

## PRESS RELEASE

# Operating Profit Improves in Q1 2009

### HIGHLIGHTS:

- CORTICEIRA AMORIM's EBITDA increased to EUR 5.49 million
- As a reflection of the financial stability of the Company, equity to total assets ratio increased to 43%
- Net loss before non-recurrent items narrowed from € 4.31 million in Q4 2008 to € 1.71 million in Q1 2009


**Mozelos, 8 May 2009** – The macroeconomic scenario in Q1 2009 has confirmed the negative climate that was felt in the last months of 2008. Similarly as in other business sectors, the cork industry faced a significant slackness in demand that led to throughout restructuring reforms of their operations.

In spite of this adverse framework, CORTICEIRA AMORIM has managed to maintain a positive performance; in fact, in Q1 2009, the Company's sales volume in value remained almost unchanged from Q4 2008 and its EBITDA increased. In a period of crisis, CORTICEIRA AMORIM has struggled to focus on more effective management strategies for its business.

### PROFIT IMPROVEMENT FROM Q4 2008

CORTICEIRA AMORIM has managed to minimize the impact of a deteriorating market and world economy and has obtained an improvement in profit through a more effective management and maintenance of its turnover. Sales reached EUR 102.17 million in Q1 2009 in comparison with EUR 103.35 million in Q4 2008.

In this context, CORTICEIRA AMORIM's EBITDA increased to EUR 5.49 million in Q1 2009, up by 5.2% as compared to EUR 5.22 million in Q4 2008.



The good operating profit has contributed to narrow the net loss before non-recurrent items from EUR € 4.31 million in Q4 2008 to € 1.71 million in Q1 2009. On February 3, 2009 CORTICEIRA AMORIM reported an exceptional reduction of personnel as a way to adapt to market requirements.

In comparison to Q1 2008 – one of the ever best quarters – sales fell 17.3% and EBITDA decreased 58.3% in Q1 2009. Net loss before non-recurrent items narrowed from € 3.38 million to € 1.71 million in Q1 2009.

## **Financial Stability of CORTICEIRA AMORIM increases**

In a context of economic and credit market crisis, CORTICEIRA AMORIM was able to increase its financial stability by raising its equity to total assets ratio and decreasing its net debt.


CORTICEIRA AMORIM has managed to increase its equity to total assets ratio to 43.0% compared to 39.6% in Q1 in 2008 and 42.9% at the end of 2008.

Net debt fell by 7.0% to EUR 215.75 million compared to EUR 231.87 million a year ago. This means that CORTICEIRA AMORIM's cost of debt is continuously decreasing.

## **Business**

Every Business Unit (“BU”) of CORTICEIRA AMORIM has been affected by the world crisis. The Composite Cork BU showed the steepest sales decline due to its high exposure to the construction and automotive sectors as well as to the industry in general. This decrease was particularly concentrated on this BU's main customers. The Russian market underwent an almost total stagnation in Q1 2009, leading also to an adverse impact on the Floor and Wall Coverings BU. On a more positive note it should be stressed that sales to the Russian market were resumed last April.

The Cork Stoppers BU that is responsible for more than 50% of CORTICEIRA AMORIM's sales saw a decrease in business caused by a decline in wine consumption and a reduction of stocks in wine cellars that hit the whole cork industry. The largest distributing houses began to place their orders at the last minute with a view to curtail the time period between bottling and sale. Due to its importance and



significance, attention shall be drawn to the fact that although the champagne market, in general, has undergone a 40% drop, CORTICEIRA AMORIM's unit in the French market experienced a decline of less than 10%.

The Floor and Wall Coverings BU faced dwindling sales but the positive effects caused by the reopening of the Russian market and the sale of new cork products and collections led to the reversal of that downward trend.

In line with the general trend, the Insulation Cork BU showed also a sales slowdown. Although this BU has managed to maintain the level of sales to the main European markets, its total sales were adversely affected by a severe construction crisis in Middle East.

The Raw Material BU - in its role as a supplier to the value chain - has also experienced the effect of a decreasing consolidated activity, particularly as far as its Cork Stoppers BU is concerned.

## Key Indicators

### Consolidated values (1Q09 and 1Q08: non-audited)

*(thousand euro)*

	1Q09	4Q08	1Q08
Sales	102 174	103 348	123 620
EBITDA - current	5 487	5 217	13 173
EBIT - current	- 90	- 754	7 148
Net Loss	- 4 595	- 4 310	3 380
Non-recurrent Items	- 2 884	0	0
Net Loss (before non-recurrent items)	- 1 711	- 4 310	3 380
Equity /Net Assets	42,98%	42,93%	39,63%
Net Bank Debt	215 748	222 962	231 866

1) It includes 3,845 of staff costs reduction and correspondent deferred taxes (961).

2) Equity to Net Assets ratio (by the period-end).

## CONSOLIDATED BALANCE SHEET

### Consolidated values (31-03-2009 and 31-03-2008: non-audited)

*(thousand euro)*

	31.03.09	31.12.08	31.03.08
<b>Non-current assets</b>	226 150	224 573	215 467
<b>Current assets</b>			
<i>Inventories</i>	192 151	205 659	223 839
<i>Other current assets</i>	142 408	144 490	169 406
Total current assets	<b>334 559</b>	<b>350 149</b>	<b>393 245</b>
<b>Total Assets</b>	<b>560 709</b>	<b>574 722</b>	<b>608 712</b>
<b>Equity (M. I. included)</b>	<b>241 007</b>	<b>246 724</b>	<b>241 233</b>
<b>Non-current liabilities</b>			
<i>Bank borrowings</i>	111 687	118 266	160 561
<i>Other non-current liabilities</i>	19 377	17 462	19 094
Total non-current liabilities	<b>131 064</b>	<b>135 728</b>	<b>179 655</b>
<b>Current liabilities</b>			
<i>Bank borrowings</i>	110 580	109 292	77 312
<i>Other current liabilities</i>	78 058	82 978	110 511
Total current liabilities	<b>188 638</b>	<b>192 270</b>	<b>187 824</b>
<b>Total Liabilities and Equity</b>	<b>560 709</b>	<b>574 722</b>	<b>608 712</b>



## To contact additional informations:

Cristina Amorim

Investor Relations

Tel: + 351 22 747 5400

E-mail: [corticeira.amorim@amorim.com](mailto:corticeira.amorim@amorim.com)

[www.corticeiraamorim.com](http://www.corticeiraamorim.com)

## About CORTICEIRA AMORIM, SGPS, S.A.:

While tracing its roots to the XIX Century, CORTICEIRA AMORIM SGPS has become the world's largest cork and cork-derived company in the world, generating over Euro 450 million in sales throughout 103 countries. CORTICEIRA AMORIM SGPS and its subsidiaries are an integral part of a conservationist effort to guarantee the survival of hundreds of thousand of cork trees throughout the Mediterranean Basin. We are proud of our contribution to the correct utilisation of these important forests that are home to several endangered species throughout the region. We encourage you to learn more by visiting informative websites such as [www.amorimcork.com](http://www.amorimcork.com) or [www.corkfacts.com](http://www.corkfacts.com)

## CORTICEIRA AMORIM, SGPS, S.A.

Public company

Edifício Amorim I

Rua de Meladas, n.º 380

4536-902 MOZELOS VFR

PORTUGAL

Share capital: € 133,000,000

A company incorporated in Santa Maria da Feira – Portugal

Registration number and corporation tax ID number: PT 500 077 797