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 – MARCH 2016

ACCORDING TO THE INTERNATIONAL ACCOUNTING STANDARD 34 – INTERIM FINANCIAL REPORT

CONTENTS

ACTIVITY REPORT

CEO MESSAGE

The first quarter of 2016, stands as a turning point in our company's performance.

Following the successful completion of the restructuring process and the improving operational performance that we have been delivering in the last eight quarters, we achieved a net profit of 3 million euros in the 1Q16. This is the first positive quarterly net results since 2009, when we sold our subsidiary in Brazil, and, excluding one off effects, since the first quarter of 2008. This is an achievement that rewards all our stakeholders for their continued support and trust in the company. Thank you to all!

During the first quarter of 2016, we maintained our full commitment to the execution of our defined strategic plan, aimed at positioning Sonae Indústria as a more profitable and sustainable company. We have also achieved important milestones in the process to complete the strategic partnership signed with Arauco last year, which involves our European and South African operations. In this respect, we have obtained clearance from both the European and the South African Competition Authorities, completed the majority of the required corporate reorganization needed to achieve the agreed business perimeter and have been working towards the fulfilment of the remaining agreed conditions, namely related with refinancing of the group's debt.

I would also like to highlight the on-going implementation of a fifth melamine surfacing line at our Lac-Mégantic plant in North America, which is expected to be concluded during the next quarter. This investment will allow us to become even more competitive and strengthen our position as a reference value added player in that market.

In terms of the commercial strategy, we have continued to implement additional steps to grow our position in the higher value product segments, increasing product differentiation and further aligning our products with market trends, thus bringing us closer to the customers' needs. We were present during this quarter in the largest Iberian wood and furniture fair, Fimma Maderalia in Valencia, where we promoted the technological and innovative features of our new Innovus® collection of decorative products.

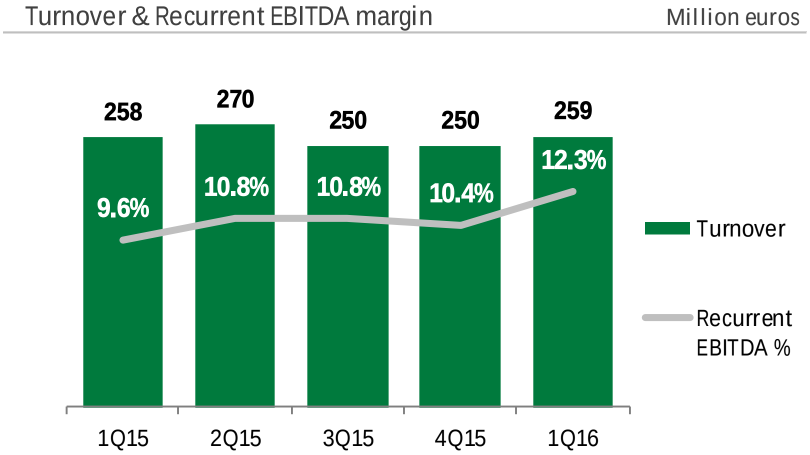
As regards our operational performance, I am pleased to report that we have now delivered eight consecutive quarters of Recurrent EBITDA growth, leading to a last twelve months Recurrent EBITDA of 114 million Euros. This improved performance was driven by better results in our European and North American operations, allowing us to reach a significantly improved Recurrent EBITDA margin of 12.3% for the quarter. This is an important achievement that gives us confidence that we are on the right path towards sustainable profitability and growth.

Following the completion of the rationalization of our industrial footprint in 2015, we are now a smaller but more efficient company, with a higher quality set of assets. We believe that the improved operating profitability and the positive net results registered during the first quarter of 2016, are the first clear signs of the merits of our strategic plan, which is anchored on three key strategic pillars: industrial efficiency, customer focus and orientation and continuous improvements of our internal processes.

Rui Correia
CEO Sonae Indústria

1. TURNOVER & RECURRENT EBITDA

1.1. SONAE INDÚSTRIA CONSOLIDATED



Sonae Indústria's **consolidated turnover** reached 259 million Euros for the quarter, an improvement of 3.7% vs. last quarter and 0.4% when compared to same period of 2015. These results were possible, in both cases, as a result of improved performance in total **sales volumes**, as the consolidated **average selling prices** were below the levels of both 1Q15 and 4Q15. When compared to 1Q15, sales volumes increased by 2.4%, mainly driven by higher sales of raw MDF and OSB products, whilst the average selling prices declined by 3.2%, with negative contributions from all the product categories. When compared to previous quarter, sales volumes improved by 3.8%, driven mainly, once again, by raw MDF and OSB products and the average selling prices were slightly below (-2.2%), with the main negative contributions coming from raw particleboard and OSB products. It is also worth highlighting the 1.4 p.p. increase, in 1Q16, when compared to 1Q15, in the share of melamine surfaced products in total sales.

Consolidated **average variable costs per m^3** registered a positive evolution during 1Q16, a reflection of a more efficient industrial footprint, with the exception of maintenance costs, that were slightly above the 1Q15 level, mostly impacted by the stoppage in White River plant (South Africa) for maintenance works. When compared to 4Q15, unitary variable costs also decreased, as the normal seasonal negative effect of higher wood and energy costs in the first quarter of the year was mitigated by internal efficiency gains and the benefits of a less severe winter in Europe.

On a comparable basis (not considering the contribution of the discontinued operations), total **fixed costs** were reduced by approximately one million Euros during 1Q16, when compared to the same period in 2015.

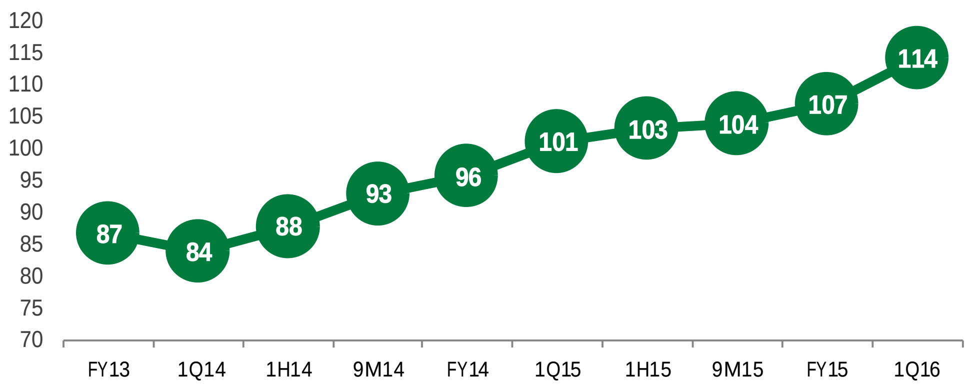
At the end of March 2016, total **headcount** was of 3,223 FTEs, a reduction of 22 FTEs when compared to the end of 2015.

The **average capacity utilization index** of Sonae Indústria's plants reached circa 80% in the 1Q16, an increase of 1.1 p.p., when compared to same period of last year, on a comparable basis, driven by improved performances in the European and North American operations. The average capacity utilization index of the South African plants decreased mainly as a result of the negative impacts from the stoppage of the White River plant for maintenance works.

The consolidated last twelve months **Recurrent EBITDA** for Sonae Indústria reached 114 million Euros, at the end of March 2016, with a recurrent EBITDA for the quarter of 32 million Euros, up by 7.2 million Euros (or +29%) vs. 1Q15 value. The **Recurrent EBITDA margin** in the first quarter of the year was of 12.3%, up by 2.8 and by 1.9 p.p., when compared to same period of last year and to the previous quarter, respectively.

