

NIX.CZ, z.s.p.o.
IČO (Company No.) 65990471
Nad Elektrárnou 411
106 00 PRAHA 10

2005 Annual Report



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1. Basic Characterisation of the Association

The NIX.CZ, z.s.p.o. Association was founded in 1996 and on 1 October 1996 it was entered into the Register of Professional Associations of Legal Entities kept by the Department of Internal Affairs of the City District Office in Prague 6 under reg. no. ZS/25/5/96.

The relevant Register was changed in 2003, and since that time NIX.CZ z.s.p.o. has been entered in the Register of Professional Associations of Legal Entities kept by the Department of Civil-Administration Agenda of the Capital City of Prague Magistrate.

The Association's registered address and contact data in 2005 were:

Registered address: Nad Elektrárnou 411, 106 00 Praha 10

IČ (Company No.): 65990471

DIČ (Tax Reg. No.): CZ65990471

Telephone: +420 267 198 350

Fax: +420 267 198 349

e-mail: info@nix.cz

URL: <http://www.nix.cz>

The Association operates interconnection points at the following localities:

NIX1

České Radiokomunikace

Mahlerovy sady 1

Prague 3

NIX2

GTS Telehouse

Vinohradská 190

Prague 3

NIX3

Pragonet Telehouse

5. května 65

Prague 4

NIX4

SITEL Telehouse

Nad Elektrárnou 411

Prague 10

**Membership changes in 2005****New members**

Name	Membership date
SMART Comp. a.s.	1.4.2005
PROMEDIA.CZ, s.r.o.	1.7.2005
GREPA Networks s.r.o.	1.11.2005
NETWAY.CZ s.r.o.	1.12.2005
TERMS a.s.	1.12.2005

Terminated membership

Name	Member until
EuroWeb Czech Republic, spol. s r.o.	31.3.2005
GTS CZECH, a.s.	31.7.2005
UTA Telekom s.r.o.	31.7.2005
Dial Telecom, s.r.o.	31.12.2005

New customers

Name	Customer from
NetCologne GmbH	28.1.2005
IXBONE Telekom Service GmbH	18.2.2005
Unient Communication, a.s.	28.7.2005
TERMS a.s.	17.8.2005
NETWAY.CZ s.r.o.	19.8.2005
PODA s.r.o.	5.12.2005

Terminated customer relationship

Name	Customer until
IXBONE Telekom Service GmbH	30.6.2005
NETWAY.CZ s.r.o.	30.11.2005
TERMS a.s.	30.11.2005

Transfer of membership

Name	Date of transfer
From ha-vel voice a.s. IČ 26190516	1.4.2005
To ha-vel internet s.r.o IČ 25354973	

**List of customers as of 31.12.2005**

Name	IČO (Company No.)
InterouteUK	
CZ.NIC, z.s.p.o.	67985726
CZ.NIC, z.s.p.o. – projekt F-ROOT	67985726
Karneval Media s.r.o.	18383891
LambdaNet Communication s.r.o.	26201691
NetCologne GmbH	
Plus.line AG	
PODA s.r.o.	25816179
Tele2UTA Telecommunication GmbH	
Unient Communication, a.s	63078171

