ANNUAL
REPORT

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CZ

2011

ANNUAL REPORT

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About the Association

Profile

NIX.CZ, z.s.p.o. (Professional Association of Legal Entities) is a company associating Czech and foreign Internet related businesses in order to mutually interconnect their networks (so called peering). The Association was founded on 1st October 1996 by eight companies. The main reason for establishing the association was to simplify the system of interconnecting individual Internet networks and to save resources associated with such interconnections.

At present, NIX.CZ associates 83 members and 25 customers and its maximum data traffic exceeds the amount of 200 Gbps. The Association provides stable and reliable exchange of approximately two thirds of all data flow within the Czech Republic. The Association runs the largest IXP (Internet Exchange Point) in the Czech Republic and is ranked among the 10 largest IXPs in the world.

Consistent planning, sophisticated technical solution and 24/7/365 technical support ensure trouble-free operation of the Exchange. Since 2003, the Association has supported peering via the IPv6 protocol. Since 2011, the infrastructure of the Association has been accessible from as many as five locations in Prague. NIX.CZ is a dynamic and open company taking active part in the development of the Internet in the Czech Republic and abroad.

Mission

The purpose of the NIX.CZ Association is to enable data flow exchange. This data exchange is voluntary between and among individual companies. The objective of NIX.CZ is to provide reliable hardware equipment for this data exchange, to provide professional services related to such data exchange, to remain neutral and ensure equal conditions for all its members and customers.

Another objective of the Association is to protect the common interests of the members of the Association, to cooperate with the most important organizations operating in the Internet industry, to provide its members with access to the latest information about IXP and to keep providing "neutral environment" for the meetings of various specialists.

Foreword by the Chairman of the Board

Dear readers,

let me say a few words in the introduction to the Annual Report of NIX.CZ Association for 2011.

For NIX.CZ Association, the calendar year 2011 was marked by the continuation of investments and further development. In the technical field, a very important event was the opening of the 5th POP in Prague, where it is possible to connect to the infrastructure of NIX.CZ. We had been long discussing the necessity to increase the number of POP, but recent developments in the Czech market of data centres speeded up our decision. For members and customers of NIX.CZ, the new connection point means more options consisting primarily in greater redundancy of network connections and greater risk diversification. Another effect of the new node is, of course, enhancement of competition which is already evident from the increased activity of data centre operators.

Not only expansion but also constant improvement of technical infrastructure – i.e. hardware and interconnecting routes – contributes to the development of the NIX.CZ node. This growth enables the Association to maintain its position as one of the top ten IXPs (Internet Exchange Point) in Europe and in the world. The representatives of NIX.CZ are actively involved in the activities of the international Euro-IX organization, associating the IXPs, and participate in a number of conferences and international forums, sometimes even in the form of lectures or presentations.

In the autumn of 2011, NIX.CZ celebrated its fifteenth anniversary. The professional conference followed by a social evening was the biggest event in the history of the Association. The event was attended by many guests, not only from among the members and customers of the Association, but also by many foreign guests. Thanks to our communication with foreign partners, NIX.CZ is able to compare their services with competitors from abroad. This is perhaps the reason why we have introduced or will soon introduce new services into our portfolio, such as private interconnections through NIX.CZ infrastructure or partnership programs.

Plans for 2012 include further expansion and professionalization of NIX.CZ Association. Since January, the structure of the price list has been simplified. In the future, we can expect favourable price adjustments and probably the most eagerly awaited event: the possibility to connect at the speed of 100 Gbps.

NIX.CZ Association is not only a professional service provider, but a real meeting place for Internet network experts. At the time of writing these words, NIX.CZ is moving into new and larger premises. I would like to thank the Director of the Association, Mr. Martin Semrád, and the entire team of our employees for their hard work.
I wish you all a lot of energy in the future.

Josef Chomyn
Chairman of the Board of NIX.CZ Association

Foreword by the Director of the Association

Ladies and gentlemen,

I would like to take this opportunity to describe in a few paragraphs what, in my view, the year 2011 meant for the Association of NIX.CZ. Like previous years, it can be primarily characterized by a number of milestones whose significance has supported the growth and importance of NIX, as well as its reputation both a national and international.

