

Return of Organization Exempt From Income Tax

Department of the Treasury
Internal Revenue Service

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

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

A For the 2004 calendar year, or tax year beginning 2004, and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input checked="" type="checkbox"/> Amended return Application pending	C Name of organization PARTNERS IN HEALTH A NONPROFIT CORPORATION	D Employer identification number 04-3567502
	Please use IRS label or print or type See Specific Instructions Number and street (or P O box if mail is not delivered to street address) Room/suite 641 HUNTINGTON AVENUE	E Telephone number (617) 432-5256
	City or town, state or country, and ZIP + 4 BOSTON, MA 02115	F Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

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

H and I are not applicable to section 527 organizations
 H(a) Is this a group return for affiliates? Yes No
 H(b) If "Yes," enter number of affiliates

G Website: WWW.PIH.ORG

J Organization type (check only one) 501(c) (03) (insert no) 4947(a)(1) or 527

H(c) Are all affiliates included? (If "No," attach a list See instructions) Yes No
 H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

K Check here if the organization's gross receipts are normally not more than \$25,000 The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data Some states require a complete return.

I Group Exemption Number

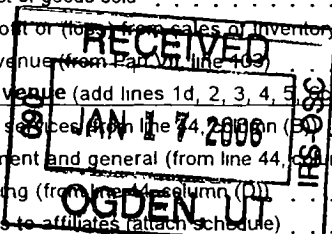
M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **17,681,836.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions)

SCANNED JAN 26 2006

Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Direct public support	1a	17,252,209.		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (cash \$ 16,187,627. noncash \$ 1,064,582.)	1d		17,252,209.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2			
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4		59,133.	
	5	Dividends and interest from securities	5		50,130.	
	6a	Gross rents	6a			
	b	Less rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe)	7				
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
		302,734.	8a			
	b Less cost or other basis and sales expenses	273,536.	8b			
	c Gain or (loss) (attach schedule) Stmt 1A	29,198.	8c			
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		29,198.		
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>					
a	Gross revenue (not including \$ of contributions reported on line 1a)	9a				
	b Less direct expenses other than fundraising expenses	9b				
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c				
10a	Gross sales of inventory, less returns and allowances	10a				
	b Less cost of goods sold	10b				
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c				
11	Other revenue (from Part VII, line 10c)	11		17,630.		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		17,408,300.		
Expenses	13	Program services (from line 2, column (B))	13		13,695,591.	
	14	Management and general (from line 44, column (C))	14		575,131.	
	15	Fundraising (from line 15, column (D))	15		368,717.	
	16	Payments to affiliates (attach schedule)	16			
	17	Total expenses (add lines 16 and 44, column (A))	17		14,639,439.	
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		2,768,861.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		9,864,643.	
	20	Other changes in net assets or fund balances (attach explanation) STMT 1	20		238,366.	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		12,871,870.	



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

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 22 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc	25 350,807.	75,148.	202,451.	73,208.
26 Other salaries and wages	26 1,126,149.	924,483.	93,131.	108,535.
27 Pension plan contributions	27			
28 Other employee benefits	28 300,791.	251,407.	35,738.	13,646.
29 Payroll taxes	29 133,854.	98,462.	21,975.	13,417.
30 Professional fundraising fees	30			
31 Accounting fees	31 80,000.		80,000.	
32 Legal fees	32			
33 Supplies	33 79,520.	79,520.		
34 Telephone	34			
35 Postage and shipping	35 50,617.	32,228.	4,519.	13,870.
36 Occupancy	36			
37 Equipment rental and maintenance	37 23,234.	17,994.	5,240.	
38 Printing and publications	38 39,948.		2,694.	37,254.
39 Travel	39 430,982.	417,500.	6,284.	7,198.
40 Conferences, conventions, and meetings	40 93,400.	93,400.		
41 Interest	41 6.		6.	
42 Depreciation, depletion, etc (attach schedule) STMT 4A	42 26,509.		24,131.	2,378.
43 Other expenses not covered above (itemize) STMT 2	43a 11,903,622.	11,705,449.	98,962.	99,211.
b	43b			
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44 14,639,439.	13,695,591.	575,131.	368,717.

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See page 25 of the instructions.)

What is the organization's primary exempt purpose? **STMT 3**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others.)

a SEE STATEMENT 3A	(Grants and allocations \$ _____)	13,695,591.
b	(Grants and allocations \$ _____)	
c	(Grants and allocations \$ _____)	
d	(Grants and allocations \$ _____)	
e Other program services (attach schedule)	(Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)		13,695,591.

Part IV Balance Sheets (See page 25 of the instructions.)

			(A)		(B)
			Beginning of year		End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only					
Assets	45	Cash - non-interest-bearing	752,262.	45	307,167.
	46	Savings and temporary cash investments	5,169,515.	46	7,667,626.
	47a	Accounts receivable	47a 1,634,338.		
	b	Less allowance for doubtful accounts	47b	471,572.	47c 1,634,338.
	48a	Pledges receivable	48a		
	b	Less allowance for doubtful accounts	48b		48c
	49	Grants receivable	392,629	49	1,357,097.
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a	Other notes and loans receivable (attach schedule)	51a		
	b	Less allowance for doubtful accounts	51b		51c
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges	124,289.	53	70,989.
	54	Investments - securities (attach schedule) STMT 4 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	1,667,748.	54	1,910,107.
	55a	Investments - land, buildings, and equipment basis	55a		
	b	Less accumulated depreciation (attach schedule)	55b		55c
56	Investments - other (attach schedule)		56		
57a	Land, buildings, and equipment basis	57a 665,853.			
b	Less accumulated depreciation (attach schedule) STMT 4A	57b 264,371.	405,105.	57c 401,482.	
58	Other assets (describe <input type="checkbox"/> STMT 5)	1,150,807.	58	NONE	
59	Total assets (add lines 45 through 58) (must equal line 74)	10,133,927.	59	13,348,806.	
Liabilities	60	Accounts payable and accrued expenses	269,284.	60	476,936.
	61	Grants payable		61	
	62	Deferred revenue		62	
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a	Tax-exempt bond liabilities (attach schedule)		64a	
	b	Mortgages and other notes payable (attach schedule)		64b	
	65	Other liabilities (describe <input type="checkbox"/>)		65	
66	Total liabilities (add lines 60 through 65)	269,284.	66	476,936.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67	Unrestricted	4,178,984.	67	5,028,511.
	68	Temporarily restricted	5,625,659.	68	7,793,359.
	69	Permanently restricted	60,000.	69	50,000.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70	Capital stock, trust principal, or current funds		70	
	71	Paid-in or capital surplus, or land, building, and equipment fund		71	
	72	Retained earnings, endowment, accumulated income, or other funds		72	
	73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	9,864,643.	73	12,871,870.
	74	Total liabilities and net assets / fund balances (add lines 66 and 73)	10,133,927.	74	13,348,806.