Consolidated Sonae Indústria

LTM Recurrent EBITDA (continuing operations) Million Euros

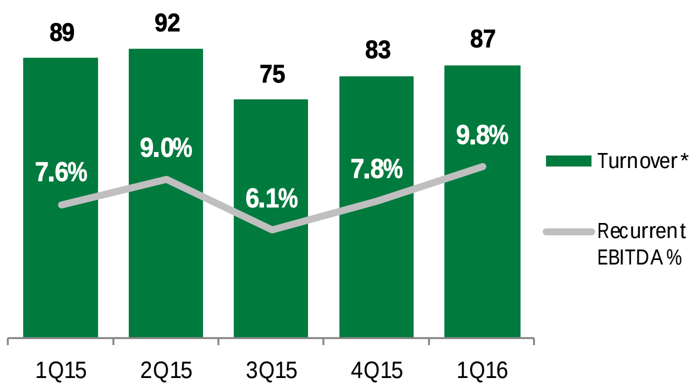


LTM: Last twelve months

Non-recurrent EBITDA items were circa -2.4 million Euros in the quarter, essentially related with redundancy costs (0.6 million Euros), costs associated with inactive sites (circa 0.9 million Euros) and other costs in a total amount of 0.7 million Euros (mainly legal), leading to a total **EBITDA** of 30 million Euros for the quarter, an increase of 9 million Euros, when compared to same period of 2015.

1.2. SOUTHERN EUROPE

Turnover & Recurrent EBITDA margin Million euros



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

The Southern European market experienced an overall improved performance during 1Q16 vs. 1Q15, albeit with different paths in Portugal and Spain, evidenced by the higher levels of consumer confidence y.o.y., which have been translating into improved demand in the local construction sectors. In Portugal, the new housing indicator showed a modest y.o.y. increase of 2%[1], while the underlying indicator for the Spanish construction market registered a y.o.y. increase of circa 40%[2], but coming from very low historical figures.

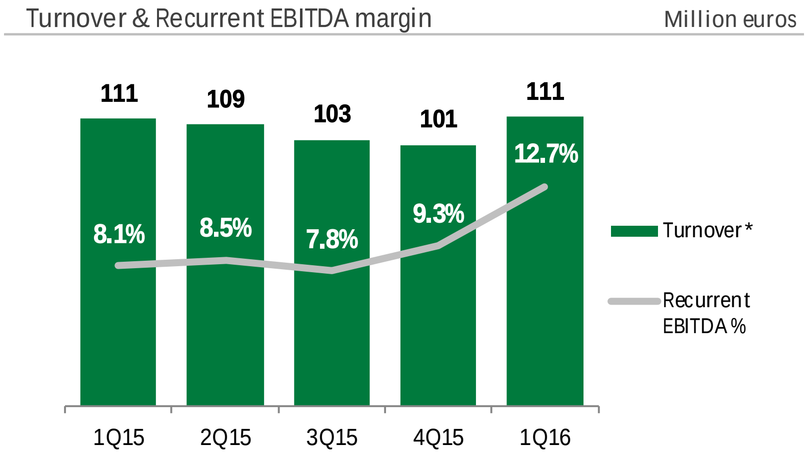
In terms of key financial performance for 1Q16, and when compared to 1Q15, the following items are worth highlighting for this region:

- **Turnover** reached 87 million euros, which represents a decrease of 2.1%, explained by the reduction in **sales volumes** generated in the Iberia Peninsula. Notwithstanding, it should be highlighted that sales volumes increased by 1.4% in 1Q16 vs. 4Q15;
- **Average selling prices** registered a slight decrease, impacted by the negative contributions from raw particleboard and MDF, which have more than offset the increases registered in the melamine surfaced products;
- Due to a smaller but more efficient industrial footprint, **average unitary variable costs (per m^3)** have been reduced, when compared to the same period last year, benefiting from a less severe winter in the Iberian Peninsula and efficiency gains obtained in the group's production processes, which were made possible by the investments carried out in the last years.

The combination of the above factors led to a **Recurrent EBITDA** margin of 9.8% in this region, an increase of 2.2 p.p., when compared to the same period of 2015. It should also be highlighted that the Recurrent EBITDA margin increased by 2 p.p. vs. 4Q15.

[1] Source: Instituto Nacional de Estatística, April 2016 ("Nova habitação residencial", cumulative 3 months evolution until February 2016).
[2] Source: Ministerio de Fomento, April 2016 (Total "New Housing", January 2016 vs. January 2015).

1.3. NORTHERN EUROPE



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

During 1Q16, the Northern European construction sector kept the growing trend started in the second half of 2015, as evidenced by the evolution of the new house construction permits, which grew by 28%[3] y.o.y.

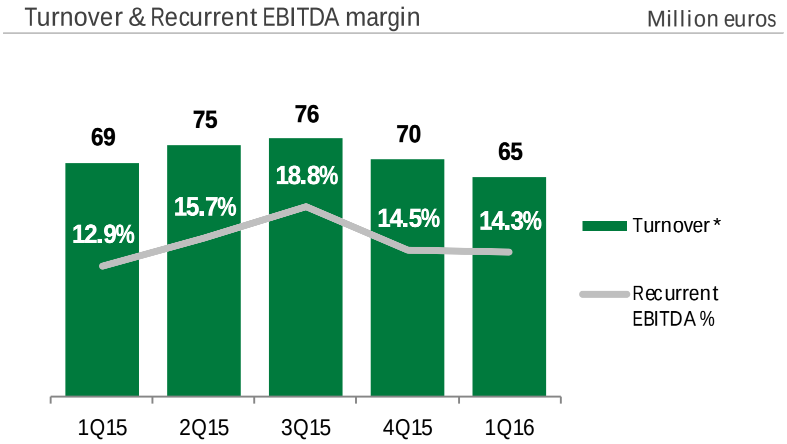
Comparing 1Q16 performance with the same period in 2015, the key highlights of the Northern Europe region are the following:

- **Turnover** increased by 0.6%, due to improved **sales volumes** of raw MDF and, even more relevant, by improved volumes of OSB products. In addition to the improved sales volumes, it must also be highlighted the increasing share of melamine surfaced products (+2.1p.p. y.o.y.) in the total product mix of this region, a reflection of the group's strategy to grow in the value added segments. When compared to previous quarter, sales volumes have increased in all product categories;
- **Average selling prices** registered a decrease in the quarter, with negative contributions from all the products categories, with the exception of the MDF melamine surfaced boards, that was kept relatively stable;
- **Average unitary variable costs (per m^3)** contributed positively to the operational profitability in the region, with important contribution from wood (related with a higher y.o.y. consumption of recycled wood, leveraging on the strategic investment in additional recycling equipment at Nettgau plant and with a milder winter). In addition, similar to what has occurred in Southern Europe, efficiency gains, resulting from improved processes and equipment investments, were registered in the quarter.

The combination of the above factors led to a **Recurrent EBITDA margin** for the 1Q16 of 12.7% in the Northern European region, a significant improvement when compared to both the same quarter of last year and to the previous quarter, +4.6 p.p. and +3.4 p.p., respectively. It is worth highlighting that this Recurrent EBITDA margin is the best quarterly result ever registered in the Northern European operations, a reflection of a more efficient industrial footprint.

[3]Source: German Federal Statistics Office, April 2016 ("Permits for new construction, dwelling", cumulative 3 months evolution until January 2016).

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



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

The construction sector in the North American markets evidenced a mixed performance during 1Q16, in line with the different phases of the business cycle that the United States and Canada are facing. In the United States, where the economic growth is expected to continue at a moderate pace during 2016, the level of housing starts increased by 10%[4], when compared to 1Q15, whilst the Canadian economy, which is still trying to gain some momentum in terms of economic growth, showed a slight negative variation in the level of housing starts (-0.9%[5]), when compared to same period of 2015. In South Africa, the latest macroeconomic estimates point to a contraction for 2016, influencing the trading conditions and, ultimately, impacting the demand for wood based panels. As result, the level of residential building permits decreased by circa 1%[6] during 1Q16 vs. 1Q15.

