



140TH YEAR YIELDS BEST RESULT

Amorim celebrated 140 years of cork production in 2010 and did so with renewed confidence as it registered its best result in the company's history, including a sales record for wine closures.

The figures highlight that from wine stoppers through to design and building applications, fashion and innovative new products, cork is staging a global resurgence with a new appreciation of its unique qualities.

"Cork is enjoying a renaissance," said Corticeira Amorim's chairman and CEO António Amorim. "There is a new understanding of its potential for many applications and recognition of the added value it brings to products in which it is used.

"A culture of sustainability has guided Amorim's business activity since the 19th century, and today, growing awareness of cork's crucial sustainability role is enhancing worldwide interest in natural cork."

Mr Amorim said the company celebrated 140 years by acknowledging the foundations established by predecessors and saluting the sustainable future Amorim is building.

"Amorim's history bears witness to the determination with which successive generations met the challenges of profound social change, world wars, globalisation and revolutionising the cork industry," he said.

"Today Amorim continues to embrace the qualities on which our heritage has been built — entrepreneurial vision, responsibility, diligence, creativity and innovation."

Amorim reacted swiftly and effectively to the financial crisis of 2009 by reorganising its internal structure, adapting to meet market needs, changing its processes and rationalising to reduce operating costs.

These measures were complemented by the launch of new products, an increase in productivity and wider geographical coverage that resulted in significant sales growth for all of the company's business units.

Fundamental to the 2010 result was the growth in sales from Amorim's core business — the Cork Stoppers Business

Unit posted a sales increase of 13.8 per cent and passed the 3 billion units barrier.

Amorim recorded volume and revenue growth in all major 'Old World' wine markets, with France, Italy and Spain breaking historical sales volumes with growth rates ranging from 10 to 29 per cent.

Double-digit sales revenue growth was also recorded in prominent 'New World' wine markets such as Argentina and Australia. In the United States, Amorim registered a 22 per cent growth in sales volume.

"Along with the outstanding sales result we witnessed strong consumer preference for cork in the US, an increase in the use of cork by the 'Top 100' US wine brands and a return to cork by major supermarkets in the UK where unit sales increased by almost 50

per cent in 2010," Mr Amorim said.

Outside of the drinks business, Amorim's investment in research and development of alternative applications for cork continues to pay dividends. A 2010 highlight was the launch of Corksorb for controlling oil and hydrocarbon spills.

"While the drinks industry is still our main focus we have expanded into other areas," said Mr Amorim. "We have taken this extraordinary raw material and applied our knowledge, research and vision to develop new applications across many industries.

"Through our sustained growth in the drinks sector and the development of new markets for cork, Amorim has emerged from the global financial crisis in a very strong position and we look forward to building on that in the years ahead."



→ Amorim's chairman and CEO António Amorim.



→ Artist and restaurateur Tony Romano.

NO SCREWCAPS: AN ARTIST'S VIEW

An artist and restaurateur based at St Thomas on the US Virgin Islands is protesting against the use of alternative wine closures through his art.

Tony Romano has presented a series of artworks compiled over three years in an exhibition he calls 'No Screw Caps'.

The chef and owner of Romano's Restaurant, Tony Romano became concerned about the use of alternative wine closures and the possible ramifications for the cork industry when suppliers began presenting him with wines that were not sealed with cork. Through his artworks he hopes to bring attention to the issue.

"I have rejected screwcaps from my wine list for many reasons, but would have rejected them solely on the traditional ceremony and romance involved with opening a fine bottle of wine," says Tony.

"For the 22 years I've owned the restaurant, I have encountered an extremely low percentage of 'corked' wine. I can assure you there has never nor will there ever be a screwcap wine on the Romano's wine list."

The 'No Screw Caps' exhibition originally comprised 24 pieces with half of the works oil on canvas and the other half in an ancient sculptural medium comprising encaustic wax paint on wood panel. Some of these sculptural pieces incorporate cork bark and corkscrews.

Many of the pieces have sold, with the remainder still being exhibited including the signature piece that Tony describes as "one of my most important works".

You can learn more about Tony Romano's artwork at www.romanosrestaurant.com

WINERIES IN USA GROW WITH CORK

Premium wineries in the US are continuing to increase their use of natural cork closures, with brands using cork again showing higher sales volume and greater revenue growth in recent sales data from A.C. Nielsen.

Among the 'Top 100' wine brands in the US, the number using cork increased by 10.4 per cent to 74 over the 52-week period ending on 8 January 2011.

Wines sealed with cork also posted an average sales volume increase of 10.3 per cent, representing 840,802 cases. This compared to growth of 3.6 per cent for wines with alternative closures.

The data revealed that 90 per cent of sales revenue growth recorded by the 'Top 100' brands was attributed to wines with natural cork stoppers. Over this 12-month period, cork-sealed brands had revenue growth of US\$92 million.

The analysis of the data, conducted by the US-based Cork Quality Council, focused on supermarket sales of premium domestic table wine, defined as wines in 750ml bottles priced greater than US\$6.

