

DOMAIN NAME MARKET IN POLAND

NASK'S DETAILED REPORT FOR THE SECOND QUARTER OF 2011

Q2 2011



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All the information were prepared and compiled basing
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introduction

Dear Readers,

For many months the .pl domain Registry remains the undisputed leader among the countries of European Union when we consider the dynamics of the domain name growth. All researched data, considering .pl domain names growth, confirm a constant increase in spite of the changes in its intensity. Attention should be paid, in particular, to the renewal rate which again is higher than in the previous quarter, achieving 57,99%. It confirms the growth tendency, assumed by NASK.

It is also worth to notice the reinforcement of registrations directly in .pl domain, to the level of 63,07%, in comparison to the functional and regional domain. It is to be believed that this notion is an expression of greater identification of Polish internet users with the .pl domain. It is especially important now, when ICANN gave consent to launch new top level domains.

Among the services connected with .pl domain names, which activate upmost user interest, domain tasting of .pl names is a one that plays a big part. Since the beginning of service over 301 825 domains were tested, out of which 31 901 (over 10%) were registered.

Report for the second quarter of 2011 contains couple new statistics which were never published before. First and foremost we processed data concerning the number of characters in .pl domain names. The maximum number of characters, that is 63, was used in only 8 .pl domain names, most - 96% - do not exceed 20 characters. Another interesting statistics is the division of .pl domain names according to the Registrant's place of residence outside Poland. It turns out that most of abroad Registrants come from the United States. Combined, almost 15 thousand .pl domain names were registered in Q2 2011 by customers from abroad, which proves the popularity of .pl outside Polish borders.

Michał Chrzanowski
Dyrektor NASK

Ranking of ccTLD's from the EU area at the end of Q2 2011

Second quarter of 2011 did not bring any changes in the ranking of ccTLD Registries from the EU area. Poland holds its fifth position but at the same time shortened the distance to the Italian Registry by almost 10 000 domain names.

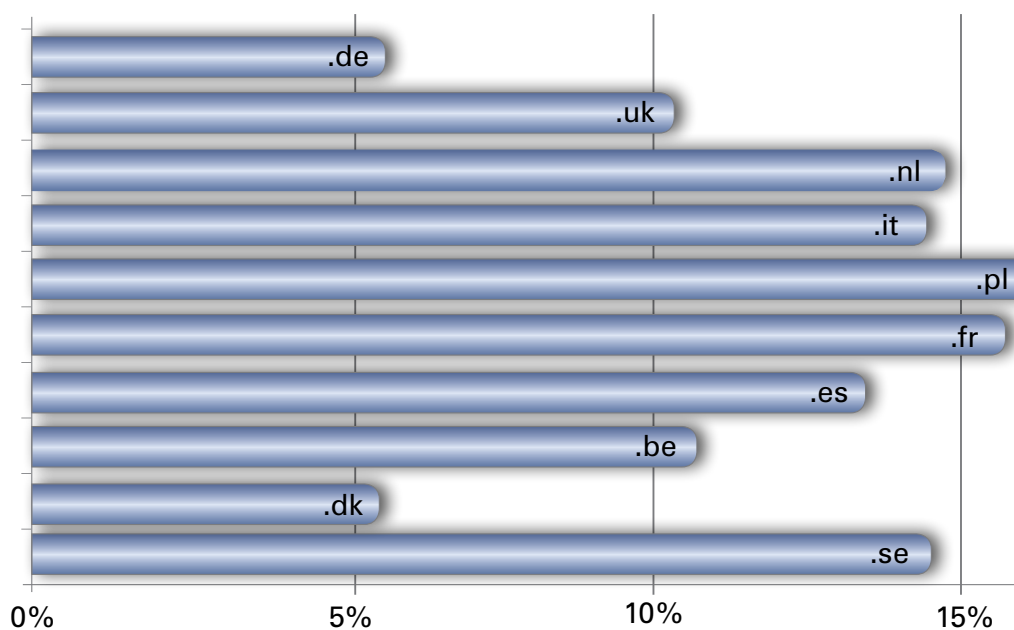
Position	Registry	Number of domain names
1.	.de	14 483 367
2.	.uk	9 490 537
3.	.nl	4 514 343
4.	.it	2 208 854
5.	.pl	2 137 522
6.	.fr	2 054 746
7.	.es	1 354 137
8.	.be	1 156 959
9.	.dk	1 128 265
10.	.se	1 106 396

Table includes data from the period between the 30th of June and 5th of July 2011.

Dynamics of ccTLD's domain name growth in the EU area

Most of the European Registries kept their dynamics of the growth of the number of active domain names in the DNS at a level similar to the previous quarter. Registries from France, the Netherlands and Italy came closer to the Polish Registry, which again noted the highest growth among the 10 largest ccTLD European Registries. The Spanish Registry scored a notable increase of 5p.p. in comparison to the previous quarter.

Dynamics of the European ccTLD's domain name growth in DNS, year to year

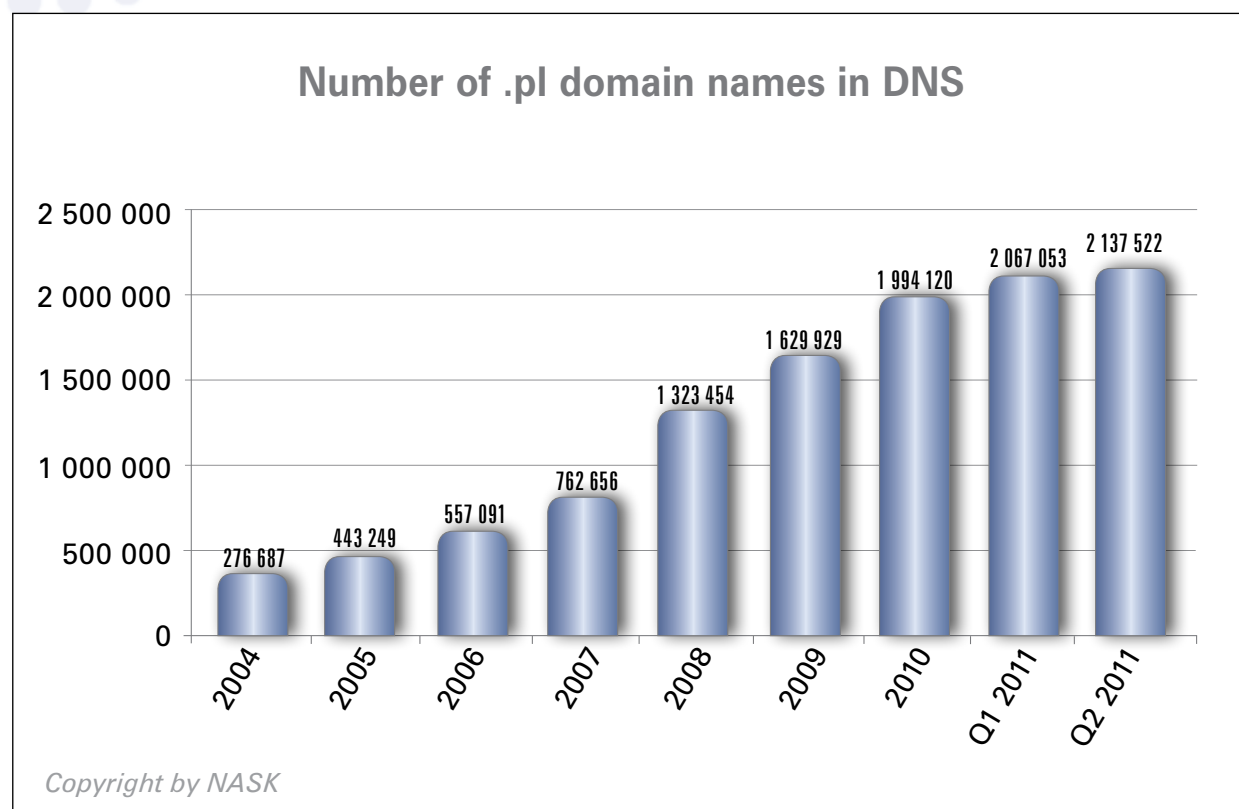


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Number of .pl domain names in DNS

At the end of the first six months of 2011 exactly **2 137 522** domain names, active in DNS, were noted.

Only in the second quarter of 2011 the number of active .pl domain names increased by **70 469**.

