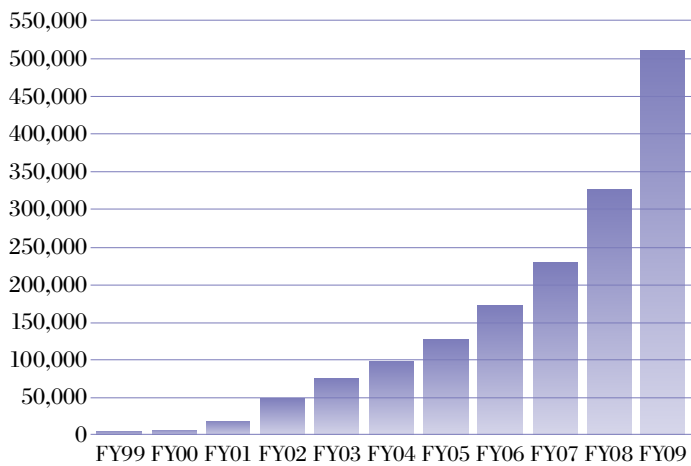


Smile Train Annual Report 2009



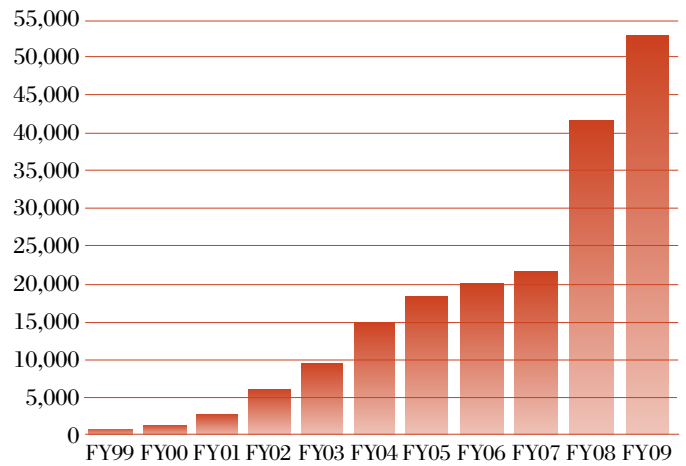
Our Results

Free Surgeries Provided Since Inception.



In just ten years, Smile Train has provided free cleft surgery for more than 512,769 children who would otherwise never have received it.

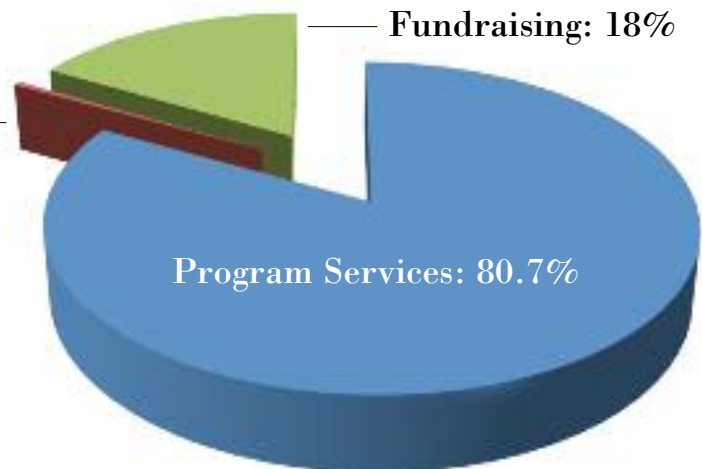
Doctors Trained & Supported Since Inception.



Smile Train has trained and supported more than 52,000 surgeons and medical professionals in developing countries.

Our Expenses

Management and General: 1.3%



SmileTrain
 Changing The World One Smile At A Time.

Letter From The Co-Founder

Dear Friend,

Fiscal Year 2009 gave us plenty of reasons to smile.

- We helped more children than ever before.
- We supported and trained more doctors than ever before.
- We earned the trust and support of hundreds of thousands of new donors.



In just ten years, we have evolved into the world's largest cleft charity with thousands of programs and partners in 75 countries.

The rapid growth of our treatment programs is a testament to our unique strategy: We empower local doctors to help children every day of the year through free training, free equipment and financial support.

This approach reduces our cost per surgery by as much as 82% as compared to mission groups, as it helps very poor, but very proud, communities become self-sufficient.

The meteoric growth of our donors is a testament to the way we run our organization. Smile Train has the highest productivity and lowest overhead of any cleft charity in the world. We have a very active, hands-on board of directors, a world-renowned medical advisory board, experienced, professional management and a small staff. We designed a digital cleft patient chart and web database which is used by thousands of partners to upload Smile Train patient records. This saves millions of dollars a year in shipping, handling and storage expenses as well as enables real-time monitoring of surgical safety and quality.

Our donors love the fact that their donation is used to help children and how a single surgery that costs as little as \$250, and takes as little as 45 minutes, can change a child's life forever.

We're very proud of how far we have come in just ten years, but we're not resting on our laurels by any means. There are still millions of children in developing countries who have little hope of ever receiving the surgery they so desperately need.

With your support, we will help as many of them as possible as we continue our mission to change the world one smile at a time.

