

# The .eu registry EURid Annual Report 2012



**.eu**  
Your European Identity

# Highlights

in EURid's  
history

1999		The European Council discusses a single top-level domain for Europe
↓		
2002	<b>April</b>	The European Parliament and Council adopt the EC regulation 733/2002 on the implementation of the .eu TLD
↓		
2003	<b>April</b> <b>May</b>	EURid is incorporated under Belgian law EURid is appointed by the European Commission as the .eu registry following a tender process
↓		
2004	<b>April</b>	The European Commission publishes public policy rules for .eu (EC regulation 874/2004)
↓		
2005	<b>May</b> <b>December</b>	.eu is added to the root zone of the internet's Domain Name System (DNS) EURid begins accepting applications for .eu domain names from prior rights holders (Sunrise)
↓		
2006	<b>April</b>	.eu live registrations start with one million registrations on the first day (Landrush)
↓		
2009	<b>January</b> <b>December</b>	.eu records its three-millionth domain name All official EU language scripts supported by .eu Internationalised Domain Names (IDNs)
↓		
2010	<b>June</b> <b>September</b>	.eu enables Domain Name System Security Extensions (DNSSEC), an internet security standard .eu becomes one of the safest TLDs with a complete DNSSEC chain of trust
↓		
2011	<b>April</b> <b>November</b>	.eu celebrates five years of live .eu registrations. We start offering registration periods of up to ten years (multiyear registrations) EURid simplifies online security for registrars by adding .eu DNSSEC Signing Service
↓		
2012	<b>May</b> <b>June</b>	EURid becomes the first European TLD registry to achieve EU Eco-Management and Audit Scheme (EMAS) registration EURid launches YADIFA®, an open-source name server implementation
⋮		
↓		

The .eu registry EURid

# Annual Report 2012

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# Message

from the Chairman of  
the Board of Directors

## PIERRE VERBAETEN

Chairman of the Board of Directors

Pierre Verbaeten was professor of the Computer Science department at the University of Leuven until October 2010. For more than ten years he was chairman of this department, the largest in Belgium with more than 30 professors and 170 researchers. He led the DistriNet research group, which conducts basic and applied research in computer networks, security, middleware, multi-agent systems and embedded systems; the group numbers more than 70 researchers. Since December 2012 he has been a member of the University's board of trustees. In 1989 Mr Verbaeten became the first manager of the .be registry, which was transferred to the not-for-profit organisation DNS Belgium on 1 January 2000.



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“I am convinced that .eu is in a strong position since companies operating in the EU will choose .eu to demonstrate their international business ambitions.”

Pierre Verbaeten, Chairman of the Board of Directors

2012 was a good year for the .eu top-level domain (TLD). I was happy to see .eu registrations continue to grow and EURid uphold its reputation as a centre of excellence for TLD registry management.

This was possible thanks to the enthusiastic .eu team, who came up with novel ideas and worked hard. Most notably, incentives were put in place that made .eu an even more attractive business proposition for our global registrar community and .eu's operational infrastructure was reinforced by our new name server implementation, YADIFA®. I am confident that this dedication will continue.

The domain name world will change in 2013 and it remains to be seen how existing TLDs will be affected. The number of generic top-level domains (gTLDs) will grow spectacularly. People will have a huge choice of new gTLDs and some registrars will play a dual role by becoming a gTLD registry themselves.

Combine these new gTLDs with Europe's ongoing political and economic crisis, and I expect 2013 to be an interesting year. I anticipate that businesses will cut costs and consequently, revise their domain name strategy. They may think twice before registering their company and brand names for all relevant TLDs and instead, select a few, key extensions. I am convinced that .eu is in a strong position since companies operating in the European Union will choose .eu to demonstrate their international business ambitions.

On behalf of the board, I would like to thank everyone at EURid for the excellent job they did during 2012. Every time I visit one of EURid's offices, I meet employees who are committed and take pride in their jobs. It is a pleasure to work with the management group and to see the whole organisation performing well. I would also like to thank my fellow directors and strategic committee members for their contributions to .eu's continued success.

**Pierre Verbaeten**

## CHANGES TO THE BOARD IN 2012

Agreed at April's board meeting, a member of the Strategic Committee, Christopher Wilkinson, was appointed to the Board of Directors.

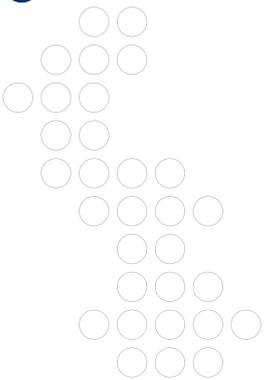
Mr Wilkinson replaced Board member Danny Aerts, who volunteered to step back as a Director of the Board to join the Strategic Committee instead.



## MARKO BONAČ

Director of the Board

Marko Bonač received a Bachelor of Science degree in Mathematics (1981) and a masters in Computer Science (1988) from the University of Ljubljana. Between 1981 and 1992 he worked as a researcher and project leader in the field of computer networks. Since 1992 he has been the Director of Arnes, the Academic and Research Network of Slovenia, which is also the registry for the Slovenian TLD, .si.





**DOMENICO LAFORENZA**

Director of the Board

Dr Domenico Laforenza is the Director of the Institute for Informatics and Telematics of the Italian National Research Council in Pisa. He is also the head of nic.it, the registry for Italy's .it TLD. Between 2003 and 2007 Dr Laforenza was a member of the Next Generation Grid Expert Group, which was selected by the European Commission to define the priorities of future research in the Grid technologies sector. He has also been a consultant to various EU Member research agencies in Austria, France, the United Kingdom, Ireland and the Netherlands. He holds a doctoral degree in Computer Science from the University of Pisa.



**TOMÁŠ MARŠÁLEK**

Director of the Board

Mr Maršálek is an independent IT consultant and member of the CZ.NIC collegium, a body associated with CZ.NIC, the registry for the .cz TLD. Previously he was a chairman of CZ.NIC and the Managing Director of the Czech Neutral internet eXchange node (NIX.CZ). After graduating from the Czech Technical University in Prague with a masters degree in Radio Electronic Science, he began his professional career at AT&T. Mr Maršálek is a cofounder of GTS, the biggest alternative telecommunications operator in the Czech Republic. He also helped establish the IP network in Central and Eastern Europe on behalf of British Telecom.



**CHRISTOPHER WILKINSON**

Director of the Board

Christopher Wilkinson is the Chairman of the internet Society European Coordinating Council. He has degrees in Natural Sciences and Economics and experience in international affairs. His working life spans several international organisations and the European Union. He was closely associated with the creation of ICANN and the GAC. He initiated the .eu ccTLD.

# Report

From  
the General Manager

“Despite the challenges faced by the industry, 2012 was a very productive year for Europe's top-level domain.”

Marc Van Wesemael, General Manager

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#### **MARC VAN WESEMAEL**

General Manager since 2005

Marc Van Wesemael has worked in the telecom and software industries as a consultant and as a manager in software engineering, general sales and marketing. For ten years he was Managing Director of the not-for-profit DNS Belgium, the registry for .be. He has an MBA from Lessius Management School (Antwerp) in collaboration with Northwestern University (USA) and a degree in Electronic Engineering from the University of Ghent.

In 2012, generally speaking, the domain market grew more slowly than in previous years, probably as a result of the financial crisis that is raging worldwide. For some TLDs the slow in growth was considerable, from 15% in 2011 to 6-7% in 2012. Given the market conditions, I am particularly pleased to report that .eu maintained the continuous growth it has enjoyed since its launch in 2006. .eu registrations grew by 5.4% compared with 2011.

Despite the challenges faced by the industry, 2012 was a very productive year for Europe's top-level domain. We introduced many new ideas and explored innovative avenues with existing products. It is difficult to say which achievement was the most notable, but certainly those aimed at improving the working lives of our registrars, which is one of our primary objectives, were the most important. The introduction of the Customised Reduction Schemes, which enable registrars to sell .eu domain names in a manner that best suits their sales model and business objectives, and the revised transfer procedure were both the result of intense interaction with our registrar community.

In line with another primary .eu objective – adding value to .eu domain names for end users – an additional achievement was the introduction of the electronic version of our .eu Identity magazine, which provides useful advice and insights to European entrepreneurs looking to establish an online presence.

The .eu Identity app for tablets allows us not only to reach a larger audience, but importantly also supports our environmental responsibility goals which were formalised when we received our EU Eco-Management and Audit Scheme (EMAS) certification.

EURid has taken an environmentally responsible approach to operating .eu for many years, but the EMAS registration formalises our ongoing activities and demonstrates our public commitment to further improving our environmental footprint. We are the first TLD with such an accreditation and we are proud to set an example for the industry.

Our achievements in 2012 are the result of the hard work of a dedicated team of professionals. My gratitude and respect goes to the people behind .eu for their commitment and believing that we can always do better.

I would also like to thank the board and strategic committee members for their guidance and advice. Their expertise is crucial in making the right strategic decisions.

#### .eu's growth since 2006



# Management

team



**BART FOUTREL**

Finance Manager

Bart Foutrel worked as an advisor on Global Compliance Service at PricewaterhouseCoopers before joining EURid in early 2008. He has a masters degree in Business Sciences from Lessius Hogeschool, where he focused on finance and insurance plus accountancy and tax law.



**PETER JANSSEN**

Technical Manager

Before Peter Janssen joined EURid, he was technical director for the Belgian registry for .be. He was responsible for that domain's liberalisation in December 2000. He has a masters degree in Computer Science from the University of Leuven.



