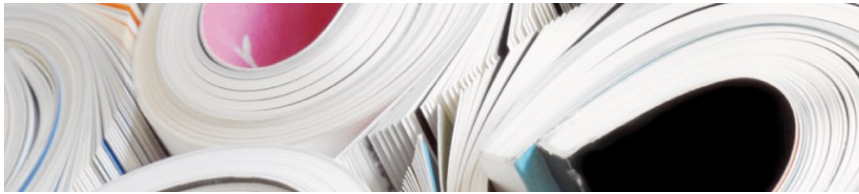




**Consolidated Results**

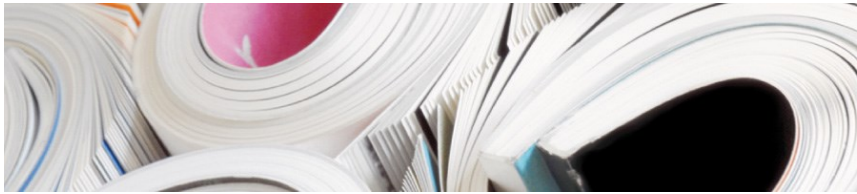
**30 September 2014**

**inapa**



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## 1. Highlights

Sales increased 4.8% up to €681.4M  
 Reduction of Re-EBITDA to €18.5M, with margin increase in 0.3pp  
 Increase of net income (5x) to €0.8M

### Generation of results

- Sales increase 4.8% relatively to September 2013
- Gross margin maintenance at 18.2%
- Pro-forma operational costs before provisions reduced €2.5 M (-2.5%)
- Reduction of Re-EBITDA to €18.5M, with margin of 2.7% (+ 0.3pp)
- Increase of €1.5M in operational income, to €13.1M.
- Increase in earnings from €0.2M to €1.0M.
- Increase of net income to €0.8M, 5x more than in the 3<sup>rd</sup> Quarter 2013.

### Financial strength

- Pro-forma net debt decreased €21.6M comparing with September 2013 and €25.0M relatively to year end
- Working Capital, in a pro-forma basis, had decreased of 8.7 million Euros relatively to September 2013 and a decrease of 12.6 million Euros relatively to December 2013.

Chart 1 Main Consolidated Indicators						
Million euros	Sep 14	Sep 13	Δ 14/13	3T14	3T13	Δ 14/13
Tons ('000)	631	582	8,4%	199	187	6,8%
Sales	681,4	650,1	4,8%	215,1	207,3	3,8%
Gross margin	124,2	118,6	4,7%	38,4	36,4	5,3%
Gross margin (%)	18,2%	18,2%	0,0 pp	17,8%	17,6%	0,3 pp
Operating costs <sup>1</sup>	102,3	100,6	1,7%	33,1	32,1	3,0%
Provisions	3,37	2,21	52,7%	0,9	0,2	263,7%
Re-EBITDA	18,5	15,7	17,5%	4,4	4,0	8,0%
Re-EBITDA margin (%)	2,7%	2,4%	0,3 pp	2,0%	2,0%	0,1 pp
EBIT	13,1	11,6	12,9%	2,5	3,1	-18,7%
Net financial costs	12,2	11,0	10,7%	3,7	3,7	0,7%
EBT	1,0	0,2	n.a.	-1,3	-0,6	n.a.
Net income	0,8	0,2	392,2%	-0,7	-0,4	n.a.

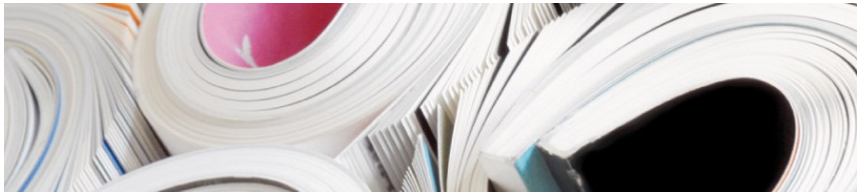
  

	30/9/14	30/9/13	Δ 14/13	31/12/13	Δ 9 months
Net Debt <sup>2</sup>	321,0	327,5	-2,0%	341,2	-5,9%
Net Debt <i>pro-forma</i> <sup>3</sup>	305,0	326,6	-6,6%	330,0	-7,6%
Working Capital	149,2	142,9	4,4%	159,2	-6,3%
Working Capital <i>pro-forma</i> <sup>3</sup>	134,5	143,2	-6,0%	147,1	-8,6%

<sup>(1)</sup> Net of income from services and other income and excludes provisions  
 Pro-forma (excl. Korda, Realpack e Tradembal) Set-14 = 98,1 M€

<sup>(2)</sup> Includes securitization

<sup>(3)</sup> Excludes assets and liabilities of Korda, Realpack e Tradembal

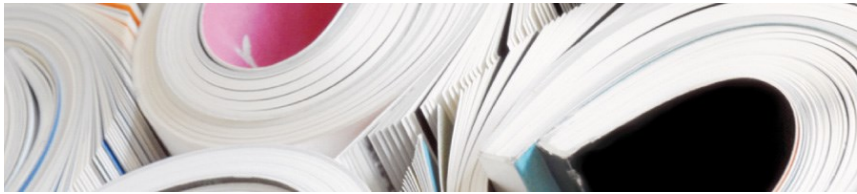


## 2. Relevant facts

During 2014, the relevant facts to the business were:

- 28/2/2014 Change in the company headquarters
- 19/3/2014 Notice for General Meeting
- 19/3/2014 2013 Results announcement
- 4/4/2014 Communication of reduction under 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 10<sup>th</sup>
- 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 working capital decrease of Inapa-Investimentos, Participações e Gestão, SA from € 204 176 479.38 to €180 135 111.43
- 12/05/2014 Payment of dividends to preferred shares
- 21/5/14 1<sup>st</sup> Quarter 2014 Results announcement
- 16/6/14 Inapa is the Winner of the Corporate Governance Award, for the 4<sup>th</sup> consecutive year.
- 10/7/14 Notice for Extraordinary Meeting
- 25/7/14 Inapa Packaging receives the award for the best “Growth Strategy”.
- 6/8/14 Extraordinary Meeting
- 22/8/14 Announcement by Parcaixa related to the obligation of a Public Acquisition Offer by the State, Parcaixa of Parpública.
- 28/8/14 Injunction of social deliberation suspension interposed by Nova Expressão, SGPS, S.A.
- 28/8/14 1<sup>st</sup> Half 2014 Results announcement

Until the date of the announcement of the report, no relevant fact occurred.



### 3. Management report

#### 3.1. Market analysis

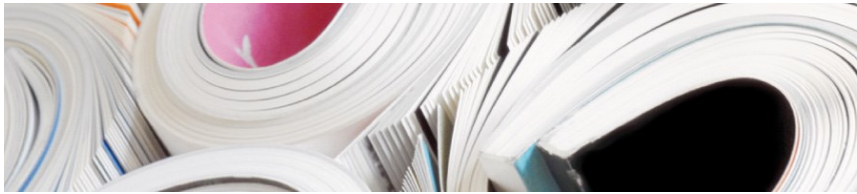
The concerns related to a potential scenario of deflection in the Eurozone remain, where, according to Eurostat, the annual rate of inflation was in September 0.3%, the lowest rate since October 2009, while GDP in the second quarter of 2014 remained unchanged. Based on data released by Eurostat, the unemployment rate in August was 11.5%, stable compared with the previous month, but decreased 0.5 percentage points compared to August 2013. Germany will continue with a low growth, French and Italian economies will grow moderately and Spain will have a more sustained growth. The deceleration of growth in the American and Chinese economies and the crisis in Ukraine will continue to have some negative impact on economic growth in the Eurozone.

The progressive deceleration in economic growth in Europe, observed since the second half of 2013, generated a deceleration in the growth of paper demand. Thus, according to the latest available data from the Euro-Graph, demand in Europe, accumulated until July decreased 2.3% in the graphics sector and 2.1% in the coated paper (coated woodfree) while demand uncoated paper (uncoated woodfree) increased by approximately 1.8% over the same period last year. The developments appear to be more positive than those recorded in the same period last year or at the end of 2013, but a slight decrease compared to the month of June.

#### 3.2. Consolidated performance

Under the European economic context of deceleration, mentioned previously, Inapa consolidated sales until September 2014 increased 4.8% over the same period of 2013, reaching 681.4 million Euros. Paper sales continue to progress positively with an increase in volume of 8.4% and 4.4% in value. On a pro forma basis, ie with reference to the same perimeter, the paper business has remained in line with the same period in 2013 - despite the negative market developments. Complementary business in its overall had a positive progression of 7.7%, with the packaging industry, driven by the increase of the perimeter of the Group, increasing 24.9% and the visual communication business with a decrease of 1.7%. On a pro-forma packaging grew by 3.7%.

This turnover evolution, confirms the opportunity of achieving the strategic plan in 2013 to invest in emerging markets such as Turkey, and complementary businesses, particularly in the packaging sector.



Regarding the paper market context, there was a continuous strong pressure on the level of average selling prices generated by the still existing market imbalances between demand and supply and the capacity excess at the distribution level.

