



Consolidated results

March, 31st 2014

inapa



Index

1. Highlights	2
2. Relevant facts.....	4
3. Management report	5
3.1. Market analysis.....	5
3.2. Consolidated performance	5
3.3. Performance of the Group Business Areas.....	7
3.4. Future prospects.....	8
3.5. Stock market	10
4. Interim Consolidated Accounts.....	11
5. Mandatory information	33
5.1. Shares Held by Governing Bodies	33
5.2. Managerial Transactions.....	33
5.3. Statement of conformity	34
6. Additional information	35



1. Highlights

Sales Growth of 5.7%

Net Results increase 33% to €1.5M

Recurrent EBITDA increased 26.5% achieving a margin of 3.5% (+0.6 pp)

Generation of results

- Sales increased 5.7% relatively to March 2013
- Gross margin maintenance at 18.5%
- Operational costs, before impairments and on a pro forma basis, reduced in € 0.7M (2.2%)
- Recurrent EBITDA increased 26.5% to 8.4 million euros, with a margin of 3.5%
- Operational results increased € 1.5M to € 6.6 M
- Net profit before tax increases 38.8% to 2.4 million euros
- Net income increased 33% to € 1.5M

Financial structure

- Working capital, on a pro forma basis, has decreased 8.9 million euros relatively to March 2013 and increased 4.1 million euros relatively to December 2013 reflecting the growth of business volume
- Net debt, on a pro forma basis, decreased 4.5 million euros comparing with March 2013, and 2.5 million euros relatively to 2013 year end.



Table 1 Main Consolidated Indicators

Million euros	Mar-14	Mar-13	Δ 14/13		
Tons ('000)	225	207	8,8%		
Sales	241,3	228,3	5,7%		
Gross margin	44,6	42,3	5,3%		
Gross margin (%)	18,5%	18,5%	0,0 pp		
Operating costs ¹	35,1	34,4	1,9%		
Provisions	1,2	1,3	-11,6%		
Re-EBITDA	8,4	6,6	26,5%		
Re-EBITDA margin (%)	3,5%	2,9%	0,6 pp		
EBIT	6,6	5,1	28,7%		
Net financial costs	4,3	3,4	24,0%		
EBT	2,4	1,7	39%		
Net income	1,5	1,1	33%		
	31-3-14	31-3-13	Δ 12 months	31-12-13	Δ 3 months
Net Debt ²	326,8	331,3	-1,4%	329,3	-0,8%
Working capital	151,2	160,1	-5,6%	147,1	2,8%

⁽¹⁾ Net of income from services and other income and excludes provisions
Pro-forma (excl. Korda, Realpack e Trademba) Mar-14 = 33,7 M€

⁽²⁾ Includes securitization

Published = Pro-forma + Assets and liabilities from Korda, Realpack and Trademba acquisitions

Net debt	340,2	331,3	2,7%	341,2	-0,3%
Working capital	164,7	160,1	2,9%	159,2	3,5%



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2. Relevant facts

28/2/2014 Address change in the company headquarters

19/3/2014 Notice for General Meeting

19/3/2014 2013 Results announcement

Until the date of publication of the report, the relevant facts to the business were:

4/4/2014 Reduction below 2% of the qualifying holding of Tiago Moreira da Silva Trindade Salgado

10/4/2014 Ordinary General Meeting

16/4/2014 Communication of Banco Comercial Português, SA on the qualifying holding of 32.94%

23/4/2014 Information to shareholders that preferred shares are now granting voting rights

24/4/2014 Announcement of dividends payment according to what was deliberated at the General Meeting held on April 10th

30/4/2014 Communication of Banco Espírito Santo, SA on the qualifying holding of 6.11%

2/5/2014 Communication of Caixa Geral de Depósitos, SA on the qualifying holding of 33.14%

2/5/2014 Communication of Parpública, SGPS, SA on the qualifying holding of 10.88%

8/5/2014 Announcement of share capital decrease of Inapa-Investimentos, Participações e Gestão, SA from € 204 176 479,38 to €180 135 111,43

12/05/2014 Dividend payment to preferred shares



3. Management report

3.1. Market analysis

The first quarter of 2014 confirmed the recovery trend of the European economy, although moderately, observed in the second semester of 2013. For this gradual evolution, economic factors such as a favorable external conjuncture with moderate growth in the United States, China and the Emerging Markets, the improvement in financing conditions and the access to capital, mainly in peripheral countries, and the reduction of risk premium have all contributed.

Despite this positive outlook, a few risk factors persist. First of all, the still high levels of unemployment, particularly youth unemployment, together with inflation expectations in Europe at historically low levels, with the probability, although relatively low, of deflation. In political terms the question of Ukraine may also be a factor of instability.

The improvement of macroeconomic indicators in mature economies seems apparently to have slowed the structural decline in the sector of pulp and paper production. The growth of Gross National Product spurred the increase in demand for paper, thus attenuating the effect observed in the recent past generated by the restrictions of the fall in private consumption and investment, resulting from the economic crisis.

The effect generated by the positive development of the Economy, in addition to paper, also boosted business in the sectors of packaging and visual communication for which interesting growth rates can be expected.

3.2. Consolidated performance

In an economic context of some recovery in Europe, the consolidated sales of Inapa until March 2014 grew 5.7 % comparatively with the same period in 2013, reaching 241.3 million euros. For this positive development the growth of 4.6% in paper sales was an important contributor, boosted by higher sales growth of complementary business which increased 13.6% and complemented by the effect resulting from the increase in the Group's perimeter. On a proforma comparison, the growth in paper business is 1.1% and 3.2% in complementary businesses.

During the first quarter of 2014 we continued to see a strong pressure at the level of the average sales prices resulting from existing market imbalances between the demand and supply and the excess of capacity at the distribution level. Despite this difficult context, Inapa maintained the margin defense strategy implemented last year leading to an overall improvement of the Group profitability, both through margin support, and by improving the mix of sales.



Complementary businesses continued the positive trend we have been experiencing, with a growth of 27.4% in packaging and the maintenance in visual communication business.

Table 2_ Developments of the Paper, Packaging and Visual Communication Business

Million euros	Mar-14			Mar-13	
	Sales	Weight	Δ 13/12	Sales	Weight
Paper	210,2	87,1%	4,6%	200,9	88,0%
Complementary business	31,2	12,9%	13,6%	27,5	12,0%
Packaging	16,5	6,8%	27,4%	12,9	5,7%
Visual communication	7,2	3,0%	-1,1%	7,3	3,2%
Others ¹	7,5	3,1%	3,5%	7,2	3,2%
Total	241,3	100%	5,7%	228,3	100%

Note: (1) Cross-selling with the paper business, office and graphic supplies

The commercial margin defense effort mentioned above, allowed to keep the gross margin percentage in 18.5%, identical to the level registered in the same period in 2013.

In the first quarter of 2014, as the result of a constant policy of costs control, operating costs have reduced 0.7 million euros (-2.2%) in relation to the same period in 2013, on a pro forma basis. This decrease is mainly due to the reduction of administrative costs and personnel costs.

Provisions for receivables registered a decrease of 12% (-0.1 million euros) compared with the same period of the previous year, representing 0.5% of sales. This positive development reflects the strict credit risk management of customers complemented by the credit insurance.

Until March, the Re-EBITDA was 8.4 million euros, representing 3.5% of sales, an increase of 26.5 % (1.8 million euros), supported by the the paper and complementary businesses sales increase, strict control on operating costs and continued rigor in credit risk management.

