

Domain Holdings

Domain Sales Report

2ND QUARTER
2014

HIGHLIGHTS INCLUDE:

- \$9,935,618 in Q2 Sales
- \$764,278 Average Weekly Sales
- 79.21% of ALL Sales End Users
- 28% Increase in New Relationships
- 22% Increase in Numeric Domain Sales
- Brandable and 2 Word .com's Dominate Over 12,000 + Phone Calls
- Over 72,000 Targeted Emails

Domain Holdings is extremely proud to report our Q2 results showing almost **\$10,000,000** USD in sales.

These results are not just a testimony of success for our team but further acknowledgment that our brand continues to earn trust around the world.

This quarter we handled transactions for great brands like PolicyMic, Wickr, Mark Cuban Investments, Liberty Tax and many more.

While we celebrate our success in this report we should also look beyond the numbers and note that the value of premium domain names are growing due to the combined efforts of the industry and great public awareness. From the success of the new GTLD's to the millions of new dollars being invested in promoting existing options there never has been such a time with such extensive global marketing finally supporting the industry we love so much.

The rest of 2014 promises to be an incredible year and I hope you enjoy the data we can share. We are extremely proud to be part of this industry and look forward to reporting even higher sales next quarter.



Alan Dunn
SVP Acquisitions and Divestments

\$9,935,618

Total Sales for Q2 2014

Q2 Weekly Sales

\$764,278
Average Weekly Sales

Domain Holdings saw record sales volume in 2014 selling \$9,935,618 of domains in Q2.

This represents an average \$764,278 in weekly sales which is almost 200% higher than our Q1 reported sales. In comparison this sales volume is equivalent to 61.1% of the total sales of SEDO from their last quarterly report.

Q2 Average Sales

\$29,019
Adjusted Average Sale

With almost \$10 Million in sales during Q2 2014 we were able to achieve an average sales price of \$98,372.46 per name.

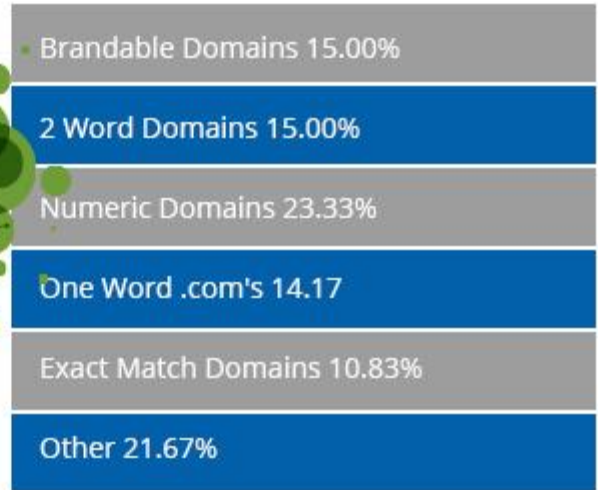
This average represents a much higher than normal average due to some sizeable transactions. However when we remove the highest and lowest 5 sales the average transaction was \$29,019 providing a much better representation of our overall average transaction amount.

Sales by Category

Brandable and 2 Word .com domains continue to dominate our unit sales with 30% of the sales falling into these two categories.

These domain types are the most requested by companies increasingly overshadowing exact match and one word .com domains.

Numeric domains enjoyed a healthy 23.3% of all unit sales but removing one large transaction the average sale was \$7,440, far below the average brandable or 2 word domain name sale.

