

V I C T O R
P I N C H U K
F O U N D A T I O N



ANNUAL REPORT

2008

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The Victor Pinchuk Foundation is the largest international, private, non-partisan, philanthropic foundation based in Ukraine.

Our goal is to empower future generations to become the change makers of tomorrow.

To achieve this goal, we develop projects, build partnerships in Ukraine and worldwide and invest in three directions:

Investing in people, to boost human capital,

Investing in society, to promote social responsibility,

Investing in the world, to foster a more integrated world.

Over the last three years, the foundation has sharply increased its activities and its impact. Its budget has increased over 10 times from \$2.3 million in 2006 to \$25.7 million in 2008.

V I C T O R
P I N C H U K
F O U N D A T I O N

from the Founder
and Chairman of the Board

"I want to give
new generations
an opportunity
to become
the change makers
of tomorrow"



Dear friends,

I am an eternal optimist. Because I believe that tomorrow could be better than today, I am always keen to get involved and to act. That is the reason I started developing my philanthropic activities more than a decade ago and why I opened the Victor Pinchuk Foundation in 2006.

The great philanthropists of our time are those who combine their generosity of vision with their ability to implement. These are also the examples I try to follow. One major lesson I have learnt from them is that success can only be achieved by working with others. We have to work with the leaders and influencers who will make a difference.

I am committed to supporting new generations who want to change the world and make it a better place to live. I want to help them realize their dreams and potential. I want to give them the opportunity to become the change makers of tomorrow.

I strongly believe that by empowering future generations, we can dramatically increase our impact. This is my personal commitment and the goal of my foundation.

Victor Pinchuk

A few dates

2007
Creation of EastOne Ltd., an international investment fund

2006
Creation of the Victor Pinchuk Foundation

2003
Decision to retire from politics to focus on his business and philanthropic activities

1998
Election as a Member of Parliament in the circumscription of Dnipropetrovsk (2 terms)

1990
Creation of Interpipe Corporation, based on his patented innovations

1987
PhD from the Metallurgical Institute of Dnipropetrovsk

1960
Birth in Kyiv

Julia Chebotareva Head of the Executive Committee
Thomas Eymond-Laritz President of the Foundation



Q: If you were to sum up 2008 in a few words, what would you say?

TEL: Growth, maturity and Rock'n Roll would best sum up the foundation's activities in 2008!

- Growth, because our budget has soared by over 10 times in just two years from \$2.3m in 2006 to \$25.7m in 2008.
- Maturity, because after three years of operations, we can better assess the impact of our projects. For example, since 2006 we have welcomed over 500,000 visitors to the PinchukArtCentre and over 3,000 babies have been saved in the neonatal "Cradles of Hope" centers.
- Rock'n Roll, because McCartney's independence concert in May 2008 was without a doubt the biggest Ukrainian social event of the year. The magazine Korrespondent even rated it as the third most important public event since the independence of Ukraine in 1991, just after the Orange revolution and the Pope's visit to Kyiv!

Q: 2008 was also the year when the foundation really gained a lot of public recognition, wasn't it?

JC: Yes indeed, Victor Pinchuk was awarded the title of "Ukrainian Philanthropist of the year" by three different organizations: the newspaper "Delo", the magazine "Ego" and the Ukrainian Philanthropist Forum.

"Growth, maturity and Rock'n Roll would best sum up the foundation's activities in 2008!"

Thomas Eymond-Laritz

Q: Was the foundation impacted by the on-going Ukrainian political turmoil?

JC: Not directly. Fortunately, we made it very clear from the very beginning that the foundation is totally non-political. Victor Pinchuk himself decided to withdraw from politics back in 2003. So we are absolutely free of political interference. Political leaders from all sides participate in our events and gatherings. Our goal is to unite the nation, not to divide it.

Q: Did the foundation both continue to carry out projects and give grants for others to perform the projects in 2008?

TEL: We indeed did both. It depends on the projects. We tend to run many Ukrainian projects on our own, because they are very innovative and we want to control their development to achieve best results. On the other hand, we give grants for many of our international projects when there is already proper know-how and expertise available and it is not necessary to reinvent the wheel.

Q: How do you evaluate the evolution of philanthropy in Ukraine?

TEL: There has been a real philanthropic revolution in Ukraine for the last three years. Until very recently, nobody talked about philanthropy in Ukraine, and the vast majority of money invested in this way came from abroad. The Victor Pinchuk Foundation and one or two others inspired a new trend of philanthropically funding local development, and renewing the Ukrainian tradition of philanthropy that was interrupted early in the 20th century when the Soviet period began. The volume of philanthropy increased dramatically, and the practices changed as well: more transparency and accountability, more strategic approaches, a better distinction between CSR policies and private philanthropy. However, philanthropy remains largely underdeveloped in Ukraine. Much more could be done. It is part of our mission to inspire further philanthropic development in Ukraine and worldwide.

A few dates

Julia Chebotareva

2007
Head of the Executive Committee of the Victor Pinchuk Foundation

2007
Deputy Chief Executive Officer, EastOne

2002
Election as a Member of Ukrainian Parliament

1999
Vice President for Corporate Property, Interpipe Group

1993
Chief Financial Officer, Interpipe Group

1987
Graduated from the Dnipropetrovsk National University

Thomas Eymond-Laritz

2006
President of the Victor Pinchuk Foundation

2005
Set up and established the Victor Pinchuk Foundation

2004
Chief of staff for Victor Pinchuk

2003
Senior advisor on European issues to the Bulgarian Prime Minister Simeon Saxe-Cobourgh

2001
Inter-ministerial coordinator on European issues for the French Prime Minister's office

1998
Graduated from the Corps des Mines in Paris

Who we are

The Victor Pinchuk Foundation is an international, private, non-partisan, philanthropic foundation based in Ukraine.

Our vision

We believe that the future has to be prepared now and that each of us has the power to act.

We believe that empowered future generations can be a major driver of change.

We believe that long-term large scale investments can create the favorable conditions for the people to seize their destiny.

Our mission

Our goal is to empower future generations to become the change makers of tomorrow. To achieve this goal, we develop projects and build partnerships in Ukraine as well as globally, and invest in three main areas:

in people, to boost human capital,

in society, to promote social responsibility,

in the world, to foster a more integrated world.



The following principles reflect the Victor Pinchuk Foundation's philosophy. They inspire what we do, why we do it, and how we do it.

1. The Victor Pinchuk Foundation is a private, non-partisan, philanthropic foundation. It is independent of all governments, all political parties and all corporations. It operates based on the vision and passion of its founder, Victor Pinchuk, with the underlying goal to empower future generations.
2. The Victor Pinchuk Foundation is an international foundation based in Ukraine. The challenges in a given country interrelate with the rest of the world; so do we. We develop projects in Ukraine using international best practices; we develop projects internationally to address global issues, backed by our Ukrainian know-how and experience.
3. The Foundation's action is based on the principle of empowerment: our investments are mainly long-term in order to create a favorable environment enabling people to seize their own destiny.

4. Innovation is at the core of our approach. We believe that it is always necessary to look for new ways and means to meet the challenges of our modern world.
5. The Foundation views itself as a social investor, a social entrepreneur. We try to apply corporate best practices to our investments in society. Strategic thinking, result-oriented approach and cost efficiency are our guiding principles.
6. We realize that our responsibility goes beyond purely carrying out our projects. By playing a unique role in philanthropic development, we may set an example and engage others to act. We want to inspire a whole generation to become the change makers of tomorrow.
7. Ethics permanently underpin our thinking and are at the core of our activities. Ethics are shared and upheld by all our staff.



INVESTING IN PEOPLE, to increase human capital

Health

Cradles of Hope

In order to curb infant mortality in Ukraine, we develop a network of neonatal centers throughout the country, with state-of-the-art medical equipment and well trained medical workers. 16 neonatal centers have been equipped in 2006-2008 and over 3000 babies have been saved.

Arts and Culture

PinchukArtCentre

The PinchukArtCentre is the largest and the most dynamic private contemporary art center in Central and Eastern Europe. It is dedicated to fostering artistic education, creation and appreciation in Ukraine. It features Ukrainian and international art. From its opening in September 2006 until December 2008, the PinchukArtCentre hosted 8 exhibitions attracting over 500,000 visitors.

Education and Leadership

Zavtra.UA

Zavtra.UA is the largest private national stipend program in Ukraine. We select Ukraine's most talented students, provide them with financial support to continue their education and offer them opportunities to develop as responsible and engaged citizens. We partner with 32 universities. 201 students were enrolled for 2007 and 316 for 2008.

Four Seasons Chamber Orchestra

We support the Four Seasons Chamber Orchestra, the only private chamber orchestra in Ukraine, as we believe that music and culture are an essential factor for self-development. The Orchestra performed over 200 concerts during 15 years of its existence, 50 of them were charitable concerts for schoolchildren, students and professors of Dnipropetrovsk.

Kyiv School of Economics (KSE)

We support the development of the Kyiv School of Economics, the only educational institution in Ukraine which follows international standards in economy. Our goal is to improve the economic, business and policymaking environment in Ukraine. In 2008, two public lectures were organized, featuring Muhammad Yunus and Kofi Annan.

Economic Empowerment

Large family project

In the framework of the social public-private partnership initiated by the President of Ukraine, we brought support to large families having more than 10 children and living in Dnipropetrovsk and Lviv Oblasts. In total, 25 large families with 265 children were supported; 8 new houses were built and 17 houses upgraded.

Aspen Ukraine Initiative

In cooperation with the Aspen Institute (USA) and applying its well-known cutting-edge approach, we support Ukrainian leaders to develop values-based ideas and initiatives for improving their communities and country. In 2008, two one-week Aspen Ukraine seminars were conducted in the Crimea, attracting 46 participants from 14 cities of Ukraine.

\$2.3m

2006 annual budget

\$15.7m

2007 annual budget

\$25.7m

2008 annual budget



INVESTING IN SOCIETY, to promote social responsibility

Unity and Tolerance

"Spell Your Name"

In order to build a more tolerant society, we support the development of an educational program for school teachers on the Holocaust in Ukraine, based on the film "Spell Your Name", which was co-produced by Steven Spielberg and Victor Pinchuk. The training program reached 14,000 students all over the country.

Father Desbois Initiative

In an effort to promote tolerance, we support the outstanding work of Father Patrick Desbois, a French Catholic priest looking for the mass graves of the Holocaust in Ukraine. To date, over 800 mass graves have been uncovered. In 2008, we helped the Museum of Jewish History in New York to host the exhibition "The Mass Shooting of Jews in Ukraine 1941-1944: The Holocaust by Bullets".

Jewish Communities

The Victor Pinchuk Foundation supports the educational, cultural and spiritual revival of the Ukrainian Jewish community. In 2008, some 5,000 people from 165 towns were given Shabbat meals and over 2,000 children from low-income families received support.

Legal clinics/legal aid

In cooperation with the Open Society Institute and the International Renaissance Foundation, we support legal clinics and legal aid projects to promote equal access to justice for Ukrainian citizens, bolster the rule of law and safeguard human rights. Each year, 15,500 citizens benefit from free legal consultations in 37 legal clinics throughout Ukraine. In 2008, over 2000 criminal defendants received legal aid prior to police interrogation.

