

Pro Forma Income Statement - \$US @ 50% Confidence Level

	Fiscal Year 2001						Fiscal Year 2002						Fiscal Year 2003						Fiscal Year 2004						
	Q1	Q2	Q3	Q4	Total	% of Revenue	Q1	Q2	Q3	Q4	Total	% of Revenue	Q1	Q2	Q3	Q4	Total	% of Revenue	Q1	Q2	Q3	Q4	Total	% of Revenue	
Revenue																									
Registration Fees	-	1,051,050	2,197,650	1,528,800	4,777,500	39.3%	3,270,199	3,650,010	3,943,826	2,512,965	13,377,000	68.8%	6,280,549	6,406,269	6,567,844	5,208,526	24,463,189	81.9%	\$9,140,382	\$9,024,715	\$9,060,661	\$7,769,309	\$34,995,068	117.2%	
Auction Revenue	-	1,407,656	2,943,281	2,047,500	6,398,438	52.6%	-	1,126,125	2,354,625	1,638,000	5,118,750	26.3%	-	900,900	1,883,700	1,310,400	4,095,000	13.7%	\$0	\$720,720	\$1,506,960	\$1,048,320	\$3,276,000	11.0%	
WHOIS Services	-	-	-	40,000	40,000	0.3%	30,000	30,000	30,000	30,000	120,000	0.6%	60,000	60,000	60,000	60,000	240,000	0.8%	\$60,000	\$60,000	\$60,000	\$60,000	\$240,000	0.8%	
Banner Ad Revenue	-	75,075	156,975	109,200	341,250	2.8%	91,225	73,966	51,776	29,586	246,553	1.3%	40,641	37,630	36,125	36,125	150,521	0.5%	\$34,544	\$31,986	\$30,706	\$30,706	\$127,943	0.4%	
Level 1 Protection Services	-	23,077	51,282	25,641	100,000	0.8%	-	-	-	-	-	0.0%	-	-	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%	
Level 2 Protection Services	-	115,385	256,410	128,205	500,000	4.1%	-	106,154	235,897	117,949	460,000	2.4%	-	97,662	217,026	108,513	423,200	1.4%	\$0	\$89,849	\$199,664	\$99,832	\$389,344	1.3%	
Filtering Services	-	-	-	-	-	0.0%	32,702	36,500	39,438	25,130	133,770	0.7%	125,611	128,125	131,357	104,171	489,264	1.6%	\$182,808	\$180,494	\$181,213	\$155,386	\$699,901	2.3%	
Total Revenue	-	2,672,243	5,605,599	3,879,346	12,157,188	100.0%	3,424,125	5,022,755	6,655,563	4,353,630	19,456,073	100.0%	6,506,801	7,630,586	8,896,052	6,827,734	29,861,173	100.0%	\$9,417,734	\$10,107,764	\$11,039,204	\$9,163,553	\$39,728,256	133.0%	
Cost of Sales																									
Auction Transaction Fees	-	-	147,164	102,375	249,539	2.1%	-	56,306	117,731	81,900	255,938	1.3%	-	45,045	94,185	65,520	204,750	0.7%	\$0	\$36,036	\$75,348	\$52,416	\$163,800	0.5%	
dotTV Registry Fees	-	225,225	470,925	327,600	1,023,750	8.4%	700,757	782,145	845,106	538,493	2,866,500	14.7%	1,345,832	1,372,772	1,407,395	1,116,113	5,242,112	17.6%	\$1,958,653	\$1,933,868	\$1,941,570	\$1,664,852	\$7,498,943	25.1%	
NSI DNS Fees	-	-	-	-	-	0.0%	-	-	-	-	-	0.0%	-	-	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%	
.KIDS Registry Fees	-	225,225	470,925	327,600	1,023,750	8.4%	693,836	672,792	674,442	676,092	2,717,162	14.0%	1,345,832	1,372,772	1,407,395	1,116,113	5,242,112	17.6%	\$1,795,432	\$1,772,712	\$1,779,773	\$1,526,114	\$6,874,031	23.0%	
Legal & Policy Fees	-	150,150	313,950	218,400	682,500	5.6%	467,171	521,430	563,404	358,995	1,911,000	9.8%	897,221	915,181	938,263	744,075	3,494,741	11.7%	\$1,305,769	\$1,289,245	\$1,294,380	\$1,109,901	\$4,999,295	16.7%	
