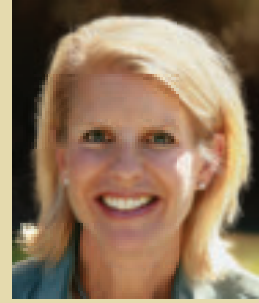






The Time for Sea Change



©Rachel's Network



©J. Brough Schamp

By every measure, 2008 was a remarkable year for Ocean Conservancy. We made tremendous strides in ending overfishing in the Gulf of Mexico, in bringing order to the ocean through laws like the Massachusetts Ocean Act, and in finding new—perhaps surprising—partners in the seafood industry to ensure that all seafood is sustainable seafood.

We made significant progress, as well, in realizing a network of Marine Protected Areas in California, and then immediately set about working to broaden this network along the expanse of the California coast. On Capitol Hill, we became one of the “go-to” advisers as national lawmakers debated matters like climate change, drilling on the Outer Continental Shelf, and the burgeoning fish-farming industry. We also began taking action to directly address the challenges of climate change, particularly in the Arctic, a region that is warming at twice the rate of the rest of the planet. At every turn, Ocean Conservancy reminded the world that climate change is, at its heart, a crisis that begins with the ocean.

As we write this letter, however, the nation is embroiled in a serious financial crisis the likes of which have not been seen for decades. The impacts can be felt throughout the nonprofit community. Like the environmental climate that concerns us so much, the financial climate is also reshaping the way we do business. Rest assured, however, that Ocean Conservancy is adapting and 2008 turned out to be a good year for us financially. Our programs reflect that abundance. So, while we and the nation brace for difficult economic times ahead, we want to remind ourselves that in tough times staying focused on ocean health is as critical to our economic future as it is to our environmental future. No matter how you look at it, good conservation policy is good economic policy. Our vigilance for the ocean has never been more important. Surely our nation has learned by now that economic and ecological health are intrinsically bound to one another.

You'll be pleased to know that our list of accomplishments in 2008 reflects this philosophy. For Ocean Conservancy's part, we are doing everything in our power to improve efficiency while sacrificing none of our commitment to improving ocean health. We are directing more of our valuable support to our programmatic work and less to overhead. To that end, you may notice some differences in our annual report. This year's report cost approximately 50 percent less to produce than last year's. While certainly leaner, it is no less informative, and is (as always) printed on recycled materials. We are simply doing more with what we have and looking at this as a time of abundance of opportunity, not austerity of resources.

Each day we are made more aware of the generous financial support of Ocean Conservancy's faithful members and our partners in the conservation, corporate, and foundation communities. The responsibility is awesome indeed, but we are strategically channeling our resources to accomplish maximum conservation impact. We understand that people have choices on where to direct their philanthropy. The fact that you have chosen Ocean Conservancy means that you understand the deep connection between ocean health and our very survival on planet Earth. Your support is what keeps this organization moving forward. We cannot thank you enough for your generosity.

These are indeed challenging times in more ways than one, but tough times call for tough people. And that is why we firmly believe that this time, unlike any other, is the time for sea change and why Ocean Conservancy is *the* organization to lead us there.

Vikki N. Spruill
President & CEO

and

Cecily Majerus
Board Chair



2008: A Time to Stop Warming the Planet

We are no longer dealing with projections, or ominous warnings about the future. Ocean climate change is now.

The ocean drives and moderates our climate and provides much of the oxygen we breathe and the food we eat. It is essential to our very survival—the life-support system for our planet. Earth, however, has warmed in the last 100 years by nearly a degree Centigrade, absorbing over 80 percent of the excess heat produced by the greenhouse effect. A few degrees more of warming will devastate many coastal communities, wipe out the world's coral reefs, and lead to mass extinctions of marine life. We are no longer dealing with projections, or ominous warnings about the future. Ocean climate change is now. The fact remains that even if carbon emissions are substantially reduced, ocean warming will continue for decades. Helping our ocean deal with the onslaught of climate change is one of the greatest challenges of our lifetime.

