SONAE INDÚSTRIA, SGPS, SA
Registered Office: Lugar do Espido, Via Norte, Maia, Portugal
Registered at the Commercial Registry of Maia
Registry and Tax Identification No. 506 035 034
Share Capital: € 700 000 000
Publicly Traded Company

ACTIVITY REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS

JANUARY – SEPTEMBER 2014

ACCORDING TO THE INTERNATIONAL ACCOUNTING STANDARD 34 – INTERIM FINANCIAL REPORT

CONTENTS

ACTIVITY REPORT

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.

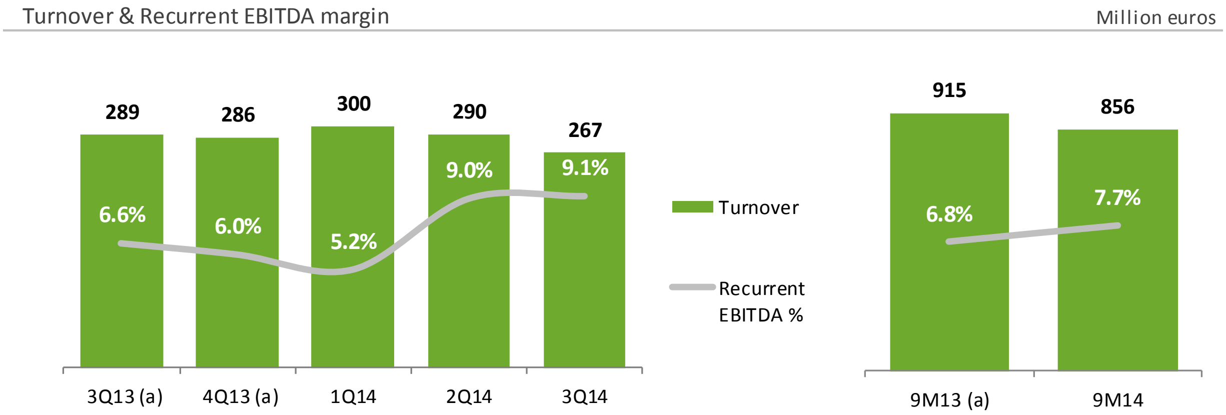
The combination of the debt refinancing and planned capital increase, together with the improved performance of our operations in the last two quarters, represent major steps towards delivering a higher and more sustainable level of profitability, and a strengthening of our capital structure. These measures 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



(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.

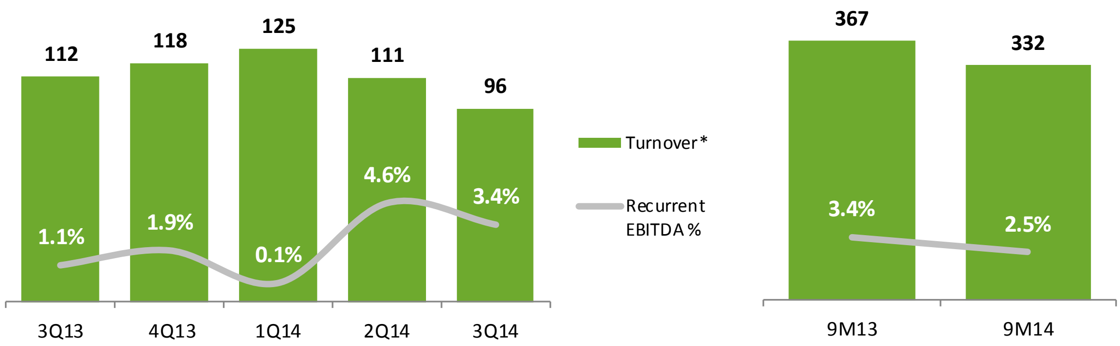
The **average capacity utilization index** of the group's plants in the quarter fell by approximately 9 p.p. when compared to the previous quarter (to circa 72%), as a natural consequence of the operational maintenance shutdowns during the summer period. Average capacity utilization was up when compared 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.

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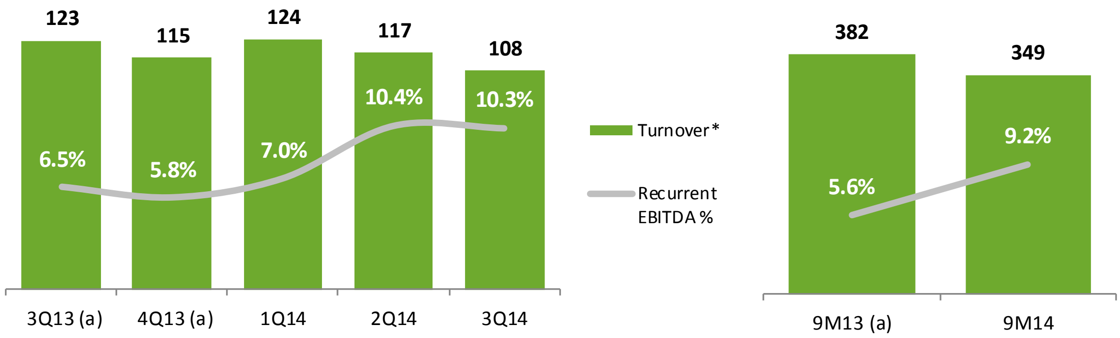
[1] Source: *Instituto Nacional de Estatística*, October 2014 (“*Nova habitação residencial*”, eight months cumulative evolution until August 2014)

[2] Source: *Ministierio de Fomento*, October 2014 (seven months cumulative evolution until July 2014)

[3] Source: *Service économie statistiques et prospective* (*Ministière 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.

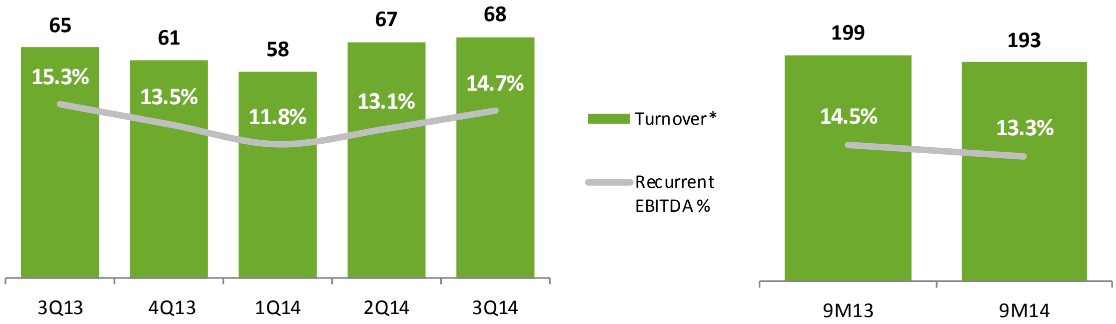
Comparing the 9M14 performance with the same period in 2013, the key highlights of the Northern Europe region are the following:

- **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.

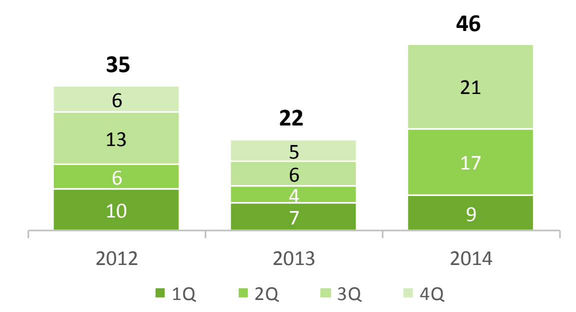
Net Financial charges in 9M14 were lower by 2%, when compared to previous year, due to a lower level of net financial discounts and the positive contribution from net exchange rate differences. However, net interest expenses continued to increase, as a direct consequence of a higher average cost of debt,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

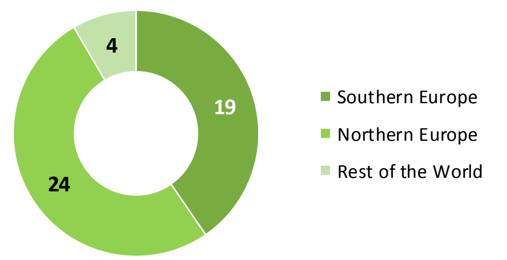
The combination of the above factors led to a consolidated Net loss of 9 million Euros in the quarter, an improvement of 2 million Euros when compared to the previous quarter and of 7 million Euros y.o.y..

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.

