productivity and operational efficiency

RARO, one of the industrial units of Amorim & Irmãos (Cork Stoppers), won the first Kaizen Lean Award, awarded by the Kaizen Institute, in the "Productivity Excellence" category for improvements and increased efficiency in the production of capsulated cork stoppers. The Kaizen Award is given in recognition of companies striving to attain a transversal culture of continuous improvement and efficiency increases.

MAY

Corticeira Amorim launches a partnership with the Wine & Spirit Education Trust

Corticeira Amorim announced a partnership with the Wine & Spirit Education Trust (WSET), a leading teaching institution in the UK that specialises in technical training related to wines and sparkling beverages. The partnership will involve the award of two study grants for WSET graduates and a visit to Portugal, where students will have the opportunity to get to know the unique features of the cork industry and its role in the quality and perception of wine.

Portuguese agriculture minister inaugurates new agglomerates line

During the course of a visit to **Corticeira Amorim**, Assunção Cristas, Portugal's Minister of Agriculture, the Sea, the Environment and Territorial Planning, inaugurated a revolutionary cork agglomerates production line that not only ensures continuous output, but is also capable of producing sophisticated products designed for high value sectors in some of the most demanding industries worldwide.

Corksorb wins the COTEC-Unicer Innovation award

Launched in 2010, the Corksorb product range has won a number of awards, the COTEC-Unicer award being the fourth to be awarded to this line of highly competitive natural absorbents, which in addition to high absorption capacities, produce twenty times less waste than equivalent mineral-based absorbents. Because it absorbs only oils and hydro-carbonates and not the water, CorkSorb is the ideal solution for any spillage situation, even in aquatic environments.

Serpentine Gallery Pavilion 2012 designed by Herzog & de Meuron and Ai Weiwei using Amorim cork

Cork, entirely supplied by **Corticeira Amorim**, played a central structural role in the design of this iconic work. The extensive use of cork, said the architects, was due to its special material characteristics. Herzog & de Meuron describe cork as a "natural material, with important advantages in terms of its tactile and olfactory properties. Cork also has great versatility, which enables it to be easily shaped, cut, moulded and formed."

The Serpentine Gallery Pavilion is considered a landmark of world architecture, an initiative resulting in the annual creation of an emblematic building that attracts an average of 250,000 visitors per year, a number that was almost tripled in 2012. The Serpentine Pavilion 2012 was acquired by the renowned international collectors Usha and Lakshmi N. Mittal and was added to their private collection in October.

JUNE

FastConnect by Wicanders wins Expo HolzLand award

This new technology gained recognition in the "Wall, Floor, Ceiling" category at Expo Holzland 2012 in Hanover, an event organised by the most important German association of wood product traders. The new application system is genuinely revolutionary, enabling easy and quick installation without recourse to glue. It works for almost all types of sub-flooring, each tile being only 5.5 mm thick. The tiles interlock with each other, but are not directly attached to the floor or the sub-flooring.

JULY

Australian wine producer Rusden returns to cork stoppers

The prestigious Australian wine producer Rusden announced that it was returning to using cork stoppers for its wines, abandoning the use screw-caps after five years. This turnaround comes about following continuous problems related to the quality of aluminium screw-caps. In an article in the July edition of the Australian Wine Business Magazine, Christian Canute, the Rusden oenologist, explained how the Barossa Valley wine cellars faced a market reporting a series of quality problems related to screw-caps. He said the decision to return to cork stoppers was based on the excellent technical performance of this closure made from a natural material.

Habitable cork sculpture in Guimarães European Capital of Culture

Designed in partnership with **Corticeira Amorim**, the Cork Shelter was installed in one of the city's public places, inviting the public to experience the sculpture and spend the night inside. The project, by sculptor Gabriela Gomes, is designed as an example of sustainable eco-tourism, being a prototype for future buildings in this sector.

Cork is one of the most striking materials used in the structure, both in the interior, where MD Façade Expanded Cork Agglomerate is the defining feature of the design, but also on the exterior, where CORKwall, an innovative covering, is sprayed on and can be applied to any surface.

SEPTEMBER

Amorim Isolamentos organises its 4th International Conference
More than 100 professionals, clients and architects from 19 different countries took part in this biennial event, organised to debate the potential of expanded cork agglomerates.

The subjects debated included the thermal and acoustic insulation advantages to be derived from using cork in construction systems, the sustainability of cork compared with other materials, its durability and the 100% natural industrial processes involved. New application concepts and high performance solutions were also on the agenda, including cork agglomerate thermal lag as well as outdoor façade designs (MD façade).

Corticeira Amorim distinguished with the seal of sustainability
This initiative by the Platform for Sustainable Construction aims to recognise the efforts of organisations and companies in this area of sustainability. **Corticeira Amorim** complied with 11 of the criteria subject to evaluation and was awarded a gold standard. The construction and decoration materials market accounts for about 23% of total Portuguese exports. **Corticeira Amorim** has formed a series of international partnerships in this area with a view to promoting the use of cork in international architectural landmarks as a product that combines high technical performance with sustainable development.

Corticeira Amorim, Domaine de Boisbuchet and the Vitra Design Museum stage International Cork Competition
The modernist Cork Beehive, conceived by the Polish designer Ana Loskiewicz, won the Cork Competition @ Boisbuchet, which had challenged the international design and architectural communities to come up with new applications for cork or to build on the existing portfolio of industrial products. A total of 367 proposals were submitted and 20 international designers were subsequently invited to participate in a specialist workshop at Domaine de Boisbuchet with a view to developing prototypes of their designs. Cork Beehive was won the award for the importance of the finished work and its design.

Given the quality of the designs submitted and the high quality of the corresponding prototypes, it was decided to award honourable mentions to a further five finalist, including a Cork Chair, by the renowned architect Sou Fujimoto, who was recently announced as the designer of the 2013 Serpentine Gallery Pavilion in London.

NOVEMBER

Corticeira Amorim expanded cork agglomerates joins the US BuildingGreen Top 10
A result of analysing the products available through GreenSpec and Environmental Building News, this listing provides recognition of expanded cork agglomerates as one of the most innovative products in terms of sustainable construction that also makes a major contribution to improving energy efficiency levels.

The technical advantages of using this product include its performance in terms of thermal and acoustic insulation and the fact that it ensures the same level performance throughout its useful life. The product's characteristics – 100% natural, renewable and recyclable – and the production process involved – highly efficient without generating waste – were also decisive for the selection.

Ronan & Erwan Bouroullec design a Cork Table for Vitra
Anticipating new requirements in the organisation of workspaces at ORGATEC 2012, Vitra presented a multi-person cork table designed by Ronan & Erwan Bouroullec. Conceived for open but small-scale spaces, its ingenious structure stands out for its versatility and functionality: by means of a set of vertical panels, several different working spaces are feasible, favouring either privacy or interaction.

The functionality and sustainability of the table owes a great deal to the use of Amorim cork, which, in addition to guaranteeing acoustic insulation between sections, is 100% recyclable and biodegradable.

DECEMBER

Sports Floor becomes the official Reebok Crossfits choice
The Sports Floor product was selected by Reebok Crossfits for its model gym and has already been installed in more than 10 countries with new locations expected to be announced in 2013.

Reebok is an American-style inspirational global brand that develops sporting and lifestyle products that reflect a creativity and vision that results from constantly challenging the prevailing status quo. Amorim Sports Flooring surfaces are highly resilient solutions that stand out for the comfort they provide through a capacity to absorb the shock of the impact involved in training and exercise.

UK Ambassador visits **Corticeira Amorim**

Ambassador Jill Gallard and the directors of UK Trade & Investment, Martin Phelan and Renata Ramalhosa, participated in a wide-ranging conversation on the perspectives for the Group's business and on strengthening its position in the UK.

Corticeira Amorim develops a solution for Inspiro by Siemens

Designed on the premise of becoming one of the most efficient and sustainable vehicles in its class, this innovative tram system is due to become operational in the second half of 2013 in Warsaw, Poland.

Lighter but with a greater capacity in terms of passenger numbers, the Inspiro consumes less energy due to a series of efficiency measures including AluCORK flooring. Light, durable and with a high level of technical performance, AluCORK enhances the acoustic and thermal insulation of the Inspiro, simultaneously enabling a significant reduction of about 30% in its overall weight.

Corticeira Amorim employees plant more than 6,000 cork oaks

Aware of economic and business importance of cork oaks, especially of the environmental benefits resulting from the good management of cork oak plantations, **Corticeira Amorim** members of staff launched a series of structured forestry initiatives, focusing on the areas of Vila Pouca de Aguiar and Ponte de Sôr (Portugal). Here, cork trees form the basis of the cork oak forest (montado) ecosystem that supports high levels of biodiversity, improving the organic structure of soils and regulating the water cycle. As a result, the cork oak is recognised as a priority species in combating desertification. Measures such as planting trees more closely together and developing entirely new cork plantations are feasible solutions for reversing the process of soil erosion and the consequent loss of biological and economic productivity.

02

CONSOLIDATED MANAGEMENT REPORT

1

ECONOMIC DEVELOPMENTS IN 2012

1.1. GLOBAL OVERVIEW

In spite of the slowdown in the pace of global economic growth in 2012, world gross domestic product nevertheless increased by 3.2% (vs. 3.9% in 2011), mainly driven by more accommodating monetary policies. Central banks took on the task of stimulating economies, not only by keeping reference interest rates at very low levels, but also by introducing unorthodox policies aimed at lowering the cost of money in specific markets, for specific categories of savers and even, in some cases, for financial intermediation in general. In this regard, 2012 did not differ greatly from 2011, with some economies seeing an acceleration in monetary expansion. China and some south-eastern Asian economies did not adhere to this concerted action, given that inflationary risks related to food warranted a more prudent approach. International trade increased by 2.8%, well below the growth rate registered in the previous year.

In the **Euro Zone**, the sovereign debt crisis intensified, causing GDP to shrink by an estimated 0.5%. No growth was registered in any quarter of 2012. Restrictive fiscal policies, higher unemployment, deleveraging, restricted access to credit and capital outflows to lower risk countries contributed to a deepening of the recession in southern Europe, while the resulting instability hampered growth in northern European economies. European governments took important steps to avert extreme outcomes, including the creation of the European Stability Mechanism (ESM), aimed a guaranteeing the financial solvency of Euro Zone countries. The European Central Bank also played an important role in stabilising expectations and strengthening business confidence, especially after July 2012 in eliminating so-called the "tail risks" of a breakup of the European Monetary Union. The **US** economy cooled down significantly in the last three months of 2012, leading to GDP growth of about 2.3% for the year as a whole. This still represented an increase on the 1.8% growth recorded in 2011. In light of the fears generated by the approach of the so-called "fiscal cliff", investment showed a notable increase of 7.7%, up from 3.4% in 2011. Progress was also made in deleveraging the US economy, in stabilising the real estate market – albeit at low level – and in continuing to create jobs. The US unemployment rate, which was 8.5% at the beginning of 2012, had fallen to 7.8% by the end of the year, a positive evolution that nevertheless fell short of the reduction targeted by the Federal Reserve.

In Asia, **China**, heavily dependent on exports, was affected by the global downturn and its own leadership changeover. The economy expanded by about 7.8%, the slowest growth rate since 1999. In **Japan,** where the economy was still recovering from the structural consequences of the earthquake and tsunami of March 2011, growth began to decelerate in the second quarter. This led to a technical recession with marginal growth estimated at less than 2%. Public investment and consumption provided the main support for growth. **Latin America** and **the Caribbean** region registered growth of only 3%, due mainly to weak demand resulting from the global downturn. In **Brazil**, the economy is estimated to have grown little more than 1%.

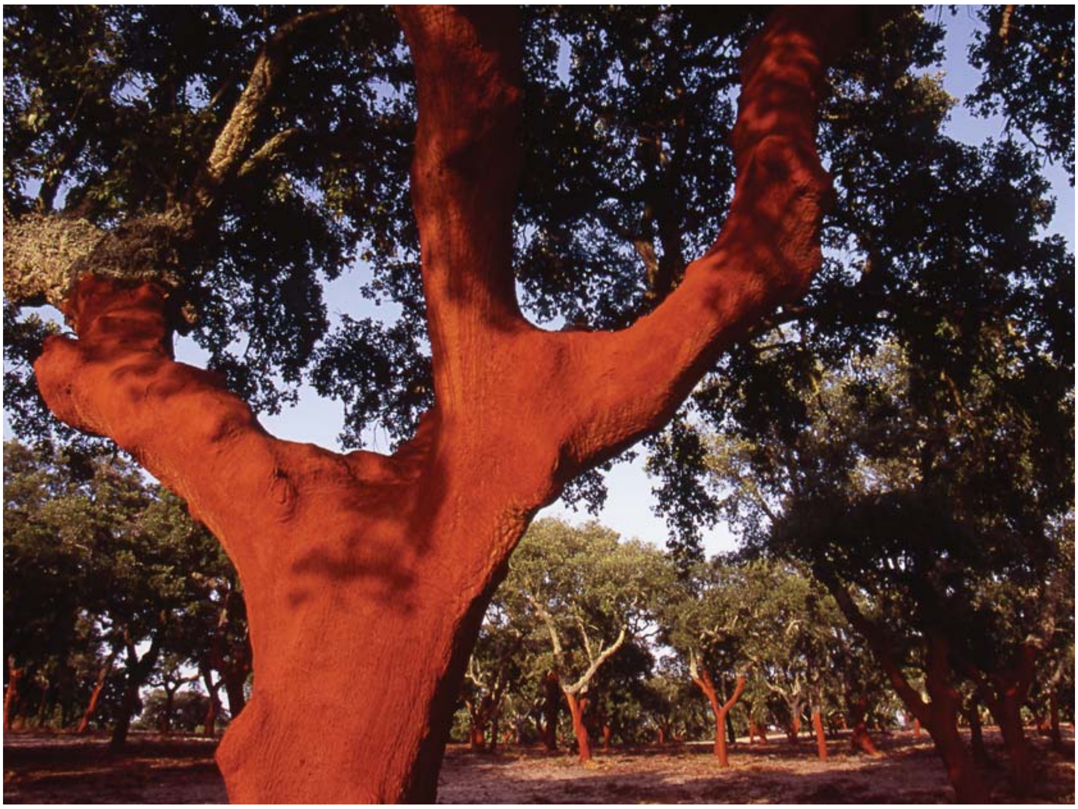
1.2. PORTUGAL

Portugal continued its struggle to regain credibility in financial markets in 2012, implementing tough austerity measures required under the Economic and Financial Adjustment Programme (EFAP) the government signed with the so-called "troika" of international lenders (the European Commission, the International Monetary Fund and the ECB) in May 2011. The goal was fiscal consolidation. As a result, the country's risk premium improved over the year. However, the cyclical position of the Portuguese economy deteriorated, with GDP contracting by an estimated 3.2% in real terms. In comparison with 2011, quarter-to-quarter and year-on-year quarterly growth grew steadily worse, particularly in the last three months. Overall, the Portuguese economy underwent its sharpest contraction since the 1970s.

Domestic demand is estimated to have fallen by 7%. Growth in net external demand prevented a even sharper drop in economic activity, with exports increasing by 5.8% despite the adverse climate. This positive growth resulted from efforts to diversify Portugal's export markets to tap high-growth regions, larger markets and countries with historical ties to Portugal, specifically Portuguese-speaking Africa. A sharp drop in unit labour costs also contributed to export growth, strengthening the country's competitiveness in overseas markets. Investment continued to fall sharply, reaching its lowest level since 1995. However, in spite of the low level of economic activity registered at the end of the year, investment is not expected to have fallen by more than 14%, a smaller decrease than expected. Private consumption is projected to have contracted by about 5.5%, a faster rate of decline than in 2011 resulting for a sharp downwards revision in business confidence, corporate financing difficulties and a decrease in disposable income.

Portugal's net external financing needs, measured in terms of current and capital account balances, fell significantly in 2012 and were expected to show only a marginal deficit. The trade balance was forecast to have moved into surplus.

Unemployment rose from 14% at the end of 2011 to a record high of close to 17% in the last quarter of 2012. The average jobless rate in 2012 reached 15.7%, close to the highest level on record. Inflation, reflecting both the impact of fiscal policy on prices and a reduction in economic activity, decreased to a level of about 2% by the end of the year.



2

CORK: CREATIVITY, SOPHISTICATION AND FUTURE

2.1. THE SERPENTINE PAVILION 2012

Cork was chosen as the distinguishing feature of the Serpentine Gallery's Pavilion in London, the most ambitious architectural programme of its kind worldwide, the 12th edition of which was under the direction of the renowned architectural firm Herzog & de Meuron and the Chinese artist Ai Weiwei.

The Serpentine Gallery Pavilion is considered a landmark event in world architecture, an annual initiative involving the creation of a flagship edifice that attracts more than 250,000 every year. Frank Gehry, Rem Koolhaas, Oscar Niemeyer, Daniel Libeskind, Zaha Hadid and, from Portugal, Álvaro Siza and Eduardo Souto Moura are among the internationally famous architects who have designed previous buildings.

Following their remarkable work on China's outstanding National Stadium at the Beijing Olympic Games in 2008, Jacques Herzog, Pierre de Meuron and Ai Weiwei came back together for their first joint project in the UK.

According to the architects, the use of cork, all of which was supplied by **Corticeira Amorim**, as the dominant structural feature of the iconic building they created was determined by its unique characteristics.

Adopting an archaeological approach, Herzog & de Meuron and Ai Weiwei designed a pavilion that inspired visitors to look below the surface of the building to its structure. The project was conceived as an invitation to visitors to go back in time, using the legacy of the 11 previous buildings designed as Serpentine Gallery Pavilions. It featured 11 columns each symbolising one of the previous pavilions, to which was added a 12th, representing the 2012 building, topped by a floating platform only 1.5 metres above the floor.

The Pavilion consists of a circular lounge made of cork with a complex, multi-level structure featuring 108 pieces of furniture made from expanded cork conglomerate. These pieces were specifically designed for the pavilion by Ai Weiwei and Herzog & de Meuron and sculpted by hand by technicians from Amorim Isolamentos under the supervision of the team of architects.

The project, designed by three of the world's most important creators, displayed all the special characteristics of cork and provided visitors with a unique experience.

The use of Amorim cork in the Serpentine Pavilion 2012 more than doubled the number requests for information about **Corticeira Amorim** products and solutions, particularly those used in the building, from people wanting to learn more about the characteristics of cork as a material and the possibilities for using it for specific objects and projects. Notably, these requests came mainly from decision-makers and creative professionals (architects, designers, companies).

A stage for countless cultural and social events throughout the summer of 2012, the Pavilion became a unique showcase for cork as a natural, versatile and sophisticated material with an infinite range of applications.

All **Corticeira Amorim**'s business units (BUs) have profited from the positive impact of the project, which has not only benefitted the reputation and image of cork and the Amorim brand, but has also lifted demand for the group's products.

Media coverage in numbers:

- large-scale coverage of the inauguration including the presence of 135 journalists;
- news items published to date: 235 news items covering about 418 pages in publications across the world (not including television and radio);
- an estimated 750,000 visitors.

"Cork is a natural material with wonderful haptic and olfactory qualities with the versatility to be carved, cut, shaped and formed, as demonstrated in many historical examples of cork architectural models."

HERZOG & DE MEURON AND AI WEIWEI

3

OPERATING ACTIVITIES BY BUSINESS UNIT (BU)

The companies that make up the **Corticeira Amorim** universe are structured into Business Units (BU). Detailing their activities provides an account of the most significant events of the 2012 financial year.

3.1. RAW MATERIALS

The **Raw Materials Business Unit** registered a significant increase in activity, reflected in sales growth of 18%. This increase was made possible because the Salteiros industrial unit, acquired in 2011, became fully operational.

In 2012, the BU's main focus was on provisioning raw materials, reformulating and consolidating cork preparation methods and modernising the manufacturing process for making the cork discs used in champagne and Twin Top stoppers.

Adverse weather conditions in the summer led to some disruption of cork supplies. In spite of this, the cork acquisition programme was fulfilled in both quantity and quality to meet the needs of **Corticeira Amorim** group companies downstream. Stability in provisioning raw materials is assured by the international scope of the BU, which operates in all the world's cork-growing areas, either directly through the presence of industrial units, or through commercial activities.

As was to be expected, the profitability of cork preparation operations decreased due to raw material purchases made in 2011. This, together with a significant increase in contextual costs (including energy and transportation), placed pressure on the profitability of preparation operations.

In the area of cork discs for champagne and Twin Top stoppers, important advances were made with production automatisation that will have a positive impact on productivity in the coming years. The introduction of new technologies in the finishing phases on manufacturing will also enable the production of a more standardised range of discs.

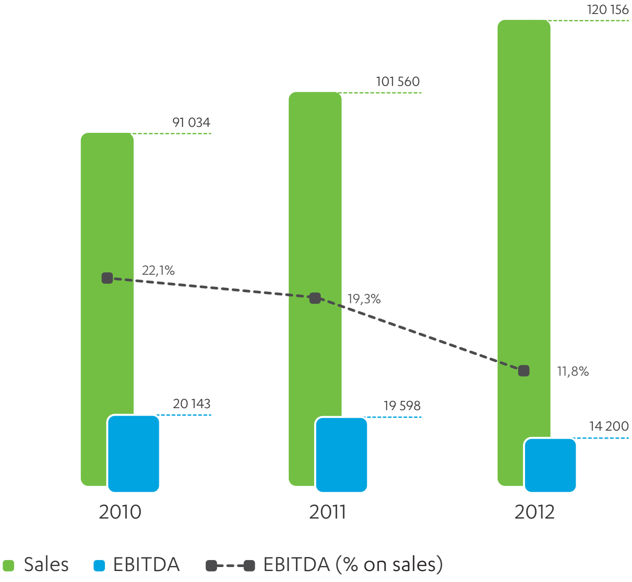
In regard to the BU's North African units, 2012 was characterised by the region's adaptation to a post-revolutionary period. In spite of the turbulence affecting countries in the Maghreb, normal working conditions were maintained at the group's industrial units and sufficient cork acquired to supply production during the whole of 2013, although some delays were experienced in comparison with the cork harvests of previous years.

Another management priority was to maintain the amount of capital invested consistent with the level of business activity. This was achieved through rigorous stock control.

Adopting more efficient working methods, rigorous cost controls and the modernisation of production units all contributed to an improvement in operating efficiency. Studies were begun on introducing new technology for cork preparation, which is currently based on traditional methods.

The BU also made advances in consolidating a culture of innovation, implementing ideas originating from CORK.IN, a programme created by **Corticeira Amorim** to boost the motivation and creativity of employee and stakeholders, and increasing research and development in regard to both products and processes.

Raw Materials — Sales & EBITDA (thousand euros)



3.2. CORK STOPPERS

The **Cork Stopper Business Unit** has achieved stable and consistent growth, focusing steadily on product and market segmentation.

Although the wine industry, especially the group's international and large Portuguese customers, have implemented more significant cost-cutting measures, the BU has managed to adjust its prices without affecting its competitive position or market share.

In 2012, comparable sales rose by 4% in value and 1.8% in volume. The year was characterised by a slowdown in sales to Europe, due to the adverse economic climate, but also by an important growth in sales to the US, the East and South Africa. Highlights by product groups include:

- sales of the BU's most important product – **Natural Cork Stoppers** – increased 1.9% on 2011;
- **Neutrocork Stoppers**: sales rose 20.2%, with an especially strong performance in markets demanding high quality standards, showing this product to have a good price-quality relation as it established itself as the main competitor to alternative closures;
- **Twin Top Stoppers**, an excellent product with a well-positioned price: sales rose by about 2.9%;
- **Champagne Stoppers**: sales increased by 1.5%.

In a year in which the BU consolidated its sales in the international market, contributing factors included:

- a marked improvement in the sensory and mechanical qualities of our products, especially our technical stoppers;
- a perception of Amorim products as being the best cork stoppers and having the best relation between quality, price and ease of purchase;

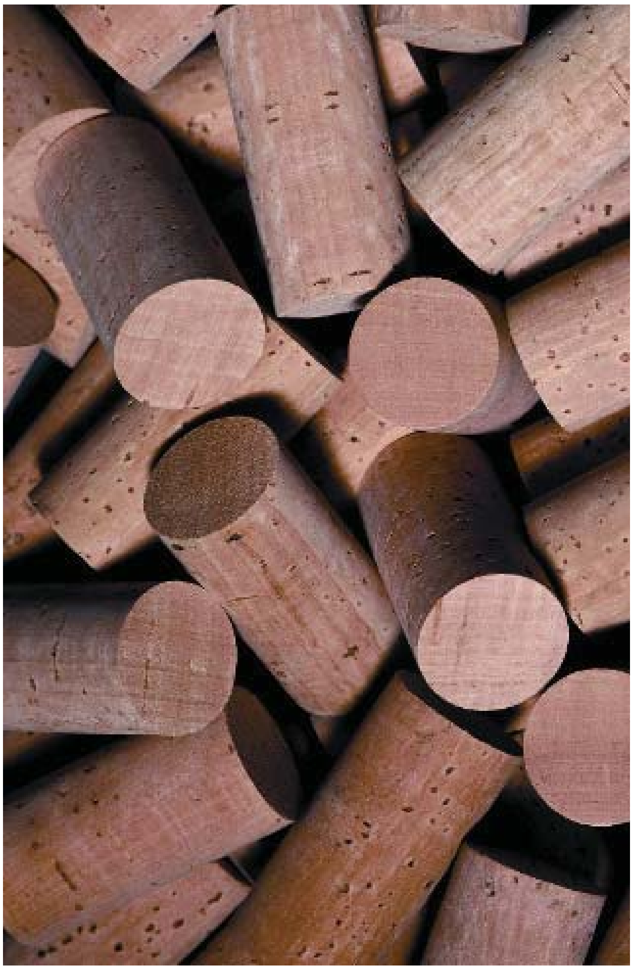
- increased wine consumption in reference markets, particularly the US, where the BU's sales were 9.1% up on 2011;
- increased awareness of cork in the world market, thanks to consistent promotions (including the InterCork campaign and the Serpentine Pavilion 2012) and the development of countless innovative applications for this remarkable natural product;
- the perception of cork stoppers as being sustainable products, with important comparative environmental and sustainability advantages in relation to alternative closures.

The BU's gross margin rose by 13% in comparison with 2011, due partly to increased sales and partly to the positive impact of exchange rates and higher prices. Improvements in production methods and an alteration in the sales mix helped compensate for higher raw material prices and increased transport costs, resulting in a higher percentage increase in the gross margin than registered in 2010 and 2011.

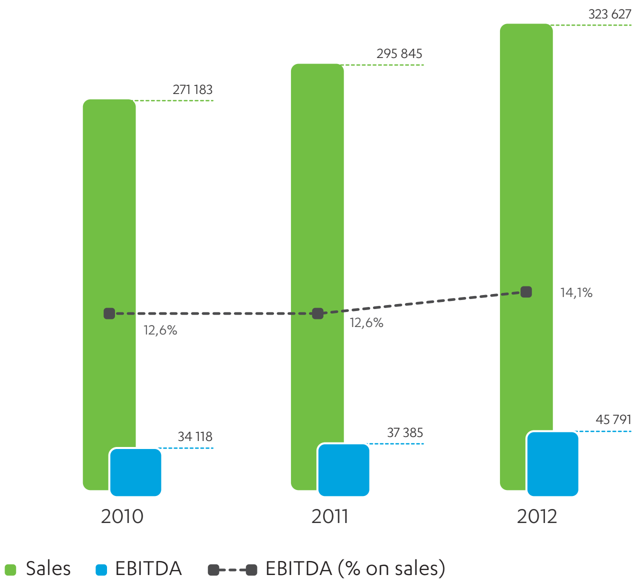
Earnings before interest, tax, depreciation and amortisation (EBITDA) rose 22.5% due to the increase in business activity and the gross margin and the fact that the ratio of operating costs to sales was kept at the same level as 2011 (2012: 28.6%; 2011: 28.7%). Increases in the cost of subcontracting and specialised work also impacted costs.

Reflecting the BU's strong performance, EBITDA increased 19.8%.

The amount of capital invested at the end of 2012 was 6.9% higher than a year earlier. This related to the increase in business activity and the impact this had on customer and stock balances, as well as to investment in industrial expansion and modernisation.



Cork Stoppers — Sales & EBITDA (thousand euros)



EBITDA without the effects of goodwill imparity (2010 and 2012)
2012 Sales include Trefinos

3.3. FLOOR AND WALL COVERINGS

In 2012, sales by the **Floor and Wall Coverings Business Unit** rose by 5%, compared with 2011, with particularly strong growth in sales of products manufactured by the BU, which increased 7%.

Sales to Germany almost were practically at the same level as 2011, while sales to Nordic countries benefitted from the contribution of Timberman Denmark A/S, a **Corticeira Amorim** subsidiary that is gradually bringing about a sales recovery in what are important and longstanding markets for the cork industry. In general terms, sales continue to grow in most non-European markets, partly due to the positive image that cork has gained in recent years.

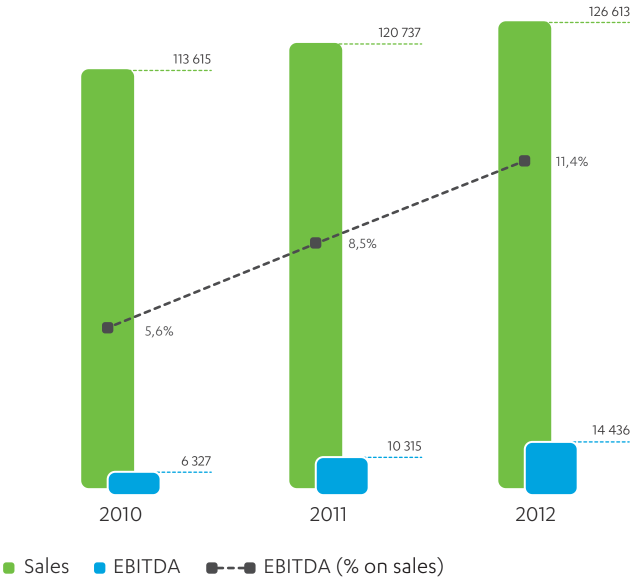
Part of this sales growth results from price increases, which reflect market recognition of the quality and modernity (substrates and visuals) of the BU's product portfolio.

Trade sales, which represent 22% of turnover, decreased in comparison with 2011. This segment focused on supplying higher added value product ranges, targeted at higher market segments. This resulted in an increase in unit margins.

On the industrial side, pressure on purchase prices, together with demanding service levels and quality standards, resulted in continued pressure to improve manufacturing processes, to use resources rationally and to maximise installed capacity.

Remaining a leading supplier of floor and wall coverings incorporating cork remains a priority for the BU, particularly in regard to the products it manufactures itself. To this end, a range using highly innovative visuals was launched that allows products to be suitably adapted and forefronts the inherent qualities of cork. Another highlight in this area was the modernisation of the Corklife and Decolife brands, which are especially geared towards the Do-It-Yourself market segment.

Floor and Wall Coverings — Sales & EBITDA (thousand euros)



3.4. COMPOSITE CORK

In 2012, the **Composite Cork Business Unit** lifted sales by 6% to €90 million, benefitting in equal measure from the EUR/USD exchange rate and higher market prices resulting from an increase in the cost of purchasing cork. EBITDA grew by €8.9 million, an increase of 10.4% on 2011.

Developing business-related applications with strong potential remained an important strategic goal. However, the market performed a little below expectations, while remaining in line with 2011, due to external difficulties that affected some accounts and important projects.

A strategy of gradually introducing new products, with a view to offering a refreshed and innovative range incorporating new raw materials, proved successful, allying cork with other materials and involving strategic partnerships.

The BU's most current and mature business benefitted significantly from a repositioning of prices and the positive impact of the appreciation of the US dollar against the euro. Another positive highlight was a broadening of customer bases and a geographical diversification of markets for most applications.

All the BU's strategic business areas maintained or improved their activity levels in comparison with 2011, some achieving notable growth:

- **Construction** (the third largest business area by sales volume) recorded a significant increase on the previous year, mainly driven by underlay sales. Sales of underscreed, although accounting for a relatively small proportion of overall sales, continued to increase.

- The BU's two most significant business areas – **industrial and sealing products** – which represent approximately half of total sales outside the group, consolidated the sales volumes they achieved in 2011. In the area of industrial applications, sales of composites, memoboards and vibration control products continued to grow. The friction products segment inverted the downward sales trend of 2011. However, sales of acoustic core and footwear materials fell compared with the previous year. Sales of heavy duty sealing products dropped slightly compared with 2011, inverting the previous upward sales trend. Sales in the small gasoline engine segment also decreased. But all other applications, representing 93% of sales in the strategic sealing products area, recorded slight increases in sales, which more than compensated for these decreases;

- global sales of **flooring** components dropped slightly.

Despite the growth in sales and the BU's generally positive performance, the gross margin increased only 1.3% and the ratio of gross margin to production fell by two percentage points. This was mainly due to two factors: the increased cost of cork and lower rates of global profitability in the use of raw materials. Operating costs remained at the same level as 2011.

The BU completed its biggest investment to date in 2012 in a move that has enabled it to offer the market a new concept in cork composites (new composition possibilities and new sizes) geared to enhancing and complementing higher value added applications.

Internally, the BU finalised the conception of new communication tools to be gradually introduced in 2013. These are aimed at building on its strong market positioning on the basis of a global and polished image. Service level and operating efficiency indicators performed well, as did product development, an area in which several successful innovations and adaptions were made. These are detailed in Chapter Four of this report.

Several events supported by the BU during 2012 demonstrated the almost infinite possibilities for using cork and cork composites, helping to increase awareness and understanding of their real value. These included:

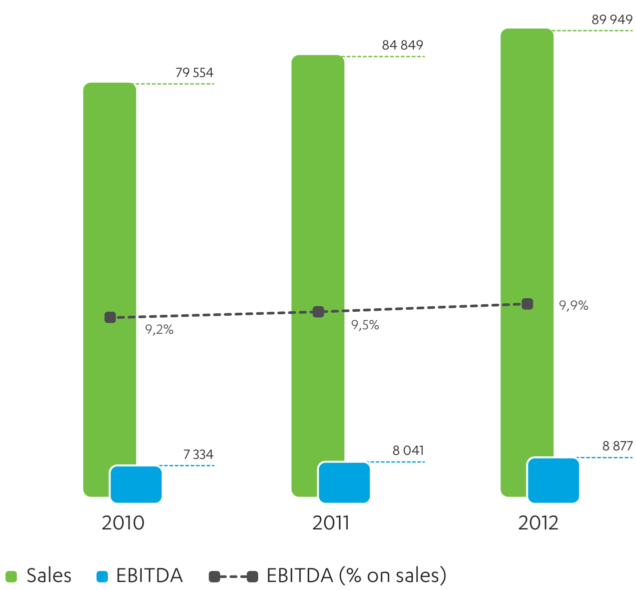
- an **international cork design competition**, organised by the **Vitra Design Museum** and **Domaine de Boisbuchet;**

- **Shelter,** an inhabitable sculpture created for the Portuguese town of **Guimarães – the European Capital of Culture 2012**;

- the **Serpentine Gallery Pavilion 2012** in London, described in Chapter Two of this report;

- the award of an international **Crystal Cabin Award** in the **Visionary Concepts category** to the **LIFE - Lighter, Integrated, Friendly and Eco-Efficient aircraft cabin** project developed in partnership by several companies, including Amorim Cork Composites.

Composite Cork — Sales & EBITDA (thousand euros)



CORK CHAIR BY SOU FUJIMOTO, FOR BOISBUCHET CORK COMPETITION

"I never throw away a cork! My hands as well as my feet in many ways enjoy the soft and warm comfort of this natural product. But my intuitive affection is also matched by convictions: its outstanding ecological qualities make cork one of the most obvious basic materials to develop the future of our environment."

ALEXANDER VON VEGESACK
Chairman of Domaine de Boisbuchet
and of Vitra Design Museum

3.5. INSULATION CORK

The **Insulation Cork Business Unit** lifted sales volume by 2.4% in 2012, compared with the previous year, in spite of a considerably less favourable international climate.

Not withstanding an increase in raw material purchasing prices, the BU succeeded in maintaining its gross margin almost at the same level as in 2011.

During 2012, the BU developed a series of activities aimed at strengthening its business potential and its leadership in the supply of high performance, environmentally friendly products and solutions. These included:

- an interior wall insulation solution in which expanded cork chipboard is attached to laminated plasterboard. The advantage of this system, known as **Gypcork**, is that it can be quickly and directly attached to existing walls, a solution that responds to the growing need for sustainable products and systems that help improve the energy efficiency and acoustic comfort of buildings;
- Amorim Isolamentos' connection with the **Serpentine Pavilion 2012**, the annual showcase of the best international architecture, gave the world an opportunity to discover the sophistication and versatility of cork, thanks to the creativity of the architects Herzog & de Meuron and the Chinese artist Ai Weiwei;
- participating in a number of trade fairs and international exhibitions, including: SAIE Made Expo (Italy), Big 5 (Dubai), Liveexpo (France), Ecomess (Estonia) and Green Building (Lebanon, Brazil and the US);
- participating in the 4th International Conference on Insulation, targeted at architects, engineers and specialists in insulation and sustainable architecture, a biennial event organised to discuss the potential of expanded cork agglomerate and promote experience sharing.

Expanded cork agglomerate was recognised as one of the 10 most ecological and sustainable construction products by Building Green, which is published by GreenSpec and Environmental Building News (EBN), becoming one of the ***BuildingGreen Top-10 Green Products for 2013.***

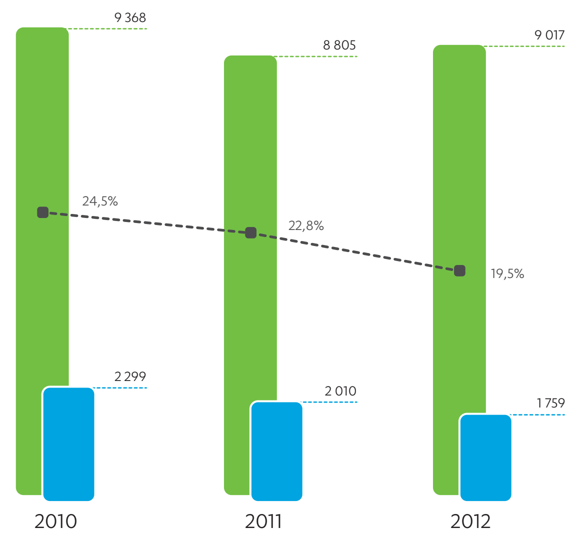
The BU's products were also awarded Sustainability Certificates (by the Sustainable Construction website), a Seal of Sustainability (by centroHabitat, Portugal's Sustainable Construction Platform) and an Eco-Test certificate.

Corksorb, a cork-based natural absorbent, expanded its international footprint in 2012, increasing turnover as a result of entering into distribution partnerships in several countries and broadening its product range. Demand for Corksorb, a winner in the product category of the **Green Project Awards (GPA)**, has increased due to its high technical performance and its qualities as a sustainable construction product.

In operating terms, the BU worked to maintain the efficiency ratios it has achieved in previous years despite an adverse economic climate including large price increases for some of the critical components of its business, such as energy and transport.

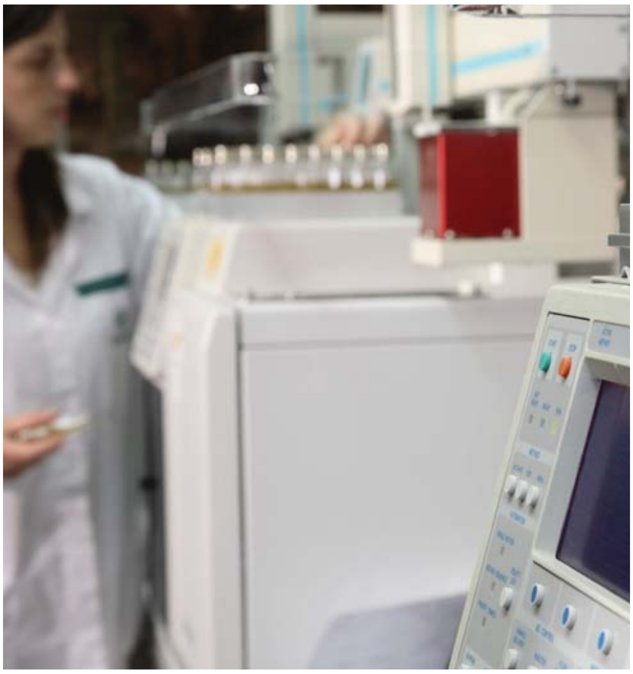
Total capital invested at the end of 2012 was 11% higher than a year earlier, due mainly to an increase in raw material stocks and investment in a gaseous effluent treatment system at the Silves industrial plant.

Insulation Cork — Sales & EBITDA (thousand euros)



4

PRODUCT INNOVATION, RESEARCH AND DEVELOPMENT



4.1. CORK STOPPERS

During 2012, the research, development and innovation activities of the Cork Stopper Business Unit focused on the priority areas of product and process innovation, on increasing understanding of the interaction between stoppers and wine and on improving the quality of stoppers produced.

A number of projects aimed at **product and process innovations** were undertaken in 2012. These included:

- **the contribution of cork stoppers to preventing the counterfeiting of premium wines**: this project, financed by Portugal's National Strategic Reference Framework (QREN), was concluded in August. The results led to the submission of an application to QREN in November to continue the project, focusing on applying the solutions found to natural cork stoppers;
- **a new treatment for natural cork surfaces**: this project, also financed by QREN, on the application of a natural surface treatment to cork stoppers continued at a good pace. Following completion of the laboratory and semi-industrial stages, the treatment is now undergoing industrial tests and has produced highly positive results when the treated stoppers are tested in bottles;
- a study aimed at finding **new quality features in natural cork stoppers** by examining their internal structure was concluded in August 2012. It produced important results for improving the understanding of how stoppers perform their sealing function. The main conclusion of the project was that obtaining internal images of natural cork stoppers is not important for determining their performance;
- significant advances were made in 2012 in developing **new products** aimed at meeting the specific client needs and responding to some of the features of competing closures. These are expected to be launched in 2013;
- intense work on cleansing processes for cork stoppers continued in 2012 and a **new cleansing process** is now in the industrial implementation phase. The process improves the visual quality as well as the colour and capillary uniformity of cork stoppers. The project is to be expanded in 2013 to include the whole range of natural cork and technical stoppers;
- the market introduction of a **new feature of composite cork stoppers**: the possibility of using different colours. The aim was to make available an option for cork stoppers used in wines with longer shelf lives that is already offered by alternative closures.

In regard to **increasing understanding of the interaction between cork stoppers and wine,** the BU continued to build on the research efforts made in previous years on determining the best closure options for different wines. In 2012, a new comparative bottling test of different types of cork stoppers was carried out in a Portuguese wine-producing region. Results were also obtained from other tests, including comparative bottling tests of red wine in Australia, of champagne in cooperation with a Portuguese client and wines produced in Burgundy.

Given that the permeability of bottle closures is an important factor in their quality and performance, several bottling tests were carried out with the aim of assessing the performance of cork stoppers produced by the BU, as well as alternative closures, in regard to different variables.

Taking into account the results of studies published in scientific journals, a number of trials were made during 2012 with a view to ensuring the elimination of contaminating compounds from cork stoppers. These studies were also expanded to include alternative closures.

A study into how physical and mechanical characteristics affect the performance and permeability of Top Series cork stoppers was also concluded.

Improving the quality of the cork stoppers it produces is of crucial importance to the BU, given that consumer requirements for the sensorial qualities of stoppers have grown considerably more demanding, making it increasingly necessary to ensure that stoppers have an undetectable level of TCA (2,4,6-Trichloroanisole).

Individual TCA analysis is a highly important project to which the BU devoted great attention in 2012. While samples were delivered to some individually analysed customers during the year and the mechanical development of the equipment was completed, work on its analytical optimisation continues and still has some way to go.

Improving the quality of the stoppers the BU produces is not just a sensorial issue. Special attention was also devoted to other important quality features in 2012, including a process for humidifying stoppers and a study into the characteristics of surface treatment products.

4.2. FLOOR AND WALL COVERINGS

During 2012, the Floor and Wall Coverings BU unveiled new technical solutions that reflect its expertise in product innovation. In addition to making the BU's product range more extensive and efficient, these new solutions should help increase sales to market segments where difficulties in maintaining growth were beginning to be noticed.

The new **ARTCOMFORT range** comprises three exclusive and copyright-protected collections: Wood, Stone and Fashion. It was developed using advanced Realistic Surface Technology (RST) for reproducing authentic and natural surfaces. A careful selection of natural designs combined with the beauty of natural cork give each collection the exclusive advantages of the sustainability, comfort, thermal efficiency and health benefits of cork flooring together with the perfect appearance of wood, stone or textile-like abstracts designs. The use of this new technology gives the BU the possibility of offering its customers fully personalised solutions.

FastConnect, a new technical installation solution, was awarded the HolzLand Prize at Expo HolzLand 2012 in Hanover. This truly revolutionary application system enables cork flooring to be fitted quickly and easily without using glue. It is only 5,5 mm thick and can be used as sub-flooring in practically every situation. The flooring tiles are fitted together on top of a grip-strip system. Although this is a floating floor system, it offers the same acoustic performance as a glued solution.

Vinylcomfort glued down combines the principle advantages of cork – a more comfortable walking surface and better acoustic and thermal properties – with the key benefits of Luxury Vinyl Tiles (LVT). This flooring for commercial uses can be glued to the ground, but also offers all the advantages of more traditional LVT flooring.

Other projects were launched in 2012 with the goal of identifying alternative flooring solutions in which cork is a clear differentiating factor, in some cases using new production technologies. Partnerships with suppliers and the development of skills within the R&D and production teams again proved fundamental to this process. The projects included:

VinylComfort with "Registered Embossing" – work began on developing new looks for this product in which the surface embossing process can be adjusted so that it coincides perfectly with the grain of the wood, thus enhancing its realism.

