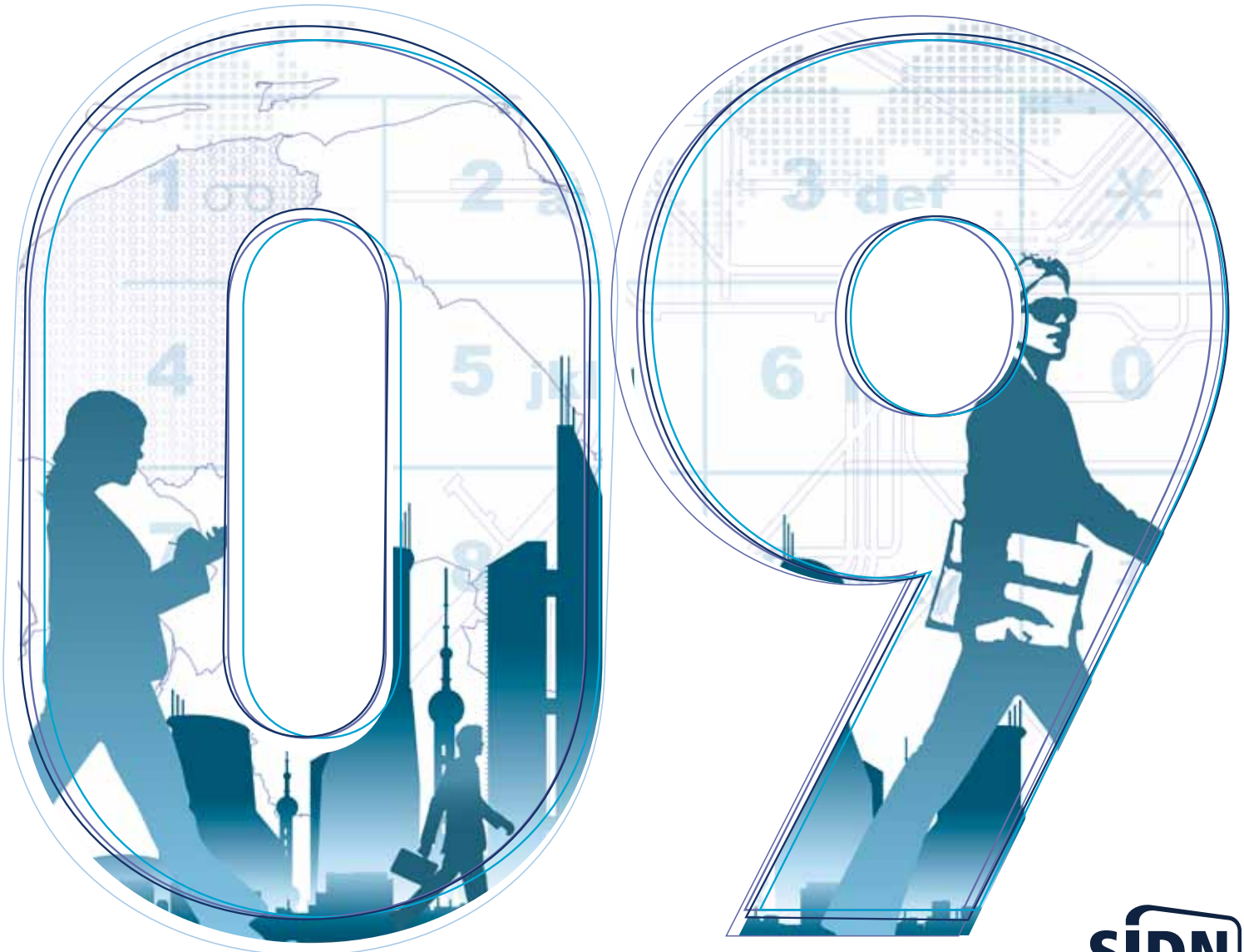
Annual Report **2009**

The internet: forty years of global revolution.



SIDN

Leonard Kleinrock

Computer engineer and professor Leonard Kleinrock (13 June 1934, New York) was there when the internet was born. On 29 October 1969, he and his team sent the world's very first e-mail message. Kleinrock's theories about hierarchical routing, which he developed with his then student Farouk Kamoun in the 1970s, are now fundamental to the working of the internet.

"All we wanted to do was log in to the second host computer at SRI, 400 miles to the north, to see if one machine could talk to another. You have to type "L-O-G" and then the remote machine types "I-N". We typed the L and . . . . . .

Supervisory Board's Report 2009

The Supervisory Board, which has been active since 2005, supervises and reviews the policy of the Executive Board and provides advice whenever needed. 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. In 2009, the Supervisory Board had seven members and was chaired by Eddy Schuyer.

Matters discussed and/or decided at the four meetings of the Supervisory Board held in 2009 included the following:

- The annual report and accounts for 2008
- The annual plan and budget for 2010
- The annual reports of the Supervisory Board, the Appointments Subcommittee, the Audit Subcommittee and the Security & Stability Subcommittee in the context of corporate governance
- The reappointment of J. Slager and R.L. Matthijssen, each for a period of three years
- The proposal that a temporary eighth Supervisory Board member from the ISP industry, with an thorough understanding of the position and interests of registrars, should be appointed and that the planned Advisory Council of Registrars should be given the qualified right to nominate the appointee
- The publication of summaries of Supervisory Board meeting minutes on the website
- The proposal that SIDN's pricing policy should remain unchanged in 2010

In addition, the Supervisory Board was kept informed about the progress of the DRS-EPP project and the market response to SIDN's discount scheme. The Supervisory Board was concerned to note that considerable time and expense had been devoted to defending SIDN against the -ultimately revoked- complaint that the umbrella organisation ISPBelang made to the Netherlands Competition Authority (NMa). The Supervisory Board also gave advice on the requirements for, the strategy regarding and the choice of new premises for SIDN.

The appointment of a temporary eighth Supervisory Board member is dependent on the satisfaction of certain conditions, primarily that the Supervisory Board's independence is not compromised and that the registrars form an Advisory Council with representative authority. Any such Council must enjoy the support of the registrar community.

The Audit Subcommittee met on three occasions and considered matters such as the annual accounts for 2008, the prognoses and quarterly reports for 2009, the change and release management audit and the interim annual audit.

One meeting of the newly formed Security and Stability Subcommittee was held, which was attended by the Security Officer and SIDN's CEO. Topics addressed included ISO27001 certification and data protection within SIDN.

In January, the Supervisory Board held a strategic session with the CEO. In 2010, a similar session will take place in Paris, which will be combined with an introductory meeting with the board of Afnic, the French registry. In May, there was an introductory meeting with the Executive Board and Strategic Committee of DNSbe, the Belgian registry.

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.

Eddy Schuyer
Chairman of the Supervisory Board

Introduction

The internet hits forty

On 29 October 1969, at the University of California, Los Angeles, Leonard Kleinrock sent the world's first two-letter e-mail message via ARPANET, the precursor of the existing internet. Although almost unnoticed at the time, the sending of that brief message may now be regarded as a momentous event: the start of one of the most significant developments in human history. Forty years on, the internet has become a key element of daily life and the global economy. More than one and a half billion people use the world wide web and nearly 250 billion e-mails a day are sent across the ether. In 2009, internet users produced a collective total of 487 billion gigabytes of data – the equivalent of thirty billion full iPods. Every minute, nearly three million searches are performed. The internet is a place where we do business and stay in touch. A place where we work, learn and play.

More and more business done on line

A large part of our GDP is generated over the internet. Workers share files on line; digital signatures are applied to purchase contracts; distributors check their suppliers' current stocks on websites. The internet plays a major role in pretty well every business process. And the internet is taking an increasing share of advertising budgets. Even during the credit crisis, the number of internet shopping websites has continued to grow. Meanwhile, the technical scope for creating webshops that give consumers a real shopping experience is expanding rapidly. Webshops such as Bol.com, Neckermann and Wehkamp managed to increase their reach, and the sites of companies such as KPN and Vodafone also attracted more visitors. The ease of comparison, the breadth of choice and the variety of payment options appear to be significant drivers of growth.

