

**CONSERVATION
INTERNATIONAL DO BRASIL**

**Financial Statements
as of December 31, 2009 and 2008**

CONSERVATION INTERNATIONAL DO BRAZIL

CNPJ nº 38.737.938/0001-61

BALANCE SHEETS AS OF DECEMBER 31, 2009 AND 2008

(In Brazilian Reais)

ASSETS

	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash	4.600	4.600
Bank	1.328.854	2.099.697
Accounts receivable	7.281.562	853.635
Advances	87.604	54.751
	<u>8.702.620</u>	<u>3.012.683</u>
 NON CURRENT		
Investments	164.661	215.458
Fixed assets	3.296.401	3.325.551
	<u>3.461.062</u>	<u>3.541.009</u>
 TOTAL ASSETS	<u><u>12.163.682</u></u>	<u><u>6.553.692</u></u>

The notes are an integral part of the Financial Statements

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LIABILITIES

	<u>2009</u>	<u>2008</u>
CURRENT		
Granted donations payable	1.233.758	2.312.526
Accounts payable	740.174	1.052.514
	<u>1.973.932</u>	<u>3.365.040</u>
NON CURRENT		
Advances	<u>9.196.353</u>	<u>1.871.814</u>
NET WORTH		
Capital	1.316.838	2.047.330
Losses for the year	(323.441)	(730.492)
	<u>993.397</u>	<u>1.316.838</u>
TOTAL LIABILITIES	<u>12.163.682</u>	<u>6.553.692</u>

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STATEMENT OF SURPLUS FOR THE YEARS ENDED ON DECEMBER 31,
2009 AND 2008
(In Brazilian Reais)

	<u>2009</u>	<u>2008</u>
REVENUES		
Foundations	9.905.243	11.135.529
Corporations	2.055.765	2.464.764
Restricted individual donations	729.800	13.896
Non - U.S. Governments	480.836	12.511
Financial Income	66.090	131.209
Other income	426.256	84.000
	<u>13.663.990</u>	<u>13.841.909</u>
EXPENSES		
Granted donations	(4.045.371)	(5.412.895)
Personnel expenses	(5.883.138)	(5.765.456)
General and administrative expenses	(2.076.133)	(1.648.960)
Trips and events expenses	(914.706)	(835.183)
Ocupation expenses	(829.188)	(647.324)
Depreciation and Amortization	(156.884)	(200.381)
Equity income	(50.797)	(81.150)
	<u>(13.956.217)</u>	<u>(14.591.349)</u>
OPERATIONAL DEFICIT	(292.227)	(749.440)
NON OPERATING INCOME	(31.214)	18.948
ACCUMULATED DEFICIT	<u>(323.441)</u>	<u>(730.492)</u>

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**STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE YEARS
ENDED ON DECEMBER 31, 2009 AND 2008**

(In Brazilian Reais)

	<u>Capital</u>	<u>Retained Deficit</u>	<u>Total</u>
Balances as of December 31, 2007	3.222.726	(1.175.396)	2.047.330
Incorporation to net worth	(1.175.396)	1.175.396	-
Deficit on the year		(730.492)	(730.492)
Balances as of December 31, 2008	2.047.330	(730.492)	1.316.838
Incorporation to net worth	(730.492)	730.492	-
Deficit on the year		(323.441)	(323.441)
Balances as of December 31, 2009	1.316.838	(323.441)	993.397

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**STATEMENT OF CHANGES IN THE FINANCIAL POSITION FOR THE YEARS
ENDED ON DECEMBER 31, 2009 AND 2008**

(In Brazilian Reais)

	<u>2009</u>	<u>2008</u>
SOURCES OF OPERATIONAL ACTIVITIES		
Deficit on the year	(323.181)	(730.492)
Ajustments		
Depreciation	156.884	200.382
Equity	50.797	81.150
	<u>(115.760)</u>	<u>(448.960)</u>
(Increase) decrease in assets		
Account receivable	(6.427.927)	235.454
Advances	(32.854)	(51.992)
	<u>(6.460.781)</u>	<u>183.462</u>
Increase (decrease) in liabilities		
Granted donations payable	(1.078.768)	232.470
Tax to pay	(73.374)	74.809
Contributions to payable	(195.481)	159.820
Accounts to payable	(6.596)	17.060
Provisions to payable	(36.889)	52.524
	<u>(1.391.108)</u>	<u>536.683</u>
Net Cash	<u>(7.967.649)</u>	<u>271.185</u>
Cash Flow of operational activities		
Disposal of fixed assets	35.859	11.052
Aquisition of fixed assets	(163.592)	(158.047)
Net Cash	<u>(127.733)</u>	<u>(146.995)</u>
Cash Flow of financial activities		
Reserve of projets	7.324.539	782.810
Net Cash	<u>7.324.539</u>	<u>782.810</u>
(Decrease) increase in cash equivalents	<u>(770.843)</u>	<u>907.000</u>
At beginning of year	2.104.297	1.197.297
At end of year	1.333.454	2.104.297
(Decrease) increase in cash equivalents	<u>(770.843)</u>	<u>907.000</u>