Independence concert

Upon our invitation Sir Paul McCartney gave a free Independence Concert in Kyiv, aimed at uniting the country and strengthening understanding in Ukrainian society. Over 350,000 people attended the show in Kyiv and more than 13 million people watched the live broadcast on TV.

Philanthropic Development

Clinton Global Initiative

We support the Clinton Global Initiative in its efforts to build a community of global leaders from various backgrounds to devise and implement innovative solutions to some of the world's most pressing challenges. At the 2008 CGI Annual Meeting the Victor Pinchuk Foundation announced its commitment for the WorldWideStudies project. We were the convening partner of the first CGI regional meeting in Hong Kong focusing on Asia.

Davos Philanthropic Roundtable

At the occasion of the Annual Meeting of the World Economic Forum, we organized the Davos Philanthropic Roundtable in order to foster philanthropic development in Ukraine and worldwide. The event attracted 150 participants.

Emergency Solidarity

Emergency Solidarity

The Victor Pinchuk Foundation provides support to the victims of natural catastrophes and emergencies in Ukraine. In 2008, we provided assistance to people who lost their homes as a result of the Lviv gas explosion and flooding in the Western Ukrainian Oblasts.

INVESTING IN THE WORLD, to foster a more integrated world

EU enlargement

Yalta European Strategy

We support YES – the Yalta European Strategy – an international organization that promotes Ukraine joining the European Union. Its Annual Meeting in Yalta has become the main high-level EU-Ukraine forum for debate and policy recommendations.

Brookings Institution

We support the project "The Frontiers of Europe" of the Brookings Institution to analyze the current challenges for the expansion of European Union. Our goal is to provide insight to experts and policy makers in order to promote Ukraine joining the EU.

Amicus Europae Foundation

We support the Amicus Europae Foundation, chaired by President Kwasniewski, and its European Enlargement and Neighborhood Policy in order to promote Ukraine in Europe.

Promotion of Ukraine abroad

Davos Ukrainian Lunch

Each year during the Annual Meeting of the World Economic Forum in Davos we host a conference lunch about Ukraine to promote the country among top international leaders and foster understanding of the political and investment climate. In total, 700 leaders attended from 2005 to 2008.

Open Ukraine

We support the activities of the Open Ukraine Foundation in order to raise Ukraine's profile internationally and support public diplomacy.

Peterson Institute

We support the "East European and Ukrainian Program" of the Peterson Institute for International Economics, in order to foster analysis, understanding and promotion in the West of the current Ukrainian economic transformations.

Conflict prevention

International Crisis Group

We support the activities of the International Crisis Group to prevent and resolve deadly conflicts throughout the world and in particular in countries near Ukraine.

2006

March 6

Formal establishment of the Victor Pinchuk Foundation to consolidate Victor Pinchuk's philanthropic activities.

June 1

Launch in Chernigiv of the Cradles of Hope project: a network of state-of-the-art neonatal centers throughout Ukraine to curb infant mortality.

July 13-16

Third Yalta Annual Meeting of the Yalta European Strategy (YES), an international network promoting Ukrainian membership of the European Union. The key speakers included Stephen Byers, Alexander Kwasniewski, Elmar Brok, Ivo Sanader, Yuri Yekhanurov, Oleksandr Moroz. YES is supported by the Victor Pinchuk Foundation.

July 15

First scholarship awarded for a young Ukrainian leader to attend the Aspen Institute Executive Seminar in Aspen, Colorado. The program continues with the development of the Aspen Ukraine Initiative.

September 16

Inauguration and opening of the PinchukArtCentre, the first large-scale contemporary art centre in Ukraine, and its first exhibition entitled "New Space".

September 18

Finalization of the \$2.5 million cooperation agreement between the William J. Clinton Foundation and the Elena Franchuk ANTIAIDS Foundation, with the support of the Victor Pinchuk Foundation, in order to combat HIV/AIDS in Ukraine.

October 12

Celebration of the 10th anniversary of the Master of Arts program in economics at the EERC, and the announcement of the creation of the Kyiv School of Economics (KSE), with a \$10 million grant from the Victor Pinchuk Foundation. Conference with Dr. Francis Fukuyama and Nobel Prize winner Dr. Robert Engle.

October 18

Première in Kyiv with Steven Spielberg of the documentary film "Spell Your Name" about the Holocaust in Ukraine, co-produced by Mr. Spielberg and Mr. Pinchuk with the USC Shoah Foundation Institute.

2007

January 19

Opening of the PinchukArtCentre's 2nd exhibition, "Generations.UsA".

January 26

3rd Davos Ukrainian Lunch at the occasion of the Annual Meeting of the World Economic Forum with Vaira Vike-Freiberga, Alexander Kwasniewski, Viktor Yanukovich, Arseny Yatseniuk, Oli Rehn, George Soros and Dominique Strauss-Kahn.

January 31

First year award ceremony for Ukraine's first large-scale educational stipend program, Zavtra.UA.

April 13

Opening of the PinchukArtCentre's 3rd exhibition, "Vik Muniz: A Survey".

June 7

Opening of the Ukrainian Pavilion, presented by the PinchukArtCentre, at the 52nd International Art Exhibition in Venice.

June 16

HIV/AIDS public awareness concert with Sir Elton John in Kyiv, which drew over 200,000 spectators and 4 million TV viewers. Opening of the exhibition of contemporary photographs from the private collection of Sir Elton John at the PinchukArtCentre.

June 28 – July 1

4th Yalta Annual Meeting of YES, featuring among others William J. Clinton, Victor Yushchenko, Alexander Kwasniewski, Gerhard Schroeder, Janez Jansa and Dominique Strauss-Kahn.

13-16 September

1st YES Summer University in Kiev, with the participation of Victor Yushchenko, Luis Amado and Meglena Kuneva.

October 6

Opening of the 5th and most successful exhibition of the PinchukArtCentre, entitled "Reflection".

October 9

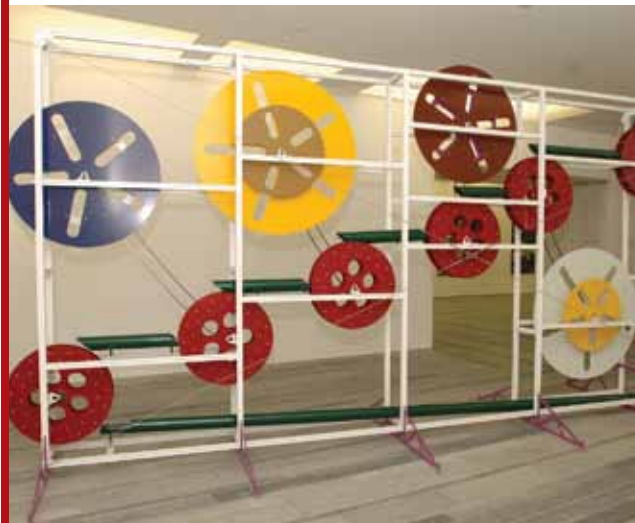
Kyiv School of Economics Public Lecture with James Wolfensohn, the 9th president of the World Bank.

October 24

Kyiv School of Economics Public Lecture with Colin Powell, the 65th US Secretary of State.

November 6

Opening of the 12th neonatal center in the Cradles of Hope program.



2008

January 24

1st Davos Philanthropic Roundtable. Key speakers included George Soros, Matthew Bishop, Kateryna Yushchenko, Robert Harrison, Walter Isaacson and Dr. Tadataka Yamada.

January 25

4th Davos Ukrainian Lunch "Ukraine. What's next?" Key speakers included Victor Yushchenko, James Wolfensohn, Fred Bergsten, Jean Lemierre and Michael White.

March 18

Victims of the gas explosion accident in the residential building in Lviv received over UAH 1 million in charitable donations from the Foundation.

April 8

"Fighting Poverty", a KSE Public lecture given by Muhammad Yunus, the Nobel Peace Prize Winner in 2006.

April 9

FTA Forum in Kyiv organized by the Yalta European Strategy (YES).

April 12

Opening of the PinchukArtCentre's 6th exhibition, "Oneness" by Mariko Mori.

May 11, 14, 17

Europe Days in Kyiv, Odesa and Donetsk with public debates organized by YES.

May 15

KSE public lecture "Challenges Facing Ukraine and the World" by Kofi Annan, the 7th Secretary-General of the United Nations.

May 16

Zavtra.UA Forum, welcoming over 300 scholars from 17 regions of Ukraine, with the participation of Kofi Annan.

June 3

Opening of the "Cradles of Hope" center in Zhytomyr. By the end of 2008, sixteen Cradles of Hope centers were opened within this program.

June 14

The Independence Concert by Sir Paul McCartney at Maydan Nezalezhnosti in Kyiv, which drew over 350,000 spectators and over 13 million TV viewers. Charitable fundraising event at the Independence Concert for purchasing a computed tomography scanner for the Children Department of the National Cancer Institute.

June 14

Opening of the PinchukArtCentre's 7th exhibition, "Paul McCartney. Paintings".

July 10-13

5th Yalta Annual Meeting, with the participation of Tony Blair, Dominique Strauss-Kahn, Mikhail Saakashvili, Alexander Kwasniewski, Marek Siwiec, and others.

September 26

At the annual CGI meeting in New York, announcement of the WorldWideStudies program, an educational program that would give an opportunity to Ukrainian students to obtain Master's degrees in the world's best universities.

September 28

Opening of the PinchukArtCentre's 8th exhibition "Rhine on the Dnipro: Collection of Julia Stoschek and Andreas Gursky".

October 1-5

2nd YES University in Kyiv, with the participation of Mario David, Jan Figel, Alexander Kwasniewski, Nino Burdzhnashvili, Sergey Glazyev, Arseniy Yatsenyuk, and Marek Siwiec.

November 6-7

2nd Kyiv Security Forum "Black-Caspian Sea Region and European Energy Security", organized by the Open Ukraine Foundation.

November 23

Exhibition "The Mass Shooting of Jews in Ukraine 1941-44: The Holocaust By Bullets" by Father Patrick Desbois at the Museum of Jewish Heritage in New York.