Despite the difficulties inherent in this business context, Inapa kept its margin defense strategy, which resulted in an overall improvement in the profitability of the Group, due to margin maintenance and sales mix improvement.

**Chart 2\_ Developments of the Paper, Packaging and Visual Communication Business**

Million euros	Set 14			Set 13	
	Sales	Weight	Δ 14/13	Sales	Weight
Paper	591,6	86,8%	4,4%	566,8	87,2%
Complementary business	89,8	13,2%	7,7%	83,4	12,8%
Packaging	48,6	7,1%	24,9%	38,9	6,0%
Visual communication	23,1	3,4%	-1,7%	23,5	3,6%
Others <sup>1</sup>	18,1	2,7%	-13,6%	20,9	3,2%
<b>Total</b>	<b>681,4</b>	<b>100%</b>	<b>4,8%</b>	<b>650,1</b>	<b>100%</b>

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

The above mentioned effort of margin defense, allowed to archive a gross margin of 18.2%, in line with the same period last year, despite the strong market pressure.

In the first nine months, operational costs, due to the rigor on cost management, decreased 2.5 million Euros (minus 2.5%), because of lower distribution costs, personnel costs and administrative costs.

The customer's provisions maintained a ratio under sales of 0.5%, a 1.2 million Euros decrease over the same period last year. Inapa continues to apply a strict credit risk policy in the customer's portfolio, complemented with credit insurance.

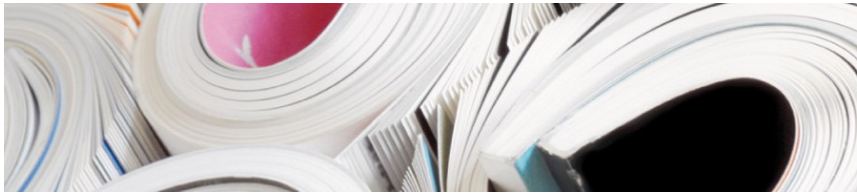
Until September, the Re-EBITDA was 18.6 million Euros, representing 2.7% of the sales, an increase of 17.5% (2.8 million Euros) over the same period last year, supported by the sales increase in the paper and complementary businesses, the control of operational costs and the continuous rigor in customer portfolio risk management.

During this reporting period, Inapa kept a significant effort to adjust its business model and organization. The non-recurring charges of € 0.5 million, whose positive effect will be reflected in full the next year, are due mainly to restructuring occurred in France, Germany and Spain.

Operating profit (EBIT) increased by 12.9% to 13.1 million Euros, representing 1.9% of sales.

It should be noted that both EBITDA and EBIT margin, stood at the top levels of market benchmarks disclosed.

The bigger Group perimeter and the gradual trend of increasing reference rates, noticed during the first six months of the year, was partially offset by the impact of the reduction in average



debt levels resulting from the growth of the funds generated by the operation. As consequence, in the first nine months of 2014, financial expenses increased 10.7% to 12.2 million Euros compared with the first nine months of 2013. On a pro forma basis the increase was 3.9%.

Profit before tax increased 0.8 million Euros to 1.0 million Euros. The good commercial performance alongside the maintenance margin, the slump in distribution costs and the strict control of operating costs, was only partially offset by the increase in net financial charges and depreciation.

Until September, the cumulative consolidated net income of Inapa increased about 5 times, to stand at 0.8 million Euros, compared with 0.16 million Euros in 2013.

The working capital on a comparable basis, showed an improvement of 6.0% compared to September 2013, a reduction of 8.7 million Euros. This reflects the continuous improvement in the working capital management.

The net debt at September 30, 2014, on a comparable basis, excluding the impact of acquisitions was 305 million Euros, a decrease of 25 million Euros compared to December 2013 and a decrease of 21.6 million Euros compared to September 2013.

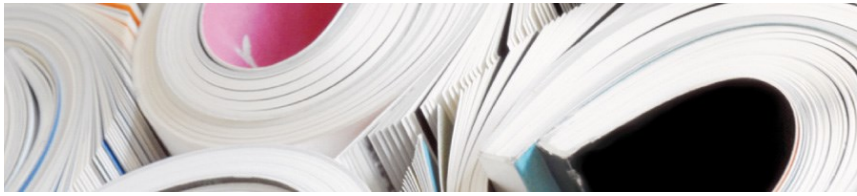
In this quarter Inapa-IPG continued successfully to reduce its financial liabilities and adjust the terms to its cash flow generation capacity. In this context, it has been possible to achieve with some banks agreements for renewal and reprogramming their repayment plans.

### 3.3. Performance of the Group Business Areas

The strategic plan assumes as Agenda 2020 business goals the growth and the geographic diversification of its business portfolio in response to the gradual decline that has been observed in paper demand in mature markets in Europe. Thus, as a result of implementing the strategic plan, the weight of complementary businesses (packaging and visual communication) in sales was 13.2% compared with 12.8% in the same period, and their relative contribution to the generation of the Group operating profit (EBIT) was 24.3%.

#### PAPER

In volume, sales in 1Q14 increased 8.4% comparing with 2013, from 582 thousand to 631 thousand tons. In value, paper business sales add to 591.6 million Euros, a 4.4% increase. The increase on the average price relatively to the same period of 2013 is a consequence of the strong competitiveness in this market due to the demand decrease and supply surplus. The slight slowdown in economic growth has led to a deceleration in the growth of the paper business, in



organic terms, whose sales increase reflects the significant contribution arising from the entry in the Turkish market.

The Group maintained a policy of margin defense, focused on improving profitability through product mix sold, and managed to maintain the margin of the paper business by about 17%.

Operating profit (EBIT) of this business amounted to 11.5 million Euros, representing 1.9% of sales, reflecting an increase of 10.5% over the previous year. This progression is due to the good sales performance, along with improved operational efficiency of the business and maintaining a policy of strict management of fixed costs.

### PACKAGING

Packaging business had an increase of 24.9% relatively to 2013, with sales of 48.6 million Euros, driven by the operational market growth and complemented by the acquisition of Karbox (France), Tradembal (Portugal) and Realpack (Germany).

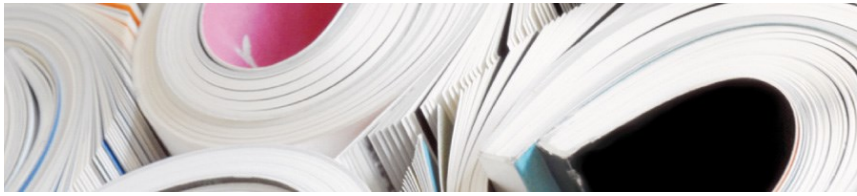
Operational results (EBIT), increase 16.0% to 2.3 million Euros, representing 4.7% of sales, as a consequence of the operational optimization due to the in course reorganization (of the packaging business area), transversal to all geographies where it is present.

### VISUAL COMMUNICATION

The visual communication business ended the third quarter with sales of 23.1 million Euros, a decrease of 1.7% compared to the same period in 2013. The digital printing continues to show a positive trend due to innovations in market such as Latex, which have accelerated the change of offset technology and resources to solvent inks. However, equipment sales continue to shrink due to the slowdown in investment in the Eurozone.

Operating profit (EBIT) amounted to 0.9 million Euros, representing 4.0% of sales.





### 3.4. Future prospects

For the last quarter of the current financial year, it is foreseen a slowdown in the positive trend that has been noticed in the growth of volumes and sales of paper, following the slowdown in the economic recovery expected for the Eurozone countries. Regarding the evolution of complementary businesses, it is anticipated that due to the investments already made and the partnerships established, the positive trend in the packaging sector will continue.

Regarding the main markets, it is foreseen a good volume performance in Germany, and Spain. For Switzerland and Portugal, the growth rate should be more moderate and for the French market it is anticipated a contraction in demand, though perhaps less pronounced than what we have seen up to date.

In a scenario of moderate progression of economic indicators, it will remain a considerable gap between economic growth and growth in demand for paper, which is due to imbalances in the market in terms of production and distribution, without neglecting competition with the digital media.

It is expected to continue the decrease in operational costs, due to the structural change of the business that has been performed in several countries, with a set of actions to adjust the operation to market size, in particular, at the commercial, logistic and administrative level.

Simultaneously, in order to extract the maximum value of the paper business, the Group will continue to focus on the analysis of optimization opportunities in the markets in which it operates, in order to improve their efficiency and productivity, especially by the standardization of information systems business support and the consolidation of the shared service center.

Inapa will proceed with the consolidation and reorganization of holdings acquired in the area of complementary businesses that should maintain the positive growth trend and improved profitability, with the consequent increase in the weight of the respective revenues and operational results of the Group.

