SONAE INDÚSTRIA, SGPS, S.A.

Registered Office: Lugar do Espido, Via Norte, Maia, Portugal

Registered at the Commercial Registry of Maia

Registry and Tax Identification Number 506 035 034

Share Capital: 700 000 000 euros

Publicy Traded Company

MANAGEMENT REPORT

AND

CONSOLIDATED FINANCIAL STATEMENTS

JANUARY - JUNE 2014

ACCORDING TO THE INTERNATIONAL ACCOUNTING STANDARD 34 – INTERIM FINANCIAL REPORT

CONTENTS

MANAGEMENT REPORT

SONAE INDÚSTRIA

MANAGEMENT REPORT

1st HALF 2014

CEO MESSAGE

The operational performance of the second quarter of this year has shown a material recovery when compared to both the previous quarter and the same period in 2013. The Recurrent EBITDA in the quarter was the best since the second quarter of 2012. Despite the slight reduction of our consolidated top line, explained in part by the reduced industrial footprint, we have been able to increase our operational profitability. Importantly, this improvement, when compared to the previous quarter, was visible in all the regions where we operate. Particularly noteworthy was the increase in the Recurrent EBITDA margin in the Northern Europe region in this quarter, to 10.4%, up 3.4 p.p. against the previous quarter and 4.4 p.p. against last year. Consolidated Recurrent EBITDA reached 26 million euros in this quarter, generating a margin of 9%, 1.9 p.p. above the same period in 2013.

As part of our defined strategy, we have taken further steps in the implementation of our plans to optimize our industrial footprint. During the quarter, we completed the sale of two of our French plants, Auxerre and Le Creusot, as announced and concluded the consultation process to close the laminate flooring production activities of our Pontecaldelas plant in Spain.

As regards our announced plans to reinforce our capital structure, we are working with the arranging banks and the stock market regulator on the preparation of the announced capital increase, which we expect to complete as soon as possible after the summer period. Simultaneously, we are in the process of finalising the loan contracts related with the agreements reached with our two main creditor banks for the refinancing of a large part of our debt. As previously announced, these agreements will lead to significant improvements in our debt maturity profile and average cost of debt. In parallel, we have also secured the extension of the existing receivables securitization facility, for an additional 24-month period conditional on the execution of the capital increase and on the execution of the aforementioned agreements with our creditor banks. Also worth highlighting, is the recent completion of the refinancing of debt by our Canadian subsidiary, which has allowed for an additional capital distribution to the group.

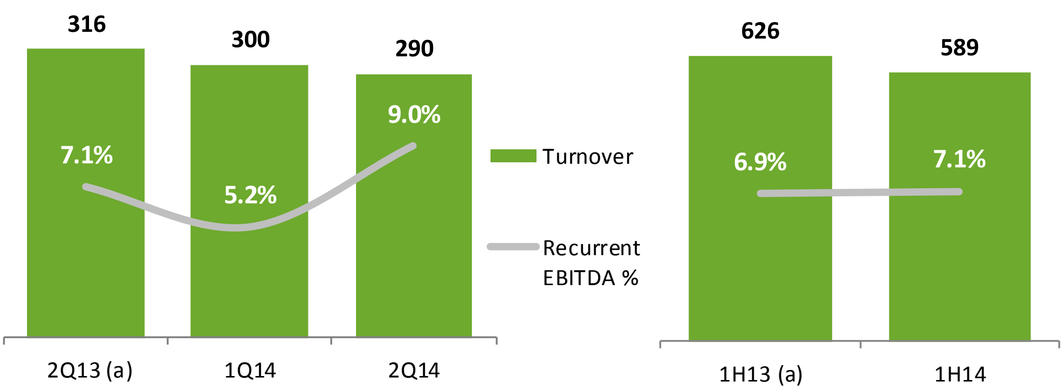
The positive results of the second quarter of 2014 are a clear indication that the defined strategic path is generating results and positioning the company to achieve long-term sustainable profitability. The benefits of the restructuring measures taken during the past 18 months are beginning to be visible, and, combined with some early signs of improvements in the market environment, particularly in Europe, should allow us to continue to deliver operational profitability improvements when compared to last year.

Rui Correia, CEO Sonae Indústria

1. TURNOVER & RECURRENT EBITDA

1.1. SONAE INDÚSTRIA CONSOLIDATED

Turnover & Recurrent EBITDA margin — Million euros



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

2Q14 consolidated **turnover** was 290 million Euros, 9% below the level of same period last year, mainly driven by the reduced industrial footprint resulting from the sale of the two French units and the closure of Horn (Germany) particleboard operations. In addition, the devaluation of both the Canadian dollar and the South African rand continued to penalize the contribution from both operations to the consolidated turnover. In terms of breakdown, the reduction in consolidated turnover resulted from a combination of reduced **sales volumes** (8% below the 2Q13) and lower **average selling prices** (-1% when compared to the 2Q13). When compared to previous quarter, consolidated turnover also decreased, by 3%, mainly impacted by the deconsolidation of the two French plants. Again, a negative evolution was experienced in terms of sales volumes (-5%), but positive developments occurred in terms of average selling price, which was up by approximately 1% in relation to the 1Q14.

After the significant increase in variable costs and particularly wood costs during 1Q14, the second quarter saw some improvement driven mainly by seasonality with the end of the winter period in Europe and North America, leading to a reduction in the moisture content of the wood intake in the plants. Consequently, the second quarter saw an improvement in **average variable unitary costs**.

We have continued to implement further initiatives to reduce our fixed cost structure, achieving a reduction in total **fixed costs** in the semester by approximately 6% y.o.y. on a comparable basis (excluding the contribution of the two French plants in the second quarter of both periods).

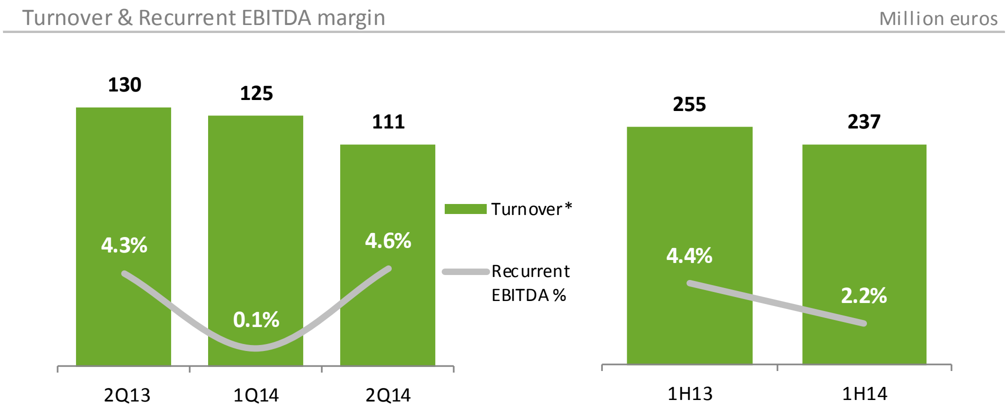
At the end of June 2014, total **headcount** was of 3,863 FTEs, a reduction of 306 FTEs when compared to the end of 2013 and 276 FTEs when compared to 1Q14. This variation is mainly explained by the impact associated with the sale of the two plants in France. The group has also continued to implement additional initiatives to streamline its central support structures.

The **average capacity utilization index** of the group's plants improved by approximately 4 p.p. when compared to both previous quarter and the level registered in 2Q13, to circa 81%. In this respect, the strong performance of our Canadian operations should be highlighted, posting an average capacity utilization index above 90% in the quarter.

Recurrent EBITDA in the 2Q14 was of 26 million euros, implying a recurrent EBITDA margin of 9.0%, up by 1.9 p.p. when compared to 2Q13 and up by 3.8 p.p. versus the last quarter. Total non-recurrent EBITDA items were close to 1 million euros in the quarter, with negative impact from costs associated with discontinued sites being almost fully compensated by income from the sale of assets (plants of Auxerre and Le Creusot, in France, and part of the equipment of the discontinued Solsona site, in Spain). As result, total **EBITDA** for the quarter was of 27 million euros.

