



AMORIM

Corticeira Amorim, S.G.P.S., S.A.

Consolidated results

2014 Fiscal Year

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- Consolidated key indicators

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- Highlights

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- Key indicators
- Highlights

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- Key indicators
- Highlights

Insulation Cork

- Key indicators
- Highlights

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- Consolidated indicators

Consolidated results

- Highlights
- Consolidated key indicators

Unit: thousands of euros

Highlights

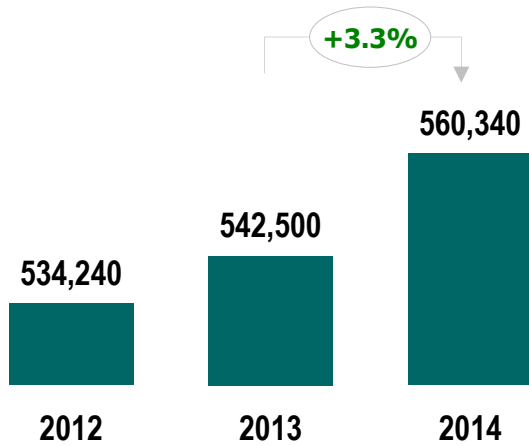
- ❑ **CORTICEIRA AMORIM registered the best ever fiscal year during 2014;**
- ❑ **Sales up 3,3% to 560.3 million euros (M€) (2013: 542.5M€);**
- ❑ **Exchange rate impact on sales: -3.7M€ (mainly from ZAR and CLP);**
- ❑ **Except Floor & Wall Coverings BU, all BU recorded sales growth of finished products to end customers;**
- ❑ **Highlight for Cork Stoppers BU with a growth of 7.1%, surpassing for the first time the barrier of 4 billion units sold;**
- ❑ **Year 2014 marked by two significant industrial restructuring: cork rubber production transfer to Mozelos and granulation from S.V. Alcantara (Drauvil) to Coruche, with deactivation of those units;**
- ❑ **€ 6.4m were recorded as non-recurring operating expenses, and included in that amount are costs due to industrial restructuring, impairments on vacant industrial sites, as well as the write-off of the goodwill associated with Amorim Deutschland;**

Highlights

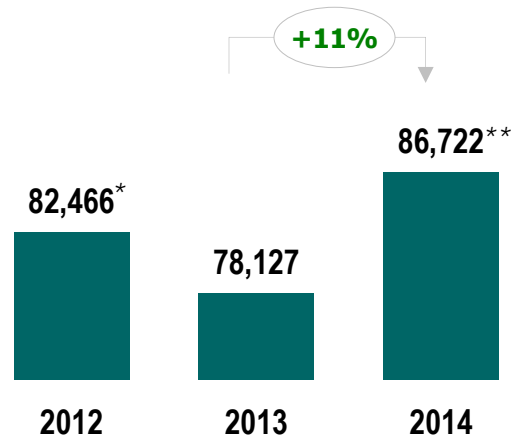
- ❑ Reinforcement of actions and investments for improving operational efficiency led to a reduction in operating costs of € 2.5M while the value of production increased by € 6M;
- ❑ Current EBITDA (86.7M€ = 15.5% of sales) and current EBIT (64.4M€) grew by 11% and 13.7%;
- ❑ Provisions booked: 4.0M€ (stamp tax: 2.0M€ plus income tax: 2.0M€) (2013: stamp tax: 2.7M€ plus income tax: 5.3M€);
- ❑ Financial function benefited by lower debt and lower interest rates;
- ❑ Net profit totalled 35.756M€, increasing 17.9% from last year comparable of 30.339M€;
- ❑ Dividends paid reached 23.9M€ (2013: 20.1M€);
- ❑ Capex reached 21.2M€ (2013: 26.8M€);
- ❑ Cork Campaign: reduction in quantity with higher pressure in the buying process;
- ❑ Net debt 87.6M€ (2013: 104.4M€);
- ❑ Proposal to the AGM of dividend 14 cents per share.

Consolidated key indicators

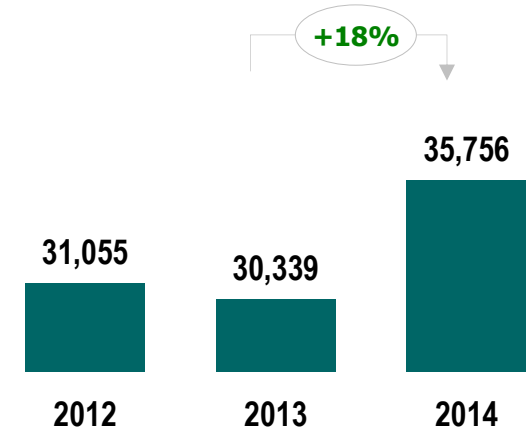
Sales



EBITDA current



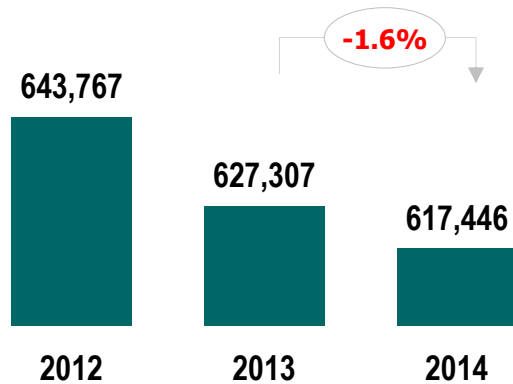
Net Profit



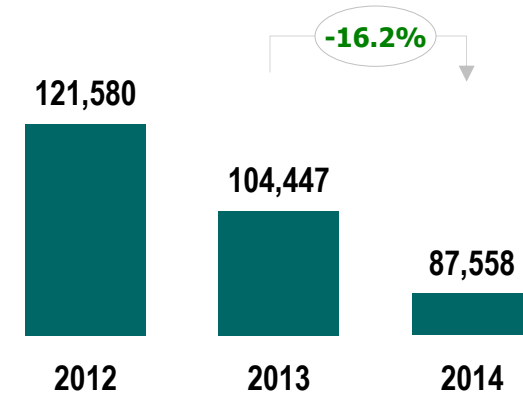
* Excludes write-off Goodwill North Africa, land impairment and TVA Argentina (5,240)

