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Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2007, or tax year beginning, 2007, and ending

G Check all that apply: Initial return, Final return, Amended return (checked), Address change, Name change

Name of foundation: SOROS ECONOMIC DEVELOPMENT FUND. Address: 400 WEST 59TH STREET, NEW YORK, NY 10019. Telephone: (212) 548-0600.

H Check type of organization: Section 501(c)(3) exempt private foundation (checked). I Fair market value of all assets at end of year: \$177,154,751. J Accounting method: Accrual (checked).

Table with 4 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12) and Operating and Administrative Expenses (13-27).

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash - non-interest-bearing . . . . .	222,142.	708,274.	708,274.	
	2	Savings and temporary cash investments . . . . .	23,567,400.	1,201,620.	1,201,620.	
	3	Accounts receivable ▶ 415,919.				
		Less allowance for doubtful accounts ▶ . . . . .	304,244.	415,919.	415,919.	
	4	Pledges receivable ▶ . . . . .				
		Less allowance for doubtful accounts ▶ . . . . .				
	5	Grants receivable . . . . .				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)				
	7	Other notes and loans receivable (attach schedule) ▶ . . . . .				
		Less allowance for doubtful accounts ▶ . . . . .				
	8	Inventories for sale or use . . . . .				
	9	Prepaid expenses and deferred charges . . . . .				
	10 a	Investments - U S and state government obligations (attach schedule)				
	b	Investments - corporate stock (attach schedule) . . . . .				
	c	Investments - corporate bonds (attach schedule) . . . . .				
	11	Investments - land, buildings and equipment basis ▶ 713.				
	Less accumulated depreciation ▶ (attach schedule) 69.		644.	644.		
12	Investments - mortgage loans . . . . .					
13	Investments - other (attach schedule) . . . . . STMT 9	102,097,975.	160,103,980.	160,103,981.		
14	Land, buildings, and equipment basis ▶ . . . . .					
	Less accumulated depreciation ▶ (attach schedule) . . . . .					
15	Other assets (describe ▶ . . . . . STMT 10)	13,399,952.	14,724,313.	14,724,313.		
16	<b>Total assets</b> (to be completed by all filers - see the instructions Also, see page 1, item I) . . . . .	139,591,713.	177,154,750.	177,154,751.		
Liabilities	17	Accounts payable and accrued expenses . . . . .	243,704.	266,755.		
	18	Grants payable . . . . .				
	19	Deferred revenue . . . . .				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule) . . . . .				
	22	Other liabilities (describe ▶ . . . . . STMT 12)	1,027,708.	1,760,868.		
23	<b>Total liabilities</b> (add lines 17 through 22) . . . . .	1,271,412.	2,027,623.			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted . . . . .	138,320,301.	175,127,127.		
	25	Temporarily restricted . . . . .		--		
	26	Permanently restricted . . . . .				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>					
	27	Capital stock trust principal, or current funds . . . . .				
	28	Paid-in or capital surplus, or land, bldg. and equipment fund . . . . .				
29	Retained earnings, accumulated income, endowment, or other funds . . . . .					
30	<b>Total net assets or fund balances</b> (see page 17 of the instructions) . . . . .	138,320,301.	175,127,127.			
31	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions) . . . . .	139,591,713.	177,154,750.			

Part III Analysis of Changes in Net Assets or Fund Balances		
1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return) . . . . .	1 138,320,301.
2	Enter amount from Part I, line 27a . . . . .	2 -369,263.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 13 . . . . .	3 37,237,849.
4	Add lines 1, 2, and 3 . . . . .	4 175,188,887.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 14 . . . . .	5 61,760.
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) - Part II, column (b), line 30 . . . . .	6 175,127,127.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE PART IV SCHEDULE				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss) . . . . .		{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	-6,664.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8. . . . .			} }	3

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? . . . .  Yes  No  
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2006	13,659,257.	117,626,176.	0.116124
2005	2,525,403.	87,169,520.	0.028971
2004	9,049,557.	60,536,684.	0.149489
2003	5,157,824.	49,900,001.	0.103363
2002	881,760.	45,778,137.	0.019262
2 Total of line 1, column (d) . . . . .			2 0.417209
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years . . . . .			3 0.083442
4 Enter the net value of noncharitable-use assets for 2007 from Part X, line 5 . . . . .			4 111,306,251.
5 Multiply line 4 by line 3 . . . . .			5 9,287,616.
6 Enter 1% of net investment income (1% of Part I, line 27b) . . . . .			6 13,733.
7 Add lines 5 and 6 . . . . .			7 9,301,349.
8 Enter qualifying distributions from Part XII, line 4 . . . . .			8 7,103,779.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)**

1a	Exempt operating foundations described in section 4940(d)(2) check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling letter _____ (attach copy of ruling letter if necessary - see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	27,465.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I line 12, col (b)	2	
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	3	27,465.
3	Add lines 1 and 2	4	NONE
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	5	27,465.
5	<b>Tax based on investment income</b> Subtract line 4 from line 3 If zero or less enter -0-	6	
6	Credits/Payments		
a	2007 estimated tax payments and 2006 overpayment credited to 2007	6a	126,275.
b	Exempt foreign organizations-tax withheld at source	6b	NONE
c	Tax paid with application for extension of time to file (Form 8868)	6c	17,500.
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	143,775.
8	Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	
9	<b>Tax due</b> If the total of lines 5 and 8 is more than line 7 enter amount owed	9	
10	<b>Overpayment</b> If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	116,310.
11	Enter the amount of line 10 to be Credited to 2008 estimated tax	11	116,310. Refunded

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
1c Did the foundation file Form 1120-POL for this year?		X
2 Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation \$ _____ (2) On foundation managers \$ _____		
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on foundation managers \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes" attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
4b If "Yes," has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes" attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) DE, NY		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2007 or the taxable year beginning in 2007 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities (continued)

11a At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes" attach schedule (see page 20 of the instructions) . . . . . 11a X
b If "Yes," did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in the attachment for line 11a? . . . . . 11b N/A
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract? . . . . . 12 X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . . 13 X
Website address N/A
14 The books are in care of MAIJA ARBOLINO Telephone no 212-548-0600
Located at 400 WEST 59TH STREET, NEW YORK, NY ZIP + 4 10019
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-F in lieu of Form 1041 - Check here N/A
and enter the amount of tax-exempt interest received or accrued during the year 15

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.
1a During the year did the foundation (either directly or indirectly)
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? Yes No X No
(2) Borrow money from lend money to or otherwise extend credit to (or accept it from) a disqualified person? Yes No X No
(3) Furnish goods services, or facilities to (or accept them from) a disqualified person? X Yes No
(4) Pay compensation to or pay or reimburse the expenses of, a disqualified person? X Yes No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? Yes No X No
(6) Agree to pay money or property to a government official? (Exception Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service if terminating within 90 days) . . . . . Yes No X No
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? . . . . . 1b X
Organizations relying on a current notice regarding disaster assistance check here
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2007? . . . . . 1c X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))
a At the end of tax year 2007, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2007? . . . . . Yes No X No
If "Yes" list the years
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed answer "No" and attach statement - see page 22 of the instructions) . . . . . 2b N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . . Yes No X No
b If "Yes," did it have excess business holdings in 2007 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2007) . . . . . 3b X
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . . 4a X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2007? . . . . . 4b X

**Part VII-B** Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?  Yes  No

(3) Provide a grant to an individual for travel, study, or other similar purposes?  Yes  No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1) (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)  Yes  No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?  Yes  No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?  **5b**  X  
Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **SEE STATEMENT 15**  Yes  No  
If "Yes" attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  **6b**  X  
If you answered "Yes" to 6a, also file Form 8870

7a At any time during the tax year was the foundation a party to a prohibited tax shelter transaction?  Yes  No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?  **7b**  N/A

**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

**1 List all officers, directors, trustees, foundation managers and their compensation (see page 23 of the instructions).**

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 16		350,848.	86,930.	28,797.

