

VRANCART S.A.

**Interim financial statements
(simplified, not audited)
as at March 31st, 2015**

Drawn up in accordance with
the Order of the Public Finances 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

VRANCART SA

Statement of financial position*as at March 31st, 2015**(all the amounts are expressed in lei, unless otherwise stated)*

	March 31 st , 2015	December 31 st , 2014
ASSETS		
Tangible assets	157.851.177	153.374.631
Intangible assets	118.798	60.214
Total non-current assets	157.969.975	153.434.845
Stocks	16.090.940	19.469.560
Trade receivables	43.839.109	43.095.280
Accrued expenses	447.661	265.492
Cash and cash equivalents	2.469.215	2.352.952
Other receivables	2.336.126	1.418.235
Total current assets	65.183.051	66.601.519
TOTAL ASSETS	223.153.026	220.036.364
EQUITY		
Share capital	86.371.792	86.371.792
Reserves	38.098.386	38.098.476
Retained earnings	7.583.498	2.858.251
Total equity	132.053.676	127.328.519
LIABILITIES		
Long-term trade liabilities	857.706	871.768
Long-term loans	20.773.107	20.566.606
Deferred revenues	20.083.547	18.780.826
Debts related to deferred profit tax	472.609	490.922
Total long-term liabilities	42.186.969	40.710.122
Short-term trade liabilities	20.005.187	20.224.856
Short-term loans	21.638.484	24.841.887
Deferred revenues	2.286.792	1.834.478
Provisions	1.033.283	1.782.133
Other liabilities	3.948.635	3.314.369
Total current liabilities	48.912.381	51.997.723
TOTAL LIABILITIES	91.099.350	92.707.845
TOTAL EQUITY AND LIABILITIES	223.153.026	220.036.364

Notes to the statement of financial position as at March 31st, 2015

The amount of equity as at March 31st, 2015 is of 132.053.676 lei, 4% up from their amount at the beginning of the year, as a result of the profit recorded during the 1st quarter.

The volume of the company's current assets decreased by 2% as at March 31st, 2015 from the beginning of the year, as a result of the reduction of stocks.

The total liabilities recorded as at March 31st, 2015 are in the amount of 91.099.35 lei, 1,7% down from the amount recorded as at January 1st, 2015, due to the reduction of short-term bank loans.

Statement of comprehensive income

as at March 31st, 2015

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

	March 31 st , 2015	March 31 st , 2014
Revenues from turnover	51.888.136	47.244.918
Other revenues	679.083	507.785
Variation of stocks of finished products and production in progress	(2.757.564)	(1.387.240)
Expenses related to raw materials and consumables	(25.761.057)	(25.440.118)
Expenses related to goods	(1.675.822)	(379.578)
Expenses related to third party services	(4.265.770)	(3.925.546)
Personnel-related expenses	(7.552.505)	(6.299.684)
Expenses related to amortisation and from revaluation	(4.170.128)	(4.146.205)
Other expenses	(844.044)	(951.454)
Operational result	5.540.329	5.222.878
Financial revenues	2.102	2.557
Financial expenses	47.790	(375.992)
Profit (loss) before taxation	5.590.221	4.849.443
Profit tax revenues/ (expenses)	(829.259)	(567.574)
Profit (loss) for the year	4.760.962	4.281.869
Other comprehensive income elements		
Increases of the reserve from the revaluation of tangible assets, net of deferred tax	-	-
Transfer of revaluation reserve to retained earnings following the quashing of tangible assets	-	(4.953)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4.760.962	4.276.916
Result per share		
Profit (loss) attributable to ordinary shareholders	4.760.962	4.281.869
Weighted average number of ordinary shares	863.717.920	863.717.920
Result per base share	0,0055	0,0049

Notes to the statement of comprehensive income for the 1st quarter of 2015, compared to the 1st quarter of 2014

The operating revenues for the period were in the amount of 49.809.655 lei, up by 7% from the same period of the previous year, due to the turnover increase by 10% during the same period analysed.

The operating expenses for the period were in the amount of 44.269.326 lei, up by 7% from the same period of the previous year.

The operating profit for the period was in the amount of 5.540.329 lei, up by 6% from the same period of the previous year. The net profit for the first quarter of 2015 was in the amount of 4.760.962 lei, 11% more than the level recorded in the same period of 2014.

VRANCART SA

Summarised statement of changes in equity (not audited)

as at March 31st, 2015

(all the amounts are stated in lei, unless otherwise stated)

	Share capital	Share capital adjustments	Reserves from the revaluation of tangible assets	Other reserves	Retained earnings	Retained earnings from the first adoption of IAS	Total equity
Balance as at January 1st, 2015	86.371.792	-	26.766.963	11.331.423	2.858.341	-	127.328.519
Total overall result for the period							
Net result for the period	-	-	-	-	4.760.962	-	4.760.962
Other comprehensive income elements							
Distribution from retained earnings	-	-	-	-	-	-	-
Other changes	-	-	-	-	(35.805)	-	(35.805)
Changes of the reserve from the revaluation of tangible assets, net of deferred tax	-	-	-	-	-	-	-
Transfer of the revaluation reserve to retained earnings following the sale of tangible assets	-	-	-	-	-	-	-
Total other comprehensive income elements					(35.805)	-	(35.805)
Total comprehensive income for the period					4.725.157	-	4.725.157
Balance as at March 31st, 2015	86.371.792	-	26.766.963	11.331.423	7.583.498	-	132.053.676

Notes to the interim financial statements

(simplified, not audited)

The entity reporting

Vrancart SA (“the Company”) is a joint stock trade company operating in Romania in accordance with the provisions of Law no. 31/1990 on trade companies.

