



2007 Income Tax Returns

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

Form 990

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047

2007

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2007 calendar year, or tax year beginning 01/01, 2007, and ending 06/30/2007

B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending

C Name of organization: PARTNERS IN HEALTH, A NONPROFIT CORPORATION
Number and street (or P.O. box if mail is not delivered to street address): 641 HUNTINGTON AVENUE
Room/suite:
City or town, state or country, and ZIP + 4: BOSTON, MA 02115

D Employer identification number: 04-3567502

E Telephone number: (617) 432-5256

F Accounting method: Cash [X] Accrual [] Other (specify) []

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes [] No [X]

H(b) If "Yes," enter number of affiliates: N/A

H(c) Are all affiliates included? (If "No," attach a list. See instructions.) Yes [] No [X]

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes [] No [X]

I Group Exemption Number: N/A

M Check [] if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

G Website: WWW.PIH.ORG
J Organization type (check only one) [X] 501(c)(3) (insert no.) 4947(a)(1) or 527

K Check here [] if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 20,270,949.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with 21 rows and 4 columns: Description, Sub-column, Amount, Total. Rows include Contributions, Program service revenue, Membership dues, Interest on savings, Dividends, Gross rents, Other investment income, Gross amount from sales of assets, Special events, Gross sales of inventory, Other revenue, Total revenue, Program services, Management and general, Fundraising, Payments to affiliates, Total expenses, Excess or (deficit) for the year, Net assets or fund balances at beginning of year, Other changes in net assets, Net assets or fund balances at end of year.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2007)

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Table with 5 columns: (A) Total, (B) Program services, (C) Management and general, (D) Fundraising. Rows include 22a-22b, 23-24, 25a-25c, 26-27, 28-30, 31-34, 35-37, 38-41, 42-43g, and 44 Total functional expenses.

Joint Costs. Check [] if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? [] Yes [X] No
If "Yes," enter (i) the aggregate amount of these joint costs \$; (ii) the amount allocated to Program services \$;
(iii) the amount allocated to Management and general \$; and (iv) the amount allocated to Fundraising \$

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

<p>What is the organization's primary exempt purpose? SEE STATEMENT 4</p> <p>All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)</p>	<p>Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)</p>
<p>a <u>SEE STATEMENT 5</u></p> <p>----- ----- ----- ----- -----</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/></p>	<p>17,092,275.</p>
<p>b</p> <p>----- ----- ----- ----- -----</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>c</p> <p>----- ----- ----- ----- -----</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>d</p> <p>----- ----- ----- ----- -----</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>e Other program services (attach schedule) (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) <input type="checkbox"/></p>	<p>17,092,275.</p>

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A)		(B)
		Beginning of year		End of year
Assets	45 Cash - non-interest-bearing	19,476.	45	16,749.
	46 Savings and temporary cash investments	7,977,261.	46	7,549,226.
	47a Accounts receivable	47a 635,193.		
	b Less: allowance for doubtful accounts	47b	2,774,306.	47c 635,193.
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b		48c
	49 Grants receivable	1,676,771.	49	529,942.
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule).		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less: allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	301,605.	53	211,674.
	54a Investments - publicly-traded securities <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	15,878,651.	54a	23,466,157.
	b Investments - other securities (attach schedule).	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54b	
	55a Investments - land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b		55c
	56 Investments - other (attach schedule)		56	
	57a Land, buildings, and equipment: basis	57a 1,127,930.		
b Less: accumulated depreciation (attach schedule)	57b 312,656.	526,933.	57c 815,274.	
58 Other assets, including program-related investments (describe ► _____)		58		
59 Total assets (must equal line 74). Add lines 45 through 58	29,155,003.	59	33,224,215.	
Liabilities	60 Accounts payable and accrued expenses	962,670.	60	2,472,039.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe ► _____)		65	
66 Total liabilities. Add lines 60 through 65	962,670.	66	2,472,039.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	24,624,120.	67	24,675,283.
	68 Temporarily restricted	3,543,213.	68	6,051,893.
	69 Permanently restricted	25,000.	69	25,000.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	28,192,333.	73	30,752,176.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	29,155,003.	74	33,224,215.	

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

Table with 3 columns: Question, Yes, No. Rows include 75a (12), 75b, 75c, and 75d.

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans, (E) Expense account and other allowances.

Part VI Other Information (See the instructions.)

Table with 3 columns: Question, Yes, No. Rows include 76, 77, 78a, 78b, 79, 80a, 80b, 81a, and 81b.

Part VI Other Information (continued)

82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? 82a X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b
83a Did the organization comply with the public inspection requirements for returns and exemption applications? 83a X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions? 83b X
84a Did the organization solicit any contributions or gifts that were not tax deductible? 84a X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? 84b X
85a 501(c)(4), (5), or (6). Were substantially all dues nondeductible by members? 85a N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? 85b N/A
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.
c Dues, assessments, and similar amounts from members 85c N/A
d Section 162(e) lobbying and political expenditures 85d N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? 85g N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? 85h N/A
86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 86a N/A
b Gross receipts, included on line 12, for public use of club facilities 86b N/A
87 501(c)(12) orgs. Enter: a Gross income from members or shareholders 87a N/A
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A
88a At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX 88a X
b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI 88b X
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 N/A; section 4912 N/A; section 4955 N/A
b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction 89b X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 N/A
d Enter: Amount of tax on line 89c, above, reimbursed by the organization N/A
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? 89e X
f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract? 89f X
g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? 89g X
90a List the states with which a copy of this return is filed SEE STATEMENT 21
b Number of employees employed in the pay period that includes March 12, 2007 (See instructions.) 90b 1012
91a The books are in care of DONELLA RAPIER Telephone no. 617-432-3717
Located at 641 HUNTINGTON AVE, 1ST FL BOSTON, MA ZIP + 4 02115
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 91b X
If "Yes," enter the name of the foreign country
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States?
If "Yes," enter the name of the foreign country
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here
and enter the amount of tax-exempt interest received or accrued during the tax year

Part VII Analysis of Income-Producing Activities (See the instructions.)

Table with 5 columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include Program service revenue, Medicare/Medicaid payments, Fees and contracts from government agencies, Membership dues and assessments, Interest on savings and temporary cash investments, Dividends and interest from securities, Net rental income or (loss) from real estate, Net rental income or (loss) from personal property, Other investment income, Gain or (loss) from sales of assets other than inventory, Net income or (loss) from special events, Gross profit or (loss) from sales of inventory, Other revenue, Subtotal, and Total.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No. Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

Table with 5 columns: (A) Name, address, and EIN of corporation, partnership, or disregarded entity; (B) Percentage of ownership interest; (C) Nature of activities; (D) Total income; (E) End-of-year assets. Row 1: STMT 22, %, 5,911,357., 3,366,094.

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?
Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	Yes	No
	X	

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	SEE STATEMENT 24			
b				
c				
Totals				5,567,402.

107 Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	Yes	No
		X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

	Yes	No
		N/A

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____

Type or print name and title _____

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X) P00037953
Firm's name (or yours if self-employed), address, and ZIP + 4	EIN		Phone no.
KPMG LLP 99 HIGH STREET BOSTON, MA 02110-2371	13-5565207		617-988-1000

Form **990** (2007)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information - (See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

2007

Name of the organization

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

Employer identification number

04-3567502

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
SEE STATEMENT 25				
Total number of other employees paid over \$50,000 . . ▶	NONE			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 27		
Total number of others receiving over \$50,000 for professional services ▶	NONE	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services ▶	NONE	

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2007

Part III Statements About Activities (See page 2 of the instructions.)

Table with 3 columns: Question, Yes, No. Rows include: 1. Lobbying activities; 2. Substantial contributors; 2a-e. Other acts; 3a-d. Grants and services; 4a-c. Donor advised funds; 4d-g. Assets of donor advised funds.

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III - Functionally Integrated Type III - Other

Provide the following information about the supported organizations. (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Table with columns: Calendar year (or fiscal year beginning in), (a) 2006, (b) 2005, (c) 2004, (d) 2003, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends, amounts received from payments on securities loans; 19 Net income from unrelated business activities; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit without charge; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12; 28 Unusual Grants.

Part V Private School Questionnaire (See page 9 of the instructions.) NOT APPLICABLE
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) ----- ----- -----	31	
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities?	33h	
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768) **NOT APPLICABLE**

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

	(a) Affiliated group totals	(b) To be completed for all electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount. Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is -		
Not over \$500,000 20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000 \$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

NOT APPLICABLE

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

FORM 990 - GENERAL EXPLANATION ATTACHMENT

=====

FINANCIAL ACCOUNTS AND OFFICES OUTSIDE THE U. S.
FORM 990, PART VI, LINE 91B & 91C

LINE 91B: FOREIGN FINANCIAL ACCOUNTS: RWANDA RUSSIA PERU LESOTHO MALAWI
LINE 91C: FOREIGN OFFICES: RWANDA RUSSIA PERU LESOTHO MALAWI

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES
=====

DESCRIPTION -----	AMOUNT -----
UNREALIZED GAIN ON INVESTMENTS	292,470.
CURRENCY TRANSLATION ADJUSTMENTS	60,837.

TOTAL	353,307.
	=====

FORM 990, PART II - OTHER EXPENSES

=====

DESCRIPTION -----	TOTAL -----	PROGRAM SERVICES -----	MANAGEMENT AND GENERAL -----	FUNDRAISING -----
PROGRAM EXPENSES	10,996,198.	10,996,198.	NONE	NONE
PHARMACEUTICALS	481,614.	481,614.	NONE	NONE
OUTSIDE SERVICES	1,057,804.	985,253.	NONE	72,551.
COMMUNICATIONS & UTILITIES	309,992.	268,789.	39,036.	2,167.
OFFICE EXPENSES	133,163.	110,860.	19,863.	2,440.
TEMPORARY LABOR	147,614.	NONE	147,614.	NONE
BANK, PAYROLL AND INV. FEE	34,933.	NONE	34,933.	NONE
INSURANCE	23,872.	NONE	23,872.	NONE
PROCESSING FEE	31,133.	NONE	NONE	31,133.
FOREIGN CURRENCY LOSS & OTHER	28,091.	28,091.	NONE	NONE
TOTALS	13,244,414.	12,870,805.	265,318.	108,291.

=====-----
=====-----
=====-----
=====

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE
=====

TO PROVIDE DIRECT HEALTH SERVICES AND TO CONDUCT RESEARCH AND
ADVOCACY WORK FOR THE SICK AND IMPOVERISHED THROUGHOUT THE WORLD.

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS
=====

PROGRAM SERVICE ACCOMPLISHMENT A

HIGHLIGHTS OF 2007

PIH'S PARTNER ORGANIZATIONS CONTINUED TO REPORT TO PIH ON A CALENDAR YEAR BASIS DURING 2007, SO THE FOLLOWING SUMMARY INCLUDES INFORMATION FOR THE ENTIRE CALENDAR YEAR 2007:

HAITI

PIH'S HAITIAN PARTNER ORGANIZATION, ZANMI LASANTE (ZL), EXPANDED IMPRESSIVELY IN 2007, INCREASING THE NUMBER OF PATIENT ENCOUNTERS TO ALMOST 2 MILLION, BRINGING COMPREHENSIVE HIV SERVICES TO MORE PATIENTS AND TO NEW COMMUNITIES OUTSIDE THE CENTRAL PLATEAU, AND EXPANDING PROGRAMS TO MEET SOCIAL AND ECONOMIC NEEDS, SUCH AS FOOD, EDUCATION, DECENT HOUSING AND CLEAN WATER. IN ADDITION, ZL INITIATED A NEW PROGRAM TO PROVIDE PSYCHOSOCIAL SUPPORT FOR ADOLESCENTS AFFECTED BY HIV AND INFLUENCED GLOBAL HEALTH POLICY THROUGH PARTICIPATION IN A WORLD HEALTH ORGANIZATION TASK FORCE THAT STRONGLY ENDORSED THE ROLE OF PAID COMMUNITY HEALTH WORKERS, THE BACKBONE OF THE PIH MODEL OF CARE, AS A KEY TO DELIVERING ESSENTIAL HEALTH SERVICES AND ADDRESSING SHORTAGES OF HEALTH WORKERS.

