LAAD

1970 **40 Years** 2010

2010 ANNUAL REPORT

Latin American Agribusiness Development Corporation S.A.

LAAD is a private investment and development company. Its shareholders are 12 leading agribusiness and financial corporations. LAAD finances and develops private agribusiness projects in Latin America and the Caribbean involving all phases of production, processing, storage, services, technology and marketing in the fields of agriculture, livestock, forestry and fishing.

Viendal S.A. is a producer of animal feed rations for beef and dairy cattle. This project is located in José Pedro Varela, eastern Uruguay.

LAAD Financial Highlights Consolidated Data October 31,

FOR THE YEAR	2010	2009	2008	2007	2006
Operating Income ('000)	**$ 10,583**	$ 9,679	$ 8,684	$ 8,049	$ 8,087
Net Income ('000)	**$ 9,023**	$ 8,179	$ 7,203	$ 6,474	$ 6,931
Basic Earnings per Share of Common Stock*	**$ 18,798**	$ 17,040	$ 15,007	$ 13,487	$ 14,440
FINANCIAL RATIOS					
Return on Average Net Worth	**10.8%**	10.6%	10.0%	9.5%	10.9%
Return on Average Total Assets	**2.8%**	2.7%	2.8%	2.9%	3.2%
Total Net Debt to Net Worth	**2.5:1**	2.5:1	2.6:1	2.3:1	2.1:1
Operating Expenses to Gross Profit**	**43.7%**	50.4%	50.9%	49.1%	46.3%
Operating Expenses to Average Total Assets	**2.5%**	3.3%	3.5%	3.5%	3.3%
Reserve to Portfolio	**2.7%**	3.1%	3.4%	4.0%	4.4%
AT YEAR END					
Agribusiness Loans ('000)	**$ 305,399**	$ 284,427	$ 265,145	$ 219,248	$ 193,036
Assets ('000)	**$ 338,600**	$ 313,026	$ 288,029	$ 232,229	$ 210,466
Net Worth ('000)	**$ 87,518**	$ 80,166	$ 74,236	$ 70,256	$ 66,310

In 2010, the Company disbursed an unprecedented amount of

US$103.5 million

to 149 projects in 14 countries in Latin America and the Caribbean.

Negocios Generales Lubri S.A. is a Peruvian agricultural company with 165 hectares of farmland that produces asparagus, paprika, and white onion in the Ica Valley, 350 kilometers south of Lima.

Letter to the Shareholders

LAAD is commemorating its 40th year of operations, 40 years of sustained commitment to growing Latin America's agribusiness enterprises. Forty years ago, several multinational corporations came together to capitalize a new development financial institution designed to promote private agribusiness entrepreneurship and investment in Latin America.

In the early years, we teamed up with the U.S. Agency for International Development (USAID), which provided us with long-term loans at subsidized rates to fund a loan program to stimulate agribusiness investment in Central America. The purpose of this program was, primarily, to benefit small- and medium-sized farmers by promoting non-traditional exports, and create rural jobs.

Times were not the best back then. We had barely started operations when the first oil crisis destabilized Central American economies. Governments responded by imposing foreign exchange controls on international financial transactions. The region was further weakened by internal insurgencies politically opposed to the concept of a free market economy. Despite these drawbacks, we set out to find projects that met our twin goals of financial viability and high economic impact on the host economy.

As we learned more about the opportunities and risks facing our clients, we soon developed a long-term investment strategy that gave priority to non-traditional, high value-added, internationally competitive export crops. That strategy has served the region and LAAD well over the years.

LAAD has now matured from a subsidized and untested dream to a dynamic development corporation that obtains its funding from international capital markets at competitive rates, based on your Company's financial performance.

Your management is proud of LAAD's many accomplishments:

- Since its beginnings in 1970, your Company has invested over US$1 billion in over 2,700 export-oriented agribusiness projects in 20 Latin American and Caribbean nations, generating over 120,000 new jobs mainly in rural areas. LAAD chose these businesses because they were well-managed and internationally competitive, introduced new appropriate technologies, and trained a more productive labor force.
- From a modest starting capital of US$2.4 million, your Company's net worth has grown more than 36 times to US$87.5 million. Although most of LAAD's earnings have been reinvested in the business, your Company has paid a dividend every year since 1980.
- Despite investing in a high-risk industry with weather uncertainties and volatile international market prices, LAAD has prudently chosen its clients: annual write-offs over these past 40 years have averaged less than 1% per year.
- LAAD's organization has expanded steadily over the years from a single regional office in Guatemala to ten offices serving most countries in Latin America and the Caribbean.
- LAAD played a key role in the development of new agro-industries in their risky early years and the introduction of new technologies:
  - In Belize, we played a major role in consolidating that country's growing citrus industry by financing growers and the establishment of a grower-owned juice concentrate plant.
  - In Bolivia, we financed a generation of Brazilian soybean farmers, who bought land and brought their experience and technology to develop this country's large soybean industry.
  - In Brazil, LAAD supported newer, non-traditional crops such as table grapes in Petrolina and Juazeiro, as well as innovative papaya producers and exporters in Bahia.
  - In Chile, we were an early driver in developing this country's berry industry in addition to funding Chile's many counter seasonal fruit growers.
  - In Colombia, our financing was a key factor in the development of the organic banana industry in the Guajira region along this country's northern coast.
  - In Costa Rica and Guatemala, we financed the early producers of leather-leaf fern and other ornamental plants for American and European markets.
  - In the Dominican Republic, we helped the local organic banana growers make this country the world's largest

exporter. In addition, we are now funding greenhouse-grown peppers for export in the highlands.

- In Ecuador, we participated actively in developing its flower industry, primarily roses and summer flowers. The cut-flower industry generates more jobs per hectare than any other crop. We have also significantly supported the banana growers, a major export sector in this country.
- In Peru, we funded this country's pioneers in the fresh asparagus industry making Peru the world's leading exporter of fresh and processed asparagus. More recently we have been supporting the expansion in the table-grape industry for export using primarily Chilean technology.
- In Uruguay, in addition to supporting the country's traditional beef cattle, dairy and rice producers, we also funded less traditional export crops such as citrus, blueberries, and imitation crab (kanikama).

In highlighting these accomplishments, we would like to express our appreciation to several of our shareholders, who often help us find and assist new clients. While management bears responsibility for LAAD's operations, its job has been greatly helped by having access to shareholders and directors with many years of experience and knowledge of Latin American agriculture.

Turning now to LAAD's results for the year 2010, we are pleased to report continued progress in growing our loan portfolio and in improving our financial return.

Latin America on the whole showed a healthy rebound from the global recession in 2009. Most Latin American countries, except for Haiti and Venezuela, experienced positive economic growth. Agriculture also did well thanks to rising agricultural commodity prices.

LAAD benefitted from this recovery as it made record disbursements during the year. Your Company disbursed a total of US$103.5 million to 149 projects in 14 Latin American and Caribbean countries, a significant 38% increase over 2009.

LAAD's agribusiness portfolio increased 7% this year to US$309.4 million*, a new record. Most new lending was committed to South America, which received nearly two thirds of total disbursements, or US$66.5 million. The most active countries in the region were Ecuador (US$17.4 million), Peru (US$15.7 million) and Brazil (US$12.3 million) with a combined total of 50 projects.

Among the 149 projects financed this year are:

In Minas Gerais, Brazil, LAAD lent US$1 million to Everaldo Peres Domingues for the expansion of his high-quality Arabica coffee plantation. Mr. Peres grows his coffee trees without a shade canopy and uses center pivot irrigation.

In Uruguay, your Company provided a US$350,000 permanent working capital loan to Viendal S.A., a producer of animal feed rations for beef and dairy cattle. The conversion of ranch land for agriculture in Uruguay has increased the demand for animal feed to fatten cattle at the expense of natural pastures.

In Ica, Peru, LAAD made a US$1 million loan to Viña Ocucaje S.A., a wine and pisco producer established in 1944 by the Rubini family. Over the years Ocucaje has succeeded in establishing a widely recognized brand of wine and pisco, primarily for the Peruvian market. LAAD's loan allowed Ocucaje to plant an additional 20 hectares of wine grapes, which will enable the company to expand its export sales as well as locally. LAAD has been supporting the Peruvian grape industry for many years, but only for table grapes.

Projects financed this year will make a significant contribution to the Latin American economy. They are expected to generate an additional US$117 million annually in foreign exchange earnings. They will also create close to 4,000 new full-time jobs and over 4,300 seasonal jobs, mainly in rural areas.

