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:** 30/09/2008

Balance Sheet Items	Individual			Consolidated		
	n **30-09-2008**	Final n-1 **31-12-2007**	**Var. (%)**	n **30-09-2008**	Final n-1 **31-12-2007**	**Var. (%)**
ASSETS (2)						
Tangible Fixed Assets	15,024	24 675	(39.11%)	1 296 021 369	1 342 821 348	(3.49%)
Goodwill				106 618 260	100 086 856	6.53%
Intangible Assets (3)	10,403	19 731	(47.28%)	8 387 978	10 836 148	(22.59%)
Investment in Associated Companies	926,837,148	921 842 133	0.54%	2 947 991	3 414 225	(13.66%)
Financial Instruments Held until Maturity						
Financial Assets Available for Sale	117,922	117 922	0.00%	393 610	1 602 518	(75.44%)
Accounts Receivable from third Parties (commercial activity)	362,819	442 702	(18.04%)	281 996 907	260 140 025	8.40%
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				384 636	95 244	303.84%
Minority Interests				4 532 753	33 742 417	(86.57%)
LIABILITIES						
Provisions	238 079	238 079	0.00%	47 509 928	45 824 539	3.68%
Accounts Payable by Third Parties (commercial activity)	207,674	612 675	(66.10%)	195 864 894	226 228 686	(13.42%)
Other Financial Liabilities	640,665,790	613 211 457	4.48%	1 424 030 528	1 266 895 735	12.40%
TOTAL ASSETS	1,716,059,352	1 704 386 023	0.68%	2 187 152 877	2 167 780 536	0.89%
TOTAL EQUITY CAPITAL	960,224,901	993 851 033	(3.38%)	519 747 527	628 831 576	(17.35%)
TOTAL LIABILITIES	755,834,452	710 534 990	6.38%	1 667 405 350	1 538 948 960	8.35%

Income Statement Items	Individual			Consolidated		
	n (5) **30-09-2008**	Same period n-1 **30-09-2007**	**Var. (%)**	n (5) **30-09-2008**	Same period n-1 **30-09-2007**	**Var. (%)**
Turnover	2,835,690	2,098,207	35.15%	1 389 720 015	1 580 332 340	(12.06%)
Cost of sales or Services rendered	2,753,097	2,037,094	35.15%	727 255 555	785 218 244	(7.38%)
Gross Results	82,593	61,113	35.15%	662 464 460	795 114 096	(16.68%)
Results before financial expenses, tax, depreciation and amortisation	(867,819)	(1,424,291)	(39.07%)	137 044 122	239 358 983	(42.75%)
Financial expenses	(4,392,455)	(11,501,230)	(61.81%)	(57 205 757)	(60 264 154)	(5.07%)
Taxation	(421,441)	6,983,366	(106.03%)	9 663 027	22 901 444	(57.81%)
Minority Interests				5 480 957	6 693 707	(18.12%)
Net Results for the Quarter (6)	5,284,476	22,371,425	(76.38%)	(26 668 379)	63 415 368	(142.05%)
Net Results for the Quarter per Basic Share (7)	0.0377	0.1598	(76.38%)	(0.1905)	0.4530	(142.05%)
Net Results for the Quarter per Diluted Share (7)	0.0377	0.1598	(76.38%)	(0.1905)	0.4530	(142.05%)

(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.;

Activity in the Quarter

Highlights of Financial Performance in 9M2008:

Compared with 9M 2007:
• Turnover decreased by 12% to 1,396 million euros;
• Total EBITDA reached 143 million euros;
• Recurrent EBITDA amounted to 98 million euros;
• Net Profit Attributable to Shareholders was a negative 27 million euros.

Message from Carlos Bianchi de Aguiar, CEO

"Due to the escalating worldwide financial crisis over recent months, we have been facing a further deterioration in economic conditions and a reduction in activity in the sectors that consume our products in almost all countries where we operate. As a result, wood based panel demand has been decreasing and our turnover and profitability have been adversely affected.

In addition, the urea price increased sharply. This has negatively affected our production costs as urea represents the largest component of the chemicals used to produce resins. Weak market conditions have not been favourable for price adjustments to recover increases in our cost base.

In line with our strategy of adapting production to customer demand, we extended the normal seasonal production stoppages in 3Q 2008 (resulting in an average of one month for the European plants), on top of temporary closures of the PB line in Iberia and the MDF line in Germany, already reported in 2Q 2008.

