



AMORIM

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

Consolidated results

First Half 2010

Summary

Consolidated results

- Highlights
- Consolidated key indicators

Raw Materials

- Key indicators
- Highlights

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- Key indicators
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- Key indicators
- Highlights

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- Key indicators
- Highlights

Insulation Cork

- Key indicators
- Highlights

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- Consolidated indicators

Consolidated results

- Highlights
- Consolidated key indicators

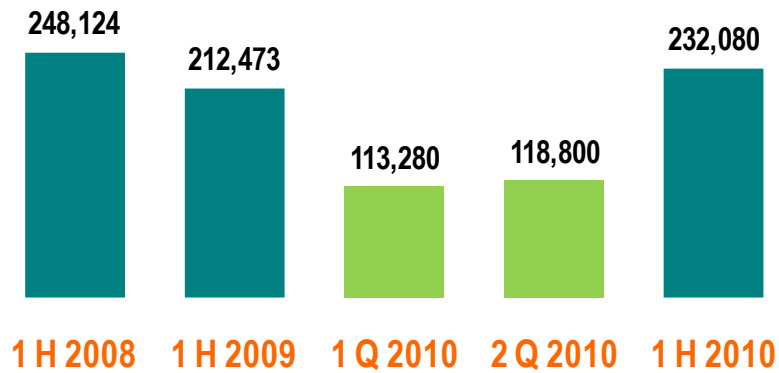
Unit: thousands of euros

Highlights

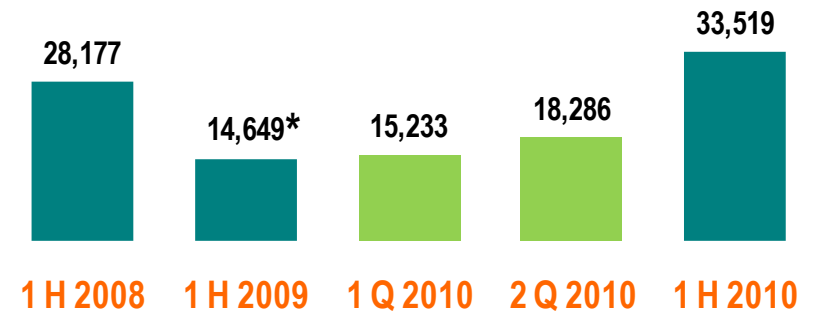
- ❑ Consolidated 1H10 sales totaled 232 million euros (M€), a 20 M€ increase (9.2%), but still below 1H08 (-6.5%);
- ❑ All Sales Units with higher sales and results;
- ❑ EBITDA (33.5 M€ = 14.4% of sales) and EBIT (22.2 M€) registered a strong recovery from 1H09 figures (current EBITDA 14.6 M€ and current EBIT 3.6 M€);
- ❑ Net profit reached 11.6 M€, compares with 1H09 loss of 3.5 M€;
- ❑ Net debt (118.9 M€) reduces 20 M€ since the end 2009 and 67 M€ vs final debt for June 2009.

Consolidated key indicators

Sales

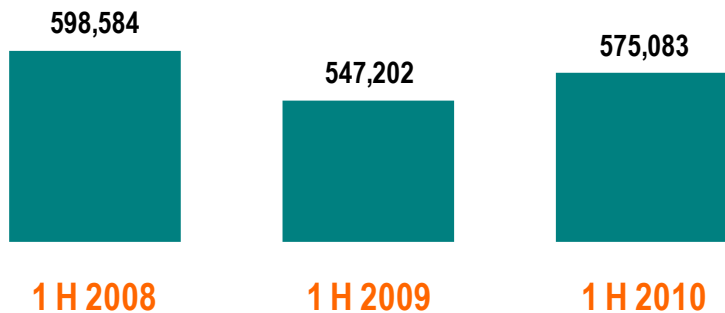


EBITDA

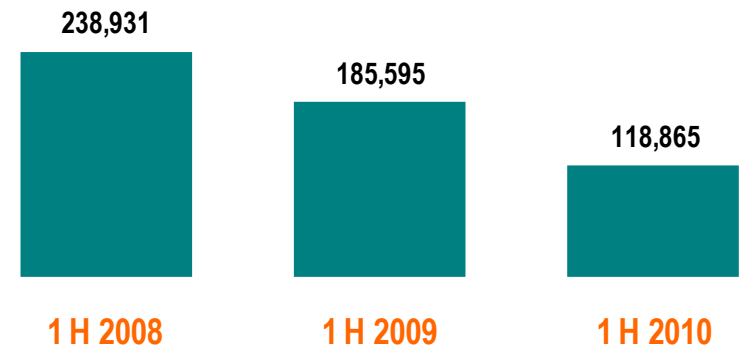


* Excludes restructuring costs (4,515)

Total Assets



Net debt





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Business Unit:

Raw Materials

- Key indicators
- Highlights

Unit: thousands of euros

Highlights and key indicators

Procurement

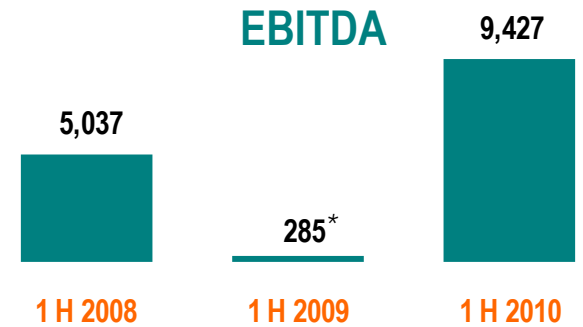
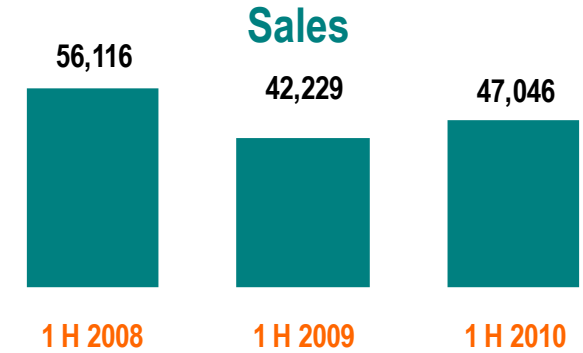
- Raw material requirements for the whole of 2011 secured by end of July-10;
- Average price increased compared with last year campaign.

