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AMORIM



CORK HITS BACK

After fighting an intense battle on behalf of natural cork closures for a decade, Amorim chairman and CEO António Amorim says he has seen across-the-board industry recognition of the value of cork as a wine seal over the past 18 months.



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“We are now receiving a great deal of positive feedback,” Mr Amorim said.

“Growing recognition of the green credentials of natural cork, coupled with the investment in research and development and quality control measures has seen a significant shift in the way natural cork is viewed within the wine industry.”

Mr Amorim said quality control no longer dominated meetings with winemakers or industry leaders and discussions moved on to other matters quite quickly.

“Winemakers supplying across all price points are interested in how cork can help them meet some of the crucial challenges facing the industry, such as building brand value and environmental sustainability,” he said.

Mr Amorim said the increasing level of media commentary on sustainability issues had led to greater awareness of the environmental qualities of natural cork and had provided opportunities to reaffirm the advances made in cork quality.

In recent times, major media outlets — including The Wall Street Journal and Time magazine in the US, The Daily Telegraph newspaper and BBC television in the UK, and The Australian Financial Review — have explored the important role that cork plays in sustainable development.

“There has certainly been renewed interest in natural cork on environmental grounds from within the wine industry and also by the community,” Mr Amorim said.

Several leading retail chains and many of the world’s largest wineries are now demonstrating their commitment to natural cork by actively participating in cork recycling and forest management programs.

The response to consumer programs such as Amorim’s ‘Save Miguel’ campaign, and recycling initiatives like ReCork America and the Green Cork Program also shows there is strong community support for natural packaging.

“Amorim must continue to take a leadership role within the cork industry on sustainable development,” Mr Amorim said.



> Amorim chairman and CEO António Amorim — positive about the future of natural cork.

“We will invest in sustainability initiatives and at the same time will retain our heavy investment in cork research and development.”

And that robust investment, now reaching 60 million euros, is paying off in several ways.

In 2008 Amorim recorded a 4.5 per cent increase in cork stopper sales despite the impact of the economic slowdown in the last quarter. This result was achieved on top of the company’s best-ever performance in 2007, when annual sales of wine stoppers increased more than 6 per cent.

It is also evident in the growing demand for new products such as high-end FSC (Forest Stewardship Council) certified corks and Acquamarck natural stoppers. In the past year, Amorim, the first packaging company in the world to obtain FSC certification, has sold almost 10 million FSC stoppers, while Acquamarck has attracted 100 new winery clients just months after its global launch.

“We still have work to do, but today we can be positive about the future of natural cork and Amorim’s ability to meet the changing needs of the global wine industry,” Mr Amorim said.



→ Acquamark — environmentally friendly with enhanced performance.

ACQUAMARK LAUNCHED

Amorim has launched a new stopper targeting the high-volume sectors of the global wine industry.

Called Acquamark, the closure has been developed using the latest in cork production technology to provide winemakers with a clean natural cork stopper at a highly competitive price.

The product name is derived from the innovative water-based coating that is a feature of this colmated cork.

“Acquamark is an environmentally friendly closure that provides enhanced performance in sealing capacity and wine preservation,” said Amorim’s director of marketing and communications, Carlos de Jesus.

“It is a welcome addition to Amorim’s product mix as it allows us to compete aggressively with producers of alternative closures, particularly in the ‘basic’ and ‘popular premium’ sectors of the wine market.

“New technology means we can produce a cost effective natural cork closure for sectors where price competition is at its fiercest.”

As with all natural cork closures, Acquamark is made from renewable resources, is recyclable and biodegradable.

“In many instances wineries are faced with a difficult choice on closures between cost effective options and those that play a strong role in protecting the environment,” Mr de Jesus said.

“With Acquamark there no longer needs to be a compromise.”

Amorim has applied innovative processes to the production of the Acquamark closure, ensuring total particle retention as well as consistent visual appearance. The safe and environmentally friendly water-based coating enhances the restructuring process.

Acquamark corks are subject to Amorim’s unique CONVEX boiling system that prevents contamination as well as stringent quality control procedures.

NO STONE UNTURNED

Pago de Vallegarcía owner Alfonso Cortina de Alcocer has left no stone unturned in his efforts to develop a winery of outstanding quality.

