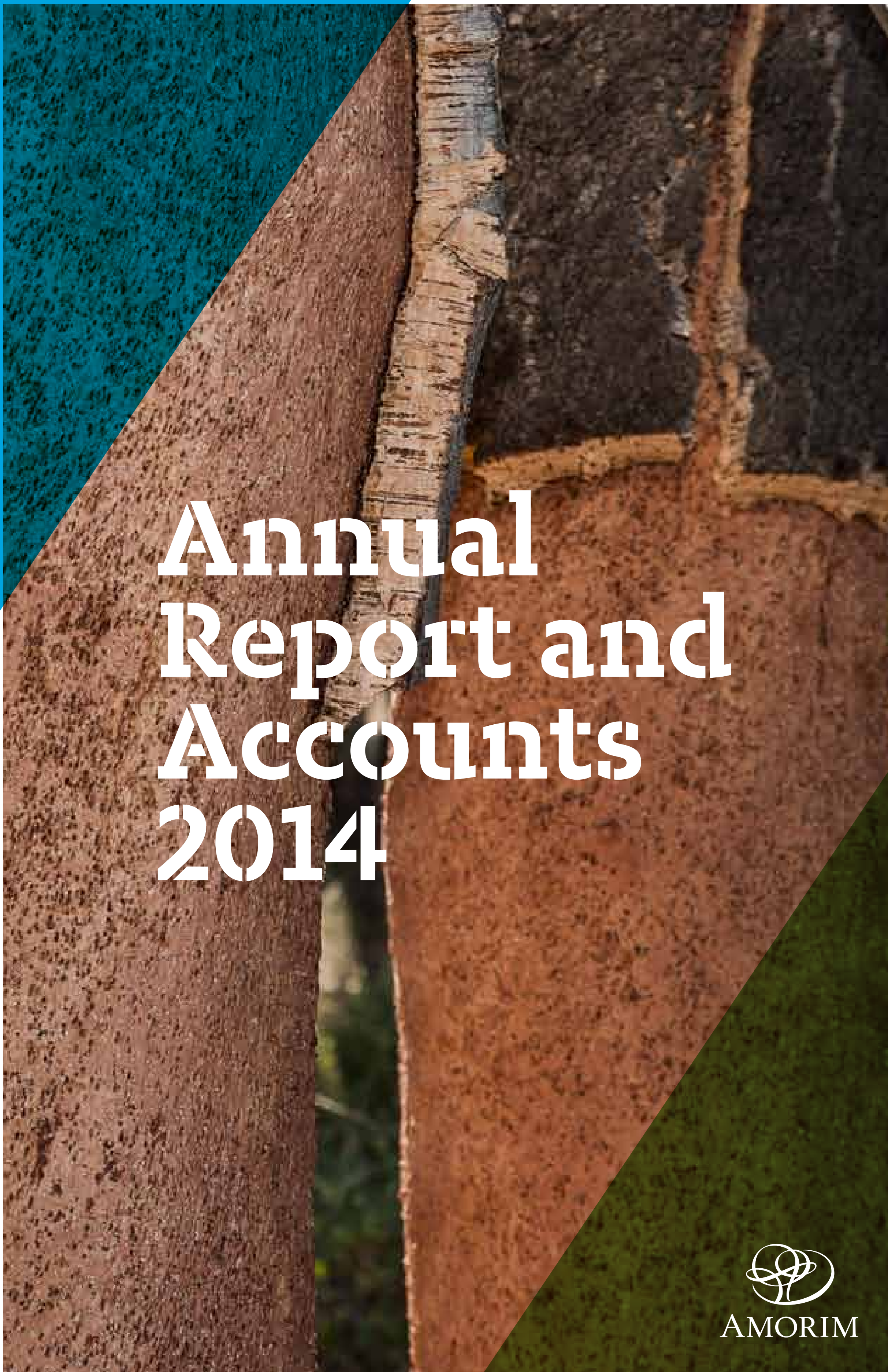
Annual Report and Accounts 2014



AMORIM

CHAIRMAN'S MESSAGE

We began 2014 in a mood of moderate optimism and, as the year progressed, our expectations were confirmed. Although business activity did not return to robust growth levels, neither in Portugal not in Europe as a whole, fears of an economic contraction were allayed. A recovery in confidence, the consolidation of fiscal balances and the determined action of the European Central Bank contributed decisively to overturning the negative economic outlook that had predominated in Europe in recent years. The US continued to lead the way in attacking weak growth and the threat of deflation.

In spite of this good news, however, other developments overshadowed 2014. The worsening conflict involving Ukraine and Russia and the sanctions imposed on Moscow affected trade relations in the region. The end of a long cycle of rising commodity prices, from foodstuffs and metals to gas and oil, significantly altered the pattern of growth in emerging economies.

Corticeira Amorim enjoyed its most successful year to date in 2014, when the Company reported the best ever figures in its long history. Sales, EBITDA and earnings all grew significantly and were higher than in any previous year.

The improved economic climate in some of our biggest markets, the impact of improvements in operating efficiency and the effect of investments made in recent years were the main factors behind the Company's success. Our efforts to focus on teambuilding, both in production and customer relations, and our continuous improvement initiatives, now an established hallmark of the **Corticeira Amorim** Group, further supported our success. The improvement in our financial position – lower debt levels and lower interest rates – also made an important positive impact on our performance.

The **Raw Material Business Unit** achieved significant growth as a result of its extensive purchasing campaign in 2013, facilitating the access of our manufacturing companies to the necessary quality and quantities of cork for their products. In 2014, the Raw Materials BU's successes included a competitive cork purchasing campaign, consolidating the investments it has made in modernising its installations and continuing investment in forestry R&D.

The **Cork Stoppers BU** has achieved sustained and consistent growth, identifying and rigorously implementing a strategy critical to developing and expanding its business. Focusing on increasing and consolidating its market share and carefully controlling efficiency, the BU has strengthened its standing in the wine market, surpassing its direct competitors with a unique offer in terms of product reliability, availability and customer service.

In 2014, the **Floor and Wall Coverings BU**'s business turnover fell in comparison with the previous year, largely due to the political and economic situation in Eastern Europe. In addition, the robust increase in sales at US Floors was not in the product ranges supplied by the Floor and Wall Coverings BU.

Profound changes in its business model marked 2014 at the **Cork Composite BU,** specifically the transfer of granulated cork stopper production to the Cork Stopper BU and the concentration of cork rubber production lines at a single location, generating synergies as well as logistical and industrial cost-savings and strengthening the BU's competitive position. Although total sales fell below the level of 2013, the BU increased sales, albeit slightly, to markets outside the **Corticeira Amorim** Group.

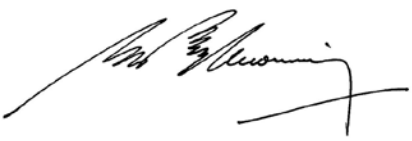
The **Insulation Cork BU** achieved a significant increase in business volumes, particular of expanded insulation corkboard, the BU's main product. This reflected the BU's careful monitoring of its main markets as well as strong demand for the environmentally-friendly and versatile products it produces.

The year of 2014 also saw the creation of **Corticeira Amorim**'s business incubator, designed to encourage entrepreneurship and to support research and innovation in the cork sector. **Amorim Cork Ventures** was founded with the aim of fostering the creation and promotion of new cork products and businesses targeted mainly at overseas markets, and with providing entrepreneurs with access not only to finance, but also to management skills, knowhow and contact networks in a wide range of sectors and countries. The interest generated by this initiative and the knowledge it promises to bring to the sector are genuinely exciting.

At **Corticeira Amorim**, we are conscious of the importance of cork as a material that responds like no other to the challenge of new consumption patterns focused on sustainability and ethical concerns. These trends reaffirm the validity of our mission on a daily basis and will ensure that our goals remain clear. As the industry leader, we place our talent and our skills at the service of developing a portfolio of cork products in the limitless areas where it can contribute real value. In doing this, we will focus on quality, technical performance and harmony with nature. This is the permanent challenge facing us. It is also our passion and the goal we are determined to achieve.

On behalf of myself and the Board of Directors of **Corticeira Amorim**, I would like to express our thanks and appreciation to our customers for their continued support; to our staff for their commitment, professionalism and the enthusiasm with which they faced every challenge during the year; to our suppliers for strengthening existing partnerships; and to the shareholders of **Corticeira Amorim** for the confidence they have placed in our team.

Cordially,



António Rios de Amorim

CORK OAK FOREST

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

Luísa Alexandra Ramos Amorim
Member

Juan Ginesta Viñas
Member

BOARD OF THE GENERAL MEETING

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Chairman

Rita Jorge Rocha e Silva
Secretary

SUPERVISORY BOARD

Manuel Carvalho Fernandes
Chairman

Ana Paula Africano de Sousa e Silva
Member

Eugénio Luís Lopes Franco Ferreira
Member

Durval Ferreira Marques
Substitute Member

STATUTORY AUDITOR

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

Hermínio António Paulos Afonso (ROC)
Substitute

As of December 31, 2014

ORGANIZATIONAL CHART

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

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

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

Distribution

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

Trefinos Australia, Pty Ltd
Adelaide – Australia

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 – Bulgaria

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
Vienna – Austria

Portocork America, Inc.
Napa Valley, CA – USA

Amorim Cork South Africa (PTY) Ltd.
Cape Town – South Africa

Corchera Gomez Barris, SA
Santiago – Chile

Wine Packaging & Logistic, SA
Santiago – Chile

Industria Corchera, S.A.
Santiago – Chile

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

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

Amorim Cork Beijing, Ltd.
Beijing – 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

R&D, INNOVATION

Amorim Cork Research, Lda.
Mozelos – Portugal

Amorim Cork Services, Lda.
Mozelos – Portugal

Amorim Cork Ventures, Lda.
Mozelos – Portugal

COMPOSITE CORK

Amorim Cork Composites, S.A.

Amorim Cork Composites, S.A.
Mozelos – Portugal

Amorim Cork Composites, S.A.
Corroios – Portugal

Amorim Industrial Solutions Imobiliária, S.A.
Corroios – Portugal

Corticeira Amorim France, S.A.S.
Lavardac – France

Amorlink – Noise & Vibration Control, Ltd
Istambul – Turkey

Chinamate (Xi'an) Natural Products Co. Ltd.
Xi'an – China

Amosealtex Cork Co., Ltd
Shanghai – China

Amorim Cork Composites, Inc.
Trevor, WI – USA

Amorim (UK) Limited
West Sussex – United Kingdom

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
Vienna – Austria

Amorim Flooring (Switzerland) AG
Zug – Switzerland

Amorim Revestimientos, S.A.
Barcelona – Spain

Dom Korkowy, Sp. Zo.o
Krakow – 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

SIX BY JAMES IRVINE

WORLDWIDE PRESENCE

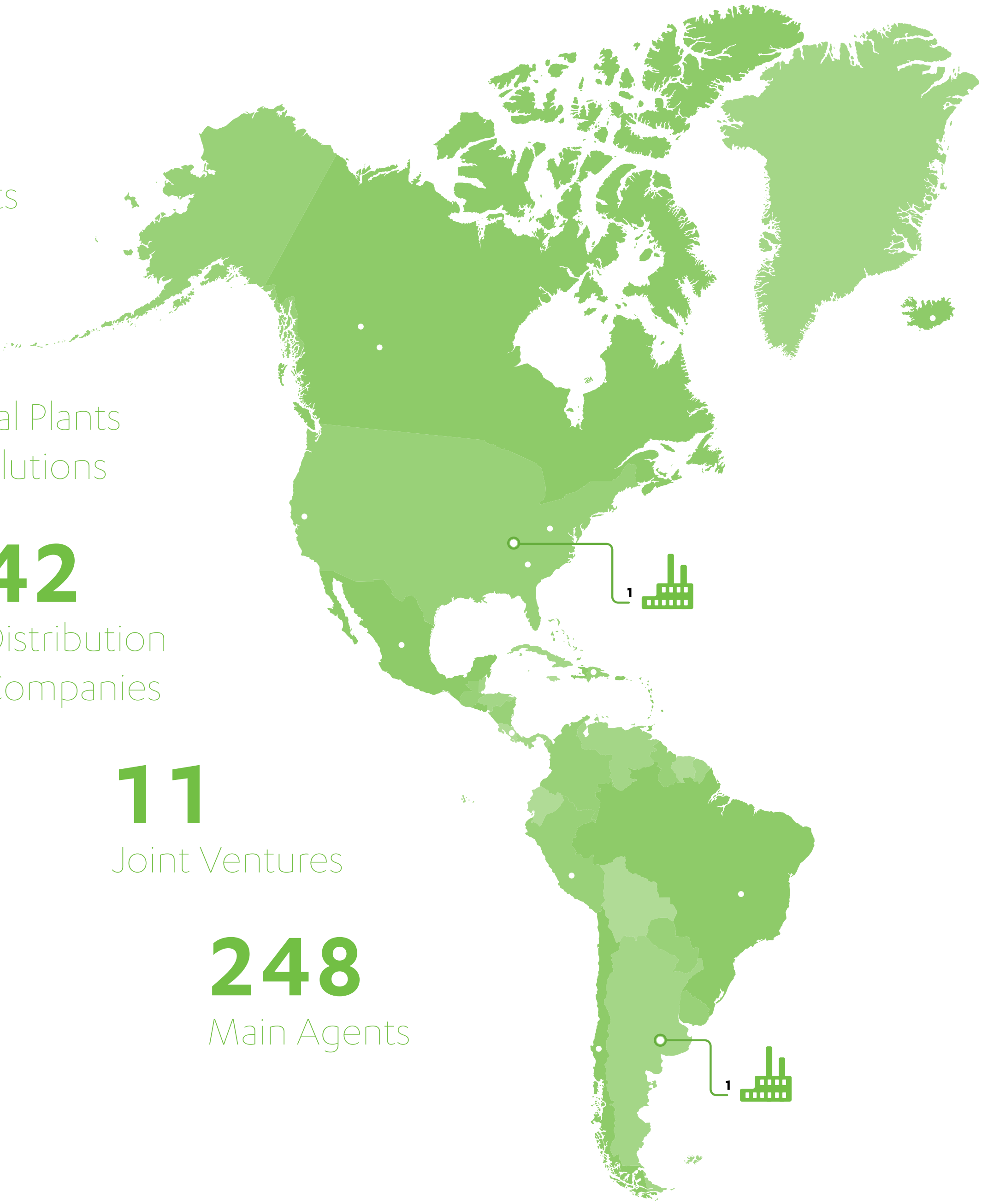
11
Industrial Plants
Raw Material

19
Industrial Plants
Cork Solutions

42
Distribution
Companies

11
Joint Ventures

248
Main Agents

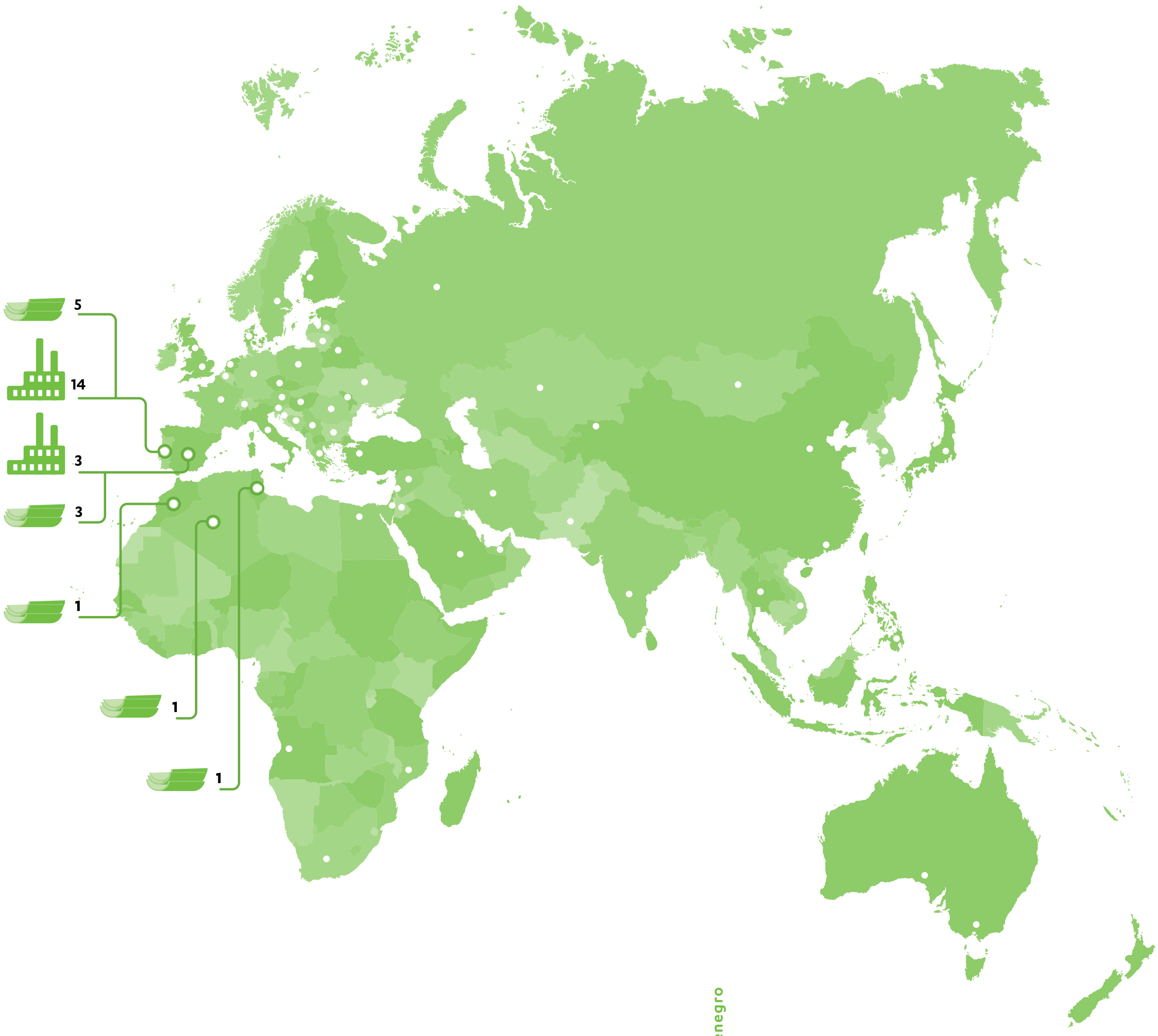


Countries	Algeria	Angola	Argentina	Australia	Austria	Belarus	Belgium	Bosnia	Brazil	Bulgary	Cabo Verde	Canada	Chile	China	Costa Rica	Crimea	Croatia	Czech Republic	Denmark	Dominican Republic	Egypt	Estonia	Finland	France	Georgia	Germany	Greece	Hong Kong	Hungary	Iceland	India	Israel	Italy
IP Raw Material	1																																
IP Cork Solutions			1																														
Distribution Companies			1	2	1					1			2	1					1					9		3			1				3
Joint Ventures			1										2	1					1					1									
Main Agents		1		4	3	1	9	1	5	1	1	2	1	2	1	1	1	3		1	1	2	2	24	1	29	1	1	2	1	2	1	6

Geographic Location

Industrial Plants
Raw Material

Industrial Plants
Cork Solutions



	Japan	Jordan	Kazakhstan	Kuwait	Kyrgyzstan	Latvia	Lebanon	Lithuania	Malta	Mexico	Moldavia	Mongolia	Morocco	Mozambique	Netherlands	Pakistan	Peru	Philippines	Poland	Portugal	Russia	Saudi Arabia	Scotland	Serbia, Macedonia, Montenegro	Singapore	Slovenia	South Africa	South Korea	Spain	Sweden	Switzerland	Thailand	Tunisia	Turkey	Ukraine	United Arab Emirates	United Kingdom	USA	Vietnam
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01

Singificant Events

SINGIFICANT EVENTS

JANUARY

Corticeira Amorim volunteers plant 2014 cork oak trees. The initiative, part of the Common Forest programme and organised in partnership with the Portuguese environmental association Quercus, covered a three-hectare area near Caramulo in northern Portugal, which had been arid during the previous two years. It was one of a number of reforestation projects using indigenous Portuguese trees to be undertaken by **Corticeira Amorim** volunteers. As a result of these initiatives, more than 8,000 native Portuguese trees, with a special focus on cork oaks, were planted by the end of 2014.

Cork stoppers exhibited at the London Design Museum. Curated by the internationally-acclaimed designers Edward Barber and Jay Osgerby, the *In the Making* exhibition featured 24 semi-manufactured objects showcasing the aesthetics of "the unfinished object" at this famous museum. Cork stoppers were represented by a piece of semi-processed cork, a choice that highlighted the singularity of the process by which products are manufactured from this natural raw material.

Amorim Floor and Wall Coverings presented Corktech: the technology that differentiates Wicanders® cork floor and wall coverings. The presentation highlighted the tangible benefits of the Wicanders® collections: superior thermal and acoustic performance, greater comfort and well-being and greater resistance to impact. This performance is based on the multi-layered structure of the products, which includes cork subflooring.

FEBRUARY

ModaLisboa (Lisbon Fashion Week) features cork designs. As the result of a partnership with **Corticeira Amorim**, cork was the central element featured in the sets and interior design of the whole event – and its use not being limited to flooring. Expanded cork agglomerate – characterised by its dark colouring – was used extensively as a wall covering and in furniture specially designed for ModaLisboa.

Amorim Floor and Wall Coverings present phthalates-free solution for high-traffic surfaces. This technological advance enables the replacement of phthalates, a substance present in plasticisers that can be damaging to health, across the full range of High Performances Surfaces (HPS). It also has benefits in terms of interior air levels while retaining the beneficial characteristics of the product, including flexibility, transparency and durability.

MARCH

Vitrahaus Loft, the first joint project of the Vitra and Artek brands, features Corticeira Amorim cork solutions. The space highlights the shared values of the Artek and Vitra brands, who joined together last autumn and used this loft for their first joint show. Commissioned by Studioilse, the VitraHaus Loft was open to the public all year, functioning as an extension of the Vitra Campus.

Corticeira Amorim supplies cork for special effects in Captain America 2 Transformers 4. Cork's exceptional qualities of lightness and softness and its standing as an environmentally-friendly material led to it being used in these Hollywood mega productions that premiered in 2014.

APRIL

Partnership between Wallpaper, Corticeira Amorim and the US studio Todd Bracher presents cork jackets at the Salone del Mobile in Milan. *Handmade* is the annual exhibition organised by the internationally-acclaimed design and architecture magazine *Wallpaper*, which is committed to fostering new partnerships aimed at the launch and presentation of unique objects that challenge the frontiers of design.

Lone navigator Ricardo Diniz packs cork for his one-man voyage from Portugal to Brazil. This successful voyage was designed to honour the Portuguese national football team and to promote Portugal at the biggest world event of 2014, the World Cup finals. Different types of cork were used in different parts of the sailing boat to make the voyage more comfortable.

Revisilent flooring, created by Revigrés in partnership with Amorim Cork Composites, receives innovation award. The prize, awarded by the Portuguese publications *Anteprojetos* and *Construir*, is given to companies that develop innovative products for the construction industry.

JUNE

Corticeira Amorim creates Amorim Cork Ventures, a business incubator aimed at fostering the creation and projection of new products and businesses involving cork and mainly geared to overseas markets. It aims to provide entrepreneurs access not only to finance, but also to management skills, knowhow and contact networks in different sectors and countries.

Britain's Royal College of Art exhibits work by Erika Cross made with cork. The project results from a partnership between the London college and **Corticeira Amorim** that led to the inclusion of a module dedicated to cork in the RCA's Design Masters degree, one of the most prestigious design courses in the world. In her work, titled *Tri-Fold*, the *designer* Erika Cross uses the properties of cork conglomerate and waterproof textiles to create rigid, robust but also light and customisable protection and support structures.

JULY

Ervideira, Corticeira Amorim and El Corte Inglés join forces for the global launch of Helix, the innovative wine packaging product that introduces the concept of easy-opening to wine bottles with cork stoppers. Presented to the international wine industry in 2013 at the world's largest wine fair (Vinexpo in Bordeaux), Helix is already being used by numerous wine brands in Portugal, Spain, France and Italy.

SEPTEMBER

Amorim Isolamentos promotes its 5th international conference in Lisbon. The initiative brought together more than 100 architects of 18 nationalities to share knowhow about expanded insulation corkboard, with a special focus on its adaptability and potential for construction systems. The event helped expand knowledge about the global market, trends and expectations, particularly in regard to innovative design solutions, production processes and the sustainability of materials.

OCTOBER

James Irvine's SIX included in the MATERIA collection, a **Corticeira Amorim** project curated by Experimentadesign that now comprises 23 objects created by 11 Portuguese and international designers. SIX was one of the last objects created by the remarkable British designer James Irvine, who, in a creative and functional way, sought to broaden the use of cork and strengthen its age-old connection with wine.

Mercedes-Benz and Garrett McNamara develop a cork surfboard, an initiative made possible through a partnership between **Corticeira Amorim** and Polen Surfboards. The choice of cork was clear to Garrett, who describes this sustainable raw material as "highly resistant and yet flexible enough to withstand the impact of giant waves".

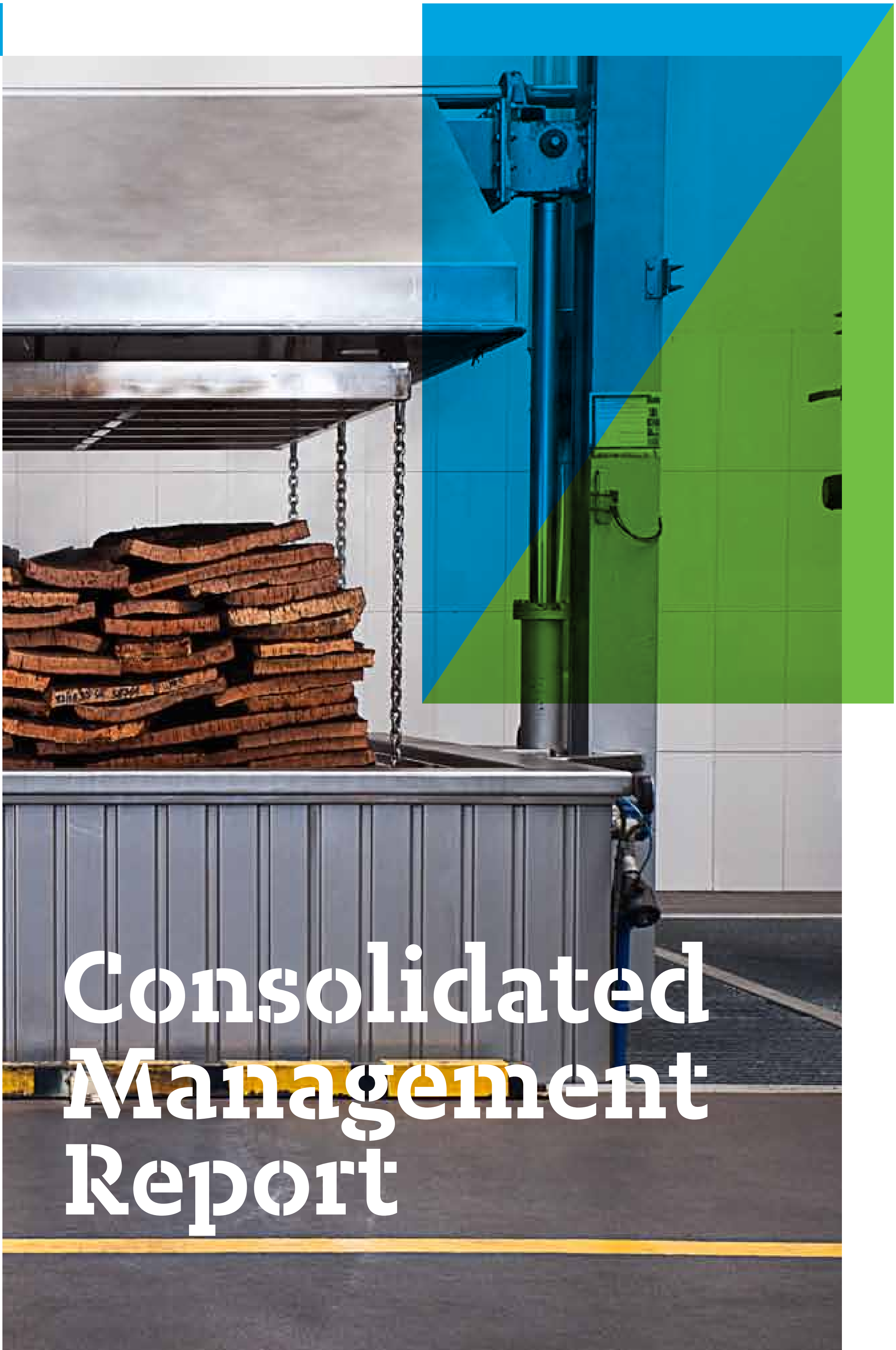
NOVEMBER

Istanbul Design Biennial highlights Portuguese cork. Organised by the Istanbul Art and Culture Foundation (iKSV), the city's second biennial provided a privileged platform for rethinking the role of design in contemporary society and its potential as an active agent of change. **Corticeira Amorim**, the exclusive supplier of cork to the event, sponsored the initiative and the acclaimed international architectural studio Superpool designed the interior space.

Cork skateboard awarded the JEC Innovation Award in Asia. Developed by Lavender | Archer Cork Skateboards in partnership with **Corticeira Amorim**, the product represents an evolution from traditional skateboards, providing the skater with an excellent board that significantly reduces levels of vibration as well as having other proven technical and environmental advantages.

CORK PLANKS

(02)



Consolidated Management Report

1

MACROECONOMIC TRENDS IN 2014

1.1. GLOBAL OVERVIEW

The rate of growth in 2014 was similar to that of the preceding year and is estimated at around 3.3%. As in the two previous years, growth was disappointing in terms of prevailing expectations. However, the detailed breakdown of the components of growth differed. Emerging markets did not, as previously, make a decisive contribution. Instead, world growth was driven by developed economies. Divergences between economies increased correspondingly, with the US and the UK standing positively among the others. The Euro Zone and Japan expanded only marginally. The perspective for the normalisation US Federal Reserve monetary policy, a factor present since May 2013, was determinant for growth in emerging economies, especially those most exposed to external sources of financing or to the US dollar. The planned slowdown in China and the sharp fall in commodity prices (oil prices plummeted 50% between June and the end of the year), which some have designated "the end of the commodities supercycle", constituted other restrictive factors. Globalisation did not go into reverse, but its advance slowed – international trade grew at a rate of 3.1%. Geopolitical instability also worsened over the course of the year with the Ukrainian question negatively impacting on the Euro Zone.

The **Euro Zone** economy did grow in 2014 but at only a weak pace, despite otherwise favourable conditions for expansion, registering a growth rate of only around 0.8%. This nevertheless represented a return to positive year-on-year growth following the contraction of the previous year. Instability in Ukraine, armed clashes with Russia, the slowdown in economies such as China, whose influence on growth in the core European is greater, were largely responsible for this weak performance. Most notably, performance differed considerably when the major European economies are compared with those on the periphery. The employment market displayed two distinct dynamics – continued low levels of German unemployment and the stabilisation of high levels of aggregate unemployment. The unemployment rate closed the year at 11.6%. Credit to the non-financial private sector registered a contraction throughout the year, despite successive rate cuts. The Euro Zone observed continued low levels of both inflation and inflationary expectations throughout the year. Consumer prices are forecast to have closed the year in contraction, reflecting a 0.4% annual inflation rate in 2014.

The **US** recorded growth of 2.4%, below the desirable level but nevertheless up on the 2.2% recorded in the previous year. Following a sharp contraction in the first three months due to extreme weather conditions, the recovery expectations of even the most optimistic commentators were surpassed. Private consumption and investment, benefiting from lower oil prices, less restrictive fiscal policies and the continuation of expansionary monetary policies all played a role in contributing to growth. Unemployment fell continuously and sharply over the year, with rates below 6% being recorded from September. Despite the fall in the price of oil, downward pressures on international prices and the strength of the US dollar, inflation is forecast to rise above the 2013 level to about 2%.

Japan saw growth fall from the levels obtained in 2013. After a positive first quarter, there was a sharply negative reaction (a technical recession in the third quarter) to a planned rise in the consumption tax rate on April 1 and the slowdown in China. The introduction of compensatory measures led to a degree of economic recovery, the annual growth rate being estimated at 0.6%.

Alongside the US, the **UK** also recorded an increase in growth in 2014, expanding at a rate of about 2.6%.

Australia also witnessed acceleration in its growth rate to about 2.8%.

In regard to emerging markets, expectations were revised downwards. The most recent forecasts from the International Monetary Fund point to growth across these economies of around 4.4%. **China** is currently undertaking an alteration in its pattern of growth - seeking to minimise its economic vulnerabilities, leading to successively lower rates of growth over the course of the year. China was expected to record growth of around 7.4%, its lowest rate in the past 24 years. However, **India** saw a pick up in growth and was estimated to have grown by around 5.8%. Growth in **Brazil** and **Russia** were disappointing – despite international institutional forecasts projecting positive variations in output of 0.1% and 0.6% respectively, there were fears that the definitive values would show contractions in their economies. **South Africa** saw its growth rate slow over the course of 2014 to an estimated 1.4%.

In terms of monetary policy, 2014 saw a continuation of the tonic provided by the ultra-expansionist conditions prevailing in previous years and implemented to deal with the fallout from the financial and economic crisis that began in 2007/08. The major difference stemmed from the decision of the American Federal Reserve (FED) gradually to wind down, or taper, the extraordinary measures known as quantitative easing, and from the willingness of the European Central Bank, particularly from May/June onwards, to consider a similar approach to those of the FED and the Bank of England (BoE). In 2014, the Bank of Japan maintained its extraordinary approach, an indication of a divergent trend in monetary policies between the US and Japanese central banks and economies, reflecting disparities in their respective economic cycles. Bond yields have dropped significantly for developed economies whilst risk premiums for many emerging economies have increased. Inflation feels generally across the world, with several economies recording negative pricing fluctuations towards the end of the year. The fall in the price of oil, which accelerated following OPEC's refusal to cut production in late November, together with a general fall in food prices, created a general climate of deflation. The ECB maintained the expansionist approach it first implemented in 2013 and twice cut its reference rate from 0.25% to a minimum of 0.05%. It also introduced negative absorption rates for the first time.

CORK OAK TREE RECENTLY HARVESTED

1.2. PORTUGAL

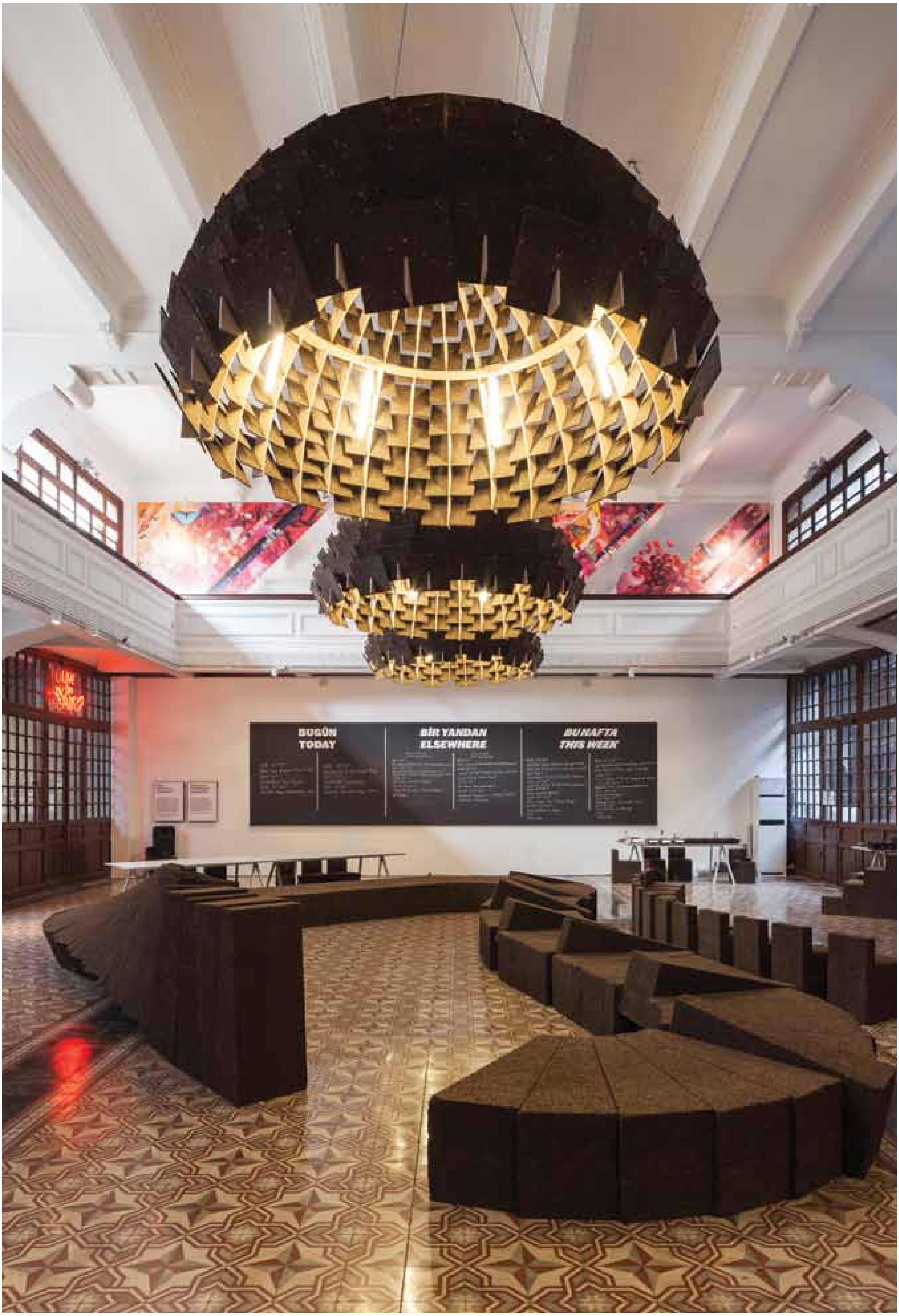
After three years of recession, Portugal is expected to have recorded economic growth of about 0.9% in 2014 – with activity levels maintaining the upwards trend that began to emerge in 2013. This positive trend was underpinned by a "framework of moderate growth in economic activities and a level of prices characterised by Portugal's need to maintain its capacity to reduce external debt"[1].

Private consumption, especially of consumer durables, drove this return to growth with an unexpectedly positive performance, especially following the end of Portugal's Economic and Financial Assistance Program. Exiting the programme helped strengthen confidence. It was also a favourable year for investment, which increased by about 2.2%, mainly driven by the rebuilding of capital stock following years of decline. Investment led the contribution to growth made by internal demand, which rose by an estimated 2.3%. This trend contrasted sharply with the three preceding years. Contrary to expectations, net exports did not contribute positively to economic growth. However, the export sector nevertheless put in a good performance (clear diversification in destinations and products, a growing contribution from services including tourism), even though export volumes were down on 2013 and imports rose, reflecting a recovery in internal demand together with a larger imported proportion of business investment. Net international financing needs were in surplus for the third consecutive year. This added capacity for financing the economy derives from an increase in internal savings and the stabilisation of total investment.

The effort to consolidate state financial positions remained in keeping with Portugal's commitments to meet specific fiscal targets. The budget deficit is forecast to have ended the year at around 3.9% of GDP, net of one-off measures. The country's risk premium has fallen – reflecting efforts at consolidation, the implementation of some structural measures and prospects for quantitative easing by the ECB.

Unemployment fell gradually over the course of the year and is estimated to have moved marginally below 14% by the end of 2014. Nevertheless, there was a reversal in the downward trend in unemployment in the closing months of the year. The jobless rate had peaked at 17.5% in the first quarter of 2013, the low point of Portugal's most recent recession. Inflation, reflecting downward internal and external pressures, fell throughout the year and even, registering negative year-on-year variations from the first quarter. Despite an increase in the minimum wage in October, there were fears that forecasts would prove excessive and that the variation in consumer prices would close the year at zero. The sharp decline in the energy component of prices had a decisive impact, but the fragility of internal demand and the knock-on effect on other items in the inflation basket limited this effect, raising the prospect of a pickup in inflation.

[1] Bank of Portugal, Winter Economic Bulletin, December 2014.



CORK IN THE 2ND ISTANBUL DESIGN BIENNIAL

2

AMORIM CORK FEATURED AT THE ISTANBUL BIENNIAL

Cork was, once again, the central feature of a major international design and architecture event, on this occasion at the Istanbul Design Biennial. Organised by the Istanbul Foundation for Art and Culture (iKSV), the second edition of this Biennial opened its doors to the public on 1st November and throughout six weeks served as a high profile platform for rethinking the role of design in contemporary society and as an active agent of change.

