CONSOLIDATED / INDIVIDUAL QUARTERLY INFORMATION (Non-Audited)

(Applicable to entities subject to the IAS/IFRS accounting standards)

Company: SONAE INDÚSTRIA, SGPS, S. A.

Headquarters: Lugar do Espido - Via Norte ; 4471 - 909 MAIA **VAT Nr.:** 506 035 034

Reference period:

1st. Quarter ☒ **3rd. Quarter** ☐ **5th. Quarter(1)** ☐

Amounts in Euros.

Start: 01/01/2007 **End:** 31/03/2007

Balance Sheet Items	Individual			Consolidated		
	n 31.03.2007	Final n-1 31.12.2006	Var. (%)	n 31.03.2007	Final n-1 31.12.2006 (8)	Var. (%)
ASSETS (2)						
Tangible Fixed Assets	35,849	36,064	(0.60%)	1 275 916 203	1 234 559 373	3.35%
Goodwill				50 582 689	51 105 176	(1.02%)
Intangible Assets (3)	25,909	29,019	(10.72%)	475 144	510 166	(6.86%)
Investment in Associated Companies	623,313,948	623,323,924	(0.00%)	2 731 900	2 985 727	(8.50%)
Financial Instruments Held until Maturity						
Financial Assets Available for Sale	117,922	17,922	557.97%	1 567 694	1 409 864	11.19%
Accounts Receivable from third Parties (commercial activity)	349,298	776,381	(55.01%)	353 827 016	290 208 628	21.92%
EQUITY CAPITAL						
Equity capital (value in Euro)	700,000,000	700,000,000	0.00%	700 000 000	700 000 000	0.00%
Nr. of Shares	140,000,000	140,000,000	0.00%	140 000 000	140 000 000	0.00%
Nr. of Other Type of Shares						
Own Shares (value in Euro)						
Nr. of Shares with Voting Rights						
Nr. of Preference Shares with No Vote						
Adjustments Incl. in Equity Capital (4)				(663 623)	1 225 189	n.s.
Minority Interests				31 041 426	28 100 792	10.46%
LIABILITIES						
Provisions	200,179	56,427	254.76%	45 137 931	42 409 827	6.43%
Accounts Payable by Third Parties (commercial activity)	173,614	494,315	(64.88%)	240 332 242	258 824 535	(7.14%)
Other Financial Liabilities	622,659,806	619,348,929	0.53%	1 399 057 138	1 306 579 802	7.08%
TOTAL ASSETS	1,729,887,923	1,715,228,189	0.85%	2 246 260 501	2 155 958 049	4.19%
TOTAL EQUITY CAPITAL	981,193,282	972,565,765	0.89%	561 733 190	548 143 885	2.48%
TOTAL LIABILITIES	748,694,641	742,662,424	0.81%	1 684 527 311	1 607 814 164	4.77%

Income Statement Items	Individual			Consolidated		
	n (5) 31.03.2007	Same period n-1 31.03.2006	Var. (%)	n (5) 31.03.2007	Same period n-1 31.03.2006	Var. (%)
Turnover	701,448	677,235	3.58%	536 318 391	396 872 955	35.14%
Cost of sales or Services rendered	681,017	657,510	3.58%	279 295 141	190 603 936	46.53%
Gross Results	20,431	19,725	3.58%	257 023 250	206 269 019	24.61%
Results before financial expenses, tax, depreciation and amortisation	(131,839)	(253,820)	48.06%	68 523 103	46 202 476	48.31%
Financial expenses	(4,648,266)	(3,217,195)	(44.48%)	18 478 666	15 419 116	19.84%
Taxation	25,528	53,216	(52.03%)	5 986 521	3 783 404	58.23%
Minority Interests				2 073 927	(544 946)	n.s.
Net Results for the Quarter (6)	8,627,517	22,778,289	(62.12%)	13 368 572	2 207 520	505.59%
Net Results for the Quarter per Basic Share (7)	0.0616	0.1627	(62.12%)	0.0955	0.0158	505.59%
Net Results for the Quarter per Diluted Share (7)	0.0616	0.1627	(62.12%)	0.0955	0.0158	505.59%

n.s. - not significant

(1) Applicable to the first economic year of companies adopting a different financial year to the calender year (Article 65-A, Commercial Company Act);

