

It is so important that we each have a worldview. A sense of what this moment in history is, what its vast opportunities are, and what its challenges are. We all have an unprecedented amount of power to solve problems, save lives, and help people.



President Clinton established the William J. Clinton Foundation with the mission to strengthen the capacity of people throughout the world to meet the challenges of global interdependence. To advance this mission, the Foundation is focused on four critical areas: health security; economic empowerment; leadership development and citizen service; and racial, ethnic and religious reconciliation. The Foundation works principally through partnerships with like-minded

individuals, organizations, corporations, and governments, often serving as an incubator for new policies and programs.

Along with these programs and initiatives, the William J. Clinton Foundation designed and developed the Clinton Presidential Center in Little Rock, Arkansas. Encompassing the vision of President Clinton, the Center is located within a 30-acre city park along the southern bank of the Arkansas River. In addition to the Little Rock offices of the William J. Clinton Foundation, the Clinton Presidential Center includes the Clinton Presidential Library and Museum and the Clinton School of Public Service.

With the generous support of partners, citizens, and volunteers, President Clinton and the Clinton Foundation are working vigorously to advance those principles that move us beyond our differences to a common future of shared responsibility, shared benefits, and shared values.

To read more about the ongoing work of the Foundation and the Clinton Presidential Center, please visit www.clintonfoundation.org.

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- 4 Overview of the Foundation's Work



Clinton Foundation Urban Enterprise Initiative (UEI)

The Urban Enterprise Initiative supports the expansion of opportunity and economic growth in urban communities by helping entrepreneurs and small business owners compete in the urban marketplace.



Clinton Foundation HIV/AIDS Initiative (CHAI)

The Clinton Foundation HIV/AIDS Initiative works to bring high quality medical care and treatment to people living with HIV/AIDS and to strengthen the health infrastructure in developing countries.





Alliance for a Healthier Generation

The Alliance for a Healthier Generation—a joint initiative of the William J. Clinton Foundation and the American Heart Association—was formed in May 2005 to address the issues that contribute to childhood obesity and to inspire all young Americans to develop lifelong healthy habits.





Clinton Global Initiative (CGI)

The Clinton Global Initiative is a non-partisan catalyst for action, bringing together a community of global leaders to devise and implement innovative solutions to some of the world's most pressing challenges.

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Tsunami Recovery

The United Nations Office of the Special Envoy for Tsunami Recovery works to keep global attention on tsunami recovery and help guide the rebuilding process to pursue a sound development path in tsunami-affected countries.





Bush-Clinton Katrina Fund

The Bush-Clinton Katrina Fund seeks to make a distinctive impact on unmet needs in the Gulf region through grants that help to create financial self-sufficiency for individuals and communities, foster economic opportunity for the people and organizations in the Gulf, and improve the quality of life for persons affected by Hurricane Katrina.

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The Clinton Presidential Center

The Clinton Presidential Center in Little Rock, Arkansas, houses the largest presidential archive and 20,000 square feet of exhibit space. In addition to the Little Rock offices of the William J. Clinton Foundation, the Clinton Presidential Center includes the Clinton Presidential Library and Museum and the Clinton School of Public Service.

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Dear Friends,

We are living in an exciting time. In a world without boundaries, we all have an unprecedented amount of power to solve problems, save lives, and empower people all around the globe. This urgent and shared responsibility inspired me to start the Clinton Foundation, and it is reflected in each new initiative we undertake. I've been encouraged by what we accomplished in 2005—and humbled by how much there still is to do.

2005 was another productive year for the Clinton Foundation HIV/AIDS Initiative, which enables people in over 50 developing nations to access life-saving AIDS medicines at up to 80% below market price. This year, over 240,000 people accessed these medicines, a fourfold increase over last year. We worked hard to deliver these critical treatments to children and people in rural areas, two groups that have been terribly neglected but desperately need our help. Now, people who might not have otherwise survived are living healthy, productive lives because of these efforts. It's a start, but we cannot forget about the millions of people around the world who still need treatment and are not getting it.

Here in the United States, we are working to bring solutions to another rising health threat: childhood obesity. If present trends continue, children today risk becoming the first generation of Americans to live shorter lives than their parents. By partnering with the American Heart Association to create the Alliance for a Healthier Generation, we are taking concrete action to reverse this deadly trend. In 2005, we partnered with Nickelodeon to reach children directly with a comprehensive \$28-million media and public awareness campaign dedicated to promoting healthy choices. We laid the groundwork for the launch of the Healthy Schools Program with an \$8-million grant from the Robert Wood Johnson Foundation, a program dedicated to influencing the well-being of millions of kids in American schools. We also began negotiations with the beverage industry to explore ways to provide healthier drink options for kids in schools, resulting in a landmark 2006 agreement affecting at least 35 million students.

One of our most exciting developments in 2005 was the inaugural meeting of the Clinton Global Initiative. CGI is a non-partisan, action-oriented initiative that brings together global leaders from the business, non-profit, government, and philanthropic sectors. Bridging differences in religion, race, nationality, ethnicity, and politics, these leaders work together to identify specific actions they can take immediately to address key challenges we face in this era of interdependence. The hundreds of commitments that were pledged, valued at \$2.5 billion, illustrate how much each of us can do to help others.

These are just a few of my Foundation's programs. We're also working to bolster urban businesses, educate our next generation of public servants, and much more. In all of these initiatives, I count on the support, insight, and participation of people like you.

While I am truly proud of what we have accomplished in 2005, I am acutely aware of all that remains to be done. I believe that we all have the power to make the world better. With your help, I know that we can do even more this year.

