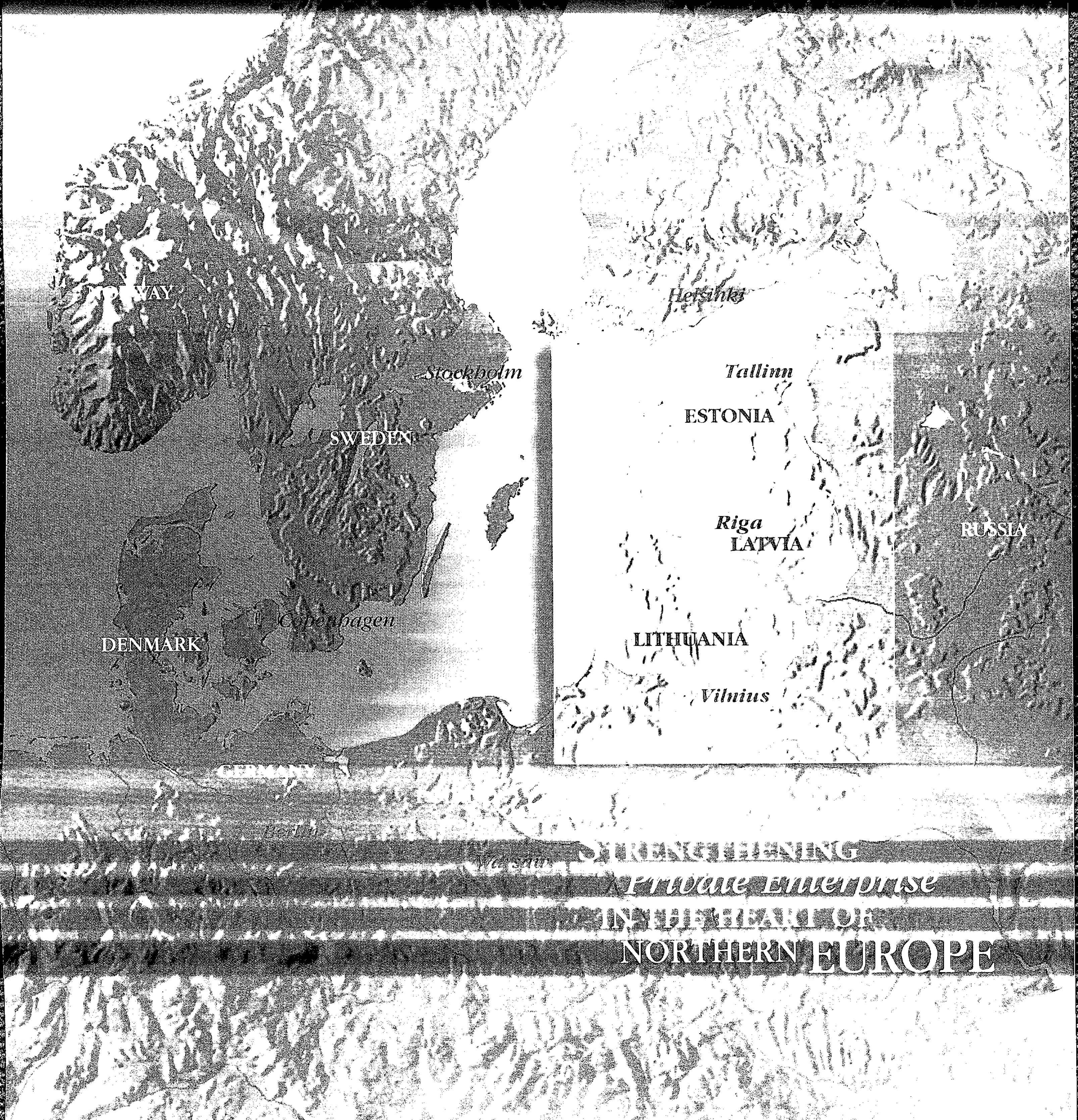
ANNUAL REPORT 1996

BALTIC-AMERICAN ENTERPRISE FUND



STRENGTHENING *Private Enterprise* IN THE HEART OF NORTHERN EUROPE

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Mission and Organization of the Fund

Strengthening Private Enterprise in the Heart of Northern Europe

MISSION

The mission of the Baltic-American Enterprise Fund is to participate in the strengthening of democracy and the promotion of private sector businesses through the provision of cost-effective enterprise development assistance, on behalf of the United States Government. Through the infusion of new capital resources, the Fund assists in the development of the small and medium-size private enterprise sectors of Estonia, Latvia, and Lithuania utilizing a variety of investment vehicles in support of these and other such activities as are authorized by the Board of Directors and are in conformity with the Support for East European Democracy Act of 1989 (the SEED Act).

ORGANIZATION

The Baltic-American Enterprise Fund is a private sector not-for-profit corporation funded by United States Government public sector money through the Agency for International Development. Its sole purpose is to support the development of small to medium-size private enterprises in the Baltic States. It operates as an autonomous organization with authority to manage its operations in a manner appropriate to its program in the Baltic States.

Recognizing that the Baltic States comprise three separate, sovereign, and ethnographically distinct countries, the Fund operates a Representative Office in the capital city of each of its host countries. Each Representative Office is responsible for originating, analyzing, and recommending business transactions and for administering the Fund's portfolio in country. All requests for loans, investments, guarantees, or technical assistance are reviewed and acted upon at the Fund's head office in Washington, D.C. All transactions are denominated in U.S. dollars and all credit facilities, investments, and guarantees are domiciled in the United States.