In fact, it appears as though the stones unearthed during construction have been artistically deployed in the stunning architect-designed building that sits in the middle of the vineyard. There are thousands of rocks carefully placed on the building’s striking exterior, which blends harmoniously with the surrounding forest landscape.

Situated in the Montes de Toledo region of central Spain, Vallegarcía has been created with attention to detail in every area — from selection of the site to grape variety, architecture, production facilities and people.

The process started in the late 1990s when respected Australian viticulturist Dr Richard Smart was appointed to design the vineyard. Vines were planted in 1999 and first harvested in 2001. Grape quality was then evaluated over a four-year period through production of small parcels of wine at a neighbouring winery.

The positive results encouraged Alfonso Cortina to continue with his plans and Pago de Vallegarcía opened in 2006.

Today the vineyard comprises 31 hectares. The wines are produced in a French style and include a viognier, syrah (shiraz) and a cabernet sauvignon merlot. Annual production is about 80,000 bottles.

General manager and oenologist Adolfo Hornos says Vallegarcía wines are characterised by their ability to improve and develop complexity over time. This is one of the reasons he is a firm believer in natural cork as a wine closure.

“The stopper must guarantee the conservation of the wine, respecting its characteristics and its evolution in the bottle,” he said.



→ Adolfo Hornos.

“We only use natural corks of the highest quality. Their mechanical performance is the most appropriate for our wines and there is synergy between the cork and the wine as it matures in the bottle.

“Cork is also a natural seal and the most environment friendly wine closure. It is the seal of choice for high quality old-world wines.”

Adolfo describes bottling as a very important process at Vallegarcía.

“It represents all the work done in that vintage. Bottling is not just filling a bottle with wine, it represents the character and personality of Vallegarcía,” he said

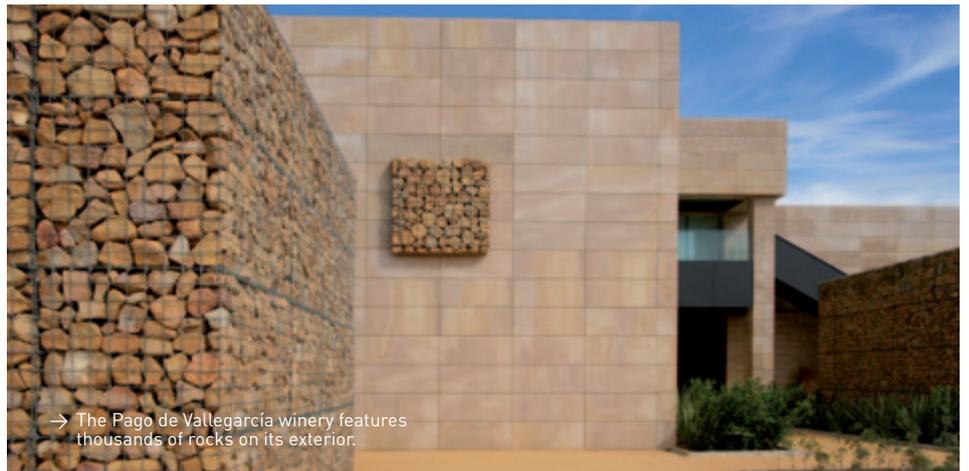
The winery is one of a growing number that chooses to display the ‘Cork Mark’ on its products.

“We want the consumer to know that we use natural cork and also demonstrate our support for the sustainable development of cork forests,” says Adolfo.

Asked why he chooses Amorim corks, Adolfo is succinct: “One reason — trust. We have an excellent relationship and there is good collaboration between us.

“As a winemaker, my main goals are quality and constant improvement and I need to have that from my suppliers, that’s why I work with Amorim.”

For further information on Pago de Vallegarcía visit www.vallegarcia.com



→ The Pago de Vallegarcía winery features thousands of rocks on its exterior.



RECYCLING EFFORT GROWS

The recycling of natural cork is gaining momentum globally due to a groundswell of support for community-based cork recycling programs.

Growing environmental awareness has led to the development of many new recycling initiatives as well as an increase in the volume of corks being processed through long-standing programs.

In the United States, Amorim executives have been overwhelmed by the response to the ReCork America program. Project manager Roger Archey estimates ReCork America will collect over three million corks in 2009 — double the figure that was recycled in 2008.

“With leading retailers, wineries and hospitality organisations now supporting the project the volume will continue to increase,” said Archey.

