



VEITUR



GAGNAVEITA  
REYKJAVÍKUR



ORKA NÁTTÚRUNNAR



Orkuveita Reykjavíkur



## *Reykjavik Energy – Consolidated Financial Forecast*

*Forecast 2017 and Long-Term Plan 2018 – 2022*

*Approved by Board of Directors 03.10.2016*

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## REYKJAVIK ENERGY'S OPERATIONS

The forecast for Reykjavik Energy (OR) 2017 and five-year forecast for years 2018 through 2022 is consolidated for the parent company and the subsidiaries Veitur Utilities plc, OR Water&Sewer, ON Power plc, and Reykjavik Fibre Network. Each subsidiary's forecast has been approved by its respective Board of Directors prior to OR's BoD's approval. Main assumptions include OR's owner policy, various policies and KPI targets, Official National Economic Forecast, international forecasts on external factors affecting OR and the Company's and The City of Reykjavík's own forecasts.

In preparing this forecast, further steps were taken towards strategic forecasting through the Beyond budgeting method. That involves more efficient target setting. The method involves increased responsibilities by managers and other employees in finance and daily operations who base their decisions on documented policies and goals. Key financial indicators are graphically presented in this forecast.

The Plan that OR has been working towards since 2011 expires at year-end 2016. In discussions about the Plan, the question about what it will be replaced with, has come up. The simple answer being; nothing in particular. The discipline and prudence The Plan required has become intrinsic to managers and other staff and a part of OR's corporate culture. However, this forecast implies that OR's owners will receive dividends, the first time since 2009. Prerequisites to paying dividends include that the dividend requirements, the owners agreed upon in 2015, will be met and that those payments withstand an elaborate test of diligence. Ultimately, it is in the hands of OR's General Meeting to decide if dividends are to be paid.

The operations of OR and its subsidiaries are solid and foreseen changes in revenues and expenses are not significant. Considerable investments are though foreseen. Renewal of important infrastructure in utilities will be continued, among them hot-water mains in the Capital Area and in West-Iceland as well as key points in electric distribution, sub-stations included. The construction of new sewerages in West-Iceland will mostly be concluded in 2016 and that decreases the need for investments in that area of OR's operations. The fibre-optic network will continue to be rolled out in the coming years and the oldest coupling equipment in people's homes will be updated, an option of a 1,000-megabit-per-second connection speed being the result.

Steam collection and other sustainability projects at the power plants are pressing. Since it became clear that the geothermal fields closest to the Hellisheiði Power Plant would not sustain full output, extensive modelling of the geothermal reservoir has been conducted. Foreseen are considerable investments in collecting steam from nearby fields in the next few years. The steam pipeline from Hverahlíð geothermal fields, which has been up and running since the start of 2016, now produces 50 MW of electricity at Hellisheiði plant. Yet, more needs to be done and it is forecasted that approximately ISK 20 billion will be needed in the next 6 years for steam extraction at Hellisheiði plant, in addition to ISK 5 billion for reinjection. Extensive modelling of the Hengill area is currently being conducted.

OR will continue to pay down its debt in the coming years and this forecast includes lowering net-debt by one-third between the years 2016 and 2022.

OR's Financial Forecast for the year 2017 and the five-year forecast for years 2018-2022 now goes to The City of Reykjavík for consideration as a part of the consolidated financial plans for The City.

## REYKJAVIK ENERGY'S OPERATIONS

OR's operating area reaches both the south and the west part of the country, in addition to the capital region. ON owns and operates three power plants; the geothermal plants at Nesjavellir and Hellisheiði and the hydro-electrical power station at Andakíll in Borgarfjörður county. Both geothermal plants are considerably more powerful than the hydro-electric power station.



### POWER PLANTS

The Geothermal plant at Nesjavellir delivers electrical power of 120 MW and the one at Hellisheiði delivers 303 MW. The power of the Hydro-Electric Power Station at Andakíll is 9 MW. Customer base is spread across the country.

### ELECTRICITY DISTRIBUTION

OR's distribution of electricity reaches more than half of the Icelandic population in six municipalities by Faxaflói. The distribution system in the capital region is connected to the country's transmission system at three points; the main transmission stations at Korpa, Geitháls and Hnoðraholt. From these points, the electricity is transmitted to 13 transmission stations around the capital area.



### HOT WATER DISTRIBUTION

In the capital area, OR and subsidiaries operate a geothermal district heating system, as well as smaller geothermal systems in the south- and western parts of Iceland, which serve over 70% of the population. The most extensive production of hot water is in the high-temperature area Nesjavellir, a total of 300 MWth. In Low-temperature areas, OR produces a total of 600 MWth. The power plant at Hellisheiði produces 133 MWth of hot water.



### WATER WORKS

OR operates 13 water distribution systems in its area of operations and supplies two other systems on a wholesale basis. All in all, OR supplies more than half the Icelandic population with fresh water.



### SEWAGE SYSTEM

OR owns sewage systems in six municipalities and also operates pumping stations for two other municipalities. OR thus serves the sewage needs of more than half the population of Iceland.

### FIBRE OPTIC

OR has developed a valuable fibre-optic cable system, benefitting homes and businesses in the south-west.

# REYKJAVIK ENERGY'S OPERATIONS

## MAP OF SERVICE AREA



## THE PLAN

The Plan's results for the period 2011-2016H1 exceed expectations by ISK 8,5billion. All components of The Plan are on schedule, except sale of assets.