The notes are an integral part of the Financial Statements

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STATEMENT OF VALUE ADDED FOR THE YEARS ENDED 31 DECEMBER
2009 AND 2008
(In Brazilian Reais)

	<u>2009</u>		<u>2008</u>	
REVENUE	13.566.686		13.729.648	
Donations received	13.597.900		13.555.226	
Revenue from consulting services	-		155.474	
Non-operating	(31.214)		18.948	
SUPPLIES PURCHASED BY THIRD PARTIES (includes taxes)	6.872.492		7.799.515	
Donations awarded (Partnerships)	4.045.371		5.412.895	
Costs of statutory activities (Evironmental Conservationl)	914.706		835.183	
Materials, energy, and other outsourced services	1.912.415		1.551.437	
GROSS VALUE ADDED	6.694.194		5.930.134	
Retentions	156.884		200.381	
Depreciation, amortization	156.884		200.381	
VALLUE ADDED NET	6.537.310		5.729.753	
TOTAL VALUE ADDED	15.294		50.060	
Equity in subsidiaries	(50.797)		(81.150)	
Financial incomes	66.091		131.210	
TOTAL VALUE ADDED TO DISTRIBUTION	6.552.604		5.779.812	
DISTRIBUTION OF VALUE ADDED	6.552.604	100 %	5.779.812	100, %
Personal and charges	4.116.284	62,8%	3.869.149	66,9%
Tax and contributions (Government)	2.023.728	30,9%	2.051.700	35,5%
Interest and rents	736.033	11,2%	589.455	10,2%
Déficit on the year	(323.441)	(4,9%)	(730.492)	(12,6%)

The notes are an integral part of the Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2009 AND 2008
(In Brazilian Reais)

1. OPERATIONS

Conservation International in Brazil is a civil non-profit organization that aims to devote themselves to efforts to integrate biodiversity conservation with those that promote the improvement of human life, through demonstration of the feasibility of sustained development model.

2. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements were prepared in accordance with accounting practices adopted in Brazil, which cover the provisions of the Corporations Law, as well as Announcements, Guidelines and Interpretations issued by the Committee of Accounting Pronouncements - CPC.

3. SIGNIFICANT ACCOUNTING PRACTICES ADOPTED

a) Results of operations

The result, calculated by the accrual basis of accounting exercises, including incomes, expenses and monetary variations, the official rates or indexes, levied on assets and liabilities.

b) foreign assets and liabilities

The assets and liabilities operations are stated at realizable values including, if applicable, income and monetary variations.

c) Fixed Assets

These are stated at cost of acquisitions, net of respective accumulated depreciation, computed based on the straight-line method, in accordance with the useful life of assets.

d) Accrued vacations

The vacations pay and proportionals, including the additional one-third and their charges are accrued under the accrual basis.

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4. BANK

	<u>2009</u>	<u>2008</u>
Banco Itaú – Savings	1.154.006	1.570.077
Banco Itaú	81.896	201.827
Banco Itaú – Campo Grande	5.288	8.270
Banco Itaú – Salvador	3.027	3.717
Banco Bradesco - Belo Horizonte	-	247
Banco do Brasil – Mucuri	64.017	9.397
Banco do Brasil – Brasília	8.959	22.095
Banco do Brasil – Caravelas	7.110	4.129
Banco do Brasil – Belém	4.551	9.005
Banco do Brasil	-	12.146
Banco do Brasil – 5030-X	-	1
Banco do Brasil – Bunge	-	258.786
	<u>1.328.854</u>	<u>2.099.697</u>

5. NON CURRENT ASSETS

5.1. Equity Investments in Subsidiary

	<u>2009</u>	<u>2008</u>
Rio Negro Com. Serviços e Turismo Ltda.	<u>164.661</u>	<u>215.458</u>
<u>Data relating to the subsidiary:</u>		
Capital	1.308.930	1.308.930
Shareholders' equity	215.458	215.458
Net income (loss) for the year	(50.797)	(81.150)
Number share held	1.308.927	1.308.927
Participation percentage	99,9997%	99,9997%
Initial Investment	1.308.927	1.308.927
Equity Income (loss)	<u>(50.797)</u>	<u>(81.150)</u>

5.2. Fixed Assets

Description	Fees annual Depreciation	2009		2008	
		Cost	Depreciation	Net	Net
Land and building	-	2.800.000	-	2.800.000	2.800.000
Furniture & equipment	10%	1.217.917	(781.607)	436.310	484.918
Vehicles	20%	270.146	(210.055)	60.091	40.633
		<u>4.288.063</u>	<u>(991.662)</u>	<u>3.296.401</u>	<u>3.325.551</u>

