



# Annual Report 2008



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Posten is one of Sweden's largest companies, with slightly more than 30,000 employees, who provide daily service to 4.5 million households and 900,000 companies.  
[www.posten.se](http://www.posten.se)



Stockholm's Skatepark is one of Fryshuset's approximately 30 activities and projects for young people.  
[www.fryshuset.se](http://www.fryshuset.se)

Hjälpsticken ("knitting aid") is Ulrica Loeb's initiative for knitting clothes for the homeless. All who are interested contribute their time, creativity and yarn. [www.hjälpsticken.se](http://www.hjälpsticken.se)



## .SE in brief

.SE (The Internet Infrastructure Foundation) is an independent organization for the benefit of the public that promotes the positive development of the Internet in Sweden. We are responsible for .se, the Internet's top Swedish domain, with registration of domain names and administration and technical operation of the national domain name registry. .SE is and shall remain the obvious choice for companies, private individuals and organizations who want a domain name that is linked to Sweden.

2008 was a record year for .SE in terms of the number of new registrations of .se domains. In all, 229,042 .se domains were registered, compared with 188,652 in 2007. At year-end there were 834,004 active .se domains, which corresponds to an increase of 19 percent.

The foundation's charter states that .SE shall promote the positive development of the Internet and positive stability in Internet infrastructure. In addition, .SE shall promote research, development, training and education in data and telecommunication, with a specific focus on the Internet. The charter of foundation is realized through .SE's financing of projects that benefit Internet development in Sweden, using the surplus from domain sales.

In December 2008, .SE had 42 employees. Since 2006, Danny Aerts has been CEO and Rune Brandinger has been Chairman of the Board.

## Business Concept Vision

- We supply unique, attractive domain names that provide all organizations and individuals with their own identities on the Internet.
- We work in a secure, cost-effective and efficient manner. This creates resources for research and development of products and services that broaden our operations and improve and simplify Internet use.
- Through high-quality, top-performing registrars, we sell .se domains that are packaged with services in accordance with customer needs.

### For domain name operations

.se is the obvious way to the Internet for all with links to Sweden. Everyone should have a unique, secure and personal .se address on the Internet. In short: .SE is the obvious choice!

### For Internet development

Everyone in Sweden dares to, wants to and can use the Internet. We at .SE strive to bring about the long-term positive development and use of the Internet.

In short: Internet for all!

## Values

### .SE stands for quality

A focus on quality results in robust, secure processes, perfectly functioning technology and satisfied customers. Customer satisfaction is important to .SE. We work together with our registrars to ensure satisfied end customers.

### .SE stands for competence and knowledge of the Internet

We are passionate about the Internet and the work that lies behind its construction. We value the opportunities of individuals on the Internet. We work for the development of products and services that improve and simplify Internet use. We work with and value international cooperation. .SE has a central, clear role and favorable contacts with representatives of the Internet industry and IT society, both in Sweden and elsewhere.

### .SE stands for innovation

We seek new customer-adapted solutions and compare ourselves with other successful organizations to ensure our improvement.





## Chairman of the Board: "We are an all-around goal-driven company"

All .SE employees have annual employee discussions with their immediate supervisors. The discussions end with both parties signing a goal statement which they have developed. The statement has three components: corporate goals, department goals and individual goals. Of course, all employees are to meet the same corporate goals. For 2009, there are three corporate goals:

- 903,000 active domains
- satisfied end customers: customer satisfaction index of 82
- SEK 38.5 M for research and development

These three lines describe .SE as a company in a nutshell. We are an all-around goal-driven company. Employee discussions are held at the beginning of the year, so that everyone is aware of the content of the business plan and the role and responsibility of each employee in its implementation. The business plan is directly based on the strategic plan for the coming three years, which is established by the Board of Directors.

### **.SE's goals for 2009**

The goal of 903,000 active domains by 2009 shows that we have decided to achieve conti-

nued rapid growth. However, if we are to grow, we naturally must deliver what customers expect and preferably a little more. We can see this directly in the next goal. Our customer satisfaction index is measured by independent market researchers. A score of 82 on this index is high, and means that we must improve even more than we did in the preceding year.

These first two goals originate directly in the assignment given to us in our charter of foundation with the words "The Foundation's purpose is to promote positive stability in Internet infrastructure in Sweden..." Stability and security are our customers' primary expectations of what we will deliver.

The third corporate goal is based on the charter text "... and to promote research, training and education in data and telecommunication, with a specific focus on the Internet." The entire profit from .SE's operations shall be used for this purpose, and for 2009 the sum is considerable. Activities are initiated, managed and followed up by .SE employees, while those conducting research are usually located outside .SE, for example at universities and other institutes of higher education. SEK 38.5 M is nearly four times as high as the corresponding

figure for three years ago – here things have proceeded rapidly.

Of course, the goals are related: without satisfied customers, we generate no profit, which means there will be no funding for research and development activities. Conversely, we set consistent requirements for the research and development activities carried out with our financing. In the short or long term, it must lead to customer benefit.

### **Even better customer service**

In 2009, we will carry out major changes to further ensure customer satisfaction. Our registrars will gain even greater responsibility for direct contact with end customers, which we have linked to increased demands on registrars in terms of capacity, quality and delivery capacity. We are convinced that this extended cooperation with our registrars will lead to even better service for our end customers.

Rune Brandinger, Chairman of the Board

## CEO:

## "We work according to the motto that everyone should dare to, want to and be able to use the Internet"



2008 was a year characterized by strong growth and substantial build-up for the future. Domain operations reached a record in terms of the number of new registrations, but above all, the focus was on preparatory activities for the transition to the new business model featuring a registry-registrar model.

### **A simpler and clearer business model**

The new business model is simpler and clearer and creates options for our customers. It entails that customers avoid receiving several invoices, and it avoids the lack of clarity in .SE's policy of invoicing customers as of the second year of their patronage. It also means that customers can choose whose customers they want to be. We are convinced that this will lead to higher quality and lower prices. The adaptation to an internationally distributed business model also means that, to a greater extent, the Swedish market is open to foreign players who will increase competition for the benefit of end customers. At the same time, we want to take care of the customers who want to stay with .SE, so we have established .SE Direkt, our own registrar operations.

### **Successful transition**

In 2008, we laid the foundations for the transition that, at press time, had already been successfully implemented, and I want to praise our registrars for their effective cooperation. I believe that .SE, together with its accredited registrars, will be able to deliver high-quality service now and in the future so that we can ensure the popularity of the .se domain in Sweden.

### **Development operations are gaining ground**

With a certain pride, I have observed that our development operations have left the preparatory phase and have now shown tangible results. We work according to the motto that everyone should dare to, want to and be able to use the Internet in Sweden. Based on these three guiding principles, it is natural for us to invest in projects that focus on security, such as DNSSEC and secure e-mail. Accordingly, our Internet guides, Internet Days and our initiative for Internet training in schools are also easy to understand. All areas have blossomed significantly. The entire Swedish population now uses Broadband Check. Our guides are distributed frequently and used in teaching. More

than 3,000 students participate in Webbstjärnan ("Web Star") and so on.

In the coming year, all areas of development will be broadened and expanded, but there will be particular focus on Internet Days, which we will organize for the tenth time, and on the coordination of IPv6 distribution in Sweden.

It is stimulating and challenging to see our organization, services and Internet investments grow and improve from year to year. It's a pleasure for me to roll up my sleeves and keep working to ensure that the .se domain remains the obvious choice in Sweden and work toward an Internet for all.

Danny Aerts, CEO

## A brief look back

- 97** ● The Internet Infrastructure Foundation is founded on August 26, and Björn Eriksen, who registered the Swedish top-level domain .se in 1986, thereby transfers responsibility and the database to the newly formed foundation.

- 98** ● The foundation's first regulations for the management of domain names take effect on January 1.

- 03** ● In April, new liberal regulations become effective for the registration of .se domains. For the first time, it becomes possible for private individuals to register domains directly under .se.
- A new, simplified dispute resolution system called ATF is implemented in conjunction with the new liberal regulations for registration. The first disputes settled are regarding svt24.se and google.se.
- As of October, internationalized domain names (IDNs) are offered, and it becomes possible to register domain names containing the characters å, ä, ö, ü and é.

- 05** ● In September, .SE becomes the first country top-level domain to sign its zone with DNSSEC.
- In December, the subsidiaries NIC-SE and IIS Sverige Services become part of what was then the I1 Foundation.

- 06** ● In March, it becomes possible to register numerical domain names, meaning those that comprise only digits, or digits combined with hyphens.
- The Top-level Domains Act comes into effect on July 1, and the Swedish Post and Telecom Agency becomes the supervising authority for Sweden.
- The Internet Infrastructure Foundation begins operating under the Swedish name .SE.

- 07** ● In February, the first commercial DNSSEC service is launched for end users for more secure domain name lookups on the Internet.
- In the summer, it becomes possible to register .se domains including characters from Sweden's official minority languages: Finnish, Meänkieli (Tornedal Finnish), Sami, Romani and Yiddish.
- In October, .SE launches Broadband Check, a user-friendly, web-based version of the previous measurement tool TPtest for measuring broadband speed. By March 2009, 15 million measurements had been carried out

## What happened in

# 08

- 2008 was an eventful year for .SE. The year featured strong growth and comprehensive preparations for the transition to the .SE's new business model. In addition, research and development operations made major advances.
- In 2008, a total of 229,042 .se domain names were registered. At year-end, there were 834,004 active .se domain names, which corresponds to a 19-percent increase from the preceding year
- During the year, much of the organization was involved in the transition work to a simpler and clearer business model that offered freedom of choice for all registrants of .se domains. In May, .SE's Board decided that, as of January 1, 2009, DNSSEC would be free of charge so that .se domain registrants could carry out more secure domain-name lookups on the Internet. In September, .SE launched a new version of DNSCheck, which checks how the DNS service works for a domain. Also, in December, .SE released the geographical domain names that had previously been reserved for Sweden's municipalities and county councils.

During the year, a large number of Internet-promoting projects were carried out, including:

- The publication of knowledge-packed, explanatory publications about the Internet and statistics on Internet use.



- .SE arranged Internet Days for the ninth consecutive year. In conjunction with the event, an international workshop and training in DNSSEC were also held.



## WEBBSTJÄRNAN

- Webbstjärnan, an Internet publication competition for students, was established in August 2008.
- Kaminskybuggen.se was launched as a result of security researcher Dan Kaminsky's summer 2008 discovery of weaknesses in the DNS system that attracted worldwide attention.
- .SE Internet Fund financed 22 independent projects related to Internet development; funding totaled SEK 5 million.



# Domain name operations finance .SE's research and development

## Domain name operations

.SE (The Internet Infrastructure Foundation) is an independent organization for the benefit of the public that is responsible for Sweden's national top-level domain on the Internet. This entails that we are responsible for the registry of all domain names ending in .se and for ensuring that .se domain names are accessible from the entire world. When someone wants to reach a .se address, which happens about 400 million times a day, .SE ensures that each request arrives at the right place on the Internet.

**Financing**



## Research and development

The surplus from domain name registration is used to build up and administer the necessary technical infrastructure and for projects that contribute to the positive development of the Internet in Sweden. .SE operates projects whose goals include preventing unwanted e-mail advertising, promoting Internet security, stimulating Internet use in schools, and Broadband Check, which helps consumers measure their connection speed

**Customer benefit**



## The Internet and domains in Sweden and the world

At the end of 2008, global Internet penetration was 23.6 percent and Sweden was the ninth in the world in terms of the percentage of the population that was connected to the Internet. In 2008, growth in the global domain name market was 16 percent, while growth for .se domains was 19 percent. The percentage of .se domains rose the most in the Swedish market, with a net growth corresponding to 67 percent.

### Strong growth throughout the current decade

Since Internet development began to gain significant momentum in the mid-1990s, global growth in the number of Internet users has been very strong. Global Internet penetration was 23.6 percent at the end of 2008, meaning that a total of 1.5 billion people were using the Internet. In the first eight years of the current decade, the proportion of Europe's population that had Internet access increased by about 272 percent. During the same period, the Internet's reach rose by 357 percent in the rest of the world.

### One in four Internet users is located in Europe

At the end of 2008, nearly half of Europe's population of slightly more than 804 million people used the Internet regularly. Albania had the lowest Internet use, at 16 percent, while Iceland had the highest proportion of Internet users at slightly more than 90 percent of the population, compared with 84 percent in Sweden. The European population corresponded to 12 percent of the world's nearly seven billion residents, but made up 25 percent of its total number of Internet users.

### Greatest growth outside the western world

A quite dramatic increase in Internet use occurred in such regions as the Middle East, where the growth rate at the end of 2008 was 1,300 percent. At that time, nearly 25 percent of the region's population had Internet access. During the same period, the corresponding increase in Africa was 1,100 percent, but only 5.6 percent of Africans had Internet access at the end of 2008.

### Swedes are active on the Internet

In Sweden, nine out of ten Swedes over the age of 16 had Internet access. Of these, eight out of ten had an Internet connection at home. This meant that Sweden was ninth in the world in terms of the percentage of the population that was connected to the Internet. The average Swede has had Internet access for eight years. The majority of Internet users are middle-

aged, but usage is steadily moving downward in age – almost all school-age children, from nine years and up, are familiar with the Internet. In recent years, pre-school children have become increasingly active online, and 50 percent of five-year-olds used the Internet in 2008.

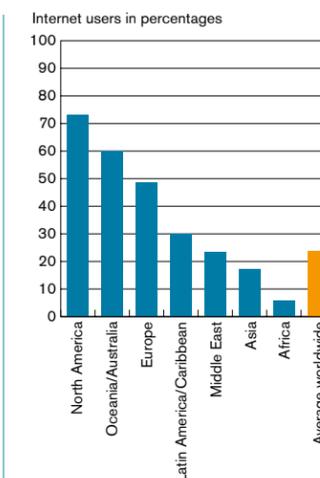
### Swedes are satisfied with the Internet

In Sweden, the Internet is used primarily for communication and to search for news and information on addresses, timetables and film and TV schedules. However, Swedes also use the Internet for their hobbies, and three out of four read an online newspaper. In Sweden, nearly four out of five Internet users use the Internet for banking. Swedes are also more satisfied with their Internet use than they were in the past. In 2008, 83 percent were satisfied, compared with 75 percent in the preceding year.

### Stable growth of .se domains

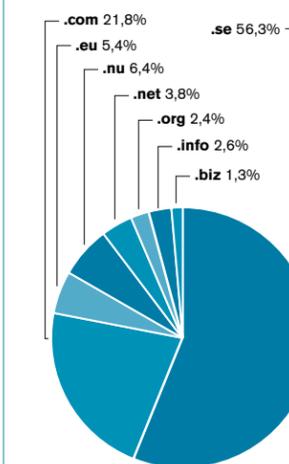
There is a direct relationship between the domain name market and Internet development; the higher a country's Internet penetration, the more domain names are registered per capita. Sweden is comparable with such countries as Belgium, Norway and Austria. At the end of 2008, a total of about 834,000 domains were registered under .se, which corresponds to 56 percent of the Swedish domain name market. After .se, the biggest domain in the Swedish market is .com with a 22-percent market share, followed by .nu and .eu.

In many other European countries, such as Denmark, and elsewhere in the world, it has been possible to register domain names under the country's top-level domain without prior testing for much longer than it has been possible to do so in Sweden. In Sweden, the right to a trademark or firm with rights in Sweden was required to register a .se domain name until 2003, when the regulations were changed. Growth in .se domains doubled in 2003 and has since been strong and stable. The average number of domains per .SE customer is 1.89.



At the end of 2008, about 1.5 billion people were using the Internet, which corresponds to an average penetration of 23.6 percent.