After several years of being regarded as a promising technology for the future, cloud computing – where software applications are not installed on the user's computer, but accessed via the internet – started to gain significant ground in 2009. Also, an increasing number of companies are now using crowdsourcing, which involves harnessing on-line networks to gather information and even develop products and services.

Continued digitisation in government

For the public sector too, the internet has become an essential medium. It is now the primary channel for accessing government information. In many cases, the use of DigiD now enables people to access public services without leaving home. The year under review also saw the Dutch government start its migration to e-billing. The digitisation of invoicing is expected to save public and private sector organisations millions of euros a year.

The year of Twitter

A fifteen-fold growth in user numbers also made 2009 the year of Twitter. On average, 27.3 million 'tweets' a day are now sent, and references to Twitter have become commonplace in the printed and broadcast media. During the disturbances that accompanied Iran's elections, the microblog service was one of the few up-to-date news sources. In the Netherlands, the first reports of the air crash at Amsterdam's Schiphol airport were tweets, and many politicians embraced Twitter as a way of communicating with the public.

Social use still growing

Although a survey chose 'ontvrienden' – the Dutch word for removing someone from your list of friends – as the word of the year in 2009, social networking continued to grow in 2009. Before the year was out, half of all Dutch people and an increasing number of companies and other organisations were Hyves members. And, globally, no less than 350 million people had a Facebook profile. That is more than the entire population of the USA. The number of weblogs hit a new high of 126 million.

Music downloads and on-line video

Despite the recession and a contracting music market, audio download sales rose sharply. Over the last five years, the total size of the music market has decreased by 30 per cent, but sales of digital music files have risen by 940 per cent. Worldwide, there are now about four hundred official music download outlets and the industry generated a turnover of 4.2 billion dollars from downloading in 2009. Meanwhile, on-line viewing really took off in 2009. More than a billion video clips a day were viewed on YouTube. Originally a medium for user-generated content, YouTube has developed into a platform that hosts a wide array of professional material and commercial communications.

General debate

On-line viewing is just one of the phenomena placing increasing load on the available band width. This led to general debate regarding the merits of network neutrality: the principle that providers should treat all internet traffic the same, regardless of whether the user is polling a mailbox or streaming video. Another hot topic was intellectual property rights. While discussion of this issue is sure to continue, 2009 witnessed the launch of a number of new business models. In the UK, Virgin Media and Universal joined forces to introduce a new music download service and YouTube struck a deal with BUMA/STEMRA regarding Dutch music copyrights.

The 20 most-visited sites the Netherlands in 2009

1	Google.nl
2	Youtube.com
3	Hyves.nl
4	Live.com
5	Bol.com
6	Marktplaats.nl
7	Buienradar.nl
8	NI.wikipedia.org
9	Detelefoongids.nl
10	Msn.com
11	Wehkamp.nl
12	Ing.nl
13	Kpn.com
14	Startpagina.nl
15	Neck.nl
16	Vodafone.nl
17	Microsoft.com
18	Nu.nl
19	Rabobank.nl
20	Rtl.nl

Source: Multiscope, December 2009

Breakthrough for mobile internet

Having previously been the preserve of business users, mobile internet access began making inroads into the private market in 2009. The mobile phone market was rescued by the arrival of the latest generation of smartphones. As well as touch screens, 3G and WiFi capability, these devices boast processors as powerful as those found in PCs just a few years ago – so they can be used to view video clips, download music, play online games, send e-mail and surf the net. Flat-fee contracts also helped to promote the use of smartphones. However, it was the launch of the iPhone that did most to boost the market. Handy 'apps' enable iPhone users to get a wide variety of current information from the internet, and other manufacturers have been quick to follow suit. An

application appeared on the Dutch market in October 2009, which enabled users to view programmes previously broadcast as free-to-air TV. By the end of the year, the application had provided more than two million video streams. Meanwhile, 150 million programmes were watched via the main Uitzending Gemist website. Several SIDN registrars even developed apps for registering domain names from mobiles.

Not just computers

Computers and mobile phones are no longer the only devices that people can use to get on line. An increasing number of games consoles, audio systems, TVs and e-readers are also internet-enabled. One consequence is ever-greater pressure on the available band width. In South Korea, where on-line gaming is hugely popular, the average speed of a broadband connection is 46 mbps – more than four times the Dutch figure. As the number of internet-enabled devices grows, so do the commercial opportunities. New possibilities and markets are being created by combining technologies, both in the realm of infrastructure provision and in the realm of appliance development. Expertise in the field of unique identifier management can be extremely useful in this context.

End of the line approaches for IPv4

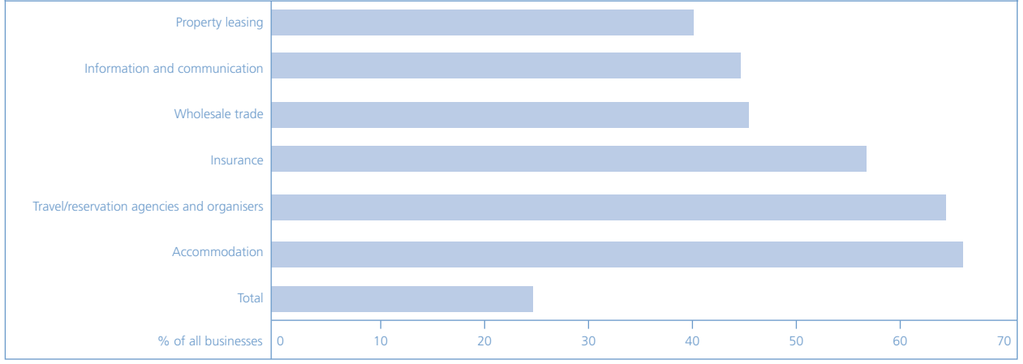
Rapid growth in the numbers of connected devices and internet users worldwide means that IPv4 addresses will soon run out. Although SIDN is fully prepared for IPv6, a lot needs to be done in the Netherlands and elsewhere before everyone is ready for the time when the only IP addresses available are version 6 – which should be in 2011.

Security and confidence

When Leonard Kleinrock sent his historic message forty years ago, he could not have imagined how important security would become. In those early days, the 'internet' community was very close-knit and unsavoury phenomena such as phishing, malware and viruses were unknown. By 2009, however, internet governance had become a major national and international issue, characterised by subthemes that included access, security, confidence and diversity. Against this background, governments have been placing increasing pressure on the private sector to enhance security and tackle criminality. A growing number of public-private partnerships have come into being as vehicles for addressing the challenges of governance. Both in the Netherlands and elsewhere, SIDN is involved in many of these projects, often in the role of (co-)initiator. We intend to broaden our involvement in the years ahead. As the significance of the internet grows, it is increasingly incumbent upon registries such as SIDN to constantly seek new ways of enhancing system continuity and robustness, so that sites remain traceable and available and e-mail traffic is unimpeded. The greater the economic interests at stake, the more important it is that people can be confident that everything simply 'works'. In 2009, SIDN took further strides in the push to increase the reliability of the .nl domain, thus assuring the availability of the associated services under all circumstances.