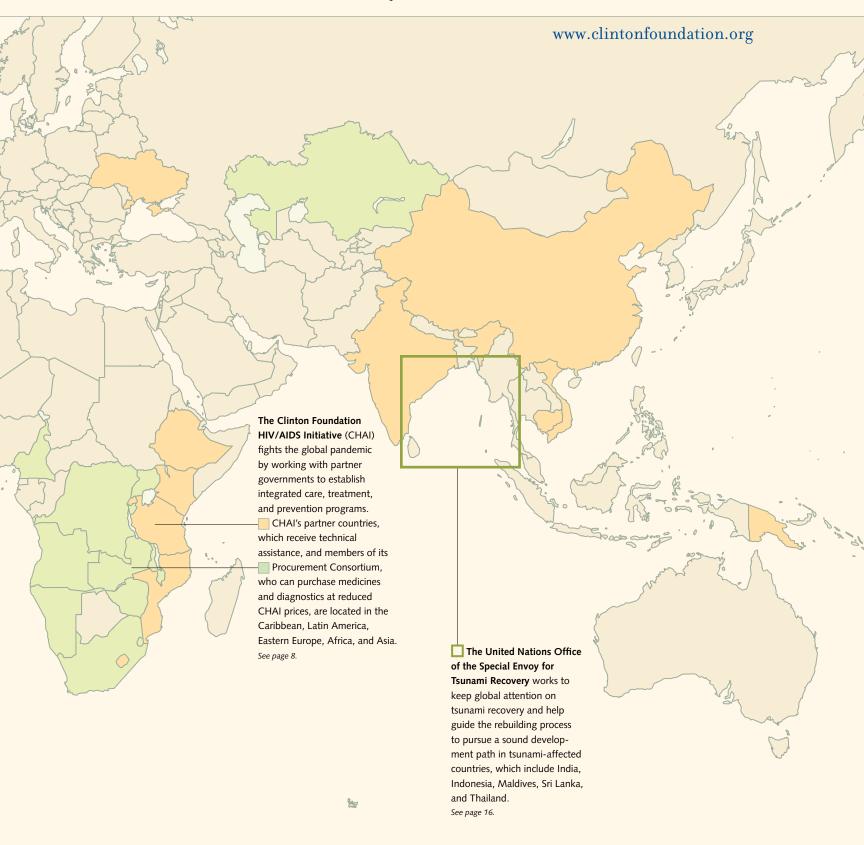
Sincerely,

Rain Clinton

Doing the Work



Through President Clinton's leadership and the ongoing work of the Clinton Foundation, we are working hard to bridge the gap between rich and poor nations, to end needless loss of life, and to bring people together. Every day our staff and volunteers are making a difference by finding real and tangible solutions in the United States and around the world. For more detailed and updated information about our work, visit our Foundation website.



What we want to prove is that if we bring world-class help to these small businesses, they can realize the same productivity gains as big businesses. This is not a quick-fix and move on project—it's sustainable microeconomic development... I think over time we will expand to many cities in America.

- WILLIAM J. CLINTO

While Harlem's economic revitalization has brought new jobs and opportunity to the community, it has also created challenges for the small business owners and entrepreneurs who have served the neighborhood for decades and are now facing competition from larger businesses and national chains for customers, real estate, and workers.

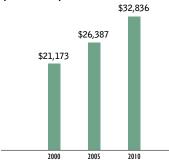
After leaving the White House and moving to Harlem, President Clinton wanted the Foundation to play a positive role in the economic renaissance already underway in the community. The Urban Enterprise Initiative (UEI), formerly called the Small Business Initiative, was launched by the Foundation in 2002 to offer technical and managerial support to local entrepreneurs. The UEI began as a pilot program for 10 small businesses in Harlem and later expanded to the New York boroughs of Brooklyn and the Bronx.

The UEI organized pro bono teams of experienced consultants from Booz Allen Hamilton, graduate business students from New York University's Stern School of Business, and experienced professionals from a variety of partner organizations, including the National Black MBA Association. The teams worked closely with entrepreneurs over the course of 12–18 months to identify critical challenges, assess new opportunities, and help implement business solutions. Consulting teams assisted in critical areas such as accounting, financial

Highlights

- Over 50,000 hours of pro bono technical assistance donated.
- \$10 million in professional pro bono consulting services donated.
- Over 114 volunteers have given their time to UEI businesses.
- Expanded pilot program from Harlem into Brooklyn and the Bronx.
- Los Angeles program to launch in 2006.
- *Inc.* Magazine partnership to launch in 2006.

HARLEM ESTIMATED INCOME GROWTH (2000A-2010E)



Source: Bureau of Labor Statistics; ESRI.

An essential part of the Urban Enterprise Initiative's work for small businesses owners is helping them to gain a better sense of the market in which they operate. This data, drawn here from the Harlem Market Study, enables small business owners and entrepreneurs to serve their clientele with greater specificity and profitability.



FROM LEFT: HARLEM LANES OWNER SHARON JOSEPH WAS A PARTICIPANT IN THE CLINTON FOUNDATION URBAN ENTERPRISE INITIATIVE. PRESIDENT CLINTON, SEEN HERE AT THE OPENING OF HARLEM LANES, THE FIRST BOWLING ALLEY TO OPEN IN HARLEM IN THE PAST 40 YEARS, LAUDED SHARON AND CELEBRATED THE SUCCESS OF HARLEM LANES AND THE UEI; UEI PARTICIPANT LEAH ABRAHAM, OWNER OF SETTEPANI BAKERY IN HARLEM. SETTEPANI BAKERY IS ONE OF HARLEM'S FIRST SIDEWALK CAFES. THE BUSINESS WAS LOSING MONEY BEFORE GETTING INVOLVED IN THE CLINTON FOUNDATION URBAN ENTERPRISE INITIATIVE; EVETTA PETTY IS THE OWNER OF HARLEM'S HEAVEN BOUTIQUE. HARLEM'S HEAVEN BENEFITED FROM FREE CONSULTING SERVICES PROVIDED BY THE CLINTON FOUNDATION'S PILOT URBAN ENTERPRISE INITIATIVE IN HARLEM.

Urban Enterprise Initiative

management, marketing, information technology, and human resources. To date, the program has provided more than 50,000 hours of pro bono technical assistance—valued at more than \$10 million in professional service fees.

By 2005, the first group of Harlem businesses had successfully completed their work with the consulting teams. One participating business, Katrina Parris Flowers, developed a business and marketing strategy, found a new location, and tripled revenue and profits after only one year of assistance from the UEI. Ken Taylor Plumbing increased profits by 40% after following the team's advice to hire an office manager, thereby freeing the owner to focus on customer acquisition and attracting new business. 2005 also saw the completion of a market study of Harlem created to help participating entrepreneurs better understand the needs of their customers.

At the year's end, the Clinton Foundation began working on the development of a long-term strategy to enable the UEI to grow from a pilot program to a replicable model that could be implemented in other places around the country. In March 2006, President Clinton announced that the UEI would expand to Los Angeles in partnership with the Orfalea Family Foundation and the University of Southern California's Marshall School of Business. He also announced a partnership with *Inc.* Magazine to create an entrepreneur-to-entrepreneur mentoring program.





Success Story: Harlem's Heaven Boutique

Evetta Petty owns and operates Harlem's Heaven Boutique, a custom-made hat shop that also offers clothing and accessories. After serving the Harlem community for 15 years, the shop was struggling to stay afloat. But, as Petty explained, "Thanks to the UEI, now I have the tools to succeed."

