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

CONSOLIDATED ACCOUNTS

First half 2011 (1H11)
(Audited)

Second quarter 2011 (2Q11)
(Non-audited)

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

Capital Social: EUR 133 000 000,00
C.R.C. Sta. Maria da Feira
NIPC e Matrícula n.º: PT 500 077 797

Edifício Amorim I
Rua de Meladas, n.º 380
Apartado 20
4536-902 MOZELOS VFR
PORTUGAL

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

Internet: www.amorim.com/cortica.html
E-mail: corticeira.amorim@amorim.com

Dear Shareholders,

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

CONSOLIDATED MANAGEMENT REPORT

1. INTRODUCTION

During the second quarter of 2011, the economic activity in CORTICEIRA AMORIM's major markets continued to show a growth pace similar to that recorded during the first three months of the year. However, a number of indicators provided by major international institutions also suggest some loss of momentum, especially in the German and in the U.S. economy. The feeble recovery - at least in some major Western economies - seems to indicate that the structural problems remain largely unresolved.

CORTICEIRA AMORIM continued to enjoy growth - albeit modest - in its main markets. The Company's limited exposure to the domestic market spared it from the effects of the steep decline in consumption in Portugal during the first half of 2011 that, apparently, will persist for the foreseeable future.

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

2Q11 / 2Q10:	+13.0%
1Q11 / 1Q10:	+6.3%
4Q10 / 4Q09:	+10.2%
3Q10 / 3Q09:	+11.5%
2Q10 / 2Q09:	+7.7%
1Q10 / 1Q09:	+10.9 %
4Q09 / 4Q08:	-3.8%

The good sales performance in almost all Business Units (BU's) led to a sales increase in the second quarter (2Q11), a fact that shall be duly pointed out.

Sales reached EUR 134 million Euros (EUR M) in 2Q11, thus exceeding not only by 13.0% the sales in the same period in 2010 as well as the amount recorded in 2Q08, a record year for sales of CORTICEIRA AMORIM. And, in cumulative terms, the sales performance achieved in the first half of 2011 (1H11) allowed that the sales value in 1H08 was exceeded for the first time (EUR 255M vs. EUR 248M).

The increase in sales was accompanied by a good performance in other operating indicators. The EBITDA / sales ratio reached 15.6% in 1H11, thus outperforming CORTICEIRA AMORIM's previous values recorded in the last years. In absolute terms this ratio amounted to EUR39.7 M, which compares favorably with EUR 33.5 M in 1H10.

2. BUSINESS UNITS

2.1. Raw Materials BU

The 16.1% sales growth was due to the contribution of this BU to the value chain of the CORTICEIRA AMORIM Group, which rose about 18 %. In line with a policy that was defined and has been followed for some financial years, sales to customers outside the Amorim Group continued to decline and now represents about 3 % of the business of this BU.

Almost all manufacturing plants - not only in Portugal and Spain, but also in North Africa - recorded an increase in sales. As stated in the report for the first quarter of 2011, Amorim factories in North Africa have managed to overcome difficulties that might have been brought by social unrest which could be detrimental to their normal operation.

The manufacture of raw materials was the main contributory factor to the good results achieved. It should be stressed, however, that all plants showed positive results and, in general, such results were higher than in the same period in 2010.

EBIT reached EUR 12.7 M in the first half of 2011, a figure significantly higher than that recorded in 1H10 (EUR 7.8 M). This was due to a remarkable business growth and a good price versus quality relationship of the manufactured cork.

At the date of this report, the Raw Materials BU had practically satisfied its requirements for raw materials to be manufactured in 2012, although their average purchase price was higher than a year before.

2.2. CORK STOPPERS BU

The growth in the world wine, champagne and spirits markets in the last quarters will contribute to increase the sale of corks to the levels reached in 2008. We estimate that this increase in quantity will be between 1% and 2 %.

The inability of some of our competitors to meet demand as well as the level of service to major bottlers provided by the Sales departments of CORTICEIRA AMORIM led the most demanding customers to replace some of such competitors.

The decrease in synthetic closure sales shall also be mentioned as a third contributory factor to the enhanced performance of this BU. This double-digit drop in sales since 2010, allowed the cork industry – and, in particular, CORTICEIRA AMORIM - to gain share in the global closures market. The bankruptcy of the second and the third largest synthetic closure manufacturers led their customers to reappear in CORTICEIRA AMORIM's portfolio.

The growth observed was not, however, completely positive. The increase in sales has been recorded particularly in the popular premium segment – selling prices from USD 3.00 to USD 5.00 – producing a less favorable sales mix.

Sales for the 1H11 amounted to EUR152.5 M, up by 8.9 % compared to the same period in 2010. Each individual month in the first half of 2011 was the best ever for the Cork Stoppers BU.

The highest sales increases were recorded by traditional major markets: France, the USA and Italy which posted the highest increases in absolute terms ranging from 9% to 18%. Bottling markets such as France, Italy and others benefited from the growth in consumption in countries such as Russia, Brazil, Angola and China.

All types of cork stoppers raised their sales. Sales of natural cork wine stoppers - due to their importance – deserve a special mention; in fact, their sales growth was similar to that of the Cork Stoppers BU. Worthy of mention is also the fact that the increase in the sales of champagne corks doubled the sales growth of the Cork Stoppers BU.

This growth was largely due to increasing sales volume. More than 1.7 billion cork stoppers were sold, representing an increase of 155 million units.

EBIT reached EUR 14.6 M (1H10: EUR 13.8 M). Gross margin was negatively affected by the EUR/U.S. dollar exchange rate, a less favorable sales mix and an increase in impairment losses on third parties. All these factors did not allow a greater rise in this indicator to occur.

The move of the production capacity previously located in Amorim & Irmãos - MPS manufacturing facilities to Amorim & Irmãos plant in Lamas was almost completed by the end of 1H11. It is anticipated that production will be in full swing at the facilities located in Lamas in September 2011.

The MPS industrial facility will be part of the Cork Composites BU and will be aimed at developing the DYN CORK project. The introduction of new printing techniques in the cork industry and the use of lamination/gluing technology of complementary products for cork will contribute to a more widespread use of cork in new applications that traditionally make use of leather and textile products. DYN CORK's preferred target industry segments are interior decoration, footwear, textiles and the transport industry.

2.3. FLOOR AND WALL COVERINGS BU

In the second quarter of 2011 it was possible to catch up with the sales figures recorded in the first three months of the year. The expansion in some markets - particularly the U.S. and the Eastern European markets - allowed to reverse 1Q11's drop in sales, despite falling sales of wood flooring. In fact, trade sales declined by 20% compared to the same period in 2010, while the sales of floor and wall coverings - the prime products manufactured by this BU – rose by 10%.

Sales in 1H11 reached EUR 59.9 M, a 4%-increase over the figure recorded in 1H10. This is a reversal of the 1.7% - decrease in 1Q11.