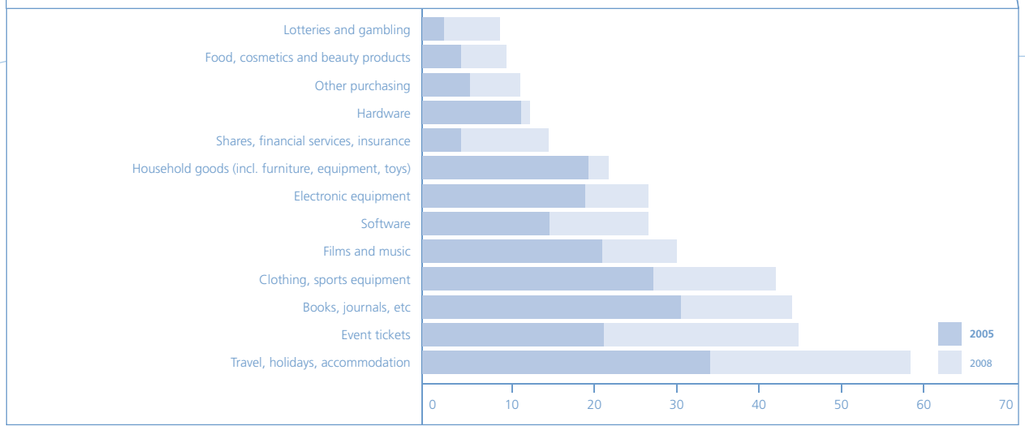
Roelof Meijer
CEO SIDN

Sectors with a high percentage of businesses selling on line, 2008



Source: Statistics Netherlands 2009

On-line purchasing



Source: EIAA Mediascope Europe 2008

Profile of SIDN

Services

Since its creation in 1996, SIDN has been ensuring that e-mail can always be delivered to .nl mailboxes and that all .nl websites can be found by internet users everywhere. As well as issuing and registering a daily average of 2,400 new domain names, SIDN handles roughly a billion search queries a day. Reliability, stability and the development of innovative services against a backdrop of operational transparency are SIDN's guiding principles. Information about the registration process, about currently registered .nl domain names and about other matters concerning the .nl zone is published at www.sidn.nl. As well as .nl domains, SIDN registers ENUM domains. 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 and service innovation. 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 internet community. SIDN does not pursue the maximisation of profit or corporate value; generated surpluses are partly reserved as a buffer, partly invested in the organisation and partly used to fund internet-related programmes.

Vision

SIDN believes in a unified internet spanning the entire world, which is open and accessible to all and reflects the global diversity in cultures, languages and scripts. An internet on which freedom of expression, the right of publication and unrestricted access to information are the norm. And an internet on which the user feels safe. SIDN is not responsible or liable for the import or use of .nl domain names, or for the content or nature of associated websites, e-mails or activities. Nevertheless, SIDN sees itself as having a part to play in promoting security and tackling criminality within the domains under its supervision. SIDN particularly wishes to see an appropriate balance struck between, on the one hand, freedom, openness and accessibility and, on the other, the exclusion of criminality. In other words, between the key factors in the internet's success and the need to protect the public from crime.

Good corporate citizenship

As the registry for the .nl domain, SIDN is at the very heart of the community. SIDN seeks to demonstrate its commitment to the community through good corporate citizenship and sustainable commerce. Being a leading internet organisation, SIDN believes that it can make a significant contribution to the further development and general availability of the internet. SIDN therefore initiates, encourages and sponsors activities that enhance security, promote application and use and deter abuse. In the Netherlands and internationally, SIDN is both proactive and committed to encouraging and supporting the activities of others in the fields of internet governance and sustainability. In this context, SIDN regards cooperation with public and private sector partners as the preferred basis for effective and coherent action.

At least one in eight .nl domain names uses a 'green' host

In March, SIDN teamed up with Cleanbits, which works to promote a green internet, to find out what proportion of the .nl zone's service providers are CO2-neutral. The findings indicate that at least one in eight (11.3 per cent) of all .nl domain names are hosted by firms that operate on a CO2-neutral basis. Cleanbits and SIDN continue to work for internet sustainability. Both organisations will monitor developments closely and intend to repeat the survey in the future.

Business model

SIDN markets its services through approximately 2,000 registrars based in the Netherlands and other countries, who in turn serve the .nl registrant community. Many registrars are internet service providers, who offer .nl domain registration as part of a package of services, which may also include e-mail, web 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. It is the first-choice top-level domain for Dutch people, Dutch businesses and Dutch organisations.

International role

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), the IGF (Internet Governance Forum), the IETF (Internet Engineering Taskforce) and RIPE NCC. SIDN is already one of the world's leading registries and intends to further consolidate its position.

Dispute resolution

If SIDN makes a decision regarding a particular domain name, the General Terms and Conditions allow the registrant or applicant to appeal to the Complaints and Appeals Board (C&AB). As well as handling appeals, the C&AB considers complaints regarding domain names that are considered inconsistent with public order or decency. In the event of a dispute between two registrants – where, for example, a domain name is considered to infringe someone else's trademark rights – the two sides can make use of SIDN's dispute resolution system. This low-threshold option enables people to avoid potentially costly court proceedings. In conjunction with the University of Tilburg, SIDN also runs the website www.domjur.nl, where details of legal cases involving domain names are published.

Developments and prospects

The internet has become an integral part of Dutch society and the Dutch economy. A position of almost total market penetration has been achieved, with 91 per cent of households and 93 per cent of people having internet access. No less than 77 per cent of homes now have broadband. In 2009, the average Dutch person spent one hour a week more using the internet than in 2008. Usage is highest amongst the young, who are on line for fifteen hours a week – more time than they spend watching TV.

More private .nl registrants

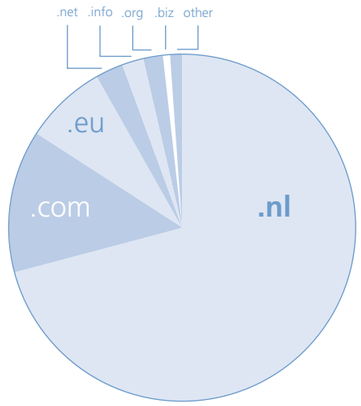
Since operation of the .nl domain was delegated to SIDN in 1996, the Dutch country-code domain has grown exponentially. Having comprised just 9,614 unique domain names at the time of delegation, by the close of 2009 it embraced roughly 3.7 million. Against this general backdrop of growth, one striking trend has been the rise in the proportion of .nl domains registered to private individuals, up from 30 per cent in 2007 to 35 per cent by January 2009. Similar retail market expansion is apparent within other ccTLDs. Because many registries have made it easier for private individuals to register domain names, the country-code domains have seen growth at a rate 1.5 times that achieved by the generic TLDs.

National and international market leadership

With a share of more than 70 per cent, SIDN leads the Dutch domain name market. Having nearly 3.7 million domains at the end of 2009, the .nl domain was the eighth most popular TLD and the fourth largest of the world's 250-plus country-code TLDs, after China (.cn), Germany (.de) and the UK (.uk). The success of .nl is underlined by the growing interest in .nl domain names on the secondary market (the market in already-registered domain names). A good .nl domain name attracts extra traffic and exposure, thus enhancing corporate brand value inside and outside the Netherlands. The leading position of the .nl domain is down to the overall quality and continuity of the services provided by SIDN and its registrars. At the same time, the unique position of the Dutch national registry places an obligation on SIDN to do all it can to assure the availability of its services under all circumstances.

The provider with
a 200,000-name portfolio

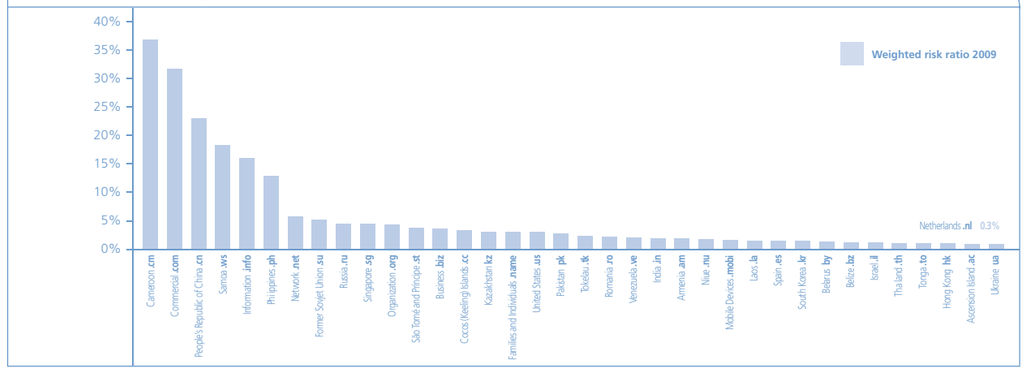
On 3 November 2009, Mijndomein.nl registered its 200,000th .nl domain name with SIDN: bitterballenjongens.nl. Mijndomein is the first SIDN registrar to reach that landmark.