Under the title 'The Future is not what it used to be' and curated by the British artist Zöe Ryan, the Biennial displayed in its main exhibition centre - a Greek Primary School - 53 projects by creatives from over 20 countries, from every continent and spread out over the five floors of the building and an area constituting approximately 2,300 m². In common, these works displayed a very pragmatic perspective on the contemporary reality and the challenges faced in an exhibition area that proved broadly driven by the presence of cork, a material underpinning countless objects available throughout the different spaces and taking on a particularly high profile in the lamps and furniture on display in the Biennial.

Those behind this exhibition emphasised the relevance behind the selection of cork, presented for the first time in Turkey as a material and a vehicle for design intervention. The unique atmosphere, warm and welcoming, nurtured by cork surprised all visitors for its immediate ability to convey a sense of comfort.

As a material able to immediately extend this sense of warmth and personality, and while also simultaneously technologically advanced, cork fitted in perfectly with the theme of the Biennial, fostering the international creative community to rethink the future and inspired on cork – a material with millennia of history and that continuously renews and multiplies through innovative and creative solutions.

Having received the invitation to support the Istanbul Design Biennial, **Corticeira Amorim** accepted on the spot and became the exclusive sponsor of cork at the event, which resulted in the provision of various types of material including highlights such as the expanded cork agglomerate commonly associated with the Pavilions of Portugal at various Universal Expositions (Hanover, Shanghai) and the similar cork agglomerates applied to such enormous success in the Serpentine Gallery Pavilion 2012 (London).

It proved a true privilege to present cork at an event that not only generated such great international visibility but was also supported by the major players in the Turkish economy, an emerging market of relevance to national exports.

3

FOUNDING OF AMORIM CORK VENTURES

The year of 2014 was also marked by the founding of the **Corticeira Amorim** business incubator with the mission to drive entrepreneurialism and empowering research and innovation in the cork sector.

Amorim Cork Ventures was thus founded with the purpose of fostering the design and creating of new cork based products and businesses fundamentally targeted towards external markets and providing entrepreneurs with access not only to financing but also to management skills, know-how and contact networks spanning different sectors and countries.

Especially structured to render support to startups, particularly those emerging as a result of research and innovation projects within the cork sector, the Amorim Cork Ventures intervention range also extends to supporting small and already existing companies that develop innovative cork products and/or concepts with due growth potential.

In the launch phase, planned investment amounts to one million euros, which covers the new business incubation phase beginning in the final quarter of 2014 as well as the operational launch of the first startups taking place in early 2015.

This thus represents an important landmark for **Corticeira Amorim** which, in a clear demonstration of its leadership profile, sets the company on a new strategic approach to open innovation, nurturing entrepreneurialism and new cork businesses of high added value in the marketplace and targeting export markets.

Since its launch, Amorim Cork Ventures has received a total of around 100 projects from various fields of activity and a clear testimony to the sheer versatility of cork. In this phase, the focus on sourcing projects covered only Portugal even though we ended up receiving proposals from other geographies and including Australia, Italy, the UK and the Netherlands. Through to the end of 2014, seven projects received approval and including the decision to launch two startups (in early 2015).

There is clearly a positive balance from the first year of operation of the **Corticeira Amorim** incubator, remaining true to the spirit underlying its own founding: a strong belief in the potential of cork and the benefits it brings to a whole range of different sectors. It is thus the conviction of **Corticeira Amorim** that this strategic option shall in the future result in innovation in the cork sector and thus serving to strengthen its already substantial global profile.

4

OPERATING ACTIVITIES BY BUSINESS UNIT (BU)

The companies that make up the **Corticeira Amorim** universe are structured into **Business Units (BU)** and correspondingly prove responsible for the leading events and most relevant developments in the 2014 financial year.

4.1. RAW MATERIALS

The **Raw Materials BU**, despite the adverse economic context, closed 2014 with an EBITDA of €17.5 million, up 10.5% year-on-year. This good performance proved possible due to a significant boost to its turnover resulting from the expanded procurement campaign carried out in 2013. This BU thus boosted its business turnover by 18.2% (2014: €131.4 million) essentially through supplying cork for natural stoppers, discs for champagne and Twin Top stoppers alongside cork for agglomerate stoppers.

At this BU, 2014 was characterised by a competitive campaign to procure cork, by the consolidation of the investments made to modernise its facilities and installations and by the continuity attributed to forestry and sensory R&D and thus alongside new working methods designed to bring about improvements to the sensory performance of cork.

As was forecast, the extraction of cork in 2014 took place at a lower level and a fact that placed greater pressure on the procurement process. Hence, the BU acquired a lower quantity than in 2013 while nevertheless guaranteeing the raw materials necessary to maintaining stable supplies to the downstream BUs.

Investment continued to be put into technologically strengthening the production units, in particular disc manufacturing. These facilities benefited from profound alterations, in particular through the automation of their processes, which enabled higher operational efficiency levels. In terms of preparation, the BU maintained its search for solutions capable of introducing technology into this labour intensive sector.

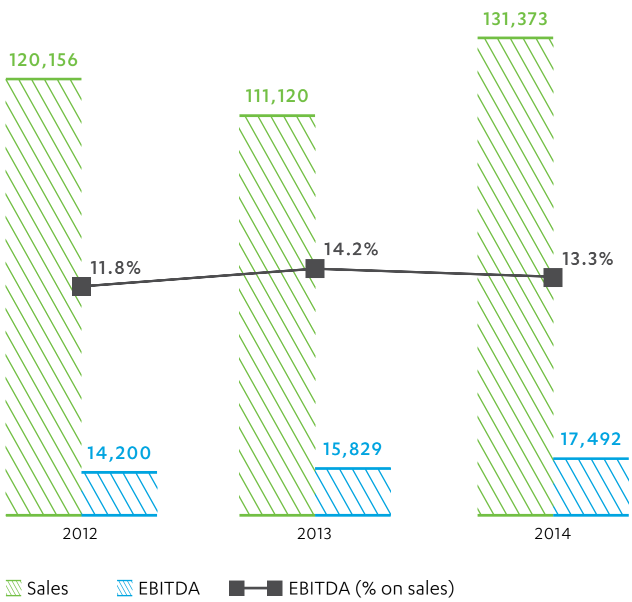
At the industrial level, we would also highlight the successful conclusion of the reorganisation first begun in 2013 and striving to strengthen activities ongoing at the Salteiros industrial unit. This reorganisation resulted from the need to drive gains in terms of operational efficiency and that resulted in the closure of the Spanish unit given its lower productivity ratios.

Furthermore, there was a heavy focus on R&D designed especially for two crucial areas for this BU as well as for the entire chain of production: both the resolution of cork's sensory based problems and raising knowledge about and modernising cork oak growth practices.

As has proven habitual, the BU sought to maintain control over capital invested, paying special attention to stock levels (both of raw materials and finished products as well as those in manufacture) and the terms negotiated for payments to suppliers.

CORK OAK TREE HARVESTED IN 2014

Raw Materials — Sales & EBITDA (thousand euros)



4.2. CORK STOPPERS

One of the most important developments in the contemporary wine industry stems from a change in its core consumer base in both geographic and demographic terms. In non-traditional wine markets, youths are drinking more wine than any of their previous generations when in that particular age group whilst in traditional market less wine is getting drunk but of a higher quality.

The need for the wine world to adapt to the reality of the global consumer undergoing constant evolution faces many companies with a dilemma over whether to break with the formula already tested on traditional consumers and thus altering their approaches in order to take into account future consumers. As the demand for wine shifts, there shall be the need for more daring and expansionist strategies enabling global wine companies to gain market share at prices adapted to an increasingly complex and dynamic global market.

Following a study of trends in 114 consumer markets and 28 wine producing countries, the latest figures identify Americans as the largest wine consumers with a total of 339.6 million 9 litre boxes of wine (12 bottles). Through to 2018, the level of consumption is forecast to rise to 377.9 million boxes in the United States. Behind the United States, and in absolute terms, France is the next largest world wine consumer, followed by Italy, Germany and China. This report, commissioned by Vinexpo, also revealed that the global appetite for wine is on the rise: between 2009 and 2014, global consumption rose by 2.7% with current consumption standing at just over 31.7 million bottles annually. The market study forecast growth of just over 1% for the period between 2015 and 2018, and hence closing this period with annualised consumption of 33 million bottles/year.

In 2014, sparkling wines such as *cava* and *prosecco* represented 8% of the wine consumed worldwide. In the same period, champagne consumption recovered on 2013 with sales rising by 1%.

The existing data reports a draw in the competition between the whites and the reds with red wine retaining a slight advantage and representing 55% of the wine consumed in 2014. Rosé remained stable in 2014 thanks to its popularity in France, the UK and the United States.

The **Stoppers BU** thus acted against the backdrop of a market experiencing moderate growth but still highly fragmented despite the rising level of concentration in every segment.

The Stoppers BU has turned in consistent and sustainable growth, thoroughly and effectively implementing the factors identified as critical and strategic to the development and growth of its business activities. Focused on raising and consolidating its market share and on the rigorous control of its efficiency, the BU has deepened its corporative image in the wine market, having pulled away from its direct competitors through providing a unique range in terms of both the availability and the reliability of its products and client services.

The year of 2014 saw its position strengthening in both still and sparkling wines and with a strategic change introduced to the spirits segment. This growth resulted from the following relevant factors:

- Accentuated improvements in the sensory, physical and mechanical qualities of the products, especially the micro agglomerates;
- Innovative product range and present in all wine markets enabling a very high level of service and close proximity to clients;
- Increased wine consumption in the reference markets with a positive on export markets;
- A rising reputational profile of cork in the world marketplace following the excellent work carried out promoting and developing the various applications of this natural product;
- Recognition of **Corticeira Amorim** as the best supplier in terms of availability, service, product and process development capacities and business sustainability.

Hence, in 2014 and in year-on-year terms, the Stoppers BU turned in sales growth of 7.1% in value (up €23 million) and 4.7% in quantity and breaking the four billion stoppers sold to the market landmark through an improvement in the sales mix.

CORK STOPPERS

The period was also marked by sharp growth in its core reference markets (U.S., France, Italy and the UK), a slight slowdown in South America and with sharp falls in Eastern European markets, especially Russia and Ukraine.

In the still wine market, growth was 6.4% (€13 million) with leading market performances including the U.S., Italy and France with growth of 17.4%, 15.8% and 3.1%, respectively. This corresponds to a strengthening of the competitive position in these leading wine markets given that overall consumption rose by an average of 1%.

The sparkling wine segment registered important growth in the consumption of the Italian *prosecco* and *moscat* wines, especially in the U.S. and South America and along with stabilisation in the champagne market. Champagne and sparkling wine stopper sales advanced 3.6%.

The spirit segment experienced a year of turnaround with the search for new markets, the investment in new solutions with the group deploying prestigious brands in international markets and attaining sales growth of 42%, concentrated in the markets of the U.K., the U.S. and France.

The most important BU product in terms of sales – **the Natural Stoppers** – turned in growth of 8.8% but with important variations from market to market. Natural stoppers represented around 35% of sales and 40% of the profit made by the Stoppers BU. This is a top of the range product, of major importance to the logistics chain and, within a logic of verticalisation, essential to strengthening the image of cork among benchmark clients worldwide.

The **Neutrocork Stopper** sales rose across the board in annual terms. This product has attained an excellent level of acceptance by markets with high qualitative standards and proves an excellent option in terms of the cost/quality relationship and appropriate to low and medium rotation wines and efficiently guaranteeing the sealing and sensory functions expected of a cork stopper. This has proven essential in countering alternative seal types.

The **Twin Top Stoppers,** a product destined for the still wine segment, with a good price positioning, consistent and with excellent in-bottle performance levels, recorded a 4.8% rise in sales on 2013.

Champagne stands out as a luxury market product for special events and occasions with its consumption levels thus highly influenced by the prevailing economic and social situation. In 2014, the global champagne market displayed a notable level of recovery following a period of contraction resulting from the European economic crisis and recession. In this segment, **Stoppers for Champagne**, the Stoppers BU recorded a 3.5% year-on-year increase in sales.

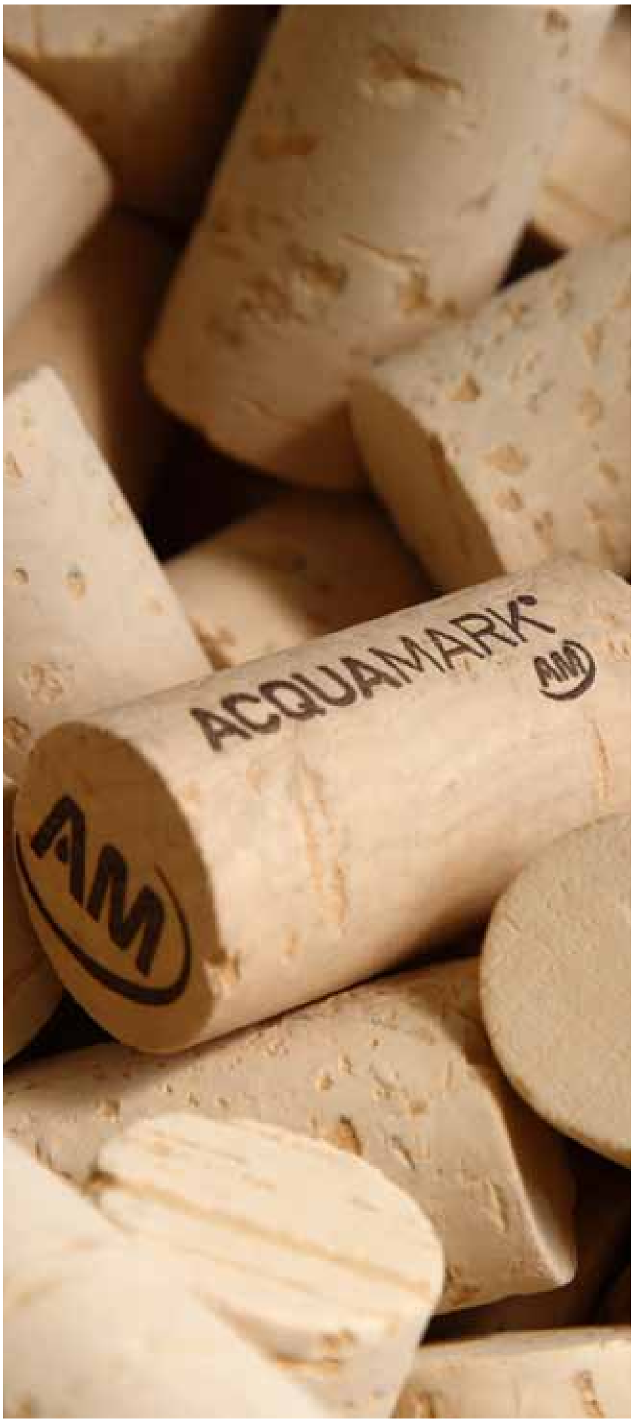
The gross margin rose by 9.9% on the same period as a consequence of a 7.1% surge in sales and an improvement to the product mix; the combined effect of these two realities represent 85% of the total of this positive trend. The industrial improvements introduced at the level of specific consumption types, stability in the cost of raw materials and exchange rate neutrality, constituted the other factors contributing towards the good performance of this indicator.

The operational costs registered an increase of 2.4% on the previous year and stemming from the rise in activity levels and the pressures of the natural stopper distribution chain. Furthermore, despite this rise, the ratio improves over the same period and dropping from 28.9% to 27.8% of sales. The main rises featured in the items for variable costs, especially commissions, transport, specialist work and energy. The operational efficiency program clearly reflected in the control over fixed production costs enabled an improvement in productivity with the ratio between cash costs and gross margins dropping from 67% in 2013 to 63% in 2014.

EBITDA picked up by 13.1%. EBIT recorded an 18.8% rise on the previous year and deriving from the increase in both the sales and the gross margin as well as a slight rise in the variable costs with fixed costs remaining stable. Fluctuations in the exchange rate did not have any impact in year-on-year terms.

In a climate of strong contraction and global economic uncertainty, with sharp rises in capital costs and with levels of liquidity closely controlled by financial entities, there was an imperative to cut back on the capital invested and improve on the ratios as regards the 2013 level. Correspondingly, in 2014, the Stoppers BU managed a reduction in the average terms for liquid capital and an 11% decrease in the reserve fund and despite the aforementioned rise in activities.

The level of investment came in at €13 million, essentially targeting quality and strengthening the productive performance. Fixed assets recorded a rise of €2.7 million.

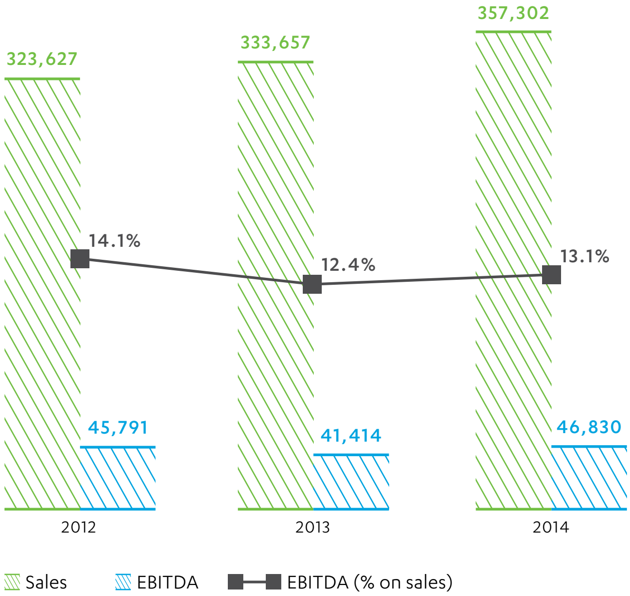


ACQUAMARK STOPPERS

Leading 2014 highlights:

- Strengthening market leadership with a 7.1% surge in sales in a wine market that grew by around 1%;
- Following the launch of Helix in 2013, the BU successfully introduced the product to the market in 2014. The argument of convenience, the main product attribute, also gained great appreciation;
- Technological alterations to the Wine – Natural Stoppers segment has driven gains in both operational terms and in product consistency – visual, physical-mechanical and seal;
- Strengthening the BU position in the Spirits segment by winning new and leading global clients;
- Consolidating the quantitative and qualitative control over the stopper supply chain and its resulting waste;
- Internalisation of outsourcing operations through the introduction of production process improvements;
- Implementation of analysis of all product segments by process engineering teams with the objective of striving for excellence in both products and processes;
- Alteration of the Natural Stopper factory layout, with gains in terms of flows and control over the testing of products;
- Consolidation of integrating Trefinos into the Amorim business model;
- Boost to the productive capacities in technical stoppers for wines with the introduction of improvements to equipment and plant efficiency;
- Improvements to communication and the adoption of best practices for the champagne segment, with operational and logistical improvements to the teams in Portugal and Spain;
- Strengthening the management of processes and teams within a *Lean*/*Kaizen* logic, through the Cork.mais program, currently expanded to reach all BU areas;
- Important advances in the sensory dimension, determinant both to the business and to the wine segment, and especially the sparkling niche;
- Harmonisation of washing and treatment processes enabling the raising of the physical-mechanical consistency of the product and a higher standard of service to the market;
- Strengthening the training, qualifications, and competences at the transversal level in order to drive continuous improvements and adapt to market demands;
- Beginning of the restructuring of the granulate and scrap supply chain designed to boost the responsibility and autonomy of the Stopper BU in managing the supply chain for technical and champagne stoppers;
- Excellent performance by the distribution structure in a capillary and highly competitive marketplace.

Cork Stoppers — Sales & EBITDA (thousand euros)



EBITDA without the effects of goodwill imparity (2012)

ADVANTEC COLOURS STOPPERS

4.3. FLOOR AND WALL COVERINGS

The total sales of the **Floor and Wall Coverings BU** closed the year on €116.4 million and thus recording a 4.6% fall on 2013, which to a large extent stemmed from the political and economic situation prevailing in Eastern Europe and a lower focus of our associate US Floors on selling cork products. The German market also saw sales fall year-on-year due to a contraction in the DIY segment following the restructuring of an important client that took place in late 2013. On the positive side, there was the success of the products manufactured by the Floor and Wall Coverings BU in Scandinavian countries where sales advanced considerably on 2013.

There was a 5% rise in the sales volume of the products retailed (products not manufactured by the BU) with a particularly impressive commercial performance in central Europe due to a change in positioning in order to endow greater value to the product range and the investment made in product presentation at the point of sale while also enhancing the Wicanders brand through its promotion. This change in positioning positively influenced the unit margin generated for this range of products.

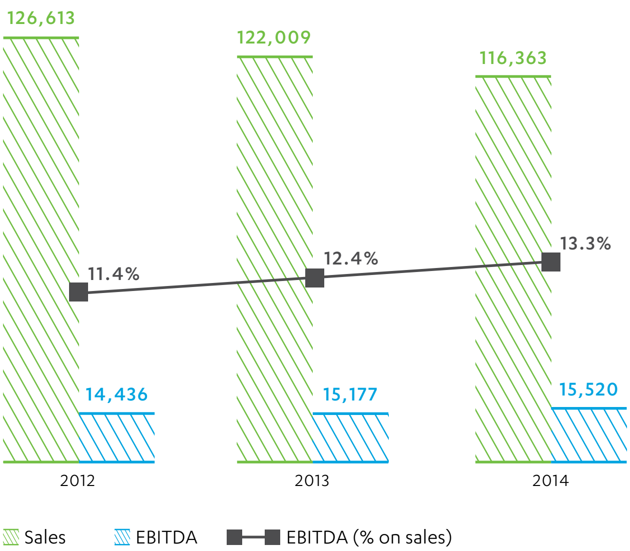
Irrespective of the negative swing in business turnover, the BU raised its EBITDA by 2% on 2013 (2014: €15.52 million), thanks to the measures taken designed to optimise the operational costs.

At the industrial level, the pressure on raw material acquisition prices, the need to efficiently apply energy resources, the appropriateness of the resources to growing volatility in demand and the need to maintain ever more demanding service standards drove the constant implementation of optimisation measures to processes and their respective resources. As regards the supply chain, the adoption of continuous practices and focused on acting to resolve situations interrelated with material with low levels of rotation deserves highlighting in conjunction with the favourable impact on the level of capital invested.

The BU continues to invest in developing new solutions that leverage the factors of differentiation of cork through technological innovation - CorkTech, spanning installation techniques, compositions, scales and levels of visual attractiveness.

The year also saw ongoing work within the scope of the AR Academy, a concept that the Floor and Wall Coverings BU developed in order to structure and promote cork related educational practices through market training designed to reach every level of the distribution channels. Over 400 persons received training in 2014, the year of concept launch.

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



WICANDERS CORKCOMFORT FLOOR, VISUAL TRACES CHAMPAGNE

PINO BY DANIEL CARAMELO

4.4. COMPOSITE CORK

The **Composite Cork BU** attained a business turnover of €84.3 million in 2014. This result represents a fall of 14.4% on the previous year even while, and nevertheless, in reality there was slight growth in core sales (to the market).

EBITDA swung favourably over the course of 2014 and rose comfortably (+15.2%) to reach €7.8 million.

In fact, 2013 had been a period that significantly concentrated the sale of raw materials to other **Corticeira Amorim** group companies and these were not subject to repetition and, in accordance with the plans set, on the same scale in 2014. Furthermore, the need to supply semi-finished products (granulates) to the Stoppers BU was substantially reduced following the investment in boosting the installed capacity and that in 2014 thus strengthened its level of self-sufficiency.

Stripping out these effects, market sales once again recorded moderate growth in 2014 (around 1.5%) with the average exchange rate conditions prevailing for the EUR/USD very similar to those in effect in 2013.

Operational costs dropped quite considerably. However, this nevertheless also needs to take into account both the savings associated with the transfer of granulate production to the Stoppers BU and the positive result from the non-repeatable adjustment to imparities recorded in 2013 (to the amount of €1.2 million), in comparable terms, the operating costs practically stabilised.

Throughout the year, there was also a significant incidence of non-current costs stemming from the process of transferring and concentrating the line of cork with rubber production, which held a determinant effect on the Pre-Tax Results. This process was accompanied by the necessary modernisation and innovation of the processes and the products resulting from this and other ranges that incorporated fixed asset investment running to around €3.4 million.

The growth objectives for the applications with greatest potential were globally achieved. However, the development experienced in the North American market and, above all, in emerging markets did not enable a greater contribution to the growth item. 2014 was yet another year when winning and retaining new clients once again remained a priority and again with good results.

As regards the creation of value, it did prove possible to exceed the profitability ratios recorded in 2013 with measures primarily targeting raw materials. To this end, greater rigour and discipline in the selection, storage and consumption of the different types and sheaves of cork made a decisive contribution. The core non-cork raw materials were also traded under more favourable conditions in relation to previous periods, which also naturally tended to strengthen the Gross Margin item. Within this framework, worthy of particular mention, especially because of its broader reaching strategic relevance, the role of new product sales and for new applications with both categories registering significant growth on 2013. Finally, in the ongoing business dealings and operations, there was continuous work to optimise commercial margins.

In the operational efficiency domain, the performance was also positive taking into account the already referenced stabilisation in operational costs within a context of a rising sales volume and, still further, on the gross margin on raw materials. Simultaneously, we observed a reduction in the capital invested (final and average) in the business, especially the cash flow funding component.

Underpinning these good results is a culture, ever more firmly enrooted by the organisation and focused on performance and innovation and involving a growing network of partners.

Various initiatives and relevant events took place and marked the course of 2014 at the Composite Cork BU, including:

- The closure of the stopper granulate production unit (chain of added value to the **Corticeira Amorim** group), with a transfer of capacity and increased efficiency;
- The geographic concentration of production through the transfers of the cork with rubber production line, leveraging synergies and scale economies on logistical costs and thereby strengthening the BU competitive position;
- The establishment of commercial joint-ventures in Turkey and China;
- The strengthening of commercial proximity to emerging markets such as Latin America and Southeast Asia through the extended deployment of the sales force;
- The implementation of the empowerment program for industrial leaders;
- Mass participation in many and varied projects and events, national and international, promoting cork as a sustainable solution for the most diverse applications.

The Industrial segment remained that which accounted for the largest share of turnover and the most diversified in its composition. In 2014, the segment generated 57% of sales and recovered from the fall in sales in the previous year to record growth of 6%.

This growth was supported above all by the good performance, in relation to 2013, of the NRT sub-segment (components for the pavement industry), but also the Flooring, Friction and Control of Vibrations, in clear contrast with the Packaging market which contracted year-on-year. In the sub-field of Sealing, the Automobile segment again recorded a fall and only partially offset by positive variations in other sealing applications.

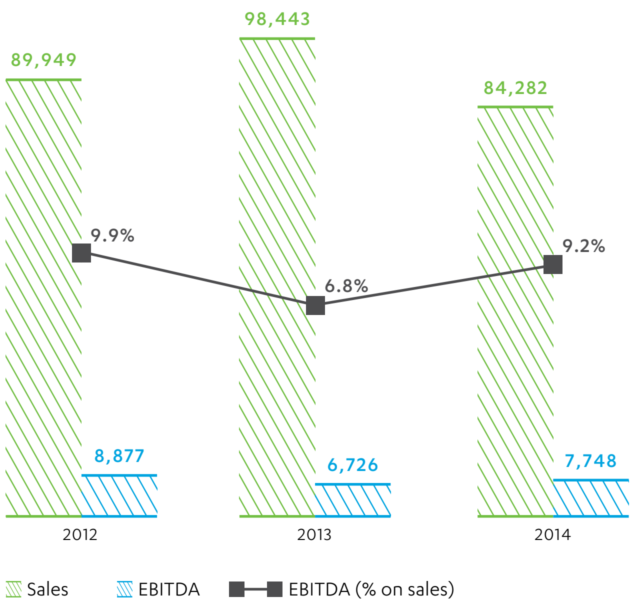
CORK USED IN STATE-OF-THE-ART APPLICATIONS FOR RAILWAY PROJECTS

In turn, the Civil Construction sector did not prove able to repeat the growth achieved in 2013, having registered a slight annualised contraction of 2%. Its relative weighting in the BU activity rose to 29% in the period under analysis. The most representative segment in this business field (underlays) kept up with the overall trend in sales for this sector. The Sports Flooring and Underscreed products recorded growth in sales contrary to the floor and wall coverings segment with the BU registering lower retail sales.

The Consumer Goods, in the component reflecting direct distribution to retail chains and, above all, the transport sector, essentially due to the project calendar in the train carriage sector could not avoid reductions in the respective sales volumes when compared with 2013. Combined, in the year under analysis, these segments represented 10% of the turnover volume.

Finally, in cork materials (non-core BU business), the non-repetition of the commercialisation of raw materials that took place on a large scale in 2013 strongly contributed to the substantial reduction verified in the business volume. Additionally, the termination of granulate supplies to the Stoppers BU worsened this imbalance when comparing the sales volume. In 2014, this meant that business turnover slumped by over €15 million but had made little addition to company profitability in 2013 and hence not holding repercussions for 2014.

Composite Cork — Sales & EBITDA (thousand euros)



4.5. INSULATION CORK

In the 2014 financial year, the **Insulation Cork Business Unit** presented an annualised 23% rise in sales volume including the following highlights:

- The growth in sales of expanded cork agglomerates backed by a good performance in markets in general and especially in Asia;
- The significant rise in ground cork sales, a product introduced to the market in the final quarter of the previous year;
- The overall rise in sales reflecting constant progress in the main markets as well as strong demand for the ecological products that make up this BU's range.

The gross margin for the year recorded growth of over 8% on the previous year. This increase was primarily due to the pick up in activities. However, the substantial rise in sales of products with lesser added value brought about a reduction in the gross margin of almost three percentage points in year-on-year terms.

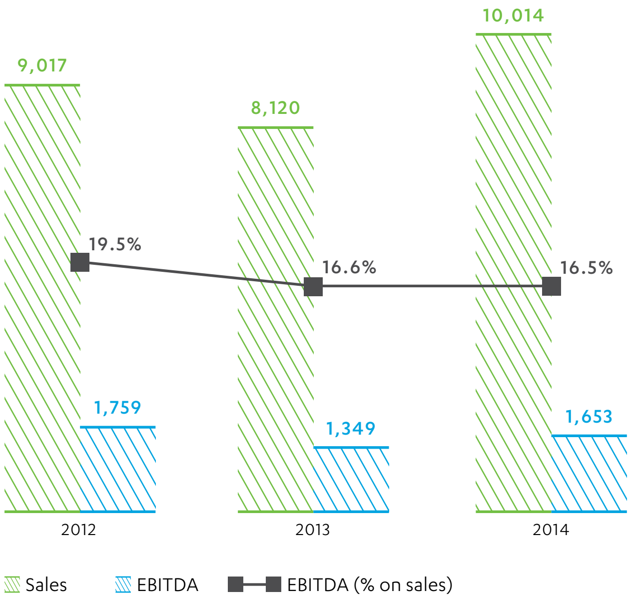
Throughout 2014, the BU undertook a range of initiatives designed to boost the activities and leadership of this BU in the supply of expanded cork agglomerate solutions and correspondingly boosting both its profile and the perception of the real value of its product range. Of particular note are:

- The utilisation of this BU's products by Fashion Lisbon events (interior wall coverings and purpose designed furniture);
- The launch of a new website (www.amorimisolamentos.com) with the objective of presenting information about expanded cork agglomerates, their specialist functions and added technical and environmental values, in particular insulation, durability, energy efficiency and the quality of the interior air;
- The holding of the 5th International Insulation Conference, targeting architects, engineers and other specialists in insulation and sustainable architecture. The holding of this event brought about a deepening of the knowledge on global markets, their trends and expectations, especially as regards innovative design solutions, production processes and material sustainability;
- The association between Amorim Isolamentos and the Istanbul Design Biennial, a major international design and architectural event organised by the Istanbul Foundation for Art and Culture (IKSV);
- The participation in dozens of international conferences with one highlight including the 40th World Housing Congress staged by the International Association for Housing Science (IAHS);
- The participation in various trade fairs and international exhibitions and including: Big 5 Show (Dubai), Project Qatar & Stone Tech (Doha, Qatar), Ecobuild (London, UK), Living Building (Seattle, US), Budma (Poland), Batibow (Belgium), Klimahouse (Italy).

As regards operational efficiency, the adoption of more effective working practices, the rigorous control over costs and the investments carried out in recent years in the manufacturing units enabled the improved performance in this indicator.

The capital invested at the close of 2014 displayed a 4.4% decline on the position a year earlier, resulting above all from a reduction in the stocks of semi-finished products.

Insulation Cork — Sales & EBITDA (thousand euros)



CORK FURNITURE, II ISTANBUL DESIGN BIENNIAL

5

INNOVATION, RESEARCH & PRODUCT DEVELOPMENT

5.1. RAW MATERIALS

Throughout 2014, the **Raw Materials BU** provided continuity to its R&D projects and focused very much on two specific fields: resolving the sensory problems of cork and building up a better understanding and modernising cork oak forestry practices. Within this scope, various projects were developed in conjunction with a series of partnerships with forest owners and universities and designed to respond to the rising demands in terms of qualitative standards and sensory performance.

To this end, based on the studies undertaken by the BU, alterations to processes and investments have already been made to ensure the qualitative and sensory improvement of products and in particular: the investment that went into covering cork stored on-site, the utilisation of innovative washing processes for cork discs, new processes of cork decontamination and the implementation of more thorough planning models that enable the minimisation of downstream problems.

Within the scope of forestry research, various projects of extreme importance to the cork sector are currently ongoing and seeking to identify, evaluate and implement the best practices and ranging from the planting of cork oaks through to the different means of extracting cork. To this end, various plantings were made in accordance with different methods, for example in terms of fertiliser USge, drip irrigation or water retention polymers. In a long term perspective, 2015 is expected to see the cork oak genome totally decoded which represents a powerful tool for future research. All these R&D projects shared the same goal: obtaining more and better cork.

CORK OAK HARVESTING

5.2. STOPPERS

Throughout 2014, the research, development and innovation activities at the **Stoppers BU** focused on three priority areas of intervention: product and process innovation, boosting knowledge on the interaction between stoppers and the wine and improving the quality of the stoppers produced.

Product and process innovation

The counterfeiting of wines, especially higher quality labels, represents a real and increasingly recurrent problem. With a view to incorporating the cork stopper into the solution to this problem, the years between 2012 and 2014 saw two complementary projects take place and financed by the EU's QREN program. These projects identify a solution to the problem of fake corks and the results obtained have hitherto been encouraging even while there is still no definitive solution.

Following the launch of the new Helix stopper in partnership with Owens Illinois, a countless series of tests have been run in partnership with clients in order to verify the impact of this stopper on the quality of wine over the course of time. These tests have been held in different countries and, thus far, no result returned suggests any less favourable evolution of the wine, confirming the results obtained from the testing and experimentation that served as the product launch base.

The detection of cork to cork TCA[1], a project that has attracted the greatest of interest from both the BU and its clients, experienced an enormous development during 2014. On the one hand, the industrial pilot project was provided to clients enabling the guarantee of individual analysis of special sheaves of natural cork and, on the other hand, a new and more ambitious project phase was launched and driving a lowering in the levels of detection and significantly raising the sensitiveness of the equipment. This phase remains in accordance with the deadlines set and thereby guaranteeing that the objectives set shall be accomplished in the first half of 2015.

In 2014, another QREN funded project began and striving to produce stoppers from cork with different origins. The results thus far returned report a very good performance by at least one of the tested origins.

The SVE project[2], to verify the effectiveness of the natural stopper seal, came to a close in 2014 with the installation of a significant range of equipment able to segregate out stoppers with seal problems in natural stopper production units. This project thus made a meaningful contribution towards raising the quality of the natural stoppers reaching the market.

This included equipment for the electronic selection of stoppers incorporating new technologies with 2D and 3D cameras for optimisation. This seeks to attain greater effectiveness in the choices of quality class and, in parallel, significantly boost the productivity in this phase of the production process.

The agglomerate glue used in stopper production process has been subject to detailed tests within the scope of discovering different products to those hitherto used and with similar physical-mechanical characteristics but with new attributes such as, for example, a strong natural component. These studies have already led to the approval of one glue with such characteristics with others waiting submission for approval.

Following the optimisation of the natural stopper washing process, enabling a far more efficient harmonisation of colour, a better capillary performance and greater control over the process, this washing process was implemented across all Stopper BU industrial units manufacturing natural stoppers and in effect for those stoppers now on sale. Some target clients accompanied this process and confirmed the good performance in conjunction with the internal validation of this solution.

[1] TCA: 2, 4, 6 Trichloroanisole.
[2] SVE: Seal verification system.

16 THOUSAND TESTS/MONTHLY GUARANTEE THE CORK SENSORIAL QUALITY

The new means of applying the surface treatment, after having proved its advantages resulting from the far better distribution of the treatment over the entire stopper surface, was rolled out across the different surface treatment machines in operation in manufacturing units in Portugal and in the most important BU sales companies.

Knowledge on the interaction between stoppers and wine

The important role of cork in the evolution of bottled wine has attracted particular attention as knowledge on the interaction between the phenolic and volatile cork compounds and the wine remains still very limited. In cooperation with a Portuguese university, research is ongoing and leading to the identification of just which compounds migrate from the cork to the wine, the kinetics of this migration and finally the reactions of some of these compounds to the main compounds in the wine. The final objective of this study seeks to grasp, at the level of bottled wine, the markers of quality associated with wine that derive from cork and their respective sensory impacts.

The comparative studies between cork stoppers and alternative seals and alongside different packaging solutions, work continued in 2014 and, in general terms, demonstrated clear benefits to the utilisation of cork stoppers over their plastic seal alternatives and solutions such as bag in a box. These comparative studies involved wine cellars in various parts of the world in an initiative that shall be fostered in 2015 given the positive experiences of previous years.

Improving the quality of the stoppers produced

With the Stopper BU constantly concerned with the materials incorporated into stoppers, this motivated their testing in contact with different foodstuffs and the carrying out of a lengthy series of tests, following the different methodologies approved by European and American legislation, and with the results guaranteeing total product conformity with food safety rules and regulations.

The question of TCAs in Neutrocork stoppers moved on from being perceived only from the perspective of releasable TCAs to also incorporate total TCAs. To this end, we carried out significant efforts to consistently implement the best practices and techniques in terms of the production processes guaranteeing that Neutrocork Premium stoppers display a total TCA level in accordance with the highest standards of its clients.

5.3. FLOOR AND WALL COVERINGS

At the **Floor and Wall Coverings BU**, 2014 was another year of development and featuring the launch of new technical covering techniques thus confirming its competences in product innovation. These new solutions, in addition to becoming wider reaching and more efficient, also enabled growth in some market segments as well as the entry into others.

The **Artcomfort** range was updated with new wood and stone visuals in keeping with the latest trends in colours and textures and again displaying an excellent capacity to, through recourse to digital printing, reproduce any natural visual on cork.

Continuing to invest in the most traditional technical cork covering solutions, and undoubtedly that which most easily conveys all the advantages of cork, the **Corkcomfort Glue Down** range was completely renewed and both in visual and in scale terms. The availability of different and mutually compatible sizes ensures users can create a completely personalised floor.

Throughout the year, new visuals were designed and presented, making recourse to new surface decoration processes. Keeping the cork visible, and therefore showing its identity, the **Fashionable**, **Tweedy Saw Cut**, **Tweedy Wood** and **Sophisticated** collections demonstrate the scope for coming up with elegant and modern coverings and merging this noble material with others, particularly wood.

Following two years of development and the investment of around €700,000 in IRD, the Floor and Wall Coverings BU launched the **Hydrocork** brand which – with its unprecedented level of water resistance - promises to represent a turning point for cork pavements.

Hydrocork, for the first time, combines a floating pavement, a low level of thickness (just 6mm), resistant to water and with all the characteristics common to cork especially in terms of noise reduction, thermal efficiency, greater resistance to impacts, comfort and the alleviation of body tensions. Another particularity stems from its capacity to be overlain on an already existing solution, which renders it especially appropriate to the rehabilitation market in which the thickness of the flooring is crucial. The pressfit mechanical system enables the tiles to

WICANDERS WOODCOMFORT FLOOR, VISUAL OAK CAPPUCCINO

be easily cut and applied with this representing an important added value in terms of optimising the time taken to renovate a specific space. Furthermore, despite its limited thickness, Hydrocork also retains the same performance standards of traditional cork flooring with such benefits including noise reduction (up to 53%) and greater thermal efficiency (with the associated energy savings). Durability and resistance provide two other major arguments - Hydrocork contains a wear layer of 0.55 mm and is on the market with guarantees that range between 15 and 25 years, depending on the type of segment targeted, commercial and residential respectively.

2014 also saw the launch of other projects with the objective of maintaining the constant identification of alternative pavement solutions in which cork clearly stands out as a factor of differentiation and correspondingly making recourse to some new production technologies. Partnerships with suppliers and the development of competences, whether those held by the IRD team or the production team, once again prove fundamental to this process.

