



INAPA – Investimentos, Participações e Gestão, SA  
(Public Held Company)  
Headquarters: Rua do Salitre, 142, 1269 - 064 Lisbon  
Capital: 150 000 000 Euros  
Registration No. 500 137 994 (previously paragraph 36 338) of The Commercial  
Registry of Lisbon  
No person Collective 500 137 994

## **Net results improved 9.8 million euros**

### **EBIT grows 26.1%**

#### **Macroeconomic Envirement**

The year 2008 has been marked by an economic and financial situation very unfavorable. After the significant rise in interest rates and oil prices, which reached a maximum already in the 2nd half of this year, followed in September by a global financial crisis without precedent.

The visible difficulties on some financial institutions, the nationalization of the total or part of the capital of some of the world's largest banks, the lack of liquidity, alongside with the fall of the capital markets, dragging the markets to lose about 50% creating volatility never before verified, led the economies to a crisis of confidence of extraordinary dimension.

This envirement generated in the heart of the international financial system, has, and will expand its impact in the so-called real economy, and companies in particular.

Rising interest rates, the increase in fuel prices occurred in the first half of the year, the drop in confidence indices and lower economic growth are already visible.

#### **Operational Performance**

This macroeconomic environment, forced Inapa to reorganize its commercial and financial policies to ensure compliance with the targets outlined in the Strategic Plan Inapa 2010.

As a result of the response to new challenges sales increased 0.4% to 784.7 million euros, despite the reduction in the volume of paper distributed by 4.4% to 732.4 tons.

For this sales performance contributed positively three factors:

- The increase in warehouse sales of 1.4 p.p. reaching 50.7% of sales;

- The increase in the average sales price by 2.4%, due not only to warehouse sales increase, but also by sales mix improvement;
- The increase of 131% of the sales of other products, which hit the 33.7 million euros in 2008.

This development is of particular relevance by its inclusion within the Strategic Plan namely in relation to the objectives of increased business profitability (mix of sales and increased warehouse sales), and diversification into areas of complementary business (increase in sales of other products).

Gross margin grew 0.4% to 129.7 million euros.

As a result of rising fuel prices, despite the optimizations made at the logistical level, the costs of distribution increased by 8% per tonne carried, at 35 million euros.

The strong emphasis placed on operational efficiency has enabled a reduction of 2.2% at the level of operating costs (including provisions), who settled in 123.1 million euros. Contributed to this reduction we had personnel costs, which decreased 2.7% to 57.4 million euros.

The recurring EBITDA rose 20.7% reaching 29.1 million euros , representing a margin of 3.7% over sales ,0.6 p.p. more than in same period of 2007.

As a result of the operational improvements that have occurred, along with the lower expression of non-recurring costs, the operating result (EBIT) improved 26.1% to 24.2 million euros, reflecting an improvement in margins which rose from 2, 5% to 3.1% (+0.6 p.p.).

The Finance function despite the substantial increase in the Euribor rates, which in the case of 3-month Euribor rose on average 0.6 p.p., reduced in 3.3 million euros to 23.4 million euros.

For these positive performance contributed the net debt reduction that at September 30 stood in 313.8 million euros (-132 million), as a result of the capital increase at the end of 2007, and the reduction in working capital.

The working capital have fallen to 215.6 million euros (20.6% of sales), with the good performance of paper stocks, which fallen from 78.8 million in 2007 to 72.8 million euros in 2008 (- 13 days), and clients who were reduced 10.5 million.

The Net Profit improved 9.8 million euros, reaching 0.5 million euros, which reflects the improvement of operational performance and a better management of capital employed.

### **Short Term Outlook**

The macroeconomic outlook embodied in a possible period of recession in a broad range of European economies, represents an additional challenge for Inapa.

The low rates of growth that are forecasted, restrictions on credit, the likely rise in unemployment, mistrust surrounding the financial sector, coupled with a reduction of investment and consumption, make the short term very challenging.

The Inapa, is developing the mechanisms, policies and actions necessary, to fulfill the commitments made in the Strategic Plan Inapa 2010.