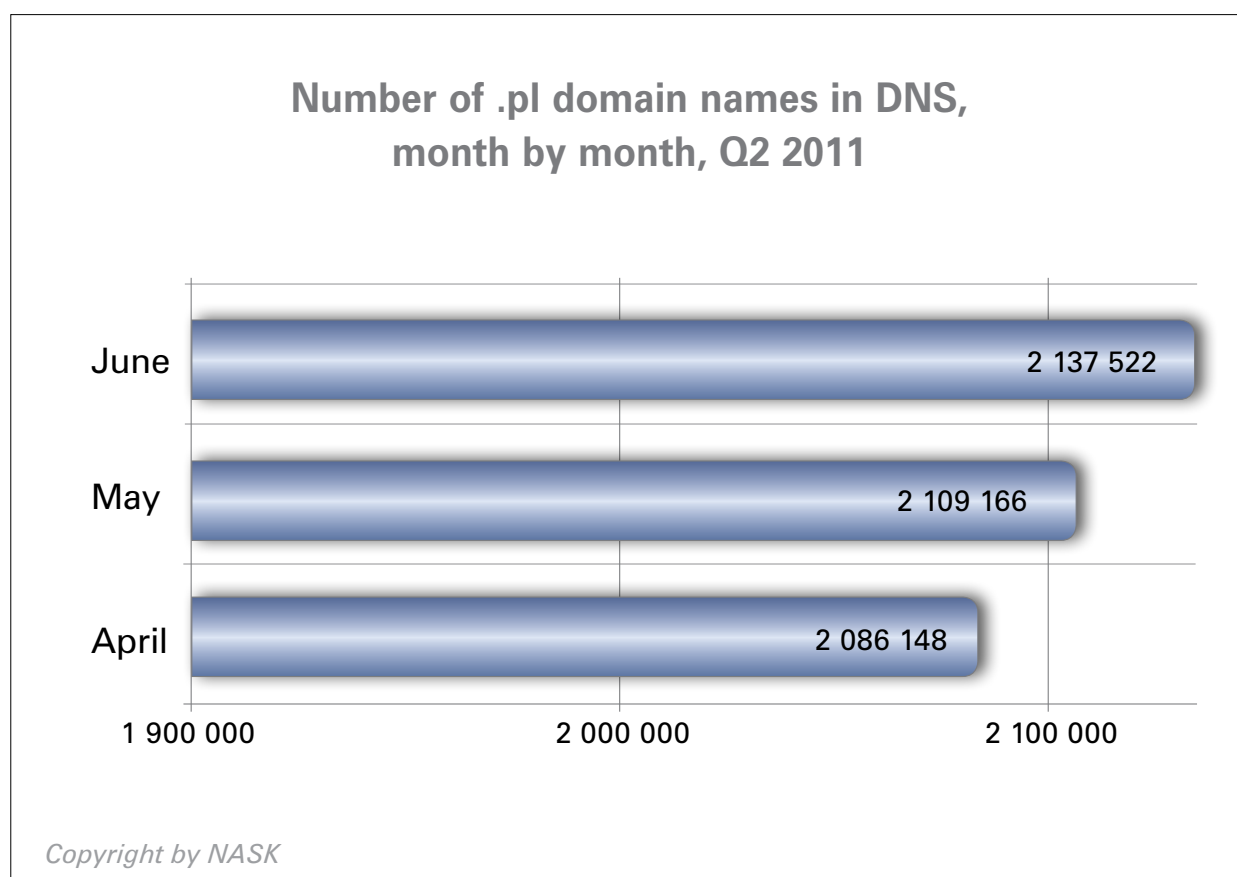


Second quarter of 2011

– month by month

In the corresponding months of the second quarter of 2011 the number of .pl domain names, active in DNS, was equal to: in April - **2 086 148**, in May - **2 109 166**, in June - **2 137 522**.

With every month larger increases were observed: in April by **19 095** names, in May by **23 018** and in June by **28 356** names.



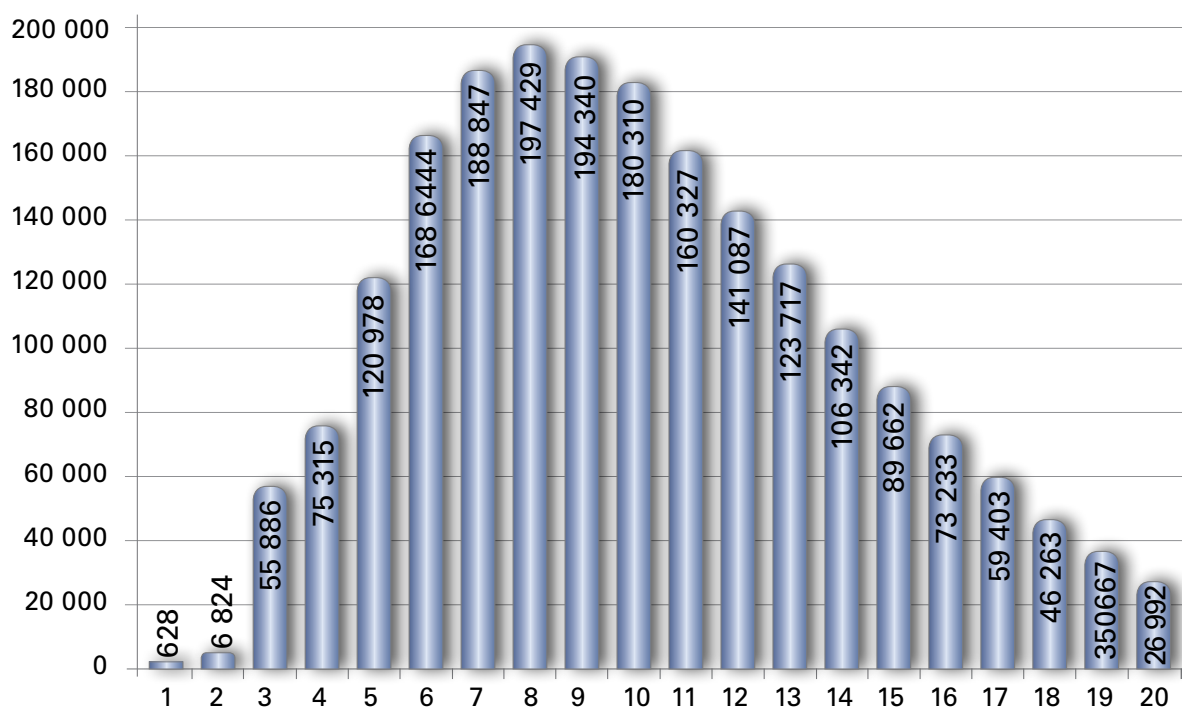
Number of characters in .pl domain names

96% of .pl domain names, exported to DNS, consist of maximum 20 characters (not taking into account the domain at which the name was registered).

At the end of the second quarter of 2011, **eight** domain names were consisting of the largest number of characters allowed, that being 63. **Six** names were registered in .pl domain while the remaining **two** were functional domain names.

Registration of long names concern mostly regional domains. Names consisting of more than 40 characters appear **196** times in the .pl domain, **41** times in functional domain and **727** times in regional domain.