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

Part VI Other Information (See page 28 of the instructions.)

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity
77 Were any changes made in the organizing or governing documents but not reported to the IRS?
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
78 b If "Yes," has it filed a tax return on Form 990-T for this year?
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?
80 b If "Yes," enter the name of the organization: RIVER STREET DEVELOPMENT FOUNDATION
81 a Enter direct and indirect political expenditures See line 81 instructions.
81 b Did the organization file Form 1120-POL for this year?
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?
82 b If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?
83 b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84 a Did the organization solicit any contributions or gifts that were not tax deductible?
84 b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?
85 b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85 c Dues, assessments, and similar amounts from members
85 d Section 162(e) lobbying and political expenditures
85 e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85 f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85 g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85 h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?
86 501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12
86 b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) orgs. Enter a Gross income from members or shareholders
87 b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911
89 b 501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction
89 c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958
89 d Enter Amount of tax on line 89c, above, reimbursed by the organization
90 a List the states with which a copy of this return is filed
90 b Number of employees employed in the pay period that includes March 12, 2004 (See instructions)
91 The books are in care of
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	59,133.	
96 Dividends and interest from securities			14	50,130.	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	29,198.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a _____					
b <u>MISCELLANEOUS REV</u>			01	17,630.	
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				156,091.	
105 Total (add line 104, columns (B), (D), and (E))					156,091.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

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

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
STMT 11	%		4,425,002.	2,318,861.
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has knowledge.

Signature of officer: [Signature]

Type or print name and title: _____

Paid Preparer's Use Only

Preparer's signature: [Signature]

Firm's name (or yours if self-employed): KPMG LLP

address, and ZIP + 4: 99 HIGH STREET BOSTON, MA

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information - (See separate instructions.)

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

OMB No 1545-0047

2004

Department of the Treasury
Internal Revenue Service

Name of the organization

PARTNERS IN HEALTH A NONPROFIT CORPORATION

Employer identification number

04-3567502

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<u>MARK MOSLEY</u> 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115	PROG SVCS DIRECTOR 40	58,030.	7,416.	NONE
<u>JOAN PALUZZI</u> 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115	PROJECT COORDINATOR 40	55,882.	4,171.	NONE
<u>GUYLENE VIAUD</u> 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115	HAITI OPS DIRECTOR 40	52,750.	13,119.	NONE
<u>KATHRYN KEMPTON AMARAL</u> 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115	PROCUREMENT DIRECTOR 40	48,630.	4,095.	NONE
<u>DARIUS JAZAYERI</u> 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115	IT PROGRAMMER 40	45,950.	6,872.	NONE
Total number of other employees paid over \$50,000 ▶	NONE			

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>BOSTON CHILDREN'S HOSPITAL</u> LONGWOOD AVE., BOSTON, MA 02115	PROGRAM MANAGEMENT	127,510.
<u>DR. JAIME BAYONA C/O SOCIOS EN SALUD</u> AV. MERINO REYNA 575, LIMA, PERU	MEDICAL DIR - PERU	104,000.
Total number of others receiving over \$50,000 for professional services ▶	NONE	

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

Table with 3 columns: Question, Yes, No. Rows include: 1. During the year, has the organization attempted to influence national state, or local legislation... 2. During the year, has the organization, either directly or indirectly, engaged in any of the following acts... 3a. Do you make grants for scholarships, fellowships, student loans, etc? 3b. Do you have a section 403(b) annuity plan for your employees? 4a. Did you maintain any separate account for participating donors... 4b. Do you provide credit counseling, debt management, credit repair, or debt negotiation services?

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is (Please check only ONE applicable box)

- 5 [] A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
6 [] A school Section 170(b)(1)(A)(ii) (Also complete Part V)
7 [] A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
8 [] A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
9 [] A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state
10 [] An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A)
11a [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
11b [] A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
12 [] An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A)
13 [] An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

Table with 2 columns: (a) Name(s) of supported organization(s), (b) Line number from above

- 14 [] An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)

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

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

Table with columns: Calendar year (or fiscal year beginning in), (a) 2003, (b) 2002, (c) 2001, (d) 2000, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends, amounts received from payments on securities loans; 19 Net income from unrelated business activities not included in line 18; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit without charge; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12; 28 Unusual Grants.

Part V Private School Questionnaire (See page 7 of the instructions.) **NOT APPLICABLE**
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)	31	

32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		

33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		

34 a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

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

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

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

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50 on page 11 of the instructions)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h)			None

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

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

DESCRIPTION -----	AMOUNT -----
UNREALIZED GAIN ON INVESTMENTS	71,363.
CURRENCY TRANSLATION ADJUSTMENTS	47,770.
PRIOR PERIOD ADJUSTMENT	119,233.

