



VITAMIN ANGELS ANNUAL REPORT



FISCAL YEAR 2012

A LETTER FROM OUR PRESIDENT AND FOUNDER, HOWARD SCHIFFER

Dear Friends,

My journey with Vitamin Angels has taught me that sometimes, if we're lucky, we get to do something great in our lifetime. It may be a small act of kindness or just getting to show up for someone you love. Occasionally we're called on to do something really important. We may not have the credentials or the knowledge or the connections, but something calls to us, compelling us to act. Beyond all reason, without any understanding of how we could take on such a task, we step forward. And in that one decision, in that moment of conviction and faith, we are met by grace and untold blessings. That has been the story of Vitamin Angels' existence since the day it was founded. Courageous individuals continue to step forward and accept the challenge. To be bold. To be unreasonable. Together we can reach millions of children.



These children are not being heard today. We need to be their voice. We need to commit to them that we will do everything in our power to help get them the vitamins they need. I know that everyone at Vitamin Angels is holding hands and stepping forward. And I trust that, together, we will accomplish great things. Here is a recap of some of our recent accomplishments:

In December of last year, I had the privilege of watching as our vitamin A was distributed to thousands of children in Vietnam. Our program there is now nationwide, with distribution to 2.3 million children! This really exemplifies the level at which Vitamin Angels is now playing. In total, we reached nearly 27 million children in 46 countries in 2012.

In addition to partnering with international NGOs, Vitamin Angels is also working with hundreds of small in-country non-profit organizations including faith-based groups, regional clinics, maternity centers, and preschools at home and abroad to deliver vitamin A, children's multivitamins, and prenatal vitamins to underserved populations worldwide.

We are proud to announce that Dr. Robert Black from Johns Hopkins University joined our Board of Directors this year. Dr. Black is one of the preeminent public health doctors in the world today and adds tremendous support to Dr. Ajello on the strategic direction of our Programs Division.

Our retail and vendor campaigns continue to grow, both with our long-term supporters like the Vitamin Shoppe, Vitamin World, and Whole Foods Market, as well as internationally recognized brands including vitaminwater®, Sam's Club, and Flintstones™, as well as hundreds of other vendors and retailers who all truly value and support Vitamin Angels' mission.

Vitamin Angels received our 5th consecutive 4-star rating (the highest!) from Charity Navigator this year, in addition to being named one of the evaluator's Top 10 Highly Rated Charities Relying Solely on Private Contributions.

Thank you for your ongoing support.

Upwards!

A stylized, handwritten signature in black ink that reads "Howard". The signature is fluid and cursive, with a long, sweeping underline that extends down the left side of the page.

HOWARD. B SCHIFFER
PRESIDENT AND FOUNDER

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PREFACE

Vitamin Angels is a 501(c)3 tax-exempt organization, incorporated in the State of California (1998) and headquartered in Santa Barbara, California. Vitamin Angels operates globally, through recipients in Africa, Asia, Latin America, and the United States; and currently supports projects in 46 countries.

Our *mission* is to mobilize and deploy private sector resources to advance availability, access and use of micronutrients, especially vitamin A, among at-risk populations worldwide. In realizing our mission, we seek to reduce mortality and illness among infants and young children 6–59 months by connecting them with vitamin A; and to promote physical and cognitive development among infants and young children 6–59 months by connecting pregnant and new mothers, and young children 6–59 months with essential micronutrients (commonly known as multivitamins).

Vitamin Angels is driven by entrepreneurial individuals drawing upon private sector know-how and sound business practices to source and distribute essential micronutrients in the most efficient manner possible to achieve programmatic results that rest upon evidence-based research.

This Fiscal Year 2012 Annual Report focuses on both programmatic and financial results.

