



Consolidated Results

3rd Quarter 2012

inapa



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1. Highlights

Gross margin recovery partially compensates sales decrease

Financial equilibrium reinforcement with 66M€ debt reduction

Generation of results

- Sales decrease 7.5% relatively to 2011
- Gross margin increased 0.7 percentage points to 18.2%
- Operational costs reduced 3,7%
- Recurrent EBITDA was 16.6 million Euros
- Operational results were 12.1 million Euros
- Financial costs decreased 14.8%
- Earnings before taxes were -1,3 million Euros
- Net income of -2.5 million Euros

Financial strength

- Working capital has decreased 15.3 million Euros (-7,9%) relatively to the 3rd quarter of 2011
- Net debt decreased 66.3 million Euros comparing with September 2011 and 17.4 million Euros relatively to year end

Chart 1_Main Consolidated Indicators						
Million euros	Sep 12	Sep 11	Δ 12/11	3Q12	3Q11	Δ 12/11
Tons ('000)	619	669	-7.5%	195	214	-8.8%
Sales	688.9	744.9	-7.5%	216.0	237.4	-9.0%
Gross margin	125.6	130.9	-4.0%	38.6	41.6	-7.3%
Gross margin (%)	18.2%	17.6%	0.7 pp	17.9%	17.5%	0.3 pp
Operating costs ¹	106.0	108.2	-2.1%	34.1	36.5	-6.4%
Proforma operating costs ²	104.2	108.2	-3.7%	34.1	36.5	-6.4%
Provisions	3.0	2.3	28.8%	1.2	0.9	42.2%
Re-EBITDA	16.6	20.3	-18.3%	3.2	4.3	-24.9%
Re-EBITDA margin (%)	2.4%	2.7%	-0.3 pp	1.5%	1.8%	-0.3 pp
EBIT	12.1	15.2	-20.3%	1.8	2.4	-25.5%
Net financial costs	13.3	15.7	-14.8%	4.1	5.0	-17.4%
EBT	-1.3	-0.5	-144%	-2.4	-2.6	7%
Net income	0.3	1.1	-75%	-0.7	-0.4	62%
Pro forma net income ³	-2.5	-1.4	77%			
	30/9/12	30/9/11	Δ 12/11	31/12/11	Δ 9 months	
Net Debt ⁴	340.3	406.6	-16.3%	357.7	-4.9%	
Working capital	178.3	193.6	-7.9%	190.2	-6.3%	

(1) Net of income from services and other income and excludes provisions (2) Without Semaq effect

(3) Excluding Tavistock effect (4) Includes securitization



2. Relevant facts

During the first nine months of 2012, the relevant facts to the business were:

- 2/13/2012 Acquisition of Semaq (packaging company in France)
- 2/23/2012 Increase of qualified stake by Nova Expressão SGPS, SA
- 3/27/2012 Qualified stake by Tiago Moreira Salgado
- 4/20/2012 2011 results announcement, annual report disclosure and notice of the General Meeting
- 4/26/2012 First quarter 2012 results announcement
- 5/11/2012 Ordinary General Assembly resolutions
- 8/24/2012 First half 2012 results announcement

Until the date of publication of the report there were no additional relevant facts with impact on the business evolution.



3. Management Report

3.1. Market analysis

The three first quarters of 2012 were marked by uncertainty and the economic slowdown has been reported widely in the Euro area impacting the level of business investment in advertising and promotion, one of the key factors for the consumption of paper and that has translated in a strong decrease in paper demand.

Market conditions were particularly adverse when it comes to volumes, with a fall in demand and strong competition to compensate for shrinkage. In 2012, according to data from Eugropa (European Association of Paper Wholesalers), in Inapa's five major markets, volumes were down 3.8%. Spain and Portugal were the markets with the highest losses, with decreases of 14.7% and 16.5% of volumes traded.

Chart 2_Evolution of volumes in Inapa core 5 (until August 2012)

Thousand tons

	Volume		
	2012	2011	Δ 12/11
Germany	1,876	1,905	-1.5%
France	551	580	-5.0%
Switzerland	197	207	-4.5%
Portugal	54	64	-16.5%
Spain	218	256	-14.7%
Core 5	2,896	3,011	-3.8%

Source: Eugropa

The negative effect in terms of sales was amplified by the difficult economic context, the worst financial risk of the graphic and enterprise sector and the paper price decrease.

The less favorable paper market trend was compensated by the growth maintenance on the packaging and visual communication business.



3.2.Consolidated Performance

Consolidated sales until September 2012 decreased 7.5% over the same period in 2011, reaching 688.9 million euros. The decrease is due to the sharp reduction in paper demand on key markets, the tight control of customer credit risk and the margin protection initiatives.

Despite the slowdown in activity, complementary businesses continued the trend of strong growth that has been registered, an increase of 21.2% reaching 78.0 million euros, representing 11.3% of sales compared to 8.6% in 2011.

Chart 3_ Developments of the Paper, Packaging and Visual Communication Business

Million euros	Sep 12			Sep 11	
	Sales	Weight	Δ 12/11	Sales	Weight
Paper	610.8	88.7%	-10.2%	680.5	91.4%
Complementary business	78.0	11.3%	21.2%	64.4	8.6%
Packaging	36.1	5.2%	34.6%	26.8	3.6%
Visual communication	21.2	3.1%	14.6%	18.5	2.5%
Others ¹	20.7	3.0%	8.7%	19.0	2.6%
Total	688.9	100%	-7.5%	744.9	100%

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

The effort to recover commercial margin translated into a gross margin increase of 0.8 percentage points over 2011 to 18.2%, compensating partially the sales decrease.

On the three quarters of 2012, due to the rigor on cost management, operational costs decreased 3.7% compared to 2011, on a comparable basis, as a result of lower distribution costs, personnel costs and administrative costs.

Despite the difficult economic context, client provisions remained at a low level, representing only 0.4% of sales, reflecting the protection of the credit insurance policy and a prudent view of the sales collection risk.

Until September, the re-EBITDA was 16.6 million euros, representing 2.4% of sales. Despite the reduction of volumes recorded, the evolution of complementary businesses and gross margin improvement allowed offset the negative evolution of the paper business. The complementary businesses - packaging and visual communication - continued to increase its weight in the Group's business, accounting for 19.4% of re-Consolidated EBITDA.

Operational results (EBIT) fell 20.3% to 12.1 million euros, representing 1.8% of sales.

In this regard it should be noted that both EBITDA and EBIT margin, stood at the top levels of market benchmarks.



Financial costs, when compared with the first nine months of 2011, declined 14.8% to 13.3 million, a decrease of 2.4 million euros. Despite the increase registered in credit conditions, the reduction of the gross debt led to a lower level of financial charges. The main contributor for the reduction on the consolidated debt was the working capital decrease of 15.3 million Euros, as below refers.

Earnings before tax were -1.3 million Euros. The performance was affected by the volume decrease, which was partially compensated by the gross margin improvement, the operational costs contention and financial costs reduction.

