



Business Report 2011

afnic



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Catherine JEAN
Secretariat

Virginie NAVAILLES
Executive Secretariat

CHAIRMAN'S REPORT

MANAGE CHANGE

WITH TRANSPARENCY

In 2011, the Internet was more than ever the Pygmalion of our societies: e-commerce in France pursued its double-digit growth rate – 25% per year – accompanied by an explosion in m-commerce – growth of 200% in one year, while the distribution of literary and artistic works is becoming increasingly democratic and individualized.

The Internet ecosystem is changing in synergy with other equally profound transformations, some of which may even be qualified as «historic»: the complex movement called big data involves the construction of equally complex legal frameworks for different categories of data, cyber-crime is becoming a major factor in technical innovation, cloud computing incites users to review the very foundations on which corporate and government information systems are based – to name but a few.

Afnic is directly concerned by these far-reaching, ongoing mutations of its business sector and society as a whole, and is therefore also changing in a deliberate, continuous, proactive way.

For the association, 2011 was a year of innovation and consolidation, whether in adapting to the new legislative framework enacted on March 22, enriching our offer in reply to the needs of registrars, enhancing security, or developing our own resources, on the human level in particular.



**"ANSWER THE NEW
CHALLENGES BY
EXCELLENCE"**

It was also a year of preparation for the crucial deadlines that lie ahead in 2012: the reply to the call for applications to manage the *.fr* TLD and the French overseas extensions – on whose success the very existence of the association depends – and the filing of new gTLDs with ICANN – on whose success our medium-term development also depends.

To meet the ambitious commitments involved in Afnic's replies to the calls for applications to manage the eleven extensions of French territories, and the challenges involved in managing the new gTLDs, in 2012 and 2013 Afnic will continue to apply the highest possible levels of efficiency, effectiveness, risk management and innovation for our market sector and for registrars alike.

Jean-Pierre DARDAYROL
Chairman of Afnic

A YEAR IN ACTIONS



February 10, 2011: IDN workshop organized by Afnic. 50 participants discussed IDN opening procedures and the impact of the new characters on naming and SEO strategies.

March 22: enactment of the law defining the new legal framework for domain names in France.

April 18: registration of the 2 millionth .fr TLD.

April 19: DNSSEC opened to registrars, allowing them in turn to sign the .fr domain names they manage at the technical level.

May 5, June 1, June 17: organization of «chats» on the changes resulting from the new legislative framework for domain names in France.

June 8: Afnic takes part in IPv6Day.

June 10: seminar of the Afnic scientific Council entitled «Is the DNS here to stay»?

July 1: entry into effect of the new legal framework for domain names. Opening of registration for terms which are subject to prior review.

August 1: Promulgation of the implementing decree on the management of Internet top-level domains corresponding to the country codes for France.

September 2: the .fr TLD turns 25.

October 11: to celebrate the 25th anniversary of the .fr TLD, organization of a contest on .fr websites.

October 13: legal workshop on the theme of protecting Internet domain names and the set-up of Syreli, the new dispute resolution system for .fr TLDs.

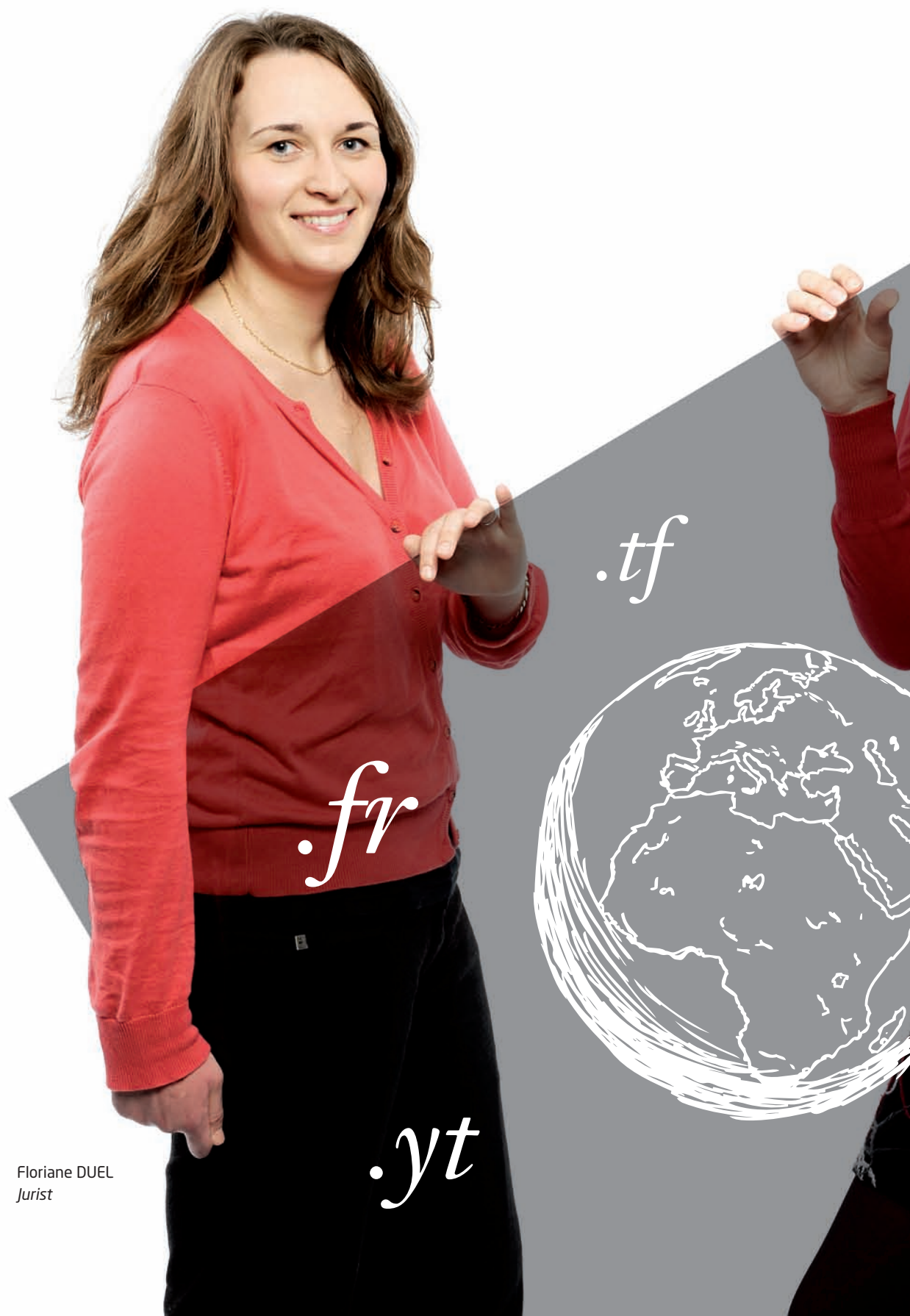
October 23/28: at the ICANN meeting in Dakar, Afnic reveals its special technical offer for applicants wishing to obtain new gTLDs.

November 21: launch of Syreli.

November 21: organization of the first "Registrar Day".

December 1: publication of the fifth edition of the French Domain Name Industry Report with Télécom SudParis.

December 6: opening to Europe of the .fr, .wf, .re, .yt, .pm and .tf TLDs.



Floriane DUEL
Jurist

A NEW LEGAL FRAMEWORK FOR FRENCH INTERNET TLDs



Marie BERTHELOT
Legal Assistant

Legislation

July 1, 2011: a new naming policy enters into effect for .fr TLD

In compliance with the new legal framework defined by the Law of March 22, 2011, on 1 July 2011 Afnic implemented new rules for allocating and managing domain names with the .fr extension. The main changes were:

Opening to registration of terms subject to prior review, including the names of municipalities with

the .fr extension, provided that the applicant has a legitimate interest and is acting in good faith; out of some 30,000 domain names open, just over 800 were subject to an application for registration on the first day, some by several dozen different applicants (Internet, email, webmaster, employment, etc.).

