AMORIM

CORTICEIRA AMORIM

Consolidated Financial Statement
March 31, 2018

(non-audited)

Consolidated Management Report

Dear Shareholders,

In accordance with the law, CORTICEIRA AMORIM, S.G.P.S., S.A., a Public Company, presents its Consolidated Management Report as of March 31, 2018:

1. SUMMARY OF ACTIVITY

In global terms, economic sentiment during the first quarter of 2018 was dominated by fears of lower world growth. Growth decelerated partly due to adverse weather conditions in the northern hemisphere, especially in February and early March. At the same time, energy costs increased.

The Eurozone economy grew by 0.4% in the first three months of 2018. The slower rate of growth and, above all, a marked deterioration in indicators of future performance increased doubts over whether the slowdown in the growth rate would be temporary or permanent, there being some consensus that European growth has already peaked.

Growth in the US was also slower in the first quarter than in the previous three months. Nonetheless, the rate of expansion compares well with the historical pattern, particularly as the first quarter is statistically the weakest of the year. This supports the likelihood of positive growth during the rest of the year.

In early 2018, CORTICEIRA AMORIM acquired 70% of Elfverson, which began to be consolidated from January 1. Because the company has a portfolio of premium products and first-rate customers, its acquisition will improve the Group's sources of supply for high quality wooden stopper tops and enable it to accompany the growth of its customer's needs in the capped stopper segment.

CORTICEIRA AMORIM's sales increased 8% in the first quarter to €185.4 million. The change in the Group's consolidation perimeter (essentially the result of integrating the business activities of Bourrassé and Elfverson) contributed to the increase, helping to offset the negative impact of US dollar depreciation on sales. Excluding these two factors, sales growth would have been 1.7%. It should also be noted that there were more working days in the first quarter of 2017, it having been the strongest quarter of last year.

The evolution of sales was not uniform by Business Unit (BU). The Cork Stopper BU (+14.1%) and the the Raw Materials BU (+7.6%) registered the strongest growth. Sales for the other BUs decreased, with those of the Floor and Wall Coverings BU falling 10.1%. The exchange rate had a negative impact of €5.6 million on sales. As previously mentioned, sales growth was affected by the change in the consolidation perimeter (+€16.4 million) and the exchange rate effect (-€5.6 million). The impact of sales volume on sales revenue was almost nil, the price effect having been responsible for the remaining variation.

Although the change in the consolidation perimeter led to an increase in operating costs, total operating costs fell 7.3% excluding this effect. The value of impairments In the first quarter was almost nil, in contrast to the significant level of impairments registered in the same period of 2017, due to impairments arising from an analysis of the recoverable value of some previously capitalised development projects and an industrial site that was relocated. The EBITDA-sales ratio rose to 19.9%, up from 19.5% in the first quarter of 2017. Excluding the change in the consolidation perimeter and the exchange rate effect, EBITDA would have grown 14.8% and the EBITDA margin would have been 22.1%.

At the end of the quarter under review, net interest-bearing debt totalled €85.9 million, compared with €11.7 million at the end of the first quarter of 2017 and €92.8 million at the end of 2017. Despite lower interest rates, the financial function rose slightly due to an increase in average indebtedness resulting mainly from the recent acquisitions of Bourassé, Sodiliège and Elfverson. The estimated effective rate of tax is higher than in the first three months of 2017.

After earnings attributable to interests that the Group does not control, net profit totalled €18.820 million, an increase of 9.3% compared to the €17.213 million registered in the same period of 2017.

2. OPERATING ACTIVITIES - FIRST QUARTER 2018

The Raw Materials BU posted a 7.6% increase in sales, mainly due to sales within the Group. EBITDA totalled €8.6 million, a substantial increase on the same period of the previous year (1Q17: €5.7 million).

This growth reflects an increase in the gross margin resulting from the positive contributions of industrial operations in the areas of preparation, disc production and granulates. The consumption of cork acquired in the 2016/2017 purchasing campaign and improved operational efficiency contributed to the positive evolution of sales. Profitability is expected to decelerate during 2018, reflecting higher raw material prices.

During the quarter under review, the preparation of the cork purchasing campaign for 2017 proceeded as planned in volume terms, but with prices rising 15%. There was also some price pressure on purchases from the secondary cork market.

The **Cork Stopper BU** recorded sales of €128.8 million, an increase of 14.1% over the same quarter of 2017. Excluding the change in the consolidation perimeter, sales were at the same level as in the same period of the previous year (-0.4%). Excluding the exchange rate effect as well, sales would have grown by 2.8%. Discounting both these effects, the increase in sales revenue was mainly due to price increases, with volumes sales little changed from the first quarter of 2017. Sales grew in almost every segment, with particular emphasis on Neutrocork® stoppers, agglomerated cork stoppers and stoppers for spirits. Sales of stoppers using the NDtech® service reached 10 million units in the first quarter.

Performance was generally positive, especially in Spain, France and Italy, but with the exception of the US (due to the exchange rate effect) and Argentina.

EBITDA increased by 13.3%, while the EBITDA-sales ratio was 20.0%, practically the same level as in 2017 (20.1%). Excluding the change in the consolidation perimeter and the exchange rate effect, EBITDA would have increased 14.5% and the EBITDA margin would have been 22.4%. It should be noted that Bourrassé continues to register a lower EBITDA margin than the Cork Stopper BU.

First-quarter sales by the **Composite Cork BU** totalled €24.4 million, down 5.6% on the same quarter of 2017. Excluding the exchange rate effect, sales would have been at the same level as in the previous year (+0.1%). Growth was strongest in the building materials and fixtures, footwear and specialist cork segments. As expected, the BU ceased supplying inlay for the Floor and Wall Coverings BU's Hydrocork® products. Sales also decreased in the following segments: resilient and engineering flooring manufacturers, distribution flooring and related products, and panels and composites.

In terms of markets, growth in the Europe, Middle East and Africa region and decreased sales in North America, due to the exchange rate effect, were of particular note.

EBITDA for the quarter was €3.6 million, a reduction of 25% compared with the same period of 2017. Excluding the exchange rate effect, EBITDA would be have been the same as in the same period of the previous year (+ 0.5%) as would the BU's EBITDA margin (18.4%).