**Members as of 31.12.2005**

Name	IČO (Company No.)
ACTIVE 24, s.r.o.	25115804
AT&T Czech Republic s.r.o.	25785435
BroadNet Czech, a.s.	26201224
BT Limited, organizační složka	70802025
Casablanca INT s.r.o.	25079832
CentroNet, a.s.	26165473
CESNET, z.s.p.o.	63839172
CL-NET s.r.o.	25011022
Contactel, s.r.o.	25733621
Czech On Line a.s.	63080150
ČD-Telematika a.s.	61459445
ČESKÝ TELECOM, a.s.	60193336
Dial Telecom a.s.	25135198
Equant Czech Republic, s.r.o.	49620037
ETEL s.r.o.	25630636
Eurotel Praha, spol. s r.o.	15268306
GiTy, a.s.	25302400
GREPA Networks s.r.o.	25492900
GTS NOVERA a.s.	61058904
ha-vel internet s.r.o.	26190516
IGNUM, s.r.o.	26159708
INTERNET CZ, a.s.	26043319
INTERNEXT 2000, s.r.o.	25352288
Interoute Czech, s.r.o.	26147653
Ipex a.s.	45021295
Master Internet, s.r.o.	26277557
MGI.CZ s.r.o.	26220318
Mopos Communications, a.s.	26222396
net4net, a.s.	26152436
NETWAY.CZ, s.r.o.	26421046
NEXTRA Czech Republic s.r.o.	25683691
Oskar Mobil a.s.	25788001
T-System Pragonet, a.s.	61059382
PROMEDIA.CZ, s.r.o.	25503286
RADIOKOMUNIKACE, a.s.	26705036
SELFservis spol. s r.o.	18826016
SkyNet, a.s.	25346687
Sloane Park Property Trust, a.s.	25036459
SMART Comp. a.s.	25517767
T-Mobile Czech Republic a.s.	64949681
TERMS a.s.	14499037
TISCALI Telekomunikace Česká republika s.r.o.	64788610
TRIOPTIMUM s.r.o.	25722492
UPC Česká republika, a.s.	00562262
UUNET Czech, s.r.o.	26174081
WIA s.r.o.	26703297



The total number of NIX.CZ members at the end of 2005 was 46.
The total number of NIX.CZ customers at the end of 2005 was 10.

2. Mission of the Association

Activities of the Association

NIX.CZ, z.s.p.o. is a professional association of legal entities; its members are important ISPs active within the Czech Republic. The Association's task is to ensure the operation of a Neutral Internet Exchange (peering) node which enables the mutual interconnection of individual members' Internet networks (peering). Another subject of the Association's activities is protection of the common interests of ISPs in the Czech Republic.

3. Statutory Bodies in 2005

Board of Directors

In 2005, the Board of Directors consisted of:

1.1.2005 – 25.11.2005	Mgr. Josef Chomyn	(Chairman)
	Bc. Michal Krsek	(Member)
	Mgr. Ondřej Filip	(Member)
25.11.2005 – 31.12.2005	Mgr. Josef Chomyn	(Chairman)
	Mgr. Ondřej Filip	(Member)
	Milan Švácha	(Member)

Supervisory Board

In the entire year 2005, the Supervisory Board consisted of:

1.1.2005 – 31.12.2005	Radek Majer	(Chairman)
	Mgr. Karel Taft	(Member)
	Ing. Michael Macek	(Member)

4. Employees

As of 31.12.2005, the Association has two full-time employees: Director and Technical Specialist.

The Director organises and manages the Association's operational matters and coordinates internal and external communications. Further, in cooperation with the Board of Directors, s/he prepares development, concepts and source information for voting by members (on the Association's intranet), specifically for the purposes of the



acceptance of new members and customers, and of principal amendments to the organisation of the NIX Association.

The Technical Specialist primarily looks after technical, operational and development matters. S/he also participates in the administrative matters of the Association.

5. Balance Sheet

(in thousands CZK)