Number of characters in .pl domain names, Q2 2011

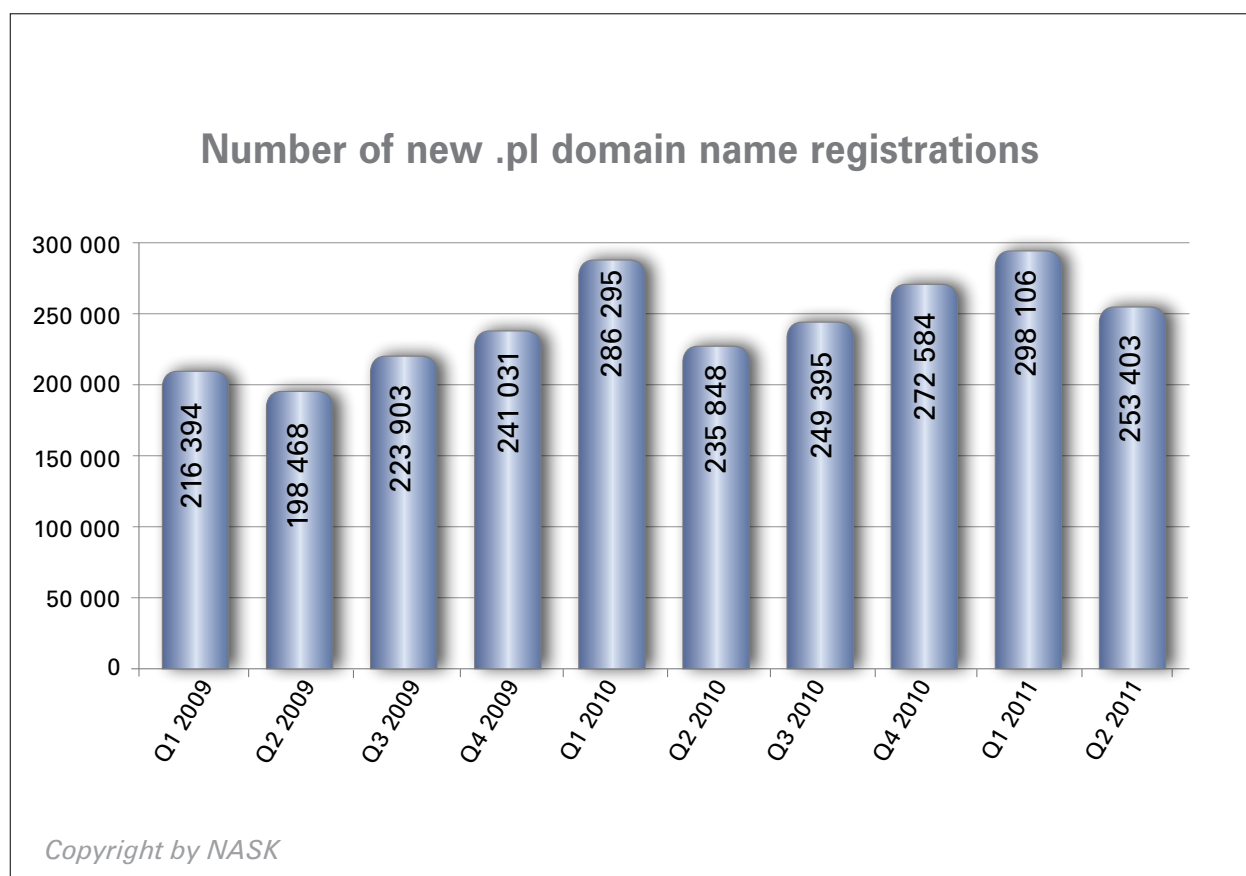


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Number of new .pl domain name registrations

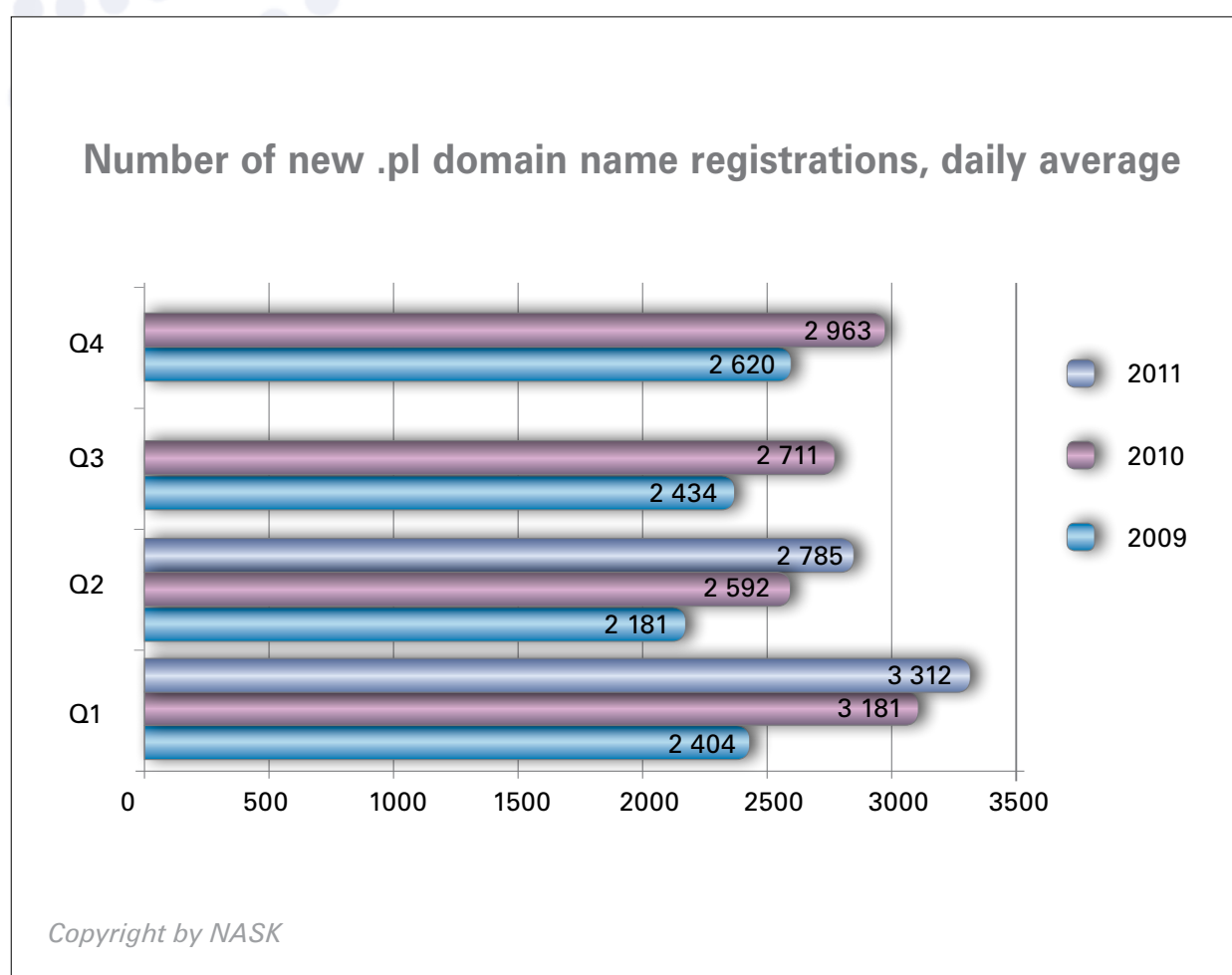
Number of new .pl domain name registrations from the beginning of April until the end of June 2011 totaled to **253 403**.

Similar to the previous years, the interest with new registrations in the second quarter was not as high as in the first quarter. It was however much higher when compared to 2009 and even 2010, when the number of new registrations dropped by **17,6 %** in correspondence to the respective first quarter.



Number of new .pl domain name registrations, daily average

In the second quarter of 2011, an average of **2 785** new domain names appeared every day in the Registry.

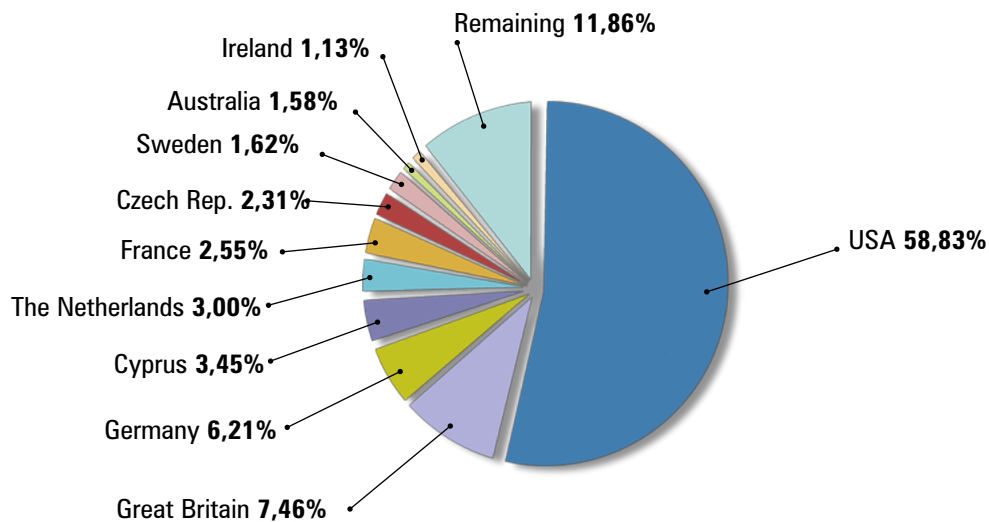


New registrations to Registrant's place of residence comparison

In the second quarter of 2011 over **94%** of .pl domain names were registered on behalf of Registrants residing in Poland.

