TO: The President, International Bank for Reconstruction and Development

Report of the Committee under Section 4 (iii) of Article III of the Articles of Agreement on the Proposed Loan (São Paulo Sustainable Transport Project - Programa de Transporte, Logística e Meio Ambiente) to the State of São Paulo to be guaranteed by the Federative Republic of Brazil.

The undersigned Committee constituted under Section 7 of Article V of the Articles of Agreement of International Bank for Reconstruction and Development (the Bank) hereby submits its report pursuant to Section 4 (iii) of Article III of said Articles in respect of the proposal that the Bank grant to the State of São Paulo (the Borrower) a loan in an amount of $300,000,000 Dollars, which loan is to be guaranteed by the Federative Republic of Brazil. The purpose of said loan is to contribute to the improvement of the Borrower’s transport and logistics efficiency and safety while enhancing the Borrower’s capacity in environmental and disaster risk management.

1. The Committee has carefully studied the merits of the proposal to grant such a loan, and of the purpose to which the proceeds of the loan are to be applied.

2. The Committee is of the opinion that the Project toward the financing of which the proceeds of such loan are to be applied comes within the purposes of the Bank as set forth in Article I of said Articles of Agreement, and that said Project is designed to promote the development of the productive facilities and resources of the Federative Republic of Brazil and is in the interest of the Federative Republic of Brazil and of the members of the Bank as a whole.
Federative Republic of Brazil
(São Paulo Sustainable Transport Project - Programa de Transporte, Logística e Meio Ambiente)

3. Accordingly, the Committee finds that said Project merits financial assistance from the Bank, and hereby recommends said Project for such assistance.

COMMITTEE

[Signature]
Senior Vice President and Group General Counsel

[Signature]
Expert Selected by Governor for the Federative Republic of Brazil

[Signature]
Regional Vice President
Latin America and the Caribbean

Dated at Washington, D. C.

May 22, 2013