**GIOVANNI SEPPIA**

External Relations Manager

Giovanni Seppia previously worked at ICANN as European Regional Liaison. Prior to that, he was General Manager at CENTR. He has also served as head of external relations for the Italian Registry (ITT CNR) and has three years of experience in various roles at the European Commission.



**GEO VAN LANGENHOVE**

Legal Manager

Geo Van Langenhove joined EURid as Legal Manager in January 2011. Previously he worked for companies in various technology fields, such as Nuance Communications, EuroFiber and IMEC, where his practice focused on intellectual property, contracts and litigation. He graduated from the Universities of Brussels and Leuven, College of Law. He also holds an advanced masters degree in Intellectual Property Rights from the University of Brussels.



**ELS VERSTAPPEN**

Human Resources Manager

Els Verstappen held a variety of HR roles at Scarlet, a telecommunications company, before joining EURid. Most recently, as HR Business Advisor, she was responsible for HR support for line management, selection and recruitment, among other things. Before working at Scarlet, she was employed at KPN Belgium and at a European non-governmental organisation.

5.4%  
growth compared with 2011

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3,703,665  
.eu registrations

81%  
registration renewal rate

79%  
of registrars recommend .eu to their customers

# About us

- About EURid
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The logo for eu, featuring the letters 'eu' in a white, lowercase, sans-serif font. A small orange circle is positioned to the left of the 'e'. Below the letters, the tagline 'Your European Identity' is written in a smaller, white, sans-serif font, enclosed within a white horizontal bar.  
Your European Identity

## Who we are

EURid is the not-for-profit organisation that manages and operates the .eu TLD following a tender process and appointment by the European Commission.

As the .eu registry, we give EU residents the possibility to express themselves online with a European identity. We design, implement and maintain the databases and technical infrastructure needed for .eu to be present on the internet. We place Domain Name System (DNS) information into a centralised database and transmit the information to internet zone files so that .eu domain names can be found by people on the world wide web and via email.

EURid does not offer .eu domain name registrations directly to end users. Instead, we partner with a global network of .eu accredited registrars that register .eu domain names for their customers. Our audience has two parts: registrars, who are our customers, and end users (registrants), who are our registrars' customers and the holders of .eu domain names.



The EURid website, [www.eurid.eu](http://www.eurid.eu)

# What we are about

## Service

Good service is at the heart of everything we do. This is how we deliver our twin values of reducing complexity and adding value.

We strive to simplify the working lives of .eu accredited registrars and to make it worthwhile for end users to register a .eu domain name. By way of an example, our technical systems ensure that newly registered .eu domain names are useable on the internet within seconds.

As a group of people, we come from 22 different countries, collectively speak 25 languages and work from four offices in Belgium, the Czech Republic, Italy and Sweden. We work closely with our registrars, in their languages and markets, to understand how to best meet their and their customers' needs and improve the .eu experience.

## Security

We contribute to online safety by implementing key security protocols for .eu such as Domain Name System Security Extensions (DNSSEC). This helps reduce the chance that visitors to .eu websites are led to fake websites and tricked into supplying personal information if they type a protected .eu website's address into their browser. Since 2011, we have made it easier for .eu registrars to offer enhanced security to their .eu customers through the .eu DNSSEC Signing Service.

We also combat malicious registrations by actively screening newly registered .eu domain names and work closely with law enforcement authorities to fight cybercrime.

## Our history

EURid was founded by the three organisations running the registries for .be (Belgium), .it (Italy) and .se (Sweden). Later, running the registries for .cz (the Czech Republic) and .si (Slovenia) became members, as did the European Coordinating Council of the internet Society (ISOC) and Business Europe. We operate the .eu TLD under terms set out in five EU regulations.

.eu domain names became publicly available for live registrations to EU businesses, organisations and residents on 7 April 2006 and 1.7 million names were registered within the launch month. Five years later in April 2011, .eu registrations had doubled and had reached 3.7 million at the end of 2012.

Before that, we began accepting .eu domain name applications for prior rights holders on 7 December 2005. In the first four months, only companies and people claiming prior rights to a .eu domain name, like a trademark, could apply for it.

“YADIFA is an open-source name server solution because we want to share it with other TLD operators.”

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### **3.7 domain names and still growing**

.eu registrations continued to grow during 2012 and we finished the year with 3.7 million .eu domain names. This represents a growth of 5.4% compared with 2011. Germany continued to be .eu's largest market with the most .eu registrations, followed by the Netherlands and the United Kingdom.

### **Registrar transaction fees aligned**

We started 2012 by simplifying some of our transactions for registrars. From 1 February onwards, we aligned the fees charged for all .eu domain name transactions to EUR 4.00. This meant that the fees charged to reactivate a .eu domain name and to reactivate and transfer a name from quarantine were lowered. Other fees remained unchanged.

### **Revised transfer procedure**

In the same vein, we consulted our registrar community throughout the year about streamlining the .eu trade and transfer procedure. The result was the introduction of a revised transfer procedure on 21 November 2012. Transfers refer to moving a .eu domain name to another holder or .eu accredited registrar and the new .eu procedure now uses an authorisation code.

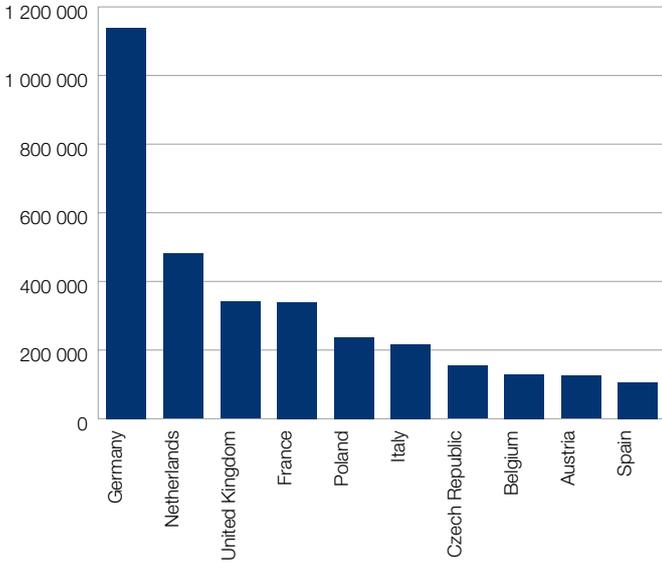
### **Incentive schemes for registrars**

During the year, we started offering .eu accredited registrars promotion and price reduction agreements based on .eu registration volumes. This pilot initiative was on a case-by-case basis and these agreements were well received by registrars. Towards the end of the year, we assessed 2012's successful trial and refined it into a programme for 2013 called the Customised Reduction Schemes (CRS).

### **YADIFA name server**

To ensure that .eu's systems continue to respond promptly to the many millions of data queries involving .eu domain names coming in from the internet, we need to spread our operational risk by using name servers that run different software systems. We already do this. But in June 2012 we added another name server implementation – one we wrote ourselves – called YADIFA®. YADIFA is specifically designed for the efficient management of large internet zones, like .eu, and we launched it as an open-source solution so other TLD operators can use it too.

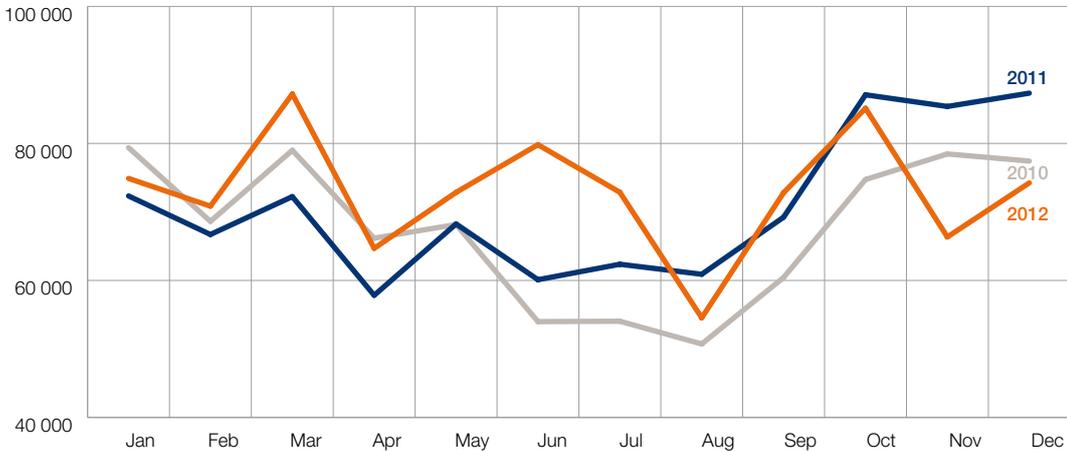
**Figure 1:**  
Top ten countries with the most .eu registrations, 2012



**Figure 2:**  
Renewal rates since 2007

	2012	2011	2010	2009	2008	2007
January	78%	76%	77%	78%	79%	100%
February	80%	78%	79%	78%	80%	100%
March	79%	78%	80%	79%	83%	99%
April	86%	85%	87%	84%	84%	81%
May	82%	80%	83%	80%	81%	82%
June	84%	83%	80%	69%	80%	86%
July	82%	81%	81%	80%	82%	84%
August	80%	80%	79%	81%	82%	80%
September	80%	82%	78%	79%	82%	83%
October	79%	79%	78%	78%	82%	82%
November	81%	78%	77%	79%	79%	83%
December	81%	78%	75%	79%	80%	84%

**Figure 3:**  
New .eu domain name registrations per month, 2010, 2011 and 2012



## App to check .eu services

The public and registrar community can quickly check the performance and availability of the .eu services and interfaces by using a new mobile monitoring tool. Launched in September, the EURid Dashboard web app for iPhone® and Android-based smartphones is available at <http://rs.eurid.eu>.