Evetta's team of UEI consultants helped her business address numerous competitive challenges. When her boutique's lease was expiring and the dramatic increase in Harlem rental prices led her to consider closing her shop, Evetta's UEI team directed her to a lawyer who was able to negotiate an affordable 10-year lease. By computerizing her inventory, a skill taught to her by UEI consultants, Evetta was able to better monitor expenses. Finally, the team planned and structured a year-long marketing campaign, which increased her visibility and brand recognition around the Harlem community. The expert assistance and consulting provided by the UEI helped Harlem's Heaven Boutique earn a profit for the first time in its history.

There are over 40 million people that are HIV-positive. It just struck me that this was a problem that cried out for organization and entrepreneurial skill. And that for a relatively small amount of money, we could have a huge impact. I know we can prevail with will, resources, and consistent, organized effort.

- WILLIAM J. CLINTON

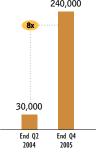
he Clinton Foundation HIV/AIDS Initiative (CHAI) greatly expanded the scale, intensity, geographic, and programmatic scope of its global efforts in the fight against HIV/AIDS in 2005. By year's end, the Initiative had increased the number of people accessing AIDS treatment drugs under CHAI's agreements by nearly 300%, from 61,000 on treatment at the end of 2004 to over 240,000 on treatment by the end of 2005. CHAI also increased the number of partner countries and members of the Procurement Consortium who can purchase AIDS medicines and diagnostic equipment at CHAI's reduced prices to 55.

The Pediatric and Rural Initiatives were launched in 2005 to focus on bringing AIDS care and treatment to those most often marginalized—children and those living in rural areas. The Pediatric Initiative has supported the treatment of 10,000 children while the Rural Initiative is active in seven countries and scheduled to expand in 2006. Finally, in 2005 CHAI began negotiations with companies to reduce the prices of second-line drugs and diagnostic tests, resulting in an agreement that will benefit thousands of people. In only its third year of existence, CHAI has helped bring AIDS care and treatment to over a quarter of a million people living with HIV/AIDS around the world.

DRAMATICALLY EXPANDING TREATMENT

Working in close partnership with governments, other non-governmental organizations, and the private sector, CHAI strives to make treatment for HIV/AIDS more affordable and to implement large-scale integrated care, treatment, and prevention programs that are helping to turn the tide of the pandemic. CHAI's efforts to increase access to HIV/AIDS care and treatment led to dramatic geographic and programmatic expansion in 2005. By the end





CHAI's dramatic price-reduction agreements helped nearly a quarter of a million people access life-saving ARV medicines by the end of 2005. This number represents a dramatic increase from the middle of 2004, when only 30,000 people were receiving these vital medicines at our low prices.

Expanding Care and Treatment 2005:

- Expanded the number of countries that can purchase life-saving drugs and diagnostics at our reduced prices to 55 from 30 in 2004.
- Increased the number of people accessing life-saving ARVs at our prices by nearly 300%.
- Laid the groundwork for an agreement to reduce the prices of second-line drugs and rapid tests in 2006.



FROM LEFT: CHAI has been active in Lesotho since 2004. Many families, like the mother and infant seen here, receive treatment at CHAI-affiliated clinics. They are part of the 240,000 people worldwide benefiting from CHAI programs; This little girl is visited frequently by a health care worker in Cambodia. This visit is part of a Home-Based Care visitation program with Angkor Children's Hospital in Siem Reap, Cambodia; Mahetle is an HIV-positive boy living in Lesotho. He lost his father to AIDS two years ago, but with antiretrovirals provided by CHAI, Mahetle hopes to live a long, full life; President Clinton visits with HIV-positive widows and children of the genocide in Kigali, Rwanda.

HIV/AIDS Initiative

of 2005, the number of people accessing antiretroviral medicines (ARVs) purchased under CHAI agreements increased fourfold from the end of 2004. Over the course of the year, CHAI entered into partnerships with the governments of Cambodia, Vietnam, Papua New Guinea, and Ukraine to assist in the implementation of large-scale HIV/AIDS care, treatment, and prevention programs. CHAI also amplified its presence in Latin America and Africa, reaching agreements with 20 additional countries who can now access CHAI's preferential prices for ARV drugs and diagnostic equipment.

THE PEDIATRIC INITIATIVE

Over 500,000 children died of AIDS in 2004, yet with the exception of Brazil and Thailand, only 10,000 children received life-saving ARVs. In response to this tragic aspect of the HIV/AIDS pandemic, President Clinton launched CHAI's Pediatric Initiative in mid-2005 with the ambitious goal of doubling the number of children receiving AIDS care and treatment in these countries. By working with a leading drug manufacturer, CHAI was able to reduce the cost of pediatric formulation ARVs by over 50%. In less than a year, CHAI provided medicines and the necessary clinical and programmatic expertise to support the treatment of 10,000 children, and donations for over 50,000 more children are planned in the second year of the program.

THE RURAL INITIATIVE

Seventy percent of the developing world lives in rural areas, where health care services are least available and the impact of the epidemic is most acute. In response, President Clinton launched the Rural Initiative in March 2005 to increase access to health care services, including HIV/AIDS care and treatment. The actual delivery of care must rely on different models of treatment—ones that require fewer resources, rely on indigenous capacity,

Cilino Foundation

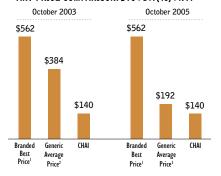
Rural Initiative 2005:

Established models in Mozambique, Tanzania, Lesotho, Kenya, Ethiopia, the Dominican Republic, and Rwanda with further expansion planned for 2006.

Pediatric Initiative 2005:

- Established model supporting treatment of 10,000 children.
- Negotiated price reductions on first-line pediatric ARV formulations from \$500+ per child per year to about \$200.

ARV PRICE COMPARISON: 3TC+d4T(40)+NVP



- 1 As reported by the manufacturers and by Médicines Sans Frontières (MSF) in "Untangling the Web of Price Reductions."
- 2 \$384 was the weighted average price being offered to CHAI purchasers in October 2003. Prior to this, MSF, in its May 2003 pricing guide, reported the best prices offered by CHAI, Hetero, and Ranbaxy as \$304, \$281, and \$285, respectively.
- 3 Average price, per MSF's June 2005 pricing guide, of three suppliers currently WHO prequalified (Cipla, Hetero, Ranbaxy).

Prior to CHAI's price reduction agreements with generic pharmaceutical companies, the cost of HIV/AIDS treatment was prohibitively high. Our landmark agreements make providing HIV/AIDS care and treatment a realistic possibility for countries in the developing world.

