

SONAE INDÚSTRIA, SGPS, S.A.
Publicly Traded Company
Registered Office: Lugar do Espido, Via Norte, Maia
Share Capital: € 812,107,574.17
Registered at the Commercial Registry of Maia
Registration and Tax Nº 506 035 034

PRIVILEGED INFORMATION

Sonae Indústria announces the completion of the strategic partnership with Arauco for the European and South African markets

Further to the announcement made on 30 November of 2015, Sonae Indústria, SGPS, S.A. ("**Sonae Indústria**") announces that it has completed the strategic partnership agreement with Inversiones Arauco Internacional, Limitada, a company belonging to Arauco group ("**Arauco**"). This 50/50 partnership involves the existing European and South African wood based panels and related operations of Sonae Indústria, namely all its production facilities of wood based panels, chemicals and paper impregnation, but excludes Sonae Indústria's operations in North America and the laminates and components business, which will continue to be fully owned by Sonae Indústria.

The partnership was consummated today by Arauco subscribing 137.5 million Euros to a capital increase of Sonae Indústria's subsidiary Tableros de Fibras, S.A., renamed "**Sonae Arauco, S.A.**" ("**Sonae Arauco**").

The completion of this transaction was subject to certain conditions, among others: (i) the clearance of the competent Competition Authorities; (ii) the execution of certain internal transactions, agreed between Sonae Indústria and Arauco, to achieve the required business perimeter for the partnership; and (iii) certain amendments to the existing debt facilities of Sonae Indústria group; all of which were entirely fulfilled before or on 31 May 2016.

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As a result of this transaction, Sonae indústria has reduced its consolidated net debt to an estimated amount of less than 240 million Euros. In addition to the refinancing of the Canadian operations, Sonae Indústria has agreed new medium term financing facilities with its major creditor banks totalling circa 180 million Euros, with a 5-year final maturity, and has also secured short term facilities with a number of other creditor banks, thus ensuring an adequate financing package.

As part of this transaction, Sonae Arauco has also completed a new 5-year syndicated loan agreement with five international banks, in a total amount of 205 million Euros, under significantly improved conditions.

Sonae Indústria is confident that this partnership reinforces its long term growth commitment in the wood based panels industry, as the combination of two strong, reputable and well-established companies in the sector will enable Sonae Arauco to leverage on the strengths of each one to build a stronger company in the European and South African markets.

Maia, 31 May 2016

The Representative for Relations with Capital Markets and CMVM,

(Christopher Lawrie)

About Sonae Indústria

With a total of 17 plants located in 5 countries on 3 continents, Sonae Indústria's main activities relate to manufacturing and selling of wood-based panels. Sonae Indústria maintains production facilities in Portugal, Spain, Germany, South Africa and Canada. Sonae Indústria produces (i) wood-based panels, including particleboard, fibreboards and OSB-panels, (ii) other woodbased products such as laminate flooring and components for the furniture and construction industry (iii) sawn timber, (iv) decorative laminates, (v) chemicals and (vi) impregnated paper. At the end of 2015 the company had 3,245 employees worldwide and a consolidated turnover of 1,027 million Euros.

About Arauco

Arauco is a forestry company that produces and manages renewable forest resources. Arauco maintains production facilities in Latin America, the United States and Canada, and has a worldwide sales presence. Arauco produces (i) woodpulp; (ii) panels, including plywood and fiberboard panels; and (iii) wood products consisting of sawn timber (green, kiln-dried lumber and flitches) and remanufactured wood products. . At the end of 2015 the company had over 14 thousand employees worldwide and a consolidated revenue of 5,147 million US Dollars.