CONSOLIDATED RESULTS

March, 31st 2016

Contents

1. Highlights

Maintaining financial balance with net debt at the level of the same period 2015

Strong management of cost and credit risk control, led to a reduction of € 1.4M (-4.1%) in operating costs compared with the same period of 2015

In a market that is falling, the maintenance of the market share does not prevent sales decrease and narrowing margins

Generation of results

- Sales decreased 4.6% compared to March 2015, in line with the market.
- Gross margin at 17.9%, -0.5 percentage points over the same period of last year.
- Operational costs before provision reduced € 0.9M.
- Re-EBITDA of 5.4 Million euros, with a margin of 2.5%.
- Operational results (EBIT) reached 3.9 million euros.
- Financial costs reduced by € 0.5M (-12.5%).
- Positive Net income of 0.4 million euros.

Financial strength

- Net debt remains at similar levels of March 2015 and decreased 1.3 million euros compared to the end of the year 2015.
- Working capital decreased 2.7 million euros compared with March 2015, and increased 3.6 million euros compared with December 2015.

inapa

Chart 1_Main Consolidated Indicators			
MILLION EUROS	**Mar 16**	**Mar 15**	**Δ 16/15**
Tons ('000)	197	208	-5,2%
Sales	215,8	226,3	-4,6%
Gross margin	38,6	41,7	-7,6%
Gross margin (%)	17,9%	18,4%	-0,5 pp
Operating costs[1]	32,7	33,6	-2,6%
Provisions	0,4	0,9	-51,8%
Re-EBITDA	5,4	7,2	-25,0%
Re-EBITDA margin (%)	2,5%	3,2%	-0,7 pp
EBIT	3,9	5,8	-32,3%
Net financial costs	3,3	3,8	-12,5%
EBT	0,6	2,0	-141%
Net income	0,4	1,6	-116,4%

	31/3/16	**31/3/15**	**Δ 16/15**	**31/12/15**	**Δ 3 months**
Net Debt[2]	309,6	309,9	-0,1%	310,9	-0,4%
Working Capital	141,5	144,2	-1,9%	137,9	2,6%

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

(2) Includes securitization

GLOSSARY

Gross margin: Sales - Cost os Sales

Re-EBITDA: Recurrent results before depreciations and amortizations, non-recurrent costs, financial costs and taxes

Re-EBITDA margin (%): Re-EBITDA/Total Sales

EBIT: EBITDA + Depreciations of tangible assets and Amortizations of intangible assets

Net Debt: Non-current loans + current loans + financing associated to financial assets + financial leases - cash and cash equivalents

Working Capital: Trade receivables + Inventories - Suppliers

2. Relevant facts

18/3/2016	2015 Results Announcement
23/3/2016	2015 Annual Report publication
23/3/2016	Notice for General Meeting
31/3/2016	List presented for the election of governing bodies and Remuneration Committee

Until the date of publication, the following subsequent events were registered:

06/4/2016	Statement on remuneration policy
15/4/2016	General Meeting, where the members of the governing bodies of the Company were elected for the triennium 2016-2018.

3. Management report

3.1. Market analysis

Despite some uncertainty, considering the volatility of the financial markets and concerns about the evolution of the Chinese economy and other emerging economies, the first quarter of 2016 was positive in the euro zone during which the economy grew by about 0.6% compared with the last quarter of 2015, mainly due to the improvement in the labor market, low energy prices and the effects of monetary policy followed by the ECB, factors that have favored the increase in consumption which balanced the lack of external demand.

Despite the positive indicators of the first quarter, the economy of many euro area countries remains below its potential and below the pre-crisis level. High debt levels, fragile banking sectors and a persistent lack of inflation are situations that do not favor a faster recovery of the euro zone.

The above-mentioned positive aspects were particularly evident in Germany, where the economy grew 0.7% in the first quarter 2016 compared to the previous quarter. It was the largest quarterly growth since the first quarter of 2014. This growth was based on domestic demand and investment. After a decrease in January, exports increased in February mainly due to demand from countries of the European Union. For the next quarter it is expected a lower growth.

In France, as well, for the first quarter 2016 indicators show an increase of 0.5% when compared with the last quarter of 2015, which is above expectations, also supported by a strong growth in domestic demand, which more than compensates the negative contribution of external demand. For the next quarter, we have mixed expectations: on one hand, a PMI in very positive ground as well as the highest level of business confidence of the recent months, on the other hand, a decline in the level of consumers' confidence.

Spain, despite the uncertainty about the composition of a new government, continued to show during the first quarter a sustained growth of about 0.8% over the previous quarter when the growth had also been 0.8%. For the second quarter it is estimated to a slight deceleration to 0.6%.

In Portugal, the economy grew only 0.1% in the first quarter of 2016. It is expected a slight acceleration in the second quarter and that the annual growth in 2017 could be 1.4%.

In Belgium, the economy slowed in the first quarter of 2016 compared with the last quarter of 2015. The growth was only 0.2% and expectations for the coming quarters remain modest. In Luxembourg, growth was 1.1% and it is expected that it could increase in the coming quarters

Although a strong franc may not have favored exports and the tourism industry, the Swiss economy showed some growth (0.4%) in the first quarter of 2016 against a contraction of 0.1% in the last quarter of 2015. As its trade balance is more dependent on the evolution of the economy of the most developed and industrialized countries, the expectations of a positive trend in these countries will have a strong impact on the development of the Swiss economy.

For 2016, there is a consensus that the euro zone will increase 1.8% in a context of very low inflation rate.

Despite the positive growth environment of the European economy in global terms, although with discrepancies between the different economies, the paper market continues to show few signs of recovery. On the production side, after an unsuccessful price increase process in the first quarter, there are some price reduction signs to accommodate market dynamics. This recent price evolution is certainly also linked to price reductions in pulp by the end of the first quarter and more strongly in the beginning of the second quarter. The increase in imports, particularly from Asia, has also contributed to a greater pressure on production in Europe. Regarding distribution, we continue to assist to the adjustment of the Merchants business model adapting it to market developments. We have on the demand side the record of a constant break consumption and on the supply side a continued rationalization of capacity by optimization of their structures.

The economic context described above, affected negatively the evolution of paper demand in Europe registered in recent times, whose indicators show a quarter with a negative progression. Thus, with regard to the graphic paper, writing and printing evolution, industry statistics show that in Europe, coated paper (coated wood free) and uncoated paper (uncoated wood free) suffered a break over the same period, of approximately 5%.