Source: Internetworldstats.com, processing: .SE

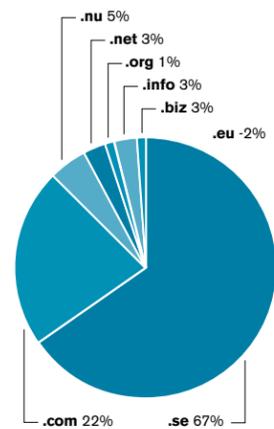


At the end of 2008, there were about 834,000 .se domains, corresponding to a 56-percent market share.

Source: ZookNIC, processing: .SE

## Customers and distributors

2008 was a record year for the .se domain, with about 834,000 active domains at year-end, of which about 40,500 internationalized domain names. The average renewal rate for .se domains was 88 percent. All new registrations took place through one of .SE's 200 registrars. The year also featured efforts focusing on quality – in March 2009, 80 of the registrars were accredited and participated in the transition to a new business model for .SE.



Top-level domains' proportion of net growth in Sweden in 2008. Source: ZookNIC, processing: .SE

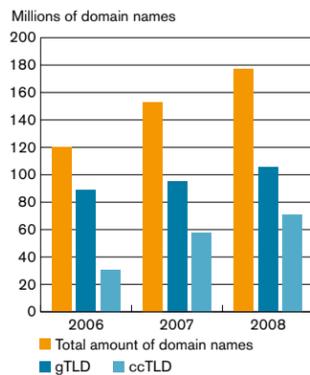
### Growth in the global market is declining

A total of 177 million domain names were registered worldwide at the end of 2008. Growth was strong throughout the current decade until 2007, when it began to decline. In 2008, growth was 16 percent, compared with 27 percent in 2007 and 33 percent in 2006. The top-level domains primarily affected by the decline were those that were not linked to a country or geographical territory, such as .com, .net and .org, which declined from growth of more than 30 percent in 2006 to under 10 percent in 2008.

### Stronger growth for country top-level domains

For country top-level domains, growth increased by 22 percent in 2008 to 71.1 million domain names, compared with growth of 37 percent in 2007. This entails that growth under country top-level domains was stronger than growth under generic top-level domains. In total, registration under country top-level domains made up about 40 percent of the total global domain name market.

The proportion of domain names under the Chinese top-level domain .cn was the highest in the world at the end of 2008, followed by the German top-level domain .de and the United Kingdom's .uk. Together these corresponded to nearly half of all registrations under country top-level domains. There are more than 240 country top-level domains in the world, but the ten largest domains make up 65 percent of the registrations.



The global growth rate for domains declined in 2008, but growth in country top-level domains (ccTLDs) was stronger than growth in generic top-level domains (gTLDs). Source: Verisign, processing: .SE

Sources:  
 Internetworldstats.com  
 International Telecommunications Union  
 United States Census Bureau  
 Nielsen Online, CENTR, ZookNic  
 World Internet Institute  
 .SE

Until March 9, 2009, all registration of .se domains took place through one of the .SE's approximately 200 registrars. All registrants were customers of .SE. They purchased other Internet-related services, including web hotels, e-mail and the operation of DNS servers, from other suppliers, often .SE registrars. This meant that most registrars had at least two suppliers for their domain name services.

### Freedom of choice for customers

As of March 9, 2009, registrants of .se domains are instead customers of the distributor, known as a registrar, of their choice, or of .SE Direkt, which is .SE's registrar. The main advantage for customers is that it is now possible to obtain all domain-related services from a single supplier. In addition, customers have the freedom to choose which registrar they want to enter a customer relationship with, and they can change registrars at any time. In practice, the major difference for customers who choose a registrar other than .SE Direkt is that they no longer receive an annual payment notice for domain name renewals from .SE. Instead, registrars are responsible for administration related to the domain name.

The reason for the change of business model was to provide registrants with increased freedom of choice, simplicity and clarity. The model is also based on an internationally standardized registry-registrar model used by the majority of .SE's equivalents in the rest of Europe. This means that opportunities also become available to international players who want to sell .se domains, resulting in turn in increased market competition, which benefits customers.

### The road to the new business model

Preparatory work for .SE's change of business model continued for nearly three years. .SE's Board of Directors made an initial orientational decision in June 2006 and the project began in October of that year.

The idea of a new business model was actually raised even earlier, after the regulation system for domain name registration, known as prior testing, was abolished in April 2003.

Throughout 2008, intensive project work took place to adapt .SE's organization, accredit registrars, and inform the customers of the imminent change. The actual transition occurred on March 9, 2009, but the entire year was a transition year during which registrars who were previously .SE registrars could continue as registrars. After the transition year, .SE will cooperate only with accredited registrars.

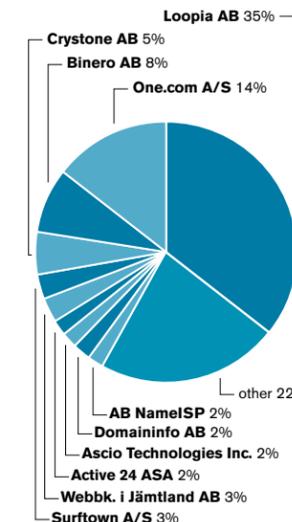
### Fewer representatives with higher quality

Greater responsibility for the representatives also means stricter quality requirements. This includes an accreditation program for all registrars and a technical test for EPP, the standardized interface used by .SE for communication with registrars. The accreditation process for registrars began in September 2008. Since January 2009, .SE has been accepting applications from new players who want to become registrars. A total of 80 accredited registrars participated in the transition on March 9, 2009, and about half of the 200 registrars will become accredited.

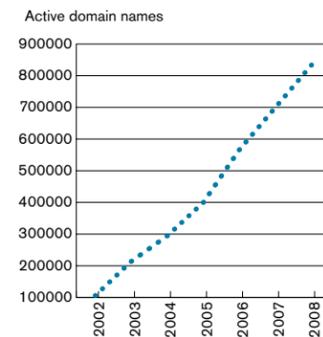
"Since the foundation of registrars.se, the industry organization for accredited and unaccredited registrars in Sweden, we have worked to establish a new business model that is easier for customers to understand. That model has now been established, and things will become easier for all parties. Registrars.se has worked intensively with both the registrar profession and .SE to facilitate the transition," says Jan Säll, chairman of registrars.se.

### A market dominated by a few players

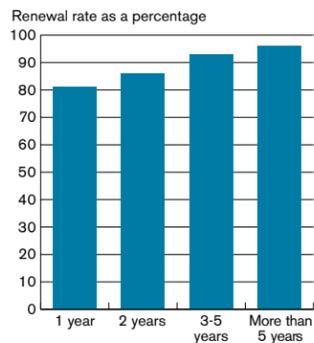
In 2008, the ten largest registrars made up 88 percent of all new registrations. The biggest registrar was Loopia, with a market share corresponding to 35 percent of new registrations, followed by One at 14 percent and Binero at 8 percent. At the end of 2008, these three players comprised more than half the market of .se domains. All of the ten registrars that had previously dominated the market were among the 80 registrars who participated in the March 2009 transition.



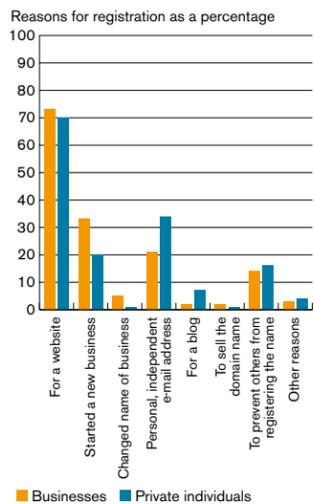
The ten largest registrars in 2008, calculated based on proportions of new registrations in 2008. Source: .SE



Number of active domain names under the .se top-level domain from 2002 to 2008. Source: .SE



The average renewal rate for .se domains was 88 percent in 2008. Source: .SE



The most common reasons for registering a .se domain. (Respondents were allowed to provide more than one reason.) Source: Mistat, customer survey September 2008.

On March 9, 2009, about half of the .se domains were moved from .SE to the registrars chosen by customers, and half remained with .SE's internal registrar.

**Attentive listening results in satisfied customers**

For .SE, customer satisfaction is a top priority that involves intensive efforts.

"We conduct continuous customer surveys, but above all, we try to listen attentively to customer requests and be prepared to make changes," says Anette Hall, manager of the .SE's domain division and customer service, and as of March 9, 2009 the head of .SE Direkt, which is the .SE's own registrar business.

She emphasizes that the new business model introduced in 2009 is just such a change. "The most important thing about the new business model is the freedom of choice gained by the end customer," she says.

.SE has also received favorable ratings in the customer surveys it has carried out since 2006. The customer satisfaction index has consistently been about 80 on a scale of 1 to 100 for both corporate customers and private individuals, although it has been marginally higher for the latter.

In the new business model, registrars assume all responsibility for the customer relationship if customers ask them to do so. This entails that, as of 2009, the customer satisfaction index has also become a rating of customers' relations with registrars.

"Registrars have become the .SE's external image. They must understand their assignment and take care of customer relations," concludes Anette Hall.

**2008 a record year for .SE**

Never before were so many new .se domains registered as in 2008. The final total was 229,042, which can be compared with 188,652 for 2007 and 204,830 for the previous record year, 2006. In addition, 101,493 .se domains were deregistered in 2008. At the end of 2008, there were 834,004 active .se domains, for a net growth of 19 percent in 2008. The number of .se domains has risen rapidly since registration without prior testing, according to a first come, first served policy, was implemented in 2003.

For most registrants in Sweden, a domain under .se has become the obvious choice. Two reports prepared

by Statistics Sweden (SCB) in 2008 surveyed the respective Internet use of Swedish companies and private individuals. In all, 85 percent of the companies had at least one domain name, and for private individuals the figure was 15 percent.

Of the companies with more than ten employees that had a domain name, 88 percent had a .se address and 74 percent used that address as their primary address. For companies with more than 50 employees, the corresponding figures were 89 percent and 77 percent respectively. Among small companies with fewer than ten employees, 59 percent had their own domain name. Of these, 85 percent had a .se address and 75 percent of them used that address as their primary address.

**Highly educated men who own their own businesses**

The typical private individual who registers a domain name is a man with post-secondary education, his own business and a monthly income of more than SEK 25,000. Among the 15 percent of private individuals who obtain a domain name, 60 percent choose to register it under the top-level domain .se. At the end of 2008, 27 percent of the registrants of .se domains were private individuals and 73 percent were companies.

A very high proportion of those who have a .se domain also choose to renew it annually. The average renewal rate is 88 percent and is somewhat lower for private individuals (85 percent) than for companies (90 percent). It is interesting to note that the longer registrants have had their domain names, the more likely they are to renew them.

Why choose a .se domain? A customer survey from September 2008 showed that the most common reason remained having a website. This was the case for both businesses (73 percent) and private individuals (70 percent). One third of private individuals stated that having a personal e-mail address was the second-most important reason, while a third of the companies that registered a domain name intended to use it for a newly established company. Another important reason to obtain a domain name was to ensure that no one else could register it. It can also be noted that 7 of 100 private individuals registered domain names to operate blogs.

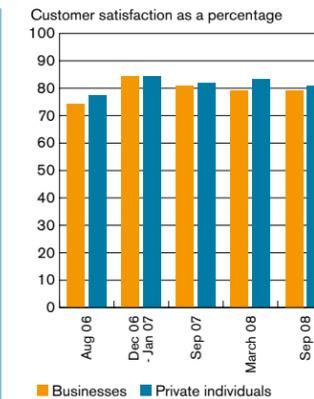
**All languages in domain names**

At the end of 2008, slightly more than 40,500 active .se domains included characters from the Swedish minority languages. The domain name system's original character set could only include the characters a-z, 0-9 and hyphens. To make it possible to use domain names including characters from various languages, a system for internationalized domain names (IDN) was developed.

Using IDN, characters other than a-z, 0-9 and hyphens are converted to codes that work in the domain name system. Most web browsers can handle IDN and automatically recode the characters. However, IDN does not yet work in a satisfactory manner for e-mail.

It is possible to register .se domains that include the Swedish letters å, ä, ö, é and ü, characters used in Sweden's official minority languages and those used in other Nordic languages. More than 40,000 IDN domains are now registered with .SE. One of them is språkrådet.se, the website for the Language Council of Sweden, Sweden's official language cultivation authority.

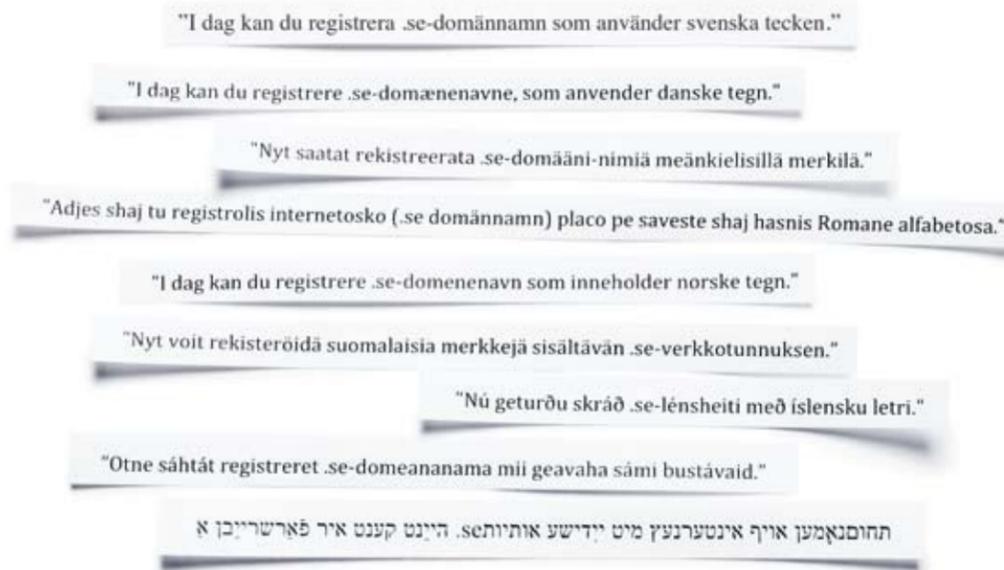
"IDN is an important part of increasing multilingual accessibility on the Internet, and to us as a language authority, it is self-evident that we should act as a good example and show others that these characters work very well in website addresses," says language cultivator and website editor Ola Karlsson.



In 2008, .SE continued to have satisfied customers, with a customer satisfaction index of 80.9 for private individuals and 79.2 for businesses. Source: Mistat, customer satisfaction survey September 2008

**IDN at .SE**

It is now possible to register .se domain names that include characters from the following languages: Swedish, Finnish, Norwegian, Danish, Icelandic, Meänkieli (Tornedal Finnish), Sami, Romani and Yiddish.



# .SE's operation and security

It is .SE's responsibility to ensure that all lookups of websites or e-mail addresses ending in .se are delegated to the correct resources. .SE's systems receive and handle an average of 4,500 such questions every second – about 388 million DNS requests per day – to ensure that more than 800,000 .se domains are accessible to Internet users worldwide

The top-level domain .se is an important resource for all Internet users both in Sweden and elsewhere, and it is naturally also very significant for Swedish society and the Swedish economy in a broader perspective. .SE's ambition is to work toward the continuous improvement of both our services and our operations through goal-oriented investments in quality and security. We conduct systematic security efforts that are connected to the ISO/IEC 27001 information security management standard.

