



AMORIM

CORTICEIRA AMORIM

**Consolidated Financial
Statement
September 30, 2018**

First nine months 2018 (9M18) (Non-audited)
Third quarter 2018 (3Q18) (Non-audited)

Translation of consolidated financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails

Consolidated Management Report



Dear Shareholders,

In accordance with the law, CORTICEIRA AMORIM S.G.P.S., S.A., a public company, presents its consolidated management report:

1. SUMMARY OF ACTIVITY

In spite of increased economic and political instability, the world economy has grown at a relatively robust pace.

Despite increasingly difficult relations with trading partners and the placing of tariffs on trade with China, the US generated surprisingly positive growth supported by domestic consumption and production for stocks. In Europe, third-quarter growth disappointed and business sentiment indicators worsened.

Corticeira Amorim ended the first nine months of 2018 with a net profit of €58.6 million, up 4% on the same period of 2017 (€56.4 million).

At September 30, 2018 (9M18) consolidated sales totalled €584 million, representing an increase of 9.8% on the first nine months of 2017.

The change in the consolidation perimeter resulting from the acquisition of Bourrassé Group (Bourrassé), whose activities were consolidated into Corticeira Amorim's accounts from June 30, 2017, had no impact in the third quarter. Over the first nine months of 2018, growth in business activities and the change in the consolidation perimeter more than compensated for the impact of the depreciation of the US dollar (USD) on the Group's sales (-€10.4 million). Excluding these two impacts, sales would have grown 4.9%.

It should be noted that in the third quarter the impact of fluctuations in the USD exchange rate was practically zero, in contrast to the first semester.

The best performing Business Units (BUs) in terms of sales growth were the Raw Material BU (+15.2%), the Cork Stopper BU (+12,8%) and the Insulation BU (+8.9%). In spite of recording lower sales growth (+3.8%) than the other BUs, the Composite Cork BU reversed the downward trend experienced since the first quarter by increasing sales by 15.5% in the third quarter. Floor and Wall Coverings BU sales maintained the first semester decrease (-7.7%).

EBITDA increased, but at a slower pace than sales, totalling €108.4. This was mainly due to the depreciation of the USD and to the start of consumption of raw materials acquired in the 2017 purchasing campaign. This situation was offset by improved cost control, operating efficiency gains and a reduction in impairments.

The EBITDA-sales ratio fell to 18.6%, down from the 19.8% registered in the same period of 2017. Excluding the change in the consolidation perimeter and the exchange rate effect, EBITDA would have increased 2.8% and the EBITDA margin



would have been 19.4%. The increased profitability of Bourrassé was of particular note, having been supported by a previously established plan.

Net debt at the end of September stood at €104.7 million, an increase of €11.9 million compared with the end of 2017 (€92.8 million). Although interest rates remained low, the financial function increased slightly due to an increase in average debt, resulting mainly from the acquisitions (Bourrassé, Sodiliège and Elfverson) and additional investment in working capital.

After profits attributable to minority interests, net profit totalled €58.59 million, an increase of 4% on the €56.364 million registered for the same period of the previous year.

2. OPERATING ACTIVITIES - FIRST NINE MONTHS 2018

The **Raw Materials BU** increased sales by 15.2%. Sales were predominantly within the Group, although sales to third parties also increased.

EBITDA totalled €24.2 million, significantly higher than in the same period of 2017 (€15.8 million). The improvement in the EBITDA margin (which increased from 13.5% to 18%) resulted mainly from an increase in the gross margin. This reflected the positive contribution from industrial operations including cork preparation, disc production and granulates. As expected, profitability decreased in the third quarter as the BU began to consume cork acquired at higher prices in the 2017 purchasing.

The 2018 cork purchasing campaign was completed at the end of the third quarter, meeting the quantity and quality objectives established for the period. The purchase price was about 17% higher than during the previous campaign (compared with an 11% price increase for the 2017 campaign), representing an important challenge to the development of Corticeira Amorim's business activities.

The acquisition of Cosabe - Companhia Silvo-Agrícola da Beira, S.A., announced in October 2018, was also noteworthy. As Corticeira Amorim's first investment in forest assets, it marks an important step towards implementing the Group's Forestry Intervention Project, which aims to increase the productivity of cork oak plantations and guarantee the production of high quality cork.

The **Cork Stoppers BU** recorded sales of €410.2 million, up 12.8% on the same period of 2017. Excluding the change in the consolidation perimeter, sales would have increased 2.8%; if the exchange rate effect were also discounted, sales would have grown 4.7%.

Sales increased across all market segments (still wines: 4%; sparkling wines: 3%; spirits: 14%). Sales growth was balanced in terms of geographical markets, the biggest increases being registered in the world's key wine markets: France, Italy, Spain and Portugal. Sales decreased in the US (due to USD depreciation) and Argentina. Sales of NDTech® cork stoppers increased to 36.7 million units over the first nine months of 2018 (9M17: 2.5 million units).

The BU's EBITDA rose to €76.1 million (up 3% on the same period of 2017). The EBITDA margin fell by 1.8 percentage points to 18.5%. Depreciation of the USD and higher cork purchasing prices contributed to the drop. A more favourable

product mix and increases in final consumer prices softened the impact of the decrease in sales. Excluding the changes in the consolidation perimeter and the exchange rate effect, EBITDA would have been almost equal to that of the first nine months of 2017 and the EBITDA margin would have been 19.4%.

A total of €1.5 million (net) was registered in non-recurring income. This included the reversal of €2 million in provisions relating to legal proceedings involving Amorim Argentina in cases concerning labour and customs issues and the Central Bank of Argentina. These provisions were created in 2016 during the liquidation of Amorim Argentina, which was concluded in the first half of 2018, without any significant payments having to be made. Non-recurring transaction expenses incurred during the acquisition of subsidiaries partly offset the income relating to Amorim Argentina.

Sales by the **Composite Cork BU** totalled €77.1 million, an increase of 3.8% in relation to the same period of 2017 (€74.3 million). Sales growth in the third quarter (+15.5%) comfortably reversed the downward sales trend of the first half. Sales at higher prices and in larger quantities, as well as a more favourable sales mix, supported this growth. Excluding the exchange rate effect, sales would have increased 6.8%.