Sales by the **Floor and Wall Coverings BU** fell 10.1% to €29.2 million. The drop reflects the robust performance of the first three months of the previous year (the BU's best quarter of 2017) as well as decreased sales in Germany, the US and Russia. Sales grew for Hydrocork® (+7.7%) and Authentica® (+32.8%), which together accounted for 24% of the BU's total sales.

The BU's EBITDA decreased to €0.6 million. A drop in business activity, rising commodity prices, increased trade expenses and impairments in Russia and Germany explain the decrease. The year of 2018 will be a transition year for the BU, with its new press expected to be fully operational in the second quarter. The new press and new digital printing capabilities will support the launch of innovative products by the end of 2018/early 2019.

Sales by the **Insulation Cork BU** totalled €2.7 million, a decrease of 4.1% on the same period of 2017. Business activity was negatively affected by the evolution of the EUR/USD exchange rate and a reduction in sales of re-granulated cork. In terms of markets, sales fell in Asia, France and the Middle East.

The BU's EBITDA decreased 46% to €0.3 million (1Q17: €0.5 million). As a 100% natural product, expanded cork agglomerate is highly sensitive to price changes and the yields of raw material lots. A reduction in raw material availability will limit the BU's sales growth.

3. CONSOLIDATED PROFIT AND LOSS ACCOUNT AND FINANCIAL POSITION

As previously mentioned, the main reason for the increase in sales was the change in the consolidation perimeter, an impact that largely exceeded that of the unfavourable exchange rate effect of approximately €5.6 million.

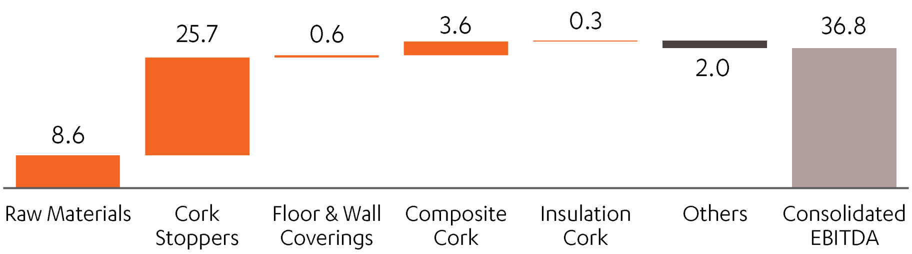
The percentage increase in the gross margin (+5.2%) was lower than the increase in sales. This was mainly due to the evolution in the cost of goods sold and materials consumed, which was offset by the variation in production. This resulted in a decrease in the percentage margin (by almost two percentage points).

In terms of operating costs, the increase of approximately €3.5 million in personnel expenses (+11.1%) was mainly due to the change in the consolidation perimeter (+€0.1 million without the perimeter change). The increase in the cost of external supplies and services was 6.9%. Excluding the change in the consolidation perimeter, these costs would have decreased 2.9% as a result of the Group’s efforts to contain expenditures.

Impairments of almost nil were registered in the first quarter, compared with a negative €2.2 million in the same period of 2017. The impairments recognised in the same period of the previous year mainly resulted from an analysis of the recoverable value of some previously capitalised development projects and an industrial site that was relocated.

Other operating expenses impacting EBITDA evolved positively and totalled about €1.5 million. The impact of exchange rate differences on assets receivable and liabilities to be paid, as well as the respective hedging of exchange rate risks, included under other operating income/gains was positive, totalling approximately €0.2 million (1Q17: -€1.1 million) .

As a result of the change in the consolidation perimeter, the exchange rate effect and other variations, EBITDA increased by 9.8% to €36.8 million. Without the change in the consolidation perimeter and the exchange rate effect, it would have been €38.5 million (+14.8%). The EBITDA-sales ratio was 19.9%, which compares favourably with the first quarter of 2017. Excluding the change in the consolidation perimeter and the exchange rate effect, the ratio would have been 22.1%



The non-recurring expenses recorded for the first quarter refer to the costs of the Elfverson transaction.

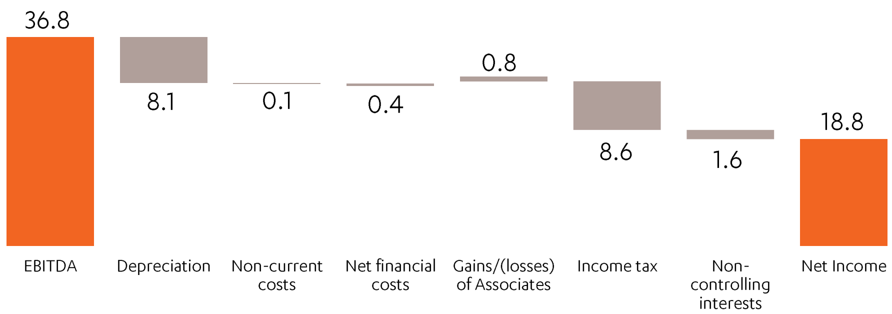
Average debt increased due to the previously mentioned acquisition of subsidiaries, with the net amount of expenses in this category rising to €0.4 million.

The first-quarter earnings of associate companies totalled €0.8 million, compared with practically nil in the same period of 2017. The recognition as earnings of part of the contingent amount receivable from the sale of US Floors in 2017 contributed to this increase. It is expected that the remaining amount will be determined by the end of 2018. Financial information for some associate companies was not provided in a timely manner. The appropriation of the applicable share of their earnings will be registered only in the half-yearly accounts. In terms of the balance sheet, the information for December 2017 was used.

Provisions related to tax proceedings did not affect estimated income tax. As usual, it will only be possible to estimate the value of investment tax benefits (RFAI and SIFIDE) at the end of the year. As a result, any tax gain will be recorded only at the closing of accounts for 2018.

Following the tax estimate of €8.6 million and the allocation of profits to non-controlling interests, net income attributable to CORTICEIRA AMORIM shareholders amounted to €18.820 million, up 9.3% from €17.213 million in 1Q16.

Earnings per share were €0.142. This compares with earnings per share of €0.129 in 1Q17.



Total net assets at the end of March 2018 were €887 million. In comparisons with March 2017, note should be taken of the changes resulting from the variation in the consolidation perimeter - mainly due to the integration of Bourrassé, but also the inclusion of Sodiliège and Elfverson. In relation to December 2017, the increase was €18 million and the change in the consolidation perimeter in this period reflects the acquisition of Elfverson. Elfverson's goodwill totals €4.5 million, representing the amount that could not be identified in the fair value of the acquired company's assets and liabilities.

