



2004



American
Chamber of
Commerce in
Russia

ANNUAL REPORT



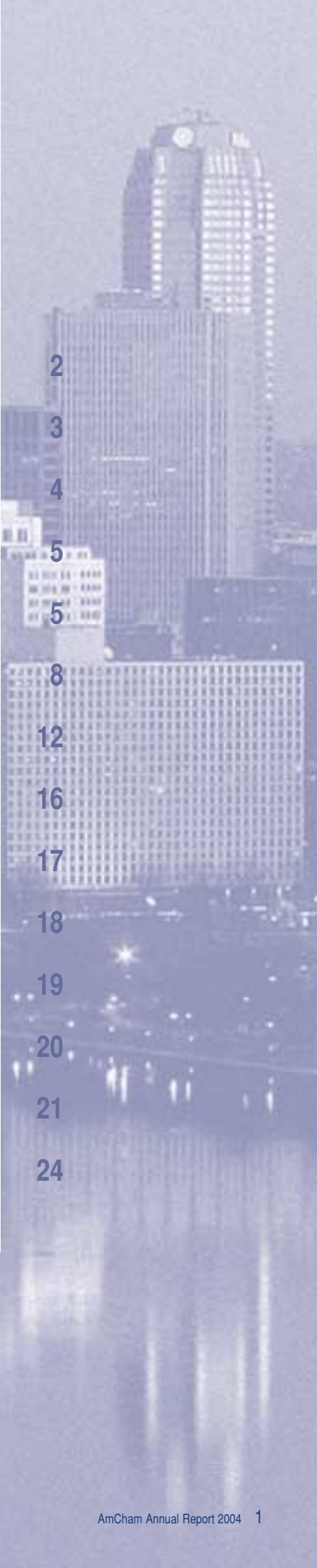


Our Mission

The Chamber's most important assets are its members. They are our clients, our workforce and our strength.

Our mission is to promote the development of commercial relations between the Russian Federation and the international community.

We seek constructive solutions to trade and investment problems, which protect and promote the legitimate common economic interests of our member companies. We do so with integrity and respect for our host country.



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President's Letter



Andrew B. Somers
President, American
Chamber of Commerce
in Russia

In 2004, AmCham fully crystallized its innovative ROI business model: Providing concrete returns on membership fee investments is the core AmCham value. Policy is the Chamber's basic product and policy success does provide a return, but the benefits to members are sometimes indirect or not immediately measurable. To ensure membership value, we strive relentlessly to deliver bottom-line results to individual member companies faced with revenue risks created by the administrative environment in Russia. Such adverse situations are often indicative of broader limitations to trade and investment across many business sectors, and we intercede and advocate on behalf of the company with the relevant government authorities.

Staying neutral, we do not "lobby" to give a competitive advantage to one member company vis-à-vis another, but rather work to harmonize Russia's own interests and stated policy goals with resolution of the particular company's problem. As a result, the AmCham ROI business model provides more than a return. It also dramatically enhances the credibility and effectiveness of the Chamber's policy advocacy by providing Russian authorities concrete illustrations of the economic harm caused by continuing problems, such as a lack of transparency, inconsistent implementation of procedures, abrupt policy changes and unclear legislation. By focusing on ROI, AmCham is a better policy advocate, with its feet on the ground, its eye on the bottom line, in touch with business.

In 2004, illustrative of the ROI business model, AmCham successfully interceded with the Russian government on behalf of member companies in the agricultural and pharmaceutical sectors affected by decrees imposed without notice, which would have cost member companies millions of dollars in annual sales and severely restricted national distribution capacity.

Among the many other examples of successful intervention by AmCham benefiting members was the withdrawal of sublease cancellation notices to four member companies and confirmation that the subleases will be allowed to run to their expiration terms, thus avoiding serious operational and financial costs.

The ROI business model infuses all aspects of the Chamber's activities. Committee activities, the High-Profile Speaker Series, CEO Forums, position papers, the Regional Business Development Program, the Annual Investment Conference, U.S. Door Knock visits, Washington representation, cooperation with partner organizations, social and networking events, sponsorship and advertising opportunities, and external communications – all are designed and implemented to deliver measurable, bottom-line value to members.

The American Chamber of Commerce in Russia began its 10th year of operations in Russia in a much different climate than when it was founded in 1994. Moving from an era when barter and a “Wild East” atmosphere characterized the business climate to a time when rule of law and transparency are steadily improving, AmCham has remained a steadfast supporter of enhancing Russia’s competitiveness, supporting diversification of the national economy and defending property rights.

As Russia’s market economy has matured over the past decade, so has the Chamber. From its initial founding 26 member companies, the Chamber has expanded to just under 800 at the end of 2004 and has become the most influential and largest foreign business advocacy association in the Russian Federation. Its performance during its anniversary year attests to its status as an impact player on critical policy issues facing the business community and to its sound financial base.

Nearly five dozen political and business leaders met with Chamber members during 2004, including then Secretary of State Colin Powell, President of the World Bank James Wolfensohn, Minister of Economic Development and Trade German Gref, First Deputy Chairman of the Central Bank of the Russian Federation Andrey Kozlov, U.S. Ambassador to the Russian Federation Alexander Vershbow, six CEOs of global corporations and 10 regional heads.

The Chamber’s 17 industry- and issue-specific committees continued their diligent work, providing feedback to both Russian and American governments on issues ranging from obstacles in issuing business visas to Russian citizens, to issues surrounding the implementation of the new Russian Customs Code, which came into force at the start of 2004. Finally, throughout the year AmCham organized informal networking opportunities through such events as its annual golf and soccer tournaments, highly popular Business After Hours receptions, as well as its annual Independence Day celebration, which is the largest outside the continental U.S.

With its results-oriented policy activities and a series of successful events, 2004 was an unforgettable capstone to the American Chamber of Commerce in Russia’s first decade of work.

I am confident that the next decade will bring comparable achievements and successes



Peter Charow
President, BP Russia

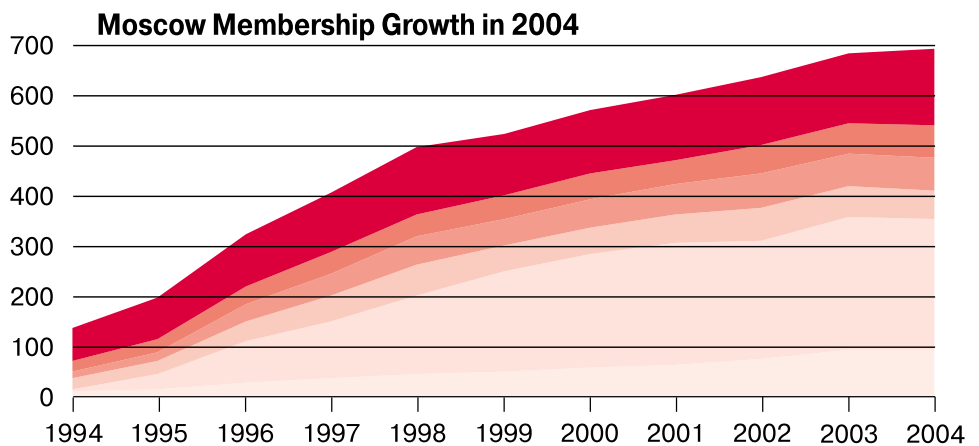
Chairman’s Letter

Membership

From a small business group of no more than 130 companies formed in early 1994, the American Chamber of Commerce in Russia has developed into the largest and most influential foreign business association in Russia with almost 800 members in Moscow and St. Petersburg. Since its founding, the Chamber has placed an emphasis on retaining members while attracting new companies. This has been a major factor in AmCham's steady growth throughout the years, resulting in an over 500 percent increase in Moscow membership during the past decade.

