ANNUAL RESULTS HIT BY Q4 SLOWDOWN

Mozelos, Portugal, 16th of February 2009 – **CORTICEIRA AMORIM, SGPS [Euronext Lisbon: COR; ISIN: PTCOR0AE0006]**, the world's largest cork manufacturer, announces today consolidated results for the fourth quarter 2008 (4Q08) and full 2008 (YTD = 12M08). Unless otherwise stated, all figures are in millions of Euros (M€). Variations are referred to comparisons with values of same period 2007.

HIGHLIGHTS

- Sales increases to 468.3 M€.
- EBITDA decreases 16.8% to 48.4 M€.
- Net Profit decreases to 6.153 M€ affected by main export currencies devaluation.
- Net debt decreases 4%
- Equity/Assets ratio improves to 42.9%

I – <u>SUMMARY FOR THE FULL 2008 ACTIVITY</u>

During the first three quarters, economic forecasts were continuously revised downwards, but the general feeling was that a short living mild recession was taking place. Remember the interest rate hike decided by the ECB as of the middle of 2008.

At the end of Q3, and after Lehman Brothers went bankrupt and all the serious financial problems registered in other prime financial institutions, a negative impact hit the real economy with a blow that was totally unforeseen one or two worth earlier.

Up to the end of Q3, as stated in the quarterly reports, CORTICEIRA AMORIM suffered from this adverse economic situation. These worsening conditions resulted, mainly, from price increases in energy, transportation and other operating costs. Operating performance was also affected by the devaluation of CORTICEIRA AMORIM most important export currencies, namely, the USD. This situation was not possible to overcome, due to the opposition of the final customers, mainly in the USA, to price increases justified by the said devaluation. Consequently a fall in Euro sales was registered in these markets. This situation led to narrow margins and profits due to the fact that most of the operating costs of CORTICEIRA AMORIM are Euro denominated costs. At the financial level, the relentless interest rate increases, up to October, affected CORTICEIRA AMORIM all-in interest rate. Interest costs increase impacted CORTICEIRA AMORIM bottom line.

If it could be said that up to the end September, CORTICEIRA AMORIM profits were mildly affected. Fourth quarter economic halt hit the so called “real” economy, and consequently CORTICEIRA AMORIM net income. Core sectors for CORTICEIRA AMORIM, like civil construction and auto industry were hardest hit. Orders to CORTICEIRA AMORIM placed by these sectors were at many months’ minimum levels during November and December. This drop in sales affected adversely Q4, which posted a negative result.

II – <u>CONSOLIDATED RESULTS</u>

Exporting more than 90% of its sales, CORTICEIRA AMORIM was not immune to these serious economic conditions. During the semester, orders were received in the last moment, making industrial and logistical conditions more difficult due to the short time delivery requests. The change in order allocations and the tightening of delivery schedules were especially visible in multinational companies. As never seen before, 2008, registered monthly sales so erratic, going from bad to record high monthly figures.

Consolidated sales were up 3.2%, reaching 468 M€. This increase is similar to the effect of the new consolidate companies (Oller; Llosent and Cortex in the second half). On the other side, the negative effect of the export currencies’ devaluations, of which the 6.8% devaluation of the USD is by far the most important (16% of total sales). All the other export currencies also lost value against the euro, namely GBP, ZAR, AUD and CLP (Chilean peso). All together total devaluation effect affected 2.2% consolidated sales; as for Business Unit (BU), a special note to Corkstoppers (+4.5%), Corkflooring (+5.6%) and Insulation (+10.6%); with a negative growth, Raw-materials (-3.0%) and Composites Cork (-5.4%).

Corkstoppers BU benefited the most from the new consolidated companies (+6.3% effect on its sales). On the other hand it was the most harmed from the devaluation effect (-2.7%). All corkstoppers product families increased its sales but natural and Twintop® corkstoppers. As for average prices, in spite of the devaluation effect, it was possible to maintain prior year's average prices. Due to the new companies, French market was up, as well as Eastern Europe. Iberia and South America were the first markets to feel the economic crisis, posting a, somehow, important drop in sales.

Corkflooring BU sales were up 5.6%. Cortex second half entry effect on consolidated sales was relatively immaterial (+1.2%). As corkflooring coverings (CFC) sales flat, growth came, mainly, from the woodcoverings (NCFC). A weak Central Europe market was more than offset by Eastern Europe, either due to a less steep effect of the economic crisis, or due to its late impact.

The new Composite Cork BU was able to maintain Q3 sales deviation (-5.4%). Fourth quarter USD recovery, though not enough to recover from prior devaluations, was a positive factor affecting Q4. Yet full annual impact of devaluations was still a -2.4% impact. Civil construction and automotive industry halt were the main factors behind this BU performance.

Also affected by the year-end economic conditions, Insulation BU still managed to increase sales (+10.6%).

Raw-materials BU, whose main customer is the value chain of CORTICEIRA AMORIM, suffered from the easing of internal production. Apart from this, there was a decision to reduce non-manufactured cork sales to outside customers. Together this two factors where the reason behind the 3.0% drop in sales of this BU.