INCREASING CLINICAL SERVICES-THROUGH 11 HOSPITALS AND HEALTH CENTERS AND HUNDREDS OF MOBILE CLINICS, ZANMI LASANTE RECORDED A TOTAL OF 1,933,041 PATIENT ENCOUNTERS IN 2007. THIS NUMBER REPRESENTS AN INCREASE OF NINE PERCENT OVER THE PREVIOUS YEAR AND DOES NOT INCLUDE MORE THAN 2.5 MILLION HOME VISITS TO HIV PATIENTS MADE BY ACCOMPAGNATEURS (COMMUNITY HEALTH WORKERS).

SCALING UP COMPREHENSIVE HIV SERVICES IN NEW COMMUNITIES-IN 2007, PIH AND ZL EXPANDED BEYOND THE CENTRAL PLATEAU TO TWO SITES ON HAITI'S WESTERN COAST, SAINT-MARC AND PETITE-RIVIERE (WHERE DOCTORS WITHOUT BORDERS STOPPED PROVIDING SERVICES IN THE SUMMER OF 2007). THESE FACILITIES REACH A POPULATION OF 450,000, SO OUR EXPANSION TO THESE SITES SIGNIFICANTLY INCREASES OUR CATCHMENT AREA FROM 550,000, TO ROUGHLY ONE MILLION. BY THE END OF 2007, 539 PATIENTS IN PETITE-RIVIERE WERE RECEIVING ANTIRETROVIRAL THERAPY.

EXPANDING THE HIV EQUITY INITIATIVE-OUR HIV EQUITY

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS

=====

INITIATIVE IN HAITI PROVIDED VOLUNTARY HIV COUNSELING AND TESTING TO MORE THAN 72,000 PEOPLE, ENROLLED 3,330 HIV PATIENTS ON ANTIRETROVIRAL TREATMENT, AND PROVIDED HIV-INFECTED PREGNANT WOMEN WITH PROPHYLACTIC ART AND FORMULA SUPPLEMENTS TO PREVENT MOTHER-TO-CHILD TRANSMISSION OF THE DISEASE.

EXPANDING ACCESS TO SCHOOLS, NUTRITION, HOUSING AND CLEAN WATER-ZANMI LASANTE'S PROGRAM ON SOCIAL AND ECONOMIC RIGHTS SUPPORTED 21 LOCAL SCHOOLS BY PROVIDING SCHOOL FEES, BOOKS, SUPPLIES, DESKS, AND FREE DAILY SCHOOL LUNCHESES TO 9,000 CHILDREN. ZANMI LASANTE'S NUTRITION PROGRAM INCREASED LOCAL PRODUCTION OF READY-TO-USE THERAPEUTIC FOODS (FORTIFIED PEANUT BUTTER) TO SUPPORT TREATMENT FOR MORE THAN 2,800 MALNOURISHED CHILDREN IN 2007. THE PROGRAM ALSO STRENGTHENED SEVERAL DOZEN ADULT LITERACY TRAINING CENTERS, REACHING OVER 3,000 ADULTS; BUILT 42 HOUSES FOR POOR PATIENTS; AND COMPLETED TWO MAJOR WATER PROJECTS THAT BENEFITED 20,000 PEOPLE.

INFLUENCING GLOBAL HEALTH POLICIES AND PRIORITIES-PIH AND ZL CONTRIBUTED A REPORT BASED ON EXPERIENCE IN HAITI AND RWANDA AND PARTICIPATED IN A TECHNICAL CONSULTING TEAM AS PART OF THE WORLD HEALTH ORGANIZATION'S "TREAT, TRAIN AND RETAIN" INITIATIVE TO ADDRESS THE SHORTAGE OF HEALTH WORKERS THAT THREATENS PROGRESS TOWARD ACHIEVING SEVERAL OF THE MILLENNIUM DEVELOPMENT GOALS AND PROVIDING UNIVERSAL ACCESS TO HIV/AIDS SERVICES. IN EARLY 2008, THE WHO ISSUED GUIDELINES THAT EMPHATICALLY ENDORSE A KEY COMPONENT OF PIH'S MODEL OF CARE-RECOGNITION THAT TRAINED COMMUNITY HEALTH WORKERS PROVIDE "ESSENTIAL HEALTH SERVICES" AND "SHOULD RECEIVE ADEQUATE WAGES AND/OR OTHER APPROPRIATE AND COMMENSURATE INCENTIVES."

PERU

SOCIOS EN SALUD (SES), PIH'S PARTNER ORGANIZATION IN PERU, CONTINUED TO PROVIDE TREATMENT AND TRAINING TO COMBAT DRUG-RESISTANT TUBERCULOSIS IN 2007. IN ADDITION, SES EXPANDED ITS PROGRAM TO TREAT AND PROVIDE PSYCHOSOCIAL SUPPORT FOR HIV PATIENTS, AND RESPONDED TO THE URGENT MEDICAL NEEDS OF EARTHQUAKE VICTIMS AND ISOLATED RURAL COMMUNITIES.

FIGHTING DRUG-RESISTANT TUBERCULOSIS-SOCIOS EN SALUD CONTINUED ITS WORK TO FIGHT MULTI-DRUG RESISTANT

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS

TUBERCULOSIS (MDR-TB), TREATING 6,227 PATIENTS THROUGHOUT PERU IN 2007. BECAUSE THE DRUG REGIMEN TO TREAT THE DISEASE IS MOST EFFECTIVE WITH PROPER NOURISHMENT (WHICH MANY OF OUR IMPOVERISHED PATIENTS CANNOT AFFORD), SES ALSO GAVE NUTRITIONAL SUPPORT TO 503 MDR-TB PATIENTS. IN ORDER TO SHARE THE SUCCESSES OF ITS TB TREATMENT PROGRAM, SES STAFF GAVE MULTIPLE PRESENTATIONS ABOUT COMMUNITY INVOLVEMENT IN TB AND MDR-TB PREVENTION AND CARE AT THE INTERNATIONAL UNION AGAINST TUBERCULOSIS AND LUNG DISEASE ANNUAL CONFERENCE IN SOUTH AFRICA.

INCREASING TREATMENT AND SERVICES FOR HIV-WORKING WITH THE PERUVIAN MINISTRY OF HEALTH, SES PROVIDED CARE HAS EXPANDED ITS PILOT PROJECT FOR PATIENTS COINFECTED WITH HIV AND MDR-TB FROM 32 PATIENTS TO ALMOST 100. IN ADDITION, SES CONTINUES TO SUPPORT THE NATIONAL PROGRAM IN REINITIATING PATIENTS WHO HAVE ABANDONED TREATMENT, ACTIVE CASEFINDING, AND PROVIDING NUTRITIONAL AND ECONOMIC SUPPORT TO MORE THAN 1100 PEOPLE LIVING WITH HIV. BASED ON THESE SUCCESSES, UNICEF TEAMED UP WITH PIH AND THE MINISTRY IN 2007 TO INCREASE THE NUMBER OF HIV-POSITIVE CHILDREN RECEIVING ANTIRETROVIRAL THERAPY. BY THE END OF THE YEAR, 35 CHILDREN IN THE LIMA AREA HAD BEEN IDENTIFIED TO RECEIVE TREATMENT ALONG WITH EMOTIONAL, NUTRITIONAL AND DIAGNOSTIC SUPPORT FOR THEIR FAMILIES.

PROVIDING EARTHQUAKE RELIEF SERVICES: IN AUGUST OF 2007, A MAJOR EARTHQUAKE REGISTERING 7.9 ON THE RICHTER SCALE LEVELED 85 PERCENT OF THE BUILDINGS IN THE COASTAL TOWN OF PISCO, PERU, KILLING MORE THAN 500 PEOPLE AND LEAVING 100,000 HOMELESS. A TEAM OF SES DOCTORS, NURSES, AND COMMUNITY HEALTH WORKERS WERE AMONG THE FIRST ON THE SCENE HELPING THE COMMUNITY GET BACK ON ITS FEET. OVER THE FOLLOWING MONTHS, SES CONTINUED TO PROVIDE RELIEF AND GUIDANCE TO SURVIVORS AND THEIR FAMILIES, EVEN ENSURING THAT NONE WENT WITHOUT CHRISTMAS DINNER AND A GIFT OR TWO.

STRENGTHENING RURAL HEALTH SYSTEMS AND TRAINING: SES WORKED TO BUILD UP PERU'S RURAL HEALTH SYSTEM; THE RURAL HEALTH CENTERS RECORDED AN INCREASE IN MEDICAL CONSULTS IN 2007. SES ALSO ORGANIZED NINE TRAINING SESSIONS ON MATERNAL AND CHILD HEALTH FOR COMMUNITY HEALTH WORKERS SERVING 8 RURAL COMMUNITIES.

LESOTHO

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS

PIH MARKED ITS SECOND YEAR OF WORK IN LESOTHO IN 2007 BY BRINGING COMPREHENSIVE HIV TREATMENT AND PRIMARY CARE TO THREE MORE CLINICS IN RURAL MOUNTAIN AREAS AND BY LAUNCHING THE WORLD'S FIRST PROGRAM TO PROVIDE COMMUNITY-BASED CARE FOR PATIENTS INFECTED WITH BOTH HIV AND DRUG-RESISTANT TUBERCULOSIS.

EXPANDING THE RURAL INITIATIVE IN THE MOUNTAINS-IN 2007, PIH LESOTHO AND ITS PARTNERS EQUIPPED AND STAFFED THREE ADDITIONAL HEALTH CENTERS TO PROVIDE BOTH PRIMARY CARE AND TREATMENT FOR COMPLEX DISEASES SUCH AS HIV AND TB IN REMOTE MOUNTAIN COMMUNITIES ACCESSIBLE ALMOST EXCLUSIVELY BY SMALL, SINGLE-ENGINE PROPELLER AIRCRAFT. STARTING BARELY SIX MONTHS AFTER LAUNCHING SERVICES AT A SINGLE CLINIC IN NOHANA, PIH LESOTHO EXPANDED TO CLINICS IN BOBETE, NKAU AND LEBAKENG. BY THE END OF THE YEAR, PIH HAD TRAINED MORE THAN 600 VILLAGE HEALTH WORKERS AT THESE FOUR SITES AND HAD RECORDED A TOTAL OF 54,000 PATIENT VISITS, WHICH IS MORE THAN A 100-FOLD INCREASE FROM PRIOR YEARS.

SCALING UP PREVENTION, TESTING AND TREATMENT FOR HIV-IN ADDITION TO PROVIDING PRIMARY CARE, PIH TESTED 8,600 PEOPLE FOR HIV; OF THESE, MORE THAN 1,200 HAVE BEEN ENROLLED ON ANTIRETROVIRAL THERAPY. ELIGIBLE FAMILIES ALSO RECEIVED ONGOING NUTRITIONAL SUPPORT AND PIH HAS WORKED TIRELESSLY TO SECURE EMPLOYMENT AND EDUCATIONAL OPPORTUNITIES, HOUSING SUPPORT, AND SCHOOL FEE ASSISTANCE FOR CHILDREN. TO ADDRESS THE FACT THAT RELATIVELY FEW MEN HAVE COME FORWARD TO BE TESTED AND TREATED FOR HIV, PIH LAUNCHED A SERIES OF SPECIAL "MEN'S CLINICS." THE SESSIONS ENLISTED THE HELP OF VILLAGE CHIEFS AND INVOKED CULTURAL TRADITIONS TO ENCOURAGE MEN TO ATTEND, PARTICIPATE AND AGREE TO HIV TESTING. MORE THAN 150 MEN SHOWED UP FOR THE FIRST SESSION AND OVER 80 PERCENT OF THEM CAME FORWARD TO BE TESTED.