Maia, 12 November 2014

The Board of Directors

Belmiro Mendes de Azevedo

Rui Correia

Paulo Azevedo

Christopher Lawrie

Albrecht Ehlers

Jan Bergmann

Javier Vega

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

Consolidated Financial Statements

SONAE INDÚSTRIA, S.G.P.S., S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2014, 31 DECEMBER 2013 AND 1 JANUARY 2013

(Amounts expressed in Euros)

ASSETS	Notes	30.09.2014	31.12.2013 Restated	01.01.2013 Restated
NON CURRENT ASSETS:				
Tangible fixed assets	8	781 144 037	791 474 128	780 835 070
Goodwill	25	81 984 938	81 840 163	92 496 051
Intangible assets		8 717 191	7 398 158	7 062 528
Investment properties		1 235 763	1 268 956	1 313 215
Investment in associates	6, 7	1 344 591	1 566 686	2 262 846
Investment in joint ventures	5, 7	3 584 225	5 638 909	9 008 848
Investment available for sale		1 121 815	1 108 824	1 091 540
Deferred tax asset		33 294 136	33 241 208	24 096 895
Other non current assets	9	967 426	15 248 819	15 564 646
Total non current assets		913 394 122	938 785 851	933 731 639
CURRENT ASSETS:				
Inventories		111 275 245	118 045 777	124 338 267
Trade debtors		135 137 216	117 503 156	136 607 907
Other current debtors	10	21 235 203	5 561 605	13 807 903
State and other public entities		11 933 422	10 013 586	7 716 843
Other current assets	11	10 866 762	13 894 674	12 453 768
Cash and cash equivalents	12	24 924 766	26 988 389	22 795 232
Total current assets		315 372 614	292 007 187	317 719 920
Non-current assets held for sale	13		4 318 092	4 411 224
TOTAL ASSETS		1 228 766 736	1 235 111 130	1 255 862 783

SHAREHOLDERS`FUNDS, NON-CONTROLLING INTERESTS AND LIABILITIES

	Notes	30.09.2014	31.12.2013 Restated	01.01.2013 Restated
SHAREHOLDERS`FUNDS:				
Share capital		700 000 000	700 000 000	700 000 000
Legal reserve		3 131 757	3 131 757	3 131 757
Other reserves and accumulated earnings		- 698 165 391	- 647 867 883	- 569 867 023
Accumulated other comprehensive income	14	76 663 213	72 681 459	- 380 018
Total		81 629 579	127 945 333	132 884 716
Non-controlling interests		- 145 498	- 795 247	- 939 705
TOTAL SHAREHOLDERS`FUNDS		81 484 081	127 150 086	131 945 011
LIABILITIES:				
NON CURRENT LIABILITIES:				
Bank loans - net of current portion	15	88 917 872	123 145 528	128 275 420
Non convertible debentures	15	104 130 353	118 908 927	248 344 033
Finance lease creditors - net of current portion	15	25 284 795	30 153 351	36 192 908
Other loans	15	2 748 238	2 553 262	78 868 673
Post-retirement liabilities		25 130 889	25 651 828	27 679 582
Other non current liabilities	16	43 655 556	54 031 408	62 895 948
Deferred tax liabilities		72 288 077	72 647 868	59 123 409
Provisions	18	9 015 344	7 352 456	7 356 628
Total non current liabilities		371 171 124	434 444 628	648 736 601
CURRENT LIABILITIES:				
Current portion of non-current bank loans	15	15 896 057	22 165 408	92 193 562
Current bank loans	15	364 694 087	198 547 978	37 381 104
Current portion of non-current non convertible debentures	15	29 997 945	129 918 927	55 000 000
Current portion of non-current finance lease creditors	15	6 122 442	5 558 615	4 114 170
Other loans	15	59 762 343	70 902 123	4 060 098
Trade creditors		153 707 327	153 098 712	171 923 831
Taxes and other contributions payable		16 127 014	12 186 237	14 028 311
Other current liabilities	15, 17	120 623 735	79 813 873	84 461 102
Provisions	18	9 180 581	1 324 543	12 018 993
Total current liabilities		776 111 531	673 516 416	475 181 171
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		1 228 766 736	1 235 111 130	1 255 862 783

The notes are an integral part of the consolidated financial statements

The Board of Directors

SONAE INDÚSTRIA, S.G.P.S., S.A.

CONSOLIDATED INCOME STATEMENT

FOR THE PERIODS ENDED AT 30 SEPTEMBER 2014 AND 2013

(Amounts expressed in Euros)

	Notes	30.09.2014	3rd. Quarter 2014	30.09.2013 Restated Unaudited	3rd. Quarter 2013 Restated Unaudited
Sales	21, 24	851 511 033	265 046 912	911 850 175	287 594 710
Services rendered	21, 24	4 196 729	1 501 712	3 231 677	1 266 519
Other income and gains	20,21	43 077 547	18 639 653	18 144 438	5 027 749
Cost of sales	21	461 458 251	138 722 241	482 890 888	150 507 403
(Increase) / decrease in production	21	5 167 148	1 121 973	- 4 189 962	923 471
External supplies and services	21	222 371 364	67 780 476	245 355 858	76 937 784
Staff expenses	21	134 277 709	46 134 805	147 366 439	46 115 839
Depreciation and amortisation		52 861 554	17 495 050	53 795 016	17 748 005
Provisions and impairment losses (increase / reduction)	18, 21	12 974 581	3 339 631	- 8 058 091	- 1 013 126
Other expenses and losses	21	8 862 805	2 958 247	9 804 202	3 038 528
Operating profit / (loss)	24	811 897	7 635 854	6 261 940	- 368 926
Financial expenses	22	47 221 115	16 408 565	47 120 484	14 801 011
Financial income	22	3 601 331	1 631 030	4 324 399	1 615 051
Gains and losses in associated companies	6	- 222 095		- 686 481	
Gains and losses in joint ventures	5	- 2 029 667	- 878 500	- 2 627 787	- 987 226
Gains and losses in investments					
Net profit/(loss) from continuing operations, before taxation		- 45 059 649	- 8 020 181	- 39 848 413	- 14 542 112
Taxation	23	2 373 603	1 432 489	5 546 019	1 386 344
Consolidated net profit / (loss) from continuing operations, afer taxation		- 47 433 252	- 9 452 670	- 45 394 432	- 15 928 456
Profit / (loss) from discontinued operations, after taxation					
Consolidated net profit / (loss) for the period		- 47 433 252	- 9 452 670	- 45 394 432	- 15 928 456
Attributable to:					
Equity Holders of Sonae Industria					
Continuing operations		- 47 372 348	- 9 712 413	- 44 953 224	- 15 773 417
Discontinuing operations					
Equity Holders of Sonae Industria		- 47 372 348	- 9 712 413	- 44 953 224	- 15 773 417
Non-controlling interests					
Continuing operations		- 60 904	259 743	- 441 208	- 155 039
Discontinuing operations					
Non-controlling interests		- 60 904	259 743	- 441 208	- 155 039
Profit/(Loss) per share					
Fom continuing operations:					
Basic		- 0.3384	- 0.0694	- 0.3211	- 0.1127
Diluted		- 0.3384	- 0.0694	- 0.3211	- 0.1127
From discontinued operations:					
Basic					
Diluted					

The notes are an integral part of the consolidated financial statements

The board of directors

SONAE INDÚSTRIA, S.G.P.S., S.A.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIODS ENDED 30 SEPTEMBER 2014 AND 2013

(Amounts expressed in Euros)

	Notes	30.09.2014	3rd Quarter 2014	30.09.2013 Unaudited	3rd Quarter 2013 Unaudited
Net consolidated profit / (loss) for the period (a)		**- 47 433 252**	**- 9 452 670**	**- 45 394 432**	**- 15 928 456**
Other consolidated comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Change in currency translation reserve		3 014 082	2 437 523	- 12 684 526	- 2 804 640
Change in fair value of available-for-sale financial assets		- 7 723	5 690	- 11 622	3 636
Other consolidated comprehensive income for the period, net of tax (b)		**3 006 359**	**2 443 213**	**- 12 696 148**	**- 2 801 004**
Total consolidated comprehensive income for the period (a) + (b)		**- 44 426 893**	**- 7 009 457**	**- 58 090 580**	**- 18 729 460**
Total consolidated comprehensive income attributable to:					
Equity holders of Sonae Industria		- 44 390 168	- 7 282 288	- 57 495 683	- 18 540 295
Non-controlling interests		- 36 725	272 831	- 594 897	- 189 165
		- 44 426 893	**- 7 009 457**	**- 58 090 580**	**- 18 729 460**

The notes are an integral part of the consolidated financial statements

SONAE INDÚSTRIA, S.G.P.S., S.A.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS` FUNDS AT 30 SEPTEMBER 2014 AND 2013

(Amounts expressed in Euros)

	Notes	Share capital	Legal reserve	Other Reserves and accumulated earnings	Accumulated other comprehensive income	Total shareholders` funds attributable to the equity holders of Sonae Indústria	Non controlling interests	Total shareholders' funds
					14			
Balance as at 1 January 2013 - restated		700 000 000	3 131 757	-569 867 023	- 380 018	132 884 716	- 939 705	131 945 011
Total consolidated comprehensive income for the period								
Net consolidated profit/(loss) for the period - restated				-44 953 224		- 44 953 224	- 441 208	- 45 394 432
Other consolidated comprehensive income for the period					-12 542 459	- 12 542 459	- 153 689	- 12 696 148
Total - restated				-44 953 224	-12 542 459	-57 495 683	- 594 897	-58 090 580
Others				- 135 690		- 135 690	- 100	- 135 790
Balance as at 30 September 2013 - restated		700 000 000	3 131 757	-614 955 937	-12 922 477	75 253 343	-1 534 702	73 718 641