Ocean Conservancy is an acknowledged leader in raising awareness of the threats climate change poses to the ocean. Through cutting-edge advocacy and close collaboration with other leading conservation groups, corporations, and policy makers, we are reshaping the policies this nation adopts as it attempts to come to grips with the sacrifices we will all be called upon to make in response to this serious crisis.

HIGHLIGHTS

A New Lens: Ocean Climate Change

Ocean Conservancy stepped to the forefront of the conservation community in raising the call that the ocean must be a primary focus of efforts to mitigate climate change worldwide. We are leading the charge for science-based solutions aimed at helping the ocean adapt to environmental changes that are now viewed as inevitable. We inspired members to stay up-to-date and involved in legislative activity on climate change and worked to ensure that critical ocean adaptation provisions were included in the Senate climate change bill. We also seized the opportunity to address the only annual conference of environmental journalists, to seed with the media the important message that there is a deep and powerful connection between the ocean and our climate. In the face of the greatest environmental challenge of our lifetime, Ocean Conservancy will continue to raise public awareness of the plight of the ocean due to climate change and to promote science-based solutions to the crisis.

Speaking Out on Capitol Hill

At the urging of Ocean Conservancy, the congressional committee devoted to combating climate change held its first-ever hearing on the impact of global climate change on the ocean and, especially, the effects climate change will have on coral reefs. Of the four people invited to speak, two were from Ocean Conservancy. We took the opportunity to raise awareness of the connection between the ocean and our everyday lives. President and CEO **Vikki Spruill testified** that “the ocean is where the rubber hits the road with climate change.” Board member and world-renowned oceanographer Sylvia Earle joined Vikki in testifying.

Emphasis on the Arctic

The Arctic is warming at twice the rate as the rest of the planet. Rapidly melting ice has opened the Arctic to the potential for abuse. Oil drilling, international shipping, and industrial fishing operations are competing to grab these newly exposed areas. Ocean Conservancy is uniquely positioned to collaborate with local governments, subsistence-reliant communities, and conservation partners to confront the threats of climate change in this important, but fragile, region. By reestablishing our Alaska office in 2008, Ocean Conservancy asserted its regional expertise. Our scientists and policy experts began aggressively **calling for a time-out on rapid commercial expansion in the Arctic** until we have the science and the structure we need to guide decision-making. The policies and protections we put in place in the region will serve as models as we address changes farther south.

Clean Air, Clean Conscience

Ocean Conservancy and several leading community and conservation partners joined an innovative **petition to the Environmental Protection Agency to protect the Arctic** through immediate and comprehensive regulation of greenhouse gas emissions under the Clean Air Act. Currently, that law is the only mechanism under which a federal agency can regulate greenhouse gasses. Through the petition, Ocean Conservancy demanded that the United States accept legal and moral responsibility to protect the Arctic region in the interest of public health and welfare. The petition presented a clear and persuasive scientific explanation of the effects of climate change on the Arctic and the ways those changes are now affecting the rest of the United States and the world. The EPA has since asked President Obama for his okay to take the requested action



©Tui De Roy/Minden Pictures

Rapidly melting ice has opened the Arctic to oil drilling, international shipping, and industrial fishing operations.

and raised with him the threat to public health and welfare.

Drilling on the Outer Continental Shelf

Ocean Conservancy believes that faster, cheaper, safer options exist to solve the energy crisis, cut individual energy bills, and quickly reduce America's dependence on foreign oil. In 2008, we **worked to maintain opposition to the call for new drilling off our coastlines**, in the face of the considerable political pressure and public cries to “drill, baby, drill!” When it became clear that the 27-year moratorium on new drilling no longer had the necessary political support, Ocean Conservancy was at the table to craft a compromise. Ocean Conservancy remains pro-active on Capitol Hill to advocate a balanced, sustainable energy approach while helping to ensure that any future legislative expansion of drilling includes adequate measures to counter the adverse environmental impacts of such exploration.



