



JSC «GUM TRADING HOUSE»



2004
Annual Report





TABLE OF CONTENTS:

Address of the Managing Director of Open JSC "GUM Trading House" to the shareholders	51
Report of the Board of Directors and the Managing Board of Open JSC "GUM Trading House"	52
Composition of the Board of Directors of Open JSC "GUM Trading House"	52
Composition of the Managing Board of Open JSC "GUM Trading House"	52
Brief information about the members of the Board of Directors of Open JSC "GUM Trading House"	53
Brief information about the members of the collegial executive body (Managing Board) of Open JSC "GUM Trading House"	56
Structure of Open JSC "GUM Trading House"	59
Position of Open JSC "GUM Trading House" in the industry	59
Development Results of Open JSC "GUM Trading House" in 2004	60
Commercial Activities	63
Corporate Administrative System	64
Promotion Activities	64
Personnel Policies	65
Overhaul Repair and Restoration	65
Basic risk factors relating to the business of Open JSC "GUM Trading House"	66
Compliance of Open JSC "GUM Trading House" with the Corporate Behaviour Code	67
Share Capital of Open JSC "GUM Trading House"	67
Proposals on distributing the net profit made in 2004 by Open JSC "GUM Trading House"	69
Dividends	69
Accounting of Open JSC "GUM Trading House"	70
Certificate of the Internal Audit Commission on the results of the business of Open JSC "GUM Trading House" for 2004	85
Audit Certificate of the Audit and Consulting Group of Limited Liability Company "FinExpertiza", relating to the financial (accounting) returns of Open JSC "GUM Trading House" for 2004	87



1890-1893



НАМА АРТ



J S C “ G U M T r a d i n g H o u s e ”

ADDRESS OF THE MANAGING DIRECTOR OF OPEN JSC “GUM TRADING HOUSE” TO THE SHAREHOLDERS



Dear Shareholders,

A reporting period became the period of rethinking the strategical and tactical aspects of the company’s business taking into account the changes which were formed in the market.

First of all, it related to concentration of the efforts aimed at implementing thesis “GUM is the Country’s Main Department Store”, which, in our opinion, is the main competitive advantage opening a big field of activity. For this purpose, we took a physical inventory of all the company’s available projects and made adequate conclusions.

The main aspects of the business for the past period included adjustment of presentation of different groups of goods and relevant world trade marks in the premises of Department Store “GUM in Red Square” in accordance with the strategy of modifying the GUM, approved by the Board of Directors.

Thus, on the one hand, we managed to form at a qualitatively new level a line of selling goods for sport and active rest in co-operation with such operators, as Puma, Reebok, Nike, Intersport, and flagship shop Adidas is next. Apart from this, we carry on forming the first line of the GUM, presenting the more exclusive trade marks. During the reporting period new shops — Louis Vuitton, Moschino, Corneliani, Christian Dior, Burberry, Woolford, Sonia Rykiel — were open.

To the number of our achievements we can refer the solution of the issue relating to the premises of the fourth building enclosure of the “GUM in Red Square” . More than half a century they had belonged to the printing office “Izvestia”. We managed to make a long-term lease agreement for the above mentioned premises and, therefore, from the viewpoints of geography and sense, to complete the ensemble of the Upper Trading Rows, which in future would require from us serious efforts both from the commercial and financial aspects to transform them in the floorspaces.

At the same time the development strategy of regional network “Stylish City” did not justify the hopes which we had pinned on it, which resulted in the decision on inexpediency of future investments in this project and adequate need of making decisions on further running of the units.

In the past year the competition in the market of retail sale, rendering services to population has aggravated, operators of floorspaces both in the centre of Moscow and in the outlying districts became more active.

Currently, the main task is a need of adjusted positioning of the GUM strategically and use of innovative commercial and marketing developments to draw a customer flow by the most well-known address in Russia: Moscow, Red Square, GUM.

With thanks for your cooperation.

Managing Director of
Open JSC “GUM Trading House”,
T.V. Guguberidze



R

REPORT OF THE BOARD OF DIRECTORS AND THE MANAGING BOARD OF OPEN JSC "GUM TRADING HOUSE"

COMPOSITION OF THE BOARD OF DIRECTORS OF OPEN JSC "GUM TRADING HOUSE" ELECTED BY THE GENERAL MEETING OF SHAREHOLDERS IN JUNE 23, 2004

Name	Position
Bernstam, Ye.S.	Managing Partner, Commercial Bank "Neftyanoy". The share in the issuer's authorized capital: no share
Vechkanov, V.L.	President, Deputy Chairman of the Board of Directors of Open JSC "GUM Trading House". The share in the issuer's authorized capital: 0,002%
Guguberidze, T.V.	Managing Director, Chairman of the Board of Directors of Open JSC "GUM Trading House". The share in the issuer's authorized capital: no share
Karakhanyan, S.G.	Lawyer, Moscow Collegium of Advocates "Barshevsky and Partners". The share in the issuer's authorized capital: no share
Kusnirovich, M.E.	Chairman of the Board of Directors, Closed JSC MMD "VOSTOK I ZAPAD" (EAST AND WEST). The share in the issuer's authorized capital: no share
Nakhmanovich, Ya.	Director, Company "ATLAS PROJECT MANAGEMENT LIMITED" The share in the issuer's authorized capital: has no share
Poluikhov, A.A.	Chairman of the Board of Directors, Limited Liability Company "Investment Company "Praktika" (Practice). The share in the issuer's authorized capital: no share
Rappoport, A.	Lawyer, Collegium of advocates "Moscow City Collegium of Advocates", Law firm "Rappoport and Partners". The share in the issuer's authorized capital: no share
Skvortsov, A.Yu.	Head of the representative office, the representative office of Company "ATLAS PROJECT MANAGEMENT LIMITED". The share in the issuer's authorized capital: 0,0003%
Sokolovskiy, V.I.	Chief, the Main Office of protection of monuments of Moscow. The share in the issuer's authorized capital: 0,002%
Terentiev, L.A.	Director General, Open JSC MK "STS". The share in the issuer's authorized capital: no share
Tyagachev, LV.	President, Russia's Olympic Committee. The share in the issuer's authorized capital: no share
Khasis, L.A.	Lawyer, Law Board of Moscow. The share in the issuer's authorized capital: no share
Chemerisov, S.A.	Director General, Closed JSC "TVK "Aviapark". The share in the issuer's authorized capital: no share
Chernoalov, P.V.	Director, Company "ATLAS PROJECT MANAGEMENT LIMITED". The share in the issuer's authorized capital: no share

COMPOSITION OF THE MANAGING BOARD OF OPEN JSC "GUM TRADING HOUSE" ELECTED BY THE BOARD OF DIRECTORS OF OPEN JSC "GUM TRADING HOUSE" IN DECEMBER 8, 2004

Name	Position
Vechkanov, V.L.	President, Deputy Chairman of the Board of Directors of Open JSC "GUM Trading House". The share in the issuer's authorized capital: 0.002%
Kirpicheva, L.M.	Financial Director of Open JSC "GUM Trading House". The share in the issuer's authorized capital: no share
Rusakov, A.S.	Director on Legal Issues of Open JSC "GUM Trading House". The share in the issuer's authorized capital: no share
Skvortsov, A. Yu.	Head of the representative office, the representative office of Company "ATLAS PROJECT MANAGEMENT LIMITED". The share in the issuer's authorized capital: 0,0003%
Trento, Paolo	Chairman of the Board of Directors, Plastimoda. The share in the issuer's authorized capital: no share
Shpitonov, I.M.	Administrative Director of Open JSC "GUM Trading House". The share in the issuer's authorized capital: no share



J S C “ G U M T r a d i n g H o u s e ”

At the same time, in accordance with Article 69, paragraph 1, of the Federal Law “On Joint-stock Companies” a person performing the functions of an individual executive body shall also perform the functions of the Chairman of Collegial executive body (Managing Board). Guguberidze, T.V. performs the functions of the Chairman of the Managing Body of Open JSC “GUM Trading House”.

Managing Company “ATLAS PROJECT MANAGEMENT LIMITED” performs the functions of an individual executive body. Currently, Guguberidze, T.V. represents Managing Company “ATLAS PROJECT MANAGEMENT LIMITED” in Open JSC “GUM Trading House”.

Sole Managing Company: Name: ATLAS PROJECT MANAGEMENT LIMITED. Location: Palladium House, 1/4 Argill Street, London W1V 2LD, United Kingdom. Postal address: 3 /2/2/1 Red square, Moscow 109012.

BRIEF INFORMATION ABOUT THE MEMBERS OF THE BOARD OF DIRECTORS OF OPEN JSC “GUM TRADING HOUSE”

1. Bernstam, Yevgeny Semenovich

Year of birth: 1957

Education : Higher — Dagestan State University — 1979, Moscow State University — postgraduate studies — 1984;

Positions during the last 5 years:

Period: 1999–2003

Organization: Open JSC “ALFA-BANK”

Business: Banking

Position: First Deputy of the Chairman of the Managing Board

Period: 2003–2004

Organization: Limited Liability Company “Ferroalloy Alliance”

Business: Metallurgy

Position: Chief Business-Consultant

Period: 2004

Organization: Open JSC ACB “AUTOBANK -NIKOIL”

Business: Banking

Position: First Vice-President

Period: 2004 — currently

Organization: Commercial Bank “Neftyanoy”

Business: Banking

Position: Managing Partner

2. Vechkanov Viacheslav Leonidovich

Year of birth: 1947

Education: Higher — Moscow Financial Institute — 1970, Academy of National Economy at the USSR Soviet of Ministers — 1985;

Positions during the last 5 years:

Period: 1995–2002

Organization: Open JSC “GUM Trading House”

Business: Commercial

Position: President, Chairman of the Managing Board

Period: 2002–2003

Organization: Open JSC “GUM Trading House”

Business: Commercial

Position: Director General, President of the Managing Board

Period: 2003 –2004

Organization: Open JSC “GUM Trading House”

Business: Commercial

Position: President, member of the Managing Board

Period: 2004 — currently

Organization: Open JSC “GUM Trading House”

Business: Commercial

Position: President, Deputy Chairman of the Board of Directors, member of the Managing Board

3. Guguberidze Teymuraz Vladimirovich

Year of birth: 1973

Education: Higher — Abkhazian State University — 1992; Tbilisi Humanitarian and Economic Institute — 1998;

Positions during the last 5 years:

Period: 1998–2004

Organization: Closed JSC “VED MMD ”EAST and WEST”

Business: Commercial

Position: Commercial Director

Period: 2001–2003

Organization: Open JSC “Fialka EI”

Business: trade

Position: Director General

Period: 2003–2004

Organization: Limited Liability Company “Monomark ”Bosco”

Business: Commercial

Position: Director General

Period: 2003–2004

Organization: Limited Liability Company “Sporting Goods Bosco”