	Notes	Share capital	Legal reserve	Other Reserves and accumulated earnings	Accumulated other comprehensive income	Total shareholders` funds attributable to the equity holders of Sonae Indústria	Non controlling interests	Total shareholders' funds
					14			
Balance as at 1 January 2014		700 000 000	3 131 757	- 647 867 883	72 681 459	127 945 333	- 795 247	127 150 086
Total consolidated comprehensive income for the period								
Net consolidated pofit/(loss) for the period				-47 372 348		- 47 372 348	- 60 904	- 47 433 252
Other consolidated comprehensive income for the period					2 982 180	2 982 180	24 179	3 006 359
Total				-47 372 348	2 982 180	- 44 390 168	- 36 725	- 44 426 893
Share-based payment plan				176 418		176 418	117	176 535
Change in ownership interest				-1 644 196	999 574	- 644 622	644 622	
Others				-1 457 382		-1 457 382	41 735	- 1 415 647
Balance as at 30 September 2014		700 000 000	3 131 757	-698 165 391	76 663 213	81 629 579	- 145 498	81 484 081

The notes are an integral part of the consolidated financial statements

The board of directors

SONAE INDÚSTRIA, S.G.P.S., S.A.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIODS ENDED 30 SEPTEMBER 2014 AND 2013

(Amounts expressed in Euros)

	Notes	30.09.2014	30.09.2013 Unaudited Restated
OPERATING ACTIVITIES			
Receipts from trade debtors		826 059 311	885 535 950
Payments to trade creditors		674 450 120	723 256 699
Payments to staff		132 770 241	147 838 892
Net cash flow from operations		18 838 950	14 440 359
Payment / (receipt) of corporate income tax		6 648 983	3 331 427
Other receipts / (payments) relating to operating activities		4 295 769	7 319 753
Net cash flow from operating activities (1)		16 485 736	18 428 685
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments			89 014
Tangible fixed assets and intangible assets	20	29 898 940	5 829 323
Investment subventions		774 076	118 594
Dividends		25 000	12 000
Non-current assets held for sale		4 434 516	
		35 132 532	6 048 931
Cash Payments arising from:			
Investments		1 339	
Tangible fixed assets and intangible assets		31 512 294	13 990 686
Others		122 560	131
		31 636 193	13 990 817
Net cash used in investment activities (2)		3 496 339	- 7 941 886
FINANCING ACTIVITIES			
Cash receipts arising from:			
Interest and similar income		546 295	719 858
Loans obtained		2 190 794 536	2 110 006 572
Increase in share capital		97 196	
		2 191 438 027	2 110 726 430
Cash Payments arising from:			
Interest and similar charges		31 835 548	28 797 544
Loans granted to related parties			3 000 000
Loans obtained		2 174 786 707	2 047 705 097
Finance leases - repayment of principal		4 324 171	3 515 696
Others			74 511
		2 210 946 426	2 083 092 848
Net cash used in financing activities (3)		- 19 508 399	27 633 582
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		473 676	38 120 381
Effect of foreign exchange rate		- 116 592	- 82 519
Cash and cash equivalents at the beginning of the period	12	20 940 411	- 14 585 872
Cash and cash equivalents at the end of the period	12	21 530 679	23 617 028

The notes are an integral part of the consolidated financial statements

The board of directors

SONAE INDÚSTRIA SGPS, S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2014

(Amounts expressed in euros)

1. INTRODUCTION

SONAE INDÚSTRIA, SGPS, SA has its head-office at Lugar do Espido, Via Norte, Apartado 1096, 4470-909 Maia, Portugal.

The shares of the company are listed on Euronext Lisbon.

Consolidated financial statements for the periods ended 30 September 2014 and 30 June 2014 were subject to a limited revision carried out by the company's statutory external auditor.

Consolidated financial statements for the periods ended 30 September 2013 and 30 June 2013 were not subject to a limited revision by the company's statutory external auditor.

2. ACCOUNTING POLICIES

This set of consolidated financial statement has been prepared on the basis of the accounting policies that were disclosed in the notes to the consolidated financial statements for fiscal year 2013, except for the accounting policy for recognition of investment in joint ventures, which was changed as referred to in notes 2.2.2 and 3.

2.1. Basis of Preparation

These consolidated financial statements were prepared in accordance with the International Accounting Standard 34 – Interim Financial Reporting. As such, they do not include all the information which should be included in annual consolidated financial statements and therefore should be read in connection with the financial statements for fiscal year 2013.

2.2. Changes to accounting standards

These consolidated financial statements were prepared on the basis of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with Interpretations issued by the IFRS Interpretations Committee (IFRS IC), effective from 1 January 2014 and endorsed by the European Union.

2.2.1. In the period ended 30 September 2014 the following standards, effective in coming periods, had been issued but not still endorsed by the European Union:

IAS 19 (amendment), Employee Benefits (effective for periods beginning on or after 1 July 2014). This narrow scope amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service;

Annual improvements 2012 (effective for periods beginning on or after 1 July 2014). These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect the following standards: IFRS 2, Share-based Payment, IFRS 3, Business Combinations, IFRS 8, Operating Segments, IFRS 13, Fair Value Measurement, IAS 16, Property, Plant and Equipment, IFRS 9, Financial Instruments, IAS 37, Provisions, Contingent Liabilities and Contingent Assets, and IAS 39, Financial Instruments – Recognition and Measurement;

Annual improvements 2013 (effective for periods beginning on or after 1 July 2014). The amendments include changes from the 2011-2013 cycle of the annual improvements project that affect 4 standards: IFRS 1, First Time Adoption, IFRS 3, Business Combinations, IFRS 13, Fair Value Measurement and IAS 40, Investment Property;

IFRS 11 (amendment), Joint Arrangements (effective for periods beginning on or after 1 January 2016). This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business;

IAS 16 (amendment), Tangible Fixed Assets, and **IAS 38** (amendment), Intangible Assets (effective for periods beginning on or after 1 January 2016). In this amendment the IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset;

IAS 27 (amendment), Separate Financial Statements (effective for periods beginning on or after 1 January 2016). These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements;

IFRS 10 (amendment), Consolidated Financial Statements, and **IAS 28** (amendment), Investment in Associates and Joint Ventures (effective for periods beginning on or after 1 January 2016). These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary;

IFRS 9 (new), Financial Instruments (effective for periods beginning on or after 1 January 2018). This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model;

IFRS 14 (new), Regulatory Deferral Accounts (applicable for periods beginning on or after 1 January 2016). This standard allows first-time adopting entities to keep recognizing regulatory assets and liabilities according to the accounting policy used in the former standards. However, to enhance comparability with entities using IFRSs, which do not recognize regulatory assets or liabilities, the amounts thereon must be separately disclosed on the financial statements;

IFRS 15 (new), Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2017). This new standard applies only to contracts with customers to provide goods or services, and requires an entity to recognise revenue when the contractual obligation to deliver goods or services is fulfilled and for the amount that reflects the consideration the entity is expected to be entitled to, following a five step approach;

IFRIC 21 (new), 'Levies' (effective for annual periods beginning on or after 17 June 2014). Interpretation to IAS 37 and the recognition of a liability, clarifying that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment.

The Company does not estimate any significant effect to arise from the application of these standards.

2.2.2. During the period ended 30 September 2014 the following accounting standards, which were issued and endorsed by the European Union by 31 December 2013, became effective:

IFRS 10 (new), Consolidated Financial Statements. IFRS 10 replaces all principles related to control and consolidation included in IAS 27 and SIC 12 by changing the definition of control and the criteria to be used for identifying control. The core principle that a consolidated entity presents a parent and its subsidiaries as a single entity remains unchanged;

IFRS 11 (new), Joint Arrangements. IFRS 11 focus on rights and obligations arising from joint arrangements rather than on legal form. Joint arrangements may consist of joint operations (rights to the assets and obligations) or joint ventures (rights to the net assets recognized using the equity method). Proportionate consolidation is no longer allowed to measure joint controlled entities;

IFRS 12 (new), Disclosure of Interests in Other Entities. This standard sets out disclosure requirements for all types of interests in other entities, including subsidiaries, joint arrangements, associates and specific purpose entities, in order to assess the nature, risks and financial effects related to interest in other entities;

Amendments to IFRS 10, IFRS 11 and IFRS 12, Transition Guidance. This amendment clarifies that when the accounting treatment of financial investments under IFRS 10 is different from the one under the former IAS 27/SRC 12, comparative information must only be re-presented for the immediately preceding period. Any differences arising must be recognized through net equity at beginning date of the comparative period. Specific disclosure requirements are included in IFRS 12;

