



VRANCART S.A.
625100 Adjud-Vrancea, România, Str. Ecaterina Teodoroiu 17
RO 1454846, J39/239/1991
Capital social subscris și vărsat 103.168.354,70 RON
RO54 RNCB 0268 0087 9340 0001 - BCR Adjud
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Consolidated quarterly report for the 1st quarter of 2018 according to the CNVM Regulation no. 1/2006

Date of report:	May 15 th , 2018
Name of the issuing entity:	VRANCART – Group of companies
Registered office:	Adjud, 17 Ecaterina Teodoroiu Street Vrancea county
Tel./fax no.:	0237-640.800; 0237-641.720
Tax Identification Number:	1454846
Trade Registry registration no.:	J39/239/1991
Subscribed and paid-in share capital:	RON 103.168.354,70
The regulated market onto which the securities issued are traded:	The Bucharest Stock Exchange

A. Overview as at March 31st, 2018

- The major events that occurred during the 1st quarter of 2018 and their impact onto the consolidated financial position
- Overview of the consolidated financial position and of the company's performances achieved during the reporting period

The company VRANCART S.A. applies the accounting regulation according to the Order of the Ministry of Public Finances no. 2844/2016 for the approval of the Accounting regulations compliant with the International Financial Reporting Standards applicable to trade companies whose securities are admitted to trading on a regulated market.

As at March 31st, 2018 and during the period between January 1st – March 31st, 2018, the evolution of the main financial indicators was as follows

- The amount of equity as at March 31st, 2018 was RON 201.903.891, up by 3% from the amount of equity recorded as at the year beginning, due to the profit achieved during the 1st quarter.
- The Company's current assets increased by 4% during the analysed period, due to the inventory increase by 9% during the 1st quarter. The amount of the current assets as at

March 31st, 2018 was RON 118.297.197.

- The total liabilities recorded as at March 31st, 2018 amounted to RON 197.889.239, down by 0,3% from the amount recorded as at January 1st, 2018, due to the reimbursement of the trade liabilities and of other liabilities.
- The operating income for the period amounted to RON 89.965.052, up by 23% from the same period of the previous year due to the turnover increase by 22% during the same analysed period.
- The operating expenses for the period amounted to RON 85.278.422, up by 32% from the same period of the previous year. A significant increase by 31% was recorded by the expenses related to materials and raw materials, due particularly to the increase of the waste paper price by 40% during the 1st quarter of 2018 compared to the 1st quarter of 2017 and also due to the increase of prices of other raw materials (cellulose-based semi-finished paper).
- Given these conditions, the operating profit for the period amounted to RON 4.686.630, down by 43% from the operating profit recorded during the same period of the previous year. The net profit for the 1st quarter of 2018 amounted to RON 5.070.662, which is 27% lower than the level recorded during the same period of 2017, but the results will improve during the following period, due to the normalization of the waste paper prices.

Note: As the process related to the purchase of the shares of Branch 2 (Rom Paper S.R.L.) was completed on January 20th, 2017, in the comparative statement of income and expenses as at March 31st, 2017, the financial data for January 2017 for this branch is not included.

The consolidated accounting report drafted as at March 31st, 2018 was not audited by the financial auditor, as this is not a legal or statutory requirement.

B. Economic and financial indicators at Group level, as at March 31st, 2018

Indicator's name	Calculation modality	M.U.	Result
Current liquidity indicator	Current assets/Current liabilities	ratio	1,28
Indebtedness degree indicator	Borrowed capital /Equity x 100	%	59,55*
	Borrowed capital/Employed capital x 100	%	37,32*
Debts-customers turnover	Average customers balance/Turnover x 90	days	67,59
Non-current assets turnover	Turnover/Non-current assets	ratio	0,31

* Borrowed capital includes credit lines, short and long-term bank loans, long-term trade loans, liabilities under short and long-term financial leasing agreements

CIUCIOI Ionel-Marian
Chairman of the Board of Administrators

ARSENE Vasilica-Monica
Financial Manager