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

CONSOLIDATED ACCOUNTS

First half 2012 (1H12)
(Audited)

Second quarter 2012 (2Q12)
(Non-audited)

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

Capital Social: EUR 133 000 000,00
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Dear Shareholders,

In accordance with the law, the Directors of CORTICEIRA AMORIM, SGPS, SA, a Public Company, present their:

CONSOLIDATED MANAGEMENT REPORT

1. INTRODUCTION

The economic activity in CORTICEIRA AMORIM's major markets continued to show a very modest growth pace. Europe, the most important destination of our products, even recorded a noticeable slowdown and a number of its member states officially slipped back into recession in the second quarter of 2012 (2Q12). Even the U.S.A. - CORTICEIRA AMORIM's second largest business market - although maintaining positive rates of economic growth, could not escape a cooling global economy. On the date of this Report, successive downward revisions of growth forecasts – from which even China could not escape - are released by major organizations that track global economic trends and performance.

Despite that overall economic environment, in the first half of 2012 CORTICEIRA AMORIM managed to keep its growth levels both in total sales and net profit it has been recording over the last quarters. A rare combination of good performances in its two main Business Units (BU) - the Cork Stoppers BU and the Floor and Wall Coverings BU – contributed to leverage our Company's consolidated business and net profit indicators. The growth in sales continues to be a direct result of increased sales of products by CORTICEIRA AMORIM in addition to the price effect achieved through some increases in prices, as well as the exchange rate effect, particularly the appreciation of the US dollar.

In comparison with the same period a year before, CORTICEIRA AMORIM recorded its tenth consecutive quarter of consolidated sales growth:

2Q12 / 2Q11:	+7.0%
1Q12 / 1Q11:	+9.0 %
4Q11 / 4Q10:	+4.8%
3Q11 / 3Q10:	+8.9%
2Q11 / 2Q10:	+13.0%
1Q11 / 1Q10:	+6.3%
4Q10 / 4Q09:	+10.1%
3Q10 / 3Q09:	+11.5%
2Q10 / 2Q09:	+7.7%
1Q10 / 1Q09:	+10.9 %
4Q09 / 4Q08:	-3.8%

Sales totaled EUR 275 million (€ 275 M) in 1H12, an increase of 8% and € 20 M compared with the same period in 2011.

The good sales performance was driven by a positive development in terms of margins and profitability. EBITDA to sales ratio amounted to 16.3% in the first half of 2012; in 2Q12 it exceeded 18%, thus outperforming CORTICEIRA AMORIM's previous figures recorded in the past years. In absolute terms, the Company's EBITDA amounted to € 44.8 M in 1H12, up by +12.7% (€ 5 M) on 1H11.

Net profit totaled € 17.716 M in the first half of 2012, a 28.2% increase compared to € 13.814 M in 1H11.

Net profit was € 11.954 M in the second quarter of 2012, 38% higher than in the same period last year.

As appropriately disclosed by CORTICEIRA AMORIM, our Company acquired a 90.91% stake in Trefinos, S.L. at the end of the first half of 2012. With almost a century-old history, Trefinos, S.L. is a group of companies that leads the manufacture and sale of champagne and sparkling wine cork stoppers in Catalonia, Spain. Trefinos' balance sheet will be consolidated with CORTICEIRA AMORIM's financial statements as of the beginning of 2H12.

A total dividend of € 8.2 M (6.5 euro cents per share) was paid out to shareholders on 30 April 2012.

2. BUSINESS UNITS (BU)

RAW MATERIALS BU

Sales of the Raw Materials BU grew by 16.5% and contributed to a rise of about 14% in the value chain of the CORTICEIRA AMORIM Group. That performance of the Raw Materials BU was the result of the manufacture of high quantities of cork acquired in 2011 as well as an enhanced integration into the production cycle of CORTICEIRA AMORIM.

The batches of cork acquired last year began to be manufactured in the first half of 2012. Gross margins were negatively affected by higher purchase prices of cork in 2011, as such increase was not reflected in the transfer prices to the Cork Stoppers BU.

In its turn, increased production required the allocation of more operational resources. Among those resources, electricity and transport costs deserve a special mention as they grew faster than production (26% and 20%, respectively) as a result of their purchase price escalation.

EBITDA amounted to € 6.3 M, about a half of the amount recorded in 1H11 (€ 14.3 M).

The cork harvesting season was taking place on the date hereof. The harvesting of cork is being negatively affected by adverse weather conditions. CORTICEIRA AMORIM believes, however, that a lower amount of cork harvested during the 2012 season will not have a material adverse effect on its business in 2013.

CORK STOPPERS BU

The growth in the global wine market, particularly in the U.S.A. and China, continued to have a positive influence on this BU's sales. Even the expected slowdown in wine consumption was largely offset by CORTICEIRA AMORIM's successful effort to gain further market share, not only in respect of alternative wine closures, particularly synthetic corks, but also as concerns cork itself. The leadership in the cork industry, the level of services provided and the quality and range of products offered, have contributed to the Company obtaining successive market share gains that explain the bulk of the growth rate recorded by CORTICEIRA AMORIM since early 2009. To conclude, the positive exchange rate effect in the first half year of 2012, particularly against the US dollar, deserves a particular mention. In fact, the appreciation of this currency (average 1H12: 1.296 vs 1H11: 1.403) accounted for approximately a 2% increase in sales in the first half year of 2012 compared to the same period a year ago.

Total sales in 1H12 amounted to € 162.5 M, up by 6.6 % compared to the same period in 2011. In addition to the above currency effects, growth was primarily driven by higher sales volumes, with 78 million more cork stoppers being sold than in the same period last year.

With the exception of champagne corks, whose sales stabilized, all types of cork stoppers raised their sales. Worth a special mention is the 19% increase in the sales of Neutrocork® stoppers, a fact largely justified by the volume effect. Sales of natural cork wine stoppers and Twin Top® corks grew by 6% and 10%, respectively, a fact that due to its importance in terms of sales volume to the business of this BU is worth pointing out.

The three traditional major markets - France, the USA and Italy - posted increases of 7%, 10% and 3%, respectively. The U.S. market benefited from the appreciation of the US dollar against the euro.

As far as the other major markets is concerned, the sales progress in the Argentinean market (+49%) is worth mentioning. That performance was essentially due to the success of changing the approach to that market; in fact, CORTICEIRA AMORIM acquired a 50% stake in Corchos de Argentina at the end of 2011. It should also be stressed that sales to the Portuguese and Australian markets increased as a result of winning high value new customers.

This BU's EBITDA amounted to € 25.8 M in 1H12, representing a year-on-year increase of 33%. This growth is largely explained by higher sales and an increased gross margin percentage as a result of the currency effect.

FLOOR AND WALL COVERINGS BU

In the second quarter of 2012 the Floor and Wall Coverings BU kept a sales growth pace similar to that recorded in 1Q12. At the end of 1H12, total sales amounted to € 68.1 M, up 13.7% from the same period a year earlier.

Total sales of products manufactured by this BU were over € 55 M, representing a year-on-year increase of 12%. Non-manufactured products such as wood reversed the downward trend of recent quarters and showed an increase of 16%. The perimeter effect caused by the consolidation of Timbermam from the second half of 2011 should be taken into consideration. This effect more than justifies the growth in product sales.

The sales of Cork Style and LVT - the two main products manufactured by the Floor and Wall Coverings BU – rose 25% and 5%, respectively.

Europe's central markets continued to show signs of weakness, particularly as far as traditional manufactured products is concerned. In contrast, this BU's sales growth has been backed for several quarters by the U.S. market and the Eastern European markets.

The gross margin percentage in 1H12 rose to 49% (1H11: 45.4%). This indicator also shows an improvement in terms of manufactured products. Despite the negative effect of the U.S. dollar exchange rate on purchases of wood veneered floor coverings, the gross margin percentage of sales has also increased. Trade sales profited from Timbermam inclusion in the consolidated financial statements.

The BU's EBITDA totalled € 8.4 M in 1H12 and more than doubled the figure of € 3.6 M in 1H11.

CORK COMPOSITES BU

The sales of this BU grew by 3%, but the sales to end customers rose more than 6%. Contrary to what happened in the two main BU – the Cork Stoppers BU and the Floor and Wall Coverings BU - the volume effect was not the main contributory factor to the sales growth. This BU's sales increase was equally shared by the exchange rate effect and the price effect. It should be pointed out that this BU is the most sensitive to changes in the US dollar exchange rate.

If we do not consider the sales decrease in the Floor and Wall Coverings BU as a result of a decision made in-house, all BU's segments recorded sales increases with the exception of the sealing products segment, whose sales stagnated.

The sales of the Industry segment – the most important one – grew approx. 5% with the U.S. market deserving a special mention. Sales figures in the European markets in 1H12 are similar to those a year before.

The sales of sealing products benefited from a stronger US dollar as the U.S. market is very important for the sale of these products.

As far as the construction segment is concerned, the sales growth in the Russian and German markets is worth a special mention.

The gross margin percentage and, as a result, the profits of this BU have been adversely affected by a rise in the price of raw materials, in particular cork waste.

In fact, the price of cork waste and other raw materials such as polyurethane and rubber have impacted margins and earnings significantly. And similarly to other Business Units, the rising electricity and transport prices has also affected the Cork Composites BU.

Even so, EBITDA rose by 5% to € 4.7 M.

INSULATION CORK BU

In the second quarter of 2012 there was some improvement in both the sales and profits of the Insulation Cork BU. 1H12 sales amounted to € 4.7 M and were similar to those in 1H11. The increase in the selling price of insulation corkboard – the main product manufactured by this BU – was sufficient to offset the fall in quantities of products sold.

The postponement of some major projects continued to adversely affect the sales of this BU in this period, with Italy being the hardest hit market. In 2Q12 the French market – the most important one for this BU – managed to recover from the fall in 1Q12.

EBITDA amounted to € 1.1 M in 1H12 and was practically unchanged from 1H11.

3. CONSOLIDATED PROFIT AND LOSS ACCOUNT

As noted above, CORTICEIRA AMORIM's sales continued to grow in the first two quarters of 2012, quite a positive development. Sales revenue totaled € 275 M at the end of 1H12, up 8% (+ € 20 M) compared to 1H11. The products that contributed most to that increase were manufactured by the Floor and Wall Coverings BU (higher sales of LVT and Cork Style to Germany, North America and Eastern European countries) as well as higher sales of cork stoppers (natural cork wine stoppers and Neutrocork® stoppers to the U.S.A., France and Argentina).

The positive impact of the exchange rate, particularly the appreciation of the US dollar against the euro, should also be pointed out. The exchange rate effect exceeded € 5 M. The effect of Timbermam's inclusion in the consolidated financial statements of CORTICEIRA AMORIM reached € 3 M. In its turn, we estimate that selling price increases in some products might have generated an impact in the region of € 5 M and, thus, the bulk of the remaining balance to make up the € 20 M of sales growth shall be attributable to the sale of higher quantities of products.