At the end of 2011, 3,746 domain names from the list of terms subject to prior review were registered.

Plus the daily publication from July 2 of the list of .fr domain names registered: <http://www.afnic.fr/en/products-and-services/services/>

Following the decision of the constitutional Council in October 2010 ruling that section L. 45 of the Post and Electronic Communications Code was unconstitutional, the Legislature had to establish a new legal framework for domain names in France.

tion of .pf (French Polynesia) and .nc (New Caledonia). It provides for the opening of these French extensions to Europe, the relaxation of certain restrictions on registration, with particular regard to Fundamental terms and reserved names (local authorities) and the changes in dispute resolution procedures.

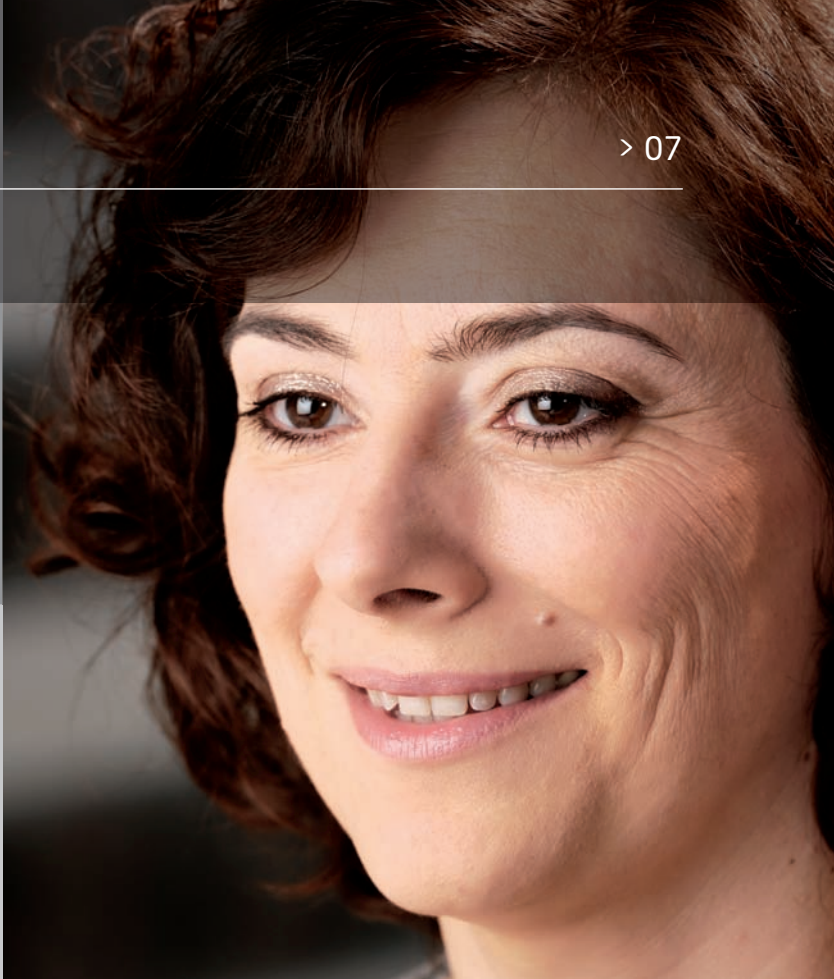
Law No. 2011-302 on various provisions adapting French law to European Union legislation on health, work and electronic communications was enacted on March 22 by the President of the French Republic; implementing decree No. 2011-926 on the management of Internet Top Level Domains corresponding to the country codes for France followed and was published on August 1, 2011.

The implementing decree defined the concepts of «legitimate interest» and «good faith», and the six criteria for the accreditation of registrars. It thus paid special attention to the skills and resources involved, as well as to the procedures for interaction with end-users and mechanisms for collecting, protecting and retrieving holder data. Finally, the legislation requires registries to publish a daily list of domain names registered the day before.

The new legal framework concerns all the French Internet extensions: the .fr TLD of course, but also those for .bl (Saint Barthélemy), .gf (French Guiana), .gp (Guadeloupe), .mq (Martinique), .mf (Saint Martin), .pm (St. Pierre and Miquelon), .re (Reunion Island), .tf (French Southern and Antarctic Territories), .wf (Wallis and Futuna) and .yt (Mayotte), with the excep-

"TO PLACE EVOLUTIONS WITHIN GUIDELINES IS TO PROTECT THE LIBERTIES"

Isabel TOUTAUD
Legal and Registration Policy Department VP



AFNIC LAUNCHES SYRELI, ITS NEW DISPUTE RESOLUTION SYSTEM

Approved by the Minister for electronic communications on October 21 and published in the Official Journal on November 3, Afnic's new dispute resolution system was launched on November 21, 2011.

It applies to domain names created or renewed after July 1, 2011 under the extensions managed by Afnic. Syreli focuses on the concepts of legitimate grounds, good faith and legitimate interest. Afnic issues its ruling based solely on the documents and statements filed by both parties. The decisions of the Registry may be brought before a judge in appeal. They are made public and are available on the Afnic website.



Reminder

December 6, 2011: French TLDs are opened to Europe

In operational terms, the preparation for the opening of the French extensions managed by Afnic was one of the structural projects in 2011.

Since December 6, the *.fr*, *.pm*, *.re*, *.tf*, *.wf*, and *.yt* extensions can be registered by any company or individual residing within the European Union, as well as in Switzerland, Liechtenstein, Norway and Iceland. Nearly 3,500 registration applications had been received within hours of the opening from 70 registrars. At the end of March 2012 there were 15,547 *.re* domain names, 2,635 *.tf* domain names, 2,500 *.pm* domain names, 1,842 *.yt* domain names, and 1,242 *.wf* domain names.

AN ONGOING EFFORT TO IMPROVE THE **QUALITY** OF **SERVICE**



David CHANSARD
Customer Service



Matthieu JACOB
Customer Service

Émilie TURBAT
Customer Service Manager

Value



OPERATIONAL EXCELLENCE AT AFNIC

Operational excellence is a major objective in Afnic's strategy, focusing on four areas:

- improving registrar satisfaction,
 - meeting the service quality objectives established by the State-Afnic Agreement,
 - being effective in all our processes,
 - helping to develop our employees' careers.
-

QUALITY RECOGNIZED BY **REGISTRARS**

Promoting transparency requires that Afnic views its own activities with a critical eye. The association has therefore renewed its satisfaction survey of registrars – and the results are highly satisfactory. Optimizing and sustaining quality require innovation, but also that we analyze registrars' and users' expectations and integrate their criticisms in order to continuously enhance the quality of the services we provide to third parties.

An example of an improvement proposed to members in 2011 after a satisfaction survey was to change the format of the consultative committee meetings, which are now held on a single day with users and registrars together.

...ASSETS AND AREAS FOR IMPROVEMENT

Completed in late 2010 with ABC Marketing, the survey of 109 French and foreign registrars managing more than 90 .fr domain names, was used to assess Afnic's performance and identify areas for improvement.