The Fund adheres to serious credit disciplines to insure the maintenance of loan quality. A credit administration function has been established in each Representative Office to monitor compliance with loan covenants, verify collateral, provide early warning of credit problems, and recommend risk rating adjustments.

The Fund is governed by an independent Board of Directors appointed with the advice of the President of the United States. The Board serves without pay.

Investment decisions are made by the Executive Committee, membership in which includes three Directors at a minimum: the Chairperson or Vice Chairperson, the President, and any third member of the Board.

Audit functions are controlled and overseen by the Audit Committee which consists of three Directors who meet to plan each year's audit and to review the Audit Report and the Management Report prepared by the independent accountants.

An Advisory Council has been established to provide the Board with insight, advice, and counsel from citizens of the countries in which the Fund operates.

Letter to Constituents

We are pleased to report that the Fund's growth during 1996 was strong and solid. At the close of the first full program year, we have demonstrated the importance of the Enterprise Fund concept in the development of a market economy, a culture of entrepreneurship, and a vital middle class in the three countries touched by the Fund's activities. The Fund has received recognition both as a partner in development and as a well-managed business. We attribute our 1996 success to three factors: outstanding, dedicated performance by the Fund's Board of Directors, management, and staff; adherence to serious credit disciplines; and the strategic decisions we made and put in place when the Fund was launched.

We are proud of having achieved our three primary program goals during the year: extending loans in many of the small towns and rural areas of the countries we serve, booking repeat business with several customers whose businesses are flourishing, and building cash reflows upon which our plans to redeploy capital are based. The Fund concluded the period October 1995 - September 1996 with 47 loans totaling $9.4 million approved. The loans range in size from $13,500 to $1,000,000, and have assisted entrepreneurs with over 100 employees and fewer than ten employees. Fund loans financed expansions and job creation in wood processing, transportation, photo finishing, hospitality, wholesale/retail sales, meat processing, garment manufacture, graphics design, and other businesses. Many of these projects supported export promotion, import substitution, and improvements in technology. Every loan on the books as of September 30, 1996, was performing — that is, all loans were current in payments of principal and interest.

We believe that capital must be invested in ways that produce appropriate returns, given the development role of the Fund and the risks associated with business financing in the new democracies where we work. Earnings on invested capital grew throughout the year. At year's end, September 30, 1996, the Fund was realizing earnings over $55,000 per month on loan disbursements of $6,287,400. The Fund has chosen to provision all of its loans based on proven conservative risk rating standards. We also place significant emphasis on controlling administrative expenses, as is reflected in the Fund's financial statements. The Fund is capitalized at $50 million of which $24.525 million has been obligated for the Fund by USAID as of September 30, 1996.

Experience during the past fiscal year has confirmed the soundness of a program approach concentrated on loans. As a small program, we required a standardized product that could be deployed quickly to as many small and medium-size enterprises as possible. Loan covenants permit the Fund to monitor and guide the loans with a fair degree of precision. Equity investments, by contrast, tend to be unique and can impose large costs on overhead. We remain open to the possibility of taking an equity position at some time in the future when that course of action may make good business or development sense.

The technical assistance component of our program is focused on assisting clients to understand and manage their businesses better. This takes the form of assistance with the preparation of loan applications, business plans, and loan follow-up. Since we lend directly to our clients, and stay close to them throughout the life of their loans, we are well-positioned to provide this kind of support.

We continue to improve our controls. A credit administration function has been established in each Representative Office to monitor compliance with loan covenants, verify collateral, provide early warning of credit problems, and recommend credit risk rating adjustments.

We are tightening our organization, broadening and strengthening our product array to fit our marketplace. This will continue. During the fourth quarter of the fiscal year, the Fund established a non-revolving $6 million residential mortgage loan program to demonstrate the market potential for residential mortgage financing among the growing middle class business people of the Baltic States. Local mortgage lending laws have been reviewed, loan documentation has been prepared, and eight loans totaling $249,400 have been approved after the end of the fiscal year.

We are committed to deliver performance. Pursuing the broad objective that inspired the Enterprise Fund concept, the program is well on its way to achieving the specific objectives it was designed to accomplish. More than 75 percent of borrowers are located outside the capital cities where banking services are harder to come by and the need for job creation is pressing. Overall, the Fund's borrowers employ more than 1600 people and expect to create almost 600 new jobs as a direct consequence of the business expansions financed through Fund loans. Many of these jobs will be created in rural areas. The district maps on the following pages show the geographic distribution of the Fund's loans to date.

We would like to take special note of our capable and hard-working Board of Directors who assure that corporate governance and Board structure meet the tests of current best practice. The Board meets quarterly and has visited the business operations of the Fund's clients and met with local staff in Estonia, Latvia, and Lithuania. These visits have confirmed the importance of the technical assistance our local offices provide to our clients and the value of the technical training sponsored for local staff, whose skills will build the financial infrastructure of their countries' futures. The Audit Committee meets regularly on a scheduled basis and provides direct communication between the independent accountants and all Directors. The Executive Committee met seven times in fiscal year 1996 to consider loan applications.

Consistent with enabling legislation, an Advisory Council has been established to provide the Board with insight, advice, and counsel from citizens of the countries in which the Fund operates. An eminent person from each of the three Baltic States has accepted appointment to the Advisory Council, the first meeting of which was held in Riga during the Board's visit in October 1996.

