



With clearly set guidelines, DNDi ensures its resources are delivering the most value to its social mission.



FINANCIAL STATEMENTS AND AUDIT REPORT

BALANCE SHEET

AT 31 DECEMBER 2011 (with 2010 comparative figures)

<i>(expressed in EUR)</i>	NOTES	2011	2010
CURRENT ASSETS			
Cash and cash equivalents			
Cash and banks at headquarters		11,096,606	3,985,617
Cash and banks at regional offices and affiliates		347,002	285,943
Time deposits		8,182,670	12,815,450
Total cash and cash equivalents		19,626,278	17,087,010
Stocks of drugs	3	80,797	81,041
Current accounts and receivables			
Advances to officers and liaison offices		66,651	47,700
Receivables from public institutional donors		2,475,541	2,899,330
Receivables from Founding Partners		0	6,745
Other receivables		1,147,388	388,347
Prepaid expenses		380,290	75,862
Total current accounts and receivables		4,069,870	3,417,984
Total current assets		23,776,945	20,586,035
NON-CURRENT ASSETS			
Tangible fixed assets, net	4	85,459	86,051
Bank guarantee deposits		32,108	28,938
Total non-current assets		117,567	114,989
TOTAL		23,894,512	20,701,024
CURRENT LIABILITIES			
Payables		2,588,190	3,073,437
Accrued expenses		759,073	439,470
Deferred income		10,077,858	6,750,150
Provisions	5	199,347	248,614
Total current liabilities		13,624,468	10,511,671
CAPITAL OF THE ORGANIZATION			
Paid-in capital		32,510	32,510
Restricted operating funds	6	219,888	205,155
Internally generated unrestricted funds		10,017,646	9,951,688
Total capital of the organization		10,270,044	10,189,353
TOTAL		23,894,512	20,701,024

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED 31 DECEMBER 2011 (with 2010 comparative figures)

<i>(expressed in EUR)</i>	NOTES	2011	2010
INCOME			
Public institutional funding:			
Govern. & public int. organiz. unrestricted		8,729,076	9,237,011
Govern. & public int. organiz. restricted		4,728,028	2,652,925
Total public institutional funding		13,457,104	11,889,936
Private resources:			
Private foundations, corporations, and individuals, unrestricted		71,060	36,689
Private foundations, corporations, and individuals, restricted		8,192,695	9,322,111
Royalties on drug sales	6	56,693	54,071
Total private resources		8,320,448	9,412,871
Resources from founding partners:			
Médecins Sans Frontières, unrestricted		3,091,937	3,165,075
Médecins Sans Frontières, restricted		864,557	465,000
Indian Council for Medical Research, unrestricted		0	1,266
Total resources from Founding Partners		3,956,494	3,631,341
Other income:			
Sundry income & reimbursements		96,894	84,033
Total income	7	25,830,940	25,018,181
SOCIAL MISSION EXPENDITURE			
RESEARCH & DEVELOPMENT EXPENDITURE:			
Research & development coordination and supervision	8	2,017,738	1,687,659
Human African trypanosomiasis projects		5,794,051	7,308,575
Leishmaniasis projects		4,466,885	4,678,495
Chagas disease projects		3,811,913	2,356,588
Other diseases projects (malaria, helminths infections, paed. HIV)		2,397,430	2,217,335
Portfolio building		1,595,323	1,561,311
Total research & development expenditure		20,083,340	19,809,963
STRENGTHENING CAPACITIES	9	1,460,091	1,414,184
ADVOCACY EXPENSES	10	866,543	941,318
Total social mission expenditure		22,409,974	22,165,465
NON-SOCIAL MISSION EXPENDITURE			
Fundraising	10	1,484,841	1,174,883
General and administration	10	2,139,433	1,538,043
Total non-social mission expenditure		3,624,274	2,712,926
Total expenditure		26,034,248	24,878,391
Operating surplus		(203,308)	139,790
OTHER INCOME (EXPENSES)			
Financial income, net		34,323	30,453
Exchange gain, net		249,676	381,468
Total other income, net		283,999	411,921
Net surplus for the year prior to allocations		80,691	551,711
Allocation to restricted operating funds	6	(14,733)	(54,071)
Allocation to internally gener. unrestricted funds		(65,958)	(497,640)
Net surplus for the year after allocations		-	-



FUNDS FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011 (with 2010 comparative figures)

<i>(expressed in EUR)</i>	2011	2010
FUNDS FLOW FROM OPERATIONS		
Net surplus for the year, unrestricted	65,958	497,640
Net surplus for the year, restricted	14,733	54,071
Depreciation of fixed assets	105,153	88,815
Increase (decrease) in provisions	(49,267)	18,863
[(Increase) decrease in stocks	244	(46,041)
(Increase) decrease in advances	(18,951)	324,231
(Increase) decrease in receivables from donors	423,790	(1,245,615)
(Increase) decrease in Founding Partners and other receivables	(752,296)	1,059
[(Increase) decrease in prepaid expenses	(304,428)	1,693
Increase (decrease) in payables	(485,247)	325,819
Increase (decrease) in accrued expenses	319,603	1,645,323
Increase (decrease) in deferred income	3,327,708	1,679,102
Funds flow from operations	2,647,000	3,344,960
FUNDS FLOW FROM INVESTING ACTIVITIES		
[(Increase) decrease of investments in tangible fixed assets	(104,562)	(21,700)
(Increase) decrease in bank guarantee deposits	(3,170)	(5,050)
Funds flow from investing activities	(107,732)	(26,750)
FUNDS FLOW FROM FINANCING ACTIVITIES		
	-	-
Cash increase (decrease)	2,539,268	3,318,210
Cash and cash equivalents - beginning of year	17,087,010	13,768,800
Cash and cash equivalents - end of year	19,626,278	17,087,010

STATEMENT OF CHANGES IN CAPITAL

FOR THE YEAR ENDED 31 DECEMBER 2011

Internally generated funds <i>(expressed in EUR)</i>	Opening balance	Allocation	Internal fund transfers	Closing balance
Paid-in capital	32,510	-	-	32,510
Surplus for the year	-	80,691	(80,691)	-
Restricted operating funds	205,155	-	14,733	219,888
Internally generated unrestricted funds	9,951,688	-	65,958	10,017,646
Capital of the organization	10,189,353	80,691	-	10,270,044

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

1. GENERAL INFORMATION

a) Legal aspects

The Drugs for Neglected Diseases *initiative* (DNDi) is a Swiss foundation, established as a not-for-profit legal entity, registered in Geneva under statutes dated 17 July 2003. DNDi is managed by a Board, an Executive Director, and six senior managers. In 2011, a seventh senior manager position was created to complete the Executive team.

