



**AMORIM**

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

**Consolidated results**

**Third Quarter 2011**

# Summary

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# Consolidated results

- Highlights
- Consolidated key indicators

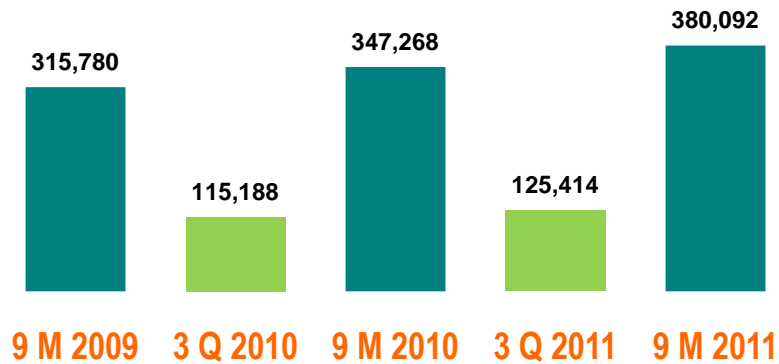
Unit: thousands of euros

# Highlights

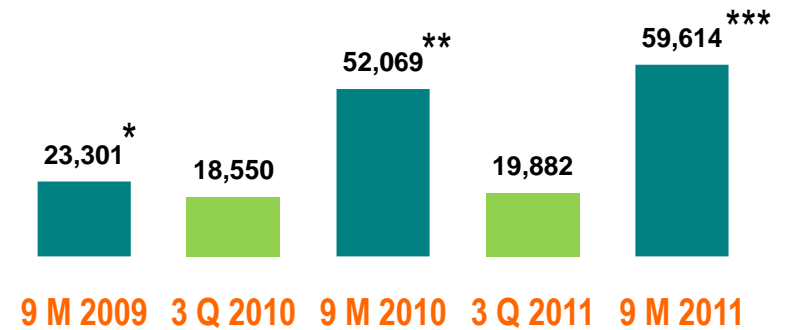
- ❑ September YTD sales (9M11) reached 380 million euros (M€), up 33M€ (9.5%), keeping the pace of first half (1H11: 9.7%);
- ❑ All Business Units (BU) recorded higher activity and better results than 2010 comparable; (except for Insulation Cork BU which showed a slightly lower sales and EBIT)
- ❑ Current EBITDA (59.6M€ = 15.7% of sales) and current EBIT (44.3M€) up 14,5% and 20,3% from same period 2010;
- ❑ Net profit totalled 21.4M€, increasing 21% from last year comparable of 17.7M€;
- ❑ Dividends paid during second quarter reached 12.6M€;
- ❑ Net debt (127.7M€) increases 25M€ since December 2010;
- ❑ Cork purchasing campaign finished with higher quantities and higher price (up 37M€ of inventory in comparison with Dec 10 and Sept 10).

# Consolidated key indicators

## Sales



## EBITDA



\* Excludes restructuring costs (3,845 K€)

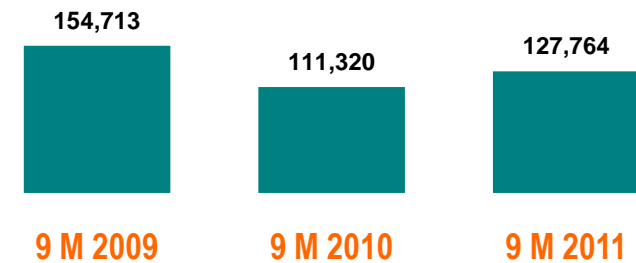
\*\* Excludes Goodwill impairment (1,827 K€)

\*\*\* Excludes write-off Goodwill SNL e US Floors (5,763).

## Total Assets



## Net debt





# Highlights and key indicators by Business Unit

Unit: thousands of euros

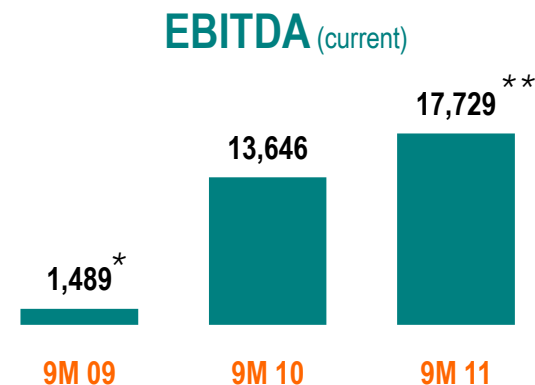
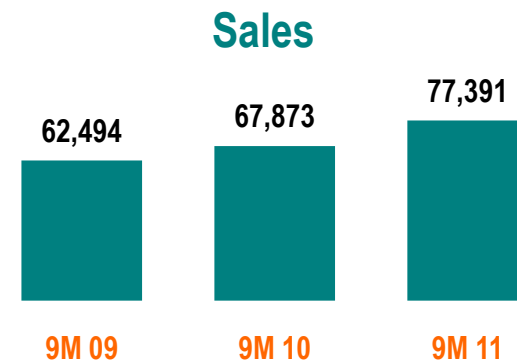


# Highlights and key indicators

## Raw Materials

### Industrial activity

- Sales to the value chain of the group up 16%, higher than the 14% increase in consolidated production, meaning a higher degree of integration in the production cycle;
- Cork purchasing campaign finished with higher quantities and higher price;
- All Units (Portugal, Spain and North Africa) with higher activity and results;
- Higher activity and production yields responsible for increases in EBITDA.



