



2006

Catalyst Annual Report

Global Reach, Global Relevance



"In 2006, we expanded our own sights to make our mission more global in scope."

2006 Annual Report

Expanding opportunities for women and business

Catalyst is the leading research and advisory organization working with businesses and the professions to build inclusive environments and expand opportunities for women at work. As an independent, nonprofit membership organization, Catalyst conducts research on all aspects of women's career advancement and provides strategic and web-based consulting services globally. With the support and confidence of member corporations and firms, Catalyst remains connected to business and its changing needs. In addition, Catalyst honors exemplary business initiatives that promote women's leadership with the annual Catalyst Award. With offices in New York, San Jose, Toronto, and Zug, Catalyst is consistently ranked No. 1 among U.S. nonprofits focused on women's issues by The American Institute of Philanthropy.

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Letter From the President & Chair

In today's global marketplace, business leaders know that to stay competitive, they must attract, develop, and retain the best talent. Failing to develop women leaders means ignoring fully half the talent pool.



Smart companies now understand that diversifying the ranks of their leadership is no longer merely a nice thing to do, but rather a must have—a strategic business imperative. Catalyst research reveals that, on average, *Fortune* 500 companies with the highest representation of women in their senior ranks had significantly higher measures of financial performance than those with the lowest representation.

This understanding—that championing diversity is both the right thing and the smart thing to do—reflects the core of Catalyst's mission: to build inclusive environments and expand opportunities for women *and* business.

In 2006, we expanded our own sights to make our mission more global in scope. To leverage our reach across continents, Catalyst opened a European office headquartered in Zug, Switzerland. This enabled us to bolster existing partnerships and develop new collaborations on the continent and around the world.

We extended our global research beyond North America as well, releasing a groundbreaking study of gender stereotyping in Western European businesses. Expanding on our study of stereotyping by U.S. business leaders, we found in *Different Cultures, Similar Perceptions: Stereotyping of Western European Business Leaders* that stereotyping persists across borders. In each culture, men rated women less effective at those leadership qualities the culture valued most. This study was one of nine major reports released this year—reports that tackled issues such as fostering networking for women of color and creating what we call “agile workplaces.” Catalyst member companies sponsored all of our research, including our landmark Census and Benchmarking reports measuring progress for executive and Board-level women.

We would like to take this opportunity thank our Board of Directors, our Board of Advisors, our Western Region and Canadian Advisory Boards, and our 338 member companies for their extraordinary commitment and generosity. Through support for Catalyst research, record-breaking contributions to the Catalyst Awards Dinner, and ongoing dedication to the Catalyst mission, they serve as models for the global business community and lead the way.

We at Catalyst are proud of what we've accomplished this year. But there is more work to be done. We look forward to achieving ever more ambitious goals in the coming year.

Ilene H. Lang
President
Catalyst

Charles O. Holliday, Jr.
Chairman & CEO, DuPont
Chair, Catalyst Board of Directors

Global Relevance

Catalyst members face issues of diversity and inclusion throughout the world. In 2006, we focused on understanding the barriers within organizations that prevent women from advancing—and ultimately harm the companies themselves. Ground-breaking research examined gender stereotyping in Europe and the effect on job performance of parental concern about after-school childcare in the United States. Our outreach arm, Advisory Services, worked with clients to create environments that benefit both women and businesses.

Research

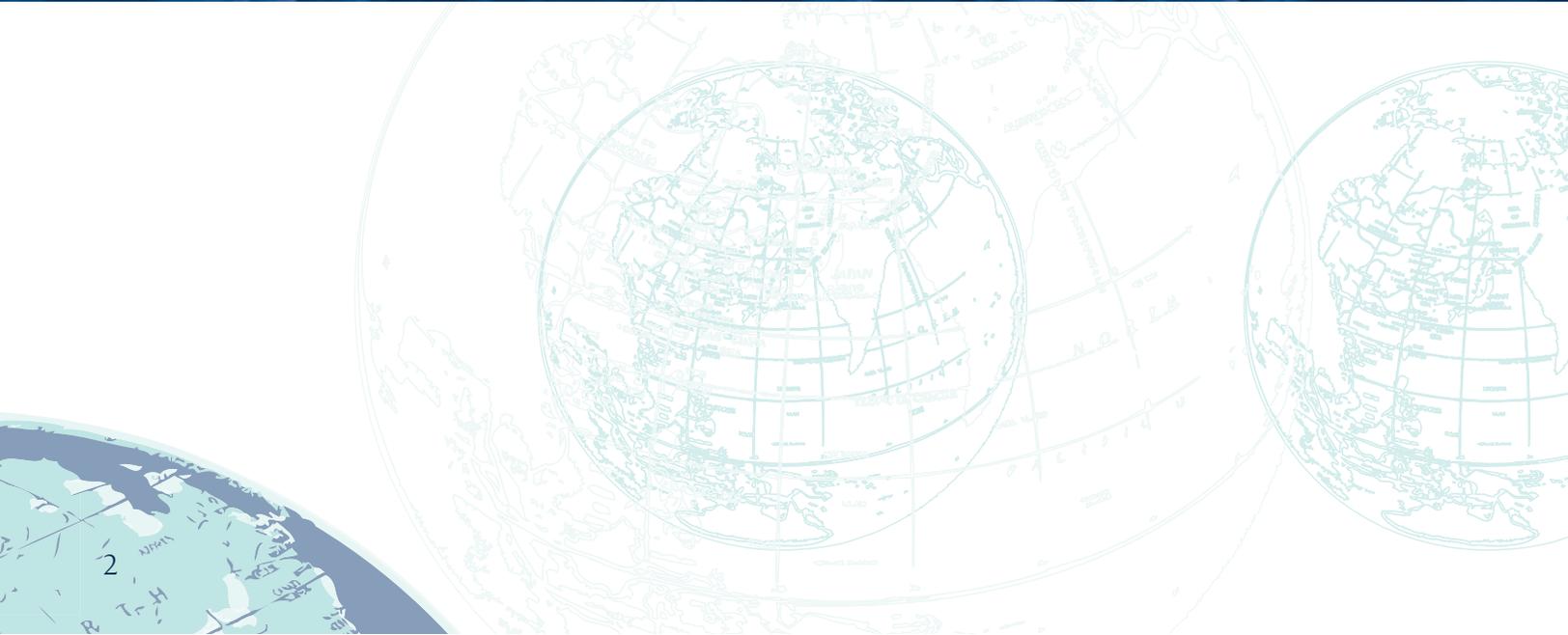
Catalyst's research provides a base of knowledge from which to identify barriers to women's advancement in business and to develop and implement strategies that foster change in the workplace.

