

ST. OLAF COLLEGE
ANNUAL REPORT

A MESSAGE FROM THE PRESIDENT



I am pleased to share with you this report on the operations of St. Olaf College during 2006–07. It is intended for all friends of the college — alumni, parents, donors — and for interested onlookers. The challenge in compiling a report of this kind, of course, is that the experience of a St. Olaf education is essentially unquantifiable. The habits of mind and heart that students acquire during their four years of living and learning in community at St. Olaf stay with them for a lifetime, but those

habits can't be represented in a bar graph. Nevertheless, it is important for St. Olaf, as for any organization, to measure what can be measured about the operations of the college and to benchmark our performance against like institutions. That is what we seek to do, briefly, in this annual report.

Some readers may wonder how we chose the other colleges against whom we benchmark our performance in this report. Simply, we sought colleges with characteristics similar to ours: private institutions with a pure liberal arts character, a national student body, a rigorous admissions process, a significant endowment and reasonable geographic proximity. You will see that St. Olaf does not lead this comparison group in every area that we measured, for we are comparing ourselves to some very fine institutions. It is helpful to know both where you have succeeded and where you have work to do.

This report tells a simple story: St. Olaf College flourished last year. We thank the many readers of this document who contributed to the college's well-being, and we hope that you find here evidence that your gifts were well-stewarded and that you are encouraged to continue your valuable support.

A handwritten signature in dark ink that reads "David R. Anderson". The signature is fluid and cursive.

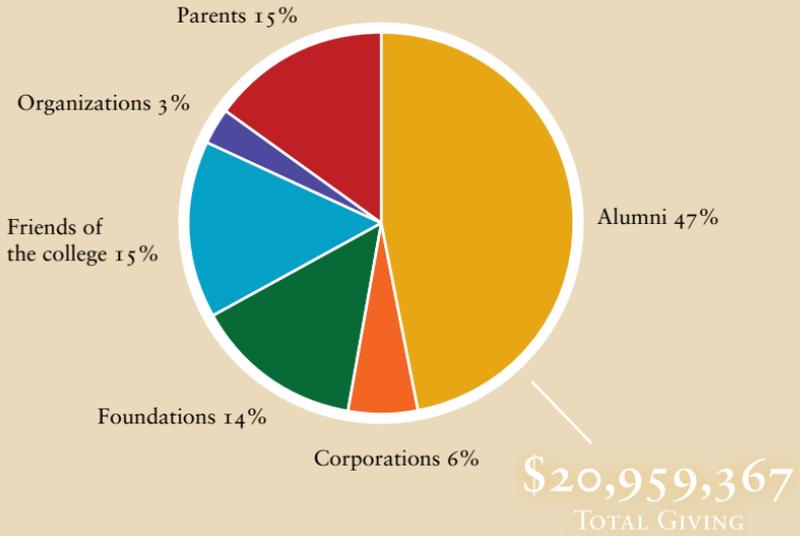
David R. Anderson '74
President, St. Olaf College

GIFTS TO THE COLLEGE

Total gifts to the college topped any other year in the new millennium. Of the 14,487 alumni, parents, friends of the college and others who contributed, most gave to affirm their close affinity for St. Olaf. Many also were galvanized by exciting new developments that are advancing the college mission. These include the new Science Complex, the wind turbine and other sustainability efforts, programs around the year's theme of global citizenship and the extensive renovation of Boe Memorial Chapel featuring a new Holtkamp organ.

13,200 contributors gave gifts to Partners in Annual Giving, our annual fund. Of those, 9,752 were alumni. They supported scholarships, student-faculty research, library resources, improvements to our facilities and other critical operational needs.

GIFTS BY SOURCE 2006-07



GIFTS BY TYPE 2006-07



THE FUTURE OF MATH + SCIENCE

Our new, 193,000-square-foot Science Complex will open in the fall of 2008 with 26 teaching labs, 17,000 square feet of student-faculty research space and an 8,000-square-foot science library. The complex will be a model of environmental design, emphasizing state-of-the-art strategies for sustainable site development, water savings, energy-efficient materials selection and indoor environmental quality.

\$33,000,000 CAMPAIGN GOAL*



\$26,400,000
AS OF OCTOBER 9, 2007



*The total cost of the Science Complex is \$64.4 million. The difference between funds raised in the campaign and the total cost will be financed through loans (\$28.5 million) and the college's capital renewal fund (\$2.9 million).

