Over the course of 33 years, Operation Smile has provided life-changing surgery to hundreds of thousands of children, expanded our reach to include permanent cleft care centers, and changed the landscape of health care in countries where we work by training and educating local professionals and advocating for safe surgical care.

Through three decades of experience, Operation Smile has gained insight into the world of the patients we serve. These families give us the incredible privilege to learn their stories and listen to their needs. Their stories keep us going. The mother in Morocco who was told to throw away her baby, the boy in Vietnam who has never gone to school because of tormentors, or the woman in Ethiopia who came to a medical mission and saw all the children and told us, “I want each of them to be helped before me. I don’t want them to live like I have lived.”

Surgery as we know it is not available in the greater majority of our world. Only 4 percent of surgical procedures performed each year go to the poorest third of the global population. Billions lack access to surgery. Hearing these facts is one thing, addressing the staggering need is another. At Operation Smile, we have a responsibility to reach as many patients as we can with the highest quality of care possible. But our responsibility doesn’t stop there. We also have to make significant contributions to identify and break down barriers to surgical care. For Operation Smile, 2015 marked not only a continued commitment to providing quality care to children around the world, but also a renewed investment into finding the patients who are hardest to reach in the most remote regions.

Together, with help from supporters like you, we will continue our commitment to heal children, change lives and transform families around the world.

With our deepest gratitude,

Dr. William Magee, Jr., Operation Smile Co-Founder and CEO
Kathy Magee, Operation Smile Co-Founder and President
Operation Smile is the largest volunteer-based medical charity providing cleft surgeries and related care for patients in low- and middle-income countries. We believe every child deserves exceptional care. That’s what drives each and every one of us. The children we treat are at the heart of everything we do.

**2015 HIGHLIGHTS**

Our medical volunteers conducted 161 medical missions across 512 sites in 29 countries. We expanded programs into 27 new medical sites including Dakhla, Morocco; Nay Pyi Taw, Myanmar; Juigalpa, Nicaragua; and Cape Coast, Ghana. Patients experience many obstacles to receiving the care they need. They may not know a solution exists or they simply may not have access to hospitals or health care providers in their region.

Operation Smile programs provided more than 15,000 surgeries to patients worldwide. As a leader in the delivery of high-quality surgical care, we’ve been committed to increasing access to surgical services for more than three decades.

Each year, we conduct medical missions in locations around the world, and every one of those locations is unique. In some places, we have to import medical equipment. In some places, we have to import medical expertise. But in every location, Operation Smile works with local health providers to deliver care. Ultimately, our patients are a testament to the importance of safe, well-timed surgical care.

At our care centers around the world, Operation Smile provided more than 100,000 specialty medical interactions. Operation Smile recognizes that the need for care doesn’t stop when a medical mission ends. So wherever possible, we’ve established centers to ensure we can continue year-round care for patients. In countries without centers, we have local staff, medical leadership and other partners who are available to support our patients.
More than 3,000 health professionals volunteered with Operation Smile to care for our patients as part of our extensive medical team. About 1,000 of these volunteers went on more than one medical mission. Without our network of thousands of credentialed medical volunteers and passionate non-medical volunteers, we couldn’t do what we do to heal children and families around the world. 73% of medical professionals who volunteered with Operation Smile come from low- and middle-income countries. Our medical leadership teams design and deliver hands-on education programs to train thousands of local medical professionals, so they can become better health care workers and provide treatment within their own communities and share their expertise.

Medical volunteers representing 63 countries donated 364,932 hours. The estimated value of that time is $28 million USD. The heart, time and talent they give is immeasurable. By joining together with other medical volunteers from different countries and varying levels of expertise and specialties, this global network provides our patients with the highest quality of surgical care.

Learn more about Dr. Mrdami Wafaa, an Operation Smile volunteer plastic surgeon from Morocco: operationsmile.org/wafaa
We provided 1,559 life-saving American Heart Association (AHA) certifications that improve patient safety in the field. Since its inception, Operation Smile has invested in education and training. It remains at the heart of everything we do, as we seek to influence health care systems in low- and middle-income countries and promote standards of care.