"This is the fifth survey in a row to show an increase in the use of cork," said Peter Weber, executive director of the Cork Quality Council.

"We believe wineries are returning to cork because of consumer preference, vast improvements in the quality of cork, the emerging limitations of alternative closures and a growing awareness of cork's environmental advantages."

Napa Valley-based Rutherford Wine Company is one winery that has moved back to cork citing both environmental

and technical benefits.

"We tried synthetic closures but came back to cork," said Steve Rued, Rutherford's director of winemaking.

"As a sustainable winery, cork is the natural choice for Rutherford. And from a technical perspective, there is nothing that protects and ages wine better than real cork."

Amorim's director of marketing and communication Carlos de Jesus said the company was experiencing a return to cork by wineries in a number of key markets as well as the UK retail sector.

In South Africa, the iconic Klein Constantia winery recently returned to natural cork to seal its premier white wine, the Perdeblokke sauvignon blanc. The decision was driven by concerns over the wine developing reductive characters under screwcap.

This complex sauvignon blanc spends almost 10 months on fairly heavy lees before bottling and then another 10 months in bottle before release.

"With this style of maturation, there is a higher risk of developing sulphide characters, which — in my opinion — is exacerbated even further under screwcap," said Klein Constantia's head winemaker Adam Mason.

"The original reason for the shift to screwcap was due to the unacceptably high failure rate of cork, but in the last number of years I have seen a marked improvement in cork's performance, so feel the low risk of cork failure more than compensates for the inevitable development of slightly reductive characters in this wine closed under screwcap."



→ Steve Rued — There is nothing that protects and ages wine better than real cork.



AMORIM RECORKS OLDEST CHAMPAGNE

Amorim has played a major role in the preservation of a 200-year-old champagne discovered off the coast of the Åland archipelago (between Sweden and Finland).

Consultants to the Åland Government asked Amorim to assist in the preservation of the champagne after 168 bottles were recovered from a shipwreck at the bottom of the Baltic Sea.

Amorim's technical champagne team advised on the complex process of replacing the 200-year-old cork stoppers with new ones. The team then developed a stopper from a single piece of natural cork to the exact specifications of the antique bottles.

During this process Amorim's technical team worked with experts from French champagne house Veuve Clicquot and Åland authorities.

The company also provided special manual bottling machines that allowed the recovery team to insert the new corks at a location as close as possible to the shipwreck site to minimise any impact on the champagne.

"Amorim was honoured when asked to play an important role in the recovery and preservation of this unique champagne," said the head of Amorim's technical champagne team, Ernesto Sa Pereira.



→ Preserved by cork for 200 years.

"Great consideration and care was put into the development of the natural cork stoppers that are now sealing and preserving some of this liquid history."

Divers discovered the champagne in July 2010 at a depth of about 50 metres. The ship, a two-masted schooner, is believed to have sunk in the early 1800s.

Archaeologists have determined that some of the bottles come from the champagne house Maison Juglar, which had ceased production by the end of the 1820s. Several bottles have also been identified as Veuve Clicquot.

Experts have been amazed at how well

preserved the champagne is — that it tastes superb and has retained some of its fizz after 200 years.

"The two different types have a nice freshness and good length in the mouth," said Richard Juhlin, one of the world's leading champagne experts.

Mr Pereira said the experts' tasting notes were a tribute to cork as a closure.

"The fact that the precious liquid in these bottles has been preserved at the bottom of the sea for two centuries stands as testimony to the unique ability of natural cork to protect the champagnes and wines of this world," he said.

SEALED FOR THE FUTURE

Cork stoppers play an important role in the development of bottled wine through managed micro-oxygenation.

That is the conclusion of the latest Bordeaux University research on the oxygen transmission rates (OTR) of different closures published in the Journal of Agricultural and Food Chemistry.

The study examined the effect of oxygen dissolved at bottling and transferred through closures on a Bordeaux sauvignon blanc over a two-year period.

Previous work had shown that screwcap sealed bottles had a minimal OTR, corks transferred oxygen from their internal cells and this levelled off after a few months, while plastic stoppered bottles showed rapid oxygen ingress.

This time the scientists wanted to find out how the oxygen affected the composition and sensory properties of the wine using both chemical and sensory analysis.

The chemical analysis found that antioxidants (ascorbic acid and sulfur

dioxide) were depleted in the plastic-stoppered bottles and the wine was a brown colour — indicating high levels of oxygen ingress affecting the fruit characters of the wine. Conversely, antioxidant levels in the screwcapped bottles were still high and the wine colour remained light.

Bottles with cork stoppers showed antioxidant levels and wine colour between those of the plastic and screwcap sealed bottles, suggesting oxygen transmission was slow and minimal.

The sensory team found the plastic-stoppered wines had lost their fruity attributes and developed oxidised aromas, while the bottles sealed with glass or screwcap had some 'rotten egg' characters. The screwcap with a saranex liner, however, was able to minimise these reduced aromas so the sulfide levels were not high enough to spoil the wine.

