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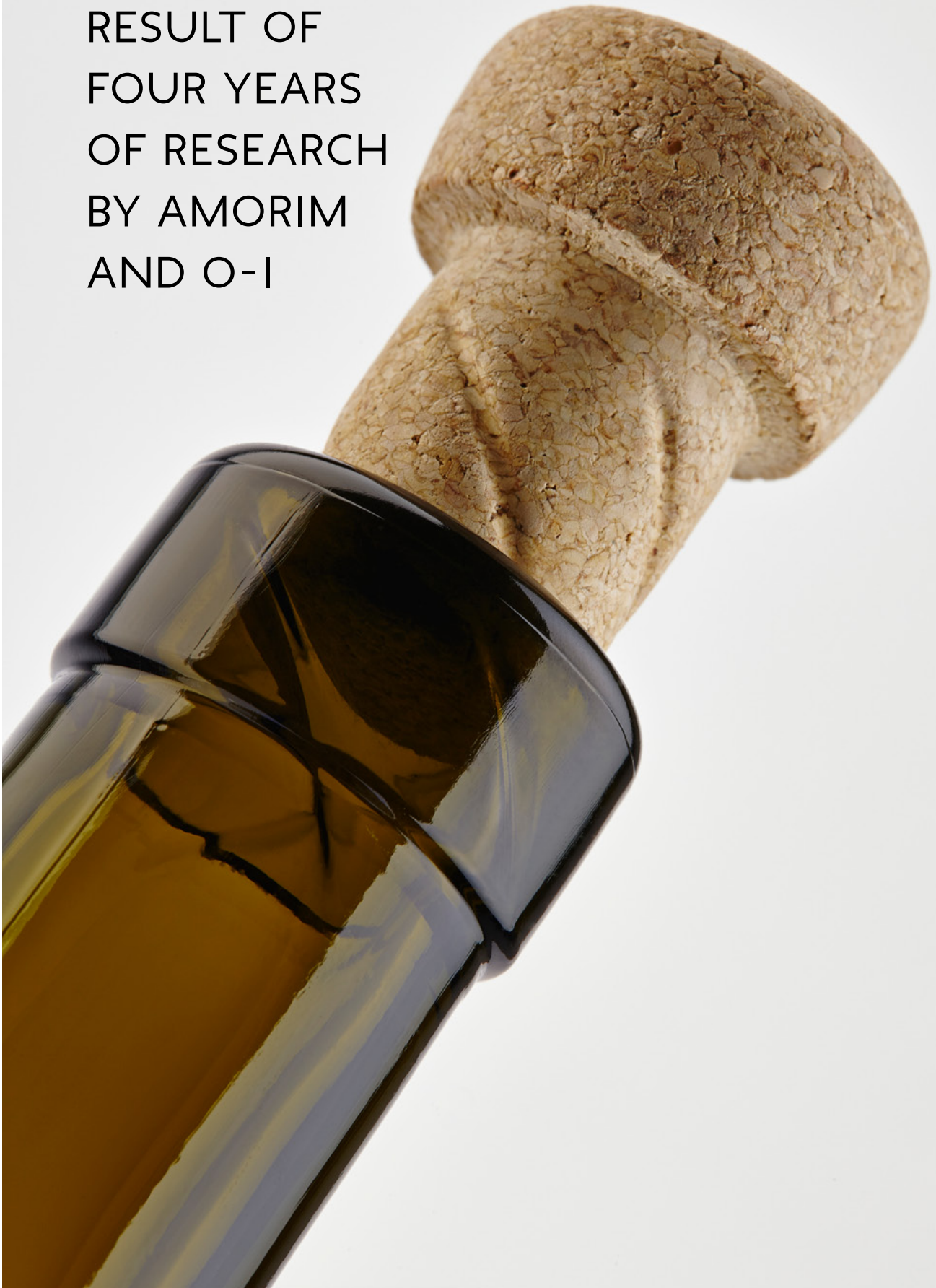


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HELIX

Innovation takes a twist

HELIX IS THE
RESULT OF
FOUR YEARS
OF RESEARCH
BY AMORIM
AND O-I



HELIX

If you could have just one innovation in wine packaging, what would it be? We know that cork stoppers deliver sustainability, complete recyclability and a premium image; we know that screwcaps deliver convenience in the mass-market segment. We know that glass bottles are regarded worldwide as inseparable from a quality image for wine.