With its headquarters in Geneva, DNDi aims to:

- a) stimulate and support research and development of drugs, as well as vaccines and diagnostics for neglected diseases;
- b) seek equitable access and development of new drugs, to encourage the production of known effective drugs, diagnostic methods and/or vaccines for neglected diseases;
- c) adapt new treatments for neglected diseases, to meet patient needs, as well as to meet the requirements of delivery and production capacity in developing countries;
- d) raise awareness of the need to research and develop drugs for neglected diseases.

As with all Swiss foundations, DNDi is monitored by the Swiss Federal Supervisory Board for Foundations.

b) Income tax

DNDi is exonerated from income tax from the Swiss federal income tax and from the Geneva cantonal and communal taxes for a five-year period commencing 2003, which was renewed in September 2008 for a period of ten years until 2018.

c) Situation of Regional Offices (RO) and Affiliate

DNDi has seven Regional Offices and Affiliates to help identify patient needs, support heads of disease programmes, identify and support regional partners, and undertake regional advocacy work for DNDi. These offices, together with regional networks, ensure the participation of disease-endemic countries notably in clinical and post-clinical activities and foster South-South collaboration. In addition, Regional Offices can explore fundraising opportunities in their regions. Their tasks and duties are further developed in the DNDi Business Plan. Regional Offices (ROs) are usually hosted by a Founding Partner, often at no cost, and are represented by an experienced senior person as the RO Director, bearing a consultant contract with DNDi. For local or operational reasons, DNDi may deem necessary to establish the RO as a legal entity, usually a branch of DNDi Foundation or a corporation following needs and local regulations

and requirements. Establishment of a DNDi legal entity outside Switzerland requires the authorization of the Board of Directors.

As of December 2011, DNDi has established legal entities in Kenya (in 2006), in Brazil (in 2008), and in India (2009) in the form of branches. The fourth DNDi RO is in Penang, Malaysia and is still in the process of being registered there as a branch. Additionally, DNDi has one Liaison Office in the Democratic Republic of Congo. RO accounting is fully incorporated into DNDi accounts.

In June 2009, the Board of Directors approved the creation of a Regional Office in Japan, under the form of a 'specified non-profit organization', a legal entity registered with the city of Tokyo. DNDi Japan was established in November 2009.

The aim of DNDi Japan is exclusively charitable, and includes but shall not be limited to: assisting people in developing countries who are suffering from tropical diseases and contributing to the health and welfare of people in developing countries by supporting activities of the Drugs for Neglected Diseases *initiative* (DNDi) by promoting medical treatment; encouraging scientific research; and liaising, advising, and assisting entities performing these activities. The DNDi Japan Board of Directors met in February 2011.

DNDi Japan presents an annual report comprising the financial statements of the calendar year. This report is certified by an independent Certified Public Accounting (CPA) firm selected by its Board of Directors. The firm auditing DNDi Japan accounts in 2011 is Deloitte Touche Tohmatsu LLC Tokyo, Japan.

Start-up funding is provided via annual grants from DNDi and is accounted for in the DNDi financial statements by combining DNDi Japan accounts following the method of full integration (i.e. all income and expenditures are incorporated in the DNDi financial statement).

DNDi Japan's 2011 financial position as of 31 December 2011 is the following:

- ▶ Total liabilities and net assets: JPY 1,620,608
- ▶ Total revenue: JPY 12,536,494 which represents a grant from DNDi to DNDi Japan;
- ▶ Of this grant, there is JPY 0 carried forward for 2012.

Affiliate: Drugs for Neglected Diseases *initiative* North America, Inc., a Delaware not-for-profit corporation exempt from U.S. Federal income taxation pursuant to Section 501(c) (3) of the U.S. Internal Revenue Code (DNDi NA), was established in February 2007. This affiliate is based in New York City, New York, USA and operates under the Direction of the DNDi NA Board of Directors.



The purposes for which it was formed are exclusively charitable and educational and include conducting activities to support or benefit the Drugs for Neglected Diseases *initiative* (DNDi), such as conferring grants to support programmes, projects, and activities to stimulate and support research and development of drugs for neglected diseases and raising awareness in the region about the need for increased research and development for neglected diseases.

DNDi NA presents an annual report comprising the financial statements of the calendar year. This report is certified by an independent Certified Public Accounting (CPA) firm selected by its Board of Directors. The firm auditing DNDi NA accounts as of 2008, is Tait, Weller & Baker LLP, Philadelphia, Pennsylvania, USA.

Start-up funding is provided via annual grants from DNDi and is accounted for in the DNDi financial statements by combining DNDi NA accounts following the method of full integration (i.e. all income and expenditures are incorporated in the DNDi financial statement).

DNDi NA's 2011 financial position as of 31 December 2011 is the following:

- ▶ Total liabilities and net assets: USD 184,892;

- ▶ Total revenue and other support: USD 1,924,059, of which a total grant from DNDi to DNDi NA, amounting to USD 672,970 and contributions (unrestricted) from individuals and private foundations (restricted) ranging from USD 25 to 1,102,830 for a total of USD 1,175,873. One donor provided approximately 57% of the total contributions, including seed funding from DNDi NA;
- ▶ Total expenses: USD 1,855,446, and an excess of revenue over the expenses (change of net assets) of USD 68,613.

In June 2009, the Board of Directors approved the change in legal status of DNDi in Brazil from a branch to a not-for-profit legal entity under the form of Associação de direito privado, sem fins lucrativos e de fins não econômicos, DNDi Latin America. The process was terminated during the first semester 2010.

Lastly, a legal entity has been set up in France in the form of a not-for-profit association for administrative purposes in September 2004, this legal entity is not a Regional Office.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements have been prepared in accordance with Swiss GAAP FER. They include:

- a) Balance sheet;
- b) Statement of operations (activity based method);
- c) Funds flow statement;
- d) Statement of changes in capital;
- e) Notes;
- f) Performance report.

