

**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:

Amounts in Euros.

1st. Quarter ☒

3rd. Quarter ☐

5th. Quarter(1) ☐

Start: **01/01/2008**

End: **31/03/2008**

Balance Sheet Items	Individual			Consolidated		
	n 31.03.2008	Final n-1 31.12.2007	Var. (%)	n 31.03.2008	Final n-1 31.12.2007	Var. (%)
<b>ASSETS (2)</b>						
Tangible Fixed Assets	21 994	24 675	(10.87%)	1 285 717 940	1 342 821 348	(4.25%)
Goodwill				98 015 090	100 086 856	(2.07%)
Intangible Assets (3)	16 621	19 731	(15.76%)	10 860 633	10 836 148	0.23%
Investment in Associated Companies	921 842 133	921 842 133	0.00%	2 974 366	3 414 225	(12.88%)
Financial Instruments Held until Maturity						
Financial Assets Available for Sale	117 922	117 922	0.00%	370 860	1 602 518	(76.86%)
Accounts Receivable from third Parties (commercial activity)	366 475	442 702	(17.22%)	304 254 450	260 140 025	16.96%
<b>EQUITY CAPITAL</b>						
<b>Equity capital (value in Euro)</b>	700,000,000	700,000,000	0.00%	700 000 000	700 000 000	0.00%
<i>Nr. of Shares</i>	140,000,000	140,000,000	0.00%	140 000 000	140 000 000	0.00%
<i>Nr. of Other Type of Shares</i>						
<b>Own Shares (value in Euro)</b>						
<i>Nr. of Shares with Voting Rights</i>						
<i>Nr. of Preference Shares with No Vote</i>						
<b>Adjustments Incl. in Equity Capital (4)</b>				119 696	95 244	25.67%
<b>Minority Interests</b>				34 934 302	33 742 417	3.53%
<b>LIABILITIES</b>						
Provisions	238 079	238 079	0.00%	50 617 767	45 824 539	10.46%
Accounts Payable by Third Parties (commercial activity)	114 969	612 675	(81.23%)	200 362 520	226 228 686	(11.43%)
Other Financial Liabilities	713 246 817	613 211 457	16.31%	1 327 264 027	1 266 895 735	4.77%
<b>TOTAL ASSETS</b>	1 811 578 104	1 704 386 023	6.29%	2 196 305 674	2 167 780 536	1.32%
<b>TOTAL EQUITY CAPITAL</b>	997 062 773	993 851 033	0.32%	618 061 360	628 831 576	(1.71%)
<b>TOTAL LIABILITIES</b>	814 515 331	710 534 990	14.63%	1 578 244 314	1 538 948 960	2.55%

Income Statement Items	Individual			Consolidated		
	n (5) 31.03.2008	Same period n-1 31.03.2007	Var. (%)	n (5) 31.03.2008	Same period n-1 31.03.2007	Var. (%)
Turnover	945 230	701,448	34.75%	495 564 095	536 318 391	(7.60%)
Cost of sales or Services rendered	917 699	681,017	34.75%	255 631 401	279 295 141	(8.47%)
<b>Gross Results</b>	27 531	20,431	34.75%	239 932 694	257 023 250	(6.65%)
<b>Results before financial expenses, tax, depreciation and amortisation</b>	215 524	(131,839)	263.48%	79 267 810	68 523 103	15.68%
Financial expenses	( 1 451 376)	(4,648,266)	68.78%	18 430 545	18 478 666	(0.26%)
Taxation	49 213	25,528	92.78%	14 801 534	5 986 521	147.25%
Minority Interests				3 347 345	2 073 927	61.40%
<b>Net Results for the Quarter (6)</b>	3 092 044	8,627,517	(64.16%)	13 034 148	13 368 572	(2.50%)
<b>Net Results for the Quarter per Basic Share (7)</b>	0.0221	0.0616	(64.16%)	0.0931	0.0955	(2.50%)
<b>Net Results for the Quarter per Diluted Share (7)</b>	0.0221	0.0616	(64.16%)	0.0931	0.0955	(2.50%)

n.s. - not significant

(1) Applicable to the first economic year of companies adopting a different financial year to the calendar 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.;

## Activity in the Quarter

### Highlights of Financial Performance in 1Q 2008:

#### Compared with 1Q 2007:

- Turnover decreased by 8% to 498 million euros;
- Total EBITDA reached 88 million euros, increasing by 30%;
- Recurrent EBITDA reached 41 million euros, a decrease of 40%;
- Recurrent EBITDA margin on Turnover amounted to 8.3%;
- Net Profit Attributable to Shareholders was 13 million euros.

