U.S. Securities and Exchange Commission
Washington, D.C.20549

FORM 10-Q/A-1

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended December 31, 2009

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from _____ to _____

0-49801
(Commission File Number)

MEDIANET GROUP TECHNOLOGIES, INC.
(Exact name of small business issuer as specified in its charter)

Nevada	**13-4067623**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

5200 Town Center Circle, Suite 601
Boca Raton, FL33486
(Address of principal executive offices)

(561) 417-1500
(Issuer's telephone number, including area code)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Date File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐
Non-accelerated filer	☐(Do not check if a smaller reporting company)
Accelerated filer	☐
Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of preferred stock outstanding as of February 11, 2010: 5,000,000
Number of shares of common stock outstanding as of February 11, 2010: 28,325,430

EXPLANATORY NOTE

On December 16, 2010, the Board of Directors of the Company determined that the unaudited consolidated financial statements for the three months ended December 31, 2009, should be restated as a result of material misstatements. The determination to restate the unaudited consolidated financial statements was made in connection with management's assessment of accounting errors it discovered in connection with the preparation of the audited consolidated financial statements for the year ended September 30, 2010.

The Company has restated its balance sheet as of December 31, 2009 and its statements of operations, shareholders' equity and cash flows for the three months then ended to correct errors in its accounting. Certain reclassifications to conform to the presentations used in fiscal year 2010 have also been made to prior quarter's consolidated financial statements, none of which had any effect on previously reported net income or loss, or related per share amounts, of any period.

The descriptions of the error corrections and the effects of the restatements of the December 31, 2009 financial statements are as follows:

(1) adjust cash for currency transaction losses not previously recorded;
(2) reclassify deferred expenses previously netted to deferred revenue;
(3) reclassify cash previously reported as a deposit;
(4) adjust commissions payable for currency transaction losses not previously recorded;
(5) record liability for unearned subscription revenue not previously recorded;
(6) eliminate Intercompany transactions not previously eliminated;
(7) adjust for costs erroneously recorded in 2010; and
(8) correct 2010 tax provision.

As a result, on December 16, 2010, after discussion with the Company's independent registered public accounting firm, the Company's Board of Directors determined that the previously issued financial statements included in the Company's Annual Report on Form 10-K for the year ended September 30, 2009 and in its Forms 10-Q for the periods ended December 31, 2009, March 31, 2010 and June 30, 2010 should not be relied upon. The Company simultaneously herewith is filing amendments to its Quarterly Reports on Form 10-Q for the quarters ended December 31, 2009, March 31, 2010 and June 30, 2010 to reflect these restatements. The Company restated its financial statements for the year ended September 30, 2009 concurrently with the filing of its Annual Report for the year ended September 30, 2010.

For the convenience of the reader, this Form 10-Q/A sets forth the Company's original Form 10-Q for the quarter ended December 31, 2009 (the "Original 10-Q") in its entirety, as amended by, and to reflect, the restatement. No attempt has been made in this Form 10-Q/A to update other disclosures presented in the Original 10-Q, except as required to reflect the effects of the restatement. This Form 10-Q/A does not reflect events occurring after the filing of the Original 10-Q or modify or update those disclosures, including the exhibits to the Original 10-Q affected by subsequent events.

The following sections of this Form 10-Q/A have been amended to reflect the restatement:

Part I – Item 1 – Financial Statements;
Part I – Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations;
Part I – Item 4 – Controls and Procedures; and
Part II – Item 1 – Legal Proceedings.

This Form 10-Q/A has been signed as of a current date and, as required by Rule 12b-15 of the Securities Exchange Act of 1934, all certifications of the Company's Chief Executive Officer and our Chief Financial and Accounting Officer are given as of a current date. Accordingly, this Form 10-Q/A should be read in conjunction with our filings made with the SEC subsequent to the filing of the Original 10-Q, including any amendments to those filings.

USE OF NAMES

In this quarterly report, the terms "MediaNet," "Company," "we," or "our," unless the context otherwise requires, mean MediaNet Group Technologies, Inc. and its subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

The discussion contained in this 10-Q under the Securities Exchange Act of 1934, as amended, contains forward-looking statements that involve risks and uncertainties. The issuer's actual results could differ significantly from those discussed herein. These include statements about our expectations, beliefs, intentions or strategies for the future, which we indicate by words or phrases such as "anticipate," "expect," "intend," "plan," "will," "we believe," "the Company believes," "management believes" and similar language, including those set forth in the discussions under "Notes to Financial Statements" and "Management's Discussion and Analysis or Plan of Operation" as well as those discussed elsewhere in this Form 10-Q. We base our forward-looking statements on information currently available to us, and we assume no obligation to update them.

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ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MediaNet Group Technologies, Inc. and Subsidiaries
Consolidated Balance Sheets

	December 31, 2009	September 30, 2009**
	(Unaudited) (Restated)	(Restated)
Assets		
Current Assets		
Cash and cash equivalents	$ 4,063,304	$ 2,533,649
Restricted cash	720,906	721,987
Accounts receivable, net	147,865	72,985
Inventory	604,125	401,113
Prepaid customer acquisition costs	4,286,679	2,577,168
Prepaid expenses and other current assets	190,335	127,165
Deposits	38,075	—
Total current assets	10,051,289	6,434,067
Property and equipment, net	2,213,946	94,109
Other Assets	69,690	32,212
Total Assets	$ 12,334,925	$ 6,560,388
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable	$ 163,390	$ 121,451
Accrued liabilities	561,141	585,623
Accrued incentives	652,966	644,075
Loyalty points payable	241,044	209,025
Commissions payable	2,310,744	2,116,250
Customer deposits	27,431	18,342
Deferred revenue	9,252,710	5,560,762
Accrued interest - related party	1,627	—
Note Payable-related party	209,561	191,322
Total current liabilities	13,420,614	9,446,850
Stockholders' deficit		
Preferred Stock - $.01 par value 5,000,000 shares authorized, 5,000,000 outstanding	50,000	—
Common stock - $.001 par value 50,000,000 shares authorized, 27,343,552 and 27,303,552 outstanding	27,344	27,304
Additional paid-in capital	539,313	(768,528)
Accumulated other comprehensive income (loss)	(112,333)	(96,014)
Accumulated deficit	(1,590,013)	(2,049,224)
Total stockholders' equity (deficit)	(1,085,689)	(2,886,462)
Total liabilities and stockholders' equity (deficit)	$ 12,334,925	$ 6,560,388

** Derived from audited financial statements

The accompanying notes are an integral part of these consolidated financial statements

MediaNet Group Technologies, Inc. and Subsidiaries
Consolidated Statements of Operations
For the Three Months Ended December 31,

	2009	2008
	(Unaudited) (Restated)	(Unaudited) (Restated)
Revenues	$ 4,283,935	$ 1,589,907
Direct cost of revenues		
Direct Cost of revenues	3,214,364	1,060,308
Gross Profit	1,069,571	529,599
Operating Expenses		
Total operating expenses	607,740	393,135
Income (loss) from operations	461,831	136,464
Other income (expense)		
Interest income (expense)	(1,627)	—
Income (loss) from continuing operations before income taxes	460,204	136,464
Provision for income taxes	—	—
Income (loss) from continuing operations	460,204	136,464
Discontinued operations		
Loss from operations of discontinued segment	—	(640,371)
Net income (loss) of discontinued operations, Net of income taxes	—	(640,371)
Net income (loss) from operations	460,204	(503,907)
Other comprehensive income		
- Foreign currency translation gain (loss)	16,317	(15,070)
	—	—
COMPREHENSIVE (LOSS) INCOME	$ 443,887	$ (518,977)
Earnings (loss) per share:		
Continuing operations- basic	$ 0.02	$ 0.01
Continuing operations- diluted	$ 0.00	$ 0.01
Discontinued operations- basic and diluted	$ —	$ (0.04)
Weighted average number of shares outstanding during the period:		
Basic	27,309,639	19,205,529
Diluted	253,631,870	19,205,529

The accompanying notes are an integral part of the consolidated financial statements

MediaNet Group Technologies, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the 3 Months Ended December 31,

	2009	2008
	(Unaudited) (Restated)	(Unaudited) (Restated)
Cash flows from operating activities:		
Net Income -loss from operations	$ 460,204	$ (503,907)
Prior period adjustment	45,801	—
Foreign currency gains -losses	(24,928)	—
Depreciation and amortization	12,571	1,631
Stock & warrants issued for services	—	6,960
-Increase decrease in assets:		
Restricted cash	1,081	(400,333)
Accounts receivable	(74,880)	(501,100)
Inventory	(203,012)	20,025
Prepaid customer acquisition costs	(1,709,511)	(967,395)
Prepaid expenses	(63,170)	(10,960)
Deposits	(39,058)	—
Employee advance	(36,605)	—
Increase -decrease in liabilities:		
Accounts payable	41,939	168,002
Accrued liabilities	(15,589)	3,292
Commission payable	194,494	—
Customer deposits	41,108	—
Deferred revenue	3,691,948	1,883,681
Note Payable-related party	—	88,000
Net cash provided -used in operating activities	2,322,393	(212,104)
Cash flows from investing activities:		
Purchase of software license	(400,000)	—
Purchase fixed assets	(382,374)	(56,026)
Net cash provided -used in investing activities	(782,374)	(56,026)
Cash flows from financing activities		
Proceeds from the issuance of common shares and warrants	20,000	—
Proceeds from issuance of note payable-related party	26,239	440,654
Payments on note payable-related party	(18,627)	—
Net cash provided -used by financing activities	27,612	440,654
Effect of exchange rate changes on cash		
Foreign currency translation adjustment	(37,977)	(6,152)
Net increase -decrease in cash and equivalents	1,529,655	166,372
Cash at beginning of period	2,533,649	80,037
Cash at end of period	$ 4,063,304	$ 246,409

MediaNet Group Technologies, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the 3 Months Ended December 31,
(Continued)

Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 1,627	$ —
Cash paid for income taxes	—	—
Supplemental disclosures of non-cash transactions:		
Foreign translation adjustment - comprehensive loss	—	(15,070)

The accompanying notes are an integral part of the consolidated financial statements

Note 1 - Description of Business

MediaNet Group Technologies, Inc. ("MediaNet Group" or the "Company"), through its wholly owned subsidiaries, is a global marketing company that sells merchandise to consumers through Internet-based auctions conducted under the trade name "DubLi.com." As of December 31, 2009, our online auctions were conducted in Europe, North America, Australia and New Zealand and we had a network of independent business associates that sold "credits", or the right to make a bid in one of our auctions (referred to herein as "Credit" or "DubLi Credits"). These auctions are designed to offer consumers real savings on these goods. The Company, through its subsidiary, BSP Rewards, Inc., also offers private branded loyalty and reward web malls where members receive rebates (rewards) on products and services purchased from participating merchants.

The Company is organized in Nevada and has its principal executive offices in Boca Raton, Florida. The Company's wholly owned subsidiaries are domiciled in Delaware, Florida and Nevada in the United States and in the British Virgin Islands, Cyprus and Berlin, Germany.

As of February 11, 2010, our President and Chief Executive Officer, through his beneficial ownership of the Company's outstanding Series A Preferred Stock, has the indirect shared power to cast approximately 88% of the combined votes that can be cast by the holders of the Common Stock and the Series A Preferred Stock, which generally vote together as a single class on all matters submitted to the vote of shareholders. Accordingly, he, along with another person who is not an officer or director of the Company, has the power to influence or control the outcome of important corporate decisions or matters submitted to a vote of our shareholders, including, but not limited to, increasing the authorized capital stock of the Company, the dissolution, merger or sale of the Company's assets and the size and membership of the Board of Directors and all other corporate actions.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information, the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities and Exchange Commission. Accordingly, they do not contain all the information and notes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments which are necessary for the fair presentation of the condensed consolidated financial statements have been included and all such adjustments are of a normal and recurring nature. The operating results for the three months ended December 31, 2009 are not necessarily representative of the results of future quarterly or annual periods. The following information should be read in conjunction with the audited consolidated financial statements and accompanying notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2009.

The unaudited condensed consolidated financial statements include the accounts of MediaNet Group Technologies, Inc. and its subsidiaries which are wholly owned or otherwise under common control. All intercompany accounts and transactions have been eliminated in consolidation. The following subsidiaries are included in the consolidation at December 31, 2009 and 2008.

BSP Rewards, Inc.	Wholly owned	Actively engaged in business
CG Holdings, Ltd.	Wholly owned	Actively engaged in business
DUBLICOM Limited	Wholly owned	Actively engaged in business
DubLi Network Limited	Wholly owned	Actively engaged in business
Lenox Logistik und Service GmbH	Wholly owned	Actively engaged in business
Lenox Resources, LLC	Wholly owned	Actively engaged in business
DubLi Logistics LLC	Under Common Control*	Actively engaged in business
DubLi.com, LLC	Under Common Control	Discontinued operations
DubLi.com GmbH	Under Common Control	Discontinued operations
DubLi Network, LLC	Under Common Control	Discontinued operations

* Acquired May 24, 2010

As is more fully described in Note 12 to the Financial Statements, DubLi Logistics was identified as one of the consolidated subsidiaries of the Company in Amendment No. 1 to the Company's Form 8-K filed with the SEC on February 4, 2010 (the "Form 8-K") and the Company's Form 10-Q for the quarter ended December 31, 2009 (the "Form 10-Q") based upon DubLi Logistics' historical and current operation as an affiliated, profitless, product purchasing agent of DUBLICOM. DubLi Logistics is operated exclusively by employees of Lenox Logistik.

The results of operations and assets and liabilities of DubLi.com, LLC's subsidiaries were also included in the Company's consolidated results of operations as reported in the Form 8-K and Form 10-Q based upon their common ownership and historical relationship to CG Holdings Limited ("CG") and its other consolidated subsidiaries. DubLi.com, LLC, which is a holding company, has never directly operated a business and its subsidiaries were sold or their businesses were discontinued in the second quarter of 2009.

The condensed balance sheet as of September 30, 2009 has been derived from financial statements audited by Lake & Associates LLC, independent public accountants, as indicated in their report included in the Company's 10-K for September 30, 2009.

The balance sheet as of December 31, 2009 have been corrected for an understatement of 500,000 outstanding shares, an error that existed from July 2007 until December 31, 2009 and the omission of existence of 5 million shares of authorized preferred stock for the periods from inception until December 31, 2009. This Note also contains previously undisclosed information about each subsidiary company's status as either wholly owned or controlled.

The Company has evaluated subsequent events and determined no adjustment or additional disclosure other than that already made to these financial statements, specifically in Note 12, is considered necessary based on this evaluation.

Accounting Principles

The consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America.