Operating activity

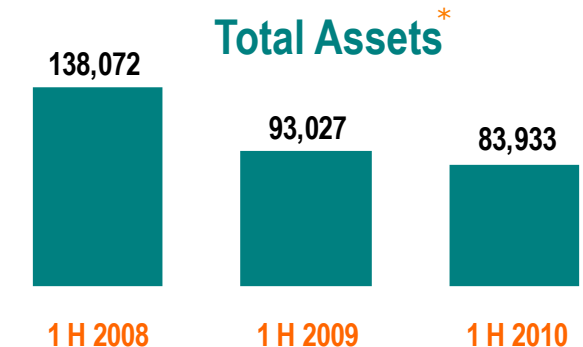
- Sales increase 11.4% vs 1H09:
 - Sales to the value chain of the group were in line with the activity increase of the transforming Units;
- EBITDA and EBIT increase was around 9 M€ vs 1H09:
 - Better Gross Margin with higher activity and stable operating costs;
 - All Units (Portugal, Spain and North Africa) were profitable.

Outlook

- A good record is expected to be maintained till year-end. Some slowdown to the value chain of the group is expected.



* Excludes restructuring costs (160)



Business Unit:

Cork Stoppers

- Key indicators
- Highlights

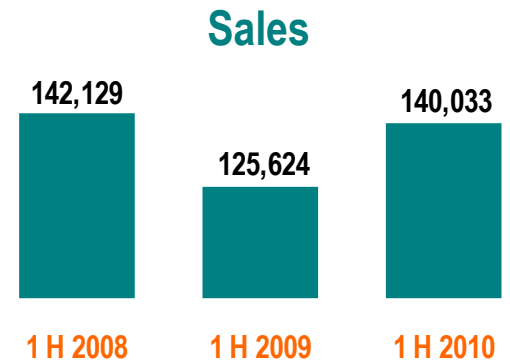
Unit: thousands of euros

□ Sales – 11.5% increase in 1H10

- Growth pace was maintained during 2Q10 (8.5%):
 - Cellars starting to bottle again as the new harvest approaches;
 - CORTICEIRA AMORIM increases its market share partly due to its positive performance (operational and financial) throughout the economic crisis in comparison with market rivals;
 - Inventory rebuilding mainly in multinational customers.

- Performance by product family:
 - Natural Cork Stoppers:
 - 5% increase justified by volume;
 - growth registered in most major markets, with the exception of South Africa;
 - positive performance of Acquamark ® was maintained;
 - Champagne Cork Stoppers:
 - Champagne sales were 23% higher due to volume (21%);
 - All markets higher than same period 2009.
 - Neutrocork®:
 - 34% increase justified by volume;
 - US market saw important growth.
 - Twin Top®:
 - Flat sales with higher volume (3.5%);
 - US market saw important growth.

- Markets:
 - good performance in all markets, namely France justified by higher champagne cork stoppers sales.



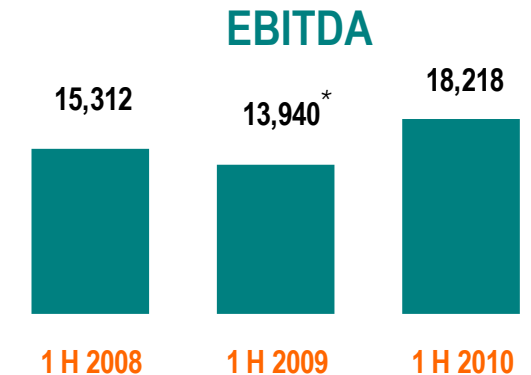
Highlights and key indicators (2)

Operating activity

- Gross margin in value increased 18.4%, justified by a 3% percentual margin increase;
- Operational costs higher 7%, an increase lower than the increase in sales;
- EBITDA and EBIT registered a 30% and 47% increase respectively compared with 1H09.

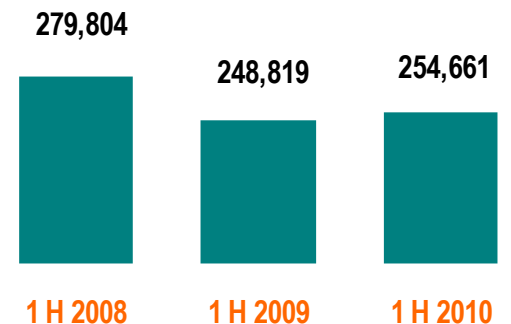
Outlook

- Activity slowdown in 2H10 due to the end of the inventory rebuilding process.



