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(Translation from the Portuguese original)

Chairman of the Board of the Shareholders' General
Meeting of SONAE INDÚSTRIA, SGPS, S.A.

Item no. 2

PROPOSAL

According with the applicable legal and statutory terms, the Board of Directors proposes to the Shareholders' General Meeting that the negative results of 129,563,123.55 euros in the individual accounts, be transferred to retained earnings.

It also proposes that the referred to amount of 129,563,123.55 euros and part of the retained earnings of the previous years, in the amount of 139,627,368.09 euros, totalizing the amount of 269,190,491.64 euros, are covered with free reserves in the amount of 20,145,629.80 euros, merger reserves in the amount of 245,913,105.07 euros and legal reserves in the amount of 3,131,756.77 euros, in the total amount of 269,190,491.64 euros.

Considering that the amount of the company shareholder's funds is below half of its share capital, the Board of Directors will, in the terms of the applicable law, request the inclusion of a point in the agenda of the Annual Shareholders' General Meeting to inform the shareholders of the existing situation and for them to take the measures they consider convenient. The Board of Directors will propose a share capital reduction.

On behalf of the Board of Directors,

(Christopher Lawrie)

(Louis Brassard)