### Full accessibility and short response times

.SE's goal is that the DNS service should always have full accessibility and the shortest possible response time for DNS requests. To achieve this, we have slightly more than 100 secondary name servers called slave servers throughout the world. Traffic peaks corresponding to about 20,000 DNS requests per second are common, but the system has the capacity to handle much more than that. Around the clock, all year round, .SE monitors the online accessibility of the .se zone. DNS operation is based on a combination of unicast and anycast technology for increased capacity, greater resistance to denial of service attacks, and high redundancy. The principle is simple. If part of the flow stops working, there is always another part that works.

### Strict quality requirements

Quality efforts are fundamental to the operation of the top-level domain. Quality is also one of .SE's basic values. Our goal is to minimize the number of errors by ensuring that tasks are carried out correctly from the beginning. Our customers should be able to set high demands for favorable service and reliability. .SE develops and continuously improves services and products that improve and simplify Internet use.

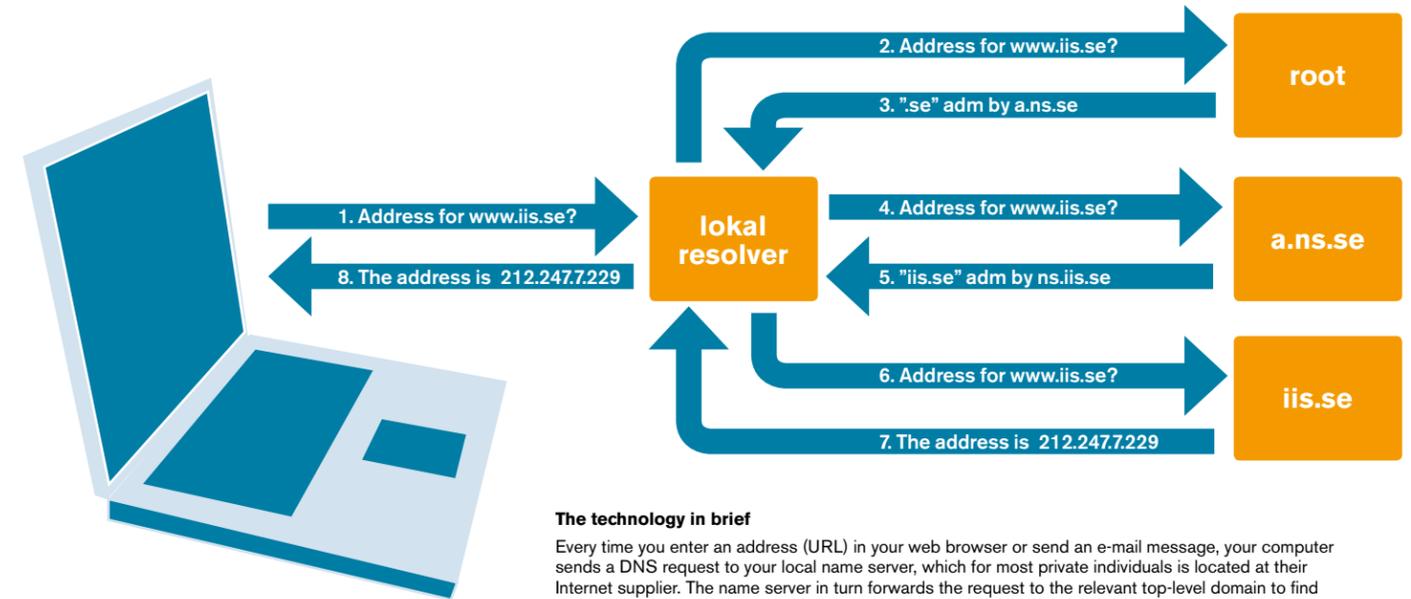
### Operation is regulated by Swedish law

Since July 1, 2006, the operation of the .se domain has been regulated by the National Top-level Domains for Sweden on the Internet Act (2006:24). When the law came into effect, the Swedish Post and Telecom Agency, a communications authority, became the supervising authority for .SE and became responsible for ensuring compliance with the top-level domain law.

### DNSCheck secures the DNS service

Because nearly all Internet services now depend on functional DNS, it is important for the system to work optimally. In many cases, accessibility problems related to the Internet and e-mail can be traced to DNS problems. With a service developed by .SE, DNSCheck (<http://dnscheck.iis.se>), it is easy to obtain information on how well the DNS service is working for a domain. A new, more user-friendly version of DNSCheck was launched in September 2008, and an additional new version was launched in March 2009. The service has also gained international renown and is used in the Netherlands and Angola. In addition to the ordinary DNS service, DNSCheck also checks DNSSEC signatures (security-signed domain names) and the validity of the IP addresses encountered.

In addition to the tests that anyone can carry out using the public service, DNSCheck also regularly checks the entire zone file for .se. The zone file contains all the information about a zone – in this case .se – that is required to ensure that DNS addressing can be used. DNSCheck also automatically checks changes that take place in the .se zone and informs the affected distributors, known as registrars, when errors occur.



### The technology in brief

Every time you enter an address (URL) in your web browser or send an e-mail message, your computer sends a DNS request to your local name server, which for most private individuals is located at their Internet supplier. The name server in turn forwards the request to the relevant top-level domain to find the name server that has information about the domain you wish to contact.

The domain name system (DNS) translates the domain name into an IP address that computers can interpret. Each time an address (URL) is entered in a web browser, your computer forwards a DNS request to find out the website's IP address.

### .SE in an international context

.SE's operating environment is extremely international; many players contribute to the Internet and work together to ensure that the whole of the Internet – a stable infrastructure – functions well. International cooperation related to the development of the Internet is formalized in a number of cooperative bodies in which .SE is an active participant.

### ICANN

The actual domain name system is hierarchical, and the Internet Corporation for Assigned Names and Numbers (ICANN) has ultimate responsibility. ICANN was formed in 1998 and is a non-profit cooperative organization whose task is to take responsibility for the top level of the domain name system, called the root zone, and for the delegation of responsibility for top-level domains (TLDs). In November 2007, .SE and ICANN formalized their cooperation through an exchange of correspondence. Through this action, .SE wished to show that the Swedish top-level domain supported ICANN's work and was prepared to actively contribute to improving ICANN's independent status in relation to the US Department of Commerce (DOC).

### ISOC

The Internet Society (ISOC) is a non-profit organization that was formed in 1992 and is based in the US. ISOC works both with the Internet's technology and its influence on society. An important part of ISOC's technical work pertains to developing the

Internet's architecture and technical standards for the Internet. In part, this occurs through ISOC's organizational hosting of such groups as the Internet Engineering Task Force (IETF), which are responsible for developing protocols and standards for the Internet. ISOC's Swedish division, ISOC-SE, appoints two of .SE's Board members, including the Chairman of the Board.

### IETF

The Internet Engineering Task Force (IETF) is not a formal organization, but rather a process with several governing principles. The purpose of the process is to prepare standardization documents for the Internet. These are published as Requests for Comments (RFCs). Most of the IETF's work takes place using mailing lists, but since 1986, physical meetings have been held three times a year. .SE will host the IETF's 75th meeting, which will be held in Stockholm in summer 2009. The decisions made by the IETF's working groups, and other proposals for RFCs, are reviewed by the Internet Engineering Steering Group (IESG).

### IAB

The Internet Architecture Board (IAB) is ISOC's advisory body for technical issues. Its task is to take a comprehensive perspective in terms of the Internet's development. The Internet Research Task Force (IRTF), which reports to the IAB, is responsible for conducting long-term fundamental research regarding the Internet.

## ATF – .SE's dispute resolution system for domain names

.SE has established an independent dispute resolution system to determine who has the right to a domain name. The alternative dispute resolution process is an alternative to lengthy, expensive court cases and was created to manage problems with domain names that violate the right to another party's brand or company name, for example.

Since 2003, .SE has provided an independent dispute resolution system that determines rights to domain names. Since July 2006, the National Top-level Domains for Sweden on the Internet Act (2006:24) also requires the existence of a functional dispute resolution system.

In 2008, 44 disputes regarding domain names were tried through .SE's alternative dispute resolution system, ATF. This should be placed in proportion to the registration of 229,000 new domains during the year and the existence of about 834,000 active domains at year-end.

### Rapid dispute resolution at a lower cost

The costs for ATF are heavily subsidized by .SE and are adapted to whether the applicant is a private individual or a company, the number of dispute resolvers and how many domain names are in dispute. Half of the fee paid by a party for an ATF process is repaid if the party wins the dispute.

.SE uses the services of 13 lawyers as dispute resolvers. The lawyers resolve the disputes in a completely self-sufficient manner, independent of .SE. All 13 dispute resolvers are experienced lawyers and are knowledgeable in the area of intellectual property rights. They have no links to .SE except that the organization functions as an administrative unit. In most cases, the services of a single dispute resolver are used, but if one of the parties requests it and can pay extra, a case can be resolved by three dispute resolvers. A dispute takes about one month to resolve.

If a registration does not comply with .SE's establis-

hed ATF regulations, the registrant risks losing the domain name to the party who applied for dispute resolution. For the applicant to win the case and for the registrant to thus lose the rights to the disputed domain name, the applicant must:

- Hold rights that are applicable in Sweden, such as to a brand or company.
- Show that the domain name registrant did not act in good faith when he or she registered or used the domain name.
- Show that the registrant does not have rights or well-founded interests in the domain name.

### Few cases in relation to the number of active domain names

Domain name registration without prior testing works well; this is clearly evident given that the number of disputes has not increased at anywhere near the same rate as the number of registrations. Since the ATF system was established in 2003, very few cases have arisen each year.

Jon Dal, one of the dispute resolvers, feels that the ATF system works well. "In terms of misspellings of banks' names, for example, the cases are often quite simple. In these cases, there is usually no other credible legitimate purpose, so generally the ATF cases are always resolved in favor of the banks," he says.

In 2009, .SE will review opportunities to implement an electronic process to simplify the process for applicants. A searchable database of previous cases will also be made available online.

### RIPE

Réseaux IP Européens (RIPE) is a cooperative organization or Regional Internet Registry (RIR) for Internet operators in Europe, other parts of the former Soviet Union, western Asia up to and including Afghanistan, and Africa north of the equator.

RIPE's purpose is to coordinate efforts so that the European portion of the Internet functions efficiently. The Internet world is divided into five geographical administrative areas, known as RIRs. Corresponding administrative areas are located in North America, South America, Asia and Africa. ICANN is the superior authority for these five areas, and the subordinate authorities are Local Internet Registries (LIRs) which are members in an RIR. The Internet Assigned Numbers Authority (IANA) assigns IP numbers to RIPE and the other RIRs for their areas. The RIRs in turn delegate numbers to the LIRs, which allocate them to end users. IANA is the part of ICANN that has technical responsibility for the global allocation of IP addresses and handles the operation and administration of the root zone for the domain name system.

### IGF

In mid-2006, the United Nations established the Internet Governance Forum (IGF). The IGF originated in efforts that began when the UN arranged a two-phase World Summit on the Information Society (WSIS). The first phase took place in Geneva in 2003 and the second in Tunis in 2005. During the first phase, the UN Secretary General was assigned the

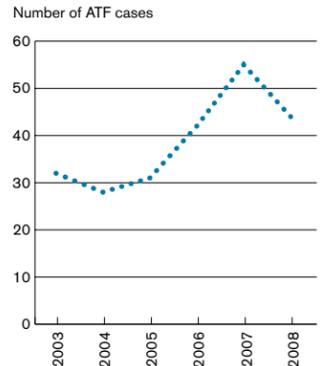
task of establishing the Working Group on Internet Governance (WGIG). The WGIG was formed and was assigned the task of accounting for the results of its work in a report for consideration and appropriate action during the second phase of WSIS in Tunis in 2005. The IGF is a discussion forum for Internet policy issues. It is open to all stakeholders and is intended to promote international development and reduce gaps in global Internet access.

### ENISA

The European Network and Information Security Agency (ENISA) is an EU agency that was established in 2004 and is an expert and competence center for information security issues. Its task is to increase the capacity of the European community, EU member states and thus also businesses to prevent, act on and resolve problems related to network and information security. ENISA is based in Crete, Greece and also contributes to international cooperation. It advises the European Commission and European Parliament on network and information security issues.

### CENTR

Another partnership in which .SE is involved takes place through the Internet Country Code Top-Level Domain Registries (CENTR). Since 1998, national top-level domains have collaborated in CENTR, primarily regarding technical and legal issues. The organization has a European focus, but many national top-level domains outside Europe are also members.



Of the approximately 834,000 active .se domain names in 2008, only 44 led to a dispute resolution process.  
Source: .SE

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[www.aspvikslantbruk.se](http://www.aspvikslantbruk.se)



## .SE's research and development operations

The goal of .SE's research and development efforts is to create benefit for the Internet's end users and ensure that they can better take advantage of all of the Internet's opportunities. This goal originates in the foundation's charter, which says that "the purpose of the foundation shall be to promote positive stability in Internet infrastructure in Sweden and to promote research, training and education in data and telecommunication, with a specific focus on the Internet."

The fees paid by registrants to register .se domains do not support any commercial profit interests. Instead, the domain name operations finance projects that contribute to the positive development of the Internet in Sweden. The aim of research and development work is to create benefit for all registrants of .se domains and other Internet users, and to provide them with better prerequisites to take advantage of all of the Internet's opportunities.

"What happened in 2008 was that a series of projects in the various areas of investment established in 2007 began to develop into something substantial. In 2009, we will be able to harvest some of the fruits of our labor. In various ways, these projects will now begin to make tangible contributions to the development of the Internet," comments Staffan Hagnell, head of .SE's research and development department.

### The department was established in 2007

In 2007, efforts to promote the development of the Internet became more defined when .SE's research and development department was established. Previously, a handful of initiatives had been taken, primarily the annual Internet Days conference which was held for the ninth time in autumn 2008, the Internet Fund which was established in 2003 to finance independent projects, and the development of TPtest, which later became Broadband Check.

Since the department was established in 2007, .SE's research and development operations have worked under the motto that everyone should dare to, want to and be able to use the Internet. In 2007 and 2008, .SE defined nine areas of investment, which are described in more detail below. In-depth presentations of a number of projects, such as In-

ternet Days and the Internet Fund, follow these descriptions.

### .SE's Internet guides

In 2008, .SE began publishing Internet guides, which are knowledge-packed but easily accessible publications about the Internet and its use. The guides are aimed at the general public. The guides are free and all of them can be downloaded as PDF documents. Many can also be ordered in print form on .SE's website.

Nine guides were published in 2008, covering varied topics from how Internet Protocol (IP) works to the best way to write for the Internet. .SE will continue publishing Internet guides at approximately the same rate in 2009.

Links to all Internet guides as PDF documents are available at [www.iis.se/more/aboutguide](http://www.iis.se/more/aboutguide).

### Internet statistics

.SE strives to be the obvious organization to consult for facts about the Internet in Sweden. The goal of the Internet statistics area of investment is to ensure access to current, reliable and interesting statistics and facts.

In 2008, .SE established partnerships with four existing producers of Internet facts in Sweden: Statistics Sweden (SCB), the Nordic Information Centre for Media and Communication Research (NORDICOM), the Swedish Post and Telecom Agency (PTS) and the WII (World Internet Institute). With .SE's support, it has been possible to publish a series of reports, and additional analyses and reports have been ordered by statistics experts.

.SE financed the publication of two SCB statistical

reports: *Privatpersoners användning av datorer och Internet 2008* ("Private individuals' use of computers and the Internet in 2008") and *Företagens användning av IT 2008* ("Companies' use of IT in 2008"). In cooperation with the WII, the report *Svenskarna och Internet 2008* ("Swedes and the Internet 2008") was published. Additional statistics and facts are available at [www.iis.se/more/internetfacts](http://www.iis.se/more/internetfacts).

For 2009, .SE's plans include the additional intensification and expansion of established partnerships, standardization work, the organization of an Internet statistics seminar and the creation of an Internet statistics portal at [www.internetstatistik.se](http://www.internetstatistik.se).