This has been an exciting year. We appreciate the support of our management and staff, and value the positive relationship we have established with U.S. Government officials and agencies. We are particularly appreciative of our clients for their continuing confidence and trust.

The Honorable Rozanne L. Ridgway
Chairman of the Board

Brewster P. Campbell, Jr.
President and Chief Executive Officer

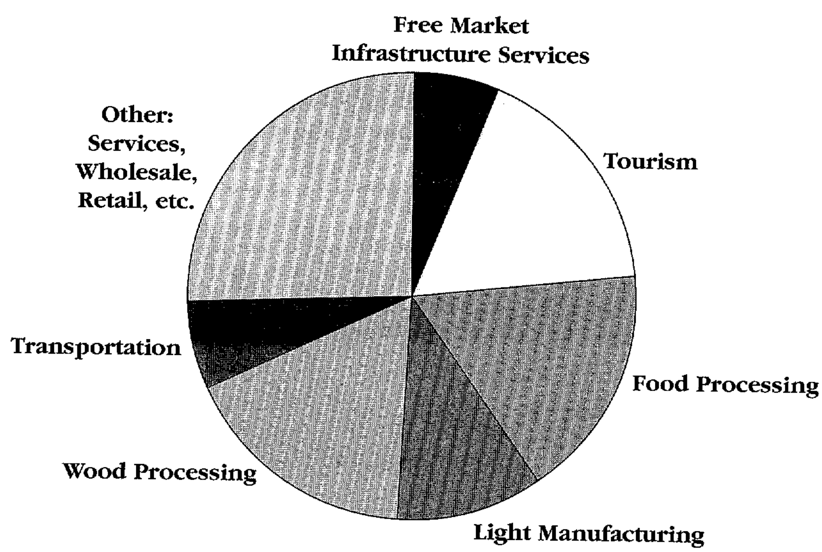
Washington, DC
December 30, 1996

A Review of Major Developments

THROUGH SEPTEMBER 30, 1996

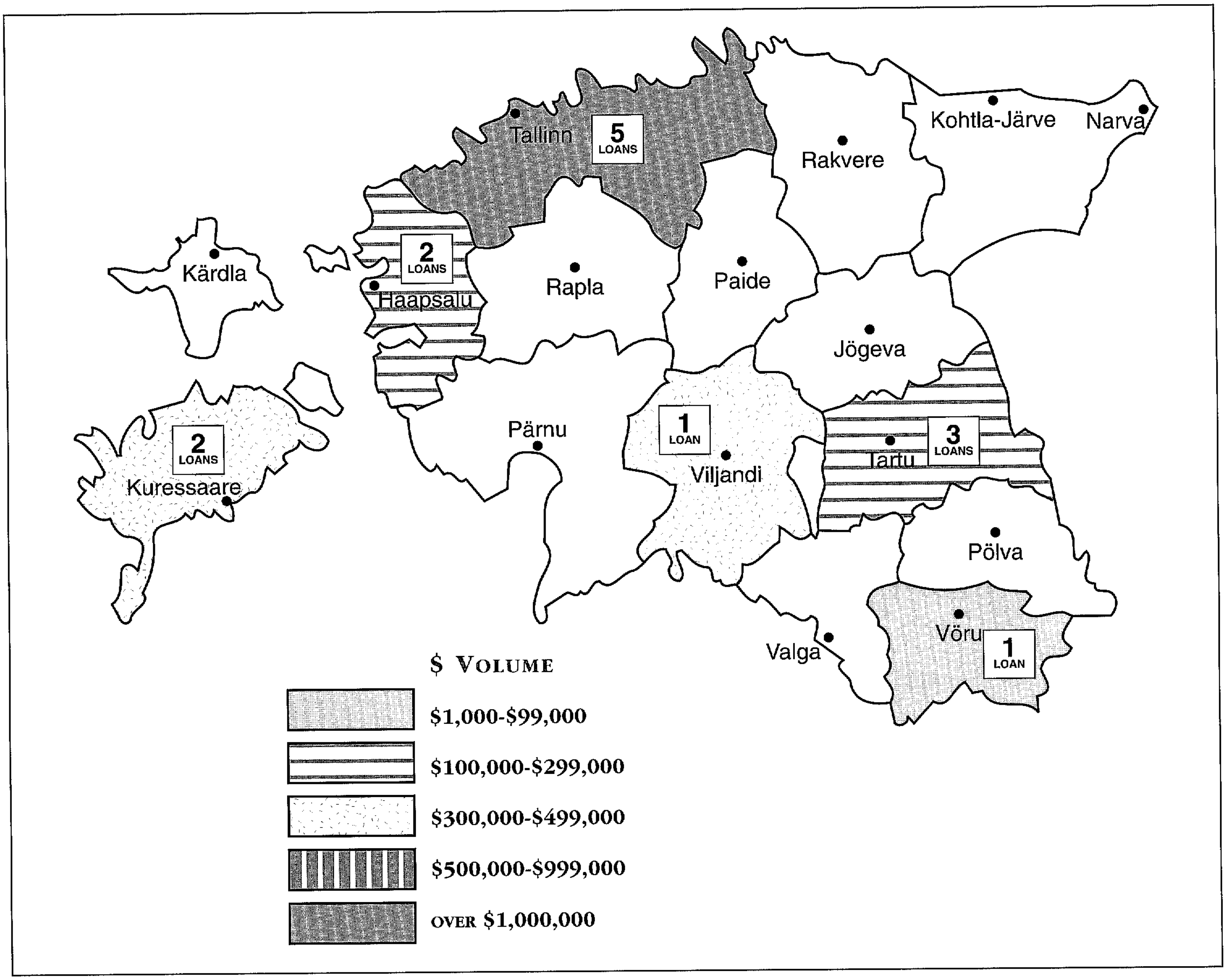
- Creation of an Advisory Council, appointments of three distinguished host country citizens to the Advisory Council, and an Advisory Council meeting in Riga, Latvia, on October 6, 1996.
- Adoption of a residential mortgage program to demonstrate the market potential for residential mortgage financing. Receipt of the first mortgage loan applications.
- Establishment of a Credit Administrator function in each Representative Office to insure portfolio quality. The function reports to the Fund's CFO at the head office.
- Institution of formal staff development training at all levels.

