CORTICEIRA AMORIM, S.G.P.S., S.A.

CONSOLIDATED ACCOUNTS
(Interim – Non Audited)

1st Quarter 2010
(1Q10)

CORTICEIRA AMORIM; S.G.P.S., S.A.
Sociedade Aberta

Capital Social: EUR 133 000 000,00
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Shareholders of CORTICEIRA AMORIM,

According to Law and to IAS 34, as adopted by CORTICEIRA AMORIM, SGPS, S.A, a public company, presents:

CONSOLIDATED MANAGEMENT REPORT INTERIM

1. BUSINESS ACTIVITY

Signs of economic recovery, though weak, began to pop up during the first quarter of 2010. The restoration of financing for companies, while more restrictive and expensive, led to a resumption of confidence levels compatible with the growth in the industrial activity carried on by CORTICEIRA AMORIM.

The improvement in many markets and, especially, the replacement of inventories, necessary to be carried out following the sharp reduction resulting from the constraints experienced throughout the year 2009, explains to some extent the growth of 10,9% recorded in sales. But this positive performance is also the result of an aggressive sales approach, benefiting from an exceptional range of products that only CORTICEIRA AMORIM is able to offer its customers.

It must be considered, nevertheless, that this growth happens when comparing with the weakest quarter of 2009. So it must be registered that such growth rates are not to be expected during the following quarters. Economic recovery is not a reality as it seems. New risks arise constantly, as the sovereign crisis debt, showing that the end of this three year crisis is far from over.

The growth in sales, a significant improvement in gross margin percentage and flat operating costs (not taking in account the 3,8 M€ registered in Q1 09), have contributed decisively to a remarkable profit improvement.

EBITDA reached 15,2M€, almost three times the register of Q1 09 (5,5M€). Net profit increased to 4,285M€, reversing the negative value of -4,595M€ of Q1 09.

2. PROFIT AND LOSS ACCOUNT

Consolidates sales amounted to 113.3 M€, a 10.9% increase from same quarter 2009. During this quarter all the Business Units (BU) have a decrease in sales. On the contrary, in Q1 10 all of them registered an increase in sales. And if in that said quarter, Composite Cork BU registered the highest drop in sales (-25%), in this quarter it was the one that showed the highest increase (+24,5%), reaching this way 2008 levels. As for the different segments of this BU, we can say, broadly speaking, that all of them had a positive contribution, except for the negative performance of the Office product line.

The performance of the Cork Stoppers BU, which accounts for more than half of consolidated sales, had a significant impact on the positive change in sales of CORTICEIRA AMORIM. The 12.8% increase in sales had a decisive impact on consolidated sales growth. For the first time in several quarters, sales of natural cork stoppers grew both in terms of volume and value. The same for Champagne cork stoppers. The competition advantages of the product portfolio, inventory rebuilding in many customers, as well as some difficulties in part of CORTICEIRA AMORIM competition, were the main reasons behind the excellent sales performance on this BU.

It must be noted that the inventory rebuilding will no longer impact sales growth, starting second quarter. And as for competition difficulties, this is leading to situations that can be harmful in terms of final prices to customers.

The Floor and Wall Coverings BU recorded a 5.1% rise in sales, but this figure falls still short of the sales levels in 2008. However, worth of mention is the remarkable 19.2% increase in cork flooring sales.- the most important product manufactured by this BU - which almost matched the levels for the same period in 2008. The weight of the cork flooring increased this way from 70% to 79% of total flooring sales.

The main reason for this increase was the resuming of sales to Eastern Europe, the performance of the USA and German markets and the new collections effect. On the negative side the drop in wood flooring sales.

Insulation BU registered a sound sales increase (+9,5%), based in volume. Highlights for the French market. Middle East markets, frozen during Q1 09, were back to normal, and are now amongst the most important markets of this BU.

