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

CONSOLIDATED ACCOUNTS
(Interim – Non Audited)

Year to date 2010
(9M10)

3rd Quarter 2010
(3Q10)

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

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Shareholders of CORTICEIRA AMORIM,

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

CONSOLIDATED MANAGEMENT REPORT INTERIM

1. SUMMARY

During the third quarter (Q3) the world financial situation registered its slow path to stabilization. Far East and Latin-American economies continued to push the world activity. Even Germany, surprisingly, showed a vigour not seen for long. Yet European and North American markets, by far the most important for CORTICEIRA AMORIM, posted a sluggish growth. The long dark clouds of sovereign debt and deficits that rid several European countries, is hard to vanish.

During the third quarter of the current year, CORTICEIRA AMORIM's consolidated business activity was positively impacted by strong growth in sales from its core business unit - the Cork Stoppers BU - that posted a quarterly rise in sales of 19% and thus greatly influenced all performance indicators of CORTICEIRA AMORIM.

The expected slowdown in sales growth was not a fact, namely in what respects to this BU. This estimate was based on the vanishing of the bottler's inventory rebuilding effect which, by nature, should be temporary. The other reason for the expected slowdown was tougher comparables with second half 2009 figures. In fact, the aggressive promotions launched by some large bottling customers in the second half of the year have allowed sales to continue to grow strongly reaching levels that were not originally expected. Cork Stoppers BU has also capitalized on the weaknesses of its competitors due to their deteriorated service quality and this has even contributed to an increased pace of sales of this BU. Ultimately, our management teams motivation and morale have enabled to take full advantage of the current situation in this business segment of CORTICEIRA AMORIM.

In general, it can be said that all other BU had a positive register, but their growth rates registered, as expected, a deceleration when compared with the first two quarters performance.

The compound impact of the Q3 performance of the Corkstoppers BU and of all the other BU led to a year to date 10% consolidated sales increase, better than the 9.2% increase at the end of the semester.

Sales increased by some 32 million euro (M€). This fact together with high percentual Gross Margins, better than those registered in the same period 2009, led to a rise in Gross Margin values that reached 29M€. Operating costs increased by some 4.5M€ (3.4%) lagging behind the increase in activity.

All these factors resulted in an important increase in EBITDA and EBIT indicators. Cumulative values for these indicators reached 52.1M€ and 36.8M€, respectively (+87% and 190%).

High operating profits resulted in high final results, which registered. 17.726M€ at the end of Q3, a 15.5M€ increase from September 2009 final results.

2. PROFIT AND LOSS ACCOUNT

Consolidated cumulative sales reached 347M€, a 10% increase when compared with the same period 2009. Nevertheless this growth, sales still lag behind the figures registered before the actual crisis (2008: 365M€, 2007: 353M€).

In 2010, sales of all Business Units outperformed sales in 2009; worth of mention are the significant sales growth in the Cork Stoppers BU and the Composite Cork BU (13% and 20%, respectively). As far as the other BUs is concerned, the Cork Flooring BU recorded a sales growth of 2%, the Raw Materials BU posted a sales increase of 9% and the sales of the Insulation Cork BU rose 11%.

The sales growth in the Raw Materials BU was accompanied by an increase in the business activity of CORTICEIRA AMORIM - in particular in the Cork Stoppers BU -, which is the main destination of the sales of this BU. The 2010 cork harvest was almost completed during 3Q10 and, therefore, CORTICEIRA AMORIM's requirements for cork for the whole year of 2011 - both in terms of quantity and quality - have been met. The average purchase price of cork both in Portugal and Spain has been higher than in the previous year.

Cork purchased during the 2008 harvest was no longer manufactured from 2Q10 onwards and this led to an improvement in Gross Margin. EBIT growth was the result of the increase in business activity added to a retrenchment of operating costs.

As far as the Cork Stoppers BU is concerned, sales of all types of cork stoppers were higher - both in terms of quantity and value - than in the same period of 2009. In line with what has occurred in the past two quarters, Natural Cork Stoppers sales increased by almost 9% reflecting a rise in quantity.

Champagne (+25%) and Neutrocork® (+27%) corkstoppers continued to register high sales growth rates. Twintop® corkstoppers sales performed well, allowing for a cumulative positive register (+4%).

Cork stoppers sales to all major cork purchasing markets - with the exception of South Africa - recorded an increase.

Corticeira Amorim excellent reaction to the economy rebound, allowed for this BU sound sales increase, which is estimated to have been much higher than the market itself.

Sales performance is the main reason for the increase in EBIT.

The activity of the Cork Flooring BU in Q3 was similar to the one of the same period 2009. This led to a significant drop in year-to-date sales. Although September registered strong sales, the third quarter could hardly compete with Q3 2009, which registered sales that were close to Q4 2009, the best quarter of that year. Even though, cumulative sales of manufactured products increased some 7M€ (12%).

As goods sales (wood), they continued to perform negatively (20%). This drop is namely the result of the disadvantages of a stronger USD. Also the fact that this good can be considered as a commodity, the negative moment of the European civil construction harms the sales performance of this article.