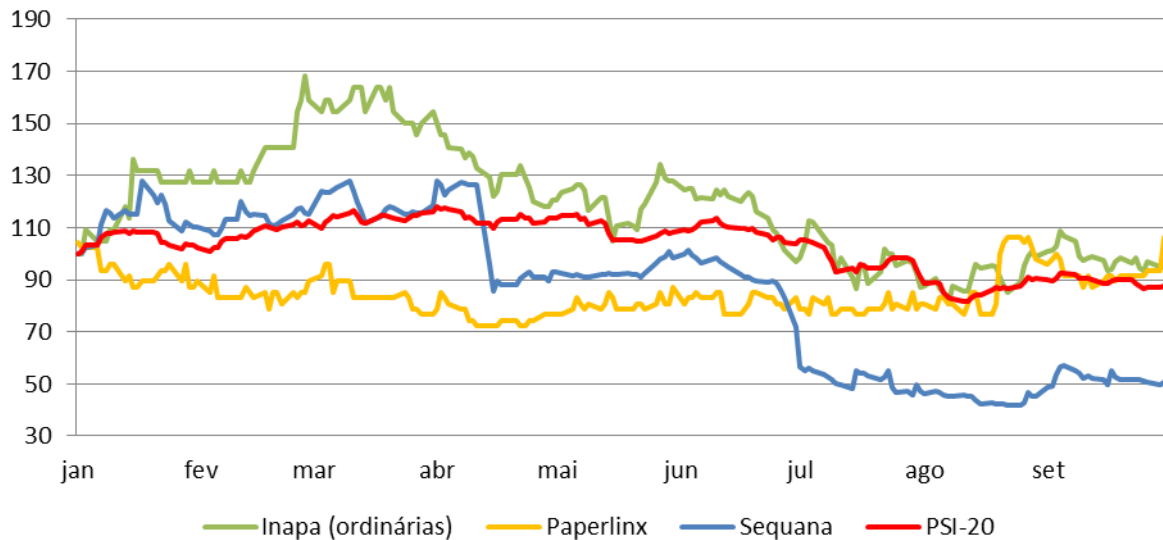
In terms of cash flow generation, the Group will continue to focus on optimizing working capital and generating cash from the operation, in order to continue the effort to reduce debt and improve its maturity ratios. In this context, it is hoped shortly to conclude the negotiations still ongoing with Banco Comercial Português.



### 3.5. Stock market

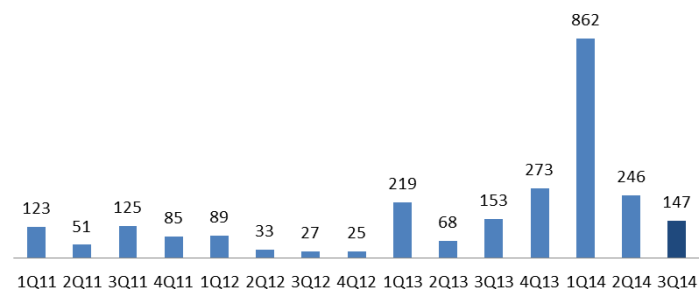
#### Inapa stock price vs. PSI20 vs. comparables

September 2014



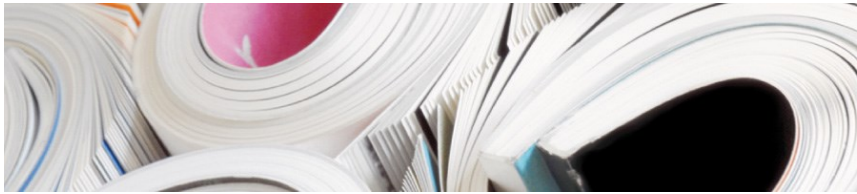
At the end of the third quarter of 2014, ordinary shares quote had a decrease of 5.0% relatively to 2013 year end. The price, since the second quarter, inverted the trend of the first quarter, with a share price of 0.209 euros, which compares favorably with the decrease of 13.5% in PSI-20. Despite the decrease, the evolution was superior to the one registered by Sequana, that in the last quarter had a higher decrease, and slightly lower than to Paperlinx, that in the last days of September recorded an increase.

Average trading volumes  
Thousands of shares



Inapa trading volumes in the third quarter of the year were lower when compared with the first half of 2014, having, on average, traded at similar levels to the third quarter of 2013.

Preferred shares, at September 30, 2014, stood at 0.21 Euros, three cents above its issue price (held in October 2011) and three cents below the end of 2013. The liquidity was low, but above the levels of 2013, having been traded in the first nine months of the year 870 thousand shares.



## 4. Interim Consolidated Accounts

### INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED SEPARATE INCOME STATEMENT AS AT SEPTEMBER 30, 2014

(Amounts expressed in thousand of Euros)

	Notas	SEPTEMBER 30, 2014	3rd QUARTER 2014 *	SEPTEMBER 30, 2013	3rd QUARTER 2013 *
<b>Tonnes *</b>		<b>630.736</b>	<b>199.275</b>	<b>582.045</b>	<b>186.551</b>
Sales and service rendered	3	688.773	217.636	657.785	210.048
Other Income	3	17.629	6.137	17.408	5.622
<b>Total Income</b>		<b>706.402</b>	<b>223.773</b>	<b>675.193</b>	<b>215.670</b>
Cost of sales		-563.691	-178.703	-538.149	-172.893
Personal costs		-58.496	-19.738	-56.155	-18.572
Other costs	5	-66.161	-21.223	-65.529	-19.641
		<b>18.055</b>	<b>4.110</b>	<b>15.360</b>	<b>4.564</b>
Depreciations and amortizations		-4.859	-1.647	-4.125	-1.456
Gains / (losses) in associates		-5	-8	-6	-7
Net financial function	7	-12.187	-3.742	-11.008	-3.715
<b>Net profit before Income tax</b>		<b>1.004</b>	<b>-1.288</b>	<b>221</b>	<b>-614</b>
Income tax	18	-211	543	56	298
<b>Net profit / (loss) for the period</b>		<b>792</b>	<b>-744</b>	<b>277</b>	<b>-316</b>
<b>Attributable to :</b>					
Shareholders of the company		789	-745	160	-359
Non controlling interests		3	0	117	43
<b>Earnings per share of continued operations - €</b>					
Basic		0,003	0,0004	0,001	-0,002
Diluted		0,003	0,0004	0,001	-0,002

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

\* Non audited



## INAPA - Investimentos, Participações e Gestão, SA

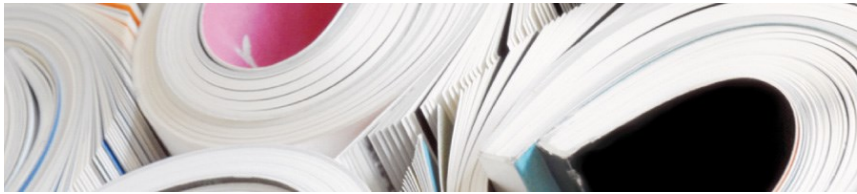
### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT SEPTEMBER 30, 2014

(Amounts expressed in thousand of Euros)

	<u>SEPTEMBER 30, 2014</u>	<u>3rd QUARTER 2014 *</u>	<u>SEPTEMBER 30, 2013</u>	<u>3rd QUARTER 2013 *</u>
<b>Net profit for the period before minority interest</b>	<b>792</b>	<b>-744</b>	<b>277</b>	<b>-316</b>
<b>Items that will not be reclassified to profit or loss</b>				
Actuarial gains / losses	-	-	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>				
Change in value of available-for-sale financial assets	-	-	-	-
Currency translation differences	178	53	28	32
<b>Income recognized directly in equity</b>	<b>178</b>	<b>53</b>	<b>28</b>	<b>32</b>
<b>Total comprehensive income for the period</b>	<b><u>970</u></b>	<b><u>-691</u></b>	<b><u>305</u></b>	<b><u>-284</u></b>
<b>Attributable to :</b>				
Shareholders of the company	967	-691	188	-327
Non controlling interests	3	0	117	43
	<b><u>970</u></b>	<b><u>-691</u></b>	<b><u>305</u></b>	<b><u>-284</u></b>

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

\* Non audited



## INAPA - Investimentos, Participações e Gestão, SA

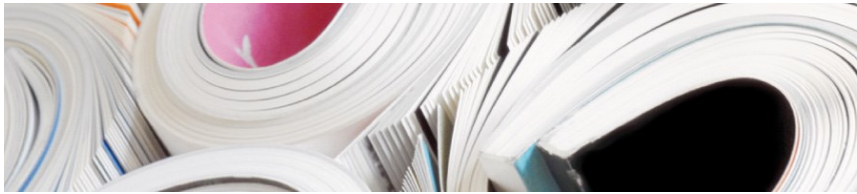
### CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2014

(Amounts expressed in thousand euros)

