



Consolidated Results
1st Quarter 2012

inapa



1. Highlights

RESULTS BEFORE TAX OF € 1.6M, AT 2011 LEVEL

Recovery of EBITDA and EBIT margin to market references

Strengthening the Financial Balance by Debt Reduction of € 77.5 M

Results generation

- Sales decreased 8.8% relatively to 3011
- Gross margin increased 1.3 percentage points to 18.6%
- Operational costs reduced by 2.3%
- Recurrent EBITDA was 7.8 million euros
- Operational results were 6.2 million euros
- Financial costs decreased 10.2%
- Results before tax were 1.6 million euros, at 2011 level
- Net income was 1.0 million euros

Financial Strength

- Working capital decreased 17.8% relatively to the 1st quarter 2011
- Net debt decreased 77.5 million euros comparing with the 1st quarter 2011 and 10.6 million euros comparing with 2011 year end.

| Chart 1_Main Consolidated Indicators | | | | | |
|---------------------------------------|----------------|----------------|----------------|-----------------|-------------------|
| Million euros | 1Q12 | 1Q11 | Δ 12/11 | | |
| Tons ('000) | 219 | 244 | -10,2% | | |
| Sales | 242,8 | 266,3 | -8,8% | | |
| Gross margin | 45,3 | 46,2 | -2,0% | | |
| Gross margin (%) | 18,6% | 17,4% | 1,3 pp | | |
| Operating costs ¹ | 36,6 | 36,7 | -0,2% | | |
| Proforma operating costs ² | 35,8 | 36,7 | -2,3% | | |
| Provisions | 0,9 | 0,9 | -4,5% | | |
| Re-EBITDA | 7,8 | 8,6 | -9,3% | | |
| Re-EBITDA margin (%) | 3,2% | 3,2% | 0,0 pp | | |
| EBIT | 6,2 | 6,8 | -8,4% | | |
| Net financial costs | 4,6 | 5,1 | -10,2% | | |
| EBT | 1,6 | 2,0 | -18% | | |
| Proforma EBT ³ | 1,6 | 1,6 | -2,8% | | |
| Net Result | 0,98 | 1,5 | -37% | | |
| | 31-3-12 | 31-3-11 | Δ 12/11 | 31-12-11 | Δ 3 months |
| Net Debt ⁴ | 347,1 | 424,6 | -18,3% | 357,7 | -3,0% |
| Working capital | 184,7 | 224,8 | -17,8% | 190,2 | -2,9% |

(1) Net of income from services and other income and excludes provisions (2) Without Semaq effect
 (3) Excluding the effect of sale of assets (Tavistock) (4) Includes securitization



2. Relevant facts

Until the day of the publication, 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, anual report disclosure and notice of the General Meeting



3. Management report

3.1. Market analysis

The first quarter of 2012 was marked by a sharp decline in demand for paper. For this development was crucial to 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.

Inapa focuses its activities in the paper merchant business in five key markets, Germany, France, Switzerland, Portugal and Spain, and is a leader in the distribution of office paper segment in the Belgian and Luxembourg market.

Market conditions were particularly adverse when it comes to volumes, with a fall in demand and strong competition to compensate for shrinkage. In the first two months of 2012, according to data from Eugropa (European Association of Paper Wholesalers), in Inapa's five major markets, volumes were down 0.7%. In Spain and Portugal where there was more significant losses as a result of their economic situation, with decreases of 9.2% and 11.2% of volumes traded.

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

Thousand tons

| | Volume | | |
|-------------|--------|------|---------|
| | 2012 | 2011 | Δ 12/11 |
| Germany | 473 | 467 | 1,4% |
| France | 148 | 150 | -1,0% |
| Switzerland | 50 | 53 | -5,0% |
| Portugal | 14 | 16 | -11,2% |
| Spain | 58 | 64 | -9,2% |
| Core 5 | 744 | 749 | -0,7% |

Source: Eugropa

In addition to falling volumes, the paper price level also reduced, which together with deterioration of the financial risk of printing industry and business, amplified the negative effect in terms of volumes.

Despite the less favorable of paper market trend, packaging and visual communication business remained with a strong growth trend.



3.2.Consolidated performance

Consolidated sales until March 2012 decreased 8.8% over the same period in 2011, reaching 242.8 million euros. The decrease is due to the sharp reduction in paper volumes of 10.2% recorded in the various markets, explained by the situation of the sector, the implementation of measures to improve margin and the tight control of customer credit risk.

Despite the slowdown in activity, complementary businesses continued the trend of strong growth that has been registered, an increase of 23.1% reaching 27.8 million euros, representing 11.5% of sales compared to 8.5% in 2011.

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

| Million euros | 1Q12 | | | 1Q11 | |
|------------------------|--------------|-------------|--------------|--------------|-------------|
| | Sales | Weight | Δ 12/11 | Sales | Weight |
| Paper | 217,7 | 89,7% | -11,5% | 246,1 | 92,4% |
| Complementary business | 27,8 | 11,5% | 23,1% | 22,6 | 8,5% |
| Packaging | 13,1 | 5,4% | 42,0% | 9,2 | 3,5% |
| Visual communication | 7,4 | 3,1% | 7,1% | 6,9 | 2,6% |
| Others ¹ | 7,3 | 3,0% | 13,5% | 6,5 | 2,4% |
| Total | 242,6 | 100% | -8,9% | 266,3 | 100% |

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

During the first quarter of 2012 it was made a strong effort to recover commercial margin, in order to reestablish it at levels close to 2010. As a result of this effort, gross margin increased 1.3 percentage points over 2011 to 18.6%.

