



# S.C. ROMCARBON S.A.

## Company Identification

**Quarterly report according with CNVM regulation (1/2006)**

**Date of release:** 11.11.2016

**Reporting date:** 30.09.2016

**Name of the Company:** SC ROMCARBON SA

**Headquarters:** Buzau , Str. Transilvaniei, nr.132

**Tel / fax:** 0238/711155; 0238/710697

**Sole registration code:** RO 1158050

**Registered business number:** J10 / 83/1991

**Subscribed and paid up share capital:** 26,412,209.60 lei

**Regulated market where the issued securities are traded:** Bucharest Stock Exchange,  
Standard category

**The main characteristics of the securities issued by the company:** 264,122,096 registered shares, dematerialized, with a nominal value of 0.1 lei.

## LANGUAGE DISCLAIMER

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A.1. During the reporting period there were no major events to affect the company's financial position.

A.2. A general description of the Financial position of the company and its financial performance.

a) STATEMENT OF FINANCIAL POSITION

Item	30.09.2015	31.12.2015	30.09.2016	in total A.P [Sept.16]	30.09.2016 vs.31.12.2015		
Property, plant and equipment	137,801,742	147,831,285	152,094,829	55.09%	4,263,544	▲	2.88%
Investment property	46,322,184	43,799,325	44,094,993	15.97%	295,668	▲	0.68%
Intangible assets	105,681	189,900	263,329	0.10%	73,429	▲	38.67%
Financial assets	22,868,294	22,863,010	22,844,471	8.27%	-18,539	▼	-0.08%
<b>Total non-current assets</b>	<b>207,097,901</b>	<b>214,683,520</b>	<b>219,297,622</b>	<b>79.43%</b>	<b>4,614,102</b>	<b>▲</b>	<b>2.15%</b>
Inventories	18,814,547	20,499,859	23,891,557	8.65%	3,391,698	▲	16.54%
Trade and other receivables	36,589,891	33,959,316	27,550,871	9.98%	-6,408,445	▼	-18.87%
Amounts to receive from affiliates (financial)	1,411,237	0	495,000	0.18%	495,000	▲	n.a
Taxes receivables	96,075	439,598	115,919	0.04%	-323,679	▼	-73.63%
Other assets	718,564	366,752	350,606	0.13%	-16,146	▼	-4.40%
Cash and bank balances	11,708,551	12,888,836	4,372,907	1.58%	-8,515,929	▼	-66.07%
<b>Total current assets</b>	<b>69,338,865</b>	<b>68,154,361</b>	<b>56,776,860</b>	<b>20.57%</b>	<b>-11,377,501</b>	<b>▼</b>	<b>-16.69%</b>
<b>Total assets</b>	<b>276,436,766</b>	<b>282,837,881</b>	<b>276,074,482</b>	<b>100.00%</b>	<b>-6,763,399</b>	<b>▼</b>	<b>-2.39%</b>
Issued capital	26,412,210	26,412,210	26,412,210	9.57%	0	▲	0.00%
Share premium	2,182,283	2,182,283	2,182,283	0.79%	0	▼	0.00%
Reserves	49,071,033	53,375,509	53,233,735	19.28%	-141,774	▼	-0.27%
Retained earnings	55,841,039	48,158,839	49,975,792	18.10%	1,816,953	▲	3.77%
<b>Total Equity</b>	<b>133,506,565</b>	<b>130,128,841</b>	<b>131,804,020</b>	<b>47.74%</b>	<b>1,675,179</b>	<b>▲</b>	<b>1.29%</b>
Borrowings [Long-term]	23,476,805	32,432,440	32,790,655	11.88%	358,215	▲	1.10%
Long term finance leases and other interest bearing obligations	1,578,121	1,195,151	176,943	0.06%	-1,018,208	▼	-85.19%
Deferred tax liabilities	11,041,869	11,142,757	11,142,757	4.04%	0	—	0.00%
Deferred income	15,282,702	24,475,344	22,803,406	8.26%	-1,671,938	▼	-6.83%
<b>Total non-current liabilities</b>	<b>51,379,497</b>	<b>69,245,692</b>	<b>66,913,761</b>	<b>24.24%</b>	<b>-2,331,931</b>	<b>▼</b>	<b>-3.37%</b>
Trade and other payables	47,159,781	30,928,649	31,430,137	11.38%	501,488	▲	1.62%
Borrowings [Short – term]	41,276,783	49,411,862	42,526,922	15.40%	-6,884,940	▼	-13.93%
Short term finance leases and other interest bearing obligations	1,674,670	1,709,000	1,406,605	0.51%	-302,395	▼	-17.69%
Deferred revenue	25,189	16,798	39,770	0.01%	22,972	▲	136.75%
Other liabilities	1,414,281	1,397,039	1,953,267	0.71%	556,228	▲	39.81%
<b>Total current liabilities</b>	<b>91,550,705</b>	<b>83,463,348</b>	<b>77,356,701</b>	<b>28.02%</b>	<b>-6,106,647</b>	<b>▼</b>	<b>-7.32%</b>
<b>Total liabilities</b>	<b>142,930,201</b>	<b>152,709,040</b>	<b>144,270,462</b>	<b>52.26%</b>	<b>-8,438,578</b>	<b>▼</b>	<b>-5.53%</b>
<b>Total equity and liabilities</b>	<b>276,436,766</b>	<b>282,837,881</b>	<b>276,074,482</b>	<b>100.00%</b>	<b>-6,763,399</b>	<b>▼</b>	<b>-2.39%</b>

In the first 9 months of 2016 Non-currents assets hold 79.43% of the company's assets, recording an increase of 4,614,102 lei, i.e. 2.15%, as compared with the beginning of the year.