How about inventing a Helix?

What, you might ask, is a Helix? It is pretty much what it says: a system with a micro agglomerated cork which twists into, and out of, and into again, a specially produced bottle with moulded threads on the inside of the neck. The cork is produced by Amorim and the glass bottle by O-I, the world's leading producer of glass packaging. They go together like love and marriage, a horse and carriage...

Together they offer all the advantages of cork (including the 'pop' as the cork leaves the bottle), with the convenience of screwcap.

What's more, they offer the security of Amorim's unique system of production, which has eradicated TCA from its agglomerated corks.

Helix is the result of four years of research by Amorim and O-I, to ensure not only that it works, but also that customers will want it. So: practicalities first.

It's aimed at the middle to upper mass-market (in UK terms that means a retail price of £5-10), and offers wine a shelf-life of two years, whether bottles are stored lying down or standing up. During that time it gives wine all the benefits of an Amorim agglomerate-cork stopper: oxygen ingress is exactly what it would be with other Amorim agglomerate-cork stoppers, and the seal is just as good. Amorim and O-I conducted tests on this, and over a period of 26 months wines showed no difference in flavour, aroma or colour, and free and total SO₂ performed according to wine industry standards.

Helix-packaged white wine was also tested at high temperature, namely 35°C for 30 days, stored horizontally: normal worries here would be leakage, seepage, wine absorption by the cork, and just getting the cork out and in again. Helix performed extremely well, and the cork could be reinserted again with ease, even after 15 minutes' wait.

When the time comes for the bottle to be drunk the Helix cork comes out briskly and easily, and then twists back in again. It can be opened and resealed several times, and once resealed the wine will keep in the fridge for up to two days, making it ideal for easy drinking, and 'by the glass' listings in restaurants.

Wine producers of course immediately think of their bottling lines, and the adaptations needed if they start using Helix: these adaptations are simple, quick, and not expensive. All that has to be adjusted is the orientation of the cork.

The price of the corks and bottles themselves depends on the size of the order and the shipping costs, but any product aimed at the middle to high mass-market has to be competitive in price. As far as shipping is concerned, Amorim has subsidiaries in every wine market around the world, and O-I, which is based in Perryburg, Ohio, USA, has 79 plants in 21 countries.

And consumers? What might they think?

Numerous studies have shown that consumers across the world have a strong preference for cork as a stopper for wine: 94% of US wine drinkers prefer cork (Tragon study, 2012), as do nine out of 10 French consumers (Ipsos survey, 2010); 86% of Spaniards reckon that cork stoppers preserve the quality of wine better than artificial closures (Cork Project, 2012). Among Italian consumers, 85% prefer cork, while 88% take pleasure in uncorking a bottle and smelling the cork (Demoskopea survey, 2011).

When it comes to glass, 82% of European still-wine consumers overwhelmingly prefer it to anything else, both for protecting the taste of wine and preserving the environment, and 25% are prepared to pay more for wine packaged in glass. According to consumer research conducted by O-I in April 2011, nearly 94% of Americans said that glass was their packaging of choice for wine.

In addition, O-I and Amorim did research with 1000 consumers and 200 wine professionals in UK, USA, France and China, and found overwhelming acceptance for Helix in all these markets. Both trade and consumers saw Helix as modern, innovative, premium, convenient, practical, elegant, sustainable and – not to be discounted – fun. (Ipsos study, 2010.)

Helix offers producers the ability to meet consumer preferences in a sector of the market where competition is fierce and where a more premium image can make a disproportionate difference to sales and profitability.

