

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

## **CONSOLIDATED ACCOUNTS (Interim – Unaudited)**

**Year to date 2013 (9M13)**

**3<sup>rd</sup> Quarter 2013 (3Q13)**

CORTICEIRA AMORIM; S.G.P.S., S.A.  
Sociedade Aberta

Capital Social: EUR 133 000 000,00  
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Shareholders of CORTICEIRA AMORIM,

According to Law, as adopted by CORTICEIRA AMORIM, SGPS, S.A, a public company, presents:

## CONSOLIDATED MANAGEMENT REPORT INTERIM

### 1. SUMMARY OF ACTIVITY

Signs of improvement in overall economic activity continued to be noted in 3Q13. Although they were weak, especially in Europe, it was possible to note an increasing confidence from economic agents, both in Europe and in other regions of the world where the word “recession” is no longer heard.

Corticeira Amorim (CORTICEIRA AMORIM) accompanied the reversal of the economic cycle in its main market (Europe) and has also benefited from the dynamic of some other markets.

Total sales for the quarter are almost unchanged compared with the corresponding period last year. In fact, the Trefinos group's operations were included in CORTICEIRA AMORIM's consolidated financial statements from July 1, 2012 and, therefore, it is now possible to make a direct comparison between CORTICEIRA AMORIM's business in 3Q13 and in 3Q12.

Total sales for the third quarter of 2013 (3Q13) amounted to € 137.5 M (3Q12: € 133.5 M), a 3%-increase compared to the same period a year ago. A major contribution to this performance came from the Cork Stoppers Business Unit (“BU”), whose sales increased by 4.3% in 3Q13, reverting thus the sales decrease recorded in the first half of the year. The performance of the Cork Stoppers BU in 3Q13 made possible that, for the first time in 2013, YTD sales as at September 30, 2013 exceeded by 0.5% the sales in the same period last year.

The analysis of the business activity in 3Q13 must also take into account the issue of the exchange rate of the US dollar (the main export currency of CORTICEIRA AMORIM), with the value of the US dollar against the Euro being particularly unfavourable in 3Q13 when compared to the exchange rate level prevailing in the same period last year (1.32 in 3Q13 vs 1.25 in 3Q12).

YTD consolidated 2013 sales increased 2.6% to € 419.1 M compared to the same nine month-period in 2012. If the Trefinos group's operations were excluded from CORTICEIRA AMORIM's consolidated financial statements, then YTD sales would be lower by about 0.9% in 2013 compared to the first nine months of 2012. This is an improvement compared to the previous quarters (-2.8% in 1Q13 and -2.6% in 2Q13).

The level of YTD sales of products manufactured by CORTICEIRA AMORIM - especially if sales of wood floor coverings are not taken into account – was similar to the one recorded in the first nine months of 2012.

CORTICEIRA AMORIM's EBITDA in 9M13 was € 59.1 M, an amount close to that achieved in the first nine months of 2012 (€ 62.4 M) and a € 5M improvement compared to the end of 1H13. This was possible thanks to the good performance over the quarter (€ 19.1 M in 3Q13 vs € 17.6 M in 3Q12).

A significant improvement in profit before tax (€ 39.5 M in 9M13 vs € 38.2 M in 9M12) reflects improved underlying performance.

The net profit for the first nine months of 2013 amounted to € 25.135 M, a 5.1%-decrease compared to € 26.487 M in the same period of last year.

### 2. CONSOLIDATION SCOPE

#### RAW MATERIALS BU

The slowdown in the business of this BU is justified by the fact that 2012 cork purchasing campaign was smaller than the one achieved in 2011. This was due mainly to climate and striping conditions (to be noted that purchased cork is transformed only in the following year to the striping). In addition to these external conditioning factors, the Cork Stoppers BU has been pursuing a policy of reducing its cork sales to companies which are not members of the Amorim Group. At the end of the nine month period under consideration, sales were approximately 10% lower than in the same period of last year, but show a recovery when compared to a 14%-decrease recorded at the beginning of 2013.

However, the decrease in business activity was not so substantial to affect yields. EBITDA amounted to € 12.5 M in the first nine months of 2013, a substantial improvement compared to € 8.7 M in the same period of last year.

The cork harvesting season that ended in 3Q13 was successful. Corticeira Amorim managed to secure its raw material requirements for 2014 under terms and conditions similar to those in 2012.

#### **CORK STOPPERS BU**

Year-to-date sales of the Cork Stoppers BU amounted to € 260.7 M, a 6.3%-increase compared to the first nine month period of 2012. The inclusion of the Trefinos group's operations in CORTICEIRA AMORIM's consolidated financial statements was the major contributory factor to that rise; otherwise, YTD sales would have increased by about 0.5%, a figure that contrasts with the decreases in previous quarters.

The improvement recorded in 3Q13 is the result of the good sales performance achieved in this period - particularly in September. In terms of products, attention shall be drawn to the good sales figure for natural cork stoppers, whose sales in 3Q13 reversed the negative figures of the prior quarters. Sales of champagne cork stoppers and Neutrocork® stoppers are also worth a special mention. The drop in the sales of Twintop® cork stoppers was similar to prior quarters' decline.

As far as sales is concerned, the exchange rate effect was particularly unfavorable in 3Q13. The exchange rate of the euro against the US dollar (the main export currency of the Amorim Group) averaged approximately 1.32 in the third quarter of 2013 compared to an average exchange rate of 1.25 in 3Q12. As far as sales is concerned, the negative exchange rate effect that was approximately € 800 K at the end of June 2013 rose to € 3 M on September 30, 2013. This impact was particularly noticeable in the sales to the U.S. market and particularly in the sales of natural cork stoppers and Twintop® cork stoppers.

The unfavorable exchange rate effects were more than offset by an improvement in the price and volume effects.

The effect of the inclusion of the Trefinos group's operations in the BU's financial statements is not taken into account in the above conclusions. If one takes such an inclusion into account, then current EBITDA amounted to € 31.6 M, a € 5.3 M-decrease compared to September 2012. The exchange rate effect had also a significant negative impact on the net profit for the nine month period ended September 30, 2013 (€ 3.4 M) compared to the same period last year (€ 3.8 M).

