The virtual world's share of daily reality

SIDN

Report
Supervisory Board's report 2008

The Supervisory Board, which has been active since 2005, supervises and reviews the policy of the Executive Board and provides advice whenever needed. During 2008, the Supervisory Board had seven members and was chaired by Eddy Schuyer.

The main focuses of the Board's supervision and review activities are SIDN's business strategy and the associated risks, realisation of the organisation's objectives and the design and effectiveness of the internal risk management and control systems.

Matters discussed and/or decided at the four meetings of the Supervisory Board held in 2008 included the following:
- The annual report and accounts for 2007
- The annual plan and budget for 2009
- The annual reports of the Supervisory Board, the Appointments Subcommittee and the Audit Subcommittee in the context of corporate governance
- The reappointment of E. Schuyer, E. Huizer and C. van der Valk, each for a period of three years
- The decision to continue development of SIDN's own DRS4 system, rather than to purchase a registration system from another registry
- The covenant signed with the Ministry of Economic Affairs on assuring the continuity of the .nl domain
- Creation of a Security & Stability Subcommittee of the Supervisory Board
- Certain changes to SIDN's constitution, including revision of SIDN's object and changes to the terms of office and maximum ages of Supervisory Board members
- The pricing policy effective from 1 January 2009 and the associated discount scheme, with one year's retrospective effect

The Audit Subcommittee met on three occasions and considered matters such as the annual accounts for 2007, the prognoses and quarterly reports for 2008, the change and release management audit and the interim annual audit.

Events linked to the introduction of numeric domain names in February/March, coupled with service interruptions in May and October received the particular attention of the Supervisory Board. The Supervisory Board believes that the policies pursued have enhanced the efficiency and effectiveness of the organisation as a whole, thus raising service quality and reliability. The closure of a covenant between SIDN and the Ministry of Economic Affairs was recognition of SIDN's excellent management of the .nl domain and a strong incentive to achieve the highest possible levels of continuity.

Eddy Schuyer
Chairman of the
Supervisory Board

Market and Community

In a few short years, the internet has become a prominent feature of the global economy. It is used by more than a billion people for professional and social purposes. The internet is fundamental to a whole series of new economic developments, and to many activities and infrastructures that keep the world's economies running. It underpins everything from financial markets and health services to energy supply and transport.

From being primarily an information source only five years ago, the internet has quickly become an almost indispensable component of modern life. It has emerged as an excellent medium for enriching everyday living and meeting people's needs.

The integral role that the internet now plays in day-to-day life was one of the most striking points highlighted by the 2008 pan-European Mediascope Study. The study found that 178 million Europeans (60 per cent of the population) use the internet every week. Indeed, more than half of Europe's internet users – and 54 per cent of those in the Netherlands – go on line every day.

Contact with friends and relatives is also supported by the internet. No less than 73 per cent of the net users who took part in the study said that the internet had boosted such interaction. This figure emphasises the importance of the internet for maintaining existing social contacts and making new ones (e.g. on social networking sites).

The economic significance of the internet grows by the day. Between 2004 and 2008, the proportion of European internet users shopping on line doubled, from 40 per cent to 80 per cent. Furthermore, almost all of them now make use of digital information, expert test reports and user reviews to help them choose products and services. Nearly half of net users manage their finances on line. Against his backdrop, consumer marketing without the internet has become almost unthinkable.

For business-to-business interaction, the internet is vital. It enables web-based selling, direct global contact, twenty-four-seven data access, supplier selection, order placement, tracking and tracing, and direct stock control. Meanwhile, the creation of more and more product-specific marketplaces for contact between purchasers and suppliers is enhancing transparency and accessibility.

Government bodies and other public sector organisations also rely heavily on the internet. Four in ten European internet users take advantage of the easy and speedy availability of care and health information on the internet. Almost as many get information from the government in the same way.

The growth of the World Wide Web is being driven principally by the first generation to have grown up with the internet: 25-to-34-year-olds. People in this age group spend an average of nearly fourteen hours a week on the internet, compared with an average of twelve hours for all age groups. Two thirds of these young adults use the internet on a daily basis, nearly half communicate via social networking sites and a quarter have defined personal profiles on such sites. However, it would be wrong to think that the increasing popularity of the internet is all down to this 'golden internet generation'.

In the Netherlands, the proportion of over-fifties with internet access rose in the first half of last year by more than eight percentage points, to 64 per cent. Senior

citizens are also spending more and more time on line; indeed, internet use by the over-65s is expected to converge with the national average. Some 83 per cent of Dutch people have internet access – the third highest figure in the world. Reliance on the net is now such that nine out of ten internet users in the Netherlands now say that they couldn't live without it.

Growing user numbers and usage intensity, coupled with the increasing number of publicly accessible sites, have implications for market players such as SIDN. The need to ensure the continuity and robustness of the systems that provide for the traceability and availability of websites and mailboxes increases in step with the associated economic and other interests. This responsibility is shared by all top-level domain (TLD) registries and their direct clients, the internet service providers.

Another consideration is that further development of the internet to realise its full potential is possible only if user confidence continues to grow. In the Netherlands and around the world, the issue of internet governance – with subthemes such as access, diversity, security and confidence – is high on the agenda and the focus of numerous initiatives and activities. SIDN is closely involved in these developments, often as an initiator or co-initiator: a role that the organisation intends to expand.
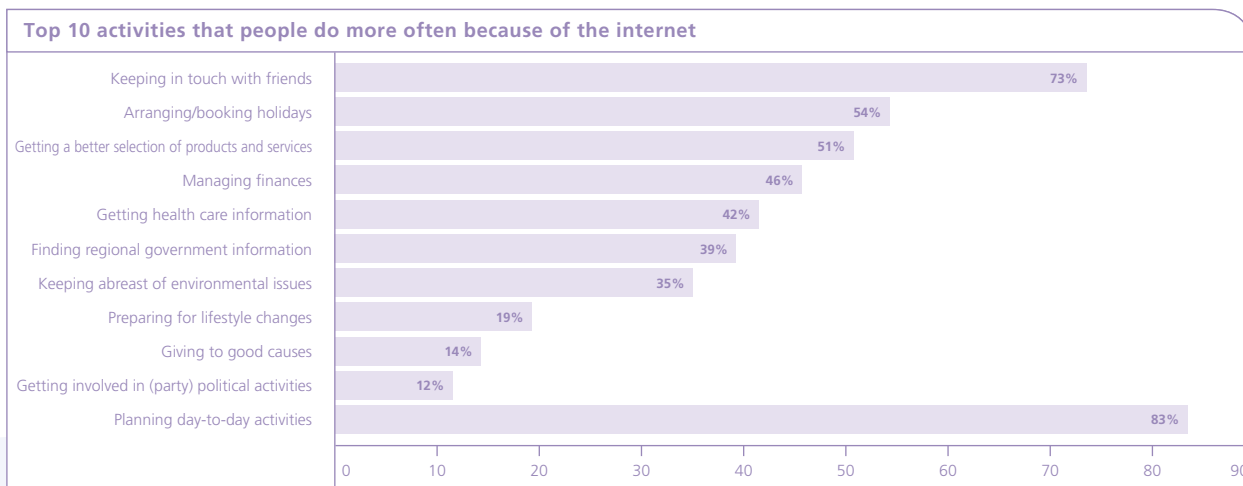
New opportunities and markets are being opened up by technological integration, in the context of both infrastructure and user devices. Furthermore, the expectation is that during 2009 various new TLDs and even new categories of TLD, such as brand-TLDs and user group-specific TLDs, will be added to the landscape.
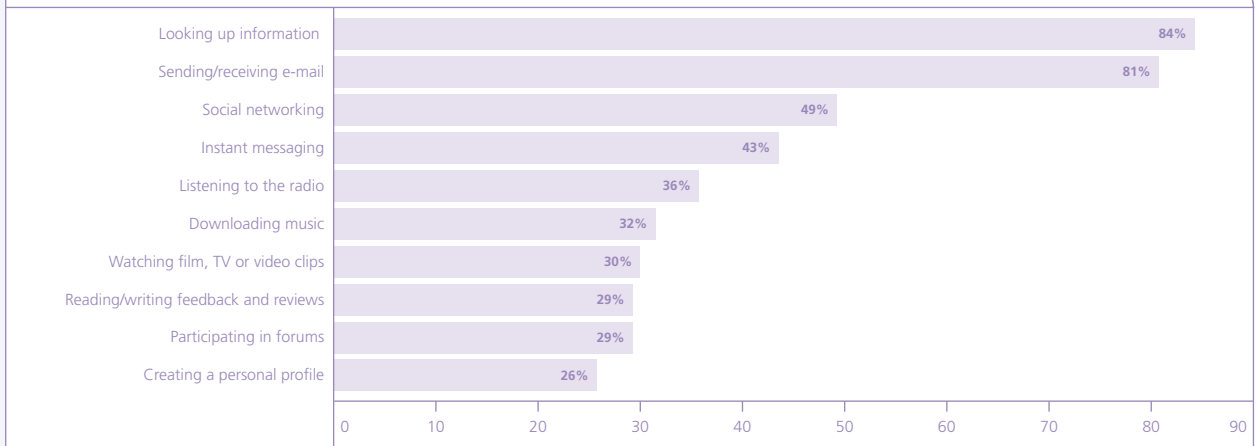
SIDN is ready to take advantage of the opportunities that arise and to support its clients in their response to these developments.