We would highlight the following projects:

- **WoodComfort upgrade**, seeking to replace the ECO HPS finishing with a varnish coating highly resistant to wear and tear and stable as regards exposure to low levels of humidity and high temperatures;

- **New covering solutions** incorporating some water resistant agglomerates and a new connection system between the pressfit plates;

- **New surface treatments**, which enable the development of new cork visuals.

5.4. COMPOSITE CORK

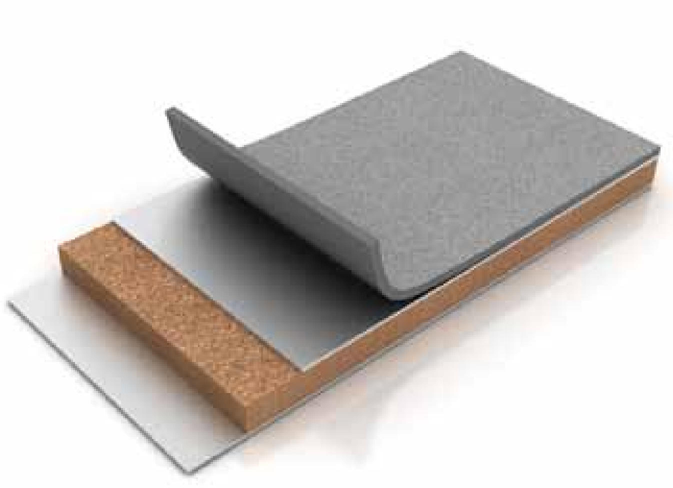
The **Composite Cork BU** considers R&D an overwhelming factor in the constant innovation planned for the products put onto the market. Thus, in 2014, there was sustained, heavy investment in R&D projects designed to seek out new value proposals for its extended product portfolio spanning different fields of business whether seeking out new applications or new ways of applying cork.

The existence of products at different phases in their life cycles, which depends on continued R&D progress, also ensures the existence of products at the phases of introduction and growth. Only with clarity and rigorous investment in R&D will the BU prove able to launch new products capable of replacing those with the greatest added value, those products deemed already mature.

One of the most closely targeted segments is **sustainable construction** and the technical knowledge required to justify and value this concept. This thus seeks to advance with systems that integrate cork – leveraging its properties and characteristics, in a clear technological and environmental upgrade of other systems already on the market –, with greater added value to the BU and proposals providing strong and justified value and service differentiation to clients.

At the national level, and with QREN financing, progress continued with the **QUICKBUILD** project designed to develop a modular construction solution, innovation and high quality and meeting standards of sustainability, speed of installation and low cost. With financing from the 7th Framework Program, and within the field of sustainable construction, the **BIOBUILD** project continued to advance with its objective of developing inner partitions and external building structures incorporating bio-composites and paying particular attention to the durability of existing solutions. To this end, the project brings together the leading European companies in the core fields of the project, materials structures and construction R&D; and **OSIRYS** that strives, in addition to utilising natural products, guaranteeing that these are secure (in terms of quality of indoor air, fire and fungal resistant), energy efficient and easily feasible.

In the **transport** segment, the **FIRERESIST** and **ABLAMOD** projects, also receiving funding from the 7th framework program, study diverse facets to the behaviour of cork when faced with fire. The **E-TOILET** project, in the train fittings and furniture sector, seeks to develop an eco-efficient, innovative, sustainable and functional WC module through the application of very light composites and more advanced than those currently in effect and with clear commercial potential. Under the auspices of the **DESAIR** project, there is ongoing study and development of furniture and flooring for private yacht cabins in collaboration with two partners - EMBRAER and ALMA DESIGN.



ALUCORK SOLUTION, FROM THE COMPOSITE CORK BU

Within the scope of **valuing cork**, the **INVISIBLE NETWORK** project seeks to endow cork with new functions, whether sensory, interactive or functional coverings. This seeks to develop new products or equip those already existing with new technology and hence foster their added value.

Throughout 2014, various products and solutions were launched and highlighting the successful culmination of various R&D initiatives put into practice by the Composite Cork BU, thus highlighting:

In the **construction** sector:

- The water resistant NRT3D composite for incorporating into floating flooring and already featuring in the new Amorim Revestimentos HYDROCORK product;
- A paving underlay approved by DIBt (Deutsche Institut für Bautechnik) as regards its fire resistance and indoor air quality requirements and hence meeting the demanding German market standards;
- One paving underlay solution for vinyl/linoleum pavements and different floating screeds, which resulted in the extensive internal development of the product and enabling the market launch of differentiated solutions with a view to enhancing thermal and acoustic standards. The presentation of an underlay with a heating membrane is a technological and functional revolution in the cork underlay portfolio otherwise generally associated with low technology products and low added values;
- The development of an innovative solution for sporting floors that consists of applying a high percentage of cork to artificial grass surfaces and thereby bringing about significant reductions in the playing surface temperature levels.

In the **transport** sector**:**

- The development of **ALUCORK** solutions for train and metro projects.

5.5. INSULATION

In 2014, the Insulation BU continued to proceed with the following projects:

- **MDFachadas** and **MDCoberturas,** with the objective of optimising a constructive system that enables the utilisation of expanded cork agglomerate tiles to cover the facades and outer sections of buildings and thereby simultaneously attaining the sought after levels of thermal insulation;
- **ISOL TILE SYSTEM**, that aims to study a system that enables the placing of ceramic pieces over thermal insulation applied externally and thus guaranteeing compliance with the applicable mechanical requirements, solution durability and high rates of hygrothermic, acoustic and energy performance standards;
- **Floatwing**, the modular floating house project for accommodation in harmony with nature and with water from a perspective of energy autonomy and environmental sustainability.

These projects fall within the development and innovation strategies applying creativity to new applications of added value with cork as their raw material.

PRIVATE HOUSE COVERED WITH EXPANDED INSULATION CORKBOARD

6

SUSTAINABILITY POLICIES AND PRACTICES

Corticeira Amorim maintains its emphasis on aligning its different management sub-systems to foster efficiency and their integration within a strategic balanced scorecard perspective as an important guarantee of sustainable development. To guarantee the effective management of environmental and social factors, structured around achieving the strategic objectives, Group companies have implemented management policies and systems in keeping with the non-financial risks that their activities incur and as detailed below:

In this field, 2014 stood out as a year of consolidation of this alignment with the renewal of certificates for the different management sub-systems (FSC, ISO 9001, ISO 22000, etc.), by the different companies and furthermore highlighting the strengthening of the ISO 22000 certificate (dealing with the Food Security Management System) by three Stopper BU companies.

Company (Country)	**Reference**						
	SYSTECODE	ISO 9001:2000	ISO 14001	HACCP/ ISO 22000/ FSSC 22000	FSC	PEFC	OHSAS ISO 18001:1999
Raw Materials BU							
Amorim Florestal (Portugal)	■				■		
Amorim Florestal Espanha (Spain)	■				■		
Cork Stoppers BU							
Amorim & Irmãos (Portugal)	■	■	■	■	■		
Amorim Cork South Africa (South Africa)				■	■		
Amorim France (France)	■	■		■	■		
Amorim Cork Italia (Italia)	■	■		■	■		
Francisco Oller (Spain)	■	■	■	■	■		
Amorim Australasia (Australia)				■			
Korken Schiesser (Austria)				■			
Amorim Cork America (USA)				■	■		
Amorim Cork Deustchland (Germany)		■		■	■		
Industria Corchera (Chile)				■	■		
Corchos de Argentina, S.A. (Argentina)		■					
Victor & Amorim (Spain)				■	■		
Floor and Wall Coverings BU							
Amorim Revestimentos (Portugal)		■			■		
Amorim Revestimentos (Germany)					■		
Amorim Benelux (Netherlands)					■		
Amorim Deustchland (Germany)					■		
Domkorkowy (Poland)					■		
Cork Composites BU							
ACC (Portugal)	■	■	■		■	■	■
ACC Inc (USA)		■					
CAF (France)					■	■	
Amorim Compcork (Portugal)					■	■	
Insulation Cork BU							
Amorim Isolamentos (Portugal)		■			■		

In late 2014, the company embarked on the transition process to the most recent version of the GRI guidelines (version G4) for the drafting of a sustainability report. This project also incorporates a review of the sustainability strategy in keeping with the results stemming from the process of consulting stakeholders and analysing the interrelated issues.

The policies adopted by **Corticeira Amorim** reflect a set of voluntary commitments in the field of ethics and economic, environmental and social responsibility. These take practical effect, in overall terms, in the set of voluntary responsibilities taken on by the different companies within the framework of their management models and which inherently assumes responsible competitiveness and may be summarised as follows:

CORK OAK FOREST

Ethical and Legal Responsibilities:

Acting from a perspective of responsibility and ethics in compliance with the legal and regulatory requirements, regulations and objectives applicable to the activities of subsidiary companies;

External Stakeholder Responsibilities:

Fostering the satisfaction and loyalty of clients through the development of differentiated and competitive products and services;

Guaranteeing the creation of value to shareholders over the medium and long term through responsible competitiveness;

Maintaining relationships of trust with interested parties, specifically suppliers, clients and society in general;

Product Responsibilities:

Guaranteeing quality, based on the continuous improvement of processes and the products and services rendered alongside the search for innovative solutions based on technological developments in order to meet client needs with competitive and differentiated solutions;

Social Responsibilities:

Developing employee **qualifications,** competences and skills, providing them with motivating, healthy and safe working environments;

Environmental Responsibilities:

The **Corticeira Amorim** activities present unique characteristics in terms of sustainability, constituting a rare example of interdependence between industry and an ecosystem, generating wealth and preserving the environment. In bringing about the regular extraction of cork, **Corticeira Amorim** ensures the viability of cork oaks in Portugal and the Western Mediterranean Basin, a natural resource that performs a fundamental role in trapping CO_2, preserving its biodiversity, regulating the hydrological cycle and combating desertification.

Corticeira Amorim, beyond benefiting from this gift of Nature - cork -, has striven throughout its activities to adopt and strengthen sustainable development practices. As with any other industrial activity, nevertheless, the transformation processes have an associated environmental impact. In order to minimise these impacts and in keeping with its own sustainable management principles and practices, **Corticeira Amorim** commits to:

- Guarantee compliance with the legal framework as well as the other requisites to which the organisation subscribes and applicable to the environmental facets to its activities, products and services;
- Control environmentally relevant factors and contributing to preventing pollution;
- Acting proactively to identify, evaluate and put into practice preventive measures appropriate to minimising specific environmental impacts of each activity and always, whenever viable, deploying the best available practices and technologies.

Supply Chain Responsibilities:

To give preference to, whenever possible, suppliers who provide raw materials according to the best sustainability practices - both social and environmental – as regards both their origins and their production processes.

7

HUMAN RESOURCES

In 2014, the characteristics of **Corticeira Amorim**'s workforce and the Company's overall employment framework remained little changed from previous years.

In continuation of the policies and practices of recent years, human resources management in 2014 focused on: matching resources to requirements and on developing skills, from both a short-term and a medium-term perspective. This included a range of programmes and other initiatives related to recruitment and attracting talent as well as building and developing teams and individuals.

Human Resource Indicators:

In December 2014, **Corticeira Amorim** had 3,468 employees:

- 2,462 in Portugal and 1,006 overseas;
- 26% were female and 74% male;
- average age: 40.

For the third consecutive year, absenteeism (of all types) remained below 4% at 3.34%.

A total of about 40,000 hours was devoted to training.

Adapting human resources to requirements:

Changes in activity, technological restructuring and organisational redesign made 2014 a challenging year in regard to changes in human resources, particularly at the Raw Materials, Cork Stopper and Composite Cork BUs. At these three units, 451 new members of staff were taken on and 339 left during the year, requiring major and rapid adaptation.

Recruitment:

Corticeira Amorim's priorities in the recruitment area were aimed at supporting operations and ensuring that the necessary skills are available both currently and in the future. It was a particularly challenging year in terms of attracting and recruiting people with technical, managerial and behavioural skills suited to the specific requirements of each BU, in terms of direct employees, indirect employees and managerial staff.

Attracting Talent:

Initiatives in this area focused on entering into or strengthening protocols and partnerships with universities (in the areas of management and engineering) through internships, research projects, student visits to **Corticeira Amorim** companies and collaborations between staff members and universities through participation in academic activities. This proximity helped increase awareness of how **Corticeira Amorim** operates, enhancing the Group's power of attraction, particularly in relation to its specific operational segments.

Team building and development:

New strategic goals in this area resulted in the creation of new working environments and different organisational structures, which in turn led to the building and development of new teams.

Particularly noteworthy was the development in all business units of commercial teams with a strong technical component. General programmes for developing sales and customer support teams at the Cork Stopper and Floor and Wall Coverings BUs were based on employee mobility, external recruitment, technical sales development and managerial and behavioural skills. The Composite Cork BU also initiated a specific project with a sales team from the construction area that involved recruitment, training, the implementation of specific sales management systems and individual support through coaching. All these programmes will result in increased sales effectiveness, based on a culture with a strong market and customer orientation.

In this area, but with the aim of developing industrial skills, we should also highlight our operational mobility programmes for young staff members at the Cork Stopper BU and an on-site project leader programme for the development of production managers.

The Raw Materials BU also launched a development programme in the area of people management and leadership.

Individual development:

A common focus for all the BUs was the management of collective and individual talent through professional development plans. This took the form of training and developing individual talents, either through specific technical training and domestic or international operational mobility, supported by coaching and internal mentoring.

The overall watchwords for these activities were: development, professionalization and employee involvement.

MANUAL SELECTION

8

PERFORMANCE ON THE STOCK MARKET

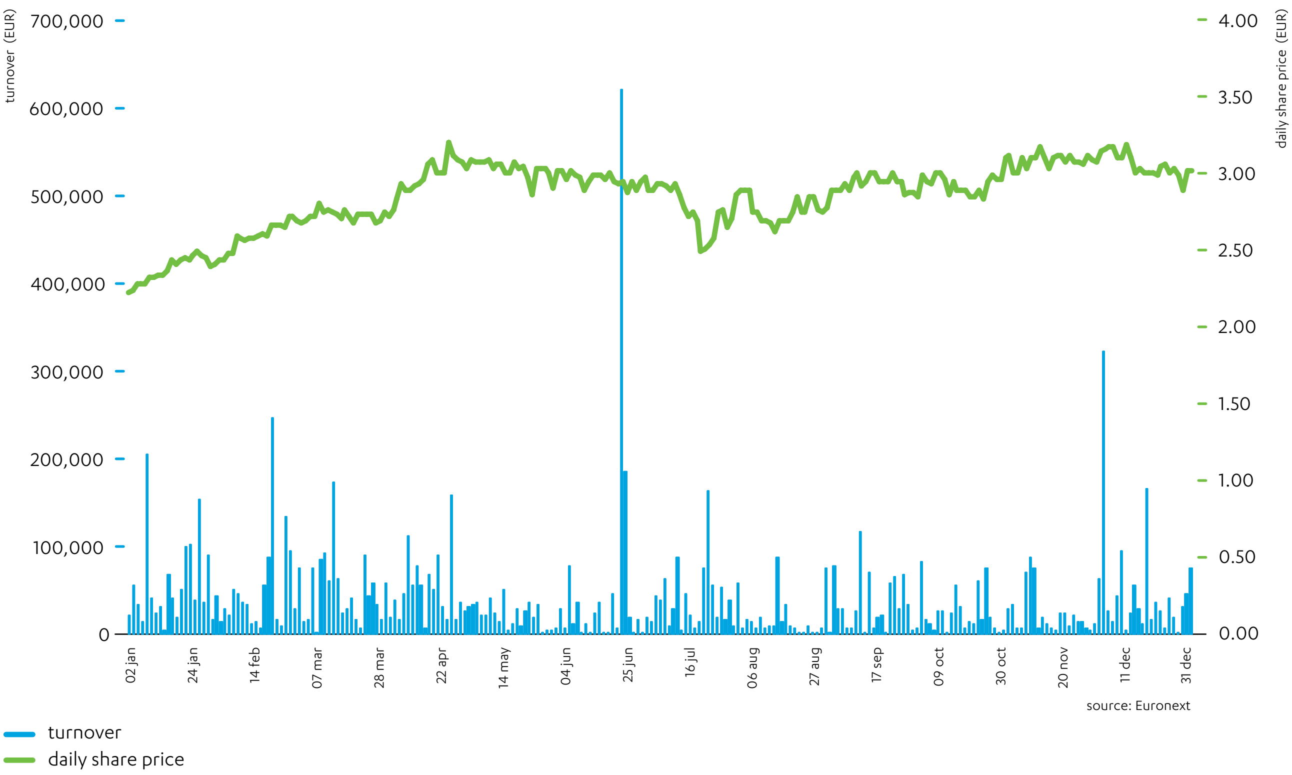
Currently, **Corticeira Amorim**'s share capital stands at €133 million, represented by 133 million ordinary shares with a nominal value €1 and conferring the right to a dividend. The flotation on NYSE Euronext Lisbon (hereafter referred to as BVLP – the Lisbon and Porto Stock Market) of the shares issued within the scope of the capital increase that took place on December 19, 2000 joined the remainder of the company's shares listed on the BVLP from the beginning of 1991 and have been continuously traded on the national system since December 11, 1991.

At the end of 2014, **Corticeira Amorim**'s share price had reached €2.85, a gain of 38.7% on the end of 2013. Around 3.5 million shares were traded (up 59.4% on 2013), in 4,356 deals (up 143.9% on 2013) in operations with a total value of €9.8 million (up 117.3% on 2013).

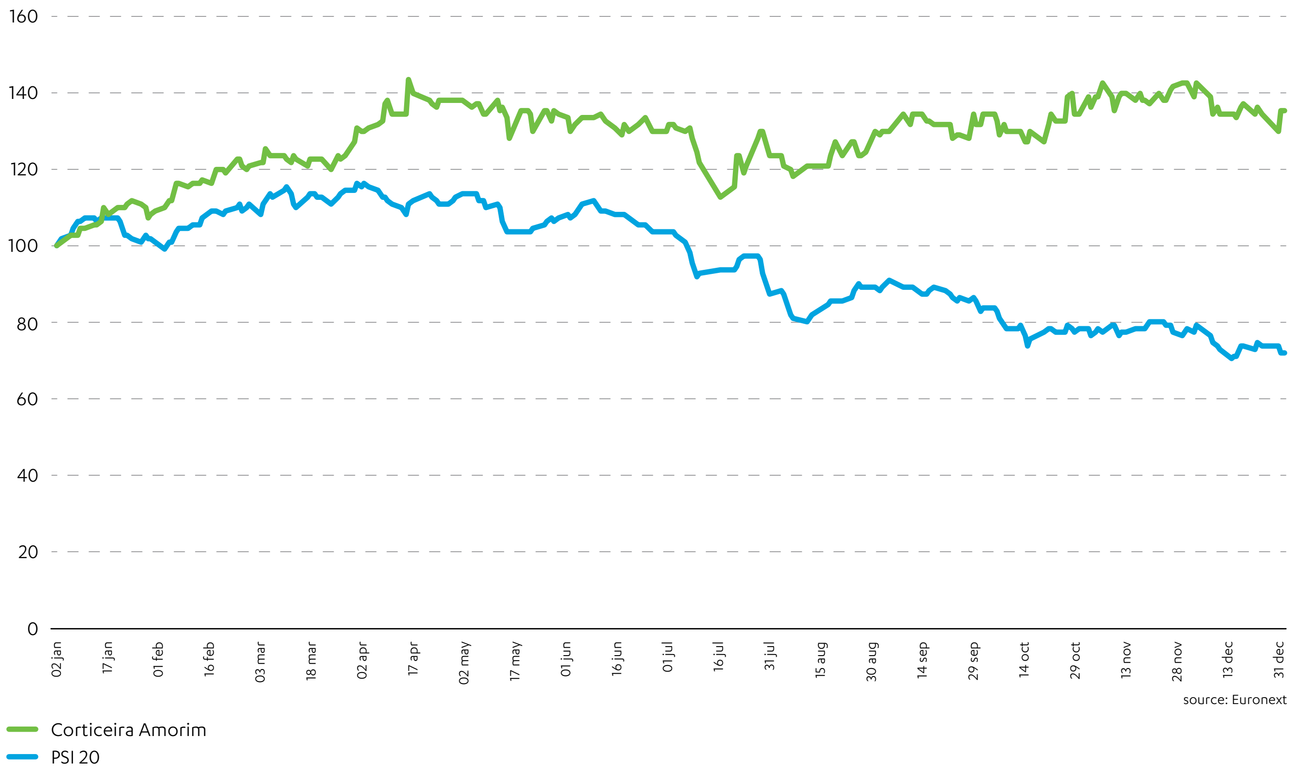
In 2014, the average share price was €2.85 with the maximum price of €3.65 reached on April 16th.The shares fell to a minimum price in 2014 of €2.20 on January 2 with a corresponding percentile range of 65.91%.

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

Trading volumes on the regulated market in 2014:



Share price performance versus PSI20:



source: Euronext

Stock market performance in recent years:

	2012	2013	2014
No. of shares traded	2,856,436	2,184,858	3,481,685
Share prices (€):			
Maximum	1.65	2.40	3.65
Average	1.42	2.04	2.85
Minimum	1.27	1.56	2.20
Year-end	1.60	2.21	3.02
Trading frequency	85.2%	89.3%	96.1%
Stock market capitalisation at year-end (€)	212,800,000	293,930,000	401,660,000

source: Euronext

Corticeira Amorim main stock market announcements in 2014 were:

February 20: Consolidated annual results for 2013.

Corticeira Amorim sales reached €542.5 million in 2013:

- Sales grew 15%;
- EBITDA reached €78.1 million and net profit was €30.3 million;
- The US strengthened its position as the company's main export market;
- The Board of Directors proposed a dividend of €0.12 per share.

May 9: Consolidated results for the first quarter of 2014.

Corticeira Amorim sales rose 3.8% in the first quarter:

- Sales volume rose to €138.6 million;
- EBITDA increased to €16.5 million;
- Net earnings were close to €6 million.

August 1: Consolidated results for the first half of 2014.

Corticeira Amorim's net profit increased 11.3% in the first half of 2014 to €18.4 million:

- Sales increased 2.6% to €289 million;
- EBITDA was €43.6 million;
- EBIT increased 10% to €31.1 million;
- the Corroios industrial unit was transferred to Mozelos.

November 3: Consolidated results for the first three-quarters of 2014.

Corticeira Amorim closed the third quarter with sales of €430 million:

- Sales increased 2.5% to €430 million;
- Net profit increased 15.5% to €29 million;
- Proposal for the distribution of free reserves in the amount of € 0.07 per share.

CORK STOPPERS

9

CONSOLIDATED RESULTS

9.1. SUMMARY OF ACTIVITIES

The moderate dose of optimism envisaged for 2014 largely materialised, although neither Portugal nor Europe saw a return of robust growth in economic activity. Demographics were also a limiting factor. But the spectre of decline and fall appears to have been put aside in 2014. A recovery in confidence, greater among consumers than lenders, the consolidation of fiscal balances and the determined action of the European Central Bank contributed significantly to easing the dark clouds that had hovered over old Europe for half a dozen years.

The US continued to lead the attack against anaemic growth and the threat of deflation. Given that the US is the Group's biggest export market, it can be said that what is good for the US economy is good for **Corticeira Amorim**.

In spite of this good news, however, other events overshadowed 2014. The worsening conflict between Ukraine and Russia and the sanctions imposed against Moscow put sales to that region at risk and went on to affect them in concrete terms. Developments in early 2015 foreshadowing a further worsening of the conflict do not augur well for the coming year.

The star that had shone for emerging markets during several years also lost its glow. The end of the long cycle of rising commodity prices, from food and metals to gas and oil, put an end to expectations of continuing consistent growth in these economies.

The year of 2014, when **Corticeira Amorim** achieved the best results in its long history, proved the Group's most successful year to date.

Sales, EBITDA and earnings grew significantly and were higher than in any previous year.

The combination of improved economic conditions in some of the Group's principle markets and the impact of initiatives and investments to improve operating efficiency made in recent years contributed significantly to this improved performance. Nor can the improvement be attributed to the appreciation of the US dollar in late 2014. In fact, the average exchange rate for the dollar was practically the same in 2013 and 2014.

The success factors mentioned above were further enhanced by the effort and focus of our production and customer support teams and the continuous improvement initiatives that are already a hallmark of **Corticeira Amorim**.

Improvements in our financial operations – less debt, lower interest rates – also had a positive impact.

9.2. CONSOLIDATION PERIMETER

There was no material changes within the universe of companies that make up **Corticeira Amorim**, making the financial results reported for 2014 directly comparable with those for 2013.

9.3. CONSOLIDATED RESULTS

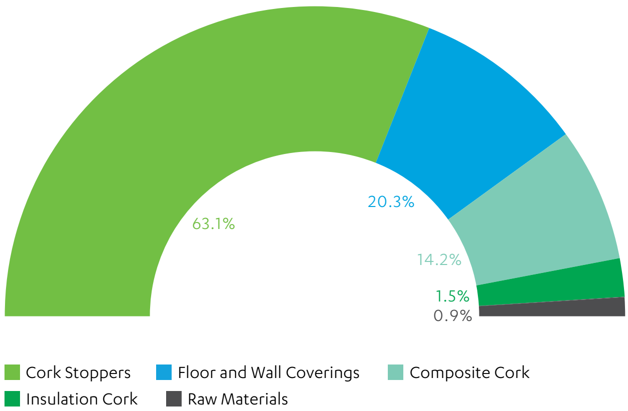
Sales rose to €560.3 million, 3.3% higher than in 2013 (€542.5 million). The positive impact of the fourth quarter, when activity increased by almost 6%, helped lift the annual growth rate to 3.3%.

The performance of the Cork Stoppers BU was absolutely decisive for the increase in consolidated results, both in the fourth quarter and for the year as a whole. This reflects a 7.1% increase in the unit's annual sales and the overall weight of its sales as a percentage of **Corticeira Amorim**'s total sales (2014: 63%; 2013: 60.7%).

Every BU registered an annual increase in sales of finished products to end-customers, except for the Floor and Wall Coverings BU. For the first time in the Group's history, the Cork Stoppers BU sold more than 4 billion units.

The effect on sales of the exchange rate volatility of recent years has varied significantly. After having a positive impact on sales to the value of €10 million in 2012, the exchange rate negatively affected sales by €7 million in 2013 and by almost €4 million in 2014. These variations were almost wholly attributable to changes in the exchange rate of the South African rand (ZAR) and the Chilean peso (CLP).

Sales by Business Unit



In terms of individual markets, the US strengthened its position as **Corticeira Amorim**'s largest export market, with sales exceeding €100 million. This was in spite of a drop in sales by the Floor and Wall Coverings BU to the US market. The impact of a decrease in attention to cork products by our associate US Floors could not be completely offset by alternative distribution channels in the US market. However, increased sales of cork stoppers and cork composites help support an overall increase of 9% in sales to the US.

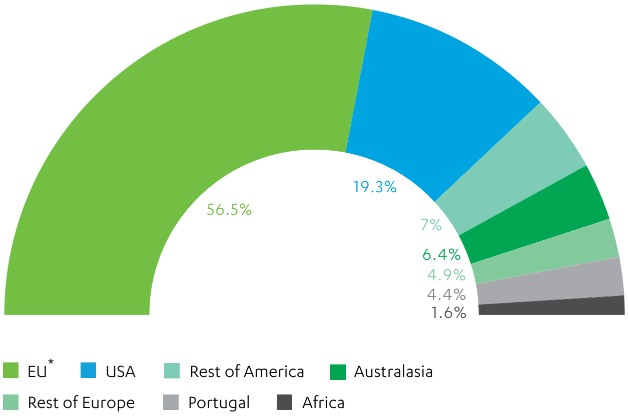
France remained the Group's second biggest sales market. The French market, which consists almost entirely of cork stopper sales, accompanied the overall increase in this BU's sales, albeit at a more moderate pace.

Sales to the German market, **Corticeira Amorim**'s third largest, increased slightly. A drop in sales by the Floor and Wall Coverings BU, largely the result of significant alternations in German retail chains, was offset by increased sales of cork stoppers and composites.

In the other two of the Group's top five markets, Italy performed well, while there was a small drop in sales to Spain.

Outside the top five markets, sales increased in the UK, Chile and Central America (cork stoppers) as well as in China and Denmark (Floor and Wall Coverings). On the negative side, there was a significant drop in sales in Russia, Ukraine and neighbouring countries.

Sales by Geographical Area



* It includes Switzerland and Norway and excludes Portugal.
Sales to non-Group Clients.

As in most recent years, projects aimed at improving operating efficiency also produced positive results in 2014. Many other projects are in the study and development stages. Other projects focused more on improving product quality, some of which will produce results over the longer term, continued to be developed and applied in the manufacturing process. The protection of the intellectual property generated by several of these projects has been strengthened. **Corticeira Amorim** has sought to make maximum use of approved financial and tax benefits aimed at supporting research and development activities. These include systems related to Portugal's SIFIDE and QREN programmes as well as recently improved tax benefits linked to income from registered patents.

Several industrial reorganisation processes aimed at improving manufacturing processes were completed or almost fully implemented in 2014. The most important of these was the transfer of the cork rubber production unit at Corroios to the Mozelos industrial unit. The transfer of the granulation unit at Drauvil in Spain to the Coruche industrial unit in Portugal was also a significant industrial reorganisation. The full impact of the efficiency gains resulting from this reorganisation was felt in the second half of 2014. The full benefits from concentrating industrial production previously located at Corroios in Mozelos will be felt in the second half of 2015.

Less significant reorganisations should also produce their full effects during 2015. These include changes at the Spanish units of the Raw Materials BU and others at the Agglotap unit (Trefinos complex).

Partly reflecting these efficiency gains, current operating costs fell 1% (€2.5 million) at the same times as sales and the value of goods produced increased significantly (by €18 million and €28 million respectively). In absolute terms, operating costs fell to €196.9 million, down from €199.4 million in 2013.

The internalisation of some costs, especially those relating to subcontracting, together with a reduction in expenditure on advertising and electricity, contributed to a moderate reduction in the total cost of supplies and services. A stabilisation in the relative cost of transport was particularly noteworthy in this category. After several years of continuous increases, successive rises in transportation costs appear to have halted. Finally, it should be noted that the stabilisation in the absolute cost of supplies and services occurred at the same time as production and sales increased.

In terms of staff costs, the increase in 2014 was essentially due to the previously mentioned process of internalising services that were previously contracted outside the group. The average number of employees remained practically unchanged from the previous year (2014: 3,497 vs. 2013: 3,496). In the same way, the relative weight of staff costs as a percentage of sales remained unchanged (18.4% in 2014 and 2013).

CORK FURNITURE, BY WIID DESIGN

The reversion of provisions (judicial guarantees) and the recognition of subsidies for meeting objectives had a positive effect in the amount of approximately €2 million in other operational items.

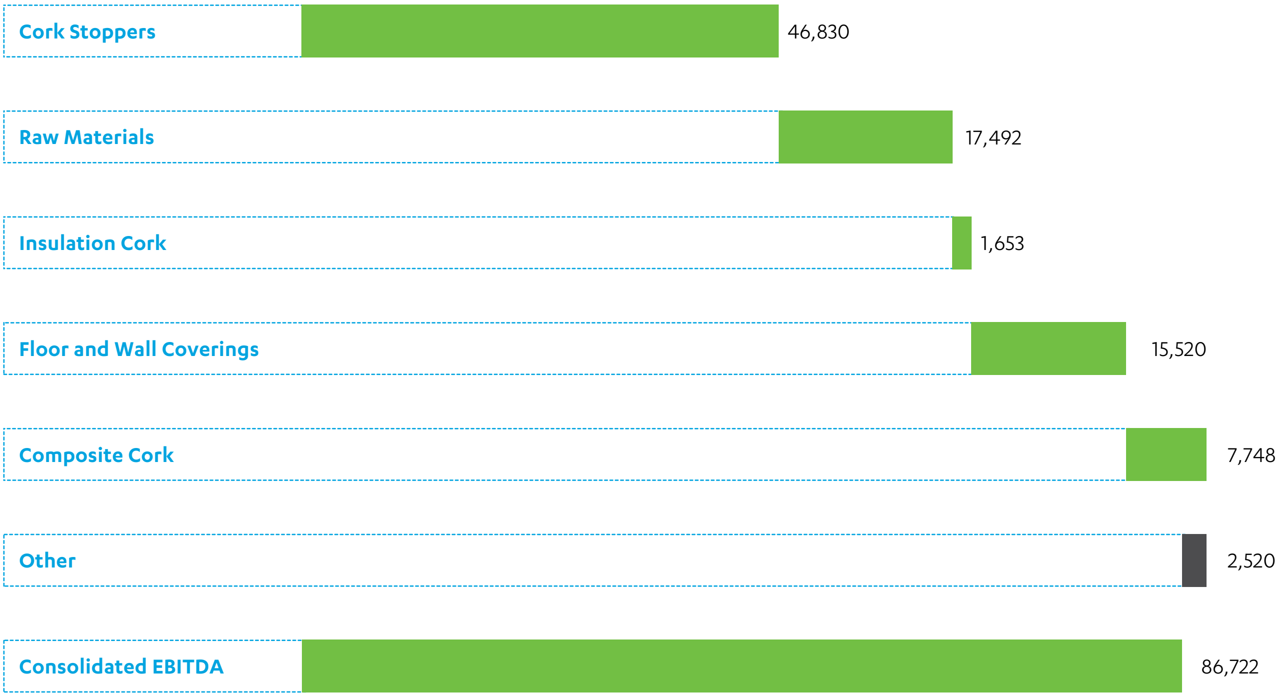
The policy of covering positive foreign exchange positions and, to a lesser extent, foreign exchange liabilities resulted in a loss of €1.2 million.

Reflecting the positive performance of sales and operational costs, EBITDA increased significantly (+11%) to €86.7 million, **Corticeira Amorim**'s best EBITDA performance to date. All BUs achieved an improvement in EBITDA.

In terms of the EBITDA/sales ratio, 2014 was the Group's best year to date, with the ratio of 15.5% exceeding the best previous year, 2012, when it was 15.4%.

The growth in EBIT was similar (+13.7%), totalling €64.4 million.

EBITDA: BU Contribution (thousand euros)



In contrast to 2013, some non-recurring costs (€6.4 million) were registered in 2014. This reflects the restructuring operations described above. Due to the nature of these costs and the fact that they were concentrated in a single year, it was decided to separate these expenditures from current costs. The costs in question included compensation payments (€2 million), other expenditures (€0.6 million) and impairment provisions relating to vacant properties (€1.2 million).

A write-down of goodwill (€2.5 million) relating to Amorim Deutschland was also considered as a non-recurring cost. This goodwill resulted from the acquisition in 1996 of the remaining share capital (50%) in the company that was not already owned by **Corticeira Amorim**.

In the area of net financial costs, interest payments and similar expenditures again benefitted from a combination of low interest rates and a low level of debt. The €2 million drop (2014: €4 million vs. 2013: €6.2 million) in this item clearly illustrates the benefit gained.

Ratios designed to assess the Group's ability to pay its debt and debt-servicing liabilities fell to an even more positive level than in 2013:

	2014	2013
Net remunerated debt/EBITDA (x)	1.01	1.30
EBITDA/Net interest payments (x)	30.8	20.8

It was also decided to record under net financial costs a separate line detailing the impact registered in both 2013 and 2014 of provisions made against risk related to fiscal contingencies involving stamp duty. These provisions totalled €2 million in 2014 (2013: €2.7 million).

The evolution in financial income reflects the change from the abnormal market conditions that existed in 2013, which enabled the Group to obtain interest income from its financial investments.

CORK PLANKS

Income from associated companies, recorded by the equity method, resulted from the appropriation by **Corticeira Amorim** of the proportional share of earnings by companies in which it does not own a majority of the share capital. The significant improvement reported in 2014 reflects an overall increase in the profits of its associated companies. Except for Wine Packaging (an associated company of Indústria Corchera in Chile), a project that is still in the nascent phase, all associated companies reported net profits in 2014. Income from these companies totalled €1.3 million in 2014, up from €0.7 million in 2013.

Taxation on earnings is estimated at €16.8 million (2013: €18.6 million). This projection is based, among other factors, on a provision of €2 million for fiscal processes. The estimate for 2013 had also been affected by another fiscal provision of about €5 million.

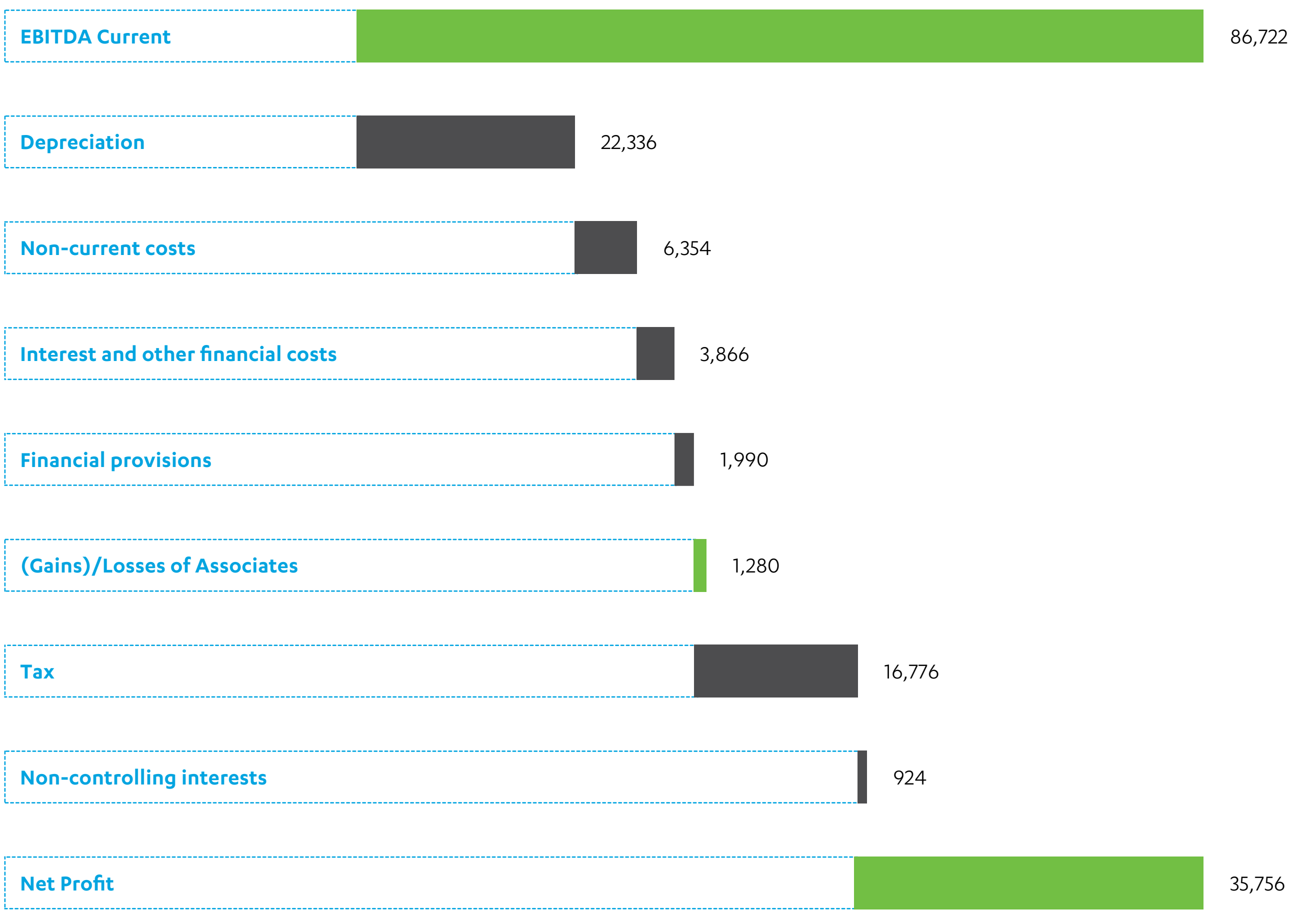
The provisions for fiscal processes recognised for both 2013 and 2014 do not indicate any adverse change in the relative processes during these two years. It is recorded only because **Corticeira Amorim** has noted that the tax administration has been preparing the cases in which it is involved more carefully, indicating a greater probability of success for the tax authorities.

The relative value of the Group's non-controlling interests was €0.9 million (2013: €0.6 million), reflecting the increased earnings of the subsidiaries it does not fully control.

Net profit in the fourth quarter of 2014 totalled €6.722 million (Q4 2013: €5.204 million).

The net annual profit for 2014 attributable to **Corticeira Amorim** shareholders rose to €35.756 million, up 17.9% on the €30.339 million recorded in 2013.