Operation Smile performed more than 17,000 dental procedures last year at our centers as well as local and international dental missions. Operation Smile provides dental services to patients in order to ensure comprehensive oral care as part of treatment plans tailored to patients need.

With the help of generous corporate partners, Operation Smile packed and shipped 464 pallets of cargo, weighing more than 65 tons and worth more than $7.7 million USD in support of all of our medical programs around the world.

In some regions of the world where we work, there aren’t enough hospitals to take care of the children and families who need surgery. Where there are hospitals, sometimes they don’t have the basic necessities to carry out successful surgery — equipment like oxygen monitors and anesthesia units. There might not be any antibiotics or pain medication, and even essentials like sanitary masks, gloves and gowns are sometimes unavailable. As part of our Global Standards of Care, we make sure we have specific equipment and medications to enable the delivery of the safest surgery and outcomes.

Learn more about how our AHA training has impacted programs in Panama: operationsmile.org/panama
For more than three decades, we’ve brought hope to families by providing them with the highest quality surgical care. But we don’t stop at surgery.

Cleft treatment goes beyond surgery. In older patients, who have been bullied and isolated, psychological care may be required for reintegration into society. Patients who receive cleft palate surgery need speech therapy to learn how to properly articulate words and be understood. Dental and orthodontic care is often critical to help patients with speech therapy.

Operation Smile will launch three more centers — in Paraguay, Nicaragua and Ecuador — in the coming year.
EMPOWERING LOCAL COMMUNITIES

Operation Smile is invested not only in providing the highest quality surgical care available, but also in empowering local communities through education and training to improve how health care is delivered.

Throughout the years, we’ve recognized holistic care begins at the local level. That’s why we invest in educating medical professionals in resource-poor regions to promote the future growth and sustainability of local health systems.

WE INVEST IN EDUCATING MEDICAL PROFESSIONALS IN RESOURCE-POOR REGIONS TO PROMOTE THE FUTURE GROWTH AND SUSTAINABILITY OF LOCAL HEALTH SYSTEMS.

BUILDING MEDICAL CAPACITY THROUGH TRAINING IN ETHIOPIA

In some countries, increasing the number of health care providers is just as important as expanding the knowledge and expertise of existing medical professionals. In Ethiopia, where there are no plastic surgeons outside of the country’s capital, Operation Smile has been dedicated to building medical capacity by training general surgeons to become plastic surgeons.

In November 2014, we established a partnership with Jimma University Specialized Hospital to implement comprehensive training programs. Under this partnership, Operation Smile will select and train six of the university’s top general surgeons over the next five years. Those who complete their training have committed to stay in Jimma where they will then become educators and train more general surgeons in plastic surgery. During this period, Operation Smile will continue to support surgical needs in Jimma every six months through medical programs.

“Lack of plastic surgeons is a huge problem here. If a patient has a deformity, or a burn, or something more than what a general surgeon can handle, they have to go far away to Addis. Most people will not go. They won’t seek any medical help after that. But people trust Operation Smile.”

- Dr. Daniel Abate, one of the first two trainees in Operation Smile’s surgical education program in Jimma, Ethiopia

BRINGING INTERNATIONAL MEDICAL PRACTITIONERS TOGETHER

More than 200 medical practitioners from 40 countries convened this year at the annual NEXT Medical Conference hosted at Operation Smile’s Global Headquarters. Participants included medical directors, leaders in the global health sphere and volunteers with hundreds of years of combined experience serving the organization. Conference attendees explored the state of global surgical care and collaborated on ways to overcome barriers to care, improve local health infrastructure and increase surgical capacity.
LISTENING TO OUR PATIENTS

In the three decades Operation Smile has been in existence, we’ve learned a lot about the families we serve. We recognize the incredible obstacles our patients and their families face to reach surgical care. In many cases, parents and guardians undertake heroic efforts to get their children the help they deserve. Many parents leave their jobs to make the journey, not knowing if they will have work when they return. Others sell livestock — often their livelihood — to afford transportation to medical mission sites. At Operation Smile, we believe that every person should have access to safe, timely surgical care as a universal right. No family should have to worry they can’t get their child the care they need.