	Notes	SEPTEMBER 30, 2014	DECEMBER 31, 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible fixed assets		89.513	92.997
Goodwill		148.659	148.535
Other intangible assets		114.334	112.984
Investment in associate companies		1.036	1.068
Available-for-sale financial assets	7	39	40
Other non-current assets	10	22.529	24.232
Deferred tax assets	16	23.295	22.347
<b>Total non-current assets</b>		<b>399.404</b>	<b>402.203</b>
<b>CURRENT ASSETS</b>			
Inventories		71.041	67.895
Trade receivables	10	140.037	141.913
Tax to be recovered		7.062	8.444
Available-for-sale financial assets	7	-	-
Other current assets	10	30.078	31.110
Cash and cash-equivalents	11	10.010	24.835
<b>Total current assets</b>		<b>258.229</b>	<b>274.197</b>
<b>Total assets</b>		<b>657.633</b>	<b>676.399</b>
<b>SHAREHOLDERS EQUITY</b>			
Share capital	13	180.135	204.176
Share issue premium		450	450
Reserves		45.533	43.832
Retained earnings		-33.835	-57.085
Net profit for the period		789	1.273
		193.072	192.648
Non controlled interests		1.112	1.211
<b>Total shareholders equity</b>		<b>194.185</b>	<b>193.859</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans	14	97.095	111.436
Financing associated to financial assets	14	31.919	47.002
Deferred tax liabilities	16	23.908	23.854
Provisions		201	307
Liabilities for employee benefits		4.741	4.594
Other non-current liabilities	15	4.044	6.032
<b>Total non-current liabilities</b>		<b>161.908</b>	<b>193.225</b>
<b>Current liabilities</b>			
Loans	14	201.988	207.599
Suppliers	15	61.829	50.592
Tax liabilities		15.258	12.310
Other current liabilities	15	22.466	18.815
<b>Total current liabilities</b>		<b>301.540</b>	<b>289.315</b>
<b>Total shareholders equity and liabilities</b>		<b>657.633</b>	<b>676.399</b>

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

\* Non audited

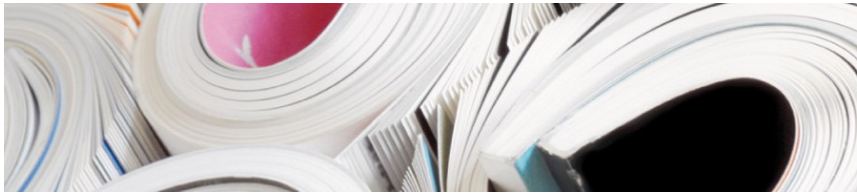


**INAPA - Investimentos, Participações e Gestão, SA**

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY AS AT SEPTEMBER 30, 2013 AND SEPTEMBER 30, 2014**  
(Amounts expressed in thousand of Euros)

	ATTRIBUTABLE TO SHAREHOLDERS					Total	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			
<b>BALANCE AS AT JANUARY 1, 2013</b>	<b>204.176</b>	<b>450</b>	<b>5.122</b>	<b>-11.500</b>	<b>-5.949</b>	<b>192.300</b>	<b>4.068</b>	<b>196.369</b>
Total earnings and costs recognized in the period	-	-	-4	-	520	516	74	590
Previous year net profit and loss result	-	-	-	-5.949	5.949	-	-	-
Dividends	-	-	-	-	-	-	-102	-102
Other changes	-	-	-	-	-	-	-	-
<b>Total of gains and losses of the period</b>	<b>-</b>	<b>-</b>	<b>-4</b>	<b>-5.949</b>	<b>6.469</b>	<b>516</b>	<b>-28</b>	<b>488</b>
<b>BALANCE AS AT SEPTEMBER 30, 2013</b>	<b>204.176</b>	<b>450</b>	<b>5.118</b>	<b>-17.449</b>	<b>520</b>	<b>192.816</b>	<b>4.040</b>	<b>196.856</b>
<b>BALANCE AS AT JANUARY 1, 2014</b>	<b>204.176</b>	<b>450</b>	<b>4.612</b>	<b>-17.865</b>	<b>1.273</b>	<b>192.648</b>	<b>1.211</b>	<b>193.859</b>
Total earnings and costs recognized in the period	-	-	178	-	789	967	3	970
Previous year net profit and loss result	-	-	-	1.273	-1.273	-	-	-
Dividends	-	-	-	-542	-	-542	-	-542
Capital reduction to retained earnings coverage	-24.042	-	-	24.042	-	-	-102	-102
Other changes	-	-	-	-	-	-	-	-
<b>Total of gains and losses of the period</b>	<b>-24.042</b>	<b>-</b>	<b>178</b>	<b>24.773</b>	<b>-484</b>	<b>425</b>	<b>-99</b>	<b>326</b>
<b>BALANCE AS AT SEPTEMBER 30, 2014</b>	<b>180.134</b>	<b>450</b>	<b>4.790</b>	<b>6.909</b>	<b>789</b>	<b>193.072</b>	<b>1.112</b>	<b>194.185</b>

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



**INAPA - Investimentos, Participações e Gestão, SA**

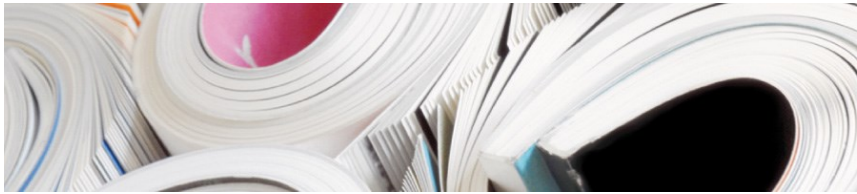
**CONSOLIDATED CASH FLOW STATEMENT AS AT SEPTEMBER 30, 2014**

(Amounts expressed in thousand Euros) - direct method

	Notes	SEPTEMBER 30, 2014	3rd QUARTER 2014 *	SEPTEMBER 30, 2013	3rd QUARTER 2013 *
<b>Cash flow generated from operating activities</b>					
Cash receipts from customers		711.533	225.276	681.612	216.618
Payments to suppliers		-573.185	-182.908	-540.726	-175.997
Payments to personnel		-57.982	-18.120	-55.725	-18.281
<b>Net cash from operational activities</b>		<b>80.366</b>	<b>24.248</b>	<b>85.161</b>	<b>22.340</b>
Income taxes paid		-1.242	-28	-4.117	-419
Income taxes received		1.671	887	377	58
Other proceeds relating to operating activity		21.550	2.329	24.415	4.215
Other payments relating to operating activity		-59.147	-12.476	-70.753	-11.818
<b>Net cash generated from operating activities</b>	<b>[1]</b>	<b>43.198</b>	<b>14.959</b>	<b>35.082</b>	<b>14.376</b>
<b>Cash flow from investing activities</b>					
Proceeds from:					
Financial investments		-	-	24	-
Tangible fixed assets		2.004	718	924	0
Intangible assets		-	-	-	-
Interest and similar income		2.810	1.385	948	626
Dividends		-	0	22	0
		<b>4.814</b>	<b>2.102</b>	<b>1.917</b>	<b>626</b>
Payments in respect of:					
Financial investments		-1.396	-1.133	-1.301	-50
Tangible fixed assets		-2.800	-1.092	-1.909	-1.242
Intangible assets		-787	-251	-1.023	-478
Advances from third-party expenses		-	-	-	-
Loans granted		-	-	-	-
		<b>-4.983</b>	<b>-2.476</b>	<b>-4.232</b>	<b>-1.770</b>
<b>Net cash used in investing activities</b>	<b>[2]</b>	<b>-169</b>	<b>-374</b>	<b>-2.316</b>	<b>-1.144</b>
<b>Cash flow from financing activities</b>					
Proceeds from:					
Loans obtained		27.517	797	46.431	22.033
Capital increases, repayments and share premiums		-	-	-	-
Treasury placements		-	-	-	-
Changes in ownership interests		-	-	-	-
		<b>27.517</b>	<b>797</b>	<b>46.431</b>	<b>22.033</b>
Payments in respect of:					
Loans obtained		-64.372	-19.734	-101.008	-33.214
Amortization of financial leases		-664	-296	-673	-182
Interest and similar expenses		-12.702	-4.226	-9.269	-2.901
Dividends		-542	0	-	-
		<b>-78.280</b>	<b>-24.257</b>	<b>-110.950</b>	<b>-36.296</b>
<b>Net cash used in financing activities</b>	<b>[3]</b>	<b>-50.764</b>	<b>-23.460</b>	<b>-64.519</b>	<b>-14.264</b>
Increase / (decrease) in cash and cash-equivalent	<b>[4] = [1] + [2] + [3]</b>	-7.735	-8.874	-31.752	-1.032
Effect of exchange differences		-65	-46	-14	24
		<b>-7.800</b>	<b>-8.920</b>	<b>-31.767</b>	<b>-1.008</b>
Cash and cash-equivalents at the beginning of period		-107.162	-	-62.045	-
Cash and cash-equivalents at the end of period	<b>12</b>	<b>-114.962</b>	<b>-8.920</b>	<b>-93.812</b>	<b>-1.008</b>
		<b>-7.800</b>	<b>-8.920</b>	<b>-31.767</b>	<b>-1.008</b>

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

\* Non audited



## **INAPA - INVESTIMENTOS, PARTICIPAÇÕES E GESTÃO, S.A.**

### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF NINE MONTHS ENDED 30 SEPTEMBER 2014**

(All amounts are expressed in thousands of 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 Lisboa, Portugal

Lisbon, Portugal

Share capital: 180,135,111.43 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 merchanting sector in several European countries, specifically (i) Inapa Deutschland, GmbH headquartered in Germany, which holds stakes in Papier Union, GmbH, which, in turn is the controlling shareholder of Inapa Packaging, GmbH, all of which are incorporated in the same country, (ii) Inapa France, S.A. and subsidiary companies, operating in France, (iii) Inapa Switzerland, a subsidiary controlled directly and indirectly through Inapa Deutschland, GmbH, which operates in the Swiss market, (iv) Inapa Portugal – Distribuição de Papel, S.A., the Portuguese company of the Group which has a stake in Inapa Angola- Distribuição de Papel, S.A., (v) Inapa España Distribución Ibérica, S.A., operating in Spain, which has a participation in Surpapel SL (a company in the markets paper). and (vi) Europackging, SGPS, Lda, based in Portugal, that develops operations in Portugal and France through its subsidiaries (vii) one company located in the United Kingdom - Inapa Merchants Holding, Ltd, company without activity, (viii) Inapa Belgium and Inapa Luxembourg, operating in the Benelux market and Korda Kağıt Pazarlama ve Ticaret Anonim Şirketi, operating in the Turkish market.