In regard to the other changes in comparison to December 2017, the customer balance increased (+€12.1 million, reflecting the increase in sales), which more than offset the decrease in inventories.

The change in the second balance sheet item (equity and liabilities) reflects recognition of the results for the period (€18.8 million) and a reduction in suppliers (€12.2 million) offset by other loans and miscellaneous creditors (+€8 million).

At the end of the quarter, net interest-bearing debt amounted to €86 million, a decrease of €7 million compared to the end of 2017. The release of funds occurred as planned, with the EBITDA generated by activity sufficient to offset CAPEX, the investment in Elfverson (€5.5 million) and working capital needs.

At the end of March 2018, equity capital totalled €479 million. The financial autonomy ratio rose to 54%.

4. CONSOLIDATED KEY INDICATORS

		1Q17	1Q18	yoy
Sales		171,709	**185,360**	8.0%
Gross Margin – Value		94,986	**99,954**	5.2%
	1)	52.6%	**50.8%**	-1.83 p.p.
Operating Costs - current		69,527	**71,206**	2.4%
EBITDA - current		33,558	**36,841**	9.8%
EBITDA/Sales		19.5%	**19.9%**	+ 0.33 p.p.
EBIT - current		25,459	**28,748**	12.9%
Non-current costs	2)	-	**139**	-
Net Income		17,213	**18,820**	9.3%
Earnings per share		0.129	**0.142**	9.3%
Net Bank Debt		11,712	**85,923**	74,211
Net Bank Debt/EBITDA (x)	3)	0.09	**0.63**	0.54 x
EBITDA/Net Interest (x)	4)	238.0	**128.2**	-109.81 x
Equity/Net Assets		59.9%	**54.0%**	-5.88 p.p.

1) Related to Production
2) Figures refer to transaction costs of Elfverson
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)

5. SUBSEQUENT EVENTS

The General Shareholders' Meeting held on April 13, 2018 decided, in accordance with the proposal of the Board of Directors, to distribute a dividend of 18.5 Euro cents per share. The respective payment was made on April 30, 2018.

Mozelos, May 7, 2018

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

thousand euros

	March 2018	December 2017	March 2017
Assets			
Property, plant and equipment	223 314	227 905	195 074
Investment property	11 192	5 678	7 037
Investments in associates	11 070	11 006	9 688
Intangible assets	4 220	4 077	2 690
Other financial assets	2 720	2 520	2 391
Deferred tax assets	12 854	13 146	12 052
Non-current assets	**279 751**	**274 180**	**228 932**
Inventories	352 924	359 141	262 425
Trade receivables	179 725	167 604	161 400
Income tax assets	11 944	13 297	2 527
Other current assets	44 108	38 180	31 895
Cash and cash equivalents	18 543	17 005	54 216
Current assets	**607 244**	**595 228**	**512 463**
Total Assets	**886 995**	**869 407**	**741 395**
Equity			
Share capital	133 000	133 000	133 000
Other reserves	296 034	224 439	277 260
Net Income	18 820	73 027	17 213
Non-Controlling Interest	31 485	29 524	16 756
Total Equity	**479 340**	**459 991**	**444 230**
Liabilities			
Interest-bearing loans	40 716	48 094	37 761
Other borrowings and creditors	36 389	36 774	15 174
Provisions	41 875	41 320	30 984
Deferred tax liabilities	6 588	7 187	8 970
Non-current liabilities	**125 568**	**133 375**	**92 889**
Interest-bearing loans	63 749	61 695	28 167
Trade payables	144 847	157 096	107 526
Other borrowings and creditors	63 747	55 019	57 991
Income tax liabilities	9 743	2 231	10 592
Current liabilities	**282 087**	**276 042**	**204 276**
Total Liabilities and Equity	**886 995**	**869 407**	**741 395**

CONSOLIDATED INCOME STATEMENT

AMORIM

thousand euros

	1Q2018	1Q2017
Sales	185,360	171,709
Costs of goods sold and materials consumed	96,945	85,613
Change in manufactured inventories	11,538	8,890
Third party supplies and services	29,825	27,909
Staff costs	35,109	31,592
Impairments of assets	60	2,277
Other gains	3,094	2,489
Other costs	1,212	2,139
Current EBITDA	**36,841**	**33,558**
Depreciation	8,093	8,099
Current EBIT	**28,748**	**25,459**
Non-current costs	139	-
Financial costs	409	294
Financial income	32	89
Share of (loss)/profit of associates	834	- 18
Profit before tax	**29,066**	**25,236**
Income tax	8,611	7,144
Profit after tax	**20,455**	**18,093**
Non-controlling Interest	1,635	879
Net Income attributable to the equity holders of Corticeira Amorim	**18,820**	**17,213**
Earnings per share - Basic e Diluted (euros per share)	**0.142**	**0.129**

CONSOLIDATED STATEMENT OF COMPREHENSIVE

thousand euros

	1Q2018	1Q2017
Net Income (before non-controlling Interest)	**20,455**	**18,093**
Itens that could be reclassified through income statement:		
Change in derivative financial instruments fair value	-415	949
Change in translation differences and other	-252	-1,585
Share of other comprehensive income of investments accounted for using the equity method	-849	-125
Other comprehensive income	-19	-61
Itens that will not be reclassified through income statement:		
Gain in treasury stock sale		
Net Income directly registered in Equity	**-1,535**	**-822**
Total Net Income registered	**18,921**	**17,271**
Attributable to:		
Corticeira Amorim Shareholders	17,406	16,364
Non-controlling Interest	1,515	907