The first important moment was the renumbering of IPv4 addresses of the public peering segment. The whole process of this change, which lasted nearly four months, put high demands on preparation and communication on the part of the Association and planning on the part of all members and customers. The renumbering was carried out over one night within a four-hour time window without any trouble. The overall impact on the Internet infrastructure was nil, for which thanks belong to all technical specialists who worked on this change. As a result, NIX has a sufficiently large (IPv4) space for further growth.

Another change was our expansion to another – fifth – point of presence. A new node has been established after as many as 8 years. The opening of this point in the data centre of TTC Telekomunikace was approved by the General Assembly in late June and put into operation on 4th October. As early as at the end of the year, this point was already in black numbers. Another important factor leading to the establishment of this point was the change of topology which occurred in 2010. The new topology, among other things, positively affects the cost of operation. I perceive the establishment of the new point in TTC as a strategic and advantageous move enhancing the neutrality of the Association.
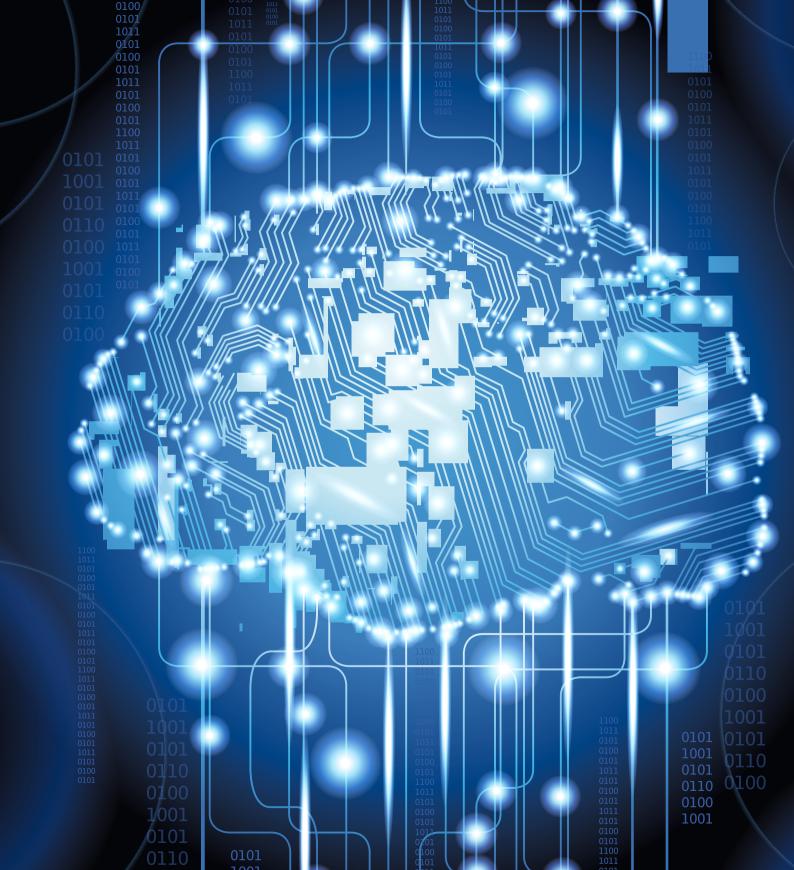
Another important milestone was the moment when, at the end of the third quarter, the number of installed 10GE ports exceeded the sum of all installed 1GE and FE ports. At the same time, data traffic exceeded 200 Gbps. These facts are a logical result of the increasing Internet traffic, increasing number of connections, but also the result of the pricing policy of the Association.

At the end of 2011, NIX.CZ celebrated 15 years of its existence by holding a conference at Prague Planetarium in Stromovka followed by a social evening in Malostranská Beseda. Both events were attended by our members and customers as well as partners from abroad, whose presence was a confirmation of the international importance of NIX. I would also like to point out that the event was prepared under the financial support of sponsors and partners, for which they deserve great thanks!

