



THE DOMAIN NAME INDUSTRY BRIEF

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THE VERISIGN DOMAIN REPORT

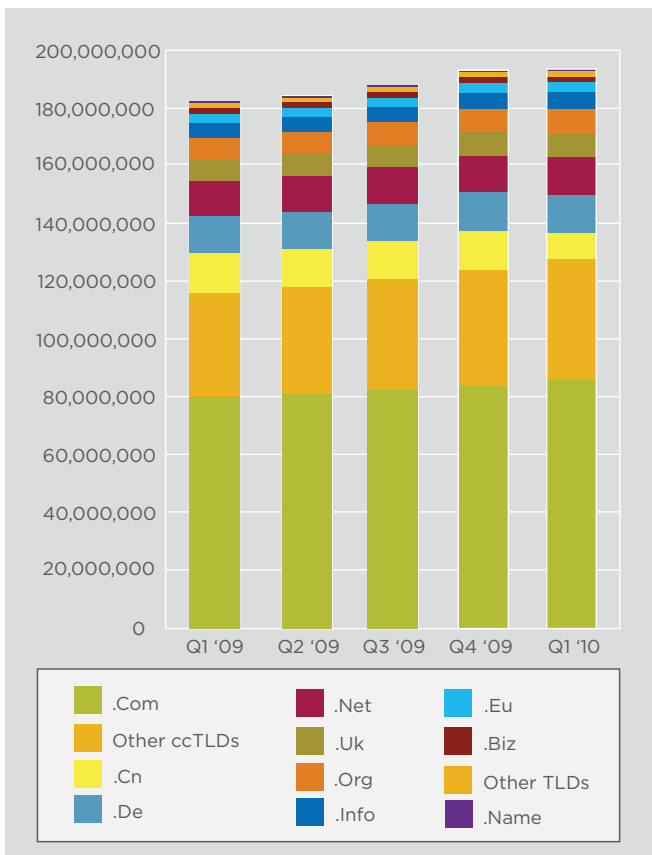
As the global registry operator for .com and .net, VeriSign reviews the state of the domain name industry through a variety of statistical and analytical research. As a leading provider of digital infrastructure for the Internet, VeriSign provides this briefing to highlight to industry analysts, media, and businesses important trends in domain name registration, including key performance indicators, and growth opportunities.



EXECUTIVE SUMMARY

The first quarter of 2010 closed with a base of over 193 million domain name registrations across all of the Top Level Domain Names (TLDs), an increase of more than 1 million domain name registrations, or 0.6 percent, from the fourth quarter of 2009. Compared to the first quarter of 2009, domain name registrations grew by 11 million, or 6 percent. The base of Country Code Top Level Domain Names (ccTLDs) dropped to 76.3 million domain names, a 2.9 percent decline quarter over quarter, but a 3.2 percent increase year over year.¹

Total Domain Name Registrations



Source: Zooknic, April 2010; VeriSign, April 2010

The .com and .net TLDs saw strong aggregate growth in the first quarter of 2010. New .com and .net registrations totaled nearly 8.1 million during the quarter, representing an average of approximately 2.7 million new domain name registrations per month. This reflects a 10 percent increase in new registrations from fourth quarter 2009, and a 10 percent increase from a year ago.

Compared to fourth quarter 2009, the composition of the top five TLDs in terms of base size changed significantly. A decline in .cn registrations caused the .cn base rank to move from second place to fourth overall, while .de claimed the No. 2 spot (up from its No. 3 rank the previous quarter), and .net moved up from fourth to third. As a result, the largest TLDs in terms of base size for first quarter 2010 were .com, .de, .net, .cn, uk, .org, .info, .nl (Netherlands), .eu (European Union), and .ru (Russia).

TOP CCTLD REGISTRIES BY DOMAIN NAME BASE, FIRST QUARTER 2010

- | | |
|-------------------------|-----------------------------|
| 1. .de (Germany) | 6. .ru (Russian Federation) |
| 2. .cn (China) | 7. .ar (Argentina) |
| 3. .uk (United Kingdom) | 8. .br (Brazil) |
| 4. .nl (Netherlands) | 9. .tk Tokelau) |
| 5. .eu (European Union) | 10. .it (Italy) |

Source: Zooknic, April 2010

¹ The gTLD and ccTLD data cited in this report are estimates as of the time of this report and subject to change as more complete data is received.