In terms of performance in the 1Q16, and when compared to 1Q15, the following highlights should be noted for these regions:

- Consolidated **turnover** for the segment as a whole decreased by 6.3% in Euro terms, impacted by the weaker performance of the South African operations in terms of **sales volumes**. It should be noted that our White River plant in South Africa stopped for maintenance works. On the contrary, the sales volumes of the Canadian operation slightly improved, with a higher share of melamine products. The contribution to the consolidated turnover was also negatively impacted (circa 9.4 million Euros) by the exchange rates evolution, as both Canadian dollar and the South African rand depreciated y.o.y. versus the Euro;
- **Average selling prices** registered a positive evolution in both the Canadian and South African operations, naturally impacted by an improved sales mix. However, and due to exchange rates evolution, only the Canadian operation contributed positively to the consolidated average selling price;
- The **average unitary variable costs (per m^3)** decreased in Canada, with positive contribution of wood costs (higher availability of sawdust and chips), while an increase in all cost categories was experienced in the South African operations.

When compared to 1Q15, and led by the combination of the above factors, the segment's **Recurrent EBITDA margin** increased by 1.4 p.p., to 14.3% during the 1Q16.

[4] Source: United States Census Bureau, April 2016 ("New housing units", cumulative 3 months evolution until February 2016).
[5] Source: Canada Mortgage and Housing Corporation, April 2016 ("Building permits (units)", cumulative 3 months evolution until February 2016).
[6] Source: Statistics South Africa, April 2016 ("Building plans for residential buildings (number)", cumulative 3 months evolution until January 2016).

2. Consolidated Financial Performance

2.1. Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT Million euros	1Q15	4Q15	1Q16	1Q16 / 1Q15	1Q16 / 4Q15
Consolidated turnover	**258**	**250**	**259**	**0**	**4%**
Southern Europe*	89	83	87	(2%)	4%
Northern Europe*	111	101	111	1%	11%
Rest of the World*	69	70	65	(6%)	(8%)
Other operational income	7	6	5	(26%)	(16%)
EBITDA	**21**	**19**	**30**	**43%**	**53%**
Recurrent EBITDA	**25**	**26**	**32**	**29%**	**23%**
Southern Europe	7	7	8	25%	30%
Northern Europe	9	9	14	58%	52%
Rest of the World	9	10	9	3%	(9%)
Recurrent EBITDA Margin %	**9.6%**	**10.4%**	**12.3%**	**2.8 pp**	**1.9 pp**
Depreciation and amortisation	(16)	(15)	(15)	8%	4%
Provisions and impairment Losses	2	(1)	1	(54%)	-
Operational profit	**7**	**3**	**16**	**137%**	**-**
Net financial charges	(8)	(11)	(11)	(40%)	0%
o.w. Net interest charges	(6)	(7)	(8)	(36%)	(8%)
o.w. Net exchange differences	1	1	0	(93%)	(86%)
o.w. Net financial discounts	(3)	(4)	(3)	(3%)	21%
Share in results of Joint Ventures	(0)	(0)	0	111%	110%
Profit before taxes continuing operat. (EBT)	**(2)**	**(9)**	**4**	**-**	**149%**
Taxes	(1)	2	(1)	(38%)	-
o.w. Current tax	(1)	(2)	(2)	(40%)	3%
o.w. Deferred tax	0	4	1	44%	(83%)
Profit / (loss) from discontinued operations	(8)	(0)	0	100%	100%
Consolidated net profit / (loss) for the period	**(11)**	**(8)**	**3**	**131%**	**141%**
Net profit/(loss) attributable to Equity Holders	**(11)**	**(8)**	**3**	**131%**	**141%**

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

Sonae Indústria consolidated **EBITDA** for the quarter reached circa 30 million Euros, which represents an improvement of 8.9 million Euros (or +43%), when compared to 1Q15. This performance was driven by better results in Europe and North American operations. 1Q16 **Recurrent EBITDA margin** was of 12.3%, representing an increase of 2.8 p.p. vs. 1Q15 and of 1.9 p.p. when compared to the previous quarter.

Depreciation and amortization charges in the quarter were close to 15 million Euros, a reduction of 1.3 and 0.7 million Euros, when compared to 1Q15 and 4Q15, respectively. These reductions mainly explained by the impacts of the devaluations of both the Canadian dollar and the South African rand.

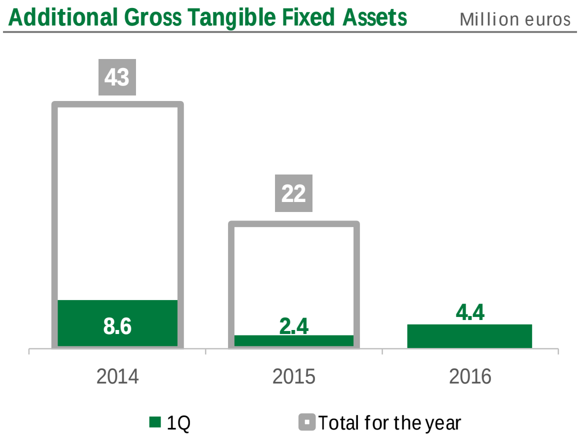
Provisions and impairment losses showed a release of provisions of 0.9 million Euros for the quarter (positively impacting the net results).

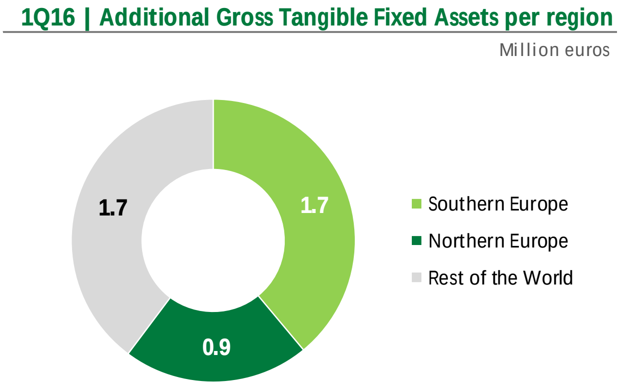
Net financial charges in 1Q16 were of 11.4 million Euros, in line with the value booked in the 4Q15, as the average cost of debt remained approximately stable (5.2% during the 1Q16). When compared to the same period of 2015, net financial charges increased by 3.3 million Euros, due to higher levels of net interest expenses, as the positive impact from interests charged to discontinued operations and to equity consolidated companies was much smaller. This item was also negatively impacted by the reduced positive contribution of the net exchange rate differences y.o.y.

Current tax charges for the quarter were of approximately 2 million euros, 0.5 million Euros above the 1Q15 value, mostly due to higher tax charges in Portugal and Canada. In addition, additional **deferred tax asset** were booked in the period, in the amount of 0.6 million euros, in relation to the North American operations.

As a result of the combination of the above items, Sonae Indústria achieved a positive **Net result** during 1Q16 of 3.2 million Euros, which contrasts with net losses registered in both the 1Q15 and the 4Q15. This is the best quarterly net result of the last seven years.

2.2. CAPEX





Additions to Gross Tangible Fixed Assets reached 4.4 million Euros, which compares with 2.4 million Euros during the same period of 2015. The majority of the investments were in maintenance and health & safety improvements, and were mostly executed in the European plants. In addition, it should be noted that part of the investment in 1Q16 (approximately 1 million Euros) was related with the on-going strategic investment in a 5th melamine surfacing line at the Lac-Mégantic plant (in Canada).