One of the world's safest TLDs

In 2009, the .nl domain was again one of the safest TLDs in the world – according to an annual survey carried out by McAfee. The US security software producer gathers data on the likelihood of encountering phishing scams or malware when visiting websites in the various TLDs. More than 540,000 .nl sites were scanned for the survey, which found that, for the third year in a row, the risk of contact with phishing or malware was lower in the .nl domain than in any other large TLD. For SIDN, the finding confirms that efforts to improve and maintain security are bearing fruit.

Total risk TLD's in Europe, Middle-East and Africa

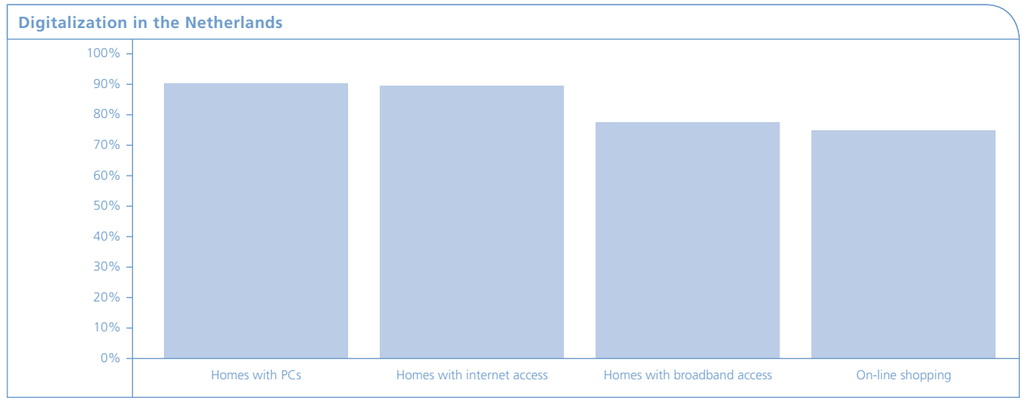


Source: McAfee 2009

Average selling price on the secondary market

TLD	price in 2009 in €
.fr	2.958
.co.uk	2.216
.com	1.849
.at	1.541
.nl	1.359
.es	1.149
.net	1.058
.org	1.031

Source: Sedo GmbH



Source: De Digital Economie 2009

Review of 2009

In 2009, SIDN focused more closely than ever on its service provision to registrars. Contact was intensified, research was done into registrars' wishes and service quality was considerably improved. Numerous technical changes were also made – the development of a new registration system being the most prominent. All the technical changes were in line with SIDN's commitment to proven, state-of-the-art technology, consistent with industry standards.

New registration system: DRS-EPP

The project that dominated SIDN's year was undoubtedly development of the new registration system, DRS5. An EPP interface is the new system's most prominent innovation, but by no means the only one. With a view to aligning SIDN's practices as closely as possible with industry standards and peer group registries, numerous processes changed fundamentally, so that roughly three quarters of the application is new. Almost everyone at SIDN contributed in one way or another to the result, which reflected many lessons learnt from DRS4. In addition, thorough tests were conducted at every stage of development and external expertise was used for review and audit purposes. SIDN also ensured that the registrar community was closely involved in the development process. A weblog and regional information meetings were used to keep registrars abreast of what was happening and also served as feedback channels. Another feature of the process was a taskforce, set up to provide the developers with input. The DRS-EPP Taskforce was made up of registrars, selected to represent the diversity of the registrar community, who met once a month and liaised closely with SIDN. Their advice was very important to the project and contributed materially to the functionality and quality of the new registration system. Thanks partly to the consultative development strategy, the new system and its EPP interface have been well received by registrars since entering use on 17 March 2010.

DRS5

DRS5 is the latest version of the Domain Registration System: the automated system that SIDN uses to register domain names and record updates to existing registrations (e.g. transfers).

EPP

EPP stands for Extensible Provisioning Protocol: an XML-based protocol for enhanced communication between registrars and registries. The design of DRS5 follows the protocol wherever possible. Where departures from the protocol or additional features have proved necessary, the best practices of peer-group registries active on the Dutch market (.eu, .com, .org, etc) have been followed.

IPv6

Some time in 2011, the world is expected to run out of IP addresses based on version 4 of the Internet Protocol (IPv4). A new version of the protocol (IPv6) is already available, which allows for the continued definition of new addresses. During 2009, SIDN took further steps to prepare for the introduction of IPv6, which it fully supports. Internet service providers and many companies still need to make equipment updates ahead of the switchover, and private individuals will have to take action as well. As part of its efforts to promote awareness amongst market parties, SIDN sponsors the IPv6 Award for ISPs, which recognises the efforts of ISPs that have done the most to make their infrastructures IPv6-ready.

. . . . . called SRI and said, did you get the L? Yep, got the L. Get the O? Yep, got the O. Typed the G and craaaaash. But the message couldn't have been shorter or more prophetic: LO, as in lo and behold. You can't beat that. I did foresee that . . . . . .

Development of BIND10 name server software

BIND is the most widely used software for name servers and therefore a key infrastructural component of the internet. BIND is developed in the form of open-source freeware by ISC (Internet Systems Consortium), a non-profit organisation dedicated to continued development of the internet. In 2009, SIDN agreed to help fund the development of BIND10. The existing version of BIND, version 9, is already ten years old. So, since its development, a great deal has changed in terms of user expectations, software, technology and computer architecture. BIND10 will have a modular structure, in order to take full advantage of the opportunities afforded by open-source development and to address certain shortcomings. a steering committee with SIDN representation has been formed to oversee progress and monitor quality. SIDN is funding the BIND10 development project in line with its commitment to promoting universal internet access, standardisation, the security and reliability of the internet and the independence of the DNS.

DNSSEC

For a large TLD such as .nl, stability and availability are vitally important. For several years, SIDN was therefore reticent about any rapid introduction of DNSSEC. The view was that a number of technical, operational and functional issues associated with the protocol and its introduction needed to be resolved before DNSSEC could responsibly be implemented. However, in recognition of the significant progress made with many of the issues in question, SIDN is now in favour of introduction. With a view to removing the remaining obstacles, SIDN and several partner organisations established the DNSSEC.NL platform in 2009. The platform provides a setting within which people from the technical sector of the internet community (representing organisations such as NLnetLabs, PowerDNS, SURFnet and SIDN) are able to explore possible solutions. SIDN also participates in the international DNSSEC Industry Coalition and takes an active role in openddnssec.org, which is developing open source software for DNSSEC.

DNSSEC: an extra-secure DNS protocol

The existing DNS protocol has a number of inherent security vulnerabilities. Under certain circumstances, for instance, internet users could be diverted to fake websites or have their e-mail intercepted, despite using the correct domain names. DNSSEC (DNS Security Extensions) has been developed to address these issues and thus to increase the reliability of the DNS. However, DNSSEC cannot prevent phishing, spam, typosquatting or various other forms of DNS abuse, and makes the DNS more complex and therefore more sensitive to errors. What's more, there is as yet no real demand for it from the .nl domain's registrars or registrants. Nevertheless, SIDN takes the view that the advantages outweigh the disadvantages and that the remaining operational problems can be resolved. SIDN is therefore working with the Dutch internet community to bring DNSSEC to the.nl domain.

