AMORIM

CORTICEIRA AMORIM

Consolidated Financial Statement
March 31, 2017

Consolidated Management Report

Shareholders of CORTICEIRA AMORIM,

In accordance with the law, the Directors of CORTICEIRA AMORIM S.G.P.S., S.A., a public company, present their consolidated management report.

1. INTRODUCTION

Globally, economic activity remained robust in the first quarter of 2017. Economic sentiment improved, supported by macro data and initial expectations of expansionary measures in the United States.

Economic growth in the United States was surprisingly low, despite signs over the quarter, with performance conditioned by temporary factors in the first three months. In EMU, political uncertainty conditions the context, but economic growth was still close to a maximum of 6 years.

CORTICEIRA AMORIM saw a notable increase in sales of more than 9% compared to the same period of 2016, and organic growth was significant, since there were no effects of changes in the perimeter. It should also be noted the effect of the highest number of business days in the first quarter (in Portugal) compared to the same quarter of the previous year. For the remaining quarters, although organic growth is expected, it should not have a rhythm similar to this quarter.

All Business Units (BU) presented sales growth to final customers. To highlight the Cork Stoppers (+ 10.3%), Floor & Wall Coverings (+ 9.2%) and Cork Composites (+ 5.9%). The increase in sales was mainly due to the increase in quantities sold and the foreign exchange effect on the increase in sales of 2.1 M€.

Sales reached 171.7 M€, an increase of 15 M€ (+ 9.6%) compared to 156.7 M€ for the first three months of 2016.

Despite an increase in operating costs due to the increase in production, the increase in gross margin allowed EBITDA to have a very positive variation, reaching 33.6 M€, an increase of 22% over the same quarter in 2016. This increase would have been higher if there were no impairments arising from the analysis of the recoverable value of some previously capitalized development projects and an industrial site that is expected to be relocated. The EBITDA ratio on sales reached 19.5%, up from 17.6% in the first quarter of the previous year. This evolution results from a more favorable sales mix and improvements in operating efficiency.

The financial function continued to improve due to lower net debt and interest rates. Net debt at the end of the quarter was 12 M€ (1Q16: 87.1 M€). The income tax estimation in terms of effective rate is higher than the previous year. This situation results from the fact that the estimation for the first quarter of 2016 was benefited from a gain related to the declaration for the 2014 financial year.

After results attributable to non-controlling interests, net income amounted to 17.213 M€, an increase of 23.7% compared to 13.913 M€ in the first three months of 2016.

2. ACTIVITY DURING 1Q17

The **Raw Materials BU** followed the increase in the overall activity of the remaining BUs of CORTICEIRA AMORIM, showing a 9.3% increase in sales, mainly directed to the Group. The increase in production was 8.8% in line with the increase in sales.

EBITDA amounted to 5.7 M€, a substantial increase over the same period last year (1Q16: 3.8 M€).

During the quarter under review, the preparation of the cork campaign for 2017 was carried out as planned and the quantity targets set for this period were met.

The BU seeks to increase efficiency ratios: several processes improvement projects (Kaizen) and automation to increase efficiency and product quality continue to be implemented.

With regard to the micro-irrigation project, research is ongoing and its full implementation depends on the extension of partnerships with forest owners. At this level, it is important to sensitize public entities to the importance that the project has for the future of the cork industry in Portugal.

Cork Stoppers BU recorded sales of 112.9 M€, an increase of 10.3% over the same quarter of 2016, driven by quantity (+11%) and price. Growth was balanced at the level of products and markets. All segments (wine, sparkling and spirits) recorded growth above 9%. It is worth noting the growth of the cork segment for sparkling wines.

Good performance at the level of natural corks and Neutrocork®. The NDtech® project progressed in early 2017 with a capacity of 40 million corks per year.

By market, the favorable evolution of the main geographic sales destinations (Spain, France, the United States and Italy) should be noted, with significant growth in the United States, Spain and Portugal. This growth reflects a phenomenon of premium market expansion and growth in large customers.

The increase in activity combined with the sales mix resulted in a growth of around 27% in the EBITDA of this BU (22.7 M€).

Cork Composites BU sales totaled 25.8 M€, an increase of 5.9% over the 1Q16, which is mainly due to the increase in quantities sold. By segments, growth in the Resilient & Enginnered Flooring Manufacturers, Construction, as well as the supply of inlay for Hydrocork® by Wall & Floor Coverings BU, which together account for a significant part of the increase. The Furnishing segment registered a decrease compared to 2016, due to the specific projects delimited in time occurred in the previous year. Several actions are under way that will allow, hopefully, to recover the contribution of this segment. The actions include raising new partners and finding innovative solutions that allow us to present different solutions to the market, within the unique characteristics that cork has.

At the destination markets level, the sales growth in Asia is relevant, with China with sales of 500 K€ higher. The remaining variation is dispersed by several geographies.

EBITDA for the quarter was 4.7 M€, an increase of 8.3% over the same period of 2016. This variation is justified by an improvement in gross margin (benefited by lower prices and better yield of some of the raw materials) and industrial margin (activity growth and operating costs).

The Floor & Wall Coverings BU has a remarkable sales growth (+ 9.2%) reaching 32.4 M€. The increase is mainly due to the sales of manufactured products. Of these, the main highlight goes to Hydrocork® with a sales increase of 1.1 M€ and for Authentica® (+1.2 M€). The sales growth was registered in multiple geographies with no country deserving special mention. Russia shows signs of stopping the fall, with sales at the same level as the previous year (1.2 M€).

Despite the sales growth, BU EBITDA decreased to 2.4 M€ (-14.5%). Although there has been an improvement in the gross margin, the increase in commercial costs (enlargement of the commercial teams to support the current investment which will strengthen the BU's production capacity, establishment of the UK operation, marketing at Amorim Flooring North America and Others) have absorbed this improvement.

Insulation BU sales reached 2.8 M€, a decrease of 3.4% over the previous year. However, in 2017 there was no internal supply of milled cork to the Cork Composites BU. Excluding this effect, sales of the BU increased by 12% to final customers, with MDFachada® showing sales growth of 219 K€.

For markets there is a positive performance in France and Portugal.