Credit Card Charge-backs	-	133,612	280,280	191,967	605,859	5.0%	-	-	-	-	-	0.0%	-	-	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%	
Fax Notices	-	23,649	49,447	34,398	107,494	0.9%	8,175	9,125	9,860	6,282	33,443	0.2%	15,701	16,016	16,420	13,021	61,158	0.2%	\$22,851	\$22,562	\$22,652	\$19,423	\$87,488	0.3%	
Mail Notices	-	34,910	72,993	50,778	158,681	1.3%	108,617	121,232	130,991	83,466	444,308	2.3%	208,604	212,780	218,146	172,997	812,527	2.7%	\$303,591	\$299,749	\$300,943	\$258,052	\$1,162,336	3.9%	
Less Bad Debts	-	133,612	280,280	191,967	605,859	5.0%	169,706	249,638	331,278	216,181	966,804	5.0%	322,340	378,529	441,803	338,387	1,481,059	5.0%	\$467,887	\$502,388	\$548,960	\$455,178	\$1,974,413	6.6%	
Total Cost of Sales	-	926,383	2,085,964	1,445,086	4,457,433	36.7%	2,148,263	2,412,668	2,672,812	1,961,410	9,195,153	47.3%	4,135,531	4,313,095	4,523,607	3,566,226	16,538,459	55.4%	\$5,854,183	\$5,856,560	\$5,963,626	\$5,085,936	\$22,760,306	76.2%	
Gross Margin	-	1,745,860	3,519,634	2,434,261	7,699,755	63.3%	1,275,862	2,610,086	3,982,751	2,392,220	10,260,920	52.7%	2,371,270	3,317,491	4,372,444	3,261,508	13,322,714	44.6%	\$3,563,551	\$4,251,204	\$5,075,578	\$4,077,617	\$16,967,950	56.8%	
Gross Margin %	0.0%	65.3%	62.8%	62.7%	63.3%		37.3%	52.0%	59.8%	54.9%	52.7%		36.4%	43.5%	49.2%	47.8%	44.6%		37.8%	42.1%	46.0%	44.5%	42.7%		
Operating Expenses																									
Total Salaries	279,500	356,750	523,083	664,000	1,823,333	15.0%	679,500	679,500	679,500	679,500	2,718,000	14.0%	713,475	713,475	713,475	713,475	2,853,900	9.6%	\$749,149	\$749,149	\$749,149	\$749,149	\$2,996,595	10.0%	
Employment Benefits	22,360	28,540	41,847	53,120	145,867	1.2%	54,360	54,360	54,360	54,360	217,440	1.1%	54,360	54,360	54,360	54,360	217,440	0.7%	\$54,360	\$54,360	\$54,360	\$54,360	\$217,440	0.7%	
Employee Expenses	27,950	35,675	52,308	66,400	182,333	1.5%	67,950	67,950	67,950	67,950	271,800	1.4%	67,950	67,950	67,950	67,950	271,800	0.9%	\$22,650	\$0	\$0	\$0	\$22,650	0.1%	
Equipment Depreciation	29,716	48,135	60,520	105,642	244,013	2.0%	113,504	113,504	113,504	113,504	454,018	2.3%	94,426	91,964	94,887	68,800	349,356	1.2%	\$72,520	\$88,476	\$103,785	\$122,100	\$386,881	1.3%	
Software & Licensing	108,925	2,000	381,200	2,400	494,525	4.1%	58,700	-	250,000	-	308,700	1.6%	22,500	15,000	250,000	-	287,500	1.0%	\$0	\$0	\$250,000	\$0	\$250,000	0.8%	
Licensing Support	8,714	160	30,496	192	39,562	0.3%	4,696	-	20,000	-	24,696	0.1%	1,800	1,200	20,000	-	23,000	0.1%	\$0	\$0	\$20,000	\$0	\$20,000	0.1%	
Software Development	176,250	176,250	176,250	176,250	705,000	5.8%	384,600	384,600	384,600	384,600	1,538,400	7.9%	347,651	347,651	347,651	347,651	1,390,602	4.7%	\$347,651	\$347,651	\$347,651	\$347,651	\$1,390,602	4.7%	
Tradeshows	45,000	40,900	20,450	61,350	167,700	1.4%	40,900	61,350	40,900	40,900	184,050	0.9%	61,350	40,900	40,900	61,350	204,500	0.7%	\$40,900	\$40,900	\$40,900	\$61,350	\$184,050	0.6%	