Recent Authoritative Accounting Pronouncements

In September 2009, the Financial Accounting Standards Board ("FASB") issued ASC 605-25, *Revenue Recognition - Multiple-Deliverable Revenue Arrangements.* This guidance addresses how to separate deliverables and how to measure and allocate consideration to one or more units of accounting. Specifically, the guidance requires that consideration be allocated among multiple deliverables based on relative selling prices. The guidance establishes a selling price hierarchy of (1) vendor-specific objective evidence, (2) third-party evidence and (3) estimated selling price. This guidance is effective for annual periods beginning after December 15, 2009 but may be early adopted as of the beginning of an annual period. The Company is currently evaluating the effect that this guidance will have on its consolidated financial position and results of operations, if any.

Foreign Currency

Financial statements of foreign subsidiaries operating in other than highly inflationary economies are translated at year-end exchange rates for assets and liabilities and historical exchange rates during the year for income and expense accounts. The resulting translation adjustments are recorded within accumulated other comprehensive income or loss. Financial statements of subsidiaries operating in highly inflationary economies are translated using a combination of current and historical exchange rates and any translation adjustments are included in current earnings. Gains or losses resulting from foreign currency transactions are recorded in operating expense.

Reclassifications

Certain amounts reported in previous periods have been reclassified to conform to the Company's current period presentation.

Management's Use of Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates, judgments and assumptions that affect the reported amounts of the assets and liabilities, disclosure of contingent assets and liabilities, deferred income, accruals for incentive awards and unearned auction Credits at the date of the consolidated financial statements, and the reported amounts of revenue and expense during the reporting periods. Examples, though not exclusive, include estimates and assumptions of: loss contingencies; depreciation or amortization of the economic useful life of an asset; stock-based compensation forfeiture rates; estimating the fair value and impairment of assets; potential outcome of future tax consequences of events that have been recognized in our financial statements or tax returns; estimates of incentive awards and unearned auction Credits and determining when investment impairments are other-than temporary. The Company bases its estimates on historical experience and on various assumptions that the Company believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may materially differ from these estimates under different assumptions and conditions.

Cash, Cash Equivalents and Financial Instruments

The Company considers all highly liquid instruments with original maturities of three months or less at the date of purchase to be cash equivalents. In general, investments with original maturities of greater than three months and remaining maturities of less than one year are classified as short term investments.

Concentrations

The Company maintains its cash in a bank deposit account, which at times may exceed the federally insured limits. The Company has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fair Value of Financial Instruments

The Company has adopted and follows ASC 820-10, *"Fair Value Measurements and Disclosures"* for measurement and disclosures about the fair value of its financial instruments. ASC 820-10 establishes a framework for measuring fair value in accordance with generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, ASC 820-10 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by ASC 820-10 are:

Level 1— Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 — Inputs (other than quoted market prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3 — Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model. Valuation of instruments includes unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

As defined by ASC 820-10, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale, which was further clarified as the price that would be received to sell an asset or paid to transfer a liability ("an exit price") in an orderly transaction between market participants at the measurement date. The carrying amounts of the Company's financial assets and liabilities, such as cash and cash equivalents, prepaid and other current assets, and other assets, accounts payable, accrued expenses, accrued interest, taxes payable, and other current liabilities, approximate their fair values because of the short maturity of these instruments. The Company's notes payable to shareholders approximates the fair value of such instrument based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements at December 31, 2009.

The Company does not have any assets or liabilities measured at fair value on a recurring or a non-recurring basis and, consequently, the Company did not have any fair value adjustments for assets and liabilities measured at fair value at December 31, 2009, nor any gains or losses reported in the statements of operations that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date.

Inventory

The inventory represents merchandise purchased at cost. Inventories are stated at lower of cost or market. Cost is determined on the first-in, first-out basis. Shipping and handling costs are included in purchases for all periods presented.

Property, Software and Leasehold Improvements

Property is recorded at cost. The cost of maintenance and repairs of equipment is charged to operating expense when incurred. Depreciation and amortization is determined based upon the assets' estimated useful lives, and is calculated on a straight-line basis when the asset is placed in service. When the Company sells, disposes or retires equipment or replaces a leasehold improvement, the related gains or losses are included in operating results. Property is depreciated over three years and leasehold improvements are recorded at cost and are amortized over the remaining lease term.

Impairment of Long-Lived Assets

In accordance with Statement of ASC 360-10-35, *Property, Plant and Equipment – Subsequent Measurement*, the Company reviews the carrying value of its long-lived assets, which includes property and equipment, and intangible assets (other than goodwill) annually or whenever events or changes in circumstances indicate that the historical cost-carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of the asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. The estimate of cash flows is based upon, among other things, certain assumptions about expected future operating performance, growth rates and other factors. Estimates of undiscounted cash flows may differ from actual cash flows due to, among other things, technological changes, economic conditions, changes to the business model or changes in operating performance. If the sum of the undiscounted cash flows (excluding interest) is less than the carrying value, an impairment loss will be recognized, measured as the amount by which the carrying value exceeds the fair value of the asset. Fair value is determined using available market data, comparable asset quotes and/or discounted cash flow models. Management conducted an evaluation of long-lived assets and determined no impairments currently exist.

Revenue Recognition

Product Sales and Services - The Company recognizes revenue in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition ("ASC 605-10"). ASC 605-10 requires that four basic criteria be met before revenue can be recognized: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the selling price is fixed and determinable; and (iv) collectability is reasonably assured. Determination of criteria (iii) and (iv) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required.

Sales of "DubLi Credits" - Consumers bid on the Company's online auctions by purchasing "DubLi Credits" either directly on DubLi.com or from DubLi's independent business associates who are members of the DubLi Marketing Network. All proceeds from the sales of "DubLi Credits" are recorded as deferred revenue until used by the consumer in the bidding process and the related revenue is earned. Purchases of DubLi Credits are non-refundable after six months. Unused Credits remaining in deferred revenue after 12 months are recorded as revenue as if earned. Management makes this estimated adjustment to reduce the deferred revenue liability and to increase revenue recognized based upon historical statistical utilization rates.

BSP Rewards revenue is earned principally from revenue rebates (commissions) earned from merchants participating in its online shopping malls, gift card sales from each rewards mall program and, web design/maintenance/hosting fees it earns for building and hosting its private-branded online mall platform for outside organizations. The Company receives rebates from participating merchants on all transactions processed by BSP through its online mall platform. The percentage rebate paid by merchants varies between 1% and 30% and BSP normally shares 50% of the rebate with the member who made the purchase.

Direct Cost of Revenues

Included in Direct Cost of Revenues are the costs of goods sold and commissions and incentive bonuses earned by business associates on the sales of DubLi Credits. Commissions are based upon each business associate's volume of Credit sales and that of other business associates who are sponsored by the subject business associate. Commissions are paid to business associates at the time of the sale of the Credits and are recognized as a deferred expense until the Credits are used and then are charged to expense. Incentive bonuses are paid either monthly or quarterly and the related expense is recorded when the business associate meets the stated sales goal for each particular promotional event.

Advertising and Marketing Expenses

Advertising and marketing costs are expensed as incurred and include the costs associated with internally developed websites and other marketing programs and materials.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include costs associated with distribution activities, research and development, information technology, and other administrative costs, including finance, legal and human resource functions. Research and development is performed by in-house staff and outside consultants and those costs are expensed as incurred.

Comprehensive Income

Comprehensive income consists of net earnings, unrealized gains or losses on investments, foreign currency translation adjustments and the effective portion of the unrealized gains or losses on derivatives. Comprehensive income is presented in the consolidated statements of shareholders' equity and comprehensive income.

Income Taxes

The Company accounts for income taxes under ASC 740-10, *Income Taxes*. Deferred income tax assets and liabilities are recognized based on differences between the financial statement and tax basis of assets and liabilities using presently enacted tax rates. At each balance sheet date, the Company evaluates the available evidence about future taxable income and other possible sources of realization of deferred tax assets, and records a valuation allowance that reduces the deferred tax assets to an amount that represents management's best estimate of the amount of such deferred tax assets that more likely than not will be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date.

Computation of Income and Loss per Share

The Company computes income and loss per share in accordance with ASC 260, previously SFAS No. 128, *Earnings per Share.* ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the statements of operations. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential Common Stock outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. In periods in which a net loss has been incurred, all potentially dilutive shares of Common Stock are considered anti-dilutive and thus are excluded from the calculation. As of December 31, 2009, the Company had two classes of potentially dilutive derivatives of Common Stock as a result of warrants granted and convertible preferred stock issued.

Dividends

The Company's policy is to retain earnings to provide funds for the operation and expansion of our business and not to pay dividends.

Share-Based Payments

The Company accounts for stock-based compensation in accordance with the provisions of ASC 718, *Stock Compensation*, which establishes the accounting for share-based awards and the inclusion of their fair value in net earnings in the respective periods the awards, were earned. Consistent with the provisions of ASC 718, the Company estimates the fair value of stock options and shares issued under its employee stock purchase plan using the Black-Scholes option-pricing model. Fair value is estimated on the date of grant and is then recognized (net of estimated forfeitures) as expense in the Consolidated Statements of Operations over the requisite service period (generally the vesting period).

ASC 718 requires companies to estimate the fair value of stock-based compensation on the date of grant using an option-pricing model. The Company uses the Black-Scholes model to value stock-based compensation. The Black-Scholes model determines the fair value of stock-based payment awards based on the stock price on the date of grant and is affected by assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. Option-pricing models were developed for use in estimating the value of traded options that have no vesting or hedging restrictions and are fully transferable. Although the fair value of stock options granted by the Company is determined in accordance with ASC 718 and Staff Accounting Bulletin ("SAB") No. 107, *Share-Based Payment,* ("SAB 107") as amended by SAB No. 110, using an option-pricing model, that value may not be indicative of the fair value observed in a willing buyer/willing seller market transaction.

Subsequent Events

(Included in Accounting Standards Codification ("ASC") 855 "Subsequent Events", previously SFAS No. 165 "Subsequent Events")

SFAS No. 165 established general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued or available to be issued ("subsequent events"). An entity is required to disclose the date through which subsequent events have been evaluated and the basis for that date. For public entities, this is the date the financial statements are issued. SFAS No. 165 does not apply to subsequent events or transactions that are within the scope of other GAAP and did not result in significant changes in the subsequent events reported by the Company. SFAS No. 165 became effective for interim or annual periods ending after June 15, 2009 and did not impact the Company's financial statements. The Company evaluated for subsequent events through the issuance date of the Company's financial statements. No recognized or non-recognized subsequent events were noted except as described below.

Note 3 – Restricted Cash

The Company has agreements with organizations that process credit card transactions arising from purchases of products by customers of the Company. Credit card processors have financial risk associated with the products and services purchased because the processor generally forwards the cash related to the purchase to the Company soon after the purchase is completed. The organization that processes MasterCard/Visa transactions allows the credit card processor to create and maintain a reserve account that is funded by retaining cash that it otherwise would deliver to the Company (i.e., "restricted cash"). The current agreement requires a 20% reserve or holdback on each sale for a period of six months.

Note 4 – Foreign Currency

All of the Company's foreign subsidiaries designate the Euro as their functional currency. As of December 31, 2009, the total amount of cash held by foreign subsidiaries was $3.96 million which was maintained or invested in Euros.

Note 5 – Inventory

Inventory consists of the following at the dates indicated:

	December 31, 2009	September 30, 2009
Merchandise	$ 501,322	$ 321,067
Gift Cards	101,257	80,046
Total	$ 602,579	$ 401,113

Note 5 – Income Taxes

The provision (benefit) for income taxes from continuing operations consisted of the following:

	December 31, 2009	September 30, 2009
Current tax benefit:		
Federal	$ -	$ -
State	-	-
	-	-
Deferred tax benefit:		
Federal	-	-
	$ -	$ -

The tax effect of significant items comprising our net deferred tax assets as of December 31, 2009 and September 30, 2009 are as follows:

	December 31, 2009	September 30, 2009
Deferred tax assets:		
Stock options	$ 248,009	$ 90,535
Federal and state net operating loss carryforwards	1,995,278	1,738,948
Foreign net operating loss carryforwards	371,326	109,157
Other	55,346	526
Gross deferred tax assets	2,669,959	1,939,166
Less: valuation allowance	(2,546,601)	(1,939,166)
Net deferred tax assets	123,358	-
Deferred tax liabilities	(123,358)	-
Net deferred taxes	$ -	$ -

At December 31, 2009, the Company had $5,302,362 of net operating loss carryforwards for US federal income tax purposes that expire beginning in 2025. Due to Internal Revenue Code Section 382 limitations related to the change in ownership of the Company, the utilization of pre-acquisition net operating losses is limited on an annual basis. The Company had approximately $3,713,258 of foreign net operating loss carryforwards at December 31, 2009.

In assessing the ability to realize the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the period in which these temporary differences become deductible. Management considers the projected future taxable income and prudent and feasible tax planning strategies in making this assessment. As of December 31, 2009 and September 30, 2009, valuation allowances of $2,546,601 and $1,939,166 have been recorded, respectively.

A reconciliation of U.S. statutory federal income tax rate related to pretax income (loss) from continuing operations to the effective tax rate for the quarter ended December 31, 2009 and the year ended September 30 is as follows:

	December 31, 2009	September 30, 2009
Statutory rate	35%	-35%
Permanent difference	7%	0%
Effect of foreign earnings	-72%	
State income taxes, net of federal benefit	1%	0%
Valuation allowance	27%	35%
Other	2%	
	0%	0%

Under ASC 740, an entity may only recognize or continue to recognize tax positions that meet a more likely than not threshold. In the ordinary course of business there is inherent uncertainty in quantifying our income tax positions. The Company assesses its income tax positions and records tax benefits for all years subject to examination based on management's evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where it is more likely than not that a tax benefit will be sustained, the Company has recognized the largest amount of tax benefit with a greater than 50 percent likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the Company's financial statements. Management believes that the Company has not taken any material tax positions that would be deemed to be uncertain, therefore the Company has not established a liability for uncertain tax positions for the years ended September 30, 2010 and 2009.

MediaNet Group Technologies Inc. and its subsidiaries file income tax returns in the U.S. federal jurisdiction and Germany. MediaNet Group Technologies Inc. and each of its subsidiaries file separate income tax returns.

Note 6 – Property and Equipment

Equipment at cost consists of office furniture, computer equipment and software. Depreciation expense for the three months ended December 31, 2009 and the year ended September 30, 2009 was $12,571 and $19,595, respectively.

