HUMANE SOCIETY INTERNATIONAL INCORPORATED ABN: 63 510 927 032

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

| | 2012 | 2011 |
|--|-----------------|--------------|
| REVENUE | 70 | 70 |
| Operating activities: | | |
| Members' subscriptions | 9.2 | 1.0 |
| Operating grant | 10,000 | 5,000 |
| Donations | 2,035,890 | 1,741,836 |
| Other revenue from operating activities | 8,107 | 351 |
| Grants Received - GVEHO | | 20,000 |
| Salas and Promotions | 6,720 | 880 |
| Bequest Income | 247,617 | 111,880 |
| RDMF | 1,654 | 100,117 |
| Non-operating activities: | | |
| Dividends | 1.0 | 100 |
| Interest | 12,048 | 18,014 |
| VELOCIAL PROPERTY OF THE PROPE | 2,322,036 | 1,998,078 |
| EXPENDITURE | 18 - 51 - 160 - | and the same |
| Bank charges | 12,418 | 26,562 |
| Depreciation expense: | | |
| - office equipment | 13,160 | 11,370 |
| Annual Leave Provision | 20,951 | 60,485 |
| Campaign Communications and Publications | 35,822 | 55,417 |
| Education | 6,651 | 4,109 |
| Fundralsing | 134,772 | 133,272 |
| General | 321,432 | 255,539 |
| Membership | 2,499 | 3,765 |
| Program Expenditures | 867,482 | 797,997 |
| Project Payments | 888,312 | 627,476 |
| "Warriwillah" Holding Cost | 2,350 | 2,834 |
| Other expenses from ordinary activities | | - |
| 2. | 2,305,879 | 1,978,825 |
| Profit before income tax | 16,157 | 19,253 |
| Income tax expense Profit after income tax | 16,157 | 19,253 |



CAMPAIGN REPORT 2012



This has been a very tough year all round, as governments become more and more conservative and issues of the environment and animal protection increasingly get pushed aside while they chase the almighty dollar. Lessons once learnt about the imperative in protecting life supporting natural ecosystems have been quickly forgotten in the scramble for votes and power.

Our work has become even more vital in the current political climate, with government being more intent on appeasing large business and profits at the cost of our environment and the animals that depend on it. have continued to campaign on a range of terrestrial habitat protection programs across Australia, still working very hard to gain legal protection wherever we can for threatened ecosystems, so far protecting over 4,000,000 hectares under state and Federal law.

You'll find news inside of our international wildlife conservation projects in Tanzania, Indonesia and Vietnam, just a few of the growing number of projects around the world we are able to support thanks to you. This year our work has also included disaster relief efforts, helping the working beasts of burden in war-torn Mali in North Africa.

It's just left for us to thank you all again for your fantastic support over the past year, and to assure you that in 2013 we hope to achieve increased protection for more animals and places than ever before.



