

DEFENDERS OF WILDLIFE
IS A NATIONAL, NONPROFIT
MEMBERSHIP ORGANIZATION
DEDICATED TO THE
PROTECTION OF ALL NATIVE
WILD ANIMALS AND PLANTS IN

THEIR NATURAL COMMUNITIES.



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DEFENDERS IN 2012

A MESSAGE FROM THE CHAIR AND PRESIDENT

t's been an exciting first year at the helm of Defenders of Wildlife. We are redoubling efforts and refocusing resources to support our ambitious new vision to achieve nothing less than large-scale recovery of our continent's imperiled wildlife and habitats.

At the core of this vision are three guiding principles: to *prevent* the destruction of wildlife and habitat, to *protect* species and habitat already in peril and to *restore* once-vulnerable species and the habitat they need to survive. These principles are evident in every campaign, advocacy effort and court battle we've taken on in 2012.

With your remarkable support, we celebrated some big wins this year. Thanks to our lawsuit, piping plovers, sea turtles and tourism are all thriving under a new off-road vehicle plan for Cape Hatteras National Seashore in North Carolina. Our key recommendations to improve wildlife conservation were included in the U.S. Forest Service's regulation governing management of our national forests. And our successful ongoing project with ranchers in Idaho's Wood River Valley to safeguard wolves has spurred interest from adjacent counties and states—demonstrating once again the unique role Defenders plays in the environmental community. Our willingness to work with unlikely partners has lead to transformational conservation solutions for wolves, grizzly bears, bison, polar bears and more.

Over the past year, we have had the opportunity to meet many of you. We've learned how well you understand the challenges ahead: the continued threats to the Endangered Species Act, the urgent reality of climate change and short-sighted powerful old-school energy interests. We are more confident than ever that we are a necessary voice for imperiled wildlife and important habitat. With your continued generosity, we will win even more battles and achieve lasting protections for America's wildlife in the year ahead. Thank you!