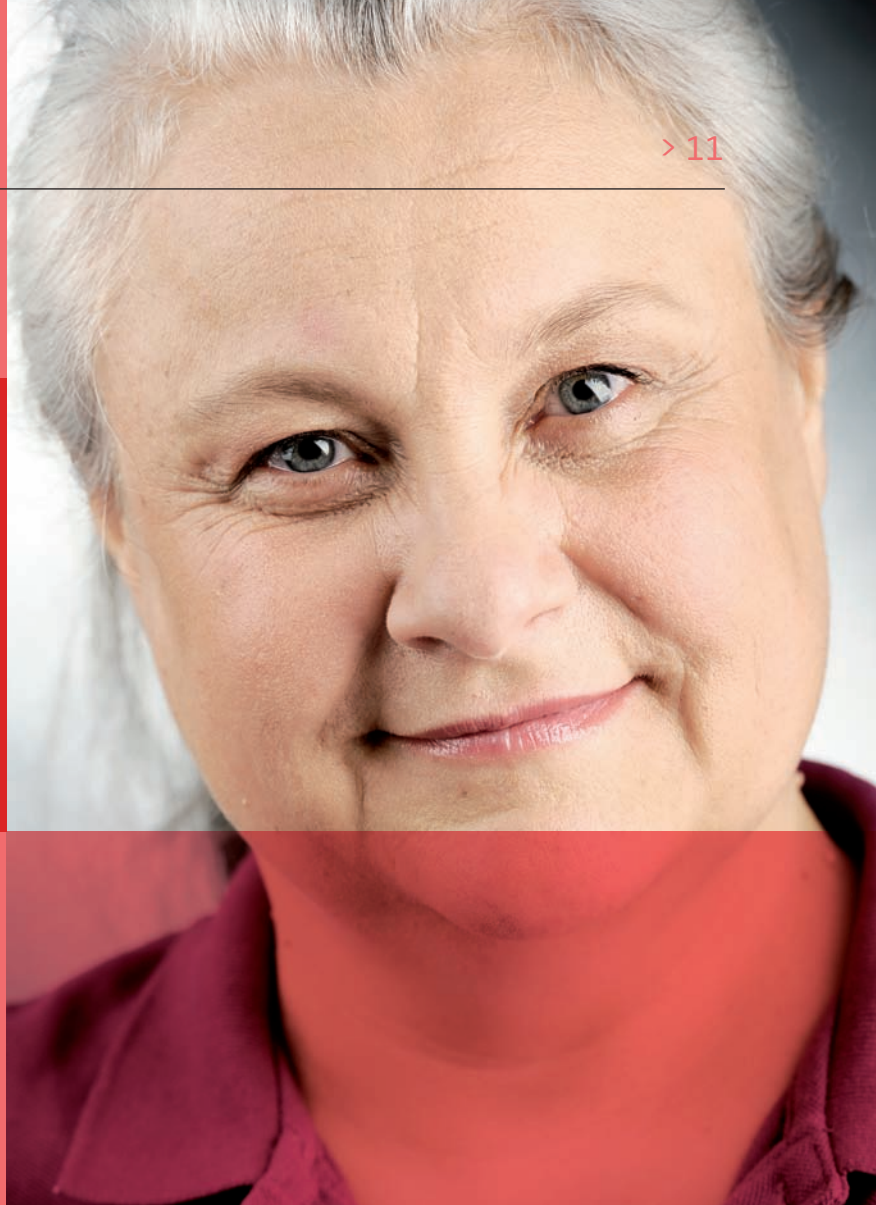
Major strengths included the quality of technical management, efforts to communicate about operational events related to the registration system, and support for registrars and users. Areas for improvement included actions to promote the .fr TLD, how to interact with registrars, and some aspects of registry policies such as the need to manage manual operations in certain specific cases.

ACCOUNT MANAGERS DEDICATED TO REGISTRARS

Participants were also able to state their views on the service rendered by Afnic. The results indicate that 75% of the terms mentioned by the respondents were positive, such as «efficiency», «speed», and «professionalism». In response to their recognition but also to their expectations, Afnic carried out a series of actions in 2011, in particular resulting in the introduction of account managers to assist registrars in their daily interactions with the registry, the launch of our new website, and greater efforts by Afnic to provide support by e-mail.

"PROMOTING
TRANSPARENCY REQUIRES
THAT AFNIC VIEWS ITS
OWN ACTIVITIES WITH A
CRITICAL EYE"

Sylvie LACEP
Continuous Improvement Manager



Transforming the customer service was one of the major improvements in 2011. Up until then, it consisted of a domain name management team by which all the files were processed in a «back office» involving almost no contact with registrars. The staff on that team have now been converted to account managers, each with a «portfolio» of registrars, resulting in better follow-up. The relations have been reversed, switching from salespersons to close support staff: they contact registrars to listen to their needs, as well as inform, prepare and support them from start to finish.

Survey

95%

SATISFACTION INDEX





Matthieu CREDOU
Sales Manager

Fabien BETREMIEUX
Business Manager

gTLDs, A MAJOR TURNING-POINT FOR THE SECTOR AND FOR AFNIC

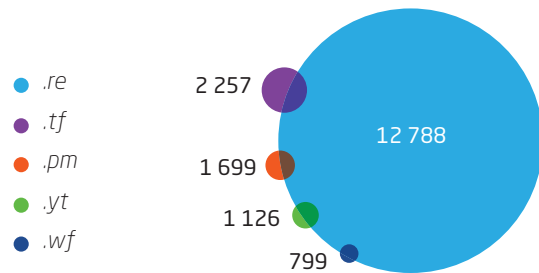


Marianne GEORGELIN
Jurist

Definition

There are two types of TLD: country code TLDs (ccTLD) such as *.fr*, and generic TLDs (gTLD) such as *.com*. Among the TLDs in existence today on the Internet there are 274 ccTLDs, and 21 gTLDs. There will probably be thousands of gTLDs within the next five years.

Domain names registered in the French Overseas TLDs



AFNIC PLAYS ITS PART ON EVERY FRONT

Afnic managed two TLDs at the start of 2011: the *.fr* extension, which represented almost all of its business, and the *.re* TLD, which was still closed to individuals. By the end of 2011, it operated six registries open to companies and individuals residing within the European Union (*.fr*, *.pm*, *.re*, *.tf*, *.yt*, and *.wf*). This was in line with its core strategy to act as a multi-registry.

2012 should confirm this trend with the calls for applicants to manage the 11 French Internet extensions, as well as the filing of applications for the new gTLDs after the decision by ICANN to open hundreds and even thousands of new extensions. Afnic will be present on both fronts.

As a source of new services, this historic opportunity has naturally meant changes at Afnic, with all the issues that change management brings. We have carried out these changes transparently, without hiding the technical challenges also involved. The result: a diverse offer, tailored to individual needs, developed in a very short lead-time.

gTLDs: AN OBVIOUS MARKET FOR AFNIC

By 2011, Afnic was well positioned for the launch of the new gTLD process by ICANN. We supported new project leaders and continued the work already undertaken with stated applicants such as the city of Paris for the *.paris* gTLD.

gTLD projects cover a wide range: from cities, regions and cultural communities (such as *.paris*, *.aquitaine*, or *.bzh*), brand names (such as *.canon*) or occupational activities (such as *.sport*, *.bank*, etc.). Although the expected number of new gTLDs is difficult to estimate with any accuracy, ICANN is preparing to receive more than 1,000 applications.

Whatever the nature of the structures supporting the projects, they all seek better visibility for their names or brands online through namespaces over which they have exclusive control.

Applications had to be filed before April 12, 2012. They are currently being assessed by ICANN, and the initial results should be published in November 2012. The operational launch is scheduled to take place in 2013.



"gTLDs : OUR VARIOUS OFFERS HAVE SURPASSED OUR EXPECTATIONS"

Mathieu WEILL
Afnic CEO

«The upcoming opening of gTLDs has generated considerable interest and the success of our various offers has surpassed our expectations. We aim to reach 15% of sales by 2015. Over and above that contribution to Afnic's resources, the new TLDs will provide opportunities for new experiences and new developments that will be of direct benefit to the .fr TLD and to the other French TLDs managed by Afnic.»

Mathieu WEILL, Afnic CEO

AN OFFER TAILORED FOR THE NEEDS OF PROJECT LEADERS

In addressing this new market, Afnic aims to support the projects developed by French players. In line with its assignments, the association provides major support in the players' quest for innovation and the pole position they seek to hold with their respective audiences.

