CONSOLIDATED FINANCIAL STATEMENTS

Gordon E. and Betty I. Moore Foundation
Years Ended December 31, 2010 and 2009
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

Gordon E. and Betty I. Moore Foundation

Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

Contents

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Report of Independent Auditors

The Board of Trustees
Gordon E. and Betty I. Moore Foundation and Subsidiary

We have audited the accompanying consolidated statements of financial position of Gordon E. and Betty I. Moore Foundation and subsidiary (the Foundation) as of December 31, 2010 and 2009, and the related consolidated statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Foundation's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gordon E. and Betty I. Moore Foundation and subsidiary at December 31, 2010 and 2009, and the consolidated changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

June 30, 2011

Gordon E. and Betty I. Moore Foundation

Consolidated Statements of Financial Position

	December 31	
	2010	**2009**
Assets		
Cash and cash equivalents	**$ 64,637,392**	$ 110,729,059
Dividends and interest receivable	**1,718,138**	2,970,767
Investments, at fair value	**5,367,193,179**	4,942,293,396
Investment redemption receivables	**102,285,669**	91,802,124
Program-related investment	**219,289**	219,289
Property and equipment, net of accumulated depreciation	**48,412,927**	52,012,324
Prepaid expenses and other assets	**822,169**	549,912
Total assets	**$ 5,585,288,763**	$ 5,200,576,871
Liabilities and net assets		
Liabilities:		
Accounts payable and accrued liabilities	**$ 9,728,376**	$ 9,051,983
Grants payable	**65,964,782**	87,045,702
Federal excise tax payable currently	**1,269,459**	4,124,607
Deferred federal excise tax	**5,785,514**	4,335,072
Total liabilities	**82,748,131**	104,557,364
Net assets, unrestricted	**5,502,540,632**	5,096,019,507
Total liabilities and net assets	**$ 5,585,288,763**	$ 5,200,576,871

See accompanying notes.

Gordon E. and Betty I. Moore Foundation

Consolidated Statements of Activities and Changes in Net Assets

	Year Ended December 31	
	2010	2009
Investment income:		
Dividends	**$ 15,363,642**	$ 16,670,212
Interest	**5,632,763**	8,172,344
Partnership distributions	**45,631,551**	17,812,875
Realized gains on sale of investments	**125,145,160**	108,137,253
Net unrealized gains on investments	**482,308,113**	759,937,516
Total investment income	**674,081,229**	910,730,200
Investment expenses	**16,119,828**	14,301,969
Taxes	**(2,279,181)**	17,025,447
Net investment income	**660,240,582**	879,402,784
Expenses:		
Grants	**226,688,561**	141,973,954
Supporting expenses	**27,030,896**	27,713,948
Total expenses	**253,719,457**	169,687,902
Increase in net assets	**406,521,125**	709,714,882
Unrestricted net assets, beginning of year	**5,096,019,507**	4,386,304,625
Unrestricted net assets, end of year	**$ 5,502,540,632**	$ 5,096,019,507

See accompanying notes.

Gordon E. and Betty I. Moore Foundation

Consolidated Statements of Cash Flows

	Year Ended December 31 2010	2009
Cash flows from operating activities		
Interest, dividends and partnership distributions received	**$ 67,880,585**	$ 44,924,530
Tax refunds (payments)	**874,475**	(7,343,843)
Cash paid to investment managers, suppliers and employees	**(39,145,353)**	(40,378,553)
Grants paid	**(247,769,481)**	(167,275,345)
Repayment of program-related investment	**–**	481,365
Net cash used in operating activities	**(218,159,774)**	(169,591,846)
Cash flows from investing activities		
Purchases of investments	**(661,974,114)**	(1,000,634,113)
Proceeds from sale of investments	**834,044,059**	1,156,132,722
Purchases of property and equipment	**(1,838)**	(36,613,339)
Net cash provided by investing activities	**172,068,107**	118,885,270
Net decrease in cash and cash equivalents	**(46,091,667)**	(50,706,576)
Cash and cash equivalents, beginning of year	**110,729,059**	161,435,635
Cash and cash equivalents, end of year	**$ 64,637,392**	$ 110,729,059
Increase in net assets	**$ 406,521,125**	$ 709,714,882
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation and amortization	**3,601,235**	3,592,010
Deferred federal excise tax	**1,450,442**	4,335,072
Net realized and unrealized gain on investments	**(607,453,273)**	(868,074,769)
Changes in operating assets and liabilities:		
Dividends and interest receivable	**1,252,629**	2,269,099
Program-related investment	**–**	481,365
Prepaid expenses and other assets	**(272,257)**	47,649
Accounts payable and accrued liabilities	**676,393**	(2,002,295)
Grants payable	**(21,080,920)**	(25,301,391)
Federal excise tax payable currently	**(2,855,148)**	5,346,532
Net cash used in operating activities	**$ (218,159,774)**	$ (169,591,846)
Supplemental data for non-cash activities		
Investment redemption receivable	**$ 102,285,669**	$ 91,802,124