ENDOWMENT

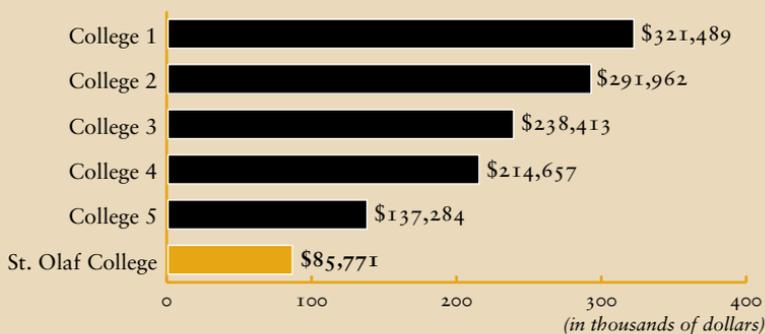
With an investment return of 19.15 percent, the college's endowment fund topped \$300 million for the first time.

The endowment outperformed our benchmark index of 70 percent equities and 30 percent bonds by more than 3 percent as of fiscal year end (May 31). Superior performance was driven by the international and global equity managers as well as the real assets portfolio.

ENDOWMENT MARKET VALUE 1998–2007



ENDOWMENT PER STUDENT 2005–06*



*The comparison group, listed alphabetically, includes Carleton College, Colorado College, Lawrence University, Macalester College and Oberlin College.

ENROLLMENT

For the first time we received more than 4,000 applications for our first-year class. Also for the first time we received applications from every state in the country plus Washington, D.C. We continue to draw students internationally, as well. Eighteen countries and 45 states are represented in the current student body.

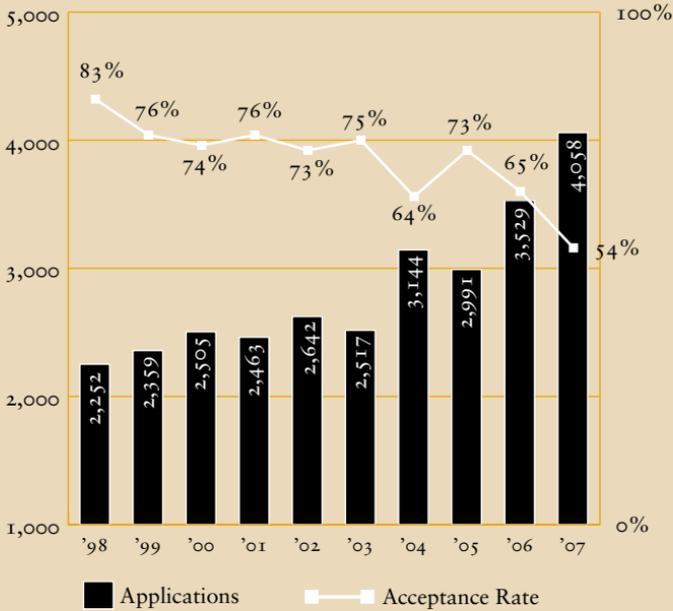
The growth in applications has enhanced our ability to shape our incoming class. With the increase, we've maintained a steady percentage of legacy and Lutheran students and an incoming class with well-rounded interests.

INCOMING CLASS STATISTICS

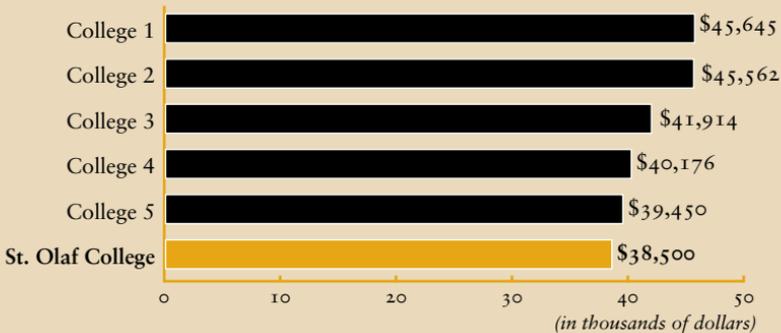
	2005	2006	2007
Median ACT	27	28	29
Median SAT	1290	1290	1320
Median Class Rank Percentile	89	90	91
% Legacy	30	31	31
% Female/% Male	56/44	55/45	54/46
% Lutheran*	49	47	45
% Multicultural*	11	10	11