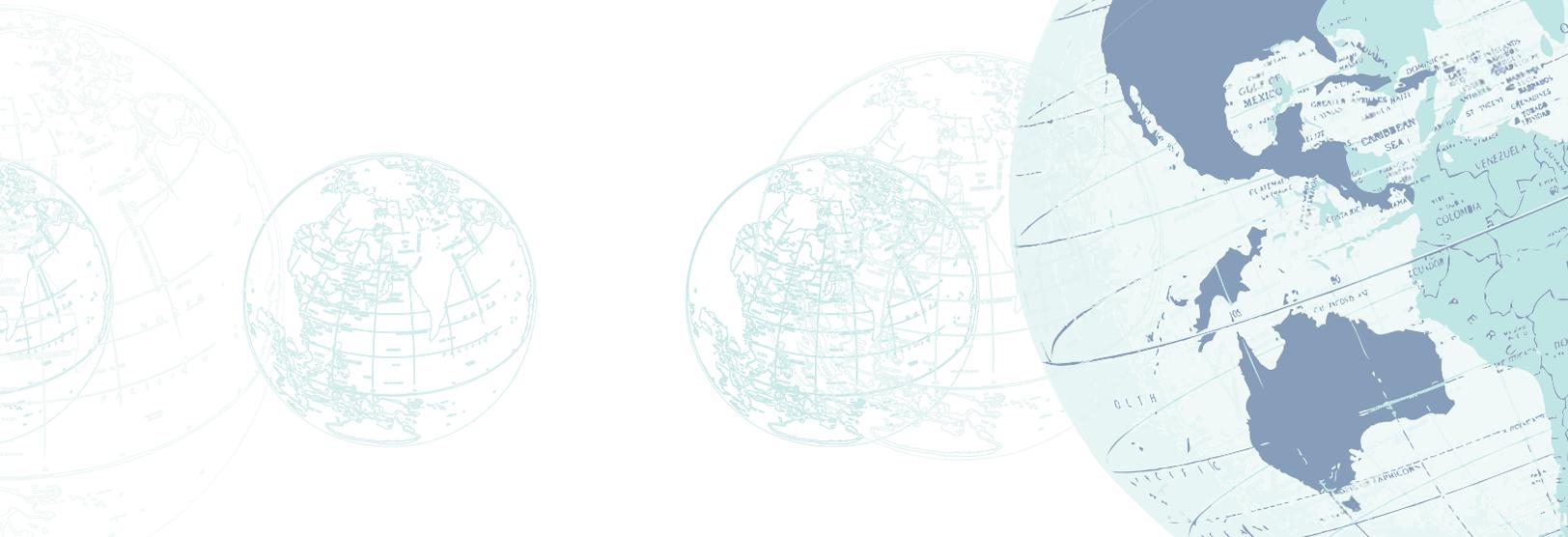
In March, we released the *2005 Catalyst Census of Women Board Directors of the Fortune 500*, marking the tenth anniversary of this signature offering that tracks the progress of women on corporate boards. In Canada, we released the fourth such report, *2005 Catalyst Census of Women Board Directors of the FP500*.

We continued to examine gender stereotyping, finding evidence that women in Western Europe face barriers to advancement similar to those confronting their counterparts in the United States. *Different Cultures, Similar Perceptions: Stereotyping of Western European Business Leaders*, released in June, confirmed many of the U.S. findings and showed that whatever leadership behavior a culture values most, men think men are more effective than women. (A study examining stereotyping of U.S. business leaders was completed in 2005.)

Another seminal report, *After-School Worries: Tough on Parents, Bad for Business*, was released in December. Conducted with the Women's Studies Research Center at Brandeis University, the study found that both women and men are less productive at work because of concerns about what their children are doing after school.

Other notable research released in 2006 included *Connections that Count: The Informal Network*, released in May, found that women of color use strategies that are linked to their rates of advancement in an organization.





led:
Works of Women of Color in the United States,
 the various strategies to network informally and
 of promotion as well as to their commitment to

The *2005 Catalyst Census of Women Corporate Officers and Top Earners of the Fortune 500*, released in July, indicated that large U.S. companies have made little progress in advancing women—especially women of color—to high-paying leadership positions in the past ten years.

Beyond a Reasonable Doubt: Lawyers State Their Case on Job Flexibility, the third and final Catalyst Canada study in a series, released in November, found that a majority of women attorneys believed that using flexible work arrangements hurt their professional development.

The *2006 Catalyst Member Benchmarking Report* focused on global diversity at 134 member companies, noting that while members are working to establish substantial internal programs that address diversity in communities worldwide, many still need to make significant strides toward a truly strategic approach to inclusion. In the absence of such a strategy, the programs may not achieve substantial and lasting change at the organizational level. Finally, for the third time, Catalyst Canada benchmarked the status of women in capital markets in Canada.

Global Reach

In 2006, Catalyst convened leaders and inspired change around the globe. We drew connections across borders and broke down barriers common to all women in their working lives. Special events addressing diversity and inclusion guided companies—as well as the women who work for them—in Europe, Canada, and the United States. Outreach programs provided our members access to the tools that transform workplaces.

“Our members are global companies, and they need help solving problems globally.”

— Nancy M. Carter, Ph.D., Vice President of Research, Catalyst

Advisory Services

In 2006, Catalyst's strategic diversity consulting arm sharpened its focus to provide members with trusted advice and actionable insights to build and sustain diversity efforts. Using tools to assess the quality and impact of current activities and defining specific steps for progress, Advisory Services (AS) designed and led strategic planning sessions that enabled members to develop a framework for ongoing diversity-and-inclusion programs.

AS examined the relationship between global and local issues in order to secure change in a global environment. Although the imperative to win in a competitive marketplace reaches across borders and cultures (as does gender stereotyping), AS

understands that local values influence specific strategic initiatives. In its consulting, the unit grapples with a company's centralized diversity-and-inclusion plan as it pertains to local practices, and works to enable companies to achieve locally tailored solutions.

During the past year, AS also worked to leverage its extensive knowledge and disseminate the insights gained from its engagements to all Catalyst members. For example, the consulting group created a set of tools—Diversity 101, now available on MemberNet—that can assist any member in creating, revising, or implementing a diversity initiative.