Taxes for the period totaled 1.0 million euros, 0.7 million more than in 2011.

Until September, the consolidated net income stood at -2.5 million euros, which compares with -1.4 million euros in 2011 if the effect of Tavistock sale is excluded.

Working capital registered an improvement of 7.9% over September 2011, ie a reduction of 15.3 million euros. This evolution was due to improved management of working capital held by reducing the receivables days and improvement on stock management.

Due to the strong reduction in the working capital and the capital increase in 2011, Inapa's net debt, at 30 Sept 2012, in a pro-forma basis (deducting 2.0 million euros of net debt due to Semaq acquisition) was 338.3 million euros, a decrease of 68.3 million compared to September 2011 or 19.4 million euros compared with December 2011.

3.3. Performance of the Group Business Areas

In the period of analysis the weight of complementary business (packaging and visual communication) on the Group operational results (EBIT), increased to 14.2% and 9.8% respectively, while paper reduced its weight from 83.1% to 76.0%.

PAPER

In volume, sales in the first nine months of 2012 decreased 7.5% comparing with 2011, from 669 thousand to 619 thousand tonnes. In value, paper business sales add to 610.8 million Euros, a 10.2% drop. The decrease on the average price relatively to the same period of 2011, 31 euros per ton, and the Group strict credit risk policy explained the sales performance.



Until August, according to Eugropa, the Group market share was 18.8%, a 0.6 percentage points decrease relatively to the previous year, explained by the rigor of client credit risk policies with the consequent sales suspension on some of them.

Cross-selling in the paper business (namely the sale of graphic and office supplies) maintained the trend it has been registering, increasing 8.7%.

The strong effort to recover gross margin and improve the quality of the business, has allowed a gross margin improvement of 0.7 percentage points to 17.1%.

Operational results (EBIT) in the paper business were 11.2 million Euros, representing 1.8% of sales, a 20.7% decrease compared with previous year. This trend is explained by the sharp fall in some markets, notably Portugal and Spain, combined with the lack of flexibility on some fixed costs particularly in terms of storage capacity.



PACKAGING

Packaging business had the highest growth, with a growth of 36% relatively to 2011, with sales of 36.1 million Euros. In parallel with the registered growth, gross margin levels have also increased 1.5 percentage points comparing with the previous year.

Operational results (EBIT) grew 19% to 1.7 million Euros, representing 4.7% of sales.



COMUNICAÇÃO VISUAL

Visual communication had a strong growth, 15% when compared with 2011, with 21.2 million Euros of sales. Digital printing has registered a strong growth due to the innovation introduced in the market, like Latex, which has speed up the change from offset technologies.

Operational results (EBIT) grew 4.3%, to 1.2 million Euros, representing 5.3% of sales.

3.4. Future Prospects

For the last quarter of 2012 it is expected a decrease in paper sales, due to slowdown that the major European economies have been experiencing and the customer credit risk management. Conversely, it is anticipated that complementary businesses, because of the partnerships established and best prospects for the industry, continue to grow.



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With regard to major markets, including Germany, France and Switzerland (85% of consolidated sales) it is foreseen a better performance in volumes compared to the Iberian market (13% of Group sales) due to different economic environments and rhythms of the respective economies.

Given the structural changes there have been already implemented diverse adjustment initiatives, namely in sales, logistics and administrative areas, to adequate the structure to current and expected market evolution. Notwithstanding the impact in the short term of these non-recurring costs, these measures will enhance the profitability and sustainability of the Group, being able to foresee its positive impact on the results as early as next year.

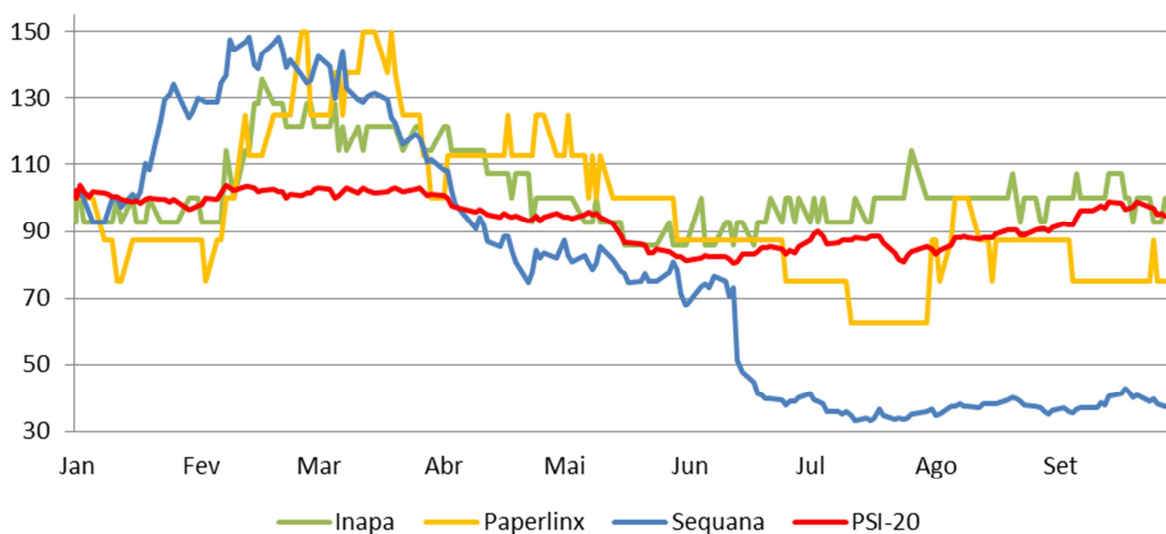
In order to extract the maximum value of the paper business, the Group will remain focused on the analysis of possible opportunities for optimization in the markets in which it operates, to reduce their operating costs, particularly through the standardization of information systems supporting the business and the consolidation of shared services center.

Complementary businesses should maintain the trend of growth and profitability that has been recorded, with a consequent increase in its weight in revenues and operating results of the Group. The packaging business will continue to absorb a significant portion of the Group's investment.

3.5.Capital markets

Inapa stock price vs. PSI20 vs. comparables

September 2012





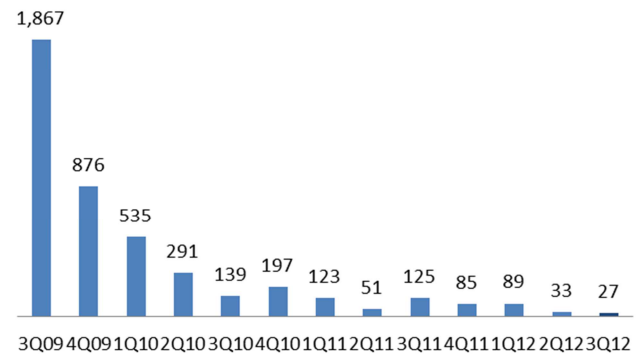
At 30 September 2012 ordinary shares quote was similar to the 2011 year end, a performance above comparable.