These financial statements present all activities by the Foundation. A list of in-kind income and expenditures is disclosed in Note 12.

b) Basis of preparation

The financial statements have been prepared on a historical cost basis. The principal accounting policies are set forth below.

c) Social mission expenditure

Social mission expenditures represent expenses incurred according to the purposes defined in Article 5 of the DNDi statutes. They are defined in the present general notes under point 1.a Legal aspects. Research & development, strengthening existing capacities, and advocacy are the three chapters that comprise 'social mission expenditure'.

d) Functional currency

The Board of DNDi has determined that the assets, liabilities, and operations should be measured using EUR as the functional currency. The environment in which the entity primarily generates and expends cash determines this decision. All amounts presented in the financial statements are stated in EUR, except when specified otherwise.

e) Foreign currency translation

Transactions in currencies other than the entity's measurement and reporting currency (EUR) are converted at the average monthly rates of exchange. Year-end balances in other currencies are converted at the prevailing rates of exchange at the balance sheet date. Resulting exchange differences are recognized in the statement of operations.

The following are the principal rates of exchange used at the end of the year to revalue the balance sheet items to EUR for reporting purposes:

	2011	2010
USD	0.7728	0.7496
CHF	0.8212	0.8006
GBP	1.1913	1.1597
100 CDF	0.0821	0.0801
100 INR	1.4536	1.6733
100 KES	0.9116	0.9287
100 JPY	0.9962	0.9210
100 BRL	41.4388	45.0999

f) Income

Restricted public and private institutional donations based on annual or multiyear agreements are recorded, over the life of the agreement, as and when the milestones set out in the agreement are achieved.

Unrestricted public and private institutional donations based on annual or multiyear agreements are recorded on an accruals basis over the life of the agreement.

Other donations are recorded on a cash basis.

g) Funding committed to projects

After Board approval of the annual action plan and budget comprising the approved projects to be funded by DNDi, one or more contracts are drawn up and signed by two Directors, including the Executive Director, the R&D Director, the Discovery & Pre-clinical Director and/or the Medical Director for important and complex agreements and contracts exceeding EUR 50,000, as detailed in the agreement signature process. Thereafter, funds are allocated to the partner(s) in charge of the project. Expenditures are recorded:

a) according to a financial report presenting expenditures incurred during the year on an accrual basis; or

b) if financial reports are unavailable as per the deadline of the 15 March of the following year, an estimated amount is calculated on a prorata temporis basis, based on the time between the contract signing date and 31 December. This estimated amount is considered as an accrued expense following Swiss GAAP FER to be regularized in the following year. The unpaid portion remaining at year-end is included under current liabilities.

h) Expenditures incurred for projects and activities

The annual action plan and budget are approved by the Board. They include funding for projects subcontracted to partners and current expenditures required to achieve the objectives for the year. A budget revision is approved by the Board at mid-year. All expenditures incurred on behalf of a project or for any activity of DNDi are recorded on an accrual basis.

i) Credit risk, cash-flow management

DNDi's liquid assets are maintained in cash, low-risk short-term deposits, or capital guaranteed investments. At the balance sheet dates, there are no significant concentrations of credit risk. The maximum exposure is primarily represented by the carrying amounts of the financial assets in the balance sheet, including accounts receivable and cash.

j) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged to the statement of operations on a straight-line basis over the estimated useful lives of the tangible fixed asset items.

The rates of depreciation used are based on the following estimated useful lives:

Office fittings and equipment	20%
IT equipment	33%

k) Bank guarantee deposits

Guarantees are presented as non-current assets. To date, DNDi has four guarantees representing three deposits related to office rental in Tokyo and New York, and parking rental in Geneva; and a letter of guarantee pertaining to the Geneva premises. It is recoverable, subject to prevailing contract terms, upon vacating the premises.

l) Provisions

A provision is recognized on the balance sheet when the organization has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the management's best estimates of the expenditure required to settle that obligation at the balance sheet date.



m) Capital of the organization

The founding capital (paid-in capital) of EUR 32,510 (CHF 50,000) referenced in the statutes was received from the founding members of DNDi, including the Indian Council of Medical Research, the Institut Pasteur, the Kenya Medical Research Institute, and the International Office of Médecins Sans Frontières. The capital is fully paid in.

n) Restricted and unrestricted reserves

Restricted and unrestricted reserves represent the excess of income over expenditure since the inception of DNDi. Restricted reserves are available to DNDi for future operations and project funding costs as its evolving research and development project pipeline dictates. Unrestricted reserves will be utilized for expenditures of DNDi as incurred.

o) In-kind donations

Gifts-in-kind are not recorded but disclosed in the notes to the financial statements and valued at fair market values according to the following principles:

- ▶ Goods transferred to a DNDi project or services rendered to DNDi must be free, excluding the involvement of a monetary transfer.

- ▶ They must be clearly identifiable and part of DNDi's projects and activities as defined by DNDi's action plans and budgets.
- ▶ They must be recognizable as a visible contribution to DNDi's projects and activities, benefit DNDi, and be in-line with DNDi's mission and objectives.
- ▶ A partner's voluntary involvement in joint projects and activities, in particular if the Partner does not aim to achieve DNDi's project objectives, is not considered a gift-in-kind.
- ▶ For goods or services paid at prices below market prices, the difference between real payment and current market price is not considered a gift-in-kind, but the current market price reached after negotiations.
- ▶ Fair market value is defined as the price DNDi would have paid to utilize the good or service. Fair market value can be suggested by partners. However, DNDi will be careful not to overestimate such valuations in compliance with Swiss GAAP RPC 3 basic principles of materiality and prudence.
- ▶ Gifts-in-kind estimated at EUR 5,000 and above are taken into account. Exceptions can be made by DNDi when it serves the purpose of providing consistency and completeness of a project's accounts.

3. DRUG INVENTORY

In 2011, DNDi purchased vials of SSG, AmBisome®, paromomycin (PM) and caps of miltefosine 10mg and 50mg for an estimated value of EUR 65,000 from various partners (IDA Foundation, Gilead, Gland Pharma, and Paladin), for use in the ongoing clinical trials

and the SSG&PM combination pharmaco-vigilance programme. Stocks of SSG, AmBisome®, miltefosine, and paromomycin at an estimated value of EUR 80,797 are stored at clinical trial sites in Ethiopia, Kenya, Sudan, Uganda, and Bangladesh.

