LAAD

2009 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.

Thanks to LAAD's financing granted to Ponce Yepes S.A., a John Deere dealer in Ecuador, small farmers are able to purchase much needed machinery to run their business.

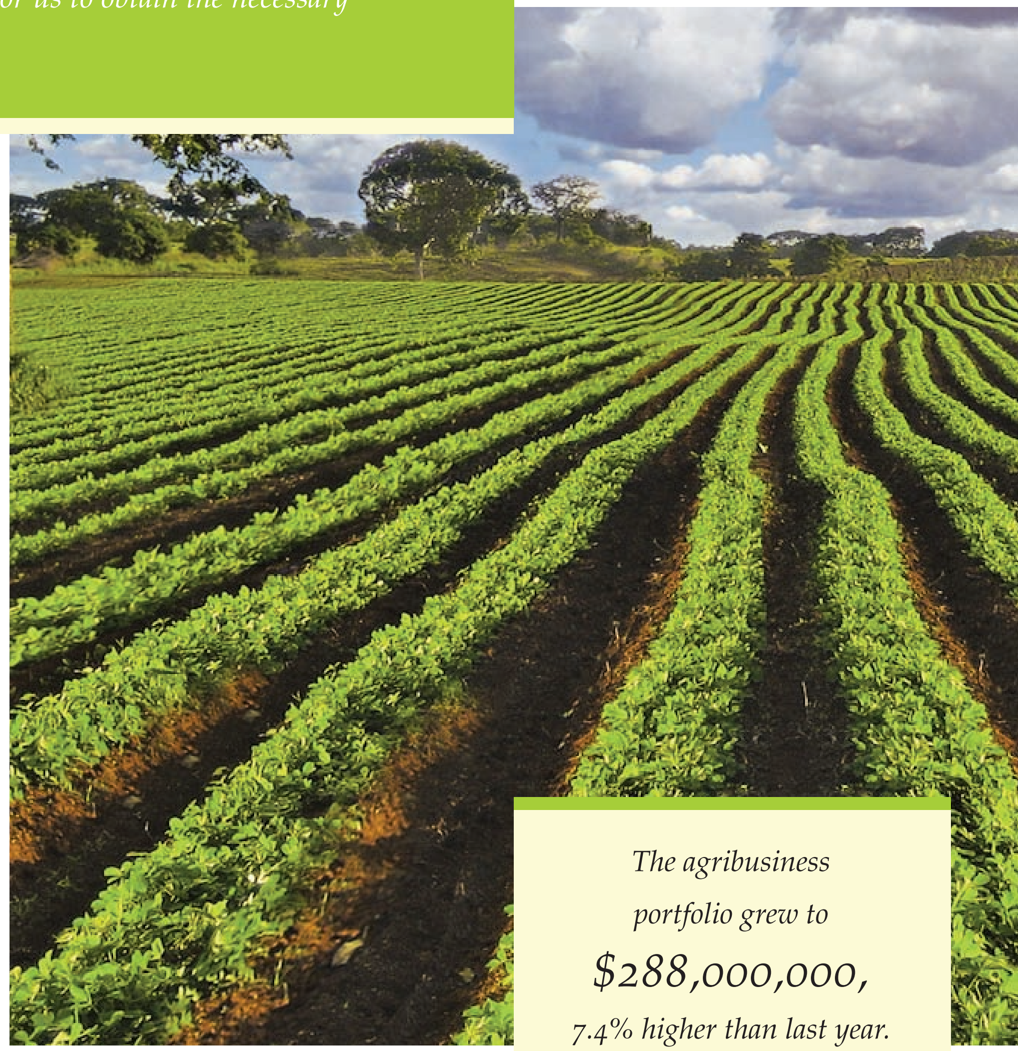
LAAD Financial Highlights Consolidated Data October 31,

FOR THE YEAR	2009	2008	2007	2006	2005
Operating Income ('000)	**$ 9,679**	$ 8,684	$ 8,049	$ 8,087	$ 7,703
Net Income ('000)	**$ 8,179**	$ 7,203	$ 6,474	$ 6,931	$ 6,503
Basic Earnings per Share of Common Stock*	**$ 17,040**	$ 15,007	$ 13,487	$ 14,440	$ 13,549
FINANCIAL RATIOS					
Return on Average Net Worth	**10.6%**	10.0%	9.5%	10.9%	11.2%
Return on Average Total Assets	**2.7%**	2.8%	2.9%	3.2%	3.3%
Total Net Debt to Net Worth	**2.5:1**	2.6:1	2.3:1	2.1:1	2.5:1
Operating Expenses to Gross Profit**	**50.4%**	50.9%	49.1%	46.3%	44.8%
Operating Expenses to Average Total Assets	**3.3%**	3.5%	3.5%	3.3%	3.1%
Reserve to Portfolio	**3.1%**	3.4%	4.0%	4.4%	4.7%
AT YEAR END					
Agribusiness Loans ('000)	**$ 284,427**	$ 265,145	$ 219,248	$ 193,036	$ 184,836
Assets ('000)	**$ 313,026**	$ 288,029	$ 232,229	$ 210,466	$ 218,289
Net Worth ('000)	**$ 80,166**	$ 74,236	$ 70,256	$ 66,310	$ 61,211

** Based on the weighted average number of Common Stock outstanding during the year*
*** Gross Profit = Total Income - Interest Expense*

Letter to the Shareholders

As anticipated last year, 2009 proved to be one of the most challenging in your Company's 40-year history. Early in the year, international financial markets froze up, making it very difficult for us to obtain the necessary funding to sustain our portfolio growth.



The agribusiness portfolio grew to

$288,000,000,

7.4% higher than last year.

As the year progressed, governments took unprecedented steps to stem the crisis, and Latin America demonstrated that it was weathering the storm with relatively minor economic damage. LAAD was able to line up new financial resources by the second half of the year, allowing us to continue to grow our portfolio.

Given the uncertainties in the financial markets, LAAD turned to developmental institutions, such as the IFC and DEG, as well as Rabobank (all LAAD shareholders), and also three European government agencies: FMO in the Netherlands, Finnfund from Finland and Norfund of Norway.

Thanks to the support of these institutions, we were able to reestablish our normal funding from the international financial markets. Banks, including Bank of America, a LAAD shareholder, as well as Banco Internacional de Costa Rica-BICSA, Pacific National Bank and BAC Florida Bank resumed lending to LAAD.

Even though there was strong demand for our financing, we lost ground during the first months of the year and were only able to disburse US$75 million for this fiscal year, less than our budgeted goal. This still represents the third highest disbursement in LAAD's history. The projects financed with our money will create 4,000 new full-time jobs, over 6,200 seasonal jobs and generate an additional US$75 million in foreign exchange earnings.

