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U.S. Department of Commerce confirms progress towards pending NSOL contract termination.

U.S. Secretary of Commerce William M. Daley has confirmed that the Department of Commerce ("DOC") only approved Network Solutions, Inc.'s (NASDAQ: NSOL) (Price: \$78.375) license agreement with ICANN's accredited testbed participants for use during Phase I deployment of the Shared Registry System ("SRS"). A functioning SRS, which can be readily accomplished with or without NSOL's participation, is one of the final steps needed to complete the planned termination of NSOL's DNS government contract. Secretary Daley also confirmed that the DOC does not agree that NSOL's fee to temporarily administer the SRS complies with Amendment 11's cost plus reasonable return pricing limitations. Furthermore, the Secretary states that the DOC granted the interim price to allow Phase I to commence and "the introduction of competition," which is the euphemism created by NSOL for the planned termination of its DNS government contract.

NSOL was supposed to provide a functional SRS by April 26th. NSOL has still not achieved a fully operational SRS interface with all of ICANN's five testbed participants. There is no reasonable basis to believe that this difficulty will result in anything more than a minor diversionary delay. On the contrary, we believe NSOL's failure to deliver a functional SRS could precipitate its total removal from the process, which may result in an earlier than expected NSOL contract termination.

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.