



DOMAIN MARKET STUDY

2ND QUARTER 2012

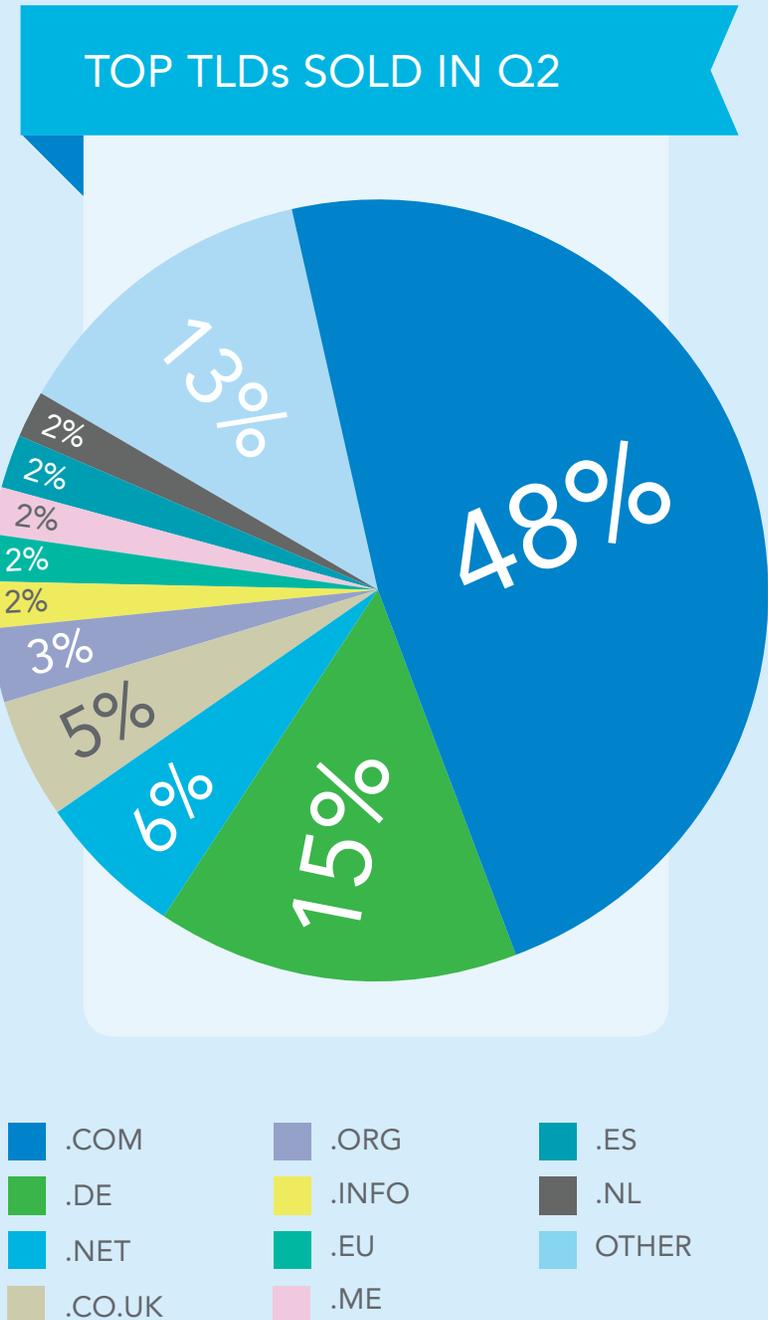
The results of Sedo's Domain Market Study for the second quarter of 2012 show a stable market overall, with little change from the previous few quarters. As is usual, a slight decline in total sales accompanied the beginning of summer: In total, 9,049 transactions took place at a sales value of more than \$17.5 million, with the majority of those sales happening in May. One positive change was the continued increase in the number of Buy Now sales during Q2, meaning that this has remained the favored sales channel at Sedo. As more and more sellers list domains with Buy Now prices for sale in the SedoMLS network, which distributes Buy Now names to millions of end users around the world, this trend should continue throughout 2012.