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6. GRANTED DONATIONS PAYABLE

	<u>2009</u>	<u>2008</u>
Associação Biodiversidade do Trópico Ecotonal do Nordeste	-	86.724
Associação dos Propr. Res. Patrim. Natural MS – REPAMS	-	99.699
Associação Flora Brasil	-	140.419
Associação Floresta Protegida AFP	13.686	98.125
Associação Mico Leão Dourado	69.300	18.203
Associação para Proteção da Mata Atlântica do Nordeste AMANE	25.090	83.323
Associação Proprietários RPPN do Mato Grosso do Sul – REPAMS	82.813	65.779
Caminho de Cunha – Centro Fomento Soc. e Cidadania	56.534	-
Centro de Pesquisas Ambientais do Nordeste – CEPAN	-	48.523
Fundação Biodiversidade	-	86.033
Fundação de Amparo e Desenvolvimento da Pesquisa – FADESP	202.865	226.101
Fundação Instituto para Desenvolvimento da Amazônia – FIDESA	26.692	337.766
IBIO	91.966	104.797
Instituto Baleia Jubarte	41.532	-
Instituto BIOESTE	175.350	-
Instituto Biodiversidade e Desenvolv. Sustent. Oeste da Bahia	-	57.123
Instituto Biotrópicos	22.500	33.172
Instituto Estudos Sócio Ambientais do Sul da Bahia – IESB	49.557	167.040
Instituto do Homem e Meio Ambiente da Amazônia - IMAZON	150.799	-
Instituto de Pesquisa da Mata atlântica – IPEMA	-	60.062
Instituto Peabriu	-	152.610
Instituto Raoni	-	26.975
OREADES Geo Processamento	30.366	189.757
PEQUI - Pesquisa e Conservação do Cerrado	24.436	24.436
Sociedade para Preservação do Muriqui - Preserve Muriqui	28.102	49.315
Others	142.170	156.544
	<u>1.233.758</u>	<u>2.312.526</u>

7. SOCIAL EQUITY

The Social Equity consists of founder's initial contributions of founders, increased or decreased, respectively, of the surplus or deficit inherent to the entity's activities at the end of each fiscal year.

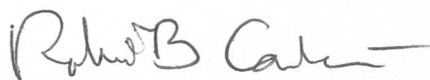
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8. INSURANCE

Conservation International of Brazil maintains insurance to cover potential claims of miscellaneous nature, and the insured amounts deemed sufficient by the Management.

Board of Directors

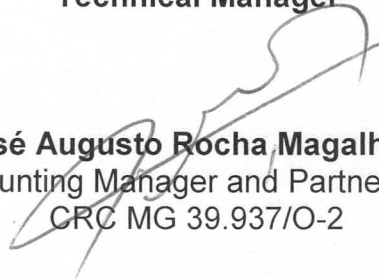


Roberto Brandão Cavalcanti
President



Viviane Ude de Sousa
Operations Director

Technical Manager



José Augusto Rocha Magalhães
Accounting Manager and Partnerships
CRC MG 39.937/O-2



INDEPENDENT AUDITORS 'OPINION

To the Bord of
CONSERVATION INTERNATIONAL DO BRASIL
Belo Horizonte – MG (State of Minas Gerais)

1. We have audited the balance sheets of **CONSERVATION INTERNATIONAL DO BRASIL** raised as of December 31, 2009 and 2008, and the related statements of income, changes in shareholders' equity, cash flows and value added for the years then ended, prepared under the responsibility of his administration. Our responsibility is to express an opinion on these financial statements.
2. We conducted our audits in accordance with the auditing standards generally accepted in Brazil and comprised: a) planning of the work, considering the relevance of balances, the volume of transactions and the accounting and internal controls of systems, b) verification, on a test basis, evidences and records supporting the amounts and information disclosed, and c) evaluation of policies and estimates accounting estimates made by entity's management, as well as the presentation of the financial statements taken as a whole.
3. In our opinion, the financial statements referred to above represent fairly, in all material aspects, the financial position of **CONSERVATION INTERNATIONAL DO BRASIL** as of December 31, 2009 and 2008, and results of its operations, changes in shareholders' equity, the cash flows and values added for the years then ended in accordance with accounting practices adopted in Brazil.

Belo Horizonte, March 26, 2010

SOLTZ MATTOSO & MENDES
Auditors Independentes

CRCMG (Regional Accountanting Council for the State of Minas Gerais) No. 2.884/O
LICENSE CRCMG No 1189


José Roberto de Almeida Mendes
Accountant CRCMG 19.932/O-9


Isaias Rotstein Soltz
Accountant CRCMG 18.253/O-6