The weight of the sales of floor and wall coverings vs. the total sales of this BU was approximately 78 % at the end of 1H11. EBIT totaled EUR 0.7 million, a figure similar to that recorded in 1H10.

2.4. CORK COMPOSITES BU

The pace of sales growth slowed in the second quarter of 2011. Even so, sales amounted to EUR 45.7 M at the end of 1H11, i.e., a 19.3% increase over the same period last year. Sales to the Group's value chain showed a similar growth, representing an increase higher than that of CORTICEIRA AMORIM's consolidated sales (+9.7%).

The three main segments - Industry, Sealing and Construction - showed significant sales increases ranging from 7% to 12%. In line with our estimates, sales of Home & Office product range decreased by 14%.

Taking advantage of the renewed exporting momentum of the German economy, sales to this market in the Industry and Sealing products segments jumped more than 30%. As far as the construction segment is concerned, the growth in the Russian market is worth a special mention.

The volume effect accounted for a significant part of the increase in sales in this BU. EBIT stood at EUR 2.8 M compared to EUR 1.5 M in 1H10. The positive effect of increasing sales volumes was partially offset by the effect of a gross margin decrease. This decrease resulted mainly from an unfavorable EUR/USD exchange rate, as well as a rise in prices of some major non-cork materials. The remarkable increase in sales to the Group, due to the nature of the products sold, also contributed to the decrease referred to above.

2.5. INSULATION CORK BU

The postponement of some projects in 2Q11 turned out to strongly influence the sales of this BU in this period. Sales amounted to EUR 4.7 M in the first half of 2011, slightly higher than the figure reported in the same period of 2010.

As far as major markets is concerned, the Middle Eastern market was the only one to experience a growth worthy of mention. Italy and France showed slight decreases.

With a reduction in operating costs, EBIT was EUR 0.87 M, up 12% from 1H10.

3. CONSOLIDATED PROFIT AND LOSS ACCOUNT

Consolidated sales reached EUR 254.7 M, up 9.7 % compared to EUR 232 M in the first half of 2010. Performance in 2Q11 (+13%) benefited from a rise in the sales of all Business Units. The sales growth by almost 11 % recorded in 2Q11 by the Cork Stoppers BU was an essential factor in achieving such an increase. Also worth highlighting is the fact that the U.S. dollar's average exchange rate against the EURO (1H11: 1.403 vs. 1H10: 1.326) did not contribute positively to sales performance.

Percentage gross margin in 2Q11 was 51.1 % and remained high and nearly equal to that recorded in 1Q11. The reduction in 1H11 compared to the first half of 2010 was due not only to the impact of the EUR/USD exchange rate, but also to a rise in prices of some non-cork materials that have some weight in the manufacturing process (glue, varnish, polyurethane, etc.). The combined effect of increasing sales with the negative impact of the EUR/USD exchange rate and the higher prices of the above non-cork materials has resulted in a gross margin of EUR 134M in absolute value. This figure is about EUR 11.5 M higher than that reported at the end of 1H10.

Operating costs grew by 5.2 % (EUR 5.3 M) well below the production growth figure (14.3 %). The external supplies and services figures were closer to the production figures (+14.6%). The rise in the costs that depend directly on production (electricity) or sales (transport) ended up having an even more significant impact as a result of a strong rise in their prices (especially as regards electricity and gas prices). The positive impact triggered off by the international cork campaign promoted by APCOR (Portuguese Cork Association) in several major world markets is also worthy of mention. The promotional costs of this campaign were shared by CORTICEIRA AMORIM which has also borne the costs related to the launch of a new 2012 collection of floor and wall coverings.

EBITDA reached EUR 39.7 M and EBIT was EUR 28.5 M, an 18.5% and 28.1% improvement, respectively, over 1H10. As stated above, the EBITDA / Sales ratio – the most important key performance indicator – reached 15.6% in 1H11 (1H10: 14.4%).

Deteriorating transactions and declining margins from our dealings with our subsidiary "U.S. Floors", in addition to a growing financial imbalance, led us to record the remaining impairment of U.S. Floors' goodwill in the amount of EUR 3.6 M as a non-recurring expense. The value of that asset is thus completely written off.

Financial costs were affected by increased interest rates, which began to have a noticeable effect from the second quarter of 2011. The positive impact of the swap in 1Q11 (EUR 0.8 M) decreased slightly to EUR 0.7 M in 2Q11. Net financial costs amounted to EUR 1.4 M at the end of 1H11 revealing a deterioration compared with the 1Q11 figure but, even so, still more favorable than the net financial costs recorded in 1H10 (EUR 2.3 M).

Tax estimates continue to be guided by prudence. A provision for tax litigation dating back to 1997 (EUR 0.6 M) was set up in 1Q11. Foreign subsidiaries also charged EUR 0.6 M to the profit and loss account related with deferred tax assets from prior tax losses carried forward. Our estimate reached EUR 9.9 M.

Taking into account the amount of EUR 0.4 M relating to non-controlling interests, net profit attributable to CORTICEIRA AMORIM's shareholders was EUR 13.814 M, a 19.1 % increase compared to the first half of 2010.

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

Total assets stood at EUR 568M at the end of 1H11, an increase of EUR 6M against the second half of 2010. Current assets grew by approx. EUR 7M, mainly due to an increase of EUR 23M in trade receivables as a result of increasing sales and a rise in recoverable taxes (VAT) as well as a decrease of EUR 21M in cash and cash equivalents.

On the liabilities side, the increasing weight of the non-current interest bearing debt on total debt should be stressed. This trend is expected to be strengthened over the second quarter of 2011. As far as equity is concerned, it is worth mentioning that the net income increase in 1H11 was largely offset by a decrease in reserves, as a result of a distribution of dividends in the amount of approx. EUR 12.6 M in the second quarter of 2011.

5. OTHER HIGHLIGHTS DURING THE FIRST HALF OF 2011

Among the multiple actions implemented by CORTICEIRA AMORIM in 1H11, some of them deserve a special comment as they leveraged the vast know-how of CORTICEIRA AMORIM as well as cork's unique green credentials:

Launch of the MATERIA cork collection by Amorim at the prestigious Fuori Salone in Milan (a world stage of design) thus offering a fresh look at cork. The MATERIA collection is a unique collection of cork items for everyday use designed by national and international designers and developed by the Cork Composites BU. The MATERIA cork collection was curated by Experimenta design for CORTICEIRA AMORIM with Filipe Alarcão as joint artistic director.

AMORIM is strengthening its presence in China: Amorim Revestimentos (Amorim's subsidiary) has entered into an agreement with Hi-Step - China's largest retail company specializing in premium cork floor and wall coverings - giving Hi-Step the exclusive distribution rights for Wicanders products in the Chinese market. It is expected that this agreement made with a company showing great appetite for quality products will strengthen the leadership position of Amorim Revestimentos in the Chinese market.

