



Consolidated Results

30 September 2015

inapa



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1. Highlights

Maintenance of net debt reduction trend with -6,9M € (-2.2%) compared to the same period of 2014

Strong cost management and credit risk control led to a reduction, when compared to the same period of 2014, of € 2.8m (-2.7%) in operational costs

Decrease in sales affects Results

Generation of results

- Sales decrease 4.0% relatively to September 2014.
- Gross margin stood at 18.1%, in line with the same period
- Operational costs before provisions reduced in €1.7M.
- Recurrent EBITDA of €15.4M, corresponding to a margin of 2.3%.
- Operational costs stood at €10.6 M.
- Financial costs decreased €0.5M (4.4%).
- Net income was €-0.9M.

Financial strength

- Net debt decreased €6.9M comparing September 2014, and decreased € 2.6 M relatively to year end.
- Working capital decreased € 5.4 M comparing with September 2014 and a decrease of € 3.4 M relatively to December 2014.



Chart 1_Main Consolidated Indicators

Million euros	Set 15	Set 14	Δ 15/14	3T15	3T14	Δ 15/14
Tons ('000)	601	631	-4,7%	197	199	-1,0%
Sales	654,4	681,4	-4,0%	210,3	215,1	-2,2%
Gross margin	118,2	124,2	-4,8%	36,8	38,4	-4,0%
Gross margin (%)	18,1%	18,2%	-0,2 pp	17,5%	17,8%	-0,3 pp
Operating costs ¹	100,7	102,3	-1,6%	33,1	33,1	0,1%
Provisions	2,21	3,37	-34,5%	0,5	0,9	-42,5%
Re-EBITDA	15,4	18,5	-16,7%	3,2	4,4	-27,0%
Re-EBITDA margin (%)	2,3%	2,7%	-0,4 pp	1,5%	2,0%	-0,5 pp
EBIT	10,6	13,1	-19,1%	1,6	2,5	-37,9%
Net financial costs	11,7	12,2	-4,4%	4,1	3,7	10,1%
EBT	-0,9	1,0	-191%	-2,5	-1,3	-117%
Net income	-0,9	0,8	-169,5%	-1,9	-0,7	-111,7%

	30/9/15	30/9/14	Δ 15/14	31/12/14	Δ 9 months
Net Debt ²	314,1	321,0	-2,2%	316,7	-0,8%
Working Capital	143,9	149,2	-3,6%	147,3	-2,3%

⁽¹⁾ Net of income from services and other income and excludes provisions

⁽²⁾ Includes securitization



2. Relevant facts

19/3/2015	2014 Results Announcement
2/4/2015	Notice of General Meeting
6/4/2015	Rejection sentence regarding the suspension of resolution approved at the General Meeting of August 6, 2014 filed by New Expression, SGPS
28/4/2015	Ordinary General Meeting
21/5/2015	1st quarter 2015 results announcement
31/5/2015	Resignation of José Félix Morgado, Vice-Chairman and Chairman of the Executive Committee of the Board of Directors
9/6/2015	Lawsuit filed by Parcaixa
17/6/2015	Management transaction
23/7/2015	Resignation of Jorge Pinto Bravo, Director and member of the Executive Committee of the Board of Directors
29/7/2015	Cooptation of Board Member and designation as CEO of Diogo Rezende
27/8/2015	1st half 2015 results announcement

Until the date of the publication, the following relevant facts occurred:

01/10/2015	Cooptation and designation of Frederico Lupi as Executive Board Member
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3. Management report

3.1. Market analysis

The evolution of the various indicators of the Eurozone during the period under review, continued to register a slightly favorable evolution regarding the consumer confidence index, the unemployment rate, although more moderately as well as the GDP that, according to the latest data available dated June this year increased 0.4%, with levels that allow us to predict a positive development for the third quarter 2015. These expectations result also from other factors such as the maintenance of effective interest rates at low levels and the fall of oil price, may provide the desired investment growth. Finally, it is expected that the ECB will continue the "quantitative easing" policy, as inflation has not reached the desired levels. As risk factors, destabilizing the incipient trend of economic recovery in the eurozone, we have the slowdown of the economies of China and the so-called emerging markets, and geopolitical factors such as the dispute between Ukraine and Russia, instability in the Middle East and recently, but in a very severe way, the refugee crisis.

In this context, the paper market shows few signs of recovery. In production, we saw an increase in prices by manufacturers who continue to be pressured by the increased cost of raw materials with the consequent pressure on sales margins. The higher balance equilibrium of installed capacity in Europe both for the production of coated papers, where there was the greatest imbalance between supply and demand, and for the production of uncoated papers, where capacity has declined following the announcement the closure of production units, has also allowed this policy of price increases by producers. Regarding distribution, the recent insolvency of one relevant operator contribute to the rationalization of capacity that, combined with the optimization effort of the installed structures / companies, may allow a better performance of the respective operators.

A more positive economic development seems to have eased the demand reduction for paper whose indicators showed a less negative progress in recent months. Therefore, regarding the paper evolution for graphic, writing and printing paper, industry statistics show that in Europe the coated papers (Coated woodfree) and uncoated papers (uncoated woodfree) have suffered a decline over the same period of around 4% and 1% respectively.

Also, according to these statistics, paper sales volume in the five most important Inapa European markets (Germany, France, Switzerland, Spain and Portugal) decreased 3%. It should be remarked that the two main markets of Inapa Group, Germany and France, recorded falls of about 3% and 5%. These data constitute the aggregate volumes of coated and uncoated - totaling between 80 and 85% of the commercialized paper – do not include the remaining sub products, including specialties, cardboard and self-adhesive, among others.

Paperlinx's widespread operations insolvency in Europe, whose operations were closed, sold or greatly reduced, caused relatively little impact on the Group operation, given their limited presence in Inapa key markets.



3.2.Consolidated performance

In the economic context above mentioned, characterized by a positive but resilient progression of the different indicators and with some paper demand recovery at the end of the third quarter, the year 2015 remains in accumulated terms, with the downward trend that had been observed since the last quarter of 2014 which added to turmoil through exchange rate fluctuations and oil price fall. In this scenario, the demand for graphic and print paper, overall, maintained a regressive or stable evolution, having an impact on Inapa consolidated sales, which decreased compared to the same period of 2014, 4.0%, reaching 654.4 million euros. Paper sales fell 4.7% in volume and 5.3% in value.

The growth of complementary businesses was 4.8%, corresponding to 14.4% of total sales, allowing to compensate the negative trend of the paper business. Packaging business grew 1.6%, while visual communication sales increased 3.7%.

Regarding the market situation, we have seen a change in the operation of one of the players with repercussions on the balance model between demand and supply in the main markets where Inapa is present, which, together with over capacity on the side of producers and structural effects connected to Digital Media, continues to generate pressure on the supply side and hence in sales margins and prices.