Sustainability also counts, with more and more supermarkets taking it into account when deciding on packaging. Some 80% of the Helix glass bottle will be made from recycled glass, and the bottle itself is completely recyclable. The cork is also completely

recyclable, and just as a reminder, every 10% of recycled glass used in production gives a five per cent reduction in carbon emissions and energy savings of about three per cent. Cork has a highly positive impact on the environment, with each cork stopper absorbing up to 112g of CO₂, unlike artificial stoppers which emit CO₂ into the atmosphere (LCA by PriceWaterhouseCoopers). Cork production is 100% renewable – cork trees are never felled – and promotes biodiversity, with the cork oak forest one of 35 global diversity hotspots.

When might we see Helix on the shelves? Wine brands in three countries on two continents are currently trialling Helix. It would not be surprising to find it used for wine launches in 2014.

LAUNCHING HELIX

Helix was revealed to a waiting world at Vinexpo 2013. First of all, 3,000 Vinexpo visitors were greeted at Bordeaux airport with Helix bottles; then all the key entrances to Vinexpo bore prominently placed Helix advertisements. UBIFrance had Helix bottles on its stand; and over 100 journalists and trade professionals were at the launch, either in person or via a live webcast, to hear Antonio Amorim and Carlos de Jesus, respectively CEO and Director of Communications of Amorim, and Erik Bouts and Benoît Villaret, respectively President and Segment Sales Director of O-I Europe, give a detailed presentation of the Helix cork-and-bottle combination. Said Antonio, 'Helix meets consumers' growing desire for sustainability and quality, while delivering the brand-building and premium-image packaging that wineries rely upon. We are delighted to offer the market not only a 100% renewable, modern product, but also a solution that enhances the wine-drinking experience through opening and resealing convenience.'



An unexpected twist

The reaction? Over 500 pieces on radio, television and in print, on four continents; and 45,000 wine trade Twitter accounts reached. NBC covered it, and within a week it had become the third-most popular piece of news on Britain's BBC, after the G8 and the Iranian election. Eurovision TV bought the rebroadcasting rights from Portuguese television.

For the wine trade what makes Helix newsworthy is the opportunity it offers to retain the premium image offered by cork and glass with the convenience that consumers love. For Amorim and O-I, while we're delighted with the positive reaction to Helix, we're also quietly proud of the collaborative effort between two industry leaders that produced it: such collaboration is something unparalleled in the trade. Let Erik Bouts have the last word: 'The future of innovation is through collaboration. Helix is a proven example of what can be achieved for consumers and the wine trade when the world's leading companies in glass packaging and cork work together.'

Check out this revolutionary new partnership on www.helixconcept.com



TORRES WINS GREEN

The Drinks Business Green Awards 2013 saw a worthy winner of the Amorim accolade

Congratulations to Torres, winner of the Amorim Environmental Award at this year's Drinks Business Green Awards, and holder one of the most impressive environmental records in the wine world.

The Amorim Environmental Award is given to the company or campaign that most demonstrates that concern for the environment is integral to the company ethos. Torres had no difficulty in convincing the judges of its credentials. Of its 2,200 hectares of vineyards 600 are already certified as organic and the rest are in conversion bit by bit, with chemical treatments being completely avoided. In 2007 Torres invested €10m in Torres & Earth to promote sustainability in wine, and in addition has promised to reduce its CO2 emissions by 30% per bottle by 2020. Its gas consumption has already been reduced by 85%, thanks to the installation of Spain's biggest biomass boiler. All waste water at the winery is filtered, and in La Rioja and Catalonia, rainwater is collected for use.

The company is active in the protection of forests, in Penedès, in other parts of Spain and in Chile, where it also has a winery.

Prevention of forest fires is part of this: it controls residues capable of leading to fires and helps to supply forest rangers with necessary equipment. For example, it donated 10 4x4 vehicles to Forest Defence Groups, and gives half the cost of weekend forest patrols in the mountain areas of Penedès. It also takes part in bird protection programmes, especially those for Bonelli's Eagle – one of the emblematic birds of the cork forest – and the Andean Condor.



Company president Miguel Torres has been vocal in his support for sustainable wine production, and the company was the main sponsor of EcoSostenibleWine 2012, the organic and sustainable viticulture and climate change conference, which favoured the creation of a new wine category for ecological and sustainable wines. All of which made the Torres entry for these Awards unbeatable in the eyes of the judges.