In the area of internal operations, the Association employs 8 employees in the administrative and technical fields. In the middle of the year, the General Assembly elected a new Supervisory Board member to fill a vacant seat. At the end of the year, the General Assembly re-elected the current Board of Directors for the term of the next 3 years. As of 31st December 2011, Association made a profit before tax of CZK 8,013 thousand. The profit will be used in the reserve funds to bridge the years of stagnation and, eventually, to cover strategic investments.

I believe that NIX.CZ Association will continue to develop at the same pace and in the same direction and will take full advantage of opportunities that will bring benefits to its members.

Martin Semrád
Director of NIX.CZ Association

Members in 2011

Changes in 2011

New members:

Company name	Member since
CBS holding limited – Czech branch, organizační složka	1.2.2011
DataCamp, s.r.o.	1.5.2011
MERIT GROUP a.s.	1.5.2011
Telefónica O2 Business Solutions, spol. s.r.o.	1.7.2011
Centrum Holdings s.r.o.	1.8.2011
Radio Free Europe/Radio Liberty, Inc. organizační složka	1.10.2011
Internethome, s.r.o.	1.11.2011
Sauron CZ s.r.o	1.12.2011

Terminated memberships:

Company name	Member until
SuperNetwork, s.r.o.	30.4.2011
LOSAN internet, s.r.o.	30.6.2011
Sloane Park Property Trust, a.s.	30.6.2011
Cogent Communications Czech Republic, s.r.o.	31.7.2011
Inter Fiber, s.r.o.	31.7.2011
Telefónica O2 Business Solutions, spol. s.r.o.	31.10.2011
VOLNÝ, a.s.	30.11.2011

List of members as of 31st December 2011

Company name	Company ID	Company name	Company ID
2 connect a.s.	29007542	MAXPROGRES, s.r.o	25307126
4connect, s.r.o.	24669041	MERIT GROUP a.s.	64609995
ACTIVE 24, s.r.o.	25115804	METRONET, s.r.o.	26762544
Akamai International B.V.	34159661	MGI.CZ, s.r.o.	26220318
AT & T Global Network Services Czech Republic, s.r.o.	25785435	MobilKom, a.s.	48171000
BT Limited, organizační složka	70802025	Mopos Communications, a.s.	26222396
Casablanca INT, s.r.o.	25079832	Nej TV a.s.	28128338
CBS holding limited – Czech branch, organizační složka	29027608	NEW TELEKOM, s.r.o.	26690471
CentroNet, a.s.	26165473	NFX, z.s.p.o.	75093201
Centrum Holdings s.r.o.	25273663	OVANET, a.s.	25857568
CESNET, z.s.p.o.	63839172	OVH, SAS	424761419
COMA s.r.o.	47471557	OXID Networks, s.r.o.	26890950
COOLHOUSING s.r.o.	14893983	Pantel International CZ, s.r.o.	26194783
CZ.NIC z.s.p.o.	67985726	Pe3ny Net, s.r.o.	27252183
ČD-Telematika, a.s.	61459445	RETN Limited	4774262
České Radiokomunikace, a.s.	27444902	Radio Free Europe/Radio Liberty, Inc. organizační složka	61389269
ČEZ ICT Services, a. s.	26470411	RIO Media, a.s.	28216733
DAT, s.r.o.	25521233	Sauron CZ s.r.o	25247841
DataCamp, s.r.o.	45247676	SELFservis, s.r.o.	18826016
Dial Telecom, a.s.	28175492	SEVEROSTAV, spol. s r.o.	48292290
Dragon Internet, a.s.	27237800	Seznam.cz, a.s.	26168685
E4A s.r.l.	VI02995520240	SkyNet, a.s.	25346687
EDERA Group, a.s.	27461254	SMART Comp. a.s.	25517767
EURid vzw/asyl member	40405	STAR 21 Networks, a.s.	26223325
Freebone s.r.o.	25503286	SUPRO, spol. s r.o.	46993185
GiTy,a.s.	25302400	T-Mobile Czech Republic, a.s.	64949681
GRAPE SC, a.s.	25708783	T-Systems Czech Republic, a.s.	61059382
GREPA Networks, s.r.o.	25492900	Telefónica Czech Republic, a.s.	60193336
GTS Czech s.r.o.	28492170	TERMS, a.s.	14499037
ha-vel internet, s.r.o.	25354973	TETA, s.r.o.	47785781
IGNUM, s.r.o.	26159708	Tinet SpA	213314/2001
INTERNET CZ, a.s.	26043319	Trestel SK, a.s.	35792981
Internethome, s.r.o.	24161357	TRIOPTIMUM, s.r.o.	25722492
INTERNEXT 2000, s.r.o.	25352288	UPC Česká republika, a.s.	00562262
Interoute Czech, s.r.o.	26147653	UPL TELECOM, s.r.o.	27203221
Ipex, a.s.	45021295	Verizon Czech, s.r.o.	26174081
Kaora, s.r.o.	27145905	Vodafone Czech Republic, a.s.	25788001
KIT digital Czech, a.s.	18630758	VSHosting s.r.o.	61505455
M-SOFT, spol. s r.o.	49434853	Web4U s.r.o.	26058774
M.NET Studénka, s.r.o.	27809927	WIA, spol. s .r.o.	26703297
MAFRA, a.s.	45313351	WMS, s.r.o.	48289957
Master Internet, s.r.o.	26277557		

