

PT MULTIBREEDER ADIRAMA INDONESIA Tbk



ANNUAL REPORT  
2005

# PT MULTIBREEDER ADIRAMA INDONESIA Tbk

## ANNUAL REPORT

2005

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## FINANCIAL HIGHLIGHTS

(in millions of Rupiah)

DESCRIPTION	2005	2004	2003 (restated)	2002	2001
<b>Operational Activity in One Year</b>					
Net Sales	655,102.6	546,135.3	479,713.2	482,678.4	329,637.7
Gross Profit	207,201.5	116,998.2	114,048.5	150,480.2	110,375.9
Operating Profit	78,358.8	5,349.3	4,619.1	77,258.4	49,242.5
Foreign Exchange Gain (Loss)	(22,337.1)	(32,380.9)	21,767.2	108,186.1	(58,601.6)
Net Profit Before Tax	59,065.6	(22,414.8)	39,939.5	167,565.0	(51,209.5)
Net Profit (Loss)	58,524.4	(22,511.5)	18,995.3	196,344.9	(40,997.4)
Profit (Loss) Rp. per Share (including Extraordinary Account)	780.3	(300)	253	2,618	(547)
Profit (Loss) Rp. per Share (excluding Extraordinary Account)	780.3	(300)	253	1,114	(547)
<b>At Year end</b>					
Current Assets	254,015.2	230,415.9	212,605.6	215,558.5	182,091.3
Total Assets	627,077.2	575,666.2	543,557.1	524,949.5	562,974.0
Current Liabilities	118,757.6	125,208.6	92,880.3	36,986.7	792,956.9
Total Equity	12,106.2	(46,418.2)	(23,906.7)	(38,359.6)	(234,704.5)
Net Working Capital	135,257.6	105,207.4	119,725.3	178,571.7	(610,865.6)
Total Liabilities	573,665.7	587,285.2	538,825.1	563,299.0	797,668.4
Total Shares	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
<b>Financial Ratios</b>					
Net Profit to Total Assets Ratio (%)	9.3%	(3.9%)	3.5%	37.4%	(7.3%)
Current Ratio (x)	2.1 x	1.8 x	2.3 x	5.8 x	0.2 x
Liabilities to Assets Ratio (x)	0.9 x	1.0 x	1.0 x	1.1 x	1.4 x
Exchange Rate (Rp. per US\$)	9,830	9,290	8,465	8,940	10,400

## SHARE TRADING INFORMATION

The Company shares are listed on the Jakarta Stock Exchange and Surabaya Stock Exchange.  
The share trading information below is from the Jakarta Stock Exchange.

	2005				2004			
QUARTER ENDED	SHARE PRICE			VOLUME (Unit)	SHARE PRICE			VOLUME (Unit)
	HIGHEST (Rp)	LOWEST (Rp)	CLOSING (Rp)		HIGHEST (Rp)	LOWEST (Rp)	CLOSING (Rp)	
MARCH	320	280	320	124,500	0	0	350	0
JUNE	0	0	320	0	250	250	250	1,500
SEPTEMBER	350	250	335	2,609,000	170	120	170	1,333,000
DECEMBER	440	300	400	441,500	155	150	150	212,000

## REPORT FROM COMMISSIONERS AND DIRECTORS

The threat of bird flu has cast a grim shadow over the world poultry industry in 2005. The Government continued with its efforts to control the spread of the disease by introducing a number of preventive and curative measures. This includes vaccination, restricting movement of poultry between regions and reimbursing smallholder farmers for birds culled.