EBITDA showed a negative variation of 22.7%, reaching 0.5 M€ (1Q16: 0.7 M€). This variation is explained by the lower gross margin due to the increase in the average price of consumption of the raw materials and the respective specific consumption being higher.

3. CONSOLIDATED INCOME STATEMENT AND FINANCIAL POSITION OF CORTICEIRA AMORIM

As mentioned, the increase in sales was mainly due to the volume effect, with the exchange effect of approximately 2.1 M€. The price effect especially that verified in the Cork Stoppers BU also had some weight in this increase.

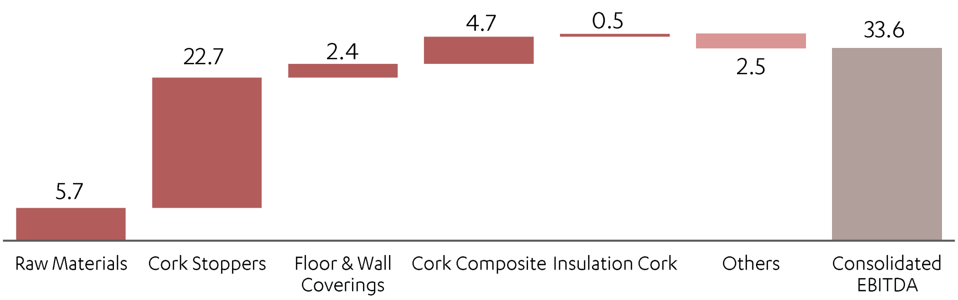
The increase in absolute value of sales was practically transposed to the gross margin. This evolution is mainly due to the evolution of Change in manufactured inventories, which is due to the significant increase in finished product (mainly in the Cork Stoppers BU). In this way, there was an improvement in the percentage margin (by almost one percentage point) that comes from a better mix.

In operational costs, the increase of approximately 2.2 M€ in Staff costs (+ 7.4%) is mainly explained by the increase in activity. At the level of Third party supplies and services, the increase was 12.4%, partially explained by the increase in activity. Other explanations for this evolution result from the increase in commercial expenses (already explained in the analysis above) and from consulting that will tend to be less expressive in the following quarters.

The impairment charge also shows a significant increase. The impairments recognized in the period are essentially the result of the analysis of the recoverable amount of some previously capitalized development projects and of an industrial site that is expected to be relocated.

In the remaining operating costs impacting EBITDA, the variation was favorable and amounted to about 0.9 M€. It should be noted that the result of exchange differences on assets receivable and liabilities payable and respective foreign exchange risk hedges included in other operating income / gains was negative by approximately 1.1 M€ (1Q16: -0.2 M€).

As a result of the effects of changes in sales, gross margin and operating costs, EBITDA increased by 21.6% to 33.6 M€. This results in an EBITDA / sales ratio of 19.5%, which compares favorably with the fourth quarter of 2016 and shows an improvement of 0.4 percentage points compared to that obtained in 2016 (19.1%).



During the quarter, non-recurring expenses were not recorded (1Q16: 1.7 M€).

Average debt and lower interest rates once again benefited the financial function. The net amount of the expenses of this function was 0.2 M€, which compares with the value of 0.5 M€ in the same quarter of 2016.

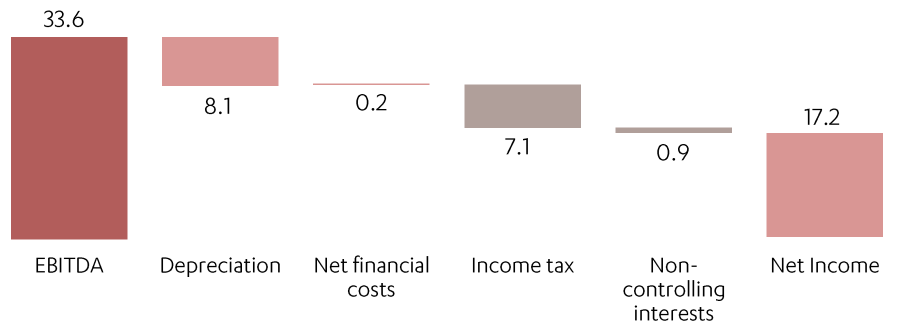
The result of the Associates was negative and below the value of 1Q16. This variation essentially contributed to the recording of an impairment over an associate and the non-availability of the financial information of some of the associates. The appropriation of the share of its results will only be accounted for in the first semester accounts. In terms of the balance sheet, the information of December 2016 was used.

The estimate of income tax was not affected by provisions related to tax proceedings. As usual, it will only be possible to estimate the value of the investment tax benefits (named in Portuguese law RFAI and SIFIDE) at the end of the year. Thus, any tax gain will only be recorded at the closing of accounts for 2017. For the same quarter of 2016, it is important to remember that the

2016 estimate was benefited from a gain related to the income statement for 2014.

Following the tax estimate of 7.1 M€ and allocation of profits to non-controlling interests, net income attributable to CORTICEIRA AMORIM's shareholders amounted to 17.213 M€, up 24% on results of 13.913 M€ in 1Q16.

Earnings per share were € 0.129, with earnings per share in 1Q16 € 0.105.



Total net assets at the end of March 2017 amounted to 741 M€, an amount higher than December 2016 at 14 M€, mainly due to the increase in trade receivables, which more than offset the decrease in inventories. The variation related to March 2016 is 71 M€, mainly due to the increase in trade receivables, cash and cash equivalents.

The variation in the second balance sheet (shareholders' equity and liabilities) is justified by the recognition of the results of the period (17.2 M€) and a residual change in liabilities (increases in other borrowings and creditors and income tax compensated by the reduction of the interest-bearing loans).

In terms of variation compared to the same period of 2016, the increase of approximately 70 M€ in assets results largely from the increase in trade receivables value (+14 M€ due to the increase in activity reflected in the balance of trade receivables), inventories (+5 M€ due to the additional purchase of cork) and cash and cash equivalents (resulting from US Floors sales that were transferred at the end of the quarter from the United States to Portugal).

In the second member of the balance sheet, the increase, compared to March 2016, in equity was +106 M€. In liabilities, the decrease in interest-bearing loans by 30 M€ was offset by the increase in trade payables (+9 M€), other borrowings and creditors (+12 M€) and income tax (+4 M€).