Countries / drugs	Vials			Caps		Total in EUR
	SSG	AmBisome®	Paromomycin	Miltefosine 50mg	Miltefosine 10mg	
Uganda	1,201	280	2,620			11,935
Ethiopia	2,177	821		3,024		25,328
Kenya	852	453		2,077	832	12,899
Sudan	3,818	500	1,490	1,359	1,740	30,635
Total vials/caps	8,048	2,047	4,110	6,460	2,572	
Total in EUR	41,447	27,751	3,085	5,942	2,572	80,797

4. TANGIBLE FIXED ASSETS, net

<i>(expressed in EUR)</i>	Computer Equipment	Office fittings & Installations	Office Equipment	Total
Net carrying amounts 1.1.2010	34,186	48,162	70,820	153,168
Gross values of cost				
Beginning of the period 1.1.2010	209,998	126,485	137,261	473,744
Additions	16,358	5,342	-	21,700
Disposals	-	-	-	
End of the period 31.12.2010	226,356	131,827	137,261	495,444
Accumulated depreciation				
Beginning of the period 1.1.2010	(175,812)	(78,324)	(66,441)	(320,577)
Change of the year	(36,616)	(22,996)	(29,204)	(88,816)
End of the period 31.12.2010	(212,428)	(101,320)	(95,645)	(409,393)
Net carrying amounts 31.12.2010	13,928	30,507	41,616	86,051
Net carrying amounts 1.1.2011	13,928	30,507	41,616	86,051
Gross values of cost				
Beginning of the period 1.1.2011	226,357	131,828	137,260	495,445
Additions	77,811	6,697	20,053	104,561
Disposals				
End of the period 31.12.2011	304,168	138,525	157,313	600,006
Accumulated depreciation				
Beginning of the period 1.1.2011	(212,428)	(101,320)	(95,645)	(409,393)
Change of the year	(48,834)	(22,300)	(34,019)	(105,153)
End of the period 31.12.2011	(261,262)	(123,620)	(129,664)	(514,546)
Net carrying amounts 31.12.2011	42,906	14,905	27,649	85,460

5. PROVISIONS

<i>(expressed in EUR)</i>	Provision for taxes	Provision for HR expenses (holidays not taken)	Provision for running expenses (other)	Total
Carrying period as per 1.1.2010	140,408	65,718	23,624	229,750
Creation	42,963	75,624	14,588	133,175
Utilization	(24,507)	(62,985)	(26,819)	(114,311)
Reversal	-	-	-	
Carrying period as per 31.12.2010	158,864	78,357	11,393	248,614
Carrying period as per 1.1.2011	158,864	78,357	11,393	248,614
Creation		73,815	9,818	83,633
Utilization	(45,840)	(75,624)	(11,435)	(132,899)
Reversal	-	-	-	
Carrying period as per 31.12.2011	113,024	76,548	9,776	199,348



6. ROYALTIES

In December 2004, DNDi signed an agreement with sanofi-aventis, a pharmaceutical company (currently 'Sanofi'), pertaining to the implementation of co-formulation treatments against malaria developed originally by DNDi together with sanofi-aventis (ASAQ). Article VI of the contract states that 3% royalties resulting from net sales of this drug whose brand name is CoArsucam® to the private sector in developing countries are to be paid to DNDi. DNDi has decided to allocate this money to supporting pharmaco-vigilance projects or activities such as the implementation of the ASAQ treatment in developing countries, notably in Africa.

The 3% royalties on the 2010 sales of CoArsucam® amounting to EUR 56,693 were allocated as follows: EUR 41,960 to the Artesunate + Amodiaquine (FACT-ASQA in Africa) project; EUR 14,733 to the Restricted operating fund, which will be used for collaborative projects with various partners for observational studies and other access related expenses in Africa and in Asia. The total amount of this restricted fund amounted to EUR 219,888 as per 31 December 2011.

7. INCOME

a) Cumulative donations committed to DNDi and/or received by 2011 (in EUR)

DONORS		Total Commitment (in currencies)*	Total Commitment (in EUR)	As per Statement of Operations 2011 (in EUR)	To be used after 2011 (in EUR)
Médecins Sans Frontières	EUR	44,854,973	44,854,973	3,956,494	8,775,360
Bill & Melinda Gates Foundation	USD	59,016,944	43,720,379	7,087,764	18,449,534
UK Government DFID**	GBP	27,881,529	33,890,896	7,559,349	4,765,738
Dutch Government DGIS	EUR	16,975,000	16,975,000	2,000,000	12,000,000
Spanish Government AECID	EUR	12,000,000	12,000,000	1,000,000	1,000,000
French Government MAEE / AFD***	EUR	9,255,000	9,255,000	585,259	0
German Government	EUR	9,000,000	9,000,000	401,439	7,598,561
Swiss Government SDC	CHF	4,120,000	3,202,691	837,402	821,200
Wellcome Trust UK	EUR	1,999,801	1,999,801	719,497	1,280,304
USA Government NIH/NIAID	USD	2,488,363	1,833,189	326,810	716,636
Medicor Foundation	EUR	1,719,424	1,719,424	359,179	0
European Union, FP5, FP6, FP7, EDCTP	EUR	1,216,134	1,216,134	326,583	191,543
Canton of Geneva	CHF	1,600,000	1,117,401	161,624	164,240
UBS Optimus Foundation	CHF	1,250,000	791,045	0	0
Global Fund (AMFM)	EUR	518,205	518,205	258,638	98,399
Various private donors	EUR	436,417	436,417	97,315	4,661
Sandoz Family Foundation	CHF	500,000	308,700	0	0
Sasakawa Peace Foundation	EUR	241,336	241,336	0	0
Tuscany Region	EUR	200,000	200,000	0	0
Various other donor(s)	EUR	170,060	170,060	0	0
Starr International Foundation	USD	200,000	141,388	0	0
Anonymous donation	CHF	201,229	138,108	0	0
Total Donations (EUR)*			183,730,147	25,677,353	55,866,176

* Exchange rates used for 'Total Commitment in EUR' and 'As per Statement of Operations 2011', are real exchange rates following the DNDi exchange rate policy. Exchange rates used for 'To be used after 2011', appear in EUR at the USD/EUR, CHF/EUR and GBP/EUR exchange rates as per 31.12.2011 (see note 2). 'Total Donations' therefore yields an approximate value as exchange will vary over time.

