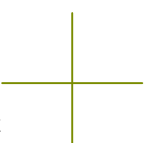




New Zealand Domain Name Registry Limited
Financial Statements
For the Quarter Ended 30th September 2008

Prepared By

Curtis McLean Limited
Chartered Accountants
Wellington NZ





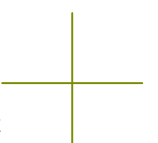
New Zealand Domain Name Registry Limited
Exclusion of Liability Statement
For the Quarter Ended 30th September 2008

We have compiled the Financial Statements comprising Statement of Financial Performance, Statement of Movements in Equity and Statement of Financial Position of New Zealand Domain Name Registry Limited for the period ended 30th September 2008.

A compilation is limited primarily to the collection, classification and summarisation of financial information supplied by the client. A compilation does not involve the verification of that information.

We have not carried out an audit or review engagement of the Financial Statements and therefore neither we nor any of our employees accept any responsibility for the accuracy of the material from which the Financial Statements have been prepared. Further, the Financial Statements have been prepared at the request of and for the purpose of the client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person.

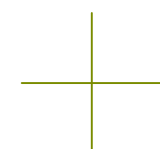
Curtis McLean Limited
Chartered Accountants
Wellington NZ





New Zealand Domain Name Registry Limited
Statement of Financial Performance
For the Quarter Ended 30th September 2008

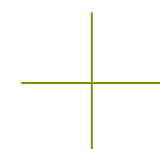
	This Quarter			Year to Date			Full Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Last Year
Registry Fees	1,573,295	1,562,499	10,796	3,131,142	3,064,248	66,894	6,371,496	6,072,686
Less Direct Expenses								
DNC Management Fee	273,900	273,900	-	547,800	547,800	-	1,095,600	996,000
DNS Expenses	70,032	93,500	(23,468)	137,598	174,160	(36,562)	422,620	256,146
SRS Expenses	120,286	105,960	14,326	237,328	232,920	4,408	444,840	350,714
Other IT	25,785	39,025	(13,240)	43,207	85,153	(41,946)	174,205	129,226
TBSR	36,976	36,000	976	75,944	72,000	3,944	144,000	169,356
Total Direct Expenses	526,979	548,385	(21,406)	1,041,877	1,112,033	(70,156)	2,281,265	1,901,442
Gross Profit	1,046,316	1,014,114	32,202	2,089,265	1,952,215	137,050	4,090,231	4,171,244
Less Other Expenses								
Depreciation & Amortisation	40,500	62,984	(22,484)	76,019	106,243	(30,225)	284,886	162,591
Overhead Expenses	326,901	352,520	(25,620)	583,527	677,305	(93,778)	1,400,094	1,119,654
Total Other Expenses	367,401	415,504	(48,104)	659,546	783,548	(124,003)	1,684,980	1,282,245
	678,915	598,610	80,306	1,429,719	1,168,667	261,053	2,405,251	2,888,999
Plus: Other Income								
Interest	164,815	163,972	843	297,635	315,296	(17,661)	655,910	567,650
Rent Received	40,720	40,719	1	81,440	81,438	2	157,089	165,781
Tenants Share of Expenses	11,530	7,485	4,045	21,277	14,970	6,307	30,276	39,788
Net Profit Before Tax	895,980	810,786	85,195	1,830,071	1,580,371	249,701	3,248,526	3,662,218





New Zealand Domain Name Registry Limited
Statement of Financial Performance
For the Quarter Ended 30th September 2008

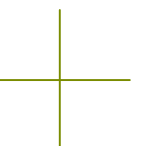
	This Quarter			Year to Date			Full Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Last Year
Net Profit Before Tax	895,980	810,786	85,195	1,830,071	1,580,371	249,701	3,248,526	3,662,218
Less: Interest Expense	-	-	-	5,974	-	5,974	-	-
	895,980	810,786	85,195	1,824,097	1,580,371	243,727	3,248,526	3,662,218
Provision For Tax	268,793	243,236	25,557	547,229	474,112	73,117	974,558	1,211,390
Net Profit (Loss)	627,187	567,550	59,638	1,276,868	1,106,259	170,610	2,273,968	2,450,828





New Zealand Domain Name Registry Limited
Statement of Movements in Equity
For the Quarter Ended 30th September 2008

		This Year	Last Year
Share Capital			
Opening Share Capital	30,000		30,000
	<hr/>		<hr/>
Share Capital as at 30th September 2008		30,000	30,000
Retained Earnings			
Opening Retained Earnings	3,563,670		2,812,843
Plus:			
Net Tax Paid Profit (Loss) for Year	1,276,868		2,450,828
Less:			
Dividend Declared	704,000		1,700,000
	<hr/>		<hr/>
Retained Earnings as at 30th September 2008		4,136,538	3,563,671
		<hr/>	<hr/>
Equity as at 30th September 2008		\$4,166,538	\$3,593,671
		<hr/>	<hr/>





New Zealand Domain Name Registry Limited
Statement of Financial Position
As At 30th September 2008

	End of Quarter			LY Actual	End of Year	
	Actual	Budget	Variance		Budget	LY Actual
Equity						
Share Capital	30,000	30,000	-	30,000	30,000	30,000
Retained Earnings	4,136,538	3,970,079	166,459	3,417,375	3,729,788	3,563,671
Total Equity	4,166,538	4,000,079	166,459	3,447,375	3,759,788	3,593,671
Liabilities:						
Creditors & Accruals	223,994	382,483	(158,489)	207,151	379,859	317,371
Provision For Tax	78,814	88,459	(9,645)	142,621	264,047	(58,571)
Deferred Income -						
Registry Fees	4,433,643	4,593,567	(159,924)	4,205,656	5,046,831	4,175,133
Rent in Advance	16,540	49,620	(33,080)	14,412	49,620	49,620
Redeemable Preference Shares	-	-	-	400,000	-	-
Total Liabilities	4,752,991	5,114,129	(361,138)	4,969,840	5,740,357	4,483,553
Funds Employed	8,919,529	9,114,208	(194,679)	8,417,215	9,500,145	8,077,224
Represented By:						
Current Assets						
Funds Held	7,800,219	7,664,296	135,923	7,485,551	7,744,827	6,915,407
Debtors & Prepayments	808,652	844,469	(35,817)	684,473	894,518	835,132
	8,608,871	8,508,765	100,106	8,170,024	8,639,345	7,750,539
Non Current Assets						
Fixed Assets	309,672	604,453	(294,781)	244,967	860,426	325,080
Intangible Assets	986	990	(4)	2,224	374	1,605
Total Non Current Assets	310,658	605,443	(294,785)	247,191	860,800	326,685
Total Assets	8,919,529	9,114,208	(194,679)	8,417,215	9,500,145	8,077,224

These Financial Statements have not been reviewed or audited and should be read in conjunction with the attached Exclusion of Liability Statement