HIGHLIGHTS INCLUDE:

- ▶▶ Growth in Buy Now sales volume and value during Q2 2012
- ▶▶ Surprise increases in average sales prices for .net and some ccTLDs
- ▶▶ Italy & Australia entering the top 10 most frequent countries of origin for buyers

1. TOP TLDs SOLD IN Q2 2012

The .com extension held strong in Q2 2012, accounting for 48% of all domains sold on Sedo's Domain Marketplace. This is an increase of 3% for .com as compared with the previous quarter. In second place, .de accounted for 15%. The most significant change since the previous quarter was the reappearance of the newer .me TLD in the top 10 list, but with two special .me auction events happening in Q2, this is an understandable increase. Overall, there were no major changes since Q1 2012.

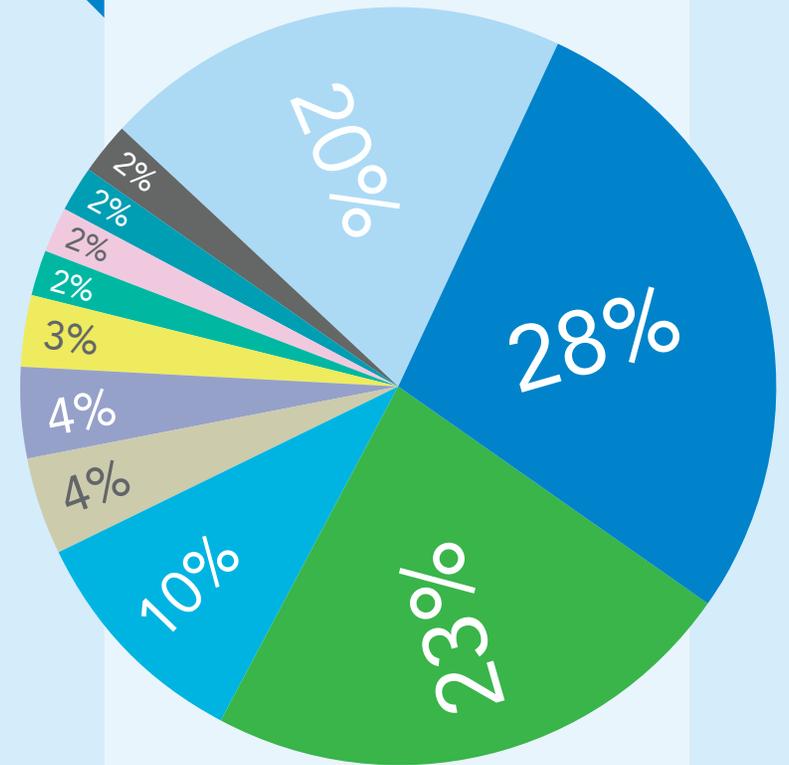


2. DOMAIN BUYERS AND INTERNATIONALITY

Sedo is the only global company which connects sellers and buyers from more than 160 countries and in more than 25 languages. Our brokerage team's expertise, coupled with the strategic partnerships Sedo has with registrars and domain service providers in Europe, the Americas and Asia, helps domains listed at Sedo reach the right buyer, wherever they are located. The graphic to the right shows that 51% of buyers come from the US and Germany, two of Sedo's strongest markets.

There was an increase in Q2 2012 in the number of buyers from Italy and Australia, as compared with Q1 2012, when China and Austria were in the top ten. The other buyer origin results closely follow the patterns seen in previous quarters.

DOMAIN BUYERS BY COUNTRY



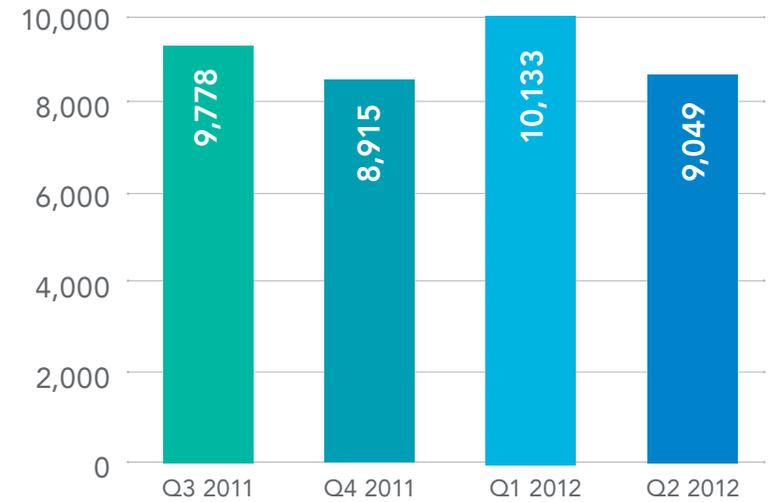
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3. SALES VOLUME