Customers in 2011

Changes in 2011

New customers:

Company name	Customer since
DoclerWeb Kft.	22.2.2011
Host-telecom.com s.r.o.	1.7.2011
AVAST Software a.s.	29.7.2011
Microsoft Corporation	5.9.2011
Hurricane Electric	20.12.2011

Terminated customers:

Company name	Customer until
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List of customers as of 31st December 2011

Company name	Company ID
Atrato IP Networks	34330597
AVAST Software a.s.	27636917
COPROSYS a.s.	45534152
DoclerWeb Kft.	01-09-889801
EuroTransit – International Carrier GmbH	HRB 107158
FORTECH, spol. s r.o.	48155811
Google Ireland Limited	368047
Host-telecom.com s.r.o.	26103133
Hurricane Electric	
IP Exchange GmbH	11815808
LambdaNet Communications, s.r.o.	26201691
LeaseWeb BV	30141839
Microsoft Corporation	
Ministerstvo vnitra ČR	00007064
MIRAMO spol. s r.o.	43960987
"N_SYS s.r.o."	25254405
PODA a.s.	25816179
RIPNDS (MSK-IX, JSC)	1087746785356
Spinoco Czech Republic, a.s.	24768774

List of TLD customers as of 31st December 2011

Company name	Company ID
DNS.BE vzw/asyl	9157/99
EURid vzw/asyl	40405
Kaunas University	111950581
NASK	0000012938
NIC.AT	FN17256b
VeriSign Netherlands, B.V	81145859

The total number of NIX.CZ members as of the end of 2011 was 83.
The total number of NIX.CZ customers including TLD as of the end of 2011 was 25.

Statutory Bodies in 2011

Board of Directors

In 2011, the Board of Directors had the following members:

Name	Position	Term of office
Josef Chomyn	Chairman	1.1.2011 – 31.12.2011
Milan Švácha	Deputy Chairman	1.1.2011 – 31.12.2011
Ondřej Filip	Member	1.1.2011 – 31.12.2011

Supervisory Board

In 2011, the Supervisory Board had the following members:

Name	Position	Term of office
Radek Majer	Chairman	1.1.2011 – 31.12.2011
Radim Hájek	Member	1.1.2011 – 31.12.2011
Zdeněk Brůna	Member	1.7.2011 – 31.12.2011

Presentation

History

Here are some milestones in the history of NIX.CZ Association:

1996	Establishment of NIX.CZ Association.
2002	The first full-time employee of NIX.CZ Association.
2003	Implementation of services using the IPv6 protocol.
2004	The first F-ROOT anycast for a DNS server in the Central Europe.
2005	In December, the data traffic exceeds 10 Gbps.
2006	Administrators of.eu, .be and .at Top Level Domains place their name-servers into NIX.CZ.
2007	NIX.CZ host secondary name-servers of .com, .net and J-ROOT anycast.
2008	NIX.CZ offers their members and customers to connect via route-servers; the Association becomes the host of .ru and .pl secondary name-servers.
2009	NIX.CZ becomes the host of .lt secondary name-server and the first European L-ROOT anycast.
2010	Migration from ring topology to double star.
2011	Expansion of the NIX.CZ node to another (fifth) location; data traffic reaches 216 Gbps.

