CONSOLIDATED RESULTS
JUNE 30, 2017

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1. Highlights

Positive results before taxes of € 2.4M compared with € 0.1M in 2016

Sales grow of € 28M (+6.6% compared with 2016) to € 454.8M

Recurrent EBITDA improvement of 27% to € 13.0M with margin increase of + 0.4pp

Reduction of € 8.7m in net debt compared to the same period of 2016

Generation of results

- Sales volume increased 9.0% compared with June 2016.
- Turnover increased 6.6% compared to the same period in 2016.
- Gross margin of 18.0%, in line with the same period of previous year.
- Operational costs before impairments decrease to 14.8% of sales, compared to 15.4% in June 2016.
- Recurring EBITDA of € 13.0m, an increase of € 2.8m, representing 2.8% of sales.
- Operational results (EBIT) of € 8.9m (+ 26.4% compared to 2016).
- Financial costs decreased € 0.5m (-6.3%).
- Positive net income of € 0.5M.

Financial strenght

- Net debt decreased € 8.7M compared to June 2016.
- Working capital decreased € 12.6m compared to June 2016.

MAIN ACTIVITY INDICATORS

MILLION EUROS	1H17	1H16	VAR. 17/16
Tonnes ('000)	423	388	9,0%
Sales	454,8	426,8	6,6%
Gross margin	81,7	76,8	6,5%
Gross margin (%)	*18,0%*	*18,0%*	*0,0 pp*
Operational costs	67,3	65,6	2,7%
Provision for current assets	1,4	1,0	47,0%
Re-EBITDA	13,0	10,2	27,0%
Re-EBITDA (%)	*2,8%*	*2,4%*	*0,4 pp*
EBIT	8,9	7,1	26,4%
EBIT (%)	*2,0%*	*1,7%*	*0,3 pp*
Net Financial costs	6,5	7,0	-6,3%
EBT	2,4	0,1	2,3
Income tax	-1,9	0,1	-2,0
Net income	0,5	0,3	92,9%

	30/06/17	30/06/16	VAR. 17/16
Net debt [1]	296,1	304,8	-2,9%
Interest coverage	2,0 x	1,5 x	0,52 x
Working capital	127,5	140,1	-9,0%

[1] Includes securitization.

GLOSSARY

Sales: Sales of merchandise and other products [Note 3]

Gross Margin: Sales of merchandise and other products [Note 3] - Cost of sales + Net cash discounts [Note 3]

Operational costs: Personnel costs excluding non recurrent (indemnifications for contract termination for an amount of 1 178 thousand euros (2016: 400 thousand euros)) + Other costs excluding provisions [Note 5] - Services rendered and supplementary income [Note 3]

Provisions for current assets: Other costs [Note 5]

Re-EBITDA: Results before Net financial function and Income tax, Depreciations and amortizations, Gains/(Losses) in Associates and non recurrent costs (indemnifications for contract termination for an amount of 1 178 thousand euros (2016: 400 thousand euros))

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

EBIT: Results before net financial function and Income tax

EBIT (%): EBIT / Sales

Net debt: (Current and non-current loans + Financing associated to financial assets + Debt related to financial leases) [Note 15] - Cash and cash-equivalents [Note 12]

Interest coverage: Re-EBITDA/Net financial function

Working Capital: Trade receivables + Inventories - Trade payables

2. Relevant facts

24/3/2017	2016 Results announcement
06/4/2017	2016 Annual Report Publication
06/4/2017	Notice of Ordinary General Meeting
28/4/2017	Ordinary General Meeting

Until the date of publication, no subsequent events were registered

3. Management report

3.1. Market analysis

Global economy had a strong boost by the end of 2016, which continued during the first half of 2017, due to a simultaneous growth in several developed and emerging economies.

In the euro zone the second quarter of 2017 was characterized by the acceleration of an economy growth, which reached the highest rate of the last two years. After a growth of 0.5% in the first quarter, there was a growth of 0.6% in the second, a growth that occurs for the 17th consecutive quarter. On an annual basis, growth stood at 2.3% during the second quarter, with unemployment down to 9.1%, the lowest level in the last 9 years. The estimated growth for 2017 of 1.7% can be revised upwards.

In Germany, although there was a deceleration of growth in the second quarter, from 0.7% to 0.6%, economy remains solid and this good momentum will continue during the second half of the year, with an expected growth of 1.9% for 2017. The export sector will continue to contribute strongly to this growth, together with a good contribution from private consumption is expected.

In France, the growth during the second quarter was 0.5%, with a very positive performance of external demand and labor market. These two factors will also have a positive effect on domestic demand. Reactions to the implementation of reforms in labor legislation and the approval of a more restrictive budget for 2018 could be risk factors to reach the growth target of 1.5% for 2018.

Spain continued to grow at a high rate. In the second quarter of 2017, the economy grew 0.9% compared to the first quarter, when growth had already been 0.8%. This growth was supported mainly by domestic demand and exports. The forecast for the end of the year is a minimum growth of 3.0%.

The Portuguese economy decelerated during the second quarter of 2017, having grown only 0.3% compared to 1.0% in the previous quarter. On an annual basis, growth is at a good level, 2.9%. Good results in the tourism sector and unemployment have been fundamental factors for the good results achieved in the first half. Real estate investments, especially in the area of reconstruction and new construction, which had also a good contribution to the growth that has occurred. Growth forecast for 2017 is 2.5%.

In Belgium, in the second quarter of 2017, there was a slowdown in the economy compared to the first, 0.4% compared to 0.6% in the first quarter. Annual growth was 1.4% (1.6% in the first quarter). For 2017, it is expected a growth of 1.6%.

In Turkey, it is estimated that the economy remains with a positive outlook, based on the good performance of the export sector and an expansionary fiscal policy. For 2017 it is estimated a growth of 4.2%.

Despite Europe economic improvement in global terms, the paper market has still an overall negative development. Indicators of paper demand in Europe in the first six months of 2017 show a negative change compared to the same period in 2016. Based on the *Eurograph (European Association of Graphic Paper Producers*) statistics, regarding the evolution of paper consumption for graphic, writing and printing, Western Europe recorded a 3% decline in global consumption of these types of paper, with a 5% reduction in coated papers (coated woodfree) and 1% in uncoated papers (uncoated woodfree).

According to these statistics, the volume of paper sold in Inapa's most important European markets (Germany, France, Spain and Portugal) have decreased 1.5%. It is noteworthy that the two main markets of the Inapa Group had different performances, whereas Germany has decreased 1.3%, France has been in line with the first half of 2016. These figures aggregate coated and uncoated paper volumes - totaling between 80% and 85% of papers being traded - not including other subfamilies, namely specialties such as paperboard and self-adhesive.

In production, the outlook remained stable, with exports to countries outside Europe accommodating the installed over capacity. There was also a rise in prices on the part of producers, mainly linked to the increase in pulp prices. Imports, mainly from Asia, were residual, both because of lack of competitiveness and strong demand in their home countries.