Business: Commercial

Position: Director General

Period: 2004–2004



Organization: Representative Office of Company
“ATLAS PROJECT MANAGEMENT LIMITED”
Business: Investments and Management Services
Position: Deputy Managing Director
Period: 2004 — currently
Organization: Open JSC “GUM Trading House”
Business: Commercial
Position: Managing Director, Chairman of the Man-
aging Board

4. Karakhanyan Samvel Gurgenovich

Year of birth: 1960
Education: Higher — Candidate of Legal Sciences,
Yerevan Polytechnical Institute, Moscow Legal Acad-
emy — 1994;
Positions during the last 5 years:
Period: 1999–2003
Organization: Moscow City Collegium of Advocates
Business: Advocatory
Position: Lawyer
Period: 2003— currently
Organization: Moscow Collegium of Advocates
“Barshevsky and Partners”
Business: Advocatory
Position: Lawyer

5. Kusnirovich Mikhail Ernestovich

Year of birth: 1966
Education: Higher — Russia’s Chemical — engineer-
ing University named after D.I. Mendeleev — 1989;
Positions during the last 5 years:
Period:
Organization: Closed JSC MMD “EAST and WEST”
Business: Commercial
Position: President of the Board of Directors

6. Nakhmanovich Yakov

Year of birth: 1952
Education: Higher — LIEI named after Tolyatti — 1975;
Positions during the last 5 years:
Period: 1999 — currently
Organization: Company “Darnel International Inc.”
Business: Investment
Position: President, Vice-President
Period: 2001 — currently
Organization: Company “ATLAS PROJECT
MANAGEMENT LIMITED”
Business: Investments and Management Services
Position: Director
Period: from 10.04.2004–30.11.2004
Organization: Representative Office of Company
“ATLAS PROJECT MANAGEMENT LIMITED”
Business: Rendering management services
Position: Head of the Representative Office

7. Polukhov Alexander Alexandrovich

Year of birth: 1952
Education: Higher — Moscow Financial Institute —
1974.;
Positions during the last 5 years:
Period: 1998 — currently
Organization: Limited Liability Company “Invest-
ment Company ”Practice”
Business: Investment
Position: President of the Managing Board

8. Rappoport Alexander

Year of birth: 1959
Education: Higher — All-Union Legal Correspon-
dence Insitute, Moscow Evening Department ;
Positions during the last 5 years:
Period: 2000–2001
Organization: Investment Bank “Robert Fleming”,
Investment Bank “Chase Securities”
Business: Banking
Position: Vice-President, senior Vice-president
Period: 2001–2002
Organization: Investment Bank “Auerbakh Greison
Rappoport”
Business: Banking
Position: Vice-president, Managing Director
Period: 2002–2003
Organization: Investment Company “Standard
Advices”
Business: Investment
Position: President of the Managing Board
Period: 2004— currently
Organization: Collegium of advocates “Moscow City
Collegium of Advocates”, Law Firm “Rappoport and
Partners”
Business: Advocatory
Position: Lawyer

9. Skvortsov Alexey Yuvenalievich

Year of birth: 1968
Education: Higher — Moscow Engineering and Phys-
ical Institute — 1993, Moscow International Higher
School of Business (MMVSHB) “MIRBIS” — 2003;
Positions during the last 5 years:
Period: 2000–2001
Organization: Limited Liability Company “Mining
Leasing Company”
Business : Banking
Position: Financial Manager
Period: 2001–2002
Organization: Joint-stock commercial bank
“Prominvestbank”
Business : Banking



J S C “ G U M T r a d i n g H o u s e ”

Position: Chief of the Department of investment and leasing projects
Period: 2002–2002
Organization: Limited Liability Company “Mining Leasing Company”
Business : Mining Industry
Position: Financial Manager
Period: 2003–2003
Organization: Limited Liability Company “Agger Techniques”
Business : Commercial
Position: Treasurer
Period: 2003— currently
Organization: Limited Liability Company “GUM-PROJECT”
Business : Investment
Position: General Director
Period: 2004–30.11.2004
Organization: Representative Office of Company “ATLAS PROJECT MANAGEMENT LIMITED”
Business : Investments and Management Services
Position: Manager on Economics
Period: from 30.11.2004— currently
Organization: Representative Office of Company “ATLAS PROJECT MANAGEMENT LIMITED”
Business : Investments and Management Services
Position: Head of the Representative Office

10. Sokolovskiy Vladimir Ilyich

Year of birth: 1947
Education: Higher — Doctor of Economics, Moscow Architectural Institute — 1971, Academy of Restoration, 1998;
Positions during the last 5 years:
Period: 1999–2001
Organization: Main Office of Protection of Monuments in Moscow
Business: Control over protection and use of the historical and cultural monuments referred to Moscow and the monuments of federal significance located in Moscow
Position: First Deputy General Director
Period: 2001 — currently
Organization: Main Office of protection of the monuments in Moscow
Business: Control over protection and use of the historical and cultural monuments of Moscow and the monuments of federal significance located in Moscow
Position: Director

11. Terentiev Leonid Alexandrovich

Year of birth: 1959
Education: Higher — Kuibyshev Aviation Institute — 1983, Financial Academy — 1995 r;

Positions during the last 5 years:
Period: 1998–2004
Organization: Open JSC International Consortium “Average Transport Aircraft”
Business: Creation, series production, marketing, sales and post-sales maintenance of aerotecnics
Position: General Director
Period: 2003–2004
Organization: Closed JSC “GUM-Trust”
Business: Investment
Position: General Director
Period: 2003–2004
Organization: Closed JSC “Stylish City”
Business: Investment
Position: General Director
Period: 2004–2004
Organization: Representative Office of Company “ATLAS PROJECT MANAGEMENT LIMITED”
Business: Investments and Management Services
Position: Director on the Business Development
Period: 2004 — currently
Organization: Open JSC International Consortium “Average Transport Aircraft”
Business: Creation, series production, marketing, sales and post-sales maintenance of aerotecnics
Position: General Director

12. Tyagachev Leonid Vasilievich

Year of birth: 1946
Education: Higher — Moscow Regional Pedagogical Institute — 1970;
Positions during the last 5 years:
Period: 2004— currently
Organization: Russia’s Olympic Committee
Business: in the area of sport
Position: President

13. Khasis Lev Aronovich

Year of birth: 1966
Education: Higher — Candidate of Technical Sciences, Candidate of legal sciences, Kuibyshev aviation institute — 1989, Financial Academy — 1995, University of Russia’s Ministry of Interior — 2001;
Positions during the last 5 years:
Period: 1999–2002
Organization: Closed JSC “Perekrestok Trading House”
Business: Commercial
Position: Member of the Board of Directors
Period: 2001–2003
Organization: Open JSC “TSUM Trading House”
Business: Commercial
Position: President of the Board of Directors
Period: 2003–2004
Organization: The JSC “GUM Trading House”



Business: Commercial
Position: President of the Board of Directors
Period: 2002 — currently
Organization: Closed JSC “Perekrestok Trading House”
Business: Commercial
Position: President of the Board of Directors
Period: 2002–2003
Organization: Collegium of advocates “Moscow Legal Center”
Business: Legal
Position: Lawyer
Period: April, 2003–2004
Organization: Moscow City Collegium of Advocates
Business: Legal
Position: Lawyer
Period: December, 2004 — currently
Organization: Moscow Law Board
Business: Legal
Position: Lawyer

14. Chemerisov Sergey Anatolievich

Year of birth: 1964
Education: Higher — Kuibyshev Polytechnical Institute — 1986; Samara Economic Academy — 2003;
Positions during the last 5 years:
Period: 1997–2001
Organization: Closed JSC Corporation “Tochka Opory”
Business: Investment
Position: General Director
Period: 2001–2002
Organization: Open JSC “Group DARNEL”
Business: Transactions with real estate
Position: General Director
Period: 2002–2002
Organization: Open JSC “TSUM Trading House”
Business: Commercial
Position: Deputy General Director

Period: 2002–2003
Organization: JSC “GUM Trading House”
Business: Commercial
Position: Managing Director
Period: 2003–2004
Organization: Company “ATLAS PROJECT MANAGEMENT LIMITED COMPANY”
Business: Investments and Management Services
Position: Director
Period: 2004–2004
Organization: Limited Liability Company “Forward-Group”
Business: Investment
Position: General Director
Period: 2004 — currently
Organization: Closed JSC TVK “Aviapark”
Business: Investments in real estate
Position: General Director

15. Chernovalov Pavel Viktorovich

Year of birth: 1963
Education: Higher — Candidate of Legal Sciences, Moscow Higher Technical School (MVTU) named after Bauman — 1987, Academy of Economy and Law — 2001;
Positions during the last 5 years:
Period: 2001–2002
Organization: Trade Complex “Agroprodorg 2000”
Business: Commercial
Position: Arbitration Manager
Period: 2002–2004
Organization: Closed JSC “MNBK”
Business: Information
Position: President of Liquidation Commission
Period: 2004 — currently
Organization: Company “ATLAS PROJECT MANAGEMENT LIMITED”
Business: Investments and Management Services
Position: Director

BRIEF INFORMATION ABOUT THE MEMBERS OF THE COLLEGIAL EXECUTIVE BODY (MANAGING BOARD) OF OPEN JSC “GUM TRADING HOUSE”

1. Vechkanov Viacheslav Leonidovich

Year of birth: 1947
Education: Higher — Moscow Financial Institute — 1970, Academy of National Economy at the USSR Soviet of Ministers — 1985;
Positions during the last 5 years:
Period: 1995–2002
Organization: JSC “GUM Trading House”
Business: Commercial
Position: President, Chairman of the Board of Directors
Period: 2002–2003
Organization: JSC “GUM Trading House”

Business: Commercial
Position: General Director, President of the Managing Board
Period: 2003–2004
Organization: Open JSC “GUM Trading House”
Business: Commercial
Position: President, member of the Managing Board
Period: 2004 — currently
Organization: Open JSC “GUM Trading House”
Business: Commercial
Position: President, Deputy Chairman of the Board of Directors



2. Kirpicheva Luidmila Mikhailovna

Year of birth: 1961
Education: Higher — Correspondence Institute of the Soviet Trade — 1984;
Positions during the last 5 years:
Period: 1995–2002
Organization: Closed JSC “GUM-Trust”
Business: Investment
Position: General Director
Period: 1999–2003
Organization: Open JSC “GUM Trading House”
Business: Commercial
Position: Vice-president, Deputy Director General on Finances
Period: 2003 — currently
Organization: Open JSC “GUM Trading House”
Business: Commercial
Position: Financial Manager

3. Rusakov Alexei Sergeevich

Year of birth: 1976
Education: Higher — Moscow Academy of Economics and Law — 1999;
Positions during the last 5 years:
Period: 2000–2003
Organization: Open JSC “GUM Trading House”
Business: Commercial
Position: Chief of the Legal Department
Period: 2003 — currently
Organization: Open JSC “GUM Trading House”
Business: Commercial
Position: Manager on Legal Issues