At the end of the quarter, net bank debt reached 12 M€, a decrease of 24 M€ compared to the end of 2016. The release of funds occurred as planned, with EBITDA generated by the activity being sufficient to offset CAPEX and the needs of working capital.

At the end of March 2017, shareholders' equity was 444 M€. The financial autonomy ratio stood at 59.9%.

4. CONSOLIDATED INDICATORS

		1Q17	1Q16	yoy
Sales		**171,709**	156,691	9.6%
Gross Margin – Value		**94,986**	82,406	15.3%
	1)	**52.6%**	51.7%	+ 0.9 p.p.
Operating Costs - current		**69,527**	61,296	13.4%
EBITDA - current		**33,558**	27,597	21.6%
EBITDA/Sales		**19.5%**	17.6%	+ 1.9 p.p.
EBIT - current		**25,459**	21,110	20.6%
Non-current costs	2)	**0**	1,680	-
Net Income		**17,213**	13,913	23.7%
Earnings per share		**0.129**	0.105	23.7%
Net Bank Debt		**11,712**	87,123	-75,411
Net Bank Debt/EBITDA (x)	3)	**0.09**	0.83	-0.74 x
EBITDA/Net Interest (x)	4)	**238.0**	82.3	155.67 x
Equity/Net Assets		**59.9%**	55.0%	+ 5.0 p.p.

1) Related to Production

2) Figures refer to the provision for labor and customs litigation in Amorim Argentina,
deferred costs concerning business started in the previous year and adjustments related to non-controlling interests (2016)

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. SUBSEQUENT EVENTS

In line with a motion put forward by the CORTICEIRA AMORIM board, at the Annual General Meeting held on April 7, 2017, it was decided that a dividend of € 0.18 per share would be paid. The dividend was paid on April 26, 2017.

Mozelos, May 8, 2017

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AMORIM

thousand euros

	March 2017	December 2016	March 2016
Assets			
Property, plant and equipment	195,074	197,454	191,104
Investment property	7,037	7,100	4,916
Investments in associates	9,688	9,450	13,322
Intangible assets	2,690	3,776	2,623
Other financial assets	2,391	3,940	3,930
Deferred tax assets	12,052	10,004	9,538
Non-current assets	**228,932**	**231,723**	**225,434**
Inventories	262,425	268,691	257,194
Trade receivables	161,400	141,876	147,716
Income tax assets	2,527	4,214	2,484
Other current assets	31,895	29,249	29,232
Cash and cash equivalents	54,216	51,119	8,618
Current assets	**512,463**	**495,150**	**445,244**
Total Assets	**741,395**	**726,873**	**670,678**
Equity			
Share capital	133,000	133,000	133,000
Other reserves	277,260	175,347	207,821
Net Income	17,213	102,703	13,913
Non-Controlling Interest	16,756	15,892	13,806
Total Equity	**444,230**	**426,943**	**368,540**
Liabilities			
Interest-bearing loans	37,761	38,609	41,571
Other borrowings and creditors	15,174	10,072	10,470
Provisions	30,984	30,661	32,789
Deferred tax liabilities	8,970	6,856	7,025
Non-current liabilities	**92,889**	**86,198**	**91,856**
Interest-bearing loans	28,167	48,399	54,170
Trade payables	107,526	109,985	98,648
Other borrowings and creditors	57,991	49,631	50,635
Income tax liabilities	10,592	5,717	6,830
Current liabilities	**204,276**	**213,732**	**210,283**
Total Liabilities and Equity	**741,395**	**726,873**	**670,678**

CONSOLIDATED INCOME STATEMENT

AMORIM

thousand euros

	1Q2017	1Q2016
Sales	171,709	156,691
Costs of goods sold and materials consumed	85,613	77,019
Change in manufactured inventories	8,890	2,734
Third party supplies and services	27,909	24,820
Staff costs	31,592	29,426
Impairments of assets	2,277	-37
Other gains	2,489	2,728
Other costs	2,139	3,326
Current EBITDA	**33,558**	**27,597**
Depreciation	8,099	6,487
Current EBIT	**25,459**	**21,110**
Non-current costs	-	1,680
Financial costs	294	511
Financial income	89	21
Share of (loss)/profit of associates	-18	119
Profit before tax	**25,236**	**19,060**
Income tax	7,144	4,746
Profit after tax	**18,093**	**14,313**
Non-controlling Interest	879	400
Net Income attributable to the equity holders of Corticeira Amorim	**17,213**	**13,913**
Earnings per share - Basic e Diluted (euros per share)	**0.129**	**0.105**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AMORIM

thousand euros

	1Q2017	1Q2016
Net Income (before non-controlling Interest)	**18,093**	**14,313**
Itens that could be reclassified through income statement:		
Change in derivative financial instruments fair value	949	872
Change in translation differences and other	-1,585	-651
Share of other comprehensive income of investments accounted for using the equity method	-125	-102
Other comprehensive income	-61	-26
Itens that will not be reclassified through income statement:		
Gain in treasury stock sale		
Net Income directly registered in Equity	**-822**	**93**
Total Net Income registered	**17,271**	**14,406**
Attributable to:		
Corticeira Amorim Shareholders	16,364	13,968
Non-controlling Interest	907	438

CONSOLIDATED STATEMENT OF CASH FLOW

AMORIM

thousand euros

	1Q2017	1Q2016
OPERATING ACTIVITIES		
Collections from customers	167,290	154,482
Payments to suppliers	-127,928	-133,130
Payments to employees	-30,339	-27,951
Operational cash flow	**9,024**	**-6,599**
Payments/collections - income tax	-303	161
Other collections/payments related with operational activities	13,847	9,383
CASH FLOW BEFORE EXTRAORDINARY ITEMS (1)	**22,568**	**2,945**
INVESTMENT ACTIVITIES		
Collections due to:		
Tangible assets	371	62
Other assets	82	24
Interests and similar gains	121	10
Payments due to:		
Tangible assets	-6,397	-6,229
Financial investments	-11	-7
Intangible assets	0	-192
CASH FLOW FROM INVESTMENTS (2)	**-5,834**	**-6,332**
FINANCIAL ACTIVITIES		
Collections due to:		
Loans	5,250	2,427
Government grants	8,615	0
Others	489	970
Payments due to:		
Loans	-21,655	0
Interests and similar expenses	-475	-643
Dividends	-230	0
Government grants	-660	0
Others	-113	-97
CASH FLOW FROM FINANCING (3)	**-8,778**	**2,657**
Change in Cash (1) + (2) + (3)	**7,956**	**-730**
Exchange rate effect	**-399**	**-62**
Perimeter variation	**215**	**0**
Cash at beginning	**35,383**	**-4,659**
Cash at end	**43,156**	**-5,451**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AMORIM

