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

CONSOLIDATED ACCOUNTS
(Interim – Unaudited)

1st Quarter 2016
(1Q16)

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,

In accordance with the law, the Directors of CORTICEIRA AMORIM S.G.P.S., S.A., a public company, present their

CONSOLIDATED MANAGEMENT REPORT INTERIM

1. INTRODUCTION

The decrease of the major economies in the first quarter of 2016 (1Q16) have been less severe than announced. Even, the long-time feared Chinese economy inflection, turned out to be much softened.

CORTICEIRA AMORIM activity does not have resented such an announcement. On the contrary, CORTICEIRA AMORIM continued to show considerable growth of its sales. And now, no longer shielded in highly favourable currency effects. In fact, during the 1Q16 exchange rate impact in sales has not even reached the value of one million euros, a tiny fraction of the rise of over 9 million euros (M€) recorded in the quarter compared to the same quarter 2015. Even taking into account a perimeter effect of about € 1.5 million, organic growth is noted.

All Business Units (BU) had sales growth, either total or to end customers. Special reference to the Cork Stoppers BU, which continued to show a remarkable performance (+7.8%). Special note for the resumption of growth in Floor & Wall Coverings BU (+ 4.1%).

Contrary to registered in recent quarters where volume effect justified about half the growth, in the first three months of the year the sales increase resulted mainly from this effect with all of the BU registering increases in quantities sold.

Sales reached 156.7 M€, an increase of 9.3 M€ (+ 6.3%) compared to 147.4 M€ in the first three months of 2015.

A good record in terms of operating costs allowed EBITDA to present a very positive growth, reaching 27.6 M€, an increase of almost 16%. This performance allowed a 17.6% ratio to sales. Increasing operational efficiency and a more favourable sales mix supported such a trend. This percentage was placed well above the 1Q15 ratio (16.2%) and even better than the ratio obtained throughout 2015 (16.7%).

Further improvement in the financial function was achieved by both interest rates and debt lower than in the same quarter 2015. The estimated income tax did not suffer the effects of provisions for tax lawsuits, and even the amount recorded in the quarter was benefited by a gain on the year 2014 tax statement.

After the results attributed to non-controlling interests, net profit reached 13.913 M€, an increase of 64.7% over the figure of 8,446 M€ booked in the first three months of 2015.

2. ACTIVITY DURING 1Q16

Raw Materials BU showed an increase in activity directed into the Group (+7.6%), having followed the increase recorded in Cork Stoppers BU, its main customer.

EBITDA was 3.8 M€, lower than 1Q15 (6.5 M€). This unfavourable change, already felt during the last quarters of 2015, had its origin in the absorption by this BU of the cork price increase in the 2014 harvesting campaign. The control of operating costs and the increased activity softened the effects of the said price increase.

During the quarter the preparation of the 2016 cork campaign took place as planned, having met the targets set for this period.

Cork Stoppers BU sales reached 102.4 M€, a rise of 7.8%, driven by volume and especially by the sales mix effect (more natural corks). Also noteworthy is the effect of the set-up in the second half of 2015 of two new distribution companies (USA and Portugal).

Good performance in terms of natural and Neutrocork® stoppers, with emphasis on the impact of the new stopper Neutrocork Premium®. In the quarter NDTech stopper sales was initiated.

By markets must note the favourable evolution of the three main geographic sales destinations (France, United States and Italy). French market resumed its dynamics which was affected in 2015 due to the unfavourable 2014 wine crop.

The increased activity in conjunction with the effect of a better sales mix and stable operating costs, resulted in a growth of about 36% of the EBITDA (17.8 M€).

Composite Cork BU, though hardly benefiting from the exchange rate effect, recorded sales which amounted to 24.4 M€, an increase of 5% compared to 1Q15. The Furnishings and Retail segments, as well as providing inlay for Hydrocork Floor & Wall Coverings BU, justified a significant part of this increase. Sales growth in Asia must be noted.

The improvement in the percentage gross margin, which benefited from the price decrease and better performance of some of the raw materials, increased activity and stable operating costs led to an EBITDA of 4.4 M€, which more than doubled the value achieved in the same quarter of 2015 (2.1 M€). Note that with the value obtained in the first quarter, and for the first time in many years, the EBITDA / Sales BU ratio (17.9%) failed to weigh negatively on the consolidated ratio of CORTICEIRA AMORIM.