Another new offering, called "Diagnostic Days," helps form the basis of a company's strategic planning. These site visits with client teams, or opportunities to host teams at Catalyst offices, focus on evaluating and using existing company data rather than generating new data to formulate solutions.



"Companies are engaged in a global war for talent. The issue is top of mind for many. We aren't debating the issue but rather how to execute on it."

— Eleanor Tabi Haller-Jorden,
General Manager, Catalyst Europe



Membership

Catalyst's 338 members gleaned the resources necessary to in line. New members included several in Europe, among them S

In June, Catalyst opened its much-anticipated European office. Headquartered in Zug, Switzerland, it is headed by Eleanor Tabi Haller-Jorden, who was named General Manager, Catalyst Europe. The opening was celebrated in presentations in Dublin, London, and Zurich. In Dublin, the event coincided with the release of *Different Cultures, Similar Perceptions: Stereotyping of Western European Business Leaders*, an expansion of Catalyst's 2005 U.S. gender-stereotyping research and the third study of women's leadership in the region. Catalyst Canada also enjoyed new leadership, with the appointment, in August, of Deborah Gillis as Executive Director.

International Partnership

Many international partners helped Catalyst extend its reach around the globe. BP p.l.c. sponsored the presentation in London, and UBS AG its counterpart in Zurich. In addition, Catalyst partnered with the Institute for Management Development in Switzerland to conduct the groundbreaking European stereotyping study.

"With members and p leadership facing global

Events

Catalyst leaders traveled the world in 2006 to spread the word about the advantages businesses gain by fostering inclusive workplaces.

The year began with a "Texas Roadshow," a multiple-city tour of that state designed to introduce potential members to Catalyst's mission and offerings. The event was sponsored by Thomas J. Engibous, Chairman of Texas Instruments Incorporated and outgoing Chair of Catalyst's Board of Directors.

In April, "Women and Men in the Workplace: Exploring Perceptions, Strengthening Partnerships" was the topic of a presentation and panel discussion in San Jose, California. Hosted by Cisco Systems, Inc., the event attracted 150 participants, including a roster of senior executives.

In June, Catalyst President Ilene H. Lang traveled to Dublin to present the findings from the European gender-stereotyping report, *Different Cultures, Similar Perceptions*. The study found that despite

country and culture, men perceived men rather than women as more adept at leadership skills. Garnering media attention across Europe, the research won mentions in *The Financial Times*, *The Irish Times*, and other international news services. These placements also helped promote Catalyst's new European office. The presentations in Zurich and London ensued in October, as did a member meeting that drew senior leaders from several companies to discuss the implications of stereotyping in Europe and the United States.

Also in June, Catalyst partnered with Microsoft Corporation to bring together leaders of corporate women's networks on the West Coast. At this Bay-Area event, each network shared a "best practice." The business case for women's networks was also the topic of a Catalyst Canada panel discussion hosted by Enbridge Inc. Held in Calgary in September, the discussion attracted more than 60 women from Canada's major companies.



In October, more than 40 Catalyst members and guests attended "Shaping the Future of Corporate Leadership," a breakfast in Los Angeles hosted by Deloitte & Touche USA LLP. At this event, Ms. Lang outlined the business case for advancing women into executive leadership.

Two events that focused on networking skills completed the 2006 offerings. "Building a Women's Network and What It Means for Your Bottom Line," hosted by Deloitte Financial Advisory Services LLP, was held in June in New York. In September, in Northfield, Illinois, Kraft Foods Inc. hosted "Building Alliances between Women of Color and White Women."

Implement changes that benefit both women and the bottom line. Schlumberger Limited and Telenor ASA.

Global Membership

In November, Catalyst introduced a global membership package targeted to meet the needs of international companies with offices throughout the world. For a single discounted price, a global member is granted membership benefits in all areas of the world in which Catalyst maintains a presence.

MemberNet Expansion

In 2006, Catalyst relaunched our members-only website, called MemberNet, which provides resources for companies seeking to enhance their diversity-and-inclusion efforts. Members can access Diversity 101, a suite of tools and templates that helps users create and launch initiatives. They can join conversations with Catalyst's senior leaders and other member companies by participating in a bi-weekly blog, and they can ask issue-specific questions of Catalyst experts.

partners, we explore key issues of companies."

2006 Catalyst Awards Dinner and Conference

At the Catalyst Awards Dinner held on March 16, 2006, President Ilene H. Lang noted that stereotypical thinking results in seeing the world “in one fixed way.” By contrast, the companies whose diversity-and-inclusion initiatives were being honored that evening engage differently, she said. “They confront stereotypes. They see the talents and capabilities that each individual brings... They expand expectations. They empower all employees to contribute...”

More than 1,600 individuals gathered at the Waldorf=Astoria to honor initiatives put in place by three visionary companies—BP p.l.c., The Chubb Corporation, and Safeway Inc.—at this annual Catalyst event. The numbers set records and included more than 80 CEOs, along with senior executives, from 238 major companies.

While differing in scope and focus, the winning initiatives all aim to incorporate the recruitment, development, and advancement of women as a strategic business goal. BP, the first winner from outside North America, places emphasis on achieving diversity in local geographical markets. Its initiative, *Global Path to Diversity and Inclusion*, includes programs in career development, an index that tracks perceptions of diversity and inclusion, global diversity networks, and workshops on issues pertaining to gender, race, and nationality.

At The Chubb Corporation, *Reach Up, Reach Out, and Reach Down* identifies high-potential employees and gives them the tools to take charge of their careers as well as reach out to and coach colleagues. Employee resource groups have substantial access to senior management and to the Board of Directors. The groups identify external business opportunities and serve as leadership-development centers.

Safeway's *Championing Change for Women: An Integrated Strategy* offers employees comprehensive career-development and mentoring opportunities, helping the company achieve its goal of promoting from within. Diversity Advisory Boards work with senior leadership, and managers are required to mentor diverse talent at every level, including entry-level store employees.

The Dinner capped off the 2006 Catalyst Awards Conference, which also set records with 550 participants attending. Entitled *Innovative Strategies, Winning Results* and sponsored by General Motors Corporation, the Conference offered attendees the chance to learn from senior leaders as well as employees whose careers have been helped by the Award-winning initiatives at BP, Chubb, and Safeway.

In the afternoon, workshops on global business, informal networks of women of color, and gender stereotyping—issues drawn from Catalyst research and expertise—provided in-depth information on topics crucial to business success. At lunch, Keynote Speaker Ann Fudge, Chairman and CEO of Young & Rubicam Brands, struck a chord when she talked about the challenges she faced juggling family and work, noting that she and her husband coped by filling out and coordinating their calendars a year ahead of time.