	December 31, 2009	September 30, 2009
Cost	$ 2,262,859	$ 140,514
Accumulated Depreciation	(51,898)	(46,375)
Net	$ 2,210,961	$ 94,139

Note 7 – Commitments and Contingencies

The Company has non-cancellable operating leases for office space in Berlin, Germany and Boca Raton, Florida that expire in 2014 and 2020, respectively. Under the lease agreement in Berlin, the Company leases 589.9 square meters of office space and is obligated to pay property taxes, insurance and maintenance costs. The lease agreement in Boca Raton is for 10,476 square feet of office space and the Company is obligated to pay common area maintenance and sales tax. Total rental expense for the three months ended December 3, 2009 was $119,955 and $165,697, respectively.

Future minimum rental commitments for non-cancellable operating leases at December 31, 2009, were as follows:

2010	$	330,839
2011		407,333
2012		418,587
2013		430,129
Thereafter		1,902,025
Total	$	3,488,913

The Company has a non-cancelable operating lease for office space with an unrelated party. The lease began March 1, 2004 and expires January 31, 2010. Accordingly, the Company has $8,400 remaining on this non-cancelable operating lease for the period ending January 31, 2010.

Note 8 – Loans from Shareholders

During 2009, Michael Hansen, the President and Chief Executive Officer of the Company, loaned the Company $99,855. That loan together with a $116,500 loan from the Company's former CEO Martin Berns were repaid in the second quarter. The loans are summarized as follows:

	December 31 2010		September 30 2009	
Michael Hansen	$	91,855	$	99,855
Martin Berns	$	116,500	$	91,500

Note 9 – Warrants and Options

As of December 31, 2009, the Company had outstanding warrants to purchase up to 3,058,000 shares of common stock. These securities give the holder the right to purchase shares of the Company's common stock in accordance with the terms of the instrument.

	Warrants
Balance, September 30, 2009	3,098,000
Exercised	(40,000)
Balance, December 31, 2009	3,058,000

The following table provides certain information with respect to the above referenced warrants outstanding at December 31, 2009:

	Exercise Price	Number Outstanding		Weighted Average Exercise Price	Weighted Average Life Years
Warrants	$0.25— $.55	3,058,000	$	0.42	1.0

Note 10 – Stock and Equity

Common Stock

The Company had authorized 50,000,000 shares of Common Stock, par value $.001 per share, at December 31, 2009 and September 30, 2009, respectively. At September 30, 2009, the Company had 27,843,552 shares of Common stock outstanding. At December 31, 2009 the Company had 28,621,680 shares of Common Stock outstanding.

Preferred Stock

The Company had authorized 5,000,000 shares of Preferred Stock, par value $0.01 per share, at December 31, 2009 and September 30, 2009, respectively. As of September 30, 2009, there were 0 shares of Preferred Stock outstanding. As of December 31, 2009, there were 5,000,000 shares of Preferred Stock outstanding, all of which were designated as "Series A Convertible Preferred Stock" (the "Series A Preferred Stock").

On October 16, 2009, the Company filed a Certificate of Designation for the Series A Preferred Stock pursuant to which the Company, at the direction of its Board of Directors, designated the rights and preferences of all 5,000,000 authorized shares of Preferred Stock. The Certificate of Designation was subsequently amended on December 24, 2009 and May 24, 2010 to adjust the Conversion Ratio (defined below).

Under the Certificate of Designation in effect at December 31, 2009, the Series A Preferred Stock is automatically convertible into shares of the Common Stock at the conversion ratio of 54.7229736 shares of Common Stock for each share of the Series A Preferred Stock (the "Conversion Ratio") in the event the shareholders approve an increase in the number of authorized shares of Common Stock to not less than five hundred million. The holders of the Series A Preferred Stock are not entitled to any dividend preference but are entitled to participate pari passu in dividends declared with respect to the Common Stock as if the Series A Preferred Stock was converted in Common Stock at the Conversion Ratio. Similarly, the holders of the Series A Preferred Stock are not entitled to any liquidation preference but, in the event of any liquidation, dissolution or winding up of the Company, the outstanding shares of Series A Preferred Stock shall be deemed converted into shares of Common Stock at the Conversion Ratio and shall participate pari passu in the distribution of liquidation proceeds. Holders of the Series A Preferred Stock are entitled to vote on matters presented to the holders of Common Stock as if the Series A Preferred Stock was converted into the Common Stock at the Conversion Ratio. Except as provided by Nevada law, holders of Series A Preferred Stock vote together with the holders of Common Stock as a single class.

On May 24, 2010, the Company amended the Certificate of Designation for the Series A Preferred Stock to increase the Conversion Ratio from 54.7229736 to 55.514574.

The Company does not have reserved and available out of its authorized but unissued shares of Common Stock the number of shares of common stock that shall be sufficient to effect the conversion of all outstanding shares of Series A Preferred Stock. The Company's shareholders have not yet effectively approved an increase in the Company's authorized shares of Common Stock to five hundred million (500,000,000) shares. These financial statements for the three month period ended December 31, 2009 have been prepared using the Conversion Ratio in effect as of December 31, 2009 (54.7229736 shares of Common Stock for each share of Series A Preferred Stock).

Change in control

On October 19, 2009, there was a change in the effective control of the Company. On that date, pursuant to the Merger Agreement (the "Merger Agreement"), dated as of August 10, 2009, and subsequently amended on September 25, 2009, among the Company, the Company's then subsidiary MediaNet Merger Sub, Inc., a Nevada corporation, and CG Holdings Limited, the Company acquired all of the issued and outstanding shares of CG for 5,000,000 shares of the Company's Series A Preferred Stock (the "Merger"). Holders of the Series A Preferred Stock are entitled to vote on matters presented to the holders of Common Stock as if the Series A Preferred Stock was converted into the Common Stock at the Conversion Ratio. In addition, the Series A Preferred Stock will automatically convert into shares of the Common Stock at the Conversion Ratio in the event the shareholders approve an increase in the number of authorized shares of Common Stock to not less than five hundred million. Accordingly, Zen Holding Group Limited ("Zen"), the sole record holder of CG owns approximately 88% of the voting power of the Company. Michael Hansen, the President and Chief Executive of the Company, and Michel Saouma, who is neither a director nor executive officer of the Company, indirectly share the right to vote and make investment decisions with respect to the shares held by Zen.

In addition, as a condition to the Merger, the Company agreed to appoint:

- Michael Hansen as a director and as President and Chief Executive Officer of the Company;
- Kent Holmstoel as Chairman of the Board and Chief Operating Officer of the Company; and
- Andreas Kusche as a director and as General Counsel of the Company.

In connection with the Merger, all of the persons serving as directors of the Company as of October 19, 2009, other than Mr. Martin Berns, resigned as of such date. On October 29, 2009, the Company appointed Mr. Hansen as President and Chief Executive Officer, Mr. Holmstoel as Chief Operating Officer and Mr. Kusche as General Counsel of the Company. Also on such date, Steven Adelstein was appointed to the Board by Mr. Berns, who was then the sole remaining Board member. On February 23, 2010, Mr. Adelstein resigned and was replaced by Andreas Kusche. The appointment of Messrs. Hansen and Holmstoel were effective upon our compliance with Securities and Exchange Commission Rule 14f-1, which requires us to distribute certain information regarding the proposed directors. We circulated such information as part of a Schedule 14C previously filed with the Securities and Exchange Commission which was amended and made effective September 30, 2010.

<u>Software purchase agreement</u>

On October 29, 2009, Lenox Resources, LLC, a Delaware limited liability Company ("Lenox") which is an indirect subsidiary of the Company, executed and closed on a Software Purchase Agreement with MSC, Inc., d/b/a Lariat (the "Agreement") for the purchase and assignment of database tracking, monitoring, statistic tools and widget software known as "Cinch" and "Connect" (the "Software") and associated copyrights. The purchase price of the Software was $400,000 paid in cash at closing, together with 6,080,330 shares of common stock of the Company. Pursuant to the Agreement, Lenox will hire certain staffs of MSC, Inc., who are dedicated to the development of the Software. The Agreement also provides that MSC, Inc. will have a right to market the Software to its own clients as a distributor, with the exclusion of any sale that would compete with the Company. The total value of the transaction was $1,737,673 based on the fair market value of the common shares at October 29, 2009 of $0.22 per share

On December 16, 2009, 40,000 shares of common shares were issued to a warrant holder for total proceeds of $20,000.

Note 11 – Discontinued Operations

In May 2009, the Company determined it was in the best long-term interest of the Company to discontinue the operations of Dubli.com GMBH., a wholly-owned subsidiary, and put the assets and business up for sale. The decision to sell this wholly owned subsidiary was primarily influenced by management's decision to concentrate its efforts on its wholly owned subsidiary, Dubli Network.

The Company recognized a net loss of $1,980,285 during the year ended September 30, 2009 on the disposal of the subsidiary and reported in the Consolidated Statements of Operations and Cash Flows within the caption, "discontinued operations".

Note 12 - Restatement of Previously Issued Financial Statements

On December 16, 2010, the Board of Directors of the Company determined that the unaudited consolidated financial statements for the three months ended December 31, 2009, should be restated as a result of material misstatements. The determination to restate the unaudited consolidated financial statements was made in connection with management's assessment of accounting errors it discovered in connection with the preparation of the audited consolidated financial statements for the year ended September 30, 2010.

The Company has restated its balance sheet as of December 31, 2009 and its statements of operations, shareholders' equity and cash flows for the three months then ended to correct errors in its accounting. Certain reclassifications to conform to the presentations used in fiscal year 2010 have also been made to prior quarter's consolidated financial statements, none of which had any effect on previously reported net income or loss, or related per share amounts, of any period.

The descriptions of the error corrections and the effects of the restatements of the December 31, 2009 financial statements are as follows:

(1) Adjust cash for currency transaction losses not previously recorded.
(2) Reclassify deferred expenses previously netted to deferred revenue.
(3) Reclassify cash previously reported as a deposit.
(4) Adjust commissions payable for currency transaction losses not previously recorded.
(5) Record liability for unearned subscription revenue not previously recorded.
(6) Eliminate Intercompany transactions not previously eliminated.
(7) Adjust for costs erroneously recorded in 2010.
(8) Correct 2010 tax provision.

As a result, on December 16, 2010, after discussion with the Company's independent registered public accounting firm, the Company's Board of Directors determined that the previously issued financial statements included in the Company's Annual Report on Form 10-K for the year ended September 30, 2009 and in its Forms 10-Q for the periods ended December 31, 2009, March 31, 2010 and June 30, 2010 should not be relied upon. The Company simultaneously herewith is filing amendments to its Quarterly Reports on Form 10-Q for the quarters ended December 31, 2009, March 31, 2010 and June 30, 2010 to reflect these restatements. The Company restated its financial statements for the year ended September 30, 2009 concurrently with the filing of its Annual Report for the year ended September 30, 2010.

The effects of the restatement adjustments on the consolidated financial statements are as follows:

	December 31, 2009	Adjust	Restated
Balance Sheet			
Assets			
Current Assets			
Cash and cash equivalents	$ 3,965,100	$ 98,204	$ 4,063,304
Restricted cash	687,145	33,761	720,906
Accounts receivable, net	196,492	(48,627)	147,865
Inventory	602,607	1,518	604,125
Prepaid Customer Acquisition costs	—	4,286,679	4,286,679
Prepaid expenses and other current assets	190,379	(44)	190,335
Deposits	143,236	(105,161)	38,075
Total current assets	5,784,959	4,266,330	10,051,289
Property and equipment, net	2,210,961	2,985	2,213,946
Other Assets	68,772	918	69,690
Total Assets	$ 8,064,692	$ 4,270,233	$ 12,334,925
Liabilities and Stockholders' Deficit			
Current Liabilities			
Accounts payable	$ 163,098	$ 292	$ 163,390
Accrued liabilities	557,997	3,144	561,141
Accrued incentives	644,292	8,674	652,966
Loyalty points payable	241,044	-	241,044
Commissions payable	2,042,908	267,836	2,310,744
Income taxes payable	796,838	(796,838)	-
Customer deposits	27,064	367	27,431
Deferred revenue Credits	3,776,510	4,691,822	8,468,332
Deferred revenue Fees		784,378	784,378
Accrued interest - related party	1,627	-	1,627
Note Payable-related party	208,355	1,206	209,561
Total current liabilities	8,459,733	4,960,881	13,420,614
Stockholders' deficit			
Preferred Stock - $.01 par value5,000,000 shares authorized, 5,000,000 outstanding	50,000	-	50,000
Common stock - $.001 par value50,000,000 shares authorized, 27,343,552 outstanding 27,303,552	27,344	-	27,344
Additional paid-in capital	539,105	208	539,313
Accumulated other comprehensive income (loss)	(14,177)	(98,156)	(112,333)
Accumulated deficit	(997,313)	(592,700)	(1,590,013)
Total stockholders' equity (deficit)	(395,041)	(690,648)	(1,085,689)
Total liabilities and stockholders' equity	$ 8,064,692	$ 4,270,233	$ 12,334,925

Statements of Operations	December 31, 2009	Adjust	Restated
Three Months Ended			
Revenues	$ 8,119,531	$ (3,835,596)	$ 4,283,935
Direct Cost of revenues	5,044,457	(1,830,093)	3,214,364
Gross Profit	3,075,074	(2,005,503)	1,069,571
Operating expenses	1,798,931	(1,191,191)	607,740
Income (loss) from operations	1,276,143	(814,312)	461,831
Interest income (expense) net	(1,627)	-	(1,627)
Income (loss) from continuing operations before income taxes	1,274,516	(814,312)	460,204
Provision for income taxes	509,000	(509,000)	-
Net income (loss) from operations	765,516	(305,312)	460,204
Foreign currency translation gain (loss)	-	(16,317)	(16,317)
COMPREHENSIVE (LOSS) INCOME	$ 765,516	$ (321,629)	$ 443,887
Earnings (loss) per share:			
Continuing operations- basic and diluted	$ 0.03	$ (0.01)	$ 0.02
Weighted average number of shares outstanding during the period - basic and diluted	27,309,639	-	27,309,639

Three Months Ended	December 31, 2008	Adjust	Restated
Revenues	2,905,962	(1,316,055)	1,589,907
Direct Cost of revenues	1,920,044	(859,735)	1,060,309
Gross Profit	985,918	(456,320)	529,598
Operating Expenses	810,397	(417,262)	393,135
Income (loss) from operations	175,521	(39,058)	136,463
Interest income (expense) net	-	-	-
Income (loss) from continuing operations before income taxes	175,521	(39,058)	136,463
Provision for income taxes	-	-	-
Income (loss) from continuing operations	175,521	(39,058)	136,463
Loss from operations of discontinued segment	(685,580)	45,209	(640,371)
Net income (loss) from operations	(510,059)	6,151	(503,908)
Foreign currency translation (gain) loss	1,869	(16,939)	(15,070)
Comprehensive income (loss)	(508,190)	(10,788)	(518,978)
Earnings (loss) per share:			
Continuing operations- basic and diluted	$ 0.01	-	$ 0.01
Discontinued operations- basic and diluted	$ (0.04)	$ 0.01	$ (0.03)
Weighted average number of shares outstanding during the period - basic and diluted	19,205,527	-	19,205,527