TOTAL	238,366.
	=====

Attachment to Form 990

Proceeds Upon Sale of Publicly Traded Securities and Other Investments	\$ 302,734
Cost or Other Basis	<u>273,536</u>
Total to Line 8(A)c	<u>\$ 29,198</u>

FORM 990, PART II - OTHER EXPENSES

=====

DESCRIPTION -----	TOTAL -----	PROGRAM SERVICES -----	MANAGEMENT AND GENERAL -----	FUNDRAISING -----
RENT EXPENSE	45,024.		45,024.	
OFFICE SUPPLIES & EXPENSES	75,179.	69,129.	3,091.	2,959.
BANK, PAYROLL & INVESTMT FEE	9,846.		9,846.	
COMMUNICATIONS & UTILITIES	176,016.	162,658.	7,995.	5,363.
REPAIRS & MAINTENANCE	20,039.		10,474.	9,565.
DUES AND SUBSCRIPTIONS	485.		457.	28.
FUNDRAISING	12,285.			12,285.
OTHER	120,926.	91,511.	17,961.	11,454.
PROGRAM RESOURCES	9,249,997.	9,209,631.	380.	39,986.
PHARMACEUTICALS	1,526,091.	1,526,091.		
OUTSIDE SERVICES	667,734.	646,429.	3,734.	17,571.
	-----	-----	-----	-----
TOTALS	11,903,622.	11,705,449.	98,962.	99,211.
	=====	=====	=====	=====

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

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

Partners In Health**Supporting Schedule****Statement of Program Service Accomplishments - 2004****Haiti- Zanmi Lasante**

The island nation of Haiti, just 90 minutes by plane from Miami, is one of the poorest countries in the world; average life expectancy is under 50 years for the population of 8.3 million. Dismal health outcomes are especially pronounced in the country's rural interior, where deforestation and lack of infrastructure have crippled the agricultural economy.

In the early 1980s, Dr. Paul Farmer and his Haitian colleagues started a small community health project in Cange, a squatter settlement in Haiti's Central Plateau. Today, Partners In Health and sister organization Zanmi Lasante operate a full-service medical center in Cange and, in partnership with the Ministry of Health, have expanded to seven additional sites across central Haiti.

Haiti suffers from the highest HIV burden in the Western Hemisphere, registering an adult prevalence rate of 5.6 percent. In 1998, against the advice of global health experts, we launched the HIV Equity Initiative to provide free antiretroviral therapy to a handful of AIDS patients, using a community-based model that trains and employs local Haitians to administer medications daily and provide social support. The HIV Equity Initiative's success helped spur the formation of the Global Fund to Fight AIDS, Tuberculosis, and Malaria, with Haiti being awarded one of its first grants in 2002. The HIV Equity Initiative is now a global model for the delivery of community-based treatment for complex diseases within the context of comprehensive primary care.

Project Update

- *Only provider of comprehensive primary care for an impoverished rural population:* 912,000 patient encounters recorded in 2004 across Zanmi Lasante's clinical sites and at mobile outreach clinics.
- *Pioneering model for AIDS treatment:* 48,000 people tested for HIV each year; currently monitoring more than 7,500 HIV-positive patients and providing directly observed antiretroviral therapy to 1,687 patients with advanced AIDS; clinical care is complemented by extensive prevention and education efforts.
- *An emphasis on basic social and economic rights:* more than 150 homes constructed for patients; potable water projects implemented in 12 communities; support for primary, secondary, and adult education; microfinance and agricultural initiatives
- *Strengthening local capacity through training:* under the auspices of a new Caribbean-wide initiative, PIH has trained more than 400 health workers from Haiti and other countries in all aspects of HIV care and treatment.
- *Tackling global AIDS.* Zanmi Lasante staff travel to international conferences and PIH's newest sites in Rwanda to present clinical and operational research findings and provide training and technical assistance

Peru: Socios En Salud

Since 1994, PIH has been working with Peruvian sister organization Socios En Salud to treat disease and to train community members in preventive health measures; SES is now Peru's largest health NGO. Drawing on PIH's experience with community-based tuberculosis treatment in rural Haiti, SES registered remarkable successes in confronting an epidemic of multidrug-resistant tuberculosis in the slums of Lima and, as a result, instigated major changes in global health policies.

Five years ago, SES became the hub of a multinational TB treatment project (PARTNERS) funded by the Bill & Melinda Gates Foundation through a grant to Harvard Medical School, Partners In Health, the U.S. Centers for Disease Control and Prevention, the World Health Organization, and the Task Force for Child Survival and Development. Today, SES is a global leader in clinical and operational research on tuberculosis, and new support from the Global Fund to Fight AIDS, Tuberculosis, and Malaria since 2003 has enabled the Peruvian Ministry of Health (MINSA) to expand our cooperative treatment efforts.

Project Update

Expanding MDR TB treatment in partnership with the Peruvian Ministry of Health

- Treatment outcomes continue to be excellent: 77 percent of patients with fewer than two previous treatments are cured of their multidrug-resistant tuberculosis.
- Responsibility for MDR TB patients was officially transferred from SES to MINSA in September 2004. Of the original 1,450 MDR TB patients treated by SES under the PARTNERS project, only 438 patients remained on treatment by the end of 2004; these patients will continue receiving care under the PIH/SES model and are expected to complete treatment by September 2005.
- MINSA received approval from the Green Light Committee to treat an additional 2,000 MDR TB patients; 980 new patients were enrolled between September 2003 and December 2004.
- SES equipped a new distribution center to centralize the management of medicines and supplies.

Strengthening Peru's MDR TB treatment capacity through training and technical assistance

- In 2004, SES held 58 TB-related courses and training sessions for 1,570 participants, including 1,380 MINSA health workers.
- SES reinforced infrastructure for specialized DOTS-Plus care and treatment at 60 local health centers where our patients receive their daily morning therapy.

Strengthening our presence in the community

- In 2004, SES repeated the population census that we first conducted in three Carabayllo communities in 1994. Results of this survey will allow SES to evaluate the impact of our interventions to date and better identify current needs.
- The new Lois and Thomas White Community Center in San Gabriel, inaugurated in February 2004, provides general medical care and hosts and supports a number of community groups, including afterschool and summer activities through Salud Infantil (Child Health); Mujeres Unidas (United Women), a women's group that makes crafts to raise funds for local communities; and Amigos por Siempre (Friends Forever), a peer leadership group.