* Excludes restructuring costs (1,550)

Total Assets*





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Business Unit:

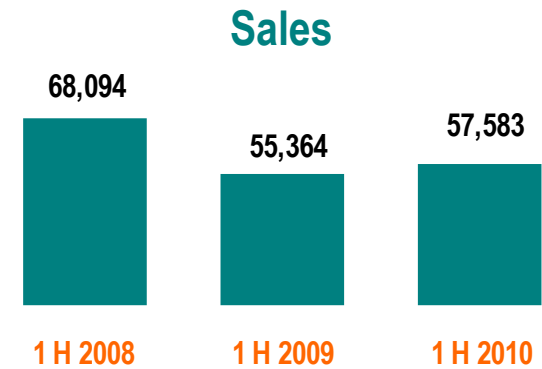
Floor & Wall Coverings

- Key indicators
- Highlights

Unit: thousands of euros

□ Sales – 6.1% increase *

- Growth fully supported by own products sales (19.1%);
 - Good performance in US and Eastern Europe;
 - Drop in trading sales (wood: -27%):
 - USD recovery as the most important cause;
 - Nordic markets (Denmark) and Benelux strongly hit;
 - Customs difficulties during June in Russia.

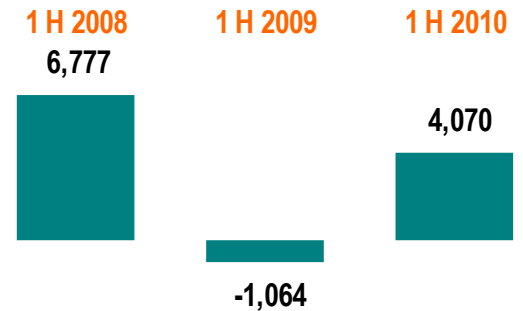


Highlights and key indicators (2)

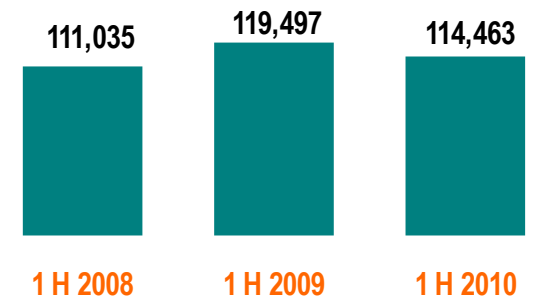
□ Operating activity

- Percentual Gross margin increase vs 1H09:
 - Product mix with favourable performance (higher weight of own produced items);
 - Performance of EUR/USD exchange rate had a negative effect on commercialization of non-cork coverings;
- Operational costs 3 M€ reduction:
 - Less promotional expenditures for the new collections (launched during 2009);
 - Effects of the cost reduction actions taken during 2009 and 1H10;
- EBITDA and EBIT increased by some 5 M€.

EBITDA



Total Assets*



□ Outlook

- Costs reduction actions estimated to result in a lighter cost structure;
- Positive effect of US Floors acquisition should intensify in 2H10.

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



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Business Unit:

Cork Composites

- Key indicators
- Highlights

Unit: thousands of euros

Highlights and key indicators

☐ Sales – 27.7% increase

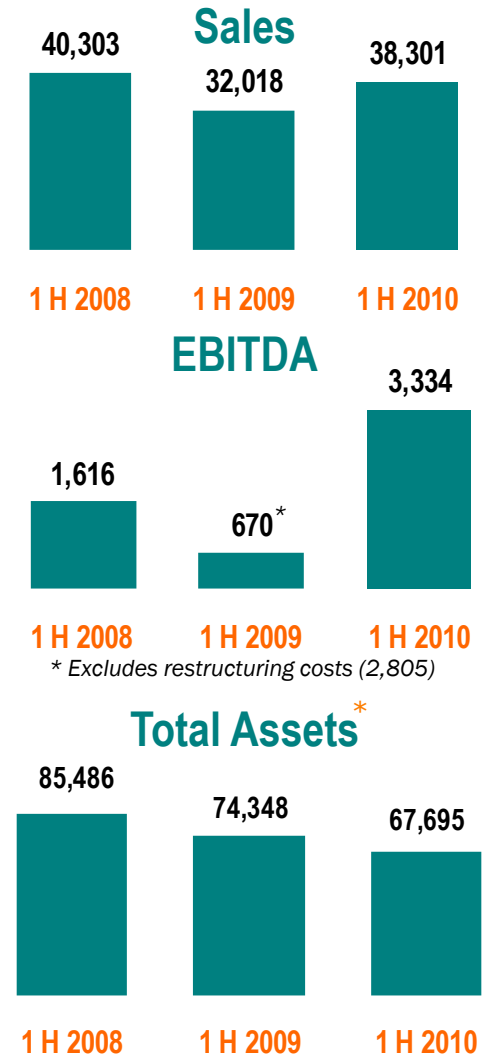
- Markets rebound;
- Strong USD;
- Sales increase justified by volume;
- Difficulties in defending prices;
- Three main segments (construction, industry and sealing) with increases between 25% and 32%.

☐ Operating activity

- Full operating capacity;
- Unfavourable energy costs;
- Higher environmental and transportation costs;
- Industrial Unit Drauvil production halted for efficiency investments;
- Current EBITDA and EBIT increase by some 2.6 M€.

☐ Outlook

- Activity should remain stable but a small decrease in activity is expected for the second half due to the recent USD evolution.



Business Unit:

Insulation Cork

- Key indicators
- Highlights

Unit: thousands of euros

Highlights and key indicators

☐ Sales – 10.8% increase

- Growth driven by expanded cork agglomerate (15%);
- Expanded cork agglomerate higher volume (13%);
- Rebound of Middle East market and a sound French market;
- Milestone: Colégio (school) Pedro Arrupe (Parque das Nações – Lisbon).