15 046 .pl domain names were registered by entities outside of Poland, from which **8 852** registrations were made for Registrants from the United States, **1 123** from the United Kingdom, **934** from Germany, **519** from Cyprus and **452** from the Netherlands. In the group of countries with **more than 200** registrations we can also mention France, Czech Republic, Sweden and Australia.

New .pl domain name registrations on behalf of Registrants residing outside Poland, Q2 2011

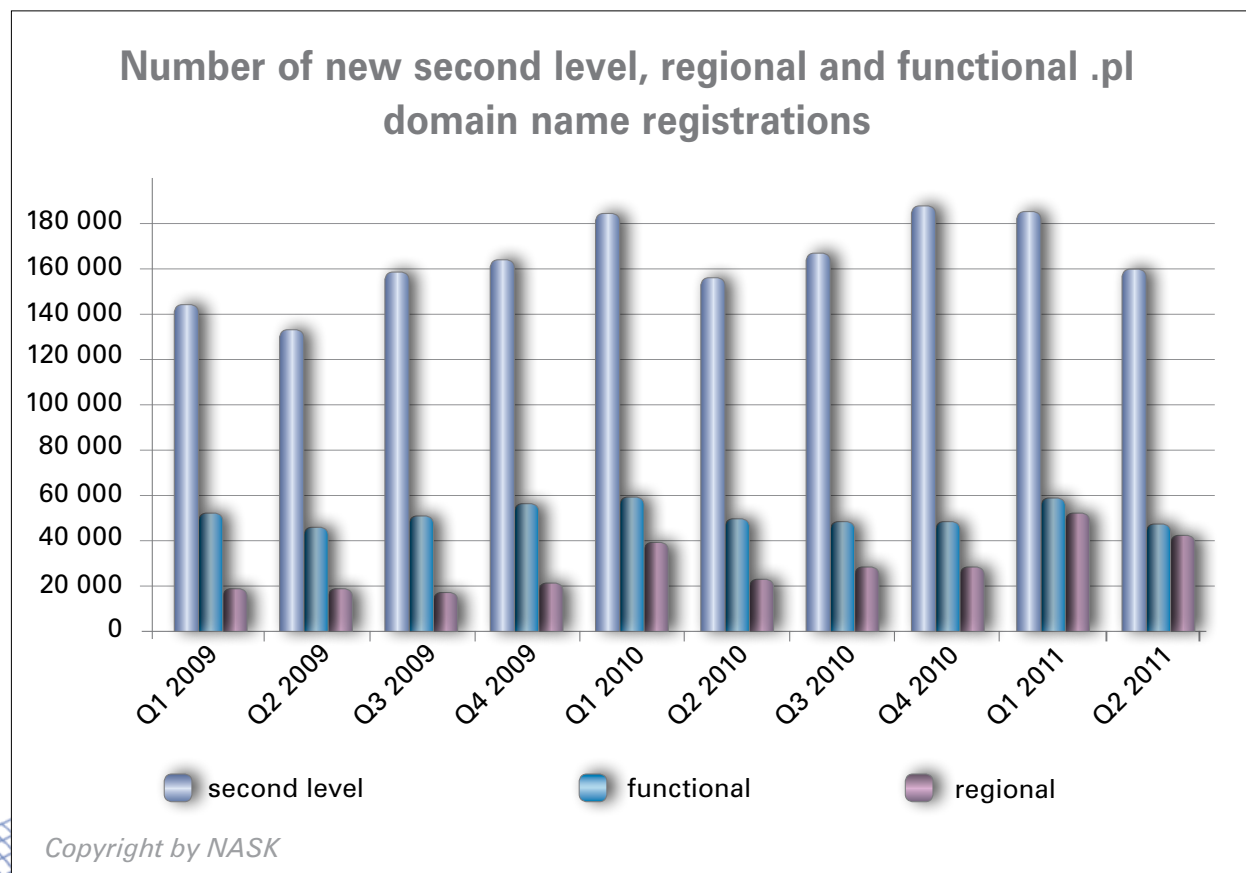


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Comparison second level, regional and functional domain name registrations

Share of the second level .pl domain names in the number of new registrations, in the second quarter 2011, increased by **0,15p.p.** in respect to the previous quarter and was equal to **63,07%**. Regional domain names also noted a slight increase from **17,45%** to **17,67%**. This growth tendency is observed for over a year.

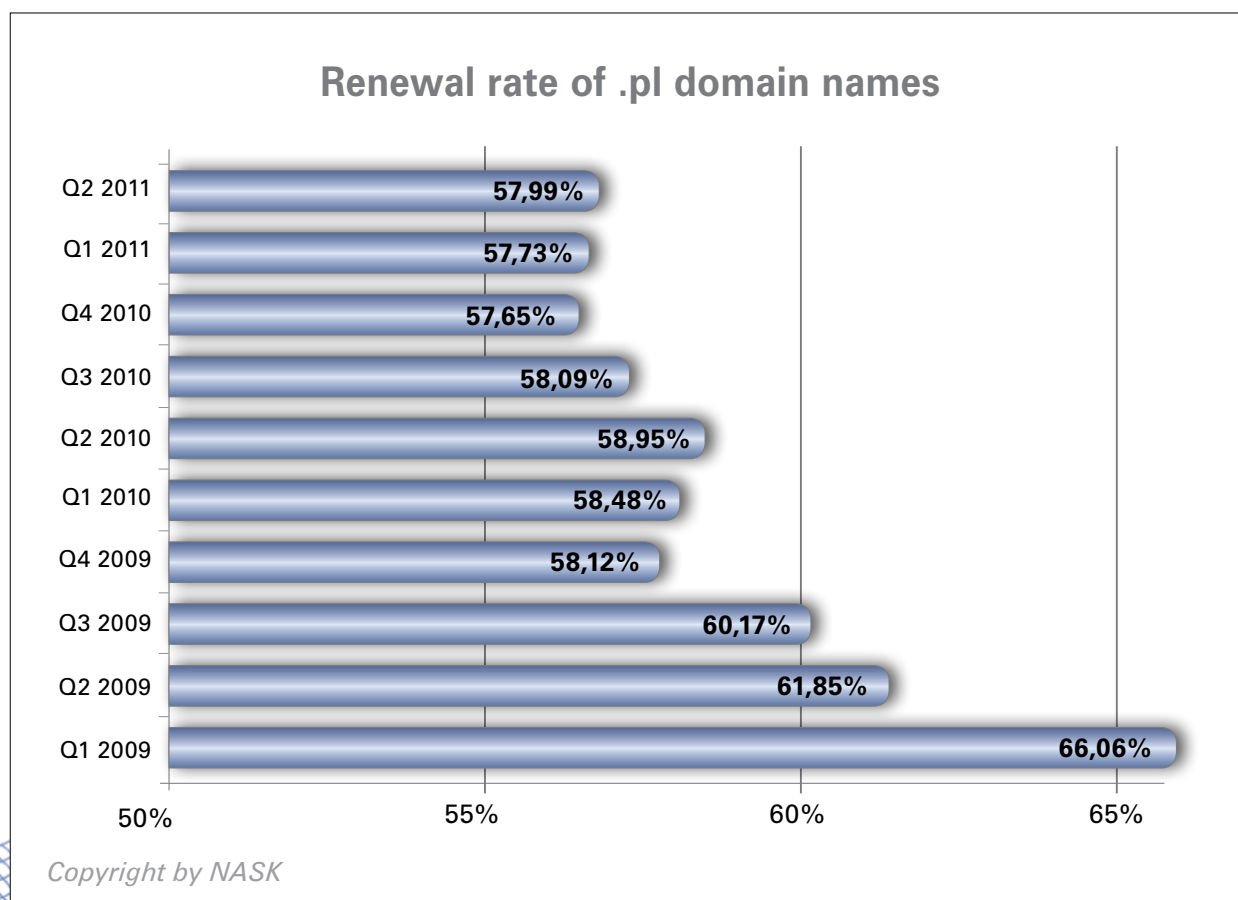
On the other hand functional domain names were not so popular. Their share of the market dropped by **0,36p.p.** and was equal to **19,26%** of all registrations.



Renewal rate of .pl domain names

At the end of June 2011 the renewal rate of .pl domain names for the next billing period reached **57,99%**.

