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

CONSOLIDATED ACCOUNTS
(Audited)

1st Semester 2007 (1S07)

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

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Shareholders of CORTICEIRA AMORIM,

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

CONSOLIDATED MANAGEMENT REPORT
INTERIM

1. HIGHLIGHTS

- Consolidated Sales for the 1H07 reached 242,2 M€ (+3,1%), driven by Corkstoppers Business Unit (BU) sales (+5,5%).
- Devaluation of USD (7,5%), chilean peso and south-african rand, continued to affect adversely the activity of CORTICEIRA AMORIM: -2,4% of sales impact.
- EBITDA (29,6 M€) and EBIT (17,7 M€) registered 9,6% and 16,3% increase, respectively.
- In spite of an adverse effect of 4,7 M€ in earnings before tax due to said devaluations, net profit attributable to CORTICEIRA AMORIM shareholders reached 9,145 M€ (+11,2%).
- As of the beginning of July, CORTICEIRA AMORIM published its first Sustainability Report regarding 2006.

2. SUMMARY OF ACTIVITY

Second quarter posted sales growth (3,5%) slightly above first quarter (2,7%). Corkstoppers still the main reason for this positive trend. Sales growth was, softened nevertheless, by some constraints on its evolution. First of all the USD devaluation of 7,5%, when comparing with the average rate of 1H06. Due to the rigidity of prices of the US market, home of almost all of the USD invoicing, the negative effect of the USD devaluation, together with the effect of the chilean peso and south-african rand devaluation, had an impact on sales of -5,8 M€! This figure represents 2,4% of total sales for the period. The estimated effect on earnings before tax was lower (-4,7 M€), but still very significative. Second constraint was the decision to curtail sales of raw-materials to out of Group customers. This was done in order to reduce credit risk associated with these transactions.

The good performance of results, namely in 2Q07, was mostly due to the incoming benefits of the two majors investments completed in 2006: the acquisition of 50% of Trescases and the industrial restructuring of corkstoppers. The simultaneously flow of benefits deriving from these two investments was the main reason behind the profit growth of the Corkstoppers BU, leading the way to increased consolidated profits.

3. BUSINESS UNIT ACTIVITY

Raw-materials BU increased its integration in the value chain of CORTICEIRA AMORIM; sales to other BU's reached 88% of its total sales. The cork mix transformed during 1H07 had a lower than expected contribution. For the 2H07 it's expected that the cork mix will be more in tune with the market needs. As said before, the decision to curtail raw-materials sales to outside customers is the reason behind the 7,1% drop in sales. Total sales for 1H07 reached 56,6 M€.

During 1H07 the Corkstoppers BU sales amounted to 134,6 M€ (+5,5%), driven by an excellent performance of the natural corkstoppers. In this family of corkstoppers positive note to the european, chilean, south-african markets. All other families of corkstoppers registered sales growth, except Twintop®, which suffered from a transfer effect to other technical corkstoppers, mainly to Neutrocork®. One final reference to the australian market where, as a result of the restructuring achieved during the first half, is expected that during 4Q07 its operation will be stabilized.
In brief, we can say that the Corkstoppers BU registered sales increases in most of its products and markets, a clear sign of market share gains. Sales increase, a better Gross Margin and flat operating costs, allowed its EBIT to post a remarkable increase to 10,4 M€.

Corkflooring BU recorded an activity slowdown during the second quarter. Half-year sales amounted 64,4 M€ (+2,7%). The german market was the responsible for the 2Q07 soft sales, but it is expected that this market will recover until year-end. On the other hand, american and eastern Europe markets are showing a remarkable performance. Second quarter sales and, specially, higher raw-materials prices (cork and HDF), impacted EBIT decrease of 10% to 4,9 M€.

Second quarter of Composite cork BU was more positive than first quarter, with higher sales and Gross Margin (%). To be noted that during 2007, this BU is being adversely affected by the fact that, due to the corkstoppers BU industrial restructuring it no longer buys granulated cork for the production of corkstoppers; For this reason Composite cork BU has to look for outside customers for most of its granulated cork production. This change, which was favourable to the consolidated CORTICEIRA AMORIM results, hit the BU accounts. This way while total 1H07 sales reached 31,5 M€ (-4,6%), sales to out of Group customers increased by some 4%. Not taking in account the Group effect, sales increased both in volume and price, but part of this improvement was reversed by the USD devaluation; this and the fact that the 1H07 did not benefit, as 1H06 did, from a reversal of asset impairment, justifies the 14% decrease of the EBIT (1,4 M€).

Corkrubber BU was, by far, the hardest hit by the USD devaluation, due to the importance of this currency in its sales figures. Sales for 1H07 reached 15,1 M€ (-6%). At 1H06 USD rates, sales for the 1H07 would register a slight increase. Second quarter was affected by weak June sales, with automotive and heavy duty sales reversing previous positive trend of 1Q07. On the contrary non-auto sales kept showing an important growth (+8,5% at USD constant rate), softening the slowdown. EBIT decline (-0,8 M€ versus +0,2 M€ in 1H06) was largely due to the USD impact and to the penalizing effect of severance costs resulting from the adjustment of the payroll to the new realities of the business.

Insulation BU maintains an excellent performance, both in sales (4,6 M€ and +12,6%) and in EBIT (0,8 M€ and +47,0%).

4. CONSOLIDATED RESULTS

As said 2Q07 had a highly positive consequence in 1H07 results.

Sales for the 1H07 posted a 3,1% increase to 242,3 M€, comparing to a 2,7% increase at 1Q07. Once again the importance of the USD devaluation, and in a less degree, the chilean peso e south-african rand. The negative effect of these devaluations hit sales figures by some 2,7% and earnings before tax by some 4,7 M€.

First half 2007 Gross Margin stood at 47,7%, slightly below 1Q07 (48,5%). On top of the devaluation effects, this decrease is due, mainly, to the drop in the Raw-material BU Gross Margin (less favourable cork lots) and to the price increase of some raw-materials (cork waste and subsidiary materials like HDF). All together sales increase and Gross Margin (%) decrease, led to a positive impact in the value of the Gross Margin, reaching 117,5 M€ (+2,4%).

Operating costs evolution was remarkable: for a 3% increase in sales, operating costs were stable. Cash operating costs (external supplies ands services and staff costs) decreased 1,7 M€!

EBIT posted a 16,3% gain (17,7 M€) and EBITDA reached 29,6 M€ (9,6%).

Since interest bearing debt was stable, interest costs were hit by the relentless increase in interest rates. Interest costs were as high as 5,2 M€ (+1,2 M€). Included in the financial caption is the value of 0,4 M€ which refers to the portion of profits in the equity method companies (namely Trescases, Victor y Amorim and Dom Korkowy).

Earnings before taxes topped 12,9 M€ (14,4%).

After a 2,9 M€ income tax estimate and 0,8 M€ of minority interests, profit attributable to CORTICEIRA AMORIM shareholders reached 9,145 M€, a 11,2% increase when comparing with 1H06.

As for 2Q07 profit, it reached 5,271 M€, 18,7% higher than 2Q06.

5. CONSOLIDATED BALANCE SHEET

As of June 30, 2007, total Assets stood at 564 M€, a slight 2 M€ increase from December 2006 values. Current Assets increase of 10 M€ was partially compensated by a 8 M€ drop in non-current Assets. Inventories decrease 10 M€, usual in all first half of each year due to the normal reduction in raw-materials levels. This was compensated, due to 2Q07 sales, by the Customers caption, which had a 18,6 M€ increase. Non-current Asset decline in value was due to Fixed Assets decrease resulting from depreciation and sales of equipment.