The improved performance of the second quarter has compensated the lower result registered in the first quarter of 2014, allowing recurrent EBITDA for the 1H14 to be close to the 1H13 result (down by 1 million euros). Importantly, recurrent EBITDA margin in the semester was 7.1%, compared to 6.9% in 1H13.

1.2. SOUTHERN EUROPE



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

Performance in Southern Europe continued to be negatively impacted by a constrained activity in the construction sector across all countries in the region, with new housing permits granted in Iberia continuously showing y.o.y. decreases (-11.6%[1] in Portugal and -3.7%[2] in Spain). Nevertheless, improvements have been felt in demand experienced from key furniture customers, with positive impacts in the overall business in the Iberian Peninsula. However, 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 16.1%[3], when compared to the previous year.

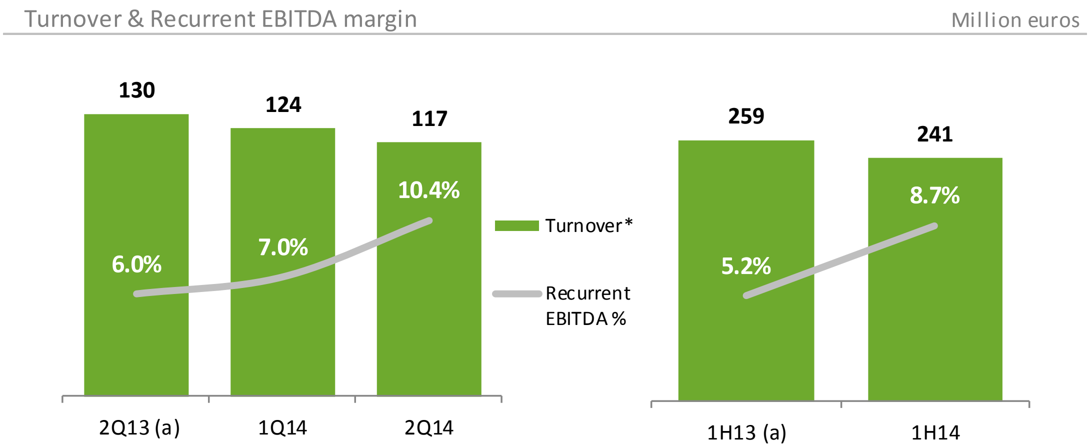
[1] Source: *Instituto Nacional de Estatística*, July 2014 ("*Nova habitação residencial*", three months cumulative evolution until May 2014)
[2] Source: *Ministierio de Fomento*, July 2014 (three months cumulative evolution until May 2014)
[3] Source: *Service économie statistiques et prospective* (*Ministière de l'Écologie, de l'Energie, du Développement durable et de l'Aménagement du territoire*), July 2014 (three months cumulative evolution until May 2014)

Highlights of the 1H14 performance, when compared to the 1H13, are summarized below:

- **Turnover** reduced to 237 million euros. By region we had mixed effects, with the negative contribution from a lower **average selling price** in the Iberian Peninsula being offset by higher **volumes** (+4.6% y.o.y.). In France, sales volumes were naturally impacted negatively by the sale of the Auxerre and Le Creusot plants, which led to a 23.2% y.o.y. decrease, while prices remained relatively stable when compared to the 1H13. Importantly, 2Q14 sales volumes in the Iberian Peninsula showed a material improvement, increasing by 5.4%, when compared to 1Q14, and 6.3% when compared to same quarter of the previous year;
- **Average unitary variable costs (per m^3)**, when compared to the 1H13, continued to be negatively impacted by the pressure felt from wood costs. In the Iberian Peninsula, average variable costs have recovered with positive contributions from all costs components. In France variable costs also saw a reduction, but this evolution and the comparison against the previous periods is strongly influenced by the impact of the sale of the two plants.

Driven by the negative evolution experienced in the first quarter of the year, the recurrent EBITDA margin has still decreased by 2.2 p.p. in the semester, when compared to the 1H13. Nevertheless, recurrent EBITDA margin improved in 2Q14 increasing to 4.6%, 4.5 p.p. above previous quarter and 0.3 p.p. above the same period of last year.

1.3. NORTHERN EUROPE



(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 second 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 6.1%[4] when compared to previous year.

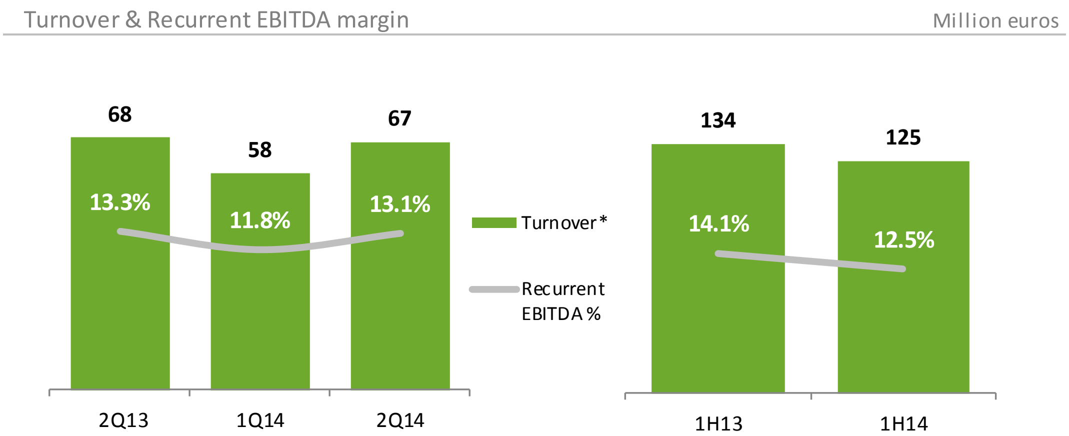
[4] Source: German Federal Statistics Office, July 2014 (cumulative 3 month YTD evolution at May 2014)

Comparing 1H14 performance with the same period in 2013, the key highlights of the Northern Europe region are the following:

- **Turnover** for this region decreased by 3%, impacted by a reduction of 6.9% 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;
- **Average selling prices** were up by 2.6%, in relation to the 1H13, and by 1.5% when comparing the 2Q14 with the previous quarter. In this respect, the recovery of particleboard and MDF average selling prices should be highlighted, a reflexion of improved market conditions in these segments;
- **Average unitary variable costs (per m^3)** increased by circa 4.2% y.o.y., but were below the level of 1Q14. This q.o.q. improvement was made possible despite increases in electricity and maintenance costs, with the latter explained by the maintenance works carried out in Nettgau plant. This evolution was more than offset by lower input costs in the region, in terms of wood, chemicals and combustibles positively impacted by improved weather conditions.

An improved performance in the **Recurrent EBITDA margin** was achieved in Northern Europe, increasing to 8.7% in the 1H14, up by 3.5 p.p. when compared to the 1H13. In terms of quarterly evolution, Recurrent EBITDA margin also showed an improvement during the current year, and has reached 10.4% in the second quarter.

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



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

The construction sector performance in North America has had mixed performance, with the level of housing starts in the U.S. market growing by 9.7%[5] when compared to the previous year, while in Canada we saw a deterioration in the level of housing starts for the same period (a decrease of 10.3%[6], when compared to same period of 2013). In the South African market, the level of residential building permits increased y.o.y. by 12.6%[7].

[5] Source: RISI, July 2014 (cumulative three months evolution until May 2014)
[6] Source: Canada Mortgage and Housing Corporation, July 2014 (cumulative three months evolution until May 2014)
[7] Source: Statistics South Africa, July 2014 (cumulative last three months evolution until May 2014)

In terms of performance in the 1H14, and when compared to 1H13, the following operating highlights should be noted for these regions:

- Consolidated **turnover** for the segment as whole decreased by 6.7%, driven mainly by the exchange rate devaluation impact, as consolidated **sales volumes** for the regions were relatively stable;
- The **average selling prices** registered a positive evolution in the semester, in both geographies, when compared to 1H13, particularly in the Canadian operations, with positive contribution from a higher share of melamine volumes. When comparing the 2Q14 with the previous quarter, prices have also registered an improved performance in Canada (up by 0.6%) but were slightly down in South Africa;
- **Average unitary variable costs (per m^3)**, increased in both regions, mostly as a result of higher chemical costs and some pressure felt from wood prices in the South African operations. When compared to previous quarter, unitary variable costs were reduced in Canada but again increased slightly in South Africa, driven also by higher chemical costs.