** The UK Government, DFID, funded DNDi with 4 grants. A first unrestricted grant of 6,500,000 British pounds in 2006 for the period 2006 – 2008, a second unrestricted grant of 18,000,000 British pounds in 2009 for the period 2009 – 2013, a third restricted grant of 1,381,529 British pounds in 2010 for the period 2010 – 2011, and a fourth restricted grant of 2,000,000 British pounds in 2011 for 2011.

*** The French Government, Ministry of Foreign and European Affairs, funded DNDi with 4 grants. From the MAEE: EUR 5,955,000 in April 2007 for the period 2007-2010; from the MAEE: EUR 1,300,000 in December 2009 for the period 2009-2011; from the AFD: EUR 1,500,000 in June 2006 for the period 2006-2008 & from the AFD EUR 500,000 in December 2009 for the period 2009-2010.

b) Funding per project (restricted and unrestricted)

		Operational Income							
<i>(expressed in EUR)</i>		UK Government DFID ¹ (Restricted/Unrestricted)	French Government MAEE (Restricted) ²	Spanish Government AECID (Unrestricted)	Dutch Government DGIS (Restricted)	German Government KfW-BMBF (Restricted) ³	United States Government NIH (Restricted) ⁴	Switzerland SDC (Unrestricted)	Switzerland Canton of Geneva (Restricted)
Clinical & Post-Clinical	FACT (ASAQ & ASMQ fixed dose) for Malaria	1,306,463							
	Nifurtimox + Eflornithine co-administration (NECT) for HAT	84,677		788				120,227	141,352
	Combination therapies/new treatment for VL (Asia, Africa, Latin America)	431,666		137,911	582,628	54,703		354,393	
	Fexinidazole for HAT					6,657			
	Azole E1224 & Biomarker for Chagas	133,727		41,778	166,347				
	Benznidazole Paediatric dosage form for Chagas								
Pre-clinical	Alternative formulations of Amphotericin B for VL						166,178		
	Oxaborole SCYX 7158 (& Back-up) for HAT	152,695	1,523		103,520	10,351	735		
	Nitroimidazole (& Back-up) for VL	43,661				107,332			
	Flubendazole Macrofilaricide for Helminths								
	K777 for Chagas						119,236		
Paediatric HIV (Exploratory)									
Discovery	VL Consortium Lead Optimization	171,975				15,649			
	Chagas Consortium (Including Fenarimol series) Lead Optimization	343,612	135,108	299,800	347,771	146,847			
	HAT Consortium Lead Optimization	638,420	194,854			2,098			
	Discovery & Exploratory activities	639,510	252,227		162,483	2,586			
Exploratory CL	184,492		35,064						
R&D Coordination, Supervision costs	844,523		131,256	240,582	11,686	27,252	88,436		
HAT LEAP & Chagas Platforms	187,070		43,892	116,111	7,170		71,843	18,643	
Other Strengthening Capacity activities	473,007		13,388				55,973		
Advocacy	687,645		80,161				33,953		
Fundraising	468,940		115,321	153,854	11,566				
General Management	767,266	1,547	100,641	126,704	24,794	13,409	112,577	1,629	
Net surplus allocated to restricted funds									
Net surplus allocated to unrestricted funds									
TOTAL Income		7,559,349	585,259	1,000,000	2,000,000	401,439	326,810	837,402	161,624

(1) DFID grants include: 1) An unrestricted grant of EUR4,579,526; 2) A restricted grant of EUR667,675 for Malaria projects (Jan-Mar 2011); 3) An unrestricted grant of EUR2,312,148 covering the period Oct-Dec 2011 only.

(2) MAEE restricted grant in 2011 was of EUR585,259 for discovery projects (Jan-Dec 2011), which finalises the allocation of the EUR1,300,000 contribution started in December 2009.

(3) German Government KfW-BMBF restricted multi year grant started as of December 2011 with an amount of EUR401,439.

(4) NIH grants include two multi year grants: 1) A restricted grant with a no cost extension for the entire year 2011 of EUR191,393 for Alternative formulations of Amphotericin B for VL project; 2) A restricted grant of EUR135,417 for K777 for Chagas project.

(5) AmfM - Global Fund include one restricted grant with a contract that has been amended and increased in 2011 with a total amount of EUR258,638.

(6) B&M Gates Foundation include five restricted grants in 2011: 1) A grant of EUR3,648,271 pertaining to Lead Optimization/Preclinical for HAT & VL & Nitroimidazole for VL projects; 2) A grant of EUR2,259,746 for Fexinidazole for HAT project; 3) A grant of EUR679,930 for new VL treatments in Asia project covering the period July to



e (Grand TOTAL = 25'830'940)									Financial income (Net) =283,998	TOTAL Expenses =26,034,048
AMfM - Global Fund (Restricted) ⁵	European Union EU FP7 (Restricted)	European Union EDCTP (Restricted)	Bill & Melinda Gates Foundation (Restricted) ⁶	Médecins S. Frontières (Restricted/ Unrestricted) ⁷	Wellcome Trust (Restricted) ⁸	Medicor Foundation (Restricted) ⁸	Private Foundations, Individuals & Other Revenues (Restricted/ Unrestricted) ⁹	Royalties on drug sales ¹⁰		
235,578		223,527		87,826			8,739	41,960		1,904,093
										347,044
			581,622	88,138		286,423	21,289			2,538,774
			2,030,994	5,420						2,043,071
				73,928	682,316		1,745			1,099,841
				466,080			35,539			501,619
										166,178
			935,166				60,867			1,264,857
			501,484	116,442						768,919
			196,297							196,297
				184						119,420
				292,630			82			292,712
			789,912	15,449			29			993,014
				801,658			16,237			2,091,033
			1,222,698	80,883			126			2,139,079
			178,196	144,184			149			1,379,335
	760									220,316
	1,929		140,937	523,497			7,640			2,017,738
			8,955	10,620	37,181	41,209				542,694
	65,693		23,460	285,876						917,397
			9,919	53,469			1,396			866,543
			52,638	678,177			4,345			1,484,841
23,060	11,167	23,507	415,486	232,033		31,547	36,026		218,040	2,139,433
								14,733		
									65,958	
258,638	79,549	247,034	7,087,764	3,956,494	719,497	359,179	194,209	56,693	283,998	

December 2011; 4) A grant of EUR269,259 for Flubendazole Macrofilaricide for Helminths project covering the period April to December 2011; 5) A grant of EUR200,558 for Screening NTD covering the period November to December 2011

(7) MSF include 4 grants in 2011: 1) An unrestricted grant of EUR3,091,937; 2) A restricted grant of EUR300,000 for Benznidazole Paediatric dosage form for Chagas project; 3) A restricted grant of EUR350,000 for Paediatric HIV (Exploratory) project; 4) A restricted grant of EUR214,557 for Benznidazole Paediatric dosage form for Chagas project.