See accompanying notes.

1. The Organization

The Gordon E. and Betty I. Moore Foundation (the Foundation) is a tax-exempt private foundation established by Gordon and Betty Moore in September 2000. The Foundation seeks to advance environmental conservation and scientific research around the world and improve the quality of life in the San Francisco Bay Area. For more information, visit the Foundation's Web site at www.moore.org.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements and accompanying notes are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and money market funds maintained at commercial banks and are held for operating purposes. The Foundation considers all highly liquid instruments with maturities of three months or less at the time of purchase to be cash equivalents.

Investments

Investments are carried at fair value. Stocks and bonds that are listed on national securities exchanges, quoted on NASDAQ, or on the over-the-counter market are valued at the last reported sale price, or in the absence of a recorded sale, at the most recent bid price at the reporting date. Futures, forwards, and options that are traded on exchanges are valued at the last reported sale price or, if they are traded over-the-counter, at the most recent bid price.

Commingled funds are valued at amounts reported by the investment manager, which are generally based on the last reported sale price of the securities held by such funds.

2. Summary of Significant Accounting Policies (continued)

Since there is no readily available market for investments in limited partnerships and limited liability companies (LLC's), such investments are stated at fair value as estimated in an inactive market. These investments include securities of companies that may not be immediately liquid, such as private debt and equities, or real estate. The December 31 valuations of these investments are based upon year-end values provided by their investment managers, based on guidelines established by those investment managers, and consideration of other factors related to the Foundation's interests in these investments. The Foundation obtains and considers the audited financial statements of such investments when evaluating the overall reasonableness of carrying value. The Foundation believes this method provides a reasonable estimate of fair value. However, the recorded value may differ from market value had a readily available market existed for such investments, and those differences could be material.

Investment transactions are recorded on the trade date. Gains or losses that result from market fluctuations are recognized in the period such fluctuations occur and are computed using the specific identification method. Dividend and interest income are accrued when earned. Gains from private equity funds that are received in cash or securities are reflected in investment income as partnership distributions.

Assets and liabilities denominated in foreign currencies at year end are translated into U.S. dollars based upon exchange rates as of December 31 with any resulting adjustment included in net unrealized gains and losses in investments. Transactions in foreign currencies during the year are translated into U.S. dollars at the exchange rate prevailing on the transaction date and recorded as realized gains on sale of investments.

Property and Equipment

Property and equipment is stated at cost and depreciated using the straight-line method over estimated useful lives of 3 to 39 years. Leasehold improvements for the Foundation's San Francisco and Palo Alto premises are depreciated using the straight-line method over the remaining lease terms of approximately 1 to 30 years.

2. Summary of Significant Accounting Policies (continued)

Grants

Grants are recognized as expense when the unconditional promise to give is approved. Conditional promises to give are recognized as grant expense in the period in which the recipient meets the terms of the condition. The Foundation ordinarily makes grants to organizations that qualify as public charities under the Internal Revenue Code. When distributions are made to non-qualifying organizations, the Foundation assumes the responsibility for ultimate charitable use.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, interest and dividends receivable, investment redemption receivables, accounts payable and accrued liabilities approximate fair value because of the short maturity of these items. The carrying value of grants payable approximates fair value since they are carried at their expected payment amounts discounted to present value. The program-related investment is carried at cost, which approximates fair value.

Principles of Consolidation

The Foundation's consolidated financial statements include the accounts of GBMF International, Ltd., a wholly owned investment holding company. All inter-company accounts and transactions have been eliminated in consolidation.

Taxes

The Foundation qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. However, because the Foundation is classified as a private foundation, it is subject to a federal excise tax on net investment income (its principal source of revenue), and investments in some limited partnerships give rise to taxable federal and state unrelated business income. The Foundation provides for deferred federal excise tax at an estimate of the effective rate expected to be paid.

