SONAE INDÚSTRIA

9 MONTHS 2014 RESULTS

12 November 2014

Maia, Portugal, 12 November 2014: Sonae Indústria reports Consolidated Results for the first nine months of 2014 (9M14) which have been subject to a Limited Audit Review and are prepared in accordance with IAS 34 – Interim Financial Reporting.

STRATEGY EXECUTION

- Approval of the terms for the announced share capital increase of up to 150 million Euros
- Signature of refinancing agreements with main creditor banks

3Q14 RESULTS HIGHLIGHTS

- Turnover affected by the reduced industrial footprint
- Recurrent EBITDA up by 27% against last year, with recurrent EBITDA margin reaching 9.1%
- LTM Recurrent EBITDA up by 5 million Euros, to 83 million Euros
- Net losses reduced by 38% when compared to 3Q13
- Net debt down by 7 million Euros against the previous quarter

KEY FIGURES Million euros	9M13 (a)	9M14	9M14 / 9M13 (a)	3Q13 (a)	2Q14	3Q14	3Q14 / 3Q13 (a)
Consolidated turnover	**915**	**856**	**(6%)**	**289**	**290**	**267**	**(8%)**
EBITDA	50	65	30%	16	27	28	78%
Recurrent EBITDA	**63**	**66**	**5%**	**19**	**26**	**24**	**27%**
Recurrent EBITDA Margin %	**6.8%**	**7.7%**	**0.9 pp**	**6.6%**	**9.0%**	**9.1%**	**2.5 pp**
Net profit/(loss) attributable to Shareholders	**(45)**	**(47)**	**(5%)**	**(16)**	**(11)**	**(10)**	**38%**
Net debt	**676**	**689**	**2%**	**676**	**696**	**689**	**2%**

(a) According to IFRS 11, which replaces the former IAS 31, the investments in joint ventures (*Laminate Park GmbH & Co. KG* and *Tecmasa, Reciclados de Andalucia, S. L.*) are now mandatorily consolidated according to the Equity Method. The 2013 figures were restated accordingly.

CEO MESSAGE

As expected, our performance during the third quarter was impacted by the holiday period and the usual operational maintenance shutdowns of most of our plants in the northern hemisphere, which led to an 8% turnover decrease, when compared to previous quarter. Notwithstanding the lower top line, we continued to improve our operational profitability, with improvements in both variable and fixed costs components of our cost structure. As such, the Recurrent EBITDA of the quarter was 24 million Euros, with an improved recurrent EBITDA margin of 9.1%, up by 2.5 p.p. when compared to same quarter last year, mostly driven by improved profitability in all European regions, notably in Germany. For 9M14, consolidated Recurrent EBITDA reached 66 million Euros, reflecting a 3 million Euros improvements y.o.y., with a recurrent EBITDA margin of 7.7%, up by 0.9 p.p. when compared to same period of 2013.

During the third quarter we stopped the laminate flooring production operations of Pontecaldelas, in Spain, and continued to develop strategic initiatives to streamline our fixed cost base, namely adapting our support structures to a reduced industrial footprint.

At the end of October we announced two major steps in the path we set ourselves to reinforce our capital structure. We have signed the final refinancing agreements with our two main creditor banks (representing the majority of our consolidated gross debt), that will allow the refinancing of between 300 and 325 million Euros of debt, with a minimum grace period of 3 years and lower costs. We also completed an agreement to extend our existing trade receivables securitisation facility to September 2016. In addition, at the end of October, our Board of Directors approved the terms for the planned capital increase of up to 150 million Euros. The corresponding prospectus was registered by the Portuguese Securities Market Commission on 4 November. Our majority shareholder, Efanor Investimentos, has already assumed the commitment to exercise, directly and through controlled subsidiaries, its respective pre-emption rights in the subscription of this share capital increase, a pre-condition also necessary for the execution of the above mentioned refinancing agreements.

The combination of the debt refinancing and planned capital increase, together with the improved performance of our operations in the last two quarters, represent major steps towards delivering a higher and more sustainable level of profitability, and a strengthening of our capital structure. These measures will be further enhanced by completing the few remaining steps to optimize our industrial footprint and to concentrate production in our profitable plants.

With the continued support of all our stakeholders, we are now in a much improved position to successfully complete the implementation of the defined strategic plan and better position our company in terms of future competitiveness and profitability.