Your Company turned in a record year in terms of financial performance. Net earnings rose nearly 13% compared to 2009 to a record US$9 million for a 10.8% return on average net worth. This year, earnings per share rose to US$18,798 from US$17,040 in 2009. These results were driven by continued growth in the Company's loan business with a low level of write-offs, a lower cost of funding, and favorable interest rate spreads.

2010 earnings rose to

US$18,798

per share.

Your Company's financial ratios reflect a strong liquidity position and a low net debt/equity ratio of 2.5:1.

Management looks forward to a promising and exciting 2011 as Latin America builds on its strong economic performance of 2010. Some forecasts call for a slowing down in the region's overall growth rate from 6% to 4.2%. However, countries with export-oriented economies like Brazil, Chile, and Peru are expected to do well as they benefit from growing demand for commodities from other developing countries, particularly China and India.

LAAD anticipates that agriculture will turn in another strong year of growth driven by continued high prices for agricultural commodities. This should lead to greater demand for funding agricultural investments.

The most important risk facing agricultural producers in Latin America today, aside from abnormal weather, is the continued rise in the relative strength of their national currencies, particularly the Brazilian real, and the Chilean and Colombian pesos. This development threatens the competitive position of their agricultural exports. The region's monetary authorities are aware of this phenomenon, but it is not clear what they will do about it.

Finally, we again want to thank our clients for their hard work and risk-taking, our Directors for their continued involvement and support and, last but not least, to your Company's management and staff for keeping LAAD on a steady course and allowing us to carry out our mission.

Benjamin Fernandez
President

Frank Ravndal
Chairperson

**Including real estate owned and equity investments.*

Agribusiness Operations

As we celebrate our 40th anniversary, we are happy to report very good operational results, leading to record level profitability and loan disbursements for the Company's fiscal year 2010. The Company disbursed US$103.5 million during the year to 149 projects in 14 countries. Disbursements were 38% higher than 2009 and 9% higher than budget, with the portfolio growing by over 7% to US$309.4 million as compared to 2009. The projects financed by LAAD in 2010 created close to 4,000 new full-time jobs and over 4,300 seasonal jobs, and should generate an additional US$117 million in foreign exchange to Latin America per year as a result of our emphasis on export-oriented projects.

South America continues to be the most important area of growth for LAAD in absolute terms. The Company's portfolio in South America grew by a modest 7.4% last year ending at US$188 million; up from US$175 million in 2009. The Company disbursed US$66.5 million to 84 projects in seven countries. At fiscal year end, South America represented 61% of LAAD's total portfolio. South America now has the largest concentration of loans for the Company. The most active country in the region was Ecuador, where we disbursed over US$17.4 million to 23 projects, followed by Peru with close to US$15.7 million to 20 projects, as we continued our expansion into this country taking advantage of solid growth in its diversified export-oriented agribusiness sector. The third most active country was Brazil, where we disbursed US$12.3 million to seven projects producing new products in new areas of this important emerging South American nation. Brazil constitutes one of the drivers for LAAD's future expansion.

The Central American portfolio increased by 8% and remained in second place in loan concentration with 28% of LAAD's total portfolio. Growth in Central America was due to the Company's success at regaining former clients that in prior years had obtained less expensive funding. The Company disbursed close to US$29.4 million to 42 different projects in the six countries that make up the Central American region. Nicaragua accounted for 37% of the region's disbursements, followed by Costa Rica, and Guatemala with 30% and 19%, respectively.

Inmobiliaria Nueva Veragua, S.A. is located in Río Cuarto de Grecia, Costa Rica. The pineapple operation is run by Mr. Alberto Gallegos. They currently produce 500 hectares of pineapple. The fruits are processed in their state-of-the-art packing plant and sold to Dole Fresh Fruit.

The Caribbean region's portfolio increased by 10% in absolute size and increased from 10% to 11% of LAAD's total agribusiness portfolio. The Company disbursed over US$7.6 million to 23 different projects, all within the Dominican Republic.

In absolute terms, non-performing assets decreased to US$15.8 million this fiscal year, representing 4.8% of the total agribusiness portfolio.

The Company financed projects in a wide range of industries, including traditional and non-traditional products. Fruits, vegetables, and grains were the largest single sector, followed by food processing and flowers.

In Bolivia, LAAD continues to limit its operations there, concentrating on improving portfolio quality through problem-loan workout operations. Disbursements were made to 12 projects including the renewal of previously-approved revolving lines. Total disbursements during the year reached US$4.6 million. LAAD financing enabled these projects to increase their exports by US$2.0 million, with 41 permanent job positions created.

In Brazil, the Company disbursed a total of US$12.3 million to seven projects located in the states of Mato Grosso and Minas Gerais. These projects should generate 448 new full-time job positions, 408 part-time positions, and US$38.9 million in additional exports. LAAD continues to grow aggressively in Brazil as the Company is finding new areas and products that incorporate diversity into its portfolio and dilute risks. LAAD will continue to target projects producing coffee, grain, cotton, cattle, fruit, seed, and sugarcane.

In Chile, the excessively-strong peso and the earthquake that shook the country in February 2010 left many agricultural companies in tough financial situations. Continuing a tradition of supporting clients affected by extreme weather events, LAAD reached out to offer its financial assistance to affected producers. As a result of these efforts, LAAD disbursed a total of US$8.9 million to 18 projects in the country. The projects should generate 35 new full time jobs and over 452 new seasonal jobs. Furthermore, the projects financed by LAAD should increase their annual exports by US$4.0 million. Despite being a highly competitive and lower-margin market, LAAD intends to push for growth in Chile as the country could contribute further to LAAD's growth strategy for upcoming years.

In Uruguay, LAAD started the year with significant competition from local banks that were awash in liquidity. As a result, we found it very difficult to find new loans and in fact, were under pressure from banks that were aggressively targeting our clients. During the year, LAAD started marketing to companies involved in less-traditional products and successfully granted loans to projects involved in producing animal feed, leather processing, pork products, and milk by-products. Following this strategy, we successfully disbursed five loans for a total of US$4.2 million. LAAD-financed projects in

Disbursements were
38% higher than 2009.

Félix Arqueros e Hijos Limitada, located in Piedra Azul, Chapilca, Valle de Elqui, Chile, produces red globe table grapes for the Asian market.

Uruguay in 2010 are expected to create 382 full-time and 157 part-time jobs and increase their exports by US$8.9 million per year.

Despite a promising business environment in Colombia, LAAD only disbursed US$3.3 million to three projects. Two of the projects are located in the coastal region of the country and are involved in organic bananas and wood processing; a third project produces summer flowers in Medellín. These projects should generate close to US$1.8 million in hard currency and create 230 permanent job positions. The appreciation of the local currency against the United States dollar and a very competitive and liquid financial market continued to negatively affect our growth in that country. However, we believe that Colombia remains a very attractive market for LAAD, despite the negative impact of the strong peso on exports and the high liquidity affecting our growth potential. On the positive side, Colombia now shows diminished violence associated with rebel and guerrilla insurgencies, accompanied by a new government that favors private enterprise and the signing of a pending trade agreement with the United States. Thus, we foresee a modest growth in our business in Colombia supporting the banana industry in the coastal region and possibly financing short-term working capital for other crops in other areas.

Ecuador continues to be one of our key markets. In spite of some political instability, the agribusiness sector in the country remains solid and competitive, and is one of the key drivers of the Ecuadorean economy. In 2010, LAAD disbursed a record level of US$17.4 million to 23 projects—mainly in roses and bananas. However, new projects in the wood-processing industry and pineapple were financed as

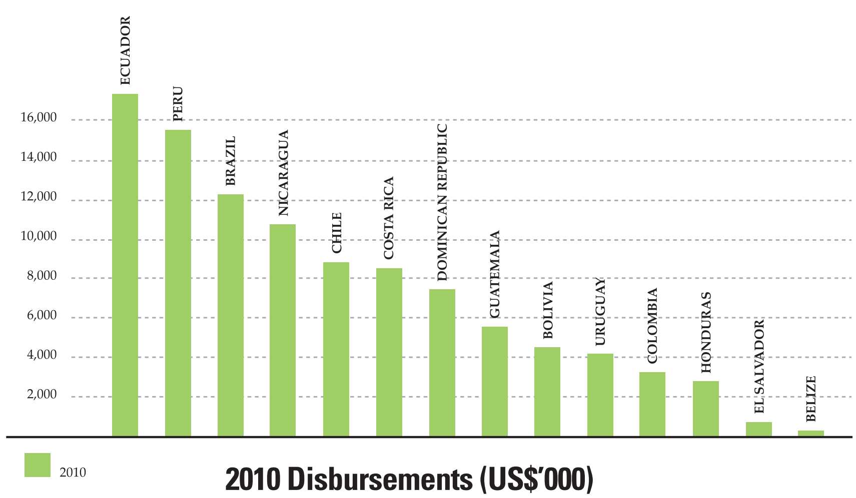
Agro Orchids de Costa Rica, S.A. is a live orchid producing company located in San Ramón, Costa Rica. Around 1.2 million orchids are exported yearly to the United States market.

well. These projects will generate US$5.3 million in hard currency and create 1,728 permanent job positions. In 2010 the flower industry continued to suffer from the consequences of the global downturn and recession that has affected the major markets. Despite this situation, LAAD continued to support the most efficient flower growers that have solid market channels and new technologies in place. In addition, our local management team continued to maintain a very healthy portfolio, including helping in the workout, spin-off, and sale of some weakened flower projects to other financially healthier and more innovative growers. The local banana industry prices remained high during the year, which significantly helped consolidate the industry, placing the Ecuadorean banana growers among the most efficient producers worldwide.

