annualreport. SE









### .SE in brief

.SE (the Internet Infrastructure Foundation) is an independent organisation beneficial to the community which works to promote positive development of the Internet in Sweden.

We are responsible for the Internet's Swedish top-level domain .se, with registration of domain names and the administration and technical operation of the national domain name register. .SE is and will remain Sweden's best address on the Internet.

were registered, and at the end of 2007 there were 702 199 active domain names. This is equivalent to an increase of 24 per cent on 2006. Through its archives, .SE has the task of promoting good stability in the Internet infrastructure in Sweden and of promoting research, training and teaching in the field of data communications and telecommunications, with particular emphasis on the Internet. The surplus from domain sales goes to finance initiatives which promote development of

the Internet in Sweden.

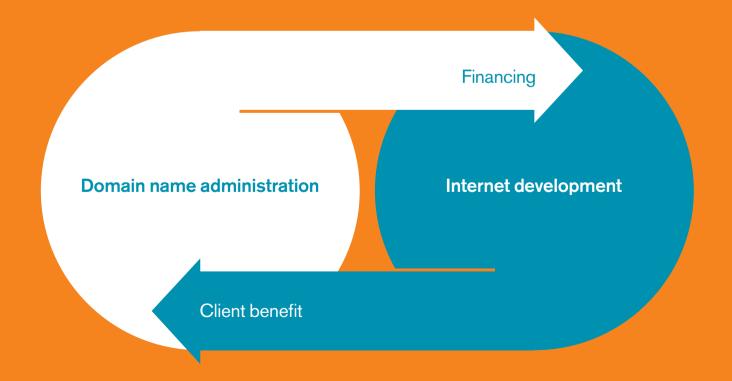
In 2007, 188 652 .se domains

In 2007, .SE implemented the following projects – among other things – to promote the Internet:

- Launched the world's first commercial DNSSEC product.
- Launched Bredbandskollen, a web based, user friendly tool for measuring broadband speeds.
- Opened the Internet Fund for applications twice a year.
- Arranged for the eighth year in a row – the biggest Internet conference in Sweden, Internetdagarna 2007.
- Implemented its own survey of accessibility in the domain name system (DNS) in the .se zone.

We employed 38 staff at the end of 2007.

Our President is Danny Aerts. Our Chairman is Rune Brandinger.



### Vision

.SE (the Internet Infrastructure Foundation) is the obvious route to the Internet for everyone with links with Sweden. Everyone should have a unique, secure, personal address on the Internet.

### **Passion**

We love the Internet. We love it as an instrument for boundless information flows, and for the work that has gone into its creation. We strive to bring about positive, long-term development and use of the Internet.

### **Business concept**

We can supply unique, attractive domain names to give companies and private clients their own identities on the Internet. Or, to put it simply – the best address in Sweden.

By working efficiently and with cost effectiveness in mind, we free up resources for research and development. This is how we create products and services which broaden our operations while at the same time simplifying and improving use of the Internet.

We sell only via top quality, high-performing representatives which package domains according to client requirements.

### **Values**

.SE represents quality. We value the opportunities of individuals on the Internet. Emphasis on quality gives robust, secure processes, technology which works perfectly, skilled representatives. Happy clients are always our end objective, and the acknowledgement for our efforts.

.SE represents Internet expertise and knowledge. We work to develop products and services to improve and simplify Internet usage. Our clear, central role in Internet society has given us good contacts both in Sweden and abroad. National and international cooperation are something we value highly.

.SE represents innovation. We are always on the lookout for new custom solutions and compare ourselves with other successful organisations so that we can constantly develop and improve.

# Happy users promote development of the Internet *The Chairman on the future*



We are generally go-getting, we want to make money, we dominate the market and want to be even bigger.

.SE is a foundation, the Internet Infrastructure Foundation. Most people probably associate foundations with something fairly serious, maintaining a generally respectable image.

.SE is not particularly representative of this generally accepted view of foundations. We are generally go-getting, we want to make money, we dominate the market and want to be even bigger, we are at the very cutting edge – even by international standards – of technology, but that is not enough for us either. And yet we have been entrusted with an important function in society, to make sure that the national top-level domain .se always works.

How does this all hang together?

This is explained by our archives and statutes, which provide us with two clearly defined tasks: to manage the top-level domain .se so that all users are always happy; and to promote research, development and training on Internet infrastructure in Sweden.

But promoting anything is impossible if you have no money. This is why we want even more happy users to join us. A significant proportion of our annual charges is passed on to precisely the kind of research which our archives point out. From a modest start, we are now starting to see some pretty impressive amounts of money: around SEK 20 million in 2008, even more in 2009. Our aim is to pass on all profits to this research – our income statement should end up in a zero once the research is all paid for.

To contribute as much money as possible to Internet development, .SE needs to bring in

income and keep costs in check; in other words, to work as efficiently as possible while at the same time maintaining the same high level with regard to the number of happy clients. But in one field, we have not been implementing the most efficient solution. We refer to the distribution of our services, where we have had a completely separate solution. Early next year, we will be switching to a new model which, although new to us, is the most established solution on the international market.

The new solution — which is usually known as the Registry-Registrar model — means that the foundation (Registry) will place much greater responsibility for both sales and client care with our representatives (Registrars). The demands we make of our representatives will be made more stringent as a consequence of this. An accreditation procedure will be introduced which will guarantee to users that the representatives allocated to their Internet business are both technically and financially qualified to work with it.

This will involve a major change for both the foundation and its representatives, and it is going to cost us a lot of money and require a lot of effort. The preparations began with a decision from the Board – a "direction decision" – a year ago. This decision has later been supplemented with more details on terms for pricing and the accreditation of representatives, for instance. This work will come to an end this year. But in the end, we will have a system which allows us to serve end users considerably more effectively than is the case at present.

Rune Brandinger, Chairman

# Growth and successful development work *The President sums up* 2007

.SE (the Internet Infrastructure Foundation) should be the obvious route to the Internet. This is the motto we live up to and work hard to maintain. Our operations are still expanding enormously; both our domain operations and promotion of Internet development in Sweden. I am also pleased to see the continuation of the strong growth of domain names under the top-level domain .se. Although .se domain names have existed for more than 20 years, the influx of new domain names has continued over the past few years. There were almost 200 000 new registrations in 2007, and at the end of 2007 registered .se domain names totalled more than 700 000.

Besides our responsibility for secure, effective top-level domains, .SE has the task – through its archives – of promoting good stability in the Internet infrastructure in Sweden and of promoting research, training and teaching in the field of data communications and telecommunications, with particular emphasis on the Internet.

In 2007, we have successfully implemented development work which is very much in line with the requirements of our archives. We have been organising the Internetdagarna conference for a number of years now, and we manage and market the Internet fund. New arrangements for this year include the launch of Bredbandskollen, the world's first commercial DNSSEC product and do-it-yourself testing tool.

I look forward to continuing to develop .SE into the obvious platform for knowledge and discussion on the Internet in Sweden. Our work on Internet-saving everyone has just begun!



I look forward to continuing to develop .SE into the obvious platform for knowledge and discussion on the Internet in Sweden.

Danny Aerts, President

# The fly that stayed put - 10 years on the Internet

# Shibers heets for hand on domarangifier

- The Internet Infrastructure
  Foundation is founded on 26
  August. The foundation is to
  promote "good stability in the
  infrastructure for Internet in
  Sweden and promote
  research, training and
  teaching in the field of data

  The first
  rules for search and introd
  and introd
  The 50
  registered
  The 50
  The first
  Trules for search and introd
  The 50
  The 50
  The first
  Tules for search and introd
  The 50
  The 50
  The first
  Tules for search and introd
  The 50
  The 50
- Björn Eriksen, who registers the country code .se for Swedish domain names in 1986 and is entrusted in the mid-1980s with the task of managing the Internet's Swedish top-level domains, hands over responsibility and the database to the newly formed foundation.

communications and

Internet".

telecommunications, with

particular emphasis on the

There are 19 773 newly registered .se domains over the year.

NIC-SE takes over full responsibility for the technical running of the .se domain from the Royal Institute of Technology and Björn Eriksen, who hand over the rights to .se to the Internet Infrastructure Foundation in 1997.

99

- There are 12 324 newly registered .se domains over the year.
- The State domain name committee proposes that everyone should be able to register domain names under

the Swedish top-level domain

There are 19 557 newly registered .se domains over the year.

.se.

ICANN (Internet Corporation for Assigned Names and Numbers) holds a meeting in Sweden for the first time.

Some 600 delegates from all over the world come to the ICANN meeting which takes place at Stockholm International Fairs in Älvsjö.

01

- SE (then known as the II Foundation) works together with the Swedish Consumer Agency to take over responsibility for the TPtest broadband test from the IT Commission and also involves PTS in continuing development work.
- There are 15 708 newly registered .se domains over the year.

- The first domain name rules for .se are formulated and introduced on 1 January.
- The 50 000th .se domain is registered.
- There are 13 559 newly registered .se domains over the year.



Computer Sweden, 28 November 1997

SE has been responsible since 2002 for technical operations and until further notice will be running the registration unit for ENUM on behalf of PTS, which has been commissioned by the Government to implement a national trial with ENUM in Sweden. ENUM is a way of using telephone numbers as domain names.

In April, liberal new rules for .se domain name registration come into force. For the first time, it becomes possible for private individuals to get their own .se domains. More than 50 000 applications are received by .SE (at that time known as NIC-SE) over the transition period to the new rules. Allocation of the most popular domain names takes place by means of a prize draw broadcast live on the Internet.



In December 2005, subsidiaries NIC-SE and IIS Sverige Services become part of what was then the II Foundation.

What is known as the
Top-level Domain Act comes
into force on
1 July. In this
regard, PTS is the supervisory
authority for .SE.

March will see the start of numerical domain name registration; that is, domain names consisting of just digits, or combinations of digits and hyphens.

02

- The 100 000th .se domain is registered in May by Innegolf i Växjö AB.
- We witness the birth of a new phenomenon with the first blogs to be published.
- There are 15 639 newly registered .se domains over the year.

03

- ATF, a simplified new dispute resolution procedure for domain names, is introduced. The first disputes resolved relate to the names svt24.se and google.se
- As of October, the then NIC-SE offers the option of register domain names containing the characters å, ä, ö, ü and é.
- For the first time, it becomes possible to file a tax return on the Internet.
- There are 116 749 newly registered .se domains over the year.

04(

There are 650 million Internet users all over the world.
There are 99 281 newly registered .se domains over the year.

**U**5

- Swedish Internet pioneer Björn Eriksen passes away. Björn was the man who was entrusted in the mid-1980s with the task of managing the Internet's Swedish top-level domain .se. He managed this task alone until 1997, when the II Foundation and NIC-SE were founded in order to take over and handle the increasing interest in domain names.
- There are 134 055 newly registered .se domains over the year.

