



AMORIM

Corticeira Amorim, S.G.P.S., S.A.

Consolidated results

First Half 2007



Summary

☐ Consolidated results

- Highlights
- Consolidated key indicators

☐ Raw Materials

- Key indicators
- Highlights

☐ Cork Stoppers

- Key indicators
- Highlights

☐ Floor & Wall Coverings

- Key indicators
- Highlights

☐ Composite Cork

- Key indicators
- Highlights

☐ Cork Rubber

- Key indicators
- Highlights

☐ Insulation Cork

- Key indicators
- Highlights

☐ Appendices

- Consolidated indicators
- Financial statements



AMORIM

Consolidated results

- Highlights
- Consolidated key indicators

Unit: thousands of euros



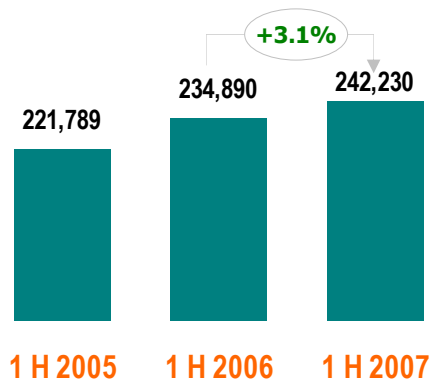
Highlights

- ❑ Consolidated sales totaled 242.2 million euros (M€) at the end of the half year (+3.1%), boosted by the results of the Cork Stoppers Business Unit (+5.5%).
- ❑ Like in the first quarter (1Q07), 2Q07 results continued adversely affected by devaluation of the USD (7.5% compared with 1H06), the Chilean peso and South African rand: impact on sales -2.4%.
- ❑ EBITDA (29.6M€) and EBIT (17.7M€) registered growth of 9.6% and 16.3% respectively, during 1H07.
- ❑ Despite negative impact of 4.7 M€ on earnings before taxes due to exchange rate devaluation, CORTICEIRA AMORIM's net profit reached 9.1 M€ (+11.2%) for the first half year.
- ❑ In July, CORTICEIRA AMORIM published its first Sustainability Report pertaining to its activities in 2006.

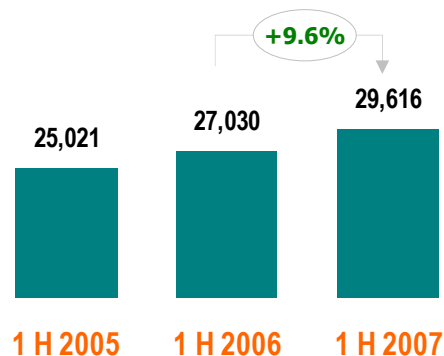


Consolidated key indicators

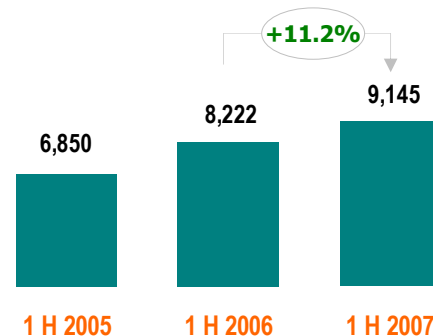
Sales



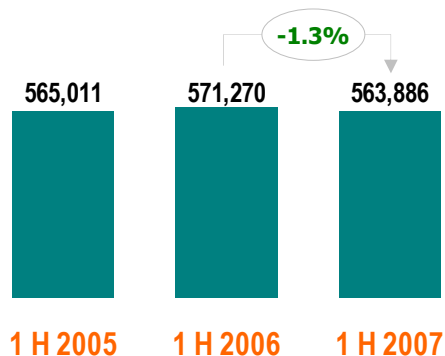
EBITDA



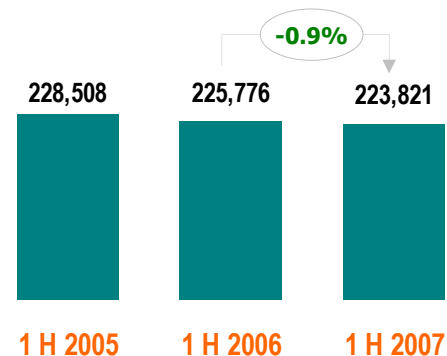
Net Profit



Total Assets



Net debt





AMORIM

Business Unit:

Raw Materials

- Key indicators
- Highlights

Unit: thousands of euros



Highlights

□ Procurement

- Purchases carried out gradually and continuously in order to ensure correct quantity and quality levels of raw materials for specific Business Unit (BU) operations;
- Better quality/price ratio as compared with last year;
- Active participation at North African auctions;
- Active in Portugal and Spain, having secured, until the end of July, 90% of expected needs for 2008.