Russia: Партнеры во имя Здоровья

Russia's epidemic of drug-resistant tuberculosis is one of the worst in the world. Economic decline, the breakdown of social safety nets, a growing AIDS epidemic, alcoholism, and a high incarceration rate have been key factors in the dramatic increase in tuberculosis cases and the subsequent rise of drug-resistant strains. In Tomsk Oblast, Siberia—where Partners In Health has been working since 1998 to expand our successful MDR TB treatment model—13.7 percent of new TB infections are multidrug-resistant. The TB epidemic is especially complex in the prison system, where drug resistance is even more prevalent.

With funding from the Bill and Melinda Gates Foundation, PIH has worked in Tomsk to identify and treat MDR TB patients in the civilian and prison sectors using a protocol based on our experience treating the disease in Peru and Haiti. In collaboration with the Eli Lilly and Company Foundation, another major focus of PIH's work in Russia has been the training of Russian health professionals in the management of MDR TB.

In 2004, we assisted our Tomsk partners in securing \$10.8 million from the Global Fund to Fight AIDS, Tuberculosis, and Malaria to support the further institutionalization of MDR TB treatment in Tomsk. PIH is now serving as Principal Recipient for this grant, providing management and oversight; we are working with our partners to equip a Russian organization to assume that role in the future, thus ensuring the program's sustainability.

In collaboration with the Program in Infectious Disease and Social Change at Harvard Medical School and the Division of Social Medicine and Health Inequalities at Brigham and Women's Hospital, PIH conducts ongoing research to identify critical factors for and barriers to successful tuberculosis treatment, including studies examining regimen design, program management, and alcohol abuse.

Project Update

Strengthening the DOTS-Plus model in Tomsk Oblast

- As of the end of 2004, enrolled 168 new MDR TB patients, 142 from the civilian sector and 26 from the prison sector; preliminary analyses indicate projected cure rates of nearly 80 percent in the cohort of 630 patients.
- Renovated the Third Ward of the Tomsk Tuberculosis Hospital, where the most challenging patients are treated.

Expanding MDR TB treatment in Russia through training, technical assistance, and research

- Led trainings for 57 doctors from 15 regions across Russia to date and conducted four site visits in 2004 to the doctors' home institutions.
- Disseminated PIH-developed training and educational materials throughout the former Soviet Union; *PIH Guide to the Medical Management of Multidrug-Resistant Tuberculosis* adapted and translated for the Russian setting.
- Developed, implemented, and disseminated models for monitoring and evaluation of tuberculosis programs.
- Six Russian physicians currently attending the Harvard School of Public Health's Program in Clinical Effectiveness, designed for clinicians seeking advanced quantitative and analytical skills for research and health care administration.

Boston: PACT Project

HIV infection in the urban United States is closely correlated with socioeconomic factors such as poverty, gender, race, and educational attainment. Many poor people are never even tested for HIV, let alone treated. According to the Institute of Medicine, poor, uninsured HIV-positive people are 85 percent more likely to die prematurely of their disease. In Boston in 2004, the HIV/AIDS incidence rate among black males was 67.9 percent higher than that for males overall, and the incidence rate among black females was 172.3 percent higher than that for females overall.

The core vision of the Prevention and Access to Care and Treatment (PACT) Project comes from community activists. Six years ago, PIH was approached to help establish a collaborative project that would train people from inner-city Boston to improve health outcomes among poor and marginalized AIDS patients. With support from the Brigham and Women's Hospital, the PACT Project has succeeded in creating a highly innovative HIV treatment intervention by modifying PIH's community-based model to fit a developed-country urban setting. PACT's health promoters work with their clients to address obstacles to care, from poverty to substance abuse to mental illness, and help them navigate a complex and often disjointed web of medical and social services. PACT's Prevention Program recruits and trains individuals from at-risk communities to become prevention and harm reduction leaders around the issues of substance abuse and HIV infection. The newly-launched Youth for Prevention, Action, and Change through Thought (YPACT) Program is an intensive, innovative empowerment program that trains Boston teens to become peer leaders and organizers for HIV prevention in their schools and communities.

Project Update

- *Improved health outcomes:* after 12 months in the PACT program, patient CD4 counts (a reflection of immune system strength) increased from a dangerously low average of 133 cells/mm³ to an acceptable level of 293 cells/mm³. In the pilot cohort, 73 percent of patients achieved undetectable viral loads.
- *Reduced medical costs:* high-risk AIDS patients enrolled in PACT's Health Promotion Program experienced a 17 percent decrease in the number of hospitalizations and a 37 percent drop in cost per inpatient stay (as measured at one Boston-area hospital).
- *Launched the Youth for Prevention, Action, and Change through Thought (YPACT) Program:* in September 2004, more than 60 referrals were received from local schools and communities for the 40 spots in the nine-month program.

Supported Project: EAPSEC Chiapas, Mexico

The residents of the southern Mexican state of Chiapas, mainly indigenous Maya, have long struggled with poverty, political violence, and dismal health conditions, including Mexico's highest infant, maternal, and tuberculosis mortality rates. Armed violence between the Mexican government and allied paramilitary groups and members of the Zapatista National Liberation Army, ongoing since 1994, has disrupted rural peasant life in Chiapas, and has particularly undermined access to health services.

For over twenty years, the Equipo de Apoyo en Salud y Educación Comunitaria (EAPSEC, Team for the Support of Community Health and Education) has worked to improve access to health care for the indigenous poor in Chiapas. Since 1989, PIH has collaborated with EAPSEC to develop the regional medical infrastructure and to recruit and train hundreds of health workers, known as promotores, to provide community-based care to those most in need.

In the town of Amatlán in the Northern region of Chiapas, EAPSEC has been working with a coalition of local leaders to build and staff a community health clinic to serve a population of nearly 20,000. In the span of just six months in 2004, EAPSEC and the residents of Amatlán designed the facility, completed the construction with donated time and materials, and began seeing patients. The new clinic includes a small pharmacy, a community meeting space, and four examination rooms.