The agribusiness portfolio grew to US$288,000,000*, 7.4% higher than last year.

The international financial crisis also challenged the Latin American economy. The region suffered a 1.8% economic contraction, with per capita GDP falling by 2.9%. Exports declined by 11% as pre-export financing temporarily dried up and global demand, particularly for natural resources, fell. Foreign investment plummeted by 37%, a consequence of a general fall in investor confidence. Poverty and unemployment in the region increased in 2009 for the first time since 2002. Unemployment is estimated to have increased to over 8%. On a more positive note, inflation was cut nearly in half to 4.5%.

Despite these setbacks, no Latin American government defaulted, no country experienced a collapse of its banking system, the region displayed no significant civil unrest and presidential elections produced democratic political transitions.

The global agricultural economy as reflected in LAAD's market, behaved better, although unevenly, than the general macroeconomic figures. Agricultural commodity prices fluctuated greatly during the year, with some commodities benefiting from higher prices as others suffered. The same irregular pattern occurred in horticultural products, which make up nearly half of LAAD's portfolio. During the first half of the year, for example, the prices of bananas surged, while those of table grapes and asparagus plummeted. In the second half of the year, table grapes recovered and avocados fell—overall a difficult environment for many of our clients.

From our perspective, we trust the worst of the economic crisis is behind us. GDP growth in Latin America and the Caribbean is being projected at 4.1% for 2010, and the region may come out of the recession even stronger than expected. Improvements are not expected to be spread evenly among all countries. The same can be said for agricultural prices. Despite the many uncertainties, we expect that demand for our services will grow in the coming year to well above 2009 levels.

**Including real estate owned and equity investments.*

Inversiones Vargas, S.A. is a Nicaraguan company dedicated to the production of peanuts, sesame seeds, and sorghum. The company's operations are spread out between the departments of Chinandega and Masaya.

Given this challenging background, we are pleased to report that we turned in a positive financial performance for the year. We achieved record net earnings of US$8.2 million, a 14% improvement over the previous year. Earnings per share rose to US$17,040 from US$15,007 last year, yielding a return on average net worth of 10.6%. Gross revenues grew to US$29 million, another record.

Our capital structure remains strong. As in previous years, we have reinvested the bulk of our earnings. The relatively slow growth in our portfolio allowed us to reduce our net debt to equity ratio to a more conservative 2.5:1.

Not all our clients escaped unscathed. LAAD experienced an increased level of non-performing loans caused by disruption to international trade in agricultural products. Non-performing assets as a percentage of the portfolio increased to 5.5%, a level that we have not experienced for five years. We expect this ratio to fall gradually throughout 2010.

In this crisis environment, we also needed to increase our efforts to support our existing clients and help them weather the financial storm. We did this and still managed to achieve portfolio growth, although at a slower rate than we had originally planned.

In 2009 we financed a total of 177 projects in 14 Latin American countries. Among the more innovative were:

In Brazil, a US$1 million loan to CBC Produção de Bulbos de Ceará Ltda., a project sponsored by Dutch immigrants, who plan to use Brazilian bulbs to substitute falling Dutch tulip bulb production caused by increasing local operating costs.

In Peru, a US$700,000 loan to Mundaca S.A.C., the country's first commercial grower of organic bananas. The organic banana industry is being developed there by the Dole Food Company, a LAAD shareholder. LAAD is financing those growers that are able to meet Dole's international quality standards.

In Chile, a US$300,000 loan to Javier Leon to plant 40 hectares of hazelnuts that will begin producing in 2012. Chile started exporting hazelnuts some 10 years ago, mostly to Italy. The country is becoming a major world supplier of hazelnuts.

We are also pleased to welcome our newest shareholder, the International Finance Corporation (IFC), the private arm of the World Bank Group. Their many years of experience with private enterprise throughout the developing world will contribute invaluable expertise to our mission. IFC purchased its shares from Hexion Specialty Chemicals, Inc. As a result of this transaction, Hexion's director, Ms. Colleen K. Nissl, resigned her position on the LAAD board. We would like to take this opportunity to recognize her many years of invaluable service. During her ten-year tenure, Ms. Nissl served on every committee and was elected Chairperson in 2009. We wish Ms. Nissl all the best in her future endeavors.

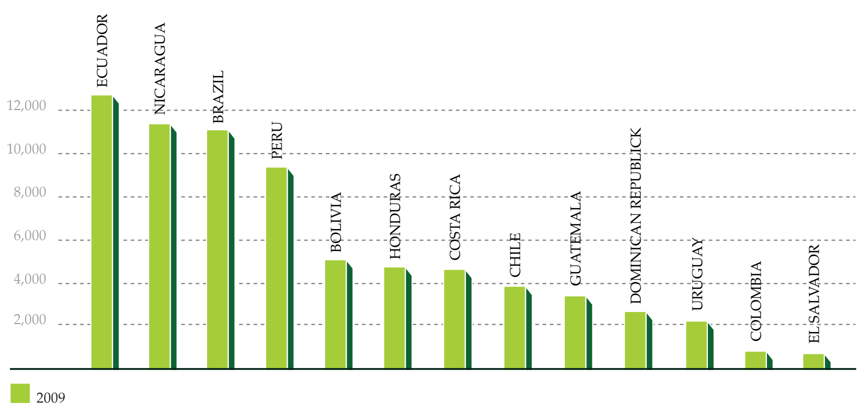
As always, we end this letter thanking our clients for their hard work, risk taking and performance; our board members for their continued dedication and guidance; and, last but not least, our loyal and hard working management team and staff, who together helped see us through a particularly difficult year.

Benjamin Fernandez
President

Guillermo G. Bilbao
Chairperson

Agribusiness Operations

Florisert, a company owned by the Vittorelli family, is dedicated to the production of 54 hectares of flowers. The farm is located in the valley of Ica, 350 km south of Lima. The meaning of the company's name is "flowers of the desert," in allusion to the climatic conditions of the valley.



2009 Disbursements (US$'000)

Even though the global climate for doing business this past year was very difficult, and in spite of a slow first semester for the Company, LAAD obtained good operational results with record profitability for the fiscal year ending October 31, 2009. Total disbursements for the year were US$75 million to 177 projects in 14 countries. The amount disbursed, though, is 16.7% lower than the projected mark of US$90 million, and 23.4% lower than last year's US$98.7 million. The primary reason for the significant drop in disbursements was the lack of available funding sources, although the total disbursement amount still represents the third highest disbursement in LAAD's history. The projects financed by LAAD in 2009 created close to 4,000 new full-time jobs and over 6,200 seasonal jobs, and should generate an additional US$75 million in foreign exchange to Latin America per year as a result of our emphasis on export-oriented projects. The agribusiness portfolio grew modestly by 7.4% to US$288 million, as compared to last year, and was 7.3% lower than projected.