New surface finish – exploring new finishing solutions remains a priority and the BU has begun studying technologies based on reactive polyurethanes that are known to offer the best compromise between wear resistance and flexibility.

An alternative to High Performance Surface (HPS) finishes for commercial areas – a project has been launched to identify more ecologically friendly alternative solutions that retain all the advantages of a PVC layer.

4.3. COMPOSITE CORK

For the Composite Cork Business Unit, 2012 was another year of great activity in the area of R&D and innovation.

As a result of continuous market research, sounding out new trends and taking on challenges posed by clients, several new products and solutions were launched, including:

- in the **Construction** sector, the BU expanded its portfolio with solutions for a range of applications, such as: new sub-flooring for the thermal and acoustic insulation of heated floors and the insulation of resilient linoleum and vinyl floors; an application for expansion joints and a waterproofing membrane for ceramic tiles; a solution providing resilient supports for masonry;

- in the **Industrial Applications area**, two solutions were developed for controlling vibrations in power transformers, extending this transformer industry's use of cork composites combined with rubber. These materials are used to damp the vibrations from fixed groups of transformers and for the vibrational and acoustic insulation of their metallic walls;

- in the **Transport** sector, production was begun following completion of the development phase of a new flooring system for Metro trains inspired by Siemens Transportation, which produces one of the lightest Metro systems in the world – a system that nevertheless has the capacity to transport more passengers and consume less energy than other systems, thanks to a series of efficiency measures, including the innovative AluCORK floor system produced by this BU. This light, durable flooring has a high technical performance that benefits the acoustic and thermal insulations of the Inspiro system, contributing a significant reduction of some 30% in its overall weight. Another important factor that determined the choice of AluCORK was that cork flooring is a sustainable and recyclable material, suited to a vehicle intended to be totally recyclable after a useful life of 40 years. The BU hopes shortly to develop other new flooring systems of this type, possibly for the European and US markets;

- another highlight of 2012 was the development and commercial launch of a new, 100%-natural product for bedding synthetic lawns and providing a support layer for athletes. This cork-based product replaces traditional recycled tyre granule filling and has several advantageous properties: it reduces the risk of injury to players; emits no smell or harmful emissions and acts as a thermal regulator for the lawn surface.

Some R&D projects in which the BU formed part of a consortium were concluded in 2012, while others continue to be developed as planned. New projects were also launched. Highlights include:

- the **LIFE** project- a vision of the future of executive aviation, was awarded the **Crystal Cabin Award 2012** in March 2012. This international award for innovative excellence in the field of aircraft interiors, considered the "Oscar for Airplane Interiors", is organised by the senate of the City of Hamburg. The large jury comprises representatives of aircraft makers, specialist engineers, renowned academics and journalists. LIFE is a full-scale demonstration project that aims to provide a comfortable and sophisticated flying experience through a combination of cutting-edge technology and natural and sustainable materials, such as leather and CORECORK cork composites, the latter being used in the ceilings, side panels and aircraft seats;

- in the area of train interiors and as part of the **ECOTRAIN** project, a partnership with Alstom Transportation, a new modular solution for carriage floors, was developed and introduced. This solution offers efficiency gains and performance advantages in terms of assembly line installation, reduced weight and thermal and acoustic comfort. A new concept in composite side panels was also introduced, using CORECORK materials that reduce the total weight of the interior window panel by about 30%. Both solutions have a positive global impact on the environment and ensure a higher level of recyclability for railway equipment;

- **BIOBUILD** brings together a group of leading European companies involved in designing and producing materials, components and structures for the construction industry. Project teams are currently finalising sample product designs – interior wall modules, outer wall features and false ceilings – and selecting production materials and manufacturing processes. The project is aimed at developing functional components that can be manufactured industrially and whose production consumes the minimum amount of energy possible (so-called embodied energy). The first prototypes will be ready in 2013.

In 2012, the BU also concluded an investment totalling about €6 million in a new production line equipped with technology that is completely new to the traditional cork industry. Developed by the BU in close cooperation with chosen technology providers, this new line began producing new components for the flooring industry at the end of the year. It has the potential to create new opportunities for developing innovative materials and, it is expected, new applications for cork.

New Portuguese and international R&D and innovation projects are expected to be launched in 2013 and 2014, expanding the BU's technological networking and enhancing the development of new materials and products in partnership with other industrial companies and technological centres.

Important areas for these developments include transport, particularly train and bus interiors; construction, especially renovation solutions and modular building; and domestic and commercial flooring materials using new solutions made possible by the new production line referred to above.

The underlying drive behind these projects remains the development of new applications for cork composites that are environmentally friendly, in terms of incorporating more "green" materials and consuming less energy over their lifetime, and which perform extremely well. On this basis, the Composite Cork BU is expected to increase sales of new products in the coming years.

4.4. INSULATION CORK

In 2012, the R&D activities of the Insulation Cork BU continued to focus on the following projects:

WaterCork: aimed at researching the application of cork industry materials and/or by-products with a view to using cork as an absorbent for pesticides and cyanotoxins;

BloCork: aimed at developing a construction brick using lightweight concrete mixed with expanded cork regranulate as a raw material.

These projects form part of the BU's development and innovation strategy aimed at creating new value-added applications for cork.

5

INTEGRATED MANAGEMENT SYSTEM QUALITY, ENVIRONMENT AND SAFETY

Corticeira Amorim continues to focus on aligning different management subsystems aimed at improving efficiency and integrating them with the strategic objectives of the balanced scorecard approach as an important guarantee of the Group's sustained development.

The year of 2012 was characterised by the consolidation of this important alignment through renewal of the certification of different management subsystems (FSC, ISO 9001 and ISO 22000 among others) in different Group companies as well as obtaining new certifications.

In regard to SYSTECODE certification, which ensures compliance with the International Code of Cork Stopper Manufacturing Practice (ICRP), a new level of excellence called SYSTECODE Premium was established to include new requirements – such as good environmental practices. The companies that make up the Cork Stopper BU were found already to possess a high level of excellence in this area and were thus attributed the highest level of this certification.

Several more companies in the Cork Stopper BU gained food safety management system certification (ISO 22000/FSSC 22000) in 2012, including distribution units in South Africa and France and industrial units in southern Portugal and Catalonia. This brought to 13 the total number of companies in the Cork Stopper BU with certified food safety management systems in place.

A number of companies also gained Forest Stewardship Council (FSC) certification, bringing to 36 the total number of **Corticeira Amorim** industrial and/or distribution units to have their operations certified to this standard, providing the market with additional guarantees of the highest ethical standards in protecting forest resources. In response to trends in some market segments, the Composite Cork BU strengthened its guarantees by obtaining Programme for the Endorsement of Forest Certification (PEFC) for three of its units in addition to FSC certification.

The priority the Group gives to integrating and aligning different management subsystems is also evident in the contests of the website www.sustainability.amorim.com and in the annual publication of its Sustainability Report since 2006 (Amorim being the first and only company in the cork sector to do so), where its goals, supervision mechanisms and performance levels in the area of sustainable development are set out.

6

HUMAN RESOURCES

In 2012, **Corticeira Amorim**'s guiding concepts in the area of human resources were **communication** and **proximity**. In a year characterised by a somewhat difficult external social context, a key goal was to bring the company closer to its employees and its employees closer to each other, in an expression of solidarity benefitting the whole organisation as well as the surrounding communities. As well as implementing a specific plan in this regard, awareness and skills training activities were organised by department heads with the aim of listening to and supporting employees.

Another notable event was the customary "From Hand to Hand" campaign, which encourages the exchange of school textbooks among employees with children at school.

School Merit Bursaries – one at each of the Group's five business units – were also awarded to the children of employees whose average school marks put them among the top three of their class in the 9th and 12th grades.

6.1. SUPPORTING AND COMMUNICATING WITH EMPLOYEES

In the area of internal communication, special mention should be made of the continuous improvement programmes implemented or begun at different BUs: **CORK +** at the Cork Stopper BU, **TOP 5** at the Composite Cork BU and the **Managers Programme** at the Floor and Wall Coverings BU.

These projects involved setting up panels to discuss subjects related to specific areas and encouraged new forms of relationship at production sites: systematic daily meetings, new tasks and different ways of involving employees and managers in day-to-day operations. The projects, which made a strong visual impact in the workplace (using scorecards and specially-designed graphics), involved thousands of hours of training relating to continuous improvement methods, the empowerment of employees and to developing the management culture that characterises **Corticeira Amorim**.

6.2. ENHANCING AND DEVELOPING SKILLS

New employees were recruited by all BUs and strategic commercial training plans were continued as part of efforts to improve skills in the commercial area. Developing technical, behavioural and management skills is of paramount importance both in the present and for the future.

The Cork Stopper BU's **Young Managers** project is specially aimed at preparing **Corticeira Amorim** for the future. It involves a range of initiatives, including mentoring activities, designed to encourage creativity and related skills, as well as involvement in the **CORK +** project. This programme is specifically aimed at the integrated development of a broad base of skills among young managers.

6.3. MANAGING AND MOTIVATING EMPLOYEES

An investment was made in 2012 in developing the leadership skills of line managers. In association with empowerment training programmes already under way, specific projects were designed to enhance listening, communication and leadership skills at the Cork Stopper and Composite Cork BUs (Life Leader) and performance management at the Floor and Wall Coverings BU. This involved forums and meetings on leadership and staff management issues specifically designed for the line managers involved.

6.4. HUMAN RESOURCE INDICATORS

The average number of people employed by **Corticeira Amorim** during 2012 was 3,470 (about a third of them outside Portugal). Their average age was 44.

The total absentee rate (including long-term absenteeism) was 3.8%, confirming the downward trend of recent years.

7

PERFORMANCE ON THE STOCK MARKET

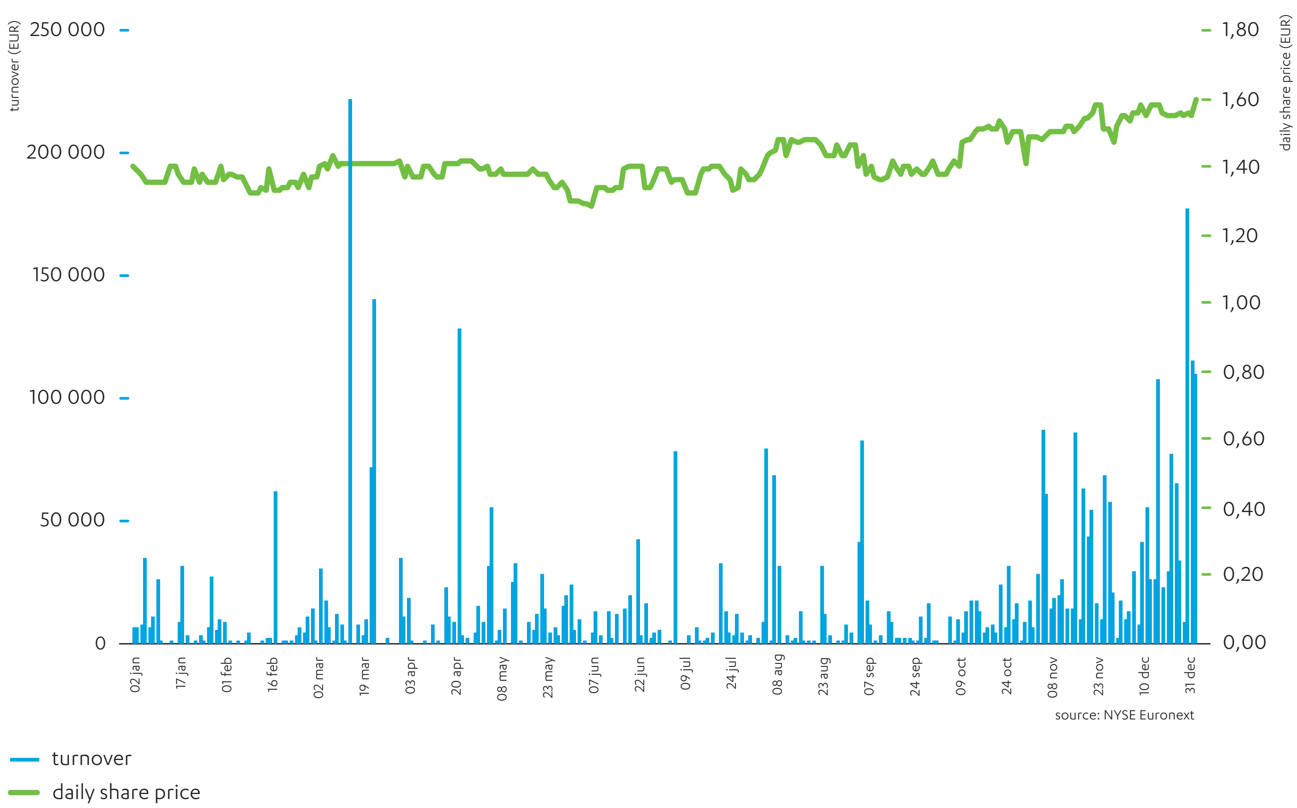
The share capital of **Corticeira Amorim** is currently € 133 million, represented by 133 million ordinary shares with a face value of €1 each. Every share confers the right to receive dividends. Shares issued during the company's capital increase were admitted to trading by the Euronext Lisbon Stock Exchange (then called the BVLP – Bolsa de Valores de Lisboa e Porto), on December 19, 2000, joining the company's others shares, which had been quoted on the BVLP since the beginning of 1991. The shares have been traded on Portugal's continuous trading system since December 11, 1991.

On 31 December of the year under review, **Corticeira Amorim** shares ended the session at € 1.60, a gain of 18.5% over the year-end 2011 share price. In spite of a decrease in the transactions (-3.7% than 2011), over 2.8 million shares were traded on the stock exchange and there were 1668 share transactions exceeding, in the whole, € 4.2 million.

In 2012, the average price per share was € 1,42: the maximum price per share reached € 1.65 on 3 April; the minimum share price was € 1.27 on the Stock Exchange sessions of 1 and 6 June; the percent amplitude stood at 29.92%.

The following charts illustrate **Corticeira Amorim**'s stock market performance:

Trading volumes on the regulated market in 2012



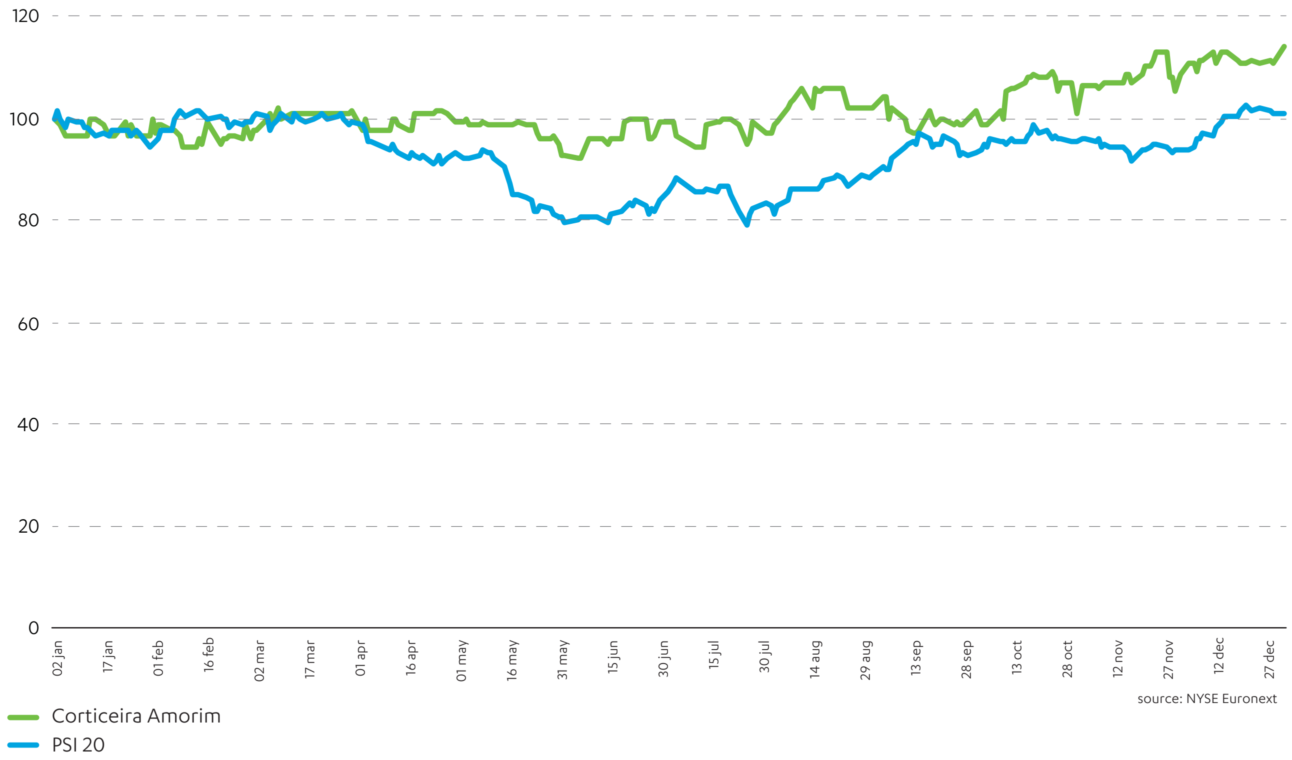
source: NYSE Euronext

Stock market performance in recent years:

	2010	2011	2012
No. of shares traded	19,697,861	4,448,911	2 856,436
Share prices (€):			
Maximum	1.20	1.35	1.65
Average	0.96	1.14	1.42
Minimum	0.79	0.87	1.27
Year-end	1.16	1.35	1.60
Trading frequency	93.0%	90.5%	85.2%
Stock market capitalisation at year-end (€)	154,280,000	179,550,000	212,800,000

source: NYSE Euronext

Share price performance in 2012



8
CONSOLIDATED RESULTS

8.1. SUMMARY OF ACTIVITIES

The financial climate in the second half of 2012 was considerably more positive than in the same period a year earlier. The marked instability of financial markets gave way to considerable improvements. The support for the euro expressed by the new governor of the European Central Bank provided the dose of confidence the markets needed. In economic terms, however, this situation was reversed. The albeit weak growth registered in the second half of 2011 had changed to a generalised contraction across Europe a year later. A fall in confidence indicators, the postponement of corporate investment and a drop in consumption lead to real contractions in practically every European economy, including Germany.

Given that Europe still represents about 60% of **Corticeira Amorim**'s sales, the recession experienced during the second half of 2012, particularly towards the end of the year, inevitably effected the Group's performance. It is only because **Corticeira Amorim** has continued to gain shares in European markets at a steady pace and, at the same time, has expanded into areas not affected by the European "virus" that the EU downturn has not had more serious consequences for the Group.

Wine consumption in these new markets has grown steadily in recent years, which has more than compensated for the fall in European consumption. The growing importance of the US market is particularly noteworthy in this context, undergoing a revolution in consumer habits in recent years that has made the US the world's single biggest wine market. The US is also the single biggest market for **Corticeira Amorim** products, being the leading national market for the Cork Stopper, Floor and Wall Coverings and Composite Cork BUs.

Corticeira Amorim's increase in sales is not only a result of gaining market shares in the cork stopper business. It also reflects the Group's success in winning over a share of the alternative screwcap and plastic closure market for cork stoppers, particularly given a continuing drop in plastic closure sales. New applications for cork have also been developed every year. Turning these new developments into sales, either by creating new markets or by replacing existing products, requires investment and perseverance. Sales of new products and applications continued in 2012, as described in the sections on BU operations.

Contextual costs continued to have an enormous negative impact on the operations of **Corticeira Amorim** and other leading Portuguese export companies. Considering the instability of Portuguese legislation in general, and fiscal legislation in particular, taking into account energy and logistical costs – a port strike in Portugal affected competitiveness for several months in 2012 – and not forgetting the great difficulties companies face in gaining access to credit, the accomplishments of Portuguese exporters in 2012 deserve a special mention. A 5,8% increase in exports, mainly achieved by diversification into markets outside Europe, was the only positive development for the Portuguese economy in 2012. However, the specific incentives available to exporters remain limited to supporting economic diplomacy, which, although welcome, will always be limited in scope. Achieving Portugal's goal of lifting export income to 50% of national output will require more than simply relying on a reduction in real GDP.

In conclusion, a note on the notable level of sales the Group achieved in 2012: for the first time **Corticeira Amorim**'s consolidated sales broke the €500 million mark, reaching €534 million, another new record. Even discounting the positive impact of Trefinos becoming part of the consolidated group and the Timberman effect during the first six months, annual sales would have reached €511 million, comfortably passing the €500 million mark.

8.2. CONSOLIDATION PERIMETER

In 2012, **Corticeira Amorim** made one of the Group's biggest acquisitions to date. As disclosed to the stock market on June 20, the subsidiary Amorim & Irmãos SGPS, SA, purchased a holding of 90.91% in Trefinos SL, which controls a group of six champagne and sparkling wine cork production and marketing companies in Spain, France and Italy.

The activities of these companies were incorporated into the consolidated Amorim group from the beginning of the second half of 2012. The Group also incorporated the activities of Timberman for the full 2012 financial year, compared with only the second half in 2011.

In terms of a comparative analysis of results, these were the only changes made to the consolidation perimeter in 2012.

8.3. CONSOLIDATED RESULTS

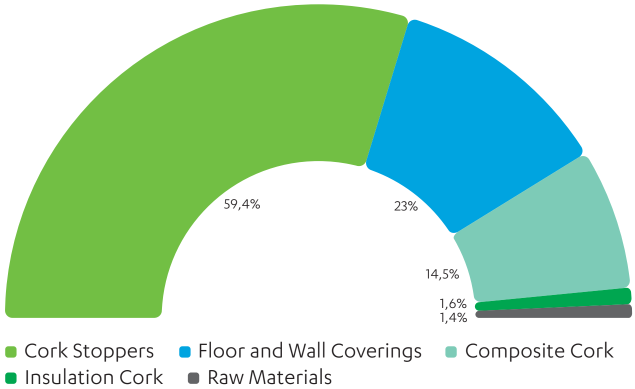
In 2012, both sales and profits rose for a third consecutive year. In fact, since the falls registered in the second half of 2008 and the first half of 2009, due to the global crisis, **Corticeira Amorim**'s key performance indicators have shown uninterrupted improvement.

Sales have grown for 12 consecutive quarters:

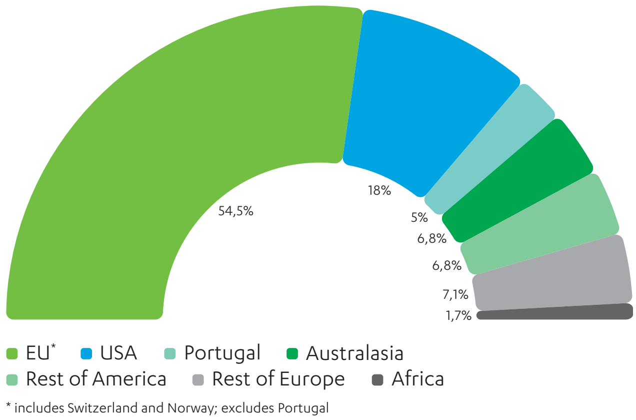
Period	Sales growth
4Q12/4Q11	9.6% a)
3Q12/3Q11	6.4% b)
2Q12/2Q11	7.0%
1Q12/1Q11	9.0%
4Q11/4Q10	4.8%
3Q11/3Q10	9.9%
2Q11/2Q10	13.0%
1Q11/1Q10	6.3%
4Q10/4Q09	10.2%
3Q10/3Q09	11.5%
2Q10/2Q09	7.7%
1Q10/1Q09	10.9%
4Q09/4Q08	-3.8%

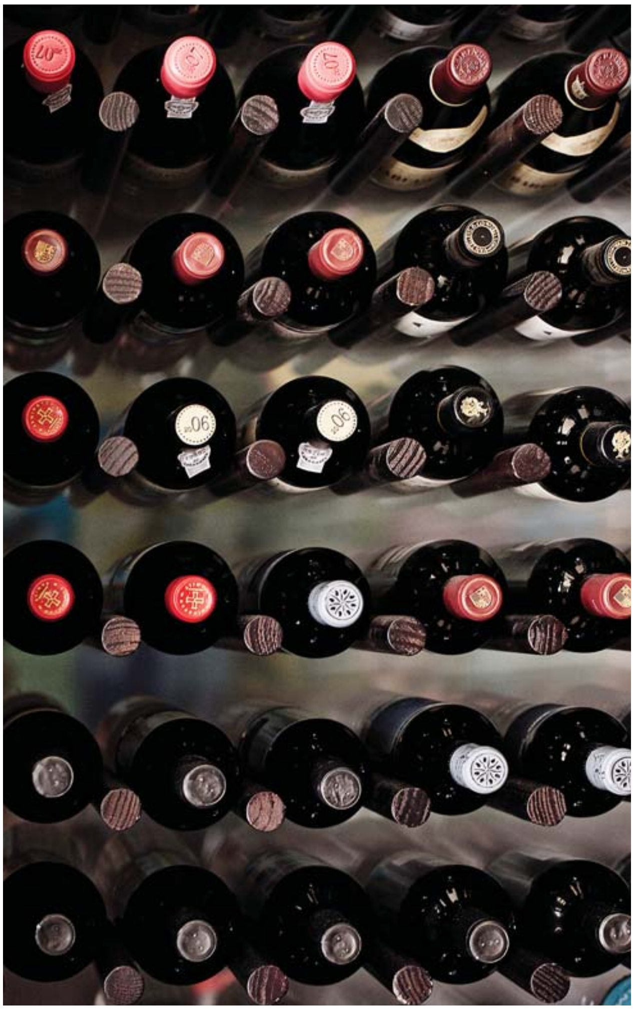
A) COMPARABLE 2.6% B) COMPARABLE 0%

Sales by Business Unit



Sales by Geographical Area





As previously noted, sales passed the €500 million mark for the first time. The €39 million (+8%) increase in sales, also described above, benefitted from the incorporation of Trefinos in the second half (€16 million). In comparable terms – that is, excluding this Trefinos effect in the second half and the Timberman effect in the first half – sales increased by about 4%.

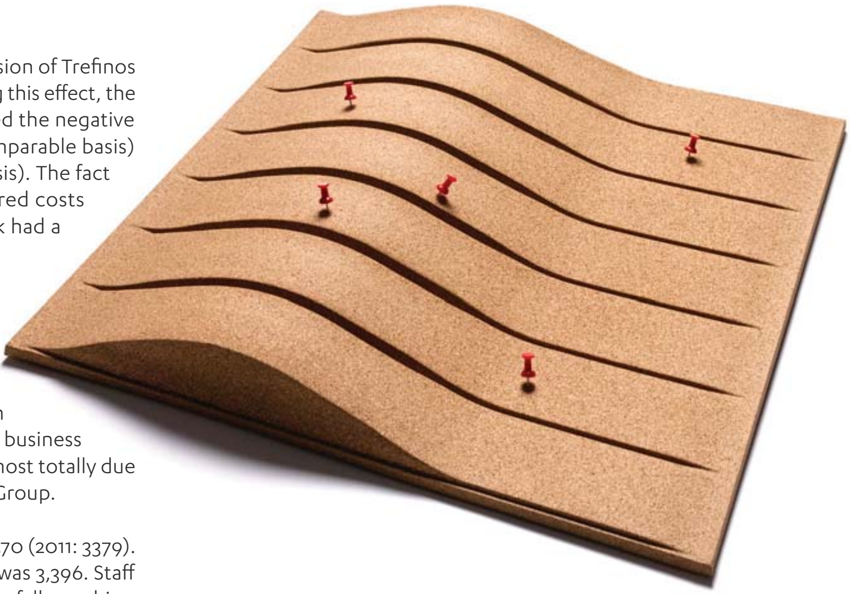
Exchange rate fluctuations, especially in regard to the US dollar, also contributed to the increase in sales and are estimated to have reached €10 million. Exchange rates made a more positive contribution than in 2011, although this improvement began to fall off and even move into reverse at the end of 2012 (EUR-USD 31/12/2012: 1,3194 vs. 30/12/2011: 1,2939). The remaining increase in sales was essentially due to price effects.

Every BU increased its sales. The smallest BU, Insulation Cork, registered the smallest increase, about 2.3%, after successful recovering from a difficult start of the year. The Raw Materials BU contributed a significant sales increase to the Group's value chain (+15%), having processed a bigger volume of cork, which was generated by the 2011 campaign. Manufactured products with increased sales of 7.4% were the main highlight at the Floor and Wall Coverings BU. Sales by the Composite Cork BU to customers outside the Group also increased by a notable 6,3%. Sales by the Cork Stopper BU rose 9.4% (3.8% discounting the Trefinos effect).

The gross margin percentage registered another slight decrease, from 51.2% in 2011 to 50.5%. Increased raw material costs (top quality cork from the 2011 campaign and cork wastage) were the main cause of the reduction. However, the strong increase in sales lifted the absolute value of the gross margin percentage by about €19 million (+7.4%) to a total of €274 million.

Supply and service costs continued to be heavily penalised by increases in the costs of energy, particularly electricity, and transport. For several years, electricity costs have been increasing faster the **Corticeira Amorim**'s growth in sales and production, and much faster than Portugal's general price index. Industry, consumers and the economy in general continue to be penalised by decisions made in the past, which, although well intentioned, have produced a heavy burden in the form of one of the contextual costs that places Portuguese export companies at a competitive disadvantage to their foreign rivals. Higher transport costs, affected by increased fuel prices as well as by an imbalance between export and import cargo costs, have made logistics costs a critical factor for **Corticeira Amorim**'s operations. New solutions will have to be found in this area, responses that do not involve more disproportionate business costs that would further affect the Group's international competitiveness.

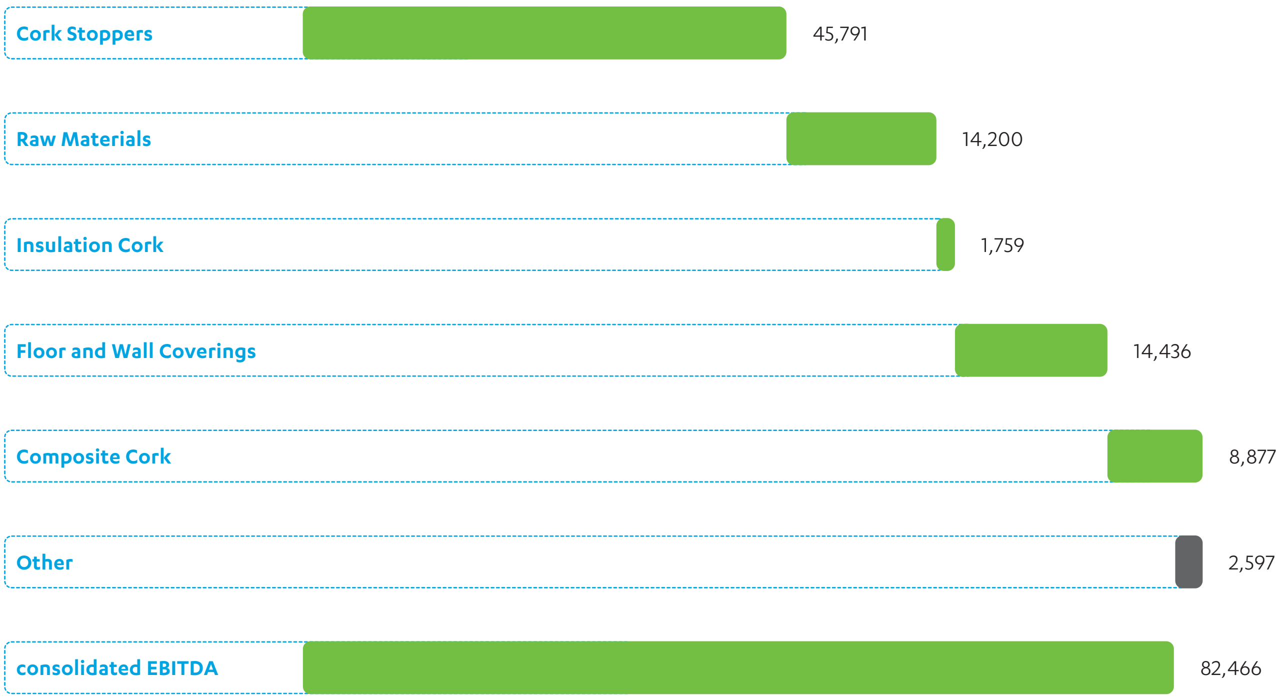
The 7.6% increase in costs was largely due to the inclusion of Trefinos and Timberman in the consolidated results. Discounting this effect, the increase would have been 4.2%. The increase reflected the negative impact of high electricity costs (+17%: +6.6% on a comparable basis) and transport costs (+13%: +5.4% on a comparable basis). The fact that 2011 was the last year in which the Group incurred costs from its international promotional campaign for cork had a positive impact on costs in 2012.



Tight control was maintained over staff costs. Increased productivity resulting from investments with a rapid rate of return, together with wage constraint, compensated for an increase in the use of variable benefits, helping to keep the increase in wage costs below the increase in **Corticeira Amorim**'s business activities. The total wage cost increase of 4.2% was almost totally due to Trefinos and Timberman joining the consolidated Group.

The average number of employees during 2012 was 3,470 (2011: 3379). Discounting the Trefinos effect, the average number was 3,396. Staff costs as percentage of consolidated sales continued to fall, reaching 18.3% in 2012 (2011: 18.9%).

EBITDA: BU contribution **(thousand euros)**



Current operating costs rose to €191,5 million (+4.9%), an increase considerably below the level of production growth (+8.8%).

Sales increased substantially more than operating costs, contributing to a further improvement in the EBITDA/sales ratio. For the first time in a full financial year, this ratio surpassed 15%, reaching 15.4% (2011: 14.6%). EBITDA rose to €82.5 million, a 13.8% increase on the €72.4 million registered in 2011.

The non-recurring costs registered in the accounts reflect changes in operating conditions in Tunisia and Argentina. Impairment tests of the goodwill resulting from the acquisitions made in those two countries showed the need to record their total impairment.

This impairment resulted from deteriorating operation conditions, social unrest and political instability in Tunisia, and from frequent changes in legislation, particularly in relation to customs duties, in Argentina. There was also a significant increase in the rate of return required for the investments made in those two countries.

Notwithstanding these costs, **Corticeira Amorim** remains committed to continuing its operations in Tunisia and Argentine, even though forecast rates of return have been significantly affected by the developments described. The associated impairments total €3.7 million.

As announced during the first quarter, the Group also incurred a €1.6 million impairment in regard to value-added tax (VAT) payable by the Argentinian state. A further €1.7 million impairment was recorded in relation to the value of Investment Properties in Montijo (formerly Interchampanhe).

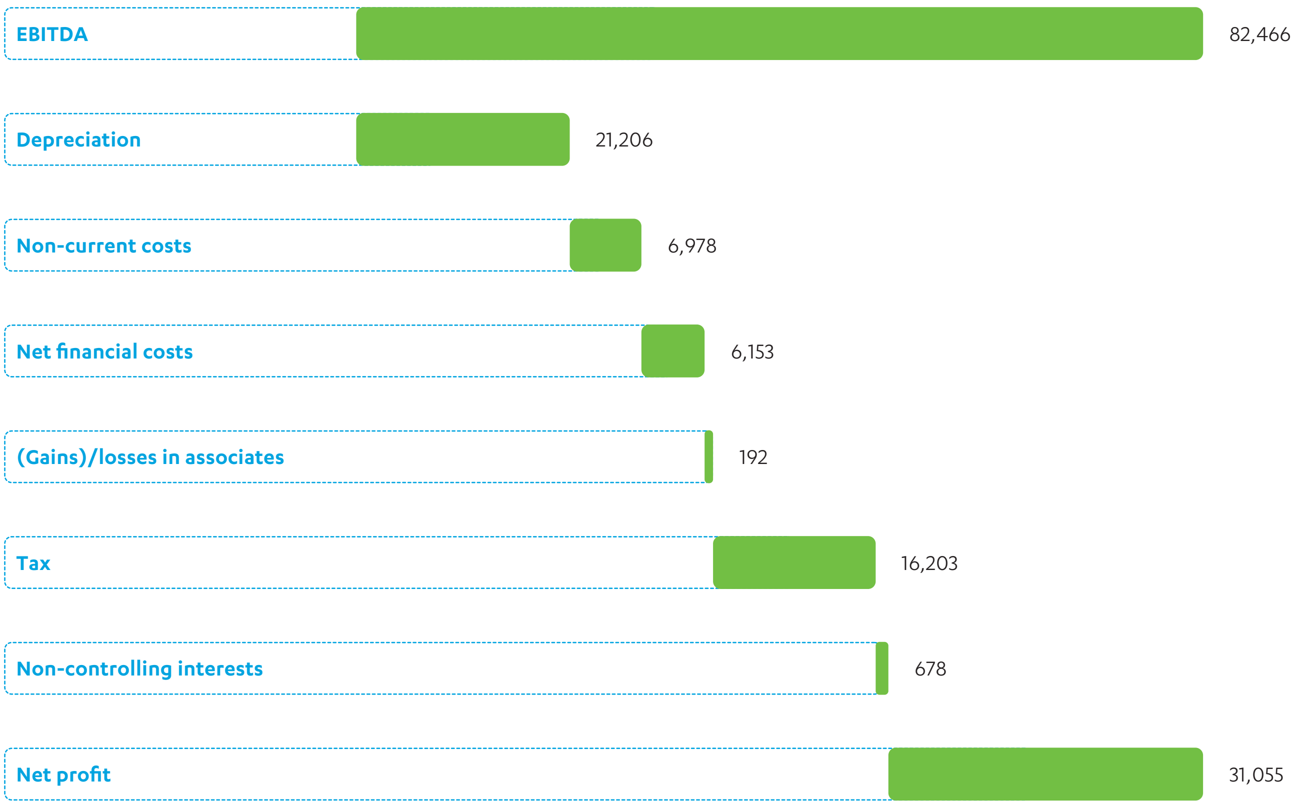
As a result, non-recurrent expenditure totalled €7 million (2011: €5.8 million).

Financial costs rose to €7.4 million (2011: €6.8 million). Given that average remunerated debt remained relatively unchanged, the increase was mainly a result of higher interest rates. After reaching their lowest level in the first quarter of 2011, interest rates increased significantly in the next three quarters. In restructuring its debt during 2011 and 2012, **Corticeira Amorim** sought to attenuate the brutal increase in interest rates applied by Portuguese banks. By the end of 2012, this had helped to reduce the average cost of servicing the debt slightly, although this decrease did not register in annual terms. The all-in interest rate for the holding company's debt, which accounts for most of the Group's consolidated debt, rose to 5.21% (2011: 5.16%).

Estimated tax on earnings totalled €16.2 million (2011: €13.7 million). It is notable that this tax burden has increased uninterruptedly in Portugal. The accumulation of successive and cumulative taxes on the profits of Portuguese companies is another of the factors penalizing the country's exporters.

After accounting for minority interests, net profit payable to **Corticeira Amorim** shareholders totalled €31,055 million, an increase of 22.9% compared with the €25,274 million registered in 2011.

Composition of Net profit **(thousand euros)**



9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

An increase of some €43 million in total asset value was largely due to the investment made in Trefinos, which produced an increase of approximately €32 million, distributed more or less equally between clients, inventories and fixed assets. Taking into account the increase in the balance sheet resulting from the resulting increase in cash, cash equivalents and remunerated debt, which totalled €15 million, it will be seen that total assets value declined slightly on a comparable basis. This was the case for important items including clients, inventories and fixed assets.

Total assets were valued at €644 million at the end of 2012 (2011: €605 million). Discounting the Trefinos investment referred to above, the total asset value on a comparable basis would have been €597 million.

Net remunerated debt rose to €121.6 million at the end of 2012, a slight increase on the €117.4 million registered at the end of 2011. To better understand this comparison, it should be borne in mind that the 2012 financial year was affected by a number of relatively exceptional occurrences. Firstly, there was the investment (€15.1 million) in the purchase of approximately 90% of the Trefinos Group, to which must be added about €6 million, representing the debt on the Trefinos balance sheet. This purchase price compares with previous acquisition costs ranging on average between zero and €5 million. Secondly, at the end of the 2012 financial year, **Corticeira Amorim** distributed more than €12 million in reserves to shareholders. Mention should also be made of how **Corticeira Amorim** was affected in 2012 in relation to the reimbursement of VAT by the tax authorities. Repayment arrears totalling €3 million at the end of 2011 increased over the year to a total of €9 million by the end of 2012. The delay in reimbursing VAT to export companies artificially increases their indebtedness, obstructing their treasuries and increasing their financial costs. It is a practice that constitutes another barrier to the competitiveness of the only dynamic sector of the Portuguese economy. **Corticeira Amorim** has used every means available under the law to be reimbursed for the costs it has incurred because of this delay. It is a painful and prejudicial situation for the company, given that the interest paid on the delayed repayments does not cover the interest the company has to pay as a result of the delays. The artificial increase in indebtedness caused by this is a situation that any company would seek to avoid.

A new line of credit in the amount of €20 million with a maturity of three years was negotiated with a foreign financial institution in the financial year of 2012.

The Group's equity value was €295 million at the end 2012. The financial autonomy ratio was 45.9% (2011: 46.7%). The increase in the balance sheet described above and the additional distribution of dividends more than account for the decrease in this ratio.

Consolidated sales of Corticeira Amorim exceeded for the first time, the barrier of 500 million euros.

10

MAIN CONSOLIDATED FIGURES

		2012	2011	Variation	4Q12	4Q11	Variation
Sales		534,240	494,842	8.0%	125,749	114,750	9.6%
Gross Margin – Value		273,960	255,007	7.4%	66,195	58,965	12.3%
	1)	50.5%	51.2%	-0.64 p.p.	50.8%	51.7%	-0.93 p.p.
Operating Costs - current		212,701	203,629	4.5%	52,191	51,885	0.6%
EBITDA - current		82,465	72,437	13.8%	20,061	12,824	56.4%
EBITDA/Sales		15.4%	14.6%	+ 0.8 p.p.	16.0%	11.2%	+ 4.8 p.p.
EBIT - current		61,259	51,378	19.2%	14,004	7,080	97.8%
Non-current costs	3)	6,978	5,792	N/A	2,384	29	N/A
Net Income		31,055	25,274	22.9%	4,567	3,839	19.0%
Earnings per share		0.246	0.200	23.1%	0.036	0.030	20.8%
Net Bank Debt		121,579	117,424	4,155	-	-	-
Net Bank Debt/EBITDA (x)	5)	1.47	1.62	-0.15 x	-	-	-
EBITDA/Net Interest (x)	4)	17.2	18.5	-1.36 x	20.5	9.2	11.36 x
Equity/Net Assets	2)	45.9%	46.7%	-0.84 p.p.	-	-	-

1) RELATED TO PRODUCTION
2) GOODWILL IMPAIRMENT AND OTHER IMPAIRMENTS
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

11

THE ACTIVITIES OF CORTICEIRA AMORIM'S NON-EXECUTIVE BOARD MEMBERS

In accordance with Portugal's Corporate Governance Act (Código do Governo Societário), which sets out the recommendations of the Security Markets Commission (CMVM) on corporate structure and governance, **Corticeira Amorim** provides the following information on the activities of its non-executive board members.

During 2012, the non-executive members of the Board of Directors regularly attended the monthly meetings of the Board, where all matters that could not be delegated or were included on the agenda because of their importance, scale or critical timing were discussed and analysed.

The meetings were organised administratively to ensure that all board members, executive and non-executive, could adequately prepare beforehand, encouraging the active participation of all members in the debate, analysis and tabling of decisions in benefit of the productivity of the meetings and the efficiency of the Group. The calendar of ordinary meetings of the Board of Directors was agreed at the beginning of 2011 to enable all members to attend. Any board member, including non-executive members, could submit points or discussion subjects for inclusion in the agenda up to two working days before each meeting.

A system has been implemented that enables the Executive Board to report to the Board of Directors in such a way as to ensure that the activities of the two bodies are properly aligned and that all members of the Board of Directors are informed in a timely fashion of the activities undertaken by the Executive Board.

As a consequence, and excepting matters that are of the exclusive competence of the Board of Directors, non-executive board members were informed of and able to follow:

- the development of operating activities and the main economic and financial indicators of all the BUs that comprise **Corticeira Amorim**;
- information relation to the Group's consolidated finances: financing, investment, financial autonomy and extra-patrimonial responsibilities;
- activities carried out by different support services and their impact on the Group;
- the development of IR&D activities;
- the calendar of the main events involving **Corticeira Amorim** and its BUs, given that the Group is often represented at international events, such as trade missions, by one or more non-executive member of the Board of Directors.

12

FUTURE OUTLOOK

12.1. ECONOMIC CONTEXT

12.1.1. Global Perspectives

World economic growth in 2013 is estimated at 3.5%, a slight increase on the 3.2% registered in 2012, but still below the growth rate in 2011. This projection represents a marginal revision from the International Monetary Fund's October 2012 forecast. As stated at a recent meeting of the Group of Twenty major economies (the G20), "thanks to the measures adopted by the US, Europe and Japan and to the stability of the Chinese economy, the principle risks to the global economy have diminished". The global climate is nevertheless characterised by weak growth and a notable growth in unemployment. World trade, according to IMF forecasts, is expected to grow 3.8% in volume, a stronger pace of growth than in 2012. However, the trade growth forecast has been adjusted downwards from the forecasts made in October 2012.