Asset	30.09.2016	% in total NCA	% in total assets	30.09.2016 vs.31.12.2015
Property, plant and equipment	152,094,829	69.36%	55.09%	2.88%
Investment property	44,094,993	20.11%	15.97%	0.68%
Intangible assets	263,329	0.12%	0.10%	38.67%
Financial assets	22,844,471	10.42%	8.27%	-0.08%
<b>Total non-current assets</b>	<b>219,297,622</b>	<b>100.00%</b>	<b>79.43%</b>	<b>2.15%</b>

In the reporting period the main entries of Non-current assets are:

· Plants (including rearrangements and improvement)	:	871,523 lei
· Equipment and furniture	:	2,928,022 lei

The property investments have the following structure:

Investment property	Land	Plants	Total
Iasi	27,233,467	8,547,293	35,780,760
Buzau	2,026,350	1,883,666	3,910,016
Stefanesti	1,935,851	2,468,365	4,404,216
<b>Total</b>	<b>31,195,668</b>	<b>12,899,325</b>	<b>44,094,993</b>

**Financial Assets** hold 8.27% of Total Assets, and 10.42% of Non-current assets.

As at 30.09.2016, S.C. ROMCARBON S.A. held shares in other companies totalizing 22,844,471 lei, as follows :

Company	Total number of shares	Nomi nal Value (lei)	Social capital (lei)	Social capital held (lei)	No. of shares held by RCB	Acquisition value of the shares (lei)	Participation quota (%)
RECYPLAT LTD CIPRU	26,000	4.3521	113,154	113,154	26,000	20,857,287	100.0000%
ROMCARBON DEUTSCHLAND GmbH			110,138	110,138		110,138	100.0000%
RC ENERGO INSTALL SRL	200	10	2,000	2,000	200	15,112	100.0000%
INFO TECH SOLUTIONS SRL	200	10	2,000	1,980	198	1,980	99.0000%
LIVINGJUMBO INDUSTRY SA	200	4,032	806,400	798,336	198	1,639,232	99.0000%
GRINFILD LLC UCRAINA GREENSORT RECYCLING SRL	4,000	10	40,000	20,400	2,040	2,687,755	62.6200%
YENKI SRL	32,800	10	328,000	109,340	10,934	100,000	33.3354%
ASOCIATIA ECOLOGICA GREENLIFE (Non-Profit Organization)				0	1,200	400	33.3333%
ECO PACK MANAGEMENT SA	144,600	10	1,446,000	366,700	36,670	586,625	25.3596%
KANG YANG BIOTECHNOLOGY CO.LTD	2,889,993			0	139,000	203,963	4.8097%
REGISTRUL MIORITA SA	10,500	10	105,000	3,980	398	5,000	3.7905%
<b>TOTAL</b>						<b>26,209,353</b>	

The impairment of financial investments are presented in the following table:

Company	Participation quota	Adjustment
ROMCARBON DEUTSCHLAND GmbH	100.00%	110,138
GREENSORT RECYCLING SRL	51.00%	738
GRINFILD LLC UKRAINA	62.62%	2,687,755
YENKI SRL	33.34%	11,989
ECO PACK MANAGEMENT SA	25.36%	554,262
<b>Total</b>		<b>3,364,882</b>

In the reporting period ceased by rescission the sale contract no.9690/ 26.11.2013, concluded between Romcarbon SA as seller and Recyplat LTD as buyer, having as object the sale of 62.62% of Grinfild LLC Ukraine capital to Recyplat LTD, on the ground that the buyer could not registered the right over the shares in the Ukraine Trade Registry. As consequence, the parties were reinstated to the situation existing before 25.11.2013, Romcarbon SA repaying the sale price, i.e. 709,000 euro.

In the reporting period S.C. Romcarbon S.A. received dividends from Recyplat LTD in total amount of 720,000 euro.

#### Subsequent events: Financial Investment

In 04.10.2016 Greensort Recycling S.R.L was de-registered from Trade Registry.

In 17.10.2016 was established the company Arch Development Associates S.R.L, with a social capital in amount of 2,000 lei, to whom Romcarbon SA participated with a percentage of 51%. The object of the activity of this new company is Development of building projects, NACE code 4110.

**Current assets** hold 20.57% of total assets recording a decrease of 11,377,501 lei, i.e. 16.69% as compared with the beginning of the year.

Current asstes	30.09.2016	% in total CA	% in Total Assets	30.09.2016 vs.31.12.2015
Inventories	23,891,557	42.08%	8.65%	16.54%
Trade and other receivables	27,550,871	48.52%	9.98%	-18.87%
Amounts to receive from affiliates (financial)	495,000	0.87%	0.18%	-
Taxes receivables	115,919	0.20%	0.04%	-73.63%
Other assets	350,606	0.62%	0.13%	-4.40%
Cash and bank balances	4,372,907	7.70%	1.58%	-66.07%
<b>Total</b>	<b>56,776,860</b>	<b>100.00%</b>	<b>20.57%</b>	<b>-16.69%</b>

**Total Liabilities** hold 52.26% of the company's Equity&Liabilities recording a decrease of 8,438,578 lei, i.e. 5.53% as compared with the beginning of the year.

## ***Borrowings***

As at 30.09.2016 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Bank	Type	Ccy	Balance as at 30.09.2016		Tenor
			in euro	in lei	
UniCredit Bank	Overdraft - revolving	EUR	€ 3,324,535	14,801,828 lei	02.07.2017
UniCredit Bank	Overdraft	EUR	€ 2,387,669	10,630,619 lei	04.07.2017
BRD GSG	Overdraft - revolving	EUR	€ 2,359,653	10,505,883 lei	30.10.2017
BRD GSG	Inv. Credit (I)	EUR	€ 744,383	3,314,216 lei	01.03.2018
BRD GSG	Inv. Credit (II)	EUR	€ 689,618	3,070,385 lei	03.09.2022
BRD GSG	Inv. Credit (III)	EUR	€ 2,402,408	10,696,239 lei	03.02.2022
UniCredit Bank	Inv. Credit - CCE 2015	EUR	€ 2,967,420	13,211,843 lei	04.12.2023
<b>TOTAL credits in euro</b>			<b>€ 14,875,685</b>	<b>66,231,014 lei</b>	
Eximbank SA	Inv. Credit	RON		5,886,563 lei	20.06.2022
UniCredit Bank	Inv. Credit	RON		3,200,000 lei	11.07.2023
<b>Total credits in lei</b>				<b>9,086,563 lei</b>	
<b>Total credits</b>				<b>75,317,576 lei</b>	

In January 2016 SC Romcarbon SA reimbursed the Bridge loan in amount of 2,074,003 Eur and the VAT facility in amount of 1,219,561 Lei both contracted with UniCredit Bank SA for financing the investment project co-financed by European Fund for Regional Development « Development of the company Romcarbon SA by purchasing new equipment » .