Our largest portfolio growth in absolute numbers was in Central America where our portfolio increased by US$14.3 million, a 20.2% increase over last year. In South America, our portfolio increased by over 4.6%, but in the Caribbean we experienced a reduction of over 6.9%.

As in the past, the large flow of migrant remittances in Central America encouraged strong competition from local financial institutions operating at below market rates. Despite this, LAAD continued its upward trend, managed to compete and disbursed US$27 million to 41 projects in the region. These projects will generate an average of US$33 million per year in foreign exchange during the upcoming years, as well as over 1,475 new full-time jobs and 3,659 seasonal positions. Nicaragua was the major contributor to this growth.

The 3RD highest disbursement in LAAD's history

In **Nicaragua**, for the second year in a row, LAAD achieved a record level of disbursements, totaling US$11.4 million to 11 projects. Despite political uncertainties and an economic slowdown in the country, LAAD continued to build its portfolio in 2009, diversifying from the successful, supervised peanut crop financing program with selected growers to financing new projects in the coffee, plantain and cattle 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 the beginning. The projects financed by LAAD in Nicaragua created close to 281 new full-time jobs as well as 1,938 seasonal jobs and over US$16.7 million per year in foreign currency earnings. For next year, very promising pipelines have been developed in different industries such as peanuts, coffee, cattle, plantain, and rice.

In **Costa Rica**, LAAD disbursed US$4.9 million to ten projects involving ornamental plants, coffee, pineapple, and fern production. These projects should create approximately 573 permanent positions and 1,076 seasonal jobs, and generate over US$2.6 million per year in foreign currency. The Company continues with its strategy to develop a very diversified and healthy loan portfolio in Costa Rica. For the next fiscal year, LAAD will continue to increase its portfolio in this country by financing pineapples, specialty coffee, orchids, bananas, and dairy cattle operations.

In **Honduras**, LAAD disbursed US$4.9 million to nine projects involved in shrimp, coffee, and cucumber production. Also, three projects in the food processing and wood processing industries were financed. These projects should generate over US$6.5 million in foreign exchange and create over 532 full-time and 234 part-time jobs. The political instability faced in Honduras over the last four months of our fiscal year partially affected the normal development of our projects. In spite of slight setbacks, we do not foresee any new problems in the portfolio as a consequence of this political situation and currently have many requests for new loans. During the next year, LAAD will focus on solving some existing portfolio problems rather than growing the portfolio significantly.

In **Guatemala**, management placed an emphasis on diversifying the Company's lending operations and also successfully focused on improving the quality of the portfolio. The Company disbursed over US$3.5 million to 11 projects involved in leather leaf ferns, ornamental plants, gourmet coffee, lemons, and forestry projects, generating over 89 permanent positions and 190 seasonal jobs, as well as US$3 million in hard currency per year. LAAD successfully sold a foreclosed pineapple farm to a local grower, thus reducing its non-performing assets in the country. Management believes Guatemala will be a significant player in the specialty coffee business over the long-term, and LAAD will continue to support quality growers in this important sector of Guatemala's export-oriented economy.

In **El Salvador** and **Belize**, where LAAD has traditionally maintained a small portfolio, the Company disbursed a total of

Agrofrancisco is the first Ecuadorian company to produce organic broccoli in a greenhouse. This project is located in Cayambe, Pichincha, Ecuador.

US$2.7 million to four projects. These included a leather leaf project in El Salvador, and one banana and two shrimp projects in Belize, creating over five full-time jobs, as well as 25 seasonal jobs and generating over US$3 million in foreign exchange for the two countries.

The **Dominican Republic** has traditionally been a good market for LAAD and remains so; however, during 2009, LAAD disbursed only US$2.6 million to nine projects, focusing mainly on organic banana production, as well as one project producing avocados and pigeon peas. These projects should generate nearly US$2.1 million in hard currency per year. In addition, they will create 41 new permanent and 221 seasonal jobs. LAAD's local office effectively concentrated on the quality of our portfolio, solving different problem cases that had suffered heavy rains and two major storms, specifically affecting the banana industry. The Dominican Republic continues to consolidate itself as an important player in the organic banana business and LAAD has a major role in this growth. The Company maintains a favorable outlook for the Dominican Republic for 2010, and expects that its Free Trade Agreement with the United States will lead to new agricultural investments. We currently see some opportunities in the bell pepper and greenhouse vegetable production sectors.

Our largest portfolio growth in absolute numbers was in Central America, as our portfolio increased by US$14.3 million, a 20.2% increase over last year.

Despite a promising business environment in **Colombia**, LAAD only disbursed US$900,000 to two organic banana projects. These projects should generate close to US$2 million in hard currency and create 58 permanent job positions as well as 50 seasonal jobs. The revaluation of the peso against the U.S. dollar continued to affect our growth negatively in that country resulting in several approved loans not being disbursed. For next year, important pipelines have been developed in the wood processing industry, organic bananas, and summer flowers. We believe that Colombia will become a key market for LAAD in years to come.

Ecuador continues to be one of our key markets. In spite of some political instability and deterioration of the business environment, the agribusiness sector in the country remains solid and competitive, and is one of the key drivers of the Ecuadorean economy. As in the past, LAAD disbursed US$12.5 million to 21 projects—mainly in roses and bananas. However, new projects in the wood processing industry, broccoli production and a root stock operation were financed as well. These projects will generate US$9 million in hard currency and create 1,563 permanent job positions as well as 35 seasonal jobs. Undoubtedly, the world crisis has severely affected some industries at a global level. A case in point is the flower industry, in which demand and prices went down during 2009. Despite this situation, our local management team has been able to maintain the quality of the portfolio, and some projects that faced problems were sold to other, more competent growers.

LAAD's position in **Venezuela** remains unchanged with respect to last year with a total exposure of US$3.5 million. During this past year, LAAD concluded negotiations to partially collect two loans in order to reduce our exposure in this country.

In **Bolivia**, LAAD slowed its lending operations towards the end of the year due to the country's uncertain political situation. The Company disbursed a total of US$5 million to 12 projects during 2009. LAAD financing enabled these projects to increase their exports by US$2.7 million and create over 13 full-time job positions and 10 seasonal job positions. Most of these projects were involved in soybean and cattle production, with one project dedicated to corn seed production. For 2010, LAAD will undertake selective operations in the country and will try to take advantage of the local office to create a beachhead for LAAD in Paraguay.

In **Brazil**, LAAD expanded its operations in the areas where we had an established portfolio, but also targeted new areas in order to diversify our operations. We disbursed a total of US$11.0 million in the country to 12 projects. The financed projects produce cotton, soybeans and soybean seeds, table grapes, oranges, mangos, papaya, amaryllis, caladium and iris flowers/bulbs. These projects are estimated to generate 330 new full-time

Challapampa is a table grape producing company located in the valley of Ica, 350 km south of Lima. It is owned by brothers Frank and Derek Michell.

