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Executive Vice-President
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**Amorim's commitment
to meeting
the wine industry's needs**



1. 1999 Harvest
2. Cork 2000
3. Amorim's program

OUR AIMS



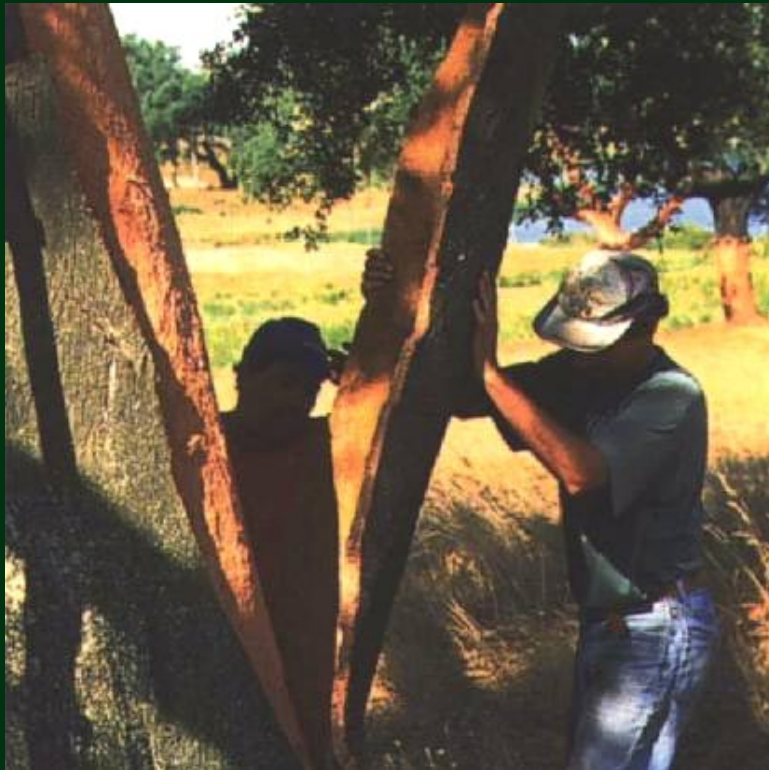
- High-quality corks at competitive prices
- Continuous improvement
- Partnership with winemakers and retailers
 - The best cork in the best condition

1999 cork harvest



- Hot dry summer, bark difficult to harvest
- Many farmers left bark on tree for an extra year
- 110,000 tons

1999 Cork Harvest



- Overall supply will not be affected
 - Stockpile
 - Higher Twin Top production
- 2000 — a bumper year, better quality