The market and business conditions, described above, led to a significant reduction in profitability, despite the internal measures that we have been implementing since 4Q 2007. These measures allowed us to decrease our fixed costs, including the additional fixed costs of the new lines in Canada and South Africa. However this has not prevented an additional deterioration in our EBITDA margin, mainly impacted by the urea cost increase (which represented 3pp in terms of EBITDA margin).

Working capital decreased by 5 million euros in this quarter, as our stocks decreased 19 million euros. Nevertheless, our net debt has increased by 76 million euros, mainly due to the acquisition of Masisa's stake in Tafisa Brasil (48 million euros).

In August, we successfully ramped up production at our new melamine line in White River, South Africa and at our hot gas generator in Oliveira do Hospital, Portugal, which is in line with our focus on profitability and our concerns to comply with the best environmental practices

It is a source of great satisfaction when our companies are recognised by external parties and I would like to particularly thank our teams for these awards. In Canada, we received an award from the 'Association de la Construction du Québec' in respect of the quality, health and safety conditions at our reconstructed site and our role in development of the regional economy, following a clear, sustainable vision of the future. Our Brazilian company was awarded 'Melhor Empresa do Sector Madeira e Móveis – Balanço Anual' ('Best company in the Wood and Furniture Sector'), an annual initiative of the Jornal Gazeta Mercantil. This is the third prize that we have received this year, adding to the Sunday Times 'Best Green Companies Awards 2008' for Sonae UK received in May.

I would like to thank all of our employees, for their continuing dedication and hard work, particularly against the backdrop of such adverse market conditions and our stakeholders for their support. We will continue to focus on improving our efficiency, to minimise the impact of these challenging times."

Geographical Review of Operations

Iberia

Spain has been facing a sharp economic slowdown following the burst of the real estate bubble which has led to a strong increase in the unemployment rate. This, combined with the seasonal effect of the summer holidays, has led to a reduction in our sales volumes of a further 9% in 3Q when compared to 2Q 2008 (a 16% reduction YoY).

Market conditions prevented us from increasing prices even with chemical costs being 18% higher, which impacted our EBITDA margin very negatively.

As previously reported, we have temporary closed our PB line in Valladolid which is in line with our strategy of adapting production to customer demand.

Iberian turnover in 9M 2008 decreased by 15% when compared to 9M 2007 and recurrent EBITDA margin was 11%, 8 p.p. below the corresponding value for 9M 2007.

Central Europe (Germany, France and the UK)

In Central Europe, wood based panel demand, particularly in France, has been negatively affected by the economic slowdown in the construction industry.
We are adapting our production to customer demand and as already announced, we have temporarily closed one of our MDF lines in Meppen (Germany) in order to further concentrate production and to better manage capacity there. In addition to this strategy, the restructuring process of the plants we acquired in Germany continues and will further reduce fixed costs in 2009.

Our sales volumes in Germany in 9M 2008 fell by 15% compared to 9M 2007 and 9% from 2Q 2008 to 3Q 2008 while our EBITDA margin was negatively affected by longer summer downtime stoppages.

In France, housing starts have declined by 15% (YoY January - September) 1, while housing permits have fallen by almost 20% (YoY January - September) 1. Volumes sold in 9M 200 decreased by 20% when compared to 9M 2007 and by 17% from 2Q to 3Q 2008. With a view to managing our working capital, we have been reducing production which affected capacity utilization in 3Q 2008, which fell to 47%. Consequently, fixed costs could not be sufficiently diluted, which negatively affected our EBITDA.

In the UK, the GDP growth rate for 2008 has been revised downwards from 1.8% to 1% 2. House prices are falling and construction statistics show a sharp downturn, with orders for new housing starts dropping 38% for YoY June -August 2008 3.
Our sales volumes decreased by 13% YoY and 11% from 2Q to 3Q 2008, not only due to weak demand but also to the seasonal summer period. Even with extended production stoppages, the fall in demand combined with a correction for substantial overstocking in the industry led to serious pressure on market prices.

France, Germany and the UK were significantly affected by the urea price increase, which led to our chemical costs in this region shooting up by 16% €/M3 from 2Q to 3Q 2008 and around 25% YoY. These increases have been absorbed, as the current demand levels have not permitted us to pass them on.