(2) Some examples of assets disclosed are herewith disclosed. The list does not include all items in the Assets, hence they are not necessarily in the order of the distinction between current/non-current and in the order of liquidity;

(3) All elements referred to in IAS 38 are included - intangible assets, excluding goodwill, which is independently stated;

(4) All items in income and expenditure which, under the terms of the IAS/IFRS or interpretations arising therefrom, are to be directly recognised in equity capital;

(5) The date should be identified and the respective items should contain the amounts accumulated until the date of reference (3 months, 9 months or, extraordinarily, 15 months (1));

(6) The net results for the quarter refer to the values accumulated until the reporting date. In the case of the 3rd quarter, these are values accumulated during the 9 months of the financial year, calculated after minority interests;

(7) Calculated under the terms of IAS 33.;

(8) Information subject to approval by the Annual Shareholders' Meeting to be held 31 May 2007.

Activity in the Quarter

Highlights of Financial Performance in 1Q07

Compared with 1Q06:
- Turnover grew by 35% in 1Q07 to 539 million euros;
- Recurrent EBITDA reached 69 million euros, compared with 43 million euros and EBITDA margin on Turnover increased to 12.9%;
- Net Results after minority interests increased more than six-fold to 13 million euros, from 2 million euros.

Message from Carlos Bianchi de Aguiar, CEO

"We have again delivered a good set of results for 1Q07, building on the positive trend felt throughout the past quarters. In most of our markets we recorded healthy growth in volumes and an increase in average prices, supported by solid underlying business drivers and by our strategy to increase the proportion of higher value-added products in our sales mix.

Profitability grew as a result of our continued focus on improving operating efficiencies at our plants, increasing productivity levels and our efforts to optimize resource management primarily in terms of wood procurement and environmental efficiency. Higher profitability was achieved in spite of the increase in input costs, which we had anticipated in most cases although they were higher than expected in the case of wood costs in Central Europe.

The key focus of our business for 2007 remains to continue to grow, increasing the profitability of our existing asset base whilst maintaining a healthy balance sheet. The growth initiatives we embarked upon during 2006 are progressing as planned: the expansion of our production capacity in South Africa and the investment to replace our second particleboard line in Canada are both on track for launch before the end of 2Q07 and beginning of 4Q07 respectively; the integration of Hornitex is going well and fulfilling our expectation of improving profitability for this region due to the synergies and efficiencies derived from the integration and from improved global market conditions; Darbo has been fully absorbed into our Iberian operations and is gradually achieving improvements in productivity and profitability.

On 13 April, the Spanish Market Regulator, CNMV, approved our public tender offer to acquire the remaining 39,546,174 shares of Tafisa. The bid period was in the market from 16 April to 16 May and information regarding the final number of shares tendered is imminent. Subsequent to the conclusion of the offer, Tafisa will then be delisted from the Spanish Stock Exchange, as approved by the Shareholders' meeting held on 13 September 2006.

Our group is today a world leader in the wood based panels manufacturing sector and we actively embrace our responsibility to all our stakeholders, contributing to long-term social environmental and economic sustainability. We will be reporting on the work that we are doing on this front in our first Sonae Indústria Sustainability Report to be published in 2Q07.

I would like to renew my thanks to our employees and key stakeholders for their ongoing support, without which it would not be possible to reach and sustain the levels of achievement and excellence that our Group aspires to every day."

Geographic Review of Operations

Iberia
Our operational strategy in Iberia continues to focus on protecting our market share by improving customer service, product portfolio management and consolidating our presence in strategic export markets. Our market position has been further strengthened with the integration of the Darbo plant in South West France in 4Q06.

As a consequence, Turnover increased significantly in 1Q07 compared with 1Q06, supported by growth of 26% in volumes, 80% of which explained by the additional volumes sold at the Darbo plant, and by higher average price levels.