Innovative strategic partnerships for addressing the use of cork in aircraft interiors and high-speed trains: the Cork Composites BU has joined a consortium to develop the EcoTrain project, aimed at developing new cork composite compounds to be used in very high speed trains and designing aircraft interiors (LIFE project). The demand for solutions that make next-generation trains more eco-efficient, lighter and more comfortable is the motto behind such projects and cork - a natural material boasting unique acoustic and thermal insulation properties - stands out as the ideal solution to address reliable performance and environmental issues.

New partnerships to strengthen selective collection campaigns for recycling cork stoppers: this is the case of the international Spanish hotel chain "NH Hoteles" that has joined Cork2Cork, an initiative aimed at collecting and recycling natural cork stoppers. This project was developed by the Floor and Wall Coverings BU. Recycled cork is meant to be used in the production of cork flooring and in insulation solutions. With a total of 347 hotels around the world, the NH Hoteles chain is the first hotel chain to collect cork stoppers for recycling. It is expected that some two million cork stoppers will be collected annually by the NH Hoteles chain.

Fifth consecutive study shows that sales of cork finished wines continue to increase: the last AC Nielsen study on the major wine brands in the U.S., released in May 2011, confirmed consumer preference for wine sealed with natural cork. In comparison with the same period last year, there is a radical change in what concerns the sales of wines depending on the type of bottle closure. Approximately 10% out of the 100 wine brands that were tested, are now using natural cork stoppers and are now part of the group of wines whose sales increased by 12.5%; this contrasts with a 28.1%-decrease in the sales of wines bottled with alternative wine closures. In addition - and in recognition of the added value that cork brings to products – it should be stressed that consumers perceive wine finished with cork to have higher quality; the cost difference between bottles sealed by cork or those sealed by synthetic closures is in the region of 11.6%.

6. KEY INDICATORS

		1H11	1H10	Variation	2Q11	2Q10	Variation
Sales		254,678	232,080	9.7%	134,262	118,800	13.0%
Gross Margin – Value		133,965	122,427	9.4%	67,596	62,805	7.6%
	1)	51.1%	53.4%	-2.28 p.p.	50.8%	55.3%	-4.45 p.p.
Operating Costs - current		105,517	100,221	5.28%	50,705	50,278	0.85%
EBITDA - current		39,732	33,520	18.5%	22,653	18,287	23.9%
EBITDA/Sales		15.6%	14.4%	+ 1.2 p.p.	16.9%	15.4%	+ 1.5 p.p.
EBIT - current		28,448	22,205	28.1%	16,891	12,526	34.8%
Non-current costs	2)	3,563	0	N/A	1,736	0	N/A
Net Income		13,814	11,599	19.10%	8,660	7,314	18.40%
Earnings per share		0.109	0.091	20.28%	0.069	0.058	18.30%
Net Bank Debt		121,147	118,864	2,283	-	-	-
Net Bank Debt/EBITDA (x)	4)	1.68	2.07	-0.39 x	-	-	-
EBITDA/Net Interest (x)	3)	26.62	23.35	3.27 x	45.96	26.48	19.48 x
Equity/Net Assets		47.5%	45.2%	+2.3 p.p.	-	-	-

1) Related to Production

2) 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

7. OUTLOOK FOR THE SECOND HALF OF 2011

The loss of momentum in the two leading Western economies will be a reality to be taken into account in the second half of 2011. As the U.S. and the German markets are vital, the deceleration of their economic growth will affect CORTICEIRA AMORIM's performance in coming quarters.

With an even more penalizing impact in the short-term, the recent behavior of the EUR/USD exchange rate will also contribute to less favorable estimates for the second half of the year.

CORTICEIRA AMORIM's sales drive will continue to positively influence our business in the second half of 2011. A leading presence in all major markets, the launch of new products and an increase in the number of new customers are factors that should contribute to higher sales - albeit at a slower pace - in 2H11.

As far as CORTICEIRA AMORIM's results of operations and financial condition are concerned, increases in interest rates led to a worsening of the financial function. We do not expect that new non-recurring operating expenses will arise, but we expect that a tax rate closer to the theoretical tax rate will be imposed, and then the profit for this year shall show an increase at least similar to the one in 1H11.

8. 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 during the next six months.

9. TREASURY STOCK

As at June 30, 2011, 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.

10. TRANSACTIONS BY DIRECTORS AND OFFICERS

In accordance with the provisions of Sections 14.6 and 14.7 of Regulation no.5/2008 issued by the Portuguese Securities Market Commission and as per information provided by persons / corporate bodies covered by this standard, we hereby report that no shares of CORTICEIRA AMORIM or its derivatives were traded in the first half of 2011 by its directors or officers, by companies which control CORTICEIRA AMORIM or by persons closely related to such directors or officers.

Additional Information:

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

i) as at June 30, 2011, Mr André de Castro Amorim (a Company's director) held 259,038 CORTICEIRA AMORIM's shares and no shares were traded by him in the first half of 2011;

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

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

i) Amorim – Sociedade Gestora de Participações Sociais, SGPS, SA - a holding 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 the Company's share capital. No CORTICEIRA AMORIM's shares were traded by Amorim – Sociedade Gestora de Participações Sociais, SGPA, SA in the first half of 2011.

ii) EVALESCO, SGPS, SA - a corporation 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 traded by EVALESCO, SGPS, SA in the first half of 2011.

iii) Sociedade Agrícola Triflor, SA - a corporation 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 traded by Sociedade Agrícola Triflor, SA in the first half of 2011.

c) List of members holding not less than one-tenth of CORTICEIRA AMORIM's share capital:

As at June 30, 2011, Amorim Capital - Sociedade Gestora de Participações Sociais, SA held 101,820,314 CORTICEIRA AMORIM's shares representing 76.557% of CORTICEIRA AMORIM's share capital.

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

Qualified stockholders list as of June 30, 2011:

Stockholder	**Stocks (quantity)**	**%**
Amorim Capital, SGPS, SA	101,820,314	76.557%
Amorim – Sociedade Gestora de Participações Sociais, SGPS, SA	3,069,230	2.308%
Investmark Holdings BV	7,980,000	6.000%
Total qualified stockholders	**112,869,544**	**84.864%**

Amorim - Investimentos e Participações, S.G.P.S., S.A., held, as of June 30, 2011, an indirect qualified participation in CORTICEIRA AMORIM (101,820,314 shares corresponding to 76.557% of its share capital). This indirect participation was held through Amorim Capital - Sociedade Gestora de Participações Sociais, S.A. Amorim – Investimentos e Participações, S.G.P.S., S.A. is 100% held by Interfamília II, S.G.P.S., S.A.

Investmark Holdings BV is fully owned by Warranties, SGPS, SA, which is 70% held by Mr. Américo Ferreira de Amorim.

CORTICEIRA AMORIM held as of June 30, 2011, a total of 6,787,462 of treasury stock.

12. SUBSEQUENTE EVENTS

After June 30, 2011 and up to the date of this report, 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.

