

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 **Instituto de Políticas de Transporte e Desenvolvimento -ITDP Brasil**, comprising balance sheet on December 31, 2012 and its surplus or deficit demonstration, changes in social equity, and of cash flow for the year ended on that date as well as the summary of significant accounting practices and other explanatory notes.

Board's Responsibility over financial statements

The Institute's administration is responsible for the preparation and proper submission of financial statements in accordance with accounting practices applied in Brazil and by internal controls that its has determined as necessary to enable relevant preparation of financial statements, regardless whether it is accused of fraud or error.

Independent Auditor's responsibility

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

Auditing involves performing selected procedures to obtain evidence about the amounts and disclosures made in the financial statements. The selected procedures depend on the auditor's judgment, including assessment of distortion risks relevant to financial statements, regardless due to fraud or error. In the risk assessment, the auditor regards the entity's relevant internal controls to the preparation and proper submission of statements in order to plan audit procedures that are appropriate in the circumstances, and not to express an opinion on the effectiveness of such internal controls. An audit also includes evaluation of appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as assessment of statements presentation as a whole.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above properly represent, in all material respects, the financial position of **Instituto de Políticas de Transporte e Desenvolvimento - ITDP Brasil** on December 31, 2012, performance of its transactions and its cash flow for the year ended on that date, are in compliance with accounting practices applied in Brazil.

Other matters

Functional and Presentation Currency

Financial Statements are presented in Reais (R\$), which correspond to ITDP-Brasil's functional currency and have also been translated and converted into 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

Figures for the year ended December 31, 2011, presented for comparison purposes, were audited by us and issued an Independent Auditors Report, and with unqualified opinion and emphasis on assets, dated March 30, 2012, which did not contain modification.

Rio de Janeiro, March 15, 2013.

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