Main events of 2011

January

The Association entered into the New Year with a new price list. The main change was the abolition of the entry fee for customers. Furthermore, the interface for optical connections has been moved to the transceiver in the NIX.CZ switch. This change has simplified the connection of new ports.

The Association held a Technical Working Group in the Los in Oslo restaurant. This working group focused on the process of address renumbering within the IPv4 peering segment.

March

NIX.CZ successfully renumbered the IPv4 peering segment. The renumbering was carried out without any complications in accordance with a predetermined schedule. The reason for the renumbering of IPv4 addresses was the steadily growing interest of domestic and foreign companies to connect to the largest Czech peering node. The data flow through the IPv6 segment was not affected in any way.

June

NIX.CZ cooperated with the CZ.NIC Association to organize the fourth year of the conference called Internet and Technology 11, which was held on the 8th and 9th June in the interesting environment of the Lávka Club in Prague 1. Since the first day of the conference fell on the international day dedicated to the promotion of IPv6, the day was devoted exclusively to the current issues associated with IPv6. The second day of the conference focused more on networks.

The conference was followed by the traditional Spring Working Group, which was intended only for members of the Association.

September

The autumn Working Group was held in the Zvonařka restaurant in Prague 2. Technical working groups, working groups and social gatherings offer neutral environment, where members and customers meet not as competitors but as partners cooperating on the further development of their association.

October

The data flow through NIX.CZ reached 200 Gbps. The long-term increase in the volume of data transmitted over the NIX.CZ peering node is influenced by several factors. First of all, it is a result of end-users' demand for larger quantities of multimedia content on the Internet as more and more people are fond of watching TV, listening to music or playing games over the Internet. This multimedia content places high demands on the connection speed and capacity. In an effort to meet this growing demand, ISPs expand their own networks and increase the capacity of their connection to the NIX node. Furthermore, NIX.CZ consistently expands the base of its members and customers.

NIX.CZ opened a new, fifth, point of presence in Prague. This point is located in the telehouse of TTC Telekomunikace in Prague 10. The aim of the extension to another location was to ensure greater independence, greater stability and availability of services. The new point also enabled the upgrade of the ring topology to the current „dual star" topology of the internal network of NIX.CZ, which was carried out last year.
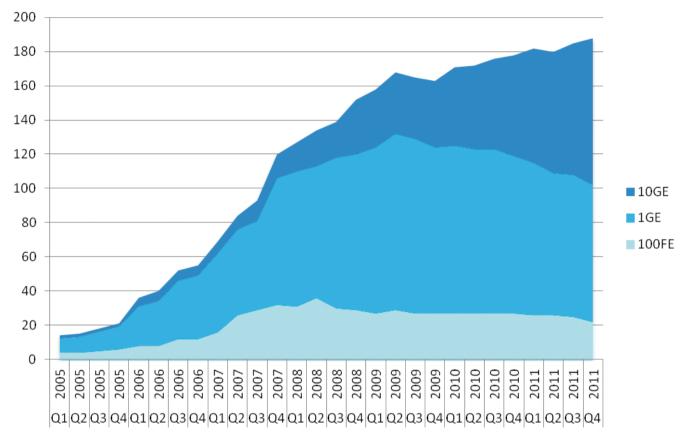
November