REACHING OUT TO NEW PATIENTS IN HONDURAS

Operation Smile is committed to understanding and addressing the unmet need for cleft care. To highlight one example, Operation Smile conducted a national registration campaign in partnership with Ingeniería Gerencial, a Honduran development enterprise that surveys the nation’s electric meters each month. A network of more than 300 company employees visited every household in Honduras that has electricity and inquired as to whether any individual living within or near the household was in need of cleft care. Patients were then sequenced into care with Operation Smile either at the Comprehensive Care Center in Tegucigalpa or at a surgical program held in another area of the country. Nearly 600 patients in need of cleft care were identified. To date, 92 have received surgery through Operation Smile and more than 300 patients are either receiving comprehensive care at the Center in Tegucigalpa or have scheduled appointments.

PARTNERING WITH USC AND CHLA TO UNDERSTAND CLEFT

Since 2009, Operation Smile has conducted medical research in partnership with the University of Southern California (USC) and Children’s Hospital Los Angeles (CHLA). This project, the International Family Study, is a global research study aimed at finding the causes of cleft lip and palate through genetic analysis, and maternal and paternal questionnaires on environmental exposures and lifestyle habits. With our academic partners at USC, we have collected more than 6,000 DNA samples from patients and families in seven countries so far, with more planned in the coming year. Our goal is to have 10,000 DNA samples from at least one dozen countries in our repository and run genetic analysis to potentially determine the cause of cleft conditions.

OPERATION SMILE IS COMMITTED TO UNDERSTANDING AND ADDRESSING THE UNMET NEED FOR CLEFT CARE.
STRATEGIC PARTNERSHIPS

Operation Smile partners share our commitment to making the world a better place for children everywhere. Whether they are providing donations or volunteering their time and talents, our partnerships are critical to healing children’s smiles and transforming lives around the world.

We thank all our corporate supporters and their employees for their selfless dedication and generosity that change the lives of hundreds of thousands of children worldwide.

JOHNSON & JOHNSON

This year, Johnson & Johnson and Operation Smile have solidified and expanded a thriving enterprise partnership with the aim of healing patients through safe, timely and effective surgery in areas of the world that need it the most.

Ethicon Inc., a member of the Johnson & Johnson companies and one of our largest and longest-standing partners, has been a generous supporter since 1988, donating surgical sutures for all of our medical programs. In 2010, Ethicon Inc. employees in Europe, the Middle East and Africa started a grassroots fundraising campaign with Operation Smile where employees raised money on their own to help provide surgeries for children around the world. In 2012, it expanded into an international campaign engaging approximately 25,000 participating employees from Johnson & Johnson operating companies. This year, the company made a $25 million USD commitment in product and financial support over the next five years, the largest single donation Operation Smile has received, and has partnered with Operation Smile to advocate for access to quality surgery and the advancement of surgical infrastructure globally.

“As I held one of the babies being brought into the operating room to repair a cleft lip, I saw how equally nervous and hopeful the child’s mother was before the surgery. Despite the language barrier between us, her determination to give her child a healthier, happier life through this needed surgery required no translation. It was at that moment that I understood Operation Smile’s belief that ‘these are all our children.’ The passion and commitment that Operation Smile demonstrates in delivering the highest level of care to every patient connects deeply to our mission at Johnson & Johnson.”

- Alex Gorsky, CEO of Johnson & Johnson
Operation Smile’s Regan Resident Leadership program provides plastic surgery residents with an invaluable opportunity to attend an Operation Smile medical mission to perfect their tactical skills while also working with a global patient population. This program is named in honor of co-founder Jay Regan’s father, James Sutton Regan, who was a surgeon in Buffalo, New York known for his excellence in cleft lip and cleft palate reconstructive surgery.