HIV/AIDS Initiative

CHAI Supplier Organizations as of January 2006

Pharmaceutical:

Aspen Pharmacare Holdings Ltd.
Cipla Ltd.
Ranbaxy Laboratories Ltd.
Matrix Laboratories Ltd.
Strides Arcolab
Hetero Drugs
Mchem Pharma Group

Diagnostics:

Bayer Diagnostics
Beckman Coulter, Inc.
BD (Becton, Dickinson and Company)
bioMérieux
Roche Diagnostics
Chembio
Orgenics (a subsidiary of Inverness Medical Innovations)
Qualpro Diagnostics
Shanghai Kehua

and integrate HIV/AIDS services into comprehensive health programs that respond to a range of health problems and reach entire communities. Models have been established in Mozambique, Tanzania, Lesotho, Kenya, Ethiopia, the Dominican Republic, and Rwanda, with further expansion planned for 2006.

In Rwanda, CHAI is partnered with Dr. Paul Farmer's organization, Partners In Health, to deliver HIV/AIDS care and treatment and to establish health care infrastructure for the many Rwandans living in remote areas. In its first year of implementation, this collaboration has already seen tremendous success, including the renovation of an abandoned district hospital, the deployment of dozens of community health care workers, and the establishment of health care centers that will serve a population of over 340,000 people. In less than a year, the district hospital has grown to a 250-person staff and a modern infectious disease unit and laboratory was constructed. 2006 will see this proven model of rural health care delivery expanded to other parts of rural Africa.

SECOND-LINE DRUGS AND RAPID TESTING

Throughout 2005, CHAI's pharmaceutical and lab services divisions conducted negotiations with pharmaceutical and medical technology companies to reach further price-reduction agreements. These efforts paved the way for a significant advance in early 2006, when President Clinton announced discounted prices for critical second-line and rapid test technologies. Second-line ARVs are crucial to long-term HIV/AIDS treatment, and rapid tests allow for more efficient detection of the virus, which helps prevent further spread of the disease by the 90% of people currently unaware of their HIV+ status. These agreements are vital to CHAI's ongoing efforts to bring high-quality HIV/AIDS care and treatment to people in the developing world.



FROM LEFT: CAMBODIA HAS ONE OF THE HIGHEST HIV PREVALENCE RATES IN SOUTHEAST ASIA. CHAI STAFF MEMBERS WORK WITH LOCAL HEALTH WORKERS TO HELP BRING CARE AND TREATMENT TO PEOPLE LIVING WITH HIV/AIDS; WHEN SEVEN-YEAR-OLD LISEBO ARRIVED AT THE CHAI-ASSISTED CLINIC IN LESOTHO, SHE WAS VERY SICK. LIKE MANY CHILDREN, SHE RESPONDED TO THE TREATMENT AND SHOWED PROGRESS ALMOST IMMEDIATELY.

Staff Spotlight

Dr. Mphu Ramatlapeng has been CHAI's Country Director for Lesotho since October 2005. She was born in Lesotho, studied medicine at Kharkov Medical School in Ukraine, and later obtained a Masters in Public Health from Johns Hopkins University. After completing her education, she returned to Lesotho, where she worked in a number of positions in the public and private sectors before joining the Clinton Foundation.

What motivated you to get involved in HIV/AIDS work?

I remember vividly the day when I decided I was not going to wait on the sidelines until someone offered me a solution to what is now a national crisis. A young man whom I had known for over 18 years was brought to my practice with severe pneumonia. He recovered, but later died because of

AIDS just five months before his university graduation. I realized that while I was only one person, I was not too small to make a difference!

What is the most difficult part of your work?

The most difficult part of my work is convincing people to change their approach to HIV/AIDS from "business as usual" to emergency mode. I think that most people still do not realize the true extent of this crisis.

How is the Clinton Foundation making a difference in the HIV/AIDS epidemic in Lesotho?

The Clinton Foundation's work at the global level to reduce the cost of ARVs and diagnostic tests helped make treatment in the public sector a reality for the people of Lesotho. On the ground, the Foundation is playing a

key role in supporting the Ministry of Health's efforts to scale up ART by providing strategic advice for planning and policy development at the national level, as well as providing hands-on support for implementation.

We deal with the AIDS epidemic as a national emergency, think creatively in all aspects of our work, and stay focused on our primary goal of delivering ARVs to all patients in need. In the coming months we will be assisting the Ministry to roll out ARVs to the mountains—some of the most remote and underserved parts of the country—to show that accessible, high-quality treatment is indeed possible even in the most resource-constrained settings.

What is the most inspiring thing you see from your work in Lesotho?

To see HIV-positive patients who were once very ill share their experiences with other patients who are also managing their disease is truly inspiring. I have seen this for many years as a medical practitioner, but now am able to see it on a much larger scale. For example, we recently helped the military launch a testing campaign where one solider—an officer—stood up in front of 400 soldiers to talk about his experiences with ARVs and encourage everyone to know their HIV status.

Mphu is one of over 420 employees, contractors, and volunteers supporting CHAI's work around the world. A sense of urgency drives all aspects of CHAI's approach, since every minute that decisive action is not taken translates in real time to lives lost.



Nine-year-old Moipone comes to the hospital with her mother, who is also HIV-positive. She has been receiving treatment through our pediatric initiative, and her sense of humor and bright smile make her a delight for the clinic staff.

After my personal exposure to heart disease and surgery, I wanted to find some way to use that experience to help others. With this initiative, we can help turn young people's lives around and give them hope for a healthier future. This is not a short-term campaign, but a long-term commitment to the health of America's next generation.

WILLIAM J. CLINTO

In 2005, the Clinton Foundation applied its skills and resources to one of the most pressing issues facing Americans today: the epidemic of childhood obesity. If present trends continue, children today risk becoming the first generation of Americans to live shorter lives than their parents.

The Clinton Foundation took concrete action to reverse this deadly trend by partnering with the American Heart Association in the spring of 2005 to form the Alliance for a Healthier Generation (AHG), a 10-year joint initiative dedicated to reversing childhood obesity. Shortly after it was launched, the Alliance entered into a partnership with Nickelodeon to educate children with a comprehensive \$28-million media campaign and grassroots effort dedicated to promoting healthy choices. The Alliance also laid the groundwork for the 2006 launch of the Healthy Schools Program, dedicated to influencing the well-being of millions of kids in American schools, with an \$8-million lead grant from the Robert Wood Johnson Foundation. In addition, the Alliance began negotiations with the beverage industry to explore ways to provide healthier drink options for kids in schools, resulting in a landmark 2006 agreement affecting at least 35 million students.

