Consolidated Results

First half 2011

inapa

Contents

1. Highlights

NET INCOME REDUCED DUE TO FINANCIAL COSTS INCREASE

Generation of results

- Sales grew 7.8% relatively to 2010
- Gross margin fell 0.9 percentage points to 17,6%
- Recurrent EBITDA was 16.1 million Euros
- Operational results grew 2.6% to 12.8 million Euros
- Financial costs increased 1.5 million Euros
- Net income of 1.1 million Euros

Financial strength

- Working capital has decreased by 1.8%
- Net debt remained at similar levels

Chart 1_Main Consolidated Indicators

Million euros	1H11	1H10	Δ 11/10	2Q11	2Q10	Δ 11/10
Tons ('000)	455	450	1,2%	212	219	-3,1%
Sales	507,5	470,9	7,8%	241,1	233,6	3,2%
Gross margin	89,3	87,0	2,6%	43,1	43,6	-1,1%
Gross margin (%)	17,6%	18,5%	-0,9 pp	17,9%	18,6%	-0,8 pp
Operating costs[1]	71,8	67,7	5,9%	35,1	33,9	3,3%
Proforma operating costs[2]	69,8	67,7	3,0%	34,0	33,9	0,1%
Provisions	1,5	3,1	-52,6%	0,5	1,7	-66,7%
Re-EBITDA	16,1	16,2	-0,7%	7,4	8,0	-6,5%
Re-EBITDA margin (%)	3,2%	3,4%	-0,3 pp	3,1%	3,4%	-0,3 pp
EBIT	12,8	12,5	2,6%	6,0	6,2	-2,9%
Net financial costs	10,7	9,2	15,5%	5,5	5,2	6,3%
EBT	2,1	3,3	-36,1%	0,1	1,0	-87,4%
Net Result	1,11	1,66	-33,1%	-0,43	0,2	-341%
	30-6-11	**31-12-10**	**Δ 6 months**	**30-6-10**	**Δ 11/10**	
Net Debt[3]	435,1	434,0	0,3%	421,5	3,2%	
Working capital	213,9	217,9	-1,8%	193,4	10,6%	
Debt level[4]	12,4 x	12,3 x	0,1 x	13,0 x	-0,7 x	

(1) Net of income from services and other income and excludes provisions **(2)** Without EBIX effect
(3) Includes securitization **(4)** Net debt / Annualized Re-EBITDA

2. Relevant facts

During the first half of 2011, the relevant facts to the business were:

6/1/2011 Closing of the securitization operation and contracting of 133 million Euros in credit lines

8/1/2011 Announcement of the conditions of the 133 million Euros in credit lines

3/2/2011 Request for a notice of the General Meeting, with the inclusion of proposal for a capital increase of up to 225M€ through the emission of preferred shares with no voting right and a 5% priority dividend

2/3/2011 Sale of the operation in the UK

6/4/2011 2011 General Meeting: approval of 2010 accounts, transformation on no face value ordinary share and the proposal to increase the capital up to 225 million €

4/5/2011 Transformation of ordinary shares in ordinary shares with no face value

16/5/2011 Announcement of a qualified stake by Nova Expressão SGPS, SA

Until the date of publication of the report there were no additional relevant facts with impact on the business evolution.

3. Management report

3.1. Consolidated performance

Inapa consolidated sales in the first half of 2011 (1H11) grew 7.8% relatively to 2010, reaching 507.5 million Euros. Complementary business maintained its trend, with a 18% growth, reaching 43.4 million Euros, representing 8.5% of sales (7.8% in 2010).

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

Million euros	1H11			1H10	
	Sales	Weight	Δ 10/09	Sales	Weight
Paper	466,4	91,9%	6,9%	436,5	92,7%
Complementary business	43,4	8,5%	17,8%	36,8	7,8%
Packaging	18,8	3,7%	25,3%	15,0	3,2%
Visual communication	13,7	2,7%	21,2%	11,3	2,4%
Others[1]	13,1	2,6%	13,2%	11,6	2,5%
Total	507,5	100%	7,8%	470,9	100%

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

Gross margin decreased of 0.9 percentage points, as a consequence of the difficulties in the European economies and the strong competition pressure that has been felt across all the geographies.

Despite the economical retraction, as a result of conservative commercial policy, the second quarter registered a recovery from 17.3% to 17.9%.

Operational costs during 1H11, on a comparable basis, grew 3.0%, as a result of distribution cost increase. In the second quarter the increase was only 0.1%. Provision during 1H11 decreased 53%, compared with previous year, as a consequence of cautious sales policies and the expansion of the Group credit to all markets.

During the first half, re-EBITDA maintained similar levels to 2010, 16.1 million Euros, representing 3.2% of sales. Although it was registered the above mentioned gross margin reduction, the evolution of complementary business allowed to compensate the negative evolution on the paper business. These businesses – packaging and visual communication - continued to increase its weight on the Group results, representing 12.4% of consolidated re-EBITDA.

Operational results (EBIT) increased 2.6% to 12.8 million Euros, representing 2.5% of sales.

Financial costs increased 16% to 10.7 million Euros, more 1.5 million Euros than in 2010, due to worsening of credit conditions.

In 1H11, consolidated net income was 1.1 million Euros. The 33% reduction of net income reflects the significant financial costs increase, 1.5 million Euros, referred above.

Working capital decreased 1.8% compared with the end of 2010, despite the growth of the turnover. This evolution is mainly explained by improvements in stock management and in client receivables in some markets.

At June 30th 2011 Inapa net debt stood at 435.1 million Euros, maintaining a similar level when compared with the end of 2010.

3.2.Performance of the Group Business Areas

During 1H11 complementary business (packaging and visual communication) increased their weight on the Group operational results (EBIT), representing 8.6% and 5.8% respectively, while paper reduced its weight from 88.8% to 85.6%.

