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SONAE INDÚSTRIA, SGPS, SA

Publicly Traded Company

Head-office: Lugar do Espido, Via Norte, Maia

Share Capital: € 700 000 000

Registered at Maia Commercial Registry Office under no. 506 035 034

VAT no. 506 035 034

Maia, Portugal, 05 March 2008: Sonae Industria today reports audited Consolidated Results for FY 2007 which have been prepared in accordance with IFRS (International Financial Reporting Standards).

Highlights of Financial Performance in FY 2007

Compared with FY 2006:

- Turnover increased by 22% to 2.1 billion euros;
- Recurrent EBITDA reached 302 million euros, representing an increase of 36%;
- EBITDA margin on Turnover increased to 15%;
- Net Profit Attributable to Shareholders increased to 79 million euros compared with 32 million euros in 2006.

	4Q'06	3Q'07	4Q'07	4Q'07 / 4Q'06	4Q'07 / 3Q'07	(euro millions)		
						2006	2007	% chg 07/06
Turnover	495	511	478	(3%)	(6%)	1.699	2.066	22%
EBITDA	61	85	96	56%	12%	234	335	43%
Recurrent EBITDA	71	85	62	(12%)	(27%)	223	302	36%
Recurrent EBITDA Margin %	14,3%	16,7%	13,0%			13,1%	14,6%	
Net Profit attributable to Shareholders of Sonae Industria	17	18	15	(13%)	(18%)	32	79	143%
Net Debt	749	900	798			749	798	

Message from Carlos Bianchi de Aguiar, CEO

"I am delighted that we are reporting the best performance ever in the history of Sonae Indústria. Turnover increased to 2.1 billion euros, total EBITDA reached 335 million and Net Profit was 79 million euros.

The progress that we have achieved in recent years has allowed the Company to be well placed to profit from the good markets seen during most of 2007.

Markets have not all behaved in the same manner during 2007: Germany and France weakened already in 2H 2007; Iberia remained buoyant until the end 3Q 2007; the North American market was weak throughout 2007; both Brazilian and South African markets were very strong all year. On the cost side, at the beginning of 2007, we witnessed a significant increase in wood prices and the prices of chemicals were volatile throughout the year.

In 2007, Sonae Indústria started production at the new line in South Africa and at the 2nd particleboard line in Lac Megantic (Canada). We also started the construction of an impregnation center in Kaisersesch (Germany) to support our operations in Germany, France and the UK, which will start to produce in 1Q 2008.

The integration of the acquisitions made in 2006 (Hornitex and Darbo) continued according to plan and additional efficiency gains are expected during 2008.



Sonae Indústria increased its stake in Tafisa to 99% during 2007 and the company was delisted from the Spanish Stock Market.

2007 will also be remembered by Sonae Indústria as the year in which we issued our first Sustainability Report in which we explain what has been achieved and the targets we have set ourselves.

As we all know, Sonae Indústria's business is cyclical. At present we are facing a slowdown in the economic environment with negative impacts on our activity. Our geographic spread helps us to reduce these impacts, but does not allow us to avoid them. Sonae Indústria is prepared and will take the necessary measures to face this situation: actions will be taken to tailor our production to demand, as well as to adjust our cost structure and our investment program.

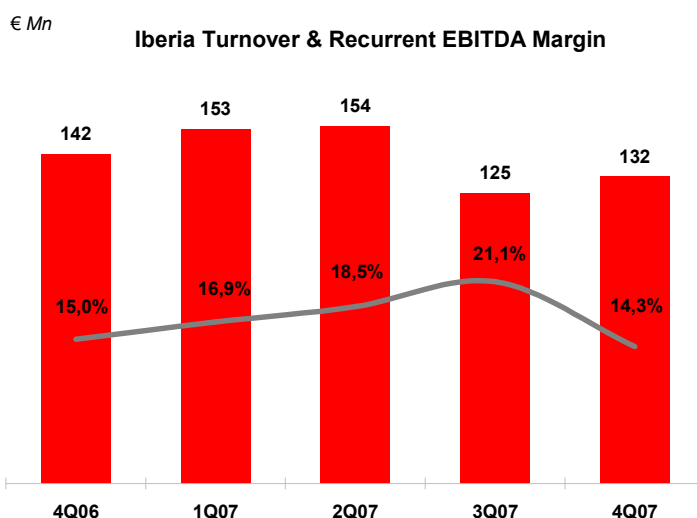
The Board of Directors will propose to the Shareholders' General Meeting that Sonae Indústria pays a dividend of 28 Euro cents per share, a total of 39.2 million euros.

I would like to thank our teams for their dedication and our stakeholders for their support and loyalty. I believe we possess all the necessary assets required to support a truly sustainable business."