\* Excludes restructuring costs (160)

\*\* Excludes write-off Goodwill Tunisia (2.200)

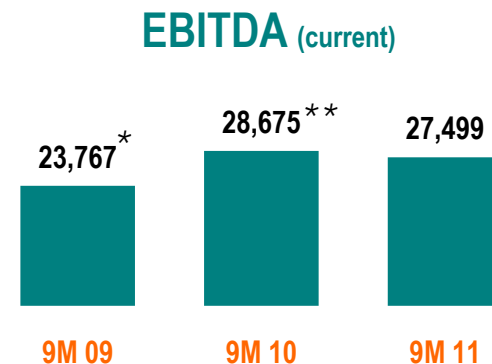
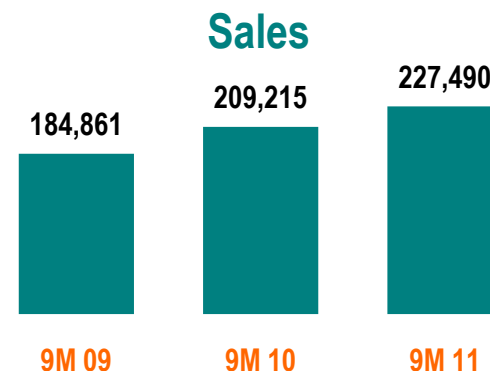


# Highlights and key indicators

## Cork Stoppers

### ☐ Sales – 8.7% increase in 9M11 keeps 1H11 growth pace

- Growth in all major markets (except for South Africa and Chile);
- All corkstoppers families registered an increase both in volume and in value;
- Negative exchange rate effect on sales hit price increase effect, making volume the reason for sales growth (+208 million of cork stoppers);
- All four major markets (France, USA, Italy and Spain) recorded sales increases between 9% and 16%;
- Natural cork stoppers maintained the growing trend (Q3: 8%; 9M: 9%);
- Special note to champagne cork stoppers (Q3: +12%; 9M +16%) and agglomerate cork stoppers (Q3: +30%; 9M: +30%), with special emphasis for the agglomerate champagne cork stoppers. TwinTop® cork stoppers maintained its sales value (+19 million units sold);
- Growth sales rate higher than market growth;
- EBITDA hit by exchange rate differences.



\* Excludes restructuring costs (1.550).

\*\* Excludes write-off Goodwill A. Sul (1.423).



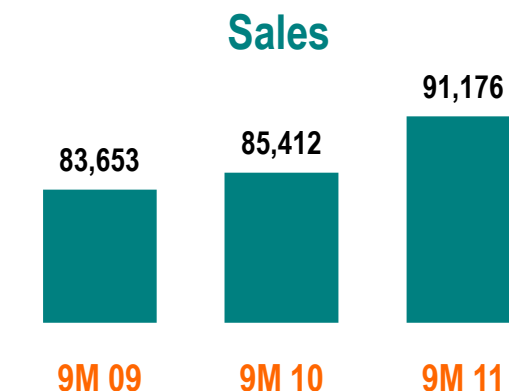


# Highlights and key indicators

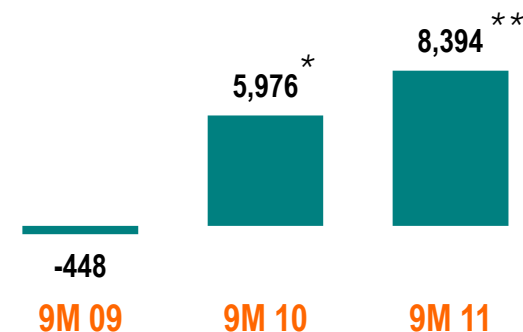
## Floor & Wall Coverings

### ☐ Sales – 6.7% increase YTD reinforce 1H trend

- Special note to sales of own products (+7M€: +10%);
- Special note to Corkstyle and LVT sales
- Wood flooring sales reversed decrease trend (1H: -20%; 9M: -15%);
- Positive evolution in Eastern European and North American markets;
- New joint-venture (Timberman) consolidated beginning July 1<sup>st</sup>;
- Increase in EBITDA.



### EBITDA (current)



### ☐ USF remaining goodwill (3,6M€) write-off

\* Excludes write-off Goodwill A. Benelux (1.801).  
 \*\* Excludes write-off Goodwill US Floors (3.563).