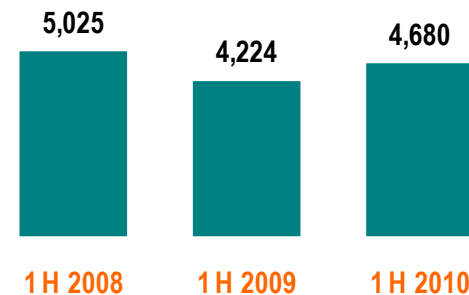
☐ Operating activity

- Gross margin increased by 3 percentage points:
 - Raw material with a lower average purchase price;
 - expanded cork agglomerate price increase;
- EBITDA and EBIT increase (13% and 21%).

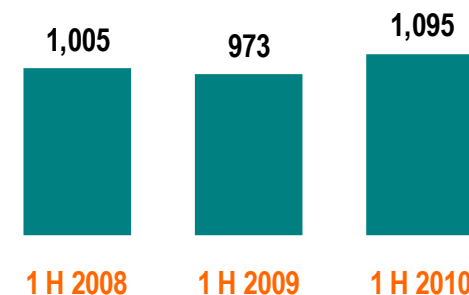
☐ Outlook

- Second half expected to reach the same level as first half.

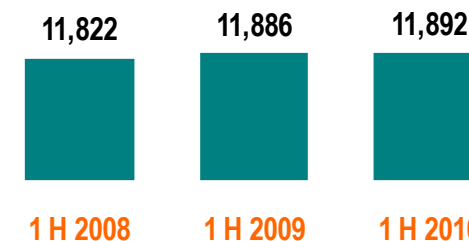
Sales



EBITDA



Total Assets*



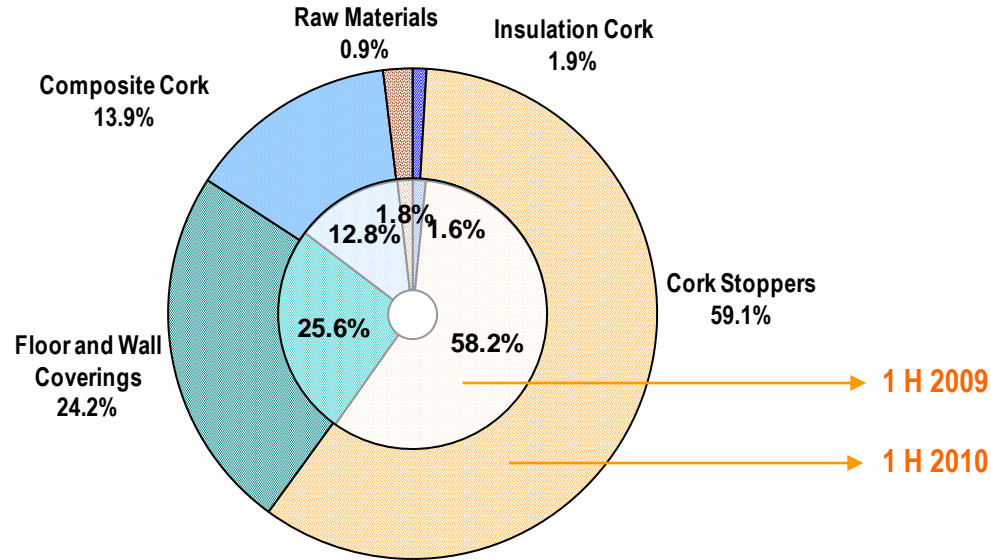
* Excludes Deferred Taxes and non-trade balances with Group Companies.

Appendices

- Consolidated indicators

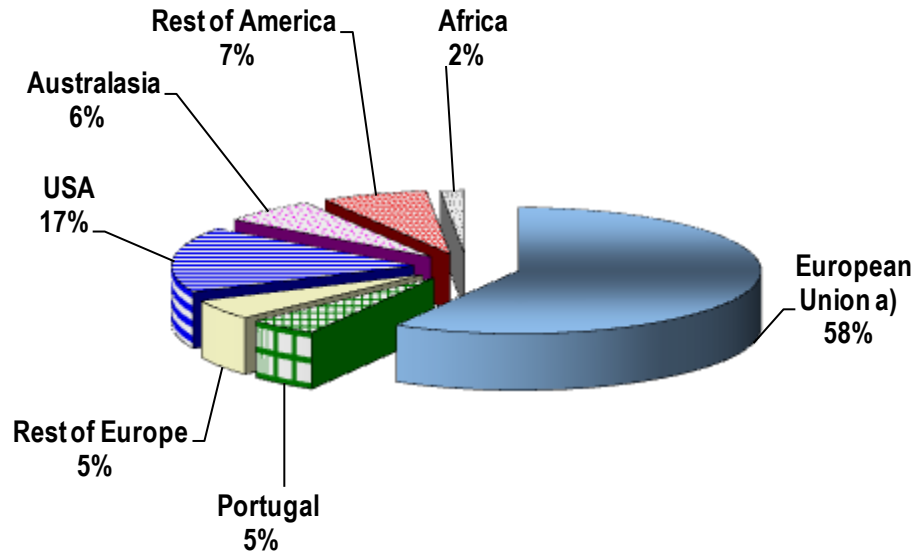
Unit: thousands of euros

Breakdown Sales by Business Unit



	1 H 2008	1 H 2009	1 H 2010
Raw Materials	1.5%	1.6%	0.9%
Cork Stoppers	56.4%	58.2%	59.1%
Floor and Wall Coverings	27.0%	25.6%	24.2%
Composite Cork	13.3%	12.8%	13.9%
Insulation Cork	1.8%	1.8%	1.9%

