

## **CORTICEIRA AMORIM achieves over 13 million euros profit in first half of 2011**

### **HIGHLIGHTS:**

- CORTICEIRA AMORIM reported EUR 254.7 million in consolidated sales in the first half of 2011
- Current EBITDA reached EUR 39.7 million
- Net income increased 19% over the first half of 2010

**Mozelos (Portugal), July 29, 2011** - CORTICEIRA AMORIM's consolidated sales reached EUR 254.7 million in the first half of 2011, up 9.7% versus the same period in 2010. The Company exceeds the record level for sales achieved in the first half year of 2008 (EUR 248 million), an increase resulting, in part, from the reaffirmation of the cork in the world market.

Worthy of mention is the fact that the second quarter of 2011 was the sixth consecutive quarter in which there has been an increase in sales compared to the same quarter a year ago. Consolidated sales in 2Q11 exceeded by 13% the sales generated in the same period of 2010.

In line with this increase in sales, other indicators also showed substantial improvement: current EBITDA rose 18.5% to EUR 39.7 million and net profit attributable to shareholders grew 19.1% to EUR 13.8 million.

CORTICEIRA AMORIM continued to enjoy growth - albeit modest - in its main markets. The Company's limited exposure to the domestic market spared it from the effects of the strong economic recession in Portugal during the first half of 2011 that, apparently, will persist for the foreseeable future.



A number of indicators provided by major international institutions also suggest some loss of momentum, especially in the German and in the U.S. economies. The feeble recovery in some major Western economies seems to indicate that the structural problems remain largely unresolved.

## All Business Units reported sales growth in the first half of 2011

The Raw Materials Business Unit (BU) had practically satisfied its requirements for raw materials to be manufactured in 2012. Their average purchase price showed a rise compared with last year. Yet, EBIT reached EUR 12.7 M in the first half of 2011, a figure significantly higher than that in 1H10 (EUR 7.8 M) as a result of a significant business growth and a good price versus quality of the manufactured cork. The 16.1% sales growth resulted from the contribution of this business to the value chain of the Group.

Each individual month in the first half of 2011 was the best ever for the **Cork Stoppers BU**. Sales in 1H11 reached EUR 152.5 M, up 8.9% compared to the same period in 2010. In total, were sold 1.7 billion corks. The growth in sales in this BU was largely fueled by three factors: growth in the world wine champagne and spirits markets, loss of market share by alternative wine closures and a superior ability of CORTICEIRA AMORIM to meet customer needs compared to other companies engaged in the cork industry.

In the second quarter of 2011, the **Floor and Wall Coverings BU** managed to reverse the decrease in sales recorded in the first three months of the year. The result was that this BU recorded a 4% growth to EUR 59.9 million in 1H11. The favourable performance of some key markets, particularly the U.S. and the Eastern European markets, contributed decisively to such growth.

The **Composite Cork BU** continued its significant sales growth that reached EUR 45.7 M at the end of the first half of 2011, a 19.3% increase compared to the first six months of 2010. Taking advantage of the upward exporting momentum of the German economy, the sales of industrial and sealing products to this market registered a growth in excess of 30%. As regards construction, the momentum of the Russian market is worthy of mention.

The **Insulation Cork BU** also recorded a positive trend and achieved EUR 4.7 million in consolidated revenues. Some projects were postponed during the second quarter of 2011 and this ultimately ended up affecting the overall sales in this period. The Middle Eastern market was the only one among the major markets that recorded a remarkable growth. Sales to Italy and France showed a slight decrease.

## CORTICEIRA AMORIM posts net profit of € 13.8 million

With a rise in operating costs (5.2%) well below the increase in production (14.3%), CORTICEIRA AMORIM's profit benefited from increased sales in all Business Units. On a less positive note was the performance of the USD/EUR exchange rate which penalized the profits earned by the Company.

The current value of EBITDA reached € 39.7 million and EBIT € 28.5 million, an 18.5% and 28.1% increase, respectively. The main performance indicator, EBITDA/Sales, surpassed all amounts recorded in recent years by CORTICEIRA AMORIM (15.6% vs 14.4% in 1H10).

Net profit attributable to shareholders of CORTICEIRA AMORIM amounted to € 13.8 million, a 19.1% rise compared to the first half of 2010.

The balance sheet value at the end of 1H11 was € 568M, a € 6M increase compared to the closing of 2010.

### Highlights

	1H11	1H10	Increase/ Decrease
<b>Sales</b>	254,678	232,080	9.7%
<b>Current EBITDA</b>	39,732	33,520	18.5%
<b>Current EBIT</b>	28,448	22,206	28.1%
<b>Net profit/loss</b> (attributable to shareholders)	13,814	11,599	19.1%
<b>Equity to total assets ratio</b>	47.5%	45.2%	2.3 pp

Audited figures (in thousands euros)



### **For additional information, contact:**

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 thousands 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