** Excludes impairments and industrial restructuring(6,354).

Total Assets



Net debt



Business Unit:

Raw Materials

- Key indicators
- Highlights

Unit: thousands of euros

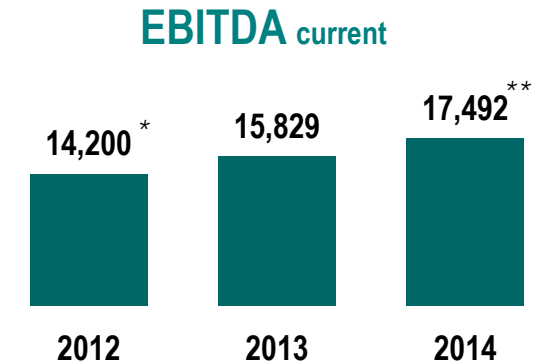
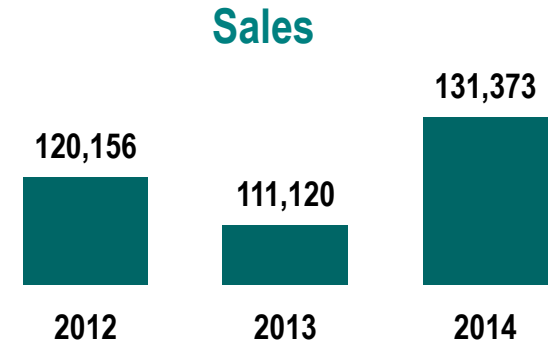


Highlights and key indicators

Raw Materials

☐ Sales up 18%

- Major activity increase due to 2013 higher purchasing campaign;
- Delivering of past investments in the modernization and technological approach of the industrial sites, namely in the discs production;
- BU continues to focus on the forestry and sensory R&D;
- Reinforcement of Salteiros unit due to the closure of the Spanish unit, which had low productivity ratios
- EBITDA up 10.5% (17.5M€);
- 2014 cork campaign lower than previous year put pressure on the purchasing process led to decrease in the volume acquired;
- Raw material needs for 2015 production were fulfilled;



* excludes 1,995 K€ due to impairment

** excludes 385 K€ due to industrial restructuring



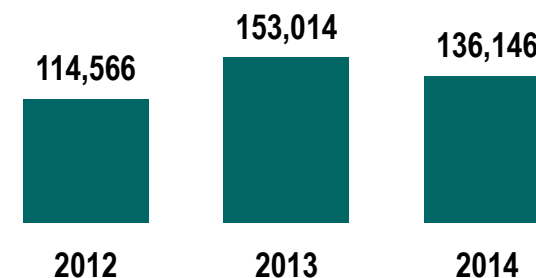
Highlights and key indicators

Raw Materials

□ Outlook

- Same level of activity;
- Reduced profitability as a result of a 2014 campaign with more pressure on the purchase price;
- Stability in cork purchasing activity: assurance of group needs easing possible pressure on cork demand;
- New criteria for sensorial analysis regarding purchased cork;
- Strengthening rationalization plans of operating costs.

Total Assets*



Business Unit:

Cork Stoppers

- Key indicators
- Highlights

Unit: thousands of euros

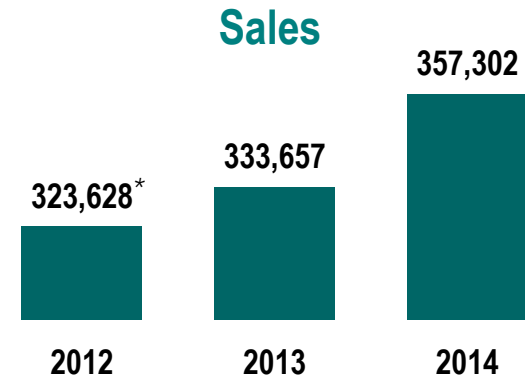


Highlights and key indicators

Cork Stoppers

☐ Sales totalled 357M€ (+7.1%)

- For the first time, sales surpassed 4 billion units;
- Growth in key markets, with an emphasis on the USA (+ 19%) and Italy (+ 17%);
- Out of the top, we must note markets as the British, Chilean and Central American markets;
- With the exception of Acquamark®, all stoppers families registered sales growth between 3% and 20%;
- Exchange rate hit sales by some 4M€ (ZAR and CLP);
- Performance by product family:
 - Natural cork stoppers:
 - 8.8% increase with rise in US / Italy / France / Chile and decreases in Germany and Eastern Europe;
 - Champagne cork stoppers:
 - increase of 3.5% with a positive emphasis on Italy and Germany
 - Neutrocork® stoppers:
 - growth of 8.8% justified by the volume; growth in major markets
 - TwinTop® stoppers:
 - Rise of 4.8% justified by the volume effect with emphasis on the US market



* includes Trefinos (1S12)



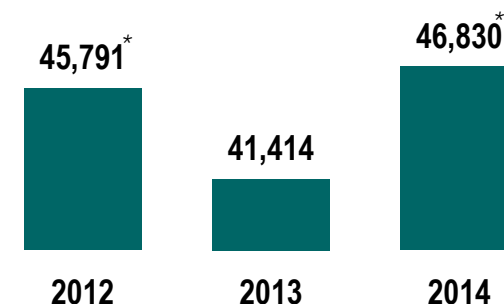
Highlights and key indicators

Cork Stoppers

□ Operating activity

- Gross margin increased in value (+ 10%), boosted by higher sales and improved product mix;
- Operating costs with a 2.4% increase compared to a much higher activity of growth;
- EBITDA increased by 13% (gross margin improvement and growth of operating costs lower than activity growth).