Muinne Mc Sulosh Winsome Dunn McIntosh Chair

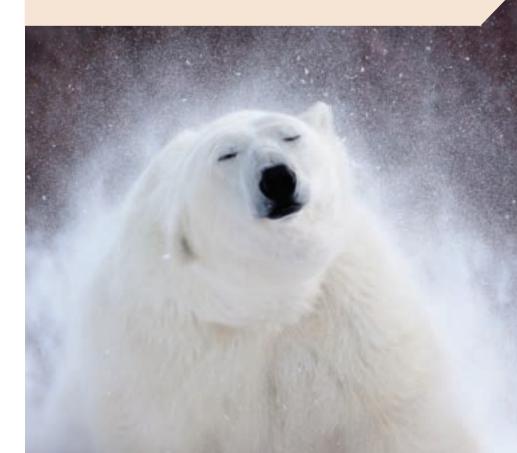


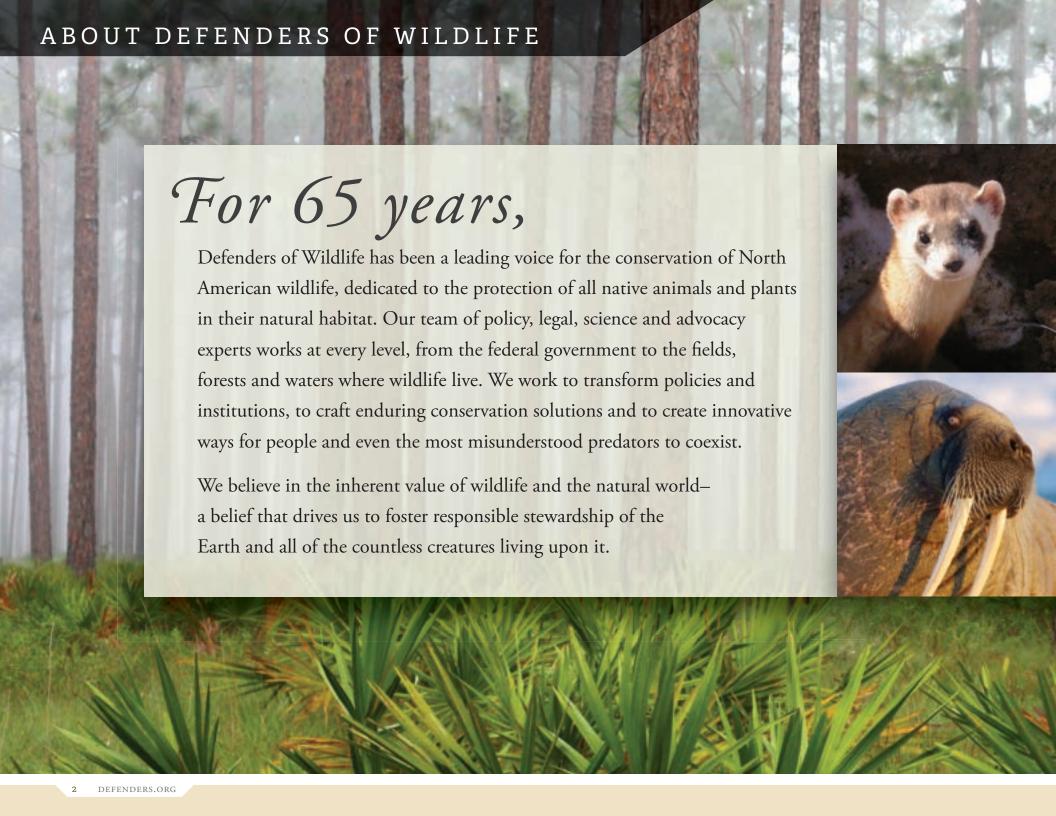
Jamie Rappaport Clark

President

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FORESTS FOR WILDLIFE

From the threatened lynx to the pine marten and Pacific fisher, from the Douglas fir to the pitcher plant and longleaf pine, many thousands of plants and animals make their homes in, and depend on, our national forests. Ensuring these lands are healthy, intact and managed with wildlife in mind is critical. Our "Forests for Wildlife Initiative," launched in 2012, seeks to improve the conservation of at-risk species found in national forests and on other public lands by advocating for strong forest-wildlife conservation policies and protecting and restoring national forest landscapes in the Sierra Nevada, the Cascades and the Northern Rockies.

Managing National Forests for Ecological Health

The Obama administration's final forestmanagement rule reflects Defenders' advocacy

Our years of persistent work to ensure that healthy wildlife populations remain integral to forest management were rewarded in 2012, when the Obama administration announced its final forest-planning rule under the National Forest Management Act.

After successfully battling George W. Bush administration's push to weaken standards for maintaining wildlife viability in our national forests, we went on to participate in extensive discussions and negotiations with the Obama administration to ensure wildlife protection remained a central component of forest-management policy.

Thanks to our efforts and that of our members—who sent more than 100,000 pro-wildlife messages to the Obama administration—the Forest Service's final forest-planning rule is designed to prevent the decline of common species and bolster the recovery of imperiled wildlife populations.

Due to our significant involvement in the crafting of this sweeping new policy, our chief national forest expert, Peter Nelson, was appointed by the Secretary of Agriculture to a new national advisory committee that will guide the implementation of the new national forest-planning rule.

Defending Roadless National Forests

The U.S. Supreme Court allows the Roadless Rule to stand, affirming a decade of Defenders' advocacy and litigation

A decade of dogged legal work and persistence paid off this year when the 10th Circuit Court of Appeals upheld the Clinton-era roadless policy and the U.S. Supreme Court declined to revisit the decision. The final ruling leaves intact solid protection for wildlife habitat on about 30 percent of our national forest

"The new National Forest Management Act planning rules will protect America's forests for generations to come, and Defenders' Forests for Wildlife Initiative will ensure that the wildlife that calls these lands home is protected, too."

Peter Nelson

Defenders' Senior Policy Advisor Federal Lands

land. This enormous victory could not have happened without the tremendous, sustained support from our members.

Almost 400,000 miles of roads crisscross our national forests and grasslands. These roads disrupt and degrade important habitat for wildlife, making areas of intact forest all the more valuable.

The Roadless Area Conservation Policy prohibited road construction and timber harvesting on almost 60 million acres of undeveloped national forest lands—lands that provide essential habitat for more than 1,600 threatened, endangered or otherwise imperiled plant and animal species. These lands also help maintain clean water and clean air and provide a quiet refuge for human relaxation and recreation.

Not surprisingly, the roadless rule became mired in politics and court challenges from states and the mining and logging industries. But Defenders and our conservation allies fought back—and won.



PREVENT

Promoting Wildlife-friendly Renewable Energy

Federal plans for renewable-energy development incorporate Defenders' "smart-from-the-start" concepts

Imperiled wildlife such as the desert tortoise live on the edge of existence. They inhabit a landscape prone to heat extremes, scarce water and harsh conditions. On top of that, desert species face an accelerating loss of habitat, introduced diseases and predators, and a host of other human-caused threats. The latest is the rapid build-up of industrial-scale, renewable-energy operations.

The nation's transition to cleaner renewable energy is a crucial step in combating climate change, but this development must balance the long-term benefits with the immediate impacts to imperiled wildlife.

Defenders wants renewable energy to be "smart from the start" and is working to promote solar and wind development projects on low-conflict or already degraded land, rather than on habitat that is critical to the recovery of imperiled wildlife. In August, the Bureau of Land Management released a final framework for western solar-energy expansion that includes most of our concepts. It prioritizes low-conflict lands for de-

velopment and requires that developers avoid or offset damage to habitat through mitigation measures that have real benefits for impacted wildlife.

Our advocacy reduced the total area prioritized for future development from 20 million acres to 285,000 acres of public land in solar-energy zones and excluded from development some crucial tortoise habitat. This is an important victory for wildlife. But given the precarious status of the desert tortoise—which has been declining in number for decades—Defenders is advocating for further tortoise conservation measures.