NUMBERS OF LOANS APPROVED BY INDUSTRY SECTOR



Estonia Loans Approved

POPULATION 1.5 MILLION PEOPLE
14 LOANS TOTALING $2,527,400

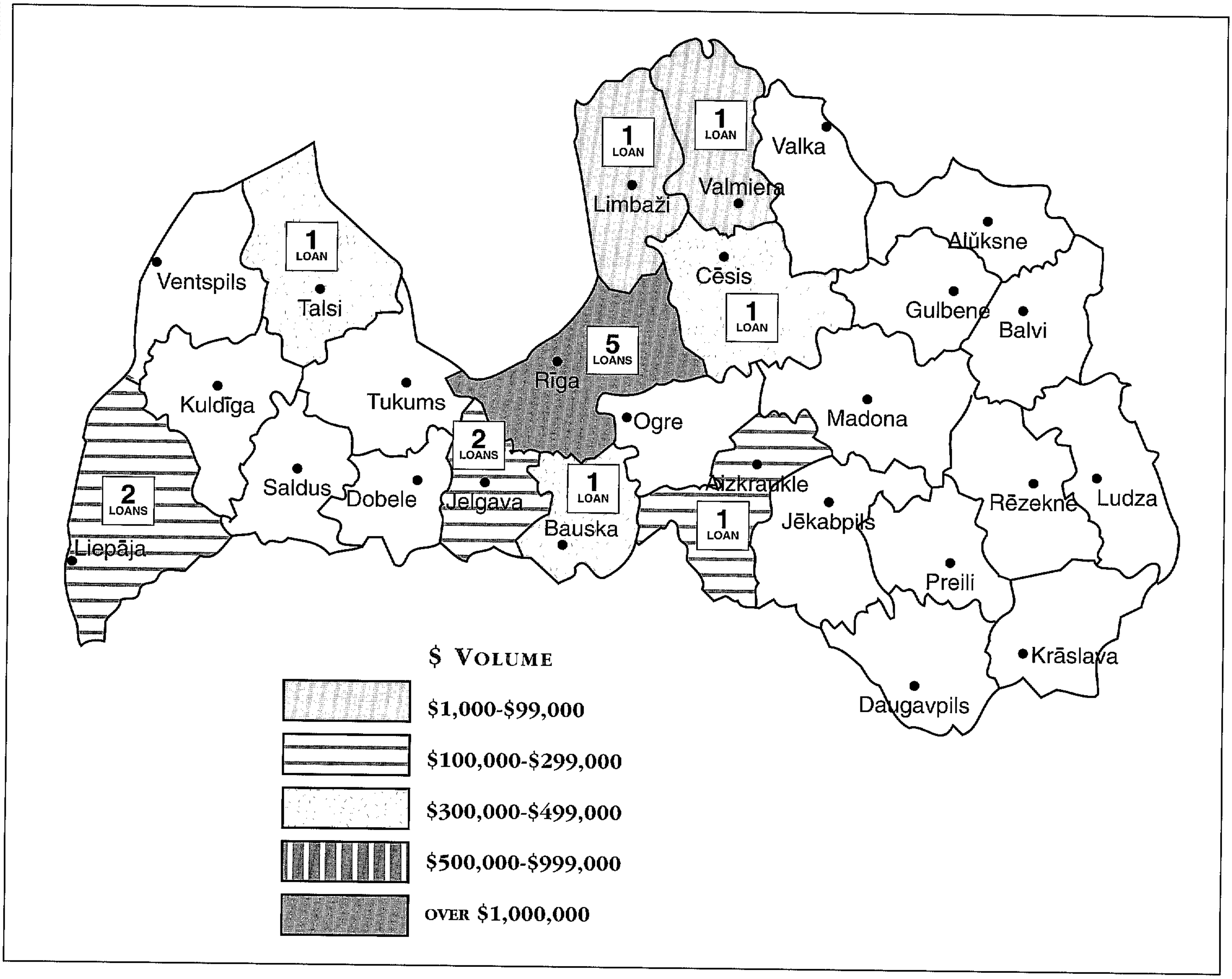


DEVELOPMENT OBJECTIVES ACHIEVED AS OF SEPTEMBER 30, 1996

- 12 Loans outside the capital city
- 367 Jobs supported
- 139 New jobs projected
- 3 Women-owned businesses
- 2 Minority-owned businesses
- 5 Export oriented businesses
- 4 Projects with US content