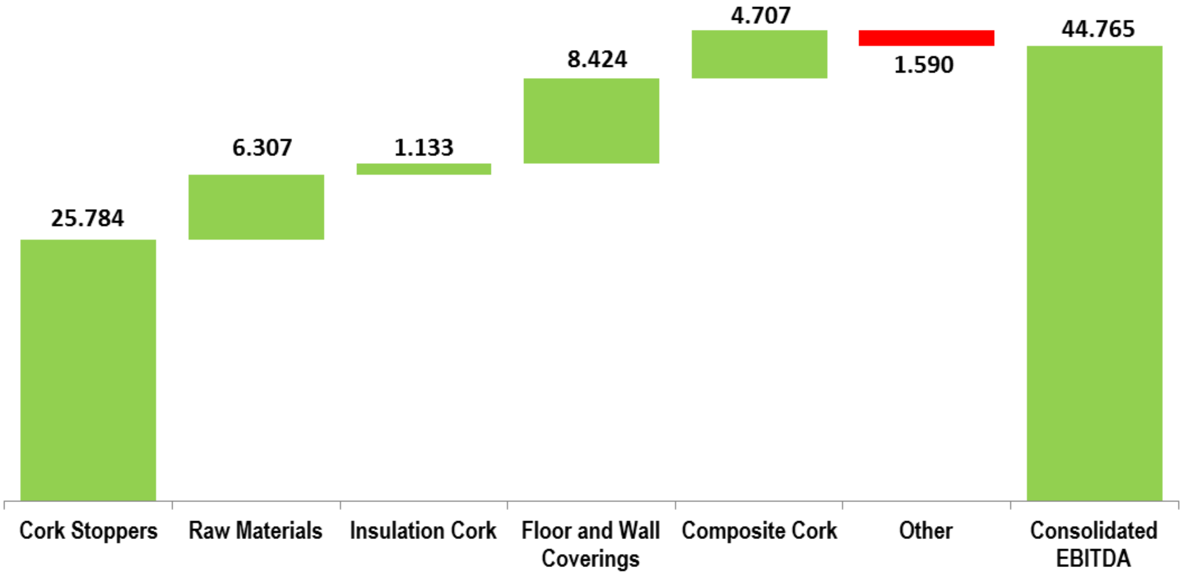
The gross margin percentage has fallen more than 1%. The combined effect of a favorable exchange rate with higher selling prices and even the sales growth in the Floor and Wall Coverings BU was not sufficient to offset the impact of some negative effects. In fact, the higher raw material prices, in particular the increase in the price of reproduction cork harvested in 2011, the higher waste cork prices and, to a lesser extent, a less favorable sales mix in the Cork Composites BU and the Raw materials BU's lower yield, more than offset the positive effects set forth above.

Despite the drop in gross margin percentage, the significant increase in sales led to total sales of € 140.3 M in 1H12 compared to € 134 M in 1H11.

Operating costs grew only 1.4 %, well below the production growth figure (8.6 %). Comparing 1H12 with 1H11, it should be stressed, however, that this increase was favorably influenced by a positive impact of the EUR/USD exchange rate that amounted approx. to € 3.5 M. If only the progress in the two main components of these costs – staff costs and trade accounts payable – is taken into consideration, then operating costs increased by 4.8%. Similarly to what has occurred over the last quarters, electricity and transport costs rose again by more than a proportional increase in output. The increase in electricity costs grew 15%, nearly twice as much as the increase in output. Transport costs rose by 10%. Outsourcing also increased (+20%). Finally, comparing 1H12 with 1H11, it should be pointed out that 1H11 was impacted by the promotional costs of the international cork campaign promoted by APCOR (Portuguese Cork Association), whose costs were shared by CORTICEIRA AMORIM, as well as the costs related to the launch of a new collection of floor and wall coverings.

The 5.4% growth in staff costs is partly explained by an increase in the average number of employees (77 or +2.3%) and the inclusion of Timbermam in the consolidated financial statements (+1%).

EBITDA amounted to EUR 44.8 M in 1H12, a 12.7% increase compared to 1H11. The EBITDA to Sales ratio reached 16.3% in the first half of 2012 and it amount to 18.1% in 2Q12. Thus, in these two periods, this indicator was well above CORTICEIRA AMORIM's historical averages.



A number of non-recurring expenses related to impairments of assets were recorded in 1H12. An impairment of VAT receivable by Amorim's subsidiary “Amorim Argentina” in the amount of MARS 9.2 (equivalent to € 1.6 M at the average exchange rate for the half-year to 30 June 2012) was recorded in the first quarter of 2012. That decision was made after taking Argentina’s latest developments into account.

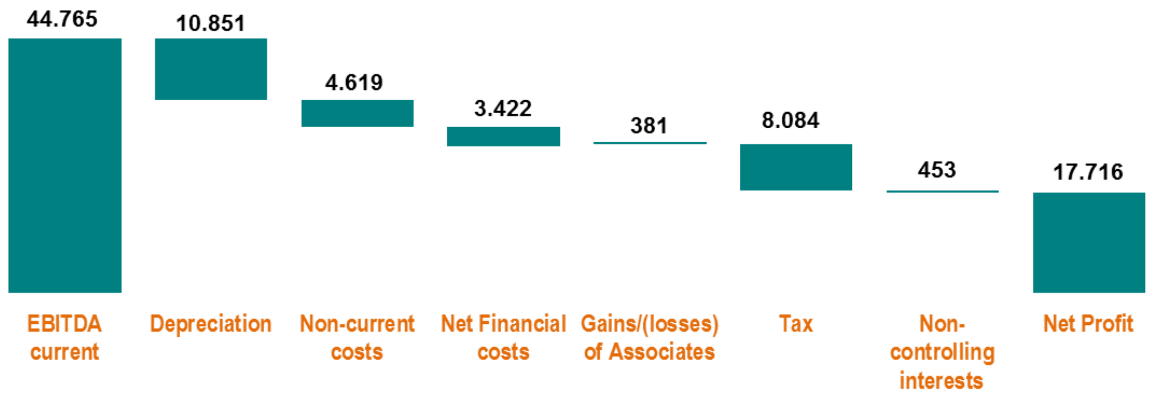
An impairment in the value of land and buildings classified as Investment Property - owned by former Interchampanhe (a company based in Montijo) - in the amount of € 1 M was recorded in the second quarter of 2012. An impairment of the remaining goodwill related to the North African operations (particularly Tunisia) was also recorded in 2Q12. The social and political turmoil and instability and, in particular, the expected decline in revenue in that geographic area, led us to decide to record an impairment in the amount of € 2 M. Total non-recurring expenses amounted to € 4.6 M in the first half of 2012.

Net financial costs amounted to € 3.4 M in 1H12, comparing unfavorably with € 1.4 M in 1H11. CORTICEIRA AMORIM enjoyed the lowest interest rates in its history in the first half of 2011, particularly in 1Q11. Then, interest rates started to rise fueled by rising spreads and that, in addition to the reversal of the positive effect on interest rate swaps in 1H11, led the almost negligible net financial costs to more than double in 1H12, even when the net debt remained practically unchanged.

The estimated net income tax was € 8.1 M, being equivalent to an effective rate of 27.2%. There are no special events to be reported.

After recording non-controlling interests in the amount of € 0.5 M, the net profit for the first half of 2012 attributable to CORTICEIRA AMORIM’s shareholders was € 17.716 M, a 28.3% increase from € 13.814 M in the first half of 2011.

As regards the business carried on in 2Q12, the net profit for the period was € 11.954 M, up 38% from a year earlier.



4. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONSOLIDATED BALANCE SHEET)

Total assets stood at EUR 640 M at the end of 1H12, an increase of EUR 35 M compared to the 2011 year-end level and EUR 72 M compared to the first half of 2011. Those increases were mainly due to an increase of EUR 23M in trade receivables and of € 35 M in inventories compared with December 2011 and June 2011, respectively. Increased business both in 2011 and in the first half of 2012 as a result of either higher sales and output or higher purchases explains the successive inflation of the Balance Sheet.

As far as Assets as at June 30, 2012 is concerned, it should be pointed out that an amount of € 15.1 M related to the acquisition of "Trefinos" is recorded in non-current assets and shown under Other Financial Assets. And this is because the group of companies headed by this new subsidiary will be brought under the consolidation umbrella only from 1 July 2012.

Worth mentioning is also an amount of approx. € 30 M of recoverable taxes. This figure is higher by about € 6 M and € 11 M as compared to the figure in December 2011 and June 2011, respectively. In addition to the effect of improved business performance, the increase in the amount between these two periods is due basically to late repayment of VAT, which has been occurring systematically since the second half of 2011. In June 2012, an amount of € 9.2 M relating to VAT repayment was lagging behind the legal deadlines (2011 year-end: € 3.1 M). From the amount of € 30 M of taxes recoverable at the end of the first half of 2012, VAT accounted for € 26 M. Late repayments contribute to artificially increase the debt of the companies, causing strangulation of their businesses and increased financial costs. CORTICEIRA AMORIM has always made use of the means provided by law to be reimbursed of such costs and expenses. This situation is distressing and damaging to our Company as interest earned by CORTICEIRA AMORIM on late repayments does not offset any interest charges incurred. The issue of rising debt levels is a situation that all companies try to avoid in all ways.

On the liabilities side, a special word should go to the interest bearing debt. If we add the amount of the interest bearing debt to the amount of cash and cash equivalents, we'll arrive at the net interest bearing debt, whose amount has not changed materially and was € 124.8 M in June 2012, € 117.4 M in December 2011 and € 121.1 M a year ago. Comparing to June 2011, however, if we consider that a total of € 8 M of dividends were paid in April, an amount of € 15 M for the purchase of Trefinos was paid in June and there were € 9 M of VAT in arrears, then the change becomes material. And the same reasoning prevails in comparison with December.

A new credit facility in the amount of € 20 M and a 3-year maturity was negotiated with a foreign financial institution in 1H12.

Shareholders' Equity was € 293 M at the end of the first half year of 2012. This amount mirrors an increase of € 11 M as a result of the profit for the first half year (€ 17.7 M) and a total of € 8.2 M of dividends paid.

At the end of the period under review, CORTICEIRA AMORIM's equity to total assets ratio was 45.7%. This is a decrease compared to December 2011 and June 2011 and was due to an inflated Consolidated Balance Sheet.

5. ACQUISITIONS MADE DURING THE PERIOD UNDER REVIEW

As disclosed to the market on June 20, 2012, CORTICEIRA AMORIM announced that, through its subsidiary Amorim & Irmãos, SGPS, SA, it acquired a 90.91 per cent stake in the share capital of Trefinos, SL, a company leading a group of six companies specialized in the manufacture and sale of champagne and sparkling wine corks stoppers.

