PRICEWATERHOUSECOOPERS 🗲

May 14, 2002

Report of Independent Accountants

To the Management and Board of Directors of Glovia International:

We have examined management's assertions, included in the accompanying statement, that Glovia International has assessed the multi-currency functionality in version 6.1 Service Pack 4 of its enterprise resource planning (ERP) software, glovia.com, and has determined that as of May 14, 2002, the objectives stated in the assessment criteria were met. Management is responsible for maintaining effective internal control over the development of its ERP Software. Our responsibility is to express an opinion on the effectiveness of Glovia International's internal control based upon our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and accordingly, included obtaining an understanding of the internal control over the glovia.com software, testing, and evaluating the design and effectiveness of the internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Because of limitations inherent in any internal control, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control over the multi-currency functionality of the glovia.com software to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

In our opinion, management's assertion that version 6.1 Service Pack 4 of the glovia.com software met the objectives stated in the assessment criteria as of May 14, 2002, is fairly stated, in all material respects, based on criteria developed by management as described in the accompanying statement.

PricewaterhouseCoopers LLP

Los Angeles, California

Management's Statement on the Effectiveness of Internal Control

Introduction

Glovia International (Glovia) has designed its ERP software, glovia.com, to meet reporting standards required by U.S. Generally Accepted Accounting Principles (US GAAP) and International Accounting Standards (IAS) with respect to multi-currency transactions and reporting. Management's assertions below deal with areas of the software containing specific functionality to allow the system to function as a single currency, dual currency or multi-currency system.

Management's Assertions

Glovia has designed the glovia.com software to allow users to operate the system as a single currency, dual currency or multi-currency system. The Invoice and Cash Receipts modules within the glovia.com software provide the multi-currency functionality as specified in the Assessment Criteria that follow. Glovia has assessed the multi-currency operations of version 6.1 Service Pack 4 of the glovia.com software and has determined that as of May 14, 2002 the objectives stated in the Assessment Criteria were met.

Assessment Criteria

1. A Corporate Control Number (CCN) setting determines whether the CCN is multi-currency enabled, meaning that transactions will be recorded in the reporting currencies that the user has defined within the glovia.com software.

2. Currencies are configured for each CCN within the glovia.com software by assigning each currency a three digit alphanumeric identifier. For a multi-currency enabled CCN, the user designates one currency as the base currency and may designate all other user-defined currencies as reporting currencies.

3. The Billing Process is initiated in either the Customer Invoice Maintenance Screen or the Billing Menu within the glovia.com software. Invoices can be generated in any user-defined transaction currency. Cash receipt transactions can be settled in any user-defined transaction currency.

4. For a multi-currency enabled CCN, the glovia.com software records Billing and Cash Receipt transactions in the base currency and in the user-defined reporting currencies.

5. Rounding variances may occur during the currency conversion process when transactions are spread across multiple accounts. The amount of the variance is posted to a user-defined rounding variance account.

6. Amounts posted to the General Ledger (in any reporting currency) agree to the transaction amounts in the respective reporting currency. The Accounts Receivable (AR) Control

account(s) of each reporting currency General Ledger agree to the AR sub-ledger in the respective reporting currency.

7. The user has the ability to revalue Accounts Receivable balances at any exchange rate that the user has entered into the exchange rate table within the glovia.com software.

8. Glovia uses a patch release process to update the glovia.com software between major releases. A change control process is used by Glovia to ensure all changes included in patches are documented, authorized, and tested.

Glossary of Significant Terms

Base Currency: The currency of record for an operating unit in the glovia.com software. Transactions occurring in a non-base currency will be converted and posted to the General Ledger (GL) in the base currency.

CCN: Corporate Control Number; represents an operating unit in the glovia.com software.

Dual Currency System: A system established with multiple valid currencies, one of which is the base currency. All valid currencies are also reporting currencies.

ERP Software: Enterprise Resource Planning software

GAAP: Generally Accepted Accounting Principles

glovia.com: Glovia's ERP software

Multi-currency System: A system established with a base currency and one or more reporting currencies. Transactions are stored in base and all reporting currencies. General ledgers are maintained for base and all reporting currencies.

Reporting Currency: A currency defined in the glovia.com software in which transactions will be stored, regardless of transaction currency.

Rounding Amounts: When transactions are converted from one currency to another, the converted amounts may be out of balance due to a difference in decimal precision between currencies. The amount needed to balance the converted transaction is the rounding amount.

Single Currency System: A system established with only one valid currency. The currency must be defined as the base currency. Transactions will be allowed in only this currency and the General Ledger is maintained for this currency only.

Spot Rate: The most current exchange rate recorded in the glovia.com software. This rate is user maintained in the rate tables by an effective date. Also referred to as the current rate.