Latvia Loans Approved

POPULATION 2.6 MILLION PEOPLE
15 LOANS TOTALING $2,960,000

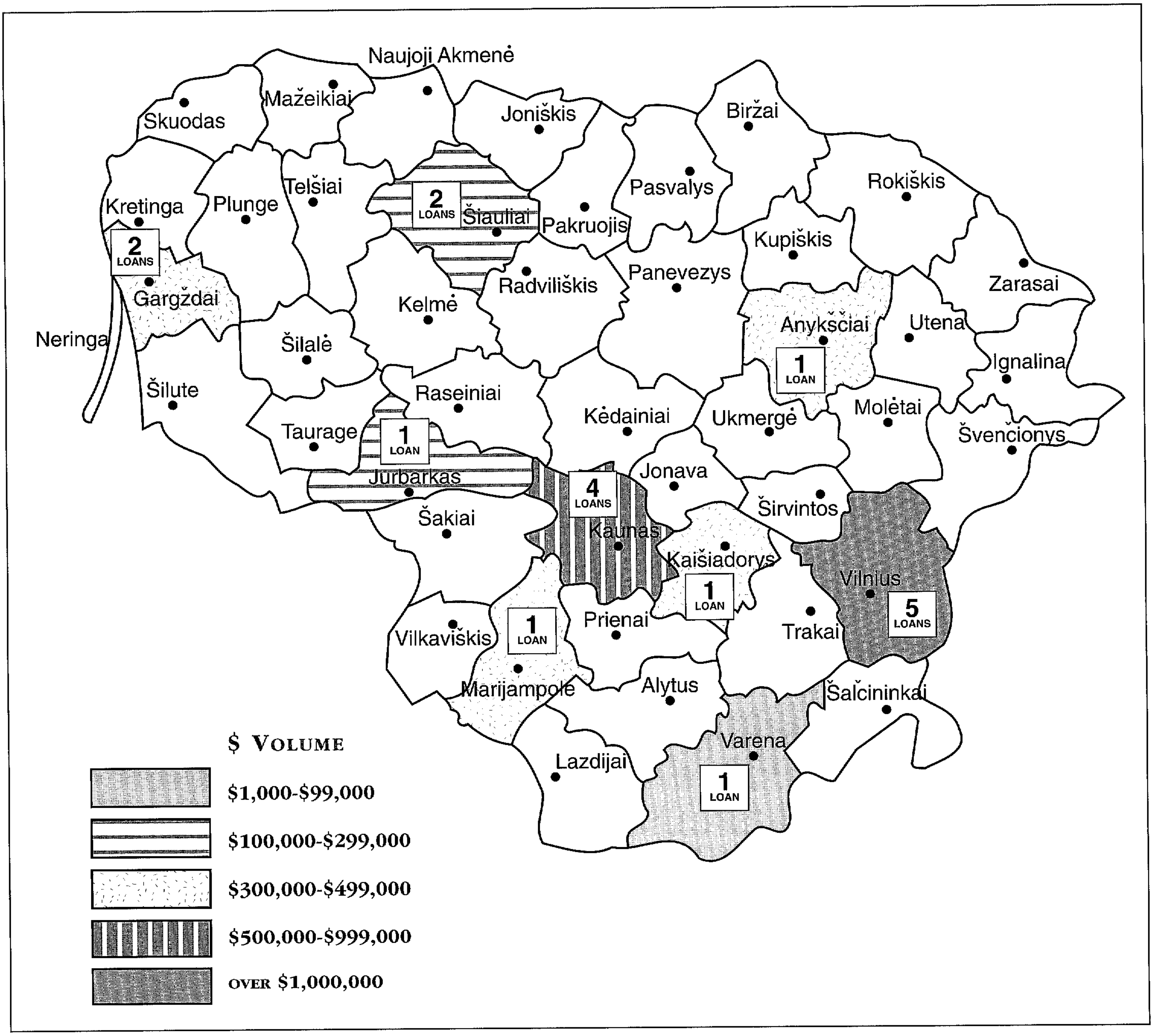


DEVELOPMENT OBJECTIVES ACHIEVED AS OF SEPTEMBER 30, 1996

- 12 Loans outside the capital city
- 305 Jobs supported
- 181 New jobs projected
- 2 Women-owned businesses
- 5 Export oriented businesses
- 5 Projects with US content

Lithuania Loans Approved

Population 3.7 million people
18 Loans Totaling $3,920,000



Development Objectives Achieved as of September 30, 1996

- 13 Loans outside the capital city
- 966 Jobs supported
- 272 New jobs projected
- 4 Women-owned businesses
- 6 Export oriented businesses
- 7 Projects with US content

Management's Statement of Financial Responsibility

The management of the Fund has responsibility for the preparation, integrity, and reliability of the financial statements and related financial information contained in this Annual Report. The financial statements were prepared in accordance with generally accepted accounting principles and include necessary judgments and estimates by management.

Management has established and is responsible for maintaining an internal control environment designed to provide reasonable assurance as to the integrity and reliability of the financial statements, the protection of assets, and the prevention and detection of fraudulent financial reporting.

The Board of Directors, primarily through the Audit Committee, oversees the adequacy of the Fund's control environment. The Committee, whose members are neither officers nor employees of the Fund, meets regularly with management and the independent accountants.