PAPER

In volume, sales in 1H11 increased 1.2% comparing with 2010, from 450 thousand to 455 thousand tons. However, in the second quarter a volume decrease of 3.1% was registered as a consequence of the European markets slowdown. In value, including cross-selling, sales add to 479.5 million Euros, a 7.0% increase. The increase on the average price relatively to the same period of 2010 and on the Group market share in same markets, explained sales improvement.

Continuing the trend that has been registered in the market since April/May of the previous year, average price per ton increased 55 Euros comparing with the first half of 2010, to 1,024 Euros.

The Group market share in 1H11 was 19.6%, a 1.3 percentage point improvement relatively to the previous year. EBIX acquisition (that in the first half of 2010 did not impact Group accounts, as it was realized on July 2nd 2010) contributed this improvement, more than doubling the Group position in the Spanish market.

Cross-selling in the paper business (namely the sale and graphic and Office supplies) maintained the trend it has been registering, increasing 13% to 13.1 million Euros.

As a result of the economical crisis that had impact on the demand and, as consequence, also on higher competitive pressure in the paper merchant market across Europe, gross margin reduced in 0.8 percentage points to 16.7%,

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Operational results (EBIT) in the paper business were 11.5 million Euros, representing 2.4% of sales, a 1.8% increase compared with previous year.

PACKAGING

Packaging business had the highest growth, with a growth in the 1H11 of 25% relatively to 2010, with sales of 19.8 million Euros, maintaining the trend of previous year.

Operational results (EBIT) grew 12% to 1.1 million Euros, representing 5.8% of sales.

VISUAL COMMUNICATION

Visual communication had a strong growth, 21% when compared with 2010, with 13.7 million Euros of sales. Digital printing has registered a strong growth due to the innovation introduced in the market that has speed up the change from offset technologies.

Operational costs grew significantly less than sales, what explains the 67% growth of operational results (EBIT) to 0.7 million Euros, representing 5.3% of sales (3.8% in 2010).

3.3.Market analysis

Inapa has been focusing its operations in the paper distribution business in 6 key markets (core 6): Germany, France, Switzerland, Portugal and Spain, and is leader in the distribution of paper in the office segment in Belgium and Luxembourg.

In the first six months of 2011, according to Eugropa data, the growth trend was not the same in all markets. Germany was the country that had lower volume decrease, 2.5%. France and Switzerland had a volume decrease of 3.4% and 4.5% respectively. Spain and Portugal have recorded strong decreases on its volume levels, 13.4% and 9.5%. Overall, on the five markets, volumes felt 4.0%.

Chart 3_Evolution of volumes in Inapa core 5 (until June 2011)

Thousand tons	Volume		
	2011	**2010**	**Δ 11/10**
Germany	1.423	1.459	-2,5%
France	455	471	-3,4%
Switzerland	158	166	-4,5%
Portugal	50	56	-9,5%
Spain	205	237	-13,4%
Core 5	2.292	2.388	-4,0%

Source: Eugropa

Inapa's geographical presence, spread over Europe and Angola, allows the Group to reduce its exposure to volatility risks of each market and benefit from the growth perspectives in its core markets, especially Germany, France and Switzerland.

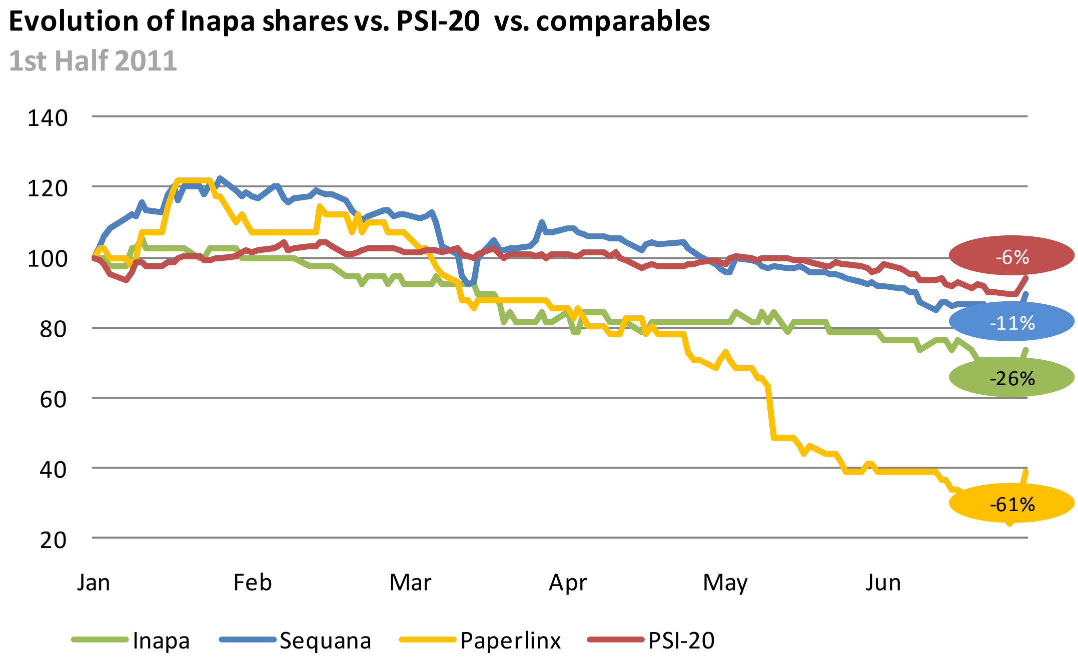
3.4.Future prospects

The evolution of the market in the last quarter allows to foresee an increase of average prices due to the price revision already announced by the main producers, with effects at the end of the third quarter.

In regards the German, French, and Swiss markets (account for 84% of the Group's sales) it is anticipated a better sales volume than the Iberian market (15% of Group sales), due to the different economical context and speed of growth of their economies.

Complementary business should maintain the growth and profitability trend, with the consequent weight increase on consolidated sales and results.