Due to the remarkable increase in percentual gross margin of Raw Materials and Cork Stoppers BU, consolidated margin reached 51,5%, a register not seen for long (Q1 09 . 45,8%). In late January the cork purchased during 2009, began to be transformed. Its better quality allowed for a significant improvement in the Raw Materials BU gross margin. In the Cork Stoppers BU the improvement was due, mainly, to a better sales mix.

The combined effect of sales increase (+11M€) and a higher percentual gross margin led to a 10,5M€ increase in Gross Margin (in comparison with Q1 09).

As for the EBITDA and EBIT indicators, it must be taken in account that during Q1 09 a 3,8M€ restructuring cost was registered. For comparisons purposes this register was not taken in account. The comparisons with 2010 indicators will have these "current" indicators in account.

In spite of the 11% sales increase, operating costs were flat (49m€). Measures to reduce these costs, effective trough 2009 and even during Q1 10, allowed to keep them stable during the quarter even in face of higher activity. EBITDA reached 15,2M€, close to three times more than Q1 09 (+178%). As for the EBIT, its value of 9,7M€ can be compared with an almost nil value of Q1 09.

Also to be noted the sign reverse of the EBIT registered by the Cork Flooring and Composite Cork BU´s. Though the Q1 10 values can be considered still too low (Cork Flooring: 0,5M€ and Composite: 1,0M€), these values represent a major upturn from the values presented one year earlier.

Interest costs registered a new decrease (1,3M€ versus 2,4M€ in Q1 09). This drop is due to the interest bearing debt decrease.

After the income tax and minority interest estimates, CORTICEIRA AMORIM shareholders net profit reached 4,285M€, which compares with -4,595M€ of Q1 09.

3. CONSOLIDATED BALANCE SHEET

Total consolidated balance sheet reached 525M€, practically the same value as of December 2009. As of the end of Q1 09, its value was 561M€.

As for the changes since the end of 2009, the only thing to be noted is the decrease in inventories, which was compensated with the increase in customer's balances. The decrease in inventories is usual during a first quarter. The increase in customers line was the result of higher sales during the quarter, especially during March.

As for the liabilities, a new decrease in interest bearing debt was registered (11M€). A low capex and the natural flow of cash from operations, allowed for this continued reduction. The effect due to the Suppliers account increase is expected to be finished by this quarter.

The improvement in the Equity/Assets ratio was registered again. This ratio was 43% one year ago, and is 47.6% as of the end of March 2010.

4. OTHER HIGHLIGHTS FROM THE FIRST QUARTER 2010 ACTIVITY

The following events conducted by CORTICEIRA AMORIM must be highlighted (portfolio promotion or cork promotion):

Cork with design in Milan and New York: Twin Soul collection combines cork and faience at MoMA shop (Museum of Modern Art of New York): *Onion Pintch* sculpture, fully cork manufactured it is present at the MADE (Milan).

CORTICEIRA AMORIM develops an exclusive cork stopper with an innovative design: the new stopper TOP SERIES allies the highly technical performance of the natural cork with modern trends in design and luxury and unique materials.

Shanghai Portugal Pavilion: Portugal pavilion in Shanghai Universal Exposition shows its façade entirely made of cork.

5. CONSOLIDATED INDICATORS

		1Q10	1Q09		Variation
Sales		113.280	102.174		10,87%
Gross Margin – Value		59.622	49.129		21,36%
	1)	51,55%	45,78%		+5,77 p.p.
Operating Costs - current		49.943	49.219	2)	1,47%
EBITDA - current		15.233	5.487	2)	178%
EBIT - current		9.679	-90	2)	N/A
Restructuring costs		0	3.845		N/A
Net Income		4.285	-4.595		N/A
Earnings per share		0,033	-0,035		N/A
EBITDA/Net Interest (x)		11,88	2,26		9,62 x
Equity/Net Assets		48,1%	43,0%		+5,13 p.p.
Net Bank Debt		127.283	215.748		- 88.465