CORK 2000

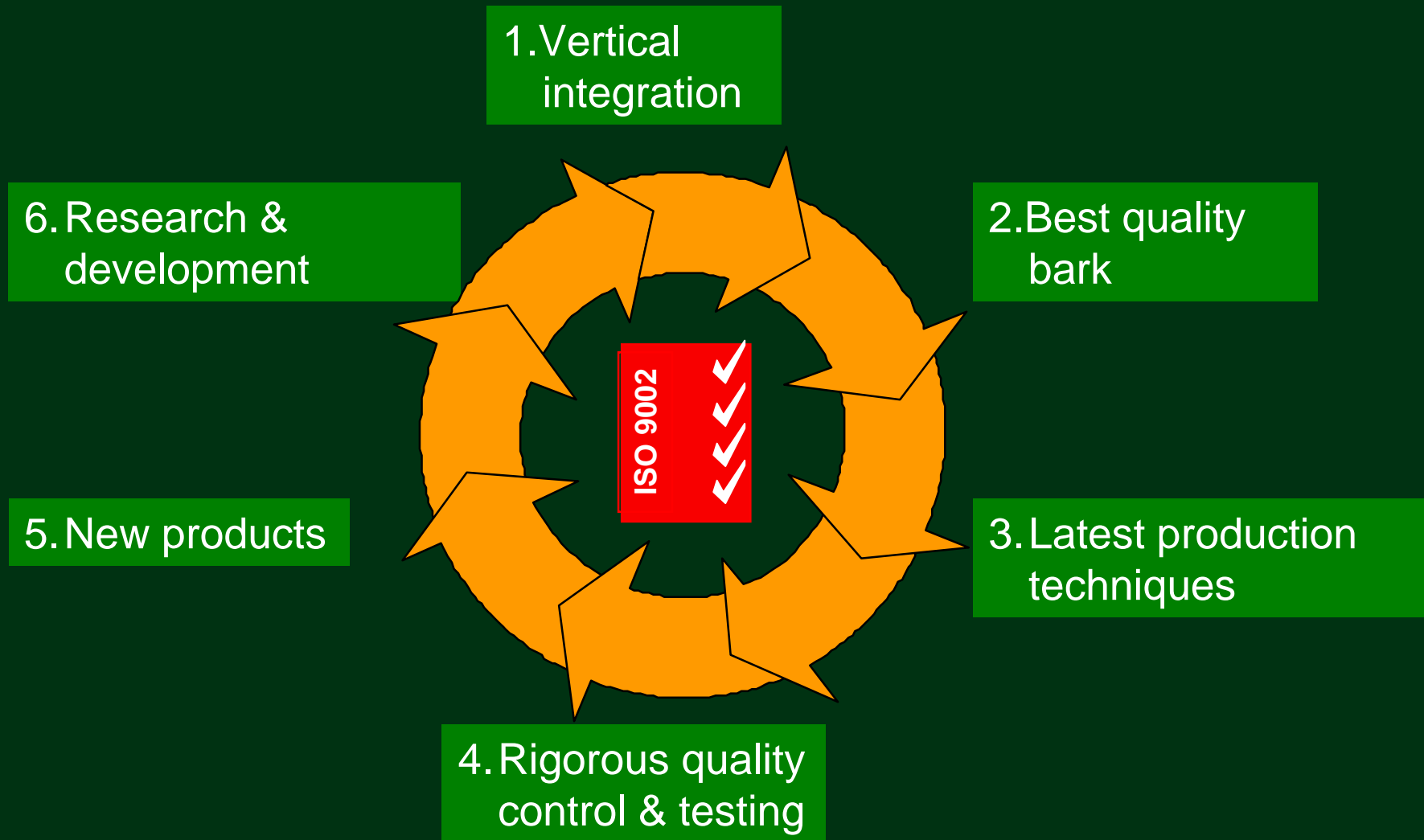


- Cork 2000 aims to:
 - Implement International Code of Cork Practices (CIPR) across all Portuguese companies
 - Promote cork as a wine closure
 - Encourage scientific research
- External accreditation to ensure compliance
- Independent auditor — Bureau Veritas



- Amorim's standards a benchmark
- Amorim aims to be among the first accredited
- Amorim fully endorses Association's goal of raising overall standards

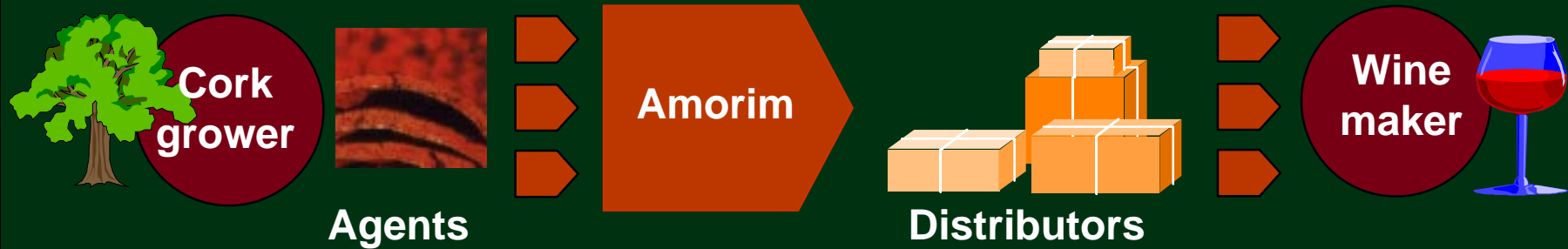
Amorim totally committed to meeting winemaker needs