Chart 2_ Developments of the Paper, Packaging and Visual Communication Business					
Million euros	Set 15			Set 14	
	Sales	Weight	Δ 15/14	Sales	Weight
Paper	560,3	85,6%	-5,3%	591,6	86,8%
Complementary business	94,1	14,4%	4,8%	89,8	13,2%
Packaging	49,4	7,5%	1,6%	48,6	7,1%
Visual communication	24,0	3,7%	3,7%	23,1	3,4%
Others ¹	20,7	3,2%	14,7%	18,1	2,7%
Total	654,4	100%	-4,0%	681,4	100%

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

Despite the adverse market conditions described above, Inapa maintained an ongoing commercial effort to defend its margin, also supported by an improved sales mix, which allowed to achieve a gross margin percentage of 18.1%, in line with the level of the same period of 2014.

In the first nine months of 2015, due to the positive impact of adjusting the organizational model along with a strong cost management, operational costs decreased EUR 1.7 million (-1.6%) over the same period 2014. This decrease is mainly due to lower distribution costs and lower administrative and personnel expenses.



Provisions charges decreased 0.2 p.p. to 0.3% of sales, a decrease of 1.2 million euros compared to the same period of last year. This positive trend is due to the maintenance of and a coordinated management with the Group's credit insurer, whose program is extended to Turkey since the last quarter of 2014.

Improving efficiency via gross margin defense policies and reduced operating costs together with the continuous rigor in the client portfolio risk management, partially offset the losses related with the activity slowdown. In this context, Re-EBITDA was EUR 15.4 million, representing 2.3% of sales.

The non-recurring charges of 1.0 million euros, reflect the effort of reorganization and adjustment of the business process under way in France and Germany.

Operational results (EBIT) amounted to 10.6 million euros, representing 1.6% of sales.

It should be highlighted that both EBITDA and EBIT margin stood at levels of market benchmarks available to this date.

In the first nine months of 2015, financial costs decreased 4.4% (-0.5 million euros) when compared with the same period last year. This trend is due to the combined effect of the progressive reduction of debt and the decline in reference rates, which are at historically low levels, as well as reductions in spreads whose effects will be more obvious in the last three months of 2015.

The effect of reduced business activity was lessened by margin maintenance effort, supported by the increase of weight of complementary businesses, by the reduction of operating costs as a result of the restructuring carried out, and by the decrease in depreciations and financial expenses. Nevertheless, until September, consolidated net income of Inapa amounted to -0.9 million euros, compared with 0.8 million euros in 2014.

Working capital improved by 3.6% compared to September 2014, i.e. a decrease of 5.4 million euros. This reflects the continuous improvement of inventory levels management and monitoring of deadlines charges to customers adjusted to the evolution of the business.

Net debt at September 30, 2015 is 314.1 million euros, down by 6.9 million euros compared to September 2014 and less 2.6 million euros, compared to December 2014, confirming the reduction policy of the Group financial liabilities which has been carrying out

In order to align the maturity of the debt to the future profile of cash-flow, it was possible to achieve with some of the main financing banks, renewals and reprogramming of plans reimbursements; the weight of the non-current debt, represented 59% of the gross total debt, on September 30, which compares with 39% on the same period of the previous year.



3.3. Performance of the Group Business Areas

The growth of packaging and visual communication businesses confirms the adequacy of the diversification strategy, having its weight in total sales increased to 14.4% compared to 13.2% in the same period, and the relative contribution for the generation of the Group operational profit (EBIT) which was 25%.

PAPER

In volume, sales of the first nine months decreased by 4.7% compared to 2014 levels, to 601 thousand tons. In value, paper business amounted to 560.3 million euros. Due to the structural imbalances between demand and supply, Inapa average selling price decreased compared to the same period 2014.

Cross-selling in the paper business, with the sale of packaging and visual communication products and graphic and office supplies, showed an increase of 14.7% in the period, consolidating Inapa's approach to market.

The Group maintained a margin defense policy, focused on improving profitability through the mix of products sold, and managed to keep the gross margin of the paper business in 16.7%, down 0.2 percentage points compared to the same period.

Operational results (EBIT) of this business amounted to 11.5 million euros, representing 2.0% of sales, similar to the performance recorded in the same period, reflecting a tight management of fixed costs, which helped to mitigate sales drop effect.

PACKAGING

Packaging business accounted 54 million euros. Excluding cross-selling, it stood at 49.4 million euros, a growth of 1.6% compared to 2014.

In the nine months under review, Inapa maintained a trend of sustained growth, with a greater penetration in large clients and expansion into new geographic areas in markets where it already operates.

Operational results (EBIT) were 2.4 million euros, representing 4.9% of sales. As a result of the operational optimization, due to the reorganization that was done in 2014, all countries had a positive trend compared to the previous year.



VISUAL COMMUNICATION

Visual communication turnover in this period was 32 million euros. Excluding cross-selling sales, it amounted to 24 million euros, representing a growth of 3.7% over the same period of 2014. The maintenance of interest rates at historically low levels had a positive contribution on the economies of the Eurozone and investment decisions, leading to an increase in equipment sales and the inherent technical assistance services and replacement parts sales.

Operating profit (EBIT) amounted to 0.2 million euros, representing 0.9% of sales.

3.4.Future prospects

For the next quarter of the current financial year a positive trend is foreseen both for volumes and paper sales. The changes in demand for graphic and print paper in the near future will be influenced by the performance of the economies where Inapa operates, in particular the European macroeconomic framework, along with the structural balances of the sector.

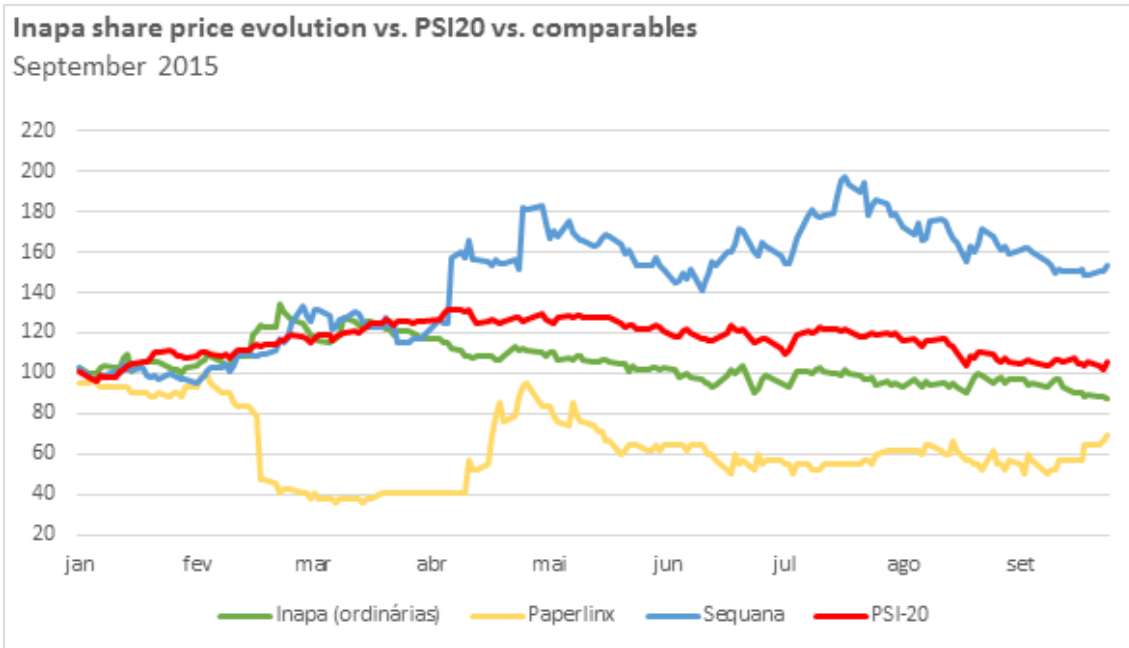
Regarding packaging and visual communication, the business perspective is to maintain the positive trend, based on organic growth through increased penetration in the markets where Inapa operates and the strengthening of cross-selling. Inside of the goals of the Agenda 2020 strategic plan, Inapa maintains the effort to identify investment opportunities that show prospects for growth, profitability and value creation.