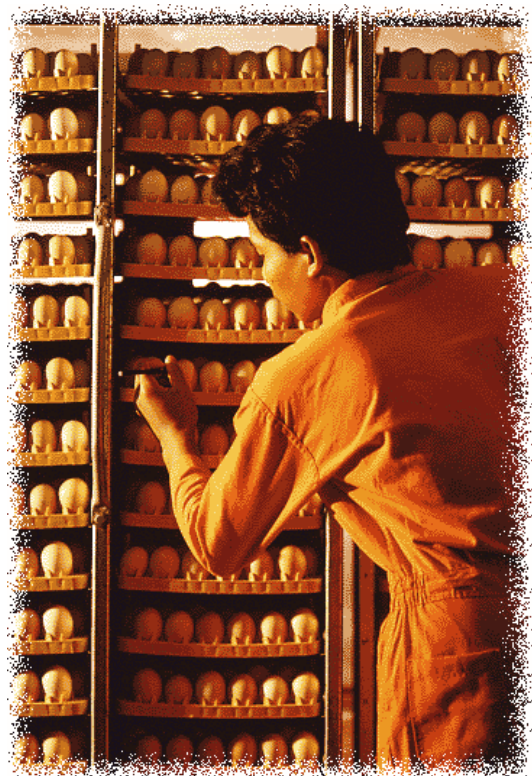


In addition to the bird flu issue, business in Indonesia has been adversely affected by increases in fuel prices and rises in minimum wages. Fuel prices were raised twice during 2005, including a severe increase in October. These increases have directly increased production costs and selling expenses, forcing producers to raise selling prices at a time when the purchasing power of the average person is shrinking.

Multibreeder's strategic initiatives have proven successful in overcoming these obstacles. These initiatives were supported by the relatively stable and better prices of day-old-chicks (DOCs) in 2005 as compared to 2004, indicating that demand was greater than supply nationally. Furthermore, as Multibreeder's DOCs command premium prices in the market, this has resulted in strong increases to both revenue and profits. Net Sales increased by 20% from Rp 546 billion in 2004 to Rp 655 billion in 2005. Operating Income also increased from Rp 5.3 billion in 2004 to Rp 78.3 billion in 2005. The Net Income in 2005 of Rp 58.5 billion was indeed a significant improvement over the 2004 loss of Rp 22.5 billion.

The outlook for 2006 however is less encouraging in the light of the prevailing issues. As a result, the Company's operating performance is expected to suffer. The threat of bird flu continues unabated, affecting all regions throughout Indonesia as well as around the world. Fuel price increases and rising inflation are likely to decelerate consumer demand and increase operating costs, thereby hurting operating performance.

The Company must adapt to the situation and may be forced to reduce its production output as a consequence. Consideration will be given to temporarily shutting down certain breeding farms, particularly those located in the vicinity where bird flu has been detected.



Multibreeder's solid performance in 2005 would not have been possible without the commitment of its employees, including management who has been alert and prudent in reacting to the volatile business environment.

The Company also wishes to thank its shareholders, customers and suppliers for their patience and valued support. Despite the continuing difficulties faced, Multibreeder remains optimistic that it will maintain its position as a leading supplier of quality DOCs into the future.



Bambang Priambodo,  
*President Director*

Rachmat Indrajaya,  
*President Commissioner*

Budiarto Soebijanto,  
*Director*

Tukul Trajan Boentoro,  
*Commissioner*

Y. Putut Djagiri,  
*Director*

Antonius Harwanto,  
*Commissioner*

## OPERATIONAL AND FINANCIAL ANALYSIS

Multibreeder had an outstanding year in 2005, despite the challenges facing the industry. The threat of bird flu emerged as one of the key concerns at the national level, as well as at the global level. This had repercussions on the import and export of poultry products from those nations affected by bird flu. In addition the business climate in Indonesia has been rocked by higher fuel prices and increases in minimum wages.



The anticipatory measures implemented by the Company over the last few years have indeed borne fruit. The tightening of an already stringent bio-security system has been effective in protecting its breeding flocks. Selective investments into regional markets within Indonesia have provided business growth and expanded market access.

Multibreeder's strong performance in 2005 was helped by the relatively stable and better average selling prices of DOCs, indicating that demand was greater than supply nationally. As a result, Net Sales increased by 20%, from Rp 546 billion in 2004 to Rp 655 billion in 2005. Operating Income also increased to Rp 78.3 billion while the Net Income of Rp 58.5 billion was indeed a significant improvement over the loss incurred in 2004.

## Training and Employee Welfare

Understandably, the Company's technical training programs have focused on bio-security and bird flu. Local and overseas experts were called in to provide insights into their respective fields of competence. Discussion groups and seminars on the prevention and control of bird flu were conducted on a regular basis. In addition, management training programs were also held covering leadership issues and the power of positive thinking. The Company has also maintained its policy of offering competitive compensation packages to its employees, in line with individual performance.