Integrated production and distribution improves control and quality, enhances feedback



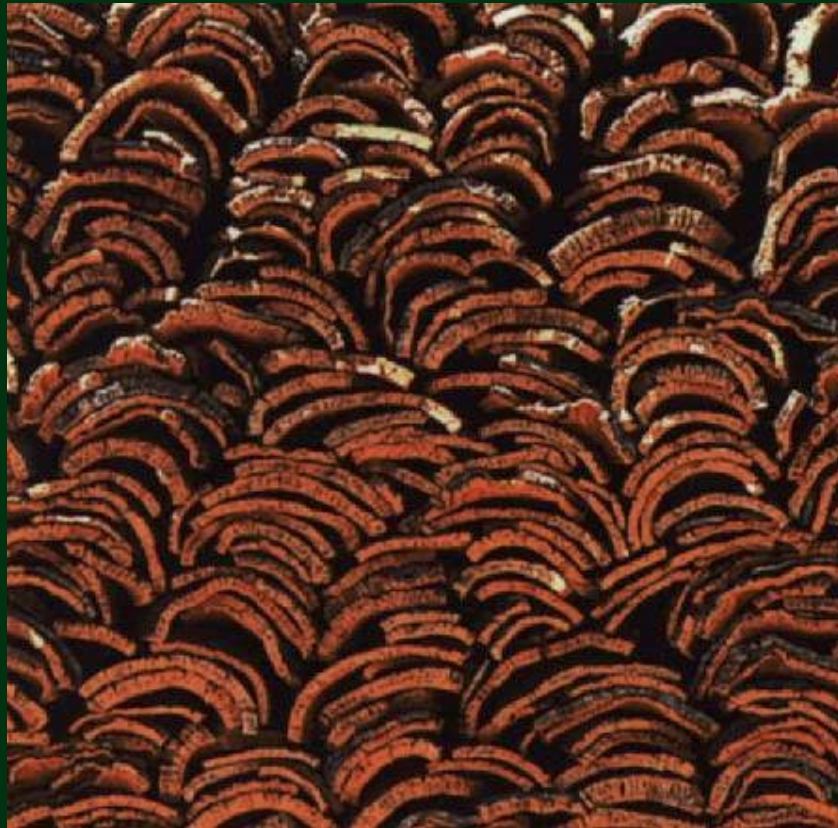
Yesterday



Today



Access to the best quality raw material



- 40-year purchasing records, comprehensive database
 - Track yields and price of individual properties
 - ‘Tag’ bark from forest to bottle
- Stronger presence in southern Spain & Portugal
 - Better knowledge and access

Investment in advanced production processes



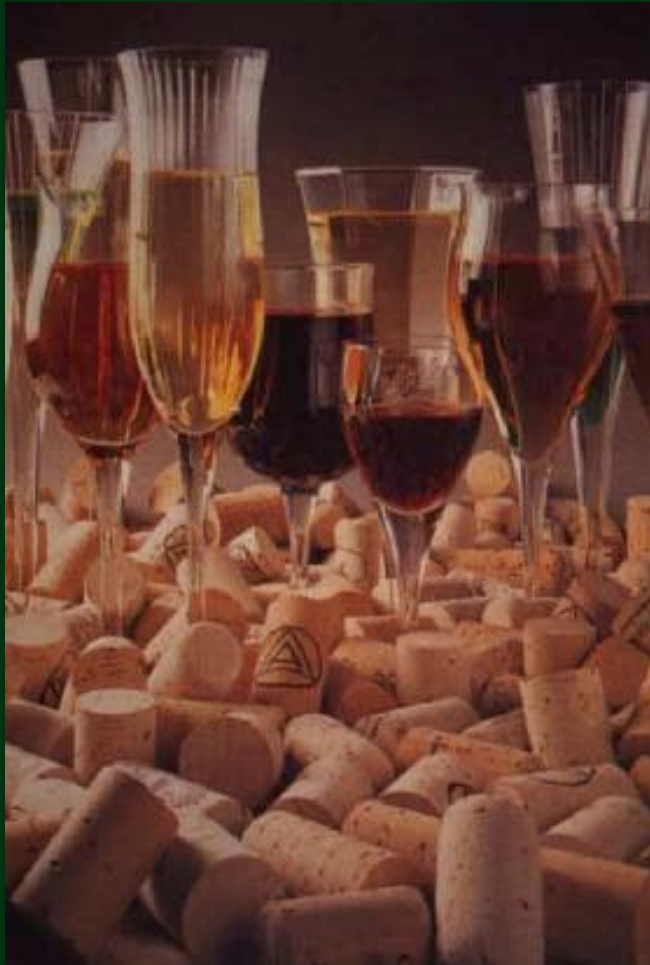
- New primary processing plant in Alentejo
- State-of-the art facilities near Porto
- Final processing in winemaking countries