4. Skvortsov Alexey Yuvenalievich

Year of birth: 1968
Education: Higher — Moscow Engineering and Physical Institute (MIFI) — 1993, Moscow International Higher School of Business (MMVSHB) “MIRBIS” — 2003;
Positions during the last 5 years:
Period: 2000–2001
Organization: Limited Liability Company “Mining Leasing Company”
Business : Banking
Position: Financial Manager
Period: 2001–2002
Organization: Joint-stock commercial bank “Prominvestbank”
Business : Banking
Position: Chief of the Department of investment and leasing projects
Period: 2002–2002
Organization: Limited Liability Company “Mining Leasing Company”
Business : Mining Industry
Position: Financial Manager

Period: 2003–2003

Organization: Limited Liability Company “Agger Techniques”
Business : Commercial
Position: Treasurer
Period: 2003 — currently
Organization: Limited Liability Company “GUM-PROJECT”
Business : Investment
Position: General Director
Period: 2004–30.11.2004
Organization: Representative office of Company “ATLAS PROJECT MANAGEMENT LIMITED”
Business : Investments and Management Services
Position: Manager on Economics
Period: from 30.11.2004 — currently
Organization: Representative office of Company “ATLAS PROJECT MANAGEMENT LIMITED”
Business : Investments and Management Services
Position: Head of the Representative Office

5. Trento Paolo

Year of birth: 1946
Positions during the last 5 years:
Period: 1998 — currently
Organization: Plastimoda
Business: Commercial
Position: President of the Board of Directors

6. Shpitonov Igor Mikhailovich

Year of birth: 1957
Education: Higher — Moscow Energetic Institute — 1980;
Positions during the last 5 years:
Period: 2000–2003
Organization: Open JSC “Russian Aluminium Management”
Business: Production and processing of aluminium raw material
Position: Administrative Director
Period: 2004–2004
Organization: Limited Liability Company “GUM-PROJECT”
Business: Investment activity
Position: Executive Director
Period: 2004 — currently
Organization: Closed JSC “GUM-Trust”
Business: Investment
Position: General Director
Period: 2004 — currently
Organization: Closed JSC “Stylish City”
Business: Investment
Position: General Director
Period: 2004 — currently
Organization: Open JSC “GUM Trading House”
Business: Commercial
Position: Administrative Director





J S C “ G U M T r a d i n g H o u s e ”

STRUCTURE OF OPEN JSC “GUM TRADING HOUSE”



The Company owns more than 10 (ten) large sites of property for trade and warehouse purposes inside Moscow and commercial premises in Russia's regions.

The building of department store “GUM in Red Square” is used on the basis of the Lease Agreement made and executed in accordance with the requirements of the legislation, till 2042. Upon its expiration the company has a pre-emptive right to resume lease relations.

POSITION OF OPEN JSC “GUM TRADING HOUSE” IN THE INDUSTRY

Open JSC “GUM Trading House”, as one of the oldest trade enterprises, has a rich and unique development history which in many ways has determined its current position in the market, forms and types of the company's business, as well as the size, quality and structure of the company's assets existing currently.

According to the Department of consumer market and services of Moscow, the turnover of retail sale in Moscow amounted to 1,4 bn. roubles in 2004, which is 8,3 per cent more than in 2003. According to the experts' forecasts, in 2005 the turnover of retail sale in the capital will increase by 4–5 per cent. Last year the share of Moscow in the total volume of Russia's retail trade made 27 per cent, while the specific weight of Open JSC “GUM Trading House” amounts to 0,3 % in this volume.

More than 800 companies of trade, food and consumer services are expected to be open in Moscow in 2005. More than 200 companies out of the total number of trade companies will be shopping centers. Annual increase of the areas of shopping centers in the capital amounts to 200–300 thousand square meters. In the first

six months of 2004 five centers of the total floorspace of 68 000 square meters were open in Moscow, and 268 000 square meters were expected to be put into operation in the second half of 2004. These are centers “Veipark”, “Hymen”, “Tobtim”, “Mega-2”, “Yekaterinovka”, “L-153”, “Sun Paradise”. Therefore, the result of 2004 is putting into operation of more than 300 thousand square meters of new premises, which is almost by 30 per cent more compared to 2003.

Dynamics of setting up shopping centers in the areas adjoining MKAD (Moscow Ring Road) is kept. As a result of this, there is customers loss from the central trade zone. However, in Open JSC “GUM Trading House” stable attendance of 30 thousand people a day is kept, 62, 7 per cent of which shop, and 28 per cent out of them are served at fast— food enterprises.

According to the results of consumer survey in Moscow, the factor of closeness of a shopping center to home, while choosing a shopping center, becomes more significant every year. In this case the main centers of attraction to the GUM store are Red Square and Gostiny Dvor.

The factor of accessibility to a shop is also of great importance for consumers. As a result of the rise of car flow in the center of Moscow and difficulty in approaching many shopping centers of the central trade zone, customers more often refuse going to the center for shopping preferring the shopping centers located in the more convenient main traffic arteries. Open JSC “GUM Trading House” takes considerable efforts to improve accessibility of the shopping center for customers. Temporary parking for 150 cars is organized in Vetoshny pereulok, it's served by the GUM parking service. A stationary multilevel parking for 400 cars is open next to it in the building located closely to the shop adjoining the Small building.



One of the development trends of provincial shopping centers is increasing the share of entertaining complex in the composition of shopping centers, which makes the basis for family rest and draws buyers for a more prolonged period.

Moreover, provincial shopping centers are developed on the basis of organizing trade zones out of shops which are not competitors. This allows to create multi-functional trade zones in large premises, which is convenient for customers due to the opportunity of all-inclusive shopping. Open JSC "GUM Trading House" has made a number of agreements with "anchor" lessees who let form the main centers of attraction inside the GUM. Thus, a sports line of shops presented by such trade marks, as Intersport, Nike, Reebok, Adidas and Puma, was put into operation. Negotiations are held with the representatives of Company Zara and a number of other large trade marks.

Currently, the main competitors of Open JSC "GUM Trading House" are shopping centers located in the Central administrative district. On the basis of the data of customers survey of Open JSC "GUM Trading House" the more significant competitors of Open JSC "GUM Trading House" among the shopping centers of the Central administrative district are:

- Trade Complex "Okhotny Ryad";
- Trading House "TsUM";
- Shopping Center "Atrium";
- Department store "Kalinka-Stockman" in Shopping Centre "Smolensky Passage".

However, Open JSC "GUM Trading House" stands out among its competitors by its more right positioning, preserving the image of the country's Main Shop, and its unique location.

DEVELOPMENT RESULTS OF OPEN JSC "GUM TRADING HOUSE" FOR 2004

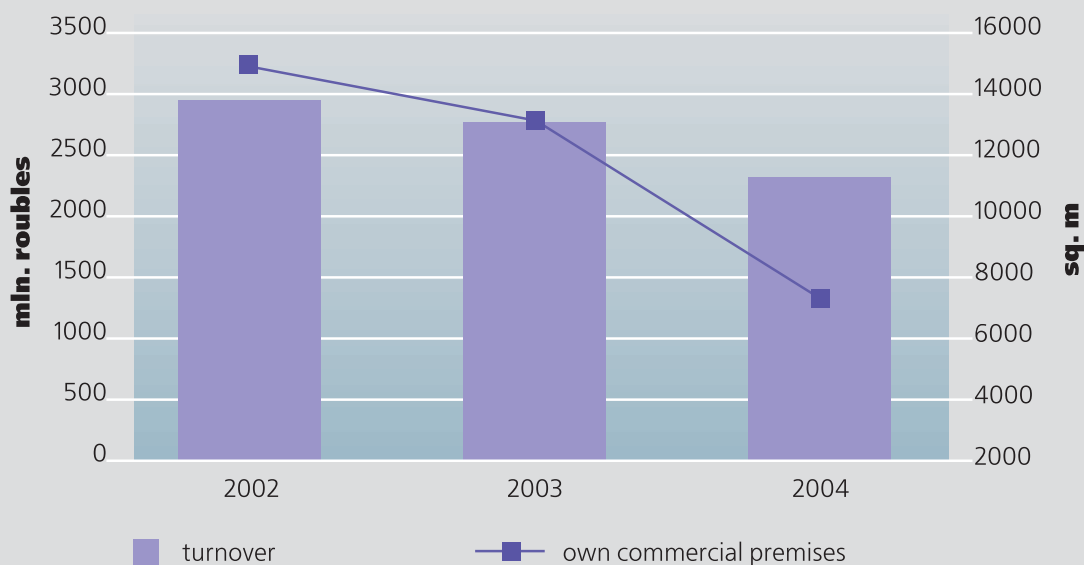
FINANCIAL RESULTS OF OPEN JSC "GUM TRADING HOUSE" FOR 2004 ARE CHARACTERISED BY THE FOLLOWING INDICES:

Index:	mln. rubles
Turnover*	2 358
Gross profit	1 394
Commercial and administrative expenses	866
Profit (loss) from sales	528
Balance of other revenues and expenses	39
Profit (loss) before taxation	567
Net profit (loss) of a reporting period	421

* The turnover is specified taking into account the turnover of the sections operating on the basis of commission charges.



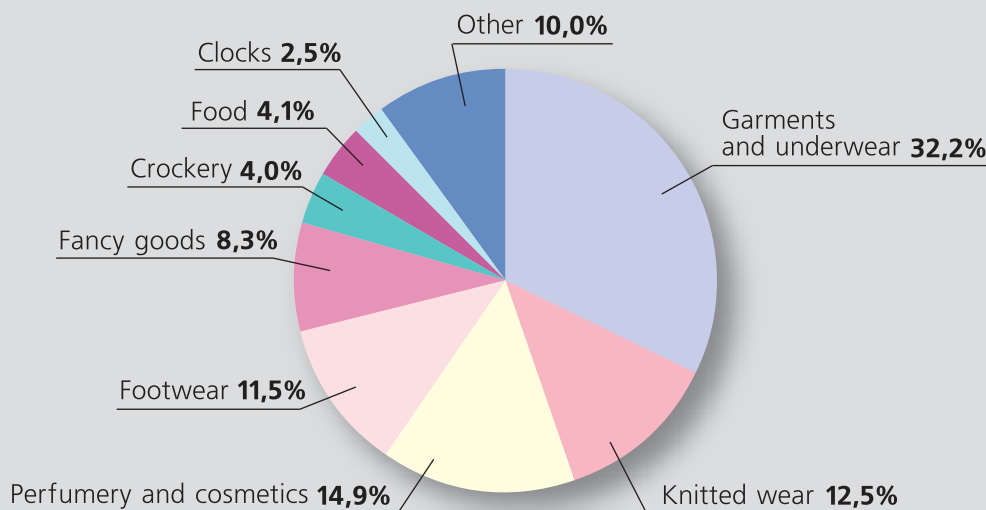
DYNAMICS OF THE TURNOVER AND OWN COMMERCIAL PREMISES OF OPEN JSC "GUM TH"



In 2004, the turnover of Open JSC "GUM Trading House" compared to the similar period of last year was reduced by 436 mln. roubles or 15,6 per cent, and amounted to 2 358 mln. roubles.