The combination of the above mentioned factors led to a decrease in the **recurrent EBITDA margin in the semester** to 12.5%. On a quarterly basis, recurrent EBITDA margin was up by 1.3 p.p. against 1Q14 to 13.1% in this quarter.

2. CONSOLIDATED FINANCIAL PERFORMANCE

2.1. CONSOLIDATED INCOME STATEMENT

P&L ACCOUNT Million euros	1H13 (a)	1H14	1H14 / 1H13 (a)	2Q13 (a)	1Q14	2Q14	2Q14 / 2Q13 (a)	2Q14 / 1Q14
Consolidated turnover	**626**	**589**	**(6%)**	**316**	**300**	**290**	**(9%)**	**(3%)**
Southern Europe*	255	237	(7%)	130	125	111	(14%)	(11%)
Northern Europe*	259	241	(7%)	130	124	117	(10%)	(5%)
Rest of the World*	134	125	(7%)	68	58	67	(2%)	14%
Other operational income	13	24	86%	7	7	17	-	-
EBITDA	**35**	**37**	**8%**	**19**	**11**	**27**	**42%**	**-**
Recurrent EBITDA	**43**	**42**	**(4%)**	**22**	**16**	**26**	**16%**	**67%**
Southern Europe	11	5	(53%)	6	0	5	(9%)	-
Northern Europe	13	21	56%	8	9	12	56%	40%
Rest of the World	19	16	(18%)	9	7	9	(3%)	28%
Recurrent EBITDA Margin %	**6.9%**	**7.1%**	**0.2 pp**	**7.1%**	**5.2%**	**9.0%**	**1.9 pp**	**3.8 pp**
Depreciation and amortisation	(36)	(35)	2%	(18)	(18)	(17)	4%	5%
Provisions and impairment Losses	7	(10)	-	4	(4)	(6)	-	(61%)
Operational profit	**7**	**(7)**	**-**	**5**	**(11)**	**4**	**(20%)**	**(138%)**
Net financial charges	(30)	(29)	3%	(15)	(14)	(15)	3%	(2%)
o.w. Net interest charges	(18)	(19)	(9%)	(9)	(9)	(10)	(8%)	(6%)
o.w. Net exchange differences	(1)	1	-	(0)	0	1	-	-
o.w. Net financial discounts	(8)	(7)	10%	(4)	(3)	(3)	11%	(4%)
Share in results of Joint Ventures		(1)	-	(1)	(0)	(1)	(27%)	76%
Profit before taxes continued operat. (EBT)	**(25)**	**(37)**	**(46%)**	**(11)**	**(26)**	**(11)**	**(1%)**	**(56%)**
Taxes	(4)	(1)	-	(2)	(1)	(0)	95%	87%
o.w. Current tax	(3)	(3)	22%	(2)	(1)	(1)	35%	(1%)
o.w. Deferred tax	(1)	2	-	0	1	1	-	-
Profit / (loss) from continued operations	**(29)**	**(38)**	**(29%)**	**(13)**	**(27)**	**(11)**	**(15%)**	**(57%)**
Losses (income) attrib. to minority interests	(0)	(0)	(12%)	(0)	(0)	(0)	(92%)	(97%)
Net profit/(loss) attributable to Shareholders	**(29)**	**(38)**	**(29%)**	**(13)**	**(26)**	**(11)**	**(15%)**	**(57%)**

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

Notwithstanding the reduced level of profitability registered in the first quarter of 2014, consolidated EBITDA for 1H14 was 2 million euros above the value of 1H13, deu to the improvements achieved in the second quarter of 2014. Total EBITDA for 2Q14 reached 27 million euros (8 million euros above same period in 2013 and 16 million euros above the 1Q14). 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. In addition, it should be noted that the EBITDA figure in the quarter was positively impacted by non-recurrent gains associated with the sale of assets (two French plants and part of the Solsona production equipment). These positive effects fully compensated the non-recurrent costs, thus leading to a net effect of 1 million euros in non-recurrent EBITDA.

Total recurrent EBITDA in the quarter was of 26 million euros and 42 million euros in the 1H14, just one million behind the level registered in the same period in 2013. The continued devaluation of both CAD and ZAR continued to have a combined negative impact of 2.4 million euros, when compared to 1H13.

Depreciation costs for the quarter were 17.2 million euros, slightly below the value registered in the 1Q14, as a result of the impact of the asset sales. Provisions registered in this quarter amounted to circa 6 million euros and are essentially related with the ongoing closure of the plant in Pontecaldelas (Spain) and the particleboard operations in Horn (Germany).

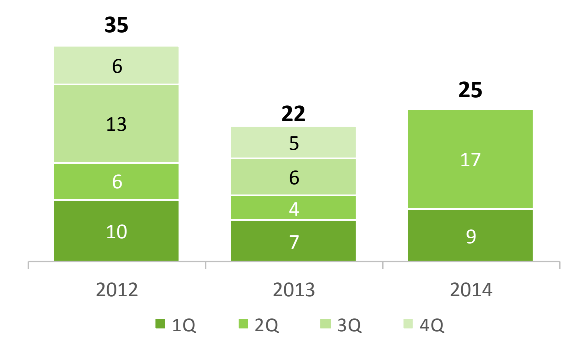
Net Financial charges in 1H14 were lower by 3%, when compared to previous year, thanks to the positive impact from a lower level of net financial discounts and positive contribution from net exchange rate differences. However, net interest expenses continued to increase, as a direct consequence of a higher average cost of debt, which stood at approximately 6% during the 1H14, 0.5 p.p. above the level registered in the 1H13.

Current tax charges registered in the 1Q14 were 1.4 million euros, in line with the amount registered in the previous quarter.

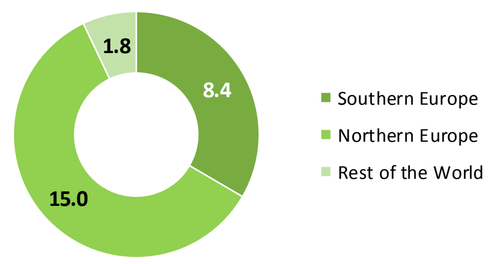
The combination of the above factors led to a consolidated Net loss of 11 million euros in the quarter, an improvement of 2 million euros y.o.y. and of 16 million euros when compared to the previous quarter.

2.2. CAPEX

Additional fixed assets Million euros



1H14 | Additional fixed assets per region Million euros



The value of additions to fixed assets reported this quarter 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 17 million euros in the 2Q14, which compares with 4 million euros during the same period in 2013. The major part of this amount is associated with the planned 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 recycling facilities in Nettgau, our largest plant in Europe. These investments are expected to be completed by the fall of 2014, with the phase of production tests having already started at the Oliveira do Hospital plant during July.

From the total 25 million euros spent in investments during the 1H14, circa 14 million euros are related with recurrent investments in maintenance and health & safety improvements.