1) *Related to Production*
2) *Excludes Restructuration Costs (3.845 K€)*

FINANCIAL REPORT INTERIM

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

thousand euros

	March 2010	December 2009	March 2009
Assets			
Property, plant and equipment	173.428	174.872	179.004
Investment property	9.297	9.308	9.326
Goodwill	18.704	18.704	18.220
Investments in associates	5.368	5.231	6.229
Intangible assets	1.450	685	834
Other financial assets	2.707	2.453	2.388
Deferred tax assets	7.742	8.100	10.148
Other non current assets	**218.696**	**219.353**	**226.150**
Inventories	163.364	174.789	192.151
Trade receivables	114.778	98.584	103.913
Current tax assets	13.582	16.570	17.743
Other current assets	5.742	7.693	14.232
Cash and cash equivalents	8.404	7.740	6.519
Current assets	**305.870**	**305.376**	**334.559**
Total Assets	**524.566**	**524.730**	**560.709**
Equity			
Share capital	133.000	133.000	133.000
Own shares	-4.680	-2.800	-2.501
Other reserves	108.544	103.851	104.809
Net Income	4.285	5.111	-4.595
Minority interest	11.249	10.684	10.294
Equity	**252.399**	**249.845**	**241.007**
Liabilities			
Interest-bearing loans	87.474	93.472	111.687
Other borrowings and creditors	1.739	2.131	9.576
Provisions	5.311	4.581	4.631
Deferred tax liabilities	5.572	5.254	5.170
Non-current liabilities	**100.095**	**105.439**	**131.064**
Interest-bearing loans	48.213	52.881	110.580
Trade payables	73.695	74.601	28.110
Other borrowings and creditors	38.037	32.589	40.203
Tax liabilities	12.127	9.375	9.744
Current liabilities	**172.072**	**169.446**	**188.638**
Total Liabilities and Equity	**524.566**	**524.730**	**560.709**

CONSOLIDATED INCOME STATEMENT

thousand euros

	March 2010	March 2009
Sales	113.280	102.174
Costs of goods sold and materials consumed	-56.028	-58.180
Change in manufactured inventories	2.370	5.135
Gross Margin	**59.622**	**49.129**
	51,6%	45,8%
Third party supplies and services	19.282	19.179
Staff costs	23.999	24.344
Impairments of assets	1.294	1.221
Other gains (+) and cost (-)	186	1.102
Current EBITDA	**15.233**	**5.487**
Depreciation	5.554	5.577
Current EBIT	**9.679**	**-90**
Reestructuring costs	0	3.845
Net interest	-1.282	-2.429
Share of (loss)/profit of associates	137	308
Profit before tax	**8.534**	**-6.056**
Income tax	3.866	-1.626
Profit after tax	**4.668**	**-4.430**
Minority interest	383	164
Net Income attributable to the equity holders of Corticeira Amorim	**4.285**	**-4.595**
Earnings per share - Basic e Diluted (euros per share)	**0,033**	**-0,035**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

thousand euros

	March 2010	March 2009
Net Income (before Min. Interest)	**4.668**	**-4.430**
Change in derivative financial instruments fair value	-163	-2.166
Change in translation differences	-255	342
Net Income directly registered in Equity	**-418**	**-1.824**
Total Net Income registered	**4.250**	**-6.254**
Attributable to:		
Corticeira Amorim Shareholders	3.867	-6.418
Minority Interests	383	164

