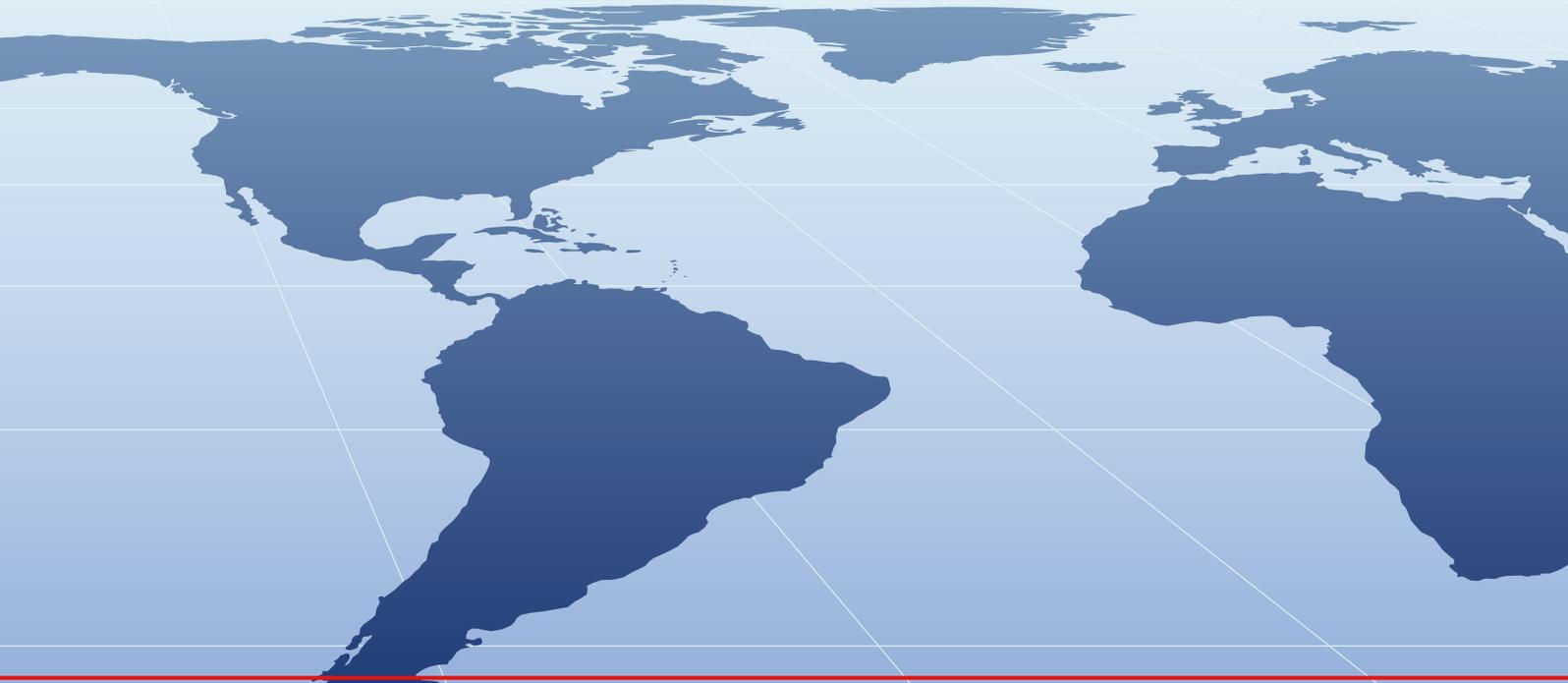


AMERICAN CHAMBER OF COMMERCE IN BULGARIA

BOARD OF DIRECTORS • ANNUAL REPORT FOR THE YEAR 2014



December, 2014 • Sofia • Bulgaria

SOFIA, DECEMBER, 2014

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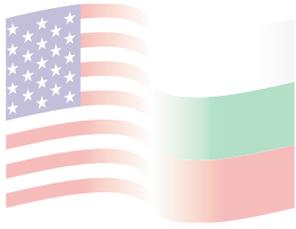
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REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2014

DEAR AMCHAM MEMBERS:

On behalf of the American Chamber of Commerce Board of Directors it is my pleasure to present you with our Annual Report for 2014.

The information below presents a snapshot of the highlights of 2014 for the Chamber – our vigorous involvement in advocacy and transparent lobbying, our devotion to continuously working towards achieving a more sustainable business climate in the country and our efforts in extending our network, within the country and abroad.

The past year in Bulgaria was marked by political turbulence and social unrest. In these circumstances AmCham remained an active listener and promoter of its members'

needs in front of the three governments that were in power over the past year.

Among the Chamber's pivotal projects in 2014 was re-issuance of an updated White Paper, developed ahead of the parliamentary elections. Taking into account the challenges facing the Government, including low stakeholder confidence in public institutions, concerns about the business and investment climate, and slow economic growth, AmCham presented its policy recommendations for much needed reforms in key sectors of the economy. The paper was presented to and discussed with leading political parties prior to the election and we remain opti-





mistic that many of our recommendations will be taken into consideration by the newly elected Government.

AmCham Committees were especially active during the past year in advocating for members' interests in sector specific policy and legislative issues. They developed a series of official proposals addressed to the Government for improving the existing legislative framework in Bulgaria.

Among the most prominent position papers was the Energy Sector Position Paper. AmCham urged that reforms in the energy sector should be based on fundamental principles of transparency, predictability, and sustainability, and called for expanded and improved consultation with all relevant stakeholders. AmCham supported the Government through participation in the new Energy Board, which we hope will be maintained in the future, and also with other stakeholders through the "Save the Energy Sector" initiative.