Inapa's stock price remained unchanged at 0.14 Euros, which compares with a 5.2% drop of the PSI-20. The evolution of the shares followed a trend above other players in the industry, which saw their value decrease, especially during the second and third quarter of 2012.

Inapa trading volumes during the first nine months continue to reduce, comparing with previous years, with a 50% volume drop relatively to 2011.

Preferred share's price at 30 September 2012 was 0.15€, two cents below its emission price (done in October 2011). The liquidity of these titles is low, being traded 80,652 titles on the first nine months.

Average trading volumes
Thousands of shares





4. Interim Consolidated Accounts

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED INCOME STATEMENT AS AT SEPTEMBER 30, 2012 AND SEPTEMBER 30, 2011
(Amounts expressed in thousand of Euros)

	Notes	SEPTEMBER 30, 2012	3RD QUARTER 2012 *	SEPTEMBER 30, 2011	3RD QUARTER 2011 *
Tonnes *		618.951	195.042	669.253	213.783
Sales and service rendered	3	697.709	218.948	753.776	240.352
Other Income	3	18.108	5.582	20.655	6.055
Total Income		715.817	224.530	774.431	246.407
Cost of sales		-570.946	-179.817	-622.419	-198.294
Personal costs		-58.798	-19.560	-59.271	-19.697
Other costs	5	-69.951	-22.135	-73.154	-26.620
		16.125	3.017	19.586	9.727
Depreciations and amortizations		-4.102	-1.333	-4.472	-1.507
Gains / (losses) in associates		2	2	2	-10
Net financial function	6	-13.333	-4.130	-15.652	-4.420
Net profit before income tax		-1.310	-2.444	-537	-2.616
Income tax	15	-1.019	-281	-264	560
Net profit / (loss) for the period		-2.328	-2.725	-801	-2.056
Attributable to :					
Shareholders of the company		-2.467	-2.744	-945	-2.054
Non controlling interests		138	19	144	-2
Earnings per share of continued operations - €					
Basic		-0,017	-0,018	-0,006	-0,014
Diluted		-0,017	-0,018	-0,006	-0,014

To be read in conjunction with the Notes to the consolidated financial statements

* Non audited



INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT SEPTEMBER 30, 2012 (Amounts expressed in thousand of Euros)

	SEPTEMBER 30, 2012	3RD QUARTER 2012 *	SEPTEMBER 30, 2011	3RD QUARTER 2011 *
Net profit for the period before minority interest	-2.328	-2.725	-801	-2.056
Available-for-sale financial assets carried at fair value	-	-	-	-
Exchange differences on translating foreign operations	-189	81	423	1.822
Earnings directly recognised in equity	-189	81	423	1.822
Total comprehensive income for the period	-2.518	-2.644	-378	-234
Attributable to :				
Shareholders of the company	-2.656	-2.663	-524	1.391
Non controlling interests	138	19	146	43
	-2.518	-2.644	-378	1.434

To be read in conjunction with the Notes to the consolidated financial statements

* Non audited



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INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2012 and DECEMBER 31, 2011

(Amounts expressed in thousand euros)

	Notes	September 30, 2012	December 31, 2011
ASSETS			
Non-current assets			
Tangible fixed assets		92.730	95.884
Goodwill		143.043	140.338
Other intangible assets		111.042	111.227
Investment in associate companies		1.073	1.071
Available-for-sale financial assets	7	62	47
Other non-current assets	10	21.370	21.835
Deferred tax assets	16	20.489	19.526
Total non-current assets		389.809	389.928
CURRENT ASSETS			
Inventories		72.702	71.029
Trade receivables	10	162.424	166.619
Tax to be recovered		6.777	7.286
Available-for-sale financial assets	7	-	628
Other current assets	10	31.834	38.392
Cash and cash-equivalents	11	9.169	15.047
Total current assets		282.905	299.000
Total assets		672.714	688.928
SHAREHOLDERS EQUITY			
Share capital	13	204.176	204.176
Own shares		-	-
Share issue premium		450	450
Reserves		44.275	44.465
Retained earnings		-49.828	-43.667
Net profit for the period		-2.467	-6.161
		196.607	199.263
Minority interests		4.026	3.991
Total shareholders equity		200.633	203.254
LIABILITIES			
Non-current liabilities			
Loans	14	130.175	148.469
Financing associated to financial assets	14	38.943	38.061
Deferred tax liabilities	16	22.417	21.128
Provisions		354	391
Liabilities for employee benefits		3.588	3.518
Other non-current liabilities		7.884	8.711
Total non-current liabilities		203.361	220.278
Current liabilities			
Loans	14	171.407	176.259
Suppliers	15	56.779	47.402
Tax liabilities		16.630	18.073
Other current liabilities	15	23.903	23.661
Total current liabilities		268.719	265.395
Total shareholders equity and liabilities		672.714	688.928

To be read in conjunction with the Notes to the consolidated financial statements



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INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY AS AT SEPTEMBER 30, 2012 AND SEPTEMBER 30, 2011 (Amounts expressed in thousand of Euros)

	Attributable to shareholders						Non-controlling interests	Total Shareholders Equity
	Share Capital	Share issuance premium	Foreign Exchange Adjustments	Other reserves and Retained earnings	Net Profit / (loss) for the period	Total		
BALANCE AS AT DECEMBER 31, 2010	150.000	2.937	5.338	-3.115	3.666	158.825	1.032	159.857
Total earnings and costs recognized in the period	-	-	271	-	-945	-674	144	-530
Previous year net profit and loss result	-	-	-	3.666	-3.666	-	-	-
Dividends	-	-	-	-	-	-	-144	-144
Other changes	-	-	-	1.460	-	1.460	2.920	4.379
Total de Gains and losses of the period	-	-	271	5.126	-4.611	786	2.920	3.706
BALANCE AS AT SEPTEMBER 30, 2011	150.000	2.937	5.609	2.011	-945	159.611	3.952	163.563
BALANCE AS AT DECEMBER 31, 2011	204.176	450	5.245	-4.447	-6.161	199.263	3.991	203.254
Total earnings and costs recognized in the period	-	-	-189	-	-2.467	-2.656	138	-2.518
Previous year net profit and loss result	-	-	-	-6.161	6.161	-	-	-
Dividends	-	-	-	-	-	-	-103	-103
Other changes	-	-	-	-	-	-	-	-
Total de Gains and losses of the period	-	0	-189	-6.161	3.695	-2.656	36	-2.621
BALANCE AS AT SEPTEMBER 30, 2012	204.176	450	5.055	-10.609	-2.467	196.607	4.026	200.633

To be read in conjunction with the Notes to the consolidated financial statements