Celebrating another successful year, AmCham welcomed aboard over 100 new members in 2004, with the total number of corporate members in Moscow growing by 4 percent to 691 members. The number of new members for the Corporate A category doubled in 2004 as compared to the previous year; for the Corporate C category, it almost quadrupled.

AmCham Annual Report 2004



Key To Membership Categories

A	Corporate A	\$1 billion gross revenue
B	Corporate B	\$100 million to \$1 billion gross revenue
C	Corporate C	\$10 million to \$100 million gross revenue
D	Corporate D	\$2 million to \$10 million gross revenue
E, AC*	Corporate E	\$2 million gross revenue or less
NP		Nonprofit

*Associate Corporate

Policy work is the Chamber's main vehicle in advocating the interests of its member companies. Consistent with AmCham's ROI Business Model, policy priorities in 2004 ranged from assisting individual members to resolve concrete problems to creating a level playing field in Russia for international business through the advancement of administrative and legislative reforms and protection of property rights.

Government Relations – Russia

Through input, analysis and recommendations, AmCham continued to effectively engage in a constructive and results-oriented dialogue with the Russian government on areas critical for the private sector. AmCham strengthened its relations with Russia's key executive bodies in an effort to address issues such as taxation, customs regulations, work permits and pre-shipment inspections. AmCham also provided its members with many opportunities for direct dialogue with government officials and kept members abreast of proposed and enacted legislative changes to quickly and effectively address those adversely impacting members' business interests. Throughout the year, the Chamber provided its expertise to the Russian government on credit bureaus, amendments to the Tax Code and the regulation of cryptographic products. It also held two roundtables with the Ministry of the Interior on work permit issuance.

Government Relations – U.S.

AmCham also continued to function as an expert resource to the U.S. government on many issues relevant to the business climate in Russia. The Chamber hosted Secretaries of State, Commerce, Energy and Health & Human Services, as well as senior officials of the National Security Council at meetings with business leaders in Moscow. AmCham also held a series of briefings with visiting U.S. congressional delegations and provided input to the U.S. government on international trade issues, such as Russia's WTO accession, its energy policy and IPR enforcement efforts. At the request of the Department of Homeland Security, the Chamber also conducted a member survey on the effect on business of U.S. visa policies and practices in an effort to facilitate business travel between Russia and the U.S. AmCham continued coordination with U.S. government representatives in Moscow to provide fast-track visa issuance to Russian employees of AmCham member companies.

Throughout 2004 AmCham President Andrew Somers regularly met with top officials in Washington to keep them informed of positions of U.S. business on developments in Russia. A delegation of senior executives from AmCham member companies held its annual Door Knock Mission, a round of high-level meetings in Washington, D.C., on April 26-27. The delegation met and briefed Commerce Secretary Donald Evans, Deputy Treasury Secretary Samuel Bodman, Deputy Energy Secretary Kyle McClarrow and Deputy Secretary of State Richard Armitage. The group also met with Thomas Graham, the new senior official of the National Security Council responsible for Russia, as well as OPIC President Peter Watson, Ex-Im Bank Chairman and President Philip Merrill, U.S. Department of State Assistant Secretary for Europe and Eurasia Elizabeth Jones, Department of Homeland Security Assistant Secretary for Policy, Borders and Transportation Stewart Verdery and Assistant U.S. Trade Representative for Europe and the Mediterranean Catherine Novelli. The delegation also met with the senior staff of Senator Chuck Hagel, who is the ranking member of the Senate Foreign Relations Committee. Somers had a separate meeting with Ambassador Carlos Pascual, the Department of State's assistance coordinator for Russia and the NIS.

January 2004

20



Closed meeting with James Wolfensohn, President, World Bank

27



Breakfast roundtable with Colin Powell, U.S. Secretary of State

29

U.S.-Russia Technology Symposium at Stanford University with Andrew Fursenko, Education and Science Minister, and Andrew Somers, AmCham President

February 2004

4

Fifth Annual Forecast Conference with Andrey Bugrov, Vice Chairman of the Board, INTERROS Holding Co.; Olga Dergunova, Managing Director, Microsoft; German Gref, Economic Development and Trade Minister; Alexey Mordashov, Chairman, Savestral-Holding Group; Charles Ryan, CEO and Chairman, UFG; Andrew Somers, President, AmCham; Boris Titov, Chairman, Business Ethics Commission, Russia Union of Industrialists and Entrepreneurs, and President, Mineral Fertilizer Association of Russia; Alexander Vershbow, U.S. Ambassador to the Russian Federation; Yevgeny Yasin, Director, RUIE Expert Institute

Policy Work

10



Press Conference at the AmCham office with Igor Kostikov, Chairman, Federal Securities Commission

11



Breakfast forum with Andrey Kozlov, First Deputy Chairman, Central Bank of the Russian Federation

13

U.S.-Russia Commercial Energy Dialogue Steering Committee meets at the Chamber

26

CEO Forum with David Cote, CEO, Honeywell

27



Presentation by Julian Schweitzer, Country Director, World Bank

Policy Work

Energy

In 2004 AmCham, as the American co-chair of the U.S.-Russian Commercial Energy Dialogue (CED), continued to push for productive engagement with the Russian government and to elicit responses to a short list of priority recommendations by the CED, submitted to Presidents Bush and Putin in December 2003. The recommendations concerned crude oil transportation and export, regulatory and legislative actions and fiscal areas. Another focus of AmCham's advocacy efforts was its support of the proposed new version of the "Subsoil Law," which should provide consistent and fair rules for international energy companies doing business in Russia.

Russian American Business Dialogue (RABD)

The RABD is a business-to-business process, announced by Presidents Bush and Putin at the 2001 Presidential Summit in Genoa, Italy. It seeks to facilitate the identification by business of obstacles to trade and investment in both countries and provide a mechanism for recommendations to be brought before both governments for improvements. In October 2004, in its third comprehensive position paper, the RABD identified several key areas in which it feels improvements still need to be made: customs code, pre-shipment inspections, small business issues, visas and IPR issues. Within the RABD, there are three active working groups: aerospace, healthcare, and information and communications technology (ICT).

Aerospace

In 2004 AmCham continued to lead the RABD's Aerospace Working Group, which works closely with Russian government agencies, the U.S. Embassy in Moscow and the Department of Commerce to facilitate resolution of aerospace business issues. The group convened most recently at the Farnborough (U.K.) Air Show on July 20, 2004. Participants included Russian and American aerospace industry and government officials, who discussed impediments to current and future programs, policy initiatives to remove obstacles to collaboration and maximize the success of joint aerospace projects, and challenges to aviation financing.