Given that the acquisition was completed at the end of 1H12 and the financial statements of all companies were not yet completed, the Balance Sheets of the new Amorim's subsidiaries could not be included in the Consolidated Balance Sheet as of June 30, 2012. Thus, the amount of € 15.1 M related to the acquisition of "Trefinos" is recorded in non-current assets and shown under Other Financial Assets. Trefinos group's operations will be included in CORTICEIRA AMORIM's consolidated financial statements from July 1, 2012.

6. OTHER HIGHLIGHTS DURING THE FIRST HALF OF 2012

CORTICEIRA AMORIM's ongoing commitment to reliability and continuous investment have resulted in an unparalleled knowledge capital on cork allowing CORTICEIRA AMORIM to build up its portfolio of products and solutions, design new high value-added technical applications and challenge new business areas to put this unique raw material to the test. In the overwhelming majority of cases, cork meets all technical requirements impeccably and is the ultimate material in terms of sustainability.

Among the many measures implemented by CORTICEIRA AMORIM during the period under review, there are some that deserve a special mention as they have contributed to leverage the vast know-how of CORTICEIRA AMORIM as well as cork's unique green credentials:

CORTICEIRA AMORIM and Serpentine Gallery (London), a unique partnership geared towards the successful completion of the 2012 edition of one of the world's most important architectural events: the Serpentine Pavilion 2012.

Fruit of the creative genius of Swiss architects Jacques Herzog and Pierre de Meuron and the famous Chinese artist Ai Weiwei, the Serpentine Pavilion 2012 boasts with sophistication and originality the cork from Amorim.

Designed in two complementary planes – the first in the form of a large steel mirror and the second, protected by the first, recessed into the ground and entirely covered with insulation corkboard - the Serpentine Pavilion 2012 pays tribute to the legacy of previous editions, inviting us to discover their origins and their intimate connection with the land and the site where they are erected. Cork plays an essential role in this sensory and archaeological experience: the colour, smoothness, smell, feel and subtle lighting permeating every corner are reminiscent of the comfort of Nature.

Launch of new Wicanders 2012/2014 collections that reinvent traditional flooring concepts and bring them look, comfort and originality. In addition to the innovative Artcomfort, based on a design which makes use of pure materials to explore countless organic structures with a natural three-dimensional appearance, there is also Vinylcomfort, a glue-down solution with its current market status as the most modern and sustainable vinyl flooring, boasting a central layer of cork providing outstanding comfort.

CORTICEIRA AMORIM was invited by the European Commission to participate in the "12th European Forum on Eco-innovation - Scaling-up Sustainable Construction through Value Chain Innovation", in Amsterdam, the Netherlands, as a case study in the context of sustainable construction. In this forum, the advantages of an integrated use of cork in the construction and rehabilitation of buildings, not only at an environmental and socio-economic level, but also at a performance level were explained. A wide range of cork-based sustainable solutions designed for construction projects, including MDFachada expanded insulation corkboard, AcoustiCORK underlayments and Wicanders wall and floor coverings were presented to the audience as well as the Company's supply chain, designed to generate no waste.

The Corksorb range of cork-based oil absorbents won the Product Innovation Award promoted by COTEC and Unicer. This award is intended to recognize innovative products developed by Portuguese companies, as a result of a steady and consistent innovation effort, which products are aimed at global markets.

Launched in 2010, the Corksorb range has won several prestigious awards. The COTEC/Unicer award was the 4th award won by this highly competitive natural absorbent product line providing greater absorbing capacity and generating 20 times less waste than a conventional mineral-based absorbent. By selectively absorbing oil and hydrocarbons and not water, CorkSorb is the ideal solution for any spill/leak situation, even in aquatic environments.

CORTICEIRA AMORIM launches a partnership with Wine & Spirit Education Trust, a respected UK-based educational charity aiming to provide high quality education and training in wines and spirits. CORTICEIRA AMORIM has thus become the latest wine trade company officially to support the important educational work developed by WSET, keeping in touch with the next generation in the wine industry and giving them the opportunity to know the unbeatable green credentials and sustainable benefits of natural cork.

7. CONSOLIDATED KEY INDICATORS

		1H12	1H11	Variation	2Q12	2Q11	Variation
Sales		274.996	254.678	8,0%	143.721	134.262	7,0%
Gross Margin – Value		140.309	133.965	4,7%	72.453	67.596	7,2%
	1)	49,3%	51,1%	-1,82 p.p.	49,1%	50,8%	-1,76 p.p.
Operating Costs - current		106.395	105.517	0,83%	51.748	50.705	2,06%
EBITDA - current		44.765	39.732	12,7%	26.037	22.653	14,9%
EBITDA/Sales		16,3%	15,6%	+ 0,7 p.p.	18,1%	16,9%	+ 1,2 p.p.
EBIT - current		33.914	28.448	19,2%	20.705	16.891	22,6%
Non-current costs	2)	4.619	3.563	N/A	2.776	1.736	N/A
Net Income		17.716	13.814	28,25%	11.954	8.661	38,02%
Earnings per share		0,140	0,109	28,25%	0,095	0,069	38,02%
Net Bank Debt		124.811	121.147	3.664	-	-	-
Net Bank Debt/EBITDA (x)	4)	1,61	1,68	-0,07 x	-	-	-
EBITDA/Net Interest (x)	3)	17,75	26,62	-8,86 x	18,98	22,66	-3,67 x
Equity/Net Assets		45,7%	47,5%	-1,77 p.p.	-	-	-

1) Related to Production

2) 1H12 refers to Goodwill impairment (1995), land impairment (1000) and receivable TVA impairment (1624). 1H11 refers to Goodwill impairment.

3) Net interest includes interest from loans deducted of interest from deposits (excludes stamp tax and commissions)

4) Current EBITDA of the last four quarters

8. OUTLOOK FOR THE SECOND HALF OF 2012

As stated in the report for the first half of 2011, it seems that the forecasts for a deteriorating economic environment in the second half of the year will remain mostly unchanged.

The global economy continues to lose momentum, a situation that is not affecting only Europe and part of the U.S. economy. This slowdown, which could even lead to an entry into negative territory in Europe, will certainly affect CORTICEIRA AMORIM' business. The long cycle of quarterly growth may be at stake.

There are a number of circumstances - such as maintaining the sales momentum, a favorable U.S. dollar/Euro exchange rate, the launch of a new product line of floor and wall coverings and the effect of bringing Trefinos' operations under the consolidation umbrella of CORTICEIRA AMORIM - that may offset the negative effects set forth above.

Although we anticipate a slower business growth and do not expect any new non-recurring expenses to occur, the results for the second half year of 2012 might not be very different from those in the first half.

9. BUSINESS RISKS AND UNCERTAINTIES

The persistence of serious structural problems in the world economy and the foreign exchange risk, especially of the US dollar against the euro, are the two exogenous factors which may more broadly and adversely affect CORTICEIRA AMORIM's performance in the next six months.

10. TREASURY STOCK

As at June 30, 2012, CORTICEIRA AMORIM's portfolio consisted of 6,787,462 treasury stock representing 5.103% of its share capital. No sales or disposals of treasury stock were made over the half year under consideration.

11. TRANSACTIONS BY DIRECTORS & OFFICERS

In accordance with the provisions of Sections 14.6 and 14.7 of Regulation no.5/2008 of the Portuguese Securities Market Commission and as per information provided by persons / corporate bodies covered by this standard, we hereby disclose the following information:

a) CORTICEIRA AMORIM's shares held and/or sold directly by the members of the governing bodies of the Company:

i) As at June 30, 2012, Mr André de Castro Amorim (a Company's director) held 259,038 CORTICEIRA AMORIM's shares; no shares were sold by him in the first half of 2012;

ii) no CORTICEIRA AMORIM's shares were held or sold by the other members of the governing bodies of the Company.

b) CORTICEIRA AMORIM's shares held and/or sold by companies in which the members of the governing bodies of the Company perform managerial or supervisory duties:

i) As at December 31, 2011, Amorim Capital, SGPS, SA - a company in which Mr António Rios de Amorim (the Chairman of the Board of CORTICEIRA AMORIM) performed managerial duties - held 101,820314 CORTICEIRA AMORIM's shares representing approximately 76.557% of CORTICEIRA AMORIM's share capital. The following CORTICEIRA AMORIM's shares were sold by Amorim Capital, SGPA, SA in the first half of 2012:

Transaction date	Market	Transaction	Price per share (€)	No. of shares sold
28-06-2012	OTC	Sale	1.48	16,995,157
28-06-2012	OTC	Sale	1.48	16,995,157
			Total:	**33.990.314**

ii) Amorim - Sociedade Gestora de Participações Sociais, SGPS, SA - a company in which Mr António Rios de Amorim (the Chairman of the Board of CORTICEIRA AMORIM) performed managerial duties - held 3,069,230 CORTICEIRA AMORIM's shares representing approximately 2.3% of CORTICEIRA AMORIM's share capital. No CORTICEIRA AMORIM's shares were sold by Amorim - Sociedade Gestora de Participações Sociais, SGPS, SA in the first half of 2012;

iii) EVALESCO, SGPS, SA - a company in which Mr Joaquim Ferreira de Amorim and Mr André de Castro Amorim (CORTICEIRA AMORIM's directors) performed managerial duties - held 90,000 CORTICEIRA AMORIM's shares. No CORTICEIRA AMORIM's shares were sold by EVALESCO, SGPS, SA in the first half of 2012;

iv) Sociedade Agrícola Triflor, SA - a company in which Mr Joaquim Ferreira de Amorim and Mr André de Castro Amorim (CORTICEIRA AMORIM's directors) performed managerial duties - held 285,956 CORTICEIRA AMORIM's shares. No CORTICEIRA AMORIM's shares were sold by Sociedade Agrícola Triflor, SA in the first half of 2012.

c) List of members holding not less than one-tenth of CORTICEIRA AMORIM's share capital:
As at June 30, 2012, Amorim Capital - Sociedade Gestora de Participações Sociais, SA held 67,830,000 CORTICEIRA AMORIM's shares representing 51% of CORTICEIRA AMORIM's share capital.