Liabilities increase (2 M€) was the result of the sum of several small variations in its accounts. Increase in Long-term Interest Bearing Debt (10 M€) was compensated by an equal decrease in Short-term Debt.

Equity stood at 230 M€. Equity / Assets ratio also stood at its previous level (41%).

At April end 7,2 M€ of dividends were paid, corresponding to a 5,5 cents of euro gross dividend per share.

6. KEY INDICATORS

(Thousand euros)

		2Q07	2Q06	Variation	1H07	1H06	Variation
Sales		124.669	120.403	+ 3,54%	242.230	234.890	+ 3,12%
Gross Margin – Value		59.954	59.677	+ 0,46%	117.461	114.700	+ 2,41%
%	1)	47,34	50,09	-2,75 p.p.	47,73	48,51	-0,78 p.p.
Operating Costs	2)	49.372	51.409	- 3,96%	99.801	99.520	+ 0,28%
EBITDA		16.550	14.267	+ 16,00%	29.616	27.030	+ 9,57%
EBIT		10.582	8.268	+ 27,99%	17.660	15.180	+ 16,34%
Net Income		5.271	4.440	+ 18,72%	9.145	8.222	+ 11,23%
Earnings per share	3)	0,0404	0,0340	+ 18,72%	0,0701	0,0630	+ 11,23%
EBITDA/Net Interest (x)		5,62	6,66	- 1,04 X	5,67	6,75	- 1,08 X
Equity /Net Assets		-	-	-	40,90%	38,29%	+ 2,61 p.p.
Net Bank Debt		-	-	-	223.821	225.775	- 0,87%

1) *Related to Production*
2) *Includes financial costs and revenues other than interest, and extraordinary items*
3) *Net Income / Average outstanding shares (euros/share)*

7. CORPORATE STRUCTURE AND GOVERNANCE PRACTICES

As a result of the amendments made to the Companies Act by decree-law Nº. 76-A/2006 dated March 29 and a process of in-house reflection on the need for streamlining a number of corporate practices within CORTICEIRA AMORIM with a view to implementing more modern practices and/or encouraging greater shareholder involvement in the affairs of the Company, the first half of 2007 will be characterised by a series of significant amendments to the Company's articles of association and changes in the structure of its governing bodies.

I. The Company's auditing principles

After a comprehensive study focused on existing corporate governance models developed for companies such as CORTICEIRA AMORIM, we ended up opting for a model that champions a principle of separation between a Board of Directors and two audit boards, that is, a supervisory board and a board of statutory auditors. That model is usually known as "strengthened Latin model".

II. Amendment to matters relating to the participation of and/or appointment of a proxy by a member of the Company and the exercise of voting rights

- the period during which a member of the Company wishing to attend a general meeting will be prevented from using his/her shares will be reduced from 20 to 5 days prior to the time appointed for the holding of the meeting;
- a requisition by a member requiring that a certain matter be included in the business to be transacted at a general meeting must be officially authenticated only if the

chairman of the group chairing the general meeting has any doubts as to the authenticity of the signature(s) on the requisition(s);

- a member of the Company entitled to vote at a general meeting may appoint any third party to vote for him/her (mandatory provision);
- all business transacted at a general meeting may be voted by postal means as well as by electronic means in the event that the company's office shall be equipped with adequate electronic technology which ensure reliability and security for online voting;
- establishment of rules governing postal voting;
- information relating to a general meeting may be e-mailed by the Company to any member.

III. General meeting resolutions

3.1 – General Meeting of members of CORTICEIRA AMORIM held on 31 March 2007

Considering the amendments made to the Companies Act, in particular to Section 374-A, imposing the need (based on a mandatory provision) to replace all the members of the group chairing the Company's general meeting due to some kind of incompatibility and/or lack of independence, it was resolved that the group chairing the general meeting would be made up only of a Chairman and a Company Secretary. Mr Joaquim Taveira da Fonseca and Mr Tiago Borges de Pinho were elected as Chairman and Secretary, respectively, and they took office immediately upon their election.

3.2 – General Meeting of members of CORTICEIRA AMORIM held on 28 May 2007

It was resolved to approve certain changes to the Company's governing bodies as well as the most significant issues relating to their *modus operandi*:

- the governing bodies of the Company are the general meeting, the Board of Directors, the Supervisory Board and the Board of Statutory Auditors;
- the term of office of the members of the group chairing the general meeting, the Board of Directors, the Supervisory Board and the Board of Statutory Auditors shall be three calendar years. At the time of voting the report of the Directors, the financial statements and the proposal for appropriation of profit, the annual general meeting may decide to remove any director from office, except the director who has been elected according to the terms of Section 392 of the Companies Act;
- the members of the group chairing the general meeting, the Supervisory Board and the Board of Statutory Auditors may be paid a fixed remuneration for a certain period.

It was resolved to approve a set of changes aimed at making easier and encouraging greater shareholder involvement in the affairs of the Company :

- a condition precedent to attending (whether in person or by proxy) a general meeting is that the company's shares will be blocked for a minimum of 5 business days prior to the time appointed for the holding of such general meeting;
- votes may be sent by electronic or postal means and must reach the company's office not less than five business days prior to the time appointed for the holding of a general

meeting. Before a notice calling a general meeting shall be given, the Chairman of the group chairing the general meeting has to verify if the company's office is equipped with the adequate electronic technology which ensure reliability and security for online voting;

- a vote cast by electronic or postal means will be disregarded if the vote relates to a proposal put forward at a date later than the effective voting date. The presence of a member of the company at a general meeting will make void his/her vote previously cast by electronic or postal means;

- information relating to a general meeting may be e-mailed by the Company to any shareholder upon the shareholder's request over a period of 15 days prior to the time appointed for the holding of a general meeting;

- the authorisation to be a proxy and act for and represent a member of the company at a general meeting may be given only to another member of the Company or to a third party that is not a member of the Company.

It was resolved to approve a set of changes aimed at making Board meetings more agile by using, for example, telematic facilities:

- the Board of Directors shall meet at any time and place dictated by the interests of the Company;

- a director shall be deemed to be present at a Board meeting if he/she will be participating in the meeting by using a telematic facility which ensures – in real time – the reliability and quality of service for simultaneous voice (or voice and image) transmission and reception; however, the degree of its reliability and security must be considered sufficient and the use of such telematic facility shall have been approved by a majority of the members attending the meeting before they start transacting the business of the Board meeting;

- a director may be represented at any Board meeting by any other director after notifiyng the Chairman of the Board in writing to that effect;

- directors may vote by post on the decisions taken by the Board of Directors; the Chairman of the Board of Directors has a casting vote in Board decisions;

- if a director shall fail to attend four consecutive or intercalary meetings in each calendar year and his/her justification for his/her absence shall not be accepted by the Board of Directors, then the Board of Directors shall remove such officer from office and he/she shall be replaced by another person under the law.