Composition of Net Profit (thousand euros)



10

CONSOLIDATED DEMONSTRATION OF THE FINANCIAL POSITION

The balance sheet totalled €617million in 2014, a similar level to the €627 million reported at the end of 2013. On the asset side, there were minimal changes in non-current assets. Tangible fixed assets decreased in value by about €2 million, the amount by which depreciations exceeded investments (CAPEX). The decrease in goodwill resulted from the write-off relating to Amorim Deutschland, already referred to in the section on Consolidated Results. This reduction was almost totally offset by increased investment in associated companies, reflecting their positive performance.

In terms of current assets, apart from slight increases in the value of inventories and customer assets totalling about €5 million, there was a decrease of about €14 million in taxation on earnings and in other assets. This reduction was largely due to a decrease in the amount of receivables relating to taxation on earnings (€5 million) and VAT (€5 million).

On the liabilities side, there was a decrease of €18 million in remunerated debt. The cash flow generated in 2014 was more than enough to meet the Group's liabilities in terms of remunerated debt servicing charges, CAPEX, taxation and shareholder dividends. After meeting requirements to increase working capital, the remaining amount of about €18 million was used to reduce remunerated debt.

Treasury funds benefitted from the return in 2014 of excess amounts paid in corporate tax (IRC) and VAT in 2013, which were incorrectly withheld at the end of 2013. These refunds totalled about €10 million.

Shareholders' equity rose to €316 million, an increase of about €14 million compared with the end of 2014.

The financial autonomy ratio at the end of 2014 exceeded 50% for the first time (2014: 51.1% *vs*. 2013: 48.1%).

LIGHT CONCRETE WITH CORK, BY JOÃO LUÍS CARRILHO DA GRAÇA FOR THE METAMORPHOSIS PROJECT

11

MAIN CONSOLIDATED FIGURES

		2014	2013	Variation	4Q14	4Q13	Variation
Sales		560,340	542,500	3.3%	130,655	123,359	5.9%
Gross Margin – Value		283,583	277,483	2.2%	70,457	67,765	4.0%
	1)	49.8%	51.2%	-1.44 p.p.	50.5%	49.9%	+ 0.6 p.p.
Operating Costs - current		219,197	220,872	-0.8%	55,468	54,332	2.1%
EBITDA - current		86,722	78,127	11.0%	20,639	19,028	8.5%
EBITDA/Sales		15.5%	14.4%	+ 1.1 p.p.	15.8%	15.4%	+ 0.4 p.p.
EBIT - current		64,386	56,611	13.7%	14,990	13,433	11.6%
Non-current costs	2)	6,354	0	–	2,840	0	–
Net Income		35,756	30,339	17.9%	6,722	5,204	29.2%
Earnings per share		0.285	0.242	17.9%	0.054	0.041	29.2%
Net Bank Debt		87,558	104,447	-16,889	–	–	–
Net Bank Debt/EBITDA (x)	4)	1.01	1.30	-0.29 x	–	–	–
EBITDA/Net Interest (x)	3)	30.8	20.8	10.00 x	38.2	25.3	12.91 x
Equity/Net Assets		51.1%	48.1%	+ 3.0 p.p.	–	–	–

1) RELATED TO PRODUCTION
2) GOODWILL IMPAIRMENT AND INDUSTRIAL RESTRUCTURING
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

NATURAL CORK STOPPERS

12

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 2013, 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 2013 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.

TRI-FOLD, STRUCTURE DEVELOPED BY ERIKA CROSS

13

FUTURE PERSPECTIVES

13.1. MACROECONOMIC CONDITIONS

13.1.1. Global Perspective

In 2015, the **world economy** should grow at a faster pace than in the previous two years, reaching an estimated growth rate of about 3.5%. As in 2014, this growth will be driven by the US and will benefit from a smaller contribution from emerging economies, especially China. From the acronym BRIC[1], only IC – India and China – appear to be continuing to grow. The end of the commodities "super-cycle" and the risk of higher interest rates in the US pose a threat to these economies. International trade will grow a faster rate than in recent years, but at levels significantly below what had been expected only four months ago. In confirmation of this change in outlook, in January 2015, the IMF revised its economic growth forecasts for 2015 and 2016 downwards, highlighting negative factors including *"the fragility in investment inasmuch as this indicates a continuing adjustment in expectations towards lower medium-term growth in several emerging and developed economies"*. According to the IMF, this trend is likely to nullify the positive impact of lower oil prices.

The IMF *"revised downwards the economic perspectives for China, Russia, the Euro Zone and Japan"*, while the outlook for the US was revised upwards. This divergence will characterise 2015 and will lead to different postures on the part of each central bank – a divergence of monetary policies that will become the central theme of the year. Greater volatility and higher political risk premiums – reflecting elections in Europe – will dominate the outlook. Geopolitical risk, centring on Ukraine/Russia and Syria/Iraq, will place additional strains on economic developments. The fall in oil prices and its continuing impact on economies is a separate matter. World economic growth is dependent on how this question unfolds – it constituting a threat to oil producers, while providing additional support for consumers. An environment of low inflation, or even negative price movements, is likely to persist throughout the year.

The **Euro Zone** is expected to grow at a slightly higher rate than in 2014, somewhere in the region of 1%. Growth will be modest and not free from risk – the numerous elections taking place in the region could dampen confidence. The depreciation of the Euro, the sharp fall in energy prices, the announcement of extraordinary monetary policy measures by the ECB, together with plans to increase investment in infrastructures – the so-called Juncker Plan – have helped create a more optimistic outlook than some months previously. It is feared that inflation and inflation expectations will continue following a downward trend, especially during the first half of the year. Nevertheless, forecasts by international institutions assume bigger consumer price variations in 2015 than in the previous year. The risks, however, are all on the negative side. Unemployment, the Achilles' heel of recent economic developments, should fall, at least slightly, to a level estimated at just above 11%. The ECB is expected to implement non-conventional monetary policy measures to ease the risks of deflation, weak growth, financial fragmentation and slower credit growth. The guideline interest rate is expected to remain close to zero.

The **US** should strive to diverge positively from other developed economies, taking advantage of the clear recovery in its labour market, the strengthening of company balance sheets and higher levels of investment and private consumption. The real estate market is showing clear signs of normalisation. The greater elasticity of the US economy in relation to energy prices is expected to create a propitious environment for growth to accelerate. The US economy is forecast to grow by more than 3%, its highest growth rate since 2008. The Federal Reserve is expected to initiate a cycle of monetary policy normalisation in mid-2015 after having gradually withdrawn its quantitative easing measures in 2014. Interest rates are likely to be altered slowly and gradually.

The **UK,** another economy that stands out for its positive performance, is forecast to grow by more than 2.5%. Some doubts remain over the possibility of the UK also beginning to normalise monetary policy.

Japan is expected to remain focused on implementing so-called Abenomics, maintaining extraordinary monetary stimuli as it seeks to implement the most controversial phase of the plan – structural reforms. The Japanese economy is forecast to grow by about 0.6%.

Australia is expected to achieve growth of close to 3%, similar to its performance in 2014.

In regard to developing economies, **China** is expected to maintain its focus on altering the country's pattern of growth by seeking to correct macroeconomic imbalances and vulnerabilities, specifically corruption, excessive lending volumes and real estate prices linked to excessive levels of leverage. China's economic growth rate is likely to fall below 7%. **India** stands out among other emerging economies for its positive growth, which should reach 6.3% in 2015. As in 2014, **Brazil** and **Russia** are likely to show disappointing growth levels – Brazil is projected to achieve positive growth, but Russia, hit by growing geopolitical risks, international sanctions, high inflation, currency depreciation and a price drop in its principle source of income – oil – is expected to see its economy shrink. **South Africa**'s economy is projected to grow at an annual rate of more than 2%.

13.1.2. Portugal

In 2015, the Portuguese economy is expected to grow at a rate of about 1.5%, its second consecutive full year of growth after three years of sharp contraction. Although this represents acceleration in growth compared with 2014, it will still remain below the average growth rate for 1995-2010 and below Portugal's potential long-term growth rate. It will be a year of convergence with the Euro Zone average. The end of the Economic and Financial Assistance Programme in June and some of the rulings made by the Constitutional Court set the tone for 2014 and laid the foundations for the growth expected in 2015. The fall in oil prices that began at the end of 2014 and continued into early 2015 will mark the economic climate, providing additional support for an expansion in domestic demand (which is expected to grow by about 1%, sustained by continuing growth in private consumption and a significant increase in investment) through an increase in disposable income (supported by a reduction in the tax burden included in the government budget for 2015). But the economy also faces a risk – the fact that some Portuguese export markets and countries where a significant proportion of Portuguese emigrants reside are strongly dependent on variations in the price of crude oil.

Contrary to the surprise caused in 2014 when domestic demand became the motor of Portugal's economic growth, net exports are expected to contribute positively to growth in 2015. The outlook for Spain, Portugal's biggest export market, is favourable. Import costs should reflect the fall in oil prices and become less of a brake on growth. Even though export growth in 2014 was the lowest since 2009 and export market diversification outside Europe fell below the levels of previous years, the Portuguese economy has never been so internationally competitive, indicating that the current account will move back into surplus. The financial capacity of the economy should also increase slightly in 2015.

[1] BRIC – Brazil, Russia, India and China.

Fiscal consolidation should continue as in the recent past, supported by economic recovery, more efficient tax collection and measures to consolidate public spending. Even so, the government budget for 2015 envisages room for a slight increase in all items of public expenditure. Public consumption is expected to contract by about 0.5%, as it did in 2014. The Portuguese authorities expect excessive deficit procedures against Portugal to be lifted in 2015, when the budget deficit is projected to fall below 3% of GDP. Portugal's risk premium is projected to continue decreasing and the country is expected to maintain its capacity to finance itself in financial markets at favourable rates.

Unemployment is forecast to continue falling at a moderate rate, limiting pressure on wages and consumer prices. A projected contraction in the size of the labour force, together with the end of active employment policies, is expected to offset the positive effects resulting from improved confidence indicators and a projected increase in investment, which is expected to expand by about 13%.

Inflation, affected by international energy and foodstuff prices as well as by excess installed capacity, is likely to fall close to zero, restricting efforts by economic agents to reduce their indebtedness. The fact that disposable income is expected to increase due a reduction in the tax burden and the annulment of previous government-imposed cuts in public administration wages and pensions is likely to provide greater support for consumption growth and to minimise deflationary pressures.

13.2. OPERATIONAL ACTIVITIES

13.2.1. Raw Materials

In 2015, business levels for the Raw Materials BU are expected to be similar to those in 2014, but at a lower level of profitably due to conditions affecting the purchasing campaign, which will put great pressure on the purchase price.

The Raw Materials BU expects in 2015 to acquire the necessary amount of cork to supply **Corticeira Amorim**'s value chain in 2016. Balancing quantity, price and quality remains the BU's priority and, for this reason, it will continue to value cork markets in alternative geographical regions to traditional markets as well as rigour in assessing cork quality. New sensory selection criteria are also expected to be introduced into purchasing campaigns.

In the area of operating efficiency, rigorous plans aimed at rationalising operating costs will be introduced at all production units, together with other projects designed to improve production processes. New, more technologically advanced and efficient equipment is being installed in the champagne disc sector. The benefits of technological improvements in the cork preparation sector are also expected to take effect in 2015.

The Raw Materials BU expects positive results from R&D projects being developed in the areas of forestry and sensory quality. These projects will help deepen our knowledge of the sector – from cork oak estates [*montados*] to the finished product, making an important contribution to knowhow and an understanding of how best to introduce better curative methods for treating cork.

13.2.2. Cork Stoppers

The world wine market is projected to continue growing at a rate of 1% a year. The US, Asia - India and China - and Brazil are high in growth potential and will certainly be markets to focus on in the coming years.

Data compiled by International Wine and Spirit Research indicate that the US will strengthen its position as the biggest world wine market, growing 11.3% over the next three years until it reaches the impressive level of consuming 377.9 million 12-bottle cases a year in 2018. The Chinese wine market will continue to grow, albeit at a less explosive rate than in 2009-2013 – from 69.3% to the present level, the increase in consumption is expected to reach 25%, enough to make China a market consuming 180.7 million cases of wine in 2018, the fifth largest market in the world. The other three markets in the top five were European: France (in second place, dropping 2.8% to 288.2 million cases), Germany (in third place thanks to a 1.1% increase to 277.9 million cases) and Italy (in fourth place following a 5.1% drop to 273.6 million cases). This reflects a fall in consumption in traditional wine-producing countries and an increase in other regions. It is this trend that is believed to have had an impact in the UK (+5.5%), Argentina (+2%) and Russia (+3%), respectively the sixth, seventh and eighth largest wine markets in the world.

In spite of remaining stable in terms of consumption the so-called Old World remains the Cork Stopper BU's biggest market in terms of both volume and value. Service quality, sensory characteristics and the efficiency of the distribution network are key to gaining a bigger share of this influential and demanding market.

In 2015, the BU's main challenge will be to grow in value and volume terms, an aspiration that will require highly efficient management of both the supply chain and the means of production.

Significant improvements in profitability are not expected. The BU will seek to innovate, reach new markets and improve product reliability and service quality, factors of the greatest importance for creating value in the cork industry and adding value to the wine industry by enhancing the BU's image as a business partner.

The BU's strategy for 2015-2017 will continue to prioritise three areas: sustainable growth, quality, innovation and operating efficiency, focusing on product development and reliability and creating a sustainable level of service quality that enables the group to increase its market share.

Rotating working capital at a faster rate will also be a priority, focusing on the introduction of more efficient stock control methods, mainly at non-domestic plants. Strengthening credit control in poorly regulated markets will be critical to controlling current assets in a year in which the BU is expected to expand its business in new markets.

Crucial factors on the commercial side, with support from the BU's distribution network, will be to consolidate and defend the BU's market position, broaden its customer base and improve its retention rate. Another priority and a means of defending and expanding the market share of the BU's products will be to gain market positions for alternative products, based on their sustainability and product reliability.

In this context, the Cork Stopper BU's priorities will be:

- to develop and promote a differentiated product portfolio with the aim of creating and optimising value;
- to launch disruptive products that meet the needs of end-consumers;
- to prioritise leadership in service quality, including: product and supply chain reliability; a premium personalised and differentiated offer; a bigger presence in new markets;
- to strengthen the skills base by which the Cork Stopper BU is perceived as a business partner;
- to cut the cost of supplying direct customers in Portugal with no loss in service levels or quality;
- to extend the sales network in a cost-efficient way and give priority to products with the greatest growth potential;
- to improve supply chain management with a view to cutting costs, reducing the amount of invested capital and improving service levels;
- to retain processes that deliver continuous improvements in operating efficiency;

CORK STRIPS AND PLANKS

- to focus attention on sensory characteristics and product homogenisation in the industrial area;
- to achieve a balanced "volume-value" mix by focusing on higher valued-added products;
- to strengthen competitiveness through leadership in operating efficiency and adjusting the BU's cost structure to the margin it generates;
- to build a team development programme to enhance the BU's customer and market culture;
- to extend training, cork knowhow and an understanding of the BU's business model to every employee;
- to consolidate the BU's sustainability policy and practices;
- to strengthen partnerships and gain new sources of knowledge.

13.2.3. Floor and Wall Coverings

Projected sales in 2015 are based on the success of the ArtComfort collections, whose differentiating features include the technologies used in creating their visual aspects as well as their new finishes and modern dimensions. Particularly noteworthy was the launch at the BAU 2015 trade fair in Germany of the HydroCork range, our first floating flooring, which, in addition to having all the advantages of CorkTech, is thinner than similar products and water-resistant, unique characteristics that will help the BU expand in target market segments.

Following the BU's revaluation of the growth aspects of its new strategic performance cycle, a number of opportunities were identified in priority markets that will support its new ambitions for 2015–2020. Focusing the management team and strengthening sales performance will be crucial factors in this growth strategy.

Performance in 2015 will benefit from consolidating the gains made in 2014 in low-profit markets through gaining and keeping new customers, energising relationships with existing customers on the basis of their potential and taking advantage of the full range of products available in the BU's portfolio.

Innovation will remain one of the main pillars for developing the Floor and Wall Coverings BU's competitive advantages, with the projected launch of new products that will strengthen its leadership of the sector and help ensure that the products and services its introduces into the market reflect the value that clearly differentiates the BU from its competitors.

Performance based on innovation, continuously introducing into the market flooring solutions in which cork is a differentiating factor and the source of competitive advantages over other flooring products, will help the Floor and Wall Coverings BU achieve its ambitions in the highly competitive world flooring market.

13.2.4. Composite Cork

In 2015, the Composite Cork BU aims to achieve a year of growth in terms of both sales and profitability.

The BU expects to consolidate its presence in both emerging and more developed markets, taking advantage of a number of initiatives launched in 2014. Its focus on the systematic development of innovative products should also continue to drive growth and profitability.

The necessary conditions are also in place to consolidate the BU's operating efficiency ratios in regard to both raw materials and manufacturing processes, specifically by means of concluding the geographical concentration of its production units at a single location in Portugal.

New development initiatives will flow from the strategic growth, value and efficiency guidelines that form the foundation of the BU's sustainable profitability.

Focusing on applications with greater potential and expanding the BU's current geographical presence to different parts of the world will continue to be engines of growth.

Value creation will also remain crucial to the BU's strategy. To meet this goal, efforts will made to develop new products and conduct research into new composite cork applications.

At the same time, the BU will continue working to maximise the optimum use of raw materials, a fundamental factor in strengthening the competitiveness of its products and applications.

Efficiency, supported by cost control and the optimisation of invested capital, will continue to be a structural management concern.

A new cycle in the development of the BU and its activities will begin in 2015 with the goal of reaching a new level of ambition and even higher performance standards. To this end, a broad range of initiatives is in the advanced planning stage with a view to their implementation throughout the year. The plan, which will cover every area of the BU, includes specific initiatives related to operating efficiency, organisational structure, innovation and communication strategy. It will involve the whole community of stakeholders in responding to the BU's renewed ambitions.

13.2.5. Insulation Cork

In 2015, the Insulation Cork BU expects sales to grow in the expanded cork conglomerate segment, reflecting a general recovery in the overall market and an expansion in emerging markets, even though there have been no consistent indications of a rapid recovery in the world economy.

The BU will continue to focus on highlighting the technical and ecological advantages of its products, concentrating on the regions and cultures that are most sensitive to environmental concerns.

It will maintain its industrial flexibility and product versatility, focusing on specific applications and on responding to special project requests, as well as on complementing other insulation solutions. The unique characteristics of the products and solutions marketed by the BU - their superior performance and their natural and environment-friendly qualities, as well as a focus on new expanded cork conglomerate applications for external walls and the use of insulation products in building renovation, will help them achieve greater visibility and expand their position in the market.

The implementation of a number of initiatives and projects in line with the BU's global strategy will help it achieve profitable growth targets for its general range of products and optimise the capital invested in its business.

13.3. RESULTS

Confidence indicators in both the US and Europe remain positive. The crises these regions are currently experiencing appear not to be affecting their markets. However, confidence could collapse from one moment to another. The crisis in Ukraine, increasing tensions with Russia and the reigniting of the Greek crisis are evidence of this.

It seems clear that markets and even consumers appear to have learned to live with permanent crises. The number of acquisitions, IPOs and similar deals is close to a record high.

Unable to protect itself from what may happen in the macroeconomic environment, **Corticeira Amorim** has to take advantage of the positive developments that are expected in 2015. This means keeping pace with, or even overtaking the overall pace of growth forecast for the world market in wine, sparkling wine and spirits. The BU's goals are to gain new markets, increase its share of existing markets for floor and wall covering products and composite conglomerates and continue to improve operational efficiency.

Given that supplies of cork are assured for 2015, a stabilisation of the raw-material cork market is expected, preparing the way for an unproblematic year in 2016.

The recent appreciation of the US dollar and the benefits of restructuring undertaken in 2014 should result in another good year for **Corticeira Amorim**.

Aware of the difficult choices that may arise, **Corticeira Amorim** looks ahead to 2015 with relative optimism.

CORK HARVESTING

14

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, particularly the current instability affecting Eastern Europe and Russia, continue to affect the development of the global economy. Like other businesses, **Corticeira Amorim** operates in an uncertain economic climate that continues to affect some of its main export markets:

I. **The construction sector** – the marked slowdown of activity in this sector, in terms of 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** – as in previous years, the possibility of a recovery in consumption per capita in key European Union countries such as France, Spain and Italy remains questionable. In fact, consumption in these large wine-producing and wine-consuming countries is undergoing a slight decline. On the other hand, the US is rapidly becoming the market to which all wine exporters are turning their attention. Its size and obvious capacity to accommodate premium prices make the US the key market for energising the future growth of the wine industry.

   Corticeira Amorim continues to implement an R&D policy that supports the development of a range of technical stoppers capable of satisfying the requirements of any wine producer 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 are permanently monitored and assessed:

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 2014 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, due to 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.

HELIX, A CORK-GLASS SOLUTION EASY TO OPEN

CORK OAK TREES

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 estates) 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 tendency of wine producers to reduce the use of alternative closures continued in 2014 with regard to plastic stoppers, while there was a slight increase in the use of screw-caps. On the other hand, market data produced by Nielsen continued to show that of the 100 leading wine brands in the US, those using cork stoppers enjoy faster sales growth than those using artificial closures. According to a report published by the US Cork Quality Council, US consumers are prepared to pay 4.34 USD more for a bottle of wine sealed with a cork stopper, with such brands having grown more than 6% in volume terms compared with the previous year. Cork continues to strengthen its position as the preferred wine bottle closure and the benchmark for critical factors including quality, performance and image.

However, artificial closure manufacturers have sought to find formulas more consistent with the micro-oxygenation requirements of wine producers. While these efforts remained largely unsuccessful, in 2014 plastic closure manufacturers continued to look for alternative raw materials to oil, efforts to which some wine producers were receptive. In spite of these efforts, plastic closures continue to be associated with low-grade wine and lower levels of profitability for producers and distributors.

Screw-cap closures remain limited by the following factors:

- The phenomenon of reduction remains an important technical question. But liners have been introduced for these closures, aimed at preventing oxygen from entering bottles;
- In terms of market share gains, the pace of growth in screw-top sales may have increased slightly, although the promotional campaign launched in 2012 has not changed the perception of the public at large of screw-cap closures. It is therefore cost, more than image or performance, that is benefitting screw-caps;
- Although the crisis of 2008 may have slightly diminished awareness of the environmental and ecological costs involved in the use of manufactured products, there has lately been a growing understanding of this fact. This awareness has now become an irreversible reality, requiring these costs to be mediated and controlled;
- The convenience factor remains important in the fast-turnover wine segment. The launch of the Helix system enjoyed a positive follow-up in 2014 from wine producers in France, Italy, Spain and Portugal, markets where wine-bottlers have installed this innovative system, the result of a partnership between Owens-Illinois and Amorim.

During 2014, the Portuguese Cork Association (APC) continued with its second multi-year campaign to promote cork internationally, focusing on crucial markets with high growth potential including the US, China and Brazil.

IV. **The evolution of composites –** the discovery of new material properties or new methods for transforming, producing or combining materials can result in new composite materials with properties that may offer competitive advantages to **Corticeira Amorim**, especially its Composite Cork BU, or, alternatively, to its competitors.

Thus, in a scenario in which (i) no discoveries in terms of cork properties or combinations of cork with other materials resulting in new applications or composite materials capable of generating new value are made; or (ii) significant advances are made in developing the properties of competing products (and/or ways of combining them with other materials) that cannot be matched by **Amorim** could have unfavourable consequences for **Corticeira Amorim**, such as: a loss of competitiveness in some business areas and the need to redefine its strategy in terms of price, equipment and obsolete techniques.

In the opposite scenario, in which (i) the discovery of new properties of cork or complementary materials to cork; (ii) the discovery of new ways of combining cork with other materials to create new composites; or (iii) the immunity of applications using cork to new discoveries by alternative closure manufacturers would enable **Corticeira Amorim**, and particularly its Composite Cork BU, to discover new properties for existing applications, add value to its products over those of its competitors, and obtain competitive advantages using new composite materials enabling it to explore new applications.

A focus on research, development and innovation (RDI) together with investment in production technology are the keys to ensuring that the latter scenario materialises and prevents the former from happening. Increasing awareness of the value of cork and recognition of its technical and environmentally-beneficial qualities will benefit that continuous affirmation of cork on the world stage, an end to which the promotion of its advantages should also continue.

Corticeira Amorim's activities are exposed to a range of **financial risks**: market risk (including foreign exchange and interest rate risk), credit risk, liquidity risk and capital risk. Under the terms of line e) paragraph 5 of article 508C of Portugal's Commercial Company Code, the Company's aims and policies in regard to managing these risks, including policies for hedging the main foreseeable transactions for which risk coverage accounting is used, as well as exposure to price, credit, liquidity and cash flow risks, are duly set out in the note on "Financial Risk Management" included in the Notes to the Consolidated Accounts.

15

TREASURY STOCK

During the 2014 financial year, **Corticeira Amorim** did not trade any treasury stock, so that on December 31, 2014 its treasury stock totalled 7,399,262, representing 5.563% of the Company's share capital.

16

PROPOSED APROPRIATION OF PROFIT

Based on the annual financial statements for the year ended 31 December 2014 and in view of the fact that the Company's net profit for the year was € 41,022,302.24 the Board of Directors of **Corticeira Amorim**, S.G.P.S., S.A. hereby proposes that the Annual General Meeting:

1. consider and approve a resolution that the above net profit for the year in the amount of € 41,022,302.24 be appropriated as follows:
   - € 2,051,115.83 to be transferred to the Legal Reserve;
   - € 5,053,657.69 to be carried forward to a Retained Earning account;
   - € 18,620,000.00 to be allocated to dividend payment, being € 0.14 per share; and
   - a sum of € 15,297,528.72 to be transferred to Free Reserves;
2. consider and approve a resolution that the amount of undistributed dividends related to treasury shares held on the dividend payment due date, be transferred to the Free Reserve account.

17

STATEMENT OF RESPONSABILITY

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.

18

SUBSEQUENT EVENTS

Subsequent to December 31, 2014 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.

19

FINAL WORDS

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

- the Company'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 12, 2015

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

Luísa Alexandra Ramos Amorim
Member

Juan Ginesta Viñas
Member

PRODUCTION LINE OF TOP SERIES CORK STOPPERS RANGE

03

Corporate Governance Report

INTRODUCTION CORPORATE GOVERNANCE

Corticeira Amorim has been reviewing its corporate governance since 1999, the date on which the Portuguese Securities Market Commission (CMVM) published the first recommendations on the governance of listed companies, aiming at the improvement of mechanisms for the protection of investors in securities markets. The Company compares it with, on the one hand, what are considered best practices, and on the other, with the circumstances of its activity and the challenges it has to meet. As a result, it has been implementing a set of measures which, overall, have the main objectives of strengthening the internal systems of control and supervision, enhancing transparency, fostering the participation of shareholders in the life of the company and ensuring the sustained creation of shareholder value.

This document describes corporate governance policies and practices adopted by the Company, while also providing a qualitative assessment of them compared with the best practices listed in the CMVM corporate governance code.

Section 8 of this report also includes the information referred to in articles 447 and 448 of the Portuguese Companies' Code (CSC), in paragraphs 6 and 7 of article 14 of CMVM Regulation No. 5/2008 (Transactions of Directors) and in article 3 of Law No. 28/2009, of 19 July (Remuneration Policy).

PART I MANDATORY INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

CORK STOPPER, A SIGNAL OF QUALITY AND DISTINCTION

A.

SHAREHOLDER STRUCTURE

I. CAPITAL STRUCTURE

1. The capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including an indication of shares that are not admitted to trading, different classes of shares, rights and duties of same and the capital percentage that each class represents (Article 245-A/1/a)).

Corticeira Amorim's share capital amounts to EUR 133 million and is represented by 133 million ordinary shares for a nominal value of one euro each, and which grant the right to dividends.

All shares issued by the Company are listed on Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

Distribution of capital among shareholders

Shareholder	No. of shares owned (quantity)	Interest	Voting rights[a]
Treasury Stock	7,399,262	5.563%	–
Qualifying interests:			
Amorim Capital, S.G.P.S., S.A.	67,830,000	51.000%	54.004%
Investmark Holdings, B.V.	24,975,157	18.778%	19.885%
Amorim International Participations, B.V.	20,064,387	15.086%	15.975%
Freefloat	12,731,194	9.572%	10.136%
Total	133,000,000	100.000%	100.000%

[a] Considering the suspension of voting rights associated with 7 399 262 shares held as treasury stock.

2.2. Restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (Article 245-A/1/b)).

There are no restrictions on the transfer of shares.

3. Number of treasury shares, the percentage of share capital that it represents and corresponding percentage of voting rights that corresponded to treasury shares (Article 245-A/1/a)).

At 31 December 2014, **Corticeira Amorim** held a treasury stock of 7,399,262 shares, representing 5.563% of its share capital and which would correspond to 5.563% of the voting rights if those rights had not been suspended pursuant to the provisions of Article 324(1)(a) of the Portuguese Companies' Code.

4. 4. The disclosures of important agreements to which the company is a party and that come into effect, amend or terminated in cases such as a change in the control of the company after a takeover bid, and the respective effects, except where due to their nature, would be seriously detrimental to the company; this exception does not apply where the company is specifically required to disclose said information pursuant to other legal requirements (Article 245-A/1/j)).

At 31 December 2014 there were loan agreements entered into by **Corticeira Amorim** and several banking institutions containing covenants requiring the maintenance of **Corticeira Amorim**'s controlling interest in contracts regarding loans totalling twenty-seven million euros (at 30 January 2015 a loan agreement amounting to seven million euros was repaid in full). In the case of change of shareholder control, the contracts provide the possibility – but not the obligation – of early repayment of the amounts loaned.

There are no other agreements according to the terms set out in this paragraph.

5. A system that is subject to the renewal or withdrawal of countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.
The Articles of Association of the Company do not include measures of this type and, to the best knowledge of **Corticeira Amorim**, there are no other arrangements and/or measures with that same goal.

6. Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights (Article 245-A/1/g)).
Corticeira Amorim has no knowledge of the existence of any shareholders' agreements that might lead to the aforementioned restrictions.

II. SHAREHOLDINGS AND BONDS HELD

7. Details of the natural or legal persons who, directly or indirectly, are holders of qualifying interests (Article 245-A/1/c) & /d) and Article 16) with details of the percentage of capital and votes attributed and the source and causes of the attribution.

Shareholder	No. of shares owned (quantity)	Share capital with voting rights
Amorim Capital SGPS, S.A.		
Directly	67 830 000	54,004% [a]
Attributable total	67 830 000	54,004%
Amorim Investimentos e Participações, SGPS, S.A.		
Directly	–	–
Through Amorim Capital SGPS, S.A., which holds a 100% interest.	67 830 000	54,004%
Attributable total	67 830 000	54,004%
Interfamília II, SGPS, S.A. [b]		
Directly	–	–
Through Amorim Investimentos e Participações, SGPS, S.A., in which it holds a 100% interest.	67 830 000	54,004%
Attributable total	67 830 000	54,004%
Investmark Holding BV		
Directly	24 975 157	19,885% [c]
Attributable total	24 975 157	19,885%
Warranties, SGPS, S.A.		
Directly	–	–
Through Investmark Holding BV, in which it holds a 100% interest.	24 975 157	19,885%
Attributable total	24 975 157	19,885%
Américo Ferreira de Amorim		
Directly	–	–
Through the shareholder Warranties, SGPS, S.A., in which it holds a 70% interest.	24 975 157	19,885%
Attributable total	24 975 157	19,885%
Amorim International Participations, BV		
Directly	20 064 387	15,975% [d]
Attributable total	20 064 387	15,975%
Amorim, Sociedade Gestora de Participações Sociais, S.A. [e]		
Directly	–	–
Through Amorim International Participations BV, in which it holds a 100% interest.	20 064 387	15,975%
Attributable total	20 064 387	15.975%

[a] Considering the suspension of voting rights associated with 7,399,262 shares held as treasury stock.
[b] The capital of Interfamília II is wholly owned by three companies (Amorim Holding Financeira, SGPS, S.A., Amorim Holding II, SGPS, S.A. and Amorim – Sociedade Gestora de Participações Sociais, S.A) none of which has a controlling interest in the company. The capital of first two companies is held by Américo Ferreira de Amorim and by his wife and daughters and the third by António Ferreira de Amorim and by his wife and children.
[c] Considering the suspension of voting rights associated with 7,399,262 shares held as treasury stock.
[d] Considering the suspension of voting rights associated with 7,399,262 shares held as treasury stock.
[e] The capital of Amorim, Sociedade Gestora de Participações Sociais, S.A. is held by António Ferreira de Amorim, by his wife and children, but none of them holds a controlling interest in the company.

8. A list of the number of shares and bonds held by members of the management and supervisory boards.

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 trade any shares representing the share capital of the Company during the 2014 financial year. At 31 December 2014, they did not hold any shares in **Corticeira Amorim**.

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

i. Amorim Capital, SGPS, S.A. in which António Rios de Amorim, Chairman of the Board of Directors of **Corticeira Amorim**, holds the position of Member of the Board of Directors, did not trade any shares of **Corticeira Amorim**. This means that at the end of year he held 67,830,000 shares, representing 51% of the share capital, which correspond to 54.004% of the voting rights.

ii. Amorim International Participations, BV, in which Cristina Rios de Amorim Baptista, Member of the Board of Directors of **Corticeira Amorim**, holds the position of Director, did not trade any shares of **Corticeira Amorim**. This means that at the end of year she held 20,064,387 shares, representing 15.086% of the share capital, which correspond to 15.975% of the voting rights.

The share ownership referred to in paragraphs i. and ii. refers to 31 December 2014, remaining unchanged at the date of publication of this report.

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

i. Amorim Capital, SGPS, S.A. held 67,830,000 shares of **Corticeira Amorim**, corresponding to 51% of the share capital and 54.004% of the voting rights;

ii. Investmark Holdings, B.V. held 24,975,157 shares in **Corticeira Amorim**, representing 18.778% of this Company's share capital and 19,885% of voting rights;

iii. Amorim International Participations, B.V. held 20,064,378 shares in **Corticeira Amorim**, representing 15.086% of this Company's share capital and 15.975% of voting rights.

The share ownership referred to in paragraphs i., ii. and iii. refers to 31 December 2014, remaining unchanged at the date of publication of this report.

d) 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 CMVM and according to notices received from persons/entities covered by this regulation, it is hereby reported that no other transactions involving the Company's shares were carried out in the second half of 2014 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.

9. Special powers of the Board of Directors, especially as regards resolutions on the capital increase (Article 245-A/1/i)) with an indication as to the allocation date, time period within which said powers may be carried out, the upper ceiling for the capital increase, the amount already issued pursuant to the allocation of powers and mode of implementing the powers assigned.

It is the responsibility of **Corticeira Amorim**'s Board of Directors to maintain effective control over the activities of the Company. It is the highest strategic decision making body and 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 simply examined by the Executive Committee, therefore ensuring that all 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' Code, 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 General Meeting or the decisions made by the Supervisory Board whenever required by law or the Articles of Association.

WICANDERS DEKWALL COVERING, VISUAL CAYMAN

These duties include, among others:

a) Choosing its Chairman;

b) Co-opting Directors;

c) Requesting the convening of General Meetings;

d) Preparing annual reports and financial statements;

e) Acquisition, disposal and encumbrance of real estate; provision of guarantees and furnishing collateral and security on behalf of the company;

f) Opening or closing establishments or important component parts thereof;

g) Significantly expanding or reducing the Company's activity;

h) Making major changes in the Company's organisation;

i) Establishing or terminating important and long-lasting cooperation projects with other companies;

j) Change of head office;

k) Merging, de-merging or changing the legal status of the Company;

l) Deciding on any matters put forward at the request of any director for resolution of the Board of Directors.

CORK SKATEBOARD, BY ARCHER

The Company's Articles of Association[1] give the Board of Directors the following powers: the exercise of all powers of direction, management, administration and representation of the company; transfer the head office of the company to any other location permitted by law; create in any part of the national territory or abroad, delegations, agencies, subsidiaries, branches, offices or other forms of representation of the company; acquire, dispose of or encumber in any way the company's own shares and debt instruments and any rights, as well as perform the operations on those securities deemed appropriate; acquire, sell, exchange and lease real estate by any acts or contracts as well as encumber them, even if through the pledging of assets; exercise and promote the exercise of rights of the company in the companies in which it holds interests; acquire, sell, exchange, lease or encumber in any manner movable property; negotiate with credit institutions financing operations; carry out transactions in bank accounts, deposit and withdraw money, issue, accept, sign and endorse cheques, bills of exchange, promissory notes, invoice statements and other negotiable instruments; admit fault, give up or settle any legal action, as well as enter into arbitration and approve the resulting rulings; perform any other duties envisaged herein and in law.

The Board of Directors may delegate any of their powers as follows:

- In one or more Directors or an Executive Committee the day-to-day management of the Company, establishing the limits of delegation and/or engaging any or some directors to handle certain administration matters – in this context, the matters described in sub-paragraphs a) to k) are not delegable;

- 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, the duties described in sub-paragraphs a), b), c), d), f), j) and k) are non-delegable.

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.

In the financial year under review, the Board of Directors has not decided to undertake any increase of the share capital of the Company.

10. Information on any significant business relationships between the holders of qualifying interests and the company.

There are no commercial relations between the holders of qualifying interests and the company.

[1] The company's Articles Association provide that, by unanimous decision of its members, the Board of Directors may pass resolutions about capital increases, once or more times, in accordance with the law, up to EUR 250 million, it is also responsible for deciding on the respective terms, conditions method and length of the subscription and payment period. However, according to the general law such discretion is not currently in force:

- The last assignment of powers to the Board of Directors was given by the General Meeting of 2 October 2000, with the resolution to amend article 8, paragraph 1, of the Memorandum of Association and consequent public deed of 16 October 2000; Article 8, paragraph 1 of the Memorandum of Association does not indicate the term for the exercise of the powers;

- Article 456, paragraph 1(b) of the Portuguese Companies' Code states that the Memorandum of Association should establish the period, not exceeding five years, during which the powers may be exercised. It also states that in the absence of any indication, the period shall be five years; paragraph 4 of the same article 456 states that the General Meeting, deciding with the majority required for amendment of the Memorandum of Association, may renew the powers of the Board of Directors.

- These powers have not been renewed since October 2005.

Additional information: in October 2000 no capital increases were issued under the powers of the Board of Directors.

B.

CORPORATE BOARDS AND COMMITTEES

I.GENERAL MEETING

a) Composition of the Presiding Board of the General Meeting

11. Details and position of the members of the Presiding Board of the General Meeting and respective term of office (beginning and end).
The Presiding Board of the General Meeting is composed of a chairman and a secretary.

All members of that board, elected for the 2011 to 2013 term, are, pursuant to law, remaining in office until 24 March 2014, inclusive:

Chairman: Joaquim Taveira da Fonseca

Secretary: Tiago Borges de Pinho
Beginning of first term of office:
28 May 2007
1st renewal of term of office:
28 March 2008
2nd renewal of term of office:
01 April 2011
End of current term of office:
31 December 2013, remaining in office until a new election pursuant to law.

And have exercised their duties for the last time in the General Shareholders' Meeting on 24 March 2014. This Meeting appointed the following members to said governing body for the 2014-2016 triennium.

Chairman: Augusto Fernando Correia de Aguiar-Branco

Secretary: Rita Jorge Rocha e Silva
Beginning of first term of office:
24 May 2014
End of current term of office:
31 December 2016, remaining in office until a new election pursuant to law.

No changes in the composition of the Presiding Board of the General Meeting took place during 2014.

b) Exercising the right to vote

12. Any restrictions on the right to vote, such as restrictions on voting rights subject to holding a number or percentage of shares, deadlines for exercising voting rights, or systems whereby the financial rights attaching to securities are separated from the holding of securities (Article 245-A/1/f));
There are no 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 cast by only one shareholder or by a shareholder who is related to that shareholder. The Articles of Association do not envisage mechanisms that aim to cause a time lag between the entitlement to receive dividends or subscribe for new securities and the voting rights of each ordinary share.

Each share is entitled to one vote.

The blocking of shares to attend the General Meeting must be made at least five business days before the date designated for the respective meeting. The same rule applies when a General Meeting is scheduled for a later date, when the initial session of the General Meeting is suspended.

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 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 sent by mail are equivalent to negative votes for proposals submitted after the date on which such votes were cast. The presence of the shareholder at the General Meeting revokes the vote it may have sent by mail.

Corticeira Amorim's Articles of Association allow electronic voting, provided that there are adequate technical resources available to enable checking the validity of electronic votes and ensuring their data integrity and confidentiality. Votes sent by electronic means must be received by the Company by the third business day prior to the General Meeting. The Chairman of the General Meeting must check prior to the convening of the General Meeting, the existence of technical means and communication to ensure the safety and reliability of the votes cast. If the Chairman of the presiding Board decides that the technical requirements for voting by electronic means are met, such information shall be included in the Notice calling the meeting. Votes sent by electronic means are equivalent to negative votes for proposals submitted after the date on which such votes were cast. The presence of the shareholder at the General Meeting revokes the vote it may have sent by mail or by electronic means.

