

2011 PROGRESS REPORT



DIVERS ALERT NETWORK

www.DAN.org

CHAIRMAN'S LETTER



BECAUSE OF DAN MEMBERS...

Dear DAN Members, supporters and friends:

Divers Helping Divers®. *Your Dive Safety Association*®. These are not just slogans to those of us at DAN — they are why we exist.

DAN has never been a singular entity. We were founded to help divers, and the support of divers has allowed us to grow and expand the resources we offer. We are what we are because of DAN Members. It's because of you that we continue our dedication to our mission of helping divers in need with medical emergency assistance and promoting dive safety through research, education, products and services.

DAN Medical Information Services led the way with new programs designed to interact directly with divers. Our popular real-time webinars expanded to offer dozens of presentations on topics chosen either by DAN or the divers participating. Our “virtual medic” program remained in demand at consumer dive shows, increasing our availability to those stopping by the DAN booth to ask questions of a medical nature.

To supplement its collection of online seminars, DAN launched a new online video lecture series. These have already proven their worth, as divers are not only watching them on their own, but instructors and other group leaders also are downloading the videos for use in group settings.

DAN Education continued its redesign of all DAN training programs, revamping and streamlining courses, corresponding materials and the availability of materials. Divers interested in being prepared to assist in the event of an emergency will now have even more options available to help them achieve that goal.

Our educational efforts included work to expand our offerings to the medical community, as DAN believes we need to provide information and resources to divers as well as the medical professionals on whom we call when we need assistance. We continue our work with the Wilderness Medical Society (WMS) to provide

continuing medical education opportunities designed to inform and benefit those who take part.

DAN Research is reaching out to new areas. As a trusted source of learning what we as divers need to know to stay safe, our research efforts are working to provide that information and learn what needs to be studied in the first place. We continue to work with our members to determine needed areas of study, and we've expanded our study capabilities with new collaborations.

DAN Holdings, DAN's for-profit business operation subsidiary, continues to thrive. 2011 saw the development of several new products slated for launch in 2012 and the creation of new ways to engage on the social media front. *Alert Diver* continues to provide industry-leading information and entertainment. The magazine added to the ways divers can enjoy it with the launch of the *Alert Diver* iPad app in November 2011.

Our relationship with our members is one DAN takes seriously, for it's because of DAN Members that divers around the world are kept safer, more informed and have unparalleled access to emergency and assistance resources.

DAN Members are the foundation of our strength, and you are the reason we grow stronger every year. Thank you for your continued support.

Respectfully yours in safe diving,



Joe Poe, Chairman
DAN, Inc. Board of Directors

BECAUSE OF
DAN MEMBERS,
more than 1 million divers
are safer divers.





DAN MEDICAL INFORMATION SERVICES

DAN's nonprofit efforts are supported through membership, the purchase of insurance and the generosity of donations. Thanks to DAN Members, DAN provides to all divers the security of the 24-hour DAN Emergency Hotline and a wealth of information through resources like the DAN Medical Information Line. DAN not only increased those resources for divers in 2011 but also laid the groundwork to expand its interactions and work with the medical community.

SHARING INFORMATION

DAN's program of offering real-time webinars expanded DAN's ability to interact with divers and share dive safety information. From its debut, the program proved popular as divers participated in presentations and the question-and-answer sessions that followed. In 2011 DAN conducted 30 webinars from its Durham, N.C., headquarters.

In addition to webinars, DAN continued its "virtual medic" program at five consumer dive shows across the U.S.

ONLINE VIDEO LECTURES

In another effort to expand the informational resources available to divers, DAN launched a new online video lecture series on topics of popular interest. Featuring topics like diving fatalities and diving with medications, the 40-minute videos are a free resource available to all divers and are already being widely used as dive-club presentations and educational additions. New videos continue to be added to the collection.

A LOOK AHEAD

In August 2012 DAN is expanding its interaction with the medical and dive professional communities by hosting its first medical conference, the Science of Wound Care, Diving and Hyperbaric Medicine. Open to medical professionals, vendors and divers, the conference will feature renowned subject experts in the areas outlined in the conference title. Attendees will develop a focused, evidence-based appreciation for the scope and impact of this dynamic field.

BECAUSE OF DAN MEMBERS,

the 24-hour
DAN Emergency Hotline
answers more than 3,600
emergency calls a year.

DAN EDUCATION

2011 marked the 20th anniversary of DAN's flagship educational program, Oxygen First Aid for Scuba Diving Injuries, proving how DAN's educational programs have changed the face of emergency preparation by illuminating the unknown and creating safety standards. We continue to develop programs that teach not only divers how to be ready to assist in the event of an emergency but also the medical professionals who play a part in treating divers' injuries.