The positive sales register of Corkstyle and LVT product ranges are worthy of special mention. Positive performance was registered regarding sales to Eastern Europe and North America. On the negative side, Nordic markets, namely Denmark due to the fact that these are markets were wood is of great importance.

This BU reached a current EBIT of 1.9M€ (9M09: -4.3M€)

The Cork Composite BU continued to recover to a level of activity comparable with the one prevailing before the crisis. This recovery is particularly clear in sales to the markets (+23%). Growth was due largely to quantities (+9.0%). The effect of better exchange rates explains the remaining 10% of the sales increase.

Except for the Home & Office product range, all other cork products – including products designed for the construction industry – recorded sales growth. Industrial utilization was at full capacity during the period.

Positive evolution was registered for the North American market, namely in sealing and construction segments. The same register for the sealing segment in the German market. On the negative side the German construction segment.

EBIT reached 3.4 M€ (9M09: 1.0M€).

During 3Q10, the Insulation Cork BU maintained its sales growth of 11% recorded in the first half of the financial year. About one third of this growth is due to the price effect and about two thirds can be attributable to the quantity effect.

This growth can be mainly attributed to an increase in the sales of insulation corkboard, the product par excellence manufactured by this BU. As for markets, the sales growth in the two main markets (France and Italy) must be emphasized.

EBIT reached 1.5M€ (9M09: 1.1M€).

Net interest continued to benefit from the drop in interest bearing debt. Yet, the effects of the rising interest rates are beginning to be felt. This trend is the result, not only of the interest rate fixing evolution, but namely of the rising spreads.

The credit squeeze that afflicts Portuguese banks causes increase in the spreads when credit lines are renegotiated. Most of the times, spreads are even higher than interest rates fixings.

Cumulative Net Interest costs reached 3.0M€ (9M09: 4.9M€).

As far as non-current expenses are concerned, during the quarter under review it was decided that a goodwill impairment relating to both Amorim Benelux and Amorim Cork South Africa subsidiaries should be recorded. The recent trend of results and, particularly, the market changes that have affected the business activity of these two subsidiaries led to a write-off of that asset. The cost of this move amounted to 3.2M€.

After the register related with the application of the equity method (0.6M€), earnings before tax totalled 31.2M€ (9M09: 3.8M€).

As occurred in the first, income tax estimate is negatively impacted by the expenses related with deferred taxes. These types of assets, originated in tax losses to be carried forwarded, were considered to be hard to recover in some foreign subsidiaries. Yet, the goal to recover in the future these assets is not totally abandoned.

After the register of the income tax (12.3M€) and of non-controlling interests (1.2M€), net profit for this nine months of 2010 totalled 17.726M€ (9M09: 2.249M€)

Net profit related with Q3 activity reached 6.127M€ (Q309: 5.735M€)

3. CONSOLIDATED BALANCE SHEET

As for the Balance Sheet, the most important change regards to the net interest bearing debt. This caption of the Balance Sheet continued to drop during Q3. Since the closing of 2009, its absolute value falloff reached some 27M€, from 138M€ to 111M€ at the end of September 2010.

Equity / Total Assets ratio reached 48%.

4. CONSOLIDATED INDICATORS

		3Q10	3Q09	Variation	9M10	9M09	Variation
Sales		115,188	103,307	11.50%	347,268	315,780	9.97%
Gross Margin – Value		52,958	47,681	11.07%	175,385	146,739	19.52%
	1)	49.1%	49.4%	-0.3 p.p.	52.0%	47.1%	+ 4.9 p.p.
Operating Costs - current		38,332	38,579	-0.64%	138,554	134,044	3.36%
EBITDA - current		18,550	13,167	41%	52,069	27,817	87%
EBIT - current		14,626	9,102	61%	36,831	12,695	190%
Non-current costs	2)	3,224	0	N/A	3,224	4,515	-29%
Net profit/loss (attributable to shareholders)		6,127	5,735	7%	17,726	2,249	688%
Earnings per share		0.049	0.044	10%	0.139	0.017	719%
EBITDA/Net Interest (x)		24.73	14.49	10.24 x	17.08	5.63	11.45 x
Equity/Net Assets		-	-	-	48.0%	44.5%	+ 3.5 p.p.
Net Bank Debt		-	-	-	111,320	154,714	-28.05%

1) Related to Production
2) Values for 2009 refers to Restructuring Costs; values for 2010 refers to write-off of goodwill.