It was resolved to approve the composition and *modus operandi* of the Company's governing bodies responsible for auditing and supervising the affairs of the Company:

- a Board of Statutory Auditors and a Supervisory Board shall be the Company's governing bodies responsible for auditing and supervising the affairs of the Company;

- the Supervisory Board shall consist of three regular members and one or several alternate members. The Chairman of the Supervisory Board has a casting vote in Board decisions;

- a member shall be deemed to be present at a meeting of the Supervisory Board if he/she will be participating in the meeting by using a telematic facility which ensures –

in real time – the reliability and quality of service for simultaneous voice (or voice and image) transmission and reception; however, the degree of its reliability and security must be considered sufficient and the use of such telematic facility shall have been approved by a majority of the members attending the meeting before they start transacting the business of the meeting;

- the Board of Statutory Auditors shall be made up of one regular member and one alternate member who must be either a chartered accountant or a firm of auditors.

It was resolved to elect the members to the new governing bodies:

- **Supervisory Board**: Mr Durval Ferreira Marques (Chairman of the Supervisory Board); Mr Joaquim Alberto Hierro Lopes (member); Mr Gustavo José de Noronha da Costa Fernandes (member); and Mr Alberto Manuel Duarte de Oliveira Pinto (alternate member);

- **Board of Statutory Auditors**: Pricewaterhousecoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. (regular member) represented either by Mr José Pereira Alves or Mr António Joaquim Brochado Correia and Mr Hermínio António Paulos Afonso (alternate member).

8. SUSTAINABILITY REPORT

During the first half of 2007, CORTICEIRA AMORIM, aware of its responsibiliy as the world leader in cork processing – a business which ensures the viability of the whole cork trade – has decided to trigger off an in-house reflection and review process covering the whole Organisation with a view to preparing its sustainability report.

That process gave rise to the birth of the first widely distributed sustainability report, that led to a regular, systematic and structured transmission of information on sustainable business practices. This has contributed to a joint reflection by CORTICEIRA AMORIM and its shareholders on the way how the Company is carrying on its business and how its potential for improvement may be developed for the benefit of all of us.

In addition to stressing the impact of CORTICEIRA AMORIM's business on biodiversity preservation and desertification combat, the positive impact of the Company's business in sequestering CO2 is also quantified in that report. CO2 sequestration is a very meaningful contributory factor in mitigating greenhouse gas emissions, a source of climate changes. Such impacts as well as the implementation of sustainable business practices will certainly result in both environmental and social beneficial effects and, therefore, several market players, including sustainable real estate developers, industries, wine cellar managers and distributors will gain a deeper perception of the products manufactured by CORTICEIRA AMORIM

As far as the above matters is concerned, a number of issues and/or impacts derived from the business carried on by CORTICEIRA AMORIM must be pointed out as follows:

- biodiversity: the cork oak is the basis of a unique world ecological system contributing to the survival of many native fauna species and environmental preservation;

- it is estimated that cork forests are responsible for sequestering 5 percent of CO2 emissions in Portugal;

- CORTICEIRA AMORIM's vertically integrated industrial units make full use of cork, including recycled cork. Nothing is wasted or thrown away – everything is reusable;
- in 2006 CORTICEIRA AMORIM sold 2.9 thousand millions natural cork stoppers; this resulted in a CO2 sequestration higher than 25 thousand tons;
- production of energy from biomass residues accounts for 46% of energy needs of CORTICEIRA AMORIM;
- CORTICEIRA AMORIM fosters a culture of efficiency and merit acknowledgement at all levels across the organisation.

9. SECOND HALF OUTLOOK

Second half will register a mild sales growth. The positive performance of Cork Stoppers BU during first half, will be softned by two adverse factors: the relentlessly weakness of the USD and other invoicing currencies and the absence of the Trescases effect (second half 2006 was the first period to feel the full impact of this acquisition). The other support of sales will come from Cork Flooring BU, expected to resume the growth rates of prior quarters.

As for results, besides the said softening of activity, second half will be hit by higher interest rates affecting financial results. This way profits increase as registered in first half will be severely impacted during second half. Nevertheless full year results are expected to reach at least last year figures.

10. TREASURY STOCK

In accordance with the Law, it is announced that the company has not acquired treasury stock, during the first half.

At the end of June 2007, 2,548,357 of treasury stock, representing 1.9161% of its share capital, remained in the portfolio.

11. SIGNIFICANT EVENTS

After June 30, 2007, and up to the date of the present report, no relevant events have occurred that will materially affect the financial position and future results of CORTICEIRA AMORIM and the group of affiliated companies included in the consolidated company.

Mozelos, August 1, 2007
The Board of Directors of CORTICEIRA AMORIM, S.G.P.S., S.A.

ANNEX TO THE MANAGEMENT REPORT

I. CORTICEIRA AMORIM, S.G.P.S., S.A. SHARES HELD AND/OR TRADED BY THE BOARD MEMBERS

In accordance with the Law, it is informed that:

i) The Board Member José Américo Amorim Coelho continues to hold 20,339 shares of CORTICEIRA AMORIM, S.G.P.S., S.A, having not carried out any share transaction during the first half of 2007;

ii) The remaining Board Members do not own, nor have traded any company share capital.

II. STOCKHOLDERS HOLDING MORE THAN 10% OF THE SHARES

In accordance with the Law, it is stated that at June 30, 2007, Amorim Capital – Sociedade Gestora de Participações Sociais, S.A., holds 90,162,161 shares of CORTICEIRA AMORIM, S.G.P.S., S.A., corresponding to 67.791% of the shares and 69.116% of the voting rights.

III. MAJOR STOCKHOLDERS

Major stockholders, as of June 30, 2007:

Stockholders	Qt. of Shares	Percentage of voting rights
Amorim Capital - Sociedade Gestora de Participações Sociais, S.A.	90,162,161	69.116%
Luxor – Sociedade Gestora de Participações Sociais, S.A.	3,069,230	2.353%
Millennium BCP – Investimentos - Fundos Mobiliários, S.A.	1,686,831	1.292%
Directly	*903,384*	*0.692%*
Trough Shareholder/Stockbroker	*783,447*	*0.600%*
Portus Securities – Sociedade Corretora, Lda.	7,400,000	5.673%
Directly	*6,400,000*	*5.749%*
Trough Shareholder/Stockbroker	*1,000,000*	*0. 766%*

As of June 30, 2007, Amorim – Investimentos e Participações, S.G.P.S., S.A. has an indirect financial stake in CORTICEIRA AMORIM, S.G.P.S., S.A., of 90,162,161 shares which correspond to 69.116% of the voting rights. The above mentioned indirect stake is held through Amorim Capital – Sociedade Gestora de Participações Sociais, S.A..

As of June 30, 2007, 100% of Amorim – Investimentos e Participações, S.G.P.S., S.A., is held by Interfamília II, S.G.P.S., S.A..

It should be mentioned that on 30 June 2007 the Company possessed 2,548,357 of treasury stock.

Mozelos, August 1, 2007
The Board of Directors of CORTICEIRA AMORIM, S.G.P.S., S.A.