Measures announced and/or implemented by monetary authorities worldwide – including extremely accommodating monetary policies and exceptional mechanisms such as the European Central Bank's Outright Monetary Transactions (OMT) scheme – have lowered the risks pertaining to the **Euro Zone** and provided support for the **US** economy. However, the effects of simultaneous fiscal consolidation by all Euro Zone countries have led to forecasts that the Euro Zone economy will contract by 0.2% in 2013, while growth in the US is expected to decelerate to 2%, due to negative expectations resulting from a failure to resolve the so-called "fiscal cliff". Growth in the first half will be limited, but is then expected to increase to a rate above the medium-to long-term growth trend. A recovery of the real estate market is likely to be a notable trend. The growth outlook for **Japan** has not changed since the IMF forecasts made in October 2012, in spite of the slowdown in the Japanese economy that has since emerged. The forecasts point to moderate growth of about 1.2% in 2013, as the economy responds to the impact of the Conservative Party's return to power, including Bank of Japan policies to ensure a 2% inflation rate and a commitment to devalue the yen. Growth in **China** is expected to accelerate further, reflecting the adoption of expansionist measures, increased investment in infrastructure and reforms to the financial, budgetary and fiscal systems. The principal challenge will be to make domestic demand the main driver of economic growth. China's GDP growth is estimated at 8.2% in 2013. **Brazil** is expected to grow at a faster pace than in 2012, although forecasts have been revised downwards. Inflation and supply constraints could affect current growth forecasts of about 3.5%. Emerging economies are projected to grow by about 5.5%, benefitting from support measures, but also suffering the negative effects of a drop in import demand from developed economies.

If the current climate remains stable and there is no deterioration in financial conditions, world growth forecasts could be revised upwards. On the risk side, factors to be taken into consideration include fiscal adjustment in the US, elections in Italy and Germany, the political and economic situation in Greece, the possibility of a loss of confidence in the Euro Zone's capacity to achieve a definitive resolution of the sovereign debt crisis, a possible increase in raw material prices (especially energy prices) and the risk of a slowdown in world trade. Finding the right balance in developed economies between the need to reform the financial sector – a vital requirement for diminishing systemic risks – and lasting fiscal consolidation will be a key challenge in 2013.

12.1.2.Portugal

Tight fiscal consolidation, on-going deleveraging by the banking sector, a more pessimistic outlook by businesses and weaker external demand mean the Portuguese economy will remain in recession in 2013. Based on data for the last quarter of 2012, forecasts point to a 1.9% contraction of GDP in 2013, but these projections could quickly be revised downwards. Portugal's third consecutive year of recession reflects the adjustments being made under the country's Economic and Financial Assistance Programme. This process has resulted in a significant drop in domestic demand, both public and private, which is likely to contract by about 17% overall between 2011 and 2013.

Few developments in support growth are expected in 2013 as the adjustment process continues gradually to change the structure of the economy to one in which tradable goods are the main engine of growth. The cost of new lending will remain high, although lower than in 2012, and continued improvements in competitiveness should help eliminate the current account deficit before the end of the year.

The main risks remain the economy's large exposure to vacillations in the Euro Zone, particularly neighbouring Spain. Net exports are the country's only source of growth and any negative impact on this component of GDP would compromise growth even further.

It is particularly important for Portugal to ensure that its external financing costs continue to improve. The approach of the state debt agency (IGCP) to the debt market will be critical as it seeks Portugal's full return to international financial markets and the transformation of the country's debt curve. Recent steps in this direction have been positive, but remain insufficient.

Considering the unemployment figures for the last quarter of 2012 and the tendency for unemployment to lag behind negative growth figures, the jobless rate is projected to remain at historically high levels and is likely to rise further in 2013, climbing above the 16.4% forecast by the Portuguese authorities. According to the IMF, structural unemployment is expected to reach 14% due to the sharp adjustment the economy is undergoing in both cyclical and structural terms. Inflation is forecast to fall below the level of 2012.

12.2. OPERATING ACTIVITIES

12.2.1. Raw Materials

No changes are expected in purchasing activity during 2013. The Raw Materials Business Unit will continue to supply the cork requirements of other **Corticeira Amorim** units for 2014, maintaining a balance between quantity, quality and price. To this end, the BU plans to restructure its purchasing policy in Portugal, focusing on training together with operational and geographic mobility.

The BU expects to maintain the same level of profitability as in 2012, compensating for possible price increases through greater industrial efficiency and by optimising transport flows.

The BU's industrial units should achieve sales volumes similar to those of 2012, except for sales of champagne disks, which are expected to grow as a result of increased demand by Amorim companies.

Quality remains a priority and the BU remains committed to improving its operations with a view to increasing customer satisfaction in relation to the supply of both cork stoppers and cork discs.

Although the situation in the North African countries where the BU operates has not yet stabilised, the Group's operations are not expected to suffer any major disruptions, especially as the BU has enough raw material stocks to continue operating throughout the whole of 2013.

The BU remains committed to the technological development of its industrial plants and plans to extend the modernisation of the production processes for cork discs for champagne and Twin Top stoppers that began in 2012 to the whole unit.

Human resources are another priority area. Several training initiatives are planned with a view to improving employee's knowledge of technical skills and of cork itself as a material. To achieve this goal, a programme is planned in cooperation with the Kaizen Institute for developing teams to work with three foundational Kaizen tools: daily Kaizen, the 5-S framework and Visual Management & Standard Work.

Given that cork is the fundamental raw material of all **Corticeira Amorim**'s operations, the BU plans to play a more important and stimulating role in 2013 in research projects looking into cork estates (*montado*) and their sustainability.

12.2.2. Cork Stoppers

According to the latest study by the International Wine and Spirits Record (IWSR), published by Vinexpo, world wine consumption is forecast to increase by 1 billion bottles between 2010 and 2014.

In terms of country rankings, the IWSR confirms previous forecasts that the US will become the world's leading wine market. The current ranking is led by Italy, followed by the US, with France, where wine consumption has been falling, in third position. The EU, led by France, Italy and Spain, dominates the global wine industry in terms of both production and consumption. In the period to 2015, the Asia-Pacific region is forecast to register the fastest growth in wine consumption.

The world wine market is thus expected to continue growing at a considerable pace. The US, Asia – India and China – and Brazil have a high potential for growth and will certainty be markets to take into account in the coming years.

The so-called "Old World", notwithstanding its stable consumption levels, is the BU's largest market in terms of both volume and value.

The challenge facing the BU is to focus on the key factors that determine customer choice: service, operating efficiency and product quality, increasing its potential to grow in value, market share and profitability.

In this context, the BU will seek to achieve the following previously defined strategic objectives:

- a balanced mix of volume and value, favouring products with greater growth potential and which are perceived by customers as having greater value;
- strengthening its production structure through partnerships and increased industrial efficiency;
- increasing the commercial network's capacity for expansion, giving priority to products with the greatest growth potential;
- continuing to develop projects and investments aimed at improving the sensorial performance of different cork stoppers;
- giving priority to projects aimed at rationalisation, technological evolution/automation and industrial process efficiency;
- improving supply chain management to reduce costs and invested capital and to improve service levels.

12.2.3. Floor and Wall Coverings

Underlying the sales forecast for 2013 is the consolidation of the success of the Artcomfort, FastConnect and "glue down" Vinylcomfort ranges featuring differentiating factors based on technologies used to enhance both their visual appearance and their ease of installation.

Developing opportunities in markets with growth potential and extending existing distribution channels are priorities aimed at diversifying the current customer network.

In 2013, the BU expects to consolidate the profitability it has achieved in all the regions where it currently operates, exploring new distribution channels, reaching new customers and adapting its distribution structures to meet service and profitability requirements in the different segments in which it operates.

12.2.4. Composite Cork

In 2013, the BU aims to consolidate the profitability levels it achieved in 2012, while remaining aware of the difficulties it faces.

Total turnover should continue to grow at a modest rate in most segments, benefitting from relatively strong growth forecasts in the areas of transportation and NRT (industrial components).

The introduction of new products and the recently installed production line for innovative agglomerates will favour sales growth. A continuation of the EUR/USD exchange rate at similar levels to those of 2012 will also be decisive.

Improving the relative gross margin is equally or more important than sustaining sales levels. An improvement is expected, particularly in relation to production, taking into account internal and external measures aimed at creating value that will continue to be implemented.

Without neglecting other important aspects, value/profitability factors will continue to be the main focus of the BU's strategic and operational activities in 2013. The work developed over recent years in this area, which has produced encouraging results, will be continued and strengthened.

In this context, the BU will continue to combine continuous improvement initiatives and efforts to reposition value – which mainly affect current operations – with a number of other actions related to innovation (processes, products etc.) as a means of enhancing the value generated by such a diversified business portfolio.

A very significant part of the BU's efforts will thus be focused on a range of innovative products with a view to gaining market share, particularly in previously unexplored segments, attracting and retaining new clients while simultaneously deploying a more diversified mix of raw materials and new production technologies.

It will only be possible to achieve the desired generation of value by thoughtfully and gradually combining these innovative processes with the high levels of quality, service and efficiency that the BU must strive to maintain in its more mature business segments, which will continue to have the greatest weight in its activities.

12.2.5. Insulation Cork

The unique characteristics of the applications and solutions produced by this BU will contribute to their greater visibility and use: superior performance and natural and ecological materials. Marketing will also focus on the concept of sustainable construction, including the new MDFachadas system, Ecological Homes and, more recently, an innovative insulation solution consisting of combined cork agglomerate sheets and laminated plasterboards called ***Gypcork***.

The implementation of a package of initiatives and projects aligned with the BU's global strategy will enable it to achieve profitable growth for most of its products and to optimise the capital invested in the business.

12.3. RESULTS

Corticeira Amorim sees 2013 as a year full of uncertainties, but also full of hope. Continuing efforts to improve business levels, service quality and results will remain the dominant drive for all those who represent the Group.

Its main markets in western Europe are likely to continue to show signs of ossification for many years. As these countries, where growth is expected to remain stagnant or weak, still represent 60% of sales, the only way forward for **Corticeira Amorim** is to gain market share.

But other regions continue to prosper. It is from the crucible of new geographical markets and new cork products and applications that growth will emerge.

The availability of cork as a raw material in quantities and at prices that are acceptable to the industry and producers will always be a determining factor. Our efforts to take advantage of the full potential of different supply markets has enabled us to provide the raw material required for our operations and future growth, and will certainly continue to do so. Although the 2012 cork harvest campaign that will supply our production units in 2013 was smaller in volume, its price stability permits us to approach this financial year with a degree of tranquillity.

Contextual costs will continue to heavily penalise **Corticeira Amorim**'s competitiveness. From energy prices and transport costs to taxation and interest rate volatility, the business climate in Portugal has deteriorated in recent years. However, some signs of improvement have recently emerged. If mooted plans for investment incentives and tax cuts are realised, 2013 could prove a more promising year. Even borrowing costs have shown signs of decreasing and the recent evolution of the US dollar exchange rate appears to have dispelled fears of a sharp devaluation that emerged at the beginning of 2013.

Maintaining sales and profit growth will become an increasingly difficult task. Since the global recession of 2008/9, **Corticeira Amorim** has achieved notable improvements in its performance indicators. Maintaining the profitability levels achieved in 2012 will be the immediate goal of **Corticeira Amorim**'s management team and employees. The absence of disruptive factors in the world financial situation and the emergence of a more favourable business climate in Portugal could even see the Group surpass the achievements of 2012.

13

BUSINESS RISKS AND UNCERTAINTIES

During the Company's long history, which already encompasses three centuries, it has successfully coped with deep, sometimes radical transformations in society and come through two world wars. Through this history, **Corticeira Amorim** has accurately and in a timely manner identified the risks and uncertainties associated with its business and faced them with confidence as challenges and opportunities.

The difficulties that some of the world's largest economies are undergoing continue to affect the development of the global economy. A lack of liquidity continues to have a negative impact on business activity, further affecting the pace of productive investment. Rising unemployment remains a cause for concern and continues to condition economic development. In this climate, rebuilding confidence is proving extremely slow, which is having a negative knock-on effect on consumption, investment and financing.

Corticeira Amorim, like other businesses, is operating in an uncertain economic climate that continues to affect some of the Company's its main export markets, although there have been some positive signs from emerging markets:

I. **the construction sector** – the marked slowdown of activity in this sector, in terms of both new building and renovation, as well as the postponement of purchase decisions by final consumers has led to a deceleration in global demand for construction materials, including floor and wall coverings and thermal and acoustic insulation.

We will continue to offset this global slowdown by tapping growth opportunities, strengthening our presence in emerging markets we have already identified as having high growth potential and increasing our share of more mature markets. These opportunities will also benefit significantly from the launch of new product collections and the development of a portfolio of products designed to expand the range of solutions the Group produces.

A growing awareness among final consumers of the importance of sustainability will also favour the choice of cork for floor and wall coverings, constituting an important driver of sales growth;

II. **the world wine sector** – it remains probable that economic instability in the EU will prevent a sustained recovery of per capita wine consumption and that the phenomenon of trading down, which has been occurring for some time, will not be completely reversed. This will continue to affect the product mix of the Cork Stopper BU.

As detailed in the section on R&D, **Corticeira Amorim** has for several years been developing a number of technical cork stoppers to meet the requirements of the most demanding wine producers in any market in terms of quality, quantity and price. Today, the range of products produced by the Cork Stopper BU makes it feasible for all wine producers to use cork stoppers, benefitting from their advantages in terms of sustainability, added value and CO_2 retention, factors which remain indisputable product differentiating factors worldwide.

Over the long term, **Corticeira Amorim**'s performance could also be influenced by the following factors, which the Group permanently monitors and evaluates:

I. **exchange rate volatility** – a factor that may erode business margins. Over the short term, the effects of exchange rate volatility have been offset by an active policy of substituting invoicing currencies – in 2012 consolidated sales in non-Euro currencies represented 31% of sales to companies outside the Group – and by adopting a consistent policy of hedging exchange rate risk (either through natural hedging or appropriate financial instruments); over the long term **Corticeira Amorim** is committed to developing new products/solutions with greater added value to establish a product mix capable of overcoming these limitations. As a result, the company has adopted an organisational model geared to moving up the value chain and neutralising this risk.

II. **climate change** – a factor that could potentially reduce the availability of raw materials as it could, as a result of severe droughts, destabilise the ecosystem on which the cork oak depends, which would threaten the propagation and growth of the tree. More importantly, the capacity of the cork oak and of cork, both as a raw material and in the form of cork products, to retain carbon helps to mitigate the emission of the greenhouse gases that cause climate change.

The cork oak is the basis of an ecological system that is unique in the world, contributing to the survival of many species of indigenous fauna and to the protection of the environment. The tree is only to be found in seven countries in the western Mediterranean basin – Portugal, Spain, France, Italy, Morocco, Algeria and Tunisia – where it acts as a barrier against the advance of desertification, as it can survive in dry climates with little rainfall, helping to fix soil and organic material, reducing erosion and increasing water retention.

Corticeira Amorim products are also important absorbers of carbon, which they retain until the end of their useful life.

The industrial processing of cork harvested from cork oaks is the best way to guarantee the preservation and development of the *montado* (a sustainable agricultural system based around cork oak groves) and to ensure their economic viability. *Montados* have today become a focus of attention. Specific legislation to protect them has been approved and several non-governmental organisations that seek to protect forests have devised programmes aimed at improving and certifying forest management practices.

The fixation of CO_2 and the increased use of cork for thermal insulation as eco-construction develops will create an opportunity for highlighting the unique advantages of cork products.

III. **the development of alternative closures** – the use by wine producers of alternatives to cork stoppers shows signs of decreasing in the case of plastic closures and flat-lining in regard to screw-caps. In 2012, positive signs continued to be seen in North America, which has become the world's largest wine market, with consumers emphasising their preference for cork stoppers. This view is supported by Nielsen market data which shows that among the 100 leading wine brands in the US, those using cork stoppers have enjoyed faster sales growth than those using artificial closures. In Britain and Germany in 2012, some retailers, such as Ocado and Kaufland, have announced their preference for cork stoppers to their customers, using digital media channels that reach a large audience. As in previous years, it remains important to take technical factors into consideration in any analysis of the market for plastic closures. These factors include the incapacity of plastic closure producers to devise manufacturing processes capable of reproducing the clear advantage cork has of achieving a balance between the effort required to extract the stopper and the optimum level of oxygen permeability. In 2012, cork stoppers continued to consolidate their position as the closure of choice and the benchmark for quality, performance and image. In spite of the launch in the past 12 months of plastic products designed to reverse this situation, markets have not shown an acceptance of these new closures, which are intended to replace cork stoppers as the wine bottle closure of choice.

Like plastic closures, the screw-cap is associated with low-grade wine and lower levels of profitability for producers and distributors. As previously noted, studies made in the US have begun to demonstrate and quantify the premium factor that consumers associate with cork stoppers. Screw-cap closures remain limited by the following factors:

- the phenomenon of reduction has become more widely known among wine industry stakeholders;

- in terms of market share gains, the pace of growth has clearly decreased, and in this regard screw-tops are today that most immobile among the alternatives to cork stoppers; however, it should be noted that at the end of 2012, it was made public that an international promotional campaign for screw-top closures was to be launched. Subsequent marketing initiatives by associations of aluminium producers can be expected to increase awareness of these alternative closures. However, the biggest impact of this media campaign is likely to be felt by plastic closure manufacturers rather than by cork stopper producers;

- modern awareness of the environmental and ecological costs involved in the use of manufactured products is now an irreversible reality, requiring these costs to be mediated and controlled and, as far as possible, avoided. As the result, the replacement of a natural product – cork – by a product manufactured by an industrial process that consumes more energy than any other comparable process has met with the natural resistance not only of individual consumers, but also of society as a whole. However, it is to be expected that the manufacturers of alternative closures, including plastic closure producers, will engage in activities and/or launch products designed to minimise the environmental impact of their products.

During the past 12 months, perceptions of the potential negative impact of artificial closures on the brand equity of wine producers grew stronger. Prestigious wine producers in significant New World markets – the mainstays of alternative closure use – including Cape Point in South Africa, Rusden in Australia and Sacred Hill in New Zealand have stopped using alternatives closures.

An increase in the positive awareness of cork stoppers in the crucial Chinese market during 2012 also provides an important platform for strengthening the preference for cork as the wine industry's closure of choice, given the expected importance of China as a market for wine exports.

At the end of 2012, the Portuguese Cork Association (APCOR) announced plans to hold a second multi-year campaign to promote cork internationally. By focusing on crucial markets with high growth potential like the US, China and Brazil, it is hoped that this campaign will make an important contribution to the growth of cork exports.

14

TREASURY STOCK

During the 2012 financial year, **Corticeira Amorim** acquired 596,000 of its own shares over several different trading sessions, corresponding to 0.448% of the Company's share capital, at an average price of €1.544 per share, in transactions totalling €920,890.38. These transactions are listed in a table in Chapter 4 of the Corporate Governance Report.

No treasury stock was sold in 2012.

The transactions were made in strict accordance with the regulations for authorising the acquisition or sale of treasury stock approved by the General Meeting of Shareholders. They do not constitute a programme of share repurchasing as set out in EC regulation no. 2273/2007 of December 22.

The transactions described were deemed appropriate given the market opportunities, the availability of financial resources in the Company and the immaterial impact they would have on either the normal formation of share prices or the Company's free float.

On December 31, 2012, **Corticeira Amorim**'s treasury stock totalled 7,383,962 shares, representing 5.552% of the Company's share capital.

15

PROPOSED APPROPRIATION OF PROFIT

Based on the annual financial statements for the year ended 31 December 2012 and in view of the fact that the Company's net loss for the year was € 1,510,902.91 and the amount of the Company's distributable reserves was € 47,992,551.39 the Board of Directors of **Corticeira Amorim**, S.G.P.S., S.A. hereby proposes that the Annual General Meeting considers and approves a resolution as follows:

1. that the above net loss for the year in the amount of € 1,510,902.91 be carried forward to a Retained Earnings account;

2. that a sum of € 13,300,000.00 - a part of the amount that appears under the "Free Reserve" account - be distributed as dividends to shareholders corresponding to a dividend of € 0.10 per share.

16

STATEMENT OF RESPONSIBILITY

In accordance with line c) of number 1 of article 245 of the Portuguese Securities Code, the members of the Board of Directors state that, to the best of their knowledge, the annual accounts and other documents included in the statement of accounts were drawn up in accordance with the applicable accounting standards, giving a true and accurate account of assets and debts, of the financial situation and profits/losses of **Corticeira Amorim**, S.G.P.S., S.A. and the companies that are consolidated by the group. They also state that the management report faithfully expresses the business evolution, performance and position of **Corticeira Amorim**, S.G.P.S., S.A. and the companies that are consolidated by the group and that the report includes a special chapter describing the main risks and uncertainties of the company's businesses.

Subsequent to December 31, 2010 and until the date of this report, there were no other relevant facts that may have a material adverse effect on the financial position and future results of **Corticeira Amorim** and the subsidiaries included in the consolidation.

The Board of Directors would like to take this opportunity to express its gratitude to:

- the Group's Shareholders and Investors for their unfailing trust;
- the Credit institutions with which the Group works for their invaluable cooperation; and
- the Supervisory Board and the Statutory Auditor for the rigour and quality of their work.

To all our Employees, whose willingness and commitment have contributed so much to the development and growth of the companies belonging to the **Corticeira Amorim** Group, we express our sincere appreciation.

Mozelos, February 18, 2013

The Board of Directors of Corticeira Amorim, S.G.P.S., S.A.

António Rios de Amorim
Chairman

Nuno Filipe Vilela Barroca de Oliveira
Vice-Chairman

Fernando José de Araújo dos Santos Almeida
Member

Cristina Rios de Amorim Baptista
Member

Juan Ginesta Viñas
Member

Jorge Manuel Seabra de Freitas
Member

03

CORPORATE GOVERNANCE REPORT

INTRODUCTION CORPORATE GOVERNANCE

From the publication, in 1999, of the first Portuguese Securities Market Commission's (or "CMVM") recommendations on corporate governance aimed at improving the mechanisms protecting investors in securities markets, **Corticeira Amorim** has been engaged in a process of reviewing its corporate governance system. On the one hand, our Company has been comparing its corporate governance principles and practices to what it is considered to be the best existing practices and, on the other hand, to the circumstances underlying its business and the challenges the Company has to face. As a result of this process **Corticeira Amorim** has been implementing a number of measures, whose main objectives are to strengthen the internal systems of control and supervision, increase transparency, encourage shareholder participation in the corporate life and guarantee sustained creation of shareholder value.

This document describes the corporate governance policies and practices adopted by our Company and it also provides a qualitative evaluation of those policies and practices by comparison with the best practices framework set out in the CMVM Corporate Governance Code.

Chapter 4 of this report includes information set out in articles 447 and 448 of the Portuguese Companies Act, in sections 14(6) and 14(7) of the CMVM Regulation no. 5/2008 (Transactions involving Directors and Officers) and in article 3 of Law No. 28/2009 of 19 July (Remuneration Policy).

CHAPTER 0 STATEMENT OF COMPLIANCE

0.1. Websites where the Corporate Governance Codes (by which the issuer is governed) are available.

In matters of corporate governance **Corticeira Amorim** is governed by: (i) current Portuguese legislation, in particular the Portuguese Companies Act, the Portuguese Securities Market Code and the regulations issued by the Portuguese Securities Market Commission, which may all be accessed on the CMVM's website: www.cmvm.pt; (ii) its own articles of association, which are available on the Company's website at: www.corticeiraamorim.com; and (iii) the 2010 CMVM Corporate Governance Code as referred to in the CMVM Regulation no. 1/2010 and which, despite taking the form of a recommendation framework, constitutes an important benchmark of good practices, also available at www.cmvm.pt.

Corticeira Amorim assesses its practices in relation to the aforementioned Corporate Governance Code on a 'comply or explain' basis. This report on **Corticeira Amorim**'s corporate governance structures and practices is benchmarked against all legislation, regulations and recommendations to which our Company is subject.

0.2. Detailed description of the recommendations contained in the CMVM Corporate Governance Code and whether they have or have not been adopted by the Company.

The review undertaken indicates that **Corticeira Amorim** has achieved **a high level of compliance with the CMVM recommendations** on corporate governance, as is shown in the following table:

Adopted and not adopted recommendations

Recommendation	Position as at 31-12-2012	Description in the Report
I.1.1.	Adopted	1.1
I.1.2.	Adopted	1.3
I.2.1.	Adopted	1.4
I.2.2.	Adopted	1.4
I.3.1.	Adopted	1.9
I.3.2.	Adopted	1.9
I.3.3.	Adopted	1.6
I.4.	Not Adopted	0.3, 1.8
I.5.	Adopted	
I.6.1.	Adopted	1.19, 1.20
I.6.2.	Adopted	1.20
II.1.1.1.	Adopted	Introduction to Chapter 2
II.1.1.2.	Adopted	2.5, 2.6.
II.1.1.3.	Adopted	2.6
II.1.1.4.	Adopted	2.5, 2.6, 2.9
II.1.1.5.1.	Not Adopted	0.3, 2.7
II.1.1.5.2.	Not Adopted	0.3, 2.7
II.1.2.1.	Adopted	2.1
II.1.2.2.	Not Adopted	0.3, 2.14, 2.15
II.1.2.3.	Adopted	2.14, 2.15
II.1.3.1.	Adopted	2.21, 2.22
II.1.3.2.	Adopted	2.11, 2.16
II.1.4.1.	Adopted	2.35
II.1.4.2.	Adopted	2.35
II.1.5.1.i)	Adopted	2.30, 2.33
II.1.5.1.ii)	Not Adopted	0.3, 2.33
II.1.5.1.iii)	Not Adopted	0.3, 2.33
II.1.5.1.iv)	Adopted	2.30
II.1.5.1.v)	Not Applicable	2.33
II.1.5.1.vi)	Not Applicable	2.33
II.1.5.1.vii)	Not Adopted	0.3
II.1.5.1.viii)	Adopted	2.30, 2.33

Recommendation	Position as at 31-12-2012	Description in the Report
II.1.5.2.	Not Adopted	0.3, 2.30
II.1.5.4.	Not Applicable	3.30
II.1.5.5.	-	-
II.1.5.6.	Adopted	1.15
II.1.5.7.	Adopted	3.33
II.2.1.	Adopted	2.2; 2.3
II.2.2.	Adopted	2.3
II.2.3.	Adopted	2.3
II.2.4.	Adopted	Chapter 10 of the Directors' Report
II.2.5.	Adopted	2.3
II.3.1.	Adopted	2.3
II.3.2.	Adopted	2.3
II.3.3.	Not Applicable	-
II.4.1.	Not Applicable	-
II.4.2.	Adopted	-
II.4.3	Adopted	-
II.4.4.	Not Adopted	0.3
II.4.5.	Adopted	-
II.4.6.	Not Adopted	0.3
II.5.1.i)	Adopted	2.30
II.5.1.ii)	Adopted	Introduction to Chapter 2
II.5.1.iii)	Not Adopted	0.3
II.5.2.	Not Adopted	0.3, 2.38, 2.39
II.5.3.	Not Adopted	0.3
II.5.4.	Adopted	-
III.1.1.	Adopted	3.16
III.1.2.	Adopted	3.16
III.1.3.	Not Adopted	0.3
III.1.4.	Not Adopted	0.3, 3.17
III.1.5.	Not Adopted	0.3, 3.17
IV.1.1.	Adopted	3.13
IV.1.2.	Not Applicable	0.3, 3.13

0.3. Explanation and justification of the discrepancies between the Company's corporate governance practices or structure and the Portuguese Securities Market Commission's recommendations.

On December 31, 2012, **Corticeira Amorim** operated in full compliance with all applicable laws and statutory provisions in force. As shown in the table above, **Corticeira Amorim** did not fully implement all recommended practices set out in the Portuguese Securities Market Commission's Corporate Governance Code as set out in 0.1.

Corticeira Amorim admits that the Portuguese Securities Market Commission's Code is a benchmark of good corporate practice that contributes largely to a careful consideration and adoption of a corporate organisational framework which safeguards the rights and interests of the Company's shareholders, boosts transparency in corporate governance and fosters greater efficiency and competitiveness of business.

However, as the Portuguese Securities Market Commission's Recommendations also state, after careful consideration of the specific circumstances that surround and shape our Company, weighing the expected benefits and costs of adopting or not adopting some of the recommendations set out in the Corporate Governance Code – both as regards transparency and balance of power in the Company as well as its competitiveness – have led us to decide, under certain circumstances, not to adopt certain recommendations and under other circumstances, to postpone their adoption, as detailed below:

Recommendation I.4. – Quorum.

Corticeira Amorim's articles of association fix a quorum higher than that required by law[1] in the following cases:

- restriction or abolition of shareholders' pre-emptive subscription rights in share capital increases – in order that a resolution on this issue may be adopted, the Annual General Meeting must be attended by shareholders accounting for at least 50 per cent of the paid-up share capital (article 7);
- removal of a director elected under the special provisions set out in article 392 of the Portuguese Companies Act - in order that a resolution on this issue may be adopted, it is necessary that shareholders accounting for at least 20 per cent of the share capital shall not vote against the resolution to remove a director from office (article 17);
- in order that resolutions may be passed at an Annual General Meeting convened by shareholders, the meeting shall be attended by members holding shares equivalent to the minimum amount required by law to justify the calling of such a meeting (article 22);
- change in the composition of the Board of Directors – this resolution must be approved by shareholders accounting for at least two-thirds of the share capital (article 24);
- winding-up of the Company – this resolution must be approved by shareholders accounting for at least 85 per cent of the paid-up share capital (article 33).

Therefore, non-compliance with the CMVM's Recommendation and the requirement of a higher quorum than that provided for by the Portuguese Companies Act gives shareholders - particularly small or minority shareholders - an important role in a number of decisions that can have significant impact on corporate life (winding-up), corporate governance model (removal of a Director proposed by minority shareholders and change in the composition of the Board of Directors), ownership rights of shareholders (restriction or abolition of shareholders' pre-emptive subscription rights in share capital increases) and an appropriate participation in Annual General Meetings convened by shareholders.

Thus, after reviewing the above considerations, we are of the opinion that keeping these conditions will contribute to enhance and protect shareholders' rights and role in respect of significant corporate governance matters – values that the Corporate Governance Code seeks to protect.

1
The Portuguese Companies Act sets out various requirements in order that resolutions may be validly adopted at an Annual General Meeting:

Quorum (§ 383):

1. On first convening, resolutions may be passed at an Annual General Meeting regardless of the number of members present in person or by proxy, unless otherwise laid down in the following paragraph or in the Company's articles of association.
2. On first convening, the Annual General Meeting can pass resolutions to amend the Company's articles of association or the Company's merger, de-merger, transformation or winding-up or any other matters in respect of which an unspecified qualified majority is required by law, if shareholders jointly holding at least one third of the Company's share capital are present in person or by proxy at such meeting.
3. On second convening, resolutions may be passed at an Annual General Meeting regardless of the number of members present in person or by proxy at the meeting or the Company's share capital held by such members.

Majority voting (§ 386):

1. Resolutions at an Annual General Meeting shall be passed by a simple majority of the votes cast, regardless of the percentage of share capital held by the members attending the meeting, unless otherwise provided for by law or in the Company's articles of association; abstentions are not counted.
2. In the event of competing motions for appointment of members to the governing bodies or appointment of statutory auditors or statutory audit firms, the motion receiving the highest number of votes will win.
3. Resolutions on any matter specified in section 383(2) must be carried by a majority of two-thirds of the votes cast, regardless of whether the meeting is convened for the first or for the second time.
4. On second convening, resolutions on any matter specified in section 383(2) may be carried by a simple majority of the votes cast by shareholders present in person or by proxy at the meeting and jointly holding at least half of the Company's share capital.

Recommendation II.1.1.5.1 and Recommendation II.1.1.5.2 – Existence and disclosure of formal regulations governing the functions, role and responsibilities of the board of directors.

Although, as envisaged in this recommendation, there are no formal written internal rules, the Board of Directors of **Corticeira Amorim** scrupulously complies with all regulations applicable to it, especially those set out in the Portuguese Companies Act, in the Company's articles of association and in the regulations issued by the CMVM. The Board considers that such regulations are a real set of operating rules conducive to the effective and efficient running of the operations of the Company and this governing body's commitment to the safeguarding of the interests of the Company and its shareholders.

Moreover, although **Corticeira Amorim** has no formal internal rules, the Company considers that the principles of good business practice form part of the business values upheld not only by the members of this governing body but also by all staff members who assist and/or advise the board of directors.

Given that these internal regulations have not yet been formalized, they are not available on the Company's website. However, the Board of Directors complies with all operating rules prescribed by law (Portuguese Companies Act) or by the Company's articles of association, which operating rules are available on the CMVM's website (*www.cmvm.pt*) or on the Company's website (*www.corticeiraamorim.com*) respectively.

Recommendation II.1.2.2 - The board of directors shall include independent non-executive directors.

On December 31, 2012, the Board of Directors was composed of six members - three of whom were non-executive directors and three were executive directors - and therefore the requirement for an adequate number of non-executive directors on the board is thus complied with.

Although the Board of Directors does not include a quarter of independent non-executive members as recommended by the Corporate Governance Code, the Company believes that the existence of two supervisory teams – a supervisory board and a statutory auditor – whose members are all independent, ensures that the interests envisaged by this recommendation are fully and appropriately protected. In addition, it is believed that the observance of this independence requirement coupled with the liability regime for members of the Supervisory Board, meet the conditions necessary to ensure effective supervision to a high standard of impartiality, rigour and independence.

Recommendation II.1.5.1.ii) – Adequate balance between variable pay component and fixed pay component and maximum limits for the actual pay package.

It must be stressed that current practice clearly reflects a reasonable balance not only in terms of absolute values but also in terms of the ratio between fixed and variable pay components. However, the Company's articles of association impose a limit on the percentage amount that can be set aside for profit sharing schemes, which percentage payable to the entire Board of Directors may not exceed 3 per cent.

Recommendation II.1.5.1.iii) – Deferral of variable pay award for a period of not less than three years depending on the continued positive performance of the Company.

Although payment deferral under the conditions specified in this Recommendation is not standard practice, it should be noted that the variable pay award (i.e., a performance-based bonus) payable to the executive members of the Board of Directors and to the Company's Officers will depend on the level of achievement of a number of strategic targets, objectives and initiatives and priority actions set out in a three-year plan, including any annual adjustments thereto, thus safeguarding the interests envisaged by this recommendation for a period not exceeding three years.

Recommendation II.1.5.1.vii) – Adequate legal instruments to prevent payment of compensation for wrongful dismissal of a director if such dismissal is due to the director's inadequate performance.

There are no legal instruments meeting the terms set out in this recommendation. With regard to dismissal of a director, it is understood that the provisions of Article 403 of the Companies Act shall apply. In case of wrongful dismissal of a director, the provisions of Section 403.5 of the Companies Act setting forth that "If the dismissal is not for a valid authorized cause, the director shall be entitled to compensation for damages suffered in accordance with the terms of the agreement entered into by the director or under general law, but such compensation cannot exceed the expected sum of the remunerations that a director would have received by the end of his or her term of office" shall prevail.

Recommendation II.1.5.2. – The report on remuneration policy for members of the Company's management and supervisory bodies as specified in article 2 of Law no. 28/2009 of June 19, 2009 shall also provide information on comparative figures for determining these officers' remuneration as well as payments for dismissal or termination of employment by mutual agreement.

Although the report on remuneration policy for members of the Board of Directors and Supervisory Board - containing all of the information required under the above law - shall be issued and submitted for approval to the Annual General Meeting, such report does not include information on payments for dismissal or termination of employment by mutual agreement because the Company is of the opinion that the provisions of the law must apply. No payments were made for dismissal or termination of employment of a director by mutual agreement during the financial year under consideration.

Recommendation II.1.5.3. - As provided for in article 2 of Law no. 28/2009 of June 19, 2009 the report on remuneration policy shall include information on the remuneration payable to directors and officers, whose variable pay component is substantial. The long-term performance of the Company, its compliance with the regulations applicable to its business and risk taking behaviour must be taken into account in designing such a policy.

Although the report on remuneration policy for Directors and Officers - containing all of the information required under the above law - shall be issued and submitted for approval to the Annual General Meeting, the report does not specifically meet the reporting requirements in terms of regulations applicable to the business of the Company because such regulations are deemed to be redundant since strict and diligent compliance with the law is a condition precedent to the rendering of any professional service. The report does not also meet the disclosure requirements on risk avoidance since this is achieved in the Company by implementing an efficient internal control system.

Recommendation II.4.4. – The supervisory board is entitled to represent the Company in dealings with the external auditor.

The Supervisory Board is responsible for proposing the Statutory Auditor(s) for the Company and the Board of Directors is responsible for deciding the auditors' remuneration. It is the responsibility of the Finance and Office Services Department to ensure that adequate conditions for the provision of services are in place within the Company. This segmentation is believed to allow guaranteeing the interests envisaged by this Recommendation.

Therefore, the failure to adopt this recommendation arises from the implementation of a framework for representation and dialogue with the External Auditor, which framework also ensures the protection of the interests as envisaged by this recommendation. In fact, when issues of a bargaining nature (as is the case of remunerations, but not the case of the scope or extent of the audit work) are removed from the scope of the relationship between the Audit Committee and the External Auditor, the relationship between these independent and supervisory bodies of the Company is thereby facilitated. At the end of each financial year the Supervisory Board shall give its considered opinion on the work carried out by the Statutory Auditor. This opinion together with other financial statements shall be published by the Company.

Recommendation II.4.6. – The internal audit services and the compliance services shall report to an independent director or to the Supervisory Board.

The internal audit services shall report to the Board of Directors. Although this is not the solution proposed by this recommendation, the Company believes that this is an effective way to guarantee the implementation in due time, to the extent deemed appropriate and in the desired quality, of the rules applicable to the Company, irrespective of whether they are laws, recommendations issued by regulatory authorities, mandatory standards arising from certification processes or procedures implemented by the Company.

Recommendation II.5.1.iii) - Establishment of a committee for identifying potential candidates with the skills to the extent necessary for the performance of director's duties.

There is no such committee pursuant to this Recommendation because the election of members to this committee is based on a proposal submitted by the shareholders to the Annual General Meeting, as detailed in section 2.11. hereof.

Recommendation II.5.2. – The members of the Remuneration Committee must be independent and include at least one member who must have knowledge of and experience in the field of remuneration policy.

As set out in sections 2.38 and 2.39 below, the members of **Corticeira Amorim**'s Remuneration Committee should not be formally considered independent from the Board of Directors. However, it is generally believed – particularly by the Annual General Meeting which elected the Committee members – that they have adequate technical skills, practical experience and balanced personality to enable them to fully and effectively discharge their role.

Recommendation II.5.3. - No individual or company that provides services - or has provided services in the last three years - to any organization subject to the board of directors, to the board of directors itself or is the current consultant to the Company, shall be hired to assist the Remuneration Committee in carrying out its duties. This recommendation is also applicable to any individual or company having a contractual relationship (an employment contract or a contract for the provision of services) with any of the above mentioned individuals or companies.

The Remuneration Committee shall be assisted only by **Corticeira Amorim**'s staff. The key skills set out in the immediately previous section are deemed to provide a sufficient safeguard to independence as envisaged in this recommendation.

Recommendation III.1.3. – Rotation of the external auditor every three terms.

There is no Statutory Auditor rotation policy. Extensions of office terms for auditors beyond the above three-term limit must be duly based on the pros and cons of such continuance in office, in particular the knowledge and experience gained in the business sector in which the Company operates. PricewaterhouseCoopers & Associados, SROC, Lda meets the independence requirements and, in addition, this firm of chartered accountants - in line with international best practices - is willing to rotate the auditor assigned to **Corticeira Amorim** every seven years.

In addition to a Statutory Auditor, **Corticeira Amorim** has also a Supervisory Board consisting wholly of independent members, whose work cannot be validly performed for a period exceeding three terms.

Therefore, the interests envisaged in this recommendation are believed to be fully protected.

Recommendation III.1.4. – Within the scope of his/her duties and responsibilities, the external auditor must check the effective implementation of the remuneration systems and policies, the effectiveness and operation of the internal control mechanisms and report any shortcomings to the Company's supervisory board.

The duties and responsibilities of the Statutory Auditor do not include checking the remuneration systems and policies implemented by the Company. The Board of Directors believes that the current remuneration management system complies with the remuneration policy approved by the Annual General Meeting.

The performance of all other duties - that must be diligently and effectively carried out - are the Statutory Auditor's responsibility.

Recommendation III.1.5. – The Company shall not engage the services other than audit services of external auditors or any organization that belongs to the same network. If there are reasons for engaging such services – which must be approved and duly explained by the Company's supervisory board – such non-audit services must not account for more than 30 per cent of the total value of services provided to the Company.

The services engaged by the Company from PricewaterhouseCoopers - the Company's Statutory Auditors – do not require prior approval by the Supervisory Board. These services essentially include assisting in the implementation of administrative tasks and procedures with a view to ensuring compliance with the regulations laid down in law. The provision of such services is subject to rules preventing possible issues concerning the independence of the Statutory Auditor, as best illustrated in section 3.17 below.

Recommendation IV.1.2. – Material transactions between the Company and its qualifying shareholders or any organization which controls, is controlled by or is in common control with such shareholders shall require the supervisory board's prior opinion.

Although there is no duty to submit to the consideration of the supervisory board information on material transactions between the Company and its qualifying shareholders or persons controlling a qualifying holding, as reported over the years no material related-party transactions have been entered into. However, any such material related-party transactions are carried out under normal market conditions and the amounts of money involved are disclosed in the Annual Report.

0.4. The appropriate governing body or committee shall, at all times, assess the independence of each of their members and explain to shareholders the grounds for any such assessment carried out either at the time of the appointment of any such member or at the time of occurrence of any circumstance which may lead to his/her loss of independence. Such explanation to be given to shareholders shall be included in the corporate governance report.
Every member of the group chairing the Annual General Meeting and the Supervisory Board is liable to be assessed in respect of his/her compliance with the requirements on conflicts of interest and independence set out in articles 414 and 414-A of the Portuguese Companies Act. At the time of a member's first appointment to any such body, he/she must issue a statement expressly stating that:

1. he/she is aware of the legislation which applies not only to his/her eligibility for the position but also to the performance of the duties inherent in the position, including the requirements on conflicts of interest and independence;

2. there are no facts or conditions which could adversely affect his/her compliance with legal requirements for performing the inherent requirements of the position;

3. he/she undertakes to report immediately to the Management of **Corticeira Amorim** the emergence of any fact which could adversely affect his/her compliance with such requirements.

Until the date of signature hereof, no notice under paragraph 3 above had been received by the Management of **Corticeira Amorim**. Therefore, the conclusion drawn is that every member of the group chairing the Annual General Meeting and the Supervisory Board is in full compliance with the requirements on conflicts of interest and independence, which requirements apply to each of them.

In the light of the concept of independence defined by the Portuguese Securities Market Commission in the Corporate Governance Code ("a director should not be considered an independent director if he/she cannot have independent status in another governing body by virtue of applicable law") none of the members of the Board of Directors of **Corticeira Amorim** is considered independent. It should be noted, however, that the existence of independence under such terms provides a benchmark for assessing compliance with good practices as recommended by the Corporate Governance Code of the Portuguese Securities Market Commission and is not a legal or statutory requirement for the valid appointment of Board members and their performance of duties.

CHAPTER 1
ANNUAL GENERAL MEETING

1.1. Members of the group chairing the annual general meeting.
The group chairing the Annual General Meeting shall consist of a Chairman and a Secretary. At 31 December 2012, Mr Joaquim Taveira da Fonseca and Mr Tiago Borges de Pinho were, respectively, the Chairman and the Secretary of the group chairing the Annual General Meeting.

The Company shall provide adequate technical and administrative secretariat services tailored to the needs of the group chairing the Annual General Meeting so that the members of this group may competently carry out their assigned duties.

1.2. Beginning and end of the term of office.
Chairman: Mr Joaquim Taveira da Fonseca

Beginning of his first term of office:	30 March 2007
Renewal of his term of office:	1 April 2011
End of current term of office:	31 December 2013.

Secretary: Mr Tiago Borges de Pinho

Beginning of his first term of office:	30 March 2007
Renewal of his term of office:	1 April 2011
End of current term of office:	31 December 2013.

1.3. Disclosure of the remuneration paid to the members of the group chairing the annual general meeting.
The Chairman of the group chairing the Annual General Meeting earned ten thousand euros in 2012. The overall remuneration paid in 2012 to all members of the group chairing the Annual General Meeting amounted to thirteen thousand five hundred euro.

1.4.Advance time required for depositing or blocking shares in order to be entitled to attend an Annual General Meeting.
In order to be entitled to attend an Annual General Meeting, the shares owned by a shareholder must be blocked for at least five business days prior to the date scheduled for holding the meeting. In the event of an annual general meeting being adjourned, this provision shall apply mutatis mutandis to the resumed meeting.

1.5. Provisions applicable to share blocking in the event of an Annual General Meeting being adjourned.
As in the case of an original Annual General Meeting, shareholders wishing to attend an Annual General Meeting adjourned to a later date must ensure that their shares are blocked for five business days prior to the date scheduled for holding the meeting.

1.6. Number of shares and voting rights.
Each share qualifies for one vote.

1.7. Statutory guidelines providing for the existence of shares that do not carry voting rights or determining that voting rights exceeding a certain threshold shall not be counted if such votes are casted by only one shareholder or by a shareholder who is related to that shareholder.
There are no statutory guidelines regarding these provisions.

1.8. Existence of statutory guidelines on the exercise of voting rights, including quorum rules or special equity rights frameworks.
In addition to the guidelines set out in sections 1.4 to 1.6 and 1.9 to 1.12 hereof, the articles of association lay down specific guidelines as regards quorum at general meetings in the following situations:

- restriction or withdrawal of pre-emption rights in share capital increases – the Company's articles of association require that the Annual General Meeting be attended by shareholders accounting for at least 50 per cent of the paid-up share capital;

- removal from office of a director elected under the special rules set out in article 392 of the Portuguese Companies Act, in the event that shareholders accounting for at least 20 per cent of the share capital have not voted against the removal of such director;

- exercising the right to vote – the need to own at least one share of the Company's stock at least five business days prior to the date scheduled for holding the Annual General Meeting.

- in order that an Annual General Meeting requisitioned by shareholders may pass resolutions – it is required that the Annual General Meeting be attended by shareholders owning shares representing at least the minimum amount of share capital required by law to legitimize the reason for calling such meeting;

- change in Board composition– such resolution requires the approval of shareholders who represent not less than 2/3 of the total share capital;

- winding-up the Company – such resolution requires the approval of shareholders representing at least 85 per cent of the paid-up share capital.