FINANCIAL REPORT INTERIM

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (NON AUDITED)

thousand euros

	September 2010	December 2009	September 2009
Assets			
Property, plant and equipment	169,465	174,872	177,269
Investment property	9,580	9,308	9,319
Goodwill	16,386	18,704	18,613
Investments in associates	5,768	5,231	5,506
Intangible assets	486	685	753
Other financial assets	2,903	2,453	2,385
Deferred tax assets	5,993	8,100	9,753
Other non current assets	**210,582**	**219,353**	**223,598**
Inventories	184,998	174,789	183,473
Trade receivables	116,058	98,584	109,003
Current tax assets	20,672	16,570	15,888
Other current assets	6,555	7,693	10,679
Cash and cash equivalents	17,352	7,740	10,115
Current assets	**345,636**	**305,376**	**329,158**
Total Assets	**556,218**	**524,730**	**552,756**
Equity			
Share capital	133,000	133,000	133,000
Own shares	-6,247	-2,800	-2,800
Other reserves	109,045	103,851	103,445
Net Income	17,726	5,111	2,249
Minority interest	12,025	10,684	9,960
Equity	**265,549**	**249,845**	**245,854**
Liabilities			
Interest-bearing loans	10,350	93,472	122,478
Other borrowings and creditors	871	2,131	6,296
Provisions	5,247	4,581	5,248
Deferred tax liabilities	5,135	5,254	5,257
Non-current liabilities	**21,603**	**105,439**	**139,279**
Interest-bearing loans	118,322	52,881	42,351
Trade payables	98,799	74,601	71,936
Other borrowings and creditors	32,496	32,589	43,470
Tax liabilities	19,448	9,375	9,866
Current liabilities	**269,066**	**169,446**	**167,622**
Total Liabilities and Equity	**556,218**	**524,730**	**552,756**

CONSOLIDATED INCOME STATEMENT – 9 MONTHS (NON AUDITED)

thousand euros

	September 2010	September 2009
Sales	347,268	315,780
Costs of goods sold and materials consumed	161,762	164,719
Change in manufactured inventories	-10,121	-4,322
Gross Margin	**175,385**	**146,739**
	52.0%	47.1%
Third party supplies and services	58,068	53,469
Staff costs	66,842	65,206
Impairments of assets	1,919	2,298
Other gains	8,296	5,857
Other costs	4,783	3,807
Current EBITDA	**52,069**	**27,816**
Depreciation	15,238	15,122
Current EBIT	**36,831**	**12,694**
Non-current itens	3,224	4,515
Net interest	-3,048	-4,939
Share of (loss)/profit of associates	622	568
Profit before tax	**31,181**	**3,808**
Income tax	12,276	973
Profit after tax	**18,905**	**2,835**
Minority interest	1,178	586
Net Income attributable to the equity holders of Corticeira Amorim	**17,726**	**2,249**
Earnings per share - Basic e Diluted (euros per share)	**0.139**	**0.017**

CONSOLIDATED INCOME STATEMENT – 3RD QUARTER (NON AUDITED)

thousand euros

	3Q10	3Q09
Sales	115,188	103,307
Costs of goods sold and materials consumed	54,922	48,823
Change in manufactured inventories	-7,308	-6,803
Gross Margin	**52,958**	**47,681**
	49.1%	49.4%
Third party supplies and services	19,295	16,492
Staff costs	18,509	17,438
Impairments of assets	-415	883
Other gains	4,691	1,989
Other costs	1,711	1,690
Current EBITDA	**18,549**	**13,167**
Depreciation	3,924	4,065
Current EBIT	**14,626**	**9,102**
Non-current itens	3,224	0
Net interest	-750	-909
Share of (loss)/profit of associates	206	90
Profit before tax	**10,858**	**8,283**
Income tax	4,299	2,297
Profit after tax	**6,560**	**5,986**
Minority interest	432	251
Net Income attributable to the equity holders of Corticeira Amorim	**6,128**	**5,735**
Earnings per share - Basic e Diluted (euros per share)	**0.049**	**0.044**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – 9 MONTHS (NON AUDITED)

thousand euros

	September 2010	September 2009
Net Income (before Min. Interest)	**18,905**	**2,835**
Change in derivative financial instruments fair value	146	-2,941
Change in translation differences	-61	-245
Net Income directly registered in Equity	**85**	**-3,186**
Total Net Income registered	**18,990**	**-351**
Attributable to:		
Corticeira Amorim Shareholders	17,812	-937
Minority Interests	1,178	586

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – 3RD QUARTER (NON AUDITED)

thousand euros

	3Q10	3Q09
Net Income (before Min. Interest)	**6,560**	**5,986**
Change in derivative financial instruments fair value	542	-591
Change in translation differences	218	-599
Net Income directly registered in Equity	**760**	**-1,190**
Total Net Income registered	**7,320**	**4,796**
Attributable to:		
Corticeira Amorim Shareholders	6,888	4,545
Minority Interests	432	251

CONSOLIDATED STATEMENT OF CASH FLOW – 9 MONTHS (NON AUDITED)

thousand euros

	September 2010	September 2009
OPERATING ACTIVITIES		
Collections from customers	367,319	321,683
Payments to suppliers	-242,898	-204,196
Payments to employees	-63,317	-69,420
Operational cash flow	61,104	48,068
Payments/collections - income tax	-2,538	-2,516
Other collections/payments related with operational	9,488	38,567
CASH FLOW BEFORE EXTRAORDINARY ITEMS	**68,054**	**84,119**
INVESTMENT ACTIVITIES		
Collections due to:		
Tangible assets	772	190
Investment property	0	22
Other assets	115	340
Interests and similar gains	413	3,733
Investment subsidies	18	100
Payments due to:		
Tangible assets	-11,063	-12,837
Financial investments	-73	-46
Intangible assets	-469	-15
Aquisiçao Outros Activos	-749	0
CASH FLOW FROM INVESTMENTS	**-10,937**	**-8,512**
FINANCIAL ACTIVITIES		
Collections due to:		
Others	403	129
Payments due to:		
Loans	-42,444	-61,035
Interests and similar expenses	-2,443	-5,527
Dividends	-410	-437
Others	-3,446	-299
CASH FLOW FROM FINANCING	**-337**	**-637**
Change in cash	-48,677	-67,806
Exchange rate effect	8,440	7,801
Perimeter effect	414	-20
Cash at beginning	1,552	-2,488
Cash at end	10,406	5,291