thousand euros

	Attributable to owners of Corticeira Amorim, SGPS, S.A.										
	Share capital	Treasury Stock - Face Value	Treasury Stock - Discounts and Premiums	Paid-in Capital	Hedge Accounting	Translation Difference	Legal reserve	Other reserves	Net income	Non-controlling interests	Total Equity
Balance sheet as at January 1, 2016	**133,000**	**0**	**0**	**38,893**	**-169**	**1,145**	**14,294**	**98,590**	**55,012**	**13,368**	**354,133**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,909**	**53,103**	**-55,012**	**-**	**0**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0**
Perimeter variation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0**
Consolidated Net Income for the period	-	-	-	-	-	-	-	-	13,913	400	14,313
Change in derivative financial instruments fair value	-	-	-	-	872	-	-	-	-	-	872
Change in translation differences	-	-	-	-	-	-689	-	-	-	38	-651
Other comprehensive income of associates	-	-	-	-	-	-102	-	-	-	-	-102
Other comprehensive income	-	-	-	-	-	-	-	-26	-	-	-26
Total comprehensive income for the period	**0**	**0**	**0**	**0**	**872**	**-791**	**0**	**-26**	**13,913**	**438**	**14,406**
Balance sheet as at March 31, 2016	**133,000**	**0**	**0**	**38,893**	**703**	**354**	**16,203**	**151,667**	**13,913**	**13,806**	**368,540**
Balance sheet as at January 1, 2017	**133,000**	**0**	**0**	**38,893**	**-1,107**	**2,274**	**16,203**	**119,084**	**102,703**	**15,893**	**426,942**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**51,367**	**51,336**	**-102,703**	**-**	**0**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-141**	**-141**
Others	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**61**	**-**	**98**	**159**
Consolidated Net Income for the period	-	-	-	-	-	-	-	-	17,213	879	18,093
Change in derivative financial instruments fair value	-	-	-	-	949	-	-	-	-	-	949
Change in translation differences	-	-	-	-	-	-1,613	-	-	-	28	-1,585
Other comprehensive income of associates	-	-	-	-	-	3	-	-128	-	-	-125
Other comprehensive income	-	-	-	-	-	-	-	-61	-	-	-61
Total comprehensive income for the period	**0**	**0**	**0**	**0**	**949**	**-1,610**	**0**	**-189**	**17,213**	**907**	**17,270**
Balance sheet as at March 31, 2017	**133,000**	**0**	**0**	**38,893**	**-158**	**664**	**67,570**	**170,292**	**17,213**	**16,757**	**444,231**

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 - Sociedade Gestora de Participações Sociais, S.A. held 67,830,000 shares of CORTICEIRA AMORIM as of March 31, 2017 corresponding to 51.00 % of its share capital (December 31, 2016: 67,830,00 shares). Amorim Capital - Sociedade Gestora de Participações Sociais, S.A. consolidates in Amorim – Investimentos e Participações, S.G.P.S., S.A., which is its controlling and Mother Company. Amorim – Investimentos e Participações, S.G.P.S., S.A. is owned by Amorim family.

These financial statements were approved in the Board Meeting of May 8, 2017. 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€).

Some figures of the following notes may present very small differences not only when compared with the total sum of the parts, but also when compared with figures published in other parts of this report. These differences are due to rounding aspects of the automatic treatment of the data collected.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

a. Basis of presentation

Consolidated statements were prepared based on a going concern basis and using the records as stated in the companies' books included in the consolidation which adopted local general accepted accounting principles. Accounting adjustments were made in order to comply with the International Financial Reporting Standards (IFRS) as adopted in the European Union as of March 31, 2017. These are based on the historical cost principle, except for financial instruments, which are registered according to IAS 39.

b. Consolidation

- Group companies

Group companies, often designated as subsidiaries, are entities (including structured entities) over which CORTICEIRA AMORIM has control. CORTICEIRA AMORIM controls when it is exposed to, or holds the rights over variable generated returns through its involvement with the entity. It must have also the capacity to influence those variable returns through the power it has over the entity activity.

Group companies are consolidated line by line, being the position of third-party interests in the shareholding of those companies stated in the consolidated financial position in the "Non-controlling interest" account. Date of first consolidation or de-consolidation is, in general, the beginning or the end of the quarter when the conditions for that purpose are fulfilled.

Profit or loss is allocated to the shareholders of the mother company and to the non-controlling interest in proportion of their correspondent parts of capital, even in the case that non-controlling interest become negative.

IFRS 3 is applied to all business combinations past January 1, 2010, according to Commission Regulation (EC) No 495/2009 of 3 June 2009 as adopted by the European Commission. When acquiring subsidiaries the purchasing method will be followed. According to the revised IFRS, the acquisition cost will be measured by the given fair value assets, by the assumed liabilities and equity interest issued. Transactions costs will be charged as incurred and the services received. The exceptions are the costs related with debt or capital issued. These must be registered according to IAS 32 and IAS 39. Identifiable purchased assets and assumed liabilities will be initially measured at fair value. The acquirer shall recognized goodwill as of the acquisition date measured as the excess of (i) over (ii) below:

(i) the aggregate of:

- the consideration transferred measured in accordance with this IFRS;
- the amount of any Non-controllable interest in the acquiree; and
- In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed

In the case that (ii) exceeds (i), a difference must be registered as a gain.

The values of assets and liabilities acquired as part of a business combination can be reviewed for a period of 12 months from the date of acquisition.

The acquisition cost is subsequently adjusted when the purchase price / allocation is contingent upon the occurrence of specific events agreed with the seller / shareholder.

Any contingent payments to be transferred by the Group are recognized at fair value at the acquisition date. Subsequent changes in fair value that may occur, evaluated as assets or liabilities are recognized in accordance with IAS 39.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated but considered an impairment indicator of the asset transferred.