Floor & Wall Coverings BU managed to present a quarter sales growth of 4.1%. Reaching 29.7 M€, sales seem to have managed to reverse a decline cycle of several quarters, except for the slight increase observed in 3Q15. Note that the improvement is due to sales of manufactured products (+ 7%). Of these, the highlight is Hydrocork. Sales of this new product started in early 2015. During 1Q16, Hydrocork represented already more than 10% in weight of total sales. The enormous potential associated with this product and the successive growth of its sales may justify the attribution of Hydrocork as the event of the quarter.

By markets is important to mention that Eastern Europe, especially Russia, continued to show no signs of improvement. By contrast, activity in 1Q16 was still lower than the same period of 2015. The sales growth was thus achieved in other markets, among which we should highlight the US.

Although the percentage gross margin has deteriorated as a result of the change in the sales mix, increased activity and some reduction in operating costs led to a rise in EBITDA to € 2.8 million (1Q15: 1.8 M€). Despite this improvement, which is, however, to point out, EBITDA / Sales BU ratio (9.5%) is still well below the consolidated ratio of CORTICEIRA AMORIM.

Insulation Cork BU, reaching 2.9 M€ sales, showed the most significant sales growth of all BU (+ 25%). There is to be noted, however, that part of this increase relates to an internal supply to Cork Composites BU. In terms of sales to end customers, Insulation Cork BU presented yet a sales variation of +11.8%. Sales of its flagship product, expanded cork agglomerate, to register an increase in volume of 20%, and the increase also recorded in sales of specialties such as MDFachada, justify such variation.

By markets the positive performance of the Iberian market must be noted.

As operating costs have not accompanied the growth of activity, the EBITDA presented a favorable variation of 29% to 0.7 M€.

3. NDTECH

Culminating a five years R&D project developed in partnership with a British company specializing in gas chromatography, a truly innovative technology for the cork industry was implemented, which for the first time, allows to offer wine producers natural cork stoppers, with a guaranteed no detectable TCA*. NDTech is a revolution in quality control top technology, as it introduces individual control of each cork stopper in production lines.

NDTech is able to detect any cork with more than 0.5 nanograms / liter (parts per trillion) of TCA, removing it immediately from the automatic production line. This level of accuracy on an industrial scale is surprising, given that the detection threshold of 0.5 nanograms / liter may be equivalent to a drop of water in 800 Olympic swimming pools.

The performance of NDTech was validated by the world's leading organizations in research associated with the wine industry - Geisenheim University, Germany, and Australian Wine Research Institute, being the only quality control technology and detection of TCA to receive validation by both organizations.

NDTech is being initially applied to the range of premium natural cork stoppers of CORTICEIRA AMORIM, having already begun their marketing. The receptivity of wine producers has been, as expected, very positive, given its importance in premium packaging wine.

The development of NDTech is the culmination of a series of measures aimed at an impeccable sensory control of natural cork, which is long been considered to be the benchmark of the sealing industry and the one that adds more value to the wine.

* Content of releasable TCA less than 0.5 ng / L quantification limit; analysis conducted in accordance with the ISO 20752 standard.

4. CONSOLIDATED INCOME STATEMENT AND FINANCIAL POSITION OF CORTICEIRA AMORIM (BALANCE SHEET)

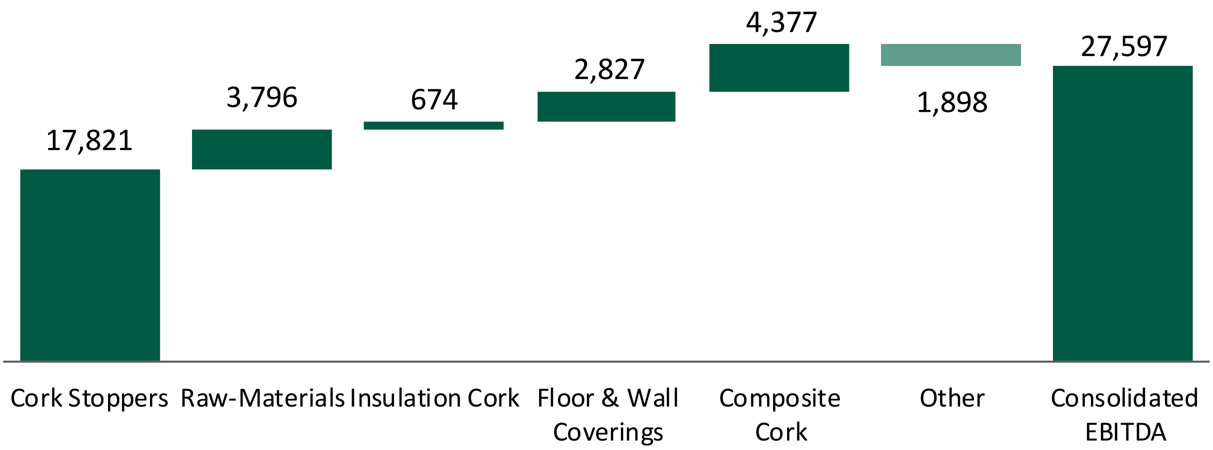
As mentioned, the increase in sales was mainly due to the volume effect, since, unlike the previous quarters, the exchange rate effect was relatively immaterial. The sales mix effect, especially seen in Cork Stoppers BU, eventually also has some weight in that increase.