Operational costs on a comparable basis decreased 2.3% compared to 2011 as a result of lower distribution costs and administrative costs. Despite the difficult economic context, provisions fell by 4.5% over the previous year, reflecting the protection of the credit insurance policy and a prudent view of the sales credit risk.

Until March, the re-EBITDA was 7.8 million euros, representing 3.2% of sales. Despite the reduction of volumes recorded, the evolution of complementary businesses and gross margin improvement allowed offset the developments in the paper business. The complementary businesses - packaging and visual communication - continued to increase its weight in the Group's business, accounting for 18.0% of re-Consolidated EBITDA.

Operational results (EBIT) fell 8.4% to 6.2 million euros, representing 2.6% 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 quarter of 2011, declined 10.2% to 4.6 million, a decrease of 0.5 million euros. Despite the increase registered in credit conditions, the reduction of the gross debt led to a lower level of financial charges.

Earnings before tax were 1.6 million. Excluding the one-off positive effect of 313,000 euros on the sale of assets (including Tavistock) of profit before taxes in 2011, the results this quarter are located in the previous year's level.

Taxes for the period totaled EUR 0.6 million, 0.3 million more than in 2011.

Until March, the consolidated net income stood at 1.0 million euros.

Working capital registered an improvement of 17.8% over March 2011, ie a reduction of 40.1 million euros. This evolution was due to improved management of working capital held by reducing the receivables days and stock levels.

Due to the strong reduction in the working capital and the capital increase in 2011, net debt Inapa at March 2012 was 347.1 million euros, a decrease of 10.6 million euros compared with December 2011 or 77.5 million compared to March 2011.

3.3. Performance of the Group business areas

By March 2012 complementary businesses (packaging and visual communication) saw their weight increasing in the Group operational results generation (EBIT), representing 13.7% and 7.1% respectively, while the paper business saw lower its weight in from 87.9% to 79.2%.

PAPER

In volume, the first-quarter sales fell by 10.1% compared to 2011 levels, rising from 243 thousand to 219 thousand tonnes. In value terms, and including cross-selling, sales totaled 225.0 million euros, down 10.9%. The decline in average price of paper, compared with the same period of 2011, 7 euros per ton, together with strict credit policy, increased the effect of lower volumes.

Until February, according to data from Eugropa, the market share of Inapa was 18.8%, down 0.3 percentage points over the same period last year. It is hoped, however, that the Inapa has supplanted that market share in March.

The cross-selling in the paper business (including the sale of consumables and office charts) continued the trend that has been registered, increasing 13.5% in the period.



The strong commercial effort to restore the margin to levels similar to previous years, improved the gross margin by 1.0 percentage points to 17.2%.

Operational results (EBIT) of the paper business amounted to 3.6 million euros, representing 1.6% of sales, reflecting a decrease of 23% over the previous year.

PACKAGING

Packaging business was the one that showed greater dynamism, registering a growth of 42% over 2011, with sales of EUR 13.1 million. A quarter of the growth is explained by organic growth, while the remainder is due to the acquisition of Semaq (packaging company in the French market).

Operational results (EBIT) grew 65% to 0.9 million euros, representing 6.5% of sales.

VISUAL COMMUNICATION

Visual communication business has continued the growth trend, having increased its sales by 7.1% over March 2011, standing at 7.4 million euros. The digital printing continues to grow strongly due to innovations in the market, such as Latex, which have accelerated the change of technologies and resources to offset solvent inks.

Operational results (EBIT) grew 42% to 0.4 million euros, representing 6.0% of sales.

3.4.Outlook

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



With regard to major markets, including Germany, France and Switzerland (84% of consolidated sales) anticipates a better performance in volumes compared to the Iberian market (15% of Group sales) due to different economic environments and rhythms growth of economies.

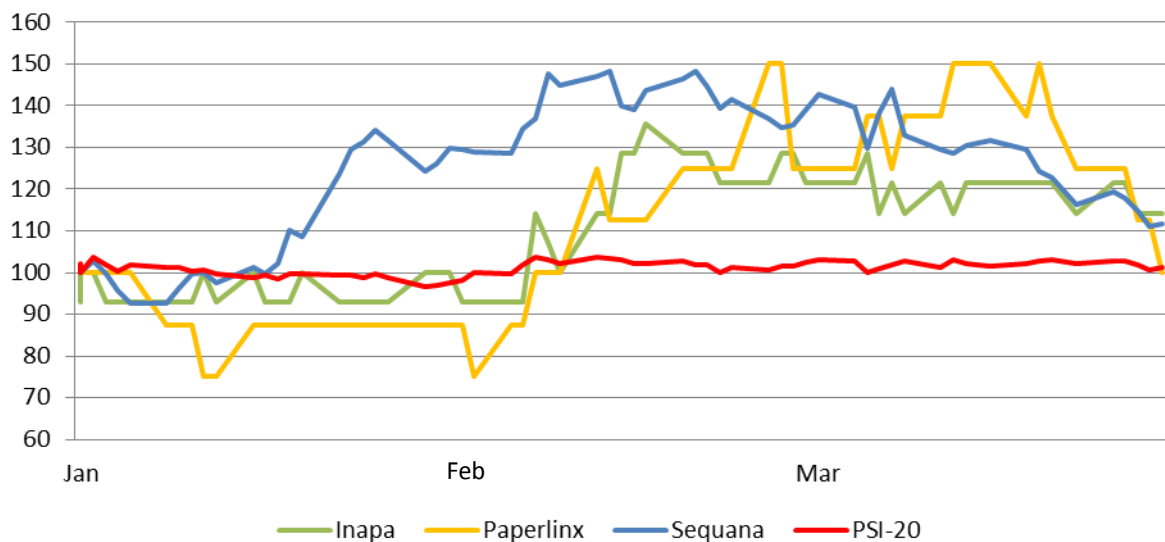
In order to extract the maximum value of the paper business, the Group will remain focused on the analysis of possible opportunities for optimization in the markets in which it operates, to reduce their operating costs, particularly through the standardization of information systems supporting the business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