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses and disclosure of commitments. Actual results and outcomes may differ from management's estimates and assumptions, and such differences could be material.

New Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-04, which was the result of the work by the FASB and the International Accounting Standards Board to develop common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 is effective for annual periods beginning after December 15, 2011. The Foundation is evaluating the impact of the ASU on its consolidated financial statements.

In January 2010, the FASB issued an amendment to Accounting Standard Codification (ASC) 820, *Fair Value Measurements and Disclosures*, ASU 2010-06. The amendment requires additional disclosures regarding recurring and nonrecurring fair value measurements and was effective for the year ended December 31, 2010. Specifically, the amendment requires reporting entities to disclose i) inputs and valuation techniques, and ii) an additional disclosure for significant transfers between Levels 1 and 2. Finally, the amendment provides clarification on disaggregation of assets and liabilities.

Portions of ASU 2010-06 that become effective for interim and annual periods beginning after December 15, 2010, include disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. The impact on the Foundation's consolidated financial statement disclosures is being assessed.

3. Investments

The investment goal of the Foundation is to maintain or grow its spending power in real (inflation adjusted) terms with risk at a level appropriate to the Foundation's programmatic spending and objectives. The Foundation diversifies its investments among various financial instruments and asset categories, and uses multiple investment strategies. The financial assets of the Foundation are managed by a select group of external investment management firms and held in custody by a major commercial bank, except for assets invested with partnerships, LLCs and commingled funds, which have separate arrangements appropriate to their legal structure.

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and bonds. The Foundation maintains its cash and cash equivalents with high quality financial institutions and such amounts may exceed Federal Deposit Insurance Corporation limits. The Foundation's investments in corporate and government bonds are exposed to issuer credit risk until these bonds are sold or mature.

The Foundation's investment portfolio consists of the following:

	December 31			
	2010		2009	
	Cost	Fair Value	Cost	Fair Value
Public equity investments with managers	**$ 1,283,224,318**	**$ 1,822,901,012**	$ 1,487,819,760	$ 1,837,398,097
Fixed income investments with managers	**514,838,942**	**523,092,398**	543,802,054	545,900,260
Hedge and private equity funds	**2,324,520,794**	**2,878,772,420**	2,162,334,257	2,431,024,220
Cash pending investment	**23,000,000**	**23,000,000**	20,000,000	20,000,000
Cash with investment managers	**119,041,763**	**119,427,349**	108,078,076	107,970,819
Total	**$ 4,264,625,817**	**$ 5,367,193,179**	$ 4,322,034,147	$ 4,942,293,396

Cash pending investment represents funds committed to investments with fund closings in January of the following year. As of December 31, 2010 and 2009, the Foundation is committed to make additional investments of approximately $665 million and $773 million, respectively, to hedge and private equity funds in future years.

3. Investments (continued)

Individual investment holdings that represent greater than 5% of the total fair value of investments consist of the following:

	December 31			
	2010		2009	
	Cost	**Fair Value**	**Cost**	**Fair Value**
State Street U.S. Treasury 1–3 Year Index Commingled Fund	**$ 515,987,501**	**$ 524,242,154**	$ 545,146,377	$ 547,316,136
Adage Capital Partners, L.P.	**163,132,160**	**269,993,536**	174,308,693	250,224,520

Some investment managers retained by the Foundation have been authorized to use financial derivative instruments in a manner set forth by the Foundation's written investment policy and specific manager guidelines. Accordingly, the investments of the Foundation include financial instruments involving contractual commitments for future settlements, such as futures and options. Futures and options trading are confined exclusively to recognized futures and options exchanges. Accordingly, the exchange clearinghouse acts as counterparty to the trade, reducing the counterparty credit risk. Investment managers, acting on behalf of the Foundation, both purchase and write options. To minimize the risk of loss associated with options trading, the Foundation requires investment managers to employ strategies consistent with prudent investment management.

The Foundation records its financial derivative instruments on a fair value basis with changes in value reflected in the accompanying consolidated statements of activities and changes in net assets. The fair values of such positions represent net unrealized gains and losses, and consequently, net receivables and payables at December 31, 2010 and 2009, and are included within investments in the consolidated statements of financial position. Additionally, the Foundation has investments in commingled funds, limited partnerships and LLC's which invest in a variety of derivative contracts. As a result of active trading and a changing investment environment, the use, type, and amount of derivative instruments held by these investments may vary substantially from period to period.

