INAPA – INVESTIMENTOS, PARTICIPAÇÕES E GESTÃO, S.A.

(Publicly listed company)
Head Office: Rua Castilho, n.º 44 – 3.º andar, 1250-071 Lisboa, Portugal
Share capital: €150,000,000
Registered with the Commercial Registrar of Companies of Lisbon under NIPC Tax no. and company registration no.
500 137 994

1st Half 2009 Report

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inapa
"Um papel importante"

I – Board of Directors' Report

INAPA – INVESTIMENTOS, PARTICIPAÇÕES E GESTÃO, S.A.
Results for the six months to 30 June 2009

Lisbon, 28 August 2009

1. Summary

Inapa´s sales outperformed the market: sales felt 10.3% versus a 12% fall in market turnover, according to data released by Eugropa.

Sales mix improvement and 12.8% growth in complementary businesses sustain gross margin, which increased by 40 b.p. to 18%.

Reduction of €2.1m (-2.5%) in operating costs, offsetting increase in provisions (+ €1.2m).

Reduction of 32.4% in financial function offset a rise in non-recurrent costs, arising as a result of implementation of further restructuring plans during the first half of the year (€0.9m).

Net current income before tax reaches 2.0 million Euros.

Net profit of 0.4 million Euros for the period in line with 2008 once capital gains in the amount of €0.6m, arising from asset sales during the course of the preceding financial year, are excluded.

Decrease of 16.8 million Euros in net debt when compared to 31 December 2008, to reach 324 million Euros.

Inapa´s shares rose by 73.5% to €0.59 since 31 December 2008, while trading volumes improved by 18% to 163.2 million shares traded.

The outlook for the second half of the year foresees the maintenance of the improvement of the operational performance and market share consolidation.

2. Main Performance Indicators

	1st Half 2009	1st Half 2008	∆%
Tons ('000)	443	501	-11.6
Turnover (€m)	476.5	531.0	-10.3
Average selling price (€)	1,018	1,015	0.3
Gross margin (€m)	85.7	93.6	-8.4
Gross margin (%)	18.0	17.6	40 b.p.
Operating costs (€m)	78.3	80.4	-2.5
Provisions (€m)	2.8	1.6	74.2
Recurrent EBITDA (€m)	15.8	21.3	-25.7
EBIT (€m)	11.9	17.0	-30.0
Financial Function (€m)	10.7	15.9	-32.4
Net current income before tax (€m)	1.992	1.984	0.4
Net income before tax (€m)	1.076	1.676	-35.8
Net debt (€m)	324.0	332.3	-2.5
Working capital (€m)	208.2	229.9	-9.4

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3. Macroeconomic and Sector Overview

Most of the European economies posted negative GDP growth rates over the first half of 2009, and some economies, such as the German and French, contracted by over 5% according to IMF data. For the euro area as a whole, it is estimated that GDP contracted by as much as 4.8% during the period under analysis.

Decreasing corporate and household investment combined with a fall in investor and consumer confidence and rising unemployment led to stagnation and, in some instances, even to a fall in consumption.

The period in question was also marked by on-going difficulty in accessing to bank credit as a result of reduced support being provided by banking institutions and credit insurers.

Like the other sectors, the performance of the European paper merchanting sector reflected the adverse macroeconomic environment. According to data released by Eugropa (the European Paper Merchants Association) the volumes fell by 14% and total turnover recorded a decrease of 12%, with some of the major players recording turnover falls much higher than the market.

As concerns the paper production sector, efforts to curtail capacity continued in tandem with work stoppages as a means of reduce the latent imbalance between supply and demand for paper and thereby stabilise market prices, which goal was only partially achieved.

4. Performance Analysis

With the maintenance of an adverse macroeconomic environment, Inapa's turnover again outperformed the market, having fallen 10.3% to 476.5 million Euros versus the same period of 2008, compared to a 12% fall of European market.

During the half-year period under analysis, the 12.8% increase in Complementary Businesses deserves particular highlight, reaching a share of 5.5% of total turnover (4.3%, in 2008).

In Paper Merchanting business two issues are worth to note:

- An improvement of 1% in stock/indent ratio to 52%, following on successful efforts towards that goal by our sales teams and the increasing focus on customer service;

- An increase of 0.3% in the average selling price of paper, to reach 1,018 Euros per ton, despite the contraction in consumption and the challenging economic conditions prevailing, due to the improvement in the stock/indent ratio and increased sales of higher value-adding products.

Those developments allowed to partially offsetting the impact of an 11.6% drop in turnover to reach 442.7 thousand tons, which performance, even so, much better than the 14% fall of the market

Thanks to the above mentioned performance trends, Group companies were again able to consolidate their market share, having even managed to grow it, in some countries.

Gross margin widened by 0.4 p.p. to 18% of sales, reaching 85.7 million Euros.

Gross margin performance is a direct consequence of an increasing weight of Complementary Businesses in total turnover together with a higher focus on margin management and sale of higher-value adding products.

The Group's efforts to manage costs allowed a reduction of 2.5% in operating costs, which correspond to savings of 2 million Euros to reach 78.3 million Euro.

The difficult economic conditions together to the financial and credit insurance related constraints which customers have been experiencing, led to increased client risk and to a consequent need to reinforce provisions in 1.2 million Euros when compared with same period of the preceding financial year.

Recurrent EBITDA reached 15.8 million Euros, a 3.3% EBITDA margin. This performance reflects a lower turnover and higher provisions, notwithstanding a decrease in operating costs.

As a result of additional initiatives having been taken to mitigate the negative impact of a lower activity, Inapa incurred in additional, non-recurrent costs of 0.9 million Euros, which had an adverse impact on First Half interim results but provided a positive return in the short run.