PIONEERING A MODEL TO TREAT DRUG-RESISTANT TB AND HIV-IN 2007, PIH-LESOTHO RESPONDED TO THE THREAT OF MULTIDRUG-RESISTANT AND EXTENSIVELY DRUG-RESISTANT TUBERCULOSIS (MDR-TB AND XDR-TB) IN SOUTHERN AFRICAN COUNTRIES WHERE 20 PERCENT OR MORE OF THE ADULT POPULATION IS INFECTED WITH HIV. WITH FUNDING SUPPORT FROM THE OPEN SOCIETY INSTITUTE, PIH OPENED A NEW 20-BED MDR-TB HOSPITAL IN MASERU AND REFURBISHED THE NATIONAL TB LABORATORY TO SUPPORT A PATHBREAKING PROGRAM THAT PROVIDES COMMUNITY-BASED CARE FOR MDR-TB PATIENTS, MORE THAN THREE QUARTERS OF WHOM ARE ALSO LIVING WITH HIV. THE PROJECT

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS

PROVIDED TRAINING FOR DOCTORS, NURSES AND TREATMENT SUPPORTERS WHO VISIT PATIENTS IN THEIR HOMES TWICE A DAY. BY THE END OF 2007, 44 MDR-TB PATIENTS WERE ENROLLED IN THERAPY.

RESPONDING TO A FOOD CRISIS AND CHRONIC MALNUTRITION-IN 2007, LESOTHO FACED ITS WORST FOOD CRISIS IN 30 YEARS. RECOGNIZING THAT THE CHILDREN IN THE MOUNTAINS ARE ESPECIALLY VULNERABLE, PIH SCREENED ALL VILLAGE CHILDREN FOR MALNUTRITION AND HIRED A FOOD COUNSELOR FOR EACH HEALTH CENTER TO LAUNCH AN EMERGENCY FEEDING PROGRAM FOR THESE CHILDREN AND THEIR FAMILIES. OVER 500 CHILDREN WERE IDENTIFIED AS HAVING MALNUTRITION OR BEING AT RISK, AND WERE OFFERED A COMPREHENSIVE CARE PACKAGE, INCLUDING MEDICAL CARE, NUTRITIONAL SUPPORT, HOUSING AND CLOTHING SUPPORT, AND A PACKAGE FOR PREVENTING MALNUTRITION IN THE FUTURE.

RWANDA

DURING 2007, PIH AND ITS RWANDAN PARTNER ORGANIZATION, INSHUTI MU BUZIMA (IMB), CONTINUED TO EXPAND BOTH FACILITIES AND SERVICES IN TWO IMPOVERISHED DISTRICTS IN EASTERN RWANDA AND LAID THE GROUNDWORK FOR EFFORTS TO MAKE IMB'S APPROACH TO DELIVERING HIGH QUALITY, COMMUNITY-BASED CARE THE MODEL FOR RWANDA'S NATIONAL RURAL HEALTH SYSTEM.

BUILDING PUBLIC HEALTH INFRASTRUCTURE-IN 2007, PIH/IMB INITIATED SEVERAL CONSTRUCTION AND RENOVATION PROJECTS IN ORDER TO BUILD CAPACITY WITHIN OUR TARGET DISTRICTS. THESE INCLUDED THE CONSTRUCTION OF A PEDIATRIC CENTER EXTENSION ON THE GROUNDS OF RWINKWAVU HOSPITAL IN SOUTHERN KAYONZA DISTRICT, AS WELL AS THE CONSTRUCTION OF A NEW DISTRICT HOSPITAL IN KIREHE. IN ADDITION, CONSTRUCTION WAS ALMOST COMPLETED ON A STATE-OF-THE-ART TRAINING CENTER IN RWINKWAVU THAT WILL PLAY A MAJOR ROLE IN TRAINING HEALTH STAFF FROM AROUND THE COUNTRY AS PART OF THE RWANDAN GOVERNMENT'S DRIVE TO EXTEND THE MODEL OF COMPREHENSIVE COMMUNITY-BASED CARE NATIONWIDE.

EXPANDING THE SCOPE AND QUALITY OF CARE-A TOTAL OF 151,602 PATIENTS WERE SEEN AT OUR SIX SITES IN RWANDA IN 2007, INCLUDING NEARLY 22,000 WHO WERE SEEN IN INFECTIOUS DISEASE CLINICS AND MORE THAN 8,200 WHO REQUIRED HOSPITALIZATION. IN ORDER TO ENSURE THAT QUALITY HEALTH CARE REMAINS ACCESSIBLE TO THE POOR, IMB SPONSORED SUBSCRIPTION FEES IN

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS

=====

THE NATIONAL HEALTH INSURANCE PROGRAM FOR 32,742 INDIGENT COMMUNITY MEMBERS IN OUR CATCHMENT AREA. AFTER BRINGING SURGICAL SERVICES TO RWINKWAVU IN 2006 (PRIMARILY FOR EMERGENCY OBSTETRICAL CARE), IMB PASSED ANOTHER MILESTONE IN 2007 BY PROVIDING CHEMOTHERAPY FOR THREE PEDIATRIC CANCER PATIENTS. TO THE BEST OF OUR KNOWLEDGE, THESE ARE THE FIRST PATIENTS TO RECEIVE CHEMO AT A RURAL HOSPITAL IN RWANDA.

SCALING UP PREVENTION AND TREATMENT OF HIV-IMB CONTINUED ITS PROGRAMS TO TREAT AND PREVENT HIV/AIDS. THROUGH VOLUNTARY COUNSELING AND TESTING SERVICES, 26,704 PEOPLE WERE TESTED FOR THE DISEASE. BY THE END OF THE YEAR, 2,794 HIV PATIENTS WERE ENROLLED ON ANTIRETROVIRAL THERAPY (ART). TO PREVENT THE TRANSMISSION OF THE DISEASE BETWEEN MOTHERS AND BABIES, 408 HIV-POSITIVE MOTHERS AND THEIR INFANTS WERE GIVEN PROPHYLACTIC ART AND SUPPLIES TO FORMULA FEED THE BABIES TO PREVENT TRANSMISSION OF THE VIRUS. SO FAR, 99% OF ELIGIBLE MOTHERS WHO VISIT IMB CLINICS HAVE BEEN ENROLLED IN THE PROGRAM, AND THE TRANSMISSION RATE HAS BEEN LESS THAN 2%.

TACKLING THE SOCIAL AND ECONOMIC CAUSES OF DISEASE- THROUGH THE PROGRAM ON SOCIAL AND ECONOMIC RIGHTS, IMB CONTINUED ITS EFFORTS TO TACKLE THE UNDERLYING CONDITIONS OF HUNGER AND EXTREME POVERTY IN WHICH DISEASE TAKES ROOT. SEVERAL WATER AND SANITATION PROJECTS WERE COMPLETED IN 2007, INCLUDING THE INSTALLATION OF HAND WASHING STATIONS, DEEP WELLS, RAINWATER HARVESTING AND WATER TREATMENT. THE PROGRAM ALSO BUILT AND REFURBISHED HOMES FOR OVER 100 HIV-POSITIVE PATIENTS AND THEIR FAMILIES IN 2007, IMB BUILT NEW HOUSES FOR 53 HIV-POSITIVE PATIENTS, REFURBISHED THE HOMES OF ANOTHER 51, AND PROVIDED ROOFING OR SIDING MATERIALS FOR 350 MORE TO BOLSTER THEIR EXISTING HOMES. IMB ALSO SUBSIDIZED SCHOOL FEES FOR 747 HIV-AFFECTED CHILDREN, ENABLING THEM TO ATTEND SECONDARY SCHOOL.

MALAWI

IN JANUARY 2007, PARTNERS IN HEALTH (PIH) LAUNCHED ITS THIRD PROJECT IN AFRICA IN MALAWI, ONE OF THE CONTINENT'S POOREST AND MOST DENSELY POPULATED COUNTRIES. PIH AND ITS MALAWIAN PARTNER ORGANIZATION ABWENZI PA ZA UMOYO (APZU) BEGAN WORKING TO STRENGTHEN AND EXPAND THE FACILITIES AND HUMAN RESOURCES OF THE MINISTRY OF HEALTH (MOH) AND TO DEVELOP THE PRIMARY HEALTH CARE SYSTEM IN NENO DISTRICT IN

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS

=====

THE SOUTHWESTERN CORNER OF THE COUNTRY. BY THE YEAR'S END, APZU WAS WORKING WITH TEN RURAL HEALTH CENTERS IN NENO.

RENOVATION OF PUBLIC HEALTH FACILITIES-APZU CONDUCTED EXTENSIVE RENOVATIONS OF THE EXISTING HEALTH CENTER IN NENO WHILE SIMULTANEOUSLY DEVELOPED PLANS TO BUILD A NEW DISTRICT HOSPITAL. MORE THAN HALF OF THE CONSTRUCTION OF THE NEW FACILITY WAS COMPLETED BY THE END OF 2007. IN ADDITION, APZU BEGAN RENOVATING BUILDINGS AT FOUR OTHER HEALTH CENTERS IN NENO DISTRICT (MAGALETA, LISUNGWI, NSAMBE AND CHIFUNGA).

DEVELOPING HUMAN RESOURCE CAPACITY FOR HEALTH-APZU TRAINED AND HIRED MORE THAN 250 COMMUNITY HEALTH WORKERS TO ENSURE THAT HIV AND TB PATIENTS ADHERE TO TREATMENT REGIMENS AND THAT THEIR MEDICAL AND SOCIOECONOMIC NEEDS ARE MET. IN ADDITION, APZU TRAINED AN ADDITIONAL 20 COUNSELORS TO PROVIDE VOLUNTARY COUNSELING AND TESTING FOR HIV/AIDS (VCT) AND EXPANDED TESTING TO ALL TEN HEALTH CENTERS IN THE DISTRICT. BY THE END OF THE YEAR MORE THAN 10,000 PEOPLE HAD BEEN TESTED AND THE NUMBER TESTED EACH MONTH MORE THAN QUADRUPLED, FROM AROUND 300 TO MORE THAN 1400.

EXPANDING THE SCOPE AND QUALITY OF CLINICAL CARE-TWO PIH DOCTORS JOINED A MALAWIAN TEAM OF CLINICAL OFFICERS, NURSES, MATERNITY NURSES, PHARMACY AND LAB TECHNICIANS,, MEDICAL ASSISTANTS, AND OTHER HEALTH WORKERS TO PROVIDE COMPREHENSIVE PRIMARY HEALTH CARE, INCLUDING: MATERNAL HEALTH, PRENATAL CARE, AND THE PREVENTION OF MOTHER-TO-CHILD TRANSMISSION (PMTCT) OF HIV; PEDIATRIC CARE, INCLUDING VACCINATIONS AND MALNUTRITION TREATMENT AND PREVENTION; EMERGENCY SERVICES; WOUND CARE; THE TREATMENT OF MALARIA, HIV, AND TB AND THE DETECTION OF SEXUALLY TRANSMITTED INFECTIONS. BY THE END OF THE YEAR, THE NUMBER OF HIV PATIENTS RECEIVING ANTIRETROVIRAL THERAPY HAD INCREASED FROM JUST OVER 100 TO MORE THAN 400.