Statements of Cash Flows	December 31, 2009	Adjust	Restated
Three Months Ended			
Cash flows from operating activities			
Net Income (loss) from operations	$ 765,516	$ (305,312)	$ 460,204
Prior period adjustment	—	45,801	45,801
Currency	—	(24,928)	(24,928)
Adjustments :			
Depreciation and amortization	12,571	—	12,571
(Increase) decrease in assets:			
Restricted cash	35,085	(34,004)	1,081
Accounts receivable	(123,494)	48,614	(74,880)
Inventory	(201,466)	(1,546)	(203,012)
Prepaid Customer Acquisition costs	—	(1,709,511)	(1,709,511)
Prepaid expenses	(63,170)	—	(63,170)
Deposits	(49,166)	11,091	(38,075)
Other current assets	(55)	(928)	(983)
Employee advance	(36,605)	-	(36,605)
Increase (decrease) in liabilities:			
Accounts payable	41,637	302	41,939
Accrued liabilities	(27,716)	3,236	(24,480)
Accrued incentives	-	8,891	8,891
Commission payable	166,303	28,191	194,494
Income tax payable	509,000	(509,000)	-
Customer deposits	40,735	373	41,108
Deferred revenue	1,149,675	2,542,273	3,691,948
Net cash provided (used) in operating activities	2,218,850	103,543	2,322,393
Cash flows from investing activities:			
Purchase of software license	(400,000)	-	(400,000)
Purchase of license	(2,790)	2,790	-
Purchase fixed assets	(376,569)	(5,805)	(382,374)
Net cash provided (used) in investing activities	(779,359)	(3,015)	(782,374)
Cash flows from financing activities			
Proceeds from common shares and warrants	20,000	-	20,000
Proceeds note payable-related party	25,000	1,239	26,239
Payments note payable-related party	(18,627)	-	(18,627)
Net cash provided (used) by financing activities	26,373	1,239	27,612
Effect of exchange rate changes on cash	-	(37,977)	(37,977)
Net increase (decrease) in cash	1,465,864	63,790	1,529,654
Cash at beginning of period	2,499,237	34,412	2,533,649
Cash at end of period	$ 3,965,101	$ 98,202	$ 4,063,303
Supplemental disclosures of cash flow information:			
Cash paid for interest	$ -	$ 1,627	$ 1,627
Cash paid for income taxes	-	-	-
Supplemental disclosures of non-cash transactions:			
Foreign translation adjustment	-	(16,317)	(16,317)
Stock issued for software	-	1,337,673	1,337,673
Recapitalization	-	6,874,886	6,874,886

Three Months Ended	December 31, 2008	Adjust	Restated
Net Income (loss) from continuing operations	$ (510,059)	$ 646,522	$ 136,463
Net Loss from Discontinued operations	-	(640,371)	(640,371)
Cash flows from operating activities	(510,059)	6,151	(503,908)
Adjustments :			
Depreciation and amortization	1,631	-	1,631
Stock & Warrants issued for services	-	6,960	6,960
(Increase) decrease in assets:			
Restricted cash	(400,333)	-	(400,333)
Accounts receivable	(501,100)	-	(501,100)
Inventory	20,025	-	20,025
Prepaid Customer Acquisition costs	-	(967,395)	(967,395)
Prepaid expenses	(10,960)	-	(10,960)
Increase (decrease) in liabilities:			
Accounts payable	168,002	-	168,002
Accrued liabilities	3,292	-	3,292
Deferred revenue	916,286	967,395	1,883,681
Note Payable-related party	-	88,000	88,000
Net cash provided (used) in operating activities	(313,216)	101,111	(212,105)
Cash flows from investing activities:			
Purchase fixed assets	(56,026)	-	(56,026)
Net cash provided (used) in investing activities	(56,026)	-	(56,026)
Cash flows from financing activities:			
Issuance of common shares	(479,083)	-	(479,083)
Proceeds note payable-related party	929,506	-	929,506
Proceeds from common shares	(9,769)	-	(9,769)
Net cash provided (used) by financing activities	440,654	-	440,654
Effect of exchange rate changes on cash	-	(6,152)	(6,152)
Net increase (decrease) in cash	71,412	94,960	166,372
Cash at beginning of period	80,037	-	80,037
Cash at end of period	$ 151,449	$ 94,959	$ 246,408
Supplemental disclosures of cash flow information:			
Cash paid for interest	-	-	-
Cash paid for income taxes	-	-	-
Supplemental disclosures of non-cash transactions:			
Foreign translation adjustment - comprehensive loss	-	$ (15,070)	$ (15,070)

Note 13 – Subsequent Events

The Merger and Merger Related Transactions

Pursuant to the Merger Agreement, the Company acquired on October 19, 2009 all of the outstanding shares of CG in exchange for the issuance to CG's shareholders of 5,000,000 shares of the Series A Preferred Stock. The agreement provides that the Series A Preferred Stock will be automatically converted into Common Stock of at such time as the Company's Articles of Incorporation are amended to increase the number of authorized shares of Common Stock to 500,000,000 shares. Assuming all of the shares of Series A Preferred Stock were converted into Common Stock as of October 19, 2009, the former record holder of CG, Zen Holding Group Limited ("Zen"), would have become the record holder of approximately 88% of the then issued and outstanding Common Stock, on a fully diluted basis.

The Company and CG originally contemplated that Zen would receive Common Stock upon consummation of the Merger and the Merger would be completed in the first quarter of 2010 in order to:

- provide the Company sufficient time to prepare a complex proxy statement and hold a shareholder meeting to consider approval of the Merger Agreement and an amendment to the Company's articles of incorporation to increase the number of authorized shares of common stock from 50 million to 500 million shares; and

- provide the beneficial owners of CG adequate time to contribute and/or transfer a number of entities or properties to CG.

For instance, upon completion of the merger the Company expected that CG would own directly or indirectly all of the following subsidiaries or assets:

- DUBLICOM LIMITED ("DUBLICOM"), a Cyprus limited company, which runs DubLi's auction websites;

- Lenox Resources, LLC, a Delaware limited liability company, that holds DubLi's intellectual property;

- DUBLI NETWORK LIMITED ("DUBLI NETWORK"), a British Virgin Islands limited company, that operates DubLi's global network with its business associates;

- Lenox Logistik und Service GmbH ("Lenox Logistik"), a German corporation, serves as the product purchasing agent of DUBLICOM for products sold to customers outside of North America, Australia and New Zealand. Lenox Logistik also serves as an outsourced service provider that employs persons who are collectively responsible for DubLi's administrative, accounting, marketing and purchasing activities.

- DubLi Logistics, LLC, a Delaware limited liability company ("DubLi Logistics"), serves exclusively as the product purchasing agent of DUBLICOM for products sold to customers in North America (United States, Mexico, Puerto Rico, Canada), Australia and New Zealand;

- certain rights to real estate in the Cayman Islands (the "Cayman Property Rights") now held by DubLi Properties, LLC, a Delaware limited liability corporation.

In compliance with Generally Accepted Accounting Principles, the Company also expected to include in its consolidated financial statements DubLi.com, LLC, a Delaware limited liability company that was the holding company for two subsidiaries that have since discontinued operations: DubLi.com GmbH, a German corporation, and DubLi Network, LLC, a Delaware limited liability company.

In early September 2009, the Company and CG were advised by legal counsel that the merger could be effected sooner than previously anticipated if, in lieu of Common Stock, Zen received the Series A Preferred Stock, which was later converted into Common Stock and distributed to the beneficial holders of Zen. Accordingly, on October 19, 2009, the Merger was consummated and Zen was issued the Series A Preferred Stock.

Merger Adjustments

After completing the Merger, the Company determined that certain of its expectations with respect to the Merger had not been met. In particular, upon completion of the Merger on or about the targeted completion date of March 31, 2010, the Company expected that: it would (i) directly or indirectly hold 100% of the equity interests of DubLi Logistics; (ii) directly or indirectly hold certain real estate rights now held by DubLi Properties LLC; and (iii) certain investors in DubLi.com, LLC would become shareholders in the Company.

As a result of the acceleration of the Merger closing and the substantial amount of work required to complete the Merger and the related SEC disclosure documents, Mr. Hansen's oral pledge to, prior to the Merger, transfer his 100% ownership interest in DubLi Logistics to CG was not evidenced by definitive transfer documents until May 24, 2010. Similarly, Mr. Hansen's oral pledge to contribute his 100% indirect ownership interest in the Cayman Property Rights (now owned by DubLi Properties, LLC) to the Company in support of DubLi's marketing programs was not evidenced by definitive transfer documents until May 24, 2010.

As of May 24, 2010, the Company has acquired all of the equity interests in DubLi Logistics and DubLi Properties LLC that the Company expected it would own.

DubLi Logistics - Purchasing Agent of DUBLICOM

DubLi Logistics was identified as one of the consolidated subsidiaries of the Company in Amendment No. 1 to the Company's Form 8-K filed with the SEC on February 4, 2010 (the "Form 8-K") and the Company's Form 10-Q for the quarter ended December 31, 2009 (the "Form 10-Q") based upon DubLi Logistics' historical and current operation as an affiliated, profitless, product purchasing agent of DUBLICOM. DubLi Logistics is operated exclusively by employees of Lenox Logistik.

DubLi Properties - Property Orally Pledged to DubLi

DubLi Properties, LLC was contributed to the Company by Mr. Hansen on May 24, 2010 in satisfaction of Mr. Hansen's oral pledge to contribute the Cayman Property Rights to the Company. The Cayman Property Rights were acquired by DubLi Properties, LLC in December 2009 in exchange for 34 parcels of real property, $43,381 of cash and an agreement by DubLi Properties LLC to make an additional $824,244 of payments. The primary purpose of the Cayman Property Rights, which consists of a purchase deed with respect to 15 lots in the Cayman Islands, is to reward DubLi business associates upon completion of certain performance objectives.

DubLi.com, LLC - Discontinued Businesses

The results of operations and assets and liabilities of DubLi.com, LLC's subsidiaries were also included in the Company's consolidated results of operations as reported in the Form 8-K and Form 10-Q based upon their common ownership and historical relationship to CG and its other consolidated subsidiaries. DubLi.com, LLC, which is a holding company, has never directly operated a business and its subsidiaries were sold or their businesses were discontinued in the second quarter of 2009.

The Company and Mr. Hansen had previously expected that the investors in DubLi.com, LLC (the "DubLi.com Investors") would receive from Zen certain shares of Common Stock. With the acceleration of the Merger closing and Merger restructuring, the DubLi.com Investors were expected to receive from Zen 62,679,116 shares of Common Stock upon the conversion of the Series A Preferred Stock to Common Stock. Since Zen has not transferred and does not intend to transfer Common Stock to the DubLi.com Investors as previously anticipated, the Company and Zen entered into an agreement, dated May 24, 2010 (the "Post-Merger Agreement"), pursuant to which Zen has returned to the Company 1,129,057 shares of Preferred Stock, which were otherwise convertible into 62,679,116 shares of Common Stock.

Pursuant to the Post-Merger Agreement, Zen has also returned to the Company 12,876 shares of Series A Preferred Stock which were convertible into 714,817 shares of Common Stock (the "Lenox Shares"). Since Zen had not distributed the Lenox Shares to various employees of Lenox, Zen returned the shares to the Company for future use in the Company's employee benefit plans.

Accordingly, as of May 24, 2010, the Company had 3,858,067 and 28,621,680 issued and outstanding shares of Series A Preferred Stock and Common Stock, respectively.

The following table sets forth the beneficial ownership of the Common Stock and the Preferred Stock as of May 24, 2010 for each of the Company's greater than 5% shareholders, directors, named executive officers and by all of the Company's directors and executive officers as a group. For purposes of this table, beneficial ownership is determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, which rule focuses on the power to vote shares or make investment decisions with respect to such shares, potentially irrespective of any pecuniary interest in such shares. The information as to the securities beneficially owned by Zen, Mr. Hansen and Mr. Saouma are based upon a Schedule 13D filed on June 24, 2010.

Title of Class	Name of Beneficial Owner		Amount and Nature of Beneficial Ownership (1)	Percentage of Class Owned (2)
Series A Convertible Preferred Stock	Zen Holding Group Limited	(3)	3,858,067(4)	100%
	Michael B. Hansen	(5)	3,858,067(4)	100%
	Michel Saouma	(6)	3,858,067(4)	100%
Common Stock	Zen Holding Group Limited		214,178,946(4), (7)	88.2%
	Michael B. Hansen**		214,178,946(4), (7)	88.2%
	Michel Saouma		214,178,946(4), (7)	88.2%
	Joseph Saouma	(8)	—(9)	*
	Martin A. Berns**	(10)	5,907,511(11)	20.6%
	Kent L. Holmstoel**	(12)	—	—
	Andreas Kusche**	(13)	—	—
	Alfred Fernandez**	(14)	345,000(15)	1.4%
	Directors and Executive Officers as a Group		220,496,457	90.8%

* Indicates less than 1% of outstanding shares beneficially owned.
** Serves as an executive officer or director of the Company as of May 24, 2010.

(1) A person is deemed to be the beneficial owner of securities that can be acquired by such person within 60 days from May 24, 2010 upon exercise of options and warrants and upon conversion of convertible securities. The Series A Preferred Stock is automatically convertible into shares of Common Stock upon our amendment of our Articles of Incorporation to increase the authorized number of shares of Common Stock to 500,000,000 (the "Articles Amendment"). For purposes of this table, we have assumed that the Articles Amendment will be approved by our shareholders and filed with the Nevada Secretary of State within 60 days of May 24, 2010 and, accordingly, that the holders of the Series A Preferred Stock beneficially own the shares of Common Stock into which the shares of Series A Preferred Stock are convertible. Each beneficial owner's percentage ownership is determined by assuming that options, warrants and convertible securities that are held by such person (but not those held by any other person) and that are exercisable or convertible within 60 days from May 24, 2010 have been exercised or converted.

(2) Applicable percentage ownership is based on 3,858,067 shares of Series A Preferred Stock and 28,621,680 shares of Common Stock outstanding as of May 24, 2010.

(3) Zen Holding Group Limited's ("Zen") address is 197 Main Street, Road Town, Tortola, British Virgin Islands.