INAPA - Investimentos, Participações e Gestão, SA

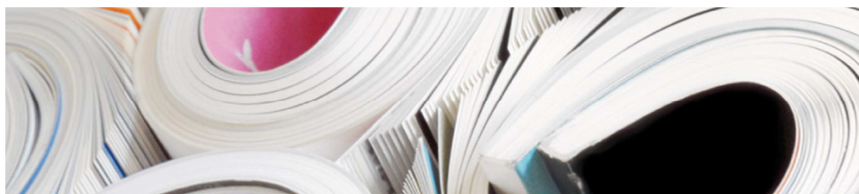
CONSOLIDATED CASH FLOW STATEMENT AS AT SEPTEMBER 30, 2012 AND SEPTEMBER 30, 2011

(Amounts expressed in thousand Euros) - direct method

	Notes	SEPTEMBER 30, 2012	3RD QUARTER 2012 *	SEPTEMBER 30, 2011	3RD QUARTER 2011 *
Cash flow generated from operating activities					
Cash receipts from customers		717.140	227.687	768.474	241.928
Payments to suppliers		-576.062	-184.976	-628.815	-191.434
Payments to personnel		-55.702	-17.258	-58.017	-17.400
Net cash from operational activities		85.376	25.453	81.642	33.094
Income taxes paid		-1.479	-182	-542	-407
Income taxes received		95	-	311	27
Other proceeds relating to operating activity		45.087	28.382	45.574	11.077
Other payments relating to operating activity		-95.200	-34.895	-108.814	-38.292
Net cash generated from operating activities	[1]	33.879	18.758	18.171	5.500
Cash flow from investing activities					
Proceeds from:					
Financial investments		801	2	864	48
Tangible fixed assets		1.372	1.372	372	0
Intangible assets		-	-	-	-
Interest and similar income		31	3	549	170
Dividends		-	-	-	-
		2.204	1.377	1.785	219
Payments in respect of:					
Financial investments		-4.369	-742	-815	-8
Tangible fixed assets		-884	-307	-1.088	-423
Intangible assets		-209	-8	-674	-157
Advances from third-party expenses		-	-	-	-
Loans granted		-	-	-	-
		-5.462	-1.057	-2.576	-589
Net cash used in investing activities	[2]	-3.258	320	-791	-370
Cash flow from financing activities					
Proceeds from:					
Loans obtained		66.312	21.686	101.910	35.423
Capital increases, repayments and share premiums		-	-	-	-
Treasury placements		-	-	-	-
Changes in ownership interests		-	-	700	0
		66.312	21.686	102.610	35.423
Payments in respect of:					
Loans obtained		-111.951	-30.559	-83.720	-12.905
Amortization of financial leases		-1.209	-433	-1.280	-399
Interest and similar expenses		-9.693	-2.961	-11.530	-3.789
Dividends		-	-	-710	0
		-122.853	-33.953	-97.240	-17.093
Net cash used in financing activities	[3]	-56.541	-12.267	5.370	18.330
Increase / (decrease) in cash and cash-equivalent	[4] = [1] + [2] + [3]	-25.920	6.811	22.750	23.459
Effect of exchange differences		27	-23	169	-8
		-25.893	6.788	22.919	23.451
Cash and cash-equivalents at the beginning of period		-70.826	-	-105.285	-
Cash and cash-equivalents at the end of period	11	-96.719	6.788	-82.367	23.451
		-25.893	6.788	22.919	23.451

To be read in conjunction with the Notes to the consolidated financial statements

* Non audited



INAPA - INVESTIMENTOS, PARTICIPAÇÕES E GESTÃO, SA

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF NINE MONTHS ENDED 30 SEPTEMBER 2012

(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 Castilho nº44 3º, 1250-071

Lisbon, Portugal

Share capital: 204,176,479.38 euros

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

The Group comprises a "sub-holding" company (Gestinapa - SGPS, S.A.), which purposes is to directly hold all stakes in companies operating in Paper Merchanting.

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, Inapa VisualCom GmbH, and PMF-Factoring, GmbH, all of which are incorporated in the same country, (ii) Inapa France, SA and subsidiary companies, operating in France and Belux, (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, SA, the Portuguese company of the Group which has a stake in Inapa Angola- Distribuição de Papel,SA, (v) Inapa España Distribución Ibérica, SA, operating in Spain, which has a stake in Surpapel SL (a company that markets paper). and (vi) in one company located in the United Kingdom - Inapa Merchants Holding, Ltd, company without activity. The subsidiary Inapa Packaging, GmbH, in turn has two companies selling packaging material, namely Hennessen & Potthoff, GmbH and HTL - Verpackung, GmbH, respectively.



These consolidated financial statements were approved by Inapa-IPG's Board of Directors of 31 October 2012. It is the opinion of the Board that these financial statements appropriately reflect the Group's operations and financial position.

2. ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements of the Inapa Group were prepared under the assumption that it will continue to operate and are based on the accounting books and records of the companies which comprise the Group. On the other hand, the interim financial statements for the nine months ending 30 September 2012, 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 perused in conjunction with the annual consolidated financial statements reported to financial year ended 31 December 2011.

The consolidated financial statements of the Inapa Group are also prepared in compliance with the International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) subject to the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or its former representative, the Standing Interpretations Committee (SIC), as endorsed in the European Union.

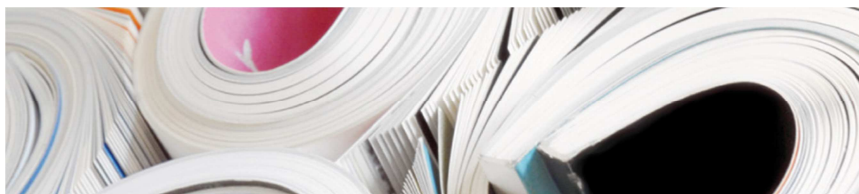
Accounting policies

The accounting policies applied in compiling these interim consolidated financial statements are consistent with the policies adopted by the Inapa Group in preparing its annual consolidated financial statements reported to the financial year ended 31 December 2011 and are detailed in the Notes to those financial statements.

After 1 January 2012 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 7 (amendment) – Financial Assets and Financial Liabilities: disclosures - transfers of financial assets;

The present financial statements of the Group were not affected by these coming into effect.



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 30 September 2012 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) – Presentation of Financial Statements (effective for periods beginning on or after July 1, 2012);
- IAS 12 (amendment) – Income taxes (effective for periods beginning on or after January 1, 2012);
- IAS 19 (amendment) – Employee Benefits (effective for periods beginning on or after January 1, 2013);
- IAS 27 (revision) – Separate Financial Statements (effective for periods beginning on or after January 1, 2013);
- IAS 28 (revision) – Investments in Associates and Joint Ventures (effective for periods beginning on or after January 1, 2013);
- IAS 32 (amendment) – Offsetting Financial Assets and Financial Liabilities (effective for periods beginning on or after January 1, 2014);
- Amendments resulting from Annual Improvements 2009-2011 Cycle (effective for periods beginning on or after January 1, 2014). The process affects the following standards: IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34.
- IFRS 1 (amendment) – First-time adoption of IFRS (effective for periods beginning on or after 1 January 2012);
- IFRS 1 (amendment) – First-time adoption of IFRS - Government loans (effective for periods beginning on or after 1 January 2013);
- IFRS 7 (amendment) – Financial Instruments: Disclosures – offsetting of financial assets and financial liabilities (effective for periods beginning on or after 1 July 2013);
- IFRS 9 – Financial instruments – accounting and measurement (effective for periods beginning on or after 1 January 2015);
- IFRS 10 – Consolidated Financial Statements (effective for periods beginning on or after 1 January 2013);
- IFRS 11 – Joint Arrangements (effective for periods beginning on or after 1 January 2013);
- IFRS 12 – Disclosure of Interests in Other Entities (effective for periods beginning on or after 1 January 2013);
- IFRS 13 – Fair Value Measurement (effective for periods beginning on or after 1 January 2013);
- IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine (effective for periods beginning on or after 1 January 2013);

Of the various standards, revisions and amendments already published by IASB or by IFRIC given above that are not yet in force, have not yet been adopted by European Union, coming into effect only after their publication in the associated Regulation.



