


DOMAIN NAME MARKET IN POLAND Q2 2010



Poland is the leader among the 10 biggest European registries considering growth dynamics of the number of domain names in DNS.

NASK'S DETAILED REPORT FOR THE SECOND QUARTER OF 2010

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All the information were prepared and compiled based on actual data from the .pl domain name registry system.

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DOMAIN NAME MARKET IN POLAND

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INTRODUCTION

Ladies and Gentlemen,

Second quarter of 2010 was a time of relevant changes on our Partners market. The distance between the leading Registrars and the smaller but more active ones had slightly shortened. Simultaneously we have observed a considerable increase of interest in .pl domain name, 11 new Partners joined our Programme. What particularly stands out is that many foreign Registrars take part in the Programme. This might be not only a compliment and an act of recognition of the .pl brand in the international market, but also an approval of technological and business solutions introduced by the Polish Registry.

■ The quarter presented in this report may be characterized as a stable one when it comes to the amount of domain name registrations, while the previous quarter was much more dynamic in that regard. In recent years a certain cycle may be observed during which periods of considerable growths are followed by calmer, more stable ones. Such cycles are present in most European Registries within similar time limits.

■ Even though the time is unfavorable, the growth dynamics of new .pl domain name registrations is much better than that of other European countries. On a year scale it reaches almost 30%, whereas for France, second best after Poland in that area, that dynamics is little above 20%.

■ What deserves close attention in the second quarter of 2010, is the increase tendency of domain name renewal rate, currently reaching 59%. After long periods of decline in that area, this is the second consecutive quarter in which the level of renewals increases. This is a very important factor, because domain name renewals serve as a foundation which new registrations are built upon. Low renewal rate needs very high registration rate, so that the total increase in the amount of domain names in the Registry could be maintained.

Michał Chrzanowski
NASK Director

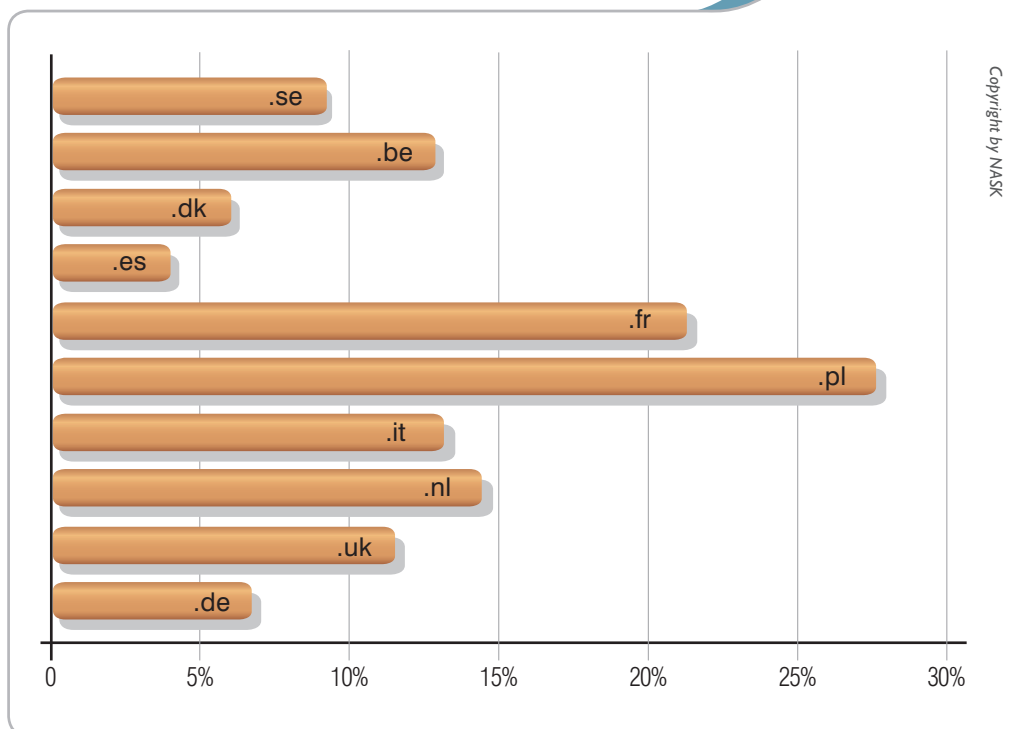


DYNAMICS OF ccTLD'S REGISTRATION GROWTH IN THE EU AREA

Poland is ahead among the 10 biggest European national registries when it comes to the dynamics of domain name registration growth in DNS.

The .pl registry expanded by **28%** during the last year. By comparison, for the French registry it was **21%**, Dutch – **14%**, Belgian and Italian – **13%**.

Dynamics of the European ccTLD's domain name registration growth in DNS, year to year, Q2 2010