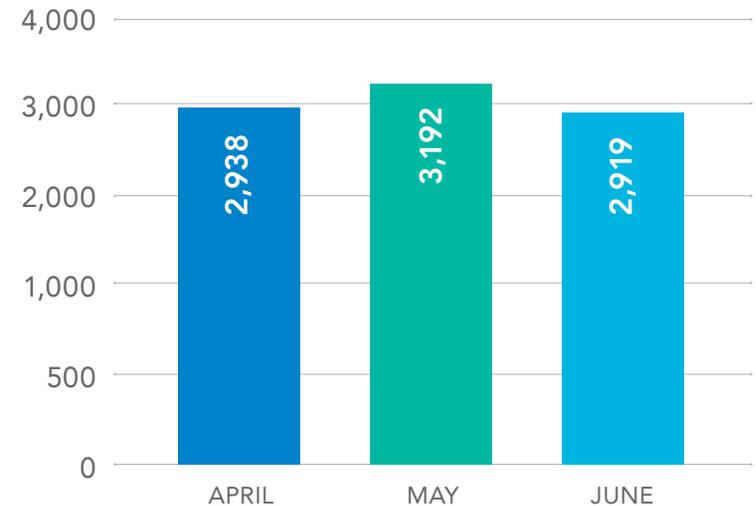
The graphics to the right show sales volume quarter over quarter, and month over month. After a strong start to 2012, there was a decline in overall sales volume for Q2 2012, with a total of 9,049 sales taking place. Looking at the figures month over month, we see that the strongest part of the quarter was May, with 3,192 sales. This parallels previous years' results, where there is a slight dip in sales volume moving into the summer months.

SALES VOLUME PER QUARTER



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SALES VOLUME PER MONTH, Q2 2012

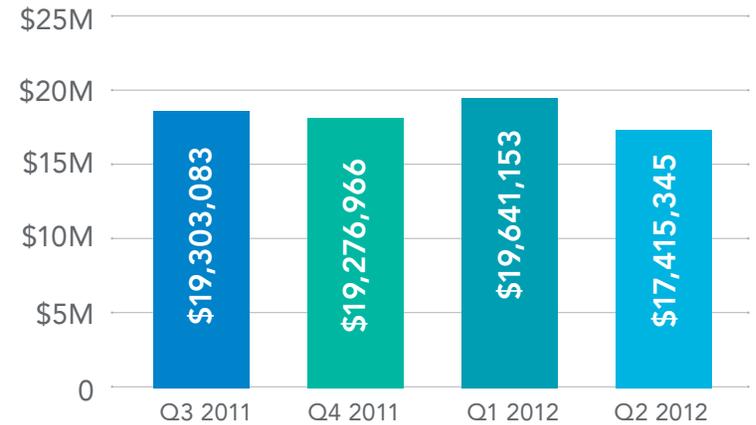


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4. SALES VALUE

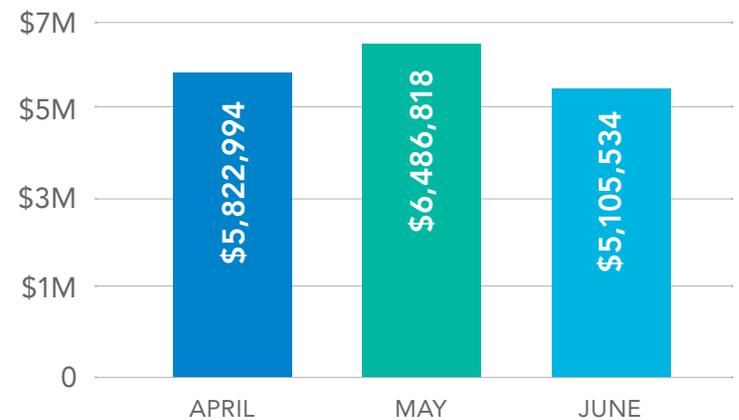
The graphs to the right show the development of sales value in the last four quarters, as well as the change in sales value month by month for Q2 of this year. There has been no great change quarter over quarter, although the first half of 2012 is stable by comparison with the second half of 2011. As well as having the highest sales volume, May showed the highest sales value during Q2 2012.