2.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BALANCE SHEET Million euros	1H13 (a)	2013	2013 (a)	1Q14	1H14
Non current assets	**885**	**940**	**939**	**923**	**922**
Tangible assets	740	811	791	777	774
Goodwill	90	82	82	82	82
Deferred tax asset	22	34	33	32	34
Other non current assets	33	13	32	31	33
Current assets	**323**	**302**	**292**	**326**	**306**
Inventories	122	123	118	113	112
Trade debtors	166	121	118	159	146
Cash and cash equivalents	12	27	27	24	16
Other current assets	23	30	29	29	32
Non-current assets held for sale	**4**	**4**	**4**	**0**	**0**
Total assets	**1,212**	**1,246**	**1,235**	**1,249**	**1,228**
Shareholders' Funds	**96**	**127**	**127**	**97**	**89**
Equity Holders	97	128	128	99	90
Minority interests	(1)	(1)	(1)	(1)	(1)
Liabilities	**1,116**	**1,119**	**1,108**	**1,151**	**1,139**
Interest bearing debt	692	705	702	709	695
Long to medium term	358	275	275	212	192
Short term	334	430	427	497	503
Trade creditors	171	156	153	165	162
Other liabilities	254	257	253	277	282
Total Shareholders'Funds and liabiliti	**1,212**	**1,246**	**1,235**	**1,249**	**1,228**
Net debt	**680**	**678**	**675**	**701**	**696**
Net debt to LTM recurrent EBITDA**	**7.9 x**	**8.4 x**	**8.5 x**	**9.4 x**	**8.9 x**
Working Capital	**117**	**88**	**82**	**107**	**96**

**LTM: last twelve months
(a) Restated, consolidating the investment in joint venture companies according to the Equity Method.

At the end of the 1H14, when comparing to previous periods, the value of the company's consolidated assets and liabilities was impacted by the sale of the two French plants of Auxerre and Le Creusot. The sale price was close to the registered book value of those assets, and as such, the positive impact considered in the 2Q14 results was of circa 2.8 million euros.

It should also be noted that as the investments in joint ventures are now consolidated under the Equity method, the net value of their assets and liabilities is now considered in the item "Other non-current assets".

When compared to end of 1Q14, consolidated working capital decreased by 11 million euros to 96 million euros as at June 2014, due to reduced levels of trade debtors in Germany and France, driven by improvements in the average collection period. When compared to June 2013, working capital decreased by 21 million euros, partially as a result of the disposal of the two French assets.

Net debt decreased by 5 million Euros against the previous quarter, to 696 million euros at the end of the 1H14, but was 16 million euros above the value registered at the end of the 1H13.

The combination of the improved level of recurrent EBITDA with the reduced level of Net Debt lead to an improvement of the Net Debt to Recurrent EBITDA ratio to 8.9x (vs. 9.4x at March 2014).

Total Shareholder's Funds for the quarter were negatively impacted by the net losses registered in the period (11 million euros).

3. SUBSEQUENT EVENTS

On **16 July,** Sonae Industria, SGPS, SA announced that its subsidiary company Tafisa Canada Inc. completed a new medium-long term financing transaction, with a group of local reference credit institutions, in the amount of 90 million Canadian dollars. This new local financing has a five-year maturity and allows Tafisa Canada Inc. to fully fund its business plan. Additionally it has allowed an additional capital distribution to other entities of the Sonae Indústria Group, in the amount of 40 million Canadian dollars.

4. LOOKING FORWARD

In the third quarter of the year, we expect the consolidated sales performance to be impacted by the holiday period and the usual seasonal effect of the operational maintenance shutdowns of most of our plants in the northern hemisphere.

We will continue to face some challenges in the second half of the year, especially in terms of input prices and availability of wood. Nevertheless, 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.

In terms of our capital structure, we expect to complete our announced plans for the recapitalization of the business and refinancing agreements for a substantial part of our debt during 2H14.

29th July 2014

The Board of Directors

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Belmiro Mendes de Azevedo

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Rui Correia

Paulo Azevedo

Chris Lawrie

Albrecht Ehlers

Jan Bergmann

Javier Veja

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

APPENDICES IN ACCORD WITH ART 9 AND 14 OF CMVM REGULATION 5/2008

STATEMENT IN ACCORD WITH ART 246 CMVM CODE

Complying with Article 9, No. 1, a) of the CMVM Regulation No. 5/2008

		Acquisitions		Sales		Balance at 30.06.2014
	Date	amount	€ average value	amount	€ average value	amount
Belmiro Mendes de Azevedo						
Efanor Investimentos, SGPS, SA **(1)**						49,999,997
(1 share is held by the spouse)						
Sonae Indústria, SGPS, SA						1,010
(held by the spouse)						
Duarte Paulo Teixeira de Azevedo						
Efanor Investimentos, SGPS, SA **(1)**						1
Migracom, SGPS, SA **(2)**						1,999,996
Rui Manuel Gonçalves Correia						
Sonae Indústria, SGPS, SA						69,952
Acquisition	12-06-2014	50,452	0,458*			
(Acquisition resulting from the allocation of shares under the Medium Term Incentive Plan)						
Agostinho Conceição Guedes						
Sonae Indústria, SGPS, SA						2,520

		Acquisitions		Sales		Balance at 30.06.2014
	Date	amount	€ average value	amount	€ average value	amount
(1) Efanor Investimentos, SGPS, SA						
Sonae Indústria, SGPS, SA						44,780,000
Pareuro, BV **(3)**						5,583,100
(2) Migracom, SGPS, SA						
Sonae Indústria, SGPS, SA						90,000
Imparfim, SGPS, SA **(4)**						150,000
(3) Pareuro, BV						
Sonae Indústria, SGPS, SA						27,118,645
(4) Imparfin, SGPS, SA						
Sonae Indústria, SGPS, SA						278,324

QUALIFIED SHAREHOLDINGS

Complying with Article 9 No.1 c) of the the CMVM Regulation no. 05/2008

Shareholder	No. of shares	% Share Capital	% Voting rights
Efanor Investimentos, SGPS, SA (*)			
Directly	44,780,000	31.9857%	31.9857%
By Pareuro, BV (controlled by Efanor)	27,118,645	19.3705%	19.3705%
By Maria Margarida CarvalhaisTeixeira de Azevedo (Director of Efanor)	1,010	0.0007%	0.0007%
By Migracom, SGPS,SA (Company controlled by Efanor´s Director, Paulo Azevedo)	90,000	0.0643%	0.0643%
By Linhacom, SGPS,SA (Company controlled by Efanor´s Director, Cláudia Azevedo)	23,186	0.0166%	0.0166%
Total allocation	72,012,841	51.4377%	51.4377%

(*) Under the terms of paragraph b) of no. 1 of Article 20 and of no. 1 of Article 21 of the Portuguese Securities Code, Belmiro Mendes de Azevedo is the ultimate beneficial owner, since he holds around 99% of the share capital and voting rights of Efanor Investimentos SGPS, SA, which, in her turn, is the dominant company of Pareuro BV.

Complying with Article14, No. 7, of the CMVM Regulation No. 5/2008

	Date	Acquisitions amount	Acquisitions € average value	Sales amount	Sales € average value	Balance at 30.06.2014 amount
Rui Manuel Gonçalves Correia						
Sonae Indústria, SGPS, SA						69,952
Acquisition	12-06-2014	50,452	0,458*			
(Acquisition resulting from the allocation of shares under the Medium Term Incentive Plan)						

*** Reference price applicable to the transaction**

Statement issued under the terms and for the purpose of sub-paragraph c) of no. 1 of Article 246 of the Portuguese Securities Code
(Free translation from the original in Portuguese)

In terms of the order in sub-paragraph c), no. 1, Article 246 of the Portuguese Securities Code, the Board members of Sonae Indústria, SGPS, SA hereby declare, to the best of our knowledge, that the:

a) The condensed financial statements for six month period ended 30 June 2014 have been prepared in accordance with the applicable accounting standards, reflecting a true and fair view of the assets, liabilities, financial position and results of both the company and its affiliated companies included in consolidation perimeter; and
b) The interim Management Report includes a review of the important events that have occurred in the first six months of 2014 year and their effect on the financial statements, as well as a description of the main risks and uncertainties for the remaining part of the year.

Belmiro Mendes de Azevedo

Duarte Paulo Teixeira de Azevedo

Albrecht Olof Lothar Ehlers

Javier Vega de Seoane Azpilicueta

Rui Manuel Gonçalves Correia

Jan Kurt Bergmann

George Christopher Lawrie

Consolidated Financial Statements

SONAE INDÚSTRIA, S.G.P.S., S.A.