Actions in ISK billions	The Plan			Actual
	2011-2016	2011-2016H1		2011-2016H1
Reduction of investments in utility systems	15.0	13.4	✓	16.2
Sale of assets	10.0	10.0	✗	9.0
Reduction in operating costs	5.0	4.5	✓	6.7
Reduction of other investments	1.3	1.1	✓	1.7
Postponement of investments in sewerage	0.0	0.5	✓	1.7
<b>Total</b>	<b>31.3</b>	<b>29.5</b>	<b>✓</b>	<b>35.3</b>
Subordinated loans from owners	12.0	12.0	✓	12.0
Increased revenues due to higher tariffs	8.0	7.2	✓	9.9
<b>Total</b>	<b>20.0</b>	<b>19.2</b>	<b>✓</b>	<b>21.9</b>
<b>The Plan Total</b>	<b>51.3</b>	<b>48.7</b>	<b>✓</b>	<b>57.2</b>

## ASSUMPTIONS AND CRITERIA

### ASSUMPTIONS

The prerequisites for The Forecast 2017 and the forecast for the financial plans for the years 2017-2022 are based on the Economic forecast published by Iceland Statistics in May 2016. In addition, they are based on forecasts from The Central Bank of Iceland, the City of Reykjavik and forecasts by OR's staff. Criteria for the development of aluminium price are based on information from The London Metal Exchange. Forecast for interest rates was based on implied forward rate according to currencies and interest rates of discrete loan agreements.

### ASSUMPTIONS

List	2016	2017	2018	2019	2020	2021	2022
Consumer Price Index, change (%)	2.2	3.9	3.5	2.8	2.6	2.5	2.5
Building Cost Index Dec-Dec, change (%)	2.8	3.5	3.9	3.2	2.7	2.4	2.3
Wage index, change (%)	11.1	6.3	5.8	5.3	4.5	4.3	3.5
Currency, Narrow Trade Index (points)	180	180	180	180	180	180	180
Aluminium prices, average for the year (\$)	1,598	1,675	1,714	1,727	1,760	1,808	1,908

### INVESTMENT PRIORITIES AND ASSESSMENT

OR's owners' policy defines the company's role and core business. This forms the basis for assessing investment priorities. The projects detailed in the investment plan have been thoroughly considered and prioritized before presentation. In advance of a final decision, further preparatory studies are conducted as well as a comprehensive risk analysis. Following this phase, every project is considered by each subsidiary and then sent to The Board of OR and owners for approval, if appropriate, all according to predefined procedures.

Objective analysis of the following factors is considered:

- Increased use or demand
- Break-down history
- Age
- Materials
- Status analysis
- Employee and customer safety
- Service security

## ASSUMPTIONS AND CRITERIA

### FINANCIAL CRITERIA

In accordance with the owners' policy and their action plan, the Company aims at greater financial health. This entails to improve key figures in operations e.g. current ratio, equity ratio, debt coverage, etc. The following table shows key figures at the end of 2015 and estimates for the following years:

Key figures	Actual	Expected results	Budget
	2015	2016	2017
EBITDA/Operating revenue	62,4%	60,9%	60,8%
Equity ratio	36,9%	39,2%	42,2%
Current ratio	0,8	1,1	1,1
(Interest bearing debt - cash and cash equivalents)/EBITDA	6,4	5,5	5,4
FFO interest coverage	5,5	5,3	4,2
FCF/Net debt	7,0%	5,4%	3,5%
RCF/Net debt	13,7%	15,3%	14,2%
ROCE	4,8%	4,8%	4,9%

In November 2015, dividend requirements were approved by OR's owners. In a proposal by the Board of Directors, it was approved not to pay out dividends except the financial position of the company would meet certain conditions. The conditions are the following:

	2016-2018	2019-
1. Current ratio	>1,0	>1,0
2. Equity ratio	>35%	>40%
3. FFO interest cover	>3,5	>3,5
4. RCF / Net debt	>11%	>13%
5. FFO / det debt	>13%	>17%
6. Dividend % of each year's profit	≤50%	≤50%

*Definitions:*

*FFO = Funds from operations*

*FCF = Free cash flow*

*Net Debt = Interest bearing debt – cash and cash equivalents*

*EBITDA = Earnings before interest, taxes, depreciation and amortization*

*FFO interest cover= measures the ability to meet interest payments of liabilities*

*RCF = Operating cash - dividends*



## FORECAST 2017

Expected profit for the year 2017 is ISK 8,983 million, compared to ISK 10,216 million in 2016. This is an estimated decrease in profit of ISK 1,232 million. Equity ratio is expected to be 42.2% at year-end 2017, compared to 39.2% at year-end 2016.

### INCOME STATEMENT

#### Revenue

Operating revenues are expected to be ISK 41,422 million compared to ISK 41,228 million in 2016, an increase of 0.5%.

#### Expenses

Budgeted operating costs before depreciation for the year 2017 are ISK 16,228 million compared to ISK 16,101 million in 2016, an increase of 0.8%.

EBIDTA is expected to be ISK 25.194 million in 2017, compared to ISK 25.127 million in 2016.

### BALANCE SHEET

#### Assets

Total assets are expected to be ISK 308.274 million at year end 2017 compared to ISK 308.938 million at year end 2016, an increase of 0.2%.

#### Equity and liabilities

Equity is expected to be ISK 130.182 million at year end 2017 compared to ISK 121.199 million at year end 2016. Liabilities are expected to be reduced from ISK 187.740 million down to ISK 178.091 million at year end 2017, a reduction of 5.1% year on year.

### CASH FLOW

#### Net cash from operating activities

Cash flow from operations is expected to be ISK 20.972 million for the year 2017 compared to ISK 21.876 million for the year 2016.