Domain name market in Poland

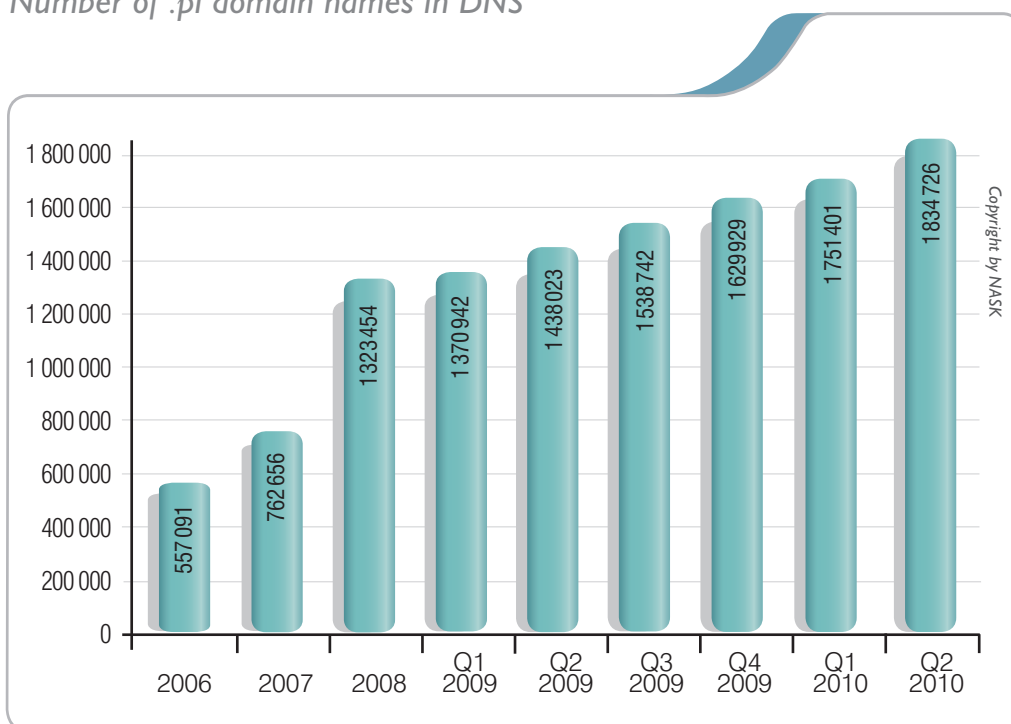
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NUMBER OF .PL DOMAIN NAMES IN DNS

The second quarter of 2010 was finished with the result of **1 834 726** .pl domain names in DNS. In the last three months the number of .pl domain names increased by **83 325**.

Number of .pl domain names in DNS



Domain name market in Poland

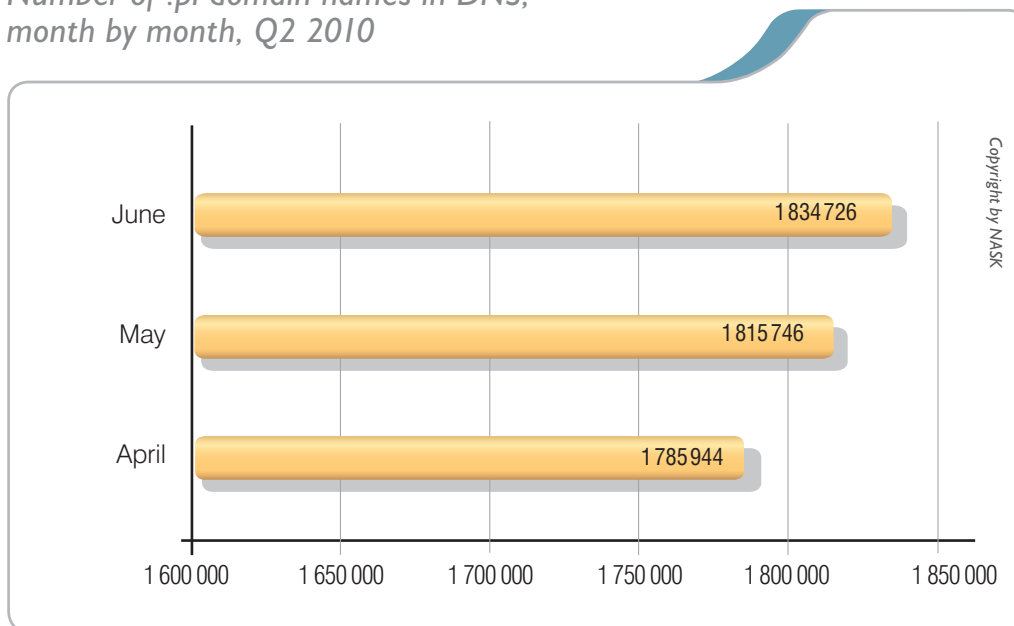
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SECOND QUARTER OF 2010 – MONTH BY MONTH

The biggest growth of the .pl domain names, in the second quarter of 2010, was noted in April. During this month number of all .pl domain names in DNS increased by almost **2%**. During consecutive months the increase was smaller, in May – **1,7%**, in June – **1,0%**.