EBITDA current



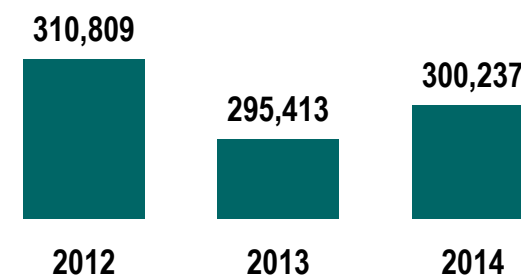
* excludes 3245 K€ due to impairment

** excludes 202 K€ due to severance costs

□ Other

- Integration of Drauvil granulation in Coruche unit;
- Strengthening of the position in the segment of spirits;
- Internalization of subcontracting operations;
- Plant layout change;
- Trefinos integration reinforcement;
- Important advances in the sensory area.

Total Assets*





□ Outlook

- Wine market growth at a steady rate of 1% per annum; USA, Asia (India and China) and Brazil have the greatest potential;
- Targeting leadership in terms of service;
- Strengthening competitiveness for leadership in operational efficiency;
- Reinforcement of presence in new markets;
- Release of disruptive products;
- Getting a balance ratio "volume-mix versus value" favoring products with higher added value;
- Improve service levels.



AMORIM

Business Unit:

Floor & Wall Coverings

- Key indicators
- Highlights

Unit: thousands of euros

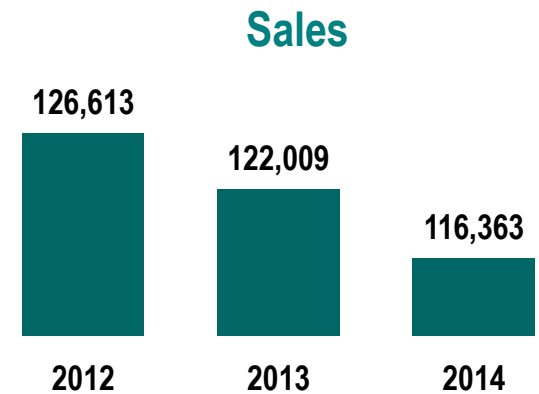


Highlights and key indicators

Floor & Wall Coverings

❑ Sales down 4.6% (manufactured products -7%)

- Reduction in sales to our associate in the US and a drop in Eastern European market; German market affected by changes in retail players (DIY);
- Good performance in the Scandinavian markets;
- Sales of goods (wood / laminate) with 5% increase, reversing downward trend of previous years;
- Offer of product ranges with higher added value have increased the profit margin.





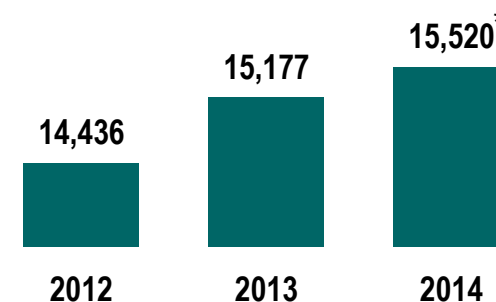
Highlights and key indicators

Floor & Wall Coverings

□ Operating activity

- Optimization of operating and maintenance costs of the mark more than offset the effect of sales break;
- EBITDA reached 15.5 M € (+ 2.3%);
- New solutions: CorkTech enlarging installation techniques, composition, size and visual;
- Launch of AR Academy;
- Goodwill write-off associated with A. Deutschland (2.5 M €).

EBITDA current

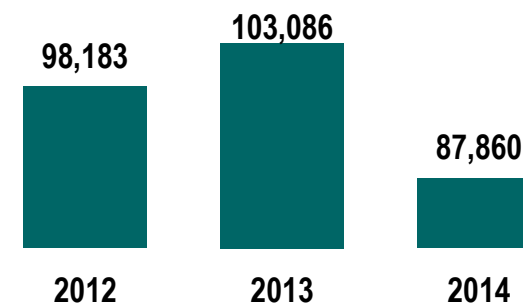


* excludes 2,503 K€ due to impairment

□ Outlook

- Success of Artcomfort collections (visual, finishes and dimensions);
- Launch of HydroCork range;
- Focus on geographic areas of low profitability;
- Innovation as a fundamental pillar for the development of the UN.

Total Assets*



* Excludes Deferred Taxes and non-trade balances with Group Companies.

Business Unit:

Composite Cork

- Key indicators
- Highlights

Unit: thousands of euros

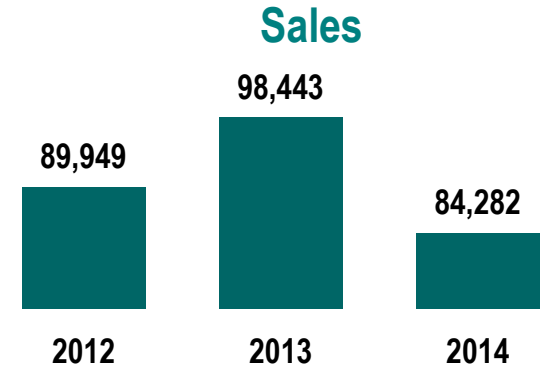


Highlights and key indicators

Cork Composites

☐ Sales of finished products to final costumers up 1.5% (total sales -14%)

- Improvement in the second half; good performance of the US market;
- Set-up of commercial joint ventures for the establishment in Turkey and China;
- Industry: growth underpinned by the good performance of the components for the flooring industry, footwear, friction and vibration control;
- Sealing: decrease in car segment and positive changes in other applications;
- Construction failed to match 2013 growth (-2%): decrease in underlays and growth in sports flooring and underscreed;
- Transport: Sales down due to project timetable (trains);
- No repetition of large-scale sales of raw materials and discontinuation of supply of granulates to Cork Stoppers more than justified drop in total sales.