So that project leaders can successfully submit their applications to ICANN, Afnic has set up a rigorous support procedure, including taking charge of the technical issues involved in the ICANN questionnaire.

For non-technical issues, Afnic is backed by a network of recognized national and international partners and experts, including some of the association's members.

Benchmark

Afnic registry solutions

The Afnic gTLD offer focuses on three distinct targets:

- gTLD ACCESS, for structures wishing to have their own TLDs for internal use.
 - gTLD ESSOR, a customized and flexible solution for candidates wishing to progress at their own pace.
 - gTLD AMPLEUR is intended above all for the most demanding new gTLD projects in terms of the volume of activity or the provision of exclusive infrastructures.
-



Philippe RENAUT
IS and Operations Department VP



SECURITY AND RESILIENCE

**"THE SECURITY APPROACH
DEVELOPED BY AFNIC
REQUIRED ISO 27001
CERTIFICATION"**

Régis MASSÉ
Technologies and Infrastructures Manager

ENHANCING THE SECURITY **OF AFNIC'S SERVICES**

INSTALLATION IN A NEW DATA CENTER

The operational implementation of the data center was of significant importance among the activities of our technical staff in 2011. The Tier-3 security data center is ISO 9001 certified (quality management), 14001 certified (environmental management) and 27001 certified (management of information security). Afnic has a private IT room with access control, as well as its own network and a separate power supply. After devoting 2010 to preparations, 2011 was the year for deployment with go-lives and gradual service switchovers in the second half. The primary datacenter was announced late in 2011, the Saint-Quentin en Yvelines site now acting as a simple relay. This major upgrade was utilized to redesign the architecture and renew the installed base with a very high level of redundancy and two operators, Jaguar and Renater. Automatic failovers as well as load balancing systems between the servers are included. Mass virtualization also enables the return to service of a new server in minutes.

THE AFNIC SECURITY COUNCIL, A PROJECT SERVING THE PUBLIC INTEREST

One of the major projects for 2011 was to include risk control in the association's general strategy. The security approach developed by Afnic required ISO 27001 certification, but also the definition of a principle of security governance, with an ad hoc council whose specific role is to deal with these issues at Afnic. The action of the council applies both in-house and to external parties, and equally concerns information systems, assets and people.

Perspective

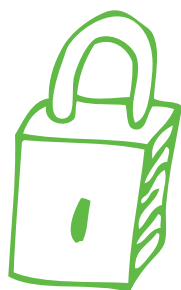
Opening of DNSSEC to registrars

Since April 19, 2011, registrars may sign their *.fr* domains with DNSSEC. This step is designed to secure the authentication string from start to finish and is part of the deployment of DNSSEC initiated by Afnic in September 2010 with the signing of the *.fr* and *.re* extensions.

In particular, using DNSSEC prevents attacks by cache poisoning, *i.e.* attacks which aim to capture and divert queries without users realizing it, with

the risk that users may disclose personal data in the belief that they are on the legitimate site of the victim of the attack.

Registrars are now able to send signature elements to Afnic through their automated EPP interface or extranet, thus ensuring the security of their domain names.



Technology

The *.fr* TLD in an increasingly dense «cloud»

Ever since 2010, Afnic initiated a change in its DNS system by increasingly relying on Anycast technology, thereby multiplying the number of servers hosting the data of the *.fr* zone to ensure a high level of redundancy and greater performance. The use of Anycast was further developed in 2011 with a «thickening» of the cloud of servers by adding new European Anycast nodes and the re-integration of French Unicast nodes for the sake of robustness.

Geographical distribution of DNS servers for *.fr* and *.re* TLDs at 31 December 2011



HELPING TO STRENGTHEN INTERNET RESILIENCE

RESILIENCE: A MAJOR CHALLENGE FOR THE INTERNET AND FOR AFNIC

Resilience is the ability of a system to return to normal operation or development after a disturbance. Strengthening that of the Internet and the .fr TLD is a major challenge Afnic has been facing for several years.

In 2011, Afnic significantly strengthened its technical teams in order to further enhance its expertise and capabilities in terms of security and resilience, and prepare for the upcoming opening of new gTLDs.

The association is far from being the only registry to raise security issues. Our counterparts all around the world have adopted the same approach. From risks of flooding to cyber-attacks from any quarter... the questions range from how to protect ourselves under normal conditions, how to manage incidents when they occur, what counter-measures to adopt, given they are often required in very short lead-times?

COMMUNICATION AND SHARING

In accordance with our values, Afnic has set up a communication policy on incidents to ensure the greatest possible transparency. The operational communication channel set up several years ago can be used to inform community stakeholders in real time, and registrars first and foremost, on the technical state of Afnic's services and on possible incidents.

Afnic shared feedback in 2011 with our peers far and wide, and thus had the benefit of feedback from other experts facing the same issues.

The philosophy of sharing with the community that surrounds Afnic also means before crises occur. Partnerships were also heightened in 2011, notably through on-going cooperation with operators or the relevant authorities.

INITIATING THE ESTABLISHMENT OF A RESILIENCE OBSERVATORY

The establishment of an Internet resilience observatory in France was one of the major issues in 2011, conducted in partnership with the French Network and Information Security Agency (FNISA).

The purpose of the cooperation is to develop and measure indicators that can be used to determine, in a recurrent, rigorous way, if the Internet is doing «better» or «worse» in France. This involves specifying the criteria and metrics that can be made available, and the indicators capable of characterizing that resilience.

Resilience has been analyzed from two viewpoints, respectively supervised by FNISA and Afnic: the Border Gateway Protocol (BGP) routing protocol and the DNS. A dozen indicators have been defined for both angles. The observations, measurements and results were published in spring 2012 in the first edition (2011) of the Internet Resilience Observatory in France.

The aim is to eventually bring together the largest possible number of players involved in the measurement of resilience indicators.

Priority

DNSwitness, a technical breakthrough that paves the way for other innovations

As the technical base for active and passive measures made from the DNS, the DNSwitness platform was created in 2008 to measure the penetration of IPv6 in France and monitor its development over time. This concern echoed a stated aim of the European Commission to reach a

penetration rate of 25% by 2010. Unfortunately, the method for calculating the rate and its reference system (PCs, routers, infrastructure, web servers «talking» IPv6 to DNS servers, etc.) were not specified by the Commission. To meet the challenge, Afnic proposed to measure the changes

in certain IPv6 parameters simply by observing the DNS.

When infrastructure resilience became a global priority, DNSwitness also proved capable of measuring some of its parameters.



“ONE OF THE MAJOR ISSUES IN 2011 IS TO DEVELOP AND MEASURE INDICATORS USED TO DETERMINE IF THE INTERNET IS DOING «BETTER» OR «WORSE» IN FRANCE”

Mohsen SOUISSI, *R&D Manager*

Stéphane BORTZMEYER, *R&D*





research
fluidity
Userfriendly
synergy
DNSSEC
ethics
quality measurement
information
monitoring
contribution
promotion
public
professionalism
registry
support
transparency
active security
control
policy
protection
servers
protection
key solutions
passive security
procedure
teams
drive
rotation
dedicated assistance
protocol
strategy
partnership
innovation
audit
confidentiality
monitoring
information
training
networks
governance
services

Alain CARISTAN
Security & Co-Development Manager

ASSIGNMENTS AND EXPERTISE **TO SERVE ONE AND ALL**



Loïc DAMILAVILLE
Deputy CEO, Head of Strategy

SKILL SHARING, A CORE CONCERN FOR AFNIC

Ever since its inception, Afnic has shared its know-how through a wide range of initiatives, from conferences in France and abroad (over 70 in 2011) and the publication of expert documents. We also contribute to public debates related to Internet governance (U.S. Government consultation on the management of the IANA function and assert our standpoint in discussions on net neutrality, etc.). Afnic is also involved in various international organizations such as the Internet Engineering Task Force (IETF), the Open Access Resource Centre (OARC), the Internet Corporation for Assigned Names and Numbers (ICANN), the Council of European National Top-Level Domain Registries (CENTR), and the Internet Governance Forum (IGF).

