

## **CORTICEIRA AMORIM posts € 4.3 million profit**

### **HIGHLIGHTS:**

- Sales grew by more than 10% over the previous quarter and the same period in 2009
- Current EBITDA reached € 15.2 million
- Net debt decreased by 41% compared to 1Q09

Mozelos, May 5, 2010 - CORTICEIRA AMORIM reported a net profit of 4.3 million euros (M €) in 1T2010 in comparison to the loss of € 4.6 M a year before and € 2.9 M in 4Q2009.

Signs of economic recovery, though weak, began to pop up during the first quarter of 2010. The restoration of financing for companies led to a resumption of confidence levels compatible with the growth in the industrial activity carried on by CORTICEIRA AMORIM.

The improvement in many markets and, especially, the replacement of inventories, necessary to be carried out following the sharp reduction resulting from the constraints experienced throughout the year 2009, explains to some extent the growth of 10.9% recorded in sales. But this positive performance is also the result of an aggressive sales approach, benefiting from the competitive advantages resulting from an exceptional range of products that only CORTICEIRA AMORIM is able to offer its customers.

The growth in sales, a significant improvement in gross margin percentage and operating costs remaining unchanged, have contributed decisively to a remarkable profit improvement.

Worth of mention is the ongoing debt reduction process by CORTICEIRA AMORIM, whose net debt amounts now to 127.3 million euros.



## CORTICEIRA AMORIM increases sales by over 10%

Current EBITDA of CORTICEIRA AMORIM reached € 15.2 M compared to € 5.5 M in the same period of 2009 and € 10.7 M € in the previous quarter.

This very positive improvement is largely due to a significant growth in sales to € 113.3 M, an increase of 10.9% compared to the first quarter of 2009 and 13.9% higher than the figure for the period between September and December 2009.

The performance of the **Cork Stoppers Business Unit (BU)**, which accounts for more than half of our consolidated sales, had a significant impact on the positive change in sales of CORTICEIRA AMORIM. The 12.8%-increase in sales had a decisive impact on consolidated sales growth. For the first time in several quarters, sales of natural cork stoppers grew both in terms of volume and value. The **Floor and Wall Coverings BU** recorded a 5.1% rise in sales, but this figure falls still short of the sales levels in 2008. However, worth of mention is the remarkable 19.2% increase in cork flooring sales - the most important product manufactured by this BU –, which almost matched the level of sales for the same period in 2008. The **Composite Cork BU**, which recorded the largest decline during 1Q09 (-25%) posted, a year later, the highest growth (24.5%) among the various AMORIM's Business Units, showing thus a recovery to pre-crisis levels in 2008. The **Insulation Cork BU** recorded also a remarkable sales growth (+9.5%) basically in terms of quantities. Thanks to the significant gross margin percentage increase recorded by both the **Raw Materials BU** and the Cork Stoppers BU, the consolidated gross margin reached 51.5%, the highest figure recorded by CORTICEIRA AMORIM in the past quarters.

Interest payable decreased again compared to 1Q09 (€ 1.3 M vs. € 2.4 M) due to a reduction in net debt.

## CORTICEIRA AMORIM reduces debt by € 88 Million

The attention of the Management of CORTICEIRA AMORIM has been focused on the reduction of the Company's debt and the increase in its financial stability, a goal that was again reinforced in the first quarter of 2010.

CORTICEIRA AMORIM's equity to total assets ratio increased to 48.1% at the end of March, 5.1 percentage points higher than the figure of 43% posted by the Company in the same period in 2009.

Net debt decreased by 41% to € 127.3 M compared to € 215.7 M a year earlier, reflecting a continuous decrease in the debt burden of CORTICEIRA AMORIM.

## Consolidated Key Indicators

	1Q10	1Q09	Increase/ Decrease	4QT09
Sales	113 280	102 174	10,87%	99 430
Current EBITDA	15 233	5 487	178%	10 705
Current EBIT	9 679	-90	-	5 240
Net profit/ loss (attributable to shareholders)	4 285	-4 595	-	2 862
Equity to Total Assets Ratio	48,1%	43,0%	+5,13 pp	47,60%
Net debt	127 283	215 748	-88 465	138 613

Unaudited values (in thousands of euros)



## To contact additional information:

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 410 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.amorim.com](http://www.amorim.com) and [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: € 133 000 000,00  
A company incorporated in Santa Maria da Feira - Portugal  
Registration number and corporation tax ID number: PT 500 077 797

# AMORIM