



P. Financial Stability

NeuStar has the financial and organization stability to support the ongoing administration of the usTLD throughout the contract term.

NeuStar is a leading provider of industry shared, neutral third party, mission-critical, directory and interworking services. NeuStar has the financial resources to accomplish all of the requirements of the RFQ. As of March 30, 2007, the company had in excess of \$72 million in cash and cash equivalents. The company has demonstrated consistent annual revenue and net income growth. NeuStar has grown both revenue and net income in every year since launching the usTLD. In 2006, revenue and net income were \$333.0 million and \$73.9 million, respectively. NeuStar's financial performance is indicative of the value that it provides to customers of its communications services. Specifically, the NeuStar's TLD registry and DNS resolution services provide stable, predictable revenue based on recurring revenue models. Additionally, many of NeuStar's services are delivered under long-term contracts.

In 2005, NeuStar became a publicly traded company on the New York Stock Exchange under the symbol NSR. In 2006, NeuStar acquired two companies in cash transactions totaling in excess of \$200 million: UltraDNS Corporation, a leader in managed DNS and security services in April 2006; and Followap, Inc., a leader in mobile instant messaging, in November 2006.

NeuStar maintains comprehensive investor information on its web-page (www.neustar.biz). Our annual reports on Form 10-K for 2006 and 2005, which contain audited financial statements, are available for download from our Investor Relations page or from the United States Securities and Exchange Commission at www.sec.gov. The 2005 annual report also contains audited financial data for 2004.

The following table summarizes NeuStar's net income, operating cash flow and cash on hand for fiscal year 2006, as of December 31, 2006, and the previous two reported fiscal years, as specified in NeuStar's 2006 and 2005 annual reports on Form 10-K.

NeuStar Financial Summary			
(in \$M's)	2006	2005	2004
Net Income	\$73.9	\$55.4	\$45.4
Net Cash provided by operating activities	\$117.4	\$61.2	\$64.7
Cash, Cash Equivalents, Short-term Investments	\$58.3	\$103.5	\$63.9

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