As a result of constant adjustment of the organizational model and business processes it is expected that operating costs will keep the downward trend already observed.

In terms of balance sheet the Group will continue to reduce its debt ratio through the optimization of working capital and generated operational cash-flow. It will be kept the effort to improve the maturity of the debt ratio in order to adjust the debt payments to the generation of funds released by the business.

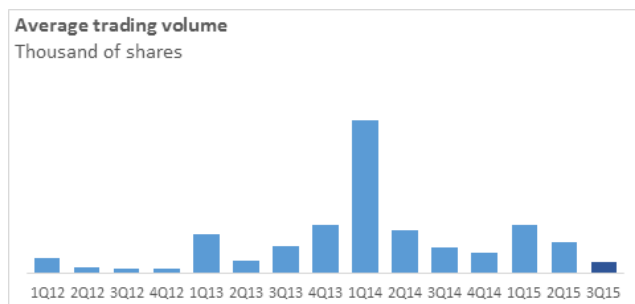


3.5. Stock market



At September 30, 2015 the common shares recorded a decrease of 12.7% compared with the end of 2014. The title continued the trend recorded in the previous quarter, closing the third quarter with a price of €0.131. In the first quarter the title had a similar trend to the PSI-20, in the second quarter stayed below the index and in the third stayed above the market performance. This evolution of Inapa shares was better than Paperlinx, which saw its share price affected by the financial situation of the group in Europe, but below the one recorded by Sequana.

Inapa trading volumes in the first nine months of the year decreased compared to the previous ones. There was also a slight slowdown in transaction volumes from the previous year.



Preferred share's price at 30 September 2015 was 0.15€, three cents below its emission price (done in October 2011) and seven cents below the year end quote. The liquidity of these titles is low, being traded 84.5 thousand shares on the first nine months.



4. Interim Consolidated Accounts

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED INCOME STATEMENT AT 30 SEPTEMBER 2015 AND 30 SEPTEMBER 2014
(Amounts in thousands of Euros)

	Notes	30 SEPTEMBER 2015 *	3º QUARTER 2015 *	30 SEPTEMBER 2014 *	3º QUARTER 2014 *
Tones *		601,271	197,205	630,736	199,275
Sales and Services rendered	3	660,314	212,076	688,773	217,636
Other income	3	15,676	4,956	17,629	6,137
Total Income		675,990	217,032	706,402	223,773
Cost of Sales		-542,166	-175,337	-563,691	-178,703
Personnel Cost		-58,302	-19,657	-58,496	-19,738
Other costs	5	-61,082	-19,225	-66,161	-21,223
		14,440	2,813	18,054	4,110
Depreciations and amortizations		-3,760	-1,202	-4,859	-1,647
Gains / (Losses) in associates		69	50	-5	(8)
Net financial function	6	-11,654	-4,120	-12,187	-3,742
Net profit before income tax		-905	-2,459	1,003	-1,287
Income tax	16	-66	565	-211	543
Net profit / (loss) for the period		-971	-1,894	792	-744
Attributable to:					
Shareholders of the company		-906	-1,863	789	-744
Non controlling interests		-65	-31	3	0
Earnings per share on continuing operations					
Basic		-0.002	-0.004	0.003	0.000
Diluted		-0.002	-0.004	0.003	0.000

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

* Non audited



INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 30 SEPTEMBER 2015 AND 30 SEPTEMBER 2014
(Amounts in thousands of Euros)

	30 SEPTEMBER 2015 *	3 ^o QUARTER 2015 *	30 SEPTEMBER 2014 *	3 ^o QUARTER 2014 *
Net profit for the period before non controlling interests	-971	-1,894	792	-744
Items that will not be reclassified to profit or loss				
Actuarial gains / losses	-	-	-	-
Items that may be reclassified subsequently to profit or loss				
Change in value of available-for-sale financial assets	-	-	-	-
Exchange conversion differences	-400	13	178	53
Rendimento reconhecido directamente no capital próprio	-400	13	178	53
Total comprehensive income for the period	<u>-1,371</u>	<u>-1,881</u>	<u>970</u>	<u>-691</u>
Attributable to:				
Shareholders of the company	-1,306	-1,850	967	-691
Non controlling interests	-65	-31	3	0
	<u>-1,371</u>	<u>-1,881</u>	<u>970</u>	<u>-691</u>

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

* Non audited



INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2015 AND 31 DECEMBER 2014

(Amounts in thousands of Euros)

	Notes	30 SEPTEMBER 2015 *	31 DECEMBER 2014
ASSETS			
Non-current assets			
Tangible fixed assets		85,551	86,487
Goodwill		164,522	164,520
Other intangible assets		114,997	114,725
Investments in associate companies		1,146	1,077
Available-for-sale financial assets	7	40	39
Other non-current assets	10	6,072	7,045
Deferred taxes assets	16	23,288	23,055
Total non-current assets		395,615	396,949
Current Assets			
Inventories		70,097	62,957
Trade receivables	10	140,849	134,705
Tax to be recovered		8,184	6,172
Available-for-sale financial assets	7	-	-
Other current assets	10	27,972	31,977
Cash and cash-equivalents	11	19,900	31,831
Total current assets		267,002	267,643
Total Assets		662,617	664,592
SHAREHOLDERS EQUITY			
Share capital	13	180,135	180,135
Share issue premium		450	450
Reserves		46,401	44,752
Retained earnings		-36,096	-36,097
Net profit for the period		-906	2,078
		189,984	191,318
Non controlling interests		69	133
Total shareholders equity		190,052	191,452
LIABILITIES			
Non current Liabilities			
Loans	14	157,545	156,560
Financing associated to financial assets	14	40,190	44,878
Deferred tax liabilities	16	24,239	23,853
Provisions		274	344
Employees benefits		8,490	8,022
Other non-current liabilities		5,609	6,721
Total non-current liabilities		236,347	240,377
Current Liabilities			
Loans	14	136,226	147,101
Trade payables	15	67,046	50,409
Tax liabilities		13,376	12,617
Other current liabilities	15	19,571	22,636
Total current liabilities		236,218	232,763
Total shareholders capital and liabilities		662,617	664,592

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

* Non audited



INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY AS AT 30 SEPTEMBER 2014 AND 31 DECEMBER 2014
(Amounts expressed in thousand of Euros)