SALES VALUE PER QUARTER



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SALES VALUE PER MONTH, Q2 2012



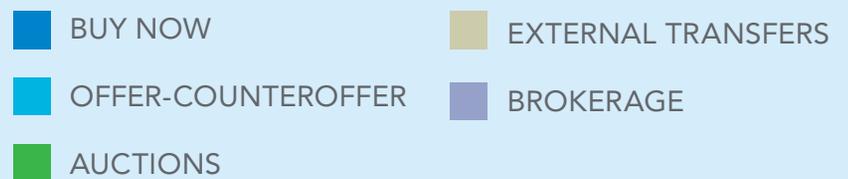
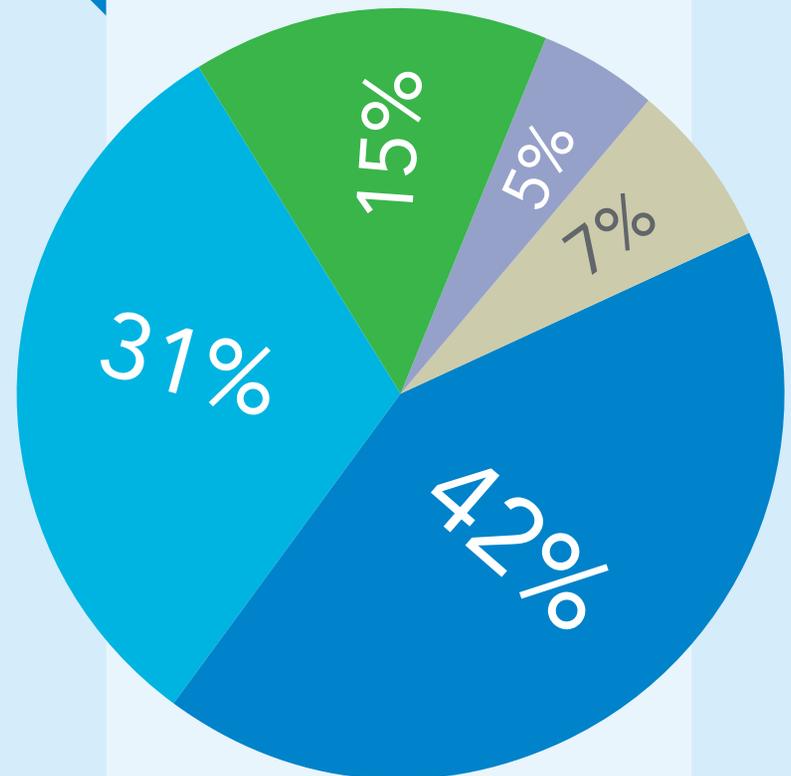
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5. MOST POPULAR SALES CHANNELS

One of the significant changes during the first quarter of 2012 was the increase in Buy Now sales, which resulted in Buy Now names becoming the most frequently traded at Sedo. This sales method is even more popular in Q2 2012, having increased by 3% to account for a huge 42% of all sales. By comparison, Offer-Counteroffer sales now stand at 31%. The gap between these two sales types goes to show that buyers increasingly prefer to purchase names at set prices, and that sellers are beginning to opt more and more for the listing type that buyers prefer.

In third place were brokered sales, accounting for 15%, and external transactions at 7% of the total number of sales. We expect to see the Buy Now sales type continue to increase in popularity in the second half of the year.