## .eu, Europe's greenest TLD

In May, we publically stated that we operate .eu in an environmentally sustainable way and added this green dimension to our company values. EURid became the first European TLD registry to be registered by the EU Eco-Management and Audit Scheme (EMAS).

.eu registrars were among the first to benefit from our environmentally sound approach. To reduce paper use – ours and theirs – we started issuing all registrar invoices digitally in May.

## Magazine as a tablet app

Similarly, as standard practice from June onwards, we added app stores as a distribution channel for our .eu Identity magazine to reduce the number of copies printed and therefore paper consumption. Complementing the existing online and print versions, the tablet applications can be downloaded from the Apple iTunes® and Google Play stores.

## Ambitionhasanaddress.eu

With Europe's small-to-medium-sized enterprises (SMEs) in mind, we refreshed 2011's "Ambition has an address" .eu awareness campaign. The campaign website got a makeover in mid-September. In addition to offering information in 21 official EU languages, the website now showcases companies who use .eu websites to great effect.

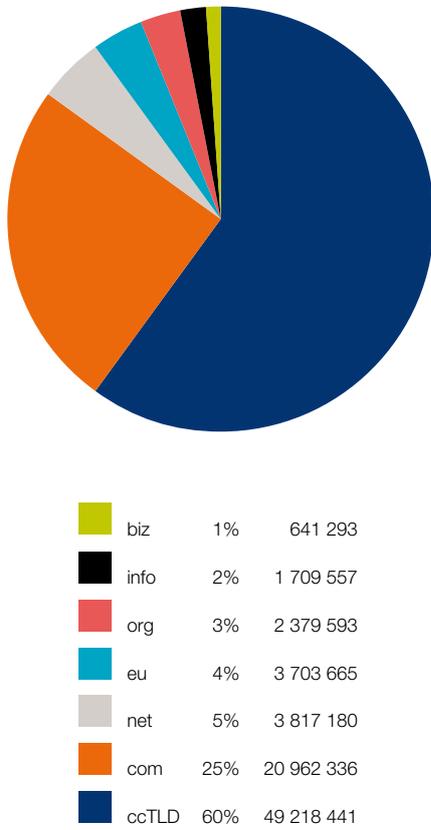
## .eu dispute service fee cut

In June, we made the .eu Alternative Dispute Resolution (ADR) process even more accessible to the European public through a fee reduction. The cost of a basic proceeding was cut by 50%, initially valid for six months from 1 July and then, in December, extended until the end of 2013.

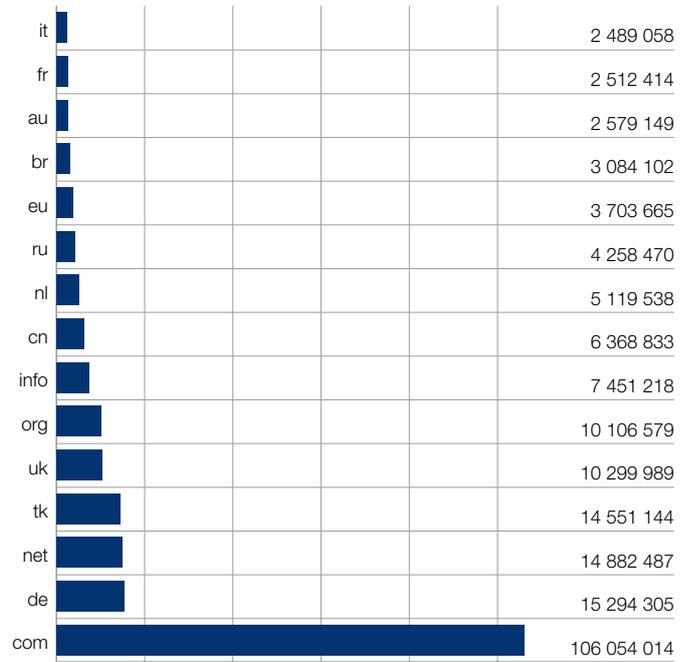


The app version of the .eu Identity magazine (bottom row) complements the paper version (top row) and reduces the number of paper copies necessary.

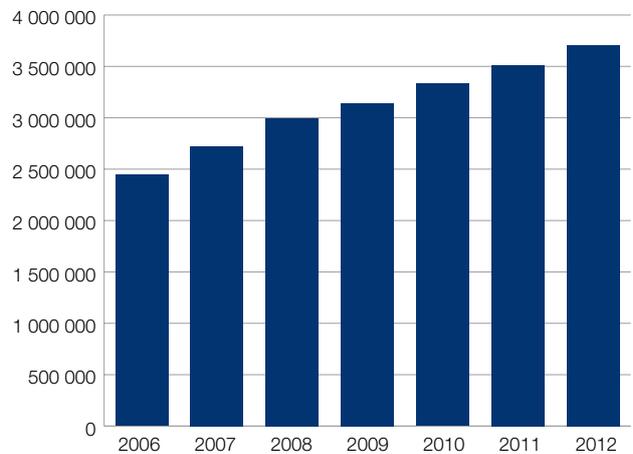
**Figure 4:**  
EU-wide TLD market share, 2012



**Figure 5:**  
World top 15 TLDs, 2012



**Figure 6:**  
.eu's growth since 2006



## UNESCO collaboration

Once again in collaboration with UNESCO, we published a new Insights report on 6 November. The report, titled “The EURid-UNESCO World report on Internationalised Domain Names deployment 2012”, analyses the growth of multilingualism on the internet and the factors that contribute towards that growth, including the use of Internationalised Domain Names (IDNs). The full report can be downloaded at [link.eurid.eu/insights](http://link.eurid.eu/insights).

## International involvement

The .eu team attended and participated in many industry events throughout the year. We gave presentations at ICANN meetings in San Jose (Costa Rica), Prague (the Czech Republic) and Toronto (Canada), in addition to participating in various working groups and committees. Our liaison with the CENTR and RIPE organisations continued as we took part in advisory groups, workshops and presentation sessions.

## Staff information

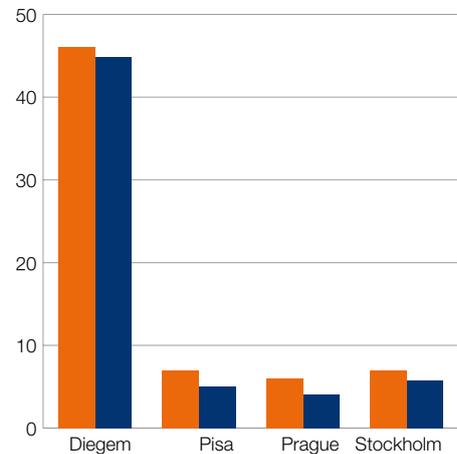
In total, EURid had 67 employees at the end of 2012, of which 69% were located in our Diegem headquarters (figure 7). The gender representation is almost equal, with 55% men and 45% women.

We employ people from all over the EU and beyond. Combined, we are 22 nationalities and speak 25 languages. Our common language is English so this is the official working language, yet Dutch, French, German and Italian are often spoken among colleagues.



The latest report in our "Insights" series analyses the growth of multilingualism on the internet and the factors that contribute towards that growth.

**Figure 7:**  
Headcount at each office at the end of 2012



■ Headcount  
■ Full-time equivalent

Figure 8a: .eu registrations and growth by EU country, 2012

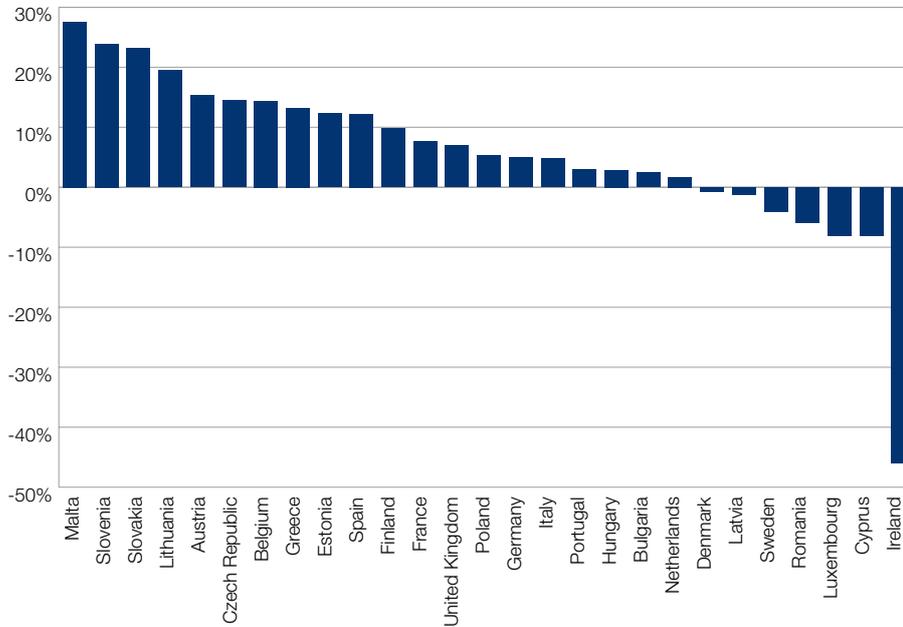
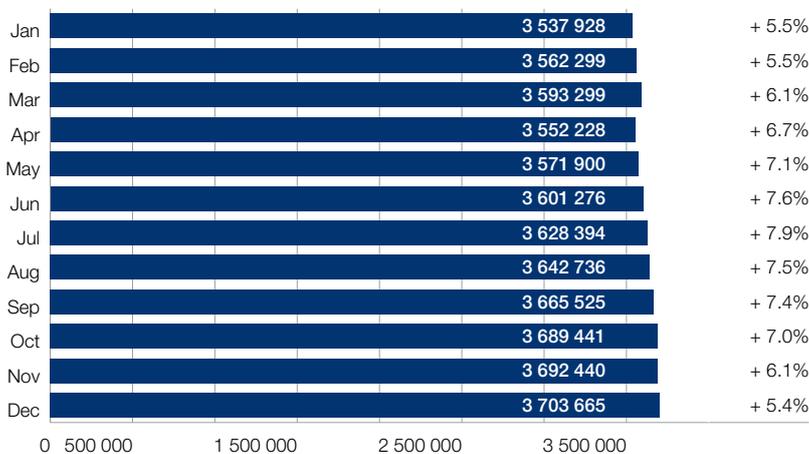