06

- Internet Infrastructure Foundation starts working under the name .SE.
- The 500 000th .se domain
   bygdegård.se is registered.
   This represents a website
   about Tyresö local heritage
   museum.
- There are 204 830 newly registered .se domains over the year.

- .SE is commissioning the new production system NICEasy. The web based administration tool for domain name holders has been named Domänhanteraren, the Domain Manager.
- February sees the launch of DNSSEC, the first commercial service for more secure name lookups on the Internet
- In the summer of 2007, it becomes possible for the first time to register .se domains containing characters which occur in the official Swedish minority languages Finnish, Meänkieli (Tornedalen Finnish), Sami, Romani and Yiddish.
- October sees the launch of Bredbandskollen, a user friendly, web based version of the earlier measuring tool TPtest for measuring surfing speeds. This tool becomes a success very quickly, with a million measurements carried out in its first month.
- There are 188 652 newly registered .se domains over the year.



# A multifaceted international industry About the market, our surroundings and our representatives

Growth on the global market for domain names has been strong and stable throughout the 2000s. In 2007, the global market for domain names tailed off slightly. Growth stood at 27 per cent, compared with 33 per cent the year before. At the end of the year, there were 153 million domain names the world over. What are known as the generic top-level domains (gTLDS) such as .com, .net, .org, .info, .biz - represented the greatest growth in the early 2000s, but since then the country code domains (ccTLD domains) have pipped them to the post and now represent the greatest growth (see figure). There were 58 million country code domains by the end of 2007. The number of domain names under the national German top-level domain. de was the highest in the world in late 2007, followed by the Chinese country code top-level domain .cn and the United Kingdom's .uk. Together these three represent almost half of all registrations of national top-level domains.

### .SE responsible for .se

Since 1997, .SE (the Internet Infrastructure Foundation) has held responsibility for the Internet's Swedish top-level domain .se, with registration of domain names and technical running of the national domain name register. The number of new registrations has increased considerably over the past few years. The big breakthrough for .se domains came in 2003, with the new, more open rules for domain name registration. The requirement of having an entitlement to a domain name (such as a

brand name or company valid in Sweden) was relaxed, which made it possible for considerably more Swedes to acquire .se domains of their own. Half of all newly registered domain names that year were registered at the time the ruling was amended.

#### .se most common in Sweden

There were 702 199 .se domains at the end of 2007, equivalent to a market share of 55 per cent. The domain .se is undergoing the greatest increase in Sweden, and so .SE is well on the way towards fulfilling its vision of becoming the obvious route to the Internet for everyone with links with Sweden, companies and private individuals alike.

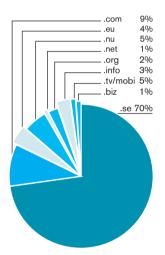
The second-biggest top-level domain in Sweden is .com, followed by .eu and .nu (see figure).

### Registration via representatives

All registrations of .se domains take place via one of .SE's or so 200 representatives. Last year, the ten biggest representatives represented 78 per cent of all registrations. The biggest representative was Loopia, with a market share of 27.5 per cent, followed by One.com with 16.2 per cent and Surftown with 6.8 per cent. Together, these three companies represented more than half the market for .se domains in late 2007.

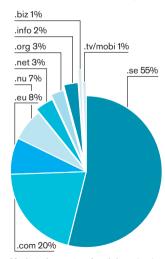
### New role and greater responsibility for representatives

In June 2007, the Board at .SE made a decision on a new business model for .SE, which will



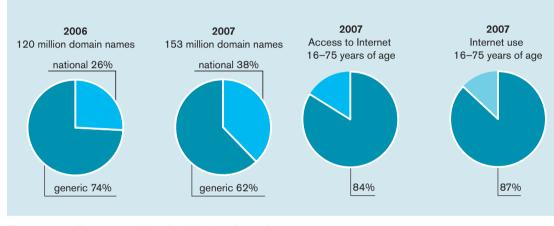
Top-level domains' proportion of the number of new registrations in Sweden, 2007.

Source: ZookNIC, processed by .SE



Market shares, top-level domains in Sweden, 2007.

Source: ZookNIC, processed by .SE



There were 58 million country code top-level domains all around the world at the end of 2007, an increase equivalent to 33 per cent on 2006. Source: Verisign/ZookNIC, processed by .SE

Internet usage in Sweden, 2007.

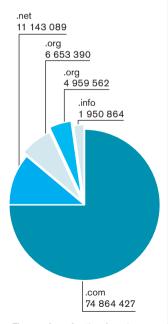
Source: PTS and the World Internet Institute

involve representatives taking on a more important role in relations with domain name holders. End-clients can opt not only to register the domain name via a representative, but also to remain as a client and - as today - utilise peripheral services such as webhotels, connections and e-mail. This provides clear client relations and gives clients greater freedom of choice, while at the same time making more stringent demands of .SE representatives. This is why future representatives undergo accreditation by means of certification programmes in conjunction with the transfer to a new business model.

The representatives receiving accreditation are known as registrars, an international term indicating that the company is active as a domain name administrator. The transition to the new business model is planned to take place in the first quarter of 2009. SE estimates that around half of today's representatives will not opt to apply for accreditation as a result of among other things - more stringent demands on the part of .SE.

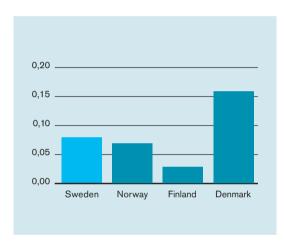
### Domain name holdings in the Nordic region

When Internet usage really took off in Sweden, between 1995 and 2000, it spread quickly. The rate of spread has tailed off since 2000, but new users are constantly turning up. Last year, 87 per cent of Swedes used the Internet every day, both privately and at work. In the same year, 84 per cent had access to the Internet at home. When it comes to people getting their own



The number of active domain name registrations for the biggest generic top-level domains on 27 March 2008.

Source: CENTR, processed by .SE



The number of domain names per capita in the Nordic countries, 2007.

Source: World Factbook, processed by .SE

domain names for websites or e-mail, for example, Sweden is comparable with countries such as Norway, Belgium and Austria. Denmark has the highest number of domain names per capita in the Nordic region (see the figure on the right).

### The world in which we work

.SE is active in more or less an international environment in which many different companies contribute their part to the Internet and work together to get the whole thing – a stable infrastructure – to work. The actual domain name system is hierarchical, with ICANN (the Internet Corporation for Assigned Names and Numbers) holds overall responsibility. ICANN

was founded in 1988 and is a non-profit making cooperative organisation. Its job is to stand responsible for the root zone, i.e. the top level in the domain name system. IANA (the Internet Assigned Numbers Authority) is the part of ICANN holding technical responsibility for global allocation of IP addresses and the DNS root zone. In November 2007, .SE and ICANN formalised their cooperation by means of an exchange of letters. In this way, .SE wishes to demonstrate that the Swedish top-level domain supports ICANN's work and actively contributes towards the organisation's independence from the American Department of Commerce.

Operational work with the respective toplevel domains is handled by the various organisations and companies with express responsibility for the respective top-level domains. For the top-level domain .se, .SE holds that responsibility. PTS is the supervisory authority for . SE and has to ensure compliance with the Toplevel Domain Act, the Act on national toplevel domains for Sweden on the Internet (SFS 1998:204). Others with an important part to play concerning the Internet infrastructure in Sweden are ISOC-SE (the Swedish Chapter of the Internet Society), which is the Swedish arm of ISOC, the Internet Society. ISOC-SE is a non-profit association which aims to develop the Internet. Among other things, this association took the initiative to form the Internet Infrastructure Foundation. SOF (Svenska Operatörers Forum) is a cooperative body for the major operators on the Internet in Sweden.



As of 2009, when .SE changes its business model, all domain name holders may choose to become clients of just one representative, instead of being a client of .SE.





# We are growing apace

# Strong, stable domain growth

New domain names have undergone strong growth throughout the 2000s in their entirety, and this trend is set to continue. By the end of 2007, there were 702 199 active .se domains, a new increase of 24 per cent compared with the previous year. There were 188 652 new registrations, a reduction of 8 per cent on 2006. However, any comparison between the two years should take into account the .SE campaign in connection with IDN domain names becoming available. This campaign resulted in around 50 000 domains containing the letters å, ä, ö, é and ü being registered in 2006. IDN, Internationalised Domain Names, allow characters to be used which are outside the domain name system's character set, which contains a-z, 0-9 and hyphen.

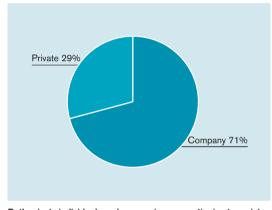


We are still seeing a tendency for .se domains to increase the most compared with other toplevel domains in Sweden.

For 2007, .SE's market share is estimated to be 55 per cent of the total Swedish domain name market, more than twice as much as the nearest top-level domain .com, which holds 20 per cent. The strength in the .SE brand can also be seen in how great a number of domain names are renewed every year. In January 2008, the average renewal rate amounted to 86.1 per cent.

### Our clients

At the end of 2007, .SE had around 370 000 clients, which on average held 1.9 domain



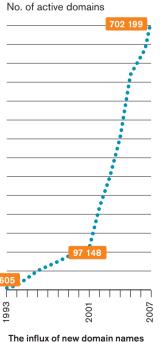
Both private individuals and companies are continuing to register .se domains. In 2007, 29 per cent of our clients were private.

names each, compared with 1.6 the year before.

Domain name holders included both corporate and private clients - 71 and 29 per cent respectively. The clients with the most domain names can be divided into two categories: Major corporations with extensive brand portfolios and holders acquiring a large number of domains with a view to selling them on the domain name market.

### Fewer own many

The trend has been bucked over the year in that the number of holders with lots of domains has started to fall after having increased a lot previously. In April 2007, there were 169 .se domain name holders with 100 or more domain names and 24 with 500 or more. At the end of the year, the corresponding figures were 124 and 13 respectively.



The influx of new domain names under the top-level domain .se has grown enormously over the past few years. There were 702 199 active domains at the end of 2007.

# The biggest network in the world becomes personal How to use domain names

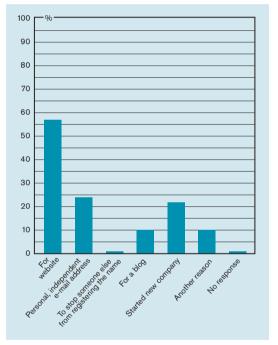
More and more companies and private individuals in Sweden are registering domain names. According to a survey based on 1 000 telephone interviews, which .SE had done in December 2007, almost 60 per cent of people register domain names with a view to running a website; but it is also common for people to want a personal e-mail address or a domain for their blog. More than 20 per cent state that their domain name was registered with a view to starting a new company. To summarise: domain names are used to create an identity on the Internet for both companies and private individuals. People may want to create an identity on the Internet by means of a blog or an e-mail address linked to their own names, for example, or else they might want to make their corporate operations accessible on the Internet.