CONSOLIDATED STATEMENT OF CASH FLOW

AMORIM

thousand euros

	1Q2018	1Q2017
OPERATING ACTIVITIES		
Collections from customers	182,037	167,290
Payments to suppliers	-159,803	-127,928
Payments to employees	-32,677	-30,339
Operational cash flow	**-10,442**	**9,024**
Payments/collections - income tax	277	-303
Other collections/payments related with operational activities	28,349	13,847
CASH FLOW BEFORE EXTRAORDINARY ITEMS (1)	**18,183**	**22,568**
INVESTMENT ACTIVITIES		
Collections due to:		
Tangible assets	65	371
Intangible assets	40	0
Investimentos financeiros	767	0
Other assets	47	82
Interests and similar gains	69	121
Payments due to:		
Tangible assets	-7,886	-6,397
Financial investments	-4,411	-11
Intangible assets	-320	0
CASH FLOW FROM INVESTMENTS (2)	**-11,629**	**-5,834**
FINANCIAL ACTIVITIES		
Collections due to:		
Loans	0	5,250
Government grants	97	8,615
Others	1,348	489
Payments due to:		
Loans	-8,593	-21,655
Interests and similar expenses	-598	-475
Dividends	0	-230
Government grants	-318	-660
Others	-120	-113
CASH FLOW FROM FINANCING (3)	**-8,184**	**-8,778**
Change in Cash (1) + (2) + (3)	**-1,629**	**7,956**
Exchange rate effect	**-102**	**-399**
Perimeter variation	**0**	**215**
Cash at beginning	**-5,348**	**35,383**
Cash at end	**-7,080**	**43,156**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

thousand euros

	Attributable to owners of Corticeira Amorim, SGPS, S.A.								
	Share capital	Paid-in Capital	Hedge Accounting	Translation Difference	Legal reserve	Other reserves	Net income	Non-controlling interests	Total Equity
Balance sheet as at January 1, 2017	**133,000**	**38,893**	**-1,107**	**2,274**	**16,203**	**119,084**	**102,703**	**15,893**	**426,942**
Profit for the year	**-**	**-**	**-**	**-**	**51,367**	**51,336**	**-102,703**	**-**	**0**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-141**	**-141**
Others	**-**	**-**	**-**	**-**	**-**	**61**	**-**	**98**	**159**
Consolidated Net Income for the period	-	-	-	-	-	-	17,213	879	18,093
Change in derivative financial instruments fair value	-	-	949	-	-	-	-	-	949
Change in translation differences	-	-	-	-1,613	-	-	-	28	-1,585
Other comprehensive income of associates	-	-	-	3	-	-128	-	-	-125
Other comprehensive income	-	-	-	-	-	-61	-	-	-61
Total comprehensive income for the period	**0**	**0**	**949**	**-1,610**	**0**	**-189**	**17,213**	**907**	**17,270**
Balance sheet as at March 31, 2017	**133,000**	**38,893**	**-158**	**664**	**67,570**	**170,292**	**17,213**	**16,757**	**444,231**
Balance sheet as at January 1, 2018	**133,000**	**38,893**	**468**	**-1,045**	**18,770**	**167,353**	**73,027**	**29,524**	**459,991**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**73,027**	**-73,027**	**-**	**0**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0**
Perimeter variation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**418**	**418**
Others	**-**	**-**	**-**	**-**	**-**	**11**	**-**	**-**	**11**
Consolidated Net Income for the period	-	-	-	-	-	-	18,820	1,635	20,455
Change in derivative financial instruments fair value	-	-	-415	-	-	-	-	-	-415
Change in translation differences	-	-	-	-160	-	-	-	-92	-252
Other comprehensive income of associates	-	-	-	-150	-	-699	-	-	-849
Other comprehensive income	-	-	-	-	-	-19	-	-	-19
Total comprehensive income for the period	**0**	**0**	**-415**	**-310**	**0**	**-718**	**18,820**	**1,543**	**18,920**
Balance sheet as at March 31, 2018	**133,000**	**38,893**	**53**	**-1,355**	**18,770**	**239,673**	**18,820**	**31,486**	**479,340**

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, S.A. held 67,830,000 shares of CORTICEIRA AMORIM as of March 31, 2017 corresponding to 51.00 % of its share capital. As a result of the merger of this company with Amorim - Investimentos e Participações, S.G.P.S, S.A., these shares are now held by this company. Accordingly, at 31 March 2018, Amorim - Investimentos e Participações, S.G.P.S, S.A. held, as of December 31, 2017, 67,830,000 shares of CORTICEIRA AMORIM, corresponding to 51.00% of the capital stock. CORTICEIRA AMORIM consolidates in Amorim – Investimentos e Participações, S.G.P.S., S.A., which is its controlling and Mother Company. Amorim – Investimentos e Participações, S.G.P.S., S.A. is owned by Amorim family.

These financial statements were approved in the Board Meeting of May 7, 2018. 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€).

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

Pursuant to Decree No. 35/2005, dated 17 February, as subsequently amended by Decree-Law No. 98/2015 of 2 July, which transposed into Portuguese legislation the provisions of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, these consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC), adopted by the EU, effective as of 1 January 2017. 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 the International Financial Reporting Standards (IFRS) as adopted in the European Union as of December 31, 2017. These are based on the historical cost principle, except for financial instruments measured at fair value, which are registered according to IAS 39.

b. Consolidation

- Group companies

The consolidated financial statements include, in reference to 31 December 2017, assets, liabilities, profit and loss of the companies in the Group, understood as the entirety of CORTICEIRA AMORIM and its subsidiaries.

An entity is classified as a subsidiary when it is controlled by the Group. Control exists only where the Group has, cumulatively:

(a) power over the investee;

(b) exposure to or rights over variable results derived from its relationship with the investee; and

(c) the ability to use its power over the investee to affect the amount of the results for investors.

Generally, it is assumed that there is control when the Group holds the majority of voting rights. In order to support this assumption and in cases where the Group does not hold the majority of voting rights in the investee, all relevant facts and circumstances are taken into account when determining the existence of power and control, such as:

(a) Any contractual agreements with other holders of voting rights;

(b) Any rights arising from other contractual agreements;

(c) Existing and potential voting rights.

The existence of control by the Group is re-evaluated whenever there is a change in any facts and circumstances that lead to changes in one of the three factors of control mentioned above.

Subsidiaries are included in the consolidation according to the full consolidation method, from the date when control is acquired until the date it effectively ends.

Intergroup balances and transactions, as well as any unrealised gains on transactions between companies in the Group, are eliminated. Unrealised losses are also eliminated, unless the transaction evidences impairment of a transferred asset.

The accounting policies of subsidiaries are changed whenever necessary to ensure consistency with the policies adopted by the Group.

A change in the participating interest in a subsidiary that does not entail loss of control is recorded as a transaction between shareholders. If the Group loses control over the subsidiary, the corresponding assets (including goodwill), liabilities, non-controlling interests and other equity components are derecognised and any gains or losses are recognised in the income statement. Investments retained are recognised at fair value at the time of the loss of control.

In situations where the Group has substantial control of entities created for a specific purpose, even if it has no direct shareholdings in these entities, they shall be consolidated using the full consolidation method.