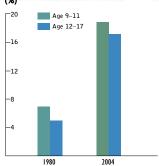
Over the past three decades, rates of childhood obesity in the United States have more than tripled among kids age 6 to 11. Roughly nine million kids over age six are obese, and the far-reaching consequences are already apparent. Children are being diagnosed with diseases previously considered "adult" illnesses, such as high blood pressure, type II diabetes, and elevated blood cholesterol levels.

NATIONAL COSTS OF TREATING OBESITY-RELATED DISEASES (\$ Billions)



Source: Heart Disease and Stroke Statistics—2006
Update. American Heart Association.

OVERWEIGHT CHILDREN IN THE UNITED STATES (%)



Source: Ogden CL, Carroll MD, Curtin LR, McDowell MA, Tabak CJ, Flegal KM. Prevalence of Overweight and Obesity in the United States, 1999–2004. *JAMA* 2006; 295: 1549–1555.

The Clinton Foundation approaches its work with tremendous awareness of the urgency of the problems at hand. The work of the Alliance for a Healthier Generation with industry, schools, and kids is impacting our national economy and collective future.



FROM LEFT: STAYING ACTIVE IS ONE OF THE KEYS TO A HEALTHY LIFESTYLE AND MANY OF AMERICA'S SCHOOLS HAVE HAD TO REDUCE OR ELIMINATE THEIR PHYSICAL EDUCATION PROGRAMS. THE ALLIANCE WILL WORK TO HELP SCHOOLS KEEP STUDENTS ACTIVE; PRESIDENT CLINTON LAUNCHED THE ALLIANCE FOR A HEALTHIER GENERATION'S HEALTHY SCHOOLS PROGRAM AT P.S. 197 IN NEW YORK CITY. THIS PROGRAM WORKS WITH SCHOOLS TO GIVE THEM THE TOOLS AND GUIDANCE THEY NEED TO HELP CHILDREN LIVE HEALTHY LIFESTYLES AND ULTIMATELY PREVENT OBESITY AMONG YOUNG PEOPLE; STUDENTS FROM P.S. 197 FOLLOWING THE LAUNCH OF THE HEALTHIER GENERATION'S

Alliance for a Healthier Generation

The Alliance aims to stop the nationwide increase in the rate of childhood obesity by 2010 and to reduce childhood obesity rates by 2015 through a comprehensive and pragmatic challenge to this health crisis. The Alliance focuses on several key areas to achieve its goals, including: encouraging the food, beverage, and restaurant industries to provide healthier options for children; supporting and recognizing schools that are emphasizing healthy learning environments; creating a "for-kids-by-kids" movement; and providing health care professionals with better tools to recognize, prevent, and address childhood obesity.

The Alliance is also working hard to improve the health of millions of kids in American schools. In February of 2006, with a lead grant from the Robert Wood Johnson Foundation, the Alliance announced its Healthy Schools Program to enhance the abilities of schools to provide healthy environments. In its first year, the Healthy Schools program will focus on recruiting approximately 275 schools in 13 states. The goal of the program is to reach and engage at least four million students in 7,100 schools across the country within the next five years.

In 2005, the Alliance also engaged industry leaders in focused discussions around improving the diets of millions of students across the country. As a result of this dialogue, a major victory in the battle against childhood obesity was reached in the spring of 2006, when the Alliance leadership was joined by representatives from Cadbury Schweppes, Coca-Cola, PepsiCo, and the American Beverage Association to announce an agreement affecting at least 35 million students nationwide to limit portion sizes and reduce the number of calories in beverages available to children in school.



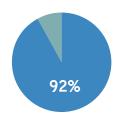
Sasha Blaes

HEALTHY SCHOOLS PROGRAM; NICKELODEON, IN PARTNERSHIP WITH THE ALLIANCE FOR A HEALTHIER GENERATION, PRESENTED THE LET'S JUST PLAY GO HEALTHY CHALLENGE, A PROGRAM TARGETING YOUNG PEOPLE ENCOURAGING THEM TO BE FIT. IT IS THE FIRST SPECIAL IN A SIX MONTH SERIES TO HELP KIDS STAY FIT. TOP RIGHT: PRESIDENT CLINTON WITH A GROUP OF YOUNG PEOPLE FOLLOWING THEIR DISCUSSION ABOUT WAYS TO COMBAT CHILDHOOD OBESITY AND HOW TO DEVELOP HEALTHIER LIFESTYLES. THIS PROGRAM, HOSTED BY LINDA ELLERBEE, AIRED ON NICKELODEON IN NOVEMBER 2005.



To encourage kids to take charge of their own health and advocate healthy lifestyles to their friends and family, the Alliance joined forces with Nickelodeon, the number one television brand for kids, to create the Let's Just Play Go Healthy Challenge in the fall of 2005. The network has committed \$28-million worth of airtime to programming and public service announcements on health issues to inspire kids to make healthier choices for themselves. The Alliance will continue to develop engaging and healthy content for kids in 2006.

For more information on the ongoing work of the Alliance, please visit: www.healthiergeneration.org



92% OF ALL ELEMENTARY SCHOOLS DO NOT HAVE PHYSICAL EDUCATION CLASSES YEAR-ROUND

Source: School Health Policies and Programs Study. Journal of the School of Health 2001; 71 (7).

The Alliance's Healthy Schools Program is working to reach and engage at least four million students in 7,100 schools across the country within the next five years.

This is not about speechifying. It's about searching for understanding and solutions and then picking one that you are going to push. My view is if we can do this every year for a decade, we can make a big dent in the world's problems.

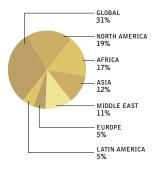
- WILLIAM J. CLINTON

he Clinton Foundation's unique approach to problem-solving is exemplified by a new project, the Clinton Global Initiative (CGI). Created in 2005, CGI is a non-partisan catalyst for action, bringing together a community of global leaders to devise and implement innovative solutions to some of the world's most pressing challenges.

The inaugural meeting of the Clinton Global Initiative took place in September 2005 in New York City, convening more than 900 government and business leaders, academics, and NGO representatives to focus on four critical issues: poverty reduction, religion as a force for reconciliation, climate change, and governance.

The success of CGI 2005 was astounding. The results included hundreds of commitments by attendees, valued at more than \$2.5 billion, to support or establish programs to address a problem in one of the four topic areas. Some of the world's most influential leaders participated, including King Abdullah II, President Thabo Mbeki, Prime Minister Tony Blair, United Nations Secretary General Kofi Annan, Secretary of State Condoleezza Rice, General Electric Chairman and CEO Jeffrey Immelt, and News Corp Chairman and CEO Rupert Murdoch. The group included 35 current and 10 former heads of state.