#### Investment activities

Investment in fixed assets is expected to be ISK 14.318 million for the year 2017 compared to ISK 13.231 million for the year 2016.

In 2016 and 2018, OR is expecting a settlement of a bond linked to aluminum price up to a certain point, ISK 4.280 million each year.

Main investments in 2017 are linked to steam extraction and environmental projects at ON Power. In the utilities area, main investments include the renewal of main pipes for hot water distribution in addition to rebuilding and renewing transmission centers for electricity.

## FORECAST 2017

### **Financing activities**

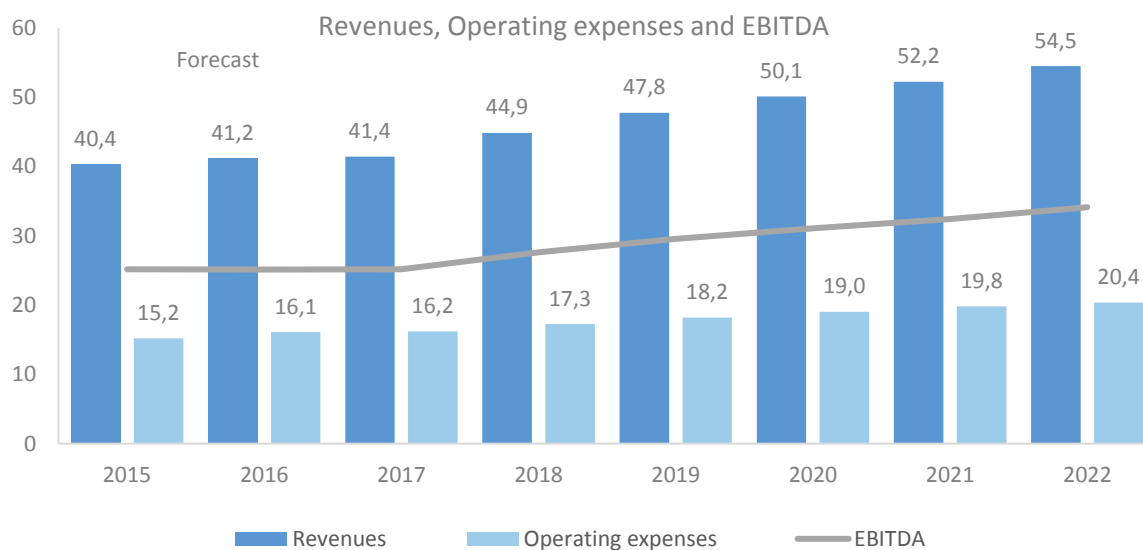
Repayment of liabilities is expected to be ISK 19.696 million and borrowing a total of ISK 9.875 million. Cash flow from operations at year end 2017 is expected to be ISK 14.682 million, compared to ISK 17.850 million in 2016.

## LONG TERM PLAN 2018 - 2022

### INCOME STATEMENT

#### Revenue

Operating revenue is expected to increase by ISK 9,651 million from 2018 to 2022 or by 21.5%. Retail sales of electricity are to increase by ISK 3,307 million or 24.8% and retail sales of hot water by ISK 2,287 million or 19,9%. Wholesale revenue is to increase by ISK 1,169 million or by 17.1%.



Picture 1 – Revenues, Expenses and EBITDA (ISK 'Bn)

#### Expenses

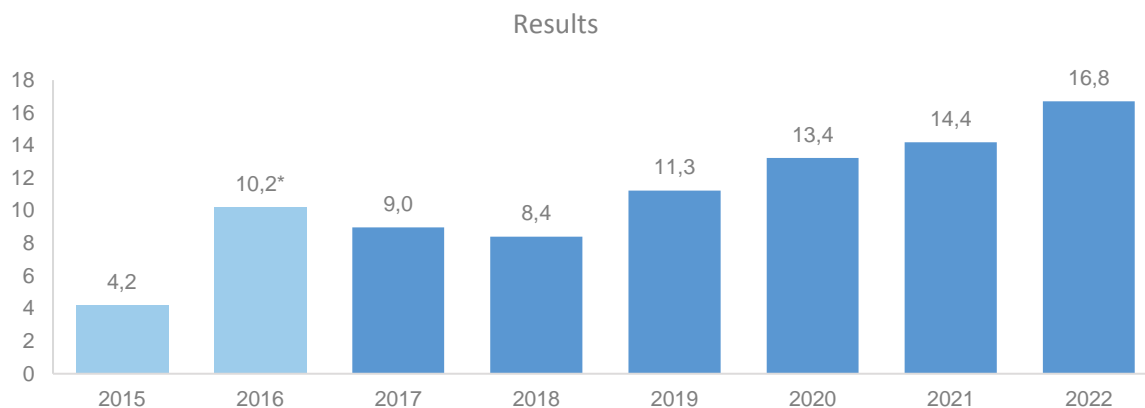
Expenses before depreciation are assumed to increase from 2018 to 2022 by ISK 3,130 million or 18.1%. Energy purchases and transmission costs are expected to increase by ISK 1.609 million or 24.3%. Wages and other operating expenses are expected to increase by ISK 1,522 million or 14.3%. Increases in operating expenses are mainly the result of general price increases.

EBITDA rises from ISK 25,194 million in 2017 to ISK 34,126 million in 2022 or by 23.6%.

## LONG TERM PLAN 2018 - 2022

### Income

Picture 2 shows forecasted income for the period but income is expected to be positive by 16.698 million in 2022. Calculated items, i.e. changes in the value of derivatives embedded in electricity contracts, can have a considerable impact on income.