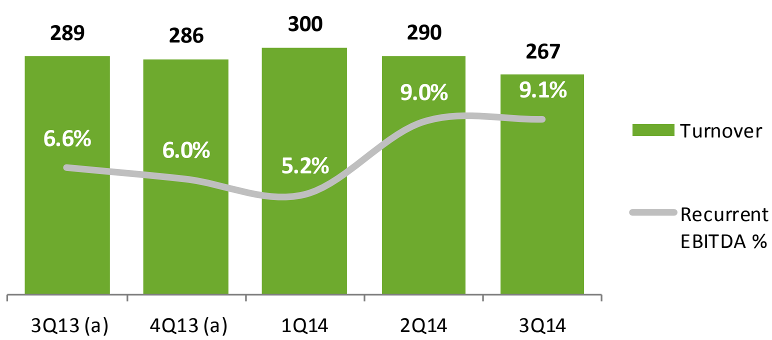
Rui Correia, CEO Sonae Indústria

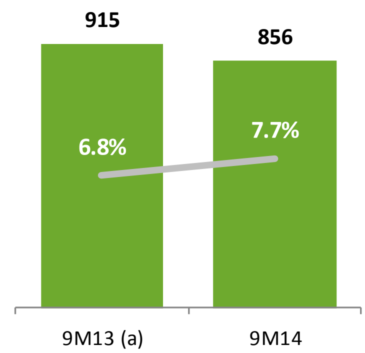
1. TURNOVER & RECURRENT EBITDA

1.1. SONAE INDÚSTRIA CONSOLIDATED

Turnover & Recurrent EBITDA margin

Million euros





(a) Restated, consolidating the investments in joint ventures according to the Equity Method.

Consolidated **turnover** in the 3Q14 was 267 million Euros, 8% below the level on the same period last year, mainly driven by the reduced industrial footprint, determined by the sale of two plants in France and the closure of the particleboard operations in Horn (Germany). The reduction in consolidated turnover resulted mostly from the reduced **sales volumes** (10.6% below the 3Q13), as **average selling prices** remained relatively stable (-0.8% when compared to the 3Q13). When compared to the previous quarter, consolidated turnover decreased by 8%, naturally impacted by the seasonal effect of the operational maintenance shutdowns of most of our plants.

During the third quarter of this year, **unitary variable costs** continued to decrease, with improvements driven by wood, chemicals and thermal energy, more than compensating the cost increases witnessed in electricity and maintenance costs (in the latter case also impacted by the maintenance stoppage). These evolutions led to a 1.7% reduction in the consolidated unitary variable costs when compared to previous quarter. When compared to the same period last year, unitary variable costs were reduced by 2.7% driven primarily by reduction in chemical costs.

The fixed cost structure continued to be optimized with the on-going implementation of initiatives to adapt the support structures to the reduced industrial footprint. As a result of these initiatives, total **fixed costs** in the first nine months of the year decreased by approximately 5% y.o.y. on a comparable basis (i.e., excluding the contribution of the two French plants in the second and third quarters of both periods).

At the end of September 2014, total **headcount** was of 3,793 FTEs, a reduction of 377 FTEs when compared to the end of 2013 (which is mainly explained by the sale of the two plants in France) and 70 FTEs when compared to end of June 2014. This last variation is mainly explained by the impact associated with the closure of operations in Pontecaldelas plant, in Spain, and the streamlining of the central support structures in France.

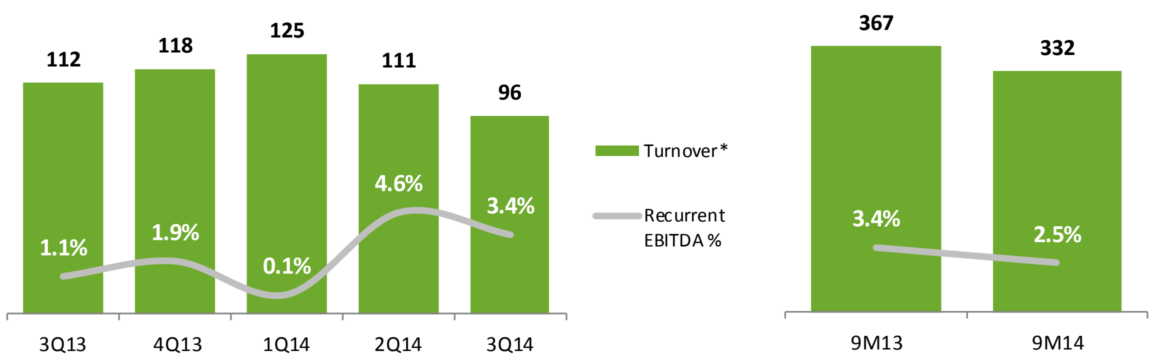
The **average capacity utilization index** of the group's plants in the quarter fell by approximately 9 p.p. when compared to the previous quarter (to circa 72%), as a natural consequence of the operational maintenance shutdowns during the summer period. Average capacity utilization was up when compared to the 3Q13, it must be highlighted that, with the exception of our French operations, all our operations have increased their average capacity utilization index in the 3Q14, when compared to the same period last year.