## Community Support

The Company continued with its efforts to care for the community and environment in the vicinity of its breeding farms. In view of the threat of bird flu, assistance was provided to surrounding poultry farmers by way of vaccination programs which were implemented in conjunction with local provincial governments. In addition, the Company helped repair roads and places of religious worship in the communities around its farms.

## Outlook

The full impact of bird flu and declining purchasing power is expected to be felt in 2006. Bird flu has since become a global issue, while increasing fuel prices and rising inflation are likely to dampen domestic demand. As a result, the Company is not expecting to repeat its 2005 performance. In view of the prevailing issues, Multibreeder expects to temporarily reduce its annual production output in the short term and to adopt a more conservative stance in the year ahead.



## BOARD OF DIRECTORS

### **BAMBANG PRIAMBODO,**

President Director

Born in Jakarta, in 1952. Holds a degree in Economics from University of Indonesia, Jakarta. Experienced in banking business and poultry industry. Served as Director of PT MULTIBREEDER ADIRAMA INDONESIA Tbk since 2003.

### **BUDIARTO SOEBIJANTO,**

Director

Born in Pati, Indonesia in 1955. Graduated from the Faculty of Animal Husbandry of Bogor Agricultural University, Bogor. Extensive experience in the animal feed industry since 1980. Joined the Company in 2001 and was appointed as a Director of PT MULTIBREEDER ADIRAMA INDONESIA Tbk in June 2005.

### **YULIUS PUTUT DJAGIRI,**

Director

Born in Purwokerto, Indonesia in 1964. Graduated from Bogor Agricultural University, Bogor. Experienced in Banking business since 1989. Served as Director of PT MULTIBREEDER ADIRAMA INDONESIA Tbk since 2001.

## BOARD OF COMMISSIONERS

### **RACHMAT INDRAJAYA,**

President Commissioner / Independent Commissioner

Born in Jakarta, Indonesia in 1962. Graduated from the Civil Engineering Faculty of Trisakti University, Jakarta. Served as President Commissioner, Vice President Director and Director in several companies before joining PT MULTIBREEDER ADIRAMA INDONESIA Tbk in 2005 as President Commissioner and Independent Commissioner.

### **TUKUL TRAJAN BOENTORO,**

Commissioner

Born in Blitar, Indonesia in 1943. Served as Director of PT MULTIBREEDER ADIRAMA INDONESIA Tbk since 1991 before serving as Commissioner in 1999.

### **ANTONIUS HARWANTO SS,**

Commissioner

Born in Lasem, Indonesia in 1953. Graduated from University Tujuh Belas Agustus, Surabaya. Joined the group since 1979. Served as Commissioner of PT MULTIBREEDER ADIRAMA INDONESIA Tbk since 1999.

**Head Office**

Griha Praba Samanta.  
Jl. Daan Mogot Km. 12 No. 9  
Jakarta 11730  
Tel : (021) 544 8660  
Fax : (021) 544 8661

**East Region Office**

Wisma Japfa Comfeed  
Indonesia Lt. 4  
Jl. HR Moch Mangundiprojo  
Km. 3.5 PO BOX 204  
Sidoarjo 61252  
East java

**West Region Office**

Jl. Veteran No. 242  
Purwakarta  
West java

**Sumatera Region Office**

Jl. Ir. Sutami Km. 9  
Campang Raya  
Kec. Tanjung Karang Timur  
Bandar Lampung 35122