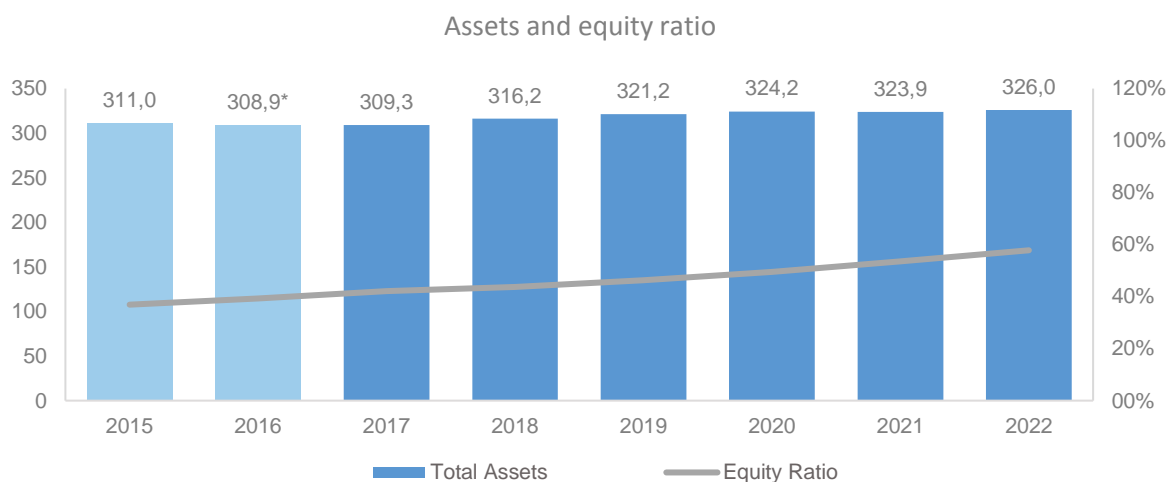


**Picture 2 – Results (ISK 'Bn)**

\* Forecast

### BALANCE SHEET

The forecast shows an increase in total assets by ISK 11.688 million or 3.7%. This amounts to ISK 326.006 million in total assets in 2022. The equity ratio improves constantly during this period from being 43.9% at year end 2018 to 57.3% at year end 2022.

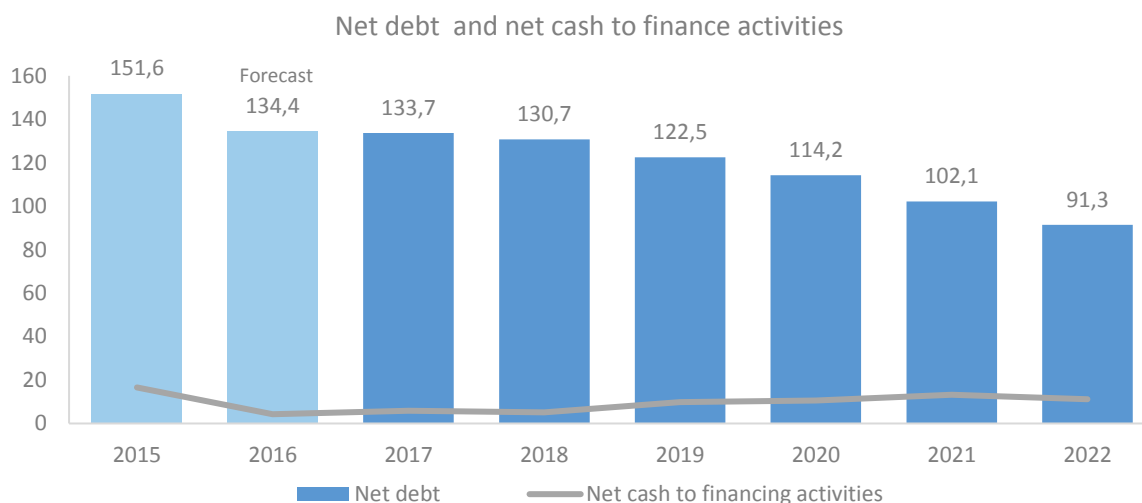


**Picture 3 – Total assets and equity ratio (ISK 'Bn)**

\* Forecast

## LONG TERM PLAN 2018 - 2022

Equity at year end 2022 is forecasted to be ISK 186.816 million, an increase of ISK 48.674 million from 2018. Assuming that total liabilities for the same period will be reduced from ISK 176.176 million to ISK 139.190 million, or by 21.0%.



Picture 4 -Net debt and net cash to financing activities (ISK 'Bn)

### Investment activities

The forecast for investments for the period 2018 – 2022 is ISK 71.385 million.

Investment in distribution systems is forecasted to be ISK 38.767 million. Primary projects are renewal of main supply pipeline for hot water, renewal of transmission- and sub stations and joint projects with the municipalities in OR's service area.