2008: A Time to Clear Our Beaches And Waterways

As it has for 24 years, September brought Ocean Conservancy's International Coastal Cleanup, the world's largest volunteer effort to clean up our local waters, beaches, rivers, lakes, and streams. Since 1986, almost seven million volunteers in over 125 countries have participated in this global event. Their work has touched every major body of water on the planet. Each year, volunteers remove millions of pounds of trash, doing what they can to protect the environment by keeping our ocean healthy.

For volunteers, the International Coastal Cleanup is a stark but inspiring initiation into the deterioration of our ocean, and spurs a deeper commitment to marine conservation. The hard work, however, doesn't start and end in a day. The annual reports published by Ocean Conservancy detail, by location, the things we find during the Cleanup. They have helped shape national legislation and spur towns across the country to organize cleanups and adopt recycling programs. Ocean Conservancy remains committed to ending the problem of trash in our ocean and is working to expand public participation, corporate partnerships, and the reach of our message to the media and policy makers, all of whom can have profound effects on this challenging, but solvable, problem.

Since 1986, almost seven million volunteers, like this woman in Mozambique, have participated in the International Coastal Cleanup in over 125 countries.

HIGHLIGHTS

Profound Growth

2008 was a breakthrough year for the Cleanup. We continued to grow the effort that is already the world's largest all-volunteer ocean cleanup program. Our **volunteer base increased to nearly 400,000** and the number of participating countries and locations jumped by more than thirty percent over the previous year. We also doubled our staff and hired a new director for the Cleanup to capitalize on the momentum we have built in the last few years of the program. With this exceptional team now in place, we expect to maintain our momentum in 2009 to make this year's Cleanup the biggest and most far-reaching yet.

The Real Thing

Every day it grows clearer that collaboration is key to conservation. In 2008, Ocean Conservancy **forged new and deeper relationships with corporate and government partners** who have become the cornerstone of this movement. Longstanding partner **Coca-Cola** (see profile) raised its financial support and lent its considerable branding expertise to help us raise awareness of marine debris and the Cleanup. In December, Ocean Conservancy and Coca-Cola were highlighted at the national "Good and Green" marketing conference in Chicago as a strong example of public-private partnerships that work for the good of the planet.

Making the Connection

Bank of America, likewise, made a resounding statement in support of the ocean-climate connection, educating its associates about climate change and its impacts on the ocean. Bank of America increased its support of the Cleanup and saw opportunity to provide seed

money for Ocean Conservancy's Ocean Industries Initiative to help businesses reduce their greenhouse gas emissions. Volunteers from "Team Bank of America" also came out in force at Cleanup events across the United States, and drew in members of the larger local community.

Year-round Vigilance

Ocean Conservancy redoubled its efforts to **shift public perception of the Cleanup from a single-day event to a year-round movement**. We are focused on stopping marine debris at its source, the heart of the problem whether near the shore or far inland from where it travels to our ocean. Trash comes from people, but once in the water it can kill wildlife, destroy reefs, and despoil an inspiring experience that countless millions treasure.

Media Matters

Ocean Conservancy made a concerted push to raise the profile of the Cleanup in the media and we hit the airwaves and print in force. Last year was notable for **the broad presence of the International Coastal Cleanup in the mainstream media**. At the traditional White House Easter Egg Roll in the spring, Ocean Conservancy was a special invitee of President Bush and First Lady Laura Bush, who dedicated the event to raising awareness of the marine debris problem. Ocean Conservancy was featured on "Good Morning America" and in local media outlets across the nation to talk about the Cleanup. *USAToday*, *The Washington Post*, and others published articles highlighting our work and focusing not only on the amount of debris cleared, but also on the connection between the behaviors that are at the heart of the problem of marine debris.

CORPORATE PARTNER



Coca-Cola

The Coca-Cola Company wants a world where their packaging is no longer seen as waste, but as a valuable resource for future use. The international giant is hard at work finding ways to improve the sustainability of its packaging across the product lifecycle. In 2008, Coca-Cola assumed the responsibility of lead sponsor of Ocean Conservancy's International Coastal Cleanup.