Operational results (EBIT) grew by 28.7%, amounting to 6.6 million euros, representing 2.7% of sales.

In this regards it should be noted that both EBITDA and EBIT margins stood at the top levels of market benchmarks.

As a result of the increase in the Group perimeter and of the gradual trend of increased reference rates, partially offset by the impact in reducing the average indebtedness resulting from the increase of the funds generated by the holding, in the first quarter of 2014 financial costs rose 24% to 4.3 million euros when compared with the first three months of 2013. On a pro forma basis the growth was 12.6%.

Earnings before taxes grew 38.8% to 2.4 million euros. The good commercial performance along with the maintenance of the margin and the contention of operational costs level, was only partially affected by the increase in net financial charges and depreciations.

Taxes in the first three months totalled 0.9 million euros.



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Until March, the consolidated net income of Inapa increased 33%, standing at 1.5 million euros, which compares with 1.1 million euros in 2013.

Working capital registered an improvement of 5.6% over March 2013, on a comparable basis, i.e. a reduction of 8.9 million euros. This evolution reflects the continued improvement in the management of working capital adjusted to the evolution of the business.

Net debt at 31 March 2014, on a comparable basis, excluding the impact of acquisitions, totalled 326.8 million euros, registering a reduction of 2.5 million euros compared to December 2013 and a reduction of 4.5 million euros compared to March 2013.

3.3. Performance of the Group Business Areas

The strategic plan “Agenda 2020” considers as business objectives the growth and diversification of its business portfolio. Accordingly, and as a result of the implementation of the strategic plan, the weight of complementary businesses (packaging and visual communication) in sales was 12.9% compared to 12.0% in the same period last year and its relative contribution to the generation of operating profit (EBIT) of the Group was 18.6%.

PAPER

In volume, sales in the first three months increased 8.8% comparing with 2013 levels, from 207 thousand to 225 thousand tons. In value, paper business sales amounted to 210.2 million euros, an increase of 4.6%. The decrease of the average price of paper relatively to the same period of 2013 is the consequence of the strong competitiveness arising in the markets, as a result of the fall in demand. The progressive improvement of the economic indicators in Europe boosted the growth of paper business together with the increase in sales by the entry on the Turkish market.

Cross-selling in the paper business (namely the sale of graphics and office supplies) registered a growth of 3.5% in the period under analysis.

The Group held a policy of margin defense, focused on improving profitability through the mix of products sold, having managed to keep the margin of the paper business in 17.0%.

Operational results (EBIT) in the paper business amounted to 5.4 million euros, representing 2.5% of sales, an increase of 12.5% compared with previous year. This progression is due to the good sales performance, a reduction in fixed and distribution costs and in impairments of credit collections.



PACKAGING

Packaging business sales increased 27.4% relatively to 2013, with sales of 16.5 million euros, boosted by the growth in the markets in which it operates and complemented by the acquisitions of Karbox (France), Trademal (Portugal) and Realpack (Germany).

Operational results (EBIT) increased 55.5% to 1.0 million euros, representing 5.8% of sales, as a consequence of operational optimization resulting from the reorganization of the packaging business in all the geographies where it is present.

VISUAL COMMUNICATION

The business of visual communication ended the quarter with sales of 7.2 million euros, in line with the same period in 2013. Digital printing continues to register a positive trend, due to innovations introduced in the market, such as Latex, which have accelerated the shift of offset technologies and featuring solvent inks. However, it should be noted that sales of equipment have been reduced due to the slowdown in investment in the Eurozone.

Operational results (EBIT) were 0.2 million euros, representing 2.9% of sales.

3.4. Future prospects

For the next quarter of 2014, we foresee that the volumes and sales of paper continue progressing positively, accompanying the economic recovery prospects for the Eurozone countries, despite the maintenance of the negative forecasts concerning the evolution of paper demand due to the pressure of competition alongside the rigor required in the management of customers credit risk. The entry into the Turkish market will have a positive impact on paper sales growth.

Regarding the evolution of complementary businesses it is expected that, in view of the investments and partnerships made, the positive trend will continue.

In what regards to major markets, a good performance in volumes is expected in Germany and Spain. For Switzerland and Portugal we anticipate more moderate rates of growth and on the French market some contraction in demand will continue, though perhaps less accentuated than to date.

Despite the positive progression of the economic indicators in general, a considerable difference will remain between economic growth and the growth in demand for paper that is largely due to competition with digital media.

It is expected a decrease in operational costs, given the structural change of the business which has been carried out in the different geographies, with a set of actions to adjust the structure



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affected to the current dimension and the expected market evolution, namely in sales, logistics and administrative areas.

At the same time, and in order to extract the maximum value of the paper business, the Group will remain focused on the analysis of optimization opportunities in the markets in which it operates, in order to improve their efficiency and productivity, in particular through the standardization of information systems supporting the business and the consolidation of the shared services center.

Inapa will proceed with the consolidation of the acquired companies in the area of complementary businesses which should maintain the trend of growth and profitability that has been registered, with the consequent increase in the respective weight in revenues and operating results of the Group.

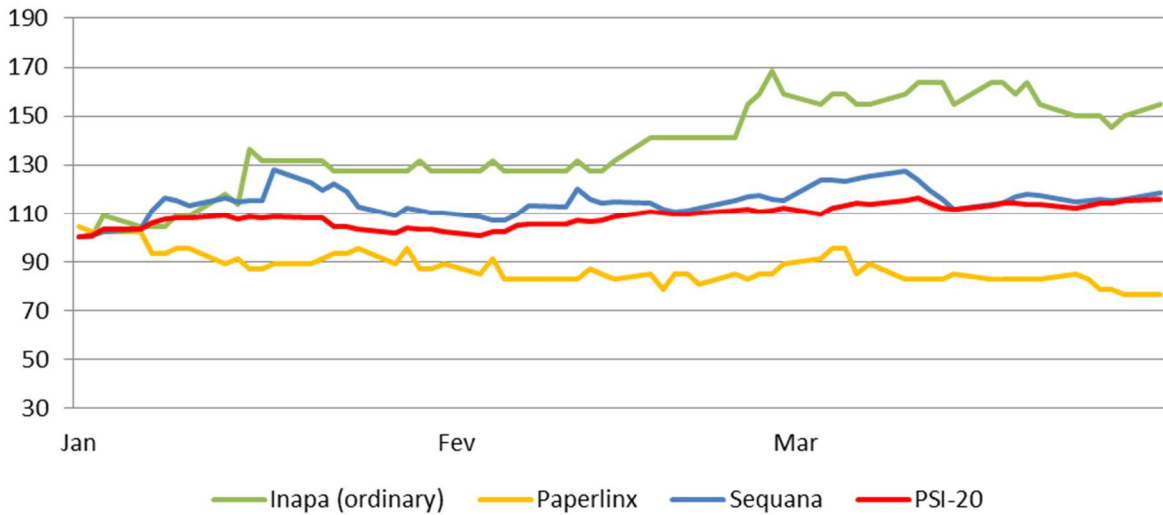
In terms of cash flow generation, the Group will remain focused on the optimization of the working capital and in the generation of resources arising from the exploration, continuing the effort to reduce the debt and improving its maturity ratio.