Geographic Review of Operations

Iberia

In 2007, we achieved an excellent level of performance by focusing on protecting our market share through product portfolio improvement, managing customer service and consolidating our presence in strategic export markets. Turnover increased by 19% on 2006 to 565 million euros, on the back of higher volumes (220.000 m³ above 2006, including a full year of Darbo sales in 2007).



In spite of recording this strong performance in 2007, we did in the last months of the year face a lessening of demand due to the slowdown in economic environment. The economic growth forecast for Spain for 2008 has been revised downwards from 3% to 2.7% (European Commission) and the Portuguese construction sector is still



underperforming. Turnover in 4Q 2007 decreased 6% when compared to 4Q 2006, chemical costs increased dramatically and we have returned to profitability levels comparable to those at the end of 2006.

Recurrent EBITDA increased to 99 million euros in 2007, 39% above 2006 and represented an 18% EBITDA margin (compared with 15% in 2006). Total EBITDA reached 124 million euros, which includes a 26 million euros gain on the sale of our site in Pontevedra.

Central Europe (Germany, France and UK)

During 2007, Germany experienced a slow down in residential construction, with new building permits dropping significantly as a consequence of changes in legislation (the ending of incentives to encourage private sector building) and a VAT increase. As a result, most market segments have suffered from weaker demand. The strength of the Euro against the USD has effectively halted exports to North America and has led to imports of OSB into European markets which are traditionally customers of German plants. This led to price and volume pressure in the OSB market late in the year.

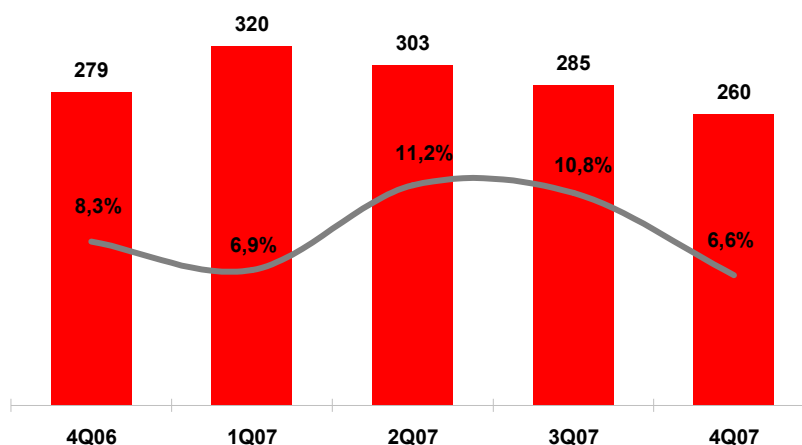
In France, the construction sector grew marginally during 2007 showing a declining trend in the second half. Furniture sales increased, particularly in the kitchen and flat pack segments, positively affecting our activity in these sectors. In this context, we were able to increase our market share and achieve record sales.

The UK operation performed well in 2007, driven in the first half of 2007 by strong market demand and a favourable exchange rate providing protection against imports from Continental Europe. In the second half of the year, increased supply combined with the credit crunch restricted demand.

Nevertheless, industrial volumes remained at similar levels to those of 2006, despite the fire at our Knowsley plant in February 2007, which caused a 30 day production stoppage.

€ Mn

Central Europe Turnover & Recurrent EBITDA Margin



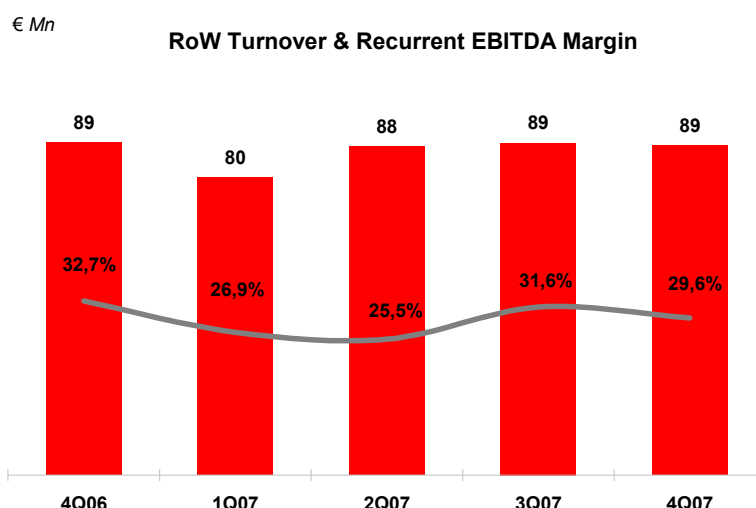


The first phase of the integration of the Hornitex plants into our German operations and organisation was successfully completed and we are continuing the restructuring process in order to further improve efficiency and profitability.