There is no limit on the number of votes that each shareholder (either separately or jointly with other shareholders) is entitled to cast or exercise in an annual general meeting.

1.9. Existence of statutory guidelines on the exercise of voting rights through postal vote.
The articles of association provide for the possibility of shareholders voting by mail, provided that the ballots reach the Company at least three business days before the Annual General Meeting.

1.10. Provision of postal vote form for exercising the right to vote by postal mode.
Postal ballot forms are available from **Corticeira Amorim**'s registered office (Rua de Meladas, no. 380 – 4536-902 Mozelos - Portugal) and from the Company's website (www.corticeiraamorim.com). At the request of a shareholder, such postal ballot forms may be provided by e-mail.

1.11. Deadline for receipt of postal ballot forms before the Annual General Meeting.
Postal ballot forms must reach the registered office of the Company not less than three business days before the Annual General Meeting.

Votes cast by post shall be deemed to be negative votes in respect of a motion made on a date subsequent to the date on which such votes were cast. Attendance of a shareholder either in person or by proxy at an AGM shall revoke his/her vote cast by post.

1.12. Exercise of voting rights by electronic means.
Corticeira Amorim's articles of association allow electronic voting at AGMs, provided that there are adequate technical resources available to enable checking the validity of electronic votes and ensuring their data integrity and confidentiality.

Electronic ballots must reach the registered office of the Company not less than three business days before the Annual General Meeting. Prior to sending a notice convening an AGM, the chairman of the group chairing the annual general meeting shall ensure that adequate technical resources are in place to ensure ballot security and reliability.

If the chairman of the group chairing the annual general meeting concludes that adequate technical resources are in place to enable electronic voting, such information shall be included in the notice of the meeting. Electronic votes shall be deemed to be negative votes in respect of a motion made on a date subsequent to the date on which such votes were cast. Attendance of a shareholder either in person or by proxy at an AGM shall revoke his/her electronic vote.

1.13. Possibility of shareholders viewing the extracts from the minutes of an annual general meeting on the Company's website within five days after the holding of the relevant meeting.

The minutes shall be made available to all members, investors and public at *www.corticeiraamorim.com* within a time period that shall not exceed five days after the holding of each Annual General Meeting.

1.14. Maintenance of an online archive on the Company's website of the resolutions passed at the Company's general meetings, the proportion of the share capital represented at any meeting and the voting results, in respect of the three preceding years.

An online archive of relevant information regarding General Meetings covering the period from 2005 (inclusive) to the date hereof shall be maintained on the Company's website. This information shall include: the notice to members of general meetings, motions tabled at any such meeting, attendance lists, voting results and the minutes of the meeting.

1.15. Name(s) of the representative(s) of the Remuneration Committee attending the general meeting.

During 202 two General Meeting of the Company were held. The first, held on 29 March, was attended by Mr Álvaro José da Silva, a member of the Remuneration Committee; the second, held on 30 November, wasn't attended by any member of the Remuneration Committee since it was an extraordinary general meeting whose agenda didn't include any issue related to remuneration policies discussion.

1.16. Information on the role of the Annual General Meeting in issues involving the Company's remuneration policy and the assessment of the performance of individual board members.

It is the responsibility of the Annual General Meeting to appoint a Remuneration Committee. The ability and capacity of the members of the Committee to perform the duties assigned to them in an independent manner for their entire term of office, i.e. to determine the remuneration policy of the members of the governing bodies, which remuneration policy shall foster over the medium and long-term the alignment of the interests the members of the governing bodies with those of the Company should be taken into consideration.

The adoption of the balanced scorecard methodology, which assesses performance using both financial and non-financial measures, enables the Remuneration Committee to evaluate every financial year, whether or not goals are achieved and to what degree. The balanced scorecard serves also as the basis for preparation of the reports of the Remuneration Committee and the Board of Directors on the remuneration policy for members of the Board and the supervisory board as well as on the remuneration policy for other senior executives and officers, respectively, to be submitted every year to the Annual General Meeting for approval.

1.17. Information on the role of the annual general meeting in respect of motions concerning plans for award of shares and/or share call options, or on the basis of share price movements, to members of the board of directors or the supervisory board and other officers under section 248-B(3) of the Portuguese Securities Act, as well as on the data provided to the annual general meeting for adequate consideration of those plans.

Although no plans similar to the ones described in this subsection were in place in the Company at 31 December 2012, should their implementation be proposed, it is the policy of the Company that the features of the plans adopted and in force in the relevant financial year be considered by the Annual General Meeting.

1.18. Information on the role of the annual general meeting regarding the approval of the main characteristics of retirement benefit plans for members of the board of directors and the supervisory board and other senior executives and officers under section 248-B(3) of the Portuguese Securities Act.

Although no retirement benefit systems similar to the ones described in this subsection were in place in the Company on the date hereof, should their implementation be proposed, it is the policy of the Company that the features of the systems adopted and in force in the relevant financial year be considered by the Annual General Meeting.

1.19. Existence of a statutory provision concerning the duty to submit a motion at least every five years for consideration and approval of the annual general meeting concerning the maintenance in force or removal of a statutory provision providing for a cap on the number of voting rights that may be held or exercised by a single shareholder or group of shareholders.

Not applicable since, as provided above, there are no statutory provisions providing for the existence of non-voting shares or prescribing that voting rights exceeding a certain threshold shall not be counted if exercised by a single shareholder or group of shareholders.

1.20. Information on defensive measures intended to automatically cause a serious depletion of the Company's assets in the event of a change in control of the Company or composition of the board of directors.

The Company's articles of association do not include measures of this type and, to the best of **Corticeira Amorim**'s knowledge, there are no other provisions and/or measures intended to automatically cause a serious depletion of the Company's assets in the event of a change in control of the Company or composition of the Board of Directors. To the best of **Corticeira Amorim**'s knowledge, there are no defensive measures and/or provisions intended to operate before a potential takeover bid.

1.21. Relevant agreements to which the Company is a party, which agreements shall come into force, be amended or be terminated in the event of a change in control of the Company as well as any effects arising therefrom, except if the disclosure of such agreements may, by their very nature, be highly damaging to the Company, unless the Company is specifically obliged to disclose such information by other mandatory provisions of law.

At December 31, 2012 there were loan agreements entered into by **Corticeira Amorim** and several banking institutions containing covenants requiring the maintenance of **Corticeira Amorim**'s controlling interest. The total lending amount set forth in such agreements was EUR 65 million. In case of change in controlling interest, such loan agreements provide for the possibility – but not the obligation – of requesting for early repayment of any amounts borrowed.

There are no other agreements on the terms set out in this subsection 1.21.

1.22. Agreements entered into by and between the Company and its directors and officers under section 248-B(3) of the Portuguese Securities Act, which agreements provide for compensation to be paid to the Company's directors and officers in the event of resignation, unfair dismissal or termination of employment following a change in control of the Company.

No agreements providing for the payment of compensations to the Company's directors and officers (other than where required by law) have been entered into by and between the Company and its directors or officers.

CHAPTER 2
BOARD OF DIRECTORS AND SUPERVISORY BOARD

The Company has adopted a governance model commonly known as "reinforced Latin" model, which advocates a separation between the roles of supervision and that of the Management as well as a double supervisory mechanism consisting of a supervisory board and a statutory auditor.

The Board of Directors considers that the adoption of this model permits the existence of a supervisory board with enhanced and effective monitoring powers, which board is composed entirely of members who are subject to strict requirements on conflicts of interest and independence. Moreover, the assignment of this task to an independent body – the Supervisory Board – favours the establishment of an efficient corporate governance model that contributes to a clear separation of powers and responsibilities between the different governing bodies and thus prevents supervisory powers from being

assigned to a group of members of the Board of Directors which, according to the law, is a collegiate body.

Accordingly, after taking the specific circumstances of **Corticeira Amorim** into account, the Board of Directors is firmly convinced that the corporate governance model adopted by the Company is quite adequate and appropriate for the following reasons:

- it embodies a framework of principles of corporate governance and good practice designed to promote greater transparency and a high level of professionalism and competence;
- it ensures the alignment of interests across the organisation, specifically among shareholders, members of the governing bodies, officers and other employees of the Company;
- it encourages shareholder participation in the life of the Company;
- it fosters the efficiency and competitiveness of **Corticeira Amorim**.

Corticeira Amorim encourages an ongoing process of internal reflection on corporate governance structures and practices adopted by the Company by comparing their efficiency with the potential benefits to be gained from implementing other practices and/or measures prescribed in the CMVM Corporate Governance Act or by other organisations.

This matter – as well as **Corticeira Amorim**'s organisational development issues - has been reviewed by the Executive Committee. Reflection on the corporate governance structure itself has been conducted by the Executive Committee – in the presence of the market relations officer – and by the Board of Directors.

SECTION I – MISCELLANEOUS

2.1. Governing bodies: their identification and composition.

As at December 31, 2012, each governing body was composed as follows:

Board of Directors:

Executive Members:

Chairman:	António Rios de Amorim
Vice-Chariman:	Nuno Filipe Vilela Barroca de Oliveira
Member:	Fernando José de Araújo dos Santos Almeida

Non-Executive Members:

Member:	Cristina Rios de Amorim Baptista
Member:	Juan Ginesta Viñas
Member:	Jorge Manuel Seabra de Freitas

Supervisory Board:

Chairman:	Durval Ferreira Marques
Member:	Joaquim Alberto Hierro Lopes
Member:	Gustavo José de Noronha da Costa Fernandes
Alternate Member:	Alberto Manuel Duarte de Oliveira Pinto

Statutory Auditors:

Statutory auditors:	Pricewaterhousecoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda, a firm of chartered certified accountants represented either by Mr José Pereira Alves (Chartered Certified Accountant) or Mr António Joaquim Brochado Correia (Chartered Certified Accountant)
Alternate auditor:	Mr Hermínio António Paulos Afonso (Chartered Certified Accountant)

2.2.Identification and composition of other committees vested with power and authority to deal with matters relating to the Company's management or supervision.

As provided for in **Corticeira Amorim**'s articles of association, the committee members currently in office are:

- **Advisor to the Board of Directors**
  Meetings of the Board of Directors shall be attended by the directors as well as by the advisors to the board. Mr. Américo Ferreira de Amorim (since 2011) and Mr. Joaquim Ferreira de Amorim (since July 2012) have served as an advisors to the Board of Directors.

- **Executive Committee**
  The Executive Committee shall consist of three members, i.e., a chairman and two members. The members of the Committee as at 31 December 2012 were as follows:
  Chairman: António Rios de Amorim
  Vice-Chairman: Nuno Filipe Vilela Barroca de Oliveira
  Member: Fernando José de Araújo dos Santos Almeida

2.3. Organisation charts or schedules of responsibilities showing the distribution of roles and duties among the different governing bodies, committees and/or departments of the Company, including information on the scope of delegation of responsibilities or distribution of duties among the members of the board of directors or supervisory board, as well as a list of non-delegable duties and the responsibilities actually delegated.

The **Board of Directors** is composed of three non-executive members and three executive members.

Corticeira Amorim's Board of Directors maintains effective control over the activities of the Company and is the highest strategic decision making body. It is also the body responsible for monitoring the most important and relevant aspects of the Company's business and affairs, including significant matters decided on or examined by the Executive Committee, therefore ensuring that the members of the Board of Directors are aware of the measures adopted as a response to Board decisions and can monitor their implementation and effectiveness.

As provided for in the Portuguese Companies Act, the role of the Board of Directors is to manage the Company's business and affairs and decide on any matter relating to its management while abiding by the resolutions adopted by the Annual General Meeting or the decisions made by the Supervisory Board whenever required by law or the articles of association.

The general powers and duties of the Board of Directors include choosing its chairman; co-opting directors; requesting the convening of Annual General Meetings; preparing annual reports and financial statements; buying, selling or mortgaging real estate; providing guarantees and furnishing collateral and security on behalf of the Company; opening or closing facilities or important component parts thereof; significantly expanding or reducing the Company's activity; making major changes in the Company's organisation; establishing or terminating important and long-lasting cooperation projects with other companies; moving the Company's head office to another location and increasing its share capital; merging, de-merging or changing the legal status of the Company; and deciding on any other matters put forward at the request of any director.

The Company's articles of association give to the Board of Directors the power of directing, managing and representing the Company in dealings with third parties and in all its activities; moving the Company's head office to any location permitted by law; setting up representative offices, agencies, branches, affiliates, subsidiaries or offices of any kind anywhere in the Portuguese territory or abroad; acquiring, selling and pledging, in any way whatsoever, the Company's own shares and bonds and any rights attached thereto, as well as carrying out any transactions with such shares and bonds as the directors may think fit; purchasing, selling, exchanging and mortgaging real estate via any instruments or contracts as well as mortgaging a property as a security for the payment of a debt; exercising and promoting the exercise of the rights of the Company in companies in which the Company has an interest; acquiring, selling, exchanging, leasing and encumbering personal property in any manner whatsoever; negotiating borrowings from financial institutions; operating bank accounts, depositing and withdrawing monies, making, accepting, signing and endorsing cheques, bills of exchange, promissory notes, invoices and other negotiable instruments; admitting fault, giving up or settling any legal action, as well as entering into arbitration; carrying out any other duties as provided herein and in law.

The Directors may delegate any of their powers as follows:

1. the management of the Company's ordinary course of business may be delegated to one or more directors or to an Executive Committee. Any such delegation may be made subject to any conditions the directors may impose. The directors may designate one or several directors to take responsibility for certain management duties. However, there are a number of duties that are non-delegable as follows:

    - choosing the chairman of the Board of Directors;
    - co-opting directors;
    - requesting the convening of Annual General Meetings;
    - preparing annual reports and financial statements;
    - buying, selling or mortgaging real estate;
    - providing guarantees and furnishing collateral and security on behalf of the Company;
    - opening or closing facilities or important component parts thereof;
    - significantly expanding or reducing the Company's activity;
    - making major changes in the Company's organisation;
    - establishing or terminating important and long-lasting cooperation projects with other companies;
    - moving the Company's head office to another location and increasing its share capital;
    - merging, de-merging or changing the legal status of the Company.

2. the implementation of the decisions made by the Board of Directors, the management of the Company's ordinary course of business, the authority and power to implement certain management duties as well as the determination of the *modus operandi* of the Executive Committee may be delegated to any director or to an Executive Committee. However, there are a number of duties that are non-delegable as follows:

    - choosing the chairman of the Board of Directors;
    - co-opting directors;
    - requesting the convening of Annual General Meetings;
    - preparing annual reports and financial statements;
    - providing guarantees and furnishing collateral and security on behalf of the Company;
    - moving the Company's head office to another location and increasing its share capital;
    - merging, de-merging or changing the legal status of the Company.

As the name suggests, the **Advisors to the Board of Directors** are people who advise the Board of Directors about the various issues addressed at board meetings, but they don't have the right to vote on resolutions passed at meetings.

In the specific case of **Corticeira Amorim**, it should be emphasized that the unmatched experience, vision and entrepreneurial spirit of Mr Américo Ferreira de Amorim as well as the cork business deep knowledge of Mr Joaquim Ferreira de Amorim are instrumental in the success and growth of the Company. Wise and experienced advisors, they also challenge and encourage the Company to adopt new initiatives and approaches.

The **Executive Committee** exercises the powers delegated to it by the Board of Directors with a view to streamlining management practices and making possible closer and continuous monitoring of the Company's different areas (management, operations and support) and its operating and business processes.

According to **Corticeira Amorim**'s articles of association, the Executive Committee is vested with the power to implement the decisions made by the Board of Directors, manage the Company's ordinary course of business and implement certain management duties.

With a properly implemented reporting system within the Company, information flows from the members of the Executive Committee to the Directors, thus ensuring that the performance of the members of both the Board and the Committee are aligned and that every director is informed of the work and activities of the Executive Committee in a timely manner.

The **Chairman of the Executive Committee**, who is also the Chairman of the Board of Directors, provides timely notice of meetings and minutes of the Executive Committee meetings to the Chairman of the Supervisory Board.

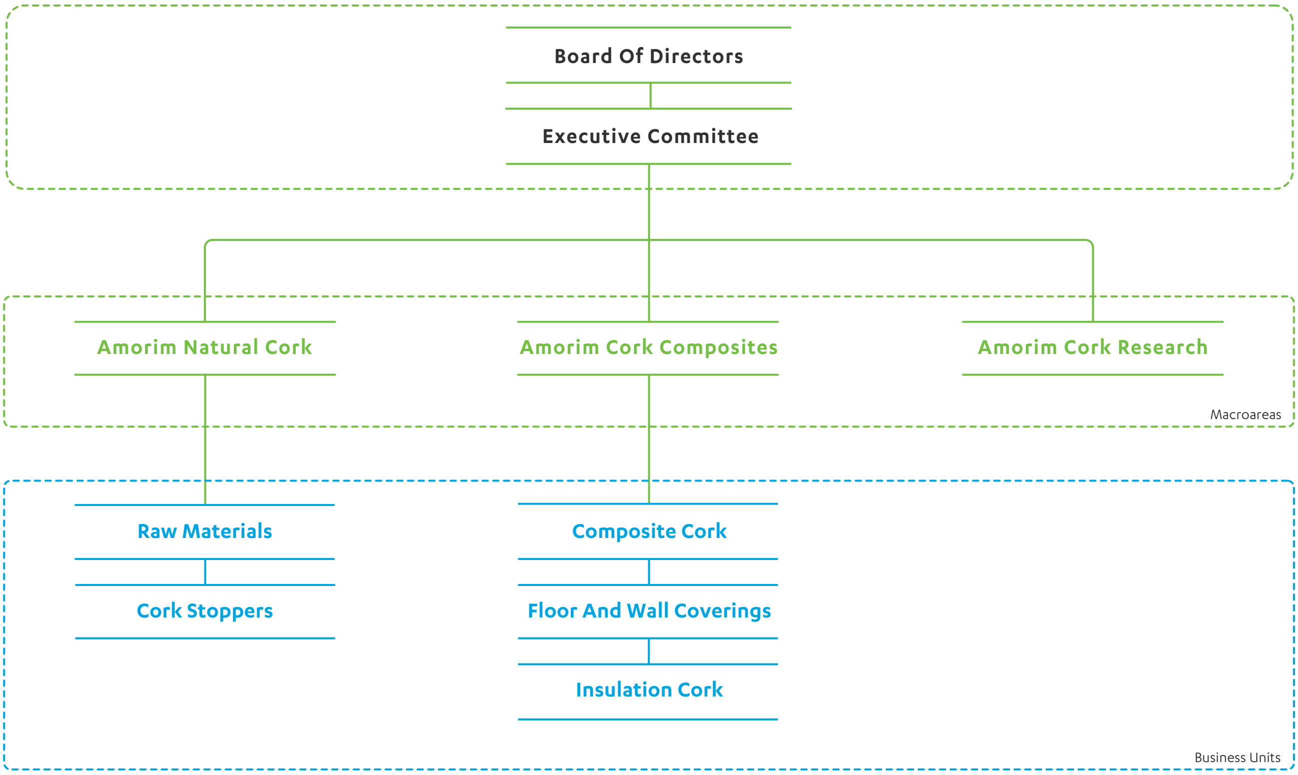
Organizational Structure of the Company

Corticeira Amorim's operating structure is divided into five Business Units (BUs).

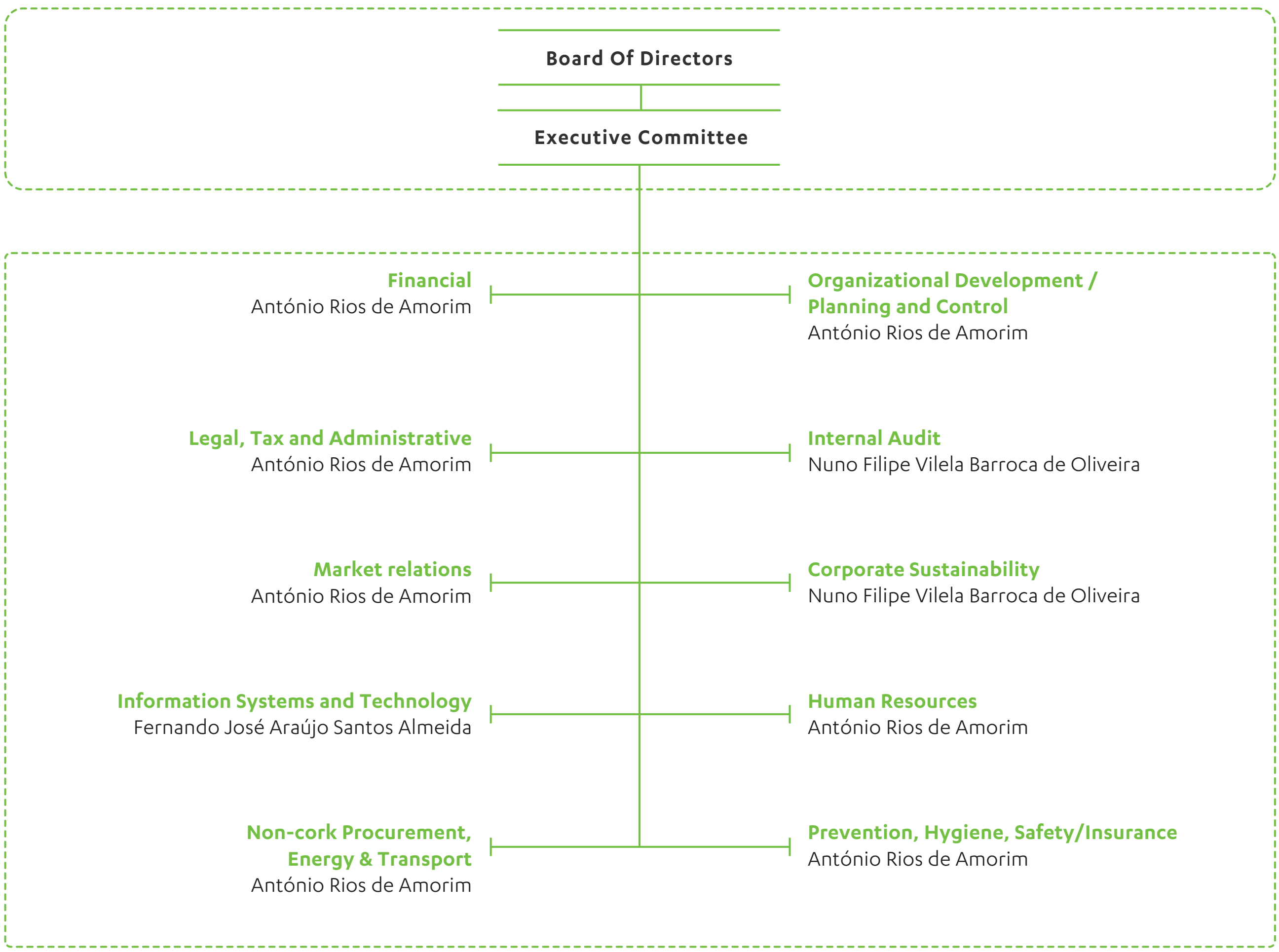
Using a management model based on a strategic-operational holding company concept, these BUs are co-ordinated by **Corticeira Amorim**'s Executive Committee, which has very broad management powers, except for those specifically reserved to the Board of Directors by law or the Company's articles of association.

The strategic alignment of the entire organisation is enhanced through the use of a balanced scorecard approach by **Corticeira Amorim** and its BUs. In this regard, **Corticeira Amorim**'s Board of Directors is responsible for approving strategic initiatives and goals (i) for the organisation as a whole and (ii) specifically for **Corticeira Amorim** and each BU.

Each BU has a Board of Directors consisting of non-executive and executive members, including a managing director. This board is responsible for deciding all matters deemed relevant. Below is a diagram showing the current organizational structure of the Company:



The **Support Divisions** are responsible for monitoring and coordinating the operation of the BUs and their functional areas, under the coordination of the members of the Executive Committee, as shown in the following diagram:



At intervals deemed appropriate, the managing director of the relevant support division or the Executive Committee or even the Board of Directors may request a review (and they effectively do so) of the activity carried out by the different support divisions in order that the need or opportunity to create new positions or implement new strategies may be considered by the Board of Directors.

Corticeira Amorim also promotes job rotation for directors of the different BUs and support divisions, thus ensuring that high standards of performance are maintained in these divisions and BUs and that there is a constant challenge prompting a forward looking and innovative approach as well as concerted action among these BUs and support divisions.

Therefore, this rotation policy is based on a qualitative assessment of the situation of a specific structure, of its planned strategic and operational development and interaction with the envisaged changes in other related structures as well as the possibility of another member of the Board of Directors acting as a catalyst for that change. The rotation system poses many strategic and operational challenges that do not necessarily coincide with pre-determined time periods.

In view of the importance and critical nature of the financial functions of **Corticeira Amorim** - an organization which has subsidiaries all over the world, sells its products in more than 100 countries (some goods are invoiced in the currency of the country of destination) and has a considerable level of debt - this function is monitored at different levels that harmonize the different information and reporting systems and regular meetings are held for discussing issues and drawing conclusions.

During the year under review, Mr António Rios de Amorim was responsible for overseeing **Corticeira Amorim**'s financial section, which he has been in charge of since 2008.

The financial section is structured as follows:

- a Financial Board (FB), which coordinates the financial function at a central level. The FB is responsible for developing policies and measures (to be approved by the Executive Committee) and implementing them, for conducting global dealings with financial counterparts, for monitoring progress and preparing regular reports (to the director responsible for the financial section and to the Executive Committee and the Board of Directors);

- finance managers, who - at the level of the group's individual companies - are responsible for monitoring the progress of business in each individual company by managing its financial affairs in accordance with predetermined policies and measures. The work of such finance managers shall be coordinated with that of the FB.

The whole financial organisational structure is coordinated as follows:

- daily reports and fortnightly debates on financial markets and economic developments that may have an impact on the group's member companies;

- regular monthly reports on the terms of and benchmarks for the group's global financial operations;

- quarterly meetings of finance managers with a view to reviewing the current specific state of affairs and defining measures to be implemented;

- on the basis of reports submitted to the Board of Directors, the most important aspects of the financial operations (debt, investments, liabilities) shall be discussed.

On the one hand these measures will ensure that the financial know-how – based on a stable structure - will be consolidated and used for the benefit of the Company and, on the other hand, these measures will also ensure the regular rotation of the supervisory duties of the finance managers, with the director responsible for this area taking on a challenging role capable of igniting the adoption of new approaches and practices.

2.4. Reference to the fact that the annual report on the activities carried out by the General and Oversight Committees, the committee responsible for handling financial matters, the Audit Committee and the Supervisory Board includes a description of the supervisory activity carried out and reports any constraints detected; such annual report is to be published on the Company's website, along with the annual financial statements.

The Company's Supervisory Board draws up an annual Report and Opinion describing the activities carried out and the Supervisory Board's opinion; this Report and Opinion is available, along with the other annual financial statements, for consultation by shareholders within the time period set out in the law. This Report and Opinion is included in and published along with the Company's Annual Report and Accounts and is available for consultation at *www.corticeiraamorim.com*.

2.5. Description of the Company's internal control and risk management systems, in particular its financial information disclosure system, how it works and its effectiveness.

The main aim of the Board of Directors and the Executive Committee is to establish an integrated overview of critical success factors in terms of profitability and/or associated risks with a view to creating sustainable value for both the Company and its shareholders.

Because of **Corticeira Amorim**'s specific business characteristics, two critical factors have been identified at the operational level: (i) market risk and business risk and (ii) raw materials (cork) risk. The management of such risks is the responsibility of the relevant BU.

Market risk and operational business risk:
In the first instance, market risk and business risk are managed by the four BUs – Cork Stoppers, Floor and Wall Coverings, Cork Composites and Insulation Cork – that are involved in the markets that deal in **Corticeira Amorim**'s finished products.

In devising a strategic plan for these BUs - which strategic plan is based on the balanced scorecard methodology – a number of key factors for value creation are identified by using a multifaceted approach that encompasses the outlook for finance, market/customers, processes and infrastructures.

Using this approach, strategic objectives and goals are defined as well as the actions required to achieve them.

The balanced scorecard methodology strengthens the alignment of strategic and operating plans and allows managers to identify priority actions needed in the short term to reduce risk and create sustained value. Processes for systematically monitoring these actions are in place in the different BUs. These actions are subject to periodic monitoring and monthly review by the board of directors of each BU.

Raw materials (cork) factor:
Because of the critical importance of this factor cutting across all of the Company's BUs, the management of raw materials (cork) purchases, storage and manufacture is concentrated into a single autonomous BU. Cork is the single variable common to all of **Corticeira Amorim**'s operations. This concentration has enabled the Company to:

- form a specialised team exclusively focused on raw materials;

- make the most of synergies and integrate all raw materials (cork) manufactured by other BUs in the relevant BU's production process;

- improve the management of raw materials from a multinational perspective;
- strengthen its presence in cork-producing countries;
- keep an updated historical record of production status by cork-producing forest unit;
- strengthen relationships with producers, promote forest certification, improve the technical quality of products and enter into research and development partnerships with forestry-related partners;
- prepare, discuss and enable the board of directors to decide on a multi-annual purchasing policy to be implemented;
- ensure that an optimal mix of raw materials is used to meet market demand for finished products;
- ensure the supply stability of cork, a critical variable for **Corticeira Amorim**'s operations, over the long term.

Legal Risk:
As far as legal risks are concerned, the main risk to the business of **Corticeira Amorim** and its subsidiaries relates to the potential for loss arising from amendments made to legislation – in particular, labour legislation, environmental regulations and similar -, which amendments could have an impact on **Corticeira Amorim**'s operations and affect its business' performance and profitability.

The Legal and Supervisory Department in cooperation with the Organisational Development Department, the Management Planning and Control Department and the Internal Audit Department seek to anticipate such amendments and adapt their corporate governance practices accordingly. The numerous certification processes (food safety, quality, environmental management, human resources, etc.), as described in more detail in Chapter 5. of the Directors' Report, are based on procedures designed, implemented and regularly and strictly audited by certifying organisations, thus guaranteeing the minimisation of such risks. Wherever possible and practicable, the Organisation takes out insurance to mitigate the effects of uncertain but potentially unfavourable events.

Under the direction of the Board of Directors and assisted by an Executive Committee or an Executive Director, **Corticeira Amorim**'s support divisions play an important role in managing critical risk factors, including risk prevention and detection. The finance department, the organisational development department, the management planning and control department and the internal audit department play an essential role in this regard.

Finance Department:
As **Corticeira Amorim** is one of Portugal's most international companies, it pays special attention to managing exchange rate risk as well as liquidity and interest rate risk.

In addition to the responsibilities of the finance department regarding prevention, monitoring and management of the above risks, the main objectives of this department are to assist with the definition and implementation of global financial strategies and with the coordination of the financial management of the group's BUs.

The Organisational Development Support Department/the Management Planning and Control Support Department and the Internal Audit Support Department:
These support divisions work together to reduce the group's operational risks. The main tasks of these departments are to assess and review internal control systems with a view to optimising resources and safeguarding assets as well as monitoring activities carried out in order to provide the management bodies with a reasonable degree of certainty that business goals will be achieved.

In regard to the **disclosure of financial information**, the Company promotes close cooperation among all those involved in the process to ensure that:

1. disclosure complies with all applicable legal requirements and best practices in terms of transparency, relevance and reliability;
2. the information has been properly checked both internally and by the appropriate supervisory bodies;
3. the information has been approved by the appropriate governing body;
4. its public disclosure complies with all relevant legal requirements and recommendations, specifically those of the Portuguese Securities Market Commission ("CMVM") and is made in the following order: first, via the data dissemination system of the Portuguese Securities Market Commission (*www.cmvm.pt*); second, via the Company's website (*www.corticeiraamorim.com*); third, by means of a long list of Portuguese and foreign media contacts; and fourth, to **Corticeira Amorim**'s staff and to shareholders, investors, analysts and shareholders, whose contacts are stored in a database.

There is also a written Internal Control Procedures Manual, which has been approved by the Board and which all **Corticeira Amorim** member companies are required to adopt. This Manual sets out the regulations designed to ensure that the principles listed above are properly implemented during the process of preparing and disclosing financial information in order to guarantee the quality, transparency and consistency of the information disclosed.

2.6. Responsibility of the board of directors and the supervisory body for the design and operation of internal control and risk management systems in the Company as well as the assessment of their operation and adjustment to the needs of the Company.

The internal control and risk management system currently in use in the Company is the result of a thorough and continuous improvement process as an internal reflection process, involving both the Board of Directors – and, in particular, its Executive Committee - and the various support divisions – in particular, the Organisational Development Support Department/the Management Planning and Control Support Department and the Internal Audit Support Department - and, if relevant, the assistance of specialised external consultants.

The reporting system implemented in the Company – either at regular intervals or on demand of the Board of Directors, the Executive Committee or officers responsible for the Management - includes both measurement and objective evaluation of such risks which - after being discussed by the Board of Directors or the Executive Committee - will, if appropriate, give rise to the determination of additional or corrective measures whose implementation and impact will be followed up by the governing body that approved such measures.

The growing complexity of the business environment triggers off a close monitoring of the systems implemented in the Company. Such monitoring includes contributions and opinions from both the Supervisory Board and the Statutory Auditor and this leads to the adoption of more effective procedures when it is deemed advisable or necessary.

Under the Internal Rules of the Supervisory Board, it is this Board's responsibility to monitor the effectiveness of the risk management system, the internal control system and the internal auditing

2.7. Information on the existence of Internal Rules of the governing bodies or rules governing conflicts of interest prescribed internally and the maximum number of offices that directors may hold and the website where these rules may be consulted.

The *modus operandi* of the **Board of Directors** of **Corticeira Amorim** complies with all applicable operating procedures regarding the Board of Directors, specifically those set out in the Portuguese Companies Act, in the Company's articles of association and in the regulations issued by the Portuguese Securities Market Commission ("CMVM"). These operating procedures are considered to be legitimate Internal Rules deemed appropriate and advantageous to a proper operation of the Board of Directors while ensuring the commitment of the entire Board to work efficiently in the interests of the Company and its shareholders.

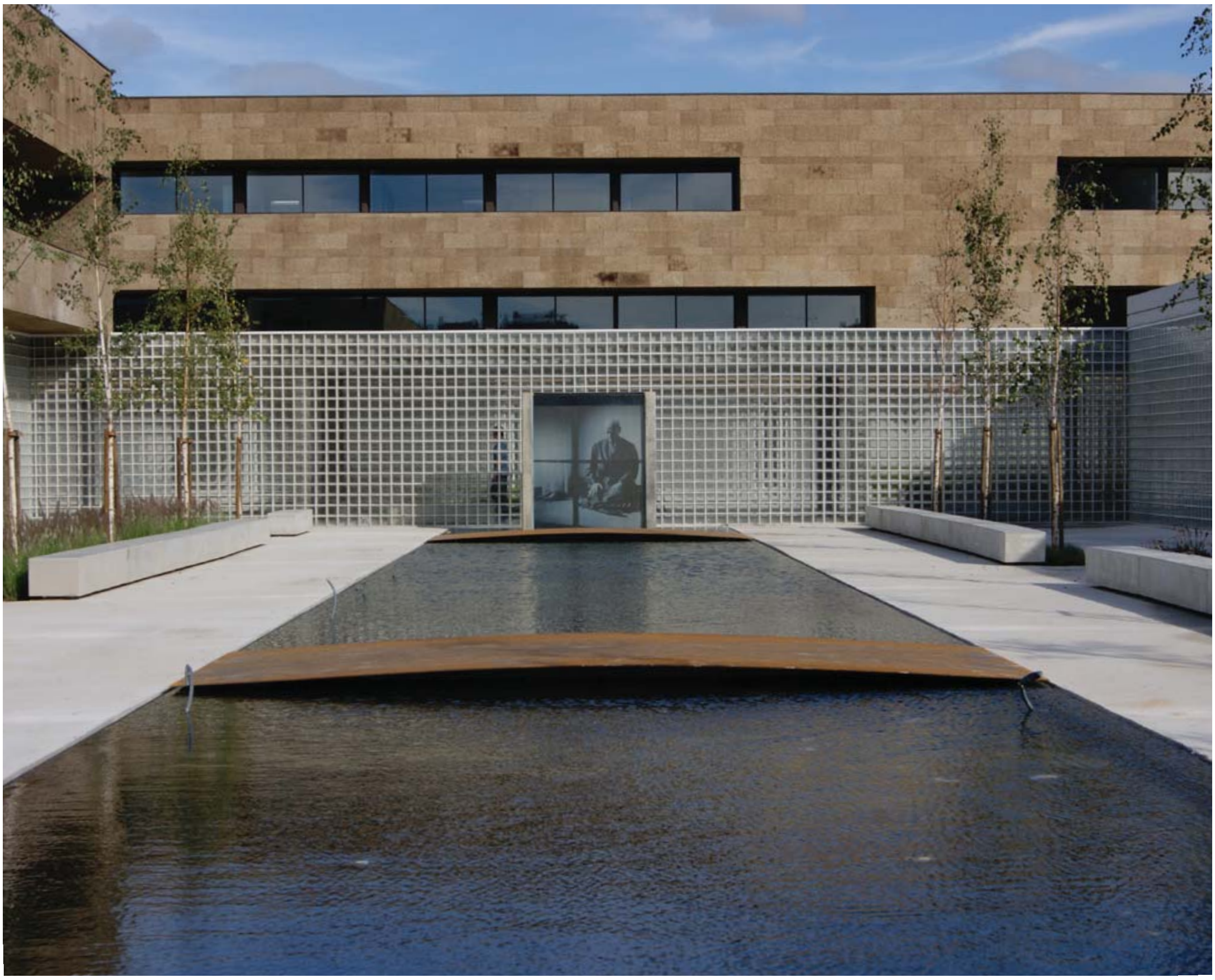
Although no such formal Internal Rules exist, **Corticeira Amorim** believes that the principles of good business practice are part of the core values upheld by both the directors and the staff members who assist and/or advise them.

Among other things, the **Internal Rules of the Company's Supervisory Board provide that a person will be disqualified from being elected to or being a member of the Supervisory Board** if he/she:

- is a beneficiary of special privileges in the Company *;
- performs administrative or managerial functions in the Company *;
- is a Board member of a company which controls or is in common control with the Company *;
- is a partner to a partnership which controls the Company *;
- directly or indirectly provides services or has a significant business relationship with the Company or a company which controls or is in common control with the Company **;
- is an employee of a competing company and is a representative of or acts on behalf of such competing company or is in any way connected to the interests of a competing company *;
- holds administrative or managerial or supervisory functions in five or more companies, with the exception of law firms, firms of chartered accountants and statutory auditors;
- is a statutory auditor who, under the rules and regulations governing the duties of statutory auditors, is subject to certain requirements on conflicts of interest for statutory auditors;
- is interdicted or incapacitated or adjudged to be of unsound mind, declared bankrupt or insolvent or is convicted of an offence barring him/her from holding public office, even if only temporarily.

The Internal Rules of the Company's Supervisory Board are available at www.corticeiraamorim.com.

* Including the spouse or relatives in a direct/collateral line up to the third degree inclusive of a person covered by this paragraph;
** Including the spouse of a person covered by this paragraph.



SECTION II – BOARD OF DIRECTORS

2.8. If the chairman of the board of directors performs executive functions, there are a number of mechanisms for coordinating the work of non-executive members who assist the chairman in making independent and informed decisions

The non-executive members of the Board of Directors attend board meetings regularly. These board meetings are held on a monthly basis to review and decide on the progress of non-delegable matters and any critical matters whose relevance and importance highly recommend their inclusion in the business to be transacted at Board meetings.

The organisation of meetings allows all directors – both executive and non-executive directors – to adequately prepare themselves in advance in order to participate fully in the meeting and to assess and devise measures to improve meeting productivity and organisation efficiency. The calendar of regular Board meetings is agreed upon at the beginning of every financial year so that all members may be able to be present. Any Director, including non-executive directors, may request the inclusion of items/topics in the agenda to be considered by the directors, up to the second business day prior to any board meeting.

A reporting system between the Executive Committee and the Board of Directors has been implemented across the organisation with a view to ensuring alignment of their activities and that the Directors are informed of the activities of the Executive Committee in a timely fashion.

Thus, in addition to matters which by law or the articles of association fall to be considered exclusively by the Board of Directors, non-executive directors are aware of and monitor:

- the progress of the operating activities and the main economic and financial key performance indicators of each BU which forms part of **Corticeira Amorim**;
- relevant consolidated financial information: financing, investment, equity to total assets ratio and off-balance sheet liabilities;
- the business carried on by the various support divisions and their impact on the organisation;
- the progress in Research, Development and Innovation (RDI) activities;
- calendar of the major events of **Corticeira Amorim** and its BUs. The Organisation is often represented at international events, such as trade missions, by one or more non-executive directors.

2.9. Disclosure of the major economic, financial and legal risks to which the Company is exposed in carrying on its business.

The major risks the Company is exposed to are described in Chapters 12 and 13 of the Consolidated Management Report and in section 2.5.

2.10. Powers of the board of directors, particularly with respect to resolutions to increase the Company's share capital.

The powers of the Board of Directors are set out in section 2.3.

As far as increases in the share capital are concerned and in accordance with article 8 of the Company's articles of association the Board may, by unanimous decision of its members, increase the share capital, one or more times, in accordance with the law, up to EUR 250 million. It is the Board of Directors' responsibility to fix the terms and conditions for share capital increases as well as the share subscription period and payment procedures.

2.11. Disclosure of the policy regarding director rotation, in particular the chief financial officer, as well as the rules governing the appointment and replacement of members of the board of directors and the supervisory board.

The policy regarding director rotation (Support Divisions), including the chief financial officer, is described in section 2.3.

The rules governing the **appointment of members to the board of directors and their replacement** are those provided for in law, in addition to a number of specific features set out in the Company's articles of association:

The election of members to the board shall be done on the basis of lists specifying the office to be filled by each Director. The voting shall be carried out in the following manner:

> **On a first poll:** only one director shall be elected from the candidates for the office proposed on lists put forward by groups of shareholders who own between 10% and 20% of the Company's share capital. At least two candidates for each position to be filled shall be proposed on each list. No shareholder may vote for more than one list. If, on a first poll, there are lists submitted by more than one group of shareholders, then a poll shall be first taken among all such lists and, thereafter, among the names of the candidates listed in the winning list. The lists of candidates may be submitted to the general meeting before the business relating to the election of directors starts to be transacted;
>
> **On a second poll:** the other members of the board of directors are elected by the general meeting. All shareholders attending the meeting may take part in the decision-making process regardless of the fact whether they have or have not subscribed or voted for any of the lists on a first poll. So long as one of the candidates nominated in the lists has not been elected on a first poll, no other member can be elected to the board, except if no list has been put forward.

The term of office of the Board members is three calendar years. At the end of the Directors' term, the shareholders must elect new directors or re-elect - one or more times - current directors.

At the time of voting the Directors' report, the annual financial statements and the proposal for appropriation of profit, the **Annual General Meeting** may decide to remove any or all directors from the Board. This will not imply the payment of any compensation to any director so removed from office regardless of whether a director's discharge from employment has been for cause or without cause. However, this provision will not apply to a Board member elected under special election procedures on a first poll if members holding at least a 20% stake in the share capital of the Company resolve against removing any such director from office regardless of the cause for a director's discharge from employment.

The rules governing the **appointment of members to the supervisory board and their replacement** are those provided for in law, in the Company's articles of association and in the Internal Rules of the Supervisory Board:

- the election of members to the Supervisory Board shall be done on the basis of separate lists specifying the office to be filled by each member;
- the term of office of the Supervisory Board members is three calendar years. These members shall serve during all their term of office and until legally replaced; the calendar year in which they are elected is computed as a full year for the purpose of their term of office. Members of the Supervisory Board may be re-elected in accordance with the law;
- the Supervisory Board consists of three members and one or several alternate members. A Supervisory Board member who is temporarily prevented from carrying out his/her duties or whose office terminated shall be replaced by an alternate member. If the Chairman of the Supervisory Board steps down

before the expiry of the period for which he was elected or appointed, the other members will appoint one of their number to be the chairman of the Supervisory Board until the end of the current term. An alternate member taking over the position of a member whose office terminated before the expiry of his/her term of office will remain in post until the next Annual General Meeting, at which all vacancies will be filled. If it is not possible to fill a vacancy left by a former member because of an insufficient number of eligible candidates, the vacancies of both members and their alternates will be filled through a new election. To this end, the Supervisory Board should advise the Board of Directors and the Chairman of the group chairing the Annual General Meeting in writing of any such vacancies as soon as the Supervisory Board becomes aware of such vacancies;

- the Supervisory Board should include at least one independent member who has an university degree and accounting or auditing knowledge commensurate with the position' duties;

- the Supervisory Board should have a majority of independent members. Members of the Supervisory Board shall immediately advise the Supervisory Board, the Chairman of the group chairing the Annual General Meeting and the Board of Directors in writing of any situation or circumstance that can result in a loss of their independence pursuant to and for the purposes of the previous section.

The occurrence of any of the above events leading to conflicts of interest or loss of independence status (set forth in section 2.6 above) implies the termination of the appointments. The members of the Supervisory Board shall immediately advise the Supervisory Board, the Chairman of the group chairing the Annual General Meeting and the Board of Directors in writing of any such occurrences.

2.12. Number of meetings held by the Board of Directors and the Supervisory Board and minutes of such meetings.

Under the Company's articles of association, the Board of Directors meets at any time and place dictated by the interests of the Company (article 28). In 2012, ten Board meetings were held and the meetings' minutes were taken.

The Supervisory Board meets whenever a meeting is convened by the Chairman of the Supervisory Board or by two other Supervisory Board members. In accordance with article 10 of the Supervisory Board's internal rules, the Supervisory Board shall meet at least once every quarter. This governing body met five times in 2012 and the meetings' minutes were taken.

2.13. Number of meetings held by the Executive Committee or the Executive Board of Directors as well as minutes of such meetings, sending of the minutes and of their notices to the Chairman of the Board of Directors, to the Chairman of the Supervisory Board or of the Audit Committee, to the Chairman of the General and Oversight Committees and to the Chairman of the Financial Matters Committee, as applicable.