**of those reporting*

10-YEAR APPLICATION AND ACCEPTANCE RATES



TUITION AND FEES 2007-08*



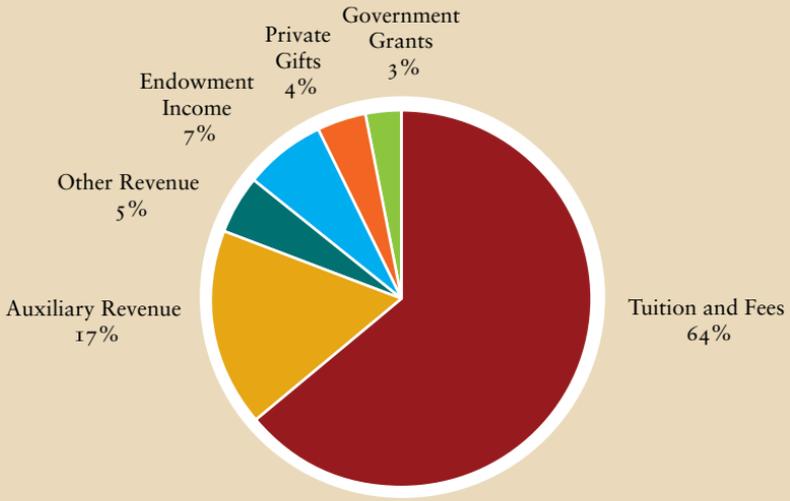
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2006–07 REVENUES AND EXPENSES

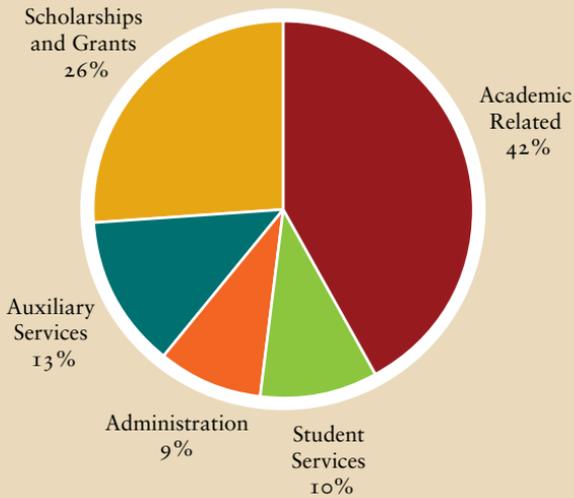
Operating revenues outpaced operating expenses by 7.6 percent, allowing the college to completely fund important improvements such as the addition of energy-enhancing insulation to roofs, repaired after the hailstorm of 2006, and the extensive renovation of Boe Memorial Chapel. We also have been able to recruit and retain students and faculty who are dedicated to the mission of the college.

In coming years we will continue to work to meet the challenges posed by our majestic older buildings and the competitive environment for higher education.