IcaPacific is owned by the Checa family, who has been a client of LAAD since 1991. They are dedicated to the production and export of 120 hectares of asparagus and 130 hectares of pomegranates in the valley of Ica, 350 km south of Lima.

job positions, 411 part-time positions and US$8.3 million in additional exports. LAAD has placed a significant part of its growth expectations in Brazil, given that it is the world's largest producer of several agricultural products, and Management feels we can make a significant contribution to the country by assisting its agribusiness producers.

LAAD disbursed a total of US$4.0 million to 15 projects in **Chile**. Agribusiness in Chile was not only affected by the financial crisis, but also by adverse weather conditions, low prices and an unfavorable exchange rate in 2009. In response, LAAD focused on assisting affected clients, as well as diversifying its portfolio, supporting not only the traditional, previously-financed products, such as apples, table grapes, stone fruit, oranges and avocados, but also new products such as asparagus, blueberries, wine/juice grapes and hazelnuts. One such case was a cherry and raspberry producer/processor who exports his production as well as that of small, third party producers who farm between three and five hectares of these crops. This client was significantly affected as the drop in prices for his products caused him to suffer a loss during the year. In addition, his international customers stopped sending him advances, consequently seriously limiting his capacity to grant advances to the small farmers that supply him and who have no access to other sources of financing. LAAD granted him a US$300,000 loan to replenish his working capital and provide the advances required by the small farmers to enable them to produce a crop and continue supplying him with produce. As a result of this type of operation, our loans in Chile generated 60 new full time jobs, 410 new seasonal jobs and should enable the clients to increase their annual exports by US$3.2 million.

LAAD had an excellent year in **Peru** during 2009. We disbursed US$9.5 million to 13 projects and created over 122 new full-time jobs and 1,404 new part-time jobs. LAAD-financed projects also helped generate over US$7.7 million in additional foreign currency. As in other countries, LAAD tried to assist clients who were facing problems related to the global recession. In Peru, we assisted a client who produces asparagus and citrus. As the recession affected the international markets, asparagus prices dropped significantly to levels that were no longer profitable. Thus the client did not harvest his asparagus crop in September 2008, which caused liquidity problems for him during 2009. LAAD granted the client an additional US$300,000 loan and coordinated with his other banks in order to guarantee that he secured the necessary working capital to maintain his crops. This was successfully achieved and the client has already obtained improved prices for his production. Given Peru's political and economic stability, LAAD is placing the country as one of the primary drivers to attain the Company's growth goals for upcoming years.

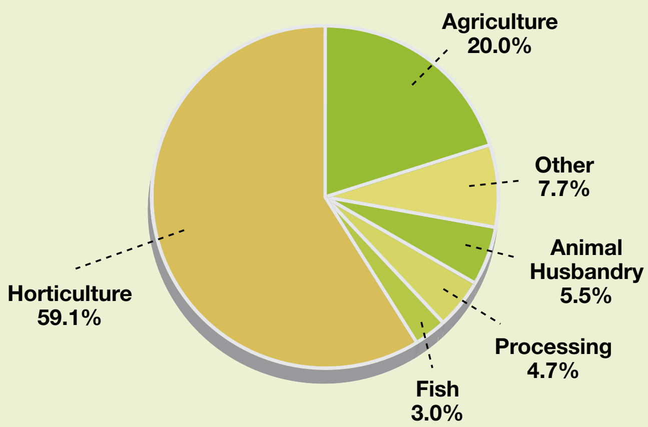
LAAD was unable to reach its portfolio goal for **Uruguay** as the global recession and presidential elections caused a slowdown in agribusiness in 2009. However, we were successful in disbursing four loans in the country totaling US$2.1 million, as a result of which the country's portfolio has been increased to US$9.7 million. LAAD-financed projects in 2009 are expected to increase their exports by US$16.2 million per year, creating 52 additional full-time and 202 part-time jobs in the process. LAAD is optimistic about the future and considers it can build a solid, diversified portfolio in Uruguay, financing products in which the country has a recognized competitive advantage. We will continue to grant loans to projects related to beef, leather, rice and grain, citrus, and dairy operations.

Sociedad Agrícola San Guillermo S.A. is located in Teno, Curicó, Chile. This project produces apples, pears and wine grapes for export.

Agribusiness Portfolio by Industry
US$'000

Purpose of Loan	No. of Projects	Disbursed	Present Holding	Percentage of Holding
Fruits and Vegetables	842	311,714	125,553	43.6%
Cut Flowers	341	130,595	44,815	15.5%
Grains	371	146,388	39,498	13.7%
Agriculture	172	57,034	18,056	6.3%
Cattle	161	48,439	15,733	5.5%
Food Processing	282	118,169	13,581	4.7%
Fishing	81	33,093	8,768	3.0%
Wood Products	94	27,757	6,740	2.3%
Miscellaneous	102	29,597	6,427	2.2%
Dairy	21	8,429	5,695	2.0%
Vegetable Oils	34	15,262	1,510	0.5%
Agro-technology	9	2,970	945	0.3%
Hogs and Poultry	47	18,753	790	0.3%
Farm Equipment	23	7,581	130	0.0%
Marketing Services	31	5,502	0	0.0%
Overall Result	2,611	961,281	288,242	100%

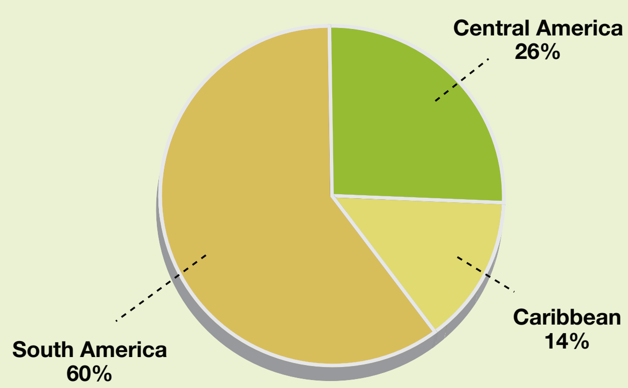
Industrial Distribution



Agribusiness Portfolio by Country
US$'000

Country	No. of Projects	Disbursed	Present Holding	Percentage of Holding
Brazil	63	63,463	51,160	17.7%
Ecuador	222	110,026	38,293	13.3%
Dominican Republic	339	93,083	28,799	10.0%
Chile	216	73,357	27,839	9.7%
Honduras	203	80,425	23,154	8.0%
Peru	106	60,461	21,658	7.5%
Costa Rica	240	80,865	21,618	7.5%
Guatemala	353	104,205	16,670	5.8%
Nicaragua	136	70,939	15,230	5.3%
Bolivia	326	92,150	13,172	4.6%
Uruguay	37	21,296	9,735	3.4%
Colombia	42	23,260	9,301	3.2%
Belize	64	24,938	4,640	1.6%
El Salvador	64	17,322	3,706	1.3%
Venezuela	34	13,648	3,267	1.1%
Other	166	31,841	0	0.0%
Overall Result	2,611	961,281	288,242	100%

Geographic Distribution



Financial Results

The Company reported a net income of US$8.2 million for the fiscal year ending October 31, 2009—13.6% above last year. The return on average equity was 10.6% and earnings per share were US$17,040.12. The return on average total assets decreased to 2.7% from 2.8% last year.