(8) Wellcome Trust restricted multi year grant started as of April 2011 with an amount of EUR719,497.

(9) Private Foundations: ABT Association (EUR35,538); Buck Foundation (EUR17,516); Fondation ARPE (EUR8,739). Other Revenue: various individual donations for a total of EUR35,522, of which EUR33,810 come from North America and EUR1,711 come from Geneva. In addition Geneva has collected various reimbursements and participations of partners all along the year for a total amount of EUR96,894.

(10) Royalties from Sanofi for EUR56,693 earmarked to Monitoring study on pharmacovigilance of ASAQ (see note 6).

8. R&D PROJECTS RELATED EXPENDITURE

Recognized in <i>(expressed in EUR)</i>	2011	2010
CLINICAL/POST-REGISTRATION PROJECTS		
Artesunate + Amodiaquine (Malaria) ¹	649,207	678,703
Artesunate + Mefloquine (Malaria) ²	1,254,886	1,538,633
Nifurtimox - Eflornithine co-administration for stage ² T.b.gambiense (HAT) ³	347,044	500,066
Fexinidazole for (HAT) ⁴	2,043,071	2,662,577
Combination therapy (VL) in Africa ⁵	1,599,592	1,945,443
Combination therapy (VL) in Latin America ⁶	123,316	60,593
Combination therapy (VL) in Asia ⁶	815,866	841,405
Paediatric Benznidazole (Chagas) ⁷	501,619	403,882
Azole E1224 & Biomarkers (Chagas) ⁸	1,099,841	467,060
Total Clinical/Post-Registration Projects	8,434,442	9,098,362
PRE-CLINICAL PROJECTS		
Alternative formulations of Amphotericin B (VL) ⁹	166,178	181,302
Drug combination for Chagas ¹⁰	0	18,909
Oxaborole SCYX7158 (HAT) ¹¹	1,264,857	873,837
Nitroimidazole (VL) ¹²	768,919	397,432
Nitroimidazole backup (HAT)	0	34,620
K777 for Chagas ¹³	119,420	0
Flubendazole Macrofilaricide (Helminth) ¹⁴	196,297	0
Paediatric HIV (exploratory)	292,712	0
Total Preclinical Projects	2,808,383	1,506,100
DISCOVERY (SELECTION & OPTIMIZATION) PROJECTS		
Screening Resources (Dundee, Eskitis, IPK) ¹⁵	932,539	1,139,512
Reference Screening Centers (STPH, LSHTM, Antwerp) ¹⁶	442,467	336,945
Lead Optimization (HAT) Consortium ¹⁷	2,139,079	3,272,096
Lead Optimization (VL) Consortium ¹⁸	993,014	1,179,856
Lead Optimization (Chagas) Consortium ¹⁹	2,091,033	1,424,095
Total Discovery Projects	6,598,132	7,352,504
OTHER EXPLORATORY ACTIVITIES TO BUILD THE PORTFOLIO		
Other exploratory activities	224,645	165,338
Total Exploratory projects	224,645	165,338
PROJECT-RELATED VARIABLE EXPENDITURE		
Coordination & Supervision ²⁰	2,017,738	1,687,659
Total of Projects related expenditure	20,083,340	19,809,963



Main R&D Partners & Subcontractors

1. Sanofi, France / Medicines for Malaria Venture, Switzerland / National Centre for Research and Development on Malaria, Burkina Faso / Universiti Sains Malaysia / Institute of Research for Development (IRD), Senegal / Mahidol University, Thailand / Ellipse Pharmaceuticals, France / Médecins Sans Frontières / Epicentre, France / Kenya Medical Research Institute (KEMRI), Kenya / Indian Council of Medical Research (ICMR), India / National Malaria Control Programme, Ministry of Health, Burundi / Ministry of Health, Sierra Leone / Komfo Anokye Teaching Hospital (KATH), Ghana.

2. Shoklo Malaria Research Unit, Thailand / Universiti Sains Malaysia / Indian Council of Medical Research (ICMR), India / Epicentre, France / Centre Hospitalier Universitaire Vaudois (CHUV), Switzerland / National Institute of Medical Research, Tanzania; Kenya Medical Research Institute (KEMRI), Kenya / Centre National de Recherche et de Formation sur le Paludisme (CNRFP), Burkina Faso / Cipla, India.

3. Epicentre, France; Médecins Sans Frontières (MSF) / Swiss Tropical and Public Health Institute (Swiss TPH) / National Trypanosomiasis Control Programmes of the Republic of Congo and the Democratic Republic of the Congo (DRC) / HAT Platform partners (PNLTH, the Republic of Congo / TMRI Sudan / ICCT, Angola / COCTU, Uganda / PNLTHA Centrafrique / PNLTHA Chad).

4. Sanofi, France / Swiss TPH / HAT Platform partners (see point 3 above) / Aptuit, UK / Accelera, Italy / SGS, Belgium and France / Epicentre, France / Covance, UK / Phinc Development, France / XCentipharm, France / Cardinal Systems, France.

5. Kenya Medical Research Institute, Kenya / Institute of Endemic Diseases (IED) and University of Khartoum, Sudan / Addis Ababa University, Ethiopia / Gondar University, Ethiopia / University of Makerere, Uganda / Amudat Hospital, Uganda / LSHTM, UK / ASK (AMC, Slotervaart Hospital, KIT), The Netherlands / GILEAD, Ireland / IDA Foundation, The Netherlands / OneWorld Health (OWH), USA / Institute of Tropical Medicine-Antwerp, Belgium / Médecins Sans Frontières, The Netherlands.

6. GVK, India / Sitaram Kala Azar Medical Centre, India / RMRIMS (ICMR), India / ICDDR,B, Bangladesh / SHSMC, Bangladesh / SK Hospital Bangladesh.

7. Pharmaceutical Laboratory of Pernambuco State (LAFEPE), Brazil / Centro Nacional de Diagnostico e Investigacion de Endemo-epidemias (CeNDIE) / LAT Research, Argentina / FITEC, Argentina.