Roelof Meijer
CEO SIDN

Five years of rapid growth			
	2008	2004	Growth
On line at least once a week	60%	47%	+28%
On line on weekdays	59%	47%	+25%
On line at the weekend	51%	39%	+31%
Time on line per week	12.0 hours	8.8 hours	+36%
Days on line per week (average)	5.6	4.9	+14%
Proportion on line every day	55%	40%	+38%
Percentage 'heavy' internet users	28%	17%	+65%
Broadband use	80%	56%	+43%
E-commerce			
	2008	2004	Growth
On-line research leading to purchase	87%	50%	+74%
On-line research done	97%	80%	+21%
On-line purchase(s) made	84%	40%	+110%
On-line research, off-line purchase	85%	57%	+49%

Top 10 activities that people do more often because of the internet

Activity	Percentage
Keeping in touch with friends	73%
Arranging/booking holidays	54%
Getting a better selection of products and services	51%
Managing finances	46%
Getting health care information	42%
Finding regional government information	39%
Keeping abreast of environmental issues	35%
Preparing for lifestyle changes	19%
Giving to good causes	14%
Getting involved in (party) political activities	12%
Planning day-to-day activities	83%

Top 10 on-line activities for 25-34-year-olds

Activity	
Looking up information	84%
Sending/receiving e-mail	81%
Social networking	49%
Instant messaging	43%
Listening to the radio	36%
Downloading music	32%
Watching film, TV or video clips	30%
Reading/writing feedback and reviews	29%
Participating in forums	29%
Creating a personal profile	26%

Source: EIAA Mediascope Europe 2008

Percentage of European internet users who go on line seven days a week

Country	
France	66%
Denmark	63%
Sweden	61%
UK	57%
Spain	56%
Europe	55%
Belgium	55%
Netherlands	54%
Norway	50%
Germany	46%
Italy	38%
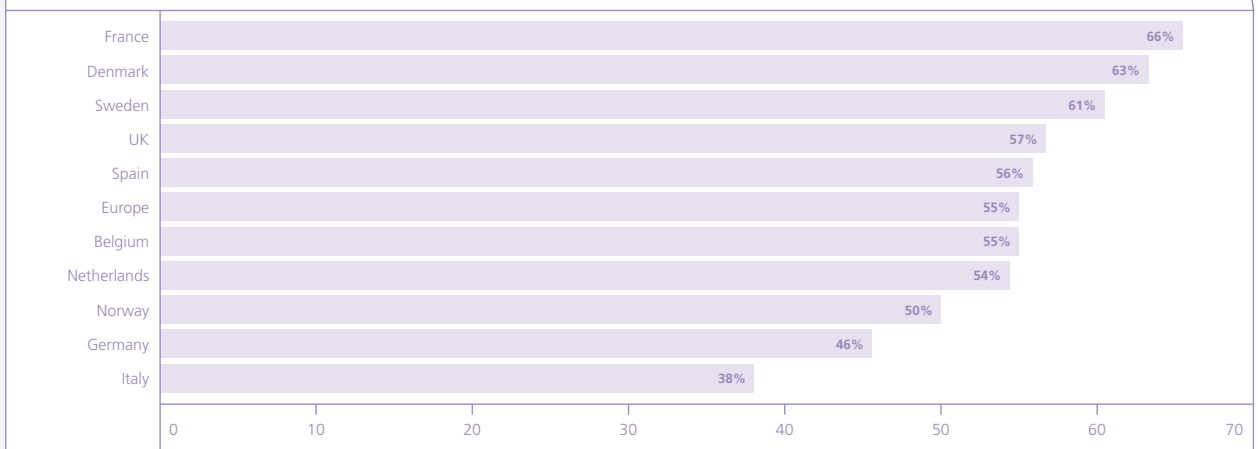
Source: EIAA Mediascope Europe 2008

Average number of on-line purchases in the preceding six months

Country	2007	2008
UK	15,7	16,7
Denmark	11,7	15,6
Sweden	5,7	15,4
Norway	9,8	14,6
Germany	8,1	9,6
Europe	7,7	9,2
Netherlands	5,9	6,7
France	5,7	6,5
Spain	3,4	5,0
Belgium	4,5	4,9
Italy	2,9	3,2

Source: EIAA Mediascope Europe 2008

Any business that wants to get ahead, needs an internet presence.

bram@debestezzp-er.

Claim your domain

97 per cent of all Dutch internet users looked on line for information about products or services and **51** per cent did so more often in 2008 than before.

Profile of SIDN

Playing a lead role in the global internet community

Since operation of the .nl domain was delegated to SIDN in 1996, the Dutch country-code domain has grown exponentially. Having comprised just 9,614 unique domain names at the time of delegation, by the close of 2008 it embraced roughly 3.2 million. Numerically speaking, .nl is one of the biggest country-code top-level domains (ccTLDs) in the world. As well as issuing and registering a daily average of 1,700 new domain names, SIDN handles roughly a billion search queries a day. By doing so, the organisation facilitates the delivery of mail to .nl e-mail addresses, and the global traceability and continuous availability of .nl websites. Reliability, stability and the development of innovative services against a backdrop of operational transparency are SIDN's guiding principles.

Businessmodel

SIDN markets its services through more than 2,100 registrars based in the Netherlands and other countries, who in turn serve the .nl registrant community. In many cases, registrars offer .nl domain registration as part of a package of services, which may also include hosting, broadband internet access, VoIP and so forth. The registrants of .nl domain names are drawn from all sectors of the economy and include an increasing number of private individuals. For service providers and end users alike, the .nl domain is a familiar and dependable feature of the global internet landscape.

Services

SIDN enables the registration of .nl domain names and the subsequent amendment of registrations. It also ensures the traceability of registered domains on the internet by associating each one with a unique IP address. Information about the registration process, about currently registered .nl domain names and about other matters concerning the .nl zone is published on our website. In 2008, it became possible to register not only the now familiar alpha(numeric) domain names, but also purely numeric domain names, such as 9292.nl. From March, SIDN also began offering ENUM domain registration services. ENUM technology makes it possible to link the internet to traditional landline and mobile telephony at the individual user level.

Mission and core values

SIDN provides high-quality innovative services to support the creation of domains for use in sustainable, problem-free lifestyles. SIDN seeks distinction by endeavouring to excel in terms of reliability, stability, service innovation and operational transparency.

Five core values underpin SIDN's activities: professionalism, reliability, innovation, client focus and impartiality. SIDN's services are positioned primarily on the basis of quality and performance. In the provision of its .nl and ENUM-related services, SIDN strives for operational efficiency as a means of delivering maximum added value to the local and global internet communities. SIDN does not pursue the maximisation of profit or corporate value.

Good corporate citizenship

As a leading internet organisation, SIDN believes that it has a responsibility to promote internet security, to encourage application and utilisation of the internet and to deter its abuse. SIDN accordingly initiates national and international action, as well as encouraging and supporting activities in the field of internet governance. In its capacity as a good corporate citizen, SIDN also sponsors deserving projects.

National and international position

With a share of 70 per cent, SIDN leads the Dutch domain name market. Globally, the .nl domain is the ninth-biggest TLD. SIDN plays a leading role in international forums, such as ICANN (the Internet Corporation for Assigned Names and Numbers), CENTR (the Council of European National Top-level Registries) and the IGF (Internet Governance Forum). SIDN is already one of the world's leading registries and intends to further consolidate its position.

