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: € 812 107 574.17
Publicly Traded Company

ACTIVITY REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS

JANUARY – SETEMBER 2015

ACCORDING TO THE INTERNATIONAL ACCOUNTING STANDARD 34 – INTERIM FINANCIAL REPORT

CONTENTS

ACTIVITY REPORT

CEO MESSAGE

With the completion of the restructuring of our industrial footprint in the beginning of July, we can now focus our core strengths and key capabilities on further implementing and developing our operational strategic initiatives.

In this respect, at the beginning of October, we launched our new Innovus® 2015 collection. This decorative collection includes more products, with an additional offer of finishings and a larger selection of special products, under a single brand, Innovus®. This is an important step in the consolidation of our product offer under one stronger brand, better positioning our product portfolio in the markets where we operate. We are working in other marketing and commercial initiatives that, over time, will allow us to continue to grow, particularly in value added products and thus improve our profitability.

It is important to highlight that the growth of our decorative sales, under the brand Innovus®, was also made possible by the investments carried out during 2014 that reinforced our melamine surfacing capabilities. We will seek to further develop these capabilities in all markets where we are present and have recently initiated the deployment of a significant investment in a fifth surfacing line, with deep embossing capabilities, at our North American operations. This investment should allow us to further improve our product mix, with additional sales of melamine-faced boards, in a region where our share of melamine products is already an important reference for the group. Additionally we are carrying out other investments to improve the variable cost structure of the raw boards' production, to continuously optimize the efficiency of our raw materials consumptions.

In operational terms, and notwithstanding the impacts of the operational maintenance shutdowns of our European plants, the performance of our continued operations during this quarter continued to improve. We have thus been able to deliver the sixth consecutive quarter of improvement in the last twelve month recurrent EBITDA, now reaching 104 million Euros, up by 11 million Euros when compared to the same period of 2014. The improved performance was mainly driven by the results of our North America operations, which allowed the group to maintain the recurrent EBITDA margin of 10.8% during this third quarter. As regards our financial structure, the reduction of our consolidated Net Debt to 583 million Euros should be highlighted. This has led to a reduction of the Net Debt to Recurrent EBITDA ratio to 5.6x, the lowest value since September 2008. Furthermore, we have successfully completed the negotiations for the refinancing of the remaining 2015 debt maturities.

We are now focused on continuously improving the performance of our existing industrial footprint, with the objective of becoming the preferred supplier of our target customers, based on a competitive offer of products and an improvement of the service levels. For this, I continue to count on all our teams and expect the same level of commitment evidenced in the last years.

Rui Correia
CEO Sonae Indústria

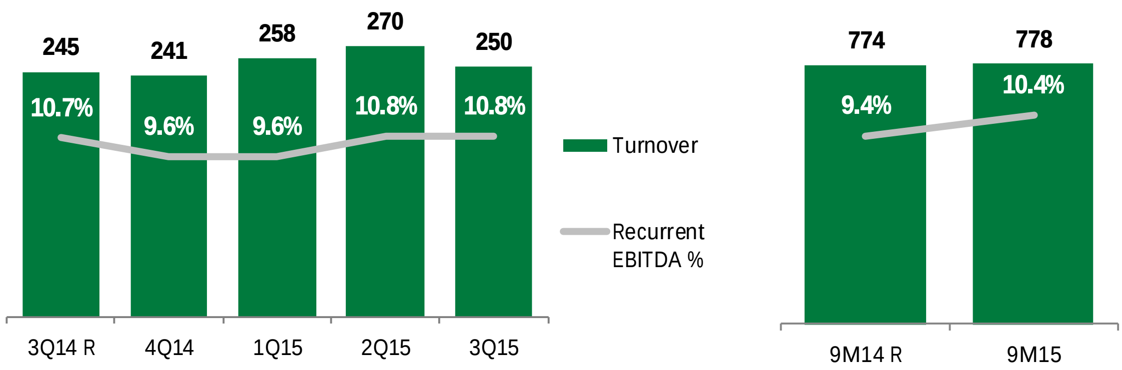
1. TURNOVER & RECURRENT EBITDA

At the end of 2014, Sonae Indústria classified as "discontinued operations" the results of the French industrial units Auxerre and Le Creusot (which were sold in April of 2014), Ussel (sold in March of 2015) and Linxe (sold in July 2015), of Pontecaldelas plant (in Spain, whose production activities were stopped during the 1st half of 2014), and of Betanzos (in Spain, sold in April 2015). The analysis presented in this chapter excludes the contribution of these operations classified as "discontinued operations".

1.1. SONAE INDÚSTRIA CONSOLIDATED

Turnover & Recurrent EBITDA margin

Million euros



Overall consolidated **turnover** for continued operations during 9M15 reached 778 million Euros, which represents a slight increase of 0.5% vs. 9M14. The increase in consolidated turnover is explained by the improved **average selling prices** (average growth of 2.3% in 9M15 vs. 9M14), as **volumes sold** remained relatively stable (-0.9% vs. 9M14). In the quarter, consolidated turnover was up by 2%, when compared to same period of 2014, due to higher activity levels in the North America operations. When compared to the previous quarter, consolidated turnover reduced by 7%, naturally impacted by the normal summer maintenance shutdowns of the European plants.

Consolidated **average variable costs per m^3** continued to evidence the improving trend started in the first quarter of the year, decreasing 0.4% during 9M15, when compared to the same period of 2014. This evolution is explained by reductions in the average cost of chemicals, thermal energy and maintenance costs, which more than compensated the negative contributions of higher wood and electricity costs. Average variable costs in 3Q15 were slightly above the value registered during 3Q14 (up by circa 0.7%). Nevertheless, it is important to note that, with the exception of chemicals and maintenance, all variable cost categories decreased against the previous quarter. These evolutions allowed for an overall reduction of the group average unitary variable costs of 1.7%.

Regarding fixed costs, and considering exclusively the contribution of the continued operations, total **fixed costs** were reduced by circa 4 million Euros during 9M15, when compared to same period last year.

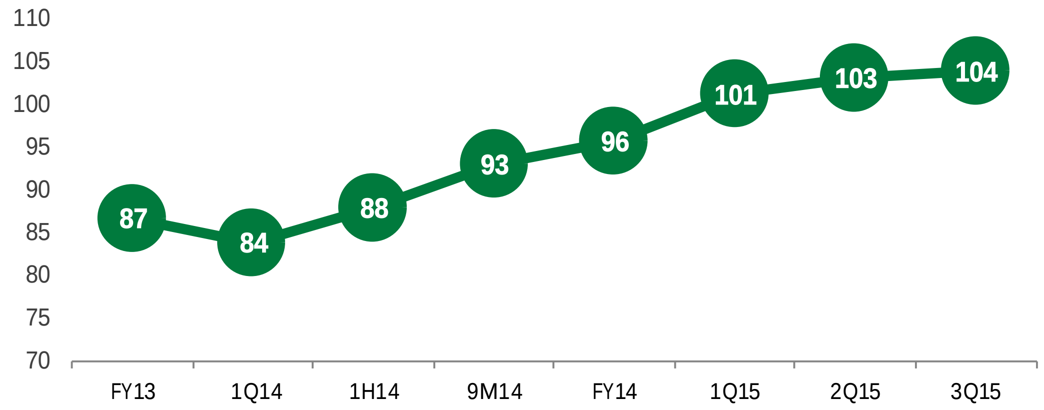
Total **headcount** (considering the contribution of all operations) was of 3,254 FTEs as at the end of September 2015, a reduction of 141 FTEs when compared to the end of June 2015. This reduction is mainly explained by the impact of the sale of the former subsidiary Darbo, in France.

The **average capacity utilization index** of continued operations decreased 5.2 p.p. during 3Q15, when compared to the previous quarter of the year, which is explained by the seasonal maintenance shutdowns that take place during the summer period. Importantly, the average capacity utilization during 3Q15 was 2.1 p.p. above the level registered in the 3Q14, due to contribution of the North American plant. The average capacity utilization index for the 9M15 reached 79%, slightly up by 0.3% when compared to 9M14.

The **Recurrent EBITDA** for the first nine months of 2015 reached 81 million Euros, an increase of 8 million Euros when compared to the same period of 2014, with an implicit recurrent EBITDA margin of 10.4% (+1.0 p.p. vs 9M14). During 3Q15 the company booked a recurrent EBITDA of 27 million Euros, slightly below the value registered in 2Q15 (-2 million Euros), which is explained by the reduced levels of activity. Notwithstanding, it should be noted that the recurrent EBITDA for 3Q15 was 1 million Euros above the value registered in 3Q14. **Recurrent EBITDA margin** in the third quarter of 2015 was 10.8%, exactly the same value registered in 2Q15 but up by 0.1 p.p. when compared to same period of last year. **Last twelve months Recurrent EBITDA** maintained the growing trend started in the 2Q14, reaching 104 million Euros at the end of September 2015.