The amounts reported by the Group's subsidiaries are adjusted where necessary to conform with the accounting policies of CORTICEIRA AMORIM.

- Non-controlling-interest

Non-controlling Interest are recorded at fair value or in the proportion of the percentage held in the net asset of the acquire, as long as it is effectively owned by the entity. The others components of the non-controlling interest are registered at fair value, except if other criteria is mandatory.

Transactions with Non-controlling interests are treated as transactions with Group Equity holders, when no loss of control occurs.

In any acquisition from non-controlling interests, the difference between the consideration paid and the accounting value of the share acquired is recognised in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss.

- Equity companies

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill. Future impairments of goodwill will be adjusted against the carrying amount of investments The Group's share of its associates post-acquisition profits or losses is recognised in the income statement, in the "Gain/(losses) in associates" account, and its share of post-acquisition movements in reserves is recognised in reserves. The carrying amount is also adjusted by dividends received. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the group does not recognise further losses, unless it has incurred obligation on behalf of the associate, in this case the liabilities will be recorded in a "Provisions" account.

The accounting policies adopted by the associates are adjusted to the accounting policies of the group.

- Exchange rate effect

Euro is the legal currency of CORTICEIRA AMORIM, S.G.P.S., S.A., and is the currency in which two thirds of its business is made and so Euro is considered to be its functional and presentation currency.

In non-euro subsidiaries, all assets and liabilities denominated in foreign currency are translated to euros using year-end exchange rates. Net exchange differences arising from the different rates used in transactions and the rate used in its settlements is recorded in the income statement.

Assets and liabilities from non-euro subsidiaries are translated at the balance sheet date exchange rate, being its costs and gains from the income statement translated at the average exchange rate for the period / year.

Exchange differences are registered in an equity account "Translation differences" which is part of the line "Other reserves".

Whenever and a non-euro subsidiary is sold or liquidated, accumulated translation differences recorded in equity is registered as a gain or a loss in the consolidated income statement by nature.

c. Tangible Fixed Assets

Tangible fixed assets are originally their respective historical cost (including attributable expenses) or production cost, including, whenever applicable, interest costs incurred throughout the respective construction or start-up period, which are capitalized until the asset is ready for its projected use.

Tangible fixed assets are subsequently measured at acquisition cost, deducted from cumulative depreciations and impairments.

Depreciation is calculated on the straight-line basis, over the following years, which represent a reasonable estimate of the useful lives:

	Number of years
Buildings	20 to 50
Plant machinery	6 to 10
Motor vehicles	4 to 7
Office equipment	4 to 8

Depreciation is charged since the beginning of the moment in which the asset is ready to use. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Current maintenance on repair expenses are charged to the actual income statement in which they occurred. Cost of operations that can extend the useful expected life of an asset, or from which are expected higher and significative future benefits, are capitalized.

An asset's carrying amount is written down to its recoverable amount and charged to the income statement if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses and disposals are included in the income statement.

d. Intangible assets

Intangible assets are initially measured at cost. Subsequently they are measured at cost less accumulated depreciation.

Research expenditures are recognised in the income statement as incurred.

Development expenditure is recognised as intangible asset when the technical feasibility being developed can be demonstrated and the Group has the intention and capacity to complete their development and start trading or using them and that future economic benefits will occur.

Amortisation of the intangible assets is calculated by the straight-line method, and recorded as the asset qualifies for its required purpose:

	Number of years
Industrial Property	10 to 20
Software	3 to 6

The estimated useful life of assets are reviewed and adjusted when necessary, at the balance sheet date.

e. Investment property

Investment property includes land and buildings not used in production.

Investment property are initially registered at acquisition cost plus acquisition or production attributable costs, and when pertinent financial costs during construction or installation. Subsequently are measured at acquisition cost less cumulative depreciations and impairment.

Periods and methods of depreciation are as follows in c) note for tangible fixed asset.

Properties are derecognized when sold. When used in production are reclassified as tangible fixed asset. When land and buildings are no mores used for production, they will be reclassified from tangible fixed asset to investment property.

f. Goodwill

Goodwill arises from acquisition of subsidiaries and represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired at the date of acquisition. If positive, it will be included as an asset in the "goodwill" account. If negative, it will be registered as a gain for the period.

In Business combinations after January 1, 2010, Goodwill will be calculated as referred in b).

For impairment tests purposes, goodwill is allocated to the cash-generating unit or group of cash-generating units that are expected to benefit from the upcoming synergies.

Goodwill will be tested annually for impairment, or whenever an evidence of such occurs; impairment losses will be charged to the income statement and, consequently, its carrying amount adjusted.

g. Non-financial assets impairment

Assets with indefinite useful lives are not amortised but are annually tested for impairment purposes, or more frequently if there are events or changes in circumstances that indicate impairment.

Assets under depreciation are tested for impairment purposes whenever an event or change of circumstances indicates that its value cannot be recovered.

For the estimate of impairments, assets are allocated to the lowest level for which there is separate identifiable cash flows (cash generating units).

In assessing impairment, both internal and external sources of information are considered. Tests are carried out if the level of profitability of cash-generating units is consistently below a minimum threshold, from which there is risk of impairment of assets. Impairment tests are also performed whenever management makes significant changes in operations (for example, total or partial discontinuation of the activity).

Impairment tests are performed internally. Whenever impairment tests are performed, future cash flows are discounted at a specific rate for the cash-generating unit, which includes the risk of the market where it operates.

The group uses external experts (appraisers) only to determine the market value of land and buildings in situations of discontinuation of operations, where they are no longer recovered by use.

Impairment losses are recognized as the difference between its carrying amount and its recoverable amount. Recoverable corresponds to the higher of its fair value less sales expenses and its value for use.

Impairment losses, if any, are allocated specifically to the individual assets that are part of the cash flow generating unit.