Project Update

- EAPSEC currently supervises 96 health *promotores* in four regions of Chiapas—Highlands, Soconusco, Northern, and Guatemalan Border—to address basic health care needs.
- The Amatlán clinic has registered over 1,000 patients since August 2004 and anticipates seeing 2,000 patients in 2005. Common ailments include respiratory illnesses, gastrointestinal conditions, sexually transmitted infections, malnutrition, trauma, mental health issues, and eye and skin infections.
- In 2004, EAPSEC conducted 40 community workshops on topics such as maternal health, waterborne diseases, dental health, and tuberculosis case detection. EAPSEC works with each community to develop its own resources to address these problems.
- EAPSEC conducts monthly recruiting and training programs to further develop its network of *promotores*.
- PIH provides technical and medical assistance to EAPSEC, including physician trips to the Amatlán clinic, the development of health materials, and assistance with *promotor* training.

Supported Project: ETESC Huehuetenango, Guatemala

The Guatemalan Civil War began in the early 1960s when guerrilla groups formed to counter the corrupt military government that had been installed and supported by the U.S. government in 1954. For 36 years, the Guatemalan government and its paramilitaries brutally fought opposition groups who sought land reform and recognition as equal citizens. The precise number is unknown, but it is estimated that between 100,000 to 200,000 Guatemalans were killed or disappeared and more than one and a half million displaced. The situation remains fragile today, even after the signing of the Oslo Peace Accords in 1996. Eighty percent of the population lives in poverty and has little access to health care and other basic services. Many of the perpetrators of torture, mass killings, rapes, and other crimes during the war—also known as the Dirty War—still dwell in the same communities where they committed these atrocities, resulting in an environment of ongoing fear and oppression. This is the case in many parts of Guatemala today, particularly in Huehuetenango.

Equipo Técnico de Educación en Salud Comunitaria (ETESC, Technical Team for Education in Community Health) is a community-based organization formed by health workers who, themselves victims of the Guatemalan Civil War, are committed to identifying and addressing their communities' social and health needs. ETESC provides legal, psychological, and logistical assistance to the residents of Huehuetenango, predominantly indigenous Maya, by participating in the identification and exhumation of mass graves. By facilitating the process of mourning and reburial, ETESC returns dignity to the families of the victims. ETESC and the communities it serves believe that seeking truth and justice is essential to healing and reconciliation, and to establishing peace in Guatemala. Since 1998, PIH has been supporting the work of ETESC as they heal the living by helping them care for their dead.

Project Update

- Developed and conducted 14 community education workshops focusing on the rights of the families of disappeared victims of the Guatemalan Civil War.
- Exhumed four mass graves (31 since 2000) and identified the remains of 36 victims (189 since 2000); all exhumed bodies have been properly reburied.
- Awaiting approval for the exhumation of 37 additional clandestine cemeteries; of these, seven have been 'revealed' at workshops with the families of the disappeared.
- Erected four monuments to commemorate the victims of the Civil War (11 monuments since 2000).
- Provided technical and logistical assistance for the startup of over 90 new community-based organizations in 10 municipalities, all of which support the victims of the Civil War and their families.
- Participated in three demonstrations to demand the implementation of the promised peace accords.

FORM 990, PART IV - INVESTMENTS - SECURITIES
=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
DONATED STOCK	342,985.	
MUTUAL FUNDS	1,324,763.	1,910,107.
	-----	-----
TOTALS	1,667,748.	1,910,107.
	=====	=====

Attachment to Form 990

Description	12/31/2003	12/31/2004
Real Estate	\$ 409,330	\$ 409,330
Office Equipment	233,637	256,523
Motor Vehicles	<u>12,801</u>	<u>-</u>
Total	\$ 655,768	\$ 665,853
Accumulated Depreciation	<u>(250,663)</u>	<u>(264,371)</u>
Total to Line 57c	<u>\$ 405,105</u>	<u>\$ 401,482</u>
Current Year Depreciation Expense		<u>\$ 26,509</u>

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
STOCK OF MEDICINES	1,150,807.	NONE
TOTALS	----- 1,150,807. =====	----- NONE =====

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

=====

DESCRIPTION	AMOUNT
-----	-----
CURRENCY TRANSLATION ADJ	47,770.
TOTAL	----- 47,770. =====

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

DESCRIPTION -----	AMOUNT -----
REQUIRED ADJUSTMENT FOR RESTATEMENT OF FUND BALANCE	238,419.
TOTAL	----- 238,419. =====

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
OPHELIA DAHL 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	EXEC DIR/PRES/CHAIR 40	63,288.	453.	NONE
DR. PAUL E. FARMER 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR/EXEC VP 1	NONE	NONE	NONE
PAUL ZINTL 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	COO/VP FOR PLANNING 40	64,016.	465.	NONE
CRAIG KAPLAN 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	CFO/TREASURER 40	94,735.	12,025.	NONE
EDWARD CARDOZA 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	VP DEVELOPMENT 40	73,208.	4,296.	NONE
THEODORE CONSTAN 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	VP PROGRAM MGMT 40	55,560.	11,069.	NONE

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
TODD MCCORMACK 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1	NONE	NONE	NONE
DR. JIM YOUNG KIM 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1	NONE	NONE	NONE
HOWARD HAITT 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1	NONE	NONE	NONE
DIANE KANEB 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1	NONE	NONE	NONE
JOSEPH MARTIN 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1	NONE	NONE	NONE
JOHN MCARTHUR 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1	NONE	NONE	NONE

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
AMARTYA SEN 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1	NONE	NONE	NONE
BRYAN STEVENSON 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	DIRECTOR 1	NONE	NONE	NONE
ROBIN A. DUMAS 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115	COUNSEL/CLERK 20	NONE	NONE	NONE
GRAND TOTALS				
		350,807.	28,308.	NONE

FORM 990, PART IX - INFORMATION REGARDING TAXABLE SUBSIDIARIES

NAME AND ADDRESS	EMPLOYER IDENTIFICATION NUMBER	PERCENTAGE OWNERSHIP INTEREST	NATURE OF BUSINESS ACTIVITIES	TOTAL INCOME	ENDING ASSETS
SOCIOS EN SALUD SUCURSAL PERU AV. MERINO REYNA 575 LIMA PERU N/A		100.000000	HEALTH CARE	3,329,759.	1,914,807.
PARTNERS IN HEALTH - RUSSIA TOMSK OBLAST SIBERIA RUSSIA N/A		100.000000	HEALTH CARE	1,095,243.	404,054.
TOTAL INCOME				4,425,002.	2,318,861.