Number of .pl domain names in DNS,
month by month, Q2 2010

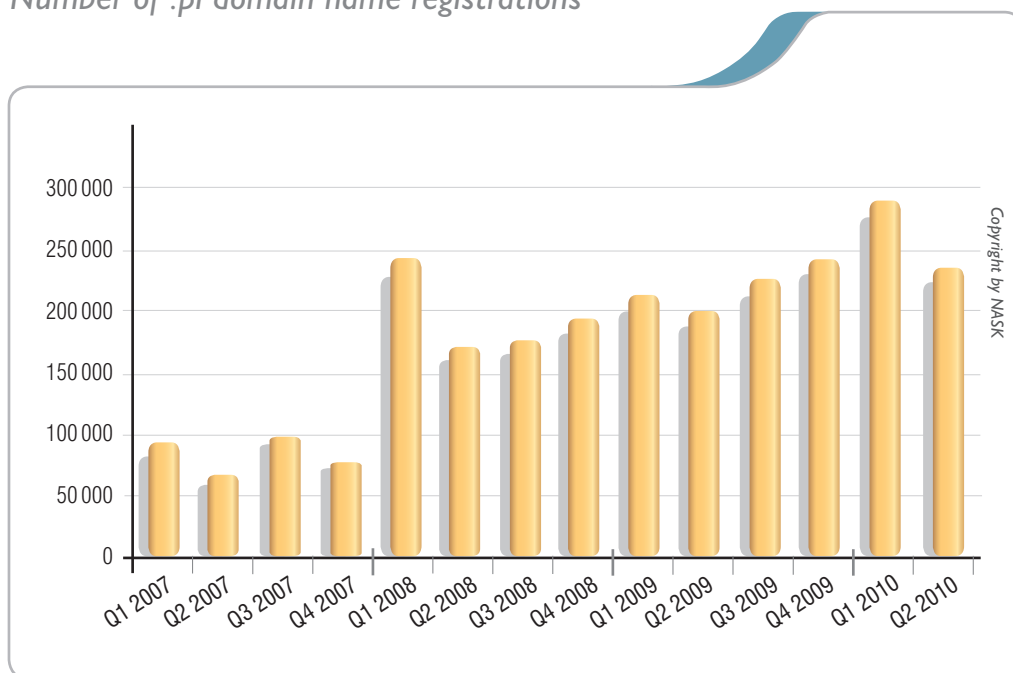


NUMBER OF NEW .PL DOMAIN NAME REGISTRATIONS, QUARTERLY

After the record-breaking, first quarter of 2010, the number of new .pl domain name registrations stabilized. During that quarter **235 848** new .pl domain names appeared in DNS.

Number of .pl domain name registrations in the consecutive months of the second quarter of 2010 successively dropped and totaled to: **84 959** in April, **80 283** in May and **70 606** in June.

Number of .pl domain name registrations



Domain name market in Poland

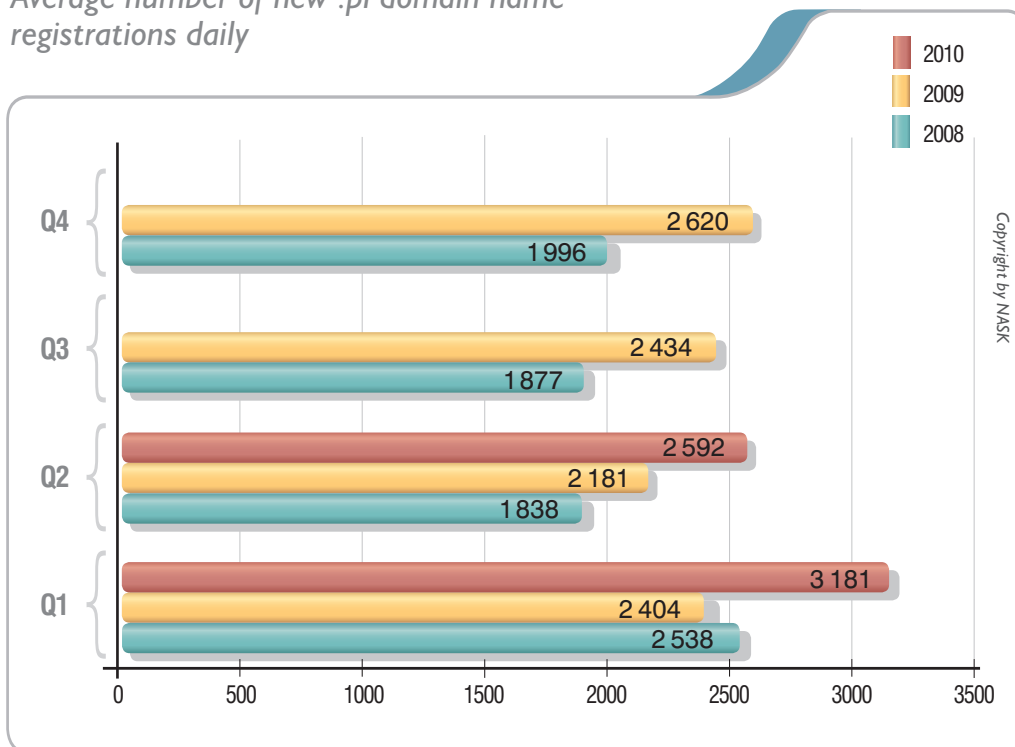
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NUMBER OF NEW .PL DOMAIN NAME REGISTRATIONS, DAILY AVERAGE

Average daily number of new .pl domain name registrations in the second quarter of 2010 was **2 592**. In the recent years there were only two other quarters with a better result noted (Q4 2009 and Q1 2010). However the quarter to quarter daily average of new registrations in 2010 was significantly greater than in years 2008 and 2009.