### The Internet in Schools

The goal of the "Internet in Schools" investment area is to support the long-term favorable development and use of the Internet in Swedish schools. .SE's first project in the area is *Webbstjärnan* ("Web Star") 2009, an Internet publication competition for upper secondary schools. The idea is for students to create websites based on their schoolwork, and the best contribution will win SEK 20,000.

.SE offers schools free resources for the students to start their Internet publication projects, including domain names, web hotels, publication tools, support, training materials and courses in how to write for the Internet. The emphasis is not on advanced technical solutions, but rather on creativity and innovation in schools.

Within this area of investment, .SE began a strategic partnership with *Stiftelsen Datorn i Utbildningen* (DIU, a foundation for computers in education) in 2008. The partnership with DIU entails that .SE has access to DIU's significant special competence per-

taining to schools and education. In 2008, another partnership was initiated with *Ung Företagsamhet* ("Young Enterprise"), and as a result, nearly two thirds of the teams in the competition were made up of students from the *Ung Företagsamhet* course.

In August 2009, the competition will begin again, and *Webbstjärnan* will then also welcome all of Sweden's compulsory schools.

### Internet for all

More and more social and consumer services are becoming available on the Internet, opening up new opportunities for people. Companies, government authorities and other organizations are gradually making the Internet the main distribution channel for all kinds of services. In many cases, Internet access is necessary to be part of society.

This development means that groups of people who, for various reasons, have difficulty using the Internet, will be left out. This can include the elderly, handicapped and socially isolated. Within this investment area, .SE wants to use practical examples to show how people who do not currently use Internet services actively can be inspired to do so and become Internet users.

Several such projects were launched in 2008 and will continue in 2009.

### DNSSEC

.SE is a pioneer in the area of secure DNS, and .se was the first top-level domain in the world to offer a commercial DNSSEC service for end users, entailing more secure lookups on the Internet. At least in terms of interest in the technology, 2008 was a somewhat successful year for DNSSEC. However, much work

remains to be completed before .SE's goal of ensuring that DNSSEC is a natural part of the domain name system can be achieved.

At the end of 2008, slightly more than 1,500 .se domains were signed with DNSSEC. For 2009, .SE's goal is to achieve a true breakthrough in the number of DNSSEC-signed .se domains. .SE is also investing in additional technical development, including through the OpenDNSSEC project, whose purpose is to develop an open-source solution for key management and signing.

#### IPv6

Internet communication is still dominated by the IPv4 protocol, in which IP addresses comprise 32 bits. This means that the number of unique IP addresses is limited to slightly more than four billion, a limitation that is becoming increasingly evident as more of the world's population obtains Internet access.

The shortage of IP addresses is expected to become critical as early as in 2010–11. The only solution that is sustainable for the long term is to introduce the new IP version, IPv6, with 128-bit IP addresses. With this technology, the total number of addresses will be practically unlimited.

Although the problem of address shortages in the current IPv4 Internet protocol has been well-known for some time, the transition to IPv6 has not yet gained real momentum. The situation is beginning to become urgent, and several important political authorities, including the European Commission and the US government, are putting pressure on the issue, as is ICANN, the Internet's top authority. The Swedish constitution also requires support for IPv6 in public purchasing.

To support an early and smooth introduction of IPv6 in Sweden, thus ensuring stable Internet infrastructure in the future, .SE has made IPv6 an area of investment in its development efforts. The goal is that IPv6 should be so well-distributed and widely used that it is seen as a natural part of the Internet in Sweden by 2010.

"We want to take on a coordinating role and strive to facilitate cooperation among different players," says Jörgen Eriksson, project manager for IPv6 at .SE's research and development department.

#### Reliable e-mail

There are many forms of abuse of Internet e-mail services, and they are growing. The abuse includes everything from junk mail (spam) to phishing and other fraud attempts. At the same time, e-mail is defending its substantial significance in human communication. This was confirmed by a survey commissioned by .SE in spring 2008; 62 percent of respondents named e-mail as the most important form of communication in their work.

Although most modern e-mail programs have effective spam-blocking technology, 90 percent of all e-mail that is sent is spam, which results in unnecessary and expensive pressure on networks, servers and security solutions. Accordingly, in 2008 .SE began efforts to establish a Swedish anti-spam center.

#### The health of the Internet in Sweden

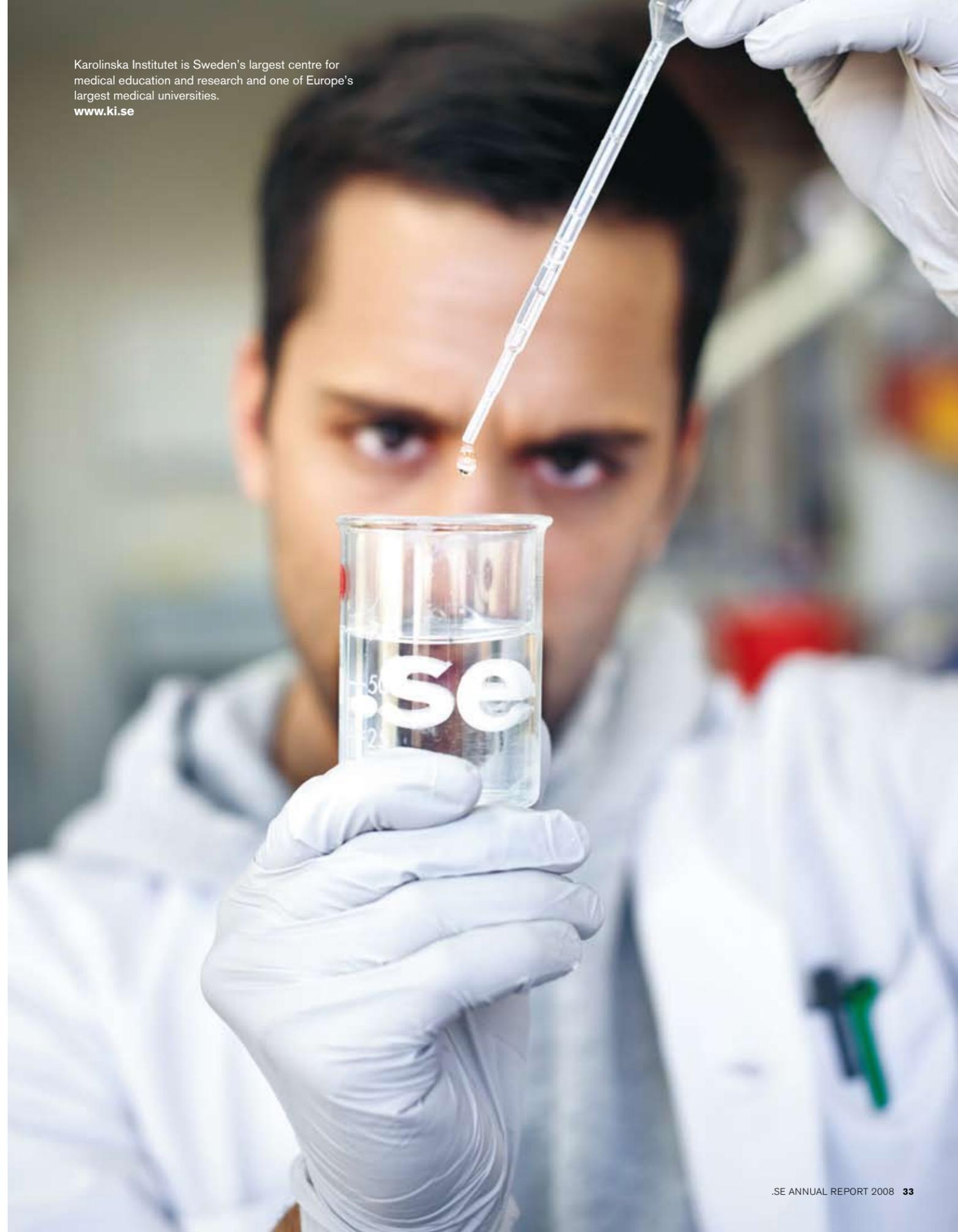
The purpose of this area of investment is to monitor the quality of the Internet's infrastructure in Sweden. .SE wants to ensure that the infrastructure has effective functionality and high accessibility. When necessary, .SE will also draw attention to deficiencies and anomalies.

In 2008, for the second consecutive year, .SE released the report *Hälsoläget i .SE* ("The health status of .se domains"), which tested and evaluated the quality of Internet infrastructure in Sweden using software from .SE service DNSCheck. The report indicated improvements in several areas compared with the preceding year, but also noted that much work remained to be completed. The initiative will be followed up in 2009.

#### Bredbandskollen (Broadband Check)

Broadband Check is Sweden's only independent consumer service for checking a broadband connection directly in a web browser. Since its launch in autumn 2007, the service has become extremely popular. Millions of measurements have been carried out since the launch, and in 2008 additional services were launched as part of Broadband Check. In 2009, .SE will continue the development of the service, including better integration of the various services.

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[www.ki.se](http://www.ki.se)



### .SE's Internet guides:

## About young people's lives on the Internet – for adults

In 2008, .SE began publishing Internet guides, which are knowledge-packed but easily accessible publications about the Internet and its use, aimed at the general public. The guides are free of charge and can be downloaded as PDF documents. Many can also be ordered in print form on .SE's website. In 2008, nine guides were published, including *Ungas integritet på nätet* ("Young people's integrity on the Internet"), which is the most popular .SE Internet guide so far.

For today's young generation, the Internet has become a self-evident part of everyday life and an important way to take care of one's social life. At the same time, reports have shown that threats, insulting images and grave defamation are becoming increasingly common on the Internet. It is easy for adults who have close relationships with young people to feel both lost and scared.

Johnny Lindqvist and Ewa Thorslund regret this situation, and it is the reason they took the initiative for the Internet guide *Ungas integritet på nätet*. The authors' goal was to try to escape the scaremongering propaganda and ensure that parents, teachers and other adults understand how young people's social lives on the Internet work, so that they can work together on integrity issues.

#### Same behavior – new arena

"Unfortunately, it is common for adults to have a condemning attitude that is not particularly constructive. To be able to counteract the negative, we must first understand what the whole thing is about and learn a little about how it works," says Johnny Lindqvist.

He says that today's teenagers do exactly what teenagers have always done. It is only the arena that is new. "On Internet forums and chat sites, they display the same behavior we did when we hung around at Pressbyrån in the shopping center when I was a teenager. And

teenagers have always sought attention, but now they can do it with a large, anonymous audience on the Internet. That means it is a good idea for adults to take the time to help young people handle various situations instead of simply taking a dismissive attitude."

#### Adults have no understanding of the situation

Both authors have long experience of issues related to young people, bullying and Internet security. They believe that for adults to be able to influence young people's behavior and help them avoid risks, they must first understand what young people do on the Internet and why.

"Many adults have no understanding and no interest in gaining an understanding of teenagers' Internet habits. But when you don't understand why such sites as Facebook exist, it is difficult to understand when and how to intervene," says Johnny Lindqvist.

"It's not about ensuring that adults spend a lot of time on Internet communities; instead, it is important to understand the principle and why young people think these sites are so much fun. Then it becomes possible to discuss it with them," he says.

#### Positive response from schools

*Ungas integritet på nätet*, which was published in August, provides a broad overview of the

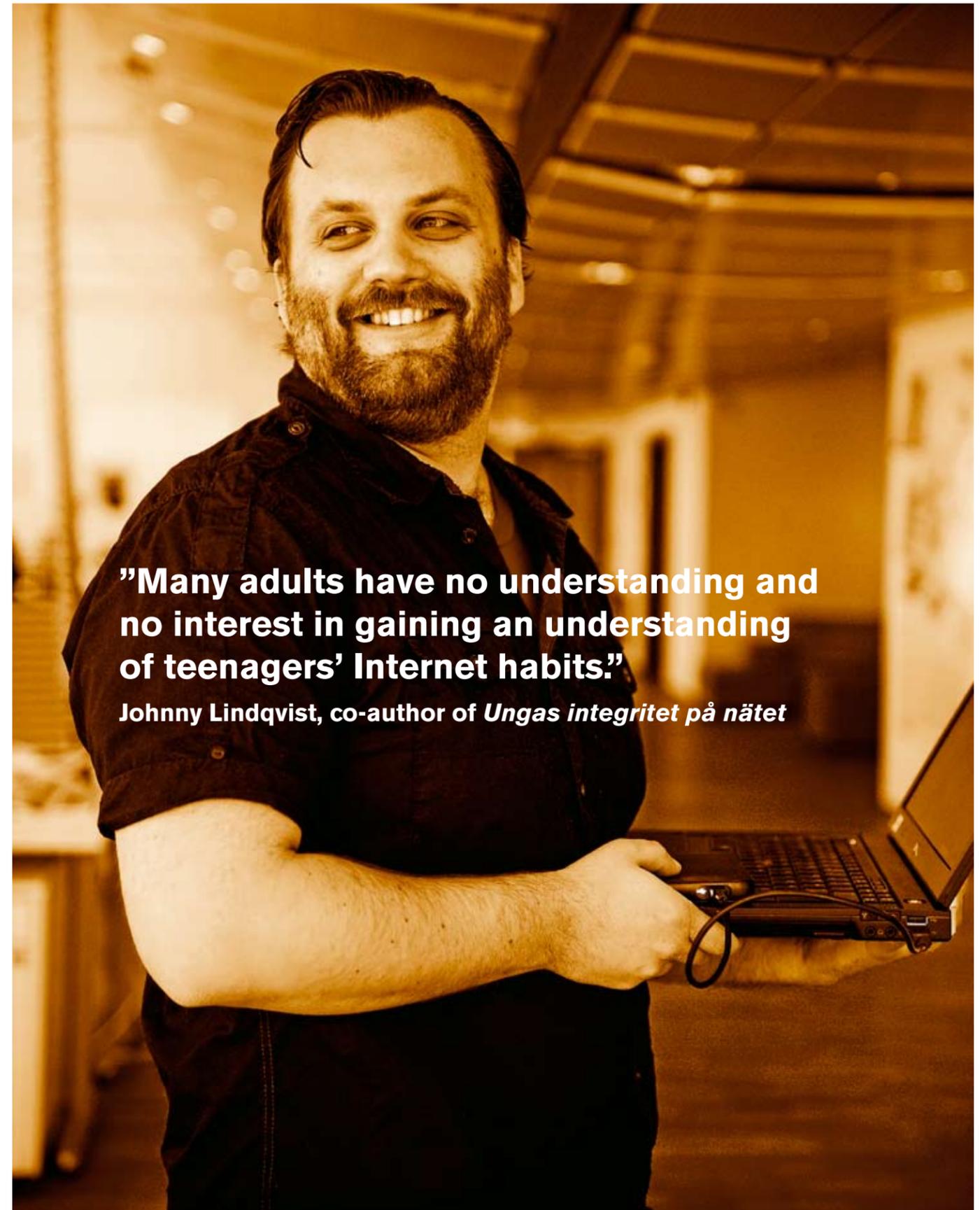
area. It was the most popular Internet guide published in 2008, and has also been ordered by many teachers throughout Sweden. A total of 7,000 copies were printed, and the guide has been downloaded frequently.

"I have had a positive response when distributing the guide at lectures in schools, but we soon noticed that something more hands-on was also needed. That's why, in October, we prepared supplementary discussion material called *Vuxenvärlden – ballå!* ('Adults – pay attention!')," says Johnny Lindqvist.

In a new edition planned for spring 2009, the two publications will be combined in a single book, and 36,000 copies will be printed.