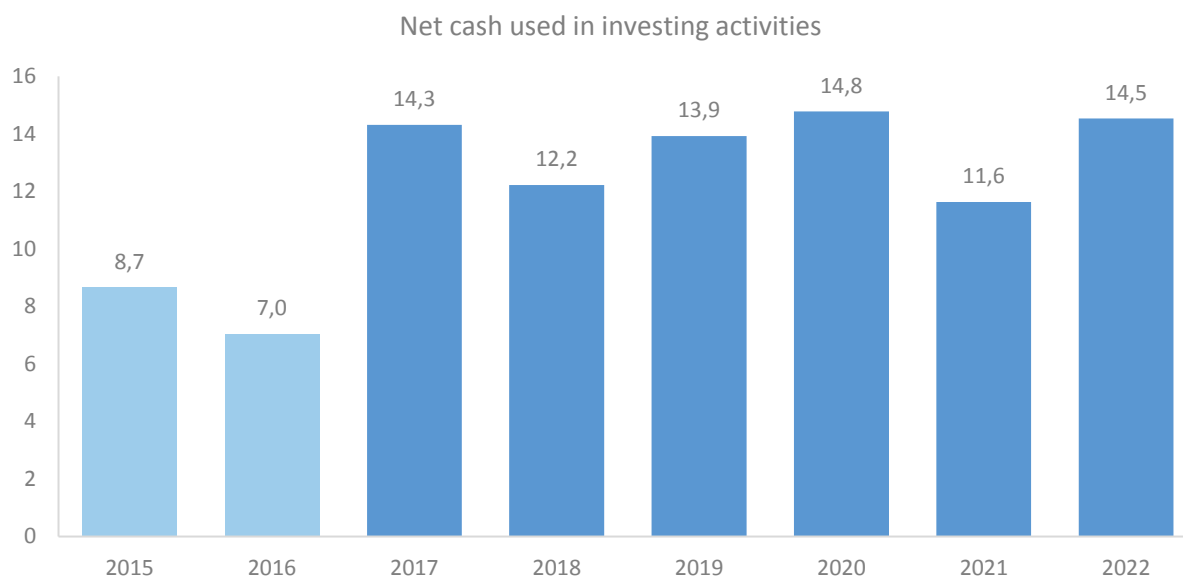
Investment in power plants is forecasted to be ISK 29.264 million. Primary projects are concerned with steam extraction and environmental projects.

### Investments

Investment overview in ISK millions.

INVESTMENTS							
LIST	2016	2017	2018	2019	2020	2021	2022
Power Plant	3,211	4,406	7,210	5,575	6,482	3,837	6,160
Distribution system	9,099	8,701	8,496	7,713	7,598	7,200	7,761
Other investment	920	1,211	798	640	697	599	620
<b>Total Investments</b>	<b>13,231</b>	<b>14,318</b>	<b>16,504</b>	<b>13,928</b>	<b>14,776</b>	<b>11,636</b>	<b>14,541</b>

## LONG TERM PLAN 2018 - 2022



Picture 5 - Investment activities - (ISK 'Bn)

## INVESTMENT PRIORITIES 2018-2022

	ISK million
ON Power plc	29.244
Hot water	14.785
Electricity	8.743
Fresh water	4.744
Sewage system	6.498
Fibre Optic	3.937
Information technology	1.558
Other	1.876

## LONG TERM PLAN 2018 - 2022

### Financing activities

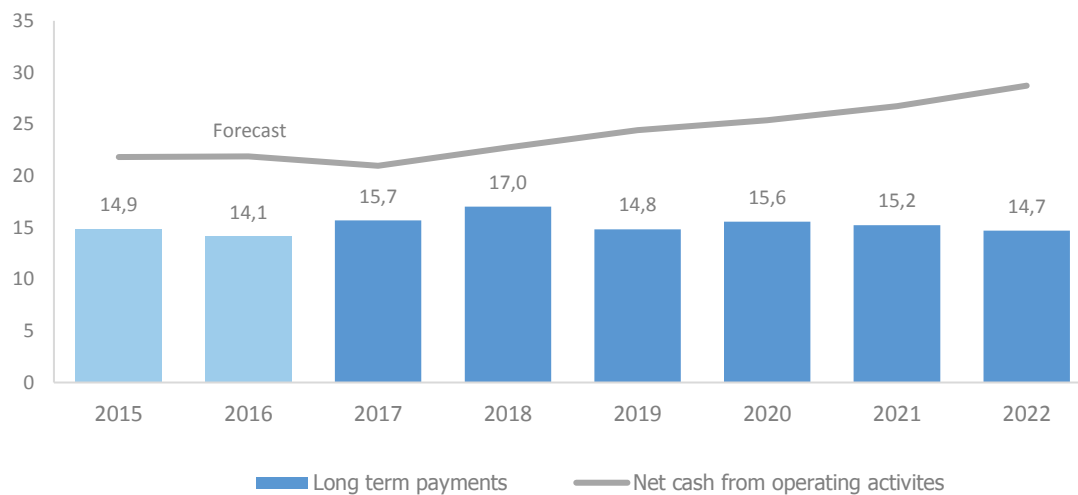
Amortization of debt is forecasted to be between ISK 14.706 – 17.957 million in the period between 2018 and 2022, a total of 78.487 million.

Borrowings of new loans are expected to be ISK 27.375 million for the period or 38.3% of investment and 35.4% of amortization of debt.