VITAMIN ANGELS – AT A GLANCE

TABLE 1.¹

International Vitamin A Program	FY 2012
Beneficiaries reached	26,381,250
Doses of vitamin A distributed	59,086,000
Doses of Albendazole distributed	13,475,000
Number of countries	38
Number of grantees	215
Number of implementation partners	4
International Multivitamin Program	
Beneficiaries reached	267,443
Doses of multivitamins distributed	97,616,780
Number of countries	29
Number of grantees	80
Number of implementation partners	1
Domestic Program	
Beneficiaries reached	67,618
Doses of multivitamins distributed	24,680,580
Number of states	20
Number of grantees	38
Total Program Beneficiaries/Doses	
Total Beneficiaries Reached	26,716,311
Total Doses Distributed	181,383,360
Financials	
Cash donations	5,501,785
Gifts-in-Kind	24,438,454
Total Revenues	29,940,239
Personnel	
Number of employees	19
Interns	1
Board of Directors	8
Board of Advisors	14

¹ In FY 2012, Vitamin Angels re-organized our communications platform to refer to our programs as “international” and “domestic”, and discontinued the use of the program names “Operation 20/20” which referred to our vitamin A program, and “Thrive to Five” which covered multivitamins for children under five and pregnant or nursing mothers. The goals and administration of our programs remain the same, only the way in which they are referenced has changed.



1. INTRODUCTION

Fiscal Year (FY) 2012 represents a period of continued growth for Vitamin Angels (VA). FY 2012 is Vitamin Angels' second year of operations under its second Strategic Plan (FY 2011 – FY 2013).

REVIEW OF THREE-YEAR ORGANIZATIONAL GOALS:

1. *STRENGTHEN OUR CAPACITY TO GENERATE REVENUES, INCLUDING BOTH CASH AND GIFTS-IN-KIND (GIK) AND DELIVER MORE REVENUES.* VA seeks to greatly strengthen its development function and secure significantly more revenues that are foundational to VA's ability to execute all other organizational goals.
2. *EXPAND OUR TECHNICAL CAPACITY TO SUPPORT PROGRAMS.* VA seeks to add additional skilled human resources (full time and consultant advisors) to do what it already does to reach more beneficiaries, and to better support VA's current and evolving roles. VA seeks to build its capacity in: monitoring and evaluation, technical design and implementation of projects, and deployment of technical assistance, all while identifying innovations and bringing these into everyday practice.
3. *EXPAND OUR CORPORATE SERVICES FUNCTIONS.* VA seeks to continue to define and expand the role of the Corporate Services Division as a support unit servicing the needs of the other divisions; and to continue to introduce or strengthen core corporate services and systems that facilitate the work of the other VA divisions – including financial reporting, legal analysis, contracts administration, and logistics support.
4. *FINE-TUNE ORGANIZATIONAL STRUCTURES AND THEIR FUNCTIONS.* VA seeks to continue examining the Board of Directors (BoD), Board of Advisors (BoA), management and operational level organization and structures; to identify ways to strengthen collaborative functioning among structures; to identify new competencies needed to support VA's evolution; to engage individuals with the identified competencies; and to provide for on-going professional development of staff.

5. *CONSOLIDATE AND PROMOTE THE VA BRAND.* VA seeks to establish its core positioning and messaging and calibrate its messaging for key stakeholders (i.e., both internal and external to VA); and to promote and build the VA Brand into a vibrant and sustainable experience that reinforces VA's vision and mission.

Vitamin Angels Operational Plan for 2012 established a robust set of specific and quantified objectives in keeping with our progress toward the above identified three-year goals.

