



U.S. DEPARTMENT OF COMMERCE
Economic and Statistics Administration
BUREAU OF ECONOMIC ANALYSIS

**2004 BENCHMARK SURVEY OF
U.S. DIRECT INVESTMENT ABROAD
MANDATORY — CONFIDENTIAL**

FORM **BE-10B(LF) (Long Form) (Report for Nonbank Foreign Affiliate)** (REV. 12/2004)

DUE DATE — A complete BE-10 report is due on the following dates:

May 31, 2005 for a U.S. Reporter required to file fewer than 50 Forms BE-10B(LF), BE-10B(SF), BE-10B Mini, and/or BE-10B BANK

June 30, 2005 for a U.S. Reporter required to file 50 or more Forms BE-10B(LF), BE-10B(SF), BE-10B Mini, and/or BE-10B BANK

MAIL REPORTS TO:
U.S. Department of Commerce
Bureau of Economic Analysis
BE-69(A)
Washington, DC 20230

OR

DELIVER REPORTS TO:
U.S. Department of Commerce
Bureau of Economic Analysis
BE-69(A)
Shipping and Receiving,
Section M-100
1441 L Street, NW
Washington, DC 20005

BEA USE ONLY	Affiliate ID Number	B
1. Name of U.S. Reporter of foreign affiliate — <i>Same as item 1, Form BE-10A</i>		
2. Name of foreign affiliate being reported — <i>Use the same name on all reports filed subsequently for this affiliate with the Bureau of Economic Analysis, e.g., Forms BE-11 and BE-577.</i>		

IMPORTANT

Please read the **Instruction Booklet**, which contains definitions and reporting requirements, before completing this form. **"Additional" Instructions** specific to line items and **"Special" Instructions** for dealers in financial instruments and finance, insurance, and real estate companies are provided at the back of this form. For banks, including bank holding companies, see the report forms for banks and the **Instruction Booklet**, Part I.C.

- **Who must report** — The U.S. Reporter must file Form BE-10B(LF) for each majority-owned nonbank foreign affiliate for which total assets; sales or gross operating revenues, excluding sales taxes; or net income after provision for foreign income taxes was greater than \$150 million (positive or negative) at any time during the affiliate's 2004 fiscal year.

NOTE — If the foreign affiliate is exempt from being reported on Form BE-10B(LF) and is not a bank, see the reporting requirements for Form BE-10B(SF), BE-10B Mini and BE-10A SUPPLEMENT A. The foreign affiliate must be reported on one of those forms.

- **Foreign affiliate's 2004 fiscal year** — The foreign affiliate's financial reporting year that has an ending date in calendar year 2004. See **Instruction Booklet**, Part II.A.
- **Translation of foreign currency financial and operating data into U.S. dollars** — Use U.S. Generally Accepted Accounting Principles (FAS 52). See **Instruction Booklet**, Part IV.B.

- **Currency amounts — Report in U.S. dollars rounded to thousands (omitting 000). Do not enter** amounts in the shaded portions of each line. **EXAMPLE** — If amount is \$1,334,891.00, report as

Bil.	Mil.	Thous.	Dols.
	1	335	

If an item is between + or - \$500.00, enter "0." Use parenthesis () to indicate negative numbers.

Bil.	Mil.	Thous.	Dols.
	1	335	

- **Contact us for help** — Telephone: 202-606-5566; FAX: 202-606-5312 or 5317; E-mail: be10/11@bea.gov.

Part I — IDENTIFICATION OF FOREIGN AFFILIATE — See **Additional Instructions** for Part I on page 19 at the back of this form.

- 3. **Number of foreign affiliates consolidated in this report** — Do not consolidate affiliates located in different countries or in different 4-digit industries. See the **Instruction Booklet**, Part I.B.2.d.(1). If your answer to this question is 2 or more, you must complete **Supplement B (page 17)** of this report. If this report is for a single foreign affiliate, enter "1" in the box.

1003

Number
1

- 4. **Does this foreign affiliate have a direct equity interest in other foreign affiliates, including branches of this affiliate, that are not fully consolidated in this BE-10B(LF)?** — Mark (X) one.

1004

1	1	<input type="checkbox"/>	Yes — Item 42 and items 86 and/or 87 must have entries and Supplement A of this Form BE-10B(LF) must be completed.
1	2	<input type="checkbox"/>	No

- 5. **Form of organization of this foreign affiliate** — Mark (X) one.

1005

1	1	<input type="checkbox"/>	Corporation	1	2	<input type="checkbox"/>	Branch	1	3	<input type="checkbox"/>	Partnership	1	4	<input type="checkbox"/>	Other — Specify	
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- 6. **Country of incorporation or organization of this foreign affiliate** — Mark (X) one.

1006

1	601	<input type="checkbox"/>	Australia	1	307	<input type="checkbox"/>	France	1	614	<input type="checkbox"/>	Japan	1	327	<input type="checkbox"/>	United Kingdom
1	202	<input type="checkbox"/>	Brazil	1	308	<input type="checkbox"/>	Germany	1	213	<input type="checkbox"/>	Mexico	1		<input type="checkbox"/>	Other — Specify
1	100	<input type="checkbox"/>	Canada	1	611	<input type="checkbox"/>	Hong Kong	1	319	<input type="checkbox"/>	Netherlands	1	325	<input type="checkbox"/>	Switzerland
1	650	<input type="checkbox"/>	China	1	314	<input type="checkbox"/>	Italy								

- 7. **Country of location** — Country in which this foreign affiliate's physical assets are located or where its primary activity is carried out — Mark (X) one.

1007

1	601	<input type="checkbox"/>	Australia	1	307	<input type="checkbox"/>	France	1	614	<input type="checkbox"/>	Japan	1	327	<input type="checkbox"/>	United Kingdom
1	202	<input type="checkbox"/>	Brazil	1	308	<input type="checkbox"/>	Germany	1	213	<input type="checkbox"/>	Mexico	1		<input type="checkbox"/>	Other — Specify
1	100	<input type="checkbox"/>	Canada	1	611	<input type="checkbox"/>	Hong Kong	1	319	<input type="checkbox"/>	Netherlands	1	325	<input type="checkbox"/>	Switzerland
1	650	<input type="checkbox"/>	China	1	314	<input type="checkbox"/>	Italy								

- 8. **This foreign affiliate's financial books and records are kept in** — Mark (X) one.

1008

1	1	<input type="checkbox"/>	The currency of the country of the affiliate as given in item 7. (Foreign affiliates located in Euro Area countries should check this box if they keep their books in the currency of the country of the affiliate or in euros.)
1	2	<input type="checkbox"/>	U.S. dollars
1	3	<input type="checkbox"/>	A foreign currency which is not that of the country of location of the affiliate as given in item 7

- 9. **The ending date of this foreign affiliate's 2004 fiscal year.**

	Month	Day	Year
1009	1		2004

Part I — IDENTIFICATION OF FOREIGN AFFILIATE — Continued

10. Was the foreign business enterprise a foreign affiliate of the U.S. Reporter for only part of FY 2004?

1010 1 Yes, and this is its initial report — Affiliate was not previously owned by the U.S. Reporter

If "Yes," did the U.S. Reporter — Mark (X) one

- 2 1 Establish the foreign affiliate?
- 2 2 Acquire a voting interest of 10 percent or more in an existing foreign company from a foreign person?
- 2 3 Acquire a voting interest of 10 percent or more in this affiliate from a U.S. person? — Give name and address of U.S. person.

Month	Year
3	

Enter date

1 2 Yes, and this is its final report —

If "Yes," was the affiliate — Mark (X) one

- 2 4 Merged or reorganized?
- Sold:
- 2 5 to a U.S. person? — Give name and address of U.S. person.

- 2 6 to a foreign person?
- 2 7 Liquidated?
- 2 8 Seized?

1 3 No

Month	Year
3	

Enter date

11. Was there a change in the entity due to mergers, acquisitions, divestitures, etc., or a change in accounting methods or principles during FY 2004 that caused FY 2003 data to be restated? Mark (X) one.

1011 1 Yes — Report all close FY 2003 data before restatement, unless otherwise specified.

1 2 No

DIRECT OWNERSHIP IN THIS FOREIGN AFFILIATE — Enter percent of ownership, to a tenth of one percent, based on total voting stock, as applicable, if an incorporated affiliate, or an equivalent interest if an unincorporated affiliate, held directly by	Percent of ownership at close of fiscal year			
	Equity interest		Voting interest	
	2004 (1)	2003 (2)	2004 (3)	2003 (4)
12. U.S. Reporter named in item 1 — Report equity interest and voting interest.	1012	. %	. %	. %
13. Other foreign affiliate(s) of U.S. Reporter named in Item 1 — If entry is made here, complete items 20 and 21.	1013	. %	. %	. %
14. Other U.S. Reporter(s) of this foreign affiliate — If entry is made here, item 22 must be "Yes."	1014	. %	. %	. %
15. Foreign affiliate(s) of other U.S. Reporter(s) — If entry is made here, item 22 must be "Yes."	1015	. %	. %	. %
16. Other U.S. persons	1016	. %	. %	. %
17. Foreign persons in this affiliate's country of location (not reported above)	1017	. %	. %	. %
18. All other foreign persons (not reported above)	1018	. %	. %	. %
19. TOTAL OF DIRECTLY HELD VOTING OWNERSHIP INTERESTS — Sum of items 12 through 18	1019	100.0 %	100.0 %	100.0 %
20. INDIRECT OWNERSHIP IN THIS FOREIGN AFFILIATE — If there is an entry in item 13, enter U.S. Reporter's percent of indirect ownership in this affiliate. See Instruction Booklet, Part I.A.2., for instructions on how to calculate indirect ownership percentages.	1020	. %	. %	. %

21. Identification of foreign affiliate parent(s) — If there is an entry in item 13, column (3) or column (4) — Enter below, the name(s) and percent(s) of ownership of each foreign affiliate of the U.S. Reporter named in item 1 holding a direct ownership interest in this foreign affiliate. Also, for each foreign affiliate in column (a) that is below the first tier in its ownership chain, enter in column (d) the name of the foreign affiliate that holds a direct ownership interest in it.

Foreign affiliate holding direct ownership interest in this foreign affiliate				Name of foreign affiliate, if any, in ownership chain that holds direct interest in foreign affiliate named in column (a)
Name and ID Number Enter name and BEA ID Number of foreign affiliate(s) holding a direct ownership interest in this foreign affiliate. (a)	BEA USE ONLY	Percent direct ownership in this foreign affiliate		
		Close FY 2004 (b)	Close FY 2003 (c)	
a.	1191	2 . %	3 . %	
b.	1192	2 . %	3 . %	
c.	1193	2 . %	3 . %	
d. TOTAL — Must equal percentages entered in Item 13	1021	2 . %	3 . %	

Part I — IDENTIFICATION OF FOREIGN AFFILIATE — Continued

22. Do two or more U.S. persons each directly or indirectly own or control at least 10 percent of this foreign affiliate's voting rights? Mark (X) one.

- 1022 ¹ **1** Yes — *Item 14 or 15 on page 2 must have an entry, and either item 23 or 24 must be completed. See Instruction Booklet, Part I.B.2.d.(2).*
- ¹ **2** No — *Skip to item 28*

23. If the answer to item 22 is "Yes," and the U.S. Reporter named in item 1 is submitting the Parts II and IV data (i.e., the "complete" report) for this foreign affiliate — Give name(s) and mailing address(es) of the other U.S. Reporter(s) who is (are) not submitting the data.

Name	Mailing address

24. If the answer to item 22 is "Yes," and if the U.S. Reporter named in item 1 is not submitting the Parts II and IV data (i.e., is submitting a "partial" report) for this foreign affiliate — Give name and mailing address of U.S. Reporter who is submitting the data.

25. BEA USE ONLY	1025	1	2	3	4	5
26. BEA USE ONLY	1026	1	2	3	4	5
27. BEA USE ONLY	1027	1	2	3	4	5

28. Major activity of foreign affiliate — Mark (X) one

Select the one activity below that best describes the major activity of the foreign affiliate. For an inactive affiliate, select the activity based on its last active period; for "start-ups," select the intended activity.