OPERATING REVENUE

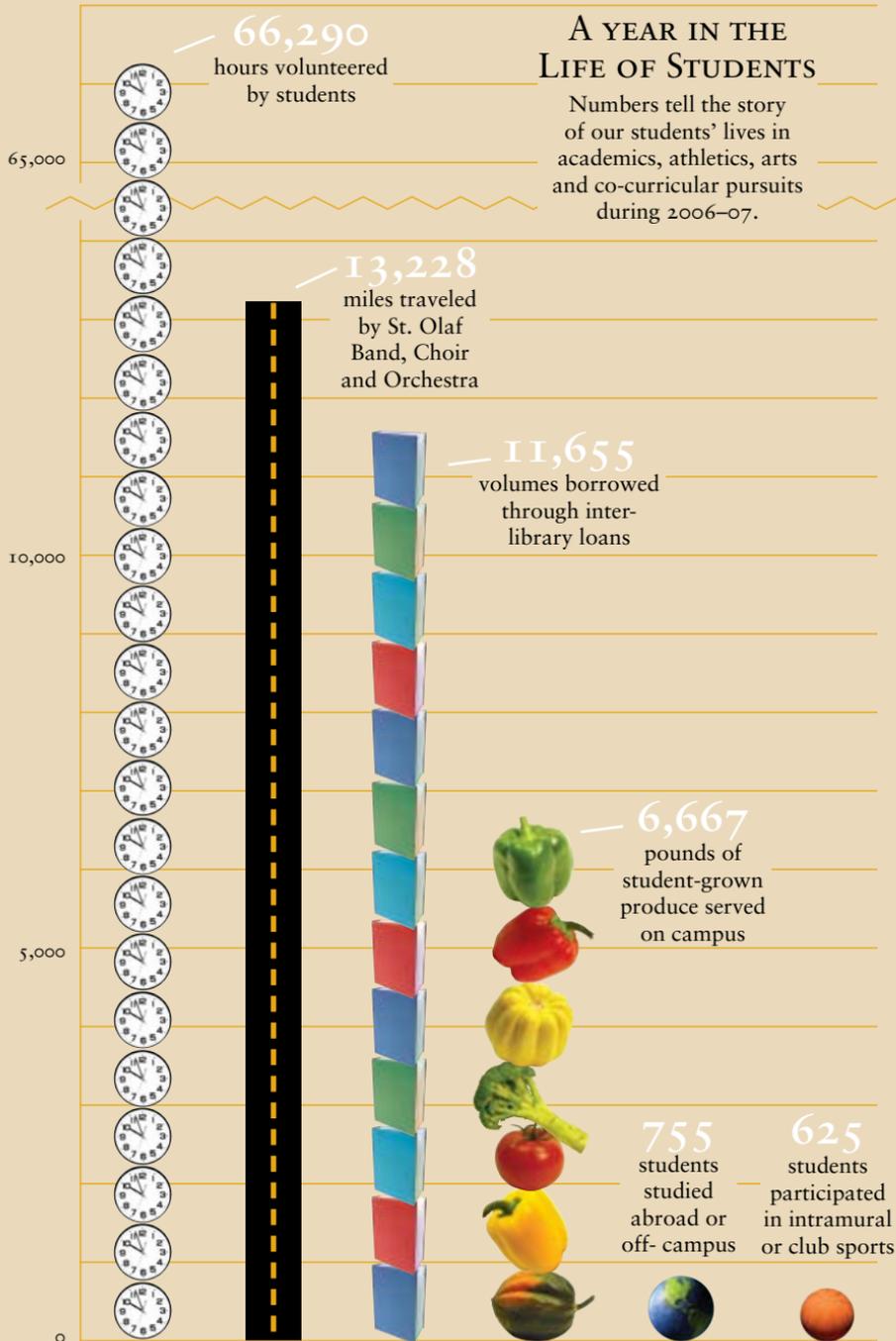


OPERATING EXPENSES



A YEAR IN THE LIFE OF STUDENTS

Numbers tell the story of our students' lives in academics, athletics, arts and co-curricular pursuits during 2006-07.



155 internships completed for academic credit (18 abroad)

120 student organizations

97 performances by music department ensembles

40 students conducted original research in science in our Summer Science Research program

9 students inaugurated the new Undergraduate Research Program this summer, doing original research in the humanities, interdisciplinary and general studies, social science and fine arts.

8 Fulbright Scholars named for 2007-08 — placing St. Olaf among the top 13 baccalaureate institutions in the nation

5 major plays performed (plus 14 one-acts)

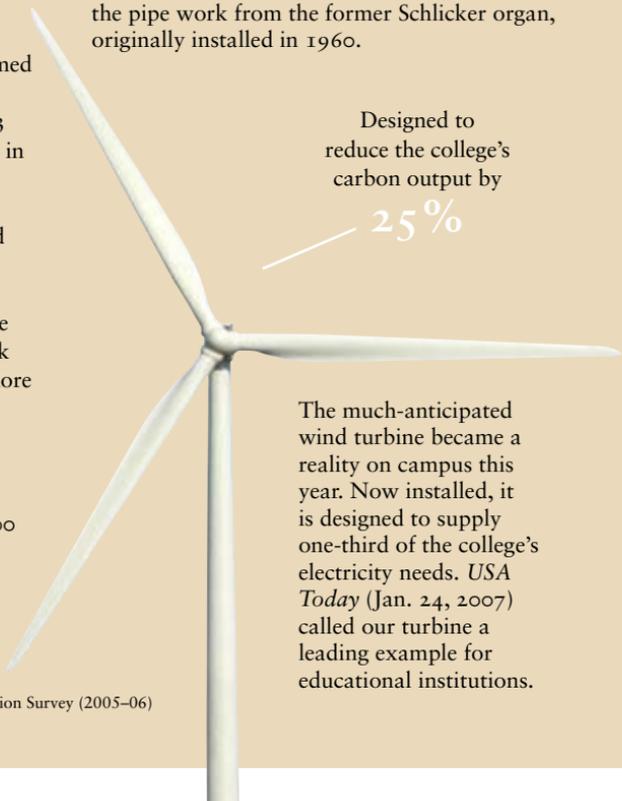
3 national winners of the Eta Sigma Phi Latin/Greek Translation contests — more than any other college