Coca-Cola has stepped up direct support and in-kind contributions to the Cleanup, including arranging for its strategic brand thinkers to consult with Ocean Conservancy on strengthening our online campaigns, expanding our media reach, and increasing awareness about the problem of marine debris. In last year's Cleanup, Coca-Cola engaged over 50,000 associates, distributors, bottlers, and consumers in 35 countries to help clear beaches and waterways of debris.

"Our partnership provides an opportunity on a single day to show our global commitment to reducing litter while providing a program our employees, customers, and consumers can easily join in as well," said April Crow (far right), Sustainable Packaging Manager at The Coca-Cola Company.

2008: A Time to Speak Out for Marine Wildlife

From our earliest days almost 40 years ago as advocates for protecting endangered whales, to our watershed work in the last decade to save sea turtles, marine mammals, and other wildlife, Ocean Conservancy has been a resolute voice for healthy ocean wildlife that is integral to healthy ecosystems.

Each year, thousands of whales, dolphins, seals, seabirds, and sea turtles die as “bycatch”—animals injured or killed accidentally in commercial fishing operations. Speeding ships in some of the busiest marine shipping lanes harm and kill endangered whales. Pollution and trash poison, starve, and choke animals from New England to Hawaii. And, when ocean ecosystems are harmed and animals disappear, with them go tourists and good businesses. Our message is clear: when animals suffer, whole communities suffer. Building on our decades-long legacy of vocal advocacy for marine wildlife, Ocean Conservancy is leading conservation to a new age of smart solutions to protect ocean wildlife and their habitats.

Healthy ocean wildlife is integral to healthy ecosystems. In the Galapagos, a sea lion pup cavorts near a green sea turtle.

HIGHLIGHTS

A Brake for Whales

Ocean Conservancy was instrumental in securing long-delayed **federal protections for endangered North Atlantic right whales** against death and injury from fast, large ships entering US East Coast ports. With a population so small that the death of a single female whale could mean extinction for the species, our work has never been more critical. In 2008, we led the successful effort to force the National Marine Fisheries Service to limit ship speeds in locations where right whales migrate, feed, and give birth.

Whale-Safer Lobstering

Ocean Conservancy played a central role in bringing together the Massachusetts Lobstermen's Association and several top conservation partners in New England to **launch a labeling and education program** to distinguish Massachusetts lobsters caught using fishing practices that are safer for whales. The program, which we hope to expand beyond Massachusetts,

distributed over 850,000 claw bands that help consumers make the smart choice of whale-safer lobster. This innovative coalition highlights Ocean Conservancy's ability to reach out to groups on all sides of issues—from consumers to commercial fishermen—with a message that a strong environment means a strong economy.

International Sea Turtle Symposium

Ocean Conservancy hosted the **28th Annual Symposium on Sea Turtle Conservation and Biology** in Loreto, Mexico. The conference is sponsored by the International Sea Turtle Society (ISTS) and is the annual pilgrimage for the world's sea turtle scientists. Last year's symposium emphasized "Native Oceans"—seeking to recognize that indigenous communities' efforts to conserve their natural environment are an integral component of international initiatives to save turtles. At the conference, Ocean Conservancy stressed sustainability, introducing a novel "LIVE BLUE Challenge," a contest among participants aimed at minimizing the ecological impact of the symposium.

PLANNED GIVING

Courtesy of Jeannine Hartman



Jeannine Hartman

Forty-five years ago, Louis "Louie" Iglehart accepted the "challenge of a lifetime"—filling a void left by the death of Jeannine's father—when he married Jeannine Hartman's mother and helped to raise Jeannine and her five siblings. In Jeannine, Louie nurtured a love of animals and together they marveled at the wonders of the ocean.

