

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To
The General Assembly, Board of Directors, Advisory Council and Fiscal Council.
Instituto de Políticas de Transporte e Desenvolvimento - ITDP Brasil
Rio de Janeiro - Brasil

Dear Sirs,

We have audited the financial statements of the **Instituto de Políticas de Transporte e Desenvolvimento -ITDP Brasil**, comprising the balance sheet on 31 December 2011 and its demonstration of the surplus or deficit, the mutation of social equity and cash flow for the year ending on that date as well as the summary of significant accounting policies and other explanatory notes.

Responsibility of the Board on the financial statements

The administration of the Institute is responsible for the preparation and proper submission of financial statements in accordance with accounting practices adapted in Brazil and by internal controls that she ruled as necessary to permit preparation of financial statements relevant distortion-free regardless whether caused by fraud or error.

Independent Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit, conducted in accordance with Brazilian and international standards of auditing. These standards require the fulfillment of ethical requirements by the Auditors and the audit be planned and performed to obtain reasonable assurance that the financial statements are free of distortion.

An audit involves performing procedures to obtain evidence about the amounts and disclosures made in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of distortion is relevant in the financial statements, whether due to fraud or error. This risk assessment, the auditor considers internal control relevant to the preparation and proper submission of statements of the Office to plan the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls of the Office. An audit also includes evaluating the appropriateness of the accounting practices used and the reasonableness of accounting estimates made by management, as well as assessment of the submission of statements taken together.

We believe that the audit evidence obtained is sufficient and appropriate for basing our opinion.

Opinion

In our opinion, the financial statements referred to above represent properly in all material respects, the financial position of the **Instituto de Políticas de Transporte e Desenvolvimento - ITDP Brasil** on 31 December 2011, the performance of its operations and its cash flow for the year ending on that date, in accordance with accounting practices adopted in Brazil.

Emphasis

We observed that during the year 2011 were recorded in balance sheet assets acquired and the assets received as a donation to formalize the document of gift. Once all assets are stated in internal control and proven by invoices and end donation, regularizing the fact mentioned in 2010.

Other matters

Functional and Presentation Currency

The Financial Statements are presented in Reais (R\$), which correspond to the currency of functional ITDP-Brasil and have been translated into English and converted to U.S. Dollar (US\$) producing reports on the presentation currency as supplementary information, as described in Note 2 letter a.

Audit of the values for previous year

The values for the year ended December 31, 2010, presented for comparison purposes, were audited by us and issued Report of Independent Auditors, and with unqualified emphasis on assets, dated April 25, 2011, which did not contain modification.

Rio de Janeiro, March 30th, 2012.

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