Rigorous quality control and testing at each stage of production



- Exhaustive checking and analysis
- Laboratories in each plant around the world
- Central laboratory

Technical advice and support



- Advice on choosing the right cork for the right wine
- Guidelines and advice to wine makers and others

New products extending supply of high quality cork at competitive prices



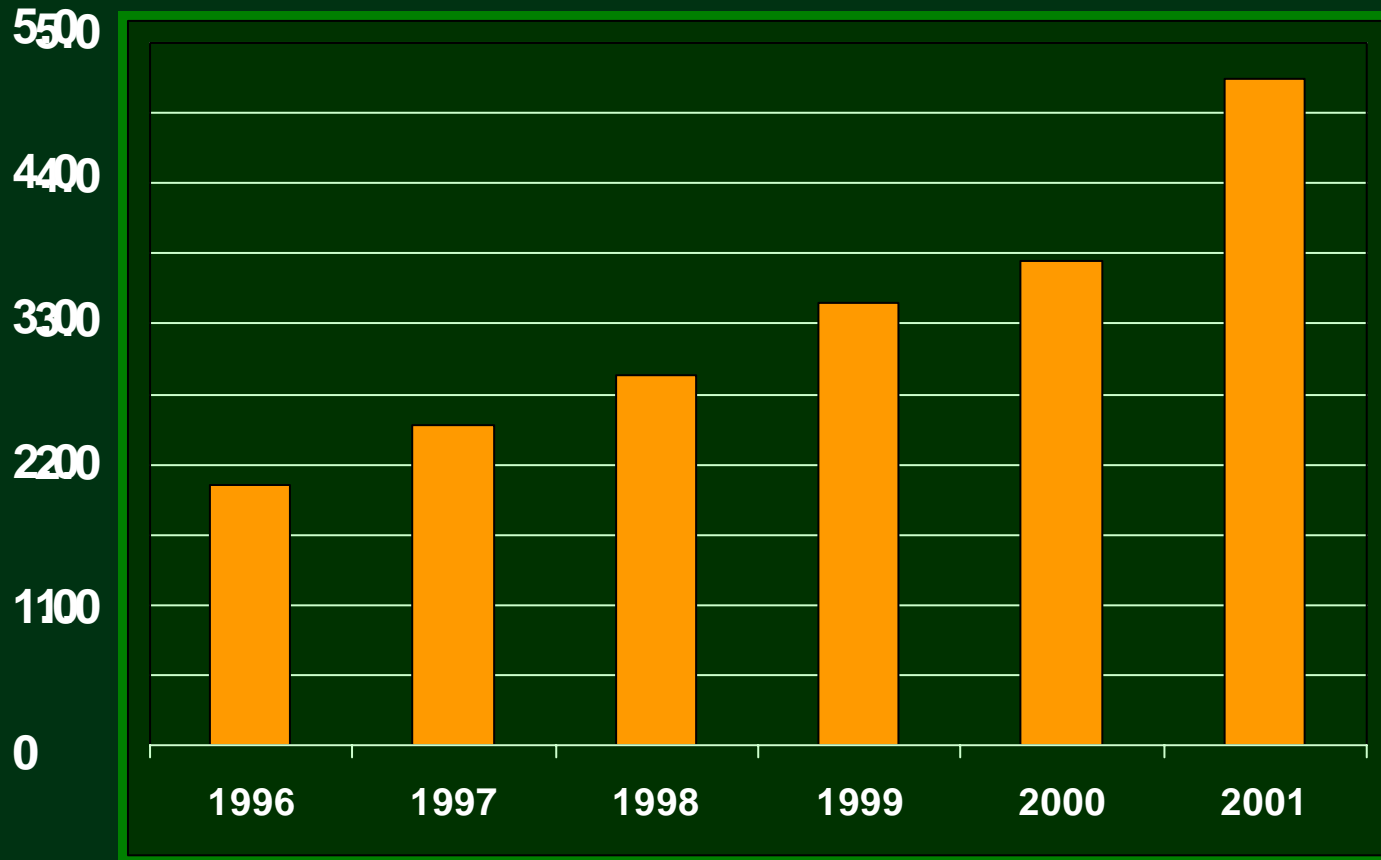
- Two components
 - Discs washed with INOS II
 - Body from high quality material
- High quality at competitive prices
- Better utilisation of natural resource