Also according to these statistics, the volume of paper sales in the five most important Inapa European markets (Germany, France, Switzerland, Spain and Portugal) decreased 5%. It is noteworthy that the two major markets of the Inapa Group, Germany and France, registered breaks of about 4% and 8%. These data are aggregated volumes of coated and uncoated - totaling between 80 and 85% of marketed paper - not including the other subfamilies, namely specialties such as, cardboard and self-adhesive, among others.

3.2. Consolidated Performance

In the economic context above referred, characterized by a positive progression of different indicators, but with distinct trends in the different countries, the year 2016 had a very slow start in terms of paper demand, which showed a downward tendency compared with the first quarter of 2015. In this context, the volume of Inapa's sales fell 5.2% over the same period of 2015, in line with market evolution. In value, sales fell 4.6% reaching 215.8 million euros.

The complementary businesses in all (including cross selling) had a different progression, with total sales volume of packaging area at 17 million, about 2 million below regarding the same period of last year, which is in line with expectations for this period, and the area of visual communication to maintain the levels of activity at 10 million. We must enhance the sales increase of graphic and office supplies to 2.8 million euros, + 7.2% compared with the first quarter of 2015. The total contribution of these businesses in the first quarter corresponds to about 14% of total sales.

Chart 2_ Developments of the Paper, Packaging and Visual Communication Business					
MILLION EUROS	Mar 16			Mar 15	
	Sales	Weight	Δ 16/15	Sales	Weight
Paper	186,0	86,2%	-4,2%	194,1	85,8%
Complementary business	29,9	13,8%	-7,3%	32,2	14,2%
Packaging	17,0	7,9%	-12,2%	19,3	8,5%
Visual communication	10,1	4,7%	-1,7%	10,2	4,5%
Others	2,8	1,3%	7,2%	2,6	1,2%
Total	215,8	100%	-4,6%	226,3	100%

Note: (1) Complementary Businesses includes Cross-selling performed with paper companies.
(2) Graphic and Office supplies

During the first quarter of 2016, despite the ongoing commercial efforts for margin defense, gross margin stood at 17.9%, a decrease of 0.5 percentage points. This margin decrease was due to the reaction of distributors to market contraction while pressured by suppliers' price increases.

In the first three months of 2016, due to the positive impact of the adjustment in the organizational model along with a strong cost management, operating costs decreased 0.9 million euros (-2.6%) compared to the same period of 2015 . This decrease is mainly due to greater efficiency in the distribution network despite the lower volume of activity, and the reduction of costs for administrative and personnel expenses.

The ratio over sales of customer impairment balances, decreased by 0.2 pp to 0.2%, a decrease of 0.5 million euros compared with the same period last year, due to the maintenance of a strict action on the analysis of the risk of collection of the portfolio of customers in articulation with the Group credit insurance company, whose program currently covers the entire universe of the Group companies, with the exception of Belgium and Luxembourg.

In the first quarter of 2016, Inapa performance was affected by the reduction recorded in terms of volumes and the strong pressure at the level of margins, whose impacts were partially offset by the reduction in the level of operating costs, result of the conducted restructuring, and impairment charges of customer balances. In this context, the Re-EBITDA was 5.4 million euros, 2.5% of sales.

The non-recurring charges of 0.2 million euros are inherent mainly to restructuring carried out in the logistics and commercial areas in Germany and France.

Operating profit (EBIT) amounted to 3.9 million euros, representing 1.8% of sales.

In the first three months of 2016, the financial charges decreased by -12.5% (-0.5 million euros) compared with the same period last year. This tendency is due to the combined effect of the progressive reduction of debt with the decline in reference rates and the spread reductions as a result of the renegotiations carried out with banks.

The consolidated net income of Inapa was 0.4 million euros, compared with 1.5 million in 2015. This performance is the result of the impacts already referred at Re-EBITDA level partially offset by lower financial charges.

Working capital improved by 1.9% compared with March 2015, i.e., a reduction of 2.7 million euros. This reflects a strict adequacy of the receivables days and payments to suppliers, adjusted to the evolution of the business. Despite the continued monitoring of inventory levels due to slower year start up than expected, they increased EUR 2.6 million compared to the first quarter 2015.

The net debt at March 31, 2016 is 309.6 million euros, and remained in line with the one of March 2015 and down by 1.3 million euros compared to December 2015, confirming the constant focus in reducing the financial debts of the Group that is in course of achievement. Gross debt fell by 9.1 million euros compared to December 2015.

In order to achieve a more sustainable financial structure by reducing leverage and extending debt maturity, negotiations remained with some of the financing banks, in order to obtain the renewal of agreements and the rescheduling of repayment plans. As a result, the non-current debt represents about 66% of total gross debt at March 31, 2016 compared to 59% in the same period of last year.

3.3. Performance of the Group Business Areas

In this period, the weight of total sales for complementary packaging business, visual communication and graphic and office supplies, remained at about 14%, with a very positive contribution of market penetration through cross-selling. Inapa proceeded with a significant effort to adjust the business models and the organization, adapting them to break in activity, thereby improving efficiency and productivity.

PAPER

In volume, sales of the first quarter decreased by 5.2% compared to 2015 levels, to 197 thousand tons. In value, the paper business amounted to 186.0 million euros. In total, Inapa kept its market share, although the beginning of the year 2016 was globally difficult, with significant sales declines in some markets.

In the first quarter 2016 the average selling price[1] increased by 1.1% to € 944 per ton over the same period of 2015, confirming the tendency that had been observed since the last quarter of 2015.

Inapa pursued with the strategy to increase market penetration through cross-selling of packaging materials, visual communication and graphic and office supplies, whose sales amounted to 8.5 million euros, representing an increase of 12.5 % compared with the same period last year.

[1] Average selling price: Paper Sales/tons

The Group maintained a defensive margin policy, which at the start of 2016 was strongly impacted by the suppliers attempt to increase prices. Although this initiative was not accepted by the market, its reversal took place only by the end of the quarter, with the consequent impact on the margin of the period, which was 16.0%, a decrease of 0.5 percentage point over the same period.

Operating results (EBIT) of this business amounted to EUR 1.6 million, representing 0.8% of sales.