INITIATING A PROGRAM OF SOCIAL AND ECONOMIC RIGHTS-APZU LAUNCHED A PROGRAM TO ADDRESS THE SOCIO-ECONOMIC NEEDS OF IMPOVERISHED PATIENTS. BY THE END OF DECEMBER, MORE THAN 400 HIV AND TB PATIENTS WERE RECEIVING MONTHLY FOOD PACKAGES. OTHER ACCOMPLISHMENTS INCLUDE DIGGING 11 BOREHOLES AND 13 SHALLOW WELLS FOR COMMUNITIES WITHOUT ACCESS TO POTABLE DRINKING WATER AND SUPPORTING THREE COMMUNITY ASSOCIATIONS THAT OFFER SUPPORT SERVICES FOR PEOPLE LIVING WITH HIV/AIDS, ORPHANS, AND VULNERABLE

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS

CHILDREN.

RUSSIA

DURING 2007, PIH'S RUSSIAN PARTNER ORGANIZATION CONTINUED TO EXPAND TREATMENT AND SERVICES FOR MULTIDRUG-RESISTANT TUBERCULOSIS (MDR-TB) PATIENTS IN SIBERIA AND COMPLETED TRAINING FOR REPRESENTATIVES FROM ALL 88 TERRITORIES ACROSS THE VAST EXPANSE OF THE RUSSIAN FEDERATION.

EXPANDING COMMUNITY-BASED TREATMENT FOR MDR-TB-IN TOMSK OBLAST IN SIBERIA, WHERE PIH HAS BEEN TREATING ONE OF THE WORLD'S WORST EPIDEMICS OF MDR-TB SINCE 1998, INITIATIVES DURING 2007 INCLUDED EXPANSION AND IMPROVEMENT OF A HOME TREATMENT PROGRAM FOR PATIENTS WITH PROBLEMS ADHERING TO THE STRICT MEDICATION REGIMENS NEEDED TO CURE THE DISEASE. BASED ON A SUCCESSFUL PILOT PROGRAM LAUNCHED IN DECEMBER 2006, THE PROGRAM TARGETS PATIENTS STRUGGLING WITH ALCOHOLISM, DRUG USE, MENTAL ILLNESS, POVERTY, OR OTHER ISSUES THAT HAMPER TREATMENT ADHERENCE. THE NEW AND IMPROVED HOME TREATMENT PROGRAM EMPLOYS HEALTH WORKERS TO VISIT THE PATIENTS IN THEIR HOMES AND REDUCES THE NUMBER OF PATIENTS FOR WHOM EACH HEALTH WORKER IS RESPONSIBLE, ALLOWING THEM TO MAKE LONGER VISITS AND FORGE STRONGER RELATIONSHIPS. THE PROGRAM ALSO PROVIDES PSYCHOSOCIAL SUPPORT SUCH AS FOOD, LEGAL ASSISTANCE, HOUSING ASSISTANCE, EDUCATIONAL OPPORTUNITIES, AND TREATMENT FOR ALCOHOL ADDICTION. BY THE END OF 2007, THE PROGRAM HAD ENROLLED MORE THAN 60 PATIENTS.

TRAINING HEALTH PROFESSIONALS THROUGHOUT THE RUSSIAN FEDERATION-WITH A FINAL ST. PETERSBURG IN SEPTEMBER 2007, PIH COMPLETED A THREE-YEAR TRAINING CYCLE THAT REACHED MDR-TB DOCTORS FROM EVERY REGION IN THE RUSSIAN FEDERATION. LIKE PREVIOUS SESSIONS, THE FINAL TRAINING FOR 52 MDR-TB DOCTORS FROM THE EUROPEAN REGION, EMPHASIZED PRACTICAL IMPLEMENTATION OF MDR-TB PROGRAMS IN THE RUSSIAN SETTING, AND WAS ACCOMPANIED BY ROBUST DEBATE AND DISCUSSION, PARTICULARLY ON ASPECTS OF TB INFECTION AMONG PEDIATRIC, DIABETIC, AND ELDERLY POPULATIONS. AT THE END OF THE TRAINING CYCLE, A TOTAL OF 375 PHYSICIANS AND PROGRAM MANAGERS HAD BEEN TRAINED.

FORM 990, PART IV - INVESTMENTS - PUBLICLY TRADED SECURITIES

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	COST OR FMV -----
CASH AND CASH EQUIVALENTS	15,804,850.	13,854,715.	FMV
FIXED INCOME BONDS & NOTES	NONE	2,008,718.	FMV
PRIVATE EQUITY & HEDGE FUNDS	NONE	1,054,802.	FMV
EQUITY SECURITIES	73,801.	6,547,922.	FMV
	-----	-----	
TOTALS	15,878,651.	23,466,157.	
	=====	=====	

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES
=====

NAME AND ADDRESS -----	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
OPHELIA DAHL 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	EXEC DIR/PRES/DIRECTOR 40.00	41,154.	284.	NONE

NOTE 9-1: THIS RETURN IS BEING FILED FOR THE SIX MONTH PERIOD JANUARY 1, 2007 THROUGH JUNE 30, 2007 DUE TO A CHANGE IN THE ORGANIZATION'S FISCAL YEAR. THE COMPENSATION REPORTED IN THIS RETURN HAS BEEN TAKEN FROM THE FEDERAL FORMS W-2 FOR THE CALENDAR YEAR ENDING SIX MONTHS BEFORE THE END OF THE FISCAL YEAR -- THE SAME FORMS W-2 USED FOR THE RETURN FILED FOR THE PERIOD ENDED DECEMBER 31, 2006. FOR PURPOSES OF PART II, LINE 25A, THESE AMOUNTS HAVE BEEN PRORATED, SO AS NOT TO OVERSTATE COMPENSATION PAID TO OFFICERS, DIRECTORS AND KEY EMPLOYEES FOR THE SIX-MONTH PERIOD. OUR INTENT IS TO PROVIDE THIS INFORMATION IN THE MOST MEANINGFUL WAY TO THE READER.

DR PAUL FARMER 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	EXECUTIVE VP 40.00	NONE	NONE	NONE
PAUL ZINTL 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	COO 40.00	34,100.	248.	NONE

SEE NOTE 9-1.

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES
=====

NAME AND ADDRESS -----	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
CRAIG KAPLAN 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	CFO/TREASURER 40.00	50,468.	6,354.	NONE
SEE NOTE 9-1.				
EDWARD CARDOZA 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	VP DEVELOPMENT 40.00	42,585.	3,448.	NONE
SEE NOTE 9-1.				
THEODORE CONSTAN 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	VP PROGRAM MGMT 40.00	32,510.	5,903.	NONE
SEE NOTE 9-1.				
KRISTIN NELSON 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	CLERK 30.00	29,624.	216.	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES
=====

NAME AND ADDRESS -----	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
SEE NOTE 9-1.				
DR JIM YONG KIM 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1.00	NONE	NONE	NONE
HOWARD HIATT 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1.00	NONE	NONE	NONE
DIANE KANEB 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1.00	NONE	NONE	NONE
JOHN MCARTHUR 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1.00	NONE	NONE	NONE
BRYAN STEVENSON 641 HUNTINGTON AVENUE 1ST FLOOR	DIRECTOR 1.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES
=====

NAME AND ADDRESS -----	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
BOSTON, MA 02115				
JACK CONNORS 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1.00	NONE	NONE	NONE
TED PHILIP 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1.00	NONE	NONE	NONE
TODD MCCORMACK 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1.00	NONE	NONE	NONE
ALBERT KANEB 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1.00	NONE	NONE	NONE
GARY GOTTLIEB 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
GRAND TOTALS		230,441.	16,453.	NONE

FORM 990, PART VI - CHANGE IN ITS ACTIVITIES OR METHODS

=====

PARTNERS IN HEALTH, A NONPROFIT CORPORATION, HAS CHANGED THE FISCAL YEAR END DATE FROM THE 31ST OF DECEMBER EACH YEAR TO THE 30TH OF JUNE EACH YEAR, EFFECTIVE FOR THE YEAR ENDING JUNE 30, 2007.

FORM 990, PART VI - NAMES OF RELATED ORGANIZATIONS

=====

RELATED ORGANIZATION NAME: RIVER STREET DEVELOPMENT FOUNDATION

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: SOCIOS EN SALUD SUCURSAL PERU

EXEMPT: NONEXEMPT: X

RELATED ORGANIZATION NAME: PARTNERS IN HEALTH-RUSSIA

EXEMPT: NONEXEMPT: X

RELATED ORGANIZATION NAME: INSHUTI MU BUZIMA (RWANDA)

EXEMPT: NONEXEMPT: X

RELATED ORGANIZATION NAME: PARTNERS IN HEALTH-LESOTHO

EXEMPT: NONEXEMPT: X

RELATED ORGANIZATION NAME: PARTNERS IN HEALTH-MALAWI

EXEMPT: NONEXEMPT: X

FORM 990, PART VI, LINE 90A - STATES

=====

AZ, CA, CT, FL, GA,
IL, ME, MD, MA, MI, MN, MT, NJ, NM,
NY, NC, OH, OR, PA, RI, SC, TN, UT, VA, WA, WV, WI,

FORM 990, PART IX - INFORMATION REGARDING TAXABLE SUBSIDIARIES

=====

NAME AND ADDRESS EMPLOYER IDENTIFICATION NUMBER -----	PERCENTAGE OWNERSHIP INTEREST -----	NATURE OF BUSINESS ACTIVITIES -----	TOTAL INCOME -----	ENDING ASSETS -----
SOCIOS EN SALUD SUCURSAL PERU AV. MERINO REYNA 575 LIMA PERU N/A	100.000000	HEALTH CARE	2,073,212.	2,504,817.
PARTNERS IN HEALTH - RUSSIA 11/13 TREKHPRUDNIY PEREULOK 103001 MOSCOW RUSSIA N/A	100.000000	HEALTH CARE	896,668.	349,609.
INSHUTI MU BUZIMA - RWANDA RINKWAVU RWANDA N/A	100.000000	HEALTH CARE	2,389,258.	236,690.
PARTNERS IN HEALTH - LESOTHO 438 POPE JOHN PAUL II STREET MESERU LESOTHO N/A	100.000000	HEALTH CARE	352,219.	178,970.
PARTNERS IN HEALTH - MALAWI P. O. BOX 56 * NENO BOMA 624200 NENO DISTRICT MALAWI N/A	100.000000	HEALTH CARE	200,000.	96,008.