Net financial function fell by 32.4% (-5,1 million Euros) to 10.7 million Euros. In the main, the performance owed to a reduction of 8.3 million Euros in net interest-bearing borrowings when compared to the first half of 2008 (16.8 million Euros when compared to 31 December 2008) in tandem with a significant drop in interest rates.

In this regard, it is important to highlight a 25.6 million Euros fall in working capital versus 31 December 2008, (21.1 million Euros, when compared to 30 June 2008), due to a decrease in average client payment terms and lower stock levels.

The Recurrent EBITDA/Financial Costs ratio rose from 1.34 times in the First Half of 2008, to 1.47 times, in the First Half of 2009.

Despite difficult market conditions and an adverse macroeconomic environment, it is important to note that Net Current Income before Capital Gains and Losses and before Taxes and non-recurrent costs remained unchanged at 2.0 million Euros.

Following the raising of a 0.6 million Euros provision for taxation, the Group posted net profit of 0.4 million Euros for the period under analysis, which results remained in line with the First Half of 2008, once capital gains on asset sales (amounting to 0.6 million Euros) taking place during that period are excluded.

Notwithstanding the challenges arising from adverse market conditions over the first half of the financial year, Inapa´s demonstrated a strong resistance sustain in the capacity of the operational companies to respond well and faster to this environment and in a better cost management reflecting the implementation of its Inapa 2010 Strategic Plan.

5. Stock Market

Inapa´s shares reached € 0.59 a share at the end of first half of the year, recording gains of 73.5% since the beginning of the financial year. Its share price outperformed the Portuguese Stock Exchange's PSI20 Index by a wide margin, as PSI20 rose by 12.1% during the same period.

The trading volume reached 163.2 million shares traded, which correspond to a turnover of 2.32 times the free float.

6. Outlook

In Europe, thanks to a host of strong measures being taken to support the European economy and its financial system, the confidence not only in the financial markets but also, in some extend, in the economy, started to materialise, translated into emerging signs of an impending recovery based on recent trends in macroeconomic indicators. However, there is still much uncertainty on the sustainability of a possible economic upswing based on fragile private demand and on further public intervention in the economy, which scope has since become exhausted. Such developments, therefore, raise meaningful challenges for the paper merchanting sector over the second half of the financial year.

Demand for paper is expected to remain relatively low and analysts are not anticipating volume increases vis-à-vis the first-half of 2009. Given maintenance of idle production capacity and continuation of work stoppages, average selling prices are expected to move mostly sideways, albeit prices for some product lines may remain somewhat under pressure.

Inapa remains prudent but positive on its performance over the second half of the financial year based on its focus on profitability together with on-going reduction in operating costs. These drivers should allow the maintenance of the improvement that Inapa has been performing.

Management of capital employed will continue to deserve particular attention and it is expected that the ability to generate operating cash flows, together with its intention to further reduce working capital, will keep it in good stead to further reduce net debt.

During the second half of the financial year, Inapa will maintain is on-going search for new business development opportunities in order to thereby further consolidate its share in the markets where it operates and to enhance its business portfolio.

7. Statement of conformance

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 financial statements reported to the six months to 30 June 2009 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.

Vasco Luís Schulthess de Quevedo Pessanha
Chairman of the Board of Directors

José Manuel Felix Morgado
Director and Chairman of the Executive Committee of the Board of Directors

Jorge Armindo de Carvalho Teixeira
Vice-Chairman of the Board of Directors

Emídio Jesus Maria
Director and Chairman of the Audit Committee

Arndt Jost Michael Klippgen
Director and member of the Executive Committee of the Board of Directors

Abílio Ramos Marques
Director and member of the Audit Committee

Pedro Maria Cabral Norton de Matos
Director and member of the Audit Committee

Lisbon, 28 August 2009

Definitions

Re-EBITDA: Earnings before Interest, Tax, Depreciation, and Amortisation net of non-recurrent costs

Net current income before tax: Net income before tax - Capital gains/(losses) on sale of financial assets -non-recurrent costs

Net debt: Short-, medium-, and long-term bank debt + financial lease balances outstanding - cash and cash-equivalent items

Financial Function: Financial income - financial costs, excluding financial gains and losses on sale of financial assets

II – Interim consolidated accounts

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED SEPARATE INCOME STATEMENT FOR THE SIX MONTHS TO 30 JUNE 2009
(thousand Euros)

	Notes	30 JUNE 2009	2nd QUARTER 2009 (Unaudited)	30 JUNE 2008	2nd-QUARTER 2008 (Unaudited)
Tons (Unaudited)		**442,676**	**206,275**	**500,618**	**239,375**
Sales and services rendered	**3**	480,728	225,483	534,846	261,157
Other income	**3**	12,033	5,944	16,048	7,279
Total income		**492,762**	**231,428**	**550,894**	**268,436**
Cost of sales		-395,640	-185,526	-447,240	-217,140
Change in inventories		-	-	-	-
Personnel costs		-38,732	-19,416	-38,636	-19,329
Other operating costs	**5**	-43,445	-21,136	-44,273	-22,537
		14,945	**5,350**	**20,746**	**9,430**
Depreciations and amortizations		-3,053	-1,508	-3,387	-1,745
Impairments to non-current assets		-	-	-	-
Gains /(losses) in associate companies		-75	7	-96	-58
Financial Function	**6**	-10,740	-4,624	-15,586	-7,689
Net income before tax and discontinued operations		**1,076**	**-776**	**1,676**	**-62**
Income Tax	**13**	-624	100	-555	99
Net income for the period before discontinued operations		**452**	**-676**	**1,121**	**37**
Net income for the period from discontinued operations		-	-	-	-
Net Profit for the period		**452**	**-676**	**1.121**	**37**
Attributable to:					
Equity holders of the company		350	-676	1.019	35
Minority interests		102	0	102	2
Earnings per share of continued operations - Euros					
Basic		0.003	-0.005	0.007	0.000
Diluted		0.003	0.000	0.007	0.000
Earnings per share of discontinued operations - Euros					
Basic		0.000	0.000	0.000	0.000
Diluted		0.000	0.000	0.000	0.000

To be read in conjunction with the Notes to the Consolidated Financial Statements.