In comparison with the 1Q15, growth of 9 M€ in sales turned out to be somewhat offset by production variation (9 M€ decrease). A better percentage margin, the result of a better sales mix, allowed the gross margin value to have an increase of a little more than 3 M€.

Operating costs, rising by about 1.7 M€ in staff costs and supplies and services is largely explained by the effect of the entry of new companies. Of the remaining operating costs constituents of the EBITDA, the favourable variance was about 1.8 M€. This means that, in practical terms, there was no change in the operating costs of the EBITDA.

Note that said favorable variance of 1.8 M€ came largely from the fact that the result of currency hedging in 1Q16 was within a range considered normal for the level of the live open hedged items, not the case of 1Q15, which was abnormally unfavorable.

As a result of the effects of the sales increase, gross margin and operating costs, EBITDA increased by 15.9%, reaching 27.6 M€. As mentioned above, this absolute value is a percentage of 17.6% of sales, which compares favourably with either the ratio of the same quarter 2015 or the ratio for full 2015.



During the quarter were recorded non-recurring expenses in the amount of 1.68 million euros. This figure is the record of a provision relating to labour and customs procedures in Amorim Argentina. Note that this subsidiary has no activity for more than four years and is in the course of a complex liquidation process. Additionally, in the area of the stoppers it was also expensed a value concerning business started in the previous year, as well as a settlement related to non-controlling interests originating in a northern African subsidiary.

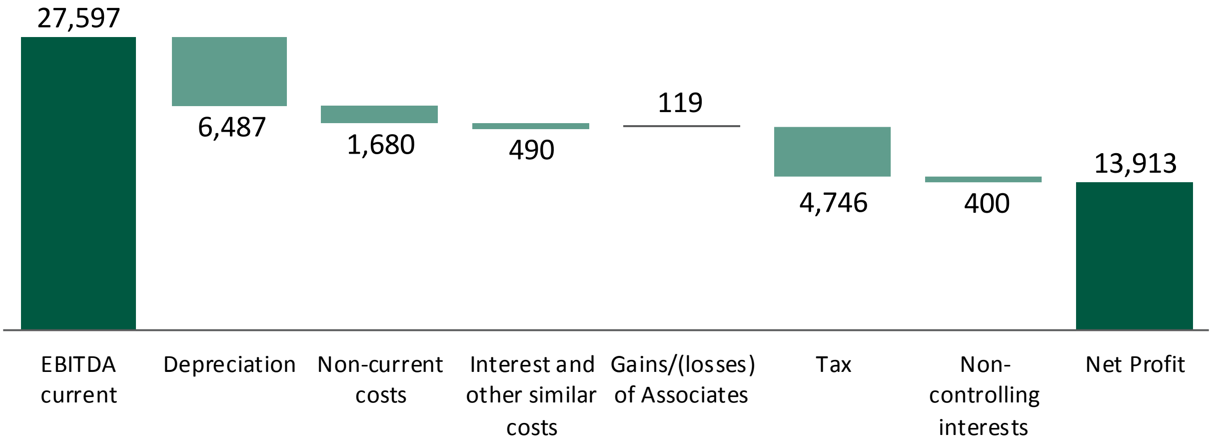
Average debt and lower interest rates benefited once again the financial function. The net amount of the expenses of this function was 490 K€, compared with the value of 648 K€ in the same quarter of 2015.

The result of associates was lower than the 1Q15. This is due to the lack of timely availability of financial information of some of the associates. Registration of its share of results will only be booked in the half-yearly accounts. In terms of balance sheet, the information relating to December 2015 was used.

As mentioned, the estimated tax on income, contrarily to what happened in 1Q15, was not affected by provisions related to tax law suits. On the contrary, the estimate has benefited from a gain on the income tax declaration for the year 2014. As usual tax benefits to investment (RFAI and SIFIDE) will only be possible to estimate at the end of the year. Thus the possible tax gain will only be recorded in the 2016 accounts closure.