Lisbon 28 October 2008

**QUARTELY FINANCIAL INFORMATION (Non audit)**

<b>Company:</b>	INAPA - INVESTIMENTOS, PARTICIPAÇÕES E GESTÃO, SA		
<b>Registered officer:</b>	Rua do Salitre, 142		<b>NIPC:</b> 500 137 994
<b>Period:</b>	<b>1º Quarter</b>	<b>3º Quarter</b>	<b>5º Trimestre<sup>(1)</sup></b>
			<b>Beginning:</b> 01-01-2008
			<b>End:</b> 30-09-2008

Balance Sheet (Valores em Milhares de Euros)	Individual			Consolidated		
	n	n-1	Var. (%)	n	n-1	Var. (%)
<b>ASSETS</b>						
<b>Fixed assets (net)</b>						
Intangible assets	2.503,3	27,7	8937,2%			
Tangible assets	190,4	707,8	-73,1%			
Financial investments	252.795,3	263.636,1	-4,1%			
<b>Other debtors (net)</b>						
Medium and Long term	44.893,2	45.730,9	-1,8%			
Short term	37.770,7	26.451,9	42,8%			
<b>Shareholders Equity</b>						
<b>Share capital</b>	150.000,0	27.237,0	450,7			
N <sup>br</sup> common shares	150.000.000	27.237.013	450,7%			
N <sup>br</sup> other shares						
<b>Own shares</b>						
Nº. of shares with voying rigths						
Nº. Shares without vots						
<b>Minority interest</b>						
<b>LIABILITIES</b>						
<b>Provisions</b>						
<b>Other Creditors</b>						
Medium and long term	62.967,4	175.265,2	-64,1%			
Short term	139.717,8	145.261,6	-3,8%			
<b>TOTAL ASSETS (net)</b>	<b>354.750,9</b>	<b>350.601,0</b>	<b>1,2%</b>			
<b>TOTAL SHAREHOLDERS EQUITY</b>	<b>150.206,8</b>	<b>28.784,2</b>	<b>421,8%</b>			
<b>TOTAL LIABILITES</b>	<b>204.544,1</b>	<b>321.816,7</b>	<b>-36,4%</b>			

Consolidated accounts is presented in attachment according with IFRS requirements

Profit and Loss (Amounts in thousand euros)	Individual			Consolidated		
	n	n-1	Var. (%)	n	n-1	Var. (%)
Sales and service rendered	3.065,6	3.213,2	-4,6%			
Change to inventory						
Cost of sales						
<b>Gross Margin</b>	<b>3.065,6</b>	<b>3.213,2</b>	<b>-4,6%</b>			
<b>EBITA</b>	<b>5.847,3</b>	<b>6.604,0</b>	<b>-11,5%</b>			
<b>Financial results (net)</b>	<b>-7.283,0</b>	<b>-16.036,2</b>	<b>-54,6%</b>			
<b>Current results</b>	<b>-1.435,7</b>	<b>-9.432,2</b>	<b>-84,8%</b>			
<b>Extraordinary results</b>	<b>695,3</b>	<b>-329,2</b>	<b>-311,2%</b>			
Income Tax <sup>(2)</sup>	-394,0	-413,0	-4,6%			
Minority interests	-	-	-			
<b>Net profit (loss) for the period</b>	<b>-346,4</b>	<b>-9.348,5</b>	<b>-96,3%</b>			
<b>Net profit (loss) for the period per share</b>	<b>0,0</b>	<b>0,0</b>	<b>641,1%</b>			
<b>Autofinanciamento <sup>(3)</sup></b>	<b>485,2</b>	<b>-9.008,9</b>	<b>-105,4%</b>			

Consolidated accounts is presented in attachment according with IFRS requirements

<sup>(1)</sup> Applicable to companies which adopted for the first time a economic year different from civil year

(Art.65.º- A do Código das Sociedades Comerciais);

<sup>(2)</sup> Income tax estimation

<sup>(3)</sup> Self Financing = Net profit and loss + Depreciations + Adjustments (provisions)