Consolidated Sonae Indústria

LTM Recurrent EBITDA (continued operations) Million Euros



LTM: Last twelve months

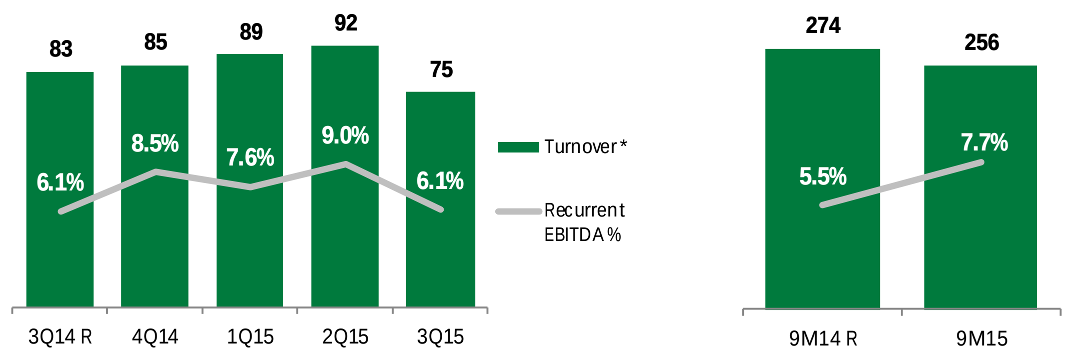
Non-recurrent EBITDA items were circa -2.2 million Euros in 3Q15, and were essentially related with redundancy costs (0.4 million Euros) and costs related with inactive sites (1.7 million Euros).

Total **EBITDA** reached 25 million Euros during 3Q15, which represents a decrease of 29% when compared to 3Q14. Nevertheless, it must be noted that the 3Q14 result was positively impacted by a one-off event related with an insurance settlement in the UK, in the amount of 13.2 million Euros. Excluding the contribution of this item, both quarter and YTD EBITDA figures present significant improvements, with the 9M15 EBITDA (73 million Euros) increasing by 19% or 12 million Euros, on a comparable basis.

1.2. SOUTHERN EUROPE

Southern Europe performance analysis reflects the performance of the operations considered as "continued" in the Iberian Peninsula, together with the Western Europe and overseas export activities, thus excluding the former French operations and the Betanzos and Pontecaldelas plants.

Turnover & Recurrent EBITDA margin — Million euros



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

During 9M15, the Southern European construction sector continued to show an improved performance, when compared to the same period of 2014, possibly correlated with some positive macroeconomic prospects, namely the higher levels of private consumption, in both Portugal and Spain. In Portugal, the new housing indicator shows an important 16%[1] y.o.y. increase, while in Spain the growth was even more material (28%[2] y.o.y. increase).

Comparing the performance of 9M15 with the same period in 2014, the following results should be highlighted for this region:

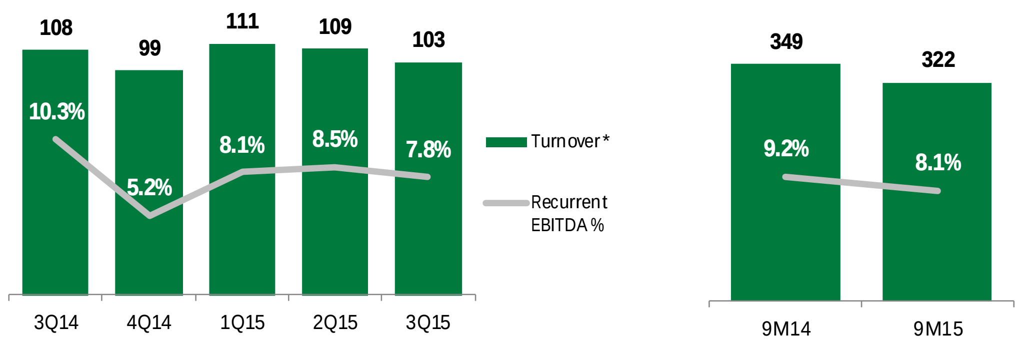
- **Turnover** decreased 7%, reaching 256 million Euros for the period, due to a reduction in **sales volumes** generated in Iberian Peninsula, driven by lower sales of raw particleboard and MDF. It should also be noted that the decrease in turnover in 3Q15, and when compared to 2Q15, was impacted by the maintenance shutdowns conducted at the industrial plants of this region;
- **Average selling prices** continued to evidence the positive trend started in 1Q15, registering a growth of 2.7% on an YTD basis, and of 0.9% when compared to previous quarter, driven by improvements of particleboard products;
- **Average unitary variable costs (per m^3)** were up by 1.1% y.o.y., as the positive contributions of thermal energy, electricity and maintenance costs, were more than compensated the negative contributions of wood and chemical costs.

Notwithstanding the seasonal reduction of recurrent EBITDA during 3Q15 when compared to 2Q15, due to reduced levels of activity, the **Recurrent EBITDA** for 9M15 reached 20 million Euros (up by 5 million Euros vs. 9M14), with an implicit **recurrent EBITDA margin** of 7.7% (+2.2 p.p. vs. 9M14).

[1] Source: Instituto Nacional de Estatística, October 2015 *("Nova habitação residencial"*, cumulative 8 months evolution until August 2015)
[2] Source: *Ministierio de Fomento*, October 2015 (Total "New Housing", cumulative 7 months evolution until July 2015)

1.3. NORTHERN EUROPE

Northern Europe
Turnover & Recurrent EBITDA margin
Million euros



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

During the third quarter of 2015, the Northern European market started to show an improved performance in the construction sector. The construction sector performance in Germany, assessed by the indicator "new house construction permits", registered an increase of circa 2%[3], y.o.y., which is explained by the 5% growth registered in July and August 2015, when compared to same period of 2014.

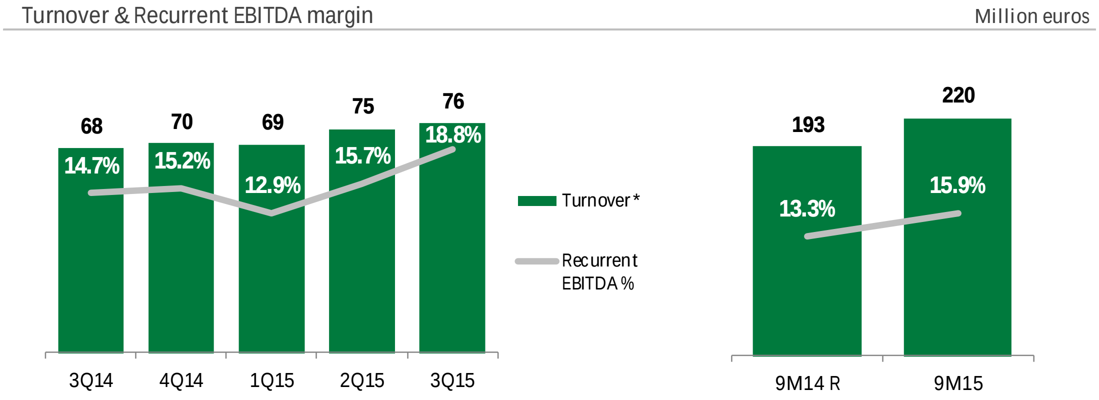
The highlights of the 9M15 performance in Northern Europe, when compared to the 9M14, are summarized below:

- **Turnover** for this region decreased by 8%, driven by a combination of lower **sales volumes** (down by 3.4% y.o.y.), mostly explained by the reduction in raw particleboard and OSB volumes, and lower **average selling prices** (down by 1.4% y.o.y.), driven by the negative contribution of OSB products, notwithstanding the better performance of MDF products. On a quarterly basis, and when compared to the 3Q14, turnover decreased 5% during 3Q15, mostly as a result of reduction of the average selling prices of raw particleboard and OSB products. Performance in 3Q15, compared to 2Q15, was impacted by the normal maintenance shutdown works carried out at the European plants.
- **Average unitary variable costs (per m^3)** registered a reduction of 5.5%, when compared to the same period in 2014, explained by the decrease in all cost categories. Average cost of wood was positively impacted by the higher levels of consumption of recycled wood, following last year investment in additional recycling equipment in Nettgau. On a quarterly basis, and when compared to 2Q15, average unitary variable costs reduced slightly by 0.2%, which is mainly explained by lower wood costs.

The combination of the above factors led to a **Recurrent EBITDA margin** of 8.1% during 9M15, 1.1 p.p. below the value registered in 9M14, which is mostly explained, as previously indicated, by a lower contribution from the OSB segment. On a quarterly basis, the recurrent EBITDA margin decreased 0.7 p.p. in 3Q15 vs. 2Q15.

[3] Source: German Federal Statistics Office, October 2015 ("Permits for new construction, dwelling", cumulative 8 months evolution until August 2015)

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



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

The North America construction sector shows an overall improved performance during 9M15, when compared with the same period of 2014. The level of housing starts increased 12%[4] y.o.y. in the United States and 1.4%[5] y.o.y. in Canada. In South Africa, the construction sector showed signs of recovery, with the level of residential building permits increasing by 7%[6] y.o.y., mostly due to the significant growth of 19% in August 2015 vs August 2014.