#### Message from Carlos Bianchi de Aguiar, CEO

"We are facing a cyclical downturn in our business. The macroeconomic environment in most of the regions where we are present has proven to be challenging, with a combination of a sharp increase in input costs, higher interest rates and subdued demand. We were also affected by the early Easter period this year. Canada and South Africa have also been facing weaker demand within a context of new capacity coming to the market, while Brazilian demand has been more resilient.

As a result, in 1Q 2008 Turnover fell by 8% and Recurrent EBITDA dropped by 40% to 41 million euros when compared to 1Q 2007, mainly due to weaker demand and higher input costs. Compared to 4Q 2007, Turnover grew by 4% but profitability was impacted by higher resin costs and production stoppages to adjust output to demand and maintain working capital under control, which led to a reduction in Recurrent EBITDA of 34%. We estimate that chemical costs had a negative impact of roughly 3 percentage points on the 1Q 2008 Recurrent EBITDA Margin when compared to 4Q 2007.

Total EBITDA improved by 30% to 88 million euros and Net Profit decreased marginally to 13 million euros when compared to 1Q 2007, as we booked non recurrent gains of 47 million euros before tax, due to the sale of non-core assets and insurance compensation for property damage caused by the 2006 fire at our Lac Mégantic plant, in Canada. Our reconstructed line 2 commenced production in December 2007 and has been improving output in line with what is normal during a ramp-up phase.

We continue to monitor market demand in all regions and will continue to implement measures to adapt production to demand and reduce costs wherever possible. We have begun a cost saving program which we expect to allow us to maintain our 2008 fixed costs at levels close to those of 2007, despite inflationary pressures, and the additional fixed costs of running our new particleboard lines in Canada and South Africa, as well as the new impregnation centre in Germany. Chemical costs have already dipped at the start of 2Q 2008 and will contribute to improve profitability over the coming quarters.

I would like to thank our stakeholders for their confidence in us and our employees for their efforts over this challenging period. I believe we are on the right track to deliver sustainable growth whilst maintaining a strong focus on cash flow."

### Geographic Review of Operations

#### Iberia

As can be seen in the chart above, Iberia benefited from the strong demand in the first quarters of 2007, mainly driven by the real estate "bubble" that had supported residential construction in Spain. However, the last 2 quarters of 2007 and 1Q 2008 have been affected by a sharp decrease in demand, together with both higher resin and wood costs. This slowdown in the economic environment and in demand is clearly evidenced in Spain with: a decline of 49% in new housing permits YTD February 2008 when compared to YTD February 2007; a fall in GDP growth rates from 3.8% in 2007 to 1.8% in 2008 and 1.7% in 2009 (according to IMF estimates); and growth in the unemployment rate to 9.6% in 1Q 2008, the highest level in the last 3 years and the highest quarterly increase over the last 15 years (with construction and services being the most heavily affected sectors). In Portugal, the construction sector continues to perform weakly.

Profitability was affected by production stoppages (to adjust for the low level of sales and the early Easter period this year) and the high methanol price. These combined effects led to a drop in the Recurrent EBITDA margin to 11.5%. Recurrent EBITDA decreased to 15 million euros in 1Q 2008, 40% below 1Q 2007 and 18% below 4Q 2007.

#### Central Europe (Germany, France and UK)

The slowdown in residential construction in Germany, which started in 2007 with new building permits dropping significantly as a consequence of legislative changes (the ending of incentives to encourage private sector building) and a VAT increase, continued in 1Q 2008. As a result, most market segments have suffered from weak demand. GDP growth in 2007 was 2.5% and in 2008 is estimated to be 1.4%. The strength of the Euro against the USD has facilitated OSB imports into European markets which are traditionally customers of our plants and has also reduced flooring exports to the US. This led to declining prices in the OSB and HDF markets beginning in 4Q 2007 and continuing into 1Q 2008. Overall, volumes for all products decreased by 21% when compared to 1Q 2007 but increased 4% in the 1Q 2008 (compared to 4Q 2007).

In France, Inflation is predicted to increase from 1.6% in 2007 to 2.5% in 2008, which is affecting consumer confidence and GDP growth is expected to decrease from 1.9% in 2007 to 1.4% in 2008. The demand decrease in 1Q 2008 is a reality that was last faced in the final quarter of 2007. As a consequence and in order to control stocks, we reduced our production and capacity utilisation in 1Q 2008 was below that of 4Q 2007.

In the UK, the credit market crisis, combined with the fact that UK house prices have started to fall is having a detrimental impact on construction activity. House permits decreased 30% in 1Q 2008 when compared to 1Q 2007 and the GDP growth rate is predicted to fall from 3.1% in 2007 to 1.6% in 2008. Industrial product sales for the 1Q 2008 is 10% up on the same period of the previous year; however, this is effected by the fire at the Knowsley plant in February 2007.