Complementary businesses should maintain the trend of growth and profitability have been recorded, with a consequent increase in its weight in revenues and operating results of the Group. The business of packaging will continue to absorb a significant portion of the Group's investment, is expected to grow even more significant. To make this possible, in the course of 2012, Inapa made the acquisition of Semaq, a packaging company in France, which in 2011 had a turnover of 10.9 million euros. This acquisition will enable the Group to consolidate its position in that market.

3.5. Stock market

Inapa stock price vs. PSI20 vs. comparables

1st quarter 2012



In the first quarter of 2012 ordinary shares showed a slight recovery, reflecting the increase in weight of some shareholders with qualifying holdings.

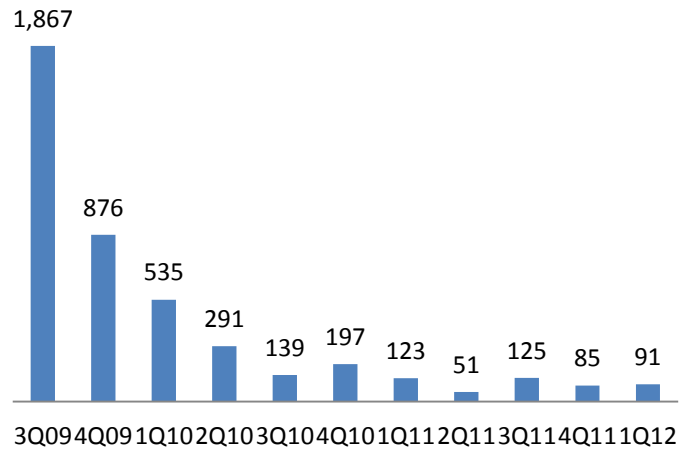


Stock price rose by 14%, from € 0.14 to € 0.16, compared with an increase of 1% of the PSI-20. The evolution of the stock price followed a trend similar to that recorded by other titles in the sector, which during 2012 have maintenance or appreciated.

Trading volumes during the first quarter of 2012 remained close to levels seen in recent quarters and represent a 28% decrease over the first quarter of 2011.

Preferred shares continued to have low trading volumes, only 51,301 securities were traded on the first quarter, ending the quarter to € 0.15, down 21% compared to year-end.

Average trading volumes
Thousands of shares





4. Consolidated financial information

INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED INCOME STATEMENT AS AT MARCH 31, 2012 AND MARCH 31, 2011
(Amounts expressed in thousand of Euros)

| | Notes | MARCH 31, 2012 | MARCH 31, 2011 |
|---|-------|----------------|----------------|
| Tonnes | | 218.663 | 243.532 |
| Sales and service rendered | 3 | 245.690 | 269.239 |
| Other Income | 3 | 6.173 | 6.910 |
| Total Income | | 251.862 | 276.148 |
| Cost of sales | | -200.297 | -223.401 |
| Personal costs | | -19.769 | -19.960 |
| Other costs | 5 | -24.187 | -24.596 |
| | | 7.609 | 8.191 |
| Depreciations and amortizations | | -1.381 | -1.490 |
| Gains / (losses) in associates | | 0 | 408 |
| Net financial function | 6 | -4.626 | -5.149 |
| Net profit before income tax | | 1.601 | 1.959 |
| Income tax | 15 | -577 | -317 |
| Net profit / (loss) for the period | | 1.024 | 1.642 |
| Attributable to : | | | |
| Shareholders of the company | | 976 | 1.540 |
| Non controlling interests | | 48 | 102 |
| Earnings per share of continued operations - € | | | |
| Basic | | 0,007 | 0,011 |
| Diluted | | 0,007 | 0,011 |

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



INAPA - Investimentos, Participações e Gestão, SA

COMPREHENSIVE INCOME STATEMENT AS AT MARCH 31, 2012
(Amounts expressed in thousand of Euros)

| | <u>MARCH 31, 2012</u> | <u>MARCH 31, 2011</u> |
|---|-----------------------|-----------------------|
| Net profit for the period before minority interest | 1.024 | 1.642 |
| Available-for-sale financial assets carried at fair value | - | - |
| Exchange differences on translating foreign operations | -261 | -1.399 |
| Earnings directly recognised in equity | -261 | -1.399 |
| Total comprehensive income for the period | <u>763</u> | <u>244</u> |
| Attributable to : | | |
| Shareholders of the company | 661 | 142 |
| Minority interest | 48 | 102 |
| | <u>709</u> | <u>244</u> |