Fresh oranges for export to Europe are packed at Citrícola Salteña S.A., Salto, northern Uruguay.

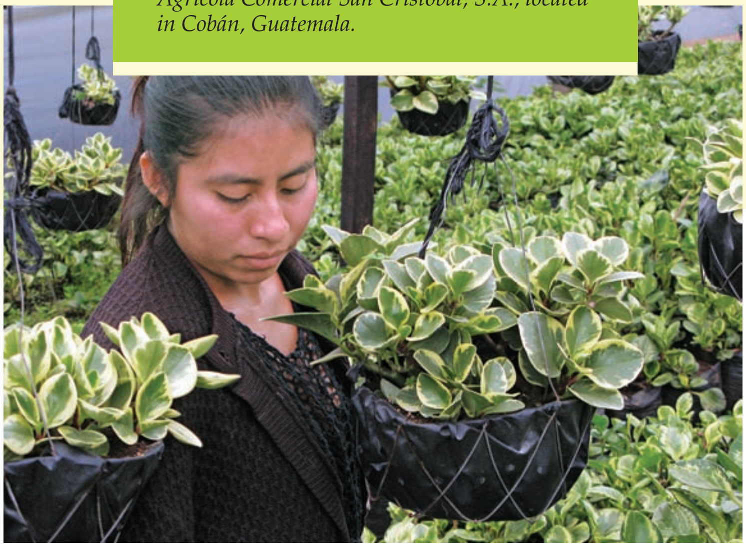
Interest income from agribusiness loans was up by 3.4% to US$26.8 million. During the year, the Company disbursed US$75.1 million in loans, increasing the agribusiness loan portfolio by 7.3% to US$284.4 million. Interest expenses of US$9.7 million were 5.3% lower than the previous period, primarily due to lower LIBOR rates throughout this time.

Salaries and General and Administrative expenses increased by 9.5% for the year to US$9.8 million, mainly due to higher personnel costs, professional fees paid to third parties and additional SAP software implementation costs. Operating expenses represented 33.3% of total revenues in 2009, and 31.8% in 2008.

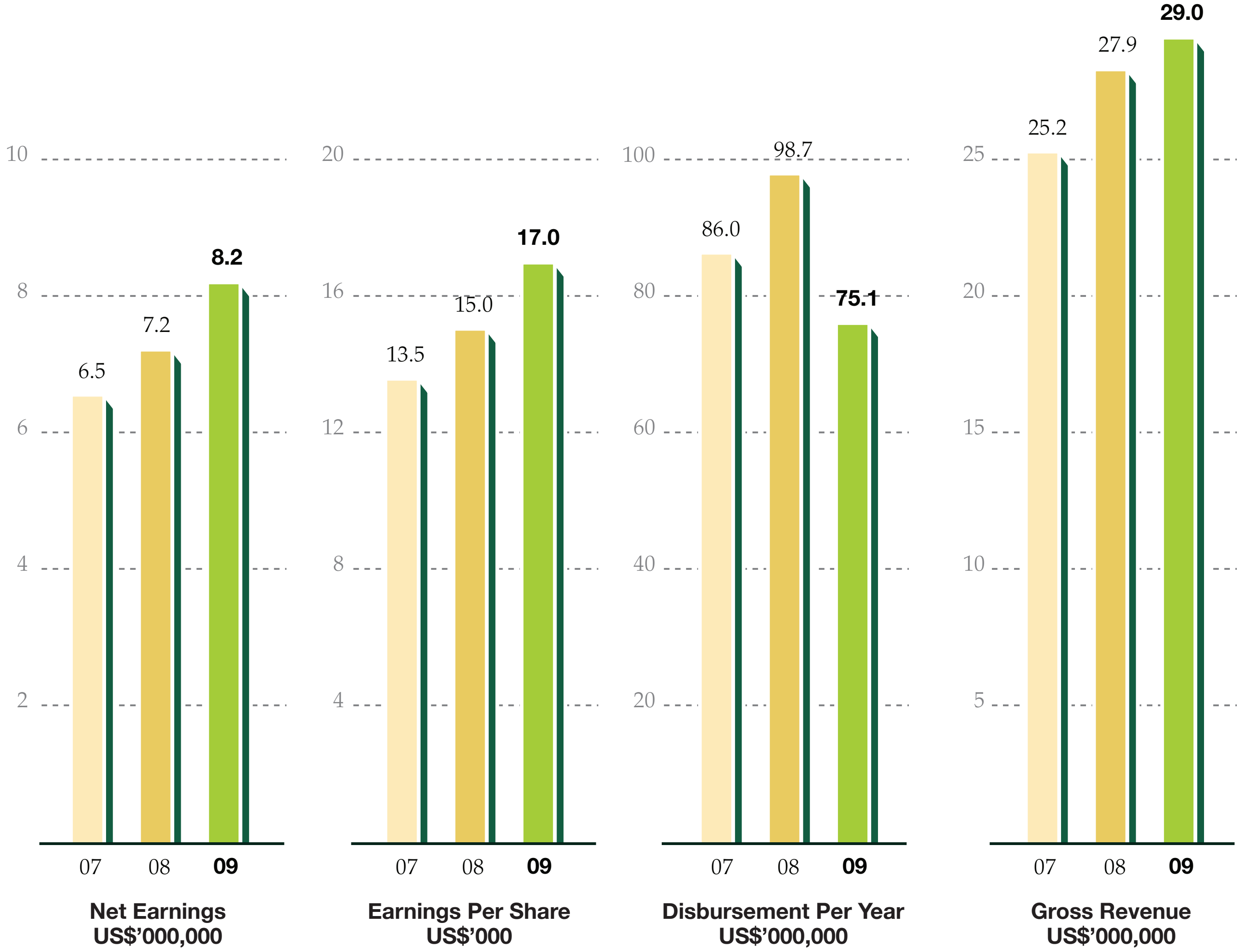
Total assets at fiscal year-end October 31, 2009, net of loan loss reserves, reached US$313 million — 8.7% higher than the previous year, mainly due to the growth of the agribusiness portfolio. Non-performing loans of US$15 million represented 5.3% of the portfolio, up from 3.7% last year. During the year, the Company wrote off US$1.6 million of loans to 20 clients in ten countries, or 0.6% of the total portfolio. This figure includes equity investments and OREOs and is the same percentage that was written off last year. The reserve for possible losses is 3.3% of the agribusiness portfolio.