FINANCIAL REPORT INTERIM

a) Consolidated Balance sheet

Thousand euros

	NOTES	1H2007	2006	1H2006
Assets				
Property, plant and equipment	VI	161.204	175.719	170.323
Investment property	VI	9.712	2.519	2.261
Goodwill	VII	13.250	13.253	14.300
Investments in associates	III	3.048	2.717	4.238
Intangible assets	VI	94	1	6
Other financial assets		2.067	2.053	1.460
Deferred tax assets	VIII	8.896	9.719	10.611
Other non current assets		90	305	633
Non-current assets		**198.361**	**206.285**	**203.832**
Inventories	IX	196.515	212.139	196.371
Trade receivables	X	123.444	104.761	117.413
Current tax assets	XI	23.935	21.311	26.045
Other current assets	XII	16.157	13.094	15.905
Cash and cash equivalents		5.474	3.997	11.704
Current assets		**365.524**	**355.302**	**367.438**
Total Assets		**563.886**	**561.588**	**571.270**
Equity				
Share capital	XIII	133.000	133.000	133.000
Own shares	XIII	-2.425	-2.425	-2.410
Other reserves	XIII	82.345	69.433	69.754
Net Income		9.145	20.104	8.222
Minority interest		8.368	10.648	10.184
Equity		**230.433**	**230.760**	**218.749**
Liabilities				
Interest-bearing loans	XIV	163.319	153.115	150.794
Other borrowings and creditors	XV	1.809	3.172	5.129
Provisions	XX	5.248	4.386	4.601
Deferred tax liabilities	VIII	3.747	4.009	4.015
Non-current liabilities		**174.123**	**164.682**	**164.538**
Interest-bearing loans	XIV	65.976	76.213	86.686
Trade payables		42.236	43.965	47.214
Other borrowings and creditors	XV	38.956	36.520	44.214
Tax liabilities		12.162	9.449	9.869
Current liabilities		**159.329**	**166.147**	**187.983**
Total Liabilities and Equity		**563.886**	**561.588**	**571.270**

b) Earnings statement
Of the semester

Thousand euros

	NOTES	1H2007	1H2006
Sales	V	242.230	234.890
Costs of goods sold and materials consumed		128.610	121.763
Change in manufactured inventories		3.841	1.574
Gross Margin		**117.461**	**114.700**
		47,7%	*48,5%*
Third party supplies and services		38.800	38.449
Staff costs	XVI	47.667	49.763
Depreciation	VI	11.956	11.850
Impairments of assets		605	372
Other gains (+) and cost (-)	XVII	-772	914
EBIT		**17.660**	**15.180**
Net interest	XVIII	-5.220	-4.007
Share of (loss)/profit of associates	III	412	66
Profit before tax		**12.852**	**11.239**
Income tax	VIII	2.932	2.266
Profit after tax		**9.921**	**8.974**
Minority interest		776	752
Net Income attributable to the equity holders of Corticeira Amorim		**9.145**	**8.222**
Earnings per share - Basic e Diluted (euros per share)	XXIII	**0,070**	**0,063**

Second quarter (not audited)

Thousand euros

	2Q2007	2Q2006
Sales	124.669	120.403
Costs of goods sold and materials consumed	66.689	59.470
Change in manufactured inventories	1.975	-1.256
Gross Margin	**59.955**	**59.677**
	47,3%	*50,1%*
Third party supplies and services	19.201	19.232
Staff costs	23.489	25.152
Depreciation	5.968	5.999
Impairments of assets	-68	649
Other gains (+) and cost (-)	-783	-377
EBIT	**10.582**	**8.268**
Net interest	-2.945	-2.141
Share of (loss)/profit of associates	225	8
Profit before tax	**7.862**	**6.135**
Income tax	2.244	1.263
Profit after tax	**5.618**	**4.872**
Minority interest	347	432
Net Income attributable to the equity holders of Corticeira Amorim	**5.271**	**4.440**
Earnings per share - Basic e Diluted (euros per share)	**0,040**	**0,034**

c) Consolidated Cash Flow Statement

Thousand euros

	1H2007	1H2006
OPERATING ACTIVITIES		
Collections from customers	223 695	239 574
Payments to suppliers	- 190 062	- 173 533
Payments to employees	- 42 547	- 45 355
Operational cash flow	**- 8 914**	**20 686**
Payments/collections - income tax	- 1 580	- 1 435
Other collections/payments related with operational activities	28 930	4 475
CASH FLOW BEFORE EXTRAORDINARY ITEMS	**18 436**	**23 726**
INVESTMENT ACTIVITIES		
Collections due to:		
Tangible assets	337	318
Investment property	118	65
Interests and similar gains	110	118
Investment subsidies	264	2
Dividends	81	0
Payments due to:		
Tangible assets	- 10 238	- 14 432
Financial investments	- 1 529	- 3 832
Intangible assets	- 94	0
CASH FLOW FROM INVESTMENTS	**- 10 951**	**- 17 761**
FINANCIAL ACTIVITIES		
Collections due to:		
Loans	5 993	10 114
Others	92	64
Payments due to:		
Loans		0
Interests and similar expenses	- 4 189	- 4 248
Dividends	- 7 429	- 6 974
Acquisition of treasury stock	0	- 9
Others	- 468	- 808
CASH FLOW FROM FINANCING	**- 6 001**	**- 1 861**
Change in cash	**1 484**	**4 104**
Exchange rate effect	**- 7**	**- 399**
Perimeter effect	**0**	**- 667**
Cash at beginning	**3 997**	**8 666**
Cash at end	**5 474**	**11 704**

d) Changes in Equity – Consolidated Statement

Thousand euros

	Balance Beginning	Appropriation of N-1 profit	Dividends	Net Profit N	Increases	Decreases	Translation Differences	Change in Consolidation Method	End Balance
June 30, 2006									
Equity:									
Share Capital	133.000	-	-	-	-	-	-	-	133.000
Treasury Stock - Face Value	-2.535	-	-	-	-5	-	-	-	-2.541
Treasury Stock - Discounts and Premiums	134	-	-	-	-4	-	-	-	130
Paid-in Capital	38.893	-	-	-	-	-	-	-	38.893
IFRS Transition Adjustments	-13.020	-	-	-	33	-	90	-	-12.898
Hedge Accounting	18	-	-	-	-	-81	-	-	-63
Reserves									
Legal Reserve	7.445	-	-	-	-	-	-	-	7.445
Other Reserves	28.051	15.747	-6.523	-	-	-38	-	-	37.237
Translation Difference	698	-	-	-	-	-1.559	-	-	-862
	192.684	**15.747**	**-6.523**	**0**	**24**	**-1.678**	**90**	**0**	**200.341**
Net Profit for the Year	15.747	-15.747	-	8.222	-	-	-	-	8.222
Minority interests	11.752	-	-433	752	-	-	-810	-1.077	10.184
Total Equity	**220.183**	**0**	**-6.956**	**8.974**	**24**	**-1.678**	**-720**	**-1.077**	**218.747**
June 30, 2007									
Equity:									
Share Capital	133.000	-	-	-	-	-	-	-	133.000
Treasury Stock - Face Value	-2.548	-	-	-	-	-	-	-	-2.548
Treasury Stock - Discounts and Premiums	123	-	-	-	-	-	-	-	123
Paid-in Capital	38.893	-	-	-	-	-	-	-	38.893
IFRS Transition Adjustments	-12.866	-	-	-	434	-	31	-	-12.401
Hedge Accounting	-177	-	-	-	171	-	-	-	-6
Reserves									
Legal Reserve	7.445	-	-	-	-	-	-	-	7.445
Other Reserves	37.119	20.104	-7.175	-	235	-434	-	-	49.849
Translation Difference	-982	-	-	-	-	-	-454	-	-1.436
	200.007	**20.104**	**-7.175**	**0**	**840**	**-434**	**-423**	**0**	**212.919**
Net Profit for the Year	20.104	-20.104	-	9.145	-	-	-	-	9.145
Minority interests	10.648	-	-252	776	108	-2.811	-100	-	8.368
Total Equity	**230.760**	**0**	**-7.427**	**9.921**	**948**	**-3.245**	**-523**	**0**	**230.432**

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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 millions euros, and is represented by 133 millions 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 August 1, 2007.