In July 2016, SC Romcarbon SA contracted with UniCredit Bank SA an investment credit in amount of 3,200,000 lei for financing the acquisition of an asset (land and construction) in total surface of 1,745.70 sqm located in Iasi, Calea Chisinaului nr.27-29.

In September 2016 SC Romcarbon SA contracted with UniCredit Bank SA 2 credits for investments, one in amount of 442,500 Euro, and the other in amount of 2,500,000 lei. These credits have the tenor 19.09.2021. The credits repayment will be made by monthly installments. The first installment will be paid in October 2017. As at 30.09.2016 the balance of both credits is 0.

Short term loans have the following structure :

Bank	Type	CCY	Initial amount/ceiling	Balance as at 30.09.2016		Tenor
				in euro	in lei	
UniCredit Bank SA	Overdraft	euro	€ 3,450,000	€ 3,324,535	14,801,828 lei	02.07.2017
UniCredit Bank SA	Overdraft	euro	€ 2,500,000	€ 2,387,669	10,630,619 lei	04.07.2017
BRD	Overdraft-revolving	euro	€ 2,550,000	€ 2,359,653	10,505,883 lei	30.10.2017
<b>Total</b>				<b>€ 8,071,857</b>	<b>35,938,330 lei</b>	

Long term loans have the following structure :

Bank	Type	Initial amount	Balance as at 30.09.2016		< 12 Months	>12 Months
			in euro	in lei		

BRD GSG	Inv. loan (I)	€ 2,058,000	€ 744,383	3,314,216 lei	2,339,447 lei	974,770 lei
BRD GSG	Inv. loan (II)	€ 1,000,000	€ 689,618	3,070,385 lei	232,605 lei	2,837,780 lei
BRD GSG	Inv. loan (III)	€ 3,153,160	€ 2,402,408	10,696,239 lei	2,005,545 lei	8,690,694 lei
UniCredit Bank SA	Inv. loan - CCE 2015	€ 3,042,240	€ 2,967,420	13,211,843 lei	784,718 lei	12,427,125 lei
UniCredit Bank	Inv. loan I	3,200,000 lei	-	3,200,000 lei	202,526 lei	2,997,474 lei
Eximbank SA	Inv. loan	6,142,500 lei	-	5,886,563 lei	1,023,750 lei	4,862,813 lei
<b>Total</b>		<b>€ 9,253,400</b>		<b>39,379,246 lei</b>	<b>6,588,591 lei</b>	<b>32,790,655 lei</b>

These loans are guaranteed by mortgages on land and plants, pledges on equipment, security mortgage on current bank accounts, receivables assignments.

***Current liabilities of the Company***, representing 53.62% of the Total Liabilities and 28.02% of Total Equity & Liabilities have decreased by 6,106,647 lei as compared with 31.12.2015, i.e. 7.32%, have the following structure:

<b>Current liabilities</b>	<b>30.09.2016</b>	<b>% in total Liabilities</b>	<b>% in Total current liabilities</b>	<b>% in Total Equity &amp; Liabilities</b>	<b>30.09.2016 vs.31.12.2015</b>
Trade and other payables	31,430,137	21.79%	40.63%	11.38%	1.62%
Borrowings ST	42,526,922	29.48%	54.98%	15.40%	-13.93%
Short term finance leases and other interest bearing obligations	1,406,605	0.97%	1.82%	0.51%	-17.69%
Deferred revenue	39,770	0.03%	0.05%	0.01%	136.75%
Other liabilities	1,953,267	1.35%	2.53%	0.71%	39.81%
<b>Total</b>	<b>77,356,701</b>	<b>53.62%</b>	<b>100.00%</b>	<b>28.02%</b>	<b>-7.32%</b>

***Non-current Liabilities*** representing 24.24% of the company's Equity&Liabilities were registered in the reporting period a decrease of 2,331,931 lei.

<b>Non-current liabilities (NCL)</b>	<b>30.09.2016</b>	<b>% in total liabilities</b>	<b>% in NCL</b>	<b>% in Total Equity &amp; Liabilities</b>	<b>30.09.2016 vs.31.12.2015</b>
Borrowings LT	32,790,655	22.73%	49.00%	11.88%	1.10%
Long term finance leases and other interest bearing obligations	176,943	0.12%	0.26%	0.06%	-85.19%
Deferred tax liabilities	11,142,757	7.72%	16.65%	4.04%	0.00%
Deferred income	22,803,406	15.81%	34.08%	8.26%	-6.83%
<b>Total</b>	<b>66,913,761</b>	<b>46.38%</b>	<b>100.00%</b>	<b>24.24%</b>	<b>-3.37%</b>

***Total Equity*** holds 47.74% of Total Equity&Liabilities having the following structure:

<b>Equity</b>	<b>30.09.2016</b>	<b>30.09.2016 vs.31.12.2015</b>
Issued capital (264,122,096 shares at 0.10 lei per share)	26,412,210	0.00%
Share premium	2,182,283	0.00%

Reserves	53,233,735	-0.27%
Retained earnings	49,975,792	3.77%
<b>Total equity</b>	<b>131,804,020</b>	<b>1.29%</b>

b) *STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE ITEMS*

Items	30.09.2015	30.09.2016	2016 vs.2015	
Net sales	133,941,400	134,450,961	▲	509,561
Investment income *	7,727,370	5,971,437	▼	- 1,755,933
Other gains and losses	1,103,138	1,286,934	▲	183,796
Changes in inventories of finished goods and work in progress	828,961	3,180,856	▲	2,351,895
Raw materials and consumables used	-102,148,717	-99,144,656	▼	- 3,004,061
Depreciation and amortisation expenses	-5,257,454	-9,756,944	▲	4,499,490
Employee salaries and benefits	-13,676,017	-17,155,535	▲	3,479,518
Social security expenses	-3,161,182	-3,934,886	▲	773,704
Net finance costs	-1,532,268	-1,591,900	▲	59,632
Income from subsidies	881,384	1,603,849	▲	722,465
Other expenses	-8,497,381	-10,073,877	▲	1,576,496
<b>Profit (loss) before taxation</b>	<b>10,209,235</b>	<b>4,836,239</b>	▼	- 5,372,996
Income tax	-439,598	-447,239	▲	7,641
<b>Profit (loss) of the year</b>	<b>9,769,637</b>	<b>4,389,000</b>	▼	- 5,380,637
Other comprehensive income	0	0	—	-
<b>Total comprehensive income</b>	<b>9,769,637</b>	<b>4,389,000</b>	▼	- 5,380,637