CONSOLIDATED STATEMENT OF CASH FLOW

thousand euros

	March 2010	March 2009
OPERATING ACTIVITIES		
Collections from customers	104.521	100.585
Payments to suppliers	-71.991	-73.158
Payments to employees	-23.416	-27.758
Operational cash flow	9.114	-331
Payments/collections - income tax	497	-907
Other collections/payments related with operational	6.769	14.139
CASH FLOW BEFORE EXTRAORDINARY ITEMS	**16.380**	**12.901**
INVESTMENT ACTIVITIES		
Collections due to:		
Tangible assets	675	26
Investment property	0	21
Interests and similar gains	44	149
Investment subsidies	0	664
Payments due to:		
Tangible assets	-2.526	-4.548
Financial investments	0	-4
CASH FLOW FROM INVESTMENTS	**-1.807**	**-3.692**
FINANCIAL ACTIVITIES		
Collections due to:		
Others	178	42
Payments due to:		
Loans	-10.666	-6.432
Interests and similar expenses	-1.179	-1.859
Acquisition of treasury stock	-1.879	0
Others	-127	-189
CASH FLOW FROM FINANCING	**-13.673**	**-8.438**
Change in cash	900	771
Exchange rate effect	180	11
Perimeter effect	-	-
Cash at beginning	1.552	-2.489
Cash at end	2.632	-1.707

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

thousand euros

	Balance Beginning	Appropriation of N-1 profit	Net Profit N	Increases / Decreases	Translation Differences	End Balance
Março 31, 2010						
Equity:						
Share Capital	133.000	-	-	-	-	133.000
Treasury Stock - Face Value	-3.088	-	-	-2.039	-	-5.127
Treasury Stock - Discounts and Premiums	287	-	-	160	-	447
Paid-in Capital	38.893	-	-	-	-	38.893
IFRS Transition Adjustments	-8.560	-	-	-	-60	-8.620
Hedge Accounting	36	-	-	-163	-	-127
Reserves						
Legal Reserve	8.558	2.330	-	-	-	10.887
Other Reserves	66.877	2.781	-	98	-	69.756
Translation Difference	-1.953	-	-	-	-293	-2.246
	234.050	**5.111**	**0**	**-1.944**	**-353**	**236.864**
Net Profit for the Year	5.111	-5.111	4.285	-	-	4.285
Minority interests	10.684	-	383	-	182	11.249
Total Equity	**249.845**	**0**	**4.668**	**-1.944**	**-171**	**252.398**
Março 31, 2009						
Equity:						
Share Capital	133.000	-	-	-	-	133.000
Treasury Stock - Face Value	-2.589	-	-	-	-	-2.589
Treasury Stock - Discounts and Premiums	88	-	-	-	-	88
Paid-in Capital	38.893	-	-	-	-	38.893
IFRS Transition Adjustments	-8.675	-	-	-	-47	-8.722
Hedge Accounting	3.272	-	-	-2.166	-	1.106
Reserves						
Legal Reserve	7.445	1.113	-	-	-	8.558
Other Reserves	62.038	5.040	-	-	174	67.252
Translation Difference	-2.493	-	-	-	215	-2.278
	230.979	**6.153**	**0**	**-2.166**	**342**	**235.308**
Net Profit for the Year	6.153	-6.153	-4.595	-	-	-4.595
Minority interests	9.593	-	164	-58	595	10.294
Total Equity	**246.725**	**0**	**-4.431**	**-2.224**	**937**	**241.007**

I. 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 Lisboa – Sociedade Gestora de Mercados Regulamentados, S.A.

These financial statements were approved in the Board Meeting of May 3, 2010.

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.

II. 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, which adopted Portuguese general accepted accounting principles. Accounting adjustments and reclassifications were made in order to comply with accounting policies followed by the IFRS, as adopted by the European Union (IAS – International Accounting Standards and the IFRS – International Financial Reporting Standards) and legal for use as of January 1, 2010. The transition date from the local GAAP was January 1, 2004.

b. Consolidation

- ### Group companies

Group companies, often designated as subsidiaries, are entities over which CORTICEIRA AMORIM has a shareholding of more than one-half of its voting rights, or has the power to govern its management, namely its financial and operating policies.

Group companies are consolidated line by line, being the position of third-party interests in the shareholding of those companies stated in the balance sheet in the "Minority Interests" 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.