In Central Europe, when comparing 9M 2007 to 9M 2008, turnover decreased by 15% to 771 million euros and recurrent EBITDA fell by 80% to 17 million euros.

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

Although profitability has been impacted by higher input costs, we have seen strong sales performance in Brazil, Canada and South Africa, which shows the success of our strategy of

Although profitability has been impacted by higher input costs, we have seen strong sales performance in Brazil, Canada and South Africa, which shows the success of our strategy of growing in our most profitable markets.

Brazil has not yet been directly affected by the credit crisis except for the fact that the BRL depreciated due to the impact of a withdrawal of foreign investors and the reduced availability of international credit. GDP and domestic demand continue to grow, mainly driven by employment growth and an increase in average incomes. Inflation has been rising and consequently, interest rates have been increased. In 3Q 2008 sales volumes increased by 9% compared to 2Q 2008, although our EBITDA margin fell slightly due to higher resin costs.

In South Africa, the macroeconomic environment continues to be weak following the trend faced in 2Q 2008. This is mainly caused by a combination of high inflation, rising interest rates and decreasing credit facilities. The depreciation of the ZAR against the USD and new capacity coming on stream is restricting imports. Despite the market slowdown in 3Q 2008, our sales volumes increased by 7% YoY. Our turnover improved by 67% when compared to 2Q 2008 and, as a result, our recurrent EBITDA margin increased, overcoming the negative effect of an increase in wood and chemical costs.

In North America, we are increasing our market share in our natural market due to our strategy of focusing on added-value products, as well as product quality and availability. Our volumes sold increased by a further 5% when compared to 2Q 2008, in spite of a more difficult market situation and the seasonal summer holiday period. On the cost side, we are facing continuing increases in wood and chemical costs, which is exerting pressure on our EBITDA margins.
Our reconstruction project won a provincial award from the “Association de la Construction du Québec” for the quality of our work relations, health and safety regulations and our role in regional economic development.

Turnover in the Rest of the World totalled 279 million euros in 9M 2008, 8% above that for 9M 2007. Excluding the effect of the compensation for the fire at our Canadian plant, which we received in 2008, recurrent EBITDA in 9M 2008 would have decreased by 23% to 42 million euros. This was mainly driven by the higher production costs, namely chemicals and the negative profitability in Canada in 1Q 2008 as a consequence of ramping-up line 2.

Financial Review of 9M 2008

Consolidated Turnover in 9M 2008 totalled 1,396 million euros, a decrease of 12% when compared to 9M 2007. Consolidated Recurrent EBITDA was 98 million euros, representing a margin on Turnover of 7.1% and an absolute decrease of 59%, when compared to 9M 2007.

Total EBITDA decreased by 40% to 143 million euros.
9M 2008 consolidated Net Results Attributable to Sonae Indústria Shareholders amounted to a negative 27 million euros, down from a positive 63 million euros in 9M 2007.

In 9M 2008, additions to Fixed Assets totalled 79 million Euros of which: (i) 11 million relates to the impregnation centre in Kaisersesch (Germany); (ii) 14 million euros to the line 2 project in Canada; (iii) 11 million euros to biomass energy projects in Darbo (France) and Oliveira do Hospital (Portugal); (iv) 4 million euros to the new melamine line in South Africa; and (v) 39 million euros to essential maintenance investments and other industrial improvements.

In 3Q 2008, Net Debt increased by 76 million euros including the acquisition of Masisa’s stake in Tafisa Brasil in July (€48 million). Nevertheless, financial costs are lower than in 2007 benefiting from the 250 million euros debt refinanced in the beginning of 2008.
Our debt has no consolidated financial ratio covenants and 98% has no financial ratio covenants at all.

Looking Forward

We are not expecting market conditions to improve in the near future, but raw material costs, in particular chemicals, will decrease, which will have a positive impact on our margins.

We will continue focus on our cost structure and on optimising the capacity utilisation at each of our production lines.

Additionally, we will continue our efforts to reduce working capital and carefully control our investment program.

The Board of Directors
Maia, 6th November 2008

1Service économie statistiques et prospective (Ministère de l'Écologie, de l'Energie, du Développement durable et de l'Aménagement du territoire), October 2008
2IMF, October 2008
3Office for National Statistics UK, October 2008

Rui Manuel Gonçalves Correia - Director.

Explanatory notes