As always, the Conference and Awards Dinner proved both rewarding and thought-provoking. Participants celebrated the strides made by the winners and tackled the roadblocks that still hinder both women and businesses engaged in global competition.

The Catalyst Award

March 16, 2006

The Chubb Corporation

Reach Up, Reach Out, and Reach Down

2006 Catalyst Awards Dinner Contributors

\$100,000 and Above

BMO Financial Group
BP p.l.c

\$50,000-\$99,999

Alcoa Inc.
Cardinal Health, Inc.
The Chubb Corporation
The Coca-Cola Company
Dell Inc.
DuPont
Ernst & Young LLP
General Motors Corporation
Sidley Austin LLP
Texas Instruments Incorporated
UPS

\$25,000-\$49,999

ABN AMRO Incorporated
The Allstate Corporation
American Express Company
ARAMARK
Avon Products, Inc.
Bank of America Corporation
Best Buy Co., Inc.
Bingham McCutchen LLP
Bristol-Myers Squibb Company
ConAgra Foods, Inc.
DaimlerChrysler Corporation
The Dow Chemical Company
General Electric Company
Georgia-Pacific Corporation
Harrah's Entertainment, Inc
The Hearst Corporation
The Hershey Company
Hewitt Associates LLC
Hewlett-Packard Company
The Home Depot, Inc.
Humana Inc.
IBM Corporation
International Paper Company
Kellogg Company
KeyCorp
Kimberly-Clark Corporation
KPMG LLP US
Lehman Brothers Inc.
Lowe's Companies, Inc.
McDonald's Corporation
Merrill Lynch & Co., Inc.
Microsoft Corporation
Morgan Stanley
Office Depot, Inc.
O'Melveny & Myers LLP
PepsiCo, Inc.
Pfizer Inc
Pillsbury Winthrop Shaw Pittman
LLP
Pitney Bowes Inc.
PricewaterhouseCoopers LLP
Raytheon Company
RBC Financial Group
Sara Lee Corporation

Scotiabank
State Farm Companies
TD Bank Financial Group
UBS
Wal-Mart Stores, Inc.
Wyeth
Xerox Corporation
Young & Rubicam Brands

\$10,000-\$24,999

Akin, Gump, Strauss, Hauer & Feld,
L.L.P.
Arrow Electronics, Inc.
Banta Corporation
Bayer Corporation
BDO Seidman, LLP
Bechtel Corporation
Booz Allen Hamilton Inc.
Bryan Cave LLP
Campbell Soup Company
Cisco Systems, Inc.
Colgate-Palmolive Company
Comcast Corporation
Convergys Corporation
Corning Incorporated
Credit Suisse Group
Deloitte & Touche USA LLP
Deutsche Bank AG
Eastman Kodak Company
Electronic Data Systems
Corporation
Enterprise Rent-A-Car Company
Fluor Corporation
GlaxoSmithKline plc
The Goldman Sachs Group, Inc.
Goodwin Procter LLP
HSBC Holdings plc
ING Groep N.V.
Interpublic Group of Companies
JPMorgan Chase & Co.
Kaye Scholer LLP
Kraft Foods Inc.
Limited Brands, Inc.
Lockheed Martin Corporation
Marriott International, Inc.
Marsh & McLennan Companies, Inc.
McCann-Erickson Worldwide Inc
McCarter & English, LLP
McKinsey & Company
Morrison & Foerster LLP
New York Life Insurance Company
Northern Trust Corporation
Orrick, Herrington & Sutcliffe LLP
Pearson plc
The Pepsi Bottling Group
Qwest Communications
International Inc.
Safeway Inc.
Schering-Plough Corporation
Shell Oil Company
Sodexo, Inc.
Softchoice Corporation

Sprint Nextel Corporation
Starbucks Corporation
Starcom MediaVest Group
Sullivan & Cromwell LLP
Sunoco, Inc.
Swiss Reinsurance Company
Symantec Corporation
The Thomson Corporation
Vinson & Elkins L.L.P.
Weil, Gotshal & Manges LLP
Weyerhaeuser Company
Whirlpool Corporation
The Williams Capital Group, L.P.
The Williams Companies

\$1,000-\$9,999

Bausch & Lomb Incorporated
C.R. Bard, Inc.
Carlson Companies, Inc.
Charming Shoppes, Inc.
Covington & Burling

"Catalyst Award winners understand that if you see talent, you get talent. If you see promise, you get promise. And they get results."

— Ilene H. Lang, President, Catalyst

Debevoise & Plimpton LLP
DraftFCB
EMC Corporation
Equal Opportunity for Women in
the Workplace Agency
Fasken Martineau DuMoulin LLP
FPL Group, Inc.
Gannett Co., Inc.
Grant Thornton LLP
Heidrick & Struggles
Intel Corporation
MasterCard Worldwide
Mattel, Inc.
McCarthy Tétrault LLP
Metaldyne Corporation
Molson Coors Brewing Company
NIKE, Inc.
Rite Aid Corporation
Rolls-Royce plc
SBLI USA Mutual Life Insurance,
Inc.
Shook, Hardy & Bacon L.L.P.
Staples, Inc.
Tenet Healthcare Corporation
Torys LLP
Towers Perrin
Transcanada PipeLines Limited
Unisys Corporation
Visteon Corporation
VNU, Inc.



2006 Catalyst Donors*

In Addition to Awards Dinner Contributions

CATALYST GOLD

(\$100,000 and Above)

Booz Allen Hamilton Inc.
Debevoise & Plimpton LLP
Dell Inc.
DuPont
General Motors Corporation
IBM Corporation
KPMG LLP US
Pfizer Inc
Texas Instruments
Incorporated

CATALYST SILVER

(\$50,000-\$99,999)

BP p.l.c.
Cisco Systems, Inc.
Citigroup Inc.
DraftFCB
Fannie Mae
General Electric Company
The Goldman Sachs Group,
Inc.
Henkel Group
Hewlett-Packard Company
JPMorgan Chase & Co.
Microsoft Corporation
Pillsbury Winthrop Shaw
Pittman LLP
PricewaterhouseCoopers LLP
Total S.A.
UPS
Wal-Mart Stores, Inc.