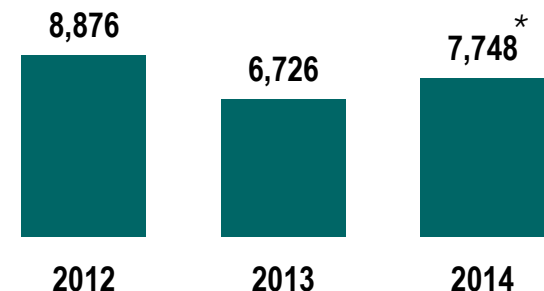
Highlights and key indicators

Cork Composites

□ Operating activity

- Gross margin and results favored by better sales mix and better prices in the procurement of raw materials;
- Granulation unit deactivation Drauvil (transfer to Coruche now belonging to Cork Stoppers);
- Transfer of cork rubber production lines from Corroios to Mozelos (to be completed in early 2015);
- EBITDA increasing by € 1 million (+15%), profiting from the sales mix and the industrial reorganization gains (Drauvil) and reduction of operating costs;

EBITDA^{current}

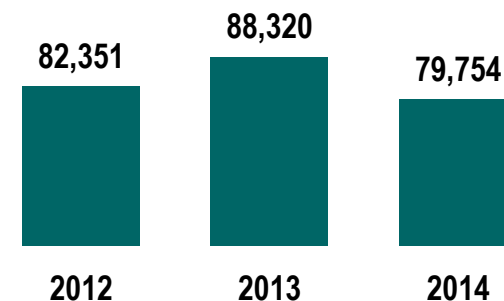


* excludes 3,624K€ due to industrial restructuring (Corroios)

□ Outlook

- Focus on the development of innovative products;
- Improved operational efficiency ratios via the conclusion of Corroios transfer process (concentration in Mozelos).

Total Assets^{*}



Business Unit:

Insulation Cork

- Key indicators
- Highlights

Unit: thousands of euros

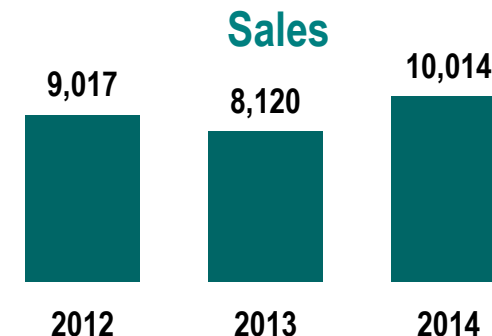


Highlights and key indicators

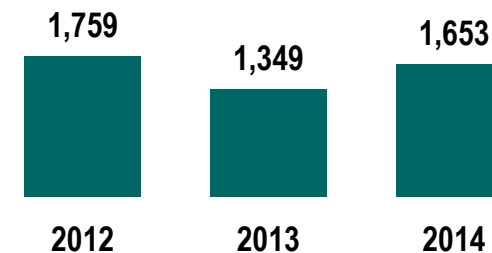
Insulation Cork

☐ Sales of manufactured products up 12% (total sales +23%)

- Good performance of the markets in general, especially Asia (expanded agglomerated cork);
- Significant sales growth of broken, regranulate and CorkSorb;
- Development of initiatives to enhance the activity and leadership in this area of cork products (Moda Lisboa, Istanbul Design Biennial, etc.);
- EBITDA growth of 23% justified by increased sales and prices.



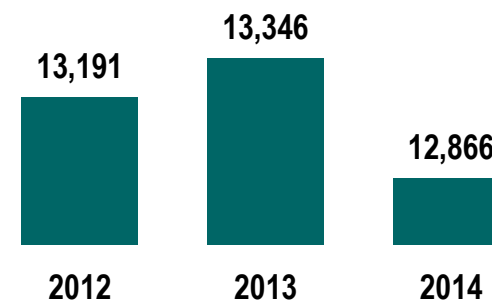
EBITDA_{current}



☐ Outlook

- Relevance MDFacades;
- Greater visibility and use of BU products

Total Assets*



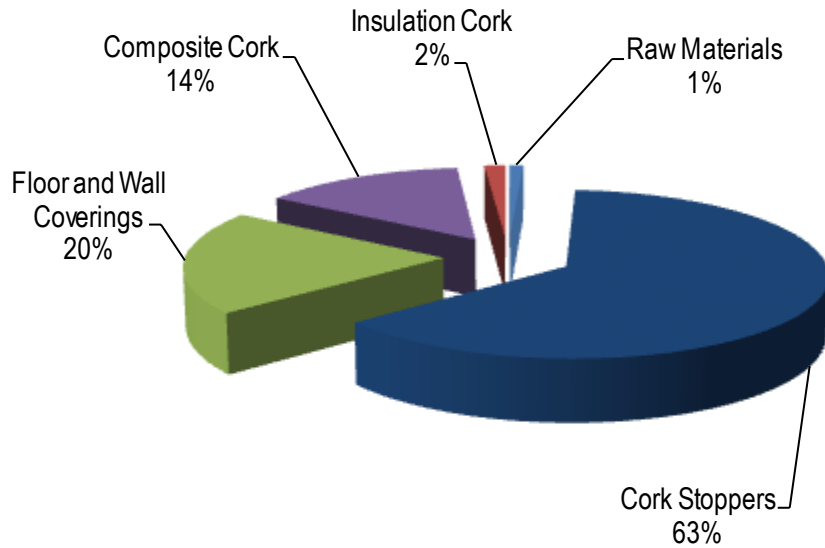
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Appendices