Q2 2012 SALES BY CHANNEL

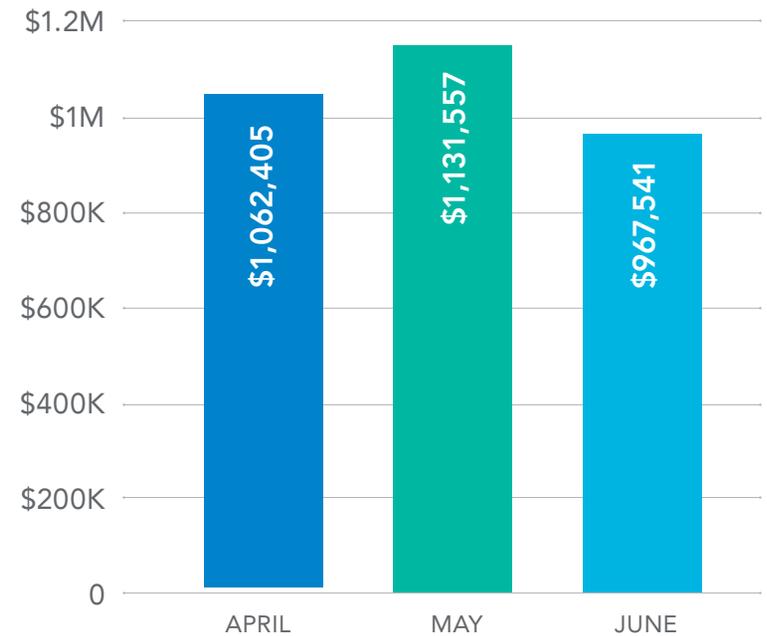


6. BUY NOW OVERVIEW

After massive growth in 2011, Buy Now sales value remained strong in Q2 2012, hitting more than \$3.1 million in total sales. Once again, May was the strongest month of the quarter, accounting for \$1.1 million in sales value.

This growth shows that both buyers and sellers are seeing the value in Buy Now prices. The continued expansion of the SedoMLS network means that more Buy Now names are being sold, which is in turn reflected in a higher average price of \$838.