**2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
MARK NARRON NEW YORK, NY	PROGRAM OFFICER 40.00	58,203.	25,279.	

Total number of other employees paid over \$50,000  NONE

**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

**3** Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
KPMG LLP NEW YORK, NY	AUDIT AND TAX	68,000.
-----		
-----		
-----		
-----		
-----		
Total number of others receiving over \$50,000 for professional services		0

**Part IX-A** Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

**Part IX-B** Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 LOAN TO ASSOCIATION POUR LA COOPERATION AVEC LA MICRO ENTERP TO FINANCE PROJECTS WHICH PROVIDE HOUSING & INFRASTRUCURE FOR LOW & MODERATE INCOME HOUSEHOLDS IN HAITI.	1,000,000.
2 INVESTMENT IN MIKROFUND EAD TO SUPPORT THEIR LENDING PROGRAM MIKROFOND IS A MICROFINANCE COMPANY ESTABLISHED AND OPERATIN IN ECONOMICALLY-DEPRESSED AREAS OF BULGARIA.	678,663.
All other program-related investments. See page 24 of the instructions	
3 INVESTMENT IN MICROINVEST LLC TO SUPPORT THEIR LENDING PROGRAM FOR MICRO-ENTREPRENEURS IN ECONOMICALLY-DEPRESSED AREAS OF MOLDOVA.	526,587.
Total. Add lines 1 through 3	2,205,250.

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	104,369,875.
b	Average of monthly cash balances	1b	8,631,395.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	NONE
d	<b>Total</b> (add lines 1a, b and c)	1d	113,001,270.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	113,001,270.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	1,695,019.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	111,306,251.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	5,565,313.

**Part XI Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part)

1	Minimum investment return from Part X, line 6	1	5,565,313.
2a	Tax on investment income for 2007 from Part VI line 5	2a	27,465.
b	Income tax for 2007 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	27,465.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	5,537,848.
4	Recoveries of amounts treated as qualifying distributions	4	1,488,176.
5	Add lines 3 and 4	5	7,026,024.
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	7,026,024.

**Part XII Qualifying Distributions** (see page 26 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	1,198,529.
b	Program-related investments - total from Part IX-B	1b	2,205,250.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	3,700,000.
b	Cash distribution test (attach the required schedule)	3b	NONE
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	7,103,779.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I line 27b (see page 26 of the instructions)	5	N/A
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	7,103,779.

**Note:** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

**Part XIII Undistributed Income** (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2006	(c) 2006	(d) 2007
1 Distributable amount for 2007 from Part XI, line 7 . . . . .				7,026,024.
2 Undistributed income, if any, as of the end of 2006				
a Enter amount for 2006 only . . . . .			5,624,777.	
b Total for prior years . . . . .				
3 Excess distributions carryover if any, to 2007				
a From 2002 . . . . .				
b From 2003 . . . . .				
c From 2004 . . . . .				
d From 2005 . . . . .				
e From 2006 . . . . .				
f Total of lines 3a through e . . . . .				
4 Qualifying distributions for 2007 from Part XII, line 4 ▶ \$ <u>7,103,779.</u>				
a Applied to 2006, but not more than line 2a . . . . .			5,624,777.	
b Applied to undistributed income of prior years (Election required - see page 27 of the instructions) . . . . .				
c Treated as distributions out of corpus (Election required - see page 27 of the instructions) . . . . .				
d Applied to 2007 distributable amount . . . . .				1,479,002.
e Remaining amount distributed out of corpus . . . . .				
5 Excess distributions carryover applied to 2007 . . . . . (If an amount appears in column (d) the same amount must be shown in column (a) )				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b . . . . .				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .				
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions . . . . .				
e Undistributed income for 2006 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions . . . . .				
f Undistributed income for 2007 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2008 . . . . .				5,547,022.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions) . . . . .				
8 Excess distributions carryover from 2002 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .				
9 Excess distributions carryover to 2008. Subtract lines 7 and 8 from line 6a . . . . .				
10 Analysis of line 9				
a Excess from 2003 . . . . .				
b Excess from 2004 . . . . .				
c Excess from 2005 . . . . .				
d Excess from 2006 . . . . .				
e Excess from 2007 . . . . .				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2007, enter the date of the ruling

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

Table with 5 main columns: Tax year (a) 2007, (b) 2006, (c) 2005, (d) 2004, and (e) Total. Rows include 2a (Adjusted net income), 2b (85% of line 2a), 2c (Qualifying distributions from Part XII), 2d (Amounts included in line 2c not used directly for active conduct of exempt activities), 2e (Qualifying distributions made directly for active conduct of exempt activities), 3 (Alternative tests), 3a (Assets' alternative test), 3b (Endowment alternative test), and 3c (Support alternative test).

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see page 28 of the instructions.)

1 Information Regarding Foundation Managers:
a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2) )

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here [X] if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

b The form in which applications should be submitted and information and materials they should include

c Any submission deadlines

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

**Part XV** Supplementary Information (continued)

**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<p>a <i>Paid during the year</i></p> <p>SEE STATEMENT 19</p>				
<b>Total</b> . . . . .				▷ 3a 135,600-
<p>b <i>Approved for future payment</i></p>				
<b>Total</b> . . . . .				▷ 3b

**Part XVI-A Analysis of Income-Producing Activities**

Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a SEE STATEMENT 20					546,393.
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	444,730.	
4 Dividends and interest from securities			14	767,104.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	-6,664.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				1,205,170.	546,393.
13 Total Add line 12, columns (b) (d), and (e)				13	1,751,563.

(See worksheet in line 13 instructions on page 29 to verify calculations)

**Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes**

Line No.	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions)
1(A)	THE PROGRAM FEE INCOME REPORTED IN ITEM 1(A) OF PART XVI-A WAS PAID TO SEDF IN CONNECTION WITH LENDING PROGRAMS SUPPORTED BY SEDF - ISSUED GUARANTEES. SEDF PROVIDES GUARANTEES TO FINANCIAL INSTITUTIONS MAINLY IN THE FORMER COMMUNIST BLOCK IN ORDER TO INDUCE THEM TO LEND TO SMALL AND MEDIUM ENTERPRISES THAT WOULD OTHERWISE BE UNABLE TO ACCESS FINANCING NEEDED TO FOSTER BUSINESS ACTIVITY AND CREATE JOBS IN THESE DEVELOPING ECONOMIES. THESE PROGRAM PREMIUMS ARE PAID TO SEDF IN EXCHANGE FOR PROVIDING THE GUARANTEES. THESE ACTIVITIES CONTRIBUTED TO SEDF'S EXEMPT PURPOSES BY ALLEVIATING POVERTY AND COMMUNITY DETERIORATION IN ECONOMICALLY DEPRESSED AREAS OF THE WORLD.
1(B)	SEE STATEMENT 22
(C) &	
(D) &	
(E)	



**SOROS ECONOMIC DEVELOPMENT FUND**  
**2007 U.S. RETURN OF PRIVATE FOUNDATION**

**INTERNATIONAL REORGANIZATIONS**

**STATEMENT PURSUANT TO TREASURY REG. SECTION 1.351-3(a) BY SOROS  
ECONOMIC DEVELOPMENT FUND, EIN 13-3965896, A SIGNIFICANT  
TRANSFEROR**

- (1) Transferor and Transferee Corporations:  
  
SOROS Economic Development Fund, EIN 13-3965896, contributed \$678,663 (BGN 819,200) to Mikrofond EAD, no EIN, and received an equity interest in exchange. The transaction constituted a Section 351 transfer to Mikrofond EAD for U.S. tax purposes.
- (2) The contribution to Mikrofond EAD occurred on December 13, 2007.
- (3) The aggregate fair market value of the cash contributed was \$678,663 (BGN 819,200).
- (4) There were no private letter rulings issued by the IRS in connection with this section 351 exchange.