Amorim will produce 4.75 billion corks a year by 2001 — more than doubled in five years



AMORIM ANNUAL PRODUCTION

Billion corks

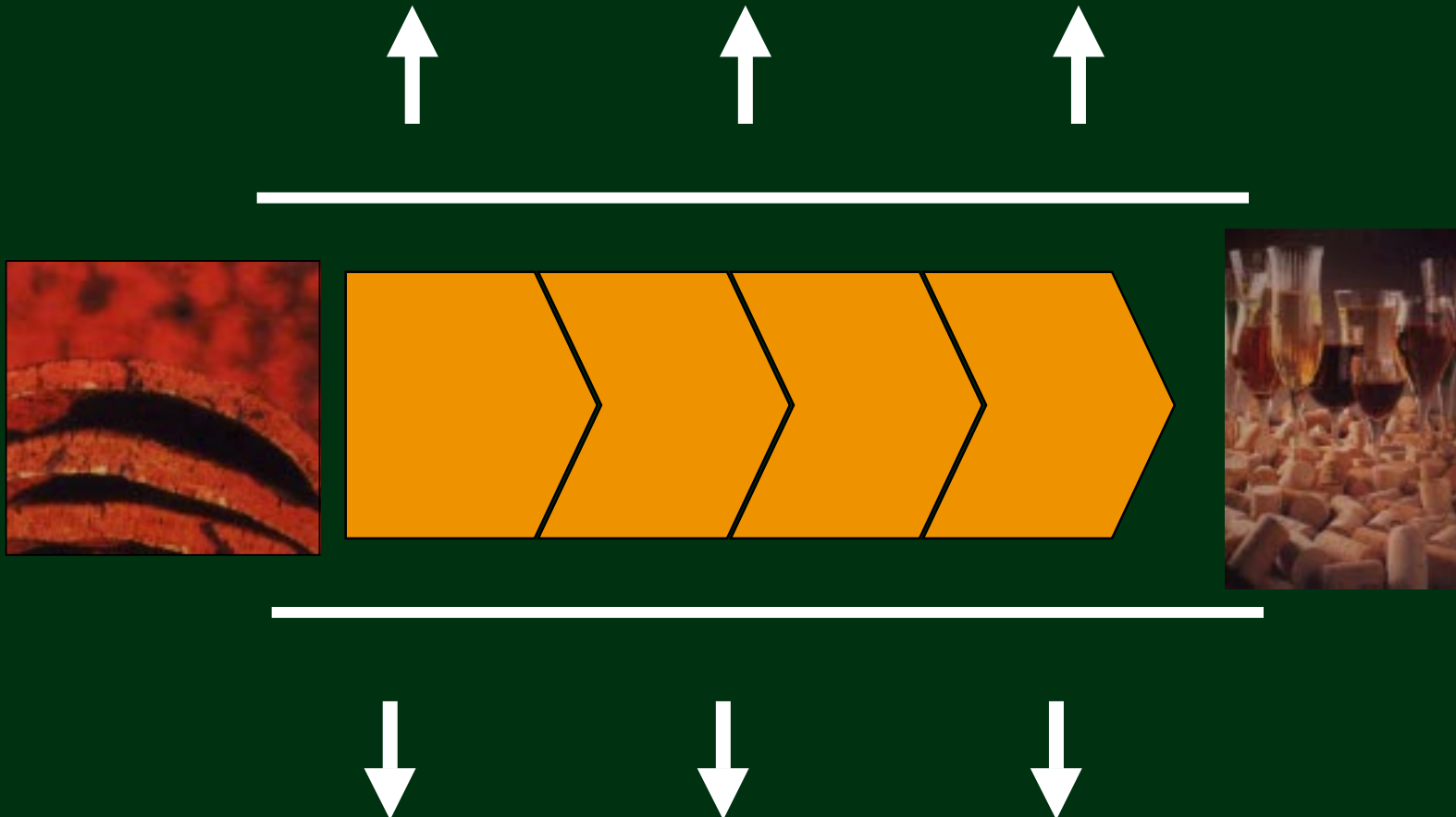


Amorim committed to continuous improvement through research and development



- £4 million a year
- New R&D department
- Eradicating TCA the top priority

Amorim's approach—remove all contaminants at the start and control environment at every stage