- ¹ **1** Producer of goods
- ¹ **2** Seller of goods the foreign affiliate does not produce
- ¹ **3** Producer or distributor of information
- ¹ **4** Provider of services
- ¹ **5** Other — *Specify*

29. What is the MAJOR product or service involved in this activity? If a product, briefly state what is done to it, i.e., whether it is mined, manufactured, sold at wholesale, packaged, transported, etc. (For example, "Manufacture widgets.")

1029

Industry classification of foreign affiliate (based on sales or gross operating revenues) — Enter the 4-digit International Surveys Industry (ISI) code(s) and the sales or gross operating revenues associated with each code. For a full explanation of each code, see the Guide to Industry Classifications for International Surveys, 2002 . For an inactive affiliate, enter an ISI code based on its last active period. Holding companies (ISI code 5512) must show total income as reported in item 46. Holding companies see Additional Instructions on page 19 for Part I, items 30-38.	ISI code (1)	Sales or gross operating revenues (2)			
		Bil.	Mil.	Thous.	Dols.
30. Largest sales or gross operating revenues	1030	\$			
31. 2nd largest sales or gross operating revenues	1031				
32. 3rd largest sales or gross operating revenues	1032				
33. 4th largest sales or gross operating revenues	1033				
34. 5th largest sales or gross operating revenues	1034				
35. 6th largest sales or gross operating revenues	1035				
36. 7th largest sales or gross operating revenues	1036				
37. Sales or gross operating revenues not accounted for above	1037				
38. TOTAL SALES OR GROSS OPERATING REVENUES — Sum of items 30 through 37 (Must equal item 41 and also item 54, column (1).)	1038	\$			

39. BEA USE ONLY	1039	1	2	3	4	5
	1040	1	2	3	4	5

Remarks

Part I — IDENTIFICATION OF FOREIGN AFFILIATE — Continued

40. Official identification number(s) issued to this affiliate by the host-country government or by the local chamber of commerce.

1041 1

2

If the ID number has fewer than 10 digits, add leading zeros.

Enter the number(s), if readily available, for affiliates whose country of operation is one of the countries listed below. BEA will use these numbers to facilitate linking to publicly available information, which may reduce the number of follow-up questions to respondents.

- Belgium 10-digit number issued by the value added tax administration of Belgium
- France 9-digit number (SIREN) issued by the French National Statistical Agency (INSEE)
- Italy 9-character alphanumeric identifier issued by the regional chamber of commerce
- Ireland 6-digit number issued by the Irish Companies House
- Netherlands 8-digit number issued by the Commercial Register (Handelsregister) of the Netherlands Chamber of Commerce
- United Kingdom 8-digit number issued by the United Kingdom Companies House

Part II — FINANCIAL AND OPERATING DATA OF FOREIGN AFFILIATE

Section A — Income Statement — See Additional Instructions for Part II, Section A, on page 19 at the back of this form.	Amount			
	Bil.	Mil.	Thous.	Dols.
INCOME				
41. Sales or gross operating revenues, excluding sales taxes — Must equal item 38, column (2) and also item 54, column (1). (Dealers in financial instruments see Special Instructions , A.1., page 22; insurance companies see Special Instructions , B.3.a., page 22.)	2041	\$		
42. Income from equity investments in foreign affiliates — For foreign affiliates owned 20 percent or more (including those that are majority-owned), report equity in earnings during the reporting period; for those owned less than 20 percent, report dividends or distributed earnings for unincorporated affiliates. Do not include interest income.	2042			
43. Income from other equity investments	2043			
44. Certain realized and unrealized gains (losses) — Read the following instructions carefully as they are based on economic accounting concepts and in some cases may deviate from what is normally required by U.S. Generally Accepted Accounting Principles. Report gross amount before income tax effect. Include income tax effect in item 48. Report gains (losses) resulting from: <ul style="list-style-type: none"> a. Sales or dispositions of investment securities, and FAS 115 impairment losses. Dealers in financial instruments (including securities, currencies, derivatives, and other financial instruments) and finance and insurance companies, see Special Instructions, A.1., page 22; b. Sales or dispositions of land, other property, plant and equipment, or other assets, and FAS 144 impairment losses. <u>Exclude</u> gains or losses from the sale of inventory assets in the ordinary course of trade or business. Real estate companies, see Special Instructions, A.2., page 22; c. Goodwill impairment as defined by FAS 142; d. Restructuring. Include restructuring costs that reflect write-downs or write-offs of assets or liabilities. <u>Exclude</u> actual payments and charges to establish reserves for future expected payments, such as for severance pay, and fees to accountants, lawyers, consultants, or other contractors. <u>Include</u> actual payments, and charges to established reserves for future expected payments, in item 47 (cost of goods sold or services rendered and selling, general, and administrative expenses); e. Disposals of discontinued operations. <u>Exclude</u> income from the operations of a discontinued segment. Report such income as part of your income from operations in items 38 and 41; f. Re-measurement of foreign affiliate's foreign-currency-denominated assets and liabilities due to changes in foreign exchange rates during the reporting period; g. Extraordinary, unusual, or infrequently occurring items that are material. <u>Include</u> losses from accidental damage or disasters, after estimated insurance reimbursement. <u>Include</u> other material items, including write-ups, write-downs, write-offs, of tangible and intangible assets; gains (losses) from the sale or other disposition of capital assets; and gains (losses) from the sale or other disposition of financial assets, including securities, to the extent not included above. <u>Exclude</u> legal judgments. Include legal judgments in item 47; h. The cumulative effect of a change in accounting principle. 	2044			
45. Other income — <i>Specify</i>	2045			
46. TOTAL INCOME — <i>Sum of items 41 through 45</i> →	2046	\$		
COSTS AND EXPENSES				
47. Cost of goods sold or services rendered and selling, general, and administrative expenses — (Insurance companies see Special Instructions , B.3.c., page 22.)	2047			
48. Foreign income taxes — Provision for foreign income taxes for FY 2004	2048			
49. Other costs and expenses not included above, including minority interests in income (loss) that arise out of consolidation — <i>Specify</i>	2049			
50. TOTAL COSTS AND EXPENSES — <i>Sum of items 47 through 49</i> →	2050	\$		
NET INCOME				
51. NET INCOME (LOSS) — <i>Item 46 minus item 50</i> →	2051	\$		

Remarks

Part II — FINANCIAL AND OPERATING DATA OF FOREIGN AFFILIATE — Continued

• ADDENDUM

52. INSURANCE INDUSTRY ACTIVITIES — Premiums earned and losses incurred

Report premiums earned and losses incurred for insurance related activities covered by industry codes 5243 (Insurance carriers, except life insurance carriers) and 5249 (Life insurance carriers).

a. Of the total sales and gross operating revenues reported in item 38, column 2, were any of the sales or revenues generated by insurance related activities covered by industry codes 5243 or 5249?

2180 1 Yes – Answer b and c
 2 No – Skip to 53

NOTE: Complete b and c ONLY if a is answered "Yes."

b. Premiums earned – Report premiums, gross of commissions, included in revenue during the reporting year. Calculate as direct premiums written (including renewals) net of cancellations, plus reinsurance premiums assumed, minus reinsurance premiums ceded, plus unearned premiums at the beginning of the year, minus unearned premiums at the end of the year. Exclude all annuity premiums. Also exclude premiums and policy fees related to universal and adjustable life, variable and interest-sensitive life, and variable-universal life policies.

c. Losses incurred — Report losses incurred for the insurance products covered by b above. Exclude loss adjustment expenses and losses that relate to annuities. Also exclude losses related to universal and adjustable life, variable and interest-sensitive life, and variable-universal life policies.

For property and casualty insurance, calculate as net losses paid during the reporting year, minus net unpaid losses at the beginning of the year, plus net unpaid losses at the end of the year. In the calculation of net losses, include losses on reinsurance assumed from other companies and exclude losses on reinsurance ceded to other companies. Unpaid losses include both case reserves and losses incurred but not reported.

For life insurance, losses reflect policy claims on reinsurance assumed or on primary insurance sold, minus losses recovered from reinsurance ceded, adjusted for changes in claims due, unpaid, and in the course of settlement.

	Amount			
	Bil.	Mil.	Thous.	Dols.
1				
2181	\$			
1				
2182	\$			

53. WHOLESALE AND RETAIL TRADE INDUSTRY ACTIVITIES — Goods purchased for resale without further processing

Wholesale trade industry activities include the wholesale trade of durable goods and nondurable goods. The wholesale trade of durable goods is covered by industry codes 4231 through 4239. The wholesale trade of nondurable goods is covered by industry codes 4241 through 4249.

Retail trade industry activities are covered by industry codes 4410, 4420, 4431, 4440, 4450, 4461, 4471, 4480, 4510, 4520, 4530, and 4540.

See the Guide to Industry Classifications for International Surveys, 2002 for a detailed description of each of the wholesale and retail trade industry codes listed above.

a. Of the total sales and gross operating revenues reported in item 38, column 2, were any of the sales or revenues generated by wholesale or retail trade activities?

2183 1 Yes – Answer b and c
 2 No – Skip to item 54

NOTE: Complete b and c ONLY if a is answered "Yes."

b. Enter the cost of goods purchased for resale without further processing during the fiscal year that ended in calendar year 2004.

Amount (1)			
Bil.	Mil.	Thous.	Dols.
1			
2184	\$		

c. Enter the closing balances at the end of fiscal years 2003 and 2004 of the inventory of goods purchased for resale without further processing.

BALANCES							
Close FY 2004 (1)				Close FY 2003 (Unrestated) (2)			
Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
1				2			
2185	\$			\$			

Remarks

Part II — FINANCIAL AND OPERATING DATA OF FOREIGN AFFILIATE — Continued

Section B — Distribution of Sales or Gross Operating Revenues — See Additional Instructions for Part II, Section B, on page 19 at the back of this form.

Distribute sales or gross operating revenues among three categories – sales of goods, sales of services, and investment income. For the purpose of this distribution, "goods" are normally economic outputs that are tangible and "services" are normally economic outputs that are intangible. When a sale consists of both goods and services and cannot be unbundled (i.e., the goods and services are not separately billed), classify the sales as goods or services based on whichever accounts for a majority of the value. Give best estimates if actual figures are not available. Insurance companies also see **Special Instructions, B.3.d. and e., page 22.**

54. Sales or gross operating revenues, excluding sales taxes a. Column (1) equals item 38 column (2) and also item 41. b. Each column of line 54 equals the sum of items 55, 56 and 57. 2054	TOTAL Column (1) equals the sum of columns (2) through (7) (1)				Local sales		Sales to U.S.		Sales to other countries						
					To other foreign affiliates of the U.S. Reporter(s) (2)	To unaffiliated customers (3)	To U.S. Reporter(s) (4)	To unaffiliated customers (5)	To other foreign affiliates of the U.S. Reporter(s) (6)	To unaffiliated customers (7)					
	Bil.	Mil.	Thous.	Dols.											
	1				2	3	4	5	6	7					
\$					\$	\$	\$	\$	\$	\$					
• BY TYPE	1				2	3	4	5	6	7					
55. Sales of goods 2055															
56. Sales of services 2056															
57. Investment income 2057															
• BY DESTINATION → The sum of items 58 through 63, column (1) and (2) equals item 54, columns (6) and (7), respectively.								Sales to other countries							
								To other foreign affiliates of the U.S. Reporter(s) (1)		To unaffiliated customers (2)					
								Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
58. Canada 2058								1				2			
59. Europe 2059								1				2			
60. Latin America and other Western Hemisphere 2060								1				2			
61. Africa 2061								1				2			
62. Middle East 2062								1				2			
63. Asia and Pacific 2063								1				2			
64. BEA USE ONLY 2064	1				2	3	4	5							

Remarks

Part II — FINANCIAL AND OPERATING DATA OF FOREIGN AFFILIATE — Continued

Section C — Number of Employees and Employee Compensation — See *Additional Instructions* for Part II, Section C, on pages 19 and 20 at the back of this form.

NUMBER OF EMPLOYEES — Employees on the payroll at the end of FY 2004 including part-time employees, but excluding temporary and contract employees not included on your payroll records. A count taken at some other date during the reporting period may be given provided it is a reasonable estimate of employees on the payroll at the end of FY 2004. If the number of employees at the end of FY 2004 (or when the count was taken) was unusually high or low due to temporary factors (e.g., a strike), enter the number of employees that reflects normal operations. If the number of employees fluctuates widely during the year due to seasonal business variations, report the average number of employees on the payroll during FY 2004. Base such an average on the number of employees on the payroll at the end of each pay period, month or quarter. If precise figures are not available, give your best estimate.