Thank you for helping us help these children.

A handwritten signature in blue ink, appearing to read 'Brian F. Mullaney'.

Brian F. Mullaney
Co-Founder





In 2009, We Helped More Children, In More Countries, Than Ever Before.

Free Cleft Surgery For 108,376 Children.

In 2009, we awarded 317 new treatment, training, education, mission group, patient financial aid, ancillary treatment, awareness, medical exchange program, special equipment and start-up grants and expanded into two new countries: Benin and Côte d'Ivoire.

We expanded our ancillary treatment programs that many children need after their cleft surgery, such as speech therapy and orthodontia. Fixing a child's cleft lip or palate does little good if you don't teach them how to speak properly afterward.

We reached a huge milestone this year and operated on more children in India and China (the two countries with the highest number of unrepaired clefts) than were born with cleft this year.

Free Training And Support For 52,666 Doctors And Medical Professionals.

In 2009, we provided the world's most extensive offering of cleft grant programs, educational opportunities and free resources for tens of thousands of doctors who are involved in helping children with clefts. Our goal was not only to increase the number of poor children who received treatment, but also to increase the quality and safety of care provided.

Tens of thousands of doctors and other medical professionals benefit from Smile Train programs, including our virtual surgery cleft training videos and the world's largest medical cleft-related library, which resides on our Web site. Any doctor who has access to the Web can benefit from the thousands of pages of invaluable cleft-related medical content that we have digitized and made available for free. We have also developed a cleft library for patients and their families that has thousands of useful articles, stories and references.

Our Smile Train Medical Advisory Board is comprised of some of the world's most respected and renowned cleft experts. This board sets the very high standards for safety and quality that all our partners must meet. We systematically review thousands of patient charts and closely monitor the quality of care all our partners provide.

Free Surgery Programs In 75 Countries.

Smile Train has more free treatment programs in more countries than any other cleft charity.

We focus on the world's poorest countries which have the largest populations of children with unrepaired clefts. We are currently in 75 of the world's poorest countries.

The vast majority of children with clefts in developing countries never receive the surgery they so desperately need. With average incomes of \$15 a month, their families could never afford surgery. And in most of these countries, there are no government programs or charities that can help.

For millions of these children, Smile Train is their only hope for a normal life.



Smile Train Delivers Smiles In:

Afghanistan
 Argentina
 Armenia
 Bangladesh
 Benin
 Bhutan
 Bolivia
 Bosnia & Herzegovina
 Brazil
 Bulgaria
 Cambodia
 Cape Verde
 Chile
 China
 Colombia
 Côte d'Ivoire
 East Timor
 Ecuador
 Egypt
 El Salvador
 Ethiopia
 Gambia
 Georgia
 Ghana
 Guatemala
 Guyana
 Haiti
 Honduras
 Hungary
 India
 Indonesia
 Israel
 Kenya
 Laos
 Lebanon
 Liberia
 Malaysia
 Malawi
 Mali
 Mauritania
 Mexico
 Moldova
 Mongolia
 Mozambique
 Nepal
 Nicaragua
 Nigeria
 Panama
 Peru
 Philippines
 Poland
 Romania
 Russia
 Rwanda
 Senegal
 South Africa
 Sri Lanka
 Taiwan
 Tanzania
 Thailand
 Turkey
 Uganda
 Ukraine
 USA
 Uzbekistan
 Venezuela
 Vietnam
 Zambia
 Zimbabwe



Afif Fahman,
1 year, Indonesia



Aofen Dang,
1 year, China



Mike Junrel,
7 months, Philippines



Nemat,
6 years, Afghanistan



Shabani Makange,
2 years, Tanzania



Sorya Voeun,
5 months, Cambodia



Rupali Singh,
2 years, India



Marawan Fareh,
4 years, Djibouti

Our Goal: To Be The Best-Managed, Most Productive Charity In America.

At Smile Train, we work hard to earn the trust and confidence of our donors every single day.

It Begins At The Top With Good Governance.

A very small, hands-on board that meets every four months governs Smile Train. These board members are very successful and accomplished professionals who have decades of invaluable experience in areas such as international children's charities, healthcare, medical education, nonprofit management, fund-raising, marketing, accounting, high technology, finance, investment banking and law.

The World's Most Respected Cleft Medical Professionals.

The Smile Train Medical Advisory Board is comprised of the best and the brightest cleft experts in the world. Led by world-renowned surgeon Dr. Court Cutting, this board sets the standards for safety and quality for every Smile Train partner and program.

Smile Train Medical Advisory Board:

Court Cutting, M.D.
Philip Kuo-Ting Chen, M.D.
Linda D'Antonio, Ph.D.
David Dingman, M.D.
Alvaro Figueroa, D.D.S.
Ethylin Jabs, M.D.
Ian Jackson, M.D.
E. Heidi Jerome, M.D.
Jan Lilja, M.D., D.D.S., Ph.D.
M. Samuel Noordhoff, M.D.
Judy O'Young, M.D.
Brian Sommerlad, M.D.
S. Anthony Wolfe, M.D.

Experienced Management, Tight Fiscal Controls And A Small Staff.