Percentual Gross Margin decreased around 1% (47.8% vs 48.7%). Export currencies devaluation, mainly affecting Corkstoppers and Composite Cork, by far the most exposed to the exchange risk was the main reason for the said decrease. Gross Margin from Corkflooring also affected consolidated figures. This was due to the higher weight of woodflooring (NCFC) in total sales of this BU. As understood, trading sales gross margin is much lower than the one from finished goods coming from the production line of CORTICEIRA AMORIM. This effect (trade sales) was also registered in the Insulation BU. But the Gross Margin of this BU was also affected adversely from the consumption of Raw-materials purchased in the 2007 campaign, which showed a less than expected price/quality ratio. Again in this BU, sales to Gulf countries (around 20%) must be noted, due to the fact that being USD denominated sales, the USD devaluation also affected this BU performance. Within CORTICEIRA AMORIM, only Raw-materials BU registered a material growth in its percentual Gross Margin (+2.7%). This was due, mainly, to the use of cheaper cork acquired during the 2007 campaign, as well as of better yields from the Coruche factory.

Operating costs reached 196 M€ (+7.4%). Economic deterioration led to impairment registers during Q4. An increase of 1.6 M€ in impairments was posted when compared with 2007; the same for severance payments (+1.1 M€). Also contributing to negative registers, when comparing to 2007, investment subsidies (-1.8 M€). All this represented an increase of 2.7% in the operating costs. New companies, mainly Oller, brought all together 9.4 M€ in operating costs, justifying 5.2% of the increase.

At the EBIT level a decrease of 31% to 25.5 M€ was posted. This drop, resulting from the said variations can be summarized this way: increase in sales due to new companies resulted in a small increase in Gross Margin (2.2 M€), while operating costs from the said companies (9.4 M€) more than offset that gain. On top of this noncurrent items like the ones referred and adjustments to prior years estimates added to the negative effects.

EBITDA reached 48.3 M€ (-16.8%) affected by the same items that justified EBIT variation.

Net Interest costs posted a +18.5% increase to 13.4 M€. In spite of a decrease in Net Debt, higher interest rates affected most of 2008 and were responsible for the financial line deterioration.

As a summary, Q4 was deeply affected by the posting of impairments, prior years adjustments of estimates and to a prudent approach to deferred tax assets register; on top of this, the effect of significant reduction in activity. At the end, Q4 registered a loss of 4.3 M€, bringing full 2008 profit down to 6.153 M€. Finally, total unfavourable effect of exchange devaluation in the bottom line was estimated at 8.5 M€ must be emphasized.

III – CONSOLIDATED BALANCE SHEET

As Oller balance sheet was consolidated at 2007 year-end, and as the balance sheets of the two remaining new companies are considered to be immaterial, 2008 and 2007 Balances are considered good for comparisons.

At the end of 2008, consolidated Balance Sheet totalled 575 M€, less 21 M€ than 2007.

As for Assets, the decrease comes mainly from Inventory and customers reduction (-32 M€). Fixed Assets increase (CAPEX less depreciation) was +4 M€, and Equity companies reached +7 M€ due to US Floors acquisition at year-end. As for Liabilities, emphasis goes to the drop in Gross Debt (-11 M€) and to Suppliers the (-16 M€), this due to less cork purchased.

Net Debt decreased about 9 M€, reaching 223 M€.

Equity/Assets ratio increased from 41.2% to 42.9% at year-end.

IV – KEY INDICATORS

Audited indicators as of December, 31

(Thousand euros)

		4Q08	4Q07	12M08	12M07
Sales		103,348	100,912	468,289	453,770
Gross Margin – Value		50,219	50,395	221,512	219,376
%	1)	0.49	0.50	0.48	0.49
Operating Costs	2)	50,973	41,728	195,967	182,390
EBITDA		5,217	13,479	48,366	58,125
EBIT		-754	8,666	25,545	36,986
Net Income		-4,310	8,509	6,153	23,245
Earnings per share	3)	-0.033	0.0652	0.047	0.1782
EBITDA/Net Interest (x)		1.56	4.63	3.62	5.15
Equity /Net Assets		-	-	42.93%	41.17%
Net Bank Debt		-	-	222,962	231,781

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

Consolidated audited Balance Sheet

(Thousand euros)

	31.12.08	31.12.07
Activos não Correntes	224,573	214,171
Activos Correntes		
Inventários	205,659	227,415
Outros Activos Correntes	144,490	154,428
Total de Activos Correntes	**350,149**	**381,843**
Total Activo	**574,722**	**596,014**
Capital Próprio (inclui I.M.)	**246,724**	**245,390**
Passivos não Correntes		
Dívida Remunerada	118,266	162,994
Outros Passivos não Correntes	17,462	16,550
Total Passivos não Correntes	**135,728**	**179,544**
Passivos Correntes		
Dívida Remunerada	109,292	75,180
Outros Passivos Correntes	82,978	95,901
Total Passivos Correntes	**192,270**	**171,081**
Total Passivo e Capital Próprio	**574,722**	**596,014**

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About Corticeira Amorim, SGPS, S.A.:

While tracing its roots to the XIX Century, Corticeira Amorim SGPS has become the world's largest cork and cork-derived company in the world, generating over Euro 450 million in sales throughout 103 countries. Corticeira Amorim SGPS and its subsidiaries are an integral part of a conservationist effort to guarantee the survival of hundreds of thousand of cork trees throughout the Mediterranean Basin. We are proud of our contribution to the correct utilisation of these important forests that represents a key role in the CO_2 retention, contributing this way to preserve biodiversity and preventing desertification. We encourage you to learn more by visiting informative websites such as corkfacts.com or www.apcor.pt.