GETTING READY FOR LAUNCH

When ILCOR/American Heart Association updated its Guidelines for Cardiopulmonary Resuscitation and Emergency Cardiac Care, DAN took this opportunity to update training materials, including the streamlining of courses and the inclusion of new guidelines for first aid and cardiac care. But DAN Education didn't stop there; it also redeveloped how those materials would be offered, increasing the ability of DAN Instructors and Instructor Trainers to offer training to divers and thereby increase the network of dive safety.



EXTENDING THE REACH

DAN continued its commitment to expanding its resource network by providing dive medicine education to a broad and supportive population of physicians and outdoor enthusiasts with medical backgrounds. The goal is to enhance the general knowledge base of physicians in the area of dive medicine, because while DAN's membership and customer base is certainly dive-focused, our reach extends beyond this community. Because many divers also engage in outdoor activities, DAN is working to enhance our ability to provide education to a broader base of the physicians and health-care workers who care for our members. To that end, we continued our partnership with the Wilderness Medical Society (WMS) to provide continuing medical education (CME) credits. Our collaboration with WMS also opened doors for DAN to be able to participate in conferences such as the chest medicine conference in October 2011.

A LOOK AHEAD

2012 will not only feature the launch of the new DAN Education programs and materials but will also reveal how DAN remains committed to finding new ways to reach our audiences and make our educational programs both informative and professionally beneficial. By year's end DAN's training programs will be incorporated into the training curriculum at all Sea World parks, and DAN will debut a new half-day continuing medical education opportunity.

BECAUSE OF DAN MEMBERS,

DAN is able to pioneer and develop educational resources like the industry-leading Emergency Oxygen for Scuba Diving Injuries course.

DAN RESEARCH

DAN Research continues to work with divers not only to discover and share information intended to help keep divers safer but also to discover necessary new areas of study.

INTERNAL RESEARCH

DAN Research is active. We created our own institutional review board, which has enabled us to enhance our oversight, quality control and rate of engagement and collaboration. Additional areas of study include fitness requirements and how to meet them, decompression-risk studies in emerging diving practices and the effects of diving on life-threatening cardiac events. DAN expanded its data-gathering and analysis abilities through the hire of an epidemiology graduate student and collaboration with UNC's School of Public Health.

MEMBER HEALTH QUESTIONNAIRE

To focus our research on health-related safety, we need to know more about the health issues that impact divers. So DAN distributed 30,000 surveys to its members for the purpose of establishing health status, diving practices and the needs for specific interventions to mitigate risks. About 18 percent of those invited to participate did; the findings from the survey are scheduled to be published and were presented at the Undersea and Hyperbaric Medical Society's Annual Scientific Conference.

MICROPARTICLE RESEARCH STUDY

Microparticles are a newly discovered phenomenon that may be implied in various diseases. Circulating microparticles increase postdive apparently due to endothelial injury caused by gas bubbles, but the relationship to decompression stress and possibly decompression injury has not yet been established. In collaboration with researchers from the University of Pennsylvania, University of Split (Croatia) and the University of California San Diego, DAN is heavily involved in field research and data collection of blood samples and Doppler analysis of divers. This international study also involves our IDAN partners and will help us to understand more about decompression stress.

CONFERENCE PARTICIPATION

DAN co-sponsored the Rebreather Forum 3, which looked at the emerging technology and dive practices associated with rebreather diving to establish better dive safety guidelines.

Researchers created safety tools such as checklists and provided presentations on the health status of divers for the UHMS Annual Scientific Conference.