EMPLOYEE COMPENSATION — Expenditures made by an employer in connection with the employment of workers, including cash payments, payments in-kind, and employer expenditures for employee benefit plans including those required by statute. Base compensation data on payroll records. Report compensation which relates to activities that occurred during the reporting period regardless of whether the activities were charged as an expense on the income statement, charged to inventories, or capitalized. DO NOT include data related to activities of a prior period, such as those capitalized or charged to inventories in prior periods.

		Number of employees			
• NUMBER OF EMPLOYEES					
65. TOTAL NUMBER OF EMPLOYEES — <i>Sum of items 66 and 67</i> →	2065	1			
By Standard Occupation Classification (SOC) — See <i>Additional Instructions</i> page 19, for a list of the major SOC groups					
66. Managerial, professional and technical employees (SOC 11-29)	2066	1			
67. All other employees (SOC 31-55)	2067	1			
		Number of employees			
68. Number of employees in item 65 who are research and development employees — Employees engaged in R&D, including managers, scientists, and other professional and technical employees	2068	1			
69. Number of employees in item 65 who are U.S. citizens	2069	1			
• EMPLOYEE COMPENSATION		Amount			
		Bil.	Mil.	Thous.	Dols.
70. TOTAL EMPLOYEE COMPENSATION — Equals the sum of items 71 and 72 and the sum of items 73 and 74. →	2070	\$			
By component					
71. Wages and salaries — Employees' gross earnings (before payroll deductions), and direct and in-kind payments by the employer to employees	2071				
72. Employee benefit plans — Employer expenditures for all employee benefits plans	2072				
By Standard Occupation Classification (SOC)					
73. Managerial, professional and technical employees (SOC 11-29)	2073				
74. All other employees (SOC 31-55)	2074				
75. If total employee compensation, item 70, is zero, is the compensation on the payroll of another foreign affiliate?					
2075	<input checked="" type="checkbox"/> 1	<input type="checkbox"/> Yes			
	<input checked="" type="checkbox"/> 2	<input type="checkbox"/> No — Explain why compensation is zero.			
76. BEA USE ONLY	1	2	3	4	5
2076					

Remarks

Part II — FINANCIAL AND OPERATING DATA OF FOREIGN AFFILIATE — Continued

Section D — Balance Sheet — See *Additional Instructions* for Part II, Section D on page 20 at the back of this form.

Disaggregate all asset and liability items in the detail shown. Show accounts receivable and payable between the U.S. Reporter and its foreign affiliate in the proper asset and liability accounts of the foreign affiliate. Do not report them as a net amount.

	BALANCES																																										
	Close FY 2004 (1)				Close FY 2003 (unrestated) (2)																																						
	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.																																			
<p>• ASSETS (Insurance companies see Special Instructions, B.2. and B.3.f., page 22)</p> <p>77. Cash items 2077 \$</p> <p>78. Trade accounts and trade notes receivable, current — Report at gross amount before allowance for doubtful accounts. Report allowance for doubtful accounts in item 80. 2078</p> <p>79. Other current receivables — Report at gross before allowance for doubtful accounts. Report allowance for doubtful accounts in item 80. 2079</p> <p>80. Allowance for doubtful accounts 2080 ()</p> <p>81. Inventories 2081</p> <p>82. Other current assets, including land held for resale and current marketable securities 2082</p> <p>Land and other property, plant, and equipment</p> <p>83. Land 2083</p> <p>84. Other property, plant, and equipment — Gross 2084</p> <p>85. Accumulated depreciation and depletion 2085 ()</p> <p>Equity investments in other foreign affiliates of which this affiliate is a parent — Report on an equity basis foreign affiliates owned 20 percent or more (including majority-owned affiliates). Report at cost those owned less than 20 percent.</p> <p>86. That portion reported using the equity method 2086</p> <p>87. That portion reported using the cost method 2087</p> <p>88. Other equity investments and noncurrent marketable securities, receivables and other investments 2088</p> <p>89. Other noncurrent assets — Other noncurrent assets not reported elsewhere 2089</p> <p>90. TOTAL ASSETS — Sum of items 77 through 89 → 2090 \$</p> <p>• LIABILITIES (Insurance companies see Special instructions, B.3.g., page 22)</p> <p>91. Trade accounts and trade notes payable, current 2091</p> <p>92. Other current liabilities and long-term debt 2092</p> <p>93. Other noncurrent liabilities 2093</p> <p>94. TOTAL LIABILITIES — Sum of items 91 through 93 → 2094 \$</p> <p>• OWNERS' EQUITY — INCORPORATED AFFILIATE ONLY, complete items 95 through 101</p> <p>95. Capital stock and additional paid-in capital 2095</p> <p>96. Retained earnings (deficit) 2096</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Accumulated other comprehensive income (loss)</th> <th colspan="4">Close FY 2004 (1)</th> <th colspan="4">Close FY 2003 (Unrestated) (2)</th> </tr> <tr> <th>Bil.</th> <th>Mil.</th> <th>Thous.</th> <th>Dols.</th> <th>Bil.</th> <th>Mil.</th> <th>Thous.</th> <th>Dols.</th> </tr> </thead> <tbody> <tr> <td>97. Translation adjustment component 2097 \$</td> <td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td> </tr> <tr> <td>98. All other components 2098 \$</td> <td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td> </tr> </tbody> </table> <p>99. Total accumulated other comprehensive income (loss) — Equals sum of items 97 and 98. → 2099</p> <p>100. Other — Include treasury stock and involuntarily (or legally) restricted earnings — Specify 2100</p> <p>101. TOTAL OWNERS' EQUITY (INCORPORATED FOREIGN AFFILIATE) — Equals item 90 minus item 94 and, equals the sum of items 95, 96, 99, and 100. → 2101 \$</p> <p>• OWNERS' EQUITY — UNINCORPORATED AFFILIATE ONLY, complete items 102 and 103</p> <p>102. TOTAL OWNERS' EQUITY (UNINCORPORATED FOREIGN AFFILIATE) — Equals item 90 minus item 94. → 2102 \$</p> <p>103. Translation adjustment — Cumulative amount at year end (per FAS 52) — That portion of item 102 representing the affiliate's cumulative translation adjustment account. 2103</p>	Accumulated other comprehensive income (loss)	Close FY 2004 (1)				Close FY 2003 (Unrestated) (2)				Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	97. Translation adjustment component 2097 \$									98. All other components 2098 \$																
Accumulated other comprehensive income (loss)		Close FY 2004 (1)				Close FY 2003 (Unrestated) (2)																																					
	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.																																			
97. Translation adjustment component 2097 \$																																											
98. All other components 2098 \$																																											

Part II — FINANCIAL AND OPERATING DATA OF FOREIGN AFFILIATE — Continued

Section E — Composition of External Finances of Foreign Affiliate — Entries in column (2) must equal certain items in Part III as follows: item 104 column (2) must equal item 154 column (1); item 105 column (2) must equal item 153 column (1).

• CLOSE FY 2004	TOTAL Equals sum of columns (2) through (5) (1)				With U.S. Reporter(s) of this affiliate (2)			With other U.S. persons (3)			With persons in this affiliate's country of location (4)			With other foreign persons (5)		
	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Bil.	Mil.	Thous.	Bil.	Mil.	Thous.	Bil.	Mil.	Thous.
	1				2			3			4			5		
104. Current and noncurrent receivables and financial investments — Column (1) equals the sum of items 78, 79, 80, 88, and that part of item 82, column (1), that is marketable securities. 2104	\$															
105. Current liabilities and long-term debt — Column (1) equals the sum of items 91 and 92, column (1). 2105	\$															

Section F — Property, Plant and Equipment (PP&E) — See *Additional Instructions for Part II, Section F on page 20 at the back of this form.*

	Amount				
	Bil.	Mil.	Thous.	Dols.	
PP&E includes land, timber, mineral and like rights owned, structures, machinery, equipment, special tools, and other depreciable property; construction in progress; and capitalized tangible and intangible exploration and development costs, but excludes other types of intangible assets, and land held for resale.					
• BALANCE, CLOSE FY 2003 (Insurance companies see Special Instructions , B.3.i., page 22.)	1				
106. Net book value of PP&E at close FY 2003 — The close FY 2003 value, before restatement due to a change in the entity or a change in accounting methods or principles. Equals the sum of items 83, 84, and 85, column (2). 2106	\$				
• CHANGES DURING FY 2004	1				
107. Restatement due to a change in the entity (i.e., due to mergers, acquisitions, divestitures, etc.) or due to a change in accounting methods or principles — If the answer to item 11 was "Yes," give amount by which the net book value of item 106 would be restated. If a decrease, put amount in parentheses. Report gains (losses) resulting from the sale or disposition of subsidiaries of the affiliate and from the revaluation of assets (whether or not realized) in item 44. 2107					
108. Net book value of transfers in from the U.S. Reporter or other foreign affiliates of U.S. Reporter 2108	1				
Expenditures by the foreign affiliate for: (Insurance companies see Special Instruction , B.3.h. on page 22.)	1				
109. Land and mineral rights, including timber — Include expenditures for land and capitalized expenditures for mineral and timber rights. Exclude other capitalized expenditures for the exploration and development of natural resources and expenditures for land held for resale. 2109					
110. PP&E other than land, mineral and timber rights. (Report changes due to mergers and acquisitions in item 107.) 2110	1				
111. Depreciation 2111	()				
112. Depletion 2112	()				
113. Other increases (decreases) — Net book value of sales, retirements, or transfers out of assets; land held for resale; and other increases (decreases). Include divestitures of subsidiaries in item 107. Include any gains (losses) from the sale or disposition of property, plant, and equipment in item 44. 2113	1				
• BALANCE, CLOSE FY 2004	1				
114. Net book value of PP&E at close FY 2004 — Equals sum of items 106 through 113; must also equal the sum of items 83, 84 and 85 column (1). 2114					
• ADDENDUM	1				
115. Petroleum and mining exploration and development expenditures charged against income including expenditures charged against income to acquire or lease mineral rights — Do not include expenditures capitalized in prior years that are reclassified as expensed in the current year; such expenditures are considered to be expenditures only in the year when initially expended. 2115					
116. BEA USE ONLY 2116	1	2	3	4	5

	Amount			
	Bil.	Mil.	Thous.	Dols.
Section G — Change in Retained Earnings of Incorporated Foreign Affiliate or in Total Owners' Equity of Unincorporated Foreign Affiliate				
117. Balance, close FY 2003 before restatement due to a change in the entity or a change in accounting methods or principles, if any — Incorporated affiliate — Enter amount from item 96, column (2). Unincorporated affiliate — Enter amount from item 102, column (2). 2117	\$			
• CHANGES DURING FY 2004	1			
118. Restatement due to a change in the entity (i.e., due to mergers, acquisitions, divestitures, etc.) or due to a change in accounting methods or principles. — <i>Specify reasons for change</i> 2118				
119. Net income (loss) — Enter amount from item 51. 2119	1			
120. Dividends or net income remitted to owners — Incorporated affiliate — Enter amount of dividends declared, before deduction of withholding taxes, out of current- and prior-period income on common and preferred stock. Exclude stock and liquidating dividends. Unincorporated affiliate — Enter amount of current- and prior-period net income remitted to owners during FY 2004. 2120	1			
121. Stock dividends 2121	1			
122. Other increases (decreases) — Enter other increases (decreases) in retained earnings of an incorporated affiliate, including liquidating dividends, or in total owners' equity of an unincorporated affiliate, including capital contributions (return of capital) — <i>Specify</i> 2122	1			
123. Balance, close FY 2004 — Sum of items 117, 118, 119, and 122, minus 120 and 121. Also, for an incorporated affiliate, this item equals item 96, column (1). For an unincorporated affiliate, this item equals item 102, column (1). 2123	\$			