	ATTRIBUTABLE TO SHAREHOLDERS					Total	Non-Controlling Interests	Total Shareholders Equity
	Share Capital	Share issuance premium	Foreign Exchange Adjustments	Other Reserves and Retained Earnings	Net Profit / (Loss) for the period			
BALANCE AS AT 1 JANUARY 2014	204,176	450	4,612	-17,865	1,273	192,648	1,211	193,859
Total earnings and costs recognized in the period	-	-	191	-3,200	2,078	-931	-110	-1,041
Previous year net profit and loss result	-	-	-	731	-731	-	-	-
Changes in Capital	-	-	-	-	-542	-542	-102	-644
Dividends	-24,042	-	-	24,042	-	-	-	-
Other changes	-	-	-	143	-	143	-866	-723
Total of gains and losses of the period	-24,042	-	191	21,716	805	-1,330	-1,078	-2,408
BALANCE AS AT 31 DECEMBER 2014	180,135	450	4,803	3,851	2,078	191,318	133	191,452
BALANCE AS AT 1 JANUARY 2015	180,135	450	4,803	3,851	2,078	191,318	133	191,452
Total earnings and costs recognized in the period	-	-	-400	0	-907	-1,306	-65	-1,371
Previous year net profit and loss result	-	-	-	2,078	-2,078	-	-	-
Dividends	-	-	-	-	-	-	-	-
Other changes	-	-	-	-28	-	-28	-	-28
Total of gains and losses of the period	-	-	-400	2,050	-2,984	-1,334	-65	-1,398
BALANCE AS AT 30 SEPTEMBER 2015	180,135	450	4,403	5,901	-906	189,984	69	190,052

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



INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED CASH FLOW STATEMENT AS AT 30 SEPTEMBER 2015 AND 30 SEPTEMBER 2014
(Amounts expressed in thousand Euros) - direct method

	Notes	30 SEPTEMBER 2015 *	3 ^o QUARTER 2015 * (Non-audited)	30 SEPTEMBER 2014 *	3 ^o QUARTER 2014 * (Non-audited)
Cash flow generated from operating activities					
Cash receipts from customers		656.777	217.804	711.533	225.276
Payments to suppliers		-547.332	-179.118	-573.185	-182.908
Payments to personnel		-57.067	-17.936	-57.982	-18.120
Net cash from operational activities		52.378	20.750	80.366	24.248
Income taxes paid		-1.304	-13	-1.242	-28
Income taxes received		1.608	457	1.671	887
Other proceeds relating to operating activity		19.568	7.083	21.550	2.329
Other payments relating to operating activity		-52.262	-13.033	-59.147	-12.476
Net cash generated from operating activities	[1]	19.989	15.245	43.198	14.959
Cash flow from investing activities					
Proceeds from:					
Financial investments		-	-2	-	-
Tangible fixed assets		529	188	2.004	718
Intangible assets		-	-	-	-
Interest and similar income		2.475	826	2.810	1.385
Dividends		-	-	-	0
		3.004	1.012	4.814	2.102
Payments in respect of:					
Financial investments		-263	-0	-1.396	-1.133
Tangible fixed assets		-2.214	-829	-2.800	-1.092
Intangible assets		-	-	-787	-251
Advances from third-party expenses		-	-	-	-
Loans granted		-	-	-	-
		-2.477	-829	-4.983	-2.476
Net cash used in investing activities	[2]	527	183	-169	-374
Cash flow from financing activities					
Proceeds from:					
Loans obtained		95.744	287	27.517	797
Capital increases, repayments and share premiums		-	-	-	-
Treasury placements		-	-	-	-
Changes in ownership interests		-	-	-	-
		95.744	287	27.517	797
Payments in respect of:					
Loans obtained		-99.062	-2.908	-64.372	-19.734
Amortization of financial leases		-1.189	-546	-664	-296
Interest and similar expenses		-13.251	-5.298	-12.702	-4.226
Dividends		-	-	-542	-
		-113.502	-8.752	-78.280	-24.257
Net cash used in financing activities	[3]	-17.758	-8.465	-50.764	-23.460
Increase / (decrease) in cash and cash-equivalent	[4] = [1] + [2] + [3]	2.757	6.962	-7.735	-8.874
Effect of exchange differences		492	371	-65	-46
		3.249	7.333	-7.800	-8.920
Cash and cash-equivalents at the beginning of period		-55.744	-	-107.162	-
Cash and cash-equivalents at the end of period	11	-52.495	7.333	-114.962	-8.920
		3.249	7.333	-7.800	-8.920

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

* Non audited



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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2015

(All amounts are expressed in thousands of Euros, unless otherwise specified)

1. INTRODUCTION

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

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

Share capital: 180,135,111.43 euros

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

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

These consolidated financial statements were approved by Inapa-IPG's Board of Directors of October 28, 2015. It is the opinion of the Board that these financial statements appropriately reflect the Group's operations and financial position.



2. ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements of the Inapa Group were prepared under the assumption that it will continue to operate and are based on the accounting books and records of the companies which comprise the Group. On the other hand, the interim financial statements for the nine months ending 30 September 2015 were prepared in compliance with the provisions of IAS 34 – Interim Financial Reporting and are published in conjunction with condensed Notes, on account of which they are to be perused in conjunction with the annual consolidated financial statements reported to financial year ended 31 December 2014.

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 2014 and are detailed in the Notes to those financial statements.

New standards, interpretations and amendments to standards

After 1 January 2015 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:

- Improvements to standards 2011 – 2013. This cycle affects the normative improvements following: IFRS 1, IFRS 3, IFRS 13 and IAS 40;
- IFRIC 21 (new) – Levies, Government taxes.

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

IASB and IFRIC published new standards, amendments to existing standards and interpretations, the application of which is still not obligatory for the period beginning until 1 January 2015 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) – Disclosures review (effective for annual periods beginning on or after January 1, 2016. This amendment is still subject to endorsement by the European Union;



- IAS 16 and IAS 38 (amendment) – Methods of calculating depreciation and depreciation allowed (effective for annual periods beginning on or after January 1, 2016). This amendment is still subject to endorsement by the European Union;
- IAS 16 and IAS 41 (amendment) – 'Agriculture: plants that produce consumable biological assets' (effective for annual periods beginning on or after January 1, 2016). This amendment is still subject to endorsement by the European Union;
- IAS 19 (amendment) – Defined benefit plans - Employee contributions' (effective for annual periods beginning on or after February 1, 2015). This amendment is still subject to endorsement by the European Union;
- IAS 27 (amendment) - Equity Method in Separate Financial Statements (effective for annual periods beginning on or after January 1, 2016). This amendment is still subject to endorsement by the European Union;
- IFRS 9 (new) – Financial instruments – accounting and measurement (effective for periods beginning on or after 1 January 2018);
- IFRS 11 (amendment) – Accounting for the acquisition of an interest in a joint operation' (effective for annual periods beginning on or after January 1, 2016) .This is still subject to endorsement by the European Union;
- IFRS 14 (new) – Tariff deviations' (effective for annual periods beginning on or after January 1, 2016). This standard is still subject to endorsement by the European Union;
- IFRS 15 (new) – Revenue from contracts with customers' (effective for annual periods beginning on or after January 1, 2017). This standard is still subject to endorsement by the European Union process;
- Changes to IFRS 10, 12 and IAS 28 – “Sale or assets contributions between an investor and its subsidiary or Joint-Venture” (effective for annual periods beginning on or after January 1, 2016). This standard is still subject to endorsement by the European Union;
- Improvements to standards 2010 - 2012, (applicable in general to periods beginning on or after February 1, 2015). These improvements are still subject to endorsement by the European Union. This cycle of improvement affects the following standards: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38;
- Improvements to standards 2012 - 2014, (applicable in general to periods beginning on or after January 1, 2016). These improvements are still subject to endorsement by the European Union. This cycle affects the normative improvements following: IFRS 5, IFRS 7, IAS 9 and IAS 34.