In terms of performance in the 9M15, and when compared to 9M14, the following highlights should be noted for these regions:

- The overall consolidated **turnover** of the segment kept the positive trend exhibited since the start of the year, increasing 14% in Euro terms. This result is mainly explained by the improved performance of the Canadian operation, registering an increase of 2.3% in sales volumes y.o.y. Opposite to the North America performance, the South African operations exhibited a decrease of 2.3% in sales volumes, mostly as a result of reduction in terms of raw particleboard products;
- Regarding the **average selling prices**, the Canadian operation continued the positive evolution started in the 1Q15, registering an increase of 8.1% y.o.y. The average selling prices of South African operations registered a slight decrease (by 0.9%), which is explained by the different product mix;
- **Average unitary variable costs (per m^3)** increased y.o.y. in Canada and decreased 2.2% y.o.y. in South Africa, when compared to same period of 2014. The higher costs of wood and maintenance expenditure, explains the increase witnessed in Canada. In South Africa, despite the increase of wood, thermal energy and electricity costs, the reduction in the remaining variable costs categories led to a reduction in the unitary variable costs, when compared to 9M14.

The combination of the above factors led to the continuous growth of **recurrent EBITDA margin**, which reached 15.9% during 9M15, up by 2.6 p.p. when compared to 9M14. On a quarterly basis, the recurrent EBITDA margin increased 3.1 p.p. and 4.1 p.p. during 3Q15, when compared to 2Q15 and 3Q14, respectively. It is important to highlight that the recurrent EBITDA margin of 18.8% for 3Q15 is the best since 2010.

[4] Source: United States Census Bureau, October 2015 ("New housing units", cumulative 8 months evolution until August 2015).
[5] Source: Canada Mortgage and Housing Corporation, October 2015 ("Building permits (units)", cumulative 8 months evolution until August 2015).
[6] Source: Statistics South Africa, October 2015 ("Building plans for residential buildings (number)", cumulative 8 months evolution until August 2015).

2. CONSOLIDATED FINANCIAL PERFORMANCE

2.1. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT Million euros	9M14 R	9M15	9M15 / 9M14 R	3Q14 R	2Q15	3Q15	3Q15 / 3Q14 R	3Q15 / 2Q15
Consolidated turnover	**774**	**778**	**0%**	**245**	**270**	**250**	**2%**	**(7%)**
Southern Europe*	274	256	(7%)	83	92	75	(9%)	(18%)
Northern Europe*	349	322	(8%)	108	109	103	(5%)	(5%)
Rest of the World*	193	220	14%	68	75	76	12%	2%
Other operational income	34	18	(46%)	18	6	6	(70%)	(3%)
EBITDA	**75**	**73**	**(2%)**	**35**	**28**	**25**	**(29%)**	**(10%)**
Recurrent EBITDA	**73**	**81**	**11%**	**26**	**29**	**27**	**3%**	**(8%)**
Southern Europe	15	20	32%	5	8	5	(7%)	(44%)
Northern Europe	32	26	(18%)	11	9	8	(28%)	(13%)
Rest of the World	26	35	36%	10	12	14	43%	22%
Recurrent EBITDA Margin %	**9.4%**	**10.4%**	**1.0 pp**	**10.7%**	**10.8%**	**10.8%**	**0.1 pp**	**0.0 pp**
Depreciation and amortisation	(48)	(48)	0%	(16)	(16)	(16)	2%	2%
Provisions and impairment Losses	(11)	1	-	(9)	0	(2)	(82%)	-
Operational profit	**17**	**26**	**52%**	**11**	**12**	**8**	**(30%)**	**(37%)**
Net financial charges	(38)	(29)	23%	(13)	(10)	(12)	11%	(22%)
o.w. Net interest charges	(25)	(17)	30%	(9)	(6)	(6)	31%	(7%)
o.w. Net exchange differences	1	1	30%	1	1	(1)	-	-
o.w. Net financial discounts	(10)	(9)	5%	(3)	(3)	(3)	(0%)	3%
Share in results of Joint Ventures	(2)	(1)	39%	(1)	(0)	(1)	(37%)	71%
Profit before taxes continued operat. (EBT)	**(23)**	**(4)**	**83%**	**(3)**	**2**	**(5)**	**(54%)**	**-**
Taxes	(2)	(5)	(139%)	(1)	(2)	(2)	(46%)	16%
o.w. Current tax	(4)	(7)	(66%)	(2)	(2)	(3)	(120%)	(52%)
o.w. Deferred tax	2	1	24%	0	(0)	1	-	-
Profit / (loss) from continued operations	**(25)**	**(9)**	**63%**	**(4)**	**0**	**(7)**	**(51%)**	**-**
Profit / (loss) from discontinued operations	(22)	(19)	14%	(5)	(9)	(2)	(63%)	80%
Consolidated net profit / (loss) for the period	**(47)**	**(28)**	**40%**	**(9)**	**(9)**	**(8)**	**10%**	**8%**
Losses (income) attrib. to non-controlling interests	(0)	(0)	39%	0	(0)	(0)	(102%)	(57%)
Net profit/(loss) attributable to Equity Holders	**(47)**	**(28)**	**40%**	**(10)**	**(9)**	**(8)**	**13%**	**8%**

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

Consolidated **EBITDA** for the first nine months of 2015 was of 73 million Euros, slightly below the 9M14 value. It should be highlighted that 9M14 value was positively impacted by the receipt of an insurance settlement in the UK in the amount of 13.2 million Euros. If this one-off effect is excluded, Sonae Indústria's total EBITDA would have improved by 12 million Euros, year on year, on a comparable basis. Total **Recurrent EBITDA** of 9M15 was of 81 million Euros, 8 million Euros (+11%) above same period of 2014, due to continued better performance of Southern Europe and Rest of the World operations. The group's consolidated performance was still negatively impacted by **non-recurrent costs**, totalling 7.7 million Euros in the first nine months of 2015, of which 3.2 million Euros associated with on-going cost with inactive sites, 3.2 million Euros related with redundancy payments and circa 1 million Euros with a capital loss in the sale of a real estate asset in Portugal (vacant land).

The combination of the above factors led to a **Recurrent EBITDA margin** for 9M15 of 10.4% (1 p.p. above the value registered in 9M14). Total Recurrent EBITDA in the third quarter was of 27 million Euros (1 million Euros above the value of 3Q14) with a stable Recurrent EBITDA margin of 10.8%.

Depreciation and amortization charges for the 9M15, for continued operations, were circa 48 million Euros, a stable value when compared to 9M14. For the quarter, this item totalled 16 million Euros, in line with the values booked in both 3Q14 and 2Q15, on a comparable basis.

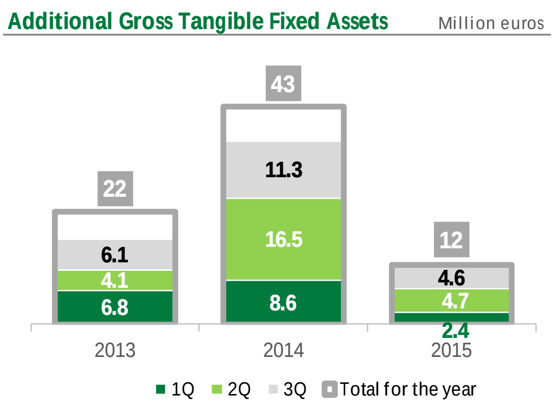
Provisions and impairments losses booked in the first nine months of 2015, for continued operations, totalled a net amount of -0.8 million Euros (impacting positively the net result), mainly related with reversal of provisions previously booked during 2014 for the Horn restructuring process (following the dismissal costs incurred during the 9M15), which has more than compensated the additional impairment losses booked in the period.

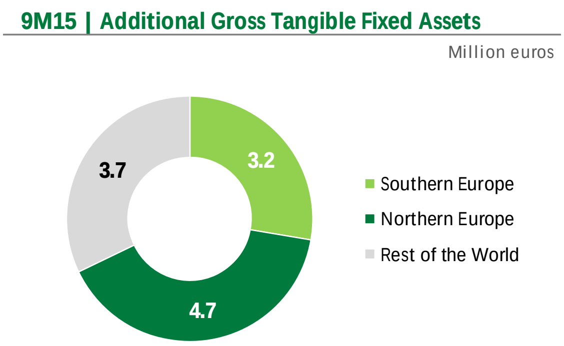
The value of **net financial charges** for the first nine months of the year was 29 million Euros, improving by 23% when compared with 9M14, on a comparable basis. The improvement in the group net interest charges is also the outcome of the 0.9 p.p. reduction in the average cost of debt, to 5.2% during the first nine months of 2015. Net financial charges for 3Q15 were 11.6 million Euros, 2.1 million Euros above the value of 2Q15, but 1.4 million Euros below the value registered for the same period of 2014 (-22%). When compared to 2Q15, the increase in the quarter was due to the negative contribution of the net exchange rate differences in the amount of 1.1 million Euros (a deterioration of 1.7 million Euros when compared to the value booked in the previous quarter).