PACKAGING

The total packaging business of Inapa Group represented 17 million euros of sales[2] 2 million euros below the 2015 volume.

In the first quarter, the volume of the packaging area business has developed in line with expectations. The activity decrease in one of the geographies was partially compensated by the very positive sales growth in the wine sector, the food processing, chemical industry and cosmetics, as well as the dynamics of cross selling with commercial teams of the paper area.

Operating results (EBIT) of packaging companies (excluding cross selling) were 0.6 million euros, representing 4.4% of sales. Inapa maintained a consistent policy of margin protection alongside with an optimization of resources connected with the activity structure, which allowed her to maintain adequate levels of profitability.

VISUAL COMMUNICATION

The visual communication business registered a total turnover of 10.0 million euros[3] standing roughly in line with the same period last year.

The beginning of 2016 was characterized, in the first quarter, by a great reluctance of our customers to invest, compared with the same period last year, with the consequent drop in the volume of hardware sales, partially compensated by the overall growth of sales in the different areas: media, inks and software and the technical assistance services and selling of replacement parts. For the coming quarters we anticipate a recovery in hardware sales level.

Inapa pursued with a consistent policy of margin protection, which remained at the same level of the first quarter of the previous year. In addition, the optimization of its operating structure following the reorganization process carried out in 2015, had some positive impacts at the beginning of this year, which however was not enough to counteract the negative impact of the fall in turnover volume. Operating results (EBIT) of visual communication companies (excluding cross selling) was -1 million euros.

[2] Packaging business (excluding cross selling): 14.4 million euros (Note 4)
[3] Visual communication business (excluding cross selling): 6.9 million euros (Note 4)

3.4. Future prospects

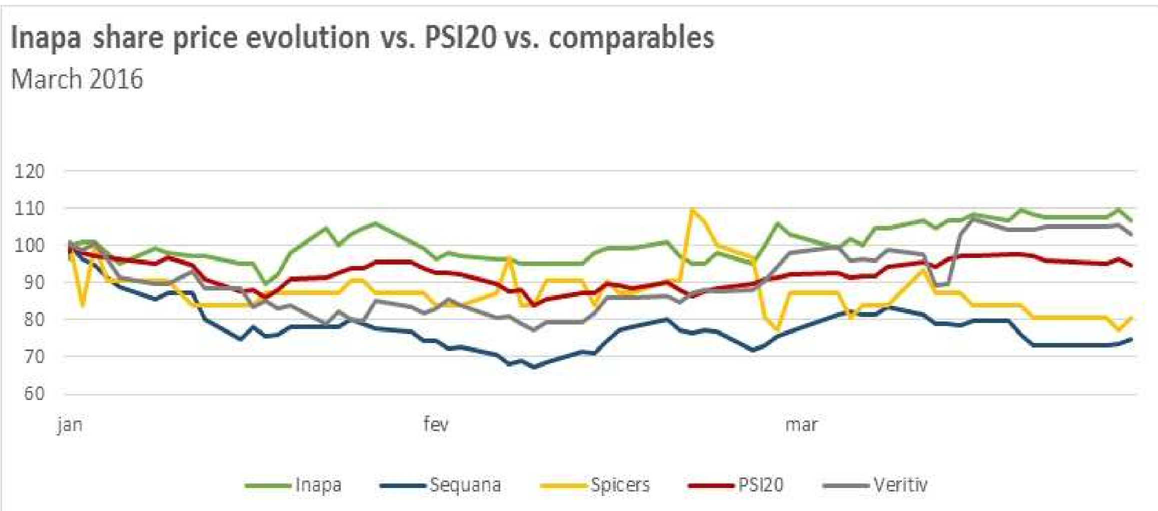
Despite the strong competition witnessed in the distribution market, for the next quarter there is a perspective to a more positive development course in sales volumes, and it is estimated that the performance level of the results will be better than in the first quarter. The changes for demand of graphic and print paper will be influenced by the performance of the economies where Inapa operates, in particular the European macroeconomic framework, alongside the equilibrium within the sector.

Regarding the packaging and visual communication businesses, Inapa will remain focused on organic growth through increased penetration in the markets where it operates and the strengthening of cross selling. Inapa will continue to actively pursue investment opportunities that show prospects for growth, profitability and value creation, according with the standards that have been adopted by the Group in recent years.

A permanent focus on the margin stability will be maintained, via a solid price policy and management of the product mix, together with the strict management of credit risk. We will continue to maintain an increased focus on operating costs in order to maintain the downward tendency that has been continually verified, constantly working the adjustment of the organizational model and its adaptation to the business structure in order to achieve greater efficiency.

In terms of balance sheet, the Group will continue to pursue the goal to reduce its debt ratio through the optimization of working capital and cash flow generation resulting from the activity. It is estimated to conclude the last negotiations with one of our main funding partners, thus fulfilling with the objective outlined in the strategic plan of the 2020 Agenda, to extend the maturity of debt for medium and long term in order to adjust it to the free cash flow of the business units.

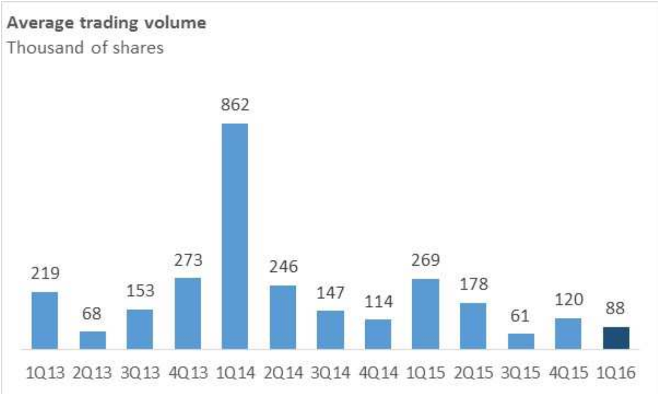
3.5. Stock Exchange performance



At the end of the third quarter of 2016 ordinary shares quote an appreciation of 6.7% from the end of 2015. The title has reversed the trend in the last quarter of the previous year, closing the first quarter with a price of € 0.112. In the first quarter the title had a trend above that recorded by the PSI-20. The evolution of the stock of Inapa was better than Sequana and Spicers, which during the first quarter registered a decline in its share price, and in line with Veritiv, which also showed an appreciation in cumulative terms.