3.2. Consolidated performance

In the beginning of 2017, we saw a more favourable performance of the economy in Europe than in previous years. In this context, sales of Inapa until June increased 6.6% compared to the same period of 2016, reaching 454.8 million euros. This development results mainly from the growth in the areas of packaging and visual communication, complemented by the combined effect of the acquisition of Papyrus France in December 2016 and the sale of Inapa Switzerland. Inapa's sales volume increased 9.0% compared to the same period in 2016.

Total sales of the complementary packaging, visual communication and office consumables business maintained a positive progression, aided by the acquisition of Embaltec (France) in November and by the dynamic cross-selling, this latter with greater predominance in visual communication.

During the first half of 2017, gross margin stood at 18.0%, in line with the same period of previous year, despite the strong pressure exerted by the increase in producer prices.

Until June, operating costs before impairment of current assets decreased to 14.8% of sales, compared to 15.4% in June 2016, as a result of increased productivity and operational efficiency, particularly in the logistics and commercial areas and also of the synergies achieved in France with the start of the implementation of Papyrus integration measures.

The ratio of customer impairment over sales amounted to 0.3%, a marginal increase of 0.1% over the same period of last year, following a number of one-off cases of insolvency. Inapa maintains a strict performance in relation to the credit risk of the customer portfolio and an articulated management with the Group's credit insurance company, whose program currently covers all the Group companies, except Belgium and Luxembourg.

In the first half of 2017, Re-EBITDA improved 27% to 13 million euros, representing 2.8% of sales (an increase of + 0.4pp compared to 2016). This evolution is a result of the sales growth, transversal to all Inapa's business areas, maintaining the margin at levels similar to those of 2016, in addition to the positive impacts of greater efficiency and operational flexibility.

The non-recurring charges are mainly inherent to the restructuring carried out in the logistics and commercial areas, with impact in Germany and greater relevance in France, due to Papyrus France's ongoing integration process.

Operational results (EBIT) amounted to 8.9 million euros, an increase of 1.8 million euros compared to 2016, representing 2.0% of sales (1.7% in June 2016).

In the first six months of 2017 financial expenses decreased 6.3% (-0.5 million euros) compared to the same period last year. This tendency is mainly due to the progressive debt reduction in this period.

Consolidated earnings before taxes amounted to € 2.4 million, compared to € 0.1 million in 2016. Income tax amounted to € 1.9 million and is mainly the result of current taxes from the companies in Portugal and France.

Despite the increase in activity through the acquisition of Papyrus France and Embaltec, working capital recorded a 9.0% improvement compared to June 2016, i.e. a reduction of 12.6 million euros.

Consolidated net debt at June 30, 2017 was 296.1 million euros, a decrease of 8.7 million euros compared to June 2016, as a result of the strict management of working capital and the application of cash flow released by activity. Non-current debt currently accounts for approximately 79% of total gross debt at June 30, 2017 compared to 73% in the same period of previous year.

3.3. Performance of the Group Business Areas

Total sales of companies related to the complementary business packaging and visual communication, registered a very positive progression, having increased overall 17% compared to 2016, representing in this period 18% of the Group's total EBIT. Inapa maintained a significant effort to adjust the business and the organization models, thus improving its efficiency and productivity

Paper

In volume, the sales of the first six months increased 9% compared to 2016, to 423 thousand tons. In value, the companies of paper business amounted to 419.1 million euros. This development is the result of the combined effect of the contribution to strengthening Inapa's position in the French market through the acquisition of Papyrus France and the exit of the Swiss market. In global terms, there is still a strong competitiveness among the different market players, although with different behaviours, depending on geographies.

In the first half of 2017, the average sales price[1] decreased by 2.8% to € 918 per tonne compared to the same period in 2016, mainly because of higher pressures in the office segment.

Inapa continues to be focused on increasing the cross-selling of packaging materials, visual communication and graphics and office consumables as a way to increase its customer penetration, thereby compensating partly the decrease in paper.

The margin of the first half remained in line with the one of the same period of 2016, confirming a policy of margin defence. Since the beginning of the year, there have been various successful price increases by the suppliers, which, together with strong competition among distributors who continue to seek a higher presence in the market through volume rather than margin, led Inapa to direct its strategy for higher value-added products allowing to maintain the margin at appropriate levels.

Operational results (EBIT) of this business amounted to around 8.0 million euros, an increase of 1.4 million euros compared to the same period of 2016. These results represented 1.9% of sales, compared to 1, 7% in 2016, reflecting efficiency-driven management.

Packaging

Inapa packaging business accounted for 36.0 million euros of sales, 5.2 million euros above the volume of 2016, an increase of around 17%.

Sales volume in the first six months was increased by the acquisition of Embaltec (France) and by a very positive evolution of sales in the wine, agri-food, chemical and cosmetics sectors, combined with a growth in the new segments of food processing, automotive industry or electronics.

At the end of the first quarter, the two operations in Portugal were merged into a single company with positive sales and structural cost savings, already visible in the second quarter.

The operational results (EBIT) of packaging companies were 1.5 million euros, representing 4.0% of sales and corresponding to a 17% improvement over 2016. Inapa maintained a consistent policy of protecting the margin that together with the strengthening of commercial relations with the main suppliers and the continuous focus on optimizing the structure of resources allocated to the activity, allowed to maintain adequate profitability levels, having achieved an increase of 28% on earnings before taxes compared to 2016.

[1] Average sales price: Paper Sales / Tons

Visual Communication

The visual communication business recorded a turnover of 18.0 million euros, an increase of around 16% compared to 2016.

The low financing costs and a strengthening of economic activity worldwide led to an increase, albeit moderate, in investment, mainly driven by private consumption. Our participation in the FESPA fair, the largest international event for wide format printing, which was held in Hamburg in May, which had more than 700 exhibitors, also contributed positively to increase sales. In this framework, the Large Format Printing (LFP) registered a very positive evolution in all product segments, Hardware, Media and Print, with the inherent increase in technical assistance services and the sale of spare parts.

3.4. Future prospects

Global recovery is expected to accelerate in a context where growth prospects of the advanced economies outside the EU have been improving in recent months and the growth of emerging market economies is expected to consolidate until 2018, despite regional variations. The persistent fragility of investment, together with the uncertainty resulting from the intentions of the new US administration in important areas of intervention, which should still be clarified, the electoral processes taking place in Europe this year and future negotiations on the application of Article 50. by the United Kingdom, raises doubts as to the sustainability of the recovery and the potential growth of the economy.

In the paper market, we have witnessed in recent years a structural decline in more developed economies, where the generalization of the media (Internet, electronic media) has created consumption habits that favour digital over paper, with the inherent dematerialization and digitization of documents to maintain a relevant weight in the habits of consumption and use of paper. The evolution of the demand for graphical and printing paper will continue to be influenced by the performance of the economies where Inapa operates, in particular by the European macroeconomic framework, along with the balances within the sector. For the next half of the current year, it is estimated that in a context of strong pressure, still felt in the industry due to high raw material costs, coupled with an increase in domestic and export demand, it may lead to new price increases for both coated and uncoated papers. In the cut-size paper segment, it is also estimated that in the coming months, the market will maintain a tendency to increase prices by (i) lower competition from Asian suppliers whose demand in their markets continues to rise (China, India) , (ii) machine maintenance procedures, planned for the second half of the year, which will reduce the volume of paper in the market, and (iii) the incident in one of Stora's mills, thus forcing to stop one of the machines.