#### **FLOOR AND WALL COVERINGS BU**

The sales of trade products – especially wood floor coverings - manufactured by the Floor and Wall Coverings BU continued to decline in 3Q13 (€ - 4.4 M). This is the main reason for the drop in year-to-date sales which totaled € 93.4 M at the end of September 2013, i.e. a € 4.8 M decrease (- 4.9%) compared to the first nine months of 2012.

Year-to-date sales from January to September 2013 of cork floor coverings – the most important product manufactured by this BU – were only 1% below the sales in the same period last year. The depreciation of the U.S. dollar against the euro has affected the performance of the U.S. market that is so important to the business of this BU and more than justifies that slight decline.

The sales performance of this BU was also affected by the time lag between the placement of orders by Eastern European markets and the delivery of goods as well as the disposal by China of goods in stock. The North American and the Scandinavian markets deserve a special mention as well as the LVT products.

EBITDA was € 10.8 M at the end of September 2013, a 6%-increase compared to € 10.2 M in the first nine month period of last year.

#### **CORK COMPOSITES BU**

The sales increase of products manufactured by the Cork Composites BU in 3Q13 was largely due to higher sales of trade products, especially of cork waste to other BUs. There was also a slight increase in sales of finished products to end customers in 3Q13. This sales performance in the period has made it possible to improve from - 3% at the end of 1H13 to -2% in 9M13. The dynamic US construction market as well as the sales to the transportation industry are the main contributory factors to that sales growth (albeit modest) of finished products.

The decrease in sales - except to the U.S. market - of major product lines (Construction, Industry and Sealing products segments) is worthy of attention.

Year-to-date sales amounted to € 70.5 M, a 3.1%-increase compared to last year.

EBITDA for the first nine months of 2013 was € 5.2 M, down 25% year-on-year. This figure, however, shows an increase compared to the first half of 2013 (-42%). Although the new DBP press has already started working, it is however not yet contributing, with all its potential, to the performance of this BU.

#### **INSULATION CORK BU**

The business performance and sales of the Insulation Cork BU were affected by an European construction market lacking energy.

The sales volume - particularly of insulation corkboard (the main product manufactured by this BU) - declined and recorded a 14%-decrease in quantity and a 12.5%-reduction in value.

The sales to major markets – such as France, Italy and the Middle East - suffered also a drop. On a positive note, the Iberian markets are now showing signs of some improvement after having experienced significant declines over the previous financial years. The Asian market is also performing more strongly.

Year-to-date sales totaled € 6 M, a 13%-decrease compared to the first nine month period of 2012.

The BU's EBITDA was strongly affected by poor sales performance and, as a result, EBITDA for the first nine months of 2013 was € 0.9 M compared to € 1.6 M a year ago.

### **3. CONSOLIDATED INCOME STATEMENT**

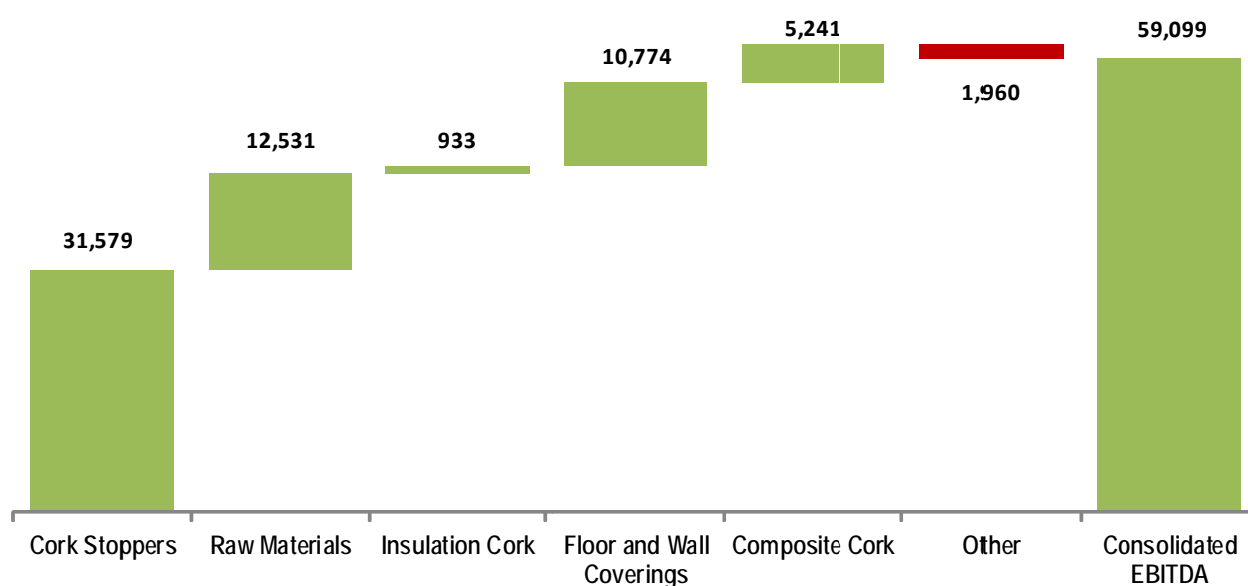
After the first two quarters of 2013 in which - for similar consolidation universes - both the sales and the performance indicators were worse than in the same period last year, the desired reversal was achieved in 3Q13. In general, all BU's have improved their indicators, but the Cork Stoppers BU deserves a special mention.

As noted above, sales in 3Q13 totaled € 137.5 M, a 3%-increase compared to the same quarter last year. The current EBITDA amounted to € 19.1 M and showed - for the first time this year - a quarter's figure higher than that of the same period of 2012 (+8.3%).

Consolidated sales for the nine month period ended September 30, 2013 were € 419.1 M, a 2.6%-increase compared to a year ago. If the effect of the Trefinos group's operations were excluded from the sales in the first half of 2013, there would be a slight decrease of 0.9% but, nevertheless, an improvement over -2.8% in 1Q13 and -2.6% in 1H13.

The unfavorable exchange rate effects (€ -4.2 M) and the decrease in the sales of wood floor coverings (€ -4.4 M) should also be taken into account when considering this indicator.

The positive sales trend in Q3 coupled with lower operating expenses during the quarter led to an improvement of the year-to-date EBITDA, which amounted to € 59.1 M but, even so, 5.3% below the amount reported for the nine months ended September 30, 2012 (1H13: -10.7%).

