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.

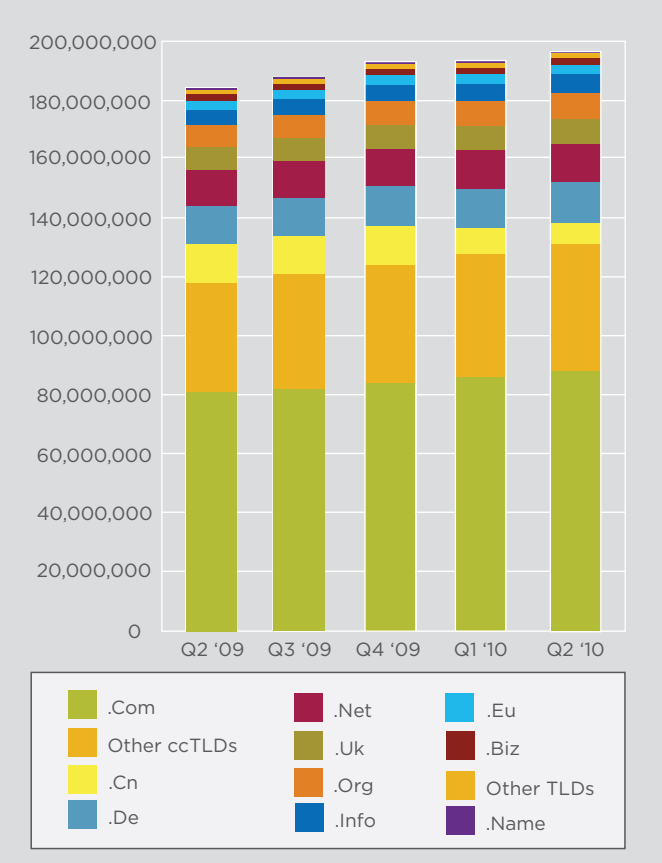
VeriSign®

EXECUTIVE SUMMARY

The second quarter of 2010 closed with a base of more than 196.3 million domain name registrations across all Top Level Domains (TLDs), an increase of more than 3 million domain names, or 2 percent over the first quarter. Registrations grew by 12.3 million, or 7 percent over the past year.

The base of Country Code Top Level Domains (ccTLDs) was 76.3 million domain names, a 0.1 percent increase quarter over quarter, and a 2.5 percent increase year over year.[1]

Total Domain Name Registrations



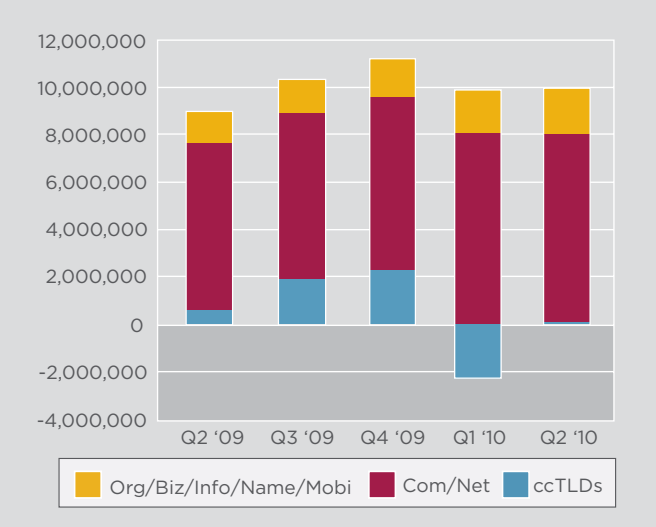
Source: Zooknic, July 2010; VeriSign, July 2010

The .com and .net TLDs saw strong aggregate growth in the second quarter, surpassing a combined total of 100 million names. New .com and .net registrations totaled more than 7.9 million during the quarter. This is a 2 percent decrease in new registrations from the first quarter. This trend is in line with second quarter seasonality, where new registrations are historically flat to down from first quarter. Yet new units did show some signs of economic recovery in second quarter of 2010. Year over year, new registrations increased 13 percent.

The order of the top TLDs in terms of zone size changed slightly compared to the first quarter. Consistent with recent trends, .cn (China) experienced a second-quarter decline in base registrations, dropping the domain from fourth to sixth largest among all TLDs. This changed the respective positions of .uk and .org, which became the fourth and fifth largest TLDs, respectively.