Net assets of subsidiaries consolidated through the full consolidation method attributable to the equity stake or shares held by any third parties are recorded in the consolidated statement of financial position, in the line item

Interests held by any third parties over the net income of subsidiaries are identified and adjusted by deduction from the equity attributable to the Group shareholders and recorded in the consolidated income statement, in the line item Non-Controlling Interests.

- Financial holdings in associates and joint ventures

Associates are companies over which CORTICEIRA AMORIM exercises significant influence, understood as the power to participate in the financial and operating policy-making process, without, however, exercising control or joint control. Generally, it is assumed that there is a significant influence whenever the holding percentage exceeds 20%.

The classification of financial investments in joint ventures is determined based on the existence of shareholders' agreements that demonstrate and regulate joint control, which is understood to exist when decisions on activities relevant to the venture require a unanimous agreement between the parties.

The Group owns no interest in joint ventures, as defined in IFRS 11.20.

The existence of significant influence or joint control is determined based on the same type of facts and circumstances applicable in the assessment of control over subsidiaries.

These holdings are consolidated by the equity method; i.e., the consolidated financial statements include the Group's interest in the total recognised gains and losses of the associate/joint venture, from the date on which significant influence/control begins until the date on which it effectively ends. Dividends received from these companies are recorded as a reduction in the value of financial investments.

The Group's share of gains and losses in associates/joint ventures is recognised in the income statement, and its share of operations in Post-acquisition Reserves are recognised in Reserves. The cumulative postacquisition operations are adjusted according to the cumulative operations in the financial investment. When the Group's share of losses in an associate/joint venture equals or exceeds its investment in that entity, including any unsecured receipt transaction, the Group does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate/joint venture.

Any excess of the cost of acquisition of a financial investment over the Group's share in the fair value of the assets, liabilities and contingent liabilities identified on the date of acquisition of the associate/joint venture is recognised as goodwill, which is included in the value of the financial holding and whose recovery is assessed annually as part of the financial investment. If the cost of acquisition is lower than the fair value of the net amount of the assets of the associate/joint venture, the difference is recorded directly in the consolidated income statement.

Unrealised gains from transactions between the Group and its associates/joint ventures are eliminated to the extent of the Group's share in the respective associates/joint ventures. Unrealised losses are also eliminated, unless the transaction evidences impairment of a transferred asset.

The accounting policies of associates/joint ventures are changed whenever necessary to ensure consistency with the policies adopted by the Group.

Following the application of the equity method, the Group assesses the existence of impairment indicators; should they exist, the Group calculates the recoverable amount of the investment and recognises an impairment loss if the recoverable amount is lower than the carrying amount of the investment, in the line item “Gains/losses in associates and joint ventures” of the income statement.

After the loss of significant influence or joint control, the Group initially recognises the retained investment at fair value, and the difference between the carrying value and the fair value held plus the revenue from the sale, are recognised in the income statement.

- 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.

- Business combinations and goodwill

The acquisition method is the method used to recognise the entry of subsidiaries in the Group upon their acquisition.

In the acquisition method, the difference between: (i) the consideration transferred along with the non-controlling interests and the fair value of the equity interests previously held, and (ii) the net amount of identifiable assets acquired and liabilities assumed, is recognised, on the date of acquisition, as goodwill, if positive, or as a gain, if negative.

The consideration transferred is measured at fair value, calculated as the aggregate amount of fair values, on the date of acquisition, of assets transferred, liabilities incurred and equity instruments issued by Corticeira Amorim. For the purpose of determining goodwill/gains resulting from the combination, the transferred consideration is removed from any part of the consideration that concerns another transaction (e.g. remuneration for the provision of future services or settlement of pre-existing relationships) whose margin is recognised separately in profit or loss.

The transferred consideration includes the fair value, on the date of acquisition, of any contingent consideration. Subsequent changes in this value are recognised: (i) as equity if the contingent consideration is classified as equity, (ii) as an expense or income in profit or loss or as other comprehensive income if the contingent consideration is classified as a financial asset or liability under IAS 39 and (iii) as expenses, pursuant to IAS 37 or other applicable standards, in remaining cases.

Expenses related to the acquisition are not part of the transferred consideration, so they do not affect the determination of goodwill/gains resulting from the acquisition and are recognised as expenses in the year they occur.

On the date of acquisition, the classification and designation of all assets acquired and liabilities transferred are reassessed in accordance with IFRS, with the exception of lease and insurance contracts, which are classified and designated based on the contractual terms and conditions, on the commencement date.

Assets arising from contractual indemnities paid by the seller concerning the outcome of contingencies related, in whole or in part, to a specific liability of the combined entity, shall be recognised and measured using the same principles and assumptions of the related liabilities.

The determination of the fair value of assets acquired and liabilities assumed takes into account the fair value of contingent liabilities arising from a present obligation caused by a past event (if the fair value can be reliably measured), regardless of whether an outflow is expected or not.

For each acquisition, the Group can choose to measure "non-controlling interests" at their fair value or by their respective share in the assets and liabilities transferred from the acquiree. The choice of a method influences the determination of the amount of goodwill to be recognised. When the business combination is achieved in stages, the fair value on the date of acquisition of the interests held is remeasured to the fair value on the date when control is obtained, by contra entry of the income for the period in which control is achieved, affecting the determination of goodwill.

Whenever a combination is not completed on the reporting date, the provisional amounts recognised on the date of acquisition shall be adjusted retrospectively, for a maximum period of one year from the date of acquisition and any additional assets and liabilities shall be recognised if new information is obtained on facts and circumstances existing on the date of acquisition which would result in the recognition of such assets and liabilities, should it have been known on that date.

Goodwill is considered to have an indefinite useful life and thus is not amortisable, being subject to annual impairment tests, regardless of whether or not there is any indication of impairment.

For the purpose of impairment testing, goodwill is allocated, on the date of acquisition, to each of the cash generating units expected to benefit from the business combination, regardless of the remaining assets and liabilities also associated with the cash-generating unit. When the operation, or part of it, associated with a cash generating unit is disposed of, the allocated goodwill is also derecognised and included in the balance of gains/losses of the disposal, calculated as the base for its relative value.

Goodwill related to investments in companies based abroad, acquired after 1 January 2005, is recorded in those companies' reporting currency and translated into Euro at the exchange rate in force on the balance sheet date.