Name server and firewall updates

SIDN began the process of replacing its name servers back in 2007. This major undertaking was completed in 2009. The intention is to regularly replace the name server infrastructure in future, in order to keep pace with the ever-growing demand. SIDN now has four fully redundant (DNS unicast) name servers under its own control. With more cache memory and higher clock speeds than their predecessors, the new name servers are several times faster. Naturally, the servers support IPv6 and will all be assigned IPv6 addresses in 2010. Meanwhile, the entire access layer, including the firewalls and load balancers, has been replaced and updated. These improvements were needed not only to enable SIDN to meet future challenges, but also to pave the way for the introduction of DRS5.

Second anycast service

In 2009, SIDN signed a contract for a second anycast service. SIDN makes use of two anycast 'clouds' operated by separate providers. Each cloud has numerous access points, with at least seven and up to twenty-two servers. By combining unicast and anycast, SIDN is able to provide and assure a very stable DNS infrastructure.

Anycast

Anycast is a network technology in which a logical name server is represented by a dispersed cluster of physical servers, which share a common name and IP address. Routing within the network ensures that a .nl query is forwarded to the closest or most accessible server. The main benefits of anycasting are enhanced protection against attack and higher domain capacity. If one of the servers should go down, its workload is simply taken up by the others.

Good availability and service levels

In 2009, the availability of SIDN's resolving service was, as in all previous years, 100 per cent. However, planned maintenance for the realisation of MetroCluster, plus two unfortunate failures at the external production facility, meant that the availability of registration services in the first quarter of 2009 was only 99.1 per cent: below SIDN's target and not what SIDN's clients expect. For the remainder of the year, the availability, including planned maintenance, was back at an acceptably high level: 99.73 per cent in the third quarter and 100 per cent in the fourth. The time taken to respond to registrars' enquiries was also reduced and the general quality of SIDN's services continued to improve. Individual client contact was intensified, and registrars were kept better informed regarding developments of importance to them. Several groups of registrars were involved in key developments, such as the development of DRS5.

MetroCluster

A further enhancement to the manageability of production was made in May 2009, when MetroCluster was installed as part of major maintenance work. The MetroCluster architecture incorporates twinned filers at separate locations, so that any task can immediately be taken over in the event of a component failing on either filer. Having MetroCluster means that production can always continue.

New website

In 2008, work began on the design and construction of a new website. The aim of the project was to create a more user-friendly site and to make new functionalities available both to registrars and to other visitors. This also implied replacement of the old CMS, which was not capable of supporting the innovations. One of the new functionalities developed in 2009 was a 'health monitor': an on-site display of the vital signs of various SIDN services, such as the Whois and the DNS check. The new site also features

an area where registrars can view and download their invoices and supporting schedules following activation in 2010. With DRS5 operational, registrars will additionally have access to various reports regarding their .nl domain name portfolio via the restricted-access area of the site.

The financial crisis

The .nl domain was not untouched by the global economic crisis in 2009. The number of registrars fell from 2,103 to 2,006. In September, monthly growth of the domain dropped to its lowest level for some years, at just 23,299 registrations. By November, however, growth had bounced back to 63,551 – the highest figure ever. The upturn in registrations appeared to be the market's response to signs of economic recovery in the final quarter of 2009.

New pricing model and discount scheme

During the year under review, SIDN introduced a new pricing model for the services it provides to registrars. The changes were designed to make the system simpler and to reduce the overall cost base for registrars. Under the new system, both the initial registration of a domain name and the two primary types of update – transfers and registrant changes – are free of charge. The model also features a graduated discount scheme and a higher quarterly registrarship fee. By introducing the discount scheme, SIDN sought to reward registrars that generate a high turnover and turnover growth, and to share the economies of scale associated with high-volume accounts. The discount scheme was applied retrospectively to 2008. For that year, the overall loss of income associated with the new pricing model and discount scheme was € 352,000. The corresponding figure for 2009 was € 77,000 higher, at € 240,000. Response to the new model was mixed. One registrars' group – ISPBelang, whose members are mainly smaller businesses – was particularly vocal in its criticism and went as far as lodging a complaint with the Netherlands Competition Authority (NMa). This complaint was ultimately declared unfounded and withdrawn by ISPBelang.

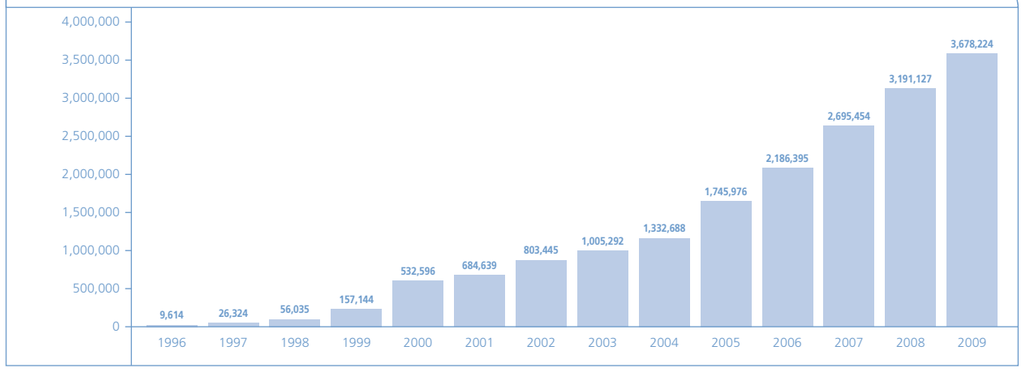
Registrar Satisfaction Monitor

In 2009, SIDN also commissioned the independent research agency MediaTest to gauge registrars' satisfaction with the services provided by SIDN. More than 400 registrars took the time to complete the questionnaire. Previous surveys had indicated that registrars were less happy with some aspects of SIDN's services than with others. The 2009 survey therefore included more open questions, enabling respondents to explain their views. Where aspects such as systems, support and processes were concerned, SIDN's services scored well (an average of 7 out of 10). The registrars were also positive about the speed with which registrations and updates are processed and about the tone of SIDN's communications. Overall, the services earned a satisfaction rating of 6.1 out of 10. The main causes of discontent were the delayed introduction of EPP, service interruptions and the discount scheme. Many of the issues identified in the registrars' feedback were addressed during the year. The availability of the registration services was very high from the second quarter onwards, the response time for e-mail enquiries was considerably reduced and DRS-EPP was launched in March 2010.

Registrar accreditation

All stakeholders in the .nl domain share the belief that it is not possible to have a reliable internet domain without registrars of a high standard. Registrar accreditation is

Number of .nl domains 1996-2009



one means of raising standards of professionalism within the registrar community. For the time being, however, SIDN is prioritising better enforcement of clearer terms and conditions. SIDN's General Terms and Conditions have been tightened up and a number of checks have been removed from the registration process and take place at a later phase. If anything proves not to be in order the concerning registrar is then contacted. The desirability of an accreditation system will be re-examined at a later date, in consultation with the registrar community.

Mail robot waiting times visible

When registrars submit bulk transactions to SIDN's systems, transaction processing times can be extended. This leads to a queue for the mail robot. To enable registrars to see how long the queue is and to time the submission of bulk transactions accordingly, SIDN started publishing the current mail robot delay. Since February 2009, the delay in minutes has appeared on the homepage of the registrars' website. Naturally, SIDN constantly monitors the length of the mail robot queue and intervenes as necessary.

New CRM system

In 2009, SIDN implemented a new CRM system for the centralised storage and retrieval of registrars' details. The new system improves SIDN's client knowledge, thus creating a basis for enhanced service provision. A new telephony system has also been acquired, increasing SIDN's ability to monitor and control traffic. This has advantages both for the speed of call processing and for the quality of the telephone support provided.