OVERVIEW OF ORGANIZATIONAL OBJECTIVES FOR 2012:

- *REVENUE GENERATION:*
 - Generate sufficient cash revenues (\$4.51MM) plus GIK (or cash equivalent) to meet all organizational goals.
 - With the addition of a Director of Development, strengthen or identify systems, policies and procedures for divisional systems.
 - Administer VA's donor recognition program in a way that serves donors and VA's cause.
- *TECHNICAL CAPACITY:*
 - Reach at least 30MM beneficiaries among at-risk, underserved populations by maintaining assistance activities internationally and domestically.
 - Enhancing monitoring and evaluation initiative to build and implement a more robust monitoring and evaluation capacity that supports and addresses both VA's needs and those of its grantees.
 - Maintaining or creating new technical resources and using these in conjunction with providing technical assistance to all new grantees and at least 30% of VA's ongoing grantees.
 - Continue multi-year initiative to expand VA's vitamin A program in India.
 - Continuing working to create a finished product technical specification for VA's multivitamin products.
 - Launch multi-year initiative to deploy multi-micronutrient powders (MNPs) in Haiti through an innovative distribution channel (a micro-finance cooperative).
- *CORPORATE SERVICES PROGRESS:*
 - Strengthening finance and accounting by procuring third party software to process donations, support more efficient donor recognition, and allow for frequent and timely financial reporting.
 - Strengthen VA's human resource function.
 - Improve inventory, logistics, database and legal document management.
- *BRANDING:*
 - Planning and executing marketing and communication initiatives designed to raise awareness about VA.
 - Raising VA's visibility among the public, counterpart technical agencies, and donor constituencies.
 - Leveraging the resources of VA's global promotional partners to advance/multiply VA's marketing and communications capacity,

This FY 2012 Annual Report emphasizes results achieved by Vitamin Angels across all areas of operations.



2. HIGHLIGHTS OF FY 2012

FY 2012 highlights include:

- *BUILDING A ROBUST AND RELIABLE REVENUE STREAM.* Owing to a number of variables, Vitamin Angels has been successful in securing sufficient funds to not only maintain, but expand the number of beneficiaries served by the organization year upon year. The positive perception of the organization from its core base of support – companies in the natural products industry – continues to provide the revenue from which VA can build a solid foundation. Additionally, thanks to the success of high profile partnerships with key industry retailers, more and more vendors continue to sign on to promotions and vice versa.

FY 2012 also saw the introduction of several international players from outside the natural products industry, which not only added to VA's existing revenue stream, but provided increased global exposure for the organization.

- *EXPANDING NUMBERS OF BENEFICIARIES REACHED.* In our first Strategic Plan, Vitamin Angels set a baseline or minimum target of 2.5 million vitamin A beneficiaries per year as an averaged target. Vitamin Angels' actual performance over the Strategic Plan period was significantly better. In FY 2008, Vitamin Angels reached just under 2.3 million beneficiaries globally with vitamin A, and in FY 2009, more than doubled the number of beneficiaries to over 8 million. In FY 2010, Vitamin Angels again more than doubled its reach, extending vitamin A to more than 22.5 million beneficiaries thanks, in large part, to the generosity of our donors. Vitamin Angels' beneficiary reach continued to grow, with a total of 24.8 million beneficiaries reached in FY 2011, and a reach of 26.7 million children in 46 countries around the world in FY 2012. Vitamin Angels also reached over 260,000 beneficiaries with multivitamins in FY 2012 through our international program, and greatly expanded our multivitamin program in the United States, reaching nearly 70,000 women and children nationwide.

In FY 2012, Vitamin Angels' Program Division continued application of its proven approach to provide direct assistance to numerous grantees as we have in the past. But in addition, we began a long process to add a capacity to act more as a development agency that works to

catalyze locally sustainable micronutrient supply and distribution systems. This has required a major change in operations. In the past VA has taken full responsibility to operate its own supply and distribution system in which our grantees played the role of distributors. In FY 2012, while we continued to operate our own supply and distribution system, increasingly we have been working with grantees who seek to take local responsibility for the problem of micronutrient deficiency and seek to build and operate their own distribution networks or even their own supply and distribution networks. In so doing, VA continues to ensure grantees have access to high quality products, but also works to ensure they have access to the requisite technical assistance to build and operate their own supply and distribution systems.

