

## AUDITOR'S REPORT

To the Member of  
COOPI – Cooperazione Internazionale

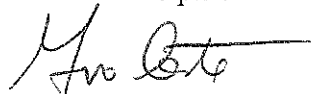
1. We have audited the financial statements of COOPI – Cooperazione Internazionale, a not – for-profit organisation as of December 31,2005. These financial statements are the responsibility of the COOPI – Cooperazione Internazionale management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. Our examination was performed on the basis of the auditing standards. In accordance with these standards, the audit was planned and performed in order to obtain all the necessary elements to assess whether there are significant errors in the financial statements and whether the results, on the whole are acceptable. Our audit includes the verification on test basis of all the evidence supporting the amounts and disclosures in the financial statements, of the suitability and correctness of the accounting principles used and of the estimates made by management. We believe that our audit provides a reasonable basis for the expression of an opinion.

For the opinion on the prior year financial statements, which figures are presented for comparative purposes in agreement with the law, we refer to our report issued on June 24, 2005.

3. In our opinion, the financial statements of COOPI – Cooperazione Internazionale as of December 31, 2005 have been correctly drawn up and show a true and fair view of the financial situation and of its results, in accordance with generally accepted accounting principles.

Milan, July 5, 2006

FIDALTA S.p.A.



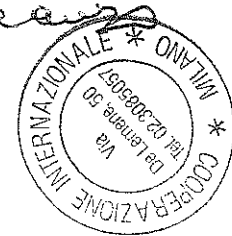
Ivo Costa  
(Partner)

*This report has been translated into the English language from the original which was issued in accordance with Italian legislation, for the convenience of international readers.*

COOPI - COOPERAZIONE INTERNAZIONALE - BILANCE SHEET AT 31ST DECEMBER

ASSETS AND LIABILITIES	31.12.2005	31.12.2004
<b>ASSETS</b>		
<u>Liquidity</u>		
Cash Italy	58.819	52.176
Bank current accounts Italy	1.033.564	1.810.958
Post office accounts Italy	36.621	31.914
Cash and bank - foreign	2.615.765	2.499.117
Total Liquidity	<u>3.744.769</u>	<u>4.394.165</u>
<u>Short term credits</u>		
Various credits	156.853	144.939
Total Short term credits	<u>156.853</u>	<u>144.939</u>
<u>Credits towards financial entities for concluded projects with financial &amp; narrative reports already submitted or due to be submitted</u>		
European Union	1.294.981	
ECHO	2.717.952	
Italian Ministry of Foreign Affairs and other Italian Entities	1.041.902	
UN Agencies	368.469	
Other	238.688	
Total	<u>5.661.992</u>	
<u>Advances to projects</u>		
Advances to projects	<u>3.328.743</u>	<u>5.798.061</u>
<u>Feasibility studies</u>		
Feasibility studies	<u>15.799</u>	<u>67.198</u>
<u>Net fixed assets</u>		
Material and immaterial immobilizations	322.231	41.576
Financial immobilizations	1.551	1.551
Total net fixed assets	<u>323.782</u>	<u>43.127</u>
<u>Accrued revenues</u>		
Active rates	1.028	
Active rediscounts	4.791	777
Total Accrued revenues	<u>5.819</u>	<u>777</u>
<b>TOTAL LIQUIDITY</b>	<u><b>13.237.757</b></u>	<u><b>10.448.267</b></u>

*Barbari*



COOPI - COOPERAZIONE INTERNAZIONALE - BILANCE SHEET AT 31ST DECEMBER



ASSETS AND LIABILITIES	31.12.2005	31.12.2004
<b>LIABILITIES AND CAPITAL NET WORTH</b>		
<u>Short term liabilities with banks</u>		
Short term liabilities with banks	3.399.446	2.621.486
<u>Other short term liabilities</u>		
Towards INPS, INAIL and Treasury	101.850	82.913
Towards staff and collaborators	107.952	128.948
Towards expatriate personnel	850.098	608.257
Towards suppliers	1.240.867	1.103.714
Towards other NGOs	6.687	
Other	178.753	162.961
Total other short term liabilities	2.486.207	2.086.793
<u>Liabilities towards projects</u>		
Total liabilities towards projects	6.154.511	3.964.983
<u>Donations for projects</u>		
Total donations for projects	354.666	1.077.139
<u>Severance payment fund</u>		
Total severance payment fund	104.101	95.152
<u>Risks and charges fund</u>		
Total risks and charges fund	464.119	94.634
<u>Accrued expenses</u>		
Totale accrued expenses	18.067	20.354
<b>NET CAPITAL WORTH</b>		
<u>Free net worth</u>		
Pool	575.558	366.507
Fiscal year surplus/deficit	(324.629)	153.044
Total free net worth	250.928	519.551
<u>Restricted net worth</u>		
Funds for projects	5.710	(31.825)
<b>TOTAL LIABILITIES</b>	<b>256.639</b>	<b>487.726</b>
<b>TOTAL LIABILITIES AND CAPITAL NET WORTH</b>	<b>13.237.757</b>	<b>10.448.267</b>
<b>CONTI D' ORDINE</b>		
<u>Guarantees in favor of thirds party</u>	96.567	96.567
<u>Guarantees from thirds party to our favor</u>	3.673.998	601.611
	3.770.565	698.178