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

SEE FORM 990, PART V.

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

File in Duplicate
(see *When and Where To File* on page 1 of the instructions)

▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **01/01** **04** and ending **12/31** **04**

Name of person filing this return PARTNERS IN HEALTH, A NONPROFIT CORPORATION		A Identifying number 04-3567502
Number, street, and room or suite no. (or P O box number if mail is not delivered to street address) 641 HUNTINGTON AVENUE, 1ST FLOOR		B Category of filer (See page 1 of the instructions. Check applicable box(es)) 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/>
City or town, state, and ZIP code BOSTON, MA 02115		C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100 %
Filer's tax year beginning 01/01/2004 and ending 12/31/2004		

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

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
OPHELIA DAHL	641 HUNTINGTON AVE, BOSTON, MA	UPON REQUEST*			<input checked="" type="checkbox"/>

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

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

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

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

Schedule A Stock of the Foreign Corporation
Part I - All Classes of Stock

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
FOREIGN ORGANIZATION - NO STOCK		

Part II - Additional Information for Preferred Stock
(To be completed **only** by Category 1 filers for foreign personal holding companies)

(a) Description of each class of Preferred stock (Note: This description should match the corresponding description entered in Part I, column (a))	(b) Par value in functional currency	(c) Rate of dividend	(d) Indicate whether the stock is cumulative or noncumulative
N/A			

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (See page 5 of instructions)

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

Schedule F Balance Sheet

Important: Report all amounts in U S dollars prepared and translated in accordance with U S GAAP See page 5 of the instructions for an exception for DASTM corporations

Assets		(a)	(b)
		Beginning of annual accounting period	End of annual accounting period
1 Cash	1	135,979.00	737,985.00
2a Trade notes and accounts receivable	2a	236,478.00	62,100.00
b Less allowance for bad debts	2b	()	()
3 Inventories	3		
4 Other current assets (attach schedule)	4		
5 Loans to shareholders and other related persons	5		
6 Investment in subsidiaries (attach schedule)	6		
7 Other investments (attach schedule)	7		
8a Buildings and other depreciable assets	8a	798,860.00	816,808.00
b Less accumulated depreciation	8b	(130,408.00)	(149,724.00)
9a Depletable assets	9a		
b Less accumulated depletion	9b	()	()
10 Land (net of any amortization)	10		
11 Intangible assets			
a Goodwill	11a		14,115.00
b Organization costs	11b		
c Patents, trademarks, and other intangible assets	11c		
d Less accumulated amortization for lines 11a, b, and c	11d	()	()
12 Other assets (attach schedule)	12		433,523.00
13 Total assets	13	1,040,909.00	1,914,807.00
Liabilities and Shareholders' Equity			
14 Accounts payable	14	10,302.00	25,580.00
15 Other current liabilities (attach schedule)	15		
16 Loans from shareholders and other related persons	16		
17 Other liabilities (attach schedule)	17		
18 Capital stock			
a Preferred stock	18a		
b Common stock	18b		
19 Paid-in or capital surplus (attach reconciliation)	19		
20 Retained earnings	20	1,030,607.00	1,889,227.00
21 Less cost of treasury stock	21	()	()
22 Total liabilities and shareholders' equity	22	1,040,909.00	1,914,807.00

Schedule G Other Information

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

Schedule H Current Earnings and Profits (See page 5 of the instructions)

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

1	Current year net income or (loss) per foreign books of account	1		2,956,191.00
2	Net adjustments made to line 1 to determine current earnings and profits according to U S financial and tax accounting standards (see instructions)			
		Net Additions	Net Subtractions	
a	Capital gains or losses			
b	Depreciation and amortization			
c	Depletion			
d	Investment or incentive allowance			
e	Charges to statutory reserves			
f	Inventory adjustments			
g	Taxes			
h	Other (attach schedule).			
3	Total net additions			
4	Total net subtractions			
5a	Current earnings and profits (line 1 plus line 3 minus line 4)	5a		2,956,191.00
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b		
c	Combine lines 5a and 5b	5c		2,956,191.00
d	Current earnings and profits in U S dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)).	5d		900,179.00
	Enter exchange rate used for line 5d ▶ 1 Sol = .3045			

Schedule I Summary of Shareholder's Income From Foreign Corporation (See page 5 of instructions)

1	Subpart F income (line 40b, Worksheet A in the instructions)	1		NONE
2	Earnings invested in U S. property (line 17, Worksheet B in the instructions)	2		
3	Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3		
4	Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4		
5	Factoring income	5		
6	Total of lines 1 through 5 Enter here and on your income tax return See page 6 of instructions	6		
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7		
8	Exchange gain or (loss) on a distribution of previously taxed income	8		

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

**SCHEDULE J
(Form 5471)**

(Rev. December 2004)
Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0704

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

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

04 - 3567502

Name of foreign corporation

SOCIOS EN SALUD SUCURSAL PERU

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U S Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	3,248,030					3,248,030.00
2a Current year E&P	2,956,191					
b Current year deficit in E&P						
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	6,204,221.00					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)						
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	6,204,221.00					
7 Balance at end of year (Enter amount from line 6a or line 6b, whichever is applicable)	6,204,221.00					6,204,221.00

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

Schedule J (Form 5471) (Rev. 12-2004)

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

▶ Attach to Form 5471 See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

04-3567502

Name of foreign corporation

SOCIOS EN SALUD SUCURSAL PERU

Important: Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See page 10 of the instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **1 So1 = .3045**

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)					
2 Sales of property rights (patents, trademarks, etc.)					
3 Compensation received for technical, managerial, engineering, construction, or like services					
4 Commissions received					
5 Rents, royalties, and license fees received					
6 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income)					
7 Interest received					
8 Premiums received for insurance or reinsurance					
9 Add lines 1 through 8					
10 Purchases of stock in trade (inventory)					
11 Purchases of tangible property other than stock in trade					
12 Purchases of property rights (patents, trademarks, etc.)					
13 Compensation paid for technical, managerial, engineering, construction, or like services	5,115,848.00				
14 Commissions paid					
15 Rents, royalties, and license fees paid					
16 Dividends paid					
17 Interest paid					
18 Add lines 10 through 17	5,115,848.00				
19 Amounts borrowed (enter the maximum loan balance during the year) - see instructions					
20 Amounts loaned (enter the maximum loan balance during the year) - see instructions	249,090.00				

