



VRANCART S.A.
625100 Adjud-Vrancea, România, Str. Ecaterina Teodorescu 17
RO 1454846, J39/239/1991
Capital social subscris și vărsat 103.168.354,70 RON
RO54 RNCB 0268 0087 9340 0001 - BCR Adjud
RO95 RZBR 0000 0600 0094 5306 - Raiffeisen Bank Adjud
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Quarterly report for the 3rd quarter of 2017 according to the CNVM Regulation no. 1/2006

Date of report	November 15th, 2017
Name of the issuing entity	VRANCART S.A.
Registered office	Adjud, 17 Ecaterina Teodorescu Street, Vrancea county
Telephone/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 103.168.355
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 2017 confirm the company’s ability to generate profit and its financial soundness.

During this period, the net profit recorded amounted to RON 15.933.456, 8% above the level forecasted in the Revenues and Expenditures Budget.

The Intermediate individual financial statements (simplified, not audited) as at September 30th, 2017, according to the Order of the Public Finance Ministry 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, are enclosed to this report.

The intermediate individual financial statements for the first 9 months of 2017 have not been reviewed by an independent external auditor, as this is not a legal or statutory requirement.

1.1. Balance sheet items

<i>(all the items are expressed in RON, unless otherwise stated)</i>	September 30th, 2017	December 31st, 2016	%
Non-current assets	221.663.597	188.685.292	17%
Current assets, out of which:	98.865.734	101.773.706	-3%
- Trade receivables	48.674.591	39.695.711	23%
Total assets	320.529.331	290.458.998	10%
Total liabilities, out of which:	152.380.227	124.318.743	23%
<i>Current liabilities</i>	61.291.635	68.503.442	-11%
Equity, out of which:	168.149.104	166.140.255	1%
- Reserves	45.979.894	46.537.915	-1%
- Retained earnings	19.000.856	16.433.985	16%

As at September 30th, 2017 and during the period between January 1st – September 30th, 2017, the evolution of the main financial indicators was as follows:

- The Company's non-current assets increased by 17% following the financial investments made during the first 9 months of 2017. 85% of the shares of the company Rom Paper S.R.L. Braşov were purchased, according to the Ordinary General Meeting of the Shareholders.
- The volume of the Company's current assets decreased by 3% as at September 30th, 2017 compared to the year beginning especially due to the decrease of the cash amounts in the accounts, following the payments for investments.
- The trade receivables increased by 23% (RON 9 million) during the first nine months of 2017 compared to the year beginning, following the increase of the deliveries' volume, respectively following the turnover increase.
- The total liabilities recorded as at September 30th, 2017 amount to RON 152.380.227, up by 23% from the amount recorded as at January 1st, 2017, due to the increase of the loan from bond issues in the amount of RON 38.250.000 and the dividends to be paid in the amount of RON 14.030.896.
- The equity amount as at September 30th, 2017 amounted to RON 168.149.104, up by 1% from the amount recorded as at the year beginning, following the increase of retained earnings.

1.2. The profit and loss account

<i>(all the items are expressed in RON, unless otherwise stated)</i>	September 30th, 2017	September 30th, 2016	%
Operating revenues, out of which:	189.610.043	173.790.859	9%
<i>Income from turnover</i>	189.593.049	171.257.244	11%
Operating expenses	(169.770.476)	(154.231.185)	10%
Operating profit	19.839.567	19.559.674	1%

Financial revenues	(55.659)	(22.316)	
Financial expenses	(1.455.187)	(1.025.446)	42%
Total revenues	189.554.384	173.768.543	9%
Total expenses	(171.225.662)	(155.256.631)	10%
Gross profit	18.328.722	18.511.912	-1%
Net profit	15.933.456	16.706.428	-5%

During the first nine months of 2017, compared to the same period of the previous year, the main indicators of the Profit and loss account are as follows:

- The total revenues during the analysed period amounted to RON 189.554.384, up by 9% from the same period of the previous year, mainly due to the turnover increase by 11% during the same period analysed.
- The total expenses for the period amounted to RON 171.225.662, up by 10% from the same period of the previous year, following the personnel expenses increase by 45%. The salary expenses increase is mainly due to the increase of the minimum prescribed wage in May 2016 by 19% and in February 2017 by 16%.
- The gross profit for the period amounted to RON 18.328.722, down by 1% from the same period of the previous year, but up by 8% from the budgeted level for this period. The company expects the profitability indicators to be reached at the year end according to the forecasts in the Revenues and Expenditures Budget approved within the Ordinary General Meeting of the Shareholders for 2017 and there will not be any major changes compared to the previous year.

1.3. Cash flows

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

	September 30 th , 2017	September 30 th , 2016
<i>Cash flows from the operating activity</i>		
Collections from the operating activity	208.867.676	196.459.478
Payments from the operating activity	(180.159.548)	(170.922.568)
Net cash flows from the operating activity	28.708.128	25.536.910
<i>Cash flows from the investment activity</i>		
Collections from the investment activity	14.002	284.345
Letters of credit for investment payments	-	10.786.408
Escrow account for the purchase of financial assets	8.899.753	(8.897.511)
Payments from the investment activity	(54.654.247)	(29.944.472)
Net cash flows from the investment activity	(45.740.491)	(27.771.229)
<i>Cash flows from the financing activity</i>		
Collections from the financing activity (including bonds)	66.851.268	31.768.835
Payments from the financing activity	(59.066.369)	(26.276.895)
Net cash flows from the financing activity	7.784.899	5.491.940
Balance at the beginning of the period	24.287.793	1.320.375
Balance at the end of the period	15.040.329	4.577.996

The amount of cash and cash equivalents as at September 30th, 2017 is positive, namely of RON 15.040.329. The cash amount increase from the same period of the previous year is mainly due to the contracting of cash inflows from the issuance of bonds in the amount of RON 38.250.000.

2. The economic and financial indicators as at September 30th, 2017, according to Appendix 30B of the Financial Supervisory Authority Regulation no. 1/2006

Indicator's name	Calculation modality	M.U.	Result
Current liquidity indicator	Current assets/Current liabilities	ratio	1,61
Indebtedness degree indicator	Borrowed capital /Equity ^x 100	%	50,38*
	Borrowed capital/Employed capital ^x 100	%	33,50*
Debts-customers turnover	Average customers balance/Turnover ^x 270	days	66,25
Non-current assets turnover	Turnover/Non-current assets	ratio	0,86

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

CIUCIOI Ionel Marian
Chairman of the Board of Administrators



ARSENE Vasilica-Monica
Financial Manager