LAAD had another excellent year in Peru, taking advantage of the remarkable growth and vitality of the agribusiness sector in this country. In 2010 we disbursed US$15.6 million to 20 projects and created over 269 new full-time jobs and 1,591 new part-time jobs. LAAD-financed projects also helped generate over US$14.4 million in additional foreign currency. LAAD continued with its strategy to support efficient growers with a long tradition in agriculture. LAAD's portfolio in Peru is well diversified and supports the production and processing of asparagus, grapes, avocados, citrus, mangoes, and other vegetable products for the export markets. Given Peru's political and economic stability, LAAD has identified the country as one of the primary drivers to attain the Company's growth goals for the upcoming years. For the year 2011 a very interesting business pipeline is being developed, involving the aforementioned products and some new ones produced away from the coast, such as organic coffee and cocoa. Peruvian coffee and cocoa have been regarded internationally as among the best in the world.

In Nicaragua, for the third year in a row, LAAD continued to grow its portfolio disbursing US$10.9 million to 16 projects. Despite political uncertainties, LAAD continued to increase its lending activities in 2010, diversifying from the successful, supervised peanut crop financing program with selected growers, to financing new projects in the coffee, cattle, and rice industries, where markets are currently very strong. Nicaragua continues to have a small but recognized presence in the international peanut market and LAAD has supported these efforts since their initial stages. The projects financed by LAAD in Nicaragua in 2010 should generate over US$12.8 million per year in foreign currency earnings and also create 187 new full-time jobs as well as 554 seasonal jobs. The local office in Managua has expanded its staff by hiring an assistant manager in order to be able to manage the increased portfolio and handle the new business being developed in different industries such as peanuts, coffee, cattle, plantains, and rice.

In Costa Rica, LAAD disbursed US$8.7 million to seven projects involving pineapples, sugarcane, coffee, ornamental plants, and fern production. These projects should create approximately 185 permanent positions and 140 seasonal jobs, and generate over US$8.4 million per year in foreign currency. The Company continues to grow its portfolio in the country by taking advantage of the expanding pineapple industry, but also following through with its strategy to develop a very diversified and healthy loan portfolio. For the upcoming fiscal year, LAAD will continue to increase its portfolio in this country by financing pineapples, specialty coffee, bananas, and dairy cattle operations.



2010 Disbursements (US$'000)

During 2010, LAAD disbursed close to US$3 million in Honduras to six clients involved in coffee, ornamental plants, cattle, cucumber, and lobster production. These projects should generate over US$900,000 in foreign exchange per year and over 48 full-time and 243 part-time job positions during the high season.

In Guatemala, management continued its efforts to diversify its lending operation and maintain a quality portfolio. Management considers Guatemala a significant player in the specialty coffee business over the long-term and LAAD continues to support quality growers in this important export sector. Our Company disbursed over US$5.6 million to 11 projects, with a concentration in the demanding coffee industry, as well as in ornamental plants, papaya, limes, leather leaf, and one small project in African palm oil. These projects will generate close to US$2.5 million in foreign currency per year and over 129 permanent job positions, as well as close to 300 seasonal jobs. In addition, LAAD was able to fully collect a non-performing loan in baby vegetables during the year; thus significantly reducing its non-performing assets in the country. Strong competition from local financial institutions is the main challenge to expanding the Company's portfolio in this country.

In El Salvador, where LAAD has traditionally maintained a small portfolio, the Company disbursed a total of US$800,000 to one project that produces fresh tilapia for export, creating 19 full-time jobs as well as 10 seasonal jobs and generating over US$6 million in foreign exchange.

In Belize, LAAD disbursed only US$370,000 to one banana project, generating 12 permanent jobs and US$485,000 in additional foreign currency as a result of LAAD's financing.

In the Caribbean, LAAD continued supporting the organic banana industry in the Dominican Republic, which has become a key player worldwide in this growing niche market. Our Company disbursed a total of US$7.6 million to 23 projects, focusing on organic banana production, but also diversifying the product base in avocados, cacao, mangoes, cattle, bell peppers, pigeon peas, and plantains. These projects should generate nearly US$11 million in exports per year, contributing with 285 permanent jobs and close to 600 temporary jobs, most of them in rural regions with sparse job opportunities. Our outlook for 2011 remains positive, with management seeking quality clients in other agribusiness industries to diversify LAAD's portfolio base.

Invernaderos Montechico S. A., located in La Vega, Dominican Republic, produces fresh bell peppers for export to the United States. Produce is prepared for export in its packing and processing plant with a 5,500 kilo/hour capacity.

LAAD disbursed over

US$7.6 million

to 23 different projects, all within the Dominican Republic.

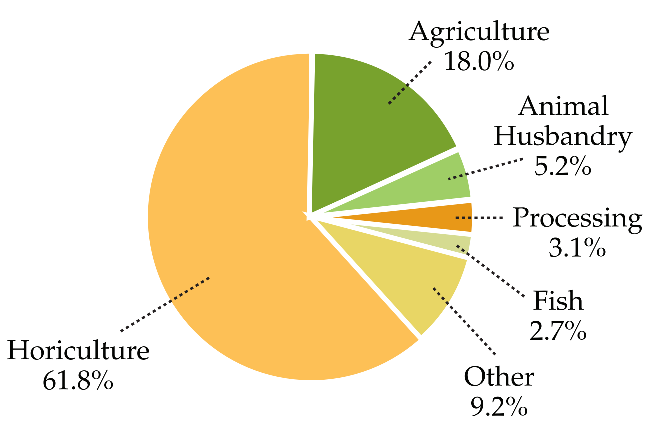
The projects financed by LAAD in Nicaragua in 2010 should generate over
US$12.8 million
per year in foreign exchange.