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS TO 30 JUNE 2009
(thousand Euros)

	30 JUNE 2009	2nd QUARTER 2009 (Unaudited)	30 JUNE 2008	2nd QUARTER 2008 (Unaudited)
Net Profit for the period before minority interests	**452**	**-676**	**1,121**	**37**
Available-for-sale financial assets carried at fair value	-72	-49	0	0
Exchange differences on translating foreign operations	-305	147	345	-341
Earnings directly recognised in equity	**-377**	**98**	**345**	**-341**
Total comprehensive income for the period	**75**	**-578**	**1,466**	**-304**
Attributable to:				
Equity holders of the company	-27	-578	1,366	-306
Minority interests	102	0	100	2
	75	**-578**	**1,466**	**-304**

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2009 AND 31 DECEMBER 2008
(thousand Euros)

	Notes	30 June 2009	31 December 2008
ASSETS			
Non-current assets			
Tangible fixed assets		102,523	104,288
Goodwill		138,762	137,941
Other intangible fixed assets		107,847	106,239
Investment in associate companies		1,616	1,594
Available-for-sale financial assets	7	13,458	13,531
Other non-current assets		18,527	18,547
Deferred tax assets	15	25,815	26,923
Total non-current assets		408,547	409,063
Current assets			
Inventories		66,763	83,427
Trade Receivables	11	191,121	210,120
Tax to be recovered		9,738	9,829
Other current assets	11	36,267	44,636
Cash and cash-equivalents	10	10,990	5,345
Total current assets		314,880	353,357
Discontinued operations assets		297	391
Total assets		**723,724**	**762,811**
SHAREHOLDERS EQUITY			
Share capital	12	150,000	150,000
Own shares		-	-
Shares issue premium		2,937	2,937
Reserves		40,986	41,291
Retained earnings		-45,181	-46,006
Net Profit for the period		350	1,007
		149,092	149,229
Minority interests		1,033	1,033
Total shareholders equity		**150,125**	**150,262**
LIABILITIES			
Non-current liabilities			
Loans	13	97,497	102,733
Financing associated to financial assets	13	123,949	134,770
Deferred tax liabilities	15	20,910	21,622
Provisions		604	4,583
Liabilities for employee benefits		2,954	2,932
Other non-current liabilities		13,933	15,744
Total non-current liabilities		259,847	282,384
Current liabilities			
Loans	13	223,704	228,922
Suppliers	14	49,668	59,707
Tax liabilities		10,015	11,364
Other current liabilities	14	30,364	30,172
Total current liabilities		313,751	330,165
Discontinued operations liabilities		-	-
Total shareholders equity and liabilities		**723,724**	**762,811**

"Um papel importante"

INAPA Investimentos Participações e Gestão SA

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE SIX MONTHS TO 30 JUNE 2009 AND 30 JUNE 2008

(thousand Euros)

	Attributable to shareholders in Group companies						Minority interests	Total equity
	Capital	Own shares	Shares issue premium	Foreign exchange adjustments	Reserves and Retained earnings	Total		
BALANCE AS AT 1 JANUARY 2008	**150,000**	**0**	**2,937**	**-262**	**-5,872**	**146,803**	1,318	**148,121**
Total earnings and expenses recognised for the period				345		**345**		**345**
Dividends distributed						**0**	-102	**-102**
Changes to the consolidation perimeter					-85	**-85**	-289	**-374**
Other changes					-9	**-9**		**-9**
	0	0	0	345	-94	251	-391	**-140**
Net profit for the period	-	-	-	-	1,019	**1,019**	102	**1,121**
Total gains and losses for the period	**0**	**0**	**0**	**345**	**925**	**1,270**	**-289**	**981**
BALANCE AS AT 30 JUNE 2008	**150,000**	**0**	**2.937**	**83**	**-4,947**	**148,073**	**1,029**	**149,102**
BALANCE AS AT 1 JANUARY 2009	150,000		2.937	1,236	-4,944	**149,229**	1,033	**150,262**
Total earnings and expenses recognised for the period				-305	-72	**-377**		**-377**
Dividends distributed					-57	**-57**	-102	**-159**
Other changes					-53	**-53**		**-53**
	0	**0**	**0**	**-305**	**-182**	**-487**	**-102**	**-589**
Net profit for the period					350	**350**	102	**452**
Total gains and losses for the period	0	0	0	-305	168	**-137**	0	**-137**
BALANCE AS AT 30 JUNE 2009	**150,000**	**0**	**2,937**	**931**	**-4,776**	**149,092**	**1,033**	**150,125**

This statement is to be read in conjunction with the attached Notes to the Interim Consolidated Financial Statements

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDING 30 JUNE 2009 AND 30 JUNE 2008