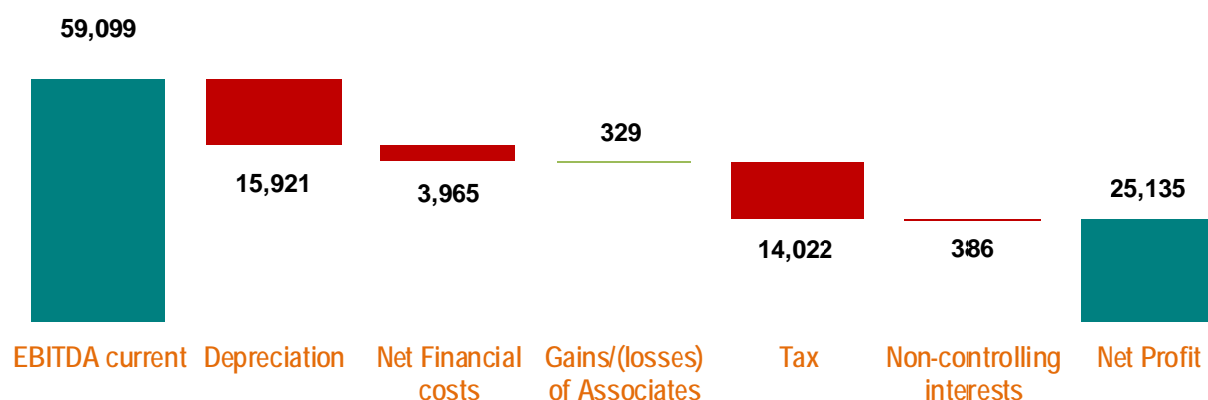


The finance function benefited from a decrease in debt and declining interest rates and resulted in a profit before tax higher than that for the first nine months of 2012 (€ 39.5 M in 9M13 vs € 38.2 M in 9M12).

The estimated tax burden for the nine months ended September 30, 2013 was adversely affected by the effects of a provision relating to a long-standing dispute. It has not been possible yet to estimate the potential favorable effects resulting from recently adopted measures to stimulate investments made between June 1, 2013 and December 31, 2013.

After an estimated tax on income of € 14 M for the first nine months of 2013 (€ 11 M in 9M12), net profit attributable to CORTICEIRA AMORIM's shareholders for the first nine months of 2013 amounted to € 25.135 M, a 5.1% - decrease y-o-y.

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#### 4. STATEMENT OF THE CONSOLIDATED FINANCIAL POSITION OF CORTICEIRA AMORIM (CONSOLIDATED BALANCE SHEET)

Total assets for the nine-month period ended September 30, 2013 stood at € 655 M, a € 20 M-decrease compared to the same period a year ago and € 10 M above the 2012 year-end figure. The decrease in total assets from the previous twelve months is primarily due to decreasing cash and cash equivalents (€ -28 M). With regard to the 2012 year-end accounts, a decrease of € 26 M in cash and cash equivalents was more than offset by an increase in working capital (inventories and customers: € 25 M) and the estimated income tax payable (€ +7 M).

Net debt was cut by € 10 M y-o-y and by € 16 M compared to last December. The generation of funds from operations more than offset the amount of outflows from investments and dividends.

Net debt was 105 M € on September 30, 2013.

Equity to total assets ratio improved to 46.8% (45.9% in December 2012 and 45.2% in September 2012).

#### 5. CONSOLIDATED INDICATORS

	9M13	9M12	Variation	3Q13	3Q12	Variation	
Sales	419,141	408,492	2.6%	137,472	133,496	3.0%	
Gross Margin – Value	209,718	207,765	0.9%	66,862	67,457	-0.9%	
	1)	51.7%	50.5%	+1.2 p.p.	52.3%	53.1%	-0.86 p.p.
Operating Costs - current	166,540	160,510	3.76%	51,985	54,115	-3.94%	
EBITDA - current	59,099	62,404	-5.3%	19,110	17,639	8.3%	
EBITDA/Sales	14.1%	15.3%	-1.18 p.p.	13.9%	13.2%	+0.7 p.p.	
EBIT - current	43,178	47,255	-8.6%	14,878	13,342	11.5%	
Non-current costs	2)	0	4,594	N/A	0	-25	N/A
Net Income	25,135	26,487	-5.10%	8,588	8,770	-2.08%	
Earnings per share	0.199	0.210	-5.10%	0.068	0.069	-2.08%	
Net Bank Debt	105,421	115,199	- 9,778	-	-	-	
Net Bank Debt/EBITDA (x)	4)	1.30	1.53	-0.23 x	-	-	-
EBITDA/Net Interest (x)	3)	19.7	16.3	3.37 x	19.1	13.5	5.58 x
Equity/Net Assets	46.8%	45.2%	+1.59 p.p.	-	-	-	

1) Related to Production

2) Goodwill / land and TVA receivable impairment

3) Net interest includes interest from loans deducted of interest from deposits (excludes stamp tax and commissions)

4) Current EBITDA of the last four quarters

## 6. MOTION FOR THE DISTRIBUTION OF FREE RESERVES

WHEREAS, the Company's non-consolidated Balance Sheet as of 30 September 2013 shows free distributable reserves in the amount of € 36,039,387.84 and legal reserves in the amount of € 12,243,010.17;

WHEREAS, the level of such free reserves is far higher than the legal and statutory minimum reserve requirements;

WHEREAS, a distribution of free reserves is permitted insofar as the Shareholders' Equity of the Company, as stated in the interim Balance Sheet set out above, is not less than the sum of the Company's share capital and reserves, whose distribution to shareholders is not permitted by law and the Company's articles of association;

WHEREAS, a solid growth in business and profitability over the past few years and the good prospects for the current financial year have enabled Corticeira Amorim to generate increasing cash flows and, as a result, strengthen its equity to total assets ratio. It has thus become possible to make a distribution of free reserves amongst the Company's shareholders without jeopardizing the maintenance of an efficient capital structure of the Corticeira Amorim Group;

The Board of Directors of Corticeira Amorim, S.G.P.S., S.A. has decided to convene a Shareholders General Meeting to resolve:

- to approve the distribution of the free reserves in the amount of € 7,980,000.00 that equals a gross dividend per share of € 0.06, to be distributed amongst Corticeira Amorim's shareholders in proportion to their ownership of shares and to be paid within a maximum of 20 days.