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



INAPA - Investimentos, Participações e Gestão, SA

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012 and DECEMBER 31, 2011

(Amounts expressed in thousand euros)

| | Notes | March 31, 2012 | December 31, 2011 |
|--|-------|----------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Tangible fixed assets | | 95.402 | 95.884 |
| Goodwill | | 142.336 | 140.338 |
| Other intangible assets | | 111.057 | 111.227 |
| Investment in associate companies | | 1.070 | 1.071 |
| Available-for-sale financial assets | 7 | 47 | 47 |
| Other non-current assets | | 22.152 | 21.835 |
| Deferred tax assets | 15 | 19.609 | 19.526 |
| Total non-current assets | | 391.672 | 389.928 |
| CURRENT ASSETS | | | |
| Inventories | | 70.615 | 71.029 |
| Trade receivables | 11 | 174.746 | 166.619 |
| Tax to be recovered | | 7.290 | 7.286 |
| Available-for-sale financial assets | 7 | 628 | 628 |
| Other current assets | 11 | 30.036 | 38.392 |
| Cash and cash-equivalents | 10 | 9.694 | 15.047 |
| Total current assets | | 293.010 | 299.000 |
| Total assets | | 684.682 | 688.928 |
| SHAREHOLDERS EQUITY | | | |
| Share capital | | 204.176 | 204.176 |
| Own shares | | - | - |
| Share issue premium | | 450 | 450 |
| Reserves | | 44.204 | 44.465 |
| Retained earnings | | -49.828 | -43.667 |
| Net profit for the period | | 976 | -6.161 |
| | | 199.978 | 199.263 |
| Minority interests | | 4.013 | 3.991 |
| Total shareholders equity | | 203.991 | 203.254 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Loans | 13 | 148.572 | 148.469 |
| Financing associated to financial assets | 13 | 37.562 | 38.061 |
| Deferred tax liabilities | 15 | 21.420 | 21.128 |
| Provisions | | 437 | 391 |
| Liabilities for employee benefits | | 3.261 | 3.518 |
| Other non-current liabilities | | 8.447 | 8.711 |
| Total non-current liabilities | | 219.698 | 220.278 |
| Current liabilities | | | |
| Loans | 13 | 160.966 | 176.259 |
| Suppliers | 14 | 60.675 | 47.402 |
| Tax liabilities | | 16.947 | 18.073 |
| Other current liabilities | 14 | 22.405 | 23.661 |
| Total current liabilities | | 260.993 | 265.395 |
| Total shareholders equity and liabilities | | 684.682 | 688.928 |

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



INAPA - Investimentos, Participações e Gestão, SA

STATEMENT OF SHAREHOLDERS EQUITY AS AT MARCH 31, 2012 AND DECEMBER 31, 2011
(Amounts expressed in thousand of Euros)

| | Attributable to shareholders | | | | | Total | Non-controlling interests | Total Shareholders Equity |
|---|------------------------------|------------------------|------------------------------|--------------------------------------|------------------------------------|----------------|---------------------------|---------------------------|
| | Share Capital | Share issuance premium | Foreign Exchange Adjustments | Other reserves and Retained earnings | Net Profit / (loss) for the period | | | |
| BALANCE AS AT JANUARY 1, 2011 | 150.000 | 2.937 | 5.338 | -8.701 | 2.941 | 152.515 | 1.032 | 153.547 |
| Total earnings and costs recognized in the period | - | - | -93 | - | -6.161 | -6.254 | 183 | -6.071 |
| Previous year net profit and loss result | - | - | - | 2.941 | -2.941 | - | - | - |
| Changes in capital | - | -2.486 | - | - | - | -2.486 | - | -2.486 |
| Capital increase | 54.176 | - | - | - | - | 54.176 | - | 54.176 |
| Dividends | - | - | - | - | - | - | -102 | -102 |
| Other changes | - | - | - | 1.312 | - | 1.312 | 2.878 | 4.190 |
| Total de Gains and losses of the period | 54.176 | -2.486 | -93 | 4.254 | -9.103 | 46.748 | 2.959 | 49.707 |
| BALANCE AS AT DECEMBER 31, 2011 | 204.176 | 450 | 5.245 | -4.447 | -6.161 | 199.263 | 3.991 | 203.255 |
| BALANCE AS AT JANUARY 1, 2012 | 204.176 | 450 | 5.245 | -4.447 | -6.161 | 199.263 | 3.991 | 203.255 |
| Total earnings and costs recognized in the period | - | - | -261 | - | 976 | 715 | 48 | 763 |
| Previous year net profit and loss result | - | - | - | -6.161 | 6.161 | - | - | - |
| Changes in capital | - | - | - | - | - | - | - | - |
| Capital increase | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | -26 | -26 |
| Other changes | - | - | - | - | - | - | - | - |
| Total de Gains and losses of the period | - | - | -261 | -6.161 | 7.138 | 715 | 21 | 736 |
| BALANCE AS AT MARCH 31, 2012 | 204.176 | 450 | 4.984 | -10.608 | 976 | 199.978 | 4.013 | 203.991 |

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 MARCH 31, 2012 AND MARCH 31, 2011