**Farms & Hatcheries**

MB Neglasari  
Kab. Purwakarta  
West Java

MB Gunung Kawi  
Kab. Malang  
East java

MB Campang\*)  
Kab. Tanggamus  
Lampung

MB Darangdan  
Kab. Purwakarta  
West javat

MB Pemalang  
Kab. Pemalang  
Central Java

MB Sukodemo  
Kab. Pasuruan  
East java

MB Toyomarto  
Kab. Malang  
East javar

MB Sekargadung & Tempuran  
Kab. Mojokerto  
East java

MB Kaltim  
Kab. Kutai Kertanegara  
East Kalimantan

**Farms**

MB Bojong  
Kab. Purwakarta  
West Java

MB Wanayasa I  
Kab. Purwakarta  
West Java

MB Wanayasa 2  
Kab. Purwakarta  
West Java

MB Bogor  
Kab. Bogor  
West Java

MB Gisting  
Kab. Tanggamus  
Lampung

MB Citapen  
Kab. Purwakarta  
West Java

MB Kertasari\*)  
Kab. Purwakarta  
West Java

MB Pawenang  
Kab. Purwakarta.  
West Java

MB Subang I  
Kab. Subang  
West Java

MB Subang II  
Kab. Subang  
West Java

MB Dawuhan  
Kab. Pasuruan  
East java

MB Pucangsari  
Kab. Pasuruan  
East java

MB Lebak Rejo  
Kab. Pasuruan  
East java

MB Makassar  
Kab. Maros  
Ujung Pandang

MB Bali  
Kab. Tabanan  
Bali

**Hatcheries**

MB Palembang  
Kab. Muara Enim  
Palembang

MB Wanayasa  
Kab. Purwakarta  
West Java

MB Makassar  
Kab. Maros  
Ujung Pandang

MB Baturiti  
Kab. Tabanan  
Bali

MB Manado  
Manado

MB Subang\*)  
Kab. Subang  
West Java

MB Tengeran  
Kab. Semarang  
Central Java

Note\*  
Fixed assets at these locations  
represent more than 5% of the  
total consolidated fixed assets  
of the company.

**PT MULTIBREEDER ADIRAMA INDONESIA Tbk**

Grha Praba Samanta, Jl. Daan Mogot Km. 12 No. 9, Jakarta 11730, Indonesia  
Tel: (62-21) 544 8660 Fax: (62-21) 544 8661 Website: www.japfacomfeed.co.id

**DIRECTORS' STATEMENT LETTER  
RELATING TO  
THE RESPONSIBILITY ON THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF DECEMBER 31, 2005 and 2004  
PT MULTIBREEDER ADIRAMA INDONESIA Tbk and subsidiaries**

We, the undersigned:


- |                               |   |   |
|-------------------------------|---|---|
| 1. Name                       | : | Bambang Priambodo   |
| Office address                | : | Grha Praba Samanta<br>Jl. Daan Mogot Km. 12 No. 9, Jakarta 11730  |
| Domicile as stated in ID Card | : | Kav. Polri JLN A/20, Ragunan, Jakarta Selatan.                    |
| Phone Number                  | : | (021) 544 8660  |
| Position                      | : | President Director  |
|                               |   |   |
| 2. Name                       | : | Yulius Putut Djagiri  |
| Office address                | : | Grha Praba Samanta<br>Jl. Daan Mogot Km. 12 No. 9, Jakarta 11730. |
| Domicile as stated in ID Card | : | Pondok Kelapa Arista Blok BL 9/26, Jakarta Timur.                 |
| Phone Number                  | : | (021) 544 8660  |
| Position                      | : | Finance Director  |

state that:

1. We are responsible for the preparation and presentation of the consolidated financial statements;
2. The consolidated financial statements have been prepared and presented in accordance with generally accepted accounting principles;
3. a. All information contained in the consolidated financial statements is complete and correct;  
b. The consolidated financial statements do not contain misleading material information or facts, and do not omit material information and facts.
4. We are responsible for the Company and its subsidiaries' internal control system.

This statement is made truthfully.

President Director



Bambang Priambodo



Jakarta, March 15, 2006  
Finance Director



Yulius Putut Djagiri



## Independent Auditors' Report

No. 150306 MBAI TEP SA


The Stockholders, Boards of Commissioners and Directors  
P.T. Multibreeder Adirama Indonesia Tbk

We have audited the accompanying consolidated balance sheets of P.T. Multibreeder Adirama Indonesia Tbk and its subsidiary as of December 31, 2005 and 2004 and the related consolidated statements of income, changes in equity (capital deficiency) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of P.T. Multibreeder Adirama Indonesia Tbk and its subsidiary as of December 31, 2005 and 2004 and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Indonesia.