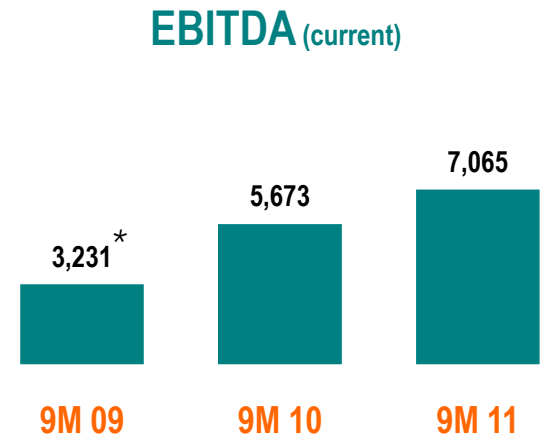
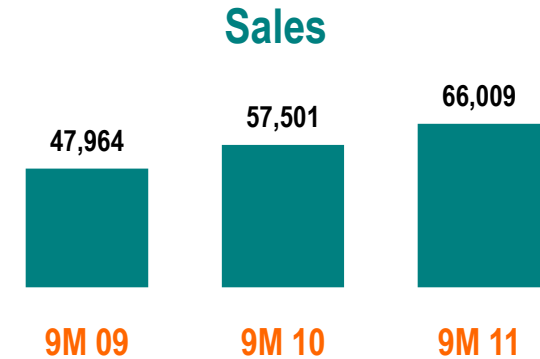


# Highlights and key indicators

## Cork Composites

### □ Sales – 14.8% increase YTD

- Quarters harder to compare with 2010 good quarterly performances;
- BU keeps activity levels higher than activity before the crisis (9M2008: 60M€);
- Exchange rate negative effect call off sales price increases, making volume the reason for growth;
- Except for Home&Office and DIY, all product families registered higher sales;
- Production capacity fully utilised;
- Higher non-cork raw material and energy prices impacted percentual gross margin and EBITDA;
- Higher activity allows for a better EBITDA.



\* Excludes restructuring costs (2.805)

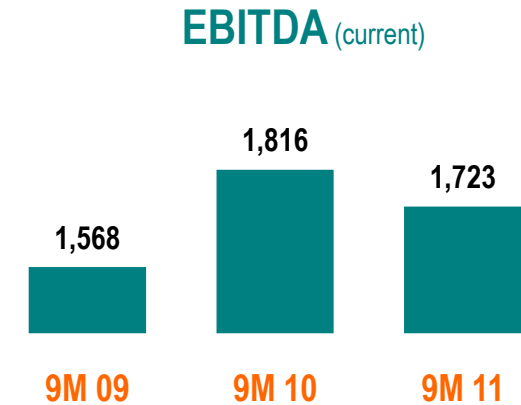
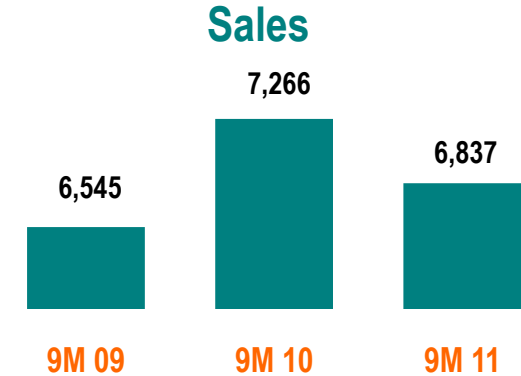


# Highlights and key indicators

## Insulation Cork

### ☐ Sales – 5.9% decrease YTD

- Q3 sales (-17%) reverses sales growth (1H: +0,5%);
- Construction markets exposure responsible for the delay of some projects;
- Rebound of Middle East market not enough for the drop of French and Italian markets;
- EBITDA decrease softened by a higher percentual gross margin (+7%) and operating costs reduction.