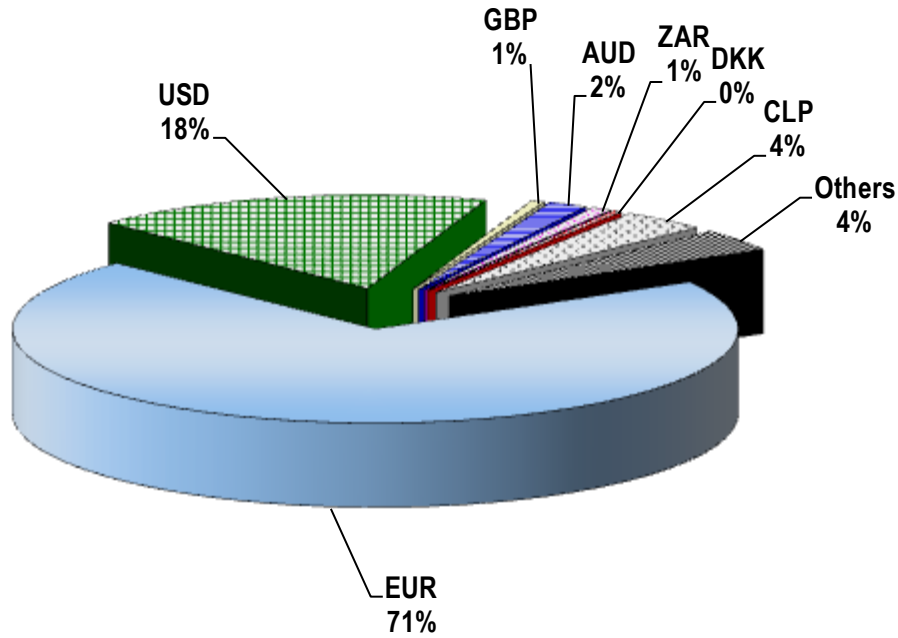
Breakdown Sales by Geographic Areas



	1 H 2008	1 H 2009	1 H 2010
European Union a)	60.2%	61.3%	58.4%
Portugal	5.6%	5.0%	4.7%
Rest of Europe	5.8%	4.2%	5.1%
USA	14.3%	16.5%	16.8%
Australasia	5.4%	4.7%	6.4%
Rest of America	6.6%	6.6%	7.0%
Africa	1.6%	1.5%	1.6%

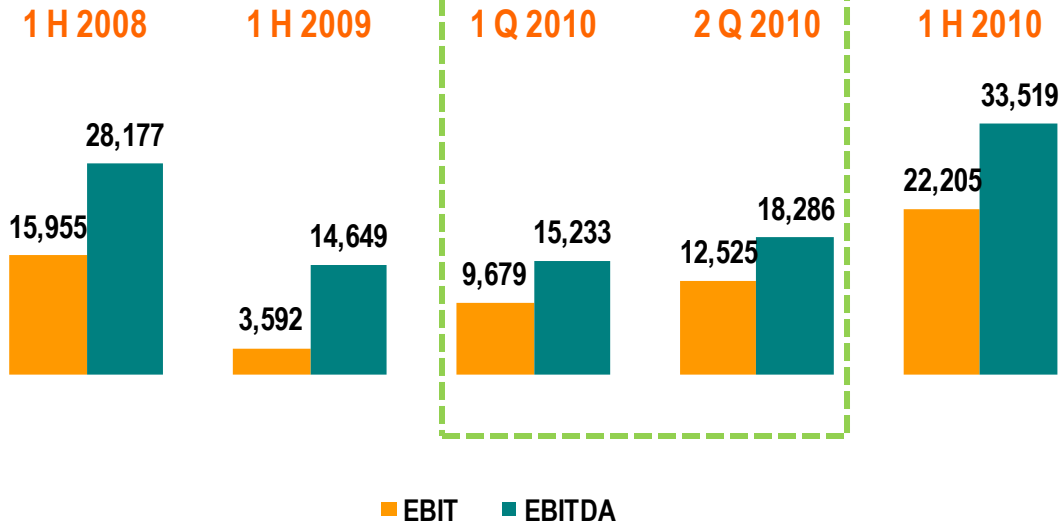
a) Includes Switzerland and Norway and excludes Portugal.

Breakdown Sales by Currency



	1 H 2008	1 H 2009	1 H 2010
EUR	70.1%	70.9%	70.7%
USD	15.7%	17.3%	17.9%
GBP	1.7%	0.7%	0.6%
AUD	1.8%	1.3%	1.8%
ZAR	1.0%	1.0%	0.9%
DKK	3.1%	1.5%	0.4%
CLP	3.7%	3.6%	3.8%
Others	2.9%	3.8%	3.9%