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

According to the analysis made by Inapa, does not expect that the implementation of the amendments and new standards referred to above, which are not yet mandatory for the periods beginning on January 1, 2015, has significant impact on the financial statements of the Group with its entry into force.

Estimates and material errors

No material errors or significant changes to accounting estimates relative to prior periods were recognised during the course of the first nine months of 2015.



Estimates made in preparing the financial statements for the nine months ended at September 30, 2015 have the same characteristics as in the preparation of financial statements for 2014.

Judgments and relevant assumptions

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

3. SALES AND SERVICE RENDERED AND OTHER INCOME

Sales and services rendered during the nine months to 30 September 2015 and 30 September 2014 brake down as follows:

	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Domestic market		
Goods sold	31.587	33.259
Service rendered	<u>129</u>	<u>457</u>
	<u>31.716</u>	<u>33.716</u>
Exports		
Goods sold	622.801	648.175
Service rendered	<u>5.798</u>	<u>6.882</u>
	<u>628.599</u>	<u>655.057</u>
Total	<u>660.314</u>	<u>688.773</u>

As at 30 September 2015 and 30 September 2014, Other income balance were brake down as follows:

	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Supplementary income	702	667
Net cash discounts	6,007	6,408
Other income	<u>8,967</u>	<u>10,554</u>
	<u>15,676</u>	<u>17,629</u>

4. OPERATING SEGMENTS

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

The results for each segment correspond to those that are directly attributable and those for which there is reasonable basis for attribution. Inter-segmental transfers are carried out at market prices



and are not materially significant.

The breakdown of financial information on September 30, 2015 and 2014 for operating segments is as follows:

	September 30, 2015					Consolidated	September 30, 2014					Consolidated
	Paper	Packaging	Visual Communication	Other operations	Eliminations on consolidations		Paper	Packaging	Visual Communication	Other operations	Eliminations on consolidations	
REVENUES												
External sales	581,038	49,353	23,989	8	-	654,388	609,708	48,597	23,125	4	-	681,434
Inter-segment sales	441	1,675	2,722	-	-4,838	-	1,166	1,443	3,198	-	-5,808	-
Other revenues	19,866	688	531	517	-	21,602	23,185	712	686	385	-	24,968
Total Revenues	601,345	51,716	27,241	525	-4,838	675,990	634,060	50,752	27,010	389	-5,808	706,402
RESULTS												
Segment results	11,529	2,421	206	-3,770	293	10,680	11,522	2,287	915	-1,840	312	13,195
Operational results						10,680						13,195
Interest expenses	-8,310	-681	-310	-7,406	2,930	-13,778	-8,153	-705	-239	-8,168	2,863	-14,402
Interest income	4,589	-	44	690	-3,199	2,124	4,478	7	23	889	-3,181	2,215
Tax on profits						-66						-211
Income from ordinary activities						-1,040						797
Gains/ (losses) in associated companies						69						-5
Net profit / (loss) for the year						-971						792
Attributable :												
Equity shareholders						-906						789
Non controlling interests						-65						3

As at 30 September 2015 and 30 September 2014, paper sales per country where the Group operates were broken down as follows:

	Sales	
	September 30, 2015	September 30, 2014
Germany	299,908	325,479
France	116,768	136,338
Portugal	25,867	28,841
Others	138,495	119,050
	581,038	609,708

5. OTHER COSTS

As at the end of the nine months period ended to 30 September 2015 and 30 September 2014, the Other costs were brake down as follows:

	September 30, 2015	September 30, 2014
General and Administrative expenses	-55,696	-58,884
Indirect taxes	-2,566	-3,021
Other costs	-611	-881
Impairment to current assets	-2,209	-3,375
	-61,082	-66,161



6. FINANCIAL FUNCTION

As at the end of the nine months period ended to 30 September 2015 and 30 September 2014, financial function was broken down as follows:

	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Financial income		
Interest received	561	-
Favourable FX differences	1.423	1.775
Other financial income and profits	139	440
	<u>2.124</u>	<u>2.215</u>
Financial costs		
Interest paid	-8.687	-10.513
Unfavourable FX differences	-1.931	-1.388
Other financial losses and costs	-3.159	-2.501
	<u>-13.778</u>	<u>-14.402</u>
Net financial results	<u><u>-11.654</u></u>	<u><u>-12.187</u></u>

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

As at 30 September 2015 and 30 September 2014, Available-for-sale financial assets were broken down as follows:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Non current		
Other's	40	39
	<u>40</u>	<u>39</u>
Current		
Other's	-	-
	<u>-</u>	<u>-</u>

Changes in Available-for-sale financial assets during the nine month period to 30 September 2015 and the year 2014 were as follows:



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Opening balance as at 1 January 2014	40
Aquisitions	-
Disposals	-1
Changes in fair value	-
Closing balance as at 31 December 2014	39
Aquisitions	1
Disposals	-
Changes in fair value	-
Closing balance as at 30 September 2015	40

8. COMPANIES INCLUDED IN THE CONSOLIDATED ACCOUNTS

As at 30 September 2015, the following subsidiary companies were consolidated on a full consolidation basis:

Subsidiary company name	Head Office	% Group holdings	Business operation	Direct holding company	Date of incorporation
Inapa-Portugal, SA	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra	100.00	Paper Merchanting	Inapa – IPG, SA	1988
Inapa Distribución Ibérica, SA	c/ Delco Polígono Industrial Ciudad del Automóvil 28914 Leganés, Madrid	100.00	Paper Merchanting	Inapa – IPG, SA	December 1998
Inapa France, SA	91813 Corbeil Essones Cedex France	100.00	Paper Merchanting	Inapa – IPG, SA	May 1998
Inapa Packaging, S.A.	14, Impasse aux Moines 91410 Dourdon France	100.00	Packaging	Europackaging SGPS, Lda	January 2008
Inapa Belgique	Vaucampslan, 30 1654 Huizingen Belgium	99.94	Paper Merchanting	Inapa – IPG, SA	May 1998
Inapa Luxemburg	211, Rue des Romains. L. 8005 Bertrange Luxemburg	97.81	Paper Merchanting	Inapa Belgique	Maio 1998
Inapa Deutschland, GmbH	Osterbekstraße 90 20354 Hamburgo Alemanha	92.50	Holding	Inapa – IPG, SA	April 2000
Papier Union, GmbH	Osterbekstraße 90 20354 Hamburgo Alemanha	100.00	Paper Merchanting	Inapa Deutschland, GmbH	April 2000
Inapa Packaging, GmbH	Osterbekstraße 90 20354 Hamburgo Alemanha	100.00	Holding	Papier Union, GmbH	2006
Complott Papier Union, GmbH	Industriestrasse 40822 Mettmann Germany	100.00	Visual Communication	Papier Union, GmbH	January 2008
Inapa – Merchants, Holding, Ltd	Torrington House, 811 High Road	100.00	Holding	Inapa – IPG, SA	1995