During the year, the Company secured loans and lines of credit from several sources to the amount of US$54.5 million. The net debt-to-equity ratio decreased to 2.5:1 from 2.6:1 in the prior year, despite the Company's consolidated debt increasing by US$18.2 million to US$227.5 million.

The Company paid cash dividends on common stock of US$1.8 million, or US$3,751.67 per share, representing 25% of fiscal year 2008 net earnings.



Indigenous woman cultivating Peperomias for Agrícola Comercial San Cristobal, S.A., located in Cobán, Guatemala.



Consolidated Balance Sheets

Latin American Agribusiness Development Corporation S.A. and subsidiaries

	October 31, 2009	October 31, 2008
Assets		
Cash and cash equivalents	$ 23,668,530	$ 17,675,724
Investment securities, held-to-maturity, at amortized cost	239,672	1,281,882
	23,908,202	18,957,606
Loans, including $69,378,000 and $45,882,000 maturing within one year in 2009 and 2008, respectively	284,427,411	265,145,338
Less: Allowance for loan losses	(9,295,128)	(9,442,868)
Net loans	275,132,283	255,702,470
Accrued interest receivable	7,173,596	6,965,244
Fixed assets, net	1,292,810	1,391,514
Other assets	5,519,168	5,012,257
	13,985,574	13,369,015
	$ 313,026,059	$ 288,029,091
Liabilities and Stockholders' Equity		
Accrued interest payable and other liabilities	$ 2,589,441	$ 2,709,530
Interest rate swap agreements	2,753,807	1,819,919
Borrowings	227,517,177	209,263,222
Total liabilities	232,860,425	213,792,671
Commitments (Notes 6 and 10)		
Stockholders' equity		
Common stock, $5,000 par value, 2,000 shares authorized, 640 shares issued, 480 shares outstanding	3,200,000	3,200,000
Treasury stock, 160 shares, at cost	(2,422,496)	(2,422,496)
Capital in excess of par value	39,382	39,382
Retained earnings	81,342,211	74,963,752
Accumulated other comprehensive loss	(1,993,463)	(1,544,218)
Total stockholders' equity	80,165,634	74,236,420
	$ 313,026,059	$ 288,029,091

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, 2009	2008
Interest income		
Loans	$ 26,800,549	$ 25,923,198
Investment securities and deposits	43,561	89,200
Total interest income	26,844,110	26,012,398
Interest expense	9,707,759	10,220,627
Net interest income	17,136,351	15,791,771
Provision for loan losses	1,500,000	1,481,000
Net interest income after provision for loan losses	15,636,351	14,310,771
Other income (expenses)		
Other income	2,186,637	1,850,875
Gain on sale of assets	205,209	37,366
Salaries and employee benefits	(5,215,939)	(4,614,596)
General and administrative	(4,633,000)	(4,381,219)
Total other income (expense)	(7,457,093)	(7,107,574)
Net income	$ 8,179,258	$ 7,203,197
Basic and fully diluted earnings per share	$ 17,040.12	$ 15,006.66

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, 2009	2008
Net income	**$ 8,179,258**	$ 7,203,197
Changes in fair value of derivative instruments	**(449,245)**	(1,488,605)
Comprehensive income	**$ 7,730,013**	$ 5,714,592

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
Balance, October 31, 2007	640	$ 3,200,000	160	$ (2,422,496)	$ 39,382	$ 69,378,987	$ (55,613)	$ 70,140,260
Dividends	-	-	-	-	-	(1,618,432)	-	(1,618,432)
Net income	-	-	-	-	-	7,203,197	-	7,203,197
Change in fair value of derivative instruments	-	-	-	-	-	-	(1,488,605)	(1,488,605)
Balance, October 31, 2008	640	3,200,000	160	(2,422,496)	39,382	74,963,752	(1,544,218)	74,236,420
Dividends	-	-	-	-	-	(1,800,799)	-	(1,800,799)
Net income	-	-	-	-	-	8,179,258	-	8,179,258
Change in fair value of derivative instruments	-	-	-	-	-	-	(449,245)	(449,245)
Balance, October 31, 2009	**640**	**$ 3,200,000**	**160**	**$ (2,422,496)**	**$ 39,382**	**$ 81,342,211**	**$ (1,993,463)**	**$ 80,165,634**

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, 2009	2008
Cash flows from operating activities		
Net income	$ 8,179,258	$ 7,203,197
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for loan losses	1,500,000	1,481,000
Amortization of debt discounts	624,072	623,774
Change in fair value of derivatives recognized in earnings	484,643	391,151
Depreciation	378,455	388,824
Impairment on real estate owned	-	90,000
Gain on sale of assets	(205,209)	(37,366)
Net amortization on investment securities	2,265	4,015
Changes in assets and liabilities:		
Accrued interest receivable	(208,352)	(145,356)
Other assets	(135,771)	(332,293)
Accrued interest payable and other liabilities	(120,089)	246,086
Net cash provided by operating activities	10,499,272	9,913,032
Cash flows from investing activities		
Loan disbursements	(75,063,470)	(98,702,545)
Principal collected on loans	53,844,657	50,097,173
Proceeds from sale of real estate and equity investments	300,000	1,043,191
Maturities of investment securities	1,039,945	39,946
Purchases of fixed assets	(279,751)	(1,029,363)
Net cash used in investing activities	(20,158,619)	(48,551,598)
Cash flows from financing activities		
Proceeds from multilateral institution debt	20,300,000	-
Repayments of multilateral institution debt	(6,666,665)	(6,666,668)
Proceeds from bank term debt	-	51,000,000
Repayments of bank term debt	(1,142,859)	(1,142,905)
Net borrowings under bank revolving line of credit	5,625,000	8,050,000
Payment of borrowing costs to lenders	(662,524)	(74,957)
Cash dividends paid	(1,800,799)	(1,618,432)
Net cash provided by financing activities	15,652,153	49,547,038
Net increase in cash and cash equivalents	5,992,806	10,908,472
Cash and cash equivalents		
Beginning of the year	17,675,724	6,767,252
End of the year	$ 23,668,530	$ 17,675,724
Supplemental disclosure of cash activity		
Interest paid	$ 9,085,433	$ 9,338,215
Supplemental disclosure of non-cash transactions		
Loans charged-off	$ 1,647,740	$ 1,533,016
Unrealized loss on derivative instruments	$ 933,888	$ 1,879,756
Equity investment received as payment in-kind	$ 700,000	$ -
Financing of disposition of real estate owned	$ 411,000	$ -
Assets received upon foreclosure	$ -	$ 975,000
Reclassification of loan to investment securities	$ -	$ 319,562

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 S.A. All the above entities are incorporated in the Republic of Panama, except for LAAD Americas N.V. which is incorporated in 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.