A direct comparison between 2006 and 2007 is affected by the impact of the 3 Hornitex plants, acquired in July 2006, by the Flooring JV with Tarkett and by the fire in February 2007 at our UK plant. Turnover increased by 25% on 2006 to reach 1.2 billion euros. Recurrent EBITDA, based on much improved profitability in France and in the UK, totalled 104 million euros which represents an 80% increase on 2006 and resulted in an EBITDA margin of 9%.

Rest of the World (Canada, Brazil; South Africa)

Our performance in Canada, Brazil, and South Africa reflects a combination of mixed market trends and of specific impacts which make direct comparisons difficult.



In Canada, our PB Line 2 produced its first boards in December 2007, 20 months after the fire that destroyed the previous line in April 2006. The production constraints that resulted from the fire changed our product mix. Melamine turnover grew substantially in both Canadian and US markets thanks to the introduction of new products and gains in market share. The “subprime” crisis in the US that emerged during 2H 2007, was a consequence of already existing problems in real estate markets. This economic environment has contributed to capacity closures towards the end of the year and our rebuilt PB line is the only “new PB capacity” expected in North-America. Despite overall weaknesses in the US housing market, some regions like the North East where we have significant access showed more stability in 2007. Also, the Canadian housing market, where we sell most of our volume, reached in 2007, one of its best years of the last two decades.

In line with 2005 and 2006, South Africa GDP growth remained very high at 4,5% during 2007, in spite of successive interest rate hikes that have contributed to a slowdown in economic output. Our main variable costs have increased significantly, due also to the devaluation of the ZAR. Nevertheless, we saw our turnover (in local currency) and

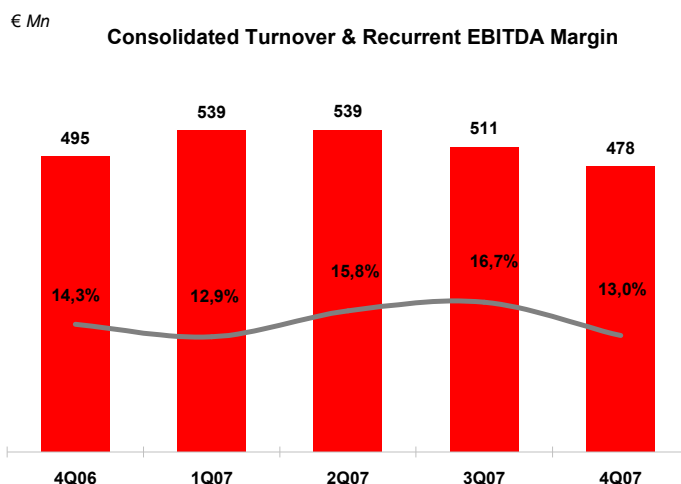


profitability increasing as we were able to outweigh these higher industrial costs. South Africa also has to deal with electricity capacity problems. Nevertheless, demand is very solid and we expect that building and construction will remain the strongest performing sector over the next 2-3 years. Our new PB line in White River initiated production in July 2007 and we are planning to invest a further 8 million euros in a new melamine line in 2008.

Brazil experienced a very strong market during 2007 due to the positive macroeconomic environment. GDP growth rate was higher than expected, inflation was kept under control and the lowest level of interest and unemployment rates in recent years was achieved. There was an increase in real income per capita resulting in a higher level of demand. The international credit crisis is already reaching the financial markets but this has had no significant impact on the real economy. Our marketing strategy focused on value added products (Melamine Faced MDF and Melamine Faced Chipboard), rather than merely looking for volume growth, which led to a significant growth in profitability. The Brazilian market has many players and will be facing strong competition from installed capacity growth in the coming years. In January 2008, Sonae Indústria and Masisa agreed to work together to develop a joint-venture for this market.

Turnover in the Rest of the World totalled 346 million euros in 2007, reflecting no growth compared to 2006. This is a consequence of a decrease in turnover in Canada due to the fire and in South Africa because of the devaluation of the ZAR. Recurrent EBITDA reached 98 million euros, slightly above the 2006 figure of 96 million euros.

Financial Review of FY2007



As previously explained, our business performance in 2007 is not directly comparable with 2006 due to four main effects: (i) the acquisition of the Hornitex assets in Germany which we consolidated as from 1 July 2006; (ii) the acquisition of the Darbo plant in France, consolidated as from 30 September 2006; (iii) the contribution of our Eiweiler plant to the 50%-50% partnership with Tarkett, which was formalized on 29 September 2006 and (iv) the reduced activity in Canada due to the fire that destroyed our 2nd particleboard line in April 2006.