The company is based in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea County.

The company has working points for the collection of waste paper opened in the following localities: Bucharest, Iasi, Focsani, Ploiesti, Botosani, Sibiu, Constanta, Arad, Brasov, Pitesti, Timisoara, Cluj, Craiova and Baia Mare.

The company’s main object of activity is represented by the manufacturing and trading of the following products:

- single faced, double-faced, double-double faced corrugated cardboard and corrugated cardboard with micro-flutes
- corrugated cardboard packaging (boxes) of various formats, die-cut and printed
- paperboards
- tissue paper in various assortments.

The company’s shares are listed at the Bucharest Stock Exchange rate, 2nd category, with the indicative VNC, starting from July 15th, 2005.

On March 31st, 2015, the company is held in a proportion of 74,72% by SIF Banat-Crisana and in a proportion of 25,28% by other shareholders.

The records of the shares and shareholders is kept under the law by S.C. Depozitarul Central S.A. Bucharest.

Accounting principles, policies and methods

The simplified interim financial statements for the first three months ended on March 31st, 2015 were drawn up in accordance with IAS 34 Interim Financial Statements.

The simplified interim financial statements do not include all the information and elements presented in the annual report and shall be read together with the company’s annual financial statements, drawn up as at December 31st, 2014.

The accounting policies and the evaluation methods used for the preparation of the simplified interim financial statements are in accordance with those used for the preparation of the company’s annual financial statements for the year ended on December 31st, 2014.

The simplified interim financial statements for the 1st quarter of 2015 are not audited and have not been revised by an external auditor.

Transactions in foreign currencies

The operations expressed in foreign currencies are recorded in lei at the official exchange rate on the date of discounting of the transactions. The monetary assets and liabilities recorded in foreign currencies on the date of preparation of the accounting statements are converted in the functional currency at the exchange rate on that day.

The losses or gains from their discounting and from the conversion using the exchange rate at the end of the period for reporting of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The exchange rates of the main foreign currencies were as follows:

Foreign currency	March 31 st , 2015	December 31 st , 2014	Variation
Euro (EUR)	4,4098	4,4821	-1,61%
US dollar(USD)	4,1115	3,6868	+11,5%

Economic and financial indicators as at March 31st, 2015 (in accordance with the National Securities Commission regulation no. 1/2006)

Indicator name	Calculation method	MU	March 31 st , 2015
Current liquidity indicator	Current assets/ Current liabilities	ratio	1,33
Indebtedness indicator	Borrowed capital/ Equity x 100	%	32,76*
	Borrowed capital/ Employed capital x 100	%	24,67*
Customer-debts rotation speed	Average customer balance/ Turnover x 90	days	75,39
Non-current assets rotation speed	Turnover/ Non-current assets	ratio	0,33

* The borrowed capital includes credit lines, short and long term bank loans, long term trade loans, debts related to short term and long term financial leasing agreements.

Other notes

On March 4th, 2015, Vrancart received the approval for the “Increase of efficiency and added value for cardboard waste” project, consisting of the purchase of machinery for the converting of corrugated cardboard. The project is performed through Norway Grants and has a total amount of 3 million Euro, out of which 1 million Euro are non-reimbursable funds.

The company had a positive cash flow of 116.263 lei as at March 31st, 2015 and has no outstanding debts to the public budgets or to its private partners.

The company’s management considers that the company will be able to continue its business in the foreseeable future, therefore the application of the business continuity principle in the preparation of the financial statements is justified.

Subsequent events

On April 30th, 2015, the Ordinary General Meeting of the Shareholders approved the financial statements as at December 31st, 2014 and the Revenues and Expenditures Budget of Vrancart S.A. for the financial year 2015. Also, on the same date, the mandate of the financial auditor KPMG Audit Romania was extended for a period of two years.

Through the Decision no. 4/30.04.201, the Ordinary General Meeting of the Shareholders approved the distribution from the net profit available for the financial year 2014 of the amount of 2.591.154 lei

for dividends (respectively a gross amount of a dividend of 0,003 lei/ share) and the established date of payment was 17.06.2015.

Management's statement

According to our best information available, we confirm that the simplified interim financial statements for the period ended on March 31st, 2015, drawn up in accordance with the International Financial reporting Standards, provide a fair and accurate view of the assets, liabilities, financial position and of the company's revenues and expenditures, as provided by the applicable accounting standards, and that the situation of operational performance and the information presented in this report provide a fair and accurate view of the main events that took place during the first three months of the financial year and of their impact on the simplified interim financial statements.

CIUCIOI Ionel-Marian
Management Board President



ARSENE Vasilica-Monica
Financial Manager