The Labour Code Amendments position paper, developed by the AmCham HR Committee, called for more flexible regulations for traineeships, in order to stimulate employers to hire young people as trainees. Public Procurement and Public-Private Partnerships has also been a topic of great interest. In May, Mr. Richard Norment, former executive director of the U.S. National Council for Public-Private Partnerships, joined a roundtable discussion on the topic, alongside high-level experts from public institutions and the business community in order to share experiences and best practices from Bulgaria and abroad. The AmCham Public Procurement and EU Funding Committee was also vigilant of changes in the current legislation and advocated

for a renewed strategy and vision for public-private partnerships (PPPs).

One of the initiatives of which we are particularly proud is the "100 Jobs" project, initiated by the Board member Sergei Koinov and the CSR Committee. The project aims to make our CSR efforts more sustainable by furthering our work with disadvantaged youth. The project supports socially disadvantaged young people with potential for development, providing them the opportunity to start a career in an AmCham member company.

Overall, we are pleased with the initiation and effective first steps of the new committees in the areas of health-care and energy and mineral resources. The number of participants in the committees' meetings tells about the interest and the need for such structures. The committees are a good venue for AmCham positions and statements to be formulated that serve as the basis of our further communication with the Government on the economic and social agenda and business priorities.

In the past year AmCham had the pleasure of partnering with several other business organizations and bilateral chambers. We worked on several events and projects jointly with the U.S. Embassy in Sofia, the Bulgarian Chamber of Commerce and Industry, the German-Bulgarian Chamber of Commerce and Industry, Confindustria Bulgaria and the Austrian Business Circle, to name a few.

Among the highlights of the 2014 events calendar was the "Rule of Law: Fundamental Principle for a Sustainable Business Environment" conference, which took place in July. Together with our partners from the German-

Bulgarian Chamber of Commerce and Industry and the Austrian Business Circle, we discussed the need to ensure implementation and maintenance of high standards in the regulatory environment, law enforcement and judiciary, open and active dialogue between business, government, and civil society, and proper governance of key areas of the economy as crucial prerequisites for the development of a sustainable business environment in the country.

In September, AmCham, in partnership with the U.S. Embassy in Sofia and the Bulgarian Chamber of Commerce and Industry, organized a conference on “Regulatory Impact Assessment for Better Governance”. The conference provoked constructive dialogue on the need for regulatory impact assessment implementation in the achievement of economic prosperity and presented foreign best practices in this field. Considering the pre-election period in which the conference took place, it is important to highlight the participation of the leadership of the main political parties in the discussion.

Another major highlight of our initiatives in 2014 was the “Transatlantic Trade and Investment Partnership (TTIP): SMEs Perspective”, which we organized jointly with Confindustria Bulgaria and in partnership with the U.S. Embassy, the Embassy of the Republic of Italy in Bulgaria and the Bulgarian Chamber of Commerce and Industry. The forum took place under the auspices of the Italian Presidency of the Council of the European Union and attracted high-level speakers from both negotiating parties: the European Commission and the U.S. Government. As a follow up on the TTIP conference from 2013, this year we focused not only on the current stage of the negotiations, but also on more tangible and specific effects of the transatlantic agreement and in particular the benefits it brings to small and medium enterprises on both sides of the Atlantic.

This past year AmCham Bulgaria undertook a new initiative, aimed at extending our network of partners and business contacts outside of Sofia, focusing on the large provincial capitals in the country. We visited Burgas in June, where together with the Burgas Municipality and the U.S. Embassy in Sofia we held a roundtable “Burgas:

Business opportunities for sustainable regional development”. Encouraged by the significant interest among the local business representatives and the positive feedback we received from members, we will continue to focus more of our activities on cities outside of Sofia in 2015 as well. We will also continue our fruitful cooperation with the other American Chambers in the CEE region, as well as AmCham EU and other AmChams in Europe.

In 2014, AmCham continued to fulfill its role as a prominent networking platform for local and international businesses. We organized several networking cocktails in partnership with Chamber members such as BNP Paribas, Postbank, Regus Bulgaria and Unique Estates.

In November AmCham took an active role in the investment promotion forums organized by the InvestBulgaria Agency in China and U.S.

In conclusion, on behalf of the Board of Directors I would like to assure the AmCham membership that we will continue to work hard in 2015 to fulfill our mission and goals. We will strive more than ever to maintain a high level of engagement within our membership and to focus our activities on matters of importance to you, our members, based on your input and constructive feedback. 2015 will be of significant importance, as we celebrate AmCham Bulgaria’s 20th anniversary. Over a 20 year period, the Chamber has established itself as a reputable and trusted network of leaders of the American, Bulgarian and international business communities. Our mutual efforts have created tangible building blocks for numerous milestones, which have contributed significantly to improving the country’s economic and business climate over the past 20 years. Our achievements would not have been possible without the continuous support and trust shown by our members over the years, the partnership we have with the U.S. Embassy and the U.S. Commercial Service and the committed work by the AmCham Office team.

On behalf of the Chamber, I would like to sincerely thank you for the vote of confidence and I look forward to continuing our productive cooperation in the years ahead!