Inapa transactions in the first quarter, were below the average of 2015 and is close to the average levels recorded in the last two quarters.

The preferred shares at March 31, 2016 recorded a quote of € 0.15, three cents below the issue price (held in October 2011) and no transactions were recorded this year.



4. Interim Consolidated Accounts

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED INCOME STATEMENT AT MARCH 31, 2016 AND MARCH 31, 2015
(Amounts in thousands of Euros)

	Notes	MARCH 31, 2016 *	MARCH 31, 2015 *
Tones *		**196,936**	**207,795**
Sales and Services rendered	**3**	217,982	228,534
Other income	**3**	5,145	5,906
Total Income		**223,127**	**234,440**
Cost of Sales		-179,184	-186,716
Personnel Cost	**5**	-18,646	-19,057
Other costs		-20,064	-21,668
		5,233	**6,999**
Depreciations and amortizations		-1,312	-1,204
Gains / (Losses) in associates		3	9
Net financial function	**6**	-3,301	-3,774
Net profit before income tax		**623**	**2,030**
Income tax	**16**	-234	-463
Net profit / (loss) for the period		**389**	**1,567**
Attributable to:			
Shareholders of the company		420	1,585
Non controlling interests		-31	-18
Earnings per share on continuing operations			
Basic		0.0009	0.0030
Diluted		0.0009	0.0030

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 MARCH 31, 2016
(Amounts in thousands of Euros)

	MARCH 31, 2016 *	MARCH 31, 2015 *
Net profit for the period before non controlling interests	**389**	**1,567**
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	-267	1,763
Income recognized directly in equity	**-267**	**1,763**
Total comprehensive income for the period	**121**	**3,330**
Attributable to:		
Shareholders of the company	153	3,348
Non controlling interests	-31	-18
	121	**3,330**

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 MARCH 31, 2016 AND DECEMBER 31, 2015
(Amounts in thousands of Euros)

	Notes	MARCH 31, 2016 *	DECEMBER 31, 2015
ASSETS			
Non-current assets			
Tangible fixed assets		83,441	84,298
Goodwill		164,690	164,787
Other intangible assets		115,663	115,641
Investments in associate companies		1,121	1,117
Available-for-sale financial assets	7	40	40
Other non-current assets	10	6,133	6,140
Deferred taxes assets	16	23,377	21,886
Total non-current assets		394,466	393,907
Current Assets			
Inventories		69,689	63,214
Trade receivables	10	135,529	127,928
Tax to be recovered		6,721	6,998
Other current assets	10	29,036	30,844
Cash and cash-equivalents	11	17,724	25,513
Available-for-sale financial assets		0	808
Total current assets		258,699	255,305
Total Assets		**653,164**	**649,212**
SHAREHOLDERS EQUITY			
Share capital	13	180,135	180,135
Reserves		450	450
Retained earnings		47,444	46,539
Net profit for the period		-36,499	-36,096
		420	-402
Non controlling interests		191,950	190,625
		-75	26
Total shareholders equity		**191,875**	**190,651**
LIABILITIES			
Non current Liabilities			
Loans	14	173,344	172,230
Financing associated to financial assets	14	43,953	44,647
Deferred tax liabilities	16	24,378	24,276
Provisions		289	324
Employees benefits		8,623	8,637
Other non-current liabilities		5,388	5,646
Total non-current liabilities		255,975	255,761
Current Liabilities			
Loans	14	110,959	119,529
Trade payables	15	63,716	53,259
Tax liabilities		14,539	11,222
Other current liabilities	15	16,101	18,789
Total current liabilities		205,314	202,800
Total shareholders capital and liabilities		**653,164**	**649,212**

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 MARCH 31, 2016 AND DECEMBER 31, 2015
(Amounts expressed in thousand of Euros)

	ATTRIBUTABLE TO SHAREHOLDERS							
	Share Capital	**Share issuance premium**	**Foreign Exchange Adjustments**	**Other Reserves and Retained Earnings**	**Net Profit / (Loss) for the period**	**Total**	**Non-Controlling Interests**	**Total Shareholders Equity**
BALANCE AS AT 1 JANUARY 2015	**180,135**	**450**	**4,803**	**3,851**	**2,078**	**191,318**	**133**	**191,451**
Total earnings and costs recognized in the period	-	-	413	-670	-402	**-658**	-108	**-767**
Previous year net profit and loss result	-	-	-	2,078	-2,078	**-**	-	-
Changes in Capital	-	-	-	-	-	**-**	-	**-**
Dividends	-	-	-	-	-	**-**	-	**-**
Other changes	-	-	-	-33	-	**-33**	-	**-33**
Total of gains and losses of the period	-	-	**413**	**1,375**	**-2,480**	**-692 -**	**-108**	**-800**
BALANCE AS AT 31 DECEMBER 2015	**180,135**	**450**	**5,216**	**5,226**	**-402**	**190,625**	**26**	**190,651**
BALANCE AS AT 1 JANUARY 2016	**180,135**	**450**	**5,216**	**5,226**	**-402**	**190,625**	**26**	**190,651**
Total earnings and costs recognized in the period	-	-	-267	-	420	**153**	-31	**121**
Previous year net profit and loss result	-	-	-	-402	402	**-**	-	-
Dividends	-	-	-	-	-	**-**	-	**-**
Other changes	-	-	-	1,172	-	**1,172**	-71	**1,101**
Total of gains and losses of the period	**-**	**-**	**-267**	**770**	**822**	**1,327**	**-102**	**1,223**
BALANCE AS AT MARCH 31, 2016 *	**180,135**	**450**	**4,949**	**5,996**	**420**	**191,950**	**-75**	**191,875**

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

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31, 2016 AND MARCH 31, 2015
(Amounts expressed in thousand Euros) - direct method