Jeannine was elated to discover she could create an Ocean Conservancy gift annuity for her stepfather. It was an opportunity to say "thank you" and provide additional income for someone she loves, the gracious and beloved Louie. Meanwhile, she helps protect something she loves—the beautiful ocean—and enjoys a tax savings at the same time.

"These days, Louie can take my mom out for a nice meal or buy something special a few times a year when his Ocean Conservancy annuity check arrives," says Jeannine. "I feel a part of their lives from 1,800 miles away. Thank you, Ocean Conservancy, for being a vital part of my family."



©New England Aquarium/Moira Brown

The few hundred North Atlantic right whales remaining on Earth are threatened by entanglement in fishing gear and ship strikes.



© Jupiter Images

2008: A Time to Ensure A Sustainable Seafood Supply

A fisherman casts his net at dawn, San Carlos Bay, Ft. Myers, Florida. Conservationists and the seafood industry must work together for a sustainable future. It's in everyone's best interest.

At Ocean Conservancy, we recognize that it's time for conservationists and the seafood industry to work together for a sustainable future. It's in everyone's best interest. That's why we're changing the rules. We're putting pressure on our nation's eight regional fishery management councils and holding them accountable for improving US fishing policies to ensure sustainable fisheries. We're building new economic incentives that reward fishermen for innovative practices to protect ocean ecosystems. And we're shaping a shared vision for retailers, restaurant chains, other seafood businesses, and individual seafood buyers in support of good fishing practices and management policies—so we never catch fish faster than they can reproduce and so all seafood is sustainable seafood.

HIGHLIGHTS

A Vision Shared

Nearly three years ago, over a dozen environmental non-governmental organizations began to develop a “common vision” for sustainable seafood. Ocean Conservancy led the call for **engaging seafood buyers directly in improving fisheries**—beyond identifying sustainable products and including seafood from fisheries that are not yet sustainable. We positioned ourselves as partners to businesses and conservationists alike and helped shape the realization that a shared vision was mutually beneficial. In 2008, the Common Vision took off and led to profound changes that are rippling throughout the sustainable seafood movement today. Moving forward, Ocean Conservancy is reaching out to new constituencies throughout the seafood industry with the message that we can have seafood and healthy oceans when we work together to improve the practices and policies that lead to sustainability.

Farming Fish

Fish farming, or aquaculture, now accounts for more than 40 percent of the world’s seafood consumption. At its best, farmed fish provides an affordable and sustainable alternative to seafood from overfished stocks. At its worst, aquaculture can severely harm the ocean. Bolstered by our reputation earned when we were instrumental in shaping the nation’s first-ever fish farming laws in California, Ocean Conservancy has become a “go-to” conservation organization when Capitol Hill needs insight and advice on legislation that will guide how the industry evolves nationwide. In the Gulf of Mexico late in the year, as regional managers prepared to open the door to industry development before national standards could



©D. R. Schriener/SeaPics.com

Seafood businesses and individual buyers are being enlisted to promote good fishing practices and management.

be passed, Ocean Conservancy’s work caused the council to postpone its vote—a big victory for regulation of fish farming.

Convening the Roundtable

Ocean Conservancy collaborated with two partners—the Sustainable Fisheries Partnership and Texas Sea Grant—to bring together fishermen, seafood buyers, and fishery experts to explore ways to **make the Gulf of Mexico shrimp industry more sustainable**. Dubbed the “Gulf of Mexico Shrimp Fishery Roundtable,” it is a program unlike any other in the industry. The Roundtable will help shrimpers adopt win-win fishing technologies and techniques that reduce “bycatch” and

the industry’s carbon footprint while lowering operational costs. Ocean Conservancy is now looking to use innovative public-private models, like the Roundtable, to bring sustainability to troubled fisheries in other regions of the country.