13. STATEMENT OF DIRECTORS' RESPONSIBILITIES

In accordance with the requirements of Section 246.1(c) of the Portuguese Securities Market Act, the members of the Board of Directors state that, to the best of their knowledge, the financial statements for the half year ended June 30, 2011 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, July 27, 2011

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 ______________________________

Fernando José Araújo Santos Almeida
Member 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 ______________________________

FINANCIAL REPORT INTERIM

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

thousand euro

	Notes	June 2011	December 2010	June 2010
Assets				
Property, plant and equipment	VIII	168.671	168.430	170.064
Investment property	VIII	7.960	7.733	9.237
Goodwill	IX	11.781	15.099	19.528
Investments in associates	V e X	5.959	5.362	5.584
Intangible assets	VIII	470	612	606
Other financial assets	X	3.392	1.995	2.761
Deferred tax assets	XI	7.417	7.742	5.909
Non-current assets		**205.650**	**206.973**	**213.689**
Inventories	XII	183.726	184.798	165.954
Trade receivables	XIII	133.318	110.311	123.135
Current tax assets	XIV	19.127	16.595	14.795
Other current assets	XV	13.918	9.777	5.718
Cash and cash equivalents	XVI	12.175	33.312	47.699
Current assets		**362.263**	**354.793**	**357.302**
Total Assets		**567.913**	**561.766**	**570.991**
Equity				
Share capital	XVII	133.000	133.000	133.000
Treasury stock	XVII	-6.247	-6.247	-6.247
Other reserves	XVII	117.656	109.126	108.143
Net Income		13.814	20.535	11.599
Non-Controlling Interest	XVIII	11.569	12.131	11.611
Total Equity		**269.792**	**268.545**	**258.106**
Liabilities				
Interest-bearing loans	XIX	48.567	14.239	23.140
Other borrowings and creditors	XXI	923	1.160	1.659
Provisions	XXIX	14.659	14.557	5.349
Deferred tax liabilities	XI	5.861	5.982	5.781
Non-current liabilities		**70.009**	**35.938**	**35.929**
Interest-bearing loans	XIX	84.755	121.496	143.423
Trade payables	XX	92.843	97.787	79.734
Other borrowings and creditors	XXI	34.144	26.941	39.838
Tax liabilities	XXII	16.368	11.059	13.961
Current liabilities		**228.112**	**257.283**	**276.956**
Total Liabilities and Equity		**567.913**	**561.766**	**570.991**

CONSOLIDATED INCOME STATEMENT BY NATURE
SECOND QUARTER* AND FIRST HALF 2011

thousand euro

2Q11	2Q10		Notes	1H11	1H10
non audited	non audited				
134,262	118,800	Sales	VII	254,678	232,080
-65,401	-50,812	Costs of goods sold and materials consumed		-128,090	-106,840
-1,265	-5,183	Change in manufactured inventories		7,377	-2,813
198,398	**164,429**	**Gross Margin**		**390,145**	**336,107**
50.8%	55.3%			51.1%	53.4%
21,646	19,491	Third party supplies and services	XXIII	44,446	38,773
24,066	24,334	Staff costs	XXIV	48,254	48,333
613	1,040	Impairments of assets	XXV	1,087	2,334
1,998	2,147	Other gains	XXVI	3,835	3,605
-616	-1,800	Other costs	XXVI	-4,281	-3,072
154,686	**123,511**	**Current EBITDA**		**304,474**	**253,344**
5,762	5,760	Depreciation	VIII	11,284	11,314
148,924	**117,750**	**Current EBIT**		**293,190**	**242,029**
1,736	0	Non-current costs	XXIV	3,563	0
-1,324	-1,016	Net financial costs	XXVII	-1,372	-2,298
327	279	Share of (loss)/profit of associates	X	547	416
146,193	**117,013**	**Profit before tax**		**288,802**	**240,147**
5,229	4,111	Income tax	XI	9,890	7,977
140,964	**112,901**	**Profit after tax**		**278,912**	**232,169**
270	363	Non-controlling Interest	XVIII	356	746
140,694	**112,538**	**Net Income attributable to the equity holders of Corticeira Amorim**		**278,556**	**231,423**
0.069	**0.069**	**Earnings per share - Basic e Diluted (euros per share)**	**XXXIII**	**0.109**	**0.091**

* 2nd quarter 2011 e 2010 non audited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
SECOND QUARTER* AND FIRST HALF 2011

thousand euro

2Q11 non audited	2Q10 non audited		1H11	1H10
8,931	**7,677**	**Net Income (before Min. Interest)**	**14,170**	**12,345**
-279	-233	Change in derivative financial instruments fair value	131	-396
126	-24	Change in translation differences	143	-279
-153	**-257**	**Net Income directly registered in Equity**	**274**	**-675**
8,778	**7,420**	**Total Net Income registered**	**14,444**	**11,670**
		Attributable to:		
8,509	7,057	Corticeira Amorim Shareholders	14,088	10,924
269	363	Non-controlling Interest	356	746

* 2nd quarter 2011 e 2010 non audited

CONSOLIDATED CASH FLOW STATEMENT
SECOND QUARTER* AND FIRST HALF 2011

thousand euro

2Q11 (non audited)	2Q10 (non audited)		1H11	1H10
		OPERATING ACTIVITIES		
130,389	127,471	Collections from customers	239,426	231,992
-110,294	-87,407	Payments to suppliers	-222,601	-159,398
-21,089	-18,487	Payments to employees	-43,242	-41,903
-994	21,577	**Operational cash flow**	-26,417	30,691
-2,789	-1,981	Payments/collections - income tax	-2,885	-1,484
6,969	19,394	Other collections/payments related with operational	40,243	26,163
3,186	**38,990**	**CASH FLOW BEFORE EXTRAORDINARY ITEMS (1)**	**10,941**	**55,370**
		INVESTMENT ACTIVITIES		
		Collections due to:		
46	-184	Tangible assets	231	491
-1	0	Intangible assets	30	0
0	0	Investment property	0	0
-64	80	Other assets	88	80
857	51	Interests and similar gains	938	95
-15	18	Investment subsidies	54	18
		Payments due to:		
-8,007	-4,014	Tangible assets	-14,360	-6,540
-678	-16	Financial investments	-693	-16
-46	-250	Intangible assets	-46	-250
0	-749	Other assets	-8	-749
-7,908	**-5,065**	**CASH FLOW FROM INVESTMENTS (2)**	**-13,766**	**-6,872**
		FINANCIAL ACTIVITIES		
		Collections due to:		
0	8,694	Loans	0	0
376	91	Others	376	269
		Payments due to:		
-17,624	0	Loans	-6,349	-1,972
-1,557	-1,117	Interests and similar expenses	-2,457	-2,296
-12,445	-400	Dividends	-13,058	-400
0	-1,567	Acquisition of treasury stock	0	-3,446
-171	-106	Others	-337	-233
-31,421	**5,595**	**CASH FLOW FROM FINANCING (3)**	**-21,825**	**-8,078**
-36,143	39,520	Change in Cash (1) + (2) + (3)	-24,650	40,420
-49	222	Exchange rate effect	-424	402
30,062	2,632	Cash at beginning	18,944	1,552
-6,130	42,375	Cash at end	-6,130	42,375