## 7. SUBSEQUENT EVENTS

After September 30, 2013 and up to the date of this report, no other relevant events have occurred which might materially affect the financial position and future profit or loss of CORTICEIRA AMORIM and its subsidiaries included in the consolidation taken as a whole.

## 8. STATEMENT OF DIRECTORS' RESPONSIBILITIES

In accordance with the requirements of section 246.1(c) of the Portuguese Securities Market Act, the members of the Board of Directors of Corticeira Amorim, SGPS, SA state that, to the best of their knowledge, the financial statements for the first nine months of 2012 as well as the financial statements for the third quarter ended September 30, 2012 and all other accounting documents have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of Corticeira Amorim, SGPS, SA and the undertakings included in the consolidation taken as a whole. The directors further state that the Directors' Report faithfully describes the development, performance and position of Corticeira Amorim's business and the undertakings included in the consolidation taken as a whole.

Mozelos, October 28, 2013

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

**António Rios de Amorim**

*Chairman*

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**Nuno Filipe Vilela Barroca de Oliveira**

*Vice-President*

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**Fernando José de Araújo dos Santos Almeida**

*Member*

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**Cristina Rios de Amorim Baptista**

*Member*

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**Luísa Alexandra Ramos Amorim**

*Member*

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**Juan Ginesta Viñas**

*Member*

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# FINANCIAL REPORT INTERIM

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (NON AUDITED)

thousand euros

	September 2013	December 2012	September 2012
<b>Assets</b>			
Property, plant and equipment	178,292	182,173	181,636
Investment property	4,619	6,076	6,180
Goodwill	5,255	5,865	10,800
Investments in associates	8,257	8,018	4,804
Intangible assets	582	555	497
Other financial assets	2,559	3,735	3,608
Deferred tax assets	6,551	6,746	6,059
<b>Other non current assets</b>	<b>206,115</b>	<b>213,168</b>	<b>213,584</b>
Inventories	244,003	231,211	246,350
Trade receivables	136,713	124,108	130,916
Current tax assets	11,580	4,852	8,156
Other current assets	42,869	31,414	33,821
Cash and cash equivalents	13,406	39,015	41,205
<b>Current assets</b>	<b>448,571</b>	<b>430,600</b>	<b>460,448</b>
<b>Total Assets</b>	<b>654,686</b>	<b>643,767</b>	<b>674,032</b>
<b>Equity</b>			
Share capital	133,000	133,000	133,000
Treasury stock	-7,197	-7,169	-6,247
Other reserves	141,046	123,696	136,271
Net Income	25,135	31,055	26,487
Non-Controlling Interest	14,177	14,665	14,982
<b>Equity</b>	<b>306,161</b>	<b>295,246</b>	<b>304,494</b>
<b>Liabilities</b>			
Interest-bearing loans	27,366	52,363	63,812
Other borrowings and creditors	8,525	13,227	9,677
Provisions	22,000	21,038	19,862
Deferred tax liabilities	6,043	6,490	5,676
<b>Non-current liabilities</b>	<b>63,934</b>	<b>93,119</b>	<b>99,027</b>
Interest-bearing loans	91,460	108,231	92,592
Trade payables	126,970	99,240	115,521
Other borrowings and creditors	53,101	40,082	50,756
Tax liabilities	13,060	7,848	11,643
<b>Current liabilities</b>	<b>284,591</b>	<b>255,402</b>	<b>270,511</b>
<b>Total Liabilities and Equity</b>	<b>654,686</b>	<b>643,767</b>	<b>674,032</b>

**CONSOLIDATED INCOME STATEMENT**  
**3<sup>RD</sup> QUARTER AND 9 MONTHS (NON AUDITED)**

thousand euros

<b>3Q13</b>	<b>3Q12</b>		<b>9M13</b>	<b>9M12</b>
137,472	133,496	Sales	419,141	408,492
61,059	59,521	Costs of goods sold and materials consumed	196,286	203,836
-9,551	-6,519	Change in manufactured inventories	-13,137	3,109
<b>66,862</b>	<b>67,456</b>	<b>Gross Margin</b>	<b>209,718</b>	<b>207,765</b>
52.3%	53.1%		51.7%	50.5%
22,872	23,718	Third party supplies and services	73,090	70,063
22,244	22,137	Staff costs	75,874	72,989
1,615	1,955	Impairments of assets	2,267	2,646
897	-897	Other gains	5,610	4,426
1,917	1,111	Other costs	4,997	4,088
<b>19,111</b>	<b>17,640</b>	<b>Current EBITDA</b>	<b>59,099</b>	<b>62,404</b>
4,233	4,297	Depreciation	15,921	15,149
<b>14,878</b>	<b>13,342</b>	<b>Current EBIT</b>	<b>43,178</b>	<b>47,256</b>
0	-25	Non-current items	0	4,594
1,078	1,836	Financial costs	4,920	5,907
94	366	Financial income	955	1,015
-160	14	Share of (loss)/profit of associates	329	395
<b>13,734</b>	<b>11,911</b>	<b>Profit before tax</b>	<b>39,542</b>	<b>38,165</b>
4,993	2,864	Income tax	14,022	10,949
<b>8,741</b>	<b>9,047</b>	<b>Profit after tax</b>	<b>25,520</b>	<b>27,216</b>
153	276	Non-Controlling Interest	386	730
<b>8,589</b>	<b>8,770</b>	<b>Net Income attributable to the equity holders of Corticeira Amorim</b>	<b>25,135</b>	<b>26,487</b>
<b>0.068</b>	<b>0.069</b>	<b>Earnings per share - Basic e Diluted (euros per share)</b>	<b>0.199</b>	<b>0.210</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**3<sup>RD</sup> QUARTER AND 9 MONTHS (NON AUDITED)**

thousand euros

3Q13	3Q12		9M13	9M12
8,741	9,047	Net Income (before Min. Interest)	25,520	27,216
		<b>Items that could be reclassified through income statement:</b>		
238	259	Change in derivative financial instruments fair value	39	158
-753	916	Change in translation differences	-1,703	1,864
-515	1,175	Net Income directly registered in Equity	-1,664	2,022
<b>8,226</b>	<b>10,222</b>	<b>Total Net Income registered</b>	<b>23,856</b>	<b>29,238</b>
		<b>Attributable to:</b>		
8,297	9,657	Corticeira Amorim Shareholders	24,035	27,860
-71	565	Non-Controlling Interest	-179	1,378