The success of the .nl product is underlined by the growing interest in .nl domain names on the secondary market (the market in already-registered domain names). Data published by Sedo indicate that, with an average selling price of € 2,889 in 2008, .nl domain names had a higher resale value than names with any other extension. A good .nl domain name attracts extra traffic and exposure, thus enhancing corporate brand value inside and outside the Netherlands.
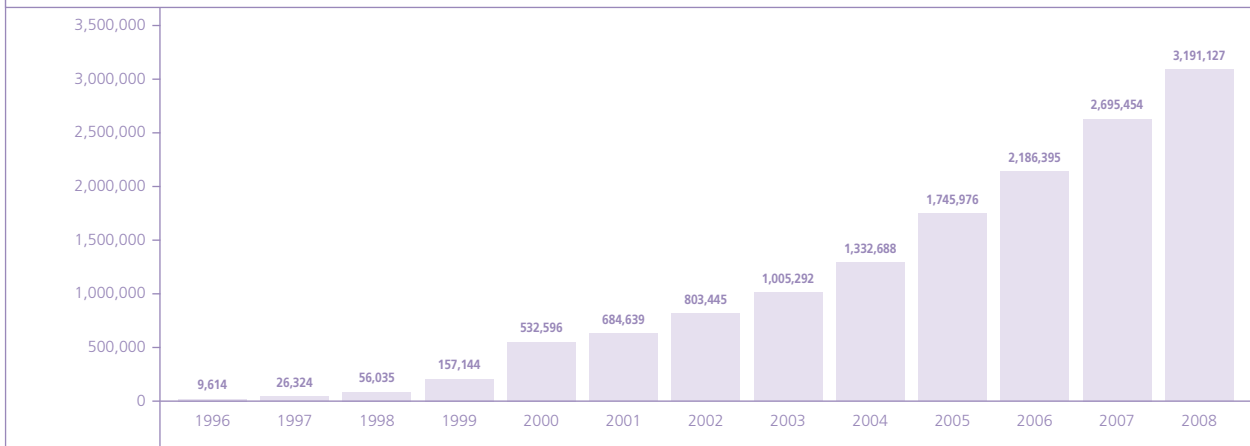
Complaints and Appeals Board (C&AB)

The C&AB is independent from SIDN. It considers appeals relating to the registration of domain names and complaints regarding domain names that are considered inconsistent with public order or decency. In 2008, no complaints or appeals were made to the C&AB, which the Board considered itself competent to consider.

In the course of 2008, Ms Wapke Veldhuijzen-Van Zanten stepped down from the C&AB. She was succeeded by Mr Ary-Jan van der Meer, vice-presiding judge at Haarlem High Court.

Average selling price	
TLD	price in 2008 in €
.nl	2,889
.com	1,700
.de	1,170
.net	1,142
.eu	874
.org	842
.info	570
.biz	536

Data from Sedo GmbH

Growth in .nl domains 1996-2008

| Year	Domains
1996	9,614
1997	26,324
1998	56,035
1999	157,144
2000	532,596
2001	684,639
2002	803,445
2003	1,005,292
2004	1,332,688
2005	1,745,976
2006	2,186,395
2007	2,695,454
2008	3,191,127

Developments and prospects

Globally, the internet continues to grow at a tremendous pace, driven partly by activity in the emerging economies. By the start of 2009, an estimated twenty-five billion web pages were accessible. Pages providing information, products, services, communication channels, entertainment, plus a growing number of places where people can make contact with one another – often across international borders – or can post their personal profiles.

The Netherlands leads the way

The Netherlands is playing a lead role in this extraordinary growth. With twenty-eight domain names for every hundred people, it has a higher domain name density than any other country in the world. Within the Netherlands, .nl is the clear market leader, accounting for 70 per cent of all the domain names registered by Dutch people and businesses – even though there is stiff competition from .com, .net, .info, .org, .biz, .eu and other TLDs. SIDN saw its portfolio of domain names grow by almost half a million in 2008; by the end of the year, there were 3,191,127 registered .nl domains.

Against this general backdrop of growth, one striking trend has been the rise in the number of .nl domains registered to private individuals, to stand at 38 per cent of the total at the close of 2008. The retail market is set to remain a major growth area for SIDN in the years ahead.

.net   .info   .org   .biz   .eu   other

.com   .nl
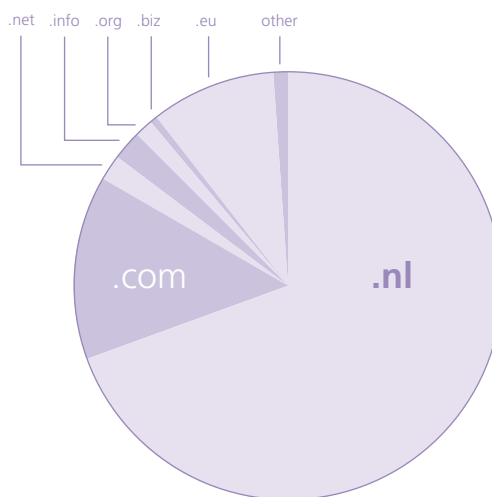
An integral part of modern life

Nine out of ten Dutch people have some form of internet access. Almost 20 per cent have one or more internet-enabled mobile devices, such as a laptop PC with wireless broadband capability, a mobile phone, a smartphone or a PDA. The trend towards the use of such devices is bound to continue, because they facilitate the freedom and flexibility that characterise the internet.

The favourable conditions in the Netherlands result in a high level of internet use. With 83 per cent of the population regularly on line, the Netherlands stands third in the international league table. Indeed, more than half of Dutch people use the internet on a daily basis.

Along with the generation that grew up with the internet, the most intensive users increasingly tend to be families with children. In this population group, 92 per cent of people are on line at least once a week (Mediascope Europe, Digital Families 2008). The parents in these 'digital families' spend about twelve hours a week on the internet – not much less than they spend watching TV. In the younger generation, internet use overtook TV viewing in 2007.

This trend may be expected to continue, driven partly by the popularity of social networking and the increasing amount and quality of internet access to other media, such as radio, TV, books, journals and newspapers. Further impetus will be provided by the greater affordability of mobile internet access and the standardisation of the associated platforms.

Top 10 most-visited websites the Netherlands	
1	Google Netherlands
2	Live.com
3	Hyves.nl
4	Marktplaats.nl
5	Buienradar.nl
6	NL.wikipedia.org
7	Msn.com
8	Detelefoongids.nl
9	Startpagina.nl
10	Postbank.nl

Source: Multiscope

.nl domain fourth in global league table

Around the world, there are about 250 country-code top-level domains (ccTLDs). The Dutch ccTLD is the world's fourth-biggest, after the Chinese, German and UK domains. This leading position is down to the overall quality and continuity of the services provided by SIDN and its registrars. At the same time, our unique position places an obligation on us to do all we can to assure the continuity, reliability and traceability of .nl domains.

To protect itself against the possibility of market saturation at some time in further future, SIDN is seeking to diversify. Against this background, SIDN has changed its regulations to allow the registration of purely numeric domain names, has developed various ENUM-related activities and plans to acquire or establish a new TLD.

Security and confidence

In recognition of the rapid growth and size of the .nl domain, SIDN's policies are directed towards assuring continuous service availability and infrastructural and data security.

Although SIDN has significantly less influence over what appears on websites within the .nl domain, it is very active nationally and internationally in the field of content supervision. The effectiveness of the registry's activities was confirmed by two independent studies in 2008. McAfee investigated the concentration of numerous types of hazard in various internet zones and concluded that the .nl domain was among the world's twenty-five securest domains and gaining ground on the top ten. The Anti Phishing Work Group also published a report, which identified the .nl domain as one of the securest in the world. As well as endorsing the policies SIDN has pursued to date, the study findings provide encouragement to keep doing all we can to achieve the highest possible levels of security within the .nl domain.

Anticipating developments

SIDN is ready for whatever challenges and opportunities the market may provide. Admirable governance of the .nl domain has led to the closure of a covenant with the Ministry of Economic Affairs, in which the government acknowledges that SIDN does everything within its power to assure the continuity and stability of the .nl domain and carries out its identified duties in a responsible manner.