\*Investment income – details:

Indicator	30.09.2015	30.09.2016
Rental and royalty income	1,925,548	1,883,804
Interest income	12,468	10,989
Investment income (dividends) - Recyplat LTD	4,698,776	3,207,528
Investment income (dividends) - Infotech Solutions SRL	100,579	124,116
Investment income (dividends) - LivingJumbo Industry SA	990,000	495,000
Investment income (dividends) - RC Energo Install SRL	0	250,000
<b>Total</b>	<b>7,727,370</b>	<b>5,971,437</b>

Note : In accordance with Order no. 1286/2012 the company bank availabilities, the receivables and the liabilities expressed in a foreign currency are evaluated each month at the closing exchange rate communicated by NBR. From this evaluation for the first 9 months of 2016 the company registered revenues in amount of 2,544,068 lei and expenses in amount of 1,427,757 lei , resulting a net profit of 1,116,311lei.

**TURNOVER (Sales)**

Sales	9 Months of 2014		9 Months of 2015		9 Months of 2016		2016 vs.2015
	Value	% in total	Value	% in total	Value	% in total	
Sales of finished goods	74,195,760	61.06%	83,194,720	61.23%	90,755,931	66.57%	▲ 9.09%
Sales of intermediary goods	345,787	0.28%	165,148	0.12%	72,148	0.05%	▼ -56.31%
Services rendered	61,726	0.05%	180,585	0.13%	227,779	0.17%	▲ 26.13%



Sale of commodities	43,122,490	35.49%	48,495,496	35.69%	41,214,435	30.23%	▼	-15.01%
Rental and royalty income	1,887,372	1.55%	1,925,548	1.42%	1,883,804	1.38%	▼	-2.17%
Revenues from sundry services	1,896,099	1.56%	1,905,451	1.40%	2,180,668	1.60%	▲	14.44%
<b>Total, of which:</b>	<b>121,509,234</b>	<b>100.00%</b>	<b>135,866,949</b>	<b>100.00%</b>	<b>136,334,764</b>	<b>100.00%</b>	<b>▲</b>	<b>0.34%</b>
~domestic market	104,683,576	86.15%	113,840,786	83.79%	106,760,030	78.31%	▼	-6.22%
~exports	16,825,658	13.85%	22,026,163	16.21%	29,574,734	21.69%	▲	34.27%

Note: Turnover comprises the item Net sales from Profit and Loss Account, plus Rental and royalty income which is comprised in the Investment income.

## B. Financial ratios :

Ratio	Formula	Result		
		30.09.2015	31.12.2015	30.09.2016
1.Current ratio	Current assets/Current Liabilities	0.76	0.82	0.73
2.Debt ratios	Long term Borrowings and leases/Total Equity x100	18.77%	25.84%	25.01%
	Long term Borrowings and leases /Engaged capital x100	15.80%	20.54%	20.01%
3. Account receivable turnover ratio (days)	Average receivable balance /Sales x days	66	64	61
4. Account payable turnover ratio (days)	Average payable balance /Sales x days	76	60	62
5.Assets turnover ratio	Sales/Non-current assets	0.66	0.83	0.62

*Borrowed capital = Long term borrowings + long term leasing*

*Engaged capital = Total Equity + Long term Borrowings and leases*

**Please note that the Financial Statements for the period ended September 30, 2016 have not been audited.**

**Chairman of the Board,  
Hung Ching Ling**

**General Manager: eng.Andrei Radu  
Financial Manager :ec. Zainescu Viorica Ioana**

**For signatures, please refer to the original Romanian version.**

**S.C. ROMCARBON S.A.**

**SEPARATE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

**PREPARED IN ACCORDANCE WITH  
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

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**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED September 30, 2016**  
 (all amounts are expressed in lei, unless specified otherwise)

This is a free translation from Romanian original version

	<u>September 30, 2015</u>	<u>September 30, 2016</u>
Net sales	133,941,400	134,450,961
Investment income	7,727,370	5,971,437
Other gains or losses	1,103,138	1,286,934
Changes in inventories	828,961	3,180,856
Raw materials and consumables used	(102,148,717)	(99,144,656)
Depreciation and amortisation expense	(5,257,454)	(9,756,944)
Employee salaries and benefits	(13,676,017)	(17,155,535)
Social security expenses	(3,161,182)	(3,934,886)
Net finance cost	(1,532,268)	(1,591,900)
Income from subsidies	881,384	1,603,849
Other expenses	(8,497,380)	(10,073,877)
<b>Profit before taxation</b>	<b>10,209,235</b>	<b>4,836,239</b>
Income tax	(439,598)	(447,239)
<b>Net profit</b>	<b>9,769,637</b>	<b>4,389,000</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>9,769,637</b>	<b>4,389,000</b>
Earnings per share	0.0370	0.0166
<b>Number of shares</b>	<b>264,122,096</b>	<b>264,122,096</b>

 ADMINISTRATOR  
 HUNG CHING LING

Signature \_\_\_\_\_

 General Manager  
 ANDREI RADU

Signature \_\_\_\_\_

 PREPARED BY,  
 FINANCIAL MANAGER  
 ZAINESCU VIORICA

Signature \_\_\_\_\_

*For signature, please refer to the original Romanian version.*

## STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED SEPTEMBER 30, 2016

(all amounts are expressed in lei, unless specified otherwise)