Losses for the period that are attributable to Minority Interests will be debited to the Minority Interest account until its balance equals to zero, being all subsequent losses fully attributed to CORTICEIRA AMORIM. In subsequent reversal of losses, all profits will be attributed to CORTICEIRA AMORIM up to the full recovery of prior losses appropriated. Afterwards the usual appropriation of results between CORTICEIRA AMORIM and third-party interests will be reassumed.

In the rare case where the minority part has the obligation to share its portion for the losses after its balance sheet account is cancelled, a receivable will be recorded in the consolidated Balance sheet.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

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

- 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.

c. Foreign currency translation

Consolidated financial statements are presented in thousands of euros. 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.

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.

d. 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 capitalised until the asset begins operating.

As part of the allocation of the fair value to the identifiable assets and liabilities in an acquisition process (IFRS 3), land and buildings of the subsidiaries as of January 1, 1991, were revalued by independent experts. Same procedure was followed for companies acquired later than that date.

Under IFRS 1, 16, and as of January 1, 2004, some of the relevant industrial equipment, fully, or in the near-term, depreciated, and of which is expected a medium or long term use, was subject to a revaluation process.

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 financial year in which the asset is brought into use, except for big investment projects where depreciation begins with the start-up of production. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to reserves.

e. Investment property

Includes land and buildings not used in production.

f. Goodwill

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

Goodwill will be tested annually for impairment; impairment losses will be charged to the income statement and, consequently, its carrying amount adjusted.

g. 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. Where the net realisable value is lower than production cost, an adjustment is made to reduce inventories to this lower value. 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.

h. Trade and other receivables

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

Medium and long-term receivables will be measured at amortised cost using the effective interest rate of CORTICEIRA AMORIM for similar periods.

i. 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.

j. Interest bearing loans

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 complete or suspended.

k. Income taxes – current and deferred

Except for companies included in groups of fiscal consolidation, income tax is calculated separately for each subsidiary, on the basis of its net result for the period adjusted according to tax legislation.

In the consolidated financial statements differences between the tax due for the current period and prior periods and the tax already paid or to be paid by each of the group companies are registered whenever it is likely that, on an individual company basis, a deferred tax will have to be paid or to be recovered in the foreseeable future (liability method).

l. Employee benefits

CORTICEIRA AMORIM Portuguese employees benefit exclusively from the national welfare plan.

Employees from foreign subsidiaries (about 25% of total CORTICEIRA AMORIM) or are covered exclusively by local national welfare plans or benefit from complementary plans, being it defined contribution plans or defined benefit plans.

As for the defined contribution plans, contributions are recognised as employee benefit expense when they are due. The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation, less the fair value of plan assets, as calculated annually by pension fund experts.

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.

m. Provisions

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.

n. 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.

o. 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". Medium and long-term no-interest bearing repayable grants are presented with its net present value, using an interest discount rate similar to CORTICEIRA AMORIM interest bearing debt for same period.

p. 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.

q. 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 initially recorded at cost and subsequently re-measured 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; 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.

III. COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company		Head Office	Country	1Q10
Raw Materials				
Amorim Natural Cork, S.A.		**Vale de Cortiças - Abrantes**	**PORTUGAL**	**100%**
Amorim & Irmãos, S.A. (Matérias Primas)	(a)	Ponte Sôr	PORTUGAL	100%
Amorim Florestal, S.A.	(g)	Ponte Sôr	PORTUGAL	100%
Amorim Florestal España, SL		San Vicente Alcántara	SPAIN	100%
Amorim Tunisie, S.A.R.L.		Tabarka	TUNISIA	100%
Comatral - C. Marocaine de Transf. du Liège, S.A.		Skhirat	MOROCCO	100%
Cork International, SARL		Tabarka	TUNISIA	100%
SIBL - Société Industrielle Bois Liége		Jijel	ALGERIA	51%
Société Nouvelle du Liège, S.A. (SNL)		Tabarka	TUNISIA	100%
Société Tunisienne d'Industrie Bouchonnière	(e)	Tabarka	TUNISIA	45%
Cork Stoppers				
Amorim & Irmãos, SGPS, S.A.		**Santa Maria Lamas**	**PORTUGAL**	**100%**
Amorim & Irmãos, S.A.	(a)	Santa Maria Lamas	PORTUGAL	100%
Amorim Argentina, S.A.		Tapiales - Buenos Aires	ARGENTINA	100%
Amorim Australasia		Adelaide	AUSTRALIA	100%
Amorim Benelux, BV - A&I	(b)	Tholen	NETHERLAND	100%
Amorim Cork América, Inc.		California	U. S. AMERICA	100%
Amorim Cork Austrália, Pty Ltd		Vic	AUSTRALIA	100%
Amorim Cork Deutschland GmbH & Co KG		Mainzer	GERMANY	100%
Amorim Cork Itália, SPA		Conegliano	ITALY	100%
Amorim Cork South Africa		Cape Town	SOUTH AFRICA	100%
Amorim France, S.A.S.		Champfleury	FRANCE	100%
Carl Ed. Meyer Korken		Delmenhorst	GERMANY	100%
Chapuis, S.L.		Girona	SPAIN	100%
Equipar, Participações Integradas, Lda.		Coruche	PORTUGAL	100%
FP Cork, Inc.		California	U. S. AMERICA	100%
Francisco Oller, S.A.		Girona	SPAIN	87%
Hungarocork, Amorim, RT		Budapeste	HUNGARY	100%
Indústria Corchera, S.A.	(f)	Santiago	CHILE	50%
KHB - Kork Handels Beteiligung, GMBH		Delmenhorst	GERMANY	100%
Korken Schiesser Ges.M.B.H.		Viena	AUSTRIA	69%
M. Clignet & Cie		Bezannes	FRANCE	100%
Olimpiadas Barcelona 92, S.L.		Girona	SPAIN	100%
Portocork América, Inc.		California	U. S. AMERICA	100%
Portocork France		Bordéus	FRANCE	100%
Portocork Internacional, S.A.		Santa Maria Lamas	PORTUGAL	100%
Portocork Itália		Conegliano	ITALY	100%
S.A. Oller et Cie		Reims	FRANCE	87%
S.C.I. Friedland		Céret	FRANCE	100%
Société Nouvelle des Bouchons Trescases	(e)	Perpignan	FRANCE	50%
Victor y Amorim, Sl	(f)	Navarrete - La Rioja	SPAIN	50%