Amended
**Information Return of U.S. Persons With
Respect to Certain Foreign Corporations**

File in Duplicate
(see **When and Where**
To File on page 1 of
the instructions)

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **01/01** **04** and ending **12/31** **04**

▶ See separate instructions

Name of person filing this return PARTNERS IN HEALTH, A NONPROFIT CORPORATION		A Identifying number 04-3567502
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 641 HUNTINGTON AVENUE, 1ST FLOOR		B Category of filer (See page 1 of the instructions. Check applicable box(es)) 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/>
City or town, state, and ZIP code BOSTON, MA 02115		C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 1.00 %
Filer's tax year beginning 01/01/2004 and ending 12/31/2004		

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

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
OPHELIA DAHL	641 HUNTINGTON AVE, BOSTON, MA	UPON REQUEST#			X

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

1a Name and address of foreign corporation PARTNERS IN HEALTH - RUSSIA TOMSK OBLAST SIBERIA RUSSIA				b Employer identification number, if any N/A	
				c Country under whose laws incorporated RUSSIA	
d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency	
	SIBERIA, RUSSIA	6240200	HEALTHCARE	RUBLE - RUSSIA	

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

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

Schedule A Stock of the Foreign Corporation

Part I - All Classes of Stock

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
FOREIGN ORGANIZATION - NO STOCK		

Part II - Additional Information for Preferred Stock
(To be completed only by Category 1 filers for foreign personal holding companies)

(a) Description of each class of Preferred stock (Note: This description should match the corresponding description entered in Part I, column (a).)	(b) Par value in functional currency	(c) Rate of dividend	(d) Indicate whether the stock is cumulative or noncumulative
N/A			

Schedule B U.S. Shareholders of Foreign Corporation (See page 4 of the instructions.)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder (Note This description should match the corresponding description entered in Schedule A, Part I, column (a))	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)	
PARTNERS IN HEALTH A NONPROFIT CORPORATION BOSTON, MA 04-3567502					
		FOREIGN CORPORATION			0.00%

Schedule C Income Statement (See page 5 of the instructions)

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

		Functional Currency	U.S. Dollars
Income	1 a Gross receipts or sales	1a 31,185,743.00	1,095,243.29
	b Returns and allowances	1b	
	c Subtract line 1b from line 1a	1c 31,185,743.00	1,095,243.29
	2 Cost of goods sold	2	
	3 Gross profit (subtract line 2 from line 1c)	3 31,185,743.00	1,095,243.29
	4 Dividends	4	
	5 Interest	5	
	6 Gross rents, royalties, and license fees	6	
	7 Net gain or (loss) on sale of capital assets	7	
8 Other income (attach schedule)	8		
9 Total income (add lines 3 through 8)	9 31,185,743.00	1,095,243.29	
Deductions	10 Compensation not deducted elsewhere	10 6,726,233.00	236,225.30
	11 Rents, royalties, and license fees	11	
	12 Interest	12	
	13 Depreciation not deducted elsewhere	13 243,027.00	8,535.11
	14 Depletion	14	
	15 Taxes (exclude provision for income, war profits, and excess profits taxes)	15 1,140,787.00	40,064.44
	16 Other deductions (attach schedule - exclude provision for income, war profits, and excess profits taxes) SEE ATTACHMENT #1	16 13,535,034.00	475,350.39
	17 Total deductions (add lines 10 through 16)	17 21,645,081.00	760,175.24
Net Income	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18 9,540,662.00	335,068.05
	19 Extraordinary items and prior period adjustments (see instructions)	19	
	20 Provision for income, war profits, and excess profits taxes (see instructions)	20	
	21 Current year net income or (loss) per books (combine lines 18 through 20)	21 9,540,662.00	335,068.05

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (See page 5 of instructions)

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

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See page 5 of the instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	39,262.87	300,646.76
2a	Trade notes and accounts receivable	568.13	85,272.77
b	Less allowance for bad debts	()	()
3	Inventories		
4	Other current assets (attach schedule)		
5	Loans to shareholders and other related persons		
6	Investment in subsidiaries (attach schedule)		
7	Other investments (attach schedule)		
8a	Buildings and other depreciable assets	14,146.76	18,134.10
b	Less accumulated depreciation	()	()
9a	Depletable assets		
b	Less accumulated depletion	()	()
10	Land (net of any amortization)		
11	Intangible assets		
a	Goodwill		
b	Organization costs		
c	Patents, trademarks, and other intangible assets		
d	Less accumulated amortization for lines 11a, b, and c.	()	()
12	Other assets (attach schedule). MISC. ASSETS	4,479.92	0
13	Total assets	58,457.68	404,053.63
Liabilities and Shareholders' Equity			
14	Accounts payable	1,323.40	0
15	Other current liabilities (attach schedule)		
16	Loans from shareholders and other related persons		
17	Other liabilities (attach schedule)		
18	Capital stock		
a	Preferred stock		
b	Common stock		
19	Paid-in or capital surplus (attach reconciliation)		
20	Retained earnings	57,134.28	404,053.63
21	Less cost of treasury stock	()	()
22	Total liabilities and shareholders' equity	58,457.68	404,053.63

Schedule G Other Information

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? Yes No
If "Yes," see page 5 of the instructions for required attachment
- 2 During the tax year, did the foreign corporation own an interest in any trust? Yes No
- 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? Yes No
If "Yes," you are generally required to attach Form 8858 for each entity (see instructions)

Schedule H Current Earnings and Profits (See page 5 of the instructions)