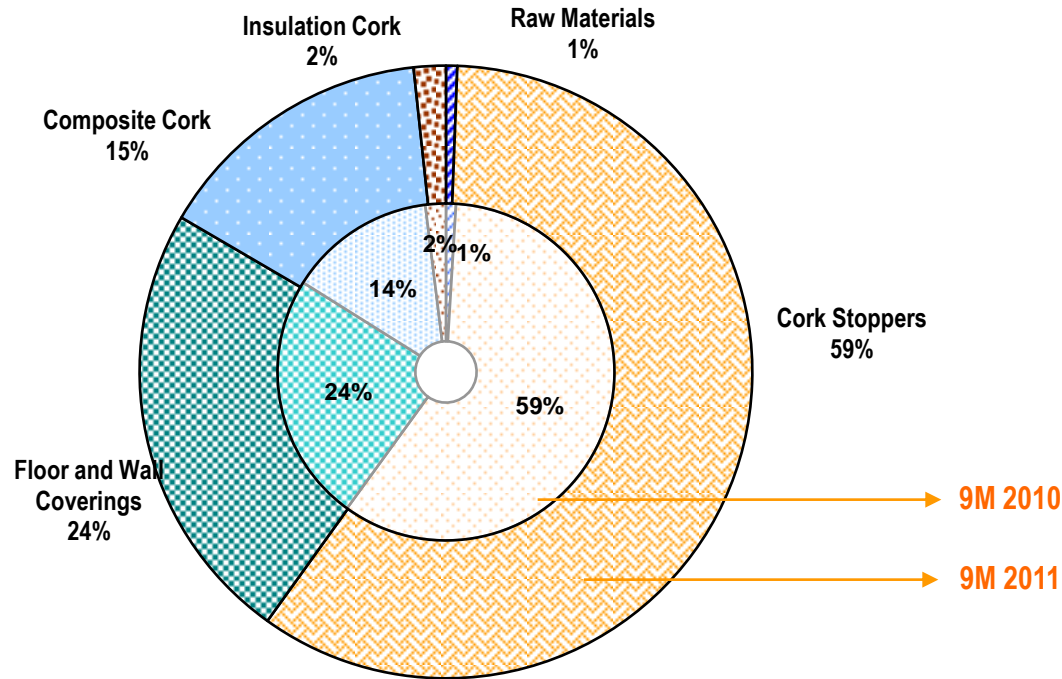


# Appendices

- Consolidated indicators

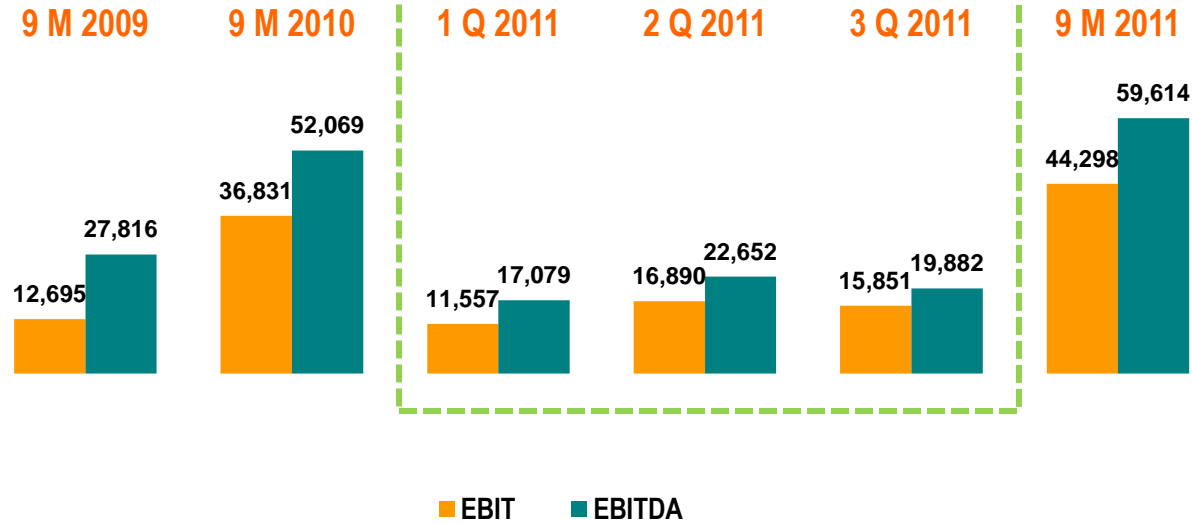
Unit: thousands of euros

# Breakdown Sales by Business Unit



	9M 2009	9M 2010	9M 2011
Raw Materials	1.7%	1.0%	0.6%
Cork Stoppers	57.6%	59.0%	59.3%
Floor and Wall Coverings	26.0%	23.9%	23.5%
Composite Cork	12.8%	14.1%	14.9%
Insulation Cork	1.9%	2.0%	1.7%