3.5.Stock market

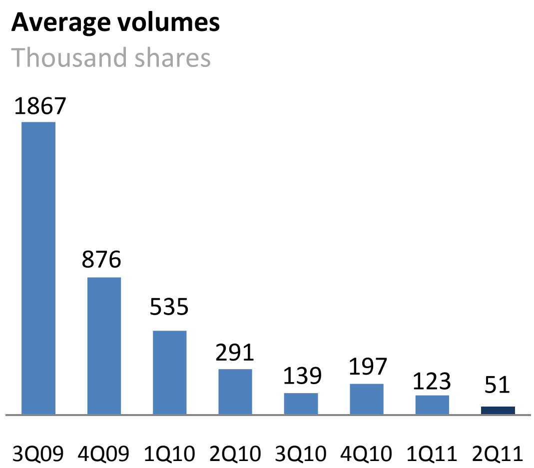


During the first half of 2011, financial markets have shown a moderate recovery, as a consequence of the recovery registered by the main European economies. However some markets, including the Portuguese, had a negative performance, justified by the foreign intervention on the economy and the downgrade of the country's rating.

In 1H11 Inapa's stock price saw a decline of 26%, from 0.375 Euros to 0.28 Euros, that compares with a 11% drop of the PSI-20. During the second quarter the trend was also negative, with a stock decrease of 11%, which compares with a 6% index decrease.

The evolution of Inapa's stock followed the same trend as the other comparables, which during 2011 also registered decreases on their quotes.

Inapa trading volumes during the first half continue to reduce significantly, comparing with 2010, with a 79% volume drop.



4. Interim Consolidated Accounts

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED INCOME STATEMENT AS AT JUNE 30, 2011
(Amounts expresses in thousand of Euros)

	Notes	JUNE 30, 2011	2nd QUARTER 2011 *	JUNE 30, 2010	2nd QUARTER 2010 *
Tonnes		**455.470**	**211.938**	**450.111**	**218.554**
Sales and service rendered	**3**	513.424	244.185	475.848	236.148
Other Income	**3**	14.600	7.690	12.791	6.405
Total Income		**528.024**	**251.876**	**488.640**	**242.554**
Cost of sales		-424.124	-200.723	-389.145	-192.473
Changes in stocks		-	-	-	-
Personal costs		-39.574	-19.614	-37.415	-19.001
Other costs	**5**	-48.638	-24.042	-46.347	-23.285
		15.688	**7.497**	**15.733**	**7.795**
Depreciations and amortizations		-2.966	-1.476	-3.282	-1.644
Impairment in non current assets		-	-	-	-
Gains / (losses) in associates		12	-396	25	21
Net financial function	**6**	-10.655	-5.505	-9.222	-5.179
Net profit before Income tax		**2.079**	**119**	**3.253**	**992**
Income tax	**16**	-824	-507	-1.494	-815
Net profit / (loss) for the period		**1.255**	**-387**	**1.760**	**178**
Attributable to :					
Shareholders of the company		1.109	-431	1.657	178
Non controlling interests		146	43	103	-
Earnings per share of continued operations - €					
Basic		0,007	-0,004	0,011	0,000
Diluted		0,007	-0,004	0,011	0,000

To be read in conjuction with the Notes to the consolidated financial statements
* Non audited

INAPA - Investimentos, Participações e Gestão, SA

COMPREHENSIVE INCOME STATEMENT AS AT JUNE 30, 2011
(Amounts expresses in thousand of Euros)

	JUNE 30, 2011	2nd QUARTER 2011 *	JUNE 30, 2010	2nd QUARTER 2010 *
Net profit for the period before minority interest	**1.255**	**-387**	**1.760**	**178**
Available-for-sale financial assets carried at fair value	-	-	-	-
Exchange differences on translating foreign operations	423	1.822	2.455	1.908
Earnings directly recognised in equity	**423**	**1.822**	**2.455**	**1.908**
Total comprehensive income for the period	**1.678**	**1.434**	**4.215**	**2.086**
Attributable to :				
Shareholders of the company	1.532	1.391	4.112	2.086
Non-controlling interest	146	43	103	-
	1.678	**1.434**	**4.215**	**2.086**

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

* Non audited

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2011 AND DECEMBER 31, 2010
(Amounts expressed in thousand euros)

	Notes	June 30, 2011	December 31, 2010
ASSETS			
Non-current assets			
Tangible fixed assets		97.265	99.180
Goodwill		140.344	139.661
Other intangible assets		111.207	111.570
Investment in associate companies		1.080	1.068
Available-for-sale financial assets	7	675	673
Other non-current assets		22.137	21.833
Deferred tax assets	16	21.064	20.994
Total non-current assets		393.772	394.979
CURRENT ASSETS			
Inventories		82.368	79.298
Trade receivables	10	184.089	197.322
Tax to be recovered		6.152	6.422
Other current assets	10	49.317	45.696
Cash and cash-equivalents	11	12.823	16.573
Total current assets		334.749	345.310
Total assets		**728.521**	**740.289**
SHAREHOLDERS EQUITY			
Share capital		150.000	150.000
Own shares		-	-
Share issue premium		2.937	2.937
Reserves		44.981	44.558
Retained earnings		-37.209	-42.335
Net profit for the period		1.109	3.666
		161.817	158.826
Non-controlling interests		3.953	1.032
Total shareholders equity		**165.772**	**159.857**
LIABILITIES			
Non-current liabilities			
Loans	14	164.990	157.227
Financing associated to financial assets	14	33.879	32.800
Deferred tax liabilities	16	20.933	20.264
Provisions		893	1.202
Liabilities for employee benefits		3.218	3.387
Other non-current liabilities		9.973	10.572
Total non-current liabilities		233.886	225.452
Current liabilities			
Loans	14	237.746	248.571
Financing associated to financial assets		-	-
Suppliers	15	52.599	58.733
Tax liabilities		16.467	15.491
Other current liabilities	15	22.052	32.185
Total current assets		328.864	354.981
Total shareholders equity and liabilities		**728.522**	**740.289**