Sincerely,

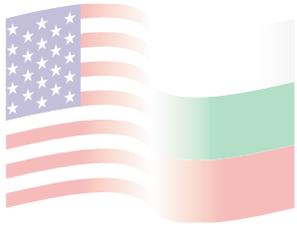


Peter Lithgow,

President

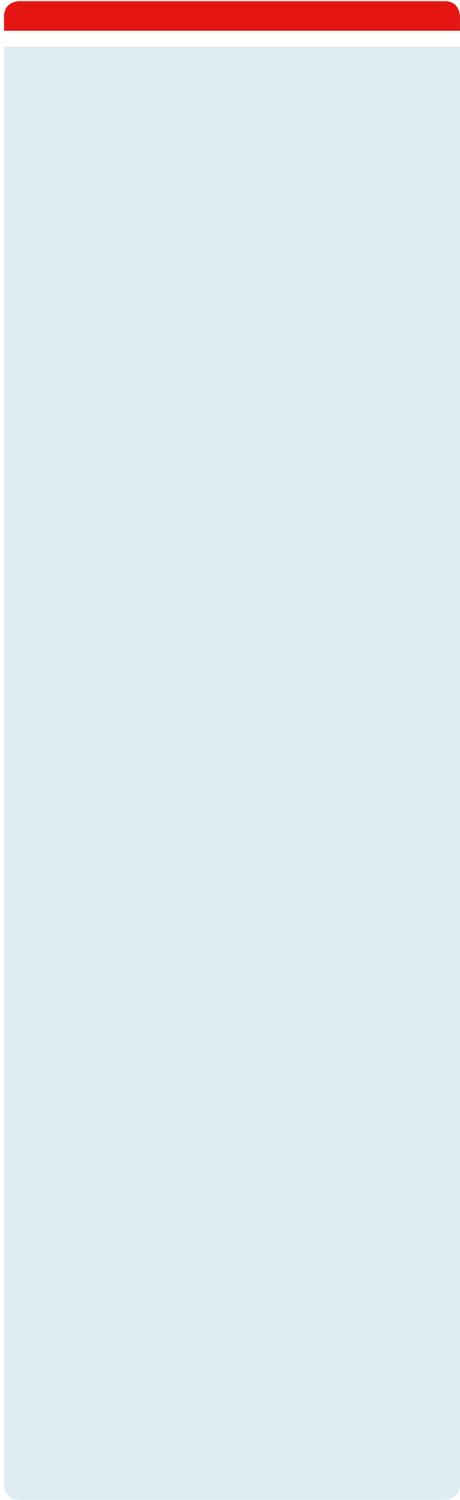
*American Chamber of
Commerce in Bulgaria*





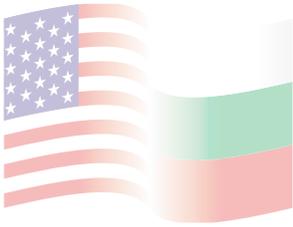
AMCHAM EVENTS IN 2014

-  JANUARY 16TH, 2014 BUSINESS LUNCH WITH PRIME MINISTER PLAMEN ORESHARSKI
-  JANUARY 23, 2014, BUSINESS AFTER HOURS COCKTAIL WITH REGUS
-  FEBRUARY 4, 2014, MEET NEW MEMBERS PARTY
-  MARCH 8TH, 2014, 10TH AMCHAM SKI TOURNAMENT AT PAMPOROVO RESORT
-  PARTNER EVENT: MARCH 11TH, 2014, BUSINESS BREAKFAST WITH IDC BULGARIA, IDC PREDICTIONS 2014
-  PARTNER EVENT: MARCH 12TH, 2104, NETWORKING COCKTAIL AMCHAM BULGARIA-CONFINDISTRIA
-  MARCH 24TH 2014, AMCHAM GENERAL ASSEMBLY MEETING
-  PARTNER EVENT: APRIL 4TH, 2014, LAUNCH OF 100 JOBS PROJECT WITH BCAF AND FORTON INTERNATIONAL
-  APRIL 7TH, 2014, BUSINESS AFTER HOURS COCKTAIL WITH BNP PARIBAS
-  PARTNER EVENT: APRIL 11, 2014, BUSINESS BREAKFAST WITH AON - BENEFITS COMMUNICATION AND THE LINK TO EMPLOYEES ENGAGEMENT
-  APRIL 25TH, 2014, BUSINESS BREAKFAST WITH THE MAYOR OF SOFIA YORDANKA FANDUKOVA
-  MAY 28TH, 2014, BUSINESS AFTER HOURS COCKTAIL WITH UNIQUE ESTATES
-  MAY 29, 2014, ROUNDTABLE: PRIVATE PARTNERSHIP AND PUBLIC PROCUREMENT: POLICY ENHANCEMENTS FOR MORE BUSINESS OPPORTUNITIES
-  PARTNER EVENT JUNE 4TH, 2014, AMCHAM - U.S. EMBASSY DISCUSSION "BOURGAS: BUSINESS OPPORTUNITIES FOR SUSTAINABLE REGIONAL DEVELOPMENT"
-  PARTNER EVENT JUNE 9TH, 2014, AMCHAM - ATLANTIC CLUB BULGARIA BUSINESS LUNCH WITH THE SLOVENIAN BUSINESS-ENTREPRENEUR MR. SANDI CESKO