It also takes part in training activities with universities and stakeholders concerned by the changing world of domain names (the French National Institute of Industrial Property (INPI), as well as with structures promoting and developing the Internet in France and worldwide). Through this network of partners, Afnic has become a major player in the Internet ecosys-

tem. Thanks to our capacity for innovation, we are capable of anticipating, stimulating and supporting developments in different areas of intervention.

PUBLICATIONS, CONFERENCES AND TRAINING

Afnic publishes articles on all of its business lines, ranging from technical issues such as the dissemination of IPv6 (issue paper published in June 2011) to more legal issues (in-depth study published in October 2011 on the necessary homogenization of the management of trademarks and domain names.)

Economic and societal issues are not forgotten with the French Domain Name Industry Report which provides an overview of domain names in France, relying in particular on Afnic data. The Report also provides analyzes and assessments of market trends in France and worldwide, as well as throwing light on certain little-known aspects of the world of domain names such as the secondary market.

Finally, Afnic carries out futures studies and regularly holds seminars to discuss these issues with the scientific community (e.g. the seminar of the Afnic scientific Council in June 2011 on the theme: "is the DNS here to stay?", which was attended by more than 50 people). Its publications are intended for all lay or scientific audiences.

To encourage the deployment of DNSSEC in France, Afnic organized a training course in partnership with HSC (Hervé Schauer Consultants) in November 2011.

The association intends to continue and increase its activities promoting its expertise, in accordance with its strategic plan for 2012 to 2015.

Focus

The WINGS project, a joint success

Conducted in conjunction with GS1 France, the purpose of the «WINGS» project which was completed in late 2011 is to study the feasibility of establishing a «federated ONS» (Object Naming Service) based on multiple ONS roots, i.e. a system for naming objects connected to the Internet that is not dependent on a single root as is the DNS. A new governance model, in which the ultimate responsibility for managing the ONS system would be distributed fairly among several players would then be possible...

For more information, please see the videos on YouTube (<http://www.youtube.com/AfnicVideo>) and DailyMotion (<http://www.dailymotion.com/afnic>).

THE INTERNATIONAL COLLEGE INCREASES ITS CO-DEVELOPMENT WORK

Afnic's International College is based on values of sharing and co-development.

Partnership ties have been strengthened with the Internet Society (ISOC), and the African Registrar's Association (AFTLD) as well as all the international players who want to help train the networks.

Ghana benefited from this support in 2011, and first and second level network administrators were trained for a week in workshops.

Training and support continue to focus on sub-Saharan Africa with the exception of two programmes in 2011.

The first operation, «Next Generation Leaders», is an ISOC program to train the future leaders in Internet governance. Afnic supports a class in French and provides course translations.

The second operation, «European Summer School for Internet Governance», is for young people interested in diplomacy and internet governance. Afnic provides grants each year to send three or four people.

Reminder

The Afnic scientific council, a permanent forum for exchange

Set up in 2007, the Council consists of well-known scientists from academia and industry. The Council helps developing Afnic's strategy and anticipates the technical and socio-economic issues involved in the development of the Internet.

Since November 2011, the Afnic's scientific Council consists of:

- Pierre Beyssac (Eriomem, France)
- Loïc Duflo (ANSSI, France)
- Niall O'Reilly (University College Dublin, Ireland)
- Philippe Regnaud (NSRC.org, Denmark)
- Pierre Sens (INRIA/LIP6, France)
- Franck Simon (France-IX, France)
- Laurent Toutain (TELECOM Brittany, France) :
Chair of the CS
- Bernard Tuy (RENATER, France)





Clémence DAVOUST
Communication
Manager

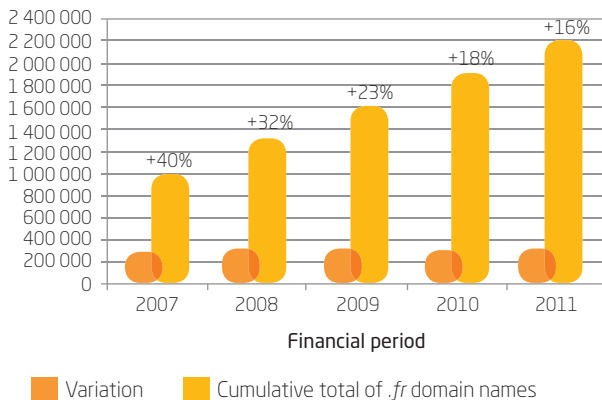
Pascal VELLA
Digital community
Manager

A NEW COMMUNICATION

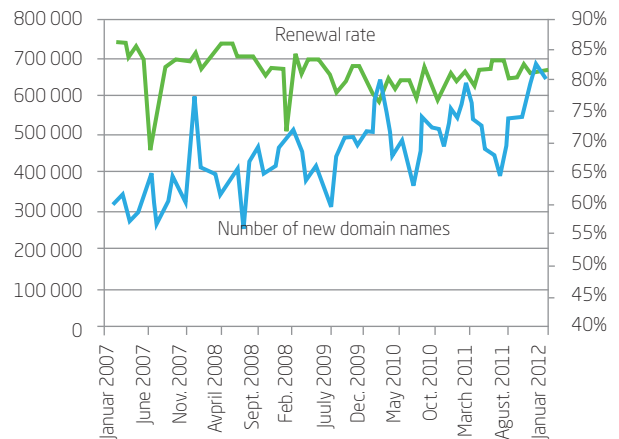


Stéphanie PASQUET
Press Relations Manager

Change in the total number of .fr domain names



Change in the number of new domain names and renewal rate



YEAR BY YEAR, RESOURCES TO ACHIEVE OUR GOALS

The millionth domain name with the .fr extension was registered in January 2008. The symbolic threshold of two million domain names was reached in April 2011, thanks to the combined effect of a renewal rate standing at around 80% and a steadily rising number of new names.

