



CORTICEIRA AMORIM INCREASES SALES AND PROFITS DURING THE FIRST NINE MONTHS 2006

Mozelos, Portugal, sixth of November 2006 – **Corticeira Amorim, SGPS [Euronext Lisbon: COR; ISIN: PTCOR0AE0006]**, the world's largest cork manufacturer, today announced consolidated results for the third quarter 2006 (3Q06) and cumulative year to date (YTD). Unless otherwise stated, all figures are in millions of Euros (M€) and compared with YTD 2005.

HIGHLIGHTS

- Consolidated sales increased 2,2%, reaching 335,6 M€.
- EBITDA (40,4 M€) and EBIT (23,1 M€) up 8,4% and 12,9%, due to sales increase, maintenance of high Gross Margins and tight operating costs.
- Net profit up 16,7%, reaching 13,848 M€.
- September registers the completion of corkstoppers industrial restructuring.

I – 3Q06 SUMMARY OF ACTIVITY

Consolidated activity for the 3Q06 was affected by the highly positive performance of Corkflooring Business Unit (BU), confirming the trend of the last quarters. As for the results, 3Q06 was unfavourably affected by non-recurrent items (higher severance costs and lower income from investments subsidies), which came on top of a sales drop, making this quarter results lower than the two previous ones; consequently the increase in the results indicators (EBIT, EBITDA and net result) suffered a softening for the year to date values.

II – CONSOLIDATED RESULTS

Sales reached 335,6 M€, increasing 2,2% when compared with the first nine months of 2005. This slowdown, when compared with the 5,9% increase registered at the end of the semester, was due to a weak 3Q06 in the Corstoppers BU, namely during September in the USA and Australia markets. Difficulties in responding to customer's orders due to the startup of the new modernized industrial facilities were also a part for the said sales drop. During October this problem was overcome. Year to date sales for this BU decreased 2,4%, which is equal to the decrease in the sales of goods (non-manufactured cork and other goods), a low added value item.

Corkflooring BU kept a very positive performance, with year to date sales reaching a 7,4% increase. This was due, mostly, to its main core product (CFC – corkfloor coverings) which registered a 9% increase. In general, all markets recorded sales gains, but this BU keeps focusing in the new markets for RSC (Eastern Europe, North America and Japan).

Corkcomposition BU Sales were up 6,4%, but its sales of finished products to outside customers were not able to meet that trend.

Corkflooring BU and Insulation BU registered a 5,8% and 7% increase, confirming the figures of the first semester.

As said before, the various results indicators were unfavourably affected by the overall 3Q06 activity. In spite of the maintenance of high Gross Margins, (around 50%), when compared with 3Q05, this quarter was hit by lower sales and, specially, by the concentration of costs related with the industrial restructuring (from a total of 4,6 M€ year to date severance costs, about 2,3 M€ were booked during this quarter, versus 1M€ during 3Q05). Still in the negative side, the booked income from investment subsidies during 2005 referred not only to that period portion, but also to prior years portions, which, by prudence, were not booked by then (YTD 3Q05: around 2,7 M€, of which 0,9 M€ during 3Q05); as for 2006 the booked income refers only to the usual period portion (YTD 3Q06: around 1,3 M€, of which 0,3 M€ during 3Q06). The sum of this two effects (severance costs and booked subsidies) were responsible for a negative effect of around

1,9 M€ in the 3Q06 when compared with 3Q05, justifying the softening of cumulative results increase registered by CORTICEIRA AMORIM as of September 2006.

Bearing this in mind, year to date EBITDA reached 40,4 M€ (+8,4 %) and EBIT reached 23,1 M€ (+12,9%), comparing with semester registers of +8,0% and +17,4% respectively. The said negative concentration of the two effects, will be, naturally, diluted during 4Q06; during this quarter no major severance costs are estimated and the subsidies effects will be diluted as one more quarter will be booked.