Agreement to acquire non-controlling interest

Corticeira Amorim chooses to treat multiple transactions in a business combination as separate acquisitions.

When the facts and circumstances indicate that Corticeira Amorim has no control over the shares subject to the agreement, Corticeira Amorim chooses the approach of full recognition of non-controlling interest, in which non-controlling interest continue to be recognized in equity until the moment when the subsequent agreement is implemented. The recognized value of non-controlling interest changes due to allocation of results, changes in other comprehensive income and dividends declared in the reporting period as referred to in note II letter b).

When there is an agreement to acquire an additional interest in a subsidiary, a financial liability is recorded. The financial liability for the agreement is accounted for under IAS 39. On initial recognition, the corresponding debit is made to another component of "Equity" attributable to the parent company. Subsequent changes in the value of the financial liability that result from the remeasurement of the present value payable are recognized in the profit or loss attributable to the parent company.

When the agreement is realized, Corticeira Amorim accounts for an increase in its ownership interests. At the same time, the financial liability and recognizes an offsetting credit in the same component of equity reduced on initial recognition.

c. Tangible Fixed Assets

Tangible fixed assets are recorded at acquisition cost net of accumulated depreciation and impairment losses.

Subsequent costs are included in the carrying amount of the asset or recognized as separate assets when it is probable that future economic benefits that exceed the originally measured level of performance of the existing asset will flow to the enterprise and the cost of the asset to the enterprise can be measured with reliability. All other subsequent expenditures are recognized as an expense in the period in which they are incurred.

Financial charges related to financing for production / acquisition of assets that require a substantial period of time to be ready to be used are added to the cost of these assets.

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 a 50
Plant machinery	4 a 10
Motor vehicles	4 a 7
Office equipment	4 a 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 and impairment losses.

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 a 20
Software	3 a 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, until the residual value.

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. Non-financial assets impairment

Assets with indefinite useful lives are not amortised but are annually tested for impairment purposes, or more frequently if there are events or changes in circumstances that indicate impairment.

Assets under depreciation are tested for impairment purposes whenever an event or change of circumstances indicates that its value cannot be recovered.

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

In assessing impairment, both internal and external sources of information are considered. Tests are carried out if the level of profitability of cash-generating units is consistently below a minimum threshold, from which there is risk of impairment of assets. Impairment tests are also performed whenever management makes significant changes in operations (for example, total or partial discontinuation of the activity).

Impairment tests are performed internally. Whenever impairment tests are performed, future cash flows are discounted at a specific rate for the cash-generating unit, which includes the risk of the market where it operates.

The group uses external experts (appraisers) only to determine the market value of land and buildings in situations of discontinuation of operations, where they are no longer recovered by use.

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.

Impairment losses, if any, are allocated specifically to the individual assets that are part of the cash flow generating unit.

Non-financial assets, except goodwill, that generated impairment losses are valued at each reporting date regarding reversals of said losses.

g. 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.

h. 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.

The raw materials usually present alternative use without significant loss of value (for example through changes in caliber, reprocessing or use as raw material in other units). In these cases a specific analysis of impairment is made, being that impairment situations in this instance are very reduced.

The intermediate and finished products are not as susceptible of alternative use. In these cases, the amount by which inventories are expected to be realized is influenced by the age of those inventories. Thus, in addition to the specific analysis (priority form of determination of net realizable value), the group applies a criteria based on the rotation to estimate the reduction of expected value of these materials in function of their ageing.

i. 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.

j. 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.

As a rule, Corticeira Amorim grouped the financial assets according to similar credit risk characteristics, the impairments being estimated based on the experience of historical losses.

At the end of each period, an analysis is performed on the quality of customer loans. Given the characteristics of the business it is considered that the balances overdue up to 90 days are not susceptible to impairment. Balances overdue between 90 and 120 days are considered as being able to generate an impairment of around 30% and balances between 120 and 180 days 60%. All balances overdue for more than 180 days, as well as all balances considered as doubtful, will give rise to a total impairment.

This rule does not overlap the analysis of each specific case. The analysis of the specific cases is determined on the individual accounts receivable, taking into account the historical information of the clients, their risk profile and other observable data in order to assess if there is objective proof of impairment for these accounts receivable.

Impairment of Other Financial Assets is verified through the analysis of the companies' approved financial statements, as well as the evaluation of the expected future cash flows of their activity.

If the impairment loss decreases in a future period, the losses previously recognized against the Income Statement are reversed.

k. Cash and 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.

l. 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.

The group contracts confirming operations with financial institutions, which will be classified as reverse factoring agreements. These agreements are not used to manage the liquidity needs of the group as long as the payment remains on the due date of the invoices (on that date the advance amounts are paid to the financial institution by the group). For this reason, and since they do not give rise to financial expenses for the group, the amounts of the invoices advanced to the suppliers that adhere to these contracts are kept in the Liabilities, in the Suppliers account, and the payments at the due time are treated as operational payments. The supplier confirming operations are classified as operating in the Statement of Cash Flows.

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

m. 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 will be capitalised and charged to the specific asset under construction. Capitalisation will cease when the project is ready for use or suspended.

n. 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.

Deferred tax liabilities are not recognized in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

o. Employee benefits

CORTICEIRA AMORIM Portuguese employees benefit exclusively from the national welfare plan. Employees from foreign subsidiaries (about 27% 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.

p. 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.

The main items of provisions were recorded based on their nominal value. Provisions for ongoing tax proceedings are annually increased by the calculation of interest and fines, as defined by law. In all other cases, given the uncertainty regarding the timing of the outflow of resources to cover liability, it is not possible to reliably estimate the effect of the discount, which is estimated to be not material.

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.

q. 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.

r. 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. For each grant, the fair value determination at the initial time corresponds to the present value of the future payments associated with the grant, discounted at the company's financing rate at the date of recognition, for loans with similar maturities.

Difference between nominal and fair value at initial recognition is included in "non-refundable grants", at other loans and creditors, being afterwards recognised in net result.

The grants received are classified as a financial activity in the Statement of Cash Flows.

s. 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.

t. 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.

u. 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.

v. Non-recurrent results

Non-recurring operating results that due to their material or nature may distort the financial performance of Corticeira Amorim, as well as their comparability, are presented in a separate line on the Consolidated Income Statement by Nature. These results include, but are not limited to, restructuring costs, transaction costs for the acquisition of subsidiaries and expenses for exiting from certain countries.

w. Subsequent events

Corticeira Amorim recognizes in the financial statements the events that, after the balance sheet date, provide additional information on the conditions that existed on the balance sheet date, including the estimates inherent in the preparation of the financial statements. The group does not recognize events that, after the balance sheet date, provide information on conditions that occur after the balance sheet date.

COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

AMORIM

Company		Head Office	Country	1Q18	2017
Raw Materials					
Amorim Natural Cork, S.A.		**Vale de Cortiças - Abrantes**	**PORTUGAL**	**100%**	**100%**
Amorim Florestal, S.A.		Ponte de Sôr	PORTUGAL	100%	100%
Amorim Florestal España, SL		San Vicente Alcántara	SPAIN	100%	100%
Amorim Florestal Mediterrâneo, SL		Cádiz	SPAIN	100%	100%
Amorim Tunisie, S.A.R.L.		Tabarka	TUNISIA	100%	100%
Augusta Cork, S.L.		San Vicente Alcántara	SPAIN	100%	100%
Comatral - C. de Maroc. 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	(c) (g)	Tabarka	TUNISIA	55%	55%
Vatrya - Serviços de Consultadoria, Lda		Funchal - Madeira	PORTUGAL	100%	100%
Cork Stoppers					
Amorim & Irmãos, SGPS, S.A.		**Santa Maria Lamas**	**PORTUGAL**	**100%**	**100%**
ACI Chile Corchos, S.A.		Santiago	CHILE	100%	100%
ACIC USA, LLC		California	U. S. AMERICA	100%	100%
Agglotap, S.A.		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.		Vergada	PORTUGAL	75%	75%
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%
Amorim Top Series France, S.A.S.		Gensac La Pallue	FRANCE	100%	100%
Amorim Top Series, S.A.		Vergada	PORTUGAL	75%	75%
Bouchons Prioux		Epernay	FRANCE	91%	91%
Chapuis, S.L.		Girona	SPAIN	100%	100%
Corchera Gomez Barris	(c)	Santiago	CHILE	50%	50%
Corchos de Argentina, S.A.	(b)	Mendoza	ARGENTINA	50%	50%
Corpack Bourrasse, S.A.		Santiago	CHILE	60%	60%
Elfverson & Co. AB	(d)	Parid	SWEDEN	70%	-
Equipar, Participações Integradas, Lda.		Coruche	PORTUGAL	100%	100%
S.A.S. Ets Christian Bourassé		Tosse	FRANCE	60%	60%
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%
Socori, S.A.		Rio Meão	PORTUGAL	60%	60%
Sodiliège		Cognac	FRANCE	75%	75%
Société Nouvelle des Bouchons Trescases	(b)	Perpignan	FRANCE	50%	50%
Trefinos Australia		Adelaide	AUSTRALIA	91%	91%
Trefinos ITALY, 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)	Santiago	CHILE	50%	50%

Company		Head Office	Country	1Q18	2017
Floor & Wall Coverings					
Amorim Revestimentos, S.A.		**S. Paio de Oleiros**	**PORTUGAL**	**100%**	**100%**
Amorim Benelux, BV		Tholen	NETHERLANDS	100%	100%
Amorim Deutschland, GmbH - AR	(a)	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 - Maryland	U. S. AMERICA	100%	100%
Amorim Flooring North America Inc.		Hanover - Maryland	U. S. AMERICA	100%	100%
Amorim Flooring Rus, LLC		Moscovo	RUSSIA	100%	100%
Amorim Flooring UK, Ltd		Manchester	UNITED KINGDOM	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%
Cork Composites					
Amorim Cork Composites, S.A.		**Mozelos**	**PORTUGAL**	**100%**	**100%**
Amorim (UK) Ltd.		Horsham West Sussex	UNITED KINGDOM	100%	100%
Amorim Compcork, Lda		Mozelos	PORTUGAL	100%	100%
Amorim Cork Composites LLC		São Petersburgo	RUSSIA	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%
Amosealtex Cork Co., Ltd	(b)	Xangai	CHINA	50%	50%
Chinamate (Shaanxi) Natural Products Co. Ltd		Shaanxi	CHINA	100%	100%
Chinamate Development Co. Ltd		Hong Kong	CHINA	100%	100%
Compruss – Investimentos e Participações Lda		Mozelos	PORTUGAL	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**	**100%**	**100%**
Holding					
Corticeira Amorim, SGPS, S.A.		**Mozelos**	**PORTUGAL**	**100%**	**100%**
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%
Ecochic portuguesas – footwear and fashion products, Lda		Mozelos	PORTUGAL	12%	12%
Corecochic - Corking Shoes Investments, Lda		Mozelos	PORTUGAL	50%	50%
Gröwancork - Estruturas isoladas com cortiça, Lda	(b)	Mozelos	PORTUGAL	25%	25%
PrimaLynx - Sustainable Solutions, Lda.	(b)	Mozelos	PORTUGAL	24%	24%
TDCork - Tapetes Decorativos com Cortiça, Lda	(b)	Mozelos	PORTUGAL	25%	25%
Soc. Portuguesa de Aglomerados de Cortiça, Lda		Montijo	PORTUGAL	100%	100%
Supplier Portal Limited		Hong Kong	CHINA	100%	100%

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

(b) - Equity method consolidation.

(c) - CORTICEIRA AMORIM directly or indirectly controls the relevant activities - line-by-line consolidation method

(d) - Company acquired in 2018.

Acquisition of ELFVERSON

In early 2018, CORTICEIRA AMORIM acquired 70% of Elfverson, which has been consolidated since January 1 of this year. This company has a portfolio of premium products and first-rate customers, allowing the reinforcement of sources of supply of wooden tops of recognized quality, which will allow to keep up with the growth of the needs of the customers in the capped stoppers segment.

The group chose to measure the non-controlling interest at the proportionate share of the acquiree's net assets and liabilities.

Acquiree's net assets and liabilities

The fair values of the assets and liabilities identified under this transaction are shown in the table below:

million euros

Fair value recognised on the date of acquisition	
Tangible assets	0.9
Inventory	0.7
Accounts receivable	0.7
Other debtors	0.1
Deferred tax	0.0
Assets	**2.4**
Provisions	0.4
Trade payables	0.2
Other creditors	0.6
Net financial debt	-0.2
Liabilities	**1.0**
Net Assets	**1.4**
70% of identifiable net assets	**1.0**
Goodwill	**4.5**
Non-Controlling Interest on the date acquisition	**0.4**

No significant differences were identified between the fair value and the respective carrying amount. Goodwill represents the remaining amount that could not be identified in the acquiree. Goodwill recognized in the accounts is not expected to be deductible for tax purposes.