**SOROS ECONOMIC DEVELOPMENT FUND**  
**2007 U.S. RETURN OF PRIVATE FOUNDATION**

**INTERNATIONAL REORGANIZATIONS**

**STATEMENT PURSUANT TO TREASURY REG. SECTION 1.351-3(a) BY SOROS ECONOMIC DEVELOPMENT FUND, EIN 13-3965896, A SIGNIFICANT TRANSFEROR**

(1) Transferor and Transferee Corporations:

SOROS Economic Development Fund, EIN 13-3965896, contributed \$523,705 (MDL 5,271,500) to Microinvest LLC, no EIN, and received an equity interest in exchange. The transaction constituted a Section 351 transfer to Microinvest LLC for U.S. tax purposes.

(2) The contribution to Microinvest LLC occurred on December 7, 2007.

(3) The aggregate fair market value of the cash contributed was \$523,705 (MDL 5,271,500).

(4) There were no private letter rulings issued by the IRS in connection with this section 351 exchange

**SOROS ECONOMIC DEVELOPMENT FUND**  
**2007 U.S. RETURN OF PRIVATE FOUNDATION**

**INTERNATIONAL REORGANIZATIONS**

**STATEMENT PURSUANT TO TREASURY REG. SECTION 1.351-3(a) BY SOROS ECONOMIC DEVELOPMENT FUND, EIN 13-3965896, A SIGNIFICANT TRANSFEROR**

- (1) Transferor and Transferee Corporations:  
  
SOROS Economic Development Fund, EIN 13-3965896, contributed \$2,882 (MDL 31,174) to Microinvest LLC, no EIN, and received an equity interest in exchange. The transaction constituted a Section 351 transfer to Microinvest LLC for U.S. tax purposes.
- (2) The contribution to Microinvest LLC occurred on December 19, 2007.
- (3) The aggregate fair market value of the cash contributed was \$2,882 (MDL 31,174).
- (4) There were no private letter rulings issued by the IRS in connection with this section 351 exchange.

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
NATEXIS BLEICHROEDER	444,730.	444,730.
TOTAL	444,730.	444,730.

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INTEREST INCOME ON SMITH BARNEY HOLDINGS	760,089.	760,089.
DIVIDENDS ON SMITH BARNEY HOLDINGS	7,015.	7,015.
TOTAL	767,104.	767,104.

FORM 990PF, PART I - OTHER INCOME

=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
-----	-----	-----
PROGRAM FEE INCOME	27,549.	
INTEREST ON PROGRAM RELATED INVESTMENTS	168,777.	168,777.
EQUITY IN INCOME OF INVESTEES	10,038.	
INTEREST INCOME ON LOC DEPOSIT	21,099.	21,099.
GAIN ON FOREIGN CURRENCY TRANSACTIONS	318,930.	
	-----	-----
TOTALS	546,393.	189,876.
	=====	=====

FORM 990PF, PART I - LEGAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
LEGAL FEES	80,569.			79,673.
LEGAL FEES - SERVICE AGREEMENT	145,197.			145,197.
TOTALS	225,766.	NONE	NONE	224,870.

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
ACCOUNTING FEES	71,400.			68,000.
ACCOUNTING - SERVICE AGREEMENT	32,594.			32,594.
TOTALS	103,994.	NONE	NONE	100,594.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	CHARITABLE PURPOSES
ACTUARY FEES	3,119.	3,119.
CONSULTING FEES	41,921.	31,921.
TECHNICAL SUPPORT - UBB	474.	474.
TECHNICAL SUPPORT - IK BANKA	27,076.	27,076.
PROF SRVCS - SERVICE AGREEMENT	330,900.	280,205.
BENEFITS - SERVICE AGREEMENT	233,295.	142,554.
TOTALS	636,785.	485,349.

FORM 990PF, PART I - TAXES  
=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS
-----	-----
FEDERAL EXCISE TAXES	14,797.
TOTALS	----- 14,797. =====

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
OTHER OFFICE SERVICES	2,115.		2,115.
BANK CHARGES AND L/C CHARGES	27,134.		27,134.
PROVISION FOR FOREIGN TAX	6,198.	6,198.	
DEFERRED FEDERAL EXCISE TAX	740,825.		
NATEXIS BLEICROEDER FEE	22,252.	22,252.	
TELECOMMUNICATIONS	19,263.		16,072.
LIABILITY INSURANCE	29,774.		29,774.
SHIPPING	875.		889.
OTHER EXPENSES	55,369.		78,846.
TOTALS	903,805.	28,450.	154,830.

FORM 990PF, PART II - OTHER INVESTMENTS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
QUANTUM ENDOWMENT FUND CLASS C	102,097,975.	139,165,910.	139,165,911.
FIXED INCOME SECURITIES		20,938,070.	20,938,070.
TOTALS	102,097,975.	160,103,980.	160,103,981.

## FORM 990PF, PART II - OTHER ASSETS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
PROGRAM RELATED INVESTMENTS: AT LOWER OF COST OR FAIR VALUE			
LOANS:			
MICROINVEST, MOLDOVA	231,047.	257,749.	257,749.
MIKROHITEL, HUNGARY	500,000.	500,000.	500,000.
ECONOMIC DEVELOPMENT CENTER, ROMANIA	1,700,000.	1,700,000.	1,700,000.
NURCHA, SOUTH AFRICA	8,829,077.	9,128,499.	9,128,499.
IMPUTED INTEREST-NURCHA LOAN	-2,927,254.	-2,683,311.	-2,683,311.
MIKROFOND BULGARIA	300,000.		
SOUTH AFRICA FINANCING ENTERPR	2,000,000.	2,000,000.	2,000,000.
ACME, HAITI		1,000,000.	1,000,000.
DEPOSITS:			
MI-BANCO, PANAMA	1,000,000.	1,000,000.	1,000,000.
NOA SAVINGS AND LOAN, CROATIA	500,000.	250,000.	250,000.
IK BANKA, MACEDONIA	1,032,921.	1,152,293.	1,152,293.
NONMARKETABLE SEC-AT EQUITY:			
SOUTH AFRICA FINANCING ENTERPR	366,157.	376,195.	376,195.
MIKROFOND (BULGARIA)		616,903.	616,903.
OTHER-LOWER OF COST/FAIR VALUE			
CMMN STCK & OTHR EQUITY INVMT:			
INT'L GUARANTEE FUND, SWISS	942,261.		
GLOBAL COMMERCIAL MICROFINANCE			
CONSORTIUM, LTD,CAYMAN ISLANDS	1,000,000.	1,000,000.	1,000,000.
MICROINVEST, MOLDOVA		481,507.	481,507.
MI-BANCO, PANAMA	25,000.	25,001.	25,001.
ALLOWANCE FOR EST. LOSSES ON PROGRAM RELATED INVESTMENTS	-2,099,257.	-2,080,523.	-2,080,523.

FORM 990PF, PART II - OTHER ASSETS  
=====

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
TOTALS	13,399,952.	14,724,313.	14,724,313.

FORM 990PF, PART II - OTHER LIABILITIES

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
DEFERRED FEDERAL EXCISE TAXES	476,876.	1,217,701.
ALLOWANCE FOR ESTIMATED LOSSES ON PRI GUARANTEES	314,770.	305,205.
FAIR VALUE OF LOAN GUARANTEES ISSUED	236,062.	237,962.
TOTALS	1,027,708.	1,760,868.

FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES  
=====

DESCRIPTION -----	AMOUNT -----
UNREALIZED GAIN ON INVESTMENTS	36,918,642.
IMPUTED INTEREST INCOME	319,207.
	-----
TOTAL	37,237,849.
	=====

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES  
=====

DESCRIPTION -----	AMOUNT -----
FOREIGN CURRENCY TRANSLATION LOSS	61,760. -----
TOTAL	61,760. =====

FORM 990PF, PART VIIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
STEWART J. PAPERIN 400 WEST 59TH STREET NEW YORK, NY 10019	PRES/CEO 6.00	NONE	NONE	2,335.
EMPLOYED AND PAID BY THE OPEN SOCIETY INSTITUTE (OSI).				
DANIEL R. EULE 888 SEVENTH AVENUE NEW YORK, NY 10106	TREASURER 1.00	NONE	NONE	2,335.
RICARDO A. CASTRO 400 WEST 59TH STREET NEW YORK, NY 10019	SECRETARY 1.00	NONE	NONE	2,335.
EMPLOYED AND PAID BY THE OPEN SOCIETY INSTITUTE (OSI).				
HERBERT STURZ 400 WEST 59TH STREET NEW YORK, NY 10019	CHAIR/DIRECTOR 1.00	NONE	NONE	2,335.
STEVEN C. ROCKEFELLER EDUCATIONAL ADVENTURES LLC 16 NEW BROADWAY SLEEPY HOLLOW, NY 10591	DIRECTOR (UNTIL 10/07) 1.00	NONE	NONE	1,945.
ANDREW ROMAY C/O RG NIEDERHOFFER CAPITAL MGMT.	DIRECTOR 1.00	NONE	NONE	2,335.

## FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
1700 BROADWAY, 39TH FLOOR NEW YORK, NY 10019				
NEAL DELAURENTIS 400 WEST 59TH STREET NEW YORK, NY 10019	VICE PRESIDENT 40.00	104,891.	43,110.	2,335.
EMPLOYED AND PAID BY THE OPEN SOCIETY INSTITUTE (OSI). SEE STATEMENT 21 FOR FURTHER DETAILS REGARDING SERVICE AGREEMENT BETWEEN SEDF AND OSI.				
JONATHAN SOROS 888 SEVENTH AVENUE, 33RD FLOOR NEW YORK, NY 10106	DIRECTOR 1.00	NONE	NONE	2,335.
ROBERT SOROS 888 SEVENTH AVENUE, 33RD FLOOR NEW YORK, NY 10106	DIRECTOR 1.00	NONE	NONE	2,335.
MARIA SANTOS VALENTIN 400 WEST 59TH STREET NEW YORK, NY 10019	GENERAL COUNSEL 27.40	117,917.	27,280.	2,335.
EMPLOYED AND PAID BY THE OPEN SOCIETY INSTITUTE (OSI). SEE STATEMENT 21 FOR FURTHER DETAILS REGARDING SERVICE AGREEMENT BETWEEN SEDF AND OSI.				
NASSAR AHMAD DIMAIQ AHMAD CAPITAL 245 PARK AVENUE 44TH FLOOR NEW YORK, NY 10167	DIRECTOR 1.00	NONE	NONE	2,335.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
FAWZIA NAQVI 400 WEST 59TH STREET NEW YORK, NY 10019	VICE PRESIDENT 40.00	128,040.	16,540.	2,335.
EMPLOYED AND PAID BY THE OPEN SOCIETY INSTITUTE (OSI). SEE STATEMENT 21 FOR FURTHER DETAILS REGARDING SERVICE AGREEMENT BETWEEN SEDF AND OSI.				
REUBEN ABRAHAM GACHIBOWLI 500 032 HYPERABAD INDIA	DIRECTOR (AS OF 06/07) 1.00	NONE	NONE	1,167.
GRAND TOTALS		350,848.	86,930.	28,797.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR  
AND

RECIPIENT NAME AND ADDRESS	FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
THE TIDES CENTER 2024 LINCOLN BOULEVARD SAN FRANCISCO, CA 94129	501(C)3 PUBLIC CHARITY	MATCHING GIFT DONATION FROM EMPLOYEE.	600
FUNDACJA CENTRUM ORGANIZACJI POZYCZKOWYC UL. KOSZYKOWA 60/62 M. 52 00-673 WARSAW POLAND	FOREIGN ORGANIZATION	TO PUBLISH THE MICROFINANCE POLICY MONITOR, A SEMI-ANNUAL PUBLICATION PROVIDING NEWS, UPDATES, SURVEYS AND ANALYSIS OF THE REGULATORY ENVIRONMENT FACED BY MICROFINANCE PRACTITIONERS IN EASTERN EUROPE AND CENTRAL ASIA	50,000
MICROFINANCE INFORMATION EXCHANGE INC 1901 PENNSYLVANIA AVENUE, SUITE 307 WASHINGTON, DC 20006	501(C)3 PUBLIC CHARITY	TO SUPPORT THE DASHBOARD, AN ONLINE INTELLIGENT DATABASE FOR ORGANIZING AND ANALYSING MICROFINANCE INSTITUTION FINANCIAL INFORMATION.	85,000.
TOTAL CONTRIBUTIONS PAID			135,600.

FORM 990-PF, PART XVI-A - ANALYSIS OF PROGRAM SERVICE REVENUE

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
PROGRAM FEE INCOME					27,549.
INTEREST ON PRI'S					168,717.
FOREIGN EXCHANGE GAINS					318,930.
INCOME ON PRI'S UNDER EQUITY METHOD OF ACCOUNTING					10,038.
LOC DEPOSIT INCOME					21,099.
TOTALS					546,393.

**FORM 990-PF - PART IV  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
8,000,800.		MBNA BOND PROPERTY TYPE: SECURITIES 8,007,464.				P	07/18/2007	10/02/2007
							-6,664.	
TOTAL GAIN (LOSS) .....							----- -6,664. =====	.

# SOROS ECONOMIC DEVELOPMENT FUND (SEDF)

## Grants and Program-Related Investments Expenditure Responsibility Report, 2007

### Equity Investments

PRJ Recipient	Date of PRI	Purpose	Total amount of PRI	Amount Expended in 2007	Amount disbursed by SEDF since inception	Knowledge of Diversion?	Report Received
International Guarantee Fund (IGF) c/o RAFAD C.P. 117 rue de Varembe 1 CH 1211 Geneva, Switzerland	11/15/2002	Purchase of membership share certificates in Swiss cooperative to support its program expansion, which will provide credit enhancement to local commercial banks so that they may provide loans to micro and small enterprises in less developed countries in Africa and Latin America.	U.S. \$1,027,327 <sup>1</sup>	U.S. \$0	U.S. \$1,149,090 <sup>2</sup>	No	08/14/2008
South Africa Financing Enterprise (SAFE) 400 West 59 <sup>th</sup> Street New York, NY 10019	1/10/2003	Equity investment in a Delaware special purpose vehicle to: (i) help provide affordable housing for low-income people in South Africa, and (ii) provide capital to small, emerging developets and contractors that would otherwise not have access to such capital	U.S. \$525,000	U.S. \$0	U.S. \$525,000	No	9/30/2008

STMT 15

<sup>1</sup> The original PRI commitment was in Swiss Francs (CHF 1,500,000). The U.S. dollar amount is provided for information purposes and is calculated as of the date of the PRI agreement at the exchange rate of CHF 1.4601 to US\$1.00

<sup>2</sup> While the obligation was in a foreign currency, the US dollar amount reflects the amount of US dollars actually disbursed since the inception of the PRI to satisfy such foreign currency obligation