Registrars' Advisory Council

Since its foundation, SIDN has had a Council of Registrars, with the primary function of giving registrars a voice in administration of the .nl domain. This Council is able to provide input, either when SIDN's Board asks for advice, or when the registrar community wishes to raise an issue. Over the years, the operational format of the Council has changed on a number of occasions. In 2006, the then Advisory Council of Registrars disbanded itself, although no new body was lined up to succeed it. Since then, SIDN has maintained direct contact with and consulted its registrars by means of relationship management activities, contact days and consultation exercises. However, in 2009, a number of registrars expressed a wish to set up a new Registrars' Advisory Council. SIDN is actively supporting this initiative. Once the Council is in place, SIDN will give it the qualified right to nominate an extra Supervisory Board member.

Important developments for the ENUM domain

On 6 July 2009, SIDN signed its ENUM zone using DNSSEC (Domain Name System Security Extensions): an important step towards a secure ENUM zone. In the year under review, the number of registrations remained modest, due to the continued non-availability of good third-party product applications. However, there were several important developments on that front during the year under review. An ENUM portal and an on-line ENUM lab were created, guest tutorials were provided and a competition was organised for developers. 2010 will be decisive for the ENUM technology, as new product applications hopefully appear on the market.

ENUM

Telephony and the internet are distinct worlds, each with its own structure and rules. ENUM acts as a bridge between these two worlds. It enables a phone number to be used like a domain name, as a hook on which to hang various services. Phone numbers make very good unique identifiers, because every phone number in the world is different from all the rest. The ENUM Foundation of the Netherlands administers the Dutch ENUM zone, using the facilities of SIDN.

Domain names in other scripts

In November 2009, in line with a policy that SIDN had actively helped to define, the first four applications for IDN TLDs were approved by ICANN. An IDN is a domain name that includes non-Latin characters after the dot, such as letters from the Arabic or Cyrillic alphabet. The first four IDN TLDs are for Egypt (.مصر), Russia (.рф), Saudi Arabia (.السعودية) and the United Arabic Emirates (.امارات). These countries' new IDNs will appear in the DNS root from the middle of 2010.

New generic TLDs

SIDN made further preparations in 2009 for the opening of the root by ICANN and for the creation of new gTLDs. In the course of the year, a portfolio of registry services was developed, including the Top@s registration system, putting SIDN in a position to make practical proposals to organisations interested in applying for new TLDs. However, the formulation of policy for new TLDs proved to be more complex than the ICANN community had anticipated. ICANN's timetable for implementing the planned changes consequently had to be revised several times. It will now be at least the end of 2010 before applications can be made, and substantially longer before the new TLDs are operational. SIDN will use the additional time to make further organisational preparations, to conduct market research and to identify opportunities.

Internet governance

Internet governance involves the development of communal principles, rules, procedures and standards for the internet by governments and the international internet community. SIDN has long sought to secure a more prominent place for internet governance on the public agenda in the Netherlands. In September 2009, SIDN accordingly joined forces with the Ministry of Economic Affairs to hold an SIDN IGF Meeting, at which consideration was given to topics that the Netherlands might raise at the Internet Governance Forum to take place between 15 and 18 November 2009 at Sharm El Sheikh in Egypt (www.intgovforum.org).

Good corporate citizenship

For some years now, SIDN has sought to give practical expression to its belief in good corporate citizenship. As well as continuing to work with organisations such as the Reporting Hotline for Internet Child Pornography and the Advertising Fraud Support Centre, SIDN took a number of significant initiatives in 2009. One was the conclusion of an agreement with Netcraft, a company that generates automatic warnings about phishing activities. SIDN also sponsored a serious game for high school children, called SplitsZ!. The game, which is due to go live in the course of 2010, helps to get young people to think about what personal information they put on the internet. Several other collaborative projects are described below.

Platform for Internet Security

Along with the Dutch government, various ISPs and hosting and ICT firms, SIDN participates in the Platform for Internet Security, which exists to make the internet safer. The platform serves as a neutral setting for the development of strategic agreements and initiatives.

Digivaardig & Digibewust

In partnership with the Dutch government and various enterprises and community groups, SIDN supports the Dutch Ministry of Economic Affairs' Digivaardig & Digibewust programme. Organised through ECP.nl, this programme seeks to enable as many Dutch people as possible to use IT applications, such as the internet and e-mail. It also tries to educate people about the safe use of digital media. Its target groups are the 'computer illiterate', young people and their carers, the SME sector and senior citizens.

GOVCERT

Since 2009, SIDN has been a member of GOVCERT, the Dutch government's Computer Emergency Response Team. GOVCERT provides government organisations with ICT and information security support services, such as prevention, alerting, advice, knowledge sharing and monitoring. It is also active in security incident prevention and response.

RISG

SIDN is a co-founder of the Registration Infrastructure Security Group: a collaborative international body created to tackle identity theft on the internet. Through RISG, SIDN works with other registries, registrars, security software suppliers and law enforcement agencies such as the FBI.

A stubborn virus

At the start of 2009, alarm bells began ringing around the world as more than ten million PCs were infected with the Conficker C virus. The virus was spreading rapidly and affected many computers in the Netherlands. The sophisticated techniques used by Conficker C made it difficult to counter. It was programmed to generate random domain names within 110 ccTLDs, including .nl, as a way of continuing to propagate. At its peak, the C-variant of the virus was spawning a total 50,000 domains a day. Nevertheless, by joining forces with other registries, registrars and international partners, SIDN was ultimately able to help check the virus's spread.

Notice and Take Down Code

In 2008, SIDN helped to develop the Notice and Take Down Code for the Netherlands' ISP and hosting sector. This code is based on the European E-Commerce Directive, which effectively obliges the sector to cooperate with the removal of internet content that is clearly unlawful or criminal, such as phishing scams, child pornography and material that infringes copyright. The code assumes that anyone with a grievance starts by approaching the party with most direct control over the offending content. The next party in line – the website operator, the registrant or the hosting form, for example – is asked to act only if the initial request is ignored. The Code does not explicitly apply to SIDN because, as the registry for the .nl domain, its role is not covered by the relevant provisions of the E-Commerce Directive. Nevertheless, SIDN does have the ability to prevent a domain name from being used. While such action would not result in the removal of any associated criminal or unlawful content from the internet, it would make such material more difficult to find. Because of the importance that SIDN attaches to the Code and to internet security and reliability, a Notice and Take Down Procedure for .nl Domain Names based on the Code has been defined for use in circumstances where no other solution is reasonably available. This procedure came into effect on 2 October 2009. Since that date, two requests have been considered, both of which have been refused. SIDN anticipates that, in the years ahead, increasing use will be made of both the Code and SIDN's Procedure. SIDN therefore remains closely involved with this issue.

Mediation

It sometimes happens that a person or organisation is unhappy about someone else registering a given domain name, because the registration is considered to be an infringement of copyright, or some similar right. Under such circumstances, the aggrieved party can take the matter to court, or can make use of a fast, low-cost alternative: SIDN's Dispute Resolution System for .nl Domain Names. If the latter option is chosen, the case is considered by the WIPO Arbitration and Mediation Center, which appoints an independent specialist in the law governing domain names and intellectual property rights to decide whether the complaint is justified. From 1 October 2009, a preliminary mediation phase has been added to the system, during which an SIDN-appointed mediator tries to help the two sides to reach a mutually acceptable solution. Mediation is a free, confidential and optional service, which can save the parties from putting the outcome of their dispute in the hands of an arbiter or referring the matter to a law court. The service was used for the first time in 2009, leading to the amicable settlement of the case in question.