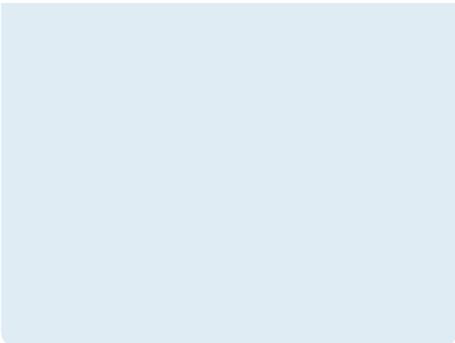
- ✚ PARTNER EVENT: JUNE 12, 2014, BUSINESS AFTER HOURS COCKTAIL WITH POSTBANK AND UNICEF “BEST START FOR EVERY CHILD”.
- ✚ PARTNER EVENT JUNE 23, 2014, AMCHAM – U.S. EMBASSY BUSINESS LUNCHEON WITH KENNETH E. HYATT, ACTING UNDER SECRETARY FOR INTERNATIONAL TRADE, U.S. DEPARTMENT OF COMMERCE
- ✚ PARTNER EVENT: JUNE 26, 2014, FOOTBALL HAPPENING - USA VERSUS GERMANY, ORGANIZED BY AMCHAM AND GERMAN-BULGARIAN INDUSTRIAL CHAMBER OF COMMERCE.
- ✚ JULY 5TH, 2014 , 20TH ANNUAL AMCHAM INDEPENDENCE DAY CELEBRATION
- ✚ PARTNER EVENT: JULY 8TH, 2014, CONFERENCE RULE OF LAW: FUNDAMENTAL PRINCIPLE FOR A SUSTAINABLE BUSINESS ENVIRONMENT, ORGANIZED BY THE AMERICAN CHAMBER OF COMMERCE, THE GERMAN-BULGARIAN CHAMBER OF INDUSTRY AND COMMERCE AND THE AUSTRIAN BUSINESS CIRCLE
- ✚ PARTNER EVENT, SEPTEMBER 10TH, 2014, CONFERENCE: REGULATORY IMPACT ASSESSMENT (RIA) FOR BETTER GOVERNANCE WITH US EMBASSY
- ✚ OCTOBER 2ND, 2014, AMCHAM NETWORKING RECEPTION WITH KEY OFFICERS OF THE U.S. EMBASSY
- ✚ OCTOBER 14TH, 2014, MEET THE NEW MEMBERS PARTY
- ✚ NOVEMBER 10TH, 2014, AMCHAM – U.S. EMBASSY ROUNDTABLE DISCUSSION “THE CURRENT STATUS OF U.S. SANCTIONS REGIME (RUSSIA AND IRAN)”
- ✚ NOVEMBER 24TH, 2014, THANKSGIVING COMMUNITY DINNER
- ✚ DECEMBER 2ND, 2014, CONFERENCE: TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP (TTIP): SMES PERSPECTIVE. PARTNERS OF AMCHAM WERE: CONFINDUSTRIA BULGARIA, BULGARIAN CHAMBER OF INDUSTRY AND COMMERCE, THE US EMBASSY IN BULGARIA, AND THE EMBASSY OF ITALY IN BULGARIA
- ✚ DECEMBER 8TH, 2014, AMCHAM GENERAL ASSEMBLY MEETING
- ✚ DECEMBER 10TH, 2014, AMCHAM CHRISTMAS PARTY





AMCHAM

EVENTS AT FOCUS

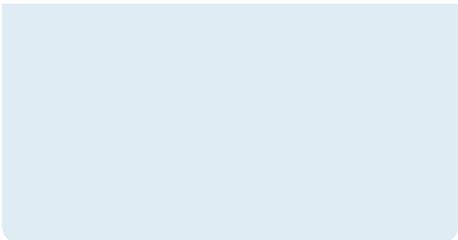


DIPLOMATS, LAWMAKERS AND BUSINESS DISCUSS RULE OF LAW EFFECTIVENESS IN BULGARIA

The American Chamber of Commerce, the German-Bulgarian Chamber of Industry and Commerce and the Austrian Business Circle organized on July 8th, 2014 a Conference Rule of Law: Fundamental Principle for a Sustainable Business Environment. Key-note speakers were: Rosen Plevneliev, President of the Republic of Bulgaria, H.E. Marcie Ries, U.S. Ambassador to Bulgaria, Gerhard Reiweger, Ambassador of the Republic of Austria, James R. Silkenat, President, American Bar Association, Director & Vice President of the World Justice Project, Dr. Christian Humborg, Executive Director, Transparency International Germany, Elizabeth S. Stong, U.S. Bankruptcy Court, Eastern District of New York, representatives of the business, diplomatic corps, governmental institutions, non-profit organizations, and media. The conference gathered more than 200 participants.

Rule of law and access to justice were elaborated in detail by Blagovest Pnev, Constitutional Court Judge, Daria Prodanova, chairperson, commercial department, Supreme Court of Cassation, Boyan Magdalinchev, Deputy Chairperson, Supreme Administrative Court, Silvi Chernev, Chairperson, Arbitration Court, Bulgarian Chamber of Commerce and Industry.

At the forum President Plevneliev stated: "We made mistakes, but we made the right civilization choice. Now, 25 years after the democratic changes, the fight is going on the other fronts - rule of law against dependent justice; free media against propaganda machines; thousands of small and medium-sized enterprises against a handful of oligarchs; institutions serving people against those serving lobbyists; tolerance within the different faith against all extremists; between modern patriotism and false nationalism, as we see today in Europe."



FORUM: REGULATORY IMPACT ASSESSMENT (RIA) FOR BETTER GOVERNANCE

The conference that was held on September 10th, 2014, provoked a constructive dialogue on the need of regulatory impact assessment implementation in the achievement of economic prosperity and presented the foreign best practices in this field. Key presenters were: Hristo Ivanov, then Deputy Prime Minister and Minister of Justice, Rumiana Bachvarova of GERB, Mihail Mikov, Bulgarian Socialist Party, Lutvi Mestan, Movement of Rights and Freedom, Meglena Kuneva, Bulgaria for Citizens Movement; Bruce Berton, Deputy Chief of Mission at U.S Embassy in Bulgaria; Marcie Ries, U.S. Ambassador to Bulgaria; Ryan Barnes, International Trade Administration, U.S. Department of Commerce; Hoyt Yee, Deputy Assistant Secretary, U.S. Department of State; Johnathan Allen, U.K. Ambassador in Bulgaria U.S.; Alex Hunt, Branch Chief Information Policy, Office of Information and Regulatory Affairs, U.S. Office of Management Budget.

The conference was a team effort of AmCham Bulgaria, U.S. Embassy, Bulgarian Chamber of Industry and Commerce, and was kindly supported by the U.K. Embassy in Bulgaria, Enterprise Europe Network, the European Commission.