3.5. Stock market

Inapa stock price vs. PSI20 vs. comparables

March 2014

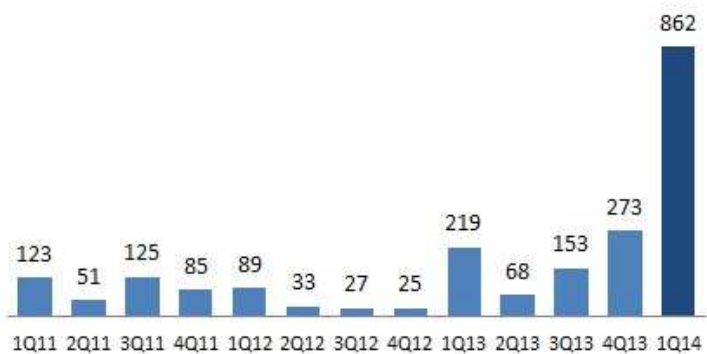


At 31 March 2014 ordinary shares showed an appreciation of 55% relatively to 2013 year end. The shares ended the quarter with a quote of 0.34€, which compares with a 16% increase of the PSI-20. The evolution of Inapa shares was better than the one of other players in the industry.

Inapa trading volume during the first three months of 2014 showed liquidity levels above those which have been registered in the last quarters, with approximately five times more transactions than the average of 2013.

Average trading volumes

Thousands of shares



Preferred shares' price at 31 March 2014 was 0.25€, nine cents above its issue price (held in

October 2011) and one cent above the end of 2013. The liquidity of these securities is low, but above the levels of 2013, having been transacted 528 thousand shares in the first three months of the year.



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4. Interim Consolidated Accounts

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED SEPARATE INCOME STATEMENT AS AT MARCH 31st, 2014

(Amounts in thousands of Euros)

	Notes	March 31st, 2014	*	March 31st, 2013	*
Tones *		225.374		207.085	
Sales and Services rendered	4	243.866		230.754	
Other income	4	6.080		6.442	
Total Income		249.946		237.195	
Cost of Sales		-199.277		-188.427	
Personnel Cost		-19.331		-18.901	
Other costs	6	-23.100		-23.386	
		8.238		6.481	
Depreciations and amortizations		-1.613		-1.341	
Gains / (Losses) in associates		2		2	
Net financial function	7	-4.271		-3.445	
Net profit before income tax		2.355		1.697	
Income tax	17	-875		-551	
Net profit / (loss) for the period		1.481		1.146	
Attributable to:					
Shareholders of the company		1.478		1.109	
Non controlling interests		2		37	
Earnings per share on continuing operations					
Basic		0,010		0,008	
Diluted		0,010		0,008	

To be read in conjunction with the Notes of consolidated financial statements

* Non audited



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INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT MARCH 31ST, 2014
(Amounts in thousands of Euros)

	March 31st, 2014	*	March 31st, 2013	*
Net profit for the period before non controlling interests	1.481		1.146	
Items that will not be reclassified to profit or loss				
Actuarial gains / losses	-		-	
Items that may be reclassified subsequently to profit or loss				
Change in value of available-for-sale financial assets	-		-	
Currency conversion differences	-26		90	
Rendimento reconhecido directamente no capital próprio	-26		90	
Total comprehensive income for the period	1.455		1.236	
Attributable to:				
Shareholders of the company	1.453		1.199	
Non controlling interests	2		37	
	1.455		1.236	

To be read in conjunction with the Notes of consolidated financial statements

* Non audited



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INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED BALANCE SHEET AS AT MARCH 31ST, 2014
(Amounts in thousands of Euros)

	Notes	March 31st, 2014	* December 31st, 2013
ASSETS			
Non-current assets			
Tangible fixed assets		91.495	92.997
Goodwill		148.540	148.535
Other intangible assets		113.949	112.984
Investments in associate companies		1.068	1.068
Available-for-sale financial assets	8	39	40
Other non-current assets	11	22.169	24.232
Deferred taxes assets	17	22.349	22.347
Total non-current assets		399.609	402.203
Current Assets			
Inventories		72.152	67.895
Trade receivables	11	157.595	141.913
Tax to be recovered		8.761	8.444
Available-for-sale financial assets	8	-	-
Other current assets	11	33.552	31.110
Cash and cash-equivalents	12	13.895	24.835
Total current assets		285.956	274.197
Total Assets		685.565	676.399
SHAREHOLDERS EQUITY			
Share capital	14	204.176	204.176
Share issue premium		450	450
Reserves		43.806	43.832
Retained earnings		(55.811)	(57.085)
Net profit for the period		1.478	1.273
		194.100	192.648
Non controlling interests		1.112	1.211
Total shareholders equity		195.211	193.859
LIABILITIES			
Non current Liabilities			
Loans	15	114.016	111.436
Financing associated to financial assets	15	43.802	47.002
Deferred tax liabilities	17	23.852	23.854
Provisions		302	307
Employees benefits		4.651	4.594
Other non-current liabilities		4.325	6.032
Total non-current liabilities		190.949	193.225
Current Liabilities			
Loans	15	196.305	207.599
Trade payables	16	65.043	50.592
Tax liabilities		16.533	12.310
Other current liabilities	16	21.524	18.815
Total current liabilities		299.405	289.315
Total shareholders capital and liabilities		685.565	676.399

To be read in conjunction with the Notes of consolidated financial statements

* Non audited



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INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY AS AT MARCH 31ST, 2014 AND DECEMBER 31ST, 2013
(Amounts expressed in thousand of Euros)

	ATTRIBUTABLE TO SHAREHOLDERS						Non-controlling interests	Total Shareholders Equity
	Share Capital	Share issuance premium	Foreign Exchange Adjustments	Other reserves and Retained earnings	Net Profit / (loss) for the period	Total		
BALANCE AS AT JANUARY 1, 2013 RESTATED	204.176	450	5.122	-11.500	-5.949	192.300	4.068	196.368
Total earnings and costs recognized in the period	-	-	-510	371	1.273	1.134	80	1.214
Previous year net profit and loss result	-	-	-	-5.949	5.949	-	-	-
Changes in Capital	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-102	-102
Changes in the consolidation perimeter	-	-	-	-	-	-	-2.835	-2.835
Other changes	-	-	-	-787	-	-787	-	-787
Total of gains and losses of the period	- 0	-	-510 0	-6.364,8	7.222	348	-2.857 0	-2.509
BALANCE AS AT DECEMBER 31, 2013	204.176	450	4.612	-17.865	1.273	192.648	1.211	193.858
BALANCE AS AT JANUARY 1, 2014	204.176	450	4.612	-17.865	1.273	192.648	1.211	193.858
Total earnings and costs recognized in the period	-	-	-26	-	1.478	1.453	2	1.455
Previous year net profit and loss result	-	-	-	1.273	-1.273	-	-	-
Dividends	-	-	-	-	-	-	-102	-102
Other changes	-	-	-	-	-	-	-	-
Total of gains and losses of the period	-	-	-26 0	1.273,4	205	1.453	-100	1.353
BALANCE AS AT MARCH 31, 2014	204.176	450	4.586	-16.591	1.478	194.101	1.112	195.211

To be read in conjunction with the Notes of consolidated financial statements



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INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31ST, 2014