After 4.7 M€ tax estimate and allocation of results to non-controlling interests, net profit attributable to CORTICEIRA AMORIM shareholders reached 13.913 M €, up 65% compared to the results of 8,446 M€ of 1Q15.

Earnings per share were 0.105 €, with earnings per share in 1Q15 been 0.067 €.



The balance at the end of March 2016 reached 671 M€, not very different from the value recorded in December 2015, but about 27 M€ higher than twelve months ago.

The stability observed in the first quarter in asset value results in large measure from the specific stability seen in the recorded value for the sum of inventory item and customers (405 M€ in the two closing dates). In turn, the stability of the second member (liabilities plus equity), was achieved by an almost symmetrical variation caused by the recognition of the profit of the period (14 M€), versus the sharp fall in the value of suppliers (22 M€) offset by the increase of the debt (4 M€) and the amount of tax payable (5 M€).

In terms of the twelve months variation, the increase of around 27 M€ in assets, resulting largely from the increase in the value set of inventory and customers (+15 M€ by virtue of increased purchased cork and an increase of activity that was reflected in customer accounts). The remaining, about 12 M€, mainly resulted from the increase in tangible fixed assets value (9 M€). This increase stems from a value of CAPEX of 34 M€, which must be deducted a value depreciation of the four quarters of about 25 M€.

In the second member changes in equity in the four quarters (March to March) was somehow complex, as it involved the sale of treasury stock operation carried out last September. But simply put, it can be said that this transaction was neutral in terms of equity, since basically the positive change recorded by the sale was annulled by the effect of the second distribution of dividends at the end of 2015.

So there is the positive change brought about by the profits of the four quarters (+60 M€), reduced by the amount of dividends paid in April 2015 (-18 M€), ie an increase of 42 M€. This means that the liabilities have decreased by around 15 M€. In fact this resulted in the net debt reduction (-3 M€) and suppliers reduction (-13 M€).

At the end of the quarter, net debt amounted to 87.1 M€, an increase of 3.2 M€ compared to the closing of 2015. The release of funds was not enough to offset the value of CAPEX and the significant increase in needs working capital.

In late March 2016, the equity was 368.5 M€. Equity/Net Assets amounted to 55%.

5. CONSOLIDATED INDICATORS

		1Q16	1Q15	Variation
Sales		**156,691**	147,351	6.3%
Gross Margin – Value		**82,406**	79,176	4.1%
	1)	**51.7%**	49.7%	+ 2. p.p.
Operating Costs - current		**61,296**	61,582	-0.5%
EBITDA - current		**27,597**	23,803	15.9%
EBITDA/Sales		**17.6%**	16.2%	+ 1.5 p.p.
EBIT - current		**21,110**	17,594	20.0%
Non-current costs	2)	**1,680**	2,909	-42.25%
Net Income		**13,913**	8,446	64.7%
Earnings per share		**0.105**	0.067	56.3%
Net Bank Debt		**87,123**	90,340	- 3,217
Net Bank Debt/EBITDA (x)	3)	**0.83**	0.96	-0.13 x
EBITDA/Net Interest (x)	4)	**82.3**	54.7	27.61 x
Equity/Net Assets		**55.0%**	50.9%	+ 4. p.p.

1) Related to Production
2) Figures refer to the provision for labor and customs litigation in Amorim Argentina, deferred costs concerning business started in the previous year and adjustments related to non-controlling interests (2016) and write-off of Goodwill (2015)
3) Current EBITDA of the last four quarters
4) Net interest includes interest from loans deducted of interest from deposits (excludes stamp tax and commissions)

6. SUBSEQUENT EVENTS

In line with a motion put forward by the CORTICEIRA AMORIM board, at the Annual General Meeting held on March 30, 2016, it was decided that a dividend of € 0.16 per share would be paid. The dividend was paid on April 28, 2016.