Estimates and material errors

No material errors or significant changes to accounting estimates relative to prior periods were recognised during the course of the nine months of 2012.

Estimates made in preparing the financial statements for the nine months ended September 30, 2012 have the same characteristics as in the preparation of financial statements for 2011.

3. SALES AND SERVICE RENDERED AND OTHER INCOME

Sales and services rendered during the nine months to 30 September 2012 and 30 September 2011 brake down as follows:

	<u>30 September 2012</u>	<u>30 September 2011</u>
<i>Domestic market</i>		
Goods sold	30.368	40.981
Service rendered	153	147
	<u>30.521</u>	<u>41.128</u>
<i>Exports</i>		
Goods sold	658.512	703.897
Service rendered	8.876	8.751
	<u>667.388</u>	<u>712.648</u>
Total	<u>697.909</u>	<u>753.776</u>

As at 30 September 2012 and 2011, Other income balance brake down as follows:

	<u>30 September 2012</u>	<u>30 September 2011</u>
Supplementary income	565	461
Net cash discounts	7.640	8.415
Other income	9.903	11.779
	<u>18.108</u>	<u>20.655</u>



4. OPERATING SEGMENTS

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

The results for each segment correspond to those that are directly attributable and those for which there is reasonable basis for attribution. Inter-segmental transfers are carried out at market prices and are not materially significant.

The breakdown of financial information on September 30, 2012 and 2011 for operating segments is as follows:

	30 September 2012						30 September 2011					
	Paper	Packaging	Visual Communication	Other operations	Eliminations on consolidations	Consolidated	Paper	Packaging	Visual Communication	Other operations	Eliminations on consolidations	Consolidated
REVENUES												
External sales	631.472	36.127	21.236	45	-	688.881	699.482	26.847	18.530	19	-	744.878
Inter-segment sales	367	1.464	2.135	-	-3.966	-	502	1.268	2.104	-	-3.874	-
Other revenues	25.994	339	369	234	-	26.936	28.043	227	468	814	-	29.553
Total Revenues	657.833	37.930	23.740	279	-3.966	715.817	728.027	28.342	21.103	833	-3.874	774.431
RESULTS												
Segment results	11.237	1.706	1.175	-2.449	352	12.021	14.165	1.431	1.127	-1.290	-322	15.113
Operacional results						12.021						15.113
Interest expenses	-6.345	-314	-176	-9.303	2.525	-13.613	-8.927	-231	-221	-10.950	4.039	-16.290
Interest income	2.398	6	11	740	-2.875	280	2.523	5	1	1.828	-3.717	639
Tax on profits	-	-	-	-	-	-1.019	-	-	-	-	-	-264
Income from ordinary activities						-2.330						-803
Gains/ (losses) in associated companies						2						2
Net profit/(loss) for the year						-2.329						-801
Attributable:												
Equity shareholders						-2.467						-945
Non controlling interests						138						144

As at 30 September 2012 and 2011, paper sales per country where the Group operates were broken down as follows:

	Sales	
	30 September 2012	30 September 2011
Germany	332.223	355.513
France	161.451	174.309
Portugal	31.010	41.854
Others	106.788	127.805
	631.472	699.482



5. OTHER COSTS

As at the end of the nine month period to 30 September 2012 and 30 September 2011, the Other costs brake down as follows:

	<u>30 September 2012</u>	<u>30 September 2011</u>
General and Administrative expenses	-63.477	-66.322
Indirect taxes	-2.944	-2.716
Other costs	-550	-1.736
Impairment to current assets	-2.980	-2.380
	<u>-69.951</u>	<u>-73.154</u>

6. FINANCIAL FUNCTION

As at the end of the nine months to 30 September 2012 and 30 September 2011, financial function was broken down as follows:

	<u>30 September 2012</u>	<u>30 September 2011</u>
Financial income		
Interest received	-	90
Favourable FX differences	63	160
Other financial income and profits	216	388
	<u>279</u>	<u>638</u>
Financial costs		
Interest paid	-10.260	-7.853
Unfavourable FX differences	-46	-537
Other financial losses and costs	-3.306	-7.901
	<u>-13.612</u>	<u>-16.291</u>
Net financial results	<u>-13.333</u>	<u>-15.652</u>



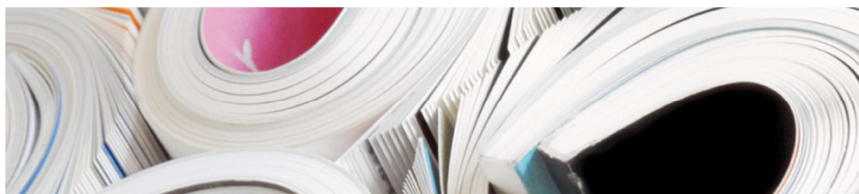
7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

As at 30 September 2012 and 31 December 2011, Available-for-sale financial assets were broken down as follows:

	30 September 2012	31 December 2011
Non current		
Other's	62	47
	62	47
Current		
BANIF - Unidades de participação em fundos de investimento	-	628
	-	628

Changes in Available-for-sale financial assets during nine month period to 30 September 2012 and year 2011 were as follows:

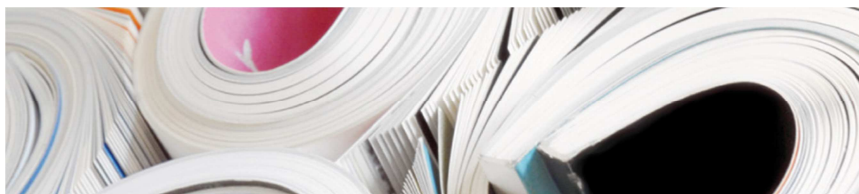
Opening balance as at 1 January 2010	673
Aquisitions	2
Disposals	-
Changes in fair value	-
Closing balance as at 31 December 2010	675
Aquisitions	-
Disposals	-613
Changes in fair value	-
Closing balance as at 30 June 2011	62