This is a free translation from Romanian original version

ASSETS	January 01, 2016	September 30, 2016
<b>Non-current assets</b>		
Property, plant and equipment	147,831,285	152,094,829
Investment property	43,799,325	44,094,993
Intangible assets	189,900	263,329
Financial assets	22,863,010	22,844,471
<b>Non-current assets</b>	<b>214,683,520</b>	<b>219,297,622</b>
<b>Current assets</b>		
Inventories	20,499,859	23,891,557
Trade and other receivables	33,959,316	27,550,871
Amounts to receive from Affiliates (financial)	-	495,000
Taxes receivable	439,598	115,919
Other assets	366,752	350,606
Cash and cash equivalents	12,888,836	4,372,907
<b>Total current assets</b>	<b>68,154,361</b>	<b>56,776,860</b>
<b>Total assets</b>	<b>282,837,881</b>	<b>276,074,482</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	26,412,210	26,412,210
Share premiums	2,182,283	2,182,283
Reserves	53,375,509	53,233,735
Retained earnings	48,158,839	49,975,792
<b>Total equity</b>	<b>130,128,841</b>	<b>131,804,020</b>
<b>Non-current liabilities</b>		
Borrowings	32,432,440	32,790,655
Finance leases and other interest-bearing liabilities	1,195,151	176,943
Deferred tax liabilities	11,142,757	11,142,757
Deferred income	24,475,344	22,803,406
<b>Non-current liabilities</b>	<b>69,245,692</b>	<b>66,913,761</b>
<b>Current liabilities</b>		
Trade and other payables	30,928,649	31,430,137
Borrowings	49,411,862	42,526,922
Finance leases and other interest-bearing liabilities	1,709,000	1,406,605
Deferred income	16,798	39,770
Other liabilities	1,397,039	1,953,267
<b>Total current liabilities</b>	<b>83,463,348</b>	<b>77,356,701</b>
<b>Total liabilities</b>	<b>152,709,040</b>	<b>144,270,462</b>
<b>Total equity and liabilities</b>	<b>282,837,881</b>	<b>276,074,482</b>

ADMINISTRATOR  
HUNG CHING LING

Signature\_\_\_\_\_

General Manager  
ANDREI RADU

Signature\_\_\_\_\_

FINANCIAL MANAGER  
ZAINESCU VIORICA

Signature\_\_\_\_\_

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**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

(all amounts are expressed in lei, unless specified otherwise)

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	<u>Share capital</u>	<u>Share premiums</u>	<u>Revaluation reserves</u>	<u>Legal reserves</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
<b>January 01, 2016</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>44,722,947</b>	<b>3,389,916</b>	<b>5,262,645</b>	<b>48,158,839</b>	<b>130,128,840</b>
Realised revaluation reserve	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	(2,245,038)	(2,245,038)
Net profit of the year	-	-	-	-	-	4,389,000	4,389,000
Corrections	-	-	-	-	-	(468,783)	-
Transfer to reserves	-	-	(141,774)	-	-	141,774	-
<b>September 30, 2016</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>44,581,174</b>	<b>3,389,916</b>	<b>5,262,645</b>	<b>49,975,792</b>	<b>131,804,020</b>

ADMINISTRATOR,  
**HUNG CHING LING**

FINANCIAL MANAGER,  
**VIORICA ZAINESCU**

GENERAL MANAGER,  
**RADU ANDREI**

Signature\_\_\_\_\_

Signature\_\_\_\_\_

Signature\_\_\_\_\_

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016**
**(all amounts are expressed in lei, unless specified otherwise)**

This is a free translation from Romanian original version

**NET SALES**

	<b>September 30, 2015</b>	<b>September 30, 2016</b>
	<b>RON</b>	<b>RON</b>
Sales of finished products	83,422,089	90,909,078
Sales of commodities	48,431,354	41,133,436
Services rendered	182,506	227,779
Other sales	1,905,451	2,180,668
<b>Total</b>	<b>133,941,400</b>	<b>134,450,961</b>

**INVESTMENT INCOME**

	<b>September 30, 2015</b>	<b>September 30, 2016</b>
	<b>RON</b>	<b>RON</b>
Income from renting investment property	1,925,548	1,883,804
Income from interest on bank deposits	12,467	10,989
Dividends received from participations	5,789,355	4,076,644
<b>Total</b>	<b>7,727,370</b>	<b>5,971,437</b>

**OTHER GAINS AND LOSSES**

	<b>September 30, 2015</b>	<b>September 30, 2016</b>
	<b>RON</b>	<b>RON</b>
Income from penalties charged	8,509	6,021
Gain / (Loss) on sale of non-current assets	736	-
Gain / (Loss) on disposal of investment property	-	(9,240)
FOREX gain / (loss)	1,048,282	1,238,805
Gain / (Loss) on disposal of financial investments	(190)	-
Gain / (Loss) on changes of provisions	31,335	25,412
Other gains	14,466	25,936
Other losses	-	-
<b>Total</b>	<b>1,103,138</b>	<b>1,286,934</b>

**RAW MATERIALS AND CONSUMABLES USED**

	<b>September 30, 2015</b>	<b>September 30, 2016</b>
	<b>RON</b>	<b>RON</b>
Raw materials	46,659,307	48,961,388
Commodities sold	47,617,928	40,337,584
Energy and water	5,475,361	6,130,914
Expenses with consumables	2,396,122	3,714,771
<b>Total</b>	<b>102,148,717</b>	<b>99,144,656</b>

**DEPRECIATION AND AMORTIZATION EXPENSES**

<b>September 30, 2015</b>	<b>September 30, 2016</b>
<b>RON</b>	<b>RON</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016**  
**(all amounts are expressed in lei, unless specified otherwise)**

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<b>Total amortization expenses,</b>	5,257,454	9,756,944
of which:		
Depreciation of fixed assets	5,111,451	9,702,022
Amortization of intangible assets	146,003	54,922
<b>Total</b>	<b>5,257,454</b>	<b>9,756,944</b>

**EXPENSES WITH SALARIES AND SOCIAL LEVIES**

	<b>September 30, 2015</b>	<b>September 30, 2016</b>
	<b>RON</b>	<b>RON</b>
Salaries	13,108,473	16,364,084
Social contributions	3,161,182	3,934,886
Meal tickets	567,544	791,451
<b>Total</b>	<b>16,837,199</b>	<b>21,090,421</b>

**NET FINANCE COST**

	<b>September 30, 2015</b>	<b>September 30, 2016</b>
	<b>RON</b>	<b>RON</b>
Bank interest and leases expenses	1,314,133	1,352,638
Bank commissions and assimilated charges	218,135	239,262
<b>Total</b>	<b>1,532,268</b>	<b>1,591,900</b>