3. Investments (continued)

The net fair value of the Foundation's derivative holdings at December 31, 2010 was $0.4 million, in which $0.9 million were in derivative assets and $0.5 million were in derivative liabilities, which are reflected within the consolidated statements of financial position under *Investments, at fair value*. The primary types of derivative risk exposures are foreign exchange, commodity, equity and other contracts. The total notional amounts related to these derivatives were $70.3 million, which are not material to the Foundation's overall investments at December 31, 2010.

In the opinion of the Foundation's management, the use of financial derivative instruments in its investment program is appropriate and customary for the investment strategies employed. Using those instruments reduces certain investment risks and may add value to the portfolio. The instruments themselves, however, do involve investment and counterparty risk in amounts greater than what are reflected in the Foundation's consolidated financial statements. Management expects that losses from such investments, if any, would not materially affect the consolidated financial position of the Foundation.

At December 31, 2010 and 2009, approximately 78% and 74%, respectively, of the Foundation's investment assets were invested in limited partnerships, commingled funds and LLC's. Such investments generally have limited liquidity due to the structure, term, and investment strategy of the funds.

4. Fair Value

ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value disclosure framework which prioritizes and ranks the level of observable inputs used in measuring investments at fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

> Level 1 – Inputs based on quoted prices for identical assets or liabilities in an active market that the Foundation can access. 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 usually provides the most reliable evidence of fair value and is generally used without adjustment if available.

4. Fair Value (continued)

Level 2 – Inputs that are observable either directly or indirectly but are not Level 1 inputs. Level 2 inputs include quoted prices for similar instruments, broker quotes, or observable inputs that directly impact value such as interest rates, prepayment speeds and credit risk. Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, and fair value is determined through the use of models or other valuation methodologies. For investments in funds where there is an ability to redeem such investments at the net asset value per share (or its equivalent) at the measurement date or in the near term, the fair value of the investment is generally categorized as Level 2.

Level 3 – Pricing inputs that are unobservable. Level 3 inputs are generally used in situations where there is little, if any, market activity for the investment. These inputs into the determination of fair value require significant management judgment or estimation. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed. Investments that are included in this category generally include private fund investment structures and limited partnership interests, where there is an inability to redeem such investments at the net asset value per share (or its equivalent) at the measurement date or in the near term.

The following table presents the investments carried on the consolidated statements of financial position by level within the valuation hierarchy as of December 31, 2010 and 2009, respectively:

December 31, 2010	**Level 1**	**Level 2**	**Level 3**	**Total**
Public equity investments with managers	**$ 418,303,240**	**$ 633,273,567**	**$ 771,324,205**	**$ 1,822,901,012**
Fixed income investments with managers	**100,168**	**522,992,230**	**–**	**523,092,398**
Hedge and private equity funds	**–**	**1,157,358,350**	**1,721,414,070**	**2,878,772,420**
Cash pending investment	**23,000,000**	**–**	**–**	**23,000,000**
Cash with investment managers	**119,427,154**	**195**	**–**	**119,427,349**
Total as of December 31, 2010	**$ 560,830,562**	**$ 2,313,624,342**	**$ 2,492,738,275**	**$ 5,367,193,179**

December 31, 2009	**Level 1**	**Level 2**	**Level 3**	**Total**
Public equity investments with managers	$ 396,466,611	$ 722,452,180	$ 718,479,306	$ 1,837,398,097
Fixed income investments with managers	147,050	545,753,210	–	545,900,260
Hedge and private equity funds	–	1,189,980,094	1,241,044,126	2,431,024,220
Cash pending investment	20,000,000	–	–	20,000,000
Cash with investment managers	107,970,819	–	–	107,970,819
Total as of December 31, 2009	$ 524,584,480	$ 2,458,185,484	$ 1,959,523,432	$ 4,942,293,396

4. Fair Value (continued)

The following table includes a rollforward of the amounts for the years ended December 31, 2010 and 2009 for investments classified within Level 3:

Balance at December 31, 2008	$ 3,771,625,590
Purchases (sales), net	(618,744,316)
Realized and unrealized gain (loss), net	370,390,873
Transfers in and/or out of Level 3	(1,563,748,715)
Balance at December 31, 2009	1,959,523,432
Purchases (sales), net	**73,330,442**
Realized and unrealized gain (loss), net	**367,722,905**
Transfers in and/or out of Level 3	**92,161,496**
Balance at December 31, 2010	**$ 2,492,738,275**

	2010	2009
Unrealized gain (loss) included in earnings for Level 3 investments held at December 31, 2010 and 2009	**$ 308,032,830**	$ 309,498,508

Transfers into Level 3 in 2010 were due to changes in redemptions provisions and determined at the beginning of the period.