The beginning of October marked the 15th anniversary of the foundation of NIX.CZ. On this occasion, in late November, the Association held a conference with international participation at the unique location of Prague Planetarium followed by a social evening in the Music Club of Malostranská Beseda.
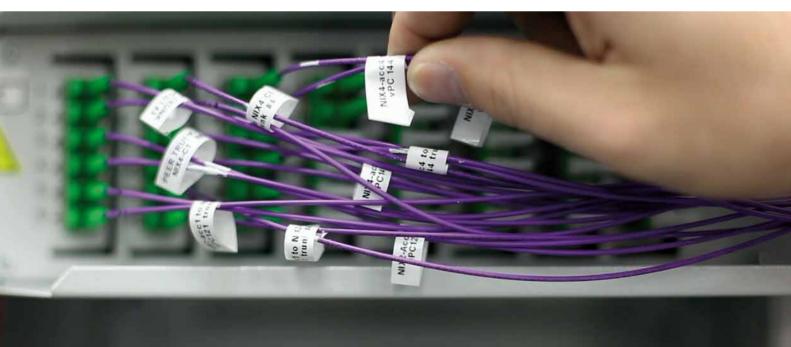
The conference featured the first presentation of a short film about NIX.CZ. The film was made in order to bring the activities of NIX.CZ closer to the general public. Another mission of the film was to raise the profile of NIX.CZ abroad by several slogans such as: strategic location, modern technology, growth of the rate of transmitted data and the growth of connected members, non-commerciality and stability. The short film can be viewed on the website of the Association: www.nix.cz/cz/movie

NIX.CZ is a member of Euro-IX associating mainly European IXPs. It is also a member of the RIPE Association. In 2011, the Association continued to cooperate with other global IXPs and participated in international technical conferences, such as Euro-IX, RIPE, NANOG, Global Peering Forum, European Peering Forum, Capacity Conference and Carrier Networking Exchange. In the Czech Republic, the Association attended a conference called Where do the Czech Wireless Networks Go? Active participation of Association's representatives in these key conferences of the Internet industry ensures a supply of up-to-date information and news and makes the Association more visible internationally. The result is the acquisition of new members and customers, thus more opportunities for peering within NIX.CZ.

Development of connected ports

Legend:
- 10GE
- 1GE
- 100FE

Technical solution

In 2010 the topology of NIX.CZ Internet Exchange migrated from a "ring" topology to a virtualized "dual star" topology. This change provides greater stability of the whole peering platform and also simplified further development. NIX.CZ took advantage of this in 2011, by migrating from one access switch of Cisco Catalyst 6509E to Cisco Nexus 7010. With the change in the topology it was possible to carry out this transfer while affecting only one company at a time (the one being transferred). This change in technology will allow continued growth in the volume of transmitted data expected in the coming years. At the same time, the new topology allowed the Association to open a new point after more than 8 years of planning, which is located in the data centre of TTC Telekomunikace.

NIX.CZ uses Cisco Catalyst 6509E and Cisco Nexus 7010 switches in fully redundant configuration. Last year, we installed two new Cisco Nexus 7010 switches to the newly prepared premises. These switches have been installed in fully redundant configuration and form the core of the new virtualized "dual star" topology. The interconnection technology of NIX.CZ continues to run on the link layer (Ethernet).

Due to a lack of dark fibres, the backbone connections use the passive DWDM technology (Dense Wavelength Division Multiplexing) running over the existing fibres allowing an increase in backbones interconnections to 80 Gbps. Thanks to this m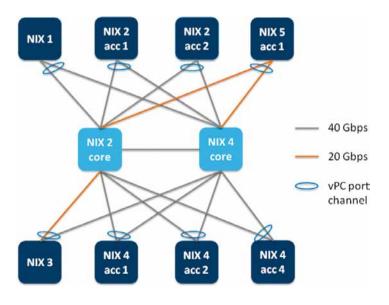odification, NIX.CZ can provide up to 32 channels per one pair of optical fibres without the need for additional dark fibres.

The Association runs its autonomous 6881 system on the platform of Cisco 7301 routers, which enable access to internal services of the Association and connection of hosted TLD DNS servers, both via the IPv4 and IPv6 protocols. The smooth operation of the infrastructure is ensured by as many as 23 support servers installed at individual locations.

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 2011, 88 IPv6 networks have been interconnected representing approximately 80% of all participating networks.

Two route-servers at NIX2 and NIX4 simplify the system of peering sessions between members and customers, where there is no need of individual BGP sessions. These route-servers also simplify the process of new member's and customer's admission to the Association. The service is provided free of charge to members and customers, peering is supported in both IPv4 and IPv6 protocols. Due to the requirements for higher stability of the solution, the route-servers were divided into two independent routing daemons (Bird and Quagga).