The largest TLDs in terms of base size were, in order, .com, .de (Germany), .net, .uk, .org, .cn, .info, .nl (Netherlands), .eu (European Union), and .ru (Russian Federation).

New Registration Growth



Source: Zooknic, July 2010; VeriSign, July 2010; ICANN Monthly Reports

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

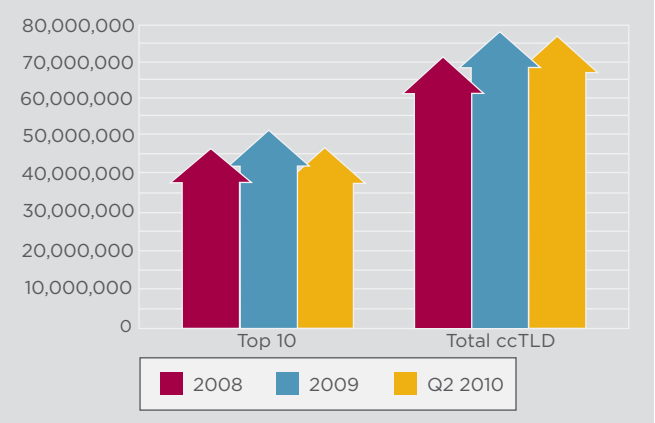
Total ccTLD registrations were approximately 76.3 million in the second quarter of 2010 with the addition of 63,000 domain names, or a 0.1 percent increase compared to the first quarter. This is an increase of nearly 1.9 million domain names, or 2.5 percent from a year ago.[2]

Among the 20 largest ccTLDs, the Russian Federation, Brazil and Switzerland exceeded 5 percent quarter over quarter growth. Last quarter, six of the top 20 met the same threshold.

The Russian Federation and Brazil also joined Poland, France and Australia as top 20 ccTLDs exceeding 20 percent year over year growth.

There are more than 240 ccTLD extensions globally, with the top 10 ccTLDs comprising 62 percent of the total number of registrations.

ccTLD Breakdown



Source: Zooknic, July 2010

TOP CCTLD REGISTRIES BY DOMAIN NAME BASE, SECOND QUARTER 2010

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

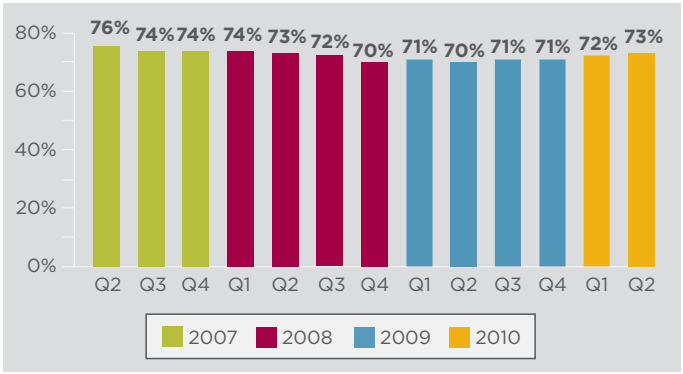
Source: Zooknic, August 2010

.COM/.NET DYNAMICS

The .com/.net renewal rate for the second quarter was 73.2 percent, up from 72.1 percent for the first quarter. Renewal rates may deviate a few percentage points in either direction quarter over quarter based upon the composition of the expiring name base and the contribution of specific registrars.

VeriSign's average daily Domain Name System (DNS) query load during the quarter was 62.5 billion, with a peak of 83.6 billion. The daily average increased 16 percent and the peak increased 32 percent over the previous quarter. Compared to the same timeframe in 2009, the daily average grew 28 percent and the peak grew 43 percent.