CATALYST BRONZE

(\$25,000-\$49,999)

The Allstate Corporation
ARAMARK
Avon Products, Inc.
Banta Corporation
BMO Financial Group
Campbell Soup Company
Carlson Companies, Inc.
Chevron Corporation
Citizens Communications
Company
Colgate-Palmolive Company
Credit Suisse Group
DaimlerChrysler Corporation
Deloitte & Touche USA LLP
Ernst & Young LLP
Exxon Mobil Corporation
General Mills, Inc.
Georgia-Pacific Corporation
Lehman Brothers Inc.
McCarthy Tétrault LLP
Merrill Lynch & Co., Inc.
Morgan Stanley
Pitney Bowes Inc.
The Procter & Gamble
Company
Starcom MediaVest Group
Xerox Corporation
Young & Rubicam Brands

**Includes Pro Bono and Gifts in Kind*

Special Project Funding

U.S. RESEARCH

2005 Catalyst Census of Women Board Directors of the Fortune 500

Sponsors: DuPont; Heidrick & Struggles

2005 Catalyst Census of Women Corporate Officers and Top Earners of the Fortune 500

Sponsors: DuPont; Heidrick & Struggles

2006 Catalyst Member Benchmarking Report

Sponsors: Campbell Soup Company; Lehman Brothers Inc.; McDonald's Corporation; PricewaterhouseCoopers LLP

After-School Worries: Tough on Parents, Bad for Business

Sponsors: Citigroup Inc.; Fannie Mae; Pfizer Inc.

Connections that Count: The Informal Networks of Women of Color in the United States

Sponsors: Credit Suisse Group; DaimlerChrysler Corporation Fund; IBM Corporation

CANADA RESEARCH

2005 Catalyst Census of Women Board Directors of the FP500

Lead Sponsor: KPMG LLP

Participating Sponsors: Chubb Insurance Company of Canada; Hudson's Bay Company; Inco Limited; ING Canada Inc.; Linamar Corporation; Scotiabank

Beyond a Reasonable Doubt: Lawyers State Their Case on Job Flexibility

Lead Sponsors: Fasken Martineau DuMoulin LLP; Gowling Lafleur Henderson LLP; McCarthy Tétrault LLP; Oglivy Renault; Osler, Hoskin & Harcourt LLP

Participating Sponsors: Blake, Cassels & Graydon LLP; Borden Ladner Gervais LLP; Goodmans LLP; McMillan Binch Mendelsohn LLP; Torys LLP

Catalyst's Report to Women in Capital Markets: Benchmarking 2005

Sponsor: Women in Capital Markets

EUROPE RESEARCH

Different Cultures, Similar Perceptions: Stereotyping of Western European Business Leaders

Lead Sponsor: General Motors Corporation

Participating Sponsor: IBM Corporation

2006 AWARDS CONFERENCE

2006 Catalyst Awards Conference

March 16, 2006

The Grand Hyatt, New York

Sponsor: General Motors Corporation

MEMBER EVENT

Texas Roadshow

February 13-15, 2006

Dallas, Houston, San Antonio

Sponsor: Texas Instruments Incorporated

SPECIAL GIFTS

AOL Women's Committee
Nancy M. Carter, Ph.D.
Ann Dibble Jordan
JustGive.org
Ilene H. Lang
Christine Miller
Occidental Petroleum Corporation
Sheila A. Penrose
The Penrose Foundation
Marita Powell
The Rockefeller Foundation
Anne C. Weisberg

RECEPTIONS AND ROUNDTABLES

Women and Men in the Workplace: Exploring Perceptions, Strengthening Partnerships

April 28, 2006

San Jose, Calif.

Host: Cisco Systems, Inc.

Challenge 2006: Managing Talent Globally

June 12-14, 2006

Dublin

Sponsors: BP p.l.c.; IBM Corporation; Pfizer Inc

Women's Networks: Galvanizing Results

June 19, 2006

Mountain View, Calif.

Host: Microsoft Corporation

Building a Women's Network and What It Means for Your Bottom Line

June 28, 2006

New York City

Host: Deloitte Financial Advisory Services LLP

Building a Women's Network: Maintaining Effectiveness and Maximizing Results

September 14, 2006

Calgary

Host: Enbridge Inc

Building Alliances Between Women of Color and White Women

September 15, 2006

Northfield, Ill.

Host: Kraft Foods Inc.

Catalyst Europe AG Launch and Release of *Different Cultures, Similar Perceptions: Stereotyping of Western European Business Leaders*

October 16, 2006

London

Host: BP p.l.c.

Shaping the Future of Corporate Leadership

October 18, 2006

Los Angeles

Host: Deloitte & Touche USA LLP

Catalyst Europe AG Launch and Release of *Different Cultures, Similar Perceptions: Stereotyping of Western European Business Leaders*

October 20, 2006

Zurich

Host: UBS AG



Catalyst Members

U.S. MEMBERS

3M Company
Accenture
Adobe Systems Incorporated
Advanced Micro Devices, Inc.
Aetna Inc.
Agilent Technologies, Inc.
Alberto-Culver Company
Albertsons, Inc.
Alcoa Inc.
The Allstate Corporation
Altria Group, Inc.
Ambac Financial Group
American Express Company
American International Group, Inc.
American Standard Companies Inc.
Amgen Inc.
Andrews Kurth LLP
Anheuser-Busch Companies, Inc.
Aon Corporation
Applied Materials, Inc.
ARAMARK
Archer Daniels Midland Company
Arnold & Porter
Arrow Electronics, Inc.
Automatic Data Processing, Inc.
Avon Products, Inc.
Babson College
Baker Hughes Incorporated
Bank of America Corporation
The Bank of New York Company, Inc.
Banta Corporation
Barclays Global Investors
Bausch & Lomb Incorporated
Baxter International Inc.
BDO Seidman, LLP
BE&K Inc.
Bechtel Corporation
BellSouth Corp.
Best Buy Co., Inc.
Bingham McCutchen LLP
Bloomberg L.P.
The Boeing Company
Booz Allen Hamilton Inc.
Bristol-Myers Squibb Company
C. R. Bard, Inc.
Campbell Soup Company
Capgemini
Capital One Financial Corporation
Cardinal Health, Inc.
Cargill, Incorporated
Carlson Companies, Inc.
Caterpillar Inc.
Cendant Corporation
Chevron Corporation
The Chubb Corporation
Cintas Corporation
Cisco Systems, Inc.
CIT Group Inc.
Citigroup Inc.
Citizens Communications Company
The Coca-Cola Company
Colgate-Palmolive Company
ConAgra Foods, Inc.
Consolidated Edison, Inc.
Consumers Energy
Convergys Corporation
Corn Products International, Inc.
Corning Incorporated
Credit Suisse Group
DaimlerChrysler Corporation
DaimlerChrysler Financial Services Americas
Debevoise & Plimpton LLP
Dell Inc.
Deloitte & Touche USA LLP
Dickstein Shapiro Morin & Oshinsky LLP
The Dow Chemical Company
DraftFCB
Duke Energy Corporation
DuPont
E. & J. Gallo Winery
Eastman Chemical Company
Eastman Kodak Company
eBay Inc.
Electronic Data Systems Corporation
Eli Lilly and Company
EMC Corporation
Enterprise Rent-A-Car Company