In terms of segments, sales growth was strongest for Footwear, Sport Surfaces and Cork Specialists. As planned, the BU stopped supplying inlay for the Floor and Wall Coverings BU's Hydrocork® range. Sales decreased for Panels & Composites and Constructions Specialists.

In regard to destination markets, growth was positive across all segments in the Europe, Middle East and Africa (EMEA) region, but decreased in Asia (mainly in the Flooring Manufacturers segment) and in North America (at constant exchange rates sales would have grown 7.3%).

EBITDA for the first nine months totalled €8.2 million and the EBITDA margin fell to 10.7% (9M17: 15.8%). This resulted from the unfavourable exchange rate effect (discounting the exchange rate effect, the EBITDA margin would have been 12.4%), higher raw material prices (both cork and non-cork) and a reduction in earnings from grinding operations. These factors were partially offset by an increase in final product prices and a more favourable product mix.

Sales by the **Floor and Wall Coverings BU** totalled €84.1 million, down 7.7% on the same period of 2017.

There were no significant increases in sales to the three markets that have limited the BU's overall growth: the US, Russia and Germany. However, sales growth in Scandinavia and Portugal (especially in the hotel segment) softened the impact of this decrease.

The growth in sales of Hydrocork® products continued to outperform overall sales growth, albeit at a slower pace. Hydrocork® products account for more than 20% of the BU's total sales.

EBITDA dropped to €2.7 million due to lower levels of business of activity, higher raw material prices, lower production revenue, higher costs and impairments.

The BU's renewed management team is focused on launching innovative flooring solutions as well as increasing efficiency and service levels. This will enable a

new generation of sustainable SUBERTECH products (waterproof and PVC-free with a negative carbon footprint) to be launched at the Domotex trade fair in January 2019.

Rationalisation of the BU's product portfolio together with measures to increase productivity and operating efficiency are expected to generate future improvements in the EBITDA margin.

A total of €0.85 million in non-recurring expenditures was recorded, reflecting new restructuring measures and changes in the management of the BU.

Sales by the **Insulation BU** totalled €8.9 million, an increase of 8.9% on the same period of 2017. The increase reflected higher levels of activity and higher prices. MDFachada sales were slightly below those in the first nine months of 2017, but are expected to recover by the end of 2018.

The depreciation of the USD had a negative impact on the BU's activities. At constant exchange rates, sales would have increased 10.3%.

In spite of measures taken to optimise cork use, EBITDA fell 34.9% to €0.9 million, due mainly to the exchange rate effect, higher raw material prices, increased costs and more impairments.

3. CONSOLIDATED PROFIT AND LOSS ACCOUNT AND FINANCIAL POSITION

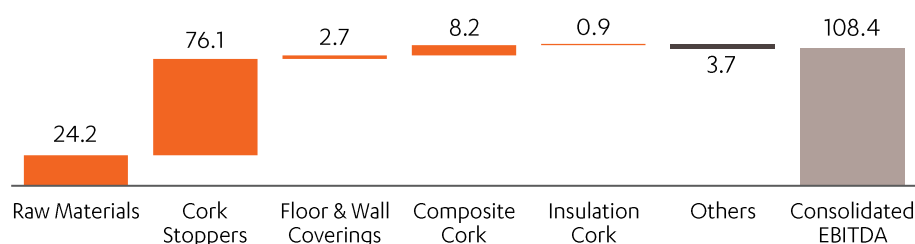
Sales growth resulted mainly from the change in the consolidation perimeter (+€36.5 million). However, the relative weight of this factor will tend to diminish over the course of the year, given that, as previously mentioned, Bourrassé began to be consolidated from July 2017. The negative impact of the unfavourable USD exchange rate was approximately €10.4 million. Excluding these two factors, sales would have grown 4.9%.

The change in the gross percentage margin (from to 53.3% to 49.2%) reflects not only the exchange rate effect, but also an increase in production costs mainly due to higher raw material prices.

In regard to operating costs, the increase of about €9.7 million in staff costs (+10.5%) in comparison with the first nine months of 2017 results mainly from the change in the consolidation perimeter (it would have been +2.1% without the perimeter change). The cost of supplies and external services rose 5.7%, and would have fallen 0.9% without the perimeter change, thanks to the expenditure containment measures the Group has undertaken. Impairments rose to €0.9 million, significantly lower than in the same period of the previous year.

Other operating income/cost items that impact EBITDA evolved favourably, increasing to about €1.7 million. The negative balance between the exchange rate differences relating to assets receivable and liabilities payable, as well as the respective hedging of foreign exchange risks, included under other operating income/gains rose to about -€0.7 million (9M17: -€0.5 million).

EBITDA rose 2.9% to €108.4 million. The EBITDA margin was 18.6% (9M17: 19.8%). Discounting the change in the consolidation perimeter and the exchange rate effect, the margin would have been 19.4%.



As previously mentioned, net non-recurring income reflects the reversal of provisions arising from the liquidation process for Amorim Argentina, the recognition of transaction costs of subsidiary companies and the restructuring of the Floor and Wall Coverings BU.

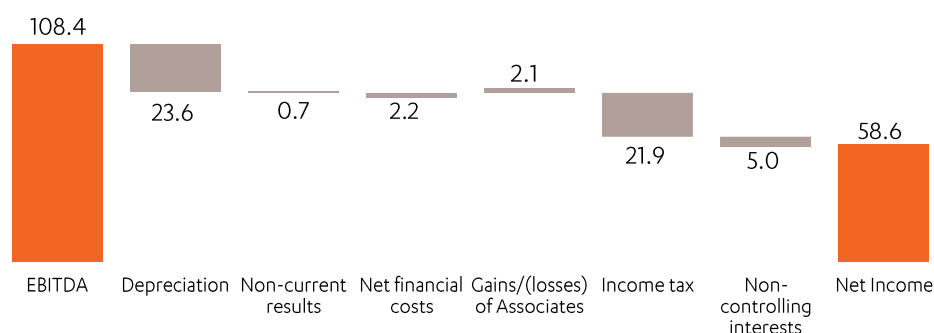
The increase in financial costs reflects the increase in financial debt relating to the acquisition of the remaining shares of Bourrassé and the increase of interest costs resulting from an increase in average debt.