COOPI - COOPERAZIONE INTERNAZIONALE

BILANCE SHEET AT 31ST DECEMBER 2005

PROFITS AND LOSS ACCOUNTS

PROFITS	Year 2005	Year 2004
<b><u>Income for projects</u></b>		
Income for projects	33.186.446	21.982.250
Income for projects to be refunded	0	4.241.925
Total income for projects	33.186.446	26.224.175
<b><u>Membership fees</u></b>		
	7.000	8.925
<b><u>Donations and other contributions</u></b>		
	284.763	278.820
<b><u>Revenues in project implementation</u></b>		
Organisation's percentage	986.938	1.517.249
Services to projects and activity abroad	684.344	210.826
Total revenues in project implementation	1.671.282	1.728.075
<b><u>Repayments and other revenues</u></b>		
Revenues on specific promotional and educational activities	96.692	86.323
Repayments from other NGOs for rent and other expenses	5.081	9.482
Repayments from insurance companies	4.496	490
Various repayments	3.232	4.452
Allowances and discounts	1.576	62
Contigent gain	12.574	131.470
Total repayments and other revenues	123.652	232.279
<b><u>Financial revenues</u></b>		
Positive interest	5.438	5.458
Revenues from financial investment	0	0
Exchange rate differences	5.651	595
Totale financial revenues	11.089	6.053
<b>TOTAL PROFITS</b>		
Management deficit	35.284.233	28.478.327
Total ad balance	324.629	0
	35.608.863	28.478.327

COOPI - COOPERAZIONE INTERNAZIONALE - BILANCHE SHEET YEAR 2005 - PAGINA 3 of 4

*Barbieri*

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COOPI - COOPERAZIONE INTERNAZIONALE  
BILANCE SHEET AT 31ST DECEMBER 2005

LOSSES	Year 2005	Year 2004
<b><u>Costs incurred for projects</u></b>	<u>33.186.446</u>	<u>26.224.175</u>
<b><u>Employees and collaborators at Milan HQ</u></b>		
Employees	144.276	191.170
Collaborators	1.241.945	1.085.735
Shared costs for staff, collaborators and objectors	57.399	52.024
Total employees and collaborators	<u>1.443.621</u>	<u>1.328.929</u>
<b><u>Institutional costs</u></b>		
General running costs	66.906	37.324
Promotion, solidarity and fund-raising	307.484	205.001
Italian delegation offices	9.105	11.855
General costs for specific activities	6.512	9.856
Total institutional costs	<u>390.007</u>	<u>264.036</u>
<b><u>External relations with donors</u></b>		
Brussels office	14.500	13.350
Officers repayments		21.042
Officers travel expenses	63.342	28.430
Total external relations with donors	<u>77.842</u>	<u>62.822</u>
<b><u>General expenses</u></b>		
Stationary	4.425	13.173
Photocopying machines : materials and maintenance	19.018	12.565
Computer and IT management	12.672	13.407
Post and telegraph	11.510	5.115
Telephones	27.855	60.375
Water, electricity and gas	19.276	13.787
Transport and shipping	17.017	16.701
Insurance	7.277	7.508
Newspapers, books, magazines, tv licences	2.388	11.245
Refund for services	1.126	3.174
Bank fees	42.120	42.957
Legal, notary, administrative and technical fees	19.028	20.383
Depreciations	18.363	13.696
Various expenses	883	89
Building maintenance	43.984	15.648
Contingent liabilities on projects	47.744	
General contingent losses	46.916	1.359
Total general expenses	<u>341.601</u>	<u>251.182</u>
<b><u>Taxes</u></b>		
Irap for the year	0	0
Other taxes	5.010	1.363
Total taxes	<u>5.010</u>	<u>1.363</u>
<b><u>Financial costs</u></b>		
Exchange rate differences	1.949	6.816
Interest allowed and other financial costs	162.387	185.960
Total financial costs	<u>164.335</u>	<u>192.776</u>
<b>TOTAL LOSSES</b>	<u>35.608.863</u>	<u>28.325.283</u>
Management surplus		153.044
Total at balance	<u>35.608.863</u>	<u>28.478.327</u>

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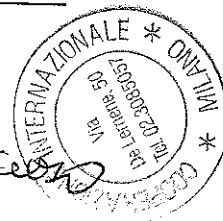
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*Boveri*

*Vicini*



COOPERAZIONE INTERNAZIONALE