Equal Opportunity for Women in the Workplace Agency
Ernst & Young LLP
Exxon Mobil Corporation
Fannie Mae
Federated Department Stores, Inc.
FedEx Corporation
Fluor Corporation
Fortune Brands, Inc.
Fulbright & Jaworski, L.L.P.
Gannett Co., Inc.
Gap, Inc.
Genentech, Inc.
General Electric Company
General Mills, Inc.
General Motors Corporation
Georgia-Pacific Corporation
The Gillette Company
The Goldman Sachs Group, Inc.
Goodwin Procter LLP
The Goodyear Tire & Rubber Company
Google
Grant Thornton LLP
Grey Direct Marketing Group
Guidant Corporation
Harley-Davidson, Inc.
Harrah's Entertainment, Inc.
HCA Inc.
The Hearst Corporation
Herman Miller, Inc.
Hewitt Associates LLC
Hewlett-Packard Company
Hitachi Global Storage Technologies
Holland & Knight LLP
The Home Depot, Inc.
Howrey Simon Arnold & White, LLP
Humana Inc.
IBM Corporation
Intel Corporation
International Paper Company
Interpublic Group of Companies
Intuit Inc.
ITT Corporation
J. C. Penney Company, Inc.
Johnson & Johnson
Jones Lang LaSalle Incorporated
JPMorgan Chase & Co.
Kellogg Company
KeyCorp
Kimberly-Clark Corporation
Kirkland & Ellis LLP
Kohlberg Kravis Roberts & Co.
KPMG LLP US
Kraft Foods Inc.
Lafarge North America Inc.
Lear Corporation
LeBoeuf, Lamb, Greene & MacRae LLP
Lehman Brothers Inc.
Lexmark International, Inc.
Limited Brands, Inc.
Lockheed Martin Corporation
Lowe's Companies, Inc.
Maersk, Inc.
Manpower Inc.
Marriott International, Inc.
Marsh & McLennan Companies, Inc.
Masco Corporation
MasterCard Worldwide
Mattel, Inc.
The May Department Stores Company
McCarter & English, LLP
McDonald's Corporation
The McGraw-Hill Companies, Inc.
McKinsey & Company
MeadWestvaco Corporation
Mellon Financial Corp.
Merck & Co., Inc.
Merrill Lynch & Co., Inc.
Metropolitan Life Insurance Company
Microsoft Corporation
The MITRE Corporation
Monsanto Company
Morgan Stanley
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Motorola, Inc.
Mutual of Omaha Insurance Company
New York Life Insurance Company
NIKE, Inc.
Nissan North America, Inc.

Norfolk Southern Corporation
Northern Trust Corporation
Northrop Grumman Corporation
The Northwestern Mutual Life Insurance Company
Office of the Comptroller of the Currency
O'Melveny & Myers LLP
Option One
Orrick, Herrington & Sutcliffe LLP
Panasonic Corporation of North America
Pepperdine University
PepsiCo, Inc.
Perot Systems Corporation
Pfizer Inc.
PHH Corporation
Pillsbury Winthrop Shaw Pittman LLP
Pitney Bowes Inc.
PNC Financial Services Group
PPG Industries, Inc.
PricewaterhouseCoopers LLP
The Procter & Gamble Company
Prudential Financial, Inc.
Qwest Communications International Inc.
Raytheon Company
Reed Smith LLP
Rockwell Automation, Inc.
Rockwell Collins, Inc.
Rohm and Haas Company
RSM McGladrey Inc.
Safeco Corporation
Safeway Inc.
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Financials and Notes to Consolidated Financial Statements

Consolidated Statement of Financial Position	2006	2005
ASSETS		
Cash and cash equivalents	\$409,942	520,772
Investments (note 3)	9,846,847	9,771,512
Accounts and other receivables	382,747	609,778
Grants and contributions receivable	1,603,722	1,043,422
Publication inventory	98,254	119,989
Prepaid expenses and other assets	310,295	249,369
Furniture, equipment, and leasehold improvements, net (note 6)	704,696	926,844
Total assets	\$13,356,503	13,241,686
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$715,441	734,250
Deferred revenue	45,885	122,500
Deferred rent obligation (note 9)	593,975	652,088
Total liabilities	1,355,301	1,508,838
Net assets:		
Unrestricted	7,167,955	7,647,494
Temporarily restricted (note 4)	1,434,478	828,283
Permanently restricted (note 4)	3,398,769	3,257,071
Total net assets	12,001,202	11,732,848
Total liabilities and net assets	\$13,356,503	13,241,686

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows	2006	2005
Cash flows from operating activities:		
Increase in net assets	268,354	1,145,639
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	279,985	274,486
Realized and unrealized gains losses on investments	(212,130)	(247,841)
Contributed assets	(14,208)	(105,653)
Changes in operating assets and liabilities:		
Decrease (increase) in accounts and other receivables	227,031	(114,834)
Increase in grants and contributions receivable	(560,300)	(507,498)
Decrease in publication inventory	21,735	26,433
Increase in prepaid expenses and other assets	(60,926)	(108,810)
(Decrease) increase in accounts payable and accrued expenses	(18,809)	165,223
(Decrease) increase in deferred revenue	(76,615)	120,000
Decrease in deferred rent obligation	(58,113)	(58,112)
Net cash provided by operating activities	(203,996)	589,033
Cash flows from investing activities:		
Purchases of furniture and equipment	(43,629)	(200,359)
Purchase of investments	(4536,854)	(4,165,000)
Proceeds from sales of investments	4,673,649	3,287,094
Net cash provided by (used in) investing activities	93,166	(1,078,265)
Net increase in cash and cash equivalents	(110,830)	(489,232)
Cash and cash equivalents at beginning of year	520,772	1,010,004
Cash and cash equivalents at end of year	\$409,942	520,772

See accompanying notes to consolidated financial statements.