	Notes	MARCH 31, 2016 *	MARCH 31, 2015 *
Cash flow generated from operating activities			
Cash receipts from customers		215,262	221,089
Payments to suppliers		-174,472	-176,949
Payments to personnel		-18,509	-20,068
Net cash from operational activities		22,280	24,072
Income taxes paid		2,458	-692
Income taxes received		677	771
Other proceeds relating to operating activity		8,583	4,070
Other payments relating to operating activity		-18,627	-13,661
Net cash generated from operating activities	|1|	15,372	14,560
Cash flow from investing activities			
Proceeds from:			
Financial investments		-0	-
Tangible fixed assets		1,018 **	150
Intangible assets		-	-
Interest and similar income		599	980
Dividends		-	-
		1,617	1,130
Payments in respect of:			
Financial investments		-165	-263
Tangible fixed assets		-213	-826
Intangible assets		-	-
Advances from third-party expenses		-	-
Loans granted		-	-
		-378	-1,089
Net cash used in investing activities	|2|	1,239	41
Cash flow from financing activities			
Proceeds from:			
Loans obtained		31,780	30,764
Capital increases, repayments and share premiums		-	-
Treasury placements		-	-
Changes in ownership interests		-	-
		31,780	30,764
Payments in respect of:			
Loans obtained		-43,431	-40,471
Amortization of financial leases		-345	-320
Interest and similar expenses		-3,820	-4,419
Dividends		-	-
		-47,596	-45,210
Net cash used in financing activities	|3|	-15,816	-14,446
Increase / (decrease) in cash and cash-equivalent	|4| = |1| + |2| + |3|	796	155
Effect of exchange differences		211	-54
		1,007	102
Cash and cash-equivalents at the beginning of period		-41,480	-55,744
Cash and cash-equivalents at the end of period	11	-40,473	-55,642
		1,007	102

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

* Non audited.
** Sale of the asset recognized as "Assets available for sale"

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31st, 2016

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

1. INTRODUCTION

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

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

Lisbon, Portugal

Share capital: 180,135,111.43 euros

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

As a result of its development and internationalisation plan, the Inapa Group holds shares in the paper merchanting sector in several European countries, specifically (i) Inapa Deutschland, GmbH headquartered in Germany, which holds stakes in Papier Union, GmbH, which, in turn is the controlling shareholder of Inapa Packaging, GmbH, all of which are incorporated in the same country, (ii) Inapa France, S.A. and subsidiary companies, operating in France, (iii) Inapa Switzerland, a subsidiary controlled directly and indirectly through Inapa Deutschland, GmbH, which operates in the Swiss market, (iv) Inapa Portugal – Distribuição de Papel, S.A., the Portuguese company of the Group which has a stake in Inapa Angola- Distribuição de Papel, S.A. and Inapa Comunicação Visual, Lda,, (v) Inapa España Distribuición 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 May 19th, 2016. 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 three months ending March 31st, 2016 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 December 31st, 2015.

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 December 31st, 2015 and are detailed in the Notes to those financial statements.

New standards, interpretations and amendments to standards

After January 1st, 2016 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:

- IFRS 9 (amendment): 'New requirements for the classification and measurement of financial assets';
- IFRS 9 (amendment): 'Review of the requirements for the classification and measurement of financial liabilities';
- IFRS 9, IFRS 7 and IAS 39 (amendment): 'Hedge accounting';
- IFRS9 (amendment): ' Requirements for recording financial instruments';
- IFRS 14 (new): 'Tariff deviations';
- IFRS 15 (new): 'Revenue from contracts with customers' (effective for annual periods beginning on or after January 1st, 2017). This standard is still subject to endorsement by the European Union;
- IFRS 16 (new), 'Leases' (effective for annual periods beginning on or after January 1st, 2019). This standard is still subject to endorsement by the European Union.

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

IASB and IFRIC published new standards, amendments to existing standards and interpretations, the application of which is still not obligatory for the period beginning until January 1st, 2016 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 1st, 2016);
- IAS 19 (amendment) – 'Employee Benefits' (effective for annual periods beginning on or after January 1st, 2016);
- IAS 16 and IAS 38 (amendment) - Methods of calculating depreciation and depreciation allowed (effective for annual periods beginning on or after January 1st, 2016);
- IAS 16 and IAS 41 (amendment) - 'Agriculture: plants that produce consumable biological assets' (effective for annual periods beginning on or after January 1st, 2016);
- IAS 27 (amendment) – 'Equity Method in separated Financial Statements' (effective for annual periods beginning on or after January 1st, 2016);
- IFRS 11 (amendment) – Accounting for the acquisition of an interest in a joint operation' (effective for annual periods beginning on or after January 1st, 2016);
- Changes to IFRS 10 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 1st, 2016) .This is still subject to endorsement by the European Union;
- Changes to IFRS 10, 12 and IAS 28 – 'Investment Entities: exemption of the Consolidation obligation' (effective for annual periods beginning on or after January 1st, 2016). This standard is still subject to endorsement by the European Union;
- IAS 12 (amendment) 'Recognition of Deferred Tax Assets for Unrealised Losses' (effective for annual periods beginning on or after January 1st, 2017). This amendment is still subject to endorsement by the European Union;
- IAS 7 (amendment) 'Disclosure initiative – Principles of disclosure' (effective for annual periods beginning on or after January 1st, 2017). This amendment is still subject to endorsement by the European Union;
- IFRS 15 (amendment) 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after January 1st, 2018). This amendment is still subject to endorsement by the European Union;
- Improvements to standards 2010 - 2012, (applicable in general to periods beginning on or after July 1st, 2014). These improvements are still subject to endorsement by the European Union. This cycle of improvement affects the following standards: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Improvements to standards 2011 - 2013, (applicable in general to periods beginning on or after July 1st, 2015). These improvements are still subject to endorsement by the European Union. This cycle affects the normative improvements following: IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Improvements to standards 2012 - 2014, (applicable in general to periods beginning on or after January 1st, 2015). 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 1st, 2016, 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 three months of 2016.

Estimates made in preparing the financial statements for the three months ended at March 31st, 2016 have the same characteristics as in the preparation of financial statements for 2015.