Developments are in prospect, for example, in connection with the Internet Protocol. Before very long, all available

IPv4 addresses will have been allocated. SIDN is therefore already working on implementation of the new protocol, IPv6, in all its systems and applications.
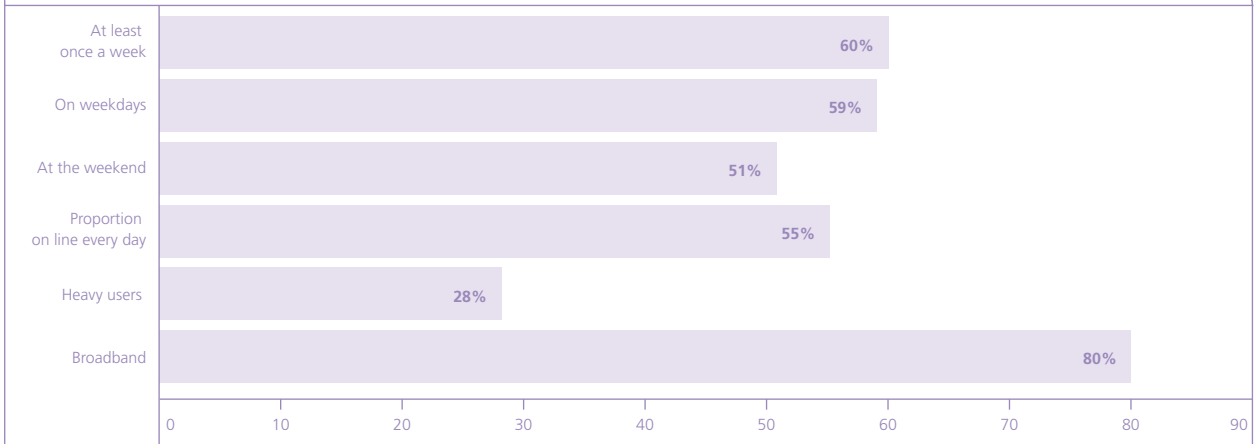
Meanwhile, debate continues within the internet community regarding the implementation of DNSSEC. A number of registries have, with very modest success, switched to this new version of the DNS protocol, which provides enhanced protection against attacks on components of the internet's infrastructure. SIDN is working with other market players to investigate how a number of technical, operational and social obstacles can be overcome, with a view to securing general acceptance of DNSSEC's introduction.

Similarly, SIDN is involved in collaborative research into the infrastructural possibilities in the field of public-user and private-user ENUM. DNSSEC is certain to be relevant in this context. At the ENUM end user level, business cases are being developed to give the market a fresh impulse.

RFID (Radio-Frequency Identity) technology is helping to make an 'internet of things' possible. Products, each assigned with a unique identity number, can automatically identify themselves via the internet as requiring replacement or adjustment or as being part of a logistic chain. Recognising that RFID can provide added value for the internet community, SIDN is actively looking at the possibilities and potential applications.
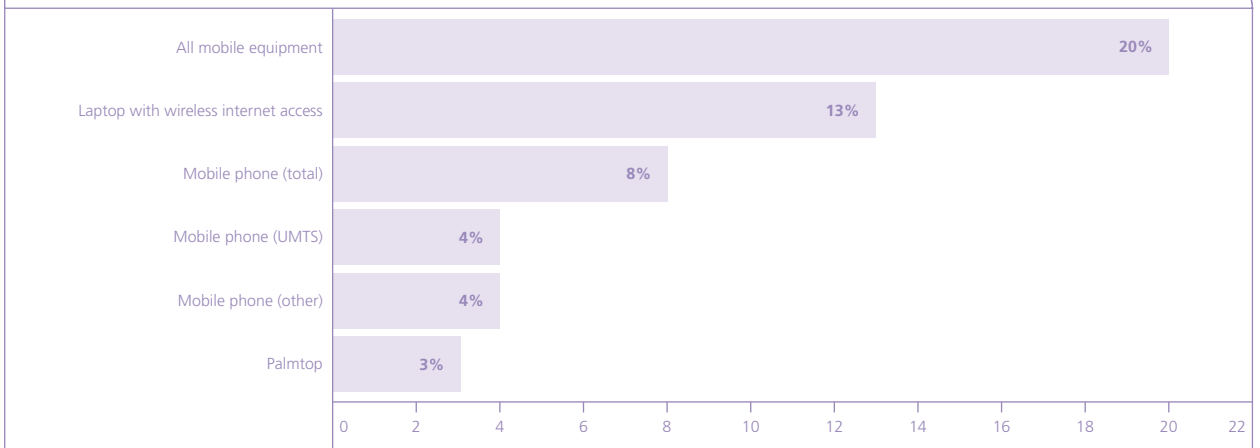
Only a registry that leads the way on variety of fronts can remain among the world's best and deliver the level of service that users around the world expect.
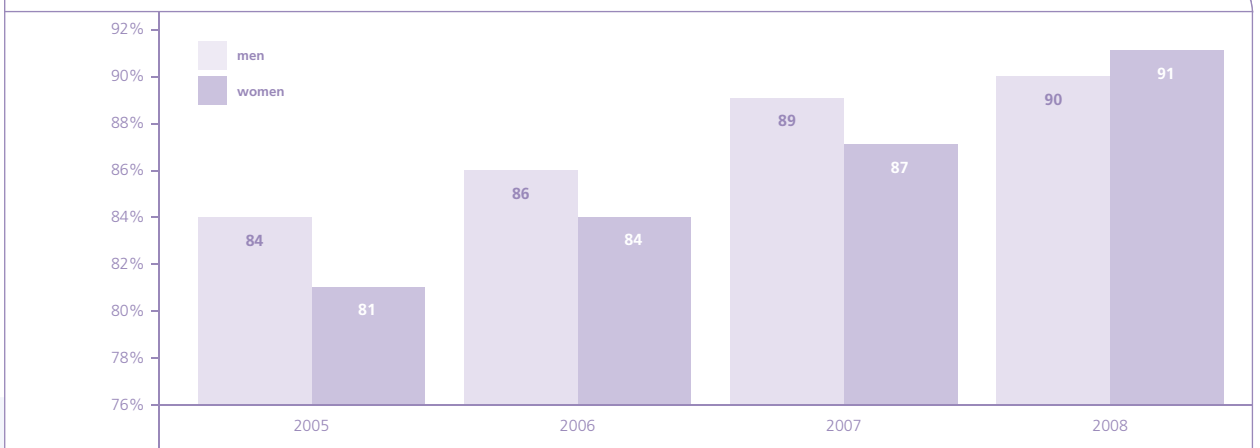
Internet use in day-to-day life

Category	Value
At least once a week	60%
On weekdays	59%
At the weekend	51%
Proportion on line every day	55%
Heavy users	28%
Broadband	80%

Axis: 0 10 20 30 40 50 60 70 80 90

Source: EIAA Mediascope Europe 2008

Mobile internet access 2007

Category	Value
All mobile equipment	20%
Laptop with wireless internet access	13%
Mobile phone (total)	8%
Mobile phone (UMTS)	4%
Mobile phone (other)	4%
Palmtop	3%

Axis: 0 2 4 6 8 10 12 14 16 18 20 22

Source: CBS

Internet acces

	men	women
2005	84	81
2006	86	84
2007	89	87
2008	90	91

Source: CBS

Total risk linked to TLDs in Europe, Middle East and Africa

Total risk 2008
Change in risk
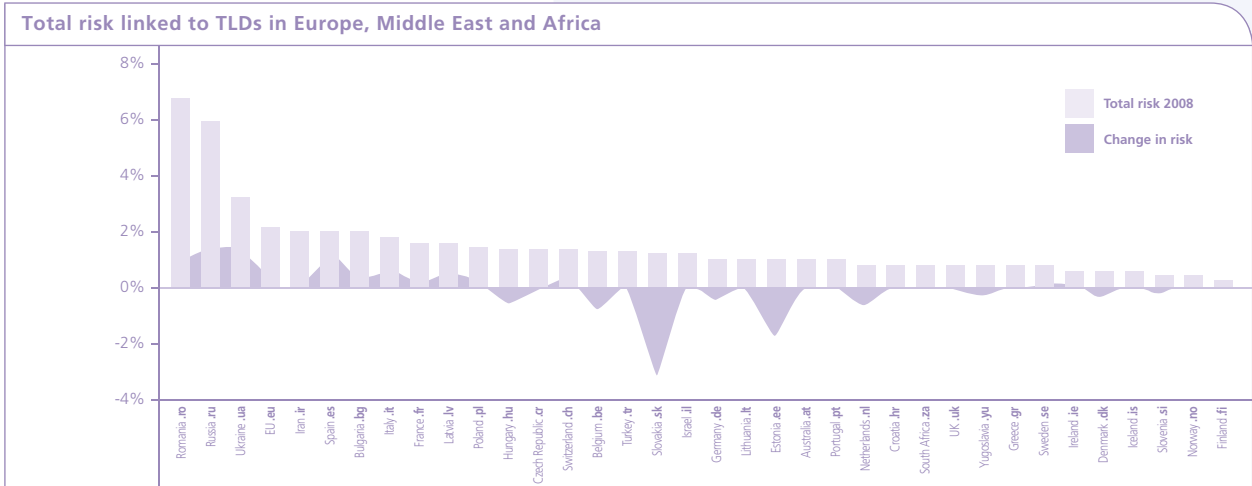
Source: McAfee 2008

Review of 2008

Over the course of 2008, the .nl zone experienced a net growth of 495,673 domain names, passing the three-million-name milestone in July. In numeric terms, .nl is now among the four biggest country-code domains in the world. With a view to consolidating and building on its position as a top-class registry, SIDN's prime focus in 2008 was service quality and therefore the optimisation of core activities. Concentration on such activities enabled us to take advantage of new market opportunities.