Our industrial performance was strong and we increased our average capacity utilization index to 91% which compares with 85% in 1Q06. Production costs suffered an increase, driven primarily by higher costs of chemicals and electricity, an effect that had a greater impact on production of MDF. Staff costs increased as a result of the integration of an additional 164 employees from the Darbo plant.

Financial performance in Iberia reflects the increase in business activity and industrial efficiency. Turnover grew by 32% to 153 million euros and Recurrent EBITDA increased by 53% to 25.7 million euros, reflecting a margin on Turnover of 16.9%, compared with 14.6% in 1Q06.

Central Europe (Germany, France and UK)
The good domestic macroeconomic momentum remains, stimulated further by the ongoing positive environment in neighbouring Eastern European countries. The trade, industry and DIY segments posted strong demand and the mild weather conditions during the winter months led to unexpectedly high levels of construction. The UK economy continues strong, fuelled by consumer spending and in particular, house prices.

Volume growth was 38% in 1Q07 compared with 1Q06. All product groups posted significantly higher average sales prices when compared with 1Q06, thereby leading to strong growth in Turnover for the region. Our Knowsley plant in the UK suffered a fire in February which led to a 30 day shutdown in production and subsequent loss of Turnover for the period. Costs related with the incident were fully expensed during 1Q07 and will be mostly offset by insurance compensation.

We suffered particular cost pressure in terms of wood prices in Germany and France during the early months of 2007, caused by low availability of wood which, in the case of some operators, led to production stoppages, although this was not the case at Sonae Indústria. In terms of the remaining principal input costs, as we had anticipated, energy and resin prices increased further.

Turnover in Central Europe in 1Q07 was 320 million euros, representing an increase of 62% in comparison with 1Q06. Recurrent EBITDA was 22 million euros, up from 6 million euros in 1Q06 and representing a 7% margin on Turnover, compared with 3% in 1Q06.

Rest of the World (Canada, Brazil; South Africa)
Operational performance in these markets reflected mixed effects during 1Q07. Volumes sold in 1Q07 increased in Brazil and South Africa whereas in Canada volumes were almost half those of 1Q06 as a result of the fire suffered at one of our two production lines in April 2006, which is still being repaired.

The North American renovation and remodelling market and the office furniture sector continue to grow, however, the new housing market remains negative, after many years of growth. Average prices for our products in Canada are higher than in 1Q06 although flat in comparison with 4Q06. Consolidation and capacity closures were the two major drivers of the industry during 2006 and the only planned new capacity in 2007 is the re-launch of Sonae Indústria's PB line 2 in the beginning of 4Q07.

In Brazil, the wood panels sector recorded strong growth overall, in particular particleboard, underpinned by strong demand for furniture and the positive evolution of the construction sector, however exports were limited by the relative valuation of the BRL against the USD. Sonae Indústria pursued its strategy of focusing commercial efforts on more profitable, value-added products and increasing it presence in the trade and retail channels. Led by the growth in volumes sold, industrial efficiency increased significantly with capacity utilization increasing to 81% in 1Q07 compared with 75% in 1Q06. Several new MDF capacity investments have been announced, which are expected to increase MDF capacity in Brazil by more than 80% over the next 3 years.

Our South African operations recorded growth in volumes and also average prices grew in ZAR, however, average prices deteriorated in EUR terms due to the devaluation of the ZAR. Our main industrial costs, timber and chemicals, both increased significantly over 1Q07: local wood costs continued to rise and in the case of resins and energy the effect was magnified due to the devaluation of the ZAR. As a result, increases in prices were insufficient to compensate for the increase in production costs in 1Q07.

The combination of the mixed evolution in Canada, Brazil and South Africa led to a reduction in Turnover of 16% to 80 million euros, compared with 96 million euros in 1Q06. Recurrent EBITDA was 21.5 million euros, an increase of 7% compared with 1Q06 and representing a 27% margin on Turnover.