**CONSOLIDATED STATEMENT OF CASH FLOW**  
**3<sup>RD</sup> QUARTER AND 9 MONTHS (NON AUDITED)**

thousand euros

<b>3Q13</b>	<b>3Q12</b>		<b>9M13</b>	<b>9M12</b>
(non audited)	(non audited)		(non audited)	(non audited)
<b>OPERATING ACTIVITIES</b>				
160,893	171,537	Collections from customers	441,080	449,674
-124,060	-127,599	Payments to suppliers	-355,681	-359,832
-24,956	-26,580	Payments to employees	-72,433	-72,226
<b>11,877</b>	<b>17,357</b>	<b>Operational cash flow</b>	<b>12,966</b>	<b>17,615</b>
-8,996	-5,262	Payments/collections - income tax	-15,037	-6,925
<b>13,527</b>	<b>4,918</b>	Other collections/payments related with operational activities	<b>46,847</b>	<b>31,636</b>
<b>16,408</b>	<b>17,013</b>	<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>44,776</b>	<b>42,326</b>
<b>INVESTMENT ACTIVITIES</b>				
		Collections due to:		
-28	78	Tangible assets	269	445
0	0	Intangible assets	0	0
3	27	Investment property	3	27
36	54	Other assets	1,155	129
56	454	Interests and similar gains	848	911
191	6	Investment subsidies	191	2,933
<b>130</b>	<b>130</b>	Dividends	<b>130</b>	<b>130</b>
		Payments due to:		
-4,572	-7,174	Tangible assets	-12,200	-15,878
-97	1,006	Financial investments	-1,061	-14,099
-51	-38	Intangible assets	-169	-66
0	0	Aquisiçao Outros Activos	0	0
<b>-4,333</b>	<b>-5,457</b>	<b>CASH FLOW FROM INVESTMENTS</b>	<b>-10,834</b>	<b>-25,468</b>
<b>FINANCIAL ACTIVITIES</b>				
		Collections due to:		
0	15,050	Loans	0	18,020
<b>308</b>	<b>115</b>	Others	<b>823</b>	<b>350</b>
		Payments due to:		
-9,877	0	Loans	-38,898	0
-1,862	-1,734	Interests and similar expenses	-4,947	-5,228
-90	-99	Dividends	-12,854	-8,538
-147	-2	Others	-395	-1,332
<b>-11,668</b>	<b>13,330</b>	<b>CASH FLOW FROM FINANCING</b>	<b>-56,300</b>	<b>3,272</b>
407	24,886	Change in cash	-22,358	20,130
-96	-109	Exchange rate effect	-305	158
-3,127	2,242	Cash at beginning	19,846	6,731
-2,817	27,019	Cash at end	-2,817	27,019

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

thousand euros

	Balance Beginning	Appropriation of N-1 profit	Dividends	Net Profit N	Increases / Decreases	Translation Differences	End Balance
<b>September 30, 2013</b>							
Equity:							
Share Capital	133,000	-	-	-	-	-	133,000
Treasury Stock - Face Value	-7,384	-	-	-	-15	-	-7,399
Treasury Stock - Discounts and Premiums	216	-	-	-	-14	-	202
Paid-in Capital	38,893	-	-	-	-	-	38,893
IFRS Transition Adjustments	0	-	-	-	-	-	0
Hedge Accounting	186	-	-	-	-	39	225
Reserves							
Legal Reserve	12,243	-	-	-	-	-	12,243
Other Reserves	71,762	31,055	-12,568	-	29	-	90,278
Translation Difference	611	-	-	-	-175	-1,031	-595
	<b>249,527</b>	<b>31,055</b>	<b>-12,568</b>	<b>0</b>	<b>-175</b>	<b>-992</b>	<b>266,847</b>
Net Profit for the Year	31,055	-31,055	-	25,135	-	-	25,135
Minority interests	14,665	-	-300	386	-9	-565	14,176
<b>Total Equity</b>	<b>295,246</b>	<b>0</b>	<b>-12,868</b>	<b>25,521</b>	<b>-184</b>	<b>-1,557</b>	<b>306,158</b>
<b>September 30, 2012</b>							
Equity:							
Share Capital	133,000	-	-	-	-	-	133,000
Treasury Stock - Face Value	-6,787	-	-	-	-	-	-6,787
Treasury Stock - Discounts and Premiums	541	-	-	-	-	-	541
Paid-in Capital	38,893	-	-	-	-	-	38,893
IFRS Transition Adjustments	-8,332	-	-	-	-	36	-8,295
Hedge Accounting	-11	-	-	-	159	-	147
Reserves							
Legal Reserve	12,243	-	-	-	-	-	12,243
Other Reserves	76,468	25,274	-8,204	-	-403	-	93,136
Translation Difference	-1,435	-	-	-	681	902	148
	<b>244,580</b>	<b>25,274</b>	<b>-8,204</b>	<b>0</b>	<b>437</b>	<b>938</b>	<b>263,025</b>
Net Profit for the Year	25,274	-25,274	-	26,487	-	-	26,487
Minority interests	12,439	-	-318	730	1,484	648	14,982
<b>Total Equity</b>	<b>282,292</b>	<b>0</b>	<b>-8,522</b>	<b>27,217</b>	<b>1,921</b>	<b>1,586</b>	<b>304,494</b>

## 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 September 30, 2013 corresponding to 51.00 % of its share capital (December 2012: 67,830,000 shares). Amorim Capital - Sociedade Gestora de Participações Sociais, S.A. is fully owned by Amorim family.

These financial statements were approved in the Board Meeting of October 28, 2013.

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

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

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## 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 September 30, 2013, namely IAS 34.

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

### 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:

	<b><u>Number of years</u></b>
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 significant 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:

	<u>Number of years</u>
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 d) note for tangible fixed asset.