"Over the past 10 years, we have been proud to partner with Operation Smile," said co-founders Jay and Amy Regan. "Not only are children with cleft lip and cleft palate around the world given a new smile, but young resident doctors who operate on these children are given the privilege of an eye-opening experience, which will make them more compassionate doctors. We look forward to working with Operation Smile for many more years."

MICROSOFT

Since our partnership with Microsoft began in 2012, the company has donated more than $2 million USD in technology that is helping us scale our efforts to do even more to transform lives around the world. In November 2014, during a multisite medical mission in Vietnam, we launched a digital patient assessment process. All patient data was collected using a new Electronic Health Record system called Vitro®, donated by Slainte Healthcare (Dublin, Ireland) and based on an introduction by Microsoft. Microsoft also brokered a donation of ASUS tablets providing much of the hardware for the launch of Vitro. With continued and generous support from both Microsoft and Slainte, we are now rolling out Vitro globally and are poised to enjoy tremendous new insights into our patient population and the causes of facial deformities.

Erwin Visser, Microsoft General Manager of Enterprise Marketing

THE REGAN FAMILY

Operation Smile’s Regan Resident Leadership program provides plastic surgery residents with an invaluable opportunity to attend an Operation Smile medical mission to perfect their tactical skills while also working with a global patient population. This program is named in honor of co-founder Jay Regan’s father, James Sutton Regan, who was a surgeon in Buffalo, New York known for his excellence in cleft lip and cleft palate reconstructive surgery.

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HASBRO INC.

Hasbro Inc. has been involved with Operation Smile since 2003 and has donated more than $2 million USD in monetary donations to support Operation Smile’s medical missions in Brazil, Colombia, China, Mexico and Peru as well as our year-round care center in Bogotá, Colombia.

“We are proud to partner with Operation Smile, one of our longest standing philanthropic partners,” said Karen Davis, Senior Vice President of Global Philanthropy & Social Impact. “They are passionate advocates who work tirelessly to fulfill their mission, saving lives and bringing smiles to the faces of so many children around the world.”
PepsiCo
PepsiCo has had a longstanding partnership with Operation Smile since 2009 totaling over $1.2 million USD of monetary support of medical missions in Latin America. PepsiCo also donates beverages including water, soda and juice to medical mission sites for patients, their families and our volunteers.

Cydcor
Cydcor, the leading provider of independent sales staff to a diverse client base, has partnered with Operation Smile since 2010. Cydcor has donated more than $500,000 USD to provide surgery for children in need, and help fund medical programs around the world.

Sika
Sika, an international construction and building company, has partnered with Operation Smile since 2012 and has supported medical programs in the Philippines, Thailand and Vietnam. Since the beginning of our partnership, Sika has generously donated the funds to support more than 900 surgeries in Vietnam. Sika is dedicated to supporting communities through infrastructure development and providing emergency aid to disaster-stricken regions.

Align Technology Inc.
Align Technology Inc., a global medical device company dedicated to transforming lives by improving dental care, has partnered with Operation Smile since 2013. The company has committed to donating at least $500,000 USD in monetary support to Operation Smile to treat patients around the world.
IN JULY 2014, STUDENTS FROM AROUND THE WORLD JOINED TOGETHER TO START A “CHAIN REACTION,” ENCOURAGING PHILANTHROPIC BEHAVIOR THROUGH THEIR OWN ACTIONS, TO HELP OPERATION SMILE STUDENT PROGRAMS HEAL SMILES IN THE NEW CARE CENTER IN PARAGUAY.

THE NEXT GENERATION

At Operation Smile, we believe an investment in our student volunteers is an investment in the future of our organization. Students play a key role during our medical programs by teaching patients and their families primary health care lessons, such as burn care, hygiene and prevention. Students also engage in play therapy with patients — easing patient fears — before surgery, serve as translators, and help tell the stories of the patients and families we serve.