(Amounts in thousand Euros) - direct method

| | Notas | MARCH 31, 2012 | MARCH 31, 2011 |
|--|------------------------------|----------------|----------------|
| Cash flow generated from operating activities | | | |
| Cash receipts from customers | | 244.903 | 254.617 |
| Payments to suppliers | | -185.974 | -217.819 |
| Payments to personnel | | -19.778 | -21.255 |
| Net cash from operational activities | | 39.150 | 15.543 |
| Income taxes paid | | -1.106 | -56 |
| Income taxes received | | 95 | 254 |
| Other proceeds relating to operating activity | | 14.045 | 23.698 |
| Other payments relating to operating activity | | -37.288 | -27.133 |
| Net cash generated from operating activities | 1 | 14.896 | 12.306 |
| Cash flow from investing activities | | | |
| Proceeds from: | | | |
| Financial investments | | 165 | 673 |
| Tangible fixed assets | | - | 366 |
| Intangible assets | | - | - |
| Interest and similar income | | 11 | 71 |
| Dividends | | - | - |
| | | 176 | 1.109 |
| Payments in respect of: | | | |
| Financial investments | | -2.882 | -24 |
| Tangible fixed assets | | -97 | -226 |
| Intangible assets | | -135 | -268 |
| Advances from third-party expenses | | - | - |
| Loans granted | | - | - |
| | | -3.113 | -519 |
| Net cash used in investing activities | 2 | -2.937 | 591 |
| Cash flow from financing activities | | | |
| Proceeds from: | | | |
| Loans obtained | | 31.707 | 25.475 |
| Capital increases, repayments and share premiums | | - | - |
| Treasury placements | | - | - |
| | | 31.707 | 25.475 |
| Payments in respect of: | | | |
| Loans obtained | | -41.754 | -22.742 |
| Amortization of financial leases | | -384 | -401 |
| Interest and similar expenses | | -2.918 | -2.604 |
| Dividends | | - | - |
| | | -45.055 | -25.748 |
| Net cash used in financing activities | 3 | -13.348 | -273 |
| Increase / (decrease) in cash and cash-equivalent | 4 = 1 + 2 + 3 | -1.390 | 12.624 |
| Effect of exchange differences | | 94 | 690 |
| | | -1.296 | 13.313 |
| Cash and cash-equivalents at the beginning of period | | -70.826 | -105.913 |
| Cash and cash-equivalents at the end of period | 11 | -72.122 | -92.600 |
| | | -1.296 | 13.313 |

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



INAPA - INVESTIMENTOS, PARTICIPAÇÕES E GESTÃO, SA

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF THREE MONTHS ENDED 31 MARCH 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 44, 3º 1250-071 Lisboa, Portugal

Share capital: 204,176,479.38 euros

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

The Group includes a sub-holding (Gestinapa - SGPS, SA) that holds the investments related to Supply.

As a result of its development and internationalisation plan, the Inapa Group holds shares in the Paper distribution 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, Inapa Viscom, GmbH and PMF-Factoring, GmbH, headquartered in the same country, (ii) Inapa France, SA and subsidiary companies, operating in France and Belux, (iii) Inapa Suisse, 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 in the Group which has a stake in Inapa Angola- Distribuição de Papel, SA, (v) Inapa Espana Distribucion de Papel, 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 for marketing packaging material, Hennessen & Potthoff, GmbH and HTL - Verpackung, GmbH.

These consolidated financial statements were approved by Inapa-IPG's Board of Directors of April 26th of 2012.



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 31 March 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.

Estimates and material errors

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

Estimates made in preparing the financial statements for the three months ended March 31, 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 three months to 31 March 2012 and 31 March 2011 brake down as follows:

| | <u>31 March 2012</u> | <u>31 March 2011</u> |
|-------------------------------|-----------------------|-----------------------|
| <i>Domestic market</i> | | |
| Goods sold | 10.909 | 15.583 |
| Service rendered | - | 145 |
| | <u>10.909</u> | <u>15.728</u> |
| <i>Exports</i> | | |
| Goods sold | 231.935 | 250.754 |
| Service rendered | 2.846 | 2.757 |
| | <u>234.781</u> | <u>253.511</u> |
| Total | <u><u>245.690</u></u> | <u><u>269.239</u></u> |

As at 31 March 2012 and 2011, Other income balance brake down as follows:

| | <u>31 March 2012</u> | <u>31 March 2011</u> |
|----------------------|----------------------|----------------------|
| Supplementary income | 177 | 148 |
| Net cash discounts | 2.733 | 3.276 |
| Other income | 3.263 | 3.486 |
| | <u>6.173</u> | <u>6.910</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 March 31, 2012 and 2011 for operating segments is as follows:

| | 31 March 2012 | | | | | | 31 March 2011 | | | | | |
|---|----------------|---------------|----------------------|------------------|--------------------------------|----------------|----------------|--------------|----------------------|------------------|--------------------------------|----------------|
| | Paper | Packaging | Visual Communication | Other operations | Eliminations on consolidations | Consolidated | Paper | Packaging | Visual Communication | Other operations | Eliminations on consolidations | Consolidated |
| REVENUES | | | | | | | | | | | | |
| External sales | 223.583 | 12.473 | 6.773 | 15 | - | 242.844 | 251.241 | 8.698 | 6.393 | 4 | - | 266.337 |
| Inter-segment sales | 185 | 585 | 660 | | -1.430 | - | 208 | 500 | 544 | - | -1.252 | - |
| Other revenues | 8.654 | 123 | 107 | 134 | - | 9.018 | 9.537 | 75 | 163 | 37 | - | 9.811 |
| Total Revenues | 232.423 | 13.181 | 7.539 | 149 | -1.430 | 251.862 | 260.986 | 9.273 | 7.100 | 41 | -1.252 | 276.148 |
| RESULTS | | | | | | | | | | | | |
| Segment results | 5.784 | 845 | 455 | -1.002 | 146 | 6.228 | 6.492 | 509 | 336 | -799 | 162 | 6.701 |
| Operacional results | | | | | | 6.228 | | | | | | 6.701 |
| Interest expenses | -2.323 | -75 | -57 | -3.049 | 790 | -4.713 | -2.872 | -66 | -67 | -3.236 | 874 | -5.367 |
| Interest income | 789 | 2 | - | 315 | -1.020 | 87 | 805 | 1 | 1 | 504 | -1.093 | 218 |
| Tax on profits | - | - | - | - | - | -577 | - | - | - | - | - | -317 |
| Income from ordinary activities | | | | | | 1.025 | | | | | | 1.234 |
| Gains/ (losses) in associated companies | | | | | | 0 | | | | | | 408 |
| Resultado operações descontinuadas | | | | | | 0 | | | | | | 0 |
| Net profit / (loss) for the year | | | | | | 1.024 | | | | | | 1.642 |
| Attributable : | | | | | | | | | | | | |
| Equity shareholders | | | | | | 976 | | | | | | 1.540 |
| Minority interests | | | | | | 48 | | | | | | 102 |

As at 31 March 2012 and 2011, paper sales per country where the Group operates were broken down as follows:

| | Sales | |
|----------|----------------|----------------|
| | 31 March 2012 | 31 March 2011 |
| Germany | 114.141 | 125.836 |
| France | 59.561 | 64.284 |
| Portugal | 10.955 | 15.131 |
| Others | 38.927 | 45.990 |
| | 223.583 | 251.241 |

5. OTHER COSTS

As at the end of the nine month period to 31 March 2012 and 31 March 2011, the Other costs brake down as follows:



| | <u>31 March 2012</u> | <u>31 March 2011</u> |
|-------------------------------------|----------------------|----------------------|
| General and Administrative expenses | 22.202 | 22.324 |
| Indirect taxes | 867 | 915 |
| Other costs | 251 | 449 |
| Impairment to current assets | 867 | 908 |
| | <u>24.187</u> | <u>24.596</u> |

6. FINANCIAL FUNCTION

As at the end of the three months to 31 March 2012 and 31 March 2011, financial function broken down as follows:

| | <u>31 March 2012</u> | <u>31 March 2011</u> |
|------------------------------------|----------------------|----------------------|
| Financial income | | |
| Interest received | 26 | 63 |
| Favourable FX differences | 22 | 38 |
| Other financial income and profits | 39 | 117 |
| | <u>87</u> | <u>218</u> |
| Financial costs | | |
| Interest paid | -2.462 | -1.779 |
| Unfavourable FX differences | -7 | -74 |
| Other financial losses and costs | -2.244 | -3.514 |
| | <u>-4.713</u> | <u>-5.367</u> |
| Net financial results | <u>-4.626</u> | <u>-5.149</u> |

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

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



| | <u>31 March 2012</u> | <u>31 December 2011</u> |
|--|----------------------|-------------------------|
| Non current | | |
| BANIF - Unidades de participação em fundos de investimento | - | 628 |
| Other's | 47 | 47 |
| | <u>47</u> | <u>675</u> |
| Current | | |
| BANIF - Unidades de participação em fundos de investimento | 628 | - |
| | <u>675</u> | <u>675</u> |

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

| | |
|---|------------|
| Opening balance as at 1 January 2011 | 673 |
| Aquisitions | 2 |
| Disposals | - |
| Changes in fair value | - |
| Closing balance as at 31 December 2011 | 675 |
| Aquisitions | - |
| Disposals | - |
| Changes in fair value | - |
| Closing balance as at 31 March 2012 | 675 |



8. COMPANIES INCLUDED IN THE CONSOLIDATED ACCOUNTS

As at 31 March 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, 44-3 ^o 1250-071 Lisbon Portugal | 100.00 | SGPS | Inapa – IPG, SA | June 1992 |
| Inapa-Portugal, SA | Rua das Cerejeiras, nº 5, Vale Flores 2710 Sintra Portugal | 99.75 | Paper Merchating | Gestinapa - SGPS,SA | 1988 |
| Inapa Distribución Ibérica, SA | c/ Delco Polígono Industrial Ciudad del Automóvil 28914 Leganés, Madrid - Spain | 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 | Inapa France, SA | January 2008 |
| Inapa Belgique, SA | Vaucampslan, 30 1654 Huizingen Belgium | 99.94 | Paper Merchating | Inapa-France, SA | May 1998 |
| Inapa Luxemburg, SA | Adresse Postale: B.P. 87 3901 Mondercange Luxembourg | 97.81 | Paper Merchating | Inapa Belgique | Maio 1998 |
| Inapa Deutschland, GmbH | Warburgstraß, 28 20354 Hamburg 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 Hamburg Germany | 94.90 | Paper Merchanting | Inapa Deutschland, GmbH | April 2000 |
| PMF- Print Medien Factoring , GmbH | Warburgstraß, 28 20354 Hamburg Germany | 100.00 | Factoring | Papier Union, GmbH | September 2005 |
| Inapa Packaging, GmbH | Warburgstraß, 28 20354 Hamburg Germany | 100.00 | Holding | Papier Union, GmbH | 2006 |
| HTL Verpackung, GmbH | Werner-von- Siemens Str 4-6 21629 Neu Wulmstrof Germany | 100.00 | Packaging | Inapa Packaging, GmbH | January 2006 |
| Hennesen & Potthoff, GmbH | Tempelsweg 22 Tonisvorst Germany | 100.00 | Packaging | Inapa Packaging, GmbH | January 2006 |
| Inapa Viscom, GmbH | Warburgstraß, 28 20354 Hamburg 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, SA | Althardstrasse 301 8105 Regensdorf Switzerland | 100.00 | Paper Merchanting | Inapa-IPG,SA e Papier Union, GmbH | May 1998 |
| Edições Inapa, Lda | Rua Castilho 44- 3º 1250-071 Lisbon Portugal | 100,00 | Editorial | Inapa-IPG,SA e Gestinapa, SGPS,SA | November 2009 |
| Inapa Angola – Distribuição de Papel, SA | Rua Amílcar Cabral nº 211 Edifício Amílcar Cabral nº 8º Luanda - Angola | 100.00 | Paper Merchanting | Inapa Portugal, SA | December 2009 |