Internal organisation

In line with the policy of concentrating on our core activities, we began outsourcing IT processes not directly associated with our registry role. We also commissioned external audits of the DRS and ENUM registration systems as a precursor to optimisation of the change and release management process. Implementation of the auditors' recommendations will result in shorter turnaround times and improved cost control.

On the basis of a survey of 315 organisations carried out towards the end of 2007, SIDN was awarded a bronze medal in the contest to find the Best Employer of 2008, organised by Effectory and Volkskrant Jobs. In the 2007 survey, SIDN scored 7.2 out of 10 for general employee satisfaction. The SIDN personnel questioned at that time were particularly positive about their work, pay and working conditions. When the survey was repeated at the end of 2008, a further rise in general satisfaction was revealed – various initiatives having pushed the organisation's score up to 7.6. Important factors in the higher level of satisfaction included organisational improvements made during the year and changes to the management style and approach. In both areas, worker feedback put SIDN above the benchmark. SIDN matched the commercial-sector top-three benchmark for business culture and comfortably exceeded that for communication.

The commitment of SIDN's personnel and their pride in the organisation are reflected in the labour market campaign launched in 2008 (www.werkenbijsidn.nl). The campaign features twelve SIDN people, each of whom describes what it is like to work for the .nl registry and talks about his or her passions and motivations. By giving people who may be thinking of applying for jobs a behind-the-scenes look at the organisation, the site enhances SIDN's ability to attract the highly qualified personnel it needs. People who do apply frequently mention what they have seen at werkenbijsidn.

maareeninnederland**.nl**

Hanneke Kroneman
HR Manager

morgenisweeranders**.nl**

Michiel Henneke
Marketing Manager

checkcheckcheck**.nl**

Gerrit-Jan van den Ham
Test Coordinator

In the year under review, the Staff Representation Body (SRB) met the CEO five times to discuss the general situation and more specific matters. At two of these meetings, SIDN's budget and annual plans were considered.The SRB also responded to five consultation initiatives relating to sickness absenteeism policy, risk identification & evaluation, policy on inappropriate interpersonal behaviour, the performance appraisal system and supplier selection benchmarking. Furthermore, in response to a proposal by the SRB, the CEO appointed a staff confidant. The SRB sought the views of the workforce on a number of topics, including the personnel satisfaction survey and the proposed sickness absenteeism measures. SIDN was advised by the SRB not to adopt one of the proposed sickness absenteeism control measures and accepted this recommendation.

In the course of 2008, SIDN's workforce increased to more than fifty people for the first time. In the summer of 2009, the SRB is accordingly to become a fully fledged Staff Council, with elections scheduled for April/May.

Development policy I Domain Name Debate
SIDN regularly seeks feedback on its outline policy plans from everyone who has a 'stake' in the .nl domain. These stakeholders – referred to collectively as the 'local internet community' – are consulted in the context of Domain Name Debates. The debate that took place in November 2008 was attended by registrars, other commercial organisations, lawyers, government bodies, consumer groups and others. The topics discussed included lame delegations, retrospective registrant ID verification and the publication of fewer details via the Whois facility on SIDN's website. One direct outcome has been that less information about registrants now appears in the publicly accessible section of the Whois.

The debate also emphasised the importance that participants attached to the security of the .nl domain. SIDN was accordingly advised not to make any changes that could have a negative effect on security by lowering thresholds.

New services and market support
New dispute resolution system
At the end of February 2008, SIDN replaced its arbitration scheme with a simpler dispute resolution system. Administered by WIPO, this low-threshold scheme is based on the UDRP system that has to be followed for generic domains (.com, etc). The new arrangements apply to all .nl domain names and offer a way forward in any situation where a registered domain name is considered to infringe someone else's trademark or other rights. The system is more broad-based than the old arbitration scheme and therefore offers protection for a wider range or rights. By opting to follow the dispute resolution process, an aggrieved party can often avoid costly legal proceedings. The demand for a system of this kind is apparent from the four-fold increase in the number of cases considered during the year.

Landrush for numeric domain names
Between noon on 28 February and 6pm on 29 February, a so-called 'landrush' for purely numeric .nl domain names took place. The decision to organise a landrush (in which names are allocated on a first-come, first-served basis after a start signal) reflected the advice that SIDN received in the context of the Domain Name Debate 2006. Before the landrush, the interests of established rights-holders were protected by allowing trademark and trading name users to reserve the corresponding numeric domain names during a 'sunrise period' at the end of 2007. SIDN published a detailed description of the

release procedure, which was accessible to all registrars. A telephone survey of registrars was also carried out, which yielded no feedback to suggest that registration peaks could be expected.

During the landrush, a total of 14,409 unique numeric .nl domain names were registered by 298 registrars. This figure represents just 0.5 per cent of the .nl zone and a tiny fraction of all the possible number combinations.

By adopting certain registration tactics, two registrars were able to secure a large proportion of the popular number combinations for which several applications were made during the landrush. This resulted in consi- derable resentment within the industry. Following a thorough investigation by SIDN and talks on the matter, the two registrars in question agreed to relinquish a sig- nificant proportion of the names they had registered, which therefore became available for re-registration. The arrangements for the re-release of the names were agreed in advance with the registrars that had participa- ted in the landrush. By the end of 2008, there were roughly 17,000 registered numeric .nl domain names.

ENUM domain registration introduced

On 26 March 2008, a new phenomenon arrived in the Netherlands. It was on that date that ENUM became operational and Mark Frequin, Director General of Energy and Telecom at the Ministry of Economic Affairs registe- red the first Dutch ENUM domain.
ENUM brings together the world of telephony and that of the internet, by linking a phone number to a unique domain name. This enables the number's user to be contacted in a variety of different ways: by e-mail, IM, SMS, VoIP, etc. The ENUM Foundation of the Netherlands manages the Dutch ENUM zone using SIDN's facilities.

The standard registration process was set up during the year under review. Ten registrars and four validation agents have affiliated to ENUM and six validation methods have been approved. However, not many numbers have so far been registered, because few third-party product applications are yet available. SIDN has now started a survey of market players' needs and is working to promote and support the development of applications. Under the CENTR umbrella, the ENUM Federation has been created as a platform for international coordination of the promotional activities of several registries, including SIDN.

Quarantine system set up to meet market demand

At the start of September, SIDN introduced a forty-day quarantine period for cancelled domain names. At any time during this 'cooling-off period', the former registrant can reverse the cancellation. The quarantine system means that cancelled domain names cannot be 'snapped up' by new registrants as soon as they become available. So registrants do not suffer disproportionate consequences if they cancel too hastily or if their domains are cancelled by mistake. The value of this new system is underlined by the fact that, eighty days after it was introduced, 261 registrants had taken the opportunity to retrieve their domain names from quarantine.

The first eighty days of quarantine in numbers	
69,379	domains cancelled and quarantined
261	domain names retrieved from quarantine
46,742	domain names released for registration at the end of their quarantine period
5,096	of the released domain names re-registered within 24 hours
485	released domain names re-registered after more than 24 hours
41,161	released domain names not re-registered
22,376	domain names still in quarantine

Market stimulation

In early November 2008, SIDN launched a campaign to promote the .nl domain, under the slogan 'Claim your domain'. The aim was to tell ordinary members of the public about getting their own .nl domain names, so as to boost the already-growing numbers of sole traders and private individuals registering domains.

One element of the campaign was the promotional site jouwunieke.nl, where information was published about the benefits of having one's own domain. A tool for generating original domain names from certain personal details was provided on the site, plus a list of registrars offering .nl registration services. SIDN made the campaign material available to registrars free of charge, and a number made use of it. The short-term impact was visible in the form of encouraging registration numbers in November and December, despite the publicity impact of the credit crisis at that time.

Distribution developments

SIDN markets its services through a network of more than 2,100 registrars, who include many internet and hosting service providers. International service providers are increasingly active on the Dutch market and the number of .nl domain names being issued to people and organisations outside the Netherlands is increasing. Maintaining relations with this client group and providing them with quality services places new demands on the SIDN organisation.

Transparent terms and conditions

During the year under review, the regulations on the registration of .nl domain names were replaced by simpler and clearer general terms and conditions for registrars and registrants. The new terms and conditions contain no procedural rules, which are instead simply published on line.

Contact days

SIDN's commitment to supporting registrars' operational activities was emphasised at the two contact days held during 2008. At these events, information was provided about developments at SIDN, workshops were organised and expert guest speakers gave talks under topical titles such as 'Security opportunities' and 'Boost your internet success'. The contact days were well attended and well received.

