

(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, 2004 and the related statement of profit and loss for the year then ended, with their attached notes and appendixes, 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, 2004 and the result 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 9 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. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The financial statements expressed in US dollars are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, the financial statements were translated into United States dollars following the criteria mentioned 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, February 17, 2005

Signed for identification purposes only