Defenders is also working to reduce wildlife risks from large wind-development projects. We helped the U.S. Fish and Wildlife Service create a set of guidelines that will help wind-energy developers minimize risk to vulnerable species such as the golden eagle and sage grouse. And we are working to address what could be significant impacts from a massive wind-energy project in Wyoming—in the heart of essential sage grouse habitat.

"We should not have to choose between clean energy and wildlife. With thoughtful, up-front planning we can achieve the goal of a clean-energy future without sacrificing our nation's most imperiled resources."

Erin Lieberman

Defenders' Western Policy Advisor Renewable Energy and Wildlife





MAKING AN IMPACT

Our direct negotiations with renewable-energy developers over the last two years have helped advance projects accounting for nearly 90 percent of the megawatts approved by the Interior Department while preserving important sensitive wildlife habitat.

Defenders has also launched several protests and lawsuits against specific wind and solar projects, including a suit against the federal government for its approval of the Calico Solar Project, a 4,600-acre development on federal lands in the Mojave Desert that would gravely impact the desert tortoise, golden eagles, burrowing owls and several other sensitive species.

Ruth Musgrave



Defenders' board member Ruth Musgrave came to know and love wildlife in forests along the Chattahoochee River in Georgia and the tidal

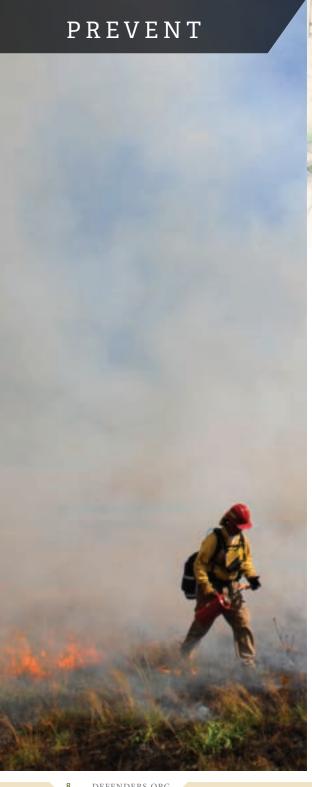
pools of coastal California as a child.

"I became interested in wildlife conservation seeing the places I loved being destroyed—a freeway built right along the Chattahoochee and all the tide pools getting stripped in California," Musgrave says. "Even as a kid I thought, 'This is wrong."

Later, a transformational trip to Australia to work with a group of marine biologists studying dolphin behavior steered her toward conservation law and policy. Musgrave went on to found the Center for Wildlife Law at the University of New Mexico and has played an important role in countless conservation policy initiatives.

As a member of Defenders' board, Musgrave lends an authoritative voice on wildlife law and policy. Most recently Musgrave has been working with Defenders to help guide Washington state as it institutes a wolf recovery and management strategy that includes many of Defenders' proven methods to reduce conflicts between ranchers and wolves.

"The key is to ensure that Washington implements a state-management plan for wolves that is really good, and Defenders will continue to play a big role in that," she says. "Defenders has it all, Defenders does it all, and I'm so proud to be part of it."



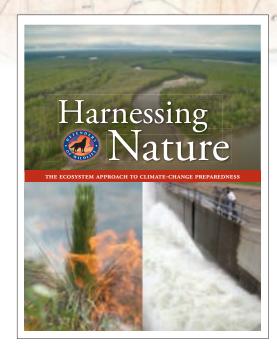
Addressing the Impacts Of Climate Change

Defenders' report details how ecosystem restoration can prevent and reduce impacts from extreme weather events

HARNESSING NATURE

When healthy, Earth's natural systems can absorb intense rainfall, curtail the destructive power of wildfire and buffer shorelines from sea-level rise. But across the planet, human development and our increase in carbon emissions are destroying nature's ability to play this increasingly vital role.

In 2011, 14 different extreme weather events in the United States caused more than \$1 billion in damage each and cost many lives. In 2012, the chaos continued with unprecedented heat waves, catastrophic hurricanes, devastating droughts and freak storms wreaking havoc in communities across the country. As the nation continues to reel from the aftermath of these weather anomolies, the scientific community continues its clear and unequivocal warnings that without a reduction in carbon emissions, these climate disasters will become part of the new normal.



Defenders is working to prepare policymakers and affected communities for what comes next and to help prevent future damage through the power of natural systems. Our report, Harnessing Nature: The Ecosystem Approach to Climate Change Preparedness, details the role that ecosystem restoration and protection can play in buffering communities from the impacts of climate change—while saving countless dollars and benefiting wild species.



"We must take stronger steps to reduce greenhouse gas emissions. But we must also prevent greater damage from the changes that are coming and those that are already here."

Aimee DelachDefenders' Senior Policy Analyst
Climate Adaptation



Ed Asner

Since the early 1990s, Emmy-award-winning actor Ed Asner has leveraged his passion for wildlife and used



his respected name to rally hundreds of thousands of people to support the mission of Defenders and the cause of wildlife conservation.

"I've always admired wild animals and the fact that they have no master but survival," Asner says. "The beauty of animals is their wildness."

Asner's connection to the wild makes working with Defenders the fulfillment of a lifelong passion. He had been a contributing member for several years before former Defenders' President Rodger Schlickeisen asked Asner to join the board almost two decades ago. Despite his busy schedule in acclaimed television and Broadway roles, Asner immediately said yes.