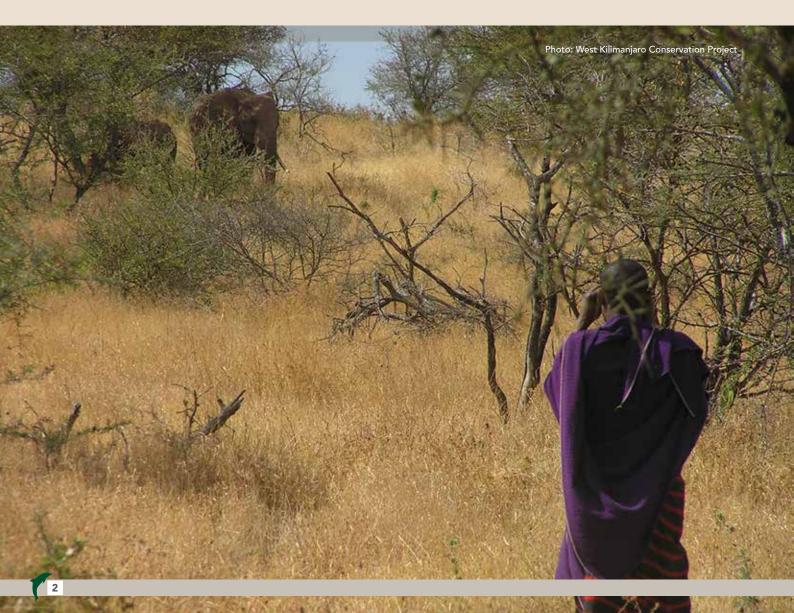
KILIMANJARO FIELDMEN

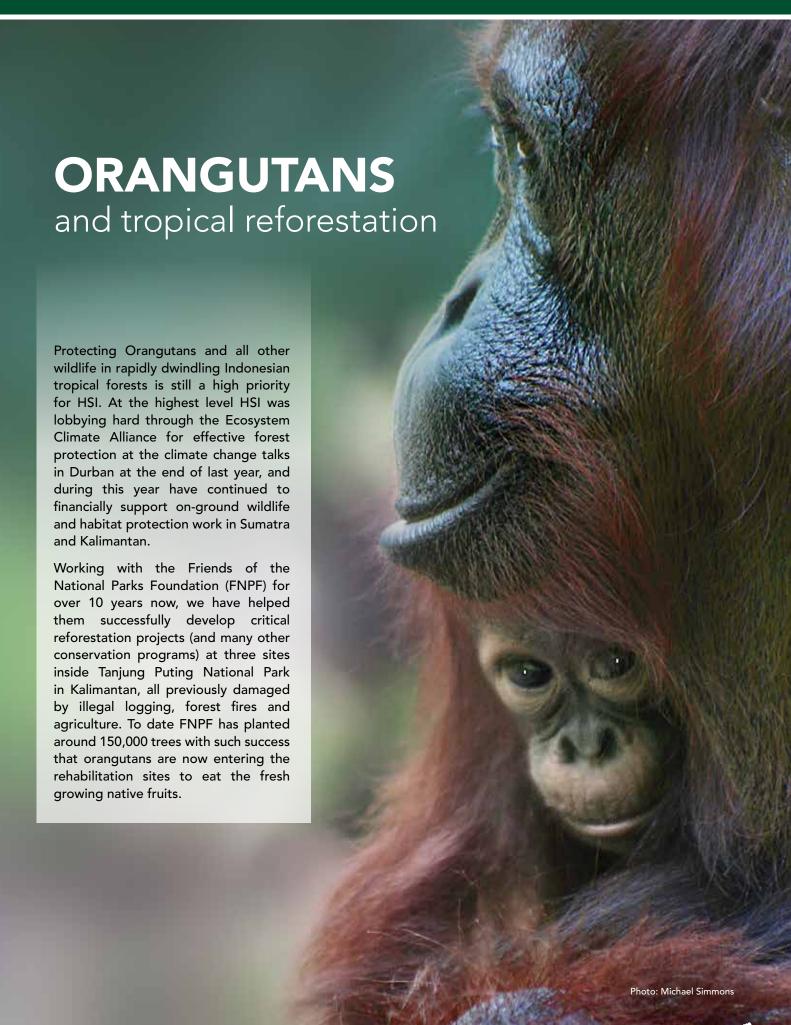
saving Africa's wildlife

HSI has supported the West Kilimanjaro Fieldmen Project in Tanzania for about ten years, a project in which local Maasai villagers carry out frequent patrols of the 700km² that encompass their communities. To the west of Africa's Kilimanjaro, its mightiest mountain, the Fieldmen work to protect some of East Africa's most endangered wildlife.

The Fieldmen patrol the greater Amboseli basin, which straddles the Tanzania-Kenya border, monitoring all wildlife and human activities in the area. Their presence has proved a key deterrent to poachers – one of the greatest threats to wild animals.

With the cooperation of a range of stakeholders, illegal trophy and bushmeat poaching have been virtually eliminated, elephant and giraffe populations have risen sharply and data gathered on the abundance of lion and cheetah. However, such encouraging trends will only continue as long as the patrols are sustained and the local community continues to benefit and your ongoing support will ensure this occurs.









COMBATTING

illegal wildlife trade in Vietnam

The horrors of the illegal wildlife trade are no more obvious than in the burgeoning market for rhino horn in Vietnam, directly causing the deaths of hundreds of rhinos in South Africa every year. Along with China, Vietnam appears to be at the center of this trade, but our partner organisation, Education for Nature Vietnam (ENV) is a major driving force behind the campaign to help stem the international flow of illegally caught wildlife within Vietnam.

