

20 July 2017

.ie Domain Registry (IEDR) records 6 percent increase in turnover in 2016 - annual report

- Turnover increased from €2.86 million in 2015 to €3.03 million in 2016;
- IEDR recorded a decreased operating loss after tax of €126,519 as company continues to invest in Strategic Development Fund;
- Fund seeks to grow market presence of .ie namespace through promotion and customer service campaigns;
- IEDR CEO: "2016 was a solid year for IEDR, despite macroeconomic uncertainty and new global trends in domain ownership."

The .ie Domain Registry (IEDR), the company responsible for managing and maintaining Ireland's country domain name, .ie, recorded a 6 percent increase in turnover in 2016, from €2.86 million in 2015 to €3.03 million last year, according to its Annual Report & Review for 2016, published today.

Deferred income on the IEDR balance sheet increased by 4 percent in 2016, to €2.05 million, up from €1.97 million in 2015.

Continued investment in the company's Strategic Development Fund created an operating loss after tax of €126,519. This is a decrease on a loss of €389,311 in 2015 when the fund was established. The fund finances the promotion, marketing and customer service initiatives for the .ie namespace.

Overall, IEDR is in a solid financial position, ending 2016 with €3.6 million in members' funds and €6.3 million in liquid funds and investments.

2016 operational highlights

A total of 34,615 new .ie domains were registered in 2016, a slight 1.7 percent decrease when compared to 2015 (35,225).

The IEDR's multi-stakeholder Policy Advisory Committee (PAC) was extremely busy in 2016, bringing about a number of key policy changes. These included new rules to allow one- and two-letter domains (for example t.ie and fg.ie) and domain names with fadas on vowels (for example. fáilte.ie); a secondary market to allow the private resale of .ie domains was introduced

IEDR published two editions of its flagship research, the dot ie Digital Health Index, which measures and analyses the 'e-health' of Irish SMEs. A separate report, the Domain Profile Report analyses the geographic spread of dot ie domains. It was also published twice in 2016.

On 27 October 2016, IEDR hosted Ireland's second Internet Day at the Mansion House in Dublin. Headlined by businesswoman and serial entrepreneur Emma Sinclair MBE, the youngest ever person in the UK to take a company public, the event focused on Ireland's SME community and the importance of e-commerce.

IEDR's OPTIMISE Fund continued in 2016, supporting 15 Irish SMEs with over €120,000 worth of services to develop a modern, e-commerce-enabled website.

IE Domain Registry

Comment

IEDR will continue to invest in the promotion of the .ie namespace this year and in 2018. In particular, IEDR will push ahead with new domain policy changes, allowing users easier access to .ie domains while preserving and improving existing security requirements. In October, the company will host Ireland's third annual Internet Day, headlined by a major international tech CEO.

Commenting on the annual report, David Curtin, Chief Executive of IEDR, said: "2016 was a solid year for IEDR, despite macroeconomic uncertainty, new domain choices and new global trends in domain ownership, such as shorter domain life-cycles. Moving forward, policy changes introduced by the PAC will continue to ensure that dot ie is the domain name of choice for business owners who need a presence online, with a website or email address that is Identifiably Irish."

"Looking to the end of 2017 and into next year, we are confident that continued strong investment in our Strategic Development Fund will consolidate and grow IEDR's position in the Irish domain market, with new .ie domain initiatives, policies and events.

"We will continue to work shoulder to shoulder with Ireland's SME community to bring them online and introduce them to the benefits of e-commerce. This is a priority: Ireland's e-commerce market is set to grow to €14 billion by 2021, but with less than a third of our SMEs trading online, businesses risk losing out to online international competition."

ENDS

NOTE TO EDITORS

Extract from the audited Financial Statements

<u>Profit and Loss</u>	Year to 31 Dec 2016	Year to 31 Dec 2015
	€	€
Registration Revenue	3,030,258	2,859,722
Administration expenses	(1,727,851)	(1,706,923)
Employment costs	(1,344,439)	(1,462,973)
Depreciation	(157,282)	(206,908)
**Operating loss	(199,314)	(517,082)
Unrealised gains on financial investment	85,274	80,941
Interest income	10,709	21,444
Taxation	(23,188)	25,386
Loss after taxation	(126,519)	(389,311)



IE Domain Registry

** The operating loss reflects expenditure of €273,000 during the year ended 31 December 2016, reflecting the extension of the 2015 Strategic Development Fund with a dedicated 2016 budget of €322,000 to finance a set of promotion, marketing and customer service initiatives to meet the strategic objectives and priorities of expansion and protection of the .ie namespace. This fund financed an integrated radio and digital awareness campaign, an extension of the successful OPTIMISE program, publications backed by robust independent research, new services for customers and Ireland's Internet Day.

<u>Balance Sheet</u>	At 31 December 2016	At 31 December 2015
	€	€
Fixed Assets	164,039	163,762
Investments	3,245,089	3,159,815
Current Assets	3,139,923	2,801,697
Creditors <1 year, excluding Deferred Income	(874,362)	(437,514)
Deferred Income	(2,049,351)	(1,970,724)
Creditors >1 year	<u>(34,821)</u>	<u>0</u>
Members' Funds	<u>3,590,517</u>	<u>3,717,036</u>