2.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1Q15	2015	1Q16
Non current assets	**821**	**758**	**761**
Tangible assets	692	629	622
Goodwill	83	81	81
Deferred tax asset	27	28	28
Other non current assets	19	20	30
Current assets	**282**	**243**	**251**
Inventories	106	98	99
Trade debtors	135	85	115
Cash and cash equivalents	9	29	16
Other current assets	32	31	21
Non-current assets classified as available for sale	**5**	**2**	**2**
Total assets	**1,108**	**1,003**	**1,013**
Shareholders' Funds	**105**	**58**	**63**
Equity Holders	105	58	63
Non-controlling interests	(0)	(0)	(0)
Liabilities	**996**	**945**	**950**
Interest bearing debt	606	599	595
Non current	465	71	385
Current	141	528	210
Trade creditors	160	139	145
Other liabilities	230	207	210
Liabilities directly associated with non-current assets classified as available for sale	**7**	**0**	**0**
Total Shareholders'Funds and liabilities	**1,108**	**1,003**	**1,013**
Net debt	**597**	**570**	**578**
Net debt to LTM recurrent EBITDA	**5.9 x**	**5.3 x**	**5.1 x**
Working Capital	**81**	**44**	**69**

LTM: last twelve months

Consolidated **Working Capital** reached 69 million Euros in 1Q16, up by 24 million Euros, when compared to the end of 2015, due to a significant increase in the trade debtors account, a normal seasonal effect, as a result of the higher levels of activity registered in the first months of the year. When compared to same period of 2015, working capital decreased by 12.3 million Euros, a reflection of the reduced industrial footprint of the company.

At the end of March 2016, **net debt** increased to 578 million Euros, up by 8.3 million Euros when compared to the end of 2015, driven by the working capital evolution. When compared to the end of the 1Q15, net debt was reduced in 18.6 million Euros. It should be highlighted that the reclassification, as at the end of 2015, of long-term bank facilities in the amount of 314 million Euros to current debt, in accordance with IFRS rules, was reversed in the 1Q16 as all the financial institutions involved have formally waived the non-fulfilment of the applicable 2015 financial covenant.

In terms of leverage, the improvement in the LTM Recurrent EBITDA more than compensated the slight increase in the value of Net Debt, resulting in a **Net Debt to Recurrent EBITDA ratio** for the quarter of 5.1x, the lowest value since September 2008. When compared to 1Q15, the leverage ratio also decreased by 0.8x.

Total **Shareholder's Funds**, at the end of March 2016, amounted to 63.3 million Euros, which represents an increase of 5.6 million Euros, when compared to the end of 2015. This evolution is explained by the positive net profit of the quarter (3.2 million Euros) and also by the exchange rate evolution of both CAD and ZAR during 2016, which positively impacted the revaluation reserve (circa 2 million euros).

3. LOOKING FORWARD

For the remainder of the year, we expect to complete all actions necessary for the execution of the strategic partnership with Arauco, namely the corporate reorganization and the debt refinancing, having already obtained clearance from both European Union and South Africa competition authorities.

During the second quarter of 2016, we also expect to complete the investment in the new melamine surfacing line at our Lac-Mégantic plant, which would allow the launch of new products in the market during the second half of the year.

In addition, we will pursue further opportunities of streamlining the costs of our inactive sites, seeking sale opportunities of the assets that are currently idle.

We will continue to execute the defined strategic plan, implementing initiatives to further improve our profitability, via an improved industrial efficiency, internal processes gains, and a strengthened market position.

The Board of Directors

Paulo Azevedo

Carlos Moreira da Silva

Albrecht Ehlers

Rui Correia

Javier Vega

Christopher Lawrie

José Romão de Sousa

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 31 MARCH 2016 AND 31 DECEMBER 2015

(Amounts expressed in Euros)

ASSETS	Notes	31.03.2016 Unaudited	31.12.2015
NON CURRENT ASSETS:			
Tangible fixed assets	6	621 806 698	628 779 728
Goodwill		80 941 402	80 884 032
Intangible assets		4 913 015	4 203 028
Investment properties		6 353 205	6 450 977
Investment in associates		1 493 139	1 493 139
Investment in joint ventures	4, 5	5 735 937	5 695 259
Investment available for sale		1 150 770	1 155 713
Deferred tax asset		28 214 950	28 358 134
Other non current assets	7	10 055 316	804 270
Total non current assets		760 664 432	757 824 280
CURRENT ASSETS:			
Inventories		98 740 146	98 007 573
Trade debtors		114 797 152	85 053 009
Other current debtors		4 781 363	13 202 016
Current tax asset		2 724 874	2 799 769
Other taxes and contributions		5 688 644	4 811 295
Other current assets		7 810 299	10 406 656
Cash and cash equivalents	8	16 048 376	28 924 470
Total current assets		250 590 854	243 204 788
Non-current assets held for sale		1 535 588	1 535 588
TOTAL ASSETS		1 012 790 874	1 002 564 656
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		- 798 169 350	- 801 248 687
Accumulated other comprehensive income	9	46 289 314	43 785 859
Total shareholders' funds attributabble to equity holders of Sonae Indústria		63 359 295	57 776 503
Non-controlling interests		- 106 081	- 106 611
TOTAL SHAREHOLDERS`FUNDS		63 253 214	57 669 892
LIABILITIES:			
NON CURRENT LIABILITIES:			
Bank loans - net of current portion	10	219 847 621	53 413 866
Non-convertible bonds	10	148 087 333	
Finance lease creditors - net of current portion	10	15 735 140	16 749 594
Other loans	10	1 273 410	1 325 632
Post-retirement liabilities		26 595 876	26 578 632
Other non current liabilities	11	23 861 084	33 589 842
Deferred tax liability		55 270 709	55 427 496
Provisions	13	8 541 093	9 355 417
Total non current liabilities		499 212 266	196 440 479
CURRENT LIABILITIES:			
Current portion of non-current bank loans	10	10 641 257	178 706 758
Current bank loans	10	144 344 534	153 596 265
Current portion of non-current non-convertible bonds	10		147 987 525
Current portion of non-current finance lease creditors	10	4 481 670	5 669 033
Other loans	10	50 123 517	41 619 187
Trade creditors		145 025 604	138 586 348
Current tax liability		287 823	1 508 253
Other taxes and contributions		9 087 312	7 018 495
Other current liabilities	12	85 418 898	72 606 959
Provisions	13	914 779	1 155 462
Total current liabilities		450 325 394	748 454 285
Liabilities directly associated with non-current assets held for sale			
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		1 012 790 874	1 002 564 656

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 THREE-MONTH PERIODS ENDED AT 31 MARCH 2016 AND 31 MARCH 2015

(Amounts expressed in Euros)

	Notes	31.03.2016 Unaudited	31.03.2015 Unaudited
Sales	18, 21	258 055 712	256 241 616
Services rendered	18, 21	852 876	1 668 487
Other income and gains	16, 18	5 208 117	7 028 199
Cost of sales	18	130 716 514	137 266 114
(Increase) / decrease in production	18	1 051 345	- 1 839 640
External supplies and services	18	62 086 510	65 371 071
Staff expenses	18	37 340 199	38 587 651
Depreciation and amortisation		14 755 365	16 015 947
Provisions and impairment losses (increase / reduction)	13, 18	- 901 736	- 1 948 158
Other expenses and losses	17, 18	3 217 717	4 796 607
Operating profit / (loss)	18, 21	15 850 791	6 688 710
Financial expenses	19	12 375 109	12 665 657
Financial income	19	916 226	4 473 221
Gains and losses in joint ventures	4, 5	40 678	- 358 283
Gains and losses in investments		- 13 674	
Net profit/(loss) from continuing operations, before taxation		4 418 912	- 1 862 009
Taxation	20	1 203 094	873 647
Consolidated net profit / (loss) from continuing operations, afer taxation		3 215 818	- 2 735 656
Profit / (loss) from discontinued operations, after taxation	15		- 7 807 167
Consolidated net profit / (loss) for the period		3 215 818	- 10 542 823
Attributable to:			
Equity Holders of Sonae Industria			
Continuing operations		3 215 805	- 2 730 108
Discontinuing operations			- 7 796 260
Equity Holders of Sonae Industria		3 215 805	- 10 526 368
Non-controlling interests			
Continuing operations		13	- 5 548
Discontinuing operations			- 10 907
Non-controlling interests		13	- 16 455
Profit/(Loss) per share			
Fom continuing operations:			
Basic		0.0003	- 0.0002
Diluted		0.0003	- 0.0002
From discontinued operations:			
Basic		0.0000	- 0.0007
Diluted		0.0000	- 0.0007

