

(A free translation of the original in Portuguese)

## Report of Independent Auditors

To the Management, Members and Associates  
Instituto do Homem e Meio Ambiente  
da Amazônia - IMAZON

- 1 We have audited the accompanying balance sheets of Instituto do Homem e Meio Ambiente da Amazônia - IMAZON as of December 31, 2007 and 2006, and the related statements of surplus (deficit), of changes in equity and of changes in financial position for the years then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements.
- 2 We conducted our audits in accordance with approved Brazilian auditing standards which require that we perform the audit to obtain reasonable assurance about whether the financial statements are fairly presented in all material respects. Accordingly, our work included, among other procedures: (a) planning our audit taking into consideration the significance of balances, the volume of transactions and the Institute's accounting and internal control systems, (b) examining, on a test basis, evidence and records supporting the amounts and disclosures in the financial statements and (c) assessing the accounting principles used and the significant estimates made by the Institute's management, as well as evaluating the overall financial statement presentation.
- 3 In our opinion, the financial statements audited by us present fairly, in all material respects, the financial position of Instituto do Homem e Meio Ambiente da Amazônia - IMAZON at December 31, 2007 and 2006 and the results of its operations, the changes in equity and the changes in its financial position for the years then ended, in accordance with accounting practices adopted in Brazil.
- 4 As mentioned in Note 6(c) to the financial statements, the Institute signed a "Purchase and Sale Agreement" for the acquisition of two building lots for the future construction of its headquarters. The Institute had spent the amount of R\$ 135,221 (2006 - R\$ 135,221) up to December 31, 2007 and its management is currently evaluating whether it should continue to participate in this enterprise.

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As mentioned in Note 10(c) to the financial statements, the balance sheet at December 31, 2006 and the related statements of surplus (deficit), of changes in equity and of changes in financial position for the year then ended were adjusted in relation to those previously presented.

São Paulo, May 12, 2008

  
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