(4) All of the outstanding shares of Preferred Stock are held of record by Zen. Mr. Hansen and Mr. Saouma have the indirect shared right to vote and make investment decisions with respect to these shares held by Zen pursuant to an oral agreement. Mr. Hansen and Mr. Souma have a 24% and 2% pecuniary interest, respectively, in Zen's assets as of May 24, 2010 and, accordingly, claim a 21.6% and 1.8% pecuniary interest, respectively, in the outstanding shares of our Common Stock as of May 24, 2010 (assuming conversion of the Series A Preferred Stock). Each of Mr. Hansen and Mr. Saouma disclaim a pecuniary interest in any other shares of Common Stock. The figures provided do not include the 1,141,933 shares of Series A Preferred Stock returned by Zen to the Company and otherwise representing a 20.70 % beneficial interest in the Company.

(5) Mr. Hansen's address is The Palm Jumeirah, P.O. Box 283612, Dubai, U.A.E.

(6) Mr. Michel Saouma's address is Amine Gemayelstreet 226, Beirut, Achrafieh, Lebanon.

(7) Includes 214,178,946 shares issuable upon the conversion of the Series A Preferred Stock at the conversion ratio of 55.514574 shares of Common Stock for each share of Series A Preferred Stock.

(8) Mr. Joseph Saouma's address is Amine Gemayelstreet 226, Beirut, Achrafieh, Lebanon. Mr. Joseph Saouma is the father of Mr. Michel Saouma.

(9) Although Mr. Joseph Saouma does not beneficially own any shares of Series A Preferred Stock or Common Stock of the Company, he has a 21.39% pecuniary interest in Zen's assets as of May 24, 2010 and, accordingly, claims a 19.39% pecuniary interest in the outstanding shares of our Common Stock as of May 24, 2010 (assuming conversion of the Preferred Stock). Mr. Joseph Saouma disclaims a pecuniary interest in any other shares of Common Stock.

(10) Mr. Martin A. Bern's address is 2936 Via Napoli, Deerfield Beach, FL 33442.

(11) Assuming that the Series A Preferred Stock was converted to Common Stock as of May 24, 2010, Mr. Berns' percentage beneficial ownership would decrease to 2.4%.

(12) Mr. Kent L. Holmstoel's address is Urbanización Haza del Algarrobo 32, Carretera de Mijas, 2,2 km, 29639 Mijas Costa, Malaga, Spain.

(13) Mr. Kusche's address is Wisbyer Stasse 10B, 10439 Berlin, Germany.

(14) Mr. Alfred Fernandez's address is 18775 SW 27th Ct., Miramar, Florida 33029

(15) Assuming that the Series A Preferred Stock was converted to Common Stock as of May 24, 2010, Mr. Fernandez's percentage beneficial ownership would decrease to less than one percent.

Amendment of Certificate of Designation

In connection with the preparation of the Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 and a review of the transfer agent records, it came to the Company's attention that the number of shares of the Company's Common Stock outstanding prior to the Merger was understated by a total of 439,878 (the "Additional Common Stock"), comprised of 500,000 shares purchased by a shareholder in July 2007 (although the certificate was not issued until January 2010) offset by an accounting error in connection with the net exercise of warrants involving approximately 60,000 shares. In light of this understatement, as of May 24, 2010, the Company amended the Certificate of Designation setting forth the terms of the Preferred Stock (the "Adjustment Amendment"). In the Adjustment Amendment, the Conversion Ratio was increased from 54.7229736 to 55.514574 to permit the holders of the Preferred Stock to maintain their expected percentage ownership after taking into account the Additional Common Stock.

Proposed Two Step Transfer of Common Stock to DubLi.com Beneficiaries and Lenox Beneficiaries

In May 2010 Company announced that:

- Zen Holding had returned to the Company 1,141,933 shares of Preferred Stock, which were convertible into 63,393,933 shares of Common Stock (the “Loyalty Shares”);

- the Company intended to use 62,679,116 of the Loyalty Shares to purchase, in a registered tender offer, various outstanding interests in DubLi.com, LLC from persons (the “DubLi.com Beneficiaries”) other than Mr. Michael Hansen; and

- the Company intended to transfer 714,817 of the Loyalty Shares to various employees (the “Lenox Beneficiaries” and together with the DubLi.com Beneficiaries, the “Beneficiaries”) of Lenox Resources, LLC.

The Company has since determined not to seek to acquire interests in DubLi.com, LLC. Nonetheless, the Company would still like to provide the Beneficiaries a significant ownership interest in the Company.

Accordingly, the Company anticipates transferring the Loyalty Shares to a trust (the “Trust”) on or about March 28, 2011, (the “Initial Transfer Date”) and, on March 28, 2012 (the “Final Transfer Date”), have the Trust transfer the Loyalty Shares to the Beneficiaries (the “Two Step Transfer”). The Loyalty Shares are expected to be freely transferrable after the Final Transfer Date.

The Company believes the Two Step Transfer process is preferable to conducting some form of registered offerings in the United States and numerous other countries due to, among other things, the projected expense and time required to complete registered offerings in numerous jurisdictions.

Establishment of the Trust and Issuance of the Loyalty Shares

The Two Step Transfer process is governed by the share transfer agreement, dated February 25, 2011 (“Share Transfer Agreement”), a copy of which is filed as Exhibit 10.14 hereto. The Trust will be established on or before March 28, 2011, and is expected to be administered by Batista Guerra y Asociados, an independent offshore trust company (the “Trustee”), pursuant to the terms and conditions set forth in the trust agreement which has been signed on or before February 25, 2011 (the “Trust Agreement”), a draft of which is filed as Exhibit 10.15 hereto. The following summary of the Share Transfer Agreement and the Trust Agreement is qualified in its entirety by the actual forms of agreement filed as exhibits hereto and which are hereby incorporated by reference herein.

The Company is not required to issue the Loyalty Shares to the Trust until prior satisfaction of the following, among other things: (1) the terms of the Share Transfer Agreement have been publicly disclosed by the Company at least 20 days prior to the issuance of the Loyalty Shares to the Trust; (2) on or prior to the Initial Transfer Date, the Company shall not have received any comments from the SEC or any other comparable foreign or U.S. State regulator with respect to the transactions contemplated by the Share Transfer Agreement (other than comments that are resolved to the satisfaction of the Company, in its sole and absolute discretion); and (3) on or prior to the Initial Transfer Date, the Company shall not have received notice of any demand, claim or a threatened claim with respect to the transactions contemplated by the Share Transfer Agreement (other than comments, demands, claims or threatened claims that are resolved to the satisfaction of the Company, in its sole and absolute discretion).

Terms and Conditions of the Trust

The Trustee is required to transfer the Loyalty Shares to the Beneficiaries without requiring any payment or other consideration from the Beneficiaries (other than any transfer taxes or tariffs that may be imposed in connection with the transfer). In order to receive the Loyalty Shares, each Beneficiary will be required to complete execute and return to the Company a Beneficiary Representation Affidavit certifying that the Beneficiary, among other things: (1) has received an information memorandum relating to the transfer of the Loyalty Shares; (2) has had access to such financial information and other information concerning the Company and the Loyalty Shares; and (3) understands and agrees that the Beneficiary is receiving the Loyalty Shares pursuant to Regulation S, Regulation D or another applicable exemption from the registration requirements of the U.S. Securities Act of 1933 (the "Securities Act"). No Beneficiary shall have any right, title or interest of any kind in the Loyalty Shares until such time, if ever, that the Trustee transfers Loyalty Shares to the subject Beneficiary in accordance with the terms of the Trust.

Until the Final Transfer Date, the Trustee has agreed not to, among other things: (1) vote the Loyalty Shares or enter into any form of voting agreement to vote other shares of common stock of the Company or to allow another person to vote the Loyalty Shares; (2) propose nominees to the Company's board of directors or solicit proxies with respect to election of directors; (3) voluntarily pledge, encumber or in any other way subject the Loyalty Shares to any form of liens or security interests of any kind; (4) incur indebtedness of any kind (5) acquire any additional shares of the Company's common stock; (6) engage in any form of hedging transaction involving the Company's common stock; or (7) take any other action to control or influence the control of the Company.

The Company would like to provide the Beneficiaries a significant ownership interest in the Company since: (i) virtually all of the DubLi.com Beneficiaries are former business associates of DubLi Network, LLC a wholly owned subsidiary of DubLi.com, LLC, and current business associates of DUBLI NETWORK LIMITED, a wholly owned subsidiary of the Company; (ii) virtually all of the Lenox Beneficiaries have been and are currently employees or consultants of the Company, (iii) notwithstanding the financial failure of DubLi.com, LLC, the Company believes that the DubLi Network, LLC business associates assisted the Company build brand awareness for the DubLi.com trade name; and (iv) consistent with many of their expectations, the Company likes the Beneficiaries to have a significant ownership interest in the entity which owns and is further developing the DubLi brand.

Litigation

The Company has historically relied upon two service providers to process credit card transactions arising from purchases of the Company's services and products. Disagreements have emerged between the Company and one such service provider, National Merchant Center ("NMC"), as to the permitted amount of reserves, if any, that NMC is eligible to maintain. On September 22, 2010 certain of the Company's subsidiaries instructed NMC to return to them all of the cash held in reserve with respect to the Company's account. In response to such demand, on November 1, 2010, NMC informed the Company that it was terminating the Company's merchant account with NMC and holding all of the Company's funds and deposits for a period of 180 days after the last chargeback (which have averaged less than 1.2% of sales or approximately $63,000 since the account was established in December 2009).

On October 27, 2010, DUBLICOM Limited and DubLi Network Limited, both of which are wholly owned subsidiaries of the Company, initiated legal action against NMC in the Circuit Court for the Eleventh Judicial Circuit in and for Miami-Dade County, Florida (Case No. 10-57829 CA 15) to seek recovery of approximately $2,162,000 of reserves held at the direction NMC plus various other awards, costs and expenses. On December 21, 2010, NMC removed this case to the United States District Court (the "Court") for the Southern District of Florida (Case No. 10-24563-Civ-Graham). DUBLICOM Limited and DubLi Network Limited (collectively, the "Subsidiaries") allege that NMC committed civil theft and conversion by depriving the Subsidiaries of the use of the funds by appropriating the funds to NMC's own use. NMC's legal counsel has since informed the Company that NMC is in bankruptcy, the subject funds are being held in escrow in California by a third party in a bank account and such funds are not involved in the NMC bankruptcy case.

On January 11, 2011, NMC filed a motion to dismiss the case for improper venue and failure to state any adequate claims. In addition, NMC moved the court to transfer the case to the U.S. District Court in the Central District of California (the "California Court") due to improper venue. On March 14, 2011, the Court issued an order granting NMC's request to transfer the case to the California Court, but denied NMC's motion to dismiss the case for improper venue and the failure to state a claim. In light of the Court's decision, the Subsidiaries are currently reviewing their options, but they will continue to aggressively pursue legal action against NMC for the purpose of recovering the funds.

On February 9, 2011, NMC filed suit against the Company in the Superior Court of the State of California (Case Number: 30-2011-00449062-CU-BC-CJC) seeking to recover approximately $706,000. NMC alleges that the Company breached the agreement between NMC and the Company by (i) failing to abide by the provision that requires that NMC be the exclusive credit card processing company for the Company between March 2010 and February 2013 and (ii) representing that the Company's website is www.DubLi.com and that the Company does business as "DubLi.com." NMC claims to have terminated the agreement due to the Company's alleged breach and that through the date of termination it had provided approximately $706,000 worth of services to the Company.

On January 28, 2011, the Company filed suit against Giant Equity, Inc. in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida (Case No. 11-01537 CA 21) seeking damages of $250,000 plus interest. The Company's claims arise from a $250,000 payment made by the Company to Giant Equity, Inc. in connection with a "Deal Memorandum" entered into by the parties on January 29, 2010. The Company alleges fraudulent inducement, breach of contract, violation of Florida Statutes Chapter 501 et seq. (the Florida Deceptive and Unfair Trade Practices Act), civil theft and conversion.

Line of Credit

During 2010, Michael Hansen advanced the Company $399,356 for working capital purposes. The loan is evidenced by an unsecured note dated August 22, 2010, payable by the Company to Mr. Hansen in the amount referenced above. The note is interest free and payable upon demand of Michael Hansen made after August 21, 2011. During the fourth quarter of 2009, Mr. Hansen advanced an additional $441,528 to the Company without interest or repayment terms, which advance increased the total debt owed to Mr. Hansen to $840,884 at September 30, 2010. Subsequent to September 30, 2010, Mr. Hansen advanced the Company an additional $426,069 resulting in a total debt of $1,266,953 as of March 25, 2011, the date upon which the Company and Mr. Hansen entered into $5 million Promissory Grid Note ("Grid Note"). The amount of this Grid Note equals an existing outstanding balance of $1,266,953 now owed to Mr. Hansen plus any new borrowings under the Grid Note up to an aggregate of $5 million at any given time. This Grid Note is issued in replacement of the Promissory Note dated August 23, 2010 in the principal amount of $399,356. The Grid Note has a term of one year; bears interest at 6% per annum accruing from the date of the Grid Note and is guaranteed by DubLi Properties, LLC and secured by a pledge of the Cayman Property Rights, which consists of a purchase deed with respect to 15 lots in the Cayman Islands.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

FORWARD LOOKING STATEMENTS

Certain statements in this report, including statements of our expectations, intentions, plans and beliefs, including those contained in or implied by "Management's Discussion and Analysis" and the Notes to Unaudited Consolidated Financial Statements, are "forward-looking statements", within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are subject to certain events, risks and uncertainties that may be outside our control. The words "believe", "expect", "anticipate", "optimistic", "intend", "will", and similar expressions identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to update or revise any forward-looking statements. These forward-looking statements include statements of management's plans and objectives for our future operations and statements of future economic performance, information regarding our expansion and possible results from expansion, our expected growth, our capital budget and future capital requirements, the availability of funds and our ability to meet future capital needs, the realization of our deferred tax assets, and the assumptions described in this report underlying such forward-looking statements. Actual results and developments could differ materially from those expressed in or implied by such statements due to a number of factors, including, without limitation, those described in the context of such forward-looking statements, our expansion and acquisition strategy, our ability to raise additional capital to finance our activities; the effectiveness, profitability, and the marketability of our products; the future trading of the common stock of MediaNet Group Technologies, Inc.; the ability of MediaNet Group Technologies, Inc. to operate as a public company; our ability to protect our proprietary information; general economic and business conditions; the volatility of our operating results and financial condition; our ability to attract or retain qualified senior management personnel and research and development staff; and other risks detailed from time to time in its filings with the SEC, or otherwise.