Award Season

Food & Wine magazine singled out Ocean Conservancy for its “Eco-Ocean Award.” We were one of just three nonprofits recognized for excellence in making sustainable seafood a reality. The magazine lauded Ocean Conservancy’s leadership in realizing “sweeping changes” in the Gulf of Mexico red snapper fishery. By lobbying government groups and bringing major seafood buyers like Wal-Mart and Plitt Company together in support of fishery management improvements, we are working to ensure that one day everyone enjoying Gulf of Mexico red snapper will be enjoying sustainable red snapper.



©Doug Perrine/SeaPics.com

The United States plans to increase fish farming fivefold by 2025.



2008: A Time to Protect *Our Yosemite's of the Sea*

Many of the world's special ocean places are overfished, overpolluted, and overexploited. They are also underprotected.

In many places beneath the ocean's surface, coral reefs teem with rainbows of tropical fish. Whales gather to feed at the edges of submarine trenches deeper than the Grand Canyon. Volcanic seamounts, covered in ancient colonies of sea sponges, rise thousands of feet from the ocean floor. Lush kelp forests shelter sea otter mothers and pups.

In other spots, however, the world's special ocean places are overfished, overpolluted, and overexploited. They are also underprotected. Ocean Conservancy is leading the charge to protect and restore our most extraordinary ocean treasures. Preserving such places will strengthen the ocean's immune system, fortifying its ability to withstand environmental stresses like global climate disruption. Ultimately, protecting the ocean will make the world a healthier, better place to live.

HIGHLIGHTS

Marine Life Protection Act

In 2007 along the Central Coast of California, the first of several Marine Protected Areas (MPAs) were implemented under the state's watershed Marine Life Protection Act. Building on the momentum of seeing the first protections in place, in 2008 we quickly **set about the next phase to bring similar MPAs to Southern California**. Ocean Conservancy was a key leader in passage of the original law in 1999, and we have continued to use our conservation and policy expertise to ensure that the results on the water live up to the full spirit of the law.

Marine Sanctuaries Act Reauthorization

Ocean Conservancy played a **strong advisory role in shaping the reauthorization of the National Marine Sanctuaries Act**, a law that shields many of America's most treasured marine areas from harmful uses. President and CEO Vikki Spruill testified before Congress in support of the reauthorization saying, "The National Marine Sanctuaries Act is a cornerstone

of ocean conservation. It is a critical instrument that allows us to create a healthier, more resilient ocean. And a healthier ocean means healthier people, because the ocean is Earth's life-support system."

Mapping Human Impacts on the Ocean

Ocean Conservancy's Dr. Dennis Heinemann **co-authored a peer-reviewed study published in the journal *Science***. It was the first global-scale study of human influence on marine ecosystems and shows that more than 40 percent of the world's ocean is heavily affected by human activity, and few areas, if any, remain untouched. In their recommendations, the study's authors pointed to the need for more and stronger Marine Protected Areas to counteract the problem. Throughout its history, Ocean Conservancy has been highly respected for its scientific acumen and will continue to be a strong and vocal advocate for science-based solutions to the environmental challenges facing the ocean.



Courtesy of Craig Grube

Craig Grube

From childhood, Craig Grube has been captivated by the mystery of a rolling sea and the knowledge of an entire world living below, out of sight from the surface. Today, as a father, he loves to experience the ocean with his family by scuba diving and snorkeling. Over time, however, Craig has noticed changes in the dive spots he has loved for years: fewer fish and fewer healthy reefs.

Craig supports Ocean Conservancy because its programs address the issues he cares about most, from the health of our fisheries to protecting marine wildlife. Ocean Conservancy is an inspiration to him, particularly our efforts to bring order to the ocean—our most critical work, he says—and our flagship volunteer program, the International Coastal Cleanup.

"One doesn't need to be a diver to appreciate the wonder that the ocean offers," says Grube. "If the current generation does not stand up now and support organizations like Ocean Conservancy, the ocean will soon be a wasteland."



©Jupiter Images

Coral reefs are besieged by pollution, overfishing, and climate change.



2008: *A Time for Order in the Ocean*

Law and order in the ocean is needed to balance and coordinate commercial and recreational activity while protecting marine ecosystems.