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

1 Current year net income or (loss) per foreign books of account	1	9,540,662.00
2 Net adjustments made to line 1 to determine current earnings and profits according to U S financial and tax accounting standards (see instructions)		
	Net Additions	Net Subtractions
a Capital gains or losses		
b Depreciation and amortization		
c Depletion		
d Investment or incentive allowance		
e Charges to statutory reserves		
f Inventory adjustments		
g Taxes		
h Other (attach schedule)		
3 Total net additions		
4 Total net subtractions		
5a Current earnings and profits (line 1 plus line 3 minus line 4)	5a	9,540,662.00
b DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b	
c Combine lines 5a and 5b	5c	9,540,662.00
d Current earnings and profits in U S dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)). Enter exchange rate used for line 5d ► 0.03512	5d	335,068.05

Schedule I Summary of Shareholder's Income From Foreign Corporation (See page 5 of instructions)

1 Subpart F income (line 40b, Worksheet A in the instructions)	1	NONE
2 Earnings invested in U S property (line 17, Worksheet B in the instructions)	2	
3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5 Factoring income	5	
6 Total of lines 1 through 5 Enter here and on your income tax return See page 6 of instructions	6	
7 Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8 Exchange gain or (loss) on a distribution of previously taxed income	8	

- Was any income of the foreign corporation blocked? Yes No
 - Did any such income become unblocked during the tax year (see section 964(b))? Yes No
- If the answer to either question is "Yes" attach an explanation

**SCHEDULE J
(Form 5471)**

(Rev. December 2004)
Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0704

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

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

04-3567502

Name of foreign corporation

PARTNERS IN HEALTH - RUSSIA -

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U S Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	1,670,593.00					1,670,593.00
2a Current year E&P	9,540,662.00					
b Current year deficit in E&P						
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	11,211,255.00					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)						
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	11,211,255.00					
7 Balance at end of year (Enter amount from line 6a or line 6b, whichever is applicable)	11,211,255.00					11,211,255.00

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

Schedule J (Form 5471) (Rev 12-2004)

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

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

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

04-3567502

Name of foreign corporation

PARTNERS IN HEALTH - RUSSIA

Important: Complete a *separate* Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in US dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See page 10 of the instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **1 Ruble = .03512**

(a) Transactions of foreign corporation	(b) US person filing this return	(c) Any domestic corporation or partnership controlled by US person filing this return	(d) Any other foreign corporation or partnership controlled by US person filing this return	(e) 10% or more US shareholder of controlled foreign corporation (other than the US person filing this return)	(f) 10% or more US shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)					
2 Sales of property rights (patents, trademarks, etc)					
3 Compensation received for technical, managerial, engineering, construction, or like services					
4 Commissions received					
5 Rents, royalties, and license fees received					
6 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income)					
7 Interest received					
8 Premiums received for insurance or reinsurance					
9 Add lines 1 through 8					
10 Purchases of stock in trade (inventory)					
11 Purchases of tangible property other than stock in trade					
12 Purchases of property rights (patents, trademarks, etc)					
13 Compensation paid for technical, managerial, engineering, construction, or like services	236,225.30				
14 Commissions paid					
15 Rents, royalties, and license fees paid					
16 Dividends paid					
17 Interest paid					
18 Add lines 10 through 17	236,225.30				
19 Amounts borrowed (enter the maximum loan balance during the year) - see instructions					
20 Amounts loaned (enter the maximum loan balance during the year) - see instructions	85,272.77				

Attachment to Form 5471, Schedule C, Other Deductions*Partners in Health - Russia*

	Russian Rubles	US Dollars
Transportation	237,905	8,355 22
Mail, telephone, communication	647,039	22,724.01
Travel per diem	1,254,399	44,054 49
Bank fees	73,997	2,598 77
Subscription and dues	10,486	368 27
Entertainment expenses	3,890	136 62
Rent	1,987,703	69,808 13
Office Supplies & equipment	515,039	18,088 17
Program expenses - grants to individuals and entities	6,494,027	228,070.23
Program expenses - publishing, conferences, etc	<u>2,310,549</u>	<u>81,146.48</u>
Total other expenses	<u><u>13,535,034</u></u>	<u><u>475,350.39</u></u>

• If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box.

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must File Original and One Copy.

Name of Exempt Organization: Partners in Health, a NonProfit Corporation
Employer Identification number: 04-3567502
Number, street, and room or suite no: 641 Huntington Avenue, 1st Floor
City, town or post office, state, and ZIP code: Boston, MA 02115

Check type of return to be filed (File a separate application for each return):

Form 990 (checked), Form 990-T, Form 990-BL, Form 990-EZ, Form 990-PF, Form 990-T (sec. 401(a) or 408(a) trust), Form 990-T (trust other than above), Form 1041-A, Form 4720, Form 5227, Form 6069, Form 8870

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

The books are in the care of: OPHELIA DAHL
Telephone No.: 617 432 5256
FAX No.: 617 432 5300
If the organization does not have an office or place of business in the United States, check this box.
If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN).

I request an additional 3-month extension of time until: NOVEMBER 15, 2005
For calendar year: 2004
If this tax year is for less than 12 months, check reason: Initial return, Final return, Change in accounting period
State in detail why you need the extension: ADDITIONAL TIME IS NEEDED TO GATHER THE INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE TAX RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ 0
8b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. \$ 0
8c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ 0

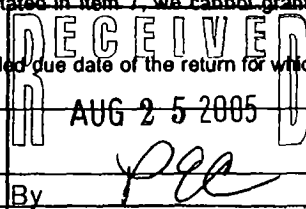
Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature: Robert A Butler
Title: KPMG LLP ID #13-5565207
HIGH STREET, BOSTON, MA 02110-2897
Date: 8-3-05

Notice to Applicant - To Be Completed by the IRS

We have approved this application. Please attach this form to the organization's return.
We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
Other



Director: By: Date:

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above. EXTENSION APPROVED

Name: KPMG LLP (CONNELLY/ANDERSON/PIH 1694858)
Number and street (include suite, room, or apt. no.) or a P.O. box number: 99 HIGH STREET, SUITE 2300
City or town, province or state, and country (including postal or ZIP code): BOSTON, MA 02110
AUG 19 2005
FIELD DIRECTOR, SUBMISSION PROCESSING, OGDEN