THE COMPANIES

MediaNet. The following description of MediaNet Group Technologies, Inc. provides information with respect to MediaNet Group Technologies, Inc. prior to its October 19, 2009, combination with CG Holdings Limited. Information with respect to CG Holdings Limited follows, below, under the caption "DubLi."

Background and Corporate Information

MediaNet Group Technologies, Inc. ("we," "us," "our," the "Company"), was incorporated under the laws of the State of Nevada on June 4, 1999, under the name of Clamshell Enterprises, Inc.

We changed our name to MediaNet Group Technologies, Inc., in May 2003.

In June 2005, we incorporated our subsidiary, BSP Rewards, Inc., to operate or private branded loyalty and reward web malls and programs.

Overview

The operations of MediaNet Group Technologies, Inc. have been carried on through our wholly-owned subsidiary, BSP Rewards, Inc., and, since October 19, 2009, CG Holdings Limited. As used herein, the "Company" refers to MediaNet Group Technologies, Inc. and its wholly owned subsidiaries. The Company's operations included the design, development and marketing of (1) branded loyalty programs and internet shopping malls and (2) branded websites. The Company has decided to concentrate its focused efforts in our main subsidiary, BSP Rewards, Inc.

In March, 2009, the Company sold its wholly-owned subsidiary, Memory Lane Syndications, Inc. which was inactive and had limited revenue during 2009 and 2008 and has been classified for financial presentation as a discontinued operation.

BSP Rewards, Inc.

BSP Rewards, Inc. provides private branded loyalty and reward web malls and programs to both for-profit and not-for-profit companies and organizations. The program is designed as a shopping service through which members receive rebates (rewards) on purchases of products and services from participating merchants. These rewards earned may be accumulated by the member and may be used to purchase gift cards, donate to a charity, or loaded onto a debit MasterCard by which they can make additional purchases from any participating merchant in the program or anywhere in the world that debit MasterCard cards are accepted. The BSP program is proprietary to the Company.

The BSP Rewards program is a web based retail mall concept. Retail sellers of goods and services who join in the program as participating merchants agree to pay rebates to us for our members who purchase goods and services through the program at their individual web stores. We collect all rebates paid by participating merchants and retain a portion as our fee for operating the program. Another portion of the rebate (generally one-half) is designated as a "reward" earned by the member who made the purchase. A portion of the Company's rebate is paid to the organization or company which enrolled the member in the program.

When a member elects to redeem all or any portion of the rewards which he or she has accumulated, the member must purchase gift cards online that are redeemable at participating merchants or load their reward points onto our stored value MasterCard or participating affiliated cards that can be utilized at online and in-store merchants for redemption. The BSP debit card allows the reward points to be loaded on the card and spent like cash at participating merchants and anywhere debit MasterCard is accepted.

Member providers are companies, organizations and groups that enroll their employees or members in the BSP Rewards program. The program is sometimes offered free to member providers who auto-enroll their member base. Member provider agreements provide that the organization will normally enroll their members for free or nominal amount and BSP shall pay to the member providers a percentage of the rewards earned by the members that each member provider enrolls in the program. A member provider only earns a percentage if the members enrolled actually earn rewards through the program.

Presently, our marketing program is focusing on groups or organizations that have the potential of enrolling large numbers of members, such as major membership clubs and organizations, credit and stored value card users. Having the capability of quickly expanding the BSP membership base to their large participating groups, would greatly enhance our potential membership and revenue streams. To extend our presence in these markets and others, we would require substantial working capital prior to enhancing marketing efforts directed at larger organizations as such efforts can be time consuming and costly.

Our Industry

We classify our business operations as a member of the loyalty, online shopping mall, and rewards sector, and marketing services, each of which are fragmented and diverse industries. While the industry consists of many companies and organizations that provide loyalty and rewards in various means and fashions, few offer a complete package. There are many other similar businesses; however, most others do not include many of the features and benefits that we do including offering a stored value debit card and continuous email communications with members. It requires significant time and resources to develop a mature, flexible, broad-based platform and to attract and market the program to a wide variety of business segments. We are of the opinion that 85% of our operating model is executed by other related businesses, however, not all 85% can be found in one program or platform and the other 15% is proprietary to BSP Rewards. The benefit of creating a viable and valuable rewards and shopping mall program in today's environment is due to an ongoing shift towards online shopping versus traditional brick and mortar shopping. Today's consumers are looking to save wherever and whenever possible, particularly on their everyday shopping needs, including gas, grocery, apparel and office supplies.

Competition

Our competition includes other established loyalty/rewards companies, service provider that aggregate affiliate network merchants and existing web portals. While some competitors offer a private branded rewards program, most do not offer all of the features as BSP, including our redemption option through a stored value MasterCard, cross marketing applications and customer communications.

We intend to compete on the basis of pricing and speed to market, ease of use, our platform and the number of features available in our proprietary BSP Rewards application.

Marketing and Strategy

Our target markets for sales of our BSP Rewards program include small, medium and large sized companies, organizations and associations that will be able to utilize our rewards mall platform for a variety of uses including, but not limited to, loyalty, continuity, customer acquisition and retention and for fundraising applications.

This potential market includes membership clubs, non-profit organizations, alumni associations, retailers and corporations, marketing alliance partners, credit and debit card issuers and network marketing companies.

We market our products and services primarily through third party marketing partners who are paid on a commission basis. The marketing partners representing our services are companies that already have existing channel relationships. We have signed a number of marketing partner agreements which are non-exclusive and we anticipate that we will sign agreements with additional representatives in the future. The agreements, which generally have a term of one year with automatic one-year renewals, provide for the payment by the Company of a commission based on BSP rewards earned by members that are signed into the program through the marketing partner.

The Company sometimes pays a commission for any products and internet portals sold on behalf of the Company and a commission for hosting fees paid to the Company by buyers of malls or websites as a result of the activities of the marketing partner. In some instances, we also allow clients for whom we have built mall portals to act as resellers. As of the date of this report, the marketing agreements have not resulted in any significant revenues.

We anticipate that the organizations that enroll members in their private branded rewards program will devote a portion of their advertising and marketing funds to the branded program. We, in turn, will help to develop customer awareness of our products and services as well as enhance usage of the program.

Part of the marketing strategy for the BSP Rewards mall program is to continue to maintain and operate various demonstration sites designed for specific industries. We do not typically earn revenue from the operation of these sites, but we use them to demonstrate to potential clients the types of features which are available through BSP.

Developing market acceptance for our existing and proposed projects will continue to require substantial marketing and sales efforts and the expenditure of a significant amount of funds to inform potential member providers and strategic marketing partners of the benefits and advantages of Company products and services and to achieve name recognition. There can be no assurance that we will be able to further penetrate existing markets on a wide scale basis.

Currently, the main marketing efforts of the Company are directed towards the BSP Rewards program. We look for clients who have the ability to quickly expand the BSP membership base to a much greater participating group, which would greatly enhance our potential revenue stream through the utilization of our internet mall.

Our Challenges

Our ability to successfully operate our business and achieve our goals and strategies is subject to numerous challenges and risks as discussed more fully in the section titled "Risk Factors," including for example:

- any failure to expand our operations and web presence to sufficiently meet our customers' demands and our ability to attract new clients;
- any inability to effectively manage rapid growth and accurately project market demand for our product offerings;
- risks associated with future investments or acquisitions;
- economic, political, regulatory, legal and foreign exchange risks associated with web-based enterprises;
- any loss of key members of our senior management; and
- unexpected changes in economic situations or legal environment.

You should read and consider the information set forth in "Risk Factors" and all other information set forth in this filing.

<u>DubLi</u>

Business of DubLi

CG was organized in Cyprus on March 17, 2009, as a holding company for a network of companies referred to as "DubLi," which commenced doing business in October 2008. Prior to that time, the persons and companies now associated with DubLi carried on various internet auction activities. DubLi's financial and operations full-service provider, Lenox Logistik und Service GmbH, is located in Berlin, Germany.

CG owns, directly or indirectly, the following subsidiaries:

- Lenox Resources, LLC, a Delaware limited liability company. This company holds DubLi's intellectual property, primarily its trademark, domains and technologies.
- DUBLI NETWORK, Ltd., a British Virgin Islands limited company, operates DubLi's network with its business associates.
- DUBLICOM, Ltd., a Cyprus limited company. DUBLICOM, Ltd., runs DubLi's auction websites.
- Lenox Logistik und Service GmbH is a German corporation which is responsible for the fulfillment of products purchased on the DubLi auction site. Lenox Logistik also operates DubLi's European headquarters in Berlin and employs 22 persons, who are collectively responsible for DubLi's accounting, marketing and purchasing activities.
- DubLi Logistics, LLC, a Delaware limited liability company. This company is responsible for fulfillment of orders placed from North and middle America (United States, Mexico, Puerto Rico, Canada).

DubLi is a worldwide online trading network composed of two business models: DubLi.com, a reverse auction and fun shopping portal for branded merchandise, and DubLi Network, the business opportunity where Business Associates can establish their own business in the market of direct sales and affiliate marketing.

DubLi.com's reverse auction and fun shopping portal hosts only new inventory from the world's leading manufacturers. The key difference between a reverse auction and a traditional auction is that the price for an item in a traditional auction is continually driven up from bids placed by potential buyers, whereas in a reverse auction the price for an item is continually driven down. Brands featured in DubLi.com's reverse auctions include, but are not limited to: iPod, Hewlett Packard, SONY, Samsung, Nintendo, Mini, Disney, Rolex, Louis Vuitton, Gucci and Burberry. The success behind DubLi.com's reverse auction and fun shopping model lies in the formula of being able to drive down prices incrementally with single bids placed by the consumers until the price reaches a point where it provides good value to the buyer. DubLi.com includes a best price guarantee, assuring customers that they are buying products at a lower price than they could obtain from other name brand retail sellers.

The primary objective of DubLi's reverse auction and fun shopping model is to provide equal opportunities for buyers on the web to profit from downward purchase pricing.

The affiliate marketing and direct sales program offered by the DubLi Network is a proactive effort to help DubLi's business associates, as we explain below, to yield maximum returns on an internet business as well as to provide high quality goods and services to customers internationally. Since the U.S. debut of DubLi in 2008, thousands of business associates from around the world have joined the DubLi network.

DubLi Auctions

DubLi has two types of auctions which it operates on separate platforms for Europe and for North America (United States, Mexico, Puerto Rico, Canada): Xpress and Unique Bid. Each auction is conducted by the customer's buying credits, each of which can be purchased for US $0.80 (EUR $0.50) (a "Credit"), and using the Credits both to view the current bid price for an item ("Xpress"), or to place a bid ("Unique Bid").

In the Xpress auction, all articles are displayed with one starting price that is valid at the start of the auction. The actual price is concealed until the customer places a Credit. With each Credit placed, the price decreases by US $0.25 (EUR $0.20), so that the actual price is always less than the starting price, which is often a considerable savings. A customer may purchase the product at any time at the price displayed.

In the Unique Bid auction, all auctions are presented for a limited time only. Customers can bid using any number of US $0.25 increments (for example, $1.00, $1.25, $1.50, and so on). The user who has placed the sole lowest bid at the end of the auction acquires the item. If, for example, a bidder places a bid of $1.75 and it is the sole and only bid at the time the auction closes, that customer can purchase the item for that price, because his would be the lowest and sole bid. However, if another user has also placed a bid of $1.75 in the course of the auction, the bid is no longer unique. If, for example, another bidder had placed a higher bid, but was the only bidder at that price, then that bidder would be awarded the item, notwithstanding that the sole bid was at a higher price. During the auction and if an auction results in a unique bid at its conclusion, the user with the lowest single bid informed by e-mail. The final buyer can subsequently order and pay for the auction item in the buyer's member area. Final prices include sales tax and shipping charges. Goods are shipped by Lenox Logistik und Service GmbH (Europe) or DubLi Logistics LLC (American). Items are sent as soon as payment has been received. A single user may be the only final buyer in up to five Unique Bid auctions in one month.

Once a member has placed five (5) final bids (both lowest and unique), further bids are no longer accepted. As soon as this user has been underbid in an auction, the placement of further bids is automatically accepted, until the maximum number of five (5) successful final bids has been attained. Once a user has been successful in an auction, he or she may only participate in four (4) further auctions. The number of successful auctions, as well as the number of remaining auctions available in which to participate, can be accessed at any time. At the beginning of a new calendar month, the maximum number of five (5) successful auctions is available to a user once again. The user knows how many auctions are available to him or her by looking in DubLi's member area.

DubLi Partner Program

DubLi offers a partner package and program to companies, associations, affinity groups and non-profit organizations (which it refers to as a "white label solution"). Using the Partner Program, these groups can, through DubLi, open and utilize a convenient and profitable auction portal. Each partner earns a thirty percent (30%) commission on all Credits sold (which is DubLi's term for its revenue share model). Using the Partner Program gives participating organizations a professional web presence, access to products offered on the auction portal through DubLi, and the use of DubLi to complete all customer purchase processes. DubLi provides a variety of ready-made templates that can be customized to the individual requirements of any organization, including the use of the organization's URL. The look and feel of the auction portal makes it appear as though it were created by the organization itself. The DubLi system requires no programming skills on the part of the organization.

DubLi Network, Ltd.

DubLi operates a program for persons who join the DubLi network as independent business associates, which it refers to as "BA's" or "Business Associates." DubLi believes that Business Associates have a global potential for earning significant income with the DubLi business model. To start, an applicant must register with the DubLi Network by filling out an online Business Associate Application and Agreement and purchase an e-Biz kit for US $175.00. The e-Biz kit is the only purchase required to become a DubLi Network Business Associate. All other purchases are optional. DubLi sells Credits to its Business Associates. Credits can be purchased by DubLi's Business Associates, by retail customers, and by participants in DubLi's Partner Program. Credit sales generate two types of commissions: retail commissions to the Business Associate that generates the sale and organization commissions to Business Associates who are uplined from the Business Associate generating the sale.

To earn retail commissions on retail customer purchases, a Business Associate must have wholesale Credits available in their DubLi account. Credits must be held in a Business Associate's inventory to earn a commission on personal retail purchases from DubLi's Shopping Mall. When a Business Associate's personally sponsored retail customer places an order for Credits, the Credits are automatically deducted from the sponsoring Business Associate's account and transferred to the retail customer's account, and the Business Associate is eligible to earn retail commissions on the sale of those Credits. If a Business Associate does not have sufficient Credits in his account to cover the retail customer order, DubLi will supply the balance of Credits to fill the order, but the Business Associate will not be eligible to earn commissions on the Credits supplied by DubLi.