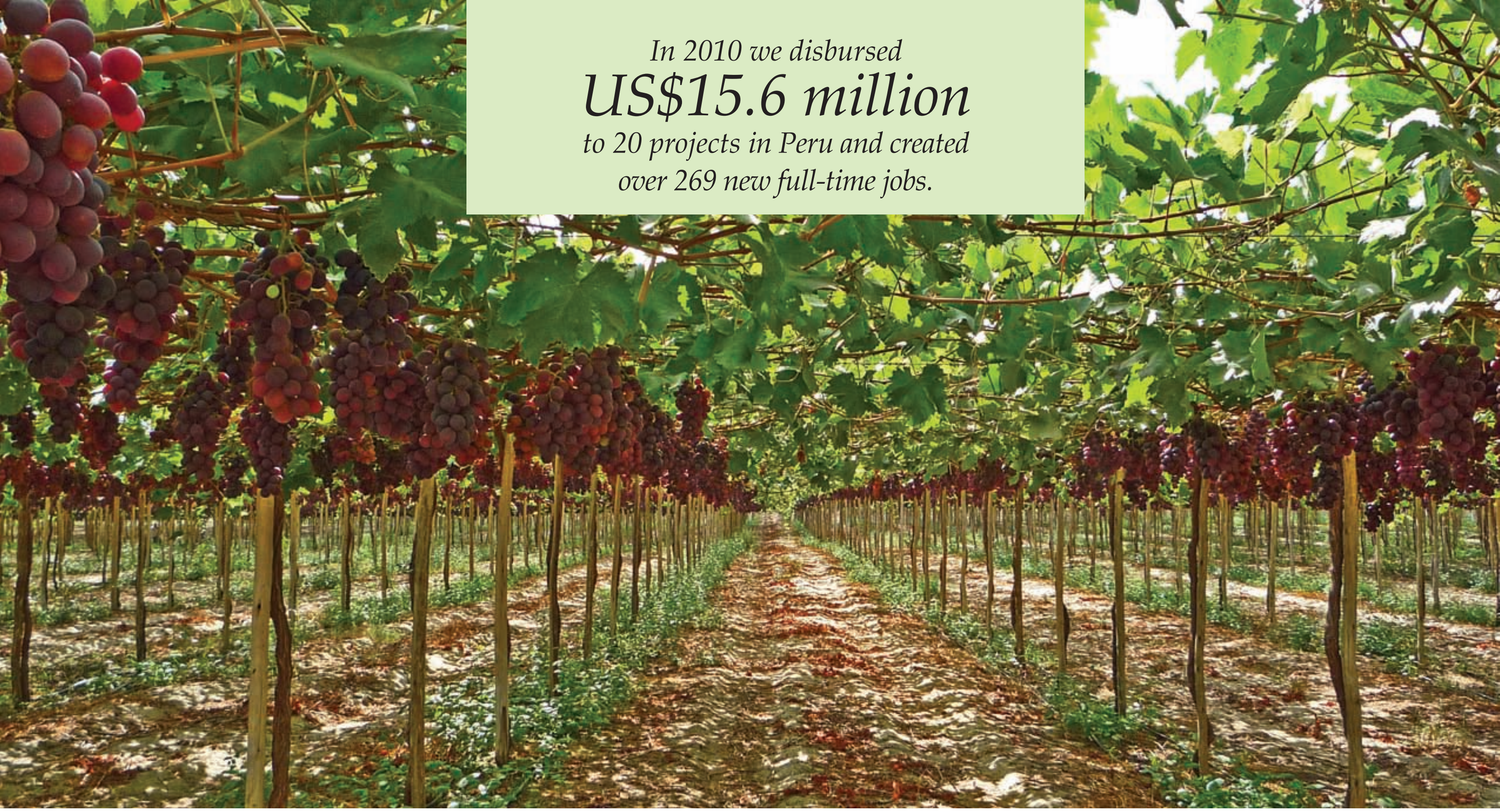
Mr. Caldera's operations are located in Malacatoya in the Department of Granada, approximately 70 kilometers east of Managua, Nicaragua. He produces 882 hectares of rice per year.

Agribusiness Portfolio by Industry
US$'000

Purpose of Loan	No. of Projects	Disbursed	Present Holding	Percentage of Holding
Fruits and Vegetables	921	361,073	138,803	44.9%
Cut Flowers	364	150,665	52,377	16.9%
Grains	388	155,024	36,964	11.9%
Agriculture	183	63,866	18,703	6.0%
Cattle	176	53,910	16,191	5.2%
Miscellaneous	110	34,803	9,736	3.1%
Food Processing	283	119,834	9,577	3.1%
Fishing	82	34,171	8,253	2.7%
Wood Products	96	30,207	8,144	2.6%
Dairy	21	8,429	5,027	1.6%
Vegetable Oils	37	18,612	3,797	1.2%
Agro-technology	10	3,069	1,000	0.3%
Hogs and Poultry	48	18,883	790	0.3%
Farm Equipment	23	7,581	100	0.0%
Marketing Services	31	5,502	0	0.0%
Overall Result	2773	1,065,629	309,462	100%

Industrial Distribution



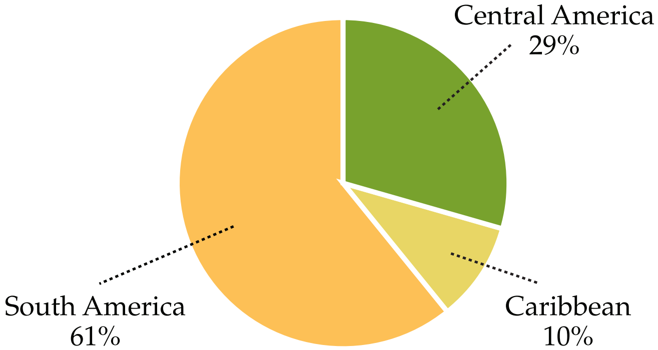


Agrícola Tungasuca S.A.C. in Peru is a diversified company located in the Cieneguillo Sur Valley in the Piura area, which is known for its semi-tropical climate, which permits the excellent export-quality production of mangoes, lemons and red globe table grapes on a 130 hectare property. Thanks to the financing of LAAD, the company purchased 100 hectares of land and developed 10 additional hectares of table grapes.

Agribusiness Portfolio by Country
US$'000

Country	No. of Projects	Disbursed	Present Holding	Percentage of Holding
Brazil	72	75,763	53,111	17.2%
Ecuador	246	128,298	42,742	13.8%
Dominican Republic	365	100,587	30,154	9.7%
Chile	233	82,300	29,342	9.5%
Peru	128	76,120	26,475	8.6%
Honduras	208	83,329	24,179	7.8%
Costa Rica	251	89,610	23,742	7.7%
Nicaragua	152	81,836	19,763	6.4%
Guatemala	365	109,948	15,655	5.1%
Colombia	45	26,560	11,728	3.8%
Bolivia	336	96,773	11,271	3.6%
Uruguay	42	25,536	11,262	3.6%
Belize	65	25,308	4,274	1.4%
El Salvador	65	18,172	3,658	1.2%
Venezuela	34	13,648	2,106	0.7%
Other	166	31,841	-	0.0%
Overall Result	2,773	1,065,629	309,462	100%

Geographic Distribution



Financial Results

The Company reported a net income of US$9.0 million for the fiscal year ending October 31, 2010—10.3% above last year. The return on average equity was 10.8% and earnings per share were US$18,797.54. The return on average total assets increased to 2.8% from 2.7% last year.

Interest income from agribusiness loans was up by 4.0% to US$27.9 million. The Company disbursed US$103.5 million in loans during the year, increasing the agribusiness loan portfolio by 7.4% to US$305.4 million. Interest expenses of US$9.6 million were 1.0% lower than the previous period, primarily due to lower LIBOR rates during the fiscal year.

Salaries and employee benefits remained relatively the same for 2010 at US$4.0 million. General and administrative expenses increased by 3.5% mainly due to costs for professional fees paid to third parties, as well as internal traveling expenses in the countries where the local currency significantly appreciated when compared with the United States dollar.

Operating expenses represented 29.8% of total revenue in 2010, compared to 30.7% in 2009.

Total assets at fiscal year-end October 31, 2010, net of loan loss reserves, reached US$339 million —8.2% higher than the previous year, mainly due to the growth of the agribusiness portfolio. Non-performing loans of US$14.7 million represented 4.8% of the portfolio, down from 5.3% last year. The Company wrote off US$2.3 million of loans to 18 clients in seven countries during the year, or 0.7% of the total portfolio. This figure includes equity investments and OREOs and is slightly higher than the same percentage of 0.6% that was written off last year. The reserve for possible losses is 2.8% of the agribusiness loan portfolio.

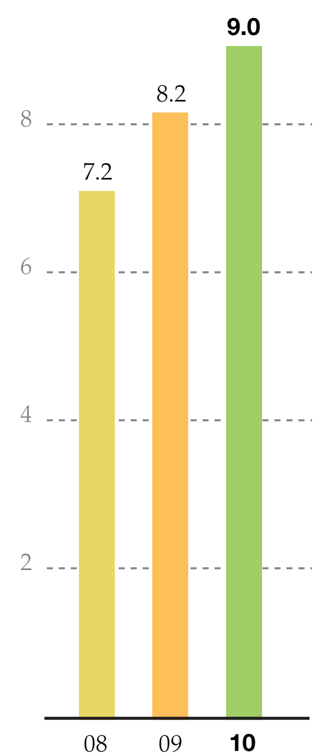
The Company secured loans and lines of credit from several sources during the year, including stockholder banks, in the amount of US$180.0 million. The net debt-to-equity ratio remained unchanged at 2.5:1, despite the Company's consolidated debt increase of US$18.2 million to US$245.7 million.

The Company paid cash dividends on common stock of US$2.0 million, or US$4,260.03 per share, representing 25% of fiscal year 2009 net earnings.