**OTHER EXPENSES**

	<b>September 30, 2015</b>	<b>September 30, 2016</b>
	<b>RON</b>	<b>RON</b>
Expenses with transport and logistics	3,102,438	3,487,901
Other expenses with third party services	3,189,628	3,705,894
Protocol and marketing	336,341	449,822
Expenses with repairs	508,169	625,359
Taxes and levies	480,597	511,105
Losses from receivables	22,792	5,282
Expenses with insurances	218,996	238,790
Expenses with postal charges and telecommunications	101,955	104,125
Expenses with travels	153,487	98,705
Expenses with rents	326,149	330,218
Expenses with commissions and fees	21,181	11,312
Expenses with fines and penalties	4,587	13,438
Other expenses	31,060	491,926
<b>Total</b>	<b>8,497,380</b>	<b>10,073,877</b>

**INCOME TAX**

	<b>September</b>	<b>September</b>
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016**  
**(all amounts are expressed in lei, unless specified otherwise)**

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	<u>30, 2015</u>	<u>30, 2016</u>
	RON	RON
Current income tax expense	439,598	447,239
Deferred tax income expense	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>439,598</u></b>	<b><u>447,239</u></b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

(all amounts are expressed in lei, unless specified otherwise)

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**PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings	Plant and equipment	Installations and furniture	Tangible assets in progress and advances	Total
	RON	RON	RON	RON	RON	RON
<b>COST</b>						
Balance as at January 1, 2016	54,489,512	18,255,036	102,377,658	1,328,119	5,638,339	182,088,664
Additions	-	871,523	2,454,193	52,539	11,720,202	15,098,457
Disposals	-	-	(82,405)	(12,496)	(3,799,545)	(3,894,446)
<b>Balance as at September 30, 2016</b>	<b>54,489,512</b>	<b>19,126,559</b>	<b>104,749,446</b>	<b>1,368,162</b>	<b>13,558,996</b>	<b>193,292,675</b>
	Terenuri	Clădiri	Utilaje și echipament	Instalații și obiecte de mobilier	Imobilizări corporale in curs si avansuri	Total
	RON	RON	RON	RON	RON	RON
<b>CUMULATED DEPRECIATION</b>						
Balance as at January 1, 2016	-	(3,234,367)	(30,412,063)	(610,948)	-	(34,257,378)
Expenses with depreciation	-	(920,522)	(6,018,736)	(75,010)	-	(7,014,268)
Decrease from sale of assets	-	-	67,172	6,628	-	73,800
<b>Balance as at September 30, 2016</b>	<b>-</b>	<b>(4,154,889)</b>	<b>(36,363,627)</b>	<b>(679,330)</b>	<b>-</b>	<b>(41,197,846)</b>
<b>NET BOOK VALUE</b>						
as at September 30, 2016	54,489,512	14,971,670	68,385,819	688,832	13,558,996	152,094,829

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

(all amounts are expressed in lei, unless specified otherwise)

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**INVESTMENT PROPERTY**

<b>Balance as at January 1, 2016</b>	<b>43,799,325</b>
Additions, of which:	304,908
Re-evaluations	-
Disposals, of which:	(9,240)
Re-evaluations	-
<b>Balance as at September 30, 2016</b>	<b>44,094,993</b>

**OTHER INTANGIBLE ASSETS**

	Licences	Other intangible assets	Intangible assets in progress	Total
<i>Cost</i>	RON	RON	RON	RON
<b>Balance as at January 1, 2016</b>	<b>615,547</b>	<b>513,971</b>	<b>76,094</b>	<b>1,205,612</b>
Additions	52,061	-	76,291	128,352
Transfers	-	-	-	-
Disposal	-	-	-	-
<b>Balance as at September 30, 2016</b>	<b>667,608</b>	<b>513,971</b>	<b>152,385</b>	<b>1,333,964</b>

**ACCUMULATED  
AMORTIZATION**

<b>Balance as at January 1, 2016</b>	<b>(502,574)</b>	<b>(513,137)</b>	<b>(1,015,711)</b>
Expenses with depreciation	(54,089)	(834)	(54,923)
Decrease from sale of assets	-	-	-
<b>Balance as at September 30, 2016</b>	<b>(556,663)</b>	<b>(513,971)</b>	<b>(1,070,634)</b>

**NET BOOK VALUE**

<b>as at September 30, 2016</b>	<b>110,945</b>	<b>-</b>	<b>152,385</b>	<b>263,329</b>
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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016

(all amounts are expressed in lei, unless specified otherwise)

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## OTHER FINANCIAL ASSETS

Details on the Company's investments in subsidiaries and associates are as follows:

Name of investment	Core activity	Place of establishment and operations	%	September 30, 2016 <i>lei</i>
Recyplat Ltd Cyprus	Business and other management consultancy activities	Nicosia	100%	20,857,287
RC Energo Install SRL	Plumbing, heat and air conditioning installation (NACE code 4322)	Buzau	100%	15,112
Info Tech Solutions SRL	Data processing, hosting and related activities (NACE code 6311)	Buzau	99%	1,980
Living Jumbo Industry SA	Manufacture of plastic packing goods (NACE code 2222).	Buzau	99%	1,639,232
Eco Pack Management SA	Other business support service activities n.e.c. (NACE code 8299)	Bucharest	25.36%	586,625
Asociatia Ecologica Greenlife (Non-Profit Organization)	The scope of the association is to represent, promote and support the employer and professional interests of its members	Buzau	33.33%	400
Yenki SRL	Activities of sports facilities (NACE code 9311)	Buzau	33.34%	100,000
Greensort Recycling SRL	NACE code 3832 - Recovery of sorted materials	Bucharest	51%	1,861
Registrul Miorita SA		Cluj	3.79%	5,000
Romcarbon Deutschland GmbH	Trade with plastic finished products, recycling of plastic materials and purchase of plastic waste	Germany	100%	110,138
Kang Yang Biotechnology CO. LTD	Manufacture of products beneficial for human health	Taiwan	4.81%	203,963
Grinfilid LLC Ucraina	Wholesale	Ukraine	62.62%	2,687,755
<b>TOTAL</b>				<b>26,209,353</b>
<b>Financial assets impairment</b>				<b>(3,364,882)</b>
<b>Total financial assets</b>				<b>22,844,471</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016