IAS 27 (amended 2011), Separate Financial Statements. IAS 27 was amended after IFRS 10 was issued and contains the recognition and disclosure requirements for investments in subsidiaries, joint ventures and associates of entities that prepare separate financial statements;

IAS 28 (amended 2011), Investments in Associates and Joint Ventures. IAS 28 was amended after IFRS 11 was issued and now includes the accounting treatment for investments in associates and joint ventures as well as the requirements for applying the equity method;

IAS 32 (amendment), Financial Instruments: Presentation – Offsetting Financial Assets and Financial liabilities. This amendment is part of IASB's project for offsetting assets and liabilities, and aims to clarify the statement "have the right to receive or pay a single net amount". It further clarifies that some systems settling two financial instruments (clearing houses) may be equivalent to settlement of a single amount;

IAS 36 (amendment), Recoverable amount disclosures for non-financial assets. This amendment refers to disclosure requirements of impaired assets for which recoverable amounts were measured for fair value less estimated costs to sell;

IAS 39 (amendment), Novation of derivatives and continuation of hedge accounting. This amendment allows an entity to keep applying hedge accounting for a derivative that was designated as a hedging instrument, when a law or regulation transfers the counterparty rights to a clearing house;;

Amendments to IFRS 10, IFRS 12 and IAS 27, Investment entities. This amendment defines investment entities, which are exempted from applying IFRS 10 to investments in subsidiaries. These ones should be measured at fair value through profit or loss, in accordance with IAS 39. Specific disclosure requirements are included in IFRS 12.

Effects arising from the application of these standards are detailed in note 3.

2.3. Translation of financial statements of foreign companies

Exchange rates used for translating foreign group, jointly controlled and associated companies are listed below:

	30.09.2014		31.12.2013		30.09.2013	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
Great Britain Pound	0.7773	0.8118	0.8337	0.8489	0.8361	0.8518
South African Rand	14.2613	14.5307	14.5666	12.7730	13.5980	12.4425
Canadian Dollar	1.4058	1.4816	1.4671	1.3669	1.3912	1.3471
American Dollar	1.2583	1.3548	1.3791	1.3275	1.3505	1.3163
Swiss Franc	1.2063	1.2180	1.2276	1.2308	1.2225	1.2313

Source: Bloomberg

3. CHANGE IN ACCOUNTING POLICIES

3.1. Joint ventures

On these consolidated financial statements, investment in joint ventures is measured using equity method (EQ). Until 31 December 2013, joint ventures were included in consolidation using the proportionate consolidation method (PROP). As a consequence of this change to equity method, information for the comparative period was restated.

Effects on the Consolidated Statement of Financial Position for the comparative period arising from this change are as follows:

ASSETS	31.12.2013 PROP (a)	31.12.2013 EQ (b)	Var. (b) - (a)
NON CURRENT ASSETS:			
Tangible fixed assets	811 477 229	791 474 128	- 20 003 101
Goodwill	81 840 163	81 840 163	
Intangible assets	7 491 577	7 398 158	- 93 419
Investment properties	1 268 956	1 268 956	
Investment in associates	1 566 686	1 566 686	
Investment in joint ventures		5 638 909	5 638 909
Investment available for sale	1 108 824	1 108 824	
Deferred tax asset	34 003 208	33 241 208	- 762 000
Other non current assets	1 073 819	15 248 819	14 175 000
Total non current assets	939 830 462	938 785 851	- 1 044 611
CURRENT ASSETS:			
Inventories	123 468 707	118 045 777	- 5 422 930
Trade debtors	121 013 543	117 503 156	- 3 510 387
Other current debtors	5 565 730	5 561 605	- 4 125
State and other public entities	10 182 506	10 013 586	- 168 920
Other current assets	13 979 041	13 894 674	- 84 367
Cash and cash equivalents	27 295 811	26 988 389	- 307 422
Total current assets	301 505 338	292 007 187	- 9 498 151
Non-current assets held for sale	4 318 092	4 318 092	
TOTAL ASSETS	1 245 653 892	1 235 111 130	- 10 542 762

SHAREHOLDERS`FUNDS AND LIABILITIES			
SHAREHOLDERS`FUNDS:			
Share capital	700 000 000	700 000 000	
Legal reserve	3 131 757	3 131 757	
Other reserves and accumulated earnings	- 647 867 883	- 647 867 883	
Accumulated other comprehensive income	72 681 459	72 681 459	
Total	127 945 333	127 945 333	
Non-controlling interests	- 795 247	- 795 247	
TOTAL SHAREHOLDERS`FUNDS	127 150 086	127 150 086	
LIABILITIES:			
NON CURRENT LIABILITIES:			
Long term bank loans - net of short-term portion	123 145 528	123 145 528	
Non convertible debentures	118 908 927	118 908 927	
Long term Finance Lease Creditors - net of short-term portion	30 153 351	30 153 351	
Other loans	2 553 262	2 553 262	
Post-retirement liabilities	25 651 828	25 651 828	
Other non current liabilities	55 758 364	54 031 408	- 1 726 956
Deferred tax liabilities	73 558 661	72 647 868	- 910 793
Provisions	7 433 001	7 352 456	- 80 545
Total non current liabilities	437 162 922	434 444 628	- 2 718 294
CURRENT LIABILITIES:			
Short term portion of long term bank loans	22 165 408	22 165 408	
Short term bank loans	201 693 837	198 547 978	- 3 145 859
Short term portion of long term non convertible debentures	129 918 927	129 918 927	
Short term portion of Finance Lease Creditors	5 558 615	5 558 615	
Other loans	70 902 123	70 902 123	
Trade creditors	156 380 414	153 098 712	- 3 281 702
Taxes and Other Contributions Payable	12 259 031	12 186 237	- 72 794
Other current liabilities	81 137 986	79 813 873	- 1 324 113
Provisions	1 324 543	1 324 543	
Total current liabilities	681 340 884	673 516 416	- 7 824 468
TOTAL EQUITY AND LIABILITIES	1 245 653 892	1 235 111 130	- 10 542 762

	01.01.2013 PROP (a)	01.01.2013 EQ (b)	Var. (b) - (a)
Total Assets	1269 874 764	1255 862 783	-14 011 981
Total Net Shareholders' Funds	131 945 011	131 945 011	
Total Liabilities	1137 929 753	1123 917 772	-14 011 981

Effects on the Consolidated Income Statement for the comparative period arising from this change are as follows:

	30.09.2013 PROP (a)	30.09.2013 EQ (b)	Var. (b) - (a)
Sales	935 693 150	911 850 175	- 23 842 975
Services rendered	2 960 816	3 231 677	270 861
Other income and gains	18 993 547	18 144 438	- 849 109
Cost of sales	493 101 982	482 890 888	- 10 211 094
(Increase) / decrease in production	- 5 000 580	- 4 189 962	810 618
External supplies and services	254 971 704	245 355 858	- 9 615 846
Staff expenses	151 937 931	147 366 439	- 4 571 492
Depreciation and amortisation	56 300 533	53 795 016	- 2 505 517
Provisions and impairment losses (increase / decrease)	- 8 055 625	- 8 058 091	- 2 466
Other expenses and losses	9 922 592	9 804 202	- 118 390
Operating profit / (loss)	4 468 976	6 261 940	1 792 964
Financial income	3 960 184	4 324 399	364 215
Financial expenses	47 591 092	47 120 484	- 470 608
Gains and losses in associated companies	- 686 481	- 686 481	
Gains and losses in joint ventures		- 2 627 787	- 2 627 787
Gains and losses in investments			
Net profit / (loss) from continuing operations, before taxation	- 39 848 413	- 39 848 413	
Taxation	5 546 019	5 546 019	
Consolidated net profit / (loss) from continuing operations, after taxation	- 45 394 432	- 45 394 432	
Profit / (loss) after taxation from descontinued operations			
Consolidated net profit / (loss) for the period	- 45 394 432	- 45 394 432	
Attributable to:			
Equity Holders of Sonae Industria	- 44 953 224	- 44 953 224	
Attributable to:			
Non-controlling interests	- 441 208	- 441 208	

3.2. Liabilities for defined benefit plans

In the consolidated financial statements for the period ended 31 December 2013, the Company started applying IAS 19 (amended), which changed the accounting policy for the recognition of remeasurements in defined benefit plans. This change was applied retrospectively and affected the Consolidated Statement of Changes in Net Shareholders' Funds for the comparative period as follows:

	Total Consolidated Net Shareholders' Funds 30.09.2013
Published	76 930 696
Amendment to IAS 19 - remeasurements	-3 212 055
Restated	73 718 641

Changes referred to in 3.1 and 3.2 had no effect in other comprehensive income for the comparative period.

4. COMPANIES INCLUDED IN CONSOLIDATION PERIMETER

During the period ended 30 September 2014, the subsidiaries Tafisa Investissement and Tafisa Participation were dissolved with no relevant effects on these consolidated financial statements.

In the same period, the Group's direct and indirect interest in subsidiary Tafisa – Tableros de Fibras, SA increased from 98.78% to 99.86% as a result of an increase in this entity's share capital.