Non-financial assets, except goodwill, that generated impairment losses are valued at each reporting date regarding reversals of said losses.

h. Other financial assets

This caption is primarily related to investments in equity instruments available for sale, which have no stock exchange share price and whose fair value cannot be estimated reliably and are therefore measured at cost. Dividends, if any, are recognized in the period in which they occur, when the right to receive is established.

i. Inventories

Inventories are valued at the lower of acquisition cost or production cost and net realisable value. Acquisition cost includes direct and indirect expenses incurred in order to have those inventories at its present condition and place. Production cost includes used raw material costs, direct labour, other direct costs and other general fixed production costs (using normal capacity utilisation).

Where the net realisable value is lower than production cost, inventory impairment is registered. This adjustment will be reversed or reduced whenever the impairment situation no longer takes place.

Year-end quantities are determined based on the accounting records, which are confirmed by the physical inventory taking. Raw materials, consumables and by-products are valued at weighted average cost, and finished goods and work-in-progress at the average production cost which includes direct costs and indirect costs incurred in production.

The raw materials or products with high cork incorporation usually present alternative use without significant loss of value (for example through changes in caliber, reprocessing or use as raw material in other units). In these cases a specific analysis of impairment is made, being that impairment situations in this instance are very reduced.

The remaining materials, intermediate and finished products with a higher degree of transformation and incorporation of non-cork materials are not as susceptible of alternative use. In these cases, the amount by which inventories are expected to be realized is influenced by the age of those inventories. Thus, in addition to the specific analysis (priority form of determination of net realizable value), the group applies a criteria based on the rotation to estimate the reduction of expected value of these materials in function of their ageing.

j. Trade and other receivables

Trade and other receivables are registered initially at fair value and subsequently registered at amortized cost, and adjusted for any subsequent impairment losses which will be charged to the income statement.

Medium and long-term receivables, if applicable, will be measured at amortised cost using the effective interest rate of the debtor for similar periods.

Trade and other receivables are derecognised when the rights to receive cash flows from the investments expire or are transferred, as well as all the risks and rewards of its ownership.

k. Financial assets impairment

At each reporting date, the impairment of financial assets at amortised cost is evaluated.

Financial asset impairment occurs if after initial register, unfavourable cash flows from that asset can be reasonably estimated.

Impairment losses are recognized as the difference between its carrying amounts and expected future cash flows (excluding future losses that yet have not occurred), discounted at the initial effective interest rate of the asset. The calculated amount is deducted to the carrying amount and loss recognised in the earnings statement.

As a rule, Corticeira Amorim grouped the financial assets according to similar credit risk characteristics, the impairments being estimated based on the experience of historical losses.

At the end of each period, an analysis is performed on the quality of customer loans. Given the characteristics of the business it is considered that the balances overdue up to 90 days are not susceptible to impairment. Balances overdue between 90 and 120 days are considered as being able to generate an impairment of around 30% and balances between 120 and 180 days 60%. All balances overdue for more than 180 days, as well as all balances considered as doubtful, will give rise to a total impairment.

This rule does not overlap the analysis of each specific case. The analysis of the specific cases is determined on the individual accounts receivable, taking into account the historical information of the clients, their risk profile and other observable data in order to assess if there is objective proof of impairment for these accounts receivable.

Impairment of Other Financial Assets is verified through the analysis of the companies' approved financial statements, as well as the evaluation of the expected future cash flows of their activity.

If the impairment loss decreases in a future period, the losses previously recognized against the Income Statement are reversed.

l. Cash and cash equivalents

Cash includes cash in hand, deposits held at call in banks, time deposits and other no-risk short-term investments with original maturities of three months or less. In the Consolidated Statement of Cash Flow, this caption includes Bank overdrafts.

m. Suppliers, other borrowings and creditors

Debts to suppliers and other borrowings and creditors are initially registered at fair value. Subsequently are measured at amortised cost using effective interest rate method. They are classified as current liabilities, except if CORTICEIRA AMORIM has full discretion to defer settlement for at least another 12 months from the reporting date.

The group contracts confirming operations contracted with financial institutions, which will be classified as reverse factoring agreements. These agreements are not used to manage the liquidity needs of the group as long as the payment remains on the due date of the invoices (on that date the advance amounts are paid to the financial institution by the group). For this reason, and since they do not give rise to financial expenses for the group, the amounts of the invoices advanced to the suppliers that adhere to these contracts are kept in the Liabilities, in the Suppliers account, and the payments at the due time are treated as operational payments. The supplier confirming operations are classified as operating in the Statement of Cash Flows.

Liabilities are derecognised when the underlying obligation is extinguished by payment, cancelled or expire.

n. Interest bearing loans

This line includes interest bearing loans amounts. Any costs attributable to the lender, will be deducted to the loan amount and charged, during its life, using the effective interest rate.

Interests are usually charged to the income statement as they occur. Interests arising from loans related with capital expenditure for periods longer than 12 months will be capitalised and charged to the specific asset under construction. Capitalisation will cease when the project is ready for use or suspended.

o. Income taxes – current and deferred

Income tax includes current income tax and deferred income tax. Except for companies included in groups of fiscal consolidation, current income tax is calculated separately for each subsidiary, on the basis of its net result for the period adjusted according to tax legislation. Management periodically addresses the effect of different interpretations of tax law.

Deferred taxes are calculated using the liability method, reflecting the temporary differences between the carrying amount of consolidated assets and liabilities and their correspondent value for tax purposes.

Deferred tax assets and liabilities are calculated and annually registered using actual tax rates or known tax rates to be in vigour at the time of the expected reversal of the temporary differences.

Deferred tax assets are recognized to the extent that it is probable sufficient future taxable income will be available utilisation. At the end of each year an analysis of the deferred tax assets is made. Those that are not likely to be used in the future will be derecognised.

Deferred tax liabilities are recognized for all taxable temporary differences, except those related to i) the initial recognition of goodwill; or ii) the initial recognition of assets and liabilities that do not result from a business combination, and that at transaction date does not affect the accounting or tax result.

Deferred taxes are registered as an expense or a gain of the year, except if they derive from values that are booked directly in equity. In this case, deferred tax is also registered in the same line.

p. Employee benefits

CORTICEIRA AMORIM Portuguese employees benefit exclusively from the national welfare plan. Employees from foreign subsidiaries (about 30% of total CORTICEIRA AMORIM) or are covered exclusively by local national welfare plans or benefit from complementary contribution plans.

As for the defined contribution plans, contributions are recognised as employee benefit expense when they are due.