#### Internet guides (in Swedish) published in 2008:

- Creating a website with WordPress
- How to write for the Internet
- Adults – pay attention!
- Copyright – Copyleft
- Young people's integrity on the Internet
- What do the Internet statistics say?
- Questionable methods for the sale of domain names by telephone
- Introduction to IP (Internet Protocol)
- Freedom of speech on the Internet



**"Many adults have no understanding and no interest in gaining an understanding of teenagers' Internet habits."**

**Johnny Lindqvist, co-author of *Ungas integritet på nätet***



**“Through this project, we have begun to see the Internet as a function for the homeless.”**

**Göran Dahlstrand, CEO of Stiftelsen Hotellhem i Stockholm**

### The Internet for all:

## Internet skills as a step toward a home of one's own

One of the projects launched in 2008 as part of the “Internet for all” area of investment was a partnership with the foundation Stiftelsen Hotellhem i Stockholm. The purpose of the project “Internet for all – including the homeless” is to help the homeless build up basic skills in Internet use.

“There is a social dimension in every technical change. For the homeless, the Internet represents both new threats of further isolation and new opportunities to gain control of one's life,” says Stiftelsen Hotellhem's CEO Göran Dahlstrand.

Hotellhem was founded by the City of Stockholm in 1963. It helps those who, for various reasons, no longer have an ordinary home, including homeless people who are to be helped back to the ordinary housing market as quickly as possible and those who cannot manage such housing. For the latter group, the foundation provides housing that is as similar to an ordinary home as possible. Hotellhem's 2,300 apartments throughout Stockholm are similar to student apartments, where residents can build up an ability to take care of themselves.

#### Public computers since 2003

For several years, Hotellhem has been working with the challenges that the Internet presents to homeless people. As early as in 2003, public computers were installed so that residents could book apartments using Bostadsförmedlingen (the Housing Service).

#### Internet skills for the homeless

“Today, the ability to use various services on the

Internet is part of the fundamental social resources necessary to obtain a home of one's own. But as a group, the homeless are not used to computers and are often afraid of new technology,” says Göran Dahlstrand.

During the year, Hotellhem helped teach residents how to use the Internet, but this did not take place in a structured way. The .SE project launched in September 2008, which will continue for one year, will attempt to address this problem. The goal of the project is to give 100 homeless people nine fundamental Internet use skills, including sending e-mail and surfing the Internet.

#### Teaching methods are the most important

“In the framework of the project, we will obtain more public computers and install more black fiber in the apartments. However, what is important is not the hardware, but the teaching methods,” he says.

In the project, 12 instructors will be educated among Hotellhem's personnel. They will in turn train the homeless.

“SE has established structural thinking here. They are skilled when it comes to developing an effective project description and identifying and establishing tangible goals,” says Göran Dahlstrand.

Göran Dahlstrand says that the project will be something of a pilot project, and he hopes to continue working this way in the future. “Through this project, we have begun to see the Internet as a function for the homeless. If you establish an identity on the Internet, you can take care of so much of your life that way – from paying bills to keeping in touch with your children – which can otherwise be difficult for a homeless person. Quite simply, you can create a fixed address on the Internet on the way to your fixed address in reality,” he concludes.

#### Nine steps to Internet skills

- Surfing and searching the Internet
- Logging in
- Sending e-mail and taking care of an e-mail account
- Writing, saving and forwarding documents
- Saving documents on external (USB) units
- Being aware of blogs and chat sites
- Being aware of websites containing information on personal finances
- Searching for information on government websites
- Obtaining an electronic ID

### The Internet in schools:

## School students – new stars on the web

.SE is investing in developing Internet use in schoolwork, and in autumn 2008 it launched the Webbstjärnan (“Web Star”) school competition. The basic idea is that students should use their schoolwork to create a website.

.SE offers schools throughout Sweden everything they need to start publishing on the Internet. The focus is on content, not advanced technical solutions. Many teachers believe that it is much more difficult to create a website than it really is.

#### Many student-driven projects

Slightly more than 3,500 students from 270 upper secondary schools throughout Sweden took part in Webbstjärnan 09, and the contributions were very diverse. However, most projects were student-driven, such as that run by Filip Vujcic, Nicklas Odell and Jonas Nordsten, who competed in Webbstjärnan 09.

“We had to convince our teacher that we would be able to achieve the project’s goals. We are interested in entrepreneurship and creativity, but traditional schoolwork does not give us the opportunity to develop those abilities,” says Filip Vujcic.

The boys’ project is called Krasslig.se (“unwell.se”), a portal containing information on illnesses and ailments. It also provides an opportunity for site visitors to share their experiences of the Swedish healthcare system.

#### Webbstjärnan turns dreams into reality

Both Nicklas Odell and Filip Vujcic say that

much can be done to advance Internet use in schools. There is insufficient knowledge of how computers and the Internet can be used to raise students’ competence a little more.

“We have only just started to work with the pedagogical idea behind Webbstjärnan, which is to improve Internet use in schools in a creative, valuable way. We have much more to do in that area,” says Pernilla Rydmark, project manager for Webbstjärnan.

Jonas Nordsten feels that the competition has contributed to new learning and experiences. He says that one of the best things about Webbstjärnan is that the students can realize their dreams.

“Of course we are enthusiastic and we’ll keep giving the site our best shot,” he says.

The boys, who are in their third year at Frans Schartaus Upper Secondary School, have major plans for the project.

“We aim to win in all categories! There is no reason to have a lower goal. Take the founders of Google, for example; they would not have achieved so much if their goals had been modest,” says Filip Vujcic.

#### Competition to be opened to compulsory school students

Pernilla Rydmark is enthusiastic about the inn-

ovation the students have shown and is overwhelmed by the interest in the competition. “Our goal was that 100 teams would register. Now that the competition is over, I am pleased to say that we had a total of slightly more than 770 registered teams,” she says.

With this success behind it, Webbstjärnan will soon welcome compulsory schools into the next competition, which will begin in August 2009.



**“We aim to win in all categories!”**

Filip Vujcic, upper secondary school student and participant in Webbstjärnan 2009



**"Once we had connected a new user, the first thing we did was a test with Broadband Check."**

**Anders Bergman, farmer and Broadband Check user**

### Consumer service:

## 15 million measurements with Broadband Check

.SE's consumer service to test connection speed is a major success among Internet users who want to measure their speed easily. Since the service was launched in 2007, Broadband Check, bredbandskollen.se, has also been further developed. Statistics of previous measurements are now available, and it is possible to measure the connection speed for services on iPhone mobile phones.

Broadband Check (Bredbandskollen) is an independent, free consumer service that allows Internet users to assess their broadband connection speed using an ordinary web browser. Since its launch in October 2007, the service has become very popular, and now it is the obvious way to test the speed obtained from a broadband service. By February 2009, 14 million measurements had been carried out by about 4.7 million users.

#### Used as proof of promised speed

In rural areas, it is not easy to obtain a fiber connection. Accordingly, the financial association Lavad Fiber Från Hemmet (FFH), based in a rural area located between Lidköping and Grästorp, Västergötland, took matters into its own hands. In autumn 2008, the fiber network was in place, and the nearly 200 members of the association benefited greatly from Broadband Check. Anders Bergman says "Once we had connected a new user, the first thing we did was a test with Broadband Check. That allowed us to verify that the experts had done their job and that the speed was as high as it should have been. We were careful to use the tips on the website to increase the speed. In most cases, we obtained the speed we wanted, but in some

cases we also identified problems and called the supplier to search for the problem."

#### Criticism resulted in a new industry standard

In spring 2008, Internet operators accepted the criticism that had been aimed at their advertising of broadband services, and Broadband Check played an important role in this event. Instead of "up to" speeds, intervals were then specified, with a guaranteed minimum speed as the industry standard.

"Our statistics show that confidence in the operators has increased," comments Rickard Dahlstrand, .SE's manager for Broadband Check.

In 2008, the infrastructure behind the service was improved with two new servers in Luleå to better reach the Norrland region. The year's largest project was based on Broadband Check's status as a self-help tool. It was an action guide with a series of questions about the user's connection, designed to provide specially adapted advice for actions that users can take themselves to improve connection speed.

#### A gold mine of statistics

Another way in which Broadband Check was developed further was that combined statistics

of all measurements were made available on the website. Users of this information have included researchers and journalists.

In autumn 2008, a version of Broadband Check was also developed for the iPhone mobile phone. Because iPhones are equipped with GPS, users can compare their connection speeds with those of others in the immediate area. Naturally, all measurements are anonymous.

#### Mobile broadband is a problem area

"For fixed connections, about 40 percent of the measurements receive positive ratings, and about the same amount receive negative ratings. Considering all the errors that can occur, this is still relatively favorable. We are also seeing a weak positive trend, but the results for mobile broadband show that it remains a problem area," says Rickard Dahlstrand.

In 2009, a new version of Broadband Check will be launched, in part to integrate the different parts of the service more effectively

### The spread of technology:

## A favorable year for DNSSEC

In 2008, researcher Dan Kaminsky put secure DNS on the Internet world's agenda, and .SE thus achieved a significant international breakthrough in its efforts to ensure more secure DNS lookups. However, as early as autumn 2005, .se was the first country top-level domain in the world to sign its zone with DNSSEC, and was the first to offer a commercial DNSSEC service.

DNSSEC is a security add-on for the Internet's domain name system (DNS) through which responses to DNS lookups are secured with cryptographic signatures. The purpose is to safeguard DNS from abuse known as cache poisoning. For several years, .SE has been a driving force to implement and spread DNSSEC. In addition, .se was the world's first country top-level domain name to sign its zone and world's first top domain to offer a commercial DNSSEC service in February 2007.

#### .SE at the leading edge

In 2008, interest in the technology gained real momentum. .SE attracted the attention of the entire Internet world by being at the leading edge in DNSSEC and for being eager to share its experiences. This was evident in the major interest shown in the international DNSSEC seminar held in October 2008. The seminar attracted 150 participants, including from 20 top domains around the world. .SE also held international training sessions for DNSSEC. One of the speakers at the seminar was Steve Crocker, co-chair of the DNSSEC Deployment Working Group.

"SE's pioneer initiatives in the area of DNSSEC must be praised. A successful implementation of DNSSEC requires the involvement of all top domains, registrars and Internet operators," says Steve Crocker.

Stephen Morris, manager of the team for advanced projects at the United Kingdom's country top-level domain .uk, which is operated by Nominet, participated in the workshop. He commented "As the representative for a top-level domain, the workshop was a chance for me to learn, from an organization with practical experience, about the issues one is forced to deal with when starting to use DNSSEC. What was most useful to me was the chance to hear about registrars' and customers' experiences. .SE is a pioneer when it comes to implementing DNSSEC and has many experiences to share with the rest of the DNS community."

Robert Martin-Legène, CIO of DK Hostmaster A/S, participated to gain an understanding of the tasks and processes that are in store before the Danish registry begins using DNSSEC. ".SE's efforts in the area are absolutely ground-breaking, and its efforts to share the information it has acquired are incredibly valuable for participants. I greatly admire the .SE's policy of sharing this information," he says.

#### Kaminsky put DNS on the agenda

A contributing reason for the increased interest was the possibility of exploiting a weakness in DNS which was made public by researcher Dan Kaminsky in July and is often called the Kaminsky bug.

He demonstrated a new, very simple way of carrying out cache poisoning, which further emphasized the importance of implementing DNSSEC.

#### Website for information and tests

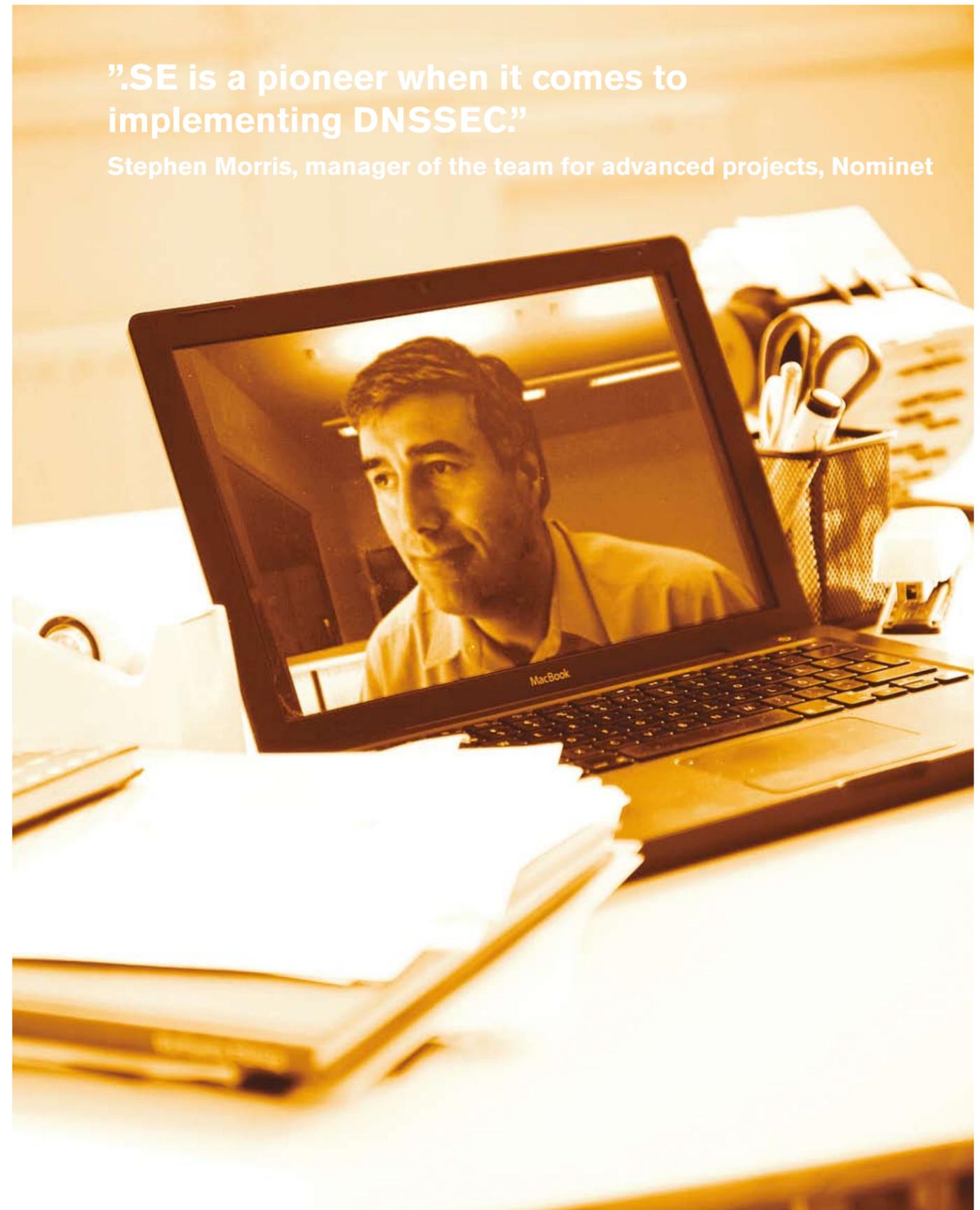
In the autumn, .SE launched the website [Kaminskybuggen.se](http://Kaminskybuggen.se) to provide information about the insecurities in DNS and to spread knowledge of DNSSEC. On the site, users can test the security of their computers and domains free of charge.

Another result of the increased attention paid to DNSSEC was that an increasing number of registrants, including many municipalities and Swedish government authorities, decided to sign their .se domains. .SE's goal was for 1,000 domains to be signed in 2008, and this was achieved early, in November. To further support the development, as of 1 January 2009 .SE stopped charging a fee for the DNSSEC service.