(Amounts expressed in thousand Euros) - direct method

	Notes	March 31st, 2014	March 31st, 2013
Cash flow generated from operating activities			
Cash receipts from customers		238.364	240.412
Payments to suppliers		-192.540	-177.882
Payments to personnel		-20.076	-19.072
Net cash from operational activities		25.748	43.458
Income taxes paid		-582	-373
Income taxes received		783	277
Other proceeds relating to operating activity		10.910	16.826
Other payments relating to operating activity		-20.069	-44.456
Net cash generated from operating activities	[1]	16.791	15.732
Cash flow from investing activities			
Proceeds from:			
Financial investments		-	24
Tangible fixed assets		345	1
Intangible assets		-	-
Interest and similar income		678	111
Dividends		-	-
		<u>1.023</u>	<u>136</u>
Payments in respect of:			
Financial investments		-234	-2.101
Tangible fixed assets		-1.107	-314
Intangible assets		-114	-170
Advances from third-party expenses		-	-
Loans granted		-	-
		<u>-1.455</u>	<u>-2.585</u>
Net cash used in investing activities	[2]	-431	-2.449
Cash flow from financing activities			
Proceeds from:			
Loans obtained		18.040	20.086
Capital increases, repayments and share premiums		-	-
Treasury placements		-	-
Changes in ownership interests		-	-
		<u>18.040</u>	<u>20.086</u>
Payments in respect of:			
Loans obtained		-36.554	-49.695
Amortization of financial leases		-320	-308
Interest and similar expenses		-2.905	-2.836
Dividends		-	-
		<u>-39.779</u>	<u>-52.839</u>
Net cash used in financing activities	[3]	-21.739	-32.753
Increase / (decrease) in cash and cash-equivalent	[4] = [1] + [2] + [3]	-5.380	-19.470
Effect of exchange differences		28	-26
		<u>-5.352</u>	<u>-19.496</u>
Cash and cash-equivalents at the beginning of period		-107.162	-62.045
Cash and cash-equivalents at the end of period	11	<u>-112.514</u>	<u>-81.541</u>
		<u>-5.352</u>	<u>-19.496</u>

To be read in conjunction with the Notes to the consolidated financial statements

* Non audited



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INAPA - INVESTIMENTOS, PARTICIPAÇÕES E GESTÃO, SA

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF THREE MONTHS ENDED 31 MARCH 2014

(All amounts are expressed in thousand euros, unless otherwise specified)

1. INTRODUCTION

Inapa-Investimentos, Participações e Gestão, S.A. (Inapa -IPG) is the parent company of the Inapa Group, with the business purpose of owning and managing movable and fixed assets, holding shares in other companies, exploiting its own and third-party commercial and industrial establishments and providing support to companies in which it is a shareholder. Inapa - IPG is listed on the Euronext Lisbon stock exchange.

Head Office: Rua Braamcamp 40 - 9ºD, 1250-050 Lisbon, Portugal

Share capital: 204,176,479.38 euros

N.I.P.C. (Corporate Tax Identification Number): 500 137 994

As a result of its development and internationalisation plan, the Inapa Group holds shares in the Paper supply sector in various European countries, specifically (i) Inapa Deutschland, GmbH headquartered in Germany, which has a stake in Papier Union, GmbH, which in turn holds shares in Inapa Packaging, GmbH, and Inapa Viscom, GmbH, headquartered in the same country, (ii) Inapa France, (iii) Inapa Suisse, a subsidiary controlled directly and indirectly through Inapa Deutschland, GmbH, which operates in the Swiss market, (iv) Inapa Portugal - Distribuição de Papel, SA, the Portuguese company in the Group which has a stake in Inapa Angola - Distribuição de Papel, S.A. , (v) Inapa España Distribución de Papel, S.A., operating in Spain, which has a stake in Surpapel, SL (a company that markets paper), (vi) Europackaging, SGPS, Lda, based in Portugal that develops its activity in Portugal and France through its subsidiaries and (vii) one company located in the United Kingdom - Inapa Merchants Holding, Ltd, company without activity. In turn, the subsidiary Inapa Packaging, GmbH, has two companies for marketing packaging material, Hennessen & Potthoff, GmbH and HTL - Verpackung, GmbH and Realpack, GmbH.

These consolidated financial statements were approved by Inapa-IPG's Board of Directors on May 21st, 2014. It is the opinion of the Board that these financial statements appropriately reflect the Group's operations and financial position.

2. ACCOUNTING POLICIES



Basis of presentation

The consolidated financial statements of the Inapa Group were prepared under the assumption that it will continue to operate and are based on the accounting books and records of the companies which comprise the Group. On the other hand, the interim financial statements for the three months ending on March 31th, 2014 were prepared in compliance with the provisions of IAS 34 – Interim Financial Reporting and are published in conjunction with condensed Notes thereto, on account of which they are to be perused in conjunction with the annual consolidated financial statements that ended December 31th, 2013.

The consolidated financial statements of the Inapa Group are also prepared in compliance with the International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) subject to the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or its former representative, the Standing Interpretations Committee (SIC), as endorsed in the European Union.

Accounting policies

The accounting policies applied in these interim consolidated financial statements are consistent with the policies adopted by the Inapa Group in preparing its annual consolidated financial statements reported on the financial year that ended December 31th, 2013 and are detailed in the Notes to those financial statements.

New standards, interpretations and amendments to standards

After January, 1st, 2014 the following standards, interpretations and amendments to existing standards came into effect following their publication by the IASB, by IFRIC and their adoption by the European Union:

- IAS 27 (revision) – Separate Financial Statements (effective for periods beginning on or after January 1st, 2014);
- IAS 28 (revision) – Investments in Associates and Joint Ventures (effective for periods beginning on or after January 1st, 2014);
- IAS 32 (amendment) – Offsetting Financial Assets and Financial Liabilities (effective for periods beginning on or after January 1st, 2014);
- IAS 36 (amendment) – Amended by Recoverable Amount Disclosures for Non-Financial Assets (effective for periods beginning on or after January 1st, 2014);
- IAS 39 (amendment) – Novation of Derivatives and Continuation of Hedge Accounting (effective for periods beginning on or after January 1st, 2014);
- IFRS 10 – Consolidated Financial Statements (effective for periods beginning on or after January 1st, 2014);
- IFRS 11 – Joint Arrangements (effective for periods beginning on or after January 1st, 2014);



- IFRS 12 – Disclosure of Interests in Other Entities (effective for periods beginning on or after January 1st, 2014);
- Amendments to IFRS 10, IFRS 11 and IFRS 12 - Transition regime (effective for periods beginning on or after January 1st, 2014);
- Amendments to IFRS 10, IFRS 12 and IAS 27 - Financial holding entities (effective for periods beginning on or after January 1st, 2014);
- IFRIC 21 (New) – Levies (effective for periods beginning on or after January 1st, 2014);
- Improvements to 2010-2012 standards (effective date of application for periods beginning in or after July 1st, 2014).
- Improvements to 2011-2013 standards (effective date of application for periods beginning in or after July 1st, 2014).

The International Accounting Standards Board (IASB) issued new standards and amendments to already existing standards for which adoption is not yet mandatory for periods beginning until March 31th, 2014, whether because these amendments have not yet been adopted by the European Union or early adoption is not yet required by this entity:

- IFRS 9 (new) - Financial Instruments (effective date of application in the EU for periods beginning in or after January 1st, 2015).

In the preparation of these financial statements the Group has not early adopted this standard. According to the analysis made by Inapa, it is not expect that the implementation of the amendments and new standards referred above has significant impact on the financial statements of the Group with its entry into force.

Estimates and material errors

No material errors or significant changes to accounting estimates relative to prior periods were recognised during the course of the first three months of 2014.

Estimates made in preparing the financial statements for the three months ended at March 31th, 2014 have the same characteristics as in the preparation of financial statements for 2013.

Judgments and relevant assumptions

The preparation of financial statements was conducted in accordance with generally accepted accounting principles by use of estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses during the reporting period. It should be noted that although the estimates have been based on the best knowledge of the Board of Directors with respect to current events and actions, actual results may ultimately come to differ from them.