8. Eisai Co., Ltd., Japan / Cardinal Systems, France / CRESIB, Spain / CEADES, Bolivia / CONICET, Argentina.

9. Polytherics, UK / London School of Pharmacy, UK / LSHTM, UK.

10. Federal University of Ouro Preto, Brazil.

11. SCYNEXIS, USA / Advinus Therapeutics, India / Drugabilis, France / Penn Pharma, UK.

12. TB Alliance, USA / Advinus Therapeutics, India.

13. Harlan, Switzerland / University of California in San Francisco (UCSF), USA.

14. Michigan State University, USA / McGill University, Canada / Drugabilis, France / Accelera, Italy / MSU, USA.

15. Eskitis Institut at Griffith University, Australia / Institut Pasteur Korea, South Korea / University of Washington, USA / Swiss TPH, Switzerland / GlaxoSmithKline (GSK-Tres Cantos), Spain / University of Dundee, UK.

16. Swiss TPH, Switzerland / LSHTM, UK / Institute of Tropical Medicine-Antwerp, Belgium.

17. SCYNEXIS, USA / Pace University, USA / WuXi, China / Drugabilis, France.

18. Advinus Therapeutics, India / TB Alliance, USA.

19. Epichem Pty Ltd, Australia / Murdoch University, Australia / Monash University, CDCO, Australia / WuXi, China / Institute of Tropical Medicine-Antwerp, Belgium.

20. R&D Coordination & Supervision in EUR

	2011	2010
Coordination	1,151,350	888,695
Scientific Advisory Committee	113,567	99,209
Business Development	420,761	377,565
Japan representation office	234,291	206,835
Research: IP & Regulatory affairs	97,769	115,355
Total	2,017,738	1,687,659

Consultants involved in R&D projects in alphabetical order:

Amuasi, John; Ansong, Daniel; Barros Gonçalves, Luciana; Baker, William; Bennett, John; Blay Nguah, Samuel; Bray Michael; Bruning, Karin; Daher, André; Dormeyer, Mathias; Dorre, Daniel; Espinoza, Emilia; Fernandes, Jaime; Ferreira Crato, Marguerite; Ghabri, Salah; Grislain, Luc; Hailu, Asrat; Holst, Marylise; Hudson, Alan; Khalil, Elthahir; Mazue, Guy; Mechali, Daniel; Moody, Anthony; Musa Mudawi, Ahmed; Pinheiro, Eloan; R.K. Singh; Sasella, Daniela; Scherrer, Bruno; Schijman, Alejandro; Seltzer, Jonathan; Smithuis, Frank; Sosa-Estani, Sergio; Taylor, Bob; Thenot, Jean-Paul; Tweats, David; Vaillant, Michel; Von Geldern, Thomas; Yardley, Vanessa; Zijlstra, Ed; Zwang, Julien.

East African Clinical Site Monitors: Bedru, Kinoti, Mwangi, Okello, Ogeti, Waweru.

Additional partners involved in DNDi R&D projects without financial implications:

Cipla, India; Oxford University, UK; WHO-TDR; Fiocruz-Farmanguinhos, Brazil; Genzyme, USA; Hospital de Niños Ricardo Gutierrez, Argentina; Institut René Rachou, Brazil; Novartis Institute for Tropical Diseases NITD, Singapore; Pfizer, USA; University of Auckland, New Zealand; Universidade Federal do Piaui, UFP, Brazil; Universidade Federal de Tocantins, Brazil; Ministry of Health, Kenya / Federal Ministry of Health, Sudan / Federal Bureau of Health, Ethiopia / Ministry of Health, Uganda / Oxford University, UK / Université de Bordeaux, Faculté de Pharmacie, France / Univesidade de Brasilia (UNB), Brazil / CNPq, Brazil / Ministério de Salud, Provincia de Jujuy, Argentina / Centro de Chagas y Patologia Regional, Argentina / CONICET, Argentina / Ministry of Health, Argentina / University of Liverpool, UK / Hospital de Niños Ricardo Gutierrez, Argentina / Instituto Nacional de Parasitología, Dr M Fatała Chabén, Argentina / Hospital de Niños de Jujuy, Argentina / Hospital Público Materno Infantil – Salta, Argentina.

9. STRENGTHENING CAPACITIES EXPENDITURE

DNDi expenditures on strengthening existing capacities in developing countries aim to:

- ▶ build networks around specific projects between researchers from developing and developed countries;
- ▶ establish working partnerships, including technology transfers, with public and private institutions, and researchers from developing and developed countries; and
- ▶ invest in sustainable capacity and leadership in developing countries at all stages of research and development.

<i>(expressed in EUR)</i>	2011	2010
Regional Offices: Brazil, India, Kenya, Malaysia	842,514	716,615
For VL combo, Ward Construction & Equipment in Ethiopia and in Sudan	0	78,654
Leishmaniasis East Africa Platform (LEAP)	151,760	155,355
Human African Trypanosmiasis (HAT) Platform	273,552	207,075
Chagas Clinical Research Platform	117,382	118,526
LeishDNAvax Consortium Agreement	74,883	99,183
Pan-Asian Natural Substances Network	0	38,776
TOTAL	1,460,091	1,414,184

Consultants: Cecilia Castillo, Gabriela Chaves, Vanessa Daniel-Boscoraj, Gan Eng Seong, Michel Lotrowska.

HAT Platform: WHO, Ministries of Health National Control Programmes of the major endemic countries (Angola, Democratic Republic of the Congo, Republic of Congo, Sudan, Uganda, Chad, and the Central African Republic), Swiss Tropical and Public Health Institute, Médecins Sans Frontières, DNDi.

Leishmaniasis East Africa Platform: University of Khartoum, Sudan; Addis Abeba University, Ethiopia; Makerere University, Uganda; Kenya Medical Research Institute; Ministries of Health of Kenya, Uganda, Ethiopia, and Sudan; London School of Hygiene and Tropical Medicine, UK; Médecins Sans Frontières; AMC-Slotervaart Hospital-KIT, The Netherlands; i+ Solutions, The Netherlands; DNDi.