CONSOLIDATED STATEMENT OF CASH FLOW – 3RD QUARTER (NON AUDITED)

thousand euros

	3Q10	3Q09
OPERATING ACTIVITIES		
Collections from customers	135,328	108,649
Payments to suppliers	-83,500	-62,582
Payments to employees	-21,414	-21,949
Operational cash flow	30,414	24,119
Payments/collections - income tax	-1,054	-420
Other collections/payments related with operational	-16,675	11,183
CASH FLOW BEFORE EXTRAORDINARY ITEMS	**12,685**	**34,882**
INVESTMENT ACTIVITIES		
Collections due to:		
Tangible assets	281	78
Other assets	36	89
Interests and similar gains	318	81
Investment subsidies	0	100
Payments due to:		
Tangible assets	-4,523	-3,082
Financial investments	-57	-25
Intangible assets	-219	-7
CASH FLOW FROM INVESTMENTS	**-4,065**	**-2,765**
FINANCIAL ACTIVITIES		
Collections due to:		
Others	134	51
Payments due to:		
Loans	-40,472	-25,556
Interests and similar expenses	-147	-711
Dividends	-10	-260
Others	-104	-251
CASH FLOW FROM FINANCING	**-40,599**	**-26,728**
Change in cash	-31,980	5,389
Exchange rate effect	12	-61
Cash at beginning	42,375	-36
Cash at end	10,406	5,291

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

thousand euros

	Balance Beginning	Appropriation of N-1 profit	Net Profit N	Increases / Decreases	Translation Differences	End Balance
September 30, 2010						
Equity:						
Share Capital	133,000	-	-	-	-	133,000
Treasury Stock - Face Value	-3,088	-	-	-3,699	-	-6,787
Treasury Stock - Discounts and Premiums	287	-	-	254	-	541
Paid-in Capital	38,893	-	-	-	-	38,893
IFRS Transition Adjustments	-8,560	-	-	2	-49	-8,607
Hedge Accounting	36	-	-	146	-	182
Reserves						
Legal Reserve	8,558	2,330	-	-	-	10,887
Other Reserves	65,567	2,782	-	-362	205	68,191
Translation Difference	-642	-	-	-	141	-501
	234,050	**5,111**	**0**	**-3,659**	**297**	**235,799**
Net Profit for the Year	5,111	-5,111	17,726	-	-	17,726
Minority interests	10,684	-	1,178	-41	574	12,025
Total Equity	**249,844**	**0**	**18,904**	**-3,700**	**871**	**265,549**
September 30, 2009						
Equity:						
Share Capital	133,000	-	-	-	-	133,000
Treasury Stock - Face Value	-2,589	-	-	-499	-	-3,088
Treasury Stock - Discounts and Premiums	88	-	-	199	-	287
Paid-in Capital	38,893	-	-	-	-	38,893
IFRS Transition Adjustments	-8,675	-	-	-	45	-8,630
Hedge Accounting	3,272	-	-	-2,941	-	331
Reserves						
Legal Reserve	7,445	-	-	-	-	7,445
Other Reserves	62,037	6,153	-	-66	-267	67,857
Translation Difference	-2,493	-	-	-	43	-2,450
	230,978	**6,153**	**0**	**-3,307**	**-179**	**233,645**
Net Profit for the Year	6,153	-6,153	2,249	-	-	2,249
Minority interests	9,593	-	586	-181	448	9,960
Total Equity	**246,724**	**0**	**2,835**	**-3,488**	**269**	**245,854**

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 November 2, 2010.

Except when mentioned, all monetary values are stated in thousand euros (Thousand euros = K euros = K€).

Some figures of the following notes may present very small differences not only when compared with the total sum of the parts, but also when compared with figures published in other parts of this report. These differences are due to rounding aspects of the automatic treatment of the data collected.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

a. Basis of presentation

Consolidated statements were prepared based on a going concern basis and using the records as stated in the companies' books, which adopted Portuguese general accepted accounting principles. Accounting adjustments and reclassifications were made in order to comply with accounting policies followed by the IFRS, as adopted by the European Union (IAS – International Accounting Standards and the IFRS – International Financial Reporting Standards) and legal for use as of January 1, 2010. The transition date from the local GAAP was January 1, 2004.

b. Consolidation

• Group companies

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

Group companies are consolidated line by line, being the position of third-party interests in the shareholding of those companies stated in the balance sheet in the "Minority Interests" account. Date of first consolidation or de-consolidation is, in general, the beginning or the end of the quarter when the conditions for that purpose are fulfilled.