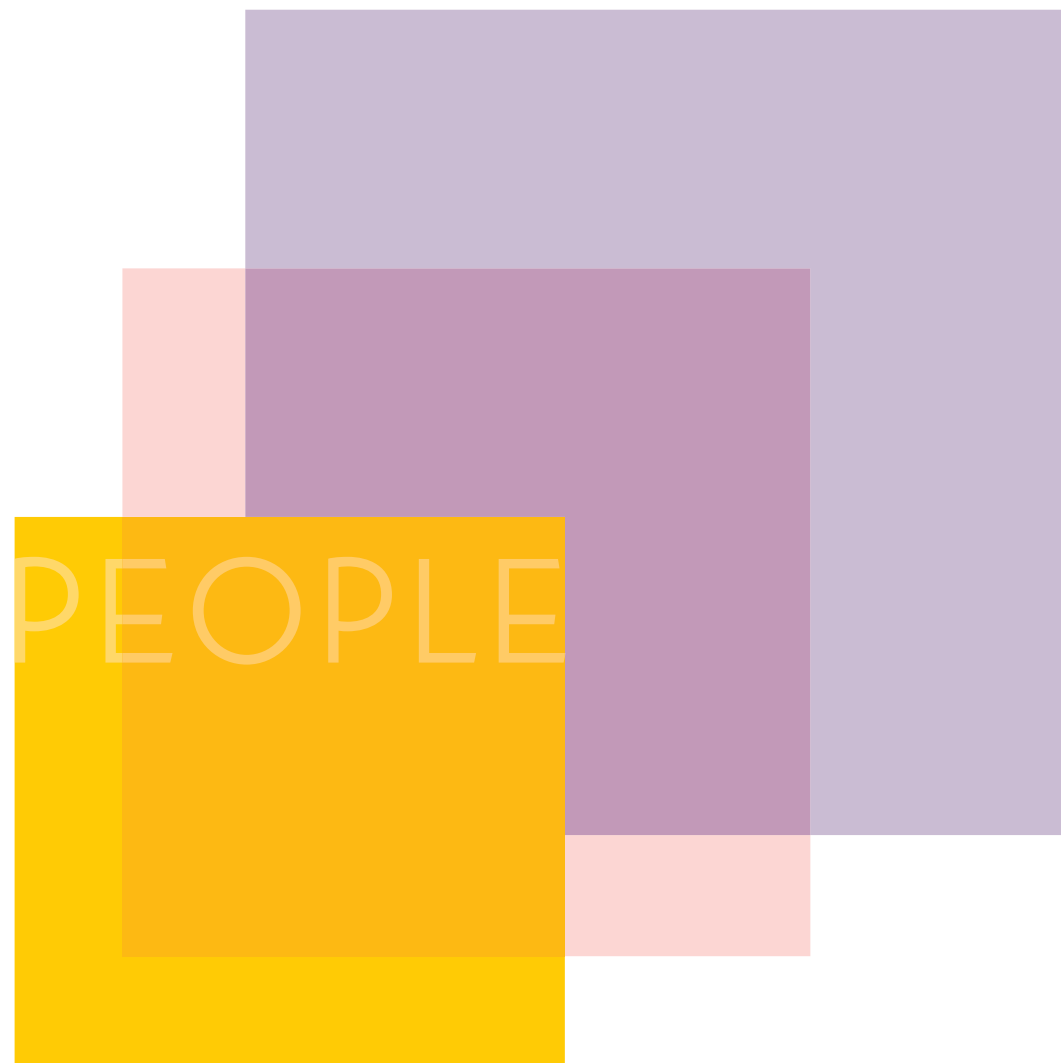
December 1

Completion of the "Comfort a child with love" program to support improvement in the living conditions of large families of Dnipropetrovsk and Lviv Oblasts.

December 15-17

The "The Frontiers of Europe" conference, organized in Kyiv by the Brookings Institution and supported by the Victor Pinchuk Foundation and YES.





Cradles of Hope

Zavtra.UA

Kyiv School of Economics (KSE)

Aspen Ukraine Initiative

PinchukArtCentre

Four Seasons Chamber Orchestra

Large family project



In order to curb infant mortality in Ukraine, we develop a network of neonatal centers throughout the country, with state-of-the-art medical equipment and well trained medical workers.

The infant mortality rate in the Ukraine is twice as high as in Western Europe and the United States. Infant mortality is a tragedy for all families who lose a child. It is also a major threat for the country's continuing development, which is facing a sharp fall in population and an unprecedented aging problem.

In June 2006, the Victor Pinchuk Foundation launched the "Cradles of Hope" program, aimed at building a network of state-of-the-art neonatal centers throughout Ukraine (on the basis of existing state hospitals). In these centers, the Foundation provides high-tech medical equipment, training for physicians and nurses in new care technologies for newly borns, and equips the centers with networked computer work stations in order to establish Internet-based access to information in neonatology. This helps reduce infant mortality and thereby promotes improvement in the demographic situation in Ukraine.

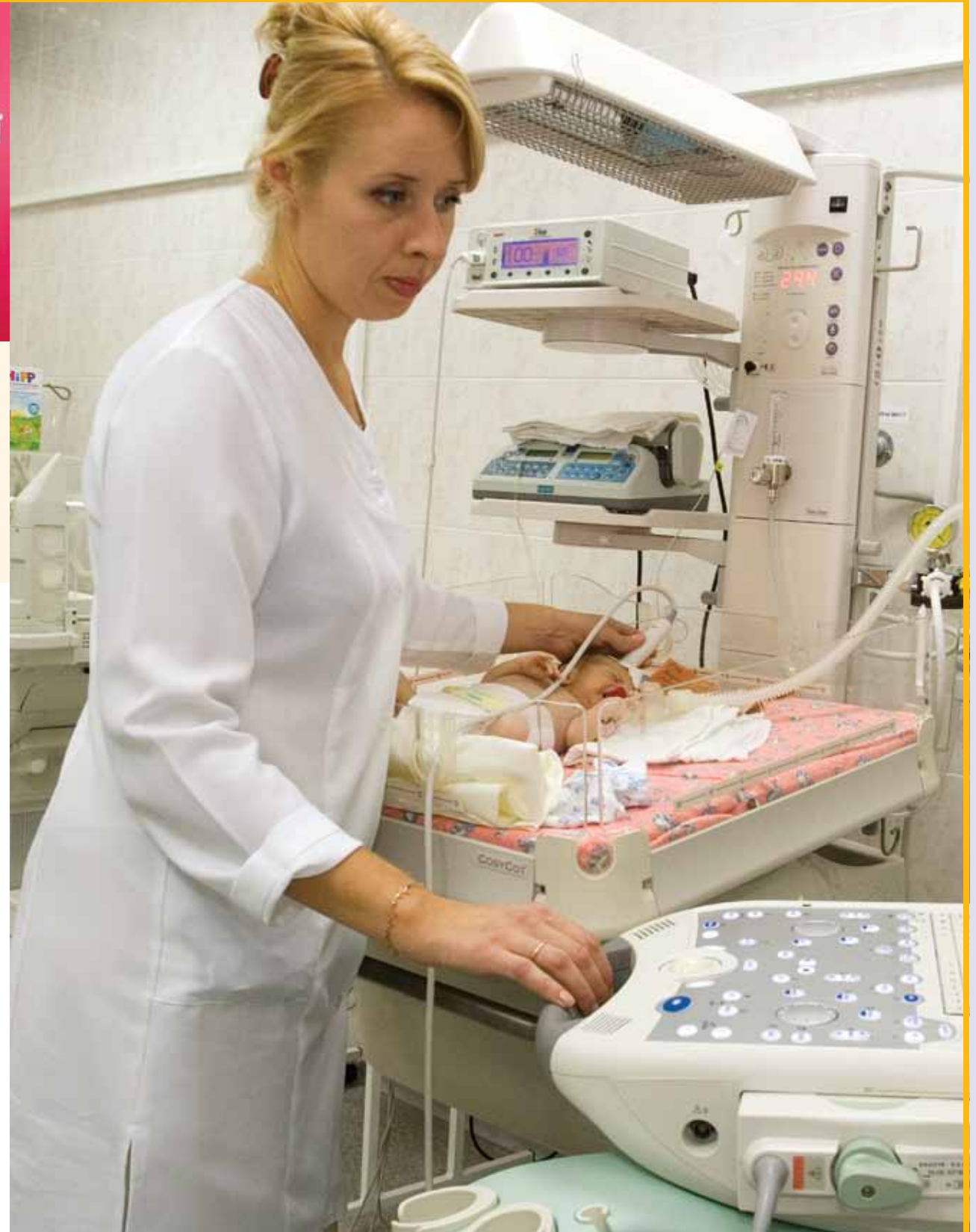
In 2006-2007, twelve "Cradles of Hope" centers were opened (in Chernigiv, Volodymyrets, Poltava, Dnipropetrovsk, Kyiv, Lutsk, Chernivtsy, Izmail, Bakhchysaray, Symferopol, Odesa and Donetsk). In 2008, four more centers were opened (in Khmelnytsky, Zhytomyr, Cherkasy and Ivano-Frankivsk).

The project enabled 78 physicians and nurses from the partner hospitals to take part in different training programs in Ukraine and abroad.

Based on physicians' data, in total more than 3,000 newly born babies were saved thanks to the "Cradles of Hope" program.

"All my life I will be grateful to these kind people who helped to save the life of my son".

OLENA CHERNIY
mother of two-year-old Bohdan, whose weight at birth was 490g





Zavtra.UA is the largest private national stipend program in Ukraine. We select Ukraine's most talented students, provide them with financial support to continue their education and offer them opportunities to develop as responsible and engaged citizens.

Zavtra.UA scholars are selected every year through an open national competition. The selection criteria are as follows: academic excellence, leadership qualities and communication skills. The evaluation is carried out by a team of independent experts and is based on written anonymous testing and role games. 32 Ukrainian universities are enrolled into the program. In 2007, we selected 201 Zavtra.UA scholars and in 2008, 316 new scholars were selected. Overall, we received more than 1,500 applications. The Program is governed by a Board of Trustees, which is chaired by Mr. Yaroslav Yatskiv, an academic at the National Academy of Sciences of Ukraine. Each Zavtra.UA scholar receives a monthly stipend of 594 hryvnya per year. This guarantees them better living conditions and allows them to concentrate on their pursuit of academic excellence. The program also provides scholars with additional possibilities for professional and personal development and networking. Fourteen Zavtra.UA scholars were invited to attend the 5th YES summit, where they were given an opportunity to meet with Tony Blair, Dominique Strauss-Kahn, Alexander Kwasniewski and

other prominent politicians. In 2008 we supported social voluntary projects such as cleaning recreation zones on the beach of the Dnipro river in Dnipropetrovsk; agrarian summer school with the development of agriculture projects; rehabilitation of the largest Ukrainian natural reserves in Vinnytsya, Dubno, Pereyaslav-Khmelnytskyi and Bilhorod-Dnistrovsky; promoting the value of education among orphans. In May 2008, the 7th UN Secretary-General Kofi Annan was the special guest at the Zavtra.UA Forum, which took place in Kyiv.

"The Program allowed me to buy scientific literature and books, purchase a laptop and attend scientific conferences".

MARIA SENYCH
Zavtra.UA scholar from Ivano-Frankivsk





We support the development of the Kyiv School of Economics, the only educational institution in Ukraine which follows international standards in economy. Our goal is to improve the economic, business, and policymaking environment in Ukraine.

The Kyiv School of Economics offers an internationally recognized two-year full time English language Master's Program. The program is taught by international and Western-trained Ukrainian tutors with a strong research background.

KSE's mission is three-fold:

- Education (MA degree)
- Research
- Outreach (public lectures).

In 2008, 39 students graduated from the two-year MA program in Economics and 11 articles were published in top international scientific journals. Two public lectures were held to infuse the intellectual discussion in Ukraine with the views of top international leaders and visionaries and debate the challenges facing Ukraine and the world. The key-note speakers were Nobel Prize winner Dr. Muhammad Yunus and the 7th UN Secretary-General Kofi Annan.

The Kyiv School of Economics is financed by an international consortium of donors and governed according to international standards.

The Kyiv School of Economics was founded in 2006 by the Economics Education and Research Consortium (EERC)

and the Victor Pinchuk Foundation, which committed \$10 million to support the further development of KSE. KSE is cooperating with the University of Houston, USA, that provides KSE students with an American-accredited master's degree in economics.

After earning their master's degree, KSE graduates either pursue an academic career and are enrolled in prestigious Ph.D programs in Western Europe and North America, or work as economists and analysts in Ukrainian think-tanks and government structures, or work for private companies (e.g. investment and banking, consulting and audit).