The amount of the retail commission earned by a Business Associate who is the sponsor of a retail customer varies from 5-25%. The actual percentage commission for which the Business Associate qualifies depends on the total amount of the Business Associate's personal credit purchases that the Business Associate accumulates over a consecutive twelve-month period.

DubLi-BSP Shopping Mall

The combination of the Company and DubLi has enabled DubLi to use the Company's BSP Shopping Mall in combination with its auction sites, Business Associates, and Partner Programs. The Company's BSP Rewards subsidiary provides branded loyalty and reward web malls and programs to both for-profit and not-for-profit companies and organizations.

Competition

DubLi believes that there are a number of companies engaging in reverse auctions. However, it does not believe that any of these companies presents significant competition to DubLi because DubLi has the following competitive advantages:

- first mover's effect (best high profile in the target market)
- most advanced technology for our long term experience

- best marketing mix to attract customers with DubLi Network, Partner Program, classic advertising
- local marketing knowledge through Network sales force
- strict concept in product selection (only top brands, brand new, newest models, full warranty)
- prize guarantee

Property

CG's subsidiary, Lenox Logistik, rents 6,400 square feet at its headquarters in Berlin, Germany, at a cost of $11,200 per month, plus VAT, pursuant to a five-year lease ending October 31, 2014. The principal officers and some additional employees of CG commenced relocating to South Florida in February 2010. The Company has leased 10,476 square feet in Boca Raton, Florida, for its global headquarters.

On December 21, 2009, the Company entered into a lease agreement for office space in Boca Raton, Florida. The lease commences on February 1, 2010 and is for a term of ten years, ending January 31, 2020. The lease calls for six months free rent at the beginning of the rental term and three months free rent at the sixth year anniversary, excluding monthly common area maintenance.

Future minimum rental commitments for non-cancellable operating leases at December 31, 2009, were as follows:

2010	$	330,839
2011		407,333
2012		418,587
2013		430,129
Thereafter		1,902,025
Total	$	3,488,913

The Company has a non-cancelable operating lease for office space with an unrelated party. The lease began March 1, 2004 and expires January 31, 2010. Accordingly, the Company has $8,400 remaining on this non-cancelable operating lease for the period ending January 31, 2010.

Employees

CG has twenty-two (22) employees, excluding its General Counsel, President, Chief Operating Officer and the Director of Marketing. CG also employs consultants on an as-needed basis.

Our Products

DubLi.com's auction portal hosts only high quality inventory from the most notable brand name manufacturers in the world.DubLi.com's reverse auctions include, but are not limited to: iPod, Hewlett Packard, SONY, Samsung, Nintendo, Mini, Disney, Rolex, Louis Vuitton, Gucci and Burberry. New and high-quality products are added to our auction portal daily. DubLi's product strategy is based on being trend followers rather than trend setters. Through its unique and proprietary product selection team, DubLi identifies the top 500 selling items on the Internet at any given time. When a consumer first enter DubLi.com's auction website there are several categories that the buyer can pick and choose from. A customer can choose products specifically from the "electronics section" like a new flat screen TV or digital camera; in the "household items" like an espresso machine or a juicer or, in general, a gift certificate from some of the top retailers like Walmart and Target. The software we developed enables us to determine what individual customers are bidding on. We can target these specific items of interest for future reference when they are featured again and immediately notify the customer via email with the specific item they're looking for. In addition we host a number of seasonal promotions and experiential auctions centered on the major holidays or events that drive a tremendous amount of traffic to the auction.

Our customers

DubLi's customers are derived primarily from three sources, consumers from the general public who are interested in the reverse auction concept, consumers driven to our reverse auctions through our Partner Program and by Business Associates who use word of mouth direct marketing to drive new customers to the auctions. Sometimes there is overlap among the three categories. Our customers are based all over the world including the UK and North America. The reason we are able to attract large numbers of potential buyers to our website is centered primarily on two key elements. The first is that we stock and showcase only the best quality and hottest selling genuine merchandise you can find anywhere in the world. The second reason is our business model was built to funnel traffic to our auction portal by utilizing one the best known forms of advertising: word-of-mouth advertising. Our business strategy was designed based on the concept that by rewarding people for their recommendation through referral based commissions, we could potentially attract a large numbers of customers from around the world to our auction portal.

Since the debut of DubLi.com we have attracted business associates from around the world to our business model. DubLi Network's Business Associates currently number several thousand across more than fifteen countries. All have a license to market DubLi.com, boosting the internal market of DubLi.com and vendors worldwide. DubLi.com's auction portal is quickly becoming one of the most popular destinations to visit on the internet, and we expect those numbers to increase in the future.

Geographic Segmentation of our Customer base:

Market	% of revenue contribution
US	48%
Australia/New Zealand	37%
EU	7%
Canada	5%
Others	3%
Total	100%

Competitive Advantages

The Internet is revolutionizing the face of the global economy; providing a global platform for businesses to reach out to customers worldwide. According to the Organization for Economic Co-Operation and Development (OECD) over 25% of people worldwide buy products and services over the Internet and the Internet has more than one billion users worldwide, with an additional one million signing up daily. The conventional online auction model as used by eBay is valued at approximately $79 billion. DubLi.com represents a new auction model, where prices decrease with each bid and is a relatively new concept on the global scale. To our knowledge, DubLi is the world's only global trading portal with a reverse auction system. DubLi believes that there are a number of companies engaging in reverse auctions. However, it does not believe that any of these companies presents significant completion to DubLi because of the following competitive advantages:

- First mover effect
- Most advanced technology platform to drive the reverse auction system among others into the next phase of growth
- Marketing mix that is designed to attract customers through DubLi Network, Partner Program and through classic advertising on a global basis

- Local marketing and direct sales knowledge through its Network sales force

- Strict concept in product selection (only top brands, brand new, newest models, full warranty)

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31,

	For the three months ended December 31, 2009	For the three months ended December 31, 2008	Increase or (decrease)	Percent change
Revenues	$ 4,283,935	$ 1,589,907	$ 2,694,028	169%
Direct Cost of Revenues	3,214,364	1,060,308	2,154,056	203%
Gross Profit	1,069,571	529,599	539,972	102%
Operating Expenses	607,740	393,135	214,605	55%
Income from Operations	461,831	136,464	325,367	238%
Other Income (Expenses)	(1,627)	-	(1,627)	
Discontinued operations	-	(640,371)	640,371	100%
Net Income	460,204	(503,907)	964,111	191%
Other Comprehensive Income	(16,317)	(15,070)	(1,247)	-8%
Total Comprehensive Income	$ 443,887	$ (518,977)	$ 962,864	186%

Revenues

We had net revenues of $4,283,935 for the three months ended December 31, 2009, an increase of $2,694,028 or 47% as compared to $ 1,589,907 in the same period ended December 31, 2008. The sales revenues were due primarily to the sales of products and through the sale of credits purchased by new Business Associates. The increase in revenues was due to our expanding business, our marketing strategy, our customer loyalty, and the quality of our product and service.

We recognize revenue when persuasive evidence of a sale exists, transfer of title has occurred, the selling price is fixed or determinable and collectability is reasonably assured. Sales revenue represents the invoiced value of goods, net of a value-added tax ("VAT"). All of our products that are sold in Germany are subject to a German value-added tax at a rate of 17% of the gross sales price or at a rate approved by the local government. This VAT may be offset by the VAT paid by us on products purchases and other materials.

Our sales arrangements are not subject to warranty. We did not record any product returns for the three ended December 31, 2009 and 2008.

Direct Cost of Revenues

Direct Cost of Revenues primarily includes cost of sales to purchase products for sale and direct costs such as website operation costs and commission expenses. During the three ended December 31, 2009, we had direct cost of revenues of $3,214,364 or approximately 75% of revenues, versus direct cost of revenues of $1,060,308, or approximately 67% of revenues of the same periods in 2008 respectively. The cost of sales as a percentage of revenue increased primarily due to significant increases in deferred revenue in excess of related deferred costs. The Company defers direct and incremental direct costs related to deferred revenue, but does not defer overhead charges and, as a result, large increases in deferred revenue can result in reduced profitability.

Gross profit

We had gross profit of $1,069,571 and $529,599 for three month ended December 31, 2009 and December 31, 2008, respectively, a 1% decrease. Gross profit margin was 23% and 34% for the three months ended December 31, 2009 and December 31, 2008, respectively.

Expenses

Operating expenses for the three months ended December 31, 2009 were $607,740 compared to operating expenses of $ 393,135 for the same period ended December 31, 2008. The 55% increase in operating expenses during the three months ended December 31, 2009 was attributable to increases in sales and marketing efforts by the new management team.

Income (Losses)

We had a net income of $443,887 for the three month period ended December 31, 2009 compared to a loss of $518,977 for the same period ended December 31, 2008. The increase in net income in 2009 was due primarily to the increase in sales of credits to customers and business associates, as a result of our expanding business, our marketing strategy, our customer loyalty, and the cost reductions described above. Earnings per share in the period ended December 31, 2009 were $0.02 per basic and diluted share based on the weighted average number of shares outstanding during the period of 27,309,630. This does not reflect the pending issuance of common shares related to the merger.

Impact of Inflation.

We believe that inflation has had a negligible effect on operations. We believe that we can offset inflationary increases in the cost of operations by increasing sales and improving operating efficiencies.

Liquidity and Capital Resources

Cash flows provided in operating activities during the three months ended December 31, 2009 were $2,322,393, compared to cash flows provided used by operating activities of ($212,104) during the three months ended December 31, 2008. Cash flows from operations for the three months ended December 31, 2009 include net income of $460,204 adjusted for increases in prepaid customer acquisition costs of $1,709,511 and inventory and other current assets of $415,643 offset by increases in deferred revenue of $3,691,948 and other current liabilities of $261,952.

Cash flows (used) in investing activities were ($782,374) and ($56,026) for the three months ended December 31, 2009 and 2008, respectively, due primarily to the purchase of a software license and office equipment.

Cash flows provided by financing activities was $27,612 for the three months ended December 31, 2009, consisting of $20,000 for proceeds from the issuance of warrant, $25,000 from issuance of a note payable from a related party and ($18,627) due to payments on a note payable to a related party. For the period ending December 31, 2008 we had net cash provided by financing activities of $440,654.

Demand for the products and services will be dependent on, among other things, market acceptance of our products, traffic to our websites, and general economic conditions. Inasmuch as a major portion of our activities is the receipt of revenues from the sales of credits and continued demand at our auction portals.

Our success will be dependent upon implementing our plan of operations and the risks associated with our business plans. We strive to provide high quality products to our customers. We plan to strengthen our position in existing and new markets. We also plan to expand our operations through aggressively marketing our products and our concept.

For additional information regarding investing and financing activities, see Note 13 – Subsequent Events to the Company's Condensed Consolidated Financial Statements appearing in this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information to be reported under this item is not required of smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure controls and procedures are the controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act as of December 31, 2009. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of such date, our disclosure controls and procedures were (1) not sufficiently designed to ensure that material information relating to Company, including our consolidated subsidiaries, was made known to them by others within those entities, particularly in the period in which this report was being prepared and (2) not effective, in that they did not provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The Chief Executive Officer and Chief Financial Officer further concluded that the disclosure controls and procedures were not effective as of the following prior periods: year ended September 30, 2009; Three months ended December 31, 2009 and; Six months ended March 31, 2010

More specifically, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective due to:

(i) our understatement of our outstanding number of shares from July 2007 until December 31, 2009 by approximately 500,000 shares;

(ii) our failure to indicate on our balance sheet for the periods from inception until December 31, 2009 that we had any authorized preferred stock;

(iii) our failure to accurately identify in our Quarterly Report on Form 10-Q for the quarter ended December 31, 2009 and our Current Report on Form 8-K regarding the Merger, filed on October 23, 2009 and amended on February 4, 2010, that certain direct and indirect subsidiaries of CG planned to be included in the Merger had yet to be actually acquired by CG;

(iv) inadequate accounting personnel;

(v) delays in the post-Merger integration of the Company’s and CG’s administrative, accounting and reporting systems and procedures; and

(vi) delays in the post-Merger integration and implantation of an effective system of internal control that governs the combined entities.

Remediation Steps to Address Material Weakness:

To address the identified material weakness discussed above, we are in the process of enhancing our internal control processes. To date, we have:

(i) engaged a new law firm to assist us in improving our securities law compliance and disclosure and our corporate governance systems;

(ii) engaged a firm of ERP system consultants to assist with the integration of the merged companies' accounting and reporting systems into a single automated system;

(iii) hired a new Chief Technical Officer;

(iv) commenced a process to engage a new Chief Financial Officer, for which we have identified one highly qualified candidate, who is currently assisting the Company with these remediation steps in a consultant capacity.

(v) commenced a reorganization of our accounting and administrative staff designed to improve workflow and enhance internal controls.

We will soon begin the documentation and testing of a revised system of internal controls over financial reporting as defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act and in preparation for an attestation report by our registered public accounting firm regarding internal control over financial reporting for the year ending September 30, 2010.

Other than as set forth above, there were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be involved in a variety of claims, suits, investigations, and proceedings arising from the ordinary course of our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense costs, diversion of management resources, and other factors. In addition, it is possible that an unfavorable resolution of one or more such proceedings could in the future materially and adversely affect our financial position, results of operations, or cash flows in a particular period.

The Company has historically relied upon two service providers to process credit card transactions arising from purchases of the Company's services and products. Disagreements have emerged between the Company and one such service provider, National Merchant Center ("NMC"), as to the permitted amount of reserves, if any, that NMC is eligible to maintain. On September 22, 2010 certain of the Company's subsidiaries instructed NMC to return to them all of the cash held in reserve with respect to the Company's account. In response to such demand, on November 1, 2010, NMC informed the Company that it was terminating the Company's merchant account with NMC and holding all of the Company's funds and deposits for a period of 180 days after the last chargeback (which have averaged less than 1.2% of sales or approximately $63,000 since the account was established in December 2009).

On October 27, 2010, DUBLICOM Limited and DubLi Network Limited, both of which are wholly owned subsidiaries of the Company, initiated legal action against NMC in the Circuit Court for the Eleventh Judicial Circuit in and for Miami-Dade County, Florida (Case No. 10-57829 CA 15) to seek recovery of approximately $2,162,000 of reserves held at the direction NMC plus various other awards, costs and expenses. On December 21, 2010, NMC removed this case to the United States District Court (the "Court") for the Southern District of Florida (Case No. 10-24563-Civ-Graham). DUBLICOM Limited and DubLi Network Limited (collectively, the "Subsidiaries") allege that NMC committed civil theft and conversion by depriving the Subsidiaries of the use of the funds by appropriating the funds to NMC's own use. NMC's legal counsel has since informed the Company that NMC is in bankruptcy, the subject funds are being held in escrow in California by a third party in a bank account and such funds are not involved in the NMC bankruptcy case.