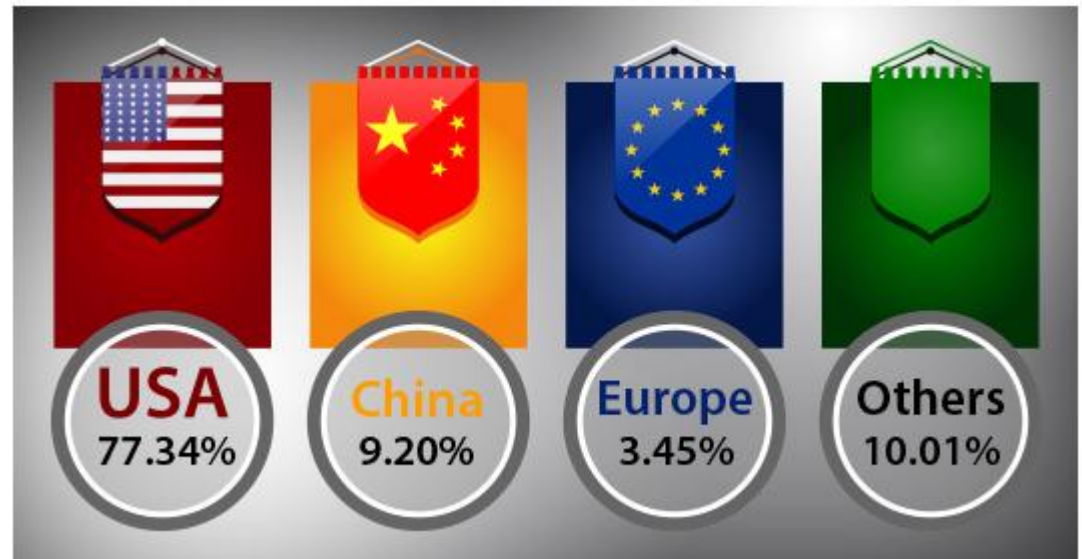


Buyers by Country

During Q2 89.9% of sales were from the US, China and Europe. One of our main goals this quarter was to diversify more into other regions.

In Q1 these countries represented almost 98% of sales so we were able to diversify our global client base by almost 10%.

While the US, China and Europe will remain a large majority of sales we feel there is still much room in many markets to find new buyers and sellers.





“The whole Domain Holdings team rallied to get a deal closed”

Christopher L. Burnley - Chief Business Officer – Envivo Pharmaceuticals



“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

New Relationships

This is one of our most important metrics.

Too high of a number and it means we are not servicing our existing clients well.

Too low of a number and we are not growing along the lines of our expectations.

This quarter represented a great number with a 28% increase in new relationship sales reflecting our continued dedication to the outbound brokerage model, maturing pipelines, new marketing campaigns and the seasoning of newer employees.

**+28% Increase
in New Relationship Sales**

Numeric Domains

During Q2 we saw a 22% increase in Numeric domain sales along with some very interesting trends including:

- 5 Number .com domains rose quickly throughout the quarter with a correction near the end.
- Huge portfolio acquisitions of NNNN.com's caused increased demand.
- Continued rising values for any NNN.com

**+22% Increase
in Numeric Domain Sales**

New Domain Extensions

Many more new top level domains were released this quarter including .link, .expert, .trade, .condos and more with total registrations for these new extensions now surpassing 1,000,000 units.

During Q2 we received a lot of interest in these new extensions and while sales were only a minor portion of our overall activity it's clear that there is growing demand for super premium domains in these new extensions.

Michael McConville (one of our premium domain brokers) **sold Luxury.Estate for \$50,000 USD** and many other brokers received offers on several of these new domains.

We strongly believe there is a market for these new extensions and while .com will likely remain king for the foreseeable future there is no doubt many different levels of success will be realized for owners and operators of these extensions.



How We Do It

Targeted Qualified Emails

Our brokers sent over 72,000 emails this quarter to targeted buyers and sellers.

As we grow we continue to refine our marketing methods and focus only on well researched, targeted emails to decision makers, business owners, qualified buyers and more.

We spend 10's of thousands of dollars annually providing our brokers the tools to help find opportunities and match buyers and sellers.



The Old Fashioned Way

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 - picking up the phone and speaking with people.

Our brokers recorded over 12,000 calls last quarter trying to establish relationships, sell names and find opportunities.



Trend Watch and Q3 Thoughts

Q2 was a highly successful quarter for Domain Holdings not only in sales results but also other key indicators such as buy requests, new relationships, customer referrals and more.

As we work into Q3 we see the industry gaining momentum as more people realize how important it is to own the right domain. However the definition of “the right domain” is certainly changing.

Increased adoption of established extensions like .ME and .CO combined with the many new options available is helping this industry expand faster than ever before.

- A continued rise in value for brandables and great 2 word dot com domains
- Further tightening of what is considered a great domain name
- Higher interest in social media handle acquisitions
- Higher reported aftermarket sales for the New GTLD's.
- Greater demand for upgrading domains from CCTLD's
- Increased investment from overseas markets especially Asia.



For More Information
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