Average number of new .pl domain name registrations daily



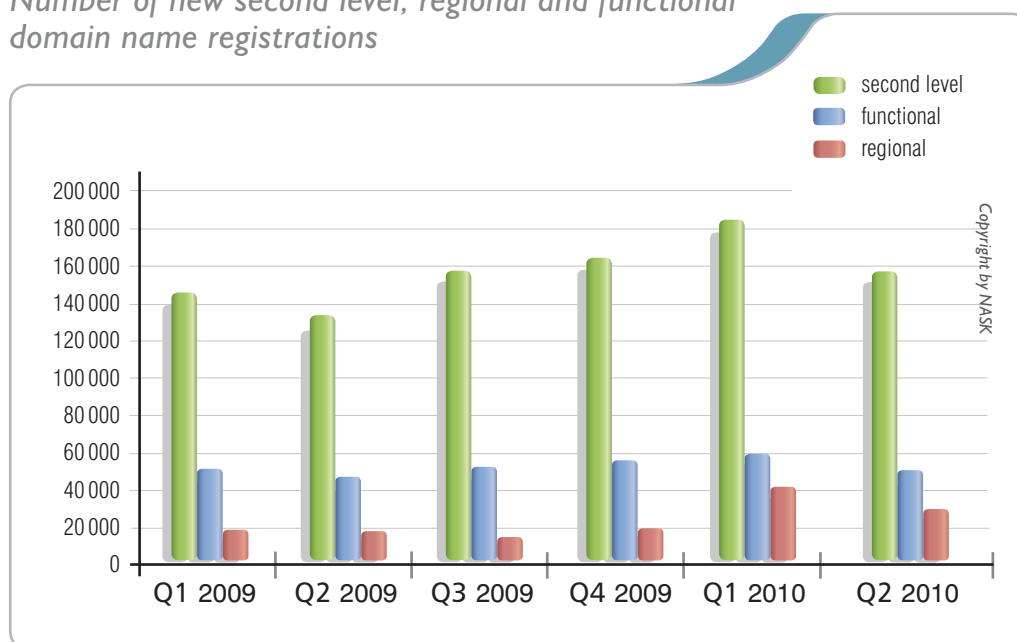
COMPAIRSON OF SECOND LEVEL, REGIONAL AND FUNCTIONAL DOMAIN NAMES

Since the 1st of April till the 30th of June 2010, **155 883** second level .pl domain name registrations were noted. At the same time **50 092** functional and **29 873** regional .pl names were registered.

Most popular, among the newly registered .pl domain names, were the second level ones with the increase of **1,7** percentage points compared to the first quarter of 2010.

The functional domain names noted an increase of **0,48** percentage point while regional dropped by **2,2** percentage points.

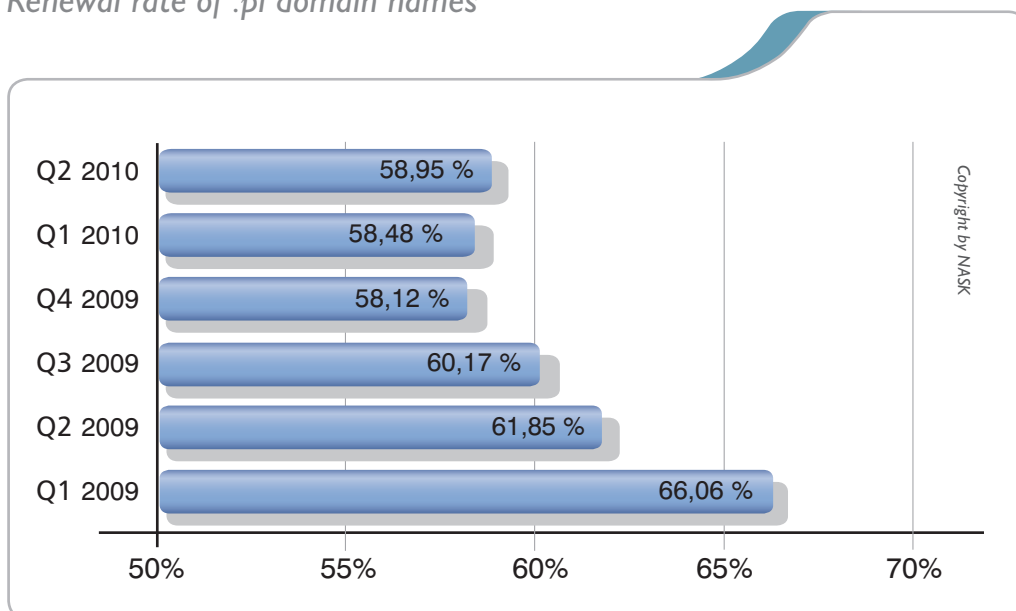
Number of new second level, regional and functional domain name registrations



RENEWAL RATE OF .PL DOMAIN NAMES

In the second quarter of 2010, the renewal rate of .pl domain names equaled **58,95%** which is an increase by **0,47** percentage points, comparing to the first quarter. This is the first half-year where an increase in attachment of the owners to their domains is observed.

Renewal rate of .pl domain names



PARTNERS

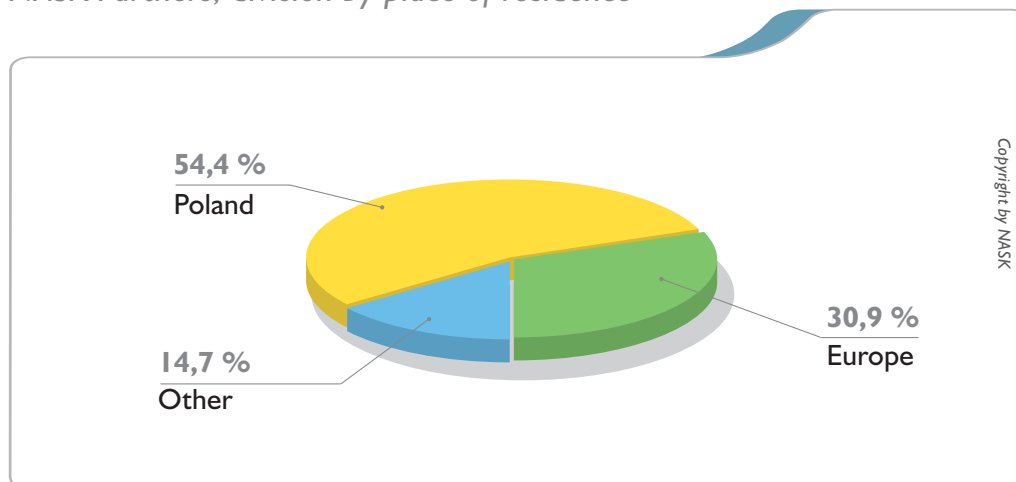
NASK makes most of its .pl domain name registrations using Registry-Registrar model. Registrars, who joined the Partner Programme, register and maintain domains of their customers, held in the Registry at NASK, through EPP protocol.

In the second quarter of 2010, 11 new companies joined the Partner Programme.

We observe increasing interest from foreign Registries.

74 Partners reside in Poland, **42** in Europe and the remaining **20** in other parts of the world. Most of NASK Partners are located in Poland – **54,4%** but the percentage of Partners outside Polish borders increased by **1,6** points between April and July 2010.