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

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

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

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

- **Equity companies**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill. Future impairments of goodwill will be adjusted against the carrying amount of investments The Group's share of its associates post-acquisition profits or losses is recognised in the income statement, in the "Gain/(losses) in associates" account, and its share of post-acquisition movements in reserves is recognised in reserves. The carrying amount is also adjusted by dividends received. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the group does not recognise further losses, unless it has incurred obligation on behalf of the associate, in this case the liabilities will be recorded in a "Provisions" account.

c. Foreign currency translation

Consolidated financial statements are presented in thousands of euros. Euro is the legal currency of CORTICEIRA AMORIM, S.G.P.S., S.A., and is the currency in which two thirds of its business is made and so Euro is considered to be its functional and presentation currency.

Assets and liabilities denominated in foreign currency are translated to euros using year-end exchange rates. Net exchange differences arising from the different rates used in transactions and the rate used in its settlements is recorded in the income statement.

Assets and liabilities from non-euro subsidiaries are translated at the balance sheet date exchange rate, being its costs and gains from the income statement translated at the average exchange rate for the period / year.

d. Tangible Fixed Assets

Tangible fixed assets are originally their respective historical cost (including attributable expenses) or production cost, including, whenever applicable, interest costs incurred throughout the respective construction or start-up period, which are capitalised until the asset begins operating.

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

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

Depreciation is calculated on the straight-line basis, over the following years, which represent a reasonable estimate of the useful lives

	Number of years
Buildings	20 to 50
Plant machinery	6 to 10
Motor vehicles	4 to 7
Office equipment	4 to 8

Depreciation is charged since the beginning of the financial year in which the asset is brought into use, except for big investment projects where depreciation begins with the start-up of production. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Current maintenance on repair expenses are charged to the actual income statement in which they occurred. Cost of operations that can extend the useful expected life of an asset, or from which are expected higher and significative future benefits, are capitalized.

An asset's carrying amount is written down to its recoverable amount and charged to the income statement if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses and disposals are included in the income statement. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to reserves.

e. Investment property

Includes land and buildings not used in production.

f. Goodwill

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

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

g. Inventories

Inventories are valued at the lower of acquisition cost or production cost and net realisable value. Acquisition cost includes direct and indirect expenses incurred in order to have those inventories at its present condition and place. Where the net realisable value is lower than production cost, an adjustment is made to reduce inventories to this lower value. This adjustment will be reversed or reduced whenever the impairment situation no longer takes place.

Year-end quantities are determined based on the accounting records, which are confirmed by the physical inventory taking. Raw materials, consumables and by-products are valued at weighted average cost, and finished goods and work-in-progress at the average production cost which includes direct costs and indirect costs incurred in production.

h. Trade and other receivables

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

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

i. Cash and cash equivalents

Cash includes cash in hand, deposits held at call in banks, time deposits and other no-risk short-term investments with original maturities of three months or less. In the Consolidated Statement of Cash Flow, this caption includes Bank overdrafts.

j. Interest bearing loans

Includes interest bearing loans amounts. Any costs attributable to the lender, will be deducted to the loan amount and charged, during its life, using the effective interest rate.

Interests are usually charged to the income statement as they occur. Interests arising from loans related with capital expenditure for periods longer than 12 months will be capitalised and charged to the specific asset under construction. Capitalisation will cease when the project is complete or suspended.

k. Income taxes – current and deferred

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

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

l. Employee benefits

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

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

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

CORTICEIRA AMORIM recognises a liability and an expense for bonuses attributable to a large number of directors. These benefits are based on estimations that take in account the accomplishment of both individual goals and a pre-established CORTICEIRA AMORIM level of profits.

m. Provisions

Provisions are recognised when CORTICEIRA AMORIM has a present legal or constructive obligation as a result of past events, when it is more likely than not an outflow of resources will be required to settle the obligation and when a reliable estimation is possible.

Provisions are not recognised for future operating losses. Restructuring provisions are recognised with a formal detail plan and when third parties affected are informed.

n. Revenue recognition

Revenue comprises the value of the consideration received or receivable for the sale of goods and finished products. Revue is shown, net of value-added tax, returns, rebates, and discounts, including cash discounts. Revenue is also adjusted by any prior period's sales corrections.

Services rendered are immaterial and, generally, are refunds of costs related with finish product sales.

Sales revenue is recognised when the significant risk and rewards of ownership of the goods are transferred to the buyer and its amount can be reliably measured. Revenue receivable after one year will be discounted to its fair value.

o. Government grants

Grants received are related generally with fixed assets expenditure. No-repayable grants are present in the balance sheet as deferred income, and recognised as income on a systematic basis over the useful life of the related asset. Repayable interest bearing grants are presented as interests bearing debt; if no-interest bearing, they are presented as "Other borrowings". Medium and long-term no-interest bearing repayable grants are presented with its net present value, using an interest discount rate similar to CORTICEIRA AMORIM interest bearing debt for same period.

p. Leasing

When a contract indicates that the significant risks and rewards of the ownership of the asset are transferred to CORTICEIRA AMORIM, leasing contracts will be considered as financial leases.