16% ANNUAL GROWTH

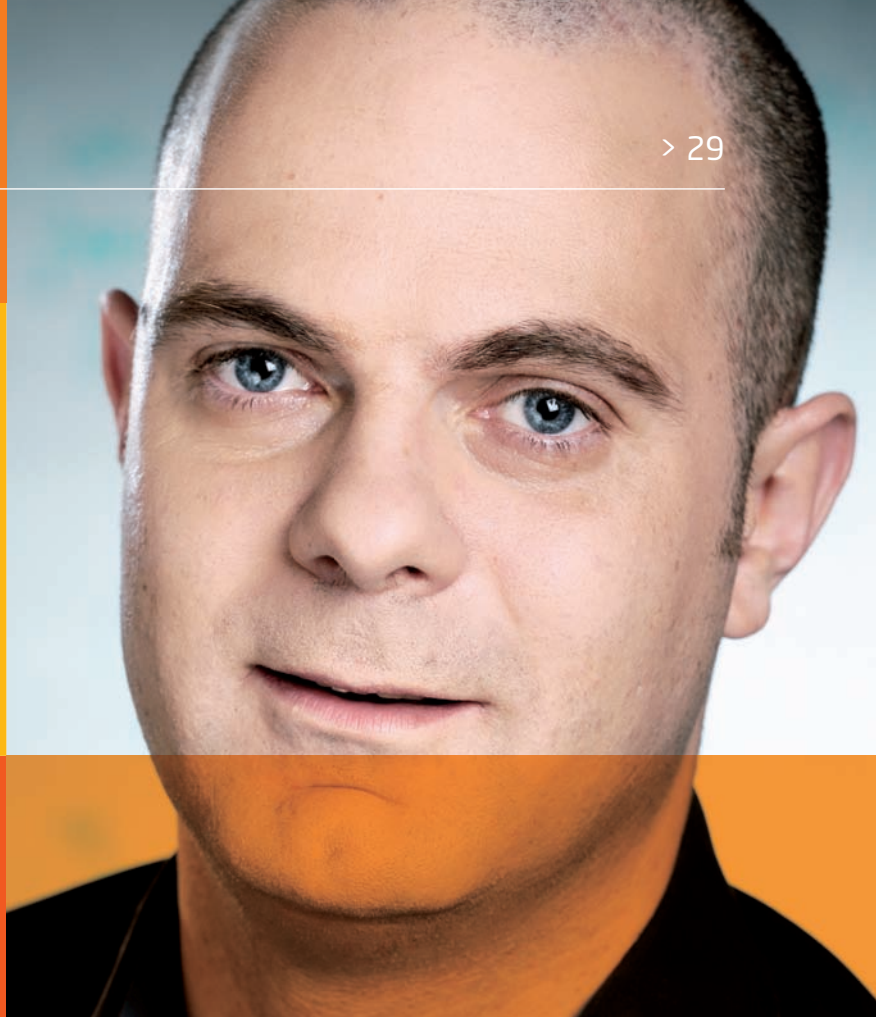
With annual growth rate of 16%, the .fr TLD is still 5 points ahead of the world average for other extensions. It accounts for nearly one third of all the domain names registered in France. Each year, almost 300,000 new domain names with the .fr extension are added to the database, including 50 to 60% registered by individuals. With a mean price for registering a domain name with the .fr extension of 12 euros before tax, the TLD is easily affordable for a wide range of users, including individuals and SOHO-SMEs. Globally, the .fr TLD ranks as the 15th most successful extension.

NEW LOGO

After design changes lasting over a year, the new Afnic logo was deployed on September 2, 2011, to mark the launch of our new website. The logo meets several requirements. As a multi-extension registry (.fr, .pm, .re, .tf, .wf, .yt) which intends to continue its diversification in the years ahead, Afnic wanted to dissociate its institutional communication from that of its Internet extensions. To do so, our logo design is based only on our acronym - to highlight our corporate values of trust, modernity and innovation - and the other logos corresponding to our extensions in a «cloud», in a thinly veiled nod to the concept omnipresent in the computer industry today.

"AFNIC WANTED TO DISSOCIATE ITS INSTITUTIONAL COMMUNICATION FROM THAT OF ITS INTERNET EXTENSIONS. TO DO SO, OUR LOGO DESIGN IS BASED ONLY ON OUR ACRONYM."

Julien NAILLET
Communication & Partnership Manager



ENHANCING THE VISIBILITY OF THE .FR TLD

Afnic celebrated the 25th anniversary of the .fr TLD on September 2, 2011. To mark the occasion, the association organized several events:

- publication of a magazine on the 25 years of the .fr extension.
- organization of a contest for .fr websites on the theme of «The French Reconnection»

five websites received awards in the categories «design and creativity», «interaction and navigation», «content and editorial quality», «technology and innovation» and «Special Jury Prize».

- a gala evening to celebrate the .fr TLD on October 11, 2011 on the first floor of the Eiffel Tower.

Key facts and figures

2 million
DOMAIN NAMES
REGISTERED
UNDER THE .FR TLD

The milestone was reached in April 2011. Afnic revealed the 2 millionth .fr domain name: *manucure-saint-maur.fr*. It was registered by Angélique Azzati for her new home manicure business in Val de Marne.





RESOURCES TO **REALIZE** **OUR AIMS**

Laurence CLÉMENT
Accounting Manager



Lionel BOULOC
Human Resources Manager

Marine CHANTREAU
Administration and Finance Department VP

HUMAN RESOURCES

With 61 employees at year-end 2011, Afnic saw strong growth in its workforce, in line with its forecasts.

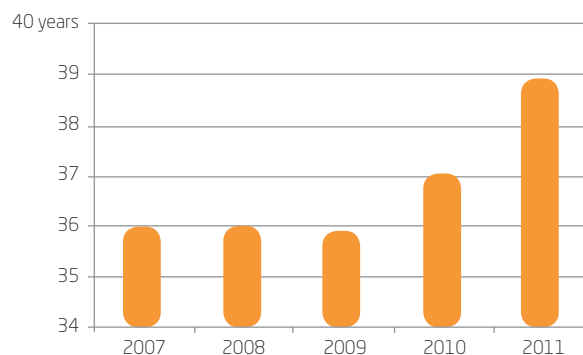
Of the 12 hires, four were fixed-term contracts, 2 of which were completed the same year; of the 10 remaining recruits at 31/12/2011:

- 3 are in the Marketing and Innovation Department,
- 1 was in the Legal Affairs Department,
- 6 were in the Information System and Operations Department (2 in the customer service centre, 3 in the «infrastructure and technology» centre and 1 in the «study and development» centre).

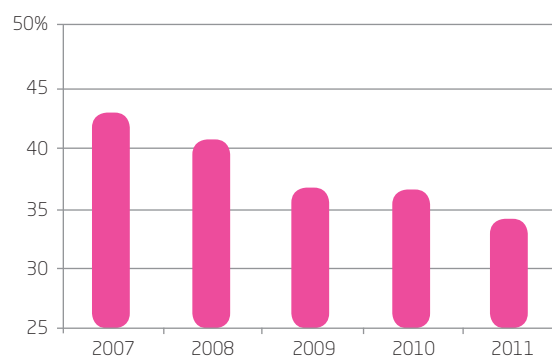
The headcount at Afnic has changed considerably over the past two years and the successful integration of new employees is a constant concern of the association.

In addition, Afnic has undertaken a pro-active training policy to serve operational excellence. In 2011, 44 employees were given training, nearly 78% of the average equivalent full-time headcount. On average, employees received three days of training per person.

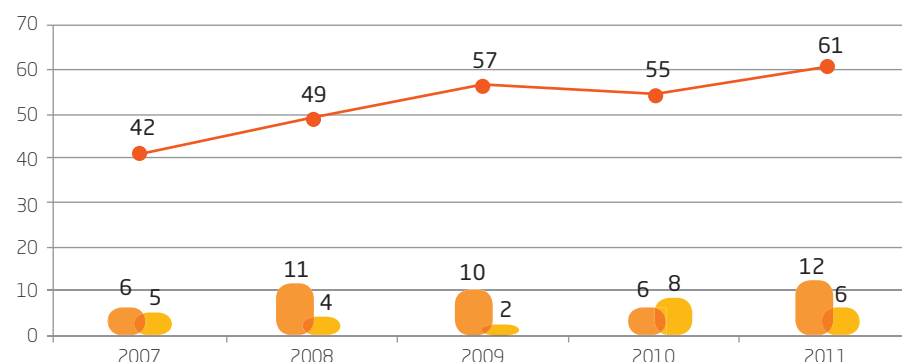
Average age of employees as at 31/12
(including fixed-term contracts and vocational training)



Gender composition as at 31/12
(including fixed-term contracts and vocational training)



Change in the number of Afnic employees
(including fixed-term contracts and vocational training)



FINANCIAL RESOURCES IN LINE WITH THE NEEDS OF THE ASSOCIATION

In 2011, Afnic revenue stood at 10.9 million euros, up 11.1%. Business continued to significantly grow despite the relative slowdown compared with 2010 (+18%) and 2009 (+23%) and even more with 2008 when annual growth stood at +44%. This trend - which has affected most of the registries in the world - was anticipated, and performance was on line with expectations.

Charges rose by 11.8% to 9.8 million euros, the level provided for in the 2011 budget. The increase was controlled and was even slightly down compared with 2010 (+15%) and 2009 (+18%) despite a proactive investment policy.