CORTICEIRA AMORIM recognises a liability and an expense for bonuses attributable to a large number of directors. These benefits are based on estimations that take in account the accomplishment of both individual goals and a pre-established CORTICEIRA AMORIM level of profits.

q. Provisions, contingent assets and liabilities

Provisions are recognised when CORTICEIRA AMORIM has a present legal or constructive obligation as a result of past events, when it is more likely than not an outflow of resources will be required to settle the obligation and when a reliable estimation is possible.

Provisions are not recognised for future operating losses. Restructuring provisions are recognised with a formal detail plan and when third parties affected are informed.

The main items of provisions were recorded based on their nominal value. Provisions for ongoing tax proceedings are annually increased by the calculation of interest and fines, as defined by law. In all other cases, given the uncertainty regarding the timing of the outflow of resources to cover liability, it is not possible to reliably estimate the effect of the discount, which is estimated to be not material.

When there is a present obligation, resulting from a past event, but it is not probable that an out flow of resources will be required, or this cannot be estimated reliably, the obligation is treated as a contingent liability. This will be disclosed in the financial statements, unless the probability of a cash outflow is remote.

Contingent assets are not recognized in the financial statements but disclosed when it is probable the existence of an economic future inflow of resources.

The main items of provisions were recorded based on their nominal value. Provisions for ongoing tax proceedings are annually increased by the calculation of interest and fines, as defined by law. In all other cases, given the uncertainty about the timing of the outflow of resources to cover liability, it is not possible to reliably estimate the effect of the discount, which is estimated to be not material.

r. Revenue recognition

Revenue comprises the value of the consideration received or receivable for the sale of goods and finished products. Revue is shown, net of value-added tax, returns, rebates, and discounts, including cash discounts. Revenue is also adjusted by any prior period's sales corrections.

Services rendered are immaterial and, generally, are refunds of costs related with finish product sales.

Sales revenue is recognised when the significant risk and rewards of ownership of the goods are transferred to the buyer and its amount can be reliably measured. Revenue receivable after one year will be discounted to its fair value.

s. Government grants

Grants received are related generally with fixed assets expenditure. No-repayable grants are present in the balance sheet as deferred income, and recognised as income on a systematic basis over the useful life of the related asset. Repayable interest bearing grants are presented as interests bearing debt; if no-interest bearing, they are presented as "Other borrowings".

Reimbursable grants with "out of market" interest rates are measured at fair value when they are initially recognised. For each grant, the fair value determination at the initial time corresponds to the present value of the future payments associated with the grant, discounted at the company's financing rate at the date of recognition, for loans with similar maturities.

Difference between nominal and fair value at initial recognition is included in deferred income – grants, at other loans and creditors, being afterwards recognised in net result.

The grants received are classified as a financial activity in the Statement of Cash Flows.

t. Leasing

When a contract indicates that the significant risks and rewards of the ownership of the asset are transferred to CORTICEIRA AMORIM, leasing contracts will be considered as financial leases.

All other leasing contracts are treated as operating leases. Payments made under operating leases are charged to the income statement.

Whenever CORTICEIRA AMORIM qualifies as lessee of finance leases, assets under lease are recognized as Tangible Fixed Assets and are depreciated over the shorter of the term of the contract and the useful life of the assets.

u. Derivative financial instruments

CORTICEIRA AMORIM uses derivatives financial instruments as forward and spot exchange rate contracts, options and swaps; these are intended to hedge its business financial risks and are not used for speculative purposes. CORTICEIRA AMORIM accounts for these instruments as hedge accounting, following all its standards. Dealing is carried out by a central treasury department (dealing room) on behalf of the subsidiaries, under policies approved by the Board of Directors. Derivatives are recorded at their fair value. The method of recognising is as follows:

- Fair value hedge

Changes in the fair value of derivatives that qualify as fair value hedges and that are expected to be highly effective, are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

- Cash flow hedge

Changes in the fair value of derivatives that qualify as cash flow edges and that are expected to be highly effective, are recognised in equity, being transferred to income statement in the same period as the respective hedged item affects results; the gain or loss relating to the ineffective portion is recognised immediately in the income statement.

- Net investment hedge

For the moment, CORTICEIRA AMORIM is not considering any foreign exchange hedge over its net investments in foreign units (subsidiaries).

CORTICEIRA AMORIM has fully identified the nature of its activities' risk exposure and documents entirely and formally each hedge; uses its information system to guarantee that each edge is supported by a description of: risk policy, purpose and strategy, classification, description of risk, identity of the instrument and of the risk item, description of initial measurement and future efficiency, identification of the possible derivative portion which will be excluded from the efficiency test.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, or the forecasted transaction no longer remains highly provable or simply is abandoned, or the decision to consider the transaction as a hedge, the company will de-recognised the instrument.

v. Equity

Ordinary shares are included in equity.

When CORTICEIRA AMORIM acquires own shares, acquisition value is recognised deducting from equity in the line treasury stock.

COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company		Head Office	Country	1Q17	2016
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.		San Vicente Alcántara	ESPANHA	100%	100%
Comatral - C. de Maroc. de Transf. du Liège, S.A.		Skhirat	MOROCCO	100%	100%
SIBL - Société Industrielle Bois Liége		Jijel	ALGERIA	51%	51%
Société Nouvelle du Liège, S.A. (SNL)		Tabarka	TUNISIA	100%	100%
Société Tunisienne d'Industrie Bouchonnière	(e)	Tabarka	TUNISIA	55%	45%
Vatrya - Serviços de Consultadoria, Lda		Funchal - Madeira	PORTUGAL	100%	100%
Cork Stoppers					
Amorim & Irmãos, SGPS, S.A.		**Santa Maria Lamas**	**PORTUGAL**	**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%
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%
Equipar, Participações Integradas, Lda.		Coruche	PORTUGAL	100%	100%
FP Cork, Inc.		California	U. S. AMERICA	100%	100%
Francisco Oller, S.A.		Girona	SPAIN	92%	92%
Hungarocork, Amorim, RT		Budapest	HUNGARY	100%	100%
Indústria Corchera, S.A.	(c)	Santiago	CHILE	50%	50%
Korken Schiesser Ges.M.B.H.		Vienna	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.		Bordeaux	FRANCE	100%	100%
Portocork Internacional, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Portocork Itália, s.r.l		Milano	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%
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%
Victor y Amorim, Sl	(c)	Navarrete - La Rioja	SPAIN	50%	50%
Wine Packaging & Logistic, S.A.	(b)	Santiago	CHILE	50%	50%