Figure 8b: .eu registrations and growth by EU country, 2012

Country	Registrations	Growth 2012
Austria	125 250	15.3%
Belgium	130 120	14.4%
Bulgaria	21 820	2.5%
Cyprus	14 135	-8.1%
Czech Republic	153 787	14.5%
Denmark	35 738	-0.8%
Estonia	16 411	12.3%
Finland	15 953	9.8%
France	340 000	7.6%
Germany	1 139 158	5.0%
Greece	40 120	13.2%
Hungary	43 909	2.9%
Ireland	27 623	-46.0%
Italy	216 990	4.8%
Latvia	6 359	-1.3%
Sweden	68 567	-4.1%
Romania	27 044	-5.9%
Luxembourg	16 909	-8.1%
Malta	9 415	27.6%
Netherlands	481 291	1.7%
Poland	237 326	5.3%
Portugal	13 296	3.0%
Romania	27 044	-5.9%
Slovakia	38 247	23.2%
Slovenia	11 161	23.9%
Spain	105 178	12.2%
Sweden	68 567	-4.1%
United Kingdom	341 299	7.0%

Figure 9: Total registrations by month, 2012 (including monthly growth compared with 2011)



We partner with a global network of registrars, who, as our distribution channel, offer .eu domain name registration to their customers. This partnership is our most valued business relationship.

In general, it is easier for end users to get all the domain names they want, from multiple TLDs, through a single source – a registrar – instead of going directly to many different registries. Only registrars that have been accredited by EURid can register .eu domain names on behalf of their customers – companies, organisations and individuals who wish to use a .eu domain name for their website or email address.

At the end of 2012, there were 787 .eu accredited registrars who each managed an average of 4 706 .eu domain names. Of these, our top performing 100 registrars managed 83.6% of all .eu registrations.



.eu registrars can be located anywhere and we work with registrars from 49 countries around the world. The country with the largest number of .eu accredited registrars is the Netherlands with 98 (see figures 10 and 11), followed by Germany (90) and the United States (86).

## Service minded

Our aim is to make the working lives of registrars as easy as possible. One way is through online and telephone support in all official EU languages, covering administrative and registration system matters. This is complemented by dedicated account management from our liaison managers in the External Relations department. Since this team is spread across our regional offices, registrars benefit from local market knowledge and support in their own language.

In addition, we also provide our registrar community with:

- Marketing initiatives that allow them to promote .eu while reducing financial and time investment
- A password-protected website, registry.eu, to easily manage their .eu portfolio
- Opportunities to help shape .eu systems and procedures via multiple channels
- Networking meetings and lunches, to learn about the latest .eu developments
- Access to our e-learning platform to help make the most of partnering with .eu.

“We aim to make the working lives of registrars as easy as possible.”

Figure 10:  
Top ten countries by number of .eu registrars, 2012



Figure 11:  
.eu registrations by registrars in 49 countries, 2012

Country	Names managed	Registrars
Anguilla	289	1
Australia	18 595	9
Austria	61 741	55
Bahamas	12 662	1
Barbados	303	1
Belgium	77 888	53
Bulgaria	724	2
Canada	119 845	23
Cayman Islands	122	2
China	1 011	5
Croatia	721	1
Cyprus	13 218	2
Czech Republic	142 200	16
Denmark	131 033	16
Estonia	10 296	2
Finland	4 231	6
France	291 564	41
Germany	1 346 568	90
Greece	36 690	15
Hong Kong	0	1
Hungary	28 403	24
Ireland	8 685	6
Israel	667	3
Italy	181 169	69
Japan	266	2
Korea	725	3
Latvia	1 137	3
Liechtenstein	220	1
Lithuania	17 632	5
Luxembourg	36 175	3
Malaysia	166	1
Malta	84	1
Monaco	10 351	1
Netherlands	392 192	98
Norway	38 493	4
Poland	185 041	14
Portugal	970	4
Romania	12 299	10
Russia	0	1
Seychelles	71 831	1
Singapore	372	1
Slovakia	18 157	12
Slovenia	2 260	2
Spain	47 073	25
Sweden	47 229	25
Switzerland	12 781	3
Taiwan	157	1
United Kingdom	100 920	36
USA	224 816	86

### New for 2012

As part of our ongoing efforts to improve our offering to registrars, we made five changes during 2012:

- **Transaction fee alignment**

From 1 February onwards, we aligned the fees charged for all .eu domain name transactions to EUR 4.00. This meant that the fees charged to reactivate a .eu domain name and to reactivate and transfer a name from quarantine were lowered. Other fees remained unchanged.

- **E-invoicing**

In May, we began issuing all registrar invoices digitally to be more environmentally responsible. Instead of receiving paper invoices, registrars get an email stating that there is a new invoice available for download from registry.eu. Invoices are available in pdf format and as XML files, with a digital signature for authenticity verification, for convenient import into accounting systems.

- **Internet phone calls**

September saw us give registrars another way to contact the .eu support team. Telephone calls can now be made over the internet by using a flash-based plug-in available from the homepage of registry.eu.

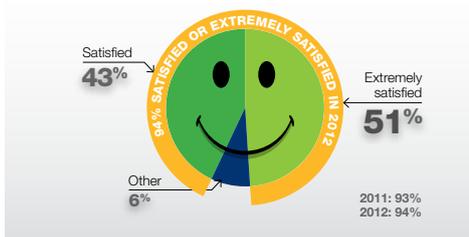
- **Revised transfer procedure**

Throughout the year, we consulted registrars about streamlining the .eu trade and transfer procedure. The result was the successful introduction of an updated transfer procedure on 21 November 2012. Transfers refer to moving a .eu domain name to another holder or .eu accredited registrar. The revised procedure, which uses an authorisation code, is similar to the procedures used by other registries in that it adds a year to the current registration period.

- **Incentive schemes**

As a pilot initiative that ran for most of 2012, we offered registrars promotion and price reduction agreements based on .eu registration volumes and case-by-case situations. Towards the end of the year, we assessed this successful trial and refined it into a programme for 2013 called the Customised Reduction Schemes (CRS).

Figure 12:  
Registrar satisfaction



According to the 2012 .eu registrar satisfaction survey, 94% of registrars are satisfied or extremely satisfied with EURid's service.

### Promoting .eu together

Throughout 2012, we continued to offer registrars two initiatives to help them raise .eu's visibility among their customers:

- **Co-funded Marketing Programme**

Through this scheme, we reimburse up to 75% of the cost of an agreed .eu promotional campaign. For every new .eu domain name registered or for the renewal of an existing name, we deposit funds in the registrar's Co-funded Marketing account. Following the successful approval of a .eu promotion proposal, funds are released to the registrar. In 2012, registrars submitted 65 Co-funded Marketing applications.

- **Flexible Promo-credit Programme**

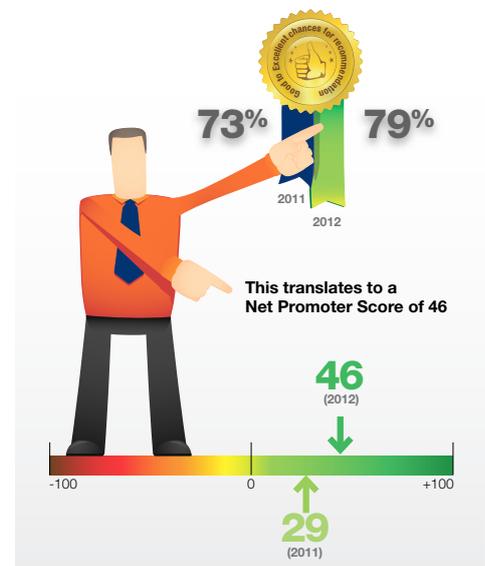
This programme allows registrars to register .eu domain names for free. For each .eu domain name registered, a registrar automatically earns one promo credit which can be used to register one .eu domain name free of charge at a later date of their choosing.

In addition, we attended selected trade fairs across Europe and often shared exhibition space with a local registrar. This enabled event visitors to hear about .eu from us, check domain name availability and make a registration directly with the registrar. For the online audience, we encouraged our registrars to run online advertising campaigns featuring .eu. To assist them in this, we created advertising banners and made them available for download from our registry.eu website.