Part II — FINANCIAL AND OPERATING DATA OF FOREIGN AFFILIATE — Continued

Section H — Interest, production royalty payments, taxes, subsidies, and fees and royalties					Amount				
					Bil.	Mil.	Thous.	Dols.	
124. Interest income — Interest received or due to the affiliate from all payors (including affiliated persons), net of tax withheld at the source. Include all interest receipts included in items 41 and 45. Do not net against interest expensed, item 125.					2124	1			
125. Interest expensed or capitalized — Interest expensed or capitalized by the affiliate, paid or due to all payees (including affiliated persons), gross of tax withheld. Do not net against interest income, item 124.					2125	1			
126. Production royalty payments to foreign governments for natural resources, total — Report amounts paid or accrued for the year to foreign governments, their subdivisions and agencies. Include payments in-kind at market value.					2126	1			
127. Taxes (other than income and payroll taxes) and nontax payments (other than production royalty payments) — Report all such taxes and nontax payments whether or not included in revenues or expenses in the income statement. Include amounts paid or accrued for the year, net of refunds or credits, to foreign governments, their subdivisions and agencies for —					2127	1			
a. Sales, value added, consumption, and excise taxes collected by the affiliate on goods and services that the affiliate sold;									
b. Property and other taxes on the value of assets and capital;									
c. Any remaining taxes (other than income and payroll taxes); and									
d. Import and export duties, license fees, fines, penalties, and all other payments or accruals of nontax liabilities (other than production royalty payments for natural resources).									
128. Subsidies received — Monetary grants received from governments. Include all grants received from governments and quasi-governments that are not payments for property, goods, or services purchased, whether these receipts are reflected in current income, or used for investments in, or to cover losses of, property, plant, and equipment.					2128	1			
129. BEA USE ONLY					2129	1			
ROYALTIES, LICENSE FEES, AND OTHER FEES FOR THE USE, SALE, OR PURCHASE OF INTANGIBLE PROPERTY						Amount			
Receipts — Include royalties, license fees, and other amounts received by or credited to this affiliate for the use or sale of intangible property.						Bil.	Mil.	Thous.	Dols.
130. Total Receipts — Sum of items 131, 132, and 133					2130	1			
131. Received from or credited by U.S. persons other than the U.S. Reporter(s) of this affiliate					2131	1			
132. Received from or credited by other foreign affiliate(s) of the U.S. Reporter(s) of this affiliate					2132	1			
133. Received from or credited by other foreign persons					2133	1			
Payments — Include royalties, license fees, and other amounts paid or credited by this affiliate for the use or purchase of intangible property.						1			
134. Total Payments — Sum of items 135, 136, and 137					2134	1			
135. Paid or credited to U.S. persons other than the U.S. Reporter(s) of this affiliate					2135	1			
136. Paid or credited to other foreign affiliate(s) of the U.S. Reporter(s) of this affiliate					2136	1			
137. Paid or credited to other foreign persons					2137	1			
Section I — Technology — See <i>Additional Instructions</i> for Part II, Section I, on page 20 at the back of this form.									
RESEARCH AND DEVELOPMENT (R&D) EXPENDITURES — Include all costs incurred in performing R&D, including depreciation, amortization, wages and salaries, property taxes and other taxes (except income taxes), materials and supplies, allocated overhead, and indirect costs.									
NOTE — Items 138 through 141 pertain to R&D performed by the foreign affiliate, including R&D performed by the affiliate for others under contract. This is the basis on which National Science Foundation surveys request information on R&D. The FAS 2 measure of R&D (i.e., R&D from which the firm benefits) is the sum of items 139 and 142.						1			
138. R&D performed BY the affiliate, total — Sum of items 139, 140, and 141					2138	1			
139. For the foreign affiliate's own account					2139	1			
140. For affiliated persons (including U.S. parents) under contract					2140	1			
141. For others under contract					2141	1			
142. R&D performed FOR the affiliate by others (including the U.S. parent) on a contractual basis					2142	1			
143. BEA USE ONLY					2143	1	2	3	4
						5			

Remarks

Part III — INVESTMENT AND TRANSACTIONS BETWEEN THE U.S. REPORTER AND THE FOREIGN AFFILIATE

Use Part III to report the line of direct ownership included in item 12, if any, and to report direct financial positions or transactions between the U.S. Reporter and the foreign affiliate.

144. Did the U.S. Reporter named in item 1 have a direct ownership interest in this affiliate at any time during the affiliate's 2004 fiscal year (i.e., is any column of item 12 greater than zero)? — Mark (X) one.

Yes —
If "Yes" were the equity securities of this affiliate listed or publicly traded on a securities exchange at the end of FY 2004?

Close FY 2004		
Number of shares (1)	Price per share (2)	
	Dollars	Cents
3	4	
	\$.

Yes — Enter the number of shares the U.S. Reporter directly held and the market price per share at the end of FY 2004. Continue with item 145.

No — Continue with item 145.

No — Complete only items 153, 154 and 166 through 170 of Part III and then continue with item 172 of Part IV.

Section A — U.S. Reporter's Equity in Foreign Affiliate's Net Income, Certain Realized and Unrealized Gains (Losses), and Dividends or Distributed Earnings — See Additional Instructions for Part III, Section A, on page 21 at the back of this form.

Enter the amounts that represent the U.S. Reporter's equity, based on its directly held equity interest. Thus if the U.S. Reporter holds both a direct and indirect equity interest, enter the amounts which represent only the directly held equity interest.

		Amount			
		Bil.	Mil.	Thous.	Dols.
145. Net income (loss) after provision for foreign income taxes — U.S. Reporter's share of net income (loss), item 51.	3145	\$			
146. Certain realized and unrealized gains (losses) included in net income — U.S. Reporter's share of item 44	3146				
147. Foreign income taxes on certain realized and unrealized gains (losses) included in net income — Enter the portion of item 48 that is taxes on item 146	3147				
148. Change during fiscal year 2004 in the accumulated other comprehensive income (loss) balance (excluding the translation adjustment component) reported on line 98 (all other components) of the balance sheet.	3148				
149. Dividends on common and preferred stock of incorporated foreign affiliate (exclude stock and liquidating dividends) or distributed earnings of unincorporated foreign affiliate — Gross amount	3149				
150. Tax withheld on dividends or distributed earnings in item 149	3150				
151. Dividends on common and preferred stock of incorporated foreign affiliate or distributed earnings of unincorporated foreign affiliate — Net amount (item 149 minus item 150)	3151				
152. BEA USE ONLY	3152				

Section B — Debt and Other Intercompany Balances Between the U.S. Reporter and the Foreign Affiliate — See Additional Instructions for Part III, Section B, on page 21 at the back of this form.

Include current and long-term items and indebtedness resulting from a capital lease.

	According to books of foreign affiliate				According to books of U.S. Reporter				
	Close FY 2004 (1)		Close FY 2003 (unrestated) (2)		Close FY 2004 (3)		Close FY 2003 (unrestated) (4)		
	Bil.	Dols.	Bil.	Dols.	Bil.	Dols.	Bil.	Dols.	
153. Liabilities owed to the U.S. Reporter by the foreign affiliate — That portion of items 91 and 92 representing amounts owed to U.S. Reporter	3153	\$		\$		\$		\$	
154. Receivables due to the foreign affiliate from the U.S. Reporter — That portion of items 78, 79, 80, and 88 representing amounts due from U.S. Reporter	3154								
155. BEA USE ONLY	3155								

Remarks

Part III — INVESTMENT AND TRANSACTIONS BETWEEN THE U.S. REPORTER AND THE FOREIGN AFFILIATE — Continued

Section C — Change in U.S. Reporter's Equity in Capital Stock and/or Additional Paid-in Capital of Incorporated Foreign Affiliate or Equity Investment in Unincorporated Foreign Affiliate — See Additional Instructions for Part III, Section C, on page 21 at the back of this form.

Report transactions during the year that changed the U.S. Reporter's equity holdings in the foreign affiliate. Include equity changes due to treasury stock transactions with the U.S. Reporter and liquidating dividends. Exclude equity changes due to net income (loss), stock and cash dividends, earnings distributions, balance sheet translation adjustments, treasury stock transactions with persons other than the U.S. Reporter and reorganizations in capital structure that do not affect total equity. Report all amounts at transaction value, i.e., the value of the consideration given (received) by the U.S. Reporter.

		Amount					
		Bil.	Mil.	Thous.	Dols.		
• INCREASE IN U.S. REPORTER'S EQUITY INTEREST IN THIS AFFILIATE							
156. Establishment of affiliate or acquisition (partial or total) of equity interest in this affiliate by the U.S. Reporter either from this affiliate or from other foreign persons	3156	\$					
157. Capital contributions and other transactions of the U.S. Reporter with foreign persons that increase equity in this affiliate — Specify	3157						
158. Acquisition (partial or total) of equity interest in this affiliate by the U.S. Reporter from other U.S. persons	3158						
• DECREASE IN U.S. REPORTER'S EQUITY INTEREST IN THIS AFFILIATE							
159. Liquidation of affiliate or sale (partial or total) of equity interest in this affiliate by the U.S. Reporter either to this affiliate or to other foreign persons	3159						
160. Return of capital contributions to the U.S. Reporter and other transactions of the U.S. Reporter with foreign persons that decrease equity in this affiliate — Specify	3160						
161. Sale (partial or total) of equity interest in this affiliate by the U.S. Reporter to other U.S. persons	3161						
162. TOTAL — Equals sum of items 156, 157, and 158, minus sum of items 159, 160 and 161	3162	\$					
• For items 156 through 161, enter the amounts by which the transaction value —		For acquisition (1)		For liquidation or sale (2)			
		Bil.	Mil. Thous.	Dols.	Bil.	Mil. Thous.	Dols.
163. Exceeds the value carried on the books of the affiliate	3163	\$			\$		
164. Is less than the value carried on the books of the affiliate	3164						
165. BEA USE ONLY	3165						

Remarks

Part III — INVESTMENT AND TRANSACTIONS BETWEEN THE U.S. REPORTER AND THE FOREIGN AFFILIATE — Continued

Section D — Receipts and Payments Between the U.S. Reporter and the Foreign Affiliate — <i>See Additional Instructions for Part III, Section D, on page 21 at the back of this form.</i> Report these items based on the books of the U.S. Reporter. Enter amounts received, paid, or entered into intercompany accounts, whichever occurred first.	Receipts by U.S. Reporter from foreign affiliate				Payments by U.S. Reporter to foreign affiliate				
	Net of foreign tax withheld (1)		Foreign tax withheld (2)		Net of U.S. tax withheld (3)		U.S. tax withheld (4)		
	Bil.	Mil. Thous.	Dols.		Bil.	Mil. Thous.	Dols.		
	1			2				3	
166. Interest on amounts reported in items 153 and 154, including interest on capital leases 3166	\$			\$				\$	
167. Royalties, license fees, and other fees for the use or sale of intangible property 3167									
168. Charges for use of tangible property — Report film and television tape rentals in item 169. 3168									
169. Film and television tape rentals 3169									
170. Allocated expenses and sales of services — Sum of items a through h below 3170									
By type — See <i>Additional Instructions</i> , pages 21 and 22, at the back of this form for an explanation of how to report each type of service									
a. Accounting, auditing, and bookkeeping services 3171									
b. Computer and information services 3172									
c. Financial services 3173									
d. Insurance services — To avoid duplication with other BEA surveys, report only the following: In column (1) report receipts by the U.S. reporter from the foreign insurance affiliate for losses covered by insurance reported in column (3). In column (3) report payments by the U.S. Reporter of premiums for the purchase of primary insurance from the foreign affiliate. 3174									
e. Management, consulting, and public relations services — Include in column (1), expenses allocated by the U.S. Reporter to the foreign affiliate for management, consulting, and public relations services performed by the U.S. Reporter or someone other than the U.S. Reporter and charged to the U.S. Reporter. Exclude the following types of services from this category: Computer consulting services – (include in b.) Management of health care facilities – (include in h.) Consulting engineering services related to actual or proposed construction projects – (include in h.) Public relations services that are an integral part of an advertising campaign (include in h.) 3175									
f. Research, development, and testing services 3176									
g. Transportation 3177									
h. Other services — Specify primary type(s) of service(s) performed. <div style="border: 1px solid black; height: 20px; width: 100%;"></div> 3178									
171. BEA USE ONLY 3179									

Remarks

**Part IV — U.S. EXPORTS TO AND U.S. IMPORTS FROM FOREIGN AFFILIATE —
Goods only valued f.a.s. at port of exportation; do not include services — See Instruction Booklet, Part V.**

IMPORTANT NOTES

Report U.S. exports of goods to and U.S. imports of goods from the foreign affiliate in FY 2004. Report all goods that physically left or entered the U.S. customs area. Report data on a "shipped" basis, i.e., on the basis of when and to (or by) whom the goods were shipped. This is the same basis as official U.S. trade statistics to which these data will be compared. Do **not** record a U.S. import or export if the goods did not physically enter or leave (i.e., were not physically shipped to or from) the United States, even if they were charged to the foreign affiliate by, or charged by the foreign affiliate to, a U.S. person.