Highlights and key indicators

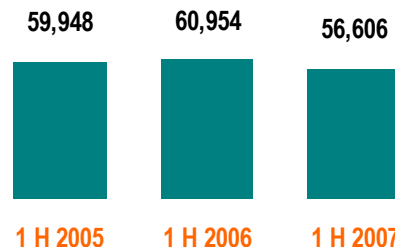
Operating activity

- Sales dropped 7.1% vs 1H06:
 - Decision to reduce sale of raw material outside the Group;
- Gross margin down approximately 24%:
 - Cork used up during 1H07 with a lower than expected contribution margin;
- EBITDA and EBIT respectively 41% and 51% below 1H06 levels

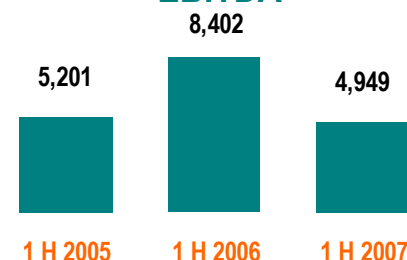
Outlook

- Quality of cork to be used up during 2H07 is expected to be better adjusted to market needs.

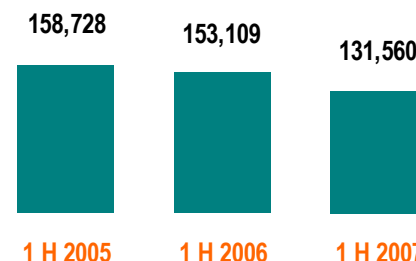
Sales



EBITDA



Total Assets*



* Excludes Deferred Taxes and non-trade balances with Group Companies.



AMORIM

Business Unit:

Cork Stoppers

- Key indicators
- Highlights

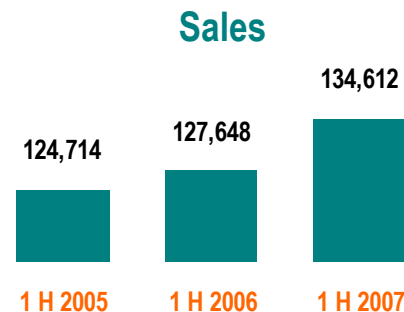
Unit: thousands of euros



Highlights and key indicators

□ Sales – 5.5% increase

- Negative exchange rate effect (USD; ZAR and CLP) lead to -3.0% sales vs 1H06:
 - Natural Cork stoppers:
 - increase of over 12%;
 - greater application for premium wines;
 - special reference to important contribution of the French market;
 - Champagne:
 - increase of over 8%;
 - French market registered significant growth;
 - Neutrocork®:
 - 20% growth;
 - prime growth market: North America;
 - Twin Top®:
 - 8% drop;
 - Switch-over effect to Neutrocork®;
 - Markets:
 - good performance registered in main European markets, namely France (due to Trescases acquisition), as well as in South America more than compensated losses in the US (exchange rate) and Australia (undergoing restructuring).

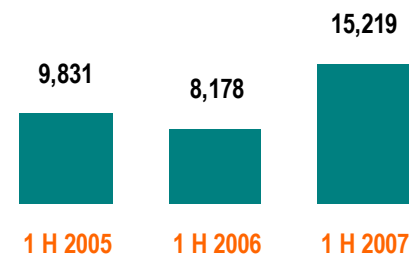


Highlights and key indicators (2)

Operating activity

- Gross margin up more than 16% vs 1H06:
 - more value-added cork stoppers;
 - incorporation of margin from granulated cork for technical stoppers (previously supplied by Composite Cork BU)
 - negative exchange rate impact of 8.7% vs 1H06;
- Operational costs practically at 1H06 level:
 - result of restructuring concluded during 2H06;
- EBITDA and EBIT register 86% and 190% increase respectively (Trescases effect not considered);
- Final Capital Employed rose approximately 10% as compared with June 2006:
 - increase in trade receivables as a consequence of greater activity

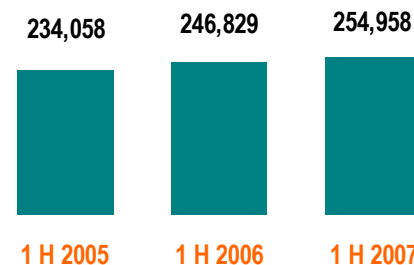
EBITDA



Outlook

- Operations in Australia to resume normal pace following conclusion of reorganization process during 1H07;
- Growth estimates for 2H07 lower than for 1H07:
 - Effect of industrial restructuring and acquisition of Trescases already felt during 2H06;
 - Selling off of unused property resulted in a 2.2 M€ favourable impact on 2H06 accounts;
- Exchange rates will continue to have significant negative impact.

Total Assets*



* Excludes Deferred Taxes and non-trade balances with Group Companies.



AMORIM

Business Unit:

Floor & Wall Coverings

- Key indicators
- Highlights

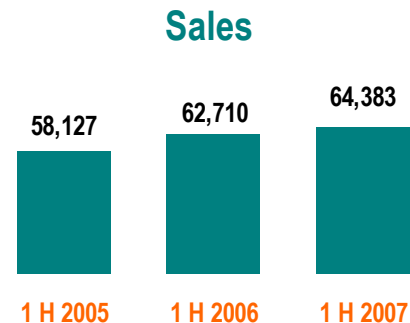
Unit: thousands of euros



Highlights and key indicators

□ Sales – 2.7% Increase

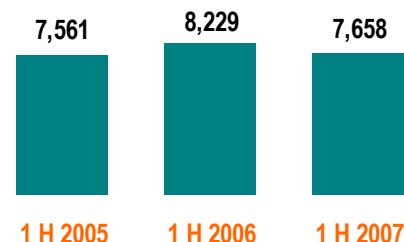
- Negative exchange rate effect responsible for 1% drop in sales vs 1H06
- Sales of cork wall and floor tiles up approximately 4% compared with 1H06:
 - slowdown of German market, especially during 2Q;
 - good performance from US and Eastern European markets;
- Sales of non-cork flooring down 1.6% vs 1H06;
- Decrease of sales for remaining products (goods and other cork products from other BU).