Smile Train is well-managed and strategically driven. Our goal is to help the maximum amount of children for the minimum amount of money. All our programs have been designed to be as cost-efficient as possible and are carefully managed and monitored.

While our surgeries increased more than 12,620% over the past ten years, we actually decreased our management and general expenses to 1% of total expenses. Unlike many charities, we do not waste a nickel on inefficient fund-raising, bloated staffs or poorly executed programs. Our auditing firm specializes in nonprofits. We meet or exceed all of the Better Business Bureau standards and receive high ratings from various charity watchdog groups.

Using Technology To Save Millions.

We use all kinds of proprietary technology to save money and do things faster, cheaper and smarter.

Instead of mailing patient charts all over the world we built a digital patient data-base that's on



the Web. Our partners upload all of their patient records to us via the Web, which not only saves millions in shipping, handling and storage costs, but allows us to review and monitor the quality of their work.

To train surgeons, we developed special virtual surgery software that is being used by more than 52,666 surgeons. Our Web site is the world's largest cleft portal and it supports tens of thousands of doctors and cleft patients and their families every month.



Board of Directors

Charles B. Wang
Co-Founder & Chairman

Brian F. Mullaney
Co-Founder

Mark E. Atkinson
Creative Director
Otto Studios

Robert T. Bell
Executive Director
Charles B. Wang Foundation

Donald B. Murphy
Partner
Brown Brothers Harriman & Company

Susannah Schaefer
New York Islanders

Robert K. Smits, Esq.
Salans

Tamsen Ann Ziff
Ziff Brothers Investments
Honorary Board Member
Smile Train

Supporters

Aishwarya Rai Bachchan

Candice Bergen

Christie Brinkley

Tom Brokaw

Warren Buffett

Helena Bonham Carter

Bob Costas

Jane Kaczmarek

Sir Ben Kingsley

Howie Mandel

Reba McEntire

Christopher Meloni

Bette Midler

Colin Powell

Carly Simon

Lily Tomlin

Alex Trebek

Donald Trump

Bradley Whitford

Robin Williams

Our Finances

Smile Train, Inc. and Affiliate
COMBINED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
 For the years ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
	<u>Total</u>	<u>Total</u>
Support and Revenue:		
Contributions	\$ 91,459,881	\$ 106,835,598
Contributions in-kind	26,792,703	22,439,526
Investment Losses	(16,524,246)	(603,083)
Other Income	452,187	190,000
Total Support and Revenue	<u>102,180,525</u>	<u>128,862,041</u>
Expenses:		
Program Services:		
Treatment, Training	72,870,789	66,919,169
Public Education	11,603,280	23,664,130
Management and General	1,384,889	491,599
Fundraising	18,883,454	18,178,563
Total Expenses	<u>104,742,412</u>	<u>109,253,461</u>
Change in Net Assets	(2,561,887)	19,608,580
Net Assets, beginning of year	\$ 108,583,890	\$ 88,975,310
Net Assets, end of year	<u>\$ 106,022,003</u>	<u>\$ 108,583,890</u>

Smile Train, Inc. and Affiliate
COMBINED STATEMENTS OF FINANCIAL POSITION
 June 30, 2009 and 2008

ASSETS		
	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 12,383,944	\$ 8,718,467
Short-term investments	101,730,111	107,122,810
Contributions receivable	1,548,808	2,000,000
Prepaid and other assets	266,141	565,359
Security deposit	28,449	28,449
Furniture and equipment, net	282,364	273,052
Total assets	<u>\$ 116,239,817</u>	<u>\$ 118,708,137</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Grants and Contracts Payable	\$ 9,171,325	\$ 9,527,717
Accounts Payable and Accrued Expenses	1,046,489	596,530
Total Liabilities	<u>\$ 10,217,814</u>	<u>\$ 10,124,247</u>
Net Assets:		
Unrestricted	90,686,727	88,046,275
Temporarily Restricted	15,335,276	20,537,615
Total Net Assets	<u>106,022,003</u>	<u>108,583,890</u>
Total Liabilities and Net Assets	<u>\$ 116,239,817</u>	<u>\$ 118,708,137</u>





For as little as \$250, in as little as 45 minutes,
Smile Train can give a desperate child
not just a new smile—but a second chance at life.

Smile Train Is The World's Largest Cleft Charity With Thousands Of Partners And Programs In 75 Countries.

We empower local doctors in developing countries.

We have the lowest cost per surgery
and highest productivity of any cleft charity in the world.

We use proprietary technology to save millions of dollars every year.

We are one of the fastest growing charities in America.

To find out more, please visit www.smiletrain.org.



SmileTrain
Changing The World One Smile At A Time.

41 Madison Avenue, 28th Floor, New York, NY 10010
1-800-932-9541 www.smiletrain.org

THIS ANNUAL REPORT...is short and sweet and cheap! We much prefer to spend money on helping children than producing fancy annual reports. We created this annual report in-house to save money. No donations were used to pay for this.

The Smile Train is a 501 (c)(3) nonprofit recognized by the IRS, and all donations to Smile Train are tax deductible in accordance with IRS regulations. © 2009 The Smile Train.