Financial Review of 1Q07

As we have indicated in past quarters, our business performance in 1Q07 is not directly comparable with that of 1Q06 due to four main effects: (i) the acquisition of the Hornitex assets in Germany which consolidated in our accounts as from 1July 2006; (ii) the acquisition of the Darbo plant in France, consolidated as from 30 September; (iii) the contribution of the Eiweiler plant to the 50%-50% partnership with Tarkett, which was formalized on 29 September 2006 and (iv) the fire at our Canadian particleboard line.

Consolidated Turnover in 1Q07 was 539 million euros, representing an increase of 141 million euros compared with 1Q06. .

Our industrial cost base continued to increase in 1Q07 led by continued pressure on global prices for oil, methanol and on local wood costs, the latter restraining profitability in particular in Central Europe. Consolidated Recurrent EBITDA was 69 million euros, representing an EBITDA margin of 12.9%.

Operating Results (EBIT) increased in 1Q07 to 40 million euros compared with 21 million euros in 1Q06. Additional Depreciation and Amortization resulting from the change in consolidation perimeter amounted to 5 million euros.

Due to the combination of the higher level of gross debt and of the higher interest rate environment, Net Interest Charges in 1Q07 increased to 11.2 million euros, compared with 7.5 million euros in 1Q06. Total Net Financial Charges in 1Q07 were as follows:

Millions of Euros	**1Q06**	**1Q07**
Net Interest Charges	(7.5)	(11.2)
Net Exchange Losses and Hedging Costs	(2.2)	(0.4)
Net Financial Discounts and Other Net Financial Charges	(5.7)	(6.9)
Total Net Financial Charges	(15.4)	(18.5)

The tax charge in 1Q07 was 6 million euros compared with 3.8 million euros in 1Q06 and was split between current tax and deferred tax as follows:

Millions of Euros	**1Q06**	**1Q07**
Current Tax	3.7	5.1
Deferred Tax	0.1	0.9
Total Tax Charge	3.8	6.0

The increase in current taxes results primarily from higher Net Results generated in Brazil, Canada and Portugal.

As a result of the significant improvement in Operating Profits, Consolidated Net results attributable to Sonae Indústria Shareholders increased more than six-fold to 13 million euros, compared with 2 million euros in 1Q06.

The increase in fixed assets in 1Q07 was 68 million euros, which included 21 million euros of investment in the new line in Canada, to be recovered through the insurance policy. It also includes an investment in Imoplamac of 21 million euros, a company that owns the real estate assets of plants in Portugal and to which we are making operating lease payments. The remaining capital expenditure includes approximately 10 million euros related with the continued roll-out of the new PB line in South Africa and other current maintenance related investments and industrial improvements at our plants

Net debt increased to 835 million euros at the end of 1Q07, compared with 749 million euros in 4Q06. The increase was driven primarily by the seasonal net increase in working capital and the aforementioned capital expenditures combined with operating profitability (EBITDA) of 68.5 million euros. Annualized Net Debt to EBITDA was 3.26 x and Interest Cover 6.1 x at the end of 1Q07.

Working capital increased to 369 million euros in 1Q07 from 276 million euros in 1Q06 as a result of the increase in Turnover and of the additional working capital requirements brought to the Balance Sheet with the acquisition of Hornitex and Darbo. In spite of the increase in working capital, the cash conversion cycle improved significantly from 76 days in 1Q06 to 62 days in 1Q07 led by our efforts to optimize treasury management.

Looking Forward

We remain confident that the favourable economic momentum in our main markets will continue for the near future. We are concentrating our efforts on improving our industrial cost structure in order to sustain continued improvement in profitability. We anticipate that wood costs in Central Europe, one of the main items under pressure during the past months, may begin to stabilize in coming months.

As already stated, our top priorities for 2007 are the integration of the assets we acquired during 2006, the launch of our new production line in South Africa in 2Q07 and the return to production of our Canadian particleboard line 2 scheduled for the beginning of 4Q07.

The Board of Directors

Rui Manuel Gonçalves Correia - Director.

Explanatory notes