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.

13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in Article 20/1.
The Articles of Association do not provide for any limit on the number of votes that each shareholder (either separately or jointly with other shareholders) is entitled to cast or exercise.

14. Details of shareholders' resolutions that, imposed by the Articles of Association, may only be taken with a qualified majority, in addition to those legally provided, and details of said majority.
The Company's Articles of Association establish specific requirements for convening/decision-making quora, for 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' Code, 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 General Meeting;
- In order that an General Meeting requisitioned by shareholders may pass resolutions – it is required that the General Meeting be attended by shareholders owning shares representing at least the minimum amount of share capital required by law to legitimise 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.

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Details of corporate governance model adopted.

Corticeira Amorim has adopted a system of corporate governance commonly known as the "strengthened Latin" model, which is based on a clear separation between administrative and supervisory bodies as well as double supervision through a supervisory board and a statutory auditor.

The Board of Directors considers that the adoption of this model has resulted in the constitution of a supervisory body with stronger and effective supervisory powers composed entirely of members subject to an incompatibility regime and broader independence regulations. It also considers that attributing these powers to an autonomous body – the Supervisory Board – helps create an efficient corporate governance model because it establishes a clear division between the management and supervisory bodies, avoiding the granting of supervisory powers to individual members of the Board of Directors, which by law is a collegial body.

As a consequence, the Board of Directors is confident that the corporate governance model adopted is suitable for the specific circumstances of **Corticeira Amorim** for the following reasons:

- It embodies a framework of principles of corporate governance and good practices 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, directors and 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 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.

16. Articles of association rules on the procedural and material requirements governing the appointment and replacement of members of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable. (Article 245-A/1/h).

The rules governing the appointment and replacement of members to the board of directors 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:

First: one Director shall be elected separately from among the people proposed on the lists subscribed by the groups of shareholders who own between 10% and 20% of the share capital. Each list must propose at least two eligible persons for each office to be filled, but the same shareholder may not subscribe to 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 on the agenda relating to the election of Directors starts to be discussed;

Second: the General Meeting shall elect the remaining directors. All shareholders present may take part in the respective resolution, regardless of whether or not they signed or voted on any of the lists of the first phase. The General Meeting cannot elect the remaining Directors until it has elected one of the nominees on the lists of the first phase, unless no list has been proposed.

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 management 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.

When a Director is declared to be definitively absent, and there are no substitutes, he/she shall be replaced by co-option, unless the directors in office are not sufficient in number for the board to function. If there is no co-option within 60 days of the absence, the supervisory board appoints a replacement. The co-option and appointment by the supervisory board shall be subject to ratification at the next general meeting.

If a director elected under the special rules of the first stage is absent permanently, and there is no respective substitute, a new election shall be held, at which the special rules of the first phase apply, with necessary adaptation.

17. Composition of the Board of Directors, with details of the Articles of Association's minimum and maximum number of members, duration of term of office, number of effective members, date when first appointed and end of the term of office of each member.

According to the Articles of Association, the company is administered by a Board of Directors composed of a Chairman, a Vice-Chairman and one to nine other members. In the current term, the Board of Directors consists of a Chairman, a Vice-Chairman and four members, all incumbent members.

The duration of the term of office of the Board of Directors is three calendar years.

The members of the Board of Directors in office on 31 December 2013, elected for the 2011-2013 term remained in office until new election, which took place at the General Shareholders' Meeting of 24 March 2014. This General Meeting re-elected all members of the Board of Directors for a new term, namely from 2014 to 2016.

Thus, the Board of Directors was composed of six members over 2014:

Chairman: António Rios de Amorim
Date of 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 current office:
31 December 2016, remaining in office until a new election pursuant to law.

Vice-Chairman: Nuno Filipe Vilela Barroca de Oliveira
Date of first appointment to the Board of Directors:
28 March 2003
End of term of office:
31 December 2016, remaining in office until a new election pursuant to law.

Member: Fernando José de Araújo dos Santos Almeida
Date of first appointment to the Board of Directors:
31 July 2009
End of term of office:
31 December 2016, remaining in office until a new election pursuant to law.

Member: Cristina Rios de Amorim Baptista
Date of first appointment to the Board of Directors:
20 July 2012
End of term of office:
31 December 2016, remaining in office until a new election pursuant to law.

Member: Luísa Alexandra Ramos Amorim
Elected as member of the Board of Directors at the General Meeting of Shareholders of **4 April 2013.**
Date of first appointment to the Board of Directors:
28 March 2003
End of term of office:
31 December 2016, remaining in office until a new election pursuant to law.

Member: Juan Ginesta Viñas
Date of first appointment to the Board of Directors:
20 July 2012
End of term of office:
31 December 2016, remaining in office until a new election pursuant to law.

18. Distinction to be drawn between executive and non-executive directors and, as regards non-executive members, details of members that may be considered independent.

The **Board of Directors of Corticeira Amorim** is composed of three executive members and three non-executive members. Its composition remained unchanged during 2014:

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:	Luísa Alexandra Ramos Amorim
Member:	Juan Ginesta Viñas

None of the non-executive members are independent.

19. Professional qualifications and other relevant curricular information of each member of the Board of Directors.

António Rios de Amorim (Chairman):
Chairman of the Board and CEO of **Corticeira Amorim** since March 2001. He was CEO of Amorim & Irmãos (1996-2001), Director of Sociedade Figueira-Praia (1993-2006), operational manager at Amorim – Empreendimentos Imobiliários, promoter of the Lisbon Towers and Arrábida Shopping projects (1993-1995), and Executive Director of Amorim Hotéis, SA, in charge of the development of the Ibis and Novotel chains in Portugal. Degree of Commerce – Faculty of Commerce and Social Sciences – University of Birmingham (1989) and attended The Executive Program 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 – the only Portuguese corporate group to belong to this association (1991-1995). Chairman of the Portuguese Cork Association (2002-2012) and the Confédération Européenne du Liège (since 2003). In February 2006, he was awarded the Commendation of Grand Officer of the Order of Agricultural, Commercial and Industrial Merit by the Portuguese President.
Age: 47

Nuno Filipe Vilela Barroca de Oliveira (Vice-Chairman):
Graduate in business administration from Portuguese Catholic University. He served as a non-executive director of **Corticeira Amorim**, from March 2003 to September 2005, he then carried out executive functions from that date. Non-executive director of various companies in the Amorim Group (since 2000) and executive director of Barrancarnes (2000-2005). After a year in the commercial area of Møre Codfish (Norway), he took part in the Comett programme and held an internship in Merril Lynch (London), then began his professional activity in the Banco Comercial Português Group, where, for three years, he collaborated in the areas of Studies and Planning, International Area and Investment Funds.
Age: 44

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 various positions in several 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: 53

Cristina Rios de Amorim Baptista (Member):
She graduated in Economics from the Faculty of Economics of Porto, in 1991. She completed an MBA in International Banking and Finance from the University of Birmingham (UK) in 1992 and a postgraduate degree in International Management from the Portuguese Catholic University in 2001. She began working in 1992, for international institutions such as S.G. Warburg España in Madrid (Corporate Finance), N.M. Rothschild & Sons Limited (Corporate Finance) in London, Rothschild Asset Management Limited (Asset Management) in London, and Soserfin, S.A. (management of economic studies and research). She was a Member of the Board of Directors of Fundação Casa da Música (2006 to March 2013) and of Fundação AEP (2009 to April 2013).
She joined the upper management of the Amorim Group in 1994 and is currently Director and CFO of Amorim. In 1997 she took office as Investor Relations Officer at **Corticeira Amorim**. In July 2012 she took the role of Director of **Corticeira Amorim**, SGPS, S.A.
Age: 46

Luísa Alexandra Ramos Amorim (Member):
Bachelor's degree in Hotel Management and graduate (CESE) in Marketing, from ISAG. Director of Amorim – Investimentos e Participações (since 2002). Executive Manager of Natureza, S.G.P.S (since 2002) and Marketing Manager of J. W. Burmester (2000-2002). Began

working in the Amorim Group as Assistant to Hotel Management in Amorim Hotéis e Serviços and Sociedade Figueira Praia (1996-1997). She worked in various business areas of the Group in Portugal and abroad, between 1998 and 2000.
Age: 41

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: 74

20. Customary and meaningful family, professional or business relationships of members of the Board of Directors, with shareholders that are assigned qualifying holdings that are greater than 2% of the voting rights.

Companies holding or to which qualifying holdings exceeding 2% of the voting rights of **Corticeira Amorim** are attributable, which have directors of **Corticeira Amorim** on their Board of Directors:

- António Rios de Amorim is a member of the Board of Directors of Amorim Capital, SGPS, S.A.
- António Rios de Amorim, Nuno Filipe Vilela Barroca de Oliveira, Cristina Rios de Amorim Baptista and Luísa Alexandra Ramos Amorim are members of the Board of Directors of Amorim Investimentos e Participações, SGPS, S.A.
- António Rios de Amorim, Nuno Filipe Vilela Barroca de Oliveira, Cristina Rios de Amorim Baptista and Luísa Alexandra Ramos Amorim are members of the Board of Directors of Interfamília II, SGPS, S.A.
- Cristina Rios de Amorim Baptista is a member of the management body of Amorim International Participations, B.V.
- António Rios de Amorim and Cristina Rios de Amorim Baptista are members of the Board of Directors of Amorim – Sociedade Gestora de Participações Sociais, S.A.

Américo Ferreira de Amorim is Luísa Alexandra Ramos Amorim's father, and Nuno Filipe Vilela Barroca de Oliveira's father-in-law.

António Ferreira de Amorim is the father of António Rios de Amorim and Cristina Rios de Amorim Baptista.

There are no commercial relations between the members of the Board of Directors and shareholders to whom a qualifying interest is imputed.

21. Organisational charts or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the company, including information on delegating powers, particularly as regards the delegation of the company's daily management.

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

Presiding Board of the General Meeting

Composition and term of office as described in section 11 herein.

The Chairman of the Presiding Board of the General Meeting is responsible for:

- Calling the General Meetings – preparing the notice and fostering its publication;
- Receiving requests for the inclusion of items on the agenda and, in the event they are approved, publish the matters included on the agenda in the same manner used for the notice;
- In the case of virtual general meetings (cyber-meetings, online meetings and meetings by conference call), ensure the authenticity and security of communications;
- Choose the location for the general meeting within the national territory, provided that the head office does not allow the meeting to be held on satisfactory terms;
- Chair the general meeting, direct and guide the work, in particular, check those attending and the quorum, organise the attendance list, call the meeting to order, allow, limit or deny the floor to speak, present postal votes, calculate total votes and announce the results;
- Authorise the presence in the general meeting of 3rd parties from outside the company; the general meeting may revoke this authorisation;
- Adjourn the general meeting, immediately setting its restart date at no more than 90 days; the same session cannot be suspended twice;
- End the session, ensure the minutes are drafted and sign them.

The Secretary of the Presiding Board of the General Meeting is responsible for:

- Assisting the Chairman of the Presiding Board in conducting the work, including checking attendance and quorum, organising the attendance list;
- Reading the agenda stated on the notice and the documents referred to the presiding board during the session;
- Taking notes for drawing up the minutes;
- Counting the votes;
- Draw up the minutes and sign them.

Board of Directors

Composition and term of office as described in section 17 of this report; duties as described in section 9 of this report.

Advisors to the Board of Directors

The meetings of the Board of Directors can rely on, besides the presence of its members, the presence of its advisors, Mr. Américo Ferreira de Amorim, who has held the post since 2001, and Mr. Joaquim Ferreira de Amorim, appointed in July 2012.

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**, the unrivalled experience, vision of the future and entrepreneurial spirit of Mr. Américo Ferreira de Amorim and the extensive knowledge of the cork industry of Mr. Joaquim Ferreira de Amorim are an important contribution to the development of the Company, assuming an important role in the meetings of the Board: informed and knowledgeable advisors while simultaneously challenging and driving new initiatives and approaches.

Executive Committee

Composition and term of office as described in section 28 of this report; duties as described in section 29 of this report.

Supervisory Board

Composition and term of office as described in section 31 of this report; duties as described in sections 37 and 38 of this report.

Statutory Auditor

Composition, term of office and duties as described in section 39 herein.

Remuneration Committee

Composition, term of office and duties as described in section 67 herein.

Organisational Structure of the Company

As detailed in section 9, 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. As provided for in law and the articles of association, the Board of Directors has delegated the day to day management to an Executive Committee, as described in sections 28 and 29 of this report.

The non-executive members of the Board of Directors regularly attend the monthly meetings of the Board of Directors, which analyse and decide on the evolution of all non-delegable matters and all issues whose relevance, materiality and / or criticality becomes pertinent to their inclusion in the agenda of the Board.

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. The Executive Committee provides in good time and an appropriate manner to the request, all information requested by other Board Members and which are necessary in accordance with their respective duties

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;
- The calendar of the major events of **Corticeira Amorim** and its BUs. The Organisation is often represented by one or more non-executive directors at international events, such as trade missions.

CORK OAK FOREST

Board of Directors

EXECUTIVE DIRECTORS

António Rios de Amorim
CHAIRMAN

Nuno Filipe Vilela Barroca de Oliveira
VICE-CHAIRMAN

Fernando José de Araújo dos Santos Almeida
MEMBER

NON-EXECUTIVE DIRECTORS

Cristina Rios de Amorim Baptista
MEMBER

Luísa Alexandra Ramos Amorim
MEMBER

Juan Ginesta Viñas
MEMBER

Advisors to the Board of Directors

Américo Ferreira de Amorim

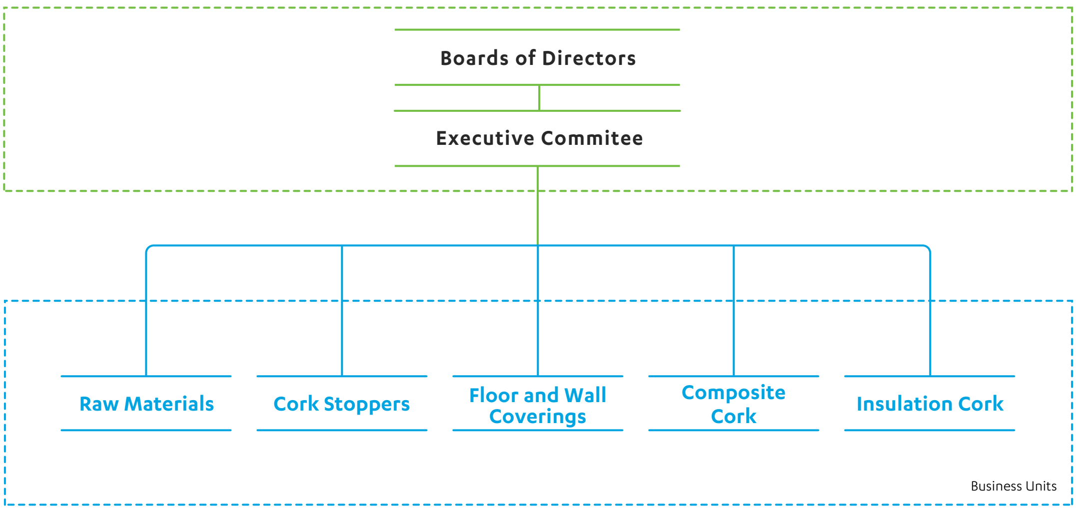
Joaquim Ferreira de Amorim

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

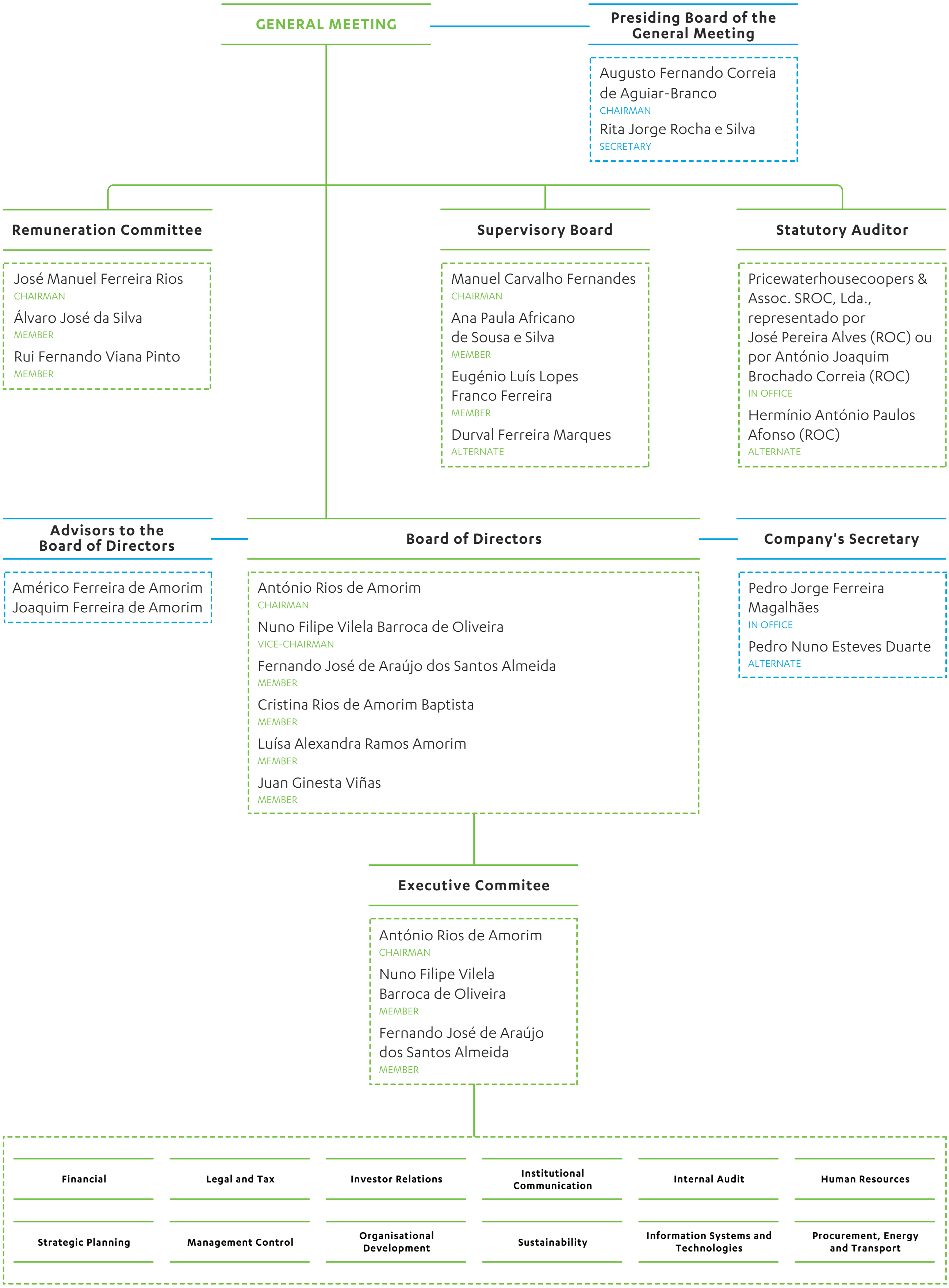
Using a management model based on a strategic-operational holding company concept, these BUs are co-ordinated by **Corticeira Amorim**'s Executive Committee, which has very broad management powers, except for those specifically reserved to the Board of Directors by law or the Company's articles of association.

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 composed of non-executive and executive members, including the General Manager of the BU. This body is the authority responsible for deciding on all matters deemed relevant. The diagram below shows how the management structure of the business is currently organised:



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: (situation as at 31 December 2014):



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.

b) Functioning

22. Availability and place where rules on the functioning of the Board of Directors, may be viewed.

The *modus operandi* of the Board of Directors of **Corticeira Amorim** scrupulously complies with all applicable rules of procedure regarding the Board of Directors, specifically those set out in the Portuguese Companies' Code, in the Company's articles of association and in the regulations issued by the CMVM. This already constitutes real rules of procedure, that are adequate to and foster its efficient operation to safeguard the performance of this collegiate body in the efficient pursuit of the interests of the Company and all its shareholders.

Hence, although no formal Internal Rules as referred in this section do actually exist, **Corticeira Amorim** believes that the principles of good business practice are part of the core values upheld by both the members of this governing body and the other staff who assist and/or advise them.

Given that these internal rules have not yet been formalised, they are not available on the Company's website. However, the Board of Directors complies with all rules of procedure prescribed by law [Portuguese Companies' Code, Portuguese Securities' Code, regulations and instructions issued by the CMVM] or by the Company's articles of association, which are available at the CMVM's website (*www.cmvm.pt*) or at the Company's website (*www.corticeiraamorim.com*), respectively.

23. The number of meetings held and the attendance report for each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

Pursuant to the Articles of Association, the Board of Directors shall meet when and where corporate interest requires. Ten meetings of the Board of Directors were held throughout 2014. The attendance record was 98.3% (one director missed one meeting due to illness).

24. Details of competent corporate boards undertaking the performance appraisal of executive directors.

The General Meeting or a committee it elects shall decide on the assessment of the performance of the executive directors.

25. Predefined criteria for assessing executive directors' performance.

Pursuant to the statement on the remuneration policy of the Board of Directors approved at the General Shareholders' Meeting of 24 March 2014 (Section 69), a variable remuneration shall be added, if deemed adequate and feasible, to the fixed remuneration for executive directors. This variable remuneration shall be calculated weighing up financial and non-financial indicators, and according to the contribution of the executive directors, that is impartial and measurable through the balanced scorecard method (which establishes, defines and implements three-year goals and targets: results, innovation, financial soundness, value creation, competitiveness and growth) on an individual and/or collective basis, to the sustainable development of the business activity, to the medium/long term profitability of the Company and to the creation of value for the Shareholder.


NATURAL CORK STOPPER

26. The availability of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and details of the positions held at the same time in other companies within and outside the group, and other relevant activities undertaken by members of these boards throughout the financial year.

António Rios de Amorim (Chairman):

Company	Position Held
Corticeira Amorim Group	
Amorim Natural Cork, S.A.	Chairman of the Board
Amorim Florestal, S.A.	Chairman of the Board
Amorim Florestal España, S.L.	Chairman of the Board
Amorim & Irmãos, S.A.	Chairman of the Board
Amorim Compcork, Lda.	Manager
Amorim & Irmãos, S.G.P.S., S.A.	Chairman of the Board
Amorim Industrial Solutions – Imobiliária, S.A.	Chairman of the Board
Amorim Isolamentos, S.A.	Chairman of the Board
Amorim Revestimentos, S.A.	Chairman of the Board
Amorim Cork Composites, S.A.	Chairman of the Board
Amorim Cork Research & Services, Lda.	Manager
Amorim Cork Services, Lda.	Manager
Chapius, S.L.	Chairman of the Board
Comatral – Compagnie Marrocaine de Transformation du Liège, S.A.	Chairman of the Board and Chairman of the Presiding Board of the General Meeting
Dom Korkowy, Sp. Zo.o	Member of the Board of Directors
Equipar – Participações Integradas, SGPS, Lda.	Manager
Korken Schiesser GmbH	Manager
Francisco Oller, S.A.	Member of the Board of Directors
Olimpíadas Barcelona 92, S.L.	Chairman of the Board
Société Nouvelle des Bouchons Trescasses, S.A.	Manager
SIBL – Société Industrielle Bois Liège, S.A.R.L.	Manager
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
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
Agropecuária Mirantes e Freires, S.A.	Member of the Board of Directors
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	Manager
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
Clube de Tiro, Caça e Pesca a Agolal	Treasurer

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

Company	Position Held
Other Companies	
Amorim – Investimentos e Participações, S.G.P.S., S.A.	Member of the Board of Directors
API – Amorim Participações Internacionais, S.G.P.S., S.A.	Member 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.	Manager
Paisagem de Alqueva, S.A.	Member of the Board of Directors
Quinta Nova de Nossa Senhora do Carmo, Lda.	Manager

Fernando José de Araújo dos Santos Almeida (Member):

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

Cristina Rios de Amorim Baptista (Member):

Company	Position Held
Corticeira Amorim Group	
Amorim & Irmãos, S.A.	Chairman of Remuneration Committee
Amorim Cork Services, Lda.	Manager
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.	First Vice-Chairman 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.	Manager
Amorim Desenvolvimento, S.G.P.S., S.A.	Member of the Board of Directors
Imotur – Fundo Especial de Investimento Imobiliário Fechado	Member of 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.	First Vice-Chairman of the Board of Directors
Amorim International Participations, B.V.	Director
Resiféria – Construções Urbanas, S.A.	Member of the Board of Directors

Luísa Alexandra Ramos Amorim (Member):

Company	Position Held
Other Companies	
Amorim – Investimentos e Participações, SGPS, S.A.	Member of the Board of Directors
Bucozal – Investimentos Imobiliários e Turísticos, Lda.	Manager
Interfamília II, SGPS, S.A.	Member of the Board of Directors
Quinta Nova de Nossa Senhora do Carmo, S.A.	Chairman of the Board
Vintage Prime, SGPS, S.A.	Member of the Board of Directors

Juan Ginesta Viñas (Member):

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

c) Committees within the Board of Directors or Supervisory Board and Board Delegates

27. Details of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and the place where the rules on the functioning thereof is available.

There is an Executive Committee, created by delegation of powers by the Board of Directors. Although there are no formal rules of procedure available for viewing, the functioning of the Executive Committee complies with all the rules governing its work, namely those of the Portuguese Companies' Code, the Articles of Association and the procedures adopted internally. This constitutes by itself adequate rules of procedure that enable the implementation of the best practices, safeguarding the effectiveness of the Company and creating value for shareholders.

As already referred to for the Board of Directors, it should be added that the principles of good business practice are part of the core values upheld by both the members of this committee and the staff members who assist and/or advise them.

28. Composition of the Executive Board.

The Executive Committee shall consist of three members, i.e., a Chairman and two Members. The members of the Committee as at 31 December 2014 were as follows:

Chariman: António Rios de Amorim

Member: Nuno Filipe Vilela Barroca de Oliveira

Member: Fernando José de Araújo dos Santos Almeida

The term of office of the Executive Committee coincides with that of the Board of Directors.

29. Description of the powers of each of the committees established and a summary of activities undertaken in exercising said powers.

The **Executive Committee** exercises the powers delegated to it by the Board of Directors – in the precise terms provided for in the articles of association and in law, as described in section 9 herein –, 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. The activity of the Executive Committee was conducted in 2014 according to these duties, with the purpose of performing:

- The day-to-day management of the company;
- The implementation of the decisions taken by the Board of Directors;
- The alignment of the activity of the various business units that constitute the Company, and analysis of the respective reporting;
- Budget estimates and setting goals and objectives;
- In terms of human resources: analysis of the evolution of indicators, policy and priorities for training, performance assessment, salary policy;
- Monitoring the evolution of critical business factors, definition and implementation of management measures concerning those factors (evolution of prices of main inputs, interest rates and exchange rates);
- Follow up and decisions on investment, loans and taking on liabilities;
- Definition of the internal audit and internal control activities and reporting on the main conclusions;
- Policy definition and decision on priority action in the field of Research, Development and Innovation;
- Monitoring the **Corticeira Amorim** share price: transactions, price development, analysts' estimates;
- The analysis and reflection on the corporate governance model and its suitability to the company and respective goals.

With a properly implemented reporting system within the Company, information flows from the members of the Executive Committee to

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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.

The Executive Committee met nineteen times throughout 2014, with all executive directors attending all the meetings. The attendance record was thus 100%.

III. SUPERVISION

a) Composition

30. Details of the Supervisory Body (Supervisory Board, the Audit Committee or the General and Supervisory Board) representing the model adopted.

The Company has, as stated above, adopted the governance model commonly known as the "reinforced Latin" model, with a double supervisory mechanism consisting of a supervisory board and a statutory auditor.

31. Composition of the Supervisory Board, with details of the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date of first appointment, date of end of the term of office for each member.

The articles of association establish that the Supervisory Board consists of three members and one or several alternate members.

On 31 December 2013, termination date of the mandate (2011-2013), the Supervisory Board was composed of three permanent members and an alternate who remained in Office until the election of new members, according to law. That election occurred at the General Meeting of Shareholders of 24 March 2014.

Thus, at 24 March 2014, the following left office:

Chairman: Durval Ferreira Marques

Member: Joaquim Alberto Hierro Lopes

Member: Gustavo José de Noronha da Costa Fernandes

Alternate: Alberto Manuel Duarte de Oliveira Pinto
Date of first appointment to the Supervisory Board:
28 May 2007
1st renewal of term of office:
28 March 2008
2nd renewal of term of office:
01 April 2011
End of current term of office:
31 December 2013, remaining in office until a new election pursuant to law.

The following members took office and were still in office at 31 December 2014 and at the date of publication of this report:

Chairman: Manuel Carvalho Fernandes

Member: Ana Paula Africano de Sousa e Silva

Member: Eugénio Luís Lopes Franco Ferreira
Date of first appointment to the Supervisory Board:
24 March 2014
End of term in office:
31 December 2016, remaining in office until a new election pursuant to law.

Alternate: Durval Ferreira Marques
Date of first appointment as Alternate to the Supervisory Board:
24 March 2014
End of term in office:
31 December 2016, remaining in office until a new election pursuant to law.

32. Details of the members of the Supervisory Board, which are considered to be independent pursuant to Article 414 (5) of the Portuguese Companies' Code.

As far as the Company knows, all members of the Supervisory Board, both incumbent and alternate members, meet the independence criteria set out in Article 414 (5) as well as the incompatibility rules envisaged in Article 414-A(1), both of the Portuguese Companies' Code.

The alternate member of this board, Durval Ferreira Marques, is not considered to be independent since he does not meet the criterion set out in subparagraph (b), paragraph 5 of Article 414 (after three terms as Chairman of the Supervisory Board, he was elected the alternate for that same body). He meets the remaining requirements of independence as well as the incompatibility rules referred to in the preceding paragraph.

33. Professional qualifications of each member of the Supervisory Board, and other important curricular information

Members of the Supervisory Board in office until 24 March 2014:

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 not held any director level positions.

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.

For the past five years he has held several director level positions in a number of companies, as listed in the corporate governance reports from 2009 to 2014. Estudio Pereda4, S.L.[1], FASE – Estudos e Projectos, S.A., GED Iberian Private Equity, S.A.[1], GED Partners I, S.L.[1], GED Sur Capital, S.A.[1], Grupo Asijara Holdings, S.L.[1], Neckicesa Packaging, S.A., Nuceri Business, S.L.[1], OTEP Internancional, S.L.[1], Serlima Services, S.A., Soppartutto Cafés, S.A, Interinvest, S.A., Global Engineering, S.L.[1], Nuceri International, S.L.[1], Numerforum, Consultores de Gestão Unipessoal, Lda.

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

[1] Spain

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 manager of the Gustavo Fernandes, Domingos Leite e Associados law firm.

For the past five years he has held several director level positions in a number of companies, as listed in the corporate governance reports from 2010 to 2014: Gustavo Fernandes, Domingos Leite e Associados, Clínica Alcaide, Lda., Bioplay – Comércio Alimentar, S.A., Dorismar – Indústria e Comércio de Bacalhau, Lda.

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.

For the past five years he has held several director level positions in a number of Portuguese companies.

Members of the Supervisory Board in office from 24 March 2014 and remaining in office at 31 December 2014 and on the date of preparation of this report:

Manuel Carvalho Fernandes (Chairman):
Graduated with a Bachelor's Degree in Economics from the University of Porto, Faculty of Economics. MBA from Universiteit te Leuven Kaholieke (Leuven, Belgium). Professional career in the financial sector (1979-1995) – Banco Português do Atlântico, State Secretary of the Treasury (1986-1988), President of Banco Comercial de Macau (1989-1995), the Insurance Company Bonança (1992-1995) and of the Portuguese Banks' Union (1993-1995). Director of Banco Mais (1997-2011), Seguros Sagres (2006-2008), Finibanco (2004-2006). CEO of SGAL – Sociedade Gestora Alta de Lisboa (1998-2007).

In the last five years he has held several director level positions in a number of companies (other than those referred to in number 37): BANIF, SGPS, S.A., BANIF – Banco Internacional do Funchal, S.A., Tecnicrédito, SGPS, S.A., Banco MAIS, S.A., Finpro, SCR, S.A. and Finpro Unipessoal, Lda.

Ana Paula Africano de Sousa e Silva (Member):
Graduated with a Bachelor's Degree in Economics from the University of Porto, Faculty of Economics. PhD degree in Economics (specialisation in International Economics) from the University of Reading – England, in 1995; equivalence to a PhD degree from the Faculty of Economics of the University of Porto in January 1996. Completed the lecture part of the Master in Economics in 1989, Faculty of Economics of Porto. Senior technician (part-time) in the Studies Department of the Portuguese Statistics Agency (Instituto Nacional de Estatística), Porto Regional Office, from March 1996 to February 1998. Professor in the Porto Economics Faculty where she is a member of the Scientific Council, lecturing on: Theory and Foreign Trade Policy (Master of Economics), International Commerce (Master of Economics and International Management), International Strategic Management (MEGI), International Economics (Bachelors of Economics and Management); Economic Integration, Applied Economic Studies, Microeconomics and Macroeconomics (Bachelor's Degree in Economics).

Combines teaching with extensive scientific work (supervising PhD theses, master's degree dissertations, sitting on juries) and academic publications.

For the past five years she has not held any director level positions.

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Eugénio Luís Lopes Franco Ferreira (Member):
Graduated with a Bachelor's Degree in Economics from the University of Porto, Faculty of Economics in 1976 where he lectured Financial Mathematics in 1976/1977. Began working in 1966. In 1977 he joined Price Waterhouse, currently, PricewaterhouseCoopers (Partner in 1991). He worked in the Audit Department, participating in numerous audits of corporations and other entities, mainly in the industrial and service areas. In most cases, the extension of the responsibilities as auditor included becoming a member of supervisory boards or working as a sole supervisor. He also performed at the same time a variety of in-house roles, namely: manager of the Porto office; nationwide responsibility for the technical function of auditing and risk management ("Technical Partner" and "Risk Management Partner"); nationwide responsibility for the administrative, financial and IT functions ("Finance & Operations Partner"); responsibility of the Audit Department; Member of the Executive Committee ("Territory Leadership Team"). He ceased to work for PricewaterhouseCoopers in 2009, becoming a self-employed professional consultant.

He is a member of the Portuguese Statutory Auditors Association (member of the Board of Governors in 2009-2011), of the Portuguese Economists Association, of the Portuguese Accountants Association and Partner of the Portuguese Institute of Corporate Governance.

For the past five years he has not held any director level positions.

Durval Ferreira Marques (Alternate Member): already referred to.

b) Functioning

34. Availability and place where the rules on the functioning of the Supervisory Board may be viewed.

The **Rules of the Supervisory Board of the Company** can be viewed at *http://www.amorim.com/xms/files/Investidores/2_Orgaos_Sociais/2014-2016_Regulamento_do_Conselho_Fiscal.pdf*.

35. The number of meetings held and the attendance report for each member of the Supervisory Board.

The Supervisory Board meets whenever called by the Chairman or by any other two members of the Supervisory Board, and at least every quarter, pursuant to article 10 of the rules of procedure of that body. The Supervisory Board met five times during 2014, and all the members in office attended those meetings.

36. The availability of each member of the Supervisory Board, indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of these Boards.

Members of the Supervisory Board in office until 24 March 2014:

Durval Ferreira Marques (Chairman): Does not hold any position in any other company.

Joaquim Alberto Hierro Lopes (Member):

Company	Position Held
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
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
Global Engineering, S.L.[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
Nuceri International, S.L.[a]	Member of the Board of Directors
Numerforum, Consultores de Gestão Unipessoal, Lda.	Managing Director
Serlima Services, S.A.	Member of the Board of Directors

[a] Spain

Gustavo José de Noronha da Costa Fernandes (Member):

Company	Position Held
Other Companies	
Gustavo Fernandes, Domingos Leite e Associados	Manager
Clínica Alcaide, Lda.	Manager

Alberto Manuel Duarte de Oliveira Pinto (Alternate Member): Does not hold any position in any other company.

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Members of the Supervisory Board in office from 24 March 2014 and remaining in office at 31 December 2014 and on the publication date of this report:

Manuel Carvalho Fernandes (Chairman):

Company	Position Held
Grupo AFSA, SGPS, S.A. – management positions	
AFSA, SGPS, S.A.	Director
COEPAR – Consultoria e Investimentos, S.A.	Director
S2IS – Serviços e Investimentos, SGPS, S.A.	Director
BRASILIMO – Investimentos Imobiliários no Brasil, SGPS, S.A.	Director
SSL – Serviços e Investimentos, S.A.	Director
QMETRICS – Serviços, Consultoria e Avaliação da Satisfação, S.A.	Director
Coeparmed, Lda.	Manager
Other companies – Management positions	
Faceril – Fábrica de Cerâmica do Ribatejo, S.A.	Director
Coeprimob – Promoção Imobiliária, S.A.	Director
Banif – Banco Internancional do Funchal, S.A.	Director
Mygon, S.A.	Director
Finpro, SCR, S.A.	Director
Grupo AFSA, SGPS, S.A. – other positions	
Douro Empreendimentos Imobiliários, Lda.	Advisory Board
Brasilimo Empreendimentos Imobiliários, Lda.	Advisory Board
Other companies – other positions	
Oriente Fundation	Curator

Ana Paula Africano de Sousa e Silva (Member):

Institution	Position Held
Faculty of Economics from the University of Porto	Lecturer
	Assistant Director
	Member of the Scientific Council

Eugénio Luís Lopes Franco Ferreira (Member):

Company	Position Held
NOS, SGPS, S.A.	Member of the Supervisory Board

Since 2009, he acts professionally as a self-employed consultant.

c) Powers and duties

37. A description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the external auditor.

The Supervisory Board is responsible for monitoring the independence of the Statutory Auditor, especially in relation to the provision of additional services.

The Company's practice in such matters (described in the following paragraphs) is well known to the Supervisory Board – which does not oppose it; the Supervisory Board is made aware, at least annually, of the contracted services and the respective amounts. No issues or doubts as regards those services were raised in the current year.

Other services are contracted from PricewaterhouseCoopers (and not the additional services provided by the external auditor), subject to approval by the Executive Committee. Such services essentially refer to assistance for the implementation of administrative mechanisms to address legal formalities.

Under such services:

i. PricewaterhouseCoopers does not lead the underlying projects. These projects are always headed by the appropriate department of **Corticeira Amorim**.

ii. The representatives from PricewaterhouseCoopers appointed to the position of Statutory Auditor of **Corticeira Amorim** do not collaborate on these projects.

There are, therefore, no issues regarding the independence of the work of the Statutory Auditor.

38. Other duties of the supervisory body.

The Supervisory Board is responsible, under the law and respective Rules of Procedure, for the following:

- Oversee the management of the company;
- Monitor compliance with the law and articles of association;
- Check the correctness of the accounting records and documents supporting those records;
- Check when deemed convenient and in the manner considered adequate, the extent of cash and stocks of any kind of goods or assets owned by the company or received as collateral, deposit or otherwise;
- Check the accuracy of the financial statements;
- Check whether the accounting policies and valuation criteria adopted by the company lead to a correct assessment of the assets and profits;
- Prepare an annual report on its supervisory action and give an opinion on the report, accounts and proposals submitted by management;
- Convene the General Meeting when the Chairman of that Presiding Board does not and should do so;
- Monitor the effectiveness of the risk management system, internal control system and internal audit system;
- Receive reports of irregularities presented by shareholders, company employees or others, giving them due treatment;
- Analyse the reports of irregularities received, requesting from the company's other corporate bodies and structures the necessary explanations for the reported situations;
- Suggest, following the analysis referred to in the preceding paragraph, measures to safeguard from the occurrence of such irregularities and give knowledge of them to the Board of Directors and to the internal or external entities that each situation warrants, while always guaranteeing the non-disclosure of the identity of those reporting such situation, unless they expressly do not wish such;
- Outsource for the provision of expert services to assist one or more of its members in the exercise of their duties; the hiring and remuneration of experts must take into account the importance of the entrusted matters and the financial situation of the company; the scope and conditions of the provision of services to be hired must be communicated in advance to the Board of Directors;
- Examine and issue its prior opinion on the transactions with Qualified Shareholders, as set down in specific regulations;
- Suspend directors when their health temporarily prevents them from performing their duties, or when other personal circumstances preclude them from carrying out their duties for a period of time presumably greater than sixty days and they ask the Supervisory Board to be temporarily suspended or the Board deems this to be in the interest of the company;
- Declare the removal from office of Directors when, following their appointment, there occurs some form of incapacity or incompatibility that poses a barrier to that appointment and the director does not leave that post or does not remove the supervening incompatibility within thirty days;
- Comply with all other duties set down by law or the articles of association;
- Must assess the management report, the annual accounts, the legal certification of accounts or impossibility of certification and issue and send the report and opinion to the Board of Directors, within fifteen days from the date of receipt of said components of the report of accounts;
- Issue in its report and opinion a statement that, relating to the annual directors' report, the annual accounts, and other accounting documents required by law or CMVM Regulations, to the best of its knowledge, the information was prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and profit/loss of the company and the companies included in the consolidation perimeter, and that the management report faithfully describes the evolution of the business, the company's performance and position and of the companies included in the consolidation perimeter, and it contains a description of the principal risks and uncertainties that they face.
- Supervise the process of preparing and disclosing financial information;
- Propose to the General Meeting the appointment of a Statutory Auditor;
- Supervise the audit of the company's accounts and accounting documents;
- Supervise the independence of the Statutory Auditors, especially in relation to the provision of additional services;
- Check that the published report on the corporate governance structure and practices includes the provisions referred to in article 245-A of the Portuguese Securities' Code.