4. Fair Value (continued)

The Foundation invests in alternative investments, which are structured as partnerships, limited liability companies, and offshore investment funds. The following table summarizes the investment strategy types of the alternative investments as of December 31, 2010:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Public equity investments with managers (a)	$ 771,324,205	$ 1,286,703	Quarterly-Annually	4-90 days
Hedge funds (b)	1,657,794,269	2,524,126	Quarterly, Semi-Annually, Annually, None	30-180 days
Private equity funds and Real Assets (c)	1,220,978,151	631,550,185	Semi-Annually for Real Assets, None for Real Assets and Private equity	90 days
Total	$ 3,650,096,625	$ 635,361,014		

(a) This category includes public equity funds that are structured as limited partnership or limited liability companies. These funds invest primarily in public equity investments in the U.S., developed, and emerging markets. Management of the public equity funds has the ability to invest in growth and/or value styles and across capitalizations. Four managers in this investment category maintain an ability to make private investments. There are no significant restrictions on the Foundation's ability to redeem or liquidate these investments.

(b) This category includes hedge funds that invest using different strategies, such as long/short equity, credit focused, multi-strategy event, arbitrage and other means. The nature of investments for approximately 4.3% of the value of the investments in this category provides distributions that are only received through the liquidation of the underlying assets of the fund, either by the design of the fund or because the fund itself is in a liquidation mode; while the timing of such liquidation is uncertain, it is estimated that the underlying assets of the fund would be fully liquidated over 3 to 8 years. In addition, approximately 25.9% of the value of the investments in this category are subject to multiyear restrictions on withdrawal, with such restrictions ranging from 2 to 5 years.

4. Fair Value (continued)

(c) This category includes private funds that invest in U.S. oil and gas assets, global commercial real estate, and funds that invest globally across industries in public and private companies. Approximately 94% of the value of the investments in this category can never be redeemed with the funds. Instead, due to the nature of these investments, distributions are received through the liquidation of the underlying assets of the funds. It is estimated that the underlying assets will be liquidated over the next 3 to 10 years.

5. Investment Redemption Receivables

Investment redemption receivables represent deemed withdrawals from investment managers for which the cash has not yet been received.

6. Program-Related Investment

In July 2008, the Foundation made an interest free $700,654 program related investment to Middle Bay Sustainable Aquaculture Institute as bridge financing for the construction phase of their close containment aquaculture trial, of which $481,365 was repaid in January 2009.

7. Property and Equipment

Property and equipment consisted of the following:

	December 31	
	2010	**2009**
Buildings	**$ 33,803,007**	$ 33,803,007
Leasehold improvements	**22,535,047**	22,748,589
Furniture, fixtures and equipment	**7,323,807**	7,108,427
	63,661,861	63,660,023
Less accumulated depreciation and amortization	**15,248,934**	11,647,699
Property and equipment, net	**$ 48,412,927**	$ 52,012,324

8. Short Term Borrowings

In December 2006, the Foundation obtained a $100 million uncommitted line of credit (the Line) from a major commercial bank. The Line was increased to $150 million in August 2008 with no change to rates. The Line is free of fees, unsecured, and bears interest at rates selected by the Foundation based on Prime, LIBOR, or Bank Offered, all as defined. The Line expires on July 31, 2011, but is renewable annually. The Line also contains covenants over financial reporting, liquidity, and other standard and customary corporate governance matters. There were no borrowings or amounts outstanding on the Line or interest expense incurred for the years ended December 31, 2010 and 2009, respectively.

9. Taxes and Payout Requirement

Because the Foundation is classified as a private foundation, it is subject to a federal excise tax of 1% or 2% on net investment income (its principal source of revenue). For the years ended December 31, 2010 and 2009, the Foundation qualified for the 1% tax rate and 2% tax rate, respectively, based on the distribution requirements of Section 4940(e) of the Internal Revenue Code. The Foundation also provides for deferred federal excise tax on unrealized gains on investments at a rate of 2%, which is an estimate of the effective rate expected to be paid. In addition, the Foundation's investments in some limited partnerships give rise to federal and state unrelated business income.