Downturn of the turnover was caused by reducing the floorspaces designed for own trade by 43,3 per cent. It's worth mentioning that at the same time the turnover from 1 (one) square meter of the space designed for own trade increased by 10,6 per cent and amounted to 138,9 tsnd. roubles.

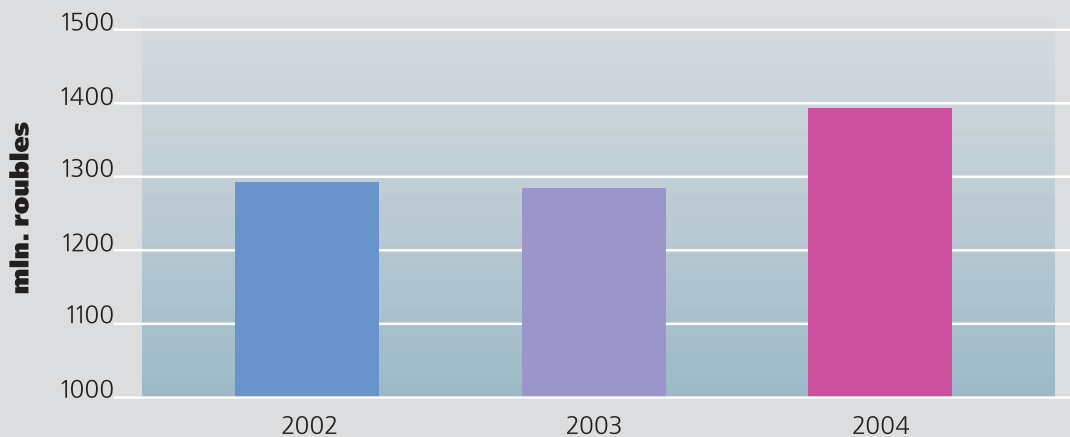
THE JSC "GUM TRADING HOUSE" TURNOVER STRUCTURE IN 2004



The total volume of gross profit for 2004 increased by 123,4 mln. roubles or 9,7 per cent and made 1 393,9 mln. roubles, compared to 2003.



DYNAMICS OF THE TOTAL GROSS PROFIT OF OPEN JSC "GUM TRADING HOUSE"



In 2004, incomings from giving in rent the premises increased by 207 mln. roubles or 22,7 per cent and amounted to 1 118 mln. roubles, compared to last year. This rise was caused by increasing the premises given in rent.

Circulation costs for 2004 compared to 2003 increased by 20,1 mln. roubles or 2,4 per cent and amounted to 865,7 mln.roubles.

The rise in costs was caused, first of all, by increasing the expenditures for:

- maintaining the building by 16,8 mln. roubles or 26,7 per cent due to increasing the rates of power by 30 per cent and electric power — by 15 per cent, and extra costs relating to the security of the building of department store “GUM in Red Square” by security company “Angel” (increase of the payment as per the agreement by 2,7 mln. roubles or 21 per cent);
- advertising by 26,3 mln. roubles or 145,2 per cent, which was called by carrying out a large-scale New Year advertising campaign;
- governing the company (payments to management company “ATLAS PROJECT MANAGEMENT

LIMITED”) by 72,4 mln. roubles or 114,3 per cent as in 2003 these payment started only in the second half from the moment of transfer of the powers of the sole executive body of the management company.

The costs were reduced in a number of items. Namely, these are costs for:

- building works due to the reduction of the works concerning the repair of buildings by 63,5 mln. roubles or 52,3 per cent. It’s worth mentioning that in 2003 the first stage of reconstruction of the building of department store “GUM in Red Square” was completed.
- wages by 21,2 mln. roubles or 8,4 per cent due to the decrease of staff on the payroll from 2074 people in 2003, to 1563 people in 2004.

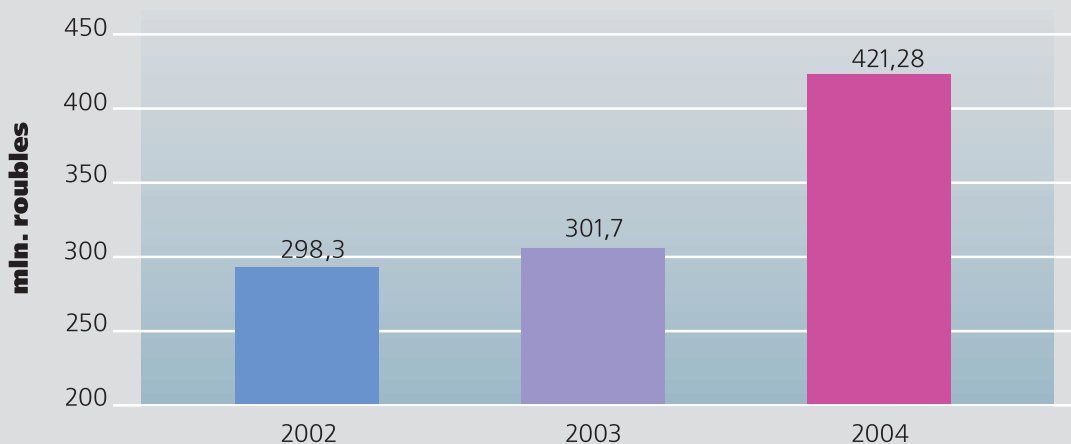
In 2004, the main sources of profit included gross profit as a result of selling goods and giving premises in rent.

In 2004, profit before taxation, relating to the joint-stock company, increased by 130,5 mln. roubles or 29,9 per cent and amounted to 567,2 mln. roubles, compared to 2003. Net profit increased by 119,6 mln. roubles or 39,6 percent and made 421,28 mln. roubles.



J S C " G U M T r a d i n g H o u s e "

THE NET PROFIT OF OPEN JSC "GUM TRADING HOUSE" (MLN. ROUBLES)



The total cost of the assets of Open JSC "GUM Trading House" for 2004 increased by 277,8 mln. roubles or 11,9 per cent and amounted to 2 601,2 mln. roubles.

The current liquidity factor as per January 1, 2005 made 3.50 with the norm of 2.

The factor of own circulating assets availability as per January 1, 2005 was 0.69 with the norm of 0.1.

The coefficients of the current liquidity and own circulating assets availability characterise Open JSC "GUM Trading House" as a financially stable and solvent company.

COMMERCIAL ACTIVITIES

Floorspaces	Total area (sq. m)	Floorspace (sq. m)
Total area	166 695	52 875
including:		
The building of department store "GUM na Krasnoy Ploschadi" (GUM in Red Square)	81 484	31 795
including:		
The Small building	5 976	1 982
Printing-office	4 866	
The buildings of Moscow stores, except department store "GUM na Krasnoy Ploschadi" and Small building	49 945	21 080
Karacharovo storage facilities	35 265	
And		
"Stilny Gorod Krasnoyarsk" (Stylish City Krasnoyarsk)	2 472	1 780
"GUM Kostroma"	2 146	1 105



In 2004, the emphasis was placed on looking for well-established partners for reopen salons.

In 2004, improving the structure of floorspaces and forming the assortment policy of the department store were based on the analysis of the data of marketing researches of the shop's customers and monitorings of customers flows.

Department store "GUM in Red Square" does not lose its attractiveness: Despite severe competition, 30 thousand visitors a day, in average, visit the department store as in the last years. The maximum flow is seen in the days before holidays and reaches more than 50 thousand people.

The main buyers of the department store are Muscovites (85 per cent) of three age-groups (16–25, 26–35 and 36–50 years old) with a monthly average revenue per capita of 700 dollars.

About 60 per cent of buyers visit department store "GUM in Red Square", at least, once in three months. According to buyers, cloths, footwear and cosmetics are the most attractive groups of goods.

Brand Level (the goods of group "Fashion")	Specific weight in floorspace (%)
High (including "de luxe")	31
Average-high	25
Average-average	35
Average-low	9

Upon completion of the first stage of reconstruction of the building of department store "GUM in Red Square" the structure of floorspaces was a little changed. Taking into account buyers' preferences, due to opening the shops of youth fashion with a democratic price level on the third floor, the share of the spaces allotted for the goods of an average-average level increased.

An Internet site operates in Open JSC "GUM Trading House" as it is natural for a large and prestigious department store.

The information about Open joint-stock company "GUM Trading House" as an issuer of securities is presented in the site of the department store in accordance with the requirements of the Federal Service in financial markets of the Russian Federation. Also, the

scheme of car parking is placed in the site of the department store.

CORPORATE ADMINISTRATIVE SYSTEM

In 2004, the works on the reconstruction project of communications and equipment of local computer network servicing the floorspace of department store "GUM in Red Square" started, and they will be completed in 2005.

This project aims at creating a flexible resetting infrastructure giving network services with a high accessibility extent to the salons of proper trade and partners of Open JSC "GUM Trading House".

Centralized anti-virus protection Trend Micro showed itself excellent. Due to this protection and other measures taken to ensure information security, no case of distributing malicious software in the local network of Open JSC "GUM Trading House" was registered for the passed year.

At the same time, there is a need of protecting not only from malicious software but from unauthorised e-mailing called "spam". Daily hundreds of letters of non-productive nature come to the e-mail addresses of the employees of department store "GUM in Red Square", which makes difficult sorting out of incoming correspondence. The developed protection plan will release the employees from spam, reduce the time spent for studying incoming correspondence and, on the whole, make their work more efficient.

PROMOTION ACTIVITIES

In 2004, the company's advertising policy aimed at strengthening the image of Open JSC "GUM Trading House" as a department store with a wide range of goods and services, increasing buyers' loyalty.

The main emphasis was placed on improving the system of internal advertising. Advertisement areas along lines and banners on bridges were introduced.

All the actions held in the GUM were widely covered in the mass media.

During the reporting period a great number of articles, notes and photos were published in the country's leading editions. Setting up such sports salons, as Intersport, Puma and Reebok, and elite trade marks, as Louis Vuitton and Moschino, gathered a large number of concerned customers; large-scale



J S C “ G U M T r a d i n g H o u s e ”

presentations were carried out, which attracted significant attention on the part of the press.

The choice of advertisement arrangements was stipulated by the company's strategic priorities, the need to cover the maximum solvent audience and orientation at a target buyer.

Apart from this, traditional advertisement and special actions were also held in the building of department store “GUM in Red Square” on Valentine Day, Ladies' Day and New Year.