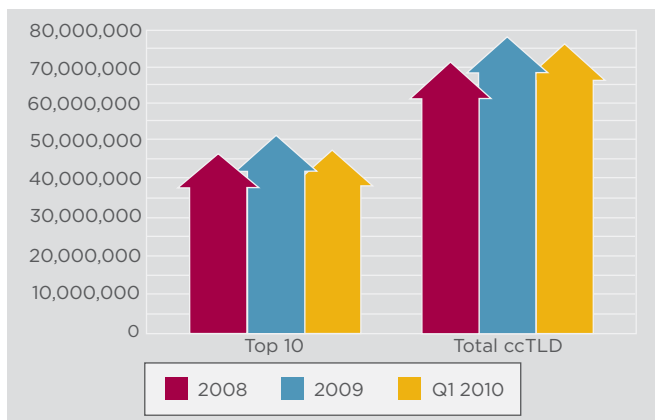


ccTLD BREAKDOWN OF ZONE SIZE

The first quarter of 2010 ended with 76.3 million ccTLD domain name registrations, a decrease of 2.3 million domain name registrations (or 2.9 percent) compared to the fourth quarter of 2009, but an increase of nearly 2.4 million (or 3.2 percent) from a year ago.² There are more than 240 ccTLD extensions globally, with the top 10 ccTLDs comprising 62 percent of the total number of registrations.

Overall ccTLD zone size for the first quarter of 2010 was heavily impacted by changes in the .cn base. Quarter over quarter, .cn fell 34.3 percent, or 36 percent year over year.

ccTLD Breakdown



Source: Zooknic, April 2010

Among the largest ccTLDs, there was notable zone growth quarter over quarter in the United States (.us) with 15.9 percent, Poland (.pl), with 7.5 percent, and .ru with 7.4 percent growth. Switzerland (.ch) saw no change, while Spain (.es) saw a slight decline of 0.2 percent.

Compared to first quarter 2009, three of the 25 largest ccTLDs achieved zone growth rates of 25 percent or more: .ru at 35.4 percent; .pl with 29.5 percent; and Brazil (.br) with 25.9 percent growth.

.COM/.NET DYNAMICS

VeriSign’s average daily Domain Name System (DNS) query load during first quarter 2010 was 54 billion per day with peaks as high as 63.2 billion per day. Compared to fourth quarter 2009, the daily query average and the daily peak queries both saw an increase of 4 percent. Taken annually, the daily average increased 41 percent and the peak daily queries grew 43 percent. Managing the increasing traffic on the Internet reflects VeriSign’s continued investment in the DNS. VeriSign’s continued commitment to its infrastructure has enabled it to maintain a record of 100 percent operational accuracy and stability of .com and .net TLD resolution services over the past 12 years, earning VeriSign the reputation of being one of the most reliable and trusted networks in the world.

The overall base of .com and .net domain names grew to 99.3 million domain names in the first quarter of 2010. This represents a 2.7 percent increase over the fourth quarter and a 7 percent increase over the same quarter in 2009. New .com and .net registrations were added at an average of approximately 2.7 million per month in the first quarter of 2010 for a total of 8.1 million new registrations in the quarter.

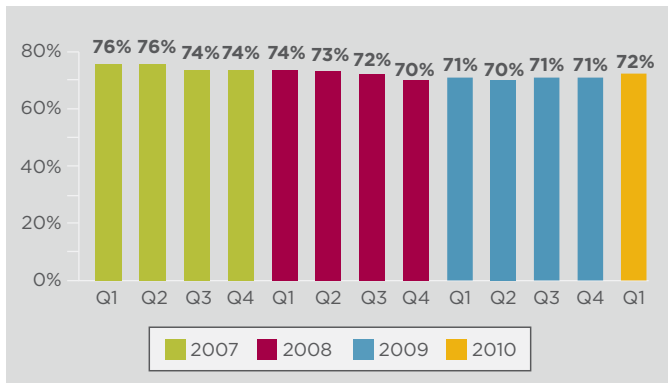
² Some ccTLD registries ran promotional programs during the first quarter.





The renewal rate for the first quarter of 2010 was 72 percent, an increase from the fourth quarter of 2009, which was 71.2 percent. Quarterly renewal rates may deviate a few percentage points in either direction each quarter based upon the composition of the expiring name base and the contribution of specific registrars.

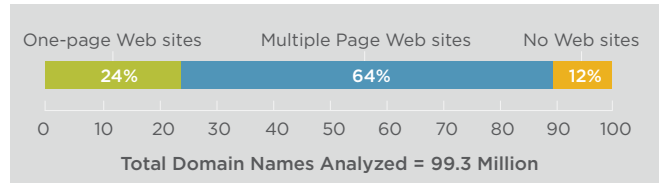
.Com/.Net Registry Renewal Rates



Source: VeriSign, May 2010

Whether a domain name resolves to a Web site is a key factor in the renewal rates since domain names that resolve to Web sites are more likely to be renewed. VeriSign estimates that 88 percent of .com and .net domain names resolve to a Web site, meaning that an end-user visiting that domain name would find a Web site. These Web sites can be further described as those having multiple pages or as one-page Web sites. One-page Web sites include under-construction, brochure-ware and parked pages in addition to online advertising revenue generating parked pages.