"After starting my PhD studies at Berkeley, I can certainly confirm that the standards of economics education at KSE are among the highest in the world".

VYACHESLAV SHEREMIROV
KSE'2008; PhD Student in Economics,
University of California, Berkeley

Victor Pinchuk Foundation



PEOPLE



In cooperation with the Aspen Institute (USA) and applying its well-known cutting-edge approach, we support Ukrainian leaders to develop values-based ideas and initiatives for improving their communities and country.

The Aspen Ukraine Initiative was launched in 2006, with the goal to educate promising Ukrainian leaders to become an intellectual elite dedicated to helping society.

In 2006-2007, we provided scholarships to 9 Ukrainian leaders to participate in the Aspen Seminar in the USA. They played an instrumental role in preparing the first Aspen Seminars in the Ukraine in 2008 to reach a larger audience.

The first two Ukrainian Aspen Seminars were organized by the Victor Pinchuk Foundation, in cooperation with the Aspen Institute, in February and October 2008 in Crimea. In a setting conducive to thought and fellowship, each seminar convened a diverse group of 20-25 leaders for lively, intensive roundtable discussions led by skilled moderators. Classic and contemporary texts by Aristotle, Hobbes, Rousseau, Skovoroda, Tolstoy, Havel, reflecting the breadth of human civilization formed the starting points of a rich conversation in which the questions posed by the group were frequently as illuminating as the varied, timeless wisdom of the texts. The seminar graduates report that they leave the seminar personally and professionally invigorated, more skilled

in making decisions, and often so transformed by their experience that they chart a new course of action. These seminars were held in Ukrainian or Russian, according to the methodology of the Aspen Institute. The Aspen method of text-based dialogue offers participants a neutral forum in which to reflect on timeless human values, pursue common ground, and cultivate a richer understanding of the human condition.

"The Seminar met my expectations by 100%. I received full satisfaction, set new goals, learnt a lot, and, most importantly, made new friends".

SVYATOSLAV VAKARCHUK
Ukrainian singer and social leader



2

One-week Aspen Ukraine seminars conducted

46

Seminar participants from 14 Ukrainian cities



The PinchukArtCentre is the largest and the most dynamic private contemporary art center in Central and Eastern Europe. It is dedicated to fostering artistic education, creation and appreciation in Ukraine.

We believe that contemporary art creation and appreciation can contribute to the modernization of society. We want to confront people with new ideas, perceptions and emotions and help them meet the challenges ahead with an open heart and open mind. The PinchukArtCentre provides a sustainable contribution to the cultural participation and emancipation of Ukrainian art and society. And it gives a significant contribution to the cultural dialog between East and West. We know the world changes but art is forever. Therefore we believe in its potential for the fostering of viewers' individuality.

From its opening in September 2006 until December 2008, the PinchukArtCentre hosted 8 exhibitions attracting over 500,000 visitors. The PinchukArtCentre is open from noon to 9 p.m. every day but Mondays. Entrance is free. The exhibited works belong either to the private permanent collection or are borrowed in conjunction with temporary international exchanges. We exhibit works produced by top international and Ukrainian artists, such as Sergey Bratkov, Ilya Chichkan, Anthony Gormley, Andreas Gursky, Damien Hirst, Jeff Koons, Sarah Morris, Vik Muniz, Takashi Murakami, Arsen Savadov, Sam Taylor-Wood, Oleg Tistol, Vasily Tsagolov, Piotr Uklanski and others.

In 2008 the PinchukArtCentre hosted three major exhibitions and four projects attracting almost 300,000 visitors. The PinchukArtCentre is proud to have become a central venue for world art and work groups by outstanding artists of our time who reflect and represent the complexity of the world and are transforming it into unique and new forms. In 2008 the PinchukArtCentre established the PinchukArtCentre Prize — the first private art prize in Ukraine. The prize is awarded to new generations of artists focusing on artistic quality and the long-term development of emerging talents.

You mention Kyiv to anyone in the West who is interested in culture and they will say, "Hey, isn't that the city where that billionaire has an amazing private museum".

JOHN VAROLI
Bloomberg journalist





EXHIBITIONS 2008

Total Attendance: almost 300,000

MARIKO MORI: ONENESS

April, 12 – June, 15

A large-scale survey by this seminal Japanese artist, who uses elements from both Japanese and Western art history, which she combines with influences from modern popular culture, design, fashion, music, Manga (Japanese form of comic) and science fiction. The exhibition included many of her iconic works including Oneness, Tom NA H-IU and Wave UFO - which was mounted in an outside annex in the Arena complex.

PAUL MCCARTNEY: PAINTINGS

June, 17 – July, 13

A major exhibition of 40 paintings by this famous musician, highlighting many unseen art works from his personal collection that opened in tandem with the largest charitable concert in Kyiv.

RHINE ON THE DNIPRO. JULIA STOSCHEK COLLECTION / ANDREAS GURSKY

September, 28 – December, 14

In conjunction with the Weeks of German Culture in Ukraine, this exhibition brought together the renowned German photographer Andreas Gursky with 24 large-scale photographs and 18 video installations of selected works by Julia Stoschek's Collection from Düsseldorf. The third component of this unique international project included a concert by Kraftwerk, pioneers in electronic music.

PROJECT ROOM

Christina Solomukha: Pastime Paradise

April, 12 – May, 11

The inaugural exhibition of the Project Room, highlighted the work of this young French-Ukrainian artist who created a series of site-specific installations which addressed ideological and utopian contradictions in urban locations with in Ukraine and Europe.

IRWIN: East Art Map

May, 20 – June, 8

A multi-media installation by this Czech based group that examined the inter-connections between artists, art movements and art history in Eastern Europe.

R.E.P. Group: Patriotism, Art as Present

September, 28 – November, 2

First major exhibition by this Kyiv Art group who uses images, markings and generic logos to formulate a contemporary hieroglyphic language to foster dialogue about today's dense visual landscape.

SOSka Group: Dreamers

November, 14 – December, 14

A series of photographs and videos that investigated youth culture were the underlying theme of this Kharkiv based group. The exhibition touched upon aspects of emotion, image and teenage awkwardness.

PEOPLE



We support the Four Seasons Chamber Orchestra, the only private chamber orchestra in Ukraine, as we believe that music and culture are essential for self-development.

The Four Seasons chamber orchestra in Dnipropetrovsk was created in April, 1993 as the joint initiative of Garry Logvin, a famous Ukrainian violinist, concertmaster of the Dnipropetrovsk Opera and Ballet orchestra, and Dmitry Logvin, conductor.

Conducted by Dmitry Logvin over the last 15 years the orchestra has performed more than 200 concerts in a number of Ukrainian cities and recorded two musical video films, as well as three CDs. The concert programs include pieces by J.S. Bach, Mozart, Haydn, Vivaldi, Grieg, Chaikovsky, Bortnyansky, Shostakovich, and the popular miniatures of Kreisler, Mancini, Gershwin and Piazzolla.

The orchestra gave performances with Katya Nemirovich-Danchenko (piano, Germany), Julia Zilberquit (piano, USA), Vladimir Viardo (piano, USA), Vag Papyan (piano, Israel), Frederick Pelassie (violin, France), Dominique Chaussar (violin, France), Bernair Moulin (French horn, France), Vladimir Snitsarenko (trumpet, Ukraine), Ostap Shutko (violin, Ukraine), Elizabeth Bushyeva (harp, Russia), Yevgeniy Kostritskiy (violin, UK-Ukraine), Noah Levi (violin, USA), Alexander and Daniel Gurfinkel (clarinet, Israel), and the soloists of the Virtuoses of the Moscow Chamber Orchestra led by Vladimir Spivakov: concertmaster Arkadiy Fouter (violinist),

Mikhail Milman (violin), and Aleksey Utkin (oboe).

The Four Seasons orchestra performs monthly charitable concerts for schoolchildren, students and professors of Dnipropetrovsk Universities. Overall, 50 charitable concerts have been held to date.

"I am very pleased that there is such an orchestra in Dnipropetrovsk, in my opinion it is one of the best in Ukraine".

VLADIMIR GRISHKO
famous Ukrainian opera singer



200

Concerts performed during 15 years

50

Charitable concerts for schoolchildren, students and professors of Dnipropetrovsk



As part of the social public-private partnership initiated by the Ukrainian President, we provided support to large families with more than 10 children living in Dnipropetrovsk and Lviv Oblasts.

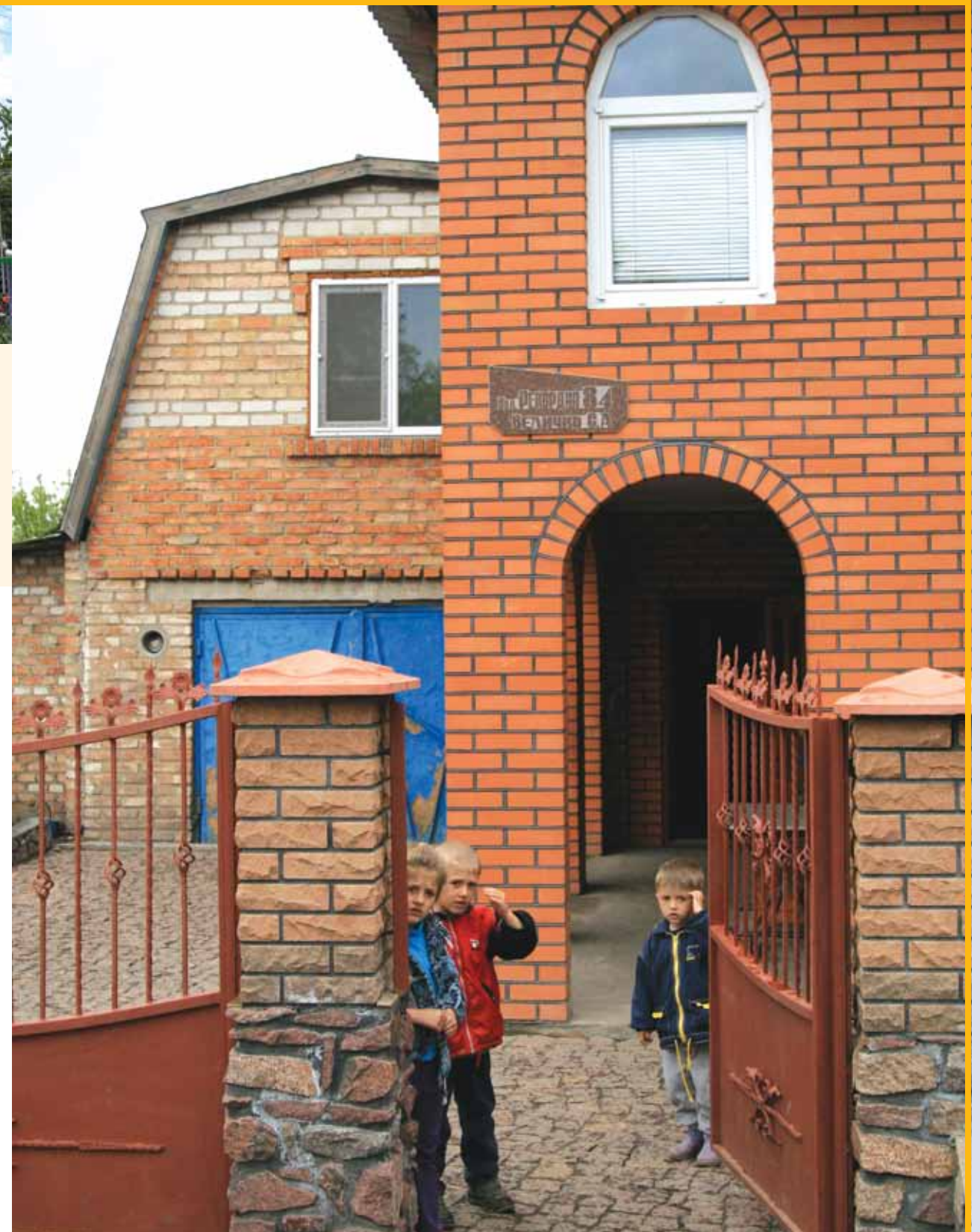
We support large families of Dnipropetrovsk and Lviv Oblasts under the "Comfort a child with love" program initiated by the President. The program brings together business and government authorities in their efforts to improve living conditions for large families with more than 10 children.