These consolidated financial statements were approved by Inapa-IPG's Board of Directors of 30 October 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 nine months ending 30 September 2014 were prepared in compliance with the provisions of IAS 34 – Interim Financial Reporting and are published in conjunction with condensed Notes, on account of which they are to be perused in conjunction with the annual consolidated financial statements reported to financial year ended 31 December 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 compiling these interim consolidated financial statements are consistent with the policies adopted by the Inapa Group in preparing its annual consolidated financial statements reported to the financial year ended 31 December 2013 and are detailed in the Notes to those financial statements, with the exception of the application of IAS 19 - Employee Benefits (revised) issued by the International Accounting Standards Board (IASB) in June 2011 with mandatory application from 1 January 2014 (see Note 3).

### **New standards, interpretations and amendments to standards**

After 1 January 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 2011) – Consolidated and Separate Financial Statements;
- IAS 28 (revision 2011) – Investments in Associates;

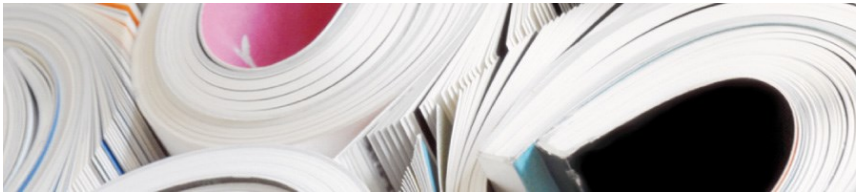


- IAS 32 (amendment) – Financial Instruments: Presentation;
- IAS 36 (amendment) – Impairment of Assets;
- IAS 39 (amendment) – Financial Instruments: Recognition and Measurement;
- IFRS 10 – Consolidated Financial Statements;
- IFRS 11 - Joint Arrangements;
- IFRS 12 - Disclosure of Interests in Other Entities;
- Changes to IFRS 10, IFRS 11 and IFRS 12 – Transition regime;
- Changes to IFRS 10, IFRS 12 and IAS 27 – Investment entities;

The beginning of these standards had no had no material impact on these financial statements.

IASB and IFRIC published new standards, amendments to existing standards and interpretations, the application of which is still not obligatory for the period beginning until 30 June 2014 as they have not been adopted by European Union. These standards are either not relevant in the context of the present financial statements or Inapa has opted not to adopt them before time:

- IAS 16 and IAS 38 (amendment) – Methods of calculating depreciation and depreciation allowed (effective for annual periods beginning on or after January 1, 2016). This amendment is still subject to endorsement by the European Union. IAS 28 (revision) – Investments in Associates and Joint Ventures (effective for periods beginning on or after January 1, 2014);
- IAS 16 and IAS 41 (amendment) – 'Agriculture: plants that produce consumable biological assets' (effective for annual periods beginning on or after January 1, 2016). This amendment is still subject to endorsement by the European Union;
- IAS 19 (amendment) – Defined benefit plans - Employee contributions' (effective for annual periods beginning on or after July 1, 2014). This amendment is still subject to endorsement by the European Union;
- IFRS 9 (new) – Financial instruments – accounting and measurement (effective for periods beginning on or after 1 January 2018);
- IFRS 9 (amendment) – Financial instruments – 'Financial instruments - hedge accounting' (effective for annual periods beginning on or after January 1, 2018). This amendment is still subject to endorsement by the European Union;
- IFRS 11 (amendment) – Accounting for the acquisition of an interest in a joint operation' (effective for annual periods beginning on or after January 1, 2016) .This is still subject to endorsement by the European Union;
- IFRS 14 (new) – Tariff deviations' (effective for annual periods beginning on or after January 1, 2016). This standard is still subject to endorsement by the European Union;
- IFRS 15 (new) – Revenue from contracts with customers' (effective for annual periods beginning on or after January 1, 2017). This standard is still subject to endorsement by the European Union process;
- IFRIC 21 (new) – Levies, Government taxes (effective for annual periods beginning on or after June 17, 2014).
- Improvements to standards 2010 - 2012, (applicable in general to periods beginning on or after July 1, 2014). These improvements are still subject to endorsement by the European Union. This cycle of improvement affects the following standards: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Improvements to standards 2011 - 2013, (applicable in general to periods beginning on or after July 1, 2014). These improvements are still subject to endorsement by the European



Union. This cycle affects the normative improvements following: IFRS 1, IFRS 3, IFRS 13 and IAS 40.

In the preparation of these financial statements the Group has not early adopted any of these standards.

According to the analysis made by Inapa, does not expect that the implementation of the amendments and new standards referred to above, which are not yet mandatory for the periods beginning on January 1, 2014, 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 nine months of 2014.

Estimates made in preparing the financial statements for the nine months ended at September 30, 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. SALES AND SERVICE RENDERED AND OTHER INCOME**

Sales and services rendered during the nine months to 30 September 2014 and 30 September 2013 brake down as follows:



	<u>30 September 2014</u>	<u>30 September 2013</u>
<b>Domestic market</b>		
Goods sold	33.259	34.310
Service rendered	<u>457</u>	<u>265</u>
	<u>33.716</u>	<u>34.575</u>
<b>Exports</b>		
Goods sold	648.175	615.823
Service rendered	<u>6.882</u>	<u>7.388</u>
	<u>655.057</u>	<u>623.211</u>
<b>Total</b>	<u><b>688.773</b></u>	<u><b>657.785</b></u>

As at 30 September, 2014 and 30 September, 2013, Other income balance were brake down as follows:

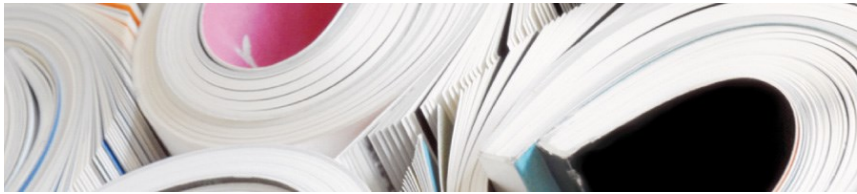
	<u>30 September 2014</u>	<u>30 September 2013</u>
Supplementary income	667	488
Net cash discounts	6.408	6.567
Other income	10.554	10.353
	<u><b>17.629</b></u>	<u><b>17.408</b></u>

#### 4. 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 September 30, 2014 and 2013 for operating segments is as follows:



	30 September 2014					30 September 2013						
	Paper	Packaging	Visual Communication	Other operations	Eliminations on consolidations	Consolidated	Paper	Packaging	Visual Communication	Other operations	Eliminations on consolidations	Consolidated
<b>REVENUES</b>												
External sales	609.708	48.597	23.125	4		681.434	587.690	38.898	23.536	8		650.132
Inter-segment sales	1.166	1.443	3.198		-5.808	-	599	1.923	2.557		-5.078	-
<b>Other revenues</b>	23.185	712	686	385		24.968	23.105	458	616	882		25.061
<b>Total Revenues</b>	<b>634.060</b>	<b>50.752</b>	<b>27.010</b>	<b>389</b>	<b>-5.808</b>	<b>706.403</b>	<b>611.394</b>	<b>41.278</b>	<b>26.709</b>	<b>891</b>	<b>-5.078</b>	<b>675.193</b>
<b>RESULTS</b>												
Segment results	11.522	2.287	915	-1.840	312	13.195	10.422	1.972	1.204	-2.253	-109	11.236
<b>Operacional results</b>						<b>13.195</b>						<b>11.236</b>
Interest expenses	-8.153	-705	-239	-8.168	2.863	-14.402	-5.171	-384	-192	-7.742	2.224	-11.265
Interest income	4.478	7	23	889	-3.181	2.215	2.021	5	31	738	-2.537	257
Tax on profits						-211						56
<b>Income from ordinary activities</b>						<b>797</b>						<b>283</b>
Gains/ (losses) in associated companies						-5						-6
<b>Net profit / (loss) for the year</b>						<b>792</b>						<b>277</b>
<b>Attributable :</b>												
Equity shareholders						789						160
Non controlling interests						3						117

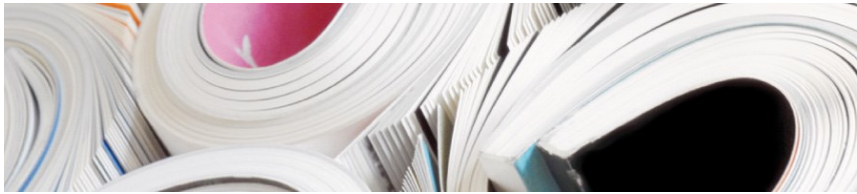
As at 30 September 2014 and September 2013, paper sales per country where the Group operates were broken down as follows:

	30 September 2014	30 September 2013
Germany	325.479	320.510
France	136.338	142.590
Portugal	28.841	30.066
Others	119.050	94.524
	<b>609.708</b>	<b>587.690</b>

## 5. OTHER COSTS

As at the end of the nine months period ended to 30 September 2014 and 30 September 2013, the Other costs were brake down as follows:

	30 September 2014	30 September 2013
General and Administrative expenses	-58.884	-58.567
Indirect taxes	-3.021	-2.957
Other costs	-881	-1.796
Impairment to current assets	-3.375	-2.209
	<b>-66.161</b>	<b>-65.529</b>



## 6. FINANCIAL FUNCTION

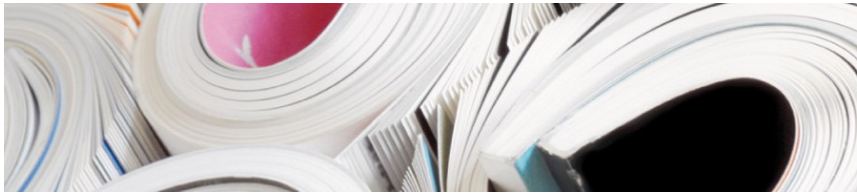
As at the end of the nine months to 30 September 2014 and 30 September 2013, financial function was broken down as follows:

	<u>30 September 2014</u>	<u>30 September 2013</u>
<b>Financial income</b>		
Interest received	-	-
Favourable FX differences	1.775	95
Other financial income and profits	440	162
	<u>2.215</u>	<u>257</u>
<b>Financial costs</b>		
Interest paid	-10.513	-8.082
Unfavourable FX differences	-1.388	-18
Other financial losses and costs	-2.501	-3.165
	<u>-14.402</u>	<u>-11.265</u>
<b>Net financial results</b>	<u><u>-12.187</u></u>	<u><u>-11.008</u></u>

## 7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

As at 30 September 2014 and 31 December 2013, Available-for-sale financial assets were broken down as follows:

	<u>30 September 2014</u>	<u>December 31, 2013</u>
<b>Non current</b>		
Others	39	40
	<u>39</u>	<u>40</u>
<b>Current</b>		
Others	-	-
	<u>-</u>	<u>-</u>



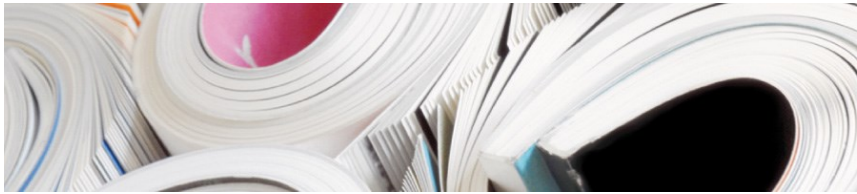
Changes in Available-for-sale financial assets during the nine month period to 30 September 2014 and the year 2013 were as follows:

<b>Opening balance as at 1 January 2013</b>	<b>62</b>
Aquisitions	2
Disposals	-24
Changes in fair value	-
<b>Closing balance as at 31 December 2013</b>	<b>40</b>
Aquisitions	-
Disposals	-1
Changes in fair value	-
<b>Closing balance as at 30 September 2014</b>	<b>39</b>

## 8. COMPANIES INCLUDED IN THE CONSOLIDATED ACCOUNTS

As at 30 September 2014, the following subsidiary companies were consolidated on a full consolidation basis:

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	99.75	Paper Merchanting	Inapa – IPG, SA	1988
Inapa Distribución Ibérica, SA	c/ Delco Polígono Industrial Ciudad del Automóvil 28914 Leganés, Madrid	100.00	Paper Merchanting	Inapa – IPG, SA	December 1998
Inapa France, SA	91813 Corbeil Essones Cedex France	100.00	Paper Merchanting	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	Vaucampslan, 30 1654 Huizingen Belgium	99.94	Paper Merchanting	Inapa – IPG, SA	May 1998
Inapa Luxemburg	211, Rue des Romains. L. 8005 Bertrange Luxemburg	97.81	Paper Merchanting	Inapa Belgique	Maio 1998
Inapa Deutschland, GmbH	Warburgstraß, 28 20354 Hamburgo Germany	97.60	Holding	Inapa – IPG, SA	April 2000



Subsidiary company name	Head Office	% Group holdings	Business operation	Direct holding company	Date of incorporation
Papier Union, GmbH	Warburgstraße, 28 20354 Hamburgo Germany	94.90	Paper Merchanting	Inapa Deutschland, GmbH	April 2000
Inapa Packaging, GmbH	Warburgstraß, 28 20354 Hamburgo Germany	100.00	Holding	Papier Union, GmbH	2006
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 Merchanting	Inapa-IPG,SA e Papier Union, GmbH	May 1998
Europackaging SGPS, Lda	Rua Castilho 44- 3º 1250-071 Lisboa	100.00	Holding	Inapa – IPG, SA	October 2011
Edições Inapa, Lda	Rua Castilho 44- 3º 1250-071 Lisbon	100,00	Editorial	Inapa – IPG, SA	November 2009
Inapa Angola – Distribuição de Papel, SA	Rua Amílcar Cabral nº 211 Edifício Amílcar Cabral nº 8º Luanda – Angola	100.00	Paper Merchanting	Inapa Portugal, SA	December 2009
Semaq Emballages, SA	Rue de Strasbourg – ZI de Bordeaux Fret França	100.00	Packaging	Logistipack – Carton Services,SA	February 3013
Inapa Embalagem, Lda	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra	100.00	Packaging	Europackaging, SGPS, Lda	March 3013
Inapa Shared Center, Lda	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra	100.00	Shared services	Inapa Portugal, SA e Inapa – IPG, SA	July 3013
Da Hora Artigos de Embalagem, Lda	Urbanização das Minhoteiras, lote 3 – Crestins Maia 4470-592 Moreira Maia	100.00	Packaging	Inapa Embalagem, Lda	November 3013
Crediforma – Papelaria e Equipamento Técnico, Lda	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra	100.00	Visual Communication I	Inapa Portugal SA	January 2014
KORDA Kağıt Pazarlama ve Ticaret Anonim Şirketi	Kasap Sokak. Konak Azer 34394 Istanbul Turquia	100,00	Distribuição papel	Inapa-IPG, SA	setembro 2013
Tradembal – Comércio, Indústria, Exportação e Importação de Produtos Sintéticos, S.A.	Rua da Industria, 9 Porto Salvo 2740 Oeiras Portugal	75,00	Embalagem	Inapa Embalagem, Lda.	setembro 2013





In the nine months ended at September 30, 2014, there were the following amendments in respect of the consolidated companies: (i) Merger of companies Inapa Packaging, GmbH; HTL Verpackung, and Hennessen & Potthoff GmbH, GmbH, by incorporating the last two Inapa Packaging, GmbH, with effect from April 1, 2014. Another fusion was performed in the incorporation of Inapa Viscom, GmbH in Complott Papier Union, GmbH.

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

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

<u>Associate company name</u>	<u>Shareholding company</u>	<u>% Holding</u>
Surpapel, SL	Inapa España Distribución Ibérica, SA	25,00
Inapa Logistics	Warburgstrasse,28 20354 Hamburg Alemanha	100,00
Inapa Vertriebsgesellschaft GmbH	Warburgstrasse,28 20354 Hamburg Alemanha	100,00

## 9. COMPANIES EXCLUDED FROM THE CONSOLIDATED ACCOUNTS

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.

<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	Papier Union, GmbH	100%



## 10. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

As at 30 September 2014 and 31 December 2013, Trade receivables were broken down as follows:

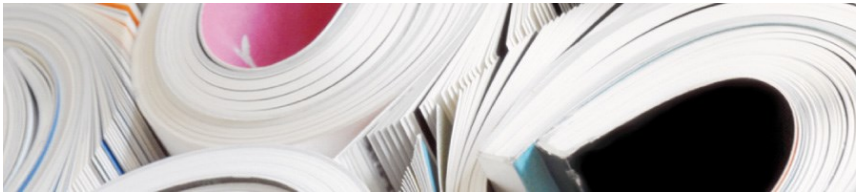
	<u>30 September 2014</u>	<u>December 31, 2013</u>
<b>Trade receivables</b>		
Trade receivables -Current account	125.241	129.922
Trade receivables -Bills receivable	10.880	5.682
Doubtful debt	<u>26.288</u>	<u>24.439</u>
	162.409	160.044
Cumulative impairment losses	-22.372	-19.122
<b>Trade receivables - net balance</b>	<u><u>140.037</u></u>	<u><u>140.922</u></u>

As at 30 September 2014 and 31 December 2013, the balance of Other assets was broken down as follows:

	<u>30 September 2014</u>	<u>31 December 2013</u>
<b>Other non current assets</b>		
Other debtors	23.823	25.452
Accumulated impairment losses	<u>-1.294</u>	<u>-1.220</u>
	<u><u>22.529</u></u>	<u><u>24.232</u></u>
<b>Other current assets</b>		
Stockholdings and stockholders	-	-
Advances to suppliers	422	442
Other debtors	15.416	12.762
Accumulated impairment losses	<u>-3.019</u>	<u>-3.019</u>
	12.397	9.743
Accrued income	13.525	19.564
Deferred costs	<u>3.734</u>	<u>1.362</u>
	<u><u>30.078</u></u>	<u><u>31.110</u></u>

## 11. CASH AND CASH-EQUIVALENT

The balance of Cash and cash-equivalent as at 30 September, 2014, 2013 and for the year of 2013 were broken down as follows:



	30 September 2014	31 December 2013	30 September 2013
<b>Cash and cash-equivalent</b>			
Banks	9.732	24.549	12.574
Cash	278	285	271
	<b>10.010</b>	<b>24.835</b>	<b>12.846</b>

## Cash-flow Statement

For purposes of reconciliation to the Cash Flow Statement, Cash and cash-equivalent items are broken down as follows:

<b>Cash and cash-equivalent</b>			
Banks	9.732	24.549	12.574
Cash	278	285	271
<b>Cash and cash-equivalent per balance sheet</b>	<b>10.010</b>	<b>24.835</b>	<b>12.846</b>
Bank overdrafts	-124.967	-131.996	-106.657
<b>Cash and Cash-equivalent per Cash-Flow statement</b>	<b>-114.957</b>	<b>-107.161</b>	<b>-93.812</b>

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

## 12. Impairment

During the nine months ended in 30 September 2014 the recognised asset impairments were as follows:



	Goodwill	Other intangible assets	Inventories	Trade receivables	Other current assets	Total
<b>Balance as at January 1, 2013</b>	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
<b>Balance as at December 31, 2013</b>	<b>11.766</b>	<b>27.464</b>	<b>1.392</b>	<b>22.123</b>	<b>4.239</b>	<b>66.984</b>
Increases	-	-	134	3.375	-	3.509
Utilisation	-	-	-	-382	74	-308
Reverseals	-	-	-	-2.731	-	-2.731
Changes in the consolidation perimeter	-	-	-	-	-	0
Exchange rate differences	-	-	1	-13	-	-12
<b>Balance as at September 30, 2014</b>	<b>11.766</b>	<b>27.464</b>	<b>1.527</b>	<b>22.372</b>	<b>4.313</b>	<b>67.441</b>

### 13. SHARE CAPITAL

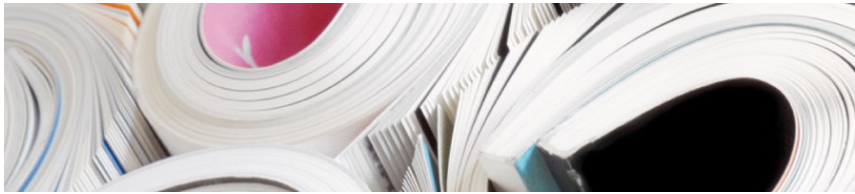
At September 30, 2014 and December 31, 2013 share capital was represented by 450,980,441 shares, of which 150,000,000 shares have no par value ordinary nature and 300,980,441 preferred shares during 2014 began to have voting rights, certificated and bearer with no par value. Equity is fully subscribed and issued.

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 attaching 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 on these, as long as there are distributable profits. In the case of the priority dividend is not fully paid during two years, preference shares are to confer voting rights on the same terms that the ordinary shares and only lost it in the year following that in which the dividends have been paid priority.

On September 30, 2014, the Group does not own shares or have occurred any purchases during the year 2014 transactions of own shares.

At the General Meeting of April 10, 2014, the shareholders of INAPA - Investimentos, Participações e Gestão, S.A. deliberated, among other things, the reduction of share capital of 204,176,479 to 180,135,111 euros and about the proposal for application results presented by the Board of Directors, under which the net income for 2013, in the amount of 1,273,356.19 Euros, would be applied as follows: i) to legal reserve 63,667.81 euros; ii) for priority dividend on preferred shares 541,764.79 Euros; iii) to free reserves 665,000.00 Euros and iv) to retained earnings 2,923.59 Euros.

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



The capital reduction was approved, having been registered in the Commercial Register. This capital reduction was aimed to cover accumulated losses at September 30, 2013 and does not imply any reduction in the number or value of shares issued as these have no par value.

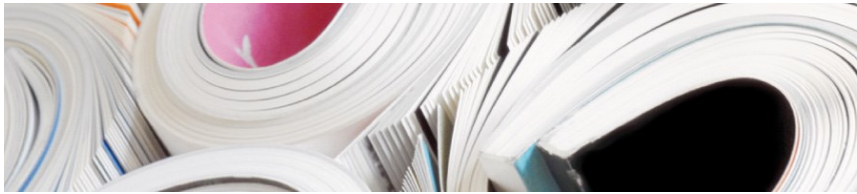
Moreover, the distribution of priority dividends on preferred stock for the years 2012 and 2013 was not approved, passing these "to confer voting rights on the same terms that the common shares and only lost in the year following that in which they were priority paid dividends. "

Thus, during the months of April and May 2014, the company has been notified, in accordance with Articles 16 and 248 - B of the Securities Code and CMVM Regulation 5/2008, the change of qualifying holdings.

At an Extraordinary General Meeting of August 6, 2014, an amendment to the articles of INAPA statues was approved, in which, during the period in which the preferred shares confers the right to vote, are not considered votes corresponding to shares held by a shareholder or shareholders with whom is subject to a common domain, which exceed one-third of all the votes corresponding to the share capital.

The shareholder structure as of September 30, 2014, is as follows:

Shareholder	30 de setembro de 2014				
	Ordinary Shares	% of Ordinary Shares	Preferencial Shares	% Preferencial Shares	% Voting Rights
Parpública – Participações Públicas (SGPS), SA	49.084.738	32,72%	-	-	8,26%
Shares attributed to CGD	2.762	0,002%	148.888.866	49,46%	25,07%
Parcaixa - SGPS, S.A.	-	-	148.888.866	49,47%	25,07%
CGD Pensões - Sociedade Gestora de Fundos de Pensões, S.A.	1.262	0,001%	-	-	0,000%
Caixa - Banco de Investimento, S.A.	1.500	0,001%	-	-	0,000%
Shares attributed to Millennium BCP	26.986.310	17,99%	121.559.194	40,39%	32,94%
Fundo de Pensões do Grupo Banco Comercial Português	16.491.898	10,99%	45.810.827	15,22%	13,81%
Banco Comercial Português	10.494.412	7,00%	75.748.367	25,17%	19,12%
Nova Expressão SGPS, SA	9.500.000	6,33%	-	-	2,11%
Banco Espírito Santo, S.A.	-	-	27.556.665	9,16%	6,11%
<b>Total of Qualified Participations</b>	<b>85.573.810</b>	<b>57,05%</b>	<b>298.004.725</b>	<b>99,01%</b>	<b>74,49%</b>

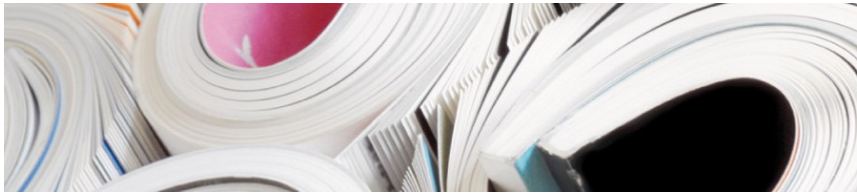


Shareholder	31 December 2013		
	Numbr of ordinary shares	% of ordinary shares	% Voting rights
Parpública – Participações Públicas (SGPS), SA	49.084.738	32,72%	32,72%
Shares attributed to Banco Comercial Português, SA (art 20º do CVM)	27.361.310	18,24%	18,24%
Fundo de Pensões do Grupo Banco Comercial Português	16.491.898	10,99%	10,99%
Banco Comercial Português	10.869.412	7,25%	7,25%
Nova Expressão SGPS, SA	9.035.000	6,02%	6,02%
Tiago Moreira Salgado	4.500.000	3,00%	3,00%
Shares attributed to CGD (art 2º do CVM)	-	-	-
Fundo de Pensões da CGD	-	-	-
Caixa Banco de Investimento, SA	-	-	-
Parcaixa -SGPS, SA	-	-	-
BES	-	-	-
<b>Total of Qualified Participations</b>	<b>89.981.048</b>		

## 14. LOANS

As at 30 September 2014 and 31 December 2013, Loans balance is detailed as follows:

	30 September 2014	31 December 2013
<b>Current debt</b>		
° <b>Bank loans</b>		
° Bank loans and other current financial instruments	124.967	131.996
° Commercial paper, redeemable at its nominal value, renewable, with maturity within one year	36.022	41.537
° Medium and long-term financial instruments (portion maturity within 1 year)	33.524	27.167
° Other current financial loans	6.280	5.742
° Leasing	1.194	1.156
<b>Total current debt</b>	<b>201.988</b>	<b>207.598</b>
<b>Non- current debt</b>		
° <b>Bank loans</b>		
° Medium and long-term financial instruments	66.665	74.739
° Other loans	24.798	30.250
° Leasing	5.632	6.448
	<b>97.095</b>	<b>111.436</b>
° <b>Financing associated to financial assets - securitisation</b>	<b>31.919</b>	<b>47.002</b>
<b>Total non-current debt</b>	<b>129.015</b>	<b>158.438</b>
<b>Total debt</b>	<b>331.002</b>	<b>366.036</b>



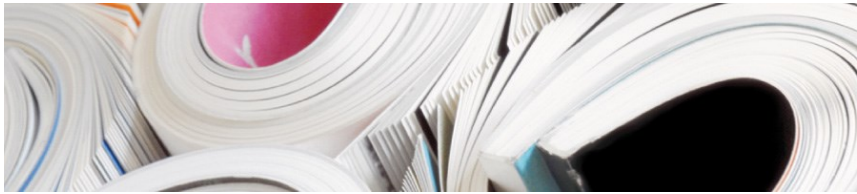
As at 30 September 2014 the bank loans conditions are similar to the ones of 31 December 2013.