Healthcare

AmCham continued to lead the U.S.-Russia Council on Harmonization in Healthcare, a unique business-to-government initiative to improve market opportunities for member companies representing the healthcare industry. Delivered to both governments, AmCham's 2004 report, "Pharmaceuticals and Medical Devices in Russia: Market Access Status Update," reflects the Chamber's leading private sector role in U.S.-Russian cooperation to harmonize the two countries' healthcare regulatory practices. Following the appointment of new cabinet members for President Bush's second term and the deep restructuring of the Russian government, the cooperative effort in the healthcare sector was revitalized with senior government officials from both countries designated to serve as permanent representatives on the Council.

Information and Communications Technology (ICT)

In 2004 AmCham promoted further bilateral cooperation between U.S. and Russian technology leaders by its participation in international conferences on ICT and through its involvement in the RABD's ICT Working Group. AmCham President Andrew Somers chaired a session of the U.S.-Russia Technology Symposium held at Stanford University in California on Jan. 29-30, 2004. The session highlighted Russian hi-tech success stories to raise the level of awareness in the Silicon Valley investment community. The conference was attended by business leaders from Russia and the U.S., including Andrey Fursenko, Minister of Education and Science. Additionally, June 9-11, 2004, the 4th Annual Russian Outsourcing and Software Summit was held in St. Petersburg. Representatives from over 230 companies from China, the CIS, Europe, India, Russia and the U.S. attended. On the final day of the conference, AmCham hosted a 65-person luncheon, during which the Chamber affirmed its commitment to promotion of Russian software development companies on the American software market.

March 2004

Customs

AmCham enjoys a close institutional relationship with Russian customs officials, allowing the Chamber to quickly relay opinions, complaints and recommendations from its member companies on improving customs regulations. At the invitation of the Federal Customs Service, the Chamber and its members played an active role in monitoring the implementation of the new Customs Code to ensure that “trade promotion” objectives of this key piece of legislation receive the same priority as “budget revenue” ones. Among the many examples of specific input, AmCham submitted an extensive analysis of existing regulations that restrict the import of encryption technology products and proposals to ease restrictions on the import of such products.

Taxation

Tax treatment of businesses in Russia remains one of the key priorities for the Chamber, including both taxation rates and administration procedures. The Chamber provided specific recommendations for amendments and clarifications to Chapter 25 (on profit taxes) of the Tax Code, many of which have been accepted by the government. A notable victory for the business community was the government’s decision to shelve the introduction of mandatory special VAT accounts, a decision in which the AmCham Taxation Committee’s excellent position paper delivered to the prime minister was an important factor. AmCham also provided the U.S. Congress with a thorough brief prepared by the Taxation Committee, making the case against revoking the foreign earned income exclusion for U.S. expatriates.

Annual Investment Conference



Andrei Bugrov, Vice Chairman of the Board, INTERROS



German Gref, Economic Development and Trade Minister



Charles Ryan, CEO and Chairman, UFG



Alexander Vershbow, U.S. Ambassador to Russia

Bringing together more than 250 Russian and international business leaders and government officials, as well as more than 60 media representatives, the 5th Annual AmCham Investment Conference served as an opinion-leading forum for discussion and debate on Russia’s developing market economy and progress in creating an investment-friendly environment. Featuring a keynote address by Minister of Economic Development and Trade German Gref, the day’s agenda was filled with updates by corporate and government leaders on individual sectors, including energy and information technology. As always, delegates received a copy of the *Economy and Investment Climate in Russia*, an insightful annual analysis of the previous year’s events and their immediate and long-term impact on the investment climate. The report was jointly prepared by AmCham and the Expert Institute of the Russian Union of Industrialists and Entrepreneurs (RSPP).

Policy Papers

In 2004 the Chamber produced and distributed a range of policy papers, including the *Economy and Investment Climate in Russia* annual report and more than 10 position papers and expert opinions on sector-specific issues. AmCham and its member companies were also actively involved in developing policy papers with other respected organizations. Made available to members, U.S. and Russian government officials, other business organizations and media, AmCham policy papers not only serve as an effective advocacy tool, but also promote the position of the Chamber’s members on the most critical issues pertaining to the investment climate in Russia.

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Annual Membership Meeting and 10th Annual Awards Dinner at the Marriott Grand Hotel

3



Breakfast forum with Leonid Lozbenko, First Deputy Chairman, State Customs Committee

3

Regional Forum with Alexander Chernogorov, Governor, Stavropol Krai, and Victor Milenin, Deputy Minister of the Economic Section, Stavropol Krai

11



Regional Forum with Alexander Khlopinin, Governor, Krasnoyarsk Krai

17



Breakfast forum with Alexander Aksyonov, Head, Visa and Registration Department, Ministry of the Interior

22

Business After Hours at the Marriott Grand Hotel

Policy Work

April 2004

1



Breakfast forum with Sergey Shatalov, First Deputy Minister of Finance

10

6th Annual AmCham MBA Competition

14



Breakfast forum with James Jochum, Assistant Secretary of Commerce for Import Administration

16

CEO Forum with Don Peterson, CEO and Chairman, Avaya

17



Roundtable with Boris Titov, Chairman, United Business Ethics Commission, RSPP

22



Roundtable with Yevgeny Yasin, Director, RUIE Expert Institute

26-27

Door Knock Mission in Washington, D.C.

Committees

The Chamber's 17 industry and issue-specific committees provide forums to exchange information and consolidate opinions on issues facing member companies. Each committee holds regularly scheduled meetings featuring guest speakers and discussions of the latest legislative, economic and political developments impacting the business environment. Committees also regularly produce position papers, which provide legislative authorities insight into challenges facing leading participants in each sector.

Aerospace

The Aerospace Committee, a partner with the U.S. and Russian governments in the U.S.-Russia Commercial Aerospace Working Group, promotes the interests of U.S. aerospace companies through advocacy, cooperative activities and information exchange with Russia's governmental agencies and aerospace industry. In 2004 the committee focused its support on promoting the removal of restrictions on foreign investment in the Russian aerospace sector, the reduction of import tariffs on specific industry components and the restructuring of the Russian aviation industry.

Capital Markets & Financial Services

The Capital Markets & Financial Services Committee brings together industry leaders to track developments in Russia's financial markets. In 2004 the committee worked towards preparing a draft position paper on proposed legislation to create credit bureaus in Russia, urging authorities to use accepted practices and norms already proven effective in other countries.