(thousand Euros) – direct method

	Notes	2009 30 JUNE 2009	2009 2nd QUARTER (Unaudited)	2008 30 JUNE 2008	2008 2nd Quarter (Unaudited)
Cash flow generated from operating activities					
Cash receipts from customers		503,427	251,496	557,355	282,389
Payments to suppliers		-412,350	-209,293	-469,872	-236,647
Payments to personnel		-39,219	-20,965	-43,534	-23,204
Net c ash from operational activities		51,858	21,238	43,949	22,538
Income taxes paid		-131	0	-636	-193
Income taxes received		86	28	1,065	1,065
Other proceeds relating to operating activity		29,985	4,255	46,057	22,371
Other payments relating to operating activity		-61,510	-23,176	-71,320	-29,462
C ash flow before extraordinary itens		20,287	2,345	19,114	16,320
Proceeds relating to extraordinary items		0	0	0	0
Payments relating to extraordinary items		0	0	0	0
Net cash generated from operating activities	|1|	20,287	2,345	19,114	16,320
Cash flow from investing activities					
Proceeds from:					
Financial investments		0	0	1,741	1,689
Tangible fixed assets		321	302	258	232
Intangible fixed assets		2	2	0	0
Interest and similar income		489	307	3,741	2,560
Dividends		0	0	0	0
Advances for third-party expenses		0	0	0	0
		812	610	5,739	4,481
Payments in respect of:					
Financial investments		-1,575	-97	-5,379	-3,926
Tangible fixed assets		-1,044	-83	-1,937	-1,305
Intangible fixed assets		-1,361	-1,217	-497	-321
Advances for third-party expenses		-56	-7	0	0
Loans granted		-9	-9	0	0
		-4,046	-1,413	-7,814	-5,553
Net cash used in investing activities	|2|	-3,235	-803	-2,075	-1,071
Cash flow from financing activities					
Proceeds from:					
Loans obtained		20,741	17,494	60,063	36,008
Capital increases, repayments, and share premiums		0	0	0	0
Treasury placements		0	0	0	0
		20,741	17,494	60,063	36,008
Payments in respect of:					
Loans obtained		-14,715	-14,512	-130,289	-845
Amortization of financial leases		-1,099	-776	-1,054	-830
Interest and similar expense		-11,099	-6,596	-18,001	-9,656
Dividends		0	0	0	0
Treasury placements		0	0	0	0
		-26,914	-21,884	-149,344	-11,331
Net cash used in financing activities	|3|	-6,173	-4,390	-89,281	24,677
Increase / (decrease) in cash and cash-equivalent	|4| = |1| + |2| + |3|	10,879	-2,847	-72,241	39,926
Effect of exchange differences		42	18	2	-804
		10,922	-2,829	-72,238	39,122
Cash and cash-equivalent at the, beginning of period		-94,717	-80,967	-7,076	-118,435
Cash and cash-equivalent at the, end of period	10	-83,796	-83,796	-79,315	-79,315
		10,922	-2,829	-72,238	39,120

III – Notes to the Interim Consolidated Financial Statements

INAPA - INVESTIMENTOS, PARTICIPAÇÕES E GESTÃO, SA

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS TO 30 JUNE 2009
(All amounts are stated in Euro thousands, unless otherwise specified)

1. INTRODUCTION

Inapa - Investimentos, Participações e Gestão, S.A. ("Inapa IPG") is the holding company of the Inapa Group and its statutory business purpose is to hold and manage property holdings and other assets, purchase holdings in the share capital of 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 holds a stake. Inapa IPG is listed in the Euronext Lisbon.

Head Office: Rua Castilho nº44 3º, 1250-071 Lisboa, Portugal
Share capital: 150,000,000 Euros
N.I.P.C. Tax no.: 500 137 994

Group´s Portuguese companies operate as paper merchants (Inapa Portugal – Distribuição de Papel, SA and its subsidiaries). The Group comprises a "sub-holding" company (Gestinapa - SGPS, S.A.) which purpose is to directly hold all stakes in companies operating in Paper Merchanting. During the second quarter of 2008, Inapa Portugal – Distribuição de Papel, S.A. sold the stake it held in its Azorean subsidiary, Papéis Carreira Açores, Lda.

Following on its project to develop foreign business and expand abroad, the Inapa Group has been mainly purchasing stakes in the paper merchanting sector in several European countries, namely in the following companies: (i) Inapa France, SA and its subsidiaries, which operates in France and the Benelux countries, (ii) Inapa España Distribuición Ibérica, SA, which operates in Spain (Andalucía) and, in turn, holds an interest in Surpapel, SL (a company which business is paper merchanting), (iii) Inapa Deutschland, GmbH, a company with headquarters 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 that country and in Inapa Switzerland, and (iv) two other companies located in the United Kingdom – Inapa Merchants Holding, Ltd, which holds an interest in Tavistock Paper Sales, Ltd, a company which, in essence, sells paper for envelope manufacturing. The subsidiary company Inapa Packaging, GmbH, holds interests in two other companies selling packaging material, namely Hennessen & Potthoff, GmbH and HTL - Verpackung, GmbH, respectively.

These consolidated financial statements were approved by the Board of Directors of Inapa - IPG on 28 August 2009.

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 30 June 2009 were prepared in compliance with the provisions of IAS 34 – Interim Financial Reporting and are published in conjunction with Abridged 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 2008.

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.

The interpretations and amendments to existing standards listed below are deemed mandatory by the IASB with reference to financial years beginning on or after 1 January 2009:

<u>New, ruling standards</u>

- IAS 1 (revision) – Presentation of Financial Statements;
- IAS 23 (amendment) – Borrowing Costs;
- IAS 32 (amendment) – Financial Instruments: presentation and consequent amendments to IAS 1 - Presentation of Financial Statements;
- IFRS 1 (amendment) – First-time Adoption of IFRS and consequent amendments to IAS 27 –Consolidated and Separate Financial Statements;
- IFRS 2 (amendment) – Share-based Payment;
- IFRS 8 – Operating Segments.