Supporters of the program include Whole Foods Market (the world’s largest retailer of natural and organic foods) in Northern California, Kendall-Jackson Wine Estates, Foster’s Wine Estates and the Culinary Institute of America in St. Helena.

The early success of ReCork America will come as no surprise to Girl Guides Australia. From humble beginnings in 1992, its cork collection program has grown into a major fundraiser for the national youth organisation with over 200 million corks collected. The Guides traditionally collect about 30 tonnes of natural cork a year, but in 2007 they amassed an incredible 60 tonnes and raised AUS\$100,000.

The recycling effort has strong business support including corporations that are keen to build on their own environmental

credentials through the project. The Guides encourage members of the community to demonstrate their commitment for the environment by only purchasing wine sealed with natural cork.

This scenario is repeated in many countries with cork recycling programs run by voluntary organisations and local government. Amorim has initiated cork collection campaigns in Italy, South Africa and the United Kingdom.

In order to better manage its commitment to recycling in Portugal, Amorim recently opened a new unit for processing recycled stoppers. The plant is expected to process 90 million corks over the next four years.

Recycled cork is used to manufacture a range of products including flooring, engine gaskets, insulation material, boat decking, safety mats and hockey and cricket balls.

“It is great to see so many community organisations and the people they represent benefiting from cork recycling,”

said Amorim’s director of marketing and communications Carlos de Jesus.

“These programs are positive on so many levels — they are good for the environment, they are important fundraising activities for voluntary organisations and they help to communicate important messages about sustainability.”



→ Recycled cork is used in many products.



→ Australian Girl Guides have recycled over 200 million corks.

SUSTAINABILITY REPORT PUBLISHED

Corticeira Amorim recently released its third Sustainability Report, providing details of a series of important environmental initiatives undertaken throughout 2008.

“Our commitment to sustainable development is the best way to demonstrate responsible leadership in the cork industry,” said Corticeira Amorim’s chairman & CEO António Amorim.

Corticeira Amorim is the only company in the global cork sector to annually publish its results and outline its future plans in this area.

The release of the 2008 report follows the announcement that Corticeira

Amorim has again been acknowledged for the quality of its sustainability reporting at the global Corporate Register Reporting Awards (CRRA).

The CRRA ranked Corticeira Amorim’s 2007 Sustainability Report among the best in the world for its relevance to the understanding of sustainability issues in business. A top 10 placing in the ‘Relevance & Materiality’ category placed Amorim alongside General Electric, Vodafone, Ford, BP and Coca-Cola.

As with its previous sustainability reports, the latest edition explains the company’s best practice in sustainable cork manufacturing, highlights the major sustainability results achieved during 2008

and outlines the initiatives implemented by Corticeira Amorim during the year.

One of the major achievements is that the company’s use of renewable energy has now reached 60 per cent of its energy requirements (up from 45 per cent in 2006). Corticeira Amorim has also reduced its CO2 emissions by a further 4.5 per cent, following a 3.4 per cent reduction in 2007.

Mr Amorim said the report reinforced the environmental advantages of using natural cork products.

For more information and a copy of the 2008 Sustainability Report visit www.corkfacts.com



DROP US A LINE

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IN BRIEF

AMORIM RATED BEST SUPPLIER

Leading South African wine organisation KVV has named Amorim its best packaging supplier for 2008 with an outstanding 99 per cent performance rating.

The recognition was based on Amorim meeting the seven elements of KVV's 'Supplier Partnering Program' and securing the highest rating from a group of 13 suppliers.

"Not all the products and processes are of the same complexity, but each of the suppliers is a leader in their respective disciplines and we are measuring the same criteria," explained Wayne Matthys, KVV's manager supplier relations and sourcing.

"Amorim's high rating has a lot to do with their forward planning and a good understanding of our business needs."

KVV's performance measures include quality, materials handling, cost minimisation, design, technology, business system integration and communication.

A CORKER OF A BEER

It is considered the most expensive beer in the world and at about 250 euros a bottle it probably is — it is also sealed with a cork in keeping with its premium status.

Labeled 'Vintage No.2', the brew was recently launched by Carlsberg's Jacobsen Brew House in Denmark. Only 600 bottles of this 'Baltic Porter' (a strong stout style of beer) have been produced.