Recurrent EBITDA in the 3Q14 reached 24 million Euros, implying a recurrent EBITDA margin of 9.1%, up by 2.5 p.p. when compared to 3Q13 and by 0.1 p.p. versus the previous quarter. Non-recurrent EBITDA items were close to +4 million Euros in the quarter, with the negative impact from costs associated with headcount restructuring measures (4.1 million Euros) and costs associated with discontinued operations (5.1 million Euros) being more than compensated by the income registered in relation to an insurance settlement (13.2 million Euros), associated with the discontinued plant in Knowsley (UK). As result, total **EBITDA** for the quarter was of 28 million Euros.

The improved performance of the second and third quarter has more than compensated the lower result registered in the first quarter of 2014, allowing recurrent EBITDA for the 9M14 to be 3 million Euros above the 9M13 result. Importantly, recurrent EBITDA margin for the first nine months of 2014 was 7.7%, which compares with 6.8% registered in the 9M13.

1.2. SOUTHERN EUROPE

Turnover & Recurrent EBITDA margin Million euros



*Turnover per region includes intercompany group sales (between regions)

Performance in Southern Europe was negatively impacted in the third quarter by the slowdown associated with the Summer season and, in cumulative terms since the beginning of the year, continued to be negatively impacted by a constrained activity in the construction sector in Portugal, with new housing permits granted in the country continuously showing y.o.y. decreases (-11.2%[1]). Some positive signs started to be evident in Spain, with a small increase in the new housing indicator in this country (+1.5%[2]). Similar to Portugal, the activity in the construction sector in France has been posting significant decreases in its activity levels, as shown by the “new housing” indicator, with a significant reduction of 13.1%[3], when compared to the previous year.

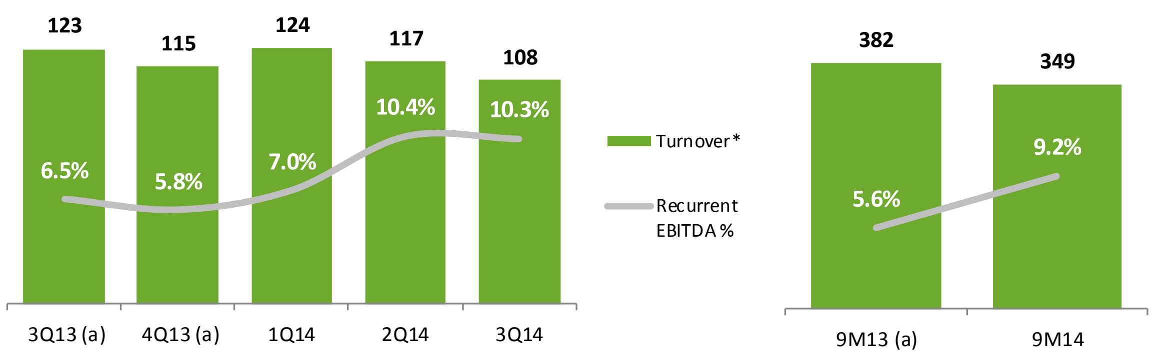
Highlights of the 9M14 performance, when compared to the 9M13, are summarized below:

- **Turnover** reduced to 332 million Euros, with mixed effects by each of the countries. The negative contribution from a lower **average selling price** in both France and Iberian Peninsula was partly offset by higher **volumes** in Iberian Peninsula (+4.4% y.o.y.). In France, sales volumes were as expected impacted negatively by the sale of the Auxerre and Le Creusot plants, which led to a 30.8% y.o.y. decrease. Although performance in the quarter was naturally impacted by the maintenance shutdown, it is important to note that prices continued to slightly recover, posting small increases in 3Q14, in both regions, when compared to previous quarter;
- **Average unitary variable costs (per m^3)**, when compared to the 9M13, were negatively impacted by the pressure felt in terms of wood costs both in the Iberian Peninsula and in France, which led to an increase of total unitary costs in both regions. In France, unitary variable costs posted an increase in 3Q14, when compared to previous quarter, driven by some pressure in energy and maintenance costs. On the other hand, Iberian Peninsula had a small reduction in average variable costs in the quarter, with the main benefit coming from lower cost of chemicals.
- Still driven by the negative evolution experienced in the first quarter of the year, the **recurrent EBITDA margin** for the first nine months of the year in this segment was still below the previous year by 0.9 p.p. (to 2.5% in the 9M14). Nevertheless, it is important to highlight that recurrent EBITDA margin improved to 3.4% in the 3Q14, 2.3 p.p. above the same period of last year.

[1] Source*: Instituto Nacional de Estatística*, October 2014 (“*Nova habitação residencial*”, eight months cumulative evolution until August 2014)
[2] Source: *Ministierio de Fomento*, October 2014 (seven months cumulative evolution until July 2014)
[3] Source: *Service économie statistiques et prospective* (*Ministère de l’Écologie, de l’Energie, du Développement durable et de l’Aménagement du territoire*), October 2014 (eight months cumulative evolution until August 2014)

1.3. NORTHERN EUROPE

Turnover & Recurrent EBITDA margin — Million euros



(a) Restated, consolidating the investment in the joint venture (Laminate Park) according to the Equity Method.
*Turnover per region includes intercompany group sales (between regions)

Northern Europe continued to show in the third quarter an improved performance, driven by the continuous recovery of the construction market, as evidenced by the statistics for new house construction permits in Germany, which were up by 5%[4] when compared to the previous year.

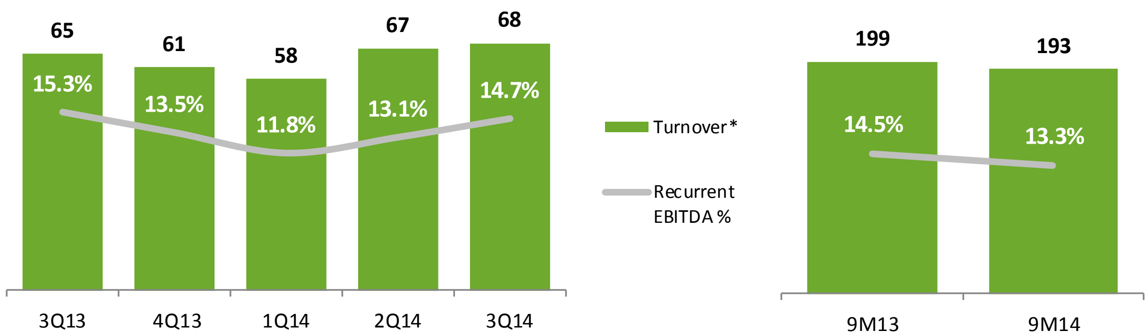
Comparing the 9M14 performance with the same period in 2013, the key highlights of the Northern Europe region are the following:

- **Turnover** for this region decreased by 9%, impacted by a reduction of 9.7% in **volumes** sold, mainly explained by lower volumes of surfaced particleboard products (as a consequence of the stoppage of particleboard operations in Horn) and a reduced level of activity in the OSB production in Nettgau;
- **Average selling prices** were up by 2.5%, when compared to same period of 2013, with important improvements in average selling prices of both particleboard and MDF. On a quarterly basis, average selling prices were also slightly up (+1.5%) in the 3Q14 when comparing with the previous quarter, notwithstanding the pricing pressure felt in terms of OSB products;
- **Average unitary variable costs (per m^3)** increased by circa 1.8% y.o.y. negatively impacted by higher wood and energy costs. On a quarterly basis, and when compared to the previous quarter, average unitary costs reduced by 3.5%, with positive contributions from all cost categories with the exception of maintenance costs.
- An improved performance in the **Recurrent EBITDA** margin continued to be achieved in Northern Europe, reaching 9.2% in the first nine months of 2014, up by 3.6 p.p. when compared to the same period of 2013. In terms of quarterly evolution, Recurrent EBITDA margin showed important improvements during the last two quarters and has reached 10.3% in 3Q14.