BUY NOW SALES VALUE PER MONTH

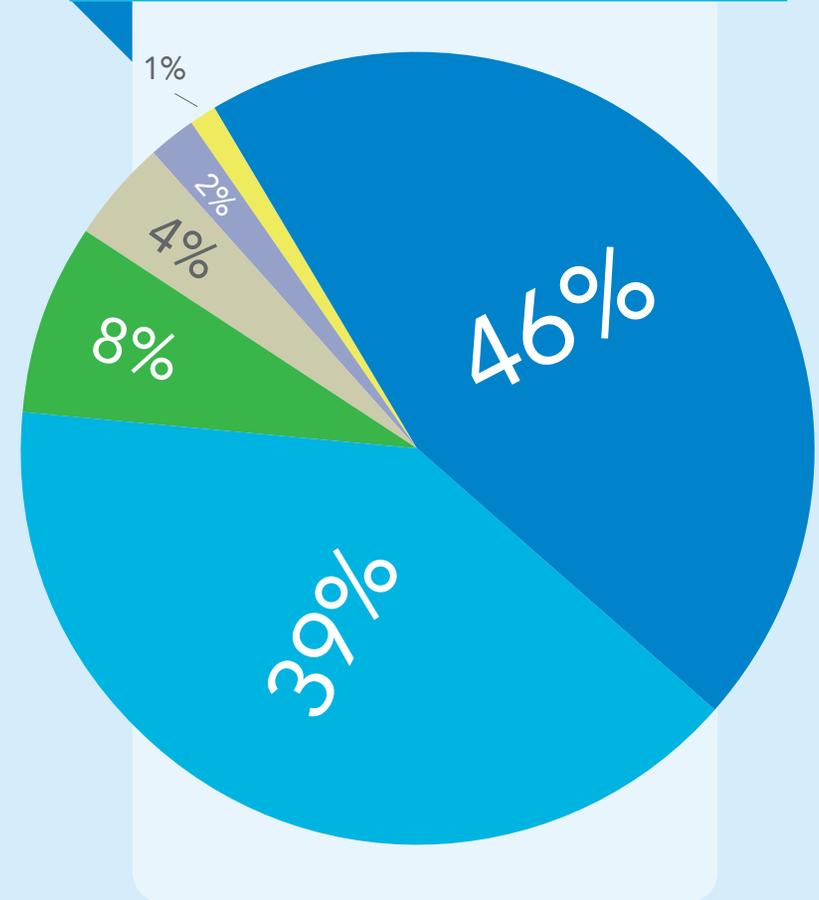


7. DOMAIN SALES BY PRICE RANGE

This chart shows the preferred price categories for buyers purchasing names at Sedo. A majority of sales—a total of 46%—fell under \$500. Domains sold between \$500 and \$2,500 were next most popular, at 39%. The results otherwise remained consistent with the previous quarter, showing that buyers still prefer affordable price points. This is tied into the popularity of Buy Now listings, which are often priced below \$500, and frequently include domains that consist of at least two keywords, with a less common TLD.

A total of 39% of domain sales fell between \$500 and \$2,500. In this category, names are often short, English language terms with more unusual extensions, for example, l.kg (\$2,400), seek.md (€840) or picture.to (€1,500). Domains sold at higher price points are often shorter, more brandable, or purchased for new businesses. The small proportion of names over \$50,000 (only 1%) are used frequently for international brands or sites, and are usually a top-selling TLD. Examples of higher value names sold in Q2 2012 are artdeco.com (\$75,000) or onlinefreegames.com (\$90,000).

SALES BY PRICE RANGE



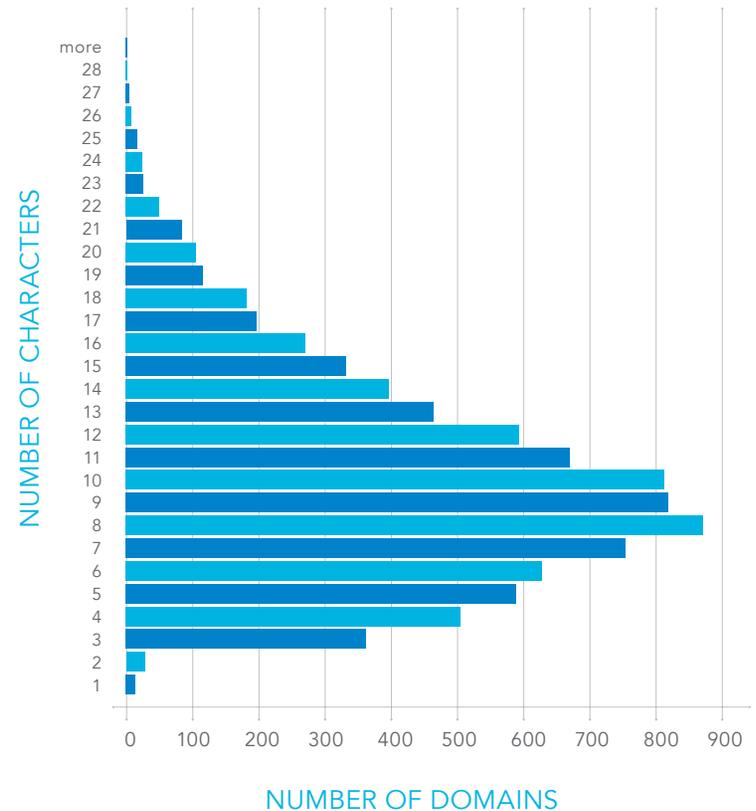
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- UP TO \$500
- \$501 - \$2,500
- \$2,501 - \$5,000
- \$5,001 - \$10,000
- \$10,001 - \$50,000
- \$50,001 AND UP

8. DOMAIN LENGTH

Domain length has always played a vital role in domain value, and the general rule holds that a shorter domain name is more valuable. The chart to the right shows the frequency of domain sales based on domain length. The longest domain sold at Sedo in Q2 2012 was `private-krankenversicherung-test.de`, at 34 characters. Most names with more than 15 characters consist of two or more German language terms. The most common domain length in Q2 2012 was 8 characters (for example, `interest.me`), which is consistent with Q1's results.

SALES VOLUME BY DOMAIN LENGTH



9. MEAN, MEDIAN, AND MODE PRICES

Mean, median, and mode sales prices give an overview of the domain market from a variety of perspectives. The mean is the overall average price, while the median gives us an average that factors out especially high- or low-value sales, and the mode shows us the most common sales price for the quarter.