(all amounts are expressed in lei, unless specified otherwise)

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## INVENTORIES

	January 01, 2016	September 30, 2016
Raw materials	12,099,300	12,841,653
Consumables	2,334,141	2,472,368
Items of inventory	133,552	118,907
Packaging	130,235	175,261
Finished products	3,310,115	4,578,997
Unfinished products	1,354,887	2,012,067
Semi-finished products	1,426,881	1,823,118
Residual products	4,004	750
Commodities	371,988	494,413
Advances for purchases of inventory	110,082	149,349
Provisions for obsolete inventories	(775,326)	(775,326)
<b>Total</b>	<b>20,499,859</b>	<b>23,891,557</b>

## TRADE AND OTHER RECEIVABLES

	January 01, 2016	September 30, 2016
Trade receivables	34,271,865	28,803,181
Provisions for doubtful clients	(1,539,112)	(1,513,700)
Taxes to recover	94,959	225,729
Other receivables	7,921	35,660
Subsidies receivable	1,123,683	-
<b>Total</b>	<b>33,959,316</b>	<b>27,550,871</b>

## CASH ON HAND AND AT BANKS

	January 01, 2016	September 30, 2016
Cash at banks	12,864,940	4,297,300
Cash on hand	23,346	39,401
Cash equivalents	550	36,206
<b>Total</b>	<b>12,888,836</b>	<b>4,372,907</b>

## OTHER CURRENT ASSETS

	January 01, 2016	September 30, 2016
Prepaid expenses	366,752	349,212
Advances to services suppliers	-	1,394
<b>Total</b>	<b>366,752</b>	<b>350,606</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016

(all amounts are expressed in lei, unless specified otherwise)

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## ISSUED CAPITAL

	<u>January 01, 2016</u>	<u>September 30, 2016</u>
264,122,096 fully paid ordinary shares (2015: 264,122,096). The value of one share is RON 0.1	26,412,210	26,412,210
<b>Total</b>	<b>26,412,210</b>	<b>26,412,210</b>

## RESERVES

	<u>January 01, 2016</u>	<u>September 30, 2016</u>
		RON
Legal reserves	3,389,916	3,389,916
Other reserves	5,262,645	5,262,645
Revaluation reserves	44,722,948	44,581,174
<b>Total</b>	<b>53,375,509</b>	<b>53,233,735</b>

## BORROWINGS

## Borrowings – short-term

	<u>January 01, 2016</u>	<u>September 30, 2016</u>
BRD - Overdraft Euro	9,741,940	10,505,883
BRD – Inv.credit Euro I	2,377,384	2,339,447
BRD - Inv.credit Euro II	47,275	232,605
BRD - Inv.credit Euro III	2,038,068	2,005,545
UniCredit Bank (overdraft)	14,136,626	14,801,828
UniCredit Bank (overdraft)	10,212,665	10,630,620
UniCredit Bank – Bridge loan - CCE 2015	9,383,827	-
UniCredit Bank - Inv.credit - CCE 2015	-	784,718
UniCredit Bank – VAT facility - CCE 2015	1,219,562	-
UniCredit Bank - Inv.credit I	-	202,526
Eximbank SA - Inv.credit	254,515	1,023,750
<b>Total</b>	<b>49,411,862</b>	<b>42,526,922</b>

## Borrowings – long-term

	<u>January 01, 2016</u>	<u>September 30, 2016</u>
BRD - Inv.credit Euro I	2,773,615	974,770
BRD - Inv.credit Euro II	3,072,900	2,837,780
BRD - Inv.credit Euro III	10,360,176	8,690,694
UniCredit Bank - Inv.credit - CCE 2015	13,426,091	12,427,124
UniCredit Bank Inv.credit I	-	2,997,474

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016****(all amounts are expressed in lei, unless specified otherwise)**[This is a free translation from Romanian original version](#)

Eximbank SA - Inv.credit	2,799,659	4,862,813
<b>Total</b>	<b>32,432,440</b>	<b>32,790,655</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016

(all amounts are expressed in lei, unless specified otherwise)

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**BORROWINGS (CONTINUED)**

As at 30.09.2016 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Bank	Type	CCY	Balance as at 30.09.2016		Tenor
			in euro	in lei	
UniCredit Bank	Overdraft - Revolving	EUR	€ 3,324,535	14,801,828 lei	02.07.2017
UniCredit Bank	Overdraft	EUR	€ 2,387,669	10,630,619 lei	04.07.2017
BRD GSG	Overdraft - Revolving	EUR	€ 2,359,653	10,505,883 lei	30.10.2017
BRD GSG	Inv.credit (I)	EUR	€ 744,383	3,314,216 lei	01.03.2018
BRD GSG	Inv.credit (II)	EUR	€ 689,618	3,070,385 lei	03.09.2022
BRD GSG	Inv.credit (III)	EUR	€ 2,402,408	10,696,239 lei	03.02.2022
UniCredit Bank	Inv.credit - CCE 2015	EUR	€ 2,967,420	13,211,843 lei	04.12.2023
<b>TOTAL credits in euro</b>			<b>€ 14,875,685</b>	<b>66,231,014 lei</b>	
Eximbank SA	Inv.credit	RON		5,886,563 lei	20.06.2022
UniCredit Bank	Inv.credit	RON		3,200,000 lei	11.07.2023
<b>Total credits in lei</b>				<b>9,086,563 lei</b>	
<b>Total credits</b>				<b>75,317,576 lei</b>	

In January 2016 SC Romcarbon SA reimbursed the Bridge loan in amount of 2,074,003 Eur and the VAT facility in amount of 1,219,561 Lei both contracted with UniCredit Bank SA for financing the investment project co-financed by European Fund for Regional Development « Development of the company Romcarbon SA by purchasing new equipment » .



**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

(all amounts are expressed in lei, unless specified otherwise)

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In July 2016, SC Romcarbon SA contracted with UniCredit Bank SA an investment credit in amount of 3,200,000 lei for financing the acquisition of an asset (land and construction) in total surface of 1,745.70 sqm located in Iasi, Calea Chisinaului nr.27-29.