3. CHANGES IN ACCOUNTING POLICIES

During the first three months of 2014 there were no significant changes in accounting policies applied in the previous periods.

4. SALES AND SERVICE RENDERED AND OTHER INCOME

Sales and services rendered during the first three months of 2014 and 2013 brake down as follows:

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
Domestic market		
Goods sold	11,831	12,092
Service rendered	<u>106</u>	<u>63</u>
	<u>11,938</u>	<u>12,155</u>
Exports		
Goods sold	229,503	216,237
Service rendered	<u>2,566</u>	<u>2,362</u>
	<u>232,068</u>	<u>218,599</u>
Total	<u>244,006</u>	<u>230,754</u>

As at March 31st, 2014 and 2013, Other income balance brakes down as follows:

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
Supplementary income	155	181
Net cash discounts	2,532	2,436
Other income	<u>3,253</u>	<u>3,825</u>
	<u>5,939</u>	<u>6,442</u>

5. OPERATING SEGMENTS

The information in the report by segment is presented in accordance with the identified operating segments: paper supply, packaging and visual communication. Holdings that are not imputed to the identified businesses are recorded under Other operations.

The results for each segment correspond to those that are directly attributable and those for which there is reasonable basis for attribution. Inter-segmental transfers are carried out at market prices and are not materially significant.

The breakdown of financial information on March 31st, 2014 and 2013 for operating segments is as follows:



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	March 31, 2014					March 31, 2013						
	Paper	Packaging	Visual Communication	Other operations	Eliminations on consolidations	Consolidated	Paper	Packaging	Visual Communication	Other operations	Eliminations on consolidations	Consolidated
REVENUES												
External sales	217,642	16,479	7,212	1	-	241,334	208,111	12,931	7,286	1	-	228,329
Inter-segment sales	260	560	1,053	-	-1,873	-	222	651	817	-	-1,690	-
Other revenues	7,750	231	196	434	-	8,611	8,429	155	100	183	-	8,866
Total Revenues	225,652	17,270	8,461	435	-1,873	249,946	216,761	13,736	8,203	185	-1,690	237,195
RESULTS												
Segment results	5,396	992	239	-811	809	6,624	4,809	638	501	-908	101	5,140
Operational results						6,624						5,140
Interest expenses	-2,538	-160	-77	-2,776	797	-4,753	-1,670	-112	-55	-2,506	712	-3,630
Interest income	1,262	1	7	521	-1,310	481	724	2	13	260	-813	185
Tax on profits						-875	-	-	-	-	-	-551
Income from ordinary activities						1,478						1,144
Gains/ (losses) in associated companies						2						2
Net profit / (loss) for the year						1,480						1,146
Attributable :												
Equity shareholders						1,478						1,108
Non controlling interests						2						37

As at March 31st, 2014 and 2013, paper sales per country where the Group operates breaks as follows:

	Sales	
	March 31, 2014	March 31, 2013
Germany	116,549	112,096
France	50,517	52,166
Portugal	10,295	10,628
Others	40,281	33,221
	217,642	208,111

6. OTHER COSTS

As at the end of the nine months period ended on March 31st, 2014 and 2013, the Other costs brake down as follows:

	March 31, 2014	March 31, 2013
General and Administrative expenses	-20,685	-20,658
Indirect taxes	-1,058	-937
Other costs	-201	-484
Impairment to current assets	-1,156	-1,307
	-23,100	-23,386

7. FINANCIAL FUNCTION

As at the end of March 31st, 2014 and 2013, financial function brakes down as follows:



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	<u>March 31, 2014</u>	<u>March 31, 2013</u>
Financial income		
Interest received	11	59
Favourable FX differences	467	72
Other financial income and profits	<u>4</u>	<u>54</u>
	481	185
Financial costs		
Interest paid	-3.336	-2.540
Unfavourable FX differences	-552	-30
Other financial losses and costs	<u>-865</u>	<u>-1.060</u>
	-4.753	-3.630
Net financial results	<u>-4.271</u>	<u>-3.445</u>

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

As at March 31st, 2014 and December 31st, 2013, Available-for-sale financial assets break down as follows:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
Non current		
Other's	<u>39</u>	<u>40</u>
	39	40
Current		
Other's	<u>-</u>	<u>-</u>
	-	-

Changes in Available-for-sale financial assets during the three month period up to March 31st, 2014 and 2013 were as follows:

Opening balance as at January 1st, 2013	62
Aquisitions	2
Disposals	-24
Changes in fair value	-
Closing balance as at December 31st, 2013	<u>40</u>
Aquisitions	-
Disposals	-1
Changes in fair value	-
Closing balance as at March 31st, 2014	<u><u>39</u></u>

9. COMPANIES INCLUDED IN THE CONSOLIDATED ACCOUNTS

As at March 31st, 2014, the following subsidiary companies were consolidated on a full consolidation basis:



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Subsidiary company name	Head Office	% Group holdings	Business operation	Direct holding company	Date of incorporation
Inapa-Portugal, SA	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra Portugal	99.75	Paper Supply	Inapa IPG, SA	1988
Inapa España Distribución Ibérica, SA	c/ Delco Polígono Industrial Ciudad del Automóvil 28914 Leganés, Madrid Spain	100.00	Paper Supply	Inapa IPG, SA	December 1998
Inapa France, SA	91813 Corbeil Essones Cedex France	100.00	Paper Supply	Inapa – IPG, SA	May 1998
Logistipack – Carton Services, SA	14, Impasse aux Moines 91410 Dourdon France	100.00	Packaging	Europackaging SGPS, Lda	January 2008
Inapa Belgique	Vaucampsan, 30 1654 Huizingen Belgium	99.94	Paper Supply	Inapa-France, SA	May 1998
Inapa Luxemburg	211, Rue des Romains. L. 8005 Bertrange Luxemburg	97.81	Paper Supply	Inapa Belgique	May 1998
Inapa Deutschland, GmbH	Warburgstraß, 28 20354 Hamburgo Germany	97.60	Holding	Inapa – IPG, SA	April 2000
Papier Union, GmbH	Warburgstraße, 28 20354 Hamburgo Germany	94.90	Paper Supply	Inapa Deutschland, GmbH	April 2000
Inapa Packaging, GmbH	Warburgstraß, 28 20354 Hamburgo Germany	100.00	Holding	Papier Union, GmbH	2006