"I like Defenders' style," he says.
"I like what they have to say and I like what they do. And wolves are hard to resist."

As a member of the board, Asner has helped Defenders appeal to a broad spectrum of supporters.

"The salvation of species is what I most want to see accomplished while I'm here," says Asner. "I hope to further that achievement. It's been a tremendous honor to work with Defenders on that front."

PROTECT

Defenders works tirelessly to protect threatened and endangered native wildlife and habitats, employing the nation's core environmental laws and regulatory frameworks to create a safety net for imperiled creatures.



PROTECT THE ESA, PROTECT WILDLIFE

The Endangered Species Act (ESA) is the cornerstone of our work to conserve and recover imperiled wildlife, from wolves to right whales. Defenders works at the policy level, in court and in the field to protect and strengthen this core environmental law.

Protecting Wolves

A Defenders' lawsuit aims to restore federal protection for Wyoming's wolves

Defenders has long advocated for the protection of wolves, icons of the wild that also happen to be critical components of balanced ecosystems. Loss of wolves on the landscape leads to the overpopulation of large grazers like elk and deer, which launches a destructive domino effect that degrades the ecosystem right down to the health of its waterways. Defenders was integral in the return of wolves to Yellowstone National Park and central Idaho in the 1990s and critical to the successful growth and dispersal of wolves from isolated packs in Minnesota and Wyoming. Now we are battling to ensure that our work is not unraveled by the premature removal of wolves in the Northern Rockies from the endangered species list.

In 2011, Congress—intervening in an endangered species listing for the first time—removed federal protection for wolves in Idaho and Montana, barring the possibility for Defenders to challenge this in court. Wolves in the Northern Rockies now face aggressive wolf-killing campaigns, seriously jeopardizing the hard-won recovery that conservationists



and the federal government worked so hard to achieve. Compounding this war against wolves, last fall the U.S. Fish and Wildlife Service removed federal protection for wolves in Wyoming—a state the agency deemed did not have a sustainable management plan the previous year. While Defenders

"Wiping out wolves from 85 percent of Wyoming isn't sound wildlife management. It's predator control, pure and simple. We're taking legal action to stop the state from treating these ecologically important animals like unwanted varmints."

fought in court to reinstate federal protection for Wyoming's wolves, the state legalized wolf hunting and extermination, allowing up to 60 percent of the state's wolves to be killed. This excessive and aggressive wolf-extermination policy will destabilize a core wolf stronghold and undermine the recovery of wolves in other states.

From a fiscal perspective alone, this is irresponsible government decision-making at its worst. Wolf recovery has cost more than \$100 million nationwide since the 1990s—an investment that has been more than repaid by the ecosystem services stemming from wolf recovery. Additionally, wolf-related tourism brings in \$35.5 million annually to Wyoming, Idaho and Montana and can be a lucrative business for small outfitters and business owners in and around Yellowstone. By offering activities such as wolf-watching tours to thousands of visitors, these businesses cumulatively generate about \$5 million or more each year. But in just one year under state control, Idaho slashed its wolf population by 40 percent, Montana killed more than a third of its wolves, and Wyoming is on track to do the same—with plans to allow the killing of wolves even during denning season while wolves are trying to raise their pups.

This irresponsible policy threatens one of the ESA's greatest conservation success stories. Defenders is determined to ensure the wolf's presence in the Northern Rockies remains strong.

KEEPING THE ESA STRONG AND EFFECTIVE

The very law dedicated to the protection of imperiled species is itself under threat by anti-environmental members of Congress who want to erode the ESA's scope and power. Anti-environmental riders and severe funding cuts proposed in the last Congress included a measure that would have blocked any court challenge to the delisting of wolves in Wyoming. Another proposal would have slashed funding for endangered species programs by almost 25 percent. Our policy experts and government relations team helped beat back those riders, but surely they will rise again in the new Congress.

Defenders is working on myriad fronts to protect and enhance the ESA, including:

- ➤ Fighting congressional attempts to override wildlife scientists and legislatively block the listing of imperiled species or delist species prematurely.
- ➤ Defeating efforts in Congress to slash funding for endangered species.
- ➤ Gearing up for upcoming battles over the ESA in Congress by creating educational materials on endangered species that demonstrate how the ESA has been an environmental and economical success.
- ➤ Working with the U.S. Fish and Wildlife Service to promote innovative programs and policies that encourage private landowners to voluntarily conserve imperiled species.



Protecting Sea Turtles from Deadly Entanglements

Defenders fights for shrimp fishery regulations that enhance turtle safety

Commercial fishing operations, habitat loss and degradation, poaching and destruction and disturbance of nesting sites by development and motorized vehicles have pushed some of our turtle species to the edge of extinction. In 2010 and 2011 alone, significant numbers of sea turtles were trapped and killed in near-shore shrimp fishing nets. Scientists estimate that thousands of sea turtles are likely dying as bycatch in the shrimp fishery but not washing ashore to be counted.

