



VRANCART S.A.
 625100 Adjud-Vrancea, România, Str. Ecaterina Teodoroiu 17
 RO 1454846, J39/239/1991
 Capital social subscris și vărsat 86.371.792 RON
 RO54 RNCB 0268 0087 9340 0001 - BCR Adjud
 RO95 RZBR 0000 0600 0094 5306 - Raiffeisen Bank Adjud
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The quarterly report for the third trimester of 2016 according to the CNVM Regulation no. 1/2006

Date of the report	15.11.2016
Name of the issuing entity	VRANCART S.A.
Registered office	Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County
Tel./fax no.:	0237-640.800; 0237-641.720
Tax Identification Number:	1454846
Registered with the Trade Registry under no.:	J39/239/1991
Subscribed and paid-in share capital:	86.371.792 lei
The regulated market onto which the securities issued are traded	The Bucharest Stock Exchange

1. The economic and financial situation of VRANCART S.A.

The results achieved by VRANCART S.A. (hereinafter referred to as “the Company”) in the first nine months of 2016 confirm the company’s ability to generate profit and its financial soundness.

During this period, the net profit recorded amounted to 16.706.428 lei, 19,5% above the level forecasted in the Revenues and Expenditures Budget.

The Intermediate individual financial statements (simplified, not audited) as at September 30th, 2016, according to the Order of the Public Finance Ministry no. 1286/2012 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, are enclosed to this report.

The intermediate individual financial statements for the first 9 months of 2016 have not been

reviewed by an independent external auditor, as this is not a legal or statutory requirement.

The financial statements mentioned below are individual financial statements. We would like to state that the consolidated financial statements do not have a major impact onto the Group's economic and financial indicators and onto its overall performance and do not contain any significant additional information.

1.1. Balance sheet items

<i>(all the items are expressed in lei, unless otherwise stated)</i>	September 30th, 2016	December 31st, 2015	%
Fixed assets	184.982.933	162.740.635	+14%
Current assets, out of which:	86.182.323	78.938.936	+9%
- <i>Trade receivables</i>	44.402.028	37.630.743	+18%
Total assets	271.165.256	241.679.571	+12%
Total liabilities, out of which:	125.317.288	98.763.876	+27%
<i>Current liabilities</i>	69.347.103	62.695.544	+11%
Equity, out of which:	145.847.968	142.915.695	+2%
- <i>Reserves</i>	45.418.582	41.154.392	+10%
- <i>Retained earnings</i>	14.057.594	15.389.512	-9%

As at September 30th, 2016 and during the period between January 1st – September 30th, 2016, the evolution of the main financial indicators was as follows:

- The Company's fixed assets increased by 14% following the investments made during the first 9 months of 2016
- The volume of the Company's current assets increased by 9% as at September 30th, 2016 compared to the beginning of the year mainly due to the increase of receivables
- The trade receivables increased by 18% (6,6 million lei) during the first nine months of 2016 compared to the beginning of the year following the increase of the volume of deliveries, respectively of the turnover.
- The total liabilities recorded as at September 30th, 2016 amount to 125.317.288 lei, up by 27% from the amount recorded as at January 1st, 2016, due to the increase of the bank loans by approx. 20 million lei, for the financing of the company's investments
- The amount of equity as at September 30th, 2016 is of 145.847.968 lei, up by 2% from their amount at the beginning of the year. The reserves increased by 10% due to the reserves established from reinvested profit, which is a facility granted by the Fiscal code.

1.2. The profit and loss account

<i>(all the items are expressed in lei, unless otherwise stated)</i>	September 30th, 2016	September 30th, 2015	%
Operating income, out of which:	173.886.161	156.635.485	+11%
<i>Income from turnover</i>	166.669.890	151.127.837	+10%
Operating expenses	(154.326.487)	(141.303.044)	+9%
Operating profit	19.559.674	15.332.441	+28%

Financial revenues	2.608	10.250	-75%
Financial expenses	(1.050.369)	(776.928)	+35%
Total revenues	173.888.769	156.645.735	11%
Total expenses	(155.376.856)	(142.079.971)	9%
Gross profit	18.511.912	14.565.763	27%
Net profit	16.706.428	12.825.924	30%

During the first nine months of 2016 as compared to the same period of the previous year, the main indicators of the Profit and loss account are as follows:

- The total income during the analysed period amounted to 173.888.769 lei, up by 11% from the same period of the previous year, mainly due to the turnover increase by 10% during the same analysed period.
- The total expenses for the period amounted to 155.376.856 lei, up by 9% from the same period of the previous year, due to the increase of the operating expenses at the same pace as the turnover increase.
- The net profit for the period amounted to 16.706.428 lei, up by 30% from the same period of the previous year.

1.3. Cash flows

(all the items are expressed in lei, unless otherwise stated)

	September 30 th , 2016	September 30 th , 2015
<i>Cash flows from the operating activity</i>		
Collections from the operating activity	196.459.478	181.873.824
Payments from the operating activity	(170.922.568)	(154.833.547)
Net cash flows from the operating activity	25.536.910	27.040.277
<i>Cash flows from the investment activity</i>		
Collections from the investment activity	284.345	138.086
Letters of credit for payments for investments	10.786.408	25.000
Escrow account for the purchase of financial assets	(8.897.511)	-
Payments from the investment activity	(29.944.472)	(21.374.788)
Net cash flows from the investment activity	(27.771.229)	(21.211.702)
<i>Cash flows from the financing activity</i>		
Collections from the financing activity	31.768.835	9.282.132
Payments from the financing activity	(26.276.895)	(13.068.040)
Net cash flows from the financing activity	5.491.940	(3.785.908)
Balance at the beginning of the period	1.320.375	2.327.952
Balance at the end of the period	4.577.996	4.370.619

The balance of cash and cash equivalents recorded as at September 30th, 2016 is positive, respectively in the amount of 4.577.996 lei. The increase of cash as compared to the same period of the previous year is mainly due to the contracting of new loans for the financing of the company's investment projects.

2. Economic and financial indicators as at September 30th, 2016, according to Appendix 30B of the Financial Supervisory Authority Regulation no. 1/2006

Indicator's name	Calculation modality	MU	Result
Current liquidity indicator	Current assets/current liabilities	ratio	1,24
Indebtedness degree indicator	Borrowed capital /Equity ^{x100}	%	50,74*
	Borrowed capital/Capital employed ^{x100}	%	33,66*
Debts-customers turnover	Average customers balance/Turnover ^{x 270}	days	73,87
Fixed assets turnover	Turnover/Fixed assets	ratio	0,93

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

CIUCIOI Ionel-Marian
Chairman of the Board of Administrators



ARSENE Vasilica-Monica
Financial Manager