Personnel expenses rose 3.7%, the number of FTEs in 2011 remaining stable, at just above 57. Other major cost items were communication costs, partly due to the operations celebrating the 25th anniversary of the .fr TLD (€ 683k against € 421k in 2010) and acquisitions, mainly involving updates of software assets (€ 932k). The share of wages and social security contributions in operating expenses dropped for the first time below 50%, to 49.9%.

The control of its finances by the association is due to good estimates of market developments, combined with careful management enabling precise control of expenses.

Focus



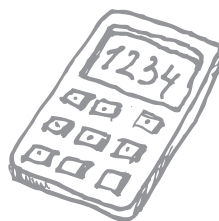
Objectives set by the State-Afnic Agreement met

Management control included in the agreement signed between the state and Afnic as the registry for the .fr TLD shows that all the financial targets have been met:

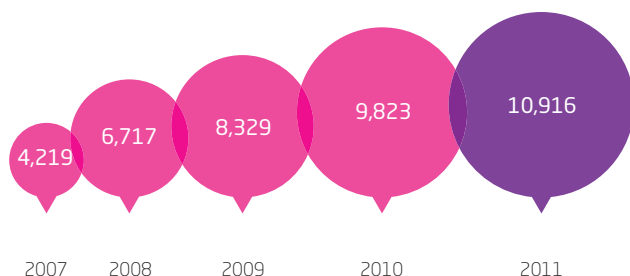
- Investments to promote the .fr TLD represented 13.5% of sales (as defined in the agreement).
- Investments to develop the Internet and innovation amounted to € 988k.
- Investments in the security of the .fr TLD represented 8.41% of turnover.
- Training costs stood at 3.43% of payroll.

FINANCIAL STATEMENTS

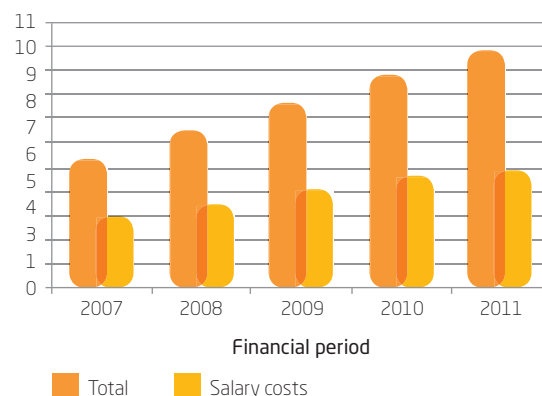
The net earnings of € 770k in 2011 mean the association can readily address the major issues of 2012: calls for applications for national ccTLDs, gTLD applications, and operations to enhance the security and resilience of the Internet.



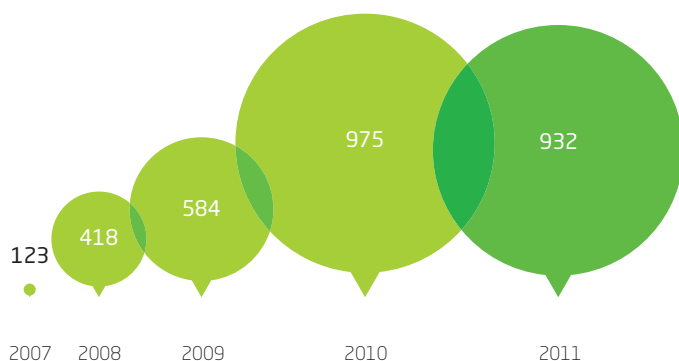
Change in operating revenue (in millions of euros)



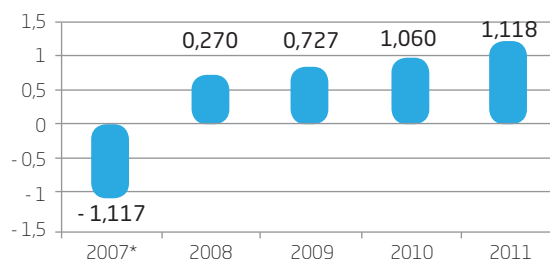
Change in operating expenditure (in millions of euros)



Change in acquisitions of tangible and intangible assets (in K euros)



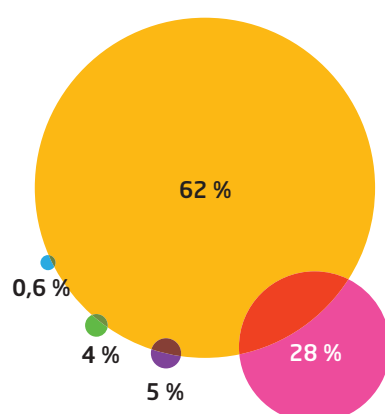
Change in operating income (in millions of euros)



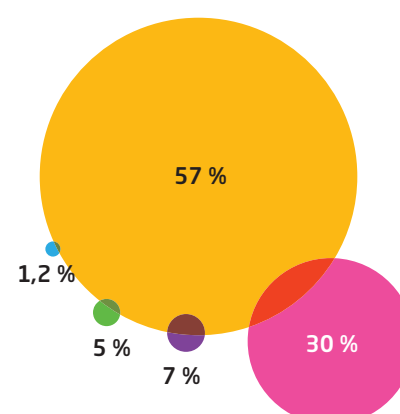
* As a reminder, the change billing and maintenance procedures explains the 2007 income figure; using the same accounting method, the result would have been a surplus in 2007 of € 0.259 m.

Structure of Afnic resources in 2011

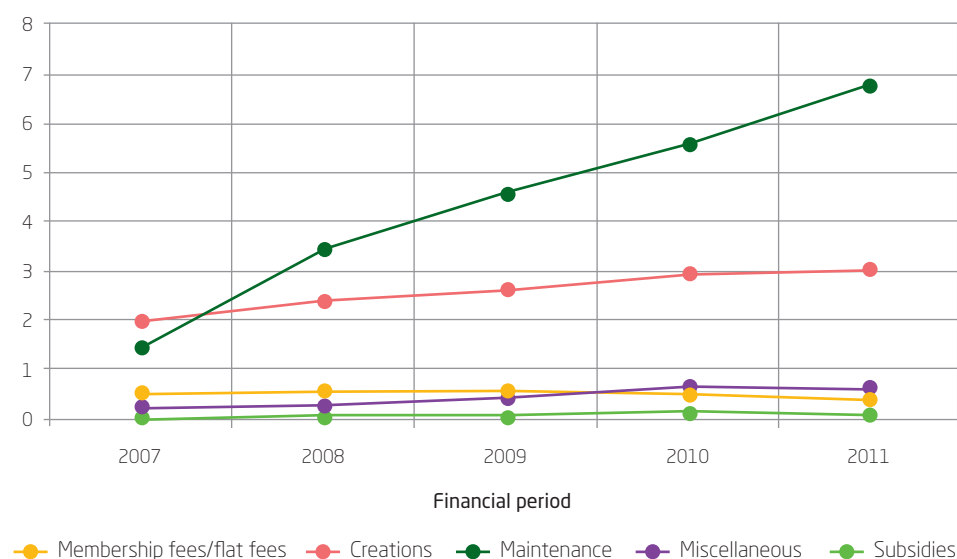
- Maintenance
- Creations
- Miscellaneous
- Membership/flat fees
- Subsidies for projects