All other leasing contracts are treated as operating leases. Payments made under operating leases are charged to the income statement.

q. Derivative financial instruments

CORTICEIRA AMORIM uses derivatives financial instruments as forward and spot exchange rate contracts, options and swaps; these are intended to hedge its business financial risks and are not used for speculative purposes. CORTICEIRA AMORIM accounts for these instruments as hedge accounting, following all its standards. Dealing is carried out by a central treasury department (dealing room) on behalf of the subsidiaries, under policies approved by the Board of Directors.

Derivatives are initially recorded at cost and subsequently re-measured at their fair value.

The method of recognising is as follows:

- **Fair value hedge**

Changes in the fair value of derivatives that qualify as fair value hedges and that are expected to be highly effective, are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

- **Cash flow hedge**

Changes in the fair value of derivatives that qualify as cash flow edges and that are expected to be highly effective, are recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement.

- **Net investment hedge**

For the moment, CORTICEIRA AMORIM is not considering any foreign exchange hedge over its net investments in foreign units (subsidiaries).

CORTICEIRA AMORIM has fully identified the nature of its activities' risk exposure and documents entirely and formally each hedge; uses its information system to guarantee that each edge is supported by a description of: risk policy, purpose and strategy, classification, description of risk, identity of the instrument and of the risk item, description of initial measurement and future efficiency, identification of the possible derivative portion which will be excluded from the efficiency test. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, or the forecasted transaction no longer remains highly provable or simply is abandoned, or the decision to consider the transaction as a hedge, the company will de-recognised the instrument.

III. COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company		Head Office	Country	9M10
Raw Materials				
Amorim Natural Cork, S.A.		**Vale de Cortiças - Abrantes**	**PORTUGAL**	**100%**
Amorim & Irmãos, S.A. (Matérias Primas)	(a)	Ponte Sôr	PORTUGAL	100%
Amorim Florestal, S.A.		Ponte Sôr	PORTUGAL	100%
Amorim Florestal España, SL		San Vicente Alcántara	SPAIN	100%
Amorim Tunisie, S.A.R.L.		Tabarka	TUNISIA	100%
Comatral - C. Marocaine de Transf. du Liège, S.A.		Skhirat	MOROCCO	100%
Cork International, SARL		Tabarka	TUNISIA	100%
SIBL - Société Industrielle Bois Liége		Jijel	ALGERIA	51%
Société Nouvelle du Liège, S.A. (SNL)		Tabarka	TUNISIA	100%
Société Tunisienne d'Industrie Bouchonnière	(e)	Tabarka	TUNISIA	45%
Cork Stoppers				
Amorim & Irmãos, SGPS, S.A.		**Santa Maria Lamas**	**PORTUGAL**	**100%**
Amorim & Irmãos, S.A.	(a)	Santa Maria Lamas	PORTUGAL	100%
Amorim Argentina, S.A.		Tapiales - Buenos Aires	ARGENTINA	100%
Amorim Australasia		Adelaide	AUSTRALIA	100%
Amorim Benelux, BV - A&I	(b)	Tholen	NETHERLAND	100%
Amorim Cork América, Inc.		California	U. S. AMERICA	100%
Amorim Cork Austrália, Pty Ltd		Vic	AUSTRALIA	100%
Amorim Cork Deutschland GmbH & Co KG		Mainzer	GERMANY	100%
Amorim Cork Itália, SPA		Conegliano	ITALY	100%
Amorim Cork South Africa		Cape Town	SOUTH AFRICA	100%
Amorim France, S.A.S.		Champfleury	FRANCE	100%
Carl Ed. Meyer Korken		Delmenhorst	GERMANY	100%
Chapuis, S.L.		Girona	SPAIN	100%
Equipar, Participações Integradas, Lda.		Coruche	PORTUGAL	100%
FP Cork, Inc.		California	U. S. AMERICA	100%
Francisco Oller, S.A.		Girona	SPAIN	87%
Hungarocork, Amorim, RT		Budapeste	HUNGARY	100%
Indústria Corchera, S.A.	(f)	Santiago	CHILE	50%
KHB - Kork Handels Beteiligung, GMBH		Delmenhorst	GERMANY	100%
Korken Schiesser Ges.M.B.H.		Viena	AUSTRIA	69%
M. Clignet & Cie		Bezannes	FRANCE	100%
Olimpiadas Barcelona 92, S.L.		Girona	SPAIN	100%
Portocork América, Inc.		California	U. S. AMERICA	100%
Portocork France		Bordéus	FRANCE	100%
Portocork Internacional, S.A.		Santa Maria Lamas	PORTUGAL	100%
Portocork Itália		Conegliano	ITALY	100%
S.A. Oller et Cie		Reims	FRANCE	87%
S.C.I. Friedland		Céret	FRANCE	100%
Société Nouvelle des Bouchons Trescases	(e)	Perpignan	FRANCE	50%
Victor y Amorim, Sl	(f)	Navarrete - La Rioja	SPAIN	50%