New domicile arrangements

In 2009, SIDN made it possible for its own registered office address to be used as a domicile address. Every registrant of a .nl domain name has to nominate an address in the Netherlands, which bailiffs can use to serve writs and such like in the event of a dispute involving the name. In many cases, the address of the registrant's ISP will be used as the domicile address. This is not possible, however, if both the registrant and the registrar are outside the Netherlands. Under such circumstances, the requirement to nominate a domicile address in the Netherlands was a significant administrative hurdle. From 2 October 2009, therefore, SIDN has allowed registrants outside the Netherlands to use SIDN's registered office address as a domicile address. The move makes the registration of .nl names more straightforward for people and organisations in other countries.

Legal action against Lycos

In November 2008, Lycos announced that it intended to stop providing hosting services. In February 2009, SIDN noted that, two days before the services were to be withdrawn, Lycos was still responsible for more than 30,000 .nl domain names. For a large number of hosting clients, therefore, the end of Lycos's involvement in the hosting market would mean the disappearance of their websites from the internet. Furthermore, a quick survey revealed that many Lycos clients were unaware that hosting was to cease. In its capacity as the party responsible for the quality and image of the .nl zone, SIDN therefore sought an injunction against Lycos on 26 February. The intention was to oblige the company to postpone the withdrawal of hosting by a month and to give the remaining registrants adequate warning of the plans. However, SIDN's application to the court was rejected, on the grounds that SIDN was not an interested party. After the hearing, it was announced that all the .nl registrations managed by Lycos (but not the hosting contracts) were fortunately to be taken over by another registrar.

Amendment of T&Cs and C&A Regulations

SIDN's General Terms and Conditions (T&Cs) were amended during the year under review to reflect the new domicile address arrangements, implementation of the Notice & Take Down Code and introduction of the mediation service. In addition to the updates to the T&Cs, a number of procedural revisions were made to the Complaints and Appeals (C&A) Regulations.

Personnel policy

SIDN aims to bring out the best in people by providing an inspiring working environment, in which it is a pleasure to work, cooperate and develop as individuals, while also bringing added value to the organisation and its clients. In keeping with this goal, SIDN continued to strive for enhanced employee satisfaction in 2009. As a follow-up to the job evaluation exercise and benchmarking study conducted by Hay Management, changes were made to the primary and secondary compensation and benefits packages. The changes brought SIDN's remuneration policy into line with the norms for the top quarter of the market. In addition, SIDN personnel now have greater flexibility in the organisation of their working hours. Many members of staff followed courses of training during the year under review. Helpdesk personnel were give instruction in time management, client-focused working and the provision of advice, for example. SIDN plans a fresh Staff Satisfaction Survey in 2010 and expects the results to show levels of satisfaction as high as those seen in previous years.

Staff Council

SIDN firmly believes in giving its personnel a say in the way the organisation is run. When the workforce passed the fifty-mark in 2008, it was therefore decided that the existing consultation body should be converted into a staff council. Elections to the new Council were held in the third quarter of 2009, and went very well. Seven people stood for election and there was a high level of active interest within the organisation. The council has since started work.

Growth and internal collaboration

In 2009, appointments were made to various posts, including those of Security Officer, MCN Manager, C&O Manager and Project Coordinator. The total workforce increased by seven, to fifty-eight people. A number of initiatives designed to improve interdepartmental cooperation were launched. In addition, workshops and other mechanisms were used to enhance project organisation within the organisation. An internal study of SIDN's business culture was enthusiastically received by staff and yielded a lot of useful information. Following on from the study, a booklet describing SIDN's core values will be produced in 2010.

. . . . . the Internet would be always on, always available, it would allow anybody to connect anyplace, anytime, and it would be invisible. But I did not foresee that my 99-year-old mother would be on the Internet. So the . . . . . .

Plans for 2010

In 2009, SIDN focused firmly on the core aspects that make it a top-class registry: the efficiency and effectiveness of the organisation and the robustness of its systems. Particular attention was given to working in tandem with the .nl registrars. Moreover, considerable effort was devoted to the implementation of various conclusions of the 2008 Domain Name Debate – a process that will be completed in the early part of 2010. The services available to registrars will be expanded further, as will SIDN's role as an independent expert partner for government and the national and international communities. SIDN will also ensure that it is ready to respond to the market and well placed to utilise opportunities for developing activities that are not directly related to the successful .nl domain, such as the introduction of new generic TLDs.

Promoting the development of ENUM services

General recognition of the ENUM technology's value depends upon the availability of smart, user-friendly applications. SIDN will therefore work energetically to promote and sponsor the development of such applications, both in the Netherlands and internationally (through the ENUM Federation). In 2010, initiatives such as the on-line ENUM lab need to start delivering applications that appeal to the market. The year ahead will be decisive for ENUM in the Netherlands.

DNSSEC

Experience acquired from the introduction of DNSSEC for the ENUM zone should prove valuable when DNSSEC is implemented for the much larger .nl domain. SIDN has announced its intention to introduce DNSSEC for the .nl zone a month after the internet's root servers are signed using DNSSEC. ICANN recently indicated that the root will in all probability be signed in July 2010. If that is indeed the case, signing of the .nl zone will follow in August 2010. SIDN has decided to wait until the root is signed before bringing in DNSSEC for .nl, so that error-prone short-term solutions are unnecessary and so that the entire chain can be signed at once. This is regarded as the best and safest approach to the introduction of DNSSEC to the .nl zone.

Implementation of debate conclusions

Various conclusions of the 2008 Domain Name Debate were implemented in 2009. The process will be completed early in 2010 by making the changes described below.

• **Availability of Whois data** With a view to protecting personal data, significantly less information about each .nl registration will be available from the public Whois with effect from 12 January 2010. Neither the registrant's address, nor the names and phone numbers of the contacts will be published. The registrant's name will still be given, however, so that he or she can verify that the domain name is indeed registered to him/her. Furthermore, contacts' e-mail addresses will remain visible in the public Whois, to facilitate contact in the event of problems arising with the domain name in question. SIDN has additionally made special arrangements to enable a .nl registrant to be approached in the context of legal proceedings concerning the associated domain name. Investigative and enforcement agencies with statutory authority to require the release of information may, subject to certain conditions, obtain automated access to the full Whois dataset associated with each registration. A separate Whois service has also been set up for SIDN registrars, so that they too can access the full dataset in order to perform their registration activities. Furthermore, SIDN has implemented additional measures in order to prevent the large-scale automated retrieval of Whois data. Such 'harvesting', as it is known, is often done to collect e-mail addresses and other personal data for spamming.

• **Reservation of domain names** With the arrival of DRS5, it will be possible to register a domain name without specifying its name servers. Domain names registered on this basis will not be added to the zone file, but information about them will for the time being be made available via the Whois.

• **Modification of the ID verification requirement** Although the Domain Name Debate did not reach a unanimous conclusion regarding this proposal, SIDN decided that, when DRS5 came in, the requirement for a registrar to verify an applicant's identity would be dropped. The change is in line with normal practice in the industry and on the internet in general. However, a registrar will have a duty of care with regard to the accuracy of the data recorded in connection with a domain name, both at the time of registration and thereafter. A registrar must never register information that is known or suspected to be incorrect. Furthermore, if asked to do so by SIDN, a registrar has to be able to demonstrate that the data registered for a domain name are correct.

ISO 27001

In 2008, SIDN began working towards full compliance with and certification to ISO 27001, the international standard on data protection. The preparations continued in 2009, and should be completed in 2010. SIDN then expects become one of the first ccTLD registries to comply with the standard.

Product versioning

Where the development of new (component) products and services is concerned, the emphasis in 2010 will be on improving the offering available to registrars by introducing new services linked to .nl. This will enable registrars to expand the range of services that they offer their clients. The services under development include trademark and trading name protection services, tools for suggesting available .nl domains and security services.

Better information provision

In its role as an expert partner, SIDN will increase the emphasis on sharing market information with registrars. In addition, the restricted-access registrars' area of the SIDN website will acquire several new features. Invoices and important reports will be made available from the website and it will be possible to monitor the performance of SIDN systems on line and in real time.