In 2009, many top domains will follow in .SE's footsteps and begin signing domains. .SE plans to hold additional international workshops and training during the year. A large project focusing on OpenDNSSEC has also been launched, involving the development of tools for automatic key management. Further information on the project is available at [www.opendnssec.se](http://www.opendnssec.se).

"SE is a pioneer when it comes to implementing DNSSEC."

Stephen Morris, manager of the team for advanced projects, Nominet





**“Without the Internet Fund, we would never have had the opportunity to develop Barnbibblan.”**

**Katarina Dorbell, development manager at Västra Götalands regional library**

### **The Internet Fund:**

## **Barnbibblan (“children’s library”) on the Internet – for the very youngest**

.SE Internet Fund is .SE’s way of supporting the development of the Internet by financing independent projects. Since its launch in 2004, the Internet Fund has financed about 100 projects whose purpose has been to contribute to the development of the Internet. The project ideas come from the public through a public application process, and twice a year, an evaluation committee decides which projects will receive support.

The budget for .SE Internet Fund is established annually by the Board of the .SE. In 2008, 22 projects, including Barnbibblan, shared SEK 5 million from the fund. Barnbibblan is an Internet-based library service for pre-school children. The initiative was taken by Västra Götalands regional library, which wanted to use the Internet to inspire even the youngest children to start reading.

Barnbibblan originated as early as December 1996, when Katarina Dorbell began developing Barnens Bibliotek (Children’s Library) on the Internet, an idea she came up with herself. She wanted to provide a website offering various ways for children to easily become inspired and stimulated to start reading books at an early age. Barnens Bibliotek is now financed by the Swedish Arts Council.

### **Children’s involvement was an important help**

Katarina Dorbell began the project on a modest scale by publishing some book recommendations on barnensbibliotek.se. Almost immediately, she was contacted by children who wanted more recommendations but also more interactivity. With their help, the website expanded, but it was missing something for the very youngest children.

“There are so few websites that offer easily accessible book recommendations and stories for pre-school children. I felt that, within the framework of Barnens Bibliotek, it was time to develop something for them. That’s where the idea of Barnbibblan for pre-school children was born,” says Katarina Dorbell, development manager at Västra Götalands regional library.

### **The fund made Barnbibblan possible**

Barnbibblan’s development could not be financed by the Swedish Arts Council, so Katarina began to pursue new financing and ran across .SE Internet Fund.

“It was wonderful that we received the grant. Without the Internet Fund, we would never have had the opportunity to develop Barnbibblan. Thanks to the grant, we were able to publish our first free story, ‘Kattresan’ (‘The cat’s journey’) and further develop Barnbibblan,” comments Katarina Dorbell.

### **Stimulating reading at an early age**

To a great extent, Barnens Bibliotek, including Barnbibblan, is marketed through Sweden’s libraries, where about 50,000 bookmarks with the website’s address on them are distributed annually. The website is also marketed through

participation at such trade fairs as the Baby & Child trade fair in Gothenburg and advertisements in various media that reach parents. Barnbibblan also collaborates with other websites for children and is reviewing other kinds of partnerships, such as a link exchange with a children’s website produced by the Swedish Educational Broadcasting Company (UR).

“The fact that we receive funds for an Internet project such as Barnbibblan is very important for the development of small children. So far, the youngest visitor we have had at Barnbibblan was three years old. We see that as a success in our efforts to stimulate reading at an early age,” concludes Katarina Dorbell.

Although Barnbibblan is pleased with its current results, there is always more to do, but money is an issue. However, Barnbibblan can continue, even if it is not developed further to any great extent. There are always new pre-school children, and stories are always relevant

**Event:****Internet Days, a leading meeting place**

Internet Days (Internetdagarna) is an important meeting place for the Swedish Internet industry. The annual two-day conference offers five parallel tracks with nearly 150 Swedish and international speakers. When the Swedish Internet industry met in 2008, security issues and IPv6 were the hot topics, but the conference was characterized by a broad range of offerings. November 2009 will mark Internet Days' tenth anniversary.

Internet Days is .SE's annual conference where new knowledge about the Internet and its development is presented. The conference is the largest of its kind in Sweden and is a leading meeting place for those employed in the industry, political decision-makers, users and technical experts.

On October 21–22, the ninth Internet Days conference was held at Folkets Hus in the heart of Stockholm. The keynote speakers were the legendary Vint Cerf, who was involved in the Internet's development from the beginning and is now an Internet evangelist at Google, Communications Minister Åsa Torstensson (Centre Party) and Patrik Fältström from Cisco. The seminars and lectures then proceeded along five parallel tracks: IP and Networks; Security; Infrastructure and Society; Web/Mobile Internet and Domain Names.

**IPv6 – an interesting area**

Svante Victorsson, IP and DNS administrator at TeliaSonera Network, participated in Internet Days 08 because he wanted to be updated on the broader trends in the Internet world, but primarily to obtain more information on IPv6.

"IPv6 is an interesting area – what things look like in terms of address space and which

technical paths are available for the future. Although I am a little disappointed that Geoff Huston did not come and talk about what will happen if IPv6 fails, his replacement, Patrik Fältström, had interesting approaches. His speech included a discussion of various technical solutions as alternatives, but he said that IPv6 was the way forward," says Svante Victorsson.

**General IT developments**

Kate Johansson of the Swedish Government Offices also felt that the IPv6 track was interesting, and she also appreciated Åsa Torstensson's lecture on current IT political issues. "I was new on the job and received a tip from a colleague about it. I work with administrative security issues, so I spend most of my time on information security, but the general IT developments were also interesting," she says.

**Children's security on the Internet**

NetClean's Per Garå had another focus when he participated as an exhibitor at the conference. "We supply software that helps companies, organizations, Internet suppliers and carriers to prevent child pornography from being spread on the Internet or through companies' net-

works. Because children's security on the Internet was among the topics at Internet Days 08, we wanted to be here. It is excellent that the industry itself is addressing this issue, which should receive much more attention than it does. That's where the competence is," he says.

**Tenth anniversary in 2009**

Slightly more than 700 visitors were attracted to Internet Days, and the hottest track by far was Security, followed by IP and Networks, which focused on IPv6. A debate on integrity and monitoring also attracted many visitors, which was not surprising considering the hotly debated FRA (National Defence Radio Establishment) law. In November 2009, the event will mark its tenth anniversary and will be extended to three days



**Vint Cerf, chief evangelist at Google, presented his vision for the Internet of the future at Internet Days 2008.**



Alfred, Per, Marcus and Thomas make up the indie pop band Jackeroo.  
With their music, they want to make the world a little happier.  
[www.jackeroo.se](http://www.jackeroo.se)

## Personnel policy and human resources

.SE's committed employees have made a substantial contribution to our strong growth and the major advances of our research and development operations. In 2008–2009, we also carried out a successful change of business models.

At the end of 2008, .SE had a total of 42 employees, meaning that we recruited four employees during the year. As in the past, recruitment took place mostly in our IT and systems development departments and in research and development. Increased requirements for secure technical operation and expanded research and development operations were the reasons for the recruitment.

### Employees grow with the company

We believe in our employees' ability to take initiative and responsibility, and in their ability to put customers first. To promote employee development, all employees have individual development plans that are followed up annually. We also have an internal quality program called .SE-Upp! which includes teamwork, study visits to .SE's equivalents in other countries and .SE days. The quality team and .SE days include discussions on such topics as .SE's vision, goals and policies, current topics that affect operations and continuous initiatives for improvement. At the end of the year, most of the employees were certified in accordance with the .SE's new business model. Certification is based on independent study and an online-based knowledge test on the operations.

### New organization in advance of 2009

At the end of 2008, the organization was adapted to the new business model. It now comprises four major departments: .SE Registry, .SE Direkt, research and development and IT and systems development. In addition to the CEO, head of quality and security and assistant to the CEO/HR manager, the staff includes smaller departments for finances, legal affairs, marketing and information. As in the past, .SE's organization is flat, with few decision-making levels. Our ambition is to move responsibility and authority closer to the employees. The management team comprises the managers of each department and representatives of the various staff functions. Gender distribution in the management team is even: six women and six men.

To prepare for the reorganization, a review of the entire company's previous Myers-Briggs results was conducted. This was combined with a lecture on organizations experiencing change and the individual's willingness to change.

### Satisfied employees

Employee satisfaction was as extensive in 2008 as it was in 2007. The average comprehensive rating of .SE as an employer was 4.07, compared with 4.00 in 2007, according to the employee survey conducted in May 2008. Pride in working at .SE rose from 3.94 to 4.24 on a five-point scale. Employees were also more satisfied with their employee discussions with their immediate supervisors. This can be seen as evidence that the structured employee discussions introduced in 2007 were successful.

### Working environment and environmental initiatives

.SE has expanded significantly during in recent years, and has never had more employees than it does now. In late autumn 2008, the Board of .SE decided to expand the organization's premises by 1,000 square meters to accommodate the expansive operations being carried out. The move will take place in April 2009.

In 2008, an environmental group was established at .SE to make proposals for environmental improvements in accordance with the environmental policy adopted in 2008. At the end of 2008, an analysis of .SE's environmental impact began in collaboration with the company Det naturliga steget ("The natural step").

However, earlier in the year, several actions had already been taken to improve the environment at the office, and the .SE personnel handbook also includes environmental tips. For example, .SE offers its employees annual passes for Stockholm Transport (SL) to encourage more people to leave their cars at home.

### GENDER DISTRIBUTION AT THE END OF 2008

Number of women	16
Number of men	26

### SICKNESS ABSENCE

Total sickness absence during the year (as a percentage of ordinary working hours):

Men	2,0%
Women	4,0%
All employees	2,0%

### Sickness absence divided by age category:

29 years or younger	0
30-49 years	2,6%
50 years or older	0

Short hair becomes long, thin hair becomes thick and curly hair is straightened at Roukys beauty salon.  
[www.roukyshair.se](http://www.roukyshair.se)



## The Board of Directors

.SE is led by a Board whose members are appointed by ISOC-SE, the Internet Society's Swedish division, which also appoints the Chairman of the Board. Members are also appointed by the Swedish Bankers' Association, the Swedish Trade Federation and the Confederation of Swedish Enterprise. In addition, the Swedish Internet Operators' Forum (SOF) appoints one ordinary Board member and one substitute. One Board member is appointed by the Board's other members and represents user interests.

From left: **Ove Ivarsen**, Swedish Trade Union Confederation (LO), appointed by the other Board members, **Mikael von Otter**, appointed by the Confederation of Swedish Enterprise, **Rune Brandinger**, Chairman of the Board, appointed by ISOC-SE, **Mikael Abrahamsson**, appointed by SOF, **Lars Lindgren**, appointed by the Swedish Bankers' Association, **Marzena Doberhof Platin**, secretary.  
Missing from photo: **Amar Andersson**, deputy, appointed by SOF, **Robert Malmgren**, appointed by ISOC-SE and **Andreas Hedlund**, appointed by the Swedish Trade Federation.



## Management

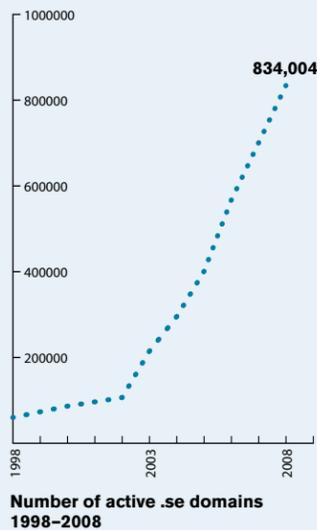
The .SE management group comprises the managers of each department and representatives of the various staff functions. Gender distribution in the management team is even: six women and six men.

From left: **Anne-Marie Eklund Löwinder**, Head of Quality and Security, **Marzena Doberhof Platin**, Assistant to the CEO and HR Manager, **Anette Hall**, Head of .SE Direkt, **Matias Vangnes**, Head of Marketing, **Danny Aerts**, CEO, **Elisabeth Ekstrand**, General Counsel, **Per-Olof Josefsson**, Head of Sales, **Torbjörn Carlsson**, Head of .SE Registry, **Mats Skróder**, Head of IT and Systems Development.  
Missing from photo: **Maria Ekelund**, Head of PR and Information, **Monica Åhl**, Chief Financial Officer and **Staffan Hagnell**, Head of Research and Development.

Enok and Ivan received their own .se address from their father after they discovered the Internet while watching the TV show Bolibompa.  
[www.enok-och-ivan.se](http://www.enok-och-ivan.se)



## Board of Directors' Report



### Operations

.SE's operations continue to be highly expansive. The foundation's operations have two main focuses: firstly, the administration and operation of Sweden's top domain, .se, and secondly, several initiatives that promote the development of the Internet in Sweden. For several years, a direct relationship has been observed between the Internet's increasing popularity and the use of domain names.

### Domain administration

After deregulation in 2003, growth in the number of active domain names under .se has been constant. The strong growth in domain names under the top domain .se also continued in 2008. The number of new registrations in 2008 amounted to 229,042, which is a new record! At the end of 2008, there were 834,004 registered .se domain names, which corresponds to an increase of 19 percent compared with 2007.

As in 2007, the most important contributing factors for the strong growth in 2008 were the continued growth of such services as Internet access, e-mail and blogs among companies and now also private customers, and a change in the regulations in 2003 which made it possible to register a domain name without prior testing. Another factor that contributed to growth is the importance of domain names for the ability to earn money on Internet advertising and search engine optimization.

### The transition approaches

In June 2007, the Board of Directors made the important decision to change its existing business model. .SE now has direct agreements with all registrants of .se domain names and sells the domain names through registrars. Beginning in the second year of domain name registration, .SE usually invoices registrants itself.

The new business model, which came into effect

on March 9, 2009, entailed that, to a greater extent, .SE took on the role of a wholesaler and that end-customer agreements were between registrants and IIS registrars.

In the new business model, customer contact is thus handled by the approximately 100 registrars who have completed .SE's accreditation program. Because the new business model is the most established model in the world, we have already noted increased interest from foreign registrars, which will benefit future growth.

### Development operations

Through its charter of foundations, .SE's assignment is to promote positive stability in Internet infrastructure in Sweden and to promote "research, training and education in data and telecommunication, with a specific focus on the Internet."

In 2008, we placed considerable emphasis on building up an organization for development operations, which required a high level of new recruitments. This increase in resources led to a dramatic rise in activities and resulted in customer benefit for users in 2008. During the year, direct costs for development operations totaled SEK 15,931,000 (2007: SEK 4,888,000).

The following is a brief summary of our most important areas:

- Broadband Check, which was launched in October 2007, has expanded into Sweden's established standard for measuring broadband connection speed. With 10 million measurements since its launch, the service has surpassed all our expectations and influenced operators to change their product packaging.
- Our investment in DNSSEC has been a strategic success. This became clear when the world's attention was drawn to the domain name system weaknesses known as the Kaminsky bug. Interest in DNSSEC has exploded, and we attracted international atten-

tion and reinforced our reputation as an innovative competence center in our area. We now hold courses and assist several other organizations both in Sweden and abroad.

- Our Webbstjärnan (Web Star) project has become a success. The competition is based on providing teachers and students with support, materials and the means to use domains and Internet services in teaching. More than 250 schools participated in the competition during its first year.
- Internet Days, which .SE organized in 2008 for the ninth time, was well-attended, with 20 percent more visitors than in 2007, and was an enormous media success with 600 articles. We were proud to present Vint Cerf, a prominent Internet personality, as a keynote speaker.
- We continued to offer opportunities for development support through the Internet Fund. We now accept applications twice a year.
- During the year, we produced 13 guides and reports on the Internet and domain names. We conducted a second survey on accessibility on the Internet (a health status report pertaining mostly to DNS), which was used as debate material during a parliamentary interpellation debate.