Mozelos, May 2, 2016

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

FINANCIAL REPORT INTERIM

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

thousand euros

	March 2016	December 2015	March 2015
Assets			
Property, plant and equipment	191,104	190,352	182,546
Investment property	4,916	5,008	5,082
Investments in associates	13,322	13,304	11,376
Intangible assets	2,623	2,489	1,106
Other financial assets	3,930	4,177	3,778
Deferred tax assets	9,538	8,359	7,961
Other non current assets	**225,434**	**223,690**	**211,849**
Inventories	257,194	271,705	247,330
Trade receivables	147,716	132,545	142,808
Current tax assets	2,484	3,139	1,417
Other current assets	29,232	28,678	32,231
Cash and cash equivalents	8,618	7,461	8,548
Current assets	**445,244**	**443,530**	**432,333**
Total Assets	**670,678**	**667,219**	**644,182**
Equity			
Share capital	133,000	133,000	133,000
Own shares	0	0	-7,197
Other reserves	207,821	152,754	179,620
Net Income	13,913	55,012	8,446
Minority interest	13,806	13,368	14,166
Equity	**368,540**	**354,133**	**328,034**
Liabilities			
Interest-bearing loans	41,571	41,211	61,910
Other borrowings and creditors	10,470	10,015	11,223
Provisions	32,789	32,227	28,738
Deferred tax liabilities	7,025	6,743	7,140
Non-current liabilities	**91,856**	**90,196**	**109,011**
Interest-bearing loans	54,170	50,146	36,978
Trade payables	98,648	121,184	111,172
Other borrowings and creditors	50,635	49,518	52,227
Tax liabilities	6,830	2,042	6,760
Current liabilities	**210,283**	**222,890**	**207,137**
Total Liabilities and Equity	**670,678**	**667,219**	**644,182**

CONSOLIDATED INCOME STATEMENT

thousand euros

	March 2016	March 2015
Sales	156,691	147,351
Costs of goods sold and materials consumed	77,019	80,062
Change in manufactured inventories	2,734	11,887
Gross Margin	**82,406**	**79,176**
	51.7%	49.7%
Third party supplies and services	24,820	24,409
Staff costs	29,426	28,102
Impairments of assets	-37	612
Other gains	2,728	1,713
Other costs	3,326	3,963
Current EBITDA	**27,597**	**23,803**
Depreciation	6,487	6,209
Current EBIT	**21,110**	**17,594**
Non-current costs	1,680	2,909
Financial costs	511	655
Financial income	21	7
Share of (loss)/profit of associates	119	368
Profit before tax	**19,060**	**14,404**
Income tax	4,746	5,806
Profit after tax	**14,313**	**8,598**
Non-controlling Interest	400	152
Net Income attributable to the equity holders of Corticeira Amorim	**13,913**	**8,446**
Earnings per share - Basic e Diluted (euros per share)	**0.105**	**0.067**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

thousand euros

	March 2016	March 2015
Net Income (before Non-controlling Interests)	**14,313**	**8,598**
Itens that could be reclassified through income statement:		
Change in derivative financial instruments fair value	872	42
Change in translation differences	-754	3,668
Net Income directly registered in Equity	**118**	**3,710**
Total Net Income registered	**14,431**	**12,308**
Attributable to:		
Corticeira Amorim Shareholders	13,993	11,535
Non-controlling interests	438	773

CONSOLIDATED STATEMENT OF CASH FLOW

thousand euros

	March 2016	March 2015
OPERATING ACTIVITIES		
Collections from customers	154,482	143,707
Payments to suppliers	-133,130	-118,312
Payments to employees	-27,951	-22,613
Operational cash flow	-6,599	2,781
Payments/collections - income tax	161	-622
Other collections/payments related with operational activities	9,383	-880
CASH FLOW BEFORE EXTRAORDINARY ITEMS	**2,945**	**1,279**
INVESTMENT ACTIVITIES		
Collections due to:		
Tangible assets	62	148
Others assets	24	30
Interests and similar gains	10	8
Payments due to:		
Tangible assets	-6,229	-3,553
Financial investments	-7	-97
Intangible assets	-192	-28
CASH FLOW FROM INVESTMENTS	**-6,332**	**-3,492**
FINANCIAL ACTIVITIES		
Collections due to:		
Loans	2,427	5,974
Others	970	291
Payments due to:		
Interests and similar expenses	-643	-843
Others	-97	-106
CASH FLOW FROM FINANCING	**2,657**	**5,315**
Change in cash	-730	3,102
Exchange rate effect	-62	114
Cash at beginning	-4,659	-5,799
Cash at end	-5,451	-2,582