In the paper distribution sector, the economic fundamentals continue to be present for a greater rationalization of the activity and it should not be ruled out that the consolidation movements in some markets can continue.

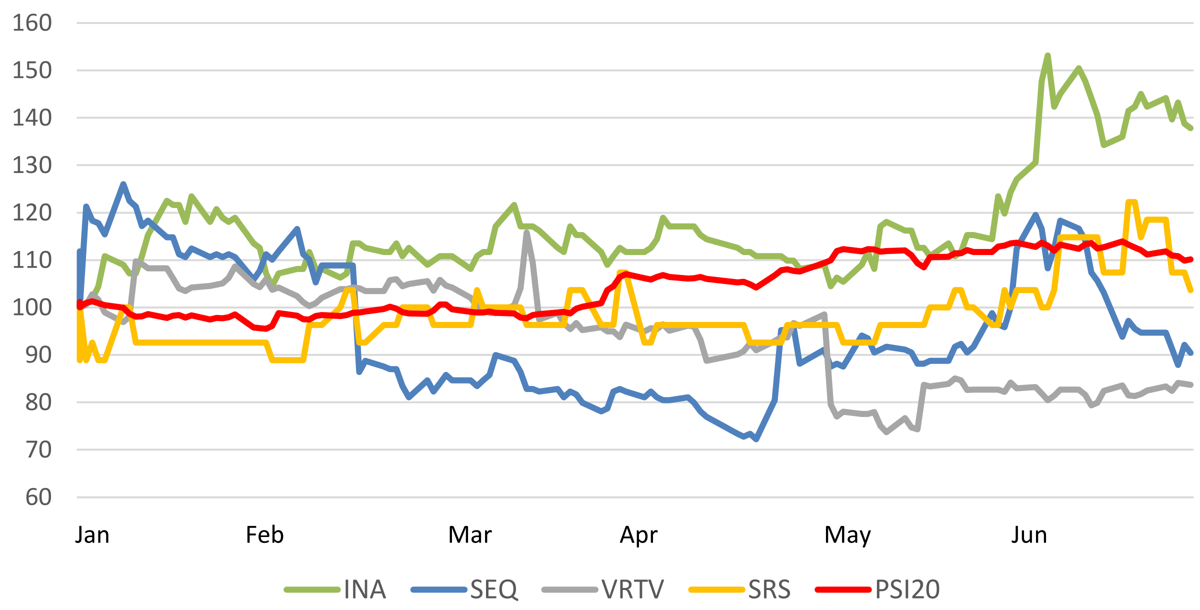
Regarding the packaging and visual communication business, Inapa will remain focused on its organic growth through greater penetration in the markets where Inapa operates and in the reinforcement of cross-selling. These still fragmented markets, where typically small and medium-sized companies operate, provide that Inapa will continue to actively pursue investment opportunities with prospects for growth, profitability and value creation in line with the standards that the Group has followed in recent years.

There will be a permanent focus on maintaining the stability of the margin through a strong price policy and product-mix management alongside with strict credit risk management. We will continue to pay close attention to operational costs in order to maintain the steadily decreasing tendency, constantly working the adjustment of the organizational model and its adaptation to the structure of the business in order to achieve greater efficiency and flexibility.

In terms of the balance sheet, the Group will maintain the objective of reducing its debt ratio through the optimization of working capital and the generation of cash-flow arising from the activity, being currently fulfilled the objective set in the strategic plan for the 2020 agenda of having two thirds of debt with medium and long term maturity.

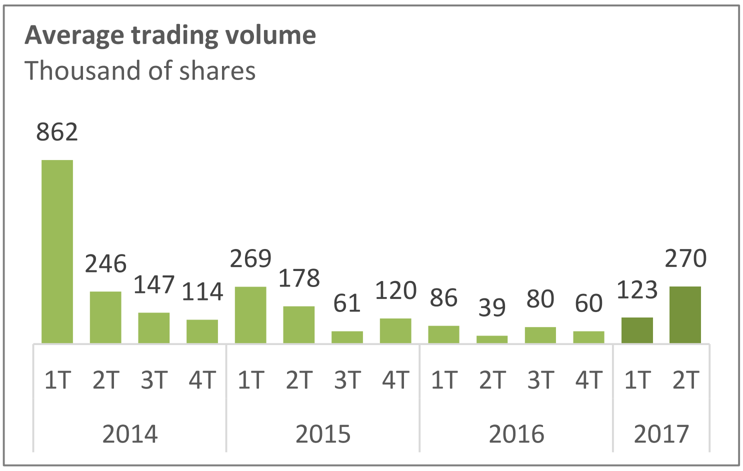
3.5. Stock Exchange performance

Inapa share price evolution vs. PSI-20 vs. comparables
June 2017



At June 30, 2017, ordinary shares registered an increase of 38% compared to the end of 2016, closing the first half with a price of € 0.153. The performance of the title surpassed the one registered by the PSI-20 and of its peers in the industry, with a sharp increase in particular in the last two months of the semester.

Inapa trading volumes during the first half of 2017 were above the 2016 average, having the second quarter of 2017 showed an average transaction volume of 270,000 transacted shares, close to the levels recorded in 2015.



Preferred share price at June 30, 2017 was € 0.10, eight cents below the emission price (done in October 2011), with transactions in only 12 sessions and having been traded only 121,000 shares during the semester.

4. Interim Consolidated Accounts

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED JUNE 30, 2017
(Amounts in thousands of Euros)

		Period Ended	
	Notes	**JUNE 30, 2017**	**JUNE 30, 2016**
Tonnes *		**422 921**	**387 984**
Sales and services rendered	**3**	459 204	430 855
Other income	**3**	11 624	10 279
Total Income		**470 828**	**441 134**
Cost of sales		-377 180	-353 818
Personnel cost		-38 391	-37 296
Other costs	**5**	-43 452	-40 330
		11 805	**9 691**
Depreciations and amortizations		-2 900	-2 668
Gains / (losses) in associates		21	37
Net financial function	**6**	-6 539	-6 978
Net profit before income tax		**2 387**	**82**
Income tax	**17**	-1 863	141
Net profit / (loss) for the period		**523**	**223**
Attibutable to:			
Shareholders of the company		523	271
Non controlling interests		-	-48
Earnings per share on continuing operations			
Basic		0.0012	0.0005
Diluted		0.0012	0.0005

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 FOR THE PERIOD ENDED JUNE 30, 2017
(Amounts in thousands of Euros)

	Period Ended	
	JUNE 30, 2017	JUNE 30, 2016
Net profit for the period before non controlling interests	**523**	**223**
Items that will not be reclassified to profit or loss		
Actuarial gains / losses	23	-
Items that may be reclassified subsequently to profit or loss		
Change in value of available-for-sale financial assets	-	-
Exchange conversion differences	-372	-361
Income recognized directly in equity	**-349**	**-361**
Total comprehensive income for the period	**174**	**-139**
Attibutable to:		
Shareholders of the company	174	-90
Non controlling interests	-	-48
	174	**-139**