<u>Annual enhancements to accounting standards in 2008 (applicable to financial years beginning as from 1 January 2009)</u>

- IFRIC 13 – Customer Loyalty Programs;
- IFRIC 14 – Limitations to Assets arising from Defined Benefit Plans and their Interaction with Minimal Contribution Requirements.

The introduction of those interpretations and amendments to the aforementioned accounting standards had no material impact on the financial statements of the Group.

New accounting standards have been issued, together with amendments to and interpretations of existing standards which, albeit already published, are only of mandatory application to annual reporting periods beginning after 1 January 2009. The Group elected not to adopt them in advance:

<u>New ruling accounting standards approved by the European Commission</u>

- IAS 27 (revision) – Consolidated and Separate Financial Statements
- IAS 39 (revision) – Financial Instruments – Items eligible as hedges;
- IFRS 3 (revision) – Business Mergers;
- IFRS 5 (Annual enhancements 2008);
- IFRIC 12 – Service Concession Arrangements;
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operations;
- IFRIC 9 – Reassessment of Embedded Derivatives;
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation.

New ruling accounting standards not approved by the European Commission
- IFRS 2 (amendment) – Group share-based Payment – Transactions settled in cash;
- IFRS 7 (amendment);
- IFRIC 9 – Embedded Derivatives and IAS 39 – Financial Instruments: Recognition and Measurement;
- IFRIC 15 – Agreements for the Construction of Real Estate;
- IFRIC 17 - Distributions of Non-cash Assets to shareholders;
- IFRIC 18 – Transfers of Assets from Customers.

Projected annual enhancements to standards 2009
- IAS 1 – Presentation of Financial Statements;
- IAS 7 – Cash Flow Statement;
- IAS 17 – Leases;
- IAS 18 – Revenue;
- IAS 36 – Impairment of Assets;
- IAS 38 – Intangible Assets;
- IAS 39 – Financial Instruments: Recognition and Measurement;
- IFRS 2 - Share-based Payment;
- IFRS 5 - Non-current assets held-for-sale and Discontinued Operations;
- IFRS 8 – Operating Segments.

The Group has not yet completed its assessment of the full impact arising from application of the above mentioned accounting standards and has, therefore, elected not to implement them in advance. However, it is not expected that their introduction may have materially relevant impact on its financial standing and results.

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 2008 and are detailed in the Notes to those financial statements.

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 2009.

3. SALES AND SERVICES RENDERED AND OTHER OPERATING INCOME

Sales and services rendered during the six months to 30 June 2009 and 30 June 2008 were broken down as follows:

	30 June 2009	30 June 2008
Domestic market		
Goods sold	31,512	32,617
Services rendered	1,028	799
	32,540	33,416
Foreign market		
Goods sold	445,036	498,371
Services rendered	3,152	3,059
	448,188	501,430
Total	**480,728**	**534,846**

As at 30 June 2009 and 2008, balances under Other income were broken down as follows:

	30 June 2009	30 June 2008
Supplementary income	197	4,603
Net cash discounts	4,770	5,347
Other income	7,066	6,098
	12,033	**16,048**

4. REPORTING PER BUSINESS SEGMENT

Reporting per business segment is broken down per the Group's identified business segments, namely paper merchanting, packaging, factoring, and visual communications products supply. These last business segments are included under the column titled "Other businesses". The column titled "Other activities" includes balances reported to the holding companies which are not allocated to any of the remaining identified segments.

Results obtained for each segment report the income and expenditure which is directly attributable to those business operations or that may be reasonably attributed thereto. Inter-business segment transfers are processed at market prices and are not deemed to be of material relevance.

As at 30 June 2009 and 2008, financial data per business segment was broken down as follows:

	30 June 2009					30 June 2008				
	Paper merchanting	**Other businesses**	**Other activities**	**Consolid. adjustments**	**Consolidated totals**	Paper merchanting	**Other businesses**	**Other activities**	**Consolid. adjustments**	**Consolidated totals**
OPERATING REVENUE										
Client sales	454.267	22.281	-	-	**476.548**	514.882	16.107	0	-	**530.989**
Inter-segment sales	89	1.689	-	-1.778	**-**	68	828	-	-896	**-**
Other operating revenue	2.433	883	864	-	**4.180**	2.456	609	792	-	**3.857**
Total operating revenue	**456.789**	**24.853**	**864**	**-1.778**	**480.728**	**517.406**	**17.544**	**792**	**-896**	**534.846**
RESULTS										
Segment results	6.141	1.094	4.766	-110	11.891	14.905	1.329	1.558	-435	17.357
Net operating income					**11.891**					**17.357**
Interest expense	-5.529	-345	-7.613	1.972	-11.515	-9.867	-471	-7.412	363	-17.387
Interest income	1.671	4	3.989	-4.889	775	2.985	7	2.281	-3.471	1.802
Taxation	-1.178	-85	639	-	-624	-190	-323	-3	-	-555
Net income from regular operations					**527**					**1.217**
Gains/ (losses) in associate companies					-75					-96
Results from discontinued operations					0					-
Net profit for the period					**452**					**1.121**
Attrubutable to:										
Shareholders					350					1.019
Minority interests					102					102

As at 30 June 2009 and 2008, paper sales per country where the group operates were broken down as follows:

	Sales	
	30 June 2009	**30 June 2008**
Germany	239,049	267,513
France	112,113	128,452
Other countries	103,105	118,917
	454,267	**514,882**