Topology as of 31st December 2011:

Employees in 2011

As of 31st December 2011, the NIX Association employed 8 full-time employees in the positions of Director of the Association, Assistant to the Director, Technical Director, 2 Technical Managers, 2 Technical Specialists and one Sales & Marketing Manager.

The Director of the Association organizes and coordinates internal as well as external communication. Also, in cooperation with the Board of Directors, the director prepares strategies and background materials for member voting (on the Association's intranet), especially concerning the admission of new members and customers as well as fundamental changes in the organization of the NIX Association.

Technical Director – is responsible for managing the technical department, coordination of technical work and the overall technological development of the Exchange.

Technical Managers are responsible for dealing with technical, operational and development matters.

Technical Specialists are responsible for the development and administration of internal applications and the Intranet of the Association. They also participate in the control and monitoring of the sites.

Sales & Marketing Manager is in charge of sales, marketing and administration matters of the Association.

Assistant to the Director of the Association is primarily responsible for administrative matters, including billing.

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FINANCIAL DATA

Balance sheet

(in thousands of CZK)

As of the last day of	2006	2007	2008	2009	2010	2011
Total Assets	15 950	22 836	30 551	42 462	48 746	55 746
Fixed assets	5 172	6 858	7 757	13 803	17 229	13 003
Intangible assets (gross)	25	25	25	0	0	0
Adjustments to intangible assets	-25	-25	-25	0	0	0
Tangible assets	10 989	14 944	19 090	25 152	33 763	37 417
Adjustments to tangible assets	-5 817	-8 086	-11 333	-11 349	-16 534	-24 414
Unfinished investments	0	0	0	0	0	0
Financial investments	0	0	0	0	0	0
Current assets	10 392	15 746	22 014	27 050	29 089	41 073
Inventory	0	0	0	0	0	0
Long-term receivables	0	0	0	0	0	0
Short-term receivables	4 620	7 477	9 644	10 923	10 539	12 764
Financial assets	5 772	8 269	12 370	16 127	18 550	28 309
Other assets	386	232	780	1 609	2 428	1 670

	2006	2007	2008	2009	2010	2011
Total Liabilities	15 950	22 836	30 551	42 462	48 746	55 746
Equity	13 619	20 332	27 671	39 703	46 809	53 131
Registered capital	0	0	0	0	0	0
Profit/loss of previous years	8 453	13 619	20 332	27 672	39 703	46 809
Profit/loss of current period	5 166	6 713	7 339	12 031	7 106	6 322
Other resources	2 331	2 483	2 880	2 754	1 937	2 555
Reserves	0	0	0	0	0	0
Long-term payables	7	7	7	7	0	0
Short-term payables	2 324	2 476	2 873	2 747	1 937	2 555
Bank loans	0	0	0	0	0	0
Other liabilities	0	21	0	5	0	60

Profit and loss statement

(in thousands of CZK)

Za rok	2006	2007	2008	2009	2010	2011
Revenues – sales of services	17 827	23 260	29 410	37 920	36 153	42 134
of which: sales of services	17 827	23 260	29 410	37 920	36 153	42 134
change in status of inventories	0	0	0	0	0	0
activation	0	0	0	0	0	0
Expenses	5 752	6 661	7 601	9 372	11 470	17 218
of which: material, low-value assets, energies	600	949	1 606	1 920	1 023	1 933
purchased services	5 152	5 712	5 995	7 452	10 447	15 285
Added value	12 075	16 599	21 809	28 548	24 683	24 916
Personnel expenses	3 925	6 145	9 633	9 888	10 665	9 649
of which: employees	3 205	5 425	8 848	9 103	9 890	8 864
remuneration to members of bodies	720	720	785	785	775	785
Taxes and fees	6	12	24	13	13	15
Depreciation of fixed assets	1 734	2 575	3 523	4 310	7 008	8 139
Revenues from sale of fixed assets	0	127	368	0	1 090	285
Net book value of sold fixed assets	0	0	438	0	237	0
Other operating revenues	13	45	282	280	201	433
Other operating expenses	49	142	291	358	404	309
Earnings (interest)	8	54	208	195	407	241
Member fees	150	550	450	200	400	250
Profit / loss before tax	6 532	8 501	9 208	14 654	8 454	8 013
Income tax	1 366	1 788	1 869	2 623	1 348	1 691
Profit / loss after tax	5 166	6 713	7 339	12 031	7 106	6 322