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
March 31, 2016							
Equity:							
Share Capital	133,000	-	-	-	-	-	133,000
Paid-in Capital	38,893	-	-	-	-	-	38,893
Hedge Accounting	-169	-	-	-	872	-	703
Reserves							
Legal Reserve	14,294	1,909	-	-	-	-	16,203
Other Reserves	98,590	53,103	0	-	-63	-	151,630
Translation Difference	1,145	-	-	-	-	-754	391
	285,753	**55,012**	**0**	**0**	**809**	**-754**	**340,821**
Net Profit for the Year	55,012	-55,012	-	13,913	-	-	13,913
Minority interests	13,368	-	0	400	-	38	13,806
Total Equity	**354,133**	**0**	**0**	**14,313**	**809**	**-716**	**368,540**
March 31, 2015							
Equity:							
Share Capital	133,000	-	-	-	-	-	133,000
Treasury Stock - Face Value	-7,399	-	-	-	-	-	-7,399
Treasury Stock - Discounts and Premiums	201	-	-	-	-	-	201
Paid-in Capital	38,893	-	-	-	-	-	38,893
Hedge Accounting	-45	-	-	-	42	-	-3
Reserves							
Legal Reserve	12,243	2,051	-	-	-	-	14,294
Other Reserves	89,300	33,705	0	-	9	-	123,014
Translation Difference	226	-	-	-	-	3,196	3,422
	266,419	**35,756**	**0**	**0**	**51**	**3,196**	**305,423**
Net Profit for the Year	35,756	-35,756	-	8,446	-	-	8,446
Minority interests	13,393	-	0	152	-	621	14,166
Total Equity	**315,569**	**0**	**0**	**8,598**	**51**	**3,817**	**328,035**

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 March 31, 2016 corresponding to 51.00 % of its share capital (December 2015: 67,830,00 shares). Amorim Capital - Sociedade Gestora de Participações Sociais, S.A. consolidates in Interfamilia II, S.G.P.S., S.A., which is its controlling and mother company, owned by Amorim family.

These financial statements were approved in the Board Meeting of May 2, 2016. Shareholders have the capacity to modify these financial statements even after their release.

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

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

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Basis of presentation

Consolidated statements were prepared based in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as of March 31, 2016, namely IAS 34 (Interim Report).

Consolidated statements were prepared based on a going concern basis and using the records as stated in the companies' books included in the consolidation which adopted local general accepted accounting principles. Accounting adjustments were made in order to comply with group accounting policies, following the historical cost principle, except for financial instruments, which are registered according to IAS 39.

b. Consolidation

- **Group companies**

Group companies, often designated as subsidiaries, are entities (including structured entities) over which CORTICEIRA AMORIM has control. CORTICEIRA AMORIM controls when it is exposed to, or holds the rights over variable generated returns through its involvement with the entity. It must have also the capacity to influence those variable returns through the power it has over the entity activity.

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.

The values of assets and liabilities acquired as part of a business combination can be reviewed for a period of 12 months from the date of acquisition.

The acquisition cost is subsequently adjusted when the purchase price / allocation is contingent upon the occurrence of specific events agreed with the seller / shareholder.

Any contingent payments to be transferred by the Group are recognized at fair value at the acquisition date. Subsequent changes in fair value that may occur, evaluated as assets or liabilities are recognized in accordance with IAS 39.

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.

The amounts reported by the Group's subsidiaries are adjusted where necessary to conform with the accounting policies of CORTICEIRA AMORIM.

- **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, when no loss of control occurs.

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.

The accounting policies adopted by the associates are adjusted to the accounting policies of the group.

- **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:

	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

Intangible assets are initially measured at cost. Subsequently they are measured at cost less accumulated depreciation.

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 mores used for production, they will be reclassified from tangible fixed asset to investment property.

f. Goodwill

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

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

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

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

g. Non-financial assets impairment

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

For the estimate of impairments, assets are allocated to the lowest level for which there is separate identifiable cash flows (cash generating units).

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

This caption is primarily related to investments in equity instruments available for sale, which have no stock exchange share price and whose fair value cannot be estimated reliably and are therefore measured at cost. Dividends, if any, are recognized in the period in which they occur, when the right to receive is established.

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 fair value and subsequently registered at amortized cost, and 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.

Trade and other receivables are derecognised when the rights to receive cash flows from the investments expire or are transferred, as well as all the risks and rewards of its ownership.

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.

Liabilities are derecognised when the underlying obligation is extinguished by payment, cancelled or expire.

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 tax liabilities are recognized for all taxable temporary differences, except those related to i) the initial recognition of goodwill; or ii) the initial recognition of assets and liabilities that do not result from a business combination, and that at transaction date does not affect the accounting or tax result.

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, contingent assets and liabilities

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.

Contingent assets are not recognized in the financial statements but disclosed when it is probable the existence of an economic future inflow of resources.

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.

Whenever CORTICEIRA AMORIM qualifies as lessee of finance leases, assets under lease are recognized as Tangible Fixed Assets and are depreciated over the shorter of the term of the contract and the useful life of the assets.