GEOGRAPHIC SCOPE OF CGI 2005 COMMITMENTS





FROM LEFT: THE INAUGURAL MEETING OF THE CLINTON GLOBAL INITIATIVE BEGAN WITH FORMER PRESIDENT CLINTON MODERATING A PANEL DISCUSSION BETWEEN PRIME MINISTER TONY BLAIR, SECRETARY OF STATE CONDOLEEZZA RICE, AND KING ABDULLAH II OF JORDAN. THE GROUP ADDRESSED SOME OF THE MOST PRESSING ISSUES FACING OUR WORLD; AT THE 2005 CLINTON GLOBAL INITIATIVE, ELIZABETH FUNK, VICE CHAIR OF UNITUS, AND MARIA OTERO, PRESIDENT AND CEO OF ACCION INTERNATIONAL, COMMITTED TO DELIVER MICROFINANCE SERVICES TO 15 MILLION OF INDIA'S UNDERPRIVILEGED BY 2015; THEIR COMMITMENT WAS THE CATALYST FOR THIS MICROFINANCE LOAN REPAYMENT MEETING NEAR HYDERABAD, INDIA, IN OCTOBER 2005, ATTENDED BY CLIENTS OF SWAYAM KRISHI SANGAM (SKS), A UNITUS PARTNER ORGANIZATION; TNT, IN PARTNERSHIP WITH THE UN WORLD FOOD PROGRAMME, BUILT TWO MOBILE WELLNESS CENTERS IN MALAWI. THE DOCTOR SHOWN HERE IS PROVIDING HIV/AIDS-RELATED HEALTH AND EDUCATION SERVICES ALONG COMMERCIAL TRANSPORT ROUTES TO AT-RISK POPULATIONS.

Clinton Global Initiative

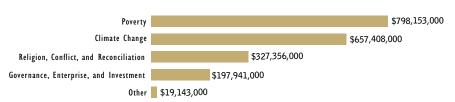
The Initiative is a new model for philanthropy and good works—connecting leaders from many fields whose voices, policies, and actions have an extraordinary impact. The annual meeting is designed to encourage the open exchange of ideas, with a format that forgoes speechifying to focus on the search for understanding, achieving solutions, and committing to concrete actions that deliver results. Before the meeting adjourns, every participant is asked to make a commitment to take a specific action or undertake a project in one of CGI's four areas of focus. CGI facilitates a direct connection between problems, projects, and funds that is efficient and effective. "I had been to enough conferences where all people did was talk about issues, but no further action was taken," said President Clinton. "I wanted CGI to be different. My goal was for people to commit to take action towards achieving real change. To me, the monetary amount of the commitments was not the most important thing; whether it was time, money, or expertise, I just wanted people to leave CGI committed to making lasting change in the world."

CGI has now become a year-round effort to achieve progress in its areas of focus, to follow up on the commitments that have been made and encourage new ones, and to facilitate innovative problem-solving by matching people who have resources with others possessing on-the-ground capabilities.

The 2006 annual meeting of the Clinton Global Initiative, to be held in New York from September 20-22, will focus on energy and climate change, global public health, poverty alleviation, and mitigating religious and ethnic conflict.



FOCUS AREA BY VALUE OF CGI 2005 COMMITMENTS





Representative 2005 CGI Commitments:

- The New York Stock Exchange's partnership with Operation HOPE to teach financial literacy to New York youth.
- Sir Tom Hunter's commitment to create the Clinton Hunter Development Initiative to support integrated and sustainable approaches to development in Africa.
- A \$75 million Global Commercial Microfinance Consortium led by Deutsche Bank to help alleviate poverty in developing nations.
- · A collaboration between Nestle Nigeria and Search for Common Ground to produce a reality television series in Nigeria promoting religious reconciliation.
- A commitment by Swiss Re to facilitate emissions reductions in greenhouse gases by developing a Greenhouse Gas Risk Solutions unit and offering structured products for emissions trading.

For a complete list and updates on the ongoing progress of commitments, please visit: www.clintonglobalinitiative.org

UN Tsunami Special Envoy

The Affected Countries

Indonesia, India, Maldives, Thailand, and Sri Lanka were the worst affected countries in terms of loss of life and destruction of houses, livelihoods, and infrastructure. Burma, Malaysia, Seychelles, Somalia, and Tanzania were also affected.

In the five most affected countries, 412,000 homes, 2,658 schools, and 465 hospitals must be rebuilt or repaired. Long-term recovery efforts are underway, with over 92,000 homes rebuilt, repaired, or under construction within 18 months. But challenges persist, and successful rebuilding will take time.

For ongoing information about the rebuilding efforts, please visit: www.tsunamispecialenvoy.org

n December 26, 2004, an earthquake off Indonesia's coast triggered a destructive tsunami, which affected 12 countries and took 186,983 lives, with 42,000 people still listed as missing. Across the region, 1.4 million people were displaced; damages reached \$11 billion. Individuals, governments, and organizations responded generously, pledging close to \$12 billion to rebuild the lives and communities destroyed by the disaster and \$1.2 billion for emergency relief.

Shortly after the tsunami, President Clinton traveled with former President Bush to the region to survey the damage firsthand. In February 2005, UN Secretary-General Kofi Annan appointed President Clinton as his Special Envoy for Tsunami Recovery, and he has returned to the region two times in that role.

As Special Envoy, President Clinton has prioritized keeping the world focused on rebuilding these countries, to ensure that promises made do not become promises forgotten. He plays an instrumental role in coordinating efforts to ensure that the many actors helping to rebuild the affected countries—governmental, non-governmental, public, private, local, and international—work together to avoid gaps and duplication in the recovery effort.

President Clinton is promoting transparency and accountability, to both donors and beneficiaries, by supporting financial tracking and efforts to monitor and assess the impact of recovery efforts on beneficiaries.

The President is also championing a new kind of recovery, one that will build back better. He is promoting disaster risk reduction, environmental sustainability, and economic diversification. His goal is to place the affected countries on a safer, more sustainable development path.



FROM LEFT: PRESIDENT CLINTON AND UN SECRETARY-GENERAL KOFI ANNAN AT THE ANNOUNCEMENT OF PRESIDENT CLINTON'S APPOINTMENT AS SPECIAL ENVOY FOR TSUNAMI RECOVERY; DURING ONE OF HIS NUMEROUS TRIPS TO THE TSUNAMI-AFFECTED COUNTRIES, PRESIDENT CLINTON, SEEN HERE, MEETS FAMILIES DISPLACED BY THE TSUNAMI.