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Subsidiary company name	Head Office	% Group holdings	Business operation	Direct holding company	Date of incorporation
HTL Verpackung, GmbH	Werner-von-Siemens Str 4-6 21629 Neu Wulmstorf Germany	100.00	Packaging	Inapa Packaging, GmbH	January 2006
Hennesen & Potthoff, GmbH	Tempelsweg 22 Tonisvorst Germany	100.00	Packaging	Inapa Packaging, GmbH	January 2006
Inapa Viscom, GmbH	Warburgstra, 28 20354 Hamburgo Germany	100.00	Holding	Papier Union, GmbH	January 2008
Complott Papier Union, GmbH	Industriestrasse 40822 Mettmann Germany	100.00	Visual Communication	Inapa VisCom, GmbH	January 2008
Inapa – Merchants, Holding, Ltd	Torrington House, 811 High Road Finchley N12 8JW United Kingdom	100.00	Holding	Inapa-IPG,SA	1995
Inapa Suisse	Althardstrasse 301 8105 Regensdorf – Switzerland	100.00	Paper Supply	Inapa-IPG,SA e Papier Union, GmbH	May 1998
Europackaging SGPS, Lda	Rua Braamcamp 40 - 9D, 1250-050 Lisboa Portugal	100.00	Holding	Inapa-IPG,SA	October 2011
Edies Inapa, Lda	Rua Braamcamp 40 - 9D, 1250-050 Lisboa Portugal	100,00	Editorial	Inapa-IPG,SA	November 2009
Inapa Angola – Distribuio de Papel, SA	Rua Amlcar Cabral n 211 Edifcio Amlcar Cabral n 8 - Luanda Angola	100.00	Paper Supply	Inapa Portugal, SA	December 2009
Semaq Emballages, SA	Rue de Strasbourg – ZI de Bordeaux Fret France	100.00	Packaging	Logistipack – Carton Services, SA	February 2012
Inapa Embalagem, Lda	Rua das Cerejeiras, n 5, Vale Flores So Pedro de Penaferrim 2710 Sintra Portugal	100.00	Packaging	Europackaging, SGPS, Lda	March 2012
Inapa Shared Center, Lda	Rua das Cerejeiras, n 5, Vale Flores So Pedro de Penaferrim 2710 Sintra Portugal	100.00	Shared services	Inapa - IPG, SA and Inapa Portugal, SA	July 2012
Da Hora Artigos de Embalagem, Lda	Urbanizao das Minhoteiras, lote 3 – Crestins Maia 4470-592 Moreira Maia Portugal	100.00	Packaging	Inapa Embalagem, Lda	November 2012
Crediforma – Papelaria e Equipamento Tcnico, Lda	Rua das Cerejeiras, n 5, Vale Flores So Pedro de Penaferrim 2710 Sintra Portugal	100.00	Visual Communication	Inapa Portugal, SA	January 2013



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Subsidiary company name	Head Office	% Group holdings	Business operation	Direct holding company	Date of incorporation
Tradembal – Comércio, Indústria, Exportação e Importação de Produtos Sintéticos, S.A.	Rua da Industria, 9 Porto Salvo 2740 Oeiras Portugal	75,00	Packaging	Inapa Embalagem, Lda.	September 2013
KORDA Kağıt Pazarlama ve Ticaret Anonim Şirketi	Kasap Sokak. Konak Azer 34394 Istambul Turquia	100,00	Paper Supply	Inapa-IPG, SA	September 2013
Realpack GmbH	Robert-Bosch-Straße 6-12 D-71299 Wimsheim Alemanha	100,00	Packaging	Inapa Packaging, GmbH	November 2013

In the three months that ended at March 31st, 2014, there were no changes to the group consolidation perimeter.

All balances and transactions with subsidiary companies were eliminated in consolidation process.

The following companies were included in the consolidated financial statements by the equity method, under Investments in associated companies:

Associate company name	Shareholding company	% Holding
Surpapel, SL	Inapa España Distribución Ibérica, SA	25,00
Inapa Logistics	Papier Union, GmbH	100,00
Inapa Vertriebsgesellschaft	Papier Union, GmbH	100,00

10. COMPANIES EXCLUDED FROM THE CONSOLIDATED ACCOUNTS

Holdings in the companies listed in the following table were not consolidated on a full consolidation basis. The impact of their exclusion is deemed to be materially irrelevant. Megapapier was not consolidated on a full consolidation basis due to the fact that the Group intends to liquidate it and it was valued at nil.



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<u>Company name</u>	<u>Head Office</u>	<u>Direct Shareholder</u>	<u>% holdings</u>
Megapapier - Mafipa Netherland BV	PO Box 1097 3430 BB Nieuwegein Holand	Inapa France, SA	100%
Inapa Logistics	Warburgstrasse,28 20354 Hamburg Germany	Papier Union, GmbH	100%
Inapa Vertriebsgesellschaft GmbH	Warburgstrasse,28 20354 Hamburg Germany	Papier Union, GmbH	100%

11. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

As at March 31st, 2014 and December 31st, 2013, Trade receivable was broken down as follows:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
Trade receivables		
Trade receivables -Current account	138,205	123,611
Trade receivables -Bills receivable	14,813	13,445
Doubtful debt	27,388	26,980
	<u>180,407</u>	<u>164,036</u>
Cumulative impairment losses	-22,811	-22,123
Trade receivebles - net balance	<u>157,595</u>	<u>141,913</u>

As at March 31st, 2014 and December 31st, 2013, the balance of Other assets brakes down as follows:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
Other non current assets		
Other debtors	23,387	25,452
Accumulated impairment losses	-1,218	-1,220
	<u>22,169</u>	<u>24,232</u>
Other current assets		
Stockholdings and stockholders		-
Advances to suppliers	361	442
Other debtors	20,190	12,762
Accumulated impairment losses	-3,019	-3,019
	<u>17,171</u>	<u>9,743</u>
Accrued income	12,211	19,564
Deferred costs	3,810	1,362
	<u>33,552</u>	<u>31,110</u>



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12. CASH AND CASH-EQUIVALENT

The balance of Cash and cash-equivalent breaks down as follows:

	March 31, 2014	December 31, 2013	March 31, 2013
Cash and cash-equivalent			
Banks	13,645	24,549	11,826
Cash	250	285	124
Cash and cash-equivalent per balance sheet	13,895	24,834	11,950
Bank overdrafts	-126,410	-131,996	-93,492
Cash and Cash-equivalent per Cash-Flow statement	-112,515	-107,162	-81,542

The balance of Bank overdrafts includes creditor balances held on current accounts with financial institutions included in the balance of Loans (Note 14).

13. IMPAIRMENT

During the three months ended on March 31st, 2014 the recognised asset impairments were as follows:

	Goodwill	Other intangible assets	Inventories	Trade receivables	Other current assets	Total
Balance as at January 1st, 2013	11,766	27,464	878	17,890	4,255	62,253
Increases	-	-	341	4,190	-	4,531
Utilisation	-	-	200	-1,650	-16	-1,466
Reverseals	-	-	-64	-906	-	-970
Changes in the consolidation perimeter	-	-	38	2,612	-	2,650
Exchange rate differences	-	-	-1	-13	-	-14
Balance as at December 31st, 2013	11,766	27,464	1,392	22,123	4,239	66,984
Increases	-	-	102	1,156	-	1,258
Utilisation	-	-	-	-141	-2	-144
Reverseals	-	-	-	-318	-	-318
Changes in the consolidation perimeter	-	-	-	-	-	0
Exchange rate differences	-	-	-	-8	-	-8
Balance as at March 31, 2014	11,766	27,464	1,494	22,811	4,237	67,771

14. SHARE CAPITAL

At March 31st, 2014 and December 31st, 2013 share capital was represented by 450,980,441 shares, of which 150,000,000 are of ordinary shares and have no "par value" and 300,980,441 preferred shares without voting rights, certificated and to the bearer with no "par value". Equity is fully subscribed and issued.



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The preference shares confer the right to a preferential dividend of 5% of their issue price (0.18 euros per share), taken from the profits that, under applicable law, may be distributed to shareholders. In addition to the preferential dividend rights, preference shares confer all the rights conferred to ordinary shares, except the right to vote. The preferred dividend that is not paid in a year must be paid within the following three years, before dividends, as long as there are distributable profits. In the case of the priority dividend is not fully paid during two years, preference shares confer voting rights on the same terms that the ordinary shares and these are only lost in the year following that in which the dividends were paid.