The components of tax expense are as follows:

	Year Ended December 31	
	2010	**2009**
Current federal excise tax	**$ (1,063,864)**	$ 12,546,531
Deferred federal excise tax	**1,450,442**	4,335,072
Unrelated business income tax	**(2,665,759)**	143,844
	$ (2,279,181)	$ 17,025,447

The Internal Revenue Code requires private foundations to annually disburse approximately five percent of the market value of investment assets, less the federal excise tax. This payout requirement may be satisfied by payments for grants, program-related investments, direct conduct of charitable activities and certain administrative expenses. The Foundation had qualifying distributions of $275 million and $225 million in fiscal 2010 and 2009, respectively.

9. Taxes and Payout Requirement (continued)

The Foundation exceeded its payout requirement by $13 million in 2010 and met the payout requirements after application of historical excess distributions carryforward of approximately $19 million in 2009. At December 31, 2010, the Foundation's remaining excess distribution carryforwards totaled approximately $54 million. Such 2010 approximate amounts are pending finalization of the Foundation's annual tax return on Form 990-PF, with the differences, if any, not expected to be material.

ASC 740, *Income Taxes*, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. These provisions were adopted by the Foundation effective January 1, 2009.

The Foundation believes it has appropriate support for the excise tax and unrelated business income tax positions taken, as well as foreign investment tax positions, and, as such, does not have any uncertain tax positions that result in a material impact on the Foundation's consolidated statements of financial position or consolidated statements of activities and changes in net assets.

10. Related Parties

Certain trustees of the Foundation are also trustees, directors or officers of other Section 501(c)(3) organizations to which the Foundation has awarded grants and may award grants in the future. In these circumstances, the Foundation awards grants pursuant to the Foundation's conflict of interest policy.

11. Retirement Plan

The Foundation sponsors a defined contribution plan (the Plan) under Internal Revenue Code Section 401(k). The Plan covers all employees who meet eligibility requirements. Contributions to the 401(k) Plan are made by the Foundation semimonthly and vest immediately. Total expenses related to such plan for 2010 and 2009 were approximately $1.1 million and $1.2 million, respectively.

12. Commitments

In November 2007, the Foundation approved a commitment of up to $200 million over a period of 10 years to support further development and construction of the Thirty Meter Telescope (TMT) project. Funding under this commitment will be allocated equally between the California Institute of Technology and the University of California, who are working in partnership on the TMT project. The continuation of this commitment beyond 2011 is conditioned on the California Institute of Technology and the University of California each securing a minimum of $50 million in matching funds. As of December 31, 2010, $95 million in grants had been awarded under this commitment.

The Foundation is also committed to make payments on multi-year grants. Future payments on such awarded but unpaid grants are as follows:

	Unconditional	Conditional
Year ending December 31:		
2011	$ 17,892,649	$ 101,595,031
2012	12,339,596	51,548,500
2013	10,483,572	25,105,582
2014	14,025,312	13,360,096
2015 and thereafter	13,817,151	2,500,000
	68,558,280	$ 194,109,209
Less: Discount to present value	2,593,498	
	$ 65,964,782	

Unconditional promises to give are discounted to a net present value using risk-free interest rates ranging from 0.61% to 2.01% and were recognized as grant expense in the period in which they were approved. Conditional promises to give will be recognized as grant expense in the period in which the recipient meets the terms of the condition.

The Foundation also has operating leases for its San Francisco and Palo Alto offices, other facilities, and certain furniture and equipment. Rent expense for the years ended December 31, 2010 and 2009 were $1,514,000 and $1,795,000, respectively.

12. Commitments (continued)

Future minimum lease payments under operating leases at December 31, 2010 are as follows:

Year ending December 31:	
2011	$ 959,000
2012	263,000
2013	269,000
2014	275,000
2015 and thereafter	304,000
	$ 2,070,000

13. Indemnifications

The Foundation often enters into contracts with consultants whereby the Foundation agrees to indemnify such consultants from liabilities incurred in the course of performing their contracted work, excluding any liabilities incurred by the consultant's own negligence or willful misconduct. The Foundation's maximum exposure under these agreements is unknown; however, the Foundation has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

14. Subsequent Events

The Foundation has evaluated subsequent events through June 30, 2011, which represents the date the consolidated financial statements are available to be issued.