In the decade since HSI has been supporting ENV they have developed and implemented an integrated strategy to protect Vietnam's wildlife from illegal hunting and trade. They focus on reducing consumption and demand for wildlife products, mobilizing public support and participation to stop the illegal hunting and trade of wildlife, strengthening law enforcement in dealing with wildlife crimes, and improving wildlife protection laws.

Their new challenge, to reduce the demand and prevent the importation of rhino horn, will be their greatest test yet, but with your ongoing support we have every faith in their conservation commitment and effectiveness.

PROTECTING

marine turtles

Marine turtles are among many ocean creatures that are bearing the brunt of massive coastal development around the world, population declines due to commercial fisheries bycatch, and illegal domestic and international trade.

HSI has been helping marine turtle conservation efforts around the world for nearly 20 years, but we are particularly proud to support the work of ProFauna and the Bali Sea Turtle Society. They have respectively and successfully battled the illegal trade in turtle products in Bali and protected the large number of turtle nests around the Kuta Beach tourist area.

Most recent reports tell us that 233 Olive Ridley turtle nests had been found on Kuta Beach, nearly all relocated for effective protection, and totaling over 22,800 eggs to date. The number this season is more than three times that compared to the best recorded turtle season in 2010. Research tags were attached to 77 female turtles while 97 nesting turtles were already found to have recovery tags from years 2010 and 2011.







A VOICE

for farm animals

Humane Society International through our Humane Choice program now represents the majority of free range farming businesses Australia wide with 62 producers signing on for certification or membership of our free range producer group.

Humane Choice is much more than a quality assurance program, we also act as an advocate for small, genuine producers that battle to be heard against the corporate giants. These farmers are true free range and have asked Humane Choice to be their voice in industry matters that affect them such as truth in labelling and the definition of free range.

We have gladly accepted this challenge and are currently awaiting the outcome of one of our complaints to the Australian Competition and Consumer Commission (ACCC) covering Egg Corporation's outrageous bid to increase stocking densities for free range hens from 1500 birds per hectare to 20,000 plus birds per hectare.

We would also like to thank the thousands of you who have signed and distributed postcards on this issue. We will be presenting these to both State and Federal Governments to send a clear message that the public want to support a true free range industry and that they expect the Government to protect the consumers and the chickens.







HSI gained a great win this year in securing the first legal protections ever for the scalloped and great hammerhead sharks in Australia under NSW law. This was immediately followed by a Federal Government decision to assess these two sharks, and the smooth hammerhead shark, for listing as threatened species, following scientific submissions from HSI.

As the organisation that first gained protection for the great white shark in Australia and globally, we continue to successfully defend the great fish from calls to kill them, following the tragic deaths in Western Australia. With our colleagues in Washington and the EU we have

continued our efforts to reduce and eventually stop shark finning around the world, and attended the first global shark conservation treaty in Germany, a treaty we helped bring into being.

We have also continued our work to protect sea lions, albatrosses, dolphins, sea turtles and cetaceans in Australia and around the world, including ongoing efforts to achieve sustainable fisheries in Australia (and avoiding all bycatch) a campaign highlighted by our national marine species TV advert shown across the country and in the region.

PROTECTING

marine habitats

Working with our colleague conservation organisations through the "Protect our Coral Sea", "Save Our Marine Life", and "Save Our Tropical Sealife" coalitions, we helped to secure a Commonwealth Government commitment to dedicate a comprehensive marine reserve system covering a huge 3.1 million square kilometres and representing more than a third of Commonwealth waters. This will become the largest network of marine protected areas in the world, and will be legally declared by the end of 2012. The jewel in the crown of the new reserve system is the Coral Sea, an area half the size of Queensland, where HSI has taken the lead in convincing the Australian Government to assess the Coral Sea for additional protection as a National Heritage area. Late last year, HSI also helped gain National Heritage protection for millions of hectares of coastal marine waters and islands in the West Kimberley.