10. ADVOCACY, FUNDRAISING AND GENERAL & ADMINISTRATION EXPENSES

<i>(expressed in EUR)</i>	ADVOCACY		FUNDRAISING		GENERAL & ADMINISTRATION	
	2011	2010	2011	2010	2011	2010
Human resources	453,778	487,445	1,170,773	919,307	1,215,285	938,799
Office charges	45,079	47,950	74,397	66,778	106,550	95,132
Travel expenses	39,506	29,072	86,787	46,559	141,789	103,848
Administration	26,861	31,820	86,989	92,905	284,561	160,719
IT & telecommunications	23,548	18,242	24,139	14,644	248,619	177,921
Communication	265,659	301,518	28,086	24,032	112,037	37,730
Depreciation	11,567	11,546	13,670	10,658	27,340	23,092
Other	545	13,725	0	0	3,253	802
TOTAL	866,543	941,318	1,484,840	1,174,883	2,139,433	1,538,043

Consultants: Samantha Bolton, Nina Holzhauser, Nicolette Jackson, Louie Karly, Ivan Maillet, Masako Matsudaira, Thomas Saugnac, Daniel Stein, Marta Lucas Subirats, Hans Van de Werde, Ulrike Von Pilar, Susan Wells.



11. INDEMNITIES & REMUNERATIONS GIVEN TO DIRECTORS

All members of the Board are appointed on a voluntary basis. The Board members have not received any remuneration for their mandate in 2011, nor in 2010.

12. VALUATION OF IN-KIND

Drugs for Neglected Diseases initiative (DNDi) operations are funded through financial contributions and donations. In addition to financial funding, generous partners –private companies, academic groups and individuals– provide DNDi with goods and services at zero cost as gifts-in-kind (see note 2.o, DNDi In-Kind Policy). DNDi aims at reflecting this increasing contribution in the 2011 financial statements in order to present a comprehensive picture of its activities. The In-Kind contribution of DNDi's partners was raised between 2010 and 2011 from EUR 2,300,000 in 2010 up to EUR 5,000,000 in 2011.

Gifts-in-kind in EUR evaluated for the year 2011 per category and per project:

<i>(expressed in EUR)</i>	Staff Scientific	Staff non-Scientific	R&D Services	Office, furniture & admin.	TOTAL
Lead Optimization (Chagas) Consortium	69,518	4,085	230,222		303,824
Screening Resources	513,596	14,923	318,840		847,359
Fexinidazole (HAT)	150,000		30,000		180,000
Flubendazole macro-filaricide (helminths)	410,440				410,440
Regional Offices	75,193	17,518		80,482	173,193
Combination therapy (VL)	116,485	86,661	42,927		246,073
Azole E1224 (Chagas)	1,071,731	120,333	1,640,036		2,832,101
Advocacy (Partners' meeting)		21,101			21,101
TOTAL	2,406,964	264,620	2,262,024	80,482	5,014,090

Main In-kind contributors: Eisai, Japan; Abbott, USA; Sanofi, France; CNPq-Brasilia University, Brazil; ARC-Australian Research Council, Australia; Dundee University, Scotland; University Federal Ouro Preto, Brazil; GSK, France; FIOCRUZ, Brazil; Epichem Pty Ltd, Australia; ICMR, India; KEMRI, Kenya; IDEC Inc, Japan; LAFEPE, Brazil

13. ASSETS PLEDGED AS GUARANTEE FOR COMMITMENTS

At year-end, a bank of the Foundation had provided two rental letters of guarantee of CHF 70,000 (EUR 57,484) and CHF 20,000 (EUR 16,424) in favour of a third party. Cash for an equivalent amount is pledged at the corresponding bank.

REPORT OF THE STATUTORY AUDITOR



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Report of the statutory auditor

To the Board of
DRUGS FOR NEGLECTED DISEASES INITIATIVE (DNDi), GENEVA

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Drugs for Neglected Diseases initiative (DNDi), which comprise the balance sheet, statement of operations, funds flow statement, statement of changes in capital and notes, presented on pages 63 to 77, for the year ended December 31, 2011. In accordance with Swiss GAAP FER 21, the content of the performance report is not audited.

Board's Responsibility

The Board is responsible for the preparation and the fair presentation of the financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law and the charter of the foundation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2011 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and the charter of the foundation.

Audit.Tax.Consulting.Corporate Finance.
Member of Deloitte Touche Tohmatsu



Drugs for Neglected Diseases initiative (DNDi)
Report of the statutory auditor
for the year ended
December 31, 2011

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (articles 83b CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board.

We recommend that the financial statements submitted to you be approved.

Deloitte SA

Peter Quigley
Licensed audit expert
Auditor in charge

Jürg Gehring
Licensed audit expert

Geneva, May 16, 2012

THANKS

DNDi would like to thank the following donors for supporting its activities since July 2003:

PUBLIC INSTITUTIONAL DONORS

- Department for International Development (DFID) / United Kingdom
- Dutch Ministry of Foreign Affairs (DGIS) / The Netherlands
- European Union – Framework Programmes 5, 6, and 7
- European and Developing Countries Clinical Trials Partnerships (EDCTP) with co-funding from Member States / International
- Federal Ministry of Education and Research (BMBF) through KfW / Germany
- French Development Agency (AFD) / France
- The Global Fund to Fight AIDS, Tuberculosis and Malaria (AMFm) / International
- German International Cooperation (GIZ) on behalf of the Government of the Federal Republic of Germany / Germany
- Ministry of Foreign and European Affairs (MAEE) / France
- National Institutes of Health (NIH), National Institute of Allergy and Infectious Diseases (NIAID) / USA
- Region of Tuscany / Italy
- Republic and Canton of Geneva / Switzerland
- Spanish Agency of International Cooperation for Development (AECID) / Spain
- Swiss Agency for Development and Cooperation (SDC) / Switzerland
- United States Agency for International Development (USAID), via the 4th Sector Health Project implemented by Abt Associates, Inc. / USA

PRIVATE DONORS

- Bill & Melinda Gates Foundation / USA
- Médecins Sans Frontières (Doctors without Borders)
- Wellcome Trust / United Kingdom
- Fondation André & Cyprien / Switzerland
- Fondation ARPE / Switzerland
- Fondation de bienfaisance de la banque Pictet / Switzerland
- Fondation Pro Victimis / Switzerland
- Guy's, King's and St Thomas, Giving Week / UK
- Leopold Bachmann Foundation / Switzerland
- Medicor Foundation / Liechtenstein
- Peter and Carmen Lucia Buck Foundation / USA
- Sasakawa Peace Foundation / Japan
- Starr International Foundation / Switzerland
- UBS Optimus Foundation / Switzerland
- Steve Rabin
- Jonathan Winslow
- Other private foundations and individuals who would like to remain anonymous

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