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

INAPA - Investimentos, Participações e Gestão, SA

STATEMENT OF SHAREHOLDERS EQUITY AS AT JUNE 30, 2011 AND JUNE 30, 2010

(Amounts expresses 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 DECEMBER 31, 2009	**150.000**	**2.937**	**1.539**	**-5.127**	**2.165**	**151.514**	**1.033**	**152.547**
Total earnings and costs recognized in the period	-	-	2.455	-	1.657	**4.112**	103	**4.215**
Previous year net profit and loss result	-	-	-	2.165	-2.165	**-**	-	**-**
Dividends	-	-	-	-	-	**-**	-102	**-102**
Other changes	-	-	-	-311	-	**-311**	-2	**-313**
	-	-	**2.455**	**1.854**	**-508**	**3.801**	**-1**	**3.800**
BALANCE AS AT JUNE 30, 2010	**150.000**	**2.937**	**3.994**	**-3.273**	**1.657**	**155.315**	**1.032**	**156.347**
BALANCE AS AT DECEMBER 31, 2010	**150.000**	**2.937**	**5.338**	**-3.115**	**3.666**	**158.826**	**1.032**	**159.858**
Total earnings and costs recognized in the period	-	-	423	-	1.109	**1.532**	146	**1.678**
Previous year net profit and loss result	-	-	-	3.666	-3.666	**-**	-	**-**
Dividends	-	-	-	-	-	**-**	-146	**-146**
Other changes	-	-	-	1.460	-	**1.460**	2.921	**4.381**
	-	-	**423**	**5.126**	**-2.557**	**2.992**	**2.921**	**5.913**
BALANCE AS AT JUNE 30, 2011	**150.000**	**2.937**	**5.761**	**2.011**	**1.109**	**161.818**	**3.953**	**165.771**

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

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INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED CASH FLOW STATEMENT AS AT JUNE 30, 2011 AND JUNE 30, 2010

(Amounts in thousand Euros) - direct method

		2011		2010	
	Notas	JUNE 30, 2011	2nd QUARTER *	JUNE 30, 2010	2nd QUARTER *
Cash flow generated from operating activities					
Cash receipts from customers		526.546	271.930	474.858	214.661
Payments to suppliers		-437.381	-219.562	-387.894	-196.660
Payments to personnel		-40.617	-19.362	-36.657	-19.465
Net cash from operational activities		48.548	33.006	50.307	-1.464
Income taxes paid		-136	-80	-701	39
Income taxes received		284	31	-	-
Other proceeds relating to operating activity		34.497	10.798	49.255	24.874
Other payments relating to operating activity		-70.522	-43.389	-98.485	-38.499
Net cash generated from operating activities	|1|	12.672	366	376	-15.050
Cash flow from investing activities					
Proceeds from:					
Financial investments		816	143	-	-
Tangible fixed assets		372	6	69	16
Intangible assets		-	-	1	-
Interest and similar income		379	308	357	140
Dividends		-	-	-	-
		1.567	457	427	157
Payments in respect of:					
Financial investments		-807	-782	-1.739	-652
Tangible fixed assets		-664	-438	-581	-424
Intangible assets		-517	-249	-500	-306
Advances from third-party expenses		-	-	-	-
Loans granted		-	-	-18	-
		-1.988	-1.469	-2.838	-1.381
Net cash used in investing activities	|2|	-421	-1.012	-2.411	-1.225
Cash flow from financing activities					
Proceeds from:					
Loans obtained		66.487	41.012	34.605	14.631
Capital increases, repayments and share premiums		-	-	-	-
Treasury placements		-	-	-	-
Changes in ownership interests		700	700	-	-
		67.187	41.712	34.605	14.631
Payments in respect of:					
Loans obtained		-70.815	-48.073	-24.388	-2.162
Amortization of financial leases		-880	-479	-711	-374
Interest and similar expenses		-7.741	-5.137	-6.782	-3.127
Dividends		-710	-710	-	-
		-80.147	-54.400	-31.880	-5.663
Net cash used in financing activities	|3|	-12.960	-12.688	2.725	8.968
Increase / (decrease) in cash and cash-equivalent	|4| = |1| + |2| + |3|	-709	-13.334	690	-7.306
Effect of exchange differences		177	116	244	170
		-532	-13.218	934	-7.136
Cash and cash-equivalents at the begining of period		-105.285	-	-85.581	-
Cash and cash-equivalents at the end of period	11	-105.817	-13.218	-84.647	-7.136
		-532	-13.218	934	-7.136

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

* Non audited

INAPA - INVESTIMENTOS, PARTICIPAÇÕES E GESTÃO, SA

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF SIX MONTHS ENDED 30 JUNE 2011

(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 and its statutory business purpose is to hold and manage property holdings and other assets, holding shares in other companies, operate commercial establishments and industrial plant, either held for own account or for the account of third parties, and to assist companies in which it is a shareholder. Inapa IPG is listed on the Euronext Lisbon.

Head Office: Rua Castilho nº44 3º, 1250-071

Lisbon, Portugal

Share capital: 150.000.000 Euros

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

The Group comprises a "sub-holding" company (Gestinapa - SGPS, S.A.), which purposes is to directly hold all stakes in companies operating in Paper Merchanting.

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, Inapa VisualCom GmbH, and PMF-Factoring, GmbH, all of which are incorporated in the same country, (ii) Inapa France, SA and subsidiary companies, operating in France and Belux, (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, SA, the Portuguese company of the Group which has a stake in Inapa Angola- Distribuição de Papel,SA, (v) Inapa España Distribuición Ibérica, SA, operating in Spain, which has a stake in Surpapel SL (a company that markets paper). The subsidiary Inapa Packaging, GmbH, in turn has two companies selling packaging material, namely Hennessen & Potthoff, GmbH and HTL - Verpackung, GmbH, respectively.

These consolidated financial statements were approved by Inapa-IPG's Board of Directors of 28 April 2011.

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 six months ending 31 June 2011 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 reported to financial year ended 31 December 2010.

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 2010 and are detailed in the Notes to those financial statements.