Since its founding in 1985, Student Programs has cultivated more than 900 student clubs worldwide — with a network of more than 18,000 students from 44 countries.

THE INTERNATIONAL STUDENT LEADERSHIP CONFERENCE

During the 2014 International Student Leadership Conference in Ireland, 397 students from 24 countries participated in leadership and training workshops, had an opportunity to participate in team building activities and listen to powerful speakers. The global conference offers students an overview of Operation Smile’s work around the world and teaches them to be confident leaders and public speakers. In the 45 days following the conference, students raised $50,000 USD to fund construction of the Operation Smile Cleft Lip and Cleft Palate Clinic in Paraguay. In 2015, the conference was held at Chapman University in California where more than 500 students from 27 countries participated and hosted a community service project during their stay.

TRAINING STUDENT VOLUNTEERS

Many students who attended the conference applied to Mission Training Workshop, where they learned their role as student volunteer. Operation Smile includes two high school student volunteers on most medical missions throughout the year. Local Operation Smile clubs often take time during the school day to assist international volunteers during the medical mission.

“I had my first experience with Operation Smile in 7th grade. I was not aware of kids who had troubles like this. When my school came to help on a mission, I fell in love, I wanted to come back every day. Operation Smile is a part of my life now. It hurts me to see other Honduran kids like this. We come here and we see the reality for so many Hondurans. We take so much for granted.”

- Gielle Gomez, 17, president of the Operation Smile club at the American School in Honduras from 2014-2015
Salaheddine and his mother, Hasnaa, traveled for 54 hours by bus to get to the Operation Smile medical mission in Dakhla, Morocco. The family had known about Operation Smile since Salaheddine was 4 months old, but never had the funds necessary to make the long journey nor the support of Salaheddine's father.

Read about the barriers Hasnaa overcame to get her 2-year-old son surgery in Dakhla, Morocco: operationsmile.org/morocco
OSCAR

At 7 years old, Oscar didn’t speak — he would only communicate through motions, nods of his head and shy smiles. His cleft palate has kept him from learning how to properly articulate words, and out of frustration of not being understood, Oscar quit trying to talk. Over time, Oscar’s cleft lip prevented him from going to school, from making friends and from feeling accepted in his own community.

Read about Oscar’s life and his surgery in Tegucigalpa, Honduras: operationsmile.org/honduras
At 14 years old, Asfew is too embarrassed to speak to foreign doctors and other Operation Smile volunteers. He’s embarrassed at how he will sound if he tries to talk and how he looks if he holds his head up. Asfew was born with a cleft lip and cleft palate and has spent his life rejected by his own mother and father.

Read about Asfew’s journey to get surgery in Jimma, Ethiopia: operationsmile.org/ethiopia
In the Philippines, before surgery, Efren didn’t go to school, he would fight back his bullies, and he never played with other children. “He had so much anger in his heart,” his father said. “After surgery, he is a completely different child.”

Because of the generosity of donors around the world who gave Efren a chance at a new life through surgery, Efren is able to go to school with confidence. When he grows up, he wants to be a doctor to help other children who were born like him.

Read about Efren’s surgery:
operationsmile.org/philippines
“I CAN'T BELIEVE THIS IS MY CHILD. HE IS EVEN MORE HANDSOME THAN BEFORE. THIS IS THE GREATEST GIFT, THANK YOU, THANK YOU, THANK YOU.”