**SOROS ECONOMIC DEVELOPMENT FUND (SEDF)**  
**Grants and Program-Related Investments**  
**Expenditure Responsibility Report, 2007**

PRI Recipient	Date of PRI	Purpose	Total amount of PRI	Amount Expended in 2007	Amount disbursed by SEDF since inception	Knowledge of Diversion?	Report Received
Corporación Micro-Financiera Nacional S.A. Apartado Postal 0832-1174 WTC Panama City, PANAMA	2/27/2003	Equity in Panamanian corporation organized as a sociedad anónima to support micro-lending and other financial services to low income and disenfranchised people who would otherwise not have access to financial services	US \$25,000	US \$0	US \$25,000	No	04/18/2008
Global Comercial Microfinance Consortium	12/7/2005	Equity in Cayman Islands exempted company to encourage private sector local banks to lend to microfinance institutions worldwide and develop indigenous financial systems that serve the poor.	US \$1,000,000	US \$0	US \$1,000,000	No	06/20/2008

# SOROS ECONOMIC DEVELOPMENT FUND (SEDF)

## Grants and Program-Related Investments Expenditure Responsibility Report, 2007

PRI Recipient	Date of PRI	Purpose	Total amount of PRI	Amount Expended in 2007	Amount disbursed by SEDF since inception	Knowledge of Diversion?	Report Received
Microinvest LLC 16, Puskun str Chisinau, MD-2012 Moldova	12/03/2007	Equity in non-banking financial institution to expand and strengthen the microfinance program serving rural and per-urban communities in Moldova	US \$742,307 <sup>3</sup>	US \$526,587	US \$800,997 <sup>4</sup>	No	9/30/2008
Mikrofond E.A.D. 118-120 Kirl i Metodu str, Sofia 120 Bulgaria	12/12/2007	Equity investment to purchase 9,779 shares of Mikrofond EAD to expand its lending activities to marginalized communities in Bulgaria	US \$735,400 <sup>5</sup>	US \$678,663	US \$803,577 <sup>6</sup>	No	6/19/2008

STMT 15

<sup>3</sup> The original PRI commitment was made in Euros (EUR €500,000). The US dollar amount is provided for information purposes and is calculated as of the date of the PRI agreement at the exchange rate of EUR€1 47080 to US\$1 00

<sup>4</sup> While the obligation was in a foreign currency, the US dollar amount reflects the amount of US dollars actually disbursed to satisfy such a foreign currency obligation

<sup>5</sup> The original PRI commitment was made in Moldovan Lei (MDL 8,250,000). The US dollar amount is provided for information purposes and is calculated as of the date of the PRI agreement at the exchange rate of US\$1 00 to MDL 11,11400

<sup>6</sup> While the obligation was in a foreign currency, the US dollar amount reflects the amount of US dollars actually disbursed to satisfy such a foreign currency obligation

**SOROS ECONOMIC DEVELOPMENT FUND (SEDF)**  
**Grants and Program-Related Investments**  
**Expenditure Responsibility Report, 2007**

**Deposits**

PRJ Recipient	Date of PRI	Purpose	Total amount of PRI	Amount Expended in 2007	Amount disbursed by SEDF since inception	Knowledge of Diversion?	Report Received
Export and Credit Bank Str. 11 Oktomvri No 8 POB 421 91000 Skopje, Macedonia	3/15/1999	Deposit in Macedonian Bank to guarantee a lending program for farmers and micro-enterprises in rural Macedonia.	US \$500,000 <sup>7</sup>	U.S. \$0	US \$521,304 <sup>8</sup>	No	1/31/2008
	3/15/2004	Additional deposit in Macedonian Bank to guarantee a lending program for farmers and micro-enterprises in rural Macedonia	US \$305,950 <sup>9</sup>	U.S. \$0	US \$338,277 <sup>10</sup>	No	1/31/2008
MiBanco, S.A. BMF San Miguelito, Paraiso Ave Principal, Calle E Apartado Postal 0832-1174 WTC Panama City, PANAMA	2/27/2003	Deposit in Panamanian bank to provide funds to Mi-Banco to support its micro- and small-business lending activities aimed at providing financial services to the low-income population in Panama	U.S. \$1,000,000	US \$0	US \$1,000,000	No	04/18/2008

STMT 15

<sup>7</sup> The PRI commitment was originally US \$500,000 but the outstanding balance in the deposit and the remaining commitment were subsequently amended to total EUR €534,000 on May 15, 2002

<sup>8</sup> The US dollar amount reflects the amount of US dollars actually disbursed since the inception of the PRI including those US dollars that were used to pay the foreign currency obligation when the original obligation was changed from US dollars to Euros

<sup>9</sup> The original PRI commitment was made in Euros (EUR €250,000) The US dollar amount is provided for information purposes and is calculated as of the date of the PRI agreement at the exchange rate of EUR€0.81712 to US\$1.00

<sup>10</sup> While the obligation was in a foreign currency, the US dollar amount reflects the amount of US dollars actually disbursed since the inception of the PRI to satisfy such foreign currency obligation

**SOROS ECONOMIC DEVELOPMENT FUND (SEDF)  
Grants and Program-Related Investments  
Expenditure Responsibility Report, 2007**

**Deposits**

PRI Recipient	Date of PRI	Purpose	Total amount of PRI	Amount Expended in 2007	Amount disbursed by SEDF since inception	Knowledge of Diversion?	Report Received
NOA Stedno-Kreditna Zadruga Zupanijska 19/1 Osijek, CROATIA	5/26/2004	Deposit in Croatian Savings and Loan Cooperative to support lending to micro and small enterprises in areas heavily affected by the war of the 1990s	US \$500,000	U.S. \$0	U.S. \$500,000	No	Not received

**SOROS ECONOMIC DEVELOPMENT FUND (SEDF)  
Grants and Program-Related Investments  
Expenditure Responsibility Report, 2007**

**Loans**

PRI Recipient	Date of PRI	Purpose	Total amount of PRI	Amount Expended in 2007	Amount disbursed by SEDF since inception	Knowledge of Diversion?	Report Received
Center for Economic Development (CDE) Calea Victoriei 155, bl. D1 sc 6, et 2, P.B 22-196, Bucharest, Romania	3/2/2001	Loan to a Romanian NGO to finance programs that enable private farms and individual entrepreneurs to access financing on terms not otherwise commercially available in deteriorated and economically depressed parts of Romania  Additional loan to secure a \$7 million loan from the Romanian Ministry of Labor to expand the Center's micro-lending program in depressed regions of Romania	U.S. \$2,000,000	U.S. \$0	U.S. \$2,000,000	No	05/05/08
	12/12/2005		U.S. \$700,000	U.S. \$0	U.S. \$700,000	No	05/05/08
Association pour la Coopération avec la Micro Entreprise (ACME)	11/20/2007	Loan to not-for-profit micro-lender to expand outside of the capital city and transform into a joint-stock company	U.S. \$1,000,000	U.S. \$1,000,000	U.S. \$1,000,000	No	10/03/08

**SOROS ECONOMIC DEVELOPMENT FUND (SEDF)**  
**Grants and Program-Related Investments**  
**Expenditure Responsibility Report, 2007**