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

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

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Basis of presentation

Consolidated statements were prepared based on a going concern basis and using the records as stated in the companies' books, which adopted Portuguese general accepted accounting principles. Accounting adjustments and reclassifications were made in order to comply with accounting policies followed by the IFRS, as adopted by the European Union (IAS – International Accounting Standards and the IFRS – International Financial Reporting Standards) and legal for use as of January 1, 2006. The transition date from the local GAAP was January 1, 2004.

b. Consolidation

- Group companies

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

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

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

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

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

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

- Equity companies

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

c. Foreign currency translation

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

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

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

d. Tangible Fixed Assets

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

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

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

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

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

Depreciation is charged since the beginning of the financial year in which the asset is brought into use. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

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

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

e. Investment Property

Includes the value of land and buildings not used in production.

f. Goodwill

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

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

g. Inventories

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

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

h. Trade receivables

Trade receivables are registered initially at cost, adjusted for any subsequent impairment losses which, when occurred, 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 recorded within the interest bearing loans line in the current liabilities on the balance sheet.

j. Interest bearing loans

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

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

k. Income taxes – current and deferred

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

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

l. Employee benefits

CORTICEIRA AMORIM Portuguese employees benefit, generally, from defined contribution plan that is complementary to the national welfare plan. Employees from foreign subsidiaries (about 25% of total CORTICEIRA AMORIM) or are covered exclusively by local national welfare plans or benefit from complementary plans, being it defined contribution plans or defined benefit plans.

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

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

m. Provisions

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

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

n. Revenue recognition

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

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

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

o. Government grants

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

p. Leasing

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

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

q. Derivative financial instruments

CORTICEIRA AMORIM uses derivatives financial instruments as forward and spot exchange rate contracts, options and swaps; these are intended to hedge its business financial risks and are not used for speculative purposes. CORTICEIRA AMORIM accounts for these instruments as hedge accounting, following all its standards. Dealing is carried out by a central treasury department (dealing room) on behalf of the subsidiaries, under policies approved by the Board of Directors. Derivatives are initially recorded at cost and subsequently re-measured at their fair value. The method of recognising is as follows:

- Fair value hedge

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

- Cash flow hedge

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

- Net investment hedge

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

CORTICEIRA AMORIM has fully identified the nature of its activities' risk exposure and documents entirely and formally each hedge; uses its information system to guarantee that each edge is supported by a description of: risk policy, purpose and strategy, classification, description of risk, identity of the instrument and of the risk item, description of initial measurement and future efficiency, identification of the possible derivative portion which will be excluded from the efficiency test.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, or the forecasted transaction no longer remains highly provable or simply is abandoned, or the decision to consider the transaction as a hedge, the company will de-recognised the instrument.

III. Companies included in the consolidated financial statements

COMPANY		HEAD OFFICE	COUNTRY	1H07
Raw Materials				
Amorim Florestal Espanha, S.A.		San Roque Cádiz	SPAIN	100%
Amorim Florestal - Indústria, Comércio e Exploração, S.A.		Vale de Cortiças - Abrantes	PORTUGAL	100%
Amorim Florestal Catalunya, SL		Cassa de la Selva Girona	SPAIN	100%
Amorim & Irmãos VII, SRL		Tempio Pausania	ITALY	100%
Amorim & Irmãos, S.A. (Matérias Primas)	(a)	Ponte Sôr	PORTUGAL	100%
Amorim & Irmãos - IV, S.A.		Alcântara	SPAIN	100%
Cork Consulting		Tabarka	TUNISIA	100%
Cork International, SARL		Tabarka	TUNISIA	100%
Comatral - C. de Marocaine de Transf. du Liège, S.A.		Skhirat	MOROCCO	100%
Société Fabrique Liège de Tabarka, S.A.		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	(i)	Tabarka	TUNISIA	45%
Amorim Florestal España, SL		San Roque Cádiz	SPAIN	100%
Cork Stoppers				
Amorim Benelux, BV - A&I	(b)	Tholen	NETHERLANDS	100%
Amorim Cork Deutschland GmbH & Co KG		Mainzer	GERMANY	100%
Amorim Cork South Africa		Cape Town	SOUTH AFRICA	100%
Amorim France, S.A.S.		Champfleury	FRANCE	100%
Amorim & Irmãos, SGPS, S.A.		Santa Maria Lamas	PORTUGAL	100%
Amorim & Irmãos, S.A.	(a)	Santa Maria Lamas	PORTUGAL	100%
Aplifin - Aplicações Financeiras, S.A.		Mozelos - Sta. Maria da Feira	PORTUGAL	100%
Amorim Argentina, S.A.		Tapiales - Provincia Buenos Aires	ARGENTINA	100%
Champcork - Rolhas de Champanhe, S.A.		Santa Maria de Lamas	PORTUGAL	100%
M. Clignet & Cie		Bezannes	FRANCE	100%
Carl Ed. Meyer Korken		Delmenhorst	GERMANY	100%
Indústria Corchera, S.A.	(j)	Santiago	CHILE	49%
Amorim Cork Austrália, Pty Ltd		Vic	AUSTRALIA	100%
Equipar - Indústria de Cortiça, S.A.	(h)	Coruche	PORTUGAL	100%
Equipar, Participações Integradas, Lda.	(h)	Coruche	PORTUGAL	100%
Equipar - Rolha Natural, S.A.	(h)	Coruche	PORTUGAL	100%
Amorim Cork América, Inc.		California	UNITED STATES	100%
FP Cork, Inc.		California	UNITED STATES	100%
Hungarocork, Amorim, RT		Budapeste	HUNGARY	100%
Inter Champanhe - Fabricante de rolhas de Champanhe, S.A.		Montijo	PORTUGAL	100%
Amorim Cork Itália, SPA		Conegliano	ITALY	100%
KHB - Kork Handels Beteiligung, GMBH		Delmenhorst	GERMANY	100%
Korken Schiesser Ges.M.B.H.		Viena	AUSTRIA	69%
Portocork France	(g)	Bordéus	FRANCE	100%
Portocork Internacional, S.A.		Santa Maria Lamas	PORTUGAL	100%
Portocork América, Inc.		California	UNITED STATES	100%
S.C.I. Friedland		Céret	FRANCE	100%
Société Nouvelle des Bouchons Trescases	(l)	Perpignan	FRANCE	50%
Victor y Amorim, Sl	(j)	Navarrete - La Rioja	SPAIN	50%

