



November 2007

Dear Carolina Alumni, Parents and Friends:

This has been a fall semester for the history books at Carolina. We enrolled the most academically prepared first-year class from a record 20,000 applications. Our first class of Carolina Covenant Scholars became seniors and will graduate next May. Oliver Smithies, Excellence Professor of Pathology and Laboratory Medicine, received the Nobel Prize for work that has fundamentally changed the science of genetic medicine and laid the foundation for gene therapy research. The North Carolina General Assembly created what will become an annual \$50 million fund for cancer research. On University Day, October 12th, we dedicated the FedEx Global Education Center, a symbol of our commitment to global education. The Carolina First Campaign, now drawing to a close, has been a spectacular success and just exceeded the goal of creating 200 new endowed professorships. *(See inside for details).*

Those are just a few major milestones. The University is making progress on virtually every priority we have set. There is a lot of hard work ahead to reach our goals. But I hope you share pride in what our students, faculty and staff are accomplishing, thanks in large part to your continued support. The recent results have been amazing. Keep reading for some examples. »

Oliver Smithies Wins Nobel Prize

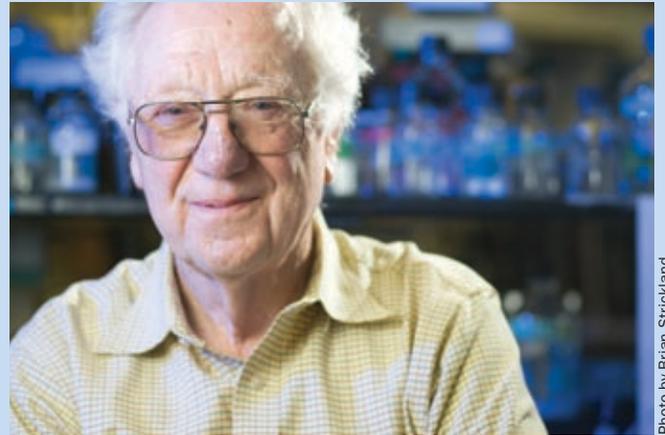


Photo by Brian Strickland

On October 8th, Oliver Smithies received the 5 a.m. phone call from Sweden that we had hoped for these past few years. The Nobel Foundation called to congratulate him as one of three recipients of the Nobel Prize in Physiology or Medicine. Smithies was chosen for his role in introducing gene modifications in mice using embryonic stem cells. More than two decades ago, Smithies co-discovered a technique to introduce DNA material in cells, mirroring a natural process. This gene targeting led to Smithies' lab producing the first animal model of cystic fibrosis. Today, scientists around the world use these techniques to produce mice that model heart disease, Alzheimer's, diabetes and cancer.

According to the Nobel committee, "gene targeting in mice has pervaded all fields of biomedicine. Its impact on the understanding of gene function and its benefits to mankind will continue to increase over many years to come."

This was a thrilling moment for Carolina and for Professor Smithies. It could not have happened to a nicer or more deserving person. For decades, he has embodied the very best of academic research and humanity through his modesty, good humor, creativity and love of invention. Through his example, hundreds of students and colleagues have learned how to help the world through research. We are honored to have him at Carolina.



Professor Oliver Smithies acknowledges a Memorial Hall audience as he is recognized for winning the Nobel Prize during the University Day convocation on October 12th.



The University community dedicates a new memorial garden honoring the 9/11 victims who are Carolina alumni. Members of the Class of 2005 established the garden, located on Stadium Drive across from Carmichael Residence Hall. The garden features twin stone walls facing one another, as well as a bench, trees and plantings. The garden's cornerstone bears a plaque with the names of the alumni who died: **Karleton Douglas Beye Fyfe, Mary Lou Hague, Andrew Marshall King, Ryan Ashley Kohart, Dora Menchaca and Christopher Quackenbush.**

LEADING THE WAY IN AFFORDABILITY

Through several policy decisions, the University has become more affordable to a larger number of North Carolinians than ever before. For the third year in a row, *U.S. News &*

World Report ranked us the best value among public universities based on academic quality and cost for a student receiving the average level of need-based financial aid. For the sixth consecutive time, *Kiplinger's Personal Finance* magazine ranked UNC first among publics offering the best combination of academics and affordable costs. We are the only university on *Kiplinger's* list that meets 100 percent of each student's financial need. While we are never driven by the rankings, these are measures for which we can be proud.

LEGISLATORS CREATE UNIVERSITY CANCER FUND

We are grateful to the North Carolina General Assembly for putting together a state budget that was remarkably responsive to the University's needs. Highlights included meaningful salary increases for faculty and creation of the University Cancer Research Fund, which will further put Chapel Hill on the map as one of the nation's leading cancer research institutions. The fund, which will accelerate the

Class of 2011: By the Numbers

Undergraduate admissions colleagues emphasize that the application process cannot be reduced to numbers. They are looking for a range of individual qualities in prospective students. Those include intellect, talent, curiosity and creativity, as well as leadership, kindness and courage.

Nearly **77** percent of the first-year students were in the top **10** percent of their high school class, **40** percent were among the top **10** students and **12** percent were valedictorians or salutatorians.

More than **87** percent graduated with a grade-point average of **4.0** or higher. The average SAT score was **1302**, up from **1220** a decade ago.

Our **3,895** first-year students – part of a class that is more diverse than ever – come from **94** North Carolina counties, **45** states and **22** countries.

20,064 applications set a record for the second consecutive year. Total applications rose **1.7** percent over 2006 and were up from about **16,000** a decade ago.

18 percent are from households where neither parent holds a four-year degree.