Consolidated Statement of Activities	Unrestricted	Temporarily restricted	Permanently restricted	2006 total	2005 total
Revenue and support:					
Grants and contributions	\$3,504,406	2,137,587	—	5,641,993	4,448,163
Special events revenue (net of direct donor benefit costs of \$419,368 in 2006 and \$357,251 in 2005)	2,723,132	—	—	2,723,132	2,515,249
Donated services and assets (note 7)	572,062	—	—	572,062	411,267
Advisory fee income	987,961	—	—	987,961	1,629,955
Sales of publications	24,163	—	—	24,163	41,272
Honoraria and other	269,844	—	—	269,844	210,164
Royalties	6,917	—	—	6,917	6,298
Interest and dividend income	250,304	—	32,319	282,623	290,604
Realized and unrealized gains on investments	102,751	—	109,379	212,130	247,841
Net assets released from restrictions	1,531,392	(1,531,392)	—	—	—
Total revenue and support	9,972,932	606,195	141,698	10,720,825	9,800,813
Expenses					
Program services:					
National education	1,200,022	—	—	1,200,022	852,504
Research	2,410,545	—	—	2,410,545	1,760,354
Communications	2,344,060	—	—	2,344,060	1,724,583
Advisory services	1,717,041	—	—	1,717,041	1,950,821
Information center and services	957,506	—	—	957,506	830,628
Total program services	8,629,174	—	—	8,629,174	7,118,890
Supporting services:					
Finance and administration	1,125,692	—	—	1,125,692	1,052,494
Development and member relations	697,605	—	—	697,605	483,790
Total supporting services	1,823,297	—	—	1,823,297	1,536,284
Total expenses	10,452,471	—	—	10,452,471	8,655,174
Increase in net assets	(479,539)	606,195	141,698	268,354	1,145,639
Net assets at beginning of year	7,647,494	828,283	3,257,071	11,732,848	10,587,209
Net assets at end of year	\$7,167,955	1,434,478	3,398,769	12,001,202	11,732,848

See accompanying notes to consolidated financial statements.

Supplemental Schedule of Functional Expenses	Program Services					Supporting Services			2006 Total	2005 Total
	National Education	Research	Communications	Advisory Services	Information Center & Services	Finance and Administration	Development and Member Relations			
Salaries, benefits, and payroll taxes	\$511,983	1,560,804	1,140,436	1,182,330	502,161	811,568	512,458	6,221,740	5,808,328	
Professional fees	570,193	383,632	135,067	219,040	125,646	104,655	21,818	1,560,051	628,542	
Pension expense	24,853	78,700	66,575	54,109	35,034	51,728	22,011	333,010	286,518	
Occupancy	18,363	125,785	121,664	106,787	55,739	72,136	47,586	548,060	496,199	
Printing, typesetting, and design	—	—	369,330	—	—	—	—	369,330	210,217	
Supplies	2,574	10,786	12,356	9,316	14,038	5,749	4,207	59,026	77,610	
Postage and shipping	5,386	5,616	60,516	5,216	2,477	3,335	10,680	93,226	90,409	
Books and subscriptions	6,219	3,875	3,891	2,277	58,545	1,667	2,085	78,559	69,144	
Meetings, conferences, and travel	37,841	124,118	80,970	48,206	24,828	10,020	43,923	369,906	302,847	
Repairs and maintenance	589	6,127	4,224	3,758	53,547	2,836	1,711	72,792	49,857	
Telephone	8,589	13,863	16,021	13,674	4,648	7,094	5,638	69,527	81,225	
Depreciation and amortization	11,134	69,426	63,129	51,957	30,927	32,954	20,458	279,985	274,486	
Conference expense	—	—	191,214	—	—	—	—	191,214	110,101	
Other	2,298	27,813	78,667	20,371	49,916	21,950	5,030	206,045	169,691	
Total functional expenses	\$1,200,022	2,410,545	2,344,060	1,717,041	957,506	1,125,692	697,605	10,452,471	8,655,174	

(1) Nature of Operations and Summary of Significant Accounting Policies

Catalyst, Inc. is a nonprofit research and advisory organization, which works with businesses and the professions to build inclusive environments and expand opportunities for women at work. Catalyst Canada, Inc. (Catalyst Canada) was incorporated on December 27, 2000 to fulfill the mission of Catalyst in Canada and is controlled by Catalyst, Inc. The accompanying consolidated financial statements include the accounts of Catalyst, Inc. and Catalyst Canada (collectively, Catalyst).

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. All significant interorganizational balances have been eliminated in consolidation.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of Catalyst.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that will be met either by actions of Catalyst and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated financial statements as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or removed by actions of Catalyst. Permanently restricted net assets consist of assets held in the "Felice N. Schwartz Reserve Fund for the Advancement of Women in Business and the Professions" (see note 4(b)).

(b) Comparative Totals

The consolidated financial statements include certain prior-year, summarized, comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with Catalyst's consolidated financial statements as of and for the year ended August 31, 2005, from which the summarized information was derived.

(c) Revenue Recognition

Contribution and grant revenue is recognized when an unconditional promise to give is received. As such, contributions and grants receivable are recorded in the year made and are recorded as restricted revenue if they are received with donor stipulations. The majority of contributions receivable is scheduled to be collected in the next year. Advisory fee income is recognized as unrestricted revenue when the related services are rendered.

(d) Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements are recorded at cost or, if donated, at the fair value at date of receipt. Leasehold improvements are amortized on a straight-line basis over their estimated useful lives or the term of the lease, whichever is shorter.

Furniture and equipment are depreciated on a straight-line basis over their estimated useful life of five years.

(e) Cash and Cash Equivalents

Catalyst considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents with the exception of those short-term investments managed by Catalyst's investment manager for long-term investment purposes.

(f) Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based on quoted market prices. Realized and unrealized gains and losses are recognized as changes in net assets in the period in which they occur, and investment income is recognized as revenue in the period earned.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

(g) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from the estimates made by management.

(2) Description of Program and Supporting Services

The following functional classifications are used to account for the program and supporting services of Catalyst:

(a) National Education

National Education fosters awareness and informs decision makers of the changing role and needs of women in the workplace by promoting Catalyst's mission of advancing women in business and the professions, Catalyst's research, and services. The National Education effort also includes the execution of strategic plans to expand the reach of Catalyst's mission in the North American and European business communities.