| Subsidiary company name | Head Office | % Group holdings | Business operation | Direct holding company | Date of incorporation |
|--------------------------------|--|-------------------------|---------------------------|--|------------------------------|
| Europackaging SGPS, Lda | Rua Castilho, 44-3º 1250-071 Lisboa Portugal | 100,00 | Holding | Inapa – IPG, SA Gestinapa,SGPS, SA | October 2011 |
| Semaq Emballages, SA | Rue de Strasbourg – ZI de Bordeaux Fret France | 100,00 | Packaging | Logistipack – Carton Services,SA | February 2012 |

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 |

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.

| 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 Vertriebsgesellschaft GmbH | Warburgstrasse,28 20354 Hamburg Germany | Papier Union, GmbH | 100% |



10. CASH AND CASH-EQUIVALENT

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

| | <u>31 March 2012</u> | <u>31 December 2011</u> | <u>31 March 2011</u> |
|---------------------------------|----------------------|-------------------------|----------------------|
| Cash and cash-equivalent | | | |
| Banks | 9.617 | 14.865 | 7.722 |
| Cash | 78 | 182 | 167 |
| | <u>9.694</u> | <u>15.047</u> | <u>7.890</u> |

Cash-flow Statement

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

| | <u>31 March 2012</u> | <u>31 December 2011</u> | <u>31 March 2011</u> |
|--|-----------------------|-------------------------|-----------------------|
| Cash and cash-equivalent | | | |
| Banks | 9.617 | 14.865 | 7.722 |
| Cash | 78 | 182 | 167 |
| Cash and cash-equivalent per balance sheet | <u>9.694</u> | <u>15.047</u> | <u>7.890</u> |
| Bank overdrafts | -81.817 | -85.873 | -100.489 |
| Cash and Cas-equivalent per Cash-Flow statement | <u>-72.123</u> | <u>-70.826</u> | <u>-92.600</u> |

The balance of Bank overdrafts includes creditor balances held on current accounts with financial institutions included in the balance of Loans (Note 13).



11. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

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

| | <u>31 March 2012</u> | <u>31 December 2011</u> |
|--|-----------------------|-------------------------|
| Trade receivables | | |
| Trade receivables -Current account | 158.940 | 150.188 |
| Trade receivables -Bills receivable | 13.256 | 13.781 |
| Doubtful debt | 14.224 | 13.909 |
| | <u>186.419</u> | <u>177.878</u> |
| Cumulative impairment losses | -11.673 | -11.259 |
| Trade receivables - net balance | <u><u>174.746</u></u> | <u><u>166.619</u></u> |

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

| | <u>31 March 2012</u> | <u>31 December 2011</u> |
|-----------------------------|----------------------|-------------------------|
| Other current assets | | |
| Associate companies | - | 1 |
| Advances to suppliers | 552 | 562 |
| Other debtors | 15.869 | 12.940 |
| Accrued income | 11.151 | 23.147 |
| Deferred costs | 2.463 | 1.742 |
| | <u>30.036</u> | <u>38.392</u> |

12. SHARE CAPITAL

At 31 December 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). As at December 31, 2011, 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, preferred 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:

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



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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 31 March 2012, the Group did not hold own shares and no transactions involving own shares were recorded during the six-month period under analysis.



13. LOANS

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

| | <u>31 March 2012</u> | <u>December 2011</u> |
|---|-----------------------|-----------------------|
| Current debt | | |
| ° Bank loans | | |
| ° Bank loans and other current financial instruments | 81.817 | 85.873 |
| ° Commercial paper, redeemable at its nominal value, renewable, with maturity within one year | 58.650 | 68.310 |
| ° Medium and long-term financial instruments (portion maturity within 1 year) | 11.772 | 12.546 |
| ° Other current financial loans | 8.725 | 9.530 |
| Total current debt | <u>160.966</u> | <u>176.259</u> |
| Non- current debt | | |
| ° Bank loans | | |
| ° Medium and long-term financial instruments | 106.472 | 102.572 |
| ° Other loans | 42.100 | 45.897 |
| | <u>148.572</u> | <u>148.469</u> |
| ° Financing associated to financial assets - securitisation (Note 37) | 37.562 | 38.061 |
| Total non-current debt | <u>186.134</u> | <u>186.530</u> |
| Total debt | <u><u>347.099</u></u> | <u><u>362.789</u></u> |