Income from associate companies totalled €2.1 million. The increase in relation to the first nine months of 2017 (9M17: €1.0 million) was mainly due to the recognition as earnings of part of the contingent amount receivable from the sale of US Floors (€0.8 million) in 2017. The outstanding amount is expected to be settled by the end of 2018.

As usual, it will only be possible to assess the value of investment tax benefits (RFAI and SIFIDE) at the end of the year. For this reason, any tax gains will be recorded only at the closing of accounts for 2018. The decrease in the effective tax rate is mainly due to the reversion of non-recurring expenditures that did not give rise to the recognition of deferred taxes.

After estimated tax and the allocation of profits to non-controlling interests, total net income attributable to CORTICEIRA AMORIM shareholders totalled €58.59 million, an increase of 4% compared with the €56.364 million for the first nine months of 2017.

Earnings per share were €0.441 (9M17: €0.424).



In regard to the financial position, it should be noted that the periods shown no longer reflect the main impact of the change in the consolidation perimeter resulting from the acquisition of Bourrassé, which began to be consolidated from July 1, 2017. In 2018, the only change in the perimeter resulted from the acquisition of Elfverson, which began to be consolidated from the beginning of 2018. The goodwill relating to Elfverson amounted to €4.1 million, representing



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the remaining value that it had not previously been possible to identify as part of the fair value of the acquired company's assets and liabilities.

In terms of asset changes in comparison with December 2017, the most noteworthy items were the increases in fixed tangible assets (+€17.2 million, reflecting increased investment), inventories (+€59.5 million, mainly reflecting increased raw material prices), the customer balance (+€11.8 million, reflecting increased sales) and in cash and cash equivalents (+€12.2 million).

The change in equity is the result of the earnings for the period (+€58.6 million) minus the dividends paid in April (-€24.6 million).

The increase in liabilities results mainly from an increase of €22.7 million to suppliers (offset by the increase in inventories), €22.8 million in corporation tax (the estimated amount payable) and €24.1 million in remunerated debt (to cover investments in tangible assets and working capital). At the end of September, net remunerated debt totalled €104.7 million, an increase of €11.9 million compared with the end of 2017.

At the end of September 2018, equity totalled 492.1 million. The financial autonomy ratio rose to 50.7%.

4. KEY CONSOLIDATED INDICATORS

		9M18	9M17	yoy	3Q18	3Q17	yoy
Sales		583,758	531,470	9.8%	183,893	176,708	4.1%
Gross Margin – Value		297,666	284,432	4.7%	90,689	92,311	-1.8%
	1)	49.2%	53.3%	-4.1 p.p.	47.1%	53.3%	-6.21 p.p.
Operating Costs - current		212,857	200,827	6.0%	66,823	63,538	5.2%
EBITDA - current		108,419	105,352	2.9%	30,995	34,730	-10.8%
EBITDA/Sales		18.6%	19.8%	-1.3 p.p.	16.9%	19.7%	-2.8 p.p.
EBIT - current		84,809	83,605	1.4%	23,866	28,773	-17.1%
Non-current results	2)	681	1,572	N/A	0	1,572	N/A
Net Income		58,590	56,363	4.0%	17,375	18,605	-6.6%
Earnings per share		0.441	0.424	4.0%	0.138	0.140	-1.1%
Net Bank Debt		104,702	75,779	28,923	-	-	-
Net Bank Debt/EBITDA (x)	3)	0.77	0.57	0.19 x	-	-	-
EBITDA/Net Interest (x)	4)	123.5	173.3	-49.75 x	99.6	115.2	-15.62 x
Equity/Net Assets		50.7%	51.1%	-0.38 p.p.	-	-	-

1) Related to Production

2) Figures refer to the reversal of provisions for Amorim Argentina, Amorim Revestimentos restructuring and transaction costs for subsidiaries acquisition (9M 18) and transaction costs of Bourrasé and Sodiliège and to Floor and Wall Coverings BU restructuring costs (9M 17)

3) Current EBITDA of the last four quarters

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

5. PROPOSAL FOR THE DISTRIBUTION OF FREE RESERVES

Considering that:

- the Company's non-consolidated balance sheet for the nine months ending on September 30, 2018 shows free distributable reserves in the amount of €69,079,128.42 (sixty and nine million, seventy and nine thousand, one hundred and twenty and eight euros and forty and two cents), and statutory reserves in the amount of €21,494,753.20 (twenty-one million, four hundred and ninety-four thousand, seven hundred and fifty and three euros and twenty cents);

- a distribution of free reserves is allowed as long as the Company's equity, as stated in the interim balance sheet set out above, is not less than the sum of the Company's share capital and reserves, whose distribution to shareholders is not permitted by law and the Company's articles of association;

- solid growth in business and profitability over the past few years, and the good prospects for the current financial year have enabled Corticeira Amorim to generate increasing cash flows and, as a result, strengthen its total equity to total assets ratio. It has become possible to make a distribution of free reserves to the Company's shareholders without jeopardising the maintenance of an efficient capital structure of the Corticeira Amorim Group; therefore, the Board of Directors of Corticeira Amorim, S.G.P.S., S.A. proposes that

- shareholders consider approving a distribution of free reserves in the amount of €11,305,000.00 (eleven million, three hundred and five thousand euros), equal to a gross value of €0.085 (eight and a half cents) per share, to be distributed to shareholders in proportion to their share ownership and to be paid within a maximum of 20 (twenty) days.

6. SUBSEQUENT EVENTS

Through its subsidiary AMORIM FLORESTAL, SA ("AMORIM FLORESTAL"), the sub-holding company of the Group's Raw Materials Business Unit, has agreed to acquire 100% of Cosabe - Companhia Silvo-Agrícola da Beira, SA, headquartered in Lisbon, whose main asset is the Herdade da Baliza, located in the Castelo Branco/International Tagus area, having a total area of 2,866 hectares, for a total amount €5.5 million.

Amorim Florestal is engaged in a forest intervention project aimed at ensuring the maintenance, preservation and improvement of cork oak forests and, consequently, the continuous production of quality cork. In this way, Amorim Florestal has accumulated extensive scientific and technical knowledge regarding new agricultural practices with a high potential for the development and increased productivity of cork oak cultivation.