- Consolidated indicators
- Financial statements

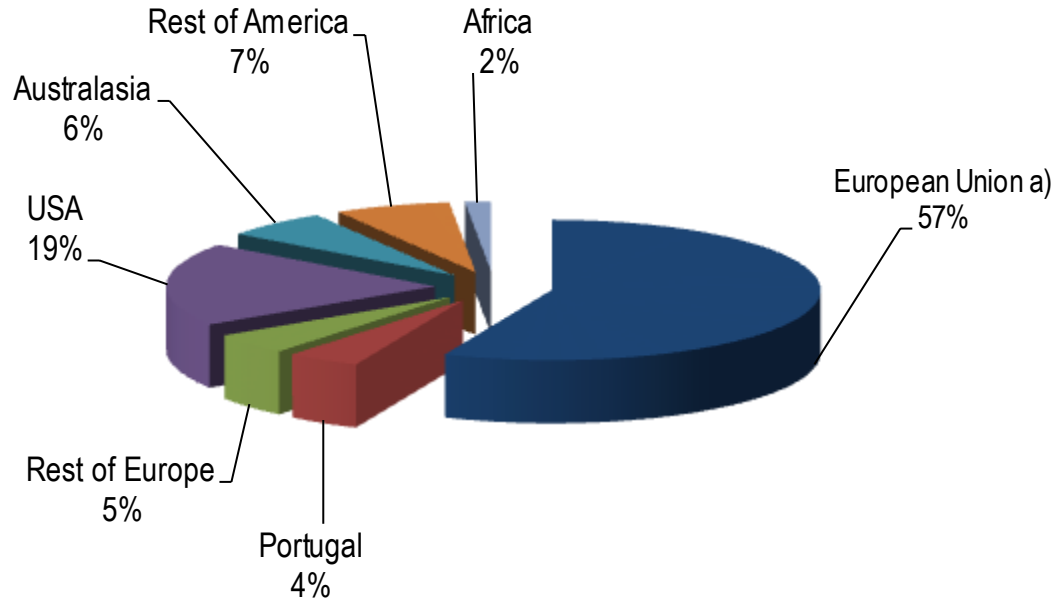
Unit: thousands of euros

Breakdown Sales by Business Unit



	2012	2013	2014
Raw Materials	1.4%	0.9%	0.9%
Cork Stoppers	59.4%	60.7%	63.1%
Floor and Wall Coverings	23.0%	21.9%	20.2%
Composite Cork	14.5%	15.2%	14.2%
Insulation Cork	1.6%	1.3%	1.5%

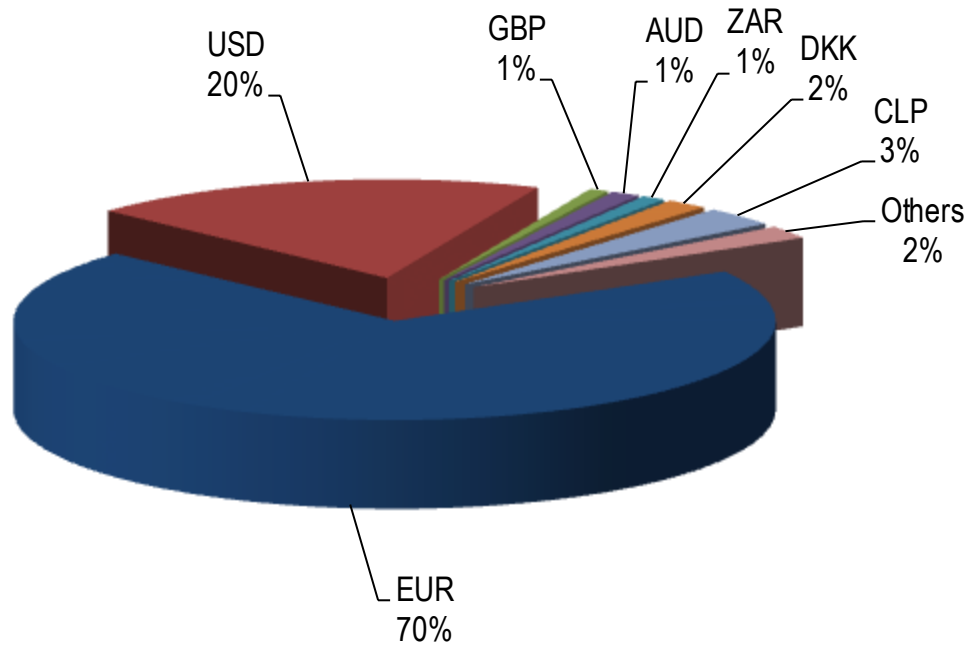
Breakdown Sales by Geographic Areas



	2012	2013	2014
European Union a)	54.5%	55.7%	56.5%
Portugal	5.0%	5.0%	4.4%
Rest of Europe	7.1%	6.0%	4.9%
USA	18.0%	18.3%	19.3%
Australasia	6.8%	6.6%	6.4%
Rest of America	6.8%	6.8%	7.0%
Africa	1.7%	1.6%	1.6%

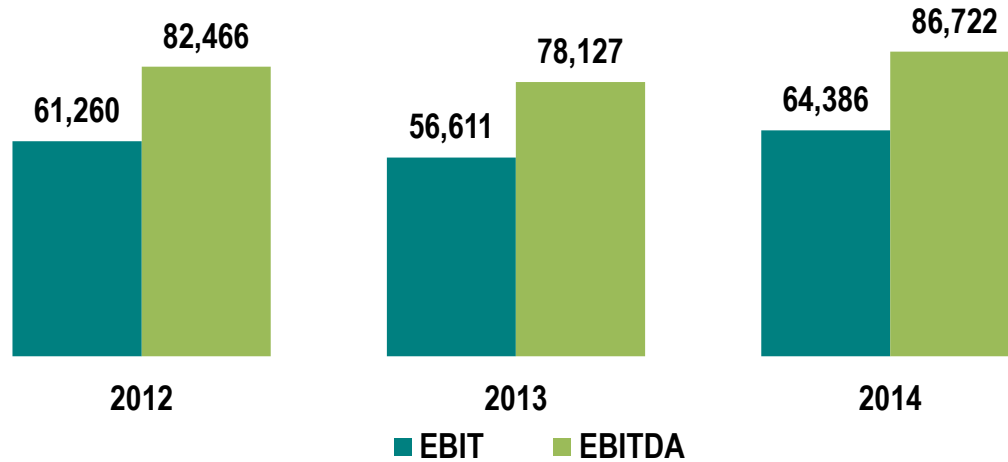
a) Includes Switzerland and Norway and excludes Portugal.