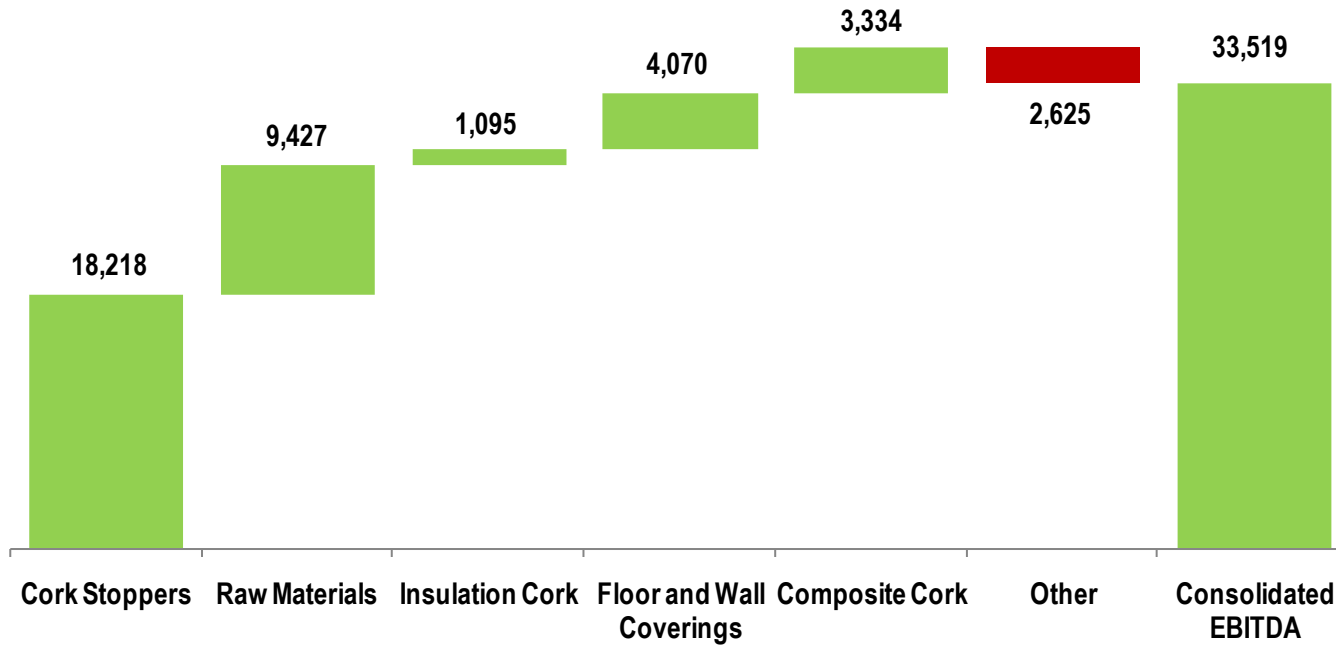
EBIT & EBITDA evolution



	1 H 2008	1 H 2009*	1 Q 2010	2 Q 2010	1 H 2010
Gross Margin	118.635	99.058	59.622	61.949	121.571
Other operating costs (current)	100.778	94.514	49.943	46.818	96.761
EBIT	15.955	3.592	9.679	12.525	22.205
EBITDA	28.177	14.649	15.233	18.286	33.519

* Excludes restructuring costs

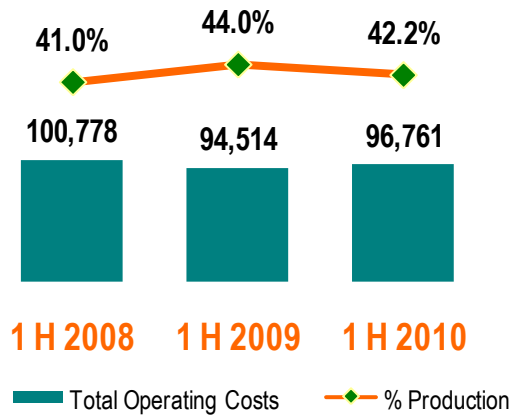
Breakdown EBITDA by Business Unit



	1 H 2008	1 H 2009	1 H 2010
Raw Materials	17%	2%	26%
Cork Stoppers	51%	94%	50%
Floor and Wall Coverings	23%	-7%	11%
Composite Cork	5%	5%	9%
Insulation Cork	3%	7%	3%

Operating Costs Breakdown

Value and % (Production):



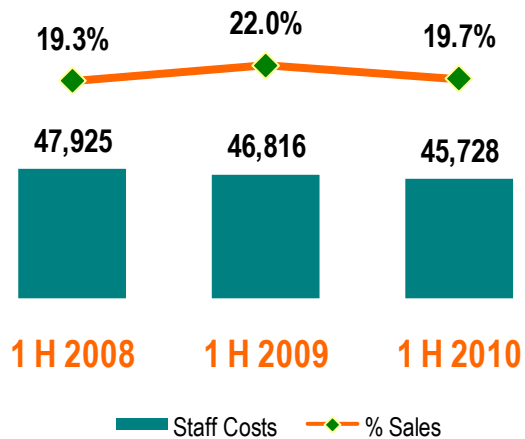
	1 H 2008	1 H 2009	1 H 2010
External supplies	39,820	36,977	38,803
Staff costs (current)	47,925	46,816	45,728
Depreciation	12,222	11,057	11,314
Provisions	363	1,415	2,334
Other operating expenses and profits	-448	1,751	1,419
Total Operating Costs	100,778	94,514	96,761
% Production	41.0%	44.0%	42.2%



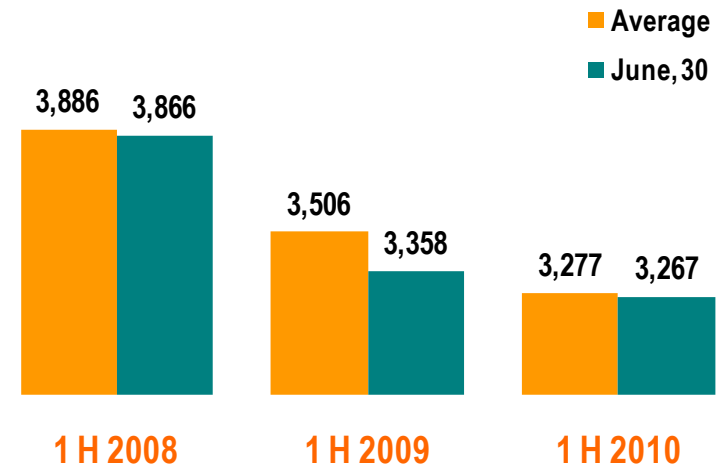
Staff Costs *

* Excluding charges with reorganization

Value and % (sales):