FORM 990, PART IX - INFORMATION REGARDING TAXABLE SUBSIDIARIES

=====

NAME AND ADDRESS EMPLOYER IDENTIFICATION NUMBER -----	PERCENTAGE OWNERSHIP INTEREST -----	NATURE OF BUSINESS ACTIVITIES -----	TOTAL INCOME -----	ENDING ASSETS -----
TOTAL INCOME			----- 5,911,357. =====	----- 3,366,094. =====

FORM 990, PART XI - TRANSFERS TO CONTROLLED ENTITIES STATEMENT
=====

CONTROLLED ENTITY'S NAME: PARTNERS IN HEALTH, PERU
 CONTROLLED ENTITY'S ADDRESS: AV. MERINO REYNA 575
 CITY, STATE & ZIP: PORRAS B. CARABAYLLO, LIMA
 FOREIGN COUNTRY: PERU
 EIN: FOREIGN
 TRANSFER AMOUNT: 2,035,389.
 EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:
 SUPPORT OF HEALTHCARE SERVICES IN PERU

CONTROLLED ENTITY'S NAME: PARTNERS IN HEALTH, RUSSIA
 CONTROLLED ENTITY'S ADDRESS: TREKHPRUDNIY PEREULOK
 CITY, STATE & ZIP: MOSCOW
 FOREIGN COUNTRY: RUSSIA
 EIN: FOREIGN
 TRANSFER AMOUNT: 893,163.
 EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:
 SUPPORT OF HEALTHCARE SERVICES IN RUSSIA

CONTROLLED ENTITY'S NAME: INSHUTI MU BUZIMA
 CONTROLLED ENTITY'S ADDRESS:
 CITY, STATE & ZIP: RINKWAVU
 EIN: FOREIGN
 TRANSFER AMOUNT: 2,312,332.
 EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:
 SUPPORT OF HEALTHCARE SERVICES IN RWANDA

CONTROLLED ENTITY'S NAME: PARTNERS IN HEALTH, LESOTHO
 CONTROLLED ENTITY'S ADDRESS: NEW EUROPA, 438 POPE JOHN PAUL II ST
 CITY, STATE & ZIP: MESERU
 FOREIGN COUNTRY: LESOTHO
 EIN: FOREIGN
 TRANSFER AMOUNT: 126,518.
 EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:
 SUPPORT OF HEALTHCARE SERVICES IN LESOTHO

CONTROLLED ENTITY'S NAME: PARTNERS IN HEALTH - MALAWI
 CONTROLLED ENTITY'S ADDRESS: P. O. BOX 56 * NENO BOMA
 CITY, STATE & ZIP: NENO DISTRICT
 FOREIGN COUNTRY: MALAWI
 EIN: FOREIGN
 TRANSFER AMOUNT: 200,000.
 EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:
 SUPPORT OF HEALTHCARE SERVICES IN MALAWI

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES
=====

NAME AND ADDRESS -----	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCOUNT -----
HENRY EPINO 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115	CLINICIAN 40.00	40,669.	2,685.	NONE

NOTE 9-2: THIS RETURN IS BEING FILED FOR THE SIX MONTH PERIOD JANUARY 1, 2007 THROUGH JUNE 30, 2007 DUE TO A CHANGE IN THE ORGANIZATION'S FISCAL YEAR. THE COMPENSATION REPORTED IN THIS RETURN HAS BEEN TAKEN FROM THE FEDERAL FORM W-2 FOR THE CALENDAR YEAR ENDING SIX MONTHS BEFORE THE END OF THE FISCAL YEAR -- THE SAME FORMS W-2 USED FOR THE RETURN FILED FOR THE PERIOD ENDED DECEMBER 31, 2006. FOR PURPOSES OF SCHEDULE A, PART I, THESE AMOUNTS HAVE BEEN PRORATED, SO AS NOT TO OVERSTATE COMPENSATION PAID TO OTHER EMPLOYEES FOR THE SIX-MONTH PERIOD. OUR INTENT IS TO PROVIDE THIS INFORMATION IN THE MOST MEANINGFUL WAY TO THE READER.

SARA STULAC 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115	CLINICIAN 40.00	40,284.	2,535.	NONE
---	--------------------	---------	--------	------

SEE NOTE 9-2.

DARIUS JAZAYERI 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115	PROJECT MGR. 40.00	35,148.	2,272.	NONE
---	-----------------------	---------	--------	------

SEE NOTE 9-2.

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

=====

NAME AND ADDRESS -----	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCOUNT -----
SUSAN SAYERS 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115	DIR. FOUNDATION DVLP 40.00	34,414.	4,131.	NONE
SEE NOTE 9-2.				
WENDY KRAUSS 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115	DIR. OF MAJOR GIFTS 40.00	32,887.	NONE	NONE
SEE NOTE 9-2.				
	TOTAL COMPENSATION	----- 183,402. =====	----- 11,623. =====	----- NONE =====

SCH. A, PART II-A COMPENSATION OF THE 5 HIGHEST PAID FOR PROF. SERV.
=====

NAME AND ADDRESS -----	TYPE OF SERVICE -----	COMPENSATION -----
KPMG 99 HIGH STREET BOSTON, MA 02110	AUDIT/TAX	61,855.

NOTE 9-3: THIS RETURN IS BEING FILED FOR THE SIX MONTH PERIOD JANUARY 1, 2007 THROUGH JUNE 30, 2007 DUE TO A CHANGE IN THE ORGANIZATION'S FISCAL YEAR. THE COMPENSATION REPORTED IN THIS RETURN HAS BEEN TAKEN FROM THE FEDERAL FORM 1099-MISC FOR THE CALENDAR YEAR ENDING SIX MONTHS BEFORE THE END OF THE FISCAL YEAR -- THE SAME FORMS 1099-MISC USED FOR THE RETURN FILED FOR THE PERIOD ENDED DECEMBER 31, 2006. FOR PURPOSES OF SCHEDULE A, PART II-A, THESE AMOUNTS HAVE BEEN PRORATED, SO AS NOT TO OVERSTATE COMPENSATION PAID TO INDEPENDENT CONTRACTORS FOR PROFESSIONAL SERVICES FOR THE SIX-MONTH PERIOD. OUR INTENT IS TO PROVIDE THIS INFORMATION IN THE MOST MEANINGFUL WAY TO THE READER.

DR JAIME BAYONA C/O SOCIOS EN SALUD AV. MERINO REYNA 575 LIMA PERU	MEDICAL DIR - PERU	57,190.
---	--------------------	---------

SEE NOTE 9-3.

TOTAL COMPENSATION

119,045.
=====

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D
=====

SEE FORM 990, PART V.

Form **5471**

(Rev. December 2007)

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

OMB No. 1545-0704

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01/2007, and ending 06/30/2007

Attachment Sequence No. **121**

▶ See separate instructions.

Name of person filing this return PARTNERS IN HEALTH, A NONPROFIT CORPORATION		A Identifying number 04-3567502
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 641 HUNTINGTON AVENUE		B Category of filer (See instructions. Check applicable box(es)): 1 (repealed) 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input type="checkbox"/>
City or town, state, and ZIP code BOSTON MA 02115		C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period _____ %
Filer's tax year beginning <u>01/01/2007</u> , and ending <u>06/30/2007</u>		

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
SEE STATEMENT 1					

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation PARTNERS IN HEALTH- RUSSIA TREKHPRUDNIY PEREULOK MOSCOW, RS				b Employer identification number, if any FOREIGN	
				c Country under whose laws incorporated RUSSIA	
d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency	
RS	RS	624200	HEALTHCARE	RUBLE	

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States	b If a U.S. income tax return was filed, enter:	
	(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
c Name and address of foreign corporation's statutory or resident agent in country of incorporation	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different	

Schedule A Stock of the Foreign Corporation		
(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
	NONE	NONE

For Paperwork Reduction Act Notice, see instructions.

Form **5471** (Rev. 12-2007)

Schedule E **Income, War Profits, and Excess Profits Taxes Paid or Accrued** (see instructions)

(a) Name of country or U.S. possession	Amount of tax		
	(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1 U.S.			
2 RUSSIA	NONE	26.0756	NONE
3			
4			
5			
6			
7			
8 Total			NONE

Schedule F **Balance Sheet**

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a)	(b)
		Beginning of annual accounting period	End of annual accounting period
1 Cash	1	428,364.	329,951.
2a Trade notes and accounts receivable	2a	7,570.	12,306.
b Less allowance for bad debts	2b	()	()
3 Inventories	3		
4 Other current assets (attach schedule)	4		
5 Loans to shareholders and other related persons	5		
6 Investment in subsidiaries (attach schedule)	6		
7 Other investments (attach schedule)	7		
8a Buildings and other depreciable assets	8a	8,271.	9,190.
b Less accumulated depreciation	8b	(NONE)	(1,838.)
9a Depletable assets	9a		
b Less accumulated depletion	9b	()	()
10 Land (net of any amortization)	10		
11 Intangible assets:			
a Goodwill	11a		
b Organization costs	11b		
c Patents, trademarks, and other intangible assets	11c		
d Less accumulated amortization for lines 11a, b, and c	11d	()	()
12 Other assets (attach schedule)	12		
13 Total assets	13	444,205.	349,609.
Liabilities and Shareholders' Equity			
14 Accounts payable	14		
15 Other current liabilities (attach schedule)	15		
16 Loans from shareholders and other related persons	16		
17 Other liabilities (attach schedule)	17		
18 Capital stock:			
a Preferred stock	18a		
b Common stock	18b		
19 Paid-in or capital surplus (attach reconciliation)	19		
20 Retained earnings	20	444,205.	349,609.
21 Less cost of treasury stock	21	()	()
22 Total liabilities and shareholders' equity	22	444,205.	349,609.

Schedule G Other Information

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?
2 During the tax year, did the foreign corporation own an interest in any trust?
3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners...
4 During the tax year, was the foreign corporation a participant in any cost sharing arrangement?
5 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?

Schedule H Current Earnings and Profits (see instructions)

Important: Enter the amounts on lines 1 through 5c in functional currency.

Table with 5 main rows and sub-rows (a-h) for adjustments. Includes columns for Net Additions and Net Subtractions. Values include -2,679,435 and -102,756. Exchange rate 26.0756.

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

Table with 8 rows for shareholder income items: Subpart F income, Earnings invested in U.S. property, Previously excluded subpart F income, Previously excluded export trade income, Factoring income, Total of lines 1 through 5, Dividends received, Exchange gain or (loss).

- Was any income of the foreign corporation blocked?
Did any such income become unblocked during the tax year (see section 964(b))?
If the answer to either question is "Yes," attach an explanation.

**SCHEDULE J
(Form 5471)**

(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION
Name of foreign corporation

04-3567502

PARTNERS IN HEALTH- RUSSIA

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	12,008,702.					12,008,702.
2a Current year E&P						
b Current year deficit in E&P	2,679,435.					
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	9,329,267.					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)						
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	9,329,267.					
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	9,329,267.					9,329,267.

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 12-2005)

JSA
7X1665 1.000

**Transactions Between Controlled Foreign Corporation
 and Shareholders or Other Related Persons**

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

04-3567502

Name of foreign corporation

PARTNERS IN HEALTH- RUSSIA

Important: Complete a **separate** Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ RUBLES

26.0756

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.) . . .					
4 Buy-in payments received . . .					
5 Cost sharing payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services . .					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income). . . .					
10 Interest received.					
11 Premiums received for insurance or reinsurance.					
12 Add lines 1 through 11					
13 Purchases of stock in trade (inventory)					
14 Purchases of tangible property other than stock in trade. . . .					
15 Purchases of property rights (patents, trademarks, etc.) . . .					
16 Buy-in payments paid					
17 Cost sharing payments paid . .					
18 Compensation paid for technical, managerial, engineering, construction, or like services . .	158,781.				
19 Commissions paid					
20 Rents, royalties, and license fees paid					
21 Dividends paid					
22 Interest paid					
23 Premiums paid for insurance or reinsurance					
24 Add lines 13 through 23. . . .	158,781.				
25 Amounts borrowed (enter the maximum loan balance during the year) - see instructions . . .					
26 Amounts loaned (enter the maximum loan balance during the year) - see instructions . . .	12,306.				

PARTNERS IN HEALTH- RUSSIA

FORM 5471, PAGE 1 DETAIL

FORM 5471 PAGE ONE DETAIL

SEC D - PERSONS WITH WHOM, OR ON WHOSE BEHALF, THIS RETURN IS FILED

(A) NAME	(B) ADDRESS	(C) IDENTIFYING NUMBER	(D) CHECK APPLICABLE BOXES		
			SHARE-HOLDER	OFFICER	DIRECTOR
OPHELIA DAHL	641 HUNTINGTON AVENUE BOSTON, MA 02115	UPON REQUES			X

FORM 5471, PAGE 2 DETAIL

SCH C, LINE 15 - TAXES

PAYROLL TAXES	868,068.	33,290.
TOTAL	868,068.	33,290.