5. OTHER COSTS

As at the end of the six months to 30 June 2009 and 30 June 2008, Other operating expenses were broken down as follows:

	30 June 2009	30 June 2008
Administrative costs	-37.675	-40.285
Indirect taxes	-1.378	-1.430
Other costs	-1.548	-925
Impairments to current assets	-2.844	-1.633
	-43.445	**-44.273**

6. FINANCIAL FUNCTION

As at the end of the six months to 30 June 2009 and 30 June 2008, financial function was broken down as follows:

	30 June 2009	30 June 2008
Financial income		
Interest received	556	1.084
Favourable FX differences	110	-
Other financial income and earnings	109	717
	775	**1.801**
Financial costs		
Interest paid	-6.235	-10.887
Unavourable FX differences	-78	-130
Other financial costs and losses	-5.202	-6.370
	-11.515	**-17.387**
Net financial results	**-10.740**	**-15.586**

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

As at 30 June 2009 and 31 December 2008, Available-for-sale financial assets were broken down as follows:

	30 June 2009	31 December 2008
BANIF - Unit Trusts balances	5,540	5,612
MaisFIN-SGPS,SA	200	200
GIP - Gestão Informática de Papel, Lda	50	50
Opex	13	13
Other financial assets	7,655	7,656
	13,458	**13,531**

Changes in Available-for-sale financial assets during the six months to 30 June 2009 and the twelve months to 31 December 2008 were as follows:

Opening balance as at 1 January 2008	**13.421**
Aquisitions	200
Sales	-200
Changes in fair value	110
Closing balance as at 31 December 2008	**13.531**
Aquisitions	-
Sales	-1
Changes in fair value	-72
Closing balance as at 30 June 2009	**13.458**

8. COMPANIES INCLUDED IN THE CONSOLIDATED ACCOUNTS

As at 30 June 2009, the following subsidiary companies were consolidated on a full consolidation basis:

Subsidiary company name	Head Office	% Group holdings	Business operation	Direct shareholding company	Date of launch	Date of incorporation
Gestinapa - SGPS, SA	Rua Castilho, 44-3º 1250-071 Lisbon, Portugal	100.00	SGPS holding co.	Inapa – IPG, SA	May 1992	June 1992
Inapa-Portugal, SA	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra, Portugal	99.75	Paper Merchanting	Gestinapa - SGPS,SA	June 1919	1988
Inapa Distribuición Ibérica, SA	c/ Delco Polígono Industrial Ciudad del Automóvil 28914 Leganés, Madrid, Spain	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	97.75	Paper Merchanting	Inapa Belgique	-	May 1998
Inapa Deutschland, GmbH	Warburgstraβ, 28 20354 Hamburg Germany	100.00	Holding co.	Gestinapa-SGPS, SA	-	April 2000
Papier Union, GmbH	Warburgstraβe, 28 20354 Hamburg Germany	94.90	Paper Merchanting	Inapa Deutschland, GmbH	-	April 2000
PMF- Print Medien Factoring , GmbH	Warburgstraβ, 28 20354 Hamburg Germany	94.90	Factoring	Papier Union, GmbH	-	September 2005
Inapa Packaging, GmbH	Warburgstraβ, 28 20354 Hamburg Germany	94.90	Holding co.	Papier Union, GmbH	2005	2006

Subsidiary company name	Head Office	% Group holdings	Business operation	Direct shareholding company	Date of launch	Date of incorporation
HTL Verpackung, GmbH	Werner-von-Siemens Str 4-6 21629 Neu Wulmstrof Germany	94.90	Packaging	Inapa Packaging, GmbH	-	January 2006
Hennessen & Potthoff, GmbH	Tempelsweg 22 Tonisvorst Germany	94.90	Packaging	InapaPackaging, GmbH	-	January 2006
Inapa Viscom, GmbH	Warburgstraβ, 28 20354 Hamburg Germany	100.00	Holding co.	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 co.	Gestinapa – SGPS ,SA	-	1995
Tavistock Paper Sales, Ltd	1st Floor- The Power House Wantage OX12 8PS United Kingdom	100.00	Paper Merchanting	Inapa- Merchants Holding, Ltd	-	February 1998
Inapa Suisse	Althardstrasse 301 8105 Regensdorf – Suisse	100.00	Paper Merchanting	Inapa-IPG,SA and Papier Union, GmbH	-	May 1998
Inapa Italia SpA	Strada Statale Padana Superiore 315/317 I – 20090 Vimodrone Milan Italy	100.00	-	Inapa-France, SA	-	1998

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 Equity holdings in associated companies:

Associate company name	Shareholding company	% holdings
Surpapel, SL	Inapa España Distribuicíon Ibérica, SA	25.00
Medialivros - Actividades Editoriais, SA	Inapa - IPG, SA	42.00

9. COMPANIES EXCLUDED FROM IN 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 Netherlands	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%
Inapa Angola Distribuição de Papel,SA	Rua Amílcar Cabral nº 211 Edifício Amílcar Cabral 8º Luanda, Angola	Inapa Portugal, SA	100%

10. CASH AND CASH-EQUIVALENT

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

	30 June 2009	31 December 2008	30 June 2008
Cash and cash-equivalent			
Banks	10.810	5.275	6.144
Cash	180	70	107
	10.990	**5.345**	**6.251**

Cash Flow Statement

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

	30 June 2009	31 December 2008	30 June 2008
Cash and cash-equivalent items			
Banks	10.810	5.275	6.144
Cash	180	70	107
Cash and cash-equivalent items per Balance Sheet	**10.990**	**5.345**	**6.251**
Bank overdrafts	-94.786	-100.062	-85.566
Cash and cash-equivalent per Cash Flow Statement	**-83.796**	**-94.717**	**-79.315**

The item Banks includes a short-term deposit in the amount of 2.5 million Euros with a due date on 17 August 2009.