Company		Head Office	Country	9M10
Floor & Wall Coverings				
Amorim Revestimentos, S.A.		**S. Paio de Oleiros**	**PORTUGAL**	**100%**
Amorim Benelux, BV - AR	(b)	Tholen	NETHERLAND	100%
Amorim Cork Distribution Netherlands BV		Tholen	NETHERLAND	100%
Amorim Cork GmbH		Delmenhorts	GERMANY	100%
Amorim Deutschland, GmbH & Co. KG - AR	(d)	Delmenhorts	GERMANY	100%
Amorim Flooring (Switzerland) AG		Zug	SWITZERLAND	100%
Amorim Flooring Austria GesmbH		Viena	AUSTRIA	100%
Amorim Flooring Investments, Inc.		Hanover - Maryland	U. S. AMERICA	100%
Amorim Flooring Nordic A/s		Greve	DENMARK	100%
Amorim Flooring North America Inc		Hanover - Maryland	U. S. AMERICA	100%
Amorim Japan Corporation		Tóquio	JAPAN	100%
Amorim Revestimientos, S.A.		Barcelona	SPAIN	100%
Amorim Wood Suplies, GmbH		Bremen	GERMANY	100%
Cortex Korkvertriebs GmbH		Fürth	GERMANY	100%
Corticeira Amorim - France SAS - AR	(c)	Lavardac	FRANCE	100%
Dom KorKowy, Sp. Zo. O.	(f)	Kraków	POLAND	50%
Inter Craft Coatings		S. Paio de Oleiros	PORTUGAL	50%
US Floors, Inc.	(e)	Dalton - Georgia	U. S. AMERICA	25%
Zodiac Kork- und Holzprodukte GmbH		Fürth	GERMANY	100%
Composites Cork				
Amorim Cork Composites, S.A.		**Mozelos**	**PORTUGAL**	**100%**
Amorim (UK) Ltd.		Horsham West Sussex	UNITED KINGDOM	100%
Amorim Benelux, BV - ACC	(b)	Tholen	NETHERLAND	100%
Amorim Cork Composites Inc.		Trevor Wisconsin	U. S. AMERICA	100%
Amorim Deutschland, GmbH & Co. KG - ACC	(d)	Delmenhorts	GERMANY	100%
Amorim Industrial Solutions - Imobiliária, S.A.		Corroios	PORTUGAL	100%
Chinamate (Xi'an) Natural Products Co. Ltd		Xi'an	CHINA	100%
Chinamate Development Co. Ltd		Hong Kong	CHINA	100%
Corticeira Amorim - France SAS - ACC	(c)	Lavardac	FRANCE	100%
Drauvil Europea, SL		San Vicente Alcantara	SPAIN	100%
Postya - Serviços de Consultadoria, Lda.		Funchal - Madeira	PORTUGAL	100%
Samorim (Joint Stock Company Samorim)	(e)	Samara	RUSSIA	50%
Insulation Cork				
Amorim Isolamentos, S.A.		**Vendas Novas**	**PORTUGAL**	**80%**
Holding				
Corticeira Amorim, SGPS, S.A.		**Mozelos**	**PORTUGAL**	**100%**
Ginpar, S.A. (Générale d'Invest. et Participation)		Skhirat	MOROCCO	100%
Amorim Cork Research, Lda.		Mozelos	PORTUGAL	100%
Soc. Portuguesa de Aglom. de Cortiça, Lda		Montijo	PORTUGAL	100%
Vatrya - Serviços de Consultadoria, Lda		Funchal - Madeira	PORTUGAL	100%

(a) – One single company: Amorim & Irmãos, S.A.
(b) – One single company: Amorim Benelux, BV.
(c) – One single company: Corticeira Amorim - France SAS.
(d) – One single company: Amorim Deutschland, GmbH & Co. KG.
(e) – Equity method consolidation.
(f) – CORTICEIRA AMORIM controls the operations of the company – line-by-line consolidation method.

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

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

IV. EXCHANGE RATES USED IN CONSOLIDATION

Consolidation September 30, 2010		Year End	Average
Argentine Peso	ARS	5.39475	5.11635
Australian Dollar	AUD	1.40700	1.46555
Brazilian Real	BRL	2.32010	2.33806
Canadian Dollar	CAD	1.40730	1.36145
Swiss Franc	CHF	1.32870	1.40022
Chilean Peso	CLP	659.010	683.371
Yuan Renminbi	CNY	9.11920	8.95624
Danish Krone	DKK	7.45190	7.44476
Algerian Dinar	DZD	98.9496	95.3875
Euro	EUR	1	1
Pound Sterling	GBP	0.85995	0.85648
Hong Kong Dollar	HDK	10.57610	10.22448
Forint	HUF	275.750	275.382
Yen	JPY	113.680	117.661
Moroccan Dirham	MAD	11.2093	11.1224
Metical	MZM	36.000	33.686
Norwegian Krone	NOK	7.96800	7.98861
Zloty	PLN	3.98470	4.00430
Ruble	RUB	41.625	39.783
Swedish Kronor	SEK	9.1421	9.6484
Tunisian Dinar	TND	1.9375	1.8843
US Dollar	USD	1.36480	1.31453
Rand	ZAR	9.54380	9.80842