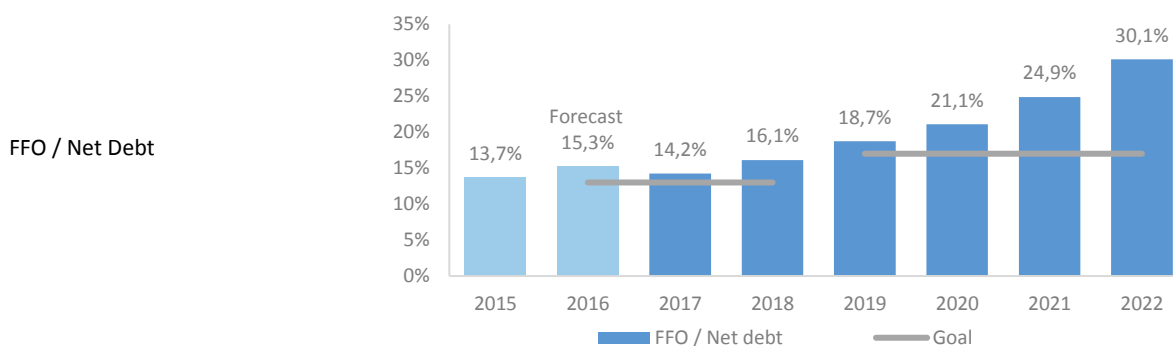
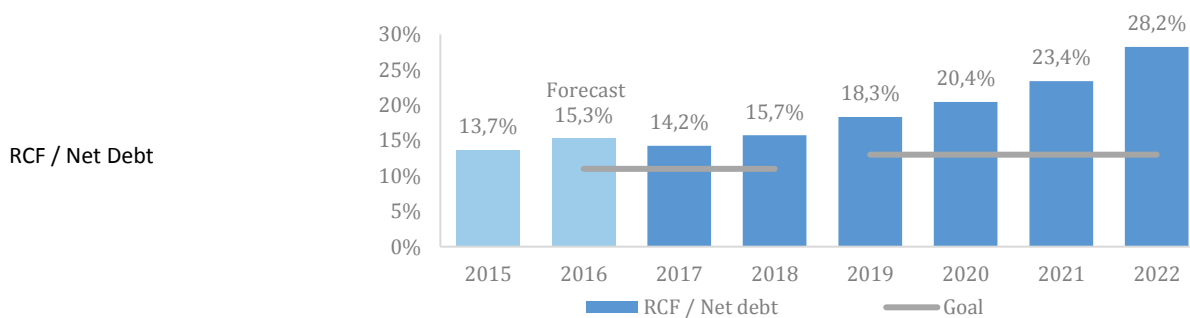
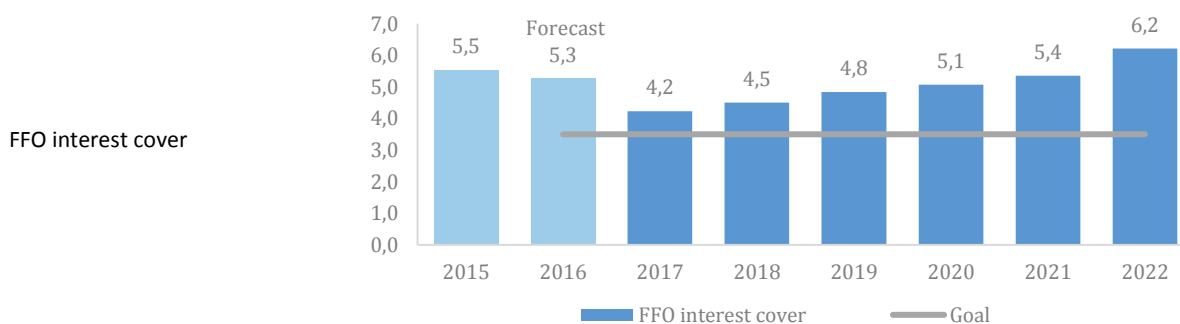
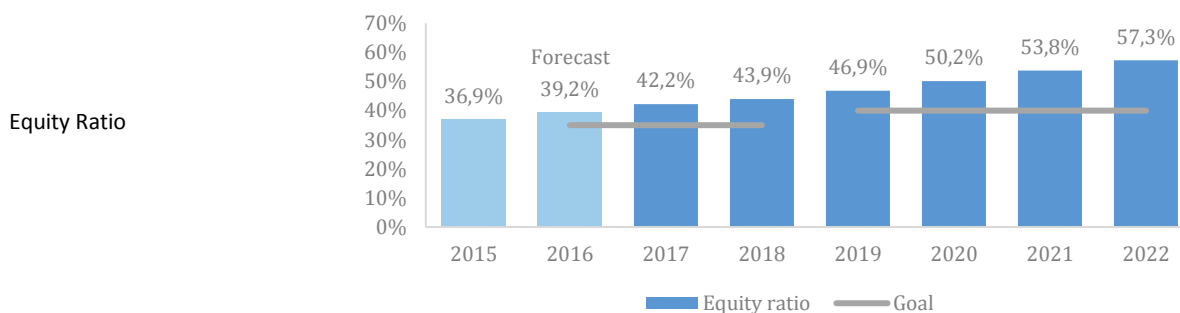
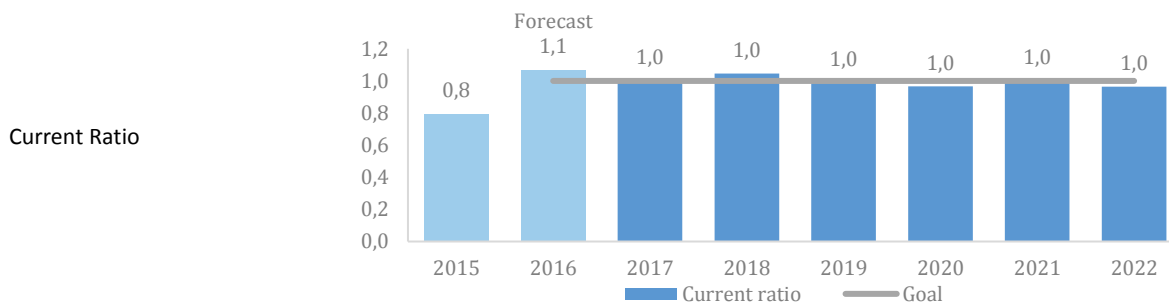
Dividends to owners are expected to be ISK 5.000 million in this period.