The restructuring plan for the Hornitex plants we acquired in Germany will continue throughout 2008 and we have set challenging fixed cost reduction targets.

Profitability in this region was also affected by the decision to adapt production to the weak demand in order to control working capital and by the higher input costs, particularly for chemicals.

When comparing 1Q 2007 to 1Q 2008, turnover decreased by 11% to 284 million euros. Recurrent EBITDA totalled 11.4 million euros which represents a 48% decrease compared to 1Q 2007 and resulted in an EBITDA margin of 4%.

#### Rest of the World (Canada, Brazil and South Africa)

Our performance in Canada, Brazil and South Africa reflects a combination of mixed market trends and specific impacts which make overall direct comparisons difficult.

In Brazil, in spite of an increase in inflation and the expectation of higher interest charges, GDP growth in 2008 is predicted to be 4.8% supported by growth in internal demand, boosted by growth in employment, income and consumer credit. As a consequence, volumes sold were higher than in 1Q 2007 and profitability increased.

In South Africa, the devaluation of the ZAR against the Euro from 4Q 2007 to 1Q 2008 averaged approximately 15% and, as a result, turnover in Euro only grew marginally when compared to 2007. Without this exchange rate effect, turnover would have increased to 28.8 million euros. 15% higher when compared to 1Q 2007. In addition to this negative

effect, electricity supply problems continue, whilst demand weakened on the back of higher interest rates and tighter credit concession conditions.

In Canada, our rebuilt PB Line 2 commenced production in December 2007 which brought higher capacity to the market in 1Q 2008. March output was 50% of total capacity and, as a result, volumes in Canada increased 21% compared to 1Q 2007 and 35% when compared to 4Q 2007. Volumes of melamine-surfaced boards sold were 6% higher compared to 1Q 2007, which reflects our long-term objective to increase added-value product sales. Nevertheless, as particleboard production in line 2 is still in the ramp-up phase and line 1 was stopped for a long period for maintenance after 1.5 years of continuous operation, recurrent EBITDA margin was severely impacted

Turnover in the Rest of the World totalled 88.4 million euros in 1Q 2008, 10.5% above 1Q 2007. This derives from a higher turnover in Brazil. Recurrent EBITDA decreased to 14 million euros, 33% below 1Q 2007, mainly driven by higher costs, the negative effect from the ramp-up of line 2 and maintenance stoppage of line 1 in Canada and by the end of indemnities being received for business interruption.

#### Financial Review of FY2007

Consolidated Turnover in 1Q 2008 was 498 million euros, a decrease of 8% when compared to 1Q 2007. Consolidated Recurrent EBITDA was 41 million euros, representing a margin on Turnover of 8.3% and a 40% decrease when compared to 1Q 2007.

Total EBITDA increased by 30% totalling 88 million euros. Non recurrent EBITDA includes the insurance compensation for the equipment of line 2 in Canada and gains on the sale of non-core assets.

Consolidated Net results attributable to Sonae Indústria Shareholders amounted to 13 million euros, representing a slight decrease when compared to 1Q 2007.

Due to the increase in Total EBITDA, our interest cover rate improved from 6.2x (1Q 2007) to 7.9x.

In 1Q 2008, the additions to Fixed Assets totalled 34 million Euros of which: (i) 2 million euros relates to the Darbo Biomass project (ii); 13 million to the line 2 project in Canada (iii) 6 million to the Impregnation Centre in Kaisersesch and (iv) other maintenance investments and industrial improvements, represents approximately 13 million euros.

Over the course of 1Q 2008 we managed to decrease stocks through production stoppages. Nevertheless, Working Capital increased as a result of the seasonal effects on Receivables and Payables.

Net Debt increased from 798 million euros at the end of 2007 to 864 million euros in 1Q 2008, mostly due to seasonality effects. Since the beginning of this year we have refinanced 250 million euros of our short term debt, increasing maturity and decreasing interest costs by almost 1 million euros over the next 3 years.

#### Looking Forward

The macroeconomic environment is not expected to improve significantly over the coming quarters although as already mentioned, there was a slight recovery in sales in 1Q 2008 when compared to 4Q 2007 (even allowing for the early Easter period this year)

Some input costs are declining, in particular chemicals, which should allow us to improve our profitability.

We will continue our efforts to improve our cost structure by reducing fixed costs and increasing operational efficiency by adapting production to demand. We will also further modernize our industrial footprint and invest in health, safety and the environment. Nevertheless, cash flow generation will continue to be our priority.

The Board of Directors  
Maia, 7th May 2008

Rui Manuel Gonçalves Correia - Director.

Explanatory notes