The Executive Committee met fifteen times during 2012 and the meetings' minutes were taken.

2.14. Difference between an executive member and a non-executive member pointing out those non-executive members who - in the event that the requirements on conflicts of interest for the position were applicable to them - satisfied both (i) the conflict of interest requirements provided for in section 414-A(1) of the Portuguese Companies Act, except for the provision set out in sub-paragraph (b), and (ii) the independence requirements provided for in section 414(5) of the Portuguese Companies Act.

Board of Directors:

Executive Members:

Chairman:	António Rios de Amorim
Vice-Chairman:	Nuno Filipe Vilela Barroca de Oliveira
Member:	Fernando José de Araújo dos Santos Almeida

Non-Executive Members:

Member:	Cristina Rios de Amorim Baptista
Member:	Juan Ginesta Viñas
Member:	Jorge Manuel Seabra de Freitas

If the following requirements were applicable to the members of the Board of Directors:

a) none of the directors who held office at 31 December 2012 was in full compliance with the conflict of interest requirements provided for in section 414-A(1) of the Portuguese Companies Act, except for the provision set out in sub-paragraph (b);

b) only Mr Juan Ginesta Viñas and Mr Fernando José de Araújo dos Santos Almeida met the independence requirements provided for in section 414(5) of the Portuguese Companies Act.

2.15. Legal and regulatory requirements and other criteria based on which the Board of Directors assessed the independence of its members.

The assessment of the independence of the members of the Board of Directors is based on (i) their compliance with the requirements provided for in section 414(5) of the Portuguese Companies Act; (ii) the non-existence of the situations described in article 414-A [except for the provision set out in section 414-A.1(b)]; (iii) the non-existence of a significant trade or competitive relationship with the Company or a group's member company; and (iv) the non-existence of a previous employer-employee relationship of more than ten years either consecutive or otherwise.

2.16. Procedure for selection of candidates for non-executive director roles and ways of ensuring that executive directors do not interfere in this process.

As it arises from the election and replacement systems described in paragraph 2.11. above, the selection process for directors – executive or otherwise– is not a responsibility of the Board of Directors or the Executive Committee. The shareholders are responsible for submitting lists prepared in such manner as the shareholders shall think fit for consideration at the General Meeting.

Even in cases of co-optation by directors, the ultimate responsibility lies with the members of the Company who must make a resolution on any such co-optation and either ratify it or not.

As regards the particular circumstance of the existence of directors serving simultaneously on the boards of **Corticeira Amorim** and Amorim Capital - Sociedade Gestora de Participações Sociais, S.A. (the principal shareholder of the Company) it is hereby announced that:

I. an executive or non-executive director of **Corticeira Amorim** may not, in such a capacity, take part in the decisions made by the members of a governing body of a company other than his/her own, and hence take part in the decisions made by members of a company holding an interest in **Corticeira Amorim**;

II. despite this coincidence of directors – that, as stated in (i) above, is not relevant -, it is hereby announced that at the time of the Annual General Meeting where the directors have been elected to hold office for the current term and

the appointment by co-optation of directors in 2012 was ratified, the board of Amorim Capital - Sociedade Gestora de Participações Sociais, S.A. had two directors who were simultaneously directors (being one of them an executive director and the other a non-executive director) of **Corticeira Amorim**. Therefore it is unambiguously proved that there is a balance that prevents the member of the board of Amorim Capital - Sociedade Gestora de Participações Sociais, S.A. - also in his/her capacity as an executive director of **Corticeira Amorim** - from taking part in the selection process of non-executive directors to the board of **Corticeira Amorim**.

2.17. The Directors' report includes a description of the activities carried out by non-executive directors and any restraints detected.

Corticeira Amorim's annual Directors' Report includes a description of the activities carried out by non-executive directors and any restraints detected.

2.18. Professional qualifications of each Director, his/her professional career over the last five years (at least), the number of shares he/she holds in the Company and the date of his/her first appointment to the Board and the end of his/her term of office.

António Rios de Amorim (Chairman):

The Chairman of **Corticeira Amorim**'s board of directors and executive committee since March 2001. He was a managing director of Amorim & Irmãos (1996-2001), a Director of Sociedade Figueira-Praia (1993-2006), an operations manager of Amorim - Empreendimentos Imobiliários, a company which developed the Torres de Lisboa and the Arrábida Shopping Centre projects (1993-1995), an executive director of Amorim Hotéis, with responsibility for developing the Ibis and Novotel hotel chains in Portugal. He graduated with a Bachelor of Commerce degree from the Faculty of Commerce and Social Sciences of the University of Birmingham (1989), and attended the Executive Programme in Business Administration: Managing the Enterprise - Columbia University Graduate School of Business (1992), Managerial Skills for International Business – INSEAD (2001) and Executive Program in Strategy and Organization – Graduate School of Business Stanford University (2007). He was a member of the European Round Table of Industrialists – **Corticeira Amorim** was the only Portuguese business group that made part of this prestigious association (1991-1995). He has been the chairman of the Portuguese Cork Association (2002-2012) and the Confédération Européenne du Liège since 2003. In February 2006, he was awarded the decoration of *Comenda de Grande-Oficial da Ordem de Mérito Agrícola, Comercial e Industrial* (an award for outstanding merit in the field of agriculture, trade and industry) by the President of the Portuguese Republic.

Age: 45

Date of his first appointment to the board of directors: 29 March 1990

First appointment as chairman of the board of directors: 31 March 2001

End of term of office: 31 December 2013

At 31 December 2012, Mr António Rios de Amorim did not directly hold any shares in **Corticeira Amorim.**

Nuno Filipe Vilela Barroca de Oliveira (Vice-Chairman):

He graduated in Business Administration and Management from Portuguese Catholic University. He was a non-executive director of **Corticeira Amorim** from March 2003 to September 2005, when he moved to an executive post. He has been a non-executive director of several companies of the Amorim group (since 2000) and was an executive director of Barrancarnes (2000-2005). After working for a year in the trading business of Møre Codfish (Norway), he participated in the Comett programme and worked as an intern at Merrill Lynch (London) before moving to Banco Comercial Português, where he worked for three years in the analysis and planning, international and investment funds departments.

Age: 42

Date of his first appointment to the board of directors: 28 March 2003

End of term of office: 31 December 2013

At 31 December 2012, Mr Nuno Filipe Vilela Barroca de Oliveira did not hold any shares in **Corticeira Amorim**.

Fernando José de Araújo dos Santos Almeida (Member):
Graduated with a Bachelor's Degree in Economics from the University of Porto, Faculty of Economics (1983/84). He joined **Corticeira Amorim** in 1991 and held several positions in various of the group's member companies. In 2002, he took over as Manager of Organisational Development and Business Management Planning and Control at **Corticeira Amorim**.
Age: 51
Date of his first appointment to the board of directors: 31 July 2009 (Mr Fernando José de Araújo dos Santos Almeida was co-opted onto the Board).
End of term of office: 31 December 2013
At 31 December 2012, Mr Fernando José de Araújo dos Santos Almeida did not hold any **Corticeira Amorim** shares.

Cristina Rios de Amorim Baptista (Member):
Graduated in Economics from the Faculty of Economics of the University of Oporto in 1991, she completed her Global Banking and Finance MBA at the University of Birmigham (UK) in 1992 and a postgraduate degree in International Management at the Catholic University of Portugal in 2001. She started her professional career in 1992 working for international institutions such as the S. G. Warburg España in Madrid (Mergers & Acquisitions), N. M. Rothschild & Sons Limited - Corporate Finance Division in London (sectoral and company research & analysis), Rothschild Asset Management Limited in London (Wealth Management) and Soserfin, SA, Portugal (Economic Studies and Research Division). She joined the upper management of the Amorim Group in 1994 and is currently managing director & CFO of Amorim. In 1997 she took office as Investor Relations Officer at **Corticeira Amorim**.
Age: 44
Date of her first appointment to the board of directors: 20 July 2012
End of term of office: 31 December 2013
At 31 December 2012, Mrs Cristina Rios de Amorim Baptista did not hold any shares in **Corticeira Amorim**.

Juan Ginesta Viñas (Member):
With a wide and extensive professional experience in managing businesses, he has played relevant roles in several international companies such as International Harvester (sales manager), DEMAG EO (sales manager), Hunter Douglas (General Manager and the person responsible for the industrial firms located in Brazil, Argentina and Chile) and Torras Domenech (Managing Director and CEO). He has been a director of Trefinos, SL since 1996.
Age: 72
Date of his first appointment to the board of directors: 20 July 2012
End of term of office: 31 December 2013
At 31 December 2012, Mr Juan Ginesta Viñas did not hold any shares in **Corticeira Amorim**.

Jorge Manuel Seabra de Freitas (Member):
He graduated in Economics from the University of Porto, Faculty of Economics in 1983. He attended the INSEAD International Executive Programme in 1991. Throughout his professional career as a manager, he held very demanding positions of great importance in several business areas, including: Chairman of the Board of Directors of Coelima Indústrias Têxteis (1991-2011); a director of Arcotêxteis (2008-2011); a director of Fábrica Cerâmica de Valadares (1988-1991) and previously he had held an executive position at the Américo Amorim Group with responsibilities in financial and real estate companies.
Age: 52
Date of his first appointment to the board of directors: 30 November 2011 (he was co-opted onto the board).
End of term of office: 31 December 2013
At 31 December 2012, Mr Jorge Manuel Seabra de Freitas did not hold any shares in **Corticeira Amorim**.

2.19. Positions held outside the Company by Corticeira Amorim's directors and a breakdown of the positions held in other member companies of the Corticeira Amorim group.

António Rios de Amorim (Chairman):

Company	Position
Corticeira Amorim Group	
Amorim Natural Cork, S.A.	Chairman of the Board of Directors
Amorim Florestal, S.A.	Chairman of the Board of Directors
Amorim Florestal España, S.L.	Chairman of the Board of Directors
Amorim & Irmãos, S.A.	Chairman of the Board of Directors
Amorim & Irmãos, S.G.P.S., S.A.	Chairman of the Board of Directors
Amorim Florestal, S.A.	Chairman of the Board of Directors
Amorim Industrial Solutions – Imobiliária, S.A.	Chairman of the Board of Directors
Amorim Isolamentos, S.A.	Chairman of the Board of Directors
Amorim Revestimentos, S.A.	Chairman of the Board of Directors
Amorim Cork Composites, S.A.	Chairman of the Board of Directors
Amorim Cork Research & Services, Lda.	Director
Chapius, S.L.	Chairman of the Board of Directors
Comatral – Compagnie Marrocaine de Transformation du Liège, S.A.	Chairman of the Board of Directors and of the Group chairing the Annual General Meeting
Dom Korkowy, Sp. Zo.o	Member of the Board of Directors
Dyn Cork – Technical Industry, Lda.	Director
Korken Schiesser GmbH	Director
S.A. Oller et Cie	Diretor
Olimpíadas Barcelona 92, S.L.	Chairman of the Board of Directors
Société Nouvelle des Bouchons Trescasses, S.A.	Member of the Board of Directors
SIBL – Société Industrielle Bois Liège, S.A.R.L.	Director
Spheroil – Materiais Compósitos, Lda.	Director
Other Companies	
Afaprom – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Agolal, S.A.	Member of the Board of Directors
Amorim, S.G.P.S., S.A.	Member of the Board of Directors
Amorim Capital – Sociedade Gestora de Participações Sociais, S.A.	Member of the Board of Directors
Amorim – Investimentos e Participações, S.G.P.S., S.A.	Member of the Board of Directors
Amorim – Participações Agro-Florestal, S.G.P.S., S.A.	Member of the Board of Directors
Amorim – Participações Imobiliárias, S.G.P.S., S.A.	Member of the Board of Directors
Amorim – Serviços e Gestão, S.A.	Chairman of the Remuneration Committee
Bomsobro – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Caneicor – Sociedade Agro-Florestal da Caneira, S.A.	Member of the Board of Directors
Cimorim – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Corunhal – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Fruticor – Sociedade Agrícola de Frutas e Cortiças, S.A.	Member of the Board of Directors
Interfamília II, S.G.P.S., S.A.	Member of the Board of Directors
Mirantes e Freires, S.A.	Member of the Board of Directors
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	Director
QM1609 – Investimentos Imobiliários, S.A.	Member of the Board of Directors
Quinta Nova de Nossa Senhora do Carmo, S.A.	Member of the Board of Directors
Resiféria – Construções Urbanas, S.A.	Member of the Board of Directors
S21 – Sociedade de Investimento Imobiliário, S.A.	Member of the Board of Directors

Nuno Filipe Vilela Barroca de Oliveira (Vice-Chairman):

Company	Position
Other Companies	
Amorim – Investimentos e Participações, S.G.P.S., S.A.	Member of the Board of Directors
Amorim – Serviços e Gestão, S.A.	Member of the Remuneration Committee
Amorim Broking – Investimentos e Participações Financeiras, S.A.	Chairman of the Board of Directors
API – Amorim Participações Internacionais, S.G.P.S., S.A.	Member of the Board of Directors
Caribbean Seafood – Trading e Marketing, S.A.	Chairman of the Board of Directors
Casa das Heras – Empreendimentos Turísticos, S.A.	Member of the Board of Directors
Interfamília II, S.G.P.S., S.A.	Member of the Board of Directors
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	Diretor
Paisagem de Alqueva, S.A.	Member of the Board of Directors
Quinta Nova de Nossa Senhora do Carmo, Lda.	Diretor

Cristina Rios de Amorim Baptista (Member):

Company	Position
Corticeira Amorim Group	
Amorim & Irmãos, S.A.	Member of the Remuneration Committee
Other Companies	
Afaprom – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Agolal – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Agro-Pecuária Mirante e Freires, S.A.	Member of the Board of Directors
Amorim – Investimentos e Participações, S.G.P.S., S.A.	Member of the Board of Directors
Amorim – Participações Agro-Florestais, S.G.P.S., S.A.	Member of the Board of Directors
Amorim – Participações Imobiliárias, S.G.P.S., S.A.	Member of the Board of Directors
Amorim – Serviços e Gestão, S.A.	Member of the Board of Directors
Amorim – Sociedade Gestora de Participações Sociais, S.A.	Member of the Board of Directors
Amorim – Viagens e Turismo, Lda.	Director
Amorim Desenvolvimento, S.G.P.S., S.A.	Member of the Board of Directors
Amorim Investments, B.V.	Diretor
Imotur – Fundo Especial de Investimento Imobiliário Fechado	Member of the Advisory Committee
Amorim Global Investors, S.G.P.S., S.A.	Member of the Board of Directors
Bomsobro – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Caneicor – Sociedade Agro-Florestal da Caneira, S.A.	Member of the Board of Directors
Cimorim – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Corunhal – Sociedade Agro-Florestal, S.A.	Member of the Board of Directors
Fruticor – Sociedade Agrícola de frutas e Cortiças, S.A.	Member of the Board of Directors
Interfamília II, S.G.P.S., S.A.	Member of the Board of Directors
Amorim International Participations, B.V.	Diretor
Finpro, S.C.R., S.A.	Member of the Investment Committee
Vertente Financeira, S.G.P.S., S.A.	Member of the Board of Directors
Resiféria – Construções Urbanas, S.A.	Member of the Board of Directors
Resinfe – Investimentos e Promoção Imobiliária, S.A.	Member of the Board of Directors
S21 – Sociedade de Investimento Imobiliário, S.A.	Member of the Board of Directors
Other Institutions	
Fundação AEP	Member of the Board of Directors
Fundação Casa da Música	Member of the Board of Directors

Fernando José de Araújo dos Santos Almeida (Member):

Company	Position
Corticeira Amorim Group	
Amorim Revestimentos, S.A.	Member of the Board of Directors
Vatrya – Consultoria e Marketing, Lda.	Director

Juan Ginesta Viñas (Member):

Company	Position
Corticeira Amorim Group	
Trefinos, S.L.	Chairman of the Board of Directors
Other Companies	
Les Finques, S.A.	Director

Jorge Manuel Seabra de Freitas (Member):

Company	Position
Other Companies	
Amorim Holding II, S.G.P.S., S.A.	Member of the Board of Directors
Galp Energia, S.A.	Member of the Board of Directors

SECTION III – SUPERVISORY BOARD

2.20. Not a requirement under the Corporate Governance Code.

2.21. Disclosure of the identification of the members of the Supervisory Board and information on whether they comply with the conflict of interest requirements of section 414-A(1) of the Portuguese Companies Act as well as the independence requirements of section 414(5) of the Portuguese Companies Act. For this purpose, the Supervisory Board conducts a self-assessment of its members.

Composition of the Supervisory Board:

Chairman:	Durval Ferreira Marques
Member:	Joaquim Alberto Hierro Lopes
Member:	Gustavo José de Noronha da Costa Fernandes
Alternate Member:	Alberto Manuel Duarte de Oliveira Pinto

To the best of our Company's knowledge, the members and the alternate members of the Supervisory Board comply with the conflict of interest requirements provided for in section 414-A(1) of the Portuguese Companies Act and the independence requirements provided for in section 414(5) of the Portuguese Companies Act.

2.22. Professional qualifications of each member of the Supervisory Board, his/her professional career over the last five years (at least), the number of shares he/she holds in the Company, the date of his/her first appointment to the Supervisory Board and the end of his/her term of office.

Durval Ferreira Marques (Chairman):
Graduated with a Bachelor's Degree in Economics from the University of Porto, Faculty of Economics, he was a technical education lecturer and a technical assistant at the Directorate-General of the Central Bank of Angola. He held management positions in the finance, insurance, media and industry sectors in South Africa for over 25 years. He was also a representative of the Portuguese Business Association in South Africa and Mozambique.
For the past five years he has held several director level positions in a number of Portuguese companies.
Date of his first appointment to the Supervisory Board: 28 May 2007.
End of term of office: 31 December 2013.
At 31 December 2012, Mr Durval Ferreira Marques did not hold any shares in **Corticeira Amorim**.

Joaquim Alberto Hierro Lopes (Member):
He graduated in Accounting and Business Administration from the Higher Institute of Accounting and Business Administration of Porto. He has a Bachelor's Degree in Mathematics from the University of Porto, Faculty of Sciences and a Master's Degree in Business Administration from the University of Porto. He attended the preparatory course for Certified Public Accountant and the tax law course.
He has lectured at the University of Porto. He was also Chairman of the Board and a member of the Scientific Committee of Portugal's Higher Institute of Administration and Management (ISAG – Instituto Superior de Administração e Gestão). He has held senior management positions and has been a member of the board of a number of Portuguese and international companies. In recent years, he has held several director and manager level positions in GED Group member companies and has been an Executive Director of GED Partners since March 2008. He is also a member of the governing bodies of several companies.
Date of first appointment to the Supervisory Board: 28 May 2007.
End of term of office: 31 December 2013.
At 31 December 2012, Mr Joaquim Alberto Hierro Lopes did not hold any shares in **Corticeira Amorim**.

Gustavo José de Noronha da Costa Fernandes (Member):
He is a lawyer based in Santa Maria da Feira, Portugal. He has held several senior positions in the Portuguese Bar Association: member of the Porto District Commission (1992-1995), of the Higher Commission (2002-2004) and of the Porto Ethics Commission (2005-2007). He is a practising lawyer and a manager of the Gustavo Fernandes, Domingos Leite e Associados law firm.
Date of his first appointment to the Supervisory Board: 28 May 2007.
End of term of office: 31 December 2013.
At 31 December 2012, Mr Gustavo José de Noronha da Costa Fernandes did not hold any shares in **Corticeira Amorim**.

Alberto Manuel Duarte de Oliveira Pinto (Alternate Member):
He has a Bachelor's Degree in Law from the Portuguese Catholic University and a Master's Degree in the History of Africa from the University of Lisbon, Faculty of Humanities. In recent years, he has lectured at several higher education institutions: the University of Lisbon's Faculty of Humanities, the University of Coimbra's Faculty of Sciences and Technology, Independente University and Autónoma de Lisboa University. He has written a number of essays, academic studies and works of fiction.
Date of his first appointment to the Supervisory Board: 28 May 2007.
End of term of office: 31 December 2013.
At 31 December 2012, Mr Alberto Manuel Duarte de Oliveira Pinto did not hold any shares in **Corticeira Amorim**.

2.8. Positions held outside the Company by the members of Corticeira Amorim's Supervisory Board and a breakdown of the positions held in other member companies of the Corticeira Amorim group.

Durval Ferreira Marques (Chairman):

Company	Position
Other Companies	
Cifial, S.G.P.S., S.A.	Chairman of the group chairing the General Meeting
Cifial Indústria Cerâmica, S.A.	Chairman of the group chairing the General Meeting
Cogruci Comércio Internacional, S.A.	Chairman of the group chairing the General Meeting

Joaquim Alberto Hierro Lopes (Member):

Company	Position
Other Companies – Subsidiaries of the GED Group	
Estudio Pereda4, S.L.[(a)]	Member of the Board of Directors
FASE – Estudos e Projetos, S.A.	Chairman of the Board of Directors
GED Iberian Private Equity, S.A. [(a)]	Member of the Board of Directors
GED Partners I, S.L. [(a)]	Member of the Board of Directors
GED Sur Capital, S.A. [(a)]	Member of the Board of Directors
Grupo Asijara Holdings, S.L. [(a)]	Member of the Board of Directors
Nuceri Business, S.L.[(a)]	Member of the Board of Directors
Serlima Services, S.A.	Member of the Board of Directors
Soprattuto Cafés, S.A.	Member of the Board of Directors
Interinvest, S.A.	Chairman of the Board of Directors

(a) Spain

Gustavo José de Noronha da Costa Fernandes (Member):

Company	Position
Other Companies	
Gustavo Fernandes, Domingos Leite e Associados	Manager
Clínica Alcaide, Lda.	Manager
Bioplay – Comércio Alimentar, S.A.	Member of the Board of Directors
Dorismar – Indústria e Comércio de Bacalhau, Lda.	Manager

Alberto Manuel Duarte de Oliveira Pinto (Alternate Member): does not held any other positions outside **Corticeira Amorim**.

2.25. Information on the fact that the external auditor's performance is annually assessed by the Supervisory Board and the possibility of the Supervisory Board proposing to the general meeting the dismissal for cause of the auditor.

The Report and Opinion of the Supervisory Board set out in section 2.4. above includes a brief assessment of the Statutory Auditor's performance. It is also the Supervisory Board's responsibility to propose to the General Meeting the appointment of a Statutory Auditor.

The Company's articles of association do not provide for the possibility of the Supervisory Board proposing to the General Meeting the dismissal for cause of the Statutory Auditor.

2.26. to 2.28. – Not applicable to the governing body model adopted by Corticeira Amorim.

2.29. Disclosure of information relating to the remuneration policy, in particular of directors and officers under section 248-B(3) of the Portuguese Securities Market Act, and other employees whose professional activities may have a material impact on the Company's risk profile and whose remuneration has an important variable component.

The remuneration policy is structured in such a way as to promote the alignment of interests between directors & other officers and the interests of the Company. The remuneration policy is based mainly on a fixed remuneration basis and has a variable component which depends on the Company's financial and operational results as well as its economic and financial situation.

The variable component of the remuneration of executive directors and officers represents a performance bonus awarded in accordance with the degree of compliance with corporate goals, objectives, strategic initiatives and priority actions set out in a three-year plan, including the annual variation for each of these three years. Performance is monitored using a Balanced Scorecard system (for additional information see section 2.3 – Organizational Structure of the Company).

With regard specifically to directors and officers – and in accordance with article 2 of Statute no. 28/2009 of 19 June - the Board of Directors submitted to shareholders for consideration and approval at the Annual General Meeting held on 29 March 2012 a remuneration policy set out below, which remuneration policy was approved by the General Meeting.

The remuneration of the Company's directors and officers shall be based on the following criteria:

- the stipulations in their individual employment contracts;
- observance of the principles of internal equity and external competitiveness;
- if adequate and feasible, such remuneration package may consist of a fixed pay plus a variable pay that is contingent on the Company's performance and on the measurable contribution of each individual director and officer to the Company's sustainable development and medium/long-term profitability (using the balanced scoreboard methodology that defines and implement targets for a three-year period);
- the variable pay shall consist of the award of:
  - a merit bonus pay, whose amount shall be based upon the performance achieved by each director or officer. This is contingent on the performance indicators of the business areas assigned to each director or officer and, therefore, on the level of professional performance which can be objectively measured, taking into consideration compliance with the standards applicable to the Organization and restraint in taking risks;
  - an additional bonus, whose amount shall be based upon the Company's performance;
  - the variable pay shall be equivalent to between 0% and 50% of their annual fixed pay.

SECTION IV – REMUNERATION

2.30. Information on the remuneration policy for directors and supervisory board members as set out in article 2 of Statute no. 28/2009 of 19 June.

A remuneration policy was submitted by **Corticeira Amorim**'s Remuneration Committee to shareholders for consideration and approval at the Annual General Meeting held on 29 March 2012. The following remuneration policy was approved by the Annual General Meeting:

1. In line with market practice and the duties and responsibilities inherent in the position held by the members of the Supervisory Board as well as their technical and professional knowledge and skills required for carrying out the supervisory functions, these members shall be paid exclusively a fixed remuneration payable in twelve instalments per year.

2. The members of the Board of Directors shall be paid adequate remuneration taking into account:

   - the individual remuneration package agreed upon between the Company and each Director;

   - observance of the principles of internal equity and external competitiveness, taking into account relevant information disclosed by the main Portuguese economic groups on their remuneration policies and practices;

   - if adequate and feasible, such remuneration shall primarily consist of a fixed pay - for executive and non-executive directors – plus a variable pay - for executive directors only - that is contingent on the Company's performance and on the measurable contribution of each individual executive director to the Company's sustainable development, its medium/long-term profitability and shareholder's value creation (using the balanced scoreboard methodology which defines and implements targets and goals for a three-year period, a focused set of key financial and non-financial indicators);

   - the award of a variable pay component to executive members of the Board of Directors shall be equivalent to a performance bonus that shall be contingent on the degree of compliance with the Company's strategic targets, goals, initiatives and its three-year priority action plan and annual reviews. Key financial and non-financial indicators shall be taken into account in assessing the performance (including short-term performance) of each individual executive director and his/her measurable contribution to the Company's sustainable development in the medium/long-term;

   - the actual amount of the variable pay shall depend on the appraisal to be carried out every year by the Remuneration Committee on the performance of the Board members, examining the contribution of each individual executive director to both the Company's profit in the relevant financial year and compliance with the Company's targets and implementation of the medium/long-term strategies adopted by the Company;

   - the payment of the variable pay component, if any, may be made wholly or in part after determination of the profit (or loss) for the years in respect of the whole term of office. There is, therefore, the possibility of the variable pay being reduced if the profit for the year reflects a significant deterioration in the Company's performance in the last financial year or if it is expectable that a significant deterioration will occur in the financial year underway;

   - The Company's remuneration policy for directors does not include the grant of share-based schemes, including share options, to members of the Board of Directors.

Although this issue is not expressly set out in the report on remuneration policy, the Directors consider that they are barred from entering into contracts either with the Company and its subsidiaries and/or affiliates or with third parties, which contracts might mitigate the risk inherent in the variability of their remuneration fixed by the Company and, therefore, the directors are scrupulous in complying with the conduct requirements of that concept.

2.31.Disclosure of annual remuneration earned by each member of the Company's Board of Directors and Supervisory Board, including fixed and variable pay and, as far as variable pay is concerned, information on the various components that make up the variable pay as well as the amount that has been deferred and the amount that has already been paid.

Total remuneration earned by the members of the Board of Directors in 2012 was EUR 719,490.02:

- the fixed remuneration of executive directors totalled EUR 387,113.40 (António Rios de Amorim: EUR 179,069.60; Nuno Filipe Vilela Barroca de Oliveira: EUR 100,890.20; Fernando José de Araújo Santos dos Almeida: EUR 107,153.60) and the variable remuneration amounted to EUR 128,520.00 (António Rios de Amorim: EUR 25,400.00; Nuno Filipe Vilela Barroca de Oliveira: EUR 400,00; Fernando José de Araujo dos Santos Almeida: EUR 102,720.00) for the performance of his duties in the Board of Directors of **Corticeira Amorim**; he did not earn any money for the performance of his duties on the Boards of associated companies or subsidiaries that consolidate with **Corticeira Amorim**;

- non-executive directors did not earn any remuneration for the performance of their duties on the Board of **Corticeira Amorim**. These members, for the performance of their duties in the Boards of Directors of subsidiaries or associated companies that consolidate with **Corticeira Amorim**), earned fixed remunerations of EUR 161,251.68 (Joaquim Ferreira de Amorim: EUR 123,535.50; Juan Ginesta Viñas: EUR 37,716.18) and variable remuneration of EUR 42,604.94 (Joaquim Ferreira de Amorim: EUR 8,852.00; Juan Ginesta Viñas: EUR 33,752.94).

Total remuneration earned by the members of the **Supervisory Board** in 2012 was EUR 42,900.00 (Durval Ferreira Marques: EUR 13,200.00; Joaquim Alberto Hierro Lopes: EUR 9,900.00; Gustavo José de Noronha da Costa Fernandes: EUR 9,900.00; Alberto Manuel Duarte de Oliveira Pinto: EUR 9,900.00). Under the remuneration policy set out in subsection 2.30, the members of the Supervisory Board did not earn any variable remuneration.

With regard to both the Board of Directors and the Supervisory Board, as at 31 December 2012 there were no deferred payments of fixed or variable remunerations.

2.32.Information on how remuneration packages are structured in order to ensure the alignment of the interests of the directors with the long-term interests of the Company as well as how remuneration packages are based on performance assessment and are designed to discourage excessive risk-taking.

As disclosed in the remuneration policy set out in subsection 2.30 above.

2.33. With regard to the remuneration package of executive directors:

a) **Disclosure of the fact that the remuneration package for executive directors includes a variable component, which depends on his/her performance-based assessment results;**
   As set out in section 2.31 above.
   The variable component of the remuneration package for

executive directors is similar to a performance bonus and is contingent on the degree of compliance with the Company's strategic targets, goals and initiatives and its three-year priority action plan and annual reviews.

b) **Disclosure of the Company's corporate bodies that are competent to assess the performance of executive directors;**
The Remuneration Committee is responsible for assessing the performance of each executive director.

c) **Disclosure of predetermined criteria for assessing the performance of executive directors;**
The award of a performance bonus to each individual executive director is contingent on his/her degree of compliance with the Company's strategic targets, goals and initiatives and its three-year priority action plan and annual reviews, using the balanced scoreboard methodology, a focused set of key financial and non-financial indicators.

d) **Explanation of the relative importance of the variable and non-variable components of directors' remuneration package and disclosure of the maximum limit for each component type;**
Total remuneration paid to executive directors in 2012 was EUR 515,633.40; in relative terms, such total remuneration comprised a 29.9 per cent variable component and a 75.1 per cent fixed component. Total remuneration paid to all members of the board of directors totalled EUR 719,490.02; in relative terms, such total remuneration comprised a 23.8 per cent variable component and a 76.2 per cent fixed component.
The Company's articles of association provide that the remuneration payable to all or some of the members of the Board of Directors may consist partly in a share in the profits of the Company. This profit-sharing plan may not exceed three per cent of profits for all the directors in office. Apart from this, there is no maximum limit for each component type.
There is no ceiling limit on other variable pay.

e) **Disclosure of deferred payments of part of variable component of remuneration and the deferral period;**
In the financial year under review there were no deferred payments of part of variable component of remuneration.

f) **Explanation of how the payment of a variable compensation is contingent on the Company's continuing its positive overall performance over the deferral period;**
Payment of a variable compensation is contingent on the achievement of the Company's strategic objectives, initiatives and priorities outlined in its three-year strategic plan.

g) **Adequate information on the criteria underpinning the share-based payment as part of variable compensation as well as information on the holding by executive directors of shares in the Company allotted to them, the possibility of entering into a contract relating to such shares, including hedge or risk transfer contracts, their caps, and the proportion of the variable remuneration component in total annual remuneration;**
The Company's remuneration policy does not provide for the allotment of shares or call options on shares to members of the Board of Directors. No shares and/or call options on shares were allotted. The Company has no incentive system for allotment of shares.

h) **Adequate information on the criteria underpinning the share option-based payment as part of variable compensation and disclosure of the deferral period and strike price;**
Not applicable.

i) **Disclosure of the main parameters and rationale for any annual bonus scheme and other non-cash benefits;**
As disclosed herein in sub-paragraph (c) above.

j) **Remuneration paid in the form of profit sharing and/or bonus payment and the reasons why such bonus payments and/or profit sharing bonus were granted;**
The performance-related variable remuneration paid in 2012 in the form of performance bonus totalled EUR 176,750.68 and was the result of the achievement of organizational goals and objectives as set out in sub-paragraph (a) above.

k) **Not a requirement under the Corporate Governance Code;**

l) **Severance payments made or owed to former executive directors arising out of early contract termination;**
No severance payments were made or owed to former directors arising out of their early contract termination in 2012. Information on the planned statutory restrictions on severance pay for unfair dismissal of a director and the proportion of the severance pay in the variable remuneration component.

m) **Information on the planned statutory restrictions on severance pay for unfair dismissal of a director and the proportion of the severance pay in the variable remuneration component;**
There are no legal instruments under the provisions set out in this sub-paragraph (m).

n) **Amounts paid for any reason whatsoever by other companies which control or are in a group relationship with Corticeira Amorim, SGPS, SA;**
As disclosed herein under 2.31 above.

o) **Disclosure of the main features of supplementary pension or early retirement schemes for directors and whether or not such schemes were subject to review at the annual general meeting;**
There are no supplementary pension or early retirement schemes for Directors.

p) **Total estimated value of significant non-cash benefits considered as remuneration and not falling within any of the cases previously enumerated;**
All non-cash benefits considered as remuneration were included in the total remuneration package disclosed in sub-paragraph (a) above.

q) **Existence of mechanisms that prevent executive directors from entering into contracts that can undermine the rationale behind the variable remuneration;**
There are no mechanisms designed and implemented specifically to safeguard our Company from the situation described above. In view of the complexity of this issue, after weighing the structure and corporate practices adopted by our Company and verifying the existence of a sound and effective internal control system enhanced by a system of dual supervision by independent supervisory bodies, this risk – if any – is considered to be minimal and is safeguarded by the collegial nature of the decision-making process by the Board of Directors.

2.34. Information on the fact that the remuneration payable to non-executive directors of the Board does not include any variable remuneration components.

Non-executive directors only get paid a fixed remuneration for the performance of their duties as members of the Board of Directors of **Corticeira Amorim**; the variable remuneration - set out in sub-paragraph 2.31. above - payable to non-executive directors is the result of their performance of executive duties on the Boards of Directors of associated companies or subsidiaries that consolidate with **Corticeira Amorim**.

2.35.Disclosure of the whistle-blowing policy adopted by the Company (means by which malpractice or misconduct may be brought to the attention of the Company's relevant bodies or officers, their conduct in this process and the manner in which such information is to be treated).

It is the responsibility of **Corticeira Amorim**'s Supervisory Board - in accordance with its rules of procedure – to receive the information on wrongful acts reported by shareholders, employees or other individuals or bodies and to treat such whistle-blowing reports appropriately.

Channel of reporting to the Supervisory Board of Corticeira Amorim, SGPS, S.A.
Via postal address: (the Company's registered office):
Rua de Meladas, n.º 380 – Apartado 20 - 4536-902 MOZELOS - PORTUGAL
Via telephone: +351 22 747 54 00

The Company ensures that the Supervisory Board will be the first to be made aware of the contents of such whistle-blowing reports (no employee of the Company is authorised to open mail addressed to be opened specifically by this governing body or any of its members).

It is the Supervisory Board's responsibility to review any such reports and ask the other Company's governing bodies and officers for any explanations on the disclosed events and the circumstances surrounding the situation. In dealing with concrete situations, the Supervisory Board is entitled to:

- suggest precautionary measures to prevent irregularities;
- report any identified and confirmed irregularities to the Board of Directors and relevant authorities, both internally and externally, in accordance with each specific situation.

The Company guarantees that the identity of whistleblowers will not be disclosed throughout the process, unless they expressly choose to disclose their identity.

Corticeira Amorim believes that there are a number of measures, i.e. (i) the assignment of such responsibilities to the Supervisory Board – composed entirely of independent members, who ensure impartial handling and consideration of irregularities reported to the Company; (ii) the non-imposition of the use of a specific format for such reports and the fact that it is at the discretion of the whistleblower to use the channels of reporting that he/she thinks to be the most adequate; and (iii) the obligation to ensure protection of personal data of employees (scrupulously following the instructions given by whistleblowers regarding confidentiality) that safeguard the rights of both whistleblowers and other staff members involved, while ensuring that the reporting process remains simple, and contribute effectively to promoting impartial investigation and clarification of the situations reported.

SECTION V – SPECIAL COMMITTEES

2.36. Identification of the members of the committees set up for assessing the individual and overall performance of executive directors, reflection on the corporate governance system adopted by Corticeira Amorim and identification of potential candidates who have the profile to be a director.

Corticeira Amorim's Remuneration Committee consists of a chairman and two committee members. As at 31 December 2012, these positions were held by:

Chairman:	José Manuel Ferreira Rios;
Member:	Álvaro José da Silva;
Member:	Américo Gustavo de Oliveira Ferreira.

This committee is only competent to assess the performance of the members of the Board of Directors.

Directors are encouraged to reflect on the corporate governance system but this does not involve identifying potential candidates who have the profile to be a director because, as stated above, this power is not vested in the directors.

2.37 Number of meetings held in 2011 by committees set up with responsibility for managerial and supervisory matters as well as details on minutes taking of such meetings.

Apart from those committees already mentioned – the Executive Committee and the Remuneration Committee – there are no other committees with responsibility for managerial and supervisory matters.

The Remuneration Committee met five times in 2012 and the minutes of the meeting were drawn up.

2.38. Information on the fact that one member of the remuneration committee has relevant knowledge and experience of remuneration matters.

Members of the Remuneration Committee were selected on the basis of their wide experience in managing human resources, monitoring and benchmarking other companies' remuneration policies and their knowledge in terms of best remuneration practices and labour law.

2.39. Information on the independence of individuals or companies hired for the remuneration committee through a contract of employment or a contract for provision of services vis-à-vis the board of directors as well as whether (if applicable) such people have currently a consultant relationship with the Company.

All members of this committee consider themselves independent vis-à-vis the Company's Board of Directors.

CHAPTER 3
INFORMATION

3.1. Share capital structure, including shares not admitted to trading, different types of shares, rights and duties inherent in the shares and the percentage of the Company's share capital that each type of share represents.

The share capital of **Corticeira Amorim** is EUR 133 million and is divided into 133 million ordinary shares of a nominal value of EUR 1 each. These shares give their holders the right to dividends.

All shares issued by the Company are admitted to trading on the NYSE Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A.

3.2. Qualifying holdings in the issuer's share capital, calculated in accordance with article 20 of the Portuguese Securities Market Act.

List of holders of qualifying interests as at 31 December 2012:

Shareholder	No. of shares owned	Interest (%)
Amorim Capital, S.G.P.S., S.A.	67,830,000	51.000
Investmark Holdings, B.V.	24,975,157	18.778
Amorim International Participations, B.V.	20,064,387	15.086
Total qualifying holdings	112,869,544	84.864%

As at 31 December 2012, Amorim – Investimentos e Participações, S.G.P.S., S.A. had an indirect qualifying holding in **Corticeira Amorim** of 67,830,000 shares representing 51% of this Company's share capital. This indirect qualifying holding is held through Amorim Capital - Sociedade Gestora de Participações Sociais, S.A.

Amorim – Investimentos e Participações, S.G.P.S., S.A. is a wholly-owned subsidiary of Interfamília II, S.G.P.S., S.A.

Investmark Holdings B.V. is a wholly-owned subsidiary of Warranties, S.G.P.S., S.A. which, in turn, is 70 per cent owned by Mr Américo Ferreira de Amorim.

Amorim International Participations, B.V. is a wholly-owned subsidiary of Amorim – Sociedade Gestora de Participações Sociais, S.A.

The number of shares of treasury stock as of December 31, 2012 was 7 383 962.

3.3. Identification of shareholders who were attributed special rights and a description of those rights.

No shares of the Company carry special rights and no special rights have been granted to shareholders.

3.4. Restrictions on share transfers, including consent clauses to dispose of the shares or restrictions on share ownership.

The Company's articles of association do not impose any restrictions on the transfer of shares.

3.5. Shareholders' agreements known to the Company, which agreements may restrict transfers of securities or affect voting rights.

The Company has no knowledge of the existence of any shareholders' agreements that might lead to restrictions on the transfer of shares or affect voting rights.

3.6. Rules governing the amendment of the Company's articles of association.

The rules governing the amendment of the articles of association are those provided for by law, with the addition of the following specific provisions set out in the aforementioned articles: the Company is managed by a Board of Directors consisting of a chairman, a vice-chairman and from one to nine other members. This statutory provision may be amended only with the approval by a majority of shareholders representing at least two-thirds of the Company's share capital.

3.7. Control mechanisms provided for in any employee share ownership plan when such employees do not directly exercise their voting rights.

No control mechanisms are provided for therein.

3.8. Disclosure of the issuer's stock performance, taking particularly into account:

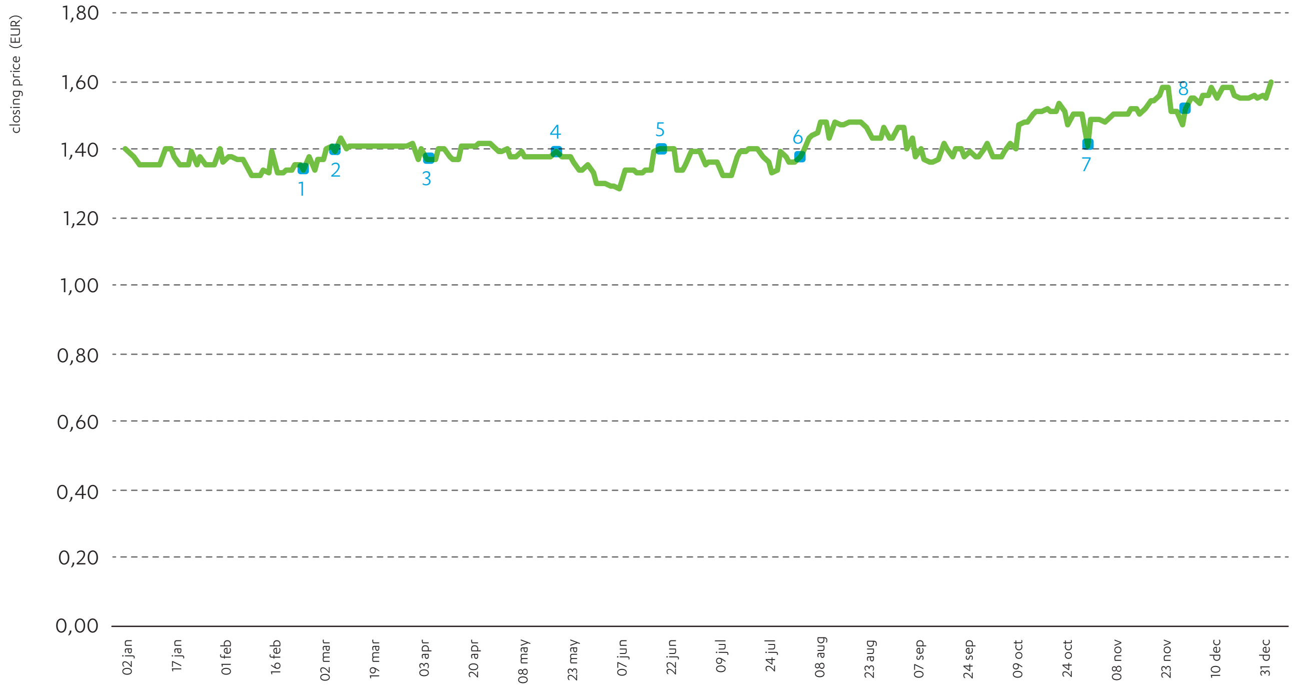
I. the issue of shares or other securities conferring rights to subscribe to or acquire shares;

II. the disclosure of profit/loss;

III. the dividends paid per share class and disclosure of the net dividend paid per share.

In 2012, no shares or other securities conferring rights to subscribe to or acquire shares were issued. Shareholders were paid dividends of € 0.95 per share (on April 30, 2012) and 0.065€ per share (on December 20, 2012).

Corticeira Amorim´s stock market performance in 2012



source: NYSE Euronext

During 2012 the Company disseminated several results information as well as other significant information:
1 – 27 feb – Consolidated profit for the financial year 2011;
2 – 07 mar – Proposals to the Annual General Meeting (29 March 2012), including appropriation of Net results achieved in 2011 fiscal year, as well as dividend to be distributed to the Company's shareholders;
3 – 05 apr – Announcement of dividend payment;
4 – 18 may – Consolidated profit for the first quarter ended March 31, 2012;
5 – 20 jun – Relevant disclosure: acquisition of a 90,91% of the company Trefinos, S.L.;
6 – 03 aug – Business activity and consolidated profit for the six-month period ended June 30, 2012;
7 – 31 oct – Consolidated profit for the nine-month period ended September 30, 2012 and proposal for "Free Reserves" distribution (as a share dividend);
8 – 30 nov – Announcement of dividend payment.

Additional information on **Corticeira Amorim**´s stock market performance: Chapter 6 of the Consolidated Directors' Report.

3.9. Disclosure of the dividend distribution policy of our Company and information on the dividend paid per share during the last three financial years.

The proposal for appropriation of profit for the year to be submitted every year to the Annual General Meeting for approval shall be duly considered by **Corticeira Amorim** in view of the overall business climate surrounding the Company and affecting particularly its net profit, its debt level and the outlook for future investment and financing needs aimed at reaching a desirable economic and financial balance.