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 recorded 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, being transferred to income statement in the same period as the respective hedged item affects results; 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 STATEMENTS

Company		Head Office	Country	1Q16	2015
Raw Materials					
Amorim Natural Cork, S.A.		**Vale de Cortiças - Abrantes**	**PORTUGAL**	**100%**	**100%**
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%
Augusta Cork, S.L.		San Vicente Alcántara	SPAIN	100%	100%
Comatral - C. Marocaine de Transf. du Liège, S.A.		Skhirat	MOROCCO	100%	100%
SIBL - Société Industrielle Bois Liége		Jijel	ALGERIA	51%	51%
Société Nouvelle du Liège, S.A. (SNL)		Tabarka	TUNISIA	100%	100%
Société Tunisienne d'Industrie Bouchonnière	(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%**
ACIC USA, LLC		California	U. S. AMERICA	100%	100%
Agglotap, SA		Girona	SPAIN	91%	91%
All Closures In, S.A..		Paços de Brandão	PORTUGAL	75%	75%
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 Bartop, S.A.		Mozelos	PORTUGAL	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	SPAIN	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%
Bouchons Prioux		Epernay	FRANCE	91%	91%
Chapuis, S.L.		Girona	SPAIN	100%	100%
Corchera Gomez Barris	(d)	Santiago	CHILE	50%	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.		Viena	AUSTRIA	69%	69%
Olimpiadas Barcelona 92, S.L.		Girona	SPAIN	100%	100%
Portocork América, Inc.		California	U. S. AMERICA	100%	100%
Portocork France, S.A.S.		Bordéus	FRANCE	100%	100%
Portocork Internacional, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Portocork Itália, s.r.l		Milão	ITALY	100%	100%
Sagrera et Cie		Reims	FRANCE	91%	91%
S.A. Oller et Cie		Reims	FRANCE	92%	92%
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, PTY Ltd		Adelaide	AUSTRALIA	91%	91%
Trefinos Italia, s.r.l		Treviso	ITALY	91%	91%
Trefinos USA, LLC		Fairfield, CA	U. S. AMERICA	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%

Company		Head Office	Country	1Q16	2015
Floor & Wall Coverings					
Amorim Revestimentos, S.A.		**S. Paio de Oleiros**	**PORTUGAL**	**100%**	**100%**
Amorim Benelux, BV		Tholen	NETHERLAND	100%	100%
Amorim Deutschland, GmbH - AR	(a)	Delmenhorts	GERMANY	100%	100%
Amorim Flooring, SA		S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Flooring (Switzerland) AG		Zug	SWITZERLAND	100%	100%
Amorim Flooring Austria GesmbH		Viena	AUSTRIA	100%	100%
Amorim Flooring Investments, Inc.		Hanover, MD	U. S. AMERICA	100%	100%
Amorim Flooring North America Inc		Hanover, MD	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, GA	U. S. AMERICA	25%	25%
Composites Cork					
Amorim Cork Composites, S.A.		**Mozelos**	**PORTUGAL**	**100%**	**100%**
Amorim (UK) Ltd.		Horsham West Sussex	U.K.	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)	Delmenhorts	GERMANY	100%	100%
Amorim Industrial Solutions - Imobiliária, S.A.		Corroios	PORTUGAL	100%	100%
AmorLink		Istambul	TURKEY	25%	25%
Amosealtex Cork Co., Ltd		Xangai	CHINA	30%	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%
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**	**Holding**	**Holding**
Ginpar, S.A. (Générale d' Invest. et Participation)		Skhirat	MOROCCO	100%	100%
Amorim Cork Research, Lda.		Mozelos	PORTUGAL	100%	100%
Amorim Cork Services, Lda.		Mozelos	PORTUGAL	100%	100%
Amorim Cork Ventures, Lda		Mozelos	PORTUGAL	100%	100%
Corkyn Composites, Lda	(b)	Mozelos	PORTUGAL	25%	25%
Ecochic portuguesas – footwear and fashion products, Lda	(b)	Mozelos	PORTUGAL	24%	24%
TDCork - Tapetes Decorativos com Cortiça, Lda	(b) (e)	Mozelos	PORTUGAL	25%	-
Soc. Portuguesa de Aglomerados de Cortiça, Lda		Montijo	PORTUGAL	100%	100%

(a) – One single company: Amorim Deutschland, GmbH

(b) – Equity method consolidation.

(c) – CORTICEIRA AMORIM controls the operations of the company – line-by-line consolidation method.

(d) – Held directly by Industria Corchera, SA.

(e) – Set-up in 2016.