PRI Recipient	Date of PRI	Purpose	Total amount of PRI	Amount Expended in 2007	Amount disbursed by SEDF since inception	Knowledge of Diversion?	Report Received
South Africa Financing Enterprise (SAFE) 400 West 59th Street New York, NY 10019	1/10/2003	Loan to a special purpose vehicle to: (i) help provide affordable housing for low-income people in South Africa, and (ii) provide capital to small, emerging developers and contractors that would otherwise not have access to such capital.	US \$2,000,000	US \$0	US \$2,000,000	No	08/21/2008
Mikrofond E.A.D 118-120 Kurl i Metodiu str, Sofia 120 Bulgaria	11/26/2003	Loan to a Bulgarian joint stock company to help strengthen Mikrofond's capital base and increase its funding base in support of its Lending Program designed to promote community self-sustainability and to create employment opportunities for underprivileged members of Bulgaria's economically depressed communities.	US \$300,000	US \$0	U.S. \$300,000	No	6/19/2008

**SOROS ECONOMIC DEVELOPMENT FUND (SEDF)**

**Grants and Program-Related Investments**

**Expenditure Responsibility Report, 2007**

PRI Recipient	Date of PRI	Purpose	Total amount of PRI	Amount Expended in 2007	Amount disbursed by SEDF since inception	Knowledge of Diversion?	Report Received
Microinvest LLC 16, Puskin str Chisinau, MD-2012 Moldova	12/07/2005	Loan to Moldovan micro-finance company to support its lending program for micro-entrepreneurs in economically depressed rural areas of Moldova.	U S \$205,210 <sup>11</sup>	U S \$0	U S \$208,905 <sup>12</sup>	No	9/30/2008
Mikrohotel 14 Pozsonyi 1137 Budapest Hungary	12/15/2006	Loan to Hungarian micro-finance company to support its lending program to offer bridge loans for not-for-profit organizations administering European Commission TANODA program.	U.S \$500,000	U S \$500,000	U S \$500,000	No	10/09/2008

STMT 15

<sup>11</sup> The original PRI commitment was in Euros (€175,000). The U S dollar amount is provided for information purposes only and is calculated as of the date of the PRI agreement at the exchange rate of EUR € 0.85278 to US\$1.00

<sup>12</sup> While the obligation was in a foreign currency, the US dollar amount reflects the amount of US dollars actually disbursed to satisfy such a foreign currency obligation

**SOROS ECONOMIC DEVELOPMENT FUND (SEDF)**

**Grants and Program-Related Investments  
Expenditure Responsibility Report, 2007**

**Grants**

<b>PRI Recipient</b>	<b>Date of PRI</b>	<b>Purpose</b>	<b>Total amount of PRI</b>	<b>Amount Expended in 2007</b>	<b>Amount disbursed by SEDF since inception</b>	<b>Knowledge of Diversion?</b>	<b>Report Received</b>
Tameer Microfinance Bank 15-A, Block 7 & 8, Central Commercial Area Cooperative Housing Society Karachi 75350 Pakistan	12/19/2006	Grant to expand outreach of microfinance services to low- and moderate income clients by connecting to an interbank ATM switch and a payment settlement network	US \$175,000	US \$175,000	US \$175,000	No	2/28/2008
Fundacja Centrum Organizacji Pozytywnych	06/27/07	Grant to publish the Microfinance Policy Monitor, a semi-annual publication providing news, updates, surveys and analysis of the regulatory environment faced by microfinance practitioners in Eastern Europe and Central Asia	US \$50,000	US \$50,000	US \$50,000	No	7/31/2008
Microfinance Information Exchange	07/27/07	Grant to support the Dashboard, and online intelligent database for organizing and analyzing microfinance institution financial information	US \$85,000	US \$85,000	US \$85,000	No	10/10/2008

SOROS ECONOMIC DEVELOPMENT FUND

Agreement with the Open Society Institute

In 2005, Soros Economic Development Fund (SEDF) entered into an agreement with the Open Society Institute (OSI), a New York charitable trust founded and funded by George Soros that established and funded SEDF, whereby SEDF has agreed to pay for certain services to be provided by OSI. Pursuant to the agreement, OSI maintains on its payroll and benefit plans certain employees who provide services to SEDF. OSI also provides office space and other overhead items, including support services, to SEDF in accordance with the agreement. Beginning in 2006, OSI and SEDF agreed that all of the activities of the Economic and Business Development Program of OSI (EBD) would be transferred to SEDF, and all of the EBD staff would be allocated to work for SEDF on a full-time basis. In exchange for OSI's services, SEDF pays to OSI its proportionate share of the cost incurred by OSI to provide such services, which amounted to approximately \$830,766 during 2007, of which \$660,000 represents salaries and benefits.

PART XVI-B - RELATIONSHIPS OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES

1) B) \$95,909 OF THE INTEREST RELATES TO A LOAN OF \$ 2,000,000 -- TO SOUTH AFRICA FINANCING ENTERPRISE INC (SAFE) SAFE PROVIDED A GUARANTEE TO RAND MERCHANT BANK (RMB) IN SOUTH AFRICA TO SUPPORT THE SOUTH AFRICAN RAND EQUIVALENT OF A \$ 20 MILLION, FIVE-YEAR REVOLVING CREDIT FACILITY ISSUED BY RMB TO NURCHA FINANCE COMPANY LTD (NFC) NFC WILL USE THE PROCEEDS OF THE CREDIT FACILITY TO PROVIDE BRIDGE LOANS TO BORROWERS THAT HAVE FINANCING AGREEMENTS WITH LOCAL OR PROVINCIAL GOVERNMENTS AND OTHER APPROVED ENTITIES TO CONSTRUCT LOW-INCOME HOUSING AND ASSOCIATED INFRASTRUCTURE IN SOUTH AFRICA

\$31,627 OF THE INTEREST RELATES TO A DEPOSIT MADE WITH MIBANCO, A PANAMANIAN BANK THE PURPOSE OF SEDF'S INVESTMENT IS TO PROVIDE FUNDS TO MIBANCO TO SUPPORT ITS MICRO- AND SMALL-BUSINESS LENDING ACTIVITIES

\$17,336 OF INTEREST RELATES TO A DEPOSIT MADE WITH NOA SAVINGS AND LOAN COOPERATIVE (NOA) SEDF'S INVESTMENT IS TO HELP STRENGTHEN NOA'S CAPITAL POSITION NOA OFFERS LOANS FOR START -UP BUSINESSES, FAMILY FARMS AND OTHER SOCIALLY VULNERABLE GROUPS IN CROATIA

\$23,905 OF INTEREST RELATES TO OTHER PROGRAM-RELATED INVESTMENTS

1) C REPRESENTS FOREIGN CURRENCY TRANSLATION GAINS RESULTING FROM SEDF'S OPERATIONS

1) D REPRESENTS INCOME FROM PROGRAM RELATED INVESTMENT, SAFE, USING THE EQUITY METHOD OF ACCOUNTING

1) E REPRESENTS INTEREST INCOME ON DEPOSITS WITH BANKS TO COLLATERALIZE LETTERS OF CREDIT

# Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the separate instructions for Form 1041 (also for Form 5227 or Form 990-T, if applicable).

Name of estate or trust

SEDF AMENDED 2007

Employer identification number

13-3965896

Note: Form 5227 filers need to complete **only** Parts I and II

**Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less**

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 40 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b . . . . .	<b>1b</b>	-6,664.
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 . . . . .	<b>2</b>	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .	<b>3</b>	
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2006 Capital Loss Carryover Worksheet . . . . .	<b>4</b>	( )
5 <b>Net short-term gain or (loss).</b> Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back. . . . . ▶	<b>5</b>	-6,664.

**Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year**

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 40 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b. . . . .	<b>6b</b>	
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 . . . . .	<b>7</b>	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .	<b>8</b>	
9 Capital gain distributions . . . . .	<b>9</b>	
10 Gain from Form 4797, Part I . . . . .	<b>10</b>	
11 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2006 Capital Loss Carryover Worksheet . . . . .	<b>11</b>	( )
12 <b>Net long-term gain or (loss).</b> Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back. . . . . ▶	<b>12</b>	

<b>Part III Summary of Parts I and II</b> Caution: Read the instructions <i>before</i> completing this part		(1) Beneficiaries' (see page 41)	(2) Estate's or trust's	(3) Total
<b>13</b>	Net short-term gain or (loss) . . . . .			-6,664.
<b>14</b>	Net long-term gain or (loss).			
a	Total for year . . . . .	<b>14a</b>		
b	Unrecaptured section 1250 gain (see line 18 of the wrksht) . . . . .	<b>14b</b>		
c	28% rate gain . . . . .	<b>14c</b>		
<b>15</b>	Total net gain or (loss). Combine lines 13 and 14a . . . . . ▶	<b>15</b>		-6,664.

**Note:** If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a) If lines 14a and 15, column (2), are net gains, go to Part V and do not complete Part IV If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary

**Part IV Capital Loss Limitation**

<b>16</b>	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the <b>smaller</b> of a The loss on line 15, column (3) or b \$3,000.	<b>16</b>	( 3,000.)
-----------	--	-----------	-----------

**Note:** If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 42 of the instructions to figure your capital loss carryover

**Part V Tax Computation Using Maximum Capital Gains Rates**

**Form 1041 filers.** Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero

**Caution:** Skip this part and complete the worksheet on page 43 of the instructions if

- Either line 14b, col (2) or line 14c, col (2) is more than zero, or
- Both Form 1041 line 2b(1), and Form 4952 line 4g are more than zero

**Form 990-T trusts.** Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero Skip this part and complete the worksheet on page 43 of the instructions if either line 14b col (2) or line 14c, col (2) is more than zero

<b>17</b>	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) . . . . .	<b>17</b>		
<b>18</b>	Enter the <b>smaller</b> of line 14a or 15 in column (2) but not less than zero . . . . .	<b>18</b>		
<b>19</b>	Enter the estate's or trust's qualified dividends from Form 1041 line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) . . . . .	<b>19</b>		
<b>20</b>	Add lines 18 and 19 . . . . .	<b>20</b>		
<b>21</b>	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise enter -0- . . . . . ▶	<b>21</b>		
<b>22</b>	Subtract line 21 from line 20 If zero or less, enter -0- . . . . .	<b>22</b>		
<b>23</b>	Subtract line 22 from line 17 If zero or less, enter -0- . . . . .	<b>23</b>		
<b>24</b>	Enter the <b>smaller</b> of the amount on line 17 or \$2 150 . . . . .	<b>24</b>		
<b>25</b>	Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 through 27 go to line 28 and check the "No" box <input type="checkbox"/> No. Enter the amount from line 23 . . . . .	<b>25</b>		
<b>26</b>	Subtract line 25 from line 24 . . . . .	<b>26</b>		
<b>27</b>	Multiply line 26 by 5% ( .05) . . . . .	<b>27</b>		
<b>28</b>	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 28 thru 31, go to line 32 <input type="checkbox"/> No. Enter the <b>smaller</b> of line 17 or line 22	<b>28</b>		
<b>29</b>	Enter the amount from line 26 (If line 26 is blank, enter -0-) . . . . .	<b>29</b>		
<b>30</b>	Subtract line 29 from line 28 . . . . .	<b>30</b>		
<b>31</b>	Multiply line 30 by 15% ( .15) . . . . .	<b>31</b>		
<b>32</b>	Figure the tax on the amount on line 23 Use the 2007 Tax Rate Schedule on page 27 of the instructions . . . . .	<b>32</b>		
<b>33</b>	Add lines 27, 31 and 32 . . . . .	<b>33</b>		
<b>34</b>	Figure the tax on the amount on line 17 Use the 2007 Tax Rate Schedule on page 27 of the instructions . . . . .	<b>34</b>		
<b>35</b>	Tax on all taxable income. Enter the <b>smaller</b> of line 33 or line 34 here and on line 1a of Schedule G, Form 1041 (or line 36 of Form 990-T) . . . . .	<b>35</b>		



Supplementary Statements  
For Year Ending 12/31/2007

FOREIGNUS

MIKROPOND EAD

Statement 1  
Page 1, Category 3 Filer Stmt, US Address

Amount of Indebtedness	Type Of Indebtedness	Name	Address Line 1
Address Line 2	City	State	Zip Code
		EIN	Missing EIN Reason
			Number Of Shares
\$ 300,000	LOAN	SOROS ECONOMIC DEVELOPMENT FUND	1700 BROADWAY
17TH FLOOR	NEW YORK	NY 10019	8,190
			133965896

Supplementary Statements  
For Year Ending 12/31/2007

MIKROFOND EAD

FOREIGNUS

Statement 2  
Schedule C, Line 8, Other Income

Description	Functional Currency	U.S. Dollars
COMMISSION INCOME	533,000	374,417
FOREIGN EXCHANGE GAINS/LOSSES	201,000	141,196
GRANT INCOME	176,000	123,635
Other Income	198,000	139,089
Total	1,108,000	778,337

Supplementary Statements  
For Year Ending 12/31/2007

MIKROFOND EAD

FOREIGNUS

Statement 3  
Schedule C, Line 16, Other Deductions

Description	Functional Currency	U.S. Dollars
ADMINISTRATIVE EXPENSES	1,095,000	769,205
COMMISSION EXPENSE	32,000	22,479
PROVISION FOR IMPAIRMENT LOSSES	3,000	2,107
Total	1,130,000	793,791

Supplementary Statements  
For Year Ending 12/31/2007

MIKROFOND EAD

FOREIGNUS

Statement 4  
Other Current Assets, Sch F, Line 4

Description	Beginning of Period	End of Period
DEFERRED TAX ASSETS	32,549	13,594
DEPOSITS	0	175,962
LOANS TO CUSTOMERS	2,965,331	3,664,231
Total	2,997,880	3,853,787

Supplementary Statements  
For Year Ending 12/31/2007

MIKROFOND EAD

FOREIGNUS

Statement 8  
Other Liabilities, Sch F, Line 17

Description	Beginning of Period	End of Period
----- Other Liabilities	380,414	215,987
Total	380,414	215,987

Supplementary Statements  
For Year Ending 12/31/2007

MIKROFOND EAD

FOREIGNUS

Statement 5  
Other Investments, Sch F, Line 7

Description	Beginning of Period	End of Period
----- Other Investments	0	10,573
Total		10,573

Supplementary Statements  
For Year Ending 12/31/2007

MIKROFOND EAD

FOREIGNUS

Statement 6  
Other Assets, Sch F, Line 12

Description	Beginning of Period	End of Period
Other Assets	29,836	25,677
Total	29,836	25,677

Supplementary Statements  
For Year Ending 12/31/2007

MIKROFOND EAD

FOREIGNUS

Statement 7  
Other Current Liabilities, Sch F, Line 15

Description	Beginning of Period	End of Period
-----	-----	-----
CURRENT TAX LIABILITIES	678	755
LIABILITIES ON LOANS	2,411,324	3,377,254
OTHER LOANS	37,296	131,405
-----	-----	-----
Total	2,449,298	3,509,414

Supplementary Statements  
For Year Ending 12/31/2007

MIKROFOND EAD

FOREIGNUS

Statement 9  
Paid-in or Capital Surplus, Sch F, Line 19

Description	Amount
-----	-----
Beginning Balance	0
Ending Balance	105,728
Increase/ (Decrease)	105,728
-----	=====
Reconciliation of Change in Balance	