The fair value of the non-controlling interest results from the participation being acquired by a subsidiary that is not 100% owned.

Transaction costs of 139 thousand euros were recorded as non-recurring expense.

EXCHANGE RATES USED IN CONSOLIDATION

Exchange rates		March 31, 2018	Average 1Q18	March 31, 2017	Average 1Q17
Argentine Peso	ARS	24,7775	24,1922	16,3674	16,6795
Australian Dollar	AUD	1,6036	1,5632	1,3982	1,4056
Lev	BGN	1,9557	1,9557	1,9557	1,9557
Brazilian Real	BRL	4,0938	3,9887	3,3800	3,3468
Canadian Dollar	CAD	1,5895	1,5540	1,4265	1,4101
Swiss Franc	CHF	1,1779	1,1653	1,0694	1,0694
Chilean Peso	CLP	743,450	739,618	702,120	697,932
Yuan Renminbi	CNY	7,7468	7,8154	7,3642	7,3353
Danish Krone	DKK	7,4530	7,4467	7,4379	7,4353
Algerian Dinar	DZD	140,231	139,774	116,831	116,749
Euro	EUR	1,0000	1,0000	1,0000	1,0000
Pound Sterling	GBP	0,8749	0,8834	0,8555	0,8601
Hong Kong Dollar	HDK	9,6701	9,6201	8,2767	8,2665
Forint	HUF	312,130	311,027	307,620	309,095
Yen	JPY	131,150	133,166	121,014	121,014
Moroccan Dirham	MAD	11,3331	11,3155	10,7133	10,7075
Zloty	PLN	4,2106	4,1792	4,2265	4,3206
Ruble	RUB	70,8897	69,9291	60,3130	62,5218
Tunisian Dinar	TND	2,9546	2,9611	2,4313	2,4404
Turkish Lira	TRL	4,8976	4,6899	3,8894	3,9378
US Dollar	USD	1,2321	1,2292	1,0691	1,0648
Rand	ZAR	14,6210	14,7102	14,2404	14,0814

SEGMENT REPORT

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

- Raw Materials
- Cork Stoppers
- 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

1Q2018	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Ajustm.	Consolidated
Trade Sales	4,549	126,842	28,293	23,321	2,342	13	-	185,360
Other BU Sales	41,105	2,000	879	1,064	383	566	-45,997	-
Total Sales	**45,654**	**128,842**	**29,171**	**24,386**	**2,725**	**580**	**-45,997**	**185,360**
EBITDA (current)	**8,613**	**25,747**	**576**	**3,579**	**281**	**-1,255**	**-699**	**36,841**
Assets (current)	**23,568**	**150,879**	**40,048**	**33,136**	**3,990**	**1,331**	**26,799**	**279,751**
Assets (non-current)	**170,455**	**318,808**	**62,212**	**46,625**	**8,882**	**2,881**	**-2,619**	**607,244**
Liabilities	**35,261**	**190,857**	**38,221**	**35,243**	**2,404**	**17,535**	**88,133**	**407,655**
Capex	**1,182**	**5,528**	**1,166**	**758**	**96**	**11**	**-**	**8,741**
Year Depreciation	**-884**	**-4,843**	**-1,431**	**-763**	**-144**	**-29**	**-**	**-8,093**
Gains/Losses in associated companies	**0**	**75**	**767**	**0**	**0**	**-8**	**-**	**834**

1Q2017	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Ajustm.	Consolidated
Trade Sales	2,643	111,528	31,585	23,374	2,564	14	-	171,709
Other BU Sales	39,803	1,379	861	2,453	278	419	-45,193	-
Total Sales	**42,446**	**112,907**	**32,446**	**25,826**	**2,843**	**433**	**-45,193**	**171,709**
EBITDA (current)	**5,702**	**22,715**	**2,417**	**4,741**	**521**	**-2,518**	**-20**	**33,558**
Assets	**162,018**	**358,325**	**104,397**	**71,784**	**11,327**	**37,095**	**-3,550**	**741,395**
Liabilities	**30,009**	**131,562**	**38,577**	**28,078**	**2,222**	**16,723**	**49,993**	**297,165**
Capex	**632**	**2,892**	**1,410**	**786**	**45**	**134**	**-**	**5,899**
Year Depreciation	**-1,903**	**-4,038**	**-1,221**	**-776**	**-140**	**-20**	**-**	**-8,099**
Gains/Losses in associated companies	**0**	**391**	**0**	**-20**	**0**	**0**	**-**	**372**

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

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

Provisions and asset impairments were considered the only relevant non-cash material cost

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

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

The decision to report EBITDA figures allows a better comparison of the different BU performances, disregarding the different financial situations of each BU. This is also coherent with the existing Corporate Departments, as the Financial

Department is responsible for the bank negotiations, being the tax function the responsibility of the Holding Company.

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

Raw Materials BU is, by far, the most integrated in the production cycle of CORTICEIRA AMORIM, with 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, expanded agglomerates for insulation and acoustic purposes, technical agglomerates for civil construction and shoe industry, as well as granulates for agglomerated, technical and champagne cork stoppers.

Major markets for flooring and insulation products are in Europe and for composites products the USA. Major production sites are in Portugal, where most of the invested capital is located. Products are distributed in practically all major markets through a fully owned network of sales companies. About 70% of total consolidated sales are achieved through these companies.

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, 7 May de 2018

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

About Corticeira Amorim SGPS, S.A.:

Tracing its roots back to the 19th century, Amorim has become the world's largest cork and cork-derived company in the world, generating more than Euro 700 million in sales to more than 100 countries through a network of dozens of fully owned subsidiaries.
With a multi-million Euro R&D investment per year, Amorim has applied its specialist knowledge to this centuries-old traditional culture, developing a vast portfolio of 100% sustainable products that are used by blue-chip clients in industries as diverse and demanding as wines & spirits, aerospace, automotive, construction, sports, interior and fashion design.
Amorim's responsible approach to raw materials and sustainable production illustrates the remarkable interdependence between industry and a vital ecosystem - one of the world's most balanced examples of social, economic and environmental development.

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