# EBIT & EBITDA evolution

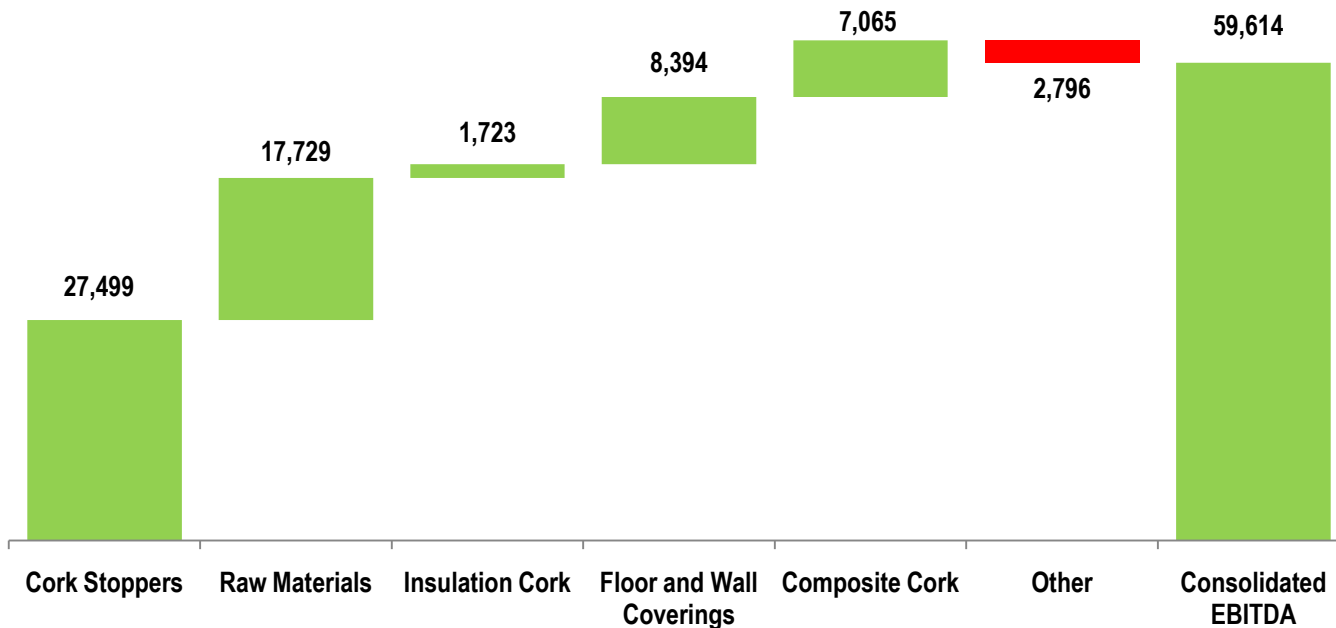


	9 M 2009*	9 M 2010*	1 Q 2011*	2 Q 2011*	3 Q 2011*	9 M 2011*
Gross Margin	146,739	175,385	66,369	67,596	62,078	196,043
Other operating costs (current)	132,430	135,783	54,718	50,321	45,782	150,822
<b>EBIT</b>	<b>12,695</b>	<b>36,831</b>	<b>11,557</b>	<b>16,890</b>	<b>15,851</b>	<b>44,298</b>
<b>EBITDA</b>	<b>27,816</b>	<b>52,069</b>	<b>17,079</b>	<b>22,652</b>	<b>19,882</b>	<b>59,614</b>

\* Excludes restructuring costs

# Breakdown EBITDA by Business Unit

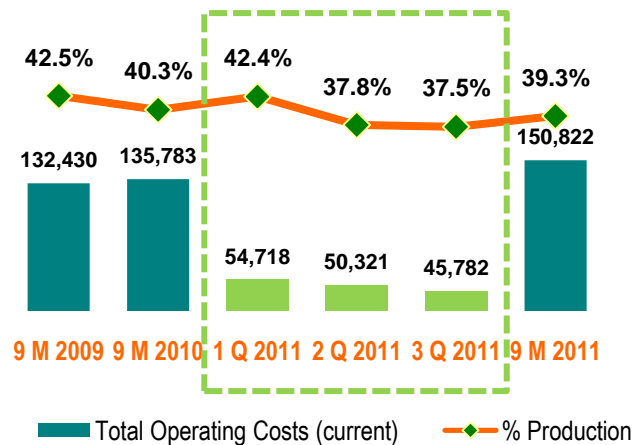
## Current EBITDA



	9 M 2009	9 M 2010	1 Q 2011	2 Q 2011	3 Q 2011	9 M 2011
Raw Materials	5%	24%	42%	27%	18%	28%
Cork Stoppers	80%	51%	35%	52%	42%	44%
Floor and Wall Coverings	-2%	11%	6%	10%	25%	13%
Composite Cork	11%	10%	13%	8%	13%	11%
Insulation Cork	5%	3%	3%	2%	3%	3%

# Operating Costs Breakdown

## Value and % (Production):



	9 M 2009	9 M 2010	1 Q 2011	2 Q 2011	3 Q 2011	9 M 2011
External supplies	53,469	58,068	22,800	21,646	20,940	65,386
Staff costs *	63,592	64,070	24,094	23,682	19,198	66,974
Depreciation	15,122	15,238	5,522	5,762	4,031	15,315
Provisions	2,298	1,919	474	613	390	1,477
Other operating expenses and profits	2,051	3,513	-1,828	1,382	-1,224	-1,670
<b>Total Operating Costs (current)</b>	<b>132,430</b>	<b>135,783</b>	<b>54,718</b>	<b>50,321</b>	<b>45,782</b>	<b>150,822</b>
<b>% Production</b>	<b>42.5%</b>	<b>40.3%</b>	<b>42.4%</b>	<b>37.8%</b>	<b>37.5%</b>	<b>39.3%</b>