* 2nd quarter 2011 e 2010 non audited

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, 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							
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**
June 30, 2010							
Equity:							
Share Capital	133,000	-	-	-	-	-	133,000
Treasury Stock - Face Value	-3,088	-	-	-	-3,700	-	-6,788
Treasury Stock - Discounts and Premiums	287	-	-	-	254	-	541
Paid-in Capital	38,893	-	-	-	-	-	38,893
IFRS Transition Adjustments	-8,560	-	-	-	-	-203	-8,763
Hedge Accounting	36	-	-	-	-396	-	-360
Reserves	0						
Legal Reserve	8,558	2,329	-	-	-	-	10,887
Other Reserves	66,878	2,782	-	-	-145	-	69,515
Translation Difference	-1,953	-	-	-	-	-76	-2,029
	234,051	**5,111**	**0**	**0**	**-3,987**	**-279**	**234,896**
Net Profit for the Year	5,111	-5,111	-	11,599	-	-	11,599
Minority interests	10,684	-	-385	746	0	566	11,611
Total Equity	**249,845**	**0**	**-385**	**12,345**	**-3,987**	**287**	**258,105**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2011

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 27, 2011.

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, 2011, 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.

Losses for the period that are attributable to Non-controllable interests will be debited to this 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 Non-controllable interest 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.

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. 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 recognised 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.

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 euro. 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 euro 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 re-valued 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 is 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 significant 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 re-valued assets are sold, the amounts included in the revaluation reserve are transferred to reserves.

e. Investment property

It Includes land and buildings not used in production.

f. Goodwill

In Business combinations before January 1, 2010, 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 regularly made by qualified staff. 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. Bank overdrafts are also recorded in this caption.

j. Interest bearing loans

It 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 only 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 interest bearing debt; if no-interest bearing, they are presented as "Other borrowings and creditors". 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. 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 29% of its total sales are denominated in currencies other than its reporting currency (euro), being 60% of it USD. 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, 2011, 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 (1H2011: -753, 2010: -1,305K€, 2009: -1,953K€).

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 June 30, 2011, noncurrent-term debt was 36% of total interest bearing debt (2010: 10%). 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, 2011, for each 0.1% variation in euro based debt, a total effect of -130 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 during 2011:

Million euros

	2011
Opening balance	**193**
Operating cash in	500
Operating cash out	-470
Investments	-22
Interest and dividends	-17
Income tax	-6
Noncurrent debt payment	-79
Use of additional credit lines / new credit lines	79
Closing balance	**178**

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 euro

	1H2011	2010	2009
December 31, Equity	269,792	268,545	249,845
December 31, Assets	567,913	561,766	524,730
Ratio	47.5%	47.8%	47.6%

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 (2.59%).

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 1H2011, no estimates and judgements were identified as having important impact in CORTICEIRA AMORIM results if not materialized.

As for assets, goodwill amounts to 11,781 K€ (2010: 15,099 K€). This value is supported by impairment tests made at 2010 year-end. The judgment used in these tests are key factors in order to decide or not if there is any impairment. Discount rate used in these tests was around 7.64%.

At the end of 1Q2011, and given the deterioration in financial conditions of the U.S. Floors unit, it was exceptionally made an impairment test for goodwill allocated to that subsidiary. The discount rate used was 11.2%. Such test resulted in the write-off of the value recorded to date.

Still to be noted 7,417 K€ registered in deferred tax assets (2010: 7,742 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	1H11
Raw Materials				
Amorim Natural Cork, S.A.		**Vale de Cortiças - Abrantes**	**PORTUGAL**	**100%**
Amorim & Irmãos, S.A. (Matérias Primas)	(a)	Ponte de Sôr	PORTUGAL	100%
Amorim Florestal, S.A.		Ponte de Sôr	PORTUGAL	100%
Amorim Florestal España, SL		San Vicente Alcántara	SPAIN	100%
Amorim Tunisie, S.A.R.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	(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 Cork América, Inc.		California	U. S. AMERICA	100%
Amorim Cork Austrália, Pty Ltd		Vic	AUSTRALIA	100%
Amorim Cork Beijing		Beijing	CHINA	100%
Amorim Cork Bulgaria EOOD		Plovdiv	BULGARIA	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		Budapest	HUNGARY	100%
Indústria Corchera, S.A.	(f)	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	(e)	Perpignan	FRANCE	50%
Victor y Amorim, Sl	(f)	Navarrete - La Rioja	SPAIN	50%

COMPANY		HEAD OFFICE	COUNTRY	1H11
Floor & Wall Coverings				
Amorim Revestimentos, S.A.		**Lourosa**	**PORTUGAL**	**100%**
Amorim Benelux, BV - AR	(b)	Tholen	NETHERLANDS	100%
Amorim Cork Distribution Netherlands BV		Tholen	NETHERLANDS	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		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	(c)	Lavardac	FRANCE	100%
Dom KorKowy, Sp. Zo. O.	(f)	Kraków	POLAND	50%
Inter Craft Coatings, Lda		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	NETHERLANDS	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%
Dyn Cork - Technical Industry, Lda	(g)	Paços de Brandão	PORTUGAL	50%
Postya - Serviços de Consultadoria, Lda.		Funchal - Madeira	PORTUGAL	100%
Spheroil - Materiais Compósitos, Lda	(g)	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	(b)	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%
Vatrya - Serviços de Consultadoria, Lda		Funchal - Madeira	PORTUGAL	100%

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

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

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

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

(e) Equity method consolidation.

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

(g) Incorporated in 1st quarter 2011.

Dyn Cork consolidated line-by-line in the first half, but will change to the equity method, retroactively, starting third quarter.

At the end of 2010, Amorim Wood Supplies, M. Clignet and KHB were merged with their parent companies, Amorim Deutschland, Amorim France and Carl Ed. Meyer Korken, respectively.