### Personal e-mail in demand

A personal e-mail address which is independent of an e-mail service, Internet supplier or workplace is one of the reasons for almost a quarter of domain name registrations. Of course, a lot of people also want an e-mail address linked to the same domain as their own website. On average, people had two e-mail addresses each. Of the people questioned, 56 per cent said they had one e-mail address, 21 per cent had two and 15 per cent had three or more; while 8 per cent had no e-mail address at all.

### Own domains more common among bloggers

The number of domains linked to the wave of



The most common reasons for private individuals to register a .se domain. (Respondents were able to give several reasons.) Source: Mistat, client survey, December 2007

blogs over the past few years has increased. In early 2007, 5 per cent of domain name holders said that they had registered their domains in order to run a blog, and in December that same year, this proportion had doubled. Three times as many women as men said they were using their domain names for blogging. Of the people questioned who did not have a domain, 13 per cent said that if they were to register a domain, it would be for the purpose of maintaining a blog domain of their own.

# Living up to the best address in Sweden

### Happy clients, a measure of our success



"Satisfied clients are a

Anette Hall, head of the .SE domain department and client service

must if .SE is to remain a strong brand."

The most common tasks carried out by client service Queries on notification Updating of e-mail address Transfer of domain Switch of webhotel Registration of domain names Address change

In a survey of randomly selected clients which was carried out in the autumn of 2007, .SE (the Internet Infrastructure Foundation) achieved what is known as an NKI (Satisfied Client Index) of 80.7 with corporate clients and 81.8 with private individuals. Thus the target of the foundation - to achieve a mark of 80 on the 100-degree NKI scale, was exceeded.

Of course, we have to manage this good result well. Satisfied clients are a must if .SE is to remain a strong brand. Here, client service has a very important part to play.

### Easy to get help

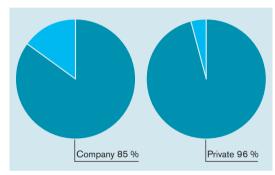
Client services' opening hours were extended by an hour in 2007. In a survey of clients who had recently been in contact with our client service, the large majority told us that getting in touch with .SE was easy, or involved no major problems. Just a few per cent of people felt it was awkward.

### Good marks, could be even better!

The majority of clients in the survey were also happy with the assistance they received from our client service.

Of our corporate clients, 85 per cent were happy; compared with 96 per cent for private clients. On a scale of 1 to 5, the overall mark for .SE client service amounted to 3.84 for corporate clients and 4.00 for private clients.

This is good, but there is room for improvement. Barely a third of clients in the survey felt that .SE client service was better than any oth-



According to a survey carried out in 2007, 85 per cent of corporate clients and 96 per cent of private clients respectively were happy with .SE's client service.

er. However, we do have a good foundation from which to work.

### Major client trust

When asked "How likely is it that you will remain a client of .SE over the next few years?", 96 per cent of corporate clients and 94 per cent of private individuals responded that they definitely would, were very likely to or quite likely to.

### Register maintenance minimises risk of errors

In 2007, .SE also introduced automatic register maintenance of domain holders' contact details with the help of UC (Upplysningscentralen) in order to main good quality of the details in the domain name register.

# My domain name – or yours?

### Easy to appeal with ATF

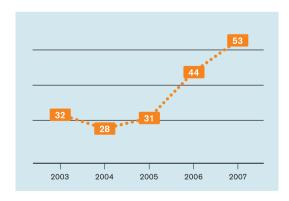
In 2007, 53 disputes on domain names were resolved via the .SE (Internet Infrastructure Foundation) dispute resolution system ATF (Alternativt tvistlösningsförfarande). This must be viewed in proportion to the fact that almost 200 000 new .se domain names were registered over the year.

### Faster and less costly than court

ATF is an alternative to costly, long drawn-out court cases, and has been created for dealing with problems with domain names which infringe rights to corporate brands or company names. These costs are greatly subsidised by . SE and take about a month to resolve a dispute.

### Clear rules

If a registration fails to comply with rules established by .SE, the holder risks losing the



Disputes relating to domain names at .SE are not increasing at the same rate as domain name registrations. Of the hundreds of thousands of domains, only a few tens go to dispute resolution each year.

domain name for which he sought dispute resolution. There are currently 13 lawyers who agree to act as independent dispute resolution officers, which means that they make fully independent decisions on disputes. In most cases just one dispute resolution officer is used, but if any of the parties requires more and pays extra for it, the case can be heard by three dispute resolution officers. For the applicant to achieve success and the holder to lose the entitlement to the domain name under dispute, the applicant must:

- hold an entitlement (such as a brand or company) valid in Sweden;
- show that the holder of the domain name has acted in bad faith when registering or using the domain name;
- show that the holder has no entitlement or legitimate interest in the domain name.

### Incorrect spellings the most common cause

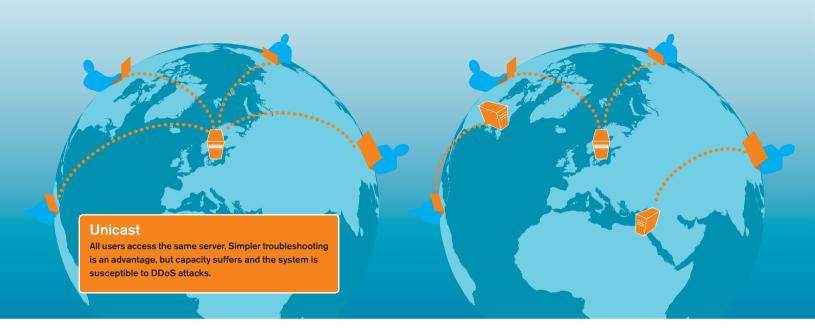
In 2007, disputes relating to domain names of incorrectly spelled brands dominated. Even if such infringements may seem obvious, both sides have to put forward their arguments via ATF, which creates legal rights in the system. The dispute resolution systems are criticised sometimes for being too pro-brand. But the fact that brand owners often win – for instance, 36 of the 53 ATF cases last year ended up in this way – is more to do with the fact that they know what is required in a dispute resolution process. The infringement has to be sufficiently clear for an ATF procedure to be initiated.



On 1 January 2008, prices of ATF (the Alternative Dispute Resolution Procedure, Alternativt tvistlösningsförfarande) were reduced by 20 per cent in order to make the dispute resolution system even more accessible. One to five domain name cases dealt with all at the same time by a dispute resolver now costs SEK 8 000, excluding VAT for companies and including VAT for private individuals. If the party wins the ATF case, half this amount will be refunded.

### **Anycast**

An IP address exists as several servers in different countries, and the user accesses the nearest one only. Better performance and security, but troubleshooting is harder.



# A stable system gives a fast response

# We handle 388 million DNS queries every 24 hours

Every time you search on a URL or e-mail address ending in .se, you expect to get a fast, correct response. And this is what you get, thanks to our system which receives and handles up to 4 500 queries in the domain name system every second. At traffic peak times, the system may need to handle as many as 20 000 queries a second. These are the criteria which allow more than 700 000 registered .se domain names to work as anticipated.

### Everything must work - always

The objective of .SE (the Internet Infrastructure Foundation) is for DNS running always to be fully accessible and offer the shortest possible response times for DNS queries. To be able to manage this, .SE has around 100 secondary servers, known as slave servers, in locations all over the world. 24 hours a day, 365 days a year, we have staff on site who keep an eye on things to make sure the .se zone is accessible on the Internet. DNS running is based on a combination of unicast and anycast technology for in-

creased capacity, greater resistance to Denial of Service attacks and better redundancy. The principle is simple. If one element of the flow is taken out of commission, there is always another to take its place.

### The technology in brief

Essentially, this is how DNS works: Every time you type an address into your browser or send an e-mail message, your computer sends a DNS query to your local name server, which for the majority of private users is with the Internet service provider. The name server in turn sends this query on to the relevant top-level domain in order to find the name server holding information on the domain you are seeking contact with.

### Operation regulated by Swedish law

The technical running of the .se domain and its stability have been regulated since 1 July 2006 by the Act on national top-level domains for Sweden on the Internet.

# Top-level domains, top quality

# Stringent operation and security demands

The top-level domain .se is a critical resource for Internet users both in Sweden and abroad, and is also highly significant to Swedish society and the Swedish economy from a wider perspective. The ambition of .SE (the Internet Infrastructure Foundation) is to go on improving what we do and the services we provide by focusing on quality and security to benefit Internet users.

### Fast, correct, secure

It is the responsibility of .SE to ensure that all lookups of URLs or e-mail addresses (for example) ending in .se point to the right place. The system has to be able to respond both quickly and correctly to more than 388 million queries every 24 hours so that our 700 000-plus .se domain names are accessible to Internet users the world over. We run systematic security work to the standard ISO/IEC 27001, information security management system.

### Stringent demands from users and from ourselves

Quality is one of the basic values of .SE. Without security, maintaining quality is difficult; and vice versa. Our aim is to minimise the number of errors by doing things right from the outset. Our clients have to be able to demand good service and reliability. Our aim is to rapidly take on board our clients' views and meet their requirements as regards development of products and services to improve and simplify use of the Internet.

### Our guiding principle: the best interests of our end-clients

The management team at .SE feels a strong sense of responsibility and heads up our quality work. We have committed, skilled, responsible staff who are constantly receiving information and training on quality considerations within the scope of our quality programme, called .SEUpp! The participation of everyone is important. Our strongest guiding principle is the interests of our end-clients.

The domain name system (DNS) translates a domain name into a form which computers can communicate with. Every time an address (URL) is input in a browser, your computer sends on a DNS query in order to find out the IP address of the website.





# For greater benefit on the Internet Our products and services



"When I was also able to register the 'right' way of writing the name Åre, I didn't hesitate to do it"

Mårten Johansson, Åre Lavincenter

IDN stands for Internationalised Domain Names and refers to domain names which include characters outside the domain name system's character set, which includes only the characters a–z, 0–9 and hyphen.

### IDN at .SE:

- å, ä, ö , é and ü
- ...and characters for:
- Finnish
- Meänkieli (Tornedalen Finnish)
- Sami
- Romani
- Yiddish

Other Nordic languages

Product development is an important element of .SE's work on long-term positive Internet development.

### IDN Domain names with a flourish

Internationalised Domain Names (IDN) allow domain names to be used which contain characters outside the domain name system's character set, which only allows a–z, o–9 and hyphen.

### More characters, more options

It was possible as early as 2003 to register .se domains using the characters å, ä, ö, é and ü. The summer of 2007 saw the addition of characters in the official Swedish minority languages of Finnish, Meänkieli (Tornedalen Finnish), Sami, Romani and Yiddish. At the same time, it also became possible to use the characters for the other Nordic languages in .se domains. Nowadays some 44 000 .se domain names contain "characters with a flourish".

