

# REPORT OF THE FISCAL COMMISSION

(Free translation from the original 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), 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 Accounting Statements corresponding to the term ended on December 31, 2004.

ONE.- The results of the report prepared by Ernst & Young, in their capacity as external auditors, in relation to the Accounting Statements corresponding to the term ended on December 31, 2004, were verified. The results of said verification were favorable.

TWO.- Based on 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 of the facts that have occurred and that the distribution of expenditures is consistent with the organization's objectives, and therefore we advise its approval on the part of the General Assembly.

THREE.- Based on the analysis performed by the Control Organ, we recommend considering the debts that have exceeded a considerable period of indebtedness as uncollectible, and subjecting them to the corresponding accounting treatment.

FOUR.- Considering the recommendation issued on February 25, 2004, and with the aim of increasing the predictability and stability of LACNIC, we recommend using part of the reserve funds for acquiring a real estate property that will function as the organization's head office, thus increasing LACNIC's patrimony and the possibility of providing new services to the community.

March 11, 2005

Cassio Vecchiatti  
Sebastián Bellagamba  
Adriana Ibarra Vázquez