- *ENHANCING OUR ORGANIZATIONAL CAPACITY.* Vitamin Angels continues to make strong progress on multi-year process to bring new efficiencies to our business operations with special emphasis on financial controls and risk management.

During FY 2012, Vitamin Angels' Corporate Services Division made routine fiscal and financial discipline even more of a reality by continued execution of previously planned and incrementally applied initiatives for robust, systematic financial planning, structuring data collection an system, application of financial controls and attention to risk management. The collective result of these many efforts is reflected in VA being awarded its fifth consecutive 4-star Charity Navigator rating, and being named on their list of Top 10 Highly Rated Charities Relying Solely on Private Contributions.

- *HEIGHTENING VA'S PROFILE* During FY 2012, the Marketing Division added capacity allowing it to function as a unique division within Vitamin Angels which creates and produces content to advance awareness, engagement, and conversions for external stakeholder audiences. In 2012, the Marketing team substantially increased VA's public profile via social channels, while also creating unique fundraising campaigns targeted toward our existing audience.

Additionally, the Marketing Division has firmly established itself as a valuable resource and collaborator in working with corporate donors to build successful cause-marketing programs and communicate those programs to donor audiences.



3. PROGRAM PERFORMANCE

As a service organization, we exist to fulfil our mission to mobilize and deploy private sector resources to advance availability, access and use of micronutrients, especially vitamin A, among at-risk populations worldwide. As such our primary focus, and ultimately the metric by which we measure ourselves – and by which we expect to be measured – is the number of children and women we reach with lifesaving and life changing vitamins and minerals. It should be noted that Vitamin Angels does not formally collect or analyze health survey data as the interventions we conduct, especially vitamin A supplementation, are one of the top health interventions recommended by the WHO and UNICEF. However, we do require our grantees to submit reporting on a bi-annual basis to be evaluated for the number of children reached, their programs and distribution models, case studies of children served, the effects of the vitamin distributions in the communities served, and feedback about the implementation. Additionally, we continue to work toward conducting technical field visits in targeted regions to do on-site monitoring of vitamin distributions and conduct trainings for field health service providers. Typically health care providers and/or family care givers report that children receiving vitamin A and/or multivitamins are healthier (get sick less often), have more energy and are able to pay better attention in school. Mothers receiving prenatal vitamins regularly report having easier pregnancies and deliveries, plentiful breast milk, and bigger, healthier babies.

REACHING BENEFICIARIES

- *NUMBERS OF BENEFICIARIES AND NUMBER OF DOSES.* **TABLE 2** shows the total number of beneficiaries reached in 2012 and the corresponding number of doses of either vitamin A or multivitamins distributed as compared to beneficiaries reached in FY 2011. It should also be noted that VA distributed 13,475,000 doses of anti-parasitic treatments (albendazole), in selected countries at the same time as we distributed vitamin A. Albendazole is an important complement to VAS in countries where intestinal worms are known to be endemic because these parasites compete for available vitamin A.

TABLE 2 shows that Vitamin Angels increased the total number of vitamin A beneficiaries reached in FY 2012 over those reached in FY 2011 by 7.3%. Although in previous years, VA experienced year-over-year doubling of beneficiaries served, in FY 2012, VA intentionally slowed growth in

numbers of beneficiaries served in order to plan and initiate execution of a major process evaluation and a corresponding expansion of its technical assistance capacity – both of which were anticipated to require significant resources. Nonetheless, thanks to the extraordinary generosity of our donors, a robust business model, and improved operations, VA was still able reach more beneficiaries in FY 2012 than ever before while also taking important steps to document our results and point the way toward quality improvement. It may be noted that our multivitamin program declined by more than 15% between FY 2011 and FY 2012. Vitamin Angels relies solely on in-kind contributions of multivitamins from our donors, therefore this decline is the result of fewer donations of multivitamins received in FY2012. Vitamin Angels mitigates against these fluctuations by holding on to a small percentage of product in inventory to ensure our support of ongoing programs is not impacted by these fluctuations.