Among the main actions held in 2004, it's worth mentioning the New Year action organized together with Company Swarovski. At the beginning of December a Christmas tree decorated with the Swarovski articles of total value of EURO 750000 was placed. This action caused a great interest among customers and was widely covered in the press and on TV channel TVC. In December, peak indices of visiting the shopping centre in the days on the eve of holidays were registered. Advertising campaign “Happy New GUM”, “Good Luck!” was also organised using banners in the streets, by radio as advertising vehicles and advertising in public transport. Thus, the action related to the New Year allowed to increase the attendance of the shop by twice. The top flow of customers was seen in December 26 and amounted to more than 60 thousand people.

The films, TV programs and trailers which the Russian and foreign well-known companies shot in the building of the department store, influenced positively on increasing buyers' loyalty and strengthening the image of Open JSC “GUM Trading House”.

PERSONNEL POLICIES

In 2004, work on personnel management was determined by the development strategic aims of Open JSC “GUM Trading House”. Our unique joint-stock company, further increase of competition in the Moscow market of services, large-scale strategical aims of development and concrete efficient plans of their implementation put forward new requirements for sales personnel, employees of functional and providing departments.

In 2004, the number of employees of Open JSC “GUM Trading House” amounted to 1563 people. The number of personnel was reduced by 511 people on the scheduled basis. This was determined by improving the administration structure in accordance with certain prior-

ities on profile activity, dissolving inefficient departments, reviewing operating personnel.

Compensation is one of the most significant component of effective business. While forming it, the trends dominant in the Moscow market were taken into account. In 2004, an average compensation increased by 14 per cent and amounted to 13 041 roubles.

The system of payment and bonus was developed. The emphasis was placed on the instruments aimed at co-ordinating a level of remuneration with work results. At the same time, the specific weight of variable component in the structure of compensation increased, in average, by 5,6 per cent.

OVERHAUL REPAIR AND RESTORATION

Following the approved “Program on Restoration, Repair and Refurbishment Works and the ones on adapting architectural building — monument Upper Trading Rows to be used in modern conditions” on the basis of wide, research, initial and construction documents, in 2004, the works on redesigning and repairing commercial premises, restoration of internal facades and repair of engineering communications were proceeded.

As a result of the carried out works, about 2500 square meters of internal facades were restored on the first, second and third floors.

The works on re-creating icons “Alexander Nevsky” and “Birth-Giver of God ”Znameniye” which had been lost earlier, were started in the external facade of the building from the Red Square.

Salons Louis Vuitton, Bosco-sport, Iceberg, Betty Barklay, Steilmann, Togas, Intersport, Sonya Rikel, Calvin Klein and others of total area of 6800 sq.m. were overhaul repaired.

Among the salons repaired in 2004, there are conceptionally new shops, such as NO ONE and Intersport. In the above mentioned salons an idea of using the premises of mezzanine floors for commercial purposes was used. At the same time significant increase of visual volume of “live” space of atrium was reached.

In the reporting period the requests of the salons of own trade concerning current repair of the premises were satisfied.



The area of commercial and administrative premises equipped with the systems of air-condition and ventilation increased by 2000 sq.m.

The works on assembling a central heat supply station and electrical boiler room for hot water supply of the building letting significantly improve the situation in the existing system of power supply, were carried out.

To prevent emergency situations, in 2004, considerable volumes of the works on repairing mains systems of heating in basement, storm drainage and stand pipes of drained system in the building of department store "GUM in Red Square", were carried out.

A new complete transformer substation (KTP-8) was put into operation. Its capacity will allow to provide planned zones of public catering with electric power in the future.

To improve operational communications among the administrative personnel of Open JSC "GUM Trading House", a system of mini-cellular transmission was extended.

To implement the actions relating to the fire protection of department store "GUM in Red Square", the works on extending the system of automatic fire fighting in the warehouses located on the first, second floors of total area of 3 700 sq.m. were proceeded.

In the shops — structural subdivisions of Open JSC "GUM Trading House" the required repair and building works, mainly, of routine nature were implemented in the reporting period.

The investments in overhaul repair and reconstruction of the building of department store "GUM in Red Square" and structural subdivisions of Open JSC "GUM Trading House" amounted to about 90 mln. roubles in 2004.

BASIC RISK FACTORS RELATING TO THE BUSINESS OF OPEN JSC "GUM TRADING HOUSE"

- branch risks,
- country and regional risks,
- financial risks,

- legal risks,
- risk concerning the issuer's activity.

BRANCH RISKS

The most important factors which may have a negative effect on the future business of Open JSC "GUM Trading House" are the following:

- high rates of growth of commercial premises in Moscow;
- outflow of buyers from the central shopping area to the periferal areas of Moscow;
- change of the consumption structure;
- currency rates fluctuation;
- more severe competition as a result of emerging western operators in the Moscow market and developing network projects.

COUNTRY AND REGIONAL RISKS

Open JSC "GUM TH" is a Russian company carrying out its business in the Moscow Region of the Russian Federation, and therefore, both general changes in the country and development of the Moscow Region have a significant effect on its business.

The basic country risks in Russia:

- political risks;
- economic risks;
- ecologic risks;
- regional risks.

FINANCIAL RISKS

- the risk of changing currency rates;
- the risk of changing interest rates;
- inflation risks.

LEGAL RISKS

- taxation law change;
- currency law change;
- change of customs control and duties regulations;
- change of requirements to issuer's basic business licensing ;
- changing judicial procedures on the issues relating to the issuer's business (including licensing) which can have a negative effect on the results of its business, as well as on the result of current suits in which the issuer participates.



J S C “ G U M T r a d i n g H o u s e ”

RISKS CONCERNING THE ISSUER'S ACTIVITY

In the reporting period there are no risks relating to the issuer's possible responsibility in terms of the debts of third persons.

COMPLIANCE OF OPEN JSC “GUM TRADING HOUSE” WITH THE CORPORATE BEHAVIOUR CODE

Organizing the company's corporate management, its management permanently aims at following the well-known norms and regulations of corporate culture and ethics of behaviour. As a result of the conflicting norms regulating the Corporate Behaviour Code, Open Joint-stock Company “GUM Trading House” does not always follow the norms of the above mentioned document.

SHARE CAPITAL OF OPEN JSC “GUM TRADING HOUSE”

The Company's authorized capital amounts to 60 000 000 (Sixty million) roubles and is divided into 60 000 000 (Sixty million) nominal shares of nominal cost of 1 (one) rouble. Each paid ordinary share entitles its holder to take part in the meetings of shareholders; the right of one vote on all the issues on which voting takes place at the meeting of shareholders; the right to get dividends in the amounts legally defined by the general meeting of shareholders.

As of March 12, 2005, (accounting date) the register of the shareholders of Open JSC “GUM Trading House” includes 9 245 shareholders: 96 legal persons and 9 149 physical persons, including foreign shareholders — 26 legal persons and 40 physical persons.

LIST OF THE BIGGEST SHAREHOLDERS OF OPEN JSC “GUM TRADING HOUSE”

Shareholder	The share in the authorized capital (%)
Closed JSC "Deposit-Clearing Company"	55,02
Closed JSC "ING Bank (Eurasia)"	33,52

During the years of its functioning Open JSC “GUM Trading House” has made five issues of the securities: 02.09.92.; 22.06.93; 06.07.95; 15.08.97; 24.04.1998 — the issue is cancelled.

The nominal ordinary shares of Open JSC “GUM Trading House” are traded in Russia's leading sites: NP “RTS Stock Exchange”; Closed JSC “MMVB Stock Exchange”.

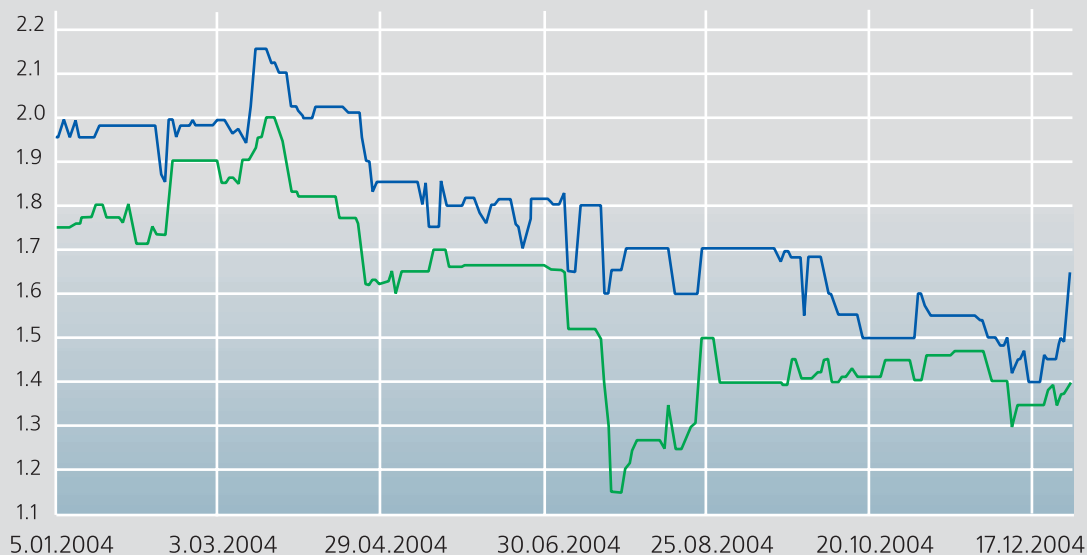
MaxMara





J S C “ G U M T r a d i n g H o u s e ”

INFORMATION ABOUT THE COURSE OF TRADING THE SHARES OF OPEN JSC “GUM TRADING HOUSE” IN 2004, PROVIDED BY “RTS STOCK EXCHANGE”



In the diagram the offers of the bidders trading the shares of Open JSC “GUM TH” are painted blue, while the demand for shares is painted green.

Open JSC “GUM Trading House” together with the Bank of New York (USA) started placing the American Deposit Receipts (ADR) of the 1 level in 1996. The shares are converted into ADR on the basis of the principle: two ordinary shares of Open JSC “GUM TH” for one ADR. As a result of permanent interest towards our company’s securities, the shares are regularly converted into ADR and vice versa, depending on the investors’ aims. American Deposit Receipts of the 1st level of Open JSC “GUM TH” are actively circulated in the stock exchanges of Berlin, Frankfurt and Stuttgart, and in the USA off-exchange market.

During the reporting year Open JSC “GUM TH” carried out neither big transactions, nor the transactions towards which there was interest.

PROPOSALS ON DISTRIBUTING THE NET PROFIT MADE IN 2004 BY OPEN JSC “GUM TRADING HOUSE”

It is proposed to distribute the net profit made in 2004 by Open JSC “GUM Trading House” at the amount of 421,28 mln.roubles for the following purposes:

- to develop the proper manufacturing capabilities at the amount of 271,28 mln. roubles;
- to modify and reconstruct the units of property of Open JSC “GUM Trading House” at the amount of 90 mln. roubles;
- to develop social area at the amount of 30 mln. roubles;
- charitable purposes at the amount of 30 mln. roubles.