Supplementary Statements  
For Year Ending 12/31/2007

FOREIGNUS

MIKROFOND EAD

Statement 10  
Schedule O, Part II, Section A, US Address

Person Name	Business Name	Address Line 1	Address Line 2	City	State	Zip Code	EIN	SSN	Type of Return	Date Return Filed	Internal Revenue Service Center Where Filed
				SOROS ECONOMIC DEVELOPMENT FUND NEW YORK	NY	10019	133965896		1700 BROADWAY 990-PF	11/16/2008	OGDEN, UT



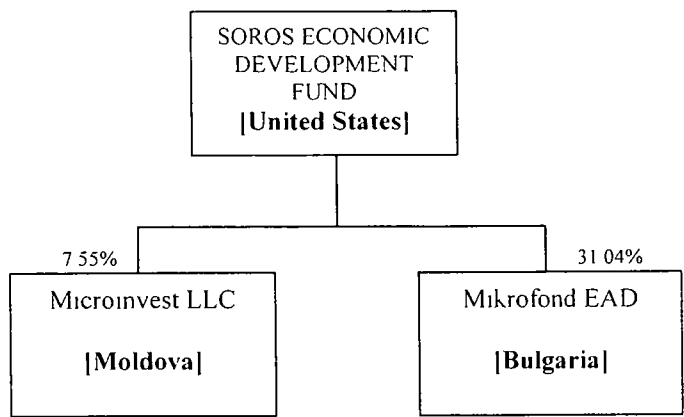
Supplementary Statements  
For Year Ending 12/31/2007

FOREIGNUS

MIKROFOND EAD

Statement 12  
Schedule 0, Part II, Section C, Foreign Address

Person Name	Business Name	Class of stock acquired	Date of acquisition	Method of acquisition
Num. of shares acq. directly Num. of shares acq. indirectly Num. of shares acq. construct. Name of foreign business from whom shares were acquired	Amount Paid or Value Given Name of foreign person from whom shares were acquired			
City Province or State Address Line 1 Address Line 2				
		COMMON	12/13/2007	PURCHASE
8,190	\$ 678,663			
MIKROFOND EAD	SOROS ECONOMIC DEVELOPMENT FUND			
SOFIA	118 120 SV SV KIRIL I METODIY ST 1202			BU



## Power of Attorney and Declaration of Representative

▶ Type or print. ▶ See the separate instructions.

OMB No 1545-0150  
**For IRS Use Only**  
 Received by  
 Name LSH  
 Telephone 214 413 5837  
 Function TELE  
 Date 04/15/2010

**Part I Power of Attorney**

**Caution:** Form 2848 will not be honored for any purpose other than representation before the IRS.

**1 Taxpayer information.** Taxpayer(s) must sign and date this form on page 2, line 9.

Taxpayer name(s) and address Soros Economic Development Fund 1700 Broadway 17th Floor New York, NY 10019	Social security number(s)  Daytime telephone number	Employer identification number 13-3965896  Plan number (if applicable)
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hereby appoint(s) the following representative(s) as attorney(s)-in-fact.

**2 Representative(s) must sign and date this form on page 2, Part II.**

Name and address Celia Roady 1111 Pennsylvania Avenue, NW Washington, DC 20004	CAF No. <u>5000-19537R</u> Telephone No. <u>202-739-5279</u> Fax No. <u>202-739-3001</u> Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address Ann K. Battle 1111 Pennsylvania Avenue, NW Washington, DC 20004	CAF No. <u>0200-14594R</u> Telephone No. <u>202-739-3718</u> Fax No. <u>202-739-3001</u> Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address  	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

**RECEIVED**  
 APR 15 2010  
**FOVCP**

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

**3 Tax matters**

Type of Tax (Income, Employment, Excise, etc) or Civil Penalty (see the instructions for line 3)	Tax Form Number (1040, 941, 720, etc)	Year(s) or Period(s) (see the instructions for line 3)
Income Exemption Under 501(c)(3)	990-PFs	2007 and 2008

**4 Specific use not recorded on Centralized Authorization File (CAF).** If the power of attorney is for a specific use not recorded on CAF, check this box See the instructions for Line 4. **Specific Uses Not Recorded on CAF**

**5 Acts authorized.** The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative or add additional representatives, the power to sign certain returns, or the power to execute a request for disclosure of tax returns or return information to a third party. See the line 5 instructions for more information.

**Exceptions.** An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. See **Unenrolled Return Preparer** on page 1 of the instructions. An enrolled actuary may only represent taxpayers to the extent provided in section 10 3(d) of Treasury Department Circular No. 230 (Circular 230). An enrolled retirement plan administrator may only represent taxpayers to the extent provided in section 10 3(e) of Circular 230. See the line 5 instructions for restrictions on tax matters partners. In most cases, the student practitioner's (levels k and l) authority is limited (for example, they may only practice under the supervision of another practitioner)

List any specific additions or deletions to the acts otherwise authorized in this power of attorney Authority is hereby provided to substitute or appoint additional representatives

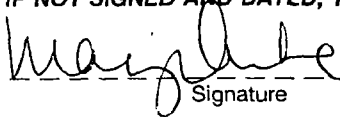
**6 Receipt of refund checks.** If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE OR CASH**, refund checks, initial here \_\_\_\_\_ and list the name of that representative below

Name of representative to receive refund check(s) ▶

- 7 Notices and communications.** Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2
- a If you also want the second representative listed to receive a copy of notices and communications, check this box
- b If you do not want any notices or communications sent to your representative(s), check this box
- 8 Retention/revocation of prior power(s) of attorney.** The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you **do not** want to revoke a prior power of attorney, check here.
- YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**

**9 Signature of taxpayer(s).** If a tax matter concerns a joint return, both husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer

▶ **IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.**

  
 Signature \_\_\_\_\_ Date 3/26/10 Title (if applicable) Treasurer

Maija Arbolino  
 Print Name \_\_\_\_\_ PIN Number \_\_\_\_\_ Soros Economic Development Fund  
 Print name of taxpayer from line 1 if other than individual

\_\_\_\_\_  
 Signature \_\_\_\_\_ Date \_\_\_\_\_ Title (if applicable) \_\_\_\_\_

\_\_\_\_\_  
 Print Name \_\_\_\_\_ PIN Number \_\_\_\_\_

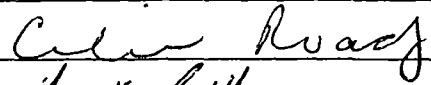
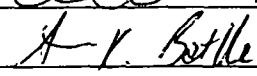
**Part II Declaration of Representative**

**Caution:** Students with a special order to represent taxpayers in qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program (levels k and l), see the instructions for Part II

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service,
- I am aware of regulations contained in Circular 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others,
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there, and
- I am one of the following
  - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
  - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below
  - c Enrolled Agent—enrolled as an agent under the requirements of Circular 230.
  - d Officer—a bona fide officer of the taxpayer's organization.
  - e Full-Time Employee—a full-time employee of the taxpayer.
  - f Family Member—a member of the taxpayer's immediate family (for example, spouse, parent, child, brother, or sister).
  - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Internal Revenue Service is limited by section 10.3(d) of Circular 230).
  - h Unenrolled Return Preparer—the authority to practice before the Internal Revenue Service is limited by Circular 230, section 10 7(c)(1)(viii). You must have prepared the return in question and the return must be under examination by the IRS. See **Unenrolled Return Preparer** on page 1 of the instructions.
  - k Student Attorney—student who receives permission to practice before the IRS by virtue of their status as a law student under section 10 7(d) of Circular 230
  - l Student CPA—student who receives permission to practice before the IRS by virtue of their status as a CPA student under section 10 7(d) of Circular 230
  - r Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10 3(e))

▶ **IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED.** See the Part II instructions.

Designation—Insert above letter (a-r)	Jurisdiction (state) or identification	Signature	Date
a	DC		4/14/10
a	DC, MD		4/14/10