Company		Head Office	Country	1Q10
Floor & Wall Coverings				
Amorim Revestimentos, S.A.		**Lourosa**	**PORTUGAL**	**100%**
Amorim Benelux, BV - AR	(b)	Tholen	NETHERLAND	100%
Amorim Cork Distribution Netherlands BV		Tholen	NETHERLAND	100%
Amorim Cork GmbH		Delmenhorts	GERMANY	100%
Amorim Deutschland, GmbH & Co. KG - AR	(d)	Delmenhorts	GERMANY	100%
Amorim Flooring (Switzerland) AG		Zug	SWITZERLAND	100%
Amorim Flooring Austria GesmbH		Viena	AUSTRIA	100%
Amorim Flooring Investments, Inc.		Hanover - Maryland	U. S. AMERICA	100%
Amorim Flooring Nordic A/s		Greve	DENMARK	100%
Amorim Flooring North America Inc		Hanover - Maryland	U. S. AMERICA	100%
Amorim Japan Corporation		Tóquio	JAPAN	100%
Amorim Revestimientos, S.A.		Barcelona	SPAIN	100%
Amorim Wood Suplies, GmbH		Bremen	GERMANY	100%
Cortex Korkvertriebs GmbH		Fürth	GERMANY	100%
Corticeira Amorim - France SAS - AR	(c)	Lavardac	FRANCE	100%
Dom KorKowy, Sp. Zo. O.	(f)	Kraków	POLAND	50%
Inter Craft Coatings		S. Paio de Oleiros	PORTUGAL	50%
US Floors, Inc.	(e)	Dalton - Georgia	U. S. AMERICA	25%
Zodiac Kork- und Holzprodukte GmbH		Fürth	GERMANY	100%
Composites Cork				
Amorim Cork Composites, S.A.		**Mozelos**	**PORTUGAL**	**100%**
Amorim (UK) Ltd.		Horsham West Sussex	UNITED KINGDOM	100%
Amorim Benelux, BV - ACC	(b)	Tholen	NETHERLAND	100%
Amorim Cork Composites Inc.		Trevor Wisconsin	U. S. AMERICA	100%
Amorim Deutschland, GmbH & Co. KG - ACC	(d)	Delmenhorts	GERMANY	100%
Amorim Industrial Solutions - Imobiliária, S.A.		Corroios	PORTUGAL	100%
Chinamate (Xi'an) Natural Products Co. Ltd		Xi'an	CHINA	100%
Chinamate Development Co. Ltd		Hong Kong	CHINA	100%
Corticeira Amorim - France SAS - ACC	(c)	Lavardac	FRANCE	100%
Drauvil Europea, SL		San Vicente Alcantara	SPAIN	100%
Postya - Serviços de Consultadoria, Lda.		Funchal - Madeira	PORTUGAL	100%
Samorim (Joint Stock Company Samorim)	(e)	Samara	RUSSIA	50%
Insulation Cork				
Amorim Isolamentos, S.A.		**Vendas Novas**	**PORTUGAL**	**80%**
Holding				
Corticeira Amorim, SGPS, S.A.		**Mozelos**	**PORTUGAL**	**100%**
Ginpar, S.A. (Générale d'Invest. et Participation)		Skhirat	MOROCCO	100%
Amorim Cork Research, Lda.		Mozelos	PORTUGAL	100%
Sopac - Soc. Portuguesa de Aglom. de Cortiça, Lda		Montijo	PORTUGAL	100%
Vatrya - Serviços de Consultadoria, Lda		Funchal - Madeira	PORTUGAL	100%

(a) – One single company: Amorim & Irmãos, S.A.

(b) – One single company: Amorim Benelux, BV.

(c) – One single company: Corticeira Amorim - France SAS.

(d) – One single company: Amorim Deutschland, GmbH & Co. KG.

(e) – Equity method consolidation.

(f) – CORTICEIRA AMORIM controls the operations of the company – line-by-line consolidation method.

(g) –. Set-up during 2010.

Immaterial companies Amorim Cork Bulgaria, Moldamorim, Amorim Japan, Amorim Cork Beijing were not consolidated.

The subsidiaries Amorim & Irmãos IV, S.A., Amorim Florestal Catalunya, S.L. and Amorim Florestal Espanha, S.A. were merged in Amorim Florestal España, SL during the first quarter.

IV. EXCHANGE RATES USED IN CONSOLIDATION

Consolidation March 31, 2010		Year End	Average
Argentine Peso	ARS	5,22982	5,30434
Australian Dollar	AUD	1,47410	1,52929
Brazilian Real	BRL	2,40430	2,48287
Canadian Dollar	CAD	1,36870	1,43829
Swiss Franc	CHF	1,43160	1,46379
Chilean Peso	CLP	708,600	717,002
Yuan Renminbi	CNY	9,22300	9,44633
Danish Krone	DKK	7,44470	7,44265
Algerian Dinar	DZD	97,8948	98,6149
Euro	EUR	1	1
Pound Sterling	GBP	0,88980	0,88511
Hong Kong Dollar	HDK	10,48940	10,7415
Forint	HUF	265,750	268,522
Yen	JPY	125,930	125,485
Moroccan Dirham	MAD	11,1979	11,2214
Metical	MZM	46,480	42,950
Norwegian Krone	NOK	8,01350	8,10198
Zloty	PLN	3,86730	3,98694
Ruble	RUB	39,780	41,292
Swedish Kronor	SEK	9,7135	9,9464
Tunisian Dinar	TND	1,8925	1,8889
US Dollar	USD	1,34790	1,38291
Rand	ZAR	9,89220	10,38516