### Satisfied customers

We run a registrar satisfaction survey every year. The results from 2012 show that 94% of the registrars that took part were either "satisfied" or "extremely satisfied" with our overall service (figure 12). Importantly, almost four out of five (79%) of .eu registrars would recommend .eu to their customers (figure 13).

**Figure 13:**  
Almost 4 out of 5 registrars recommend a .eu domain name to their customers



The Net Promoter Score (NPS) is a customer loyalty metric. It can be as low as -100 (everybody is a detractor) or as high as +100 (everybody is a promoter). A positive NPS (higher than 0) is considered good, a NPS of +50 is considered excellent.

Source: surveysolutions.co.uk

As part of a larger, global community, EURid has working relationships with international institutions and domain name industry organisations.

## European Union

The European Commission is the executive body of the EU responsible for proposing legislation, implementing decisions, upholding the Union's treaties and the general day-to-day running of the Union.

We manage and operate .eu under contract to the European Commission, following a tender process, using terms set out in five European Commission regulations. These regulations frame how we organise, administer and manage the .eu TLD based on the principles of quality, efficiency, reliability and accessibility.

We are proud to be the company chosen by the European Commission to run .eu. Through our relationship with the European Commission, we work towards our shared goal of .eu's continued success.

Keeping all interested parties informed about .eu is part of our mandate. Therefore, we share quarterly activity progress reports with the European Commission and wider public. These reports present .eu registration trends across all EU Member States and updates about our various technical developments and promotional activities. We also have regular meetings with representatives from the European Commission to consolidate our working relationship and plan the road ahead.

## Other partners



### CENTR

The Council of European National Top Level Domain Registries (CENTR) is a regional organisation, mainly for European ccTLDs, of which EURid is a member. CENTR's main purpose is to provide its members with a forum to exchange information and issue common positions on topics interesting to the ccTLD community. We regularly attend General Assembly meetings as well as administrative, legal, marketing and technical workshops. We also chair the CENTR-IGF working group to ensure that ccTLD matters are brought to the attention of a larger audience.



### ICANN

The internet Corporation for Assigned Names and Numbers (ICANN) coordinates the internet's naming system and therefore has an important impact on the expansion and evolution of the internet. ICANN is a not-for-profit, public-benefit corporation based on a multi-stakeholder model with participants from all over the world dedicated to keeping the internet secure, stable and interoperable.

Members of the .eu team regularly attend ICANN meetings around the world. This makes sure that .eu's voice is heard on a global stage and that our representatives are part of ICANN's decision-making process. We are also a member of ICANN's Country Code Domain Name Supporting Organisation (ccNSO) and actively participate in three working groups.

“Through our engagement with the international internet community, we work towards regularly improving .eu features and consolidating .eu success.”



**IGF**

The Internet Governance Forum (IGF) brings people together from various stakeholder groups to discuss public policy issues relating to the internet. The IGF is an open forum and is convened under a mandate from the United Nations. While there is no negotiated outcome, the IGF informs and inspires those with policy-making power in both the public and private sectors.

Discussion topics cover the internet's sustainability, robustness, security, stability and development. .eu representatives have attended IGF sessions since the forum was founded in 2006 and we continued our involvement during 2012.



**RIPE**

The Réseaux IP Européens Network Coordination Centre (RIPE NCC) is an independent, not-for-profit membership organisation that supports the infrastructure of the internet through technical coordination. As such, RIPE is a collaborative forum open to all parties interested in wide area internet Protocol (IP) networks in Europe and beyond.

Representatives from EURid's technical team regularly attend RIPE's meetings across Europe where they participate in working groups that discuss the core technical infrastructure of the internet and present .eu's technical and infrastructural developments.



**UNESCO**

One of the functions of the United Nations Educational, Scientific and Cultural Organisation (UNESCO) is to promote multilingualism online – an area of interest we share. As the .eu registry, we believe that EU businesses and residents should be able to easily use their own languages and alphabets online.

We started working with UNESCO's multilingual unit during 2011 while we prepared a .eu Insights report about the uptake of Internationalised Domain Names (IDNs). The cooperation with UNESCO continued into 2012 with the production of the "World Report on IDNs deployment".

## International meetings and events 2012

It is extremely valuable to engage with the international internet community as it helps us share knowledge and in return, we learn from best practices and are inspired by new initiatives.

EURid actively participated in 22 meetings and workshops in 2012 held by various international organisations and industry bodies (figure 14). We also attended 21 trade fairs as an exhibitor and sponsor (figure 15). These events focused on the domain name industry, the internet, online advertising and SMEs including business startups.

.eu was one of the main sponsors of TEDxBrussels 2012, an event which allows people with diverse backgrounds to share and spread inspiring ideas.



**Figure 14:**  
EURid participated in 22 international meetings during 2012

47 **CENTR General Assembly** Salzburg, Austria, 2 – 3 February  
**CENTR Administrative workshop** Ljubljana, Slovenia, 28 February  
**ICANN 43 Meeting** San Jose, Costa Rica, 12 – 16 March  
**CENTR Marketing workshop** Stockholm, Sweden, 20 – 22 March  
**RIPE 64 Meeting** Ljubljana, Slovenia, 16 – 20 April  
**Global INET 2012** Geneva, Switzerland, 22 – 24 April  
**TERENA Networking Conference** Reykjavik, Iceland, 21 – 24 May  
**26 CENTR Technical workshop** Frankfurt, Germany, 4 June  
**8 CENTR Marketing workshop** Frankfurt, Germany, 5 June  
**1 CENTR Security workshop** Frankfurt, Germany, 6 June  
**26 CENTR Administrative workshop** Frankfurt, Germany, 7 June  
**EuroDIG** Stockholm, Sweden, 14 – 15 June  
**ICANN 44 Meeting** Prague, the Czech Republic, 24 – 29 June  
**EuroSSIG** Meissen, Germany, 22 – 28 July  
**5th International Conference for ccTLD registries and registrars of CIS, Central and Eastern Europe** Budva, Montenegro, 11 – 13 September  
**39 CENTR Legal and Regulatory workshop** Dubrovnik, Croatia, 27 September  
**48 CENTR General Assembly** Brussels, Belgium, 4 – 5 October  
**ICANN 45 Meeting** Toronto, Canada, 14 – 19 October  
**7th IGF Meeting** Baku, Azerbaijan, 6 – 9 November  
**EU Internet Week** London, United Kingdom, 12 – 16 November  
**9 CENTR Marketing workshop** Florence, Italy, 29 – 30 November

**Figure 15:**  
The .eu team attended 21 trade fairs across the EU in 2012

**Domain Pulse 2012** Hamburg, Germany, 13 – 14 February  
**WorldHostingDays 2012** Rust, Germany, 20 – 23 March  
**Ondernemen/Entrepreneurs 2012** Brussels, Belgium, 28 – 29 March  
**IPv6 Day** Prague, the Czech Republic, 6 June  
**Webit Bulgaria Summit** Sofia, Bulgaria, 14 – 15 June  
**Tech All Stars** London, the United Kingdom, 20 – 21 June  
**Ivaerk and Vaekst 2012** Copenhagen, Denmark, 14 – 15 September  
**Salon des micro-entreprises** Paris, France, 9 – 11 October  
**Egetföretag** Stockholm, Sweden, 11 – 13 October  
**Internet Hungary 2012** Siófok, Hungary, 15 – 17 October  
**IAB Romania Forum 2.0** Bucharest, Romania, 16 October  
**Konferencja Secure 2012** Warsaw, Poland, 22 – 24 October  
**Internetdagarna** Stockholm, Sweden, 22 – 24 October  
**Irish Web Awards** Dublin, Ireland, 1 November  
**BG Site 2012** Sofia, Bulgaria, 12 November  
**How Europe can help your digital startup at Internet Week Europe** London, United Kingdom, 12 November  
**TEDxBrussels** Brussels, Belgium, 12 November  
**The 4th Annual Internet of Things Europe Conference** Brussels, Belgium, 12 – 13 November  
**Daily Web** Bratislava, Slovakia, 14 November  
**Domain Forum** Sofia, Bulgaria, 15 – 16 November  
**Business Startups** London, United Kingdom, 22 – 23 November

“A .eu address gives us a very good positioning on the web, allowing us to have a unique domain that can be used for all our countries.”



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# Case studies

- Alcott.eu, Italy
- Puppetsinprague.eu, Czech Republic
- Fairtrade.eu, Germany
- TEDxBrussels.eu, Belgium

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“We believe that a .eu address gives us a very good positioning on the web, allowing us to have a unique domain that can be used for all our countries.”

Showcasing the newest fashions, Alcott is one of Italy's leading clothing brands. Bursting onto the scene with their first location in 1990, they now have stores all over Italy and sell their clothes across the EU and beyond.

#### Napoli style

While Alcott has become an international brand, the company also values their roots. Naples is not only one of the biggest cities in Italy, but also the birthplace of Alcott – and they're keen to keep that connection. Even as the brand spreads as far as India and South Korea, Alcott maintains its headquarters and inspiration in Naples.

#### Uniquely European

Since Alcott sells their brand all over the world, they were keen to be seen as an international company – but not as just another face in the crowd. “We believe that a .eu address gives us a very good positioning on the web, allowing us to have a unique domain that can be used for all our countries,” a spokesperson from Alcott told us. “And it is very unique because, while the .com address is now very common ... .eu gives us the right amount of being international, without being so common. So, once again, we are unique here as well.”



"I chose .eu because people are able to locate it."