**QUARTELY FINANCIAL INFORMATION (Non Audit)**

<b>Company:</b>	INAPA - INVESTIMENTOS, PARTICIPAÇÕES E GESTÃO, SA		
<b>Registered office:</b>	Rua do Salitre, 142	1269-064 LISBOA	<b>NIPC:</b> 500 137 994
<b>Period:</b>	<input type="checkbox"/> 1st Quarter	<input type="checkbox"/> 3th Quarter	<input checked="" type="checkbox"/> 5th Quarter <sup>(1)</sup>
			<b>Beginning:</b> 01-01-2008
			<b>End:</b> 30-09-2008

Balance Sheet (Amounts in Thousand Euros)	Consolidated		
	30-Sep-08 IFRS	31-Dec-07 IFRS	Var. (%)
<b>ASSETS</b>			
<b>Non current</b>	<b>408.417</b>	<b>407.440</b>	<b>24%</b>
Intangible assets	106.458	106.792	-0,3%
Tangible fixed assets	104.988	109.995	-4,6%
Goodwill	135.816	131.127	3,6%
Financial investments	15.361	15.498	-0,9%
Other non-current assets	45.794	44.028	4,0%
<b>Current</b>	<b>343.278</b>	<b>448.209</b>	<b>-23%</b>
Inventories	72.852	78.797	-7,5%
Trade receivables	211.992	222.487	-4,7%
Other current assets	46.954	55.476	-15,4%
Cash and cash equivalents	11.480	91.449	-87,4%
<b>SHAREHOLDERS EQUITY</b>			
<b>Share capital</b>	<b>150.000</b>	<b>150.000</b>	
N <sup>ef</sup> . Common shares	150.000.000	150.000.000	
N <sup>ef</sup> . Other shares			
<b>Own Shares</b>			
N <sup>ef</sup> . shares with voting rights	150.000.000	150.000.000	
N <sup>ef</sup> . shares without voting rights			
Shareholders equity attributable to holding company stockholders	147.779	146.803	0,7%
Shareholders equity attributable to minority interests	1.029	1.318	-21,9%
<b>LIABILITIES</b>			
<b>Non current</b>	<b>284.009</b>	<b>254.757</b>	<b>11,5%</b>
Loans	105.999	80.292	32,0%
Employee benefits	3.005	2.833	6,1%
Other non current liabilities	175.005	171.632	2,0%
<b>Current</b>	<b>318.878</b>	<b>452.771</b>	<b>-29,6%</b>
Loans	204.524	326.525	-37,4%
Suppliers	69.198	73.283	-5,6%
Other current liabilities	45.156	52.963	-14,7%
<b>TOTAL ASSETS</b>	<b>751.695</b>	<b>855.649</b>	<b>-12,1%</b>
<b>TOTAL SHAREHOLDERS EQUITY *</b>	<b>148.808</b>	<b>148.121</b>	<b>0,5%</b>
<b>TOTAL LIABILITIES</b>	<b>602.887</b>	<b>707.528</b>	<b>-14,8%</b>

\* Includes minority interests

Profit and Loss (Amounts in Thousand Euros)	Consolidated		
	30-Sep-08 IFRS	30-Sep-07 IFRS	Var. (%)
Sales and service rendered	790.620	786.885	0,5%
Changes to inventory			
Cost of sales	-663.319	-660.243	0,5%
Gross margin	127.301	126.642	0,5%
EBITA	24.239	19.219	26,1%
Financial results (net)	-23.382	-26.661	-12,3%
Gains / (losses) on associate companies	-167	-49	240,8%
Gains / (losses) on discontinued business		-882	
Current results	691	-8.373	-108,3%
Extraordinary results			
Income tax <sup>(2)</sup>	116	858	-86,5%
Minority interests	103	118	-12,7%
Net profit (loss) for the period	472	-9.349	-105,0%
Net profit (loss) for the period per share	0,000003	-0,000343	-100,9%
Autofinanciamento <sup>(3)</sup>	7.982	-6	

<sup>(1)</sup> Applicable to companies which adopted for the first time a economic year diferent from civil year

(Art.65.º-A do Código das Sociedades Comerciais);

<sup>(2)</sup> Income tax estimate

<sup>(3)</sup> Self Financing = Net profit and loss + Depreciations + Adjustments (provisions)