CONTINUING STUDIES

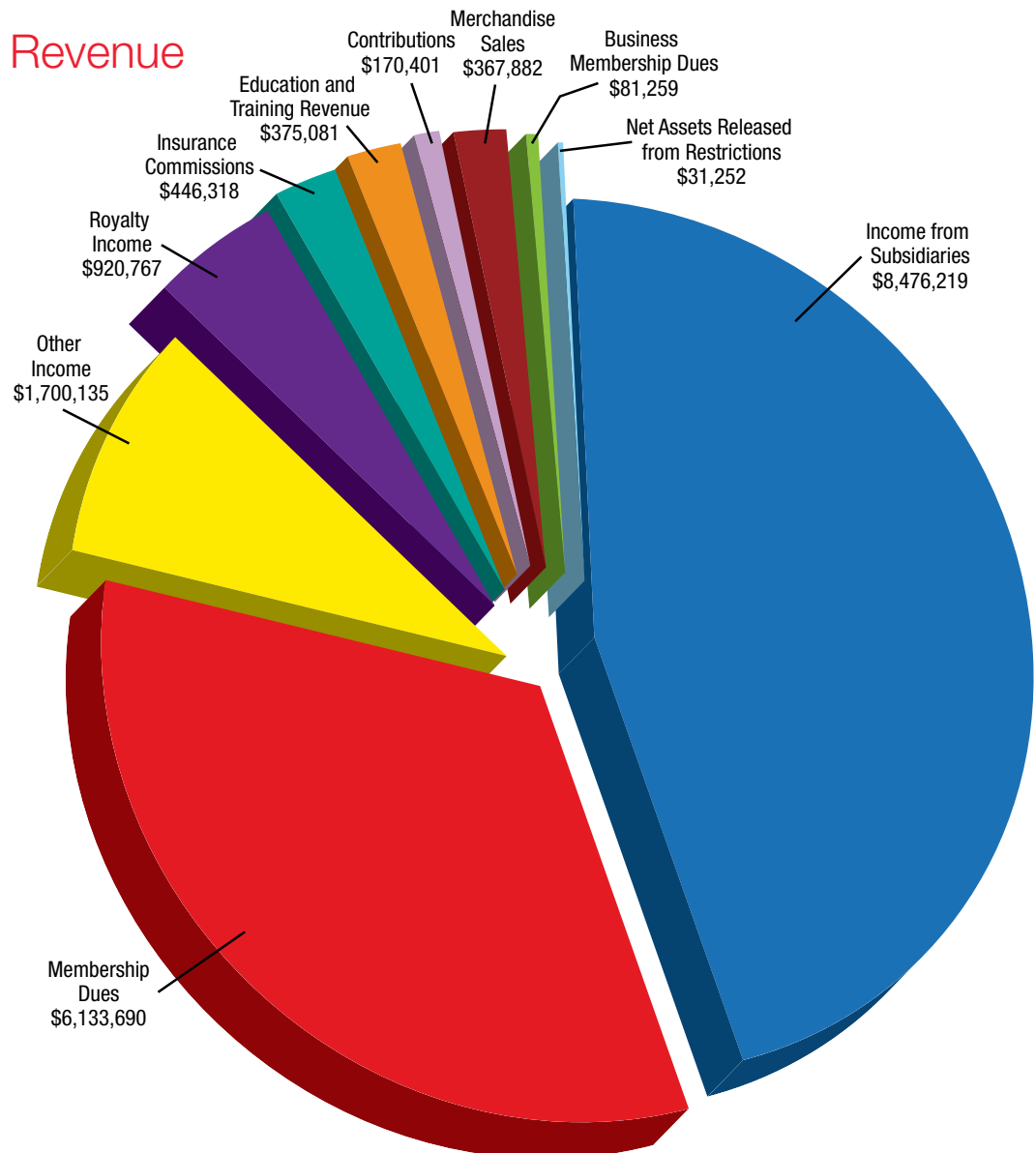
DAN Research continues its work on existing studies, including the patent foramen ovale (PFO) study and the Harvesting Divers Project, from which DAN has already received 130 case studies to evaluate the efficacy of delayed treatment and the impact of treatment delays.

BECAUSE OF
DAN MEMBERS,
more than \$100 million has
been invested in dive safety.

2011 FINANCIAL REPORT

SUPPORT AND REVENUE	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTALS
Income from Subsidiaries	\$8,476,219			\$8,476,219
Membership Dues	\$6,133,690			\$6,133,690
Other Income	\$1,700,135			\$1,700,135
Royalty Income	\$920,767			\$920,767
Insurance Commissions	\$446,318			\$446,318
Education and Training Revenue	\$375,081			\$375,081
Contributions	\$170,401	\$4,978	\$70,481	\$245,860
Merchandise Sales	\$367,882			\$367,882
Business Membership Dues	\$81,259			\$81,259
Net Assets Released from Restrictions	\$31,252	-\$31,252		\$0
TOTAL SUPPORT AND REVENUE	\$18,703,004	-\$26,274	\$70,481	\$18,747,211

