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.

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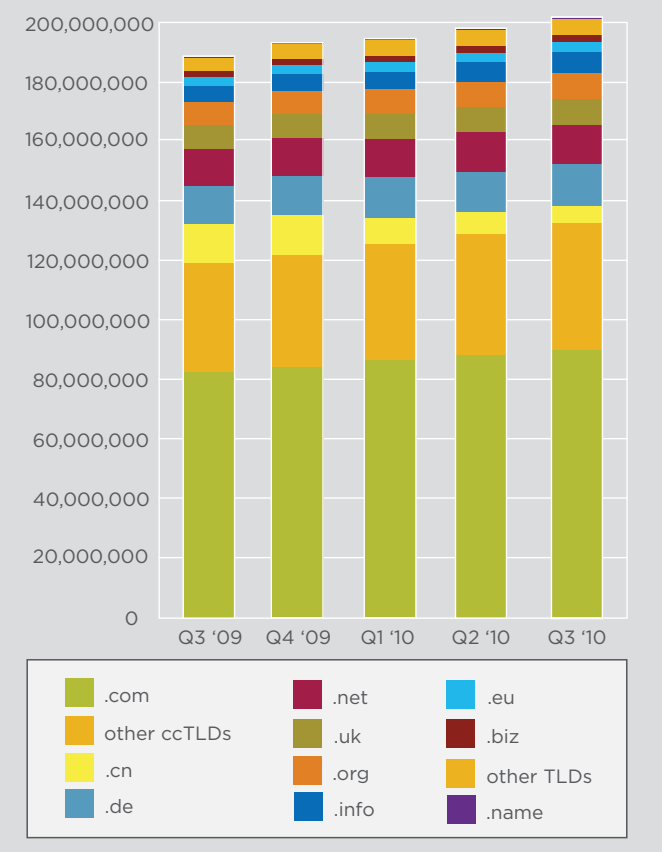
EXECUTIVE SUMMARY

The third quarter of 2010 closed with a base of more than 201.8 million domain name registrations across all Top Level Domains (TLDs), an increase of 3.8 million domain names, or 2 percent over the second quarter. Registrations have grown by 13.3 million, or 7 percent over the past year.

The base of Country Code Top Level Domains (ccTLDs) was 79.2 million domain names, a 1.4 percent increase quarter-over-quarter, and 2.4 percent year-over-year.[1]

Total Domain Name Registrations



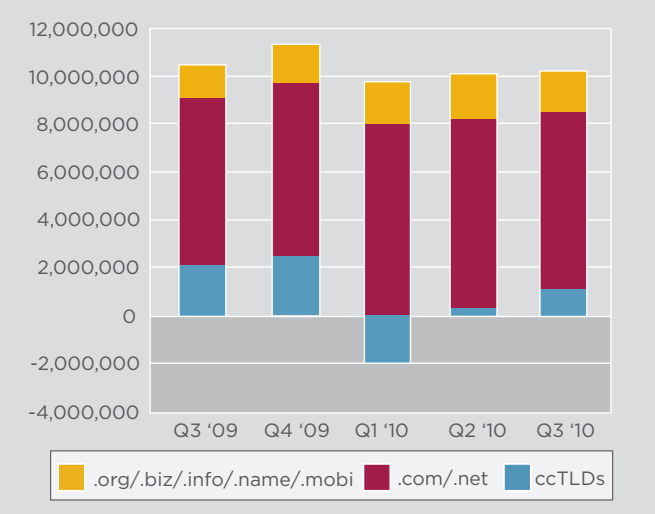
Source: Zooknic, October 2010; VeriSign, November 2010

The .com and .net TLDs experienced strong aggregate growth in the third quarter, surpassing a combined total of 103 million names. New .com and .net registrations totaled more than 7.5 million during the quarter. This is a 6 percent decrease in new registrations from the second quarter. This trend is in line with third quarter seasonality, where new registrations are historically flat to down from second quarter. Year-over-year, new registrations increased 7 percent.

The order of the largest TLDs in terms of zone size changed slightly compared to the second quarter. Consistent with recent trends, .cn (China) experienced a third quarter decline in base registrations, dropping the domain from sixth to seventh largest among all TLDs.

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

New Registration Growth



Source: Zooknic, October 2010; VeriSign, November 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.

TOP CCTLD REGISTRIES BY DOMAIN NAME BASE, THIRD 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.	.pl	(Poland)

Source: Zooknic, October 2010

CCTLD BREAKDOWN OF ZONE SIZE

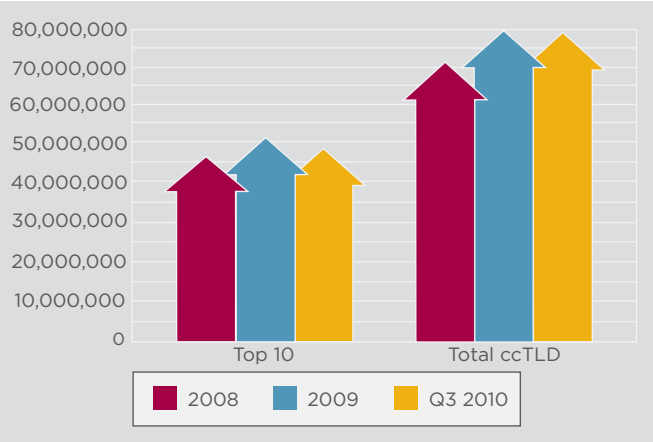
Total ccTLD registrations were approximately 79.2 million in the third quarter of 2010 with the addition of over 1.1 million domain names, or a 1.4 percent increase compared to the second quarter. This is an increase of nearly 1.9 million domain names, or 2.4 percent from a year ago.[2]

Among the 20 largest ccTLDs, the Russian Federation, Brazil, Argentina and Australia exceeded 4 percent quarter-over-quarter growth. Last quarter, seven of the top 20 met the same threshold.