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



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

| | <u>31 March 2012</u> | <u>31 December 2011</u> |
|---|-----------------------|-------------------------|
| Loans | | |
| Current | 160.965 | 176.258 |
| Non-current | <u>148.572</u> | <u>148.469</u> |
| | 309.537 | 324.727 |
| Loans associated to financial assets - securitization | 37.562 | 38.061 |
| Financial leases debt | 9.682 | 10.006 |
| | <u>356.781</u> | <u>372.794</u> |
| Cash and cash-equivalents | 9.695 | 15.048 |
| Negotiable financial assets (listed securities) | - | - |
| Available-for-sale financial assets (listed securities) | - | - |
| | <u>9.695</u> | <u>15.048</u> |
| | <u>347.086</u> | <u>357.746</u> |

14. SUPPLIERS AND OTHER CURRENT LIABILITIES

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

| | <u>31 March 2012</u> | <u>31 December 2011</u> |
|----------------------------------|----------------------|-------------------------|
| Suppliers | | |
| Suppliers on current account | 56.265 | 42.722 |
| Trade bills account | - | - |
| Invoices pending reconciliation | 4.410 | 4.680 |
| | <u>60.675</u> | <u>47.402</u> |
| Other current liabilities | | |
| Advances from clients | 1.511 | 1.601 |
| Fixed assets suppliers | 1.235 | 1.295 |
| Other creditors | 8.955 | 10.725 |
| Accruals and deferred items | 10.705 | 10.041 |
| | <u>22.405</u> | <u>23.662</u> |



15. INCOME TAX

The amount of taxes in the Interim Consolidated Income Statement for the three months to 31 March 2012, amounting to a total of 577 thousand Euros, equates to the liability for current income tax for the three months period in the amount of 268 thousand Euros plus the balance of changes in deferred tax, amounting to 209 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 31 March 2012, is detailed in the following table:

| | <u>31 March 2012</u> |
|----------------------------------|----------------------|
| Net income before tax | 1.601 |
| Nominal company tax rate | <u>30%</u> |
| | -480 |
| Income tax | <u>-577</u> |
| | <u>97</u> |
| Permanent differences - France | 137 |
| Permanent differences - Portugal | 65 |
| Permanent differences - Suiça | -11 |
| Permanent differences - UK | -8 |
| Permanent differences - Bélgica | -39 |
| Other differences | <u>-47</u> |
| | <u>97</u> |

Deferred tax

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



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

| | <u>01-01-2011</u> | <u>Changes in consolidation perimeter</u> | <u>Fair value reserves and other reserves</u> | <u>Net profit for the period</u> | <u>31-03-2012</u> |
|---------------------------------|----------------------|---|---|----------------------------------|----------------------|
| Deferred tax assets | | | | | |
| Taxable provisions | 53 | - | - | 0 | 53 |
| Reportable tax losses | 16.425 | - | - | 296 | 16.721 |
| Others | 3.048 | - | - | -213 | 2.835 |
| | <u>19.526</u> | <u>-</u> | <u>-</u> | <u>83</u> | <u>19.609</u> |
| Deferred tax liabilities | | | | | |
| Fixed assets revaluation | -8.152 | - | - | -26 | -8.178 |
| Depreciation | -12.461 | - | - | -268 | -12.729 |
| Others | -514 | - | - | 2 | -512 |
| | <u>-21.127</u> | <u>-</u> | <u>-</u> | <u>-292</u> | <u>-21.419</u> |
| Net deferred tax | <u>-1.601</u> | <u>-</u> | <u>-</u> | <u>-209</u> | <u>-1.810</u> |

| | <u>01-01-2011</u> | <u>Changes in consolidation perimeter</u> | <u>Fair value reserves and other</u> | <u>Net profit for the period</u> | <u>31-12-2011</u> |
|---------------------------------|-------------------|---|--------------------------------------|----------------------------------|----------------------|
| Deferred tax assets | | | | | |
| Taxable provisions | 53 | - | - | 0 | 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 | - | - | 245 | -514 |
| | <u>-20,264</u> | <u>-</u> | <u>-</u> | <u>-863</u> | <u>-21,127</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 16,721 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:



| <u>Company name</u> | <u>Deferred tax balance</u> | <u>Due date</u> |
|----------------------------|-----------------------------|-----------------|
| Inapa France | 8,515 | ilimited |
| Inapa Distribución Ibérica | 5,873 | 2021-2026 |
| Portuguese group companies | 323 | 2012-2015 |
| Inapa Suisse | 174 | 2011 |
| Inapa Belgique | 1,810 | ilimited |
| Outros | 26 | |
| | <u>16,721</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.

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 31 March 2012 and to the publication date Inapa Group has not verified any subsequent relevant events.

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



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 of the CMVM Regulation no. 5/2008.

Board of Directors

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

Auditor

| Name | Ordinary shares | Preferred shares | Voting rights |
|---|-----------------|------------------|---------------|
| PricewaterhouseCoopers & Associados, SROC, Lda, represented by: - José Pereira Alves – Current auditor | 0 | 0 | 0% |
| José Manuel Henriques Bernardo, substitute auditor | 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 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 three months ended on 31 March 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, 26 April 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

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

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

- Ordinary shares: INA
- Preferred shares: INAP

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