As part of this project, the purpose is to develop an "Intensive Cork Oak Plantation", using intensive production methods and fertigation to increase the density of cork oaks per hectare and accelerate the growth rate of the trees, thus significantly reducing the time required for them to begin producing cork.

As of the date of issuance of this report, no other important events have occurred which might materially affect the financial position and future profit or loss of CORTICEIRA AMORIM and its subsidiaries included in the consolidated accounts of the company.



Mozelos, November 5, 2018

The Board of Directors of CORTICEIRA AMORIM, S.G.P.S., S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



thousand euros

	september 30, 2018 (non audited)	december 31, 2017	september 30, 2017 (non audited)
Assets			
Property, plant and equipment	245,135	227,905	222,053
Investment property	5,505	5,678	6,317
Goodwill	13,933	9,848	9,546
Investments in associates	9,223	11,006	11,166
Intangible assets	5,170	4,077	3,008
Other financial assets	1,960	2,520	2,516
Deferred tax assets	11,974	13,146	11,508
Non-current assets	292,900	274,180	266,113
Inventories	418,655	359,141	366,731
Trade receivables	179,424	167,604	171,794
Income tax assets	14,742	13,297	16,184
Other current assets	36,103	38,180	32,558
Cash and equivalents	29,166	17,005	33,737
Current assets	678,091	595,228	621,004
Total Assets	970,991	869,407	887,117
Equity			
Share capital	133,000	133,000	133,000
Other reserves	267,474	224,439	232,858
Net Income	58,590	73,027	56,364
Non-Controlling Interest	33,087	29,524	30,768
Total Equity	492,151	459,991	452,990
Liabilities			
Interest-bearing loans	44,086	48,094	53,370
Other borrowings and creditors	38,277	36,774	37,552
Provisions	36,838	41,320	30,529
Deferred tax liabilities	6,620	7,187	7,538
Non-current liabilities	125,821	133,375	128,989
Interest-bearing loans	89,781	61,695	56,146
Trade payables	179,781	157,096	168,867
Other borrowings and creditors	58,382	55,019	55,825
Income tax liabilities	25,074	2,231	24,299
Current liabilities	353,019	276,042	305,138
Total Liabilities and Equity	970,991	869,407	887,117

CONSOLIDATED INCOME STATEMENT



thousand euros

3Q18	3Q17		9M18	9M17
(non audited)	(non audited)		(non audited)	(non audited)
183,892	176,708	Sales	583,758	531,470
93,988	80,911	Costs of goods sold and materials consumed	307,141	249,137
785	-3,487	Change in manufactured inventories	21,050	2,100
29,394	29,667	Third party supplies and services	90,582	85,678
31,032	28,659	Staff costs	101,995	92,277
563	1,167	Impairments of assets	912	3,639
3,175	2,752	Other gains	8,910	7,768
1,882	839	Other costs	4,668	5,254
30,994	34,731	Current EBITDA	108,418	105,352
7,129	5,957	Depreciation	23,609	21,747
23,866	28,773	Current EBIT	84,809	83,605
0	-1,572	Non-current results	681	-1,572
459	337	Financial costs	2,215	916
17	-23	Financial income	61	117
782	129	Share of (loss)/profit of associates	2130	958
24,206	26,970	Profit before tax	85,466	82,192
5,593	7,043	Income tax	21,895	22,919
18,613	19,927	Profit after tax	63,571	59,273
1,237	1,321	Non-controlling Interest	4,980	2,910
17,376	18,606	Net Income attributable to the equity holders of Corticeira Amorim	58,590	56,364
0.131	0.140	Earnings per share - Basic e Diluted (euros per share)	0.441	0.424

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



thousand euros

3Q18 <small>(non audited)</small>	3Q17 <small>(non audited)</small>		9M18 <small>(non audited)</small>	9M17 <small>(non audited)</small>
18,613	19,927	Net Income (before non-controlling Interest)	63,571	59,273
Items that could be reclassified through income statement:				
227	-245	Change in derivative financial instruments fair value	-	1,243
61	-875	Change in translation differences and other	-606	-4,897
-1,578	270	Share of other comprehensive income of investments accounted for using the equity method	-2,853	923
127	-33	Other comprehensive income	729	-125
-1,162	-883	Net Income directly registered in Equity	-3,248	-2,856
17,450	19,044	Total Net Income registered	60,323	56,417
Attributable to:				
16,238	17,750	Corticeira Amorim Shareholders	55,133	53,912
1,212	1,294	Non-controlling Interest	5,190	2,505

CONSOLIDATED STATEMENT OF CASH FLOW



thousand euros

3Q18 (non audited)	3Q17 (non audited)		9M18 (non audited)	9M17 (non audited)
OPERATING ACTIVITIES				
219,965	166,630	Collections from customers	590,034	520,283
-199,566	-93,619	Payments to suppliers	-483,786	-356,930
-44,666	-29,813	Payments to employees	-102,420	-87,684
-24,267	43,198	Operational cash flow	3,828	75,669
-4,883	-12,982	Payments/collections - income tax	-5,867	-15,800
42,424	-57,164	Other collections/payments related with operational activities	55,992	-30,188
13,274	-26,948	CASH FLOW BEFORE EXTRAORDINARY ITEMS	53,953	29,681
INVESTMENT ACTIVITIES				
Collections due to:				
45	1,415	Tangible assets	263	1,842
-1	0	Intangible assets	42	0
100	284	Financial investments	950	334
47	359	Other assets	188	592
118	129	Interests and similar gains	267	341
250	250	Dividendos	250	250
Payments due to:				
-16,313	-12,235	Tangible assets	-38,047	-27,134
-472	-31,282	Financial investments	-5,133	-31,762
-418	-317	Intangible assets	-1,258	-517
0	44	Other assets	0	0
-16,643	-41,353	CASH FLOW FROM INVESTMENTS	-42,478	-56,054
FINANCIAL ACTIVITIES				
Collections due to:				
7,962	36,403	Loans	0	30,970
295	2,520	Government grants	2,292	11,707
1,687	640	Others	3,132	1,828
Payments due to:				
0	0	Loans	15,484	-8,000
-447	-298	Interests and similar expenses	-1,379	-1,044
-345	-209	Dividends	-25,719	-24,726
-265	-115	Government grants	-1,190	-815
-112	-123	Others	-356	-347
8,774	38,818	CASH FLOW FROM FINANCING	-7,736	9,573
5,405	-29,483	Change in Cash	3,739	-16,800
-15	-1,218	Exchange rate effect	-174	-2,551
0	2,431	Perimeter variation	0	2,431
-7,173	46,735	Cash at beginning	-5,348	35,383
-1,783	18,463	Cash at end	-1,783	18,463