As expected, interest costs increased during 3Q06, due to the relentless increase in the interest rates of the two major debt currencies (EUR and USD).

After 2,8 M€ of tax estimation, net profit reached 13,848 M€, up 16,7% from September 2005.

Net profit attributable to the CORTICEIRA AMORIM shareholders reached 12,844 M€, up 13,3% when compared to the first nine months 2005.

III – CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet reached 580 M€, up 30 M€ and 10 M€ when compared to December 2005 and September 2005. Variance from December is due, mainly, to a 20 M€ increase in Inventories (mostly due to the effect of the raw-material purchase season as of September 2006), the rest of it being the capex and the acquisitions as publicly announced. As compared with September 2005, 10 M€ refers to higher raw material purchases; the said capex and acquisitions were compensated by decreases in other assets accounts (deferred taxes and cash).

In the liability side, bank debt is 5 M€ higher than December 2005 (and equal to September 2005). Payments related with the raw material purchase campaign, dividends paid in April, and paid investments, were higher than the cash flow from the nine months operations. Net bank debt reached 226,1 M€, the same value as of September 2005, but above the 218,7 M€ value registered at the end of 2005. As for September 2006, the Balance keeps showing a strong Equity/Assets ratio of 38,6%.

V – KEY INDICATORS

Indicators as of September, 30 (non-audited)

(Thousand euros)

	3Q06	3Q05	Variation	9M06	9M05	Variation
Sales	100.663	106.400	- 5,39%	335.553	328.188	+ 2,24%
Gross Margin – Value	49.311	50.708	- 2,75%	164.012	158.835	+ 3,26%
Operating Costs	1) 49,87%	52,15%	-2,28 p.p.	48,91%	48,99%	-0,08 p.p.
EBITDA	2) 41.420	43.201	- 4,12%	141.741	138.398	+ 2,42%
EBIT	13.362	12.249	+ 9,09%	40.392	37.270	+ 8,38%
Net Income	7.891	7.507	+ 5,12%	23.071	20.437	+ 12,89%
Net Income (attributable to shareholders)	4.874	4.617	+ 5,57%	13.848	11.866	+ 16,70%
Earnings per share	4.622	4.491	+ 2,92%	12.844	11.341	+ 13,25%
EBITDA/Net Interest (x)	3) 0,0354	0,0344	+ 2,86%	0,0985	0,0869	+ 13,23%
Equity /Net Assets	5,44	6,69	- 1,25 X	6,25	6,72	+ 0,47 X
Net Bank Debt	-	-	-	38,61%	37,72%	+0,89 p.p.
	-	-	-	226.058	226.828	- 0,34%

1) *Related to Production*

2) *Includes financial costs and revenues other than interest, and "extraordinary" items*

3) *Net Income / Average outstanding shares (euros/share)*

VI – BALANCE SHEET

Consolidated Balance Sheet (non-audited)

(Thousand euros)

	30.09.06	31.12.05	30.09.05
Non-current assets	205 573	200 934	201 555
Current assets			
<i>Inventories</i>	222 822	205 346	215 491
<i>Other current assets</i>	151 602	143 619	153 566
Total current assets	374 424	348 965	369 058
Total Assets	579 997	549 899	570 611
Equity (M. I. included)	223 941	220 183	215 229
Non-current liabilities			
<i>Bank borrowings</i>	145 993	122 324	76 339
<i>Other non-current liabilities</i>	12 754	15 102	16 261
Total non-current liabilities	158 747	137 426	92 600
Current liabilities			
<i>Bank borrowings</i>	86 067	105 024	157 909
<i>Other current liabilities</i>	111 243	87 266	104 873
Total current liabilities	197 310	192 291	262 782
Total Liabilities and Equity	579 997	549 900	570 613

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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 420 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 are home to several endangered species throughout the region. We encourage you to learn more by visiting informative websites such as www.amorimcork.com or corkfacts.com.