### Recoding required

In purely technical terms, the domain name system can only handle the characters a–z, 0–9 and hyphen. This is why a system using recoding is used to display internationalised domain names. It is possible to use IDN in most of the more recent browsers, but on the other hand there is no complete solution for handling these characters in e-mail.

### There for everyone

We want .SE to be the obvious choice on the

Internet for everyone with links to Sweden. This is why it is important to be able to type – for example – "Åre" instead of "Are", or to express your identity with us in the official minority languages as well. The introduction of IDN is an important step for increasing diversity on the Internet.

### **DNSSEC** .SE first with commercial service

In February 2007, .SE was the first top-level domain in the world to launch a commercial service with DNSSEC (DNS Security Extensions) for cryptographically signed name lookups in the domain name system (DNS). There were several years of preparation behind this launch.

### More secure domain handling

DNSSEC gives more secure lookups on URLs. There are greater opportunities now to ensure that they are coming from the right sender and that the content has not been changed during transfer. DNSSEC is a supplementary service for .se domain names, and is aimed at everyone who runs popular websites. Anyone buying this service has the option of administering and publishing their DNSSEC keys in the .se zone, and .SE operates with its keys a starting point in the trust chain for DNSSEC.

### Reducing the risk of Internet fraud

For the general public, DNSSEC means that the risk of being cheated through bank deals and online shopping is reduced, as it makes it easier for users to establish whether they are actually communicating with the right bank or store, rather than with an impostor. DNSSEC stops attempts at fraud which are linked to the domain name system (DNS).

### Welcome initiative

The .SE initiative has met with a lot of interest both in Sweden and abroad. Swedish experiences of DNSSEC have been discussed at a number of international Internet meetings. PTS, which according to the Top-level Domain Act is the supervisory authority for .SE, also welcomed the new service in connection with the launch.

### Bredbandskollen Now for everyone

In October 2007, we launched Bredbandskollen – Sweden's only independent consumer service for checking broadband connections directly in a browser. Bredbandskollen is the result of several years' worth of development work financed by .SE, PTS and the Swedish Consumer Agency. This service is based on TPtest, downloadable software which was developed previously by .SE for more experienced IT users. Bredbandskollen has a simple interface and measures connection speeds directly in the browser in order to meet the needs of more consumers with less experience.

### User friendly speed check

Bredbandskollen measures the speed at which the user's browser can send and receive data, i.e. the actual speed which the consumer can use for the purpose. This value takes into account the quality of the telephone lines and the user's own equipment, for instance.

Before Bredbandskollen existed, it was difficult for ordinary consumers to measure their data throughput rates. With Bredbandskollen, .SE wants to give all broadband clients in Sweden a service that is easy to use and readily accessible.

### A product that has an effect

Just a month after the launch, a million measurements had been executed; and by the end of the year, more than two million had been done. Bredbandskollen received a lot of attention over the last three months of the year, not least in the media. This has also led to Swedish operators starting to discuss new forms of product description for broadband services.

### **DNSCheck** Improving the quality of .se domains

DNSCheck is a service which verifies the quality of delegations in the domain name system (DNS); that is, it checks DNS data for domains. To put it simply, this is a way of finding out the health of your own domain, and also of all domains in .se as a whole. 2007 saw the start of development of a new version of DNSCheck. This new service is adapted to suit the needs of both domain holders and DNS operators, and will be launched in 2008.

### ENUM - trials with a new technical standard

ENUM is a technical standard adopted by IETF (the Internet Engineering Task Force) and which uses the domain name system (DNS) for linking telephone numbers to URLs. According to a Government commission, PTS will be implementing national ENUM trials in Sweden. PTS will be acting as an administrator during these trials. .SE has been responsible for its technical operation since 2002 and is running the registration unit for ENUM on behalf of PTS until further notice. 17 ENUM representatives, as they known, are taking part in the trial and standing responsible for registering ENUM domain names, while 12 telecoms operators whose telephone numbers may be included in the ENUM test are also participating. A total of 30 or so ENUM domains have been registered.





Product development is an important element of .SE's work on long-term positive Internet development. In 2007, .SE made a number of important advances. Among other things, DNSSEC was launched as a commercial service, and Bredbandskollen was launched as well.



# Sweden's best address gives Sweden's best Internet The surplus from domain sales is financing development of the Internet in Sweden

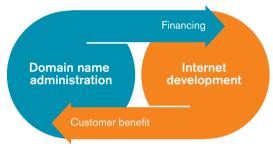
.SE (the Internet Infrastructure Foundation) stands on its own two feet: domain name operations and Internet development. The surplus from the registration of domain names is financing initiatives to promote Internet development in Sweden. The aim of .SE research and development work is to add value for end-users of the Internet and to ensure that they have more opportunities to make the most of everything the Internet has to offer.

.SE's Internet development consists of operations in the fields of information dissemination, initiatives for special target groups, looking after common Internet areas, dissemination of technology, events and the Internet Fund.

### **Publications**

As part of its work on Internet development, . SE produces a number of documents under the product name .SE Internet Guides. These guides deal with various Internet-related areas and are aimed mainly at an interested general public. Yttrandefriheten på nätet (Freedom of expression on the Internet) and Introduktion till IP (the Internet Protocol) (Introduction to IP [the Internet Protocol]) are examples of guides already published.

There will be more guides in 2008, including a document on how to protect your online identity by registering the right domain name and how to avoid being cheated by scammers in the industry. Other documents include *Ungas identitet på nätet* (Identity of young people on the Internet), about the lives and situations



The surplus from domain name operations is being used to finance projects contributing towards developing the Internet, to the benefit of domain name holders.

of young people on the Internet, and with how parents can relate to this. *Vad säger Internetstatistiken* (What the Internet statistics say), a comparison of various statistical companies' measurements of the Internet habits of the people of Sweden. How much do we actually surf? *Hemmanätverk* (Home networking) – all about smart building of home networks, as cheaply as possible.

.SE also published the report *Nåbarhet på Nätet* (Accessibility on the Internet). *Hälsoläget i .SE* 2007 (The state of health of .SE, 2007) was published in November the previous year and contained an analysis of the quality and usage of the Internet in .se. A follow-up is planned and the results will be published in the autumn of 2008.

### Internet and statistics

In 2007, .SE also took the initiative to instigate several partnerships relating to statistics and facts concerning the Internet. This resulted



In 2007, .SE started work on producing publications on various Internet-related issues.



"In 2007, a new plan was compiled for .SE's Internet development initiatives. Work will be focusing on the investment areas of information, target group-oriented operations, dissemination of technology and care of the general public."

Staffan Hagnell, Head of Research and Development, .SE in – among other things – the printed report Svenskarna och Internet 2007 (Swedes and the Internet, 2007), which was published in connection with Internetdagarna in cooperation with the World Internet Institute. .SE will be continuing to disseminate statistics and facts relating to the Internet.

#### The Internet in schools

In 2007, .SE began preparatory work on an initiative relating to the Internet in schools. The aim is to make publishing students' work on the Web a natural part of schoolwork, as well as developing the use of the Internet in schools. And so for the 2008–2009 academic year, .SE will be organising Webbstjärnan 2009, a webpublishing competition for upper secondary students in Sweden. Their project will be to build a website relating to any element of schoolwork. No prior knowledge of publication for the Web will be required. The tools are simple, and .SE will be providing – if required - webhotels by agreement with a number of webhotels, free support and training materials. The emphasis will be on content, not technical solutions, and on teaching students to become producers of information on the Internet, not just consumers.

### Internet for all

The Internet is able to offer huge opportunities for us all, to live more independently, simplify our everyday lives, study, work and communicate with other people. However, large groups of people can find it difficult to make the most of the Internet and its applications. In 2008, .SE will be looking into what can be done to further improve Internet availability to these groups.

### More secure e-mail

Some 70-80 per cent of all e-mail is spam, which reduces people's trust in e-mail. Given this fact, .SE decided in 2007 that the Foundation would establish an operation to counter spam, phishing and other related problems that reduce faith in the Internet. Our aim is to increase trust in e-mail as a tool for communication for both companies and private individuals.

### Two important technology projects

DNS Security Extensions (DNSSEC) and IPv6 are two projects which both aim to secure the Swedish arm of the Internet's infrastructure, and to ensure that it functions in a secure, stable fashion in future and can be developed further.

### **DNSSEC**

In September 2005, .SE was the first top-level domain in the world to protect its zone file



with signing and DNSSEC. In February 2007, .SE was the first top-level domain in the world to launch a com-

mercial service involving DNSSEC to endclients and offered the option of cryptographically signed name lookups in the domain name system (DNS). The previous section about our products och services contains more information on DNSSEC. Throughout 2006, .SE ran a test team for testing DNSSEC prior to launch, and also maintained constant communication with authorities, banks and universities concerning the need for more secure domains. The development of new DNSSEC-based security solutions will be continuing in 2008.

### IPv6

Today's Internet is based on the IPv4 protocol, but its the address space is limited. It is anticipated that all IPv4 addresses will have been allocated within a few years. The new IPv6 protocol has been produced in order to meet the Internet's future need for addresses. However, introducing IPv6 is not without its problems. Coordination and adaptation are required to

"The purpose of the Foundation shall be to promote good stability in the Internet infrastructure in Sweden and to promote research, training and teaching in the field of data communications and telecommunications, with particular emphasis on the Internet [...]"

From the Memorandum of Association of the Internet Infrastructure Foundation

allow the transition to take place. The research and development department has started examining how it would be possible to adapt .SE services to IPv6, and how market coordination would take place.

### The Internet Fund

The .SE Internet Fund is one of several ways of financing Internet development by financing independent projects. Recipients include organisations, private individuals and academic institutions.

These projects aim to disseminate knowledge and provide new services, applied research and technical development. In 2007, the Internet Fund financed 22 projects worth SEK 5 million. In 2008, .SE will be accepting applications in two rounds, and the finance will be equivalent to last year's level. The Internet Fund was launched in 2004 and since then has financed a total of 50 or so projects. The project ideas were submitted to .SE by the general

public via the public application procedure and assessed by an independent judging committee on the basis of set criteria.

### Internetdagarna

Internet dagarna is .SE's annual Internet conference, and also the biggest conference in its field in Sweden. This conference is attractive, not least because of its scope. Over its two days, seminars are organised on topics as diverse as political control of the Internet, how to find the right time on the Internet and secure e-mail. The 2007 conference was the eighth one held, and it took place on 5-6 November at Folkets Hus in Stockholm; magnificent premises which we have used before and which we know visitors particularly enjoy – not least because of its central location in the city. At thirty or so seminars, the public encountered speakers such as Ulf Dahlsten from the EUCommission; Johan Lindgren, Telenor; Dave Oran, Cisco, and Minister for Communications and Regional Policy Åsa Torstensson, Patrik Fältström, Cisco; Peter Löthberg, STUPI and .SE's Head of Quality and Security Anne-Marie Eklund Löwinder – named by Computer Sweden as Sweden's top security expert for 2007.