Corticeira Amorim's dividend performance - 2010 to 2012

	Unit	2010	2011	2012
Paid/made available on		-	02-05-2011	30-04-2012 20-12-2012
Total dividend	thousand euros	0	13,300	21,280
% payout ratio	%	-	64.7%	84.2%
Dividend per share	€	0	0,100	0,160
% of nominal value	%	-	10.00%	16.00%

As set out in the previous paragraph, there were two dividend distributions in the year under consideration: the first was the result of a resolution passed at the AGM held on 29 March 2012 and a dividend of € 0.065 per share was paid out on 30 April 2012; the second dividend distribution was approved by the AGM held on 30 November 2012 and a dividend of € 0.095 per share was paid out on 20 December 2012.

3.10. Disclosure of the main features of the share-award and the share-option plans adopted by the Company or valid for the relevant financial year, giving details, in particular, of the reasons for adopting any such plans, the occupational category and number of employees covered by such plans, terms and conditions of the award of shares, clauses prohibiting the disposal of shares, the criteria governing the share prices and the strike price of share options, the period during which the options may be exercised, the characteristics of the shares to be allotted, the existence of incentives to purchase shares and/or to exercise options as well as the authority of the Board of Directors to implement and/or amend such plans.

Corticeira Amorim has not adopted nor does it have any share-award or share-option plans in force.

3.11. Disclosure of the main data on business deals and transactions carried out between the Company, on the one hand, and the members of its Board of Directors and Supervisory Board, holders of qualifying interests or any organization which controls, is controlled by or is in common control with such members, on the other hand, provided that the amounts involved are significant for any of the parties involved, except for those business deals or transactions that are carried out on an arm's-length basis and form part of the Company's day-to-day business.

No relevant business deals or transactions were carried out under the terms set out in this section 3.11 above.

3.12. Disclosure of the main data on business deals and transactions carried out between the Company and the holders of qualifying interests or any organization which controls, is controlled by or is in common control with such members, pursuant to article 20 of the Portuguese Securities Market Act, which business deals and transactions were not carried out on an arm's-length basis.

No relevant business deals or transactions were carried out under the terms set out in this section 3.12 above.

3.13. Description of the procedures and criteria applicable to the supervisory board when it conducts a preliminary assessment of the business deals to be carried out between the Company and the holders of qualifying interests or any organization which controls, is controlled by or is in common control with such members, pursuant to article 20 of the Portuguese Securities Market Act.

Corticeira Amorim has no procedures or criteria available under the terms of the above section. However, it should be noted that the business deals carried out between the Company, its associates or affiliates and the holders of qualifying interests or any organization which controls, is controlled by or is in common control with such members, as provided for in article 20 of the Portuguese Securities Market Act, are carried out on an arm's-length basis and the amount of such business deals is also of little consequence in comparison to the total value of the transactions made during the financial year.

The total value of the transactions with related parties carried out on an arm's-length basis is disclosed in the Notes to the Financial Statements. This value was EUR 1,091 thousand in 2012.

3.14. Disclosure of statistical data (number, average value and maximum value) relating to transactions subject to a preliminary assessment by the supervisory board.

No transactions were subject to a preliminary assessment by the Supervisory Board.

3.15. Information on the availability on the Company's website of annual reports on the activities of the General and Oversight Committees, the Financial Affairs Committee, the Audit Committee and the Supervisory Board, including information on any constraints encountered, in addition to the annual financial statements.

An annual Report and Opinion describing the work carried out and the results is prepared every year by the Supervisory Board. This Report and Opinion, together with the other annual financial statements, is made available to shareholders on the Company's website within the minimum time in advance required by law. This Report and Opinion is included in and published along with the Company's Annual Report and Accounts and is available for consultation at *www.corticeiraamorim.com*.

3.16. Information on the existence of an Office of Investor Assistance or other similar office.

Through its **Investor Relations Department**, **Corticeira Amorim** maintains permanent contact with the Market, thus ensuring that the principle of equality among shareholders is upheld and that uneven access of investors to information is prevented.

a) Responsibilities of the Investor Relations Department

The Investor Relations Department, supervised by **Corticeira Amorim**'s Investor Relations Officer, has the following responsibilities:

- regular publication of the Company's operation performance evaluation reviews and financial results, including co-ordination and preparation of their twice-yearly public presentation delivered at the Company's registered office (either in person or via audio-conference);
- disclosure of privileged information;
- disclosure of information on qualifying interests;
- receipt and centralisation of all questions and queries raised by investors and answers to such questions;
- participation in conferences and meetings with investors and analysts.

The following measures carried out in 2011 in the context of contact with investors are especially noteworthy:

- presentation of half-year business activity and results via audio-conferencing, thereby promoting interaction;
- one-on-one meetings held by invitation on the premises of investment banks;
- meetings held on the Company's premises with investors and teams of analysts, to whom the major industrial facilities were presented.

Corticeira Amorim has been using its information technology to regularly disclose and disseminate its economic and financial information, including the Company's operation performance evaluation reports and financial results as well as its answers to specific questions and queries raised by investors.

b) Type of information made available by the Investor Relations Department

- the name of the Company, its public company status, registered office and other information set out in article 171 of the Portuguese Companies Act;
- Articles of Association;

- identification of the members of the Company's governing bodies and the investor relations officer;
- the Office of Investor Assistance, its functions and means of accessing this Office;
- financial statements, including an annual report on the corporate governance structure and practices;
- six-month calendar of corporate events released at the beginning of each half-year;
- notices to members of Annual General Meetings to be given during a 21-day period prior to the date fixed for each meeting;
- motions submitted for discussion and vote at an AGM during a 21-day period prior to the date fixed for the meeting;
- absentee voting form;
- proxy form for Annual General Meetings;
- disclosure of half-yearly and quarterly information on the Company's business affairs;
- press releases: financial results, confidential information, qualifying interests in the share capital of the Company;
- business presentations to investors and market analysts.

In accordance with requirement no. 156/EMIT/DMEI/2009/515 of the Portuguese Securities Market Commission, from the beginning of 2009 onwards, the minutes of the AGM and statistical information on the attendance of shareholders at the AGM are also made available for consultation within five working days of the holding of the Annual General Meeting. Records relating to more than three years were collated and are duly kept by the Company.

c) Ways of contacting the Investor Relations Department
This Department can be reached by telephone at +351 22 747 54 00, by fax +351 22 747 54 07 or by e-mail at corticeira.amorim@amorim.com

d) The Company's website
A wide range of information on **Corticeira Amorim**'s ownership structure, its business and corporate performance is made available on its website www.corticeiraamorim.com, thus fully complying with the provisions set out in article 5 of Regulation no. 1/2010 of the Portuguese Securities Market Commission.

e) Identification of the Investor Relations Officer
Mrs Cristina Rios de Amorim Baptista is **Corticeira Amorim**'s Investor Relations Officer.

3.17. Disclosure of the annual amount of remuneration paid to the auditor and other individuals or companies that belong to the same network as Corticeira Amorim and/or by any company which controls or is in common control with Corticeira Amorim and the percentage breakdown of the total payments made for the following services:

Service provided	Amount (in thousand euros)	%
Statutory audit	266.7	63.0
Other auditing services	9.0	2.1
Tax consulting services	37.5	8.9
Other services	110.0	26.0
Total	423.2	100.0

The term "Other services" essentially refers to assistance for the implementation of administrative mechanisms to address legal formalities.

The independence of these service providers is not called into question as the leadership of the projects such service providers take on is always assumed by the appropriate department of **Corticeira Amorim**.

3.18. External auditor rotation.
There is no policy of rotation of Statutory Auditor. Continuation in service of the statutory auditor beyond the recommended three-year term is subject to a careful assessment of the advantages and disadvantages, in particular the expertise and experience acquired in the type of business in which the Company is engaged in. **Corticeira Amorim**'s external auditors, PricewaterhouseCoopers & Associados, S.R.O.C., Lda., meet the independence requirements and this is reinforced by the fact the partner in charge of the Company's audit is proposed to be rotated every seven years, a procedure in line with the best international practices.

CHAPTER 4
INFORMATION REQUIRED UNDER OTHER LEGISLATION

4.1. Treasury Stock

As set out in Chapter 14. of the Directors' Report, in 2012 **Corticeira Amorim** purchased 596,000 shares (representing 0.448% of its issued share capital) at an average price of € 1.544 per share totaling € 920,890.38.

	Quantity	Unit Price (€)	Total Price (€)	Quantity	Unit Price (€)	Total Price (€)
08-10-2012	Order(s) for stock exchange acquisition of 1000 shares - transactions carried out:					
	1,000	1.42	1,420.00			
09-10-2012	Order(s) for stock exchange acquisition of 1500 shares - transactions carried out:					
	6	1.43	8.58	173	1.44	249.12
	1,321	1.43	1,889.03			
10-10-2012	Order(s) for stock exchange acquisition of 2000 shares - transactions carried out:					
	1,000	1.45	1,450.00	1	1.45	1.45
	550	1.44	792.00	449	1.45	651.05
11-10-2012	Order(s) for stock exchange acquisition of 5000 shares - transactions carried out:					
	899	1.47	1,321.53	501	1.48	741.48
	940	1.47	1,381.80	1,859	1.47	2,732.73
	161	1.48	238.28	141	1.48	208.68
	499	1.47	733.53			
12-10-2012	Order(s) for stock exchange acquisition of 7000 shares - transactions carried out:					
	5,301	1.45	7,686.45	1,326	1.48	1,962.48
	373	1.48	552.04			
16-10-2012	Order(s) for stock exchange acquisition of 3000 shares - transactions carried out:					
	477	1.50	715.50	23	1.51	34.73
	2,500	1.50	3,750.00			
17-10-2012	Order(s) for stock exchange acquisition of 3000 shares - transactions carried out:					
	3,000	1.51	4,530.00			
18-10-2012	Order(s) for stock exchange acquisition of 3000 shares - transactions carried out:					
	2,774	1.51	4,188.74	46	1.52	69.92
	180	1.52	273.60			
19-10-2012	Order(s) for stock exchange acquisition of 3000 shares - transactions carried out:					
	702	1.50	1,053.00	2,298	1.51	3,469.98
22-10-2012	Order(s) for stock exchange acquisition of 3000 shares - transactions carried out:					
	3,000	1.51	4,530.00			
23-10-2012	Order(s) for stock exchange acquisition of 13 000 shares - transactions carried out:					
	2,000	1.50	3,000.00	5,000	1.51	7,550.00
	100	1.51	151.00	4,439	1.52	6,747.28
	900	1.52	1,368.00	561	1.53	858.33
24-10-2012	Order(s) for stock exchange acquisition of 3000 shares - transactions carried out:					
	3,000	1.51	4,530.00			
25-10-2012	Order(s) for stock exchange acquisition of 9000 shares - transactions carried out:					
	967	1.51	1,460.17	2,000	1.51	3,020.00
	2,033	1.51	3,069.83	1,000	1.51	1,510.00
	1,000	1.51	1,510.00	2,000	1.51	3,020.00
26-10-2012	Order(s) for stock exchange acquisition of 3000 shares - transactions carried out:					
	1,000	1.51	1,510.00	2,000	1.51	3,020.00

	Quantity	Unit Price (€)	Total Price (€)	Quantity	Unit Price (€)	Total Price (€)
08-11-2012	Order(s) for stock exchange acquisition of 9000 shares - transactions carried out:					
	2,499	1.49	3,723.51	500	1.49	745.00
	149	1.49	222.01	2,125	1.50	3,187.50
	352	1.49	524.48	875	1.50	1,312.50
	2,500	1.49	3,725.00			
09-11-2012	Order(s) for stock exchange acquisition of 12 000 shares - transactions carried out:					
	2,125	1.50	3,187.50	1,000	1.50	1,500.00
	875	1.50	1,312.50	2,000	1.50	3,000.00
	125	1.50	187.50	125	1.50	187.50
	199	1.50	298.50	1,000	1.50	1,500.00
	2,125	1.50	3,187.50	1,875	1.50	2,812.50
	551	1.50	826.50			
12-11-2012	Order(s) for stock exchange acquisition of 12 000 shares - transactions carried out:					
	1,890	1.50	2,835.00	1,000	1.50	1,500.00
	1,000	1.50	1,500.00	2,000	1.50	3,000.00
	110	1.50	165.00	1,000	1.50	1,500.00
	2,000	1.50	3,000.00	2,000	1.50	3,000.00
	1,000	1.50	1,500.00			
13-11-2012	Order(s) for stock exchange acquisition of 12 000 shares - transactions carried out:					
	1,000	1.50	1,500.00	1,839	1.50	2,758.50
	2,000	1.50	3,000.00	195	1.49	290.55
	1,000	1.50	1,500.00	1,000	1.50	1,500.00
	100	1.50	150.00	104	1.50	156.00
	1,900	1.50	2,850.00	1,000	1.50	1,500.00
	1,000	1.50	1,500.00	701	1.50	1,051.50
	161	1.50	241.50			
14-11-2012	Order(s) for stock exchange acquisition of 9000 shares - transactions carried out:					
	1,250	1.52	1,900.00	139	1.52	211.28
	100	1.52	152.00	150	1.52	228.00
	148	1.52	224.96	345	1.52	524.40
	1,502	1.52	2,283.04	118	1.52	179.36
	998	1.52	1,516.96	2,500	1.52	3,800.00
	1,250	1.52	1,900.00	500	1.52	760.00
15-11-2012	Order(s) for stock exchange acquisition of 6000 shares - transactions carried out:					
	750	1.52	1,140.00	1,250	1.52	1,900.00
	2,250	1.52	3,420.00	1,500	1.52	2,280.00
	250	1.52	380.00			
16-11-2012	Order(s) for stock exchange acquisition of 52 000 shares - transactions carried out:					
	250	1.52	380.00	2,500	1.52	3,800.00
	2,500	1.52	3,800.00	1,250	1.52	1,900.00
	250	1.52	380.00	166	1.52	252.32
	1,250	1.52	1,900.00	1,271	1.52	1,931.92
	1,750	1.52	2,660.00	2,111	1.52	3,208.72
	650	1.50	975.00	1,250	1.52	1,900.00
	750	1.52	1,140.00	6,639	1.52	10,091.28
	1,250	1.52	1,900.00	1,250	1.52	1,900.00
	350	1.52	532.00	3,750	1.52	5,700.00
	15,000	1.52	22,800.00	611	1.52	928.72
	4,650	1.52	7,068.00	2,389	1.53	3,655.17
	163	1.52	247.76			
19-11-2012	Order(s) for stock exchange acquisition of 6000 shares - transactions carried out:					
	402	1.53	615.06	280	1.54	431.20
	5,060	1.53	7,741.80	258	1.54	397.32

	Quantity	Unit Price (€)	Total Price (€)	Quantity	Unit Price (€)	Total Price (€)
20-11-2012	Order(s) for stock exchange acquisition of 26 000 shares - transactions carried out:					
	1,742	1.54	2,682.68	1,783	1.53	2,727.99
	61	1.54	93.94	7,217	1.53	11,042.01
	4,197	1.54	6,463.38	1,250	1.54	1,925.00
	840	1.52	1,276.80	635	1.54	977.90
	7,377	1.52	11,213.04	898	1.54	1,382.92
21-11-2012	Order(s) for stock exchange acquisition of 28 000 shares - transactions carried out:					
	435	1.54	669.90	635	1.54	977.90
	2,000	1.54	3,080.00	2,000	1.54	3,080.00
	84	1.54	129.36	1,500	1.54	2,310.00
	3,481	1.54	5,360.74	1,865	1.54	2,872.10
	635	1.54	977.90	414	1.54	637.56
	2,000	1.54	3,080.00	2,000	1.54	3,080.00
	165	1.54	254.10	1,500	1.54	2,310.00
	1,500	1.54	2,310.00	6,086	1.54	9,372.44
	1,700	1.54	2,618.00			
22-11-2012	Order(s) for stock exchange acquisition of 18 000 shares - transactions carried out:					
	1,500	1.54	2,310.00	515	1.55	798.25
	2,000	1.54	3,080.00	2,500	1.55	3,875.00
	2,500	1.54	3,850.00	250	1.55	387.50
	1,500	1.54	2,310.00	1,882	1.55	2,917.10
	1,015	1.54	1,563.10	348	1.55	539.40
	2,000	1.54	3,080.00	260	1.55	403.00
	1,485	1.55	2,301.75	245	1.56	382.20
23-11-2012	Order(s) for stock exchange acquisition of 6000 shares - transactions carried out:					
	1,500	1.58	2,370.00	4,500	1.58	7,110.00
06-12-2012	Order(s) for stock exchange acquisition of 5000 shares - transactions carried out:					
	1,000	1.54	1,540.00	958	1.56	1,494.48
	119	1.55	184.45	1,000	1.56	1,560.00
	921	1.55	1,427.55	949	1.56	1,480.44
	53	1.55	82.15			
07-12-2012	Order(s) for stock exchange acquisition of 5000 shares - transactions carried out:					
	551	1.56	859.56	2,449	1.56	3,820.44
	2,000	1.56	3,120.00			
10-12-2012	Order(s) for stock exchange acquisition of 25 000 shares - transactions carried out:					
	2,000	1.56	3,120.00	1,870	1.56	2,917.20
	3,000	1.56	4,680.00	130	1.56	202.80
	1,000	1.56	1,560.00	1,000	1.57	1,570.00
	4,000	1.56	6,240.00	1,000	1.57	1,570.00
	4,130	1.56	6,442.80	642	1.58	1,014.36
	2,000	1.56	3,120.00	1,000	1.58	1,580.00
	2,000	1.56	3,120.00	1,228	1.58	1,940.24
11-12-2012	Order(s) for stock exchange acquisition of 11 000 shares - transactions carried out:					
	914	1.58	1,444.12	3,244	1.58	5,125.52
	200	1.58	316.00	5,900	1.56	9,204.00
	642	1.58	1,014.36	100	1.58	158.00
12-12-2012	Order(s) for stock exchange acquisition of 11 000 shares - transactions carried out:					
	1,950	1.57	3,061.50	84	1.57	131.88
	2,000	1.57	3,140.00	542	1.58	856.36
	929	1.57	1,458.53	2,500	1.58	3,950.00
	1,121	1.57	1,759.97	1,325	1.58	2,093.50
	549	1.57	861.93			
13-12-2012	Order(s) for stock exchange acquisition of 15 000 shares - transactions carried out:					
	274	1.58	432.92	4,000	1.57	6,280.00
	642	1.58	1,014.36	1,000	1.57	1,570.00
	2,500	1.58	3,950.00	1,999	1.57	3,138.43
	1,584	1.58	2,502.72	2,001	1.58	3,161.58
	1,000	1.57	1,570.00			

	Quantity	Unit Price (€)	Total Price (€)	Quantity	Unit Price (€)	Total Price (€)
14-12-2012	Order(s) for stock exchange acquisition of 10 000 shares - transactions carried out:					
	96	1.56	149.76	3,249	1.58	5,133.42
	1,655	1.57	2,598.35	5,000	1.58	7,900.00
17-12-2012	Order(s) for stock exchange acquisition of 6000 shares - transactions carried out:					
	6,000	1.56	9,360.00			
18-12-2012	Order(s) for stock exchange acquisition of 18 000 shares - transactions carried out:					
	6,000	1.56	9,360.00	4,120	1.56	6.427.20
	3,800	1.56	5,928.00	500	1.56	780.00
	2,200	1.56	3,432.00	1,380	1.56	2.152.80
19-12-2012	Order(s) for stock exchange acquisition of 45 000 shares - transactions carried out:					
	10,000	1.55	15,500.00	4,033	1.54	6,210.82
	10,000	1.55	15,500.00	3,000	1.54	4,620.00
	7,000	1.54	10,780.00	599	1.54	922.46
	3,967	1.54	6,109.18	6,401	1.55	9,921.55
20-12-2012	Order(s) for stock exchange acquisition of 40 000 shares - transactions carried out:					
	501	1.54	771.54	623	1.55	965.65
	9,499	1.55	14,723.45	4,127	1.55	6,396.85
	15,000	1.55	23,250.00	2,334	1.55	3,617.70
	250	1.52	380.00	7,666	1.55	11,882.30
21-12-2012	Order(s) for stock exchange acquisition of 20 000 shares - transactions carried out:					
	1,830	1.54	2,818.20	1,300	1.55	2,015.00
	6,234	1.55	9,662.70	3,968	1.56	6,190.08
	1,315	1.55	2,038.25	353	1.55	547.15
	353	1.55	547.15	4,647	1.56	7,249.32
27-12-2012	Order(s) for stock exchange acquisition of 30 000 shares - transactions carried out:					
	6,525	1.56	10,179.00	727	1.57	1,141.39
	3,475	1.56	5,421.00	1,000	1.58	1,580.00
	6,525	1.56	10,179.00	319	1.58	504.02
	1,149	1.56	1,792.44	2,000	1.58	3,160.00
	2,326	1.56	3,628.56	5,954	1.58	9,407.32
28-12-2012	Order(s) for stock exchange acquisition of 40 000 shares - transactions carried out:					
	1,000	1.57	1,570.00	546	1.56	851.76
	5,300	1.57	8,321.00	776	1.58	1,226.08
	859	1.57	1,348.63	2,480	1.57	3,893.60
	1,000	1.58	1,580.00	4	1.58	6.32
	1,000	1.58	1,580.00	836	1.56	1,304.16
	841	1.58	1,328.78	4,424	1.57	6,945.68
	4,250	1.55	6,587.50	4,740	1.58	7,489.20
	502	1.56	783.12	1,000	1.58	1,580.00
	252	1.56	393.12	343	1.58	541.94
	996	1.58	1,573.68	3,407	1.57	5,348.99
	3,194	1.56	4,982.64	2,250	1.58	3,555.00
31-12-2012	Order(s) for stock exchange acquisition of 60 000 shares - transactions carried out:					
	4,598	1.57	7,218.86	1,500	1.58	2,370.00
	3,271	1.58	5,168.18	1,500	1.58	2,370.00
	500	1.59	795.00	550	1.59	874.50
	1,631	1.60	2,609.60	2,950	1.59	4,690.50
	3,000	1.56	4,680.00	2,500	1.60	4,000.00
	7,000	1.56	10,920.00	3,300	1.59	5,247.00
	3,000	1.56	4,680.00	5,781	1.59	9,191.79
	6,000	1.56	9,360.00	919	1.60	1,470.40
	1,000	1.58	1,580.00	9,950	1.60	15,920.00
	1,000	1.58	1,580.00	50	1.60	80.00

There were no disposals of treasury shares in 2012.

As of December 31, 2012, **Corticeira Amorim** held 7,383,962 treasury shares, representing 5.552% of the issued share capital.

4.2. Transactions involving Directors and Officers

In accordance with the provisions set out in sections 14.6 and 14.7 of Regulation no. 5/2008 of the Portuguese Securities Market Commission and according to notices received from persons/entities covered by this regulation, it is hereby reported that – unless the transactions disclosed at items 4.2 b) ii) and 4.2. b) iii) below - no other transactions involving the Company's shares were carried out in the second semester of 2012 by **Corticeira Amorim**'s directors and officers.

No company which controls **Corticeira Amorim** or any of **Corticeira Amorim**'s directors or officers or any person closely related to such directors or officers carried out transactions involving **Corticeira Amorim**'s financial instruments.

4.3. Information required under sections 447 and 448 of the Portuguese Companies Act

a) Corticeira Amorim shares held and/or traded directly by members of the governing bodies of the Company:

i. The members of the governing bodies did not hold or trade in any shares representing the capital of the Company.

b) Corticeira Amorim shares held and/or traded directly by companies in which the members of the Company's governing bodies exercise managerial or supervisory responsibility:

i. On June 28, 2012, in two over-the-counter market transactions of equal amount, Amorim Capital, SGPS, SA - a company in which Mr. António Rios de Amorim, Chairman of the Board of Directors of **Corticeira Amorim**, held a director level position - sold a total of 33,990,314 shares (representing 25.557% of **Corticeira Amorim**'s issued share capital) at a price of € 1.49 per share; on December 31, 2012 (as well as on the date hereof) Amorim Capital, SGPS, SA held 67,830,000 shares in **Corticeira Amorim** representing 51% of this Company's issued share capital. Mr. António Rios de Amorim did not hold a director level position in Amorim Capital, SGPS, SA on neither dates (i.e., June 28, 2012 and December 31, 2012);

ii. On October 19, 2012, in an over-the-counter market transaction, Amorim - Sociedade Gestora de Participações Sociais, SA – a company in which Mr. António Rios de Amorim and Mrs. Cristina Rios de Amorim, Chairman and Member of the Board of Directors of **Corticeira Amorim**, respectively, held director level positions - sold 3,069,230 shares (representing approximately 2.308% of **Corticeira Amorim**'s issued share capital) at a price of € 1.39 per share; on December 31, 2012 (as well as on the date hereof) Amorim - Sociedade Gestora de Participações Sociais, SA did not directly own shares in **Corticeira Amorim**;

iii. On October 19, 2012, in an over-the-counter market transaction, Amorim International Participations BV – a company in which Mrs Cristina Rios de Amorim, a director of **Corticeira Amorim**, held a director level position – purchased 3,069,230 shares (representing approximately 2.308% of **Corticeira Amorim**'s issued share capital) at a price of € 1.39 per share; on December 31, 2012 (as well as on the date hereof), Amorim International Participations BV held 20,064,387 shares in **Corticeira Amorim** representing 15.086% of this Company's issued share capital.

iv. Amorim International Participations BV is wholly and directly owned by Amorim - Sociedade Gestora de Participações Sociais, SA and, therefore, the above 15.086% interest in the share capital of **Corticeira Amorim** is indirectly held by Amorim - Sociedade Gestora de Participações Sociais, SA.

c) List of Shareholders holding at least one-tenth of the Company's share capital:

i. As at 31 December 2012, Amorim Capital - Sociedade Gestora de Participações Sociais, S.A. held 67,830,000 shares in **Corticeira Amorim**, representing 51% of this Company's share capital;

ii. As at 31 December 2012, Investmark Holdings, BV held 24,975,157 shares in **Corticeira Amorim**, representing 18.778% of this Company's share capital;

iii. As at 31 December 2012, Amorim International Participations BV held 20,064,387 shares in **Corticeira Amorim**, representing 15.086% of this Company's share capital.

The share ownership by the above shareholders remained unchanged as of the date hereof.

Mozelos, February 18, 2013

The Board of Directors of CORTICEIRA AMORIM, S.G.P.S., S.A.

António Rios de Amorim
Chairman

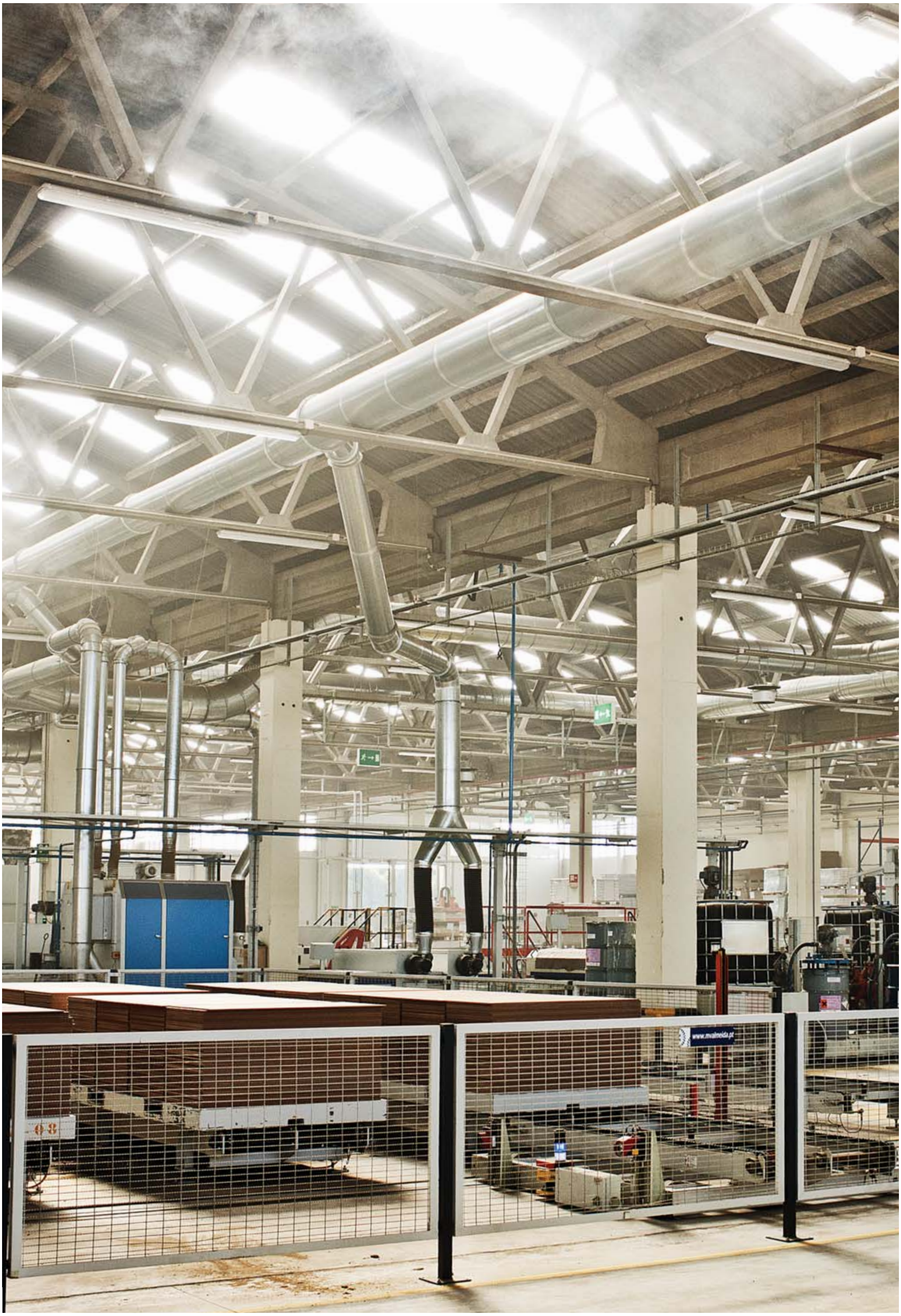
Nuno Filipe Vilela Barroca de Oliveira
Vice-Chairman

Fernando José de Araújo dos Santos Almeida
Member

Cristina Rios de Amorim Baptista
Member

Juan Ginesta Viñas
Member

Jorge Manuel Seabra de Freitas
Member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04

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position (thousand euros)

	Notes	December 2012	December 2011
ASSETS			
Property, plant and equipment	VIII	182,173	172,372
Investment property	VIII	6,076	7,576
Goodwill	IX	5,865	11,849
Investments in associates	V and X	8,018	5,967
Intangible assets	VIII	555	427
Other financial assets	X	3,735	3,573
Deferred tax assets	XI	6,746	6,105
Non-current assets		**213,168**	**207,869**
Inventories	XII	231,211	224,922
Trade receivables	XIII	124,108	116,758
Income tax assets	XIV	4,852	3,092
Other current assets	XV	31,414	30,730
Cash and cash equivalents	XVI	39,015	21,681
Current assets		**430,600**	**397,183**
TOTAL ASSETS		**643,767**	**605,053**
EQUITY			
Share capital	XVII	133,000	133,000
Treasury stock	XVII	-7,169	-6,247
Other reserves	XVII	123,696	117,827
Net Income		31,055	25,274
Non-Controlling Interest	XVIII	14,665	12,439
TOTAL EQUITY		**295,246**	**282,292**
LIABILITIES			
Interest-bearing loans	XIX	52,363	62,464
Other borrowings and creditors	XXI	13,227	10,525
Provisions	XXIX	21,038	16,700
Deferred tax liabilities	XI	6,490	6,103
Non-current liabilities		**93,119**	**95,792**
Interest-bearing loans	XIX	108,231	76,641
Trade payables	XX	99,240	105,939
Other borrowings and creditors	XXI	40,082	39,125
Income tax liabilities	XXII	7,848	5,264
Current liabilities		**255,402**	**226,969**
TOTAL LIABILITIES AND EQUITY		**643,767**	**605,053**

Consolidated Income Statement by Nature - Of the Year and Fourth Quarter (thousand euros)

4Q12 (non audited)	4Q11 (non audited)		Notes	2012	2011
125,748	114,750	Sales	VII	534,240	494,842
64,199	55,168	Costs of goods sold and materials consumed		268,035	243,123
4,646	-617	Change in manufactured inventories		7,755	3,288
23,142	21,216	Third party supplies and services	XXIII	93,205	86,602
24,689	25,854	Staff costs	XXIV	97,678	93,751
-1,638	395	Impairments of assets	XXV	1,008	1,872
2,313	2,404	Other gains	XXVI	6,739	7,502
2,255	1,079	Other costs	XXVI	6,343	7,846
20,061	**12,824**	**Current EBITDA**		**82,465**	**72,437**
6,057	5,745	Depreciation	VIII	21,206	21,060
14,003	**7,080**	**Current EBIT**		**61,259**	**51,378**
2,384	29	Non-current costs	XXV	6,978	5,792
1,453	2,309	Financial costs	XXVII	7,360	6,828
192	367	Financial income	XXVII	1,207	1,313
-587	-281	Share of (loss)/profit of associates	X	-192	91
9,771	**4,827**	**Profit before tax**		**47,936**	**40,162**
5,254	561	Income tax	XI	16,203	13,747
4,517	**4,266**	**Profit after tax**		**31,733**	**26,415**
-52	426	Non-controlling Interest	XVIII	678	1,141
4,568	**3,840**	**Net Income attributable to the equity holders of Corticeira Amorim**		**31,055**	**25,274**
0.036	**0.030**	**Earnings per share - Basic and Diluted (euros per share)**	XXXIII	**0.246**	**0.200**

Consolidated Statement of Comprehensive Income - Of the Year and Fourth Quarter (thousand euros)

4Q12 (non audited)	4Q11 (non audited)		2012	2011
4,517	**4,266**	**Net Income** (before non-controlling Interest)	**31,733**	**26,415**
39	-27	Change in derivative financial instruments fair value	197	153
-925	1,381	Change in translation differences and other	939	124
-886	**1,354**	**Net Income directly registered in Equity**	**1,136**	**277**
3,631	**5,620**	**Total Net Income registered**	**32,869**	**26,692**
		Attributable to:		
3,952	4,979	Corticeira Amorim Shareholders	31,812	26,060
-321	641	Non-controlling Interest	1,057	632

Consolidated Statement of Cash Flow - Of the Year and Fourth Quarter (thousand euros)

4Q12 (non audited)	4Q11 (non audited)		2012	2011
		OPERATING ACTIVITIES		
139,020	160,433	Collections from customers	588,693	536,664
-104,669	-128,172	Payments to suppliers	-464,501	-450,453
-26,323	-23,988	Payments to employees	-98,549	-91,493
8,028	**8,273**	**Operational cash flow**	**25,643**	**-5,282**
-4,176	-1,627	Payments/collections - income tax	-11,101	-6,988
5,869	13,739	Other collections/payments related with operational activities	37,505	38,395
9,721	**20,385**	**CASH FLOW BEFORE EXTRAORDINARY ITEMS (1)**	**52,047**	**26,125**
		INVESTMENT ACTIVITIES		
		Collections due to:		
167	2,934	Tangible assets	612	3,784
0	0	Intangible assets	0	30
-21	40	Investment property	6	40
28	-2,635	Other assets	157	452
519	441	Interests and similar gains	1,430	1,489
2,927	644	Investment subsidies	5,860	698
125	125	Dividends	255	250
		Payments due to:		
-4,451	-9,379	Tangible assets	-20,329	-26,672
-554	-666	Financial investments	-14,653	-2,035
-340	-3	Intangible assets	-406	-47
0	-3	Other assets	0	-14
-1,600	**-8,502**	**CASH FLOW FROM INVESTMENTS (2)**	**-27,068**	**-22,025**
		FINANCIAL ACTIVITIES		
		Collections due to:		
0	0	Loans	17,214	3,324
126	177	Others	476	785
		Payments due to:		
-806	23,847	Loans	0	0
-1,689	-1,220	Interests and similar expenses	-6,917	-6,073
-11,959	-70	Dividends	-20,497	-13,127
-686	0	Acquisition of treasury stock	-686	0
-146	-545	Others	-1,478	-1,039
-15,160	**-16,825**	**CASH FLOW FROM FINANCING (3)**	**-11,888**	**-16,130**
-7,039	-4,942	Change in Cash (1) + (2) + (3)	13,091	-12,030
-134	160	Exchange rate effect	24	-183
27,019	11,513	Cash at beginning	6,731	18,944
19,846	6,731	Cash at end	19,846	6,731

Consolidated Statement of Changes in Equity (thousand euros)

	Balance Beginning	Changing in perimeter	Appropriation of N-1 profit	Dividends	Net Profit N	Increases / Reclassif.	Decreases / Reclassif.	Transl. Diff.	End Balance
DECEMBER 31, 2012									
Equity:									
Share Capital	133,000	-	-	-	-	-	-	-	133,000
Treasury Stock - Face Value	-6,787	-	-	-	-	-597	-	-	-7,384
Treasury Stock - Disc. and Premiums	541	-	-	-	-	-325	-	-	216
Paid-in Capital	38,893	-	-	-	-	-	-	-	38,893
IFRS Transition Adjustments	-8,332	-	-	-	-	-	8,313	20	0
Hedge Accounting	-11	-	-	-	-	197	-	-	186
Reserves									
Legal Reserve	12,243	-	-	-	-	-	-	-	12,243
Other Reserves	76,469	-	25,274	-20,162	-	0	-9,819	-	71,762
Translation Difference	-1,435	-	-	-	-	-	1,322	724	611
	244,580	**0**	**25,274**	**-20,162**	**0**	**-725**	**-184**	**744**	**249,527**
Net Profit for the Year	**25,274**	-	**-25,274**	-	**31,055**	-	-	-	**31,055**
Non-Controlling Interest	**12,439**	**1,487**	-	**-318**	**678**	-	**-26**	**405**	**14,665**
Total Equity	**282,293**	**1,487**	**0**	**-20,480**	**31,733**	**-725**	**-210**	**1,149**	**295,246**
DECEMBER 31, 2011									
Equity:									
Share Capital	133,000	-	-	-	-	-	-	-	133,000
Treasury Stock - Face Value	-6,787	-	-	-	-	-	-	-	-6,787
Treasury Stock - Disc. and Premiums	541	-	-	-	-	-	-	-	541
Paid-in Capital	38,893	-	-	-	-	-	-	-	38,893
IFRS Transition Adjustments	-8,634	-	-	-	-	335	-	-33	-8,332
Hedge Accounting	-164	-	-	-	-	153	-	-	-11
Reserves									
Legal Reserve	10,887	-	1,356	-	-	-	-	-	12,243
Other Reserves	69,450	-	19,179	-12,621	-	-335	243	-	76,469
Translation Difference	-1,305	-	-	-	-	-	-224	647	-1,435
	235,880	**0**	**20,535**	**-12,621**	**0**	**153**	**19**	**614**	**244,580**
Net Profit for the Year	**20,535**	-	**-20,535**	-	**25,274**	-	-	-	**25,274**
Non-Controlling Interest	**12,131**	**182**	-	**-506**	**1,141**	-	-	**-509**	**12,439**
Total Equity	**268,546**	**182**	**0**	**-13,127**	**26,415**	**153**	**19**	**105**	**282,293**

05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I

INTRODUCTION

At the beginning of 1991, **Corticeira Amorim**, S.A. was transformed into **Corticeira Amorim**, S.G.P.S., S.A., the holding company for the cork business sector of the Amorim Group. In this report, **Corticeira Amorim** will be the designation of **Corticeira Amorim**, S.G.P.S., S.A., and in some cases the designation of **Corticeira Amorim**, S.G.P.S. together with all of its subsidiaries.

Corticeira Amorim, directly or indirectly, holds no interest in land properties used to grow and explore cork tree. Cork tree is the source of cork, the main raw material used by **Corticeira Amorim** production units. Cork acquisition is made in an open market, with multiple agents, both in the demand side as in the supply side.

Corticeira Amorim is mainly engaged in the acquisition and transformation of cork into a numerous set of cork and cork related products, which are distributed worldwide through its network of sales company.

Corticeira Amorim is a Portuguese company with a registered head office in Mozelos, Santa Maria da Feira. Its share capital amounts to 133 million euros, and is represented by 133 million shares, which are publicly traded in the Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

Amorim Capital - Sociedade Gestora de Participações Sociais, S.A. held 67,830,000 shares of **Corticeira Amorim** as of December 31, 2012 corresponding to 51.00 % of its share capital (December 2011: 101,820,314 shares corresponding to 76.557%). Amorim Capital - Sociedade Gestora de Participações Sociais, S.A. was fully owned by Amorim family.

These financial statements were approved in the Board Meeting of February 18, 2013.

Except when mentioned, all monetary values are stated in thousand euros (Thousand euros = K euros = K€).

Some figures of the following notes may present very small differences not only when compared with the total sum of the parts, but also when compared with figures published in other parts of this report. These differences are due to rounding aspects of the automatic treatment of the data collected.

II

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

a. BASIS OF PRESENTATION

Consolidated statements were prepared based on a going concern basis and using the records as stated in the companies' books, which adopted Portuguese general accepted accounting principles. Accounting adjustments and reclassifications were made in order to comply with accounting policies followed by the IFRS, as adopted by the European Union (IAS – International Accounting Standards and the IFRS – International Financial Reporting Standards) and legal for use as of December 31, 2012.

b. CONSOLIDATION

Group companies

Group companies, often designated as subsidiaries, are entities over which **Corticeira Amorim** has a shareholding of more than one-half of its voting rights, or has the power to govern its management, namely its financial and operating policies.

Group companies are consolidated line by line, being the position of third-party interests in the shareholding of those companies stated in the consolidated financial position in the "Non-controlling interest" account. Date of first consolidation or de-consolidation is, in general, the beginning or the end of the quarter when the conditions for that purpose are fulfilled.

Profit or loss is allocated to the shareholders of the mother company and to the non-controlling interest in proportion of their correspondent parts of capital, even in the case that non-controlling interest become negative.

IFRS 3 is applied to all business combinations past January 1, 2010, according to Regulation no. 495/2009, of June 3, as adopted by the European Commission. When acquiring subsidiaries the purchasing method will be followed. According to the revised IFRS, the acquisition cost will be measured by the given fair value assets, by the assumed liabilities and equity interest issued. Transactions costs will be charged as incurred and the services received. The exceptions are the costs related with debt or capital issued. These must be registered according to IAS 32 and IAS 39. Identifiable purchased assets and assumed liabilities will be initially measured at fair value. The acquirer shall recognized goodwill as of the acquisition date measured as the excess of (i) over (ii) below:

(i) the aggregate of:

- the consideration transferred measured in accordance with this IFRS;
- the amount of any Non-controllable interest in the acquiree;
- In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In the case that (ii) exceeds (i), a difference must be registered as a gain.

Non-controlling Interest are recorded at fair value or in the proportion of the percentage held in the net asset of the acquiree, as long as it is effectively owned by the entity. The others components of the non-controlling interest are registered at fair value, except if other criteria is mandatory.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated but considered an impairment indicator of the asset transferred.

Equity companies

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill. Future impairments of goodwill will be adjusted against the carrying amount of investments. The Group's share of its associates post-acquisition profits or losses is recognised in the income statement, in the "Gain/(losses) in associates" account, and its share of post-acquisition movements in reserves is recognised in reserves. The carrying amount is also adjusted by dividends received. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the group does not recognise further losses, unless it has incurred obligation on behalf of the associate, in this case the liabilities will be recorded in a "Provisions" account.

c. FOREIGN CURRENCY TRANSLATION

Consolidated financial statements are presented in thousands of euros. Euro is the legal currency of **Corticeira Amorim**, S.G.P.S., S.A., and is the currency in which two thirds of its business is made and so Euro is considered to be its functional and presentation currency.

Assets and liabilities denominated in foreign currency are translated to euros using year-end exchange rates. Net exchange differences arising from the different rates used in transactions and the rate used in its settlements is recorded in the income statement.

Assets and liabilities from non-euro subsidiaries are translated at the balance sheet date exchange rate, being its costs and gains from the income statement translated at the average exchange rate for the period / year.

Exchange differences are registered in an equity account "Translation differences" which is part of the line "Other reserves".

Whenever and a non-euro subsidiary is sold or liquidated, accumulated translation differences recorded in equity is registered as a gain or a loss in the consolidated income statement by nature.

d. TANGIBLE FIXED ASSETS

Tangible fixed assets are originally their respective historical cost (including attributable expenses) or production cost, including, whenever applicable, interest costs incurred throughout the respective construction or start-up period, which are capitalised until the asset is ready for its projected use.

Tangible fixed assets are subsequently measured at acquisition cost, deducted from cumulative depreciations and impairments.

As part of the allocation of the fair value to the identifiable assets and liabilities in an acquisition process (IFRS 3), land and buildings of the subsidiaries as of January 1, 1991, were revalued by independent experts. Same procedure was followed for companies acquired later than that date.

Under IFRS 1, 16, and as of January 1, 2004, some of the relevant industrial equipment, fully, or in the near-term, depreciated, and of which is expected a medium or long term use, was subject to a revaluation process.

Depreciation is calculated on the straight-line basis, over the following years, which represent a reasonable estimate of the useful lives:

	Number of years
Buildings	20 to 50
Plant machinery	6 to 10
Motor vehicles	4 to 7
Office equipment	4 to 8

Depreciation is charged since the beginning of the moment in which the asset is ready to use. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Current maintenance on repair expenses are charged to the actual income statement in which they occurred. Cost of operations that can extend the useful expected life of an asset, or from which are expected higher and significative future benefits, are capitalized.

An asset's carrying amount is written down to its recoverable amount and charged to the income statement if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses and disposals are included in the income statement.

e. INVESTMENT PROPERTY

Includes land and buildings not used in production.

Investment property are initially registered at acquisition cost plus acquisition or production attributable costs, and when pertinent financial costs during construction or installation. Subsequently are measured at acquisition cost less cumulative depreciations and impairment.

Periods and methods of depreciation are as follows in d) note for tangible fixed asset.