The Fund's financial statements have been audited by Coopers & Lybrand L.L.P., independent certified public accountants who confirm that their audit was conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States and includes such audit procedures as they consider necessary to express the opinion in their report that follows. Coopers & Lybrand L.L.P. has full and free access to the Audit Committee to discuss their audit work, the Fund's internal controls, and financial reporting matters.

Management recognizes that there are inherent limitations in the effectiveness of any internal control environment. However, management believes that, as of September 30, 1996, the Fund's internal control environment has provided reasonable assurance as to the integrity and reliability of the financial statements and related financial information.

Brewster P. Campbell, Jr.
President and Chief Executive Officer

Alan A. Griffin
Chief Financial Officer

Report of Independent Accountants

To the Board of Directors
Baltic-American Enterprise Fund

We have audited the accompanying balance sheet of the Baltic-American Enterprise Fund as of September 30, 1996 and 1995, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Baltic-American Enterprise Fund as of September 30, 1996 and 1995, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

As discussed in Note 2 to the financial statements in 1996, the Baltic-American Enterprise Fund adopted Statements of Financial Accounting Standards No. 116 and 117, "Accounting for Contributions Received and Contributions Made" and "Financial Statements of Not-For-Profit Organizations". The financial statements for 1995 have been restated to retroactively adopt these standards.

Coopers + Lybrand L.L.P.

Baltimore, Maryland
December 16, 1996

Balance Sheet

As of September 30, 1996 and 1995

	1996	1995
Assets		
Cash and cash equivalents	$ 4,363,910	$3,231,418
Loans	6,022,440	763,300
Less: Allowance for possible loan loss (Note 3) (including $264,684 attributable to specific loans in 1996, $0 in 1995)	(516,180)	(30,532)
Net loans	5,506,260	732,768
Fixed assets, net	283,780	204,587
Prepaid rent and other	133,278	162,820
Total assets	$10,287,228	$4,331,593
Liabilities and Capital Invested		
Accounts payable and accrued expenses	$ 157,375	$ 147,658
Capital invested (Note 6)	10,129,853	4,183,935
Total liabilities and capital invested	$10,287,228	$4,331,593

The accompanying notes are an integral part of these financial statements.

Statements of Activities

FOR THE YEARS ENDED SEPTEMBER 30, 1996 AND 1995

	1996	1995
INTEREST INCOME:		
Interest on loans	$ 258,015	$ —
Interest on cash and cash equivalents	117,409	24,450
Total interest income	375,424	24,450
Provision for loan losses (Note 3) (including $264,684 attributable to specific loans in 1996, $0 in1995)	485,648	30,532
Net interest after provision for loan losses	(110,224)	(6,082)
OPERATING EXPENSES:		
Employee compensation and benefits	814,590	448,367
Professional services	556,806	368,157
Telecommunications and travel	251,659	176,890
Occupancy	136,854	50,652
Depreciation and amortization	88,177	33,090
Other operating expenses	183,666	109,327
Total operating expenses	2,031,752	1,186,483
Net operating loss	(2,141,976)	(1,192,565)
Technical assistance	(212,106)	—
U.S. Government grant revenue	8,300,000	5,376,500
Increase in capital invested	5,945,918	4,183,935
Capital invested, beginning of year	4,183,935	—
Capital invested, end of year	$10,129,853	$4,183,935

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

FOR THE YEARS ENDED SEPTEMBER 30, 1996 AND 1995

	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in capital invested	$5,945,918	$4,183,935
Adjustments to reconcile capital invested to net cash used for operating activities:		
Provision for loan losses (including $264,684 attributable to specific loans in 1996, $0 in 1995)	485,648	30,532
Depreciation and amortization	88,177	29,181
Changes in assets and liabilities:		
Prepaid rent and other	29,542	(162,819)
Accounts payable and accrued expenses	9,717	147,658
Net cash provided by operating activities	6,559,002	4,228,487
CASH FLOWS FROM INVESTING ACTIVITIES:		
Loan disbursements	(5,524,100)	(763,300)
Principal repayments	264,960	—
Purchase of fixed assets	(167,370)	(233,769)
Net cash used in investing activities	(5,426,510)	(997,069)
Net increase in cash and cash equivalents	1,132,492	3,231,418
Cash and cash equivalents, at beginning of year	3,231,418	—
Cash and cash equivalents, at end of year	$4,363,910	$3,231,418

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

1. Organization of Fund

The Baltic-American Enterprise Fund (the "Fund") is a not-for-profit corporation established pursuant to the Support for East European Democracy Act of 1989 (the "SEED Act") for the primary purpose of promoting the private sector development of Estonia, Latvia and Lithuania (the "Baltic States") and policies and practices conducive to such development. The Fund maintains a main office in Washington, D.C. and representative offices in Tallinn, Estonia; Riga, Latvia; and Vilnius, Lithuania.

The Fund makes loans to small and medium-sized private enterprises in the Baltic States through which the Fund seeks to generate income and attract investments by others. The Board has authorized the creation of a Mortgage Loan Program which is designed to begin making mortgage loans to qualified Estonian, Latvian and Lithuanian residents. No such loans have been made. The Board of Directors has also authorized management to create contingent liabilities as guarantor for the Fund's clients up to an amount not to exceed 20% of appropriated funds. No such guarantees have been executed to date.