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



thousand euros

	Attributable to owners of Corticeira Amorim, SGPS, S.A.								Non-controlling interests	Total Equity
	Notas	Share capital	Paid-in Capital	Hedge Accounting	Translation Difference	Legal reserve	Other reserves	Net income		
Balance sheet as at January 1, 2017		133,000	38,893	-1,107	2,274	16,203	119,084	102,703	15,893	426,943
Profit for the year	XVIII	-	-	-	-	2,567	100,136	-102,703	-	0
Dividends	XVIII	-	-	-	-	-	-23,940	-	-675	-24,615
Perimeter variation	XIX	-	-	-	-	-	-	-	13,046	13,046
Consolidated Net Income for the period	XV IIIe X X	-	-	-	-	-	-	56,364	2,910	59,273
Change in derivative financial instruments fair value	XVIII	-	-	1,243	-	-	-	-	-	1,243
Change in translation differences	XV IIIe X X	-	-	-	-4,491	-	-	-	-406	-4,897
Other comprehensive income of associates	X	-	-	-	609	-	314	-	-	923
Other comprehensive income		-	-	-	-	-	-125	-	-	-125
Total comprehensive income for the period		0	0	1,243	-3,882	0	189	56,364	2,504	56,418
Balance sheet as at September 30, 2017		133,000	38,893	136	-1,608	18,770	195,469	56,364	30,768	452,990
Balance sheet as at January 1, 2018		133,000	38,893	468	-1,045	18,770	167,353	73,027	29,524	459,991
Profit for the year	XVIII	-	-	-	-	2,725	70,303	-73,027	-	0
Dividends	XVIII	-	-	-	-	-	-24,605	-	-1,118	-25,723
Changes in the percentage of interest retaining control	XIX	-	-	-	-	-	-1,928	-	-511	-2,439
Consolidated Net Income for the period	XV IIIe X X	-	-	-	-	-	-	58,590	4,980	63,571
Change in derivative financial instruments fair value	XVIII	-	-	-518	-	-	-	-	-	-518
Change in translation differences	XV IIIe X X	-	-	-	-347	-	-	-	-259	-606
Other comprehensive income of associates	X	-	-	-	-2,929	-	76	-	-	-2,853
Other comprehensive income		-	-	-	-	-	260	-	469	729
Total comprehensive income for the period		0	0	-518	-3,276	0	336	58,590	5,190	60,323
Balance sheet as at September 30, 2018		133,000	38,893	-50	-4,321	21,495	211,459	58,590	33,086	492,151

I - INTRODUCTION



At the beginning of 1991, Corticeira Amorim, S.A. was transformed into CORTICEIRA AMORIM, S.G.P.S., S.A., the holding company for the cork business sector of the Amorim Group. In this report, CORTICEIRA AMORIM will be the designation of CORTICEIRA AMORIM, S.G.P.S., S.A., and in some cases the designation of CORTICEIRA AMORIM, S.G.P.S. together with all of its subsidiaries.

CORTICEIRA AMORIM, directly or indirectly, holds no interest in land properties used to grow and explore cork tree. Cork tree is the source of cork, the main raw material used by CORTICEIRA AMORIM production units. Cork acquisition is made in an open market, with multiple agents, both in the demand side as in the supply side.

CORTICEIRA AMORIM is mainly engaged in the acquisition and transformation of cork into a numerous set of cork and cork related products, which are distributed worldwide through its network of sales company.

CORTICEIRA AMORIM is a Portuguese company with a registered head office in Mozelos, Santa Maria da Feira. Its share capital amounts to 133 million euros, and is represented by 133 million shares, which are publicly traded in the Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A.

Amorim Capital, S.A. held, as of September 30, 2017, 67,830,000 shares of CORTICEIRA AMORIM, corresponding to 51.00% of the capital stock. As a result of the merger of this company with Amorim - Investimentos e Participações, S.G.P.S, S.A. occurred in the fourth quarter of 2017, these shares are now held by this company. Accordingly, the company Amorim - Investimentos e Participações, S.G.P.S, S.A. held, on September 30, 2018, 67,830,000 shares of CORTICEIRA AMORIM corresponding to 51.00 % of its share capital. Corticeira Amorim, Sociedade Gestora de Participações Sociais, S.A., is included in the consolidation perimeter of Amorim - Investimentos e Participações, S.G.P.S., S.A., this being its controlling parent company. Amorim - Investimentos e Participações, S.G.P.S. is fully owned by Amorim family.

These financial statements were approved in the Board Meeting of November 5, 2018. Shareholders have the capacity to modify these financial statements even after their release.

Except when mentioned, all monetary values are stated in thousand euros (Thousand euros = K euros = K€ = € K).

II - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES



The consolidated financial statements as of June 30, 2018 were prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) and in accordance with International Accounting Standard 34 - Interim Financial Reporting, and include the statement of financial position, the income statement, the income statement and other comprehensive income, the statement of changes in equity and the condensed statement of cash flows, as well as the selected explanatory notes.

The accounting policies adopted in the preparation of the consolidated financial statements of CORTICEIRA AMORIM are consistent with those used in the preparation of the financial statements presented for the year ended December 31, 2017, except for the adoption of the new standards whose application became effective on December 1, January 2018 and the application of IFRS 9 and IFRS 15 had no significant impact on these financial statements.

III - COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT



Company	Head Office	Country	9M18	2017
Raw Materials				
Amorim Natural Cork, S.A.	Vale de Cortiças - Abrantes	PORTUGAL	100%	100%
Amorim Florestal, S.A.	Ponte de Sôr	PORTUGAL	100%	100%
Amorim Florestal España, SL	San Vicente Alcántara	SPAIN	100%	100%
Amorim Florestal Mediterrâneo, SL	Cádiz	SPAIN	100%	100%
Amorim Tunisie, S.A.R.L.	Tabarka	TUNISIA	100%	100%
Augusta Cork, S.L.	(f) San Vicente Alcántara	SPAIN	-	100%
Comatral - C. de Maroc. de Transf. du Liège, S.A.	Skhirat	MOROCCO	100%	100%
SIBL - Société Industrielle Bois Liège	Jijel	ALGERIA	51%	51%
Société Nouvelle du Liège, S.A. (SNL)	Tabarka	TUNISIA	100%	100%
Société Tunisienne d'Industrie Bouchonnaire	(c) Tabarka	TUNISIA	55%	55%
Vatrya - Serviços de Consultadoria, Lda	Funchal - Madeira	PORTUGAL	100%	100%
Cork Stoppers				
Amorim & Irmãos, SGPS, S.A.	Santa Maria Lamas	PORTUGAL	100%	100%
ACI Chile Corchos, S.A.	Santiago	CHILE	100%	100%
ACIC USA, LLC	California	U. S. AMERICA	100%	100%
Agglotap, S.A.	Girona	SPAIN	91%	91%
All Closures In, S.A.	Paços de Brandão	PORTUGAL	75%	75%
Amorim & Irmãos, S.A.	Santa Maria Lamas	PORTUGAL	100%	100%
Amorim Argentina, S.A.	Buenos Aires	ARGENTINA	100%	100%
Amorim Australasia Pty Ltd	Adelaide	AUSTRALIA	100%	100%
Amorim Bartop, S.A.	Vergada	PORTUGAL	75%	75%
Amorim Cork América, Inc.	California	U. S. AMERICA	100%	100%
Amorim Cork Beijing Ltd.	Beijing	CHINA	100%	100%
Amorim Cork Bulgaria EOOD	Plovdiv	BULGARIA	100%	100%
Amorim Cork Deutschland GmbH & Co KG	Mainzer	GERMANY	100%	100%
Amorim Cork España, S.L.	San Vicente Alcántara	SPAIN	100%	100%
Amorim Cork Itália, SPA	Conegliano	ITALY	100%	100%
Amorim Cork South Africa (Pty) Ltd	Cape Town	SOUTH AFRICA	100%	100%
Amorim France, S.A.S.	Champfleury	FRANCE	100%	100%
Amorim Top Series France, S.A.S.	Gensac La Pallue	FRANCE	100%	100%
Amorim Top Series, S.A.	Vergada	PORTUGAL	75%	75%
Biocape - Importação e Exportação de Cápsulas, Ld	(d) Mozelos	PORTUGAL	60%	-
Bouchons Prioux	Epernay	FRANCE	91%	91%
Chapuis, S.L.	Girona	SPAIN	100%	100%
Corchera Gomez Barris	(c) Santiago	CHILE	50%	50%
Corchos de Argentina, S.A.	(b) Mendoza	ARGENTINA	50%	50%
Corpach Bourrasse, S.A.	Santiago	CHILE	60%	60%
Elfverson & Co. AB	(d) Parid	SWEDEN	53%	-
Equipar, Participações Integradas, Lda.	Coruche	PORTUGAL	100%	100%
S.A.S. Ets Christian Bourassé	Tosse	FRANCE	60%	60%
FP Cork, Inc.	California	U. S. AMERICA	100%	100%
Francisco Oller, S.A.	Girona	SPAIN	92%	92%
Hungarocork, Amorim, RT	Budapeste	HUNGARY	100%	100%
Indústria Corchera, S.A.	(c) Santiago	CHILE	50%	50%
Korken Schiesser Ges.M.B.H.	Viena	AUSTRIA	69%	69%
Olimpiadas Barcelona 92, S.L.	Girona	SPAIN	100%	100%
Portocork América, Inc.	California	U. S. AMERICA	100%	100%
Portocork France, S.A.S.	Bordéus	FRANCE	100%	100%
Portocork Internacional, S.A.	Santa Maria Lamas	PORTUGAL	100%	100%
Portocork Itália, s.r.l	Milão	ITALY	100%	100%
Sagrera et Cie	Reims	FRANCE	91%	91%
S.A. Oller et Cie	Reims	FRANCE	92%	92%
S.C.I. Friedland	Céret	FRANCE	100%	100%
S.C.I. Prioux	Epernay	FRANCE	91%	91%
Socori, S.A.	Rio Meão	PORTUGAL	60%	60%
Sodiliège	Cognac	FRANCE	75%	75%
Société Nouvelle des Bouchons Trescases	(b) Perpignan	FRANCE	50%	50%
Trefinos Australia	Adelaide	AUSTRALIA	91%	91%
Trefinos Italia, s.r.l	Treviso	ITALY	91%	91%
Trefinos USA, LLC	Fairfield, CA	U. S. AMERICA	91%	91%
Trefinos, S.L	Girona	SPAIN	91%	91%
Victory Amorim, SI	(c) Navarrete - La Rioja	SPAIN	50%	50%
Wine Packaging & Logistic, S.A.	(b) Santiago	CHILE	50%	50%