Properties are derecognized when sold. When used in production are reclassified as tangible fixed asset. When land and buildings are no more used for production, they will be reclassified from tangible fixed asset to investment property.

f. GOODWILL

Goodwill arises from acquisition of subsidiaries and represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired at the date of acquisition. If positive, it will be included as an asset in the "goodwill" account. If negative, it will be registered as a gain for the period.

In Business combinations after January 1, 2010, Goodwill will be calculated as referred in b).

For impairment tests purposes, goodwill is allocated to the cash-generating unit or group of cash-generating units that are expected to benefit from the upcoming synergies.

Goodwill will be tested annually for impairment, or whenever an evidence of such occurs; impairment losses will be charged to the income statement and, consequently, its carrying amount adjusted.

g. NON-FINANCIAL ASSETS IMPAIRMENT

Assets with indefinite useful lives are not amortised but are annually tested for impairment purposes.

Assets under depreciation are tested for impairment purposes whenever an event or change of circumstances indicates that its value cannot be recovered. Impairment losses are recognized as the difference between its carrying amount and its recoverable amount. Recoverable corresponds to the higher of its fair value less sales expenses and its value for use. Non-financial assets, except goodwill, that generated impairment losses are valued at each reporting date regarding reversals of said losses.

h. OTHER FINANCIAL ASSETS

Relates, mainly, to financial applications corresponding to equity instruments measured at cost.

i. INVENTORIES

Inventories are valued at the lower of acquisition cost or production cost and net realisable value. Acquisition cost includes direct and indirect expenses incurred in order to have those inventories at its present condition and place. Production cost includes used raw material costs, direct labour, other direct costs and other general fixed production costs (using normal capacity utilisation).

Where the net realisable value is lower than production cost, an inventory impairment is registered. This adjustment will be reversed or reduced whenever the impairment situation no longer takes place.

Year-end quantities are determined based on the accounting records, which are confirmed by the physical inventory taking. Raw materials, consumables and by-products are valued at weighted average cost, and finished goods and work-in-progress at the average production cost which includes direct costs and indirect costs incurred in production.

j. TRADE AND OTHER RECEIVABLES

Trade and other receivables are registered initially at cost, adjusted for any subsequent impairment losses which will be charged to the income statement.

Medium and long-term receivables will be measured at amortised cost using the effective interest rate of the debtor for similar periods.

k. FINANCIAL ASSETS IMPAIRMENT

At each reporting date, the impairment of financial assets at amortised cost is evaluated. Financial asset impairment occurs if after initial register, unfavourable cash flows from that asset can be reasonably estimated.

Impairment losses are recognized as the difference between its carrying amounts and expected future cash flows (excluding future losses that yet have not occurred), discounted at the initial effective interest rate of the asset. The calculated amount is deducted to the carrying amount and loss recognised in the earnings statement.

l. CASH AND CASH EQUIVALENTS

Cash includes cash in hand, deposits held at call in banks, time deposits and other no-risk short-term investments with original maturities of three months or less. In the Consolidated Statement of Cash Flow, this caption includes Bank overdrafts.

m. SUPPLIERS, OTHER BORROWINGS AND CREDITORS

Debts to suppliers and other borrowings and creditors are initially registered at fair value. Subsequently are measured at amortised cost using effective interest rate method. They are classified as current liabilities, except if **Corticeira Amorim** has full discretion to defer settlement for at least another 12 months from the reporting date.

n. INTEREST BEARING LOANS

Includes interest bearing loans amounts. Any costs attributable to the lender, will be deducted to the loan amount and charged, during its life, using the effective interest rate.

Interests are usually charged to the income statement as they occur. Interests arising from loans related with capital expenditure for periods longer than 12 months will be capitalised and charged to the specific asset under construction. Capitalisation will cease when the project is ready for use or suspended.

o. INCOME TAXES – CURRENT AND DEFERRED

Income tax includes current income tax and deferred income tax. Except for companies included in groups of fiscal consolidation, current income tax is calculated separately for each subsidiary, on the basis of its net result for the period adjusted according to tax legislation. Management periodically addresses the effect of different interpretations of tax law.

Deferred taxes are calculated using the liability method, reflecting the temporary differences between the carrying amount of consolidated assets and liabilities and their correspondent value for tax purposes.

Deferred tax assets and liabilities are calculated and annually registered using actual tax rates or known tax rates to be in vigour at the time of the expected reversal of the temporary differences.

Deferred tax assets are recognized to the extent that it is probable sufficient future taxable income will be available utilisation. At the end of each year an analysis of the deferred tax assets is made. Those that are not likely to be used in the future will be derecognised.

Deferred taxes are registered as an expense or a gain of the year, except if they derive from values that are booked directly in equity. In this case, deferred tax is also registered in the same line.

p. EMPLOYEE BENEFITS

Corticeira Amorim Portuguese employees benefit exclusively from the national welfare plan. Employees from foreign subsidiaries (about one third of total **Corticeira Amorim**) or are covered exclusively by local national welfare plans or benefit from complementary contribution plans.

As for the defined contribution plans, contributions are recognised as employee benefit expense when they are due.

Corticeira Amorim recognises a liability and an expense for bonuses attributable to a large number of directors. These benefits are based on estimations that take in account the accomplishment of both individual goals and a pre-established **Corticeira Amorim** level of profits.

q. PROVISIONS

Provisions are recognised when **Corticeira Amorim** has a present legal or constructive obligation as a result of past events, when it is more likely than not an outflow of resources will be required to settle the obligation and when a reliable estimation is possible.

Provisions are not recognised for future operating losses. Restructuring provisions are recognised with a formal detail plan and when third parties affected are informed.

When there is a present obligation, resulting from a past event, but it is not probable that an out flow of resources will be required, or this cannot be estimated reliably, the obligation is treated as a contingent liability. This will be disclosed in the financial statements, unless the probability of a cash outflow is remote.

r. REVENUE RECOGNITION

Revenue comprises the value of the consideration received or receivable for the sale of goods and finished products. Revue is shown, net of value-added tax, returns, rebates, and discounts, including cash discounts. Revenue is also adjusted by any prior period's sales corrections.

Services rendered are immaterial and, generally, are refunds of costs related with finish product sales.

Sales revenue is recognised when the significant risk and rewards of ownership of the goods are transferred to the buyer and its amount can be reliably measured. Revenue receivable after one year will be discounted to its fair value.

s. GOVERNMENT GRANTS

Grants received are related generally with fixed assets expenditure. No-repayable grants are present in the balance sheet as deferred income, and recognised as income on a systematic basis over the useful life of the related asset. Repayable interest bearing grants are presented as interests bearing debt; if no-interest bearing, they are presented as "Other borrowings". Reimbursable grants with "out of market" interest rates are measured at fair value when they are initially recognised. Difference between nominal and fair value at initial recognition is treated as an income to be recognised. This will be presented in other gains during the useful life span of the said asset. Subsequently, these grants are measured at amortised cost.

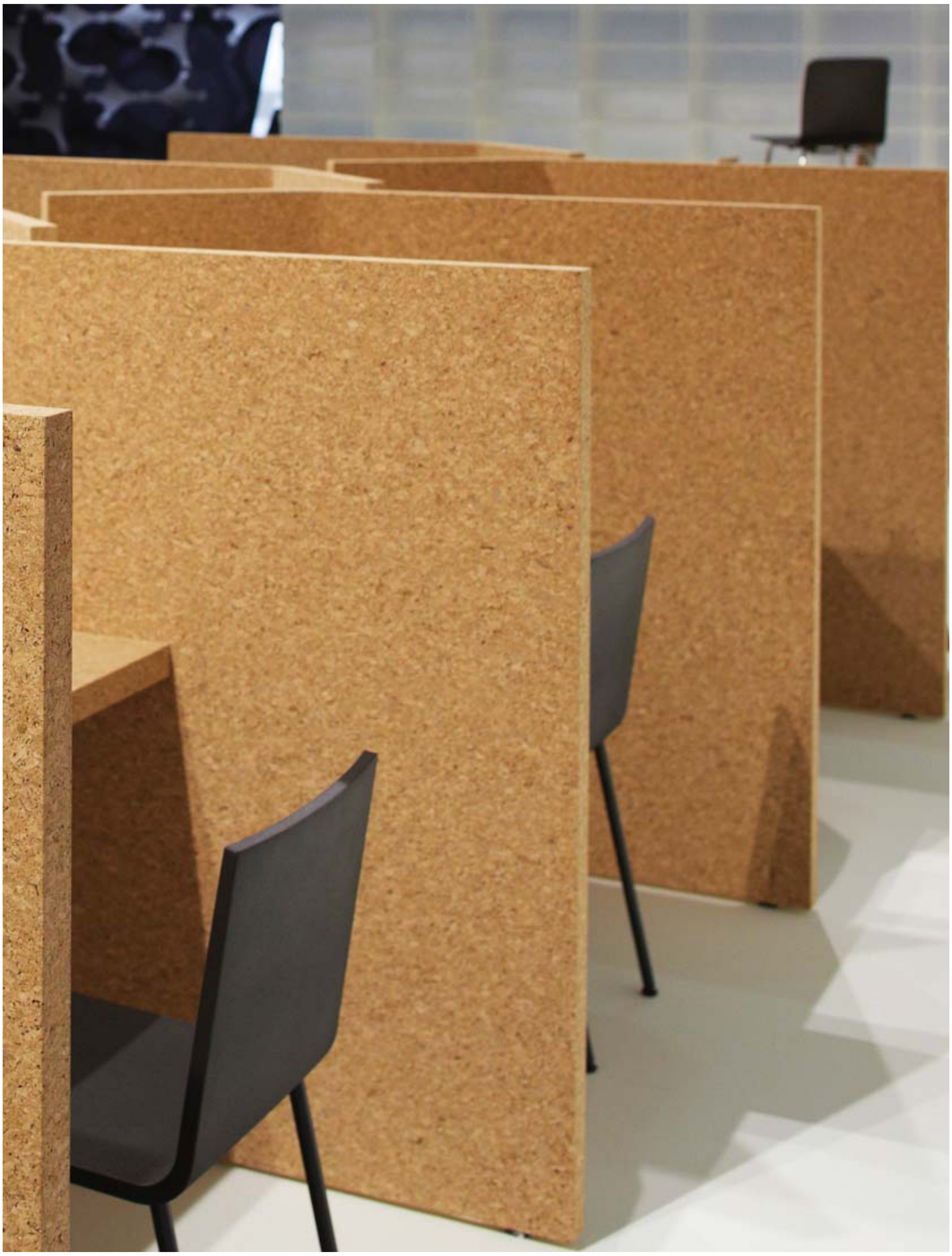
t. LEASING

When a contract indicates that the significant risks and rewards of the ownership of the asset are transferred to **Corticeira Amorim**, leasing contracts will be considered as financial leases.

All other leasing contracts are treated as operating leases. Payments made under operating leases are charged to the income statement.

u. DERIVATIVE FINANCIAL INSTRUMENTS

Corticeira Amorim uses derivatives financial instruments as forward and spot exchange rate contracts, options and swaps; these are intended to hedge its business financial risks and are not used for speculative purposes. **Corticeira Amorim** accounts for these instruments as hedge accounting, following all its standards. Dealing is carried out by a central treasury department (dealing room) on behalf of the subsidiaries, under policies approved by the Board of Directors.



CORK TABLE BY RONAN & ERWAN BOUROULLEC

Derivatives are initially recorded at cost in the consolidated statements of financial position and subsequently re-measured at their fair value.

The method of recognising is as follows:

Fair value hedge

Changes in the fair value of derivatives that qualify as fair value hedges and that are expected to be highly effective, are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

Changes in the fair value of derivatives that qualify as cash flow edges and that are expected to be highly effective, are recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Net investment hedge

For the moment, **Corticeira Amorim** is not considering any foreign exchange hedge over its net investments in foreign units (subsidiaries).

Corticeira Amorim has fully identified the nature of its activities' risk exposure and documents entirely and formally each hedge; uses its information system to guarantee that each edge is supported by a description of: risk policy, purpose and strategy, classification, description of risk, identity of the instrument and of the risk item, description of initial measurement and future efficiency, identification of the possible derivative portion which will be excluded from the efficiency test.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, or the forecasted transaction no longer remains highly provable or simply is abandoned, or the decision to consider the transaction as a hedge, the company will de-recognised the instrument.

v. EQUITY

Ordinary shares are included in equity.

When **Corticeira Amorim** acquires own shares, acquisition value is recognised deducting from equity in the line treasury stock.

III

FINANCIAL RISK MANAGEMENT

Corticeira Amorim activities expose it to a variety of financial risks: market risks (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk.

MARKET RISK

a. Exchange rate risk

Corticeira Amorim operates in various international markets, being, consequently, exposed to exchange rates variations in the local currencies in which conducts its business. Around 30% of its total sales are denominated in currencies other than its reporting currency (euro). Of that percentage around 20% is USD denominated. The remaining sales are concentrated in South African rand, Chilean peso, British pound and Australian dollar. About 90% of the goods and services acquired are euro based. Most of the remaining value is denominated in USD.

Exchange rate risk derives not only from the effects of the exchange rates variations in non-euro assets and liabilities euro counter value, but also from the effects in the book orders (future transactions) and from net investments in operating units located in non-euro areas.

Exchange rate risk management policy established by **Corticeira Amorim** Board points out to a total hedging of the assets deriving from sales in the most important currencies and from USD acquisitions. As for book orders up to 90 days, each Business Unit responsible will decide according to exchange rate evolution. Book orders, considered relevant, due after 90 days, will be presented by the Business Unit responsible to the Board.

As of December 31, 2012, exchange rates different from the actual as of that date, would have no material effect in financial assets or liabilities values, due to the said hedging policy. As for book orders any effect would be registered in Equity.

As for non-euro net investments in subsidiaries/associate, any exchange rate effect would be registered in Equity, because **Corticeira Amorim** does not hedge this type of assets. As these investments are not considered relevant, the register of the effects of exchange rates variations was 611K€ in 2012 (2011: -1,435K€). In these values is included the effect of not hedging net investments in subsidiaries/associate.

b. Interest rate risk

As of December 31, 2012 and 2011, all interest bearing debt is linked to variable interest rate. Most of the risk derives from the noncurrent-term portion of that debt. As for December 31, 2012, noncurrent-term debt was 32% of total interest bearing debt (2011: 46%). During 2010 Corticeira Amorim, SGPS, S.A. signed an interest rate swap regarding the economic hedging of the interest rate risk. In its books, this was registered as an available-for-sale derivative. As of December 31, 2012, for each 0.1% variation in euro based debt, a total effect of -160 K€ in **Corticeira Amorim** profits would be registered.

CREDIT RISK

Credit risk is due, mainly, to receivables from customers related to trade sales. Credit risk is monitored by the operating companies Financial Departments, taking in consideration its history of trade relations, financial situation as well as other types of information that **Corticeira Amorim** business network has available related with each trading partner. Credit limits are analysed and revised, if necessary, on a regular basis. Due to the high number of customers, spread through all continents, the most important of them weighting less than 2.5% of total sales, credit risk is naturally diminished.

Normally no guarantees are due from customers. **Corticeira Amorim** does not make use of credit insurance.

Credit risk derives also from cash and cash equivalents balances and from financial derivative instruments. **Corticeira Amorim** previously analysis the ratings of the financial institutions so that it can minimize the failure of the counterparts.

The maximum credit risk is the one that results from the failure to receive all financial assets (2012: 201 million euros; 2011: 174 million euros).

LIQUIDITY RISK

Corticeira Amorim financial department regularly analyses future cash flows so that it can deliver enough liquidity for the group to provide operating needs, and also to comply with credit lines payments. Excess of cash is invested in interest bearing short-term deposits. This police offer the necessary flexibility to conduct its business.

Financial liabilities estimated non-discounted cash flows maturities are as follows:

	Up to 1 year	1 to 2 years	2 to 4 years	More than 4 years	Total
Interest-bearing loans	108 231	41 729	8 710	1 923	160 594
Other borrowings and creditors	33 823	829	6 184	6 213	47 050
Trade payables	99 240			0	99 240
Income tax liabilities	7 848			0	7 848
Total as of December 31, 2012	**249 142**	**42 558**	**14 895**	**8 137**	**314 732**
Interest-bearing loans			139 105	139 105	139 105
Other borrowings and creditors	31 892	3 574	5 821	1 130	42 417
Trade payables	105 939				105 939
Income tax liabilities	5 264				5 264
Total as of December 31, 2011	**143 095**	**3 574**	**144 926**	**140 235**	**296 084**

(thousand euros)

Liquidity risk hedging is achieved by the existence of non-used credit line facilities and eventually bank deposits.

Based in estimated cash flows, liquidity reserve, composed by non-used credit lines and cash, will be as follows:

	2013
Opening balance	**158**
Operating cash in and cash out	72
Capex	-20
Interest and dividends	-20
Income tax	-15
Bank debt payments	-45
Closing balance	**130**

(million euros)

CAPITAL RISK

Corticeira Amorim key objective is to assure business continuity, delivering a proper return to its shareholders and the correspondent benefits to its remaining stakeholders. A careful management of the capital employed in the business, using the proper combination of capital in order to reduce its costs, obtains the fulfilment of this objective. In order to achieve the proper combination of capital employed, the Board can obtain from the General Shareholders Meeting the approval of the necessary measures, namely adjusting the dividend pay-out ratio, the treasury stock, raising capital through new shares issue, sale of assets or other type of measures.

The key indicator for the said combination is the Equity / Assets ratio. **Corticeira Amorim** considers that a 40% ratio is a clear sign of a perfect combination, and a range between 35%-45%, depending on actual economic conditions and of the cork sector in particular, is the objective to be accomplished. The said ratio register was:

	2012	2011	2010
December 31, Equity	295,246	282,292	268,545
December 31, Assets	643,767	605,053	561,766
Ratio	**45.9%**	**46.7%**	**47.8%**

(thousand euros)

The Ratio was adversely affected by total assets variation, which increased about 43 million euros in 2011 largely due to a higher cork campaign acquisition. In 2012, the increase was due mainly to Trefinos entry in consolidation perimeter, and also to the increase in cash and cash equivalents (33 M€).

FINANCIAL ASSETS AND LIABILITIES FAIR VALUE

As of December 31, 2012 and 2011, financial instruments measured at fair value in the financial statements of **Corticeira Amorim** were composed solely of derivative financial instruments. Derivatives used by **Corticeira Amorim** have no public quotation because they are not traded in an open market (over the counter derivatives).

According to accounting standards assets and liabilities fair value measurement hierarchy is as follows:

Level 1 – public quotation (non-adjusted) in liquid markets for comparable assets or liabilities;

Level 2 – different inputs of public quotation observable for the asset or the liability, directly or indirectly;

Level 3 – inputs for the assets or the liability that are not based in observable market data (non-observable inputs).

As of December 31, 2012, financial instruments reached 524 thousand euros (assets) and 1,485 thousand euros (liabilities), as stated in notes XV and XXI. These were solely composed by over the counter derivative financial instruments.

Swaps measurement is made by an external financial institution, using a proprietary model which utilises, on top of other inputs, a proprietary index (level 3). In exchange rate instruments measurement, fair value is calculated using a proprietary model of **Corticeira Amorim**, developed by Reuters, using discounted cash flows method for forwards outrights. As for options, it is used the Black & Scholes model. In forwards outrights and options measurement evaluations techniques use observable inputs (level 2).

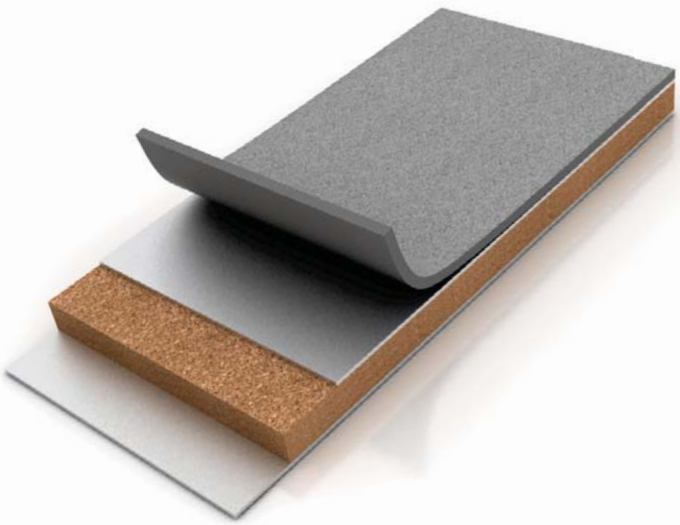
IV

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When evaluating equity and net income, **Corticeira Amorim** makes estimates and assumptions concerning events only effective in the future. In most cases, estimates were confirmed by future events. In such cases where it doesn't, variations will be registered when they'll be materialized.

As for 2012, no estimates and judgements were identified as having important impact in **Corticeira Amorim** results if not materialized.

As for assets, goodwill amounts to 5,865 K€ (2011: 11,849 K€). This value is supported by impairment tests made at year-end. The judgment used in these tests are key factors in order to decide or not if there is any impairment. Discount rate use in these tests ranged between 8.3% and 11%. Still to be noted 6,746 K€ registered in deferred tax assets (2011: 6,105 K€) of which 1,724 K€ are related with tax losses (2011: 1,538 K€). These values will be recovered if the business plans of the companies that recorded those assets are materialized in the future.



V

COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company		Head Office	Country	2012	2011
Raw Materials					
Amorim Natural Cork, S.A.		Vale de Cortiças - Abrantes	PORTUGAL	100%	100%
Amorim Florestal, S.A.		Ponte de Sôr	PORTUGAL	100%	100%
Amorim Florestal España, SL		San Vicente Alcántara	SPAIN	100%	100%
Amorim Florestal Mediterrâneo, SL		Algeciras	SPAIN	100%	100%
Amorim Tunisie, S.A.R.L.		Tabarka	TUNISIA	100%	100%
Comatral - C. de Maroc. de Transf. du Liège, S.A.		Skhirat	MOROCCO	100%	100%
Cork International, S.A.R.L.		Tabarka	TUNISIA	100%	100%
SIBL - Société Industrielle Bois Liége		Jijel	ALGERIA	51%	51%
Société Nouvelle du Liège, S.A. (SNL)		Tabarka	TUNISIA	100%	100%
Société Tunisienne d'Industrie Bouchonnière	(d)	Tabarka	TUNISIA	45%	45%
Vatrya - Serviços de Consultadoria, Lda		Funchal - Madeira	PORTUGAL	100%	100%
Cork Stoppers					
Amorim & Irmãos, SGPS, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Agglotap, SA	(f)	Girona	SPAIN	91%	-
Amorim & Irmãos, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Amorim Argentina, S.A.		Buenos Aires	ARGENTINA	100%	100%
Amorim Australasia Pty Ltd		Adelaide	AUSTRALIA	100%	100%
Amorim Cork America, Inc.		California	USA	100%	100%
Amorim Cork Beijing Ltd		Beijing	CHINA	100%	100%
Amorim Cork Bulgaria EOOD		Plovdiv	BULGARIA	100%	100%
Amorim Cork Deutschland GmbH & Co KG		Mainzer	GERMANY	100%	100%
Amorim Cork España, S.L.		San Vicente Alcántara	SPAIN	100%	100%
Amorim Cork Italia, SPA		Conegliano	ITALY	100%	100%
Amorim Cork South Africa (Pty) Ltd		Cape Town	SOUTH AFRICA	100%	100%
Amorim France, S.A.S.		Champfleury	FRANCE	100%	100%
Augusta Cork, S.L.	(f)	San Vicente Alcántara	SPAIN	91%	-
Bouchons Prioux	(f)	Epernay	FRANCE	91%	-
Carl Ed. Meyer Korken		Delmenhorst	GERMANY	100%	100%
Chapuis, S.L.		Girona	SPAIN	100%	100%
Corchos de Argentina, S.A.	(d)	Mendoza	ARGENTINA	50%	50%
Equipar, Participações Integradas, Lda.		Coruche	PORTUGAL	100%	100%
FP Cork, Inc.		California	USA	100%	100%
Francisco Oller, S.A.		Girona	SPAIN	87%	87%
Hungarocork, Amorim, RT		Budapeste	HUNGARY	100%	100%
Indústria Corchera, S.A.	(e)	Santiago	CHILE	50%	50%
Korken Schiesser Ges.M.B.H.		Viena	AUSTRIA	69%	69%
Olimpiadas Barcelona 92, S.L.		Girona	SPAIN	100%	100%
Portocork America, Inc.		California	USA	100%	100%
Portocork France, S.A.S.		Bordeaux	FRANCE	100%	100%
Portocork Internacional, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Portocork Italia, S.A.		Conegliano	ITALY	100%	100%
Sagrera et Cie	(f)	Reims	FRANCE	91%	-
S.A. Oller et Cie		Reims	FRANCE	87%	87%
S.C.I. Friedland		Céret	FRANCE	100%	100%
S.C.I. Prioux	(f)	Epernay	FRANCE	91%	-
Société Nouvelle des Bouchons Trescases	(d)	Perpignan	FRANCE	50%	50%
Trefinos Italia, SRL	(f)	Treviso	ITALY	91%	-
Trefinos, S.L	(f)	Girona	SPAIN	91%	-
Victor y Amorim, Sl	(e)	Navarrete - La Rioja	SPAIN	50%	50%

Company		Head Office	Country	2012	2011
Floor & Wall Coverings					
Amorim Revestimentos, S.A.		Lourosa	PORTUGAL	100%	100%
Amorim Benelux, BV - AR	(a)	Tholen	NETHERLANDS	100%	100%
Amorim Deutschland, GmbH - AR	(c)	Delmenhorst	GERMANY	100%	100%
Amorim Flooring (Switzerland) AG		Zug	SWITZERLAND	100%	100%
Amorim Flooring Austria GesmbH		Viena	AUSTRIA	100%	100%
Amorim Flooring Investments, Inc.		Hanover - Maryland	USA	100%	100%
Amorim Flooring Nordic A/s		Greve	DENMARK	100%	100%
Amorim Flooring North America Inc		Hanover - Maryland	USA	100%	100%
Amorim Japan Corporation		Tóquio	JAPAN	100%	100%
Amorim Revestimientos, S.A.		Barcelona	SPAIN	100%	100%
Cortex Korkvertriebs GmbH		Fürth	GERMANY	100%	100%
Corticeira Amorim - France, SAS - AR	(b)	Lavardac	FRANCE	100%	100%
Dom KorKowy, Sp. Zo. O.	(e)	Kraków	POLAND	50%	50%
Timberman Denmark A/S		Hadsund	DENMARK	51%	51%
US Floors, Inc.	(d)	Dalton - Georgia	USA	25%	25%
Zodiac Kork- und Holzprodukte GmbH		Fürth	GERMANY	100%	100%
Cork Composite					
Amorim Cork Composites, S.A.		Mozelos	PORTUGAL	100%	100%
Amorim (UK) Ltd.		Horsham West Sussex	UNITED KINGDOM	100%	100%
Amorim Benelux, BV - ACC	(a)	Tholen	NETHERLANDS	100%	100%
Amorim Compcork, Lda	(g)	Mozelos	PORTUGAL	100%	100%
Amorim Cork Composites Inc.		Trevor Wisconsin	USA	100%	100%
Amorim Deutschland, GmbH - ACC	(c)	Delmenhorst	GERMANY	100%	100%
Amorim Industrial Solutions - Imobiliária, S.A.		Corroios	PORTUGAL	100%	100%
Chinamate (Shaanxi) Natural Products Co. Ltd		Shaanxi	CHINA	100%	100%
Chinamate Development Co. Ltd		Hong Kong	CHINA	100%	100%
Corticeira Amorim - France SAS - ACC	(b)	Lavardac	FRANCE	100%	100%
Drauvil Europea, SL		San Vicente Alcantara	SPAIN	100%	100%
Dyn Cork - Technical Industry, Lda	(d)	Paços de Brandão	PORTUGAL	50%	50%
Postya - Serviços de Consultadoria, Lda.		Funchal - Madeira	PORTUGAL	100%	100%
Samorim (Joint Stock Company Samorim)	(h)	Samara	RUSSIA	-	50%
Insulation Cork					
Amorim Isolamentos, S.A.		Vendas Novas	PORTUGAL	80%	80%
Holding					
Corticeira Amorim, SGPS, S.A.		Mozelos	PORTUGAL	100%	100%
Amorim Benelux, BV - A&I	(a)	Tholen	NETHERLANDS	100%	100%
Ginpar, S.A. (Générale d' Invest. et Participation)		Skhirat	MOROCCO	100%	100%
Amorim Cork Research & Services, Lda.		Mozelos	PORTUGAL	100%	100%
Soc. Portuguesa de Aglomerados de Cortiça, Lda		Montijo	PORTUGAL	100%	100%

(a) One single company: Amorim Benelux, BV.

(b) One single company: Corticeira Amorim - France SAS.

(c) One single company: Amorim Deutschland, GmbH & Co. KG.

(d) Equity method consolidation.

(e) Corticeira Amorim controls the operations of the company – line-by-line consolidation method.

(f) Trefinos group: acquired at the end of June 2012. Consolidates beginning July 2012.

(g) Prior designation: Spheroil – Materiais Compósitos, Lda.

(h) Liquidated during 2011.

As stated in the management report and reported to the market, at the end of June it was acquired a 90.91% stake in Trefinos, S.L., with headquarters in Girona, Spain. Total amount reached 15.1 M€, fully paid in cash. This company is the head of six other companies, all dedicated champagne and sparkling wine cork stoppers manufacturing and commercialization:

Agglotap, SA	Girona	SPAIN
Augusta Cork, S.L.	San Vicente Alcántara	SPAIN
Bouchons Prioux	Epernay	FRANCE
Sagrera et Cie	Reims	FRANCE
S.C.I. Prioux	Epernay	FRANCE
Trefinos Italia, SRL	Treviso	ITALY

The purpose of the acquisition was the strengthening of **Corticeira Amorim** share in champagne and sparkling wine cork stoppers. This is a top priority growth area for the cork stoppers unit. Important synergies are expected, namely in production, technological partnership and distribution network.

Trefinos activity was included in the consolidated activity of **Corticeira Amorim** beginning July 1st, 2012. In the next table are the main indicators of Trefinos group as for the most recent approved accounts:

	2011	**2010**
Consolidated sales	36,235	29,979
Head company sales	32,696	27,946
Consolidated assets	36,433	33,392
Head company assets	33,248	29,524
Consolidated interest bearing net debt	7,134	3,092
Head company interest bearing net debt	6,070	2,435
Consolidated equity	16,585	15,497
Head company equity	16,061	15,025
Consolidated net profit	1,419	1,624
Head company net profit	1,349	1,300

(thousand euros)

At acquisition date, Trefinos assets were 32 M€, of which 1.4 M€ came from cash and cash equivalents. Liabilities amounted to 15 M€, of which 5.5 M€ came from interest bearing debt. Non-controlling interests were 1.5 M€.

At the end of 2012, Trefinos impacted 32 M€ in the consolidated assets of **Corticeira Amorim**. Main items were fixed tangible assets (+11 M€), inventories (+9 M€) and customers (+9 M€). Net interest bearing consolidated debt was impacted by 9 M€, of which 7 M€ are from suppliers. Non-controlling interest corresponding to 9% reached 1.5 M€.

No goodwill arose from the acquisition.

Trefinos activity impacted **Corticeira Amorim** consolidated figures only in second half 2012. Consolidated sales impacted by some 16 M€, EBITDA by 0.7 M€ and net profit by -0.1 M€.

Second half entry affected the average consolidated headcount by 74 (year-end: 155).

VI

EXCHANGE RATES USED IN CONSOLIDATION

Exchange rates		Year end 2012	Average 2012	Average 2011	Year end 2011
Argentine Peso	ARS	6.48485	5.84651	5.74419	5.56722
Australian Dollar	AUD	1.27120	1.24071	1.34839	1.27230
Lev	BGN	1.95570	1.95569	1.95561	1.95560
Brazilian Real	BRL	2.70360	2.50844	2.32651	2.41590
Canadian Dollar	CAD	1.31370	1.28421	1.37610	1.32150
Swiss Franc	CHF	1.20720	1.20528	1.23261	1.21560
Chilean Peso	CLP	631.020	624.667	672.362	671.960
Yuan Renminbi	CNY	8.22000	8.11110	8.99771	8.14490
Danish Krone	DKK	7.46100	7.44368	7.45065	7.43420
Algerian Dinar	DZD	102.653	99.1735	100.684	97.9746
Euro	EUR	1	1	1	1
Pound Sterling	GBP	0.81610	0.81087	0.86788	0.83530
Hong Kong Dollar	HDK	10.2254	9.97369	10.8375	10.0501
Forint	HUF	292.300	289.249	279.373	314.580
Yen	JPY	113.610	102.492	110.959	100.200
Moroccan Dirham	MAD	11.1432	11.0776	11.2368	11.1105
Zloty	PLN	4.07400	4.18474	4.12061	4.45800
Tunisian Dinar	TND	2.04590	2.00533	1.95438	1.93640
US Dollar	USD	1.31940	1.28479	1.39196	1.29390
Rand	ZAR	11.1727	10.5511	10.0970	10.4830

VII

SEGMENT REPORT

Corticeira Amorim is organised in the following Business Units (BU): Raw Materials; Cork Stoppers; Floor and Wall Coverings; Composite Cork and Insulation Cork.

For purposes of this Report, the Business approach was selected as the primary segment. This is consistent with the formal organization and evaluation of business. Business Units correspond to the operating segments of the company and the segment report is presented the same way they are analysed for management purposes by the board of **Corticeira Amorim**.

The following table shows the main indicators of the said units, and, whenever possible, the reconciliation with the consolidated indicators (values in thousand EUR):

2012	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjustments	Consolidated
Trade Sales	7,295	317,490	123,058	77,350	8,291	756	-	534,240
Other BU Sales	112,861	6,137	3,555	12,599	726	2,502	-138,380	-
Total Sales	120,156	323,627	126,613	89,949	9,017	3,258	-138,380	534,240
EBITDA (current)	14,200	45,791	14,436	8,877	1,759	-2,379	-218	82,466
Assets	114,566	310,809	98,183	82,351	13,191	31,653	-6,987	643,767
Liabilities	39,678	88,462	31,952	19,186	2,228	15,912	151,103	348,520
Capex	1,994	13,152	1,267	4,118	775	67	-	21,373
Year Depreciation	-1,750	-10,934	-4,793	-3,117	-566	-47	-	-21,207
Non-cash cost	-1,986	-3,730	-763	205	-29	17	0	-6,286
Gains/Losses in associated companies	-5	798	-451	-534	-	-	-	-192

2011	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjustments	Consolidated
Trade Sales	3,441	291,362	117,368	73,855	8,182	635	-	494,842
Other BU Sales	98,119	4,483	3,369	10,994	623	1,750	-119,338	-
Total Sales	101,560	295,845	120,737	84,849	8,805	2,385	-119,338	494,842
EBITDA (current)	19,598	37,385	10,315	8,041	2,010	-2,371	-2,540	72,438
Assets	130,523	269,684	109,369	75,521	11,745	16,316	-8,104	605,054
Liabilities	44,541	76,975	28,876	20,020	1,866	13,499	138,989	324,766
Capex	4,050	12,253	2,964	5,465	800	32	-	25,564
Year Depreciation	-2,786	-8,949	-5,598	-3,125	-557	-45	-	-21,060
Non-cash cost	-2,362	-2,042	-4,020	-35	-38	0	-	-8,497
Gains/Losses in associated companies	15	402	-165	-161	-	-	-	91

(thousand euros)

NOTES:

Adjustments = eliminations inter-BU and amounts not allocated to BU.

EBITDA = Profit before interests, depreciation, equity method, non-controlling interests and income tax.

Provisions and asset impairments were considered the only relevant material cost.

Segments assets do not include DTA (deferred tax asset) and non-trade group balances.

Segments liabilities do not include DTL (deferred tax liabilities), bank loans and non-trade group balances.

The decision to report EBITDA figures allows a better comparison of the different BU performances, disregarding the different financial situations of each BU. This is also coherent with the existing Corporate Departments, as the Financial Department is responsible for the bank negotiations, being the tax function the responsibility of the Holding Company.

Cork Stoppers BU main product is the different kinds of existing cork stoppers. The main markets are the bottling countries, from the traditional ones like France, Italy, Germany, Spain and Portugal, to the new markets like USA, Australia, Chile, South Africa and Argentina.

Raw Materials BU is, by far, the most integrated in the production cycle of **Corticeira Amorim**, with 95% of its sales to others BU, specially to Cork Stoppers BU. Main products are bark and discs.

The remaining BU produce and sell a vast number of cork products made from cork stoppers waste. Main products are cork floor tiles, cork rubber for the automotive industry and antivibratic systems, expanded agglomerates for insulation and acoustic purposes, technical agglomerates for civil construction and shoe industry, as well as granulates for agglomerated, technical and champagne cork stoppers.

Major markets for flooring and insulation products are in Europe and for composites products the USA. Major production sites are in Portugal, where most of the invested capital is located. Products are distributed in practically all major markets through a fully owned network of sales companies. About 70% of total consolidated sales are achieved through these companies.

Capex was concentrated in Portugal. Assets in foreign subsidiaries totalize 271 million euros, and are mostly composed by inventories (90 million), customers (77 million) and tangible fixed assets (53 million).

In non-current assets, special note to 129 M€ (2011: 134 M€) of tangible fixed assets located in Portugal (foreign countries: 53 M€ vs 38 M€ in 2011), 5.5 M€ (2011: 7.6 M€) of property investment (foreign countries: 0.5 M€ vs 0 in 2011), 0.2 M€ (2011: 0.1 M€) of intangible assets (foreign countries: 0.4 M€ vs 0.3 M€ in 2011) and 2.7 M€ (2011: 2.6 M€) of other financial assets (foreign countries: 1.0 M€ vs 1.0 M€ in 2011).

Sales by markets:

Markets	**2012**		**2011**	
European Union	317,730	59.5%	298,015	60.2%
From which: Portugal	26,583	5.0%	24,070	4.9%
Other European countries	38,098	7.1%	31,119	6.3%
United States	96,209	18.0%	84,879	17.2%
Other American countries	36,562	6.8%	36,873	7.5%
Australasia	36,438	6.8%	34,168	6.9%
Africa	9,203	1.7%	7,954	1.6%
Others	0	0.0%	1,833	0.4%
TOTAL	**534,240**	**100%**	**494,842**	**100%**

(thousand euros)

VIII

TANGIBLE, INTANGIBLE AND PROPERTY INVESTMENT ASSETS

	Land and buildings	Machinery	Other	Total tangible assets	Intangible assets	Investment property
Gross Value	206,169	277,480	36,931	520,580	4,214	14,320
Depreciation and impairments	-126,743	-201,213	-24,196	-352,151	-3,602	-6,587
Opening balance (Jan 1, 2011)	**79,426**	**76,267**	**12,735**	**168,429**	**612**	**7,733**
In Companies	2	0	111	113	-	-
Increase	5,504	11,006	10,108	26,618	17	53
Period Deprec. and Impairments	-4,734	-14,200	-1,461	-20,395	-158	-700
Sales and Other Decreases	-447	-181	264	-364	-30	-266
Transfers and Reclassifications	395	2,423	-4,673	-1,855	-13	756
Translation Differences	-10	-230	66	-174	-1	0
Gross Value	209,776	286,731	39,230	535,737	3,168	15,078
Depreciation and impairments	-129,640	-211,646	-22,080	-363,366	-2,741	-7,502
Closing balance (Dec 31, 2011)	**80,136**	**75,085**	**17,150**	**172,371**	**427**	**7,576**
Gross Value	209,776	286,731	39,230	535,737	3,168	15,078
Depreciation and impairments	-129,640	-211,646	-22,080	-363,366	-2,741	-7,502
Opening balance (Jan 1, 2012)	**80,136**	**75,085**	**17,150**	**172,371**	**427**	**7,576**
In Companies	5,082	4,521	1,266	10,869	67	-
Increase	1,716	6,838	12,421	20,975	398	11
Period Deprec. and Impairments	-4,575	-14,392	-1,476	-20,443	-394	-2,231
Sales and Other Decreases	-62	-224	-251	-537	-26	-
Transfers and Reclassifications	828	10,708	-12,694	-1,158	82	771
Translation Differences	-5	221	-121	95	-	-52
Gross Value	218,624	320,142	41,459	580,225	3,822	15,641
Depreciation and impairments	-135,504	-237,385	-25,164	-398,053	-3,268	-9,566
Closing balance (Dec 31, 2012)	**83,120**	**82,757**	**16,295**	**182,172**	**554**	**6,075**

(thousand euros)

The amount of 6,076 K€, referred as Property Investment (2011: 7,576 K€), is due, mainly, to land and buildings that are not used in production.

During 2012, investment property booked a 1,685 K€ an impairment. A market value report made by an independent entity supported the register.

Values in “in companies” are related with business concentrations, namely Trefinos acquisition (2012) and Timberman acquisition (2011).

Expenses related with tangible fixed assets had no impact during 2012 and 2011.

IX

GOODWILL

2011	Openning	Increases	Decreases	Reclassification	Closing
Amorim Florestal Mediterraneo	0	166	166	-	0
Tunisia companies	4,195	-	2,200	-	1,995
Oller et cie	1,360	-	-	-	1,360
Industria Corchera	1,314	-	-	-	1,314
Trescases	1,715	-	-	-	1,715
Amorim France	239	-	-	-	239
Amorim Cork Italia	274	-	-	-	274
Korken Schiesser	164	-	-	-	164
Corchos Argentina	-	1,868	-	-	1,868
Timberman	-	657	240	-	417
Amorim Deutschland	2,503	-	-	-	2,503
US Floors	3,335	-	3,335	-	0
GOODWILL	**15,099**	**2,691**	**5,941**	**0**	**11,849**

(thousand euros)

2012	Openning	Increases	Decreases	Reclassification	Closing
Tunisia companies	1,995	-	1,995	-	0
Oller et cie	1,360	-	-	-	1,360
Industria Corchera	1,314	-	-	-	1,314
Trescases	1,715	-	-	-1,715	0
Amorim France	239	11	-	-	250
Amorim Cork Italia	274	-	-	-	274
Korken Schiesser	164	-	-	-	164
Corchos Argentina	1,868	-	130	-1,738	0
Timberman	417	-	417	-	0
Amorim Deutschland	2,503	-	-	-	2,503
GOODWILL	**11,849**	**11**	**2,542**	**-3,453**	**5,864**

(thousand euros)

Decreases in Tunisia are related with impairments. As stated in the management report, this register was influenced by worsening production conditions, social and political and rest. This led to higher yield rates used in impairment tests. Assumptions included growth rates between 0.5% and 1% and a 11% discount rate. Impairment was considered a non-current cost.

Value for Timberman is due to the write-off of the goodwill associated with wood business. In Corchos Argentina, 130K€ is the adjustment to prior year provisional calculation of goodwill.

Trescases and Corchos Argentina goodwill was reclassified to Investments in associates.

As stated in point II f), goodwill impairment test is made each year. A discount rate of 8.3% was used except for Tunisia and Corchos Argentina. Growth rates between 0.5% and 1% were used.

Value in use approach was part of the goodwill impairment tests calculations.

Tests included three year cash flow projections based in budget and business plans approved by management. Growth rate assumptions for cork stoppers BU goodwill took in attention the estimated growth in the wine champagne and sparkling wine markets, as well as **Corticeira Amorim** evolution of the market share. In cork floor coverings, the growth of Germany and Germany speaking neighbours markets were taken in consideration in the impairment test. As for this BU, evolution of cork coverings market share in overall coverings market was also considered.

In a sensibility analysis test made, 1% variation in discount rate growth and in growth rate in perpetuity, no goodwill impairment was due from that variation.

X

EQUITY COMPANIES AND OTHER FINANCIAL ASSETS

EQUITY COMPANIES:

	2012	2011
Initial Balance	**5,967**	**5,362**
In / Out	0	784
Results	-192	91
Dividends	-250	-250
Goodwill Reclassification	3,453	0
Other	-960	-20
End Balance	**8,018**	**5,967**

(thousand euros)

As stated in the prior note during 2012, a goodwill reclassification was recorded in Trescases and Corchos Argentina.

In "Other" (-960 K€) is due mainly to Corchos Argentina goodwill write-off (1,738 K€). As stated in management report, business environmental conditions in Argentina deteriorated with frequent legislation changes, namely custom taxes. This led to higher discount rates in assessing investments in this country, and consequently justified the write-off. This loss was partly compensated by a reclassification to Provisions account of negative value of 645 K€ related with Dyn Cork associate. This negative value was the result of **Corticeira Amorim** share of the losses of this associate.

Impairment tests assumptions included 1% growth rate in perpetuity, a 11% discount rate and exchange rate of 6.5 ARS = 1 EUR.

	2012			2011		
	Finan. stake	Goodwill	Total	Finan. stake	Goodwill	Total
US Floors	1,228	0	1,228	1,679	0	1,679
Trescases	3,769	1,715	5,484	3,550	0	3,550
Soc. Tunisienne Bouchons	153	0	153	158	0	158
Corchos Argentina	1,115	0	1,115	682	0	682
Dyn Cork	0	0	0	-111	0	-111
Other	38	0	38	9	0	9
End Balance	**6,303**	**1,715**	**8,018**	**5,967**	**0**	**5,967**

(thousand euros)

Most important equity companies are Société Nouvelle des Bouchons Trescases and US Floors, Inc, of which a summary of its financial situation are presented:

Trescases	2012	2011
Current Assets	13,752	13,100
Current Liabilities	5,608	5,668
Non-current Assets	1,296	1,320
Equity	7,540	7,102
Sales	27,298	26,234
Operating Profits	1,465	1,368
Profits before Tax	1,432	1,325
Income Tax	494	449
Results	938	877

(thousand euros)

US Floors	2012	2011
Current Assets	34,097	31,696
Current Liabilities	13,111	11,272
Non-current Assets	7,566	10,260
Equity	7,056	9,374
Sales	68,490	68,300
Operating Profits	-2,251	-149
Profits before Tax	-3,019	-868
Income Tax	701	328
Results	-2,318	-918

(thousand USD)

OTHER FINANCIAL ASSETS:

In Other Financial Assets the most important values refers, mostly to financial applications.