[4] Source: German Federal Statistics Office, October 2014 (cumulative 8 month YTD evolution at August 2014)

1.4. REST OF THE WORLD (CANADA AND SOUTH AFRICA)

Turnover & Recurrent EBITDA margin Million euros



*Turnover per region includes intercompany group sales (between regions)

In 2014, the construction sector has had a mixed performance in North America, with the level of housing starts in the U.S. market growing by 8%[5] when compared to the previous year, while in Canada this indicator has seen a slight deterioration during the same period (a decrease of 1.9%[6], when compared to same period of 2013). In the South African market, the level of residential building permits increased y.o.y. by 13.1%[7].

In terms of performance in the 9M14, and when compared to 9M13, the following highlights should be noted for these regions:

- Consolidated **turnover** for the segment as a whole decreased by 3%, driven mainly by the exchange rate devaluation impact, as consolidated **sales volumes** for both regions have actually increased slightly (+2%);
- The **average selling prices** registered a positive evolution in both geographies, when compared to the previous year, particularly in the Canadian operations, with positive contribution from a higher share of melamine volumes. When comparing the 3Q14 with the previous quarter, average selling prices have also registered an improved performance in both regions, again especially in Canada (up by 4.6%);
- **Average unitary variable costs (per m^3)**, increased in both regions, when compared to the 9M13, driven by all cost categories in Canada and by higher wood, chemicals and energy costs in the South African operations. When compared to previous quarter, unitary variable costs were down in Canada, with the main impact coming from chemicals, and also improved in South Africa, in this case driven mainly by wood and chemical costs.
- The combination of the above mentioned factors led to a 1.2 p.p. decrease in the **recurrent EBITDA margin** in the period, to 13.3%. On a quarterly basis, recurrent EBITDA margin reached 14.7% in this quarter, slightly below the 3Q13 (-0.6 p.p.) but up by 1.6 p.p. against the 2Q14.

[5] Source: RISI, October 2014 (cumulative eight months evolution until August 2014).
[6] Source: Canada Mortgage and Housing Corporation, October 2014 (cumulative eight months evolution until August 2014).
[7] Source: Statistics South Africa, October 2014 (cumulative seven months evolution until July 2014).

2. CONSOLIDATED FINANCIAL PERFORMANCE

2.1. CONSOLIDATED INCOME STATEMENT

P&L ACCOUNT Million euros	9M13 (a)	9M14	9M14 / 9M13 (a)	3Q13 (a)	2Q14	3Q14	3Q14 / 3Q13 (a)
Consolidated turnover	**915**	**856**	**(6%)**	**289**	**290**	**267**	**(8%)**
Southern Europe*	367	332	(9%)	112	111	96	(14%)
Northern Europe*	382	349	(9%)	123	117	108	(12%)
Rest of the World*	199	193	(3%)	65	67	68	5%
Other operational income	18	43	137%	5	17	19	271%
EBITDA	**50**	**65**	**30%**	**16**	**27**	**28**	**78%**
Recurrent EBITDA	**63**	**66**	**5%**	**19**	**26**	**24**	**27%**
Southern Europe	12	8	(32%)	1	5	3	171%
Northern Europe	21	32	49%	8	12	11	39%
Rest of the World	29	26	(11%)	10	9	10	1%
Recurrent EBITDA Margin %	**6.8%**	**7.7%**	**0.9 pp**	**6.6%**	**9.0%**	**9.1%**	**2.5 pp**
Depreciation and amortisation	(54)	(53)	2%	(18)	(17)	(17)	1%
Provisions and impairment Losses	8	(13)	-	1	(6)	(3)	-
Operational profit	**6**	**1**	**(87%)**	**(0)**	**4**	**8**	**-**
Net financial charges	(43)	(44)	(2%)	(13)	(15)	(15)	(12%)
o.w. Net interest charges	(27)	(30)	(12%)	(9)	(10)	(11)	(19%)
o.w. Net exchange differences	(0)	1	-	1	1	1	13%
o.w. Net financial discounts	(11)	(10)	10%	(4)	(3)	(3)	11%
Share in results of Joint Ventures	(3)	(2)	23%	(1)	(1)	(1)	(11%)
Profit before taxes continued operat. (EBT)	**(40)**	**(45)**	**(13%)**	**(15)**	**(11)**	**(8)**	**45%**
Taxes	(6)	(2)	57%	(1)	(0)	(1)	(3%)
o.w. Current tax	(5)	(4)	20%	(2)	(1)	(2)	17%
o.w. Deferred tax	(0)	2	-	0	1	0	75%
Profit / (loss) from continued operations	**(45)**	**(47)**	**(4%)**	**(16)**	**(11)**	**(9)**	**41%**
Losses (income) attrib. to non-controllintg interests	(0)	(0)	86%	(0)	(0)	0	-
Net profit/(loss) attributable to Shareholders	**(45)**	**(47)**	**(5%)**	**(16)**	**(11)**	**(10)**	**38%**