1 NCAA Division III champion: Nelson Westby '08, first in the 200 individual medley



4,105 pipes in the new organ

Built in 1952, Boe Memorial Chapel was renovated in 2007 to warm the environment with color and new energy efficiency measures, and improve the acoustics in the place where the community gathers to worship and hear musical performances. Preserving the prominence of the beautiful stained glass windows while creating space for a new Holtkamp organ also was important. The new organ incorporates approximately one half of the pipe work from the former Schlicker organ, originally installed in 1960.



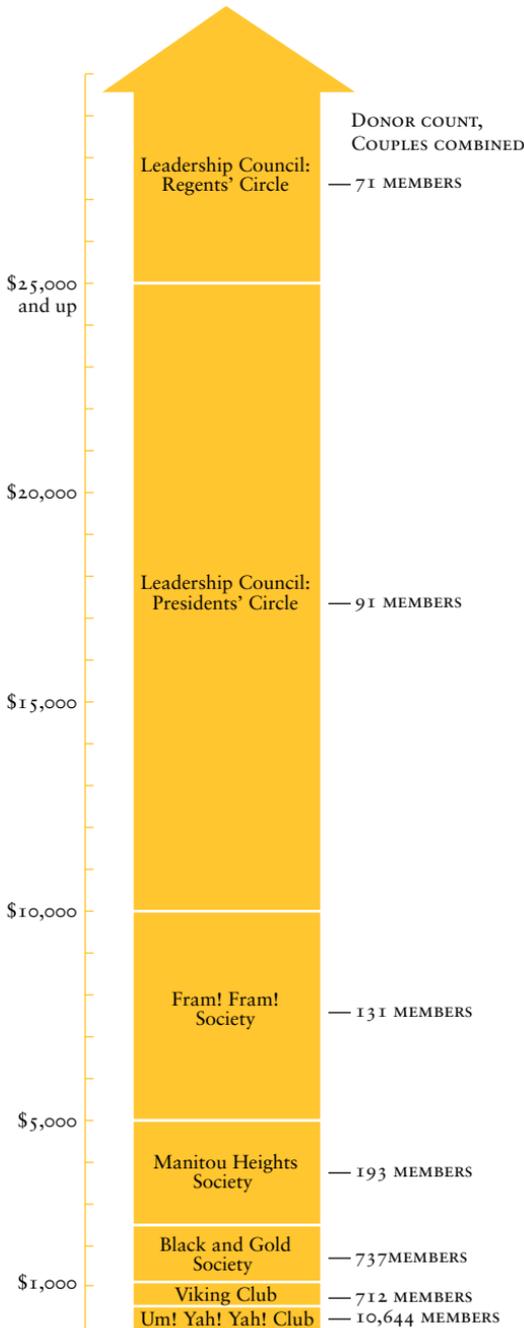
Designed to reduce the college's carbon output by

25%

The much-anticipated wind turbine became a reality on campus this year. Now installed, it is designed to supply one-third of the college's electricity needs. *USA Today* (Jan. 24, 2007) called our turbine a leading example for educational institutions.

COMPARATIVE DATA SOURCES:
2006 Voluntary Support of Education Survey (2005-06)
IPEDS 2005-06 Finance Survey

GIVING CLUBS AT ST. OLAF COLLEGE



As you have seen in this Annual Report, we've had a good year — in some cases a banner year. We could not have done so without the support of Oles everywhere. So why, you might ask, should you make a gift to St. Olaf College for the current year's annual fund? There is a gap of about \$20 million between the amount our students pay in comprehensive fees and the cost of their St. Olaf education. Government grants, auxiliary revenue (from, for example, the bookstore), and other fees we charge partially close the gap. Gifts to the college from Oles close the rest of that gap.

We are grateful for every contribution. On behalf of everyone at St. Olaf College — thank you.

HOW TO GIVE

Make an online donation at:
stolaf.edu/giving/partners/makeagift

Or call toll-free: 800-733-6523
We accept Visa, Mastercard,
Discover and American Express.

Questions? Please call the Partners in Annual Giving Office at 507-786-3354 or (toll-free) 800-733-6523. Or send an e-mail to partner@stolaf.edu.

*Corporations, foundations and organizations not included.