\* Excludes restructuring costs

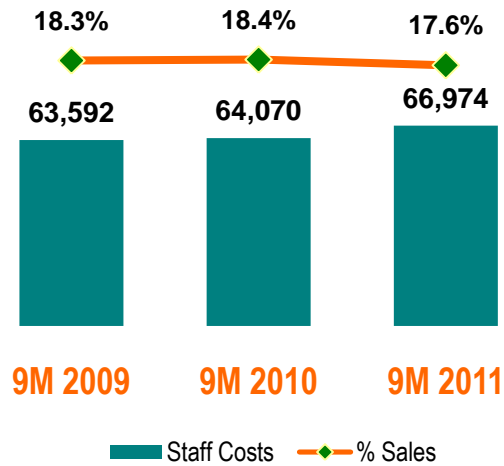




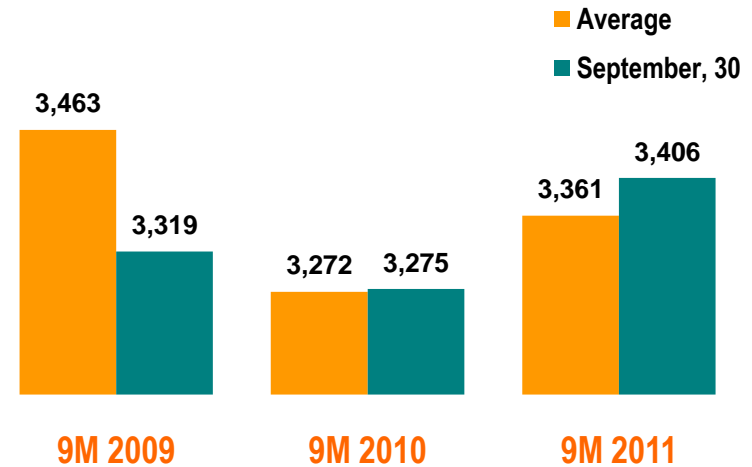
# Staff Costs \*

\* Excluding charges with reorganization

## Value and % (sales):



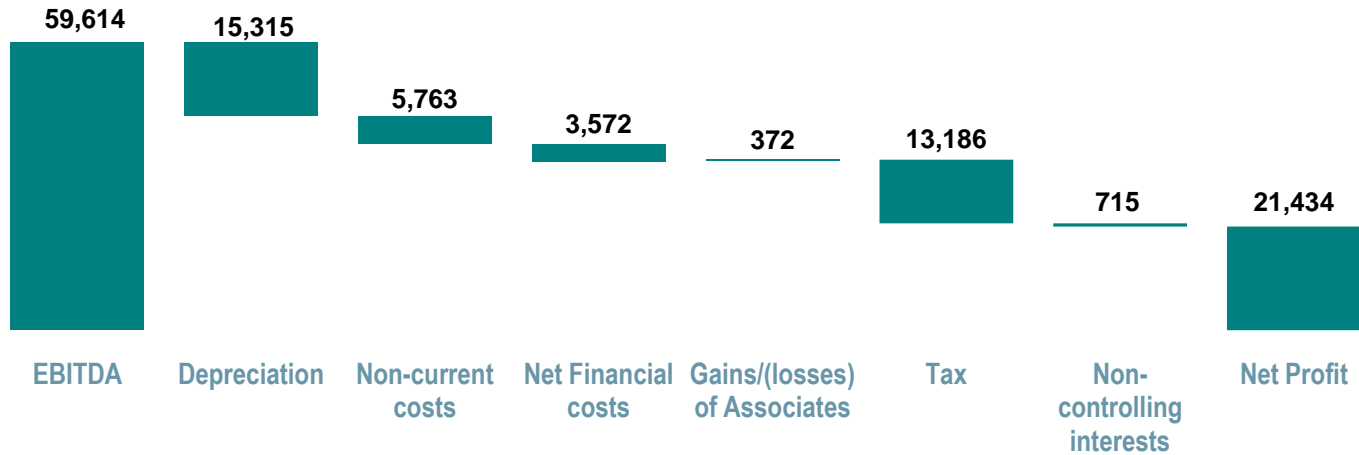
## Number of employees:



Comparison *:		%
+	Accounting Variance	4.5%
-	Exchange Rate Impact	-0.1%
-	Impact due to consolidation range	0.1%
-	Headcount Impact	2.3%
=	Adjusted Variance	2.2%