Front-end fees and incremental direct costs associated with the origination of each loan are recognized currently in other income (expenses), rather than deferred and amortized as interest adjustments over the life of the loan. Any non-refundable loan origination fees in excess or deficiency of loan origination costs are considered immaterial for the financial statements.

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 international corporate bonds and 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 the common stock of privately held companies are carried at cost, adjusted for impairment and included in other assets. In the opinion of management, the net recorded value for these investments approximates estimated fair value.

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, 2009 and 2008, 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 2009 and 2008).

Reclassifications

Certain reclassifications have been made to the Company's October 31, 2008 financial statements to conform to current year presentation.

New Accounting Pronouncements

In July 2009, the FASB launched the FASB Accounting Standards Codification (the Codification) as the single source of GAAP. While the Codification did not change GAAP, it introduced a new structure to the accounting literature and changed references to accounting standards and other authoritative accounting guidance. The Codification was effective for the Company for the year ended October 31, 2009, and did not have an effect on its consolidated financial statements.

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

Effective for the fiscal year ending October 31, 2009, the Company adopted new principles related to the fair value option for financial assets and financial liabilities which permits entities to choose to measure many financial instruments and certain other assets and liabilities at fair value on an instrument by instrument basis (the fair value option). The principles also established presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. The Company's adoption of these principles had no impact on its consolidated financial statements.

In March 2008, the FASB amended principles 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 is required to implement these new principles for the fiscal year ending October 31, 2010. Management anticipates adoption of these principles will have no significant impact on its consolidated financial statements.

In April 2009, the FASB amended principles related to the other-than-temporary impairment model for debt securities and the Company adopted the principles for the fiscal year ending October 31, 2009. Under these principles, an other-than-temporary-impairment must be recognized if an investor has the intent to sell the debt security or if it is more likely than not that it will be required to sell the debt security before recovery of its amortized cost basis. In addition, the principles change the amount of impairment to be recognized in current-period earnings when an investor does not have the intent to sell or if it is more likely than not that it will not be required to sell the debt security, as in these cases only the amount of the impairment associated with credit losses is recognized in income. The principles also require additional disclosures regarding the calculation of credit losses, as well as factors considered in reaching a conclusion that an investment is not other-than-temporarily impaired. The Company's adoption of these principles had no impact on its consolidated financial statements.

In April 2009, the FASB issued new principles related to estimating fair value when the volume and level of activity for the asset or liability have significantly declined. The principles also include identifying circumstances that indicate a transaction is not orderly. The Company adopted these principles for the fiscal year ending October 31, 2009 and this adoption had no impact on its financial statements.

In June 2009, the FASB issued new principles which amend the accounting for the transfers of financial assets and the consolidation of variable interest entities. The new principles eliminate the concept of qualified special purpose entities and provide additional guidance with regard to accounting for transfers of financial assets. The new principles also change 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. The new principles are effective for the Company's fiscal year ending October 31, 2011. Management anticipates adoption of these principles will have no significant impact on its consolidated financial statements.

In May 2009, the FASB issued new principles that establish general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Company adopted these principles for the fiscal year ended October 31, 2009 and this adoption had no impact on its financial statements.

In August 2009, the FASB issued new principles which clarify how to develop fair value measurements for liabilities, particularly where there may be a lack of observable market information. The Company is required to implement these new principles for the fiscal year ending October 31, 2010. Management anticipates adoption of these principles will have no significant impact on the Company's consolidated financial statements.

NOTE 2 – INVESTMENT SECURITIES

Investment securities had an estimated fair value of approximately $238,000 and $1,280,000 and an amortized cost basis of approximately $240,000 and $1,282,000 at October 31, 2009 and 2008, respectively.

Investment securities at October 31, 2009, mature as follows (dollars in thousands):

Year	Face Amount
2010	$ 40
2011	40
2012	40
2013	40
2014	40
Thereafter	40
	$ 240

NOTE 3 – LOANS

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

	October 31, 2009	2008
Brazil	$ 51,160	$ 45,224
Ecuador	38,293	34,797
Chile	27,839	28,167
Dominican Republic	26,589	28,741
Honduras	23,154	19,936
Peru	21,658	16,680
Costa Rica	21,358	19,898
Guatemala	15,930	16,970
Nicaragua	15,230	7,746
Bolivia	13,172	17,159
Other	30,044	29,827
	$ 284,427	$ 265,145

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

	October 31, 2009	2008
Fruits and vegetables	$ 123,424	$ 114,737
Grains	38,687	41,854
Cut flowers	44,390	39,936
Agriculture	18,056	16,012
Cattle	15,693	15,165
Food processing	13,501	11,205
Other	30,676	26,236
	$ 284,427	$ 265,145

Approximately 89% of the outstanding principal loan balances will mature within five years based on current terms.

Non-accrual loans aggregated approximately $15,013,000 and $9,861,000 at October 31, 2009 and 2008, respectively. Had non-accrual loans been performing, additional interest income of approximately $1,652,000 and $1,479,000 for fiscal 2009 and 2008, respectively, would have been recorded.

The Company may agree to restructure principal repayment requirements for loans meeting certain criteria. During fiscal 2009 and 2008, the Company restructured repayment terms on loans with outstanding principal balances of approximately $9,293,000 and $14,665,000, respectively. Management evaluates the collectibility of the loans prior to granting a restructuring.

NOTE 4 – ALLOWANCE FOR LOAN LOSSES

The table below summarizes the changes in the Company's allowance for loan losses during 2009 and 2008 (dollars in thousands):

Balance, October 31, 2007	$ 9,376
Provision for losses	1,481
Charge-offs	(1,533)
Recoveries	119
Balance, October 31, 2008	9,443
Provision for losses	1,500
Charge-offs	(1,648)
Balance, October 31, 2009	$ 9,295

The following is a summary of investments in impaired loans as of and for the years ended October 31, 2009 and 2008 (dollars in thousands):

	October 31, 2009	2008
Gross investment in impaired loans	$ 34,862	$ 26,704
Valuation allowance on impaired loans	1,558	1,985
Average recorded investment in impaired loans	32,555	27,650
Interest income recognized on impaired loans	1,839	1,688

NOTE 5 – OTHER ASSETS

Included in other assets is approximately $1,156,000 and $1,663,000 at October 31, 2009 and 2008, 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, 2009 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 $2,330,000 and $1,630,000 at October 31, 2009 and 2008, respectively, representing the Company's equity investments in operating farms. At October 31, 2009, the Company owned equity investments in one farm in the Dominican Republic and one in Guatemala. At October 31, 2008, the Company owned an equity investment in one farm in the Dominican Republic. During 2009 and 2008, the Company sold other real estate owned for approximately $714,000 and $591,000 and equity investments for approximately $-0- and $452,000, resulting in total gains of approximately $205,000 and $34,000, respectively.