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

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED BALANCE SHEET AT JUNE 30, 2017
(Amounts in thousands of Euros)

	Notes	JUNE 30, 2017	DECEMBER 31, 2016
ASSETS			
Non-current assets			
Tangible fixed assets		76 288	77 600
Investment property		671	-
Goodwill	7	188 396	188 602
Other intangible assets	7	118 994	118 712
Investments in associate companies	10	1 147	1 126
Available-for-sale financial assets	8	16	22
Other non-current assets	11	8 787	7 694
Deferred taxes assets	17	20 940	21 475
Total non-current assets		415 240	415 231
Current assets			
Inventories		64 038	66 792
Trade receivables	11	139 720	139 155
Tax to be recovered		4 790	5 638
Other current assets	11	38 358	31 463
Cash and cash-equivalents	12	19 538	22 259
Total current assets		266 443	265 307
Total Assets		**681 684**	**680 538**
SHAREHOLDERS' EQUITY			
Share capital	14	180 135	180 135
Share issue premium		450	450
Reserves		27 898	28 270
Retained earnings		-22 044	-19 306
Net profit for the period		523	-2 226
		186 963	187 323
Non controlling interests		-	-120
Total shareholders' equity		**186 963**	**187 202**
LIABILITIES			
Non current liabilities			
Loans	15	204 641	181 629
Financing associated to financial assets	15	43 953	43 953
Deferred tax liabilties	17	48 167	48 715
Provisions		1 720	2 060
Employees benefits		5 543	5 567
Other non-current liabilities	16	4 773	4 872
Total non-current liabilities		308 797	286 795
Current liabilities			
Loans	15	67 005	87 381
Trade payables	16	76 275	79 394
Tax liabilities		10 226	12 139
Other current liabilities	16	32 418	27 624
Total current liabilities		185 924	206 538
Total shareholders equity and liabilities		**681 684**	**680 538**

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

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE PERIOD ENDED JUNE 30, 2016 AND 2017
(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 JANUARY 1, 2016	**180 135**	**450**	**5 216**	**5 226**	**-402**	**190 624**	**26**	**190 651**
Total earnings and costs recognized in the period	-	-	-212	-	271	**60**	-48	**11**
Previous year net profit and loss result	-	-	-	-402	402	**-**	-	-
Changes in equity	-	-	-	-	-	**-**	-	**-**
Other changes	-	-	-	1 115	-	**1 115**	-71	**1 044**
Total of gains and losses of the period	**-**	**-**	**-212**	**713**	**673**	**1 176**	**-119**	**1 055**
BALANCE AS AT JUNE 30, 2016	**180 135**	**450**	**5 004**	**5 939**	**271**	**191 800**	**-92**	**191 708**
BALANCE AS AT JANUARY 1, 2017	**180 135**	**450**	**-2 577**	**11 540**	**-2 226**	**187 323**	**-120**	**187 202**
Total earnings and costs recognized in the period	-	-	-372	23	523	**175**	-	**175**
Previous year net profit and loss result	-	-	-	-2 226	2 226	**-**	-	-
Other changes	-	-	-	-534	-	**-534**	120	**-414**
Total of gains and losses of the period	**-**	**-**	**-372**	**-2 737**	**2 749**	**-359**	**120**	**-239**
BALANCE AS AT JUNE 30, 2017	**180 135**	**450**	**-2 948**	**8 802**	**523**	**186 962**	**0**	**186 963**

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

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED JUNE 30, 2017
(Amounts expressed in thousand Euros) - direct method

	Notes	JUNE 30, 2017	JUNE 30, 2016
Cash flow generated from operating activities			
Cash receipts from customers		487 525	438 706
Payments to suppliers		-382 252	-361 678
Payments to personnel		-39 741	-36 831
Net cash from operational activities		65 531	40 197
Income taxes paid		-1 031	-886
Income taxes received		1 226	372
Other proceeds relating to operating activity		46 802	21 719
Other payments relating to operating activity		-78 900	-21 186
Net cash generated from operating activities	|1|	33 628	40 215
Cash flow from investing activities			
Proceeds from:			
Financial investments		10	4
Tangible fixed assets		203	4 639
Interest and similar income		1 588	450
		1 801	5 094
Payments in respect of:			
Financial investments		-165	-165
Tangible fixed assets		-923	-715
Intangible assets		-	-218
Advances from third-party expenses		-676	-
Loans granted		-	-
		-1 764	-1 098
Net cash used in investing activities	|2|	37	3 996
Cash flow from financing activities			
Proceeds from:			
Loans obtained		22 138	161 966
Capital increases, repayments and share premiums		-	-
		22 138	161 966
Payments in respect of:			
Loans obtained		-24 931	-187 565
Amortization of financial leases		-642	-2 450
Interest and similar expenses		-8 690	-7 089
		-34 263	-197 104
Net cash used in financing activities	|3|	-12 125	-35 138
Increase / (decrease) in cash and cash-equivalents	|4| = |1| + |2| + |3|	21 540	9 073
Effect of exchange differences		-30	-16
		21 510	9 057
Cash and cash-equivalents at the beginning of period		-21 350	-41 480
Cash and cash-equivalents at the end of period	12	161	-32 423
		21 510	9 057

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

INAPA - INVESTIMENTOS, PARTICIPAÇÕES E GESTÃO, SA

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF SIX MONTHS ENDED JUNE 30, 2017

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

1. INTRODUCTION

Inapa-Investimentos, Participações e Gestão, S.A. (Inapa – IPG or company) 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 internationalization plan, the Inapa Group holds shares in the Paper supply sector in various European countries, specifically (i) Inapa Deutschland, GmbH headquartered in Germany, which has a stake in Papier Union, GmbH, which in turn holds shares in Inapa Packaging, GmbH, and Complott Papier Union, GmbH, headquartered in the same country, (ii) Inapa France, SA, (iii) Inapa Portugal - Distribuição de Papel, SA, the Portuguese company in the Group which has a stake in Inapa Angola - Distribuição de Papel, S.A. and Inapa Comunicação Visual, Lda, (iv) Inapa España Distribuición de Papel, S.A., operating in Spain, which has a stake in Surpapel, SL (a company that markets paper), (v) Europackaging, SGPS, Lda, based in Portugal that develops its activity in Portugal and France through its subsidiaries Inapa Packaging Lda, Embaltec, Inapa Packaging SAS and Semaq, and (vi) one company located in the United Kingdom - Inapa Merchants Holding, Ltd, company without activity, (vii) Inapa Belgium, operating in the Benelux market and (viii) 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 on September 22, 2017. It is the opinion of the Board that these financial statements appropriately reflect the Group's operations and financial position.

During the first semester, France paper activities were merged into one entity, namely combining, Papyrus France and Papeteries de France into Inapa France.

2. ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements of the Inapa Group were prepared under the going concern assumption and are based on the accounting books and records of the companies which comprise the Group. On the other hand, the interim financial statements for the six month period ended June 30, 2017 were prepared in compliance with the provisions of IAS 34 – Interim Financial Reporting and are published in conjunction with condensed Notes thereto, on account of which they are to be read in conjunction with the annual consolidated financial statements reported to financial year ended December 31, 2016.

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 by the European Union.

Accounting policies

The accounting policies applied in these interim consolidated financial statements are consistent with the policies adopted by the Inapa Group in preparing its annual consolidated financial statements reported on the financial year that ended December 31, 2016 and are detailed in the Notes to those financial statements.

New standards, interpretations and amendments to standards

IASB and IFRIC published new standards, amendments to existing standards and interpretations, the application of which is still not obligatory for the interim period beginning January 1, 2017 as they have not been adopted by European Union or only come into force in future periods. These standards are either not relevant in the context of the present financial statements or Inapa has opted not to early adopt.

1. Standards that have been published and are mandatory for the accounting periods beginning on or after January 1, 2018, and that have already been endorsed by the EU:

- IFRS 9 (new), 'Financial instruments' (effective for annual periods beginning on or after January 1, 2018). IFRS 9 replaces the guidance in IAS 39. The Company is still evaluating the future adoption of this standard, not expecting at this time any significant impacts.

- IFRS 15 (new), 'Revenue from contracts with customers' (effective for annual periods beginning on or after January 1, 2018). The Company is still evaluating the future adoption of this standard, not expecting at this time any significant impacts.

2. Standards (new and amendments) and interpretations that have been published and are mandatory for the accounting periods beginning on or after January 1, 2017, but are not yet endorsed by the EU:

- IAS 7 (amendment), 'Cashflow statement – Disclosure initiative' (effective for annual periods beginning on or after 1 January 2017) – Cash flows in respect of Loans. This amendment is still subject to endorsement by the European Union. The Company does not expect any significant impacts from this change.

- IAS 12 (amendment),'Income taxes – Recognition of deferred tax assets for unrealised losses' (effective for annual periods beginning on or after January 1, 2017). This amendment is still subject to endorsement by the European Union. The Company does not expect any significant impacts from this change.

- IAS 40 (amendment), 'Transfers of Investment property' (effective for annual periods beginning on or after January 1, 2018). This amendment is still subject to endorsement by the European Union. This amendment clarifies when assets are transferred to, or from investment properties, the evidence of the change in use is required. A change of management intention in isolation is not enough to support a transfer. The Company does not expect any significant impacts from this change.

- IFRS 2 (amendment), 'Classification and measurement of share-based payment transactions' (effective for annual periods beginning on or after January 1, 2018). This amendment is still subject to endorsement by the European Union. The Company does not expect any impacts from this change.

- IFRS 4 (amendment), 'Insurance contracts (Applying IFRS 4 with IFRS 9)' transactions' (effective for annual periods beginning on or after January 1, 2018). This amendment is still subject to endorsement by the European Union. The Company does not expect any impacts from this change.

- Amendments to IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after January 1, 2018). These amendments are still subject to endorsement by European Union. The Company is still evaluating the future adoption of this standard, not expecting at this time any significant impacts.

- IFRS 16 (new), 'Leases' (effective for annual periods beginning on or after January 1, 2019). This standard is still subject to endorsement by European Union. The Company is still evaluating the future adoption of this standard, not expecting at this time any significant impacts.

- IFRS 17 (new), 'Insurance contracts' Leases' (effective for annual periods beginning on or after January 1, 2021). This standard is still subject to endorsement by European Union. The Company does not expect any impacts from this change.

- Annual Improvement 2014 - 2016, (generally effective for annual periods beginning on or after January 1, 2017). These improvements are still subject to endorsement by European Union. The 2014-2016 annual improvements impacts: IFRS 1, IFRS 12 and IAS 28. The Company does not expect any significant impacts from this change.

- IFRIC 22 (new), 'Foreign currency transactions and advance consideration' (effective for annual periods beginning on or after January 1, 2018). This interpretation is still subject to endorsement by European Union. The Company does not expect any impacts from this change.

- IFRIC 23 (new), 'Uncertainty over income tax treatment' (effective for annual periods beginning on or after January 1, 2019). This interpretation is still subject to endorsement by European Union. The Company does not expect any significant impacts from this change.

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

According to the analysis made by Inapa, current expectations are that the implementation of the amendments and new standards referred to above, which are not yet mandatory for the interim period beginning on January 1, 2017, will not have a significant impact on the financial statements of the Group upon their application.

Estimates and material errors

No material errors or significant changes to accounting estimates relative to prior periods were recognised during the course of the first half of 2017.

Estimates made in preparing the financial statements for the six months ended June 30, 2017 have the same characteristics as in the preparation of financial statements for 2016.

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 six month periods ended June 30, 2016 and 2017 break down as follows:

	June 30, 2017	June 30, 2016
Domestic market		
Goods sold	21 406	21 107
Services rendered	293	1 372
	21 699	22 479
Exports		
Goods sold	433 424	405 706
Services rendered	4 080	2 670
	437 504	408 376
Total	**459 204**	**430 855**

Other income during the six month periods ended June 30, 2016 and 2017 break down as follows:

	June 30, 2017	June 30, 2016
Supplementary income	1	-
Net cash discounts	4 068	3 759
Other income	7 555	6 520
	11 624	**10 279**

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 for the period ended June 30, 2017 for operating segments is as follows:

	June 30, 2017					
	Paper	Packaging	Visual Comunication	Other operations	Eliminations on consoli-dations	Consolidated
REVENUES						
External sales	404 927	34 362	15 530	11	-	**454 830**
Inter-segment sales	122	1 123	2 089	-	-3 334	**-**
Other revenues	14 045	485	344	1 122	-	**15 997**
Total Revenues	**419 094**	**35 970**	**17 963**	**1 133**	**-3 334**	**470 828**
RESULTS						
Segment results	7 991	1 445	145	34	-710	8 905
Operating results						**8 905**
Interest expenses	-5 041	-374	-234	-4 189	2 058	-7 781
Interest income	2 951	-	4	147	-1 861	1 242
Tax on profits	-	-	-	-	-	-1 863
Income from ordinary activities						**503**
Gains/ (losses) in associated companies						21
Net profit /(loss) for the year						**523**
Attributable :						
Equity shareholders						523
Non controlling interests						-

	June 30, 2016					
	Paper	Packaging	Visual Comunication	Other operations	Eliminations on consoli-dations	Consolidated
REVENUES						
External sales	383 936	29 047	13 816	14	-	**426 813**
Inter-segment sales	74	1 307	1 352	-	-2 733	**-**
Other revenues	13 137	419	315	450	-	**14 321**
Total Revenues	**397 147**	**30 774**	**15 483**	**464**	**-2 733**	**441 134**
RESULTS						
Segment results	6 574	1 238	-157	-505	-128	7 022
Operating results						**7 022**
Interest expenses	-4 700	-439	-179	-4 470	1 845	-7 944
Interest income	2 564	39	29	106	-1 770	966
Tax on profits	-	-	-	-	-	141
Income from ordinary activities						**186**
Gains/ (losses) in associated companies						37
Net profit /(loss) for the year						**223**
Attributable :						
Equity shareholders						271
Non controlling interests						-48