VI. EXCHANGE RATES USED IN CONSOLIDATION

Exchage rates		First Half End 2011	First Half Average 2011	Year end 2010	Average 2010
Argentine Peso	ARS	5.95534	5.68308	5.18336	5.30893
Australian Dollar	AUD	1.34850	1.35820	1.44231	1.31360
Lev	BGN	1.95560	1.95560	1.95600	1.95600
Brazilian Real	BRL	2.26010	2.28790	2.32927	2.21770
Canadian Dollar	CAD	1.39510	1.37060	1.36511	1.33220
Swiss Franc	CHF	1.20710	1.26943	1.38034	1.25040
Chilean Peso	CLP	677.650	667.169	675.369	625.660
Yuan Renminbi	CNY	9.37470	9.18259	8.97649	8.81480
Danish Krone	DKK	7.45870	7.45613	7.44730	7.45350
Algerian Dinar	DZD	103.256	100.673	96.2669	98.3136
Euro	EUR	1	1	1	1
Pound Sterling	GBP	0.90255	0.86818	0.85724	0.86075
Hong Kong Dollar	HDK	11.2864	10.9313	10.3041	10.3965
Forint	HUF	266.110	269.450	275.480	277.950
Yen	JPY	116.250	114.970	116.239	108.650
Moroccan Dirham	MAD	11.2946	11.2538	11.1390	11.1423
Norwegian Krone	NOK	7.78750	7.82470	8.00430	7.80000
Zloty	PLN	3.99030	3.95272	3.99467	3.97500
Ruble	RUB	40.4377	40.1630	40.2645	40.9081
Swedish Kronor	SEK	9.17390	8.93913	9.53727	8.96550
Tunisian Dinar	TND	1.97790	1.95321	1.89450	1.87380
US Dollar	USD	1.44530	1.40325	1.32572	1.33620
Rand	ZAR	9.85690	9.68561	9.69843	8.86250

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

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**
EBIT	**12,674**	**14,582**	**651**	**2,796**	**871**	**-1,963**	**-1,164**	**28,447**
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**

1H2010	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Ajustm.	Consolidated
Trade Sales	2,101	137,146	56,141	32,208	4,479	5	0	232,080
Other BU Sales	44,945	2,887	1,442	6,093	201	723	-56,291	-
Total Sales	**47,046**	**140,033**	**57,583**	**38,301**	**4,680**	**728**	**-56,291**	**232,080**
EBIT	**7,848**	**13,838**	**898**	**1,491**	**775**	**-1,944**	**-702**	**22,205**
Assets	**83,933**	**254,661**	**114,463**	**67,695**	**11,892**	**1,954**	**36,392**	**570,990**
Liabilities	**16,469**	**74,412**	**24,646**	**14,987**	**1,655**	**1,423**	**179,292**	**312,885**
Capex	**55**	**3,300**	**2,459**	**849**	**240**	**1**	**0**	**6,904**
Year Depreciation	**-1,579**	**-4,380**	**-3,172**	**-1,843**	**-319**	**-21**	**0**	**-11,314**
Non-cash cost	**-266**	**-2,217**	**513**	**-285**	**-33**	**-800**	**0**	**-3,088**
Gains/Losses in associated companies	**11**	**365**	**40**	**0**	**0**	**0**	**0**	**416**

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 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 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 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 249 million euro, and are mostly composed by inventories (79 million), customers (79 million) and tangible fixed assets (36 million).

Sales by markets:

thousand euros

Markets	1H11		1H10	
European Union	157,778	62.0%	146,287	63.0%
From which: Portugal	*12,150*	*4.8%*	*10,852*	*4.7%*
Other European countries	13,986	5.5%	11,914	5.1%
United States	45,271	17.8%	39,023	16.8%
Other American countries	17,399	6.8%	16,342	7.0%
Australasia	15,676	6.2%	14,823	6.4%
Africa	3,768	1.5%	3,657	1.6%
Others	799	0.3%	35	0.0%
TOTAL	**254,678**	**100%**	**232,081**	**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	**217.006**	**264.889**	**43.863**	**525.758**	**1.257**	**10.285**
Depreciation and impairments	**-133.339**	**-188.326**	**-29.221**	**-350.886**	**-572**	**-976**
Opening balance (Jan 1, 2010)	**83.667**	**76.563**	**14.642**	**174.872**	**685**	**9.308**
INCREASE	128	1.109	5.667	6.904	0	0
PERIOD DEPREC. AND IMPAIRMENTS	-2.821	-7.444	-975	-11.240	-53	-21
SALES AND OTHER DECREASES	-167	-200	0	-367	-26	-50
TRANSFERS AND RECLASSIFICATIONS	0	-1.203	0	-1.203	0	0
TRANSLATION DIFFERENCES	27	1.021	50	1.098	0	0
Gross Value	**217.134**	**269.670**	**44.335**	**531.139**	**4.305**	**10.285**
Depreciation and impairments	**-136.300**	**-199.824**	**-24.951**	**-361.075**	**-3.699**	**-1.048**
Closing balance (Jun 30, 2010)	**80.834**	**69.846**	**19.384**	**170.064**	**606**	**9.237**
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, 2011)	**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	526	-1.566	-1.104	-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**	**-357.192**	**-2.745**	**-7.301**
Closing balance (Jun 30, 2011)	**78.890**	**71.465**	**18.842**	**169.197**	**470**	**7.960**

The value of 7,960K€ (2010: 7,733K€) 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	4,195	0	0	4,195
Corkstoppers BU	5,066	0	0	5,066
Corkflooring BU	5,838	-3,563	245	2,520
Goodwill	**15,099**	**-3,563**	**245**	**11,781**

Decrease refers to a write-off of the remaining goodwill of associate US Floors. This cost was considered to be a non-current cost.

X. EQUITY COMPANIES AND OTHER FINANCIAL ASSETS

- **Equity Companies:**

thousand euros

	1H11	2010	1H10
Initial Balance	**5,362**	**5,231**	**5,231**
Results	547	351	416
Dividends	0	-200	0
Exchange Differences	0	0	-63
Other	50	-20	0
End Balance	**5,959**	**5,362**	**5,584**

- **Other Financial Assets:**

In Other Financial Assets the most important values 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€ -233 (1H10: K€ -2,537).

On the Balance sheet this effect amounts to K€ 7,417 (31/12/2010: K€ 7,742) as Deferred tax asset, and to K€ 5,861 (31/12/2010: K€ 5,982) 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

	1H11	2010	1H10
Related with Intangible Fixed Assets cancelled	0	0	642
Related with Inventories / Customers and	4,105	3,444	3,398
Related with Tax Losses	1,843	2,771	829
Related with Tax Benefits	515	515	1,039
Others	953	1,012	0
Deferred Tax Assets	**7,417**	**7,742**	**5,908**
Related with Fixed Tangible Assets	4,650	4,667	4,635
Related with Inventories	1,212	1,315	1,034
Other	0	0	112
Deferred Tax Liabilities	**5,861**	**5,982**	**5,781**
Current Income Tax	-9,657	-9,052	-5,440
Deferred Income Tax	-233	-5,409	-2,537
Income Tax	**-9,890**	**-14,460**	**-7,977**

During the first half, the holding company charged a 619K€ provision related with a prior year tax contingency. This value was registered as a current tax cost for the period.