### Subsidiary

The foundation owns 100 percent of the subsidiary NIC-SE (Network Information Centre Sweden AB). At the end of the fiscal year, NIC-SE carried out no operations and had no employees.

### Future development

During the next few years, we expect a stable, strong increase in the number of registered .se domain names. If the current trend continues, the number of registered .se domain names could exceed one million before the end of 2010.

In 2009, the new business model will be launched, and we look forward to favorable, intensive collabo-

ration with our registrars. We are convinced that the changes to be implemented will benefit end customers. We will lower the prices for our registrars by more than 30 percent.

To ensure security in the market and as a response to our end customers, we decided that .SE should have its own registrar, .SE Direkt.

We will see strong growth in 2009 in almost all Internet development investments launched in 2008. This includes the distribution of publications, participants at our events, schools competing in Webbstjärnan, measurements completed using Broadband Check and so on.

Because of our international reputation, we have also been entrusted with the honorable task of organizing the 75th IETF meeting in Stockholm in July 2009.

Last but not least, we have high expectations for the establishment of an anti-spam center and for coordination on the implementation of IPv6.

### Other

For their participation in the Internet Fund evaluation committee, two .SE Board members received SEK 41,000 in consultant fees.

<b>Consolidated income statement</b>			
Amounts in SEK	Note	Dec. 31, 2008	Dec. 31, 2007
<b>Operating revenues</b>			
Net sales	1	88 245 084	74 913 724
Other operating revenues		284 559	122 614
		<b>88 529 643</b>	<b>75 036 338</b>
<b>Operating costs</b>			
Other external costs	2	-52 512 326	-37 742 687
Personnel costs	3	-31 302 511	-27 095 479
Depreciation of tangible and intangible fixed assets	8,9	-725 245	-569 527
		<b>-84 540 083</b>	<b>-65 407 693</b>
<b>Operating profit</b>		<b>3 989 560</b>	<b>9 628 645</b>
<b>Income from financial items</b>			
Interest income and similar income statement items	5	1 182 960	2 105 336
Interest expenses and similar income statement items	6	-4 885 094	-564 557
		<b>-3 702 133</b>	<b>1 540 779</b>
<b>Income after financial items</b>		<b>287 427</b>	<b>11 169 425</b>
<b>Profit before tax</b>			
Tax on profit for the year	7	-1 841 733	-3 467 984
<b>Profit for the year</b>		<b>-1 554 306</b>	<b>7 701 441</b>

<b>Consolidated balance sheet: Assets</b>			
Amounts in SEK	Note	Dec. 31, 2008	Dec. 31, 2007
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Costs defrayed on other party's property	8	1 738 185	1 682 216
		<b>1 738 185</b>	<b>1 682 216</b>
<i>Tangible fixed assets</i>			
Equipment, tools, fixtures and fittings	9	1 483 146	1 304 118
		<b>1 483 146</b>	<b>1 304 118</b>
<b>Total fixed assets</b>		<b>3 221 330</b>	<b>2 986 334</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Accounts receivable		198 378	1 485 796
Other receivables	11	1 727 737	3 891 805
Prepaid expenses and accrued income	12	1 596 308	1 327 309
		<b>3 522 424</b>	<b>6 704 910</b>
<i>Short-term investments</i>			
Other short-term investments	13	92 780 798	82 318 148
		<b>92 780 798</b>	<b>82 318 148</b>
<i>Cash and bank balances</i>			
		10 521 270	8 197 410
<b>Total current assets</b>		<b>106 824 493</b>	<b>97 220 468</b>
<b>Total assets</b>		<b>110 045 823</b>	<b>100 206 802</b>

Consolidated balance sheet: Equity and liabilities			
Amounts in SEK	Note	Dec. 31, 2008	Dec. 31, 2007
<b>Equity</b>			
<i>Restricted equity</i>			
Foundation capital	14	200 000	200 000
		<b>200 000</b>	<b>200 000</b>
<i>Non-restricted equity</i>			
Unappropriated funds		48 559 844	41 586 530
Profit/loss for the year		-1 554 304	7 701 441
		<b>47 205 540</b>	<b>49 487 970</b>
<b>Total equity</b>		<b>47 205 540</b>	<b>49 487 970</b>
<b>Current liabilities</b>			
Deposits from clients		1 843 804	1 720 791
Accounts payable		8 542 319	3 544 039
Other liabilities		1 387 483	3 699 293
Accrued costs and prepaid income	15	51 066 677	41 754 708
<b>Total current liabilities</b>		<b>62 840 283</b>	<b>50 718 831</b>
<b>Total equity and liabilities</b>		<b>110 045 823</b>	<b>100 206 802</b>

Pledged assets and contingent liabilities		
Amounts in SEK	Dec. 31, 2008	Dec. 31, 2007
<b>Pledged assets</b>		
Pledged bank deposits for rental guarantee	1 107 000	1 107 000
<b>Total pledged assets</b>	<b>1 107 000</b>	<b>1 107 000</b>
<b>Contingent liabilities</b>		
	None	None

Consolidated cash-flow statement		
Amounts in SEK	Dec. 31, 2008	Dec. 31, 2007
<b>Operating activities</b>		
Income after financial items	287 427	11 169 425
Adjustments for items not included in cash flow, etc.	4 463 296	578 610
	<b>4 750 723</b>	<b>11 748 035</b>
Paid tax	-1 841 733	-3 467 984
<b>Cash flow from operating activities before changes in working capital</b>	<b>2 908 990</b>	<b>8 280 051</b>
<i>Cash flow from changes in working capital</i>		
Increase (-) / decrease (+) in operating receivables	3 182 478	2 455 613
Increase (+) / decrease (-) in operating liabilities	12 121 454	6 050 565
<b>Cash flow from operating activities</b>	<b>18 212 921</b>	<b>16 786 229</b>
<b>Investing activities</b>		
Acquisition of tangible/intangible fixed assets	-972 096	-629 529
Sales of tangible fixed assets	-	24 000
Acquisitions of financial assets	-15 045 114	-25 371 438
Sale of financial assets	856 277	13 887 818
<b>Cash flow from investment activities</b>	<b>-15 160 933</b>	<b>-12 089 149</b>
<b>Grants</b>		
Grants issued	-728 128	-2 196 454
<b>Cash flow from grants issued</b>	<b>-728 128</b>	<b>-2 196 454</b>
<b>Cash flow for the year</b>	<b>2 323 861</b>	<b>2 500 625</b>
<b>Cash and cash equivalents, opening balance</b>	<b>8 197 410</b>	<b>5 696 785</b>
<b>Cash and cash equivalents, closing balance</b>	<b>10 521 271</b>	<b>8 197 410</b>

**Supplementary information on the cash-flow statement**

Amounts in SEK	Dec. 31, 2008	Dec. 31, 2007
<b>Adjustments for items not included in cash flow, etc.</b>		
Depreciation and impairment of assets	4 451 441	569 527
Loss on sale of fixed assets	11 855	9 083
	<b>4 463 296</b>	<b>578 610</b>
<b>Cash and cash equivalents</b>	<b>10 521 271</b>	<b>8 197 410</b>

**Income statement for the Parent Foundation**

Amounts in SEK	Note	Dec. 31, 2008	Dec. 31, 2007
<b>Operating revenues</b>			
Net sales	1	88 245 084	74 913 724
Other operating revenues		284 559	122 614
		<b>88 529 643</b>	<b>75 036 338</b>
<b>Operating costs</b>			
Other external costs	2	-52 500 406	-37 725 387
Personnel costs	3	-31 302 511	-27 095 479
Depreciation of tangible and intangible fixed assets	8,9	-725 245	-569 527
		<b>-84 528 163</b>	<b>-65 390 393</b>
<b>Operating profit</b>		<b>4 001 480</b>	<b>9 645 945</b>
<b>Income from financial items</b>			
Profit from shares in Group companies	4	1 000 000	14 397 048
Other interest income and similar income items	5	1 141 462	1 227 301
Interest expenses and similar income items	6	-4 879 381	-534 283
		<b>1 263 561</b>	<b>24 736 011</b>
<b>Profit before tax</b>		<b>1 263 561</b>	<b>24 736 011</b>
Tax on profit for the year	7	-1 834 193	-3 221 887
<b>Profit for the year</b>		<b>-570 632</b>	<b>21 514 124</b>

**Balance sheet, Parent Foundation: Assets**

Amounts in SEK	Note	Dec. 31, 2008	Dec. 31, 2007
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Costs defrayed on other party's property	8	1 738 185	1 682 216
		<b>1 738 185</b>	<b>1 682 216</b>
<i>Tangible fixed assets</i>			
Equipment, tools, fixtures and fittings	9	1 483 146	1 304 118
		<b>1 483 146</b>	<b>1 304 118</b>
<i>Financial assets</i>			
Participations in Group companies	10	100 000	100 000
		<b>100 000</b>	<b>100 000</b>
<b>Total fixed assets</b>		<b>3 321 330</b>	<b>3 086 334</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Accounts receivable		198 378	1 485 796
Other receivables	11	1 710 965	4 064 589
Prepaid expenses and accrued income	12	1 596 036	1 327 309
		<b>3 505 379</b>	<b>6 877 694</b>
<i>Short-term investments</i>			
Other short-term investments	13	92 780 798	81 461 871
		<b>92 780 798</b>	<b>81 461 871</b>
<i>Cash and bank balances</i>		10 260 730	7 635 313
<b>Total current assets</b>		<b>106 546 908</b>	<b>95 974 878</b>
<b>Total assets</b>		<b>109 868 238</b>	<b>99 061 212</b>

**Balance sheet, Parent Foundation: Equity and liabilities**

Amounts in SEK	Note	Dec. 31, 2008	Dec. 31, 2007
<b>Equity</b>			
<i>Restricted equity</i>	14		
Foundation capital		200 000	200 000
		<b>200 000</b>	<b>200 000</b>
<i>Non-restricted equity</i>			
Unappropriated funds		47 425 479	26 639 483
Profit/loss for the year		-570 632	21 514 124
		<b>46 854 847</b>	<b>48 153 607</b>
<b>Total equity</b>		<b>47 054 847</b>	<b>48 353 607</b>
<b>Current liabilities</b>			
Deposits from clients		1 843 804	1 720 790
Accounts payable		8 542 319	3 544 039
Other liabilities		1 376 258	3 688 067
Accrued costs and prepaid income	15	51 051 009	41 754 708
<b>Total current liabilities</b>		<b>62 813 391</b>	<b>50 707 606</b>
<b>Total equity and liabilities</b>		<b>109 868 238</b>	<b>99 061 212</b>

**Pledged assets and contingent liabilities**

Amounts in SEK	Dec. 31, 2008	Dec. 31, 2007
<b>Pledged assets</b>		
Pledged bank deposits for rental guarantee	1 107 000	1 107 000
<b>Total pledged assets</b>	<b>1 107 000</b>	<b>1 107 000</b>
<b>Contingent liabilities</b>		
	None	None

**Cash-flow statement, Parent Foundation**

Amounts in SEK	Dec. 31, 2008	Dec. 31, 2007
<b>Operating activities</b>		
Income after financial items	1 263 561	24 736 012
Adjustments for items not included in cash flow, etc.	4 463 296	578 610
	<b>5 726 856</b>	<b>25 314 622</b>
<b>Paid tax</b>		
	<b>-1 834 193</b>	<b>-3 221 888</b>
<b>Cash flow from operating activities before changes in working capital</b>	<b>3 892 663</b>	<b>22 092 734</b>
<i>Cash flow from changes in working capital</i>		
Increase (-) / decrease(+) in operating receivables	3 372 315	2 465 990
Increase (+) / decrease (-) in operating liabilities	12 105 779	6 404 381
<b>Cash flow from operating activities</b>	<b>19 370 756</b>	<b>30 963 105</b>
<b>Investing activities</b>		
Acquisition of tangible/intangible fixed assets	-972 096	-629 529
Sales of tangible fixed assets	-	24 000
Acquisitions of financial assets	-15 045 114	-25 371 438
Sale of financial assets	-	5 000
<b>Cash flow from investment activities</b>	<b>-16 017 210</b>	<b>-25 971 967</b>
<b>Grants</b>		
Grants issued	-728 128	-2 196 454
<b>Cash flow from grants issued</b>	<b>-728 128</b>	<b>-2 196 454</b>
<b>Cash flow for the year</b>	<b>2 625 418</b>	<b>2 794 684</b>
<b>Cash and cash equivalents, opening balance</b>	<b>7 635 313</b>	<b>4 840 628</b>
<b>Cash and cash equivalents, closing balance</b>	<b>10 260 730</b>	<b>7 635 313</b>

### Supplementary information on the cash-flow statement

Amounts in SEK	Dec. 31, 2008	Dec. 31, 2007
<b>Adjustments for items not included in cash flow, etc.</b>		
Depreciation and impairment of assets	4 451 441	569 527
Loss on sale of fixed assets	11 855	9 083
	<b>4 463 296</b>	<b>578 610</b>
<b>Cash and cash equivalents</b>	<b>10 260 730</b>	<b>7 635 313</b>

### Supplementary information

#### Accounting principles

The Annual Report was prepared in accordance with the Swedish Annual Accounts Act and the general recommendations of the Swedish Accounting Standards Board. The consolidated accounts were compiled in accordance with recommendation RR 1:00 Consolidated Accounting, issued by the Swedish Financial Reporting Board.

The foundation's assets were recognized at acquisition value.

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

Grants issues were recognized directly against equity.

Financial instruments were valued according to the portfolio method and recognized at acquisition value or market value, whichever was the lower.

Operating revenues were comprised mainly of domain name revenues, recognized in the period in which payment was received and accrued 12 months ahead.

Tangible fixed assets were impaired according to plan and costs defrayed on another party's property.

Costs defrayed on other party's property	10%
Equipment	20%
Computers	33.3%

#### NOTE 1 OPERATING NET SALES

	Dec. 31, 2008	Dec. 31, 2007
<i>Group and Parent Foundation</i>		
Group net sales	88 245 084	74 913 724

#### NOTE 2 INFORMATION ON AUDITORS' REMUNERATION

	Dec. 31, 2008	Dec. 31, 2007
<i>Group</i>		
KPMG AB		
Auditing assignment	140 000	110 000
Other assignments	–	108 000
	<b>140 000</b>	<b>218 000</b>

<i>Parent Foundation</i>		
KPMG AB		
Auditing assignment	130 000	100 000
Other assignments	–	108 000
	<b>130 000</b>	<b>208 000</b>

#### NOTE 3 EMPLOYEES AND PERSONNEL COSTS

	Dec. 31, 2008	Dec. 31, 2007
<i>Group and Parent Foundation</i>		
Average number of employees		
Men	28	24
Women	15	17
<b>Total</b>	<b>43</b>	<b>41</b>

<i>Wages, salaries, other remuneration and social expenses</i>		
Board members and CEO	2 048 424	1 755 221
Other employees	18 007 860	15 822 968
<b>Total</b>	<b>20 056 284</b>	<b>17 578 189</b>

Social expenses	9 303 771	8 369 888
<i>(of which, pension expenses)</i>	<i>(2 286 700)</i>	<i>–(2 168 521)</i>

Of the Group's pension expenses, SEK 314,816 (SEK 392,105) was attributable to the Group's Board members and CEO.

Wages, salaries and remuneration pertain to personnel in Sweden only.

#### *Report on sickness absence as a percentage of employees' total regular working hours*

Men	2,0%	1,4%
Women	4,0%	2,5%
<b>All employees</b>	<b>2,0%</b>	<b>1,8%</b>

#### *Sickness absence by age category*

29 years or younger	–	–
30–49 years	2,6%	2,0%
50 years or older	–	–

#### *Number of Board members and CEO, gender distribution*

Women	0	0
Men	8	9
<b>Total</b>	<b>8</b>	<b>9</b>

In 2008, the Board comprised seven ordinary members. To achieve the number of Board members required according to the foundation's charter, which is eight, a minor change to the charter is required. The reason is that one of the nominating organizations declined to participate in the Board and, accordingly, will be replaced.