V. SEGMENT REPORT

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

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

For purposes of this Report, the Business approach was selected as the primary segment. This is consistent with the formal organization and evaluation of business. The following table shows the main indicators of the said units, and, whenever possible, the reconciliation with the consolidated indicators (values in thousand EUR):

thousand euros

3Q2010	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjustments	Consolidated
Trade Sales	3,319	205,001	83,045	49,082	6,810	11	0	347,268
Other BU Sales	64,554	4,214	2,367	8,420	456	1,038	-81,049	-
Total Sales	**67,873**	**209,215**	**85,412**	**57,501**	**7,266**	**1,049**	**-81,049**	**347,268**
Current EBIT(i)	**11,509**	**22,450**	**1,852**	**3,397**	**1,372**	**-2,244**	**-1,506**	**36,831**
Assets	**110,951**	**251,244**	**115,469**	**77,251**	**11,343**	**1,984**	**-12,024**	**556,218**
Liabilities	**41,839**	**66,761**	**26,860**	**16,633**	**1,516**	**2,606**	**134,455**	**290,669**
Capex	**539**	**5,288**	**3,322**	**1,510**	**347**	**0**	**0**	**11,006**
Depreciation	**-2,137**	**-6,225**	**-4,124**	**-2,275**	**-444**	**-33**	**0**	**-15,238**
Non-cash cost (ii)	**-207**	**-1,632**	**499**	**-272**	**-81**	**-800**	**0**	**-2,493**
Gains/Losses in associated companies	**7**	**474**	**141**	**0**	**0**	**0**	**0**	**622**

3Q2009	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjustments	Consolidated
Trade Sales	5,484	181,972	82,003	40,273	6,039	9	-	315,780
Other BU Sales	57,010	2,889	1,650	7,691	505	503	-70,248	-
Total Sales	**62,494**	**184,861**	**83,653**	**47,964**	**6,544**	**512**	**-70,248**	**315,780**
Current EBIT(i)	**-723**	**17,424**	**-4,293**	**993**	**1,130**	**-1,970**	**134**	**12,695**
Assets	**110,097**	**242,658**	**121,719**	**70,022**	**11,879**	**6,016**	**-9,635**	**552,756**
Liabilities	**31,262**	**64,330**	**30,433**	**14,981**	**1,793**	**4,129**	**159,974**	**306,902**
Capex	**801**	**5,276**	**4,641**	**1,665**	**398**	**27**	**-**	**12,808**
Depreciation	**-2,212**	**-6,343**	**-3,845**	**-2,238**	**-438**	**-46**	**-**	**-15,122**
Non-cash cost (ii)	**-108**	**-615**	**-1,627**	**-542**	**-114**	**2**	**-**	**-3,004**
Gains/Losses in associated companies	**2**	**335**	**231**	**-**	**-**	**-**	**-**	**568**

Notes:

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

EBIT =Profit before interests, minorities and income tax.

Provisions and asset impairments were considered the only relevant material cost.

Segments assets do not include DTA (deferred tax asset) and non-trade group balances.

Segments liabilities do not include DTL (deferred tax liabilities), bank loans and non-trade group balances.

The decision to report EBIT figures allows a better comparison of the different BU performances, disregarding the different financial situations of each BU. This is also coherent with the existing Corporate Departments, as the Financial Department is responsible for the bank negotiations, being the tax function the responsibility of the Holding Company.

Cork Stoppers BU main product is the different kinds of existing cork stoppers. The main markets are the bottling countries, from the traditional ones like France, Italy, Germany, Spain and Portugal, to the new markets like USA, Australia, Chile, South Africa and Argentina.

Raw Materials BU is, by far, the most integrated in the production cycle of CORTICEIRA AMORIM, with 90% of its sales to others BU, specially to Cork Stoppers BU. Main products are bark and discs.

The remaining BU produce and sell a vast number of cork products made from cork stoppers waste. Main products are cork floor tiles, cork rubber for the automotive industry and antivibratic systems, black agglomerates for insulation and acoustic purposes, technical agglomerates for civil construction and shoe industry, as well as granulates for agglomerated, technical and champagne cork stoppers.

Major markets for flooring and insulation products are in Europe. Major production sites are in Portugal, where most of the invested capital is located. Products are distributed in practically all major markets through a fully owned network of sales companies. About 70% of total consolidated sales are achieved through these companies.

VI. SELECTED NOTES

Data to be included in the interim notes, materially relevant, which is not included in prior chapters:

- These interim financial statements were prepared using similar accounting policies as those used when preparing prior year-end statements;
- CORTICEIRA AMORIM business is spread through a large basket of products, throughout the five continents and more than a hundred countries; so, it is not considered that its activity is subjected to any particular form of seasonality. Anyway it has been registered a higher first half activity, mainly during the second quarter; third and fourth usually exchange as the weakest quarter;

Mozelos, November 2, 2010

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

António Rios de Amorim
Chairman of the Board of Directors

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

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

Luísa Alexandra Ramos Amorim
Member of the Board of Directors

José da Silva Carvalho Neto
Member of the Board of Directors

André de Castro Amorim
Member of the Board of Directors

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