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 THREE-MONTH PERIODS ENDED 31 MARCH 2016 AND 31 MARCH 2015

(Amounts expressed in Euros)

	Notes	31.03.2016 Unaudited	31.03.2015 Unaudited
Net consolidated profit / (loss) for the period (a)		**3 215 818**	**- 10 542 823**
Other consolidated comprehensive income			
Items that may be subsequently transferred to profit or loss			
Change in currency translation reserve	9	2 342 535	4 150 749
Change in fair value of available-for-sale financial assets	9	5 365	5 885
Other consolidated comprehensive income for the period, net of tax (b)		**2 347 900**	**4 156 634**
Total consolidated comprehensive income for the period (a) + (b)		**5 563 718**	**- 6 386 189**
Total consolidated comprehensive income attributable to:			
Equity holders of Sonae Industria		5 563 698	- 6 375 549
Non-controlling interests		20	- 10 640
		5 563 718	**- 6 386 189**

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 CHANGES IN SHAREHOLDERS` FUNDS AT 31 MARCH 2016 AND 31 MARCH 2015

(Amounts expressed in Euros)

	Notes	Share capital	Legal reserve	Other Reserves and accumulated earnings	Accumulated other comprehensive income	Total shareholders` funds attributable to the equity holders of Sonae Indústria	Non controlling interests	Total shareholders' funds
					9			
Balance as at 1 January 2016		812 107 574	3 131 757	- 801 248 687	43 785 859	57 776 503	- 106 611	57 669 892
Total consolidated comprehensive income for the period								
Net consolidated pofit/(loss) for the period				3 215 805		3 215 805	13	3 215 818
Other consolidated comprehensive income for the period					2 347 893	2 347 893	7	2 347 900
Total				3 215 805	2 347 893	5 563 698	20	5 563 718
Medium term incentive plan				75 176		75 176		75 176
Others				- 211 644	155 562	- 56 082	510	- 55 572
Balance as at 31 March 2016		812 107 574	3 131 757	-798 169 350	46 289 314	63 359 295	- 106 081	63 253 214

	Notes	Share capital	Legal reserve	Other Reserves and accumulated earnings	Accumulated other comprehensive income	Total shareholders` funds attributable to the equity holders of Sonae Indústria	Non-controlling interests	Total shareholders' funds
					9			
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 profit/(loss) for the period				-10 526 368		- 10 526 368	- 16 455	- 10 542 823
Other consolidated comprehensive income for the period					4 150 819	4 150 819	5 815	4 156 634
Total				-10 526 368	4 150 819	-6 375 549	- 10 640	-6 386 189
Medium term incentive plan				57 167		57 167	33	57 200
Others				27 109		27 109	7 245	34 354
Balance as at 31 March 2015		812 107 574	3 131 757	-777 916 970	67 516 112	104 838 473	- 265 461	104 573 012

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 THREE-MONTH PERIODS ENDED 31 MARCH 2016 AND 31 MARCH 2015

(Amounts expressed in Euros)

	Notes	31.03.2016 Unaudited	31.03.2015 Unaudited
OPERATING ACTIVITIES			
Receipts from trade debtors		224 888 896	238 897 192
Payments to trade creditors		184 188 302	217 175 350
Payments to staff		33 652 667	40 691 384
Net cash flow from operations		7 047 927	- 18 969 542
Payment / (receipt) of corporate income tax		2 966 763	2 849 480
Other receipts / (payments) relating to operating activities		- 2 700 012	- 4 523 612
Net cash flow from operating activities (1)		1 381 152	- 26 342 634
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments		242	
Tangible fixed assets and intangible assets		436 861	4 988 877
Investment subventions			119 247
Non-current assets held for sale			2 268 038
		437 103	7 376 162
Cash Payments arising from:			
Investments		23 605	1 141
Tangible fixed assets and intangible assets		5 993 908	6 050 426
		6 017 513	6 051 567
Net cash used in investment activities (2)		- 5 580 410	1 324 595
FINANCING ACTIVITIES			
Cash receipts arising from:			
Interest and similar income		168 253	143 572
Loans obtained		185 109 218	428 639 179
		185 277 471	428 782 751
Cash Payments arising from:			
Interest and similar charges		3 344 542	5 826 760
Loans obtained		181 970 295	404 428 195
Finance leases - repayment of principal		2 204 666	1 912 175
Others		1 090	21 674
		187 520 593	412 188 804
Net cash used in financing activities (3)		- 2 243 122	16 593 947
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		- 6 442 380	- 8 424 092
Effect of foreign exchange rate		- 38 017	- 98 192
Cash and cash equivalents at the beginning of the period	8	15 808 205	10 500 810
Cash and cash equivalents at the end of the period	8	9 403 842	2 174 910

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 THREE-MONTH PERIOD ENDED 31 MARCH 2016

(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 31 March 2016 and 31 March 2015 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 on the notes to the consolidated financial statements for fiscal year 2015.

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 2015.

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 2016 and endorsed by the European Union.

2.2.1. During the period ended 31 March 2016 the following accounting standards, which were issued and endorsed by the European Union, became effective:

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 19 (amendment), Employee Benefits (effective for periods beginning on or after 1 February 2015). 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;

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

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;

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;

Annual improvements 2010-2012 (effective for periods beginning on or after 1 February 2015). 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;

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;

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

2.2.2. In the period ended 31 March 2016 the following standards, effective 1 January 2016 or later, had been issued but still not endorsed by the European Union:

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 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;

IFRS 16 (new), Leases (effective for annual periods beginning on or after 1 January 2019). This standard states that lessees should recognize all leases under tangible fixed assets. As for lessors, the new standard retains the double criteria for finance leases and for operating ones that exist on IAS 17.

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

2.3. Translation of financial statements of foreign companies

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

	31.03.2016		31.12.2015		31.03.2015	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
Great Britain Pound	0.7916	0.7705	0.7340	0.7257	0.7273	0.7433
South African Rand	16.7870	17.4459	16.9520	14.0885	13.1320	13.2345
Canadian Dollar	1.4738	1.5145	1.5116	1.4163	1.3738	1.3954
American Dollar	1.1385	1.1024	1.0887	1.1089	1.0759	1.1262
Swiss Franc	1.0931	1.0960	1.0835	1.0670	1.0463	1.0712

Source: Bloomberg

3. COMPANIES INCLUDED IN CONSOLIDATION PERIMETER

During the period ended 31 March 2016, there were no significant changes to the consolidation perimeter of Sonae Indústria, SGPS, SA.

As disclosed on the notes to the consolidated financial statements for the period ended 31 December 2015, on 30 November 2015, Sonae Indústria entered into a strategic partnership agreement with Inversiones Arauco Internacional, Limitada, a company belonging to Arauco Group. This agreement envisages to set up a joint venture involving wood based panels and related operations presently controlled by Sonae Indústria Group in Europe and South Africa, which will be held in equal parts by Sonae Indústria and Arauco Groups.

This agreement, if implemented, will be carried out by means of an increase in share capital of Sonae Indústria's subsidiary Tafisa – Tableros de Fibras, S. A., for EUR 137.5 million, to be subscribed for by Arauco, which will gain ownership of half of this subsidiary's share capital and subsequent joint control.