For the period ended June 30, 2017, paper sales per country where the Group operates were broken down as follows:

	Sales	
	June 30, 2017	June 30, 2016
Germany	191 439	202 936
France	141 572	85 517
Portugal	17 587	17 774
Others	54 329	77 709
	404 927	**383 936**

5. OTHER COSTS

For the period ended June 30, 2017, the Other costs break down as follows:

	June 30, 2017	June 30, 2016
General and administrative expenses	-38 627	-36 721
Indirect taxes	-2 948	-2 012
Other costs	-455	-629
Impairment to current assets	-1 423	-968
	-43 452	**-40 330**

6. FINANCIAL FUNCTION

For the period ended June 30, 2017, Financial function was broken down as follows:

	June 30, 2017	June 30, 2016
Financial income		
Interest received	299	362
Favourable FX differences	942	587
Other financial income and profits	1	17
	1 242	**966**
Financial costs		
Interest paid	-5 548	-5 505
Unfavourable FX differences	-1 047	-622
Other financial losses and costs	-1 186	-1 818
	-7 781	**-7 945**
Net financial results	**-6 539**	**-6 978**

7. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The variation of the balance recorded in Goodwill during the six months ended June 30, 2017 was as follows:

January 1, 2016	
Acquisition value (Restated)	199 778
Accumulated impairment losses	-11 766
Balance as at January 1, 2016	**188 013**
Moviments during 2016	
Increases	589
	188 602
December 31, 2016	
Acquisition value	200 367
Accumulated impairment losses	-11 766
Balance as at December 31, 2016	**188 602**
Movements during 2017	
Transfers and disposals	-205
	188 397
June 30, 2017	
Acquisition value	200 162
Accumulated impairment losses	-11 766
Balance as at June 30, 2017	**188 396**

Goodwill arises, as when the various subsidiaries were acquired, there were differences between the acquisition value and the fair value of the assets and liabilities acquired.

Other intangible assets

The balance of other intangible assets corresponds essentially to the set of trademarks registered at the time of acquisition of the subsidiaries that held them, for which there is no time limit from which they will no longer generate economic benefits for the Group. The valuation methodology for these assets is disclosed in the consolidated financial statements as of December 31, 2016.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

As at June 30, 2017, Available-for-sale financial assets were broken down as follows:

	June 30, 2017	December 31, 2016
Non current		
Others	16	22
	16	**22**
Current		
Others	-	-
	-	-

Changes in Available-for-sale financial assets for the period ended June 30, 2017 were as follows:

Opening balance as at January 1, 2016	**40**
Aquisitions	-
Disposals	-17
Changes in fair value	-
Closing balance as at December 31, 2016	**22**
Aquisitions	-
Disposals	-6
Changes in fair value	-
Closing balance as at June 30, 2017	**16**

9. COMPANIES INCLUDED IN THE CONSOLIDATED ACCOUNTS

As at June 30, 2017, 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 España Distribuición de Papel, 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, SAS	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 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	Viscom	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

Subsidiary company name	Head Office	% Group holdings	Business operation	Direct holding company	Date of incorporation
Europackaging SGPS, Lda	Rua Braamcamp 40 - 9ºD, 1250-050 Lisboa, Portugal	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 2013
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 2013
Inapa Packaging, Lda	Urbanização das Minhoteiras, lote 3 – Crestins Maia 4470-592 Moreira Maia	100.00	Packaging	Europackaging SGPS, Lda	September 2013
Inapa Comunicação Visual, Lda.	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra	100.00	Viscom	Inapa Portugal SA	January 2014
KORDA Kağıt Pazarlama ve Ticaret Anonim Şirketi	Kasap Sokak. Konak Azer 34394 Istambul Turquia	100.00	Paper Merchanting	Inapa-IPG, SA	September 2013
Embaltec SAS	Z.A.E. de l'Epinette 59850 NIEPPE França	100.00	Packaging	Inapa Embalagem, Lda.	November 2016

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

The following companies were included in the consolidated financial statements by the equity method, classified as Investments in associated companies:

Associate company name	Shareholding company	% Holding
Surpapel, SL	Inapa España Distribuicíon Ibérica, SA	25,00
Inapa Logistics	Papier Union, GmbH	100,00
Inapa Vertriebsgesellschaft GmbH	Papier Union, GmbH	100,00

10. COMPANIES EXCLUDED FROM THE CONSOLIDATED ACCOUNTS

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

Company name	Head Office	Direct Shareholder	% holdings
Megapapier - Mafipa Netherland BV	PO Box 1097 3430 BB Nieuwegein Holand	Inapa France, SA	100%
Inapa Logistics	Warburgstrasse,28 20354 Hamburg Germany	Papier Union, GmbH	100%
Inapa Vertriebs GmbH	Warburgstrasse,28 20354 Hamburg Alemanha	Papier Union, GmbH	100%

11. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

As at June 30, 2017, Trade receivables were broken down as follows:

	June 30, 2017	December 31, 2016
Trade receivables		
Trade receivables -Current account	137 971	136 997
Doubtful debt	21 071	22 877
	159 042	159 874
Cumulative impairment losses	-19 323	-20 719
Trade receivables - net balance	**139 720**	**139 155**

As at June 30, 2017, the balance of Other assets was broken down as follows:

	June 30, 2017	December 31, 2016
Other non current assets		
Advance payment on account	88	727
Other debtors	9 161	7 429
Accumulated impairment losses	-462	-462
	8 787	**7 694**
Other current assets		
Other debtors	21 257	18 293
Accumulated impairment losses	-936	-936
	20 321	17 357
Advances to suppliers	673	669
Accrued income	13 434	10 525
Deferred costs	3 930	2 911
	38 358	**31 463**

12. CASH AND CASH-EQUIVALENT

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

	June 30, 2017	December 31, 2016	June 30, 2016
Cash and cash-equivalent			
Banks	19 396	21 977	17 371
Cash	142	280	217
	19 538	**22 259**	**17 588**

Cash-flow Statement

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

	June 30, 2017	December 31, 2016	June 30, 2016
Cash and cash-equivalent			
Banks	19 396	21 977	17 371
Cash	142	280	217
Cash and cash-equivalent per balance sheet	**19 538**	**22 259**	**17 588**
Bank overdrafts	-19 377	-43 606	-50 010
Cash and cash-equivalent per cash-flow statement	**161**	**-21 350**	**-32 422**

Bank overdrafts refer to creditor balances held on current accounts with financial institutions, that are presented as Loans on the balance sheet (Note 15).