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%
Minimum taxation and non-fiscal costs effect	1.0%
Extraordinary state taxation effect	1.7%
Deferred tax asset non-recognised effect	2.3%
Charge of carry-forward losses tax assets effect	2.3%
Provision related with a prior year effect	2.3%
Other effects	0.5%
Income tax - effective (1)	**36.6%**

(1) Income Tax/Pre-tax Profit, Equity Gains, Non-controlling Interests and Non-current 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, 2011, 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

	2011	2012	2013	2014 and further	TOTAL
Other Portuguese companies	372	439	0	0	811
Foreign companies	0	0	0	11,995	11,995
Non utilised tax losses	**372**	**439**	**0**	**11,995**	**12,806**

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 2010.

As for the foreign companies, the year 2014 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

	1H11	2010	1H10
Goods	15,742	16,856	20,269
Finished and semi-finished goods	76,271	71,375	71,289
By-products	744	415	585
Work in progress	11,344	10,429	11,961
Raw materials	78,475	88,213	61,778
Advances	4,906	504	3,315
Goods impairments	-1,296	-920	-954
Finished and semi-finished goods impairments	-2,244	-1,856	-2,069
Raw materials impairments	-216	-217	-220
Inventories	**183,726**	**184,798**	**165,954**

XIII. TRADE RECEIVABLES

thousand euros

	1H11	2010	1H10
Gross amount	147,006	123,129	134,814
Impairments	-13,687	-12,818	-11,679
Trade receivables	**133,318**	**110,311**	**123,135**

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

	1H11	1H10
Due	102	92
Past due between 0 and 120 days	32	29
Past due between 120 and 180 days	2	2
Doubtful and past due over 180 days	12	12
Impairment	14	12

XIV. RECOVERABLE TAXES

thousand euros

	1H11	2010	1H10
Value added tax	15,589	12,328	12,025
Other taxes	3,538	4,267	2,770
Recoverable taxes	**19,127**	**16,595**	**14,795**

XV. OTHER ASSETS

thousand euros

	1H11	2010	1H10
Advances to suppliers	3,931	1,229	1,169
Deferred assets	2,593	4,016	2,206
Hedge accounting assets	688	728	12
Others	6,705	3,804	2,331
Other current assets	**13,918**	**9,777**	**5,718**

In Others (1H11), a 2M€ value is included, corresponding to the unidentifiable portion of the Subercentro assets acquisition.

XVI. CASH AND CASH EQUIVALENTS

thousand euros

	1H11	2010	1H10
Cash	153	142	252
Bank Balances	11,603	5,819	3,402
Time Deposits	412	27,344	44,040
Others	7	7	5
Cash and cash equivalents	**12,175**	**33,312**	**47,699**

XVII. CAPITAL AND RESERVES

- ### Share Capital

As of June 30, 2011, 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, 2010, CORTICEIRA AMORIM held 6,787,462 of its own shares, representing 5.103% of its share capital.

- **Dividends**

In the Shareholders' General Meeting of April 1, 2011, a dividend per share of 10 cents of euro was approved. The payment was made as of May, 2.

thousand euros

	1H11	2010	2009
Dividends paid: - 2011: 0,10 (euros per share)	13,300	0	0
Portion attributable to own shares	-679	0	0
Dividends paid	**12,621**	**0**	**0**

XVIII. NON-CONTROLLABLE INTERESTS

thousand euros

	1H11	2010	1H10
Initial Balance	**12,131**	**10,684**	**10,684**
In / Out	50	0	0
Results	356	1,218	746
Dividends	-432	-628	-385
Exchange Diferrences	-543	870	566
Others	8	-13	0
End Balance	**11,569**	**12,131**	**11,611**

XIX. INTEREST BEARING DEBT

As of June 30, 2011, interest bearing loans was as follows:

thousand euros

	1H11	2010	1H10
Bank loans	56,968	52,533	60,328
Overdrafts	18,263	14,368	5,323
Reimbursable subsidies	7,524	17,607	10,778
Commercial Paper	2,000	36,988	66,994
Interest-bearing loans - current	**84,755**	**121,496**	**143,423**

thousand euros

	1H11	2010	1H10
Bank loans	3,139	2,683	3,783
Bonds	25,000	0	0
Reimbursable subsidies	428	56	6,857
Commercial Paper	20,000	11,500	12,500
Interest-bearing loans - non-current	**48,567**	**14,239**	**23,140**

As of June 30, 2011, interest bearing loans – non-current maturity is as follows:

	thousand euros
Between 30/06/2012 and 31/12/2012	22,177
Between 01/01/2013 and 31/12/2013	25,101
Between 01/01/2014 and 31/12/2014	7
After 01/01/2015	1,281
Total	**48,567**

XX. SUPPLIERS

thousand euros

	1H11	2010	1H10
Suppliers - current account	83,413	91,709	74,763
Suppliers - accrualls	9,430	6,078	4,971
Suppliers	**92,843**	**97,787**	**79,734**

XXI. OTHER LOANS AND CREDITORS

thousand euros

	1H11	2010	1H10
Non interest bearing grants	122	233	1,276
Other	801	927	383
Other loans and creditors - non current	**923**	**1,160**	**1,659**
Non interest bearing grants	1,103	1,124	1,163
Deferred costs	22,927	15,441	23,420
Deferred gains - grants	6,041	6,756	8,637
Hedge accounting - deferred liabilities	504	0	3,150
Other	3,569	3,620	3,468
Other loans and creditors - current	**34,144**	**26,941**	**39,838**

XXII. TAX LIABILITIES

thousand euros

	1H11	2010	1H10
Income Tax	8,431	2,792	4,763
Value Added Tax	4,944	3,405	5,915
Social Security	2,013	2,661	2,080
Others	980	2,201	1,203
Tax liabilities	**16,368**	**11,059**	**13,961**

XXIII. THIRD PARTY SUPPLIES AND SERVICES

thousand euros

	1H11	1H10
Communications	681	681
Information systems	1,990	1,859
Insurance	1,587	1,431
Subcontractors	2,543	1,898
Power	4,932	3,899
Security	456	353
Professional Fees	263	268
Tools	656	618
Oil and gas	857	646
Royalties	725	598
Rentals	2,103	2,025
Transports	8,935	7,812
Travel - Board	354	304
Travel	1,827	1,593
Commissions	2,604	2,496
Special Services	3,421	2,989
Advertising	3,850	3,609
Maintenance	3,065	2,957
Others	3,597	2,737
Third party supplies and services	**44,446**	**38,773**

XXIV. STAFF COSTS

	1H11	1H10
		thousand euros
Board remuneration	421	272
Employees remuneration	36,200	35,836
Social Security and other	7,817	7,532
Severance costs	370	2,601
Other	3,446	2,092
Staff costs	**48,254**	**48,333**
Average number of employees	**3,323**	**3,277**

XXV. IMPAIRMENTS OF ASSETS

	1H11	1H10
		thousand euros
Receivables	1,292	1,170
Inventories	-36	-39
Goodwill	3,563	0
Tangible assets	-170	1,203
Others	1	0
Impairments of Assets	**4,650**	**2,334**

As referred, goodwill impairment was registered as a non-current cost.