Consultation activities

In 2007, SIDN changed the way it consulted registrars about planned service changes and developments. The system adopted involves phased consultation, with a larger group of registrars brought in at each successive phase. The new approach enables us to obtain a good picture of the views on the relevant topics held within the registrar community. Underpinning the change is the principle that all registrars should ultimately have the opportunity to respond to any SIDN proposal, either via the website or at a contact day. In 2008, the system was used

to obtain feedback on topics such as registrar accreditation and product development.

Introduction of the DNS Crawler

The SIDN-developed DNS Crawler was well received by registrars. This tool provides insight into the quality of the .nl zone file and into the quality and completeness of the DNS details maintained by registrars. The periodic on-line reporting enables registrars to monitor the situation and take appropriate action where necessary.

Registrar accreditation

In 2008, working in consultation with registrars, SIDN defined a set of standards based on accepted industry good practice in preparation for the introduction of registrar accreditation in 2009. Accreditation is expected to help raise standards and assure quality along the entire chain.

Assessments of DRSbe and DRS4

SIDN is always looking to improve the quality of its services. We therefore regularly investigate possible additions or alternatives to our domain registration system. As part of these ongoing activities, in 2008 we looked into the possibility of adopting the registration system developed by the Belgian registry DNSbe. The conclusion of this study was that the DNSbe system was not a viable option, even though it offered certain functionalities that had yet to be developed for DRS4. Some of the specifications of the .be domain are quite different from those of the .nl domain. Consequently, the Belgian system would need extensive modification to bring it into line with our own working practices and those of our registrars. Implementing such changes would be insufficiently predictable in terms of lead times, cost and quality.

SIDN's own registration system also underwent critical review. This 'software risk assessment' found that DRS4 formed a good basis for the support of SIDN's processes. Nevertheless, certain improvements were recommended, which were implemented before work began on construction of the EPP application. In this way, the construction lead time for this interface could be shortened and the development and implementation costs significantly reduced.

Preparation for new fee structure and partial retrospective implementation

A new fee structure has been developed for the services SIDN provides to registrars. The objectives were to simplify the system and reduce the registrars' cost base. Under the new arrangements, no fees are charged for initial registrations or for the two main types of register amendment. In addition, a stepped discount scheme has been introduced with the aim of sharing volume cost benefits with registrars that manage large numbers of names and generate high levels of turnover growth. The discount scheme has been retrospectively applied to 2008. The changes should enable registrars to reduce their operating costs and thus lead to lower prices for end users.

Continuity and security

As one of the biggest registries in the world, SIDN has various control measures in place to minimise the likelihood of operational crises, mitigate the consequences of any issues that do arise and restore services as quickly as possible following outages. Nevertheless, the .nl domain was hit by two major faults last year. On 29 May, human error led to part of the .nl zone file being unreachable via SIDN's name servers for the first six hours of the night. Fortunately, the practice of distributed caching meant that .nl registrants

felt very little impact. On 17 October, a fault in the database cluster during normal office hours prevented any registrations being made for a time. SIDN continues to refine its continuity provisions, its procedures and its proactive checking arrangements to maximise its service availability.

Continuity

SIDN made substantial network enhancements in 2008. Both the production system and the mirror system were relocated. The moves were aimed primarily at increasing availability and enabling seamless failover. SIDN's production and backup systems are sited at three locations. Within this triangle, SIDN's head office serves as the command and control centre, but these functions can be switched to any other site in the event of a major incident. The network structure has been simplified to facilitate site-switching, thus helping to protect the continuity of the .nl zone. Meanwhile, the continuity of the DNS has been further enhanced by replacement of the DNS servers with IPv6-ready server clusters.

In the latter part of 2008, a contract was signed to secure a backup location for SIDN's head office operation. In the event of the primary location being unusable for any reason, customer support workstations can be available within four hours and a complete shadow office capable of accommodating fifty people can be ready within twenty-four hours.

At SIDN, problems in systems and processes are traced and rectified in accordance with international ITIL procedures. The ITIL (Information Technology Infrastructure Library) system is a process-oriented ICT management methodology.

Security

Security audits carried out by PricewaterhouseCoopers indicated that the information security management system needed further refinement if SIDN was to satisfy all the requirements of the ISO 27001/2 standard. In consultation with the auditors, a plan was drawn up for the realisation of full compliance, and probably certification on the basis of this standard. Implementation of the plan began in the second half of 2008.

SIDN also commissioned security audits of its systems and acted on the audit findings. One of the innovations made in this context was the introduction of advanced proactive system monitoring. Both the DRS and the office applications were provided with new firewalls, thus creating an entire new access layer.

To enhance resilience to external attack, name server traffic is monitored, so that netbot activity is flagged up early and SPAM waves can be held back. Penetration testing of the DRS and ENUM registration systems was successfully concluded.

Good corporate citizenship and sustainable trading

As the .nl registry, SIDN is responsible for the stability and development of the .nl internet domain. This role is very important to modern society, because of the economic and social significance that .nl domain names have acquired in the Netherlands over the last decade. SIDN is very much part of the community and therefore wishes to demonstrate its commitment to Dutch society through sustainable trading and good corporate citizenship.

This implies using the human and intellectual capital at our disposal to create value for our clients, our personnel

and other stakeholders. Good corporate citizenship goes beyond supporting good causes; it entails making a positive contribution to the creation of a better (digital) community. Our mission is therefore to provide high-grade, innovative domain registration services in support of sustainable and problem-free internet-enabled living. Our specialist knowledge, experience, expertise and economic resources are deployed to this end.

Notice & Take Down Code

During the year under review, SIDN was closely involved with development of the Notice & Take Down Code for the Dutch internet and hosting service sector. This code is based on the European e-commerce directive, which obliges the industry to cooperate with the closure of websites with obviously unlawful or criminal content (e.g. phishing material and child pornography).

In essence, the code is a careful definition of what each party is expected to do, drawn up by a group of internet industry actors led by the NICC (National Cyber Criminality Infrastructure).
The desirability of such a code was illustrated on a number of occasions last year, as in the notorious case involving an attempt to defraud businesses by demanding payments in the name of the Chamber of Commerce.

National and international

On the national and international stages, SIDN actively seeks to promote positive use of the internet and to deter abuse. In the Netherlands, SIDN works with organisations as the NICC, the Advertising Fraud Support Centre, the Reporting Hotline for Internet Child Pornography, DIGIbewust (Digital Awareness) and www.DomJur.nl, a website where domain name-related jurisprudence is published. Internationally, SIDN was one of the organisations behind creation of the Registry Internet Safety Group (RISG), whose members are registries, registrars, cyber security providers such as Norton and Symantec and official investigative bodies. The group exists to fight phishing and malware through cooperation, information exchange and the definition of best practices.

With a view to sharing knowledge and making it available to less privileged academics, SIDN last year sponsored the Summer School on Internet Governance (SIGG) in Germany. This sponsorship included financial support to enable two students from developing countries to participate in the Summer School, which provides in-depth, structured tuition on important internet policy matters.

Also in 2008, SIDN planted the first trees in a new 'Internet Wood' near the Dutch town of Groenlo.
The initiative was part of a campaign orchestrated by Cleanbits, which aims to offset the CO_2 emissions associated with the internet industry.

More and more internet users have their own home and their own site.

Claim your domain

.nl

38 per cent of .nl domains are registered to private individuals.

Plans for 2009

Quality enhancement and market expansion are SIDN's primary aims for 2009. The internal focus will be on continued optimisation of processes, project management and service quality. The development of DRS-EPP will be central to realisation of our goals. ICANN is expected to open the way for the creation of new TLDs in 2009 and SIDN intends to start providing registry services for one or more new gTLDs.

Internal organisation

In 2009, SIDN will continue to optimise its process and project management, partly by utilising a new corporate planning tool in combination with key performance indicators and a Project Portal. Service quality will be enhanced by the definition of measurable objectives laid down in service level agreements.

SIDN intends to organise both internal and external quality review activities, using customer satisfaction surveys, audits and other such tools. The ongoing focus on core processes should provide scope for the introduction of new services and enable SIDN to prepare for the running of one or more new gTLDs.

New services and market support

Two critical developments will take shape in 2009. For ENUM, 2009 will be the 'year of truth'. Everything depends on the extent to which others, encouraged and supported by SIDN, prove able to identify and develop relevant applications for the ENUM technology. What is more, the TLD landscape may change fundamentally if the TLD root is opened up to an unknown number of new TLDs. The strategy adopted by ICANN on this issue and the way we respond to it will determine whether the changed circumstances afford us the opportunity to deliver additional products and added value or threaten the continued success of the .nl domain.