In compliance with the provisions of Articles 16 and 248 - B of the Securities Market Code and CMVM (the Portuguese Securities Market Commission) Regulation no. 5 / 2008, Inapa – Investimentos, Participações e Gestão, SA, was duly notified of the following qualified holdings of its shares by other companies or individuals:

Shareholder	March 31, 2014			December 31, 2013		
	Numbr of ordinary shares	% of ordinary shares	% Voting rights	Numbr of ordinary shares	% of ordinary shares	% Voting rights
Parpública – Participações Públicas (SGPS), SA	49.084.738	32,72%	32,72%	49.084.738	32,72%	32,72%
Shares attributed to Banco Comercial Português, SA	27.361.310	18,24%	18,24%	27.361.310	18,24%	18,24%
Fundo de Pensões do Grupo Banco Comercial Português	16.491.898	10,99%	10,99%	16.491.898	10,99%	10,99%
Banco Comercial Português	10.869.412	7,25%	7,25%	10.869.412	7,25%	7,25%
Nova Expressão SGPS, SA	9.035.000	6,02%	6,02%	9.035.000	6,02%	6,02%
Tiago Moreira Salgado	2.625.000	1,75%	1,75%	4.500.000	3,00%	3,00%

In compliance with the aforementioned applicable legislation and regulations, the Company was dully notified that there was a change in Tiago Moreira Salgado's ownership interest, having sold part of his shares on the stock exchange, thus reducing his shareholder's rights to 1,75%, corresponding to 2,625,000 shares.

As at March 31st, 2014, the Group did not hold own shares and no transactions involving own shares were recorded during the nine month period under analysis.



15. LOANS

As at March 31st, 2014 and December 31st, 2013 Loans balance breaks as follows:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
Current debt		
Bank loans		
° Bank loans and other current financial instruments	126.410	131.996
° Commercial paper, redeemable at its nominal value, renewable, with maturity within one year	41.723	41.537
° Medium and long-term financial instruments (portion maturity within 1 year)	24.899	27.167
° Other current financial loans	2.042	5.742
° Financial leases	1.231	1.156
Total current debt	<u>196.305</u>	<u>207.599</u>
Non- current debt		
Bank loans		
° Medium and long-term financial instruments	73.948	74.739
° Other loans	33.807	30.250
° Financial leases	6.261	6.448
	<u>114.016</u>	<u>111.436</u>
° Financing associated to financial assets - securitisation	<u>43.802</u>	<u>47.002</u>
Total non-current debt	<u>157.818</u>	<u>158.438</u>
Total debt	<u><u>354.123</u></u>	<u><u>366.037</u></u>

At March 31st, 2014 the bank loans conditions are similar to the ones of December 31st, 2013. The net balance of consolidated financial debt is broken down as follows:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
Loans		
Current	195,074	206,443
Non-current	<u>107,755</u>	<u>104,989</u>
	302,829	311,432
Loans associated to financial assets - securitization	43,802	47,002
Financial leases debt	7,492	7,603
	<u>354,123</u>	<u>366,037</u>
Cash and cash-equivalents	13,895	24,835
Negotiable financial assets (listed securities)	-	-
Available-for-sale financial assets (listed securities)	-	-
	<u>13,895</u>	<u>24,835</u>
	<u><u>340,228</u></u>	<u><u>341,202</u></u>



16. SUPPLIERS AND OTHER CURRENT AND NON CURRENT LIABILITIES

As at March 31st, 2014 and December 31st, 2013, the balances of Suppliers and of Other current liabilities brake down as follows:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
Other non current liabilities	4,325	6,032
	<u>4,325</u>	<u>6,032</u>
Suppliers		
Suppliers on current account	61,396	47,034
Trade bills account	142	180
Invoices pending reconciliation	3,506	3,378
	<u>65,043</u>	<u>50,592</u>
Other current liabilities		
Advances from clients	399	1,336
Other creditors	11,161	9,422
Accruals and deferred items	9,965	8,057
	<u>21,524</u>	<u>18,815</u>

17. INCOME TAX

In the Interim Consolidated Income Statement for the three months up to March 31st, 2014, the taxes amounted to a total of 875 thousand Euros, which breaks down to an amount of 885 thousand Euros of current income tax plus the balance of positive changes in deferred tax, amounting to 11 thousand Euros. The differential between the nominal tax rate (average rate of 30%) and the effective company income tax rate (IRC company tax) for the Group, as at March 31st, 2014, is detailed in the following table:

	<u>March 31, 2014</u>
Net income before tax	2,355
Nominal company tax rate	30%
	<u>-707</u>
Income tax	<u>-875</u>
	<u>169</u>
Permanent differences- Germany	67
Permanent differences- France	17
Permanent differences- Portugal	24
Changes in taxes rates	52
Other	9
	<u>169</u>



Deferred tax

All instances where future taxation due may be significantly impacted are being reported in the financial statements as at March 31st, 2014 and December 31st, 2013.

The following table reports changes in deferred tax assets and liabilities during the first three months of 2014 and the financial year that ended December 31st, 2013:

	<u>01-01-2014</u>	<u>Changes in consolidation perimeter</u>	<u>Fair value reserves and other reserves</u>	<u>Net profit for the period</u>	<u>31-03-2014</u>
Deferred tax assets					
Taxable provisions	88	-	-	-	88
Reportable tax losses	18,614	-	-	72	18,686
Others	3,646	-15	-	-56	3,575
	<u>22,347</u>	<u>-15</u>	<u>-</u>	<u>16</u>	<u>22,349</u>
Deferred tax liabilities					
Fixed assets revaluation	-8,172	7	-	-22	-8,187
Depreciation	-14,622	-	-	3	-14,620
Others	-1,059	-	-	14	-1,045
	<u>-23,853</u>	<u>7</u>	<u>-</u>	<u>-5</u>	<u>-23,852</u>
Net deferred tax	<u>-1,507</u>	<u>7</u>	<u>-</u>	<u>11</u>	<u>-1,503</u>

	<u>01-01-2013</u>	<u>Changes in consolidation perimeter</u>	<u>Fair value reserves and other reserves</u>	<u>Net profit for the period</u>	<u>01-12-2013</u>
Deferred tax assets					
Taxable provisions	88	-	-	-	88
Reportable tax losses	17,432	-	-	1.182	18.614
Others	3,264	336	-	46	3,646
	<u>20.784</u>	<u>336</u>	<u>-</u>	<u>1.228</u>	<u>22.347</u>
Deferred tax liabilities					
Fixed assets revaluation	-8.272	-257	-	357	-8.172
Depreciation	-13.554	-	-	-1.068	-14.623
Others	-1.118	-	-	59	-1.059
	<u>-22.945</u>	<u>-257</u>	<u>-</u>	<u>-653</u>	<u>-23.854</u>
Net deferred tax	<u>-2.161</u>	<u>-257</u>	<u>-</u>	<u>575</u>	<u>-1.507</u>

Deferred tax assets are recognised for tax losses as the use of their respective fiscal benefits is likely due to expected future taxable profits. The Group recognised a balance of 18,686 thousand Euros in deferred tax assets regarding tax losses that may be deducted from future taxable profits, as detailed in the following table:



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<u>Company name</u>	<u>Deferred tax balance</u>	<u>Due date</u>
Inapa France	8,208	ilimited
Inapa Distribución Ibérica	7,502	2022-2028
Inapa Suisse	681	2021
Inapa Belgique	1,965	ilimited
Outros	330	
	18,686	

18. CONTINGENT LIABILITIES

On 1 August 2007, Papelaria Fernandes – Indústria e Comércio, SA filed a suit against Inapa – Investimentos, Participações e Gestão, SA and its subsidiaries Inaprest – Prestação de Serviços, Participações e Gestão, SA (a liquidated company) and Inapa Portugal – Distribuição de Papel, SA, petitioning the Court to, in short:

Annulment of the following acts:

- The constitution, in June 2006, of a collateral security as a counter-guarantee for the letters of comfort issued by Inapa - Investimentos, Participações e Gestão, SA as a guarantee for the financial instruments held by that company with Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo;
- The restructuring performed, in 1991, to concentrate the paper supply activity in SDP (now Inapa Portugal) and the production and marketing of envelopes in Papelaria Fernandes;
- The acquisition, in 1994, of the stake held by Papelaria Fernandes in SDP (now Inapa Portugal);
- The compensation for credits arising, in 1994, between Papelaria Fernandes and Inaprest;

demanding that Inapa:

- Maintain the comfort letters issued in favour of Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo;
- Compensate Papelaria Fernandes should the collateral security be executed as counter-guarantee for the letters of comfort.