V. SEGMENT REPORT

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

- Cork Stoppers
- Raw Materials
- Floor and Wall Coverings
- Composite Cork
- 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

1Q2010	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjustments	Consolidated
Trade Sales	1.003	64.505	28.965	16.758	2.047	2	-	113.280
Other BU Sales	22.020	1.284	517	2.348	190	283	-26.642	-
Total Sales	**23.023**	**65.789**	**29.482**	**19.106**	**2.237**	**285**	**-26.642**	**113.280**
Current EBIT(i)	**3.649**	**7.258**	**478**	**892**	**373**	**-2.583**	**-388**	**9.679**
Assets	**87.622**	**252.267**	**114.498**	**69.398**	**11.448**	**3.036**	**-13.703**	**524.566**
Liabilities	**18.661**	**71.493**	**26.007**	**17.992**	**1.782**	**7.158**	**129.073**	**272.166**
Capex	**67**	**1.617**	**1.571**	**454**	**125**	**-**	**-**	**3.834**
Depreciation	**-847**	**-2.104**	**-1.609**	**-828**	**-155**	**-11**	**-**	**-5.554**
Non-cash cost (ii)	**233**	**-512**	**162**	**-180**	**10**	**-800**	**-206**	**-1.293**
Gains/Losses in associated companies	**9**	**135**	**-7**	**-**	**-**	**-**	**-**	**137**

1Q2009	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjustments	Consolidated
Trade Sales	1.755	57.435	27.676	13.441	1.858	10	-	102.175
Other BU Sales	20.228	905	365	1.910	185	180	-23.773	-
Total Sales	**21.983**	**58.340**	**28.041**	**15.351**	**2.043**	**190**	**-23.773**	**102.175**
Current EBIT(i)	**-100**	**4.019**	**-2.182**	**-1.526**	**265**	**-554**	**-12**	**-90**
Assets	**100.343**	**254.239**	**119.889**	**79.431**	**12.048**	**4.347**	**-9.588**	**560.709**
Liabilities	**11.647**	**43.612**	**25.492**	**15.097**	**1.828**	**3.444**	**218.581**	**319.701**
Capex	**875**	**2.007**	**963**	**886**	**249**	**-**	**-**	**4.980**
Depreciation	**-814**	**-2.230**	**-1.530**	**-836**	**-151**	**-15**	**-**	**-5.576**
Non-cash cost (ii)	**-23**	**-316**	**-245**	**-641**	**3**	**2**	**0**	**-1.220**
Gains/Losses in associated companies	**6**	**116**	**185**	**-**	**-**	**-**	**-**	**307**

Notes:

Adjustments = eliminations inter-BU and amounts not allocated to BU

EBIT =Profit before interests, minorities and income tax.

Provisions and asset impairments were considered the only relevant 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 EBIT 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 90% 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, black 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. 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.

VI. 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 are 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;
- As of March 29, 2010, Shareholders Meeting approved 2009 Accounts.

Mozelos, May 3, 2010

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

António Rios de Amorim
Chairman of the Board of Directors

Joaquim Ferreira de Amorim
Vice-President of the Board of Directors

Nuno Filipe Vilela Barroca de Oliveira
Member of the Board of Directors

Luísa Alexandra Ramos Amorim
Member of the Board of Directors

José da Silva Carvalho Neto
Member of the Board of Directors

André de Castro Amorim
Member of the Board of Directors

Fernando José de Araújo dos Santos Almeida
Member of the Board of Directors