Current tax charges booked for the first nine months of 2015 were of 7 million Euros, 3 million Euros above 9M14 mostly due to higher tax charges in Canada. In the 3Q15 an amount of 3.3 million Euros was booked, 1.1 million Euros above the amount registered in the 2Q15, due to higher tax charges in the operations in Portugal, Canada and South Africa.

At the end of September 2015, the consolidated **Net loss** of the group was of 28 million Euros, driven in large part by the impact of discontinued operations, with a loss of 19 million Euros. Nevertheless, due to the improved operational performance of the continued operations, the consolidated net losses of the group for the first nine months of the year were reduced by 40% (-19 million Euros), when compared to same period of 2014. In the third quarter of 2015, the group booked a consolidated Net loss of 7 million Euros, implying an increase of 3 million Euros when compared to 3Q14.

2.2. CAPEX





Additions to Gross Tangible Fixed Assets reached 4.6 million Euros in the 3Q15, which compares with 11.3 million Euros during the same period in 2014 (which were mostly related with the strategic investments completed during that year). The majority of 3Q15 investments were related with maintenance works carried out during the normal summer shutdown period of the European operations.

2.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION Million euros	9M14	2014	1H15	9M15
Non current assets	**913**	**830**	**802**	**770**
Tangible assets	781	700	670	641
Goodwill	82	82	82	81
Deferred tax asset	33	28	27	27
Other non current assets	17	20	23	21
Current assets	**315**	**244**	**283**	**269**
Inventories	111	99	99	100
Trade debtors	135	99	135	117
Cash and cash equivalents	25	12	12	19
Other current assets	44	35	39	32
Non-current assets held for sale	**0**	**12**	**4**	**0**
Total assets	**1,229**	**1,086**	**1,089**	**1,039**
Shareholders' Funds	**81**	**111**	**90**	**71**
Equity Holders	82	111	91	71
Non-controlling interests	(0)	(0)	(0)	(0)
Liabilities	**1,147**	**965**	**988**	**968**
Interest bearing debt	698	576	618	602
Non current	221	457	456	392
Current	476	119	162	210
Trade creditors	154	156	142	141
Other liabilities	296	233	228	225
Liabilities directly associated with non-current assets held for sale	**0**	**10**	**11**	**0**
Total Shareholders'Funds and liabilities	**1,229**	**1,086**	**1,089**	**1,039**
Net debt	**689**	**564**	**606**	**583**
Net debt to LTM recurrent EBITDA	**7.4 x**	**5.9 x**	**5.9 x**	**5.6 x**
Working Capital	**93**	**41**	**91**	**76**

LTM: last twelve months
Working Capital as defined by the company: Inventories + Trade Debtors – Trade Creditors

At the end of September 2015, Sonae Indústria consolidated **working capital** was of 76 million Euros, a reduction of 15 million Euros, when compared to June 2015. The customary reduced level of activity registered in the 3Q15, as a result of the seasonal maintenance shutdown works at the European plants, led to a significant decrease in the value of the Trade Debtors (down by 18 million Euros when compared to June 2015).

Net debt decreased by 23 million Euros, to 583 million Euros, when compared to June 2015, and is 106 million Euros below the value registered at the end of September 2014, mostly as a result of the proceeds from the 2014 share capital increase.

The combination of the improved level of LTM Recurrent EBITDA with the reduced level of Net Debt led to a reduction of the **Net Debt to Recurrent EBITDA ratio** to 5.6x, improving by 0.3x when compared to both December 2014 and June 2015. It should be highlighted that this ratio registered at the end of

September 2015 the lowest value since September 2008, evidencing the deleveraging path that has been pursued in the last years.

Total **Shareholder's Funds** at the end of September 2015 were negatively impacted by the net losses registered during the first nine months of the year (-28 million Euros) and by the accounting impact associated with the consolidation of the Canadian and South Africa operations using lower exchange rates, resulting in a negative change of the revaluation reserve in the amount of 10 million Euros. Is also worth noting that the 19 million Euro reduction in Shareholder's Funds registered during the 3Q15 was mostly determined by the devaluations of the CAD and ZAR (negative impact over revaluations reserves of 11 million Euros).

3. LOOKING FORWARD

In the last quarter of 2015, we will carry on with the continued implementation of our strategic plan, which is now focused towards achieving both operational excellence and a higher customer orientation, aimed at creating more value for our customers.

Notwithstanding the customary expected pressure in the wood and thermal energy costs, associated with the beginning of the winter period in the Northern Hemisphere operations, and barring a significant change in competitive dynamics, we expect to be able to continue to deliver an improved level of operational profitability at our core plants, for the remainder of the year.

11 November 2015

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Carlos António Rocha Moreira da Silva

José Joaquim Romão de Sousa

Albrecht Olof Lothar Ehlers

Javier Vega de Seoane Azpilicueta

Rui Manuel Gonçalves Correia

George Christopher Lawrie

Kurt Jan Bergmann

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; the equivalent of one person working full time, according to the working schedule of each country where Sonae Indústria has operations
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
Turnover (regions)	Sales Finished Goods and merchandise + Services Rendered; excluding sales of other materials like for ex. wood by-products, *management accounts concept*
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 2015 AND 31 DECEMBER 2014

(Amounts expressed in Euros)

ASSETS	Notes	30.09.2015 Unaudited	31.12.2014
NON CURRENT ASSETS:			
Tangible fixed assets	8	641 089 364	700 089 421
Goodwill		81 431 027	82 096 717
Intangible assets		4 820 392	7 807 933
Investment properties	7	6 625 413	1 224 698
Investment in associates	5, 6	1 493 139	1 354 074
Investment in joint ventures	4, 6	6 087 766	7 326 715
Investment available for sale		1 149 934	1 128 608
Deferred tax asset		26 552 587	27 754 742
Other non current assets		524 386	972 238
Total non current assets		769 774 008	829 755 146
CURRENT ASSETS:			
Inventories		99 928 794	99 271 758
Trade debtors		117 396 814	98 523 551
Other current debtors		13 375 506	13 851 354
Current tax asset		2 987 936	3 312 542
Other taxes and contributions		4 988 712	7 296 381
Other current assets		11 111 308	10 064 096
Cash and cash equivalents	9	19 001 579	11 948 475
Total current assets		268 790 649	244 268 157
Non-current assets classified as available for sale	10		11 910 006
TOTAL ASSETS		1 038 564 657	1 085 933 309
SHAREHOLDERS`FUNDS, NON-CONTROLLING INTERESTS AND LIABILITIES			
SHAREHOLDERS`FUNDS:			
Share capital		812 107 574	812 107 574
Legal reserve		3 131 757	3 131 757
Other reserves and accumulated earnings		- 797 967 590	- 767 474 878
Accumulated other comprehensive income	11	53 386 614	63 393 095
Accumulated other comprehensive income directly associated with non-current assets classified as available for sale			- 27 802
Total		70 658 355	111 129 746
Non-controlling interests		- 116 089	- 262 099
TOTAL SHAREHOLDERS`FUNDS		70 542 266	110 867 647
LIABILITIES:			
NON CURRENT LIABILITIES:			
Bank loans - net of current portion	12	224 388 193	231 403 466
Non convertible debentures	12	147 892 111	147 604 120
Finance lease creditors - net of current portion	12	18 455 212	23 440 018
Other loans	12	1 738 629	54 951 368
Post-retirement liabilities		27 292 896	27 279 500
Other non current liabilities	13	36 835 841	42 000 326
Deferred tax liability		58 176 899	63 291 251
Provisions	15	7 893 440	7 488 485
Total non current liabilities		522 673 221	597 458 534
CURRENT LIABILITIES:			
Current portion of non-current bank loans	12	11 666 789	21 562 801
Current bank loans	12	149 771 256	85 212 092
Current portion of non-current finance lease creditors	12	5 842 609	5 829 498
Other loans	12	42 313 862	6 186 912
Trade creditors		140 871 705	156 378 992
Current tax liability		2 397 982	2 614 128
Other taxes and contributions		8 995 217	7 005 541
Other current liabilities	14	81 191 644	77 936 006
Provisions	15	2 298 106	5 307 416
Total current liabilities		445 349 170	368 033 386
Liabilities directly associated with non-current assets classified as available for sale	10		9 573 742
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		1 038 564 657	1 085 933 309

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 2015 AND 2014

(Amounts expressed in Euros)

