

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

2008

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

For calendar year 2008, or tax year beginning _____, **and ending** _____

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation The David and Lucile Packard Foundation Number and street (or P.O. box number if mail is not delivered to street address) Room/suite 300 Second Street City or town, state, and ZIP code Los Altos, CA 94022-3632	A Employer identification number 94-2278431 B Telephone number 650-948-7658
---	--	--

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 4,650,858,492.** (Part I, column (d) must be on cash basis.)

J Accounting method: Cash Accrual
 Other (specify) _____

C If exemption application is pending, check here

D 1. Foreign organizations, check here
 2. Foreign organizations meeting the 85% test, check here and attach computation

E If private foundation status was terminated under section 507(b)(1)(A), check here

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)				
Revenue				
1 Contributions, gifts, grants, etc., received			N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments	34,045,359.	34,045,359.		Statement 2
4 Dividends and interest from securities	54,920,573.	54,920,573.		Statement 3
5a Gross rents	747,306.	747,306.		Statement 4
b Net rental income or (loss) 297,638.				Statement 5
6a Net gain or (loss) from sale of assets not on line 10	362,833,462.			Statement 1
b Gross sales price for all assets on line 6a 1901135248.				
7 Capital gain net income (from Part IV, line 2)		356,595,755.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less: Cost of goods sold				
c Gross profit or (loss)				
11 Other income	1,520,485.	26,253,907.		Statement 6
12 Total. Add lines 1 through 11	454,067,185.	472,562,900.		
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc.	2,649,860.	1,492,944.		1,138,532.
14 Other employee salaries and wages	9,748,255.	1,019,943.		8,615,715.
15 Pension plans, employee benefits	4,525,210.	469,229.		3,146,864.
16a Legal fees Stmt 7	1,134,168.	307,266.		781,611.
b Accounting fees Stmt 8	260,928.	94,557.		139,233.
c Other professional fees Stmt 9	7,662,286.	1,245,355.		6,442,150.
17 Interest				
18 Taxes Stmt 10	4,541,799.	0.		0.
19 Depreciation and depletion	1,523,748.	175,812.		
20 Occupancy	2,260,414.	509,683.		1,745,904.
21 Travel, conferences, and meetings	2,862,612.	87,525.		2,627,030.
22 Printing and publications	172,700.	11,750.		163,997.
23 Other expenses Stmt 11	-32,873,666.	8,291,299.		3,125,524.
24 Total operating and administrative expenses. Add lines 13 through 23	4,468,314.	13,705,363.		27,926,560.
25 Contributions, gifts, grants paid	342,113,456.			301,963,944.
26 Total expenses and disbursements. Add lines 24 and 25	346,581,770.	13,705,363.		329,890,504.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	107,485,415.			
b Net investment income (if negative, enter -0-)		458,857,537.		
c Adjusted net income (if negative, enter -0-)			N/A	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only.		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash - non-interest-bearing		-5,868,859.	-5,232,119.	-5,232,119.
	2	Savings and temporary cash investments		1716460449.	467,189,063.	467,189,063.
	3	Accounts receivable	5,847,892.			
		Less: allowance for doubtful accounts		42,657,860.	5,847,892.	5,847,892.
	4	Pledges receivable				
		Less: allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable				
		Less: allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges		297,823.	4,888,197.	4,888,197.
	10a	Investments - U.S. and state government obligations	Stmt 13	470,896,494.	463,958,484.	463,958,484.
	b	Investments - corporate stock	Stmt 14	3981567453.	1838706422.	1838706422.
	c	Investments - corporate bonds	Stmt 15	228,420,000.	244,592,000.	244,592,000.
	11	Investments - land, buildings, and equipment: basis	12,237,950.			
	Less: accumulated depreciation		16,721,356.	12,237,950.	12,237,950.	
12	Investments - mortgage loans					
13	Investments - other	Stmt 16	6,362,526.	1478626587.	1478626587.	
14	Land, buildings, and equipment: basis	45,086,682.				
	Less: accumulated depreciation	Stmt 17	14,850,430.	30,928,141.	30,236,252.	
15	Other assets (describe)	Statement 18)	106,004,088.	109,807,764.	109,807,764.	
16	Total assets (to be completed by all filers)		6594447331.	4650858492.	4650858492.	
Liabilities	17	Accounts payable and accrued expenses		6,049,529.	8,284,549.	
	18	Grants payable		125,444,737.	165,578,714.	
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe)	Deferred ExciseTax)	36,859,790.		0.
	23	Total liabilities (add lines 17 through 22)		168,354,056.	173,863,263.	
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		6426093275.	4476995229.	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.					
	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	Total net assets or fund balances		6426093275.	4476995229.		
31	Total liabilities and net assets/fund balances		6594447331.	4650858492.		