XXVI. OTHER OPERATING GAINS AND LOSSES

	1H11	1H10
		thousand euros
Net exchange diffences	0	357
Gain in fixed assets and p. investment disposals	131	78
Operating subsidies	125	364
Investment subsidies	746	1,260
Other	2,833	1,546
Other operating gains	**3,835**	**3,605**

	1H11	1H10
		thousand euros
Net exchange diffences	1,779	0
Taxes (other than income)	705	746
Provisions	20	754
Loss in fixed assets and p. investment disposals	471	57
Bank charges	336	232
Other	970	1,283
Other operating losses	**4,281**	**3,072**

XXVII. NET INTEREST

	1H11	1H10
		thousand euros
Interest costs - bank loans	1,938	1,452
Interest costs - other entities	714	825
Stamp tax - interest	39	24
Stamp tax - capital	97	78
Interest costs - other	6	30
	2,794	2,409
Interest gains - bank deposits	445	17
Interest gains - other loans	183	50
Interest gains - delayed payments	7	15
Interest gains - other	787	29
	1,422	111
Net interest	**1,372**	**2,298**

In Interest gains – other (1H11), is included 637K€ related with the fair value of an interest rate swap. In Interest costs - other entities is included 339K€ (1H11) and 695K€ (1H10) of interest paid related with the said 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, 2011, indirect stake of AIP in CORTICEIRA AMORIM was 80.674% 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 2010 and June 2011 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

	1H11	2010
Income tax	12,606	12,044
Guarantees to customers	918	1,156
Others	1,135	1,357
Provisions	**14,659**	**14,557**

- **Guarantees:**

During its operating activities CORTICEIRA AMORIM issued in favour of third-parties guarantees amounting to K€ 104,769 (2010: K€ 105,259).

thousand euros

Beneficiary	Amount	Purpose
Government agencies	1,654	Capex grants / subsidies
Tax authority	7,854	Tax lawsuits
Banks	94,823	Credit lines
Other	438	Miscellaneous guarantees
TOTAL	**104,769**	

As of June 30, 2011, future expenditure resulting from long-term motor vehicle rentals totals K€ 1,439, and for computer hardware and software totals K€ 407.

XXX. EXCHANGE RATE CONTRACTS

As of June 30, 2011, options and forwards outright contracts related with sales currencies were as follows:

thousand euros

	1H11	
USD	9,603	67%
AUD	1,430	10%
ZAR	1,754	12%
HUF	876	6%
CHF	620	4%
Forward - long positions	**14,283**	**100%**
USD	282	43%
SEK	371	57%
Forward - short positions	**653**	**100%**
USD	5,430	100%
Options - long positions	**5,430**	**100%**
USD	714	100%
Options - short positions	**714**	**100%**

Additionally as of, February 19, 2010, an interest rate swap was registered, being its notional value K€ 30.000, maturing at February 23, 2015. As of June 30, 2011 its fair value was - K€ 452.

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.

	1H11	2010	1H10
Total issued shares	133,000,000	133,000,000	133,000,000
Average nr. of treasury shares	6,787,462	5,932,066	4,964,565
Average nr. of outstanding shares	126,212,538	127,067,934	128,035,435
Net Profit (thousand euros)	13,814	20,535	11,599
Net Profit per share (euros)	0.109	0.162	0.091

Mozelos, July 27, 2011

The Board 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 ____________________

Fernando José Araújo Santos Almeida
Member 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 ____________________

Limited Review Report by a Registered Auditor with the Securities Market Commission (CMVM) on the Half Year Consolidated Financial Information

(Free translation from the original version in Portuguese)

Introduction

1 In accordance with the Portuguese Securities Market legislation ("Código dos Valores Mobiliários"), we present our Limited Review Report on the consolidated information for the period of six months ended June 30, 2011 of Corticeira Amorim, S.G.P.S., S.A., included: in the Consolidated management report, in the Consolidated statement of financial position (which shows total assets of 567,913 thousand Euro and a total shareholder's equity of 269,792 thousand Euro, which includes non-controlling interests of 11,569 thousand Euro and a net profit of 13,814 thousand Euro), in the Consolidated income statement by nature, in the Consolidated statement of comprehensive income, in Consolidated statement of changes in equity and in the Consolidated cash flow statement for the period then ended, and in the corresponding notes.

2 The amounts in consolidated financial statements, as well as those in the additional financial information, are derived from accounting records.

Responsabilities

3 It is the responsibility of the Company's Board of Directors: (a) to prepare consolidated financial information that present fairly, in all material respects, the financial position of the company and its subsidiaries, the consolidated results and the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows; (b) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the EU and which is complete, true, timely, clear, objective and lawful, as required by the Portuguese Securities Market Code; (c) to adopt adequate accounting policies and criteria; (d) to maintain appropriate systems of internal control; and (e) to disclose any relevant matters which have influenced their activity, financial position or results.

4 Our responsibility is to verify the financial information included in the above mentioned documents, namely if it is complete, true, timely, clear, objective and lawful, as required by the Portuguese Securities Market Code, and to issue an independent and professional report based on our work.

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.
o'Porto Bessa Leite Complex, Rua António Bessa Leite, 1430 - 5º, 4150-074 Porto, Portugal
Tel +351 225 433 000 Fax +351 225 433 499, www.pwc.com/pt
Matriculada na Conservatória do Registo Comercial sob o NUPC 506 628 752, Capital Social Euros 314.000

Scope

5 Our work was performed with the objective of obtaining moderate assurance as to whether the financial information referred to above is free of material misstatement. Our work, which was performed in accordance with the Standards and Technical Recommendations approved by the Portuguese Institute of Statutory Auditors, was planned in accordance with that objective, and consisted, mainly, of in inquiries and analytical procedures to review: (i) the reliability of the assertions in the financial information; (ii) the adequacy of the accounting principles adopted considering the circumstances and their consistent application; (iii) the applicability, or otherwise, of the going concern basis of accounting; (iv) the presentation of the financial information; and (v) if the consolidated financial information is complete, true, timely, clear, objective and lawful.

6 Our work also covered the verification of the consistency of the financial information included in the Consolidated management report with the remaining documents referred to above.

7 We believe that our work provides a reasonable basis for issuing this report on half year financial information.

Opinion

8 Based on our work, which was performed with the objective of obtaining moderate assurance, nothing has come to our attention that leads us to conclude that the consolidated financial information for the period of six months ended June 30, 2011 contains material misstatements that affect its conformity with the International Financial Reporting Standards (IFRS), as adopted in the EU, and that it is not complete, true, timely, clear, objective and lawful.

Report on other legal requirements

9 Based on our work, nothing has come to our attention that leads us to conclude that the information included in the Consolidated management report is not consistent with the consolidated financial information for the period.

August 25, 2011

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
Registered in the Comissão do Mercado de Valores Mobiliários with no. 9077
represented by:

José Pereira Alves, R.O.C.