	Notes	30.09.2015 Unaudited	3rd. Quarter 2015 Unaudited	30.09.2014 Restated Unaudited	3rd. Quarter 2014 Restated Unaudited
Sales	20, 23	773 576 722	248 820 506	770 212 138	243 402 227
Services rendered	20, 23	3 974 929	977 644	3 730 701	1 204 063
Other income and gains	18, 20	18 393 529	5 583 150	33 845 756	18 199 549
Cost of sales	20	410 550 999	131 993 977	417 058 098	126 302 405
(Increase) / decrease in production	20	- 3 875 393	- 2 347 638	1 548 401	418 458
External supplies and services	20	191 204 941	61 525 454	191 543 384	60 126 929
Staff expenses	20	114 143 357	36 604 628	114 663 458	37 848 322
Depreciation and amortisation		47 851 864	15 764 463	48 064 254	16 033 892
Provisions and impairment losses (increase / reduction)	15, 20	- 807 834	1 576 722	10 561 818	8 612 252
Other expenses and losses	19, 20	10 397 151	2 612 417	6 895 910	2 476 913
Operating profit / (loss)	20, 23	26 480 095	7 651 277	17 453 272	10 986 668
Financial expenses	21	39 350 402	14 034 211	47 292 753	16 496 032
Financial income	21	9 955 442	2 400 522	8 962 615	3 447 712
Gains and losses in associated companies		246 384		- 222 095	
Gains and losses in joint ventures		- 1 228 848	- 549 765	- 2 029 665	- 878 495
Net profit/(loss) from continuing operations, before taxation		- 3 897 329	- 4 532 177	- 23 128 626	- 2 940 147
Taxation	22	5 404 030	3 068 524	2 264 134	1 416 893
Consolidated net profit / (loss) from continuing operations, afer taxation		- 9 301 359	- 6 600 701	- 25 392 760	- 4 357 040
Profit / (loss) from discontinued operations, after taxation	17	- 18 924 616	- 1 870 474	- 22 040 492	- 5 095 630
Consolidated net profit / (loss) for the period		- 28 225 975	- 8 471 175	- 47 433 252	- 9 452 670
Attributable to:					
Equity Holders of Sonae Industria					
Continuing operations		- 9 290 861	- 6 597 174	- 25 527 509	- 4 662 016
Discontinuing operations		- 18 898 178	- 1 867 861	- 21 844 839	- 5 050 397
Equity Holders of Sonae Industria		- 28 189 039	- 8 465 035	- 47 372 348	- 9 712 413
Non-controlling interests					
Continuing operations		- 10 498	- 3 527	134 749	304 976
Discontinuing operations		- 26 438	- 2 613	- 195 653	- 45 233
Non-controlling interests		- 36 936	- 6 140	- 60 904	259 743
Profit/(Loss) per share					
Fom continuing operations:					
Basic		- 0.0008	- 0.0006	- 0.1823	- 0.0333
Diluted		- 0.0008	- 0.0006	- 0.1823	- 0.0333
From discontinued operations:					
Basic		- 0.0017	- 0.0002	- 0.1560	- 0.0361
Diluted		- 0.0017	- 0.0002	- 0.1560	- 0.0361

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 2015 AND 2014

(Amounts expressed in Euros)

	Notes	30.09.2015	3rd Quarter 2015	30.09.2014	3rd Quarter 2014
		Unaudited	Unaudited	Unaudited	Unaudited
Net consolidated profit / (loss) for the period (a)		**- 28 225 975**	**- 8 471 175**	**- 47 433 252**	**- 9 452 670**
Other consolidated comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Change in currency translation reserve		- 10 050 485	- 11 527 799	3 014 082	2 437 523
Change in fair value of available-for-sale financial assets		5 150	4 570	- 7 723	5 690
Other consolidated comprehensive income for the period, net of tax (b)	11	**- 10 045 335**	**- 11 523 229**	**3 006 359**	**2 443 213**
Total consolidated comprehensive income for the period (a) + (b)		**- 38 271 310**	**- 19 994 404**	**- 44 426 893**	**- 7 009 457**
Total consolidated comprehensive income attributable to:					
Equity holders of Sonae Industria		- 38 222 187	- 19 974 014	- 44 390 168	- 7 282 288
Non-controlling interests		- 49 123	- 20 390	- 36 725	272 831
		- 38 271 310	**- 19 994 404**	**- 44 426 893**	**- 7 009 457**

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 2015 AND 2014

(Amounts expressed in Euros)

	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
				11			
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

	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
				11			
Balance as at 1 January 2015	812 107 574	3 131 757	-767 474 878	63 365 293	111 129 746	- 262 099	110 867 647
Total consolidated comprehensive income for the period							
Net consolidated pofit/(loss) for the period			-28 189 039		- 28 189 039	- 36 936	- 28 225 975
Other consolidated comprehensive income for the period				-10 033 148	- 10 033 148	- 12 187	- 10 045 335
Total			-28 189 039	-10 033 148	-38 222 187	- 49 123	-38 271 310
Share-based payment plan			- 26 377		- 26 377	- 29	- 26 406
Others			-2 277 296	54 469	- 2 222 827	195 162	- 2 027 665
Balance as at 30 September 2015	812 107 574	3 131 757	-797 967 590	53 386 614	70 658 355	- 116 089	70 542 266

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 2015 AND 2014

(Amounts expressed in Euros)

	Notes	30.09.2015 Unaudited	30.09.2014
OPERATING ACTIVITIES			
Receipts from trade debtors		773 423 209	826 059 311
Payments to trade creditors		635 509 554	674 450 120
Payments to staff		121 986 808	132 770 241
Net cash flow from operations		15 926 847	18 838 950
Payment / (receipt) of corporate income tax		6 386 350	6 648 983
Other receipts / (payments) relating to operating activities		- 5 395 534	4 295 769
Net cash flow from operating activities (1)		4 144 963	16 485 736
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Tangible fixed assets and intangible assets		6 681 240	29 898 940
Investment properties		1 295 290	
Investment subventions		119 109	774 076
Dividends		9 500	25 000
Non-current assets held for sale		2 768 038	4 434 516
		10 873 177	35 132 532
Cash Payments arising from:			
Investments		2 105 233	1 339
Tangible fixed assets and intangible assets		14 203 373	31 512 294
Others			122 560
		16 308 606	31 636 193
Net cash used in investment activities (2)		- 5 435 429	3 496 339
FINANCING ACTIVITIES			
Cash receipts arising from:			
Interest and similar income		427 059	546 295
Loans obtained		1 129 622 167	2 190 794 536
Increase in share capital		168 502	97 196
		1 130 217 728	2 191 438 027
Cash Payments arising from:			
Interest and similar charges		21 013 204	31 835 548
Loans obtained		1 095 028 759	2 174 786 707
Finance leases - repayment of principal		5 074 716	4 324 171
Others		17 130	
		1 121 133 809	2 210 946 426
Net cash used in financing activities (3)		9 083 919	- 19 508 399
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		7 793 453	473 676
Effect of foreign exchange rate		1 163 940	- 116 592
Cash and cash equivalents at the beginning of the period	9	10 500 810	20 940 411
Cash and cash equivalents at the end of the period	9	17 130 323	21 530 679

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015

(Amounts expressed in euros)

1. INTRODUCTION

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

The shares of the company are listed on Euronext Lisbon.

Consolidated financial statements for the period ended 30 September 2015 and 30 June 2015 were not subject to a limited revision carried out by the company's statutory external auditor.

Consolidated financial statements for the period ended 30 September 2014 and 30 June 2014 were subject to a limited revision carried out by the company's statutory external auditor. These statements were restated following the discontinuing of operations referred to on note 17, therefore stated as unaudited.

2. ACCOUNTING POLICIES

This set of consolidated financial statement has been prepared on the basis of the accounting policies that were disclosed on the notes to the consolidated financial statements for fiscal year 2014.

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 2014.

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 2015 and endorsed by the European Union.

2.2.1. In the period ended 30 September 2015 the following standards, effective in coming periods, had been issued but still not endorsed by the European Union:

IAS 1 (amendment), Presentation of Financial Statements (effective for periods beginning on or after 1 January 2016). This amendment contains guidance relating to materiality and aggregation, presentation of subtotals, structure of financial statements and accounting policies;

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 16 (amendment), Tangible Fixed Assets, and **IAS 41** (amendment), Agriculture: 'Bearer Plants' (effective for periods beginning on or after 1 January 2016). This amendment defines the concept of bearer plant and transfers this type of asset from the scope of IAS 41 – Agriculture to the one of IAS 16 – Tangible Assets, with the related effect on measurement. However, biologic assets produced by these plants are kept in the scope of IAS 41 – Agriculture;

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;

Annual improvements 2012-2014 (generally effective for periods beginning on or after 1 January 2016). This amendment cycle includes changes to the following standards: IFRS 5 – Non-current Assets Available for Sale and Discontinued Operations, IAS 19 – Employee Benefits and IAS 34 – Interim Financial Reporting;

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 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. 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 10 (amendment), Consolidated Financial Statements, **IFRS 12** (amendment), Disclosure of Interests in Other Entities, and **IAS 28** (amendment), Investments in Associates and Joint Ventures: 'Investment entities – exemption from consolidation' (effective for periods beginning on or after 1 January 2016). This amendment specifies that an intermediate holding company which is a subsidiary of an investment entity is exempted from consolidation. Furthermore, the optional use of equity method under IAS 28 is extensible to an entity which not being an investment entity, holds an interest in an associate or joint venture which qualifies as investment entity;

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;

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 only applies 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;

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 2015 the following accounting standards, which were issued and endorsed by the European Union, became effective:

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 2010-2012 (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, IAS 24 - Related Parties Disclosures and IAS 38 - Intangible Assets;

The application of these standards had no significant effects on these consolidated financial statements.