DIVIDENDS

The investment policy of Open JSC “GUM Trading House” envisages rise in the expenses aimed at making department store “GUM in Red Square” in a modern technically equipped shopping centre of a European level in the future.

Taking into account these circumstances and in view of limited financial resources the Board of Directors of Open JSC “GUM TH” recommend the annual general meeting of shareholders not to pay dividends on the results of work in 2004.



J S C " G U M T r a d i n g H o u s e "

ACCOUNTING OF OPEN JSC "GUM TRADING HOUSE" (thousands rubles)

THE COMPANY'S BALANCE SHEET AS PER DECEMBER 31, 2004

ASSET	Code lines	as per the beginning of reports period	as per the end of reports period
1	2	3	4
I. FIXED ASSETS			
Intangible assets (04, 05)	110	2 064	1 474
including:			
a data base, trade marks, administrative costs	111	2 064	1 474
Fixed assets (01, 02)	120	525 312	502 581
including:			
buildings, cars, equipment	121	525 312	502 581
Incomplete buildings (07, 08, 16, 60)	130	49 618	36 062
Profitable inventory investments (03)	135	–	–
Long-term financial investments (58, 59)	140	109 416	558 121
including:			
investments in subsidiary companies	141	14 866	14 866
investments in other companies	142	8 663	8 663
loans granted for a period of more than 12 months	143	3 625	532 800
other long-term financial investments	144	82 262	1 792
Deferred tax assets	145	21 056	11 408
Other fixed assets	150	–	–
TOTAL: as per section I	190	707 466	1 109 646
II. CURRENT ASSETS			
Inventory	210	277 144	241 072
including:			
raw materials, materials and other similar assets (10, 14, 15, 16)	211	20 036	14 094
animal breeding and feeding (11)	212	–	–
costs in work in progress (circulation costs) (14,20, 21, 23, 29, 44,46)	213	8 343	1
finished goods and merchandise inventory (14,16, 40, 41,43)	214	212 165	197 579
goods consigned (45)	215	3 416	8
prepaid expenses (97)	216	33 184	29 390
other inventories and expenses	217	–	–
Value added tax incurred for purchases (19)	220	56 571	51 335
Accounts receivable (payments are expected in more than 12 months after the reporting date)	230	3 685	1 425
including:			
customers and clients (62, 63, 76)	231	–	–
notes receivable (62)	232	–	–
debts of subsidiaries and affiliates (78)	233	–	–
advances made (60)	234	2 114	–
other debtors	235	1 571	1 425
Accounts receivable (payments are due within 12 months since the reporting date)	240	128 805	364 523
including:			
customers and clients (62, 63,76)	241	25 458	28 649
notes receivable (62)	242	–	–



Annual Report for 2003

ASSET	Code lines	as per the beginning of reports period	as per the end of reports period
1	2	3	4
debts of subsidiaries and affiliates (6203)	243	17 927	24 449
debts of the members (founders) relating to the contributions in the authorized capital (75)	244	–	–
advances made (60)	245	67 757	283 569
other debtors	246	17 663	27 856
Short-term financial investments (58, 59,81)	250	853 858	734 558
including:			
loans granted to organizations for a period of less than 12 months	251	231 227	516 196
other short-term financial investments	252	622 631	218 362
Cash	260	295 883	98 358
including:			
cash in hand: (50)	261	2 793	3 126
current accounts (51)	262	273 887	83 604
currency accounts (52)	263	13 566	6 783
other cash equivalents (55, 57)	264	5 637	4 845
Other current assets	270		
TOTAL as per section II	290	1 615 946	1 491 271
BALANCE SHEET (total of lines 190 + 290)	300	2 323 412	2 600 917

LIABILITIES	Code lines	as per the beginning of reports period	as per the end of reports period
1	2	3	4
III. CAPITAL AND RESERVES			
Authorized capital (80)	410	60 000	60 000
Own shares redeemed from shareholders	411	–	(76 856)
Additional capital (83)	420	25 158	25 158
Reserves (82)	430	9 000	9 000
including:			
the reserves created in accordance with the legislation	431	9 000	9 000
the reserves created in accordance with the foundation documents	432		
Retained profits (outstanding deficit)	470	1 688 948	2 115 994
Minority share	471	–	–
TOTAL as per section III	490	1 783 106	2 133 296
IV. LONG-TERM LIABILITIES			
Loans and credits (67)	510	–	–
including:			
bank loans to be matured within 12 months from the reporting date	511	–	–
Loans to be matured within more than 12 months from the reporting date	512	–	–
Deferred tax liabilities	515	9 508	5 043



J S C “ G U M T r a d i n g H o u s e ”

LIABILITIES	Code lines	as per the beginning of reports period	as per the end of reports period
1	2	3	4
Other long-term liabilities	520		
TOTAL as per section IV	590	9 508	5 043
V. CURRENT LIABILITIES			
Loans and credits (66)	610	203 000	–
including:			
bank loans to be matured within 12 months from the reporting date	611	203 000	–
loans to be matured within 12 months from the reporting date	612	–	–
Accounts payable	620	275 321	424 278
including:			
suppliers and contractors (60, 76)	621	222 633	245 122
debts to the staff of organization (70)	622	12 820	–
debts to the state extra-budgetary funds (69)	623	2 347	–
taxes and fees payable (68)	624	18 556	13 943
other creditors	625	927	76 803
notes payable	626	–	–
liabilities to subsidiary companies and affiliates	627	1 735	14 275
advances received (62)	628	16 303	74 135
Debts to the members (founders) relating to income payment (75)	630	9 225	2 215
Deferred income (98)	640	43 252	36 085
Provisions for future expenses (96)	650	–	–
Other current liabilities	660	–	–
TOTAL as per section V	690	530 798	462 578
BALANCE SHEET (total of lines 490 + 590 + 690)	700	2 323 412	2 600 917

CERTIFICATE ON VALUES AVAILABILITY TO BE TAKEN INTO ACCOUNT ON BELOW-LINE ACCOUNTS

Parameter name	Code lines	as per the beginning of reports period	as per the end of reports period
1	2	3	4
Rented fixed assets (001)	910	3 274 713	3 274 713
including leased fixed assets	911		
Inventory items accepted in deposit (002)	920	157	86
Goods accepted on commission (004)	930	80 301	78 264
Insolvent debtors' liabilities written off at a loss (007)	940	4 472	19 915
Liabilities and payments securities received (008)	950	–	–
Liabilities and payments securities given (009)	960	–	–
Housing facilities depreciation	970		
Depreciation of land improvement objects and other similar objects	980		
Intangible assets received for free use	990		
OS up to 10000 roubles (012); Stocks to be taken into account (013); Accounting items to be taken into account (014)	991	24 230	20 136
Registered high security forms	992	–	108



**PROFIT AND LOSS STATEMENT
AS PER DECEMBER 31, 2004**

Parameter name	Code lines	For the accounting period	For the similar period of the previous year
1	2	3	4
I. PROFIT AND LOSS FROM ORDINARY ACTIVITIES			
Earnings (netto) from the sales of goods, production, work, services (minus VAT, excises and similar mandatory payments), including	010	2 241 207	2 651 462
From the sales of goods, products	011	1 108 508	1 725 423
From letting own floor space on lease and from sub-lease	012	1 118 315	911 185
From the sales of services	013	14 384	14 854
Prime cost of the sold goods, production, work, services, including :	020	847 311	1 381 002
From the sales of goods, products	021	830 469	1 363 560
From letting own floor spaces in lease and sub-lease	022	–	–
From selling the services	023	16 842	17 442
Gross Profit	029	1 393 896	1 270 460
Business Expenses	030	584 149	629 411
Administrative expenses	040	281 578	216 188
Profit (loss) from the sales (lines (010-020-030-040))	050	528 169	424 861
II. OTHER EARNINGS AND COSTS			
Interest receivable	060	4 686	5 719
Interest payable	070	7 922	116
Profit from share in other companies	080	601	4 263
Other operating income	090	666 034	1 460 545
Other operating expenses	100	632 861	1 362 791
Other non-operating income	120	60 572	48 884
Other non-operating costs	130	52 129	144 748
III PROFIT (LOSS) BEFORE TAXATION	140	567 150	436 617
Deferred tax asset	141	– 14	158
Deferred tax liability	142	1 872	9 508
Current income tax	150	143 981	125 597
IV. NET PROFIT (LOSS) OF THE ACCOUNTING PERIOD:	190	421 283	301 670
REFERENCE.			
Minority share	195		
Permanent tax liability	200	1 643	30 790
Basic earnings (loss) per share			
Diluted earnings (loss) per share			



DESCRIPTION OF INDIVIDUAL PROFITS AND LOSSES

Name of parameters	Code	For the accounting period		For the similar period of the previous year	
		profit	loss	profit	loss
1	2	3	4	5	6
Fines, interest fines and cancellation penalties accepted or on which court decisions (arbitral tribunals) on their recovery are received	210		81		244
Profit (loss) of previous years	220	4 978	2 503	1 398	4 934
Recovery of losses caused by non-fulfilment or improper fulfilment of liabilities	230	378	–	86	106
Exchange differences relating to the transactions in foreign currency	240	1 759	3 375	7 697	17 022
Estimated provisions allocations	250	X	2 582	X	17 950
Writing-off accounts receivable and accounts payable on which the period of limitation is expired	260	3 546	84	2 890	4 461
	270				

REPORT ON THE EQUITY CHANGES FOR 2004

I. EQUITY CHANGE

Index		Autho- rized capital	Addi- tional capital	Reserves	Retained earnings (uncovered loss)	Total
Name	code					
1	2	3	4	5	6	7
Balance as per December, 31 of the year preceding the previous one		60 000	153 946	9 000	1 258 490	1 481 436
2003						
(previous year)						
Changes in accounting policy		x	x	x	–	–
Revaluation surplus		x	–	x	–	–
Balance as per January 1 of the previous year		60 000	153 946	9 000	1 258 490	1 481 436
Result produced by foreign currency conversion		x		x	–	–
Net earnings		x	x	x	301 670	301 670
Dividends		x	x	x	–	–
Appropriations to reserves	110	x	x	–	–	–
Rise in shareholders' equity due to:						
additional share issue	121	–	x	x	x	–
increase of share par value	122	–	x	x	x	–
reorganization of legal entity	123	–	x	x	x	–
Decrease of shareholders' equity due to:						
decrease of share par value	131	–	x	x	x	–
decrease of share number	132	–	x	x	x	–
reorganization of legal entity	133	–	x	x	–	–
Balance as per January 31, the previous year		60 000	153 946	9 000	1 560 160	1 783 106