Additional Information:

1. As at June 30, 2012 - the date to which the information contained herein relates - the Board of Directors of CORTICEIRA AMORIM was composed as follows:

Chairman:	Mr António Rios de Amorim
Vice-Chairman:	Mr Joaquim Ferreira de Amorim
Members:	Mr Nuno Filipe Vilela Barroca de Oliveira
	Mrs Luísa Alexandra Ramos Amorim
	Mr Jorge Manuel Seabra de Freitas
	Mr André de Castro Amorim
	Mr Fernando José de Araújo dos Santos Almeida

2. As at July 25, 2012 - the date of this report - the Board of Directors of CORTICEIRA AMORIM was composed as follows:

Chairman:	Mr António Rios de Amorim
Vice-Chairman:	Mr Nuno Filipe Vilela Barroca de Oliveira
Members:	Mrs Cristina Rios de Amorim Baptista
	Mrs Luísa Alexandra Ramos Amorim
	Mr Jorge Manuel Seabra de Freitas
	Mr Juan Ginesta Viñas
	Mr Fernando José de Araújo dos Santos Almeida

12. QUALIFIED OWNERSHIP INTERESTS IN THE SHARE CAPITAL OF THE ISSUER AS CALCULATED IN ACCORDANCE WITH ARTICLE 20 OF THE PORTUGUESE SECURITIES MARKET ACT

List of members holding qualified ownership interests as of 30 June 2012:

Name of Shareholder	No. of shares	Interest (%)
Amorim Capital, SGPS, SA	67,830,000	51.000%
Investmark Holdings BV	24,875,157	18.778%
Amorim – Sociedade Gestora de Participações Sociais, SGPS, SA	3,069,230	2.308%
Amorim International Participations BV	16,995,157	12.778%
Qualified Ownership Interests – TOTAL	**112,869,000**	**84.864%**

As at June 30, 2012, Amorim - Investimentos e Participações, SGPS, SA, held an indirect qualified ownership interest in CORTICEIRA AMORIM of 67,830,000 shares representing a 51% stake in the share capital of the Company. Such indirect qualified ownership interest is held through Amorim Capital - Sociedade Gestora de Participações Sociais, SA.

Amorim - Investimentos e Participações, SGPS, SA is wholly owned by Interfamília II, SGPS, SA.

Investmark Holdings BV is wholly owned by Warranties, SGPS, SA which, in turn, is 70% owned by Mr Americo Ferreira de Amorim.

Amorim International Participations BV is wholly owned by Amorim - Sociedade Gestora de Participações Sociais, SA and, therefore, this company directly and indirectly has a qualified ownership interest in CORTICEIRA AMORIM of 20,064,387 shares representing a 15.086% stake in the share capital of CORTICEIRA AMORIM.

As of June 30, 2012, CORTICEIRA AMORIM held a total of 6,787,462 treasury stock.

13. SUBSEQUENT EVENTS

After June 30, 2012 and up to the date hereof, no other relevant events have occurred which might materially affect the financial position and future profit or loss of CORTICEIRA AMORIM and its subsidiaries included in the consolidation taken as a whole.

14. STATEMENT OF DIRECTORS' RESPONSIBILITIES

In accordance with the requirements of Section 246.1(c) of the Portuguese Securities Market Act, the directors state that, to the best of their knowledge, the financial statements for the half year ended June 30, 2012 and all other accounting documents have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of CORTICEIRA AMORIM, SGPS, SA and the undertakings included in the consolidation taken as a whole. The directors further state that the Directors' Report faithfully describes the development, performance and position of CORTICEIRA AMORIM's business and the undertakings included in the consolidation taken as a whole. The Directors' Report contains a special section describing the main risks and uncertainties that could impact our business in the next six months.

Mozelos, 25 July 2012

The Board of Directors of CORTICEIRA AMORIM, SGPS, SA

António Rios de Amorim
Chairman ____________________________

Nuno Filipe Vilela Barroca de Oliveira
Vice-President ____________________________

Fernando José de Araújo dos Santos Almeida
Member ____________________________

Cristina Rios de Amorim Baptista
Member ____________________________

Luísa Alexandra Ramos Amorim
Member ____________________________

Juan Ginesta Viñas
Member ____________________________

Jorge Manuel Seabra de Freitas
Member ____________________________

FINANCIAL REPORT INTERIM

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

thousand euro

	Notes	June 2012	December 2011	June 2011
Assets				
Property, plant and equipment	VIII	171.379	172.372	168.671
Investment property	VIII	6.279	7.576	7.960
Goodwill	IX	9.724	11.849	11.781
Investments in associates	V e X	6.454	5.967	5.959
Intangible assets	VIII	420	427	470
Other financial assets	X	18.453	3.573	3.392
Deferred tax assets	XI	6.049	6.105	7.417
Non-current assets		**218.759**	**207.869**	**205.650**
Inventories	XII	219.295	224.922	183.726
Trade receivables	XIII	139.477	116.758	133.318
Current tax assets	XIV	29.873	23.662	19.127
Other current assets	XV	9.215	10.160	13.918
Cash and cash equivalents	XVI	23.707	21.681	12.175
Current assets		**421.566**	**397.183**	**362.263**
Total Assets		**640.324**	**605.053**	**567.913**
Equity				
Share capital	XVII	133.000	133.000	133.000
Treasury stock	XVII	-6.247	-6.247	-6.247
Other reserves	XVII	135.384	117.827	117.656
Net Income		17.716	25.274	13.814
Non-Controlling Interest	XVIII	13.029	12.439	11.569
Total Equity		**292.883**	**282.292**	**269.792**
Liabilities				
Interest-bearing loans	XIX	58.323	62.464	48.567
Other borrowings and creditors	XXI	13.278	10.525	923
Provisions	XXIX	20.256	16.700	14.659
Deferred tax liabilities	XI	5.572	6.103	5.861
Non-current liabilities		**97.429**	**95.792**	**70.009**
Interest-bearing loans	XIX	90.195	76.641	84.755
Trade payables	XX	98.611	105.939	92.843
Other borrowings and creditors	XXI	39.092	30.565	34.144
Tax liabilities	XXII	22.115	13.824	16.368
Current liabilities		**250.013**	**226.969**	**228.112**
Total Liabilities and Equity		**640.324**	**605.053**	**567.913**

CONSOLIDATED INCOME STATEMENT BY NATURE
SECOND QUARTER AND FIRST HALF 2012

thousand euro

2Q12	2Q11		Notes	1H12	1H11
non audited	non audited				
143.720	134.262	Sales	VII	274.996	254.678
-75.219	-65.401	Costs of goods sold and materials consumed		-144.315	-128.090
3.951	-1.265	Change in manufactured inventories		9.628	7.377
72.453	**67.596**	**Gross Margin**		**140.309**	**133.965**
49,1%	50,8%			49,3%	51,1%
23.926	21.646	Third party supplies and services	XXIII	46.346	44.446
25.393	24.066	Staff costs	XXIV	50.852	48.254
-489	613	Impairments of assets	XXV	691	1.087
2.318	1.998	Other gains	XXVI	5.322	3.835
96	-616	Other costs	XXVI	-2.977	-4.281
26.037	**22.653**	**Current EBITDA**		**44.765**	**39.732**
5.332	5.762	Depreciation	VIII	10.851	11.284
20.705	**16.891**	**Current EBIT**		**33.914**	**28.448**
2.776	1.736	Non-current costs	XXIV	4.619	3.563
-1.837	-1.324	Net financial costs	XXVII	-3.422	-1.372
386	327	Share of (loss)/profit of associates	X	381	547
16.478	**14.160**	**Profit before tax**		**26.254**	**24.060**
4.094	5.229	Income tax	XI	8.084	9.890
12.384	**8.931**	**Profit after tax**		**18.169**	**14.170**
428	270	Non-controlling Interest	XVIII	453	356
11.955	**8.661**	**Net Income attributable to the equity holders of Corticeira Amorim**		**17.716**	**13.814**
0,095	**0,069**	**Earnings per share - Basic e Diluted (euros per share)**	**XXXIII**	**0,140**	**0,109**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
SECOND QUARTER AND FIRST HALF 2011

thousand euro

2Q12 non audited	2Q11 non audited		1H12	1H11
12.383	**8.931**	**Net Income (before Min. Interest)**	**18.169**	**14.170**
-412	-279	Change in derivative financial instruments fair value	-101	131
179	112	Change in translation differences	948	-394
-233	**-167**	**Net Income directly registered in Equity**	**847**	**-263**
12.150	**8.764**	**Total Net Income registered**	**19.016**	**13.907**
		Attributable to:		
11.590	8.509	Corticeira Amorim Shareholders	18.203	14.088
560	255	Non-controlling Interest	813	-181

CONSOLIDATED CASH FLOW STATEMENT
SECOND QUARTER AND FIRST HALF 2011

thousand euro

2Q12 (non audited)	2Q11 (non audited)		1H12	1H11
		OPERATING ACTIVITIES		
143.364	130.389	Collections from customers	278.137	239.426
-105.674	-110.294	Payments to suppliers	-232.233	-222.601
-22.823	-21.089	Payments to employees	-45.646	-43.242
14.867	-994	**Operational cash flow**	258	-26.417
-1.399	-2.789	Payments/collections - income tax	-1.663	-2.885
3.243	6.969	Other collections/payments related with operational activities	26.718	40.243
16.711	**3.186**	**CASH FLOW BEFORE EXTRAORDINARY ITEMS (1)**	**25.313**	**10.941**
		INVESTMENT ACTIVITIES		
		Collections due to:		
279	46	Tangible assets	367	231
0	-1	Intangible assets	0	30
0	0	Investment property	0	0
32	-64	Other assets	75	88
292	857	Interests and similar gains	457	938
1.196	-15	Investment subsidies	2.927	54
		Payments due to:		
-5.010	-8.007	Tangible assets	-8.704	-14.360
-15.105	-678	Financial investments	-15.105	-693
-22	-46	Intangible assets	-28	-46
0	0	Other assets	0	-8
-18.338	**-7.908**	**CASH FLOW FROM INVESTMENTS (2)**	**-20.011**	**-13.766**
		FINANCIAL ACTIVITIES		
		Collections due to:		
0	0	Loans	2.970	0
138	376	Others	235	376
		Payments due to:		
-2.347	-17.624	Loans	0	-6.349
-2.127	-1.557	Interests and similar expenses	-3.494	-2.457
-8.439	-12.445	Dividends	-8.439	-13.058
0	0	Acquisition of treasury stock	0	0
-559	-171	Others	-1.330	-337
-13.334	**-31.421**	**CASH FLOW FROM FINANCING (3)**	**-10.058**	**-21.825**
-14.961	-36.143	Change in Cash (1) + (2) + (3)	-4.756	-24.650
315	-49	Exchange rate effect	267	-424
16.888	30.062	Cash at beginning	6.731	18.944
2.242	-6.130	Cash at end	2.242	-6.130

