

Sales of CORTICEIRA AMORIM exceed EUR 500 M

HIGHLIGHTS:

- Net sales reach EUR 511 M (without acquisitions)
- EBITDA increases 13.8% to EUR 82.5 M
- Net Profit grows 22.9% to EUR 31 M
- The U.S. market becomes Corticeira Amorim's leading export destination

Mozelos, February 25, 2013 - Corticeira Amorim's net profit for the year ended December 31, 2012 exceeded EUR 31 M, up 22.9% compared to a year ago. This is the third consecutive year of sales and profit growth. Net sales (without acquisitions) of Amorim exceeded the threshold of EUR 500 M for the first time in the company's history (EUR 511. M without acquisitions).


Product diversification and increase of exports to extra-European markets as well as improvement in operational efficiency in Amorim's Business Units have been instrumental in driving the company's performance. Exchange rate effects contributed EUR 7 M to that increase in the net profit for the year.

All Business Units posted increases in sales revenue

The **Raw Material Business Unit** (BU) recorded healthy sales growth, up 18% y-o-y (a 15%-increase in sales to other Amorim's BUs).

Despite the harsh summer weather conditions, the international profile of this BU which plays a role in every cork region of the world, enabled to ensure a stable supply of raw materials that led to a positive development of its key indicators.

Similarly to previous years, the **Cork Stoppers BU** continues to show consistent and continued growth in its business. In a period marked by slightly decreasing sales to Europe that were more than offset by favorable sale levels to the "New World" markets, the sales



of cork stoppers showed a comparable increase of 4%. As far as product families is concerned, it is worth mentioning the sales of Natural Cork Stoppers - the most important product of the value chain – grew by 1,9% and Neutrocork, thanks to its performance and competitiveness, grew over 20% y-o-y.

Sales of **Floor and Wall Coverings BU** in 2012 grew by 5% y-o-y, with the sales of products manufactured by this BU increasing by 7.4%. As far as markets is concerned, sales increases continue to be recorded mainly in markets outside Europe, with sales to Germany stabilizing and showing values in line with those of 2011.

Sales made by the **Cork Composites BU** in 2012 grew by 6% y-o-y. All strategic areas (Construction, Transport, Industry and Consumer Goods) have either maintained or exceeded the activity levels in the same period a year ago. The largest ever investment made by this BU was completed in 2012 and will result in a new concept of higher added value cork composite product that can be used in various applications.

Despite facing unfavorable external conditions, the **Insulation Cork BU** performed admirably in 2012 with its sales growing by 2.3% y-o-y.

CORTICEIRA AMORIM's EBITDA reaches EUR 82.5 M at 2012 year-end

Consolidated sales of Corticeira Amorim at the end of 2012 exceeded the threshold of EUR 500 M for the first time in the company's history. If the impact of the acquisition of the Trefinos group's operations was taken into consideration, such amount would reach EUR 534 M (+ 8% compared to 2011).

This performance is largely due to market share gains, a favorable currency impact (particularly the EURO/USD exchange rate) and the price effect.

Gross margin decreased again slightly (50.5% in 2012 compared to 51.2% in 2011). The main reason for that decline was the rise in cork raw material prices (reproduction cork harvested in the 2011 season and cork waste). The strong sales growth contributed to a 7.4%-increase (about + EUR 19 M) in absolute gross margin, which totaled EUR 274 M in 2012.

The behavior of the cost of external supplies and services continues to be heavily penalized by increasing energy costs, especially electricity and transport costs.

Current operating expenses totaled EUR 191.5 M at the end of 2012 (+4.9% y-o-y), a change well below that of the increase in production (+8.8%).

A sales growth much higher than the increase in operating expenses has enabled further improvement in the EBITDA to Sales ratio, which exceeded 15% for the first time in a full financial year and reached 15.4% of sales in 2012 (2011: 14.6%).

EBITDA /Sales	
2006	12.6%
2007	12.8%
2008	10.3%
2009	9.3%
2010	14.4%
2011	14.6%
2012	15.4%

In absolute terms, in 2012 EBITDA showed strong growth of 13.8% y-o-y, amounting to EUR 82.5 M. This behavior has proved crucial in the development of the Net Debt to EBITDA ratio, that stands now at 1.47x, which is of particular importance in the current economic climate.

Net interest-bearing debt at the end of 2012 was EUR 121.6 M and was slightly higher than in the comparable period in 2011 (EUR 117.4 M). The amount reached at the end of 2012 was due to the occurrence of two exceptional events: (i) the investment made to purchase approximately 90% of Trefinos Group's (EUR 15.1 M + a debt of EUR 6 M) and (ii) the distribution of reserves to shareholders (EUR 12M).

After recording the amounts of non-controlling interests, net profit attributable to CORTICEIRA AMORIM's shareholders in 2012 was EUR 31.055 M, a 22.9%-increase compared to EUR 25.274 M a year ago.

Main figures

	2012	2011	Variation	4Q12	4Q11	Variation	
Sales	534.240	494.842	8,0%	125.749	114.750	9,6%	
Gross Margin – Value	273.960	255.007	7,4%	66.195	58.965	12,3%	
	1)	50,5%	51,2%	-0,64 p.p.	50,8%	51,7%	-0,93 p.p.
Operating Costs - current	212.701	203.629	4,46%	52.191	51.885	0,59%	
EBITDA - current	82.465	72.437	13,8%	20.061	12.824	56,4%	
EBITDA/Sales	15,4%	14,6%	+ 0,8 p.p.	16,0%	11,2%	+ 4,8 p.p.	
EBIT - current	61.259	51.378	19,2%	14.004	7.080	97,8%	
Non-current costs	2)	6.978	5.792	20,48%	2.384	29	-
Net Income	31.055	25.274	22,87%	4.567	3.839	18,96%	
Earnings per share	0,246	0,200	23,07%	0,036	0,030	20,79%	
Net Bank Debt	121.579	117.424	4.155	-	-	-	
Net Bank Debt/EBITDA (x)	4)	1,47	1,62	-0,15 x	-	-	-
EBITDA/Net Interest (x)	3)	17,18	18,54	-1,36 x	20,53	9,17	11,36 x
Equity/Net Assets	45,9%	46,7%	-0,838 p.p.	-	-	-	

1) Related to Production

2) Goodwill impairment and other impairments

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

Audited values.



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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 more than Euro half billion 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 and 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