Like urban sprawl on land, marine and coastal sprawl places unprecedented demands on the ocean. The pressure to industrialize the ocean has increased as demand for both fossil fuels and renewable energy from ocean areas has risen sharply. We need law and order to balance and coordinate commercial and recreational activity while protecting ocean ecosystems. Our policy achievements require clear, coordinated, and enforceable regulations. Ocean Conservancy is aggressively promoting sweeping policy reforms across the nation to bring order to how we manage and protect our marine ecosystems, marine wildlife, and ocean-dependent communities.

Massachusetts Ocean Act

Ocean Conservancy and two conservation partners led a **broad grassroots effort for passage of the historic Massachusetts Ocean Act**, a comprehensive ocean management plan for the Bay State. After years in the works, the law was signed by Governor Deval Patrick on May 28, 2008. It is the first such statute at the state level and is a framework for sensible management of the many competing demands upon Massachusetts's ocean resources. Ocean Conservancy will continue to keep a vigilant eye on implementation to ensure adherence to the letter and the spirit of the law.

Going National

On the national level, we see substantial opportunities to build on the success of the Massachusetts Ocean Act by **applying the principles of ocean management at the federal level** and in other regions. The many uses of the ocean—for example, energy production from wind, waves, and tides—are only going to grow, and wise management is essential to ensure that ecosystems remain healthy and that other human activities can continue. Based on our success in 2008, Ocean Conservancy is taking up the cause of ensuring that any federal legislation that authorizes new uses of the ocean includes plans for smart growth and conservation of our natural resources. Our philosophy is that we must protect whole ecosystems in order to maintain healthy, productive, and resilient conditions necessary for the environmental services required of the ocean.

Florida Ocean Coalition

Ocean Conservancy joined several other leading conservation organizations to **issue a survival strategy to cope with climate change damage** to Florida's coastal and marine systems. The report, entitled "Preparing for a Sea Change in Florida," was presented to Florida Governor Charlie Crist and his climate-energy action team. The coalition's recommendations called upon Florida, a state renowned for its ocean resources, to assume its rightful leadership role on the national level. Recommendations also included specific steps to protect against stresses associated with climate change, like ocean acidification, rising sea levels, and extreme weather.



©Brandon Cole

We must protect whole ecosystems in order to maintain a healthy, productive, and resilient ocean.

GORDON AND BETTY MOORE FOUNDATION

Strong relationships with the foundation community like the one we enjoy with the Gordon and Betty Moore Foundation are critical to Ocean Conservancy's success. Foundation grants empower Ocean Conservancy's conservation victories. In this regard, the Gordon and Betty Moore Foundation is an important partner for Ocean Conservancy, working with us as we strategize and implement a shared vision for a healthy ocean.

Gordon and Betty Moore established their foundation in 2000 to advance environmental conservation and cutting-edge scientific research around the world and to improve the quality of life in the San Francisco Bay Area. Today, the foundation continues the extraordinary philanthropic dedication begun by Gordon and Betty Moore, which remains a hallmark of the entire Moore family.

The foundation has a history of helping to fuel Ocean Conservancy's conservation programs, in particular our overfishing scorecard and area-based management efforts. Our 2008 success with the Massachusetts Ocean Act—championed as a model for 21st-century ocean management—would not have been possible without the profound support of the foundation.

We continue to work together to promote cutting-edge policies to protect our ocean for the future. "Of particular interest," says Barry Gold, leader of the foundation's Marine Conservation Initiative, "is working with Ocean Conservancy to advance the ideas and strategies that will bring about comprehensive management of our ocean in the face of increased pressures on our marine ecosystems."

2008: A Time for Bold Leadership

Ocean Conservancy is setting the ocean agenda in the halls of power. Our 35-year legacy continues today as we translate scientific understanding into sound, practical policies that protect our ocean and improve our lives. Ocean Conservancy is uniquely positioned to lead this sea change. Our strong networks run deep across national, state, and local levels. But even more, we recognize that real leadership means real cooperation—with citizen advocates and leaders from government, business, science, and partner conservation organizations. We've created enterprising partnerships to solve the world's toughest conservation challenges. It's the hallmark of our work—because we know this is what it takes to achieve important results.