The main aim of the Internet dagarna conference is to offer people a place to meet up, a place where the industry can spend time with the public Internet in Sweden; and in that regard, this year's conference was a success. Visitors included, operators, users and authorities represented, and there was lively discussion both in the seminars and during breaks. Nowhere else in Sweden can political decision-makers, users and technical experts meet to the same extent in order to discuss and shape the usage and development of the Internet.

.SE will be returning to Folkets Hus in the autumn of 2008 for the ninth Internetdagarna, and the year after it will be time for its tenth anniversary.



"...Events like this reinforce our open society and democracy, and this is precisely what inspires me as a politician. And so I am grateful to have been invited to be here today, and I look forward to meeting you again!"

Minister for Communications and Regional Policy Åsa Torstensson in her speech at Internetdagarna 2007.



# The people behind the machinery

# All about Human Resources and personnel policy

In 2007, .SE (the Internet Infrastructure Foundation) implemented extensive work with HR processes as part of our ongoing improvement work.

New employment contracts were formulated and job descriptions were updated and made consistent. A number of important policy documents and guidelines were drawn up and decided upon in order to make our corporate culture clearer, with attitudes and procedures. We also updated and supplemented the personnel manual.

### Skills inventory

The autumn of 2007 saw the start of a major skills inventory initiative involving all staff. This initiative will form the basis for individual development plans. As part of this work, Myers-Briggs tests were carried out with all staff in 2007 and early 2008. On these occasions, staff were given individual feedback from an authorised psychologist, and the test results were presented for each individual department. The tests and test reviews received some very positive responses and gave the staff a greater understanding of each other's differences. A review of the results for the entire company is planned for 2008.

### .SE days

Regular meetings with all staff, known as .SE days, are arranged in order to provide encouragement and promote participation in .SE strategies and targets .SE's vision, targets and

policies, along with current topics relating to operations, are discussed over these few days.

### Flat organisation

.SE staff are distributed across the departments research and development, DNS operation, the domain department, IT and system development and the marketing department. We also have a staff function which includes the President, Head of Quality and Security, General Counsel, Deputy Director/HR Manager, Head of Information and the finance department. The .SE organisation is flat and has few decision-making levels. Our ambition is to move responsibilities and authorisations ever closer to staff. The .SE management team consists of the managers for every department, along with representatives of the various staff functions. The gender distribution in the management team is equal: six women, six men.

### More staff

The company employed 38 people at the end of 2007, which represents an increase of five people compared with the previous year. Most recruitments took place in the IT and system development department and the research and development department. The new recruitment drives were due to greater requirements for secure technical operation and extended research and development efforts. The company's staff turnover is low, although it did increase slightly in 2007.

#### Satisfied co-workers

• An earlier staff questionnaire was followed up in December 2007. The overall assessment of how much staff enjoy working with .SE rose from 3.67 to 4.06, on a scale of 1 to 5. The attitude towards .SE as a company increased from 3.87 to 3.97. One question dealt with pride in working at .SE. The result was 4.23 (3.9 in a previous survey), which has to be considered to be a very good result.

### Gender split at the end of 2007

No. of women 14 No. of men 24

### Absence due to illness

Total sick leave over the year (as a percentage of regular working hours):

 Male
 1.4 %

 Female
 2.5 %

 Total employees
 1.8 %

### **Board of Directors**



Rune Brandinger Chairman of the Board, appointed by ISOC-SE



Mikael Abrahamsson appointed by SOF, Sveriges Internetoperatörers Forum



Mikael von Otter appointed by the Confederation of Swedish Enterprise



Robert Malmgren appointed by ISOC-SE



Lars Lindgren appointed by the Swedish Bankers' Association, March 2008



Marzena Doberhof Platin secretary since March 2007



Ove Ivarsen appointed by the Swedish Trade Union Confederation



Andreas Hedlund appointed by the Swedish Trade Federation, March 2008



Amar Andersson deputy, appointed by SOF, Sveriges Internetoperatörers Forum, March 2008

# **Broad representation from InternetSverige on the Board**

.SE (the Internet Infrastructure Foundation) is controlled on the basis of its Memorandum of Association and regulations. The foundation is led by a Board with broad representation from InternetSverige. Chairman Rune Brandinger took over in 2006.

### **Management team**



President



Head of IT and systems develop- Assistant to the President, HR ment



Marzena Doberhof Platin



**Chief Financial Officer** 



Maria Ekelund Head of PR and information



Per-Olof Josefsson **Head of sales** 



Head of the domain department



Head of domain product and **DNS** operation



Anna-Marie Eklund Löwinder Head of quality and security



Staffan Hagnell Head of research and develop-

### As many women as men on the management

The 38 staff of .SE (the Internet Infrastructure Foundation) are divided over five departments and one staff team. The management is represented by the departments and the various staff functions. The management consists of six women and six men. President Danny Aerts took over in 2006.





# **Directors' Report**

#### Operations

Operations at .SE (the Internet Infrastructure Foundation) are continuing to expand. The foundation stands on its own two feet: on the one hand there is the administration and running of Sweden's top-level domain .se, and on the other it has a number of initiatives promoting Internet development in Sweden. There has been a confirmed direct relationship between the increasing popularity of the Internet and the use of domain names over the past few years.

#### Domain administration

The strong growth of domain names under the top-level domain .se has continued throughout 2007. Although .se domain names have existed for more than 20 years, the influx of new domain names under the top-level domain .se has continued its major expansion over the past few years. (See the figure on the left.)

The most important contributory factors to this strong growth are the continuing popularity of services such as www, e-mail and blogs among companies, and private individuals now as well, as well as a change to the rules (2003) which makes it possible now to register a domain name without prior testing. Another phenomenon contributing to this growth is the significance of domain names when it comes to earning money from Internet advertising and search motor optimisation.

.SE has extended the number of permitted characters available for registration this year. This allows us now to support all the official minority languages in Sweden, and all Nordic languages. PR and marketing activities took place at the time of the launch in September 2007. Registration of åäö domain names has been steadily increasing in 2007.

In early 2007, our supervisory authority – the Swedish National Post and Telecom Agency (PTS) – carried out a planned review of .SE operations. The results were approved and

satisfactory. Our operations were deemed to be in good condition, stable and robust.

#### On the way to a new business model

In June 2007, the Board made the important decision to change the existing business model. At the moment, .SE has direct agreements with all holders of .se domain names and sells domain names via representatives. As of the second year following registration of a domain name, .SE normally issues invoices itself.

The new business model means that .SE will take on to a greater extent the role of a wholesaler, and the end-client agreement will be between the holder and the .SE representative (normally referred to as registrars in the world of domains). The new business model, which is expected to come into force in 2009, is normally known as the registry-registrar model, therefore, and is the most common one in Europe.

The launch of the new NICeasy production system, which took place in February 2007, will facilitate the transition to the new business model.

## **Development operations**

.SE has the task of promoting good stability in the Internet infrastructure in Sweden and of promoting research, training and teaching in the field of data communications and telecommunications, with particular emphasis on the Internet.

In 2007, the organisation has successfully implemented development work which is very much in line with the requirements of our archives. The starting point for our efforts is the fact that the development initiatives which we take must lead to benefits for existing and future Internet users in Sweden, directly or indirectly encourage people to use the Internet and increase demand for .se domain names. Over the year, we have invested SEK 4 888 thousand



There were 188 652 new registrations in 2007. At the end of 2007, there were 702 199 active .se domain names. This is equivalent to an increase of 24 per cent on last year.

in direct costs for development operations.

#### Important activities in 2007

We launched the first commercial DNSSEC product in the world. Here, .SE is a pioneer and has received a lot of praise and appreciation for its innovation and expertise in the field of more secure domain names.

The launch of Bredbandskollen in October 2007 was a follow-up to TPtest, which offers a simple, quick way of measuring surfing speed. Bredbandskollen has become a huge success.

In 2007, we extended the option of acquiring commissions via the Internet Fund. Nowadays we open for applications twice a year.

Internetdagarna, which .SE organised for the eighth year in a row, has become a large and important meeting place for everyone working professionally with the Internet.

We carried out our own survey of accessibility in the domain name system (DNS) in the .se zone, which resulted in a document entitled *Nåbarhet på nätet – hälsoläget i .SE.* .SE also participated in a partnership concerning the publication of a document entitled *Svenskarna och Internet* 2007.

## **Subsidiaries**

The subsidiary NIC-SE Network Information Centre Sweden AB is wholly owned by the Foundation. At the end of the accounting year, the company is running no operations and employs no staff.

### **Future development**

Over the next few years, we are anticipating a stable, strong increase in the numbers of registered .se domain names. With the present trend, the number of registered .se domain names may exceed a million before the end of 2010.

Next year will be characterised by the preparations for the planned change of business

model. We will maintain close partnership with our representatives in order to handle the task of clarifying to our end-clients what options are available to them. It is important to ensure that we can maintain the current high level of client satisfaction.

The initial successes of our Internet initiatives are giving us a lot of motivation to continue on our chosen path. The spread of DNS-SEC in Sweden is expected to increase greatly next year.

Bredbandskollen will be expanded and improved. We view Bredbandskollen as an initial step towards declaration of broadband services in Sweden.

Both the Internet Fund and Internetdagarna have now existed for several years and have become well established on the Internet in Sweden. Anti-spam measures and coordination of IPv6 are new initiatives for next year. Here, .SE can carry on significant work for the Internet in Sweden.

Last but not least, the Internet i skolan (Internet in Schools) project is an ambitious initiative with the aim of enhancing teaching on and the use of the Internet at upper secondary schools.

### Other

Board members have charged .SE SEK 41 000 for consultancy services over and above the fees to the Board, mainly in respect of R&D.