Company		Head Office	Country	1Q17	2016
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		Vienna	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		Moscow	RUSSIA	100%	100%
Amorim Japan Corporation		Tokyo	JAPAN	100%	100%
Amorim Revestimientos, 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		Hadsund	DENMARK	51%	51%
Composites Cork					
Amorim Cork Composites, S.A.		**Mozelos**	**PORTUGAL**	**100%**	**100%**
Amorim (UK) Ltd.		Horsham West Sussex	UNITED KINGDOM	100%	100%
Amorim Compcork, Lda		Mozelos	PORTUGAL	100%	100%
Amorim Cork Composites LLC		St. Petersburg	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%
Amosealtex Cork Co., Ltd	(b)	Shanghai	CHINA	30%	30%
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**	**80%**	**80%**
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	(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%

(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) Directly owned by Industria Corchera, SA

(e) As of this year, the company consolidates line-by-line.

EXCHANGE RATES USED IN CONSOLIDATION

Exchange rates		March 31, 2017	Average 1Q17	March 31, 2016	Average 1Q16
Argentine Peso	ARS	16.3674	16.6795	16.7131	15.9409
Australian Dollar	AUD	1.39820	1.40564	1.48070	1.52927
Lev	BGN	1.95570	1.95574	1.95570	1.95573
Brazilian Real	BRL	3.38000	3.34676	4.11740	4.30405
Canadian Dollar	CAD	1.42650	1.41012	1.47380	1.51490
Swiss Franc	CHF	1.06944	1.06944	1.09310	1.09599
Chilean Peso	CLP	702.120	697.932	762.210	773.117
Yuan Renminbi	CNY	7.36420	7.33527	7.35140	7.21015
Danish Krone	DKK	7.43790	7.43530	7.45120	7.46051
Algerian Dinar	DZD	116.831	116.749	123.162	118.749
Euro	EUR	1.0000	1.0000	1.0000	1.0000
Pound Sterling	GBP	0.85553	0.86009	0.79155	0.77037
Hong Kong Dollar	HDK	8.27670	8.26653	8.82530	8.58187
Forint	HUF	307.620	309.095	314.120	312.024
Yen	JPY	121.014	121.014	127.900	126.997
Moroccan Dirham	MAD	10.7133	10.7075	10.9561	10.8101
Zloty	PLN	4.22650	4.32064	4.25760	4.36518
Ruble	RUB	60.3130	62.5218	76.1729	82.2255
Tunisian Dinar	TND	2.43130	2.44038	2.29290	2.23760
Turkish Lira	TRL	3.88940	3.93781	3.21180	3.24704
US Dollar	USD	1.06910	1.06480	1.13850	1.10200
Rand	ZAR	14.2404	14.0814	16.7866	17.4552

SEGMENT REPORT

CORTICEIRA AMORIM is organized in the following Business Units (BU):

- Raw Materials
- Cork Stoppers
- Floor and Wall Coverings
- Cork Composites
- Insulation Cork

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. The following table shows the main indicators of the said units, and, whenever possible, the reconciliation with the consolidated indicators (values in thousand EUR).

thousand euros

1Q2017	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Cork Composites	Insulation Cork	Holding	Ajustm.	Consolidated
Trade Sales	2,643	111,528	31,585	23,374	2,564	14	-	171,709
Other BU Sales	39,803	1,379	861	2,453	278	419	-45,193	-
Total Sales	**42,446**	**112,907**	**32,446**	**25,826**	**2,843**	**433**	**-45,193**	**171,709**
EBITDA (current)	**5,702**	**22,715**	**2,417**	**4,741**	**521**	**-2,518**	**-20**	**33,558**
Assets	**162,018**	**358,325**	**104,397**	**71,784**	**11,327**	**37,095**	**-3,550**	**741,395**
Liabilities	**30,009**	**131,562**	**38,577**	**28,078**	**2,222**	**16,723**	**49,993**	**297,165**
Capex	**632**	**2,892**	**1,410**	**786**	**45**	**134**	**-**	**5,899**
Year Depreciation	**-1,903**	**-4,038**	**-1,221**	**-776**	**-140**	**-20**	**-**	**-8,099**
Non-cash cost	**-1,525**	**434**	**-61**	**-210**	**-13**	**-**	**0**	**-1,375**
Gains/Losses in associated companies	**0**	**391**	**0**	**-20**	**-**	**-**	**-**	**372**

1Q2016	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Cork Composites	Insulation Cork	Holding	Ajustm.	Consolidated
Trade Sales	2,297	101,087	28,729	22,328	2,239	10	-	156,691
Other BU Sales	36,527	1,281	979	2,071	704	356	-41,919	-
Total Sales	**38,825**	**102,368**	**29,708**	**24,399**	**2,944**	**366**	**-41,919**	**156,691**
EBITDA (current)	**3,796**	**17,821**	**2,827**	**4,377**	**674**	**-965**	**-932**	**27,597**
Assets	**144,375**	**346,677**	**98,755**	**73,680**	**12,330**	**-2,515**	**-2,623**	**670,678**
Liabilities	**25,476**	**116,348**	**33,271**	**26,122**	**2,358**	**20,999**	**77,564**	**302,139**
Capex	**885**	**3,596**	**1,023**	**88**	**211**	**0**	**-**	**5,802**
Year Depreciation	**-951**	**-3,317**	**-1,249**	**-801**	**-151**	**-18**	**-**	**-6,487**
Non-cash cost	**12**	**10**	**-223**	**-240**	**-12**	**-**	**0**	**-453**
Gains/Losses in associated companies	**-2**	**105**	**0**	**0**	**-**	**-**	**-**	**103**

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.

SELECTED NOTES

Data to be included in the interim notes, materially relevant, which is not included in prior chapters.

These interim financial statements were prepared using similar accounting policies as those used when preparing prior year-end statements;

CORTICEIRA AMORIM business is 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, May de 2017

The Board of Directors 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 640 billion 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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