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

thousand euro

	Balance Beginning	Appropriation of N-1 profit	Dividends	Net Profit N	Increases	Translation Differences	End Balance
June 30, 2012							
Equity:							
Share Capital	133.000	-	-	-	-	-	133.000
Treasury Stock - Face Value	-6.787	-	-	-	-	-	-6.787
Treasury Stock - Discounts and Premiums	541	-	-	-	-	-	541
Paid-in Capital	38.893	-	-	-	-	-	38.893
IFRS Transition Adjustments	-8.332	-	-	-	0	15	-8.317
Hedge Accounting	-11	-	-	-	-101	-	-112
Reserves							
Legal Reserve	12.243	-	-	-	-	-	12.243
Other Reserves	76.469	25.274	-8.204	-	-760	-	92.779
Translation Difference	-1.435	-	-	-	681	652	-102
	244.580	**25.274**	**-8.204**	**0**	**-180**	**667**	**262.138**
Net Profit for the Year	25.274	-25.274	-	17.716	-	-	17.716
Minority interests	12.439	-	-223	453	-26	386	13.029
Total Equity	**282.293**	**0**	**-8.427**	**18.169**	**-206**	**1.053**	**292.883**
June 30, 2011							
Equity:							
Share Capital	133.000	-	-	-	-	-	133.000
Treasury Stock - Face Value	-6.787	-	-	-	-	-	-6.787
Treasury Stock - Discounts and Premiums	541	-	-	-	-	-	541
Paid-in Capital	38.893	-	-	-	-	-	38.893
IFRS Transition Adjustments	-8.634	-	-	-	-	81	-8.553
Hedge Accounting	-164	-	-	-	131	-	-33
Reserves	0						
Legal Reserve	10.887	1.357	-	-	-	-	12.243
Other Reserves	69.450	19.178	-12.621	-	-147	-	75.860
Translation Difference	-1.305	-	-	-	490	62	-753
	235.880	**20.535**	**-12.621**	**0**	**475**	**143**	**244.411**
Net Profit for the Year	20.535	-20.535	-	13.814	-	-	13.814
Minority interests	12.131	-	-432	357	50	-537	11.569
Total Equity	**268.546**	**-1**	**-13.053**	**14.171**	**525**	**-394**	**269.794**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2012

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 July 25, 2012.

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 local 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, 2012, namely IAS 34. 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.

Profit or loss is allocated to the shareholders of the mother company and to the non-controlling interest in proportion of their correspondent parts of capital, even in the case that non-controlling interest become negative.

IFRS 3 is applied to all business combinations past January 1, 2010, according to Regulamento no. 495/2009, of June 3, as adopted by the European Commission. When acquiring subsidiaries the purchasing method will be followed. According to the revised IFRS, the acquisition cost will be measured by the given fair value assets, by the assumed liabilities and equity interest issued. Transactions costs will be charged as incurred and the services received. The exceptions are the costs related with debt or capital issued. These must be registered according to IAS 32 and IAS 39. Identifiable purchased assets and assumed liabilities will be initially measured at fair value. The acquirer shall recognized goodwill as of the acquisition date measured as the excess of (i) over (ii) below:

(i) the aggregate of:

- the consideration transferred measured in accordance with this IFRS;
- the amount of any Non-controllable interest in the acquiree; and
- In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed

In the case that (ii) exceeds (i), a difference must be registered as a gain.

Non-controlling Interest are recorded at fair value or in the proportion of the percentage held in the net asset of the acquiree, as long as it is effectively owned by the entity. The others components of the non-controlling interest are registered at fair value, except if other criteria is mandatory.

Inter-company transactions, balances, dividends and unrealized gains on transactions between group companies are eliminated. Unrealized 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.

In Business combinations after January 1, 2010, Goodwill will be calculated as referred in b).

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 statements of financial position, 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 consolidated statements of financial position 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". Noncurrent 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 in the consolidated statements of financial position 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. FINANCIAL RISK MANAGEMENT

CORTICEIRA AMORIM activities expose it to a variety of financial risks: market risks (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk.

Market risk

a. Exchange rate risk

CORTICEIRA AMORIM operates in various international markets, being, consequently, exposed to exchange rates variations in the local currencies in which conducts its business. Around 30% of its total sales are denominated in currencies other than its reporting currency (euro). Of that percentage around 20% is USD denominated. The remaining sales are concentrated in South African rand, Chilean peso, British pound and Australian dollar. About 90% of the goods and services acquired are euro based. Most of the remaining value is denominated in USD.

Exchange rate risk derives not only from the effects of the exchange rates variations in non-euro assets and liabilities euro counter value, but also from the effects in the book orders (future transactions) and from net investments in operating units located in non-euro areas.

Exchange rate risk management policy established by CORTICEIRA AMORIM Board points out to a total hedging of the assets deriving from sales in the most important currencies and from USD acquisitions. As for book orders up to 90 days, each Business Unit responsible will decide according to exchange rate evolution. Book orders, considered relevant, due after 90 days, will be presented by the Business Unit responsible to the Board.

As of June 30, 2012, exchange rates different from the actual as of that date, would have no material effect in financial assets or liabilities values, due to the said hedging policy. As for book orders any effect would be registered in Equity. As for non-euro net investments in subsidiaries/associate, any exchange rate effect would be registered in Equity, because CORTICEIRA AMORIM does not hedge this type of assets. As these investments are not considered relevant, the register of the effects of exchange rates variations was, during the prior years within a narrow range (1H12: -102K€, 2011: -1,435K€, 2010 and -1,305K€).

b. Interest rate risk

All interest bearing debt is linked to variable interest rate. Most of the risk derives from the noncurrent-term portion of that debt. As for December 31, 2011, noncurrent-term debt was 39% of total interest bearing debt (2011: 46%). During 2010 Corticeira Amorim, SGPS, SA signed an interest rate swap regarding the economic hedging of the interest rate risk. In its books, this was registered as an available-for-sale derivative. As of June 30, 2012, for each 0.1% variation in euro based debt, a total effect of -150 K€ in CORTICEIRA AMORIM profits would be registered.

Credit risk

Credit risk is due, mainly, to receivables from customers related to trade sales. Credit risk is monitored by the operating companies Financial Departments, taking in consideration its history of trade relations, financial situation as well as other types of information that CORTICEIRA AMORIM business network has available related with each trading partner. Credit limits are analysed and revised, if necessary, on a regular basis. Due to the high number of customers, spread through all continents, the most important of them weighting less than 2.5% of total sales, credit risk is naturally diminished.

Liquidity risk

Liquidity is defined as the capacity to settle assumed responsibilities. Liquidity risk hedging is accomplished through the availability of a certain number of credit lines, which are not used. With these lines, CORTICEIRA AMORIM can settle positions in a very short period, allowing for the necessary flexibility in conducting its business.

Liquidity reserve is composed mainly, by non-used credit line facilities. Based in estimated cash flows, liquidity reserve performance will be as follows:

thousand euros

	2012
Opening balance	**143**
Operating cash in	500
Operating cash out	-420
Investments	-16
Interest and dividends	-15
TVA flow	-35
Income tax	-10
Non-current debt payment	-75
Use of additional credit lines / new credit lines	95
Saldo final	**167**

Capital risk

CORTICEIRA AMORIM key objective is to assure business continuity, delivering a proper return to its shareholders and the correspondent benefits to its remaining stakeholders. A careful management of the capital employed in the business, using the proper combination of capital in order to reduce its costs, obtains the fulfilment of this objective. In order to achieve the proper combination of capital employed, the Board can obtain from the General Shareholders Meeting the approval of the necessary measures, namely adjusting the dividend pay-out ratio, the treasury stock, raising capital through new shares issue, sale of assets or other type of measures.

The key indicator for the said combination is the Equity / Assets ratio. CORTICEIRA AMORIM considers that a 40% ratio is a clear sign of a perfect combination, and a range between 35%-45%, depending on actual economic conditions and of the cork sector in particular, is the objective to be accomplished. The said ratio register was:

Thousands euros

	Jun 30, 2012	2011	2010
Equity	292,883	282,292	268,545
Assets	640,324	605,053	561,730
Ratio	45.7%	46.7%	47.8%

The Ratio was adversely affected by total assets variation, which increased about 35 million euros in the 1H12 and 43 million euros in 2011, largely due to a higher cork campaign acquisition. For this reason, raw material inventory was 35 million euros higher as of December 2011, when compared to December 2010. During 1H12, the main reason for that growth comes from a higher Trade receivables balance as a result of the sales increase.

Financial assets and liabilities fair value

Derivatives used by CORTICEIRA AMORIM have no public quotation because they are not traded in an open market. A proprietary model of CORTICEIRA AMORIM, developed by Reuters, calculates its fair value. In the case of the interest rates swap, the fair value was calculated by a financial institution. Trade and other receivables, adjusted by any necessary impairment, trade and other payables, investment grants and medium and long-term liabilities were discounted using an interest rate similar to the average interest rate that CORTICEIRA AMORIM registered at year-end 2011 (4.1%).

IV. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When evaluating equity and net income, CORTICEIRA AMORIM makes estimates and assumptions concerning events only effective in the future. In most cases, estimates were confirmed by future events. In such cases where it doesn't, variations will be registered when they'll be materialized.

As for 1H12, no estimates and judgements were identified as having important impact in CORTICEIRA AMORIM results if not materialized.

As for assets, goodwill amounts to 9,724 K€ (2011: 11,849 K€). This value is supported by impairment tests made at year-end 2011. The judgment used in these tests are key factors in order to decide or not if there is any impairment. Discount rate use in these tests ranged between 8.6% and 11.2%. In the particular case of North Africa subsidiaries and due to political risks arising during 2011, an impairment test was achieved as of June 30. A goodwill impairment of 1,995 K€ was registered as a result, mainly due to an expected deterioration of these markets profitability. Discount rate used was 10.6%. Still to be noted 6,049 K€ registered in deferred tax assets (2011: 6,105 K€). There will be no impairment if the business plans used in the tests will be accomplished in the future.

V. COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

COMPANY		HEAD OFFICE	COUNTRY	1H12
Raw Materials				
Amorim Natural Cork, S.A.		**Vale de Cortiças - Abrantes**	**PORTUGAL**	**100%**
Amorim Florestal, S.A.		Ponte de Sôr	PORTUGAL	100%
Amorim Florestal España, SL		San Vicente Alcántara	SPAIN	100%
Amorim Florestal Mediterrâneo, SL		Cádiz	SPAIN	100%
Amorim Tunisie, S.L.		Tabarka	TUNISIA	100%
Comatral - C. de Marocaine de Transf. du Liège, S.A.		Skhirat	SPAIN	100%
Cork International, S.A.R.L.		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	(d)	Tabarka	TUNISIA	45%
Vatrya - Serviços de Consultadoria, Lda		Funchal - Madeira	PORTUGAL	100%
Cork Stoppers				
Amorim & Irmãos, SGPS, S.A.		**Santa Maria Lamas**	**PORTUGAL**	**100%**
Amorim & Irmãos, S.A.		Santa Maria Lamas	PORTUGAL	100%
Amorim Argentina, S.A.		Tapiales - Buenos Aires	ARGENTINA	100%
Amorim Australasia, Pty Ltd		Adelaide	AUSTRALIA	100%
Amorim Cork América, Inc.		California	U. S. AMERICA	100%
Amorim Cork Beijing, Ltd		Beijing	CHINA	100%
Amorim Cork Bulgaria EOOD		Plovdiv	BULGARIA	100%
Amorim Cork Deutschland GmbH & Co KG		Mainzer	GERMANY	100%
Amorim Cork España, S.L.		San Vicente Alcántara	SPAIN	100%
Amorim Cork Itália, SPA		Conegliano	ITALY	100%
Amorim Cork South Africa (Pty) Ltd		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%
Corchos de Argentina, S.A.	(d)	Mendoza	ARGENTINA	50%
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		Budapest	HUNGARY	100%
Indústria Corchera, S.A.	(e)	Santiago	CHILE	50%
Korken Schiesser Ges.M.B.H.		Vienna	AUSTRIA	69%
Olimpiadas Barcelona 92, S.L.		Girona	SPAIN	100%
Portocork América, Inc.		California	U. S. AMERICA	100%
Portocork France		Bordeaux	FRANCE	100%
Portocork Internacional, S.A.		Santa Maria Lamas	PORTUGAL	100%
Portocork Itália, S.A.		Conegliano	ITALY	100%
S.A. Oller et Cie		Reims	FRANCE	87%
S.C.I. Friedland		Céret	FRANCE	100%
Société Nouvelle des Bouchons Trescases	(d)	Perpignan	FRANCE	50%
Victor y Amorim, Sl	(e)	Navarrete - La Rioja	SPAIN	50%

COMPANY		HEAD OFFICE	COUNTRY	1H12
Floor & Wall Coverings				
Amorim Revestimentos, S.A.		**Lourosa**	**PORTUGAL**	**100%**
Amorim Benelux, BV - AR	(a)	Tholen	NETHERLANDS	100%
Amorim Deutschland, GmbH - AR	(c)	Delmenhorts	GERMANY	100%
Amorim Flooring (Switzerland) AG		Zug	SWITZERLAND	100%
Amorim Flooring Austria GesmbH		Vienna	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		Tokyo	JAPAN	100%
Amorim Revestimientos, S.A.		Barcelona	SPAIN	100%
Cortex Korkvertriebs GmbH		Fürth	GERMANY	100%
Corticeira Amorim - France SAS - AR	(b)	Lavardac	FRANCE	100%
Dom KorKowy, Sp. Zo. O.	(e)	Kraków	POLAND	50%
Timberman Denmark A/S		Hadsun	DENMARK	50%
US Floors, Inc.	(d)	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	(a)	Tholen	NETHERLANDS	100%
Amorim Cork Composites Inc.		Trevor Wisconsin	U. S. AMERICA	100%
Amorim Deutschland, GmbH - ACC	(c)	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	(b)	Lavardac	FRANCE	100%
Drauvil Europea, SL		San Vicente Alcantara	SPAIN	100%
Dyn Cork - Technical Industry, Lda	(d)	Paços de Brandão	PORTUGAL	50%
Postya - Serviços de Consultadoria, Lda.		Funchal - Madeira	PORTUGAL	100%
Spheroil - Materiais Compósitos, Lda		Mozelos	PORTUGAL	100%
Insulation Cork				
Amorim Isolamentos, S.A.		**Vendas Novas**	**PORTUGAL**	**80%**
Holding				
Corticeira Amorim, SGPS, S.A.		**Mozelos**	**PORTUGAL**	**100%**
Amorim Benelux, BV - A&I	(a)	Tholen	NETHERLANDS	100%
Amorim Cork Research, Lda.		Mozelos	PORTUGAL	100%
Ginpar, S.A. (Générale d' Investiss. et Participation)		Skhirat	MOROCCO	100%
Sopac - Soc. Port. de Aglomerados de Cortiça, Lda		Montijo	PORTUGAL	100%

(a) One single company: Amorim Benelux, BV.

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

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

(d) Equity method consolidation.

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

As referred in the management report and as disclosed, at the end of June a 90.91% stake of Trefinos, S.L. was acquired by a total of 15.1 million euros. This company is the mother company of six companies, whose business are in the production and distribution of champagne cork stoppers. As of June 30, 2012, the management of Trefinos, S.L. and its subsidiaries still did not reflect the changes in the ownership that the referred acquisition will imply.

As for this, no new management members were yet denominated. Trefinos activity will be consolidated beginning July 1, 2012. Following are the main available indicators of Trefinos group:

(thousand euros)	2011	2010
Consolidated sales	ND	29,979
Mother company sales	32,696	27,946
Consolidated assets	ND	33,392
Mother company assets	33,248	29,524
Consolidated net debt	ND	2,661
Mother company net debt	6,070	2,435
Consolidated equity	ND	15,497
Mother company equity	16,061	15,025
Consolidated profit	ND	1,624
Mother company profit	1,349	1,300

VI. EXCHANGE RATES USED IN CONSOLIDATION

Exchage rates		First Half End 2012	First Half Average 2012	Year end 2011	Average 2011
Argentine Peso	ARS	5,73015	5,69502	5,74419	5,56722
Australian Dollar	AUD	1,23390	1,25586	1,34839	1,27230
Lev	BGN	1,95570	1,95568	1,95561	1,95560
Brazilian Real	BRL	2,57880	2,41443	2,32651	2,41590
Canadian Dollar	CAD	1,28710	1,30403	1,37610	1,32150
Swiss Franc	CHF	1,20300	1,20483	1,23261	1,21560
Chilean Peso	CLP	633,280	638,506	672,362	671,960
Yuan Renminbi	CNY	8,04160	8,19939	8,99772	8,14490
Danish Krone	DKK	7,43340	7,43495	7,45065	7,43420
Algerian Dinar	DZD	99,6311	97,0396	100,684	97,9746
Euro	EUR	1	1	1	1
Pound Sterling	GBP	0,80680	0,82252	0,86788	0,83530
Hong Kong Dollar	HDK	9,8187	10,0681	10,8375	10,0501
Forint	HUF	287,770	295,450	279,373	314,580
Yen	JPY	100,130	103,310	110,959	100,200
Moroccan Dirham	MAD	11,0609	11,0971	11,2368	11,1105
Norwegian Krone	NOK	7,53300	7,57286	7,79337	7,75400
Zloty	PLN	4,24880	4,24590	4,12061	4,45800
Ruble	RUB	41,0010	39,6762	40,8812	41,6630
Swedish Kronor	SEK	8,77280	8,88240	9,02984	8,91200
Tunisian Dinar	TND	2,00020	1,99155	1,95438	1,93640
US Dollar	USD	1,25900	1,29647	1,39196	1,29390
Rand	ZAR	10,3669	10,2942	10,0970	10,4830

VII. SEGMENT REPORT

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

- Raw Materials
- Cork Stoppers
- 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:

thousand euro

1H2012	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Ajustm.	Consolidated
Trade Sales	3.970	159.442	66.143	40.771	4.280	390	0	274.996
Other BU Sales	60.575	3.107	1.911	6.446	404	1.043	-73.485	-
Total Sales	**64.545**	**162.549**	**68.054**	**47.216**	**4.684**	**1.432**	**-73.485**	**274.996**
Current EBITDA	**6.308**	**25.784**	**8.424**	**4.707**	**1.133**	**-1.632**	**41**	**44.765**
Assets	**113.087**	**304.600**	**114.724**	**83.991**	**13.082**	**11.067**	**-228**	**640.324**
Liabilities	**31.802**	**98.005**	**35.197**	**25.256**	**2.057**	**18.642**	**136.482**	**347.442**
Capex	**855**	**4.352**	**212**	**2.832**	**388**	**47**	**0**	**8.686**
Year Depreciation	**-1.041**	**-5.288**	**-2.620**	**-1.574**	**-303**	**-26**	**0**	**-10.851**
Non-cash cost	**-1.967**	**-3.529**	**-290**	**67**	**-38**	**-29**	**0**	**-5.786**
Gains/Losses in associated companies	**-3**	**570**	**-43**	**-143**	**0**	**0**	**0**	**381**

1H2011	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Ajustm.	Consolidated
Trade Sales	1.628	149.641	58.092	38.440	4.354	1.103	1.420	254.678
Other BU Sales	53.006	2.901	1.770	7.269	348	-26	-65.268	-
Total Sales	**54.634**	**152.543**	**59.862**	**45.709**	**4.702**	**1.077**	**-63.848**	**254.678**
Current EBITDA	**14.282**	**19.353**	**3.570**	**4.465**	**1.167**	**-1.941**	**-1.164**	**39.732**
Assets	**100.194**	**272.437**	**113.356**	**72.361**	**11.357**	**2.671**	**-4.463**	**567.913**
Liabilities	**22.741**	**76.789**	**28.094**	**22.076**	**1.465**	**17.550**	**129.405**	**298.121**
Capex	**2.819**	**6.134**	**1.808**	**2.523**	**210**	**0**	**0**	**13.494**
Year Depreciation	**-1.608**	**-4.771**	**-2.919**	**-1.669**	**-296**	**-22**	**0**	**-11.284**
Non-cash cost	**-46**	**416**	**-4.006**	**-409**	**-58**	**0**	**0**	**-4.102**
Gains/Losses in associated companies	**11**	**503**	**33**	**0**	**0**	**0**	**0**	**547**

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

EBITDA =Profit before depreciation and amortisation, interests, non-controlling interests and income tax.

Provisions and asset impairments were considered the only relevant material cost which does no not involve disbursements.

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 EBITDA 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, like the use of tax advantages coming from tax consolidation instruments (RETGS).

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 more than 95% 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 and for cork rubber products the USA. 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.

Capex was concentrated in Portugal. Assets in foreign subsidiaries totalize 253 million euro, and are mostly composed by inventories (87 million), customers (83 million) and tangible fixed assets (37 million).