IV. EXCHANGE RATES USED IN CONSOLIDATION

Consolidation		March 31, 2016	Average 1Q16	March 31, 2015	Average 1Q15
Argentine Peso	ARS	16.71314	15.94094	9.45903	9.78173
Australian Dollar	AUD	1.48070	1.52927	1.41540	1.43129
Lev	BGN	1.95570	1.95573	1.95580	1.95574
Brazilian Real	BRL	4.11740	4.30405	3.49580	3.22363
Canadian Dollar	CAD	1.47380	1.51490	1.37380	1.39573
Swiss Franc	CHF	1.09310	1.09599	1.04630	1.07221
Chilean Peso	CLP	762.210	773.117	669.550	702.659
Yuan Renminbi	CNY	7.35140	7.21015	6.67100	7.02310
Danish Krone	DKK	7.45120	7.46051	7.46970	7.45015
Algerian Dinar	DZD	123.1616	118.7494	104.5440	104.6844
Euro	EUR	1	1	1	1
Pound Sterling	GBP	0.79155	0.77037	0.72730	0.74336
Hong Kong Dollar	HDK	8.8253	8.5819	8.3182	8.7376
Forint	HUF	314.120	312.024	299.430	308.889
Yen	JPY	127.900	126.997	128.950	134.121
Moroccan Dirham	MAD	10.9561	10.8101	10.6843	10.7970
Zloty	PLN	4.25760	4.36518	4.08540	4.19263
Tunisian Dinar	TND	2.29290	2.23760	2.10670	2.17691
Turkish Lira	TRL	3.21180	3.24704	2.81310	2.77309
US Dollar	USD	1.13850	1.10200	1.07590	1.12614
Rand	ZAR	16.7866	17.4552	13.1324	13.2283

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

1Q2016	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjustments	Consolidated
Trade Sales	2,297	101,087	28,729	22,328	2,239	10	-	156,691
Other BU Sales	36,527	1,281	979	2,071	704	356	-41,919	-
Total Sales	**38,825**	**102,368**	**29,708**	**24,399**	**2,944**	**366**	**-41,919**	**156,691**
Current EBITDA(i)	**3,796**	**17,821**	**2,827**	**4,377**	**674**	**-965**	**-932**	**27,597**
Assets	**144,375**	**346,677**	**98,755**	**73,680**	**12,330**	**-2,515**	**-2,623**	**670,678**
Liabilities	**25,476**	**116,348**	**33,271**	**26,122**	**2,358**	**20,999**	**77,564**	**302,139**
Capex	**885**	**3,596**	**1,023**	**88**	**211**	**0**	**-**	**5,802**
Depreciation	**-951**	**-3,317**	**-1,249**	**-801**	**-151**	**-18**	**-**	**-6,487**
Non-cash cost (ii)	**12**	**10**	**-223**	**-240**	**-12**	**-**	**0**	**-453**
Gains/Losses in associated companies	**-2**	**105**	**0**	**0**	**-**	**-**	**-**	**103**

1Q2015	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjustments	Consolidated
Trade Sales	1,338	93,778	28,024	22,190	2,002	19	-	147,351
Other BU Sales	33,949	1,194	510	1,040	356	251	-37,301	-
Total Sales	**35,287**	**94,972**	**28,534**	**23,230**	**2,358**	**270**	**-37,301**	**147,351**
Current EBITDA(i)	**6,456**	**13,064**	**1,830**	**2,112**	**522**	**-239**	**58**	**23,804**
Assets	**128,268**	**330,032**	**91,971**	**86,051**	**13,375**	**2,593**	**-8,108**	**644,182**
Liabilities	**23,536**	**123,627**	**32,346**	**27,611**	**2,219**	**19,226**	**87,582**	**316,148**
Capex	**304**	**2,327**	**299**	**599**	**24**	**0**	**-**	**3,553**
Depreciation	**-731**	**-3,147**	**-1,272**	**-884**	**-168**	**-8**	**-**	**-6,209**
Non-cash cost (ii)	**-9**	**-3,563**	**-91**	**-26**	**85**	**-**	**0**	**-3,605**
Gains/Losses in associated companies	**-2**	**280**	**90**	**0**	**-**	**-**	**-**	**368**

Notes:

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

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

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

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

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

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

Cork Stoppers BU main product is the different kinds of existing cork stoppers. The main markets are the bottling countries, from the traditional ones like France, Italy, Germany, Spain and Portugal, to the new markets like USA, Australia, Chile, South Africa and Argentina.

Raw Materials BU is, by far, the most integrated in the production cycle of CORTICEIRA AMORIM, with 90% 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. 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 is 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, May 2, 2016

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