The balance of Bank overdrafts includes creditor balances held on current accounts with financial institutions included in the balance of Loans (Note 13).

11. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

As at 30 June 2009 and 31 December 2008, Trade receivable was broken down as follows:

	30 June 2009	31 December 2008
Trade receivables		
Clients on current account	172.613	182.473
Clients for trade bills	17.096	26.246
Bad & doubtful clients	13.482	13.274
	203.191	221.993
Cumulative impairment losses	-12.070	-11.873
Trade receivables balance	191.121	210.120

As at 30 June 2009 and 31 December 2008, the balance of Other assets was broken down as follows:

	30 June 2009	31 December 2008
Other current assets		
Associate companies	46	86
Advances to suppliers	1.766	264
Other debtors	15.595	15.783
Accrued income	17.595	27.538
Deferred expenses	1.265	965
	36.267	44.636

12. SHARE CAPITAL

As at 30 June 2009, share capital was represented by 150,000,000 fully subscribed and realised bearer shares of 1.00 Euro 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 27,391,047 shares corresponding 18.26% of its share capital and respective voting rights (*), and;

- José Augusto Martins Fazendeiro, which held 3,083,851 shares corresponding to 2.06% 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:

- Banco Comercial Português, SA ……… 10,315,846 shares corresponding to 6.88% of voting rights;
- Fundo de Pensões do Groupo BCP …… 16,521,635 shares corresponding to 11.01% of voting rights;
- Banco Millennium BCP investimento, SA ….. 553,566 shares corresponding to 0.37% of voting rights.

(**)The holdings of José Augusto Martins Fazendeiro are broken down as follows:

- José Augusto Martins Fazendeiro …… 3,033,851 shares corresponding to 2.02% 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 2009, the Group did not hold own shares and no transactions involving own shares were recorded during the six-month period under analysis.

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13. LOANS

As at 30 June 2009 and 31 December 2008, Loans were broken down as follows:

° Bank loans		
° Bank overdrafts and short-term bridging finance	94.786	100.062
° Commercial paper, redeemable at face value, with maturity date less than 12 months, renewable	124.000	124.000
° Medium- and long-term credit facilities (balance outstanding maturing in less than 12 months)	4.918	4.860
Total current debt	223.704	228.922
Non-current debt		
° Bank loans		
° Medium- and long-term credit facilities	97.497	102.733
	97.497	102.733
° Loans associated to financial assets - securitisation	123.949	134.770
Total non-current debt	221.446	237.503
	445.150	**466.425**

As at 30 June 2009 and 31 December 2008, the net balance of consolidated financial debt is broken down as follows:

	30 June 2009
Loans	
Current loans	223.704
Non-current loans	97.497
	321.201
Loans associated to securitised credits	123.949
Balance outstanding on financial leases	13.902
	459.052
Cash and cash-equivalent	10.990
Negotiable financial assets (listed securites)	-
Available-for-sale financial assets (listed securities)	-
	10.990
	448.062

14. SUPPLIERS AND OTHER CURRENT LIABILITIES

As at 30 June 2009 and 31 December 2008, the balances of Suppliers and of Other current liabilities were broken down as follows:

	30 June 2009	31 December 2008
Suppliers		
Suppliers on current account	39.611	53.060
Trade bills account	226	347
Invoices pending reconciliation	9.831	6.300
	49.668	59.707
Other current liabilities		
Advances from clients	703	1.288
Fixed assets suppliers	1.097	1.116
Other creditors	15.492	16.436
Accruals and deferred items	13.072	11.332
	30.364	30.172

15. COMPANY INCOME TAX

The amount of taxes in the Interim Consolidated Income Statement for the six months to 30 June 2009, amounting to a total of 624 thousand Euros, equates to the liability for current income tax for the half-year period in the amount of 228 thousand Euros plus the balance of changes in deferred tax, amounting to 396 thousand Euros.

The differential between the nominal tax rate (being an average rate of 30%) and the effective company income tax rate (IRC company tax) for the Group, as at 30 June 2009, is detailed in the following Table:

	30 June 2009
Net income before tax	1,076
Nominal company tax rate	30%
	-323
Balance of taxation	-624
	301
Permanent differences - France	108
Permanent differences - Portugal	24
Deferred tax - Inapa Spain	632
Changes to tax rates	-110
Merger - Inapa France	116
Other items	-469
	301

Deferred tax

All instances where future taxation due may come to be significantly impacted are reported in the financial statements as at 30 June 2009 and 31 December 2008.

The following table reports changes in deferred tax assets and liabilities during the six months to 30 June 2009 and the financial year ended 31 December 2008:

	01-01-2009	Changes to the consolidation perimeter	Fair value reserves and other reserves	Net profit for the period	30-06-2009
Deferred tax assets					
Taxable provisions	59	-	-	45	104
Reportable tax losses	23.164	-	-	-1.265	21.899
Other items	3.700	-	-	112	3.812
	26.923	-	-	-1.108	25.815
Deferred tax liabiltiies					
Fixed assets revaluation	-9.225	-	-	1.272	-7.953
Depreciation	-8.903	-	-	-462	-9.365
Other items	-3.494	-	-	-98	-3.592
	-21.622	-	-	712	-20.910
Net deferred tax	**5.301**	**-**	**-**	**-396**	**4.905**