Properties are derecognized when sold. When used in production are reclassified as tangible fixed asset. When land and buildings are no more used for production, they will be reclassified from tangible fixed asset to investment property.

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#### f. Goodwill

Goodwill arises from acquisition of subsidiaries and represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired at the date of acquisition. If positive, it will be included as an asset in the "goodwill" account. If negative, it will be registered as a gain for the period.

In Business combinations after January 1, 2010, Goodwill will be calculated as referred in b).

For impairment tests purposes, goodwill is allocated to the cash-generating unit or group of cash-generating units that are expected to benefit from the upcoming synergies.

Goodwill will be tested annually for impairment, or whenever an evidence of such occurs; impairment losses will be charged to the income statement and, consequently, its carrying amount adjusted.

#### g. Non-financial assets impairment

Assets with indefinite useful lives are not amortised but are annually tested for impairment purposes.

Assets under depreciation are tested for impairment purposes whenever an event or change of circumstances indicates that its value cannot be recovered. Impairment losses are recognized as the difference between its carrying amount and its recoverable amount. Recoverable corresponds to the higher of its fair value less sales expenses and its value for use. Non-financial assets, except goodwill, that generated impairment losses are valued at each reporting date regarding reversals of said losses.

#### **h. Other financial assets**

Relates, mainly, to financial applications corresponding to equity instruments measured at cost.

#### **i. Inventories**

Inventories are valued at the lower of acquisition cost or production cost and net realisable value. Acquisition cost includes direct and indirect expenses incurred in order to have those inventories at its present condition and place. Production cost includes used raw material costs, direct labour, other direct costs and other general fixed production costs (using normal capacity utilisation).

Where the net realisable value is lower than production cost, inventory impairment is registered. This adjustment will be reversed or reduced whenever the impairment situation no longer takes place.

Year-end quantities are determined based on the accounting records, which are confirmed by the physical inventory taking. Raw materials, consumables and by-products are valued at weighted average cost, and finished goods and work-in-progress at the average production cost which includes direct costs and indirect costs incurred in production.

#### **j. Trade and other receivables**

Trade and other receivables are registered initially at cost, adjusted for any subsequent impairment losses which will be charged to the income statement.

Medium and long-term receivables will be measured at amortised cost using the effective interest rate of the debtor for similar periods.

#### **k. Financial assets impairment**

At each reporting date, the impairment of financial assets at amortised cost is evaluated.

Financial asset impairment occurs if after initial register, unfavourable cash flows from that asset can be reasonably estimated.

Impairment losses are recognized as the difference between its carrying amounts and expected future cash flows (excluding future losses that yet have not occurred), discounted at the initial effective interest rate of the asset. The calculated amount is deducted to the carrying amount and loss recognised in the earnings statement.

#### **l. Cash and cash equivalents**

Cash includes cash in hand, deposits held at call in banks, time deposits and other no-risk short-term investments with original maturities of three months or less. In the Consolidated Statement of Cash Flow, this caption includes Bank overdrafts.

#### **m. Suppliers, other borrowings and creditors**

Debts to suppliers and other borrowings and creditors are initially registered at fair value. Subsequently are measured at amortised cost using effective interest rate method. They are classified as current liabilities, except if CORTICEIRA AMORIM has full discretion to defer settlement for at least another 12 months from the reporting date

#### **n. Interest bearing loans**

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 25% 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.

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#### **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. Revenue 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:

##### ▪ Fair value hedge

Changes in the fair value of derivatives that qualify as fair value hedges and that are expected to be highly effective, are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

##### ▪ Cash flow hedge

Changes in the fair value of derivatives that qualify as cash flow edges and that are expected to be highly effective, are recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement.

##### ▪ Net investment hedge

For the moment, CORTICEIRA AMORIM is not considering any foreign exchange hedge over its net investments in foreign units (subsidiaries).

CORTICEIRA AMORIM has fully identified the nature of its activities' risk exposure and documents entirely and formally each hedge; uses its information system to guarantee that each edge is supported by a description of: risk policy, purpose and strategy, classification, description of risk, identity of the instrument and of the risk item, description of initial measurement and future efficiency, identification of the possible derivative portion which will be excluded from the efficiency test.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, or the forecasted transaction no longer remains highly provable or simply is abandoned, or the decision to consider the transaction as a hedge, the company will de-recognised the instrument.

## v. Equity

Ordinary shares are included in equity.

When CORTICEIRA AMORIM acquires own shares, acquisition value is recognised deducting from equity in the line treasury stock.

### III. COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Company	Head Office	Country	9M13	9M12
<b>Raw Materials</b>				
<b>Amorim Natural Cork, S.A.</b>	<b>Vale de Cortiças - Abrantes</b>	<b>PORTUGAL</b>	<b>100%</b>	<b>100%</b>
Amorim Florestal, S.A.	Ponte 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%
Comatral - C. de Marocaine de Transf. du Liège, S.A.	Skhirat	MOROCCO	100%	100%
Cork International, SARL	Tabarka	TUNISIA	100%	100%
SIBL - Société Industrielle Bois Liège	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%
<b>Cork Stoppers</b>				
<b>Amorim &amp; Irmãos, SGPS, S.A.</b>	<b>Santa Maria Lamas</b>	<b>PORTUGAL</b>	<b>100%</b>	<b>100%</b>
Agglotap, SA	Girona	SPAIN	91%	91%
Amorim & Irmãos, S.A.	Santa Maria Lamas	PORTUGAL	100%	100%
Amorim Argentina, S.A.	Tapiales - Buenos Aires	ARGENTINA	100%	100%
Amorim Australasia Pty Ltd	Adelaide	AUSTRALIA	100%	100%
Amorim Cork América, 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	ESPAÑA	100%	100%
Amorim Cork Itália, SPA	Conegliano	ITALY	100%	100%
Amorim Cork South Africa (Pty) Ltd	Cape Town	SOUTH AFRICA	100%	100%
Amorim France, S.A.S.	Champfleury	FRANCE	100%	100%
Augusta Cork, S.L.	San Vicente Alcántara	SPAIN	91%	91%
Bouchons Prioux	Epernay	FRANCE	91%	91%
Carl Ed. Meyer Korken	Delmenhorst	GERMANY	100%	100%
Chapuis, S.L.	Girona	SPAIN	100%	100%
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	87%	87%
Hungarocork, Amorim, RT	Budapeste	HUNGARY	100%	100%
Indústria Corchera, S.A.	(c) Santiago	CHILE	50%	50%
Korken Schiesser Ges.M.B.H.	Viena	AUSTRIA	69%	69%
Olimpiadas Barcelona 92, S.L.	Girona	SPAIN	100%	100%
Portocork América, Inc.	California	U. S. AMERICA	100%	100%
Portocork France	Bordéus	FRANCE	100%	100%
Portocork Internacional, S.A.	Santa Maria Lamas	PORTUGAL	100%	100%
Portocork Itália	Conegliano	ITALY	100%	100%
Sagrera et Cie	Reims	FRANCE	91%	91%
S.A. Oller et Cie	Reims	FRANCE	87%	87%
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%	-
Trefinos Italia, SRL	Treviso	ITALY	91%	91%
Trefinos, S.L	Girona	SPAIN	91%	91%
Victor y Amorim, SL	(c) Navarrete - La Rioja	SPAIN	50%	50%