Customs & Transportation

The Customs & Transportation Committee discusses a range of issues and facilitates dialogue between Chamber members and officials from the State Customs Committee and State Duma. In 2004 the committee began monitoring implementation of the new Customs Code, focusing on simplified procedures and IPR. Throughout the year, the committee regularly hosted representatives from the Federal Customs Service and the Ministry of Economic Development and Trade to discuss topical issues, such as customs post-clearance control, IPR protection, customs valuation of goods and barriers to the application of simplified customs procedures. The committee also presented recommendations on improving customs legislation to the Budget Committee of the State Duma, receiving a positive response from customs officials. At two consecutive meetings devoted to the controversial subject of pre-shipment inspections (PSIs), the committee met with the head of the National Regime for Customs and Access to Foreign Markets, a subdivision of the Ministry of Economic Development and Trade, and four representatives of Société Générale de Surveillance (SGS), a Geneva-based organization with worldwide experience in PSI. In February and September, the committee organized briefings on Customs Code implementation and IPR issues and throughout the year provided written advisory reports on customs legislation issues to officials with the U.S. Embassy. In 2004 the committee also focused on the process of Russia's accession to WTO, exchanging information and analytical material on customs issues with the Union of Industrialists and Entrepreneurs Working Group.

Energy

The Energy Committee, whose members are actively involved in the U.S.-Russian Commercial Energy Dialogue, discusses issues of concern to AmCham members involved in all aspects of energy exploration, generation and distribution. The committee pays particular attention to the interrelations between Russian policy and the exploitation of natural resources, especially with regard to the passage and amendment of energy-related legislation impacting foreign investors. In 2004 key players in the Russian energy sector and top executives from companies such as ChevronTexaco Eurasia, Purvin & Gertz Inc., Gazexport, M-I Drilling Fluids and TNK-BP provided informative presentations, provoking lively discussions.

May 2004

Enterprise Development

The Enterprise Development Committee promotes the interests of small- and medium-sized companies in Russia. The committee advises the SME community in areas such as advertising, business development, human resources and legal and tax services. Throughout 2004 the Enterprise Development Committee participated in Moscow Entrepreneurship Group business breakfasts with the U.S.-Russia Center for Entrepreneurship and covered topics such as marketing, HR and the use of IT to promote growth of SMEs.

Environment

The Environment Committee acts as a bridge between Russian lawmakers and the American business community in Russia. Working alongside the Ministry of Natural Resources of the Russian Federation, the 2004 activities of the committee focused on informing members about evolving environmental legislation and trends in Russia's use of its natural resources.

Healthcare

In 2004 the Healthcare Committee continued to actively address pertinent issues and organize presentations to better inform AmCham members about developments in the sector. Via the Russian-American Inter-Agency Coordination Council on Harmonization in the Healthcare Sector, the committee is continuing its efforts to act as a forum to address priority healthcare reforms, such as establishing essential drug and reimbursement lists in an attempt to enhance and align reimbursement processes closer with international practices and facilitate medical insurance reform. Cooperation is underscored by efforts to reduce administrative burdens that negatively impact market access and by training assistance programs promoting the exchange of best practices. Most importantly, the council actively participates in Russia's WTO accession talks by advocating adoption of the Trade Related Intellectual Property System, which focuses on data exclusivity and secrecy norms. Topics addressed by the committee during monthly meetings included medicinal conformity declarations, which came into force in October 2004. Committee members also attended a State Duma hearing on improving the effectiveness of the healthcare system in Russia. This was followed up by a summer meeting with a senior official from the Duma Healthcare Committee, who informed members about current and prospective legislative initiatives in the healthcare sector. Other areas of focus throughout 2004 included the November Duma hearings on IPR and the MOH/Trade Development Agency (TDA) Cooperation Project, designed to offer technical assistance in the formation of a cadre of specialists in pharmaceutical inspections.

Human Resources

Human Resources Committee meetings are devoted to the exchange of ideas and information related to the development and management of human resources in Russia. Throughout 2004 HR professionals and service providers attended meetings on compensation trends; temporary staffing, personnel leasing and outsourcing; regional trends in HR practices; graduate recruiting; and employee retention. The committee also organized the 6th Annual MBA Case Competition among leading Moscow business schools and held its 3rd Annual HR conference.

Information Technology & Telecommunications

The IT&T Committee promotes bilateral trade and investment in the IT and telecommunications industries in Russia and participates in events, which foster closer relations between the United States and Russia in these spheres. In 2004 the committee continued to monitor current market trends in the IT and telecoms market and focused on Russia's activities in multilateral working groups dealing with digital divide issues, outsourcing in the Russian software industry, opportunities in the expanding telecoms market, internet governance and the latest work by the World Information Society and UN ICT Task Force. Working in close cooperation with the Federal Security Service, the Federal Customs Service and the Ministry of Economic Development and Trade, the committee prepared a position paper, submitted to the Russian government during the summer, outlining recommendations for the legal regulation of cryptographic products in the Russian Federation. Its recommendations are being taken into consideration during the development of new legislation governing the import and domestic circulation of cryptographic products in the Russian Federation.

18



Roundtable with Thomas Graham, National Security Council, Special Assistant to the President, Senior Director for Russian Affairs

25

Roundtable with U.S. Congressmen Curt Weldon, Corrine Brown and Eddie Bernice Johnson

26



Breakfast forum with Iosif Ordzhonikidze, Deputy Mayor, Moscow City Government, International and Foreign Economic Relations

27



Breakfast forum with Anatoly Aksakov, Vice Chairman of the State Duma Credit Organizations and Financial Markets Committee

Committees

June 2004

1 U.S.-Russia Commercial Energy Dialogue Steering Committee meets at the Chamber

2 AmCham Healthcare Committee meeting with Tatiana Yakovleva, Duma Healthcare Committee Chairwoman



Reception with Kyle McClarrow, U.S. Deputy Secretary of Energy

9-11 4th Annual Software Outsourcing Summit in St. Petersburg, with AmCham participation

10 Annual AmCham Human Resources Committee's HR Conference

15-16 Trade Mission to Stavropol Krai



Regional Forum with Dmitry Zelenin, Governor, Tver Oblast

22 Breakfast forum with Charlotte Crosswell, Head, NASDAQ International, and Paulina McGroarty, NASDAQ Business Director for Russia and the CIS

23 Breakfast forum with Helena Hessel, Lead Foreign Analyst for Russia, Standard & Poor's

24 Business After Hours at the American Bar & Grill

Committees

Investment

The Investment Committee is one of the original committees of the Chamber and focuses its programs on legislative, political and social factors influencing investment in Russia. In 2004 the Investment Committee hosted presentations by the head of one of the largest private equity firms in Russia, the *Financial Times*' Russian bureau chief, representatives from the Moscow Carnegie Center and the former Minister of the Economy – all examining the impact of current policies on the investment climate. Committee members also heard presentations from the CEO of TNK-BP, Russian government and industry representatives, major foreign investors, World Bank representatives and a senior correspondent from the *New York Times*' Moscow Bureau. In addition, the committee produced an information paper on WTO accession and its impact on Russia and contributed to a white paper on real estate co-authored by the AmCham Real Estate Committee.