His niece Cristina Torres, currently working with the brand in the UK, commented as she accepted the Award on the Group's behalf: 'We are delighted and honoured to receive this Award in recognition of our ongoing commitment to the environment, and the extensive sustainable systems now in place throughout the Torres family properties. Torres & Earth epitomises these efforts as we uphold the credence that "The more we care for the earth, the better our wine". My uncle Miguel feels passionately about the subject and actively promotes sustainable practices in the wine industry throughout the world. He continues to lead the charge in finding new ways dramatically to reduce our group's carbon footprint. We are all very proud of what he has achieved.'

NAPA EXPANSION

Amorim has opened its new sales and distribution centre in California's Napa Valley, complete with a garden irrigated with recycled water, a focus on natural lighting indoors and the use of sustainable construction materials. And of course there are a few cork oak trees planted, to remind everybody of what it is all about.

The new facility covers 3.3 acres (over 13,300 square metres), and it's the newest and most modern unit of its kind in the world. Says Amorim Cork America's general manager, Pedro Fernandes, 'the decision to expand was based, in part, on our double-digit growth over the past few years and, most certainly, due to the robust preference for natural cork as the closure of choice for the majority of American winemakers and millions of US consumers'.

Amorim's new California base is as green as you'd expect

As well as maintaining an inventory matching the growing demand in what is now the largest wine market in the world, the new centre offers in-house laboratory analysis, customised branding of cork stoppers, a variety of coatings and surface treatments and, of course, the most stringent TCA-handling protocol in the industry.



FANCY A RIDE?



It's called Quiet Motion, and it moves very slowly – which is not something that most drivers would associate with BMW. An installation which was presented at Milan's design show, Salone del Mobile, in April this year and now on tour with BMW to several world capitals, it takes the form of a series of cork platforms which rotate like carousels, but silently and more slowly; the hanging blue fabric strips are just that, blue fabric strips. The designers, Ronan and Erwan Bouroullec, intend it to be a dynamic allegory of contemplation and sustainable motion.

Quiet Motion evolved from the shared vision of BMW i and the Bouroullec brothers. The cork was supplied by Amorim, and Benoit Jacob, head of design at BMW i, says that 'Through Ronan and Erwan Bouroullec's Quiet Motion installation, I have been rediscovering cork from a totally new perspective. When used wisely, the natural properties of this authentic material, such as its warmth, its acoustic and of course the unique aesthetic, are supporting our BMW i Next Premium design philosophy.'

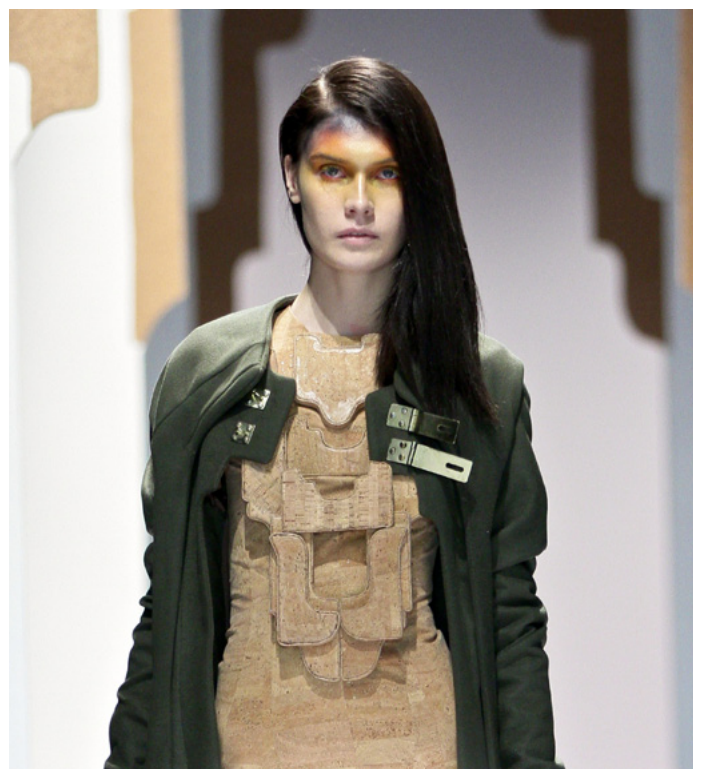
An installation at Milan's Salone del Mobile has made BMW i's head of design rediscover cork's natural qualities