According to federal regulations, shrimp fishing vessels are required to have "turtle excluder devices" that allow turtles to escape out of a trapdoor when caught in a net. But due to loopholes in the regulations and poor enforcement, many turtles are still getting trapped and drowning.

PROTECTING SEA TURTLES

Defenders is also working to help sea turtles by:

- ➤ fighting congressional legislation to block new turtle protection rules
- preserving nesting beaches and foraging areas
- promoting responsible lighting along beaches
- ➤ improving coastal construction policies
- educating local residents, visitors and businesses

The National Marine Fisheries Service (NMFS), the federal agency tasked with protecting endangered marine species through regulation of the fishing industry, knew of the alarming sea turtle fatalities and determined that skimmer trawls in the near-shore shrimp fishery were likely the cause. However, they failed to take any action.

Defenders and our partners sued for protections for the turtles and settled that lawsuit in 2012, when NMFS proposed new regulations requiring turtle-saving gear on all shrimping vessels in the Gulf of Mexico and Atlantic coastal waters. Unfortunately, as the year ended, NMFS decided that more study is needed. Defenders remains vigilant and will continue the fight for turtle-saving regulations.

Protecting Beaches for Nesting Birds and Turtles

Defenders' lawsuit leads to permanent safeguards for critical Cape Hatteras beach habitat

In 2012, Defenders and our allies successfully intervened in court, citing tremendous public support, for limits on unregulated beach driving at Cape Hatteras National Seashore in North Carolina and permanent safeguards for nesting wildlife.

Prior to 2008, unregulated beach driving led to alarming drops in populations of federally threatened piping plovers and endangered sea turtles, which require safe beaches to hatch their young. Defenders sued to ensure that motorized recreation was managed to avoid further injury to beach-nesters. In response, the National Park Service put temporary protections in place, and beach-nesting success began to improve almost immediately—while seashore tourism actually increased. The park service subsequently issued a rule that allows off-road vehicle use on the majority of the



national seashore and keeps the seashore's beaches open to pedestrians—but establishes important protections for beaches during the nesting season. Despite this balanced solution to the problem, off-road vehicle advocates challenged the permanent rule in court, seeking to regain unrestricted beach access.

Defenders is continuing the fight to prevent off-road vehicles from overrunning Cape Hatteras—and the wildlife that nest there.

Protecting Right Whales

Defenders seeks to make seas safer for endangered whales

As part of our ongoing efforts to protect endangered whales, Defenders is fighting for reduced ship speeds and safer fishing gear in right whale habitat.

In June 2012, Defenders petitioned the National Marine Fisheries Service (NMFS) to

expand the places and times the speed limits apply and to make sure they stay in place until North Atlantic right whales recover.

Ship strikes and fishing gear entanglement are the main threats to right whales. As one of the world's most endangered whales, with a population of only about 400 worldwide, the loss of even one edges the species closer to extinction.

In 2008, Defenders forced NMFS to establish the first-ever speed limits for large ships in the heavily trafficked waters off the East Coast. Those speed limits were a good start, but they were only temporary measures.

Following Defenders' lawsuits in 2010 and 2011, NMFS reassessed the impacts of fishing-related deaths and injuries of right whales and other endangered whales in the Northeast.

Now Defenders is addressing the impacts of the American lobster fishery, seeking to stop the illegal killing of large whales caused by fishing lines that can wrap their heads and flippers, preventing them from feeding, surfacing and breathing.

Supporting Defenders: Doris and Neil Ratner

Doris and Neil Ratner have been longtime Defenders supporters. They have also included Defenders in their will, creating a wonderful legacy for the future of America's wildlife.



Doris, a Defenders member for more than 30 years, came to care for animals through her family. "My father was an outdoor man and we always had animals around." she recalls.

It was Doris who got Neil interested in Defenders' work, although he had been a lover of the outdoors since his Boy Scout days. "Being outside in nature—that's just the ultimate as far as I'm concerned," he says.

This connection to nature, along with his love for Doris, led Neil to become a strong supporter of Defenders' work as well. And as it has for so many people, the recent delisting of the gray wolf in the Northern Rockies, and the subsequent wolf-killing campaigns in Montana, Idaho and Wyoming, have energized the Ratners and their support for wolves.

"The wolf is an integral part of the ecosystem," Neil says. "It created a balance in nature that brought many animals back, like beavers and song birds. We have to get the message out. It's crucial right now."

In the wake of the delisting, the Ratners have decided they will make a trip to Yellowstone soon to see wolves in the wild while they still can. They will also be working with Defenders to ensure that others, generations from now, will have the same opportunity to encounter this icon of the wild.

"We have to be very diligent in making sure the gains that have been made are not lost," Neil says.