SCH C, LINE 16 - OTHER DEDUCTIONS

TRANSPORTATION	76,777.	2,944.
MAIL, TELEPHONE, COMMUNICATION	328,137.	12,584.
TRAVEL PER DIEM	265,649.	10,188.
BANK FEES	35,278.	1,353.
SUBSCRIPTION AND DUES	7,384.	283.
ENTERTAINMENT EXPENSES	158,667.	6,085.
OFFICE SUPPLIES & EQUIPMENT	706,555.	27,096.
PROGRAM EXPENSES	18,006,076.	690,533.
CURRENCY TRANSLATION	319,529.	12,254.
CURRENCY ADJUSTMENT	50,639.	1,942.
TOTAL	19,954,691.	765,262.

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01/2007, and ending 06/30/2007

Attachment Sequence No. **121**

Name of person filing this return PARTNERS IN HEALTH, A NONPROFIT CORPORATION		A Identifying number 04-3567502
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 641 HUNTINGTON AVENUE		B Category of filer (See instructions. Check applicable box(es)): 1 (repealed) 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input type="checkbox"/>
City or town, state, and ZIP code BOSTON MA 02115		C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period _____ %
Filer's tax year beginning 01/01/2007, and ending 06/30/2007		

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
SEE STATEMENT 1					

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation SOCIO EN SALUD SUCURSAL - PERU AV. MERINO REYNA 575 RAUL PORRAS B. CARABAYLLO LIMA, PE				b Employer identification number, if any FOREIGN	
				c Country under whose laws incorporated PERU	
d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency	
	PE	624200	HEALTHCARE	SOL	

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States	b If a U.S. income tax return was filed, enter:	
	(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
c Name and address of foreign corporation's statutory or resident agent in country of incorporation	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different	

Schedule A Stock of the Foreign Corporation		
(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
FOREIGN ORG. - NO STOCK	NONE	NONE

For Paperwork Reduction Act Notice, see instructions.

Form **5471** (Rev. 12-2007)

Schedule B U.S. Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. <i>Note: This description should match the corresponding description entered in Schedule A, column (a).</i>	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
PARTNERS IN HEALTH, A NON PROFIT ORGANIZATION BOSTON MA 02115 04-3567502	FOREIGN CORPORATION	NONE	NONE	

Schedule C Income Statement (see instructions)

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
Income	1 a Gross receipts or sales	1 a 6,704,313.	2,048,338.
	b Returns and allowances	1 b	
	c Subtract line 1b from line 1a	1 c 6,704,313.	2,048,338.
	2 Cost of goods sold	2	
	3 Gross profit (subtract line 2 from line 1c)	3 6,704,313.	2,048,338.
	4 Dividends	4	
	5 Interest	5	
	6 a Gross rents	6 a	
	b Gross royalties and license fees	6 b	
7 Net gain or (loss) on sale of capital assets	7		
8 Other income (attach schedule) SEE STATEMENT 2	8 81,414.	24,874.	
9 Total income (add lines 3 through 8)	9 6,785,727.	2,073,212.	
Deductions	10 Compensation not deducted elsewhere	10 1,179,715.	360,433.
	11 a Rents	11 a	
	b Royalties and license fees	11 b	
	12 Interest	12	
	13 Depreciation not deducted elsewhere	13	
	14 Depletion	14	
	15 Taxes (exclude provision for income, war profits, and excess profits taxes)	15	
	16 Other deductions (attach schedule - exclude provision for income, war profits, and excess profits taxes). SEE STATEMENT 2	16 3,547,399.	1,083,820.
17 Total deductions (add lines 10 through 16)	17 4,727,114.	1,444,253.	
Net Income	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18 2,058,613.	628,959.
	19 Extraordinary items and prior period adjustments (see instructions)	19	
	20 Provision for income, war profits, and excess profits taxes (see instructions)	20	
	21 Current year net income or (loss) per books (combine lines 18 through 20)	21 2,058,613.	628,959.

Schedule E **Income, War Profits, and Excess Profits Taxes Paid or Accrued** (see instructions)

(a) Name of country or U.S. possession	Amount of tax		
	(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1 U.S.			
2 PERU	NONE	3.2731	NONE
3			
4			
5			
6			
7			
8 Total			NONE

Schedule F **Balance Sheet**

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a)	(b)
		Beginning of annual accounting period	End of annual accounting period
1 Cash	1	1,485,814.	2,273,436.
2a Trade notes and accounts receivable	2a	34,601.	94,577.
b Less allowance for bad debts	2b	()	()
3 Inventories	3		
4 Other current assets (attach schedule)	4		
5 Loans to shareholders and other related persons	5		
6 Investment in subsidiaries (attach schedule)	6		
7 Other investments (attach schedule)	7		
8a Buildings and other depreciable assets	8a		
b Less accumulated depreciation	8b	()	()
9a Depletable assets	9a		
b Less accumulated depletion	9b	()	()
10 Land (net of any amortization)	10		
11 Intangible assets:			
a Goodwill	11a		
b Organization costs	11b		
c Patents, trademarks, and other intangible assets	11c		
d Less accumulated amortization for lines 11a, b, and c	11d	()	()
12 Other assets (attach schedule)	12	201,766.	136,804.
13 Total assets	13	1,722,181.	2,504,817.
Liabilities and Shareholders' Equity			
14 Accounts payable	14	75,860.	175,454.
15 Other current liabilities (attach schedule)	15		
16 Loans from shareholders and other related persons	16		
17 Other liabilities (attach schedule)	17		
18 Capital stock:			
a Preferred stock	18a		
b Common stock	18b		
19 Paid-in or capital surplus (attach reconciliation)	19		
20 Retained earnings	20	1,646,321.	2,329,363.
21 Less cost of treasury stock	21	()	()
22 Total liabilities and shareholders' equity	22	1,722,181.	2,504,817.

Schedule G Other Information

- | | | |
|---|---------------------------------|---|
| 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| If "Yes," see the instructions for required attachment. | | |
| 2 During the tax year, did the foreign corporation own an interest in any trust? | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| If "Yes," you are generally required to attach Form 8858 for each entity (see instructions). | | |
| 4 During the tax year, was the foreign corporation a participant in any cost sharing arrangement? | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| 5 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement? | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |

Schedule H Current Earnings and Profits (see instructions)

Important: Enter the amounts on lines 1 through 5c in **functional** currency.

1 Current year net income or (loss) per foreign books of account	1	2,058,613.
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):	Net Additions	Net Subtractions
	a Capital gains or losses	
	b Depreciation and amortization	
	c Depletion	
	d Investment or incentive allowance	
	e Charges to statutory reserves	
	f Inventory adjustments	
	g Taxes	
	h Other (attach schedule).	
3 Total net additions		
4 Total net subtractions		
5a Current earnings and profits (line 1 plus line 3 minus line 4)	5a	2,058,613.
5b DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b	
5c Combine lines 5a and 5b	5c	2,058,613.
5d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions))	5d	628,959.
Enter exchange rate used for line 5d ▶ 3.2731		

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

1 Subpart F income (line 38b, Worksheet A in the instructions)	1	
2 Earnings invested in U.S. property (line 17, Worksheet B in the instructions)	2	
3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5 Factoring income	5	
6 Total of lines 1 through 5. Enter here and on your income tax return. See instructions	6	
7 Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8 Exchange gain or (loss) on a distribution of previously taxed income	8	

- | | | |
|--|---------------------------------|---|
| ● Was any income of the foreign corporation blocked? | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| ● Did any such income become unblocked during the tax year (see section 964(b))? | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
- If the answer to either question is "Yes," attach an explanation.

**SCHEDULE J
(Form 5471)**

(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ **Attach to Form 5471. See Instructions for Form 5471.**

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION
Name of foreign corporation

04-3567502

SOCIO EN SALUD SUCURSAL - PERU

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	8,145,860.					8,145,860.
2a Current year E&P	2,058,613.					
b Current year deficit in E&P						
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	10,204,473.					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)						
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	10,204,473.					
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	10,204,473.					10,204,473.

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 12-2005)

JSA
7X1665 1.000

**Transactions Between Controlled Foreign Corporation
 and Shareholders or Other Related Persons**

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

04-3567502

Name of foreign corporation

SOCIO EN SALUD SUCURSAL - PERU

Important: Complete a **separate** Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ SOL

3.2731

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.) . . .					
4 Buy-in payments received . . .					
5 Cost sharing payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services . .					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income). . . .					
10 Interest received.					
11 Premiums received for insurance or reinsurance.					
12 Add lines 1 through 11					
13 Purchases of stock in trade (inventory)					
14 Purchases of tangible property other than stock in trade. . . .					
15 Purchases of property rights (patents, trademarks, etc.) . . .					
16 Buy-in payments paid					
17 Cost sharing payments paid . .					
18 Compensation paid for technical, managerial, engineering, construction, or like services . .	360,433.				
19 Commissions paid					
20 Rents, royalties, and license fees paid					
21 Dividends paid					
22 Interest paid					
23 Premiums paid for insurance or reinsurance					
24 Add lines 13 through 23. . . .	360,433.				
25 Amounts borrowed (enter the maximum loan balance during the year) - see instructions . . .					
26 Amounts loaned (enter the maximum loan balance during the year) - see instructions . . .	94,577.				

SOCIO EN SALUD SUCURSAL - PERU

FORM 5471, PAGE 1 DETAIL

FORM 5471 PAGE ONE DETAIL

SEC D - PERSONS WITH WHOM, OR ON WHOSE BEHALF, THIS RETURN IS FILED

(A) NAME	(B) ADDRESS	(C) IDENTIFYING NUMBER	(D) CHECK APPLICABLE BOXES		
			SHARE-HOLDER	OFFICER	DIRECTOR
OPHELIA DAHL	641 HUNTINGTON AVE BOSTON, MA 02115	UPON REQUES			X

FORM 5471, PAGE 2 DETAIL

SCH C, LINE 8 - OTHER INCOME

OTHER INCOME	81,414.	24,874.
TOTAL	81,414.	24,874.

SCH C, LINE 16 - OTHER DEDUCTIONS

PHARMACEUTICALS	313,539.	95,794.
PROGRAM EXPENSE	1,303,018.	398,105.
OUTSIDE SERVICES	1,786,828.	545,921.
TRAVEL	76,265.	23,301.
SUPPLIES, REPAIRS, MAINTENANCE	37,097.	11,334.
OFFICE EXPENSES	30,652.	9,365.
TOTAL	3,547,399.	1,083,820.

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01/2007, and ending 06/30/2007

Attachment Sequence No. **121**

▶ See separate instructions.

Name of person filing this return PARTNERS IN HEALTH, A NONPROFIT CORPORATION		A Identifying number 04-3567502
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 641 HUNTINGTON AVENUE		B Category of filer (See instructions. Check applicable box(es): 1 (repealed) 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input type="checkbox"/>
City or town, state, and ZIP code BOSTON MA 02115		
Filer's tax year beginning <u>01/01/2007</u> , and ending <u>06/30/2007</u>		

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
SEE STATEMENT 1					

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation INSHUTI MU BUZIMA - RWANDA				b Employer identification number, if any FOREIGN	
RINKWAVU, RW				c Country under whose laws incorporated RWANDA	
d Date of incorporation RW	e Principal place of business	f Principal business activity code number 624200	g Principal business activity HEALTHCARE	h Functional currency FRANC	

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States	b If a U.S. income tax return was filed, enter:	
	(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
c Name and address of foreign corporation's statutory or resident agent in country of incorporation	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different	

Schedule A Stock of the Foreign Corporation		
(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
	NONE	NONE

For Paperwork Reduction Act Notice, see instructions.