NASK Partners, division by place of residence



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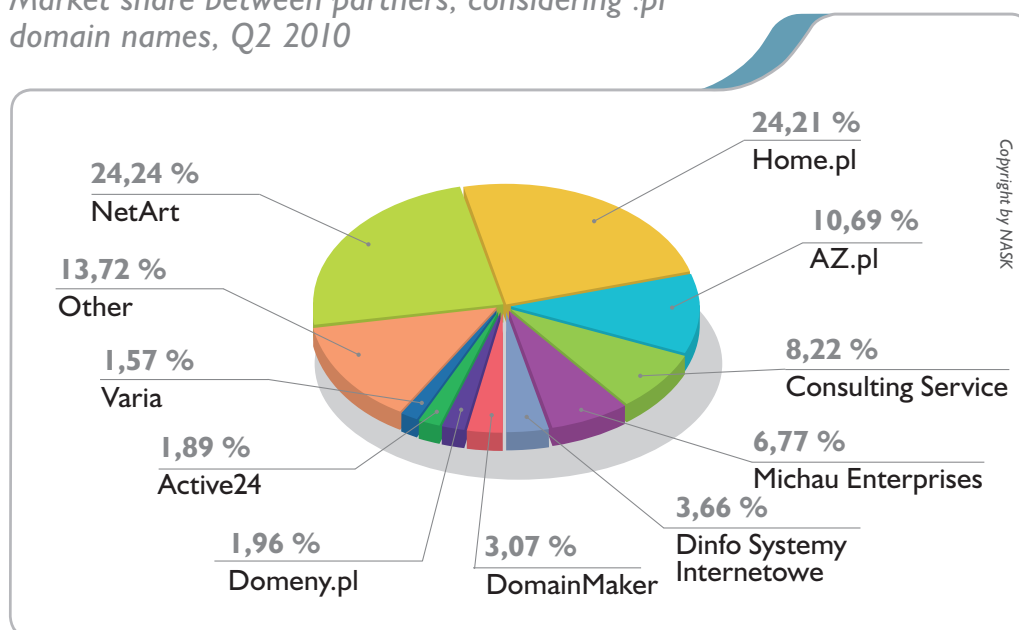
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MARKET SHARE BETWEEN PARTNERS CONSIDERING .PL DOMAIN NAMES

In the second quarter of 2010 a **shift in ranking position among the top .pl domain name Registrars took place**. At present **24,24%** of .pl domain names are maintained by NetArt SA S.K.A. with Home.pl sp.j. maintaining **24,21 %**. The cumulative share of both entrepreneurs dropped by **1,21** percentage points. At the same time five Partners from the TOP10: Az.pl sp.j., Consulting Service, Michau Enterprises Ltd., Domeny.pl and Varia gained almost **1,65** points cumulatively.

Market share between partners, considering .pl domain names, Q2 2010



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

In the second quarter of 2010, Partners share in the number of maintained .pl domain names grew to achieve **98,03%**.

Domain name market in Poland

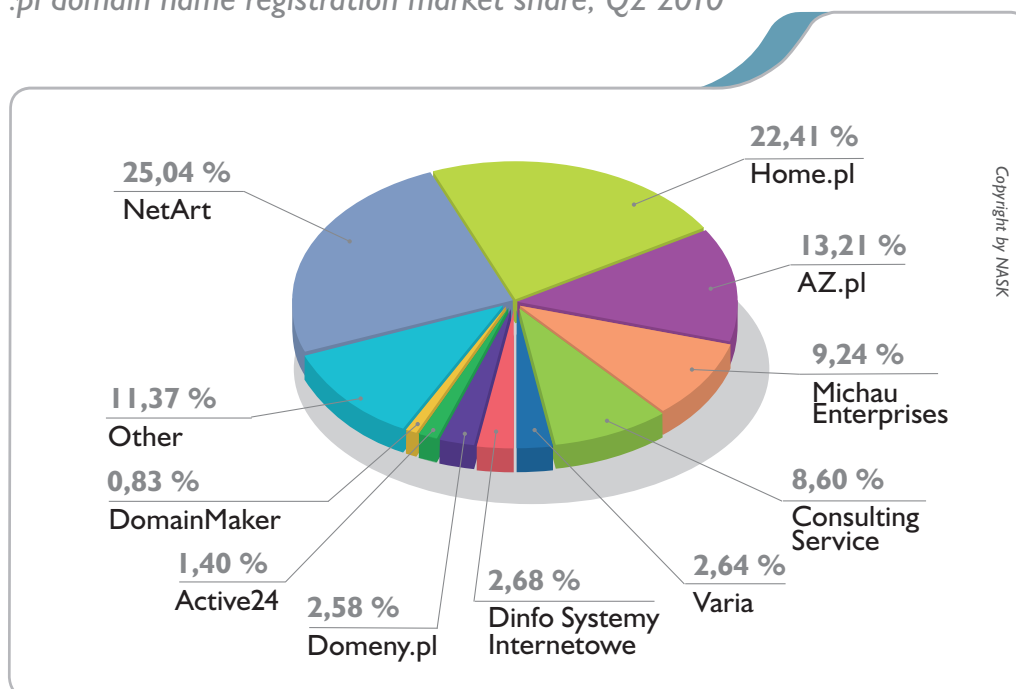
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MARKET SHARE BETWEEN PARTNERS CONSIDERING **NEW** REGISTRATIONS

In the second quarter of 2010 changes in the share of the market took place. Share of two partners, NetArt SA S.K.A. and Home.pl sp.j, which combined realized over **50%** of all .pl domain name registrations, dropped by **3,29** percentage points. As in the previous quarters, there is a successive growth in the market share among the Partners outside of TOP5 list.