Safeguarding Essential Habitat for the Florida Panther

Defenders wins court-ordered closure of off-road vehicle trails in Big Cypress National Preserve

Squeezed by roads and other human development, the Florida panther's only remaining breeding population is crammed in the confines of south Florida on less than 5 percent of its historic range throughout the Southeast. With only about 100 to 160 of these amazing animals left in the wild, protection of large areas of habitat and travel corridors is essential to their survival. For this reason, in 2000 the National Park Service reduced off-road vehicle (ORV) trails in Big Cypress National Preserve from about 23,000 miles to 400 miles. This was an important move for panther conservation, but unfortunately in 2007, the park service reversed its decision and reopened 22 miles of ORV trails in a sensitive wetland area frequented by the

critically endangered panther. Defenders and our partners sued the park service, demanding that this important habitat be protected from disruption and degradation. In 2012, a federal court validated our legal challenge and ordered closure of the routes.

In addition to this important, long-sought legal victory, Defenders advocated for the establishment of the new Everglades Headwaters National Wildlife Refuge and Conservation Area in south-central Florida. We also supported the purchase of a key piece of property that will allow panthers to travel northward and expand their range out of south Florida—a vital step toward the panther's long-term recovery.

"Defenders has played a leading role in panther conservation and recovery for decades and continues to work to protect panther habitat and corridors, to reduce panther mortalities on roadways and to help people and panthers coexist."

Elizabeth FlemingDefenders' Florida representative

PROTECT



PROTECTING PANTHERS FROM AUTOMOBILES

Vehicle collisions take a terrible toll on panthers. A record 19 were killed in 2012. Traffic fatalities also prevent the wide-ranging cats from expanding their range northward. Defenders is working to protect panthers by:

- ➤ defeating transportation projects that would fragment panther habitat and lead to additional panther deaths.
- ➤ securing nearly \$1 million for a roadside animal detection system to alert drivers in Big Cypress to the presence of panthers and other wildlife.
- ➤ helping Florida establish and promote slower nighttime speeds and wildlife crossings for key roadways that have seen excessive panther deaths.



Gaining Global Protections for Sharks

Defenders spearheads international campaign that sparks CITES protections for sharks

Sharks are key apex predators in ocean ecosystems, but unsustainable fishing and bycatch has decimated their numbers worldwide—particularly for hammerhead sharks and others favored in the shark fin trade. The Convention on International Trade in Endangered Species (CITES) offers the best hope to protect sharks from extinction, but it requires global support. With CITES meetings occurring only once every two or three years, the loss of an opportunity to establish new protection for a given species is a significant setback in conservation. At the 2010 CITES meeting, the proposal to list several hammerhead shark species fell just a few votes short of success. This made us even more determined to prevail at the next CITES meeting, where we played a key role in gaining the critical support of Brazil, Costa Rica, Mexico, the United States and other nations, establishing CITES protections for hammerheads, oceanic whitetips, porbeagles and mantas.



Working to Build a Better Future for Wild Birds

Defenders sees years of work pay off as FWS moves to protect imperiled macaws

In 2012, we supported the U.S. Fish and Wildlife Service (FWS) in its proposal to list four species of macaws—scarlet, military, great green and hyacinth—as endangered under the Endangered Species Act (ESA). Successful listing under the ESA will bolster our ability to deter the smuggling of these birds into the United States and give macaws a better chance to recover in their native forests. The unsustainable legal and illegal sale of tropical birds as pets in the United States and elsewhere has devastated some populations of wild birds from Mexico and Central and South America.

RESTORE

Defenders works to restore vulnerable wildlife and their habitats to full health, so that they are not just surviving but thriving in healthy, balanced ecosystems.



PIONEERING THE SCIENCE AND PRACTICE OF COEXISTENCE

A changing climate and expanding development are shrinking habitat and putting people and wildlife in closer proximity than ever. The long-term survival of wild species requires that human communities learn to live amicably among wolves, bears, bison and other species. Throughout North America, Defenders is working to prevent conflict between wildlife and humans and to build tolerance, acceptance and appreciation for wildlife. Our more than 100 coexistence projects help people employ innovative techniques that protect their property, pets and livestock while also allowing space for wildlife.



Defenders' innovative work in proactive wolf management expands

Five years ago in the Wood River Valley of central Idaho, Defenders and a core group of ranchers and other partners embarked on an ambitious endeavor—to prove that nonlethal deterrents could successfully protect thousands of sheep seasonally moving through the Sawtooth Wilderness, despite the increasing presence of wolves. Our ground crew followed bands of sheep, keeping watch over them at night and worked with herders to employ guard dogs, portable fencing, flashing lights and airhorns to scare wolves away. The result: Fewer than two dozen sheep have been lost to wolves



over the past five years. In 2012, only four sheep from more than 27,000 were lost during the five-month grazing season, and no wolves were killed as a result of depredation.

While the numbers themselves are an incredible success story, the larger success has been the groundswell of support we have created for nonlethal approaches to wolf management. This year at our 5th annual Wood River workshop, we gathered with local and federal officials and ranchers to collaborate on coexistence strategies and expand the reach of the Wood River project by offering free consultations to any rancher in the county and setting up a hotline for those who need immediate assistance. Defenders' work



"Frankly, if you can prevent depredation in the first place, that's the least costly and safest alternative."

