

VRANCART S.A.

**Intermediate individual financial statements
(simplified, not audited)
as at March 31st, 2016**

drawn up in accordance with
the Order of the Minister of Public Finances 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

Individual statement of financial positionas at March 31st, 2016*(all the amounts are stated in lei, unless otherwise specified)*

	March 31 st , 2016	December 31 st , 2015
ASSETS		
Tangible assets	160.821.259	155.347.931
Intangible assets	418.886	471.970
Financial assets	6.657.600	6.657.600
Receivables related to deferred income tax	117.505	263.134
Total fixed assets	168.015.250	162.740.635
Stocks	22.765.849	22.827.651
Trade receivables	43.731.093	37.630.743
Prepaid expenses	741.590	489.798
Restricted cash	10.665.539	10.786.408
Cash and cash equivalents	1.005.615	1.320.375
Other receivables	177.053	5.883.961
Total current assets	79.086.739	78.938.936
TOTAL ASSETS	247.101.989	241.679.571
EQUITY		
Share capital	86.371.792	86.371.792
Reserves	43.586.705	41.154.392
Retained earnings	19.220.631	15.389.511
Total equity	149.179.128	142.915.695
LIABILITIES		
Long-term trade liabilities	-	-
Long-term loans	14.874.614	15.110.053
Deferred revenues	20.271.950	20.958.278
Debts related to deferred income tax	-	-
Total long-term liabilities	35.146.564	36.068.331
Short-term trade liabilities	16.515.152	16.177.993
Short-term loans	39.146.175	36.218.462
Deferred revenues	2.745.312	2.745.312
Provisions	839.554	1.854.555
Debts related to current profit tax	381.946	748.831
Other liabilities	3.148.158	4.950.392
Total current liabilities	62.776.297	62.695.545
TOTAL LIABILITIES	97.922.861	98.763.876
TOTAL EQUITY AND LIABILITIES	247.101.989	241.679.571

Notes to the statement of financial position as at March 31st, 2016

The amount of equity as at March 31st, 2016 is 149.179.128 lei, up by 4,4% from their amount at the beginning of the year, due to the profit achieved in the first quarter.

The volume of the Company's current assets remained somewhat constant, its amount as at March 31st, 2016 being of 79.086.739 lei.

The total liabilities as at March 31st, 2016 are in the amount of 97.922.861 lei, down by 0,9% from the amount recorded as at January 1st, 2016, because of the reduction of long-term bank loans.

Individual statement of comprehensive income

as at March 31st, 2016

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

	March 31 st , 2016	March 31 st , 2015
Income from turnover	57.059.401	51.888.136
Other income	753.142	679.083
Variation of finished products inventories and production in progress	(1.088.714)	(2.757.564)
Expenses related to raw materials and consumables	(31.653.406)	(25.761.057)
Expenses related to goods	(394.393)	(1.675.822)
Expenses related to services provided by third parties	(4.417.847)	(4.265.770)
Personnel-related expenses	(8.351.074)	(7.552.505)
Expenses related to depreciation and from revaluation	(4.292.486)	(4.170.128)
Other expenses	(507.997)	(844.044)
Operational result	7.106.625	5.540.329
Financial revenues	1.263	530.038
Financial expenses	(316.881)	(480.146)
Profit before taxation	6.791.008	5.590.221
Profit tax income/ (expense)	(564.563)	(829.259)
Net Profit	6.226.445	4.760.962
Other comprehensive income items		
Increases of the reserve from the re-evaluation of tangible assets, net of deferred tax	-	-
Transfer of the reserve from re-evaluation to retained earnings as a result of the cassation of tangible assets	(231.176)	-
TOTAL COMPREHENSIVE INCOME	5.995.269	4.760.962
Earnings per share		
Profit (loss) attributable to ordinary shareholders	6.226.445	4.760.962
Weighted average number of ordinary shares	863.717.920	863.717.920
Basic earnings per share	0,007	0,006

Notes to the statement of comprehensive income for the first quarter of 2016, compared to the first quarter of 2015

Operational revenues for the period amounted to 56.723.828 lei, up by 14% from the same period of last year, due to the turnover increase by 10% during the same period analysed.

Operational expenses for the period amounted to 49.617.203 lei, up by 12% from the same period of the previous year.

Operational profit for the period amounted to 7.106.625 lei, up by 28% from the same period of the previous year. The net profit for the first quarter of 2016 amounted to 6.226.445 lei, 31% above the level recorded in the same period of 2015.