(b) Research

Research conducts qualitative and quantitative research on both women's leadership advancement and work/life issues across a wide range of industries, geographies, generations, and racial/ethnic groups. This research culminates in published studies that include findings from interviews, focus groups, and surveys, as well as company best practices and recommendations for companies and firms interested in recruiting, retaining, and advancing women. Catalyst has conducted research on women in leadership in the United States, Canada, and Europe.

(c) Communications

Communications create and execute strategies to increase Catalyst's visibility in the United States, Canada, and Europe by developing strategic partnerships and strengthening its brand, products, and services. Communications is responsible for editing, designing, and producing all publications and collateral materials, and for public education activities such as press relations and speaking engagements. The department manages special events, including the Catalyst Awards Dinner and conferences to disseminate Catalyst research.

(d) Advisory Services

Advisory Services conducts large-scale internal organizational assessments on a proprietary basis for companies and firms. It advises employers on workplace barriers and successful strategies to retain, develop, and advance women. Advisory Services also provides single-issue, focused workshops on topics such as mentoring, creating women's networks, and work/life integration.

(e) Information Center and Services

The Information Center tracks and collects information and produces quality results to requests through a comprehensive collection of books, periodicals, statistics, government reports, and press coverage of working women. The Information Center provides efficient, valuable information to Catalyst members, the media, and those who formulate public policy.

(f) Finance and Administration

Finance and Administration maintains operational, administrative, and financial responsibility for Catalyst.

(g) Development and Member Relations

Development and Member Relations enlists corporate, individual, governmental, and foundation contributions for general support and special research projects. The department manages relationships with members headquartered in the United States, Canada, and Europe.

(3) Investments

Investments consist of the following at August 31, 2006 and 2005:

	2006		2005	
	Cost	Fair value	Cost	Fair value
Short-term cash investments	\$300,602	300,602	251,328	251,328
Corporate fixed income	5,959,004	5,895,351	6,032,588	5,948,834
Equity Funds	3,405,975	3,650,894	3,338,841	3,571,350
	\$9,665,581	9,846,847	9,622,757	9,771,512

(4) Composition of Net Assets**(a) Temporarily Restricted Net Assets**

Temporarily restricted net assets at August 31, 2006 and 2005 are restricted as follows:

	2006	2005
Visible Minority Study	\$531,907	\$78,961
Global leaders 2	235,960	2,851
Talent Management in Global Information Technology	172,911	—
Women of Color in Firms	126,060	276,572
Member Website Development	118,210	135,473
Making Change Series	70,636	74,169
Occupancy	63,890	49,974
Double-Bind	32,108	—
Women Leadership Conference	29,013	95,082
WOC Networks Project	34,527	—
Parental After School Study	19,256	—
Benchmarking	—	21,399
Census – Australia	—	4,571
Census – South Africa	—	11,685
Census – Canada	—	8,523
Pulse Survey	—	12,118
Other	—	56,905
	\$1,434,478	828,283

(b) Permanently Restricted Net Assets

During 1992, Catalyst established the "Felice N. Schwartz Reserve Fund for the Advancement of Women in Business and the Professions." The principal amount of the fund may be borrowed on a short-term basis by Catalyst to complete research projects, which are of strategic importance but lack complete funding, and to meet temporary cash flow needs. The income earned from invested principal will be used to grow the fund in line with inflation and to complete the financing of research projects for which the majority of funds have been raised. Because borrowings from the principal of this fund must be repaid, these amounts have been classified as permanently restricted net assets. There was no borrowing from the fund in 2006 or 2005.

(5) Income Taxes

Catalyst is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been classified as an organization that is not a private foundation under Section 509(a).

(6) Furniture, Equipment, and Leasehold Improvements

The components of furniture, equipment, and leasehold improvements as of August 31, 2006 and 2005 are as follows:

	2006	2005
Furniture and fixtures	\$433,755	\$431,714
Equipment	1,915,852	1,867,134
Computer software	61,500	61,500
Leasehold improvements	717,744	710,666
	3,128,851	3,071,014
Less accumulated depreciation and amortization	2,424,155	2,144,170
Furniture, equipment, and leasehold improvements, net	\$704,696	926,844

(7) Donated Services and Assets

The components of donated services and assets for the years ended August 31, 2006 and 2005 are as follows:

	2006	2005
Legal	\$208,144	\$226,621
Investment	24,700	19,754
Computer equipment	14,208	105,653
Consulting	265,000	—
Other	60,010	59,239
	\$572,062	411,267

(8) Pension Plan

Catalyst sponsors a defined contribution money purchase plan. Catalyst contributes 5% of compensation and employees are given the choice to contribute up to 5% of their salaries with Catalyst matching dollar for dollar up to limits established by the Code. An employee becomes eligible to participate in the plan after one year of service. Total pension expense in 2006 and 2005 was \$333,010 and \$286,518, respectively.

(9) Commitments and Contingencies

In 1997, Catalyst entered into a lease agreement for office space, expiring in 2012, for its New York City headquarters. In connection with the new lease, Catalyst received 14 months of free rent and reimbursement from the landlord for leasehold improvements of approximately \$552,000. The reimbursement from the landlord for leasehold improvements, as well as the value of the 14 months of free rent, have been recorded as deferred rent obligation and are being amortized over the lease term. Rental expense for this space is recorded on a straight-line basis. The lease provides for escalation based on operating costs.

In June 2002, Catalyst Canada executed a lease for office space expiring in 2007. Under the lease, Catalyst Canada is obligated to pay for rent and other occupancy costs.

In 2002, Catalyst entered into a license agreement for office space for its Western Region Program. Under this agreement, which expires in 2007, the value of the rent for licensed space is being contributed by the licensor. The value of contributed rent over the agreement period of \$401,634 was recorded as temporarily restricted donated services and contributions receivable. In 2006, an additional \$91,000 was recorded for the extension of the lease. The contributions will be released from restriction and the receivable will be amortized over the lease term. Receivables include \$63,890 related to this agreement, which reflects increase in value of the rent for licensed space of approximately \$91,000 due to extension of the lease.

Aggregate rent expense amounted to \$540,415 and \$486,878 in fiscal 2006 and 2005, respectively. Future minimum lease commitments under the leases as of August 31, 2006 are as follows:

Year ending August 31:	
2007	\$371,356
2008	371,867
2009	371,867
2010	371,867
2011	371,867
2012	371,867
	\$2,230,691

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