Larry Schoen,Blaine County (Idaho) Commissioner

Schoen spoke at Defenders' policy forum in Washington, D.C., in September. From Conflict to Coexistence: A Collaborative Approach to Living with Wildlife hosted a diverse panel of experts and on-the-ground partners and presented national, state and county perspectives on the importance of human-wildlife coexistence to achieving species recovery.

in Wood River has attracted attention, support and funding from the county to the federal level.

Our success in Wood River has proved the nonlethal model in wolf management works. Wolves and ranchers can coexist. Defenders is now expanding the model into Oregon and Washington, states that have more recently seen the return of wolves, and even to California, which marked the return of the wolf in 2012. We are helping to begin state-run wolf compensation and coexistence programs and to provide training in proven nonlethal wolf-management methods. Now that most wolves are no longer federally protected, the expansion of coexistence projects is even more critical.



LIVING WITH WILDLIFE

Defenders' coexistence work includes more than 100 projects throughout North America. Here are our 2012 major highlights:

- ➤ In Alaska, working with the state and Native communities, we organized a series of workshops and presentations, and produced publications to educate people about avoiding conflicts with polar bears.
- ➤ In Montana, we expanded our electric fencing program, which reimburses residents living in key grizzly bear habitat for 50 percent of the cost of fencing around bear attractants like bee hives, fruit trees and chickens.
- ➤ In Arizona and New Mexico, we are working with the U.S. Fish and Wildlife Service, ranchers and state agencies on a program to provide incentives for living with wolves.
- ➤ In Florida, we continued promoting panther-resistant enclosures for pets and livestock, hosted workshops and distributed brochures about living in panther country, and worked to reduce speed limits and vehicle collisions in heavily traveled panther corridors.

RESTORE

Bringing Bison Back to the Great Plains

Defenders collaborates with tribes to bring a prairie icon home

In 2012, Defenders took an enormous step toward righting a longstanding ecological wrong when 61 wild bison from Yellowstone National Park stormed off trailers provided by Defenders and onto the Fort Peck Indian Reservation in northeastern Montana. This homecoming was a victory for wildlife and for native Plains people, whose lives and culture were intimately tied to bison.

Prior to European settlement as many as 30 million of these keystone grazers roamed the Great Plains. By the late 1800s, only one free-roaming wild population of fewer than 30 in Yellowstone remained. Since then, this core herd has grown to more than 3,000 but remains largely unwelcome outside the boundaries of the park because of pressures from a hostile ranching industry.

At Fort Peck, the bison made themselves at home, and by May more than 20 calves had been born. Our goal is to see these bison become the founders of future herds across the Great Plains.

But already some ranching interests and local politicians are fighting additional bison relocation and have managed to temporarily block future reintroduction, including one planned for Fort Belknap Reservation in north-central Montana.

Restoring bison will require continued efforts in the courts and on the ground. Our partnership with the tribes at Fort Peck and Fort Belknap is intended to endure for many years as we work to return these giant grazers to their natural role as lords of the prairie.



MEXICAN WOLVES BY THE NUMBERS

- 75 In the wild
- Pups born in 2012 that survived into their first year
 - 3 Breeding pairs
- 46 Illegally killed in the Southwest since 11 wolves were reintroduced in 1998
 - 4 Illegal killings in 2012
 - Prosecutions for killing this endangered species since 1998





Helping the Mexican Gray Wolf

Defenders pushes coexistence and new releases to secure recovery

On the 15th anniversary of the Mexican gray wolf's return to the wild, there is some good news. Counts are up to 75 wolves—surpassing a previous high of 59 wolves in 2006. But with only three known breeding pairs in 2012, scientists and wildlife advocates remain concerned by the wild population's lack of genetic diversity. Local landowners and ranchers are making great strides in coexisting with wolves, and the U.S. Fish and Wildlife Service (FWS) is now following the lead of science and keeping more wolves in the wild. But since all these wolves are the offspring of a small number of breeding pairs, this puts the entire population in a vulnerable position. Defenders is committed to restoring a healthy, sustainable population of Mexican gray wolves and continues to push FWS to release more captive-bred wolves into the wild to squeeze out every bit of their genetic potential. About 300 Mexican gray wolves live in breeding facilities but only two wolves have been released from captivity since 2006. Defenders strongly believes that the Mexican gray wolf still has a chance if action is taken today.

Restoring California's Bay Delta

Defenders advocates for the conservation of a critical Pacific coast estuary

Defenders is leading efforts to ensure that the country restores California's Bay Delta, an essential stopover for millions of migratory birds on the Pacific Flyway and an important habitat for Chinook salmon, steelhead and the endangered delta smelt. It is the largest Pacific coast estuary in the Western Hemisphere, but it has been degraded over the years by excessive demands for its water.

Efforts to siphon water from the ecosystem for industrial-scale agriculture in California's Central Valley and to fuel additional growth in urban southern California threaten all who depend on the delta.

The California Bay Delta Conservation Plan now being developed offers an opportunity to restore the ecosystem, provide reliable drinking water and support a strong economy rooted in fishing, farming and tourism. Defenders is working with stakeholders to ensure that science-based planning is used to prioritize the delta's restoration. We have also played a key role in complex negotiations with the Department of the Interior and State of California on the the delta's long-term use and restoration.