Having signed Memorandums of Cooperation with the two partner Oblast government administrations in February – April, 2008, we identified 14 families in Lviv Oblast and 11 families in Dnipropetrovsk Oblast to receive our aid. Altogether, these families have 265 children. We also carried out needs diagnostics to improve the living conditions of the target families, prioritized those needs, produced cost estimates and projected time/urgency requirements.

In 2008, we disbursed \$1.4 million for improvements in the living conditions of all the 25 families. We purchased 8 new houses and helped to renovate and/or rebuild 17 existing houses, while also purchasing furniture as required.

"My Lord, we were dreaming of our own playground, mini garden with flowers, but couldn't even dare to think, that it can come true".

SVITLANA ZAVALISHINA
mother of 10 children from Kriviy Rih,
Dnipropetrovsk oblast



25

Large families with 265 children received support

8

New houses built and 17 houses upgraded



SOCIETY

Spell Your Name

Father Desbois initiative

Jewish communities

Legal clinics/Legal aid

Independence concert

Clinton Global Initiative

Davos Philanthropic Roundtable

Emergency solidarity



In order to build a more tolerant society, we support the development of an educational program for school teachers on the Holocaust in Ukraine, based on the film “Spell Your Name”, which was co-produced by Steven Spielberg and Victor Pinchuk.

In 2005-2006, Steven Spielberg and Victor Pinchuk co-produced the documentary film “Spell Your Name” about the Holocaust in Ukraine. The film was directed by Sergey Bukovskiy and was based on the testimonies of Holocaust survivors and those who rescued the Jews from the Nazi massacre. These testimonies belong to the USC Shoah Foundation Institute; they were recorded in Ukraine, Europe and throughout the world in the 1990s upon the initiative of Steven Spielberg. The Victor Pinchuk Foundation arranged the film’s premiere which took place in October 2006 in Kyiv; it was attended by Spielberg as well as 2,000 representatives of the social, cultural and political elite, Holocaust survivors and journalists. The attendance of Steven Spielberg and his statement on his Ukrainian and Jewish origins were crucial for raising public awareness on the importance of tolerance in society. The Foundation distributed and promoted the film in many Ukrainian cinemas and schools. 700,000 people also watched the film on TV. In partnership with the USC Shoah Foundation Institute, we developed a companion educational program based on this film. This program entitled Encountering Memory was designed to train history teachers throughout Ukraine

to enhance education about the Holocaust and promote tolerance in schools. In 2008, the Encountering Memory program reached 3,200 secondary school teachers via a network of teacher seminars. The seminars were conducted in partnership with Nova Doba, the All-Ukrainian Association of Teachers of History and Civic Education. Each teacher received a multimedia teacher’s guide, consisting of 11 lessons that cover the history of the Holocaust and video testimonies of Holocaust survivors. As a follow-up, teachers in 410 schools piloted Encountering Memory across Ukraine reaching over 14,000 students.

“People must know about the horrors of the Holocaust. This will help them respect each other more and not give in to racist influences. All people are equal, after all”.

ANYA M
student, school #288, Kyiv

STEVEN SPIELBERG AND VICTOR PINCHUK
PRESENT
SPELL YOUR NAME

A USC SHOAH FOUNDATION INSTITUTE PRODUCTION
A DOCUMENTARY BY SERGEY BUKOVSKY

DIRECTOR SERGEY BUKOVSKY PRODUCERS MARK EDWARDS DOUGLAS GREENBERG
DIRECTORS OF PHOTOGRAPHY ROMAN ELENSKY VOLODYMYR KUKORENCHUK
EDITOR ANTON GOIDA ORIGINAL MUSIC VADIM KHRAPACHEV
SOUND DESIGN IGOR BARBA ASSOCIATE PRODUCER VICTORIA BONDAR
PRODUCTION SERVICES FILM PLUS IN ASSOCIATION WITH THE VICTOR PINCHUK FOUNDATION

WWW.SPELLYOURNAME.ORG

14,000
Students reached



In order to promote tolerance, we support the outstanding work of Father Patrick Desbois, a French Catholic priest looking for the mass graves of the Ukrainian Holocaust.

The Victor Pinchuk Foundation is the Ukrainian partner of Father Patrick Desbois and is supporting the work of his organization Yahad-In-Unum. Father Patrick Desbois, a modest French Roman Catholic priest has shattered the silence surrounding a largely untold chapter of the Holocaust, when Nazis killed 1.5 million Ukrainian Jews from 1941 to 1944. Unlike in western and central Europe, where the Holocaust has long been well-documented, the horror in the Ukraine was hidden away, first by the Nazis, then by the Soviets. Over the course of four years, Father Desbois interviewed more than 700 people who witnessed the mass murders as children and never spoke about the horrors again. In village after village, witnesses led the priest to uncover more than 800 (of an estimated 2,000) mass graves, most previously unknown. Father Desbois ("Patrick the Just", as people call him) neither points fingers nor judges those who were assigned to carry out tasks for the Nazis. For his research work on the Ukrainian Holocaust, Father Desbois was named Chevalier de la Légion d'Honneur and presented with the award by President Nicolas Sarkozy in June 2008. The Victor Pinchuk Foundation helped Yahad-In-Unum organize the first ever international symposium on the Ukrainian Holocaust, which took place in France in October 2007.

In addition to the grant we provide to Yahad-In-Unum to continue their research work in Ukraine, we helped the Museum of Jewish History in New York to host the exhibition "The Mass Shooting of Jews in Ukraine 1941-1944: The Holocaust by Bullets", created by the Mémorial de la Shoah, Paris, and presented in cooperation with Yahad-In-Unum. This special exhibition was launched in November 2008 and remained on view through March 2009. The exhibition attracted a broad and passionate audience and served as a catalyst for dialogue about recent and current genocides, which is especially relevant to younger generations who must forge a more tolerant society in the future.

"Father Patrick Desbois is a symbol of two sister religions which are today united around a common battle: combating hate and stupidity, the fight for life, the fight for civilization, the fight for humanity".

NICOLAS SARKOZY
President of France



1.5m

Ukrainian Jews killed by the Nazis during the Second World War

800

Mass graves uncovered by Father Desbois



The Victor Pinchuk Foundation supports educational, cultural and spiritual revival of the Ukrainian Jewish community.

The Victor Pinchuk Foundation is a leading supporter of the Dnipropetrovsk Jewish community, one of the largest in Ukraine.

Among several initiatives we support four Jewish educational institutions in Dnipropetrovsk, providing them with learning aids and material.

The Foundation also supports some projects aimed at educational, cultural and spiritual revival of the Jewish communities throughout Ukraine. In 2008, we supported projects of 32 Jewish communities all over the country. These projects include Shabbat meals, taking care of children from low-income families, etc.

This year, our charitable Shabbat meals gathered 5,000 people from 165 Ukrainian towns and villages. Over 2,000 children from low-income families received hot meals and clothes, and received financial support for better summer vacations. 682 children received a set of school outfits on the eve of the new school year beginning September 1.

"I am a mother of two children, and it is so important for me to see that someone cares about my children, and that this care comes from the heart".

TRUBNIKOVA S.
mother of two children who receive assistance from the Foundation



5,000

People from 165 towns received Shabbat meals

2,000

Children from low-income families received support



In cooperation with the Open Society Institute and the International Renaissance Foundation, we support legal clinics and legal aid projects to promote equal access to justice for Ukrainian citizens, while bolstering the rule of law and safeguarding human rights.

Legal clinics

This project helped to establish a network of 37 legal clinics in 21 different regions in Ukraine. Legal clinics, where law students offer free legal services to the general population, serve two main goals: educating people in legal affairs, and providing legal services to those who need but cannot afford them. These legal clinics are extremely important for Ukraine, where the educational system for lawyers desperately lacks practical skills, and where the majority of citizens cannot afford to hire a private lawyer. Every year over 15,500 citizens receive advice from these legal clinics, and over 700 law students learn about judicial procedures by advising citizens, preparing legal documents and representing clients in court.

Legal aid

This project, launched in 2007, provides free legal representation for criminal defendants, i.e.: access to a public attorney prior to police interrogation; the right to decline an attorney's help only in his/her presence; and notifying public attorneys of each detention case. This initiative was launched in three

regions of Ukraine: East (Kharkiv), Center (Bila Tserkva) and West (Khmelnitsky).

The three public defenders' offices made contracts with the regional law-enforcement departments and provided legal aid for criminal defendants from the moment of detention. This has resulted in fewer number of detentions performed by the district offices involved and fewer people imprisoned as a prevention. Lawyers of three pilot offices provided legal aid for up to 2,000 defendants.

"The quality of representation of the poor in criminal cases has greatly improved".

From the report on the assessment of Public Defender Pilot Project of Edward Rucker, Open Society Resident Fellow



37

Legal clinics throughout Ukraine

15,500

Citizens receiving advice in Ukrainian legal clinics



At our invitation Sir Paul McCartney kindly gave a free Independence Concert in Kyiv, with the objective to unite the country and strengthen understanding within Ukrainian society.

Saturday June 14, 2008, at the invitation of the Victor Pinchuk Foundation, Paul McCartney gave a free concert in Independence Square, Kyiv, Ukraine. This groundbreaking event has been named the Independence Concert.

Despite the thunderstorm and heavy rain, the Independence Concert given by Sir Paul McCartney in Kyiv's central square was attended by over 350,000 people, a record number of spectators in Ukraine's history. The concert was also beamed live to six major cities (Kharkiv, Dnipropetrovsk, Sevastopol, Lviv, Donetsk and Odesa) across Ukraine where over 195,000 people came out to watch the show. Over 13 million people also watched the live broadcast on television.

This exciting event was seen as symbolic by several generations of Ukrainians. It allowed people of different political persuasion and geopolitical leaning to come together over peace, love and unity; the very same ideas that Paul McCartney with The Beatles 40 years ago applied in helping to melt the ice of the 'cold war' in millions of hearts and to change the world into a better place. The Independence Concert was an independent social initiative that aimed to unite Ukrainians

and strengthen understanding within Ukrainian society. Over 300 recognized politicians, businessmen, diplomats and celebrities, as well as Sir Paul McCartney himself, joined the charitable fundraising event organized by the Victor Pinchuk Foundation. The amount raised totaled almost 4 million hryvnas – enough to purchase new modern equipment for the Children's Department at the National Cancer Institute, which is the biggest medical institution in our country specializing in combating children's oncological diseases. November 16, a new tomography scanner with a computer workstation was installed in the National Cancer Institute in Kyiv.