Marketing & Promotion	277,225	277,225	277,225	277,225	1,108,900	9.1%	367,225	367,225	367,225	367,225	1,468,900	7.5%	502,225	502,225	502,225	502,225	2,008,900	6.7%	\$704,740	\$704,740	\$704,740	\$704,740	\$2,818,960	9.4%	
Insurance Coverage	7,500	8,302	9,182	8,664	33,647	0.3%	8,527	9,007	9,497	8,806	35,837	0.2%	9,452	9,789	10,169	9,548	38,958	0.1%	\$10,325	\$10,532	\$10,812	\$10,249	\$41,918	0.1%	
Occupancy	77,859	77,859	77,859	77,859	311,436	2.6%	97,324	97,324	97,324	97,324	389,295	2.0%	97,324	97,324	97,324	97,324	389,295	1.3%	\$97,324	\$97,324	\$97,324	\$97,324	\$389,295	1.3%	
Depreciation	2,025	3,600	5,775	8,475	19,875	0.2%	9,225	9,225	9,225	9,225	36,900	0.2%	7,200	5,625	3,450	750	17,025	0.1%	\$0	\$0	\$0	\$0	\$0	0.0%	
Travel & Entertainment	27,000	34,500	43,500	45,000	150,000	1.2%	45,000	45,000	45,000	45,000	180,000	0.9%	45,000	45,000	45,000	45,000	180,000	0.6%	\$45,000	\$45,000	\$45,000	\$45,000	\$180,000	0.6%	
Offsite Data Storage	-	1,877	13,223	23,973	39,073	0.3%	35,671	46,498	54,453	59,424	196,047	1.0%	66,083	74,106	81,512	88,918	310,619	1.0%	\$91,386	\$91,386	\$91,386	\$91,386	\$365,545	1.2%	
PRI Lines	3,075	4,125	6,825	8,925	22,950	0.2%	9,225	9,225	9,225	9,225	36,900	0.2%	9,225	9,225	9,225	9,225	36,900	0.1%	\$9,225	\$9,225	\$9,225	\$9,225	\$36,900	0.1%	
Long Distance	12,300	16,500	27,300	35,700	91,800	0.8%	36,900	36,900	36,900	36,900	147,600	0.8%	36,900	36,900	36,900	36,900	147,600	0.5%	\$36,900	\$36,900	\$36,900	\$36,900	\$147,600	0.5%	
Cellular Phones (air time)	10,250	13,750	22,750	29,750	76,500	0.6%	30,750	30,750	30,750	30,750	123,000	0.6%	30,750	30,750	30,750	30,750	123,000	0.4%	\$30,750	\$30,750	\$30,750	\$30,750	\$123,000	0.4%	
Co-location	6,600	13,200	13,200	13,200	46,200	0.4%	41,800	50,600	61,600	70,400	224,400	1.2%	81,400	90,200	101,200	110,000	382,800	1.3%	\$81,400	\$90,200	\$101,200	\$110,000	\$382,800	1.3%	
Total Operating Expenses	1,122,249	1,139,347	1,782,994	1,658,125	5,702,714	46.9%	2,085,858	2,063,018	2,332,013	2,075,094	8,555,982	44.0%	2,249,071	2,233,643	2,506,977	2,243,505	9,233,196	30.9%	\$2,394,280	\$2,396,593	\$2,693,181	\$2,470,183	\$9,954,237	33.3%	
Profit Before Corporate Income Taxes	(1,122,249)	606,513	1,736,640	776,136	1,997,040	16.4%	(809,995)	547,068	1,650,739	317,126	1,704,938	8.8%	122,199	1,083,848	1,865,468	1,018,003	4,089,518	13.7%	\$1,169,271	\$1,854,611	\$2,382,397	\$1,607,433	\$7,013,713	23.5%	
Income Tax (@ 22.82% & 44.34%)	(256,097)	138,406	570,196	215,019	667,523	5.5%	(488,272)	113,450	602,818	11,494	239,489	1.2%	(74,937)	351,458	698,028	322,263	1,296,812	4.3%	\$389,335	\$693,215	\$927,235	\$583,616	\$2,593,400	8.7%	
Net Profit	(866,151)	468,107	1,166,445	561,117	1,329,517	10.9%	(321,723)	433,618	1,047,921	305,633	1,465,448	7.5%	197,136	732,390	1,167,439	695,740	2,792,706	9.4%	\$779,937	\$1,161,397	\$1,455,162	\$1,023,817	\$4,420,313	14.8%	