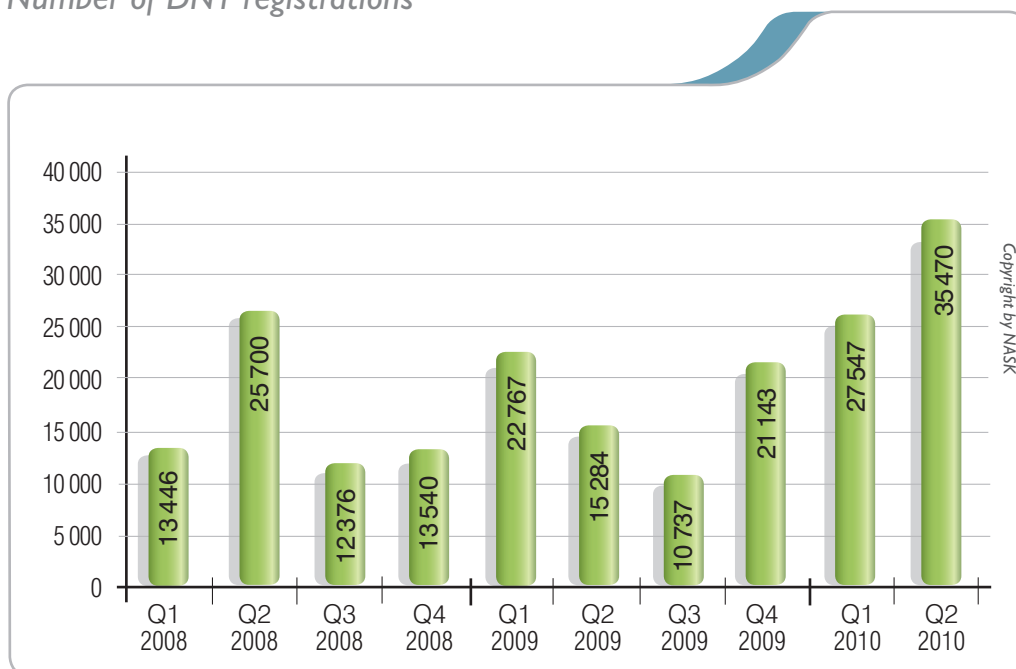
.pl domain name registration market share, Q2 2010



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

CHANGES IN THE DNT REGISTRATION

Number of DNT registrations



DNT (Domain Name Tasting) service offers a possibility of testing chosen domain names for a period of **14** days.

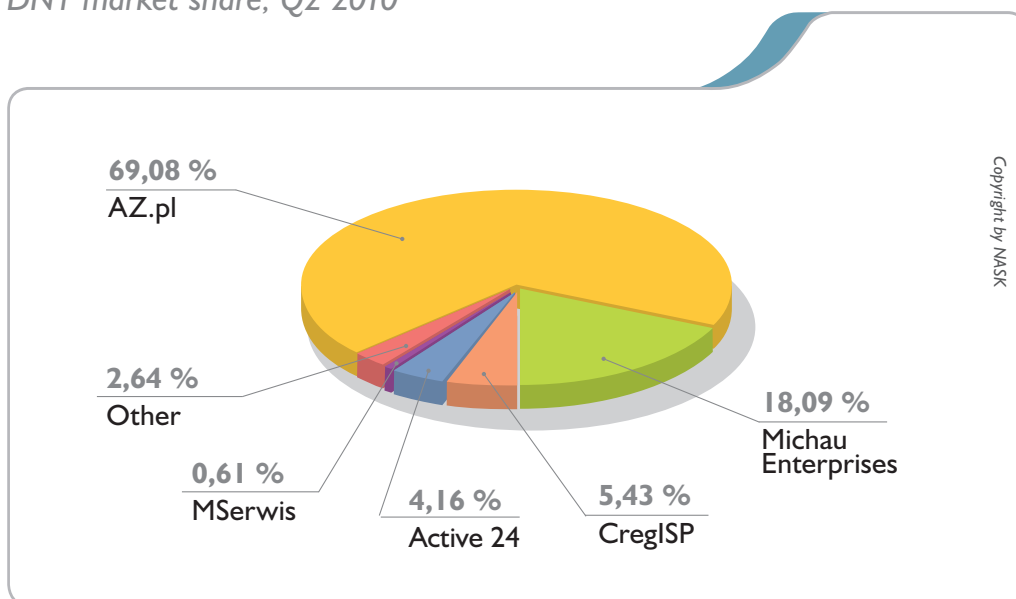
In the last three months record-breaking number of contracts for DNT's were noted. In that time **35 470** .pl domain names were tested, **3 032** of them resulted in registrations.

Since the introduction of the service till the end of the second quarter 2010, **231 649** .pl domain names were tested with **10,22%** being registered as a result.



MARKET SHARE BETWEEN PARTNERS CONSIDERING DNT REGISTRATIONS

DNT market share, Q2 2010



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

The DNT registration market is dominated by one Partner, mainly AZ.pl sp.j., with **69.08 %** domain tests conducted.