Leasing

The Leasing Committee's mission is to facilitate the development of the leasing industry in Russia by improving the tax, legal and customs environments for both Russian- and foreign-based leasing by commenting on proposed legislation, holding seminars and discussions between representatives from industry and government, and disseminating information on leasing to interested parties. In 2004 the committee continued to actively address issues central to the leasing industry. Committee members heard presentations from the Expert RA rating agency on the results of its study on the 2003 Russian leasing market; the Economic Expert Group on the macroeconomic aspects of investments in Russia; and a representative of a Munich-based leasing company on the structure and benefits of a real estate lease. The committee also focused on the deferred offset of VAT on lease payments for the lessee with a review of court cases and new initiatives in the Ministry of Finance, and held a discussion on the VAT treatment of domestic leasing, following which the committee prepared a letter to submit to tax authorities. The committee also addressed tax issues arising when a leased asset is accounted for on the balance sheet of the lessee and tax legislation relating to the payment of property tax on leased assets.

Marketing

The Marketing Committee represents advertising and media interests in Russia. The committee seeks to educate members on various marketing and advertising issues in Russia and serves as a unified voice and advocate of the industry as a whole, making recommendations to Russian legislators. In 2004 the Marketing Committee held several networking events, bringing together leading industry professionals.

NGO/Charities

The NGO/Charities Committee was created to help for-profit members overcome internal and external barriers to corporate philanthropy in Russia and to help NGOs and charity members collectively address their common problems. During 2004 the NGO/Charities Committee heard presentations from various donor and charitable organizations, focusing on trends in corporate social policies and obstacles to the development of corporate philanthropy in Russia. Committee members also reviewed the possibility of creating a guide on corporate giving and formed a sub-committee to revise the committee's charter to better reflect the social responsibility of corporations and encourage greater cooperation between corporations and the NGO community.

Real Estate

The Real Estate Committee monitors the development of opportunities for private investment in Russia's real estate and construction markets. In 2004 the committee welcomed prominent members of the Moscow banking community to address members' concerns about the effects of the 2004 Russian "banking crisis" on the real estate and property investment markets. The committee also highlighted each sector of the real estate industry during its meetings and focused on new legal requirements and changes in the tax code related to real estate.

July 2004

Security

The Security Committee monitors and discusses corporate and personal security risks associated with political and economic developments. It collects the knowledge and best practices of members and shares them with others to ensure the security of employees, business continuity and appropriate responses in emergency situations. In 2004 the committee met with both the AmCham Investment Committee and Capital Markets & Financial Services Committee to discuss protecting investments in Russia. Additionally, in conjunction with these two committees and in cooperation with the Chamber of Commerce of the Russian Federation, the Security Committee held the Experience in Investment Protection Conference. Committee members also met with a senior official from the State Fire Inspectorate of the Russian Federation to review new fire safety regulations and with the deputy head of the Moscow Police Guard Service Department to learn how the service protects property in conjunction with the Moscow militia.

Taxation

The Taxation Committee serves as an information source on the latest Russian tax legislation, regulation and implementation. It also serves as the primary link to Russian tax authorities from the Ministry of Finance and the Federal Tax and Customs Services on issues of concern to AmCham members. In 2004 members of the Taxation Committee continued to provide detailed commentary on pending tax legislation. Among the topics discussed were annual reports for foreign legal entities, deferred taxes, court decisions concerning deducting forex losses when computing taxes, individual income tax obligations and the payment of individual income tax via third parties. Continuing its dialogue with the government, the committee invited a senior official from the Federal Tax Service of the Ministry of Finance to discuss tax issues related to foreign legal entities. The committee also submitted comments and recommendations for amendments to Chapter 25 of the Tax Code to the Russian government. The committee addressed Presidential Decision 169-O concerning the delayed recoverability of VAT on purchases made with borrowed funds, Constitutional Court decisions on the duration of tax audits, criminal liability with respect to tax underpayments and the application of a regressive scale for social taxes.

Technical Regulations

The Technical Regulations Committee monitors the reform of technical regulations in Russia. It reviews proposed legislation, offers commentary to legislators and interprets and explains new legislation to members. In 2004 the Technical Regulations Committee held a special meeting with senior U.S. trade representatives to compare U.S. and Russian technical regulations. The committee also addressed a 2004 decree from the Federal Customs Service on sanitary-epidemiological certification by clarifying the timeframe over which the legislation would be introduced and how it would be applied to shipping companies. Further clarification was also obtained concerning the importation of small quantities of sample goods and the importation of goods for exhibition purposes.

Working Groups

Russia's Regions Working Group

In 2004 AmCham formed a working group to examine and track the investment attractiveness of regions and identify investment opportunities. During its first meeting, the group identified the following tasks: to create overviews of the investment climate in areas of interest to AmCham members, to identify specific industries within the regions in which to invest, to act as a catalyst in developing regional investment and to organize thematic roundtables and seminars.

Franchise Working Group

Responding to growing member interest, AmCham formed a working group to examine franchising in Russia, a country where the franchising infrastructure is still in its infancy. During the inaugural meeting, the chairman of the Russian Franchise Association noted that although the majority of Russian franchising systems have domestic origins, the country is currently witnessing accelerated growth in international franchising. The working group aims to develop a legislative framework fair to both franchisers and franchisees, while providing networking opportunities for AmCham member companies.

1



Meeting between Tommy Thompson, U.S. Secretary of Health and Human Services, and AmCham's Healthcare Committee

4

10th Annual U.S. Independence Day celebration

13

Meeting with Andrey Kozlov, First Deputy Chairman and member of the Board of Directors of the Central Bank of the Russian Federation

14



Meeting with Valentina Matvienko, Governor, St. Petersburg

20

CEO Forum with Carly Fiorina, Chairman and CEO, Hewlett-Packard

28



Breakfast forum with Marina Glazatova, Head, Department of Technical Regulation and Metrology, Ministry of Industry and Energy

Committees

Events

August 2004

- 4** Marketing Committee
Business After Hours at
Simple Pleasures
- 6** 7th Annual Golf Tournament
- 19** Roundtable with AmCham
IT&T Committee and delega-
tion from the U.S. House of
Representatives' Committee
on Government Reform



Breakfast forum with Sergey Vevkin-Rokhalsky, Deputy Minister of the Interior



Breakfast forum with Boris Alyoshin, Head, Federal Agency for Industry

September 2004



Breakfast forum with James D. Pettit, Consul General of the Embassy of the United States of America



Programs and Services

The Chamber offers a wide range of programs and services linking members to an unparalleled network of business and government contacts. With an eye toward helping member companies protect and expand revenues, the American Chamber of Commerce in Russia arranges conferences, seminars and forums, featuring many of the most influential players from Russian and American businesses and governments. Additionally, the Chamber organizes a number of social events, including annual sports tournaments, awards ceremonies and the largest Independence Day celebration outside the United States.

Program Series

CEO Forums



David Cote
Honeywell



Don Peterson
Avaya



Carly Fiorina
Hewlett-Packard



Jeffrey Immelt
GE



Tom Donohue
U.S. Chamber
of Commerce



Andrew Liveris
Dow

In February 2004 the Chamber launched a new initiative designed to facilitate dialogue between high-level Russian and international executives and to enhance Russia's profile as a prime investment destination. CEO Forums are roundtables between visiting CEOs of global corporations and select corporate leaders in Russia. During the year, six CEOs participated in the series (in order of appearance): Honeywell CEO **David Cote**, Avaya CEO and Chairman **Don Peterson**, Hewlett-Packard CEO and Chairman **Carly Fiorina**, GE CEO **Jeffrey Immelt**, U.S. Chamber of Commerce CEO **Tom Donohue** and Dow CEO **Andrew Liveris**.