Contributions to conferences

SIDN is hosting the 78th IETF conference, scheduled for 25 to 30 July 2010, in Maastricht. The IETF (Internet Engineering Task Force) is an international body made up of leading internet experts, which is concerned with internet development, architecture and standardisation. The conference is expected to attract about 1,200 delegates from more than fifty countries. SIDN is also sponsoring one of the nine themes at the World Congress on Information Technology, the international community's most important internet-related event, which takes place in Amsterdam at the end of May 2010. By acting as a venue for such influential gatherings, the Netherlands can profile itself to the world as the ICT gateway to Europe.

New accommodation

On 24 December 2009, SIDN took the decision to move to new premises, to be built on the IJsseloord 2 business park in Arnhem. The new offices are expected to provide a positive working environment, support the recruitment and retention of personnel and promote communication, collaboration and transparency. The design and fitting of the new complex will also recognise the need for good facilities, flexibility and a high level of security. Visibility and a public face consistent with its status are considered desirable in the context of SIDN's wish to be perceived as a professional, trend-setting organisation. If agreement with the relevant parties can be reached in 2010, SIDN should be able to move into the new premises in the second half of 2011.

Internal organisation

In 2010, SIDN will continue to invest in its personnel and do all it can to maximise the yield of its human capital. So, for example, knowledge levels will be raised through a programme of exchange with other registries. Also, closer ties will be sought with regional training centres, in pursuit of two objectives. First, SIDN hopes to attract higher vocational training students as interns, with a view to securing a flow of good candidates for vacancies. Second, SIDN aims to provide attractive research opportunities for university students, and thus to further its research and product development ambitions. In parallel with these initiatives, SIDN intends to set up a health promotion programme for its personnel.

Addressing CO2 emissions

The CO2 emissions associated with data centres are considerable and SIDN is keen to support schemes that can mitigate this problem. In 2008 and 2009, the organisation offset its emissions by planting trees in the Province of Gelderland's 'Internet Wood'. In the years ahead, SIDN intends to reduce its CO2 emissions, so that compensation ultimately becomes unnecessary.

Extension of C&AB's sphere of competence

In 2009, SIDN reassessed the role of the Complaints and Appeals Board (C&AB), in consultation with the Board itself. The conclusion was that this independent body's sphere of competence should be extended in 2010. When the changes take effect, .nl registrants and others will have more opportunity to seek the independent review of decisions made by SIDN.

Financial summary

In 2009, SIDN secured a positive result of € 2,783,639 after tax (2008: € 1,922,879). The surplus is to be allocated to the general reserve, thus increasing SIDN's equity capital at the close of 2009 to € 14,524,701, compared with € 11,741,062 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 2009 was substantially (€ 1,254,000) higher than the 2008 result. Turnover rose by € 1,603,000 (+13 per cent) year on year: considerably more than the organisation's cost growth of € 349,000 (+3 per cent).

The annual turnover growth of 13 per cent was attributable largely to the increase in the number of registered domain names. At the end of 2009, there were approximately 3,700,000 names in the register, compared with about 3,200,000 a year earlier (+18 per cent). With effect from 1 January 2009, SIDN's registry fees were revised, with some going up, while others went down. Higher registrarship fees boosted turnover by € 406,000, compared with 2008. However, this was more than offset by the loss of income attributable to the introduction of 'zero fees' for the main transactions, namely € 681,000. In 2009, € 240,000 was paid to registrars in the context of the discount scheme (2008: € 163,000).

Overall personnel costs fell by € 39,000 (-1 per cent). Wages and salaries (including pension and social security costs) increased by € 707,000, mainly because of the increased average size of the workforce (up from 45 people in 2008 to 53 in 2009). However, less use was made of temporary agency staff (- € 567,000). Other personnel costs also fell (- € 179,000) as a result of lower expenditure on recruitment and selection and outplacement. The number of people in service at the close of the year was fifty-seven, compared with fifty-one at the end of 2008.

A year-on-year rise of € 281,000 was recorded in depreciation costs. This included € 228,000 attributable to the accelerated depreciation of DRS4 components, ahead of that system's withdrawal from service in March 2010.

SIDN's other operating expenses rose by € 106,000. A € 270,000 fall in expenditure on marketing and communication activities was offset by higher accommodation costs (+ € 101,000) driven up by higher energy costs, cleaning costs and ICT costs (+ € 92,000). The growth of the latter item was due mainly to the contracting out of office system management.

The reported value of the tangible fixed assets under development includes the cost of designing and building DRS5 (€ 815,000). DRS5 is to enter use in March 2010.

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

	31 December 2009		31 December 2008	
	€	€	€	€
Fixed assets				
Tangible fixed assets				
Machinery and equipment	844.528		1.456.839	
Other fixed business assets	562.851		694.179	
Tangible fixed assets in production	815.073		7.121	
		2.222.452		2.158.139
Financial fixed assets		0		0
Current assets				
Receivables				
Debtors	104.875		31.959	
Taxes and social security contributions	0		312.760	
Other receivables	932.955		808.062	
		1.037.830		1.152.781
Liquid assets		13.695.138		10.306.732
		16.955.420		**13.617.652**

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

	31 December 2009		31 December 2008	
	€	€	€	€
Equity capital				
General reserve	11.741.062		9.818.183	
Annual result	2.783.639		1.922.879	
		14.524.701		11.741.062
Provisions		0		0
Short-term liabilities				
Liabilities to suppliers	862.160		1.173.069	
Taxes and social security contributions	811.216		167.021	
Other liabilities	757.343		536.500	
		2.430.719		1.876.590
		16.955.420		**13.617.652**

Profit-and-loss account for 2009

		2009		2008
	€	€	€	€
Net turnover		14.227.235		12.624.156
Expenditure				
Wages and salaries	3.887.114		4.083.153	
Pension charges	467.608		374.545	
Other social costs	347.934		283.010	
Depreciation of tangible fixed assets	1.060.630		780.011	
Other operating expenses	5.041.815		4.935.889	
		10.805.101		10.456.608
Operating result		3.422.134		2.167.548
Financial income and expenditure		298.086		396.597
Result from ordinary operations before taxation		3.720.220		2.564.145
Taxes		(936.581)		(641.266)
Net result		2.783.639		1.922.879

Cash-flow statement for 2009

		2009		2008
	€	€	€	€
Cash flow from operating activities				
Operating result		3.422.134		2.167.548
Adjustments for				
Depreciation of tangible fixed assets	1.060.630		776.943	
Movement in provisions	0		(7.915)	
		1.060.630		769.028
Movement in working capital				
Receivables	114.951		(86.291)	
Short-term liabilities	554.129		127.157	
		669.080		40.866
Operating cash flow		5.151.844		2.977.442
Interest received	298.086		396.597	
Corporation tax (paid) / received	(936.581)		(641.266)	
		(638.495)		(244.669)
Cash flow from operating activities (to carry forward)		4.513.349		2.732.773

Cash-flow statement for 2009

		2009		2008
	€	€	€	€
Cash flow from operating activities (carried forward)		4.513.349		2.732.773
Cash flow from investment activities				
Investments in tangible fixed assets	(1.124.943)		(475.815)	
Long-term lending	0		36.371	
Cash flow from investment activities		(1.124.943)		(439.444)
Increase / (decrease) in funds		3.388.406		2.293.329
Movement in funds				
Funds as at 1 January		10.306.732		8.013.403
Increase / (decrease) in funds		3.388.406		2.293.329
Funds as at 31 December		13.695.138		10.306.732

. . . . . social side I totally missed. I thought this was about computer-to-computer communication or people-to-computer communication, not a mechanism for communities to form and grow and interact."

Directors and officers

Directors and officers as
at 31 December 2009

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

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