Annual Report for 2003

Index		Authorized capital	Additional capital	Reserves	Retained earnings (uncovered loss)	Total
Name	code					
1	2	3	4	5	6	7
2004 (accounting year)						
Changes in accounting policy		x	x	x	-	-
Revaluation surplus		x		x	-	-
Capitalization of Earnings			(128 788)		128 788	
Balance as per January 1, the accounting year	100	60 000	25 158	9 000	1 688 948	1 783 106
Result produced by foreign currency conversion		x		x	x	-
Net earnings		x	x	x	421 283	421 283
Dividends		x	x	x		
Appropriations to reserves		x	x	-	-	-
Rise in shareholders' equity due to:						
additional share issue			x	x	x	-
increase of share par value			x	x	x	-
reorganization of legal entity			x	x	-	-
Decrease of shareholders' equity due to:						
decrease of share par value			x	x	x	-
decrease of share number			x	x	x	-
reorganization of legal entity			x	x	-	-
Re-calculation of the profit of last years					5 763	
Balance as per December 31 of the accounting year	140	60 000	25 158	9 000	2 115 994	2 210 152

II. RESERVES

Index		Balance	Received	Used	Balance
Name	Code				
1	2	3	4	5	6

STATUTORY RESERVES:

Reserves

(reserve name)

previous year data		9 000	-	-	9 000
accounting year data		9 000	-	-	9 000

(reserve name)

previous year data		-	-	-	-
accounting year data		-	-	-	-

RESERVES CREATED IN ACCORDANCE WITH THE FOUNDATION DOCUMENTS:

(reserve name)



J S C “ G U M T r a d i n g H o u s e ”

Index		Balance	Received	Used	Balance
Name	Code				
1	2	3	4	5	6
previous year data		-	-	-	-
accounting year data		-	-	-	-
(reserve name)					
previous year data		-	-	-	-
accounting year data		-	-	-	-
ESTIMATED PROVISIONS:					
<u>Reserve of doubtful debts</u>					
(reserve name)					
previous year data		-	17 950	-	17 950
accounting year data		17 950	3	(15 371)	2 582
(reserve name)					
previous year data					
accounting year data					
(reserve name)					
previous year data					
accounting year data					
PROVISIONS FOR FUTURE EXPENSES:					
(reserve name)					
previous year data					
accounting year data					
(reserve name)					
previous year data					
accounting year data					

REFERENCES

Index		Balance as per the beginning of the accounting year	Balance as per the end of the accounting period		
Name	code				
1	2	3	4		
1) Net assets	200	1 814 810	2 163 016		
		From the state budget	From the off-budget funds		
		For the accounting year	For the previous year	For the accounting year	For the previous year
		3	4	5	6
2) Received for					
operating expenses total:	210				
including:	211				
investments in fixed assets	220				
including:					



STATEMENT OF CASH FLOW
AS PER DECEMBER 31, 2004

Parameter name	Line code	for the accounting year	for the similar period of the previous year
1	2	3	4
CASH BALANCE AS PER THE BEGINNING OF THE YEAR	110	291 082	256 536
CASH FLOWS FROM OPERATING ACTIVITIES:			
Monetary funds received from buyers, customers	120	1 680 099	2 719 592
other incomings	140	2 217 657	2 007 099
cash aimed at:			
paying purchased goods, work and services	150	(626 878)	(1 315 890)
remunerating labour	160	(232 493)	(252 932)
paying dividends, interests	170	(4 198)	(1 577)
paying taxes and fees	180	(397 506)	(386 610)
assignments to the State off-budget (social) funds	190	(68 021)	(67 619)
other expenses	195	(2 418 894)	(2 356 517)
Net cash provided by (used in) operating activities	200	149 766	345 546
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales proceeds of property, plant, equipment and other non-current assets	210	28 093	112 603
Sales proceeds of securities and other financial investments	220	598 801	1 293 129
Dividends received	230	44	910
Interest received	240	8 955	11 744
Proceeds from repayment of loans granted to other organizations	250	475	30 000
Acquisition of subsidiary organizations	260	(-)	(250)
Purchases of property and equipment, profitable inventory investments and intangible assets	270	(20 245)	(148 802)
Purchases of securities and other financial investments	280	(80 000)	(1 595 739)
Loans granted to other organizations	290	(679 620)	(217 500)
Net cash provided by investing activities	300	-143 497	-513 905
CASH FLOWS FROM FINANCIAL ACTIVITIES:			
Earnings from issuing shares or other contribution securities	350	-	-
Earnings from loans and credits granted to other organizations	360		237 386
earnings from repayment of the loans granted to other organizations	370		-
Purchase of the securities	380	(-)	(-)
Repayment of loans and credits (without interest)	390	(203 000)	(34 481)
Repayment of financial lease liabilities	400	(-)	(-)
Loans granted to other organizations	410	(-)	(-)
Net cash provided by financial activities	430	-203 000	202 905
Net increase (decrease) of cash and cash equivalents	440	-196 731	34 546
4. CASH BALANCE AS PER THE END OF THE REPORTING PERIOD	450	94 351	291 082
Value of influence of the changes of foreign currency exchange rate in respect of rouble	460	-766	-4 549



J S C " G U M T r a d i n g H o u s e "

**SUPPLEMENT TO THE BALANCE SHEET
FOR 2004
INTANGIBLE ASSETS**

Index		Available as per the beginning of the accounting year	Received	Retired	Available as per the end of the accounting year
Name	Code				
1	2	3	4	5	6
Intellectual property items (exclusive rights for the results of intellectual property)	010	2 643	50	315	2 378
including:					
patent holder's rights to invention, production piece, suit model	011	–	–	–	–
right owner's to computer programs, data bases	012	2 257	–	–	2 257
right holder's to topology of integral schemes	013				
owner's to brand name and service sign, name of the place of goods origin	014	386	50	315	121
patent holder's to selection achievements	015	–	–	–	–
Organization costs	020	–	–	–	–
Business reputation of organization	030				
Other	040	–	–	–	–

Index		As per the beginning of the accounting year	As per the end of the accounting year
Name	Code		
1	2	3	4
Amortization of intangible assets – total	050	579	904
including: Computer programs		560	882
trade marks		19	22

FIXED ASSETS

Index		Available as per the beginning of the accounting year	Received	Retired	Available as per the end of the accounting period
Name	Code				
1	2	3	4	5	6
Buildings		274 264	3 225	2 843	274 646
Installations and transfer mechanisms		1 647	–	–	1 647
Machinery and equipment		356 711	35 113	21 481	370 343
Means of transport		6 798	40	4	6 834
Inventory		3 076	100	134	3 042
Live stock		–	–	–	–
Productive live stock		–	–	–	–
Perennial plantations		–	–	–	–
Other types of the fixed assets		174	142	2	314
Land and natural resources		–	–	–	–
Investments in radical land development		–	–	–	–
Total		642 670	38 620	24 464	656 826



Annual Report for 2003

Index		as per the beginning of the accounting year	as per the end of the accounting period
Name	Code		
1	2	3	4
Depreciation of the fixed assets – in total	140	117 358	154 245
including:			
buildings and installations		34 360	37 831
machinery, equipment, means of transport		82 926	116 269
other		72	145
The units of the fixed assets let on lease – in total		134 301	131 791
including:			
buildings		113 407	113 887
installations		18	18
equipment		20 876	17 886
Temporary closed-down fixed assets		–	–
The units of the fixed assets received in rent – in total		3 274 713	3 274 713
including:			
Real estate put into operation and being in process of the State registration		–	–
REFERENCE	Code	as per the beginning of the accounting year	As per the beginning of the previous year
The result of revaluating the units of the fixed assets	2	3	4
initial (restoration) cost	171	–	–
amortization	172	–	–
Changes of the value of the units of the fixed assets as a result of completion, development, reconstruction, partial liquidation	Code	as per the beginning of the accounting year	as per the end of the accounting period
	2	3	4



PROFITABLE INVENTORIES INVESTMENTS

Index		Available as per the beginning of the accounting year	Received	Retired	Available as per the end of the accounting period
Name	Code				
1	2	3	4	5	6
Property to be let on lease					
Property to be given under a hiring contract					
Other					
Total					
	Code	as per the beginning of the accounting year	as per the end of the accounting period		
1	2	3	4		
Depreciation of the profitable inventories investments					

RESEARCH, DEVELOPMENT AND ENGINEERING PROJECTS EXPENSES

Project category		Available as per the beginning of the accounting year	Received	Written off	Available as per the end of the accounting year
Name	Code				
1	2	3	4	5	6
Total					
including:					
REFERENCE			Code	as per the beginning of the accounting year	as per the end of the accounting year
			2	3	4
Total expenses relating to incomplete research, development and engineering projects					
			Code	for the accounting period	for the similar period of the previous year
			2	3	4
The amount of the expenses relating to research, development and engineering projects which didn't give positive results and were attributed to non-operating expenses.					



EXPENSES FOR NATURE RESOURCES DEVELOPMENT

Index		Balance as per the beginning of the accounting period	Received	Written off	Balance as per the end of the accounting period
Name	Code				
1	2	3	4	5	6
Expenses for nature resources development – in total					
including:					
REFERENCE:			Code	as per the beginning of the accounting year	as per the end of the accounting period
			2	3	4
The total expenses relating to bosom regions with unfinished search and estimation of fields, geological and (or) hydrogeological survey and other similar activities					
The total expenses for nature resources development attributed to non-operating expenses as unsuccessful, in the reporting period.					