Papelaria Fernandes - Indústria e Comércio, SA subsequently came to put its liabilities to Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo in order, such that:

- The letters of comfort issued by Inapa - IPG ceased to have purpose, being returned by their beneficiaries;
- Consequently, this company communicated to Papelaria Fernandes - Indústria e Comércio, SA, that the collateral security was terminated.

The legal suit, which has been valued at 24,460 thousand Euros, was contested by Inapa - IPG and by its subsidiary Inapa Portugal – Distribuição de Papel, SA, and is pending decision by the



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Court on the effects of the dissolution / liquidation of Inaprest – Prestação de Serviços, Participações e Gestão, SA. The Group believes that no financial impact will arise from such decision and, therefore, has not raised provisions on that account.

19. SUBSEQUENT EVENTS

On the General Meeting on April 10th, 2014, Inapa – IPG, S.A. shareholders came to the resolution of, among other matters, the reduction of the share capital from 204,176,479.38 Euros to 180,135,111.43 Euros and the 2013's net profit distribution proposed by the Board, in which the net profit of 1,273,356.19 Euros would be applied as follows: i) reinforcement of the Legal reserve in 63,667.81 Euros; ii) priority dividend of 541,764.79 Euros to shareholders that own preference shares; iii) reinforcement of Other reserves in 665,000.00 Euros and iv) 2,939.59 Euros to be transferred to Retained earnings.

The payment of the approved preferred dividend was held on May 12, 2014.

The share capital reduction was approved, being registered on the Commercial Registration Office. The purpose of this reduction was to cover accumulated losses at September 30th, 2013 and does not imply any reduction on the number or value of the shares issued since they have no "par value".

On the other hand, the distribution of the priority dividend was not approved thus conferring to the preferred shares "voting rights on the same terms that the ordinary shares", voting rights that will only be lost in the year following that in which the dividends were paid.

Therefore, during April and May 2014, the company was informed, in accordance with articles 16 and 248-B and the 5/2008 regulation of the CMVM, of the change in ownership interests of its shareholders as follows:

Accionista	March, 31 2014			May 2, 2014		
	Numbr of ordinary shares	% of ordinary shares	% Voting rights	Numbr of ordinary shares	% of ordinary shares	% Voting rights
Parpública – Participações Públicas (SGPS), SA	49.084.738	32,72%	32,72%	49.080.000	10,88%	10,88%
Share attributable to CGD				148.891.628	33,02%	33,02%
Parcaixa - SGPS, S.A.				148.888.866	33,01%	33,01%
CGD Pensões - Sociedade Gestora de Fundos de Pensões, S.A.				1.262	0,0003%	0,0003%
Caixa - Banco de Investimento, S.A.				1.500	0,0003%	0,0003%
Share attributable to MillenniumBCP	27.361.310	18,24%	18,24%	148.545.504	32,94%	32,94%
Fundo de Pensões do Grupo Banco Comercial Português	16.491.898	10,99%	10,99%	86.242.779	19,12%	19,12%
Banco Comercial Português	10.869.412	7,25%	7,25%	62.302.725	13,81%	13,81%
Banco Espírito Santo, S.A.				27.556.665	6,11%	6,11%
Nova Expressão SGPS, SA	9.300.000	6,20%	6,20%	9.300.000	2,06%	2,06%



5. Mandatory information

5.1. Shares Held by Governing Bodies

Stakes held in the company by members of the Board of Directors and Statutory Auditor, in compliance with paragraph a) no. 1 of article 9.º of the CMVM Regulation no. 5/2008.

Board of Directors

Name	Ordinary shares	Preferred shares	Voting rights
Álvaro João Pinto Correia	0	0	0%
José Manuel Félix Morgado	563 631	0	0.38%
António José Gomes da Silva Albuquerque	0	0	0%
Jorge Manuel Viana de Azevedo Pinto Bravo	0	0	0%
Arndt Klippgen	0	0	0%
Emídio de Jesus Maria	0	0	0%
João Miguel Pacheco Sales Luís	0	0	0%
Gonçalo de Faria Carvalho	0	0	0%

Chartered Accountant

Name	Ordinary shares	Preferred shares	Voting rights
PricewaterhouseCoopers & Associados, SROC, Lda, represented by: - José Pereira Alves – ROC efectivo	0	0	0%
José Manuel Henriques Bernardo, suplent ROC	0	0	0%

5.2. Managerial Transactions

In compliance with the content of paragraph a) no. 1 of article 9 of the CMVM Regulation no. 5/2008, Inapa informs that during 2014 there were no transactions registered by any of its Governing Bodies members.



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5.3. Statement of conformity

In compliance with the content of nº 1, Paragraph c) of Article 246 of CVM, the members of the Board of Directors of Inapa – Investimentos, Participações e Gestão, SA hereby declare that, to the best of their knowledge, the information contained in the abridged consolidated financial statements reported to the three months ended on 31 March 2014 were elaborated in full conformance with the applicable accounting principles, providing a true and appropriate reflection of the assets and liabilities, financial standing, and results of the Company and its subsidiary and associate companies included in its consolidation perimeter and that its Interim Directors' Report faithfully reports on the performance of its statutory business and the set of companies included in its consolidated financial statements.

Lisbon, 21 May 2014

Álvaro João Pinto Correia

Chairman of the Board of Directors

José Manuel Félix Morgado

Vice-Chairman and Chairman of the Executive Committee of the Board of Directors

Arndt Klippgen

Director of the Board of Directors

António José Gomes da Silva Albuquerque

Director and member of the Executive Committee of the Board of Directors

Jorge Manuel Viana de Azevedo Pinto Bravo

Director and member of the Executive Committee of the Board of Directors

Emídio de Jesus Maria

Director and Chairman of the Audit Committee

João Miguel Pacheco Sales Luís

Director and member of the Audit Committee

Gonçalo Faria Carvalho

Director and member of the Audit Committee



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6. Additional information

WARNING

This document contains information and future estimates based on current expectations and management opinions deemed reasonable. Future estimates must not be considered consolidated facts and are subject to several unpredictable factors that may have an impact on future results.

Despite the fact that said estimates represent current expectations, investors, analysts and all those who may make use of this document are warned that future information is subject to uncertain factors and risks, of which many are difficult to forecast. All readers are warned not to attribute inappropriate importance to future estimates and information. We exempt ourselves of any responsibilities concerning any future estimates or information.

Report available on Inapa's website
www.inapa.pt

Investor Relations

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Inapa is admitted to trading on the Euronext Stock Exchange. Information about the company may be checked under the tickers:

- Ordinary shares: INA
- Preferred shares: INAP

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