Amorim's current R&D focus



**Eliminate
TCA**

**Buy best quality
cork bark**

**Eliminate
contaminants**

**Control & test all
processes**

**Develop new products
& processes**

Eliminate chlorine

**Remove organic matter and
volatiles**

**Control humidity, temperature
& atmosphere**

Kill emerging moulds

**Vertically integrate production
& distribution**

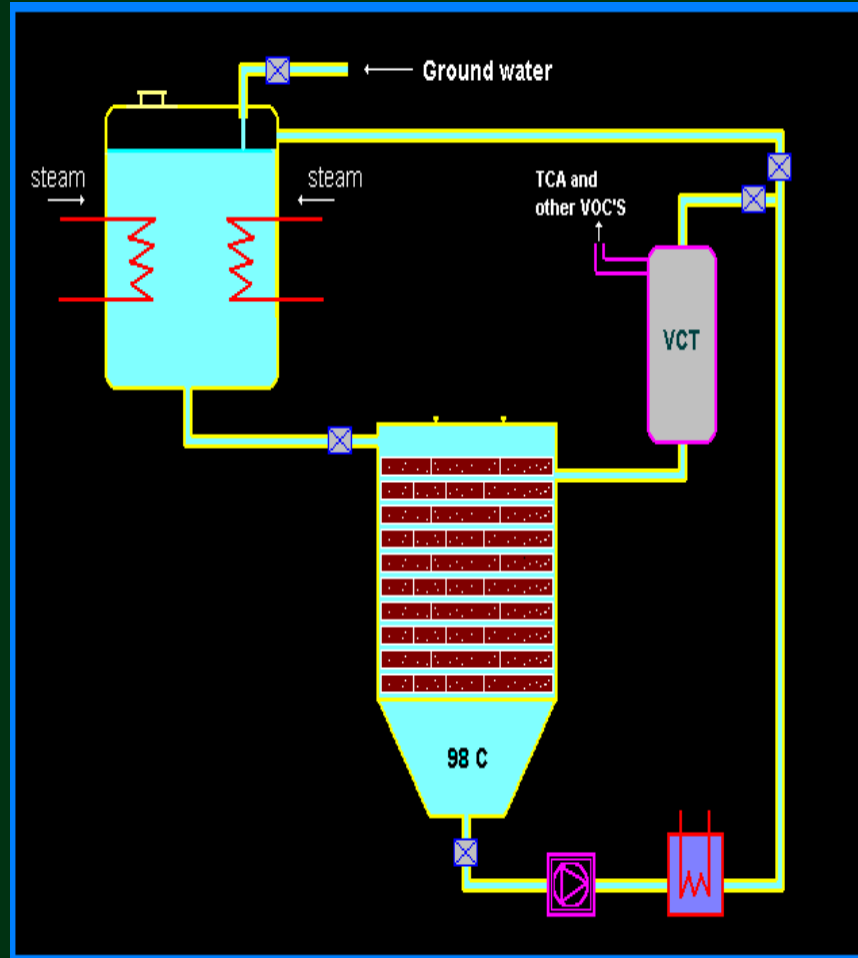
**Observe rigorous
quality control**



Key initiatives in Amorim's R&D programme

Strategic element	In place (Nov 99)	In development
Remove organic matter and volatiles	<ul style="list-style-type: none">• New boiling process with continuous volatile extraction and enhanced reduction of tannins	<ul style="list-style-type: none">• Stabilization of corkwood in moisture & O₃ controlled atmosphere.
Deodorization of water	<ul style="list-style-type: none">• Treatment of water O₃	<ul style="list-style-type: none">• Expanded to all production areas
Eliminate chlorine	<ul style="list-style-type: none">• Washing in H₂O₂	<ul style="list-style-type: none">• Further projects under study
Removal of microbiological & organic matter	<ul style="list-style-type: none">• INOS II (Twin Top & SPARK)	<ul style="list-style-type: none">• Application to whole cork
Kill emerging moulds	<ul style="list-style-type: none">• Ozone treatment of processing waters• Washing in hydrogen peroxide & ozone solution	<ul style="list-style-type: none">• Stabilisation in ozone atmosphere

Amorim's new boiling process cleans planks thoroughly



- Autoclaves using purified hot water
- Continuous extraction of TCA and other volatile compounds

INOS II—a revolutionary process of hydrodynamic extraction



- Flushes lenticels with purified hot water
 - Uses pressure and vacuum
- Now in Twin Top and SPARK