Consolidated Income Statement			
Amount in SEK	Note	2007-12-31	2006-12-31
Operating revenues			
Net sales	1	74 913 724	63 535 787
Other operating revenue	<u> </u>	122 614	739 206
		75 036 338	64 274 993
Operating expenses			
Other external costs	2	-37 733 604	-32 398 240
Payroll expenses	3	-27 095 479	-20 937 331
Loss, disposal of equipment		-9 083	_
Depreciation of tangible and intangible assets	8,9	-569 527	-528 848
		-65 407 693	-53 864 419
Operating profit/loss		9 628 645	10 410 574
Income from financial items			
Profit/loss from shares in group companies	4	-	-23 219
Other interest income and similar income items	5	2 105 336	939 907
Interest expenses and similar profit/loss items	6	-564 557	-101 262
		1 540 779	815 426
Income after financial items		11 169 425	11 226 000
Profit/loss before tax		11 169 425	11 226 000
Tax on profit for the year	7	-3 467 984	-3 429 870
Profit for the year		7 701 441	7 796 130

Amount in SEK	Note	2007-12-31	2006-12-31
Non-current assets			
Intangible non-current assets			
Costs defrayed on other party's property	8	1 682 216	1 896 152
		1 682 216	1 896 152
Tangible non-current assets		:	
Equipment, tools, fixtures and fittings	9	1 304 118	1 063 263
		1 304 118	1 063 263
Financial non-current assets			
Deposits		-	5 000
		_	5 000
Non-current assets, total		2 986 334	2 964 415
Current assets			
Current receivables			
Accounts receivable		1 485 796	1 869 406
Other receivables	11	3 891 805	3 893 638
Prepaid expenses and accrued income	12	1 327 309	1 327 580
		6 704 910	7 090 624
Short-term investments			
Other short-term investments	13	82 318 148	70 829 529
		82 318 148	70 829 529
Cash and bank balances		8 197 410	5 696 785
Current assets, total		97 220 468	83 616 938

Amount in SEK	Note	2007-12-31	2006-12-31
Equity			
Restricted equity	· · · · · · · · · · · · · · · · · · ·	:	• • • • • • • • • • • • • • • • • • • •
Foundation capital	14	200 000	200 000
Restricted reserves	:	-	150 000
		200 000	350 000
Non-restricted equity	:	:	• • • • • • • • • • • • • • • • • • • •
Unappropriated funds		41 586 530	35 836 854
Profit for the year	<u> </u>	7 701 441	7 796 130
		49 287 970	43 632 984
Equity, total		49 487 970	43 982 984
Provisions			
Other provisions		_ <u>;</u>	250 000
		- :	250 000
Total long-term liabilities		_	250 000
Current liabilities			
Deposits from clients	: : : : : : : : : : : : : : : : : : : :	1 720 791	1 684 760
Accounts payable	:	3 544 039	3 454 156
Tax liabilities	:	- :	684 311
Other liabilities		3 699 293	3 524 390
Accrued costs and prepaid income	15	41 754 708	33 000 753
Total current liabilities		50 718 831	42 348 369

Securities pledged and contingent liabilities		
Amount in SEK	2007-12-31	2006-12-31
Securities pledged		
Pledged bank deposits for rental guarantee	1 107 000	1 107 000
Total assets pledged	1 107 000	1 107 000
Contingent liabilities	None	None

Cash flow analysis, group		
Amount in SEK	2007-12-31	2006-12-31
Operating activities		
Income after financial items	11 169 425	11 226 000
Adjustments for items not included in cash flow, etc.	578 610	552 067
	11 748 035	11 778 067
Paid tax	-3 467 984	-3 429 870
Cash flow from current operations before		
changes in working capital	8 280 051	8 348 197
Cash flow from changes in working capital		
Increase(-) / decrease(+) current receivables	2 455 613	-36 255
Increase(+)/decrease(-)current liabilities	6 050 565	973 020
Cash flow from current operations	16 786 229	9 284 962
Investment activities		
Acquisition of tangible non-current assets	-629 529	-2 681 740
Sales of tangible non-current assets	24 000	1 628 893
Acquisitions of financial assets	-25 371 438	-33 090 433
Sale of financial assets	13 887 818	21 959 544
Sale of subsidiaries	-	-43 028
Cash flow from investment operations	-12 089 149	-12 226 765
Subsidies		
Subsidies issued	−2 196 454	-1 700 300
Cash flow from subsidies issued	-2 196 454	-1 700 300
Cash flow for the year	2 500 625	-4 642 103
Cash and cash equivalents, opening balance	5 696 785	10 338 888
Liquid funds at end of year	8 197 410	5 696 785

Supplementary information on the cash flow statement			
Amount in SEK	2007-12-31	2006-12-31	
Adjustments for items not included in cash flow, etc.			
Depreciation and write-down of assets	569 527	528 848	
Capital gain or loss, sale of enterprise / subsidiary	-	23 219	
Loss on sale of non-current assets	9 083	_	
	578 610	552 067	
Cash and cash equivalents	8 197 410	5 696 785	

The financing analysis for 2006 has been adjusted as regards financial assets from operating receivables to sales and acquisition of financial assets.

Income statement for the parent four	ndation		
Amount in SEK	Note	2007-12-31	- 2006-12-31
Operating revenues			
Net sales	1	74 913 724	61 405 448
Other operating revenue		122 614	483 203
		75 036 338	61 888 651
Operating expenses			
Other external costs	2	-37 716 304	-30 161 707
Payroll expenses	3	-27 095 479	-20 923 944
Loss, disposal of equipment		-9 083	-
Depreciation of tangible and intangible assets	8, 9	-569 527	-435 096
Operating profit/loss		9 645 945	10 367 904
Income from financial items			
Profit/loss from shares in group companies	4	14 397 048	-19 700
Other interest income and similar income items	5	1 227 301	335 158
Interest expenses and similar profit/loss items	6	-534 283	-84 892
Income after financial items		24 736 011	10 598 470
Profit/loss before tax		24 736 011	10 598 470
Tax on profit for the year	7	-3 221 887	-3 394 625

Amount in CEV	NI-1-	0007.40.04	0000 10 01
Amount in SEK	Note	2007-12-31	2006-12-31
Non-current assets			
Intangible non-current assets	<u>:</u>		
Costs defrayed on other party's property	8	1 682 216	1 896 152
	<u>:</u>	1 682 216	1 896 152
Tangible non-current assets			
Equipment, tools, fixtures and fittings	9	1 304 118	1 063 263
		1 304 118	1 063 263
Financial non-current assets			
Participations in Group companies	10	100 000	100 000
Deposits		-	5 000
		100 000	105 000
Non-current assets, total		3 086 334	3 064 415
Current assets			
Current receivables			
Accounts receivable		1 485 796	1 869 406
Other receivables	11	4 064 589	3 886 703
Prepaid expenses and accrued income	12	1 327 309	1 327 580
		6 877 694	7 083 689
Short-term investments			
Other short-term investments	13	81 461 871	56 090 433
		81 461 871	56 090 433
Cash and bank balances		7 635 313	4 840 628
Current assets, total		95 974 878	68 014 750
Total assets		99 061 212	71 079 165

Amount in SEK	Note	2007-12-31	2006-12-31
		2007 12 01	2000 12 0
Equity	14		
Restricted equity			
Foundation capital		200 000	200 000
		200 000	200 000
Non-restricted equity			
Jnappropriated funds		26 639 483	21 632 092
Profit for the year	2		7 203 845
		48 153 607	28 835 937
Equity, total		48 353 607	29 035 937
Provisions			
Other provisions		-	250 000
		-	250 000
Total long-term liabilities		-	250 000
Current liabilities			
Accounts payable		3 544 039	3 454 156
Deposits from clients		1 720 790	1 684 760
 Γax liabilities		_	681 266
Other liabilities		3 688 067	2 972 294
Accrued costs and prepaid income	15	41 754 708	33 000 753
Total current liabilities		50 707 606	41 793 228

Securities pledged and contingent liabilities		
Amount in SEK	2007-12-31	2006-12-31
Securities pledged		
Pledged bank deposits for rental guarantee	1 107 000	1 107 000
Total assets pledged	1 107 000	1 107 000
Contingent liabilities	None	None

Cash flow analysis, parent foundation		
Amount in SEK	2007-12-31	2006-12-31
Operating activities		
Income after financial items	24 736 012	10 598 470
Adjustments for items not included in cash flow, etc.	578 610	454 796
	25 314 622	11 053 266
Paid tax	-3 221 888	-3 394 626
Cash flow from operating activities before changes in working capital	22 092 734	7 658 640
Cash flow from changes in working capital		
Increase (-) / decrease (+) current receivables	2 465 990	-3 760 315
Increase(+)/decrease(-) current liabilities	6 404 381	34 196 191
Cash flow from current operations	30 963 105	38 094 516
Investment activities		
Acquisition of tangible non-current assets	-629 529	-2 498 230
Sales of tangible non-current assets	24 000	
Acquisitions of financial assets	-25 371 438	-33 090 433
Sale of financial assets	5 000	_
Sale of subsidiaries	-	580 300
Cash flow from investment operations	-25 971 967	-35 008 363
Subsidies		
Subsidies issued	-2 196 454	-1 700 300
Cash flow from subsidies issued	-2 196 454	-1 700 300
Cash flow for the year	2 794 684	1 385 853
Cash and cash equivalents, opening balance	4 840 628	3 454 775
Liquid funds at end of year	7 635 313	4 840 628

Supplementary information on the cash flow statement		
Amount in SEK	2007-12-31	2006-12-31
Adjustments for items not included in cash flow, etc.		
Depreciation and write-down of assets	569 527	435 096
Capital gain or loss, sale of enterprise / subsidiary	-:	19 700
Loss on sale of non-current assets	9 083	_
	578 610	454 796
Cash and cash equivalents	7 635 313	4 840 628

The financing analysis for 2006 has been adjusted as regards financial assets from operating receivables to sales and acquisition of financial assets.

# **Supplementary information**

## **Accounting principles**

The annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and the general recommendations of the Swedish Accounting Standards Board. The consolidated accounts have been compiled in accordance with RR 1:00.

The Foundation's assets are recognised at acquisition value.

Receivables and liabilities in foreign currencies are valued at the closing rate.

Subsidies issues are recognised directly against equity.

Financial instruments are valued according to the portfolio method and recognised at acquisition value or market value, whichever is the lower.

Operating revenues are made up mainly of domain name income, recognised in the period in which payment is received and accrued twelve months ahead.

Tangible non-current assets are written off according to plan, as well as costs defrayed on another party's property.