Foreign affiliates normally keep their accounting records on a "charged" basis, i.e., on the basis of when and to (or by) whom the goods were charged. The "charged" basis may be used if there is no material difference between it and the "shipped" basis. If there is a material difference, the "shipped" basis must be used or adjustments made to the data on a "charged" basis to approximate a "shipped" basis. The data should include goods only; they should exclude services.

Capital goods — Include capital goods but exclude the value of ships, planes, railroad rolling stock, and trucks that were temporarily outside the United States transporting people or goods.

Consigned goods — Include consigned goods in the trade figures when shipped or received, even though they are not normally recorded as sales or purchases, or entered into intercompany accounts when initially consigned.

In-transit goods — Exclude from exports and imports the value of goods that are in-transit. In-transit goods are goods that are not processed or consumed by residents in the intermediate

country(ies) through which they transit; the in-transit goods enter that country(ies) only because that country(ies) is along the shipping lines between the exporting and importing countries. In-transit goods are goods en route from one foreign country to another via the United States (such as from Canada to Mexico via the United States), and in-transit exports are goods en route from one part of the United States to another part via a foreign country (such as from Alaska to Washington State via Canada).

Packaged general use computer software — Include exports and imports of packaged general use computer software. Value such exports and imports at the full transaction value, i.e., the market value of the media on which the software is recorded and the value of the information contained on the media. Do not include exports and imports of customized software designed to meet the needs of a specific user. This type of software is considered a service and should not be included as trade in goods. Also do not include negotiated leasing fees for software that is to be used on networks.

Natural gas distribution — Include the value of natural gas that is exported or imported as trade in goods. Do not include as an export or import natural gas that you do not produce or sell at wholesale. The transmission of natural gas for others via a pipeline without producing or wholesaling the natural gas is considered a service and should not be reported as trade in goods.

Electricity and water — Report the value of electricity and water as exports and imports if the product value can be separated out from the service value. Report **ONLY** the product value (electricity and water). **DO NOT** report the service value (transmission and distribution).

172. On what basis were the trade data in the section prepared? — Mark (X) one.

- 1 "Shipped" basis
- 2 "Charged" basis without adjustments, because there is no material difference between the "charged" and "shipped" bases.
- 3 "Charged" basis with adjustments to correct for material differences between the "charged" and "shipped" bases.

Section A — U.S. EXPORTS OF GOODS TO THIS FOREIGN AFFILIATE (Valued f.a.s. U.S. port)	TOTAL		Shipped by U.S. Reporter(s)		Shipped by other U.S. persons	
	(1)		(2)		(3)	
	Bil.	Mil. Thous.	Dols.	Bil.	Mil. Thous.	Dols.
173. Total goods shipped in FY 2004 from the U.S. to this affiliate 4173	1			2		
BY INTENDED USE — Sum of items 174 through 177 must equal item 173	1			2		
174. Capital equipment and other goods charged to fixed asset accounts — Item 110 must have an entry. 4174						
175. Goods intended for further processing, assembly, or manufacture by this affiliate before resale to others 4175						
176. Goods for resale without further processing, assembly, or manufacture by affiliate 4176						
177. Other — Specify 4177						
Section B — U.S. IMPORTS OF GOODS FROM THIS FOREIGN AFFILIATE (Valued f.a.s. foreign port)	TOTAL		Shipped to U.S. Reporter(s)		Shipped to other U.S. persons	
	(1)		(2)		(3)	
	Bil.	Mil. Thous.	Dols.	Bil.	Mil. Thous.	Dols.
178. Total goods shipped in FY 2004 to the U.S. by this affiliate 4178	1			2		
179. BEA USE ONLY 4179						

Remarks

LIST OF ALL FOREIGN AFFILIATES IN WHICH THE REPORTING FOREIGN AFFILIATE (AS CONSOLIDATED) HAS A DIRECT EQUITY INTEREST BUT WHICH ARE NOT FULLY CONSOLIDATED ON THIS FORM BE-10B(LF)

Identification – Name of foreign affiliate as shown in item 2 of Form BE-10B(LF)

Supplement A — List ALL foreign affiliates of the U.S. Reporter(s) in which the fully consolidated foreign affiliate named in item 2, has a direct equity interest, but which are not fully consolidated on this Form BE-10B(LF). Continue listing onto as

many copied pages as needed. **NOTE** — Foreign affiliates listed on this Supplement A must also be filed on a complete Form BE-10B(LF), BE-10B(SF), BE-10B Mini, or, per instructions, be listed on the BE-10A Supplement of its U.S. Reporter.

	(1)	(2)	(3)	Percentage of direct ownership in the foreign affiliate listed in column (1) held by the foreign affiliate named in the identification block above (Enter percentage to the nearest tenth.)	
				Close FY 2004 (4)	Close FY 2003 (5)
	Name of each foreign affiliate, as taken from item 2 of the Form BE-10B(LF), BE-10B(SF), or BE-10B Mini for that affiliate, in which the reporting affiliate holds a direct equity interest	Affiliate identification number taken from the preprinted Form BE-10B(LF), BE-10B(SF), or BE-10B Mini, if provided, of each foreign affiliate listed in column (1)	BEA USE ONLY		
5002				. %	. %
5003				. %	. %
5004				. %	. %
5005				. %	. %
5006				. %	. %
5007				. %	. %
5008				. %	. %
5009				. %	. %
5010				. %	. %
5011				. %	. %
5012				. %	. %
5013				. %	. %
5014				. %	. %
5015				. %	. %

LIST OF ALL FOREIGN AFFILIATES IN WHICH THE REPORTING FOREIGN AFFILIATE (AS CONSOLIDATED) HAS A DIRECT EQUITY INTEREST BUT WHICH ARE NOT FULLY CONSOLIDATED ON THIS FORM BE-10B(LF) — Continued

	(1) Name of each foreign affiliate, as taken from item 2 of the Form BE-10B(LF), BE-10B(SF), or BE-10B Mini for that affiliate, in which the reporting affiliate holds a direct equity interest	(2) Affiliate identification number taken from the preprinted Form BE-10B(LF), BE-10B(SF), or BE-10B Mini, if provided, of each foreign affiliate listed in column (1)	(3) BEA USE ONLY	Percentage of direct ownership in the foreign affiliate listed in column (1) held by the foreign affiliate named in the identification block above <i>(Enter percentage to the nearest tenth.)</i>	
				Close FY 2004 (4)	Close FY 2003 (5)
5016				. %	. %
5017				. %	. %
5018				. %	. %
5019				. %	. %
5020				. %	. %
5021				. %	. %
5022				. %	. %
5023				. %	. %
5024				. %	. %
5025				. %	. %
5026				. %	. %
5027				. %	. %
5028				. %	. %
5029				. %	. %
5030				. %	. %
5031				. %	. %
5032				. %	. %

LIST OF ALL FOREIGN AFFILIATES FULLY CONSOLIDATED INTO THE REPORTING FOREIGN AFFILIATE

Supplement B — This list must be completed for the foreign affiliate for which the U.S. Reporter is reporting consolidated financial and operating data to BEA; each foreign affiliate fully consolidated must be more than 10 percent owned, directly or indirectly, by the U.S. Reporter and must also be more than 50 percent owned by the foreign affiliate named in item 2, of Form BE-10B(LF). The number of foreign affiliates listed below plus the reporting foreign affiliate must agree with Part I, item 3, of Form BE-10B(LF). Continue listing onto as many copied pages as needed.

NOTE – Consolidate affiliates only if they are located in the **same country** and are in the same BEA 4-digit industry or are integral parts of the same business operation.

BEA USE ONLY (1)	(2)	(3)	(4)
	Name and country of location of each foreign affiliate fully consolidated in this Form BE-10B(LF)	Name of foreign affiliate which holds the direct equity interest in the foreign affiliate listed in column (2)	Percentage of direct ownership at close FY 2004 which the foreign affiliate listed in column (3) has in the foreign affiliate listed in column (2) (Enter percentage to the nearest tenth.)
6002			. %
6003			. %
6004			. %
6005			. %
6006			. %
6007			. %
6008			. %
6009			. %
6010			. %
6011			. %
6012			. %
6013			. %
6014			. %
6015			. %

**LIST OF ALL FOREIGN AFFILIATES FULLY CONSOLIDATED INTO THE
REPORTING FOREIGN AFFILIATE — Continued**

Page No. _____ of _____ pages
of this Supplement B

(1) BEA USE ONLY	(2) Name and country of location of each foreign affiliate fully consolidated in this Form BE-10B(LF)	(3) Name of foreign affiliate which holds the direct equity interest in the foreign affiliate listed in column (2) <i>(Enter percentage to the nearest tenth.)</i>	(4) Percentage of direct ownership at close FY 2004 which the foreign affiliate listed in column (3) has in the foreign affiliate listed in column (2) <i>(Enter percentage to the nearest tenth.)</i>
6016			
6017			. %
6018			. %
6019			. %
6020			. %
6021			. %
6022			. %
6023			. %
6024			. %
6025			. %
6026			. %
6027			. %
6028			. %
6029			. %
6030			. %
6031			. %
6032			. %

BENCHMARK SURVEY OF U.S. DIRECT INVESTMENT ABROAD — 2004
FORM BE-10B(LF)
ADDITIONAL INSTRUCTIONS BY ITEM

Part I — IDENTIFICATION OF FOREIGN AFFILIATE

7. Country of location — If the affiliate is engaged in petroleum shipping, other water transportation, or oil and gas drilling, and has operations spanning more than one country, use country of incorporation for country of location. For example, classify in country of incorporation an oil drilling rig that moves from country to country during the year.

12. Ownership by U.S. Reporter named in item 1.

Equity interest is the U.S. Reporter's direct ownership in the total equity (voting and nonvoting) of the affiliate. Examples of nonvoting equity include nonvoting stock and a limited partner's interest in a partnership.

Voting interest is the U.S. Reporter's direct ownership in just the voting equity of the affiliate. Examples of voting equity include voting stock and a general partner's interest in a partnership. Thus, a U.S. Reporter could have a 100 percent direct voting interest in an affiliate but own less than 100 percent of the affiliate's total equity.

30.—38.

Sales or gross operating revenues of foreign affiliate, by industry of sales or gross operating revenues. See **Additional Instructions** for Part II, Section A, item 41 below.

Holding companies (ISI code 5512) must show total income as reported in item 46. To be considered a holding company, income from equity investments (items 42 and 43) must be more than 50 percent of total income (item 46). In addition, normally at least 50 percent of total assets must consist of investments in affiliates. ISI code 5512, (holding company), is an invalid classification if more than 50 percent of income generated, or expected to be generated, by an affiliate is from non-holding company activities.

Dealers in financial instruments and finance, insurance, and real estate companies see **Special Instructions** on page 22.

Part II — FINANCIAL AND OPERATING DATA OF FOREIGN AFFILIATE

• Section A — Income Statement

41. Sales or gross operating revenues, excluding sales taxes —

Report gross operating revenues or gross sales minus returns, allowances, and discounts. Exclude sales or consumption taxes levied directly on the consumer. Exclude net value-added and excise taxes levied on manufacturers, wholesalers, and retailers. Affiliates classified in ISI codes 5223, 5224, 5231, 5238, 5252 and 5331 report interest income on this line. Insurance companies with ISI codes 5243 and 5249 should include gross investment income in this item. Dealers in financial instruments and finance, insurance, and real estate companies see **Special Instructions** on page 22.