Our work to protect threatened Australian sea lions and dolphins from deaths in commercial gillnet fisheries in southern Australian coastal waters has seen even more areas closed off to fishing this year, and presently a vast marine area remains protected from such fishing methods. We are also involved in a global campaign to establish the world's largest network of marine protected areas in the Southern Ocean around Antarctica. This program will see HSI campaigners attend the meeting the Convention on the Conservation of Antarctic Living Resources in Hobart late this year, where it is hoped the first moves towards reserve dedication will be made.





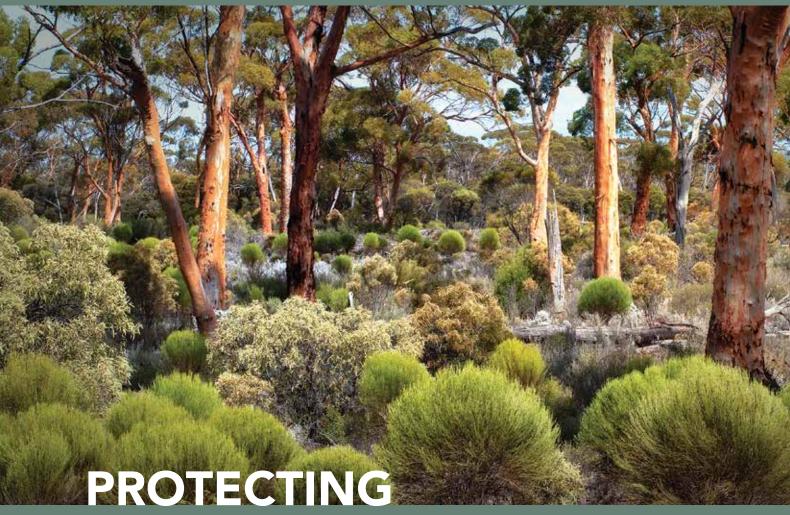


WILDLIFE

Land Trust

The Wildlife Land Trust (WLT) is emerging as a critical part of HSI's Australian wildlife protection program. Since its establishment in 2007, the program has continued to grow at a very encouraging rate. In late 2012, there were 185 member sanctuaries in the Wildlife Land Trust network covering over 34,000 hectares (or 85,000 acres) across Australia. The network protects dozens of threatened species and threatened habitats and provides sanctuary owners a link with like-minded people across the country. The WLT also works in partnership with a number of other conservation organisations (and the NSW Government) to provide small grants for land conservation purposes (72 grants in 2012). WLT member sanctuary owners have additionally been successful this year in gaining significant land management monies under the Commonwealth's climate change linked Biodiversity Fund. Approximately one third of Australian WLT members not only provide for wildlife by safeguarding habitat on their land, but further contribute through the care and rehabilitation of orphaned and sick individuals.

Photo: Lynn Webb



wildlife habitats

HSI has maintained its ongoing campaign to protect threatened wildlife habitats across Australia, and the Federal Government is currently assessing a number of HSI's scientific submissions, including a proposal to protect nearly a million hectares of eucalypt woodlands in the Western Australian wheatbelt and Hunter Valley remnant woodlands and open forests in NSW.

A major HSI success this year has been gaining national protection for the **giant kelp** marine forest of south-east Australia, the very first protective listing for a marine threatened community under Australian law. These marine forests are also important carbon sinks, perhaps containing over 80,000 tonnes of carbon per square kilometre - double that of mainland forests.

This year also saw HSI seek an emergency National Heritage listing for Cape York, help buy and protect an important rainforest block in the Daintree in North Queensland, and work with the Federal Government to develop a national priority list for the conservation of threatened ecosystems.



IN DEFENCE

of our national environment laws

Earlier in the year, after strong lobbying from the Business Council of Australia the Federal Government, after doing a deal with the states and territories, announced that it would devolve all its powers under the Environmental Protection and Biodiversity Conservation Act, 1999, to protect matters of National Environmental Significance. This means leaving to the mercy of parochial state governments and voracious developers, all nationally recognised threatened species, migratory species, threatened places, wetlands of international importance and all National Heritage sites.

HSI has been leading the fight against this environmentally disastrous move, which will set our environmental laws back nearly 40 years. The Federal Government has already moved to give back its powers to protect threatened flying foxes, and we will be doing all in our power to stop this unprecedented attack on what is considered one of the strongest national environment laws in the world.



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