The joint venture that may arise from this agreement will not include Sonae Indústria's operations in North America and the laminates and components business, which will continue to be controlled by Sonae Indústria.

The completion of this transaction is subject to certain conditions, namely, the clearance of the competent Competition Authorities, the execution of certain internal transactions to achieve the required business perimeter and certain amendments to relevant existing debt facilities of Sonae Indústria Group. The Company is presently committed to ongoing tasks aiming to fulfil these conditions, having already obtained clearance from both European and South African competition authorities and completed the majority of the required reorganization of business perimeter.

The level of uncertainty that covers this operation derives not only from its contingent nature, as its realization depends on the fulfilment of all the above mentioned conditions, but also from the timing of execution and from the values to assign to certain key variables.

On these consolidated financial statements, it is still impracticable to reliably quantify the effects this transaction, in case it takes place, will have on the future consolidated financial statements of the Company.

The reduction in ownership interest resulting from the capital increase, which will change a position of control to a situation of joint control, could affect the company's net profit or loss in a way that is still not possible to reliably identify at the date of approval of these consolidated financial statements, as it is impossible to identify the value to assign to several key variables to this process.

4. JOINT VENTURES

Joint ventures, their head offices, percentage of share capital held on 31 March 2016 and 31 December 2015 are as follows:

COMPANY	HEAD OFFICE	PERCENTAGE OF CAPITAL HELD			
		31.03.2016		31.12.2015	
		Direct	Total	Direct	Total
Laminate Park GmbH & Co. KG	Eiweiler (Germany)	50.00%	49.99%	50.00%	49.93%
Tecmasa. Reciclados de Andalucia, S. L.	Alcalá de Guadaira (Spain)	50.00%	49.99%	50.00%	49.93%

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:

	31.03.2016		31.12.2015	
	Laminate Park	Tecmasa, Reciclados de Andalucia	Laminate Park	Tecmasa, Reciclados de Andalucia
Non-current assets	30 618 856	196 213	32 015 153	197 372
Current assets	19 332 324	382 306	18 227 223	413 252
Cash and cash equivalents	152 829	189 245	266 798	222 043
Other non-current liabilities	3 400 203		3 559 203	
Current financial liabilities	2 723 115		4 347 656	
Other current liabilities	32 866 296	64 178	31 443 090	108 501
Operating revenues	21 770 088	116 123	80 635 714	427 081
Operating expenses	21 283 175	104 175	82 102 503	398 021
Depreciation and amortization	1 241 158	6 999	5 048 658	26 491
Interest expense	198 055		856 277	
Taxation				8 907
Net profit/(loss) from continuing operations	68 605	11 787	- 3 264 027	20 117
Adjustments to the Group's accounting policies	535	430		
Group's share on net profit/(loss)	34 570	6 109	- 1 632 014	10 059

5. INVESTMENTS

At 31 March 2016 and 31 December 2015, details of Investment in joint ventures, on the Consolidated Statement of Financial position, are as follows:

	31.03.2016	31.12.2015
	Non current	Non current
Investment in joint ventures		
Opening balance	5 695 259	7 326 715
Effect of equity method application (note 4)	40 678	-1631456
Closing balance	5 735 937	5 695 259

6. TANGIBLE FIXED ASSETS

At 31 March 2016 and 31 December 2015, movements in tangible assets, accumulated depreciation and impairment losses were as follows:

	31.03.2016	31.12.2015
	Total tangible fixed assets	Total tangible fixed assets
Gross cost:		
Opening balance	2 099 701 349	2 176 796 117
Capital expenditure	4 149 176	21 351 990
Disposals	1 286 449	17 098 510
Reclassifications as investment properties		- 37 123 738
Transfers and reclassifications	- 111 524	- 4 005 554
Exchange rate effect	8 504 120	- 40 218 956
Closing balance	2 110 956 672	2 099 701 349
Accumulated depreciation and impairment losses		
Opening balance	1 470 921 621	1 476 706 696
Depreciations for the period	14 411 896	61 697 879
Impairment losses for the period - on results		111 280
Disposals	1 127 651	12 864 956
Reclassifications as investment properties		- 30 134 419
Transfers and reclassifications	- 7 933	- 3 307 007
Exchange rate effect	4 952 041	- 21 287 852
Closing balance	1 489 149 974	1 470 921 621
Carrying amount	621 806 698	628 779 728

At the closing date of these consolidated financial statements, mortgaged tangible fixed assets amounted to EUR 300 259 355 (EUR 299 596 935 at 31 December 2015), as a guarantee of loans amounting to EUR 124 282 768 (EUR 125 910 591 at 31 December 2015).

7. OTHER NON-CURRENT ASSETS

At 31 March 2016 and 31 December 2015, details of Other non-current assets were as follows:

	31.03.2016			31.12.2015		
	Gross Value	Impairment	Net Value	Gross Value	Impairment	Net Value
Trade debtors and other debtors	880 316		880 316	804 270		804 270
Loans to related parties	20 106 182	10 931 182	9 175 000	10 931 182	10 931 182	
Financial Instruments	20 986 498	10 931 182	10 055 316	11 735 452	10 931 182	804 270
Total	20 986 498	10 931 182	10 055 316	11 735 452	10 931 182	804 270

Loans to related parties comprise a loan to the joint venture Laminate Park, which was included under Other current debtors, at 31 December 2015, for the same amount.

8. CASH AND CASH EQUIVALENTS

At 31 March 2016 and 31 December 2015, detail of Cash and Cash Equivalents was as follows:

	31.03.2016	31.12.2015
Cash at Hand	57 468	42 240
Bank Deposits and Other Treasury Applications	15 990 908	28 882 230
Cash and Cash Equivalents on the Consolidated Statement of Financial Position	16 048 376	28 924 470
Bank Overdrafts	6 644 534	13 116 265
Cash and Cash Equivalents on the Statement of Cash Flows	9 403 842	15 808 205

9. 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 2016	- 31 461 322	96 733	106 260 850	- 6 260 935	1 388 833	26 238 300	43 785 859
Other consolidated comprehensive income for the period	2 342 528	5 365					2 347 893
Others	- 289	1	648	- 44	9	- 155 237	155 562
Balance as at 31 March 2016	-29 119 083	102 099	106 261 498	-6 260 979	1 388 842	26 083 063	46 289 314

	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	4 144 942	5 877					4 150 819
Balance as at 31 March 2015	-8 217 009	93 960	107 383 926	-6 520 334	1 386 912	26 611 343	67 516 112

10. LOANS

As at 31 March 2016 and 31 December 2015, Sonae Indústria had the following outstanding loans:

	31.03.2016				**31.12.2015**			
	Amortised cost		**Nominal value**		**Amortised cost**		**Nominal value**	
	Current	**Non current**	**Current**	**Non current**	**Current**	**Non current**	**Current**	**Non current**
Bank loans	154 985 791	219 847 621	155 089 124	220 842 247	332 303 023	53 413 866	333 573 440	53 648 577
Debentures		148 087 333		150 000 000	147 987 525		150 000 000	
Obligations under finance leases	4 481 670	15 735 140	4 481 670	15 735 140	5 669 033	16 749 594	5 669 033	16 749 594
Other loans	50 123 517	1 273 410	50 354 322	1 273 410	41 619 187	1 325 632	41 954 760	1 325 632
Gross debt	209 590 978	384 943 504	209 925 116	387 850 797	527 578 768	71 489 092	531 197 233	71 723 803
Cash and cash equivalent in balance sheet	16 048 376		16 048 376		28 924 470		28 924 470	
Net debt	193 542 602	384 943 504	193 876 740	387 850 797	498 654 298	71 489 092	502 272 763	71 723 803
Total net debt	578 486 106		581 727 537		570 143 390		573 996 566	

