

**Registro Regional de Direcciones IP para América Latina y Caribe (LACNIC)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2016**  
(Expressed in US Dollar)

|   | <b>December<br/>31, 2016</b> | <b>December<br/>31, 2015</b> |
|---|------------------------------|------------------------------|
| <b>ASSETS</b>                                 |                              |                              |
| <b>CURRENT ASSETS</b>                         |                              |                              |
| CASH AND BANKS (Notes 2.3 and 2.9)            |                              |                              |
| Cash  | 768                          | 908                          |
| Banks   | 818.879                      | 347.648                      |
|   | 819.647                      | 348.556                      |
| SHORT TERM INVESTMENTS (Note 2.3, 2.10 and 5) |                              |                              |
| Investments                                   | 4.078.416                    | 2.880.187                    |
| Interest Receivable                           | 25.402                       | 34.492                       |
|   | 4.103.818                    | 2.914.679                    |
| ACCOUNTS RECEIVABLES (Nota 2.3, 2.9 and 11)   |                              |                              |
| Trade Receivables                             | 1.428.816                    | 2.041.401                    |
| Allowance for Doubtful Accounts               | (15.529)                     | (18.000)                     |
|   | 1.413.287                    | 2.023.401                    |
| OTHERS RECEIVABLES                            |                              |                              |
| Other Receivables                             | 139.608                      | 125.743                      |
| <b>TOTAL CURRENT ASSETS</b>                   | <b>6.476.360</b>             | <b>5.412.379</b>             |
| <b>NON CURRENT ASSETS</b>                     |                              |                              |
| Fixed Assets (Note 2.11 and Annex)            |                              |                              |
| Cost of Acquisition                           | 4.219.080                    | 4.006.185                    |
| Accumulated Amortization                      | (1.002.297)                  | (813.422)                    |
|   | 3.216.783                    | 3.192.763                    |
| INTANGIBLES (Note 2.11 and Annex)             |                              |                              |
| Cost of Acquisition                           | 322.140                      | 282.616                      |
| Accumulated Amortization                      | (266.488)                    | (243.430)                    |
|   | 55.652                       | 39.186                       |
| <b>TOTAL NON CURRENT ASSETS</b>               | <b>3.272.435</b>             | <b>3.231.949</b>             |
| <b>TOTAL ASSETS</b>                           | <b>9.748.795</b>             | <b>8.644.328</b>             |
| Off Balance Accounts (Note 9)                 | 160.008                      | 316.261                      |

The Annex and the Notes 1 to 15 attached are an integral part of these financial statements.

**Registro Regional de Direcciones IP para América Latina y Caribe (LACNIC)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2016**  
(Expressed in US Dollar)

|                                       | <u>December 31,<br/>2016</u> | <u>December 31,<br/>2015</u> |
|---------------------------------------|------------------------------|------------------------------|
| <b>LIABILITIES</b>                    |                              |                              |
| <b>CURRENT LIABILITIES</b> (Note 2.3) |                              |                              |
| COMMERCIAL DEBTS                      |                              |                              |
| Account Payable                       | 232.992                      | 228.459                      |
| FINANCIAL DEBTS                       |                              |                              |
| Leasing Loans (Note 7)                | -                            | 12.360                       |
| OTHER DEBTS                           |                              |                              |
| Provisions for Employee Benefits      | 319.553                      | 246.925                      |
| Benefits for Staff Retirement         | 50.036                       | 21.470                       |
| Advanced Collections                  | 342.655                      | 373.241                      |
| Other Debt                            | 50.797                       | 21.386                       |
|                                       | <u>763.041</u>               | <u>663.022</u>               |
| TOTAL CURRENT LIABILITIES             | <u>996.033</u>               | <u>903.841</u>               |
| <b>TOTAL LIABILITIES</b>              | <u><b>996.033</b></u>        | <u><b>903.841</b></u>        |
| <b>EQUITY</b>                         |                              |                              |
| RETAINED EARNINGS                     |                              |                              |
| Prior Year's Results                  | 7.740.487                    | 6.933.616                    |
| Comprehensive Result of the Year      | 1.012.275                    | 806.871                      |
|                                       | <u>8.752.762</u>             | <u>7.740.487</u>             |
| <b>TOTAL EQUITY</b>                   | <u><b>8.752.762</b></u>      | <u><b>7.740.487</b></u>      |
| <b>TOTAL LIABILITIES AND EQUITY</b>   | <u><b>9.748.795</b></u>      | <u><b>8.644.328</b></u>      |
|                                       |                              | !                            |
| Off Balance Accounts (Note 9)         | <u>160.008</u>               | <u>316.261</u>               |