"For many people the music of The Beatles is symbolic of the freedom and happiness as once they were not allowed to listen to it".

PAUL McCARTNEY



350,000

Attended
the concert

13m

People watched
the concert on TV



We support the Clinton Global Initiative as it brings together a community of world leaders from various backgrounds to devise and implement innovative solutions to address some of the world's most pressing challenges.

The Clinton Global Initiative (CGI) is a non-partisan catalyst for action that helps its members develop practical solutions to global problems through the development of specific and measurable commitments to action. Since 2005, commitments made through CGI have already touched more than 200 million lives in 150 countries.

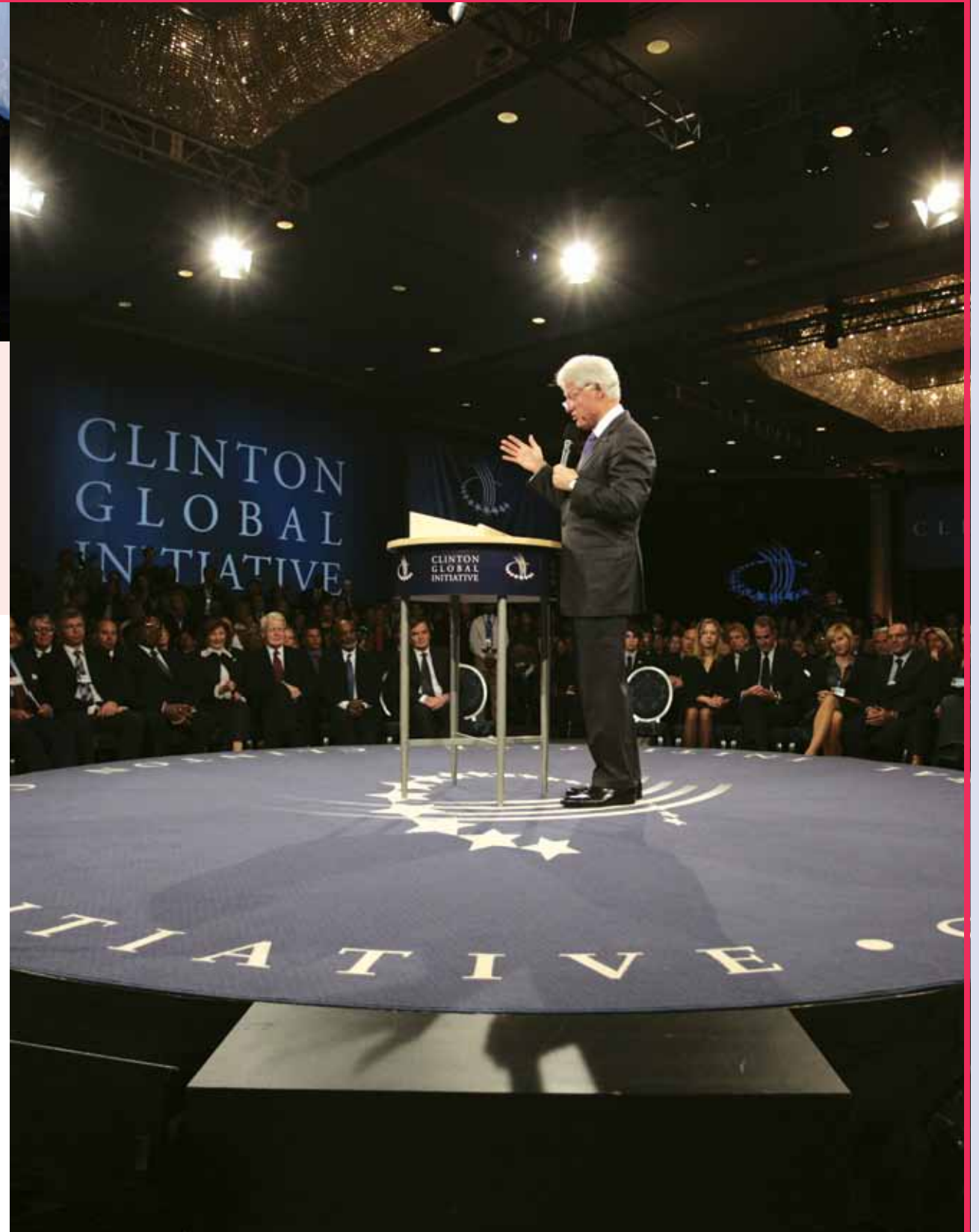
The CGI Annual Meeting brings together world leaders from government, business, and general society to review the most pressing global challenges and transform that awareness into tangible action. The 2008 Annual Meeting took place in New York September 23-26, 2008. As a member of CGI, at this Annual meeting, the Victor Pinchuk Foundation announced its commitment to the WorldWideStudies project. This project is aimed at fostering a new generation of Ukrainian professional elites by offering support to Ukrainian citizens to pursue a Master's degree in the world's best universities.

Building on the success of the CGI Annual Meeting in New York, President Clinton convened the first CGI regional meeting in Hong Kong focusing on Asia. President Clinton joined several hundred Asian leaders to examine specific challenges and potential solutions

to overcome them. The Hong Kong meeting took place December 2-3, 2008, and focused on three main areas: education, energy and climate change, and public healthcare. The Victor Pinchuk Foundation was the convening partner of this meeting and also invited a number of Ukrainian leaders and philanthropists to join the meeting.

"CGI is a global movement where every word spoken, every partnership discovered, and every promise made can have a direct impact on the lives of millions of people across our planet for generations to come".

NELSON MANDELA
Former President of the Republic of South Africa



200m

Lives in 150 countries affected through the implementation of CGI commitments



On the occasion of the World Economic Forum's Annual Meeting in Davos, we organized the Davos Philanthropic Roundtable in order to foster philanthropic growth in Ukraine and worldwide.

On the occasion of the World Economic Forum's Annual Meeting in Davos, January 24, 2008 the Victor Pinchuk Foundation organized the first Davos Philanthropic Roundtable.

The Davos Philanthropic Roundtable was designed as an international masterclass to inspire new and future global philanthropists. Many conferences and training courses are organized for professionals working in private philanthropic foundations. However, very little exists for philanthropists themselves and especially for the newcomers from emerging countries, where a philanthropic tradition is lacking.

Key world-wide philanthropic challenges, and best practices were debated with top level experts and philanthropists. The key speakers at the Roundtable Discussion were the founder of Open Society Foundation George Soros, Chief Business Writer/US Business Editor of The Economist Magazine Matthew Bishop, President of the Global Health Program within the Bill and Melinda Gates Foundation Dr. Tadataka Yamada, First Lady of Ukraine and Head of "Ukraine 3000" Foundation Advisory Board Kateryna Yushchenko, and CEO of Clinton Global Initiative Robert Harrison. William Clinton, 42nd President of USA and one of the world's greatest

philanthropists, delivered a video-address. The discussion was moderated by the Aspen Institute's President, former CNN President Walter Isaakson.

"It was high time for Davos to debate philanthropy".

MATTHEW BISHOP
Chief Business Writer/US Business Editor
of The Economist Magazine





The Victor Pinchuk Foundation provides support to the victims of natural catastrophes and disasters in Ukraine. In 2008, we provided assistance to the people who lost their homes as a result of the gas explosion in Lviv and who were flooded in the western Oblasts of Ukraine.

The Victor Pinchuk Foundation set up a special mechanism which enables a quick response to disasters in Ukraine.

In 2008, we were at the frontline to provide assistance to the victims of the gas explosion in Lviv on February 7. Two people died and 54 people had their apartments ruined by the explosion in the 3-storey building.

We provided people with money to replace personal items (clothes, shoes, etc.) and household appliances (for the kitchen, a replacement television set, etc.), which were lost because of the tragedy. In total, the Foundation disbursed over \$200,000 to the 54 victims from 20 apartments destroyed by the gas explosion.

The Foundation also provided support to large families who lost their houses because of the flooding in the western Oblasts of the Ukraine in July 2008. We identified 15 such families: 7 in Chernivetska, 7 in Ivano-Frankivska, and 1 in Lvivska Oblasts.

In 2008 one house was purchased, and the construction of two more houses in Ivano-Frankivska Oblast was started.

Working with the Ruslana Lyzhychko Foundation we implemented a support program for schoolchildren who were also victims of the flooding tragedy. This program, entitled "Shkoliaryk" (schoolchild), provided schoolchildren with a set of school outfits.



\$200,000

Charitable donations given to the victims of the gas explosion in Lviv

15

Large families lost their homes because of the flooding



Yalta European Strategy

Brookings Institution

Amicus Europae Foundation

Davos Ukrainian Lunch

Open Ukraine

Peterson Institute

International Crisis Group



We support YES – the Yalta European Strategy — an international organization that works to promote Ukraine joining the European Union. Its Annual Meeting in Yalta has become the main high-level EU-Ukraine forum for debate and policy recommendations.

In July, 2004, in Yalta, Victor Pinchuk invited some 30 European leaders to debate the future of Ukraine and the EU. During the conference, participants proposed to join forces and to create a collective initiative to support Ukraine joining the EU. The Yalta European Strategy (YES) was born (www.yes-ukraine.org).

YES is an international network with the mission to promote a just, democratic and prosperous Ukraine, to help Ukraine's transformation and to support its membership of the EU. In order to achieve this goal, YES brings together leaders from politics, business and society to debate key issues and make recommendations for the joint future of Europe and Ukraine. YES uses its position as a top-level debating platform to drive forward a high-profile campaign in Ukraine and throughout the EU for Ukraine's membership.

YES is governed by a distinguished international board which meets three to four times a year: Stephen Byers (chairman), Mario David, Stephane Fouks, Alexander Kwasniewsky, Victor Pinchuk, Alexander Rahr, Jean-Pierre Saltiel, Marek Siviec.

"I am well acquainted with the high quality of the debates organized by the Yalta European Strategy on issues that are essential for Ukraine and for the whole of Europe".

NICOLAS SARKOZY
President of the French Republic



200
Participants
at the 5th YES
Annual meeting



In 2008, YES conducted several high-level activities:

Free-Trade Area (FTA) Forum (April 9, 2008).

To bridge the gap between research, analysis and policy-making, YES brought together leading FTA experts from Ukraine and the EU to work on practical recommendations for the FTA negotiations. The expert conclusions were then presented to political and government leaders and debated with top decision-makers and over 150 stakeholders. The FTA Forum was organized in partnership with the World Bank, the European Business Association and the European Commission Delegation to Ukraine. The debate was hosted by President Kwasniewski. Its participants included the Vice Prime Minister of Ukraine, Hryhory Nemyria, leaders of parliamentary committees and ministries, and the opposition.

European Days in Ukraine (May 11, 14 and 17, 2008).

To involve Ukrainian people in discussions about the future of Europe and Ukraine, YES organized public debates and opinion surveys on European Day in the main street of Kyiv, Odessa and Donetsk. YES partnered with Ukraine's delegation of the European Commission and the Ministry of Foreign Affairs.