Schedule E **Income, War Profits, and Excess Profits Taxes Paid or Accrued** (see instructions)

(a) Name of country or U.S. possession	Amount of tax		
	(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1 U.S.			
2 RWANDA	NONE	526.3158	NONE
3			
4			
5			
6			
7			
8 Total			NONE

Schedule F **Balance Sheet**

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a)	(b)
		Beginning of annual accounting period	End of annual accounting period
1 Cash	1	243,832.	77,911.
2a Trade notes and accounts receivable	2a	NONE	8,779.
b Less allowance for bad debts	2b	()	()
3 Inventories	3		
4 Other current assets (attach schedule)	4		
5 Loans to shareholders and other related persons	5		
6 Investment in subsidiaries (attach schedule)	6		
7 Other investments (attach schedule)	7		
8a Buildings and other depreciable assets	8a		
b Less accumulated depreciation	8b	()	()
9a Depletable assets	9a		
b Less accumulated depletion	9b	()	()
10 Land (net of any amortization)	10		
11 Intangible assets:			
a Goodwill	11a		
b Organization costs	11b		
c Patents, trademarks, and other intangible assets	11c		
d Less accumulated amortization for lines 11a, b, and c	11d	()	()
12 Other assets (attach schedule)	12		
13 Total assets	13	243,832.	86,690.
Liabilities and Shareholders' Equity			
14 Accounts payable	14	NONE	71,050.
15 Other current liabilities (attach schedule)	15		
16 Loans from shareholders and other related persons	16		
17 Other liabilities (attach schedule)	17		
18 Capital stock:			
a Preferred stock	18a		
b Common stock	18b		
19 Paid-in or capital surplus (attach reconciliation)	19		
20 Retained earnings	20	243,832.	15,640.
21 Less cost of treasury stock	21	()	()
22 Total liabilities and shareholders' equity	22	243,832.	86,690.

Schedule G Other Information

1	During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	If "Yes," see the instructions for required attachment.		
2	During the tax year, did the foreign corporation own an interest in any trust?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
3	During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).		
4	During the tax year, was the foreign corporation a participant in any cost sharing arrangement?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
5	During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Schedule H Current Earnings and Profits (see instructions)

Important: Enter the amounts on lines 1 through 5c in functional currency.

1	Current year net income or (loss) per foreign books of account	1	-118,340,710.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
	Net Additions	Net Subtractions	
a	Capital gains or losses		
b	Depreciation and amortization		
c	Depletion		
d	Investment or incentive allowance		
e	Charges to statutory reserves		
f	Inventory adjustments		
g	Taxes		
h	Other (attach schedule).		
3	Total net additions		
4	Total net subtractions		
5a	Current earnings and profits (line 1 plus line 3 minus line 4)	5a	-118,340,710.
5b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b	
5c	Combine lines 5a and 5b	5c	-118,340,710.
5d	Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions))	5d	-224,847.
	Enter exchange rate used for line 5d ▶ 526.3158		

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

1	Subpart F income (line 38b, Worksheet A in the instructions)	1	
2	Earnings invested in U.S. property (line 17, Worksheet B in the instructions)	2	
3	Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4	Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5	Factoring income	5	
6	Total of lines 1 through 5. Enter here and on your income tax return. See instructions	6	
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8	Exchange gain or (loss) on a distribution of previously taxed income	8	

•	Was any income of the foreign corporation blocked?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
•	Did any such income become unblocked during the tax year (see section 964(b))?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

If the answer to either question is "Yes," attach an explanation.

**SCHEDULE J
(Form 5471)**

(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION
Name of foreign corporation

04-3567502

INSHUTI MU BUZIMA - RWANDA

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	141,668,100.					141,668,100.
2a Current year E&P						
b Current year deficit in E&P	118,340,710.					
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	23,327,390.					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)						
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	23,327,390.					
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	23,327,390.					23,327,390.

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 12-2005)

JSA
7X1665 1.000

**Transactions Between Controlled Foreign Corporation
 and Shareholders or Other Related Persons**

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

04-3567502

Name of foreign corporation

INSHUTI MU BUZIMA - RWANDA

Important: Complete a **separate** Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ RWANDA- FRANC 526.3158

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.) . . .					
4 Buy-in payments received . . .					
5 Cost sharing payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services . .					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income). . . .					
10 Interest received.					
11 Premiums received for insurance or reinsurance.					
12 Add lines 1 through 11					
13 Purchases of stock in trade (inventory)					
14 Purchases of tangible property other than stock in trade. . . .					
15 Purchases of property rights (patents, trademarks, etc.) . . .					
16 Buy-in payments paid					
17 Cost sharing payments paid . .					
18 Compensation paid for technical, managerial, engineering, construction, or like services . .	897,830.				
19 Commissions paid					
20 Rents, royalties, and license fees paid					
21 Dividends paid					
22 Interest paid					
23 Premiums paid for insurance or reinsurance					
24 Add lines 13 through 23. . . .	897,830.				
25 Amounts borrowed (enter the maximum loan balance during the year) - see instructions . . .					
26 Amounts loaned (enter the maximum loan balance during the year) - see instructions . . .	8,779.				

INSHUTI MU BUZIMA - RWANDA

FORM 5471, PAGE 1 DETAIL

FORM 5471 PAGE ONE DETAIL

SEC D - PERSONS WITH WHOM, OR ON WHOSE BEHALF, THIS RETURN IS FILED

(A) NAME	(B) ADDRESS	(C) IDENTIFYING NUMBER	(D) CHECK APPLICABLE BOXES		
			SHARE- HOLDER	OFFICER	DIRECTOR
OPHELIA DAHL	641 HUNTINGTON AVE BOSTON, MA 02115	UPON REQUES			X

FORM 5471, PAGE 2 DETAIL

SCH C, LINE 15 - TAXES

	95,154,100.	180,793.
	-----	-----
TOTAL	95,154,100.	180,793.
	=====	=====

SCH C, LINE 16 - OTHER DEDUCTIONS

PHARMACEUTICALS	105,240,509.	199,957.
SUPPLIES, REPAIRS & MAINTENANCE	47,268,738.	89,811.
FOOD	204,475,793.	388,504.
ADVERTISING	1,754,920.	3,334.
TRAINING, EDUCATION & CONFERENCES	89,828,580.	170,674.
MISCELLANEOUS	5,899,766.	11,210.
COMMUNICATION, COMPUTERS&UTILITIES	22,595,265.	42,931.
TRAVEL	55,296,317.	105,063.
PAYROLL EXPENSES	103,583,873.	196,809.
PROGRAM EXPENSES	38,451,781.	73,058.
OUTSIDE SERVICES	7,011,732.	13,322.
CONSTRUCTION&RENOVATION	126,741,672.	240,809.
	-----	-----
TOTAL	808,148,946.	1,535,482.
	=====	=====

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01/2007, and ending 06/30/2007

Attachment Sequence No. **121**

▶ See separate instructions.

Name of person filing this return PARTNERS IN HEALTH, A NONPROFIT CORPORATION		A Identifying number 04-3567502
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 641 HUNTINGTON AVENUE		B Category of filer (See instructions. Check applicable box(es)): 1 (repealed) 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input type="checkbox"/>
City or town, state, and ZIP code BOSTON MA 02115		
Filer's tax year beginning <u>01/01/2007</u> , and ending <u>06/30/2007</u>		

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
SEE STATEMENT 1					

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation PARTNERS IN HEALTH-LESOTHO NEW EUROPA, 438 POPE JOHN PAUL II STREET MESERU, LT				b Employer identification number, if any FOREIGN	
				c Country under whose laws incorporated LESOTHO	
d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency	
	LT	624200	HEALTH CARE	LSL	

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States	b If a U.S. income tax return was filed, enter:	
	(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
c Name and address of foreign corporation's statutory or resident agent in country of incorporation	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different	

Schedule A Stock of the Foreign Corporation		
(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
	NONE	NONE

For Paperwork Reduction Act Notice, see instructions.

Schedule B U.S. Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. <i>Note: This description should match the corresponding description entered in Schedule A, column (a).</i>	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
PARTNERS IN HEALTH, A NON-PROFIT ORGANIZATION BOSTON MA 02115 04-3567502	FOREIGN CORPORATION	NONE		

Schedule C Income Statement (see instructions)

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
Income	1 a Gross receipts or sales	1 a 2, 515, 339.	352, 173.
	b Returns and allowances	1 b	
	c Subtract line 1b from line 1a	1 c 2, 515, 339.	352, 173.
	2 Cost of goods sold	2	
	3 Gross profit (subtract line 2 from line 1c)	3 2, 515, 339.	352, 173.
	4 Dividends	4	
	5 Interest	5 329.	46.
	6 a Gross rents	6 a	
	b Gross royalties and license fees	6 b	
7 Net gain or (loss) on sale of capital assets	7		
8 Other income (attach schedule)	8		
9 Total income (add lines 3 through 8)	9 2, 515, 668.	352, 219.	
Deductions	10 Compensation not deducted elsewhere	10 350, 748.	49, 108.
	11 a Rents	11 a 96, 440.	13, 503.
	b Royalties and license fees	11 b	
	12 Interest	12	
	13 Depreciation not deducted elsewhere	13 7, 985.	1, 118.
	14 Depletion	14	
	15 Taxes (exclude provision for income, war profits, and excess profits taxes)	15 6, 300.	882.
	16 Other deductions (attach schedule - exclude provision for income, war profits, and excess profits taxes)	16 1, 465, 522.	205, 188.
17 Total deductions (add lines 10 through 16)	17 1, 926, 995.	269, 799.	
Net Income	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18 588, 673.	82, 420.
	19 Extraordinary items and prior period adjustments (see instructions)	19	
	20 Provision for income, war profits, and excess profits taxes (see instructions)	20	
	21 Current year net income or (loss) per books (combine lines 18 through 20)	21 588, 673.	82, 420.

Schedule E **Income, War Profits, and Excess Profits Taxes Paid or Accrued** (see instructions)

(a) Name of country or U.S. possession	Amount of tax		
	(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1 U.S.			
2 LESOTHO	NONE	7.1423	NONE
3			
4			
5			
6			
7			
8 Total			NONE

Schedule F **Balance Sheet**

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a)	(b)
		Beginning of annual accounting period	End of annual accounting period
1 Cash	1	58,850.	50,760.
2a Trade notes and accounts receivable	2a	37,198.	1,582.
b Less allowance for bad debts	2b	()	()
3 Inventories	3		
4 Other current assets (attach schedule) SEE STATEMENT 3	4	NONE	126,628.
5 Loans to shareholders and other related persons	5		
6 Investment in subsidiaries (attach schedule)	6		
7 Other investments (attach schedule)	7		
8a Buildings and other depreciable assets	8a		
b Less accumulated depreciation	8b	()	()
9a Depletable assets	9a		
b Less accumulated depletion	9b	()	()
10 Land (net of any amortization)	10		
11 Intangible assets:			
a Goodwill	11a		
b Organization costs	11b		
c Patents, trademarks, and other intangible assets	11c		
d Less accumulated amortization for lines 11a, b, and c	11d	()	()
12 Other assets (attach schedule)	12		
13 Total assets	13	96,048.	178,970.
Liabilities and Shareholders' Equity			
14 Accounts payable	14	NONE	1,169.
15 Other current liabilities (attach schedule)	15		
16 Loans from shareholders and other related persons	16		
17 Other liabilities (attach schedule)	17		
18 Capital stock:			
a Preferred stock	18a		
b Common stock	18b		
19 Paid-in or capital surplus (attach reconciliation)	19		
20 Retained earnings	20	96,048.	177,801.
21 Less cost of treasury stock	21	()	()
22 Total liabilities and shareholders' equity	22	96,048.	178,970.