Company	Head Office	Country	9M13	9M12
<b>Floor &amp; Wall Coverings</b>				
<b>Amorim Revestimentos, S.A.</b>	<b>S. Paio de Oleiros</b>	<b>PORTUGAL</b>	<b>100%</b>	<b>100%</b>
Amorim Benelux, BV - AR	Tholen	NETHERLAND	100%	100%
Amorim Deutschland, GmbH - AR	(a) Delmenhorts	GERMANY	100%	100%
Amorim Flooring (Switzerland) AG	Zug	SWITZERLAND	100%	100%
Amorim Flooring Austria GesmbH	Viena	AUSTRIA	100%	100%
Amorim Flooring Investments, Inc.	Hanover - Maryland	U. S. AMERICA	100%	100%
Amorim Flooring Nordic A/s	Greve	DENMARK	100%	100%
Amorim Flooring North America Inc	Hanover - Maryland	U. S. AMERICA	100%	100%
Amorim Japan Corporation	Tóquio	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%
<b>Composites Cork</b>				
<b>Amorim Cork Composites, S.A.</b>	<b>Mozelos</b>	<b>PORTUGAL</b>	<b>100%</b>	<b>100%</b>
Amorim (UK) Ltd.	Horsham West Sussex	UNITED KINGDOM	100%	100%
Amorim Benelux, BV - ACC	Tholen	NETHERLAND	100%	100%
Amorim Compocork, Lda	Mozelos	PORTUGAL	100%	100%
Amorim Cork Composites Inc.	Trevor Wisconsin	U. S. AMERICA	100%	100%
Amorim Deutschland, GmbH - ACC	(a) Delmenhorts	GERMANY	100%	100%
Amorim Industrial Solutions - Imobiliária, S.A.	Corroios	PORTUGAL	100%	100%
Chinamate (Shaanxi) Natural Products Co. Ltd	Shaanxi	CHINA	100%	100%
Chinamate Development Co. Ltd	Hong Kong	CHINA	100%	100%
Corticeira Amorim - France SAS - ACC	Lavardac	FRANCE	100%	100%
Drauvil Europea, SL	San Vicente Alcantara	SPAIN	100%	100%
Dyn Cork - Technical Industry, Lda	(b) Paços de Brandão	PORTUGAL	50%	50%
Postya - Serviços de Consultadoria, Lda.	Funchal - Madeira	PORTUGAL	100%	100%
<b>Insulation Cork</b>				
<b>Amorim Isolamentos, S.A.</b>	<b>Vendas Novas</b>	<b>PORTUGAL</b>	<b>80%</b>	<b>80%</b>
<b>Holding</b>				
<b>Corticeira Amorim, SGPS, S.A.</b>	<b>Mozelos</b>	<b>PORTUGAL</b>	<b>100%</b>	<b>100%</b>
Ginpar, S.A. (Générale d'Invest. et Participation)	Skhirat	MOROCCO	100%	100%
Amorim Cork Research, Lda.	Mozelos	PORTUGAL	100%	100%
Soc. Portuguesa de Aglom. 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.

#### IV. EXCHANGE RATES USED IN CONSOLIDATION

Exchange rates		30/Set/13	Average Jan- Sep 2013	Average 2012	Year end 2012
Argentine Peso	ARS	7,83013	6,95684	5,84651	6,48485
Australian Dollar	AUD	1,44860	1,34805	1,24071	1,27120
Lev	BGN	1,95570	1,95570	1,95569	1,95570
Brazilian Real	BRL	3,04060	2,79345	2,50844	2,70360
Canadian Dollar	CAD	1,39120	1,34857	1,28421	1,31370
Swiss Franc	CHF	1,22250	1,23162	1,20528	1,20720
Chilean Peso	CLP	682,920	642,904	624,667	631,020
Yuan Renminbi	CNY	8,27670	8,12210	8,11110	8,22000
Danish Krone	DKK	7,45800	7,45745	7,44368	7,46100
Algerian Dinar	DZD	109,8078	104,005	99,1735	102,6528
Euro	EUR	1	1	1	1
Pound Sterling	GBP	0,83605	0,85211	0,81087	0,81610
Hong Kong Dollar	HDK	10,4889	10,2174	9,9737	10,2254
Forint	HUF	298,150	296,686	289,249	292,300
Yen	JPY	131,780	127,380	102,492	113,610
Moroccan Dirham	MAD	11,1428	11,1294	11,0776	11,1432
Norwegian Krone	NOK	8,11400	7,66236	7,47506	7,34830
Zloty	PLN	4,22880	4,20158	4,18474	4,07400
Ruble	RUB	43,7530	41,6554	39,9016	40,2860
Swedish Kronor	SEK	8,65750	8,58251	8,70407	8,58200
Tunisian Dinar	TND	2,22730	2,12446	2,00533	2,04590
US Dollar	USD	1,35050	1,31711	1,28479	1,31940
Rand	ZAR	13,59850	12,50146	10,55106	11,17270

#### V. SEGMENT REPORT

CORTICEIRA AMORIM is organised in the following Business Units (BU):