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Finchley N12 8JW
United Kingdom

8. COMPANIES INCLUDED IN THE CONSOLIDATED ACCOUNTS

As at 30 September 2015, the following subsidiary companies were consolidated on a full consolidation basis:

Subsidiary company name	Head Office	% Group holdings	Business operation	Direct holding company	Date of incorporation
Inapa-Portugal, SA	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra	100.00	Paper Merchanting	Inapa – IPG, SA	1988
Inapa Distribución Ibérica, SA	c/ Delco Polígono Industrial Ciudad del Automóvil 28914 Leganés, Madrid	100.00	Paper Merchanting	Inapa – IPG, SA	December 1998
Inapa France, SA	91813 Corbeil Essones Cedex France	100.00	Paper Merchanting	Inapa – IPG, SA	May 1998
Inapa Packaging, S.A.	14, Impasse aux Moines 91410 Dourdon France	100.00	Packaging	Europackaging SGPS, Lda	January 2008
Inapa Belgique	Vaucampslan, 30 1654 Huizingen Belgium	99.94	Paper Merchanting	Inapa – IPG, SA	May 1998
Inapa Luxemburg	211, Rue des Romains. L. 8005 Bertrange Luxemburg	97.81	Paper Merchanting	Inapa Belgique	Maio 1998
Inapa Deutschland, GmbH	Osterbekstraße 90 20354 Hamburgo Alemanha	92.50	Holding	Inapa – IPG, SA	April 2000
Papier Union, GmbH	Osterbekstraße 90 20354 Hamburgo Alemanha	100.00	Paper Merchanting	Inapa Deutschland, GmbH	April 2000
Inapa Packaging, GmbH	Osterbekstraße 90 20354 Hamburgo Alemanha	100.00	Holding	Papier Union, GmbH	2006
Complott Papier Union, GmbH	Industriestrasse 40822 Mettmann Germany	100.00	Visual Communication	Papier Union, GmbH	January 2008
Inapa – Merchants, Holding, Ltd	Torrington House, 811 High Road Finchley N12 8JW United Kingdom	100.00	Holding	Inapa – IPG, SA	1995
Inapa Suisse	Althardstrasse 301 8105 Regensdorf – Switzerland	100.00	Paper Merchanting	Inapa-IPG,SA e Papier Union, GmbH	May 1998



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Subsidiary company name	Head Office	% Group holdings	Business operation	Direct holding company	Date of incorporation
Europackaging SGPS, Lda	Rua Castilho 44- 3º 1250-071 Lisboa	100.00	Holding	Inapa – IPG, SA	October 2011
Edições Inapa, Lda	Rua Braamcamp 40 - 9ºD, 1250-050 Lisboa, Portugal	100,00	Editorial	Inapa – IPG, SA	November 2009
Inapa Angola – Distribuição de Papel, SA	Estrada de Catete, km 25 Polo Industrial de Viana Luanda, Angola	100.00	Paper Merchanting	Inapa Portugal, SA	December 2009
Semaq Emballages, SA	Rue de Strasbourg – ZI de Bordeaux Fret França	100.00	Packaging	Inapa Packaging, S.A.	February 3013
Inapa Embalagem, Lda	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra	100.00	Packaging	Europackaging, SGPS, Lda	March 3013
Inapa Shared Center, Lda	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra	100.00	Shared services	Inapa Portugal, SA e Inapa – IPG, SA	July 3013
Da Hora Artigos de Embalagem, Lda	Urbanização das Minhoteiras, lote 3 – Crestins Maia 4470-592 Moreira Maia	100.00	Packaging	Inapa Embalagem, Lda	November 3013
Inapa Comunicação Visual, Lda.	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra	100.00	Visual Communication I	Inapa Portugal SA	January 2013
KORDA Kağıt Pazarlama ve Ticaret Anonim Şirketi	Kasap Sokak. Konak Azer 34394 Istanbul Turquia	100,00	Distribuição papel	Inapa-IPG, SA	setembro 2013
Tradembal – Comércio, Indústria, Exportação e Importação de Produtos Sintéticos, S.A.	Rua da Industria, 9 Porto Salvo 2740 Oeiras Portugal	75.00	Embalagem	Inapa Embalagem, Lda.	setembro 2013

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

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



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

9. COMPANIES EXCLUDED FROM THE CONSOLIDATED ACCOUNTS

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

11. CASH AND CASH-EQUIVALENT

The balance of Cash and cash-equivalent as at 30 September 2015 and 31 December 2014 and for the year of 2014 were broken down as follows:

	<u>30 September 2015</u>	<u>31 December 2014</u>	<u>30 September 2014</u>
Cash and cash-equivalent			
Banks	19,682	31,599	9,732
Cash	219	231	278
	<u>19,900</u>	<u>31,831</u>	<u>10,010</u>

Cash-flow Statement

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

	<u>30 September 2015</u>	<u>31 December 2014</u>	<u>30 September 2014</u>
Cash and cash-equivalent			
Banks	19.682	31.599	9.732
Cash	219	231	278
Cash and cash-equivalent per balance sheet	<u>19.900</u>	<u>31.831</u>	<u>10.010</u>
Bank overdrafts	-72.395	-87.574	-124.973
Cash and Cash-equivalent per Cash-Flow statement	<u>-52.495</u>	<u>-55.744</u>	<u>-114.962</u>

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



12. Impairment

During the nine months ended in 30 September 2015, the recognised asset impairments were as follows:

	<u>Goodwill</u>	<u>Other intangible assets</u>	<u>Inventories</u>	<u>Trade receivables</u>	<u>Other current assets</u>	<u>Total</u>
Balance as at January 1, 2014	11,766	27,464	1,392	22,123	4,239	66,984
Increases	-	-	142	3,804	-	3,946
Utilisation	-	-	-163	-2,018	-3,118	-5,299
Reverseals	-	-	-69	-2,280	-	-2,349
Changes in the consolidation perimeter	-	-	-	-	-	-
Exchange rate differences	-	-	1	-11	-	-9
Balance as at December 31, 2014	<u>11,766</u>	<u>27,464</u>	<u>1,303</u>	<u>21,618</u>	<u>1,122</u>	<u>63,273</u>
Increases	-	-	91	2,209	-	2,300
Utilisation	-	-	-312	-267	-	-579
Reverseals	-	-	-23	-4,147	-	-4,170
Changes in the consolidation perimeter	-	-	-	-	-	-
Exchange rate differences	-	-	9	-298	-	-289
Balance as at September 30, 2015	<u>11,766</u>	<u>27,464</u>	<u>1,068</u>	<u>19,115</u>	<u>1,122</u>	<u>60,535</u>

13. SHARE CAPITAL

At 30 September, 2015 and December 31, 2014 share capital was represented by 450,980,441 shares, of which 150,000,000 shares have no par value ordinary nature and 300,980,441 preferred shares that due to the non-distribution of dividends for the exercises of 2012 and 2013, in 2014 began to confer voting rights, certificated and bearer with no par value. As at 30 September, 2015, Equity was fully subscribed and issued.