94 percent served the community, **75** percent played a sport and **67** percent founded an organization, captained a sport or served as a class, club or student body president. **Sixty** percent participated in the arts, **54** percent traveled outside their home country and **26** percent conducted original research.

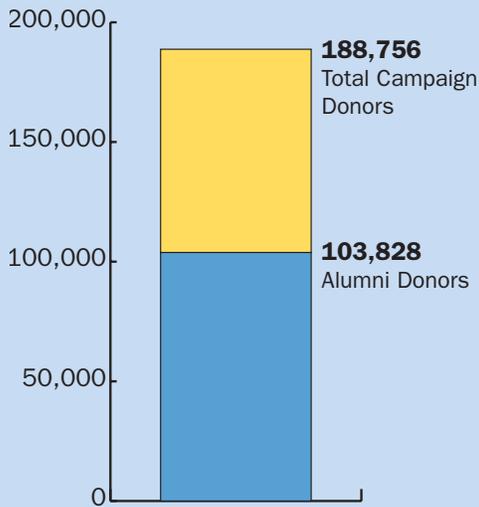


Photo by Nick Keish

Carolina First Nears Conclusion

The **Carolina First Campaign** is almost over, and thanks to many of you, it is the greatest fund-raising drive in University history. Although the campaign ends December 31 and surpassed its \$2 billion goal in February, the intensity of our efforts has not diminished. At this writing, we had received nearly \$2.25 billion in total commitments.

ALUMNI KEY TO CAROLINA FIRST SUCCESS



We reached a major milestone in September when a \$5 million gift from an anonymous donor put the drive over our goal of 200 endowed professorships by creating five new chairs in the College of Arts and Sciences to benefit the Honors Program. The professorships will be named to recognize two of our most distinguished alumni: Peter T. Grauer and William B. Harrison Jr.

To date, Carolina First has made possible:

- **204 endowed professorships**
- **544 undergraduate scholarships**
- **188 graduate fellowships**
- **\$568 million for research**
- **\$590 million for strategic initiatives**
- **\$178 million for building needs**

Perhaps the most important number is that 188,756 donors, including more than 100,000 alumni, have contributed to the campaign. Without your gifts, none of these other achievements would have been possible. To those who have given,

thank you. If you have not, there is still time to be part of this historic effort to support our vision of becoming the nation's leading public university.

Even with the campaign's success, we will need your continued support to build on these achievements and meet the challenges ahead.

Please consider making a donation using the enclosed gift form or give online at <http://carolinafirst.unc.edu/gift>. Gifts received by December 31 will qualify for a tax deduction this year. Whether you are supporting Carolina for the first time or adding to prior giving, we appreciate your generosity.

battle against cancer at the School of Medicine and the Lineberger Comprehensive Cancer Center, will receive \$25 million this year. That number will double to \$50 million annually in 2009. This fund will help improve the quality of life and treatment of cancer patients.

TRANSFORMING THE PHYSICAL CAMPUS

Our building program is adding 6 million square feet to the main campus. This program is grounded in core values of architectural quality and sustainability. The 2000 Higher Education Bonds brought \$515 million for new buildings and renovations, and we more than kept our promise to triple this investment by North Carolina taxpayers. We have completed nearly 80 percent of those 49 bond projects and expect to finish in January 2009 within two months of our original projection – and on budget. The total \$2.1 billion building program, including projects funded by gifts, research grants and our own revenue, is transforming the campus. One of America's most beautiful campuses is becoming even more beautiful.

BRINGING THE WORLD TO NORTH CAROLINA

The newest buildings include the FedEx Global Education Center, which brings together all of our international education activities under one roof. The center is a major statement about what we envision for Carolina in the future – bold, innovative and a symbol of progress and change. For North Carolina to compete in this global economy, the University must be a player on the world stage. »



The Honors Program provides students with a rich academic experience through seminars and undergraduate course sections. The Carolina First Campaign received a new \$5 million gift creating five endowed professorships in the College of Arts and Sciences, helping to expand the Honors Program.



Photo by Pamela Chen

With that goal in mind, we also have convened a new Global Leadership Circle, a task force of visionary alumni and friends, to help us develop a strategic vision for global engagement.

CAROLINA NORTH PLANNING ADVANCES

Carolina North, our planned satellite campus north of main campus, will be critical to our ability to help bolster North Carolina's economy. In September, the Board of Trustees approved our plan, clearing the way to start the submission process to the Town of Chapel Hill. We have identified our first building – an Innovation Center, where fledgling companies, using intellectual capital drawn from faculty research, can take their first steps toward full viability through a partnership with a private developer. Our plan reflects months of community feedback. It calls for developing 250 acres over the next 50 years, leaving the forest and wetlands of the nearly 1,000-acre tract almost entirely undisturbed.

STEPPING DOWN, BUT NOT LEAVING CAROLINA

During the State of the University speech in September, I announced my decision to step down as chancellor on June 30, 2008, the end of the fiscal year. This timing gives the Board of Trustees the opportunity to complete a search for my successor. (For details, see www.unc.edu/chan/search/.) This is not a retirement. After a research leave, I will return to hold the most exalted title this University can confer: professor. The state of the University is excellent, and the time is right for change. Susan and I have come to love Carolina with every fiber of our being. We understand the strong pull that Chapel Hill has on the hearts of students and their families that lasts a lifetime. My focus this academic year is on working hard to keep UNC's momentum strong.

With best holiday wishes,


James Moeser

*Above, from top to bottom, fall colors begin to show on a perfect Carolina blue October morning; students enjoy new gathering spaces to study and relax in the FedEx Global Education Center; and UNC student **Kat Hogue** teaches video camera techniques to a group of Fudan University volunteers in preparation for their coverage of the 2007 Special Olympics World Games in China.*