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	6426093275.
2	Enter amount from Part I, line 27a	2	107,485,415.
3	Other increases not included in line 2 (itemize)	3	0.
4	Add lines 1, 2, and 3	4	6533578690.
5	Decreases not included in line 2 (itemize)	5	See Statement 12
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	4476995229.

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 Public Investments		P		
b Private Investments		P		
c Currency Gains/Other		P		
d From K-1s		P		
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 1,898,615,955.		1,546,218,716.	352,397,239.	
b 2,519,293.		2,471,510.	47,783.	
c			6,339,147.	
d			-2,188,414.	
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) 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			352,397,239.	
b			47,783.	
c			6,339,147.	
d			-2,188,414.	
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 }		2 356,595,755.
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). If (loss), enter -0- in Part I, line 8		{ }		3 N/A

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 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))
2007	348,046,972.	6,370,258,576.	.054636
2006	301,453,440.	5,817,574,293.	.051818
2005	196,466,330.	5,265,669,873.	.037311
2004	335,184,763.	5,324,302,272.	.062954
2003	321,959,641.	4,897,583,327.	.065738
2 Total of line 1, column (d)			2 .272457
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 .054491
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5			4 5,779,017,816.
5 Multiply line 4 by line 3			5 314,904,460.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 4,588,575.
7 Add lines 5 and 6			7 319,493,035.
8 Enter qualifying distributions from Part XII, line 4			8 350,486,196.

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.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see 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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	4,588,575.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	4,588,575.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	4,588,575.
6 Credits/Payments:			
a 2008 estimated tax payments and 2007 overpayment credited to 2008	6a	9,021,697.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d		7	9,021,697.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	4,433,122.
11 Enter the amount of line 10 to be: Credited to 2009 estimated tax <input checked="" type="checkbox"/> 4,433,122. Refunded <input type="checkbox"/>		11	0.

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
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 0.		
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	
b If "Yes," has it filed a tax return on Form 990-T for this year?	X	
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 instructions) <input checked="" type="checkbox"/> CA, CO		
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 2008 or the taxable year beginning in 2008 (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)

11 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 instructions)	11		X
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ▶ <u>www.packard.org</u>			
14 The books are in care of ▶ <u>George Vera, CFO</u>		Telephone no. ▶ <u>650-948-7658</u>	
Located at ▶ <u>300 Second Street, Los Altos, CA</u>		ZIP+4 ▶ <u>94022-3632</u>	
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here			<input type="checkbox"/>
and enter the amount of tax-exempt interest received or accrued during the year			▶ 15 N/A

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.

		Yes	No
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	▶ <input type="checkbox"/>	1b	X
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 2008?		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 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 instructions.)	N/A	2b	
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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
b If "Yes," did it have excess business holdings in 2008 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2008.</i>)		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 2008?		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)? 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 instructions)? Yes No

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 20** 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? Yes No
If you answered "Yes" to 6b, 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? **N/A**

5b		X
6b		X
7b		

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.

(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 19		2649860.	397,098.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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
Seck-Eng Tan 300 Second St., Los Altos, CA 94022	Managing Director of Private Equity 40.00	320,937.	23,077.	
Musimbi Kanyoro (Stmt 32) 300 Second St., Los Altos, CA 94022	Program Director 40.00	293,425.	60,519.	64,543.
Walter V. Reid (Stmt 32) 300 Second St., Los Altos, CA 94022	Program Director 40.00	282,666.	55,663.	71,486.
Lois Salisbury 300 Second St., Los Altos, CA 94022	Program Director 40.00	239,564.	70,307.	
Stephanie McAuliffe 300 Second St., Los Altos, CA 94022	HR & Program Director 40.00	236,479.	52,343.	

Total number of other employees paid over \$50,000 **80**

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Eshrick Homsey Dodge & Davis Architects 500 Treat Ave, #201, San Francisco, CA 94110	Facilities consulting services	1693895.
Opus Search Partners, Inc. 1616 Walnut Street, Ste 1812, Philadelphia, PA	Search services	605,249.
Finch, Montgomery, Wright & Emmer 350 Cambridge Ave, Palo Alto, CA 94306	Legal services	480,212.
Resources Law Group, LLP 555 Capital Mall, #650, Sacramento, CA 95814	Legal & program related services	401,150.
RhodesDahl of South Carolina 9 Cordes Street, Charleston, SC 29401	Facilities consulting services	369,384.
Total number of others receiving over \$50,000 for professional services		26

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 See Statement 22	768,270.
2 See Statement 23	6,411,362.
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 Sacramento Valley Conservancy - Acquisition of Knaggs Ranch for land preservation in the Elkhorn Basin of California.	4,500,000.
2 Samaritan House - Renovation of a building in San Mateo, CA that will enable consolidation of services and administration in one location.	3,500,000.
3 All other program-related investments. See instructions. See Statement 21	11,735,502.
Total. Add lines 1 through 3	19,735,502.