Sales by markets:

thousand euros

Markets	1H12		1H11	
European Union	163.378	59,4%	157.778	62,0%
From which: Portugal	*13.479*	*4,9%*	*12.150*	*4,8%*
Other European countries	19.476	7,1%	13.986	5,5%
United States	52.291	19,0%	45.271	17,8%
Other American countries	17.155	6,2%	17.399	6,8%
Australasia	17.989	6,5%	15.676	6,2%
Africa	3.711	1,3%	3.768	1,5%
Others	996	0,4%	799	0,3%
TOTAL	**274.996**	**100%**	**254.678**	**100%**

VIII. TANGIBLE, INTANGIBLE FIXED ASSETS AND INVESTMENT PROPERTY

thousand euros

	Land and buildings	Machinery	Other	Total tangible assets	Intangible assets	Investment property
Gross Value	206.169	277.480	36.931	520.580	4.214	14.320
Depreciation and impairments	-126.743	-201.213	-24.196	-352.152	-3.602	-6.587
Opening balance (Jan 1, 2010)	**79.426**	**76.267**	**12.735**	**168.428**	**612**	**7.733**
INCREASE	2.797	1.956	8.687	13.440	46	8
PERIOD DEPREC. AND IMPAIRMENTS	-2.171	-7.233	-680	-10.084	-128	-851
SALES AND OTHER DECREASES	-45	-464	-224	-733	-30	0
TRANSFERS AND RECLASSIFICATIONS	-884	820	-1.566	-1.630	-29	1.069
TRANSLATION DIFFERENCES	-233	-407	-111	-751	-1	0
Gross Value	207.472	276.380	42.537	526.389	3.215	15.261
Depreciation and impairments	-128.582	-205.441	-23.695	-357.718	-2.745	-7.301
Closing balance (Jun 30, 2010)	**78.890**	**70.939**	**18.842**	**168.671**	**470**	**7.960**
Gross Value	209.776	286.731	39.230	535.737	3.168	15.078
Depreciation and impairments	-129.640	-211.646	-22.080	-363.366	-2.741	-7.502
Opening balance (Jan 1, 2011)	**80.136**	**75.085**	**17.150**	**172.371**	**427**	**7.576**
INCREASE	239	1.025	7.576	8.840	27	0
PERIOD DEPREC. AND IMPAIRMENTS	-2.312	-7.456	-729	-10.497	-27	-1.297
SALES AND OTHER DECREASES	-17	-232	-112	-361	0	0
TRANSFERS AND RECLASSIFICATIONS	310	526	-1.575	579	-8	0
TRANSLATION DIFFERENCES	110	263	75	448	0	0
Gross Value	209.078	288.317	45.058	542.453	3.196	15.078
Depreciation and impairments	-130.612	-205.441	-22.673	-371.073	-2.777	-8.799
Closing balance (Jun 30, 2011)	**78.466**	**70.529**	**22.385**	**171.380**	**419**	**6.279**

The value of 6,279K€ (2011: 7,960K€) in Investment Property refers, mainly, to land and buildings not used for production purposes.

IX. GOODWILL

thousand euros

	Openning	Increases / Decreases	Translation Differences	Closing
Raw material BU	1.995	-1.995	0	0
Corkstoppers BU	6.934	-130	0	6.804
Corkflooring BU	2.920	0	0	2.920
Goodwill	**11.849**	**-2.125**	**0**	**9.724**

As stated in point IV, decrease in Raw material was due to the write-off of the remaining goodwill of North Africa subsidiaries. This cost was considered to be a non-current cost.

Decrease in Cork stoppers refers to an adjustment in the 2011 estimated goodwill of Corchos Argentina. This adjustment was booked against its equity value. As for 2011 Amorim Cork España acquisition, its assets and liabilities fair value were allocated during 2012. Its 200 K€ goodwill was expensed fully.

X. EQUITY COMPANIES AND OTHER FINANCIAL ASSETS

- **Equity Companies:**

thousand euros

	1H12	2011	1H11
Initial Balance	**5.967**	**5.362**	**5.362**
In / Out	0	784	0
Results	384	91	547
Dividends	0	-250	0
Other	104	-20	50
End Balance	**6.454**	**5.967**	**5.959**

The value of 104 K€, includes 130 K€ due to the adjustment of the estimated equity at 2011 year-end of Corchos Argentina in face of actual value. A negative variation of 23 K€ is associated with exchange rate variation as of June 30, 2012.

- **Other Financial Assets:**

At the end of 1H12, Other Financial Assets includes 15.1 M€ related with Trefinos, S.L. acquisition which will be consolidated line-by-line beginning 2012 second half. Remaining refers, mostly to financial applications and deposits acting as guaranties.

XI. INCOME TAX

The differences between the tax due for the current period and prior periods and the tax already paid or to be paid of said periods is registered as “deferred tax” in the consolidated income statement, according to note II k), and amounts to K€ 334 (1H11: K€ -233).

On the Balance sheet this effect amounts to K€ 6,049 (30/06/2011: K€ 7,417) as Deferred tax asset, and to K€ 5,572 (30/06/2011: K€ 5,861) as Deferred tax liability.

It is conviction of the Board that, according to its business plan, the amounts registered in deferred tax assets will be recovered as for the tax carry forward losses concerns.

			thousand euros
	1H12	**2011**	**1H11**
Related with Inventories / Customers and Debtors impairments	3.868	3.792	4.105
Related with Tax Losses	1.400	1.538	1.843
Related with Tax Benefits	0	0	515
Others	782	775	953
Deferred Tax Assets	**6.049**	**6.105**	**7.417**
Related with Fixed Tangible Assets	3.883	4.447	4.650
Related with Inventories	1.689	1.656	1.212
Deferred Tax Liabilities	**5.572**	**6.103**	**5.861**
Current Income Tax	-8.418	-12.132	-9.657
Deferred Income Tax	334	-1.615	-233
Income Tax	**-8.084**	**-13.747**	**-9.890**

Following chart explains the effective income tax rate, from the original income tax rate of most of Portuguese companies:

Income Tax Conciliation

Income Tax - Legal	**26,5%**
Effect arising from extraordinary taxation (derrama estadual)	3,2%
Effect due to diferent tax rates (foreign subsidiaries) and other	3,1%
Effect due to reversal of prior year tax estimates	-5,6%
Income tax - effective (1)	**27,2%**

(1) Income Tax / Pre-tax Profit, Equity Gains, Non-controlling Interests and non-current non-taxable costs

CORTICEIRA AMORIM and a large group of its Portuguese subsidiaries are taxed since January 1, 2001, as a group special regime for tax purposes (RETGS), as according to article 69, of the income tax code (CIRC). The option for this special regime is renewable every five years.

According to law, tax declarations for CORTICEIRA AMORIM and its Portuguese subsidiaries are subject of revision and possible correction from tax authorities generally during the next four years.

No material effects in the financial statements as of June 30, 2012, are expected by the Board of CORTICEIRA AMORIM and its subsidiaries from the revisions of tax declarations that will be held by the tax authorities.

Following is presented the information regarding tax losses amounts and its time limits for utilisation:

						thousand euros
	2012	**2013**	**2014**	**2015**	**2016 and further**	**TOTAL**
Foreign companies	0	0	322	159	38.018	38.499
Non utilised tax losses	**0**	**0**	**322**	**159**	**38.018**	**38.499**

Due to the fact that the definitive tax reports are filled only at the end of the year, the information above states the situation as of the closing of 2011, with the changes from the semester activity.

As for the foreign companies, the year 2016 and further was considered for those situations that correspond to tax losses to carry forward with no limit of utilization. Tax losses from foreign subsidiaries that are in a reorganization process were not considered as they are not likely to be used.

XII. INVENTORIES

thousand euros

	1H12	2011	1H11
Goods	19.185	17.170	15.742
Finished and semi-finished goods	82.550	73.317	76.271
By-products	596	472	744
Work in progress	12.535	11.615	11.344
Raw materials	103.823	124.096	78.475
Advances	4.366	1.056	4.906
Goods impairments	-1.185	-857	-1.296
Finished and semi-finished goods impairments	-2.455	-1.759	-2.244
Raw materials impairments	-119	-188	-216
Inventories	**219.295**	**224.922**	**183.726**

Raw material increase from 1H11 was due to a higher volume of cork acquired during the last campaign, and also due to its higher acquisition price. As for the increase from 2011 year-end, this comes from the usual effect of the first half cork consumption being far larger than the residual quantities purchased during the period.

XIII. TRADE RECEIVABLES

thousand euros

	1H12	2011	1H11
Gross amount	151.186	129.994	147.006
Impairments	-11.710	-13.236	-13.687
Trade receivables	**139.477**	**116.758**	**133.318**

At the end of each period, Trade receivables credit quality is analysed. Due to specific business environment, balances unpaid up to 120 days are not impaired. From 120 to 180 days a 60% impairment register is considered. Over 180 days as well as all doubtful balances are fully impaired. These rules do not overcome specific cases analysis.

Due and past due balances are as follows:

million euros

	1H12	1H11
Due	110	102
Past due between 0 and 120 days	29	32
Past due between 120 and 180 days	2	2
Doubtful and past due over 180 days	10	12
Impairment	12	14

XIV. RECOVERABLE TAXES

thousand euros

	1H12	2011	1H11
Value added tax (TVA)	26,444	20,086	15,589
Other taxes	3,429	3,576	3,538
Recoverable taxes	**29,873**	**23,662**	**19,127**

TVA increasing trend balances are not only the result of the increase in activity but are mainly due to the growing delay of the reimbursement which is being postponed beyond legal limits by the tax authority. At 2011 year-end, the delay amounted to 3.1 M€. At the end of the semester, totalled 9.2 M€.

As stated, during the period a 1.6 M€ impairment related to TVA receivables from Argentinean tax authority was booked. This comes in accordance with recent situations occurred in that country.

XV. OTHER ASSETS

thousand euros

	1H12	2011	1H11
Advances to suppliers	4,248	3,463	3,931
Deferred assets	1,715	2,563	2,593
Hedge accounting assets	267	252	688
Others	2,986	3,882	6,705
Other current assets	**9,215**	**10,160**	**13,918**

XVI. CASH AND CASH EQUIVALENTS

thousand euros

	1H12	2011	1H11
Cash	234	202	153
Bank Balances	12.192	5.778	11.603
Time Deposits	11.275	15.696	412
Others	6	5	7
Cash and cash equivalents according to Balance Sheet	**23.707**	**21.681**	**12.175**
Overdraft	-21.465	-14.950	-18.305
Cash and cash equivalents according to Cash Flow Stat.	**2.242**	**6.731**	**-6.130**

XVII. CAPITAL AND RESERVES

- Share Capital

As of June 30, 2012, the share capital is represented by 133,000,000 ordinary registered shares, conferring dividends, with a par value of 1 Euro.

The Board of CORTICEIRA AMORIM is authorised to raise the share capital, one or more times, respecting the conditions of the commercial law, up to € 250,000,000.

- Treasury stock

During the first half, no transactions were done. As of June 30, 2011, CORTICEIRA AMORIM held 6,787,462 of its own shares, representing 5.103% of its share capital.