	4Q'06	3Q'07	4Q'07	4Q'07 / 4Q'06	4Q'07 / 3Q'07	(euro millions)		
						2006	2007	%chg 07/06
Turnover	495	511	478	(3%)	(6%)	1.699	2.066	22%
Other Operational Income	36	1	79	116%	8.380%	119	129	8%
EBITDA	61	85	96	56%	12%	234	335	43%
Recurrent EBITDA	71	85	62	(12%)	(27%)	223	302	36%
Recurrent EBITDA Margin %	14,3%	16,7%	13,0%			13,1%	14,6%	
Depreciation and amortisation	(31)	(29)	(31)	(3%)	6%	(108)	(117)	8%
Operational Profit	36	56	52	44%	(7%)	120	205	71%
Net Financial Charges	(17)	(21)	(20)	20%	(4%)	(68)	(81)	19%
o.w. Net Interest Charges	(11)	(13)	(7)	(34%)	(44%)	(37)	(44)	17%
o.w. Net Financial Discounts	(6)	(5)	(5)	(8%)	2%	(17)	(22)	30%
Profit before taxes (EBT)	19	35	32	68%	(9%)	52	125	138%
Taxes	(0)	(12)	(12)	2.786%	0%	(19)	(35)	89%
o.w. Current Tax	(3)	(7)	(5)	59%	(32%)	(14)	(19)	36%
Net Profit attributable to Shareholders of Sonae Indústria	17	18	15	(13%)	(18%)	32	79	143%

Consolidated Turnover in 2007 was 2.1 billion euros, an increase of 22% compared with 2006. Consolidated Recurrent EBITDA was 302 million euros, representing a margin on Turnover of 14.6% and a 36% increase when compared with 2006. Operating Results (EBIT) increased 71% in 2007 to 205 million euros compared with 120 million in 2006.

Consolidated Net results attributable to Sonae Indústria Shareholders increased by 143% to 79 million euros, compared with 32 million euros in 2006.

The higher interest rate environment and higher average debt levels during 2007 led to an increase on Net Interest Charges to 44 million euros, compared with 37 million euros in 2006. However, due to the increase in EBITDA, our interest cover rate improved from 6.3x to 7.7x.

	2006	2007	% chg 2007 / 2006
Non Current Assets	1.360	1.517	12%
Tangible Assets	1.235	1.343	9%
Goodwill	51	100	96%
Deferred Tax	60	49	(19%)
Other Non Current Assets	15	26	76%
Current Assets	796	651	(18%)
Inventories	214	258	20%
Trade Debtors	290	260	(10%)
Cash & Investments	194	66	(66%)
Other Current Assets	97	67	(31%)
Total Assets	2.156	2.168	1%
Shareholders' Funds	520	595	14%
Minority Interests	28	34	20%
Shareholders' Funds + Minority Interests	548	629	15%
Interest Bearing Debt	943	864	(8%)
Short term	141	160	13%
L-M term	802	704	(12%)
Trade Creditors	259	226	(13%)
Other Liabilities	406	449	10%
Total Liabilities	1.608	1.539	(4%)
Total Liabilities, Shareholders' Funds and Minority Interests	2.156	2.168	1%



During 2007 gross fixed assets increased by 202 million euros. This amount includes (i) 90 million euros for the reinstatement of line 2 in Canada, of which 49 million euros was already financed by cash advances from insurance claims (ii) 34 million euros related to the construction of our new PB line in South Africa; (iii) 16 million euros in relation to a paper impregnation centre in Germany; and (iv) other maintenance investments and industrial improvements. We also bought out most of the minority shareholding in our subsidiary Tafisa in May 2007, representing a cash outflow of 50 million euros.

Net Debt increased by 49 million euros during 2007 to 798 million euros. During 4Q 2007, we managed to decrease Net Debt by 102 million euros, as a result of our efforts to reduce working capital, which included extending production curtailments at some plants during December. At the end of 2007 the Net Debt to EBITDA ratio was 2.4x and the Net Gearing was 127% (compared to 3,2x and 137% at the end of 2006).

Looking Forward

Deceleration in Iberia and in Central Europe has been evident. Brazil and South Africa have proved resilient.

We believe that there is still room to improve our operational efficiency in Central Europe and Iberia, by adapting our production to the evolution in demand. We will concentrate our efforts on completing the integration and restructuring of the plants we acquired in Germany and on optimizing our industrial and logistics costs. We will also continue investing to improve health and safety and address environmental issues so that we improve our standards in these areas.

There was a sharp increase in chemical costs in 4Q 2007 but we expect these costs to return to earlier price levels by the middle of the year.

In Canada, we are focused on the ramp-up of our 2nd particleboard line and, as we are the lowest cost producer in this market, we will be aiming to improve our market share.

In line with our established strategic guidelines, we will continue to look for opportunities to grow in our most profitable markets. In Brazil, we are negotiating a joint-venture with Masisa and we will increasingly focus on value added products. In South Africa, we will invest 8 million euros in a new melamine line in White River.

The Board of Directors
Maia, 5 March 2008