The team concluded that cork stoppers played an intermediate role, minimising both reductive and oxidative characters,



→ Paulo Lopes.

while retaining the varietal fruit characters typical of a sauvignon blanc.

"An oxygen-sensitive variety such as sauvignon blanc benefits from some low oxygen exposure after bottling," said Dr Paulo Lopes, author of the paper.

"Cork is the best 'balanced' of the closure materials, and given careful quality control in manufacture, does not allow atmospheric ingress or high variability."



IN BRIEF

100% CORK EXCEEDS 40,000 FANS

The overwhelming preference of American wine drinkers for wines sealed with natural cork is being underlined by the response to the 100% Cork campaign.

The campaign's Facebook page has attracted a massive 40,000 fans in just over nine months.

"The response to the 100% Cork campaign has been phenomenal," said Peter Weber, executive director of the US-based Cork Quality Council.

An initiative of the Portuguese Cork Association (APCOR), the campaign's website is located at www.100percentcork.org while the Facebook page is www.facebook.com/100PercentCork.

STRONGER UK PRESENCE

Amorim has strengthened its technical and commercial wine closure service in the UK with the appointment of Neville & More as its distributor and partner for the still and sparkling wine markets.

The move is part of Amorim's strategy to have a direct presence in all wine producing countries and major consumer markets in order to maintain strong relationships with clients, anticipate local trends and enhance service delivery.

Located in West Sussex, Neville & More has been in business for 60 years with a focus on the supply of innovative packaging for the food and beverage industry as well as the healthcare, personal care and household and industrial sectors.

INNOVATION AWARD FOR CORKSORB

A new product developed by Amorim called Corksorb has won the 2010 Portuguese Environmental Innovation Award.

Corksorb is an environmentally friendly and sustainable absorbent for use in controlling oil and hydrocarbon spills. Developed over six years, the product is the result of a major investment in research

and development to find new applications for cork.

CorkSorb absorbents can be used for spills that occur in industrial, road or water environments.

The Portuguese Environmental Innovation Award is an initiative of Indústria e Ambiente (Industry and Environment) magazine and the Portuguese Association of Environmental Engineers.

AMORIM SEALS £100,000 WHISKY

Amorim has provided the premium corks used to seal the world's most expensive whisky. Only three bottles of the £100,000 Dalmore Trinitas 64 were released last October and two have been sold to private collectors.

The Trinitas 64 is a unique combination of spirits from The Dalmore's 1868, 1878, 1926 and 1939 vintages topped up with a vintage from the 1940s.

The packaging reflects the brand's aristocratic Scottish heritage and positions the whisky alongside the world's most luxurious goods.

Three handcrafted crystal decanters were commissioned to house the rare whisky. The decanters are dressed in sterling silver with a stag's head, engraved neck foil and master distiller Richard Paterson's signature.

The superbly crafted stopper comprises a rich dark timber, silver finishing and at its core a natural cork body — the top-of-the-line 'Prestige' cork from Amorim's Top Series® range. →1

GRAMMYS EMBRACE NATURAL CORK

In keeping with a commitment to develop its sustainability initiatives, events at the 2011 Grammy Awards served wine sealed exclusively with natural cork.

And ReCORK by Amorim arranged the recycling of all natural corks extracted at the events.

The partnership with the Grammys was developed through 100% Cork, the campaign educating US consumers about

the benefits of choosing wine with real cork stoppers.

Wines sealed with cork were served at the MusiCares Person of The Year fundraiser honouring Barbra Streisand and at the official Grammy Awards celebration.

Venues for both events were equipped with special cork recycling containers provided by ReCORK. →2

ACADEMY AWARD PRESENTED

For the first time since its inception in 1992, the Amorim Academy has awarded its Grand Prix prize for research work that is not wine related.

The winner of the 2010 award is 29-year-old Caroline Le Goffic who has been acknowledged for her thesis on the protection of geographical labelling.

Geographic labelling of products such as 'French Champagne', 'Parma Ham' and 'Florida Oranges' gives them added value. In her paper, Le Goffic examines the legal, social and economic issues associated with this labelling and suggests an international protection model. →3

SUPPORT FOR HUNGARY

In October last year Hungary was struck with an industrial disaster after toxic sludge leaked from an alumina plant in the town of Ajka, killing nine people, and threatening the entire Somló wine region.

Amorim joined its Hungarian subsidiary Hungarokork and Austrian counterpart Korken Schiesser in donating € 4000 to the relief efforts.

"It is our privilege to be able to help a region where several of our customers are located," said Hungarokork's general manager Kainer Gyorgy.

"The cork industry in Hungary has grown with our winery clients and we are glad to make a small contribution to help them and others get through this incredibly difficult time."



→ Richard Paterson with the Trinitas 64.



→ The 2011 Grammys served wine sealed with cork.



→ Caroline Le Goffic with Joaquim Amorim.