Cash and cash equivalents at year end increase from ISK 18.614 million in 2018 to ISK 19.465 million in 2022.

Long term payments and net cash from operating activities



Picture 6 – Amounts (ISK 'Bn)





## FORECAST 2016 AND LONG TERM PLAN 2017-2022

Income statement	2015	2016	2017	2018	2019	2020	2021	2022
<b>Operating revenue</b>	<b>40.356.862</b>	<b>41.228.317</b>	<b>41.421.724</b>	<b>44.860.646</b>	<b>47.768.260</b>	<b>50.123.131</b>	<b>52.240.944</b>	<b>54.511.480</b>
Power purchases	( 2.970.336)	( 2.756.046)	( 2.736.192)	( 3.057.527)	( 3.426.087)	( 3.836.715)	( 3.993.897)	( 4.168.964)
Transission	( 3.429.857)	( 3.439.976)	( 3.405.468)	( 3.557.351)	( 3.686.835)	( 3.821.145)	( 3.915.540)	( 4.054.599)
Salaries and salary related expenses	( 4.934.147)	( 6.047.209)	( 6.492.416)	( 6.885.252)	( 7.310.272)	( 7.636.191)	( 7.974.041)	( 8.261.835)
Other operating expenses	( 3.848.337)	( 3.858.055)	( 3.593.849)	( 3.754.990)	( 3.777.301)	( 3.746.183)	( 3.937.620)	( 3.900.142)
<b>Operating expenses, total</b>	<b>(15.182.677)</b>	<b>(16.101.285)</b>	<b>(16.227.925)</b>	<b>(17.255.120)</b>	<b>(18.200.496)</b>	<b>(19.040.234)</b>	<b>(19.821.098)</b>	<b>(20.385.540)</b>
<b>EBITDA</b>	<b>25.174.185</b>	<b>25.127.032</b>	<b>25.193.799</b>	<b>27.605.526</b>	<b>29.567.764</b>	<b>31.082.897</b>	<b>32.419.845</b>	<b>34.125.939</b>
Depreciation and amortisation	(10.746.623)	(10.729.542)	(10.629.810)	(10.621.642)	(10.954.945)	(11.261.975)	(11.520.648)	(11.776.109)
<b>EBIT</b>	<b>14.427.562</b>	<b>14.397.490</b>	<b>14.563.989</b>	<b>16.983.883</b>	<b>18.612.819</b>	<b>19.820.922</b>	<b>20.899.197</b>	<b>22.349.830</b>
Interest income	510.774	506.164	692.080	695.112	700.690	782.719	784.473	786.367
Interest expenses	( 4.582.634)	( 4.802.569)	( 5.890.184)	( 6.004.890)	( 5.978.228)	( 5.917.571)	( 5.840.151)	( 5.281.060)
Other (expenses) income on financial items	( 6.767.369)	3.042.887	2.045.746	( 1.946.994)	( 116.011)	742.128	890.022	1.143.693
<b>Total financial income and expenses</b>	<b>(10.839.229)</b>	<b>( 1.253.518)</b>	<b>( 3.152.358)</b>	<b>( 7.256.772)</b>	<b>( 5.393.549)</b>	<b>( 4.392.724)</b>	<b>( 4.165.656)</b>	<b>( 3.351.001)</b>
<b>Profit before income tax</b>	<b>3.588.333</b>	<b>13.143.971</b>	<b>11.411.631</b>	<b>9.727.111</b>	<b>13.219.270</b>	<b>15.428.198</b>	<b>16.733.542</b>	<b>18.998.829</b>
Income tax	587.267	( 2.928.447)	( 2.428.275)	( 1.267.537)	( 1.902.475)	( 2.038.980)	( 2.382.533)	( 2.231.732)
<b>Profit for the year</b>	<b>4.175.600</b>	<b>10.215.524</b>	<b>8.983.356</b>	<b>8.459.574</b>	<b>11.316.795</b>	<b>13.389.218</b>	<b>14.351.009</b>	<b>16.767.097</b>

## FORECAST 2016 AND LONG TERM PLAN 2017-2022

Balance sheet	2015	2016	2017	2018	2019	2020	2021	2022
<b>Assets</b>								
Non-current assets	288.550.181	280.889.512	283.402.828	289.567.057	292.488.961	295.972.993	296.195.265	299.374.457
Current assets	22.439.334	28.048.951	24.870.803	24.750.335	24.939.328	24.432.905	25.083.403	26.631.348
<b>Total assets</b>	<b>310.989.515</b>	<b>308.938.463</b>	<b>308.273.631</b>	<b>314.317.392</b>	<b>317.428.289</b>	<b>320.405.898</b>	<b>321.278.668</b>	<b>326.005.805</b>
<b>Equity</b>	<b>114.771.183</b>	<b>121.198.938</b>	<b>130.182.294</b>	<b>138.141.866</b>	<b>148.858.660</b>	<b>160.697.879</b>	<b>172.798.887</b>	<b>186.815.984</b>
<b>Liabilities</b>								
Non-current liabilities	167.924.732	161.441.681	153.267.642	152.522.016	143.281.219	134.400.990	123.344.872	111.543.006
Current liabilities	28.293.600	26.297.845	24.823.697	23.653.510	25.288.409	25.307.029	25.134.909	27.646.815
<b>Total liabilities</b>	<b>196.218.332</b>	<b>187.739.526</b>	<b>178.091.339</b>	<b>176.175.526</b>	<b>168.569.628</b>	<b>159.708.019</b>	<b>148.479.781</b>	<b>139.189.821</b>
<b>Total equity and liabilities</b>	<b>310.989.515</b>	<b>308.938.464</b>	<b>308.273.633</b>	<b>314.317.392</b>	<b>317.428.288</b>	<b>320.405.898</b>	<b>321.278.668</b>	<b>326.005.805</b>