2.3. Translation of financial statements of foreign companies

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

	30.09.2015		31.12.2014		30.09.2014	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
Great Britain Pound	0.7385	0.7270	0.7789	0.8060	0.7773	0.8118
South African Rand	15.4991	13.6556	14.0351	14.3968	14.2613	14.5307
Canadian Dollar	1.5034	1.4015	1.4063	1.4654	1.4058	1.4816
American Dollar	1.1203	1.1138	1.2141	1.3267	1.2583	1.3548
Swiss Franc	1.0915	1.0612	1.2024	1.2146	1.2063	1.2180

Source: Bloomberg

3. COMPANIES INCLUDED IN CONSOLIDATION PERIMETER

During the period ended 30 September 2015, consolidation perimeter of Sonae Indústria, SGPS, SA has changed as follows:

- Subsidiary Tafisa Développement, located in France, was dissolved with no relevant effects on the consolidated net loss for the period ended 30 September 2015;
- Subsidiary Darbo SAS, located in France, was sold with no relevant effects on the consolidated net loss for the period ended 30 September 2015.

4. JOINT VENTURES

Joint ventures, their head offices, percentage of share capital held on 30 September 2015 and 31 December 2014 are as follows:

COMPANY	HEAD OFFICE	PERCENTAGE OF CAPITAL HELD			
		30.09.2015		31.12.2014	
		Direct	Total	Direct	Total
Laminate Park GmbH & Co. KG	Eiweiler (Germany)	50.00%	49.94%	50.00%	49.93%
Tecmasa. Reciclados de Andalucia, S. L.	Alcalá de Guadaira (Spain)	50.00%	49.94%	50.00%	49.93%

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 recycled wood.

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:

	30.09.2015		31.12.2014	
	Laminate Park	Tecmasa, Reciclados de Andalucia	Laminate Park	Tecmasa, Reciclados de Andalucia
Non-current assets	49 875 095	204 007	53 445 843	221 063
Current assets	20 244 519	417 004	16 409 392	395 501
Cash and cash equivalents	319 443	223 098	691 112	168 886
Other non-current liabilities	6 444 403		6 921 403	
Current financial liabilities	6 980 292		7 066 011	
Other current liabilities	31 114 073	94 572	27 819 219	76 504
Operating revenues	60 201 845	324 495	78 369 514	534 737
Operating expenses	61 305 724	279 220	82 780 406	450 037
Depreciation and amortization	3 763 678	19 857	4 893 772	29 077
Interest income				
Interest expense	647 593		1 292 837	22
Taxation				22 095
Net profit/(loss) from continuing operations	- 2 467 757	45 378	- 6 542 770	61 976
Adjustments to the Group's accounting policies	- 32 632	- 2 686	- 36 640	- 16 951
Group's share on net profit/(loss)	- 1 250 195	21 346	- 3 289 705	22 513

5. INVESTMENTS IN ASSOCIATED COMPANIES

Associated companies, their head offices and the percentage of share capital held as at 30 September 2015 and 31 December 2014 are as follows:

COMPANY	HEAD OFFICE	PERCENTAGE OF CAPITAL HELD			
		30.09.2015		31.12.2014	
		Direct	Total	Direct	Total
Serradora Boix	Barcelona (Spain)	31.25%	31.21%	31.25%	31.21%

Associated companies are recognized on these consolidated financial statements using equity method.

The Statement of Financial Position and the Income Statement of the associated companies accounted for using the equity method on these consolidated financial statements, are detailed as follows:

	30.09.2015	31.12.2014
Non-current assets	6 788 575	6 494 033
Current assets	7 314 753	7 279 732
Non-current liabilities	3 101 405	3 481 145
Current liabilities	5 868 129	5 953 110
Operating revenues	19 706 691	22 396 806
Operating expenses	18 673 820	22 667 872
Net profit/(loss) from continuing operations	1 032 871	- 719 457
Adjustments to the Group's accounting policies	-	-
Group's share on net profit/(loss)	246 384	- 224 516

Assets, liabilities and results detailed on the previous table refer to the associated company's financial statements for the annual periods preceding 30 September 2015 and 31 December 2014, respectively. The Company estimates that no significant effect arises from this time difference.

There are no incurred obligations regarding this associate company.

6. INVESTMENTS

At 30 September 2015 and 31 December 2014, details of Investment in joint ventures, on the Consolidated Statement of Financial position, are as follows:

	30.09.2015	31.12.2014
	Non current	Non current
Investment in associated companies		
Opening balance	1 354 074	1 566 686
Effect of equity method application	139 065	- 212 612
Closing balance	1 493 139	1 354 074

	30.09.2015 Non current	31.12.2014 Non current
Investment in joint ventures		
Opening balance	7 326 715	5 638 909
Increase in share capital		5 000 000
Effect of equity method application	-1238 949	-3 312 194
Closing balance	6 087 766	7 326 715

7. INVESTMENT PROPERTIES

At 30 September 2015 and 31 December 2014, movements occurred in gross amount of investment properties as well as on accumulated depreciation and impairment losses are detailed as follows:

	30.09.2015		31.12.2014	
	Cost	Total	Cost	Total
Gross cost:				
Opening balance	1 667 281	1 667 281	1 667 281	1 667 281
Disposals	1 667 281	1 667 281		
Transfers and reclassifications	37 123 738	37 123 738		
Closing balance	37 123 738	37 123 738	1 667 281	1 667 281
Accumulated depreciations and impairment losses:				
Opening balance	442 583	442 583	398 325	398 325
Charge for the period	378 658	378 658	44 258	44 258
Disposals	457 335	457 335		
Transfers and reclassifications	30 134 419	30 134 419		
Closing balance	30 498 325	30 498 325	442 583	442 583
Carrying amount	6 625 413	6 625 413	1 224 698	1 224 698

In the period ended 30 September 2015, the Company reclassified as investment properties land and building of Betanzos industrial plant, located in Spain, following the sale of the remainder of the assets of this plant (note 10).

8. TANGIBLE FIXED ASSETS

At 30 September 2015 and 31 December 2014, movements in tangible assets, accumulated depreciation and impairment losses were as follows:

	30.09.2015	31.12.2014
	Total tangible fixed assets	Total tangible fixed assets
Gross cost:		
Opening balance	2 176 796 117	2 437 445 591
Capital expenditure	11 216 397	43 511 097
Disposals	9 065 316	146 847 551
Transfers and reclassifications	- 31 678 250	- 174 455 414
Exchange rate effect	- 30 196 023	17 142 394
Closing balance	2 117 072 925	2 176 796 117
Accumulated depreciation and impairment losses		
Opening balance	1 476 706 696	1 645 971 463
Depreciations for the period	46 710 085	68 885 207
Impairment losses for the period - on results	111 244	47 900 930
Impairment losses for the period - on Other Comprehensive Income		19 672 830
Disposals	6 798 652	134 748 004
Reversion of impairment losses for the period		5 855 672
Transfers and reclassifications	- 24 180 082	- 173 968 902
Exchange rate effect	- 16 565 730	8 848 844
Closing balance	1 475 983 561	1 476 706 696
Carrying amount	641 089 364	700 089 421

At the closing date of these consolidated financial statements, mortgaged tangible fixed assets amounted to EUR 298 014 793 (EUR 276 475 044 at 31 December 2014), as a guarantee of loans amounting to EUR 107 065 412 (EUR 125 436 696 at 31 December 2014).

9. CASH AND CASH EQUIVALENTS

At 30 September 2015 and 31 December 2014, detail of Cash and Cash Equivalents was as follows:

	30.09.2015	31.12.2014
Cash at Hand	42 662	51 539
Bank Deposits and Other Treasury Applications	18 958 917	11 896 936
Cash and Cash Equivalents on the Consolidated Statement of Financial Position	19 001 579	11 948 475
Bank Overdrafts	1 871 256	1 447 665
Cash and Cash Equivalents on the Statement of Cash Flows	17 130 323	10 500 810

10. NON-CURRENT ASSETS AVAILABLE FOR SALE

During the period ended 30 September 2015, the Group sold the assets of Ussel and Betanzos industrial plants, located in France and Spain, respectively, which had been recognized as Non-current assets classified as available for sale on the Consolidated Statement of Financial Position as at 31 December 2014. These transactions had no relevant effect on Net profit (loss) from discontinued operations, on the Consolidated Income Statement (note17).

As stated on note 3, in the same period, subsidiary Darbo SAS, located in Linxe, France, was sold. At 31 December 2014, the assets of this subsidiary had been reclassified as Non-current assets classified as available for sale, as well as its liabilities had been reclassified as Liabilities directly associated with non-current assets classified as available for sale. The sale of this subsidiary had an irrelevant effect on Net profit (loss) from discontinued operations, on the Consolidated income statement (note 17).

At 30 September 2015, there were no assets included under Non-current assets classified as available for sale nor liabilities included under Liabilities directly associated with non-current assets classified as available for sale, on the Consolidated statement of financial position.