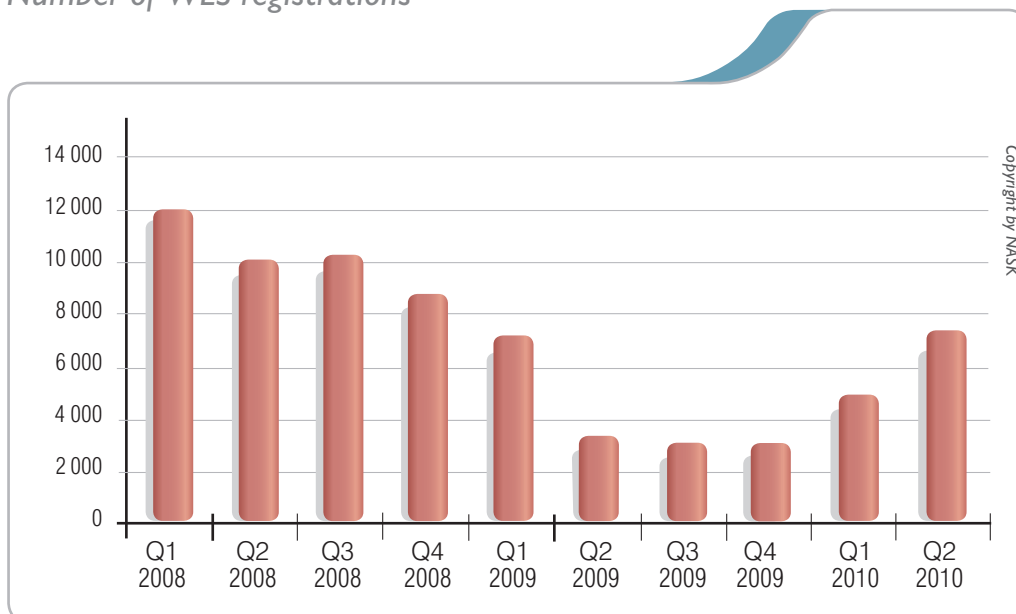
In the last three months also Michau Enterprises Ltd. and Active 24 sp. z o.o. showed increased interest in the service, with Active 24 sp. z o.o. reappearing in the ranking after a year of absence.

Michau Enterprises Ltd. achieved **18,09 %** share, CregISP – **5,43 %**, Active 24 sp. z o.o. – **4,16%**.

MSerwis with **0,61 %** share of the market resides at the bottom of TOP 5.

CHANGES IN THE QUANTITY OF WLS REGISTRATIONS

Number of WLS registrations



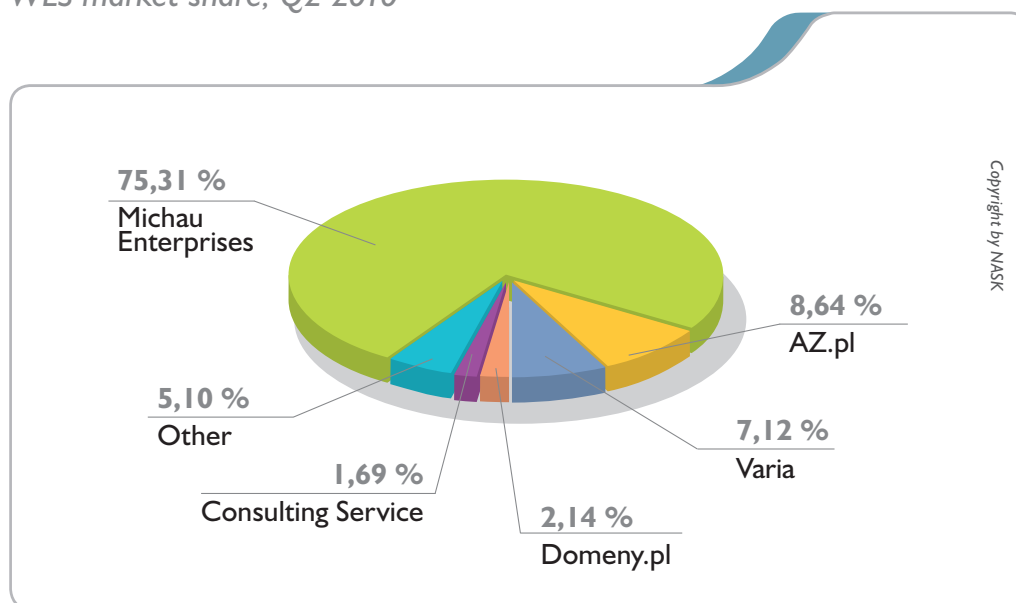
Option (Waiting List Service) is set on a domain name for a 3 year period. It gives the priority in registration after the domain name is released.

Since the introduction of the service in June 2004 till the end of the second quarter 2010, **71 187** WLS contracts were made, out of which **32 323** were realized. Most of them (**92%**) were realized in the first 12 months.

In the second quarter of 2010, **6 727** new contracts were made, out of which **2 850** realized.

MARKET SHARE BETWEEN PARTNERS CONSIDERING **WLS** REGISTRATIONS

WLS market share, Q2 2010



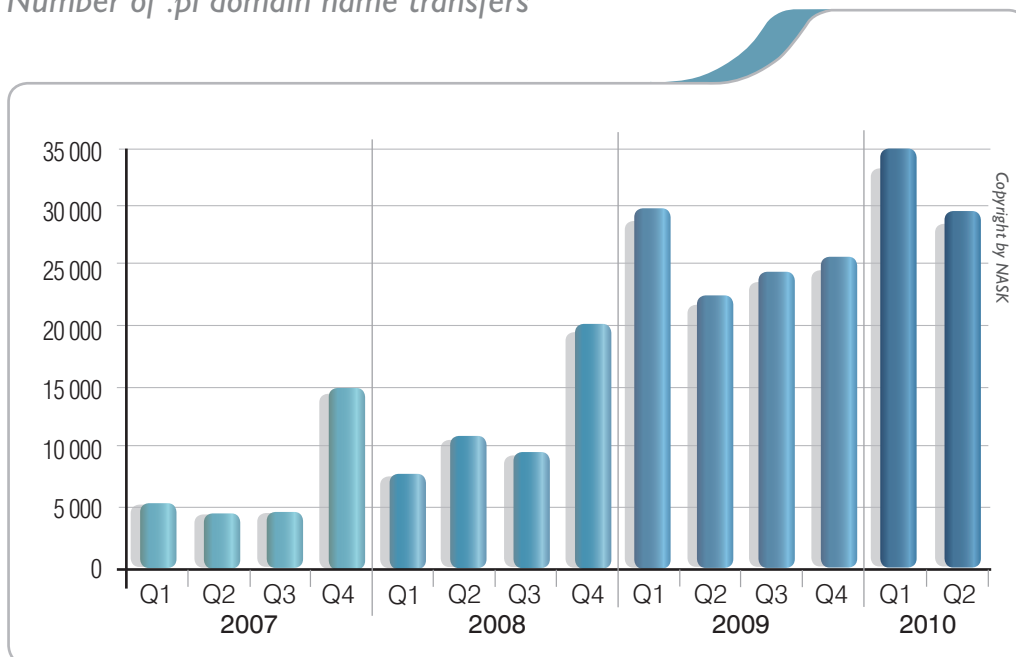
Since the beginning of April to the end of June 2010 significant changes in the WLS market took place. The increase of interest in the service, in the group of five most active Partners in this area, was noted only for Michau Enterprises Ltd. which serviced **75,31 %** of new contracts. The remaining four noted drops: AZ.pl sp.j. from **19,76 %** in Q1 2010 to **8,64 %** in Q2 2010, Varia from **12,17 %** to **7,12 %**, Domeny.pl from **3,36 %** to **2,14 %**, Consulting Service from **3,52 %** to **1,69 %** respectively.