Breakdown Sales by Currency



	2012	2013	2014
EUR	69.0%	71.8%	70.3%
USD	19.5%	18.2%	19.6%
GBP	0.7%	0.8%	0.8%
AUD	2.0%	1.3%	1.2%
ZAR	1.1%	0.9%	1.0%
DKK	1.8%	1.7%	1.8%
CLP	3.3%	3.1%	3.2%
Others	2.7%	2.2%	2.2%

EBIT & EBITDA evolution

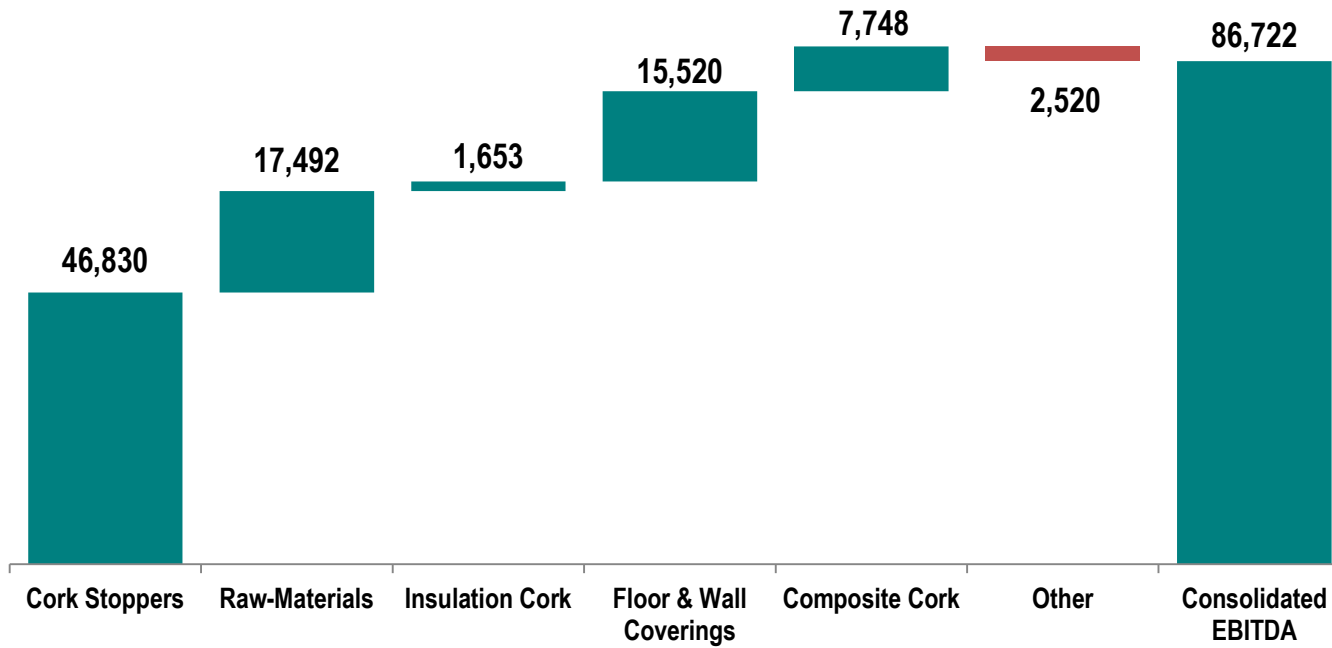


	2012	2013	2014
Gross Margin	273,960	277,483	283,583
Other operating costs (current) ¹	212,700	220,872	219,197
EBIT	61,260	56,611	64,386
EBITDA	82,466	78,127	86,722

¹ Excludes non current costs and severance costs (2014: 6354)



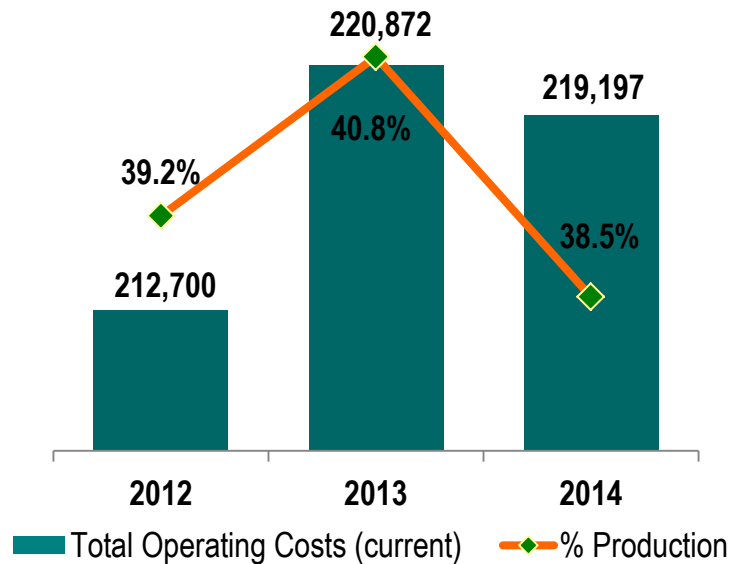
Breakdown EBITDA by Business Unit



	2012	2013	2014
Raw Materials	17%	20%	20%
Cork Stoppers	54%	51%	52%
Floor and Wall Coverings	17%	19%	17%
Composite Cork	10%	8%	9%
Insulation Cork	2%	2%	2%

Operating Costs Breakdown

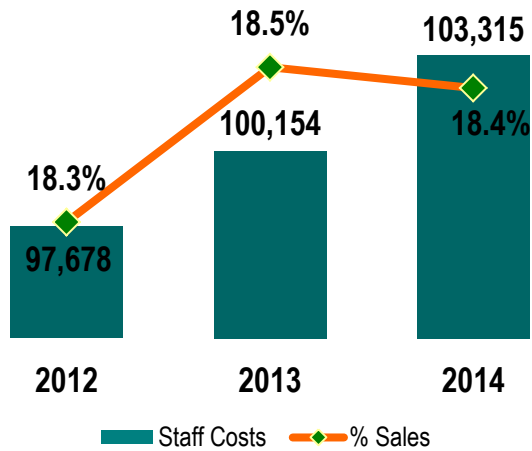
Value and % (production):