Encouraging the development of ENUM services
Now that the first ENUM registrations have been made, it is important to develop an ENUM service pallet.
Ultimately, the value of the ENUM technology can be demonstrated only by intelligent, user-friendly applications, such as identity management applications.
Both within the Netherlands and through international channels (the ENUM Federation), SIDN will work hard to encourage and sponsor the development of applications. So, for example, workshops and master classes will be organised, awareness will be promoted in particular sectors of the economy, competitions will be arranged for technology students and demo applications will be developed.

New TLDs
During the course of 2009, ICANN intends to invite the public to make applications for the creation of new TLDs. The aim of this move is to increase market choice and competition. When the change comes in, it will be possible for businesses and other organisations, brands, industries, local government areas, cities, sports and so on to have their own internet extensions, such as .ebay, .ing or .amsterdam.
On the international stage, SIDN supports the delegation of new TLDs that actually represent added value for the internet community, rather than simply encouraging defensive registrations by trademark or trading name rights holders.

It is expected that hundreds of applications will be made in the first registration round, generating demand for application process support services and registry services. In line with its strategy of diversification and as an established provider of such services, SIDN plans to anticipate this demand by proactively developing concepts and

approaching potential partners. Discussions with various market players are already in progress.

Nevertheless, opening up of the root to new TLDs may bring threats as well as opportunities. Competition is likely to increase and, if it becomes possible to run 'brand-TLDs' and enough leading brand owners start doing so, the value-image of the .nl domain could be weakened, leading to loss of market share.

Product versioning

In order to consolidate its status as a top-class registry, SIDN intends to introduce new .nl-related products and services in 2009. These new lines will be designed to meet the varied needs of the market. In preparation for this move, SIDN will undertake targeted market research and international benchmarking with a view to building up a picture of market requirements and drivers, competitive relationships and so on.

Mediation

Before the end of the year, SIDN will introduce a mediation service linked to its dispute resolution system. When a dispute arises concerning a domain name (e.g. because of an alleged trademark infringement), a specialist SIDN mediator will help the disputing parties to explore the scope for an amicable settlement. Where successful, mediation will remove the need to refer the case to a dispute resolution panel. No charge will be made for using the mediation service.

'Claim your domain' campaign

This market-stimulation campaign launched in 2008 will be evaluated in 2009, taking account of feedback from other market players, such as registrars. The findings of the evaluation will shape the campaign strategy for 2009. The objective is to increase preference for the .nl brand and to make private consumers aware of the benefits of having their own domain names.

At present, nearly four out of ten registrants are private individuals and the retail market offers considerable growth potential for the years ahead.

Distribution developments

High-quality support, customer focus and cooperation on matters affecting chain quality are the key issues for 2009. Hence, SIDN is to implement a new CRM system for the centralised management and provision of registrar data. This system will enhance our insight into clients' circumstances and needs, thus providing a basis for service optimisation. Other planned quality enhancements and customer focus improvements include a new advanced switchboard, call routing and monitoring of how e-mail and phone enquiries are followed up.

DNS Crawler to provide active support

As well as checking the quality of the .nl zone file, the DNS Crawler provides registrars with feedback regarding the quality and completeness of their DNS data. In 2009, SIDN will continue to make this information available to registrars in the form of periodic reports. In addition, greater emphasis will be placed on follow-up and the provision of advice.

New services / DNS services

In the year ahead, SIDN is to investigate the need for and relevance of various possible new services, such as a dedicated registrar Whois, a DNS-based IS facility and the prevention of typo-squatting. Registrars will be involved in the development of these services.

In connection with its core-activity work, SIDN under-

takes certain secondary activities, such as name server management. In 2009, a review will be carried out to identify which primary and secondary activities lend themselves to development and marketing as standalone services. One such might be Anycast name server clouds, for example.

Introduction of registrar accreditation

Registrar accreditation will be introduced during the current year. SIDN is committed to maximising the quality of the .nl product. However, the quality of this product depends not only on SIDN's own service levels, but also on the customer experience of dealing with a registrar. Therefore, in consultation with registrars, the minimum quality and other requirements that every registrar should meet were defined in 2008. In the period ahead, SIDN intends to closely monitor registrars' compliance with the General Terms and Conditions and other quality require-ments, as a basis for raising customer service quality levels within its distribution channel. Monitoring will be contracted out to an independent agency.

Contact days and consultation activities

Two further contact days will be organised for registrars in 2009. In the context of these multi-faceted gatherings, attention will again be focused on topics that are of direct relevance to the operational activities of SIDN's partners. Before implementing any proposed changes to the DRS and other such systems and processes, SIDN will seek the views of registrars. In addition, SIDN will look into the possibility of staging a special daylong .nl event with full-spectrum market appeal and a national profile.

Council of Registrars

As a major .nl stakeholder group, registrars have traditio-nally had their own representative body – the Council of Registrars (CoR) – through which to voice their opinions on the services they receive. However, in 2006, the Regis-trars' Advisory Council (RAC, the operational arm of the CoR) was dissolved by the registrars themselves, due to lack of participation.

Since that time, there has been no formal body for SIDN to consult regarding the views of registrars. Against this background, SIDN has in recent years sought to intensify its direct contact with registrars and its insight into their needs through relation management, contact days and consultation activities.

Nevertheless, in the final quarter of 2008, registrars in-dicated on a number of occasions that they would like to see the CoR become more active again. In 2009, SIDN will therefore look to move this matter forward on the basis of cooperation and will actively support any appropriate initiatives.

Development of DRS-EPP

Research commissioned by SIDN established that conti-nuing development of our own DRS system was preferable to the purchase and implementation of a third-party registration system. In line with this conclusion, SIDN will energetically press ahead with development of the DRS-EPP in 2009. However, the desire to expedite this process will not be allowed to compromise the need for security and reliability. Priority will be given to compliance with international standards and the wishes of registrars, and the functional design will undergo an independent audit before further development takes place.

In addition, the software development work will be sub-ject to week-by-week monitoring. At the same time, our

internal processes will be modified in line with the new working methods necessitated by the arrival of EPP.

ENUM-EPP

The introduction of ENUM was based on use of the ENUM-FLAT application. SIDN is to replace this system in 2009 with a new, more scalable registration system (based on ENUM.at), which will support EPP and DNSSEC on Tier 1. In addition, SIDN's possible role in the context of public-infrastructure ENUM will be investigated, potentially leading to the expansion of SIDN's ENUM registry activities.

Continuity and security

ITIL, ISO 27001/2 and Anycast

ITIL proved its worth within SIDN during 2008 and will accordingly be further embedded as a service management methodology in 2009. The activities begun in 2008 with a view to moving towards full compliance with and possible certification to ISO 2700 will be carried forward and probably largely completed in 2009. As well as carrying out the normal annual audit, in 2009 SIDN will perform several narrow-scope audits on potentially vulnerable systems.

A decision is likely to be taken to begin work on design and construction of the second SIDN Anycast domain. Such a system may be expected to further increase availability of the DNS service and the robustness of the .nl zone. The project will also serve to enhance Anycast-related expertise within the SIDN organisation. SIDN may well pursue a collaborative realisation model, involving joint Anycast cloud development by several TLDs.

DNSSEC

The vulnerabilities of the DNS represent a potential threat to the stability and reliability of the internet. SIDN wishes to actively contribute to the removal of such issues. At present, DNSSEC is the only realistic solution. However, its feasibility and, in particular, its economic viability have yet to be properly demonstrated. In 2009, SIDN will therefore be actively seeking to support research and development geared towards a more implementable DNSSEC model. More specifically, SIDN intends to focus on contributing to better open-source tooling for DNSSEC. Introduction of DNSSEC as a means of resolving DNS vulnerabilities would require general support from the local and international internet communities. SIDN will therefore work to secure such support through its network contacts and partnerships.

International DNS check and DNS operating system development

In conjunction with the Swedish registry, SIDN is working on the development of a global DNS check standard. This development supports SIDN's strategic objective of remaining amongst the world's top five registries. Through the exchange of knowledge and expertise, SIDN is also involved in the international development of a new version of the DNS operating system.

In-house implementation of IPv6

Now that its entire network is IPv6-ready, SIDN will go ahead with in-house implementation of the new internet protocol in 2009. SIDN wishes to gain early experience of using the new protocol, with a view to establishing itself as an IPv6 knowledge centre.

NTD-related activities

SIDN wishes to play an active role in application of the Notice & Take Down (NTD) Code that was agreed in 2008. To this end, SIDN will in the period ahead work closely with investigative authorities and reporting services, continue to draw the code to the attention of registrars and promote it as a model to registries in other countries.