On January 11, 2011, NMC filed a motion to dismiss the case for improper venue and failure to state any adequate claims. In addition, NMC moved the court to transfer the case to the U.S. District Court in the Central District of California (the "California Court") due to improper venue. On March 14, 2011, the Court issued an order granting NMC's request to transfer the case to the California Court, but denied NMC's motion to dismiss the case for improper venue and the failure to state a claim. In light of the Court's decision, the Subsidiaries are currently reviewing their options, but they will continue to aggressively pursue legal action against NMC for the purpose of recovering the funds.

On February 9, 2011, NMC filed suit against the Company in the Superior Court of the State of California (Case Number: 30-2011-00449062-CU-BC-CJC) seeking to recover approximately $706,000. NMC alleges that the Company breached the agreement between NMC and the Company by (i) failing to abide by the provision that requires that NMC be the exclusive credit card processing company for the Company between March 2010 and February 2013 and (ii) representing that the Company's website is www.DubLi.com and that the Company does business as "DubLi.com." NMC claims to have terminated the agreement due to the Company's alleged breach and that through the date of termination it had provided approximately $706,000 worth of services to the Company.

On January 28, 2011, the Company filed suit against Giant Equity, Inc. in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida (Case No. 11-01537 CA 21) seeking damages of $250,000 plus interest. The Company's claims arise from a $250,000 payment made by the Company to Giant Equity, Inc. in connection with a "Deal Memorandum" entered into by the parties on January 29, 2010. The Company alleges fraudulent inducement, breach of contract, violation of Florida Statutes Chapter 501 et seq. (the Florida Deceptive and Unfair Trade Practices Act), civil theft and conversion.

ITEM 1A. RISK FACTORS

We have an operating history of continuous losses. We are subject to all the risks associated with the formation of a new business, including possible failure to achieve or sustain profitability, which would adversely affect the value of the company and the market value of our shares of common stock.

We are subject to all of the substantial risks inherent in the commencement of a new business enterprise. New enterprises in the early stage may encounter financial and operational difficulties and intense competition and failure to become profitable. There can be no assurance that we will achieve our business objectives, or that we will produce significant levels of revenues or achieve sustainable profitability. Our prospects must be considered in light of the risks, expenses, difficulties and delays frequently encountered in connection with a developing business, the development and commercialization of Internet websites based on innovative technology, and the high level of competition in the industry in which we operate. Additionally, we will be subject to all the risks incident to a rapidly developing business. Prospective investors should consider the frequency with which relatively newly developed and/or expanding businesses encounter unforeseen expenses, difficulties, complications and delays, as well as such other factors as competition with substantially larger companies.

The portions of our business which are related to reward programs, online commerce and the internet are very competitive. There is no assurance that we will be able to successfully compete in those markets, which would adversely affect our ability to achieve or sustain profitability.

The online commerce market is rapidly evolving and intensely competitive. We expect competition to intensify in the future because barriers to entry are minimal, and current and new competitors can launch new web sites at a relatively low cost. There are a multitude of "brand your own web site" companies and software products available and every site on the web will compete for attention with those which we create and maintain on behalf of our customers. In addition, all categories of the Internet and rewards industries are intensely competitive. There are many loyalty/reward programs covering virtually every industry and product. These programs range from individual retail establishments to major corporations, to branded reward programs. Although we believe we can establish a niche as a provider of high quality portals and rewards program, we will still be competing for funding and will face intense competition from many other entities with greater experience and financial resources than we have.

As a result, there can be no assurance that we will be able to compete successfully to the extent necessary to significantly expand our business and achieve profitability.

The internet and online commerce industry are characterized by rapidtechnological change. We may be unable to compete successfully or to remain competitive unless we are able to develop new products or adapt existing products to new technologies. If we are unable to do so, it would adversely affect our ability to reach or maintain profitability.

To remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of the web malls and Internet portals we market and sell. The Internet and the online commerce industry are characterized by rapid technological change, changes in user and customer requirements and preferences and frequent product and service introductions.

If competitors introduce products and services embodying new technologies or if new industry standards and practices emerge, then our existing web sites, proprietary technology and systems may become obsolete. Our future success will depend on our ability to do the following:

- license and/or internally develop leading technologies useful in our business;
- enhance our existing services;
- develop new services and technology that address the increasingly sophisticated and varied needs of our prospective customers; and
- respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis.

The development of our web sites and other proprietary technology entails significant technical and business risks. We may use new technologies ineffectively or we may fail to adapt our web sites, proprietary technology and transaction processing systems to customer requirements or emerging industry standards. If we do not continue to improve and update our services and continue to introduce new services, products and enhancements, we may lose customers or fail to attract new customers. Losing existing customers or failing to attract new customers would delay or adversely affect our ability to reach or maintain profitability.

Our rapid expansion could significantly strain our resources, management and operational infrastructure which could impair our ability to meet increased demand for our products and hurt our business results.

To accommodate our anticipated growth, we will need to expend capital resources and dedicate personnel to implement and upgrade our accounting, operational and internal management systems and enhance our record keeping and contract tracking system. Such measures will require us to dedicate additional financial resources and personnel to optimize our operational infrastructure and to recruit more personnel to train and manage our growing employee base.

If we cannot successfully implement these measures efficiently and cost-effectively, we will be unable to satisfy the demand for our products, which will impair our revenue growth and hurt our overall financial performance.

If we cannot keep pace with market changes and produce improved web sites with new technologies in a timely and cost-efficient manner to meet our customers' requirements and preferences, the growth and success of our business will be hindered.

The Internet market is characterized by increasing demand for new and advanced technologies, evolving industry standards, intense competition and wide fluctuations in product supply and demand. If we cannot keep pace with market changes and produce web site products incorporating new technologies in a timely and cost-efficient manner to meet our customers' requirements and preferences, the growth and success of our business will suffer.

From time to time, new products, product enhancements or technologies may replace or shorten the life cycles of our products or cause our customers to defer purchases of our existing products.

Risk Factors that may Affect Results of Operations and Financial Condition

The risks and uncertainties described below are not the only ones facing us. Other events that we do not currently anticipate or that we currently deem immaterial also may affect our results of operations and financial condition.

Our Operating Results may Fluctuate

Our operating results have varied on a quarterly basis during our operating history. Our operating results may fluctuate significantly as a result of a variety of factors, many of which are outside our control. Factors that may affect our operating results include the following:

- our ability to retain an active user base, attract new users;
- our ability to increase activity of the users of our web malls;
- the amount and timing of operating costs and capital expenditures relating to the maintenance and expansion of our businesses, operations, and infrastructure;
- general economic conditions, including higher inflation, the possibility of a recession in the U.S. and interest rate fluctuations, as well as those economic conditions specific to the Internet and ecommerce industries;
- regulatory and legal actions imposing obligations on our businesses or our users;
- the actions of our competitors, including the introduction of new sites, services, products and technologies;
- consumer confidence in the safety and security of transactions using our websites or technology;
- the cost and availability of online and traditional advertising, and the success of our brand building and marketing campaigns;
- our ability to develop product enhancements, programs, and features at a reasonable cost and in a timely manner;
- our ability to upgrade and develop our systems, infrastructure, and customer service capabilities;
- technical difficulties or service interruptions involving our websites or services provided to us or our users by third parties;
- our ability to comply with the requirements of entities whose services are required for our operations, such as credit card associations and banks;
- our ability to attract new personnel in a timely and effective manner and to retain key employees;
- continued consumer acceptance of the Internet as a medium for commerce and communication in the face of increasing publicity about fraud, spoofing, phishing, viruses, spyware, and other dangers of the Internet.

Risks Related to the Market for Our Stock

The market price of our common stock is volatile, leading to the possibility of its value being depressed at a time when you want to sell your holdings.

The market price of our common stock is volatile, and this volatility may continue. For instance, between January 1, 2008 and December 31, 2009, the closing bid price of our common stock, as reported on the markets on which our securities have traded, ranged between $0.03 and $0.90. Numerous factors, many of which are beyond our control, may cause the market price of our common stock to fluctuate significantly. These factors include:

- our earnings releases, actual or anticipated changes in our earnings, fluctuations in our operating results or our failure to meet the expectations of financial market analysts and investors;
- changes in financial estimates by us or by any securities analysts who might cover our stock;
- speculation about our business in the press or the investment community;
- significant developments relating to our relationships with our customers or suppliers;
- stock market price and volume fluctuations of other publicly traded companies and, in particular, those that are in the web-based industry;
- customer demand for our products;
- general economic conditions and trends;
- major catastrophic events;
- changes in accounting standards, policies, guidance, interpretation or principles;
- loss of external funding sources;
- sales of our common stock, including sales by our directors, officers or significant stockholders;
- additions or departures of key personnel.

Moreover, securities markets may from time to time experience significant price and volume fluctuations for reasons unrelated to operating performance of particular companies. These market fluctuations may adversely affect the price of our common stock and other interests in our company at a time when you want to sell your interest in us.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On October 19, 2009 In connection with the authorization by the Board of Directors of the Company of the Merger, the Company authorized the issuance of 5,000,000 shares of its Series A Stock in exchange for all of the shares of CG. The shares of CG are beneficially owned equally by Michael Hansen, the President of DubLi, and Michel Saouma, a business associate of Mr. Hansen. The shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933 (the “Act”) and on reliance upon Regulation D, Rule 506, promulgated under that Act.

On December 18, 2009, we authorized the issuance of 40,000 shares of our common stock to a shareholder for redemption of outstanding warrants. The shares were issued in January 2010. We received $20,000 as proceeds from the redemption of the warrants during December 2009.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

We have not had any default upon senior securities.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

No.	Description
2.1	Agreement and Plan of Merger *
3.1	Certificate of Designation *
3.2	Amended and Restated By-laws *
3.3	Amendment to Certificate of Designation*
10.1	Software Purchase Agreement *
10.2	Lease Agreement *
31.1	Certification of Chief Executive Officer
31.2	Certification of Chief Financial Officer
32.1	Statement required by 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Statement required by 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002

* incorporated by reference

Reports on Form 8-K filed in the first quarter of fiscal 2010

(1) On October 19, 2009 the Company filed on Form 8-K in connection with a reverse merger transaction in which the Company (i) consummated an Agreement and Plan of Merger with the equity owners of CG Holdings Limited, a Cyprus limited company (“CG”), whereby the Company’s wholly-owned subsidiary, MediaNet Merger Sub, Inc., a Nevada corporation, merged with and into CG, with CG being the surviving company, and the shareholders of CG exchanged all of their shares in CG for five million (5,000,000) shares of the Company’s Series A Convertible Preferred Stock, par value $0.01 per share (the “Series A Stock”).

As a result of the Merger, CG became a wholly-owned subsidiary of the Company, and those subsidiaries of CG became indirect wholly-owned subsidiaries of the Company. CG and its subsidiaries, which are collectively called DubLi, own and operate reverse auctions for high level branded merchandise.

(2) On October 29, 2009, Lenox Resources, LLC, a Delaware limited liability company (“Lenox”) which is an indirect subsidiary of MediaNet Group Technologies, Inc., a Nevada corporation (the “Company”), executed and closed on a Software Purchase Agreement with MSC, Inc., d/b/a Lariat (the “Agreement”) for the purchase and assignment of database tracking, monitoring, statistic tools and widget software known as “Cinch” and “Connect” (the “Software”) and associated copyrights. The purchase price of the Software was $400,000 paid in cash at closing, together with two percent (2%) of the common stock of the Company. The common stock payable to MSC, Inc., will not be dilutive to the Company’s existing common shareholders. Pursuant to the Agreement, Lenox will hire certain staff of MSC, Inc., who are dedicated to the development of the Software. The Agreement also provides that MSC, Inc., will have a right to market the Software to its own clients as a distributor, with the exclusion of any sale that would compete with the Company.

(3) On December 21, 2009, the Company entered into a lease for premises at Boca Center, Boca Raton, Florida 33486. The lease commences on February 1, 2010, and terminates on January 31, 2020, with an option to renew for an additional five-year term. The leased premises are 10,476 square feet. During the initial term of the lease the rental is as follows:

The first six months of the lease rental is abated and the second six months is $25 per square foot. The lease term for the second year through the tenth years are as follows: second year, $25.75/sf; third year, $26.52/sf; fourth year, $27.32/sf; fifth year, $28.14/sf; sixth year, first three months abated; second six months, $28.98 /sf; seventh year, $29.85/sf; eighth year, $30.75/sf; ninth year, $31.67/sf, and tenth year, $32.62/sf. The furniture is included in the lease and becomes the property of the Company at the end of the lease term.

<u>Subsequent event to the first quarter of fiscal 2010</u>

On February 18, 2010 Steve Adelstein resigned from the Board of Directors of the Company. Mr. Adelstein has indicated that he intends to specify to the Company the reasons for his departure and his disputes.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

MEDIANET GROUP TECHNOLOGIES, INC.

Date: March 30, 2011	By:	/s/ Michael B. Hansen
		Michael B. Hansen President (principal executive officer)

INDEX TO EXHIBITS

No.	Description
31.1	Certification of Chief Executive Officer
31.2	Certification of Chief Financial Officer
32.1	Statement required by 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Statement required by 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002

EXHIBIT 31.1

Certifications

I, Michael B. Hansen, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MediaNet Group Technologies, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the Consolidated Financial Statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2011

/s/ Michael B. Hansen
Michael B. Hansen
(Principal Executive Officer)

EXHIBIT 31.2

Certifications

I, Mark Mroczkowski, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MediaNet Group Technologies, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the Consolidated Financial Statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2011

/s/ Mark Mroczkowski

Mark Mroczkowski

(Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 32.1

STATEMENT REQUIRED BY 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of MediaNet Group Technologies, Inc.., (the “Company”) for the three ended December 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael B. Hansen, Chief Executive Officer, of the Company, certify that:

* the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

* information contained in the Report fairly presents, in all material respects, our consolidated financial condition and results of operations.

Date: March 30, 2011

/s/ Michael B. Hansen
Michael B. Hansen
Chief Executive Officer
(Principal Executive Officer)

This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by us for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

EXHIBIT 32.2

STATEMENT REQUIRED BY 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of MediaNet Group Technologies, Inc.., (the "Company") for the three ended December 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Mroczkowski, Chief Financial Officer, of the Company, certify that:

* the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

* information contained in the Report fairly presents, in all material respects, our consolidated financial condition and results of operations.

Date: March 30, 2011

/s/ Mark Mroczkowski
Mark Mroczkowski
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by us for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.