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

(Amounts expressed in Euros)

ASSETS	Notes	30.06.2014	31.12.2013 Restated	01.01.2013 Restated
NON CURRENT ASSETS:				
Tangible fixed assets	8	773 850 087	791 474 128	780 835 070
Goodwill		81 889 981	81 840 163	92 496 051
Intangible assets		9 332 174	7 398 158	7 062 528
Investment properties		1 246 827	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	4 462 737	5 638 909	9 008 848
Investment available for sale		1 115 491	1 108 824	1 091 540
Deferred tax asset		33 597 486	33 241 208	24 096 895
Other non current assets	9	15 149 342	15 248 819	15 564 646
Total non current assets		921 988 716	938 785 851	933 731 639
CURRENT ASSETS:				
Inventories		112 240 199	118 045 777	124 338 267
Trade debtors		146 145 492	117 503 156	136 607 907
Other current debtors		9 659 445	5 561 605	13 807 903
State and other public entities		10 828 227	10 013 586	7 716 843
Other current assets	10	11 235 439	13 894 674	12 453 768
Cash and cash equivalents	11	15 641 781	26 988 389	22 795 232
Total current assets		305 750 583	292 007 187	317 719 920
Non-current assets held for sale	12		4 318 092	4 411 224
TOTAL ASSETS		1 227 739 299	1 235 111 130	1 255 862 783

SHAREHOLDERS`FUNDS, NON-CONTROLLING INTERESTS AND LIABILITIES

	Notes	30.06.2014	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		- 686 828 104	- 647 867 883	- 569 867 023
Accumulated other comprehensive income	13	73 538 796	72 681 459	- 380 018
Total		89 842 449	127 945 333	132 884 716
Non-controlling interests		- 928 194	- 795 247	- 939 705
TOTAL SHAREHOLDERS`FUNDS		88 914 255	127 150 086	131 945 011
LIABILITIES:				
NON CURRENT LIABILITIES:				
Bank loans - net of current portion	14	58 471 419	123 145 528	128 275 420
Non convertible debentures	14	104 062 981	118 908 927	248 344 033
Finance lease creditors - net of current portion	14	26 736 418	30 153 351	36 192 908
Other loans	14	3 107 846	2 553 262	78 868 673
Post-retirement liabilities		25 103 264	25 651 828	27 679 582
Other non current liabilities	15	43 895 203	54 031 408	62 895 948
Deferred tax liabilities		71 890 875	72 647 868	59 123 409
Provisions	17	14 604 469	7 352 456	7 356 628
Total non current liabilities		347 872 475	434 444 628	648 736 601
CURRENT LIABILITIES:				
Current portion of non-current bank loans	14	22 320 547	22 165 408	92 193 562
Current bank loans	14	328 969 021	198 547 978	37 381 104
Current portion of non-current non convertible debentures	14	79 990 289	129 918 927	55 000 000
Current portion of non-current finance lease creditors	14	6 041 421	5 558 615	4 114 170
Other loans	14	65 356 616	70 902 123	4 060 098
Trade creditors		161 891 592	153 098 712	171 923 831
Taxes and other contributions payable		13 267 850	12 186 237	14 028 311
Other current liabilities	14, 16	110 312 984	79 813 873	84 461 102
Provisions	17	2 802 249	1 324 543	12 018 993
Total current liabilities		790 952 569	673 516 416	475 181 171
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		1 227 739 299	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 JUNE 2014 AND 2013

(Amounts expressed in Euros)

	Notes	30.06.2014	2nd. Quarter 2014 Unaudited	30.06.2013 Restated Unaudited	2nd. Quarter 2013 Restated Unaudited
Sales	20, 23	586 464 121	288 025 318	624 255 465	315 598 479
Services rendered	20, 23	2 695 017	1 479 883	1 965 158	802 370
Other income and gains	19,20	24 437 894	17 167 089	13 116 689	6 653 822
Cost of sales	20	322 736 010	158 217 092	332 383 485	168 664 880
(Increase) / decrease in production	20	4 045 175	316 415	- 5 113 433	- 2 957 205
External supplies and services	20	154 590 888	74 615 107	168 418 074	84 322 997
Staff expenses	20	88 142 904	42 800 790	101 250 600	50 256 179
Depreciation and amortisation	8	35 366 504	17 221 250	36 047 011	17 972 458
Provisions and impairment losses (increase / reduction)	17, 20	9 634 950	5 945 048	- 7 044 965	- 3 860 589
Other expenses and losses	20	5 904 558	3 330 669	6 765 674	3 369 554
Operating profit / (loss)	23	- 6 823 957	4 225 919	6 630 866	5 286 397
Financial expenses	21	30 812 550	15 589 820	32 319 473	15 550 010
Financial income	21	1 970 301	1 038 223	2 709 348	599 961
Gains and losses in associated companies	6	- 222 095	- 222 095	- 686 481	- 686 481
Gains and losses in joint ventures	5	- 1 151 167	- 733 736	- 1 640 561	- 1 009 391
Gains and losses in investments					
Net profit/(loss) from continuing operations, before taxation		- 37 039 468	- 11 281 509	- 25 306 301	- 11 359 524
Taxation	22	941 114	110 499	4 159 675	2 070 948
Consolidated net profit / (loss) from continuing operations, afer taxation		- 37 980 582	- 11 392 008	- 29 465 976	- 13 430 472
Profit / (loss) from discontinued operations, after taxation					
Consolidated net profit / (loss) for the period		- 37 980 582	- 11 392 008	- 29 465 976	- 13 430 472
Attributable to:					
Equity Holders of Sonae Industria					
Continuing operations		- 37 659 935	- 11 382 562	- 29 179 807	- 13 317 661
Discontinuing operations					
Equity Holders of Sonae Industria		- 37 659 935	- 11 382 562	- 29 179 807	- 13 317 661
Non-controlling interests					
Continuing operations		- 320 647	- 9 446	- 286 169	- 112 811
Discontinuing operations					
Non-controlling interests		- 320 647	- 9 446	- 286 169	- 112 811
Profit/(Loss) per share					
Fom continuing operations:					
Basic		- 0.2690	- 0.0813	- 0.2084	- 0.0951
Diluted		- 0.2690	- 0.0813	- 0.2084	- 0.0951
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 JUNE 2014 AND 2013

(Amounts expressed in Euros)

	Notes	30.06.2014	2nd Quarter 2014	30.06.2013	2nd Quarter 2013
			Unaudited	Unaudited	Unaudited
Net consolidated profit / (loss) for the period (a)		**- 37 980 582**	**- 11 392 008**	**- 29 465 976**	**- 13 430 472**
Other consolidated comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Change in currency translation reserve		576 559	3 734 009	- 9 879 886	- 8 684 866
Change in fair value of available-for-sale financial assets		- 13 413	- 13 413	- 15 258	- 15 258
Income tax relating to items that may be reclassified					
Other consolidated comprehensive income for the period, net of tax (b)		**563 146**	**3 720 596**	**- 9 895 144**	**- 8 700 124**
Total consolidated comprehensive income for the period (a) + (b)		**- 37 417 436**	**- 7 671 412**	**- 39 361 120**	**- 22 130 596**
Total consolidated comprehensive income attributable to:					
Equity holders of Sonae Industria		- 37 107 880	- 7 711 445	- 38 955 388	- 21 912 453
Non-controlling interests		- 309 556	40 033	- 405 732	- 218 143
		- 37 417 436	**- 7 671 412**	**- 39 361 120**	**- 22 130 596**

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 JUNE 2014 AND 2013

(Amounts expressed in Euros)

	Note	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
					13			
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				-29 179 807		- 29 179 807	- 286 169	- 29 465 976
Other consolidated comprehensive income for the period					-9 775 581	- 9 775 581	- 119 563	- 9 895 144
Total - restated				-29 179 807	-9 775 581	-38 955 388	- 405 732	-39 361 120
Share-based payment plan								
Others				- 200 575		- 200 575	- 133	- 200 708
Balance as at 30 June 2013 - restated		700 000 000	3 131 757	-599 247 405	-10 155 599	93 728 753	-1 345 570	92 383 183

