

Nominet's board of directors met on 25 September 2003.

### Communications Strategy

A thorough review of communications methods and messages, which Nominet has used, has been carried out and the results were presented to the board together with a new strategy covering the period from 2003 to 2006. The board approved the strategy, the key points of which are:

- . To raise the company profile so that it is much more widely known and to increase awareness of Nominet's values among all stakeholders;
- . To communicate more information about Nominet's business processes and volumes, reporting our performance and service levels both operationally and technically;
- . To build upon the trust that people have in Nominet as the 'trustee and guardian' of .uk;
- . To promote .uk in partnership with members and tag holders;
- . To carry out research and statistical analysis to inform business planning and communications
- . To develop an image of professionalism, approachability and confidence in our own actions and abilities and promote Nominet as a centre of excellence;
- . To develop a more comprehensive and sustained programme of education and information for tag holders, members, registrants, authorities and Internet users;
- . To continue to promote Nominet as the authoritative source on all .uk matters;
- . To improve communication and consultation, to encourage feedback on policies and all aspects of our work, and to develop two-way communication with all stakeholders.

### Budget for financial year ending September 2004

The board approved the company's budget for the new financial year. In summary, the expenditure approved is:

	£000's
Staff	4,388
Operations & Technical	1,554
Communications	363

Legal & Insurance	469
Other Administrative Costs	1,835

This totals £8,609k, a reduction of 2% versus the forecast expenditure for the year ending September 2003. Taken with an anticipated 3% reduction in our income, this should yield an operating surplus for the year of £199k and a surplus after interest and tax of £306k in line with the agreed financial strategy for the company (The Bligh Principles).

#### Cost-savings and efficiencies during financial year ending September 2003

Although the final financial outcome for this year is not yet finalized, the projections indicate that new cost-savings and efficiencies of £185k were achieved against a board-set target of £150k. These came principally from the change from certificates to confirmation letters and the savings achieved by the online reply form facility. Savings of £592k compared with original projections are forecast for the financial year ending September 2004, the first full year of these changes.

#### Pricing principles

The board approved a set of principles for the pricing of Nominet's services. Where a customer has no choice but to deal with Nominet, the aim is for cost-recovery. However, where appropriate external competition exists, this restraint need not apply: for example, in the case of direct registrations. In all cases, pricing will still be set to follow the three financial principles, implying a framework of overall cost recovery across the company in the medium term.

#### Revised .me.uk rules

The board approved a new set of rules for the .me.uk Second Level Domain as discussed and recommended by the PAB.

#### Stephen Timms

The chairman and MD reported on an excellent meeting they had with Stephen Timms, MP and Minister for E-commerce. It is clear that the government is content with Nominet's management of the .uk space and that good co-operation exists between Department of Trade and Industry officials and the senior Nominet staff.

## DRS/UK Names legal action

The board are pleased that Nominet's action against Domain Registrar Services Ltd, UK Names Ltd, Scott Denny and Matthew Hayes has settled on very favourable terms to Nominet. Nominet took action against the defendants last year, and in November 2002 obtained an interim injunction to restrain passing off and trade mark infringement. The defendants, who were based in South Wales, had been engaging in high pressure sales techniques, and had misrepresented that they were, or were connected with, Nominet UK.

In the final settlement, as well as agreeing to pay a contribution of £40,000 towards Nominet's legal costs, the defendants agreed not to infringe Nominet's trade marks, pass themselves off as Nominet, and not to engage in the domain name registration or hosting business.

## Operational Reports

There were 2,766 active members as at 1 September 2003. During August 26 new members were added and 34 members resigned. There were 3,349 active tags and during the month 19 tags were withdrawn. 63,662 new registrations were made and 72,063 renewals were invoiced.