The 5th Yalta Annual Meeting (July 10-13, 2008)

Was attended by Tony Blair, President Mikhail Saakashvili, Dominique Strauss-Kahn, President Alexander Kwasniewski, Arseniy Yatseniuk, Raissa Bohatyreva and Hryhory Nemyria. In total, the Meeting brought together over 200 celebrities from politics, business and society. The discussions at the plenary sessions were devoted to the global financial and economic crisis, securing gas supply to Europe, building the future EU-Ukraine deep free trade area,

finding synergies in the Black Sea Region, and developing opportunities for boosting infrastructure investment.

The 2nd YES University (October 1-5, 2008)

Aimed at engaging young leaders of the next political generation, and creating a network of well-connected, knowledgeable future politicians in Ukraine and the EU member states. The event brought together about 150 young general society figures and politicians from 27 European countries to debate on a variety of issues – the global crisis, the Lisbon Treaty, the risk of a new "cold war", prospects for a common European foreign and security policy, and Ukraine's transformation agenda - with EU and Ukrainian leaders. Speakers at the 2nd YES University included European Commissioner Jan Figel, former Speaker of the Georgian Parliament Nino Burjanadze, President Alexander Kwasniewski, Vice President of the European Parliament Marek Siwiec, Vice-Prime Minister of Ukraine, Hryhoriy Nemyrya, Speaker of the Parliament of Ukraine Arseniy Yatseniuk and Minister Yuri Pavlenko.

YES has become a must for those interested in the EU and the state of the world. In July 2008 there were two musts: YES and the G8 in Japan. I am happy having the opportunity to be part of both".

DOMINIQUE STRAUSS-KAHN
Managing Director of the IMF



We support the Brookings Institution project "The Frontiers of Europe" which analyzes current challenges facing European Union expansion. Our goal is to provide insight to experts and policy makers in order to promote the idea of Ukraine joining the EU.

The Brookings Institution is the largest think-tank in the US and in the world. It has extraordinary influence on foreign policy debate in Washington DC as well as in Europe. Hence the Victor Pinchuk Foundation decided to partner with the Brookings Institution to promote EU enlargement in the West.

Through innovative research, actionable policy recommendations, and high-impact outreach, "The Frontiers of Europe" project helps policymakers and stakeholders involved better understand the challenges facing stability, development, and integration for potential EU members including Ukraine. This understanding allows US and European decision makers to craft better, more-informed, and consistent strategies to foster political and economic reform in the "frontier" states. Under the project, three high-level regional workshops were held: in Istanbul (2006), Belgrade (2007) and Tbilisi (2008).

As a culmination to this phase of the "Frontiers of Europe" project, a major international conference was held in Kyiv December 15-17, 2008. During the conference, senior level policymakers, participants from earlier regional workshops,

and scholars from the US-European community explored EU and NATO policies in the region, and assessed the initiatives that these institutions are taking to integrate the region into Europe. Distinguished speakers included Alexander Kwasniewski, former President of Poland, Brookings' CUSE Director Daniel Benjamin, Ambassador Stephen Pifer, Vice President of the Brookings Institution Carlos Pascual, Stephen Larrabee from RAND, Ukraine's former Parliament Head Arseniy Yatseniuk and Senior Fellow at the Center for Strategic and International Studies Edward Chow.

"When important debates occur in Washington, it's a fair bet that Brookings is driving the conversation".

Foreign Policy magazine's Think Tank Index, January 2009





We support the Amicus Europae Foundation, chaired by President Kwasniewski, and its European Enlargement and Neighborhood Policy in order to promote Ukraine in Europe.

President Kwasniewski has been the strongest political supporter of Ukraine's European aspirations. At the end of his presidential term, Mr. Kwasniewski set up the Amicus Europae Foundation to promote a dynamic neighborhood policy and further enlargement of the EU.

In 2006-2007, backed by the Victor Pinchuk Foundation, the Amicus Europae Foundation put on a number of international events which provided a platform for debate and exchange of progressive ideas about the New European Neighborhood Policy with a special focus on Ukraine.

In 2008, the Foundation launched the Polish-Ukrainian Summer School. The first Summer School took place July 21-31, 2008. The participants had an opportunity to listen to lectures as well as to visit Gdansk where they met with Lech Walesa, former President of Poland.

September 23-29, 2008, the Amicus Europae Foundation organized the second Alexander Kwasniewski Summer School on European Integration. Over 30 young leaders from 14 Central and Eastern European countries participated. The debates had a strong focus on further EU expansion.

"The work done by the Amicus Europae Foundation contributes greatly in promoting a constructive dialogue between the EU and Ukraine on its European perspective".

VÁCLAV HAVEL





Each year at the occasion of the World Economic Forum's Annual Meeting in Davos, we host a conference lunch about Ukraine to promote the country to top international leaders, and to foster an understanding of the political and investment climate.

The Davos Ukrainian Lunch is the most prominent international annual gathering outside Ukraine where world leaders learn and debate about Ukraine's political and economic investment challenges. In 2004, Interpipe Corporation became the first Ukrainian corporate member of the World Economic Forum. On this occasion Victor Pinchuk, founder of Interpipe, in January 2005 hosted the first Davos Ukrainian Lunch to discuss the political and economic situation in Ukraine. Since then the Davos Ukrainian Lunch has turned into the annual international platform for debate on Ukraine's future, attracting international leaders and senior Ukrainian political leaders. The 4th Davos Ukrainian lunch was held January, 25, 2008. The event was called "Ukraine. What's next?" and provided insights into the economic challenges facing Ukraine after the 30 September 2007 parliamentary elections. The key speakers were Victor Yushchenko - President of Ukraine, James Wolfensohn - 9th President of World Bank, Fred Bergsten - Director of the Peterson Institute for International Economics, Jean Lemierre - EBRD President as well as Michael White - Chief Managing

Director of PepsiCo International. Jean Lemierre, President Alexander Kwasniewski, President Vaira Vike-Freiberga, Victor Yanukovych, Commissioner Oli Rehn, Arseniy Yatseniuk, George Soros, Andrei Kostin and Dominique Strauss-Kahn were among the participants of the three previous Ukrainian Lunches in Davos.

"It's not easy to generate buzz here if your name isn't Bono or Clinton or Gates. For a billionaire pipe-maker from Ukraine named Victor Pinchuk, it would seem harder still. Yet over the last four years, Mr. Pinchuk has transformed himself and his country into a bona-fide Davos brand".

Davos Diary, the New York Times





We support the Open Ukraine Foundation's activities in order to raise the profile of Ukraine internationally and to lend support to public diplomacy.

Open Ukraine is a private independent philanthropic foundation established by Arseniy Yatseniuk in 2007. In 2008 our financial support was granted to the following three key projects:

International dialogue

The Diplomatic Club is a joint initiative of the Open Ukraine Foundation and the Victor Pinchuk Foundation. It is an informal forum on foreign policy which helps Ukrainian leaders to better understand global developments and shape foreign policy choices. Four meetings of the Diplomatic Club were held in 2008: with Ali Babajan, Foreign Minister of Turkey; David Merkel, Deputy Assistant Secretary of State; Jaap de Hoop Scheffer, NATO Secretary General, and Nino Burdjanadze, former speaker of the Georgian Parliament.

The Kyiv Security Forum is a leading international initiative in the Black Sea region which debates solutions to key European security challenges, such as regional conflict, energy security, illegal migration, refugees, terrorism, proliferation of nuclear weapons, and human trafficking. On November 6-7, 2008 over 300 participants from 25 countries participated in the Second Kyiv Security Forum, which was dedicated to the region's sustainable energy.

Migration Today

The "Migration Today" program aims to develop responses to challenges of labor migration in the globalized world, and creates a support system for Ukrainian labor migrants.

The free information call center at the Ministry of Foreign Affairs became the key component of this system. Since June 2007 more than 150,000 Ukrainians received information from this call center about travelling abroad, legalization of documents, and visa procedures. Support to labor migrants is also provided in Ukraine's regions through a network of three NGO-based consultation centers.

Cultural horizons

A number of cultural initiatives aimed at the promotion of Ukraine and its cultural heritage in Europe were supported.

"Anthology of modern Ukrainian prose is a really bright piece of art, which opens to Czech reader 'another Ukraine' – not just the one which they know from the press and reports from Moscow correspondents".

MYKOLA RYABCHUK
essayist, on Anthology of modern Ukrainian prose published in Czech language with the support of Open Ukraine

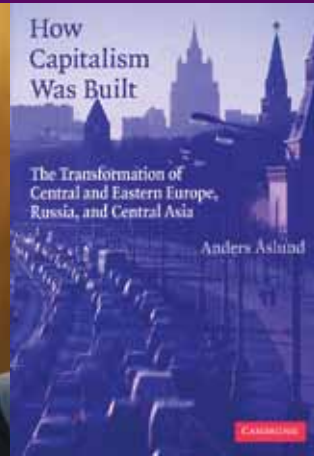


150,000

Ukrainians received information from the migration call center

300

Participants at the 2nd Kyiv Security Forum



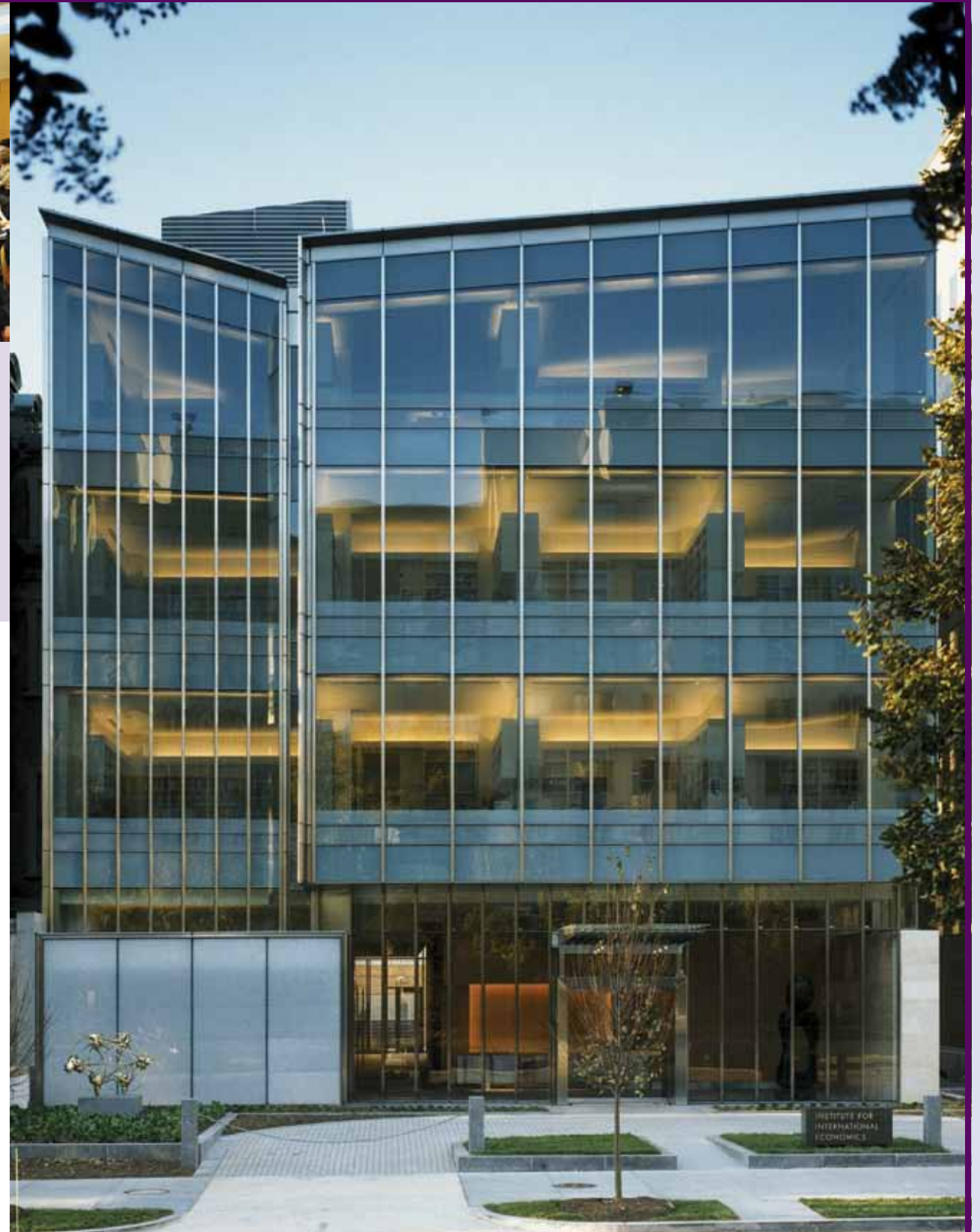
We support the Peterson Institute for International Economics "East European and Ukrainian Program" in order to foster analysis, understanding and promotion in the West of the current transformations undergoing the Ukrainian economy.