VRANCART SA

Summarized statement of changes in equity (not audited)

as at March 31st, 2016

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

	Share capital	Share capital adjustments	Reserves from the revaluation of tangible assets	Other reserves	Retained earnings	Retained earnings from the first adoption of IAS 29	Total equity
Balance as at January 1st, 2016	86.371.792	-	26.655.768	14.498.624	15.389.511	-	142.915.695
Total comprehensive income for the period							
Net earnings for the period	-	-	-	-	6.226.445	-	6.226.445
Other comprehensive income items							
Distribution from retained earnings	-	-	-	2.626.501	(2.626.501)	-	-
Other changes	-	-	-	-	-	-	-
Changes in the reserve from the revaluation of tangible assets, net of deferred tax	-	-	36.988	-	-	-	36.988
Transfer of the revaluation reserve to retained earnings following the sale of tangible assets	-	-	(231.176)	-	231.176	-	-
Total other comprehensive income items			(194.188)	2.626.501	(2.395.325)	-	36.998
Total comprehensive income for the period			(194.188)	2.626.501	3.831.119	-	6.263.433
Balance as at March 31st, 2016	86.371.792	-	26.461.580	17.125.125	19.220.631	-	149.179.128

Notes to the intermediate 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 waste paper collection opened in the following localities: Bucharest, Iasi, Focsani, Bacau, Ploiesti, Botosani, Sibiu, Constanta, Arad, Brasov, Pitesti, Timisoara, Cluj, Craiova, Baia Mare and Targu Mures.

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

- single-wall, double-wall and double-double wall corrugated cardboard, corrugated cardboard with micro-flutes;
- corrugated cardboard boxes of various formats, die-cut and printed;
- paperboards;
- tissue papers in various assortments.

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

As at March 31st, 2016, the Company is owned in a proportion of 74,72% by SIF Banat - Crisana SA and 25,28% by other shareholders.

The evidence of shares and shareholders is kept according to law by Depozitarul Central S.A. Bucharest.

Accounting principles, policies and methods

The simplified intermediate financial statements for the first three months ended on March 31st, 2016 were drawn up in accordance with IAS 34 Intermediate Financial Statements.

The simplified intermediate financial statements do not include all the information and elements published in the annual report and must be read with the Company’s financial statements, drawn up as at December 31st, 2015.

The accounting policies and the evaluation methods used for the preparation of the simplified intermediate 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, 2015.

The simplified intermediate financial statements for the first quarter 2016 are not audited and have not been reviewed by an external auditor.

Transactions in foreign currencies

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

The gains or losses resulting from their discounting and from the conversion using the currency exchange rate at the end of the period for the 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:

Currency	March 31 st , 2016	December 31 st , 2015	Variation
Euro (EUR)	4,4738	4,5245	-1,12%
American dollar (USD)	3,3949	4,1477	-18,1%

Economic and financial indicators as at March 31st, 2016 (in accordance with the CNVM Regulation no. 1/2006)

Indicator's name	Calculation modality	MU	March 31 st , 2016
Current liquidity indicator	Current assets/ Current liabilities	ratio	1,26
Indebtedness indicator	Borrowed capital/Equity x 100	%	36,21*
	Borrowed capital/Capital employed x 100	%	26,59*
Customer-debts rotation speed	Average customers balance/Turnover x 90	days	73,36
Intangible assets rotation speed	Turnover/Fixed assets	ratio	0,34

* Capital employed includes credit lines, short and long-term bank loans, long-term trade loans, short and long-term liabilities from financial leasing agreements.

Other notes

The Company had a negative cash flow of -435.630 lei as at 31.03.2016, due to payments for investments made in the first quarter of 2016 and has no outstanding debts to the public budgets or to its private partners.

The Company's management considers that VRANCART SA will be able to continue its business in the foreseeable future as well, therefore the application of the business continuity principle for the preparation of the financial statements is justified.

Subsequent events

On **April 28th, 2016**, the Ordinary General Meeting of Shareholders approved the consolidated and individual financial statements as at December 31st, 2015 and the Revenues and Expenditures Budget of VRANCART S.A. with the investment plan for the financial year 2016.

By the decision 4/28.04.2016, the Ordinary General Meeting of Shareholders approved the distribution from the available net profit for the financial year 2016 of an amount of 13.819.486 lei for **dividends**

(respectively a gross amount of the dividend of 0,016 lei/share), the payment date being set at 30.09.2016.

By decision the 2/28.04.2016, the Extraordinary General Meeting of Shareholders approved the **share capital increase** by the amount of 17.274.358 lei, from 86.371.792 lei to 103.646.150 lei, by issuing a total of 172.743.580 new shares with a nominal value of 0,10 lei /share.

Management's statement

According to our best information available, we confirm that the simplified intermediate financial statements for the period ended on March 31st, 2016, drawn up in accordance with the International Financial Reporting Standards, provide an accurate and compliant view on the Company's statement of assets, liabilities, financial position and statement of revenues and expenditures, as provided by the applicable accounting standards, and that the statement of operational performance and the information presented in this report provide an accurate and fair view of the main events that occurred during the first three months of the financial year and of their impact onto the simplified intermediate financial statements.

CIUCIOI Ionel-Marjan

Chairman of the Board of Administrators



ARSENE Vasilica-Monica

Financial Manager