Turner Foundation



The Turner Foundation, Inc. has played a major role for more than two decades in conserving America's wildlife and natural resource heritage. Established by Ted Turner in

1990, the foundation has awarded more than \$350 million in grants for environmental protection and biodiversity conservation.

For the past 16 years, the foundation has supported Defenders' habitat and endangered species programs. For the past three, it has provided crucial support for our work to defend and strengthen the Endangered Species Act (ESA) and ensure that it remains the world's most comprehensive and effective law for the conservation of biological diversity. Grants from the Turner Foundation have enabled Defenders to educate policy makers, the media and the public about the need for a strong ESA and to mobilize public support for science-based endangered species protection and recovery policies. These efforts include countering misinformation about the ESA by highlighting the act's flexibility and the economic benefits of protecting wildlife and habitat.

"Given its unparalleled expertise on ESA policy, Defenders is the leading voice for the ESA's defense. Because of its importance for wildlife and biodiversity conservation and the vital role it plays in ensuring sound management of federal lands, a strong and effective ESA is essential to achieving both our missions. That's why we're proud to support Defenders' work to conserve and recover our nation's wildlife heritage."

-Mike Finley President. The Turner Foundation

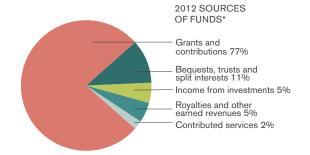
FINANCIAL REPORT

For the year ending September 30, 2012

In 2012, Defenders of Wildlife's more than I million members and supporters contributed more than \$26 million for wildlife and wildlife habitat. Law firms and others generously donated their time and expertise. The steadfast support of our donors allows Defenders to sustain our program and public education efforts in the field, the courts and on Capitol Hill.

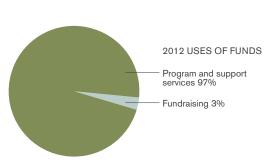
SOURCES OF FUNDS

Total Revenue	\$ 26,299
Contributed services	\$422
Royalties and other earned revenues	\$1,343
Income from investments	\$1,284
Bequests, trust and split interests	\$2,851
Grants and contributions	\$20,399



USES OF FUNDS

Net assets, end of year	\$ 22,383
Net assets, start of year	\$ 23,839
Change in net assets	\$(1,456)
Total Expenses	\$27,755
Management and general	\$3,173
Fundraising	\$903
Constituency outreach	\$2,647
Media and education	\$10,147
Law and legislation	\$2,249
Wildlife action	\$8,636



^{*} For the pie-chart illustration, we have excluded the negative loss in investments in the development of the percentages.

Dollars are in thousands.



President's Council

Donors of \$1,000 or more are recognized as members of the President's Council. This special leadership group provides important support to Defenders' programs and offers opportunities for more personal involvement in the work of the organization. Visit the President's Council website at: www.defenders.org/presidentscouncil.

Wildlife Circle

Members who support Defenders of Wildlife with a donation of \$100 to \$999 are included in our Wildlife Circle. These crucial donors are key partners in our work to protect wolves and other wildlife. In appreciation of their dedicated support, Wildlife Circle members are recognized as a part of our inner circle.

Wildlife Guardians

When you join Defenders' Wildlife Guardians, our monthly giving program, your donations can be made easily and automatically through a credit card or checking account. For more information, visit: www.defenders.org/wildlifeguardians.

Bequests and Life Income Gifts

By including Defenders as a beneficiary in your will, living trust, retirement plan, life insurance policy or other estate plan today, you can provide a legacy gift to support our mission well into the future. You can specify that Defenders receives a certain percentage, dollar amount or asset in your estate. Or you can leave specific bequests to family members and friends, and specify that Defenders receives a percentage of the remaining estate value.

To include Defenders in your will or other estate plans, please provide the following language to your professional advisor:

"I bequeath _____ (describe dollar amount, asset to be given or percentage of your residuary estate) to Defenders of Wildlife (Tax ID# 53-0183181), a nonprofit corporation organized under the laws of the District of Columbia with its principal office at 1130 17th St., N.W., Washington, D.C. 20036."

We can also help you structure life-income gifts such as charitable gift annuities or charitable trusts that support wildlife while providing income and tax advantages for you and your loved ones. If you would like more information, please call us toll free at 1.800.915.6789, email legacy@defenders.org, write to us at Office of Gift Planning, Defenders of Wildlife, 1130 17th St., N.W., Washington, D.C. 20036, or visit: www.defenders.planyourlegacy.org.

Corporate Matching Gifts

Many employers match charitable contributions made by their employees. Companies may match donations made by current employees, employees' spouses and even retirees. Check with your personnel office about your company's program or visit us at: www.defenders.org/matching.

Workplace Giving/Earth Share

Earth Share is a nationwide network of America's leading nonprofit environmental and conservation organizations that raises funds through voluntary payroll deductions at federal, state, city, corporate and private workplaces across the country. Ask about Earth Share where you work and designate Defenders of Wildlife for all or part of your gift. (CFC #10624)

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