- Dividends

In the Shareholders' General Meeting of March 29, 2012, a dividend per share of 6.5 cents of euro was approved. The payment was made as of April, 30.

thousand euros

	1H12	2011	2010
Dividends paid: - 2012: 0,065 and 2011: 0,10 (euros per share)	8,645	13,300	0
Portion attributable to own shares	-441	-679	0
Dividends paid	**8,204**	**12,621**	**0**

XVIII. NON-CONTROLLABLE INTERESTS

thousand euros

	1H12	2011	1H11
Initial Balance	**12,439**	**12,131**	**12,131**
In / Out	0	182	50
Results	453	1,141	356
Dividends	-223	-506	-432
Exchange Diferrences	386	-509	-543
Others	-26	0	8
End Balance	**13,029**	**12,439**	**11,569**

XIX. INTEREST BEARING DEBT

As of June 30, 2012, interest bearing loans was as follows:

thousand euros

	1H12	2011	1H11
Bank loans	63,355	54,802	75,231
Overdrafts	24,840	0	0
Reimbursable subsidies	0	124	7,524
Commercial Paper	2,000	21,715	2,000
Interest-bearing loans - current	**90,195**	**76,641**	**84,755**

thousand euros

	1H12	2011	1H11
Bank loans	22,823	1,936	3,139
Bonds	0	25,000	25,000
Reimbursable subsidies	0	28	428
Commercial Paper	35,500	35,500	20,000
Interest-bearing loans - non-current	**58,323**	**62,464**	**48,567**

As of June 30, 2012, interest bearing loans – non-current maturity is as follows:

	thousand euros
Between 30/06/2013 and 31/12/2013	23,734
Between 01/01/2014 and 31/12/2014	25,500
Between 01/01/2015 and 31/12/2015	7,325
After 01/01/2016	1,764
Total	**58,323**

XX. SUPPLIERS

thousand euros

	1H12	2011	1H11
Suppliers - current account	85,807	93,639	83,413
Suppliers - accrualls	12,804	12,300	9,430
Suppliers	**98,611**	**105,939**	**92,843**

XXI. OTHER LOANS AND CREDITORS

thousand euros

	1H12	2011	1H11
Non interest bearing grants	11,587	8,898	122
Other	1,691	1,627	801
Other loans and creditors - non current	**13,278**	**10,525**	**923**
Non interest bearing grants	297	118	1,103
Deferred costs	25,270	16,421	22,927
Deferred gains - grants	5,141	5,663	6,041
Other	8,384	8,363	4,073
Other loans and creditors - current	**39,092**	**30,565**	**34,144**

Changes in Deferred costs are justified mainly by the changes that results from the booking and payment of the vacations bonus and vacations paid and Christmas bonus.

XXII. TAX LIABILITIES

thousand euros

	1H12	2011	1H11
Income Tax	8,688	5,264	8,431
Value Added Tax (TVA)	10,257	3,662	4,944
Social Security	2,232	2,822	2,013
Others	939	2,076	980
Tax liabilities	**22,115**	**13,824**	**16,368**

Increase in TVA payables is due largely to the increase in foreign subsidiaries activities. Additionally, the split of Amorim & Irmãos, S.A. occurred during 4Q11 had as a consequence the increase of Amorim Florestal activity. As this is directed to the internal market, the TVA balance turns a liability value, when before the spilt, it was an asset value (Amorim & Irmãos was, and still it is, mainly an export company).

XXIII. THIRD PARTY SUPPLIES AND SERVICES

thousand euros

	1H12	1H11
Communications	665	681
Information systems	2,207	1,990
Insurance	1,655	1,587
Subcontractors	3,051	2,543
Power	5,684	4,932
Security	505	456
Professional Fees	310	263
Tools	686	656
Oil and gas	907	857
Royalties	801	725
Rentals	2,368	2,103
Transports	9,856	8,935
Travel - Board	412	354
Travel	1,747	1,827
Commissions	2,683	2,604
Special Services	3,492	3,421
Advertising	3,150	3,850
Maintenance	3,114	3,065
Others	3,053	3,597
Third party supplies and services	**46,346**	**44,446**

XXIV. STAFF COSTS

thousand euros

	1H12	1H11
Board remuneration	325	421
Employees remuneration	37,654	36,200
Social Security and other	8,070	7,817
Severance costs	743	370
Other	4,060	3,446
Staff costs	**50,852**	**48,254**
Average number of employees	**3,400**	**3,323**

XXV. IMPAIRMENTS OF ASSETS

thousand euros

	1H12	1H11
Receivables	2,370	1,292
Inventories	-255	-36
Goodwill	2,195	3,563
Tangible assets	0	-170
Others	1,000	1
Impairments of Assets	**5,310**	**4,650**

Receivables impairment at 1H12, totalling 2,370 K€, includes 1,624 related with TVA from Amorim Argentina subsidiary. Goodwill impairment of 2,195 K€ includes 1,995 from North Africa and 200 from Amorim Cork España. Others (1,000 K€) refers to the Montijo land impairment included in Investment Property. Goodwill 1H11 (3,563 K€) derives from the associate US Floors write-off.

XXVI. OTHER OPERATING GAINS AND LOSSES

thousand euros

	1H12	1H11
Net exchange diffences	1,701	0
Gain in fixed assets and p. investment disposals	103	131
Operating subsidies	127	125
Investment subsidies	534	746
Other	2,857	2,833
Other operating gains	**5,322**	**3,835**

thousand euros

	1H12	1H11
Net exchange diffences	0	1,779
Taxes (other than income)	699	705
Provisions	644	20
Loss in fixed assets and p. investment disposals	87	471
Bank charges	328	336
Other	1,219	970
Other operating losses	**2,977**	**4,281**

XXVII. NET FINANCIAL COSTS

thousand euros

	1H12	1H11
Interest costs - bank loans	2.978	1.938
Interest costs - other entities	554	714
Stamp tax - interest	42	39
Stamp tax - capital	112	97
Interest costs - other	385	6
	4.071	2.794
Interest gains - bank deposits	457	445
Interest gains - other loans	93	183
Interest gains - delayed payments	15	7
Interest gains - other	85	787
	649	1.422
Net financial costs	**3.422**	**1.372**

In Interest costs – other entities is include 266 K€ (1H12) and 172 K€ (1H11) of interest paid related with an interest rate swap. In interest cost – other (385 K€) is included a 49 K€ loss due to the fair value variation of the said swap. It is so also included 189 K€ related with commercial paper commissions.
In Interest gains – other (1H11), is included 637K€ related with the fair value of an interest rate swap.

XXVIII. RELATED-PARTY TRANSACTIONS

CORTICEIRA AMORIM consolidates indirectly in AMORIM - INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A. (AIP) with head-office at Mozelos (Santa Maria da Feira, Portugal), Amorim Group holding company.

As of June 30, 2012, indirect stake of AIP in CORTICEIRA AMORIM was 51%, corresponding to 53.74% of the voting rights.

CORTICEIRA AMORIM related party transactions are, in general, due to the rendering of services through some of AIP subsidiaries (Amorim Serviços e Gestão, S.A., Amorim Viagens e Turismo, S.A., OSI – Sistemas Informáticos e Electrotécnicos, Lda.).

Balances at year-end 2011 and June 2012 are those resulting from the usual payment terms (from 30 to 60 days) and so are considered to be immaterial.

Services rendered from related-parties are based on the “cost plus” basis raging from 2% to 5%

XXIX. PROVISIONS, GUARANTEES, CONTINGENCIES E COMMITMENTS

- **Provisions:**

thousand euros

	1H12	2011	1H11
Income tax	16.088	13.097	12.606
Guarantees to customers	1.403	1.270	918
Others	2.765	2.333	1.135
Provisions	**20.256**	**16.700**	**14.659**

During 1H12 some Portuguese subsidiaries booked income tax provisions totalling 2,990 K€. This value is considered to be appropriate regarding the conditions that have to be accomplished in the future in the tax benefits included in last May income tax statements presented to the authorities.

During 1H12, subsidiary Amorim Cork America booked in Others a 504 K€ provision related with a client claim. In this caption its also included a 750 K€ provision that subsidiary Amorim France registered in 2011. This is due to a patent lawsuit.

Live tax cases, in court stage or not, totals 19.4M€. These includes 10.1 M€ of capital and 9.3 M€ of correspondent tax.

It is considered appropriate the total value of 16,088 K€ of provisions related with contingencies regarding income tax.

- **Guarantees:**

During its operating activities CORTICEIRA AMORIM issued in favour of third-parties guarantees amounting to K€ 95,621 (2011: K€ 79,791).

thousand euros

Beneficiary	Amount	Purpose
Government agencies	2,920	Capex grants / subsidies
Tax authority	10,772	Tax lawsuits
Banks	81,657	Credit lines
Other	272	Miscellaneous guarantees
TOTAL	**95,621**	

As of June 30, 2012, future expenditure resulting from long-term motor vehicle rentals totals K€ 2,097, and for computer hardware and software totals K€ 429.

XXX. EXCHANGE RATE CONTRACTS

As of June 30, 2012, options and forwards outright contracts related with sales currencies were as follows:

thousand euros

	1H12	
USD	10,277	63%
AUD	4,470	27%
ZAR	1,160	7%
HUF	370	2%
CHF	87	1%
Forward - long positions	**16,364**	**100%**
SEK	118	100%
Forward - short positions	**118**	**100%**
USD	29,810	100%
Options - long positions	**29,810**	**100%**
USD	1,883	100%
Options - short positions	**1,883**	**100%**

In the mean time between the semester closing and the date of this report a “knock-in” situation occurred in a 2,500 KUSD option. It is estimated that this will impact -172 K€ in the books and -282 K€ in cash.

XXXI. ACTIVITY DURING THE YEAR

CORTICEIRA AMORIM sales are composed by a wide range of products that are sold through all the five continents, over 100 countries. Due to this notorious variety of products and markets, it is not considered that this activity is concentrated in any special period of the year. Traditionally first half, specially the second quarter, has been the best in sales; third and fourth quarter switch as the weakest one.

XXXII. OTHER INFORMATION

a) Gross margin (percentage)

Gross margin (percentage) as shown in the Earnings Statement (by nature of expenses) calculation used as denominator the value of Production (Sales + Change in manufactured inventories).

b) Net profit per share calculation used the average number of issued shares deducted by the number of average owned shares. The non-existence of potential voting rights justifies the same net profit per share for basic and diluted.

	1H12	2011	1H11
Total issued shares	133,000,000	133,000,000	133,000,000
Average nr. of treasury shares	6,787,462	6,787,462	6,787,462
Average nr. of outstanding shares	126,212,538	126,212,538	126,212,538
Net Profit (thousand euros)	17,716	25,274	13,814
Net Profit per share (euros)	0.140	0.200	0.109

Mozelos, July 25, 2012

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

António Rios de Amorim
Chairman

Nuno Filipe Vilela Barroca de Oliveira
Vice-President

Fernando José de Araújo dos Santos Almeida
Member

Cristina Rios de Amorim Baptista
Member

Luísa Alexandra Ramos Amorim
Member

Juan Ginesta Viñas
Member

Jorge Manuel Seabra de Freitas
Member