COMPANY		HEAD OFFICE	COUNTRY	1H07
Floor and Wall Coverings				
Amorim Benelux, BV - AR	(b)	Tholen	NETHERLANDS	100%
Amorim Cork GmbH		Delmenhorts	GERMANY	100%
Amorim Cork Distribution Netherlands BV		Tholen	NETHERLANDS	100%
Amorim Revestimentos, S.A.		Lourosa	PORTUGAL	100%
Amorim Wood Suplies, GmbH		Bremen	GERMANY	100%
Corticeira Amorim - France SAS - AR	(c)	Lavardac	FRANCE	100%
Amorim Revestimientos, S.A.		Barcelona	SPAIN	100%
Amorim Deutschland, GmbH & Co. KG - AR	(d)	Delmenhorts	GERMANY	100%
Dom KorKowy, Sp. Zo. O.	(j)	Kraków	POLAND	50%
Amorim Flooring North America Inc		Hanover - Maryland	UNITED STATES	100%
Amorim Flooring Austria GesmbH - AR	(f)	Viena	AUSTRIA	100%
Amorim Flooring Nordic A/s		Greve	DENMARK	100%
Amorim Flooring (Switzerland) AG		Zug	SWITZERLAND	100%
Composite Cork				
Amorim Benelux, BV - CAI	(b)	Tholen	NETHERLANDS	100%
Corticeira Amorim - France SAS - CAI	(c)	Lavardac	FRANCE	100%
Corticeira Amorim Indústria, S.A.		Mozelos - Sta. Maria da Feira	PORTUGAL	100%
Amorim Deutschland, GmbH & Co. KG - CAI	(d)	Delmenhorts	GERMANY	100%
Drauvil Europea, SL		San Vicente Alcantara	SPAIN	100%
Amorim Industrial Solutions Inc. - CAI	(e)	Trevor Wisconsin	UNITED STATES	100%
Amorim Flooring Austria GesmbH - CAI	(f)	Viena	AUSTRIA	100%
Cork Rubber				
Amorim (UK) Ltd.		Horsham West Sussex	UNITED KINGDOM	100%
Amorim Industrial Solutions - Indústria de Cortiça e Borracha II, S.A.		Mozelos - Sta. Maria da Feira	PORTUGAL	100%
Amorim Industrial Solutions - Indústria de Cortiça e Borracha I, S.A.		Corroios	PORTUGAL	100%
Amorim Industrial Solutions Inc. - BOR	(e)	Trevor Wisconsin	UNITED STATES	100%
Samorim (Joint Stock Company Samorim)	(i)	Samara	RUSSIAN FEDERATION	50%
Amorim Industrial Solutions, SGPS, S.A.		Mozelos - Sta. Maria da Feira	PORTUGAL	100%
Insulating Cork				
Amorim Isolamentos, S.A.		Mozelos - Sta. Maria da Feira	PORTUGAL	80%
Holding - Other				
Corticeira Amorim, SGPS, S.A.		Mozelos - Sta. Maria da Feira	PORTUGAL	100%
Ginpar, S.A. (Générale d' Investissements et Participation)		Skhirat	MOROCCO	100%
Labcork - Laboratório Central do Grupo Amorim, Lda.		Mozelos - Sta. Maria da Feira	PORTUGAL	100%
Moraga - Comércio e Serviços, S.A.		Funchal - Madeira	PORTUGAL	100%
Sopac - Sociedade Portuguesa 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) – One single company: Amorim Industrial Solutions, Inc.
(f) – One single company: Amorim Flooring Austria GesmbH.
(g) – Set-up during 2006

(h) – Equipar group was acquired in the beginning of 2005 (50%). At the beginning of 2006 the remaining 50% was acquired.
(i) – Equity method consolidation.
(j) – CORTICEIRA AMORIM controls the operations of the company – line-by-line consolidation method.
(l) – Acquired during 2006. Equity method consolidation.

IV. Exchange rates used in consolidation

Consolidation June 30, 2007		First Half End	Average
Argentine Peso	ARS	4,18552	4,10652
Australian Dollar	AUD	1,5885	1,64456
Brazilian Real	BRL	2,6024	2,71789
Canadian Dollar	CAD	1,4245	1,50782
Swiss Franc	CHF	1,6553	1,63175
Chilean Peso	CLP	714,02	709,055
Danish Krone	DKK	7,4422	7,4512
Algerian Dinar	DZD	93,9339	93,7213
Euro	EUR	1,000	1,000
Pound Sterling	GBP	0,674	0,67464
Forint	HUF	246,15	250,346
Yen	JPY	166,63	159,612
Moroccan Dirham	MAD	11,185	11,1451
Norwegian Krone	NOK	7,9725	8,13801
Zloty	PLN	3,7677	3,84409
Ruble	RUB	34,821	34,6605
Swedish Kronor	SEK	9,2525	9,2228
Tunisian Dinar	TND	1,7538	1,7317
US Dollar	USD	1,3505	1,32906
Rand	ZAR	9,5531	9,52973

V. Segment report

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

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

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

Thousand euros

1H2007	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Cork Rubber	Insulation Cork	Holding	Adjust.	Consolid.
Trade Sales	7.008	132.124	63.047	22.811	13.157	4.046	37		242.230
Other BU Sales	49.598	2.488	1.337	8.664	1.983	587	300	-64.956	
Total Sales	56.606	134.612	64.384	31.475	15.140	4.633	337	-64.956	242.230
EBIT(i)	3.164	10.426	4.915	1.376	-883	806	-2.075	-70	17.660
Assets	131.560	254.958	104.247	55.026	28.562	10.109	3.869	-24.444	563.886
Liabilities (ii)	22.475	53.619	22.271	12.332	17.295	2.217	25.084	178.159	333.452
Capex	249	4.684	3.052	1.163	755	426	77	-	10.407
Year Depreciation	-1.786	-4.793	-2.743	-1.447	-838	-310	-40	-	-11.956
Non-cash cost (iii)	-2	-996	-412	3	195	-7	-	0	-1.218
Gains/Losses in associated companies	2	410	-	-	-	-	-	-	412

1H2006	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Cork Rubber	Insulation Cork	Holding	Adjust.	Consolid.
Trade Sales	9.090	125.483	60.600	21.944	14.055	3.590	127		234.890
Other BU Sales	51.864	2.166	2.109	11.063	2.046	525	185	-69.957	
Total Sales	60.954	127.648	62.710	33.007	16.101	4.115	312	-69.957	234.890
EBIT(i)	6.414	3.598	5.466	1.599	201	547	-1.331	-1.313	15.180
Assets	153.109	246.829	98.220	55.528	28.344	9.873	3.889	-24.522	571.270
Liabilities (ii)	27.221	69.747	22.402	14.919	13.495	2.206	2.175	200.357	352.521
Capex	1.628	8.518	2.608	423	438	203	0	-	13.818
Year Depreciation	-1.989	-4.581	-2.762	-1.468	-831	-189	-31	-	-11.850
Non-cash cost (iii)	-471	-206	413	256	-164	-29	-22	-	-224
Gains/Losses in associated companies	13	-	-	-	53	-	-	-	66

Notes:

(i) *EBIT =Profit before interests, minorities and income tax.*

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

(iii) *Provisions and asset impairments were considered the only relevant material cost.*

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 80% 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 223 million euros, and are mostly composed by inventories and customers balances in sales companies.