Senior Executive Breakfast Roundtables



Continuing its efforts to provide member companies better networking opportunities with fellow Chamber members, AmCham President Andrew Somers hosted seven informal breakfast roundtables in 2004 with member companies' top managers, financial directors and legal advisors. Limited to 20 participants, these gatherings not only promote improved communication among members, but also provide participants an opportunity to give direct feedback on areas they view as critical to the success of Chamber policy initiatives and operations.

Regional Forums

Ten governors or their senior appointed representatives addressed AmCham members as part of 2004's Regional Forums, designed to promote direct access to top policy makers from Russia's 89 regions. 2004's speakers literally represented the entire breadth of the Federation – from St. Petersburg Gov. **Valentina Matvienko** to Sakhalin Oblast Gov. **Ivan Malakhov**. Other regions whose leaders provided insight into local investment climates and needs include: Krasnoyarsk Krai Gov. **Aleksandr Khloponin**, Lipetsk Oblast Gov. **Oleg Korolyov**, Nizhny Novgorod Oblast Gov. **Gennady Khoderev**, Perm Oblast Acting Gov. **Oleg Chirkunov**, Stavropol Krai Gov. **Aleksandr Chernogorov**, Tula Oblast Gov. **Vasily Starodubtsev**, Tver Oblast Gov. **Dmitry Zelenin** and Voronezh Oblast First Deputy Gov. **Sergei Naumov**.

Trade Missions

AmCham President Andrew Somers led a business development mission on June 15-16 to Stavropol Krai. The delegation included senior management from member companies 3M Russia, Hewlett-Packard, Johnson & Johnson, Renaissance Capital Asset Management, RosInter Restaurants, Sodexho, Sun Microsystems AB and Qualcomm Incorporated. During its two-day mission, the delegation met with Gov. Alexander Chernogorov and key administration officials. Members also attended a business forum organized by the Stavropol Chamber of Commerce.

High-Profile Speaker Series



(From left to right) AmCham President Andrew Somers, U.S. Secretary of State Colin Powell and Russian Union of Industrialists and Entrepreneurs President Arkady Volsky at a breakfast roundtable in January.

Policy makers from both the Russian Federation and the U.S. used platforms provided by the American Chamber of Commerce in Russia to communicate directly with Moscow's international business community. In 2004, 19 business and political leaders addressed the Chamber as part of its High-Profile Speaker Series. Presentations addressed the year's most topical questions.

Business After Hours

Taking advantage of the networking opportunities provided by Business After Hours events, nearly 1,000 guests attended the four BAH receptions held at member businesses throughout 2004. The hosts included: the American Bar & Grill, Marriott Grand Hotel, Ramstore City and Santa Fe restaurant.

16 Exploring Russia's Regions, a conference hosted by AmCham, BISNIS and the Foreign Commercial Service

23 AmCham Investment Committee meeting with Andrew Kuchins, Director, Moscow Carnegie Center

24 AmCham Annual Tax Seminar

24



Breakfast forum with Leonid Reiman, Minister of Information Technologies and Communications

24 3rd Annual Soccer Cup

29



Breakfast forum with Alexander Kuzmin, Chief Architect of Moscow

30



Regional Forum with Sergey Naumov, First Deputy Governor, Voronezh Oblast

Programs and Services

October 2004

1



Breakfast forum with Ivan Materov, First Deputy Minister of Industry and Energy

5

Business After Hours at Sante Fe restaurant

12



Regional Forum with Gennady Khodyrev, Governor, Nizhegorodskaya Oblast

12

AmCham Energy Committee meeting with Bob Dudley, CEO, TNK-BP

14

Regions Working Group formed

22

CEO Forum with Jeffrey Immelt, CEO, GE

26



Regional Forum with Oleg Chirkunov, Acting Governor, Perm Oblast

28

CEO Forum with Tom Donohue, CEO of the U.S. Chamber of Commerce, and members of the press

28

CEO Forum with Andrew Liveris, CEO, Dow

29

Regional Forum with Vasily Starodubtsev, Governor, Tula Oblast



Programs and Services

Annual Events

Annual Awards

As athletes around the world prepared to compete for Olympic gold during the summer of 2004, AmCham celebrated the achievements of its member companies and honored those in gold-medal form at its 10th annual awards ceremony on April 3. The IBS Group of Companies took home the Chairman's Award for its contribution to promoting trade and investment between Russia and the United States. Sergey Riabokobytko of Cushman & Wakeman Stiles & Riabokobytko was named Chamber Member of the Year, while Ekaterina Emelianova (Taxation) and Konstantin Antipov (Customs & Transportation) were named Committee Co-Chairs of the Year and Charles Ryan of UFG was named Businessperson of the Year. Rising Star Media took home the Best Small Business of the Year award and RosInter Restaurants was named Company of the Year.

Independence Day Celebration

AmCham's 10th Annual Independence Day celebration, held at the Kuskovo Estate in Moscow, attracted more than 8,000 expatriates and Russians. Master of Ceremonies Vasily Strelnikov entertained guests and orchestrated the day's activities, which included musical performances by Neschastny Sluchai. The celebration is the largest Independence Day celebration outside the United States.



7th Annual Golf Tournament



Golfers teed off at AmCham's 7th Annual Golf Tournament, held at the exclusive Le Meridien Moscow Country Club, on Aug. 6. The four-man team from Delta Air Lines claimed the coveted trophy for 2004, beating out 24 other groups. Perspektiva, a local NGO working with the physically challenged, was the recipient of tournament mulligan sales.

3rd Annual AmCham Soccer Cup

The Chamber held its 3rd Annual AmCham Soccer Cup at the small arena of Dinamo stadium on Sept. 25. Thirty-two teams from Chamber member companies vied for the prize and accompanying bragging rights. Rostiks Group emerged the 2004 victor from a 3-4 penalty shootout with PricewaterhouseCoopers.



Special Events

10-Year Anniversary Gala Dinner

Bringing a close to a year-long celebration of its first decade of work, the American Chamber of Commerce in Russia hosted a 10-year gala dinner extravaganza on Dec. 4. The event, held at the Novy Manezh and emceed by television personalities Elena Hanga and Vladimir Solovyov, featured electrifying performances by the folk choir Pyatnisky Dance Troupe, opera singer Lubov Kazarnovskaya and the Sky-High Band. More than 300 representatives of Chamber member companies joined in the festivities, which were kicked off with addresses from the U.S. Ambassador to the Russian Federation Alexander Vershbow, AmCham Board Chairman Richard Brody and AmCham President Andrew Somers.