Miroslav Trejnar and Leah Gaffen have been teaching puppetry in Prague for over ten years. After being invited to show their puppets in the Chinese city of Macau, the experience convinced them that there might also be an audience for their work back home and so Puppets in Prague was born. In the workshops they run, customers carve, paint and dress their very own puppets, ready to perform with them at the end of their ten-day training. Students come from all over the world to learn this traditional art.

"Puppets are magic – it's wood which becomes magic," enthuses master puppeteer Trejnar. "If the puppet comes alive, you as an audience, you somehow become a small child... which is believing in magic. Something wooden now became real. I think people are fascinated by that."

## A European tradition

"First reason is: People are able to locate it," Leah Gaffen told us, when asked why she chose .eu. But there was a more intrinsic reason too. "There is some tradition of theatre, carving and puppetry behind the name 'Europe', and that's always really interesting," she muses. "So I feel good that our work is actually spread around the globe, in many, many countries."



marionettes, of designing stop motion animation puppets, of manipulation and performance

workshops shop photos how to make puppets links us videos

### Latest news from Puppets in Prague



**APRIL WORKSHOP ON STOP MOTION PUPPETS - SPACE STILL AVAILABLE!**

Join our workshop and learn all the secrets of Czech stop motion puppets - how to animate, make an armature, carve faces, hands, carve a body, shoot a stop motion film! Plus one day at the fantastic International Animation Film Festival! - period 28.3. 2013

**UPCOMING WORKSHOPS 2013**

**MARIONETTE CARVING:**

- 11. - 16. June
- 20. June - 5. July

**CARVING + MANIPULATION**

**SKELETON AND ACROBAT CARVING WORKSHOPS**

“Fairtrade raises awareness for its cause online through .eu.”

From their headquarters in Bonn, Fairtrade International sets standards, organises support for producers around the world and promotes trade justice internationally. The famous Fairtrade logo, as seen on bananas, cocoa, coffee, flowers, sugar and tea, represents the work that the organisation does to offer producers a better deal and improved trade terms. This allows them the opportunity to advance their lives and plan for the future.

Fairtrade also gives consumers a powerful way to help reduce poverty through their everyday shopping. When a product carries the Fairtrade mark it means its producers and traders have met Fairtrade’s standards. The label is available on thousands of products in more than 100 countries and online the organisation promotes its work and raises awareness for its cause through fairtrade.eu.

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“At TEDxBrussels we aim to put Brussels on the global map. Since Brussels is the capital of Europe, .eu is really the brand for us.”

The TED organisation began in 1984 as a conference to share and spread inspirational ideas between people from three different worlds – Technology, Entertainment and Design. Through TEDxBrussels, the Belgian and European capital has been invigorated with inspiring talks for four years and counting. For event director Samia Lounis, the annual happening represents a once in a lifetime opportunity for attendees to hear the thoughts of an expert they might otherwise never meet. It also lets them get a new, eye-opening perspective on a number of subjects, ranging from politics and technology to philosophy and culture, presented in a way that is digestible and easy to grasp. Past events have included big names such as digital pioneer Steve Wozniak (2012), politician Paddy Ashdown (2011) and music artist Stromae (2010). “With .eu, we can show the importance of the European Union in a simple URL,” Samia comments. “It contributes to the conversation by showing our angle on Europe.”



20

of 27 EU member states' .eu registrations grew in 2012

36 73,189

average .eu registrations per month in 2012

1,139,158

registrations in Germany

1,840,000

EU residents  
have at least one  
.eu domain name

# .eu's 2012

- Environmental responsibility
- YADIFA name server
- Incentive schemes for registrars
- .eu ADR fee cut
- Ambition has an address
- Financial statement

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The logo consists of the lowercase letters 'eu' in a white, sans-serif font. A small yellow circle is positioned to the left of the 'e'. Below the letters, the text 'Your European Identity' is written in a smaller, white, sans-serif font, enclosed within a white horizontal bar that has a slight curve at its ends.

eu  
Your European Identity

“At EURid, we believe that even companies working in cyberspace can do so in a sustainable manner.”

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“Reduce, reuse and recycle” has always been our mantra when it comes to operating .eu. So we were particularly pleased when our efforts gained us the seal of approval from the EU Eco-Management and Audit Scheme (EMAS). On 23 May 2012, we became the first European TLD registry to achieve EMAS registration.

EMAS is a voluntary management tool for companies and organisations to evaluate, report on and improve their environmental performance. The scheme helps companies optimise their production processes, reduce environmental impacts and use resources more efficiently. EURid’s EMAS registration number is BE-VL-000016.

We wanted to formalise our ongoing activities into a recognisable scheme and demonstrate our public commitment to operating in an environmentally responsible way and, since EMAS is a European Union scheme, it was an obvious choice.



.eu’s External Relations Manager, Giovanni Seppia (crouching left), is responsible for the environmental management of .eu’s operations and our commitment to EMAS.

### What we're committed to

We based our actions to reduce .eu's environmental footprint on the nine objectives listed in our EMAS Environmental Statement. These are:

- Increase use of sustainable material consumption
- Reduce paper use
- Increase the good practices to reduce the electricity use in the offices
- Reduce the amount of waste produced and improve the quality of waste recycled
- Reduce the environmental impact of transport
- Compensate 30% of CO<sub>2</sub> and greenhouse gas emissions and choose travel options that reduce the impact on the environment
- Organise at least 50% of EURid events with environmental criteria every year
- Increase environmental communications towards key stakeholders
- Involve managers and employees in environmental activities and projects promoted by EURid.

### Meeting our commitments

In 2012, we realised these objectives in a number of different ways:

- **Partnering with energy efficient data centres**  
Our data centre in the Netherlands is hosted by one of Europe's greenest providers, TelectyGroup. We chose to work with them because they offer reduced energy consumption and carbon emissions, renewable energy sources and innovative technologies that improve power and cooling efficiencies.
- **Reducing paper use**  
We introduced paperless invoicing for our registrars in May. Using less paper and envelopes not only benefits the environment, it is also more cost efficient. We also reduced the print run of our magazine, .eu Identity, by making the summer and autumn issues available as tablet apps through the iTunes and Google Play stores.

We also announced our EMAS registration with an advert in our .eu Identity magazine.



- **Minimising environmental impact of events**  
Whenever we organised events this year, we applied criteria from the United Nations Environment Programme (UNEP) meeting guide to ensure that the events, and associated travel, were as environmentally sound as possible.
- **Communicating regularly**  
In addition to May's public announcement about our EMAS registration and associated web page in the 23 EU languages, we mentioned .eu's sustainable operations in quarterly progress reports, magazines and presentations. Also in May, we shared our environmental commitment with members of the European Parliament through an information stand at the European Parliament in Strasbourg.
- **Planting trees**  
Our EMAS registration inspired us to support a reforestation project run by the Naturefund organisation. In November, we planted 500 rare Service Tree saplings on disused farmland in Calden, Germany.

For more information about .eu's sustainable operations, visit [link.eurid.eu/green](http://link.eurid.eu/green).

“We run YADIFA on our own name servers to keep .eu domain names working for everyone.”

40



YADIFA  
Powered by .eu



- authoritative name server
- DNS UPDATE
- DNS NOTIFY
- AXFR
- DNS

**Resource Record types**

- SOA, A, AAAA, NS, CNAME, PTR, MINFO, TXT, NAPTR, SRV, SRVP
- DNSKEY, DL, SIG, NSID, HINFO, MDT, MINFO

**Directives and special constructs**

- TTL
- ORIGIN
- \*wildcards

**Mechanisms implemented for DNSSEC**

- no signing zone file

**Algorithms implemented**

- RSA
- DSA

Value	Algorithm (Mnemonic)	Zone Signing	Reference	Status
0	RSASHA-1 (SHA)	+	RFC2536	OPTIONAL
1	RSASHA-1 (SHA512)	+	RFC4034	MANDATORY
2	RSASHA-1 (SHA256)	+	RFC4034	OPTIONAL
3	RSASHA-1 (SHA384)	+	RFC4034	MANDATORY

On yadifa.eu developers can download their own copy of .eu's YADIFA name server implementation.

Whenever you use the internet to visit a website or send an email, you rely on a global network of name servers. The name servers use various software packages: two of the most common at the TLD level being BIND and NSD.

At EURid we want to make .eu, and the internet as a whole, as robust and reliable as possible. So, to diversify risk, we introduced a new software package to the mix – one that we developed ourselves.

On 25 June 2012, we officially launched YADIFA®, an open-source name server implementation. In addition to offering YADIFA to other TLD operators and Internet Service Providers, we run YADIFA on our own name servers to keep .eu domain names working for everyone.

YADIFA is designed specifically for the efficient management of large internet zones where the zone can be kept up to date using dynamic updates to instantly change domain name records. Our tests show that YADIFA:

- **Handles more data queries**  
Under heavy load and without dropping any data, YADIFA can process up to 30% more queries than comparable set-ups using BIND or NSD.
- **Loads faster**  
In the same tests, we found that zone file load times for YADIFA were five times faster than for BIND and NSD.
- **Improves server efficiency**  
With a smaller memory footprint than BIND or NSD, YADIFA consumes less RAM, making servers more effective.

### **Security built-in**

YADIFA is a clean implementation with code written from scratch, so it can't inherit any potential flaws from other software implementations. YADIFA is fully standards compliant and includes the DNSSEC protocol.

### **Portable and interoperable**

Portable across multiple operating systems, including Linux®, FreeBSD®, OpenBSD® and Solaris®, YADIFA seamlessly fits into diverse setups due to its implementation of standard (AXFR/IXFR) zone transfers and support for the BIND zone file format.

