

(Free translation from the original in Spanish)

### REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of  
Registro Regional de Direcciones IP para América Latina y Caribe (LACNIC)

1. We have audited the accompanying balance sheet of Registro Regional de Direcciones IP para América Latina y Caribe (LACNIC) as of December 31, 2005 and the related statement of profit and loss for the year then ended, with their attached notes and appendices, expressed in Uruguayan pesos. These financial statements are the responsibility of the Institution's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in Uruguay. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion, the financial statements referred to above, expressed in Uruguayan pesos, present fairly, in all material respects, the financial position of Registro Regional de Direcciones IP para América Latina y Caribe (LACNIC) as of December 31, 2005 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles in Uruguay.
4. Without qualifying our opinion we draw attention to Note 10 to the financial statements. At this moment it is not possible to determine with reasonable degree of certainty the moment and the way of application of fiscal exemptions -according to Article 69 of the Uruguayan Constitution-, and no provision for any liability that may result has been made in the financial statements since management considers that there will be a favourable resolution.

5. In respect of the translation to United States dollars, we inform that the financial statements mentioned in paragraph 1 have been translated in accordance with the basis described in Note 2.2 of the financial statements.
6. This report is intended solely to be used exclusively by the Board of Directors and members of the Institution, and is not intended to be and should not be used by anyone other than these specified parties.

Montevideo, January 23, 2006

WORKED FOR IDENTIFICATION  
PURPOSES ONLY

## **CONTROL ORGAN'S REPORT**

Free translation from the original issued in spanish

According to the provisions of article 27, item (c) of the approved and valid Bylaws of the LATIN AMERICAN AND CARIBBEAN INTERNET ADDRESS REGISTRY (LACNIC), and having the members of the "Control Organ" been approved on april 23, 2003, in Santiago de Chile, a meeting of the "Control Organ" is held, with the presence of Cassio Vecchiatti, Sebastián Bellagamba and Adriana Ibarra Vázquez.

In view of the above, a report is issued in reference to the Annual Report, Inventory, General Balance Sheet, and Expense and Income Account corresponding to the period January-December 2003.

ONE.- The results of report prepared by Ernst & Young, in their capacity as external auditors, in relation to the Annual Report, Inventory, General Balance Sheet, and Expense and Income Account corresponding to the period January-December 2003 were verified. The results of said verification have been favorable.

TWO.- On the basis of the analysis of the external auditor's report performed by the "Control Organ" and the documentation submitted by LACNIC, it is our conclusion that the information we have been presented reflects the true situation and we advise its approval on the part of the General Assembly

THREE.- On the basis of the analysis performed by the "Control Organ", we recommend that during the following three-year period no efforts are spared in order to have sufficient cash reserves to cover 150% of LACNIC's annual fixed and operating costs.

25 de febrero de 2004.

Cassio Vecchiatti  
Sebastián Bellagamba  
Adriana Ibarra Vázquez.