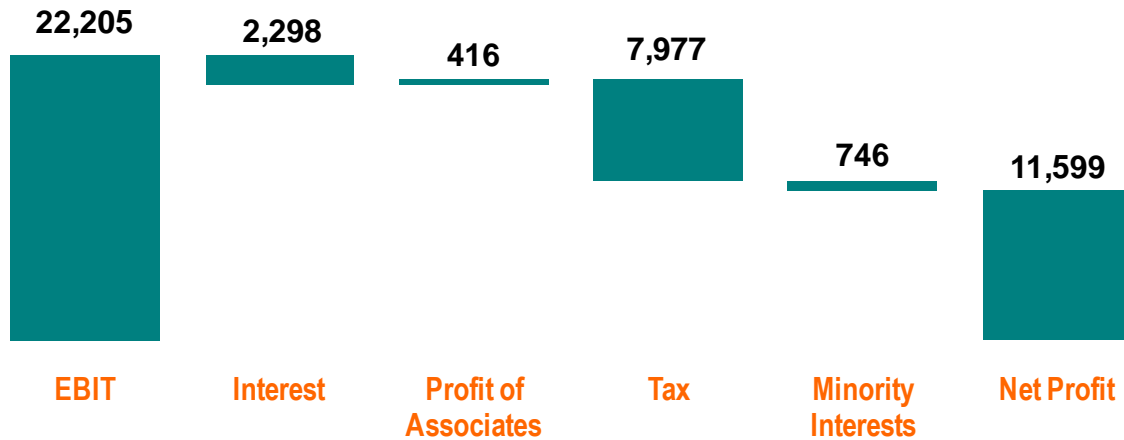
Number of employees:



Comparison *:		%
+	Accounting Variance	-2.3%
-	Exchange Rate Impact	0.5%
-	Impact due to consolidation range	0.0%
=	Adjusted Variance	-2.8%

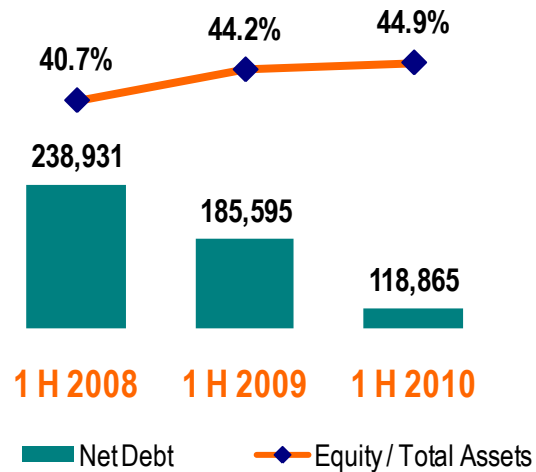
* Staff Costs variance: 1H10 vs 1H09

Net Profit



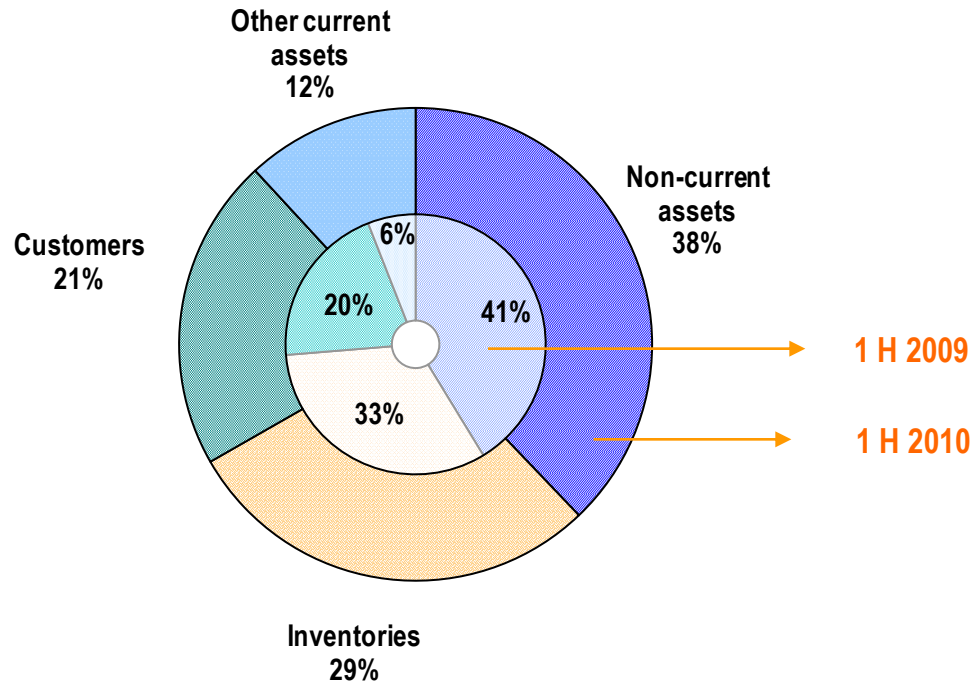
	1 H 2008	1 H 2009	1 H 2010
EBIT current	15,955	3,592	22,205
Interest	6,505	4,030	2,298
Restructuring costs		4,515	
(loss)/profit of associates	444	478	416
EBT	9,894	-4,474	20,323
Tax	2,410	-1,323	7,977
Minority interests	594	335	746
Net Profit	6,890	-3,486	11,599