Bush-Clinton Katrina Fund

In the aftermath of Hurricane Katrina, the city of New Orleans was evacuated and large swaths of Alabama, Mississippi, and Louisiana were devastated. The scope of the disaster was unprecedented in American history.

Shortly after the hurricane, President George W. Bush asked former Presidents Bush and Clinton to raise funds to help rebuild the Gulf Coast region. The two Presidents, having worked together to assist victims of the Southeast Asia tsunami, established the Bush-Clinton Katrina Fund to identify and meet the unmet needs in the region, foster economic opportunity, and to improve the quality of life of those affected. In the first month after the hurricane, the Fund collected over 42,000 online donations alone; approximately \$128.4 million has been received to date from all 50 states and \$30.9 million from foreign countries.

Presidents Bush and Clinton have announced four major disbursements from the Fund, in addition to support for a number of smaller projects:

- \cdot \$30 million has been allocated for 33 higher education institutions throughout the region.
- \$40 million to recovery funds established by the Governors of Louisiana, Mississippi, and Alabama to fill unmet needs in their states.
- \$20 million to support an interfaith alliance with local and regional faith-based organizations, which were instrumental in the immediate aftermath of Hurricane Katrina, but now require additional funding to continue serving their communities.
- Approximately \$10 million to community-based projects to assist with housing, economic development, small business recovery, and physical and mental health.



Joint Information Center for the E Evacuee Relief Operation

Shortly after Hurricane Katrina struck the Gulf Coast, former Presidents Bush and Clinton visited with evacuees at the Houston Astrodome. Since then, President Clinton has returned to the region several times, visiting Louisiana, Mississippi, and Alabama.

President Clinton reminds us that the process of recovery will be long and will continue to require support.

For ongoing information on rebuilding and recovery efforts, please visit:

www.bushclintonkatrinafund.org



FROM LEFT: PRESIDENT CLINTON VISITS HURRICANE KATRINA EVACUEES AT A RED CROSS SHELTER IN HOUSTON, TEXAS; FOLLOWING HURRICANE KATRINA, FORMER PRESIDENTS CLINTON AND BUSH, SEEN HERE IN NEW ORLEANS, COLLABORATED TO RAISE MONEY FOR THE VICTIMS AND REBUILD THE GULF COAST REGION. TOP RIGHT: PRESIDENT CLINTON MET WITH KATRINA SURVIVORS WHO HAD BEEN EVACUATED TO HOUSTON'S ASTRODOME.

I hope that this center will not only allow people to see these remarkable eight years, but that it will help to empower people and give them confidence to believe that they can build America's greatest days in the new century.

- WILLIAM J. CLINTON

he William J. Clinton Presidential Center opened in November 2004. City boosters predicted that the Center would transform Little Rock both physically and economically, and they have not been disappointed.

The Clinton Center drew over 500,000 guests in 2005 from all 50 states and dozens of foreign nations. The facility features 20,000 square feet of museum space, and popular exhibits include an interactive timeline chronicling President Clinton's Administration and a full-scale replica of the Oval Office. In addition to telling the story of the Clinton Administration, the Library hosts a variety of cultural events, including concerts, lectures, and special exhibits throughout the year, making it one of the most popular event venues in Arkansas.

The influx of tourists to the Center spurred substantial growth and development, helping to revitalize the city's River Market district. Over \$1 billion has been invested in downtown Little Rock since the site was announced in 1997. The city saw an 11% increase in travel and tourism tax receipts in the year following the Library's opening, and much of that growth can be attributed to the impact of the Clinton Center.



FROM LEFT: THE CLINTON CENTER DREW OVER 500,000 VISITORS IN 2005 TO TOUR ITS EXHIBITS AND VISIT ITS GROUNDS; THE PRESIDENTIAL CENTER BY NIGHT. THE CENTER WAS RECENTLY HONORED WITH THE SILVER LEED AWARD FROM THE U.S. GREEN BUILDING COUNCIL FOR ITS ECO-FRIENDLY CONSTRUCTION; THE CLINTON LIBRARY IS HOME TO AN EXACT REPLICA OF THE WHITE HOUSE OVAL OFFICE; THE PRESIDENTIAL CENTER OFFERS 20,000 SQUARE FEET OF EXHIBIT AND RECEPTION SPACE.

The Clinton Presidential Center

The Clinton Museum Store is a destination in its own right, offering clothing, books, toys, and memorabilia related to President Clinton, his interests, and his ideals. It also features works by community artisans. And thanks to its off-site location, the Museum Store also draws visitors into the neighborhood to browse in local shops and dine in area restaurants.

In addition to driving development in the area, the Clinton Presidential Center has received accolades for its architecture. The Library was awarded the American Institute of Architects' Honor Award, the profession's highest recognition, for Polshek Partnership's design, which was described as a "radical departure" from previous presidential libraries. It has also drawn attention for its eco-friendly construction, being awarded the Silver LEED Award from the U.S. Green Building Council for its green building practices. "Green" guided tours are offered to highlight its environmentally conscious design, which incorporates energy- and water-saving elements, solar panels, and electric vehicle charging stations.





In 2005, the University of Arkansas Clinton School of Public Service welcomed its first class of talented and diverse students. The school, located on the grounds of the Clinton Presidential Center, builds leadership, civic engagement, and citizen service by enhancing the students' capacity to work across disciplinary, racial, ethnic, and geographical boundaries. The Master of Public Service degree program consists of 22 classroom credit hours and 14 public service project credit hours.

The challenging curriculum is enriched with a series of distinguished guest speakers that has included President Clinton, President Paul Kagame of Rwanda, and former Secretary of State Henry Kissinger, among others.

For more information on the Clinton School of Public Service, please visit: www.clintonschool.uasys.edu



President Clinton in His Own Words

with the hands and on the backs of aspiring entrepreneurs who wanted to bring goods and services to their communities. I have always believed in the power of small businesses. When I moved to Harlem, I was very afraid that I could actually have an adverse impact on the small business community in the area because we had some big anchor stores moving in threatening the wellestablished, older businesses. I wanted to do something to ensure that these small businesses, which were vital to the Harlem community, stayed in business, so I started, along with Booz Allen Hamilton and New York University's Stern School of Business, a program to try to help these businesses become more profitable through better business practices. We started in Harlem and have expanded to Brooklyn and the Bronx, and next year, Los Angeles. I think over time we will expand to many cities in America.

