

Domain Holdings

Domain Sales Report

1ST QUARTER
2014

HIGHLIGHTS INCLUDE:

- \$3,381,634 in Q1 Sales
- Over 75% End User Sales Volume
- China and US account for 80% of sales
- 45% New Relationship Sales
- 14.3% of Sales were Numeric Domains
- Financial, LLL.com and Brandable Domains lead category sales
- 61,248 Targeted Emails
- Over 10,000 + Phone Calls

Domain Holdings is a leader in premium domain name brokerage reaching end users, high end and traditional investors.

Every quarter we look at our statistics internally and have now decided to share them publicly starting with Q1 2014.

While most of our sales are under NDA we can share the collective data to help investors (both new and old) understand trends, highlight interesting data and provide further insight into the domain name industry.

2014 promises to be an exciting year with increased interest from China, the introduction of new GTLD's, and more inventory becoming available that was never public before.



Alan Dunn
SVP Acquisitions and Divestments

\$3,381,634

Total Sales for Q1 2014

sales@domainholdings.com

561-634-7349

Q1 Sales Volume

Domain Holdings has continued to see strong sales volume in 2014 selling

\$3,381,634

of premium domains during Q1 2014.

This represents \$263,015.98 in weekly sales which is

-- 20.8% of the sales volume SEDO reported in their Q4 report for 2013.

\$263,015.98

**Average Weekly
Sales Volume**

+35.62%

Q1 Average Sale

In addition to over \$3 Million in sales during Q1 2014 we were able to achieve an average sales price of \$36,756.89 per name.

This success has been due to a number of different factors most notably:

- Increased referrals
- Greater premium inventory
- Further investment in our commitment to the outbound brokerage model

We believe there is still a very liquid and active investment market for premium domains along with growing demand for the .com version of domains from end users.

\$36,756.89

Average Sale

+15.18%

The Right Buyer

Define “End User”

- A person/company who buys a domain for use. In short, someone who doesn't buy the name for resell and/or someone who has the intent to use the name other than parking it.

During Q1 2014 we were able to accomplish over 76% in end user sales - a 25.3% increase over last quarter.

This is a true testament to our brokerage team for maintaining the commitment to reaching end users.

We understand that 76.25% is a high number and may vary from Q to Q.

Our clients consist of Fortune 500 companies, celebrities, ad agencies, brand lawyers and more - check out some testimonials on the next page.

76.25%

End User Sales

+25.3%

“ I enjoy working with Joe. He is very professional. “

Mark Cuban - Dallas Mavericks Owner, Investor, Entrepreneur

“ Domain Holdings and Mark Daniel made acquiring a domain that was pivotal for the future of one of our businesses effortless. They were efficient, professional and made the entire experience very easy for our company. ”

Gabrielle “Gabby” Reece - Athlete, Fitness Expert, Author

Client Growth

A key part of any company is new customer acquisition and Domain Holdings is committed to reaching buyers outside of the domain investment community every day.

One of our most important performance measures is the number of sales to new relationships.

Over the past quarter Domain Holdings has sold 45% of its sales volume to new relationships. This is a 16.3% increase from last quarter setting a benchmark for us to surpass this year.

45%

New Relationship
Sales

+16.3%

Numeric Domains

Numeric domains are defined as domains which have numbers in them such as:

- 11.com
- 80.com
- 2345.com

Some numeric domains (for our reporting purposes) will also include a character. An example would be:

- 98a.com
- 22b.com

Over the past 6 months numeric domains have increased in demand overseas (primarily Chinese buyers) and demand continues to grow as inventory declines.

Last quarter 14.13% of our sales were for the purchase of numeric domains.