On Victor Pinchuk Foundation's initiative in 2006, the Peterson Institute for International Economics launched its East-European and Ukrainian program in order to promote knowledge among international political, social and business elites on the economic challenges facing Ukraine. Under the East-European and Ukrainian program, four books were produced and published by Anders Aslund, senior fellow at the Peterson Institute: "How Capitalism was Built: The Transformation of Central and Eastern Europe, Russia, and Central Asia" (published in 2007), "Europe after Enlargement" (2007), "Challenges of Globalization" (2008) and "How Ukraine Became a Market Economy" (2009). The last book focuses on Ukraine's post communist political and economic transformation from 1991 to 2008, how and why key policy decisions were made, and what Ukraine should now do to overcome the ravages of its political and financial crises. The Peterson Institute for International Economics, formerly the Institute for International Economics, is a private, not-for-profit, non-partisan research institution devoted to the study of international economic policy.

The institute is led by Fred Bergsten, the most quoted think-tank economist in the world. In 2008, the Peterson Institute for International Economics was ranked (with the Brookings Institution) as the top think tank in the world according to the Think Tank Index compiled by the University of Pennsylvania. This global rating is a first-time endeavor to evaluate think tanks worldwide based on a comprehensive survey of thousands of scholars and experts.

"Research institutes vary widely in both quality and honesty. Among the best on both counts is the Peterson Institute for International Economics".

PAUL R. KRUGMAN
Nobel prize winner, professor of economics and international affairs, Princeton University





We support the International Crisis Group's activities to prevent and resolve deadly conflicts throughout the world and in particular in countries near Ukraine.

Since 2003, Victor Pinchuk has been one of the main supporters of the International Crisis Group with a special interest in preventing conflicts near Ukraine (e.g. the Transdnistrian region, South Caucasus). The International Crisis Group is now generally recognized as the world's leading independent source of analysis and advice to governments, and intergovernmental bodies like the United Nations, European Union and World Bank, on the prevention and resolution of deadly conflicts. Crisis Group was founded in 1995 as an international non-governmental organization on the initiative of a group of well known transatlantic figures who despaired at the international community's failure to anticipate and respond effectively to the early 1990s tragedies in Somalia, Rwanda and Bosnia. From small beginnings, Crisis Group has grown very rapidly in the last few years. It currently employs worldwide some 130 full-time staff, representing between them 49 nationalities and speaking 52 different languages, plus at any given time around 20 consultants and 35 interns. They are located on the ground in 12 regional offices and 17 other locations covering between them over 60 countries and situations of actual or potential conflict; in four advocacy offices - Brussels (the global headquarters), Washington, New York and London; and as liaison bureaux in Moscow and Beijing. Crisis Group publishes around 90 reports and briefing

papers annually, as well as the CrisisWatch bulletin assessing the current situation every month in some 70 countries or areas of actual or potential conflict. Publications are sent in print or email format to over 26,000 targeted recipients and over 120,000 website subscribers, and are available free of charge on the website, which has grown enormously in popularity in recent years, with over 2.2 million visitors in 2008. What distinguishes Crisis Group from other organizations working on conflict analysis, prevention or resolution, is a unique combination of field-based analysis, sharp-edged policy prescription, and high-level advocacy. The International Crisis Group Board is co-chaired by Lord Patten of Barnes and Ambassador Thomas R Pickering.

"Together in a remarkably short time, you have made the International Crisis Group a global voice of conscience, and a genuine force for peace".

KOFI ANNAN
former United Nations Secretary-General

2.2m

Number of annual website visits

60

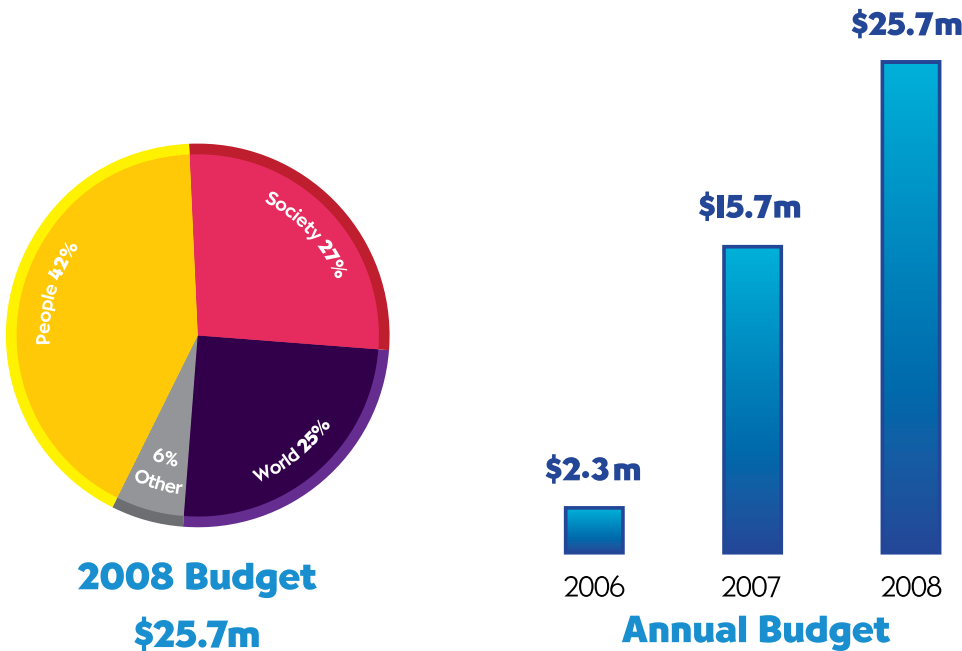
Conflict and potential conflict situations covered

Based on the financial statements audited by Ernst&Young, the Foundation's budget has increased over 10 times from \$2.3 million in 2006 to \$25.7 million in 2008.

The Victor Pinchuk Foundation was founded in 2006, bringing together the philanthropic activities Victor Pinchuk had been developing over the previous 10 years. The Victor Pinchuk Foundation is composed of five different legal entities: one not-for-profit UK entity, the "UK Office of The Victor Pinchuk Foundation", which serves as the international representative office and facilitates the Foundation's international

activities, and four charitable not-for-profit organizations registered under the Ukrainian charitable law and which cover different activities ("Foundation of Victor Pinchuk – Social Initiative", "Foundation of Social Rescue", "Foundation of Victor Pinchuk "Modern art in Ukraine", "Foundation of Victor Pinchuk"). All the activities of the above foundations, hereinafter collectively referred to as "Victor Pinchuk Foundation",

are governed by a single management team. Ernst&Young has audited and approved these financial statements, which consolidate the cash receipts and disbursements of these different foundations for the year 2008. The Foundations receive donations primarily from legal entities for the purpose of funding various charitable and social projects and making charitable donations.



Combined Statement of Cash receipts and Disbursements audited by Ernst&Young

For the 2008 year (in US dollars)

	2008
CASH BALANCE AS AT 1 JANUARY	119,832
CASH RECEIPTS COLLECTED:	
Contributions and charitable donations from legal entities and individuals	26,316,367
Interest received on bank deposits	29,510
TOTAL COLLECTED	26,345,877
EXPENSES PAID:	
PEOPLE	10,691,306
Cradles of Hope	2,915,044
Zavtra.UA	773,531
Kyiv School of Economics (KSE)	667,765
Aspen Ukraine Initiative	132,846
PinchukArtCentre	4,670,556
Four Seasons Chamber Orchestra	137,056
Large family project	1,394,508
SOCIETY	7,052,018
"Spell Your Name"	47,190
Jewish communities	1,400,446
Dnipropetrovsk community programs	59,286
Legal clinics/ legal aid	150,000
Independence Concert	4,721,547
Davos Philanthropic Roundtable	43,217
Emergency solidarity	330,332
WORLD	6,344,671
Yalta European Strategy	1,951,834
Brookings institution	600,000
Amicus Europae Foundation	300,000
Davos Ukrainian Lunch	43,217
Open Ukraine Foundation	749,620
Peterson Institute for International Economics	200,000
International Crisis Group	2,500,000
OTHER CHARITABLE ACTIVITIES	241,211
ADMINISTRATIVE EXPENSES	1,350,921
TOTAL EXPENSES	25,680,127
FOREIGN EXCHANGE GAINS/(LOSSES)	560,283
CASH BALANCE AS AT 31 DECEMBER	225,299
SUPPLEMENTARY INFORMATION ON NON-CASH TRANSFERS	38,006
Recipients of goods:	
Educational institutions	8,013
Public health authorities	19,857
Other state-financed organizations and individuals	7,383
Other organizations and individuals	2,753

Ernst & Young Audit Services LLC

Ernst & Young Audit Service LLC
May 22, 2009

From left to right

Dmitry Logvin

Director of the PinchukArtCentre

Victoria Chernyavska

Financial-administrative director

Denis Semenov

Chief strategic advisor

Valery Vakariuk

Vice-president for national projects

Thomas Eymond-Laritz

President

Julia Chebotareva

Head of the Executive Committee

Eckhard Schneider

General Director of the PinchukArtCentre

Olga Belkova

Director for international projects

Dennis Kazvan

Acting Head of the press-office



p.014
XAVIER VEILHAN
Le Coucou
artist®
Courtesy PinchukArtCentre

p.016
MARIKO MORI
UFO
artist®
Courtesy PinchukArtCentre

p.028
DOUG AITKEN
Blow Debris
artist®
Courtesy PinchukArtCentre

p.028
KRISTINA SOLOMOUKHA
Pastime Paradise
artist®
Courtesy PinchukArtCentre

p.029
MARIKO MORI
Oneness
artist®
Courtesy PinchukArtCentre

p.030
ANDREAS GURSKY
Dubai I
Andreas Gursky / VG Bild-Kunst ®
Courtesy PinchukArtCentre

p.031
ANDREAS GURSKY
Fl, Boxenstopp I
Andreas Gursky / VG Bild-Kunst ®
Courtesy PinchukArtCentre

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