(a) Restated, consolidating the investment in joint venture companies according to the Equity Method.
*Turnover per region includes intercompany group sales (between regions)

Consolidated EBITDA for 9M14 was 3 million Euros above the value of 9M13, due to the improvements achieved in the second and third quarters of the current year. Total EBITDA reached 65 million Euros (15 million Euros above the same period in 2013). Total EBITDA continued to be negatively impacted by the on-going non-recurrent costs associated with the discontinued sites and by additional severance payments related with on-going restructuring measures. These costs were offset by the insurance settlement received during the 3Q14 related with the discontinued Knowsley plant in the UK, in a total amount of 13.2 million Euros (this final settlement amount was conditional upon certain investment targets, which have now been fulfilled by the investments being made at our Nettgau and Oliveira do Hospital plants). As indicated above, this settlement had a positive impact on EBITDA in the 3Q14, fully compensating the non-recurrent costs with discontinued sites and restructuring measures, thus leading to a net effect of +3.6 million Euros in the non-recurrent EBITDA during this quarter.

Recurrent EBITDA in the quarter was of 24 million Euros and 66 million Euros in the 9M14, 3 million Euros above the level registered in the same period in 2013. It should also be noted that the devaluation of both the CAD and ZAR had, in terms of Recurrent EBITDA, a combined negative impact of 2.9 million Euros, when compared to 9M13.

Depreciation and amortizations costs for the quarter were 17 million Euros, slightly below the value registered in the 3Q13, as a result of asset sales completed between the two periods. It should be noted that, on the 9M14, tangible fixed assets depreciations related to "land and buildings" were up by 4 million Euros due to the revaluation of real estate carried out at the end of 2013.

Provisions and impairment losses registered in this quarter totalled a net amount of circa 3 million Euros and include: (i) an increase in provisions of approximately 7 million Euros for the Horn (Germany) restructuring process; and (ii) the utilization of existing provisions by 4 million Euros for payments mainly related with the on-going restructuring processes in the central offices in France and in Pontecaldelas (Spain) plant.

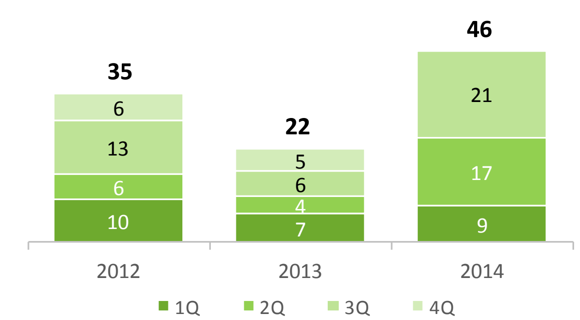
Net Financial charges in 9M14 were lower by 2%, when compared to previous year, due to a lower level of net financial discounts and the positive contribution from net exchange rate differences. However, net interest expenses continued to increase, as a direct consequence of a higher average cost of debt, which stood at approximately 6.1% during the 9M14, 0.6 p.p. above the level registered in the 9M13.

Current tax charges registered in the 3Q14 amounted to 1.6 million Euros, in line with the levels registered in the previous quarters.

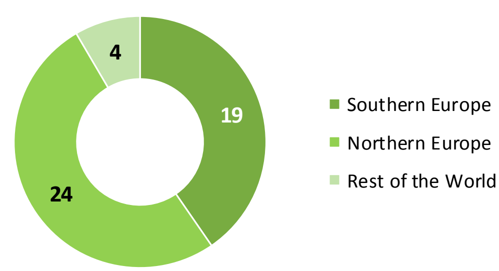
The combination of the above factors led to a consolidated Net loss of 9 million Euros in the quarter, an improvement of 2 million Euros when compared to the previous quarter and of 7 million Euros y.o.y..

2.2. CAPEX

Additional fixed assets Million euros



9M14 | Additional fixed assets per region Million euros



Remark: The value of additions to fixed assets reported in 2014 includes the amounts booked under "advance payments to fixed asset suppliers". The historical data was adjusted accordingly for comparison purposes.