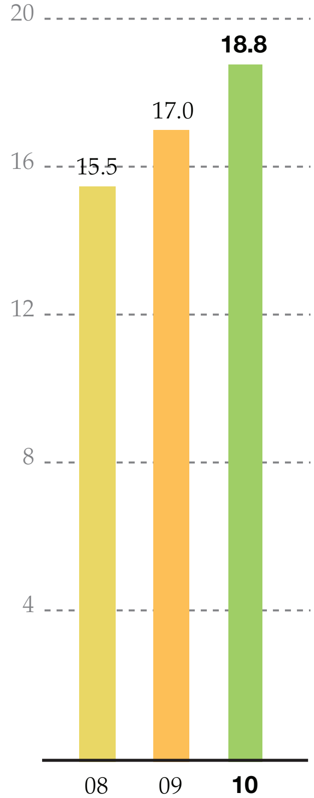
Viña Ocucaje S.A. was established in 1944 by the Rubini family. Ocucaje is a very successful company with a very well-known brand of wine and pisco in Peru. Ocucaje's vineyards and production center are located 35 kilometers south of the city of Ica.

LAAD's US$1 million loan allowed Ocucaje to plant an additional 20 hectares of wine grapes.

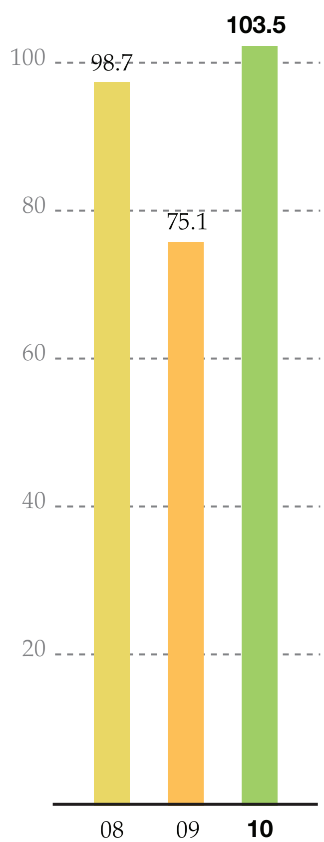
Hilsea Investments Ltd., located in El Quinche, Ecuador, produces summer flowers for export.



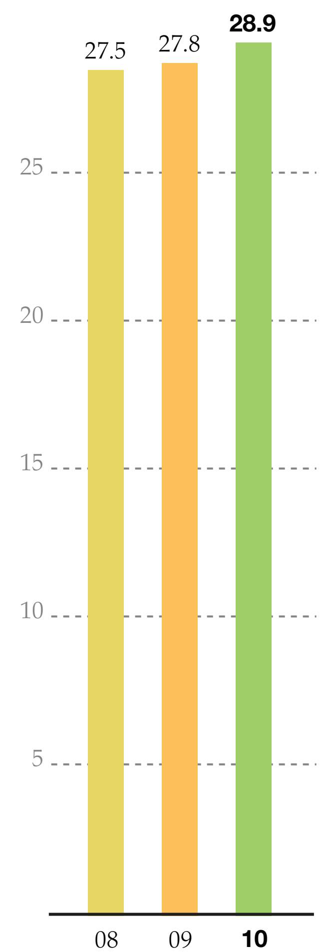
Net Earnings
US$'000,000



Earnings Per Share
US$'000



Disbursements Per Year
US$'000,000



Gross Revenue
US$'000,000

Consolidated Balance Sheets

Latin American Agribusiness Development Corporation S.A. and subsidiaries

	October 31, 2010	October 31, 2009
	(in thousands, except per share data)	
Assets		
Cash and cash equivalents	**$ 26,486**	$ 23,669
Investment securities, held-to-maturity, at amortized cost	**200**	240
	26,686	23,909
Loans, including $67,297 and $69,378 maturing within one year in 2010 and 2009, respectively	**305,399**	284,427
Less: Allowance for loan losses	**(8,570)**	(9,295)
Net loans	**296,829**	275,132
Accrued interest receivable	**8,003**	7,173
Fixed assets, net	**1,041**	1,293
Other assets	**6,041**	5,519
	15,085	13,985
	$ 338,600	$ 313,026
Liabilities and Stockholders' Equity		
Accrued interest payable and other liabilities	**$ 3,213**	$ 2,589
Interest rate swap agreements	**2,157**	2,754
Borrowings	**245,712**	227,517
Total liabilities	**251,082**	232,860
Commitments (Notes 6 and 10)		
Stockholders' equity		
Common stock, $5,000 par value, 2,000 shares authorized, 640 shares issued, 480 shares outstanding	**3,200**	3,200
Treasury stock, 160 shares, at cost	**(2,422)**	(2,422)
Capital in excess of par value	**39**	39
Retained earnings	**88,320**	81,342
Accumulated other comprehensive loss	**(1,619)**	(1,993)
Total stockholders' equity	**87,518**	80,166
	$ 338,600	$ 313,026

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Operations

Latin American Agribusiness Development Corporation S.A. and subsidiaries

	For the years ended October 31,	
	2010	2009
	(in thousands, except per share data)	
Interest income		
Loans	**$ 27,885**	$ 26,801
Investment securities and deposits	**32**	43
Total interest income	**27,917**	26,844
Interest expense	**9,620**	9,708
Net interest income	**18,297**	17,136
Provision for loan losses	**1,560**	1,500
Net interest income after provision for loan losses	**16,737**	15,636
Other income (expenses)		
Other income	**1,075**	988
Gain on sale of assets	**20**	205
Salaries and employee benefits	**(3,918)**	(4,017)
General and administrative	**(4,796)**	(4,633)
Loss on equity investment	**(95)**	-
Total other income (expense)	**(7,714)**	(7,457)
Net income	**$ 9,023**	$ 8,179
Basic and fully diluted earnings per share	**$ 18,797.54**	$ 17,040.12

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

Latin American Agribusiness Development Corporation S.A. and subsidiaries

	For the years ended October 31,	
	2010	2009
	(in thousands)	
Net income	**$ 9,023**	$ 8,179
Changes in fair value of derivative instruments	**374**	(449)
Comprehensive income	**$ 9,397**	$ 7,730

Consolidated Statements of Stockholders' Equity

Latin American Agribusiness Development Corporation S.A. and subsidiaries

	Common Stock Shares	Common Stock Amount	Treasury Stock Shares	Treasury Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(in thousands, except per share data)							
Balance, October 31, 2008	640	$ 3,200	160	$ (2,422)	$ 39	$ 74,964	$ (1,544)	$ 74,237
Dividends	-	-	-	-	-	(1,801)	-	(1,801)
Net income	-	-	-	-	-	8,179	-	8,179
Change in fair value of derivative instruments	-	-	-	-	-	-	(449)	(449)
Balance, October 31, 2009	640	3,200	160	(2,422)	39	81,342	(1,993)	80,166
Dividends	-	-	-	-	-	(2,045)	-	(2,045)
Net income	-	-	-	-	-	9,023	-	9,023
Change in fair value of derivative instruments	-	-	-	-	-	-	(374)	(374)
Balance, October 31, 2010	**640**	**$ 3,200**	**160**	**$ (2,422)**	**$ 39**	**$ 88,320**	**$ (1,619)**	**$ 87,518**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

Latin American Agribusiness Development Corporation S.A. and subsidiaries

	For the years ended October 31, 2010	2009
	(in thousands)	
Cash flows from operating activities		
Net income	$ 9,023	$ 8,179
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for loan losses	1,560	1,500
Amortization, depreciation and accretion, net	1,396	1,002
Change in fair value of derivatives recognized in earnings	(223)	485
Gain on sale of assets	(20)	(205)
Loss on equity investment and other	95	2
Changes in assets and liabilities:		
Accrued interest receivable	(830)	(208)
Other assets	(232)	(136)
Accrued interest payable and other liabilities	624	(120)
Net cash provided by operating activities	11,393	10,499
Cash flows from investing activities		
Loan disbursements	(103,528)	(75,063)
Principal collected on loans	80,289	53,845
Proceeds from sale of real estate and equity investments	18	300
Maturities of investment securities	40	1,040
Contributions to equity investment	(383)	-
Purchases of fixed assets	(139)	(280)
Net cash used in investing activities	(23,703)	(20,158)
Cash flows from financing activities		
Proceeds from multilateral institution debt	42,500	20,300
Repayments of multilateral institution debt	(10,000)	(6,667)
Proceeds from bank term debt	45,000	-
Repayments of bank term debt	(29,943)	(1,142)
Net (repayments) borrowings under bank revolving lines of credit	(28,925)	5,625
Payment of borrowing costs to lenders	(1,460)	(663)
Cash dividends paid	(2,045)	(1,801)
Net cash provided by financing activities	15,127	15,652
Net increase in cash and cash equivalents	2,817	5,993
Cash and cash equivalents		
Beginning of the year	23,669	17,676
End of the year	$ 26,486	$ 23,669
Supplemental disclosure of cash activity		
Interest paid	$ 8,258	$ 9,085
Supplemental disclosure of non-cash transactions		
Loans charged-off	$ 2,345	$ 1,648
Unrealized gain (loss) on derivative instruments	$ 597	$ (934)
Equity investment received as payment in-kind	$ -	$ 700
Financing of disposition of real estate owned	$ -	$ 411

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Latin American Agribusiness Development Corporation S.A. and its wholly-owned subsidiaries (the "Company") principally extend medium-term loans to agribusiness private enterprises located in Central and South America, and the Caribbean. The objective of the Company's loan portfolio is to improve the production, distribution, and marketing of agricultural-based products and encourage the development of private enterprise in the region.