— REMARKS ON URBAN ENTERPRISE INITIATIVE, MARCH 2005

ask all of you to think about this. I've reached an age now where it doesn't matter whatever happens to me. I just don't want anybody to die before their time any more. And I asked you here because I think that all of us have an unprecedented amount of power to solve problems, save lives, and help people see the future. I'm really gratified by what you've done. I hope you'll come next year. I hope you'll make commitments if you haven't. I hope you'll keep them if you made them. And when you leave here, I hope you will feel your own faith strengthened. But I also hope you will leave here with a sense of humility about how much better we could do. And I hope you'll help people all over the world, wherever you come from, to realize that what we're being asked to do is self-evident and will make all the difference to children yet unborn. Thank you, and God bless you.

— CLOSING REMARKS, CLINTON GLOBAL INITIATIVE, SEPTEMBER 2005

together in some way to see if we could extend this "teaching moment" beyond the short media lifespan of the story of my operation. It was as if they had read my mind, because I wanted to do the very same thing—something more than a onetime public-service announcement. On top of all the other gifts I had been given in my life, I now had been given a second chance at living itself, and I wanted to do what I could to help others enjoy longer, healthier lives too...

The older I get, especially following my own brush with mortality, the more determined I am to try to prevent anyone younger than me from dying. That's why my foundation is bringing care and treatment to children and adults with HIV/AIDS in the developing world and why I continue to promote religious, racial, and ethnic reconciliation in troubled areas. And that's also a big part of why I believe we've got to act now to turn the tide of childhood obesity in America.

— PRESIDENT CLINTON IN PARADE MAGAZINE, SEPTEMBER 2005

he more fortunate we are and the longer we live, the more our obligations to the future grow. And the more opportunities we have to do good, the more responsibilities we have. We live in a moment in history when people can do more good than ever before, because of the rise of democracy, the rise of the Internet, and the rise of the NGO. Those are the trend lines of history. They may never be in the headlines, but they are the trend lines. And because we have ridden a crest of great opportunity in this age of interdependence, which enables all of us to be here, we have the primary responsibility to make the most of them.

- REMARKS TO THE INTERNATIONAL RESCUE COMMITTEE, NOVEMBER 2005

William J. Clinton Foundation, Inc. Financial Report 2005

SOURCES AND USES OF CASH

Year Ended December 31, 2005

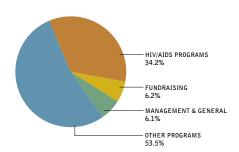
Sources of Cash

Total Sources	\$ 82,976,364
Other Revenue	3,481,031
Contributions	\$ 79,495,333

Uses of Cash

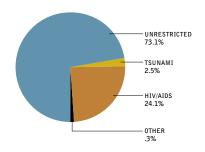
Uses of Cash	
Programming and Operating Expenses	\$ 37,997,077
Library Construction and Exhibit Costs	19,951,825
Repayment of Notes Payable	22,004,430
Total Uses	\$ 79,953,332
Change in Cash	3,023,032
Beginning Cash	3,541,149
Ending Cash	\$ 6,564,181

2005 EXPENSES — \$41,559,650



Programs	87.7%
Administrative	12.3%

2005 INCOME— \$71,149,000



Financial Highlights

STATEMENT OF ACTIVITIES

Year Ended December 31, 2005

Revenues and Support	Dollars	% of Revenue
Contributions	\$ 68,584,853	96.4
Other Revenue	2,564,343	3.6
Total Revenue	\$ 71,149,196	
Expenses	Dollars	% of Expenses
Program Services	\$ 36,453,773	87.7
Management	2,508,662	6.1
General Fundraising	2,597,215	6.2
Total Expenses	\$ 41,559,650	
Increase in Net Assets	\$ 29,589,546	

STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

Dollars	% of Assets
\$ 5,107,043	3.3
1,356,718	0.9
15,782,607	10.2
131,804,085	85.1
797,335	0.5
\$154,847,788	
Dollars	% of Liabilities
\$ 1,010,512	5.7
14,900,000	83.5
1,925,440	10.8
\$ 17,835,952	
\$ 137,011,836	
\$ 154,847,788	
	\$ 5,107,043 1,356,718 15,782,607 131,804,085 797,335 \$154,847,788 Dollars \$ 1,010,512 14,900,000 1,925,440 \$ 17,835,952 \$ 137,011,836

 $The \ Clinton \ Foundation \ also \ received \ \$26.3 \ million \ as \ an \ agent \ for \ the \ Bush-Clinton \ Katrina \ Fund.$

^{*}The Clinton Presidential Center is run by the National Archives under a capital lease with the Foundation.

Since leaving office in January 2001, the former president has sought to use his clout, connections, and charisma to be a catalyst in building and supporting non-profit institutions that tackle some of the world's most daunting problems and encourage everyday citizens, especially young people, to serve their communities.

— The Chronicle of Philanthropy

Indeed, in my experience the Clinton Foundation embodies all that is best in the international response. I'm impressed by how focused they are, how urgent and wondrously instantaneous is their sense of intervention. They waste no time. If you need lower drug prices negotiated, they do it that week. If you need laboratory equipment, they race to put it in place. They understand that the pandemic has come down to saving that child, to rescuing that mother's future, to putting the highest value on individual lives... This organization understands that every minute delayed is another life lost.

 Stephen Lewis, United Nations Special Envoy for HIV/AIDS in Africa

All I'm saying is that I've been doing this for the last 30 years, it's a long story, and all I can say is that we can do it. I am quite sure we can do it and this Clinton Global Initiative is an idea whose time has come.

Dr. Wangari M. Maathai, MP2004 Nobel Peace Prize winner

The Foundation has already proven to be a unique vehicle for Bill Clinton to continue working on the issues he cared about most as president. I congratulate the former president on establishing the Clinton Foundation and on the excellent work he has already done through it.

- Nelson Mandela

Bridging the gap Tangible solutions Sustainability Replicable processes Economic empowerment Health security Doing the work Citizen service Strategic vision Scalable solutions Real impact Leadership development Meaningful change Entrepreneurial approach Catalytic force Cost-effective Leadership development Bridging the gap Tangible solutions Sustainability Replicable processes Economic empowerment Health security Doing the work Citizen service Strategic vision Scalable solutions Real impact Leadership development Meaningful change Entrepreneurial approach Catalytic force Cost-effective Leadership development Bridging the gap Tangible solutions Sustainability Replicable processes Economic empowerment Health security Doing the work Citizen service Strategic vision Scalable solutions Real impact Leadership development Meaningful change Entrepreneurial approach Catalytic force Leadership development Doing the work Bridging the gap Tangible solutions Sustainability Inspire change, deliver results.

William J. Clinton Foundation

www.clintonfoundation.org