The Russian Federation, Brazil and Australia also joined Poland and France 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 60 percent of all country code registrations.

ccTLD Breakdown

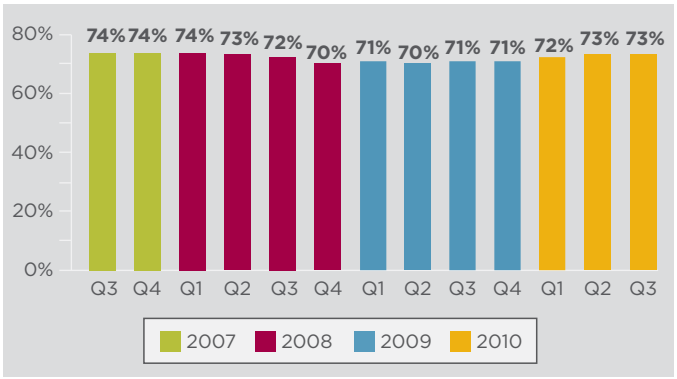


Source: Zooknic, October 2010

.COM/.NET DYNAMICS

The .com/.net renewal rate for the third quarter was 72.8 percent, down from 73.2 percent for the second quarter. Renewal rates may deviate slightly a few percentage points in either direction quarter-over-quarter based on the composition of the expiring name base and the contribution of specific registrars.

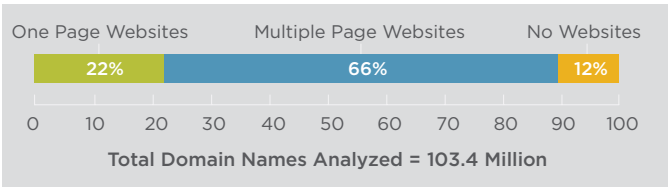
.com/.net Registry Renewal Rates



Source: VeriSign, November 2010

A key factor in determining if a domain name will renew is whether the domain resolves to a live website. 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 content associated with 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 Websites



Source: VeriSign, November 2010

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

VeriSign's average daily Domain Name System (DNS) query load during the quarter was 66 billion, with a peak of 78 billion. The daily average increased 6 percent and the peak decreased 7 percent over the previous quarter. Compared to the same timeframe in 2009, the daily average grew 23 percent and the peak grew 27 percent.

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 capacity of 4 trillion queries to manage 4 quadrillion queries per day by 2020.

THE "DECADE OF THE INTERNATIONAL INTERNET" BEGINS WITH A BANG

Over the past decade, the Internet has become a pervasive tool in every facet of society. The total number of Internet users jumped more than 500 percent, but the growth was even more explosive in international regions. Africa had less than 5 million Internet users a decade ago. Now, it has more than 100 million. And while in 2000, the number of users in Asia was essentially even with Europe and North America, today it has more than those two continents combined.

What these trends tell us is that over the past decade the Internet has internationalized its audience and provided a platform for services beyond those targeted for speakers of Latin-based languages. Today, the English-speaking world makes up less than 40 percent of Internet users.

In the coming decade, the Internet will continue to become a ubiquitous, multi-cultural tool, fueled in part by the adoption of Internationalized Domain Names (IDNs). All domain names must be represented to the Domain Name System using ASCII characters (A to Z, 0 to 9 and the hyphen "-"). However, Latin-based language words that require diacritics in Spanish and French and other languages that use non-Latin scripts such as Kanji and Arabic cannot be resolved natively in the DNS. As a result, millions of Internet users may struggle to find their way online as they must use non-native scripts and/or languages.

By enabling online content and businesses to be represented in local scripts and languages, IDNs help the Internet to expand the power of technology to regions and cultures, and connect the world in new ways. At the same time, it is clear that enabling local scripts and languages must be done in a way that ensures seamless and ubiquitous access to content and services regardless of culture, while addressing intellectual property and security concerns.

Those concerns must be addressed because the value proposition is clear. Businesses see the benefit of reaching target audiences more effectively with domain names in their customers' own language. The Internet is also a preserver of cultures – such as the .cat domain preserving the Catalan culture online – and localized domain names can help further this goal. And for registrars, IDNs are a natural extension of their business that allows them to help their customers express their brands in a manner meaningful to their audience.

Over the past year, ICANN approved the launch of several new IDNs for country-code top-level domains (ccTLDs). Users in Egypt, Saudi Arabia, the United Arab Emirates, China and Russia now have access to IDN versions of their country-code domains. Many more will be approved in the coming year. The next step will be approval of IDNs for generic top-level domains (gTLDs).

To support the IDN initiatives of the Internet community, VeriSign has been offering IDN products for more than 10 years. VeriSign is also contributing to an industry-led consortium to drive further adoption of IDN capabilities in standard client software. The IDN Software Developer's Consortium last met in Amman, Jordan on October 29, 2010, and included representatives from Jordan, Saudi Arabia, Russian Federation, Japan, China, Korea, Hong Kong and Australia. The next consortium meeting will be in Cartagena, Colombia during the ICANN meeting.

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 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, pricing pressure from competing services offered at prices below our prices and changes in marketing practices including those of third-party registrars; the current global economic downturn; challenges to ongoing privatization of Internet administration; the outcome of legal or other challenges resulting from our activities or the activities of registrars or registrants; 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; 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.