IV. STATUTORY AUDITOR

39. Details of the statutory auditor and the partner representing it.

The Statutory Auditor shall consist of one member and one alternate member, any one of which may be a statutory auditor or statutory auditor firm.

The members of this body in office on 31 December 2013, elected for the 2011 to 2013 term, remained in office according to law until an election was held, which was on 24 March 2014, in the General Meeting. This General Meeting re-elected all members for a new term, namely from 2014 to 2016:

Member: PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda, registered in the CMVM since 15 July 2004 under number 9077, represented by José Pereira Alves (Statutory Auditor) or António Joaquim Brochado Correia (Statutory Auditor).

Alternate: Hermínio António Paulos Afonso (Statutory Auditor)
End of term of office:
31 December 2016, remaining in office until a new election pursuant to law.


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The Statutory Auditor is responsible for the following:

- Undertake all necessary examinations and checks for the audit and issue of the statutory audit certificate of the company's accounts. The following must be checked, in particular:

    The correctness of the accounting records and documents supporting those records;

    When deemed convenient and in the manner considered adequate, the extent of cash and stocks of any kind of goods or assets owned by the company or received as collateral, deposit or otherwise;

    The accuracy of the financial statements;

    Whether the accounting policies and valuation criteria adopted by the company lead to a correct assessment of the assets and profits;

- Immediately report by registered letter to the chairman of the board of directors the facts in its possession that it considers indicate serious difficulties in the pursuit of the company's object, including repeated non-payments to suppliers, bad debts, issuing cheques without sufficient funds, failure to pay social security contributions or taxes. Request that the Chairman of the Board of Directors, in the event no reply was made to a letter or request or the reply received was deemed unsatisfactory, the convening of the board of directors to meet, with the statutory auditor present, to appraise the facts and take the appropriate decisions. If the meeting is not held or if the adopted measures are not deemed adequate to safeguard the interests of the company, it must require, by registered letter, that a general meeting is convened to appraise and decide on the facts contained in the mentioned registered letters and the minutes of the above-referred meeting of the board of directors.

40. State the number of years that the statutory auditor consecutively carries out duties with the company and/or group.

Pricewaterhousecoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. has performed the duties for ten consecutive years, while the Statutory Auditor representing that company has been in this role for three years.

There is no policy of rotation of the Statutory Auditor. Continuation in service of the statutory auditor is subject to a careful assessment of the advantages and disadvantages thereof, 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. The audit of the company over the last three years has been conducted by António Joaquim Brochado Correia.

The Supervisory Board takes a decision on the work performed by the Statutory Auditor, at the end of each financial year. The Company discloses that opinion together with the other accounting documents.

41. Description of other services that the statutory auditor provides to the company.
The Company and companies with which it is in a group relationship contracted the following services from PricewaterhouseCoopers, including other entities belonging to the same network:

Type of service	Corticeira Amorim		Other group companies		Total	
	€	%	€	%	€	%
Audit of accounts	54,000	97.3%	248,833	72.2%	302,833	75.7%
Assurance		0.0%	23,643	6.8%	23,643	5.9%
Tax consultancy		0.0%	8,138	2.4%	8,138	2.0%
Others (besides auditing)	1,520	2.7%	63,993	18.6%	65,513	16.4%
Total	55,520	100.0	344,607	100.0	400,127	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**.

V. EXTERNAL AUDITOR

42. Details of the external auditor appointed in accordance with Article 8 and the partner that represents same in carrying out these duties, and the respective registration number in the CMVM.
The external audit of **Corticeira Amorim** is performed by the Statutory Auditor (as identified in section 39).

43. State the number of years that the external auditor and respective partner that represents same in carrying out these duties consecutively carries out duties with the company and/or group.
As set out in section 40.

44. Rotation policy and schedule of the external auditor and the respective partner that represents said auditor in carrying out such duties.
As set out in section 40.

45. Details of the Board responsible for assessing the external auditor and the regular intervals when said assessment is carried out.
As set out in section 40.

46. Details of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the hiring of such services and a statement on the reasons for said hire.
As set out in section 41 (identification of work) and in section 37 (internal procedures).

47. Details of the annual remuneration paid by the company and/or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and the percentage breakdown relating to the following services.
As set out in section 41.

C.

INTERNAL ORGANISATION

I. ARTICLES OF ASSOCIATION

48. The rules governing amendment to the articles of association (Article 245-A/1/h).

The rules governing the amendment of the Articles of Association of the Company 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.

II. REPORTING OF IRREGULARITIES

49. Reporting means and policy on the reporting of irregularities in the company.

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.

Such reports shall be addressed to:

> **Supervisory Board of Corticeira Amorim, SGPS, S.A.**
> Address – Registered office of the company:
> Rua de Meladas, n.º 380 – Apartado 20 – 4536-902 MOZELOS
> Telephone: 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 specifically addressed to this corporate body or any of its individual members).

It is the Supervisory Board's responsibility to review any such reports and ask the Company's other 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 measures to prevent such irregularities occurring;
- Report any identified and confirmed irregularities to the Board of Directors and relevant authorities, both internal and external, in accordance with each specific situation.

The Company guarantees that the identity of whistle-blowers 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 – a body composed entirely of independent members, thus ensuring the 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 the whistleblower may use the channels it deems most suitable to make the report; (iii) the obligation to ensure protection of personal data (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 the impartial investigation and clarification of the situations reported.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. Individuals, boards or committees responsible for the internal audit and/or implementation of the internal control systems.

The Internal Audit Department has powers over such matters.

51. Details, even including organisational structure, of hierarchical and/or functional dependency in relation to other boards or committees of the company.

These departments work under the command of the Board of Directors, closely directed by the Executive Committee.

52. Other functional areas responsible for risk control.

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.

53. Details and description of the major economic, financial and legal risks to which the company is exposed in pursuing its business activity.

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 – a strategic plan 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 adopted method strengthens alignment between the defined strategy and operational planning where such are defined, for a shorter time horizon, the priority actions to develop to reduce risk and ensure sustained value creation. The BUs have implemented processes that allow the systematic monitoring of these actions, which are subject to periodic monitoring and monthly evaluation by the Board of Directors of the BU.

Raw materials (cork) risk:

The management of the procurement, storage and preparation of the single variable common to all business activities of **Corticeira Amorim**, i.e. the raw material (cork) is centralised in an autonomous BU, given the critical nature of this factor across all the BUs. This permits the following:

- 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 could have an impact on **Corticeira Amorim**'s operations and affect its business' performance and profitability.

The Legal Department in cooperation with the Organisational Development and Strategic Planning area seek to anticipate such amendments and adapt 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 Management 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.

Financial Risk:
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. It 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);

- Financial Managers who, at the company level, follow the progress of business deals managing their financial component in accordance with the advocated policies and measures, articulating their work performance with the FB.

The financial organisational structure is coordinated as follows:

- Daily and weekly reports and fortnightly debates on financial markets and economic developments that may have an impact on the companies' business;

- Regular (monthly) reports on globally agreed conditions;

- 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.

54. Description of the procedure for identification, assessment, monitoring, control and risk management.

The system of internal control and risk management currently implemented in the company stems from an in-depth and continuous process of improvement and adaptation of internal reflection in the company, involving both the Board of Directors, in particular its Executive Committee, and the different support areas – in particular the area of Organisational Development and Strategic Planning – or the support of external specialised consultants, where appropriate.

Also noteworthy is the Internal Audit area, whose work has significant impact on reducing the organisation's operational risks. The main tasks 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.

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.

Under the Rules of Procedure 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 system.

55. Core details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information (Article 245-A/1/m).

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

- Disclosure complies with all applicable legal requirements and best practices in terms of transparency, relevance and reliability;

- The information has been properly checked both internally and by the appropriate supervisory bodies;

- The information has been approved by the appropriate governing body;

- Its public disclosure complies with all relevant legal requirements and recommendations, specifically those of the 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 other stakeholders, whose contacts are stored in a database.

The existence of an Internal Control Procedures Manual is also to be highlighted. It is a written document approved by the Management, necessarily adopted by all companies that form part of the **Corticeira Amorim** Group, which contains a set of rules to ensure that, in the process of preparation and disclosure of financial information, all the above listed rules for the quality, transparency and equity in information disclosure are adopted.

IV. INVESTOR ASSISTANCE

56. Department responsible for investor assistance, composition, functions, the information made available by said department and contact details.

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.

This Department, headed by the Investor Relations Officer, brings together and coordinates the work of professionals from other departments (Management Control, Legal and tax, Administrative and financial) of **Corticeira Amorim** in order to provide impartial and timely replies to all requests from investors (whether existing or potential).

Role:
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 conference call);

- 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 2014 in the context of contact with investors are especially noteworthy:

- Presentation of annual business activity and results via audio-conferencing, thereby promoting interaction in the disclosure of that information;

- 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.

Type of information made available (in Portuguese and English):

- The name of the Company, its public company status, registered office and other information set out in article 171 of the Portuguese Companies' Code;

- 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 a General Meeting during a 21-day period prior to the date fixed for the meeting;

- Absentee voting form;

- Proxy form for Annual General Meetings;

- Disclosure of biannual 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.

From the beginning of 2009 onwards, the minutes of the General Meetings and statistical information on the attendance of shareholders at the General Meetings are also made available for consultation within five working days of the holding of the Annual General Meeting.

Contact information:
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.

57. Investor Relations Officer.

The post of Investor Relations Officer of **Corticeira Amorim** is held by Cristina Rios de Amorim Baptista.

58. Data on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years.

The response rate to requests for information is 100%. The reply is provided, on average, within 24 hours (excluding non-working days), except for highly complex cases that require consultation with external resources to the Company and are, therefore, dependent on the deadlines for the reply from such resources. Such cases accounted for less than 10% of all information requests received in 2014. At the end of 2014 four requests remained unanswered.

V. WEBSITE

59. Address.
Corticeira Amorim provides a vast range of information on its website www.corticeiraamorim.com about its corporate structure, business activity and the development of its business.

60. Place where information on the firm, public company status, headquarters and other details referred to in Article 171 of the Commercial Companies' Code is available.
http://www.amorim.com/investidores/informacao-institucional/estruturas-juridica/

61. Place where the articles of association and rules of procedure of the boards and/or committees are available.
Articles of Association:
http://www.amorim.com/investidores/informacao-institucional/estruturas-juridica/

Rules of procedure of the Supervisory Board:
http://www.amorim.com/investidores/informacao-institucional/orgaos-sociais/

62. Place where information is available on the names of the corporate boards' members, the Investor Relations Officer, the Office of Investor Assistance or comparable structure, respective functions and contact details.
Holders of corporate positions:
http://www.amorim.com/investidores/informacao-institucional/orgaos-sociais/

Investor Relations Officer:
http://www.amorim.com/investidores/informacao-institucional/

The Office of Investor Assistance, its duties and means of accessing this Office:
http://www.amorim.com/investidores/informacao-institucional/

63. Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements.
Accounting reports:
http://www.amorim.com/investidores/relatorio-e-contas/

http://www.amorim.com/investidores/resultados/

Half-yearly calendar of company events:
http://www.amorim.com/investidores/calendario-de-eventos/

64. Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto is disclosed.
http://www.amorim.com/investidores/informacao-institucional/assembleia-geral/

65. Place where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available.
http://www.amorim.com/investidores/informacao-institucional/assembleia-geral/

CORK STOPPERS BU PORTFOLIO

D.

REMUNERATION

I. POWER TO ESTABLISH

66. Details of the powers for establishing the remuneration of corporate boards, members of the executive committee or chief executive and directors of the company.

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 that shall foster over the medium and long-term the alignment of the interests with those of the Company.

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.

Thus,

- The Remuneration Committee of **Corticeira Amorim** is responsible for setting the fixed and variable remuneration to be awarded to members of the Board of Directors, and also setting the remuneration to be awarded to members of the remaining governing bodies;
- The Board of Directors of **Corticeira Amorim** is responsible for setting the fixed and variable remuneration to be awarded to its officers.

II. REMUNERATION COMMITTEE

67. Composition of the remuneration committee, including details of individuals or legal persons recruited to provide services to said committee and a statement on the independence of each member and advisor.

Pursuant to the Articles of Association, the Remuneration Committee of **Corticeira Amorim** has three members, who will choose the respective President.

On 31 December 2013, termination date of the mandate (2011-2013), two members[1] of this Committee were in office, and who remained in office until the election of new members, according to law. That election occurred at the General Meeting of Shareholders of 24 March 2014.

Hence, the following members concluded their term of office on 24 March 2014:

Chairman: José Manuel Ferreira Rios;
Member: Álvaro José da Silva;
End of term in office:
31 December 2013, remaining in office until a new election pursuant to law.

[1]The third member of the Remuneration Committee, Gustavo Américo de Oliveira Ferreira resigned on 15 July 2013.

The following members took office and were still in office at 31 December 2014 and at the date of publication of this report:

Chairman: José Manuel Ferreira Rios;
Member: Álvaro José da Silva;
Member: Rui Fernando Viana Pinto
End of term in office:
31 December 2016, remaining in office until a new election pursuant to law.

No natural or legal person was hired to assist the Remuneration Committee.

The Remuneration Committee met four times in 2014, with the attendance of all the members in office.

Pursuant to the Articles of Association of **Corticeira Amorim**, the task of this Committee is to decide on the fixed remuneration to be paid to the members of the Presiding Board of the General Meeting, the Supervisory Board and the Statutory Auditors. It is also responsible for deciding on the remuneration of each director, which directors' remuneration consists of profit sharing as well as the percentage attributable to each of these.

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.

68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee.

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.

Professional qualifications of each member of the Remuneration Committee and other important curricular information:

José Manuel Ferreira Rios (Chairman);
Graduated with a Bachelor's Degree in Economics from the University of Porto, Faculty of Economics and attended the third year of law school at the Catholic University of Porto. Attended various safety and human resources courses organised by the Portuguese Insurance Association (Associação Portuguesa de Seguros), between 2005 and 2008. Has held director posts in several companies since 1975 including, among others, leadership in the area of human resources. Manager and responsible for the management of information technology, information systems, human resource management and performance analysis and assessment (1999 to date, in the company: OSI – Sistemas Informáticos e Electrotécnicos, Lda). Head of the Corporate Department of Asset and Human risk analysis, of the Amorim Group, from 2002 to the present date.

Álvaro José da Silva (Member):
Graduated with a Bachelor's Degree in Economics from the University of Porto; Postgraduation course in Finances, from ISAG. Held the post of manager of the Studies, Information and Control Office of Portucel (1978-1983); Financial Director of Isopor Portugal and Dow Chemical Portugal (1983 – 1989). Head of the Consolidation and Management Control Department of the Amorim Group, from 1989 to the present date. Speaker at various training courses.
Extensive knowledge of the labour market and employment practices and remuneration. Attended various courses and seminars that address these issues, in particular the issues of pay per performance.

Rui Fernando Viana Pinto (Member):
Accounting and auditing course of Instituto Superior de Contabilidade e Administração do Porto. Worked as an auditor in the company Burton & Meyer (1976) and as a tax inspector of the Tax Inspection Service of the Directorate-General for Taxation (DGCI)/Ministry of Finance (1978-1989). Has held the post of manager of the Tax Department of the Amorim Group, from 1989 to the present date.
Knowledge of the labour market and employment practices, in particular the associated tax issues.

III. REMUNERATION STRUCTURE

69. Description of the remuneration policy of the Board of Directors and Supervisory Boards as set out in Article 2 of Law No. 28/2009 of 19 June.

The Shareholders' Meeting held on March 24, 2014 approved the following remuneration policy:

1. The remuneration of the **Members of the Supervisory Board** is in the form of an attendance fee. This is established for the entire term of office, considering the characteristics of the Company and market practices;

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;

   - Whenever such is 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) as performance-based premium;

   - The award of the variable pay component of remuneration to the executive members of the Board of Directors shall be a performance bonus, resulting from the degree of compliance with the goals, objectives and strategic initiatives and priority actions defined in a three-year plan, with the respective annual variations. This will ensure the weighing up of financial and non-financial indicators for performance assessment as well as the short-term performance with the contribution of the annual performance to medium / long term economic sustainability of the Organisation;

   - 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 members of the Board of Directors are prohibited from concluding contracts with the Company or with its subsidiaries and/or companies in which it holds an interest, which may mitigate the risk inherent to the variability of the remuneration as determined by the Company.

   - The Company's remuneration policy does not provide for the allotment of shares or call options on shares or any retirement benefit scheme to members of the Board of Directors.

70. Information on how remuneration is structured so as to enable the aligning of the interests of the members of the Board of Directors with the company's long-term interests and how it is based on the performance assessment and how it discourages excessive risk taking.

The remuneration policy approved by the General Meeting and described in section 69 is fully adopted.

71. Reference, where applicable, to there being a variable remuneration component and information on any impact of the performance appraisal on this component.

The remuneration policy approved by the General Meeting and described in section 69 is fully adopted. The executive members of the Board of Directors earn a variable remuneration component which depends on the evaluation of their performance, in particular the respective contribution either to the profit obtained in the financial year in question or to comply with goals and implementation of the strategies defined by the Company for the medium/long term (results, innovation, financial soundness, value creation, competitiveness and growth).

72. The deferred payment of the remuneration's variable component and specify the relevant deferral period.

The remuneration policy approved by the General Meeting and described in section 69 is fully adopted. In those terms, 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;

In the financial year under review there were no deferred payments of part of variable component of remuneration as the deterioration referred to in the previous paragraph did not occur.

73. The criteria whereon the allocation of variable remuneration as shares is based, and also on maintaining company shares that the executive directors have had access to, on the possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value.

Variable remuneration in the form of shares as described in this section does not exist.

74. The criteria whereon the allocation of variable remuneration as stock options is based and details of the deferral period and the exercise price.

Variable remuneration in the form of stock options as described in this section does not exist.

75. The key factors and grounds for any annual bonus scheme and any additional non-financial benefits.

There are no other systems of annual bonus or other non-cash benefits besides those identified in the previous sections.

76. Key characteristics of the supplementary pensions or early retirement schemes for Directors and state date when said schemes were approved at the general meeting, on an individual basis.
There are no supplementary pensions or early retirement schemes.

As mentioned in section 69, the Remuneration Committee of **Corticeira Amorim** submitted to the General Meeting held on 24 March 2014 the remuneration policy for the members of the Board of Directors. This proposal, which was approved, expressly stated that the award of the benefits referred to in this note is not the remuneration policy.

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, the General Assembly shall assess the characteristics of the systems adopted and in force in the respective financial year (just as it assessed the non-assignment).

IV. REMUNERATION DISCLOSURE

77. Details on the amount relating to the annual remuneration paid as a whole and individually to members of the company's Board of Directors, including fixed and variable remuneration and as regards the latter, reference to the different components that gave rise to same.
In the 2014 financial year, all the members of the **Board of Directors** earned remunerations from **Corticeira Amorim** amounting to EUR 497,625.40:

- the executive members earned fixed remunerations amounting to EUR 434,774.86 (António Rios de Amorim: EUR 208,693.62; Nuno Filipe Vilela Barroca de Oliveira: EUR 117,884.38; Fernando José de Araújo dos Santos Almeida: EUR 126,247.40 euros) and variable remuneration – corresponding to a performance bonus arising from the appraisal of the development of the results and compliance with the following strategic objectives: innovation, financial soundness, value creation, competitiveness and growth – which amounted to EUR 45,200.00 (António Rios de Amorim: EUR 25,400.00; Fernando José de Araújo dos Santos Almeida: EUR 19,400.00);

- the non-executive members of this Board did not receive any remuneration for the performance of their roles on the Board of Directors of **Corticeira Amorim**.

As at 31 December 2014, there were no deferred payments of fixed or variable remunerations.

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or are subject to a common control.
In the 2014 financial year none of the members of the Board of Directors have earnings from other associate or affiliated companies included in the consolidation of **Corticeira Amorim**.

79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded.
The variable component of the remuneration package for 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 variations. Of note for this purpose were, among others, the analysis of the development of the results and the level of compliance with the following strategic objectives: innovation, financial soundness, value creation, competitiveness and growth.

The amounts paid to the members of the Board of Directors pursuant to this section are broken down in section 77.

80. Compensation paid or owed to former executive Directors concerning contract termination during the financial year.
No compensation was paid or is owed to former Directors regarding the termination of their duties in 2014.

81. Details of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory board for the purposes of Law No. 28/2009 of 19 June.
In the 2014 financial year, all the members of the **Supervisory Board** have earnings which amounted to EUR 41,325.00 (Durval Ferreira Marques: 10,500.00 euros; Joaquim Alberto Hierro Lopes: EUR 2475.00; Gustavo José de Noronha da Costa Fernandes: EUR 2475.00; Alberto Manuel Duarte de Oliveira Pinto: EUR 2475.00; Manuel Carvalho Fernandes: EUR 9000.00; Ana Paula Africano de Sousa e Silva EUR 7200.00; Eugénio Luís Lopes Franco Ferreira EUR 7200.00). Under the remuneration policy set out herein, the members of the Supervisory Board did not earn any variable remuneration.

82. Details of the remuneration in said year of the Chairman of the Presiding Board to the General Meeting.
The Chairman and the Secretary of the Board of the Presiding Board to the General Meeting in office from 1 January 2014 to 24 March 2014 earned EUR 5000.00 and EUR 1500.00, respectively; the Chairman and the Secretary of the Board of the Presiding Board to the General Meeting in office from 24 March 2014 until 31 December 2014 earned EUR 5000.00 and EUR 1500.00, respectively. The overall remuneration paid in 2014 to all members of that board amounted to thirteen thousand euros.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. The envisaged contractual restraints for compensation payable for the unfair dismissal of Directors and the relevance thereof to the remunerations' variable component.
No contractual restraints are envisaged in accordance with this section.

84. Reference to the existence and description, with details of the sums involved, of agreements between the company and members of the Board of Directors and managers, pursuant to Article 248-B/3 of the Securities' Code that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid. (art. 245-A/1/l).
There are no agreements according to the terms set out in this section. 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.

VI. SHARE AWARD AND/OR STOCK OPTION PLANS

85. Details of the plan and the number of persons included therein.
No share award or stock option plans exist.

86. Characteristics of the plan (award conditions, non-transfer of share clauses, criteria on share pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares or options to be awarded, the existence of incentives to purchase and/or exercise options).
Pursuant to the remuneration policy approved at the General Meeting and as described in section 85, there are no share award or stock option plans.

The Company believes that if plans of this type are to be implemented, the General Meeting should consider the characteristics of the plans to adopt, as well as their achievement in each financial year.

87. Option rights to acquire shares ("stock options") granted to company workers and employees.
None exist.

88. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees (Article 245-A/1/e)).
Control mechanisms of this type do not exist.

E.

RELATED PARTY TRANSACTIONS

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties.

All business conducted by the Company with related parties respects the interests of the Company and its subsidiaries, it is examined by the competent body of the Business Unit that is a counterparty in the transaction and undertaken (i) in normal market conditions or (ii) when the specificity of transactions does not allow to determine this value by using the cost-plus criterion, with margins in the range 2%-5%. Business of significant value (transaction greater than EUR 1 million) or, by their nature, of particular relevance to the Company, is analysed by the Executive Committee and/or Board of Directors.

In accordance with the regulation on transactions with holders of qualifying holdings approved and in force from 1 August 2014, conducting transactions with holders of qualifying holdings and/or related entities should be subject to prior opinion of the Supervisory Board in the following cases:

- **i.** Transactions whose value per transaction exceeds one million euros or where the value accumulated during the year exceeds three million euros. The prior opinion of the Supervisory Board will not be necessary for continuous implementation contracts or renovations in terms substantially similar to those of the contract previously in force;
- **ii.** transactions with a significant impact on the business activity of **Corticeira Amorim** and/or its subsidiaries due to their nature or strategic importance, regardless of the original value;
- **iii.** transactions exceptionally undertaken, outside of normal market conditions, regardless of the respective value;

The assessment to be made under the authorisation procedures and prior opinion applicable to transactions with holders of qualifying holdings and/or related entities shall take into account, among other relevant aspects and according to the specific case, the principle of equal treatment of shareholders and other stakeholders, the pursuit of the interests of the Company, as well as the impact, materiality, nature and justification of each transaction.

The value of these transactions is disclosed annually in the Consolidated Annual Report and Accounts of **Corticeira Amorim** (section 92 herein).

90. Details of transactions that were subject to control in the referred year.

In the year under review there were no transactions subject to the prior opinion of the Supervisory Board.

91. A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the holders of qualifying interests or entity-relationships with the former, as envisaged in Article 20 of the Securities' Code.

As set out in section 89 above.

II. DATA ON BUSINESS DEALS

92. Details of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of said data.

The transactions of **Corticeira Amorim** with related parties are, in general, due to the provision of services by the subsidiaries of Amorim – Investimentos e Participações, S.G.P.S., S.A., (Amorim Serviços e Gestão, S.A., Amorim Viagens e Turismo, Lda., OSI – Sistemas Informáticos e Electrotécnicos, Lda.). The total of services provided by these companies to the companies of **Corticeira Amorim** was EUR 7.27 million (2013: EUR 7.124 million).

The sales of Quinta Nova, S.A., a subsidiary of Amorim – Investimentos e Participações, S.G.P.S., S.A., to the companies of the universe of **Corticeira Amorim** totalled EUR 42,000 (2013: EUR 46,000).

Purchases of reproduction cork during the year from companies owned by the major indirect shareholders of **Corticeira Amorim** amounted to EUR 2.49 million (2013: EUR 1.188 million) corresponding to less than 3% of total purchases of the cork raw material.

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PART II CORPORATE GOVERNANCE ASSESSMENT


CORK STOOL, BY ÁLVARO SIZA FOR THE METAMORPHOSIS PROJECT

1.

DETAILS OF THE CORPORATE GOVERNANCE CODE IMPLEMENTED

In matters of corporate governance **Corticeira Amorim** is governed by: (i) current Portuguese legislation, in particular the Portuguese Companies' Code, Portuguese Securities' Code and the regulations issued by the Portuguese Securities Market Commission (CMVM), 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: http://www.amorim.com/investidores/informacao-institucional/estruturas-juridica/; and (iii) the 2013 CMVM Corporate Governance Code as referred to in the CMVM Regulation no. 41/2013 and which, despite just being a recommendatory framework, is an important benchmark of good practice, which is 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.

2.

ANALYSIS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE IMPLEMENTED

I. VOTING AND CORPORATE CONTROL

I.1. Companies shall encourage shareholders to attend and vote at general meetings and shall not set an excessively large number of shares required for the entitlement of one vote, and implement the means necessary to exercise the right to vote by mail and electronically.
Complies. Sections: 12, 13 and 56.

I.2. Companies shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law.
Does not comply. Section 14

The **Articles of Association of Corticeira Amorim** enshrine a quorum for calling meetings to order/taking decisions that is greater than that established in law[1] **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 (article 7);
- Removal of a director elected under the special provisions set out in article 392 of the Portuguese Companies' Code – 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' Code 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.

[1] The Portuguese Companies' Code establishes the following requirements for valid decision-making at the general meeting:

Quorum (article 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 (article 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.

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.

I.3. Companies shall not establish mechanisms intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share, unless duly justified in terms of long-term interests of shareholders.
Complies. Section 12

I.4. The company's articles of association that provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or jointly with other shareholders, shall also foresee for a resolution by the General Assembly (5 year intervals), on whether that statutory provision is to be amended or prevails – without super quorum requirements as to the one legally in force – and that in said resolution, all votes issued be counted, without applying said restriction.
Not applicable. The Company Articles of Association do not provide for limitations on the number of votes that may be held or exercised by a shareholder, either separately or jointly with other shareholders. **Section 13**

I.5. Measures that require payment or assumption of fees by the company in the event of change of control or change in the composition of the Board and that which appear likely to impair the free transfer of shares and free assessment by shareholders of the performance of Board members, shall not be adopted.
Complies partially. The Company concluded financing contracts with possible early repayment in the event of a change in shareholder control. No measures have been implemented specifically targeting the effects described in this recommendation. **Sections 4 and 84.**

II. SUPERVISION, MANAGEMENT AND OVERSIGHT

II.1. Supervision And Management

II.1.1. Within the limits established by law, and excepting small-sized companies, the Board of Directors shall delegate the daily management of the company and said delegated powers shall be identified in the Annual Report on Corporate Governance.
Complies. Sections 27 to 29.

II.1.2. The Board of Directors shall ensure that the company acts in accordance with its objectives and shall not delegate its responsibilities as regards the following: i) define the general strategy and policies of the company, ii) define business structure of the group, iii) decisions considered strategic due to the amount, risk and particular characteristics involved.
Complies. As better detailed in **section 9**, only day-to-day management can be delegated.

II.1.3. The General and Supervisory Board, in addition to its supervisory duties, shall take full responsibility at corporate governance level. Hence, through statutory provision or by equivalent means, the requirement shall be established for this body to decide on the strategy and major policies of the company, the definition of the corporate structure of the group and the decisions that shall be considered strategic due to the amount or risk involved. This body shall also assess compliance with the strategic plan and the implementation of key policies of the company.
Not applicable. The model adopted by **Corticeira Amorim** does not include this body, as described in **section 15**; the powers to define policy and strategies under this recommendation are powers that cannot be delegated by the Board of Directors. The Supervisory Board and the Statutory Auditor have supervisory powers, with the specific nature arising from the scope of the respective activity.

II.1.4. Except for small-sized companies, the Board of Directors shall create the necessary committees in order to:

a) Ensure a competent and independent assessment of the performance of the executive directors and its own overall performance, as well as of other committees;
Does not comply. Section 69

b) Reflect on the system structure and governance practices adopted, verify its efficiency and propose to the competent bodies, measures to be implemented with a view to their improvement.
Complies. Section 15

II.1.5. The Board of Directors should set goals in terms of risk-taking and create systems for their control to ensure that the risks effectively incurred are consistent with those goals.
Complies. Section 54

II.1.6. The Board of Directors shall include a number of non-executive members ensuring effective monitoring, supervision and assessment of the activity of the remaining members of the board.
Complies. Section 18

II.1.7. Non-executive members shall include an appropriate number of independent members, taking into account the adopted governance model, the size of the company, its shareholder structure and the relevant free float.
Does not comply.

Although the Board of Directors does not include 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 the interests envisaged by this recommendation are fully and appropriately safeguarded**. 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.

II.1.8. When board members that carry out executive duties are requested by other board members, said shall provide the information requested, in a timely and appropriate manner to the request.
Complies. Section 15

II.1.9. The Chairman of the Executive Committee shall provide the Chairman of the Board of Directors, the Chairman of the Supervisory Board with the notice of meetings and respective minutes.
Complies. Section 29

II.1.10. If the chair of the Board of Directors carries out executive duties, said body shall appoint, from among its members, an independent member to ensure the coordination of the work of other non-executive members and the conditions so that said can make independent and informed decisions or to ensure the existence of an equivalent mechanism for such coordination.
Does not comply.

The Board of Directors of **Corticeira Amorim** does not include independent non-executive members, so it is not possible to establish the relationship on the terms set out in this recommendation.

Nonetheless, the Company believes that the **procedures described in section 21 of this report constitute a system that in practice ensures the fulfilment of the goals advocated by this recommendation**.

II.2. Supervision

II.2.1. Depending on the applicable model, the Chair of the Supervisory Board shall be independent in accordance with the applicable legal standard, and have the necessary skills to carry out their relevant duties.
Complies. Sections 31 to 33.

II.2.2. The supervisory body shall be the main representative of the external auditor and the first recipient of the relevant reports, and is responsible, inter alia, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the company.
Does not comply.

The Supervisory Board is responsible for proposing the Statutory Auditor. It was the Board of Directors who approved its remuneration in the year under review, while the Financial Board was responsible for ensuring the adequate conditions for provision of the services. **This segmentation allows, it is believed, the reasonable safeguarding of the interests that this recommendation protects.**

Therefore, the non-adoption of the recommendation stems from the implementation of a scheme of dialogue and representation with the External Auditor which also guarantees the protection of the interests covered by it. In fact, the removal of issues more of a bargaining nature from the scope of the Supervisory Board/External Auditor relationship, as is the case of fees (but not the scope or extent of the work) facilitates the relationship between these independent and supervisory bodies of the Company. Moreover, the Supervisory Board takes a decision on the work performed by the Statutory Auditor at the end of each financial year. The Company discloses that opinion together with the other accounting documents.

This practice was reviewed in 2014 (by the Executive Committee). It was decided to continue to favour the independence of the two supervisory bodies from each other, keeping the procedures described in this section.

II.2.3. The supervisory board shall assess the external auditor on an annual basis and propose to the competent body its dismissal or termination of the contract as to the provision of their services when there is a valid basis for said dismissal.
Complies. Section 38

II.2.4. The supervisory board shall assess the functioning of the internal control systems and risk management and propose adjustments as may be deemed necessary.
Complies. Section 38

II.2.5. The Audit Committee, the General and Supervisory Board and the Supervisory Board decide on the work plans and resources concerning the internal audit services and services that ensure compliance with the rules applicable to the company (compliance services), and should be recipients of reports made by these services at least when it concerns matters related to accountability, identification or resolution of conflicts of interest and detection of potential illegalities.
Complies. Section 38

II.3. Definition Of Remunerations

II.3.1. All members of the Remuneration Committee or equivalent should be independent from the executive board members and include at least one member with knowledge and experience in matters of remuneration policy.
Does not comply. Section 67

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.**

II.3.2. No natural or legal person that provides or has provided services in the past three years, to any structure under the board of directors, the Board of Directors of the company itself or who has a current relationship with the company or consultant of the

company, shall be hired to assist the Remuneration Committee in the performance of their duties. This recommendation also applies to any natural or legal person that is related to the above by employment contract or provision of services.
Complies. No person was hired or contracted according to the terms of this recommendation.

II.3.3. The statement on the remuneration policy for the members of the Board of Directors and Supervisory Boards as set out in Article 2 of Law No. 28/2009 of 19 June, shall also contain:

a) Identification and details of the criteria for determining the remuneration paid to the members of the governing bodies;
Complies. Section 69

b) Information regarding the maximum potential, in individual terms, and the maximum potential, in aggregate form, to be paid to members of corporate bodies, and identify the circumstances whereby these maximum amounts may be payable;
Does not comply. The statement on remuneration policy does not contain this information, as described in **section 69**.

c) Information regarding the enforceability or unenforceability of payments for the dismissal or termination of appointment of board members.
Does not comply. The statement on remuneration policy does not contain this information, as described in **section 69**.

It is concluded that, as not all the practices listed in recommendation II.3.3 are complied with, recommendation II.3.3.l is deemed to not have been complied with, in accordance with the interpretation of the Portuguese Securities Market Commission.

II.3.4. Approval of plans for the allotment of shares and/or options to acquire shares or based on share price variation to board members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly assess said plan.
Not applicable, since the Company has not set up any share or share options plan. **Sections 69, 85 and 86.**

II.3.5. Approval of any retirement benefit scheme established for members of governing bodies shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly assess said system.
Not applicable, since there is no supplementary pensions or early retirement scheme for members of the corporate bodies. **Section 76**

III. REMUNERATION

III.1. The remuneration of the executive members of the board shall be based on actual performance and shall discourage taking on excessive risk-taking.
Complies. Section 69

III.2. The remuneration of non-executive board members and the remuneration of the members of the supervisory board shall not include any component whose value depends on the performance of the company or its value.
Complies. Section 69

III.3. The variable component of remuneration shall be reasonable overall in relation to the fixed component of the remuneration and maximum limits should be set for all components.
Does not comply.

It must be stressed that current practice clearly reflects a reasonable balance (**Section 77**) not only in terms of absolute values but also in terms of the ratio between fixed and variable remuneration, that there is only a limit – imposed by the Articles of Association – for the part that is established as profit sharing, which cannot exceed 3% for the entire Board of Directors.

III.4. A significant part of the variable remuneration should be deferred for a period of no less than three years, and the right of way payment shall depend on the continued positive performance of the company during that period.
Does not comply. Section 77

The deferral under the conditions specified in this Recommendation is not usual practice. It should be emphasized that the award of the variable component of remuneration to the executive members of the Board of Directors and Officers of the Company, which represents a performance bonus, results from the verification of compliance with the goals, objectives and strategic initiatives and priority actions defined in a three-year plan, with the respective annual variations, which safeguards the interests covered by this recommendation, although for a period not exceeding three years.

III.5. Members of the Board of Directors shall not enter into contracts with the company or with third parties which intend to mitigate the risk inherent to remuneration variability set by the company.
Complies. Section 69

III.6. Executive board members shall maintain the company's shares that were allotted by virtue of variable remuneration schemes, up to twice the value of the total annual remuneration, except for those that need to be sold for paying taxes on the gains of said shares, until the end of their term of office.
Not applicable.

The Company has not, nor ever had, schemes for awarding shares as variable remuneration. The remuneration policy also does not envisage schemes for awarding shares as variable remuneration.

III.7. When the variable remuneration includes the allocation of options, the beginning of the exercise period shall be deferred for a period not less than three years.
Not applicable.

The Company has not, nor ever had, schemes for awarding shares as variable remuneration. The remuneration policy also does not envisage schemes for awarding shares as variable remuneration.

III.8. When the removal of board member is not due to serious breach of their duties nor to their unfitness for the normal exercise of their functions but is yet due to inadequate performance, the company shall be endowed with the adequate and necessary legal instruments so that any damages or compensation, beyond that which is legally due, is unenforceable.
Complies.

No legal instrument has been entered into with Directors requiring the company, as provided for in this Recommendation, to pay any damages or compensation beyond that which is legally due.

IV. AUDITING

IV.1. The external auditor shall, within the scope of its duties, verify the implementation of remuneration policies and systems of the corporate bodies as well as the efficiency and effectiveness of the internal control mechanisms and report any shortcomings to the supervisory body of the company.
Does not comply.

The mandate of the Statutory Auditor does not cover checking the remuneration policies and systems implemented in the Company. **It is belief of the Board of Directors that the remuneration management system currently implemented ensures compliance with the remuneration policy adopted by the General Meeting of Shareholders.**

As set out in **section 39**, the performance of all other duties – that must be diligently and effectively carried out – are the Statutory Auditor's responsibility.

IV.2. The company or any entity with which it maintains a control relationship shall not engage the external auditor or any entity with which it finds itself in a group relationship or that incorporates the same network, for services other than audit services. If there are reasons for hiring such services – which must be approved by the supervisory board and explained in its Annual Report on Corporate Governance – said should not exceed more than 30% of the total value of services rendered to the company.
Does not comply.

The services that the Company contracts from PricewaterhouseCoopers, which holds the corporate office of Statutory Auditor, and which do not require the prior approval of the Supervisory Board, primarily include supporting the implementation of administrative procedures for complying with formalities established by law **and subject to rules safeguarding potential issues relating to the independence of this body, as best illustrated in sections 37 and 41**.

IV.3. Companies shall support auditor rotation after two or three terms whether these encompass periods of four or three years, respectively. Its continuance beyond this period must be based on a specific opinion of the supervisory board that explicitly considers the conditions of auditor's independence and the benefits and costs of its replacement.
Does not comply.

As set out in **section 40**, 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. **PricewaterhouseCoopers & Associados, SROC, Lda meets the independence requirements and, in addition, this firm of auditors – 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.

V. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

V.1. The company's business with holders of qualifying interests or entities with which they are in any type of relationship pursuant to article 20 of the Portuguese Securities' Code, shall be conducted during normal market conditions.
Complies. Sections 89 and 92.

V.2. The supervisory or oversight board shall establish procedures and criteria that are required to define the relevant level of significance of business with holders of qualifying interests – or entities with which they are in any of the relationships described in article 20/1 of the Portuguese Securities' Code – thus significant relevant business is dependent upon prior opinion of that body.
Complies. Sections 89 and 92.

VI. INFORMATION

VI.1. Companies shall provide, via their websites in both the Portuguese and English languages, access to information on their progress as regards the economic, financial and governance state of play.
Complies. Sections 59 to 65.