AMCHAM BULGARIA ORGANIZES A SECOND FORUM ON THE TTIP PERSPECTIVES

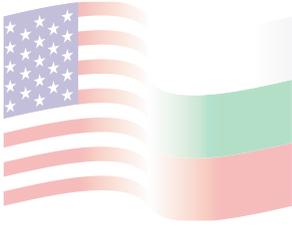
For a second year in a row, the American Chamber of Commerce in Bulgaria organized a Conference entitled “Transatlantic Trade and Investment Partnership (TTIP): SMEs Perspective” on December 2, 2014. Partners of AmCham were: Confindustria Bulgaria, Bulgarian Chamber of Industry and Commerce, the US Embassy in Bulgaria, and the Embassy of Italy in Bulgaria.

Key official guests of the conference were Meglena Kuneva, Deputy Prime Minister for European Policy and Institutional Issues, Bozhidar Loukarski, Minister of Economy, Marco Conticelli, Ambassador of the Republic of Italy to Bulgaria, Marcie B. Ries, U.S. Ambassador to Bulgaria, Christina Sevilla, Deputy Assistant, U.S. Trade Representative for Small Business, Lori Cooper, Senior Policy Advisor, Office of European Union, U.S. Department of Commerce, Marco Felisati, Deputy Director, International Affairs, Confindustria, Ognian Zlatev, Head, Representation of the European Commission in Bulgaria.

The forum elaborated in depth the new opportunities that TTIP will create in both for the US and the EU. These opportunities will be particularly valuable for SMEs, given that non-tariff barriers tend to disproportionately burden smaller firms, which have fewer resources to overcome them than larger firms.

It has been calculated that the total turnover between the two sides of the Atlantic would be 5 trillion USD. TTIP could significantly influence the mobility of skilled and specialized professionals, thereby counteracting the shortage of skilled workers on both sides of the Atlantic.





2014 POLICY / ADVOCACY REPORT

CSR COMMITTEE

Chairs: **Elitza Barakova**, BCAF

Initiatives: "100 Jobs" Project developed by Forton International and the Bulgarian Charities Aid Foundation (BCAF) under the umbrella of AmCham Bulgaria. The project objective is to employ 100 disadvantaged young people in AmCham member companies in 2014.

ENERGY AND MINERAL RESOURCES COMMITTEE

Co-Chairs: **Alex Nestor**, AmCham Vice-President
Aneliya Erdly, Silver Ridge Power

Issues and Advocacy Activities:

Provision of comments and recommendations for ensuring stability, transparency, and predictability of the energy sector in Bulgaria; drafting position papers related to legislative initiatives (e.g. 20% fee on RES producers' revenues; Energy Regulator's decisions and compliance with EU rules and regulations in the area of energy and environment); outreach with members of the Parliamentary Energy Committee, Ministry of Economy and Energy, Diplomatic Missions; participation and contribution to "Save the Energy Sector Initiative" representing key energy sector's stakeholders.

HEALTHCARE COMMITTEE

Chair: **Krassimira Chemishanska**, Amgen

Deputy Co-Chairs: **Dimitar Dimitrov**, Sopharma Trading
Kiril Nikolchev, AbbVie

Issues and Advocacy Activities:

Provision of legislative and policy input - drafting position papers (Position Papers on proposed amendments of the Health Insurance Act; Law on Health; Law on Medicinal Products in Human Medicine); acting upon advocacy requests of AmCham member companies; dealing with priority issues as healthcare system financing, access to innovations, clinical trials, e-health, workforce development and retention, business ethics and



anti-corruption practices; cooperation and partnership with organizations/institutions as AmCham EU; ARPharM; AmPharMA; British Embassy and Embassy of the United States of America in Sofia, Bulgaria; outreach with relevant institutions.

HUMAN RESOURCES COMMITTEE

Co-Chairs: **Dobromira Manasieva**, VIVACOM
Zlatina Kushkueva, AVON

**Issues and
Advocacy Activities:**

Formulation of positions related to improvement and modernization of the labor legislation (incl. introduction of more flexible forms of employment; less restrictions on the use of fixed contracts; amendments of the requirements and regulations for overtime and temporary work; promotion of e-processes); joint initiatives with AmCham Tax Committee related to labor and social security issues (e.g. increase of maximum social security threshold); advocacy activities with members of the Parliamentary Committee on Labor and Social Policy and the Ministry of Labor and Social Policy; provision of a platform for exchange of human resources' best practices and trends (employee satisfaction; compensation policies; use of HR technology-based processes).

PUBLIC AFFAIRS COMMITTEE

Co-Chairs: **David Butts**, CMS Cameron McKenna
Diana Pazaitova, Fama Consulting

**Issues and
Advocacy Activities:**

Focusing its work on improving the business environment and investment climate in Bulgaria, as well as promoting the principles of transparency, predictability and sustainability in policy and legislative processes; developing opinions and position papers on various policy issues as investment promotion, e-governance, re-industrialization, environmental (water) issues; outreach with AmCham stakeholders including state institutions, business organizations, and NGOs.

PUBLIC PROCUREMENT AND EU FUNDING ADVISORY COMMITTEE

Co-Chairs: **David Hampson**, AmCham Individual member
Zlatina Ruseva-Savova, AmCham Individual member

**Issues and
Advocacy Activities:**

Provision of up-to-date information in the area of public procurement (2014 revision of EU public procurement rules; proposed amendments of the current Public Procurement Act, and drafting of a new Public Procurement Act), EU funding opportunities (new EU Programming Period and Operational Programs 2014-2020), and public-private partnerships (PPPs); drafting comments and proposals related to legislative initiatives in the area of public procurement and PPPs; advocating with key stakeholders from the Ministry of Economy and Energy, Public Procurement Agency, and Parliamentary Legal Affairs

Committee on issues as promotion of transparency and equal access/participation in public procurement; e-procurement; improved tender award procedures; capacity building.

QUALITY MANAGEMENT WORKING GROUP

Chair: Vyara Stankova, Intertek

Activities: Promotion of the importance of quality control and standards for better products and successful business; provision of a platform for AmCham members interested in quality management systems to share quality management practices, create benchmarks, and commence quality initiatives.