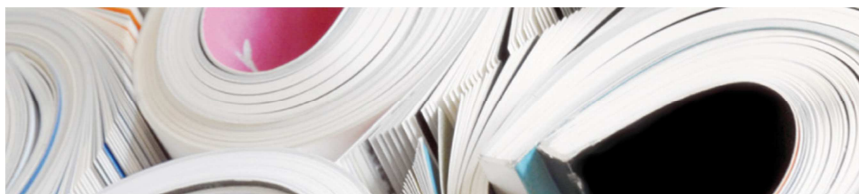
8. COMPANIES INCLUDED IN THE CONSOLIDATED ACCOUNTS

As at 30 September 2012, 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
Gestinapa - SGPS, SA	Rua Castilho, 44-3º 1250-071 Lisbon	100.00	SGPS	Inapa – IPG, SA	June 1992
Inapa-Portugal, SA	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra	99.75	Paper Merchating	Gestinapa - SGPS,SA	1988
Inapa Distribución Ibérica, SA	c/ Delco Polígono Industrial Ciudad del Automóvil 28914 Leganés, Madrid	100.00	Paper Merchating	Gestinapa-SGPS, SA	December 1998
Inapa France, SA	91813 Corbeil Essones Cedex France	100.00	Paper Merchating	Inapa – IPG, SA	May 1998
Logistipack – Carton Services,SA	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 Merchating	Inapa-France, SA	May 1998
Inapa Luxemburg	211, Rue des Romains. L. 8005 Bertrange Luxemburg	97.81	Paper Merchating	Inapa Belgique	Maio 1998
Inapa Deutschland, GmbH	Warburgstraß, 28 20354 Hamburgo Germany	97.60	Holding	Gestinapa-SGPS, SA	April 2000



Subsidiary company name	Head Office	% Group holdings	Business operation	Direct holding company	Date of incorporation
Papier Union, GmbH	Warburgstraße, 28 20354 Hamburgo Germany	94.90	Paper Merchanting	Inapa Deutschland, GmbH	April 2000
PMF- Print Medien Factoring , GmbH	Warburgstraß, 28 20354 Hamburgo Germany	100.00	Factoring	Papier Union, GmbH	September 2005
Inapa Packaging, GmbH	Warburgstraß, 28 20354 Hamburgo Germany	100.00	Holding	Papier Union, GmbH	2006
HTL Verpackung, GmbH	Werner-von- Siemens Str 4-6 21629 Neu Wulmstorf Germany	100.00	Packaging	Inapa Packaging, GmbH	January 2006
Hennessen & Potthoff, GmbH	Tempelsweg 22 Tonisvorst Germany	100.00	Packaging	Inapa Packaging, GmbH	January 2006
Inapa Viscom, GmbH	Warburgstraß, 28 20354 Hamburgo Germany	100.00	Holding	Papier Union, GmbH	January 2008
Complott Papier Union, GmbH	Industriestrasse 40822 Mettmann Germany	100.00	Visual Communication	Inapa VisCom, GmbH	January 2008
Inapa – Merchants, Holding, Ltd	Torrington House, 811 High Road Finchley N12 8JW United Kingdom	100.00	Holding	Gestinapa – SGPS ,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 e Gestinapa, SGPS,SA	October 2011
Edições Inapa, Lda	Rua Castilho 44- 3º 1250-071 Lisbon	100,00	Editorial	Inapa-IPG,SA e Gestinapa, SGPS,SA	November 2009



Subsidiary company name	Head Office	% Group holdings	Business operation	Direct holding company	Date of incorporation
Inapa Angola – Distribuição de Papel, SA	Rua Amílcar Cabral nº 211 Edifício Amílcar Cabral nº 8º Luanda - Angola	100.00	Paper Merchenting	Inapa Portugal, SA	December 2009
Semaq Emballages, SA	Rue de Strasbourg – ZI de Bordeaux Fret França	100.00	Packaging	Logistipack – Carton Services,SA	February 2012
Inapa Embalagem, Lda	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra	100.00	Packaging	Inapa Portugal, SA	July 2012
Inapa Shared Center, Lda	Rua das Cerejeiras, nº 5, Vale Flores São Pedro de Penaferrim 2710 Sintra	100.00	Shared Services	Inapa Portugal, SA	July 2012

In the nine months ended September 30, 2012, there were the following amendments in respect of the consolidated companies: (i) acquisition of subsidiary Semaq Emballages SA; (ii) establishment of a new company based in Portugal, Inapa Embalagem, Lda, (iii) establishment of a new company based in Portugal, Inapa Shared Center, Lda.

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

The following companies were consolidated per the equity method in the consolidated financial statements and are reported under Holdings in associated companies:

Associate company name	Shareholding company	% Holding
Surpapel, SL	Inapa España Distribución Ibérica, SA	25,00
Inapa Logistics	Warburgstrasse,28 20354 Hamburg Alemanha	100,00
Inapa Vertriebsgesellschaft GmbH	Warburgstrasse,28 20354 Hamburg Alemanha	100,00



9. COMPANIES EXCLUDED FROM THE CONSOLIDATED ACCOUNTS

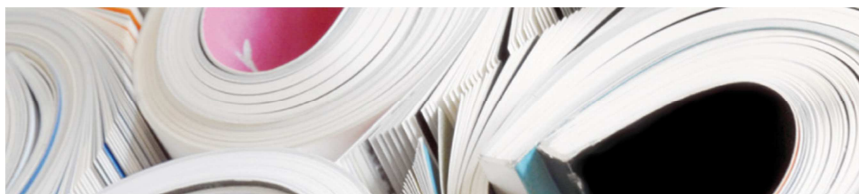
Holdings in the companies listed in the following table were not consolidated on a full consolidation basis. The impact of their exclusion is deemed to be materially irrelevant. Megapapier was not consolidated on a full consolidation basis due to the fact that the Group intends to liquidate it and it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

<u>Company name</u>	<u>Head Office</u>	<u>Direct Shareholder</u>	<u>% holdings</u>
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 Vertriebsgesellschaft GmbH	Warburgstrasse,28 20354 Hamburg Germany	Papier Union, GmbH	100%

10. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

As at 30 September 2012 and 31 December 2011, Trade receivable was broken down as follows:

	<u>30 September 2012</u>	<u>31 December 2011</u>
Trade receivables		
Trade receivables -Current account	149.328	150.188
Trade receivables -Bills receivable	8.141	13.781
Doubtful debt	17.905	13.909
	<u>175.374</u>	<u>177.878</u>
Cumulative impairment losses	-12.950	-11.259
Trade receivebles - net balance	<u>162.424</u>	<u>166.619</u>



As at 30 September 2012 and 31 December 2011, the balance of Other assets was broken down as follows:

Other non current assets		
Other debtors	22.593	23.056
Accumulated impairment losses	-1.223	-1.221
	21.370	21.835
Other current assets		
Stockholdings and stockholders	-	1
Advances to suppliers	396	562
Other debtors	16.633	15.959
Accumulated impairment losses	-3.019	-3.019
	13.614	12.940
Accrued income	14.901	23.147
Deferred costs	2.923	1.742
	31.834	38.392