TABLE 2. 2012 NUMBER OF BENEFICIARIES REACHED AND NUMBER OF DOSES DISTRIBUTED

Combined Program Performance By Beneficiaries Served and Number of Doses Distributed				
	Vitamin A Beneficiaries	Multivitamins Beneficiaries	Total Beneficiaries	Total Doses Distributed
FY 2011	24,459,500	386,955	24,846,455	185,134,750
FY 2012	26,381,250	335,061	26,716,311 ²	181,383,360
% change	7.3%	-15.5%	7%	-2%

We are extremely pleased that by the close of FY 2012, Vitamin Angels mobilized and deployed sufficient vitamin A to reach nearly approximately 20% of unmet global need for vitamin A.

- *COUNTRIES IN WHICH PROGRAMS OPERATE.* **TABLE 3** shows the total number countries in which each of Vitamin Angels' programs operated in FY 2012 as compared to FY 2011. The expansion of the number of international project countries in FY 2012 reflects both Vitamin Angels' prioritization of vitamin A supplementation (VAS) and our improved capacity to identify and qualify local NGOs able to undertake new VAS projects in countries experiencing *moderate to severe* vitamin A deficiency (VAD) as defined by the World Health Organization (WHO).

TABLE 3. TOTAL NUMBER OF PROJECT COUNTRIES

Number of Project Countries			
	2011	2012	% change
Total Project Countries	38	46	17%

TABLE 4 shows a breakdown of each country in which VA operated in FY 2012 and the number of beneficiaries in each country receiving vitamin A and/or multivitamins. *Note because some children receive both bi-annual vitamin A and daily multivitamins the total beneficiary count from this table will not match the beneficiary count in **TABLE 2**.

² Represents roughly 20% of global unmet need

TABLE 4. COUNTRIES SERVED AND BENEFICIARIES REACHED IN EACH

Countries Served and Beneficiaries Reached			
	Vitamin A	Multivitamins	Albendazole
Burundi	1,369,500	0	321,500
Cameroon	72,000	1,816	36,000
Chad	1,273,750	33	0
Congo (DRC)	1,950,500	869	321,000
Ethiopia	25,000	0	0
Gambia	32,000	0	0
Ghana	391,000	4,144	150,000
Kenya	93,750	4,808	20,000
Lesotho	7,500	0	0
Malawi	2,605,500	5,033	324,000
Mali	412,000	0	307,500
Mozambique	1,229,500	0	931,500
Nigeria	13,000	6,106	0
Senegal	24,250	0	0
Sierra Leone	11,000	12,582	0
Somalia	218,000	5,033	0
Swaziland	29,250	0	0
Tanzania	1,000	0	0
Uganda	2,132,750	1,441	685,500
Zambia	500,000	0	0
Afghanistan	1,000	0	0
Bangladesh	0	150	0
Cambodia	2,750	3,466	1,750
Gaza	177,500	0	0
India	2,998,750	0	1,910,000
Laos	0	93	0
Myanmar	0	159	0
Nepal	0	15,738	0
Pakistan	80,000	5,033	0
Philippines	96,500	10,433	0
Romania	40,000	0	0
Thailand	6,250	0	0
Uzbekistan	0	10,066	0
Vietnam	7,266,750	1,578	0
Belize	0	3,378	27,000
Dominican Republic	43,750	32,320	29,000
Ecuador	0	323	0
El Salvador	6,250	4,834	0
Guatemala	880,500	24,714	735,250
Haiti	111,250	38,582	98,750

Honduras	1,253,000	27,637	1,750
Nicaragua	688,250	2,900	529,750
Panama	1,500	93	0
Peru	500	0	0
USA	0	67,618	0
Other	335,500	47,167	307,250
Total	26,381,250	338,147	6,737,500

- *NUMBER OF GRANTEES AND IMPLEMENTATION PARTNERS.* **TABLE 5** shows the number of grantee and implementation partnerships in which Vitamin Angels participated in FY 2012 as compared to FY 2011. Vitamin Angels experienced a 100% increase in grantee partnerships in FY 2012. It is anticipated that our emphasis on “project” oriented relationships will continue (usually 1-3 years) for the foreseeable future and will provide a foundation for continued growth and presence by Vitamin Angels in priority countries for VAS and essential multivitamin supplementation.