Topics covered by the Quality Management Working Group in 2014: "Resource Efficiency in Knowledge-Based Economy: Developing competencies necessary for business optimization" and "Road Traffic Safety: Responsibility of Business".

TAX COMMITTEE

Co-Chairs: Milen Raikov, EY Bulgaria
Paul Tobin, PwC

**Issues and
Advocacy Activities:**

Fostering stability and predictability in the tax system to support development and growth of the Bulgarian economy; provision of up-to-date information to AmCham members on key developments in Bulgaria's tax policy and legislation (e.g. sessions on the implications of the U.S. Foreign Account Tax Compliance Act (FATCA) and the new Act on the Economic and Financial Relations with Companies Registered in Preferential Tax Regime Jurisdictions, the Persons Related to Them and Their Beneficial Owners); drafting proposals and recommendations aimed at improving the legislative framework and tax practice (e.g. introduction of binding rulings; voluntary disclosure; excise tax calendar).

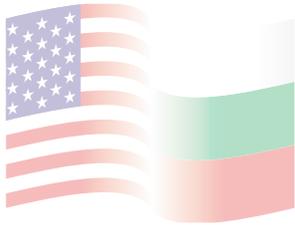
2014 AMCHAM WHITE PAPER

In September 2014, the American Chamber of Commerce in Bulgaria issued its White Paper including recommendations to the next Government in areas as economic and financial stability; regulatory predictability and rule of law; investment promotion; taxation; public procurement and public-private partnerships; education, entrepreneurship, and labor policy; healthcare; energy and mineral resources; international cooperation and trade partnerships; and banking and financial services.

The Chamber's key policy document was developed thanks to the insights and input provided by AmCham Committees' membership.

AmCham Bulgaria's Board members had the opportunity to discuss the White Paper with representatives of the leadership of the main political parties running for the snap elections in October 2014. During the meetings with parties' representatives, the Board members highlighted the core issues faced by AmCham member companies, as well as outlined constructive proposals for their solution.





COMPARATIVE ANALYSIS BUDGET

2014-2015

COMPARATIVE ANALYSIS BUDGET 2014-2015

	Total Budget 2014	Total Actual preliminary 2014	Total Budget 2015
INCOME			
Mem. Fees Current members	560,000	492,514	532,000
Mem. Fees – New members	23,000	40,310	23,000
Events	350,000	301,107	380,000
AmCham Publications	100,000	74,111	100,000
Other		14,382	3,400
TOTAL BGN:	1,033,000	922,424	1,038,400
EXPENSES			
Events	300,000	240,870	300,000
AmCham Publications	100,000	84,935	100,000
Salaries and Bonuses	395,000	389,058	415,000
Other administrative costs	223,000	203,928	220,000
TOTAL BGN:	1,018,000	918,791	1,035,000
SURPLUS (DEFICIT)	15,000	3,633	3,400

EXPLANATORY NOTES:

On the income side: Our goal is the retention of the current members and a slight increase in the membership. We also plan to organize more events that can bring additional income to the Chamber. The 20th anniversary of AmCham is a good opportunity to engage members in more diversified activities both locally and internationally.

On the expense side: The activities we plan to conduct may lead us to a recruitment of additional staff primarily on part time and/or recruitment of interns. Also we may need to upgrade some of the assets of the Chamber and/or purchase new office equipment. More international activities and enhanced regional cooperation with AmChams in the CEE region will also demand additional funding.



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Independent auditors' report

To the Board of Directors of American Chamber of Commerce in Bulgaria

Report on the financial statements

We have audited the accompanying financial statements of American Chamber of Commerce in Bulgaria, which comprise the statement of financial position as of 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and presentation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, as adopted for use in the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Translation in English of the official Auditors' Report issued in Bulgarian

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of American Chamber of Commerce in Bulgaria as of 31 December 2013, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted for use in the European Union.

Report on other legal requirements

Pursuant to the requirements of the Bulgarian Accountancy Act, article 38, paragraph 4, we read the Annual Management Report accompanying the financial statements for the year ended 31 December 2013.

In our opinion, the information given in the Annual Management Report is consistent with the accompanying annual financial statements as of 31 December 2013.


 Milka Natcheva-Ivanova
 Executive Director
 Ernst & Young Audit OOD


 Nikolay Garmov, CPA
 Registered Auditor

11 August 2014
 Sofia, Bulgaria

Translation in English of the official Auditors' Report issued in Bulgarian



STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2013

(All amounts are in BGN thousands unless otherwise stated)

	Notes	2013	2012
Membership fees		344	554
Rendement of services	3.1	262	464
Revenue		606	1,018
Other income	3.2	20	24
Materials and consumables		(13)	(21)
Personnel expenses	3.3	(329)	(288)
Depreciation and amortisation		(13)	(12)
Hired services	3.4	(423)	(311)
Other expenses	3.5	(133)	(209)
Operating activities		7	1
Finance cost	3.6	(6)	(3)
Finance income	3.7	10	13
Profit before tax		11	11
Income tax expense	4	-	-
Profit for the year		11	11
Other comprehensive income net of taxes		-	-
Total comprehensive income net of taxes		11	11

Valentin Karanfilov Georgiev
Executive Director



Bilyana Alexandrova Petrova
Chief Accountant

These financial statements were authorized for issue by the Board of Directors on 10 July 2014.
The accompanying notes from page 7 to page 27 are an integral part of these financial statements.