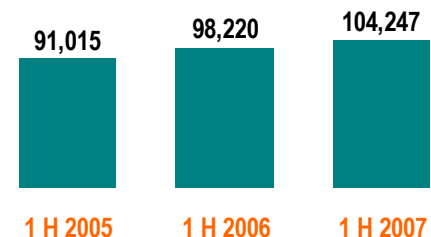
□ Operating activity

- Gross margin rose 3.2% during 1H07:
 - Regardless of negative impact from exchange rates and increase of raw material prices (MDF);
- Provisions explain 0.8 M€ less results in 1H07 vs 1H06:
 - 0.4 M€ increase in 1H07 compared with 0.4M€ reduction in 1H06;
- EBITDA and EBIT register drops of 7% and 10% respectively;
- Capital Employed increased 7.7% vs June 2006 due to greater stock of finished products.

EBITDA



Total Assets*



□ Outlook

- German market to take up again following 1H07 slowdown
- More investments, vs 1H07, in order to fulfil technological modernization and industrial expansion plans which will allow the BU to reinforce production capacity

* Excludes Deferred Taxes and non-trade balances with Group Companies.



AMORIM

Business Unit:

Composite Cork

- Key indicators
- Highlights

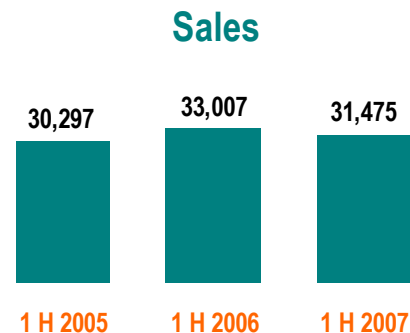
Unit: thousands of euros



Highlights and key indicators

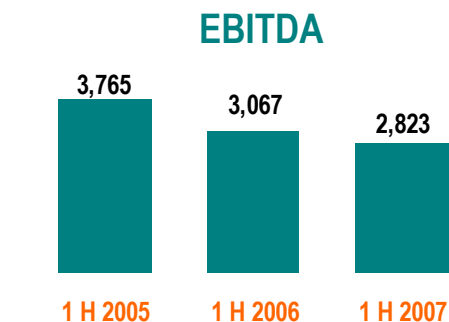
□ Sales – 4.6% Decrease

- Negative exchange rate effect responsible for over 1.8% drop in 1H07 sales compared with 1H06
- Less sales to other BU resulted in 7.3% drop:
 - Transfer of granulated cork production to Cork Stoppers BU;
- Sales in all segments to customers outside the Group rose 4% vs 1H06, namely:
 - Construction;
 - Industry;
 - Home and office.



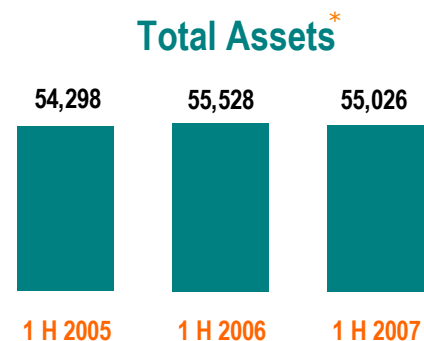
Operating activity

- Gross margin dropped 4.4%:
 - gross margin percentage steady despite negative impact of USD;
 - effect of less sales to other BU
- Operational costs decreased approximately 3% vs 1H06:
 - Rationalization effort resulted in 8% cut in labour costs;
- EBITDA and EBIT dropped 8% and 14% respectively;



Outlook

- Demand will go unchanged in major markets and for main applications;
- 2H07 to evolve more favourably than 1H07:
 - Impact of transfer of granulated cork production already felt during 2H06;
- Significant negative impact of exchange rates to continue.



* Excludes Deferred Taxes and non-trade balances with Group Companies.



AMORIM

Business Unit:

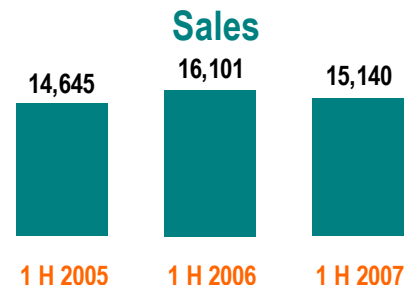
Cork Rubber

- Key indicators
- Highlights

Unit: thousands of euros

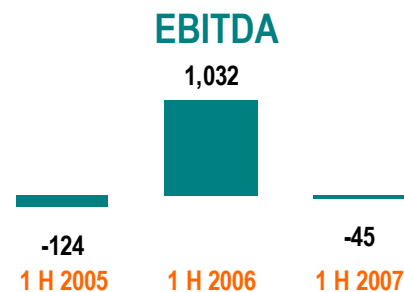
□ Sales – 6.0% Decrease

- With a steady USD/EUR exchange, sales would have registered slight increase;
- During 2Q07, sales of Auto and Heavy Duty segments inverted positive tendency of 1Q07;
- Sales of non-auto products continued to show relevant growth (+8.5% at steady exchange rates);