As of the last day of the year	2001	2002	2003	2004	2005
TOTAL ASSETS	2 191	3 247	4 626	6 698	9666
Fixed assets	926	2 323	3 107	2 408	3035
Intangible assets – gross	0	9	17	25	25
Adjustment to intangible assets	0	-9	-17	-25	-25
Tangible assets	983	3 996	6 177	6 648	8031
Adjustment to tangible assets	-607	-1 673	-3 070	-4 240	-4996
Investments in progress	550	0	0	0	0
Financial investments	0	0	0	0	0
Current assets	1 265	923	1 519	3 695	6234
Inventory	0	0	0	0	0
Long-term receivables	0	0	0	0	0
Short-term receivables	857	304	430	3 002	3687
Financial accounts	408	619	1 089	693	2547
Other assets	0	1	0	595	397
TOTAL CAPITAL & LIABILITIES	2 191	3 247	4 626	6 698	9666
Own resources	1 277	2 025	3 325	5 149	8453
Capital	0	0	0	0	0
Retained earnings	1 724	1 277	2 025	3 325	5149
Profit and loss of current accounting period	-447	748	1 300	1 824	3304
Liabilities – outside resources	914	1 222	1 301	1 549	1213
Reserve	0	0	0	0	0
Long-term liabilities	41	47	7	7	7
Short-term liabilities	873	1 175	1 294	1 542	1206
Bank loans	0	0	0	0	0
Other liabilities	0	0	0	0	0

6. Profit and Loss Account

(in thousands CZK)

For year	2001	2002	2003	2004	2005
Performance – sale of services	1 680	4 357	6 753	9 150	12976
out of which: Sale of services	1 680	4 357	6 753	9 150	12976
Change in inventory	0	0	0	0	0
Activation	0	0	0	0	0
Production consumption	1 769	1 808	3 036	3 637	4890
out of which: materials, small-scale assets	81	424	811	705	545



and energy supply					
purchased services	1 688	1 384	2 225	2 932	4345
VALUE ADDED	-89	2 549	3 717	5 513	8086
Staff costs	360	1 381	1 493	1 829	2468
out of which: Employees	0	841	830	1 109	1748
Remuneration of statutory body					
members	360	540	663	720	720
Taxes and fees	0	4	12	6	3
Depreciation of fixed assets	272	727	1 002	1 307	1432
Revenues from sales of fixed assets	23	11	39	37	149
Net book value of fixed assets sold	0	0	27	130	121
Other operating revenues	0	0	0	1	3
Other operating expenses	8	9	37	13	135
Financial revenues (interest)	9	3	2	2	2
Membership fees	250	450	450	100	150
Profit (loss) before taxation	-447	892	1 637	2 368	4231
Income tax	0	144	337	544	927
Profit (loss) after taxation	-447	748	1300	1 824	3304

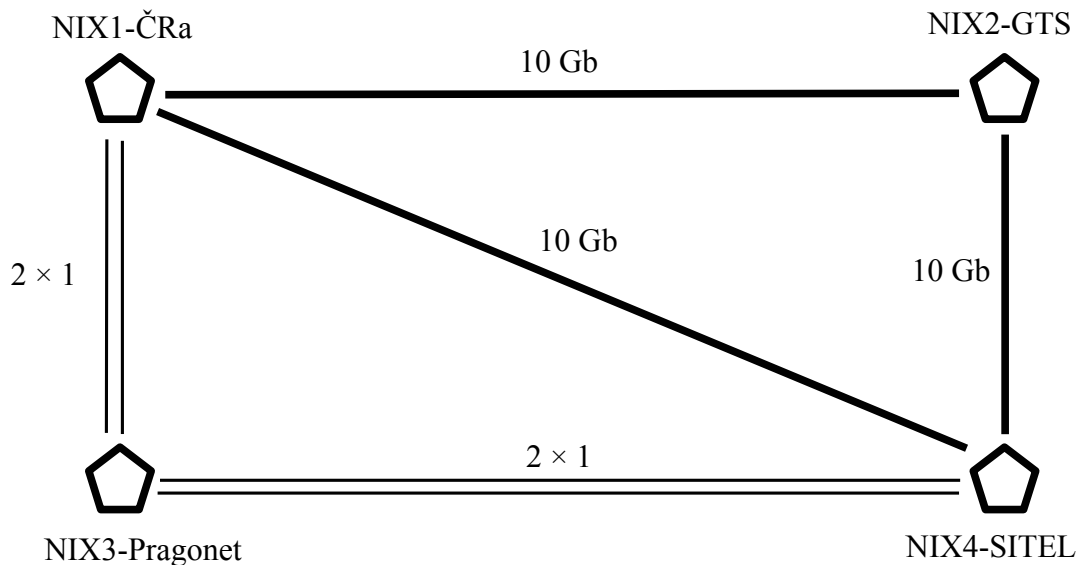
7. Association Activities in 2005

Technical solution

The total amount of aggregated data traffic going through the interconnection nodes of the Association increased above 10 Gb/s in December 2005, i.e., doubled in the last year.