VI.2. Companies shall ensure the existence of an investor support and market liaison office, which responds to requests from investors in a timely fashion and a record of the submitted requests and their processing shall be kept.
Complies. Section 56

Mozelos, 12 February 2015

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

Luísa Alexandra Ramos Amorim
Member

Juan Ginesta Viñas
Member

INDUSTRIAL UNIT OF TECHNICAL CORK STOPPERS

04

Consolidated Financial Statements

Consolidated Statement of Financial Position (thousand euros)

	Notes	December 2014	December 2013
ASSETS			
Property, plant and equipment	VIII	182,893	184,661
Investment property	VIII	5,190	5,249
Goodwill	IX	2,911	5,255
Investments in associates	V e X	10,841	8,129
Intangible assets	VIII	1,091	693
Other financial assets	X	3,631	2,373
Deferred tax assets	XI	6,708	6,384
Non-current assets		**213,265**	**212,744**
Inventories	XII	247,633	244,063
Trade receivables	XIII	122,606	121,069
Income tax assets	XIV	2,233	8,026
Other current assets	XV	25,673	33,616
Cash and cash equivalents	XVI	6,036	7,788
Current assets		**404,181**	**414,562**
TOTAL ASSETS		**617,446**	**627,307**
EQUITY			
Share capital	XVII	133,000	133,000
Treasury stock	XVII	-7,197	-7,197
Other reserves	XVII	140,617	132,587
Net Income		35,756	30,339
Non-Controlling Interest	XVIII	13,393	13,009
TOTAL EQUITY		**315,569**	**301,737**
LIABILITIES			
Interest-bearing loans	XIX	26,225	33,623
Other borrowings and creditors	XXI	11,533	10,448
Provisions	XXIX	27,951	25,085
Deferred tax liabilities	XI	6,970	7,282
Non-current liabilities		**72,678**	**76,438**
Interest-bearing loans	XIX	67,369	78,612
Trade payables	XX	115,303	125,203
Other borrowings and creditors	XXI	44,007	42,822
Income tax liabilities	XXII	2,520	2,495
Current liabilities		**229,199**	**249,132**
TOTAL LIABILITIES AND EQUITY		**617,446**	**627,307**

(this statement should be read with the attached notes to the consolidated financial statements)

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

4Q14 (non audited)	4Q13 (non audited)		Notes	12M14	12M13
130,655	123,359	Sales	VII	560,340	542,500
69,006	68,070	Costs of goods sold and materials consumed		286,205	264,356
8,809	12,475	Change in manufactured inventories		9,448	-662
24,698	24,176	Third party supplies and services	XXIII	96,429	97,266
27,146	24,280	Staff costs	XXIV	103,315	100,154
-1,166	-337	Impairments of assets	XXV	149	1,930
3,051	2,155	Other gains	XXVI	9,613	7,765
2,192	2,773	Other costs	XXVI	6,581	7,770
20,639	**19,028**	**Current EBITDA**		**86,722**	**78,127**
5,650	5,595	Depreciation	VIII	22,336	21,516
14,989	**13,433**	**Current EBIT**		**64,386**	**56,611**
2,840	0	Non-current costs	XXV	6,354	0
2,759	3,968	Financial costs	XXVII	6,036	8,888
769	1,311	*Interest and other fiancial costs*		4,046	6,231
1,990	2,657	*Provisions*		1,990	2,657
56	140	Financial income	XXVII	180	1,095
354	363	Share of (loss)/profit of associates	X	1,280	692
9,801	**9,967**	**Profit before tax**		**53,456**	**49,509**
2,850	4,529	Income tax	XI	16,776	18,551
6,951	**5,438**	**Profit after tax**		**36,680**	**30,958**
229	234	Non-controlling Interest	XVIII	924	620
6,722	**5,204**	**Net Income attributable to the equity holders of Corticeira Amorim**		**35,756**	**30,339**
0,054	**0,041**	**Earnings per share – Basic and Diluted (euros per share)**	XXXIII	**0.285**	**0.242**

(this statement should be read with the attached notes to the consolidated financial statements)

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

4Q14 (non audited)	4Q13 (non audited)		12M14	12M13
6,952	**5,438**	**Net Income (before non-controlling Interest)**	**36,680**	**30,958**
		Itens that could be reclassified through income statement:		
208	-215	Change in derivative financial instruments fair value	-55	-176
622	-1,091	Change in translation differences and other	1,502	-2,794
830	**-1,306**	**Net Income directly registered in Equity**	**1,447**	**-2,970**
7,782	**4,132**	**Total Net Income registered**	**38,127**	**27,988**
		Attributable to:		
7,384	4,228	Corticeira Amorim Shareholders	37,303	28,263
398	-96	Non-controlling Interest	824	-275

(this statement should be read with the attached notes to the consolidated financial statements)

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

4Q14 (non audited)	4Q13 (non audited)		2014	2013
		OPERATING ACTIVITIES		
157,019	154,110	Collections from customers	615,763	595,190
-129,576	-101,630	Payments to suppliers	-510,078	-457,311
-27,503	-26,773	Payments to employees	-105,064	-99,206
-60	**25,707**	**Operational cash flow**	**621**	**38,673**
-4,769	-7,491	Payments/collections – income tax	-9,479	-22,528
25,124	3,269	Other collections/payments related with operational activities	72,455	50,116
20,295	**21,485**	**Cash Flow Before Extraordinary Items (1)**	**63,597**	**66,261**
		INVESTMENT ACTIVITIES		
		Collections due to:		
10	135	Tangible assets	675	404
0	2	Intangible assets	0	2
9	-3	Investment property	11	0
86	130	Other assets	189	1,285
11	122	Interests and similar gains	78	970
2,918	1,644	Investment subsidies	2,918	1,835
125	125	Dividends	298	255
		Payments due to:		
-6,627	-13,795	Tangible assets	-21,216	-25,995
-627	-210	Financial investments	-2,514	-1,271
-453	-182	Intangible assets	-563	-351
-4,548	**-12,032**	**Cash Flow From Investments (2)**	**-20,124**	**-22,866**
		FINANCIAL ACTIVITIES		
		Collections due to:		
426	646	Others	1,984	1,469
		Payments due to:		
-2,166	23,847	Loans	-16,517	-43,140
35	-1,093	Interests and similar expenses	-3,690	-6,040
-8,912	-7,542	Dividends	-24,425	-20,396
0	-235	Acquisition of treasury stock	0	-264
-108	-173	Others	-432	-568
-10,725	**-12,639**	**Cash Flow From Financing (3)**	**-43,080**	**-68,939**
5,022	-3,186	Change in Cash (1) + (2) + (3)	393	-25,544
11	-193	Exchange rate effect	3	-498
-10,832	-2,817	Cash at beginning	-6,195	19,846
-5,799	-6,195	Cash at end	-5,799	-6,195

(this statement should be read with the attached notes to the consolidated financial statements)

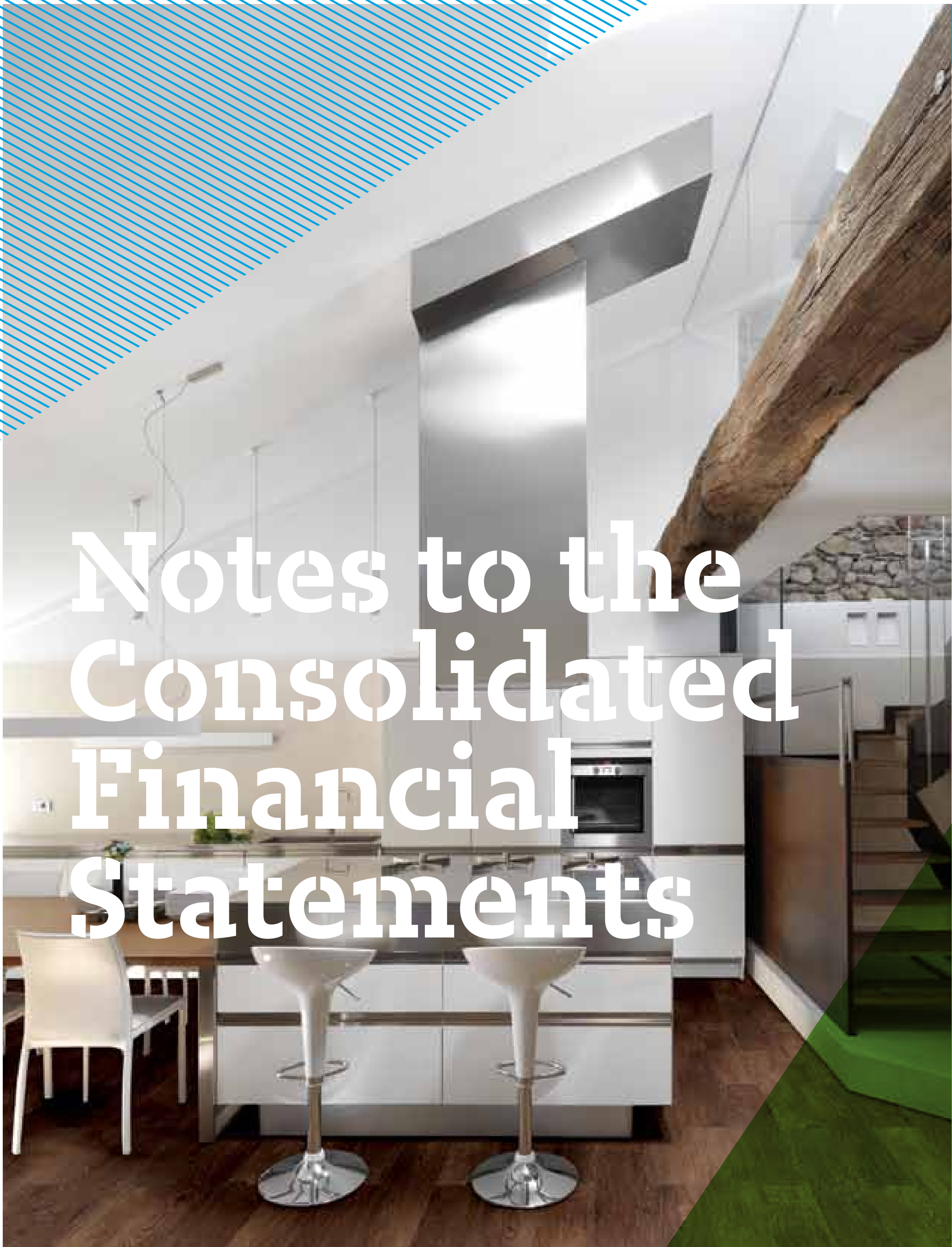
Consolidated Statement of Changes in Equity (thousand euros)

	Balance Beginning	Changing in perimeter	Appropriation of N-1 profit	Dividends	Net Profit N	Increases / Reclassif	Decreases / Reclassif	Translation Differences	End Balance
DECEMBER 31, 2014									
Equity:									
Share Capital	133,000	–	–	–	–	–	–	–	133,000
Treasury Stock – Face Value	-7,399	–	–	–	–	–	–	–	-7,399
Treasury Stock – Disc. and Premiums	201	–	–	–	–	–	–	–	201
Paid-in Capital	38,893	–	–	–	–	–	–	–	38,893
IFRS Transition Adjustments	0	–	–	–	–	–	–	–	0
Hedge Accounting	10	–	–	–	–	–	-55	–	-45
Reserves									
Legal Reserve	12,243	–	–	–	–	–	–	–	12,243
Other Reserves	82,886	–	30,339	-23,864	–	–	-61	–	89,300
Translation Difference	-1,445	–	–	–	–	–	–	1,671	226
	258,389	**0**	**30,339**	**-23,864**	**0**	**0**	**-116**	**1,671**	**266,419**
Net Profit for the Year	**30,339**	–	**-30,339**	–	**35,756**	–	–	–	**35,756**
Non-Controlling Interest	**13,009**	**0**	–	**-433**	**924**	–	**-20**	**-87**	**13,393**
Total Equity	**301,737**	**0**	**1**	**-24,297**	**36,680**	**0**	**-135**	**1,584**	**315,569**
DECEMBER 31, 2013									
Equity:									
Share Capital	133,000	–	–	–	–	–	–	–	133,000
Treasury Stock – Face Value	-7,384	–	–	–	–	-15	–	–	-7,399
Treasury Stock – Disc. and Premiums	216	–	–	–	–	-15	–	–	201
Paid-in Capital	38,893	–	–	–	–	–	–	–	38,893
IFRS Transition Adjustments	0	–	–	–	–	–	–	–	0
Hedge Accounting	186	–	–	–	–	–	-176	–	10
Reserves									
Legal Reserve	12,243	–	–	–	–	–	–	–	12,243
Other Reserves	71,762	–	31,055	-20,096	–	–	165	–	82,886
Translation Difference	611	–	–	–	–	–	–	-2,056	-1,445
	249,527	**0**	**31,055**	**-20,096**	**0**	**-30**	**-11**	**-2,056**	**258,389**
Net Profit for the Year	**31,055**	–	**-31,055**	-	**30,339**	–	–	–	**30,339**
Non-Controlling Interest	**14,665**	**0**	–	**-310**	**620**	–	**-1,062**	**-904**	**13,009**
Total Equity	**295,246**	**0**	**0**	**-20,406**	**30,959**	**-30**	**-1,073**	**-2,959**	**301,737**

(this statement should be read with the attached notes to the consolidated financial statements)

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, 2014 corresponding to 51.00% of its share capital (December 2013: 67,830,00 shares). 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 12, 2015.

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.

COMPOSITE CORK INDUSTRIAL UNIT

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, 2014.

The presentation of the Consolidated Income Statement has been modified in order to include a breakdown of financial costs in to interest and other financial costs and provisions. This modification is intended to give a more accurate and fair view of the financial costs of the group. The comparative amounts for 2013 were reclassified, following the policies of IAS 1.

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 Regulamento 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; and
- 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.

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.

Non-controlling interest

Non-controlling Interest is recorded at fair value or in the proportion of the percentage held in the net asset of the acquire, 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.

Transactions with Non-controlling interests are treated as transactions with Group Equity holders.

In any acquisition from non-controlling interests, the difference between the consideration paid and the accounting value of the share acquired is recognised in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss.

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.

Exchange rate effect

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.

In non-euro subsidiaries, all 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 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.

c. 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.

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.

d. INTANGIBLE ASSETS

Research expenditures are recognised in the income statement as incurred.

Development expenditure is recognised as intangible asset when the technical feasibility being developed can be demonstrated and the Group has the intention and capacity to complete their development and start trading or using them and that future economic benefits will occur.

Amortisation of the intangible assets is calculated by the straight-line method, and recorded as the asset qualifies for its required purpose:

	Number of years
Industrial Property	10 to 20
Software	3 to 6

The estimated useful life of assets are reviewed and adjusted when necessary, at the balance sheet date.

e. INVESTMENT PROPERTY

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 c) 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.

CORK STOPPER'S INDUSTRIAL PRODUCTION

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, 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, if applicable, 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

This line 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 30% 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. 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:

a. 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.

b. 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.

c. 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.

THE CORK STOPPER IS THE ONLY SEALING WITH A POSITIVE ENVIRONMENTAL IMPACT

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 which 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, 2014, 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 225 K€ as of December 31, 2014 (2013: -1,445 K€). In these values is included the effect of not hedging net investments in subsidiaries/associate.

b. Interest rate risk

As of December 31, 2014 and 2013, 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, 2014, noncurrent-term debt was 28% of total interest bearing debt (2013: 30%). During 2010 and 2013 **Corticeira Amorim**, SGPS, SA signed interest rate swaps regarding the economic hedging of the interest rate risk. In its books, these were registered as an available-for-sale derivative. As of December 31, 2014, for each 0.1% variation in euro based debt, a total effect of -94 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 3% 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 (December 2014: 159 million euros and December 2013: 171 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	78,612	8,095	20,818	4,709	112,234
Other borrowings and creditors	35,940	2,938	6,694	815	46,388
Trade payables	125,203	0	0	0	125,203
Income tax liabilities	2,495	0	0	0	2,495
Total as of December 31, 2013	**242,250**	**11,033**	**27,512**	**5,524**	**286,320**
Interest-bearing loans	67,369	20,957	1,219	4,049	93,594
Other borrowings and creditors	37,703	4,362	4,938	2,234	49,237
Trade payables	115,303	0	0	0	115,303
Income tax liabilities	2,520	0	0	0	2,520
Total as of December 31, 2014	**222,895**	**25,319**	**6,157**	**6,283**	**260,654**

(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, 2015 liquidity reserve, composed mainly by non-used credit lines, will be as follows:

	2015
Opening balance	**130**
Operating cash in and cash out	74
Capex	-20
Interest and dividends	-27
Income tax	-14
Bank debt payments	-15
Closing balance	**128**

(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 should not deviate significantly from the range 40%-50%, depending on actual economic conditions and of the cork sector in particular, is the objective to be accomplished. The said ratio register was:

	Dec 2014	Dec 2013	Dec 2012
Equity	315,569	301,737	295,246
Assets	617,446	627,307	643,767
Ratio	**51.1%**	**48.1%**	**45.9%**

(thousand euros)

FINANCIAL ASSETS AND LIABILITIES FAIR VALUE

As of December 31, 2014 and December 2013, 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, 2014, derivative financial instruments recognised as assets in the consolidated statement of financial position are not material, reaching 81 thousand euros (2013: 875 K€) and 2,589 thousand euros as liabilities (2013: 779 K€), as stated in notes XV and XXI.

As stated in notes III b) and XIX, **Corticeira Amorim** entered two swaps to hedge interest rate risk. These swaps are recorded as trading derivatives and are evaluated by external financial entities. For one of these swaps, a proprietary model which utilises, on top of other inputs, a proprietary index (level 3). For the other, the evaluation uses observable inputs indirectly in the market (level 2).

Corticeira Amorim uses forward outrights and options to hedge exchange rate risk, as stated in note XXX. Evaluating exchange rate hedge instruments requires the utilisation of observable inputs (level 2). 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.

Summary of the financial instruments derivatives fair value:

			31/12/2014		31/12/2013	
Nature	**Hierarchy**	**Type**	**Notional**	**Fair Value**	**Notional**	**Fair Value**
		Cash flow hedge				
		Fair value hedge	21,364	875	21,364	875
	Level 2 Total		21,364	875	21,364	875
Total Assets			**21,364**	**875**	**21,364**	**875**
		Cash flow hedge	10,483	-174	664	-11
		Fair value hedge	28,984	-2,208	0	0
		Trading derivatives	20,000	-124	20,000	-97
	Level 2 Total		59,467	-2,505	20,664	-108
		Trading derivatives	30,000	-83	30,000	-670
	Level 3 Total		30,000	-83	30,000	-670
Total Liabilities			**89,467**	**-2,589**	**50,664**	**-779**

(thousand euros)

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 assets, goodwill amounts to 2,911 K€ (2013: 5,255 K€). Recoverability of these assets is subject to verification of the assumptions used in the impairment tests performed at the end of year 2014, and which are described in note IX. In the year 2014 was recognized a loss connected with the goodwill impairment related with the subsidiary Amorim Deutschland (Note XXV).

In the year 2014 was recognized an impairment loss of land and buildings of industrial facilities in Corroios, given the decision to transfer production activity to Mozelos. This register was based on an independent evaluation. The evaluation was performed from the yield viewpoint, using a discounted cash flow model. Value is dependent of the realization of assumptions regarding expected revenues and discount rate (Note VIII).

Still to be noted 6,708 K€ registered in deferred tax assets (2013: 6,384 K€). These values will be recovered if the business plans of the companies that recorded those assets are materialized in the future (Note XI).

Provisions for tax contingencies and other processes are based on the best estimate of management regarding losses that may exist in the future that are associated with these processes (Note XXIX).

V

COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company		Head Office	Country	2014	2013
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		Cádiz	Spain	100%	100%
Amorim Tunisie, S.A.R.L.		Tabarka	Tunisia	100%	100%
Augusta Cork, S.L.	(e)	San Vicente Alcántara	Spain	100%	–
Comatral – C. de Maroc. de Transf. du Liège, S.A.		Skhirat	Morocco	100%	100%
Cork International, S.A.R.L.	(g)	Tabarka	Tunisia	–	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	(b)	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, S.A.		Girona	Spain	91%	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	U. S. America	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%
Amorim Top Series, S.A.	(h)	Vergada – Mozelos	Portugal	100%	–
Augusta Cork, S.L.	(e)	San Vicente Alcántara	Spain	–	91%
Bouchons Prioux		Epernay	France	91%	91%
Carl Ed. Meyer Korken		Delmenhorst	Germany	100%	100%
Chapuis, S.L.		Girona	Spain	100%	100%
Corchera Gomez Barris	(d) (h)	Santiago	Chile	50%	–
Corchos de Argentina, S.A.	(b)	Mendoza	Argentina	50%	50%
Equipar, Participações Integradas, Lda.		Coruche	Portugal	100%	100%
FP Cork, Inc.		California	U. S. America	100%	100%
Francisco Oller, S.A.		Girona	Spain	92%	92%
Hungarocork, Amorim, RT		Budapeste	Hungary	100%	100%
Indústria Corchera, S.A.	(c)	Santiago	Chile	50%	50%
Korken Schiesser Ges.M.B.H.		Vienna	Austria	69%	69%
Olimpiadas Barcelona 92, S.L.		Girona	Spain	100%	100%
Portocork America, Inc.		California	U. S. America	100%	100%
Portocork France, S.A.S.		Bordeaux	France	100%	100%
Portocork Internacional, S.A.		Santa Maria Lamas	Portugal	100%	100%
Portocork Italia, s.r.l		Milan	Italy	100%	100%
Sagrera et Cie		Reims	France	91%	91%
S.A. Oller et Cie		Reims	France	92%	92%

Company		Head Office	Country	2014	2013
S.C.I. Friedland		Céret	France	100%	100%
S.C.I. Prioux		Epernay	France	91%	91%
Société Nouvelle des Bouchons Trescases	(b)	Perpignan	France	50%	50%
Trefinos Australia		Adelaide	Australia	91%	91%
Trefinos Italia, s.r.l		Treviso	Italy	91%	91%
Trefinos, S.L		Girona	Spain	91%	91%
Victor y Amorim, Sl	(c)	Navarrete – La Rioja	Spain	50%	50%
Wine Packaging & Logistic, S.A.	(b) (d)	Santiago	Chile	50%	50%
Floor & Wall Coverings					
Amorim Revestimentos, S.A.		S. Paio de Oleiros	Portugal	100%	100%
Amorim Benelux, BV		Tholen	Netherlands	100%	100%
Amorim Deutschland, GmbH – AR	(a)	Delmenhorst	Germany	100%	100%
Amorim Flooring (Switzerland) AG		Zug	Switzerland	100%	100%
Amorim Flooring Austria GesmbH		Vienna	Austria	100%	100%
Amorim Flooring Investments, Inc.		Hanover – Maryland	U. S. America	100%	100%
Amorim Flooring Nordic A/s	(g)	Greve	Denmark	–	100%
Amorim Flooring North America Inc.		Hanover – Maryland	U. S. America	100%	100%
Amorim Japan Corporation		Tokyo	Japan	100%	100%
Amorim Revestimientos, S.A.		Barcelona	Spain	100%	100%
Cortex Korkvertriebs GmbH		Fürth	Germany	100%	100%
Dom KorKowy, Sp. Zo. O.	(c)	Kraków	Poland	50%	50%
Timberman Denmark A/S		Hadsund	Denmark	51%	51%
US Floors, Inc.	(b)	Dalton – Georgia	U. S. America	25%	25%
Zodiac Kork– und Holzprodukte GmbH		Fürth	Germany	100%	100%
Composite Cork					
Amorim Cork Composites, S.A.		Mozelos	Portugal	100%	100%
Amorim (UK) Ltd.		Horsham West Sussex	United Kingdom	100%	100%
Amorim Compcork, Lda		Mozelos	Portugal	100%	100%
Amorim Cork Composites Inc.		Trevor Wisconsin	U. S. America	100%	100%
Amorim Deutschland, GmbH – ACC	(a)	Delmenhorst	Germany	100%	100%
Amorim Industrial Solutions – Imobiliária, S.A.		Corroios	Portugal	100%	100%
AmorLink	(i)	Istambul	Turkey	25%	–
Amosealtex Cork Co., Ltd	(i)	Shanghai	China	30%	–
Chinamate (Shaanxi) Natural Products Co. Ltd		Shaanxi	China	100%	100%
Chinamate Development Co. Ltd		Hong Kong	China	100%	100%
Corticeira Amorim – France SAS		Lavardac	France	100%	100%
Drauvil Europea, SL	(f) (g)	San Vicente Alcantara	Spain	–	100%
Dyn Cork – Technical Industry, Lda	(b)	Paços de Brandão	Portugal	50%	50%
Florconsult – Consultoria e Gestão, Lda.		Mozelos	Portugal	100%	100%
Postya – Serviços de Consultadoria, Lda.		Funchal – Madeira	Portugal	100%	100%
Insulation Cork					
Amorim Isolamentos, S.A.		Vendas Novas	Portugal	80%	80%
Holding					
Corticeira Amorim, SGPS, S.A.		Mozelos	Portugal	100%	100%
Ginpar, S.A. (Générale d' Invest. et Participation)		Skhirat	Morocco	100%	100%
Drauvil Europea, SL	(f) (g)	San Vicente Alcantara	Portugal	–	–
Amorim Cork Research & Services, Lda.		Mozelos	Portugal	100%	100%
Amorim Cork Services, Lda.	(h)	Mozelos	Portugal	100%	–
Amorim Cork Ventures, Lda	(h)	Mozelos	Portugal	100%	–
Soc. Portuguesa de Aglomerados de Cortiça, Lda.		Montijo	Portugal	100%	100%

(a) One single company: Amorim Deutschland, GmbH & Co. KG.

(b) Equity method consolidation.

(c) Corticeira Amorim controls the operations of the company – line-by-line consolidation method.

(d) Directly held by Industria Corchera, SA.

(e) Augusta Cork: During 2014 was integrated in Raw Materials BU.

(f) Drauvil: During 2014 was no more part of Composite Cork BU.

(g) Liquidated during 2014.

(h) Subsidiary set-up in 2014.

(i) Associate set-up in 2014.

VI

EXCHANGE RATES USED IN CONSOLIDATION

Exchage rates		Year end 2014	Average 2013	Year end 2014	Average 2013
Argentine Peso	ARS	10.12833	10.77468	7.28700	8.95762
Australian Dollar	AUD	1.48290	1.47188	1.37770	1.54230
Lev	BGN	1.95580	1.95471	1.95570	1.95570
Brazilian Real	BRL	3.22070	3.12113	2.86866	3.25760
Canadian Dollar	CAD	1.40630	1.46614	1.36837	1.46710
Swiss Franc	CHF	1.20240	1.21462	1.23106	1.22760
Chilean Peso	CLP	733.560	756.917	658.181	722.020
Yuan Renminbi	CNY	7.53580	8.18575	8.16505	8.32080
Danish Krone	DKK	7.44530	7.45482	7.45792	7.45930
Algerian Dinar	DZD	106.119	106.6354	105.2171	107.276
Euro	EUR	1	1	1	1
Pound Sterling	GBP	0.77890	0.80612	0.84926	0.83370
Hong Kong Dollar	HKD	9.3798	10.29987	10.30317	10.6576
Forint	HUF	315.540	308.706	296.873	297.040
Yen	JPY	145.230	140.306	129.663	144.720
Moroccan Dirham	MAD	10.93	11.1387	11.1495	11.2313
Zloty	PLN	4.27320	4.18426	4.19749	4.15430
Tunisian Dinar	TND	2.25770	2.25012	2.15676	2.26020
US Dollar	USD	1.21410	1.32850	1.32812	1.37910
Rand	ZAR	14.0353	14.4037	12.8330	14.5660

MATERIA, CORK BY AMORIM, CURATED DY EXPERIMENTADESIGN

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):

2014	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjust.	Consolidated
Trade Sales	5,253	353,306	113,345	79,431	8,138	866	0	560,340
Other BU Sales	126,120	3,996	3,018	4,850	1,876	5,992	-145,853	–
Total Sales	131,373	357,302	116,363	84,282	10,014	6,859	-145,853	560,340
EBITDA (current)	17,492	46,830	15,520	7,748	1,653	-1,806	-714	86,722
Assets	136,146	300,237	87,860	79,754	12,866	475	106	617,446
Liabilities	38,095	102,214	28,630	25,898	2,353	14,703	89,983	301,877
Capex	2,816	12,917	1,409	3,334	562	182	–	21,220
Year Depreciation	-2,878	-11,105	-4,659	-2,976	-613	-105	–	-22,336
Non-cash cost	35	62	-1,867	-1,244	18	504	0	-2,493
Gains/Losses in associated companies	0	810	490	-19	0	0	–	1,280
2013	**Raw Materials**	**Cork Stoppers**	**Floor & Wall Coverings**	**Composite Cork**	**Insulation Cork**	**Holding**	**Adjust.**	**Consolidated**
Trade Sales	4,688	329,473	118,813	82,276	7,197	53	0	542,500
Other BU Sales	106,432	4,184	3,195	16,167	923	2,201	-133,102	–
Total Sales	111,120	333,657	122,009	98,443	8,120	2,254	-133,102	542,500
EBITDA (current)	15,829	41,414	15,177	6,726	1,349	-1,966	-402	78,127
Assets	153,014	295,413	103,086	88,320	13,346	4,833	-30,706	627,307
Liabilities	42,035	114,121	40,575	27,166	2,076	12,454	87,144	325,570
Capex	3,792	11,920	3,507	7,205	401	11	–	26,834
Year Depreciation	-1,672	-11,332	-4,639	-3,205	-621	-47	–	-21,516
Non-cash cost	-376	-393	-775	-1,467	55	-4	0	-2,960
Gains/Losses in associated companies	0	743	-160	109	0	0	–	692

(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 non-cash 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 243 million euros, and are mostly composed by inventories (88 million), customers (74 million) and tangible fixed assets (48 million).

In non-current assets, special note to 135 M€ (2013: 137 M€) of tangible fixed assets located in Portugal (foreign countries: 48 M€ vs 48 M€ in 2013), 5.0 M€ (2013: 4.9 M€) of property investment (foreign countries: 0.2 M€ vs 0.3 in 2013), 0.5 M€ (2013: 0.2 M€) of intangible assets (foreign countries: 0.6 M€ vs 0.5 M€ in 2013) and 3.2 M€ (2013: 2.0 M€) of other financial assets (foreign countries: 0.4 M€ vs 0.4 M€ in 2013).

Sales by markets:

Markets	**2014**		**2013**	
European Union	341,459	60.9%	329,277	60.7%
From which: Portugal	24,834	4.4%	27,042	5.0%
Other European countries	27,310	4.9%	32,725	6.0%
United States	107,967	19.3%	99,107	18.3%
Other American countries	39,104	7.0%	37,139	6.8%
Australasia	35,749	6.4%	35,689	6.6%
Africa	8,750	1.6%	8,564	1.6%
Others	**560,340**	**100%**	**542,500**	**100%**

(thousand euros)

CORK PLANK

VIII

TANGIBLE, INTANGIBLE AND PROPERTY INVESTMENT ASSETS

	Land and Buildings	Machinery	Other	Total Tangible Assets	Intangible Assets	Investment Property
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
Opening balance (Jan 1, 2013)	**83,120**	**82,757**	**16,295**	**182,172**	**554**	**6,075**
In Companies	0	0	0	0	0	0
Increase	2,864	8,568	15,062	26,494	340	0
Period Deprec. and Impairments	-5,625	-14,466	-1,653	-21,744	-203	-694
Sales and Other Decreases	-208	-297	-119	-624	0	0
Transfers and Reclassifications	5,457	2,638	-8,548	-453	1	0
Translation Differences	-438	-618	-128	-1,184	0	-132
Gross Value	225,357	326,674	45,828	597,859	4,136	15,489
Depreciation and impairments	-140,187	-248,092	-24,918	-413,197	-3,444	-10,240
Closing balance (Dec 31, 2013)	**85,170**	**78,582**	**20,910**	**184,662**	**692**	**5,250**
Gross Value	225,357	326,674	45,828	597,859	4,136	15,489
Depreciation and impairments	-140,187	-248,092	-24,918	-413,197	-3,444	-10,240
Opening balance (Jan 1, 2014)	**85,170**	**78,582**	**20,910**	**184,662**	**692**	**5,250**
Increase	4,259	12,949	3,601	20,809	411	0
Period Deprec. and Impairments	-5,841	-15,319	-1,714	-22,874	-172	-480
Sales and Other Decreases	-22	190	-235	-67	6	-2
Transfers and Reclassifications	2,329	11,466	-14,452	-657	153	463
Translation Differences	789	147	84	1,020	0	-40
Gross Value	229,817	348,850	37,020	615,687	4,670	15,432
Depreciation and impairments	-143,133	-260,835	-28,826	-432,794	-3,579	-10,242
Closing balance (Dec 31, 2014)	**86,684**	**88,015**	**8,194**	**182,893**	**1,091**	**5,190**

(thousand euros)

The amount of 5,190 K€, referred as Property Investment (2013: 5,249 K€), is due, mainly, to land and buildings that are not used in production.

During the first half of 2014, following an evaluation made by an independent entity, it was booked a 1,124 K€ impairment in land and building in Corroios. As it is planned the discontinuing of the operations at this site during the second half of 2014, (to be concluded in early 2015), the property value is no longer recoverable through use. As a result, an impairment was registered. The report was issued by Cushman & Wakefield, which concluded that the market value was superior to the book value. The evaluation was based on the value that would result from the development of an allotment project for logistics, trade and services. Comparative market for construction and development costs were used. The gross yield used for rental purposes was 10%, with the discount rate of financial flows being 11%.

This figure was presented in the Consolidated Statement of Income as non-recurring expenses.

Expenses related with tangible fixed assets had no impact during 2014 and 2013. No interest was capitalised during 2014.

IX

GOODWILL

2013	Openning	Increases	Decreases	Reclassification	Closing
Oller et cie	1,360	–	610	–	750
Industria Corchera	1,314	–	–	–	1,314
Amorim France	250	–	–	–	250
Amorim Cork Italia	274	–	–	–	274
Korken Schiesser	164	–	–	–	164
Amorim Deutschland	2,503	–	–	–	2,503
GOODWILL	**5,865**	**0**	**610**	**0**	**5,255**

2014	Openning	Increases	Decreases	Reclassification	Closing
Oller et cie	750	–	–	–	750
Industria Corchera	1,314	–	–	–	1,314
Corchera Gomez Barris	0	159	–	–	159
Amorim France	250	–	–	–	250
Amorim Cork Italia	274	–	–	–	274
Korken Schiesser	164	–	–	–	164
Amorim Deutschland	2,503	–	2,503	–	0
GOODWILL	**5,255**	**159**	**2,503**	**0**	**2,911**

(thousand euros)

For the first half accounts, an impairment test was made regarding Oller et Cie. An impairment of 610 K€ was recorded. This test was conducted in a value in use methodology.

As stated in point II f), goodwill impairment tests are made each year. The discount rates were between 8.2% and 10%. Growth rates between 0.5% and 1% for perpetuity.

Tests made during 2013 used the same assumptions as 2012, except for Tunisia and Corchos Argentina.

From tests performed in 2014 derived the write-off of the goodwill associated with Amorim Deutschland. Market conditions resulting from the failure of the biggest flooring customer in Germany, led to a substantial change in the retail market of this country. This noticeably reduced the prospects of profitability of that subsidiary. As a result, the test led to the need of the write-off of that goodwill. In that test, sales growth rate of 1% for the three year period 2015 to 2017 and 0.5% for the following years was used. The discount rate used was 10%. In view of the test conducted in 2013, there was a break for about half the estimated cash flow for the implicit period and in perpetuity.

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 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 existing at the balance sheet date.

X

EQUITY COMPANIES AND OTHER FINANCIAL ASSETS

EQUITY COMPANIES:

	2014	2013
Initial Balance	**8,129**	**8,018**
In / Out	1,533	204
Results	1,280	693
Dividends	-250	-250
Goodwill Reclassification	167	-465
Other	-19	-71
End Balance	**10,841**	**8,129**

(thousand euros)

During 2013, "In/Out" refers to the set-up of Wine packaging & Logistic, SA by Industria Corchera, SA. During 2014, this subsidiary participated in a capital increase in that associate, corresponding to 1,495 of the total 1,533 in inputs. The remainder corresponds to the establishment of two associates in Turkey and China.

WICANDERS CORKCOMFORT FLOOR, VISUAL ORIGINALS NATURAL

	2014			2013		
	Financial Stake	Goodwill	Total	Financial Stake	Goodwill	Total
US Floors	1,588	0	1,588	1,098	0	1,098
Trescases	4,098	1,715	5,813	3,926	1,715	5,641
Soc. Tunisienne Bouchons	153	0	153	154	0	154
Wine Packaging & Logistic	1,694	0	1,694	165	0	165
Corchos Argentina	1,330	0	1,330	1,025	0	1,025
Others	263	0	263	45	0	45
End Balance	**9,126**	**1,715**	**10,841**	**6,414**	**1,715**	**8,129**

(thousand euros)

Most important equity companies are Société Nouvelle des Bouchons Trescases, US Floors, inc and Corchos de Argentina, of which a summary of its financial situation are presented:

Trescases	2014	2013
Current Assets	14,443	12,571
Current Liabilities	5,951	5,064
Non-current Assets	1,253	1,246
Equity	8,196	7,853
Sales	27,024	26,512
Operating Profits	1,201	1,445
Profits before Tax	1,215	1,250
Income Tax	372	436
Results	843	814

(thousand euros)

US Floors	2014	2013
Current Assets	62,810	43,819
Current Liabilities	22,917	15,828
Non-current Assets	5,717	6,001
Equity	8,967	6,367
Sales	111,535	81,797
Operating Profits	5,539	-37
Profits before Tax	4,625	-904
Income Tax	2,023	215
Results	2,602	-689

(thousand USD)

As for Corchos de Argentina sales reached 114,857 KARS (2013: 67,818 KARS). Equity at year-end 2014 was 26,943 KARS (2013: 18,363 KARS) and profits reached 8,580 KARS (2013: 5,468 KARS).

OTHER FINANCIAL ASSETS:

In Other Financial Assets the most important values refers, mostly to financial applications.

PIPO BY DAM, WINNER PROJECT OF THE POP'S SERRALVES 2014 CONTEST

XI

INCOME 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 760 K€ (2013: -1,953 K€).

On the consolidated statement of financial position this effect amounts to 6,708 K€ (31/12/2013: 6,384 K€) as Deferred tax asset, and to 6,970 K€ (31/12/2013: 7,282 K€) as Deferred tax liability.

Deferred tax related with items directly registered in equity was 5 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.

	2014	2013
Related with Inventories and third parties	3,981	3,888
Related with Tax Losses	749	958
Related with Fixed Tangible Assets / Intang. / P. Inv.	1,294	1,206
Others	684	332
Deferred Tax Assets	**6,708**	**6,384**
Related with Fixed Tangible Assets	4,806	5,399
Related with other taxable temporary differences	2,164	1,883
Deferred Tax Liabilities	**6,970**	**7,282**
Current Income Tax	-17,536	-16,598
Deferred Income Tax	760	-1,953
Income Tax	**-16,776**	**-18,551**

(thousand euros)

The difference between the variation in the financial position and the value expensed in income statement (760 K€) is justified by the translation differences (129 K€ Cr) in the non-euro subsidiaries financial position values.

During 2014, a 591 K€ (2013: 5,879 K€) net value of provisions and impairments related to income tax 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	2014	2013
Income Tax – Legal	**23.0%**	**25.0%**
Effect of additional tax rates over base rate (Portugal)	5.5%	5.4%
Effect of tax benefits/excess of prior estimate	-1.7%	-9.2%
Effect of provisions for contingencies	1.0%	10.6%
Effect of non-taxable gains and losses	0.0%	0.9%
Effect of different tax rates (foreign subsidiaries) and others	1.6%	0.9%
Effect of recognising / non-recognising of differed taxes (foreign subs.)	0.6%	1.1%
Effect of variation of differed tax liabilities	-0.4%	2.2%
Income Tax – Effective[1]	**29.6%**	**36.9%**

[1] Income Tax / Pre-tax Profit, Equity Gains, Non-controlling Interests, non-fiscal impairments and stamp tax provisions

During 2014, a total of 9,479 K€ (2013: 22,528 K€) of income tax was paid. Of this amount, 6,072 K€ (2013: 19,799 K€) was paid in Portugal.

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, 2014, are expected by the Board of **Corticeira Amorim** from the revisions of tax declarations that will be held by the tax authorities.

Tax losses to be carried forward are related with foreign subsidiaries. Total amounts to 33 M€, of which around 4 M€ are considered to be utilised. These losses can be fully used up to 2019 and beyond.

CORK OAK FOREST

XII

INVENTORIES

	2014	2013
Goods	8,862	16,838
Finished and semi-finished goods	95,055	79,550
By-products	291	227
Work in progress	11,540	18,048
Raw materials	133,239	130,849
Advances	1,059	803
Goods impairments	-1,180	-889
Finished and semi-finished goods impairments	-965	-1,125
Raw materials impairments	-267	-238
Inventories	**247,633**	**244,063**

(thousand euros)

Impairment losses	2014	2013
Initial Balance	**2,253**	**3,348**
Increases	76	149
Decreases	177	1,033
Others	261	-211
End Balance	**2,413**	**2,253**

(thousand euros)

Increases hit cost of goods sold and materials consumed in income statement.