In September 2016 SC Romcarbon SA contracted with UniCredit Bank SA 2 credits for investments, one in amount of 442,500 Euro, and the other in amount of 2,500,000 lei. These credits have the tenor 19.09.2021. The credits repayment will be made by monthly installments. The first installment will be paid in October 2017. As at 30.09.2016 the balance of the both credits is 0.

Short term loans have the following structure :

Bank	Type	CCY	Initial amount	Balance as at 30.09.2016		Tenor
				in euro	in lei	
UniCredit Bank SA	Overdraft - Revolving	euro	€ 3,450,000	€ 3,324,535	14,801,828 lei	02.07.2017
UniCredit Bank SA	Overdraft	euro	€ 2,500,000	€ 2,387,669	10,630,619 lei	04.07.2017
BRD	Overdraft - Revolving	euro	€ 2,550,000	€ 2,359,653	10,505,883 lei	30.10.2017
<b>Total</b>				<b>€ 8,071,857</b>	<b>35,938,330 lei</b>	

Long term loans have the following structure :

Bank	Type	Initial amount	Balance as at 30.09.2016		<12M	>12M
			in euro	in lei		
BRD GSG	Inv.credit (I)	€ 2,058,000	€ 744,383	3,314,216 lei	2,339,447 lei	974,770 lei
BRD GSG	Inv.credit (II)	€ 1,000,000	€ 689,618	3,070,385 lei	232,605 lei	2,837,780 lei
BRD GSG	Inv.credit (III)	€ 3,153,160	€ 2,402,408	10,696,239 lei	2,005,545 lei	8,690,694 lei
UniCredit Bank SA	Inv.credit - CCE 2015	€ 3,042,240	€ 2,967,420	13,211,843 lei	784,718 lei	12,427,125 lei
UniCredit Bank	Inv.credit I	3,200,000 lei	-	3,200,000 lei	202,526 lei	2,997,474 lei
Eximbank SA	Inv.credit	6,142,500 lei	-	5,886,563 lei	1,023,750 lei	4,862,813 lei
<b>Total</b>				<b>39,379,246 lei</b>	<b>6,588,591 lei</b>	<b>32,790,655 lei</b>

These loans are guaranteed by mortgages on land and plants, pledges on equipment, security mortgage on current bank accounts, receivables assignments.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016

(all amounts are expressed in lei, unless specified otherwise)

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## Other liabilities

	<u>January 01, 2016</u>	<u>September 30, 2016</u>
Liabilities to employees	596,667	880,327
Liabilities related to social contributions	635,389	749,828
Other tax liabilities	164,983	323,112
Payable interests	-	-
<b>Total</b>	<b><u>1,397,039</u></b>	<b><u>1,953,267</u></b>

## Trade payables and Other payables

	<u>January 01, 2016</u>	<u>September 30, 2016</u>
Trade payables	28,977,812	26,920,195
Other payables	1,255,293	3,254,901
Suppliers invoices not received	508,525	1,126,215
Advances from clients	187,019	128,826
<b>Total</b>	<b><u>30,928,649</u></b>	<b><u>31,430,137</u></b>

## FINANCE LEASE OBLIGATIONS

	<u>January 01, 2016</u>	<u>September 30, 2016</u>
Amounts due within one year	1,709,000	1,406,605
Amounts due in more than one year	1,195,151	176,943
<b>Total</b>	<b><u>2,904,151</u></b>	<b><u>1,583,548</u></b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

(all amounts are expressed in lei, unless specified otherwise)

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**RELATED PARTY TRANSACTIONS**

Related party	Sales of goods and services		Purchases of goods and services		Receivables from related parties		Payables to related entities	
	9 Months of 2015	9 Months of 2016	9 Months of 2015	9 Months of 2016	01.01.2016	30.09.2016	01.01.2016	30.09.2016
ECO PACK MANAGEMENT SRL	61,013	44,966	43,314	0	16,419	0	0	0
INFO TECH SOLUTION SRL BUZAU	24,904	16,717	338,084	384,084	0	0	69,549	129,477
LIVINGJUMBO INDUSTRY SA	25,164,628	16,082,250	478,330	925,286	7,454,929	3,163,615	43,710	272,892
NEXT ECO RECICLYNG S.A.*	0	97,718	0	170,859	0	12,578	0	29,499
ROMCARBON DEUTSCHLAND	0	0	1,154,239	33,476	0	0	0	0
RC ENERGO INSTALL SRL BUZAU	78,918	69,570	1,617,240	2,086,018	0	0	288,507	795,472
TAIPEI CIMEO SRL	11,401	0	0	0	0	0	0	0
YENKI SRL BUZAU	8,869	1,774	0	0	0	0	0	0
<b>TOTAL</b>	<b>25,349,733</b>	<b>16,312,996</b>	<b>3,631,208</b>	<b>3,599,721</b>	<b>7,417,448</b>	<b>3,176,193</b>	<b>401,766</b>	<b>1,227,340</b>

Nota : Starting with July 2016, S.C. Romcarbon S.A. and NEXT ECO RECICLYNG S.A. are affiliates any longer.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

**(all amounts are expressed in lei, unless specified otherwise)**

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**Financial Ratio**

In the reporting period the company registered the following ratios.

Ratio	Formula	Result		
		30.09.2015	31.12.2015	30.09.2016
1.Current ratio	Current assets/Current Liabilities	0.76	0.82	0.73
2.Debt ratios	Long term Borrowings and leases/Total Equity x100	18.77%	25.84%	25.01%
	Long term Borrowings and leases /Engaged capital x100	15.80%	20.54%	20.01%
3. Account receivable turnover ratio (days)	Average receivable balance /Sales x days	66	64	61
4. Account payable turnover ratio (days)	Average payable balance /Sales x days	76	60	62
5.Assets turnover ratio	Sales/Non-current assets	0.66	0.83	0.62

*Borrowed capital = Long term borrowings + long term leasing*

*Engaged capital = Total Equity + Long term Borrowings and leases*

**ADMINISTRATOR  
HUNG CHING LING**

Signature\_\_\_\_\_

**General Manager  
ANDREI RADU**

Signature\_\_\_\_\_

**PREPARED BY,  
FINANCIAL MANAGER  
ZAINESCU VIORICA**

Signature\_\_\_\_\_

***For signature, please refer to the original Romanian version.***