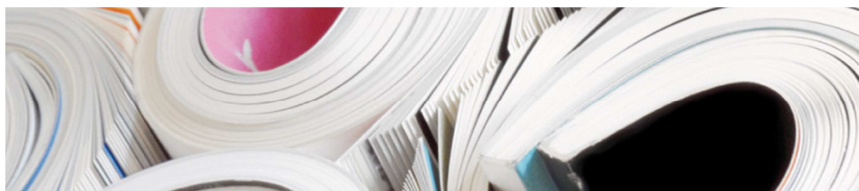
11. CASH AND CASH-EQUIVALENT

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

	30 September 2012	31 December 2011	30 September 2011
Cash and cash-equivalent			
Banks	9.039	14.865	11.909
Cash	130	182	137
	9.169	15.047	12.046

Cash-flow Statement

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



	30 September 2012	31 December 2011	30 September 2011
Cash and cash-equivalent			
Banks	9.039	14.865	11.909
Cash	130	182	137
Cash and cash-equivalent per balance sheet	9.169	15.047	12.046
Bank overdrafts	-105.888	-85.873	-94.412
Cash and Cash-equivalent per Cash-Flow statement	-96.719	-70.826	-82.366

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

12. Impairment

During the nine months ended in 30 September 2012 the recognised asset impairments were as follows:

	Goodwill	Other intangible assets	Inventories	Trade receivables	Other current assets	Total
Balance as at January 1, 2011	11.766	27.464	1.114	10.766	11.476	62.586
Increases	-	-	110	2.854	-	2.964
Utilisation	-	-	-	-592	-7.236	-7.828
Reverseals	-	-	-169	-1.741	-	-1.910
Changes in the consolidation perimeter	-	-	-	-84	-	-84
Exchange rate differences	-	-	4	56	-	60
Balance as at December 31, 2011	11.766	27.464	1.059	11.259	4.240	55.788
Increases	-	-	195	2.978	2	3.175
Utilisation	-	-	-	-270	-	-270
Reverseals	-	-	-238	-1.053	-	-1.291
Changes in the consolidation perimeter	-	-	29	17	-	46
Exchange rate differences	-	-	1	19	-	20
Balance as at September 30, 2012	11.766	27.464	1.046	12.950	4.242	57.468



13. SHARE CAPITAL

At September 30, 2012 and December 31, 2011 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 without voting rights, certificated and bearer with no par value (in 2010 share capital was represented by 150,000,000 ordinary shares with a nominal value of Euro 1 each). 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.

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

- Parpública – Participações Públicas, SGPS, SA, which held 49,084,738 shares corresponding 32.72% of voting rights;
- Banco Comercial Português, SA, which held 27,361,310 shares corresponding 18.24% of voting rights (*);
- Nova Expressão SGPS, SA, which held 7.500.000 shares corresponding to 5.00% of voting rights, and;
- Tiago Moreira Salgado, which held 3.150.000 shares corresponding to 2.10% of voting rights.



In compliance with the aforementioned applicable legislation and regulations, the Company was neither notified of any changes to the aforementioned holdings nor of any other holdings of other shareholders to whom voting rights equal to or greater than 2% of share capital may have accrued.

Notes:

(*) The holdings of Banco Comercial Português, SA, are broken down as follows:

- Fundo de Pensões do Grupo BCP 16,491,898 shares corresponding to 10.99% of voting rights;
- Banco Comercial Português, SA 10,869,412 shares corresponding to 7.25% of voting rights;

As at 30 September 2012, the Group did not hold own shares and no transactions involving own shares were recorded during the nine-month period under analysis.

14. LOANS

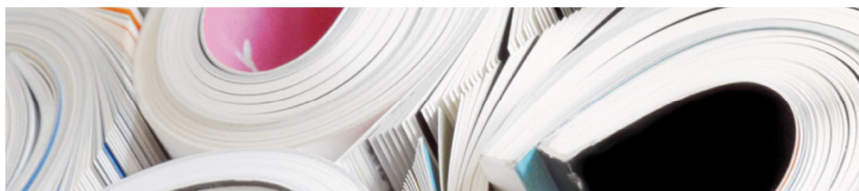
As at 30 September 2012 and 31 December 2011, Loans balance were broken as follows:



	<u>30 September 2012</u>	<u>31 December 2011</u>
Current debt		
° Bank loans		
° Bank loans and other current financial instruments	105.888	85.873
° Commercial paper, redeemable at its nominal value, renewable, with maturity within one year	45.743	68.310
° Medium and long-term financial instruments (portion maturity within 1 year)	12.058	12.546
° Other current financial loans	7.718	9.530
Total current debt	<u>171.407</u>	<u>176.259</u>
Non- current debt		
° Bank loans		
° Medium and long-term financial instruments	98.321	102.572
° Other loans	31.854	45.897
	<u>130.175</u>	<u>148.469</u>
° Financing associated to financial assets - securitisation (Note 37)	38.943	38.061
Total non-current debt	<u>169.118</u>	<u>186.530</u>
Total debt	<u><u>340.525</u></u>	<u><u>362.789</u></u>

As at 30 September 2012 the bank loans conditions are similar to the ones of 31 December 2011.

As at 30 September 2012 and 31 December 2011, the net balance of consolidated financial debt is broken down as follows:



	30 September 2012	31 December 2011
Loans		
Current	171.407	176.259
Non-current	130.175	148.469
	<u>301.582</u>	<u>324.728</u>
Loans associated to financial assets - securitization	38.943	38.061
Financial leases debt	8.971	10.006
	<u>349.496</u>	<u>372.795</u>
Cash and cash-equivalents	9.169	15.047
Negotiable financial assets (listed securities)	-	-
Available-for-sale financial assets (listed securities)	-	-
	<u>9.169</u>	<u>15.047</u>
	<u>340.327</u>	<u>357.748</u>

14. SUPPLIERS AND OTHER CURRENT LIABILITIES

As at 30 September 2012 and 31 December 2011, the balances of Suppliers and of Other current liabilities were broken down as follows:

	30 September 2012	31 December 2011
Suppliers		
Suppliers on current account	52.636	42.722
Trade bills account	-	-
Invoices pending reconciliation	4.143	4.680
	<u>56.779</u>	<u>47.402</u>
Other current liabilities		
Advances from clients	1.322	1.601
Fixed assets suppliers	1.087	1.295
Other creditors	11.122	10.724
Accruals and deferred items	10.372	10.041
	<u>23.903</u>	<u>23.661</u>

15. INCOME TAX

The amount of taxes in the Interim Consolidated Income Statement for the nine months to 30 September 2012, amounting to a total of 1.019 thousand Euros, equates to the liability for current income tax for the nine months period in the amount of 693 thousand Euros plus the balance of changes in deferred tax, amounting to 326 thousand Euros.