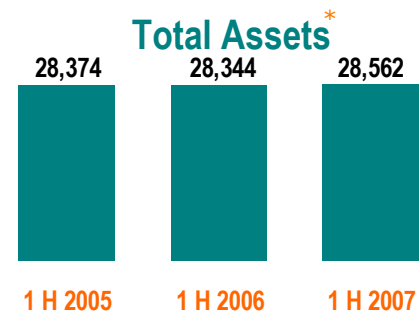
□ Operating activity

- Gross margin down 11.7% in value:
 - Basically due to impact of USD;
- Operational costs practically at 1H06 levels;
- EBITDA and EBIT dropped 1.1 M€ vs 1H06;
- Capital Employed decreased 3% compared with June 2006.



□ Outlook

- Activity to pick up during 2H07 vs 2H06, but might not be enough to compensate for negative impact of USD exchange.



* Excludes Deferred Taxes and non-trade balances with Group Companies.



AMORIM

Business Unit:

Insulation Cork

- Key indicators
- Highlights

Unit: thousands of euros



Highlights and key indicators

☐ Sales – 12.6% increase

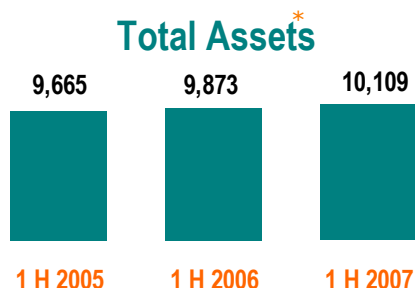
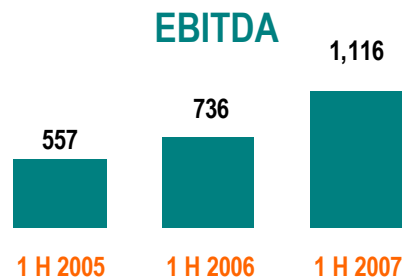
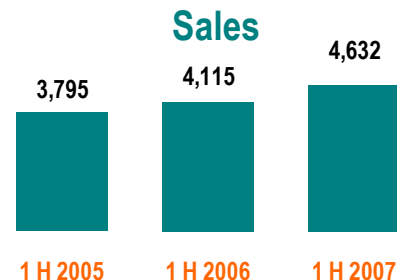
- Primarily due to positive evolution of major European and Middle Eastern markets;

☐ Operating activity

- Gross margin increased 15% compared with last year as a result of greater activity and price hikes;
- Operational costs up 5.4% vs 1H06 as a consequence of more amortizations;
- Significant increase of EBITDA and EBIT, approximately 52% and 47%;
- Final Capital employed rose 3.1% vs June 2006 mainly due to investments in industrial equipment.

☐ Outlook

- Ecological features and technical performance of this BU's products, namely thermal and acoustic insulation, should continue to attract demand.



* Excludes Deferred Taxes and non-trade balances with Group Companies.



AMORIM

Sustainable Development

Unit: thousands of euros



Highlights

- ❑ **Cork oak forests and the resulting manufactured cork products have a proven, positive role in sustainable development.**
- ❑ **The role of cork in CO₂-retention, preserving biodiversity and combating desertification, is crucial in minimising the world's ecological footprint.**
- ❑ **Amorim's annual production of natural wine stoppers alone retains over 25 thousand tons of CO₂.**
- ❑ **Public perception of cork's crucial sustainability role is renewing worldwide interest in natural cork as the most viable wine closure.**
- ❑ **CO₂-retention capabilities of Portugal's cork forests are estimated to be as high as 5% of the country's annual emissions, or 4.8 million tons per year.**
- ❑ **Over 45% of Amorim's energy needs are supplied by renewable sources, including natural cork itself.**