At 31 March 2016, loans can be detailed as follows:

10.1. Bank Loans

Company(ies)	Loan	Contract date	Maturity date (with reference to 31 March 2016)	Currency	Outstanding principal at 31.03.2016 EUR	Outstanding principal at 31.12.2015 EUR
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 1)	EUR	1 800 000	2 400 000
Sonae Indústria, SGPS, S.A.	Bank loan	August 2010	to be repaid from November 2012 to August 2017	EUR	1 666 667	1 944 444
Sonae Indústria, SGPS, S.A.	Commercial paper programme	September 2010	June 2016 2)	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	28 634 486	29 572 204
Tafisa Canada Inc.	Bank loan	July 2011	to be repaid from August 2012 to April 2016	CAD	85 672	334 117
Imoplamac, S.A.	Bank loan	November 2012	repaid in March 2016, in accordance with contract provisions	EUR		729 933
Sonae Indústria, SGPS, S.A.	Commercial paper programme	June 2013	June 2018 note: programme without subscription guarantee	EUR	9 400 000	13 650 000
Taiber, Tableros Aglomerados Ibéricos, S.L. e Sonae Indústria, SGPS, S.A.	Bank loan	November 2013	July 2016	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	8 350 000	8 350 000
Sonae Indústria, SGPS, S.A.	Commercial paper programme	August 2014	to be repaid from May 2018 to November 2020	EUR	93 900 000	93 900 000
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	10 000 000	7 930 000
Sonae Indústria, SGPS, S.A	Commercial paper programme	February 2015	to be repaid from August 2016 to February 2018	EUR	12 500 000	12 500 000
Sonae Novobord (Pty) Limited	Bank loan	April 2015	to be repaid from October 2015 to April 2020	ZAR	16 262 610	16 104 270
Sonae Indústria, SGPS, S.A.	Bank loan	June 2015	June 2016	EUR	60 000 000	60 000 000
Sonae Indústria, SGPS, S.A.	Commercial paper programme	October 2015	October 2016, renewable	EUR	5 000 000	5 000 000
Euroresinas - Indústrias Químicas, S.A.	Bank loan	November 2015	to be repaid from May 2016 to November 2018	EUR	4 000 000	4 000 000
Sonae Indústria, SGPS, S.A.	Bank loan	December 2015	repaid in January 2016, in accordance with contract provisions	EUR		9 999 481
Taiber, Tableros Aglomerados Ibéricos, S.L.	Bank loan	January 2016	cancelable with prior notice 1)	EUR	1 724 192	N/A
Several companies				EUR	5 009 785	2 802 439
Total				**EUR**	**374 833 412**	**385 716 889**

1) Until the date of approval of these consolidated financial statements, no notification revoking these loans had been received;

2) In January 2016 both parts agreed on rescheduling maturity of this loan to June 2016.

All these loans are subject to variable interest rates.

Figures detailed on the previous table correspond to the amortized cost of bank loans disclosed on note 10.

At 31 March 2016, there were other assets amounting to EUR 52 639 283 (EUR 47 975 673 at 31 December 2015) which were pledged as guarantee of the Group's liabilities. These assets consisted mostly of inventories and accounts receivable.

At 31 December 2015, the Group reclassified under current liabilities bank loans amounting to EUR 167 308 185 (amortized cost), after having failed equity ratios contractually associated with these loans. In the period ended 31 March 2016, the Group obtained formal statements from the financing institutions assuring that repayment will not be required before contractually defined maturity dates. As such, these loans were reclassified under non-current liabilities, on these consolidated financial statements.

10.2. Bond Issues

Company(ies)	Loan	Contract date	Maturity date (with reference to 31 March 2016)	Currency	Outstanding principal at 31.03.2016	Outstanding principal at 31.12.2015
Sonae Indústria, SGPS, S.A.	Sonae Industria / 2014 - 2020 bonds	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.

10.3. Other loans

Company(ies)	Loan	Contract date	Maturity date (with reference to 31 March 2016)	Currency	Outstanding principal at 31.03.2016 EUR	Outstanding principal at 31.12.2015 EUR
Várias Empresas	Trade receivables securitization	August 2012	September 2016, renewable, with maximum maturity September 2018	EUR	48 684 357	40 162 862
				GBP	490 347	480 792

Trade debtors amounting to EUR 73 328 867 (EUR 50 888 083 at 31 December 2015) 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.

11. OTHER NON-CURRENT LIABILITIES

At 31 March 2016 and 31 December 2015, Other non-current liabilities on the Consolidated Statement of Financial Position were composed of:

	31.03.2016	31.12.2015
Other creditors	2 277 504	2 277 504
Financial instruments	2 277 504	2 277 504
Other creditors	21 583 580	31 312 338
Liabilities out of scope of IFRS 7	21 583 580	31 312 338
Total	23 861 084	33 589 842

Other creditors include EUR 21 037 478 (EUR 24 535 202 at 31 December 2015) related to deferred investment subventions.

At the closing date of these consolidated financial statements, Other non-current liabilities did not include any amount related to the fine imposed by the German Competition Authority as the balance that existed at 31 December 2015, which amounted to EUR 6 193 800, had been reclassified under Other current liabilities.

12. OTHER CURRENT LIABILITIES

At 31 March 2016 and 31 December 2015, Other current liabilities on the Consolidated Statement of Financial Position were composed of:

	31.03.2016	31.12.2015
Derivatives	25 709	41 908
Tangible fixed assets suppliers	3 792 188	5 418 520
Other creditors	3 499 591	2 776 725
Financial instruments	7 317 488	8 237 153
Other creditors	7 119 367	7 301 250
Accrued expenses:		
Insurances	369 240	335 167
Personnel expenses	21 122 699	17 002 321
Accrued financial expenses	11 354 486	6 503 606
Rebates	14 045 281	15 818 462
External supplies and services	9 806 182	8 005 824
Other accrued expenses	7 340 350	4 977 001
Deferred income:		
Investment subventions	6 251 256	4 277 243
Other deferred income	692 549	148 932
Liabilities out of scope of IFRS 7	78 101 410	64 369 806
Total	85 418 898	72 606 959

At 31 March 2016 and 31 December 2015, Other creditors under Other current liabilities included EUR 6 265 000 related to the fine imposed by the German Competition Authority.

13. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements occurred in provisions and accumulated impairment losses during the period ended 31 March 2016 were as follows:

	31.03.2016						
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	41 690 361						41 690 361
Goodwill	1 700 000						1 700 000
Intangible assets	366 436						366 436
Other non-current assets	10 931 182						10 931 182
Trade debtors	25 345 784	7 340	690 033		564 649	- 136 055	25 342 453
Other debtors	3 502						3 502
Subtotal impairment losses	82 297 194	7 340	690 033		564 649	- 136 055	82 293 863
Provisions:							
Litigations in course	1 523 885	- 21 152		424 403		4 614	1 082 944
Warranties to customers	549 120	- 81					549 039
Restructuring	1 492 766			428 219			1 064 547
Other	6 945 108		57 256	243 022			6 759 342
Subtotal provisions	10 510 879	- 21 233	57 256	1 095 644		4 614	9 455 872
Subtotal impairment losses and provisions	92 808 073	- 13 893	747 289	1 095 644	564 649	- 131 441	91 749 735
Other losses:							
Investments	36 985 875		13 670				36 999 545
Write-down to net realizable value of inventories	4 401 009	381	627 505		384 493		4 644 402
Total	134 194 957	- 13 512	1 388 464	1 095 644	949 142	- 131 441	133 393 682