- Mother in Vietnam
ABOUT OPERATION SMILE

Operation Smile believes every child suffering from cleft lip or cleft palate deserves exceptional surgical care. Operation Smile is a children's medical charity that has had a presence in more than 60 countries to provide free, safe treatment and surgery for those who suffer from facial deformities such as cleft lip, cleft palate and other surgically amenable conditions. The organization works to build self-sufficiency and sustainable health care infrastructures in our host countries. To do this, Operation Smile trains local doctors to treat children in their own communities, donates crucial medical equipment and supplies, builds public-private partnerships and creates and mentors in-country foundations to increase capacity. Operation Smile is committed to raising public awareness, educating and serving as an advocate for children born with cleft lip and cleft palate and the need for safe, well-timed and effective surgery. Through partnerships, Operation Smile is conducting research to identify the root causes. By inspiring action and leadership, Operation Smile works to build self-sufficiency and sustainable health care infrastructures in our host countries. To do this, Operation Smile trains local doctors to treat children in their own communities, donates crucial medical equipment and supplies, builds public-private partnerships and creates and mentors in-country foundations to increase capacity.

HOW FUNDS WERE ALLOCATED

<table>
<thead>
<tr>
<th>Programs</th>
<th>Total funds allocated</th>
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<tr>
<td>Fundraising</td>
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<tr>
<td>Other</td>
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<td>Programs</td>
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SOURCES OF REVENUE

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<tr>
<th>Source of Revenue</th>
<th>Revenue (in thousands)</th>
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<tbody>
<tr>
<td>Contributions</td>
<td>$58,589,139</td>
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<tr>
<td>Gifts-in-kind</td>
<td>$6,838,822</td>
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<tr>
<td>Contributed services</td>
<td>$28,962,019</td>
</tr>
<tr>
<td>Other</td>
<td>$834,331</td>
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<tr>
<td>Total sources of revenue</td>
<td>$95,224,308</td>
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FINANCIALS

Year Ending June 30, 2015

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<tr>
<th>Financials</th>
<th>Amount (in thousands)</th>
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<tbody>
<tr>
<td>Contributions</td>
<td>$58,589,139</td>
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YEAR END FINANCIAL POSITION

<table>
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<tr>
<th>Year End Financial Position</th>
<th>Amount (in thousands)</th>
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<tr>
<td>Total assets</td>
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<tr>
<td>Net assets</td>
<td>$32,261,966</td>
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</tbody>
</table>

Other current assets | $20,042,396 | 42.1%
Contributions | $58,589,139 | 61.5%
Contributed services | $28,962,019 | 30.4%
Other | $834,331 | 0.9%
Total sources of revenue | $95,224,308 | 100%

The full financial statements, audited by KPMG LLP, are available via request by calling +1-888-OPSMILE and can be found on our website at operationsmile.org/financials.

About Operation Smile

Operation Smile Inc. is a registered charitable organization in the Commonwealth of Virginia as required by law. Operation Smile Inc. is registered with the Office of Charitable and Regulatory Programs at the Virginia Department of Agriculture and Consumer Services. For the copy of the latest financial report and registration filed by Operation Smile Inc., or for a complete list of state registration filings, or for additional financial information, please send a self-addressed envelope to Operation Smile, 3641 Faculty Boulevard, Virginia Beach, VA 23453 or visit operationsmile.org/financials. Registration does not imply endorsement, approval, or recommendation by any state. Operation Smile Inc. is a charitable organization pursuant to section 501(c)(3) of the Internal Revenue Code. Contributions are tax deductible in accordance with IRS rules and regulations. For the Operation Smile Code of Conduct, please visit operationsmile.org/code-of-conduct.
Thank you to our photographers: Marc Ascher, Bobby Cullipher, Shiho Fukada, Jörgen Hildebrandt, Jessica Brandi Lifland, Zute Lightfoot, Margherita Mirabella, Jasmin Shah

PHOTOGRAPHY CREDITS


EVERY CHILD THAT HAS A FACIAL DEFORMITY IS OUR RESPONSIBILITY. IF WE DON’T TAKE CARE OF THAT CHILD, THERE’S NO GUARANTEE THAT ANYONE ELSE WILL.”

- Kathy Magge, Operation Smile Co-Founder and President
In Madagascar, 4-year-old Tommy has enrolled in school and is excited to begin learning with other children. “All the teasing stopped after surgery,” his mother said. “He’s a changed little boy now. He’s much happier.”