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 three months to March 31st, 2016 and March 31st, 2015 brake down as follows:

	March 31, 2016	March 31, 2015
Domestic market		
Goods sold	10,852	11,339
Service rendered	323	51
	11,175	11,390
Exports		
Goods sold	204,983	214,971
Service rendered	1,824	2,173
	206,807	217,144
Total	**217,982**	**228,534**

As at March 31st, 2016 and March 31st, 2015, Other income balance were brake down as follows:

	March 31, 2016	March 31, 2015
Supplementary income	-	175
Net cash discounts	1,921	2,132
Other income	3,224	3,599
	5,145	**5,907**

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 March 31, 2016 and 2015 for operating segments is as follows:

	March 31, 2016						March 31, 2015					
	Paper	Packaging	Visual Comunication	Other operations	Eliminations on consoli-dations	Consolidated	Paper	Packaging	Visual Comunication	Other operations	Eliminations on consoli-dations	Consolidated
REVENUES												
External sales	194,491	14,412	6,925	7		**215,835**	201,688	16,890	7,732	-	-	**226,310**
Inter-segment sales	43	658	712	-	-1,413	**-**	166	660	580	-	-1,406	**-**
Other revenues	6,673	215	155	249	-	**7,292**	7,465	284	128	253	-	**8,130**
Total Revenues	**201,207**	**15,285**	**7,792**	**256**	**-1,413**	**223,127**	**209,319**	**17,834**	**8,440**	**253**	**-1,406**	**234,440**
RESULTS												
Segment results	1,632	630	-135	1,407	388	3,920	4,792	955	77	-398	369	5,795
Operacional results						**3,920**						**5,795**
Interest expenses	-2,161	-209	-88	-2,263	902	**-3,819**	-2,609	-192	-87	-2,562	935	-4,515
Interest income	1,275	18	24	49	-848	**518**	1,580	-	33	182	-1,054	741
Tax on profits						**-234**						**-463**
Income from ordinary activities						**386**						**1,558**
Gains/ (losses) in associated companies						3						9
Net profit /(loss) for the year						**389**						**1,568**
Attributable :												
Equity shareholders						420						1,585
Non controlling interests						-31						-18

As at March 31st, 2016 and March 31st, 2015, paper sales per country where the Group operates were broken down as follows:

	Sales	
	March 31, 2016	**March 31, 2015**
Germany	103,997	102,368
France	42,889	42,929
Portugal	9,500	9,698
Others	38,168	46,693
	194,554	**201,688**

5. OTHER COSTS

As at the end of the three months period ended to March 31st, 2016 and March 31st, 2015, the Other costs were brake down as follows:

	March 31, 2016	March 31, 2015
General and Administrative expenses	-18,487	-19,667
Indirect taxes	-931	-945
Other costs	-207	-146
Impairment to current assets	-439	-910
	-20,064	**-21,668**

6. FINANCIAL FUNCTION

As at the end of the three months period ended to March 31st, 2016 and March 31st, 2015, financial function was broken down as follows:

	March 31, 2016	March 31, 2015
Financial income		
Interest received	250	149
Favourable FX differences	260	538
Other financial income and profits	8	53
	519	**740**
Financial costs		
Interest paid	-2,475	-2,984
Unfavourable FX differences	-239	-460
Other financial losses and costs	-1,105	-1,071
	-3,819	**-4,515**
Net financial results	**-3,301**	**-3,774**

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

As at March 31st, 2016 and 31st, December 2015, Available-for-sale financial assets were broken down as follows:

	March 31, 2016	December 31, 2015
Non current		
Others	40	40
	40	**40**
Current		
Others	-	-
	-	**-**

Changes in Available-for-sale financial assets during the three month period to March 31st, 2016 and the year 2015 were as follows:

Opening balance as at 1 January 2015	**39**
Aquisitions	2
Disposals	-2
Changes in fair value	-
Closing balance as at 31 December 2015	**40**
Aquisitions	-
Disposals	-
Changes in fair value	-
Closing balance as at 31 March 2016	**40**

8. COMPANIES INCLUDED IN THE CONSOLIDATED ACCOUNTS

As at March 31st, 2016, 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 Distribuición 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

Subsidiary company name	Head Office	% Group holdings	Business operation	Direct holding company	Date of incorporation
Inapa – Merchants, Holding, Ltd	Torrington House, 811 High Road Finchley N12 8JW United Kingdom	100.00	Holding	Inapa – IPG, SA	1995
Inapa Suisse	Althardstrasse 301 8105 Regensdorf – Switzerland	100.00	Paper Merchanting	Inapa-IPG,SA e Papier Union, GmbH	May 1998
Europackaging SGPS, Lda	Rua Castilho 44- 3º 1250-071 Lisboa	100.00	Holding	Inapa – IPG, SA	October 2011
Edições Inapa, Lda	Rua Braamcamp 40 - 9ºD, 1250-050 Lisboa, Portugal	100,00	Editorial	Inapa – IPG, SA	November 2009
Inapa Angola – Distribuição de Papel, SA	Rua Amílcar Cabral nº 211 Edifício Amílcar Cabral nº 8º Luanda – Angola	100.00	Paper Merchanting	Inapa Portugal, SA	December 2009
Semaq Emballages, SA	Rue de Strasbourg – ZI de Bordeaux Fret França	100.00	Packaging	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
Crediforma – Papelaria e Equipamento Técnico, Lda	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra	100.00	Visual Communication l	Inapa Portugal SA	January 2014
KORDA Kağıt Pazarlama ve Ticaret Anonim Şirketi	Kasap Sokak. Konak Azer 34394 Istambul 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:

Associate company name	Shareholding company	% Holding
Surpapel, SL	Inapa España Distribuicíon Ibérica, SA	25.00
Inapa Logistics	Papier Uninon, Gmbh	100.00
Inapa Vertriebsgesellschaft	Papier Uninon, 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.

Company name	Head Office	Direct Shareholder	% holdings
Megapapier - Mafipa Netherland BV	PO Box 1097 3430 BB Nieuwegein Holand	Inapa France, SA	100%
Inapa Logistics	Osterbekstraße 90 20354 Hamburgo Germany	Papier Union, GmbH	100%
Inapa Vertriebsgesellschaft GmbH	Osterbekstraße 90 20354 Hamburgo Germany	Papier Union, GmbH	100%

10. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

As at March 31st, 2016 and December 31st, 2015, Trade receivables were broken down as follows:

	March 31, 2016	December 31, 2015
Trade receivables		
Trade receivables -Current account	126,925	117,828
Trade receivables -Bills receivable	7,052	8,536
Doubtful debt	20,238	20,343
	154,215	146,707
Cumulative impairment losses	-18,686	-18,780
Trade receivebles - net balance	**135,529**	**127,928**

As at March 31st, 2016 and December 31st, 2015, the balance of Other assets was broken down as follows:

	March 31, 2016	December 31, 2015
Other non current assets		
Other debtors	6,606	6,613
Accumulated impaiment losses	-473	-473
	6,133	**6,140**
Other current assets		
Stockholdings and stockholders		
Advances to suppliers	506	592
Other debtors	13,670	13,585
Accumulated impaiment losses	-936	-634
	12,734	12,951
Accrued income	11,885	14,653
Deferred costs	3,911	2,648
	29,036	**30,844**