42. Income from equity investments in foreign affiliates —

Report income from equity investments shown in items 86 and 87 of all foreign affiliates whether or not they are required to file a form BE-10B. Do not report interest income here. Report interest in item 41 or 45 as appropriate.

43. Income from other equity investments —

Report income from equity investments included in item 88. For investments carried on the equity basis, report equity in earnings during the reporting period. For investments carried on the cost basis, report dividends. Do not include interest income here. Report interest in item 41 or 45 as appropriate.

45. Other income — Report non-operating and other income not included in items 41—44.

47. Cost of goods sold or services rendered and selling, general, and administrative expenses —

Report operating expenses that relate to sales or gross operating revenues (item 41) and selling, general, and administrative expenses. Include production royalty payments to governments, their subdivisions and agencies, and to other persons. Include depletion charges representing the amortization of the actual cost of capital assets but exclude all other depletion charges. Companies with ISI codes 5223, 5224, 5231, 5238, 5252 and 5331 should include interest expense.

48. Foreign income taxes — Exclude production royalty payments and U.S. income taxes.

49. Other costs and expenses not included above, including minority interests in income (loss) that arise out of consolidation — Report the net effect of any minority interest in the income and expense items as a lump sum in this item.

• Section B — Distribution of Sales or Gross Operating Revenues

54.—57.

Disaggregate the total sales or gross operating revenues into sales of goods, investment income, and sales of services.

55. Sales of goods — Goods are normally economic outputs that are tangible. Report as sales of goods:

- Mass produced media, including exposed film, video tapes, DVD's, audio tapes, and CD's.
- Books, NOTE: Book publishers — To the extent feasible, report as sales of services all revenues associated with the design, editing, and marketing activities necessary for producing and distributing books that you both publish and sell. If you cannot unbundle (i.e., separate) these revenues from the value of the books you sell, then report your total sales as sales of goods or services based on the activity that accounts for a majority of the value.
- Energy trading activities where you take title to the goods. NOTE: If you act in the capacity of a broker or agent to facilitate the sale

of goods and you do not take title to the goods, report your revenue (i.e., commissions) as sale of services in item 56.

- Magazines and periodicals sold in retail stores. NOTE: Report subscription sales as sales of services in item 56.
- Packaged general use computer software
- Structures sold by businesses in real estate.
- Revenues earned from building structures by businesses in construction
- Electricity, Natural gas, and Water NOTE: Revenues derived from transmitting and/or distributing these goods, as opposed to revenues derived from the sale of the actual product, should to the extent feasible, be reported as sales of services in item 56.

56. Sales of services — Services are normally economic outputs that are intangible. Report as sales of services:

- Advertising revenue.
- Commissions and fees earned by companies engaged in finance and real estate activities.
- Premiums earned by companies engaged in insurance activities. NOTE: Calculate as direct premiums written (including renewals) net of cancellations, plus reinsurance premiums assumed, minus reinsurance premiums ceded, plus unearned premiums at the beginning of the year, minus unearned premiums at the end of the year. EXCLUDE all annuity premiums. Also EXCLUDE premiums and policy fees related to universal and adjustable life, variable and interest-sensitive life, and variable-universal life policies.
- Commissions earned by agents or brokers (i.e., wholesalers) who act on behalf of buyers and sellers in the wholesale distribution of goods. NOTE: Agents or brokers do not take title to the goods being sold.
- Magazines and periodicals sold through subscriptions. NOTE: Report magazines and periodicals sold through retail stores, as sales of goods in item 55.
- Newspapers.
- Pipeline transportation.
- Software downloaded from the Internet, electronic mail, an Extranet, an Electronic Data Interchange network, or some other online system.
- Computer systems design and related services.
- Negotiated licensing fees for software to be used on networks.
- Electricity transmission and distribution, natural gas distribution, and water distribution.

Report the source of real estate rental income in columns 2 through 7 based on the location of the property.

57. Investment income — Report dividends and interest generated by finance and insurance activities as investment income. NOTE: Report commissions and fees as sales of services in item 56.

Finance or insurance companies that include investment income in gross operating revenues should report the source of such investment income in columns 2 through 7 based on the location of the issuer of the financial instrument whether publicly issued or privately placed. If the location of the issuer is unknown, then substitute the nationality of the issuer. If both the location and nationality of the issuer are unknown, and an intermediary (e.g., trustee, custodian, or nominee) is used to manage the investment (financial instrument or real estate) use the country of location of the intermediary.

• Section C — Number of Employees and Employee Compensation

66, 67, 73, and 74

Managerial, professional and technical employees — Covers employees in Standard Occupation Classification System (SOC) groups 11—29 listed below:

- 11-Management Occupations
- 13-Business and Financial Operations Occupations
- 15-Computer and Mathematical Occupations
- 17-Architecture and Engineering Occupations
- 19-Life, Physical, and Social Science Occupations
- 21-Community and Social Services Occupations
- 23-Legal Occupations
- 25-Education, Training, and Library Occupations
- 27-Arts, Design, Entertainment, Sports, and Media Occupations
- 29-Healthcare Practitioners and Technical Occupations

All other employees — Covers employees in SOC groups 31—55 listed below:

- 31-Healthcare Support Occupations
- 33-Protective Service Occupations
- 35-Food Preparation and Serving Related Occupations
- 37-Building and Grounds Cleaning and Maintenance Occupations
- 39-Personal Care and Service Occupations
- 41-Sales and Related Occupations
- 43-Office and Administrative Support Occupations
- 45-Farming, Fishing, and Forestry Occupations
- 47-Construction and Extraction Occupations
- 49-Installation, Maintenance, and Repair Occupations
- 51-Production Occupations
- 53-Transportation and Material Moving Occupations
- 55-Military Specific Occupations

The **SOC User Guide** can be found at the Bureau of Labor Statistics web site www.bls.gov. Select Standard Occupational Classification (SOC).

Part II — FINANCIAL AND OPERATING DATA OF FOREIGN AFFILIATE — Continued

• **Section C — Number of Employees and Employee Compensation — Continued**

68. Research and development employees — Research and development employees are scientists, engineers, and other professional and technical employees, including managers, who spend all or a majority of their time engaged in scientific or engineering R&D work, at a level that requires knowledge of physical or life sciences, engineering, or mathematics at least equivalent to that acquired through completion of a four-year college course with a major in one of these fields (i.e., training may be either formal or by experience).

71. Wages and salaries — Report gross earnings of all employees before deduction of employees' payroll withholding taxes, social insurance contributions, group insurance premiums, union dues, etc. Include time and piece rate payments, cost of living adjustments, overtime pay and shift differentials, bonuses, profit sharing amounts, and commissions. Exclude commissions paid to independent personnel who are not employees.

Include direct payments by employers for vacations, sick leave, severance (redundancy) pay, etc. Exclude payments made by, or on behalf of, benefit funds rather than by the employer. (Include employer contributions to benefit funds in "employee benefit plans" as discussed in item 72 below.)

Include in-kind payments, valued at their cost, that are clearly and primarily of benefit to the employees as consumers. Do not include expenditures that benefit employers as well as employees, such as expenditures for plant facilities, employee training programs, and reimbursement of business expenses.

72. Employee benefit plans — Report employer expenditures for all employee benefit plans including those mandated by government statute, those resulting from collective bargaining contracts and those that are voluntary. Include Social Security and other retirement plans, life and disability insurance, guaranteed sick pay programs, workers' compensation insurance, medical insurance, family allowances, unemployment insurance, severance pay funds, etc. Also, include deferred post employment and post retirement expenses per FAS 106. If plans are financed jointly by the employer and the employee, include only the contributions of the employer.

• **Section D — Balance Sheet**

77. Cash items — Include deposits in financial institutions and other cash items. Do NOT include overdrafts as negative cash. Instead, report overdrafts in item 92 (other current liabilities and long-term debt). Exclude certificates of deposits (CDs) of the affiliate representing cash on deposit with others. Instead, report CDs in item 79 (other current receivables) or 88 (other equity investments and noncurrent marketable securities, receivables and other investments) as appropriate.

79. Other current receivables — Include the current portion of CDs representing cash on deposit with others.

81. Inventories — Land development companies should exclude land held for resale (include in item 82). Finance and insurance companies should exclude inventories of marketable securities (include in item 82 or 88, as appropriate).

83. Land — Land refers to any part of the earth's surface. Report gross book value of all land owned including land on capital leases from others, per FAS 13. Exclude land held for resale.

84. Other property, plant, and equipment — Report gross book value of timber, mineral rights and similar rights owned. Also include structures, machinery, equipment, special tools, deposit containers, construction in progress, and capitalized tangible and intangible exploration and development costs of the foreign affiliate. Include items on capital leases from others, per FAS 13. Exclude all other types of intangible assets, and land held for resale. (Unincorporated affiliates include items owned by the U.S. Reporter(s) but in the affiliate's possession whether or not carried on the affiliate's books or records. However, insurance companies see **Special Instructions** B.2, page 22.)

86.— 87.

Equity investments in other foreign affiliates of which this affiliate is a parent — Report this affiliate's equity investment in other foreign affiliates of the U.S. Reporter(s), including branches of this affiliate. (If one of these lines has an entry, item 4 of this report must be answered "yes," the BE-10B(LF) Supplement A must be completed, and item 42 should contain data.)

88. Other equity investments and noncurrent marketable securities, receivables and other investments — Include the noncurrent portion of CDs representing cash on deposit with others; other equity investments (whether carried at cost or on the equity basis); noncurrent marketable securities; other noncurrent investments and noncurrent trade accounts; and trade notes receivable net of allowance for doubtful items.

89. Other noncurrent assets — Include intangible assets net of amortization, and any other noncurrent assets not reported elsewhere.

92. Other current liabilities and long-term debt — Include overdrafts, other current liabilities not included in item 91, and long-term debt. Include intercompany debt as well as debt with unaffiliated parties. Also include lease obligations capitalized per FAS 13 with an original maturity of more than one year or with no stated maturity.

93. Other noncurrent liabilities — Include noncurrent items but exclude long-term debt. Include deferred taxes and minority interest in consolidated subsidiaries.

95. Capital stock and additional paid-in capital — Include common and preferred, voting and nonvoting capital stock and additional paid-in capital.

96. Retained earnings (deficit) — Include earnings retained by the corporation and legally available for dividends; and earnings voluntarily restricted.

98. All other components — Include the cumulative balance of unrealized holding gains and losses due to changes in the valuation of available-for-sale securities per FAS 115 and any other comprehensive income items required to be displayed separately from retained earnings as per FAS 130.

• **Section F — Property, Plant and Equipment (PP&E)**

106.—114.

Include items leased from others (including land) under capital leases. Also include the capitalized value of timber, mineral and similar rights leased by the affiliate from others. Exclude items the affiliate has sold under a capital lease.

Exclude from expenditures (items 109 and 110) all changes in PP&E, resulting from a change in the entity (e.g., mergers, acquisitions, divestitures, etc.) or accounting principles during FY 2004. Account for such changes in item 113.

For foreign affiliates engaged in exploring for or developing natural resources, include in items 109 and 110 exploration and development expenditures made during FY 2004 that were capitalized, including capitalized expenditures to acquire or lease mineral rights. Include in item 113 adjustments for expenditures charged against income in prior years but subsequently capitalized during FY 2004.

111. Depreciation — Exclude depletion. Report depletion separately in item 112.

• **Section I — Technology**

138.—142.

Research and development expenditures — R&D includes the following:

1. The planned, systematic pursuit of new knowledge or understanding toward general application (**basic research**);
2. The acquisition of knowledge or understanding to meet a specific, recognized need (**applied research**); and
3. The application of knowledge or understanding toward the production or improvement of a product, service, process, or method (**development**).

Basic research is the pursuit of new scientific knowledge or understanding that does not have specific immediate commercial objectives, although it may be in fields of present or potential commercial interest.

Applied research applies the findings of basic research or other existing knowledge toward discovering new scientific knowledge that has specific commercial objectives with respect to new products, services, processes, or methods.

Development is the systematic use of the knowledge or understanding gained from research or practical experience directed toward the production or significant improvement of useful products, services, processes, or methods, including the design and development of prototypes, materials, devices, and systems.

R&D includes the activities described above, whether assigned to separate organizational units of the company or conducted by company laboratories and technical groups that are not a part of a separate R&D organization.