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

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



On September 30, 2015, the Group does not own shares or have occurred any purchases during the year 2015 transactions of own shares.

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

Shareholder	30 September 2015				
	Ordinary Shares	% of Ordinary Shares	Preferencial Shares	% Preferencial Shares	% Voting Rights
Parpública – Participações Públicas (SGPS), SA	49,084,738	32.72%	-	-	8.26%
Shares allocated to CGD	2,762	0.002%	148,888,866	49.47%	25.07%
Parcaixa - SGPS, S.A.	-	-	148,888,866	49.47%	25.07%
CGD Pensões - Sociedade Gestora de Fundos de Pensões, S.A.	1,262	0.001%	-	-	0.000%
Caixa - Banco de Investimento, S.A.	1,500	0.001%	-	-	0.000%
Shares allocated to MillenniumBCP	26,986,310	17.99%	121,559,194	40.39%	32.94%
Fundo de Pensões do Grupo Banco Comercial Português	16,491,898	10.99%	45,810,827	15.22%	13.81%
Banco Comercial Português	10,494,412	7.00%	75,748,367	25.17%	19.12%
Novo Banco, SA	-	-	27,556,665	9.16%	6.11%
Nova Expressão SGPS, SA	9,500,000	6.33%	-	-	2.11%
Total Qualified Shares	85,573,810	57.05%	298,004,725	99.01%	74.49%

Shareholder	31 December 2014				
	Ordinary Shares	% of Ordinary Shares	Preferencial Shares	% Preferencial Shares	% Voting Rights
Parpública – Participações Públicas (SGPS), SA	49.084.738	32,72%	-	-	8,26%
Shares allocated to CGD	2.762	0,002%	148.888.866	49,47%	25,07%
Parcaixa - SGPS, S.A.	-	-	148.888.866	49,47%	25,07%
CGD Pensões - Sociedade Gestora de Fundos de Pensões, S.A.	1.262	0,001%	-	-	0,000%
Caixa - Banco de Investimento, S.A.	1.500	0,001%	-	-	0,000%
Shares allocated to MillenniumBCP	26.986.310	17,99%	121.559.194	40,39%	32,94%
Fundo de Pensões do Grupo Banco Comercial Português	16.491.898	10,99%	45.810.827	15,22%	13,81%
Banco Comercial Português	10.494.412	7,00%	75.748.367	25,17%	19,12%
Novo Banco, SA	-	-	27.556.665	9,16%	6,11%
Nova Expressão SGPS, SA	9.500.000	6,33%	-	-	2,11%
Total Qualified Shares	85.573.810	57,05%	298.004.725	99,01%	74,49%

14. LOANS

As at 30 September 2015 and 31 December 2014, Loans balance is detailed as follows:



	<u>30 September 2015</u>	<u>31 December 2014</u>
Current debt		
° Bank loans		
° Bank loans and other current financial instruments	72,395	87,574
° Commercial paper, redeemable at its nominal value, renewable, with maturity within one year	34,513	33,854
° Medium and long-term financial instruments (portion maturity within 1 year)	18,165	15,916
° Other current financial loans	9,835	8,183
° Leasing	1,317	1,574
Total current debt	<u>136,226</u>	<u>147,101</u>
Non- current debt		
° Bank loans		
° Medium and long-term financial instruments	116,843	109,210
° Other loans	24,537	31,181
° Commercial Paper, reimbursed by nominal value	8,050	8,800
° Leasing	8,115	7,369
	<u>157,545</u>	<u>156,560</u>
° Financing associated to financial assets - securitisation	40,190	44,878
Total non-current debt	<u>197,735</u>	<u>201,438</u>
Total debt	<u><u>333,962</u></u>	<u><u>348,539</u></u>

As at 30 September 2015 the bank loans conditions are similar to the ones of 31 December 2014.

As at 30 September 2015 and 31 December 2014, the net balance of consolidated financial debt is broken down as follows:

	<u>30 September 2015</u>	<u>31 December 2014</u>
Loans		
Current	134,909	145,527
Non-current	149,431	149,191
	<u>284,340</u>	<u>294,718</u>
Loans associated to financial assets - securitization	40,190	44,878
Financial leases debt	9,432	8,942
	<u>333,962</u>	<u>348,538</u>
Cash and cash-equivalents	19,900	31,831
Negotiable financial assets (listed securities)	-	-
Available-for-sale financial assets (listed securities)	-	-
	<u>19,900</u>	<u>31,831</u>
	<u><u>314,062</u></u>	<u><u>316,707</u></u>

15. SUPPLIERS AND OTHER CURRENT AND NON CURRENT LIABILITIES



As at 30 September 2015 and 31 December 2014, the balances of Suppliers and of Other current liabilities were detailed down as follows:

	<u>30 September 2015</u>	<u>31 December 2014</u>
Suppliers		
Suppliers on current account	59,266	47,903
Trade bills account	816	394
Invoices pending reconciliation	6,964	2,112
	<u>67,046</u>	<u>50,409</u>
Other current liabilities		
Advances from clients	1,245	1,526
Fixed assets suppliers	0	-
Other creditors	9,367	10,550
Accruals and deferred items	8,960	10,560
	<u>19,571</u>	<u>22,636</u>

16. INCOME TAX

The amount of taxes in the Interim Consolidated Income Statement for the nine months to 30 September 2015, amounting to a total of 66 thousand Euros, equates to the liability for current income tax for the nine months period in the amount of 10 thousand Euros plus the balance of positive changes in deferred tax, amounting to 76 thousand Euros.

The differential between the nominal tax rate (average rate of 30%) and the effective company income tax rate (IRC company tax) for the Group, as at 30 September, 2015, is detailed in the following table:

	<u>30 September 2015</u>
Net income before tax	-905
Nominal company tax rate	<u>30%</u>
	272
Income tax	<u>-66</u>
	<u>338</u>
Permanent differences- Germany	105
Permanent differences- France	50
Permanent differences- Portugal	-998
Permanent differences- Spain	605
Taxed dividends	762
Changes in taxes rates	-126
Other	<u>-60</u>
	<u>338</u>



Deferred tax

All instances where future taxation due may come to be significantly impacted are reported in the financial statements as at 30 September 2015 and 31 December 2014.