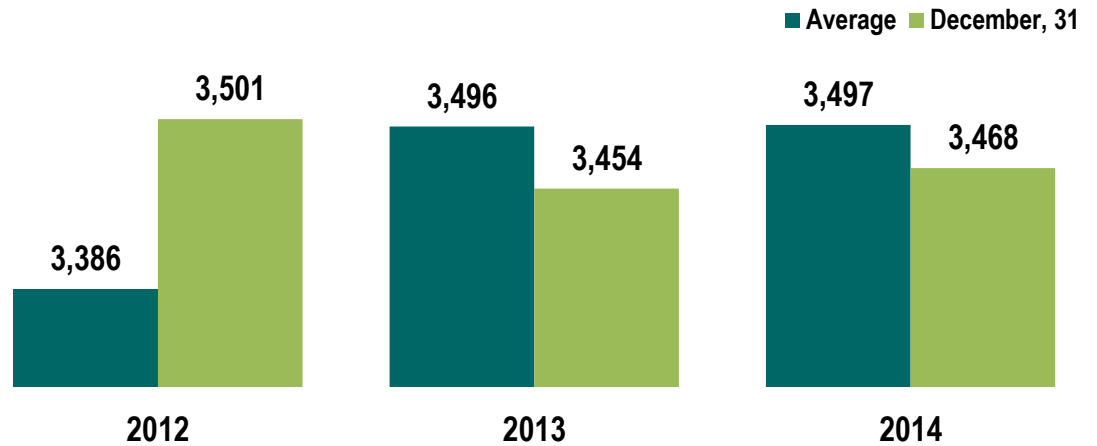
	2012	2013	2014
External supplies	93,205	97,266	96,429
Staff costs	97,678	100,154	103,315
Depreciation	21,206	21,516	22,336
Provisions	1,007	1,930	-414
Other operating expenses and profits	397	-6	2,469
Total Operating Costs (current)	212,700	220,872	219,197
% Production	39.2%	40.8%	38.5%

Staff Costs

Value and % (sales):

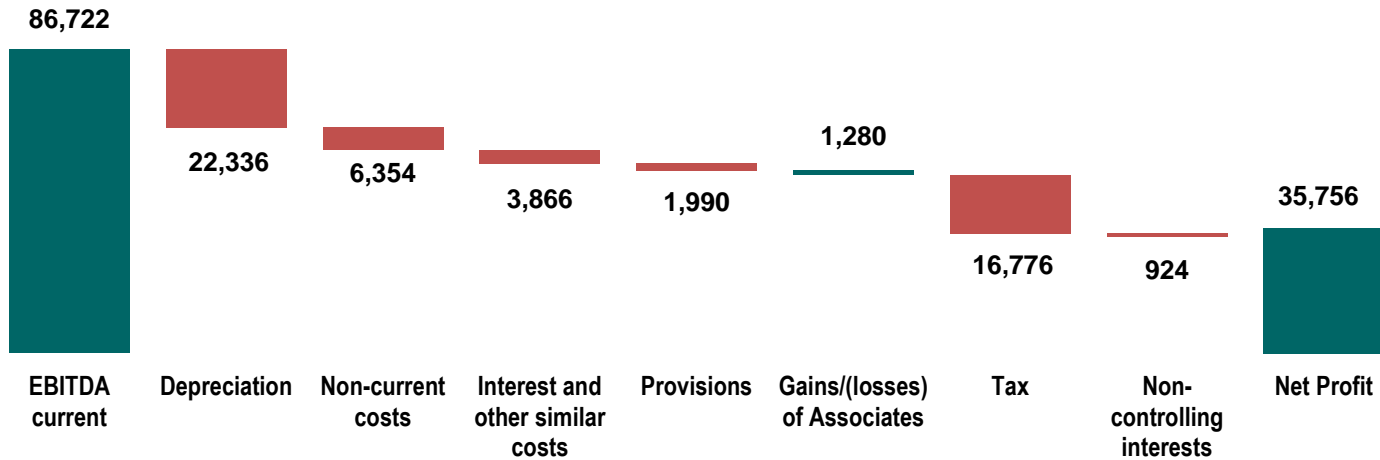


Number of employees:



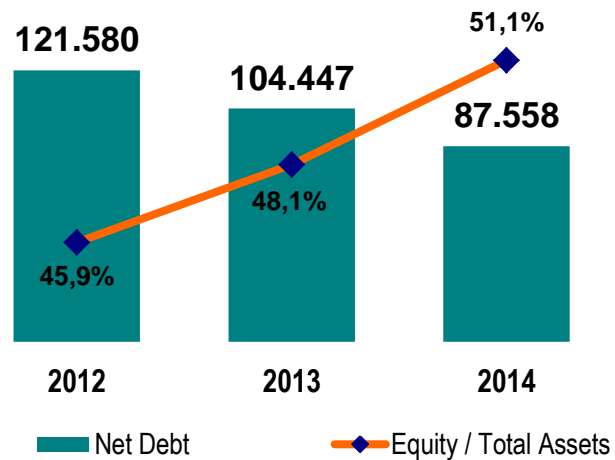
a) Does not includes perimeter effect (Trefinos 74 and Timberman 10)

Net Profit



	2012	2013	2014
EBIT current	61,260	56,611	64,386
Net financial costs	6,153	7,794	5,856
<i>Interest and other similar costs</i>	<i>6,153</i>	<i>5,137</i>	<i>3,866</i>
<i>Provisions</i>	<i>0</i>	<i>2,657</i>	<i>1,990</i>
Restructuring costs	6,153	5,137	3,866
(loss)/profit of associates	-192	692	1,280
EBT	47,936	49,509	53,456
Tax	16,203	18,551	16,776
Minority interests	678	620	924
Net Profit	31,055	30,339	35,756