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see 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	3,769,197,594.
b	Average of monthly cash balances	1b	1,324,831,462.
c	Fair market value of all other assets	1c	772,994,107.
d	Total (add lines 1a, b, and c)	1d	5,867,023,163.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	5,867,023,163.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	88,005,347.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,779,017,816.
6	Minimum investment return. Enter 5% of line 5	6	288,950,891.

Part XI Distributable Amount (see 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	288,950,891.
2a	Tax on investment income for 2008 from Part VI, line 5	2a	4,588,575.
b	Income tax for 2008. (This does not include the tax from Part VI.)	2b	855.
c	Add lines 2a and 2b	2c	4,589,430.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	284,361,461.
4	Recoveries of amounts treated as qualifying distributions	4	13,673,445.
5	Add lines 3 and 4	5	298,034,906.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	298,034,906.

Part XII Qualifying Distributions (see 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	329,890,504.
b	Program-related investments - total from Part IX-B	1b	19,735,502.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	860,190.
3 Amounts set aside for specific charitable projects that satisfy the:			
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	350,486,196.
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	5	4,588,575.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	345,897,621.

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 instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				298,034,906.
2 Undistributed income, if any, as of the end of 2007:				
a Enter amount for 2007 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2008:				
a From 2003				
b From 2004				
c From 2005				
d From 2006				
e From 2007	215729905.			
f Total of lines 3a through e	215,729,905.			
4 Qualifying distributions for 2008 from Part XII, line 4: ▶ \$350,486,196.				
a Applied to 2007, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions) **	268,181,195.			
d Applied to 2008 distributable amount				82,305,001.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a).)	215,729,905.			215,729,905.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	268,181,195.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
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		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	268,181,195.			
10 Analysis of line 9:				
a Excess from 2004				
b Excess from 2005				
c Excess from 2006				
d Excess from 2007				
e Excess from 2008	268181195.			

** See Statement 24

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2008, 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)

	Tax year	Prior 3 years			(e) Total
	(a) 2008	(b) 2007	(c) 2006	(d) 2005	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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 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 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 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:

The David and Lucile Packard Foundation, 650-948-7658
300 Second Street, Los Altos, CA 94022

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

See "How to Apply" in each program area at www.packard.org

c Any submission deadlines:

See "How to Apply" in each program area at www.packard.org

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

See "How to Apply" in each program area at www.packard.org

Part XV Supplementary Information (continued)

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

Recipient	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
Name and address (home or business)				
a Paid during the year				
See Statement 25				
Total				▶ 3a 301963944.
b Approved for future payment				
Total See Statement 26				▶ 3b 120143599.

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
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a Program Related					
b Investments					1,520,485.
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	34,045,359.	
4 Dividends and interest from securities			14	54,920,573.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property			16	297,638.	
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	362,833,462.	
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)		0.		452,097,032.	1,520,485.
13 Total. Add line 12, columns (b), (d), and (e)					13 453,617,517.

(See worksheet in line 13 instructions 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).
1	<p>Program related investments (PRIs) are an integral part of the Foundation's exempt programs and are undertaken to complement and extend its grant making activities. PRIs are reviewed by the relevant program and are made to further the Foundation's charitable, educational or scientific purposes and the program's goals. PRIs are generally made as loans or guaranties. Each PRI meets the following three requirements:</p> <ul style="list-style-type: none"> (a) the primary purpose of the PRI is charitable; and (b) no significant purpose of the PRI is profit motivated; and (c) no purpose of the PRI is to attempt to influence legislation, or to participate or intervene in any political campaign, for or against, any candidate for public office. <p>See Part IX-B and Statement 21 for a description of the charitable purpose of each PRI made in 2008.</p>

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		Yes	No
	a Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)	X	
	(2) Other assets	1a(2)		X
	b Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)	X	
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
	c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X
	d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.			

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
b3	1,000.	American Legion Post 558 Association of Fundraising Professionals	See Statement 27
a1	10,000.	Silicon Valley Leadership Group	
a1	170,000.		

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here					
	Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's identifying number
		Firm's name (or yours if self-employed), address, and ZIP code	Deloitte Tax LLP 50 Fremont Street San Francisco, CA 94105		EIN

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	Charitable Use Property-Land	Varies		.000	16	16331113.			16331113.			0.
2	Charitable Use Property-Buildings	Varies		.000	16	7162933.			7162933.	3847090.		238,765.
3	Charitable Use Property-Lshld Imp.	Varies		.000	16	14964793.			14964793.	4614243.		692,263.
4	Charitable Use-Office Furn. & Equipment	Varies		.000	16	6627843.			6627843.	4889085.		568,984.
	* Total 990-PF Pg 1 Depr					45086682.		0.	45086682.	13350418.	0.	1500012.