The following is a description of the significant accounting policies and practices followed by the Company in the preparation of the accompanying consolidated financial statements. These policies conform with accounting principles generally accepted in the United States of America (US GAAP).

Principles of consolidation

The consolidated financial statements include the accounts of Latin American Agribusiness Development Corporation S.A. (LAAD) and its wholly-owned subsidiaries, LAAD Americas N.V., LAAD de Centroamerica S.A., LAAD Caribe S.A., LAAD Panama S.A. and LAAD Agro Services Inc. All the above entities are incorporated in the Republic of Panama, except for LAAD Americas N.V. which is incorporated in Curacao, formerly the Netherlands Antilles. All material intercompany balances and transactions have been eliminated in consolidation.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are susceptible to change in the short-term relate mostly to the allowance for loan losses and the valuation of equity investments.

Income recognition

Interest income on loans is recognized on the accrual basis using the interest method. Consideration is given to accrued but unpaid interest in the determination of the allowance for loan losses.

Loan origination fees and direct loan origination costs are deferred and recognized in interest income over the estimated life of the loans using the interest method, adjusted for actual prepayments.

Cash and cash equivalents

The Company has defined as cash equivalents those highly liquid investments with original maturities of 90 days or less.

Investment securities, held to maturity

Investment securities, which are intended to be held to maturity, consist of sovereign debt and are carried at amortized cost, adjusted for amortization of premiums or accretion of discounts using a method that approximates the level yield method, which is recognized as an adjustment to interest income. Investment securities are denominated in United States dollars.

Gains or losses from the redemption of investment securities are determined using the specific identification method.

Loans

Loans are stated at the amount of unpaid principal, reduced by an allowance for loan losses. Accrual of interest is discontinued on a loan when management believes, after considering economic and business conditions and collection efforts, that the borrower's financial condition is such that collection of principal and/or interest is doubtful. Generally, loans are placed in non-accrual status when past due 180 days, at which time, any interest accrued during the period is reversed against interest income. Collection of interest while the loan is on non-accrual status is recognized as income on a cash basis, unless collection of principal is doubtful, in which case cash collections are applied to unpaid principal. All loans made by the Company are payable in United States dollars.

Equity Investments

The Company's investments in common stock of privately held companies are included in other assets and initially carried at cost. Carrying amounts are subsequently adjusted to recognize the Company's share of investee earnings or losses and reduced by any distributions received and impairment charges.

Allowance for loan losses

The Company provides for probable loan losses through charges to current operations sufficient to maintain the allowance for loan losses at an adequate level based on factors which, in management's judgment, deserve current recognition in estimating probable loan losses. Such factors include changes in prevailing economic conditions, historical experience, current delinquency data, changes in the character and size of the loan portfolio, the overall credit worthiness of the borrowers and subjective management qualitative or environmental factors likely to cause estimated credit losses different from historical loss experience. Changes in these factors could result in material adjustments to the allowance for loan losses and provision for loan losses. The losses the Company may ultimately incur could differ materially in the near term from the amounts assumed in arriving at the allowance for loan losses.

Loans are charged against the allowance for loan losses at such time as management considers them uncollectible in the normal course of business. Recoveries of amounts previously charged off are credited to the allowance for loan losses.

Management, considering current information and events regarding the borrowers' ability to repay their obligations, considers a loan to be impaired when it is probable that the Company will be unable to collect all amounts due according to the original contractual terms of the loan. When a loan is considered to be impaired, the amount of the impairment is measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent. Impairment losses are included in the allowance for loan losses through a charge to the provision.

Disclosure of significant concentrations of credit risk

Concentrations of credit risk arise when a number of customers are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

Substantially all of the Company's business activity is conducted with customers located in Latin America. Loans outstanding represent transactions with Latin American customers secured by assets located in the customers' country of origin.

Fixed assets

Fixed assets are carried at cost, less accumulated depreciation and amortization. Depreciation expense is calculated using the straight line method over the estimated useful lives of the assets (ranging from 3 to 15 years). Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the improvements.

Other real estate owned

Other real estate owned consists of real estate acquired through foreclosure or as repayment in-kind, and is initially recorded at the lower of the fair value of the property less estimated selling costs or the balance of the loan at the date of foreclosure, with impairments recorded through the allowance for loan losses. Subsequent impairments are recorded in general and administrative expenses. Upon the Company's disposition of the property, realized gains or losses are recorded based on the difference between the net proceeds received and the net carrying value of the assets.

Interest rate swap agreements

Interest rate swap agreements are recognized on the balance sheet at fair value. On the date the derivative contract is entered into, the Company designates the derivative as a hedge of the variability of cash flows to be paid on certain variable rate debt ("cash flow hedge"). Changes in the fair value of those derivatives that are designated and qualify as cash flow hedges are recorded in accumulated other comprehensive income (loss). Management considers that the derivatives are highly effective in offsetting the variability in cash flows on the variable rate debt that they hedge. Amounts recognized in accumulated other comprehensive income (loss) are indirectly recognized in earnings as periodic settlements of the interest rate swap agreements occur over the period of hedged cash flows and the fair value of the derivative declines to zero.

Income taxes

The Company is a foreign corporation for income tax purposes in the United States of America. Under the provisions of the Internal Revenue Code, the Company is subject to Federal income tax solely on income derived from sources in the United States of America and on that portion of its foreign income attributable to the conduct of its business in the United States of America. During the years ended October 31, 2010 and 2009, the Company had no taxable income in the United States of America. The Company also provides, where applicable, for income taxes of the foreign countries in which it operates.

When applicable, the Company records income taxes using the liability method.

Basic and fully diluted earnings per share

Basic and fully diluted earnings per share are based on the weighted average number of shares of common stock outstanding during the year (480 shares in 2010 and 2009).

Reclassifications

Certain reclassifications have been made to the Company's October 31, 2009 financial statements to conform to current year presentation.

New Accounting Pronouncements

Effective for the Company's fiscal year ending October 31, 2009, the Company adopted new accounting guidance related to fair value measurements for financial instruments. The guidance defines fair value in generally accepted accounting principles, establishes a framework for measuring fair value and expands disclosure about fair value measurements. The new guidance was adopted for financial assets and liabilities for the Company's fiscal year ending October 31, 2009 and for non-financial assets and liabilities for its fiscal year ending October 31, 2010. The Company's adoption of this guidance had no significant impact on its consolidated financial statements. (See Note 11 for further discussion).

Effective for the Company's fiscal year ending October 31, 2010, the Company adopted new disclosure guidance which amends guidance related to disclosures about derivative instruments and hedging activities. Required disclosures include how and why an entity uses derivate instruments and how derivative instruments and related hedged items are accounted for and their effect on the entity's financial position, financial performance and cash flows. The Company's adoption of this guidance had no significant impact on its consolidated financial statements.

Effective for the Company's fiscal year ending October 31, 2010, the Company adopted new guidance which clarifies how to develop fair value measurements for liabilities, particularly where there may be a lack of observable market information. The Company's adoption of this guidance had no significant impact on its consolidated financial statements.

Effective for the Company's fiscal year ending October 31, 2011, the Company is required to adopt new accounting guidance which amends guidance for the transfers of financial assets and the consolidation of variable interest entities. The new guidance eliminates the concept of qualified special purpose entities and provides additional guidance with regard to accounting for transfers of financial assets. The new guidance also changes the approach for determining the primary beneficiary of a variable interest entity from a quantitative risk and reward model to a qualitative model, based on control and economics. Management anticipates adoption of this guidance will have no significant impact on its consolidated financial statements.