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Independent Auditor's Report

Report on the Financial Statements

Based on the executed audit of the financial statements, which is part of this Annual Report, today we issued the following Auditor's report:

"We have audited the accompanying financial statements of NIX.CZ Association which comprise the balance sheet as of 31 December 2011, the profit and loss account for the year finishing on 31.12.2011 and an annex of these financial statements containing description of the used substantial accounting methods and other explaining information. The NIX.CZ Association data are stated in the annex of these financial statements.

Entity Statutory Body´s responsibility for the Financial Statements

The Statutory Body of NIX.CZ Association is responsible for the preparation and fair presentation of financial statements in accordance with accounting regulations applicable in the Czech Republic and for such an inner control it considers necessary for the preparation of financial statements in such a way that it is free of significant (material) inaccuracies, whether due to fraud or error.

Auditor´s responsibility

Our responsibility is to express an opinion on these financial audits. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and perform the audit to obtain reasonable assurance whether financial statements are free of significant (material) inaccuracies.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor´s judgment, including the assessments of the risks of significant (material) misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity´s presentation and preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity´s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We are convinced that audit evidence which we gained provide sufficient and suitable basis for to express our statement.

Auditor´s opinion

"According to our opinion, the financial statements present true and fair view of assets and liabilities of NIX.CZ Association as of December 31, 2011 and the expenditures, revenues and financial results for the year ending on December 31, 2011 in accordance with Czech accounting regulations."

Report on the Annual Report

We have checked whether as of December 31, 2012 the Annual Report of NIX.CZ Association conforms with the financial statements contained in this Annual Report. The Statutory Body of NIX.CZ Association is responsible for the accuracy of the Annual Report. Our task is to express an opinion on the consistency of the Annual Report and the financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the information included in the Annual Report describing matters that are also presented in the financial statements is, in all material aspects, consistent with the relevant financial statements. We believe that the conducted audit provides a reasonable basis for our opinion.

In our opinion, the information included in the Annual Report of NIX.CZ Association as of December 31, 2011, in all material respects, is consistent with the financial statements referred to above.

In Liberec on May 11, 2012

ADAMAEC AUDIT, s.r.o
Licence no. 342
Ing. Jaromír Adamec
Statutory auditor,
Licence no. 1719

ADAMEC AUDIT s.r.o.
oprávnění KA ČR číslo 342
Ing. Jaromír Adamec
statutární auditor číslo oprávnění 1719

Strategic Goals for 2012

In 2012, the Board of the Association together with the director and employees will, besides dealing with normal operating matters, focus on the following areas:

» work on the overall development and strategy of the association

» modifications to the pricelist and Operating Rules

» recruitment of new members and customers

» preparation of the implementation and pilot operation of 100GE technology

» cooperation with other IXs, mainly in the area of sharing know-how, technologies

» active participation in Euro-IX

» active participation in national as well as international conferences

» cooperation with major associations operating in the field of Internet in the Czech Republic

» cooperation with international organizations operating in the field of the Internet

» organization of social gatherings and working groups

Registered Office and Contact Details

The current location of the office allows quick access to all sites of NIX.CZ Association.

The registered office and contacts details in 2011 were as follows:

Address:
Vinohradská 184/2396
130 52 Praha 3

Company ID:	65990471
Tax ID:	CZ65990471
Phone:	+420 272 660 628
Fax:	+420 272 660 629
e-mail:	info@nix.cz
URL:	http://www.nix.cz

In 2011, the Association operated interconnection points at the following locations:

NIX 1
České Radiokomunikace
Mahlerovy sady 1
Praha 3

NIX 2
GTS Czech
Vinohradská 190
Praha 3

NIX 3
T-Systems Czech Republic
5.května 65
Praha 4

NIX 4
CE Colo
Nad Elektrárnou 411
Praha 10

NIX 5
TTC Telekomunikace
Tiskařská 10
Praha 10

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2011