As at 30 September 2014 and 31 December 2013, the net balance of consolidated financial debt is broken down as follows:

	<u>30 September 2014</u>	<u>31 December 2013</u>
Loans		
Current	200.794	206.443
Non-current	91.462	104.989
	<u>292.256</u>	<u>311.432</u>
Loans associated to financial assets - securitization	31.919	47.002
Financial leases debt	6.826	7.603
	<u>331.002</u>	<u>366.037</u>
Cash and cash-equivalents	10.010	24.835
Negotiable financial assets (listed securities)	-	-
Available-for-sale financial assets (listed securities)	-	-
	<u>10.010</u>	<u>24.835</u>
	<u><u>320.992</u></u>	<u><u>341.202</u></u>

## 15. SUPPLIERS AND OTHER CURRENT AND NON CURRENT LIABILITIES

As at 30 September 2014 and 31 December 2013, the balances of Suppliers and of Other current liabilities were detailed down as follows:



	<u>30 September 2014</u>	<u>31 December 2013</u>
<b>Suppliers</b>		
Suppliers on current account	57.008	47.034
Trade bills account	1.178	180
Invoices pending reconciliation	3.643	3.378
	<u>61.829</u>	<u>50.592</u>
<b>Other current liabilities</b>		
Advances from clients	1.539	1.336
Fixed assets suppliers	-	-
Other creditors	10.270	9.422
Accruals and deferred items	10.657	8.057
	<u>22.466</u>	<u>18.815</u>

## 16. INCOME TAX

The amount of taxes in the Interim Consolidated Income Statement for the nine months to 30 September 2014, amounting to a total of 211 thousand Euros, equates to the liability for current income tax for the nine months period in the amount of 1,100 thousand Euros plus the balance of positives changes in deferred tax, amounting to 889 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 30 September 2014, is detailed in the following table:

	<u>30 September 2014</u>
Net income before tax	1.003
Nominal company tax rate	<u>30%</u>
	-301
Income tax	<u>-211</u>
	<u>-90</u>
Permanent differences- Germany	-23
Permanent differences- France	56
Permanent differences- Portugal	-46
Changes in taxes rates	<u>-77</u>
Other	<u>-90</u>





## Deferred tax

All instances where future taxation due may come to be significantly impacted are reported in the financial statements as at 30 September 2014 and 31 December 2013.

The following table reports changes in deferred tax assets and liabilities during the nine months to 30 September 2014 and the financial year ended 31 December 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>30-09-2014</u>
<b>Deferred tax assets</b>					
Taxable provisions	88	-	-	-	88
Reportable tax losses	18.614	-	-	872	19.486
Others	3.646	-	-	76	3.722
	<u>22.347</u>	<u>-</u>	<u>-</u>	<u>948</u>	<u>23.295</u>
<b>Deferred tax liabilities</b>					
Fixed assets revaluation	-8.172	4	-	-78	-8.246
Depreciation	-14.622	-	-	8	-14.614
Others	-1.058	-	-	11	-1.047
	<u>-23.853</u>	<u>4</u>	<u>-</u>	<u>-59</u>	<u>-23.907</u>
<b>Net deferred tax</b>	<u><b>-1.506</b></u>	<u><b>4</b></u>	<u><b>0</b></u>	<u><b>889</b></u>	<u><b>-612</b></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>31-12-2013</u>
<b>Deferred tax assets</b>					
Taxable provisions	88	-	-	0	88
Reportable tax losses	17.432	-	-	1.182	18.614
Others	3.264	336	-	46	3.646
	<u>20.784</u>	<u>-</u>	<u>-</u>	<u>1.228</u>	<u>22.348</u>
<b>Deferred tax liabilities</b>					
Fixed assets revaluation	-8.272	-257	-	357	-8.172
Depreciation	-13.554	-	-	-1.068	-14.622
Others	-1.118	-	-	59	-1.059
	<u>-22.944</u>	<u>-257</u>	<u>-</u>	<u>-652</u>	<u>-23.853</u>
<b>Net deferred tax</b>	<u><b>-2.160</b></u>	<u><b>-257</b></u>	<u><b>-</b></u>	<u><b>576</b></u>	<u><b>-1.504</b></u>

Deferred tax assets are recognised for tax losses insofar as the use of their respective fiscal benefits is likely due to expected future taxable profits. The Group recognised a balance of 19,486 thousand Euros in deferred tax assets reported to tax losses which may come to be deducted from future taxable profits, as detailed in the following Table:

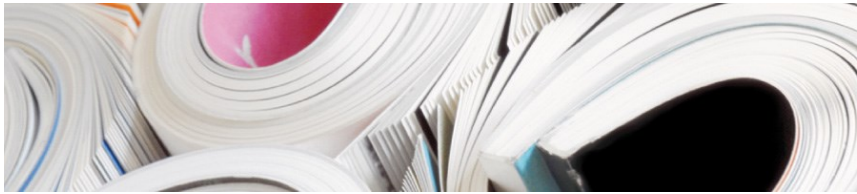


<u>Company name</u>	<u>Deferred tax balance</u>	<u>Due date</u>
Inapa France	8.510	unlimited
Inapa Distribución Ibérica	7.778	2022-2032
Inapa Suisse	846	2021
Inapa Belgique	1.997	unlimited
Outros	355	
	<u>19.486</u>	

## 17. 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:

- Annul the following acts:
  - The signature of a Mercantile Notarial Bond, in June 2006, which was pledged as a counter-guarantee to letters of comfort issued by Inapa – Investimentos, Participações e Gestão, SA as security for credit facilities granted to that company by Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo;
  - The effectiveness of certain transactions processed in 1991 for purposes of concentrating paper merchanting business in SDP (currently Inapa Portugal) and envelope production and sales business in Papelaria Fernandes;
  - The purchase of the holdings of Papelaria Fernandes in the share capital of SDP (currently Inapa Portugal), in 1994; and
  - The credit compensation arrangements agreed to by Papelaria Fernandes and Inaprest, also in 1994.
- Find Inapa guilty and sentence it to:



- Continue to honour the letters of comfort issued in favour of Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo;
- Indemnify Papelaria Fernandes in the event of the aforementioned notarial bond being realised by the beneficiaries as a counter-guarantee to the said letters of comfort.

Since then, Papelaria Fernandes – Industria e Comércio, SA, has fully repaid the credit facilities obtained from Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo, on account of which:

- The letters of comfort issued by Inapa - IPG have ceased to serve their original purpose and have since been released by their respective beneficiaries;
- The Company has consequently notified Papelaria Fernandes – Indústria e Comércio, SA that the terms and conditions of the mercantile notarial bond it had issued in its favour no longer applied, constituting due cause for cancellation thereof.

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 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

After 30 September 2014 and to the publication date Inapa Group has not verified any subsequent relevant events

-:-:-:-:-:-:-



## 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

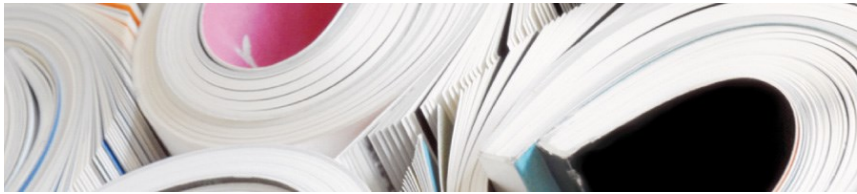
Name	Ordinary Shares	Preferred Shares	Voting rights
Álvaro João Pinto Correia	0	0	0%
José Manuel Félix Morgado	233 117	0	0.052%
António José Gomes da Silva Albuquerque	0	0	0%
Jorge Manuel Viana de Azevedo Pinto Bravo	0	0	0%
Arndt Klippgen	0	0	0%
Emídio de Jesus Maria	0	0	0%
João Miguel Pacheco Sales Luís	0	0	0%
Gonçalo Faria Carvalho	0	0	0%

#### Chartered Accountant

Name	Ordinary Shares	Preferred Shares	Voting rights
PricewaterhouseCoopers & Associados, SROC, Lda, representada por: - José Pereira Alves – ROC efectivo	0	0	0%
José Manuel Henriques Bernardo, ROC suplente	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.



### 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 nine months ended on 30 September 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, 30 October 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



## 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](http://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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