Effective for the Company's fiscal year ending October 31, 2011, the Company is required to adopt new disclosure guidance which requires the following additional disclosure regarding fair value measurements: (1) transfers in and out of Level 1 and 2 measurements and the reasons for the transfers, and (2) a presentation of gross activity within the Level 3 roll forward. The guidance also provides clarifications to existing disclosure requirements on the level of disaggregation and disclosures regarding inputs and valuation techniques. The guidance is applicable to all disclosures about recurring and nonrecurring fair value measurements. Management anticipates adoption of this guidance will have no significant impact on its consolidated financial statements.

Effective for the Company's fiscal year ending October 31, 2012, the Company is required to adopt new disclosure guidance about the "Credit Quality of Financing Receivables and the Allowance for Credit Losses." The new guidance provides enhanced disclosures related to the credit quality of financing receivables which includes the Company's loans receivable and the allowance for credit losses, and provides that new and existing disclosures should be disaggregated based on how an entity develops its allowance for credit losses and how it manages credit exposures. Under the new guidance, additional disclosures required for loans receivable include information regarding the aging of past due receivables, credit quality indicators, and modifications of inancing receivables. Management anticipates adoption of this guidance will have no significant impact on its consolidated financial statements.

NOTE 2 – INVESTMENT SECURITIES POLICIES

Investment securities had an estimated fair value of approximately $218,000 and $238,000 and an amortized cost basis of approximately $200,000 and $240,000 at October 31, 2010 and 2009, respectively.

Investment securities at October 31, 2010 mature as follows (dollars in thousands):

Year	Face Amount
2011	$ 40
2012	40
2013	40
2014	40
2015	40
	$ 200

NOTE 3 – LOANS

Loans by country are as follows (dollars in thousands):

	October 31, 2010	2009
Brazil	$ 53,111	$ 51,160
Ecuador	42,742	38,293
Chile	29,342	27,839
Dominican Republic	27,656	26,589
Peru	26,475	21,658
Honduras	24,180	23,154
Costa Rica	23,542	21,358
Nicaragua	19,763	15,230
Guatemala	14,933	15,930
Colombia	11,303	8,876
Bolivia	11,271	13,172
Uruguay	11,262	9,735
Other	9,819	11,433
	$ 305,399	$ 284,427

Loans by industry are as follows (dollars in thousands):

	October 31, 2010	2009
Fruits and vegetables	$ 136,385	$ 123,424
Cut flowers	51,952	44,390
Grains	36,852	38,687
Agriculture	18,703	18,056
Cattle	16,169	15,693
Food processing	9,497	13,501
Fishing	8,253	8,768
Wood products	7,444	6,739
Other	20,144	15,169
	$ 305,399	$ 284,427

Approximately 85% of the outstanding principal loan balances will mature within five years based on current terms.

Non-accrual loans aggregated approximately $14,667,000 and $15,013,000 at October 31, 2010 and 2009, respectively. Had non-accrual loans been performing, additional interest income of approximately $1,564,000 and $1,652,000 for fiscal 2010 and 2009, respectively, would have been recorded.

NOTE 4 – ALLOWANCE FOR LOAN LOSSES

The table below summarizes the changes in the Company's allowance for loan losses during 2010 and 2009 (dollars in thousands):

Balance, October 31, 2008	$ 9,443
Provision for losses	1,500
Charge-offs, net	(1,648)
Balance, October 31, 2009	9,295
Provision for losses	1,560
Charge-offs, net	(2,285)
Balance, October 31, 2010	$ 8,570

The following is a summary of investments in impaired loans as of and for the years ended October 31, 2010 and 2009 (dollars in thousands):

	October 31, 2010	2009
Gross investment in impaired loans	$ 14,667	$ 15,013
Valuation allowance on impaired loans	72	789
Average recorded investment in impaired loans	14,840	12,437
Interest income recognized on impaired loans	-	-

NOTE 5 – OTHER ASSETS

Included in other assets is approximately $1,138,000 and $1,156,000 at October 31, 2010 and 2009, respectively, in other real estate owned, consisting of properties foreclosed or received as payment in-kind by the Company which are held for sale. Properties held at October 31, 2010 are located in Colombia, Dominican Republic, Guatemala and Venezuela. Management estimates that the net carrying amounts of these properties do not exceed their fair value less estimated selling costs. Also, included in other assets is approximately $2,618,000 and $2,330,000 at October 31, 2010 and 2009, respectively, representing the Company's equity investments in operating farms. At October 31, 2010 and 2009, the Company owned equity investments in one farm in the Dominican Republic and one in Guatemala. During 2010, the Company received $18,000 in cash from a foreclosed property, which reduced its carrying value of other real estate owned and contributed approximately $383,000 to, and recorded $95,000 in losses from, an equity investment. In 2009, the Company sold other real estate owned for approximately $714,000, resulting in total gains of approximately $205,000.

NOTE 6 – BORROWING

Borrowings are summarized as follows (dollars in thousands):

	October 31, 2010	October 31, 2009
Banks:		
Unsecured term loans including $7,800 and $13,961 with stockholders, respectively, interest ranging from 1.25% to 2.50% over LIBOR with 4.00% floor on $10,000 and 4.15% floor and 5.65% cap on $5,000 due on various dates from 2011 to 2015 (2.06% to 4.15% at October 31, 2010)	$ 84,200	$ 69,143
Unsecured revolving lines of credit including $60,000 and $67,662 with stockholders, respectively, interest at 2.00% over LIBOR due on various dates from 2012 to 2013 (2.46% to 2.56% at October 31, 2010)	67,000	95,925
	151,200	165,068
Multilateral Institutions:		
Unsecured term loans with IFC repayable in semiannual equal installments through 2015, interest on $30,000 at 1.50% over LIBOR and on $14,800 at 2.00% over LIBOR (2.10% to 2.75% at October 31, 2010)	44,800	42,300
Unsecured syndicated term loan with DEG, a stockholder bank at October 31, 2010, repayable in semiannual equal installments through 2014, interest on $6,667 at 5.95% fixed and on $13,333 at 5.81% fixed	20,000	13,333
Unsecured term loan with FMO repayable in semiannual equal installments through 2014, interest at 5.73% fixed	13,333	-
Unsecured term loan with NOR FUND repayable in semiannual equal installments through 2016, interest at 2.00% over LIBOR with 4.50% floor (4.50% at October 31, 2010)	10,000	-
Unsecured term loan with FINN FUND repayable in semiannual equal installments through 2016, interest at 2.00% over LIBOR (2.46% at October 31, 2010)	8,000	8,000
	96,133	63,633
	247,333	228,701
Unamortized discounts	(1,621)	(1,184)
	$ 245,712	$ 227,517

Principal maturities of borrowings are as follows (dollars in thousands):

Year ending October 31,	Amount
2011	$ 50,200
2012	64,228
2013	85,644
2014	29,644
2015	15,478
Thereafter	2,139
	$ 247,333

In December 2006, the Company entered into an unsecured loan agreement with a consortium of banks, including a stockholder bank, to borrow $100,000,000 to refinance certain existing debt and for general purposes, including making new loans. The agreement consists of a $68,000,000 five-year term loan, with semiannual principal payments commencing in December 2009 and a $32,000,000 three-year revolving credit. In 2010, the revolving credit was decreased to $17,000,000 and renewed to mature in 2012. At October 31, 2010, the revolving credit was fully utilized.

Additionally, at October 31, 2010, the Company had $108,000,000 in unsecured revolving lines of credit from various banks, including $95,000,000 from stockholder banks, of which $58,000,000 was unused and available. At October 31, 2010, the Company also had $15,000,000 available for future draws under a term loan agreement and subsequently drew $10,000,000 under this agreement.

The Company incurred interest expense of approximately $3,148,000 and $3,686,000 in 2010 and 2009, respectively, on loans from stockholders.

No one creditor of the Company holds a superior position to any other under current terms of the borrowing agreements.

Certain borrowing agreements require the Company to comply with stated financial covenants and contain restrictions on uses of loan proceeds. At October 31, 2010, the Company was in compliance with these covenants.

NOTE 7 – DERIVATIVE INSTRUMENTS

The Company uses derivative instruments solely as cash flow hedges to manage exposure to interest rate risk. Through this cash flow hedging strategy, periodic cash payments for interest on the linked floating rate debt are effectively fixed at each derivative's agreed upon rate. Accordingly, the Company limits its risk related to future rate increases on this debt as a result of changes in the benchmark interest rates. These derivative transactions are measured in terms of notional, which are used only as a basis on which interest payments are made, and are not recorded in the balance sheet and not exchanged. When viewed in isolation, these amounts are not a meaningful measure of the risk profile of the instruments. The notional amounts on the contracts are reduced periodically to match the principal reductions of the variable rate debt to which these contracts hedge.