Completed Programs

E-Government Competence Center

The E-Government Competence Center closed shop in September 2004. As part of the two-year program to promote local government use of technology to improve services and better communicate in a transparent environment with its citizens, the center trained nearly 300 persons from regional government administrations on establishing e-Government systems. It also conducted nearly 200 public outreach events and published four books on creating sustainable e-Government systems. Administered by the American Chamber of Commerce in Russia with a grant from USAID, the center also supported a pilot project in Izhevsk – along with the local administration – to establish an e-trade system. Private sector partners also contributed matching funds and expertise to the grant to ensure the program's success. Partners included Cisco Systems, Hewlett-Packard, IBS, Intel, Microsoft, Optima and TerraLink Technologies.

Sponsorship and Advertising

Each bi-monthly edition of AmCham's journal, *AmCham News*, is read by over 30,000 decision makers in Moscow, St. Petersburg and abroad. The Chamber's annual membership directory is distributed to thousands of business leaders. Its website, www.amcham.ru, is visited by hundreds on an average day. Thousands more among the international business elite are reached via AmCham's events, such as its Annual Investment Conference, annual sports competitions, the Annual Awards Dinner, Business After Hours, CEO Forums, High-Profile Speakers Series, the Independence Day celebration, Regional Forums, Trade Missions and tax and HR seminars.

Sponsorship of events and advertising in AmCham publications not only help support and cement Russian-American business ties, they also allow companies to target a very desirable and specific market niche – the decision makers in the international business community. Through promotional opportunities, companies improve name recognition among participants and establish personal contact with featured business and government leaders.

November 2004

2



Regional Forum with Oleg Korolyov, Governor, Lipetsk Oblast

9

AmCham Energy Committee meeting with Vladimir Milov, President, Institute of Energy Policy

10

Franchising Working Group formed

11



Breakfast forum with Willem Buiter, Chief Economist, EBRD

15

U.S.-Russia Commercial Energy Dialogue Steering Committee meets at the Chamber

19



Breakfast forum with Oleg Viugin, Head, Federal Service for Financial Markets (above), and Gregory Mariasch, Partner, Rohatyn Group

29



Regional Forum with Ivan Malakhov, Governor, Sakhalin Oblast

Programs and Services

December 2004

4 AmCham 10th Anniversary Gala Dinner



Andrew Somers, AmCham President



Alexander Vershbow, U.S. Ambassador to Russia



Richard Brody, UTIO '04 AmCham Board Chairman

6 U.S.-Russia Commercial Energy Dialogue Steering Committee meets at the Chamber

9 Annual HR Christmas party

16 Business After Hours at Ramstore

The key objective of AmCham's communications is to support the policy work of the Chamber by delivering the consolidated messages of its members on the most critical business and investment issues and leveraging its position as the largest and most influential foreign business advocacy organization in Russia to promote improvements in Russia's investment climate.

Media Relations

AmCham serves as an effective, respected and credible voice for its members on business issues in domestic and international media arenas. The Chamber proactively engages media representatives by inviting them to events, periodically arranging press conferences and distributing position papers on the most pressing issues. On a daily basis, AmCham receives press inquiries and requests for comments and clarifications on matters affecting international business. In 2004 the Chamber served as an information source for virtually all leading Russian and international media outlets, including Bloomberg, *Business Week*, CBS, Channel 1, Dow Jones, *The Financial Times*, ITAR-TASS, Interfax, *Izvestia*, *Kommersant*, *The Moscow Times*, National Public Radio, *The New York Times*, *Nezavisimaya Gazeta*, NTV, Prime-TASS, RBC, RBC-TV, Reuters, RTR, *Vedomosti*, *The Wall Street Journal* and *The Washington Post*, among many others.

High-Level Conferences and Forums

Over the course of the year, AmCham's president participated in more than 20 high-level conferences, forums, roundtables and seminars on business and investment climates in Russia, as well as on specific issues and industry sectors. At these events, the Chamber contributed its in-depth market knowledge, expertise and thought leadership. These events allow AmCham to effectively communicate its members' positions on important issues, promote Russia as a business and investment destination and promote further membership growth in the Chamber.

AmCham News

AmCham News is the Chamber's bi-monthly, full-color magazine with a readership of 30,000 and a targeted distribution in Moscow, St. Petersburg, Western Europe and the United States. Available in both print and electronic versions, *AmCham News* provides an insider perspective on the Russian marketplace, reports on the policy and business networking activities of the Chamber, presents AmCham's opinions on issues affecting its members and spotlights member companies. In 2004 *AmCham News* continued its mutually beneficial cooperation with the Economist Intelligence Unit, a global leader in country and sector analysis, and established a similar cooperative arrangement with Standard & Poor's, the world's pre-eminent provider of independent investment data, analysis and opinion.

Website (www.amcham.ru)

The AmCham website is one of the most popular sites for information on international business in Russia. It includes sections on meetings, briefings, publications, Russian legislation and policy, and a members-only section for committee meeting minutes. With easy-to-use and streamlined navigation, the site serves as a valuable source of diverse information for international businesspeople.

President's Message

The electronic President's Message provides readers with brief monthly commentary from AmCham President Andrew Somers on the Chamber's recent activities and actions promoting policy priorities. With imbedded links to AmCham's website, recipients can access more detailed information directly from the communiqué.

Membership Directory

The annual directory provides easy access to information on AmCham's nearly 800 corporate members, member services, and federal and regional governmental contacts. In 2004 the directory underwent a design and layout upgrade to make it more reader friendly.

Member Notices and Alerts

AmCham keeps its members informed about upcoming policy activities, initiatives, social and networking events and associated sponsorship and advertising opportunities by e-mail and fax. With a distinctive visual design, these notices and alerts contain concise and comprehensive information enabling members to make decisions on participation in a particular event.

10 Years of Success

“I’ve had the chance to look back over the past decade and review AmCham’s many remarkable milestones and accomplishments. From the beginning, AmCham has recognized that the ultimate success of any effective, membership-based, business organization is its ability to articulate a clear message about what it wants and to gain access to key government decision makers. This has been especially true in Russia during its dramatic transformation, as the government has struggled with a series of major reform programs.... The list of contacts and ‘access’ is truly awe-inspiring. Over the past 10 years, Peter Charow, AmCham’s first President, and now Andrew Somers, have met personally with former Soviet President Gorbachev, U.S. Presidents Clinton and Bush, U.S. Vice President Gore, multiple Secretaries of State, Commerce, Energy and Defense, a U.S. Speaker of the House of Representatives, not to mention President Putin, the Prime Minister, Minister Gref and most of the Russian Cabinet.

“Effective Chamber work is all about people, relationships and seeing the forest for the trees, the big picture, and how to make an impact. When the AmCham began its work in 1994, Russia was in the midst of an historic, often chaotic transformation.... At its inception, AmCham was blessed with some rather talented strategic thinkers, people who made smart, fundamental decisions about the organization’s direction that still serve it well today. What better way to have an impact on the Russian government’s reforms than to offer itself as a resource, to provide advice and counsel, based on the combined experience and knowledge of its members. And that is exactly what AmCham started to do in 1994 and continues to do so effectively to this day.”