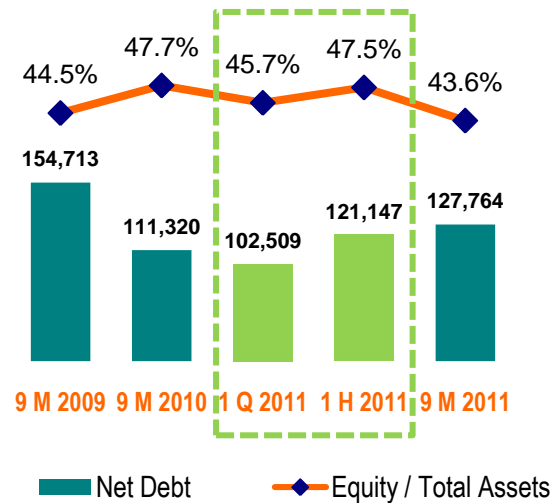
\* Staff Costs variance: 9M11 vs 9M10

# Net Profit



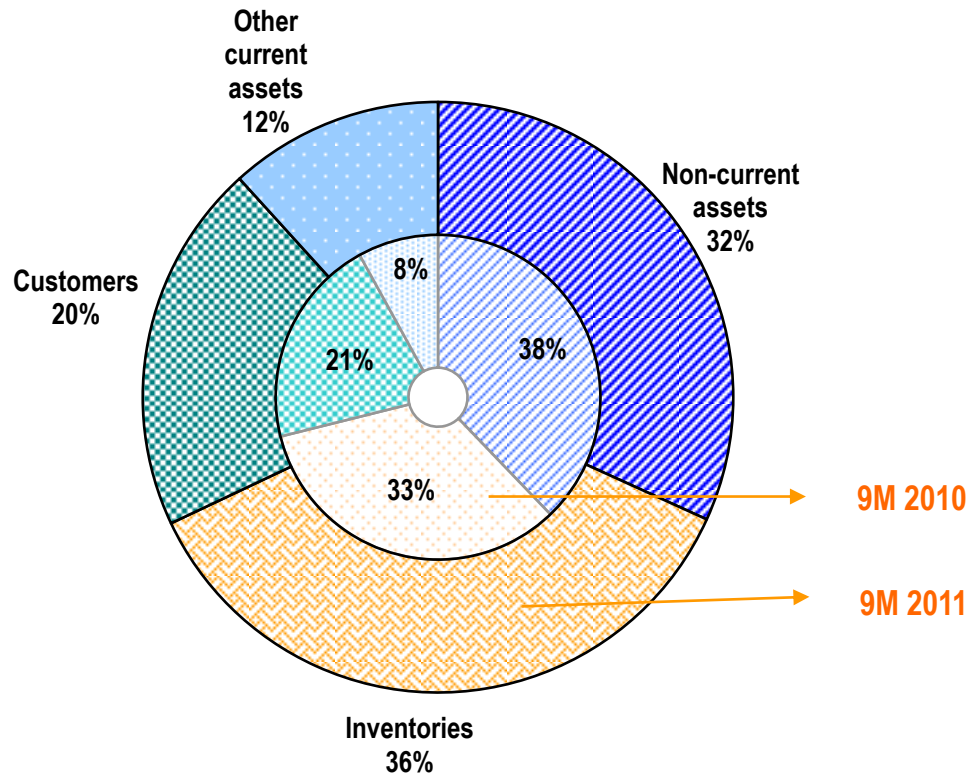
	9 M 2009	9 M 2010	1 Q 2011	2 Q 2011	3 Q 2011	9 M 2011
EBIT current	12,695	36,831	11,557	16,890	15,851	44,298
Interest	4,939	3,048	48	1,323	2,201	3,572
Restructuring costs	4,515	3,224	1,827	1,736	2,200	5,763
(loss)/profit of associates	568	622	220	327	-175	372
EBT	3,809	31,180	9,901	14,159	11,275	35,334
Tax	973	12,276	4,661	5,229	3,296	13,186
Minority interests	586	1,178	87	269	359	715
<b>Net Profit</b>	<b>2,249</b>	<b>17,726</b>	<b>5,153</b>	<b>8,661</b>	<b>7,620</b>	<b>21,434</b>

## Net debt and Equity/ Total Assets:



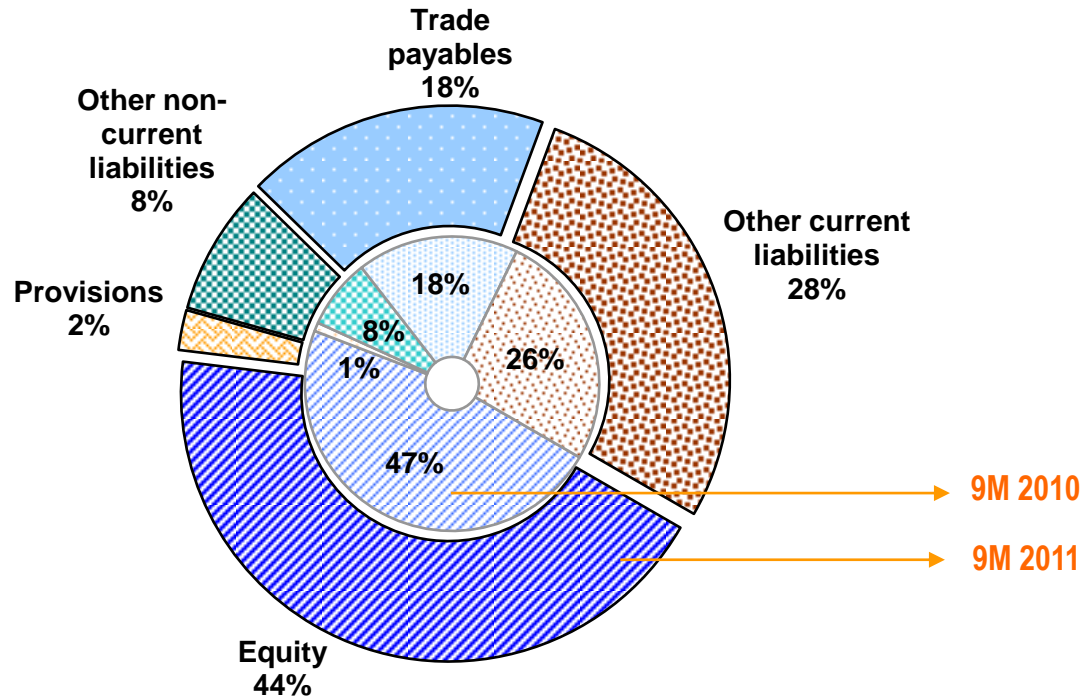
	9 M 2009	9 M 2010	1 Q 2011	1 H 2011	9 M 2011
Net Debt	154,713	111,320	102,509	121,147	127,764
Equity and Minority interests	245,854	265,549	273,089	269,792	276,720
EBITDA / Interest	7.9	28.4	34.7	26.6	23.8
Equity / Total Assets	44.5%	47.7%	45.7%	47.5%	43.6%
Gearing	62.9%	41.9%	37.5%	44.9%	46.2%