Costs defrayed on other party's property 20% Equipment Computers 33.3%

# NOTE 1 OPERATING REVENUES

	2007-12-31	2006-12-31
Group and parent foundation		
Group net revenue	74 913 724	63 535 787

# NOTE 2 INFORMATION ABOUT AUDITOR'S REMUNERATION

	2007-12-31	2006-12-31
Group		
KPMG Bohlins AB		
Auditing assignment	110 000	93 300
Other assignments	108 000	528 050
	218 000	621 350
Parent foundation		
KPMG Bohlins AB		
Auditing assignment	100 000	75 000
Other assignments	108 000	528 050
	208 000	603 050

# NOTE 3 EMPLOYEES AND PERSONNEL EXPENSES

2007-12-31   2006-12-31			
Average number of employees         Male         24         20           Female         17         13           Total         41         33           Wages, salaries, other remuneration and social security charges           The Board and President         1 755 221         1 837 599           Other employees         15 822 968         11 914 276           Total         17 578 189         13 751 875           Social costs         8 369 888         6 911 818           (of which pension expenses)         -(2 168 521)         -(1 820 534)           Of the group's pension expenses, SEK 392 105 (SEK 168 652)           can be attributed to the group's Board and President.           Salaries and remuneration relate to staff in Sweden only.           Report on sick leave as a percentage of employees'           total regular working hours           Male         1.4%         1.2%           Female         2.5%         1.7%           Total employees         1.8%         1.4%           Sick leave by age category         29 or younger         -         -           30-49         2.0%         1.4%           50 or older         -         -           Number of B		2007-12-31	2006-12-31
Male         24         20           Female         17         13           Total         41         33           Wages, salaries, other remuneration and social security charges         The Board and President         1 755 221         1 837 599           Other employees         15 822 968         11 914 276         Total         17 578 189         13 751 875           Social costs         8 369 888         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818	Group and parent foundation		
Female         17         13           Total         41         33           Wages, salaries, other remuneration and social security charges         The Board and President         1 755 221         1 837 599           Other employees         15 822 968         11 914 276         17 578 189         13 751 875           Social costs         8 369 888         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 911 818         6 912 91 818         6 912 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818         9 913 91 818	Average number of employees		
Total         41         33           Wages, salaries, other remuneration and social security charges         The Board and President         1 755 221         1 837 599           Other employees         15 822 968         11 914 276           Total         17 578 189         13 751 875           Social costs         8 369 888         6 911 818           (of which pension expenses)         -(2 168 521)         -(1 820 534)           Of the group's pension expenses, SEK 392 105 (SEK 168 652)         can be attributed to the group's Board and President.           Salaries and remuneration relate to staff in Sweden only.         Report on sick leave as a percentage of employees'           total regular working hours         Male         1.4%         1.2%           Female         2.5%         1.7%           Total employees         1.8%         1.4%           Sick leave by age category         29 or younger         -         -           30-49         2.0%         1.4%           50 or older         -         -           Number of Board members and the President, number of males to females	Male	24	20
Wages, salaries, other remuneration and social security charges           The Board and President         1 755 221         1 837 599           Other employees         15 822 968         11 914 276           Total         17 578 189         13 751 875           Social costs         8 369 888         6 911 818           (of which pension expenses)         -(2 168 521)         -(1 820 534)           Of the group's pension expenses, SEK 392 105 (SEK 168 652)         can be attributed to the group's Board and President.           Salaries and remuneration relate to staff in Sweden only.         Report on sick leave as a percentage of employees'           total regular working hours         Male         1.4%         1.2%           Female         2.5%         1.7%           Total employees         1.8%         1.4%           Sick leave by age category         29 or younger         -         -           30-49         2.0%         1.4%           50 or older         -         -           Number of Board members and the President, number of males to females	Female	17	13
The Board and President         1 755 221         1 837 599           Other employees         15 822 968         11 914 276           Total         17 578 189         13 751 875           Social costs         8 369 888         6 911 818           (of which pension expenses)         -(2 168 521)         -(1 820 534)           Of the group's pension expenses, SEK 392 105 (SEK 168 652)         can be attributed to the group's Board and President.           Salaries and remuneration relate to staff in Sweden only.           Report on sick leave as a percentage of employees'           total regular working hours           Male         1.4%         1.2%           Female         2.5%         1.7%           Total employees         1.8%         1.4%           Sick leave by age category         29 or younger         -         -           30-49         2.0%         1.4%           50 or older         -         -           Number of Board members and the President, number of males to females	Total	41	33
Other employees         15 822 968         11 914 276           Total         17 578 189         13 751 875           Social costs         8 369 888         6 911 818           (of which pension expenses)         -(2 168 521)         -(1 820 534)           Of the group's pension expenses, SEK 392 105 (SEK 168 652)         can be attributed to the group's Board and President.           Salaries and remuneration relate to staff in Sweden only.         Report on sick leave as a percentage of employees'           total regular working hours         Male         1.4%         1.2%           Female         2.5%         1.7%           Total employees         1.8%         1.4%           Sick leave by age category         29 or younger         -         -           30-49         2.0%         1.4%           50 or older         -         -           Number of Board members and the President, number of males to females	Wages, salaries, other remuner	ation and social	security charges
Total         17 578 189         13 751 875           Social costs (of which pension expenses)         8 369 888 6 911 818 (of which pension expenses)         6 911 818 (of which pension expenses)           Of the group's pension expenses, SEK 392 105 (SEK 168 652) can be attributed to the group's Board and President.         Salaries and remuneration relate to staff in Sweden only.           Report on sick leave as a percentage of employees' total regular working hours         1.4% 1.2% 1.2% 1.2% 1.7% 1.2% 1.2% 1.2% 1.2% 1.2% 1.2% 1.2% 1.2	The Board and President	1 755 221	1 837 599
Social costs (of which pension expenses)	Other employees	15 822 968	11 914 276
(of which pension expenses)       -(2 168 521)       -(1 820 534)         Of the group's pension expenses, SEK 392 105 (SEK 168 652) can be attributed to the group's Board and President.       Salaries and remuneration relate to staff in Sweden only.         Report on sick leave as a percentage of employees' total regular working hours       1.4%       1.2%         Female       2.5%       1.7%         Total employees       1.8%       1.4%         Sick leave by age category       29 or younger       -       -         30-49       2.0%       1.4%         50 or older       -       -         Number of Board members and the President, number of males to females	Total	17 578 189	13 751 875
Of the group's pension expenses, SEK 392 105 (SEK 168 652) can be attributed to the group's Board and President. Salaries and remuneration relate to staff in Sweden only.  Report on sick leave as a percentage of employees' total regular working hours  Male 1.4% 1.2% Female 2.5% 1.7%  Total employees 1.8% 1.4%  Sick leave by age category 29 or younger	Social costs	8 369 888	6 911 818
can be attributed to the group's Board and President. Salaries and remuneration relate to staff in Sweden only.  Report on sick leave as a percentage of employees' total regular working hours  Male 1.4% 1.2% Female 2.5% 1.7%  Total employees 1.8% 1.4%  Sick leave by age category 29 or younger 30-49 2.0% 1.4% 50 or older  Number of Board members and the President, number of males to females	(of which pension expenses)	-(2 168 521)	-(1 820 534)
total regular working hours           Male         1.4%         1.2%           Female         2.5%         1.7%           Total employees         1.8%         1.4%           Sick leave by age category         29 or younger         -         -           30-49         2.0%         1.4%           50 or older         -         -           Number of Board members and the President, number of males to females	can be attributed to the group's	Board and Presi	dent.
total regular working hours           Male         1.4%         1.2%           Female         2.5%         1.7%           Total employees         1.8%         1.4%           Sick leave by age category         29 or younger         -         -           30-49         2.0%         1.4%           50 or older         -         -           Number of Board members and the President, number of males to females	Report on sick leave as a perce.	ntage of employe	ees'
Female         2.5%         1.7%           Total employees         1.8%         1.4%           Sick leave by age category         -         -           29 or younger         -         -           30-49         2.0%         1.4%           50 or older         -         -           Number of Board members and the President, number of males to females		, ,	
Total employees 1.8% 1.4%  Sick leave by age category 29 or younger 30–49 2.0% 1.4% 50 or older  Number of Board members and the President, number of males to females	Male	1.4%	1.2%
Sick leave by age category 29 or younger 30–49 2.0% 1.4% 50 or older  Number of Board members and the President, number of males to females	Female	2.5%	1.7%
29 or younger – – – 30–49 2.0% 1.4% 50 or older – –  Number of Board members and the President, number of males to females	Total employees	1.8%	1.4%
30–49 2.0% 1.4% 50 or older – – – Number of Board members and the President, number of males to females	Sick leave by age category		
50 or older – – –  Number of Board members and the President, number of males to females	29 or younger	_	_
Number of Board members and the President, number of males to females	30-49	2.0%	1.4%
to females	50 or older	-	-
		d the President, n	number of males
remaie 0 0	Female	0	0

Male Total

Female

Male

Total

Other leading decision makers, number of males to females

9

3 4 7

9

9

3

4

## NOTE 4 PROFIT/LOSS FROM SHARES IN **GROUP COMPANIES**

2007-12-31	2006-12-31
-	-23 219
_	-23 219
14 397 047	_
_	-19 700
14 397 047	-19 700
	_ _ 14 397 047 _

## NOTE 5 OTHER INTEREST INCOME AND SIMILAR INCOME ITEMS

	2007-12-31	2006-12-31
Group		
Interest income, other	268 076	318 352
Exchange rate profits	_	6 892
Capital gains	1 837 260	607 894
Dividends, shares and participations	_	6 768
	2 105 336	939 907
Parent foundation		
Interest income, other	277 274	226 225
Capital gains	950 027	102 165
Dividends, shares and participations	s –	6 768
	1 227 301	335 158

## NOTE 6 INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

2007-12-31	2006-12-31
75 690	25 867
1 047	75 395
487 819	_
564 557	101 262
45 417	10 579
1 047	74 313
487 819	_
534 283	84 892
	75 690 1 047 487 819 <b>564 557</b> 45 417 1 047 487 819

# NOTE 7 TAX ON PROFIT FOR THE YEAR

NOTE 7 TAX ON PROFIT FOR THE YEAR			
	2007-12-31	2006-12-31	
Group			
Current tax			
Difference between tax expense	e and tax expense		
based on applicable tax rate.			
Reported pre-tax profit	11 169 425		
Tax according to applicable			
tax rate 28%	3 127 439		
Non-doductible expenses	1 226 574		
Non-deductible expenses Non-taxable income	-10 337		
Tax-exempt dividend	-10337		
Total	1 216 237		
10101	1210201		
Reported pre-tax profit	11 169 425		
Adjustment as above	1 216 237		
Tax base	12 385 662		
Reported tax	3 467 984	3 429 870	
5			
Parent foundation			
Current tax			
Difference between tax expense	e and tax expense		
based on applicable tax rate.			
Reported pre-tax profit	24 736 011		
Tax according to	24 700 011		
applicable tax rate 28%	6 926 083		
applicable tax rate 20 /6	0 020 000		
Non-deductible expenses	1 178 113		
Non-taxable income	-10 337		
Tax-exempt dividend	-14 397 047		
Total	-13 229 271		
Reported pre-tax profit	24 736 011		
Adjustment as above	-13 229 271		
Tax base	11 506 740		
December	0.004.007	0.004.005	
Reported tax	3 221 887	3 394 625	

# NOTE 8 COSTS DEFRAYED ON OTHER PARTY'S PROPERTY

	2007-12-31	2006-12-31
Group and parent foundation		
Accumulated acquisition value		
Opening and closing balance	2 139 357	1 478 767
Purchases	-	660 590
	2 139 357	2 139 357
Accumulated depreciation		
according to plan		
Opening balance	-243 205	-123 778
Depreciation for the year		
according to plan	-213 936	-119 427
	-457 141	-243 205
Residual value according		
to plan closing balance	1 682 216	1 896 152