With a long list of profound victories for the ocean in 2008, it is clearer than ever that Ocean Conservancy has the vision for the future necessary to anticipate threats and craft solutions. We have a remarkable team of programmatic, policy, legal, and scientific experts in place to provide the bold leadership it will take to solve immense challenges like ocean climate change. We have a broad and powerful network of corporate and non-governmental organization partners aligned with and supporting us.

It's time for bold leadership to return the ocean to health. With the accomplishments of 2008 firmly behind us and 2009 underway, sea change has at last begun. With your help and our leadership agenda, we believe that brighter days are ahead ... for the ocean, and for the planet.



Financial Summary

Ocean Conservancy continues to deliver high-impact results in an operationally efficient and cost-effective manner, made possible through the ongoing commitment, involvement, and financial contributions of individuals, foundations, and corporations who understand the critical importance of protecting and preserving the ocean.

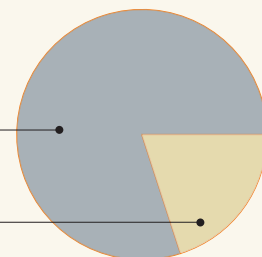
Ocean Conservancy's revenue totaled \$18.6 million, primarily from grants and contributions from individuals, foundations, and corporations, which was offset by investment losses of \$2.4 million, resulting in a net of \$16.2 million. Eighty percent of expenses were for ocean conservation program activities and supporting services.

Ocean Conservancy meets all twenty-two standards for charitable organizations established by the Better Business Bureau's Wise Giving Alliance and is proud of its reputation as a responsible steward of the resources entrusted to it by its supporters. The financial results depicted on page 15 are derived from Ocean Conservancy's September 30, 2008 audited financial statements. Copies of the complete audited financial statements are available upon request.

EXPENSES

Program and Supporting Services 80%

Fundraising and Membership Development 20%



REVENUES

(Millions)

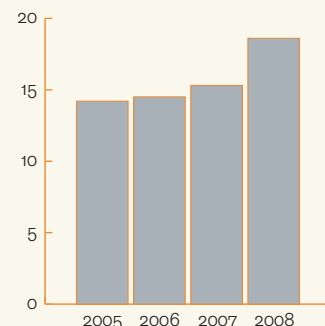
2005 \$14.2

2006 \$14.5

2007 \$15.3

2008 \$18.6

(Shown without investment gains or losses)



ANNUAL REPORT FY 08–07 REVENUE AND EXPENSE SUMMARY

	2008	2007
REVENUES		
Contributions, grants, and bequests	\$18,173,909	\$14,634,950
Government grants	306,838	213,163
Investment income	(2,345,712)	1,549,101
Rent, royalties, and other	107,096	430,786
Total revenues	16,242,131	16,828,000
EXPENSES		
Restore sustainable fisheries	2,246,596	2,583,093
Protect marine wildlife	2,177,818	2,322,760
Conserve special ocean places	1,557,928	1,286,041
Ocean governance	1,277,605	1,311,874
Outreach and awareness	2,437,445	2,318,434
Communications, marketing, and publications	1,940,070	1,174,562
Total program expenses	11,637,462	10,996,764
Fundraising and membership development	3,442,519	2,627,212
General and administration	1,813,603	1,912,445
Total supporting services	5,256,122	4,539,657
Total expenses	16,893,584	15,536,421
GAINS AND LOSSES		
Gain on sale		2,063,460
Losses and allowances	(193,986)	(312,527)
CHANGE IN NET ASSETS	(845,439)	3,042,512
Net assets, beginning of the year	14,901,429	11,858,917
NET ASSETS, END OF THE YEAR	\$14,055,990	\$14,901,429



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