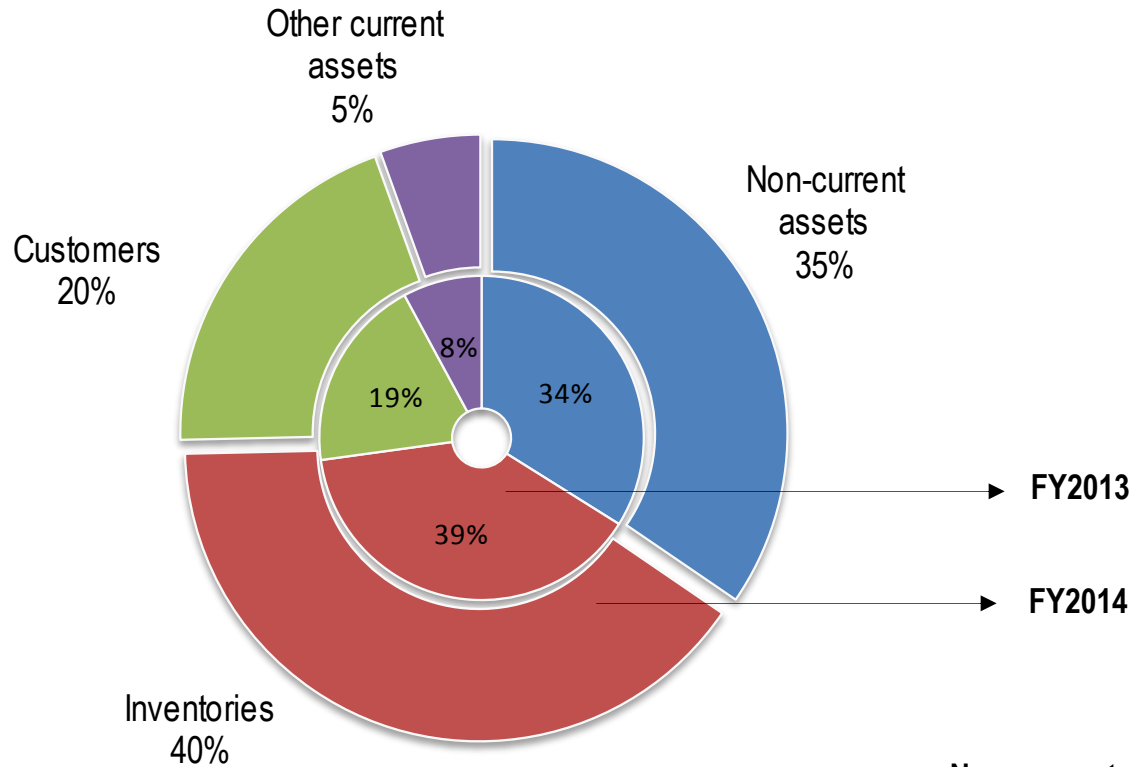
Net debt and Equity/ Total Assets:



	2012	2013	2014
Net Debt	121,580	104,447	87,558
Equity and Minority interests	295,247	301,737	315,569
EBITDA / Net Interest *	200,261	225,700	312,557
Equity / Total Assets	45.9%	48.1%	51.1%
Gearing	41.2%	34.6%	27.7%

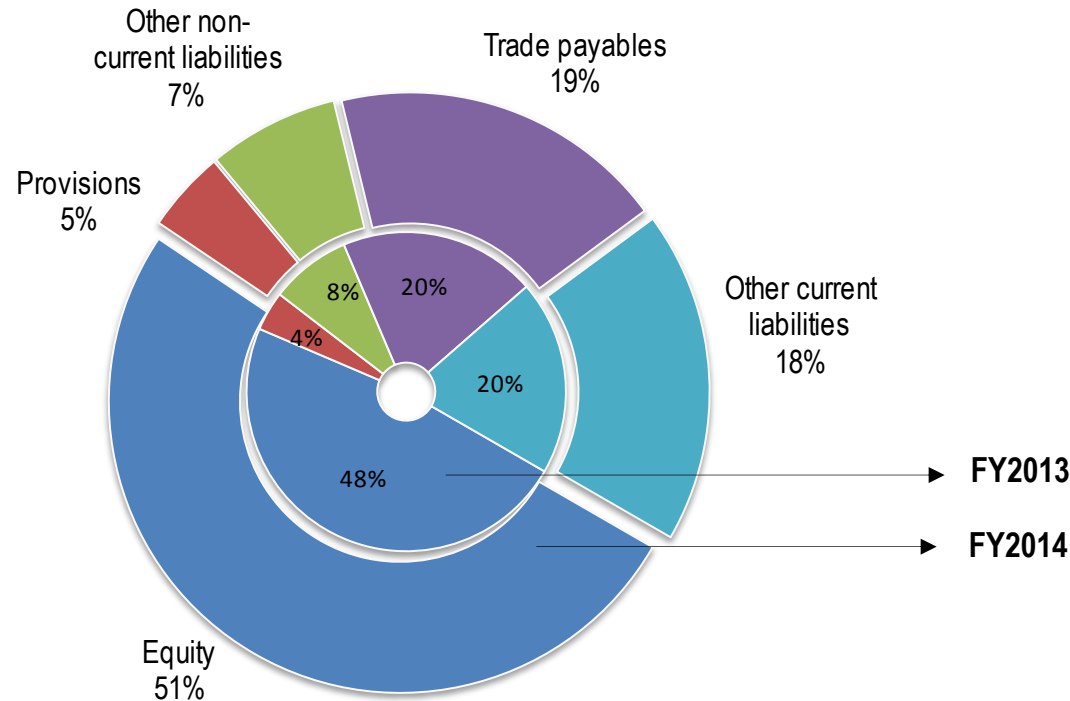
* Net interest includes interest from loans deducted of interest from deposits (excludes stamp tax and commissions)

Total Assets



	2012	2013	2014
Non-current assets	213,168	212,744	213,265
Inventories	231,211	244,063	247,633
Customers	124,108	121,069	122,606
Other current assets	75,279	49,431	33,942
Total Assets	643,767	627,307	617,446
Capex	21,373	26,834	21,220

Equity and Liabilities



	2012	2013	2014
Equity	295,247	301,737	315,569
Provisions	21,038	25,085	27,951
Other non-current liabilities	72,080	51,353	44,727
Trade payables	99,240	125,203	115,303
Other current liabilities	156,162	123,929	113,896
Total Liabilities	348,520	325,570	301,877

Consolidated Statement of Financial Position

	December 2014	December 2013
Non-current assets	213,265	212,744
Current assets		
Inventories	247,633	244,063
Other current assets	156,548	170,499
Total current assets	404,181	414,562
Total Assets	617,446	627,307
Equity (M. I. included)	315,569	301,737
Non-current liabilities		
Bank borrowings	26,225	33,623
Other non-current liabilities	46,453	42,815
Total non-current liabilities	72,678	76,438
Current liabilities		
Bank borrowings	67,369	78,612
Other current liabilities	161,830	170,520
Total current liabilities	229,199	249,132
Total Liabilities and Equity	617,446	627,307

Key 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	38.19	25.28	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



AMORIM

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