### **By .eu, for others**

YADIFA is a EURid initiative, but we wanted others to benefit from its superior performance as well, so we made YADIFA freely available as an open-source implementation.

During the months following the name server's public launch, we received feedback from the internet community. Using this information and our own development roadmap, we issued two minor releases to further enhance the software's performance during Q3 2012.

Visit [yadifa.eu](http://yadifa.eu) to download the source code.

We partner with a global network of registrars, who as our distribution channel, offer .eu domain name registrations to their customers. This partnership is our most valued business relationship.

As such, we started offering our registrars promotion and price reduction agreements based on their .eu registration volumes in 2011. This pilot initiative was on a case-by-case basis and 58 .eu accredited registrars signed up to a customised scheme. These agreements were well received as they helped registrars reduce their registration costs while fitting with their domain name sales strategies.

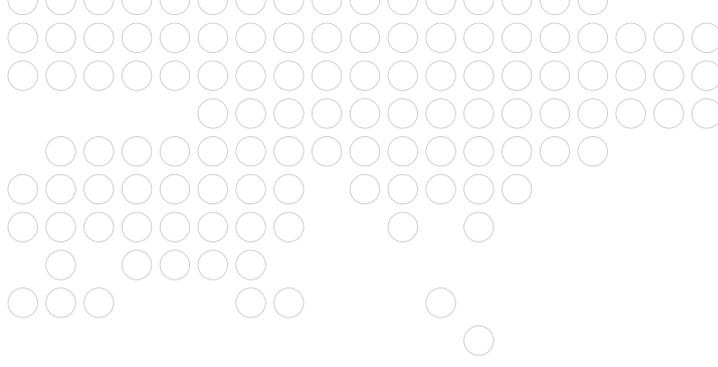
## **Programmes for 2013**

We took stock of 2012's successful trial and refined it into a programme for 2013 called the Customised Reduction Schemes (CRS). We announced the CRS to the .eu accredited registrar community in November 2012.

The objectives of the CRS are twofold:

- To encourage .eu growth while ensuring registrars a profitable experience
- To enable registrars to strengthen, and expand, their .eu market position.

“Each scheme has different advantages and registrars can sign up for the programme that best suits them.”



There are three schemes that make up the CRS. Each scheme has different advantages and registrars can sign up for the programme that best suits them, based on their sales model and business objectives. Specifically, the schemes are:

- **Flexible Promo Credits**

This programme allows registrars to register .eu domain names for free. For each .eu domain name registered, a registrar automatically earns one Promo Credit which can be used to register one .eu domain name free of charge at a later date of their choosing. We have incentivised registrars in this way for many years and have now incorporated Flexible Promo Credits into the wider CRS.

- **Target-based Reduction**

Simply put, the more .eu domain names registered, the lower the registration fee. The target-based reduction scheme has three levels and the registration fee automatically adjusts as each level, or target, is reached.

- **Four-month Reduction**

Registrars can opt for a four-month discount period during 2013, paying a reduced fee per new .eu registration. We are flexible as to when and how the discount period is used.

## **Marketing incentives**

In addition to the pilot initiative, we continued our Co-funded Marketing Programme. Through this programme, we reimburse up to 75% of the cost of an agreed .eu promotional campaign. For every new .eu domain name registered or for the renewal of an existing name, we deposit funds in the registrar's Co-funded Marketing account. Following the successful approval of a .eu promotion proposal, funds are released to the registrar.

In 2012, 65 .eu registrars submitted Co-funded Marketing applications.

.eu accredited registrars can visit the password-protected registrar extranet, [registry.eu](http://registry.eu), for more information.

# Fee reduction

for .eu dispute proceedings

“We cut the cost of a basic .eu ADR proceeding by 50%.”

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To make the .eu Alternative Dispute Resolution (ADR) process even more accessible to the European public, we cut the fee for a basic proceeding by 50% for six months, starting 1 July 2012.

In this way, we maintained the quality of rulings while making .eu ADR more accessible and cost-efficient for end users, such as consumers, brand and trademark owners, domain name holders and registration companies.

## Why ADR?

Sometimes it is necessary for end users to challenge a .eu registration if they believe they have a prior right to the domain name and the current holder has registered the domain name for speculative or abusive purposes.

Although they can do this through a European court, EURid offers a fast and convenient alternative – the .eu ADR procedure. All ADR cases are overseen by the independent Czech Arbitration Court (CAC) using a panel of intellectual property experts.

No travel is required as all cases are conducted online and by email, and can be filed in 21 official EU languages. A legally binding ruling is issued within an average of four months. This online service allows .eu registration disputes to be resolved without the need to visit a courtroom.

## Why lower fees?

The fee reduction, announced in June 2012, came in response to recommendations made in an external audit of the .eu ADR service prepared for EURid. According to the audit, the ADR procedure functions well but a fee reduction would further raise the visibility of the service and improve access.

### Extended into 2013

In December 2012, to give more end users the opportunity to benefit from the more affordable .eu ADR procedure, we decided to continue our financial support of the CAC and extend the fee reduction until the end of 2013.

Since the introduction of the reduced fees in July 2012, the average number of .eu ADR cases filed per month has risen. This increase seems to show that there was a financial barrier that prevented end users from exercising their rights to access the .eu ADR process.

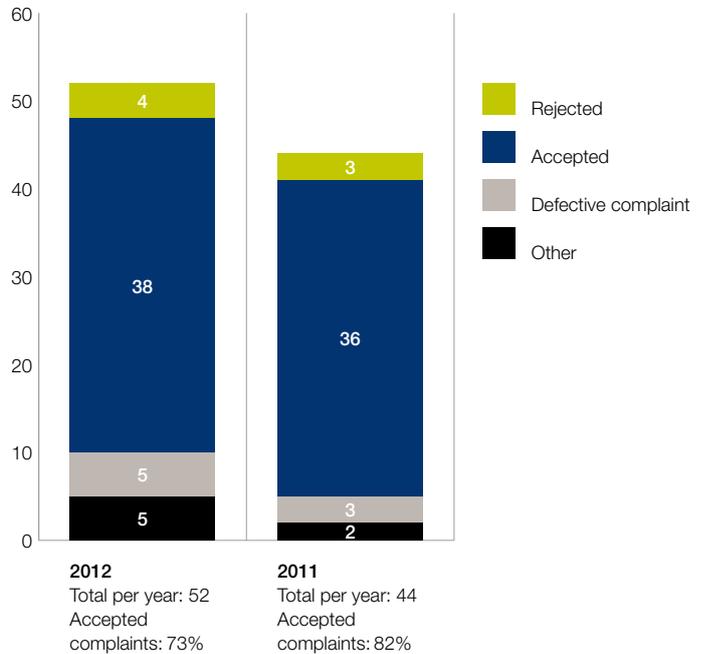
### In numbers

In 2012, 73% of .eu ADR decisions were in favour of the complainant (figure 14). This was consistent with 2011's results where 82% of the rulings were also in favour of the complainant.

EURid appointed the CAC in 2005 as .eu ADR provider. Since then, there have been over 1 000 .eu proceedings.

Visit [eu.adr.eu](http://eu.adr.eu) to find out more.

**Figure 14:**  
Total .eu ADR cases filed, 2011 and 2012



**Figure 15:**  
.eu ADR cases filed per month, 2011 and 2012

	2011	2012
January	1	10
February	5	5
March	7	2
April	4	0
May	2	1
June	5	4
July	5	4
August	5	2
September	2	7
October	3	4
November	5	7
December	4	6

To build on the healthy growth in .eu registrations that we saw throughout 2012, we reinvigorated 2011's "Ambition has an address" .eu awareness campaign.

Since analysis has revealed that the majority of .eu websites are registered for business purposes, we aimed our revised campaign at businesses with cross-border ambitions, our own ambition being to inspire Europe's small-to-medium-sized enterprises (SMEs) to register .eu domain names.

### Website refresh

The majority of our activities centred around the campaign website, [ambitionhasanaddress.eu](http://ambitionhasanaddress.eu), which got a makeover in mid-September. In addition to offering information in 21 official EU languages, the site now showcases testimonials from companies who use .eu websites to great effect.

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A search box, which allows visitors to check if the domain name they want is available, is a prominent feature of the refreshed website. The "how to register a domain name" process is presented in two, concise steps.

### Raising awareness

To help drive visitors to [ambitionhasanaddress.eu](http://ambitionhasanaddress.eu), we ran two online banner campaigns: the first in May and June, and the second in October, November and December. Each campaign consisted of placed advertisements on various SME-focused websites across the EU.

The first campaign, in 16 languages, saw the number of website visitors more than double, to over 10 000 visits per day.

The second campaign, in 21 languages, again saw visitors double, with a peak in November of 14 000 visits per day (figure 16). Website visitors came from all EU Nation States, but mostly from Italy, the United Kingdom and Spain.

### Together with registrars

Customisable versions of the banners were also made available to our registrar community so that they could personalise them for their markets by adding their own logo, advertising message and price.