WEARING YOUR CORK ON YOUR SLEEVE

South African designer Suzaan Heyns showed some innovative use of cork at Mercedes Fashion Week in Johannesburg

Cork is sometimes described as 'vegetarian leather', and leading South African designer Suzaan Heyns has made full use of its suede-like texture in a collection of clothes that are both forward-looking and beautifully cut. Says Joaquim Sá, CEO of Amorim Cork South Africa: 'While the world already associates natural cork with the best wines in the world, Amorim is thrilled to see the ultimate sustainable material now used in high-end fashion by a designer as recognized as Suzaan Heyns. Her creativity in cork rivals other cork fashion design from the world's leading luxury labels, but her unique insight into cork's technical and tactile properties allowed her to take cork and fashion to a new height.' Suzaan herself says, 'We're very lucky to be able to play with it: it's wearable, it's waterproof, it's revolutionary, it's eco-friendly, and it's never been used before in this way. 'I love this cork fabric to bits,' she says. See her working with cork on youtube: <http://www.youtube.com/watch?v=XPkylJunHPAk>.



ANOTHER CORKING GOOD YEAR

Amorim's 2012 results show rising sales - and sustainability

Amorim's 2012 results show that for the first time sales of cork stoppers have topped the €500m mark. All the more reason, then, for the industry leader to focus on its responsibilities: and the publication of Amorim's Sustainability Report for 2012 shows we are doing just that.

For the first time since we first published a Sustainability Report in 2006, we have commissioned an independent calculation and verification of our carbon footprint, in accordance with ISO standard 14064. It was made by PricewaterhouseCoopers and independently verified by Deloitte – and shows that Corticeira Amorim's activities result in the sequestration of over 2m tons of CO₂ a year, which is 15 times more than all its activities emit. This reflects the vast importance of the cork forest to the local and global ecosystem. And it's worth mentioning that Amorim now has 36 industrial or distribution units certified by the FSC forest management system; that's six more than in 2011.

Recycling of corks was up 34.4%, owing to recycling programmes in Portugal and France, and in 2012 Amorim incorporated 161.8 tonnes of used cork stoppers in the making of other cork products. Trees were planted, too: more than 6,000 cork oaks were planted by Amorim employees on 24th November, the day after Native Forest Day in Portugal. They were planted at the Monte Velho estate in Portalegre. The idea is to increase the number of cork oaks per hectare in current oak forests. Everything at Amorim comes back to the forests: sustainability is at the heart of everything we do.

CORTICEIRA AMORIM PROMOTES WINE FAULTS WORKSHOPS



Earlier this summer, over 200 professionals from the world of wine participated in Amorim & Irmãos' series of workshops on wine faults conducted by Pascal Chatonnet, the oenologist and scientist from Bordeaux.

Over the years, Amorim & Irmãos have organized these workshops in almost a dozen countries, spanning four continents, and attended by over 1000 wine trade professionals.

This April, a workshop focusing on reduction in wine took place in northern Portugal, at the Hotel Solverde near the head office of Amorim's cork stoppers business. The session was attended by over sixty Amorim clients, who were able to experience at first hand sensory defects caused by reduction, as well as clarifying concerns on the subject.

The same dialogue continued a month later in London, during the two Wine Faults Workshops given by M Chatonnet at the London International Wine Fair. Each one was a sell-out, with delegates coming from all over Europe, and as far afield as Japan, Singapore, South America and South Africa. This international audience represented all aspects of the wine trade from winemakers and multiple retailers to importers, educators, and restaurateurs and sommeliers. All now much clearer on the issues surrounding reduction and other related wine faults.

ANNUAL
REPORT
2012



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An unexpected
twist

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** Un twist inattendu*

For more information about cork and/or Amorim
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