USAID can establish the date (the "termination commencement date") after which the Fund shall not make any new commitments or investments, and shall commence the winding up of its affairs and sale of its assets. The termination commencement date will not occur earlier than 10 years after the date of incorporation or later than 15 years from such date of incorporation, except as may otherwise be agreed to by USAID and the Fund.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accounting and reporting policies of the Fund are in accordance with generally accepted accounting principles. The Fund has adopted in the current year the requirements of Statement of Financial Accounting Standards ("SFAS") No. 116 "Accounting for Contributions Received and Contributions Made" and SFAS No. 117 "Financial Statements of Not-For-Profit Organizations." The 1995 financial statements have been retroactively restated to conform with the current year presentation.

Management Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents
The Fund considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents.

Loans and Allowance for Loan Losses
The Fund's allowance for possible loan losses is based upon management's continuing review and evaluation of the loan portfolio and is intended to maintain an allowance adequate to absorb potential losses on loans outstanding. The level of the allowance, in addition to the amount allocated to impaired loans (specific loans), is based on an evaluation of the risk characteristics of the loan portfolio and considers such factors as past and expected future loan loss experience, sovereign and currency risk considerations, the average financial condition of the borrowers, current economic conditions in the Baltic States and other relevant factors.

Adjustments to the allowance due to changes in the risk characteristics of the loan portfolio are incorporated in the provision for loan losses.

Interest on loans is accrued at the contractual rate and credited to income based upon the principal amount outstanding. It is the policy of management to discontinue the accrual of interest and reverse previously accrued but unpaid interest in the event that the quality of the credit has deteriorated to the extent that collectibility of all interest and/or principal cannot be reasonably expected or when it is 90 days past due.

Management considers a loan impaired when, based on available information, it is probable that the Fund will be unable to collect principal and interest when due in accordance with the contractual terms of the loan agreement. The measurement of impaired loans may be based on the present value of expected future cash flows discounted at the historical effective interest rate, based on the fair market value of the underlying collateral or based on the fair market value of the loan. The allowance for possible loan losses includes reserves for these loans. Collections of interest and principal on loans in nonaccrual status and considered impaired are generally applied as a reduction to the outstanding principal. Once future collectibility has been established, interest income may be recognized on a cash basis.

Adjustments to the allowance due to changes in measurement of impaired loans are incorporated in the provision for loan losses.

Continued

Notes to the Financial Statements, *Continued*

2. Summary of Significant Accounting Policies, *Continued:*

Concentration of Credit Risk

By statute, all of the Fund's loans are in business activities conducted in the Baltic States. As such, these loans are subject to the political and economic uncertainties associated with doing business in the Baltic States.

Cash and cash equivalents held by the Fund include $4,057,584 invested in a money market fund sponsored by a major United States bank. The Fund has not experienced any losses on its invested funds.

Revenue Recognition

Amounts appropriated from USAID are conditioned on the Fund's compliance with the requirements of the USAID Grant and the SEED Act, which imposes certain U.S. policy objectives and reporting obligations. Such income is recognized as unrestricted contributions when received, as management of the Fund believes that on receipt such conditions have been met and the expenditure of such funds is for the general purposes and programs of the Fund.

Technical Assistance

Technical assistance includes the Fund's expenses for business plan development, business consulting services and the training of residents of Estonia, Latvia and Lithuania in business disciplines.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and amortization. Computer equipment and software, furniture and office equipment are depreciated on a straight-line basis over their estimated useful lives, which range from three to five years. Leasehold improvements are amortized on a straight-line basis over the noncancelable term of the lease.

Donated Services

Members of the Board donate significant amounts of their time to the Fund's programs. No amounts have been reflected in the accompanying financial statements for such donated services.

Foreign Currency Transactions

All loan transactions of the Fund are denominated in U.S. dollars. Substantially all other transactions executed by the Fund are also U.S. dollar denominated, reducing the Fund's exposure to significant foreign currency volatility risk. Foreign currency translation or transaction gains or losses have been immaterial.

3. Loans and Allowance for Possible Loan Losses

All loans represent commercial loans to small and medium-size businesses within the Baltic States. At December 31, loans analyzed by industry sector, are as follows:

	1996		1995	
Industry Sector	Amount	Number of Loans	Amount	Number of Loans
Food Processing	$1,420,533	7	$550,000	2
Services	1,365,093	9	—	—
Wood Processing	1,336,323	4	13,300	1
Tourism	973,952	8	200,000	1
Wholesale/Retail	431,075	3	—	—
Light Manufacturing	309,819	3	—	—
Transportation	185,645	3	—	—
	$6,022,440	37	$763,300	4

Changes in the allowance for possible loan losses:

	1996	1995
Balance, beginning of year	$ 30,532	$ —
Provision for possible loan losses (including $264,684 attributable to specific loans)	485,648	30,532
Balance, end of year	$516,180	$30,532

Continued

Notes to the Financial Statements, *Continued*

3. Loans and Allowance for Possible Loan Losses, *Continued:*

At September 30, 1996, the principal balance of impaired loans was $599,139. The Fund had no impaired loans at September 30, 1995. The allowance for possible loan losses allocated to the impaired loans (specific loans) at September 30, 1996, totaled $264,684, which approximates the principal balance less recoverable net collateral of the impaired loans.

All loans, including impaired loans, are current as of September 30, 1996 with regard to principal and interest repayments.

The provision for possible loan losses increased to $485,648 in 1996. The increase was the result of the increased loan activity undertaken by the Fund in its first full year of operation in the Baltic States. The Fund continues to emphasize quality underwriting, as well as aggressive management of potential problem loans. There were no non-accrual loans, charge-offs or recoveries for the years ending September 30, 1996 and 1995, respectively.