TRANSFERS BETWEEN PARTNERS

The number of transfers of the .pl domain name services between Partners, after noting a noticeable growth in the first quarter of 2010, came back in the last three month period to average levels noted in 2009.

In the second quarter of 2010, **28 308** .pl domain names altogether were transferred.

Number of .pl domain name transfers



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TRANSFER ANALYSIS

The .pl domain name transfer service analysis, performed in the second quarter of 2010, shows the increasing attachment of the domain name owners to Registrars. The longer the owner is being serviced by a particular Registrar the rarer is the situation when he resigns from those services and chooses another Registrar. Almost **65%** of all the transfers are performed in the first couple of months since the moment of registration or previous transfer of the .pl domain name. Large amount of transfers, done in the first two months since the registration, are generated by the secondary market.

Transfer period*	Percentage of transferred domain names
1 st year	64,89 %
– 1 quarter	38,49 %
– 2 quarter	9,29 %
– 3 quarter	7,31 %
– 4 quarter	9,80 %
2 nd year	14,44 %
3 th year	7,61 %
4 th year	4,67 %
5 th year	3,25 %
6 th year	2,70 %
in 7 th year or later	2,44 %

*Transfer period, counted from the date of the registration or previous transfer operation

Domain name market in Poland

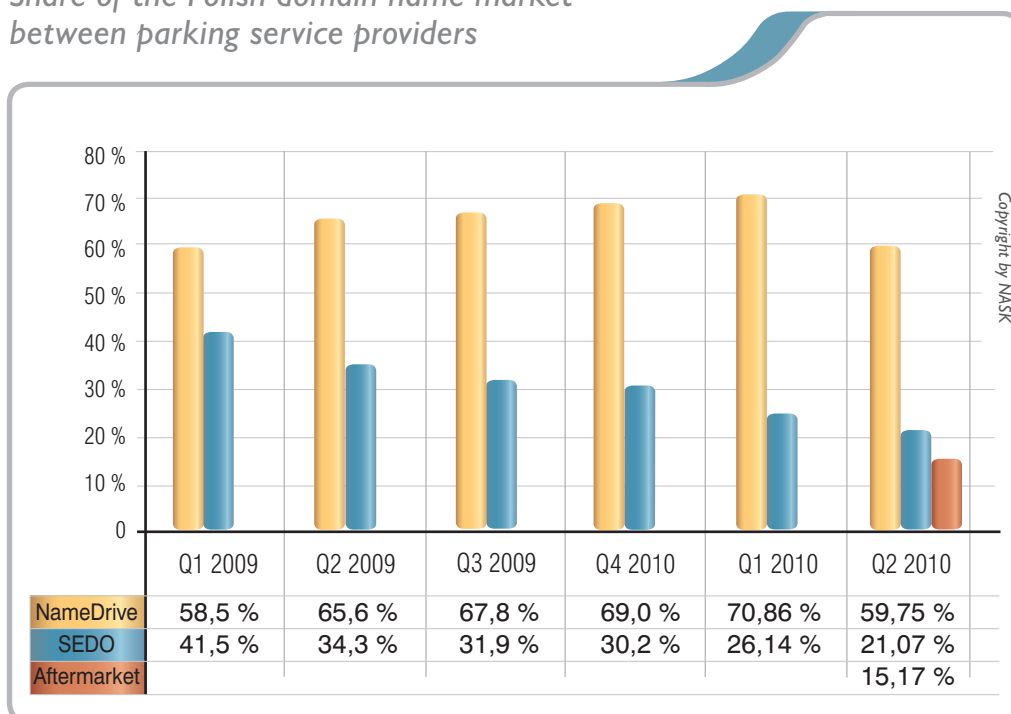
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PARKING OF .PL DOMAIN NAMES

At the end of the second quarter of 2010 over **100 000** (5,48 %) .pl domain names were redirected to web pages of most popular domain name parking service providers.

Share of the Polish domain name market between parking service providers



Many changes may be observed on the domain name parking service market. **Name Drive LLC** kept its no.1 position but due to the expansion of the ranking its market share dropped to **59,75 %**. Less and less (**21,07 %**) .pl domain names are being directed to **SEDO GmbH** servers, while DNS traffic to **Bodis LLC** increased to **3,13%**. **Parked.com** noted a drop by **0,03%**. There are two new providers added to the ranking: **Aftermarket.pl** with the share of **15,17%** and **PPD.pl** with **0,85%** share of the market.

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