*Alexander Vershbow
U.S. Ambassador to Russia*

Remarks at the AmCham 10th Anniversary Gala Dinner, Dec. 4, 2004

Scenes from the Gala Dinner



Board of Directors



Chairman
Peter Charow
BP



President
Andrew B. Somers
American Chamber of
Commerce in Russia



Honorary Chairman
Alexander Vershbow
U.S. Ambassador
to Russia

Executive Committee



Richard Brody
United Technologies
International Operations
(UTIO)



Holly Nielsen
Debevoise & Plimpton



Robert Courtney
US Dental Care



Trem Smith
Chevron Neftegaz



Heidi McCormack
General Motors



Grant Winterton
The Coca-Cola Export
Corporation



James Balaschak
Deloitte & Touche CIS
(Ex officio)

Board Members



Ricardo Cabeza de Vaca
Merck, Sharp & Dohme
IDEA Inc.



Doug Gardner
Ernst & Young
(CIS) Limited



Daniela Riccardi
Procter & Gamble



Steve Chase
Intel Technologies Inc.



Jonathan Hines
LeBoeuf, Lamb,
Greene & MacRae,
LLP



Charlie Ryan
UFG



Alex Chmelev
Baker & McKenzie



Jonathan Knaus
American Express



Cynthia Stone
Standard & Poor's



Olga Dergunova
Microsoft Russia & CIS



Mike Kubena
PricewaterhouseCoopers



Bernard Sucher
Alfa Capital



Jamison Firestone
Firestone Duncan



Ron Pollett
GE



Henrik Winther
Rosinter Restaurants



Steven Fisher
Citigroup



Sergey Riabokobytko
Cushman & Wakefield
Stiles & Riabokobytko
Ltd.



Jeff Woodbury
Exxon Ventures



Dorothy Lutter
U.S. Commercial
Service, U.S. Embassy
(Ex officio)



Pamela Quanrud
Economic Affairs
Section, U.S. Embassy
(Ex officio)

St. Petersburg Chapter

In 2004 the St. Petersburg chapter of the American Chamber of Commerce in Russia marked an important milestone when its membership surpassed 100. With 108 member companies at the close of 2004, the chapter boasted a 16 percent increase over the previous year. New members were drawn to the chapter through its intensive programming throughout the year, which included participation in several locally-held, international conferences and meetings with many of the region's top leaders, including St. Petersburg Gov. Valentina Matvienko. In 2004 the chapter also added its seventh committee – Tourism & Hospitality.

Chapter Executive Committee



Executive Committee Chairman
Lawrence E. Booker
 OAO Svetogorsk - International Paper



Honorary Chairman
Morris (Rusty) Hughes
 U.S. Consul General in St. Petersburg



Vice Chair
Maxim Kalinin
 Baker & McKenzie



John Schwarz
 Baltic Cranberry Corporation



Dimitrios Makavos
 Coca-Cola HBC Eurasia



James Sickinger
 Caterpillar Tosno LLC



Victor Rozhkov
 Citibank



Treasurer
Slava Vlasov
 PricewaterhouseCoopers



William Czajkowsky
 U.S. Principal Commercial Officer
 (Ex officio)

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 Operations Coordinator



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February 28, 2005

RE: Annual Review Conducted by:

Alinga Consulting Group, JSC, Moscow, Russia
and
Emerging Markets Group, LLC, St. Petersburg, Russia

TO: The Board of Directors of the American Chamber of Commerce in Moscow, Russia Inc. and AmCham Information Services Inc.

We have reviewed the accompanying consolidated balance sheets of The American Chamber of Commerce in Moscow, Russia Inc. and AmCham Information Services Inc. as of December 31, 2004, and the related statements of income for the year ended then. All information included in these financial statements is the representation of the management of The American Chamber of Commerce in Moscow, Russia Inc. and AmCham Information Services Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The American Chamber of Commerce in Moscow, Russia Inc. and AmCham Information Services Inc. as of December 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States.

Moscow, Russia

AmCham Financials

AmCham Financials

Consolidated Profit and Loss Statement 2003 and 2004

	Actual 2004	Actual 2003
<i>(in dollars)</i>		
Revenues		
Total Membership Dues	2,141,704	1,738,599
Publications & Advertisements	294,753	251,060
Conferences/Seminars/Speakers	359,026	120,496
Social Events	699,077	441,751
Total Income	3,494,560	2,551,906
Expense		
Advertising	7,356	19,750
Automobile	15,890	13,822
Bad Debt	36,090	16,060
Committee	36,268	41,785
Computer/Equipment & Maintenance	22,317	22,675
Conferences/Seminars/Speakers	179,797	106,228
Depreciation	36,305	28,448
Dues/Subscriptions/Registrations	13,423	15,584
Social Events	418,741	257,204
Finance Charges	-26,322	-8,268
Meeting Participation	5,293	140
Office Supplies	32,956	33,268
Payroll	1,330,631	1,191,223
Postage & Delivery	16,115	13,573
Printing and Reproduction	10,786	14,614
Professional Fees	34,331	40,474
Public Relations	80,511	83,123
Publications	136,252	136,431
Rent	233,766	232,738
Russian-American Business Dialogue	134,526	146,517
Taxes	83,585	9,263
Telecoms	49,866	58,819
Travel and Entertainment	130,438	175,886
VAT	4,176	-4,120
Total Expense	3,023,095	2,645,237
Net Ordinary Income	471,465	-93,331

Consolidated Balance Sheet For Years Ending December 31, 2003 & 2004

	December 2004	December 2003
<i>(in dollars)</i>		
ASSETS		
Current Assets		
Cash	1,290,505	427,805
Net Accounts Receivable	151,327	213,807
Prepaid Expenses/Other Current Assets	224,318	221,329
Total Current Assets	1,666,149	862,941
Fixed Assets	37,332	61,205
TOTAL ASSETS	1,703,481	924,146
LIABILITIES & EQUITY		
Current Liabilities		
Accounts Payable	37,072	102,048
Prepaid Memberships	667,895	346,965
Prebilled Publications & Events	9,525	71,535
Other Current Liabilities	155,285	41,359
Total Current Liabilities	869,776	561,907
Equity		
Opening Balance Equity	18,864	18,864
Retained Earnings	343,376	436,707
Net Income	471,465	-93,331
Total Equity	833,704	362,240
TOTAL LIABILITIES & EQUITY	1,703,481	924,146

AmCham Financials

AmCham Staff



Tatiana Raguzina
Vice President
for Policy



Irina Zernova
Vice President
of Operations



Alexander Kravtsov
Communications
Director



Mary Washburn
Director of Finance



Irina Andzhel
Events Coordinator



Marina Popova
Marketing and Sales
Coordinator



Maria Tchekolskikh
Accountant



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Committee Relations
Manager



Julia Radivilova
Office Manager

U.S. Representatives



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Executive Assistant
to the President



Dmitry Smirnov
Systems Administrator



Christina Bolton
Washington Representative



Anna Ganeeva
Policy Projects
Manager



Olesya Smirnova
Administrative
Assistant



Ambassador
Gilbert Robinson
U.S. Communications
Advisor



Katya Gerasimova
Assistant to the
Director of Finance



Sergey Starikov
Legislative Affairs
Manager



Paul Hinshaw
Communications
Manager



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Tax Advisor



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