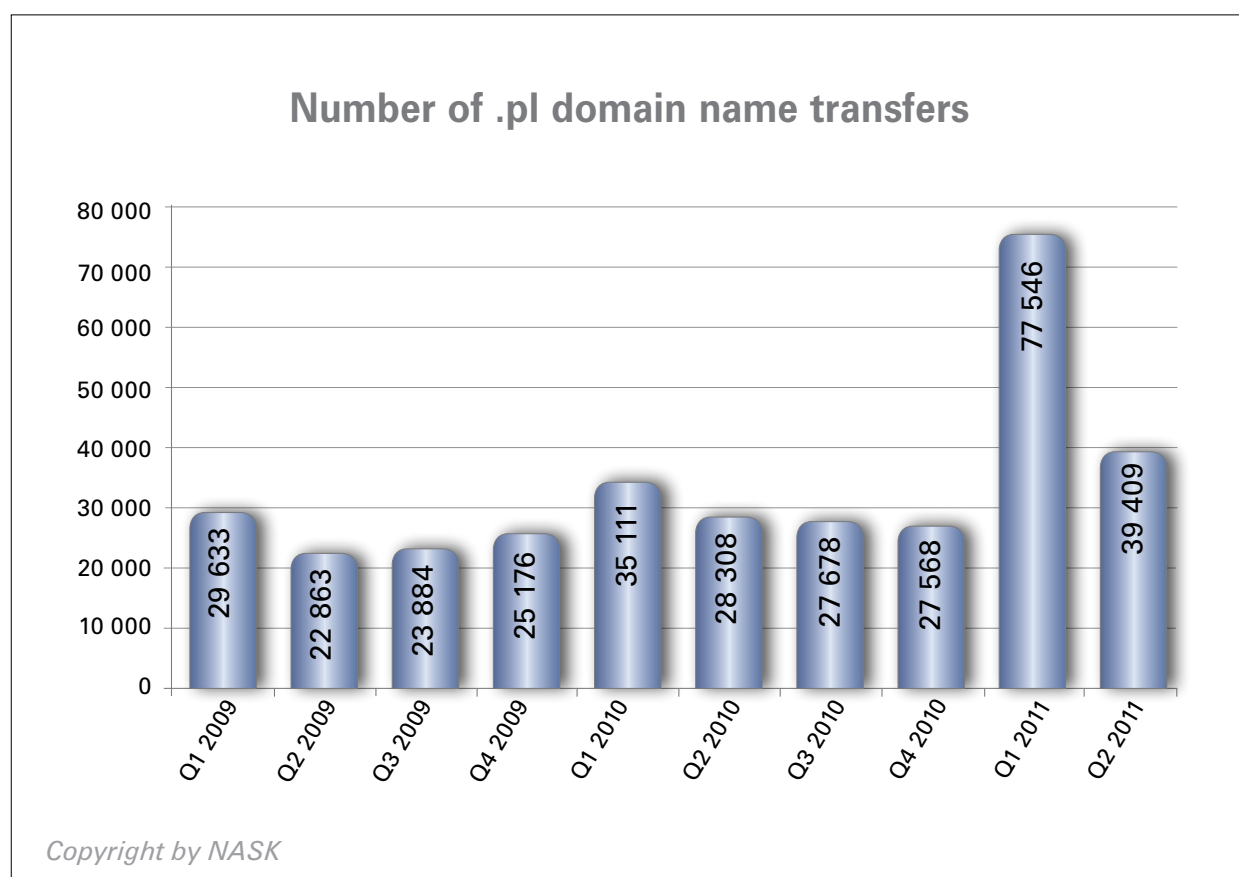
During the second quarter of 2011, **266 000** .pl domain names were renewed, out of which **31,28%** of renewals considered domain names registered this or the previous year, **19,63%** names registered in 2009, **13,85%** names registered in 2008 and **10,26%** in 2007. The remaining **24,98%** are names registered before year 2007.



Transfers between Partners

After the record breaking first quarter of 2011 the number of .pl domain name transfers between Partners decreased to **39 409** such operations. Regardless, the result from the second quarter 2011 is **39%** higher in respect to the same period in the year 2010.

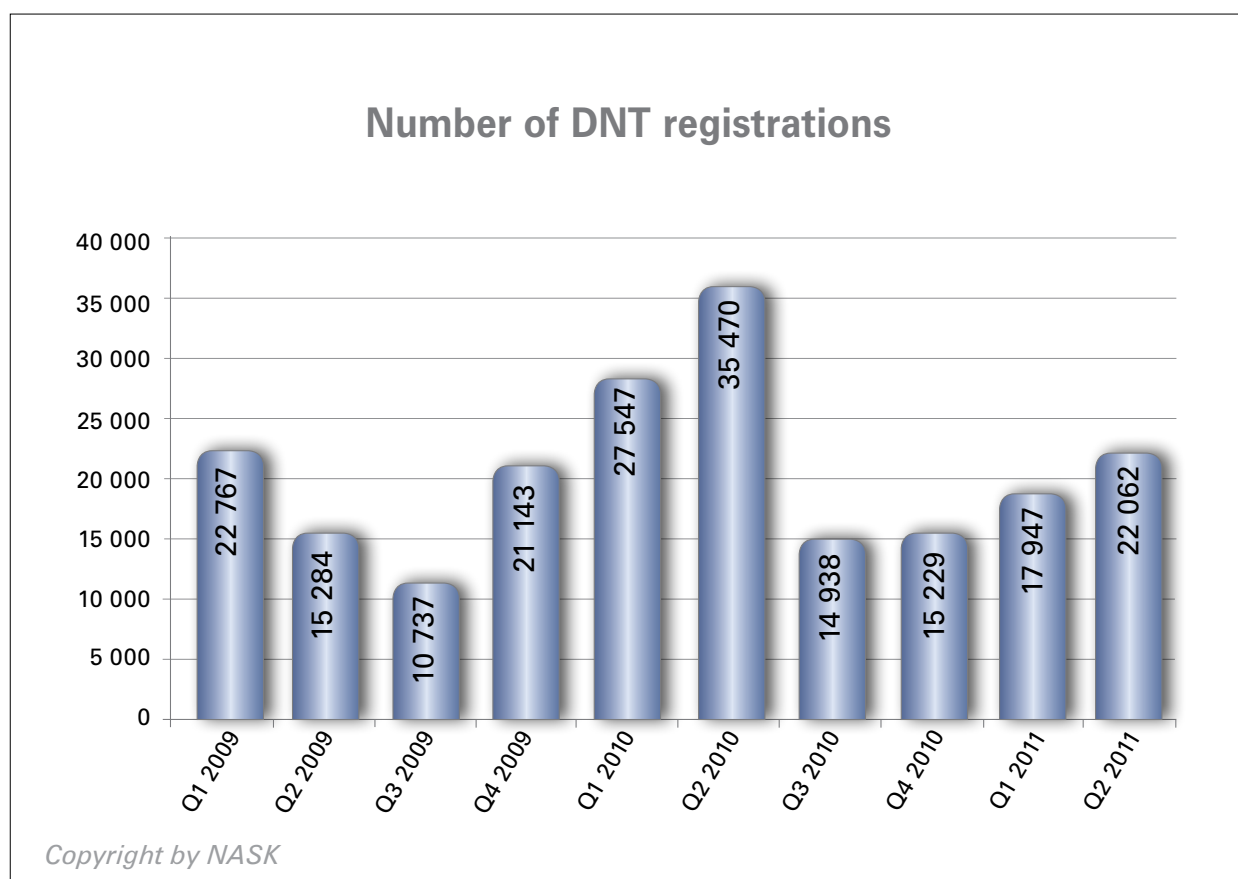
Over **850**, from all the transfers made, were transfers with renewals out of which **53%** were transfers of .pl domain names after their billing period expired.



Changes in DNT registrations

Number of new DNT registrations in the second quarter of 2011 was equal to **22 062**, out of which **8,76%** resulted in .pl domain name registration.

From the time the DNT service was first introduced until the second quarter of 2011 over **301 825** .pl names were tested and **31 901 (10,57%)** registered as a result of that test.