- Planned for natural and granulated corks

Microbiologically controlled rehumidification to replace second boiling



- Brings cork to exact humidity for working
- Minimises risk of mould growth

Use of ozone as sterilising agent



- In processing water
- Combined with hydrogen peroxide for washing
- Trialling for stabilisation of finished corks

Other innovations in development



Other R&D initiatives

- New suberin-based binding agents
- Single unit, water-based colmatage
 - No organic solvents

Amorim R&D summary



Program	Done	Dec 99	June 2000	July 2000
<ul style="list-style-type: none"> • INOS II for Twin Top® & SPARK® 	✓			
<ul style="list-style-type: none"> • Trials of INOS II for natural & granulated corks 		▲		
<ul style="list-style-type: none"> • New boiling process 	✓			
<ul style="list-style-type: none"> • Controlled rehumidification to replace second boiling 			▲	
<ul style="list-style-type: none"> • Ozone treatment of water 	✓			
<ul style="list-style-type: none"> • Ozone treatment of finished corks 			▲	
<ul style="list-style-type: none"> • Natural suberin-based glue 				▲
<ul style="list-style-type: none"> • Single unit, water-based colmatage 				▲

SUMMARY



- ISO 9002 in major production plant Amorim & Irmaos
- Amorim world-wide changes to build brand awareness and confidence in products
- Investment in research and development
- Investment in new technology
- Internal reorganisation to fully meet the wine industry's needs



- Regular newsletters
- Educating trade and consumers about cork
- Openness in Amorim's innovations & technological developments
- Public relations programmes in key countries

Listening



- Regular meetings with customers
- Working together to solve problems
- Active partnership with wine industry



Amorim. Committed to partnership and quality