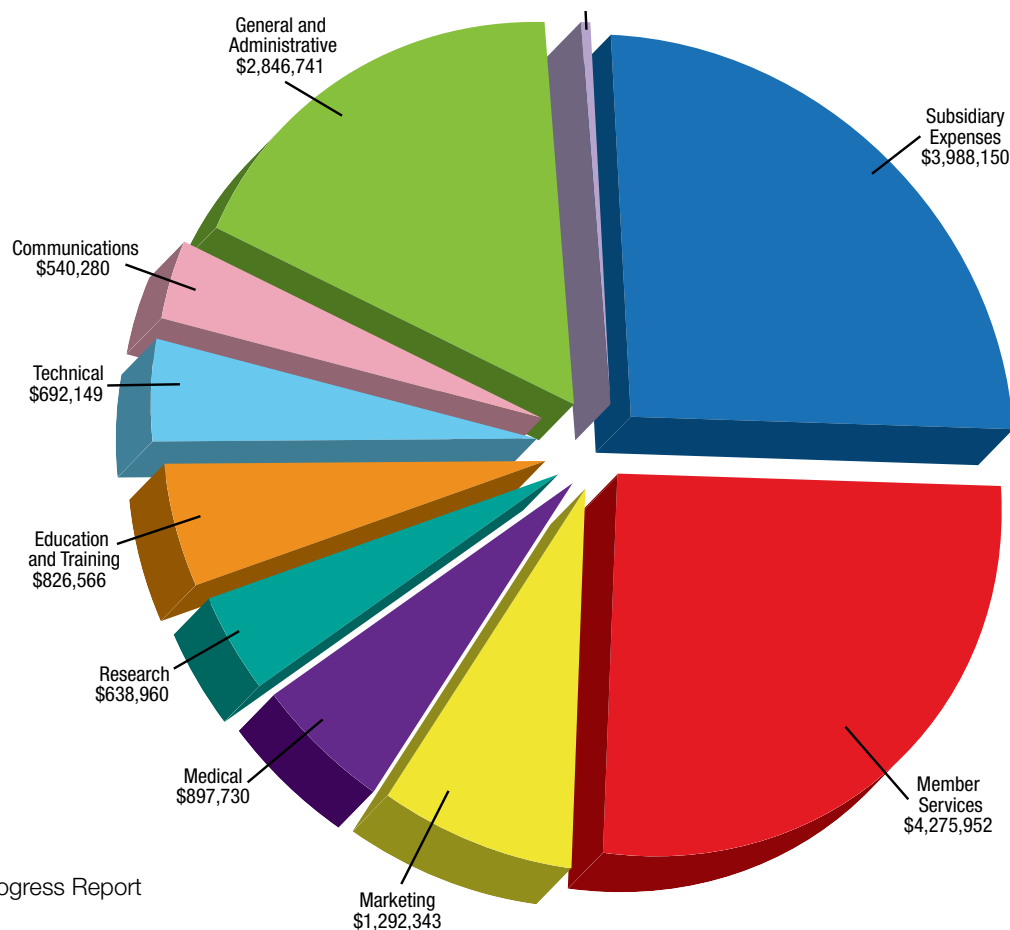
Support and Revenue



2011 FINANCIAL REPORT

EXPENSES	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTALS
PROGRAM SERVICES				
Subsidiary Expenses	\$3,988,150			\$3,988,150
Member Services	\$4,275,952			\$4,275,952
Marketing	\$1,292,343			\$1,292,343
Medical	\$897,730			\$897,730
Research	\$638,960			\$638,960
Education and Training	\$826,566			\$826,566
Technical	\$692,149			\$692,149
Communications	\$540,280			\$540,280
TOTAL PROGRAM SUPPORT	\$13,152,130	\$0	\$0	\$13,152,130
SUPPORTING SERVICES				
General and Administrative	\$2,846,741			\$2,846,741
Fundraising	\$71,570			\$71,570
TOTAL PROGRAM SERVICES	\$2,918,311	\$0	\$0	\$2,918,311
TOTAL EXPENSES	\$16,070,441	\$0	\$0	\$16,070,441
CHANGES IN NET ASSETS	\$2,632,563	-\$26,274	\$70,481	\$2,676,770
OTHER INCOME	\$201,005			\$201,005
INCOME TAXES	-\$918,328			-\$918,328
OTHER COMPREHENSIVE INCOME	-\$221,768			-\$221,768
CHANGES IN NET ASSETS	\$1,693,472	-\$26,274	\$70,481	\$1,737,679
NET ASSETS — 2010	\$10,669,801	\$484,293	\$1,196,324	\$12,350,418
NET ASSETS — 2011	\$12,363,273	\$458,019	\$1,266,805	\$14,088,097

Expenses



CLOSING



YOUR TURN

DAN is what it is because of divers like you. We're able to do what we do only with your input and support, so please keep the conversation going. Let us know what you think about DAN products and programs, what you like and what you think could be done better.

You can reach us anytime by visiting www.DAN.org or calling us at 1-800-446-2671.

BECAUSE OF
DAN MEMBERS,

DAN has been a safety
resource and lifeline for
all divers for more than
30 years.