AMORIM

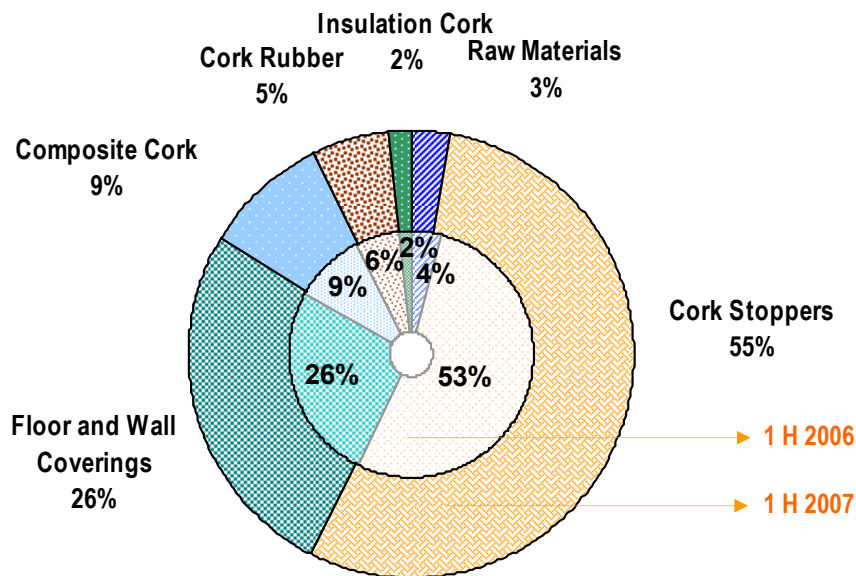
Appendices

- Consolidated indicators
- Financial statements

Unit: thousands of euros



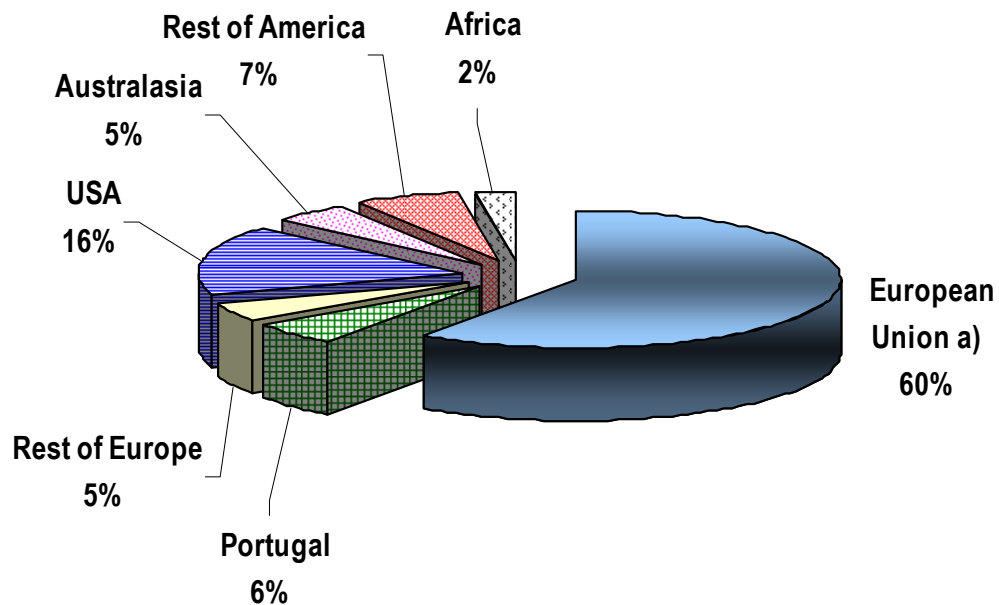
Breakdown Sales by Business Unit



	1 H 2005	1 H 2006	1 H 2007
Raw Materials	4%	4%	3%
Cork Stoppers	54%	53%	55%
Floor and Wall Coverings	25%	26%	26%
Composite Cork	9%	9%	9%
Cork Rubber	6%	6%	5%
Insulation Cork	1%	2%	2%



Breakdown Sales by Geographic Areas

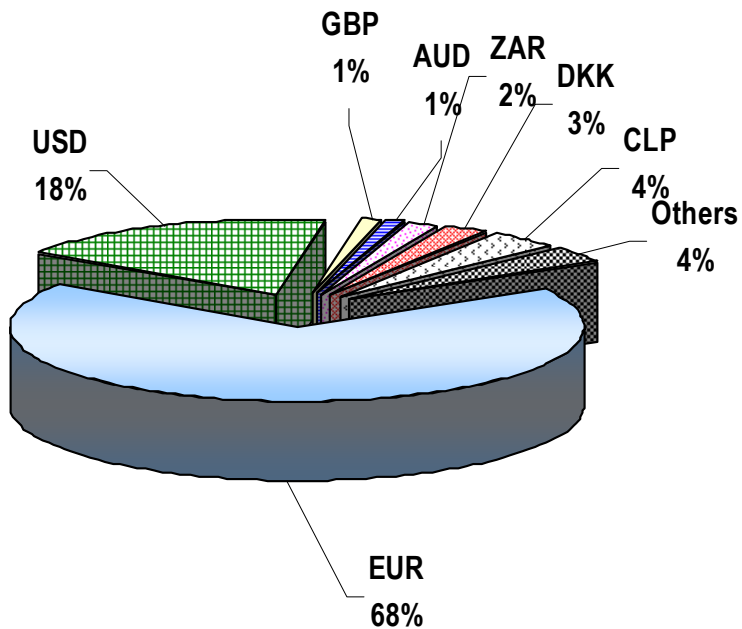


	1 H 2005	1 H 2006	1 H 2007
European Union a)	55%	56%	60%
USA	17%	16%	16%
Portugal	8%	7%	6%
Australasia	8%	7%	5%
Rest of America	6%	7%	7%
Rest of Europe	4%	4%	5%
Africa	2%	2%	2%

a) Includes Switzerland and Norway and excludes Portugal.