	01-01-2008	Changes to the consolidation perimeter	Fair value reserves and other reserves	Net profit for the period	31-12-2008
Deferred tax assets					
Taxable provisions	368	-	-	-309	59
Reportable tax losses	21.742	-	-	1.422	23.164
Other items	3.872	-	-	-172	3.700
	25.982	-	-	941	26.923
erred tax liabilities					
Fixed assets revaluation	-9.155	-	-	-70	-9.225
Depreciation	-8.394	-	-	-509	-8.903
Other items	-3.531	-	-	37	-3.494
	-21.080	-	-	-542	-21.622
Net deferred tax	**4.902**	**-**	**-**	**399**	**5.301**

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 21,949 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	10.475	Unlimited
Portuguese Group companies	4.866	2013-2015
Inapa Distribuición Ibérica	4.037	2018-2023
Inapa Suisse	436	2009-2012
Inapa Bélgique	1.510	Unlimited
Other companies	575	
	21.899	

16. CONTINGENT LIABILITIES

1. On 28 March 2006, the Company was fined by CMVM – the Portuguese Securities Exchange Commission in the amount of 300,000 Euros for its failure to comply with the provisions of Article 7 of the Securities Market Code with regard to the disclosures in its 2002 and 2003 Annual Reports and Accounts.

The Company contested CMVM's decision in court, having filed an appeal with Lisbon's Small Claims Criminal Court, which by sentence of 22 October 2008 reduced the aforementioned fine to €200,000.00.

Having found the above sentence unacceptable, the Company filed successive appeals at Lisbon's Court of Appeal and the country's Constitutional Court.

Subsequent to the end of the First Half of the financial year, Inapa was notified that the aforementioned appeals had been ruled against, under which circumstances the sentence determines by Lisbon's Small Claims Criminal Court stands as a final ruling.

A provision of 200,000.00 Euros was raised to the effect of meeting the aforementioned claim.

2. 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. Other legal informations (CVM and CMVM 5/2008 regulation)

17.1. Shares held by members of the Board of Directors and corporate auditor body as of 30 of June 2009

Board of Directors

	Quantity	Voting rights
Vasco Luís Schulthess de Quevedo Pessanha	500 000	0,33%
Held by entities contemplated in art.º 447º and in n.º 2 of art.º 1º CMVM 7 / 2001 regulation and in the of the CMVM 10 / 2005	1 500 000	1,00%
José Manuel Félix Morgado	563 631	0,38%
Jorge Armindo Carvalho Teixeira	0	0%
Arndt Klippgen	0	0%
Pedro Maria Cabral Norton de Matos	0	0%
Abílio Ramos Marques	0	0%
Held by entities contemplated in art.º 447º and in n.º 2 of art.º 1º CMVM 7 / 2001 regulation and in the of the CMVM 10 / 2005	49 084 738	32,72%
Emídio de Jesus Maria	0	0%

Official Auditor of Accounts

	Quantity	Voting rights
PriceWaterhouseCoopers & Associados, SROC, Lda, represented by	0	0
Ricardo Filipe de Frias Pinheiro - Current auditor	0	0
José Manuel Henriques Bernardo, Substitute auditor	0	0

17.2. Acquisitions, Encumbrances or Cessions of ownership of shares issue by Inapa – Investimentos, Participações e Gestão, SA between 1 of January 2009 and 30 of June 2009

Vasco Luís Schulthess de Quevedo Pessanha

Date	Quantity	Price	Market
02.03	500 000	€ 0,28	sale / over the counter

Shares held by individual or entity included in artº 447º:

Sagritávora - Sociedade Agrícola da Quinta do Távora, SA

Date	Quantity	Price	Market
02.03	500 000	0,28	buy / over the counter

18. EVENTS SUBSEQUENT TO THE REPORTING DATE

The following events materialised after 30 June 2009:

a) - On 13 August 2009, UBS AG, Zurich and Basel notified the Company that it held 3,692,550 shares representing 2.46% of the share capital of Inapa-IPG, SA, allocated as follows:

- 68,100 shares representing 0.04% of Inapa-IPG, SA's share capital, being held by UBS AG for its own account;

- 3,624,450 shares representing 2.42% of Inapa-IPG, SA's share capital and respective voting rights, being held by UBS AG for the account of several clients of UBS AG.

b) - On 19 August 2009, UBS AG, Zurich and Basel notified the Company that it had reduced its former holdings by 1,650,000 shares, holding only 2,182,843 shares representing 1.46% of the share capital of Inapa-IPG, SA, as at that date, allocated as follows:

- 44,700 shares representing 0.03% of Inapa-IPG, SA's share capital, being held by UBS AG for its own account;

- 2,138,143 shares representing 1.43% of Inapa-IPG, SA's share capital and respective voting rights, being held by UBS AG for the account of several clients of UBS AG.

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IV – Auditor´s 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, 2009 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 €723,724 thousand and a total shareholders' equity of €150,125 thousand, including minority interests of €1,033 thousand and a net profit of €350 thousand), consolidated separate income statement, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated cash flow statement for the six-month 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 and the consolidated results of its operations; (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 of 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 statements; 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, 2009 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.

Emphasis

9 Without qualifying our opinion in the previous paragraph, we draw attention that, as mentioned in Note 16 of the notes to the accounts, Papelaria Fernandes – Indústria e Comércio, SA has raised in 2007 against Inapa – Investimentos, Participações e Gestão, SA a legal proceedings, related to events occurred in previous years. Inapa – Investimentos, Participações e Gestão, SA considered that they do not have any liability with Papelaria Fernandes – Indústria e Comércio, SA as a result of the transactions mentioned in the legal proceedings raised by this company, therefore, no provision had been created in the financial statements.

Lisbon, August 28, 2009

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

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