Exclude expenditures for quality control; routine product testing; market research; sales promotion, sales service, and other nontechnological activities; routine technical services; research in the social sciences or psychology; geological and geophysical exploration activities, and advertising programs to promote or demonstrate new products or processes.

Include all costs incurred to support R&D. Include wages, salaries, and related costs; materials and supplies consumed; R&D depreciation, cost of computer software used in R&D activities; utilities, such as telephone, telex, electricity, water, and gas; travel costs and professional dues; property taxes and other taxes (except income taxes) incurred on account of the R&D organization or the facilities they use; insurance expenses; maintenance and repair, including maintenance of buildings and grounds; company overhead including: personnel, accounting, procurement and inventory, and salaries of research executives not on the payroll of the R&D organization. Exclude capital expenditures, expenditures for tests and evaluations once a prototype becomes a production model, patent expenses, and income taxes and interest.

Part III — INVESTMENT AND TRANSACTIONS BETWEEN THE U.S. REPORTER AND THE FOREIGN AFFILIATE

• **Section A — U.S. Reporter's Equity in Foreign Affiliate's Net Income, Certain Realized and Unrealized Gains (Losses), Changes in All Other Components of Accumulated Other Comprehensive Income (Loss) and Dividends or Distributed Earnings**

149. Dividends and distributed earnings — Report this item based on the books of the U.S. Reporter. Report amounts received or entered into intercompany accounts, whichever occurred first. Include amounts for which payment was made in-kind. If a receivable was booked in a prior reporting period, do not report the collection of the receivable in the current period. Show the collection in item 153 as a reduction to the intercompany account.

• **Section B — Debt and Other Intercompany Balances Between the U.S. Reporter and the Foreign Affiliate**

153.—154.

Disaggregate lease payments into their component parts. Report return of capital, consisting of principal payments for capital leases and the depreciation component for operating leases, in items 153 and 154. Report the interest component under capital leases in item 166. Report the net rent for operating leases in item 168.

153. If the foreign affiliate has leased equipment from the U.S. Reporter under a long-term operating lease (i.e., the lease is for more than one year), then:

Include the FY 2004 closing net book value of the leased equipment in columns 1 and 3, and;

Include the FY 2003 closing net book value of the leased equipment in columns 2 and 4.

Obtain the closing net book value of leased equipment from the books of the U.S. Reporter.

154. If the foreign affiliate has leased equipment to the U.S. Reporter under a long-term operating lease (i.e., the lease is for more than one year), then:

Include the FY 2004 closing net book value of the leased equipment in columns 1 and 3, and;

Include the FY 2003 closing net book value of the leased equipment in columns 2 and 4.

Obtain the closing net book value of leased equipment from the books of the foreign affiliate.

• **Section C — Change in U.S. Reporter's Equity in Capital Stock and/or Additional Paid-in Capital of Incorporated Foreign Affiliate or Equity Investment in Unincorporated Foreign Affiliate.**

156.—158.

Increase in U.S. Reporter's Equity Interest in This Affiliate —

For a newly established or acquired affiliate, report what the U.S. Reporter paid and/or borrowed to establish or acquire the affiliate in item 156 or 158 as appropriate. Do not report the book value of the equity interest if it differs from what was paid.

159.—161.

Decrease in U.S. Reporter's Equity Interest in This Affiliate —

For an affiliate that is sold, report the sale price in item 159 or 161 as appropriate. Include foreign income taxes, if any, on gains (and tax refunds on losses) in the calculation of these items. Report the ending intercompany debt position for the affiliate (in columns 1 and 3 of items 153 and 154) as zero. (If debt positions still exist, they are between a U.S. person and an unaffiliated foreign person, and may be reportable on the Department of the Treasury International Capital report forms.)

For investments written off, enter zero in items 159-161. Report the amount written off in item 163 or 164 as appropriate. If an account receivable due to the U.S. Reporter from the affiliate is written off, report the amount of the receivable in item 157 as a capital contribution and include in the computation of item 163 or 164 as appropriate.

163.— 164.

Transaction Value Exceeds or is Less Than the Value Carried on the Books of the Affiliate —

If the book value of the U.S. Reporter's equity investment changed by more or less than the value of the consideration paid, received, or owed, enter the amount of the difference in item 163 or 164 as appropriate. For example, if the book value of an affiliate was \$10 million and the affiliate was sold for \$11 million, enter \$1 million in column 2 of item 163. Report the amount gross of U.S. income taxes, if any.

• **Section D — Receipts and Payments Between the U.S. Reporter and the Foreign Affiliate**

Include amounts for which payment was made in-kind. If a receivable or payable for one of these items was booked in a prior reporting period, do not report the collection of the receivable or payment of the payable if collected or paid in the current period. Show such a collection or payment only as a reduction to an intercompany account (items 153 and 154).

166. Interest — Report interest receipts and interest payments at gross. Do not net the receipts against the payments.

168. Charges for use of tangible property — Include in column 1 rental payments to the U.S. Reporter under operating leases of one year or less. Include net rental payments to the U.S. Reporter under operating leases of more than one year that have not been capitalized. (Net rent equals the total rents paid to the U.S. Reporter for the reporting period less the return of capital (depreciation) component charged against the leased equipment on the books of the U.S. Reporter for the part of FY 2004 that the lease was in existence.)

Include in column 3 rent receipts from the U.S. Reporter under operating leases of one year or less. Include net rent receipts from the U.S. Reporter under operating leases of more than one year. (Net rent equals the total rents received from the U.S. Reporter less the amount of depreciation expense charged against the leased equipment on the books of the foreign affiliate for that part of FY 2004 that the lease was in existence.)

170. Allocated expenses and sales of services — Include allocated expenses (such as R&D assessments) and reimbursements between the U.S. Reporter and the affiliate for management, professional, technical, or other services that are normally included in "other income" (item 45 of this form and item 40 of Form BE-10A) by the provider of the service. Also include receipts by the U.S. Reporter from, or payments by the U.S. Reporter to, the affiliate for services that are separately billed and normally included in the sales or gross operating revenues of the seller of the service (item 41 of this form and item 37 of Form BE-10A). "Telecommunications carriers should **not** include receipts and payments for message telephone services. Report data for these services on Form BE-20 (Benchmark) or BE-25 (Quarterly Survey of Transactions between U.S. and Unaffiliated Foreign Persons in Selected Services and in Intangible Assets)."

a. Accounting, auditing, and bookkeeping services — Include in columns 1 and 3 receipts and payments for services related to recording of commercial transactions for businesses and others; preparation of financial statements, budgets, tax returns, billing, payroll, and other financial records; auditing and examination of accounting records and financial statements. Exclude data processing and tabulating services; instead, include them in computer and information services.

b. Computer and information services — Include in columns 1 and 3 receipts and payments for:

1. Data entry processing (both batch and remote), and tabulation; computer systems analysis, design, and engineering; custom software and programming services (including web site design); integrated hardware/software systems; and other computer services (e.g., timesharing, maintenance, web site management, and repair).
2. Business and economic data base services, including business news, stock quotation, and financial information services; medical legal, technical, demographic, bibliographic, and similar data base services; general news services, such as those purchased from a news syndicate; direct non-bulk subscriptions (including online) to newspapers and periodicals; and other information services, including reservation systems and credit reporting and authorization systems. For airline reservation systems, include booking fees from foreign carriers for the use of your reservation system, whether accessed directly or by a U.S. or foreign travel agent.

Exclude operational leasing of computer and data equipment; rights to use, distribute, or reproduce general use software; and prepackaged computer software physically shipped to or from the United States and reported on import or export declarations.

c. Financial services — Include in columns 1 and 3 receipts and payments for the following types of financial services:

- Brokerage including foreign exchange brokerage,
- Private placement of securities,
- Underwriting of securities,
- Financial management,
- Credit-related services,
- Financial advisory and custody services,
- Securities lending,
- Origination fees in connection with over-the-counter derivative financial instruments, but only if the fees are separately identified in transaction documentation issued by the dealers in the instruments to the customers, and are not considered undifferentiated components of overall trading or market making gains,

PART III — INVESTMENT AND TRANSACTIONS BETWEEN THE U.S. REPORTER AND THE FOREIGN AFFILIATE — Continued

Financial services — continued

- Asset pricing,
- Security exchange listing fees,
- Demand deposit fees,
- Securities rating services,
- Electronic funds transfer,
- Check processing fees,
- Mutual fund exit fees, load charges, and "12b-1" service fees,
- Securities redemption or transfer,
- ATM network services,
- Securities or futures clearing and settling services.

DO NOT report as financial services:

- Fees for commodity or merchandise brokerage services,
- Earnings from buying and selling (i.e., trading) commercial paper or other securities for your own account,
- Gains or losses due to selling or revaluing securities,
- Funding for sales promotion and representative offices (report in "other" services),
- Interest under repurchase or reverse repurchase agreements,
- Earnings from dealer markups on buy and sell transactions (i.e., bid/ask price spreads),
- Real estate brokerage fees,
- Business brokerage fees,
- Annuity purchases and payments to annuitants,

- Pension fund contributions and benefits,
- Earnings of principals from buying and selling of financial instruments,
- Bid/ask price spreads and trading profits on dealing in foreign currencies, securities, and other financial instruments,
- Insurance premiums and losses, and commissions on insurance,
- Interest and dividend receipts and payments

d. Insurance services — Include in column 1 amounts received by the U.S. Reporter from the foreign affiliate for losses incurred by the U.S. Reporter under primary insurance sold to the U.S. Reporter by the foreign affiliate. Include in column 3 premiums paid by the U.S. Reporter to the foreign affiliate for the purchase of primary insurance from the foreign affiliate.

Also include receipts and payments for services auxiliary to insurance, such as agent's commissions, actuarial services, brokering and agency services and salvage administration services.

f. Research, development, and testing services — Report in columns 1 and 3 receipts and payments between the U.S. Reporter and the foreign affiliate for commercial and noncommercial research, product development services, and testing services.

g. Transportation — Report in column 1 amounts received by the U.S. Reporter from the foreign affiliate for carrying goods from the United States to foreign destinations and between foreign destinations. Report in column 3 amounts paid by the U.S. Reporter to the foreign affiliate for carrying goods from foreign countries to U.S. destinations or between foreign destinations.

SPECIAL INSTRUCTIONS FOR DEALERS IN FINANCIAL INSTRUMENTS, FINANCE COMPANIES, INSURANCE COMPANIES AND REAL ESTATE COMPANIES

A. Certain realized and unrealized gains (losses) for (1) dealers in financial instruments and finance and insurance companies, and (2) real estate companies.

1. Dealers in financial instruments (including securities, currencies, derivatives, and other financial instruments) and finance and insurance companies — Include in item 44

- impairment losses as defined by FAS 115,
- realized gains and losses on trading or dealing,
- unrealized gains or losses, due to changes in the valuation of financial instruments, that flow through the income statement, and
- goodwill impairment as defined by FAS 142.

EXCLUDE from item 44, unrealized gains or losses due to changes in the valuation of financial instruments that are taken to other comprehensive income. Reflect such changes in item 98 (all other components of accumulated other comprehensive income (loss)).

EXCLUDE from item 44, income from explicit fees and commissions. Include income from these fees and commissions as part of your income from operations in items 30 through 37.

2. Real estate companies — Include in item 44:

- impairment losses, as defined by FAS 144,
- goodwill impairment as defined by FAS 142, and

EXCLUDE the revenues earned and expenses incurred from the sale of real estate you own. Such revenues should be reported as operating income in items 38 column 2, 41, and 54 and as sales of goods in item 55. Such expenses, including the net book value of the real estate sold, should be reported as costs of goods sold in item 47. Do not net the expenses against the revenues.

B. Special Instructions for insurance companies

1. When there is a difference between the financial and operating data reported to the stockholders and the data reported in the annual statement to an insurance department, prepare the BE-10 on the same basis as the annual report to the stockholders. Valuation should be according to normal commercial accounting procedures, not at rates promulgated by national insurance departments, e.g., include assets not acceptable for inclusion in the annual statement to an insurance department, such as: 1. non-trusted or free account assets and 2. nonadmitted assets, including furniture and equipment, agents' debit balances, and all receivables deemed to be collectible. Include mandatory securities valuation reserves that are appropriations of retained earnings in the owners' equity section of the balance sheet not in the liability section.
2. Do not include assets of the U.S. Reporter held in the country of location of the affiliate that are for the benefit of the U.S. Reporter's policyholders in the data reported for the affiliate.