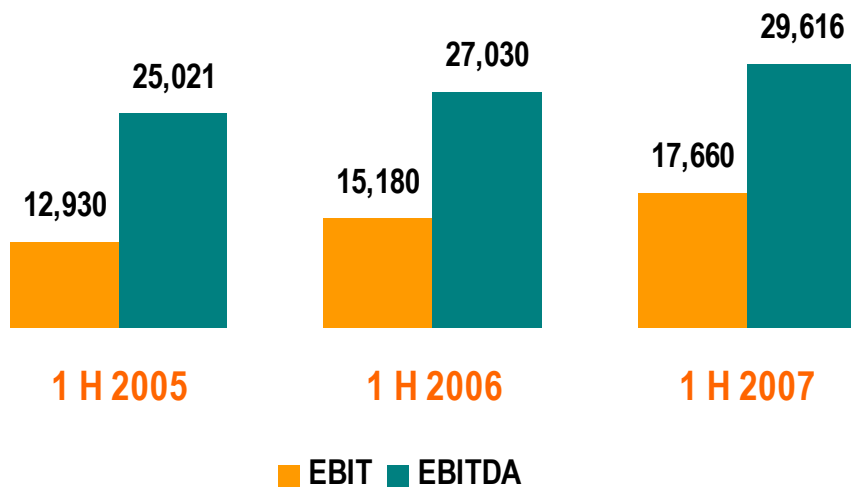


Breakdown Sales by Currency



	1 H 2005	1 H 2006	1 H 2007
EUR	66.5%	64.9%	67.9%
USD	17.9%	20.4%	18.1%
GBP	1.6%	1.4%	1.3%
AUD	1.9%	1.3%	1.1%
ZAR	1.9%	1.6%	1.7%
DKK	2.8%	2.9%	2.6%
CLP	3.3%	3.0%	3.7%
Others	4.2%	4.4%	3.7%

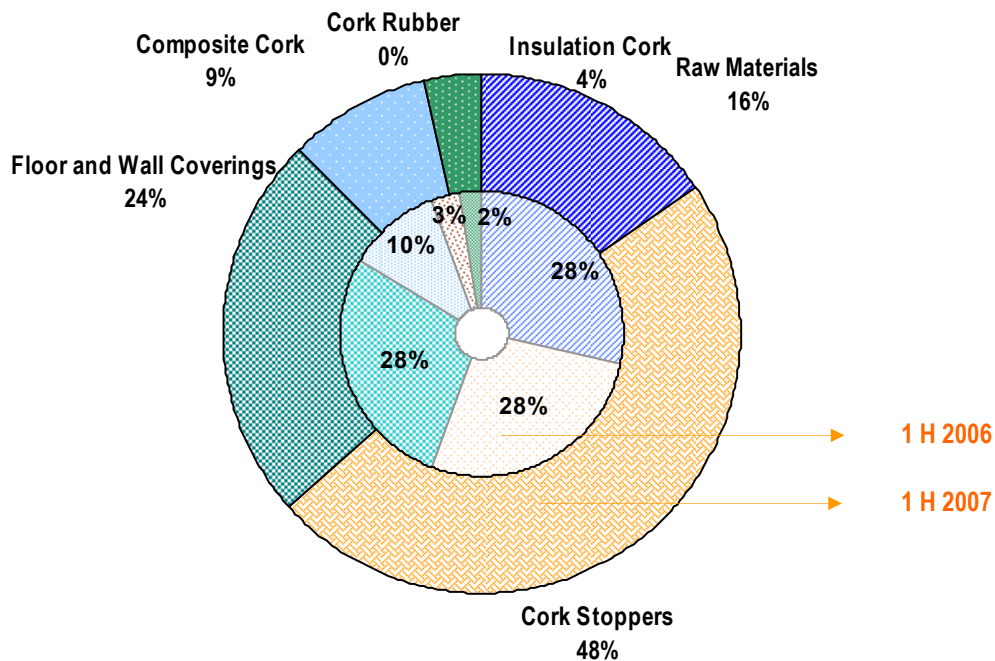
EBIT & EBITDA evolution



	1 H 2005	1 H 2006	1 H 2007
Gross Margin	108,127	114,700	117,461
Other operating costs	93,317	97,061	98,685
EBIT	12,930	15,180	17,660
EBITDA	25,021	27,030	29,616



Breakdown EBITDA by Business Unit

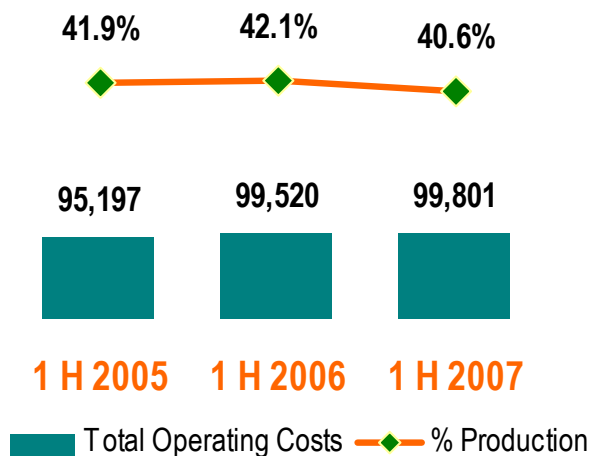


	1 H 2005	1 H 2006	1 H 2007
Raw Materials	19%	28%	16%
Cork Stoppers	37%	28%	48%
Floor and Wall Coverings	28%	28%	24%
Composite Cork	14%	10%	9%
Cork Rubber	0%	3%	0%
Insulation Cork	2%	2%	4%