FINANCIAL INVESTMENTS

Index		Long-term		Short-term	
Name	Code	as per the beginning of the accounting year	as per the end of the accounting year	as per the beginning of the accounting year	as per the end of the accounting year
1	2	3	4	5	6
Shares in the authorized (legal) capitals of other organizations, total					
		14 866	14 866	–	–
including subsidiary companies and affiliates					
		14 866	14 866	–	–
State and municipal securities					
		2 262	1 792	–	–
Securities of the other organizations – total					
		88 663	8 663	591 685	80 000
including debt securities (bonds, notes)					
		88 663	8 663	591 685	80 000
Loans given					
		3 625	532 800	231 227	516 196
Deposits					
		–	–	–	80 000
Other					
		–	–	30 946	58 362
Total					
		109 416	558 121	853 858	734 558
From total amount Financial Investments having current market price: Shares in authorized (legal) capitals of other organizations, total					
		–	–	–	–
including subsidiary companies and affiliates					
		–	–	–	–
State and municipal securities					
		–	–	–	–



J S C “ G U M T r a d i n g H o u s e ”

Index		Long-term		Short-term	
Name	Code	as per the beginning of the accounting year	as per the end of the accounting year	as per the beginning of the accounting year	as per the end of the accounting year
1	2	3	4	5	6
Securities of the other organizations – total		–	–	–	–
including debt securities (bonds, notes)		–	–	–	–
Other		–	–	30 946	58 362
Total		–	–	30 946	58 362
REFERENCE.					
In terms of financial investments having a current market price, the value is changed as a result of adjusting the assessment		–	–	603	29 524
in terms of debt securities, a difference between initial cost and nominal cost is referred to the financial result of the reporting period		–	–	–	–

ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

Index		Balance as per the beginning of the accounting year	Balance as per the end of the accounting period
Name	Code		
1	2	3	4
ACCOUNTS RECEIVABLE :			
short-term – total		128 805	364 523
including			
payments with buyers and clients		25 458	28 649
advances given		67 757	283 569
other		35 590	52 305
long-term – total		3 685	1 425
including			
payments with buyers and customers		–	–
advances given		2 114	–
other		1 571	1 425
Total		132 490	365 948
ACCOUNTS PAYABLE :			
short-term – total		530 798	462 578
including			
payments with suppliers and contractors		222 633	245 122
advances received		16 303	74 135
payments on taxes and fees		18 556	13 943
credits		203 000	–
loans		–	–
other		70 306	129 378
long-term – total		9 508	5 043
including			
credits		–	–
loans		–	–
Deferred tax liabilities		9 508	5 043
Total		540 306	467 621



OPERATING EXPENSES (CLASSIFIED BY INPUT FACTORS)

Index		For the accounting year	For the previous year
Name	Code		
1	2	3	4
Tangible costs		847 311	1 381 002
Employee compensation costs		231 603	252 843
Deductions for social needs		66 497	70 469
Amortization and depreciation		48 398	50 629
Other costs		519 229	471 658
Total, by input factors		1 713 038	2 226 601
Balance variation (increase [+], decrease [-]):			
work in process		+6 728	-13 556
prepaid expenses		-1 014	-3 794
provision for future expenses		-	-

COLLATERALS

Index		Balance as per the beginning of the accounting year	Balance as per the end of the accounting period
Name	Code		
1	2	3	4
RECEIVED – TOTAL		671 685	80 000
including:			
notes		671 685	80 000
Property received as a pledge			
including:			
fixed assets items			
securities and other financial investments			
other			
GIVEN – TOTAL			
including:			
notes			
Property put in pawn			
including:			
fixed assets items			
securities and other financial investments			
other			



J S C “ G U M T r a d i n g H o u s e ”

GOVERNMENT AID

Index		Balance as per the beginning of the accounting year		Balance as per the end of the accounting period	
name	Code				
1	2	3		4	
State budget funds received during the accounting year – total					
including:					
		as per the beginning of the accounting year	Received during the accounting period	Repayed during the accounting period	as per the end of the accounting period
Budget Credits – total					
including:					



CERTIFICATE OF THE INTERNAL AUDIT COMMISSION ON THE RESULTS OF THE BUSINESS OF OPEN JSC "GUM TRADING HOUSE" IN 2004

The Internal Audit Commission mentions that the accounting of Open JSC "GUM TH" is prepared in accordance with the Federal Law "On Accounting" #129-FL of November 21, 1996, "Regulation on the accounting and reports in the Russian Federation" #34n approved by the Decree of Russia's Ministry of Finance of July 29, 1998, the Regulations on accounting "Accounting Policy of organization" (PBU 1/98) #60n, approved by the Decree of the Ministry of Finance of the Russian Federation of December 9, 1998, the Regulations on Accounting "The Accounting of Organization" (PBU 4/99) #43n, approved by the Decree of the Ministry of Finance of the Russian Federation of July 6, 1999, and other normative acts of the Russian Federation, regulating the procedure of keeping books and drawing reports. In 2004, the main sources of incomings were earnings from:

- selling goods and production at the amount of 1108,5 mln. roubles;
- renting own premises and sub-renting - 1118,3 mln. roubles;
- rendering services at the amount of 14,4 mln. roubles.

It's worth mentioning that in 2004 the earnings, as a result of renting own premises and sub-renting, amounted to 49,9 per cent of the total amount of the earnings compared to 34,4 per cent in 2003.

In 2004, commercial expenses decreased by 7,2 per cent compared to the last year and amounted to 584,1 mln. roubles. Their specific weight in the gross profit reduced from 49,5 per cent to 41,9 per cent. Reduction was, mainly, achieved, due to item "Expenses on running repairs and capital overhaul" by 63,2 mln. roubles or 52,5 per cent compared to 2003, as a result of reducing the volumes of works.

At the same time in a number of the items of business expenses there was rise compared to 2003:

- the expenses to rent fixed assets, increased by 8,6 mln. roubles or 11,4 per cent as a result of increasing the rented spaces;
- in terms of the expenses to maintain buildings and premises, the growth amounted to 16,9 mln. roubles or 27 per cent. First of all, this relates to the rise in the expenses for communal services as a result of the

growth of the power and electric power rates. Apart from it, the consumed power of electric power increased by 10 per cent as a result of increasing a number of salons with air-conditions;

- the expenses to maintain custodial service and militia increased by 2,9 mln. roubles or 20,3 per cent as a result of increasing the value of contracts on the custodial services (including rise in the remuneration of Limited Liability Company ChOP "Angel");
- the expenses for advertising increased by 26,7 mln. roubles or 2,5 times due to carrying out a large advertising campaign in November-December, 2004.

In 2004, administrative expenses increased by 30,2 per cent compared to the last year and amounted to 281,6 mln. roubles. The rise in the expenses is determined by paying the expenses to Managing Company "Atlas Project Management Public Limited Company" during 2004, while in 2003 the expenses of the Managing Company were paid starting with the second half.

In 2004, the profit before taxation amounted to 567,2 mln. roubles and increased by 130,5 mln. roubles or 29,9 per cent compared to the last year.

After assessment of taxes and other obligatory payments the net profit (undistributed earnings) of the reporting year amounted to 421,3 mln. roubles and increased by 119,6 mln. roubles or 39,7 per cent compared to 2003.

In 2004, the company provided security of inventories.

In 2004, accounts receivable increased by 233,5 mln. roubles or 2,8 times because of the rise in floating debt by 235,7 mln. roubles.

As per 31.12.2004 accounts payable increased by 54,1 per cent or 149,0 mln. roubles and amounted to 424,3 mln. roubles compared to the data as per 31.12.2003.

In 2004, own circulating assets decreased by 52 mln. roubles or 4,8 per cent and amounted to 1023,7 mln. roubles because of granting loans for the period of more than 12 months.

In the reporting period the Internal Audit Commission examined the results of the financial and economic activity of Open JSC "GUM TH" as per the reporting dates. The non-operating costs, circulation costs, state



J S C " G U M T r a d i n g H o u s e "

of proprietary resources, accounts receivable and accounts payable were analysed.

During the inspection of the accounting returns of Open JSC "GUM TH" by an external independent auditor of Limited Liability Company "FinExpertise" approved by the resolution of the general meeting of shareholders, the accounting department of the JSC made all corrections in the report for 2004.

Taking into account the above mentioned, the Internal Audit Commission confirms the credibility of the balance sheet of the JSC as per January 1, 2005, at the amount of 2600,9 mln. roubles, the annual report of Open JSC

"GUM TH", financial and material stability of Open JSC "GUM TH".

The Internal Audit Commission recommends to take measures to increase own circulating assets, secure timely payments with debtors and creditors.

Chairman of the Internal Audit
Commission of Open JSC
"GUM Trading House"
Marjanova, E.A.





A

AUDIT CERTIFICATE OF THE AUDIT AND CONSULTING GROUP OF LIMITED LIABILITY COMPANY "FINEXPERTIZA", RELATING TO THE FINANCIAL (ACCOUNTING) RETURNS OF OPEN JSC "GUM TRADING HOUSE" FOR 2004

AUDITOR

Name: Limited Liability Company "FinExpertiza";

Location: 107078 Moscow, Skornyyazhny pereulok, build. 1.

Certificate of state registration No 937341 was issued on May 05, 1997 by the Moscow Registration Chamber;

License #E002588 for carrying out auditing activities is issued by the Ministry of Finance of the Russian Federation in November 6, 2002, for a period of five years.

The license for carrying out the works relating to the use of the information making a state secret B 329021 registration #5797 of 23.03.04 for a period till 16.12.2007.

The Auditor is a member of Moscow Auditing Chamber and National Federation of Consultants and Auditors.

AUDITED PERSON

Full Name: Open Joint-stock Company "GUM Trading House".

Short Name: Open JSC "GUM TH".

Location: Red Square, 3, Moscow 109012.

Certificate of the state registration #000457 was issued on 06.12.1990, by Moscow Registration Chamber;

We audited the financial (accounting) returns of Open JSC "GUM TH" for the period from 01.01.2004 to 31.12.2004 inclusively.

The financial (accounting) returns of Open JSC "GUM TH" include:

- balance sheet;
- profit-and-loss report;
- supplements to the balance sheet and profit-and-loss report;
- an explanatory note.

The executive body of Open JSC "GUM TH" shall bear responsibility for preparing and submitting the financial (accounting) returns.

Our responsibility is to express our opinion about the credibility of this financial returns in all significant respects and compliance of the procedure of keeping accounts with the legislation of the Russian Federation on the basis of the carried out audit.

We carried out the audit in accordance with:

- Federal Law "On Audit";
- Federal Regulations (standards) for auditing business (approved by Decree #696 of September 23, 2002, of Russia's Government "On approval of the federal regulations (standards) of auditing business");
- Internal regulations (standards) of auditing business by Moscow Auditor's Chamber;
- Internal standards of auditing business of "FinEzperitza" LTD.

The audit was planned and carried out so that to obtain reasonable assurance that the financial (accounting) returns did not include any significant errors.



J S C " G U M T r a d i n g H o u s e "

The audit was carried out on a sample basis and included studying on the basis of testing the proves confirming the significance and disclosure of the information in the financial (accounting) returns about the financial and economic activity, assessment of the accounting principles and methods, regulations for preparing financial (accounting) returns, determination of the main assessed values obtained by the management of Open JSC "GUM TH", as well as evaluation of the general idea of the financial (accounting) returns.

We believe that the carried out audit provides sufficient grounds to express our opinion about credibility of the financial (accounting) returns in all significant respects and compliance of the procedure of keeping accounts with the legislation of the Russian Federation.

In our opinion, the financial (accounting) returns of Open JSC "GUM TH" accurately reflect in all significant respects the financial state as per 31.12.2004 and re-

sults of financial and economic activity for the period from 01.01.2004 to 31.12.2004 included.

March 17, 2005.

*General Director
of "FinExpertiza" LTD,
Mrs. Trubnikova, E.A.*

*Manager of the audit
Mr. Morozov, D.F.*



Qualification certificate relating to general audit K001669 is issued by TsALAK of the Ministry of Finance of the RF on 26.12.1996, from 20.12.2002 without limitation of term.