13. IMPAIRMENT

During the six months ended June 30, 2017, movements in asset impairments were as follows:

	Goodwill	Other intangible assets	Inventories	Trade receivables	Other current assets	Total
Balance as at January 1, 2016	11 766	27 464	1 298	18 781	1 107	60 415
Increases	-	-	313	1 987	290	2 590
Utilisation	-	-	-4	-200	-	-204
Reversals	-	-	-158	-1 744	-	-1 902
Changes in the consolidation perimeter	-	-	-90	2 208	-	2 118
Exchange rate differences	-	-	-	-312	-	-312
Balance as at December 31, 2016	11 766	27 464	1 359	20 719	1 397	62 705
Increases	-	-	170	1 423	-	1 593
Utilisation	-	-	105	-1 409	-	-1 304
Reversals	-	-	-	-1 269	-	-1 269
Changes in the consolidation perimeter	-	-	-	-	-	-
Exchange rate differences	-	-	-	-140	-	-140
Balance as at June 30, 2017	**11 766**	**27 464**	**1 634**	**19 323**	**1 397**	**61 585**

14. SHARE CAPITAL

At June 30, 2017, share capital was represented by 450,980,441 shares, of which 150,000,000 are ordinary shares with no par value and 300,980,441 are 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 June 30, 2017, 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 not being fully paid during two years, preferred shares gain voting rights on the same terms as ordinary shares and only go back to their previous status in the year following that in which the priority dividends are paid.

At the Extraordinary Shareholders' 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 confer the right to vote, votes corresponding to shares held by a shareholder, or shareholders subject to common control, which exceed one-third of all the votes corresponding to the share capital, are not considered.

At the Shareholders' General Meeting held on April 28, 2017, the shareholders of INAPA - Investimentos, Participações e Gestão, SA approved:
- that the 2014 net income, totaling € 2 078 488.82, would be partially transferred to the Legal reserve, in the amount of € 103,924.44, and the remaining amount of € 1,974,564.38 be set aside for the priority dividend in respect of the 2012 financial year, at the same time approving to suspend the effects of this resolution, regarding the dividend, until the approval of annual accounts, duly certified by a Statutory Auditor, when the limitations established in article 31 and 33 of the Portuguese Companies Act are no longer applicable; and
- that the 2016 negative net income, in the amount of € 2 225 970, be transferred to retained earnings.

In 2017, Inapa-IPG was notified under the terms of Articles 16 and 248-B of the Portuguese Securities Code and CMVM Regulation 5/2008, of the change of qualified holdings.

The shareholder structure at June 30, 2017 is as follows:

Shareholder	June 30, 2017 Ordinary Shares	% of Ordinary Shares	Preferencial Shares	% Preferencial Shares	% Voting Rights
Parpública – Participações Públicas (SGPS), SA	49 084 738	32,72%	-		8,22%
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	16 492 898	10,99%	121 559 194	40,39%	30,62%
Fundo de Pensões do Grupo Banco Comercial Português	16 491 898	10,99%	45 810 827	15,22%	13,81%
Banco Comercial Português	1 000	0,00%	75 748 367	25,17%	16,80%
Novo Banco, SA	-	-	27 556 665	9,16%	6,11%
Nova Expressão SGPS, SA	19 000 000	12,67%	-	-	4,21%
Total Qualified Shares	**84 580 398**	**56,39%**	**298 004 725**	**99,01%**	**74,10%**

Shareholder	December 31, 2016 Ordinary Shares	% of Ordinary Shares	Preferencial Shares	% Preferencial Shares	% Voting Rights
Parpública – Participações Públicas (SGPS), SA	49 084 738	32,72%	-	-	8,22%
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	16 492 898	10,99%	121 559 194	40,39%	30,62%
Fundo de Pensões do Grupo Banco Comercial Português	16 491 898	10,99%	45 810 827	15,22%	13,81%
Banco Comercial Português	1 000	0,00%	75 748 367	25,17%	16,80%
Novo Banco, SA	-	-	27 556 665	9,16%	6,11%
Nova Expressão SGPS, SA	18 100 000	12,07%	-	-	4,01%
Total Qualified Shares	**83 680 398**	**55,79%**	**298 004 725**	**99,01%**	**73,90%**

15. LOANS

As at June 30, 2017, Loan balances were as follows:

	June 30, 2017	December 31, 2016
Current debt		
° **Bank loans**		
° Bank loans and other current financial instruments	19 377	43 606
° Commercial paper, redeemable at its nominal value,	16 417	16 030
renewable, with maturity within one year	20 108	18 205
° Other current financial loans	9 375	7 972
° Financial leases	1 727	1 565
Total current debt	67 005	87 381
Non- current debt		
° **Bank loans**		
° Medium and long-term financial instruments	123 923	111 297
° Other loans	37 432	26 864
° Commercial Paper, reimbursed by nominal value	28 203	30 291
° Financial leases	15 084	13 176
	204 641	181 629
° **Financing associated to financial assets - securitisation**	43 953	43 953
Total non-current debt	248 594	225 582
Total debt	**315 599**	**312 963**

As at June 30, 2017, the net balance of consolidated financial debt is broken down as follows:

	June 30, 2017	December 31, 2016
Loans		
Current	65 277	85 816
Non-current	189 557	168 453
	254 834	254 269
Loans associated to financial assets - securitization	43 953	43 953
Financial leases debt	16 811	14 741
	315 599	**312 963**
Cash and cash-equivalents	19 538	22 259
	19 538	**22 259**
	296 061	**290 704**

16. SUPPLIERS AND OTHER CURRENT AND NON CURRENT LIABILITIES

As at June 30, 2017, the balances of Suppliers and of Other current liabilities were broken down as follows:

	June 30, 2017	December 31, 2016
Other non current liabilities		
Other creditors	4 773	4 872
	4 773	4 872
Suppliers		
Suppliers on current account	75 420	78 352
Trade bills account	-	-
Invoices pending reconciliation	855	1 042
	76 275	79 394
Other current liabilities		
Advances from clients	485	1 508
Other creditors	19 340	13 020
Accruals and deferred items	12 593	13 096
	32 418	27 624

17. INCOME TAX

The amount of taxes in the Interim Consolidated Income Statement for the six month period ended June 30, 2017, amounting to a total of 1,863 thousand Euros, equates to the liability for current income tax for the half-year period in the amount of 2 010 thousand Euros, plus the positive balance of changes in deferred tax, amounting to 147 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 June 30, 2017, is detailed in the following table:

	June 30, 2017
Net income before tax	2 387
Nominal company tax rate	30%
	-716
Income tax	-1 863
	-1 147
Permanent differences- Germany	-362
Permanent differences- Portugal	145
Permanent differences- Spain	57
Permanent differences- France	283
Difference between nominal and effective tax rate	-449
Other	-821
	-1 147

Deferred tax

All instances where future taxation due may come to be significantly impacted are reported in the financial statements as at June 30, 2017.