The following table reports changes in deferred tax assets and liabilities during the nine months to 30 September 2015 and the financial year ended 31 December 2014:

	01-01-2015	Changes in consolidation perimeter	Fair value reserves and other reserves	Net profit for the period	30-09-2015
Deferred tax assets					
Taxable provisions	88	-	-	-	88
Reportable tax losses	19,293	-	-	322	19,615
Others	3,675	-48	-	-41	3,586
	<u>23,055</u>	<u>-</u>	<u>-</u>	<u>281</u>	<u>23,288</u>
Deferred tax liabilities					
Fixed assets revaluation	-8,259	-	-29	-87	-8,375
Depreciation	-14,583	-	-	-198	-14,781
Others	-1,011	-	-	-72	-1,083
	<u>-23,853</u>	<u>-</u>	<u>-29</u>	<u>-357</u>	<u>-24,239</u>
Net deferred tax	<u>-799</u>	<u>-</u>	<u>-29</u>	<u>-76</u>	<u>-951</u>

	01-01-2014	Changes in consolidation perimeter	Fair value reserves and other reserves	Net profit for the period	31-12-2014
Deferred tax assets					
Taxable provisions	88	-	-	-	88
Reportable tax losses	18.614	-	-	679	19.293
Others	3.646	-	-	29	3.675
	<u>22.347</u>	<u>-</u>	<u>-</u>	<u>708</u>	<u>23.055</u>
Deferred tax liabilities					
Fixed assets revaluation	-8.172	6	-	-93	-8.259
Depreciation	-14.622	-	-	39	-14.583
Others	-1.059	-	-	48	-1.011
	<u>-23.853</u>	<u>6</u>	<u>-</u>	<u>-6</u>	<u>-23.853</u>
Net deferred tax	<u>-1.507</u>	<u>6</u>	<u>-</u>	<u>702</u>	<u>-799</u>

Deferred tax assets are recognised for tax losses insofar as the use of their respective fiscal benefits is likely due to expected future taxable profits. The Group recognised a balance of 19,615 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	8,402	unlimited
Portuguese Group	488	2017
Inapa Distribución Ibérica	7,029	2021-2033
Inapa Belgique	2,048	unlimited
Inapa Suisse	1,147	2018-2021
Outros	501	
	19,615	

17. RELATED PARTIES TRANSACTIONS

The balances on September 30, 2015 and 2014 with entities related to the Group are as follows:

	September 30, 2015						
	Trade Receivables	Bank deposits	Other current assets	Bank loans	Fixed assets supplier	Suppliers	Other current liabilities
PMF	-	-	4,344	-	-	-	-
Surpapel SL	90	-	3,413	-	-	-	2
Medialivros	-	-	87	-	-	-	-
BCP	37	1,580	1	96,798	3,484	-	121
CGD	-	219	108	10,922	-	-	-
	127	1,799	7,953	107,720	3,484	-	123

	31 December 2014						
	Trade Receivables	Bank deposits	Other current assets	Bank loans	Fixed assets supplier	Suppliers	Other current liabilities
PMF	-	-	3,556	-	-	-	-
Surpapel SL	69	-	913	-	-	-	2,500
Medialivros	2	-	87	-	-	-	48
BCP	2	258	1	101,463	3,795	-	1,060
CGD	-	143	80	12,706	-	-	-
	73	401	4,636	114,169	3,795	-	3,608

The transactions during the first nine months 2015 and 2014 with entities related to the Group are as follows:

	2015			
	Sales and service rendered	Other income	Other costs	Financial costs
PMF	-	142	-	-
Surpapel SL	122	-	7	-
Megapapier	-	-	-	-
BCP	137	-	-	1,629
CGD	253	-	-	430
	512	142	7	2,059



	2014			
	<u>Sales and service rendered</u>	<u>Other income</u>	<u>Other costs</u>	<u>Financial costs</u>
PMF	-	116	-	-
Surpapel SL	100	-	1	-
Megapapier	-	-	-	-
BES	-	-	-	1,011
CGD	-	-	-	675
BCP	2	-	-	2,283
	<u>102</u>	<u>116</u>	<u>1</u>	<u>3,969</u>

The related parties considered relevant for the purposes of the financial statements were the subsidiaries and associates mentioned on Note 9, the shareholders given in Note 13 and the Governing Bodies.

18. CONTINGENT LIABILITIES

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

- 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.

During the second quarter of 2015, was filed a lawsuit against Inapa-IPG, by its shareholder Parcaixa SGPS, S.A., in which claims:

- a) Annulment of the deliberation adopted by the General Meeting in 28 April 2015, that approved to transfer to Free Reserves the amount of 1,973,533.63 euros and to Retained Earnings the amount of 623 euros, arguing that these amounts should be affected to the payment of the preferred shares priority dividend;
- b) Be issued a judgment, in substitution of the deliberation, in which is announced that the amounts affected, by the General Meeting deliberation, to Free Reserves and to Retained Earnings, be affected to the payment of the preferred shares priority dividend.



19. SUBSEQUENT EVENTS

On October 1st, following the resignation of Eng. Jorge Manuel Viana de Azevedo Pinto Bravo, the Board of Directors have deliberated to appoint Dr Frederico João de Moser Lupi, for the position of Inapa Director for the ongoing triennium. It was also deliberated the appointment of Dr Frederico João de Moser Lupi as a member of the Inapa Executive Commission.

With the exception of the event mentioned above, there are no others events to mention.

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



5. Mandatory information

5.1. Shares Held by Governing Bodies

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

Board of Directors

Name	Number of shares	Preferred shares	Voting rights
Álvaro João Pinto Correia	0	0	0%
José Manuel Félix Morgado (mandate resignation on 30 June)	37 886	0	0.08%
Diogo Francisco Bastos Mendes Rezende (Cooptated at July 29)	0	0	0%
António José Gomes da Silva Albuquerque	0	0	0%
Jorge Manuel Viana de Azevedo Pinto Bravo (mandate resignation on 31 August)	0	0	0%
Frederico João de Moser (Cooptated at 1 October)	0	0	0%
Arndt Klippgen	0	0	0%
Emídio de Jesus Maria	0	0	0%
João Miguel Sales Luís	0	0	0%
Gonçalo Faria de Carvalho	0	0	0%

Chartered Accountant

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

5.2. Managerial Transactions

In compliance with the content of paragraph a) no. 1 of article 9 of the CMVM Regulation no. 5/2008, Inapa informs that during 2015, took place between the 4th and June 16 the sale of 151,251 common shares by the board member José Manuel Félix Morgado.



5.3. Statement of conformity

In compliance with the content of nº 1, Paragraph c) of Article 246 of CVM, the members of the Board of Directors of Inapa – Investimentos, Participações e Gestão, SA hereby declare that, to the best of their knowledge, the information contained in the abridged consolidated financial statements reported to the nine months ended on 30 September 2015 was 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, 28 October 2015

Álvaro João Pinto Correia

Chairman of the Board of Directors

Diogo Francisco Bastos Mendes Rezende

Vice-Chairman and Chairman 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

Frederico João de Moser Lupi

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

Emídio de Jesus Maria

Director and Chairman of the Audit Committee

João Miguel Pacheco Sales Luís

Director and member of the Audit Committee

Gonçalo Faria de Carvalho

Director and member of the Audit Committee

Arndt Klippgen

Director and member of the Board of Directors



6. Additional information

WARNING

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

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

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

Investor Relations
Hugo Rua
hugo.rua@inapa.pt
Tel.: +351 213 823 007

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

- Ordinary shares: INA
- Preferred shares: INAP

**Inapa – Investimentos,
Participações e Gestão, SA**
Rua Castilho, 44, 3º
1250-071 Lisbon
Portugal