	Note	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
					13			
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				-37 659 935		- 37 659 935	- 320 647	- 37 980 582
Other consolidated comprehensive income for the period					552 055	552 055	11 091	563 146
Total				-37 659 935	552 055	- 37 107 880	- 309 556	- 37 417 436
Share-based payment plan				99 607		99 607	410	100 017
Change in ownership interest				- 676 286	305 282	- 371 004	371 004	
Others				- 723 607		- 723 607	- 194 805	- 918 412
Balance as at 30 June 2014		700 000 000	3 131 757	-686 828 104	73 538 796	89 842 449	- 928 194	88 914 255

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 JUNE 2014 AND 2013

(Amounts expressed in Euros)

	Notes	30.06.2014	30.06.2013 Unaudited Restated
OPERATING ACTIVITIES			
Receipts from trade debtors		549 104 002	583 905 696
Payments to trade creditors		462 493 604	483 966 680
Payments to staff		89 492 126	102 261 808
Net cash flow from operations		- 2 881 728	- 2 322 792
Payment / (receipt) of corporate income tax		4 783 022	2 691 450
Other receipts / payments relating to operating activities		6 858 811	9 251 467
Net cash flow from operating activities (1)		- 805 939	4 237 225
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments			66 514
Tangible and intangible assets		16 557 661	2 980 406
Investment subventions		717 896	61 661
Dividends		25 000	
Non-current assets held for sale	12	4 382 892	
		21 683 449	3 108 581
Cash Payments arising from:			
Investments		723	
Tangible and intangible assets		19 581 398	10 669 719
		19 582 121	10 669 719
Net cash used in investment activities (2)		2 101 328	- 7 561 138
FINANCING ACTIVITIES			
Cash receipts arising from:			
Interest and similar income		351 424	392 459
Loans obtained		1 470 381 016	1 481 532 150
		1 470 732 440	1 481 924 609
Cash Payments arising from:			
Interest and similar charges		22 253 568	20 625 263
Loans obtained		1 459 491 898	1 437 597 843
Finance leases - repayment of principal		2 933 299	2 407 011
Others		2 187	74 514
		1 484 680 952	1 460 704 631
Net cash used in financing activities (3)		- 13 948 512	21 219 978
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		- 12 653 123	17 896 065
Effect of foreign exchange rate		64 528	- 300 209
Cash and cash equivalents at the beginning of the period	11	20 940 411	- 14 585 872
Cash and cash equivalents at the end of the period	11	8 222 760	3 610 402

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 JUNE 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 period ended 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 31 March 2014, 30 June 2013 and 31 March 2013 were not subject to a limited revision carried out 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. <u>Changes to accounting standards</u>

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and with Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC), applicable to the period beginning 1 January 2014 and endorsed by the European Union.

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

IFRS 14 (new), Regulatory Deferral Accounts (applicable for periods beginning on or after 1 January 2016). This standard, which is still subject to endorsement by European Union, allow 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 standard is still subject to endorsement by European Union. 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 June 2014 the following accounting standards, which were issued and endorsed by the European Union at 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:

	30.06.2014		31.12.2013		30.06.2013	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
Great Britain Pound	0.8015	0.8214	0.8337	0.8489	0.8572	0.8505
South African Rand	14.4592	14.6671	14.5666	12.7730	13.0702	12.0846
Canadian Dollar	1.4589	1.5027	1.4671	1.3669	1.3714	1.3332
American Dollar	1.3658	1.3707	1.3791	1.3275	1.3080	1.3125
Swiss Franc	1.2156	1.2214	1.2276	1.2308	1.2338	1.2296

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:

	30.06.2013 PROP (a)	30.06.2013 EQ (b)	Var. (b) - (a)
Sales	639 865 317	624 255 465	- 15 609 852
Services rendered	1 778 570	1 965 158	186 588
Other income and gains	13 716 861	13 116 689	- 600 172
Cost of sales	339 129 605	332 383 485	- 6 746 120
(Increase) / decrease in production	- 6 106 620	- 5 113 433	993 187
External supplies and services	174 982 854	168 418 074	- 6 564 780
Staff expenses	104 275 814	101 250 600	- 3 025 214
Depreciation and amortisation	37 719 974	36 047 011	- 1 672 963
Provisions and impairment losses (increase / decrease)	- 7 044 489	- 7 044 965	- 476
Other expenses and losses	6 863 558	6 765 674	- 97 884
Operational profit / (loss)	5 540 052	6 630 866	1 090 814
Finance net profit/(loss)	- 30 159 872	- 29 610 125	549 747
Gains and losses in associated companies	- 686 481	- 686 481	
Gains and losses in joint ventures		- 1 640 561	- 1 640 561
Gains and losses in investments			
Net profit / (loss) from continuing operations, before taxation	- 25 306 301	- 25 306 301	
Taxation	4 159 675	4 159 675	
Net profit / (loss) from continuing operations, after taxation	- 29 465 976	- 29 465 976	
Net profit / (loss) from descontinued operations, after taxation			
Consolidated net profit / (loss) for the period	- 29 465 976	- 29 465 976	
Attributable to:			
Equity Holders of Sonae Industria	- 29 179 807	- 29 179 807	
Attributable to:			
Non-controlling interests	- 286 169	- 286 169	

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
	30.06.2013
Published	95 595 238
Amendment to IAS 19 - remeasurements	-3 212 055
Restated	92 383 183

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 June 2014 the subsidiaries Tafisa Investissement and Tafisa Participation were dissolved with no relevant effects on these consolidated financial statements.

5. JOINT VENTURES

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

COMPANY	HEAD OFFICE	PERCENTAGE OF CAPITAL HELD			
		30.06.2014		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:

	30.06.2014		31.12.2013	
	Laminate Park	Tecmasa, Reciclados de Andalucia	Laminate Park	Tecmasa, Reciclados de Andalucia
Non-current assets	39 269 991	234 750	41 466 898	250 141
Current assets	24 739 123	386 801	19 754 292	407 493
Non-current liabilities	33 468 589		33 786 589	
Current liabilities	22 128 172	104 399	16 698 738	111 652
Operating revenues	41 077 638	251 911	82 050 724	529 667
Operating costs	42 311 542	230 463	96 042 248	433 175
Net profit/(loss) from continuing operations	-2 323 510	21 170	-9 475 061	73 108

6. ASSOCIATED COMAPNIES

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

COMPANY	HEAD OFFICE	PERCENTAGE OF CAPITAL HELD			
		30.06.2014		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:

	30.06.2014	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 30.06.2014 and 31.12.2013, respectively. The Company estimate that no significant effect arises from this time difference.

7. INVESTMENTS

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

	30.06.2014	31.12.2013 Restated
Investment in joint ventures		
Opening balance	5 638 909	9 008 848
Effect of equity method application	-1 176 172	-3 369 939
Closing balance	4 462 737	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 June 2014 and 31 December 2013, movements in tangible assets, accumulated depreciation and impairment losses were as follows:

	30.06.2014	31.12.2013 Restated
Gross cost:		
Opening balance	2 437 445 591	2 137 978 726
Capital expenditure	25 125 271	22 128 751
Disposals	140 766 390	28 007 802
Revaluation		364 778 071
Transfers and reclassifications	129 019	221 665
Exchange rate effect	2 883 061	- 59 653 820
Closing balance	2 324 816 552	2 437 445 591
Accumulated depreciation and impairment losses		
Opening balance	1 645 971 463	1 357 143 659
Depreciations for the period	34 264 059	69 075 494
Impairment losses for the period	10 187	37 741 500
Disposals	130 152 206	20 076 078
Revaluation		236 815 660
Reversion of impairment losses for the period	504 158	6 736 192
Transfers and reclassifications	818	
Exchange rate effect	1 376 302	- 27 992 580
Closing balance	1 550 966 465	1 645 971 463
Carrying amount	773 850 087	791 474 128

Amounts disclosed as disposals in the period ended 30 June 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 were 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 June 2014 would be reduced by EUR 2 672 193.

At the closing date of these consolidated financial statements, mortgaged tangible fixed assets as a guarantee of the Group's liabilities amounted to EUR 161 671 004 (EUR 167 568 888 at 31 December 2013).