After 1 January 2011 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 24 (amendment) – Related party disclosures;
- IAS 32 (amendment) – Financial instruments : Presentation – classification of right issues;
- IFRS 1 (revision and amendment) – First time adoption of IFRS;
- IFRIC 14 (amendment) - IAS 19 – The limit on a defined benefit asset , minimum funding requirements and their interaction;
- IFRIC 19 – Extinguishing financial liabilities with equity instruments;
- Standards 2010 Improvements – effective for periods beginning on or after January 1, 2011. The standards and interpretations subject to improvements are: IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34 e IFRIC 13

The present financial statements of the Group were not affected by these coming into effect.

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 2011 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 1 (amendment) – Presentation of Financial Statements (effective for periods beginning on or after 1 January 2012, in European Union);
- IAS 12 (amendment) – Income taxes (effective for periods beginning on or after January 1, 2012);
- IAS 19 (amendment) – Employee Benefits (effective for periods beginning on or after January 1, 2013);
- IAS 27 (revision) – Separate Financial Statements (effective for periods beginning on or after January 1, 2013);
- IAS 28 (revision) – Investments in Associates and Joint Ventures (effective for periods beginning on or after January 1, 2013);
- IFRS 1 (amendment) – First-time adoption of IFRS (effective for periods beginning on or after 1 July 2011);
- IFRS 7 (amendment) – Financial Instruments: Disclosures - transfers of financial assets (effective for periods beginning on or after 1 July 2011);
- IFRS 9 – Financial instruments – accounting and measurement (effective for periods beginning on or after 1 January 2013);
- IFRS 10 – Consolidated Financial Statements (effective for periods beginning on or after 1 January 2013);
- IFRS 11 – Joint Arrangements (effective for periods beginning on or after 1 January 2013);
- IFRS 12 – Disclosure of Interests in Other Entities (effective for periods beginning on or after 1 January 2013);
- IFRS 13 – Fair Value Measurement (effective for periods beginning on or after 1 January 2013);

Of the various standards, revisions and amendments already published by IASB or by IFRIC given above that are not yet in force, have not yet been adopted by European Union, coming into effect only after their publication in the associated Regulation.

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 half of 2011.

Estimates made in preparing the financial statements for the six months ended June 30, 2011 have the same characteristics as in the preparation of financial statements for 2010

3. SALES AND SERVICE RENDERED AND OTHER INCOME

Sales and services rendered during the six months to 30 June 2011 and 30 June 2010 brake down as follows:

	30 June 2011	30 June 2010
Domestic market		
Goods sold	29.132	29.326
Service rendered	93	602
	29.225	29.928
Exports		
Goods sold	478.336	441.592
Service rendered	5.863	4.328
	484.199	445.920
Total	**513.424**	**475.848**

As at 30 June 2011 and 2010, Other income balance brake down as follows:

	30 June 2011	30 June 2010
Supplementary income	298	206
Net cash discounts	5.926	5.208
Other income	8.376	7.377
	14.600	**12.791**

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 June 30, 2011 and 2010 for operating segments is as follows:

	30 June 2011						30 June 2010					
	Paper	Packaging	Visual Comunication	Other operations	Eliminations on consoli-dations	Consolidated	Paper	Packaging	Visual Comunication	Other operations	Eliminations on consoli-dations	Consolidated
REVENUES												
External sales	476.865	17.891	12.704	8	-	**507.468**	445.682	14.255	10.774	207	-	**470.918**
Inter-segment sales	402	887	1.024	-	-2.313	-	237	717	552	-	-1.507	-
Other revenues	19.391	126	333	706	-	**20.556**	16.632	139	262	689	-	**17.722**
Total Revenues	**496.658**	**18.904**	**14.061**	**714**	**-2.313**	**528.024**	**462.551**	**15.111**	**11.588**	**896**	**-1.507**	**488.640**
RESULTS												
Segment results	11.504	1.072	736	-1.195	605	12.722	11.303	950	459	-410	149	12.451
Operacional results						**12.722**						**12.451**
Interest expenses	-5.971	-146	-147	-7.011	2.138	-11.137	-3.966	-129	-127	-7.151	1.600	-9.773
Interest income	1.619	2	1	1.152	-2.292	482	1.280	3	4	1.498	-2.234	551
Tax on profits	-	-	-	-	-	-824	-	-	-	-	-	-1.494
Income from ordinary activities						**1.244**						**1.735**
Gains/ (losses) in associated companies						12						25
Net profit /(loss) for the year						**1.255**						**1.760**
Attributable :												
Equity shareholders						1.110						1.657
Minority interests						146						103

As at 30 June 2011 and 2010, paper sales per country where the Group operates were broken down as follows:

	Sales	
	30 June 2010	30 June 2009
Germany	234.942	230.952
France	122.558	112.868
Portugal	29.546	29.370
Others	89.820	72.492
	476.865	**445.682**

5. OTHER COSTS

As at the end of the six month period to 30 June 2011 and 30 June 2010, the Other costs brake down as follows:

	30 June 2011	30 June 2010
General and Administrative expenses	-44.353	-39.503
Indirect taxes	-1.839	-1.709
Other costs	-988	-2.062
Impairment to current assets	-1.458	-3.073
	-48.638	**-46.347**

6. FINANCIAL FUNCTION

As at the end of the six months to 30 June 2011 and 30 June 2010, financial function was broken down as follows:

	30 June 2011	30 June 2010
Financial income		
Interest received	45	381
Favourable FX differences	114	9
Other financial income and profits	323	161
	482	**551**
Financial costs		
Interest paid	-5.492	-4.196
Unfavourable FX differences	-387	-510
Other financial losses and costs	-5.258	-5.067
	-11.137	**-9.773**
Net financial results	**-10.655**	**-9.222**

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

As at 30 June 2011 and 31 December 2010, Available-for-sale financial assets were broken down as follows:

	30 June 2011	31 December 2010
BANIF - Unidades de participações em fundos de investimentos	628	628
Other financial assets	47	45
	675	**673**

Changes in Available-for-sale financial assets during six month period to 30 June 2011 and year 2010 were as follows:

Opening balance as at 1 January 2010	**9.294**
Aquisitions	4
Disposals	-8.625
Changes in fair value	0
Closing balance as at 31 December 2010	**673**
Aquisitions	2
Disposals	-
Changes in fair value	-
Closing balance as at 30 June 2011	**675**

8. COMPANIES INCLUDED IN THE CONSOLIDATED ACCOUNTS

As at 30 June 2011, 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
Gestinapa - SGPS, SA	Rua Castilho, 44-3º 1250-071 Lisbon	100.00	SGPS	Inapa – IPG, SA	June 1992
Inapa-Portugal, SA	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra	99.75	Paper Merchanting	Gestinapa - SGPS,SA	1988
Inapa España - Distribución de Papel, SA	c/ Delco Polígono Industrial Ciudad del Automóvil 28914 Leganés, Madrid	100.00	Paper Merchanting	Gestinapa-SGPS, 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	Inapa France, SA	January 2008
Inapa Belgique	Vaucampslan, 30 1654 Huizingen Belgium	99.94	Paper Merchanting	Inapa-France, SA	May 1998
Inapa Luxemburg	211, Rue des Romains. L. 8005 Bertrange Luxemburg	97.81	Paper Merchanting	Inapa Belgique	Maio 1998
Inapa Deutschland, GmbH	Warburgstraβ, 28 20354 Hamburgo Germany	97.60	Holding	Gestinapa-SGPS, SA	April 2000

Subsidiary company name	Head Office	% Group holdings	Business operation	Direct holding company	Date of incorporation
Papier Union, GmbH	Warburgstraβe, 28 20354 Hamburgo Germany	94.90	Paper Merchanting	Inapa Deutschland, GmbH	April 2000
PMF- Print Medien Factoring , GmbH	Warburgstraβ, 28 20354 Hamburgo Germany	100.00	Factoring	Papier Union, GmbH	September 2005
Inapa Packaging, GmbH	Warburgstraβ, 28 20354 Hamburgo Germany	100.00	Holding	Papier Union, GmbH	2006
HTL Verpackung, GmbH	Werner-von-Siemens Str 4-6 21629 Neu Wulmstrof Germany	100.00	Packaging	Inapa Packaging, GmbH	January 2006
Hennessen & Potthoff, GmbH	Tempelsweg 22 Tonisvorst Germany	100.00	Packaging	Inapa Packaging, GmbH	January 2006
Inapa Viscom, GmbH	Warburgstraβ, 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	Gestinapa – SGPS ,SA	1995
Inapa Suisse	Althardstrasse 301 8105 Regensdorf – Switzerland	100.00	Paper Merchanting	Inapa-IPG,SA e Papier Union, GmbH	May 1998
Edições Inapa, Lda	Rua Castilho 44-3º 1250-071 Lisbon	100,00	Editorial	Inapa-IPG,SA e Gestinapa, SGPS,SA	November 2009
Inapa Angola – Distribuição de Papel, SA	Rua Amílcar Cabral nº 211 Edifício Amílcar Cabral, 8º Luanda - Angola	100.00	Paper Merchanting	Inapa Portugal, SA	December 2009

In the first half of 2011 there was a partial sale of 2.40% of the share capital of the subsidiary Inapa Deutschland GmbH through Gestinapa - SGPS, SA, that result on a capital gain in the amount of 1,371 thousand euros, recognized under retained earnings.

Inapa through its subsidiary Inapa Merchants Holding, Ltd sold 100% of the share capital of the Tavistock Paper Sales Ltd based in the United Kingdom. This transaction generated a positive impact on the Group's consolidated accounts of 0.4 million Euros

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

The following companies were consolidated per the equity method in the consolidated financial statements and are reported under Holdings in associated companies:

Associate company name	Shareholding company	% Holding
Surpapel, SL	Inapa España Distribuicíon 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

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.

Company name	Head Office	Direct Shareholder	% holdings
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%

10. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

As at 30 June 2011 and 31 December 2010, Trade receivable was broken down as follows:

	30 June 2011	31 December 2010
Trade receivables		
Trade receivables -Current account	167.971	184.975
Trade receivables -Bills receivable	14.346	11.359
Doubtful debt	13.108	11.754
	195.425	208.088
Cumulative impairment losses	-11.336	-10.766
Trade receivebles - net balance	**184.089**	**197.322**

As at 30 June 2011 and 31 December 2010, the balance of Other current assets was broken down as follows:

	30 June 2010	31 December 2009
Other current assets		
Associate companies	-	48
Advances to suppliers	429	486
Other debtors	24.799	17.548
Accrued income	20.092	25.489
Deferred costs	3.997	2.125
	49.317	**45.696**

11. CASH AND CASH-EQUIVALENT

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

	30 June 2011	31 December 2010	30 June 2010
Cash and cash-equivalent			
Banks	12.709	16.397	21.789
Cash	114	176	184
	12.823	**16.573**	**21.973**

Cash-flow Statement

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

	30 June 2011	31 December 2010	30 June 2010
Cash and cash-equivalent			
Banks	12.709	16.397	21.789
Cash	114	176	184
Cash and cash-equivalent per balance sheet	**12.823**	**16.573**	**21.973**
Bank overdrafts	-118.640	-121.858	-106.620
Cash and Cas-equivalent per Cash-Flow statement	**-105.817**	**-105.285**	**-84.647**

The item banks includes a short-term deposit in the amount of 2 million Euros, with due date on August 2011.

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 six months ended in 30 June 2011 the recognised asset impairments were as follows:

	Goodwill	Other intangible assets	Inventories	Trade receivables	Total
Balance as at January 1, 2010	11.766	27.464	1.233	10.794	51.257
Increases	-	-	272	4.578	4.850
Utilisation	-	-	-482	-4.797	-5.279
Reverseals	-	-	-	-	-
Changes in the consolidation perimeter	-	-	3	1	4
Exchange rate differences	-	-	88	190	278
Balance as at December 31, 2010	11.766	27.464	1.114	10.766	51.110
Increases	-	-	50	1.408	1.458
Utilisation	-	-	-267	-869	-1.137
Reverseals	-	-	-	-	-
Changes in the consolidation perimeter	-	-	-	-	-
Exchange rate differences	-	-	5	32	37
Balance as at June 30, 2011	**11.766**	**27.464**	**902**	**11.336**	**51.468**

13. SHARE CAPITAL

As at 30 June 2011, share capital was represented by 150,000,000 fully subscribed and realised bearer shares with no par value each.