	30.09.2015	31.12.2014
Tangible fixed assets		1 049 435
Intangible assets		576 352
Inventories		9 206 410
Trade debtors		62 256
Other current assets		945 255
Cash and cash equivalents		70 298
Non-current assets classified as available for sale		11 910 006
Non-current loans		328 961
Other non-current liabilities		823 815
Current loans		216 308
Trade creditors		6 121 321
Other non-current liabilities		2 083 337
Liabilities directly associated to non-current assets classified as available for sale		9 573 742

11. 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 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

	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 2015	-12 361 951	88 083	107 383 926	-6 520 334	1 386 912	26 611 343	63 365 293
Other consolidated comprehensive income for the period	-10 038 292	5 144					-10 033 148
Others	2 175	17	19 028	37 783	268	4 802	54 469
Balance as at 30 September 2015	-22 398 068	93 244	107 402 954	-6 482 551	1 387 180	26 616 145	53 386 614

12. LOANS

As at 30 September 2015 and 31 December 2014, Sonae Indústria had the following outstanding loans:

	30.09.2015				**31.12.2014**			
	Amortised cost		**Nominal value**		**Amortised cost**		**Nominal value**	
	Current	**Non current**	**Current**	**Non current**	**Current**	**Non current**	**Current**	**Non current**
Bank loans	161 438 045	224 388 193	161 623 560	225 390 545	106 774 893	231 403 466	107 264 090	232 322 901
Debentures		147 892 111		150 000 000		147 604 120		150 000 000
Obligations under finance leases	5 842 609	18 455 212	5 842 609	18 455 212	5 829 498	23 440 018	5 829 498	23 440 018
Other loans	42 313 862	1 738 629	42 765 372	1 738 629	6 186 912	54 951 368	6 186 912	55 555 350
Gross debt	209 594 516	392 474 145	210 231 541	395 584 386	118 791 303	457 398 972	119 280 500	461 318 269
Cash and cash equivalent in balance sheet	19 001 579		19 001 579		11 948 475		11 948 475	
Net debt	190 592 937	392 474 145	191 229 962	395 584 386	106 842 828	457 398 972	107 332 025	461 318 269
Total net debt	583 067 082		586 814 348		564 241 800		568 650 294	

At 30 September 2015, loans can be detailed as follows:

12.1. Bank Loans

Company(ies)	Loan	Contract date	Maturity	Currency	Outstanding principal at 30.09.2015 EUR	Outstanding principal at 31.12.2014 EUR
Sonae Indústria, SGPS, S.A.	Commercial Paper Programme	January 2006	January 2016 *	EUR	5 000 000	5 000 000
Tableros de Fibras S.A.	Commercial Paper Programme	July 2010	to be partly repaid from January 2014 to December 2016, unless it is annually revoked **	EUR	3 000 000	4 800 000
Sonae Indústria, SGPS, S.A.	Bank Loan	August 2010	to be repaid from November 2012 to August 2017	EUR	2 222 222	3 055 556
Sonae Indústria, SGPS, S.A.	Commercial Paper Programme	September 2010	January 2016	EUR	12 500 000	12 500 000
Tafisa Canada Inc.	Bank Loan (Revolving)	July 2011	to be repaid from September 2014 to July 2019	CAD	32 394 216	47 075 146
Tafisa Canada Inc.	Bank Loan	July 2011	to be repaid from August 2012 to April 2016	CAD	587 896	1 436 550
Imoplamac, S.A.	Bank Loan	November 2012	to be repaid from March 2013 to March 2016	EUR	1 788 703	4 242 823
Sonae Indústria, SGPS, S.A.	Commercial Paper Programme	June 2013	June 2018 Note: programme without subscription guarantee	EUR	13 750 000	17 500 000
Taiber, Tableros Aglomerados Ibéricos, S.L. e Sonae Indústria, SGPS, S.A.	Bank Loan	November 2013	October 2015 ***	EUR	39 000 000	39 000 000
Sonae Indústria, SGPS, S.A.	Commercial Paper Programme	July 2014	to be repaid from December 2015 to June 2018	EUR	10 000 000	10 000 000
Sonae Indústria, SGPS, S.A.	Commercial Paper Programme	August 2014	to be repaid from May 2018 to November 2020	EUR	93 900 000	103 900 000
Tableros de Fibras, S.A. e Sonae Indústria, SGPS, S.A.	Bank Loan	October 2014	to be repaid from May 2021 to November 2022	EUR	65 000 000	65 000 000
Sonae Indústria, SGPS, S.A.	Bank Loan	October 2014	November 2016, annually renewable.	EUR	4 650 000	3 600 000
Sonae Indústria, SGPS, S.A	Commercial Paper Programme	February 2015	to be repaid from August 2016 to February 2018	EUR	12 500 000	N/A
Sonae Novobord (Pty) Limited	Bank Loan	April 2015	to be repaid from October 2015 to April 2020	ZAR	18 517 240	N/A
Sonae Indústria, SGPS, S.A.	Bank Loan	May 2015	June 2016	EUR	10 000 000	N/A
Sonae Indústria, SGPS, S.A.	Bank Loan	June 2015	June 2016	EUR	60 000 000	N/A

All these loans are subject to variable interest rates.

* In October 2015, this amount was refinanced in the context of a new commercial paper contract celebrated by Sonae Indústria, SGPS, SA, maturing one year thereafter, renewable annually;

** Until the date of approval of these consolidated financial statements, no notification revoking this programme had been received;

*** In October 2015, both parties agreed on postponing this loan maturity for second half 2016.

At 30 September 2015, there were other assets amounting to EUR 58 808 403 (EUR 52 808 593 at 31 December 2014) which were pledged as guarantee of the Group's liabilities.

12.2. Bond Issues

Company(ies)	Loan	Contract date	Maturity	Currency	Outstanding principal at 30.09.2015	Outstanding principal at 31.12.2014
					EUR	EUR
Sonae Indústria, SGPS, S.A.	Sonae Industria Bonds / 2014 - 2020	October 2014	to be repaid from May 2018 to November 2020.	EUR	150 000 000	150 000 000

This loan is subject to variable interest rate.

12.3. Other loans

Company(ies)	Loan	Contract date	Maturity	Currency	Outstanding principal at 30.09.2015	Outstanding principal at 31.12.2014
					EUR	EUR
Several companies*	Trade debtors securitization	August 2012	September 2016, renewable and maximum maturity September 2018.	EUR	40 278 349	52 102 134
				GBP	875 536	1 140 471

* In July 2015, maximum amount of the securitization facility was reduced from EUR 85 000 000 to EUR 70 000 000.

Trade debtors amounting to EUR 69 553 900 (EUR 71 024 505 at 31 December 2014) 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.

This loan is subject to variable interest rate.

By agreement between the parties, the commercial credits factoring agreement entered into by Sonae Indústria - Produção e Comercialização de Derivados de Madeira, S.A. (PCDM) was cancelled in September 2015 and PCDM repaid the total owed amount.

13. OTHER NON-CURRENT LIABILITIES

At 30 September 2015 and 31 December 2014, Other non-current liabilities on the Consolidated Statement of Financial Position were composed of:

	30.09.2015	31.12.2014
Other creditors	4 677 503	241 495
Financial instruments	4 677 503	241 495
Other creditors	32 158 338	41 758 831
Liabilities out of scope of IFRS 7	32 158 338	41 758 831
Total	36 835 841	42 000 326

Other creditors include EUR 25 425 166 (EUR 28 648 958 at 31 December 2014) related to deferred investment subventions and EUR 6 112 600 (EUR 12 377 600 at 31 December 2014) related to the fine imposed by the German Competition Authority, to be paid until 2017.

14. OTHER CURRENT LIABILITIES

At 30 September 2015 and 31 December 2014, Other current liabilities on the Consolidated Statement of Financial Position were composed of:

	30.09.2015	31.12.2014
Derivatives		35 529
Tangible fixed assets suppliers	3 564 982	6 064 556
Other creditors	2 437 930	3 934 020
Financial instruments	6 002 912	10 034 105
Other creditors	7 623 414	9 181 367
Accrued expenses:		
Insurances	940 621	1 227 009
Personnel expenses	17 857 259	14 320 967
Accrued financial expenses	10 750 202	5 656 004
Rebates	18 401 555	15 322 111
External supplies and services	9 576 751	9 570 495
Other accrued expenses	4 748 477	6 147 430
Deferred income:		
Investment subventions	4 700 663	6 327 581
Other deferred income	589 790	148 937
Liabilities out of scope of IFRS 7	75 188 732	67 901 901
Total	81 191 644	77 936 006

15. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements occurred in provisions and accumulated impairment losses during the period ended 30 September 2015 were as follows:

	30.09.2015						
Description	Opening balance	Exchange rate effect	Increase	Utilization	Reversion	Other changes	Closing balance
Impairment losses:							
Investment properties						2 259 929	2 259 929
Tangible fixed assets	48 044 432		111 245			- 746 221	47 409 456
Goodwill	7 778 921	- 132 458					7 646 463
Intangible assets	30 833		343 271			- 7 668	366 436
Other non-current assets	10 931 182						10 931 182
Trade debtors	26 228 073	- 175 864	1 787 074		1 377 307	- 766 707	25 695 269
Other debtors	3 502						3 502
Subtotal impairment losses	93 016 943	- 308 322	2 241 590		1 377 307	739 333	94 312 237
Provisions:							
Litigations in course	1 504 544			21 000		- 36 823	1 446 721
Warranties to customers	541 547	2 226	48 500	7 500			584 773
Restructuring	6 055 072	8 438	1 532 698	5 269 623			2 326 585
Other	4 694 739		1 420 755	340 072		58 047	5 833 469
Subtotal provisions	12 795 901	10 664	3 001 953	5 638 195		21 224	10 191 546
Subtotal impairment losses and provisions	105 812 845	- 297 658	5 243 543	5 638 195	1 377 307	760 557	104 503 785
Other losses:							
Investments	36 985 875						36 985 875
Write-down to net realizable value of inventories	4 165 268	- 31 354	2 912 889		1 456 154	- 944 507	4 646 142
Total	146 963 988	- 329 012	8 156 432	5 638 195	2 833 461	- 183 950	146 135 802

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

	30.09.2015	
	Losses	Gains
Cost of sales	811 581	430 228
(Increase) / decrease in production	1 027 601	904 187
Provisions and impairment losses	3 585 496	4 393 330
Staff expenses	113 390	260 960
Profit / (loss) from discontinued operations	2 618 364	2 482 951
Total (Consolidated Income Statement)	8 156 432	8 471 656

Utilization of restructuring provisions, which amounted to EUR 5 269 623 at 30 September 2015, relate to ongoing restructuring processes in industrial plants located in France and Germany.

16. RELATED PARTIES

Balances and flows with related parties are summarized as follows:

Balances	Accounts receivable		Accounts payable	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
Other subsidiaries of the parent company	439 387	355 536	4 727 883	3 849 032
Joint ventures	9 512 523	9 585 557	2 845 586	1 106 626

Transactions	Income		Expenditure	
	30.09.2015	30.09.2014 Restated	30.09.2015	30.09.2014 Restated
Other subsidiaries of the parent company	500 077	971 955	5 023 618	4 465 966
Joint ventures	3 300 010	5 102 949	15 441 242	12 191 787

17. DISCONTINUED OPERATIONS

On the consolidated financial statements for the period ended 31 December 2014, the operations of Betanzos and Pontecaldelas industrial plants, in Spain, and of Linxe (Darbo SAS) and Ussel industrial plants, in France, were classified as discontinued. As such, the Consolidated Income statement for the period ended 30 September 2014 was restated.

Profit or loss from discontinued operations, on the Consolidated Income Statement for the periods ended 30 September 2015 and 30 September 2014, are detailed as follows:

	30.09.2015	30.09.2014
Sales	27 454 131	81 298 895
Services rendered		466 028
Other income and gains	1 700 018	9 231 791
Cost of sales	19 151 335	44 400 153
(Increase) / decrease in production	2 020 134	3 618 747
External supplies and services	9 840 941	30 827 980
Staff expenses	7 923 283	19 614 250
Depreciation and amortisation	84 774	4 797 299
Provisions and impairment losses (increase / reduction)	3 022 650	2 412 761
Other expenses and losses	687 518	1 966 896
Operating profit / (loss)	- 13 576 486	- 16 641 372
Financial expenses	5 944 753	6 127 344
Financial income	509 293	837 686
Net profit/(loss) from descontinued operations, before tax	- 19 011 946	- 21 931 030
Taxation	- 87 330	109 462
Net profit / (loss) from descontinued operations	- 18 924 616	- 22 040 492

Cash flows of discontinued operations, which were included line by line on the Consolidated Statement of Cash Flows, are as follows:

	30.09.2015	30.09.2014
Operating activities	- 11 964 667	- 4 930 510
Investment activities	4 732 307	11 834 151
Financing activities	7 305 809	- 6 981 499

18. OTHER INCOME AND GAINS

Details of Other income and gains on the Consolidated Income Statement for the periods ended 30 September 2015 and 2014 are as follows:

	30.09.2015	30.09.2014 Restated
Gains on disposals of non current investments	925	
Gains on disp. and write off of invest. prop., tang. and intang. assets	345 155	2 201 126
Supplementary revenue	4 169 202	4 572 917
Investment subventions	4 887 753	5 154 786
Tax received	3 178 550	4 801 405
Positive exchange gains	2 754 057	1 668 787
Others	3 057 887	15 446 735
	18 393 529	33 845 756

19. OTHER EXPENSES AND LOSSES

Details of Other expenses and losses on the Consolidated Income Statement for the periods ended 30 September 2015 and 2014 are as follows:

	30.09.2015	30.09.2014 Restated
Taxes	2 416 170	2 800 973
Losses on disp. and write off of invest. prop., tang. and intang. asset	1 448 272	378 244
Negative exchange gains	3 978 548	1 775 668
Others	2 554 161	1 941 025
	10 397 151	6 895 910

20. UNDERLYING AND NON-UNDERLYING ITEMS

Underlying operating items on the Consolidated Income Statement are detailed as follows:

	30.09.2015	30.09.2014 Restated
Sales	773 526 269	769 811 416
Services rendered	3 974 929	3 730 701
Other income and gains	16 248 756	20 846 184
Cost of sales	410 282 302	424 365 848
(Increase) / decrease in production	- 3 836 232	1 123 738
External supplies and services	188 605 715	187 113 576
Staff expenses	109 252 669	101 606 941
Impairment losses in trade debtors (increase/reduction)	416 627	1 479 097
Other expenses and losses	8 202 994	6 087 860
Recurring operating profit/(loss) before amortization, depreciation, provisions and impairment losses (except trade debtors)	80 825 879	72 611 241
Non-Recurring operating profit/(loss) before amortization, depreciation, provisions and impairment losses (except trade debtors)	- 7 718 381	1 990 043
Total operating profit/(loss) before amortization, depreciation, provisions and impairment losses (except trade debtors)	73 107 498	74 601 284

21. FINANCIAL RESULTS

Financial results for the periods ended 30 September 2015 and 2014 were as follows:

	30.09.2015	30.09.2014 Restated
Financial expenses:		
Interest expenses		
related to bank loans and overdrafts	14 212 798	18 677 224
related to non convertible debentures	5 292 974	7 282 707
related to finance leases	2 148 657	2 526 476
others	1 790 302	2 481 283
	23 444 731	30 967 690
Losses in currency translation		
related to loans	2 410 100	635 882
	2 410 100	635 882
Cash discounts granted	9 865 333	10 411 193
Adjustment to fair value of financial instruments at fair value through profit or loss		477 668
Other finance losses	3 630 238	4 800 320
	39 350 402	47 292 753

	30.09.2015	30.09.2014 Restated
Financial income:		
Interest income		
related to bank loans	62 001	20 538
related to loans to related parties	5 871 024	5 841 352
Others	50 658	55 968
	5 983 683	5 917 858
Gains in currency translation		
related to loans	3 260 666	1 851 251
	3 260 666	1 851 251
Cash discounts obtained	703 422	753 874
Adjustment to fair value of financial instruments at fair value through profit or loss		382 125
Other finance gains	7 671	57 507
	9 955 442	8 962 615
Finance profit / (loss)	**- 29 394 960**	**- 38 330 138**

22. TAXES

Corporate income tax accounted for in the periods ended 30 September 2015 and 2014 is detailed as follows:

	30.09.2015	30.09.2014 Restated
Current tax	6 798 657	4 100 511
Deferred tax	- 1 394 627	- 1 836 377
	5 404 030	2 264 134

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 September 2015 and 2014, identifiable reportable segments were as follows:

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

		Turnover	
		30.09.2015	30.09.2014 Restated
Northern Europe		321 981 603	348 740 770
Southern Europe		255 907 972	274 435 538
Rest of the world		220 162 187	193 042 614
Total segments		798 051 761	816 218 922
Intercompany turnover	(-)	30 368 734	53 828 587
Differences in classification	(+)	9 868 624	11 552 504
Consolidated Income statement		777 551 651	773 942 839

		Operating net profit (loss)	
		30.09.2015	30.09.2014 Restated
Northern Europe		4 773 022	939 246
Southern Europe		264 240	3 215 085
Rest of the world		21 410 737	13 013 773
Total segments		26 447 999	17 168 104
Consolidation adjustments not included under Total segments	(+)	32 096	285 168
Consolidated Income statement		26 480 095	17 453 272

Amounts stated as Total segments refer to information of continued operations which was included in internal report to chief operation decision maker.

24. CONTINGENCIES

Following the fire occurred in June 2011 on the subsidiary Sonae Industria (UK), Ltd, located in the United Kingdom, about 16 000 individuals filed a lawsuit against this company claiming to have suffered from the inhalation of fumes originated from this accident.

On 30 July 2015, Liverpool Court handed down a first instance sentence in favour of Sonae Industria (UK) Ltd, which confirmed the Company's expectations that no liability would result from this lawsuit, which should be recognized on the Consolidated statement of financial position.

25. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issuance 11 November 2015.