5. JOINT VENTURES

Joint ventures, their head offices, percentage of share capital held on 30 September 2014 and 31 December 2013 are as follows:

COMPANY	HEAD OFFICE	PERCENTAGE OF CAPITAL HELD			
		30.09.2014		31.12.2013	
		Direct	Total	Direct	Total
Laminate Park GmbH & Co. KG	Eiweiler (Germany)	50.00%	49.56%	50.00%	49.39%
Tecmasa. Reciclados de Andalucia, S. L.	Alcalá de Guadaira (Spain)	50.00%	49.56%	50.00%	49.39%

Laminate Park GmbH & Co. KG is a jointly-controlled company based in Germany, where it carries out its activity that consists in producing and selling wood derivative flooring.

Tecmasa, Reciclados de Andalucia, SL is a jointly-controlled company based in Spain. Its activity consists in trading wood for recycling.

Joint control of these companies is established by contract.

Level one fair value of investment in these companies is not available as shares representing their share capital are not listed.

Net assets and net profit/loss for these jointly-controlled companies, whose share was recognized on these consolidated financial statements under equity method, are detailed as follows:

	30.09.2014		31.12.2013	
	Laminate Park	Tecmasa, Reciclados de Andalucia	Laminate Park	Tecmasa, Reciclados de Andalucia
Non-current assets	38 428 043	227 558	41 466 898	250 141
Current assets	23 360 601	394 317	19 754 292	407 493
Non-current liabilities	33 309 589		33 786 589	
Current liabilities	21 862 497	65 916	16 698 738	111 652
Operating revenues	60 723 374	397 271	82 050 724	529 667
Operating costs	63 230 029	336 928	96 042 248	433 175
Net profit/(loss) from continuing operations	-4 119 306	59 977	-9 475 061	73 108

6. ASSOCIATED COMAPNIES

Associated companies, their head offices and the percentage of share capital held as at 30 September 2014 and 31 December 2013 are as follows:

COMPANY	HEAD OFFICE	PERCENTAGE OF CAPITAL HELD			
		30.09.2014		31.12.2013	
		Direct	Total	Direct	Total
Serradora Boix	Barcelona	31.25%	30.97%%	31.25%	30.87%

The Group's share of net assets and net profit/(loss) for this associated company was recognized in these consolidated financial statements using equity method and are detailed as follows:

	30.09.2014	31.12.2013
Assets	13 773 765	16 565 084
Liabilities	9 434 255	11 328 114
Operating revenues	22 311 843	22 631 416
Net Profit or loss	- 719 457	-2 223 794

Assets, liabilities, operating revenues and net profit or loss on the previous table refer to the associated company's financial statements for the annual period preceding 30.09.2014 and 31.12.2013, respectively. The Company estimate that no significant effect arises from this time difference.

7. INVESTMENTS

At 30 September 2014 and 31 December 2013, details of Investment in joint ventures and in associated companies, on the Consolidated Statement of Financial position, are as follows:

	30.09.2014	31.12.2013 Restated
Investment in joint ventures		
Opening balance	5 638 909	9 008 848
Effect of equity method application	-2 054 684	-3 369 939
Closing balance	3 584 225	5 638 909
Investment in associated companies		
Opening balance	1 566 686	2 262 846
Effect of equity method application	- 222 095	- 696 160
Closing balance	1 344 591	1 566 686

8. TANGIBLE FIXED ASSETS

At 30 September 2014 and 31 December 2013, movements in tangible assets, accumulated depreciation and impairment losses were as follows:

	30.09.2014	31.12.2013 Restated
Gross cost:		
Opening balance	2 437 445 591	2 137 978 726
Capital expenditure	45 326 911	22 128 751
Disposals	144 391 900	28 007 802
Revaluation		364 778 071
Transfers and reclassifications	187 280	221 665
Exchange rate effect	15 557 685	- 59 653 820
Closing balance	2 354 125 567	2 437 445 591
Accumulated depreciation and impairment losses		
Opening balance	1 645 971 463	1 357 143 659
Depreciations for the period	51 228 904	69 075 494
Impairment losses for the period	2 130 687	37 741 500
Disposals	133 796 557	20 076 078
Revaluation		236 815 660
Reversion of impairment losses for the peri	766 671	6 736 192
Transfers and reclassifications	818	
Exchange rate effect	8 212 886	- 27 992 580
Closing balance	1 572 981 530	1 645 971 463
Carrying amount	781 144 037	791 474 128

Amounts disclosed as disposals in the period ended 30 September 2014 refer mainly to tangible fixes assets of Auxerre and Le Creusot industrial plants, which were sold in April 2014.

At 31 December 2013 the Group carried out a revaluation of land and buildings which was recognized under Tangible Fixed Assets, on the Consolidated Statement of Financial Position. If items of tangible fixed assets included under Buildings had been kept for their cost, depreciation for the period ended 30 September 2014 would be reduced by EUR 4 013 898.

At the closing date of these consolidated financial statements, mortgaged tangible fixed assets as a guarantee of the Group’s liabilities amounted to EUR 163 518 178 (EUR 167 568 888 at 31 December 2013).

9. OTHER NON-CURRENT ASSETS

At 30 September 2014 and 31 December 2013, details of Other non-current assets on the Consolidated Statements of Financial Position were as follows:

	30.09.2014			31.12.2013		
	Gross Value	Impairment	Net Value	Gross Value	Impairment	Net Value
					Restated	
Trade debtors and other debtors	965 730		965 730	1 072 123		1 072 123
Loans to related parties	10 931 182	10 931 182		25 106 182	10 931 182	14 175 000
Financial Instruments	11 896 912	10 931 182	965 730	26 178 305	10 931 182	15 247 123
State and other public entities						
Others	1 696		1 696	1 696		1 696
Assets out of scope of IFRS 7	1 696		1 696	1 696		1 696
Total	11 898 608	10 931 182	967 426	26 180 001	10 931 182	15 248 819

At 31 December 2013, loans to related parties consisted of a loan to the jointly-controlled company Laminate Park Gmbh & Co. KG for EUR 14 175 000. As this loan matures 30 June 2015, it was reclassified to Other current debtors on the consolidated financial statements ended 30 September 2014.

10. OTHER CURRENT DEBTORS

At the closing date of these consolidated financial statements, Other current debtors were detailed as follows:

	30.09.2014			31.12.2013		
	Gross Value	Impairment	Net Value	Gross Value	Impairment	Net Value
					Restated	
Other debtors	4 339 437	3 502	4 335 935	4 135 339	3 502	4 131 837
Related parties	14 309 574		14 309 574	175 525		175 525
Financial Instruments	18 649 011	3 502	18 645 509	4 310 864	3 502	4 307 362
Other debtors	2 589 694		2 589 694	1 254 243		1 254 243
Assets out of scope of IFRS 7	2 589 694		2 589 694	1 254 243		1 254 243
Total	21 238 705	3 502	21 235 203	5 565 107	3 502	5 561 605

11. OTHER CURRENT ASSETS

At 30 September 2014 and 31 December 2013, details of Other current assets on the Consolidated Statement of Financial Position were as follows:

	30.09.2014			31.12.2013		
	Gross Value	Impairment	Net Value	Gross Value Restated	Impairment Restated	Net Value Restated
Derivatives instruments	145 131		145 131	77 618		77 618
Financial Instruments	145 131		145 131	77 618		77 618
Accrued income	4 288 966		4 288 966	6 252 674		6 252 674
Deferred expenses	6 432 665		6 432 665	7 564 382		7 564 382
Assets out of scope of IFRS 7	10 721 631		10 721 631	13 817 056		13 817 056
Total	10 866 762		10 866 762	13 894 674		13 894 674

12. CASH AND CASH EQUIVALENTS

At 30 September 2014 and 31 December 2013, detail of Cash and Cash Equivalents was as follows:

	30.09.2014	31.12.2013 Restated
Cash at Hand	60 853	53 319
Bank Deposits and Other Treasury Applications	24 863 913	26 935 070
Cash and Cash Equivalents on the Balance Sheet	24 924 766	26 988 389
Bank Overdrafts	3 394 087	6 047 978
Cash and Cash Equivalents on the Statement of Cash Flows	21 530 679	20 940 411

13. NON-CURRENT ASSETS HELD FOR SALE

During the period ended 30 September 2014, the Group sold the remaining assets of Knowsley industrial plant, England, which were recognized as non-current assets held for sale as at 31 December 2013.