14.13%

Numeric Domains

+9.67%

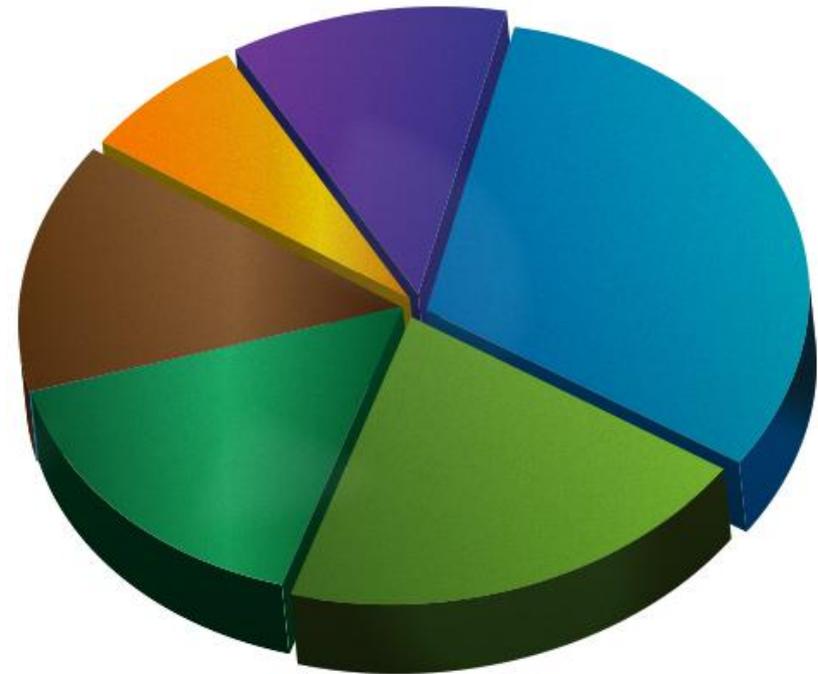
Sales by Category

Brandable, Financial, LLL.com* and Numeric domains led the categories of sold transactions in Q1 2014.

While short domains typically do well we saw a big increase in brandable names this quarter resulting from our strong efforts to focus on buyer requests.

Another takeaway is the reduction of parking portfolio sales compared to last year. We believe this has to do with less quality inventory available and a swing to towards lower multiples for traditional parked portfolios.

* LLL.com = (Domains that contain a Letter Letter Letter such as ABC.com, DEF.com, etc.)



Buyers by Country

During Q1 we recorded almost 98% of all sales from buyers in the United States, China and Europe. The actual breakdown was:

- USA - 53.60%
- China - 33.06%
- Europe - 11.00%
- Other - 2.34%

This has been less diversity than in past quarters and we feel that diversity will return in Q2 due to strong relationships and more outreach into countries such as Israel, Russia and parts of South America.

Additionally, we are seeing strong interest in premium new GTLD's from overseas but its too early to tell how this will translate into sales.



“ Tracy has an in depth understanding of the domain industry, she is exceptionally professional, kind and she is the only person I will buy and sell domains names with. ”

Mark Horne - President, Flying.com

“ Domain Holdings and Mark Thomas were instrumental in helping us acquire a highly strategic domain name. As a leading global tax firm, this was a very important acquisition for us. Mark helped us successfully navigate the highly competitive bidding process and close on this valuable asset in a quick, efficient, and professional manner. ”

Brint Ryan - Founder, Chairman of the Board, and CEO - Ryan LLC

How We Do It.

sales@domainholdings.com

561-634-7349

Touch Points

Our brokers averaged almost 10,000 targeted emails each for the quarter.

This doesn't include skype, text messages and more.

We have made big changes to our pre-qualification process and invested in technology to improve our email communication resulting in higher targeted communication.

We expect this number to grow past 100,000 in Q2 as we continue to expand and invest in our people.

How many emails has your broker sent?

61,248

Initial Emails

We Talk to People

Domain Holdings was founded on the vision of building the best outbound brokerage company in the industry.

A natural part of this growth is to focus on the old fashioned way - speak with people.

Our brokers picked up the phone over 10,000 times last quarter trying to establish relationships, sell names and find opportunities.

How many phone calls has your broker made?

10,000 +

Phone Calls

What's New for Q2

Domain Holdings is committed to providing a world class customer service experience for both buyers and sellers in our brokerage division.

This commitment takes a significant financial investment in both people and technology. Over the next quarter we plan on:

- Hiring additional brokers
- Investing into both our technology and website
- Further Investment in Education for our staff
- and much more.

This industry is something we are very proud to be part of and see a very bright future in.

We want to do business with you.

Hire More.

Invest More.

Trend Watch

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Notable Trends

During Q1 2014 we noticed a few primary trends noteworthy.

(1) The introduction of new GTLDs have been more successful than many people expected with big brands spending significant dollars obtaining premium domains. Due to a new EAP (early access pricing model) for GTLDs offered direct by registries this demand has not yet been significant to brokers but requests are starting to come in for premium GTLD's. We expect GTLD brokerage sales will increase in Q2.

(2) One and Two word .com Brandable names continue to go up in value

(3) Companies (especially in the .eu and .com.au) are upgrading to .com at a higher pace than before.

(4) More Premium Inventory is opening up for sale and high end sellers are becoming more reasonable in pricing.

(5) Demand for Numeric and 2 Letter .com domains has been strong with 5 Number .com's now heading past \$500 for common popular number sets. This is primarily due to the increase of investor demand in China and the limited supply of numeric domains.

Domain Holdings is a **TEAM** of professionals
who can help you buy, sell and monetize
domains.

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+1 (561) 634-7349



About Our Team



John Ferber
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Chad Folkening
Co-Founder



Lon Otremba
Chief Executive Officer



Jason Boshoff
Chief Operating Officer

About Our Team



Alan Dunn
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Sales and Marketing
Operation Manager



Joe Uddeme
Director of Business
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Mark Daniel
Director of Business
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About Our Team



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Senior Premium Domain
Broker



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About Our Team



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For More Information
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