Additions to Fixed Tangible Assets reached 21 million Euros in the 3Q14, which compares with only 6 million Euros during 3Q13. A large part of the total year value (46 million Euros) of circa 21 million Euros is associated with the strategic investments in the increase of capacity of melamine production in our plants in Oliveira do Hospital (Portugal) and Nettgau (Germany), and in the enlargement of the wood recycling facilities in Nettgau. These investments are expected to be completed until the end of 2014. The phase of production tests have already started in the melamine lines at both plants.

From the total 46 million Euros invested during the 9M14, circa 25 million Euros are related with recurrent investments in maintenance and health & safety improvements.

2.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BALANCE SHEET Million euros	9M13 (a)	2013	2013 (a)	1H14	9M14
Non current assets	**868**	**940**	**939**	**922**	**913**
Tangible assets	721	811	791	774	781
Goodwill	90	82	82	82	82
Deferred tax asset	22	34	33	34	33
Other non current assets	34	13	32	33	17
Current assets	**336**	**302**	**292**	**306**	**315**
Inventories	124	123	118	112	111
Trade debtors	152	121	118	146	135
Cash and cash equivalents	28	27	27	16	25
Other current assets	32	30	29	32	44
Non-current assets held for sale	**4**	**4**	**4**	**0**	**0**
Total assets	**1,208**	**1,246**	**1,235**	**1,228**	**1,229**
Shareholders' Funds	**77**	**127**	**127**	**89**	**81**
Equity Holders	78	128	128	90	82
Non-controlling interests	(1)	(1)	(1)	(1)	(0)
Liabilities	**1,131**	**1,119**	**1,108**	**1,139**	**1,147**
Interest bearing debt	703	705	702	695	698
Non current	251	275	275	192	221
Current	452	430	427	503	476
Trade creditors	175	156	153	162	154
Other liabilities	253	257	253	282	296
Total Shareholders'Funds and liabilities	**1,208**	**1,246**	**1,235**	**1,228**	**1,229**
Net debt	**676**	**678**	**675**	**696**	**689**
Net debt to LTM recurrent EBITDA**	**7.9 x**	**8.4 x**	**8.5 x**	**8.9 x**	**8.3 x**
Working Capital	**102**	**88**	**82**	**96**	**93**

**LTM: last twelve months

(a) Restated, consolidating the investment in joint venture companies according to the Equity Method.

It should be noted that when comparing the end of the 9M14 with previous periods, the value of the company's consolidated assets and liabilities was impacted by the sale of the two French plants (Auxerre and Le Creusot), and by the sale of part of discontinued equipment of the Solsona site, which had a combined positive impact of circa 5 million Euros in gains on disposal of tangible fixed assets.

It also worth noting that, as investments in joint ventures are now consolidated under the Equity method, the net value of their assets and liabilities is now considered in “Other non-current assets”.

When compared to June 2014, consolidated working capital decreased by 3 million Euros to 93 million Euros as at the end of the 3Q14, due to the customary lower levels of activity that result from the usual seasonal operational maintenance shutdowns of most of our plants. When compared to September 2013, working capital decreased by 9 million Euros, partially as a result of the disposal of the two French plants.

Net debt was 13 million Euros above the value registered at the end of the 9M13 but decreased by 7 million Euros against the previous quarter, to 689 million Euros at the end of the 9M14, benefiting from the receivable from UK insurance settlement and improved operational profitability.

The combination of the higher recurrent EBITDA with the reduced level of Net Debt lead to an improvement of the Net Debt to Recurrent EBITDA ratio to 8.3x (vs. 8.9x at June 2014).

Total Shareholder's Funds at the end of September 2014 amounted to 81 million Euros and were negatively impacted by the net losses registered in the quarter (9 million Euros).

3. SUBSEQUENT EVENTS

On **28 October,** Sonae Indústria announced the signature of refinancing agreements with main creditor banks (representing the majority of Sonae Indústria's consolidated gross debt). With these agreements, Sonae Indústria will achieve the refinancing of between 300 and 325 million Euros of debt (depending on the level of subscription for the planned capital increase), under significantly improved conditions, not only in terms of maturity profile (6 to 8 years final maturities, with a minimum 3 years grace period for principal repayments), but also in terms of cost of debt. Sonae Indústria also announced, on the same date, the signature of an agreement to extend its trade receivables securitisation facility, with a maximum amount of 85 million Euros, until 30 September 2016. The execution of these agreements is subject to the completion of the envisaged capital increase in an amount not less than 75 million Euros.

