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Corticeira Amorim, SGPS, S.A.
Public company
Edifício Amorim I
Rua de Meladas, n.º 380
4536-902 Mozelos VFR
Portugal

Share capital: € 133 000 000,00
A company incorporated in
Santa Maria da Feira - Portugal
Registration number and corporation
tax ID number: PT 500 077 797

About Corticeira Amorim SGPS, S.A.:
While tracing its roots to the XIX Century, Corticeira Amorim SGPS has become the world's largest cork and cork-derived company in the world, generating more than Euro half billion in sales throughout 103 countries. Corticeira Amorim SGPS and its subsidiaries are an integral part of a conservationist effort to guarantee the survival of hundreds of thousands of cork trees throughout the Mediterranean Basin. We are proud of our contribution to the correct utilisation of these important forests that are home to several endangered species throughout the region. We encourage you to learn more by visiting informative websites such as www.amorim.com and www.amorimcork.com

Corticeira Amorim's sales reach €542.5 million in 2013

Highlights

- Sales grow 2.6% and hit a new record
- EBITDA totals € 78.1 million and the net profit amounts to € 30.3 million
- U.S. strengthens its position as the largest importer of Corticeira Amorim
- The Board of Directors proposes that a dividend of € 0.12 per share be paid

Mozelos, Portugal, February 20, 2014 – Corticeira Amorim's financial year 2013 was one of its best ever, with consolidated sales totaling 542.5 million euros (€ M).

This performance has been, however, affected by the depreciation of Amorim's main export currencies. The US dollar depreciation had by far the greatest negative impact both on sales and on the financial result.

In spite of this constraint, the United States of America strengthened in 2013 its position as the largest importer of Amorim cork.

EBIDTA for the full year 2013 was € 78.1 M, down from € 82.5 M YoY. Net profit before tax totaled € 49.5 M, up from € 47.9 M € a year ago.

Based on an income tax estimate of € 18.6 M and non-controlling interests of € 0.6 M, the net profit attributable to shareholders of Corticeira Amorim is € 30.3 M.

Operating activities by Business Unit (BU)

The business of the **Raw Materials BU** decreased slightly. This situation had been anticipated and reflects the BU's strategy to ensure its raw cork requirements for 2013 during the cork harvesting season in 2012.

Nevertheless, the BU's net profit for the year was higher as compared to the year 2012. A main contributory factor to that increase was the impact of an improved industrial efficiency program that is being currently implemented.

The **Cork Stoppers BU** has achieved profitable growth consistent with previous years. The BU reaffirms its relentless commitment towards a profitable growth strategy.

The Cork Stoppers BU's turnover was positively affected by the inclusion of the Trefinos group's operations in the BU in 2013, but this inclusion has conditioned the operating efficiency levels achieved in previous years.

The BU's sales grew by 3.1% compared to 2012. However, without the inclusion of the Trefinos group's operations in the BU, the sales of the Cork Stoppers BU would have decreased by 1% in value and 2.2% in volume.

As far as product families is concerned, the increase in sales of Neutrocork stoppers and champagne corks is worth a special mention. On the contrary, there was a decline in sales of Twintop corks. Sales of natural corks - the most important product manufactured by this BU - were similar to those of 2012.

Total sales of the **Floor and Wall Coverings BU** declined in 2013 compared to 2012. As a result of a strategic decision to disinvest in trade products, this decrease was widely expected. The current product portfolio focuses on higher value-added products manufactured by the BU and shows already a remarkable growth.

As far as product lines is concerned, the sales performance of the Artcomfort and Vinylcomfort product ranges deserves a special mention.

The **Cork Composites BU's** turnover rose significantly by 9.4% in 2013. The turnover's increase was strongly supported by reduced-margin sales of cork products to other Corticeira Amorim's BUs.

As a result, EBITDA contracted by 18.2% to € 7.3 M YoY.

If, on the one hand, the development of applications with greater potential is still below expectations, on the other hand, the development of new products and their gradual introduction into the market has largely contributed to increase the sales volume of innovative products and/or applications.

The construction industry grew again in 2013. Positive developments were also observed in the Transportation and Consumer Goods sectors. There was a decrease in sales of major product lines (industry, sealing and automotive products segments).

The **Insulation Cork BU's** sales fell by 10 % in 2013 compared to 2012. This decrease is a direct result of particularly unfavorable economic conditions affecting public and private consumption and investment, that impacted negatively on different divisions of the Insulation Cork BU.

Notwithstanding the decrease in sales, especially to the European markets, the BU has managed to maintain the gross profit margin at nearly the same level as in same period last year, despite the increase in the average consumer price of raw cork and the unfavorable exchange rate between the billing currency (US dollar) and the euro.

The BU implemented a series of initiatives throughout 2013 to enhance its business activities and leadership in offering sustainable, high performing and top quality products and solutions.

Net Interest Bearing Debt decreases and Total Equity to Total Assets Ratio increases

Corticeira Amorim's total equity to total assets ratio at the end of 2013 was 48.1%, up from 45.9% in 2012. In its turn, net interest bearing debt decreased to € 104.4 M at the end of 2013, compared to € 121.6 M a year ago.

The reduction in net debt to EBITDA ratio to 1.3x at the end of 2013 from 1.47x a year ago is worth a special word of notice.

Gross Profit Margin and EBITDA have been heavily adversely affected by the above mentioned exchange rate depreciation against the main trading partners' currency. The adverse effect of € 7 M in sales has been substantially replicated in EBITDA. The positive effects of efficiency improvements achieved by some BUs have not been sufficient to offset the adverse exchange rate impacts as well as the continuous negative effects of transportation and energy costs. Ongoing EBITDA was € 78.1 M in 2013, some € 4.4 M less than in 2012.

Dividend Payout

The Board of Directors proposes that the Annual General Meeting on 24 March resolve on the payment of € 0.12 per share as dividend from the distributable assets of Corticeira Amorim in the amount of € 15.96 M.

Consolidated Key Indicators

(thousand euros)

	2013	2012	Variation	4Q13	4Q12	Variation	
Sales	542,500	534,240	1.5%	123,359	125,749	-1.9%	
Gross Margin – Value	277,483	273,960	1.3%	67,765	66,195	2.4%	
	1)	51.2%	50.5%	+ 0.7 p.p.	49.9%	50.8%	-0.88 p.p.
Operating Costs – current	220,872	212,701	3.84%	54,332	52,191	4.10%	
EBITDA – current	78,127	82,465	-5.3%	19,028	20,061	-5.1%	
EBITDA/Sales	14.4%	15.4%	-1.03 p.p.	15.4%	16.0%	-0.53 p.p.	
EBIT – current	56,611	61,259	-7.6%	13,433	14,004	-4.1%	
Non-current costs	2)	0	6,978	-	0	2,384	-
			100.00%				
Net Income	30,339	31,055	-2.31%	5,204	4,567	13.95%	
Earnings per share	0.242	0.246	-1.87%	0.041	0.036	14.33%	
Net Bank Debt	104,447	121,579	-17.132	-	-	-	
Net Bank Debt/EBITDA (x)	4)	1.30	1.47	-0.17 x	-	-	-
EBITDA/Net Interest (x)	3)	20.81	17.18	3.64 x	25.28	20,53	4.75 x
Equity/Net Assets	48.1%	45.9%	+ 2.24 p.p.	-	-	-	

1) Related to Production

2) Goodwill impairment and other impairments

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

4) Current EBITDA of the last four quarters