At October 31, 2010 and 2009, the Company's derivative instruments consisted of interest rate swap agreements with two stockholders, resulting in the Company paying a fixed rate of interest on notional amounts in exchange for a floating rate, determined as the six-month LIBOR (.46% and .56% in October 2010 and 2009, respectively). These contracts are considered 100% effective hedges of the underlying debt based on the short-cut method prescribed by the Derivative and Hedging accounting guidance. Each of the Company's derivatives at October 31, 2010 and 2009 is in a liability position. Therefore, the fair values of these derivatives are reported as interest rate swap agreement liabilities on the balance sheet at each respective year end. Other required qualitative disclosures regarding the Company's derivative strategies and policies are included in Note 1.

Interest rate swap agreements held are as follows (dollars in thousands):

Maturity	Notional Amount	Fixed Interest Rate	Fair Value
As of October 31, 2010			
December 2011	$ 9,750	4.99%	$ (467)
December 2011	9,750	4.95%	(461)
December 2011	9,750	2.71%	(223)
August 2014	30,000	2.27%	(1,006)
	$ 59,250		$ (2,157)
As of October 31, 2009			
December 2009	$ 10,000	2.96%	$ (87)
February 2010	1,667	2.83%	(17)
September 2010	4,000	4.48%	(112)
December 2011	15,000	4.99%	(912)
December 2011	15,000	4.95%	(928)
December 2011	15,000	2.71%	(386)
August 2014	30,000	2.27%	(312)
	$ 90,667		$ (2,754)

The effect of derivative instruments on the Company's statements of operations is as follows (dollars in thousands):

Description	Amount
Year ended October 31, 2010	
Net gains (losses) recognized in OCI	$ 597
Gains (losses) reclassified from cumulative OCI to interest expense	223
Year ended October 31, 2009	
Net gains (losses) recognized in OCI	$ (934)
Gains (losses) reclassified from cumulative OCI to interest expense	(485)

As of October 31, 2010, approximately $1,328,000 of the deferred losses on derivative instruments accumulated in other comprehensive income (loss) are expected to be charged to interest expense during the next 12 months. During 2010 and 2009, the Company's interest expense was increased by approximately $1,854,000 and $1,455,000, respectively, as a result of the interest rate swap agreements.

NOTE 8 – STOCKHOLDERS' EQUITY

The Company declared and paid cash dividends of $4,260 and $3,752 per share of common stock in 2010 and 2009, respectively.

NOTE 9 – EMPLOYEE BENEFIT PLANS

The Company has a defined contribution pension plan covering substantially all employees. Annual pension costs are accrued in the fiscal year incurred and funded in the subsequent fiscal year. During the years ended October 31, 2010 and 2009, pension costs totaled approximately $451,000 and $409,000, respectively.

In addition, certain key employees of the Company participate in a deferred compensation plan (the Plan). During the years ended October 31, 2010 and 2009, expenses in connection with the Plan aggregated approximately $600,000 and $613,000, respectively.

NOTE 10 – COMMITMENTS

The Company is committed under a non-cancelable operating lease for its existing principal offices expiring in April 2011 and for new offices commencing in April 2011 through September 2021. The Company is also committed under leases for branch offices in Brazil and Curacao. Minimum lease payments are as follows (dollars in thousands):

Year ending October 31,	Amount
2011	$ 317
2012	326
2013	329
2014	305
2015	308
Thereafter	1,992
	$ 3,577

During the years ended October 31, 2010 and 2009, rental expense related to operating leases amounted to approximately $462,000 and $478,000, respectively.

At October 31, 2010, the Company had loan commitments of approximately $15,124,000. This amount is not recorded on the balance sheet and represents the maximum credit loss from these commitments. Management believes that no significant losses will be sustained as a result of these loan commitments.

11 – FAIR VALUE MEASUREMENT

The accounting guidance defines fair value as the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance also defines valuation techniques and a fair value hierarchy to prioritize the inputs used in valuation techniques. There are three main valuation techniques to measuring fair value of assets and liabilities: the market approach, the income approach and the cost approach. The input fair value hierarchy has three broad levels and gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The valuation techniques are summarized below:

The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

The income approach uses financial models to convert future amounts to a single present amount. These valuation techniques include present value and option-pricing models.

The cost approach is based on the amount that currently would be required to replace the service capacity of an asset. This technique is often referred to as current replacement cost approach.

The input fair value hierarchy is summarized below:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at each reporting date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers (for example, some brokered markets), or in which little information is released publicly (for example, a principal-to-principal market); and inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are only used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The following table presents major categories of the Company's financial liabilities measured at fair value on a recurring basis (in thousands):

	Carrying	Fair Value		
October 31, 2010	**Amount**	**Level 1**	**Level 2**	**Level 3**
Interest rate swap agreements	$ 2,157	$ -	$ 2,157	$ -
October 31, 2009				
Interest rate swap agreements	$ 2,754	$ -	$ 2,754	$ -

Interest Rate Swap Agreements

The valuation of the swap agreements is based on estimates provided by the issuer for the current replacement cost of similar agreements based on observable market inputs and represents the amount by which the liability could be settled in a current transaction with the issuer.

The following table presents major categories of the Company's financial assets measured at fair value on a non-recurring basis at October 31, 2010 and 2009 and total related impairments recorded during the years then ended (in thousands):

	Carrying		Fair Value		Total
October 31, 2010	**Amount**	**Level 1**	**Level 2**	**Level 3**	**Impairments**
Loans measured for impairment using fair value of collateral	$ 3,993	$ -	$ -	$ 3,993	$ 925
Impaired real estate Owned	191	-	-	191	-
October 31, 2009					
Loans measured for impairment using fair value of collateral	$ 3,068	$ -	$ -	$ 3,068	$ 686
Impaired real estate Owned	191	-	-	191	-

Loans Measured for Impairment and Impaired Real Estate Owned

The Company's impaired loans and real estate owned are generally valued using third party appraisals of the underlying real estate. These appraisals generally use the market or income approach valuation technique and use market observable data to formulate an opinion of the fair value. However, the appraiser uses professional judgment in determining the fair value and, when current appraisals are not available, the Company adjusts previous values for subsequent changes in market conditions based on Management's judgment. As a consequence, the fair value of these investments is considered a Level 3 valuation.

There were no financial assets measured at fair value on a recurring basis and no financial or non-financial liabilities measured at fair value on a non-recurring basis in the Company's financial statements.

Fair Value Disclosures About Financial Instruments Not Carried At Fair Value

The estimated fair values of the Company's financial instruments not carried at fair value are as follows (dollars in thousands):

October 31, 2010	**Book Value**	**Estimated Fair Value**
Cash and cash equivalents	$ 26,486	$ 26,486
Investment securities	200	218
Net loans	296,829	297,903
Borrowings	245,712	245,928
October 31, 2009		
Cash and cash equivalents	$ 23,669	$ 23,669
Investment securities	240	238
Net loans	275,132	277,464
Borrowings	227,517	227,854

The following methods and assumptions were used to estimate fair value of each class of financial instrument for which it is practicable to estimate fair value:

- The carrying value of cash and cash equivalents is deemed to approximate fair value because of the short maturity of those instruments.
- The fair value of investment securities held-to-maturity are based on quoted market prices for similar securities.
- The carrying value of loans with floating interest rates is deemed to approximate fair value. Fair values of fixed rate loans are estimated by discounting the expected future cash flows using current rates at which loans with comparable credit ratings and terms would be issued. Fair values of impaired loans are estimated through reducing principal amounts outstanding by the estimated haircut third parties would require in purchasing loans with comparable risk profiles.
- The carrying value of borrowings with floating interest rates is deemed to approximate fair value. Fair values of fixed rate borrowings are estimated by discounting the future cash flows at the Company's incremental rate of borrowing for similar debt.

NOTE 12 – SUBSEQUENT EVENTS

The Company's management has evaluated subsequent events through February 7, 2011, the date the financial statements were issued.

Report of Independent Certified Public Accountants

To the Board of Directors and Stockholders of
Latin American Agribusiness Development Corporation S.A.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive income, of stockholders' equity and of cash flows present fairly, in all material respects, the financial position of Latin American Agribusiness Development Corporation S.A. and its subsidiaries at October 31, 2010 and 2009, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

February 7, 2011

PricewaterhouseCoopers LLP, 401 East Las Olas Boulevard, Suite 1800, Fort Lauderdale, FL 33301
T: (954) 764 7111, F: (954) 525 4453, www.pwc.com/us