In Q2 2012, the mean (average) sales price was \$1,925, holding steady compared with the previous quarter. The median for Q2 2012 remained stable at \$595, as did the mode (\$500 in Q2). From this data, we can see that the majority of sales still happen in the \$500 to \$600 range, and the mode price suggests that buyers tend to prefer a round figure when purchasing a name.

As the total number of Buy Now sales increased, so did the mean (average) Buy Now sales price, which was was \$838 in Q2 2012.

AVERAGE SALES PRICES BY MONTH & BY QUARTER

	MEAN	MEDIAN	MODE
APRIL	\$1,982	\$592	\$500
MAY	\$2,032	\$600	\$500
JUNE	\$1,749	\$595	\$500
Q2 2012	\$1,925	\$595	\$500

10. COMPARISON OF MEAN SALES PRICES

A) MEAN SALES PRICES BY gTLD

The average sales price for .com domains was \$2,107 during Q2 2012, once again holding steady as compared to the previous quarter. The .net extension, however, became our surprise top gTLD in Q2, increasing its average sales price from \$1,619 last quarter to \$2,470 in Q2.

B) MEAN SALES PRICES BY ccTLD

Among ccTLDs, there were increases for most of our top contenders, with .at showing the biggest increase from \$1,484 in Q1 2012 to this quarter's average price of \$1,723. The .de and .fr extensions also showed strong growth. The .es and .co.uk TLDs showed declines, but the market overall is still a very strong one for country code extensions.

MEAN SALES PRICE BY gTLD

gTLD	Q3 2011	Q4 2011	Q1 2012	Q2 2012
.COM	\$2,496	\$2,762	\$2,347	\$2,107
.NET	\$1,430	\$1,809	\$1,619	\$2,470
.ORG	\$1,189	\$1,130	\$1,225	\$1,207
.BIZ	\$1,122	\$883	\$1,011	\$798
.INFO	\$1,182	\$757	\$896	\$845

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MEAN SALES PRICE BY ccTLD

ccTLD	Q3 2011	Q4 2011	Q1 2012	Q2 2012
.DE	\$1,715	\$930	\$1,454	\$1,522
.AT	\$1,142	\$867	\$1,484	\$1,723
.FR	\$2,288	\$1,636	\$1,870	\$1,997
.ES	\$2,418	\$1,411	\$1,582	\$1,104
.CO.UK	\$1,880	\$1,375	\$1,743	\$1,615

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11. COMPARISON OF MEDIAN SALES PRICES

Median sales prices in Q2 2012 also remained relatively constant. There was a small decline for .com and .net, while .biz and .info saw significant increases, suggesting that buyers may have been opting for slightly less common TLD purchases this quarter.

12. TOP 10 PUBLIC SALES

To the right is a list that shows the top 10 public sales over Sedo's Domain Marketplace in Q1 2012. Over 80% of Sedo's sales revenue is private, and is not included on this list. Sales prices are in the currency that the sale took place in.

MEDIAN SALES PRICE FOR gTLDs

TLD	Q3 2011	Q4 2011	Q1 2012	Q2 2012
.COM	\$650	\$650	\$653	\$610
.NET	\$550	\$515	\$500	\$501
.ORG	\$500	\$500	\$500	\$510
.BIZ	\$448	\$379	\$399	\$495
.INFO	\$519	\$410	\$351	\$427

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TOP 10 PUBLIC SALES Q2 2012

DOMAIN	SOLD FOR
online-casino.de	€115,000
sommerhus.dk	€87,500*
ahha.com	\$112,000*
onlinefreegames.com	\$90,000*
interest.me	\$80,000
artdeco.com	\$75,000*
gruppenreisen.de	€59,500*
hot.net	€56,700
geschenkideen.de	€50,000*
film.tv	\$65,000*

*These domains were sold via Sedo's domain brokerage service.

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13. SALES BY CATEGORY

Sedo tracks all domain sales by category, with more than 200 categories in total. The list to the right shows the top categories for Q2 2012, which remained similar to the what was seen in previous quarters. As the top category, Computers included sales like superfile.com. Business domains include dreamhotels.com, and in the Internet category there were names such as onlinefreegames.com.