## FORECAST 2016 AND LONG TERM PLAN 2017-2022

Statement of Cash Flows	2015	2016	2017	2018	2019	2020	2021	2022
<b>Working capital from operation before interests and taxes</b>	<b>25.151.895</b>	<b>25.189.238</b>	<b>25.232.396</b>	<b>27.646.361</b>	<b>29.610.764</b>	<b>31.127.832</b>	<b>32.466.712</b>	<b>34.174.447</b>
<b>Changes in operating assets and liabilities</b>	<b>97.271</b>	<b>703.094</b>	<b>105.349</b>	<b>( 46.947)</b>	<b>( 39.287)</b>	<b>( 152.000)</b>	<b>( 147.460)</b>	<b>( 229.641)</b>
<b>Cash generated from operations before interests and taxes</b>	<b>25.249.166</b>	<b>25.892.333</b>	<b>25.337.746</b>	<b>27.599.414</b>	<b>29.571.477</b>	<b>30.975.832</b>	<b>32.319.252</b>	<b>33.944.806</b>
Received interest income	676.516	506.164	692.080	695.112	700.690	782.719	784.473	786.367
Paid interest expenses	( 3.947.737)	( 4.146.299)	( 4.070.704)	( 4.282.107)	( 4.447.662)	( 4.446.565)	( 4.371.798)	( 3.854.108)
Paid income tax	0	0	( 33.775)	( 334.210)	( 1.222.982)	( 1.901.477)	( 2.001.816)	( 2.152.944)
Payments due to other financial income and expenses	( 162.962)	( 376.517)	( 953.645)	( 940.978)	( 188.009)	( 16.772)	0	0
<b>Net cash from operating activities</b>	<b>21.814.983</b>	<b>21.875.680</b>	<b>20.971.702</b>	<b>22.737.232</b>	<b>24.413.515</b>	<b>25.393.738</b>	<b>26.730.111</b>	<b>28.724.120</b>
<b>Cash flows from investing activities</b>								
Power plants		( 3.211.169)	( 4.405.690)	( 7.210.288)	( 5.575.367)	( 6.481.918)	( 3.837.162)	( 6.159.584)
Utility system		( 9.099.231)	( 8.701.267)	( 8.495.534)	( 7.712.627)	( 7.597.859)	( 7.199.920)	( 7.760.954)
Other investments		( 920.466)	( 1.210.712)	( 797.762)	( 639.711)	( 696.713)	( 599.350)	( 620.086)
<b>Investing activities total</b>	<b>(10.166.586)</b>	<b>(13.230.866)</b>	<b>(14.317.669)</b>	<b>(16.503.584)</b>	<b>(13.927.705)</b>	<b>(14.776.489)</b>	<b>(11.636.432)</b>	<b>(14.540.624)</b>
<b>Other investing activities</b>	<b>1.506.958</b>	<b>6.188.431</b>	<b>0</b>	<b>4.280.156</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net cash used in investing activities</b>	<b>( 8.659.628)</b>	<b>( 7.042.435)</b>	<b>(14.317.669)</b>	<b>(12.223.428)</b>	<b>(13.927.705)</b>	<b>(14.776.489)</b>	<b>(11.636.432)</b>	<b>(14.540.624)</b>
<b>Cash flows from financing activities</b>								
Proceeds from new borrowings	0	12.878.000	9.875.000	11.875.000	5.000.000	5.000.000	2.000.000	3.500.000
Repayment of borrowings	(16.583.987)	(15.112.616)	(19.696.453)	(17.956.605)	(15.019.034)	(15.584.582)	(15.220.040)	(14.706.550)
Paid dividend	0	0	0	( 500.000)	( 500.000)	( 750.000)	( 1.500.000)	( 1.750.000)
<b>Net cash to financing activities</b>	<b>(16.583.987)</b>	<b>( 2.234.616)</b>	<b>( 9.821.453)</b>	<b>( 6.581.605)</b>	<b>(10.519.034)</b>	<b>(11.334.582)</b>	<b>(14.720.040)</b>	<b>(12.956.550)</b>
<b>(Decrease) increase in cash and cash equivalents</b>	<b>( 3.428.632)</b>	<b>12.598.629</b>	<b>( 3.167.419)</b>	<b>3.932.199</b>	<b>( 33.224)</b>	<b>( 717.334)</b>	<b>373.639</b>	<b>1.226.946</b>
<b>Cash and cash equivalents at year beginning</b>	<b>8.817.887</b>	<b>5.264.104</b>	<b>17.849.701</b>	<b>14.682.282</b>	<b>18.614.481</b>	<b>18.581.257</b>	<b>17.863.923</b>	<b>18.237.562</b>
<b>Effect of currency fluctuations on cash and cash equivalents</b>	<b>( 125.151)</b>	<b>( 13.032)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents at year-end</b>	<b>5.264.104</b>	<b>17.849.701</b>	<b>14.682.282</b>	<b>18.614.481</b>	<b>18.581.257</b>	<b>17.863.923</b>	<b>18.237.562</b>	<b>19.464.508</b>