The capacity of backbone interconnections between nodes NIX1, NIX2 and NIX4 has been increased to 10 Gb/s; the connection of node NIX3 to 2 Gb/s.

The following diagram shows the infrastructure as of the end of 2005.



The backbone platform is a series of CISCO 6500 switches. In the NIX1, NIX2 and NIX4 nodes, connection lines with a throughput capacity of up to 10 Gb/s are supported. NIX3, whose utilisation is the lowest, is an exception; its switch only enables connection lines of up to 1 Gb/s.

Node NIX4 has been developing most quickly; nearly 2/3 of the NIX data flow goes through this node. The lowest data flow goes through NIX3 – less than 1/10.

The NIX.CZ interconnection technology remains on the link layer (Ethernet). The Association operates its 6881 autonomous system on the CISCO 7300 platform.

The Association continues to enable its members and customers to be interconnected using the IPv6 protocol. This connection is implemented within the same VLAN as IPv4; this fact enables the members and customers to operate routers and interfaces in a double protocol buffer mode. As of the end of 2005, 12 IPv6 networks have been interconnected, which is stagnation with respect to 2004 (11 networks).

In the autumn of 2005, a new paid service was introduced by the Association – the optional installation of secondary nameservers for operators of Top Level Domains (TLD). Installation of the first secondary nameservers for the EU and BE TLDs is expected in January 2006.

In 2005, the Association was further improving its own system for infrastructure monitoring, developed in 2003; it is predominantly used for diagnostics of interconnection problems, and for the monitoring of operational discipline.

In the autumn of 2005, the Association approved an amended text of its Operating Rules, containing some fundamental changes in the area of access to the NIX nodes and installation of customer/member technology.



Association's Public Relations

In 2005, the Association focused on two areas in public relations: The first area is concerned with informing the professional public about the Association's activities on the Czech market. The main communication channels for that purpose were the Association's website and press releases.

In the autumn of 2005, the Association organised the first informal meeting of its members in its history – the Club Evening.

The second one was aimed at informing foreign ISPs about the Association's activities and persuading such subjects to use the Association's services. The main communication channels for that purpose were the Association's website, and also updated presentations at RIPE conferences in the EIX-WG workgroup and at Euro-IX meetings.

In the autumn of 2005, the NIX Association organised in Prague the seventh EURO-IX Forum and the ninth General Meeting of EURO-IX. The participants' statements on the site and written questionnaires value this last Forum as the most successful one so far.

8. Strategic Goals for 2006

In 2006, the Board of Directors and the Association Director will work in the following areas in addition to the normal operational issues:

- The task given by the General Meeting of November 2005 – analysis of NIX monitoring 7/24/365, specifications of functionality and identification of outsourcing options for monitoring;
- Amendment to the Articles of Association to better reflect the current situation and role of the NIX.CZ Association;
- Amendments to the Operating Rules;
- Concept of the number of nodes – reduction or extension to additional localities;
- Security of NIX nodes, access, technology backup;
- Outlook for future technology and investment strategy in 2007;
- Cooperation with other IX associations, specifically, sharing know-how and technology;
- Active participation in EURO-IX;
- Cooperation with important associations active in the field of the Internet in the Czech Republic;
- Cooperation with international organisations active in the field of the Internet;
- A gala evening to celebrate the 10th anniversary of NIX and other social events.