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:

- Parpública – Participações Públicas, SGPS, SA, which held 49,084,738 shares corresponding 32.72% of its share capital and respective voting rights;
- Banco Comercial Português, SA, which held 27,361,310 shares corresponding 18.24% of its share capital and respective voting rights (*), and;
- Albano Alves, which held 3.998.650 shares corresponding to 2.67% of its share capital and respective voting rights (**).
- Nova Expressão SGPS, SA, which held 3.000.000 shares corresponding to 2.00% of its share capital and respective voting rights.

In compliance with the aforementioned applicable legislation and regulations, the Company was neither notified of any changes to the aforementioned holdings nor of any other holdings of other shareholders to whom voting rights equal to or greater than 2% of share capital may have accrued.

Notes:

(*) The holdings of Banco Comercial Português, SA, are broken down as follows:

- Fundo de Pensões do Grupo BCP …… 16,491,898 shares corresponding to 10.99% of voting rights;
- Banco Comercial Português, SA ……… 10,869,412 shares corresponding to 7.25% of voting rights;

(**)The holdings of Albano Alves are broken down as follows:

- José Augusto Martins Fazendeiro …… 3.948.650 shares corresponding to 2.63% of voting rights;
- Albano R.N. Alves - Distribuição de Papel, SA …… 50,000 shares corresponding to 0.03% of voting rights.

As at 30 June 2011, the Group did not hold own shares and no transactions involving own shares were recorded during the six-month period under analysis.

14. LOANS

As at 30 June 2011 and 31 December 2010, Loans balance were broken as follows:

	2011	2010
Current debt		
° Bank loans		
° Bank loans and other current financial instruments	118.640	121.858
° Commercial paper, redeemable at its nominal value, renewable, with maturity within one year	107.000	113.000
° Medium and long-term financial instruments (portion maturity within 1 year)	9.733	12.081
° Other current financial loans	2.373	1.632
Total current debt	237.746	248.571
Non- current debt		
° Bank loans		
° Medium and long-term financial instruments	103.379	106.520
° Other loans	61.611	50.707
	164.990	157.227
° Financing associated to finantial assets - securitisation (Note 37)	33.879	32.800
Total non-current debt	198.869	190.027
Total debt	**436.615**	**438.598**

As at 30 June 2011 the bank loans conditions are similar to the ones of 31 December 2010.

As at 30 June 2011 and 31 December 2010, the net balance of consolidated financial debt is broken down as follows:

	30 June 2011	31 December 2010
Loans		
Current	237.746	248.571
Non-current	164.990	157.227
	402.736	405.798
Loans associated to financial assets - securitization	33.879	32.800
Financial leases debt	11.324	11.943
	447.939	**450.541**
Cash and cash-equivalents	12.823	16.573
Negotiatable financial assets (listed securities)	-	-
Available-for-sale financial assets (listed securities)	-	-
	12.823	**16.573**
	435.116	**433.968**

14. SUPPLIERS AND OTHER CURRENT LIABILITIES

As at 30 June 2011 and 31 December 2010, the balances of Suppliers and of Other current liabilities were broken down as follows:

	30 June 2011	31 December 2010
Suppliers		
Suppliers on current account	48.721	54.972
Trade bills account	-	-
Invoices pending reconciliation	3.878	3.761
	52.599	58.733
Other current liabilities		
Advances from clients	1.057	1.220
Fixed assets suppliers	1.351	1.371
Other creditors	9.462	16.513
Accruals and deferred items	10.182	13.081
	22.052	32.185

15. INCOME TAX

The amount of taxes in the Interim Consolidated Income Statement for the six months to 30 June 2011, amounting to a total of 824 thousand Euros, equates to the liability for current income tax for the half-year period in the amount of 225 thousand Euros plus the balance of changes in deferred tax, amounting to 599 thousand Euros.

The differential between the nominal tax rate (average rate of 31%) and the effective company income tax rate (IRC company tax) for the Group, as at 30 June 2010, is detailed in the following table:

	31 June 2011
Net income before tax	2.079
Nominal company tax rate	31%
	-644
Income tax	-824
	180
Permanent differences - France	-127
Permanent differences - Portugal	654
Dividends	-180
UK capital gain	-120
FX differences	7
Other	-54
	180,3624494

Deferred tax

All instances where future taxation due may come to be significantly impacted are reported in the financial statements as at 30 June 2011 and 31 December 2010.

The following table reports changes in deferred tax assets and liabilities during the six months to 30 June 2011 and the financial year ended 31 December 2010:

	01-01-2010	Changes in consolidation perimeter	Fair value reserves and other reserves	Net profit for the period	30-06-2010
Deferred tax assets					
Taxable provisions	53	-	-	-	53
Reportable tax losses	17.848	-	-	144	17.992
Others	3.093	-	-	-74	3.019
	20.994	-	-	70	21.064
Deferred tax liabilities					
Fixed assets revaluation	-8.142	-	-	-7	-8.149
Depreciation	-11.363	-	-	-13	-11.377
Others	-759	-	-	-649	-1.407
	-20.264	-	-	-669	-20.933
Net deferred tax	**730**	**-**	**-**	**-599**	**130**

	01-01-2010	Changes in consolidation perimeter	Fair value reserves and other	Net profit for the period	31-12-2010
Deferred tax assets					
Taxable provisions	54	-	-	-1	53
Reportable tax losses	18.524	-	-	-676	17.848
Others	3.796	-	-	-703	3.093
	22.374	-	-	-1.380	20.994
Deferred tax liabilities					
Fixed assets revaluation	-8.022	-	-	-120	-8.142
Depreciation	-10.059	-	-	-1.304	-11.363
Others	-807	-	-	48	-759
	-18.888	-	-	-1.376	-20.264
Net deferred tax	**3.486**	**-**	**-**	**-2.757**	**730**

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 17,992 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:

Company name	Deferred tax balance	Due date
Inapa France	8.909	ilimitado
Inapa Distribuición Ibérica	4.841	2021-2026
Portuguese group companies	2.458	2012-2015
Inapa Suisse	97	2011
Inapa Bélgique	1.643	ilimitado
Outros	42	
	17.992	

16. 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.