On **30 October ,** Sonae Indústria announced that the Board of Directors approved, with the favourable opinion of the Statutory Audit Board, the terms for the planned capital increase of 150 million Euros, from the current 700 million Euros to 850 million Euros, limited to the subscriptions collected, with subscription in cash, through an offering of up to 15,000,000,000 new ordinary shares without nominal value, to be offered with pre-emption rights for existing shareholders, to investors that acquire subscription rights and to the general public. Shares not subscribed under the Public Offer will be offered thereafter to institutional investors through a private placement. The subscription price was set at 0.01€ per share, at a ratio of 107.1428571428571 new ordinary shares for every 1 ordinary share held.

On **4 November**, the Portuguese Securities Market Commission approved the prospectus for the public offering for subscription of up to 15,000,000,000 new shares, in accordance with applicable law. Sonae Indústria's majority shareholder, Efanor Investimentos, SGPS, S.A. has assumed the commitment to exercise, directly and through controlled subsidiaries, the respective pre-emption rights in the subscription of the current Share Capital Increase (circa 51% of Sonae Indústria's share capital).

4. LOOKING FORWARD

For the last quarter of this year, we expect to deliver a similar improving trend in performance as witnessed in the last two quarters. However, we will continue to face some challenges in terms of input prices and availability of wood. As such, the gradual economic recovery expected for Europe combined with the benefits of the strategic initiatives that have been or are in the process of being implemented, should allow us to continue to achieve improved levels of operating profitability when compared to last year.

We aim to complete the implementation of the defined strategic plan, including the final efforts to adapt our industrial footprint and concentrate production in our more efficient and profitable plants, together with the on-going initiatives to improve our product mix and streamline our cost structure.

In terms of our capital structure, we expect to complete successfully the implementation of the share capital increase, which together with the signed refinancing agreements will allow us to achieve a material recapitalization of the business.

GLOSSARY

Capacity Utilization Index	Finished-Available Production (m^3) / Installed production capacity (m^3); *raw boards only*
CAPEX	Investment in Tangible Fixed Assets
EBITDA	Earnings Before Interests and Taxes + Depreciations and Amortizations + (Provisions and impairment losses - Impairment losses in trade receivables + Reversion of impairment losses in trade receivables)
FTEs	Full Time Equivalent
Fixed Costs	Overheads + Personnel costs (internal and external); *management accounts concept*
Gross Debt	Bank loans + Debentures + Obligations under finance leases + other loans + Loans from related parties
Headcount	Total number of internal FTEs, excluding trainees
MDF	Medium Density Fibreboard
Net Debt	Gross Debt - Cash and cash equivalents
Net Debt to LTM Rec. EBITDA	Net Debt / Last Twelve Months Recurrent EBITDA
OSB	Oriented Strand Board
Recurrent EBITDA	EBITDA excluding non-recurrent operational income / costs
Recurrent EBITDA margin	Recurrent EBITDA / Turnover
Working Capital	Inventories + Trade Debtors – Trade Creditors

SAFE HARBOUR

This document may contain forward-looking information and statements, based on management's current expectations or beliefs. Forward-looking statements are statements that are not historical facts.

These forward-looking statement are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, the wood based panels industry and economic conditions, and the effects of competition. Forward-looking statements may be identified by words such as “believes”, “expects”, “anticipates”, “projects”, “intends”, “should”, “seeks”, “estimates”, “future” or similar expressions.

Although these statements reflect our current expectations, which we believe are reasonable, investors, analysts and, generally, the recipients of this document are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.

MEDIA AND INVESTOR CONTACTS

Investor Relations
António Castro / Sílvia Saraiva
Phone: (+351) 220 100 655
investor.relations@sonaeindustria.com

Media
Joana Castro Pereira
Phone: (+351) 220 100 403
corporate.communication@sonaeindustria.com

SONAE INDÚSTRIA, SGPS, SA
Publicly Listed Company
Share Capital € 700 000 000
Maia Commercial Registry and Tax Number 506 035 034

Lugar do Espido Via Norte
Apartado 1096
4470-177 Maia Portugal
Phone: (+351) 22 010 04 00
Fax: (+351) 22 010 05 43

www.sonaeindustria.com