Translation in English of the Chamber's official financial statements issued in Bulgarian.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

(All amounts are in BGN thousand unless otherwise stated)

	Notes	2013	2012
ASSETS			
Non-current assets			
Property, plant and equipment	5	137	140
Intangible assets	6	1	-
		138	140
Current assets			
Trade and other receivables	7	136	179
Prepayments		2	2
Cash and cash equivalents	8	671	551
		769	732
TOTAL ASSETS		907	872
EQUITY AND LIABILITIES			
Retained earnings			
		589	578
Non-current liabilities			
Employee benefit liabilities upon retirement	9	1	1
		1	1
Current liabilities			
Trade and other payables	10	68	53
Deferred income	11	249	240
		317	293
Total liabilities		318	294
TOTAL EQUITY AND LIABILITIES		907	872

Valentin Karanfilov Georgiev
Executive Director



Bilyana Alexandrova Petrova
Chief Accountant

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The accompanying notes from page 7 to page 27 are an integral part of these financial statements.

EY 11-00-2014

Ernst & Young Audit of Bulgaria

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2013

(All amounts are in BGN thousand unless otherwise stated)

	Retained earnings	Total
At 1 January 2012	567	567
Profit for the year	11	11
Other comprehensive income	-	-
Total comprehensive income	11	11
At 31 December 2012	578	578
At 1 January 2013	578	578
Profit for the year	11	11
Other comprehensive income	-	-
Total comprehensive income	11	11
At 31 December 2013	589	589



Valentin Karanfilov Georgiev
Executive Director



Bilyana Alexandrova Petrova
Chief Accountant

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Translation in English of the Chamber's official financial statements issued in Bulgarian.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2013

(All amounts in BGN thousand unless otherwise stated)

	Notes	2013	2012
Operating activities			
Profit before tax		11	11
Adjustment to reconcile profit before tax to net cash flows			
Non-cash:			
Depreciation of property and equipment	2	13	12
Movements in accumulated allowance for bad debt	7	-	6
Movements in provisions for unused paid leaves	10	2	3
Interest income	3.7	(10)	(13)
Working capital adjustments:			
Decrease / (increase) in trade and other receivables and prepayments		43	(61)
Increase in trade and other payables and prepaid membership fees		22	23
Interest received		10	13
Net cash flows from / (used in) operating activities		91	(60)
Investing activities			
Purchase of property, plant and equipment		(11)	(1)
Net cash flows used in investing activities		(11)	(1)
Financing activities			
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		80	(7)
Cash and cash equivalents at 1 January		551	558
Cash and cash equivalents at 31 December	8	631	551

Valentin Karanfilov Georgiev
Executive Director



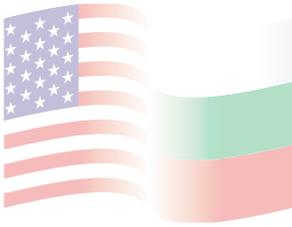
Bilyana Alexandrova Petrova
Chief Accountant

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AMCHAM BULGARIA IN THE MEDIA IN 2014

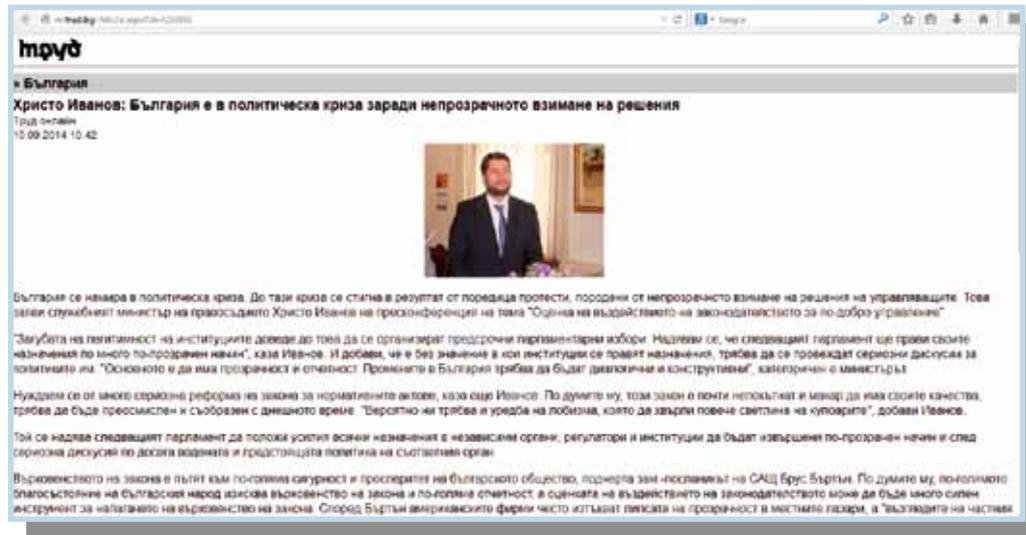
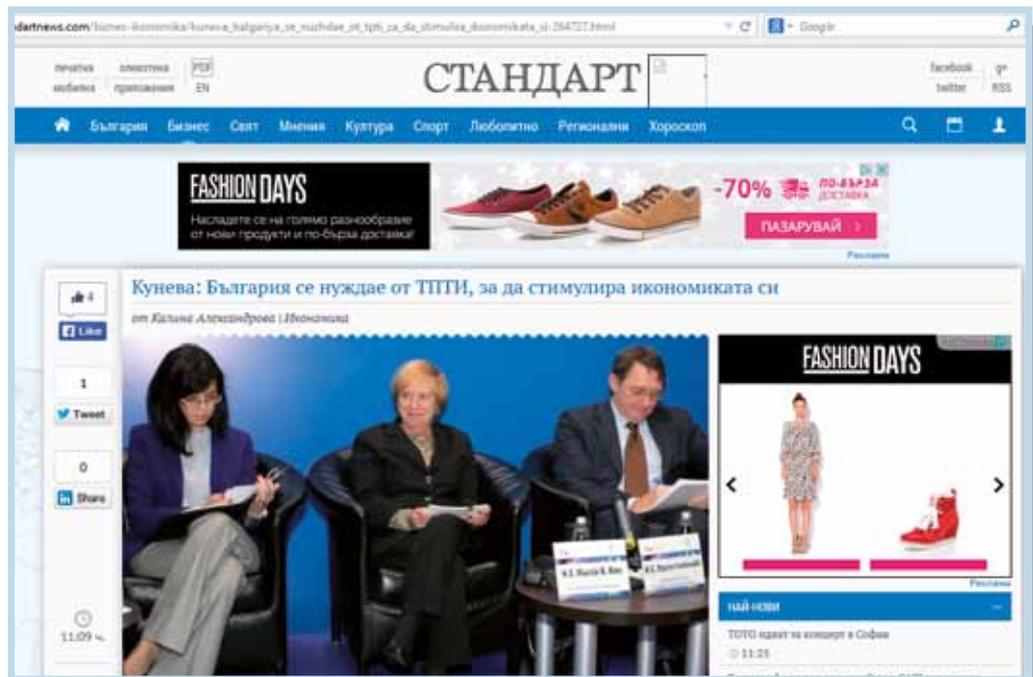
In 2014 the events, activities and initiatives of AmCham Bulgaria were covered and quoted over 350 times with thousands of views per page in the Bulgarian TV stations, press, Internet media, and radio. AmCham gave many interviews for the Bulgarian media.