Changes in the number of WLS registrations



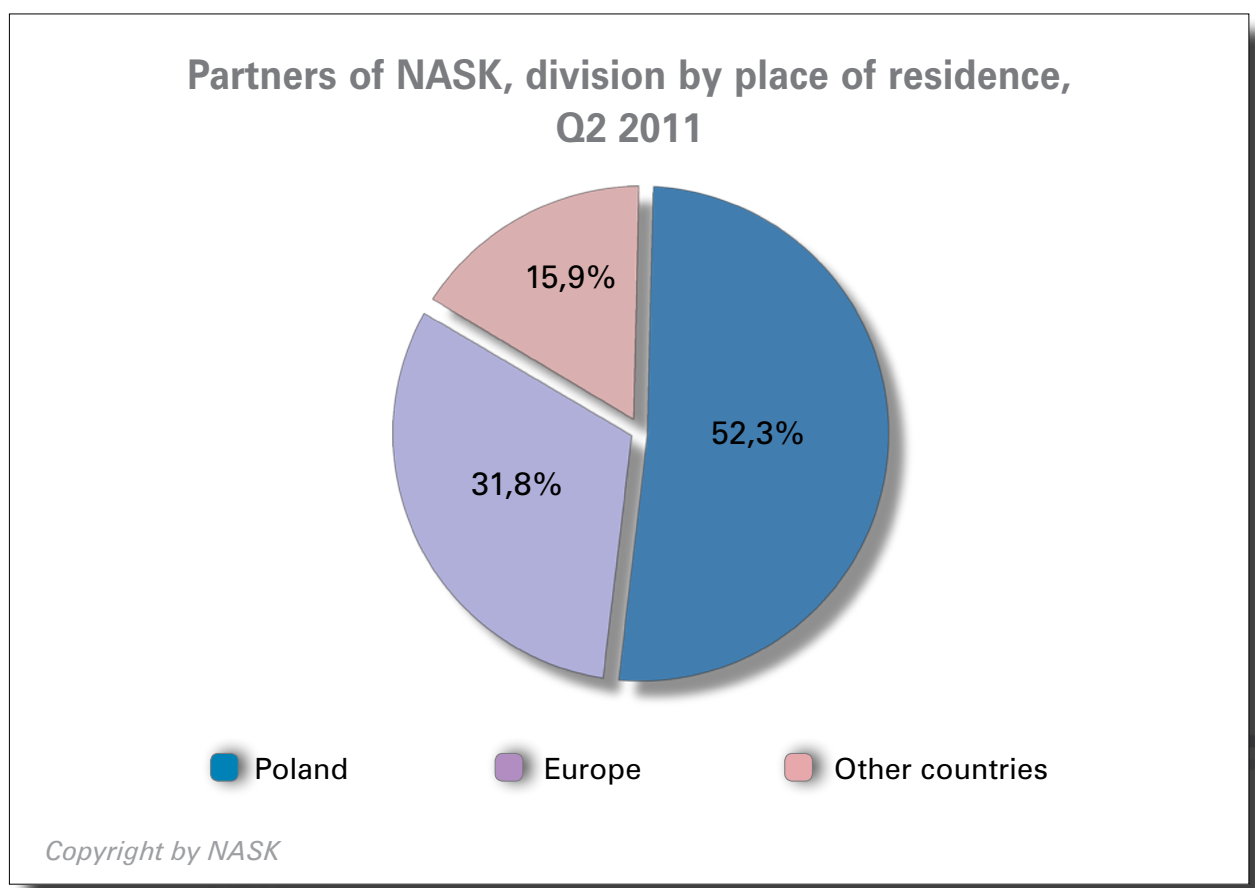
In the second quarter of 2011, **7 051** new WLS requests for .pl domain name registration were made. In the same time **2 385** options were realized, with **85%** of these options were put in the last 12 months. In **118** cases, after the option was realized the .pl domain name was not registered.

Since the introduction of the service until the end of June 2011, total of **96 854** WLS contracts were put, out of which **42 306** options were realized.

Partners

At the end of June 2011, **170** entities from Poland and abroad took part in the Partner Programme. Since April until the end of June **10** new Partners joined.

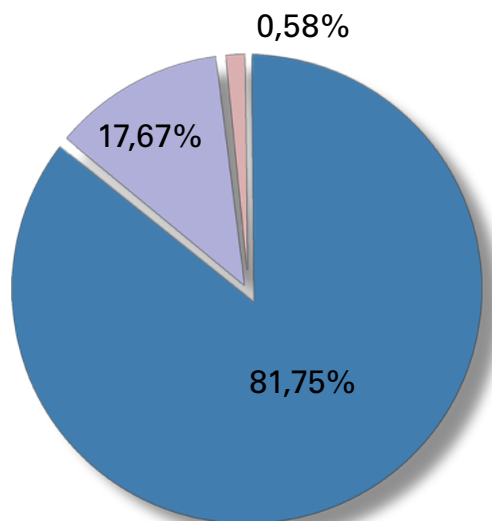
143 Partners reside in Europe, out of which **89** in Poland and the remaining **27** Partners are located outside Europe.



Market share between Partners considering the place of residence

In the second quarter of 2011, Partners residing in Poland serviced **81,75%** of all .pl domain names. **17,67%** names were serviced by Partners from other European countries while the remaining **0,58%** by Partners outside Europe.

.pl domain name market share between Partners, considering the place of residence, Q2 2011



■ Poland

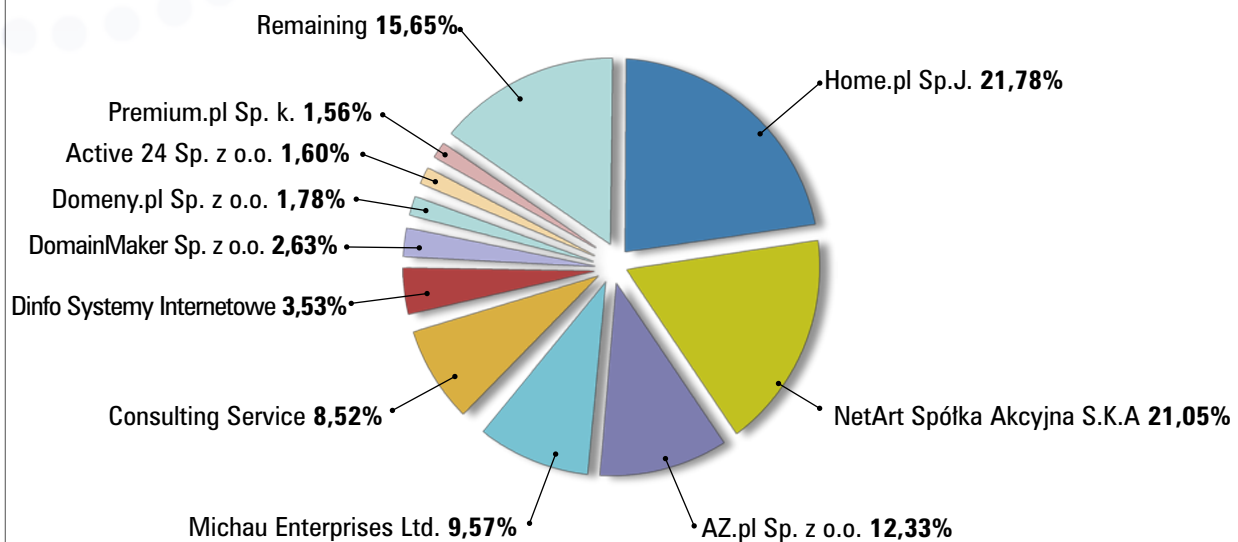
■ Europe

■ Other countries

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Market share between Partners considering .pl domain names

Market share between Partners, considering .pl domain names, Q2 2011*



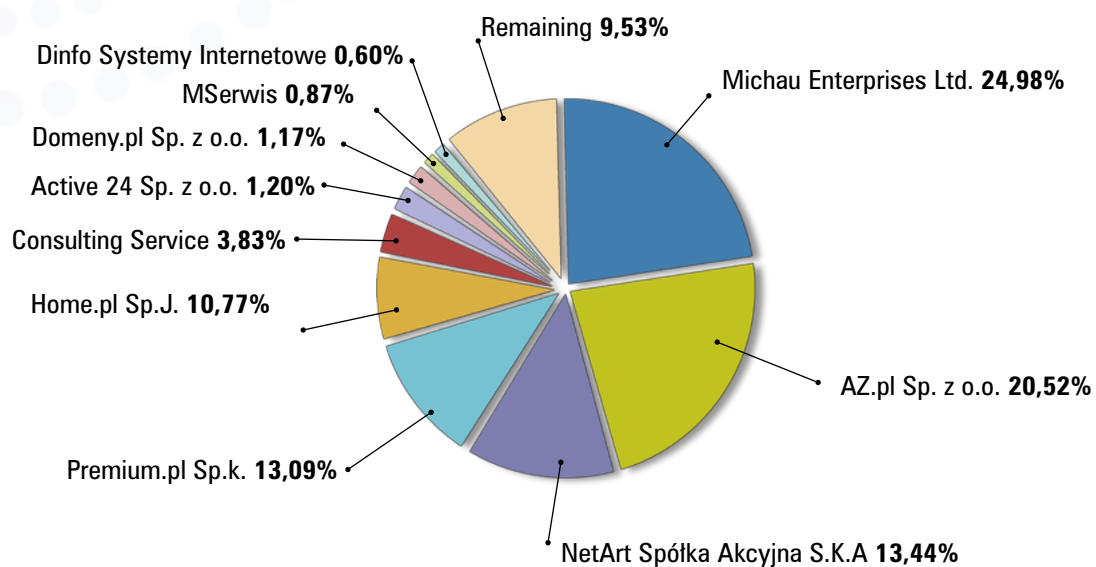
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* The graph presents TOP 10 of NASK Partners that agreed to make their market share data public.