TABLE 5. NUMBER OF PROJECT PARTNERSHIPS IN FY 2011 – FY 2012

Number of Vitamin Angels Grantees & Implementation Partners		
	2011	2012
Grantees	133	267
Implementation Partners	3	4



4. FORGING RELATIONSHIPS

Vitamin Angels is extremely grateful for the significant value that key partner groups bring to how Vitamin Angels conducts its operations. In FY 2012, Vitamin Angels continued to develop, or initiated productive relationships, in three broad groups: grantees and implementation partners, technical counterpart agencies, and manufacturing and commercial technical representatives.

- *GRANTEES AND IMPLEMENTATION PARTNERS.* Vitamin Angels undertook steps in FY 2012 to maintain or engage for the first time, relationships with numerous grantees and implementation partners as noted in section 3. An important element of Vitamin Angels' success is our ability to leverage our resources against those of our grantee and implementation partner organizations. Indeed, Vitamin Angels believes that we are able to leverage more in value from our local partners than the value of the products we actually distribute to partners – consequently every donation made to Vitamin Angels is subject to a significant multiplier effect.
- *TECHNICAL COUNTERPART AGENCIES.* Vitamin Angels undertook steps in FY 2012 to maintain ongoing relationships with or engage anew with several groups that we collectively refer to as technical counterpart agencies – groups with whom we interact, share experiences, or cultivate technical exchanges in a spirit of sharing information in an effort to strengthen Vitamin Angels' programs and projects, including:
 - The Micronutrient Initiative
 - WHO Technical Committee for Vitamin A
 - Home Fortification Technical Advisory Group
 - The Johns Hopkins University Center for Human Nutrition
 - Sight and Life

Interaction with such groups provides Vitamin Angels access to global leaders who are working to set international micronutrient policy and conduct relevant research, and provides opportunities for Vitamin Angels to grow in technical competence or improve our program operations. These relationships, during FY 2012, lead directly to enabling Vitamin Angels to

provide up-to-date technical guidelines and assistance for the administration of VAS and other essential micronutrients – that are consistent and conformant with international best practice – to all Vitamin Angels grantees and implementation partners.

- *MANUFACTURING AND COMMERCIAL REPRESENTATIVES.* During FY 2012, Vitamin Angels' program and project quality was positively impacted by technical resources found in the private sector. Vitamin Angels worked to strengthen its relationships with several manufacturing and other commercial technical service providers who have donated significant time, energy, and resources to support the technical quality of Vitamin Angels programs and projects. Key relationships on which we drew in FY 2012 included:
 - Banner Pharmacaps – provided significant technical assistance to support our understanding of packaging, manufacturing, and storage of vitamin A.
 - NSF International – provided robust assistance to support our efforts to create technical specifications for vitamin A that are consistent with international standards for Vitamin Angels' use when interacting with gift-in-kind donors who wish to manufacture and donate vitamin A to VA.
 - John S. James, Co. – provided follow-up guidance on practical implementation of Vitamin Angels' efforts to strengthen our distribution logistics operations.



5. OUR DONORS

As an organization that relies exclusively on private contributions, Vitamin Angels knows that sophisticated donors rely on performance, accountability, and transparency when choosing the beneficiary of their charitable giving. In order to fulfill our mission and maintain the trust of our donors, it is our responsibility to manage the contributions we receive with great care.