Matured in Jacobsen's historic crypt-like cellar and stored in French oak casks for 100 days, the beer is bottled in champagne-style bottles and sealed with natural cork, a wire cage and foil. Each label has a handstencilled lithographic print by artist Marco Evaristti.

"With the Vintage trilogy we want to push the boundaries for what a beer can do, and to challenge the luxury wine segment in the gourmet restaurant market by utilising our innovation and brewing capabilities," said Jacobsen brewmaster Morten Ibsen. →1

MIGUEL PASSES MILESTONES

Amorim's innovative 'Save Miguel' campaign has passed two major milestones with the website recording its 100,000th visitor and the related video content now viewed more than 500,000 times.

The website was established in August 2008 as part of an educational campaign to promote the environmental qualities of cork oak forests and natural cork products.

While nine months have passed since its launch, the site continues to attract strong interest. In the first quarter of this year it received 15,000 visitors.

The 'Save Miguel' campaign includes a humorous video presented by Hollywood actor Rob Schneider. The video and related content has attracted half a million viewers on YouTube.

To find out more about the Save Miguel campaign or to view the video visit www.savemiguel.com

CORK TAKES FLIGHT

Amorim is one of four Portuguese companies that have joined forces to develop cork composites for aeronautic applications. A collaborative research and development effort, the AEROCORK project has received 1.27 million euros for testing the use of cork materials in ultralight planes.

Amorim Cork Composites has partnered with Dyn'Aero Ibérica, PIEP (Innovation in Polymer Engineering) and ActiveSpace Technologies.

The project aims to develop an ecological ultralight plane. The cork will replace synthetic materials in planes built by Dyn'Aero Ibérica. A prototype is scheduled to make its first flight in 2010.

Cork is considered a promising alternative to synthetic materials used in the sandwich panels that are fundamental to a plane's structural integrity.

Amorim, the world's leading developer and producer of cork composites, is

providing advice on the use of agglomerate cork in aeronautical applications. →2

SHOWING INNOVATIONS IN CHINA

Amorim has showcased the latest innovations in cork technology at two technical seminars in China.

Staged in Beijing and Yantai, the seminars were attended by representatives of a large number of wineries — including prominent producers COFCO, Changyu, Dynasty and Weilong — along with media, educators and other members of the Chinese wine industry.

"The highlight of the seminars was the detailed presentations by Amorim's director of research and development, Miguel Cabral, on the influence of different stoppers on wine," said Amorim Cork Beijing sales manager Ricardo Duarte.

Amorim also unveiled the new Acquamark cork stopper and Amorim Cork Beijing general manager Li Yao gave a presentation on sustainability and wine closures.

OLDEST CHAMPAGNE UNCORKED

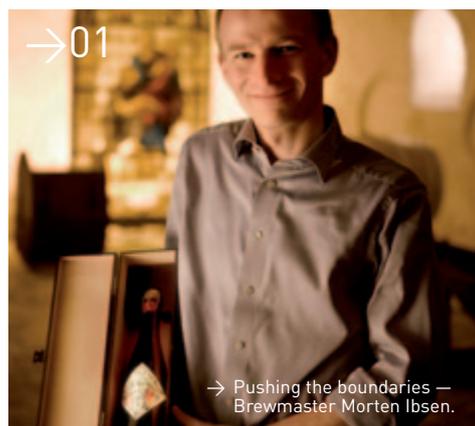
Champagne house Perrier-Jouët has marked the release of its latest vintage with an historic tasting of 20 champagnes — five from the 19th century, 14 from the 20th and one from the 21st.

Perrier-Jouët invited 12 wine experts to its 'liquid history ceremony' where the cork was extracted from the oldest vintage champagne still in existence, a Perrier-Jouët 1825.

"Each sip would have been worth hundreds of euros at auction," said Serena Sutcliffe, head of Sotheby's international wine department.

But how could a champagne maintain its sparkle 184 years after it had been sealed? It was closed with cork, of course. The cork, handcrafted in one piece as was the practice in those days, was still intact and had kept the champagne in top condition.

The experts were amazed at the freshness and youthfulness of the wine as well as its complexity of flavours. →3



→01

→ Pushing the boundaries — Brewmaster Morten Ibsen.



→02

→ AEROCORK's ultralight plane will be based on the MCR Sportster.



→03

→ The cork from the 1825 Perrier-Jouët champagne.