17. SUBSEQUENT EVENTS

After 30 June 2011 and to the publication date Inapa Group has not verified any subsequent relevant events.

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

5. Mandatory information

5.1.5.1. 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	Number of shares	Voting rights
Álvaro João Pinto Correia	0	0%
José Manuel Félix Morgado	563 631	0,38%
António José Gomes da Silva Albuquerque	0	0%
Jorge Manuel Viana de Azevedo Pinto Bravo	0	0%
Arndt Klippgen	0	0%
Emídio de Jesus Maria	0	0%
Acácio Jaime Liberado Mota Piloto	0	0%
Eduardo Fernández-Espinar Detidas por pessoas ou entidades contempladas no n.º 2 do art.º 447º do Código das Sociedades Comerciais	200 000 100 000	0,13% 0,07%

Chartered Accountant

Name	Number of shares	Voting rights
PricewaterhouseCoopers & Associados, SROC, Lda, representada por: - Ricardo Filipe de Frias Pinheiro – ROC efectivo	0	0%
José Manuel Henriques Bernardo, ROC suplente	0	0%

5.2.5.2. 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 2011 there were no transactions registered by any of its Governing Bodies members.

5.3.5.3.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 six months ended on 30 June 2011 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, 25 August 2011

Álvaro João Pinto Correia
Chairman of the Board of Directors

José Manuel Félix Morgado
Vice-Chairman and President of the Executive Committee of the Board of Directors

Arndt Klippgen
Director and member of the Executive Committee 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

Acácio Jaime Liberado Mota Piloto
Director and member of the Audit Committee

Eduardo Fernández-Espinar
Director and member of the Audit Committee

5.4.Auditor report

Limited Review Report Prepared by an Auditor Registered in the Securities Market Commission (CMVM) of the Consolidated Half Year Information

(Free translation from the original in Portuguese)

Introduction

1 In accordance with the Portuguese Securities Market Code (CVM) we hereby present our limited review report on the consolidated financial information for the six-month period ended June 30, 2011 of Inapa – Investimentos, Participações e Gestão, SA included in the consolidated Report of the Board of Directors, consolidated balance sheet (which shows total assets of Euro 728,521 thousand and total shareholders' equity of Euro 165,771 thousand, including minority interests of Euro 3,953 thousand and a net profit of Euro 1,109 thousand), consolidated separate income statement, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated cash flows statement for the period then ended and the corresponding notes to the accounts.

2 The amounts in the consolidated financial statements, as well as those in the additional financial information, are derived from the respective accounting records.

Responsibilities

3 It is the responsibility of the Board of Directors: (a) to prepare consolidated financial information which present truly and fairly the financial position of the companies included in the consolidation, the consolidated results and the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows; (b) to prepare historical financial information in accordance with the International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union and which is complete, true, timeliness, clear, objective and licit as required by the CVM; (c) to adopt adequate accounting policies and criteria; (d) to maintain appropriate systems of internal control; and (e) to disclose any significant facts that have influenced the operations, financial position or results.

4 Our responsibility is to verify the financial information included in the documents referred to above, namely if it is complete, true, timeliness, clear, objective and licit as required by the CVM, and to issue a professional and independent report based on our work.

Scope

5 Our work was performed with the objective of obtaining moderate assurance as to whether the financial information referred to above is free from material misstatement. Our work was performed in accordance with the Standards and Technical Recommendations issued by the Portuguese Institute of Statutory Auditors, planned according to that objective, and consisted primarily, in enquiries and analytical procedures, to review: (i) the reliability of the assertions included in the financial information; (ii) the adequacy of the accounting policies adopted taking into account the circumstances and the consistency of their application; (iii) the applicability, or not, of the going

concern concept; (iv) the presentation of the consolidated financial information; and (v) as to whether the consolidated financial information is complete, true, timeliness, clear, objective and licit.

6 Our work also covered the verification of the consistency of the consolidated financial information included in the Report of the Board of Directors with the remaining documents referred to above.

7 We believe that the work performed provides an acceptable basis for the issue of our limited review report in respect of the half year information.

Conclusion

8 Based on the work, which was performed with the objective of obtaining moderate assurance, nothing came to our attention that leads us to believe that the consolidated financial information for the six-month period ended June 30, 2011 is not free of material misstatements that affect its conformity with the International Accounting Standard 34 - Interim Financial Reporting as adopted by the European Union and the information contained therein is not complete, true, timeliness, clear, objective and licit.

Report on other requirements

9 Based on the work, nothing has come to our attention that leads us to believe that the consolidated financial information included in the Report of the Board of Directors is not consistent with the consolidated financial information for the period.

Emphasis

10 Without qualifying our conclusion in paragraph 8 above, we draw attention that, as mentioned in Note 17 of the notes to the accounts, Papelaria Fernandes – Indústria e Comércio, SA (Papelaria Fernandes) has raised in 2007 against Inapa – Investimentos, Participações e Gestão, SA (Inapa) a legal proceedings, related to events occurred in previous years. Inapa considered that they do not have any relevant liability with Papelaria Fernandes as a result of the transactions mentioned in the legal proceedings raised by this company, therefore, no provision had been created in the consolidated financial information.

Lisbon, August 25, 2011

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda
Registered in the Portuguese Securities Markets Commission with no. 9077
represented by:

Ricardo Filipe de Frias Pinheiro, R.O.C.

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

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Inapa is admitted to trading on the Euronext Stock Exchange.
Information about the company may be checked under the ticker "INA"

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