#### *Other senior executives (not as last year), gender distribution*

Women	5	3
Men	5	4
<b>Total</b>	<b>10</b>	<b>7</b>

**NOTE 4 PROFIT FROM SHARES IN GROUP COMPANIES**

	Dec. 31, 2008	Dec. 31, 2007
<i>Parent Foundation</i>		
Dividends from wholly owned subsidiary	1 000 000	14 397 047
	<b>1 000 000</b>	<b>14 397 047</b>

**NOTE 5 OTHER INTEREST INCOME AND SIMILAR INCOME ITEMS**

	Dec. 31, 2008	Dec. 31, 2007
<i>Group</i>		
Interest income, other	381 873	268 076
Exchange gains	2 365	–
Capital gains	120 424	1 837 260
Dividends, shares and participations	678 298	–
	<b>1 182 960</b>	<b>2 105 336</b>
<i>Parent Foundation</i>		
Interest income, other	369 279	277 274
Exchange gains	2 365	–
Capital gains	91 520	950 027
Dividends, shares and participations	678 298	–
	<b>1 141 462</b>	<b>1 227 301</b>

**NOTE 6 INTEREST EXPENSES AND SIMILAR INCOME STATEMENT ITEMS**

	Dec. 31, 2008	Dec. 31, 2007
<i>Group</i>		
Interest expenses, other	1 143 324	75 690
Exchange losses	15 574	1 047
Impairment of shares	3 726 196	487 819
	<b>4 882 094</b>	<b>564 557</b>
<i>Parent Foundation</i>		
Interest expenses, other	1 137 611	45 417
Exchange losses	15 574	1 047
Impairment of shares	3 726 196	487 819
	<b>4 879 381</b>	<b>534 283</b>

**NOTE 7 TAX ON PROFIT FOR THE YEAR**

	Dec. 31, 2008	Dec. 31, 2007
<i>Group</i>		
Current tax		
Difference between tax expense and tax expense based on applicable tax rate.		
Reported pre-tax profit	287 427	11 169 425
Tax according to applicable tax rate 28%	80 480	3 127 439
Non-deductible expenses	2 621 436	738 755
Reversal of impairment of shares	3 726 196	487 819
Non-taxable income	–57 440	–10 337
<b>Total</b>	<b>6 290 192</b>	<b>1 216 237</b>
Reported pre-tax profit	287 427	11 169 425
Adjustment as above	6 290 192	1 216 237
Tax base	6 577 619	12 385 662
<b>Reported tax</b>	<b>1 841 733</b>	<b>3 467 984</b>
In the Group, temporary differences exist pertaining to impairments of short-term investments. The Group's available loss carryforwards amount to SEK 1,097,097. Deferred tax claims attributable to available loss carryforwards are not reported, due to uncertainty regarding whether, when and to what extent these loss carryforwards may be utilized.		
<i>Parent Foundation</i>		
Current tax		
Difference between tax expense and tax expense based on applicable tax rate.		
Reported pre-tax profit	1 263 561	24 736 011
Tax according to applicable tax rate 28%	353 797	6 926 083
Non-deductible expenses	2 615 723	690 294
Reversal of impairment of shares	3 726 196	487 819
Non-taxable income	–54 790	–10 337
Tax-exempt dividend	–1 000 000	–14 397 047
<b>Total</b>	<b>5 287 129</b>	<b>–13 229 271</b>
Reported pre-tax profit	1 263 561	24 736 011
Adjustment as above	5 287 129	–13 229 271
Tax base	6 550 691	11 506 740
<b>Reported tax</b>	<b>1 834 193</b>	<b>3 221 887</b>

**NOTE 8 COSTS DEFRAID ON OTHER PARTY'S PROPERTY**

	Dec. 31, 2008	Dec. 31, 2007
<i>Group and Parent Foundation</i>		
Accumulated acquisition value		
Opening balance	2 139 357	2 139 357
New acquisitions	294 000	–
	<b>2 433 357</b>	<b>2 139 357</b>
<i>Accumulated depreciation according to plan</i>		
Opening balance	–457 141	–243 205
Depreciation for the year according to plan	–238 031	–213 936
	<b>–695 172</b>	<b>–457 141</b>
<b>Planned residual value at year-end</b>	<b>1 738 185</b>	<b>1 682 216</b>

**NOTE 9 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS**

	Dec. 31, 2008	Dec. 31, 2007
<i>Group and Parent Foundation</i>		
Accumulated acquisition value		
Opening balance	1 917 687	1 350 139
New acquisitions	678 096	629 529
Divestments and disposals	–59 868	–61 981
	<b>2 535 915</b>	<b>1 917 687</b>
<i>Accumulated depreciation according to plan</i>		
Opening balance	–613 569	–286 876
Divestments and disposals	–	28 899
Depreciation for the year according to plan	–439 200	–355 592
	<b>–1 052 769</b>	<b>–613 569</b>
<b>Planned residual value at year-end</b>	<b>1 483 146</b>	<b>1 304 118</b>

*Group and Parent Foundation*  
Expenses for leasing of equipment amounted to SEK 522,537.

**NOTE 10 PARTICIPATIONS IN GROUP COMPANIES**

	Dec. 31, 2008	Dec. 31, 2007	
<i>Parent Foundation</i>			
Accumulated acquisition value			
Opening balance	100 000	100 000	
<b>Carrying amount at year-end</b>	<b>100 000</b>	<b>100 000</b>	
<b>Specification of the foundation's holdings of shares and participations in Group companies</b>			
<i>Subsidiary/Corp. reg. no./ Domicile</i>	<i>Number of shares</i>	<i>Shares as a percentage</i>	<i>Carrying amount</i>
Network Information Centre Sweden AB 556542-8033	2 500	100,0	100 000

**NOTE 11 OTHER RECEIVABLES**

	Dec. 31, 2008	Dec. 31, 2007
<i>Group</i>		
Other receivables includes a tax claim amounting to	82 956	2 069 898
<i>Parent Foundation</i>		
Other receivables includes a tax claim amounting to	280 593	2 259 995

**NOTE 12 PREPAID EXPENSES AND ACCRUED INCOME**

	Dec. 31, 2008	Dec. 31, 2007
<i>Group and Parent Foundation</i>		
Rental of premises, first quarter 2008	793 478	687 971
Other prepaid expenses	802 830	639 338
	<b>1 596 308</b>	<b>1 327 309</b>

**NOTE 13 SHORT-TERM INVESTMENTS**

	Dec. 31, 2008	Dec. 31, 2007
<i>Group</i>		
Carrying amount		
Shares	11 150 750	11 150 750
Interest-bearing securities	76 255 189	79 733 015
Other investments	5 374 858	5 515 851
	<b>92 780 798</b>	<b>96 399 616</b>
<i>Moderstiftelsen</i>		
Carrying amount		
Shares	11 150 750	11 150 750
Interest-bearing securities	76 255 189	79 733 015
Other investments	5 374 858	5 515 851
	<b>92 780 798</b>	<b>96 399 616</b>

**NOTE 14 EQUITY**

	Foundation capital	Restricted reserves	Non-restricted reserves	Profit for the year	Total
<i>Group</i>					
Amount at January 1, 2008	200 000	–	41 586 531	7 701 441	49 487 972
Grants issued			–728 128		–728 128
Transfer			7 701 441	–7 701 441	–
Profit for the year				–1 554 306	–1 554 306
<b>At year-end</b>	<b>200 000</b>	<b>–</b>	<b>48 559 844</b>	<b>–1 554 306</b>	<b>47 205 538</b>
<i>Parent Foundation</i>					
Opening balance	200 000	–	26 639 483	21 514 124	48 353 607
Appropriation of preceding year's profit			21 514 124	–21 514 124	–
Grants issued			–728 128		–728 128
Profit for the year				–570 632	–570 632
<b>At year-end</b>	<b>200 000</b>	<b>–</b>	<b>47 425 479</b>	<b>–570 632</b>	<b>47 054 847</b>

**NOTE 15 ACCRUED EXPENSES AND PREPAID INCOME**

	2008-12-31	2007-12-31
<i>Group</i>		
Accrued salaries/fees to Board members incl. social expenses	2 912 192	2 482 403
Prepaid income	72 864	–
Prepaid domain income	43 048 334	35 681 392
Other items	5 033 287	3 564 057
	<b>51 066 677</b>	<b>41 727 852</b>
<i>Parent Foundation</i>		
Accrued salaries/fees to Board members incl. social expenses	2 912 192	2 482 403
Prepaid income	72 864	–
Prepaid domain income	43 048 334	35 681 392
Other items	5 017 619	3 564 057
	<b>51 051 009</b>	<b>41 727 852</b>

Stockholm, March 11, 2009

**Rune Brandinger**  
Chairman of the Board

**Mikael von Otter**  
Board member

**Ove Ivarsen**  
Board member

**Robert Malmgren**  
Board member

*My auditor's report was submitted on April 14, 2009*

**Lars Lindgren**  
Board member

**Andreas Hedlund**  
Board member

**Mikael Abrahamsson**  
Board member

**Gunilla Wernelind**  
Authorized public accountant

## Auditor's report

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

I examined the Annual Report, consolidated accounts and book-keeping and administration by the Board of Directors of the Internet Infrastructure Foundation for fiscal 2008. The Board is responsible for the accounting documents and administration, and for the application of the Annual Accounts Act when preparing the Annual Report and consolidated accounts. My responsibility is to express an opinion on the Annual Report, consolidated accounts and administration based on my audit.

I conducted my audit in accordance with generally accepted auditing standards in Sweden. These standards require that I plan and perform the audit to obtain reasonable but not absolute assurance that the Annual Report is free of material misstatement. An audit involves examining a selection of the documentation for the amounts and other information in the accounting documents. An audit also includes assessing the accounting principles used and their application by the Board of Directors, as well as evaluating any significant estimates made by the Board in preparing the Annual Report and consolidated accounts and evaluating the overall information in the Annual Report and consolidated accounts. I 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 was any reason for dismissal and whether any Board member performed any other act in contravention of the Foundation Act or the .SE charter of foundation. I believe that my audit provides a reasonable basis for my statement below.

The Annual Report and consolidated accounts were prepared in accordance with the Annual Accounts Act and provide a fair and accurate view of the foundation's profits and position in accordance with generally accepted accounting standards in Sweden. The Board of Directors' Report is consistent with the other parts of the Annual Report and consolidated accounts.

The Board members did not act in contravention of the Foundation Act or the .SE charter of foundation.

Stockholm, April 14, 2009

Gunilla Wernelind  
Authorized public accountant

A handful of detective-story enthusiasts blog about detective stories, thrillers and murder mysteries.

[www.deckarhuset.se](http://www.deckarhuset.se)

## Glossary

### Anycast

Anycast is used in computer communications and is a way of installing servers in several locations with the same IP address. Data are sent to the nearest (or "best") receiver in accordance with predefined criteria. Compare with unicast.

### ATF

Domain name registrants can use the Alternative Dispute Resolution Procedure (Alternativt Tvistlösningsförfarande, or ATF) to appeal the allocation of a domain name after the fact without having to go to court. The costs are subsidized by .SE, and it normally takes about a month to resolve a dispute.

### Broadband Check (Bredbandskollen)

Broadband Check is a free service that measures the speed at which users' web browsers can send and receive data, i.e. the speed which users can attain in practice. [www.bredbandskollen.se](http://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 comprise two letters, such as .se for Sweden.

### DNS

The Domain Name System is an international, hierarchical, distributed database that is used to translate between domain names and IP addresses and to locate information on resources on the Internet.

### DNSCheck

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

### DNSSEC

DNSSEC (DNS Security Extensions) is an extension of DNS which makes it possible to ensure that responses to DNS requests sent originate from the correct sender and have not been altered during transmission. This reduces the risk of manipulation and falsification of information in the DNS.

### Domain name

A unique name that is usually linked to such services as websites or e-mail. In DNS, the domain name is translated into the corresponding IP address before communication via the Internet can occur. A registered domain name is a domain name which is held by a spe-

cific registrant after allocation. A domain name must comprise a minimum of two and a maximum of 63 characters.

### Domain name search

See Whois.

### ENUM

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

### EPP

EPP (Extensible Provisioning Protocol) is a standard protocol used by many registries (see Registry) for registry management. It was implemented in conjunction with .SE's change of business model on March 9, 2009 and is used by all accredited registrars to manage the registry of domain name registrants.

### Generic top-level domain (gTLD)

Generic top-level domains (gTLDs), such as .com, .net and .org, are top-level domains which are not tied to a country or geographical territory. Most are accessible throughout the world.

### IDN

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

### Internet for Everyone

.SE is investigating what can be done to improve the Internet's accessibility for various groups of people that are now underrepresented online, including the disabled, the elderly and others. The area of focus is called Internet for Everyone.

### Internet Fund

Through the Internet Fund, .SE finances independent projects that support the Internet's development.

### IP

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

### IP address

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

### IPv6

To resolve the shortage of addresses that has occurred on the Internet using the current protocol (IPv4), IPv6 – the sixth version of the protocol – has been developed. IPv6 uses addresses that are 128 bits long. This provides a theoretical possibility of 3.4 x 10<sup>38</sup> addresses.

### Name server

A computer containing programs that store and/or distribute zones and receive and respond to requests for resources allocated to a specific domain. For example, when you type in the address [www.iis.se](http://www.iis.se), your computer sends a request to a name server where information about [iis.se](http://iis.se) is located.

### Name server operator

The entity providing a DNS function for Internet users. A name server operator can be a web hotel or Internet service provider, for example.

### Numerical domains

Domain names comprising only digits – a minimum of two and a maximum of 63.

### Registrant

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

### Registrar

In the new business model to which .SE transferred on March 9, 2009, accredited distributors are known as registrars. This is an international term for the party responsible for administration and management of a domain name. A registrar handles the registration and maintenance of a registrant's domain name in relation to .SE. Registrants may also choose to enter direct agreements with the .SE's registrar, .SE Direkt. In .SE's previous business model, registrars were the distributors who handled registrations on behalf of registrants. The whole of 2009 is a transition year.

### Registry

The company or organization responsible for the administration and operation of a top-level domain. .SE is the registry for and administers the .se domain and ensures that the .se zone is available, meaning that all .se domains are accessible on the Internet.

### Resolver

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

### .SE Direkt

.SE Direkt is .SE's own registrar, which was established in conjunction with the transition to a new business model on March 9, 2009.

### .SE Registry

In conjunction with the change of business model in 2009, the current operations were divided into two units: .SE Registry and .SE Direkt. .SE Registry is responsible for the administration and technical operation of the national domain name registry. Registrars register the domain names of registrants with the .SE Registry.

### Subdomain

One or possibly several elements in a domain name that come before the primary domain. For example, "dsv" in [dsv.kth.se](http://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). The root, which is indicated with a period, is located at the top.

### Unicast

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

### Webbstjärnan (Web Star)

.SE organizes Webbstjärnan, an Internet publication competition for students in Swedish schools. The competition's purpose is to develop the use of the Internet in schoolwork.

### Whois

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

### Zone

Delimitation of the administrative responsibility for the domain name tree. A zone comprises a continuous part of the domain name tree which is administered by an organization such as a web hotel and stored on its name servers. For example, in [riksdagen.se](http://riksdagen.se), .se and [riksdagen.se](http://riksdagen.se) are two different zones on different levels.

### Zone file

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



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[www.aquaria.se](http://www.aquaria.se)



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