At the end of June 2011 Partners serviced **98,41%** of all .pl domain names. The Top 10 Registrars, serving the largest number of names in the .pl domain is lead by Home.pl Sp. j. with **21,78%** market share. Second position is occupied by NetArt SA S.K.A. with **21,05%** share and the third place is held by AZ.pl Sp. z o.o. with **12,33%** share of the market. The largest percentage point increase in the number of serviced .pl domain names was noted by Michau Enterprises Ltd. by **0,85p.p.** and AZ.pl Sp. z o.o. by **0,42p.p.**

Market share between Partners considering .pl IDN domain names

Market share between Partners, considering .pl IDN domain names, Q2 2011*



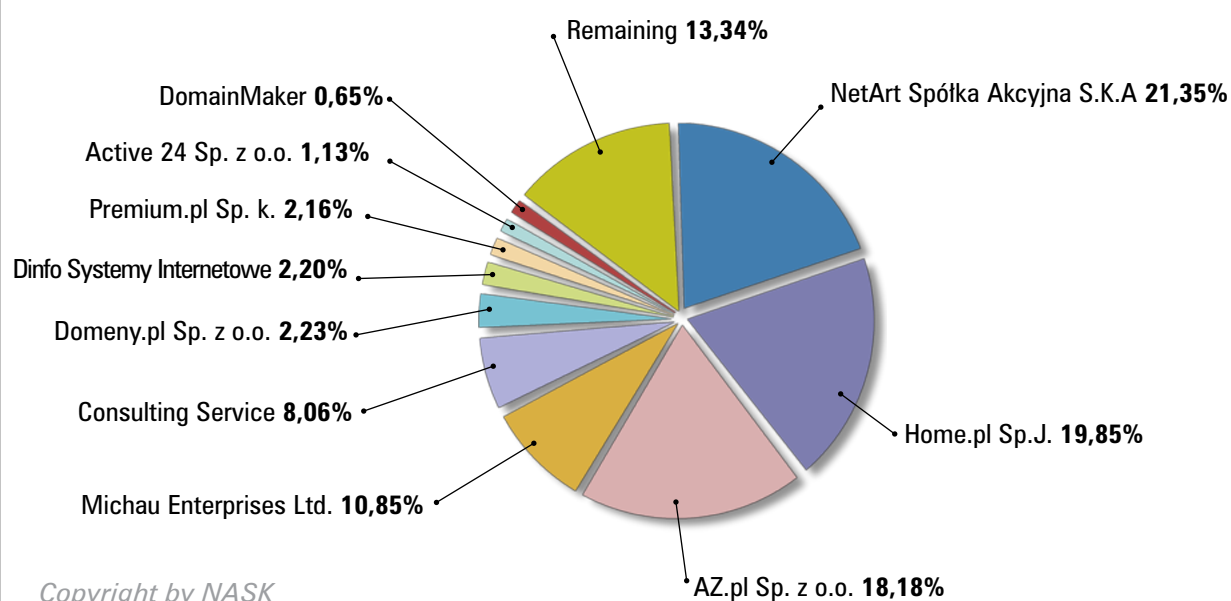
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*The graph presents TOP 10 of NASK Partners that agreed to make their market share data public.

In the second quarter almost **3%** of all serviced names in the .pl domain are IDNs. The most IDNs are serviced by Michau Enterprises Ltd. - **24,98%**, second place is occupied by AZ.pl Sp. z o.o. - **20,52%**, third place is held by NetArt SA S.K.A. with **13,44%** market share. Further positions are taken by Premium.pl Sp. k. - **13,09%**, Home.pl Sp. j. - **10,77%**, Consulting Service - **3,83%**, Active 24 Sp. z o.o. - **1,20%**, Domeny.pl Sp. z o.o. - **1,17%**, MSerwis - **0,87%** and Dinfo Systemy Internetowe - **0,60%**. Partners out of the top 10 service only **9,53%** of .pl IDNs.

Market share between Partners considering new registrations

Market share between Partners, considering new .pl domain name registrations, Q2 2011*

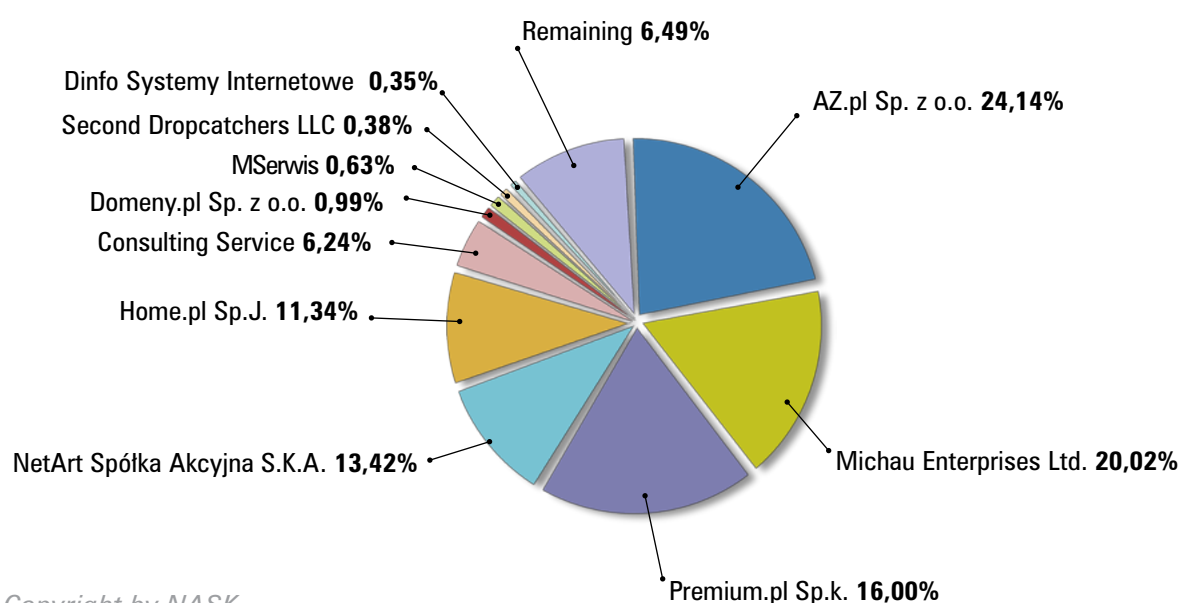


*The graph presents TOP 10 of NASK Partners that agreed to make their market share data public.

Half of the presented Partners noted an increase of new registrations in the second quarter of 2011. Most .pl domain names were registered via NetArt SA S.K.A. which achieved a **21,35%** market share and maintained the leading position. The largest increase in new registrations was noted by Partners such as Michau Enterprises Ltd. by **1,94p.p.** and Premium.pl Sp. k. by **1,15p.p.** Domeny.pl Sp. z o.o., with the result of **2,23%**, moved to the sixth position, overtaking Dinfo Systemy Internetowe with **2,20%** market share. For the first time in 2011 in the top 10 we may find DomainMaker Sp. z o.o. with the result of **0,65%** market share.