NOTE 6 – BORROWINGS

Borrowings are summarized as follows (dollars in thousands):

	October 31, 2009	2008
Banks:		
Unsecured term loans including \$13,961 and \$14,668 with stockholders, respectively, interest rates ranging from 1.25% to 1.50% over LIBOR due on various dates from 2010 to 2011 (2.23% to 2.56% at October 31, 2009)	**\$ 69,143**	\$ 70,285
Unsecured revolving lines of credit including \$67,662 and \$59,573 from stockholders, respectively, interest rates ranging from .60% to 1.75% over LIBOR due on various dates from 2009 to 2010 (1.37% to 3.01% at October 31, 2009)	**95,925**	90,300
	165,068	160,585
Multilateral Institutions:		
Unsecured term loans with the International Finance Corporation ("IFC") repayable in semiannual equal installments through 2015, \$30,000 at 1.50% over LIBOR and \$12,300 at 2.00% over LIBOR (2.35% to 2.97% at October 31, 2009)	**42,300**	30,000
Unsecured syndicated term loan with the Deutsche Investitions – und Entwicklungsgesellschaft mbH) ("DEG"), a stockholder at October 31, 2009, repayable in semi-annual equal installments through 2012, \$3,333 at 1.13% over LIBOR (1.81% at October 31, 2009), \$10,000 at a fixed rate (5.95% at October 31, 2009)	**13,333**	20,000
Unsecured term loan with FINN FUND repayable in semiannual equal installments through 2016, interest at 2.00% over LIBOR (2.64% at October 31, 2009)	**8,000**	-
	63,633	50,000
	228,701	210,585
Unamortized discounts	**(1,184)**	(1,322)
	\$ 227,517	\$ 209,263

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

Year	Amount
2010	\$ 127,534
2011	55,033
2012	15,686
2013	12,353
2014	12,353
Thereafter	5,742
	\$ 228,701

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 facility which was fully utilized at October 31, 2009.

Additionally, at October 31, 2009 the Company had \$122,000,000 in unsecured revolving lines of credit from various banks, including \$102,000,000 from stockholder banks, of which \$26,075,000 was unused and available. The lines of credit mature on dates through 2010 and charge interest on any principal amounts drawn at variable rates based on LIBOR.

The Company incurred interest expense of approximately \$3,686,000 and \$3,549,000 in 2009 and 2008, 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, 2009, the Company was not in compliance with a certain financial covenant that required loan reserve levels in excess of amounts necessary under accounting principles generally accepted in the United States. Subsequent to year end, the Company obtained a waiver of compliance with this covenant and the financial covenant was amended.

In November 2009, the Company borrowed \$40,000,000 under three new term loans, including \$15,000,000 from a stockholder bank.

NOTE 7 – DERIVATIVE INSTRUMENTS

LAAD has entered into interest rate swap agreements with two stockholders for the purpose of fixing the interest rate on certain floating rate debt. Under the agreements, LAAD is required to pay a fixed rate of interest on the notional amounts outstanding in exchange for a floating rate of interest, determined as the six-month LIBOR (.56% at October 31, 2009). At October 31, 2009, LAAD had seven contracts outstanding with related parties with aggregate notional balances outstanding of approximately $90,667,000 which matched a portion of principal balance outstanding on the hedged floating rate debt. The notional amounts on the contracts are reduced periodically to match the principal reductions of the variable rate debt to which these contracts hedge.

Derivative instrument summary information at October 31, 2009 follows (dollars in thousands):

Maturity	Notional Amount	Fixed Interest Rate	Fair Value
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 Company is exposed to credit loss in the event of nonperformance by the other parties to the interest rate swap agreements. However, the Company does not anticipate nonperformance based upon the financial strength of the counterparties. As of October 31, 2009, approximately $1,308,000 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 2009 and 2008, the Company's interest expense was increased by approximately $1,455,000 and $203,000, respectively, as a result of the interest rate swap agreements.

NOTE 8 – STOCKHOLDERS' EQUITY

The Company declared and paid cash dividends of $3,752 and $3,372 per share of common stock in 2009 and 2008, 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. At October 31, 2009 and 2008, accrued pension costs totaled approximately $425,000 and $359,000, respectively, and are included in other liabilities.

In addition, certain key employees of the Company participate in a deferred compensation plan (the Plan). Expenses in connection with the Plan aggregated approximately $613,000 and $589,000 in 2009 and 2008, respectively.

Other liabilities at October 31, 2009 and 2008 include approximately $480,000 and $456,000 respectively, of deferred compensation accrued in connection with the Plan.

NOTE 10 – COMMITMENTS

The Company is committed under a non-cancelable operating lease for its principal offices expiring in April 2011. Future minimum lease payments are as follows (dollars in thousands):

Year	Approximate Amount
2010	$217
2011	110
	$ 327

During the years ended October 31, 2009 and 2008, rental expense related to operating leases amounted to approximately $478,000 and $481,000, respectively.

At October 31, 2009, the Company had loan commitments of approximately $9,355,000. 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 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 assets and liabilities which are measured at fair value on a recurring basis as of October 31, 2009 (in thousands):

	Carrying	Fair Value		
Description	**Amount**	**Level 1**	**Level 2**	**Level 3**
Assets:				
Equity Investments	$ 2,330	$ -	$ -	$ 2,330
Liabilities:				
Interest rate swap agreements	2,754	-	2,754	-

Equity Investments

The Company's equity investments are generally valued using third party appraisals. 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 these values for subsequent changes in market conditions. As a consequence, the fair value of these investments is considered a Level 3 valuation.

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 a reconciliation of all Level 3 assets measured at fair value on a recurring basis for the year ended October 31, 2009 (in thousands):

	Equity Investments
Balance at November 1, 2008	$ 1,630
Transfers into Level 3	700
Balance at October 31, 2009	$ 2,330

There were no financial assets or 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, 2009	**Book Value**	**Estimated Fair Value**
Cash and cash equivalents	$ 23,669	$ 23,669
Investment securities	240	238
Net loans	275,132	277,464
Borrowings	227,517	227,854
October 31, 2008		
Cash and cash equivalents	$ 17,676	$ 17,676
Investment securities	1,282	1,280
Net loans	255,702	259,079
Borrowings	209,263	209,317

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.
- 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.

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
1441 Brickell Avenue
Suite 1100
Miami, FL 33131
Telephone (305) 375-6229
Facsimile (305) 375-6221

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, 2009 and 2008, 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

February 22, 2010