TOP 10 CATEGORIES

- | | |
|-------------|--------------------|
| 1 Computers | 6 Health |
| 2 Business | 7 Sport |
| 3 Internet | 8 Society |
| 4 Shopping | 9 Finance Services |
| 5 Travel | 10 Recreation |

14. IDNX – THE DOMAIN NAME PRICE INDEX

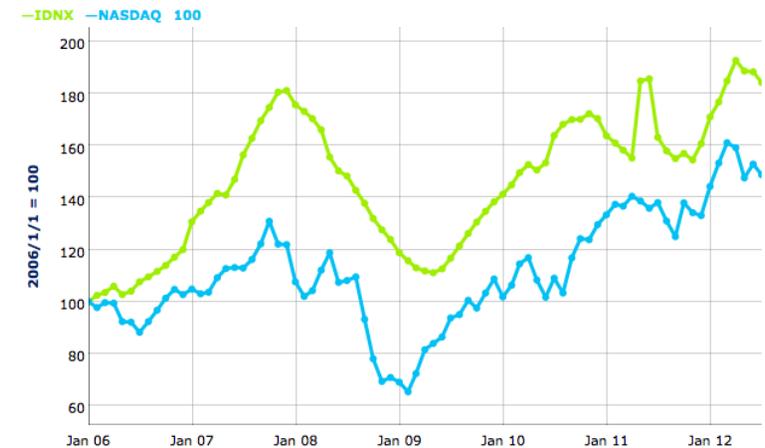
IDNX is the first standardized pricing index for the domain market, helping add transparency and provide domain investors with a means to track their investment.

After months of growth since Fall 2011, domains reached an all-time high in March 2012. As of Q2 2012, it seems that these prices may be holding steady, with only small declines throughout the quarter. While this is good news for domain owners, proving that domains are still a highly valuable investment, the uncertain state of the world's financial markets makes it difficult to predict how the domain market will develop in the second half of the year. By looking at historical data from IDNX, it seems likely that domains will continue to parallel the performance of the NASDAQ 100 and other economic indicators for online and tech business.

One of the biggest challengers that the domain market faces is social media: frequently, businesses will use Facebook or Twitter as their main online home. However, given the performance of Facebook's IPO, it seems that domain investors do not need to worry. Since Facebook went public, their stock price fell by 17% while IDNX declined only 2.3%. It remains to be seen how the remainder of the year will develop, but for now, IDNX shows a stable market overall.

Find out more at Sedo.com/idnx

DOMAIN PRICES COMPARED TO THE NASDAQ 100



15. CONCLUSION

The second quarter of 2012 was overall a stable one, with only a few small changes in sales prices and averages. After adding a number of new partners to the SedoMLS distribution network in the first half of the year, we have seen more end users purchasing domains not only on Sedo's platform, but also at their registrar or other domain service provider. This means that more sellers using Sedo are selling domains with Buy Now prices, and more buyers are purchasing them via SedoMLS.

For buyers who are purchasing names via Sedo's Domain Marketplace, there is also a new feature that helps them assess the potential value of any domain. Our new Domain Value Indicators feature shows at a glance a series of facts and figures that can help a buyer come to a decision to make a purchase. Domain value will continue to be a focus of Sedo's new tools and products in the second half of this year, and we look forward to helping more sellers and buyers connect in order to create successful sales.

DOMAIN VALUE INDICATORS FOR MOMS.COM

Domain Value Indicators moms.com



Variable	Result	Other domains at Sedo
Search Traffic		
Global monthly searches 	49,500 per month	96% below 4% above
Regional monthly searches 	8,100 per month	97% below 3% above
Advertisement Revenues		
Estimated keyword cost-per-click (CPC) 	up to 0.97 € per click	93% below 7% above
Registration Comparison		
Year of registration for "moms.com" 	1996	98% later 2% earlier
Year of registration for "moms.net" 	2004	86% later 14% earlier
Registrations of keywords among most popular domain extensions 	93%	95% below 5% above
Other		
Domain is an IDN 	NO	96% NO 4% YES

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