Other Financial Information

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Report of Independent Auditors on Other Financial Information

The Board of Trustees
Gordon E. and Betty I. Moore Foundation and Subsidiary

Our report on the audit of basic consolidated financial statements of Gordon E. and Betty I. Moore Foundation and subsidiary as of December 31, 2010 and 2009, and for the years then ended appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying other financial information on pages 21 to 25 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Ernst & Young LLP

June 30, 2011

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed

December 31, 2010

Grantees	Remaining Commitment
Amazon Conservation Association	$ 1,160,963
AquaSeed	205,456
Associação de Defesa Etnoambiental Kanindé	905,877
California Council on Science and Technology	1,250,000
California Institute for Nursing & Health Care	75,000
Canadian Parks and Wilderness Society, British Columbia Chapter	266,319
Cape Cod Commercial Hook Fishermen's Association	182,510
CARE	445,281
Carnegie Mellon University, Office of the Vice President for Research	244,660
Catholic Healthcare West, St. Mary's Medical Center	63,389
Center for Quality Systems Improvement	685,000
Centro de Conservacion, Investigacion y Manejo de Areas Naturales	229,000
Chabot Space & Science Center	450,000
Clark University, Clark Labs	51,000
Coastal First Nations – Great Bear Initiative	1,747,475
Conservation Fund	894,169
Conservation International	5,629,008
Conservation International	18,000,000
Conservation International	27,752,342
Conservation Law Foundation	92,388
Daughters of Charity Health System	394,000
David Suzuki Foundation	107,784
Ecotrust	670,711
Environmental Defense Fund	102,001
Environmental Defense Fund	1,700,000
Environmental Defense Fund	2,091,793
Exploratorium	5,000,000
Fedora Commons	537,409
Field Museum	227,210
Fondo Ambiental Nacional	199,510
Fondo de las Americas	213,000
Forest Trends	100,000
Fundação Bioma	45,283
Fundação de Apoio e Desenvolvimento da Universidade Federal de Mato Grosso	29,372
Fundación Amigos de la Naturaleza	409,004
Fundación para la Sobrevivencia del Pueblo Cofán	126,700

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

December 31, 2010

Grantees	Remaining Commitment
Fundo Brasileiro para a Biodiversidade	$ 501,413
Green Belt Movement International	232,406
Gulf of Maine Research Institute	1,016,625
Harvard University, Department of Organismic and Evolutionary Biology	515,856
Health Plan of San Mateo	400,000
Healthcare Foundation of Northern and Central California	252,000
Instituto de Pesquisa Ambiental da Amazônia	520,343
Instituto del Bien Comun	200,000
Instituto do Homem e Meio Ambiente da Amazonia	364,458
Instituto Floresta Tropical	208,098
Instituto Internacional de Educação do Brasil	1,116,225
Instituto Socioambiental	209,626
Island Institute	248,140
Iwokrama International Centre for Rain Forest Conservation and Development	1,005,917
Johns Hopkins University, Department of Physics and Astronomy	400,000
Johns Hopkins University, Department of Physics and Astronomy	847,755
Kaiser Foundation Hospitals	72,563
Kaiser Foundation Hospitals	1,000,000
Life Sciences Research Foundation	399,000
Living Oceans Society	143,428
Marine Biological Laboratory	365,032
Marine Fish Conservation Network	72,900
Massachusetts Institute of Technology, Office of Sponsored Programs	1,169,069
Massachusetts Institute of Technology, Office of Sponsored Programs	1,239,651
Meridian Institute	818,756
Middle Bay Sustainable Aquaculture Institute	109,172
Ministerio del Ambiente	714,518
Missouri Botanical Garden	230,000
Monterey Bay Aquarium Research Institute	2,170,000
Nanwakolas Council	621,538
National Academy of Sciences	225,000
National Center for Genome Resources	900,000
National Fish and Wildlife Foundation	642,412
Nature and Culture International	314,770
New Forests Advisory	166,953
Ocean Conservancy	1,242,000

