

Dear Friends, Donors and Colleagues:

AS THE NATION'S MOST HONORED PSYCHIATRIC HOSPITAL, McLean is known for its superior and innovative care. Our mission is to ease the burden of psychiatric illness for our patients and their families, to improve treatment outcomes and to advance our understanding of mental illness.

In 2005, we continued to make progress in all aspects of our work. We treated more patients, performed more research and taught more trainees than ever in our nearly 200-year history.

In this *Annual Report*, you will find the stories of a number of patients who have changed their lives with the help of McLean's exceptional staff and resources. In particular, you will meet Lisa Halpern, Anne Whitman, PhD, Evie Barkin and Karen Charles, who turned their own experiences into opportunities to help others. You will also read about a family who believes their daughter would no longer be alive if not for McLean, as well as from a team of clinicians who helped a man reclaim his life.

Complementing these personal accounts, you will learn about our development of novel therapeutic programs to help the many people who seek care at McLean. Our new Patient Fitness and Social Recreation Center, which opened in October 2005 with the guidance and dedication of one special donor, enables patients to take charge of both their physical and mental health.

Achieving better outcomes of care depends on outstanding clinicians and investigators and their discovery of new knowledge to improve treatment. As in past years, McLean's staff and trainees earned numerous awards for their work and were recognized nationally for their groundbreaking research to advance our field. This past year, many investigations garnered media attention and suggested promising new therapies for our patients. In addition, this year, the hospital added a new laboratory to study the genes that underlie the risk of developing psychiatric illness and purchased a sophisticated, high-power scanner for research that will help our investigators better understand the complex brain mechanisms involved in mental health and illness.

Doing the special work of McLean Hospital requires special sources of support. Much of our most innovative research as well as the initial costs of our new programs were funded by nearly \$8.8 million in donations—a number that exceeded our annual goal and continues the strong giving history of the past eight years. The staff and employees of McLean are deeply grateful to our donors, who so generously support our mission. In addition, in 2005, a major land sale added \$10.5 million to board-designated funds. A related agreement with the Town of Belmont, Mass., included the preservation of more than 100 acres as open space.

In the years ahead, ongoing changes in the health-care system will present new challenges to our resources and goals. With the support of our dedicated staff and our extended community, we will remain true to McLean's core tenets: Our patients will always come first. We will always strive to improve their opportunities and their care.

It has been my privilege to work at McLean for more than 30 years in clinical care, teaching, research and administration. As I move into a new role at McLean Hospital, devoting myself to research that will yield new and better treatments for psychiatric illnesses, I would like to take this opportunity to thank the McLean staff, its Board of Trustees, our colleagues at Partners HealthCare and Harvard and, most of all, our patients for making my years here so rewarding. With great hope for the future and great faith in our abilities, I look forward to the exciting years ahead.

Sincerely,



BRUCE M. COHEN, MD, PhD
PRESIDENT AND PSYCHIATRIST
IN CHIEF *Emeritus*



IT IS A PLEASURE TO REPORT TO YOU on another successful year for McLean Hospital. Thanks to our dedicated and skilled staff, we were able to add to our growing repertoire of services, increasing both admissions and beds, while decreasing patient lengths of stay. Our research programs received a record \$48.6 million in research

revenue, a wonderful testimonial to the excellence of McLean investigators. McLean is now ranked 13th among all hospitals nationwide receiving support from the National Institutes of Health. Our training programs have continued to flourish, preparing new generations of the best-qualified mental health professionals. We are proud of our joint psychiatry residency training program with Massachusetts General Hospital, now in its 10th year. And financially, we ended the fiscal year 2005 with a healthy \$810,000 operating gain and an excess of revenues over expenses of \$15 million, of which \$10.5 million is attributable to the sale of land.

McLean has had a history of outstanding and visionary leaders, and I want to report to you on a transition in that leadership. In October 2005, the McLean Board of Trustees announced that Jack M. Gorman, MD, would succeed Bruce M. Cohen, MD, PhD, as McLean's president and psychiatrist in chief. The board joins with the entire McLean community in thanking Dr. Cohen for his exceptional leadership for more than eight years. We are pleased that Dr. Cohen is moving to a new leadership role as director of the Shervert H. Frazier Research Institute. He will also continue to direct the Stanley Research Center and the Molecular Pharmacology Laboratory, both key research divisions within McLean.

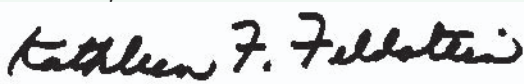
Dr. Gorman has had a distinguished career as an important researcher, clinician and hospital administrator. He was the Esther and Joseph

Klingenstein Professor of Psychiatry and a professor of neuroscience at Mount Sinai School of Medicine. At Columbia University, he was vice chair for psychiatric research, the Lieber Professor in Psychiatry and director of the Mental Health Clinical Research Center of the New York State Psychiatric Institute. Dr. Gorman is a noted researcher in anxiety disorders, depression and schizophrenia.

In addition to his new McLean role, Dr. Gorman will serve as chairman of Partners Psychiatry and Mental Health, which includes McLean and the psychiatric departments at Massachusetts General Hospital, Brigham and Women's Hospital/Faulkner Hospital, North Shore Medical Center and Newton-Wellesley Hospital.

As the Board of Trustees looks to the future, we feel both proud of our history of excellence and optimistic about our future under the leadership of Jack Gorman. We believe that McLean is well positioned to meet the challenges of a rapidly changing health-care environment and, with the continued support of our patients, their families and friends and our donors, we anticipate becoming an ever-stronger center of excellence for treatment, research and training in psychiatric medicine.

Sincerely,



KATHLEEN F. FELDSTEIN, PhD
CHAIRMAN OF THE BOARD