Operating Costs Breakdown

Value and % (Production):



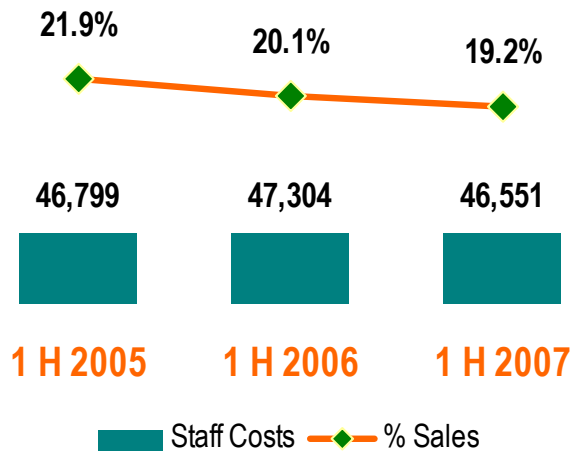
	1 H 2005	1 H 2006	1 H 2007
External supplies	35,822	38,449	38,800
Staff costs (current)	46,799	47,304	46,551
Staff costs (reorganization)	1,880	2,460	1,116
Depreciation	12,091	11,850	11,956
Provisions	734	372	605
Other operating expenses and profits	2,129	914	-772
Total Operating Costs	95,197	99,520	99,801
% Production	41.9%	42.1%	40.6%



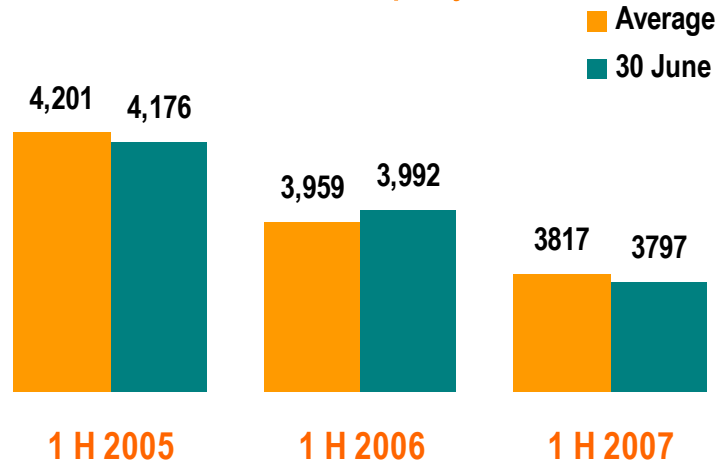
Staff Costs *

* Excluding charges with reorganization

Value and % (sales):



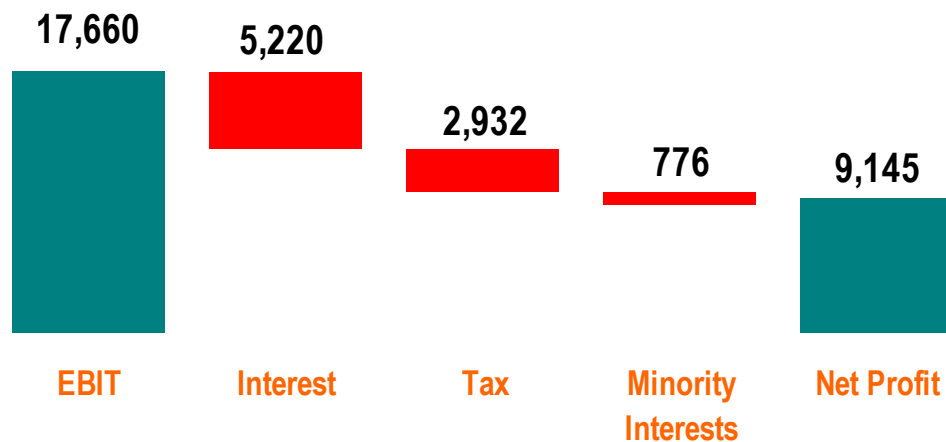
Number of employees:



Comparison *	%
+ Accounting Variance	-1.6%
- Exchange Rate Impact	-0.7%
- Impact due to consolidati	0.0%
= Adjusted Variance	-0.9%