Vitamin Angels remains committed to reaching the children most in need with essential nutrients in the most efficient and effective way possible. We value every donation because we know it will help give children around the world a chance for a brighter future.

We would like to recognize contributions from groups in four broad categories:

- *CORPORATE CASH DONORS.* In 2012, Vitamin Angels continued to leverage relationships with private corporate donations of cash through philanthropic giving and cause-marketing based fundraising strategies.
- *GIFT-IN-KIND DONORS.* Corporate contributions of raw materials, services, or finished product are essential to the continuation of Vitamin Angels' programs. Of particular need are high dose vitamin A, essential multivitamins or children and pregnant and nursing mothers, and albendazole.
- *SERVICES DONORS.* In FY 2012, Vitamin Angels received significant support through volunteered time and professional services rendered in fields ranging from legal counsel to shipping and logistics and advertising space.
- *INDIVIDUAL DONORS.* Numerous individuals supported Vitamin Angels through cash donations or personal fundraising efforts including parties held to benefit the organization, or athletic events to raise money, among others.

For a complete list of VA's cash, gift-in-kind, and services donors please refer to **ATTACHMENT II: 2012 CONTRIBUTORS TO VITAMIN ANGELS.**



6. FINANCIAL PERFORMANCE

Vitamin Angels continued to enjoy strong financial performance in FY 2012 despite continued economic difficulties in the United States. Key accomplishments for FY 2012 include:

- 38% increase in total cash revenues.
- Improved efficiency as measured by program expenditures as a percentage of total expenditures, and
- Recognition by Charity Navigator reflected in Vitamin Angels achieving a fifth consecutive 4-star rating. Named a Top 10 Charity Relying Solely on Private Contributions.

VA's financial performance is summarized in **TABLE 6**.

TABLE 6. VA FINANCIAL PERFORMANCE BY FISCAL YEAR

Financial Performance in FY 2011 and FY 2012			
	FY 2011	FY 2012	% Change
Cash Revenues	\$3,433,564	\$5,501,785	38%
Gifts-in-Kind Revenues	\$13,854,886	\$24,438,454	43%
Total Revenues	\$17,278,255	\$29,940,239	42%
Charity Navigator Rating	4 stars	4 stars	-

REVENUES. TABLE 6 shows Vitamin Angels experienced a 38% increase in cash revenues in FY 2012 as compared to FY 2011, an increase that is attributable to improvements in Vitamin Angels' Development operations and a heightened brand profile. Vitamin Angels experienced a 43% increase in gifts-in-kind (GIK) during FY 2012 as compared to FY 2011. This change is partly offset by the decline experience in FY 2011's contributions over FY 2010 due to a decline in the standard valuation of anti-parasitic tablets distributed by the organization as well as the favorable inventory position in which Vitamin Angels entered FY 2012.

CHARITY NAVIGATOR. Vitamin Angels is again pleased and honored to receive a 4-star rating from Charity Navigator in FY 2012. Please see **ATTACHMENT I: AWARD NOTIFICATION LETTER FROM CHARITY NAVIGATOR.**



7. LOOKING FORWARD

Vitamin Angels emerged from our first strategic plan period (FY 2008-2010) as a leading partner in the global effort to alleviate vitamin A deficiency by mobilizing and deploying more vitamin A than all but three other agencies. FY 2013 represents the third and final year of its operations under our second Strategic Plan (FY 2011-2013). We enter into FY 2013 period with a sense of confidence, enthusiasm, and purpose that not only will we meet our strategic objectives, but we will do so in the context of building a respected organization helping to connect underserved populations in need worldwide with vitamins and minerals.