## NOTE 9 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	2007-12-31	2006-12-31
Group and parent foundation		
Accumulated acquisition value		
Opening balance	1 350 139	1 850 084
Purchases	629 529	1 081 841
Divestments and discards	-61 981	-1 581 786
	1 917 687	1 350 139
Accumulated depreciation		
according to plan		
Opening balance	-286 876	-769 659
Divestments and discards	28 899	800 969
Depreciation for the year		
according to plan	-355 592	-318 186
	-613 569	-286 876

# Residual value according to plan closing balance

psing balance 1 304 118 1 063 263

Group and parent foundation

Expenses for leasing of equipment amounted to SEK 515 969

## NOTE 10 PARTICIPATIONS IN GROUP COMPANIES

	2007-12-31	2006-12-31
Parent foundation		
Accumulated acquisition value		
Opening balance	100 000	700 000
Sale of subsidiaries	-	-600 000
Book value at year-end	100 000	100 000

# Specification of the foundation's holdings of shares and participations in Group companies

	Subsidiary/Co. reg. no./ Head office	Number of shares	Participation %	Book value
Ī	Network Information			
(	Centre Sweden AB			
į	556542-8033	2 500	100.0	100 000

## **NOTE 11 OTHER RECEIVABLES**

	2007-12-31	2006-12-31
Group		
Other receivables includes a		
tax claim amounting to	2 069 898	-

# NOTE 12 PREPAID EXPENSES AND ACCRUED INCOME

	2007-12-31	2006-12-31		
Group and parent foundation				
Rental of premises, quarter 1/2008	687 971	634 233		
Other prepaid expenses	639 338	133 924		
Accrued income	_	559 423		
	1 327 309	1 327 580		

## NOTE 13 SHORT-TERM INVESTMENTS

	2007-12-31	2006-12-31
Group	Book value	Market value
Shares	8 940 000	8 940 000
Interest-bearing securities	68 099 983	69 742 161
Other positions	5 278 165	5 330 146
	82 318 148	84 012 307
Parent foundation	Book value	Market value
Shares	8 940 000	8 940 000
Interest-bearing securities	67 243 706	68 871 529
Other positions	5 278 165	5 330 146
	81 461 871	83 141 675

## NOTE 14 EQUITY

	Foundation	Restricted	Non-restricted	Annual	Total
	capital	reserves	reserves	outcome	
Group					
Sum at the start of the year	200 000	150 000	35 836 854	7 796 130	43 982 985
Adjustment between restricted and non-restricted eq	uity	-150 000	150 000	-	_
Subsidies issued			-2 196 454		-2 196 454
Transfer			7 796 130	-7 796 130	_
Profit for the year				7 701 441	7 701 441
At year-end	200 000	_	41 586 530	7 701 441	49 487 971
	Foundation-	Restricted	Non-restricted	Annual	Total
	capital	reserves	reserves	profit	
Parent foundation	·			·	
Opening balance	200 000		21 632 092	7 203 845	29 035 937
Disp of previous year's profit			-7 203 845	-7 203 845	
Subsidies issued			-2 196 454		-2 196 454
Profit for the year				21 514 124	21 514 124
At year-end	200 000	_	26 639 483	21 514 124	48 353 607

# NOTE 15 ACCRUED EXPENSES AND PREPAID INCOME

	2007-12-31	2006-12-31					
Group							
Accrued salaries/fees to the Board							
inc. social security contributions	2 482 403	2 269 476					
Prepaid income	_	221 860					
Prepaid domain income	35 681 392	28 439 452					
Other items	3 564 057	2 069 965					
	41 727 852	33 000 753					
Parent foundation							
Accrued salaries/fees to the Board							
inc. social security contributions	2 482 403	2 269 476					
Prepaid income	_	221 860					
Prepaid domain income	35 681 392	28 439 452					
Other items	3 564 057	2 069 965					
	41 727 852	33 000 753					

Stockholm, 13 March 2008

Rune Brandinger<br/>ChairmanMikael von Otter<br/>Board memberOve Ivarsen<br/>Board memberLars-Olof Eklöf<br/>Board memberStaffan Hedlund<br/>Board memberHenrik Bergman<br/>Board member

Robert Malmgren
Board member

Mikael Abrahamsson
Board member

My auditor's report was submitted on 13 March 2008

Gunilla Wernelind
Authorised public accountant

# **Auditor's report**

To the Board of Directors of the Internet Infrastructure Foundation Co. reg. no. 802405-0190

I have examined the annual report, the accounting records and the administration by the Board of Directors of the Internet Infrastructure Foundation for 2007. The company's annual accounts are included in the printed version of this document on pages 36-52. The Board is responsible for the accounting records and the administration of the company, as well as for the application of the Annual Accounts Act when preparing the annual accounts. My responsibility is to express an opinion on the annual accounts and the administration based on my audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that I plan and perform the audit to obtain reasonable but not absolute assurance that the annual accounts are free of material misstatement. An audit involves examining a selection of the documentation for the amounts and other disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors, as well as evaluating any significant valuations made by the Board in preparing the annual accounts and evaluating the overall presentation of information in the annual report. I have examined significant decisions, actions taken and circumstances of the foundation in order to be able to determine the liability, if any, to the foundation of any Board member, whether there is any reason for dismissal or whether any Board representative has performed any other act in contravention of the Foundation Act or Foundation Regulation. I believe that my audit provides a reasonable basis for my opinions set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the results and position of the foundation in accordance with good accounting practice in Sweden. The statutory administration report is consistent with the other parts of the annual accounts.

The Board members have not acted in contravention of the Foundation Act or Foundation Regulation.

Stockholm, 13 March 2008

Gunilla Wernelind Authorised public accountant

#### **Anycast**

Anycast is used in computer communications and is one way of installing servers in additional locations. This involves data being sent to the nearest (or "best") receiver in accordance with predefined criteria. Cf. unicast.

#### ATF

Holders of domain names can use the Alternative Dispute Resolution Procedure (Alternativt Tvistlösningsförfarande, or ATF) to appeal against the allocation of a domain name in retrospect without having to go to court. The expenses are subsidised by .SE and it normally takes about a month to resolve a dispute.

#### Bredbandskollen

Bredbandskollen is a free service that measures the speed at which users' browsers can send and receive data, i.e. the surfing speed which users can apply in practice.

www.bredbandskollen.se

# Country code top-level domain, ccTLD

Country code top-level domains (ccTLDs) are based on the country codes of the International Organization for Standardization (ISO) and are used by countries. Country code top-level domains consist of two letters, such as .se for Sweden.

#### DNS

The Domain Name System is an international, hierarchical, distributed database which is used to find information on allocated domain names on the Internet.

#### **DNSCheck**

A tool for DNS quality control which describes in detail any errors or problems with the configuration of name servers.

#### DNSSEC

DNSSEC (DNS Security Extensions) is a supplementary service to domain names which makes it possible to ensure that information sent comes from the right sender and is not altered during transmission. This reduces the risks of manipulation and falsification of information in the DNS.

#### Domain name

A unique name, made up of name elements, where a domain placed lower in the domain name system comes before a domain with a higher position. A registered domain name is a domain name which is held by a specific holder after allocation.

## Domain name search

See Whois.

#### **ENUM**

ENUM (Telephone Number Mapping) is a technical standard which uses the domain name system (DNS) to link telephone numbers to URLs.

## Generic top-level domain, gTLD

Generic top-level domains (gTLD), such as .com, .net, .org, are top-level domains which are not tied to a country or geographical territory. Most of them are accessible all over the world.

#### Holde

The physical or legal entity named as the owner of a domain name.

#### IDN

Internationalised domain names contain characters that do not fall within the domain name system's character set, which includes just the characters a-z, 0-9 and hyphen.

#### Internet Fund

.SE operates via the Internet Fund to finance independent projects to support Internet development.

#### ΙP

Internet Protocol, a collective communications architecture which is used for addressing and route selection for data packets in IP-based networks such as the Internet. For computers and other equipment to be able to communicate with one another on the Internet, they have to use the same set of rules for communication, the same protocol. IP is available in version 4 (IPv4) and version 6 (IPv6).

#### IP address

A numerical address allocated to every resource (such as a server or computer) which must be accessible on the Internet.

#### IPv6

To resolve the shortage of addresses which has occurred on the Internet with the current protocol (IPv4), IPv6 – the sixth version of the protocol – has been developed. IPv6 uses addresses 128 bits long. This provides a theoretical option of  $3.4 \cdot 10^{38}$  addresses.

#### Name server

A computer containing software which stores and/or distributes zones, and receives and responds to questions on resources allocated to a specific domain.

#### Name server operator

The entity providing a DNS function for Internet users.

#### **Numerical domains**

Domain names consisting just of digits; a minimum of two and a maximum of 63.

#### **Pointing**

Changing DNS data for a domain name.

#### Registrant

See Holder.

## Registrar

In the new business model to which .SE will switch in early 2009, dealers are known as registrars. This is an international term which indicates that domain name administration is referred to.

#### Registry

The entity responsible for administration and running of a top-level domain, such as .SE.

## Representative

The dealers working with registration cases on behalf of holders are known as representatives.

#### Resolver

The software which translates names into IP addresses, and vice versa.

#### Subdomain

One, or possibly several elements in the domain name that come before the primary domain. For example, "dsv" in dsv.kth.se is a subdomain.

#### Top-level domain

The part of the domain name that comes last, such as ".se". This is the second-highest level in the Internet's domain name system (DNS). At the top is what is usually known as the root, which is indicated with a stop.

#### Unicast

This term is used in computer communications and means that all users send data to or receive data from the same server. Cf. anycast.

#### Whois

Whois is the name of the lookup function used to search for information on domain names. This is normally handled via the Internet protocol for Whois, but the information can also be provided in other ways, such as via a web application. Details displayed include who holds the domain name and when it was registered.

### Zone

Delimitation of the administrative responsibility for the domain name tree. A zone is made up of a continuous part of the domain name tree which is administered by an organisation and stored on its name servers.

#### Zone file

A data file containing the information required about a zone for DNS addressing to be used. Zone files are stored on authoritative servers distributed across the entire Internet.

Pictures: Board and management, Magnus Skoglöf, p2 Torleif Svensson/Nordic Photos, p4 Lotten Pålsson/Folio, p10 Elliot Elliot/Johnér, p14 Jeanette Fredenberg/Folio, p22 Leif Milling/Nordic Photos, p26 Lars Forsstedt/Folio, p30 Martin Llado/Nordic Photos

Design and production: Futurniture

Print and repro: Jernström Offset, Stockholm 2007

.SE (Internet Infrastructure Foundation)
Visiting address Ringvägen 100 A, 9 tr.
Postal address Box 7399, SE-10391 Stockholm
Telephone +46 (0) 8 452 35 00
Fax +46 (0) 8 452 35 02
E-mail info@iis.se
Company registration number 802405-0190
Website www.iis.se