### Airport advertising

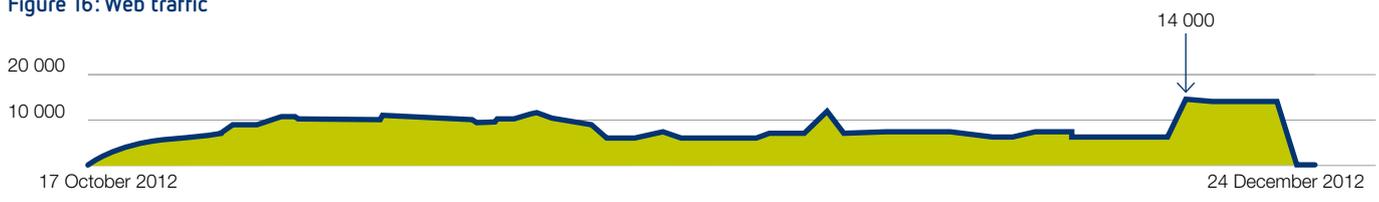
As in 2011, we also placed billboards in Brussels airport which referred passers-by to the campaign website. New for 2012 however, was the placement of billboards in three additional European airports: Copenhagen, Milan Linate and Munich.

2012's billboard featured sports entrepreneur and former cycling world champion, Mario Cipollini. He uses his .eu website, [mariocipollini.eu](http://mariocipollini.eu), to blog about international cycling competitions.

Now that the campaign website is in place, we will continue to add more information as we progress into 2013 – encouraging more SMEs to get online using .eu.

Visit [ambitionhasanaddress.eu](http://ambitionhasanaddress.eu).

Figure 16: Web traffic



“Our ambition is to inspire Europe’s small-to-medium-sized enterprises to register .eu domain names.”

An updated version of the campaign website, [ambitionhasanaddress.eu](http://ambitionhasanaddress.eu), showcases .eu testimonials in 21 EU languages.



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The online banner adverts for the awareness campaign, here in English and German, were hosted on websites throughout the EU in 21 different languages.



## Profit and loss account

### Revenues

.eu domain name registrations, renewals and transfers naturally form EURid's most important revenue source. These transactions are collectively known as registration rights. According to EURid's accounting rules, the revenue from registration rights is spread equally over the duration of these rights. This means that a portion of the revenue from registrations originating from one accounting year is deferred to the next accounting year. Similarly, the revenue from multiyear registrations (MYRs) is spread over the various accounting years of the registration term. As a result, the profit and loss account shows revenues of EUR 12 973 097 in 2012, compared with EUR 12 792 963 in 2011, which is an increase of 1.40%. Of this amount, EUR 5 957 832 was transferred from 2011, whereas the remainder originated in 2012.

More than three quarters of the total turnover (79.54%) was generated by .eu domain name renewals, while 17.68% came from new registrations. The remaining portion was generated by other domain name transactions, such as trades and transfers. The increase in turnover is the result of organic growth of the .eu domain name portfolio, due to steadily increasing renewal revenue. The financial revenues, based on the interest received on bank accounts and long-term deposits, amounted to EUR 77 675, down from EUR 200 417 in 2011 as the high interest rates offered on the long-term deposits expiring in 2011 were no longer offered in 2012.

Total revenue amounted to EUR 13 082 066. Compared with 2011 (EUR 13 049 563), this was an increase of 0.25%.

### Costs

Total costs amounted to EUR 13 028 602, compared with EUR 12 569 268 in 2011. This increase of 3.65% was the net result of cost increases and decreases at various levels.

Small increases were recorded for depreciation, operating expenses and cost of subsidiaries, which can be attributed to a natural growth related to price indexations. The largest increase was recorded for human resources costs. This reflects the salary increases and the shift from project-based consultancy to long-term consulting.

Decreases were noted in general costs, marketing and communication costs.

### Surplus

The 2012 surplus amounted to EUR 53 464, compared with a 2011 surplus of EUR 480 295, as costs rose more than revenues due to the use of specific commercial programmes and incentives which aim to lower the price for end users.



## Profit and loss account

	2012	2011
Revenue from registration rights	12 973 097	12 792 963
Other revenues	31 294	56 183
Financial costs & revenues	77 675	200 417
<b>TOTAL REVENUES</b>	<b>13 082 066</b>	<b>13 049 563</b>

	2012	2011
General costs	1 187 285	1 220 824
Marketing & communication	2 780 382	2 856 643
Depreciation	942 983	934 069
Human resources	4 437 633	4 044 035
Operating expenses	2 388 922	2 306 342
Subsidiaries	1 291 397	1 207 355
<b>TOTAL COSTS</b>	<b>13 028 602</b>	<b>12 569 268</b>
<b>SURPLUS</b>	<b>53 464</b>	<b>480 295</b>

## Cost categories

Internal reporting is organised by budget lines, which group the various costs according to their nature.

- General costs**  
 General costs primarily contains all the administrative costs incurred by running the .eu registry, such as office, travel and legal costs.
- Marketing and communication**  
 The marketing and communication budget line comprises all costs related to promoting .eu.
- Depreciation**  
 Investments in IT infrastructure and equipment are depreciated at 33% over three years. Office equipment and furnishings are depreciated at 20% over five years.
- Human resources costs**  
 Human resources costs refers to direct as well as indirect HR costs and includes expenses, such as salaries and temporary staff, but also the cost of leasing cars and transport.
- Operating expenses**  
 Operating expenses are all costs related purely to the operation of EURid's systems and sites. This includes connectivity expenses, co-location costs and consultancy.
- Cost of subsidiaries**  
 In order to better serve .eu registrars, EURid has three regional offices. The cost of operating these offices is recorded in this section.

## Balance sheet

### Assets

By the end of 2012, the net value of the fixed assets had decreased from EUR 1 305 301 to EUR 1 038 173. This is due to the maturity of the .eu IT infrastructure and the fact that most investments made in 2012 were mere replacement investments. This resulted in a slowly decreasing book value of the fixed assets, as IT equipment and infrastructure is depreciated over three years although their actual lifespan is much longer. Amounts receivable decreased by EUR 281 072, from EUR 21 402 327 in 2011 to EUR 21 121 255 by the end of 2012. At the close of the financial year, accounts receivable were as high as EUR 137 160, a decrease of more than 50% compared with the end of 2011. The bank balance increased, from EUR 19 863 217 at the close of 2011, to EUR 20 245 337 at the close of 2012.

Other receivables included the credit lines granted to EURid subsidiaries and amounts owing from the tax authorities. The deferred charges and accrued income account mainly concerned the cost of maintenance agreements to be attributed to future accounting periods.

### Liabilities

At the liabilities level, the reserves and provisions increased. The total reserves as well as the provision for the Co-funded Marketing Programme decreased respectively by EUR 394 509 and EUR 195 817 in 2012, whereas the provision for the transferable surplus increased. The amounts payable account decreased from EUR 6 888 608 in 2011 to EUR 5 543 188. This is the result of lower recorded outstanding debts to suppliers and a decrease in the overall prepayment level which was lowered from EUR 10 000 to EUR 5 000 in 2012.

Accrued charges and deferred income make up the revenue portion that originated from the 2012 accounting year and which will be transferred to the next accounting periods. Accrued charges and deferred income increased by EUR 989 447 in 2012. This was to be expected given the introduction of multiyear registrations in 2011.

## Balance sheet

	2012	2011
<b>Fixed assets</b>	<b>1 066 405</b>	<b>1 333 533</b>
Fixed assets (hardware, furniture, etc.)	1 038 173	1 305 301
Financial fixed assets (subsidiaries)	28 232	28 232
<b>Amounts receivable</b>	<b>21 121 255</b>	<b>21 402 327</b>
Customer debtors	137 160	395 200
Banks	20 245 337	19 863 217
Credit lines to subsidiaries	317 628	317 628
Other receivables	421 130	826 282
<b>Deferred charges and accrued income</b>	<b>981 090</b>	<b>936 073</b>
<b>TOTAL ASSETS</b>	<b>23 168 750</b>	<b>23 671 933</b>

	2012	2011
<b>Reserves and profit carried forward</b>	<b>9 417 621</b>	<b>9 564 833</b>
<b>Amounts payable</b>	<b>5 543 188</b>	<b>6 888 608</b>
Suppliers	529 435	708 297
Invoices to be received	0	48 117
Customer creditors	1 360 705	1 307 306
Tax and social security	368 793	355 011
Other amounts payable	0	0
Registrar prepayments	3 284 256	4 469 877
<b>Accrued charges and deferred income</b>	<b>8 207 939</b>	<b>7 218 492</b>
<b>TOTAL LIABILITIES</b>	<b>23 168 750</b>	<b>23 671 933</b>

“Our focus will be on improving the working lives of our registrars, but of course we want to add value to our extension for end users as well.”

# Looking forward

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The highway doesn't stop at the border

[www.eurid.eu](http://www.eurid.eu)

For 2013, our goals are to expand on the services and products we introduced in 2012.

As always, and in line with our business objectives, much of our focus will be on improving the working lives of our registrars. This means we will continue to improve our systems and support them with programmes like the Customised Reduction Schemes and Co-funded Marketing.

Of course we want to add value to our extension for end users as well, and in 2013 we plan to do this by reinforcing the security of the .eu top-level domain, improving data quality across the board, lowering the financial barrier to contest registrations through the .eu Alternative Dispute Procedure and fighting domain name abuses.

The ongoing financial crisis and the introduction of new gTLDs in 2013 have already – and will continue to – put the domain market under stress. Growth numbers will likely further deteriorate. For all TLDs, the main challenge in 2013 will be to maintain positive growth, but I believe that, once the new gTLDs have been introduced and the dust has settled, local TLDs and extensions with a well-established quality image will come out stronger.

.eu is well placed in the domain market as it inherently conveys a clear message that appeals to a large demographic, namely the 27 Member States of the EU. As companies in Europe look to grow, many will want a simple way to signal their European cross-border business intentions online. What better way to do that than with a .eu domain name?



**EURid**

The European Registry of Internet Domain Names



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