.Com/.Net Web Sites



Source: VeriSign, April 2010

ITIF REPORT: THE INTERNET ECONOMY 25 YEARS AFTER .COM

A new study by the Information Technology and Innovation Foundation (ITIF), a Washington, D.C.-based think tank, draws on a variety of research sources to gauge the commercial impact of the Internet, in conjunction with the 25th anniversary of the first .com domain name registration.

The ITIF study, titled “The Internet Economy 25 Years After .com: Transforming Commerce & Life,” asserts that the commercial Internet “has spawned a multitude of innovative companies; unleashed entirely new business models; spurred the creation of new products and services; changed how consumers shop; transformed how corporations sell their products and procure their inputs; boosted economic growth; and fundamentally altered how individuals interact, build communities, and socialize.”

With one in four people worldwide estimated to use the Internet today, the report measures the reach of e-commerce in solid terms. For instance, ITIF estimates that the annual global economic benefits of the commercial Internet equal \$1.5 trillion – a figure that eclipses the global sales of medicine, investment in renewable energy, and government investment in R&D, combined. ITIF also estimates that, assuming e-commerce continues to grow just half as fast as it grew between 2005 and 2010, then by 2020, it will add \$3.8 trillion to the global economy.





The far-reaching ITIF report also provides a snapshot of Internet use and its expanding influence on people throughout the world. Among its findings:

- In Europe, the percentage of online shoppers grew by 85 percent between 2004 and 2009.
- Experience with online shopping in developing countries is rapidly catching up with that seen in more developed regions. For example, 63 percent of Internet users in Latin America and 70 percent of users in Asia Pacific countries have made at least one purchase online, compared to 85 percent of Internet users in North America and Europe.
- Although online commerce is becoming commonplace worldwide, it's still more popular in some countries than others. In assessing 30 nations, ITIF found Denmark, Sweden, the United Kingdom, and the United States lead the rest of the world in shopping, selling, and doing business online.
- The country with the highest percentage of adult citizens who have shopped online is Japan, with 52 percent.

ITIF also concludes that the commercial Internet can be considered a general-purpose technology – a development whose dramatic influence puts it on par with such essential advances as the telephone, electricity and the internal combustion engine. For the complete report, visit:

<http://www.itif.org/publications/internet-economy-25-years-after-com>.

LEARN MORE

To subscribe or to access the archives for the Domain Name Industry Briefs, please go to <http://www.verisign.com/domain-name-services/domain-information-center/industry-brief/index.html>. Email your comments or questions to domainbrief@verisign.com.

ABOUT VERISIGN

VeriSign, Inc. (NASDAQ: VRSN) is the trusted provider of Internet infrastructure services for the networked world. Billions of times each day, VeriSign helps companies and consumers all over the world engage in communications and commerce with confidence. Additional news and information about the company is available at www.verisign.com.

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Statements in this announcement other than historical data and information constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 as amended and Section 21E of the Securities Exchange Act of 1934 as amended. These statements involve risks and uncertainties that could cause VeriSign's actual results to differ materially from those stated or implied by such forward-looking statements. The potential risks and uncertainties include, among others, the uncertainty of future revenue and profitability and potential fluctuations in quarterly operating results due to such factors as increasing competition and pricing pressure from competing services offered at prices below our prices; the current global economic downturn; challenges to ongoing privatization of Internet administration; new or existing governmental laws and regulations; changes in customer behavior; the inability of VeriSign to successfully develop and market new services; the uncertainty of whether our new services will achieve market acceptance or result in any revenues; system interruptions; security breaches; attacks on the Internet by hackers, viruses, or intentional acts of vandalism; challenges to the building of trust on the Internet; and the uncertainty of whether Project Apollo will achieve its stated objectives. More information about potential factors that could affect the company's business and financial results is included in VeriSign's filings with the Securities and Exchange Commission, including in the Company's Annual Report on Form 10-K for the year ended December 31, 2009, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. VeriSign undertakes no obligation to update any of the forward-looking statements after the date of this announcement.

Zooknic Methodology

For gTLD data cited with Zooknic as a source, the analysis uses a comparison of domain name root zone file changes supplemented with WHOIS data on a statistical sample of domain names which lists the registrar responsible for a particular domain name and the location of the registrant. The data has a margin of error based on the sample size and market size. The ccTLD data is based on analysis of root zone files. For more information, see www.zooknic.com.

