

**Registro Regional de Direcciones IP para América Latina y Caribe
(LACNIC)
BALANCE SHEET AS OF DECEMBER 31, 2003**

<u>ASSETS</u>	<u>\$</u>	<u>US\$</u>
<u>CURRENT ASSETS</u>		
<u>CASH AND BANKS</u>		
Cash	7,222	247
Banks	6,123,683	209,071
	<u>6,130,905</u>	<u>209,318</u>
<u>SHORT - TERM INVESTMENTS</u>		
Treasury bonds (Notes 2.7 and 3)	<u>4,632,270</u>	<u>158,152</u>
<u>ACCOUNTS RECEIVABLE</u>		
Trade accounts receivable (Note 4)	4,644,304	158,563
Less:		
Non-accrued services (Note 4)	(2,097,750)	(71,620)
Reserve for doubtful accounts (Note 2.8)	(333,027)	(11,370)
	<u>2,213,527</u>	<u>75,573</u>
<u>OTHER RECEIVABLE</u>		
Deposits in guarantee (Note 5)	878,700	30,000
Advances to suppliers	31,685	1,082
Prepaid expenses	23,221	793
Other	41,066	1,402
	<u>974,672</u>	<u>33,277</u>
TOTAL CURRENT ASSETS	<u>13,951,374</u>	<u>476,320</u>
<u>NON - CURRENT ASSETS</u>		
<u>ACCOUNTS RECEIVABLE</u>		
Trade accounts receivable (Note 4)	381,063	13,010
Less:		
Non-accrued services	(381,063)	(13,010)
	<u>-</u>	<u>-</u>
<u>FIXED ASSETS (Appendix I and Note 2.9)</u>		
Original values	2,102,243	71,732
Less:		
Accumulated depreciation	(104,666)	(3,425)
	<u>1,997,577</u>	<u>68,307</u>
<u>INTANGIBLES (Appendix I and Note 2.10)</u>		
Original values	334,420	11,712
Less:		
Accumulated amortization	(5,535)	(232)
	<u>328,885</u>	<u>11,480</u>
<u>LONG - TERM INVESTMENT (Appendix I and Note 6)</u>		
Works of art	<u>35,148</u>	<u>1,200</u>
TOTAL NON - CURRENT ASSETS	<u>2,361,610</u>	<u>80,987</u>
TOTAL ASSETS	<u>16,312,984</u>	<u>557,307</u>
MEMORANDUM ACCOUNTS (Note 9)	<u>705,098</u>	<u>24,073</u>

Montevideo, January 23, 2004
Signed for identification purposes only
Sheet N° 1 of a total of 13



C.R. VILLARMARZO Y ASOC.

**Registro Regional de Direcciones IP para América Latina y Caribe
(LACNIC)
BALANCE SHEET AS OF DECEMBER 31, 2003**

<u>LIABILITIES</u>	<u>\$</u>	<u>US\$</u>
<u>CURRENT LIABILITIES</u>		
<u>ACCOUNTS PAYABLE</u>		
Trade accounts payable in local currency	5,038	172
Trade accounts payable in foreign currency	119,390	4,076
	<u>124,428</u>	<u>4,248</u>
<u>OTHER ACCOUNTS PAYABLE</u>		
Advances from customers	156,702	5,350
Payable employee contributions	275,153	9,394
Pension plans payable	40,438	1,381
Third parties founds (Note 7)	2,196,750	75,000
Other	796,161	27,182
	<u>3,465,204</u>	<u>118,307</u>
 TOTAL CURRENT LIABILITIES	 <u>3,589,632</u>	 <u>122,555</u>
<u>NON - CURRENT LIABILITIES</u>		
<u>OTHER ACCOUNTS PAYABLE</u>		
Advances from customers	168,710	5,760
 TOTAL NON - CURRENT LIABILITIES	 <u>168,710</u>	 <u>5,760</u>
 TOTAL LIABILITIES	 <u>3,758,342</u>	 <u>128,315</u>
<u>SHAREHOLDERS' EQUITY (Appendix II)</u>		
Fixed assets revaluation (Note 2.9)	96,333	-
Retained earnings	5,828,824	215,439
Net income of the year	6,629,485	213,553
	<u>12,554,642</u>	<u>428,992</u>
 TOTAL SHAREHOLDERS' EQUITY	 <u>12,554,642</u>	 <u>428,992</u>
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	 <u>16,312,984</u>	 <u>557,307</u>
 MEMORANDUM ACCOUNTS (Note 9)	 <u>705,098</u>	 <u>24,073</u>


Montevideo, January 23, 2004
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Sheet N° 2 of a total of 13



C.R. R. VILLARMARZO Y ASOC.

Registro Regional de Direcciones IP para América Latina y Caribe
(LACNIC)
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>\$</u>	<u>US\$</u>
Net sales (Note 4)	16,973,072	610,882
Cost of sales (Note 8)	<u>-</u>	<u>-</u>
Gross profit	<u>16,973,072</u>	<u>610,882</u>
Selling and administrative expenses		
Salaries	(3,161,192)	(111,691)
Professional fees	(681,855)	(23,891)
Depreciation of fixed assets (Note 2.9)	(104,666)	(3,425)
Amortization of intangibles (Note 2.10)	(5,535)	(232)
Bad debts expenses (Note 2.8)	(333,027)	(11,370)
Insurance expenses	(76,991)	(2,742)
Travel and training expenses	(3,897,193)	(138,034)
Rental expenses	(235,036)	(8,400)
Electricity, water and gas expenses	(46,033)	(1,651)
Cleaning and maintenance expenses	(114,196)	(4,037)
Correspondence and communications	(462,404)	(16,315)
Stationery and desk supplies	(183,378)	(6,523)
Advertising expenses	(1,578,763)	(55,744)
Other expenses	<u>(114,040)</u>	<u>(4,068)</u>
	<u>(10,994,309)</u>	<u>(388,123)</u>
Other results		
Other income and expenses	<u>895</u>	<u>(2,058)</u>
Financial results		
Interest received	54,900	1,889
Interest expense and commissions	(231,598)	(8,221)
Translation (Note 2.2)	-	(816)
Currency exchange difference (Note 2.6)	<u>826,525</u>	<u>-</u>
	<u>649,827</u>	<u>(7,148)</u>
Net income of the year	<u><u>6,629,485</u></u>	<u><u>213,553</u></u>

<p>Montevideo, January 23, 2004 Signed for identification purposes only Sheet N° 3 of a total of 13</p> <p> C. R. VILLARMARZO Y ASOC.</p>