ATTACHMENT I: AWARD NOTIFICATION LETTER FROM CHARITY NAVIGATOR



139 Harristown Rd • Glen Rock, NJ 07452
phone (201) 818-1288 • fax (201) 818-4694
www.charitynavigator.org

June 1, 2012

Howard Schiffer
Vitamin Angels
P.O. Box 4490
Santa Barbara, CA 93140

Dear Howard Schiffer:

On behalf of Charity Navigator, I wish to congratulate Vitamin Angels on achieving our coveted 4-star rating for sound fiscal management and commitment to accountability and transparency.

As the nonprofit sector continues to grow at an unprecedented pace, savvy donors are demanding more accountability, transparency and quantifiable results from the charities they choose to support with their hard-earned dollars. In this competitive philanthropic marketplace, Charity Navigator, America's premier charity evaluator, highlights the fine work of efficient, ethical and open charities. Our goal in all of this is to provide donors with essential information needed to give them greater confidence in the charitable choices they make.

Based on the most recent information available and using our new, two dimensional rating system (CN 2.0) we have issued a new rating for your organization. We are proud to announce Vitamin Angels has earned a 4-star rating. Receiving four out of a possible four stars indicates that your organization adheres to good governance and other best practices that minimize the chance of unethical activities and consistently executes its mission in a fiscally responsible way. Approximately a quarter of the charities we evaluate have received our highest rating, indicating that Vitamin Angels outperforms most other charities in America. This "exceptional" designation from Charity Navigator differentiates Vitamin Angels from its peers and demonstrates to the public it is worthy of their trust.

Forbes, *Business Week*, and *Kiplinger's Financial Magazine*, among others, have profiled and celebrated our unique method of applying data-driven analysis to the charitable sector. We evaluate ten times more charities than our nearest competitor and currently attract more visitors to our website than all other charity rating groups combined, thus making us the leading charity evaluator in America. Our data shows that users of our site gave more than they planned to before viewing our findings, and in fact, it is estimated that last year Charity Navigator influenced approximately \$10 billion in charitable gifts.

We believe our service will enhance your organization's fundraising and public relations efforts. Our favorable review of Vitamin Angels' fiscal health and commitment to accountability & transparency will be visible on our website as of June 1st.

We wish you continued success in your charitable endeavors.

Sincerely,

Ken Berger
President & Chief Executive Officer

www.charitynavigator.org

ATTACHMENT II: 2012 CONTRIBUTORS TO VITAMIN ANGELS

Our work is made possible through the generosity of thousands of committed individuals who believe that every child has a right to live a healthy and productive life. It is through the support of our donors that we are able to continue expanding our reach and fulfilling our mission to provide essential nutrients to at-risk infants, children and mothers around the world. Our heartfelt thanks to those companies listed here and to all the angels who make our work possible. Through your donations, you are helping build a brighter future for children worldwide. Thank you, Vitamin Angels.

Note: Contribution values reflected here are consistent with Vitamin Angels recognition policy and do not necessarily reflect direct cash donation values or align with our audited financial information. See our financial statements for more information.

2012 CASH CONTRIBUTORS

\$500,000+

Flintstones Vitamins TM
The Vitamin Shoppe
vitaminwater®
Vitamin World

\$250,000+

Nature's Own
Nature's Value

\$100,000+

Pharmachem Laboratories, Inc.
Univera
Whole Foods Market
Pharmavite

\$50,000+

Coastal.com
Garden of Life
The Community Foundation
The Hain Celestial Group / Spectrum Nutrition
Health First
Healthwell Ventures / Nutrigenetics
NeoCell
Purity Products
UNFI
USP Labs
Vitaquest

\$25,000+

AIDP, Inc.
Alacer Corp.
DSM Nutritional Products
Emerson Ecologics
Marine Ingredients
Neptune Technologies and Bioresources

New Chapter Organics
Walman Optical
Irwin Naturals
MegaFood

\$5,000+

Aker BioMarine
Albion Nutrition
Alpha Packaging
Arizona Nutritional Supplements
Barrington Nutritionals
Bi Nutraceuticals
Bio-Botanica, Inc.
BodyBuilding.com
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