9. OTHER NON-CURRENT ASSETS

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

	30.06.2014			31.12.2013		
	Gross Value	Impairment	Net Value	Gross Value	Impairment	Net Value
					Restated	
Trade debtors and other debtors	972 646		972 646	1 072 123		1 072 123
Loans to related parties	25 106 182	10 931 182	14 175 000	25 106 182	10 931 182	14 175 000
Financial Instruments	26 078 828	10 931 182	15 147 646	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	26 080 524	10 931 182	15 149 342	26 180 001	10 931 182	15 248 819

Loans to related parties consist of a loan to the jointly-controlled company Laminate Park Gmbh & Co. KG for EUR 14 175 000, at 30 June 2014 and 31 December 2013. This loan matures 30 June 2015.

10. OTHER CURRENT ASSETS

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

	30.06.2014			31.12.2013		
	Gross Value	Impairment	Net Value	Gross Value	Impairment	Net Value
				Restated	Restated	Restated
Derivatives instruments	16 003		16 003	77 618		77 618
Financial Instruments	16 003		16 003	77 618		77 618
Accrued income	3 997 893		3 997 893	6 252 674		6 252 674
Deferred expenses	7 221 543		7 221 543	7 564 382		7 564 382
Assets out of scope of IFRS 7	11 219 436		11 219 436	13 817 056		13 817 056
Total	11 235 439		11 235 439	13 894 674		13 894 674

11. CASH AND CASH EQUIVALENTS

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

	30.06.2014	31.12.2013
		Restated
Cash at Hand	57 428	53 319
Bank Deposits and Other Treasury Applications	15 584 353	26 935 070
Cash and Cash Equivalents on the Balance Sheet	15 641 781	26 988 389
Bank Overdrafts	7 419 021	6 047 978
Cash and Cash Equivalents on the Statement of Cash Flows	8 222 760	20 940 411

12. NON-CURRENT ASSETS HELD FOR SALE

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

13. 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	-9 760 508	- 15 073					-9 775 581
Others							
Balance as at 30 June 2013 - restated	-7 061 364	78 743		-4 019 786		- 846 808	-10 155 599

	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	565 349	- 13 294					552 055
Change in ownership interest	30 683	295	390 943	- 10 067	4 567	111 139	305 282
Balance as at 30 June 2014	-15 900 814	75 951	126 907 220	-3 208 809	1 376 524	35 711 276	73 538 796

14. LOANS

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

	30.06.2014				31.12.2013			
	Amortised cost		Nominal value		Amortised cost		Nominal value	
	Current	Non current	Current	Non current	Current Restated	Non current Restated	Current Restated	Non current Restated
Bank loans	351 289 568	58 471 419	351 969 798	58 784 213	220 713 386	123 145 528	221 706 044	123 649 568
Debentures	79 990 289	104 062 981	80 000 000	105 000 000	129 918 927	118 908 927	130 000 000	120 000 000
Obligations under finance leases	6 041 421	26 736 418	6 041 421	26 736 418	5 558 615	30 153 351	5 558 615	30 153 351
Other loans	65 356 616	3 107 846	66 024 843	3 107 846	70 902 123	2 553 262	71 656 925	2 553 261
Loans from related parties (note 16)	16 666 666		16 666 666					
Gross debt	519 344 560	192 378 664	520 702 728	193 628 477	427 093 051	274 761 068	428 921 584	276 356 180
Cash and cash equivalent in balance sheet	15 641 781		15 641 781		26 988 389		26 988 389	
Net debt	503 702 779	192 378 664	505 060 947	193 628 477	400 104 662	274 761 068	401 933 195	276 356 180
Total net debt	696 081 443		698 689 424		674 865 730		678 289 375	

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

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

b) 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. This programme will mature in September 2014. At 30 June 2014 there was commercial paper issued for EUR 12 500 000 (at 31 December 2013 there was no commercial paper issued under this programme);

c) In July 2011 Tafisa Canada Inc. contracted a loan with a syndicate of financial institutions from North America. At 30 June 2014 outstanding principal amounted to CAD 36 901 389 (EUR 25 294 057). In July 2014 this loan was replaced by a new one with a maximum amount of CAD 90 000 000, redeemable in five years by means of a quarterly reduction in maximum amount available;

d) In June 2013 Sonae Indústria, SGPS, SA contracted with a Portuguese financial institution a commercial paper programme for a maximum nominal amount of EUR 25 000 000. This programme matures in December 2014. At 30 June 2014 there was commercial paper issued for the programme's maximum amount (at 31 December 2013 there was no commercial paper issued under this programme);

e) 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. This programme matures in September 2014. At 30 June 2014 and 31 December 2013 there was commercial paper issued for the programme's maximum amount;

f) 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 is not underwritten. The programme matures in June 2018. At 30 June 2014 there was commercial paper issued under this programme for EUR 79 400 000 (EUR 57 500 000 at 31 December 2013);

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

At 30 June 2014, other assets pledged as guarantee of the Group's liabilities amounted to EUR 60 021 788.

14.2. Bond Issues

In March 2014 the Company fully repaid Sonae Industria 2006/2014 Bonds, issued March 2006 for EUR 50 000 000, to be repaid on maturity date.

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

14.3. Other loans

a) At 30 June 2014 loans recognized under the securitization facility contracted with ING Bank Belgium SA/NV and with Finacity Corporation amounted to EUR 59 818 403 (EUR 65 394 544 at 31 December 2013). This loan matures after a six-year period and will be renewed October 2014.

Trade debtors for the amount of EUR 85 658 802 (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 June 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 4 813 447 (EUR 3 971 220 at 31 December 2013).

Trade debtors for the amount of EUR 5 901 528 (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.

15. OTHER NON-CURRENT LIABILITIES

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

		30.06.2014	31.12.2013
			Restated
Other creditors		12 537 895	18 803 578
	Financial instruments	12 537 895	18 803 578
Other creditors		31 357 308	35 227 830
	Liabilities out of scope of IFRS 7	31 357 308	35 227 830
	Total	43 895 203	54 031 408

16. OTHER CURRENT LIABILITIES

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

	30.06.2014	31.12.2013 Restated
Loans from related parties	16 666 666	
Derivatives	15 374	
Tangible fixed assets suppliers	9 733 281	4 132 686
Other creditors	8 705 123	6 918 134
Financial instruments	35 120 444	11 050 820
Other creditors	1 980 089	1 902 860
Accrued expenses:		
Insurances	509 960	194 182
Personnel costs	17 454 075	16 289 224
Accrued financial expenses	7 319 409	7 048 783
Rebates	15 902 091	17 140 989
External supplies and services	11 089 829	10 076 761
Other accrued expenses	10 458 843	8 039 729
Deferred income:		
Investment subventions	8 924 404	7 286 044
Other deferred income	1 553 840	784 481
Liabilities out of scope of IFRS 7	75 192 540	68 763 053
Total	110 312 984	79 813 873

17. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

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

	30.06.2014						
Description	Opening balance	Exchange rate effect	Increase	Utilization	Reversion	Other changes	Closing balance
Impairment losses:							
Tangible fixed assets	65 372 467		10 187		571 671	- 20 352 902	44 458 081
Goodwill	7 727 749	10 038					7 737 787
Intangible assets	19 242					3 923	23 165
Other non-current assets	10 931 182						10 931 182
Trade debtors	24 524 621	29 100	1 785 305		786 218	- 126 089	25 426 719
Other debtors	3 502						3 502
Subtotal impairment losses	108 578 763	39 138	1 795 492		1 357 889	- 20 475 068	88 580 436
Provisions:							
Litigations in course	2 063 278					11 108	2 074 386
Warranties to customers	631 793	215					632 008
Restructuring	562 548	12 356	9 699 835	349 488			9 925 251
Other	5 419 380		45 549	689 856			4 775 073
Subtotal provisions	8 676 999	12 571	9 745 384	1 039 344		11 108	17 406 718
Subtotal impairment losses and provisions	117 255 762	51 709	11 540 876	1 039 344	1 357 889	- 20 463 960	105 987 154
Other losses:							
Investments	36 985 875						36 985 875
Write-down to net realizable value of inventories	6 708 160	966	1 393 490		2 783 163	- 1 144 843	4 174 610
Total	160 949 797	52 675	12 934 366	1 039 344	4 141 052	- 21 608 803	147 147 639

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

	2014	
	Losses	Gains
Cost of sales	512 047	1 346 244
(Increase) / decrease in production	881 443	1 436 919
Provisions and impairment losses	11 495 327	1 860 377
Staf expenses	45 549	536 856
Total (Consolidated Income Statement)	12 934 366	5 180 396

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 June 2014.