Media reports appeared in:

TV channels: BNT, bTV, Nova TV, Evropa TV, TV 7, TV + ; Economy.bg TV, Bulgaria on Air TV

Radio&Internet media: Bulgarian National Radio, Darik Radio; Radio Focus; Econ.bg, BGNES, BTA; Novinite.com; Dnevnik online, The Sofia Globe, Dir.bg, Actualno.com

Press: Capital Daily and Weekly, Sega Daily, Pressa, Trud, 24 Chasa, Monitor, Standard Daily, Telegraph, Stroitel Newspaper, Gradat Media Group, b2b Magazine, Economy Magazine, New York Times





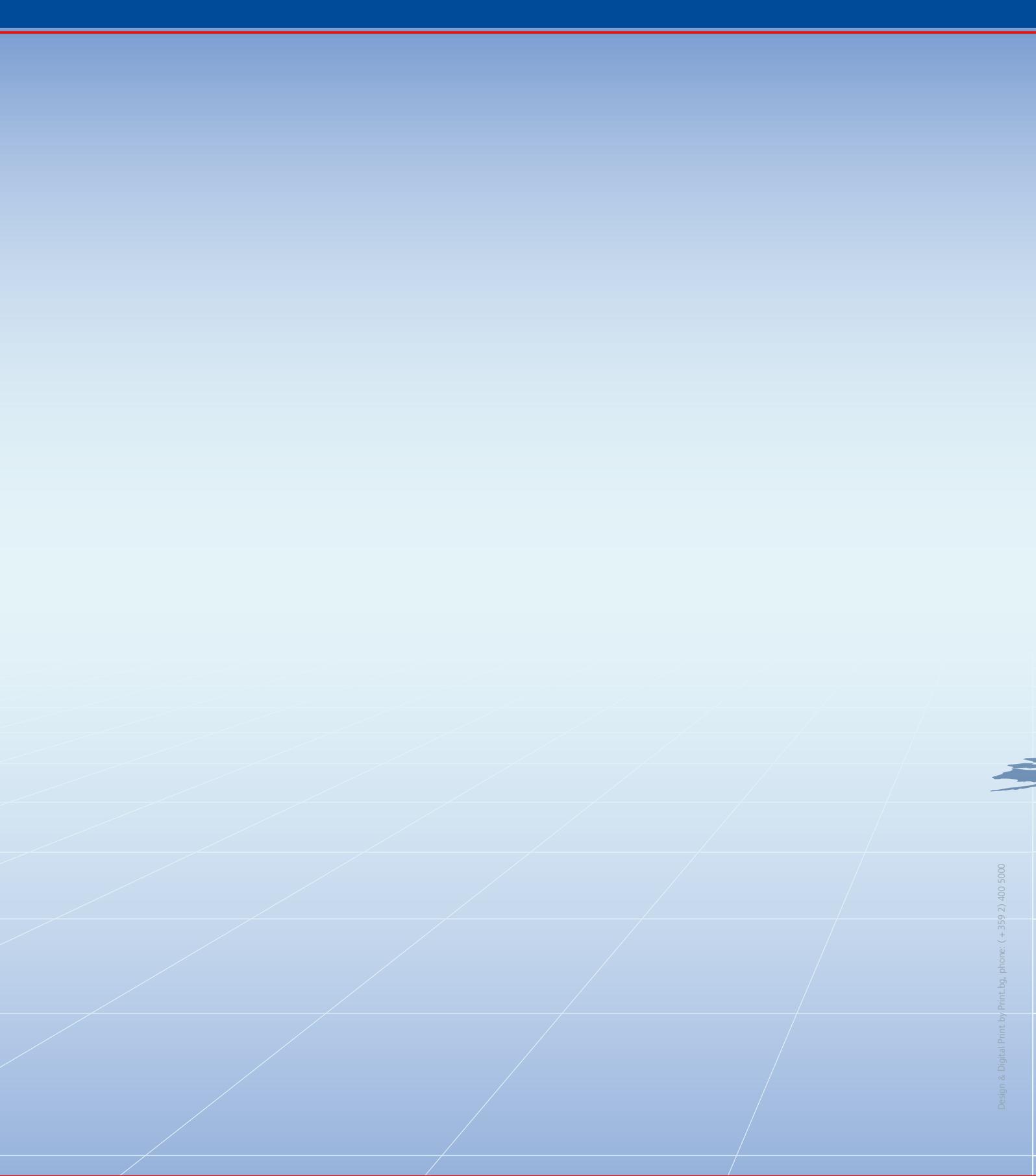
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