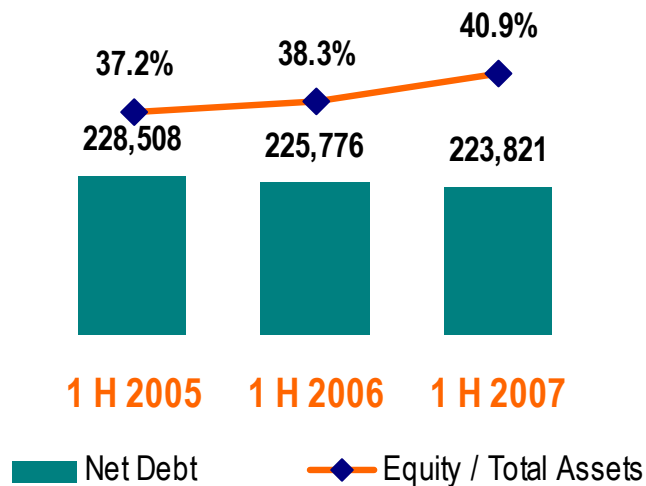
* Staff Costs variance: FY06 vs FY05

Net Profit



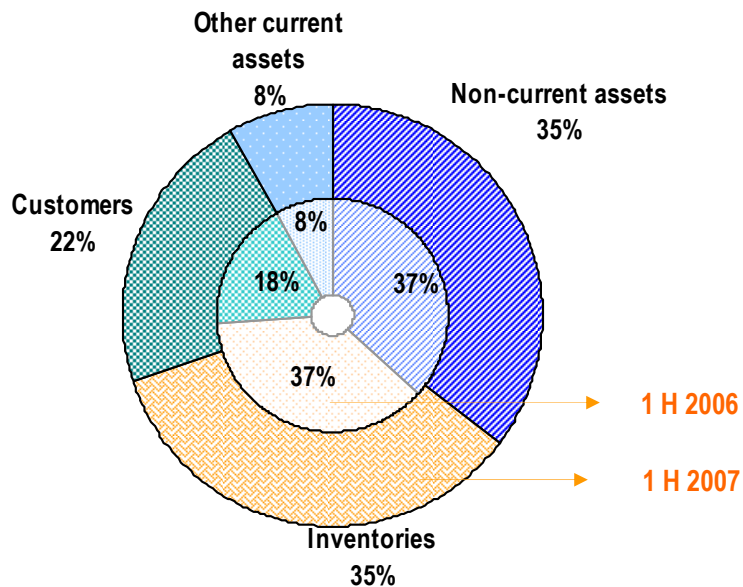
	1 H 2005	1 H 2006	1 H 2007
EBIT	12,930	15,180	17,660
Interest	3,713	4,007	5,220
EBT	9,220	11,239	12,852
Tax	1,970	2,266	2,932
Minority interests	400	752	776
Net Profit	6,850	8,222	9,145

Net debt and Equity/ Total Assets:



	1 H 2005	1 H 2006	1 H 2007
Net Debt	228,508	225,776	223,821
Equity and Minority interests	210,001	218,749	230,433
EBITDA / Interest	6.7	6.7	5.7
Equity / Total Assets	37.2%	38.3%	40.9%
Gearing	108.8%	103.2%	97.1%

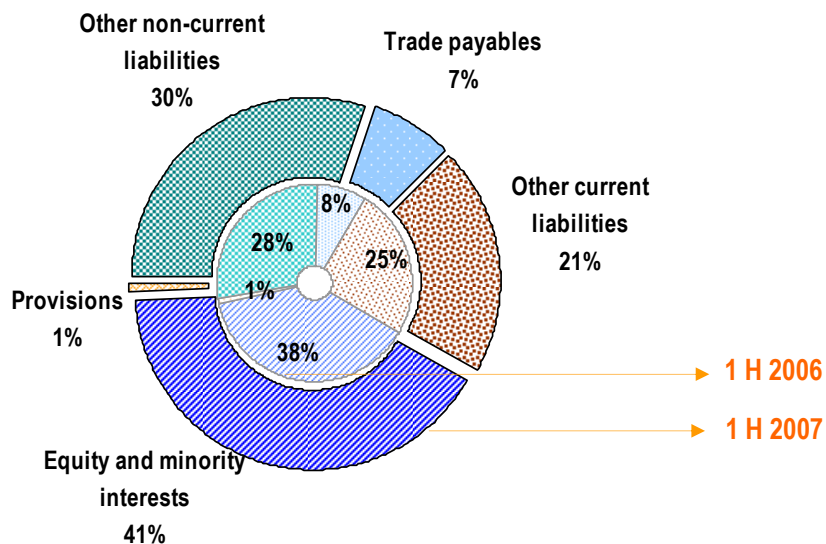
Total Assets



	1 H 2005	1 H 2006	1 H 2007
Non-current assets	202,933	200,934	198,361
Inventories	210,511	205,346	196,515
Customers	112,141	99,265	123,444
Other current assets	39,425	44,355	45,566
Total Assets	565,011	549,899	563,886
Capex	7,136	16,433	10,407



Equity and Liabilities



	1 H 2005	1 H 2006	1 H 2007
Equity and minority interests	210,001	218,749	230,433
Provisions	5,186	4,601	5,248
Other non-current liabilities	87,357	160,154	168,875
Trade payables	50,588	47,214	42,236
Other current liabilities	211,879	140,552	117,093
Total Liabilities	355,010	352,521	333,452



Market information



AMORIM

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

Rua de Meladas, nº 380
P.O. Box 20
4536-902 MOZELOS VFR
PORTUGAL

Tel.: +351 22 747 54 00
Fax: +351 22 747 54 07

Email: corticeira.amorim@amorim.com
<http://www.corticeiraamorim.com>
www.corkfacts.com