OSMAN RAMLI SATRIO & REKAN



Tjong Eng Pin  
License No. 03.1.0852

March 15, 2006

*The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than those in Indonesia. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in Indonesia.*

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2005 AND 2004

	<u>Notes</u>	<u>2005</u> Rp	<u>2004</u> Rp
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2e,3	9,566,711,474	24,042,635,956
Trade accounts receivable	2f,4		
Related parties	21	1,984,542,500	6,548,834,334
Third parties		21,839,407,387	18,671,221,686
Other accounts receivable		121,915,634	385,851,193
Inventories	2g,5	206,168,940,514	172,208,585,554
Advances		10,699,025,425	4,666,849,519
Prepaid taxes	6	2,468,709,322	2,207,375,015
Prepaid expenses	2h	1,165,980,766	1,684,549,404
Total Current Assets		<u>254,015,233,022</u>	<u>230,415,902,661</u>
<b>NONCURRENT ASSETS</b>			
Property, plant and equipment - net of accumulated depreciation of Rp 218,373,117,709 in 2005 and Rp 188,225,841,619 in 2004	2i,7,11,12	372,067,939,211	344,180,019,760
Guarantee deposits		605,188,786	623,468,786
Deferred charges for landrights - net	2j	388,842,799	446,800,938
Total Noncurrent Assets		<u>373,061,970,796</u>	<u>345,250,289,484</u>
<b>TOTAL ASSETS</b>		<u><u>627,077,203,818</u></u>	<u><u>575,666,192,145</u></u>

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2005 AND 2004 (Continued)

	Notes	2005 Rp	2004 Rp
<b><u>LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)</u></b>			
<b>CURRENT LIABILITIES</b>			
Trade accounts payable	8		
Related party	21	72,548,237,468	87,016,104,300
Third parties		19,097,555,811	16,192,644,283
Other accounts payable		878,024,426	252,103,457
Taxes payable	2n,9	2,728,948,010	1,616,681,312
Accrued expenses	10	5,309,159,426	5,713,666,332
Customers' deposits		6,536,730,738	4,227,450,420
Current maturities of long-term liabilities			
Liability for purchase of equipment	11	1,828,961,913	899,895,921
Restructured debts	2l,12	9,830,000,000	9,290,000,000
<b>Total Current Liabilities</b>		<b>118,757,617,792</b>	<b>125,208,546,025</b>
<b>NONCURRENT LIABILITIES</b>			
Long-term liabilities - net of current maturities			
Liability for purchase of equipment	11	2,111,769,584	1,826,541,508
Restructured debts	2l,12	452,796,346,885	460,250,092,292
Post-employment benefits obligation	2c,2m,20	31,170,906,000	25,206,001,000
Deferred tax liabilities - net	2n,19	10,124,365,846	9,583,253,634
<b>Total Noncurrent Liabilities</b>		<b>496,203,388,315</b>	<b>496,865,888,434</b>
<b>MINORITY INTEREST IN NET ASSETS OF SUBSIDIARY</b>			
	2b	10,000,000	10,000,000
<b>EQUITY (CAPITAL DEFICIENCY)</b>			
Capital stock - Rp 1,000 par value per share			
Authorized - 100,000,000 shares			
Subscribed and paid-up - 75,000,000 shares	13	75,000,000,000	75,000,000,000
Additional paid-in capital	14	9,104,080,000	9,104,080,000
Deficit		(71,997,882,289)	(130,522,322,314)
<b>Total Equity (Capital Deficiency)</b>		<b>12,106,197,711</b>	<b>(46,418,242,314)</b>
<b>TOTAL LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)</b>		<b>627,077,203,818</b>	<b>575,666,192,145</b>

See accompanying notes to consolidated financial statements  
which are an integral part of the consolidated financial statements.