11. CASH AND CASH-EQUIVALENT

The balance of Cash and cash-equivalent as at March 31st, 2016, and December 31st, 2015 and March 31st, 2015 were broken down as follows:

	March 31, 2016	December 31, 2015	March 31, 2015
Cash and cash-equivalent			
Banks	17,386	25,330	18,871
Cash	338	182	242
	17,724	**25,514**	**19,113**

Cash-flow Statement

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

	March 31, 2016	December 31, 2015	March 31, 2015
Cash and cash-equivalent			
Banks	17,386	25,330	18,871
Cash	338	182	242
Cash and cash-equivalent per balance sheet	**17,724**	**25,513**	**19,113**
Bank overdrafts	-58,197	-66,992	-74,755
Cash and Cash-equivalent per Cash-Flow statement	**-40,473**	**-41,480**	**-55,642**

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 three months ended in March 31st, 2016, the recognised asset impairments were as follows:

	Goodwill	Other intangible assets	Inventories	Trade receivables	Other current assets	Total
Balance as at January 1, 2015	11,766	27,464	1,303	21,618	1,122	63,273
Increases			185	2,712		2,897
Utilisation			-148	-268	-15	-430
Reverseals			-55	-5,097		-5,151
Changes in the consolidation perimeter						-
Exchange rate differences			9	-184		-175
Balance as at December 31, 2015	11,766	27,464	1,298	18,780	1,107	60,415
Increases	-	-	95	408	302	805
Utilisation	-	-	-26	-127	-	-153
Reverseals	-	-	-18	-339	-	-357
Changes in the consolidation perimeter	-	-	-	-	-	-
Exchange rate differences	-	-	-2	-36	-	-38
Balance as at March 31, 2016	**11,766**	**27,464**	**1,347**	**18,686**	**1,409**	**60,672**

13. SHARE CAPITAL

At March 31st, 2016 and December 31st, 2015 share capital was represented by 450,980,441 shares, of which 150,000,000 shares have no par value ordinary nature and 300,980,441 preferred shares during 2014 began to have voting rights, certificated and bearer with no par value. Equity is fully subscribed and issued.

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

On March 31, 2016, the Group does not own shares or have occurred any purchases during the year 2015 transactions of own shares.

At the Extraordinary General Meeting of August 6, 2014, an amendment to the articles of Inapa - IPG statues was approved, in which, during the period in which the preferred shares confers the right to vote, are not considered votes corresponding to shares held by a shareholder or shareholders with whom is subject to a common domain, which exceed one-third of all the votes corresponding to the share capital. This decision was object of lawsuit against Inapa-IPG, by its shareholder Parcaixa SGPS, S.A., but the claim has been rejected in a sentence given by a Court of Law in the Judicial County of Lisbon.

At the General Meeting of April 15, 2016, the shareholders of INAPA - Investimentos, Participações e Gestão, S.A. deliberated, among other things, the proposal for application results presented by the

Board of Directors, under which the negative net income for 2015, in the amount of 402,273.90 euros was transferred to Retained Earnings.

The shareholder structure as of March 31st, 2016, is as follows:

Shareholder	March 31, 2016 Ordinary Shares	% of Ordinary Shares	Preferencial Shares	% Preferencial Shares	% Voting Rights
Parpública – Participações Públicas (SGPS), SA	49,084,738	32.72%	-	0.00%	8.22%
PARUPS S.A.	1,000,000	0.67%			0.17%
Shares allocated to CGD	2,762	0.002%	148,888,866	49.47%	24.94%
Parcaixa - SGPS, S.A.			148,888,866	49.47%	24.94%
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	18,452,250	12.30%	121,559,194	40.39%	31.05%
Fundo de Pensões do Grupo Banco Comercial Português	16,491,898	10.99%	45,810,827	15.22%	13.81%
Banco Comercial Português	1,960,352	1.31%	75,748,367	25.17%	17.23%
Novo Banco, SA	-	-	27,556,665	9.16%	6.11%
Nova Expressão SGPS, SA	13,701,000	9.13%	-	-	3.04%
Total Qualified Shares	**81,240,750**	**54.16%**	**298,004,725**	**99.01%**	**73.36%**

Note: PARUPS S.A. Is not considered a qualified share, has been included in this report due to vote limitation.

Shareholder	December 31, 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	18,452,250	12.30%	121,559,194	40.39%	31.05%
Fundo de Pensões do Grupo Banco Comercial Português	16,491,898	10.99%	45,810,827	15.22%	13.81%
Banco Comercial Português	1,960,352	1.31%	75,748,367	25.17%	17.23%
Novo Banco, SA	-	-	27,556,665	9.16%	6.11%
Nova Expressão SGPS, SA	13,701,000	9.13%	-	-	3.04%
Total Qualified Shares	**81,240,750**	**54.16%**	**298,004,725**	**99.01%**	**73.53%**

14. LOANS

As at March 31st, 2016 and December 31st, 2015, Loans balance is detailed as follows:

	March 31, 2016	December 31, 2015
Current debt		
° **Bank loans**		
° Bank loans and other current financial instruments	58,197	66,992
° Commercial paper, redeemable at its nominal value, renewable, with maturity within one year	33,425	34,299
° Medium and long-term financial instruments (portion maturity within 1 year)	9,551	8,490
° Other current financial loans	8,442	8,406
° Leasing	1,344	1,342
Total current debt	110,959	119,529
Non- current debt		
° **Bank loans**		
° Medium and long-term financial instruments	126,200	125,749
° Other loans	32,038	31,097
° Commercial Paper, reimbursed by nominal value	7,550	7,550
° Leasing	7,556	7,834
	173,344	172,230
° **Financing associated to financial assets - securitisation**	**43,953**	**44,647**
Total non-current debt	**217,297**	**216,877**
Total debt	**328,256**	**336,406**

As at March 31st, 2016 the bank loans conditions are similar to the ones of December 31st, 2015.