14. OTHER COMPREHENSIVE INCOME

Accumulated other comprehensive income on the Consolidated Statement of Financial Position, is detailed as follows:

	Accumulated other comprehensive income Atributable to the parent's shareholders						
	Currency translation	Available-for-sale financial assets	Revaluation Reserve	Remeasurements on defined benefit plans	Share of Other Comprehensive Income of Joint Ventures and Associates	Income tax related to components of other comprehensive income	**Total**
Balance as at 1 January 2013 - restated	2 699 144	93 816		-4 019 786		- 846 808	- 380 018
Other consolidated comprehensive income for the period - restated	-12 530 978	- 11 481					-12 542 459
Balance as at 30 September 2013 - restated	-9 831 834	82 335		-4 019 786		- 846 808	-12 922 477

	Accumulated other comprehensive income Atributable to the parent's shareholders						
	Currency translation	Available-for-sale financial assets	Revaluation Reserve	Remeasurements on defined benefit plans	Share of Other Comprehensive Income of Joint Ventures and Associates	Income tax related to components of other comprehensive income	**Total**
Balance as at 1 January 2014	- 16 496 846	88 950	126 516 277	- 3 198 742	1 371 957	35 600 137	72 681 459
Other consolidated comprehensive income for the period	2 989 893	- 7 713					2 982 180
Change in ownership interest	100 464	969	1 280 046	- 32 965	14 955	363 895	999 574
Balance as at 30 September 2014	-13 406 489	82 206	127 796 323	-3 231 707	1 386 912	35 964 032	76 663 213

15. LOANS

As at 30 September 2014 and 31 December 2013, Sonae Indústria had the following outstanding loans:

	30.09.2014				**31.12.2013**			
	Amortised cost		**Nominal value**		**Amortised cost**		**Nominal value**	
	Current	**Non current**	**Current**	**Non current**	**Current**	**Non current**	**Current**	**Non current**
					Restated	**Restated**	**Restated**	**Restated**
Bank loans	380 590 144	88 917 872	381 131 480	89 390 386	220 713 386	123 145 528	221 706 044	123 649 568
Debentures	29 997 945	104 130 353	30 000 000	105 000 000	129 918 927	118 908 927	130 000 000	120 000 000
Obligations under finance leases	6 122 442	25 284 795	6 122 442	25 284 795	5 558 615	30 153 351	5 558 615	30 153 351
Other loans	59 762 343	2 748 238	60 397 225	2 748 238	70 902 123	2 553 262	71 656 925	2 553 261
Loans from related parties (note 17)	16 666 667		16 666 667					
Gross debt	493 139 541	221 081 258	494 317 814	222 423 419	427 093 051	274 761 068	428 921 584	276 356 180
Cash and cash equivalent in balance sheet	24 924 766		24 924 766		26 988 389		26 988 389	
Net debt	468 214 775	221 081 258	469 393 048	222 423 419	400 104 662	274 761 068	401 933 195	276 356 180
Total net debt	689 296 033		691 816 467		674 865 730		678 289 375	

In the period ended 30 September 2014, main changes to loans are as follows:

15.1. Bank Loans

a) In January 2006, Sonae Indústria, SGPS, SA and several financial institutions contracted a commercial paper programme, which was amended in September 2010. At 30 September

2014 there was commercial paper issued for EUR 26 650 000 (EUR 20 000 000 at 31 December 2013);

b) In August 2010, Sonae Indústria, SGPS, SA contracted a loan for EUR 10 000 000 with a Portuguese financial institution. This loan pays interest at variable rate and should be repaid until November 2015. In August 2014, both parts agreed to postpone repayment date to August 2017. At 30 September 2014, the outstanding principal amounted to EUR 3 333 333.

c) In September 2010, Sonae Indústria, SGPS, SA and a Portuguese financial institution entered into a contract to issue commercial paper for a maximum nominal amount of EUR 2 500 000. In March 2014, this limit was increased to EUR 12 500 000, effective from April 2014. Presently, this programme will mature in September 2015. At 30 September 2014, there was commercial paper issued for the programme's full amount (at 31 December 2013 there was no commercial paper issued under this programme);

d) In July 2011, Tafisa Canada Inc. contracted a loan with a syndicate of financial institutions from North America. In July 2014 this contract was refinanced through another loan for a maximum amount of CAD 90 000 000 (revolving), which will mature in July 2019 (by means of a quarterly reduction in maximum available amount). At 30 September 2014, outstanding principal amounted to CAD 75 501 389 (EUR 53 707 158);

e) In July 2011, Tafisa Canada Inc. contracted a loan for CAD 5 000 000 with a Canadian financial institution. In July 2014 both parts agreed on a repayment of CAD 1 126 255 and on reducing maturity date by 12 months, to April 2016. At 30 September 2014, outstanding principal amounted to CAD 2 398 997 (EUR 1 706 503).

f) In September 2013, Sonae Indústria, SGPS, SA entered into a contract to issue commercial paper with a Portuguese financial institution, for a maximum nominal amount of EUR 25 000 000 and maturity date in December 2014. At 30 September 2014, there was commercial paper issued for the programme's total amount (at 31 December 2013 there was no commercial paper issued under this programme);

g) In June 2013, Sonae Indústria, SGPS, SA entered into a new agency agreement with a Portuguese financial institution to issue commercial paper. The programme had a maximum nominal amount of EUR 50 000 000 which was increased to EUR 100 000 000 in December 2013, and the purchase of Commercial Paper was not underwritten. The programme matures in June 2018. At 30 September 2014, there was commercial paper issued under this programme for EUR 74 750 000;

h) In November 2013, Sonae Indústria, SGPS, SA and Taiber, Tableros Aglomerados Ibéricos, S. L. contracted a loan with a Portuguese financial institution for a maximum amount of EUR 50 000 000, which could be withdrawn by each entities over a period up to six months. At 30 September 2014, Taiber, Tableros Aglomerados Ibéricos, S. L. had withdrawn EUR 39 000 000 (no amount had been withdrawn by Sonae Indústria, SGPS, SA). In October 2014, maturity date was postponed from October 2014 to 15 December 2014. Shares of the subsidiary Sonae Novobord are pledged as a guarantee for this loan.

i) In December 2013, Sonae Indústria, SGPS, SA contracted with a Portuguese financial institution a commercial paper programme for a maximum nominal amount of EUR 65 000 000. Presently, this programme will mature in December 2014. At 30 September 2014 and 31 December 2013 there was commercial paper issued for the programme's maximum amount;

j) In August 2014, Sonae Indústria, SGPS, SA entered into a contract to issue commercial paper with private subscription for a maximum nominal amount of EUR 50 000 000. Presently, the programme will mature 4 December 2014. At 30 September 2014, there was commercial paper issued for the programme's maximum amount.

k) Loans from related parties, which amounted to EUR 16 666 666 at 30 September 2014 (non-existent at 31 December 2013) were included in the calculation of total net debt. This loan matures 27 March 2015.

At 30 September 2014, other assets pledged as guarantee of the Group's liabilities amounted to EUR 60 296 220.

15.2. Bond Issues

a) In March 2014, the Company fully repaid on maturiry date Sonae Industria 2006/2014 Bonds for EUR 50 000 000, which had been issued March 2006;

b) In May 2014, the Company repaid EUR 15 000 000 relating to Sonae Indústria 2010/2017 Bonds, which had been issued May 2010 for EUR 150 000 000.

c) In August 2014, the Company fully repaid on maturity date Sonae Indústria 2006/2014 Bonds – 2nd issue for EUR 50 000 000, which had been issued August 2006.

15.3. Other loans

a) At 30 September 2014, loans recognized under the securitization facility contracted with ING Bank Belgium SA/NV and with Finacity Corporation amounted to EUR 54 304 630 (EUR 65 394 544 at 31 December 2013). This loan matures no later than September 2018 and will be renewed 15 December 2014.

Trade debtors amounting to EUR 76 711 218 (EUR 75 997 148 at 31 December 2013) were kept on the consolidated balance sheet as the criteria set out in IAS 39 for their derecognition were not fully met, namely because the whole risks related to the securitized assets were not completely transferred.

b) At 30 September 2014, loans recognized under a factoring facility, which was entered into by Sonae Indústria – Produção e Comercialização de Derivados de Madeira, S. A. amounted to EUR 4 050 708 (EUR 3 971 220 at 31 December 2013).

Trade debtors amounting to EUR 4 817 136 (EUR 4 490 112 at 31 December 2013) were kept on the consolidated balance sheet as the criteria set out in IAS 39 for their derecognition were not fully met, namely because the whole risks related to the securitized assets were not completely transferred.

c) In June 2014, Euroresinas – Indústrias Químicas, S. A. entered into a factoring facility of trade debtors for a maximum amount of EUR 1 500 000, maturing within a year, renewable. This facility began 1 July 2014. At 30 September 2014 outstanding principal amounted to EUR 663 325.

Trade debtors amounting to EUR 697 659 were kept on the consolidated balance sheet as the criteria set out in IAS 39 for their derecognition were not fully met, namely because the whole risks related to the securitized assets were not completely transferred.