.Com/.Net Registry Renewal Rates



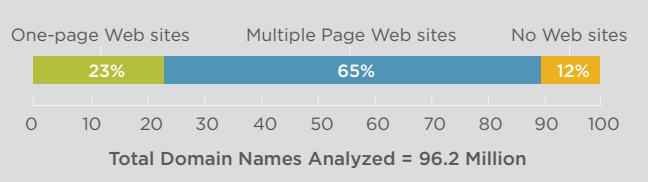
Source: VeriSign, August 2010

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

The ongoing growth of DNS query loads stems both from normal traffic drivers – most notably the continuing increase in global Internet usage – and from increasingly powerful distributed denial of service (DDOS) attacks leveled against all parts of the Internet's critical infrastructure. These increases, both from benign and malicious sources, require aggressive innovation and investment on the part of infrastructure operators to meet the growing demand. For VeriSign, this means Project Apollo, which will grow capacity 1,000 times today's level of 4 trillion queries to manage 4 quadrillion queries per day by 2020.

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

.Com/.Net Web Sites



Source: VeriSign, July 2010

CRITICAL INTERNET SECURITY TECHNOLOGY READY FOR PRIME TIME

An important Internet security technology that has been more than a decade in the making is now live and protecting users, thanks to the concerted efforts of Internet stakeholders and critical infrastructure providers. In July, VeriSign joined with U.S. Department of Commerce and the Internet Corporation for Assigned Names and Numbers (ICANN) to deploy DNS Security Extensions (DNSSEC) at the root of the DNS.

Properly implemented, DNSSEC protects users against a particularly dangerous threat known as "DNS cache poisoning," or more commonly, a "man-in-the-middle" attack, by allowing DNS traffic to be cryptographically signed. Because the root-server-system lies at the heart of the DNS, implementing DNSSEC at the root level provides a critical anchor to support DNSSEC deployments further out in the network. So while a handful of individual domains were DNSSEC-enabled prior to July, the signing of the root marks the real start of the DNSSEC era on the Internet.

That era may be starting just in time, according to a recent study, which found that businesses are experiencing a growing number of DNS-based attacks and are investing more time and resources in protecting their critical infrastructure.

In DNSSEC Ready for Prime Time, a Forrester white paper commissioned by VeriSign, researchers found that DNS-based attacks are now commonplace and that while DNSSEC may not yet be widely understood, the majority of business IT leaders who do know about it plan to deploy the technology on their networks.

The study, which polled 297 IT decision-makers, revealed that DNS Security is a top-line concern for companies and organizations as they work to protect their assets and networks from attacks. A vast majority of respondents (88 percent) said that they were either already allocating budget for DNS security measures or would do so in the near future. That widespread commitment to DNS security probably has a lot to do with the prevalence of DNS-related attacks, which 51 percent of respondents reported experiencing.

Of those who had experienced DNS-based attacks, 38 percent said that they had experienced man-in-the-middle attacks, which DNSSEC is specifically intended to prevent. While man-in-the-middle attacks were not the most common attacks reported by IT leaders, they were associated with the most significant financial losses.

With so many factors pointing toward the need for widespread DNSSEC adoption, one of the greatest obstacles lies in building awareness of the technology and its value. Among the IT leaders polled by Forrester, only 43 percent said that they had heard of DNSSEC and knew what problems it solved.

As more IT leaders learn about DNSSEC, evidence suggests deployment will increase exponentially. Of the 43 percent of respondents who reported knowing about DNSSEC, 90 percent said they would implement the technology within 18 months. Only 5 percent reported that they would not implement DNSSEC.

That is good news, as there is still a great deal of work to do to ensure that Internet users worldwide are able to experience the full security benefits of DNSSEC. Now that DNSSEC is enabled at the root, Internet domains around the world are working to implement the technology in their zones. VeriSign expects to deploy DNSSEC in .net before the end of 2010 and in .com in the first quarter of 2011.

Once DNSSEC is deployed at the root and in most of the world's top-level domains, it becomes more important for network operators, software developers and infrastructure providers to help promote the benefits of DNSSEC from the core to the edges of the network, where it will have the most direct impact on users.

To help support that effort VeriSign has created its DNSSEC Interoperability Lab. Opened to members of the DNS and Internet communities earlier this year, the DNS Interoperability Lab allows solution and service providers to determine if DNS packets containing DNSSEC information will cause problems for their Internet and enterprise infrastructure components.

The path toward global deployment is a long one, but with the implementation of DNSSEC at the root and the growing call for DNS security measures at companies and organizations, the community has taken a significant first step.

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ABOUT VERISIGN

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

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 press release.

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.