Sales by markets (values in thousand EUR):

Markets	1H2007	1H2006
Euroepan Union	157.944	148.865
From which: Portugal	*13.938*	*16.803*
Other European countries	11.443	8.695
United States	39.226	42.505
Other American countries	15.986	13.051
Australasia	11.340	16.497
Africa	5.804	4.817
Others	487	458
TOTAL	**242.230**	**234.890**

VI. Tangible and intangible fixed assets

Thousand euros

	Land and Buildings	Plant Equipment	Other	Advances and In-progress	Tangible Fixed Assets	Intangible Fixed Assets
Gross Value	216.257	235.828	40.469	7.176	499.729	114
Depreciation and impairments	-122.688	-170.848	-35.807	-	-329.342	-83
Opening balance (Jan 1, 2006)	**93.568**	**64.981**	**4.662**	**7.176**	**170.387**	**31**
IN COMPANIES					0	-
INCREASE	6.238	11.947	1.640	6.123	25.948	-
REVALUATION	3.574	0	0	0	3.574	-
PERIOD DEPRECIATION AND IMPAIRMENTS	-6.674	-13.134	-2.048	0	-21.856	-31
SALES AND OTHER DECREASES	-689	-2.349	-481	-62	-3.581	-
TRANSFERS AND RECLASSIFICATIONS	458	7.607	640	-6.357	2.348	-
TRANSLATION DIFFERENCES	-433	-534	-87	-45	-1.099	-
Gross Value	223.392	240.624	39.118	6.834	509.968	-
Depreciation and impairments	-127.351	-172.106	-34.792	0	-334.249	-
Closing balance (Dec 30, 2006)	**96.041**	**68.518**	**4.326**	**6.834**	**175.719**	**0**
Gross Value	223.392	240.624	39.118	6.834	509.968	-
Depreciation and impairments	-127.351	-172.106	-34.792	0	-334.249	-
Opening balance (Jan 1, 2007)	**96.041**	**68.518**	**4.326**	**6.834**	**175.719**	**0**
IN COMPANIES					0	-
INCREASE	831	1.593	611	7.275	10.310	94
REVALUATION	0	0	0	0	0	-
PERIOD DEPRECIATION AND IMPAIRMENTS	-3.289	-7.798	-869	0	-11.956	-
SALES AND OTHER DECREASES	77	-108	-81	-313	-425	-
TRANSFERS AND RECLASSIFICATIONS	-11.462	1.589	46	-2.406	-12.233	-
TRANSLATION DIFFERENCES	-82	-100	-17	-12	-210	-
Gross Value	202.858	240.403	37.989	11.377	492.628	94
Depreciation and impairments	-120.742	-176.708	-33.973	0	-331.424	-
Closing balance (Jun 30, 2007)	**82.116**	**63.695**	**4.016**	**11.377**	**161.204**	**94**

Accordingly with d) of point II (accounting policies), as of Jun, 30, 2007, the net effect of the said revaluation, amounts to 19,4 million of euros, of which14,6 refers to land. Applying the same policy, the effect of the Fixed Assets revaluation (as for pgf. 16 of IFRS 1) was 14,4 million euros at transition date. At closing balance date it was 8,4 million euros.

Revaluation value of 3574 in buildings refers to the difference between the fair value and the book value of the building belonging to Equipar – Indústria de Cortiça as for January 2006. This register derives from the difference between the cost of the acquisition at this date of the remaining 50% of Equipar, and the fair value of the net assets acquired.

The value registered in Transfers and Reclassifications (first half 2007), refers mainly to a reclassification from land and buildings not used in production to Investment Property.

VII. Goodwill

Thousand euros

June 30, 2007	OPENING	TRANSLATION DIFFERENCES	CLOSING
Raw material BU	4.202	-3	4.199
Cork Stoppers BU	4.890	-	4.890
Flooring BU	4.160	-	4.160
Goodwill	**13.252**	**-3**	**13.249**

VIII. 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 j), and amounts to K€ -803 (1H2006: K€ -1,979).

On the Balance sheet this effect amounts to K€ 8,896 (31/12/2006: K€ 9,719) as Deferred tax asset, and to K€ 3,747 (31/12/2006: K€ 4,009) 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

	1H2007	2006	1H2007
Related with Intangible Fixed Assets cancelled	900	901	957
Related with Inventories / Customers and Debtors impairments	1.318	1.305	603
Related with Tax Losses	6.136	6.966	9.052
Other	542	547	-
Deferred Tax Assets	**8.896**	**9.719**	**10.611**
Related with Fixed Tangible Assets	2.754	2.972	3.072
Related with Inventories	765	784	735
Other	228	253	207
Deferred Tax Liabilities	**3.747**	**4.009**	**4.015**
Current Income Tax	-2.128	-1.441	-286
Deferred Income Tax	-803	-2.538	-1.979
Income Tax	**-2.931**	**-3.979**	**-2.266**

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

Income Tax Conciliation

Income Tax - Legal	**26,5%**
Effect arising from non-taxed profit, from reduced income-taxes and from tax losses with no Defferred Tax Assets (DTA)	-4,0%
Other effects	0,3%
Income tax - effective (1)	**22,8%**

(1) Income Tax / PBT

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 63, 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, 2007, 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.

As first half does not correspond to a normal tax period, following is presented the information regarding tax losses amounts and its time limits for utilisation as stated in December 2006 accounts.

Thousand euros

	2007	2008	2009	2010	2011 and further	TOTAL
RETGS	1.444					1.444
Other Portuguese companies	159	1.495	911	1.454	5.192	9.211
Foreign companies	98	0	217	832	19.111	20.258
Non utilised tax losses	**1.701**	**1.495**	**1.128**	**2.286**	**24.303**	**30.913**

As for foreign companies, 2011 and further was considered for those situations that correspond to tax losses to carry forward with no limit of utilisation.

IX. Inventories

Thousand euros

	1H2007	2006	1H2006
Goods	9.707	11.802	12.697
Finished and semi-finished goods	91.992	89.228	88.385
By-products	305	593	199
Work in progress	8.663	8.613	8.698
Raw materials	85.021	104.372	85.282
Advances	4.496	1.116	4.219
Goods impairments	-938	-752	-578
Finished and semi-finished goods impairments	-2.495	-2.607	-2.408
Raw materials impairments	-236	-227	-125
Inventories	**196.515**	**212.138**	**196.369**

X. Trade receivables

	1H2007	2006	1H2006
Gross amount	132.601	113.807	127.785
Impairments	-9.157	-9.045	-10.372
Trade receivables	**123.444**	**104.762**	**117.413**

XI. Recoverable taxes

	1H2007	2006	1H2006
Value added tax	20.418	17.807	23.109
Other taxes	3.517	3.504	2.936
Recoverable taxes	**23.935**	**21.311**	**26.045**

XII. Other assets

	1H2007	2006	1H2006
Advances to suppliers	6.918	3.705	7.792
Deferred assets	3.817	3.920	3.049
Hedge accounting assets	868	1.266	1.669
Other	4.554	4.203	3.395
Other current assets	**16.157**	**13.094**	**15.905**

XIII. Capital and reserves

- Share Capital

As of June 30, 2007, 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 first half 2007, no transactions of treasury stock was made.

- Dividends

In the Shareholders' General Meeting of March 31, 2007, a dividend totalling € 7,315,000.00 (seven million, three hundred and fifteen thousand euros), corresponding to a € 0.055 (five and half cents of euro) per share was approved. Payment was made as of April, 30.

	1H2007	1S2006	1H2005
Dividends approved - 2007:0,055; 2006:0,050 e 2005: 0,035 (euros per share)	7.315	6.650	4.655
Portion attributable to own shares	140	127	91
Dividends paid	**7.175**	**6.523**	**4.564**

XIV. Interest bearing debt

As of June 30, 2007, interest bearing loans was as follows:

	Thousand euros
Between 2008/30/06 and 2008/31/12	1,434
Between 2009/1/1 and 2009/31/12	40,236
Between 2010/1/1 and 2010/31/12	54,671
Between 2011/1/1 and 2011/31/12	66,776
After 2011/01/01	202
Total	**163,319**

As of June 30, 2007, loans were denominated in euros (96%), the remaining of it was denominated mainly in USD.