The Annex and the Notes 1 to 15 attached are an integral part of these financial statements.

**Registro Regional de Direcciones IP para América Latina y Caribe (LACNIC)**  
**COMPREHENSIVE INCOME STATEMENT**  
**FOR THE YEAR ENDED AS OF DECEMBER 31, 2016**  
(Expressed in US Dollar)

|   | For the year<br>ended as of<br>December 31,<br>2016 | For the year<br>ended as of<br>December 31,<br>2015 |
|---|---|---|
| <b>OPERATING REVENUES</b>                             |   |   |
| Net Operating Revenues (Note 8)                       | 6.896.346   | 6.742.532   |
|   | <u>6.896.346</u>                                    | <u>6.742.532</u>                                    |
| <b>SELLING AND ADMINISTRATIVE EXPENSES</b>            |   |   |
| Salaries and Contributions for Retirement (Note 11.3) | (2.462.882)   | (2.190.866)   |
| Travel and Staff Subsistence                          | (846.826)   | (767.964)   |
| Cooperation, Contribution and Memberships             | (323.194)   | (339.630)   |
| Hired Services  | (748.594)   | (681.865)   |
| Diffusion costs                                       | (267.082)   | (400.920)   |
| Travel and Fellows and Exhibitors Subsistence         | (299.318)   | (324.610)   |
| Fixed Assets Depreciation (Note 2.11 and Annex)       | (223.488)   | (184.808)   |
| Maintenance   | (161.777)   | (181.250)   |
| Communication Expenses                                | (138.428)   | (123.820)   |
| Training  | (58.815)  | (70.200)  |
| Stationery and Other Office Supplies                  | (42.280)  | (64.588)  |
| Electric Power and Water                              | (30.703)  | (30.628)  |
| Doubtful Accounts                                     | 2.471   | (7.425)   |
| Other Expenses  | (59.500)  | (62.564)  |
|   | <u>(5.660.416)</u>                                  | <u>(5.431.138)</u>                                  |
| <b>OTHER RESULTS</b>                                  |   |   |
| Other Incomes   | 7.315   | 2.954   |
| Other Expenses  | (4.826)   | -   |
|   | <u>2.489</u>  | <u>2.954</u>  |
| <b>FINANCIAL RESULTS</b>                              |   |   |
| Interest Paid   | (21.759)  | (15.288)  |
| Collecting Fees                                       | (54.304)  | (68.192)  |
| Interest Income                                       | 115.376   | 135.935   |
| Discounts Granted                                     | (346.189)   | (297.569)   |
| Differences of Investment Valuation                   | 99.094  | (197.164)   |
| Exchange Differences                                  | (18.362)  | (65.199)  |
|   | <u>(226.144)</u>                                    | <u>(507.477)</u>                                    |
| <b>NET INCOME OF THE YEAR</b>                         | <b><u>1.012.275</u></b>                             | <b><u>806.871</u></b>                               |
| Other comprehensive results                           | "!"   | "!"   |
| <b>COMPREHENSIVE INCOME OF THE YEAR</b>               | <b><u>1.012.275</u></b>                             | <b><u>806.871</u></b>                               |

The Annex and the Notes 1 to 15 attached are an integral part of these financial statements.