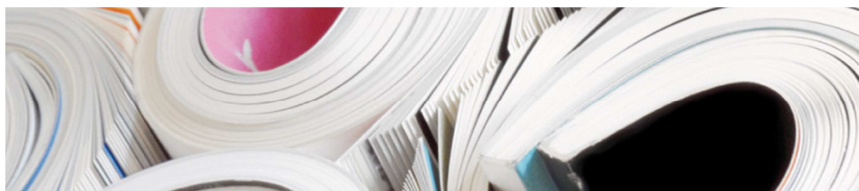
The differential between the nominal tax rate (average rate of 30%) and the effective company income tax rate (IRC company tax) for the Group, as at 30 September 2012, is detailed in the following table:

	<u>30 September 2012</u>
Net income before tax	-1.310
Nominal company tax rate	30%
	393
Income tax (payment)	1.019
	<u>1.412</u>
Permanent differences- France	112
Permanent differences- Portugal	17
Permanent differences- IPG	83
Permanent differences- IMH	150
Permanent differences- Germany	420
Exchange rate differences	1
FX differences	429
Write-off of deferred tax assets	196
Changes in tax rates - opening balances	36
Other	-32
	<u>1.412</u>

Deferred tax

All instances where future taxation due may come to be significantly impacted are reported in the financial statements as at 30 September 2012 and 31 December 2011.

The following table reports changes in deferred tax assets and liabilities during the nine months to 30 September 2012 and the financial year ended 31 December 2011:



	01-01-2012	Changes in consolidation perimeter	Fair value reserves and other reserves	Net profit for the period	30-09-2012
Deferred tax assets					
Taxable provisions	53	-	-	-	53
Reportable tax losses	16.425	-	-	1.078	17.503
Others	3.048	-	-	-115	2.933
	<u>19.526</u>	<u>-</u>	<u>-</u>	<u>963</u>	<u>20.489</u>
Deferred tax liabilities					
Fixed assets revaluation	-8.152	-	-	-63	-8.215
Depreciation	-12.461	-	-	-834	-13.296
Others	-514	-	-	-392	-906
	<u>-21.127</u>	<u>-</u>	<u>-</u>	<u>-1.289</u>	<u>-22.417</u>
Net deferred tax	<u>-1.601</u>	<u>-</u>	<u>-</u>	<u>-326</u>	<u>-1.928</u>

	01-01-2011	Changes in consolidation perimeter	Fair value reserves and other	Net profit for the period	31-12-2011
Deferred tax assets					
Taxable provisions	53	-	-	-	53
Reportable tax losses	17.848	-	-	-1.423	16.425
Others	3.093	-	-	-45	3.048
	<u>20.994</u>	<u>-</u>	<u>-</u>	<u>-1.468</u>	<u>19.526</u>
Deferred tax liabilities					
Fixed assets revaluation	-8.142	-	-	-10	-8.152
Depreciation	-11.363	-	-	-1.098	-12.461
Others	-759	-	-	244	-515
	<u>-20.264</u>	<u>-</u>	<u>-</u>	<u>-864</u>	<u>-21.128</u>
Net deferred tax	<u>730</u>	<u>-</u>	<u>-</u>	<u>-2.331</u>	<u>-1.601</u>

Deferred tax assets are recognised for tax losses insofar as the use of their respective fiscal benefits is likely due to expected future taxable profits. The Group recognised a balance of 17,503 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	8.739	ilimitado
Inapa Distribución Ibérica	6.415	2021-2027
Portuguese group companies	127	2013-2016
Inapa Suisse	301	2018
Inapa Belgique	1.865	ilimitado
Outros	<u>56</u>	
	<u>17.503</u>	



16. CONTINGENT LIABILITIES

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

- Annul the following acts:
 - The signature of a Mercantile Notarial Bond, in June 2006, which was pledged as a counter-guarantee to letters of comfort issued by Inapa – Investimentos, Participações e Gestão, SA as security for credit facilities granted to that company by Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo;
 - The effectiveness of certain transactions processed in 1991 for purposes of concentrating paper merchanting business in SDP (currently Inapa Portugal) and envelope production and sales business in Papelaria Fernandes;
 - The purchase of the holdings of Papelaria Fernandes in the share capital of SDP (currently Inapa Portugal), in 1994; and
 - The credit compensation arrangements agreed to by Papelaria Fernandes and Inaprest, also in 1994.
- Find Inapa guilty and sentence it to:
 - Continue to honour the letters of comfort issued in favour of Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo;
 - Indemnify Papelaria Fernandes in the event of the aforementioned notarial bond being realised by the beneficiaries as a counter-guarantee to the said letters of comfort.



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Since then, Papelaria Fernandes – Industria e Comércio, SA, has fully repaid the credit facilities obtained from Banco Espírito Santo and Caixa Central de Crédito Agrícola Mútuo, on account of which:

- The letters of comfort issued by Inapa - IPG have ceased to serve their original purpose and have since been released by their respective beneficiaries;
- The Company has consequently notified Papelaria Fernandes – Indústria e Comércio, SA that the terms and conditions of the mercantile notarial bond it had issued in its favour no longer applied, constituting due cause for cancellation thereof.

The legal suit, which has been valued at 24,460 thousand Euros, was contested by Inapa - IPG and by its subsidiary Inapa Portugal – Distribuição de Papel, SA, and is pending decision by the Court on the effects of the dissolution / liquidation of Inaprest – Prestação de Serviços, Participações e Gestão, SA. The Group believes that no financial impact will arise from such decision and, therefore, has not raised provisions on that account.

17. SUBSEQUENT EVENTS

After 30 September 2012 and to the publication date Inapa Group has not verified any subsequent relevant events.

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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	Number of shares	Voting rights
Álvaro João Pinto Correia	0	0%
José Manuel Félix Morgado	563 631	0,38%
António José Gomes da Silva Albuquerque	0	0%
Jorge Manuel Viana de Azevedo Pinto Bravo	0	0%
Arndt Klippgen	0	0%
Emídio de Jesus Maria	0	0%
Acácio Jaime Liberado Mota Piloto	0	0%
Eduardo Fernández-Espinar	200 000	0,13%
Detidas por pessoas ou entidades contempladas no n.º 2 do art.º 447º do Código das Sociedades Comerciais	100 000	0,07%

Chartered Accountant

Name	Number of shares	Voting rights
PricewaterhouseCoopers & Associados, SROC, Lda, representada por: - José Pereira Alves – ROC efectivo	0	0%
José Manuel Henriques Bernardo, ROC suplente	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 2012 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 2012 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, 31 October 2012

Álvaro João Pinto Correia

Chairman of the Board of Directors

José Manuel Félix Morgado

Vice-Chairman and President of the Executive Committee of the Board of Directors

Arndt Klippgen

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

António José Gomes da Silva Albuquerque

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

Jorge Manuel Viana de Azevedo Pinto Bravo

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

Emídio de Jesus Maria

Director and Chairman of the Audit Committee

Acácio Jaime Liberado Mota Piloto

Director and member of the Audit Committee

Eduardo Fernández-Espinar

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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Participações e Gestão, SA**
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