3. Instructions for reporting specific items

a. Sales or gross operating revenues, excluding sales taxes (item 41) — Include items such as earned premiums, annuity considerations, gross investment income, and items of a similar nature. Exclude income from equity investments in unconsolidated business enterprises that is to be reported in item 42 and exclude certain realized and unrealized gains or losses that are to be reported in item 44.

b. Certain realized and unrealized gains (losses) (item 44) — See **Special Instructions, A.1.**

c. Cost of goods sold or services rendered and selling, general, and administrative expenses (item 47) — Include costs relating to sales or gross operating revenues, such as policy losses incurred, death benefits, matured endowments, other policy benefits, increases in liabilities for future policy benefits, and other underwriting expenses.

d. Sales of services (item 56, column 1) — Include premium income and income from other services, if any. See Part II, B., 56. on page 19.

e. Investment income (item 57, column 1) — Report that portion of sales or gross operating revenues that is investment income. However, report any gains or (losses) on investments, in accordance with Special Instructions, A.1. See Additional Instructions for Part II, Section B item 57, on page 19 to determine the location of the transactor of investment income.

f. Current receivables (items 78 and 79) — Include current items such as agent's balances, uncollected premiums, amounts recoverable from reinsurers, and other current notes and accounts receivable (gross of allowances for doubtful items) arising from the ordinary course of business.

g. Current liabilities and long-term debt (items 91 and 92) — Include current items such as loss liabilities, policy claims, commissions due, and other current liabilities arising from the ordinary course of business, and long-term debt. Include policy reserves in "Other noncurrent liabilities," item 93, unless they are clearly current liabilities.

h. Expenditures for property, plant, and equipment (items 109 and 110) — Include expenditures and all related depreciation, depletion, and like charges WHEREVER CLASSIFIED IN THE BALANCE SHEET (e.g., include expenditures that have been classified in "other noncurrent assets").

i. Net book value of property, plant, and equipment (items 106 and 114) — Include the net book value of property, plant, and equipment, WHEREVER CLASSIFIED IN THE BALANCE SHEET. Therefore, the opening and closing net book values for property, plant, and equipment will not necessarily reconcile with their balance sheet counterparts (items 83, 84 and 85).

SUMMARY OF INDUSTRY CLASSIFICATIONS

AGRICULTURE, FORESTRY, FISHING, AND HUNTING

- 1110 Crop production
- 1120 Animal production
- 1130 Forestry and logging
- 1140 Fishing, hunting, and trapping
- 1150 Support activities for agriculture and forestry

MINING

- 2111 Oil and gas extraction
- 2121 Coal
- 2123 Nonmetallic minerals
- 2124 Iron ores
- 2125 Gold and silver ores
- 2126 Copper, nickel, lead, and zinc ores
- 2127 Other metal ores
- 2132 Support activities for oil and gas operations
- 2133 Support activities for mining, except for oil and gas operations

UTILITIES

- 2211 Electric power generation, transmission, and distribution
- 2212 Natural gas distribution
- 2213 Water, sewage, and other systems

CONSTRUCTION

- 2360 Construction of buildings
- 2370 Heavy and civil engineering construction
- 2380 Specialty trade contractors

MANUFACTURING

- 3111 Animal foods
- 3112 Grain and oilseed milling
- 3113 Sugar and confectionery products
- 3114 Fruit and vegetable preserving and specialty foods
- 3115 Dairy products
- 3116 Meat products
- 3117 Seafood product preparation and packaging
- 3118 Bakeries and tortillas
- 3119 Other food products
- 3121 Beverages
- 3122 Tobacco
- 3130 Textile mills
- 3140 Textile product mills
- 3150 Apparel
- 3160 Leather and allied products
- 3210 Wood products
- 3221 Pulp, paper, and paperboard mills
- 3222 Converted paper products
- 3231 Printing and related support activities
- 3242 Integrated petroleum refining and extraction
- 3243 Petroleum refining without extraction
- 3244 Asphalt and other petroleum and coal products
- 3251 Basic chemicals
- 3252 Resins, synthetic rubbers, and artificial and synthetic fibers and filaments
- 3253 Pesticides, fertilizers, and other agricultural chemicals
- 3254 Pharmaceuticals and medicines
- 3255 Paints, coatings, and adhesives
- 3256 Soap, cleaning compounds, and toilet preparations
- 3259 Other chemical products and preparations
- 3261 Plastics products
- 3262 Rubber products
- 3271 Clay products and refractories
- 3272 Glass and glass products
- 3273 Cement and concrete products
- 3274 Lime and gypsum products
- 3279 Other nonmetallic mineral products
- 3311 Iron and steel mills and ferroalloys
- 3312 Steel products from purchased steel
- 3313 Alumina and aluminum production and processing
- 3314 Nonferrous metal (except aluminum) production and processing
- 3315 Foundries
- 3321 Forging and stamping

- 3322 Cutlery and handtools
- 3323 Architectural and structural metals
- 3324 Boilers, tanks, and shipping containers
- 3325 Hardware
- 3326 Spring and wire products
- 3327 Machine shops; turned products; and screws, nuts, and bolts
- 3328 Coating, engraving, heat treating, and allied activities
- 3329 Other fabricated metal products
- 3331 Agriculture, construction, and mining machinery
- 3332 Industrial machinery
- 3333 Commercial and service industry machinery
- 3334 Ventilation, heating, air-conditioning, and commercial refrigeration equipment
- 3335 Metalworking machinery
- 3336 Engines, turbines, and power transmission equipment
- 3339 Other general purpose machinery
- 3341 Computer and peripheral equipment
- 3342 Communications equipment
- 3343 Audio and video equipment
- 3344 Semiconductors and other electronic components
- 3345 Navigational, measuring, electromedical, and control instruments
- 3346 Manufacturing and reproducing magnetic and optical media
- 3351 Electric lighting equipment
- 3352 Household appliances
- 3353 Electrical equipment
- 3359 Other electrical equipment and components
- 3361 Motor vehicles
- 3362 Motor vehicle bodies and trailers
- 3363 Motor vehicle parts
- 3364 Aerospace products and parts
- 3365 Railroad rolling stock
- 3366 Ship and boat building
- 3369 Other transportation equipment
- 3370 Furniture and related products
- 3391 Medical equipment and supplies
- 3399 Other miscellaneous manufacturing

WHOLESALE TRADE

MERCHANT WHOLESALERS, DURABLE GOODS

- 4231 Motor vehicles and motor vehicle parts and supplies merchant wholesalers
- 4232 Furniture and home furnishing merchant wholesalers
- 4233 Lumber and other construction materials merchant wholesalers
- 4234 Professional and commercial equipment and supplies merchant wholesalers
- 4235 Metal and mineral (except petroleum) merchant wholesalers
- 4236 Electrical and electronic goods merchant wholesalers
- 4237 Hardware, and plumbing and heating equipment and supplies merchant wholesalers
- 4238 Machinery, equipment, and supplies merchant wholesalers
- 4239 Miscellaneous durable goods merchant wholesalers

MERCHANT WHOLESALERS NONDURABLE GOODS

- 4241 Paper and paper product merchant wholesalers
- 4242 Drugs and druggists' sundries merchant wholesalers
- 4243 Apparel, piece goods, and notions merchant wholesalers
- 4244 Grocery and related product merchant wholesalers
- 4245 Farm product raw material merchant wholesalers
- 4246 Chemical and allied products merchant wholesalers
- 4247 Petroleum and petroleum products merchant wholesalers
- 4248 Beer, wine, and distilled alcoholic beverage merchant wholesalers
- 4249 Miscellaneous nondurable goods merchant wholesalers

ELECTRONIC MARKETS AND AGENTS AND BROKERS

- 4251 Wholesale electronic markets and agents and brokers

RETAIL TRADE

- 4410 Motor vehicle and parts dealers
- 4420 Furniture and home furnishings stores
- 4431 Electronics and appliance stores
- 4440 Building material and garden equipment and supplies dealers
- 4450 Food and beverage stores
- 4461 Health and personal care stores
- 4471 Gasoline stations
- 4480 Clothing and clothing accessories stores
- 4510 Sporting goods, hobby, book, and music stores
- 4520 General merchandise stores
- 4530 Miscellaneous store retailers
- 4540 Nonstore retailers

TRANSPORTATION AND WAREHOUSING

- 4810 Air transportation
- 4821 Rail transportation
- 4833 Petroleum tanker operations
- 4839 Other water transportation
- 4840 Truck transportation
- 4850 Transit and ground passenger transportation
- 4863 Pipeline transportation of crude oil, refined petroleum products, and natural gas
- 4868 Other pipeline transportation
- 4870 Scenic and sightseeing transportation
- 4880 Support activities for transportation
- 4920 Couriers and messengers
- 4932 Petroleum storage for hire
- 4939 Other warehousing and storage

INFORMATION

- 5111 Newspaper, periodical, book, and directory publishers
- 5112 Software publishers
- 5121 Motion picture and video industries
- 5122 Sound recording industries
- 5151 Radio and television broadcasting
- 5152 Cable and other subscription programming
- 5161 Internet publishing and broadcasting
- 5171 Wired telecommunications carriers
- 5172 Wireless telecommunications carriers (except satellite)
- 5173 Telecommunications resellers
- 5174 Satellite telecommunications
- 5175 Cable and other program distribution
- 5179 Other telecommunications
- 5181 Internet service providers and web search portals
- 5182 Data processing, hosting, and related services
- 5191 Other information services

FINANCE AND INSURANCE

- 5221 Depository credit intermediation (Banking)
- 5223 Activities related to credit intermediation
- 5224 Nondepository credit intermediation
- 5229 Nondepository branches and agencies
- 5231 Securities and commodity contracts intermediation and brokerage
- 5238 Other financial investment activities and exchanges
- 5242 Agencies, brokerages, and other insurance related activities
- 5243 Insurance carriers, except life insurance carriers
- 5249 Life insurance carriers
- 5252 Funds, trusts, and other financial vehicles

SUMMARY OF INDUSTRY CLASSIFICATIONS

REAL ESTATE AND RENTAL AND LEASING

- 5310 Real estate
- 5321 Automotive equipment rental and leasing
- 5329 Other rental and leasing services
- 5331 Lessors of nonfinancial intangible assets (except copyrighted works)

PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES

- 5411 Legal services
- 5412 Accounting, tax preparation, bookkeeping, and payroll services
- 5413 Architectural, engineering, and related services
- 5414 Specialized design services
- 5415 Computer systems design and related services
- 5416 Management, scientific, and technical consulting services
- 5417 Scientific research and development services
- 5418 Advertising and related services
- 5419 Other professional, scientific, and technical services

MANAGEMENT OF COMPANIES AND ENTERPRISES

- 5512 Holding companies, except bank holding companies
- 5513 Corporate, subsidiary, and regional management offices

ADMINISTRATIVE AND SUPPORT AND WASTE MANAGEMENT AND REMEDIATION SERVICES

- 5611 Office administrative services
- 5612 Facilities support services
- 5613 Employment services
- 5614 Business support services
- 5615 Travel arrangement and reservation services
- 5616 Investigation and security services
- 5617 Services to buildings and dwellings
- 5619 Other support services
- 5620 Waste management and remediation services

EDUCATIONAL SERVICES

- 6110 Educational services

HEALTH CARE AND SOCIAL ASSISTANCE

- 6210 Ambulatory health care services
- 6220 Hospitals
- 6230 Nursing and residential care facilities
- 6240 Social assistance

ARTS, ENTERTAINMENT, AND RECREATION

- 7110 Performing arts, spectator sports, and related industries
- 7121 Museums, historical sites, and similar institutions
- 7130 Amusement, gambling, and recreation industries

ACCOMMODATION AND FOOD SERVICES

- 7210 Accommodation
- 7220 Food services and drinking places

OTHER SERVICES

- 8110 Repair and maintenance
- 8120 Personal and laundry services
- 8130 Religious, grantmaking, civic, professional, and similar organizations

PUBLIC ADMINISTRATION

- 9200 Public administration