4. Fixed Assets

Fixed asset balances as of September 30, consisted of:	1996	1995
Leasehold improvements	$108,809	$ 86,350
Computer equipment and software	125,149	61,000
Furniture	74,803	48,785
Office equipment	39,170	37,633
Vehicles	53,207	—
	401,138	233,768
Less: accumulated depreciation and amortization	117,358	29,181
Net book value	$283,780	$204,587

5. Tax Status

The Fund has received its exempt status under Internal Revenue Code section 501(c)(3) and is also exempt from District of Columbia franchise, income and sales and use taxes. The Fund's representative offices in the Baltic States are not incorporated in their host countries. The Fund has received confirmation of its tax exempt status in Latvia and Lithuania, and is reconfirming its tax exempt status in Estonia due to recent changes in the Estonian tax legislation.

6. U.S. Government Grants

USAID has granted the Fund $50 million for program purposes and administrative expenditures. Under the terms of the USAID Grant, the Fund may hold funds in interest-bearing accounts and may retain investment and program income for program purposes.

As of September 30, 1996, the status of the USAID Grant was as follows:

Funds received from USAID	$13,676,500
Remaining funds appropriated and available under letter of credit from USAID	10,848,500
Total funds appropriated as of September 30, 1996	24,525,000
Remaining amount to be appropriated by USAID	25,475,000
Total	$50,000,000

Continued

Notes to the Financial Statements, *Continued*

7. Contingencies and Commitments

Leases

The Fund is committed to make rental payments under noncancelable operating leases for its Tallinn, Riga and Vilnius offices as well as for the residences of its Representatives in each country. The Washington office is leased from a company of which a director of the Fund is a shareholder. The lease was negotiated at arms length and at the fair market value. The Tallinn office lease is payable in Estonian Kroons. Minimum annual lease commitments subsequent to September 30, 1996, are as follows:

Fiscal Year Ending September 30:

1997	$186,030
1998	156,630
1999	116,762
2000	54,339
Total	$513,761

8. Retirement Plan

The Fund has a defined contribution pension plan qualified under section 403(b) of the Internal Revenue Code. The plan covers all eligible employees. The Fund matches employee contributions of up to 5% of salary and makes an annual discretionary contribution. Costs of the plan were $59,732 and $30,440 for the years ended September 30, 1996 and 1995, respectively.

Company Directors and Administration

BOARD OF DIRECTORS

Chairman of the Board
The Honorable Rozanne L. Ridgway

Former Assistant Secretary of State for Europe and Canada; Director of Companies

Vice Chairman of the Board
Mr. Daniel Rose
President
Rose Associates, Inc.

Trustee, Corporate Property Investors; *Director* of 22 Dreyfus Funds; *President & Founder*, Harlem Educational Activities Fund, Inc.; *Founding Director*, Institute for EastWest Studies; *Director*, American Committee for the International Institute for Strategic Studies

Mr. Brewster P. Campbell, Jr.
President and Chief Executive Officer
Baltic-American Enterprise Fund

Mr. Kim G. Davis
General Partner
Coral Reef Capital, LLC

Mr. Paul H. Elicker
Privatization Consultant
CEO (Ret.), SCM Corporation

Mr. Hughlyn F. Fierce
Senior Vice President (Ret.)
Chase Manhattan Bank

Juris Padegs, Esq.
Managing Director and General Counsel
Scudder, Stevens & Clark

Chairman, The Korea Fund, Inc., The Brazil Fund, Inc.

EXECUTIVE COMMITTEE

The Honorable Rozanne L. Ridgway, *Chairman*
Mr. Daniel Rose, *Vice Chairman*
Mr. Brewster P. Campbell, Jr.,

AUDIT COMMITTEE

Mr. Paul Elicker, *Chairman*
Mr. Hughlyn F. Fierce
Juris Padegs, Esq.

ADVISORY COUNCIL

The Honorable Rozanne L. Ridgway, *Chairman*
Mr. Daniel Rose, *Vice Chairman*
Mr. Brewster P. Campbell, Jr.
Mr. Kim G. Davis
Mr. Paul H. Elicker
Mr. Hughlyn F. Fierce
Juris Padegs, Esq.
Dr. Ardo Hansson, Estonia
Research Fellow, Stockholm School of Economics; *Member of the Board*, Bank of Estonia
Mrs. Indra Samite, Latvia
former Minister of Finance; former State Minister for External Resources; former Deputy Director, Latvian Development Agency
Mrs. Elena Leontjeva, Lithuania
President, Lithuanian Free Market Institute

OFFICERS

Mr. Brewster P. Campbell, Jr.
President and Chief Executive Officer
Mrs. Claudia Knox, *Administrative Manager and Secretary of the Corporation*
Mr. Alan A. Griffin, *Chief Financial Officer and Treasurer of the Corporation*

COUNTRY REPRESENTATIVES

Paul Tumminia, Esq., Estonia
Mark Beesley, Esq., Latvia
Michael Diedring, Esq., Lithuania

INDEPENDENT ACCOUNTANTS

Coopers & Lybrand L.L.P.

LEGAL ADVISORS

Ortman, Love, & Huckabay
Weil, Gotshal & Manges L.L.P.

BANKERS

Citibank, F.S.B.
Hansabank, Estonia
Unibank, Latvia
Vilniaus Bankas, Lithuania