Market share between Partners, considering IDN registrations

Market share between Partners, considering .pl IDN domain name registrations, Q2 2011*

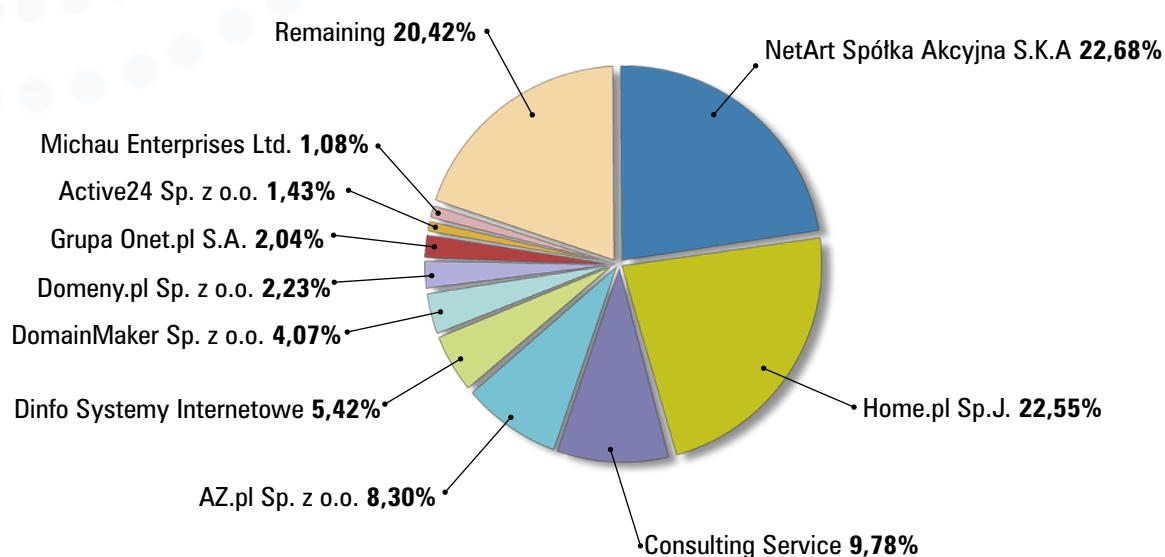


*The graph presents TOP 10 of NASK Partners that agreed to make their market share data public.

Almost every **1 out of 30** .pl domain names, registered from the beginning of April until the end of June 2011, is an IDN. The biggest share in the newly registered IDN names market is owned by AZ.pl Sp. z o.o. - **24,14%**. Second position is occupied by Michau Enterprises, Ltd. with **20,02%**, third place is held by Premium.pl Sp. k. with **16%** share. Further positions are occupied by NetArt SAS.K.A. - **13,42%**, Home.pl Sp.j. – **11,34%**, Consulting Service – **6,24%**, Domeny.pl Sp.zo.o. – **0,99%**, MSerwis – **0,63%**, SecondDropcatchersLLC – **0,38%** and Dinfo Systemy Internetowe – **0,35%**. Partners out of top 10 combined registered only **6,49%** of IDN's in .pl domain name.

Market share between Partners, considering Registrants

Market share between Partners, considering .pl domain name Registrants, Q2 2011*



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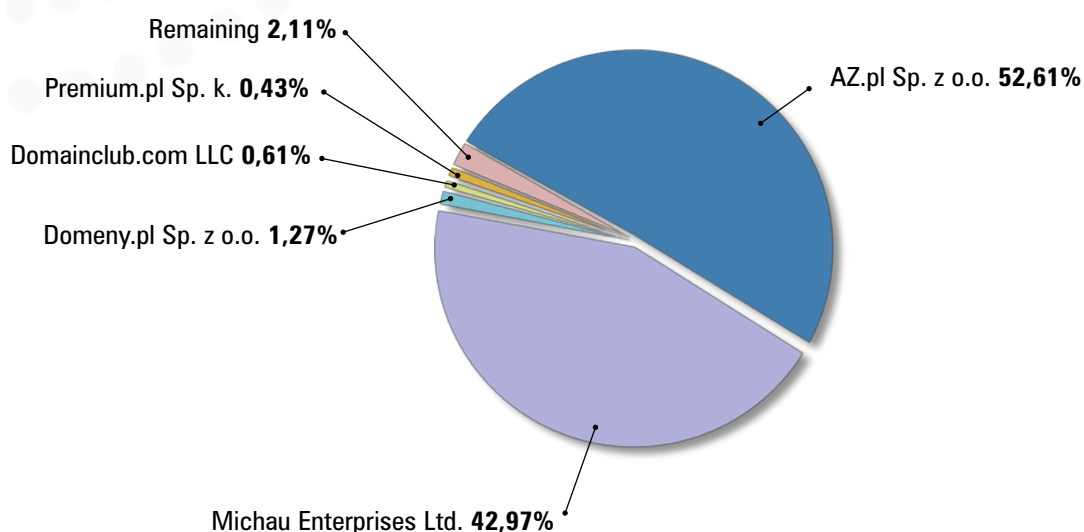
*The graph presents TOP 10 of NASK Partners that agreed to make their market share data public.

Number of unique .pl domain name Registrants, in the second quarter of 2011, increased to **804 000**. Over **56%** of new Registrants are entrepreneurs.

NetArt SAS.K.A and Home.pl Sp. j. combined service over **45%** Registrants. Only two Partners from top 10 noted increase of serviced Registrants: Michau Enterprises Ltd. and Domeny.pl Sp. z o.o. Partners out of top 10 combined service **20,42%** of .pl domain name Registrants.

Market share between Partners, considering DNT registrations

DNT market share between Partners, Q2 2011*



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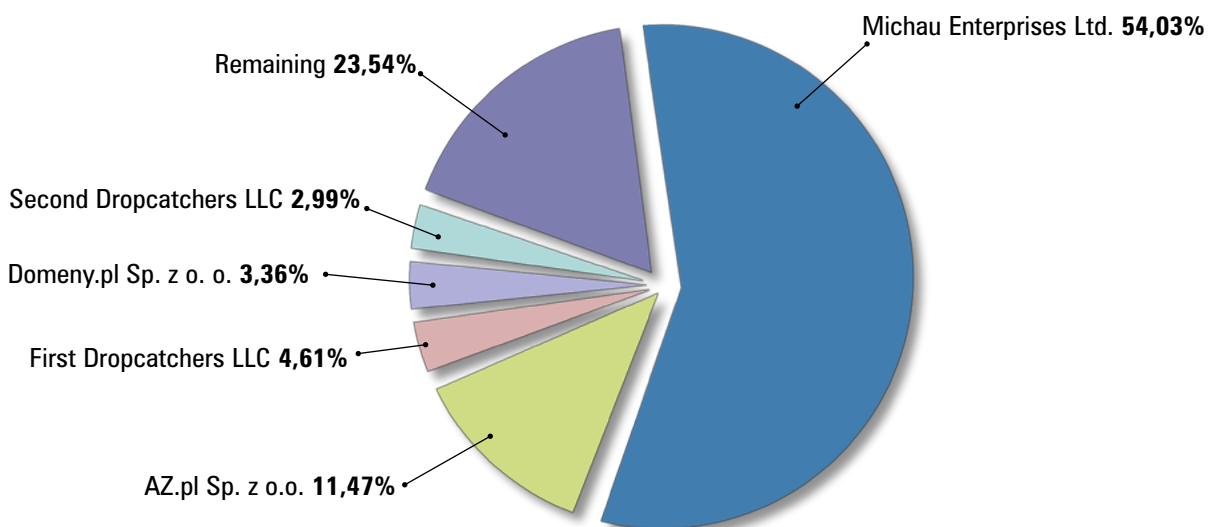
*The graph presents TOP 5 of NASK Partners that agreed to make their market share data public.

Since April until the end of June 2011 considerable changes took place on the DNT market.

AZ.pl Sp. z o.o., with its **52,61%** share and over **20p.p.** increase in respect to the previous quarter, became the new leader. Michau Enterprises Ltd., with **43%** share, moved to the second position. For the first time Domainclub.com LLC and Premium.pl Sp. k. made their appearance with **0,61%** and **0,43%** share respectively.

Market share between Partners, considering WLS registrations

WLS market share between Partners, Q2 2011*



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*The graph presents TOP 5 of NASK Partners that agreed to make their market share data public.

Second quarter of 2011 also brought changes on the WLS market. Michau Enterprises Ltd, which holds the first place, increased its share by over **14p.p.** and achieved **54,03%** of the market share. Second place is occupied by AZ.pl Sp. z o.o. with the result of **11,47%** and dropping its share by **1,04p.p.** compared to the previous quarter. Two Partners appeared in the top 5: Domy.pl Sp. z o.o. which made a comeback with **3,36%** and Second Dropcatchers, LLC with almost **3%** market share.