16. OTHER NON-CURRENT LIABILITIES

At 30 September 2014 and 31 December 2013, Other non-current liabilities on the Consolidated Statement of Financial Position were composed of:

	30.09.2014	31.12.2013 Restated
Other creditors	12 537 894	18 803 578
Financial instruments	12 537 894	18 803 578
Other creditors	31 117 662	35 227 830
Liabilities out of scope of IFRS 7	31 117 662	35 227 830
Total	43 655 556	54 031 408

17. OTHER CURRENT LIABILITIES

At 30 September 2014 and 31 December 2013, Other current liabilities on the Consolidated Statement of Financial Position were composed of:

	30.09.2014	31.12.2013 Restated
Loans from related parties	16 666 667	
Derivatives	108 571	
Tangible fixed assets suppliers	18 326 673	4 132 686
Other creditors	8 693 432	6 918 134
Financial instruments	43 795 343	11 050 820
Other creditors	3 637 385	1 902 860
Accrued expenses:		
Insurances	774 190	194 182
Personnel expenses	19 128 716	16 289 224
Accrued financial expenses	10 055 828	7 048 783
Rebates	18 239 130	17 140 989
External supplies and services	9 955 175	10 076 761
Other accrued expenses	6 777 055	8 039 729
Deferred income:		
Investment subventions	7 409 524	7 286 044
Other deferred income	851 389	784 481
Liabilities out of scope of IFRS 7	76 828 392	68 763 053
Total	120 623 735	79 813 873

18. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements occurred in provisions and accumulated impairment losses during the period ended 30 September 2014 were as follows:

	30.09.2014						
Description	Opening balance	Exchange rate effect	Increase	Utilization	Reversion	Other changes	Closing balance
Impairment losses:							
Tangible fixed assets	65 372 467		2 130 687		766 671	- 20 360 351	46 376 132
Goodwill	7 727 749	28 932					7 756 681
Intangible assets	19 242					3 923	23 165
Other non-current assets	10 931 182						10 931 182
Trade debtors	24 524 621	57 150	2 611 084		1 112 519	- 624 448	25 455 888
Other debtors	3 502						3 502
Subtotal impairment losses	108 578 763	86 082	4 741 771		1 879 190	- 20 980 876	90 546 550
Provisions:							
Litigations in course	2 063 278		4 518	75 000		7 370	2 000 166
Warranties to customers	631 793	383					632 176
Restructuring	562 548	22 283	16 703 793	3 044 855	3 638 500		10 605 269
Other	5 419 380		449 052	910 118			4 958 314
Subtotal provisions	8 676 999	22 666	17 157 363	4 029 973	3 638 500	7 371	18 195 925
Subtotal impairment losses and provisions	117 255 762	108 748	21 899 134	4 029 973	5 517 690	- 20 973 505	108 742 475
Other losses:							
Investments	36 985 875						36 985 875
Write-down to net realizable value of inventories	6 708 160	8 313	1 987 750		3 231 832	- 1 144 845	4 327 546
Total	160 949 797	117 061	23 886 884	4 029 973	8 749 522	- 22 118 350	150 055 896

Increases and decreases in provisions and impairment losses are stated on the Consolidated Income Statement as follows:

	30.09.2014	
	Losses	Gains
Cost of sales	814 204	1 441 632
(Increase) / decrease in production	1 173 546	1 790 200
Provisions and impairment losses	21 822 125	8 847 544
Staf expenses	77 009	700 119
Total (Consolidated Income Statement)	23 886 884	12 779 495

Other changes in impairment losses on tangible fixed assets (EUR -20 352 902) refer to impairment losses that had been recognized on tangible fixed assets that were sold in the period ended 30 September 2014.

Increase in restructuring provisions (EUR 16 703 793) refers to provisions that were recognized or increased in the context of ongoing restructuring processes in Spain, France and Germany.

19. RELATED PARTIES

Balances and flows with related parties are summarized as follows:

Balances	Accounts receivable		Accounts payable		Loans			
					Obtained		Granted	
	30.09.2014	31.12.2013 Restated	30.09.2014	31.12.2013 Restated	30.09.2014	31.12.2013	30.09.2014	31.12.2013 Restated
Other subsidiaries of the parent company	499 132	284 452	2 080 945	1 561 094	16 666 667			
Joint ventures	717 670	409 446	1 557 627	755 080			14 175 000	14 175 000

Transactions	Income		Expenditure		Interest income		Interest expenses	
	30.09.2014	30.09.2013 Restated	30.09.2014	30.09.2013 Restated	30.09.2014	30.09.2013 Restated	30.09.2014	30.09.2013 Restated
Other subsidiaries of the parent company	971 955	927 176	3 880 700	5 083 823			585 266	953 122
Joint ventures	4 698 074	6 283 977	12 191 787	9 259 393	404 875	386 205		

20. OTHER INCOME AND GAINS

Details of Other income and gains on the Consolidated Income Statement for the periods ended 30 September 2014 and 2013 are as follows:

	30.09.2014	30.09.2013 Restated
Gains on disposals of non current investments		66 515
Gains on disp. and write off of invest. prop., tang. and intang. assets	5 194 218	519 720
Supplementary revenue	9 016 054	6 901 743
Investment subventions	5 226 590	5 137 254
Tax received	4 801 405	3 521 355
Positive exchange gains	1 763 327	1 435 109
Others	17 075 953	562 742
	43 077 547	18 144 438

Gains on disposal of tangible fixed assets and intangible assets include approximately EUR 3 000 000 relating to assets of Auxerre and Le Creusot industrial plants, in France, which were sold in the period ended 30 September 2014. Furthermore, it includes approximately EUR 1 900 000 relating to sale of tangible fixed assets from inactive industrial plants.

Supplementary revenue includes approximately EUR 5 000 000 relating to inventories of Auxerre and Le Creusot industrial plants, whose cost is recognized for the same amount under Cost of Sales, on the Consolidated Income Statement.

An insurance compensation amounting to EUR 13 200 000 is included under Others. It was paid by the insurers in the scope of the accident occurred in 2011 in subsidiary Sonae Industria (UK), Ltd and consists in compensation whose payment was dependent on additional investment which was carried out in industrial plants located in Germany and Portugal. This amount was included under Cash receipts arising from Tangible Fixed Assets and Intangible Assets, on the Consolidated Statement of Cash Flows.

21. UNDERLYING AND NON-UNDERLYING ITEMS

Underlying and non-underlying operating items on the Consolidated Income Statement are detailed as follows:

				Restated		
	30.09.2014 Recurrent	30.09.2014 Non-recurrent	30.09.2014 Total	30.09.2013 Recurrent	30.09.2013 Non-recurrent	30.09.2013 Total
Sales	850 965 815	545 218	851 511 033	911 269 013	581 162	911 850 175
Services rendered	4 202 377	- 5 648	4 196 729	3 231 677		3 231 677
Other income and gains	20 745 058	22 332 489	43 077 547	16 421 814	1 722 624	18 144 438
Cost of sales	464 411 225	- 2 952 974	461 458 251	483 111 237	- 220 349	482 890 888
(Increase) / decrease in production	3 048 719	2 118 429	5 167 148	- 4 953 738	763 776	- 4 189 962
External supplies and services	216 834 819	5 536 545	222 371 364	242 193 028	3 162 830	245 355 858
Staff expenses	116 417 724	17 859 985	134 277 709	138 313 403	9 053 036	147 366 439
Impairment losses in trade debtors (increase/reduction)	1 499 602	- 1 037	1 498 565	1 737 293		1 737 293
Other expenses and losses	7 631 703	1 231 102	8 862 805	7 892 065	1 912 137	9 804 202
Operating profit/(loss) before amortization, depreciation, provisions and impairment losses (except trade debtors)	66 069 458	- 919 991	65 149 467	62 629 216	- 12 367 644	50 261 572

22. FINANCIAL RESULTS

Financial results for the periods ended 30 September 2014 and 2013 were as follows:

	30.09.2014	30.09.2013 Restated
Financial expenses:		
Interest expenses		
related to bank loans and overdrafts	18 677 224	13 116 993
related to non convertible debentures	7 282 707	8 392 273
related to finance leases	2 577 045	2 906 419
others	1 718 788	2 627 721
	30 255 764	27 043 406
Losses in currency translation		
related to loans	635 882	3 067 691
	635 882	3 067 691
Cash discounts granted	10 734 966	11 666 496
Adjustment to fair value of financial instruments at fair value through profit or loss	477 668	210 625
Other finance losses	5 116 835	5 132 266
	47 221 115	47 120 484

Financial income:	30.09.2014	30.09.2013 Restated
Interest income		
related to bank loans	20 751	25 089
related to loans to related parties	404 875	386 205
Others	55 969	92 307
	481 595	503 601
Gains in currency translation		
related to loans	1 851 251	2 700 327
	1 851 251	2 700 327
Cash discounts obtained	795 912	585 356
Adjustment to fair value of financial instruments at fair value through profit or loss	382 125	452 160
Other finance gains	90 448	82 955
	3 601 331	4 324 399
Finance profit / (loss)	**- 43 619 784**	**- 42 796 085**

23. TAXES

Corporate income tax accounted for in the periods ended 30 September 2014 and 2013 is detailed as follows:

	30.09.2014	30.09.2013 Restated
Current tax	4 275 829	5 345 402
Deferred tax	- 1 902 226	200 617
	2 373 603	5 546 019

24. SEGMENT INFORMATION

The main activity of the Group is the production of wood based panels and derivative products through industrial plants and commercial facilities located in Portugal, Spain, France, Germany, United Kingdom, Switzerland, The Netherlands, Canada and South Africa.