Non-current and current interest bearing debt carries floating interest rates. Average cost, during first half, for all the credit utilized was 4,56% (1H06: 3,57%).

At the same date, three subsidiaries had a 2,7 million euros loan mortgage guarantee.

Non-utilized loan facilities amounted to 116 million euros as of June 31, 2007.

XV. Other loans and creditors

	1H2007	2006	1H2006
Non interest bearing grants	1.166	2.445	4.291
Other	643	727	838
Other loans and creditors - non current	**1.809**	**3.172**	**5.129**
Non interest bearing grants	2.084	2.279	2.179
Deferred costs	24.674	16.153	23.608
Deferred gains - grants	8.975	10.541	10.382
Hedge accounting - deferred liabilities	160	14	30
Other	3.063	7.533	8.015
Other loans and creditors - current	**38.956**	**36.520**	**44.214**

In Deferred costs the part related with salaries (vacations and vacations paid) amounted to K€ 14,656 (Dec-06: K€ 8,393, Jun-06: 14,672).

XVI. Staff costs

	1H2007	1H2006
Board remuneration	733	391
Employees remuneration	35.752	36.922
Social Security and other	8.608	8.633
Severance costs	1.400	2.599
Other	1.173	1.219
Staff costs	**47.666**	**49.763**
Average number of employees	**3.817**	**3.959**

XVII. Other operating gains and losses

	1H2007	1H2006
Indirect taxes	-674	-675
Provisions	-613	148
Net exchange differences	-603	194
Gains (losses) in disposal of assets	485	-212
Other gains	1.441	1.603
Subsidies - operating	50	20
Subsidies - equipment	885	827
Other	-1.743	-990
Other operating gains (+) and losses (-)	**-772**	**914**

XVIII. Net interest

	1H2007	1H2006
Interest costs - bank loans	4.982	3.931
interest costs - delayed payments	32	1
Stamp tax - interest	112	28
Stamp tax - capital	52	76
Interest costs - other	160	101
	5.338	4.137
Interest gains - bank deposits	-23	-33
Interest gains - loans - other	-8	-
Interest gains - other financial aplications	0	-5
Interest gains - delayed payments	-5	-7
Interest gains - other	-82	-85
	-118	-130
Net interest	**5.220**	**4.007**

XIX. 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, 2007, indirect stake of AIP in CORTICEIRA AMORIM was 69.11% 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 – Organização e Sistemas Informáticos, Lda.).

Services rendered during first half 2007 reached K€ 1,145 (1S06: K€ 2,015)

Balances at first half-end 2007 and year-end 2006 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%

XX. Guarantees, contingencies e commitments

During its operating activities CORTICEIRA AMORIM issued in favour of third-parties guarantees amounting to K€ 204,039 (Dec-06: K€ 215,099).

Beneficiary	Amount	Purpose
Government agencies	16.677	Capex grants/subsidies
Value added tax agency	1.408	VAT refund
Tax authority	4.994	Tax lawsuits
Banks	179.366	Loans guarantees
Other	1.594	Miscellaneous guarantees
TOTAL	**204.039**	

The total amount recorded as "provisions" is considered to be adequate to face any tax lawsuit effect.

As of June 30, 2007, future expenditure resulting from long-term motor vehicle rentals totals K€ 1,578, and for computer hardware and software totals K€ 186.

Commitments related with fixed assets suppliers are no recorded and amount to K€ 6,345.

XXI. Exchange rate contracts

As of June 30, 2007, a total of K€ 9,614 of forward contracts concerning currencies used in CORTICEIRA AMORIM transactions were in place. From that total, the USD represents 66%, ZAR 34%.

At the same date, there were USD option contracts, with a total nominal amount of K€ 33,610.

XXII. 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.

XXIII. Other information

a) 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.

	1H2007	2006	1H2006
Nr. shares issued	133,000,000	133,000,000	133,000,000
Average nr. of own shares	2,548,357	2,542,107	2,538,357
Average nr. of outstanding shares	130,451,643	130,457,893	130,461,643
Net profit (thousand euros)	9,145	20,104	8,222
Net profit per share (euros)	0.0701	0.1541	0.0630

Mozelos, August 1, 2007
The Board of CORTICEIRA AMORIM, S.G.P.S., S.A.

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Limited Review Report on Consolidated Financial Statements

(Free Translation from the original in Portuguese)

Introduction

1 In accordance with the Portuguese Securities Market legislation ("Código dos Valores Mobiliários") we present the limited review report on the consolidated financial information for the period of six months ended 30 June 2007 of **Corticeira Amorim, SGPS, SA**, comprising the consolidated Management Report, the consolidated balance sheet (which shows total assets of Euros 563.886 thousand and total shareholder's equity of Euros 230.433 thousand, which includes a net profit of Euros 9.145 thousand), the consolidated statements of income by nature, the consolidated statement of changes in equity and the consolidated cash flow statement for the period then ended and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Management: (i) to prepare consolidated financial statements which present fairly, in all material respects, the financial position of the company and its subsidiaries, the consolidated changes in equity and the consolidated results and cash flows of their operations; (ii) to prepare consolidated financial statements applying the International Accounting Standard nº 34 – Interim Financial Information as adopted in the European Union and the principles requested by the Portuguese Security Market legislation; (iii) to adopt appropriate accounting policies and criteria; (iv) to maintain adequate systems of internal accounting controls; and (v) to disclose any relevant fact that has influenced the activity of the company and its subsidiaries, its financial position or results.

3 Our responsibility is to verify the consolidated financial information presented on these documents, in particular if it is complete, faithful, actual, comprehensible, objective and lawful, in accordance with Portuguese Security Market legislation with the objective of expressing an independent and professional report on this information based on our review.

Scope

4 We conducted our limited review in accordance with the Standards and Technical Recommendations approved by the Portuguese Institute of Statutory Auditors applicable to limited review engagements, which require that we plan and perform the review to obtain moderate assurance as to whether the consolidated financial statements are free of material misstatement. Our limited review consisted: (a) principally in inquiries and analytical procedures designed to evaluate: (i) the faithfulness of the assertions in the financial information; (ii) the adequacy and consistency of the accounting principles adopted, taking into account the circumstances; (iii) the applicability, or not, of the going concern basis; (iv) the overall presentation of the financial statements; and (v) verification of the completeness, faithfulness, actuality, comprehensiveness, objectivity and lawfulness of the information presented, in accordance with the Portuguese Securities Market legislation; and (b) in substantive tests to unusual transactions of great magnitude and to those in which contradictory information is obtained.

5 Our review also included the verification of the consistency of the consolidated Management Report with the information contained in the financial statements

6 We believe that our review provides a reasonable basis for our limited review report.

Opinion

7 Based in our limited review, which was performed in order to provide a moderate level of assurance, nothing has come to our attention that cause us to conclude that the consolidated financial statements of the period of six months ended 30 June 2007 contain material errors that affect their conformity with International Accounting Standard nº 34 – Interim Financial Information as adopted in the European Union and the information there included is complete, faithful, actual, comprehensible, objective and lawful.

Porto, 18 September 2007

PricewaterhouseCoopers & Associados, S.R.O.C., Lda.
represented by:

José Pereira Alves, R.O.C.