Increase in restructuring provisions (EUR 9 699 835) refers to provisions that were recognized or increased in the context of ongoing restructuring processes in Spain, France and Germany.

18. RELATED PARTIES

Balances and flows with related parties are summarized as follows:

Balances	Accounts receivable		Accounts payable		Loans			
					Obtained		Granted	
	30.06.2014	31.12.2013 Restated	30.06.2014	31.12.2013 Restated	30.06.2014	31.12.2013	30.06.2014	31.12.2013 Restated
Other subsidiaries of the parent company	514 348	284 452	1 314 225	1 561 094	16 669 352			
Joint ventures	717 571	409 446	1 592 440	755 080			14 175 000	14 175 000

Transactions	Income		Expenditure		Interest income		Interest expenses	
	30.06.2014	30.06.2013 Restated	30.06.2014	30.06.2013 Restated	30.06.2014	30.06.2013 Restated	30.06.2014	30.06.2013 Restated
Other subsidiaries of the parent company	641 360	586 502	2 741 264	3 482 014			299 640	953 122
Joint ventures	3 262 582	4 705 331	8 037 234	6 445 802	270 589	224 625		

19. OTHER INCOME AND GAINS

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

	30.06.2014	30.06.2013 Restated
Gains on disposals of non current investments		66 515
Gains on disp. and write off of invest. prop., tang. and intang. assets	5 143 951	448 534
Supplementary revenue	7 903 547	4 878 516
Investment subventions	3 471 928	3 429 782
Tax received	3 778 066	2 544 333
Positive exchange gains	1 211 837	1 354 384
Others	2 928 566	394 625
	24 437 894	13 116 689

Gains on disposal of tangible fixed assets and intangible assets include approximately EUR 3 000 000 relating to assets from Auxerre and Le Creusot industrial plants, in France, which were sold in the period ended 30 June 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 from Auxerre and Le Creusot industrial plants, whose cost is recognized for the same amount under Cost of Sales, on the Consolidated Income Statement.

20. UNDERLYING AND NON-UNDERLYING ITEMS

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

				Restated		
	30.06.2014 Recurrent	30.06.2014 Non-recurrent	30.06.2014 Total	30.06.2013 Recurrent	30.06.2013 Non-recurrent	30.06.2013 Total
Sales	586 202 916	261 205	586 464 121	623 671 944	583 521	624 255 465
Services rendered	2 700 665	- 5 648	2 695 017	1 965 158		1 965 158
Other income and gains	14 841 287	9 596 607	24 437 894	11 458 521	1 658 168	13 116 689
Cost of sales	324 106 641	- 1 370 631	322 736 010	332 603 833	- 220 348	332 383 485
(Increase) / decrease in production	2 239 472	1 805 703	4 045 175	- 5 877 211	763 778	- 5 113 433
External supplies and services	150 657 037	3 933 851	154 590 888	166 257 934	2 160 140	168 418 074
Staff expenses	78 828 694	9 314 210	88 142 904	94 035 770	7 214 830	101 250 600
Impairment losses in trade debtors (increase/reduction)	1 000 124	- 1 037	999 087	1 113 434		1 113 434
Other expenses and losses	5 204 937	699 621	5 904 558	5 465 204	1 300 470	6 765 674
Operating profit/(loss) before amortization, depreciation, provisions and impairment losses (except trade debtors)	41 707 963	- 4 529 553	37 178 410	43 496 659	- 8 977 181	34 519 478

21. FINANCIAL RESULTS

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

	30.06.2014	30.06.2013 Restated
Financial expenses:		
Interest expenses		
related to bank loans and overdrafts	11 777 959	8 258 282
related to non convertible debentures	5 015 450	5 651 399
related to finance leases	1 730 967	1 946 273
others	1 073 690	2 185 034
	19 598 066	18 040 988
Losses in currency translation		
related to loans	287 110	2 691 397
	287 110	2 691 397
Cash discounts granted	7 295 350	7 723 544
Adjustment to fair value of financial instruments at fair value through profit or loss	224 253	150 467
Other finance losses	3 407 771	3 713 077
	30 812 550	32 319 473

	30.06.2014	30.06.2013 Restated
Financial income:		
Interest income		
related to bank loans	15 115	22 471
related to loans to related parties	270 589	224 625
Others	41 230	76 964
	326 934	324 060
Gains in currency translation		
related to loans	932 787	1 817 996
	932 787	1 817 996
Cash discounts obtained	516 907	198 860
Adjustment to fair value of financial instruments at fair value through profit or loss	150 069	298 966
Other finance gains	43 604	69 466
	1 970 301	2 709 348
Finance profit / (loss)	**- 28 842 249**	**- 29 610 125**

22. TAXES

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

	30.06.2014	30.06.2013 Restated
Current tax	2 724 675	3 474 987
Deferred tax	- 1 783 561	684 688
	941 114	4 159 675

23. 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 June 2014 and 2013, identifiable reportable segments were as follows:

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

	Turnover			
	External		Intersegment	
	30.06.2014	30.06.2013 Restated	30.06.2014	30.06.2013 Restated
Northern Europe	229 907 936	241 843 271	13 860 508	19 112 738
Southern Europe	231 753 438	248 020 359	9 708 695	13 074 027
Rest of the world	127 497 764	136 356 993		
Total segments	589 159 138	626 220 623	23 569 203	32 186 765

	Operating net profit (loss)	
	30.06.2014	30.06.2013
Northern Europe	-1 379 583	2 544 931
Southern Europe	-12 868 988	-5 721 925
Rest of the world	7 424 614	9 807 860
Total segments	-6 823 957	6 630 866

24. SUBSEQUENT EVENTS

Liquidity risk is described on note 2.24 c) to the consolidated financial statements for the period ended 31 December 2013.

As for long term financing solutions and support from the company's shareholders and from the main lending banks described on note 27.1 to the aforementioned financial statements, negotiations with two main banks have resulted in enhanced conditions and extension in maturity of a substantial portion of the Group's debt, conditional to the ongoing share capital increase. Public offering depends on the approval of the related prospectus by the Stock Exchange Commission (CMVM). Majority shareholder, Efanor Investimentos, SGPS, SA, informed about its intention to participate in this share capital increase until a maximum amount of EUR 150 million by subscribing for the proportion to its present share.

In the context of the Group's debt refinancing, as described in note 14, subsidiary Tafisa Canada concluded on July 2014 a long term financing facility (5 years) amounting to CAD 90 million (EUR 62 million).

25. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issuance 29 July 2014.

LIMITED REVIEW REPORT

Limited Review Report Prepared by Auditor Registered with the Securities Market Commission (CMVM) on the Consolidated Half Year 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 six-month period ended 30 June 2014 of Sonae Industria, SGPS, SA. included in the consolidated Directors' Report, consolidated statement of financial position (which shows total assets of Euro 1,227,739,299 and total shareholders' equity of Euro 88,914,255, including negative non-controlling interests of Euro 928,194 and a net loss of Euro 37,980,582), 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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Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 9077

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: (a) 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 half year 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 six-month period ended 30 June 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.

Emphasises

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 June 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 24 of the Notes to the consolidated financial statements, at the end of 2013, discussions were being held with the main creditor banks to determine alternatives for achieving long term financing solutions for the group to implement its strategic plan, which are still in course. It is Directors' expectation that the equity capital increase will occur as planned and that the equity injection, together with the negotiations in course with the major banks, will enable the group to solve its commitments and continue its activity.

29 July 2014

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda
Registered in the Comissão do Mercado de Valores Mobiliários with no. 9077
represented by:

Hermínio António Paulos Afonso, R.O.C.