As at March 31st, 2016 and December 31st, 2015, the net balance of consolidated financial debt is broken down as follows:

	March 31, 2016	December 31, 2015
Loans		
Current	109,615	118,188
Non-current	165,788	164,396
	275,403	282,584
Loans associated to financial assets - securitization	43,953	44,647
Financial leases debt	8,900	9,176
	328,256	**336,406**
Cash and cash-equivalents	17,724	25,513
Negotiatable financial assets (listed securities)	-	-
Available-for-sale financial assets (listed securities)	-	-
	17,724	**25,513**
	310,532	**310,893**

15. SUPPLIERS AND OTHER CURRENT AND NON CURRENT LIABILITIES

As at March 31st, 2016 and December 31st, 2015, the balances of Suppliers and of Other current liabilities were detailed down as follows:

	March 31, 2016	December 31, 2015
Suppliers		
Suppliers on current account	62,231	50,724
Trade bills account	333	760
Invoices pending reconciliation	1,152	1,775
	63,716	53,259
Other current liabilities		
Advances from clients	1,254	1,823
Fixed assets suppliers	-	-
Other creditors	4,074	7,495
Accruals and deferred items	10,773	9,472
	16,101	18,789

16. INCOME TAX

The amount of taxes in the Interim Consolidated Income Statement for the three months to 31 March 31st, 2016, amounting to a total of 234 thousand Euros, is related with the liability for current income tax for the three months period in the amount of 585 thousand Euros plus the positive balance in deferred tax, amounting to 351 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 March 31st, 2016, is detailed in the following table:

	March 31, 2016
Net income before tax	623
Nominal company tax rate	30%
	-187
Income tax	-234
	47
Permanent differences - Germany	29
Permanent differences - France	3
Permanent differences - Portugal	-74
Changes in taxes rates	-114
Other	203
	47

Deferred tax

All instances where future taxation due may come to be significantly impacted are reported in the financial statements as at March 31st, 2016 and December 31st, 2015.

The following table reports changes in deferred tax assets and liabilities during the three months to March 31st, 2016 and the financial year ended December 31st, 2015:

	01-01-2016	Changes in consolidation perimeter	Fair value reserves and other reserves	Net profit for the period	31-03-2016
Deferred tax assets					
Taxable provisions	88	-	-	-	88
Reportable tax losses	18,376	-	-	467	18,843
Others	3,422	-8	1,049	-17	4,446
	21,886	-8	1,049	450	23,377
Deferred tax liabilities					
Fixed assets revaluation	-8,410	-	-2	141	-8,271
Depreciation	-14,848	-	-	-67	-14,915
Others	-1,019	-	-	-173	-1,192
	-24,276	-	-2	-99	-24,378
Net deferred tax	**-2,390**	**-8**	**1,047**	**351**	**-1,001**

	01-01-2015	Changes in consolidation perimeter	Fair value reserves and other reserves	Net profit for the period	31-12-2015
Deferred tax assets					
Taxable provisions	88	-	-	-	88
Reportable tax losses	19,293	-	-	-916	18,377
Others	3,675	-29	-	-223	3,423
	23,055	-29	-	-1,139	21,886
Deferred tax liabilities					
Fixed assets revaluation	-8,259	-	-29	-122	-8,410
Depreciation	-14,583	-	-	-265	-14,848
Others	-1,011	-	-	-8	-1,019
	-23,853	-	-29	-395	-24,276
Net deferred tax	**-799**	**-**	**-29**	**-1,534**	**-2,390**

Deferred tax assets are recognised for tax losses insofar as the use of their respective tax benefits is likely due to expected future taxable profits. The Group recognised a balance of 18,843 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	8,029	unlimited
Portuguese Group	0	2017
Inapa Distribuición Ibérica	6,899	2021-2033
Inapa Bélgique	2,059	unlimited
Inapa Suisse	1,170	2018-2021
Others	686	
	18,843	

17. CONTINGENT LIABILITIES

On August 1st, 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) Annulation 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.

18. SUBSEQUENT EVENTS

After March 31st, 2016 and until the date of publication, no relevant subsequent events were registered.

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5. Mandatory information

5.1. Shares Held by Governing Bodies

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

Board of Directors

Name	Ordinary Shares	Preferential Shares	Voting rights
Álvaro João Pinto Correia	0	0	0%
Diogo Francisco Bastos Mendes Rezende	0	0	0%
António José Gomes da Silva Albuquerque	0	0	0%
Frederico João de Moser Lupi	0	0	0%
Arndt Klippgen	0	0	0%
Emídio de Jesus Maria (mandate ended on the 15/04/2016)	0	0	0%
António Pedro Valente da Silva Coelho (mandate started on the 15/04/2016)	0	0	0%
João Miguel Pacheco Sales Luís	0	0	0%
Gonçalo Faria Carvalho	0	0	0%

Chartered Accountant

Name	Ordinary Shares	Preferential Shares	Voting rights
Deloitte & Associados, SROC, S.A., representada por: - Jorge Carlos Batalha Duarte Catulo – ROC efetivo	0	0	0%
Carlos Luís Oliveira de Melo Loureiro, 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 the year 2016 there were no transactions registered by any of its Governing Bodies members.

5.3.Statement of conformity

In compliance with the content of nº 1, Paragraph c) of Article 246 of CVM, the members of the Board of Directors of Inapa – Investimentos, Participações e Gestão, SA hereby declare that, to the best of their knowledge, the information contained in the abridged consolidated financial statements reported to the nine months ended on 30 September 2014 were elaborated in full conformance with the applicable accounting principles, providing a true and appropriate reflection of the assets and liabilities, financial standing, and results of the Company and its subsidiary and associate companies included in its consolidation perimeter and that its Interim Directors' Report faithfully reports on the performance of its statutory business and the set of companies included in its consolidated financial statements.

Lisbon, 19 May 2016

Álvaro João Pinto Correia
Chairman of the Board of Directors

Diogo Francisco Bastos Mendes Rezende
Member of the Board of Directors and CEO

António José Gomes da Silva Albuquerque
Member of the Board of Directors and CFO

Frederico João de Moser Lupi
Member of the Board of Directors and COO

Arndt Klippgen
Member of the Board of Directors

António Pedro Valente da Silva Coelho
Director and Chairman of the Audit Committee

João Miguel Pacheco Sales Luís
Director and member of the Audit Committee

Gonçalo Faria Carvalho
Director and member of the Audit Committee

6. Additional information

WARNING

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

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

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

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

- Ordinary shares: INA
- Preferred shares: INAP

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