Company	Head Office	Country	9M18	2017
Floor & Wall Coverings				
Amorim Revestimentos, S.A.	S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Benelux, BV	Tholen	NETHERLANDS	100%	100%
Amorim Deutschland, GmbH - AR	(a) Delmenhorts	GERMANY	100%	100%
Amorim Flooring, SA	S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Flooring (Switzerland) AG	Zug	SWITZERLAND	100%	100%
Amorim Flooring Austria GesmbH	Viena	AUSTRIA	100%	100%
Amorim Flooring Investments, Inc.	Hanover - Maryland	U. S. AMERICA	100%	100%
Amorim Flooring North America Inc.	Hanover - Maryland	U. S. AMERICA	100%	100%
Amorim Flooring Rus, LLC	Moscovo	RUSSIA	100%	100%
Amorim Flooring Sweden AB	Möln dal	SWEDEN	100%	100%
Amorim Flooring UK, Ltd	Manchester	U. KINGDOM	100%	100%
Amorim Japan Corporation	Tóquio	JAPAN	100%	100%
Amorim Revestimentos, S.A.	Barcelona	SPAIN	100%	100%
Cortex Korkvertriebs GmbH	Fürth	GERMANY	100%	100%
Dom KorKowy, Sp. Zo. O.	(c) Kraków	POLAND	50%	50%
Timberman Denmark A/S	(e) Hadsund	DENMARK	100%	51%
Composite Cork				
Amorim Cork Composites, S.A.	Mozelos	PORTUGAL	100%	100%
Amorim (UK) Ltd.	Horsham West Sussex	U. KINGDOM	100%	100%
Amorim Compocork, Lda	Mozelos	PORTUGAL	100%	100%
Amorim Cork Composites LLC	São Petersburgo	RUSSIA	100%	100%
Amorim Cork Composites Inc.	Trevor - Wisconsin	U. S. AMERICA	100%	100%
Amorim Deutschland, GmbH - ACC	(a) Delmenhorts	GERMANY	100%	100%
Amorim Industrial Solutions - Imobiliária, S.A.	Corroios	PORTUGAL	100%	100%
Amosealtext Cork Co., Ltd	(b) Xangai	CHINA	50%	50%
Chinamate (Shaanxi) Natural Products Co. Ltd	Shaanxi	CHINA	100%	100%
Chinamate Development Co. Ltd	Hong Kong	CHINA	100%	100%
Compruss – Investimentos e Participações Lda	Mozelos	PORTUGAL	100%	100%
Corticeira Amorim - France SAS	Lavardac	FRANCE	100%	100%
Florconsult – Consultoria e Gestão, Lda	Mozelos	PORTUGAL	100%	100%
Postya - Serviços de Consultadoria, Lda.	Funchal - Madeira	PORTUGAL	100%	100%
Insulation Cork				
Amorim Isolamentos, S.A.	Vendas Novas	PORTUGAL	100%	100%
Holding				
Corticeira Amorim, SGPS, S.A.	Mozelos	PORTUGAL	100%	100%
Ginpar, S.A. (Générale d' Invest. et Participation)	Skhirat	MOROCCO	100%	100%
Amorim Cork Research, Lda.	Mozelos	PORTUGAL	100%	100%
Amorim Cork Services, Lda.	Mozelos	PORTUGAL	100%	100%
Amorim Cork Ventures, Lda	Mozelos	PORTUGAL	100%	100%
Ecochic portuguesas – footwear and fashion products, Lda	Mozelos	PORTUGAL	12%	12%
Corecochic - Corking Shoes Investments, Lda	(b) Mozelos	PORTUGAL	50%	50%
Gröwancork - Estruturas isoladas com cortiça, Lda	(b) Mozelos	PORTUGAL	25%	25%
PrimaLynx - Sustainable Solutions, Lda.	(b) Mozelos	PORTUGAL	24%	24%
TDCork - Tapetes Decorativos com Cortiça, Lda	(b) Mozelos	PORTUGAL	25%	25%
Soc. Portuguesa de Aglomerados de Cortiça, Lda	Montijo	PORTUGAL	100%	100%
Supplier Portal Limited	Hong Kong	CHINA	100%	100%

- (a) One single company: Amorim Deutschland, GmbH & Co. KG.
- (b) Equity method consolidation.
- (c) CORTICEIRA AMORIM controls the operations of the company - line-by-line consolidation method.
- (d) Company acquired in 2018
- (e) Increase in the percentage of interest
- (f) Company merged in Amorim Florestal España

For entities consolidated by the full consolidation method, the percentage of voting rights held by "Non-Controlling Interests" is equal to the percentage of share capital held.

Acquisition of ELFVERSON

In early 2018, CORTICEIRA AMORIM acquired 70% of Elfverson (for SEK 50.5 million), which has been consolidated since January 1 of this year. This company has a portfolio of premium products and a portfolio of outstanding customers, allowing the reinforcement of sources of supply of wooden tops of recognized quality, which will allow to keep up with the growth of the needs of the customers in the segment of capped caps.

The group chose to measure the non-controlling interest at the proportionate share of the acquiree's net assets and liabilities.

Acquiree's net assets and liabilities

The fair values of the assets and liabilities identified under this transaction are shown in the table below:

m illions euros	
Fair value recognised on the date of acquisition	
Tangible assets	0.9
Inventory	0.7
Accounts receivable	0.7
Other debtors	0.1
Deferred tax	0.0
Assets	2.4
Provisions	0.4
Accounts payables	0.2
Other creditors	0.6
Net financial debt	-0.2
Liabilities	1.0
Net Assets	1.4
70% of identifiable net assets	1.0
Goodwill	4.2
Non-Controlling Interest on the date acquisition	0.4

No significant differences were identified between the fair value and the respective carrying amount. Goodwill represents the remaining amount that could not be identified in the acquiree. Goodwill recognized in the accounts is not expected to be deductible for tax purposes.

The fair value of the non-controlling interest results from the participation being acquired by a subsidiary that is not 100% owned.

Transaction costs of 139 thousand euros were recorded as non-recurring expense. For the first quarter financial statements, an adjustment was made to the acquisition price effective for Goodwill.

IV - EXCHANGE RATES USED IN CONSOLIDATION



Exchange rates		September 30, 2018	Average 9M18	December 31, 2017	Average 2017
Argentine Peso	ARS	47.9178	29.7310	22.3054	18.7356
Australian Dollar	AUD	1.6048	1.5761	1.5346	1.4732
Lev	BGN	1.9557	1.9557	1.9557	1.9557
Brazilian Real	BRL	4.6535	4.2966	3.9729	3.6054
Canadian Dollar	CAD	1.5064	1.5372	1.5039	1.4647
Swiss Franc	CHF	1.1316	1.1611	1.1702	1.1117
Chilean Peso	CLP	763.210	750.279	737.330	732.134
Yuan Renminbi	CNY	7.9662	7.7789	7.8044	7.6290
Danish Krona	DKK	7.4564	7.4503	7.4449	7.4386
Algerian Dinar	DZD	136.884	138.127	137.539	125.091
Euro	EUR	1.0000	1.0000	1.0000	1.0000
Pound Sterling	GBP	0.8873	0.8841	0.8872	0.8767
Hong Kong Dollar	HKD	9.0866	9.3629	9.3720	8.8048
Forint	HUF	324.370	317.514	310.330	309.193
Yen	JPY	131.230	130.925	135.010	126.711
Moroccan Dirham	MAD	10.9417	11.1556	11.2091	10.9494
Zloty	PLN	4.2774	4.2488	4.1770	4.2570
Ruble	RUB	76.1422	73.4164	69.3920	65.9383
Tunisian Dinar	TND	3.2520	3.0377	2.9444	2.7198
Turkish Lira	TRL	6.9650	5.5098	4.5464	4.1206
US Dollar	USD	1.1576	1.1942	1.1993	1.1297
Rand	ZAR	16.4447	15.3920	14.8054	15.0490

V - SEGMENT REPORT

CORTICEIRA AMORIM is organized in the following Business Units (BU): Raw Materials, Cork Stoppers, Floor and Wall Coverings, Composite Cork and Insulation Cork.