The following table reports changes in deferred tax assets and liabilities during the six month period ended to June 30, 2017 and the financial year ended December 31, 2016:

	01-01-2017	Changes in consolidation perimeter	Other assets	Fair value reserves and other reserves	Net profit for the period	30-06-2017
Deferred tax assets						
Taxable provisions	88	-	-	-	18	105
Reportable tax losses	17 664	-	-	2	-217	17 449
Others	3 724	-	-18	12	-331	3 386
	21 475	-	-18	12	-531	20 940
Deferred tax liabilities						
Fixed assets revaluation	-7 815	-	-	69	220	-7 526
Depreciation	-15 133	-	-	146	367	-14 620
Others	-25 767	-	-	-345	91	-26 021
	-48 715	-	-	-130	678	-48 167
Net deferred tax	**-27 240**	-	**-18**	**-118**	**147**	**-27 227**

	01-01-2016	Changes in consolidation perimeter	Other assets	Fair value reserves and other reserves	Net profit for the period	31-12-2016
Deferred tax assets						
Taxable provisions	88	-	-	-	-	88
Reportable tax losses	18 377	-	-	-	-713	17 664
Others	3 423	-46	-	352	-6	3 724
	21 886	-46	-	352	-719	21 475
Deferred tax liabilities						
Fixed assets revaluation	-8 410	8	-	470	117	-7 815
Depreciation	-14 848	-	-	-	-285	-15 133
Others	-24 245	-1 374	-	-	-148	-25 767
	-47 502	-1 366	-	470	-315	-48 715
Net deferred tax	**-25 617**	**-1 412**	**-**	**822**	**-1 034**	**-27 241**

The item Others above, related to Deferred Tax Liabilities, essentially results from the fair value allocated to the Group's brands (Note 7).

Deferred tax assets are recognised for tax losses insofar as the use of their respective fiscal benefits is likely to offset expected future taxable profits. The Group recognised a balance of 17 449 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	7 829	unlimited
Inapa Distribuición Ibérica	7 039	unlimited
Inapa Bélgique	1 564	unlimited
Others	1 017	
	17 449	

18. RELATED PARTIES TRANSACTIONS

The balances on June 30, 2017 with related parties are as follows:

	June 30, 2017					
	Trade Receivables	Bank deposits	Other current assets	Bank loans	Fixed assets supplier	Other current liabilities
PMF	-	-	1 747	-	-	20
Surpapel SL	43	-	2 754	-	-	2 500
CGD	-	9	-	7 984	-	-
BCP	37	1 218	-	95 100	8 649	104
	80	1 227	4 501	103 084	8 649	2 624

	December 31, 2016					
	Trade Receivables	Bank deposits	Other current assets	Bank loans	Fixed assets supplier	Other current liabilities
PMF	-	-	1 747	-	-	-
Surpapel SL	46	-	3 667	-	-	2 500
CGD	-	32	90	9 150	-	289
BCP	38	868	148	95 528	6 113	-
	84	899	5 653	104 678	6 113	2 789

The transactions during the first six months of 2017 with related parties are as follows:

	2017			
	Sales and service rendered	Other income	Other costs	Financial costs
PMF	-	268	-	-
Surpapel SL	65	-	63	-
BCP	122	-	-	1 860
CGD	214	-	-	284
	401	268	63	2 144

	2016			
	Sales and service rendered	Other income	Other costs	Financial costs
PMF	-	106	-	-
Surpapel SL	87	-	63	-
BCP	131	-	-	1 718
CGD	257	-	-	402
	475	106	63	2 120

The related parties considered relevant for the purposes of the financial statements include all associates and subsidiaries of the group, key management personnel and qualified shareholders of the group deemed to have significant influence.

The only key management personnel of the group is the board of directors.

Significant influence of qualified shareholders is deemed to exist when participation exceeds 20%.

19. CONTINGENT LIABILITIES

On August 1, 2007, Papelaria Fernandes - Indústria e Comércio, SA brought proceedings against Inapa Investimentos, Participações e Gestão, S.A. and its subsidiaries Inaprest - Prestação de Serviços, Participações e Gestão, SA (now liquidated) and Inapa Portugal - Distribuição de Papel, SA requesting, in summary, the anullment of the following acts:

- The constitution, in June 2006, of a collateral security as a counter-guarantee for the letters of comfort issued by Inapa - Investimentos, Participações e Gestão, SA as a guarantee for the financial instruments held by that company with Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo;

- The restructuring performed, in 1991, to concentrate the paper supply activity in SDP (now Inapa Portugal) and the production and marketing of envelopes in Papelaria Fernandes;

- The acquisition, in 1994, of the stake held by Papelaria Fernandes in SDP (now Inapa Portugal);

- The compensation for credits arising, in 1994, between Papelaria Fernandes and Inaprest;

Demanding that Inapa:

- Maintain the comfort letters issued in favour of Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo;

- Compensate Papelaria Fernandes should the collateral security be executed as counter-guarantee for the letters of comfort.

Papelaria Fernandes - Industrio e Comércio, SA subsequently came to put its liabilities to Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo in order, such that:

- The letters of comfort issued by Inapa - IPG ceased to have purpose, being returned by their beneficiaries;

- Consequently, this company communicated to Papelaria Fernandes - Indústria e Comércio, SA, that the collateral security was terminated.

The action, which had an estimated value of 24,460 million Euros, was contested by Inapa – IPG and by its subsidiary Inapa Portugal – Distribuição de Papel, SA and, presently, awaits the ruling of the Court in favour of liquidating Inaprest – Prestação de Serviços, Participações e Gestão, SA. The Group believes that this action will not have financial impacts, and, therefore, no provision was made.

20. SUBSEQUENT EVENTS

- No subsequent events have been recorded up to the date of publication.

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%
António Pedro Valente da Silva Coelho	0	0	0%
João Miguel Pacheco de Sales Luís	0	0	0%
Gonçalo Cruz Faria de Carvalho	0	0	0%
Arndt Jost Michael Klippgen	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 2017 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 declares that, to the best of their knowledge, the information contained in the abridged consolidated financial statements reported to the six months ended on June 30, 2017 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.

Lisboa, September 22, 2017

Diogo Francisco Bastos Mendes Rezende

António José Gomes da Silva Albuquerque

Frederico João de Moser Lupi

António Pedro Valente da Silva Coelho

João Miguel Pacheco de Sales Luís

Gonçalo Cruz Faria de Carvalho

Arndt Jost Michael Klippgen

5.4. Auditor report

Deloitte.

Deloitte & Associados, SROC S.A.
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REVIEW REPORT ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Translation of a report originally issued in Portuguese)

Introduction

We have reviewed the accompanying condensed consolidated financial statements of Inapa – Investimentos, Participações e Gestão, S.A. ("the Entity") as of June 30, 2017, which comprise the balance sheet (that presents total assets of 681,684 thousand Euros and total equity of 186,963 thousand Euros, including a consolidated net profit of 523 thousand Euros), the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and the disclosures to the condensed consolidated financial statements.

Management's Responsibility

Management is responsible for the preparation of the condensed consolidated financial statements in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union, and to create and maintain internal control necessary to enable the preparation of condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying condensed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and additional technical standards and ethical guidelines issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"). These standards requires us to perform our review in order to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union.

A review of financial statements is a limited assurance engagement. The auditor performs procedures, primarily consisting of making inquiries and applying analytical procedures, and evaluates the evidence obtained.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of Inapa – Investimentos, Participações e Gestão, S.A. as of June 30, 2017, are not prepared, in all materials respects, in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union.

Lisbon, September 22, 2017

Deloitte & Associados, SROC S.A.
Represented by Jorge Carlos Duarte Batalha Catulo, Statutory Auditor ("ROC")

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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