At 30 September 2014 and 2013, identifiable reportable segments were as follows:

- Northern Europe;
- Southern Europe;
- Rest of the World.

	Turnover			
	External		Intersegment	
	30.09.2014	30.09.2013 Restated	30.09.2014	30.09.2013 Restated
Northern Europe	332 482 538	357 114 835	20 579 411	28 069 619
Southern Europe	326 325 493	355 624 356	13 190 731	19 395 555
Rest of the world	196 899 731	202 342 661		
Total segments	855 707 762	915 081 852	33 770 141	47 465 174

	Operating net profit (loss)	
	30.09.2014	30.09.2013
Northern Europe	939 256	3 586 189
Southern Europe	-13 270 233	-12 697 059
Rest of the world	13 142 875	15 372 809
Total segments	811 897	6 261 940

25. GOODWILL

In the period ended 30 September 2014, Goodwill stated on the Consolidated Statement of Financial Position has not changed significantly.

Although performance expected for year 2014 may be lower than forecast, the Company still expects to meet the projections which were used to calculate the value in use of the Group's cash generating units at 31 December 2013. Presently, budget for 2015 and reassessment of projections to use in impairment tests to be carried out at the end of 2014 are under way.

26. SUBSEQUENT EVENTS

On 4 November 2014, Sonae Indústria, SGPS, SA filed at CMVM – Comissão do Mercado de Valores Mobiliários (The Portuguese Stock Exchange Commission) the prospectus for an offer of public subscription for 15 000 000 000 (fifteen billion) ordinary, dematerialized and registered shares, without nominal value, which will originate a share capital increase from its present amount of EUR 700 million to a maximum amount of EUR 850 million. The new shares may be subscribed for in the period from 11 to 24 November 2014.

Formalizing the aforementioned offer of public subscription enabled the Company to close refinancing agreements with two of the Group's main creditor banks, for an amount ranging from EUR 300 to 325 million, which will depend on the result of the offer of public subscription. These refinancing agreements include significantly more favourable conditions, both in terms of maturity profile and in terms of cost of debt, and are subject to financial covenants consisting in an equity ratio (net shareholders' funds / total net assets), to be calculated annually from 31 December 2015, of at least 10%, adjustable if ongoing increase in share capital does not reach its maximum amount of EUR 150 million.

In addition, Sonae Indústria reached an agreement to extend until 30 September 2016 the renewal of the securitization facility of trade debtors, which is described on note 15.3, with a maximum amount of EUR 85 million, and to postpone to 30 October 2015 the maturity of the loan described in 15.1, h).

Taking into consideration debt at 30 September 2014, as disclosed on note 15, the refinancing for EUR 300 million, which corresponds to a maximum increase of share capital for EUR 150 million, and the extension of the renewal of the securitization facility will affect the maturity profile of existing debt as follows:

	30.09.2014			
	As per consolidated statement of financial position		With effects of refinancing agreements	
	Current	Non current	Current	Non current
Bank loans	380 590 144	88 917 872	176 590 144	277 917 872
Debentures	29 997 945	104 130 353		149 128 298
Obligations under finance leases	6 122 442	25 284 795	6 122 442	25 284 795
Other loans	59 762 343	2 748 238	5 457 713	57 052 868
Loans from related parties	16 666 667		16 666 667	
Gross debt	493 139 541	221 081 258	204 836 966	509 383 833
Cash and cash equivalent in balance sheet	24 924 766		24 924 766	
Net debt	468 214 775	221 081 258	179 912 200	509 383 833
Total net debt	689 296 033		689 296 033	

Furthermore, under these refinancing agreements the Company is committed to deploy funds from the increase in share capital to repay bank loans for an amount ranging from EUR 31.7 to 56.7 million, and to repay loans from related parties for EUR 16.7 million (both effects not included in the table above).

The aforementioned agreements will be effective depending on a capital increase for a minimum amount of EUR 75 million, which Efanor Investimentos, SGPS, SA, Sonae Indústria's majority shareholder, is presently committed to.

The settlement of these refinancing agreements involved the mortgage of tangible fixed assets amounting to EUR 119 434 758, which adds up to the amount disclosed on note 8, as well as a pledge on the shares of the subsidiary Glunz AG.

The company assumes that the aforementioned restructuring operation of its financing structure, on the basis of a double vector of debt reschedule and equity strengthening, will bring about improved conditions that will enable, even in the possibility of a minimum capital increase of EUR 75 million, to find the best financing solutions for its debt maturing in 2015, if it is regarded as adequate and necessary.

27. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issuance 12 November 2014.

LIMITED REVIEW REPORT

Limited Review Report Prepared by Auditor Registered with the Securities Market Commission (CMVM) on the Consolidated Third Quarter Information

(Free translation from the original in Portuguese)

Introduction

1 In accordance with the Portuguese Securities Market Code (CVM), we present our limited review report on the consolidated financial information for the nine-month period ended 30 September 2014 of Sonae Indústria, SGPS, SA. included in the consolidated Directors' Report, consolidated statement of financial position (which shows total assets of Euro 1,228,766,736 and total shareholders' equity of Euro 81,484,081, including negative non-controlling interests of Euro 145,498 and a net loss of Euro 47,372,348), consolidated income statement by nature, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and the corresponding notes to the accounts.

2 The amounts in the consolidated financial statements, as well as those in the additional financial information, are derived from the respective accounting records.

Responsibilities

3 It is the responsibility of the Board of Directors: (a) to prepare consolidated financial information which present fairly, in all material respects, the financial position of the companies included in the consolidation, the consolidated results and the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows; (b) to prepare historical financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union and which is complete, true, up-to-date, clear, objective and lawful as required by the CVM; (c) to adopt appropriate accounting policies and criteria; (d) to maintain appropriate systems of internal control; and (e) to disclose any significant matters which have influenced the activity, financial position or results.

4 Our responsibility is to verify the financial information included in the documents referred to above, namely as to whether it is complete, true, up-to-date, clear, objective and lawful, as required by the CVM, for the purpose of issuing an independent and professional report based on our work.

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Scope

5 Our work was performed with the objective of obtaining moderate assurance about whether the financial information referred to above is free from material misstatement. Our work was performed in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors, planned according to that objective, and consisted primarily, in enquiries and analytical procedures, to review: (i) the reliability of the assertions included in the financial information; (ii) the appropriateness and consistency of the accounting principles used, as applicable; (iii) the applicability, or not, of the going concern basis of accounting; (iv) the presentation of the financial information; and (v) as to whether the consolidated financial information is complete, true, up-to-date, clear, objective and lawful.

6 Our work also covered the verification that the consolidated financial information included in the consolidated Directors' Report is consistent with the remaining documents referred to above.

7 We believe that the work performed provides a reasonable basis for the issue of this limited review report on the third quarter information.

Conclusions

8 Based on the work, which was performed with the objective of obtaining a moderate level of assurance, nothing has come to our attention that leads us to conclude that the consolidated financial information for the nine-month period ended 30 September 2014 contain material misstatements that affect its conformity with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union and that it is not complete, true, up-to-date, clear, objective and lawful.

Report on other requirements

9 Based on the work, nothing has come to our attention that leads us to believe that the consolidated financial information included in the consolidated Directors' Report is not consistent with the consolidated financial information for the period.

Emphasizes

10 Without qualifying our conclusions expressed in paragraph nº 9 above, we draw attention to the following facts:

- As interim financial reporting is not usually submitted to a limited review nor legally required, the financial information included in the consolidated Director's report and financial statements as at 30 September 2013 have not been subject to any audit nor limited review, as such, we do not conclude about the comparatives at that date;

- As referred to in the Note 26 of the Notes to the consolidated financial statements, refinancing agreements with some financial institutions have been achieved and a capital raise with an equity inflow of a maximum of 150 million euros and a minimum of 75 million euros guaranteed is ongoing. Thus, the group's ability to solve its commitments after the partial debt restructuring depends on the outcome of the capital increase and/or the renegotiation of the remaining debt with its creditors, as well as its operational performance.

- As referred to in the Note 25 of the Notes to the consolidated financial statements, although the performance in 2014 is lower than expected, the projections used in the preparation of the 2013 consolidated financial statements are expected not to be affected. The group is in the process of preparing the 2015 budget and the business plan to be used for the impairment testing at the year end. As a result, the recoverability of the goodwill of the Iberian Peninsula cash generating unit, amounting to 71 million euros, depends on the maintaining/achieving of those assumptions.

12 November 2014

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Registered in the Comissão do Mercado de Valores Mobiliários with no. 9077
represented by:

Hermínio António Paulos Afonso, R.O.C.