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	Notes	2005 Rp	2004 Rp
NET SALES	2k,15,21	655,102,585,324	546,135,310,565
COST OF GOODS SOLD	2k,16,21	<u>447,901,075,736</u>	<u>429,137,128,203</u>
GROSS PROFIT		<u>207,201,509,588</u>	<u>116,998,182,362</u>
OPERATING EXPENSES	2k,17		
Selling		30,339,013,952	29,936,175,462
General and administrative		<u>98,503,659,405</u>	<u>81,712,720,150</u>
Total Operating Expenses		<u>128,842,673,357</u>	<u>111,648,895,612</u>
INCOME FROM OPERATIONS		<u>78,358,836,231</u>	<u>5,349,286,750</u>
OTHER INCOME (CHARGES)	2k		
Sale of scrap materials		1,552,793,958	1,530,867,188
Interest income		973,108,867	430,472,253
Gain on sale of property, plant and equipment	2i	332,333,329	250,103,712
Gain on insurance claim		43,910,219	835,611,418
Tax refund (expense)		(73,728,561)	878,371,104
Interest expense	18	(494,684,768)	(100,620,529)
Loss on foreign exchange - net	2d	(22,337,132,831)	(32,380,889,049)
Others - net		<u>710,115,793</u>	<u>791,996,739</u>
Other Charges - Net		<u>(19,293,283,994)</u>	<u>(27,764,087,164)</u>
INCOME (LOSS) BEFORE TAX		59,065,552,237	(22,414,800,414)
TAX EXPENSE	2n,19	<u>(541,112,212)</u>	<u>(96,714,536)</u>
NET INCOME (LOSS)		<u><u>58,524,440,025</u></u>	<u><u>(22,511,514,950)</u></u>
BASIC EARNINGS (LOSS) PER SHARE	2o	780	(300)

See accompanying notes to consolidated financial statements  
which are an integral part of the consolidated financial statements.

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	Paid-up Capital	Additional Paid-in Capital	Deficit	Total Equity (Capital Deficiency)
	Rp	Rp	Rp	Rp
Balance as of January 1, 2004	75,000,000,000	9,104,080,000	(108,010,807,364)	(23,906,727,364)
Net loss for the year	-	-	(22,511,514,950)	(22,511,514,950)
Balance as of December 31, 2004	75,000,000,000	9,104,080,000	(130,522,322,314)	(46,418,242,314)
Net income for the year	-	-	58,524,440,025	58,524,440,025
Balance as of December 31, 2005	<u>75,000,000,000</u>	<u>9,104,080,000</u>	<u>(71,997,882,289)</u>	<u>12,106,197,711</u>

See accompanying notes to consolidated financial statements  
which are an integral part of the consolidated financial statements.

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	Notes	2005 Rp	2004 Rp
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers and others		649,362,992,911	550,347,527,708
Cash paid to suppliers, employees and others		<u>(577,563,454,206)</u>	<u>(486,214,668,400)</u>
Cash generated from operations		71,799,538,705	64,132,859,308
Interest paid		(20,102,066,517)	(10,916,465,776)
Income tax paid		(1,191,332,384)	(433,911,701)
Cash receipts from restitution of income taxes		<u>926,998,076</u>	<u>878,371,104</u>
Net Cash Provided by Operating Activities		<u>51,433,137,880</u>	<u>53,660,852,935</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		973,108,867	430,472,253
Proceeds from sale of property, plant and equipment		426,750,003	320,858,201
Acquisition of property, plant and equipment	7	(56,374,545,073)	(41,645,892,474)
Decrease in guarantee deposits		<u>18,280,000</u>	<u>38,722,536</u>
Net Cash Used in Investing Activities		<u>(54,956,406,203)</u>	<u>(40,855,839,484)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of restructured debts	12	(9,816,250,000)	(9,096,250,000)
Payment of liability for purchase of equipment		<u>(1,223,833,957)</u>	<u>(304,536,569)</u>
Net Cash Used in Financing Activities		<u>(11,040,083,957)</u>	<u>(9,400,786,569)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(14,563,352,280)</u>	3,404,226,882
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		24,042,635,956	20,492,654,287
Effect of foreign exchange rate changes		<u>87,427,798</u>	<u>145,754,787</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>9,566,711,474</u></u>	<u><u>24,042,635,956</u></u>
<b>SUPPLEMENTAL DISCLOSURES</b>			
Noncash investing and financing activities:			
Increase in property, plant and equipment through liability for purchase of equipment		2,438,128,025	-

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.