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

December 31, 2010

Grantees	Remaining Commitment
Oregon State University, College of Oceanic and Atmospheric Sciences	$ 211,894
Oregon State University, Department of Microbiology	828,414
Pacific Salmon Foundation	398,800
Pacific States Marine Fisheries Commission	41,276
Palo Alto Medical Foundation	581,000
Palo Alto Medical Foundation	600,000
Patrimonio Natural Fondo para la Biodiversidad y Areas Protegidas	226,922
Pennsylvania State University, Department of Biochemistry and Molecular Biology	160,563
Princeton University, Princeton Institute for the Science and Technology of Materials	1,465,146
Resources Legacy Fund	305,478
Resources Legacy Fund	10,000,000
Resources Legacy Fund Foundation	676,144
Rochester Institute of Technology, Rochester Imaging Detector Laboratory	970,520
Round River Conservation Studies	400,000
San Francisco General Hospital Foundation	2,035,764
San Jose State University Foundation	286,675
Save-the-Redwoods League	427,500
Skeena Wild Conservation Trust	1,025,197
Sociedad Peruana de Derecho Ambiental	233,742
Society of Critical Care Medicine	301,000
Sonoma Land Trust	603,400
Stanford University, Department of Civil and Environmental Engineering	235,432
Stanford University, Geballe Laboratory for Advanced Materials	1,070,000
Stanford University, School of Medicine	177,000
Stanford University, School of Medicine	1,885,777
Stanford University, Woods Institute for the Environment	1,164,763
Sutter Health Systems	250,000
Sutter Health Systems	944,905
Sutter Health Systems	1,491,000
The Nature Conservancy	99,550
The Nature Conservancy	162,250
The Nature Conservancy	320,100
The Nature Conservancy	377,300
The Nature Conservancy	500,000
Third Sector New England	88,148
Third Sector New England	1,225,036

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

December 31, 2010

Grantees	Remaining Commitment
Tides Canada Foundation	$ 267,944
Tides Canada Foundation	439,428
Tides Canada Foundation	473,575
Tides Canada Foundation	589,476
Tides Canada Foundation	5,531,560
Tropical Forest Group	131,850
Udall Foundation, U.S. Institute for Environmental Conflict Resolution	1,107,880
University of Arizona, Sponsored Projects Services	965,931
University of California, Berkeley Department of Environmental Science, Policy, and Management	361,220
University of California, Berkeley Office of the Vice Chancellor for Research	778,572
University of California, Davis Department of Plant Pathology	184,362
University of California, Davis Health System	29,050,000
University of California, Davis Medical Center	400,000
University of California, Los Angeles Department of Atmospheric and Oceanic Sciences	172,929
University of California, San Diego California Institute for Telecommunications and Information Technology	1,100,000
University of California, San Diego California Institute for Telecommunications and Information Technology	3,246,591
University of California, San Francisco Center for the Health Professions	160,475
University of California, San Francisco Center for the Health Professions	1,562,568
University of California, San Francisco Center for the Health Professions	2,320,762
University of California, San Francisco Department of Family and Community Medicine	429,000
University of California, San Francisco Medical Center	250,000
University of California, Santa Barbara Department of Ecology, Evolution and Marine Biology	88,233
University of California, Santa Barbara, Marine Science Institute	846,492
University of California, Santa Cruz Department of Ocean Sciences, Institute of Marine Science	2,075,028
University of California, Santa Cruz Department of Ocean Sciences, School of Earth & Marine Science	970,327
University of Chicago, Computational Institute	896,507
University of Delaware, Department of Plant and Soil Sciences	245,637
University of Georgia Foundation	861,685
University of Georgia Research Foundation	1,131,398
University of Hawaii Foundation	287,473

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

December 31, 2010

Grantees	**Remaining Commitment**
University of Hawaii Foundation	$ 1,039,063
University of Leeds	535,549
University of Michigan, Department of Geological Sciences	883,275
University of Southern California, Department of Earth Sciences	137,113
University of Washington, Office of the Provost	181,358
University of Washington, School of Oceanography	1,119,085
Valley Medical Center Foundation	181,795
Vanderbilt University Medical Center	176,100
Watershed Watch	299,100
Westcoast Aquatic Management Association	34,282
Wild Salmon Center	1,700,000
Wildlife Conservation Society	414,150
Woods Hole Oceanographic Institution	871,327
Woods Hole Oceanographic Institution	1,470,431
Woods Hole Research Center	25,000
Woods Hole Research Center	564,718
Woods Hole Research Center	1,683,150
World Wildlife Fund	19,896
World Wildlife Fund	621,834
World Wildlife Fund Canada	515,146
	$ 194,109,209