# Total Assets



	9M09	9M10	9M11
Non-current assets	223,598	210,582	201,835
Inventories	183,473	184,998	229,717
Customers	109,003	116,058	128,778
Other current assets	36,682	44,580	74,510
<b>Total Assets</b>	<b>552,756</b>	<b>556,218</b>	<b>634,840</b>
Capex	13,226	11,006	17,230

# Equity and Liabilities



	9M09	9M10	9M11
Equity	246,759	265,549	276,720
Provisions	4,409	5,247	15,334
Other non-current liabilities	134,031	16,356	50,638
Trade payables	71,936	98,799	116,327
Other current liabilities	95,621	267	175,821
<b>Total Liabilities</b>	<b>305,997</b>	<b>290,669</b>	<b>358,119</b>

# Consolidated Statement of Financial Position

	September 2011	December 2010	September 2011
<b>Non-current assets</b>	<b>201,835</b>	<b>206,973</b>	<b>210,582</b>
<b>Current assets</b>			
Inventories	229,717	184,798	184,998
Other current assets	203,287	169,995	160,638
<b>Total current assets</b>	<b>433,004</b>	<b>354,793</b>	<b>345,636</b>
<b>Total Assets</b>	<b>634,840</b>	<b>561,766</b>	<b>556,218</b>
<b>Equity (M. I. included)</b>	<b>276,720</b>	<b>268,545</b>	<b>265,549</b>
<b>Non-current liabilities</b>			
Bank borrowings	43,599	14,239	10,350
Other non-current liabilities	22,373	21,699	11,253
<b>Total non-current liabilities</b>	<b>65,972</b>	<b>35,938</b>	<b>21,603</b>
<b>Current liabilities</b>			
Bank borrowings	116,638	121,496	118,322
Other current liabilities	175,510	135,787	150,744
<b>Total current liabilities</b>	<b>292,148</b>	<b>257,283</b>	<b>269,066</b>
<b>Total Liabilities and Equity</b>	<b>634,840</b>	<b>561,766</b>	<b>556,218</b>

# Key Figures

	9M11	9M10	Variation	3Q11	3Q10	Variation	
Sales	380,092	347,268	9.5%	125,414	115,188	8.9%	
Gross Margin – Value	196,042	175,385	11.8%	62,077	52,958	17.2%	
	1)	51.1%	52.0%	-0.95 p.p.	50.0%	49.1%	+ 0.9 p.p.
Operating Costs - current	151,744	138,554	9.52%	46,227	38,332	20.60%	
EBITDA - current	59,613	52,069	14.5%	19,881	18,550	7.2%	
EBITDA/Sales	15.7%	15.0%	+ 0.7 p.p.	15.9%	16.1%	-0.25 p.p.	
EBIT - current	44,298	36,830	20.3%	15,850	14,626	8.4%	
Non-current costs	2)	5,763	3,224	N/A	2,200	3,224	N/A
Net Income	21,434	17,726	20.92%	7,619	6,127	24.35%	
Earnings per share	0.170	0.139	22.18%	0.060	0.049	23.20%	
Net Bank Debt	127,764	111,320	16,444	-	-	-	
Net Bank Debt/EBITDA (x)	4)	1.74	1.77	-0.04 x	-	-	-
EBITDA/Net Interest (x)	3)	23.75	28.43	-4.68 x	19.55	46.87	-27.32 x
Equity/Net Assets	43.6%	47.7%	-4.111 p.p.	-	-	-	

1) Related to Production

2) Goodwill impairment

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

4) Current EBITDA of the last four quarters



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

Rua de Meladas, nº 380  
P.O. Box 20  
4536-902 MOZELOS VFR  
PORTUGAL

Tel.: +351 22 747 54 00  
Fax: +351 22 747 54 07

Email: [corticeira.amorim@amorim.com](mailto:corticeira.amorim@amorim.com)  
<http://www.corticeiraamorim.com>  
[www.corkfacts.com](http://www.corkfacts.com)