Schedule G Other Information

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?
2 During the tax year, did the foreign corporation own an interest in any trust?
3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners...
4 During the tax year, was the foreign corporation a participant in any cost sharing arrangement?
5 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?

Schedule H Current Earnings and Profits (see instructions)

Important: Enter the amounts on lines 1 through 5c in functional currency.

Table with 5 main rows and sub-rows (a-h) for adjustments. Includes columns for Net Additions and Net Subtractions. Values include 588,673 and 82,420.

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

Table with 8 rows for shareholder income items: Subpart F income, Earnings invested in U.S. property, Previously excluded subpart F income, etc.

- Was any income of the foreign corporation blocked?
Did any such income become unblocked during the tax year (see section 964(b))?
If the answer to either question is "Yes," attach an explanation.

**SCHEDULE J
(Form 5471)**

(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ **Attach to Form 5471. See Instructions for Form 5471.**

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION
Name of foreign corporation

04-3567502

PARTNERS IN HEALTH-LESOTHO

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	643,927.					643,927.
2a Current year E&P	588,673.					
b Current year deficit in E&P						
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	1,232,600.					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)						
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	1,232,600.					
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	1,232,600.					1,232,600.

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 12-2005)

JSA
7X1665 1.000

**Transactions Between Controlled Foreign Corporation
 and Shareholders or Other Related Persons**

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

04-3567502

Name of foreign corporation

PARTNERS IN HEALTH-LESOTHO

Important: Complete a **separate** Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ LSL

7.1423

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.) . . .					
4 Buy-in payments received . . .					
5 Cost sharing payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services . .					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income). . . .					
10 Interest received.					
11 Premiums received for insurance or reinsurance.					
12 Add lines 1 through 11					
13 Purchases of stock in trade (inventory)					
14 Purchases of tangible property other than stock in trade. . . .					
15 Purchases of property rights (patents, trademarks, etc.) . . .					
16 Buy-in payments paid					
17 Cost sharing payments paid . .					
18 Compensation paid for technical, managerial, engineering, construction, or like services . .	49,108.				
19 Commissions paid					
20 Rents, royalties, and license fees paid					
21 Dividends paid					
22 Interest paid					
23 Premiums paid for insurance or reinsurance					
24 Add lines 13 through 23. . . .	49,108.				
25 Amounts borrowed (enter the maximum loan balance during the year) - see instructions . . .					
26 Amounts loaned (enter the maximum loan balance during the year) - see instructions . . .	1,169.				

PARTNERS IN HEALTH-LESOTHO

FORM 5471, PAGE 1 DETAIL

FORM 5471 PAGE ONE DETAIL

SEC D - PERSONS WITH WHOM, OR ON WHOSE BEHALF, THIS RETURN IS FILED

(A) NAME	(B) ADDRESS	(C) IDENTIFYING NUMBER	(D) CHECK APPLICABLE BOXES		
			SHARE-HOLDER	OFFICER	DIRECTOR
OPHELIA DAHL	641 HUNGTIONTON AVENUE BOSTON, MA 02115	UPON REQUES			X

FORM 5471, PAGE 2 DETAIL

SCH C, LINE 15 - TAXES

	6,300.	882.
	-----	-----
TOTAL	6,300.	882.
	=====	=====

SCH C, LINE 16 - OTHER DEDUCTIONS

PROGRAM RESOURCES	222,489.	31,151.
PHARMACEUTICALS	28,891.	4,045.
OUTSIDE SERVICES	300,995.	42,142.
TRAVEL	163,246.	22,856.
COMMUNICATION, COMPUTER & UTILITIES	92,014.	12,883.
TRAINING, EDUCATION & CONFERENCES	73,461.	10,285.
SUPPLIES, REPAIRS & MAINTENANCE	364,608.	51,049.
FURNITURE & EQUIPMENT	116,132.	16,260.
MISCELLANEOUS	103,686.	14,517.
	-----	-----
TOTAL	1,465,522.	205,188.
	=====	=====

FORM 5471, PAGE 3 DETAIL

	BEGINNING	ENDING
	-----	-----
	US CURRENCY	US CURRENCY
	-----	-----
SCH F, LINE 4 - OTHER CURRENT ASSETS		

FIXED ASSETS	NONE	10,058.
GRANT RECEIVABLE	NONE	116,570.
	-----	-----
TOTALS	NONE	126,628.
	=====	=====

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01/2007, and ending 06/30/2007

Attachment Sequence No. **121**

▶ See separate instructions.

Name of person filing this return PARTNERS IN HEALTH, A NONPROFIT CORPORATION		A Identifying number 04-3567502
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 641 HUNTINGTON AVENUE		B Category of filer (See instructions. Check applicable box(es)): 1 (repealed) 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input type="checkbox"/>
City or town, state, and ZIP code BOSTON MA 02115		C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period _____ %
Filer's tax year beginning <u>01/01/2007</u> , and ending <u>06/30/2007</u>		

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
SEE STATEMENT 1					

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation PARTNERS IN HEALTH - MALAWI P. O. BOX 56 * NENO BOMA NENO DISTRICT, MI				b Employer identification number, if any FOREIGN	
				c Country under whose laws incorporated MALAWI	
d Date of incorporation	e Principal place of business MI	f Principal business activity code number 624200	g Principal business activity HEALTHCARE	h Functional currency KWACHA	

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States	b If a U.S. income tax return was filed, enter:	
	(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
c Name and address of foreign corporation's statutory or resident agent in country of incorporation	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different	

Schedule A Stock of the Foreign Corporation

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
	NONE	NONE

For Paperwork Reduction Act Notice, see instructions.

Schedule E **Income, War Profits, and Excess Profits Taxes Paid or Accrued** (see instructions)

	(a) Name of country or U.S. possession	Amount of tax		
		(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1	U.S.			
2	KWACHA	NONE	135.5014	NONE
3				
4				
5				
6				
7				
8	Total			NONE

Schedule F **Balance Sheet**

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	NONE	96,008.
2a	Trade notes and accounts receivable		
b	Less allowance for bad debts	()	()
3	Inventories		
4	Other current assets (attach schedule)		
5	Loans to shareholders and other related persons		
6	Investment in subsidiaries (attach schedule)		
7	Other investments (attach schedule)		
8a	Buildings and other depreciable assets		
b	Less accumulated depreciation	()	()
9a	Depletable assets		
b	Less accumulated depletion	()	()
10	Land (net of any amortization)		
11	Intangible assets:		
a	Goodwill		
b	Organization costs		
c	Patents, trademarks, and other intangible assets		
d	Less accumulated amortization for lines 11a, b, and c	()	()
12	Other assets (attach schedule)		
13	Total assets	NONE	96,008.
Liabilities and Shareholders' Equity			
14	Accounts payable	NONE	2,732.
15	Other current liabilities (attach schedule)		
16	Loans from shareholders and other related persons		
17	Other liabilities (attach schedule)		
18	Capital stock:		
a	Preferred stock		
b	Common stock		
19	Paid-in or capital surplus (attach reconciliation)		
20	Retained earnings	NONE	93,276.
21	Less cost of treasury stock	()	()
22	Total liabilities and shareholders' equity	NONE	96,008.

Schedule G Other Information

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?
2 During the tax year, did the foreign corporation own an interest in any trust?
3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners...
4 During the tax year, was the foreign corporation a participant in any cost sharing arrangement?
5 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?

Schedule H Current Earnings and Profits (see instructions)

Important: Enter the amounts on lines 1 through 5c in functional currency.

Table with columns for Net Additions and Net Subtractions. Line 1: Current year net income or (loss) per foreign books of account: 12,781,938. Line 2: Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards. Line 3: Total net additions. Line 4: Total net subtractions. Line 5a: Current earnings and profits (line 1 plus line 3 minus line 4): 12,781,938. Line 5b: DASTM gain or (loss) for foreign corporations that use DASTM. Line 5c: Combine lines 5a and 5b: 12,781,938. Line 5d: Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)): 94,331. Exchange rate used for line 5d: 135.5014.

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

Table with 8 rows for shareholder income items: 1 Subpart F income, 2 Earnings invested in U.S. property, 3 Previously excluded subpart F income withdrawn from qualified investments, 4 Previously excluded export trade income withdrawn from investment in export trade assets, 5 Factoring income, 6 Total of lines 1 through 5, 7 Dividends received, 8 Exchange gain or (loss) on a distribution of previously taxed income.

- Was any income of the foreign corporation blocked?
Did any such income become unblocked during the tax year (see section 964(b))?
If the answer to either question is "Yes," attach an explanation.

**SCHEDULE J
(Form 5471)**

(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION
Name of foreign corporation

04-3567502

PARTNERS IN HEALTH - MALAWI

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	NONE					NONE
2a Current year E&P	12,781,938.					
b Current year deficit in E&P						
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	12,781,938.					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)						
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	12,781,938.					
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	12,781,938.					12,781,938.

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 12-2005)

JSA
7X1665 1.000

**Transactions Between Controlled Foreign Corporation
 and Shareholders or Other Related Persons**

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

04-3567502

Name of foreign corporation

PARTNERS IN HEALTH - MALAWI

Important: Complete a **separate** Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ KWACHA

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.) . . .					
4 Buy-in payments received . . .					
5 Cost sharing payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services . .					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income). . . .					
10 Interest received.					
11 Premiums received for insurance or reinsurance.					
12 Add lines 1 through 11					
13 Purchases of stock in trade (inventory)					
14 Purchases of tangible property other than stock in trade. . . .					
15 Purchases of property rights (patents, trademarks, etc.) . . .					
16 Buy-in payments paid					
17 Cost sharing payments paid . .					
18 Compensation paid for technical, managerial, engineering, construction, or like services . .	2,425.				
19 Commissions paid					
20 Rents, royalties, and license fees paid					
21 Dividends paid					
22 Interest paid					
23 Premiums paid for insurance or reinsurance					
24 Add lines 13 through 23.	2,425.				
25 Amounts borrowed (enter the maximum loan balance during the year) - see instructions . . .					
26 Amounts loaned (enter the maximum loan balance during the year) - see instructions . . .					

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule M (Form 5471) (Rev. 12-2007)

PARTNERS IN HEALTH - MALAWI

FORM 5471, PAGE 1 DETAIL

FORM 5471 PAGE ONE DETAIL

SEC D - PERSONS WITH WHOM, OR ON WHOSE BEHALF, THIS RETURN IS FILED

(A) NAME	(B) ADDRESS	(C) IDENTIFYING NUMBER	(D) CHECK APPLICABLE BOXES		
			SHARE-HOLDER	OFFICER	DIRECTOR
OPHELIA DAHL	641 HUNTINGTON AVE BOSTON, MA 02115				X

FORM 5471, PAGE 2 DETAIL

SCH C, LINE 16 - OTHER DEDUCTIONS

PHARMACEUTICALS	2,115,399.	15,612.
INSURANCE	786,176.	5,802.
TRAVEL	2,094,512.	15,457.
COMMUNICATION, COMPUTER & UTILITIES	167,540.	1,236.
TRAINING, EDUCATION & CONFERENCES	1,605,827.	11,851.
SUPPLIES, REPAIRS & MAINTENANCE	4,434,148.	32,724.
CONSTRUCTION/EQUIPMENT	1,889,650.	13,946.
	-----	-----
TOTAL	13,093,252.	96,628.
	=====	=====