Net debt and Equity/ Total Assets:



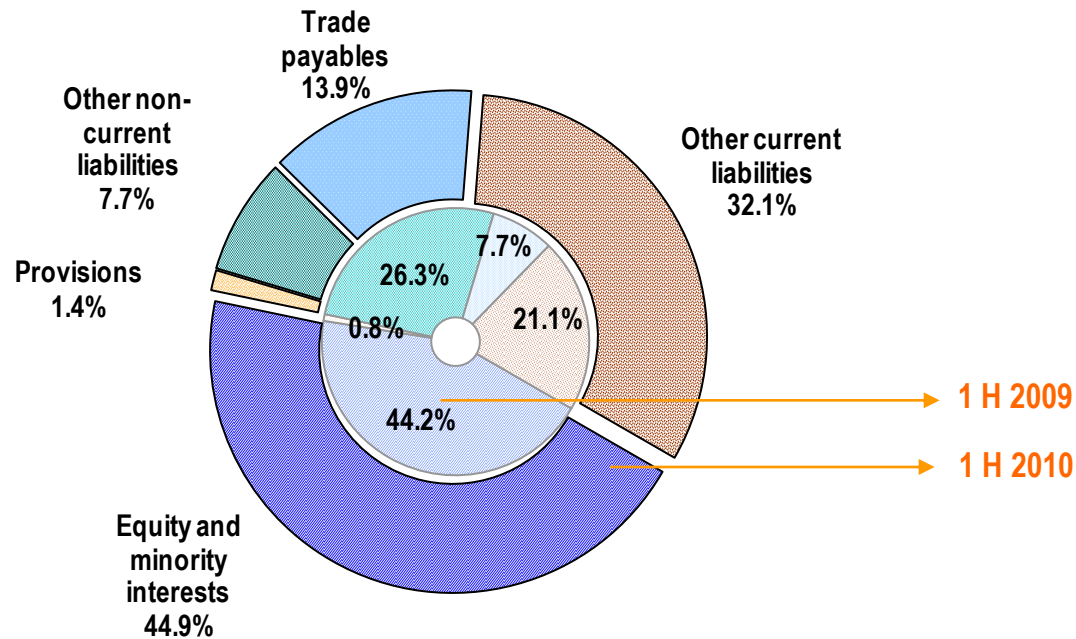
	1 H 2008	1 H 2009	1 H 2010
Net Debt	238,931	185,595	118,865
Equity and Minority interests	243,592	241,656	258,445
EBITDA / Interest	4.3	3.6	14.6
Equity / Total Assets	40.7%	44.2%	44.9%
Gearing	98.1%	76.8%	46.0%

Total Assets



	1 H 2008	1 H 2009	1 H 2010
Non-current assets	217,642	225,883	217,781
Inventories	214,952	177,379	165,954
Customers	124,247	111,379	123,135
Other current assets	41,743	32,561	68,213
Total Assets	598,584	547,202	575,083
Capex	12,276	9,766	6,904

Equity and Liabilities



	1 H 2008	1 H 2009	1 H 2010
Equity and minority interests	243,592	241,656	258,445
Provisions	4,597	4,445	7,770
Other non-current liabilities	144,301	143,923	44,567
Trade payables	32,033	41,967	79,734
Other current liabilities	174,062	115,211	184,567
Total Liabilities	354,993	305,546	316,638

Consolidated Statement of Financial Position

	30.06.10	31.12.09	30.06.09
Non-current assets	217,924	219,353	225,950
Current assets			
Inventories	165,954	174,789	177,735
Other current assets	191,348	130,587	143,652
Total current assets	357,302	305,376	321,387
Total Assets	575,226	524,730	547,337
Equity (M. I. included)	258,105	249,845	241,656
Non-current liabilities			
Bank borrowings	46,140	93,472	130,014
Other non-current liabilities	15,210	11,967	18,489
Total non-current liabilities	61,350	105,439	148,503
Current liabilities			
Bank borrowings	120,423	52,881	61,727
Other current liabilities	135,348	116,565	95,451
Total current liabilities	255,771	169,446	157,178
Total Liabilities and Equity	575,226	524,730	547,337

Key Figures

	2Q10	2Q09	Variation	1H10	1H09	Variation
Sales	118,800	110,299	7.71%	232,080	212,473	9.23%
Gross Margin – Value	61,949	49,929	24.07%	121,571	99,058	22.73%
	54.52%	46.38%	+ 0.08 p.p.	53.03%	46.10%	+ 0.07 p.p.
Operating Costs - current	49,423	46,247	6.87%	99,366	95,466	4.09%
EBITDA - current	18,286	9,162	100%	33,519	14,649	129%
EBIT - current	12,526	3,682	240%	22,205	3,592	518%
Restructuring costs	0	670	N/A	0	4,515	N/A
Net Income	7,314	1,109	560%	11,599	-3,486	N/A
Earnings per share	0.056	0.009	560%	0.089	-0.027	N/A
EBITDA/Net Interest (x)	18.00	5.72	12.28 x	14.59	3.63	10.95 x
Equity/Net Assets	-	-	-	44.9%	44.2%	+ 0.77 p.p.
Net Bank Debt	-	-	-	118,864	185,595	-35.96%



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