Good corporate citizenship and sustainable trading

Delivery of added value and the acceptance of social responsibility in relation to encouraging internet use, enhancing quality and security and deterring internet abuse will remain at the centre of SIDN's activities in 2009. Collaboration with the NICC, the Advertising Fraud Support Centre, the Reporting Hotline for Internet Child Pornography, DIGIbewust and DomJur.nl will all continue.

SIDN plays a prominent role in various international forums and umbrella groups, including ICANN, CENTR, IGF and IETF. Our active involvement will find expression through, for example, the hosting of CENTR activities, sponsorship of ICANN and ICANN working group meetings and an IETF meeting. Preparations for all these meetings will be made in 2009.

SIDN's Good Corporate Citizenship Programme has several facets, including community reinvestment, dialogue with the local internet community, and knowledge sharing and accessibility. The activities associated with these facets are described below.

In 2009, SIDN will again sponsor the Summer School on Internet Governance, which enables students, academics and people working in the public and private sectors to increase their understanding of global internet issues and policy aspects.

In 2008, the Dutch IPv6 Taskforce set up the IPv6 Award Scheme. SIDN sponsors the award for the best IPv6 implementation by an ISP, thus emphasising the importance of prompt operational implementation of the new Internet Protocol.

SIDN is to engage in dialogue with its registrars and the local internet community though contact days, consultation activities, pre-ICANN meetings and a new national event, the options for which will be explored in 2009.

Last year, the women put one over the men.

www.durf-en-surf

Claim your domain

.nl

In **2008**, for the first time, **more women** in the Netherlands had internet access than men.

Financial summary

In 2008, SIDN secured a positive result of € 1,922,879 after tax (2007: € 1,100,374). The surplus is to be allocated to the general reserve, thus increasing SIDN's equity capital at the close of 2008 to € 11,741,062, compared with € 9,818,183 twelve months earlier. The equity capital serves as a financial buffer, which helps to assure the organisation's continuity. The size of the financial buffer needed is related to the organisation's structural cost base. Because that cost base has risen over the years, as the organisation has grown and the quality and stability requirements placed upon it have become greater, so it has been necessary to increase the financial buffer.

The operating result for 2008 was substantially (€ 939,000) higher than the 2007 result. Turnover rose by € 2,085,000 (+20 per cent) year on year: considerably more than the organisation's cost growth of € 1,146,000 (+12 per cent).

The annual turnover growth of 20 per cent was attributable largely to the increase in the number of registered domain names. At the end of 2008, there were approximately 3,191,000 names in the register, compared with about 2,695,000 a year earlier (+18 per cent). In addition, the fees charged by SIDN for its various products were between 2.0 per cent and 3.3 per cent higher in 2008 than in 2007. The new discount scheme reduced turnover by € 163,000.

Overall personnel costs fell by € 188,000 (-4 per cent). Although wages and salaries increased by € 280,000, less use was made of agency staff (- € 593,000). The average size of the workforce rose to forty-five in 2008, having been forty-two in 2007. The number of people in service at the close of the year was fifty-one, compared with forty-six at the end of 2007.

A year-on-year fall of more than € 23,000 was recorded in depreciation costs. SIDN's other operating expenses rose by € 1,358,000, mainly because of an increase in marketing and communication activities. The preceding years were dominated by the introduction of DRS4, as a result of which most activities were organised in house. The total amount spent on marketing and communication was € 895,000 higher than the previous year, mainly because of activities relating to registration of the three-millionth domain name, the campaign to encourage the registration of new domain names (jouwunieke.nl), the development of the new external website, greater contributions to good causes and the development of a public affairs policy. Consultancy costs were up by € 239,000, largely as a result of an increase in the number of audits and initiatives designed to make it easy to get through to SIDN by phone.

Assets as at 31 December 2008 (before appropriation of profit)

	31 December 2008		31 December 2007	
	€	€	€	€
Fixed assets				
Tangible fixed assets				
Machinery and equipment	1,456,839		1,737,004	
Other fixed business assets	694,179		712,063	
Tangible fixed assets in production	7,121		10,200	
		2,158,139		2,459,267
Financial fixed assets		0		36,371
Current assets				
Receivables				
Debtors	31,959		4,532	
Taxes and social security contributions	312,760		160,630	
Other receivables	808,062		901,328	
		1,152,781		1,066,490
Liquid assets		10,306,732		8,013,403
		13,617,652		11,575,531

Liabilities as at 31 December 2008 (before appropriation of profit)

	31 December 2008		31 December 2007	
	€	€	€	€
Equity capital				
General reserve	9,818,183		8,717,809	
Annual result	1,922,879		1,100,374	
		11,741,062		9,818,183
Provisions		0		7,915
Short-term liabilities				
Liabilities to suppliers	1,173,069		842,427	
Taxes and social security contributions	167,021		300,412	
Other liabilities	536,500		606,594	
		1,876,590		1,749,433
		13,617,652		11,575,531

Profit-and-loss account for 2008

	2008		2007	
	€	€	€	€
Net turnover		12,624,156		10,538,773
Expenditure				
Wages and salaries	4,083,153		4,373,832	
Pension charges	374,545		331,909	
Other social costs	283,010		223,199	
Depreciation of tangible fixed assets	780,011		802,751	
Other operating expenses	4,935,889		3,578,376	
		10,456,608		9,310,067
Operating result		2,167,548		1,228,706
Financial income and expenditure		396,597		242,434
Result from ordinary operations before taxation		2,564,145		1,471,140
Taxes		(641,266)		(370,766)
Net result		1,922,879		1,100,374

	2008		2007	
	€	€	€	€
Cash flow from operating activities				
Operating result		2,167,548		1,228,706
Adjustments for				
Depreciation of tangible fixed assets	776,943		802,751	
Movement in provisions	(7,915)		(19,085)	
		769,028		783,666
Movement in working capital				
Receivables	(86,291)		287,010	
Short-term liabilities	127,157		(49,632)	
		40,866		237,378
Operating cash flow		2,977,442		2,249,750
Interest received	396,597		242,434	
Corporation tax (paid) / received	(641,266)		(370,766)	
		(244,669)		(128,332)
Cash flow from operating activities (to carry forward)		2,732,773		2,121,418

	2008		2007	
	€	€	€	€
Cash flow from operating activities (carried forward)		2,732,773		2,121,418
Cash flow from investment activities				
Investments in tangible fixed assets	(475,815)		(406,231)	
Long-term lending	36,371		(921)	
Cash flow from investment activities		(439,444)		(407,152)
Increase / (decrease) in funds		2,293,329		1,714,266
Movement in funds				
Funds as at 1 January		8,013,403		6,299,137
Increase / (decrease) in funds		2,293,329		1,714,266
Funds as at 31 December		10,306,732		8,013,403

Auditor's report

Respective responsibilities of Executive Board and auditors

As instructed, we have examined the 2008 financial summary of the Foundation for Internet Domain Registration in the Netherlands (SIDN), of Arnhem. We have concluded that the said summary accurately reflects the 2008 annual accounts of SIDN, which we have previously audited, and regarding which we issued an unqualified auditor's report on 25 March 2009. The Executive Board of the entity was responsible for production of the financial summary in accordance with the accounting principles used for preparation of SIDN's annual accounts for 2008; it has been our responsibility to form an independent opinion of that summary.

Basis of audit opinion

We conducted our audit in accordance with Dutch law. We planned and performed our audit so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial summary was an accurate reflection of the annual accounts.

We are satisfied that the information and explanations we obtained provide an adequate and appropriate basis for our opinion.

Opinion

It is our opinion that the financial summary is consistent in all material respects with the annual accounts upon which it is based.

Qualification

With a view to obtaining a true and fair view of the entity's financial position and of the result secured, and forming a proper understanding of the scope of our audit, we recommend that the financial summary be read in conjunction with the annual accounts upon which it is based and with the unqualified auditor's report that we issued on 25 March 2009. This qualification does not detract from our opinion in any way.

Arnhem, 31 March 2009
PricewaterhouseCoopers Accountants N.V.

Original signed by:
A.Th. van den Berg RA

Directors and officers

Directors and officers
as at 31 December 2008

Chief Executive Officer

Roelof Meijer

Supervisory Board

Eddy Schuyer, Chairman

Fred Eisner

Erik Huizer

Rob Matthijssen

Hanneke Slager

Christiaan van der Valk

Michiel Westermann

Complaints & Appeals Board

Madeleine de Cock Buning, Chairman

Remy Chavannes

Ary-Jan van der Meer

Bert-Jaap Koops

Dirk van Roode

Huib Gardeniers, Secretary

Colophon

the business behind .nl

.nl