CORK OAK FOREST

XIII

TRADE RECEIVABLES

	2014	2013
Gross amount	132,384	131,532
Impairments	-9,777	-10,463
Trade receivables	**122,606**	**121,069**

(thousand euros)

Impairment losses	2014	2013
Initial Balance	**10,463**	**11,739**
Increases	2,163	1,343
Decreases	1,813	1,869
Others	-1,036	-750
End Balance	**9,777**	**10,463**

(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:

	2014	2013
Due	95	88
Past due between 0 and 120 days	27	33
Past due between 120 and 180 days	2	2
Doubtful and past due over 180 days	8	8
Impairment	10	10

(million euros)

XIV

INCOME TAX

	2014	2013
Income Tax – advances / minimum / excess est.	426	4,624
Income Tax – advances	1,568	3,154
Income Tax – withholding	239	249
Income Tax – special payment (RERD)	4,265	4,265
Income Tax – special payment (RERD) impairment	-4,265	-4,265
Income Tax	**2,233**	**8,026**

(thousand euros)

Decrease in "Income tax – advances / minimum / excess est." is due, mainly, to the fact that Portuguese companies made advance payments that at year-end were higher than what it should be, considering specially the tax benefits approved by Decree Law 49/2013 (CFEI).

The amount of 4,265 K€ refers to a payment made under an exceptional regime of regularisation of debts to the tax authority and to social security (DL 151-A/2013) (RERD). **Corticeira Amorim** has decided to partially adhere. A total of 4,265 K€ was paid in December. This payment refers to stamp tax (1,678 K€) and income tax cases (2,587 K€). The amount related with stamp tax was provisioned. As for the income tax cases, they were already provisioned, including late payment interest. To be noted that **Corticeira Amorim** was not a debtor to the social security and to the tax authority. Those amounts were subject to court ruling. The cases that were chosen to adhere are old cases (1996, 1997, 1998 and 2008), but, in circumstance of unfavourable ruling by the court, the outcome could impose heavy penalties and late payment interests. RERD allowed for the payment of the capital without any payment regarding late payment interests and other costs. For this reason, a provision reversal for these income tax cases was recorded, totalling 1,019 K€). Due to the fact that adhesion to RERD does not imply a mandatory abandonment of the court cases, **Corticeira Amorim** will continue to fight for what it considers to be its right, this payment was registered as a receivable asset. As these contingencies were, in a prudent approach, already provisioned, it was decided to reclassify them from provisions to impairments of an asset receivable.

DR. HOUSE BY RAQUEL CASTRO, KORKO COLECTION

XV

OTHER ASSETS

	2014	2013
Advances to suppliers / suppliers	3,988	4,825
Accrued income	93	323
Deferred costs	1,192	1,996
Hedge accounting assets	81	875
TVA	17,045	22,103
Others	3,273	3,493
Other current assets	**25,673**	**33,616**

(thousand euros)

As of December 31, 2013, the amount of VAT to be reimbursed for late payments from the tax authority was 3.6 M€. At the end of 2014 there were no overdue amounts.

XVI

CASH AND CASH EQUIVALENTS

	2014	2013
Cash	173	209
Bank Balances	5,486	5,651
Time Deposits	359	1,910
Others	18	18
Cash and cash equivalents as for financial position	**6,036**	**7,788**
Overdrafts	-11,835	-13,984
Cash and cash equivalents as for cash flow statement	**-5,799**	**-6,195**

(thousand euros)

XVII

CAPITAL AND RESERVES

SHARE CAPITAL
As of December 31, 2014, 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 and purchases were registered during the year.

During 2013, no sales were registered, but 15,300 of its own shares were bought, representing 0.012% of its total share capital, with an average unit price of 1.873 €, totalling 28,659.00 €.

As of December 31, 2014 and 2013, **Corticeira Amorim** held 7,399,262 of its own shares, representing 5.563% 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, SA books.

OTHER RESERVES
Value is composed from other reserves account and prior year's results of **Corticeira Amorim**, SGPS, SA books, as well as non-distributed cumulative results of **Corticeira Amorim**, SGPS, S.A. subsidiaries.

From the value of 89,300 K€ of this line, a total of 6,697 K€ can be distributed as dividends to the shareholders of **Corticeira Amorim**, SGPS, S.A. From 2014 net profit, a total of 33,918 K€ is available for dividend distribution.

DIVIDENDS
In the Shareholders' General Meeting of March 24, 2014 and November 27, 2014, a dividend distribution of 0.12 and 0.07 euros per share was approved.

	2014	2013
Approved dividends	25,270	21,280
Portion attributable to own shares	-1,406	-1,184
Dividends paid	**23,864**	**20,096**

(thousand euros)

Summary of changes in Equity:

	2014	2013
Initial Balance	**301,737**	**295,246**
Change in treasury stock	0	-30
Dividends paid	-23,864	-20,096
Change in hedge accounting adjustments	-55	-176
Change in translation differences	1,671	-2,056
Others	-61	165
Net Income	35,756	30,339
Change in Non-Controlling Interests (note XVIII)	384	-1,656
End Balance	**315,569**	**301,737**

(thousand euros)

XVIII

NON-CONTROLLING INTEREST

	2014	2013
Initial Balance	**13,008**	**14,665**
In / Out	-12	-1,054
Results	924	620
Dividends	-433	-310
Exchange Differences	-87	-904
Others	-8	-9
End Balance	**13,393**	**13,008**

(thousand euros)

As for 2013, value of -1,054 corresponds to the decrease caused by the purchase of 5% of its own shares recorded by subsidiary Francisco Oller.

XIX

INTEREST BEARING DEBT

At year-end, interest bearing loans was as follows:

	2014	2013
Overdrafts and Bank loans	42,383	68,413
Commercial Paper	24,985	10,200
Interest-Bearing Loans – Current	**67,369**	**78,613**

(thousand euros)

Loans were denominated in euros, except 16% (2013: 10%).

	2014	2013
Bank Loans	5,258	13,545
Reimbursable Subsidies	1,039	188
Bonds	19,929	19,891
Interest-Bearing Loans – Non-Current	**26,225**	**33,623**

(thousand euros)

At the end of 2014, loans were denominated in euros 88% (2013: 91%) and USD 12% (2013: 9%).

As of December 31, 2014, maturity of non-current interest bearing debt was as follows:

Between 01/01/2016 and 31/12/2016	20,957
Between 01/01/2017 and 31/12/2017	1,094
Between 01/01/2018 and 31/12/2018	125
After 01/01/2019	4,050
Total	**26,225**

(thousand euros)

Non-current and current interest bearing debt carries floating interest rates. Average cost, during 2013, for all the credit utilized was 3.73% (2013: 4.40%).

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.

During first quarter 2013, a three year interest rate swap with a notional of 20,000 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, 2014 three foreign subsidiaries had a 4.6 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 and financial ratios.

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, 2014, these ratios were as follows:

Net interest bearing debt / current EBITDA	(X)	1.01
Current EBITDA / net interest	(X)	30.8
Equity / Assets		51.1%

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 123 M€.

XX

SUPPLIERS

	2014	2013
Suppliers – current account	53,479	63,863
Suppliers – confirming	57,377	56,127
Suppliers – accrualls	4,447	5,213
Suppliers	**115,303**	**125,203**

(thousand euros)

From the total values, 54% comes from Cork Stoppers BU (2013: 46%) and 24% from Raw Materials BU (2013: 28%).

XXI

OTHER LOANS AND CREDITORS

	2014	2013
Non interest bearing grants	10,831	9,551
Other	702	898
Other loans and creditors – non current	**11,533**	**10,448**
Non interest bearing grants	1,442	1,301
Deferred costs	18,646	17,175
Deferred income – grants	6,130	6,396
Deferred income – others	173	486
TVA	5,879	5,246
State and social security – withholding and others	5,023	5,251
Other	6,713	6,967
Other loans and creditors – current	**44,007**	**42,822**

(thousand euros)

In Deferred costs the part related with salaries (vacations) at year-end amounted to 9,857 K€ (2013: 9,194 K€).

In 6,713 K€ (2013: 6,967 K€) is included a value of 2,589 K€ (2013: 779 K€), which refers to the fair value of exchange risk and interest rate risk derivatives. In the remaining value, a total of 658 K€ (2013: 1,494 K€) refers to salaries to be paid.

In Other loans and creditors – non-current (11,533 K€), maturity is as follows: 2016 (4,362 K€), 2017 (2,024 K€), 2018 (2,914 K€) and 2019 and further (2,234 K€).

Non-reimbursable subsidies (no interest bearing)	2014	2013
Opening Balance	**6,395**	**6,161**
Transfer to gains	-2,272	-1,405
Received during the year	0	95
Reclassifications / Transfers	2,006	1,545
Closing Balance	**6,129**	**6,395**

Reimbursable subsidies (no interest bearing)	2014	2013
Opening Balance	**12,305**	**13,077**
Paid during the year	-1,009	-778
Received during the year	3,921	1,515
Reclassifications / Transfers	-1,781	-1,510
Closing Balance	**13,435**	**12,305**

(thousand euros)

“Transfers” is due largely to reimbursable benefits that were in the meantime, in some subsidiaries, converted into non-reimbursable.

CORK FURNITURE, BY WIID DESIGN

XXII

TAX LIABILITIES

Includes income tax estimate to be paid by some subsidiaries, when 2014, tax declaration is presented.

XXIII

THIRD PARTY SUPPLIES AND SERVICES

	2014	2013
Subcontractors	3,964	5,658
Special Services	7,426	7,391
Advertising	5,862	6,866
Security	1,101	1,134
Professional Fees	864	784
Commissions	6,018	5,379
Maintenance	8,836	7,856
Tools	1,551	1,199
Power	11,387	11,621
Oil and gas	1,624	1,685
Travel	3,991	3,756
Transports	21,539	21,583
Rentals	5,043	4,590
Communications	1,146	1,151
Insurance	3,262	3,493
Representation expenses	816	831
Data systems	4,495	4,377
Others	7,504	7,913
Third party supplies and services	**96,429**	**97,266**

(thousand euros)

XXIV

STAFF COSTS

	2014	2013
Board remuneration	552	549
Employees remuneration	79,242	76,033
Social Security and other	16,452	15,867
Severance costs	2,018	2,948
Other	5,051	4,757
Staff costs	**103,315**	**100,154**
Average number of employees	**3,497**	**3,496**
Final number of employees	**3,468**	**3,454**

(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.

Contributions related with defined contributions plans amounted to 404 K€ (2013: 391 K€).

CORK RUBBER GASKETS

XXV

IMPAIRMENTS OF ASSETS AND NON-CURRENT COSTS

	2014	2013
Receivables	359	592
Inventories	-177	-397
Goodwill	0	610
Tangible assets	-34	1,126
Impairments of assets and non-current costs	**149**	**1,930**

(thousand euros)

Receivables include customers and debtors.

The value of 610 refers to the goodwill write-off of Oller et Cie., as stated in note IX.

During 2013, in consequence of independent evaluations, a 180 K€ property investment impairment was booked, as well as a land and buildings impairment of 918 K€. These impairment are included in the 1,126 K€ value.

	2014	2013
Goodwill impairment (A. Deutschland)	2,503	0
Corroios production transfer costs	371	0
Real estate impairment (Corroios)	1,224	0
Compensation	2,256	0
Non-current costs	**6,354**	**0**

(thousand euros)

As described in Note VIII, an impairment 1,224 K€ on Corroios land and buildings was recorded. In the year 2014, was recorded the write-off of the goodwill associated with Amorim Deutschland (2,503 K€), as described in note IX. The amount of compensation refers to restructuring related to Corroios (Amorim Cork Composites) and Spain (Agglotap and Augusta Cork).

XXVI

OTHER OPERATING GAINS AND COSTS

	2014	2013
Gain in fixed assets and p. investment disposals	402	213
Provisions reversals	1,071	281
Operating subsidies	895	729
Investment subsidies	2,272	1,405
Suplementary income	1,904	1,453
Building rentals	446	111
Own works	170	167
Gain in inventory differences	0	56
Other	2,453	3,349
Other operating gains	**9,613**	**7,765**

(thousand euros)

	2014	2013
Exchange rate hedging: exchange differences	-1,956	1,999
Exchange rate hedging: var. derivative fair value	3,145	-407
Taxes (other than income)	1,462	1,567
Provisions	74	914
Loss in fixed assets and p. investment disposals	68	465
Bank charges	430	546
Bad debts	343	292
Loss in inventory differences	207	36
Donations and fees	415	736
Other	2,395	1,624
Other operating costs	**6,581**	**7,771**

(thousand euros)

XXVII

FINANCIAL COSTS AND FINANCIAL INCOME

	2014	2013
Interest costs – bank loans	2,853	4,521
Interest costs – other entities	1,225	1,320
Stamp tax	2,182	2,990
Interest costs – other	-224	58
Financial Costs	**6,036**	**8,888**
Interest gains – bank deposits	39	767
Interest gains – delayed payments	53	323
Interest gains – other	88	4
Financial Income	**180**	**1,095**

(thousand euros)

Stamp tax value includes a provision of 1,990 K€ (2014) and 2,657 K€ (2013), as stated in note XXIX.

Interest costs – other entities includes 694 K€ (2013: 701 K€) due to interest rate swap differential, as well as 506 K€ (2013: 617 K€) related with interest discount deriving from non-interest bearing loans.

The value of -224 K€ includes the gain coming from the variation in the swap Fair Value (557 K€), as well as costs related with loans commissions and others. The value of 58 K€ includes the gain coming from the variation of the swap Fair Value, as well as costs related with loans commissions and others.

As for 2013, the value of 323 K€ refers to interests received from late payments. This value comes mainly from Argentina (112 K€) and Amorim & Irmãos (151 K€). These values are due, mostly, from TVA reimbursement.

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, 2014 and 2013, indirect stake of AIP in **Corticeira Amorim** was 51%, corresponding as 54.004% (2013: 54.004%) 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, Lda., OSI – Sistemas Informáticos e Electrotécnicos, Lda.). Total sales of these subsidiaries to the remaining **Corticeira Amorim** companies totalled 7,270 K€ (2013: 7,124 K€).

Sales from Quinta Nova, S.A., Amorim – Investimentos e Participações, S.G.P.S., S.A. subsidiary to **Corticeira Amorim** subsidiaries reached 42K€ (2013: 46K€).

Cork acquired during 2014, from companies held by the main indirect shareholders of **Corticeira Amorim**, amounted to 2,490 K€ (2013: 1,188 K€). This corresponds to less than 3% of total acquisitions of that cork raw-material.

Balances at year-end 2014 and 2013 are those resulting from the usual payment terms (from 30 to 60 days) and so are considered to be immaterial.

All transactions with related-parties are based on market prices. When a transaction cannot use that policy, it is used the "cost plus" basis ranging from 2% to 5%.

During 2014 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 1,656 K€ during 2014 (2013: 2,036 K€). No payments were made related with post-employment benefits, other long-term benefits, termination benefits and equity compensation benefits.

CORK INDUSTRIAL PRODUCTION

XXIX

PROVISIONS, GUARANTEES, CONTINGENCIES AND COMMITMENTS

PROVISIONS

	2014	2013
Income tax	25,617	21,480
Guarantees to customers	727	1,305
Others	1,607	2,300
Provisions	**27,951**	**25,085**

(thousand euros)

As stated in note XI, during 2014 a total 4 M€ of provisions related with income tax was recorded. That total was evenly divided as provisions for income tax and stamp tax.

With regard to provisions for tax benefits, they reported in 2014 a net increase of 1.3 M€. Additionally were also recognized provisions of 0.5 M€ to address situations where there are doubts about the acceptance by tax authorities of the existence of tax losses. This occurs in two Spanish subsidiaries.

During the year were reversed provisions for income tax in the amount of 1.7 M€, for the three declarative actions included in the 2010 tax declaration.

Tax cases are in general related with Portuguese companies. Live processes, in judicial phase as in graceful stage, which can affect adversely **Corticeira Amorim** correspond to fiscal years of 1994, 1997, 1998, 1999, and from 2003 to 2012. The most recent fiscal year analysed by Portuguese tax authorities was 2012. It should be noted, however, that the approval of the tax benefits cannot be considered as complete, since their obligations continue for several years.

These 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.

As mentioned above, during 2014, and following the already registered in 2013, **Corticeira Amorim** reinforced provisions for tax cases. This decision takes into account the higher quality brought by the tax authority in the preparation and monitoring of new processes and also in existing ones. The consequent increase in success rate in favour of that authority, well publicized by the said authority, was taken in account in **Corticeira Amorim** decision.

Note that during the year there were no developments worthy of note in the processes mentioned above.

The value of tax processes to date for the 2014 accounts amounted to 16.1 M€, for which 15.2 M€ of provisions were recognized, corresponding to 94% of that amount. For cases for which provisions were recorded, an estimated value of 1.6 M€ of default interest was recorded. This value adds to the said amount.

The total contingent liability resulting from tax proceedings and other contingencies not recorded as liabilities, amounts to 3.9 M€.

In addition to the tax provisions referred to above, **Corticeira Amorim** has recorded a provision to cover the tax benefits to apply for 2014 and applied in previous years. The certification requirement of expenses eligible in SIFIDE projects, the requirement for maintenance of jobs over five years in RFAI projects as well as other constraints to the realization of benefits, has led **Corticeira Amorim** to record provisions in order to take account of future and probable breaches of such requirements. This provision amounted in late 2014 to 6.2 M€.

As noted above, **Corticeira Amorim** has been set aside provisions due to uncertainty about the acceptance by tax authorities of the existence of tax losses in two Spanish subsidiaries. The provision at the end of 2014 was 1.6 M €.

As mentioned in the 2013 report, in that year **Corticeira Amorim** joined the tax and social security (RERD) settlement scheme established by Decree Law 151-A / 2013. The amount paid then, which amounted to 4.3 M€, is part of the assets of **Corticeira Amorim**. In that same year, an impairment for the exact amount of the payment was recorded. During 2014 the value of 0.3 M € for the payment of the PEC 2006, recorded in **Corticeira Amorim** assets, was subjected to an impairment registration yet being recorded in provisions. Thus the total assets that represent a tax credit over tax authority amounts to 4.6 M€, fully subject to impairment. The record of this impairment does not imply the abandonment of the defence of those processes. **Corticeira Amorim** keeps striving for its reason.

In addition to these favourable processes, **Corticeira Amorim** has a large number of other favourable processes. They refer, in essence, to payments related with autonomous taxation, inspection fees and tax benefits. The value of these processes mounts to 1.2 M€, which is not registered as assets. Total contingent assets amounts to 5.8 M€.

It is considered correct the total value of 25.6 M€ of provisions related with contingencies regarding income tax and 2.3 M€ regarding other contingencies.

GUARANTEES

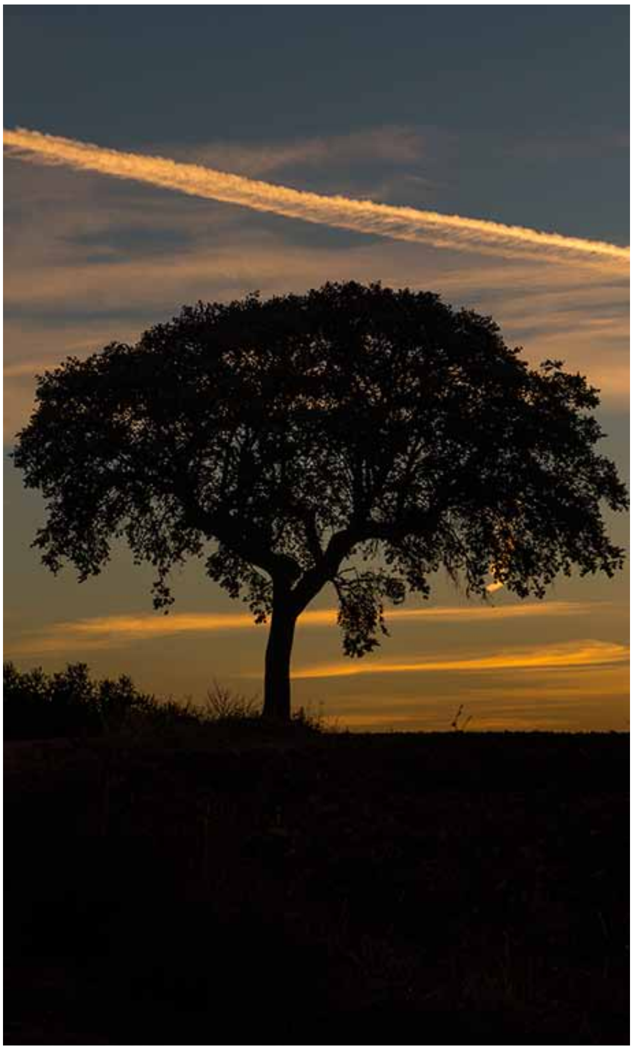
During its operating activities **Corticeira Amorim** issued in favour of third-parties guarantees amounting to 66,030 K€ (2013: 82,427 K€).

Beneficiary	Amount	Purpose
Government agencies	4 633	Capex grants / subsidies
Tax authority	2 478	Tax lawsuits
Banks	58 793	Credit lines
Other	126	Miscellaneous guarantees
TOTAL	**66 030**	

(thousand euros)

As of December 31, 2014, future expenditure resulting from long-term motor vehicle rentals totals 1,454 K€, and for computer hardware and software totals 397 K€. Total is due 2015 (272 K€), 2016 (467 K€), 2017 (464 K€), 2018 (580 K€) and 2019 and further (68 K€).

Commitments related with fixed assets and cork suppliers are not recorded and amount to 6,706 K€ (2015: 4,923 K€; 2016: 1,558 K€ and 2017: 225 K€).



CORK OAK, PORTUGAL'S NATIONAL TREE

XXX

EXCHANGE RATE CONTRACTS

As of December 31, 2014, forward outright and options contracts related with sales currencies were as follows:

	2014		2013	
USD	13,186	79%	12,577	83%
AUD	–	0%	1,218	8%
ZAR	2,812	17%	281	2%
HUF	115	1%	303	2%
GBP	571	3%	707	5%
Forward – long positions	**16,684**	**100%**	**15,086**	**100%**
USD	1,595	100%	0	–
Forward – short positions	**1,595**	**100%**	**0**	**–**
USD	22,899	100%	5,628	100%
Options – long positions	**22,899**	**100%**	**5,628**	**100%**
USD	0	–	1,314	100%
Options – short positions	**0**	**–**	**1,314**	**100%**

(thousand euros)

As for Cork Stoppers BU, cash flow hedging at the end of 2013, related with exchange rate transactions, was expected to occur between January and July 2014. For Cork Flooring BU, it was expected to occur between March and August 2014.

It is expected that hedged highly probable transactions in foreign currencies occur during the first half of 2015. 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 -55 thousand euros (2013: -176 thousand euros).

In relation with fair value hedging, during 2014 a loss of 3,145 thousand euros was recorded in the hedging instruments and a gain of 2,646 thousand euros was recorded in the hedged items. As of December 31, 2014, notional for long positions reached 29.1 million euros and notional for short positions reached 1.6 million euros regarding fair value 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 400 K€ (2013: 447 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.

	2014	2013
Total issued shares	133,000,000	133,000,000
Average nr. of treasury shares	7,398,429	7,398,429
Average nr. of outstanding shares	125,601,571	125,601,571
Net Profit (thousand euros)	35,756	30,339
Net Profit per share (euros)	0.285	0.242

b. IFRS disclosures –New standards as at 31 December 2014:

1. The impact of the adoption of the standards and interpretations that became effective as of 1 January 2014 is as follows:

Standards

a. **IAS 32** (amendment) 'Offsetting Financial Assets and Financial Liabilities'. 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. The adoption of this amendment had no impact in the financial statements of the Entity.

b. **IAS 36** (amendment) 'Recoverable amount disclosure for Non-financial assets'. This standard addresses the disclosure of information about the recoverable amount of impaired assets when based on fair value less cost to sell model. The adoption of this amendment had no material impact in the financial statements of Corticeira Amorim.

c. **IAS 39** (amendment) 'Novation of derivatives and continuation of hedge accounting'. This amendment allow hedge accounting to continue in a situation where a derivative designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws and regulation, if specific conditions are met. The adoption of this amendment had no impact in the financial statements of the Entity.

d. **Amendment to IFRS 10, 11 and IAS 27,**'Investment entities'. 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. The adoption of this amendment is not applicable to the Entity, as the entity does not qualify as "Investment entity".

e. **IFRS 10** (new), 'Consolidated financial statements'. 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 principle that a consolidated entity presents a parent and its subsidiaries as a single entity remain unchanged. The adoption of this standard had no impact in the financial statements of the Entity.

f. **IFRS 11** (new), 'Joint arrangements'. 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. The adoption of this standard had no impact in the financial statements of the Entity.

g. **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, such as: subsidiaries, joint arrangements, associates and structured entities, to allow the evaluation of the nature, risks and financial effects associated with entity's interests. The adoption of this standard had no material impact in the financial statements of the Entity.

h. **Amendment to IFRS 10, 11 and 12**, 'Transition guidance'. 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. The IFRS 11 amendment refers to the obligation of impairment testing over the financial investment, which results from the proportional consolidation elimination. Specific disclosures requirements are included in IFRS 12. The adoption of this amendment had no impact in the financial statements of the Entity.

i. **IAS 27** (revised 2011), 'Separate financial statements'. IAS 27 was revised after the issuance of IFRS 10 and contains the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the entity prepares separate financial statements. The adoption of this revision had no impact in the financial statements of the Entity.

j. **IAS 28** (revised 2011),'Investments in associates and joint ventures'. 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. The adoption of this revision had no impact in the financial statements of the Entity.

2. **The following standards, amendments to existing standards and interpretations have been published and are mandatory for the accounting periods beginning on or after 1 July 2014 or later periods, but that the Corticeira Amorim has not early adopted:**

2.1 Standards

a. **IAS 1** (amendment), 'Disclosure initiative' (effective for annual periods beginning on or after 1 January 2016). This amendment is still subject to endorsement by the European Union. This amendment provides guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. No impact is expected of the future adoption of this amendment in the financial statements of the Entity.

b. **IAS 16 and IAS 38** (amendment), 'Acceptable methods of depreciation and amortisation calculation' (effective for annual periods beginning on or after 1 January 2016). This amendment is still subject to endorsement by the European Union. This amendment clarifies that the use of revenue-based methods to calculate the depreciation / amortization of an asset is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an asset. It shall be applied prospectively. The future adoption of this amendment will have no impact in the financial statements of the Entity.

c. **IAS 16 and IAS 41** (amendment), 'Agriculture: bearer plants' (effective for annual periods beginning on or after 1 January 2016). This amendment is still subject to endorsement by European Union. This amendment defines the concept of a bearer plant and removes it from the scope of IAS 41 – Agriculture, to the scope of IAS 16 – Property, plant and equipment, with the consequential impact on measurement. However, the produce growing on bearer plants will remain within the scope of IAS 41 –Agriculture. The future adoption of this amendment will have no impact in the financial statements of the Entity.

d. **IAS 19** (amendment), 'Defined benefit plans – Employee contributions' (effective for annual periods beginning on or after 1 July 2014). This amendment is still subject to endorsement by European Union. This amendment apply to contributions from employees or third parties to defined benefit plans and aims to simplify the accounting when contributions are independent of the number of years of service. No impact is expected of the future adoption of this amendment in the financial statements of the Entity.

e. **IAS 27** (amendment), 'Equity method in separate financial statements' (effective for annual periods beginning on or after 1 January 2016). This amendment is still subject to endorsement by European Union. This amendment allows entities to use equity method to measure investments in subsidiaries, joint ventures and associates in separate financial statements. This amendment applies retrospectively. The future adoption of this amendment will have no impact in the financial statements of the Entity.

f. **Amendment to IFRS 10 and IAS 28**, 'Sale or contribution of assets between investor and its Associate or Joint venture' (effective for annual periods beginning on or after 1 January 2016).This amendment is still subject to endorsement by European Union. This amendment clarifies that the sale or contribution of assets between an investor and its associate or joint venture, entitles the investor to recognise a full gain or loss when the assets transferred constitute a business, and only a partial gain or loss (in the share owned by third parties) when it does not constitute a business. No impact is expected of the future adoption of this amendment in the financial statements of the Entity.

g. **Amendment to IFRS 10, 12 and IAS 28**, 'Investment entities: applying consolidation exception'' (effective for annual periods beginning on or after 1 January 2016). This amendment is still subject to endorsement by European Union. This amendment clarifies that the exemption from the obligation to prepare consolidated financial statements by investment entities apply to an intermediate parent which is a subsidiary of an investment entity. The policy choice to apply equity method, under IAS 28, is extended to an entity, which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity. The future adoption of this amendment will have no impact in the financial statements of the Entity.

h. **IFRS 11** (amendment), 'Accounting for the acquisitions of interests in joint operations (effective for annual periods beginning on or after 1 January 2016). This amendment is still subject to endorsement by European Union. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business, being applied the principles of IFRS 3 – Business combinations. No impact is expected of the future adoption of this amendment in the financial statements of the Entity.

i. **Annual Improvement 2010 –2012**, (generally effective for annual periods beginning on or after 1 July 2014). These improvements are still subject to endorsement by European Union. The 2010-2012 annual improvements affects: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38. No impact is expected of the future adoption of these improvements in the financial statements of the Entity.

j. **Annual Improvement 2011 –2013**, (effective in European Union for annual periods beginning on or after 1 January 2015). The 2011-2013 annual improvements affects: IFRS 1, IFRS 3, IFRS 13 and IAS 40. The Entity will apply 2011-2013 annual improvements in the period it becomes effective, except for IFRS 1 because the Entity already reports under IFRS.

k. **Annual Improvement 2012 –2014**, (effective for annual periods beginning on or after 1 January 2016). These improvements are still subject to endorsement by European Union. The 2012-2014 annual improvements affects: IFRS 5, IFRS 7, IAS 19 and IAS 34. No impact is expected of the future adoption of these improvements in the financial statements of the Entity.

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l. **IFRS 9** (new), 'Financial instruments' (effective for annual periods beginning on or after 1 January 2018). This standard is still subject to endorsement by European Union. IFRS 9 replaces the guidance in IAS 39, regarding: (i) the classification and measurement of financial assets and liabilities; (ii) the recognition of credit impairment (through the expected credit losses model); and (iii) the hedge accounting requirements and recognition. No impact is expected of the future adoption of this standard in the financial statements of the Entity.

m. **IFRS 14** (new), 'Regulatory deferral accounts' (effective for annual periods beginning on or after 1 January 2016). This standard is still subject to endorsement by European Union. This standard permits first–time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise regulatory assets / liabilities, the referred amounts must be presented separately in the financial statements. The future adoption of this standard will have no impact in the financial statements of the Entity.

n. **IFRS 15** (new), 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2017). This standard is still subject to endorsement by European Union. This new standard, applies only to contracts with customers to provide goods or services, and requires an entity to recognise revenue when the contractual obligation to deliver the goods or services is satisfied and by the amount that reflects the consideration the entity is expected to be entitled to, following a five step approach. The future adoption of this standard will have no impact in the financial statements of the Entity.

2.2 Interpretation

a. **IFRIC 21** (new), 'Levies' (effective for annual periods beginning on or after 17 June 2014). Interpretation to IAS 37 and the recognition of a liability, clarifying that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment. The future adoption of this interpretation will have no impact in the financial statements of the Entity.

c. Financial Assets and 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	121,069	–	–	–	121,069
Income tax assets	8,026	–	–	–	8,026
Other current assets	30,798	–	875	2,373	34,046
Cash and cash equivalents	7,788	–	–	–	7,788
Total as of December 31, 2013	**167,681**	**0**	**875**	**2,373**	**170,929**
Trade receivables	122,606	–	–	–	122,606
Income tax assets	2,233	–	–	–	2,233
Other current assets	24,400	–	81	3,631	28,112
Cash and cash equivalents	6,036	–	–	–	6,036
Total as of December 31, 2014	**155,275**	**0**	**81**	**3,631**	**158,987**

(thousand euros)

	Fair value through profit or loss	Derivatives as hedging	Other financial liabilities at amortized cost	Total
Interest-bearing loans	–	–	112,235	112,235
Other borrowings and creditors	764	–	45,624	46,388
Trade payables	–	–	125,203	125,203
Income tax liabilities	–	–	2,495	2,495
Total as of December 31, 2013	**764**	**0**	**285,557**	**286,321**
Interest-bearing loans	–	–	93,594	93,594
Other borrowings and creditors	207	2,382	46,648	49,237
Trade payables	–	–	115,303	115,303
Income tax liabilities	–	–	2,520	2,520
Total as of December 31, 2014	**207**	**2,382**	**258,065**	**260,654**

(thousand euros)

Customers balances are denominated in USD (6.7%), CLP (6.1%), ZAR (0.9%), AUD (1.5%), 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 13, 2015

The Board 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

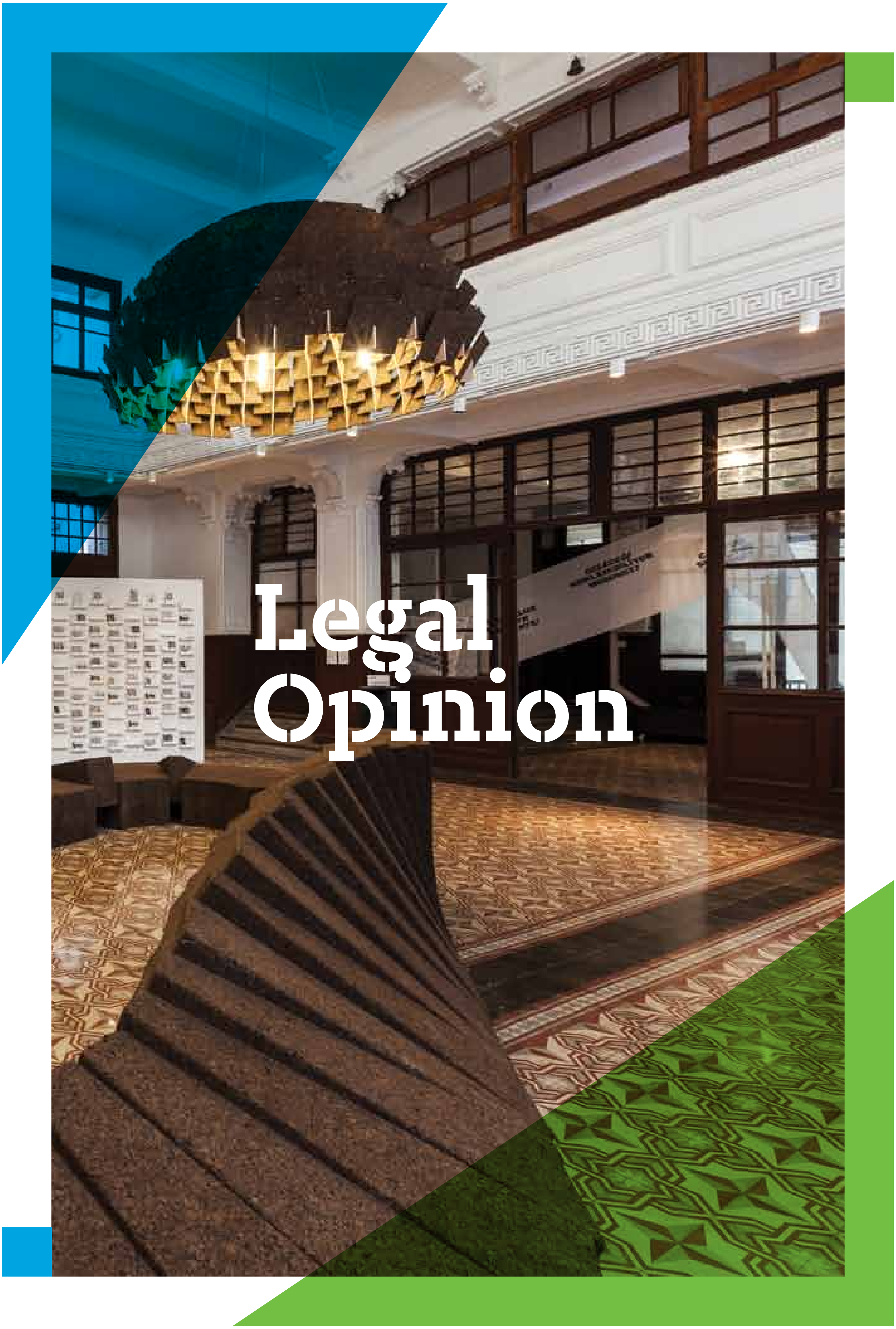
Luísa Alexandra Ramos Amorim
Member

Juan Ginesta Viñas
Member

25 YEARS IS THE PERIOD OF TIME OCCURRING FROM GERMINATION TO THE FIRST CORK EXTRACTION


06

Legal Opinion



CORTICEIRA AMORIM, S.G.P.S., SA

REPORT AND OPINION OF THE SUPERVISORY BOARD

Dear Shareholders,

Under the terms of the law and of the assignment entrusted to us, we hereby present the report on our supervisory activity and our opinion on the Individual and Consolidated Management Report and Financial Statements submitted by the Board of Directors of CORTICEIRA AMORIM, S.G.P.S., S.A. for the financial year ended 31 December 2014.

I - DEVELOPED ACTIVITY

From the moment it took office (24 March 2014), the Supervisory Board regularly monitored the evolution of the operations of the Company and its main subsidiaries and oversaw the compliance with the Law and the Articles of Association, having monitored the Company's management, the effectiveness of the risks management, internal control and internal audit systems and the preparation and disclosure of financial information and verified the correctness of the accounting records, as well as the accuracy of the individual and consolidated financial statements and of the accounting policies and valuation criteria adopted by the company in order to verify that they adequately reflect the assets and its individual and consolidated results and cash flows.

In the exercise of its powers, the Supervisory Board met with the representative of the Statutory Audit Firm and the External Auditor, in order to monitor the audit work carried out and to be informed of the respective conclusions, in addition to assessing their independence. It also met with the departmental representatives with prominent roles in the preparation of individual and consolidated accounts, as well as with the Internal Auditor, having received full collaboration from all. The Supervisory Board also met with the Board of Directors and the Executive Committee, who answered all the questions raised and explained the plans and objectives of the Company.

The Supervisory Board reviewed the Legal Certification of Accounts and the Audit Report on the Individual and Consolidated Financial Information as regards the 2014 financial year, which comprise the Individual and Consolidated Statement of Financial Position as at 31 December 2014, the Individual and Consolidated Income Statement by Nature, the Individual and Consolidated Income Statement and Other Comprehensive Income, the Individual and Consolidated Statement of Changes in Equity and the Individual and Consolidated Statement of Cash Flows and corresponding notes. These documents do not present any qualifications.

The Supervisory Board also examined the Corporate Governance Report, being responsible for checking whether it includes all the provisions referred to in Article 245-A of the Portuguese Securities' Code, which it found it does.

II - OPINION

Within the field of competence of the Supervisory Board, it is stated that, to the best of our knowledge and belief, the financial statements referred to above have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of CORTICEIRA AMORIM, S.G.P.S., SA and the GROUP led by it, and that the annual report faithfully describes the business evolution, performance and financial position of the GROUP, and contains an adequate description of the major risks and uncertainties that they face. It is further certified that the Corporate Governance Report contains the provisions listed in Article 245-A of the Portuguese Securities' Code.

Therefore, taking into account the measures undertaken, and the opinions and information received from the Board of Directors, the Company Services, the Statutory Auditor and the External Auditor, the Supervisory Board is of the opinion that:

1. Nothing hinders the approval of the Individual and Consolidated Management Report for the 2014 financial year;
2. Nothing hinders the approval of the Individual and Consolidated Financial Statements for the 2014 financial year;
3. Nothing hinders the approval of the proposal for the appropriation of profits of the Board of Directors, which is duly justified.

III - ACKNOWLEDGEMENTS

The Supervisory Board wished, lastly, to express its gratitude to other Governing Bodies, for the collaboration received in the performance of its duties.

Mozelos, 26 February 2015

The Supervisory Board

Manuel Carvalho Fernandes - Chairman

Ana Paula Africano de Sousa e Silva - Member

Eugénio Luís Lopes Franco Ferreira - Member 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, 2014 (which shows total assets of Euro 617,446 thousand and total shareholder's equity of Euro 315,569 thousand including non-controlling interests of Euro 13,393 thousand and a net profit of Euro 35,756 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; (iii) assessing the appropriateness of the accounting principles used and their

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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, 2014, 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

8 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.

February 26th, 2015

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 2014 – Corticeira Amorim, S.G.P.S., S.A.

PROPERTY AND COORDINATION
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