



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
RO95 RZBR 0000 0600 0094 5306 - Raiffeisen Bank Adjud
T: 0237 64 08 00, F: 0237 64 17 20
office@vrancart.com, www.vrancart.ro



**Consolidated quarterly report for the 3rd quarter of 2018
according to the Financial Supervisory Authority Regulation no. 5/2018**

Date of report	November 15 th , 2018
Name of the issuing entity	VRANCART S.A.
Registered office	Adjud, 17 Ecaterina Teodoroiu Street, Vrancea county
Telephone/fax no.:	0237-640.800; 0237-641.720
Tax Identification Number	1454846
Trade Registry registration number	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. Group overview as at September 30th, 2018

- Major events that occurred during the first nine months of 2018 and their impact onto the Group's financial position
- Overview of the group's financial position and performances achieved during the reporting period

The Vrancart Group ("the Group") includes the company Vrancart S.A., having its registered office in Adjud, 17 Ecaterina Teodoroiu Street, Vrancea county, and its branches Giant Prodimpex S.R.L., based in Ungheni locality, strada Principală No. 161/J, Mureș county and Rom Paper S.R.L. based in Cristian township, Brasov county.

The Vrancart Group applies the accounting regulations approved through the Public Finance Ministry Order no. 2844/2016 on the approval of the Accounting regulations compliant with the International Financial Reporting Standards.

Branch	Field of activity	Shareholding as at September 30th, 2018	Shareholding as at December 31st, 2017
Giant Prodimpex S.R.L.	Production of corrugated cardboard packaging	100%	100%
Rom Paper S.R.L.	Production of napkins and tissue paper products	99,9%	85%

As at September 30th, 2018 and during the period between January 1st – September 30th, 2018, the evolution of the main financial indicators was as follows:

- The equity amount as at September 30th, 2018 is RON 202.821.904, up by 3% from the amount recorded at the beginning of the year, following the profit achieved during the first nine months of 2018.
- The volume of the Group's current assets remained relatively constant during the analysed period. The amount of current assets at as September 30th, 2018 is RON 114.075.793.
- The total liabilities recorded as at September 30th, 2018 amount to RON 220.281.436, up by 11% from the amount recorded as at January 1st, 2018, due to the new bank loans contracted to finance the investments, both in the parent-company and in the branch Rom Paper.
- The operating income for the period amounted to RON 269.068.548, up by 7% from the same period of the previous year, due to the increase of the Group's turnover by 6% during the same analysed period.
- The operating expenses of the period amounted to RON 247.472.418, up by 10% from the same period of the previous year, mostly influenced by the increase of raw material prices at the beginning of the year. The personnel-related expenses increased by 9% following the legislative changes at the beginning of this year.
- The net profit for the period amounted to RON 20.234.327, down by 6% from the same period of the previous year, due to the increase of raw material expenses recorded during the first quarter of 2018 compared to the 1st quarter of the previous year.
- The Group estimates that at the year end, the profitability indicators will be reached according to the forecasts in the Revenues and Expense Budget and will not recorded any significant changes compared to the previous year.

The consolidated accounting reporting drawn up as at September 30th, 2018 has not been audited by the Group's financial auditor, as this is not a legal or statutory requirement.

B. Economic and financial indicators as at September 30th, 2018, according to Appendix no. 13 to the Financial Supervisory Authority Regulation no. 5/2018.

Indicator's name	Calculation modality	M.U.	Result
Current liquidity indicator	Current assets/Current liabilities	ratio	1,08
Indebtedness degree indicator	Borrowed capital /Equity ^x 100	%	61,19*
	Borrowed capital/Employed capital ^x 100	%	37,96*
Debts-customers turnover	Average customer balance/Turnover ^x 270	days	68,46
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 and loans from bond issues.

CIUCIOI Ionel-Marian
Chairman of the Board of Administrators

ARSENE Vasilica-Monica
Financial Manager