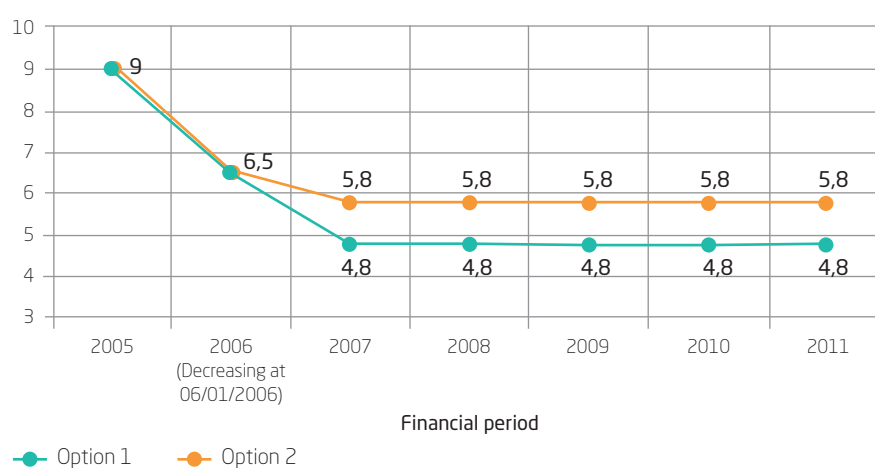
2010 (reminder)



Change in the resource structure (in millions of euros)



Change in registrar billing by Afnic for services involving .fr domain names (in millions of euros)



MULTI-STAKEHOLDER **GOVERNANCE**

A non-profit organization, Afnic is the registry for the .fr TLD (France), and also manages the .re (Reunion Island), .yt (Mayotte), .wf (Wallis and Futuna), .tf (French Southern and Antarctic Territories), and .pm (Saint-Pierre and Miquelon) extensions.

It also provides technical solutions and registry services, for project leaders involved in new gTLDs and other registries.

The association consists of three colleges of members:

- registrars
- user members, legal entities (companies, institutions) or individuals
- Corresponding Members (the International College) including associations, as well as national and international organizations.

Every three years, during its annual general assembly, the members of these three colleges elect their representative(s) for the Board. The composition of the Afnic Board reflects the aim of its founders to involve government offi-

cials, registrars and users in the management of French Internet extensions.

The structure of the Afnic Board – five appointed public members and five elected members – has not changed since its inception. Its composition has changed considerably, however, with 5 new representatives appointed in 2011, with three ministerial representatives and two representatives from the user college.

Composition of the Board as at 31/12/2011

Appointed founding members:

For the French National Institute for Research in Computer Science and Control (INRIA)

- Jean-Pierre DARDAYROL (Chair, 03/2010)
- Bruno SPORTISSE (11/2010)

For the Ministry for Industry

- Mireille CAMPANA (04/2011)

For the Ministry for Electronic Communications

- Anne-Lise THOUROUDE (04/2011)

For the Ministry for Research

- Patrick DONATH (11/2011)

Benchmark

Ever since 1997, when it was founded by INRIA and the French government as a non-profit organization, Afnic has helped develop a secure and stable Internet, open to innovation, in which the French Internet community plays a major role.

**Members elected by the College
(elected in June 2010 for three years):**

For the registrars college

- ASCIO : Peter COUSYN
- MAILCLUB : Frédéric GUILLEMAUT

For the user college

- ACFCI : Thierry HINFRAY
- ISOC France : Gérard DANTEC

For the International College

- Université de Conakry : Abdoulaye DIAKITÉ

A government commissioner, appointed by the Ministry for Electronic Communications, has a veto over decisions or deliberations which affect the existence or the operation of the association. Since 2004, this position has been held by Perica Sucevic.

The CEO, Mathieu Weill, also attends all meetings of the Board and reports on its activities.

Assignment

Afnic strategy

Afnic has a dual assignment: to excel in the provision of essential resilient services for the core Internet infrastructure in France, and to develop and share its expertise to facilitate the transition towards the Future Internet. Since 2008, Afnic has been analyzing the strategy required to meet its aims. On January 12, 2011, the Board of Directors adopted its strategic plan for 2011-2015.

That strategic vision involves five areas:

- Develop a preference for the .fr TLD in France, making it the leading extension in terms of market share.
- Consolidate business as the technical operator for the registry, ensuring the technical management of 5 to 10 new Top-level Domains by 2015.
- Strive for operational excellence, attain that aim by reaching a level of 400 to 500 in the

EFQM benchmark.

- Take action to strengthen the resilience of the Internet, as an internationally recognized player and by reaching «OVI» level requirements (Operator of Vital Importance).
- Devote at least 10% of its resources to the dissemination of Afnic expertise to the community.



FORECAST PLANNING

In many ways, 2012 seems to be a year in which decisions or projects adopted in 2011 will be realized.

- **Calls for Tenders for the .fr TLD and other French Internet extensions**

The new legal framework set up provides for the designation of the registry or registries for French Internet extensions before June 30, 2012. At the time this report was published, the 11 tenders have been launched and the application files submitted on May 11.

The .fr TLD and the other French extensions remain a priority for Afnic in that their development constitutes a direct contribution to the Internet in France.

- **Consolidation of our work as the technical operator of the registry**

In addition to remitting the applications to ICANN before April 12, for Afnic, this also involved preparing the effective launch of the TLDs it supports as a technical operator, to be ready to carry out all or part of these openings by 2013.

- **Continuation of our operations related to security and resilience**

The creation of a cross-department committee in charge of security was only the first step in Afnic's initiative to enhance its security systems and work, together with other stakeholders, on constantly bettering Internet resiliency. This commitment to serving the public

interest requires a high level of human and financial investment, reflected by the set-up of a second data center, and by the exchanges and joint work with partners such as the FNISA.

- **High on-going aims in terms of operational excellence**

As a cross-department strategic focus, operational excellence is primarily designed to satisfy Afnic customers and ensure the quality of service levels they require. Afnic also aims to fulfill its employees' requirements. This is one of the main reasons for proposing to move premises, which will be one of the highlights of 2012 before its implementation in 2013.

- **Promoting our expertise**

As one of Afnic's core values, along with transparency, promoting and sharing our expertise are part of the association's strategic focus. The launch of a new website and a deliberate commitment to develop that part of its business, as well as the publication, operation and preparation of innovative services, figure high on the list of goals for AFNIC in 2012.



They have contributed to this 2011 success: ALAPHILIPPE Julien - BALAKRICHENAN Sandoche - BAROU David - BELAFEKIR Nicolas - BERTHELOT Marie - BETREMIEUX Fabien - BORTZMEYER Stéphane - BOUET Axel - BOULOC Lionel - BOUQUET Jean-Baptiste - BRICOUT Frédéric - BUSSON Sylvain - CARISTAN Alain - CHAMPEAU Didier - CHANSARD David - CHANTREAU Marine - CLÉMENT Laurence - COHEN Philippe - COSQUER Hervé - CREDOU Matthieu - DAMILAVILLE Loïc - DAUPHIN Stéphane - DAVOUST Clémence - DEBAST Cédric - DELAUNAY Pauline - DEUFFIC Benoît - DUEL Floriane - FARINE Benjamin - FRAPY Agnès - GEORGELIN Marianne - GINGUENÉ Jérôme - GUILLARD Olivier - GUILLOU Émeline - HAKMI Mikael - HOLZER Marie - JACOB Matthieu - JEAN Catherine - KALAYDJIAN Nicolas - KAPLAN Kim Minh - LACEP Sylvie - LEVIGNERON Maria - LEVIGNERON Vincent - LOUVEAU Bertrand - MANCINI Élis - MARTIN Mélisa - MASSÉ Régis - MEVZEK Patrick - M'TIMET-LUBRANO Samia - NAILLET Julien - NAVAILLES Virginie - PASQUET Stéphanie - PICK Jean-Philippe - RAYAR Isabelle - RENAUT Philippe - SERGENT Patricia - SOUSSI Mohsen - TOUTAUD Isabel - TURBAT Émilie - VASSOUT Pierre - VELLA Pascal - WEILL Mathieu - ZAIDI Rani. People, whose name is written in white, are the ones featured on the front cover (along with AURE Floriane).



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