There are no differences between the measurement of profit and loss and assets and liabilities of the reportable segments, associated to differences in accounting policies or centrally allocated cost allocation policies or jointly used assets and liabilities.

For purposes of this Report, the Business approach was selected as the primary segment. This is consistent with the formal organization and evaluation of

business. Business Units correspond to the operating segments of the company and the segment report is presented the same way they are analysed for management purposes by the board of CORTICEIRA AMORIM.



The following table shows the main indicators of the said units, and, whenever possible, the reconciliation with the consolidated indicators:

thousand euros

9M2018	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjustm.	Consolidated
Trade Sales	15,960	404,114	81,860	74,126	7,665	33	-	583,758
Other BU Sales	118,850	6,111	2,225	2,965	1,211	1,989	-133,352	-
Total Sales	134,810	410,225	84,086	77,091	8,876	2,022	-133,352	583,758
EBITDA (current)	24,204	76,080	2,648	8,227	945	-3,623	-62	108,419
Assets (non-current)	25,014	162,300	39,419	35,263	4,004	839	26,062	292,900
Assets (current)	223,829	332,382	61,175	46,433	10,248	2,858	1,167	678,091
Liabilities	61,558	190,152	41,314	36,945	2,397	29,571	116,903	478,840
Capex	4,207	27,620	3,230	4,653	376	53	0	40,138
Depreciation	-2,521	-14,292	-4,146	-2,163	-409	-77	0	-23,609
Gains/Losses in associated companies	0	1,339	808	0	0	-18	0	2,130

9M2017	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjustm.	Consolidated
Trade Sales	7,754	359,920	88,578	67,745	7,453	21	-	531,470
Other BU Sales	109,261	3,742	2,559	6,510	700	1,647	-124,420	-
Total Sales	117,015	363,662	91,138	74,255	8,153	1,668	-124,420	531,470
EBITDA (current)	15,831	73,888	6,518	11,696	1,453	-4,522	489	105,353
Assets (non-current)	21,146	125,801	34,894	31,064	3,945	990	48,274	266,113
Assets (current)	155,800	246,989	66,821	38,358	7,649	44,655	60,733	621,004
Liabilities	48,319	137,917	38,766	27,791	2,360	24,605	154,368	434,127
Capex	4,205	14,237	5,033	3,211	284	255	0	27,224
Depreciation	-3,583	-12,536	-3,204	-1,977	-379	-67	0	-21,747
Gains/Losses in associated companies	0	1,579	0	-182	0	-439	0	958

Adjustments = eliminations inter-BU and amounts not allocated to BU.

EBITDA = Profit before interests, depreciation, equity method, non-controlling interests and income tax.

Provisions and asset impairments were considered the only relevant non-cash material cost.

Segments assets do not include DTA (deferred tax asset) and non-trade group balances.

Segments liabilities do not include DTL (deferred tax liabilities), bank loans and non-trade group balances.

The decision to report EBITDA figures allows a better comparison of the different BU performances, disregarding the different financial situations of each BU. This is also coherent with the existing Corporate Departments, as the Financial Department is responsible for the bank negotiations, being the tax function the responsibility of the Holding Company.

Cork Stoppers BU main product is the different kinds of existing cork stoppers. The main markets are the bottling countries, from the traditional ones like France, Italy, Germany, Spain and Portugal, to the new markets like USA, Australia, Chile, South Africa and Argentina.

Raw Materials BU is, by far, the most integrated in the production cycle of CORTICEIRA AMORIM, with 95% of its sales to others BU, specially to Cork Stoppers BU. Main products are bark and discs.

The remaining BU produce and sell a vast number of cork products made from cork stoppers waste. Main products are cork floor tiles, cork rubber for the automotive industry and antivibratic systems, expanded agglomerates for insulation and acoustic purposes, technical agglomerates for civil construction and shoe industry, as well as granulates for agglomerated, technical and champagne cork stoppers.

Major markets for flooring and insulation products are in Europe and for composites products the USA. Major production sites are in Portugal, where most of the invested capital is located. Products are distributed in practically all major markets through a fully owned network of sales companies. About 70% of total consolidated sales are achieved through these companies.

VI - ACTIVITY DURING THE YEAR

CORTICEIRA AMORIM business are spread through a large basket of products, throughout the five continents and more than a hundred countries; so, it is not considered that its activity is subjected to any particular form of seasonality. Anyway it has been registered a higher first half activity, mainly during the second quarter; third and fourth usually exchange as the weakest quarter.

Mozelos, November 5, 2018

The Board of CORTICEIRA AMORIM, S.G.P.S., S.A.



About Corticeira Amorim SGPS, S.A.:

Tracing its roots back to the 19th century, Amorim has become the world's largest cork and cork-derived company in the world, generating more than Euro 700 million in sales to more than 100 countries through a network of dozens of fully owned subsidiaries.

With a multi-million Euro R&D investment per year, Amorim has applied its specialist knowledge to this centuries-old traditional culture, developing a vast portfolio of 100% sustainable products that are used by blue-chip clients in industries as diverse and demanding as wines & spirits, aerospace, automotive, construction, sports, interior and fashion design.

Amorim's responsible approach to raw materials and sustainable production illustrates the remarkable interdependence between industry and a vital ecosystem - one of the world's most balanced examples of social, economic and environmental development.



AMORIM

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A company incorporated in Santa Maria da Feira
Registration and Corporate Tax ID No:
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