	31.03.2015						
Description	Opening balance	Exchange rate effect	Increase	Utilization	Reversion	Other changes	Closing balance
Impairment losses:							
Investment properties							
Tangible fixed assets	48 044 432		10 920			1 718 441	49 773 793
Goodwill	7 778 921	96 440					7 875 361
Intangible assets	30 833					- 1 831	29 002
Other non-current assets	10 931 182						10 931 182
Trade debtors	26 228 073	170 515	346 418		309 561	- 513 136	25 922 309
Other debtors	3 502						3 502
Subtotal impairment losses	93 016 943	266 955	357 338		309 561	1 203 474	94 535 149
Provisions:							
Litigations in course	1 504 544					- 1 492	1 503 052
Warranties to customers	541 547	3 273	154				544 974
Restructuring	6 055 072	10 943		2 792 178			3 273 837
Other	4 694 739		30 790	190 013		57 449	4 592 965
Subtotal provisions	12 795 901	14 216	30 944	2 982 191		55 957	9 914 826
Subtotal impairment losses and provisions	105 812 844	281 171	388 282	2 982 191	309 561	1 259 431	104 449 975
Other losses:							
Investments	36 985 875						36 985 875
Write-down to net realizable value of inventories	4 165 268	27 352	3 331 627		408 594	- 2 602 985	4 512 668
Total	146 963 987	308 523	3 719 909	2 982 191	718 155	- 1 343 554	145 948 518

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

	31.03.2016			31.03.2015		
	Losses	Gains	Total	Losses	Gains	Total
Cost of sales	240 141	86 236	- 153 905	200 195	142 451	- 57 744
(Increase) / decrease in production	387 364	298 257	- 89 107	399 136	230 025	- 169 111
Provisions and impairment losses	720 033	1 621 769	901 736	346 573	2 294 731	1 948 158
Staff expenses	27 256	38 524	11 268	27 324	110 900	83 576
Profit / (loss) from investments	13 670		- 13 670			
Profit / (loss) from discontinued operations				2 746 681	922 239	- 1 824 442
Total (Consolidated Income Statement)	1 388 464	2 044 786	656 322	3 719 909	3 700 346	- 19 563

14. RELATED PARTIES

Balances and flows with related parties are summarized as follows:

Balances	Accounts receivable		Accounts payable	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Other subsidiaries of the parent company	641 984	329 705	3 764 123	4 336 245
Joint ventures and associates	9 511 222	9 527 339	2 222 997	1 836 792

Transactions	Income		Expenditure	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Other subsidiaries of the parent company	188 313	155 598	910 787	1 471 607
Joint ventures and associates	514 592	1 538 524	6 043 060	4 283 106

15. DISCONTINUED OPERATIONS

In the period ended 31 March 2016, the Group did not classify any operations as discontinued. At 31 March 2015, the operations of Betanzos and Pontecaldelas industrial plants, in Spain, and Linxe (Darbo SAS) and Ussel industrial plants, in France, were classified as discontinued and the relating results were included under Profit / (loss) from discontinued operations, after taxation, on the Consolidated Income Statement, which can detailed as follows:

	31.03.2015
Sales	19 682 354
Services rendered	96 124
Other income and gains	919 206
Cost of sales	14 388 208
(Increase) / decrease in production	1 387 840
External supplies and services	6 707 541
Staff expenses	4 229 109
Depreciation and amortisation	28 671
Provisions and impairment losses (increase / reduction)	- 828 088
Other expenses and losses	471 819
Operating profit / (loss)	- 5 687 416
Financial expenses	2 313 389
Financial income	183 585
Net profit/(loss) from descontinued operations, before tax	- 7 817 220
Taxation	- 10 053
Net profit / (loss) from descontinued operations	- 7 807 167

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

	31.03.2015
Operating activities	-11 114 752
Investment activities	4 186 864
Financing activitues	8 491 807

16. OTHER INCOME AND GAINS

Details of Other income and gains on the Consolidated Income Statement for the periods ended 31 March 2016 and 2015 are as follows:

	31.03.2016	31.03.2015
Gains on disp. and write off of invest. prop., tang. and intang. assets	42 846	128 622
Supplementary revenue	1 186 638	1 553 767
Investment subventions	1 559 280	1 660 935
Tax received	1 180 280	1 122 170
Positive exchange gains	878 452	1 437 906
Others	360 621	1 124 799
	5 208 117	7 028 199

17. OTHER EXPENSES AND LOSSES

Details of Other expenses and losses on the Consolidated Income Statement for the periods ended 31 March 2016 and 2015 are as follows:

	31.03.2016	31.03.2015
Taxes	875 783	740 556
Losses on disp. and write off of invest. prop., tang. and intang. assets	157 486	1 128 801
Negative exchange gains	975 325	2 003 185
Others	1 209 123	924 065
	3 217 717	4 796 607

18. UNDERLYING AND NON-UNDERLYING ITEMS

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

	31.03.2016 Recurring	31.03.2015 Recurring
Sales	258 055 712	256 194 321
Services rendered	852 876	1 668 487
Other income and gains	4 803 772	6 153 023
Cost of sales	130 610 753	137 039 199
(Increase) / decrease in production	1 051 345	- 1 839 640
External supplies and services	61 157 446	64 627 380
Staff expenses	36 272 188	35 822 277
Impairment losses in trade debtors (increase/reduction)	113 871	46 728
Other expenses and losses	2 539 383	3 593 814
Recurring operating profit/(loss) before amortization, depreciation, provisions and impairment losses (except trade debtors)	31 967 374	24 726 073
Non-Recurring operating profit/(loss) before amortization, depreciation, provisions and impairment losses (except trade debtors)	- 2 388 339	- 4 016 302
Total operating profit/(loss) before amortization, depreciation, provisions and impairment losses (except trade debtors)	29 579 035	20 709 771

19. FINANCIAL RESULTS

Financial results for the periods ended 31 March 2016 and 2015 were as follows:

	31.03.2016	31.03.2015
Financial expenses:		
Interest expenses		
related to bank loans and overdrafts	4 769 560	4 618 556
related to non convertible bonds	2 092 708	1 766 398
related to finance leases	585 854	712 231
others	250 520	724 704
	7 698 642	7 821 889
Losses in currency translation		
related to loans	466 933	671 594
	466 933	671 594
Cash discounts granted	3 115 967	3 073 700
Other finance losses	1 093 567	1 098 474
	12 375 109	12 665 657

	31.03.2016	31.03.2015
Financial income:		
Interest income		
related to bank loans	85 352	22 756
related to loans to related parties	78 181	2 231 018
Others	10 845	15 200
	174 378	2 268 974
Gains in currency translation		
related to loans	559 672	1 977 284
	559 672	1 977 284
Cash discounts obtained	177 477	226 963
Other finance gains	4 699	
	916 226	4 473 221
Finance profit / (loss)	**- 11 458 883**	**- 8 192 436**

20. TAXES

Corporate income tax accounted for in the periods ended 31 March 2016 and 2015 is detailed as follows:

	31.03.2016	31.03.2015
Current tax	1 821 515	1 303 170
Deferred tax	- 618 421	- 429 523
	1 203 094	873 647

21. 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 31 March 2016 and 2015, identifiable reportable segments were as follows:

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

		Turnover	
		31.03.2016	31.03.2015
Northern Europe		111 482 074	110 804 160
Southern Europe		86 754 156	88 710 000
Rest of the world		64 974 254	69 315 542
Total segments		263 210 484	268 829 702
Intercompany turnover	(-)	6 517 036	14 476 578
Differences in classification	(+)	2 215 141	3 556 980
Consolidated Income statement		258 908 588	257 910 103

		Operating net profit (loss)	
		31.03.2016	31.03.2015
Northern Europe		6 737 417	2 124 477
Southern Europe		3 454 836	207 568
Rest of the world		5 706 300	4 397 820
Total segments		15 898 553	6 729 865
Consolidation adjustments not included under Total segments	(+)	- 47 762	41 155
Consolidated Income statement		15 850 791	6 688 710

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

22. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issuance 4 May 2016.