

CORTICEIRA AMORIM posted sales of € 457 million

HIGHLIGHTS

- CORTICEIRA AMORIM posted € 20.5 million net profit for 2010
- EBITDA increased to € 66 million
- Consolidated sales reached € 456.8 million
- Net debt decreased again and stands now at € 102 million


Mozelos (Portugal), February 21, 2011 – CORTICEIRA AMORIM posted a € 42 million growth in consolidated sales for the full year 2010, totaling € 456.8 million in 31 December 2010. The Cork Stoppers Business Unit (BU) has contributed decisively to this highly satisfactory result, with its consolidated sales rising by 13% in the period under review.

The decrease in net debt in the financial year 2010 (that stands now at € 102 million) deserves a special mention as it fully met the management commitments of CORTICEIRA AMORIM. Attention should be drawn to the fact that this figure was in excess of € 220 million just over two years ago.

In line with this positive trend, CORTICEIRA AMORIM reported a net profit of € 20.5 million for the financial year ended 31 December 2010, compared to € 5.1 million in the same period of 2009.

CORTICEIRA AMORIM's gross margin shows a very positive trend

With its 13% growth in sales, the Cork Stoppers Business Unit (BU) has contributed decisively to the € 456.8 million in sales recorded by CORTICEIRA AMORIM in 2010. In absolute terms, approximately € 30 million out of the € 42 million increase in consolidated sales are attributable to this BU, underlining thus the importance of this product range



manufactured by CORTICEIRA AMORIM. Almost every market supplied by this BU had a positive development, with Spain, France and Italy showing growth rates between 10% and 23%, while new wine producing countries, such as Chile, Australia and the USA recorded a 13% to 20% rise in sales.

In line with this trend, the sale of cork wine stoppers exceeded the barrier of 3 billion units for the first time ever, as a result of the presence of CORTICEIRA AMORIM in all bottling markets and the offer of the widest range of natural cork closures for the wine industry.

The performance of the Composite Cork BU, which posted a sales increase of 23%, was also crucial to the growth of the full-year consolidated sales of CORTICEIRA AMORIM.

A 7% rise in sales to CORTICEIRA AMORIM's external customers was recorded by the Insulation Cork BU. This increase was the result of the market performance of insulation corkboard, the main product manufactured by this BU. The growth in sales witnessed in the French market has catapulted this country to the top of this BU's most important export destinations.

As far as the Floor and Wall Coverings BU is concerned, there was almost zero growth in sales, mainly due to a significant decrease in timber trade (20%). If this effect is excluded, the sales of higher-value-added products manufactured by this BU registered an increase of 7.6%. Eastern European and North American markets continued to show the best growth rates. As for the Nordic countries, these were especially hard hit by the decline in timber trade.

The Raw Materials BU's products are almost exclusively channeled into the Cork Stoppers BU and, therefore, the sales of the Raw Materials BU kept pace with its main domestic customer's growth. Sales to final customers - according to the strategy established - maintain their downward trend and account now for less than 5% of the sales made by this BU.

Taking all the different CORTICEIRA AMORIM's business units into consideration, we can draw the conclusion that an overall improved gross margin rate coupled with higher sales in absolute terms, has led to an increase by approx. € 40 million in gross margin, a figure that is pretty close to the rise in the Company's sales figures.

CORTICEIRA AMORIM increases EBITDA to € 66 million and reduces net debt to € 102 million

The year 2010 proved to be positive for CORTICEIRA AMORIM. This is a particularly remarkable achievement given the poor business climate in many major world economies. In fact, the performance of the various Business Units led to an EBITDA of EUR 66 million, up 71% from EUR 38.5 million in 2009. EBITDA to sales ratio - the most important indicator of CORTICEIRA AMORIM's operating performance - reached 14.4%, one of the best figures ever in the history of the Company.

The strategy geared towards reducing net debt turned out to be successful; in fact, CORTICEIRA AMORIM's net debt stood at € 102 million at the end of December 2010, a remarkable figure when compared to € 223 million in the financial year ended 31 December 2008. Net financial charges reached EUR 4.16 million, a clear improvement resulting from a decrease in net debt and the maintenance of low interest rates.

Highlights

	4Q10	4Q09	Var.	12M10	12M09	Var.
Sales	109,522	99,430	10.2%	456,790	415,210	10.01%
Current EBITDA	13,937	10,705	30%	66,006	38,522	71%
Current EBIT	8,308	5,240	59%	45,139	17,935	152%
Net profit (attributable to stakeholders)	2,809	2,862	-2%	20,535	5,111	302%
Equity to total assets ratio	-	-	-	47.8%	47.6%	+0.19 pp
Net debt	-	-	-	102,423	138,613	- 26.11%

(Amounts expressed in thousands of euros)



For additional information:

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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 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 and www.corkfacts.com

CORTICEIRA AMORIM, SGPS, S.A.

Public company
Edifício Amorim I
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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

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