- Cork Stoppers
- Raw Materials
- Floor and Wall Coverings
- Composite Cork
- 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. The following table shows the main indicators of the said units, and, whenever possible, the reconciliation with the consolidated indicators (values in thousand EUR):

thousand euros

<b>9M2013</b>	<b>Raw Materials</b>	<b>Cork Stoppers</b>	<b>Floor &amp; Wall Coverings</b>	<b>Composite Cork</b>	<b>Insulation Cork</b>	<b>Holding</b>	<b>Adjustments</b>	<b>Consolidated</b>
Trade Sales	3.921	257.460	90.991	61.318	5.406	44	0	419.141
Other BU Sales	77.178	3.209	2.398	9.140	586	1.470	-93.981	-
<b>Total Sales</b>	<b>81.099</b>	<b>260.669</b>	<b>93.389</b>	<b>70.458</b>	<b>5.992</b>	<b>1.515</b>	<b>-93.981</b>	<b>419.141</b>
<b>Current EBITDA</b>	<b>12.531</b>	<b>31.579</b>	<b>10.774</b>	<b>5.241</b>	<b>933</b>	<b>-1.794</b>	<b>-166</b>	<b>59.099</b>
<b>Assets</b>	<b>139.493</b>	<b>290.702</b>	<b>105.402</b>	<b>87.440</b>	<b>13.144</b>	<b>12.290</b>	<b>6.215</b>	<b>654.686</b>
<b>Liabilities</b>	<b>58.945</b>	<b>83.665</b>	<b>37.572</b>	<b>22.261</b>	<b>1.657</b>	<b>21.299</b>	<b>123.127</b>	<b>348.527</b>
<b>Capex</b>	<b>1.265</b>	<b>5.566</b>	<b>1.106</b>	<b>4.344</b>	<b>225</b>	<b>11</b>	<b>0</b>	<b>12.518</b>
<b>Depreciation</b>	<b>-1.335</b>	<b>-8.403</b>	<b>-3.406</b>	<b>-2.304</b>	<b>-439</b>	<b>-34</b>	<b>0</b>	<b>-15.921</b>
<b>Non-cash cost</b>	<b>-18</b>	<b>-2.065</b>	<b>-354</b>	<b>-1.639</b>	<b>-132</b>	<b>-4</b>	<b>2.617</b>	<b>-1.595</b>
<b>Gains/Losses in associated companies</b>	<b>-2</b>	<b>589</b>	<b>-258</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>329</b>
<b>9M2012</b>	<b>Raw Materials</b>	<b>Cork Stoppers</b>	<b>Floor &amp; Wall Coverings</b>	<b>Composite Cork</b>	<b>Insulation Cork</b>	<b>Holding</b>	<b>Adjustments</b>	<b>Consolidated</b>
Trade Sales	5.584	240.569	95.382	60.038	6.337	581	0	408.492
Other BU Sales	84.587	4.567	2.859	8.283	543	1.605	-102.445	-
<b>Total Sales</b>	<b>90.171</b>	<b>245.137</b>	<b>98.241</b>	<b>68.321</b>	<b>6.880</b>	<b>2.186</b>	<b>-102.445</b>	<b>408.492</b>
<b>Current EBITDA</b>	<b>8.662</b>	<b>36.846</b>	<b>10.186</b>	<b>6.968</b>	<b>1.624</b>	<b>-2.086</b>	<b>204</b>	<b>62.405</b>
<b>Assets</b>	<b>135.769</b>	<b>313.310</b>	<b>103.125</b>	<b>82.636</b>	<b>12.839</b>	<b>35.479</b>	<b>-9.126</b>	<b>674.032</b>
<b>Liabilities</b>	<b>49.685</b>	<b>95.793</b>	<b>37.625</b>	<b>22.545</b>	<b>1.787</b>	<b>21.576</b>	<b>140.528</b>	<b>369.539</b>
<b>Capex</b>	<b>1.167</b>	<b>7.964</b>	<b>490</b>	<b>3.410</b>	<b>518</b>	<b>48</b>	<b>0</b>	<b>13.597</b>
<b>Depreciation</b>	<b>-1.406</b>	<b>-7.663</b>	<b>-3.521</b>	<b>-2.122</b>	<b>-403</b>	<b>-33</b>	<b>0</b>	<b>-15.149</b>
<b>Non-cash cost</b>	<b>-1.976</b>	<b>-3.574</b>	<b>-1.776</b>	<b>-359</b>	<b>-39</b>	<b>-29</b>	<b>0</b>	<b>-7.753</b>
<b>Gains/Losses in associated companies</b>	<b>-7</b>	<b>753</b>	<b>-141</b>	<b>-210</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>395</b>

Notes:

*Adjustments = eliminations inter-BU and amounts not allocated to BU*

*EBITDA = Profit before depreciation and amortisation, interests, non-controlling interests and income tax.*

*Provisions and asset impairments were considered the only relevant material cost.*

*Segments assets do not include DTA (deferred tax asset) and non-trade group balances.*

*Segments liabilities do not include DTL (deferred tax liabilities), bank loans and non-trade group balances.*

The decision to report EBITDA figures allows a better comparison of the different BU performances, disregarding the different financial situations of each BU. This is also coherent with the existing Corporate Departments, as the Financial Department is responsible for the bank negotiations, being the tax function the responsibility of the Holding Company, like the use of tax advantages coming from tax consolidation instruments (RETGS).

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 more than 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, black 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 cork rubber 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.

## VI. SELECTED NOTES

Data to be included in the interim notes, materially relevant, which is not included in prior chapters:

- These interim financial statements were prepared using similar accounting policies as those used when preparing prior year-end statements;
- CORTICEIRA AMORIM business are spread through a large basket of products, throughout the five continents and more than a hundred countries; so, it is not considered that its activity is subjected to any particular form of seasonality. Anyway it has been registered a higher first half activity, mainly during the second quarter; third and fourth usually exchange as the weakest quarter.

Mozelos, October 28, 2013

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

**António Rios de Amorim**

*Chairman*

**Nuno Filipe Vilela Barroca de Oliveira**

*Vice-President*

**Fernando José de Araújo dos Santos Almeida**

*Member*

**Cristina Rios de Amorim Baptista**

*Member*

**Luísa Alexandra Ramos Amorim**

*Member*

**Juan Ginesta Viñas**

*Member*