XI

DEFERRED TAX

The differences between the tax due for the current period and prior periods and the tax already paid or to be paid of said periods is registered as "deferred tax" in the consolidated income statement, according to note II j), and amounts to K€ 612 (2011: K€ 1,615).

On the consolidated statement of financial position this effect amounts to K€ 6,746 (31/12/2011: K€ 6,105) as Deferred tax asset, and to K€ 6,490 (31/12/2011: K€ 6,103) as Deferred tax liability.

Deferred tax related with items directly registered in equity was 14 K€ and relates to hedge accounting. No other deferred tax values related with other equity movements were booked.

It is conviction of the Board that, according to its business plan, the amounts registered in deferred tax assets will be recovered as for the tax carry forward losses concerns.

	2012	2011
Related with Intangible Fixed Assets cancelled	3,798	3,792
Related with Tax Losses	1,724	1,538
Others	1,224	775
Deferred Tax Assets	**6,746**	**6,105**
Related with Fixed Tangible Assets	4,562	4,447
Other	1,928	1,656
Deferred Tax Liabilities	**6,490**	**6,103**
Current Income Tax	-16,815	-12,132
Deferred Income Tax	612	-1,615
Income Tax	**-16,203**	**-13,747**

(thousand euros)

Variation in the financial position deferred taxes (254 K€) is effected by Trefinos entry in consolidation (-261 K€). The difference from the correct variation (515 K€) to the value in income statement (612 K€) is justified by the translation differences in the non-euro subsidiaries balance sheet values.

During 2012, a 4,171 K€ (2011: 1,062 K€) provision for tax contingencies was registered. This value was considered as current income tax.

Following chart explains the effective income tax rate, from the original income tax rate of most of Portuguese companies:

Income Tax Conciliation	2012	2011
Income Tax - Legal	**25.0%**	**25.0%**(2)
Effect of additional tax rates over base rate (Portugal)	6.2%	5.2%
Effect of different tax rates (foreign subsidiaries) and others	0.7%	0.7%
Effect of tax benefits/excess of prior estimate	-2.0%	-1.0%
Income tax - effective(1)	**29.9%**	**30.0%**

(1) Income Tax / Pre-tax Profit, Equity Gains, Non-controlling Interests and non-fiscal impairments
(2) As in 2012 local municipal income tax was changed (1,5% in portuguese fiscal consolidation) a 25% base rate was considered

Corticeira Amorim and a large group of its Portuguese subsidiaries are taxed since January 1, 2001, as a group special regime for tax purposes (RETGS), as according to article 63, of the income tax code (CIRC). The option for this special regime is renewable every five years.

According to law, tax declarations for **Corticeira Amorim** and its Portuguese subsidiaries are subject of revision and possible correction from tax authorities generally during the next four years.

No material effects in the financial statements as of December 31, 2012, are expected by the Board of **Corticeira Amorim** from the revisions of tax declarations that will be held by the tax authorities.

In the following chart tax losses, amounts and its time limits for utilisation are presented:

	2013	2014	2015	2016	2017 and further	TOTAL
Non utilised tax losses	**0**	**87**	**161**	**1,202**	**36,882**	**38,331**

(thousand euros)

All values are related with foreign subsidiaries. The year 2017 and further was considered for those situations that correspond to tax losses to carry forward with no limit of utilization. From the total it is considered as recoverable 8.5 M€.

XII
INVENTORIES

	2012	2011
Goods	16,567	17,170
Finished and semi-finished goods	84,879	73,317
By-products	299	472
Work in progress	13,204	11,615
Raw materials	119,349	124,096
Advances	262	1,056
Goods impairments	-1,372	-857
Finished and semi-finished goods impairments	-1,418	-1,759
Raw materials impairments	-558	-188
Inventories	**231,211**	**224,922**

(thousand euros)

Impairment losses	2012	2011
Initial Balance	**2,804**	**2,993**
Increases	939	135
Decreases	333	214
Others	-62	-110
End Balance	**3,348**	**2,804**

(thousand euros)

Impairment increases hit costs of goods sold and materials consumed in income statement.

XIII

TRADE RECEIVABLES

	2012	2011
Gross amount	135,847	129,994
Impairments	-11,739	-13,236
Trade receivables	**124,108**	**116,758**

(thousand euros)

Impairment losses	2012	2011
Initial Balance	**13,236**	**12,818**
Increases	1,347	3,417
Decreases	3,392	1,930
Others	548	-1,068
End Balance	**11,739**	**13,236**

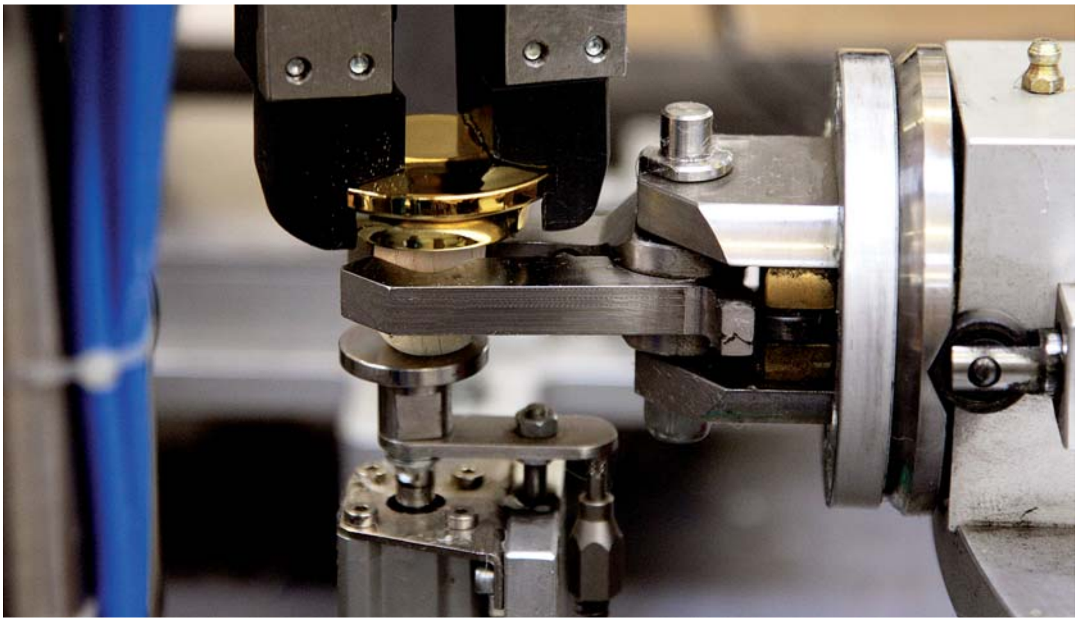
(thousand euros)

At the end of each period, Trade receivables credit quality is analysed. Due to specific business environment, balances unpaid up to 120 days are not impaired. From 120 to 180 days a 60% impairment register is considered. Over 180 days as well as all doubtful balances are fully impaired. These rules do not overcome specific cases analysis.

Due and past due balances are as follows:

	2012	2011
Due	90	86
Past due between 0 and 120 days	32	28
Past due between 120 and 180 days	3	2
Doubtful and past due over 180 days	11	12
Impairment	11	13

(million euros)



XIV

INCOME TAX

	2012	2011
Income tax - advances/minimum/excess est.	1,692	585
Income tax - advances	2,976	2,375
Income tax - withholding	185	132
Income tax	**4,852**	**3,092**

(thousand euros)

XV

OTHER ASSETS

	2012	2011
Advances to suppliers/suppliers	3,473	3,463
Accrued income	517	257
Deferred costs	1,943	2,306
Hedge accounting assets	524	252
TVA	21,679	20,086
Others	3,278	4,366
Other current assets	**31,413**	**30,730**

(thousand euros)

As stated in the management report, TVA from Portuguese subsidiaries to be received from tax authority is past due from legal timetable (9M€: Dec. 2012 vs. 3M€: Dec. 2011).

XVI

CASH AND CASH EQUIVALENTS

	2012	2011
Cash	282	202
Bank Balances	5,320	5,778
Time Deposits	33,390	15,696
Others	23	5
Cash and cash equivalents as for financial position	**39,014**	**21,681**
Overdrafts	-19,169	-14,950
Cash and cash equivalents as for cash flow statement	**19,845**	**6,731**

(thousand euros)

XVII

CAPITAL AND RESERVES

SHARE CAPITAL

As of December 31, 2012, the share capital is represented by 133,000,000 ordinary registered shares, conferring dividends, with a par value of 1 Euro.

The Board of **Corticeira Amorim** is authorised to raise the share capital, one or more times, respecting the conditions of the commercial law, up to € 250,000,000.

TREASURY STOCK

No sales were registered during the year.

During fourth quarter 2012, in several trading sessions, **Corticeira Amorim** bought 596,000 of its own shares, representing 0.448% of its total share capital, with an average unit price of € 1.544, totalling € 920,890.38, not taking in account acquisition costs.

As of December 31, 2012, **Corticeira Amorim** held 7,383,962 of its own shares, representing 5.552% of its share capital.

LEGAL RESERVE AND SHARE PREMIUM

Legal reserve and share premium are under the legal reserve rule and can only be used for (art. 296 CSC):

- Offset losses in the financial position that cannot be offset by the use of other reserves;
- Offset losses of prior year that cannot be offset by the profit of the year nor the use of other reserves;
- Incorporation in share capital.

Legal reserve and share premium values are originated from **Corticeira Amorim**, SGPS, S.A. books.

OTHER RESERVES

Value is composed from other reserves account and prior year's results of **Corticeira Amorim**, SGPS, S.A. books, as well as non-distributed cumulative results of **Corticeira Amorim**, SGPS, S.A. subsidiaries.

From the value of 71,762 K€ of this line, a total of 47,992 K€ can be distributed as dividends to the shareholders of **Corticeira Amorim**, SGPS, S.A.

DIVIDENDS

In the Shareholders' General Meeting of March 29, 2012 and November 30, 2012, a dividend distribution of 0.065 and 0.095 euros per share was approved.

	2012	2011
Approved dividends	21,280	13,300
Portion attributable to own shares	-1,118	-679
Dividends paid	**20,162**	**12,621**

(thousand euros)

Summary of changes in Equity:

	2012	2011
Initial Balance	**282,292**	**268,545**
Change in treasury stock	-922	0
Dividends paid	-20,162	-12,621
Change in hedge accounting adjustments	197	153
Change in translation differences	744	614
Others	-184	19
Net Income	31,055	25,274
Change in Non-controlling Interests (note XVIII)	2,226	308
End Balance	**295,246**	**282,292**

(thousand euros)

XVIII

NON-CONTROLLING INTEREST

	2012	2011
Initial Balance	**12,439**	**12,131**
In / Out	1,487	182
Results	678	1,141
Dividends	-317	-506
Exchange Differences	405	-509
Others	-27	0
End Balance	**14,665**	**12,439**

(thousand euros)

Value of 1,487 is due to the entry of Trefinos in consolidation perimeter. Timberman entry (182).

XIX

INTEREST BEARING DEBT

At year-end, interest bearing loans was as follows:

	2012	2011
Overdrafts and Bank loans	63,308	54,802
Reimbursable subsidies	0	124
Bonds	24,923	0
Commercial Paper	20,000	21,715
Interest-bearing loans - current	**108,231**	**76,641**

(thousand euros)

Loans were denominated in euros, except 16% (2011: 13%).

	2012	2011
Bank loans	36,863	1,936
Reimbursable subsidies	0	28
Bonds	0	25,000
Commercial Paper	15,500	35,500
Interest-bearing loans - non-current	**52,363**	**62,464**

(thousand euros)

During 2012 a new loan was arranged with a foreign financial entity: total amount 20M€ with three years maturity.

As of the end of 2012 and 2011, loans were almost totally denominated in euros.

As of December 31, 2012, maturity of non-current interest bearing debt was as follows:

Between 01/01/2014and31/12/2014	41,729
Between 01/01/2015and31/12/2015	7,994
Between 01/01/2016and31/12/2016	716
After 01/01/2017	1,923
Total	**52,363**

(thousand euros)

As of that date, around 89% of total interest bearing debt was euro based. The remaining was mostly USD based (9%).

Non-current and current interest bearing debt carries floating interest rates. Average cost, during 2012, for all the credit utilized was 5.09% (2011: 4.75%).

During first quarter 2010, a five year interest rate swap with a notional of 30,000 K€ was contracted. With the contract, **Corticeira Amorim** pays interest at a fixed rate and in exchange receives interest at a variable rate, according to a Monetary Market index, a euribor 6 month proxy.

As of December 31, 2012 three foreign subsidiaries had a 2.0 million euro loan mortgage guarantee.

At the same date, **Corticeira Amorim** had credit lines with contractual clauses that include covenants generally used in these type of contracts, namely: cross-default, pari-passu and in some cases negative pledge.

At the same date, **Corticeira Amorim** had utilized credit lines with associated financial covenants. These included, namely, ratios accomplishment that allowed for an accompaniment of the financial position of the company, most of all its capacity to pay its debt. The most common ratio was the one that relates Debt with EBITDA (net interest bearing debt/current EBITDA). Other ratios that relate EBITDA with interest costs (current EBITDA/net interest) and Equity with total assets are part of the said contracts.

As of December 31, 2012, these ratios were as follows:

Net interest bearing debt / current EBITDA	(X)	1,47
Current EBITDA / net interest	(X)	17,2
Equity / Assets		45,9%

Ratios above fully and easily accomplished the demands of the contracts that formalized said loans. If by chance they did not accomplish the possibility of an early payment was conceivable.

On top of the said full accomplishment, it has to be noted that the capacity of full repayment was reinforced by the existence, as of that date, of non-used credit lines that amounted to 125 M€ and by 33 M€ of cash in banks that could be withdrawn within six months.

XX

SUPPLIERS

	2012	2011
Suppliers - current account	94,432	93,639
Suppliers - accrualls	4,808	12,300
Suppliers	**99,240**	**105,939**

(thousand euros)

A total of 34% is balances from Raw Materials BU (2011: 38%).

XXI

OTHER LOANS AND CREDITORS

	2012	2011
Non interest bearing grants	12,410	8,898
Other	817	1,628
Other loans and creditors - non current	**13,227**	**10,525**
Non interest bearing grants	667	118
Deferred costs	16,831	16,421
Deferred income - grants	6,161	5,663
Deferred income - others	97	1,570
TVA	5,060	3,662
State and social security - withholding and others	5,562	4,898
Other	5,703	6,793
Other loans and creditors - current	**40,082**	**39,125**

(thousand euros)

In Deferred costs the part related with salaries (vacations and vacations paid) at year-end amounted to 8,645 K€ (2011: 9,353 K€).

In 5,800 K€ (2011: 8,363 K€) is included a value of 1,485 K€ (2011: 3,359 K€), which refers to the fair value of exchange risk and interest rate risk derivatives. In the remaining value, a total of 820 K€ (2011: 701K€) refers to salaries to be paid and 850 K€ (2011: 941 K€) to acquisitions of participations.

In Other loans and creditors – non-current (13,227 K€), maturity is as follows: 2014 (829 K€), 2015 (2,482 K€), 2016 (3,702 K€) and 2017 and further (6,213 K€).

Non-reimbursable subsidies (no interest bearing)	2012	2011
Opening Balance	**5,663**	**6,756**
Transfer to gains	-1,642	-1,349
Additions	58	0
Received during the year	1,010	287
Reclassifications / Transfers	1,073	-30
Closing Balance	**6,161**	**5,663**

Reimbursable subsidies (no interest bearing)	2012	2011
Opening Balance	**9,016**	**1,356**
Paid during the year	-179	-76
Received during the year	5,181	7,735
Reclassifications / Transfers	-940	0
Closing Balance	**13,077**	**9,016**

(thousand euros)

XXII

TAX LIABILITIES

Includes income tax estimate to be paid when 2012 tax declaration is presented.

XXIII

THIRD PARTY SUPPLIES AND SERVICES

	2012	2011
Subcontractors	5,878	5,100
Special Services	6,746	6,330
Advertising	6,150	6,177
Security	1,111	874
Professional Fees	600	627
Commissions	5,221	5,039
Maintenance	7,222	6,988
Tools	1,523	1,351
Power	11,244	9,599
Oil and gas	1,765	1,671
Travel	3,440	3,508
Transports	20,376	17,964
Rentals	4,764	4,289
Communications	1,295	1,347
Insurance	3,153	3,097
Representation expenses	834	892
Data systems	4,206	3,803
Others	7,677	7,947
Third party supplies and services	**93,205**	**86,602**

(thousand euros)

XXIV

STAFF COSTS

	2012	2011
Board remuneration	775	620
Employees remuneration	75,344	71,857
Social Security and other	15,248	14,453
Severance costs	1,505	2,311
Other	4,806	4,510
Staff costs	**97,678**	**93,751**
Average number of employees	**3,470**	**3,379**
Final number of employees	**3,501**	**3,357**

(thousand euros)

Board's remuneration includes **Corticeira Amorim**, SGPS, SA and any of its subsidiaries. Includes also Fiscal Board and General Meeting board members expenses. Amounts stated in this chart derive from the company's books, and so refers to amounts expensed during the period.

Trefinos entry impacted 74 in the average number of employees (one semester) and impacted 155 at year-end.

Contributions related with defined contributions plans amounted to 241 K€.

XXV

IMPAIRMENTS OF ASSETS AND NON-CURRENT COSTS

	2012	2011
Receivables	568	1,486
Inventories	-333	-214
Goodwill	640	166
Tangible assets	132	163
Others	0	271
Impairments of assets and non-current costs	**1,008**	**1,872**

(thousand euros)

Receivables include customers and debtors.

During 2012, there was an additional goodwill impairment amounting to 1,995 K€ considered as non-current (2011: 5,792 K€), and also impairments regarding an investment property in Montijo (1,685 K€) and a TVA receivable in Argentina (1,560 K€). These impairments were considered as non-current costs.

	2012	2011
Goodwill impairment (subsidiary)	1,995	5,792
TVA Argentina	1,560	0
Land impairment Montijo	1,685	0
Goodwill impairment (associate)	1,738	0
Non-current costs	**6,978**	**5,792**

(thousand euros)

Non-current costs included also 1,738 K€ related with associates regarding Corchos Argentina's goodwill.

XXVI

OTHER OPERATING GAINS AND COSTS

Other operating gains	2012	2011
Exchange rate hedging: exchange differences	-2,056	0
Exchange rate hedging: var. derivative fair value	2,327	0
Gain in fixed assets and p. investment disposals	195	913
Provisions reversals	731	782
Operating subsidies	634	445
Investment subsidies	1,642	1,349
Suplementary income	1,930	1,609
Building rentals	135	132
Own works	201	127
Gain in inventory differences	0	2
Other	1,002	2,141
Other operating gains	**6,739**	**7,502**

(thousand euros)

Other operating costs	2012	2011
Exchange rate hedging: exchange differences	0	-2,014
Exchange rate hedging: var. derivative fair value	0	2,282
Taxes (other than income)	1,686	1,479
Provisions	436	1,614
Loss in fixed assets and p. investment disposals	257	714
Bank charges	720	1,038
Bad debts	154	498
Loss in inventory differences	78	54
Donations and fees	756	346
Other	2,256	1,834
Other operating costs	**6,343**	**7,845**

(thousand euros)

XXVII

FINANCIAL COSTS AND FINANCIAL INCOME

	2012	2011
Interest costs - bank loans	5,731	4,931
Interest costs - other entities	574	409
Stamp tax	320	270
Interest costs - other	735	1,218
Financial costs	**7,360**	**6,828**
Interest gains - bank deposits	930	1,023
Interest gains - delayed payments	186	36
Interest gains - other	91	254
Financial income	**1,207**	**1,313**

(thousand euros)

Interest costs – other entities includes the interest related with the 2010 swap. Interest costs – other includes the fair value of the swap and costs related with commissions.

Change in the fair value of the swap (2012: 29K€ gain vs 2011: 158K€ loss) is included in Interest costs – other.

XXVIII

RELATED-PARTY TRANSACTIONS

Corticeira Amorim consolidates indirectly in Amorim - Investimentos e Participações, S.G.P.S., S.A. (AIP) with head-office at Mozelos (Santa Maria da Feira, Portugal), Amorim Group holding company.

As of December 31, 2012, indirect stake of AIP in **Corticeira Amorim** was 51% (2011: 76.557%), corresponding as 53.998% (2011: 80.674%) of the voting rights.

Corticeira Amorim related party transactions are, in general, due to the rendering of services through some of AIP subsidiaries (Amorim Serviços e Gestão, S.A., Amorim Viagens e Turismo, S.A., OSI – Sistemas Informáticos e Electrotécnicos, Lda.). Total sales of these subsidiaries to the remaining **Corticeira Amorim** companies totalled 7,034 K€ (2011: 6,498 K€).

Cork acquired during 2012, from companies held by the main indirect shareholders of **Corticeira Amorim**, amounted to 1,091 K€. This corresponds to less than 2.2% of total acquisitions of that raw-material.

Balances at year-end 2012 and 2011 are those resulting from the usual payment terms (from 30 to 60 days) and so are considered to be immaterial.

Services rendered from related-parties are based on the “cost plus” basis raging from 2% to 5%

During 2012 no transactions were made and no balances booked with related parties Amorim Capital, SGPS, SA, Vertente Financeira, SGPS, SA, Amorim Investimentos e Participações, SGPS, SA and Interfamília II, SGPS, SA.

Total **Corticeira Amorim** key staff short-term remuneration reached K€ 2,034 during 2012 (2011: 1,340 K€). No payments were made related with post-employment benefits, other long-term benefits, termination benefits and equity compensation benefits.

XXIX

PROVISIONS, GUARANTEES, CONTINGENCIES AND COMMITMENTS

	2012	2011
Income tax	17,199	13,097
Guarantees to customers	1,116	1,270
Others	2,723	2,333
Provisions	**21,038**	**16,700**

(thousand euros)

As stated in note XI, during 2012 a total 4,171 K€ of provisions related with income tax was recorded.

Tax cases are in general related with Portuguese companies and correspond to fiscal years of 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2003, 2004, 2007, 2008, 2009 and 2010. The most recent fiscal year analysed by Portuguese tax authorities was 2010.

Tax cases are basically related with questions like non-remunerated guarantees given between group companies, group loans (stamp tax), interest costs of holding companies (SGPS), and with the acceptance as fiscal costs of losses related with the closing of subsidiaries.

Claims by the tax authorities are related with income tax, stamp tax and marginally TVA.

Income tax provisions refer to live tax cases, in court or not, as well as accounting recorded situations that can raise questions in future inspections by the tax authority.

At the end of each year, an analysis of the tax cases is made. The procedural development of each case is important to decide new provisions, or reverse or reinforce existing provisions. Provisions correspond to situations that, for its procedural development or for doctrine and jurisprudence newly issued, indicate a probability of an unfavourable outcome for **Corticeira Amorim** and, if that happens, a cash outflow can be reasonably estimated.

Court cases totalled 14.8 M€ at the end of 2012, being 9.8 M€ due to tax cases. Of that total, about 5.3 M€ were provisioned, of which 4.5 M€ corresponded to court tax cases.

Live tax cases, in court stage or not, totals 20.8M€. These includes 9.8 M€ of capital and 10.5 M€ of correspondent tax. Regarding non-contentious situations, there was a total of 5.3 M€ in provisions.

Contingent liabilities, due from tax cases, in court or in non-contentious, as well as other type of court cases, totals 15 million euros. No provisions are recorded for these situations.

It is considered appropriate the total value of 17.2 K€ of provisions related with contingencies regarding income tax and 3.8 M€ regarding other contingencies.

During its operating activities **Corticeira Amorim** issued in favour of third-parties guarantees amounting to 90,410 K€ (2011: 79,791 K€).

Beneficiary	Amount	Purpose
Government agencies	4,079	Capex grants / subsidies
Tax authority	10,917	Tax lawsuits
Banks	75,172	Credit lines
Other	241	Miscellaneous guarantees
TOTAL	**90,410**	

(thousand euros)

As of December 31, 2012, future expenditure resulting from long-term motor vehicle rentals totals K€ 2,014, and for computer hardware and software totals K€ 165. Total is due 2013 (464 K€), 2014 (315 K€), 2015 (645 K€), 2016 (629 K€) and 2017 and further (126 €).

Commitments related with fixed assets and cork suppliers are not recorded and amount to 10,646 K€ (2013: 6,640 K€; 2014: 2,162 K€, 2015: 1,054 K€ and 2016: 790 K€).

XXX

EXCHANGE RATE CONTRACTS

As of December 31, 2012, forward outright and options contracts related with sales currencies were as follows:

	2012		2011	
USD	4,622	44%	8,814	56%
AUD	2,773	27%	3,816	24%
ZAR	2,019	19%	2,767	17%
HUF	588	6%	254	2%
GBP	435	4%	212	1%
Forward - long positions	**10,437**	**100%**	**15,863**	**100%**
SEK	201	100%	206	100%
Forward - short positions	**201**	**100%**	**206**	**100%**
USD	16,136	100%	31,762	100%
Options - long positions	**16,136**	**100%**	**31,762**	**100%**
USD	0	0%	2,504	100%
Options - short positions	**0**	**0%**	**2,504**	**100%**

(thousand euros)

As for Cork Stoppers BU, cash flow hedging at the end of 2012, related with exchange rate transactions, was expected to occur between January and March 2013. For Composite Cork BU, it was expected to occur between February and April 2013.

It is expected that hedged highly probable transactions in foreign currencies occur during the first half of 2013. The corresponded value recognised in equity as hedge accounting will be recorded in income statement in that same period.

The amount recognised in comprehensive income statement as "change in derivative financial instruments fair value" reached 197 thousand euros (2011: 153 thousand euros).

In relation with fair value hedging, during 2012 a gain of 633 thousand euros was recorded in the hedging instruments and a loss of 315 thousand euros was recorded in the hedged items. As of December 31, 2012, notional for long USD positions reached 23.4 million euros regarding fair value hedging and 3.2 million euros regarding cash flow hedging.

No gains or losses were recorded regarding hedge inefficiency.

XXXI

AUDITOR'S FEES

PricewaterhouseCoopers auditor's remuneration for the group of subsidiaries and for **Corticeira Amorim** was 423 K€ (2011: 613 K€).

XXXII

ACTIVITY DURING THE YEAR

Corticeira Amorim sales are composed by a wide range of products that are sold through all the five continents, over 100 countries. Due to this notorious variety of products and markets, it is not considered that this activity is concentrated in any special period of the year. Traditionally first half, specially the second quarter, has been the best in sales; third and fourth quarter switch as the weakest one.

XXXIII

OTHER INFORMATION

a. Net profit per share calculation used the average number of issued shares deducted by the number of average owned shares. The non-existence of potential voting rights justifies the same net profit per share for basic and diluted.

	2012	2011
Total issued shares	133,000,000	133,000,000
Average nr. of treasury shares	6,833,880	6,787,462
Average nr. of outstanding shares	126,166,120	126,212,538
Net Profit (thousand euros)	31,055	25,274
Net Profit per share (euros)	0.246	0.200

b. IFRS standards:

1. The impact of the adoption of the standards and interpretations that became effective as of 1 January 2012 is as follows:

- IFRS 7 (amendment), 'financial instruments: Disclosures – Transfers of financial assets'. This amendment requires greater transparency in the reporting of financial assets transfers', regarding risk exposures and the effect of those risks on an entity's financial position, particularly those involving derecognition of assets when there are associated obligations or continuing involvement.

No material impacted on the issued financial statements rose from the application of these standards.

2. The following standards, amendments to existing standards and interpretations have been published and are mandatory for the Entity's accounting periods beginning on or after 1 July 2012 or later periods:

2.1. Standards

- IAS 1 (amendment), 'Presentation of financial statements' (effective for annual periods beginning on or after 1 July 2012). This amendment changes the disclosure of items presented in other comprehensive income (OCI), requiring entities to separate items in OCI on whether or not they may be recycled to profit and loss in the future and the related tax amount if OCI items presented before tax.

- IAS 12 (amendment), 'Income taxes' (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2013). This amendment requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale, except for the investment properties measured at fair value model. The amendments also incorporate into IAS 12 the guidance previously contained in SIC 21, which is accordingly withdrawn.

- IAS 19 (amendment), 'Employee benefits' (effective for annual periods beginning on or after 1 January 2013). This amendment is still subject to endorsement by European Union. This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to the disclosures for all employee benefits. Actuarial gains and losses are recognised immediately, and only in OCI (no corridor approach allowed). Finance cost for funded benefit plans are calculated on a net funding basis. Termination benefits qualify for recognition only when the employee has no future-service obligation.

- Improvements to IFRSs 2009 – 2011 (generally effective for annual periods beginning on or after 1 January 2013). These improvements are still subject to endorsement by European Union. The 2009-2011 annual improvements affects: IFRS 1, IAS 1, IAS16, IAS 32 and IAS 34.

- IFRS 1 (amendment), 'First time adoption of IFRS' (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2013). This amendment creates an additional exemption when an entity that has been subject to severe hyperinflation presents financial statements in accordance with IFRSs for the first time. The exemption allows an entity to elect to measure certain assets and liabilities at fair value; and to use that fair value as the deemed cost in the opening IFRS statement of financial position. Another change refers to the replacement of references to a fixed date with "the date of transition to IFRS" for retrospective adoption exemptions.

- IFRS 1 (amendment) 'First time adoption of IFRS – government loans' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. This amendment clarifies how a first-time-adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, giving the same relief that was granted to existing preparers in 2009.

- IFRS 10 (new), ´Consolidated financial statements (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). IFRS 10 replaces all the guidance on control and consolidation in IAS 27 and SIC 12, changing the definition of control and the criteria applied to determine control. The core principal that a consolidated entity presents a parent and its subsidiaries as a single entity remain unchanged.

- IFRS 11 (new), 'Joint arrangements' (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). IFRS 11, focus on the rights and obligations of the joint arrangements rather than its legal form. Joint arrangements can be joint operations (rights to the assets and obligations) or joint ventures (rights to net assets, applying equity method). Proportional consolidation of joint venture is no longer allowed for joint ventures.

- IFRS 12 (new), 'Disclosure of interest in other entities' (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2014). This standard sets out the required disclosures for all types of interests in other entities, including joint arrangements, associates and special purpose vehicles, to allow the evaluation of the nature, risks and financial effects associated with entity's interests.

- Amendment to IFRS 10, 11 and 12, 'Transition guidance' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. This amendment clarifies that, when from the adoption of IFRS 10 results a different accounting treatment from IAS 27/SIC12 application, the comparatives must be adjusted to only the preceding comparative period, being the differences calculated recognised as at the beginning of the comparative period, in equity. Specific disclosures requirements are included in IFRS 12.

- Amendment to IFRS 10, 11 and IAS 27,'Investment entities´ (effective for annual periods beginning on or after 1 January 2014). This standard is still subject to endorsement by European Union. This amendment defines an investment entity and introduces an exception from consolidation under IFRS 10, for the investment entities that qualify, for which all investments in subsidiaries are required to be measured at fair value through profit and loss under IAS 39. Specific disclosures requirements are included in IFRS 12.

- IFRS 13 (new), 'Fair value measurement and disclosure' (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2013). IFRS 13 aims to improve consistency by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.

- IAS 27 (revised 2011), 'Separate financial statements' (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2013). IAS 27 was revised after the issuance of IFRS 10 and contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the entity prepares separate financial statements.

- IAS 28 (revised 2011),'Investments in associates and joint ventures' (to be applied in EU at the latest in the annual periods beginning on or after 1 January 2013). IAS 28 was revised after the issuance of IFRS 11 and prescribes the accounting for investments in associates and joint ventures, and sets out the requirements for the application of equity method.

- IFRS 7 (amendment) 'Disclosures - Offsetting Financial Assets and Financial Liabilities' (effective for annual periods beginning on or after 1 January 2013). This amendment is part of the IASB offsetting project which introduces new disclosure requirements about entity's right to offset (assets and liabilities), amounts offset, and the effects of these in the credit exposure.

- IAS 32 (amendment) 'Offsetting Financial Assets and Financial Liabilities' (effective for annual periods beginning on or after 1 January 2014). This amendment is part of the IASB offsetting project which clarifies the meaning of "currently has a legally enforceable right to set-off", and clarifies that some gross settlement systems (clearing houses) may be equivalent to net settlement.

- IFRS 9 (new), 'Financial instruments - classification and measurement' (estimated effective for annual periods beginning on or after 1 January 2015). This standard is still subject to endorsement by European Union. IFRS 9 refers to the first part of financial instruments new standard and comprises two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. Financial instrument are measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise financial instruments are measured at fair value through profit and loss.

2.2. Interpretations

- IFRIC 20 (new),'Stripping costs in the production phase of a surface mine (effective for annual periods beginning on or after 1 January 2013). This interpretation refers to the accounting of overburden waste removal costs in the production phase of a surface mine, as an asset, considering that the waste removal generates two potential benefits: immediate extraction of mineral resources and improved access to further quantities of mineral resources to be extracted in the future.

No material impacted on the issued financial statements are expected from the application of these standards.

c. Financial Assets e Liabilities

Financial Assets are mainly registered in the Loans and Other Receivables caption. As for Financial Liabilities they are included in the Amortized Liabilities caption.

Detail is as follows:

	Loans and receivables	Fair value through profit or loss	Derivatives as hedging	Available for sale assets	Total
Trade receivables	116,758	-	-	-	116,758
Income tax assets	3,092	-	-	-	3,092
Other current assets	28,172	-	252	3,573	31,997
Cash and cash equivalents	21,681	-	-	-	21,681
Total as of December 31, 2011	**169,703**	**0**	**252**	**3,573**	**173,528**
Trade receivables	124,108	-	-	-	124,108
Income tax assets	4,852	-	-	-	4,852
Other current assets	28,947	-	524	3,735	33,206
Cash and cash equivalents	39,015	-	-	-	39,015
Total as of December 31, 2012	**196,922**	**0**	**524**	**3,735**	**201,181**

(thousand euros)

	Fair value through profit or loss	Derivatives as hedging	Other financial liabilities at amortized cost	Total
Interest-bearing loans			139,105	139,105
Other borrowings and creditors	1,283	2,076	39,058	42,417
Trade payables			105,939	105,939
Income tax liabilities			5,264	5,264
Total as of December 31, 2011	**1,283**	**2,076**	**289,366**	**292,725**
Interest-bearing loans			160,594	160,594
Other borrowings and creditors	1,484		45,566	47,050
Trade payables			99,240	99,240
Income tax liabilities			7,848	7,848
Total as of December 31, 2012	**1,484**	**0**	**313,248**	**314,732**

(thousand euros)

Customers balances are denominated in USD (6.3%), CLP (5.5%), ZAR (0.9%), AUD (1.7%), being the remaining almost totally euro based. As business in Argentina started to be conducted by associate Corchos Argentina, customer's balances in Argentinian pesos (ARS) no longer exist. Exchange differences are due, mainly, to non-euro based customer's balances, as well as foreign currency loans used as a hedge accounting instrument.

Mozelos, February 18, 2013

The Board of Corticeira Amorim, S.G.P.S., S.A.

António Rios de Amorim
Chairman

Nuno Filipe Vilela Barroca de Oliveira
Vice-President

Fernando José de Araújo dos Santos Almeida
Member

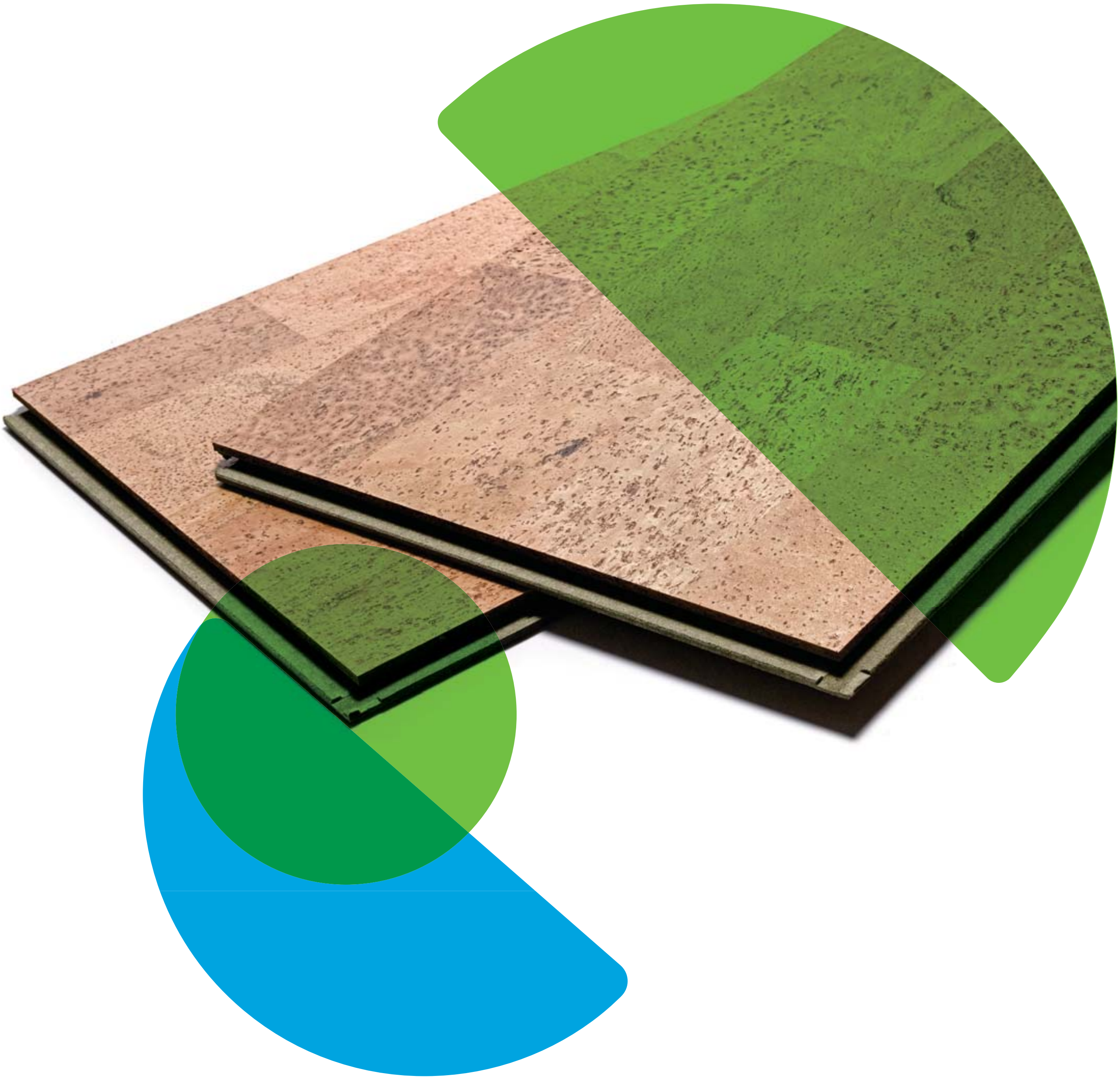
Cristina Rios de Amorim Baptista
Member

Juan Ginesta Viñas
Member

Jorge Manuel Seabra de Freitas
Member

06

LEGAL OPINION



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

SUPERVISORY BOARD'S REPORT

To the Company's Shareholders,

In accordance with the law and the powers, duties and responsibilities conferred on us, we are pleased to submit the report on our supervisory activities for your consideration and we issue our opinion on the Directors' Report and the annual financial statements prepared by the Board of Directors of CORTICEIRA AMORIM, SGPS, SA for the year ended December 31, 2012.

I - RESPONSIBILTIES OF THE SUPERVISORY BOARD MEMBERS

During the year under review, we have monitored the business of the Company at such intervals and to the extent deemed appropriate and we have been given access to all critical documents deemed relevant. No situation disrespecting the law or the Company's Articles of Association has been noted by this Board while checking the accuracy and completeness of the bookkeeping. We have also examined the reports of the Statutory Auditors issued by PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., a firm of chartered accountants and registered auditors. Our examinations included the annual financial statements and the consolidated annual financial statements of CORTICEIRA AMORIM, SGPS, SA, both of which were prepared in accordance with the law.

To be more precise, the procedures carried out by this Board included:

- monitoring the business of the Company either by holding regular meetings with the members of the Board of Directors, the Executive Committee and other officers of the Company or by perusing the relevant minutes and we have received all explanatory information requested;
- assessing the appropriateness and consistency of application of the accounting policies adopted by the Company;
- examining the system of internal control implemented in the Company;
- examining the financial information disclosure by the Company.

We should like to underline the major substantive and diligent contribution of the entire organization – from the Board of Directors down to the administrative staff – towards making possible that this Board could accomplish its mission in an accurate and efficient manner.

Attention should also be drawn to the level of professional expertise and competence shown by PricewaterhouseCoopers & Associados, SROC, Lda. (the chartered accountants of the Company), in particular by its representative Mr. António Joaquim Brochado Correia and his team during the year ended December 31, 2012.

II – CONCLUSION

In carrying out our duties, we have noted:

- that the Statement of Financial Position, the Income Statement and other accounting records and their explanatory notes in respect to both the annual financial statements and the consolidated annual financial statements have been prepared in accordance with the relevant legal requirements;
- the appropriateness of the accounting policies and valuation criteria used by the Company, which policies and criteria are adequately reflected in the notes to the annual financial statements and the consolidated annual financial statements;
- that the Directors' Report is sufficiently clear as to the business performance and the state of affairs of the Company and the Group and highlights the most significant aspects;
- that the proposal for appropriation of profit is well-founded.

III – OPINION

Based on the information obtained from the Board of Directors and a number of administrative staff of the Company and taking the report of the Statutory Auditors into account, we are of the opinion that:

i. the Directors' report should be approved;

ii. the Company's annual financial statements and the consolidated annual financial statements should be approved;

iii. the proposal for appropriation of profit should be approved.

IV - STATEMENT OF RESPONSIBILITY

In accordance with Section 245.1(c) of the Portuguese Securities Market Act and in our capacity as members of the Supervisory Board, we hereby attest that to the best of our knowledge the annual financial statements and other accounting records and supporting documents were prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of CORTICEIRA AMORIM, SGPS, SA and the undertakings included in the consolidation taken as a whole.

We also state that the Directors' report fairly reflects the evolution to date of CORTICEIRA AMORIM, SGPS, SA's business activities, its business performance and state of affairs as well as of the undertakings included in the consolidation taken as a whole. The Directors' report includes a special chapter identifying the major business risks and uncertainties faced by the Company.

We further attest that the data referred to in Section 245-A of the Portuguese Securities Market Act are included in the Corporate Governance Report on the structure and corporate governance practices adopted by CORTICEIRA AMORIM, SGPS, SA.

V - ACKNOWLEDGMENTS

Finally, a word of appreciation to:

- the Directors, for their availability, cordiality and transparency;
- the Organization, for making all human and material resources deemed necessary to assist us in our work readily available; and
- the auditors Messrs.' PricewaterhouseCoopers for their excellent work in providing public evidence of the high standards of internal control and financial reporting consistently adopted by CORTICEIRA AMORIM, SGPS, SA.

Mozelos, March 7, 2013

THE SUPERVISORY BOARD

Durval Ferreira Marques

Joaquim Alberto Hierro Lopes

Gustavo José de Noronha da Costa Fernandes pwc

Audit Report for Statutory and Stock Exchange Regulatory Purposes on the Consolidated Financial Information

(Free translation from the original in Portuguese)

Introduction

1 As required by law, we present the Audit Report for Statutory and Stock Exchange Regulatory Purposes on the financial information included in the consolidated Management Report and in the attached consolidated financial statements of Corticeira Amorim, S.G.P.S., S.A., comprising the consolidated statement of financial position as at December 31st, 2012 (which shows total assets of Euro 643,767 thousand and total shareholder's equity of Euro 295,246 thousand including non-controlling interests of Euro 14,655 thousand and a net profit of Euro 31,055 thousand), the consolidated statement of income by nature, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare the consolidated Management Report and the consolidated financial statements which present fairly, in all material respects, the financial position of the Company and its subsidiaries, the consolidated results and the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows; (ii) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the European Union and which is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code; (iii) to adopt appropriate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any significant matters which have influenced the activity, financial position or results of the Company and its subsidiaries.

3 Our responsibility is to verify the financial information included in the financial statements referred to above, namely as to whether it is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code, for the purpose of issuing an independent and professional report based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Accordingly, our audit included: (i) verification that the Company and its subsidiaries' financial statements have been appropriately examined and, for the cases where such an audit was not carried out, verification, on a sample basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements and assessing the reasonableness of the estimates, based on the judgements and criteria of the Board of Directors used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations [and the utilization of the equity method (when applicable)]; (iii) assessing the appropriateness of the accounting

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principles used and their disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; (v) assessing the overall presentation of the consolidated financial statements; and (vi) assessing the completeness, truthfulness, accuracy, clarity, objectivity and lawfulness of the consolidated financial information.

5 Our audit also covered the verification that the information included in the [consolidated] Directors' Report is consistent with the financial statements as well as the verification set forth in paragraphs 4 and 5 of Article 451º of the Companies Code.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the consolidated financial statements referred to above, present fairly in all material respects, the consolidated financial position of Corticeira Amorim S.G.P.S., S.A. as at December 31st, 2012, the consolidated results and the consolidated comprehensive income of its operations, the changes in consolidated equity and the consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and the information included is complete, true, up-to-date, clear, objective and lawful.

Report on other legal requirements

9 It is also our opinion that the information included in the consolidated Management Report is consistent with the consolidated financial statements for the year and that the Corporate Governance Report includes the information required under Article 245º-A of the Portuguese Securities Market Code.

March 4th, 2013

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda
Registered in the Comissão do Mercado de Valores Mobiliários with no. 9077
represented by:

António Joaquim Brochado Correia, R.O.C.

TITLE

Annual Report and Accounts 2012 – CORTICEIRA AMORIM, S.G.P.S., S.A.

PROPERTY AND COORDINATION

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