

Top Level Domain Holdings Limited
(“TLDH” or the “Company” or the “Group”)

Unaudited Interim Results for the period ended 30 April 2012

Top Level Domain Holdings Limited (AIM: TLDH.L), the only publicly traded company focused exclusively on acquiring and operating new generic top-level domains (“gTLDs”), today announces its unaudited interim results for the 6 months ended 30 April 2012 (the “Period”).

Executive Chairman, Peter Dengate Thrush, commented:

“The Board is excited about the prospects for the development of the Group. The Company's strategy continues to be one of building a portfolio of gTLD applications in its own name and for its clients.

“With clients from Brazil, New Zealand, Canada, the UK and the USA, and a varied portfolio of gTLDs, we are the third largest applicant behind Donuts Inc. and Google Inc. We look forward to the first of our gTLDs going live in 2013.”

A full copy of the unaudited interim accounts is available at www.tldh.org

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About Top Level Domain Holdings Limited

Top Level Domain Holding is a publicly traded holding company listed on the London AIM market. The company is only publicly traded company exclusively focused on the new top-level domain space. Top-level domains, such as .com, run by VeriSign (NASDAQ: VRSN), and .biz, run by Neustar (NYSE: NSR), are regulated by ICANN. ICANN has announced plans to expand the number of top-level domains. TLDH is making targeted investments in this space, focusing on both infrastructure technologies and specific top-level domains.

About Minds + Machines, <http://mindsandmachines.com>

Minds + Machines is a registry services provider that works internationally with commercial organisations, cities, not-for-profits and entrepreneurs to secure and operate new web domains,

known as top-level domains (TLDs). Minds and Machines LLC is a wholly owned subsidiary of Top Level Domains Holdings Limited.

CHAIRMAN'S STATEMENT

I am very pleased to present the unaudited interim report for the Group for the six-month period ended 30 April 2012.

The Period was again one of substantial further progress by the Group. The window for submitting applications for new gTLDs opened as scheduled on 12 January 2012 and closed after the Period ending on 30 May, a little later than planned by ICANN after a technical glitch affecting ICANN's application system had been identified and then resolved.

During the Period the Company continued to prepare for the launch of gTLDs, including the marketing of our suite of registry solutions for potential applicants. The Group secured a number of high profile geographic domain focused clients ahead of the gTLD application window, all of whose applications were uncontested and, subject to ICANN evaluation, the Board expects to proceed, including:

- In January the Bavarian State Government exclusively appointed Bayern Connect GmbH (in which the Group has an 80 per cent equity interest) to apply for the **dot bayern** domain. The Group's revenues will include a share of the domain sales revenue generated by the domain. The population of the State of Bavaria exceeds 12 million;
- In March, our German-based wholly-owned company Minds and Machines GmbH was exclusively appointed to be the registry operator for **dot NRW**, on behalf of the German State of Nordrhein-Westfalen, Germany's most populous region with almost 18 million inhabitants. The cities of Dusseldorf, Cologne, Dortmund and Essen all lie within this region. The technical back end for the dot NRW domain has been sub-contracted by Minds and Machines GmbH to Knipp Medien und Kommunikation GmbH, an experienced domain services company. The Group has an 80 per cent equity interest in dot NRW;
- Also in March our US-based, wholly-owned subsidiary, Minds and Machines, LLC, was exclusively appointed by the Commissioners of the City of Miami to apply for the **dot miami** domain. Miami, with a population of over 5.5 million, is a major business hub acting as a gateway between the United States and Latin America. The Group has a 100 per cent equity interest in dot Miami; and
- In April, our London-based, wholly-owned subsidiary Minds and Machines Limited was exclusively appointed to be the registry operator for **dot london**, on behalf of London & Partners Limited, the official promotional organisation for London. This contract, won by Minds and Machines Limited after a competitive tender process, is for a minimum seven year period and provides Minds and Machines Limited with a share of revenues. The greater London area has over 14 million inhabitants.
- Also in April, we applied for the .budapest tld with the exclusive support of the city of Budapest. The greater Budapest area has a population of over 3 million.

Overall the Group was involved with 92 applications in total on behalf of clients, joint venturers, and its own account. In addition to geographical names, the Company's applications included the areas of sports, lifestyles, ecology, entertainment, culture and ethnicity and professions. The Group submitted 5 gTLD geographic applications for or in association with the cities of London, Miami, and Budapest, together with the German States of Bayern and Nordrhein-Westfalen, all with the backing of each city or region's governing body. The Company is providing back-end registry services for 20 applications made by clients of the Company's wholly-owned subsidiary, Minds + Machines, including .rugby by the International Rugby Board, .basketball with FIBA, the International Basketball Federation and one application as a joint venture in .music. TLDH has submitted 72 gTLD applications on its own behalf. In aggregate, the Group's application fees amounted to US\$13,597,500.

Following the Period end, on 13 June 2012 ICANN revealed the identities of all the applications that had been made for new generic top level domains. The Group applied for the third-largest number of applications, after Donuts, Inc. and Google. 22 of the 92 applications made by the Group were uncontested by any another applicant. The applications made by the Group on behalf of itself and its clients and which were uncontested are set out in Table 1 below:

Table 1: Uncontested applications

TLDH as applicant:

1. .abogado (“lawyer” in Spanish)
2. .bayern
3. .beer
4. .budapest
5. .cooking
6. .horse
7. .luxe
8. .miami
9. .NRW
10. .rodeo
11. .roma
12. .surf
13. .vodka
14. .work
15. .zulu
16. 购物 (“shopping” in Chinese)

Group equity interest

- 100%
80%
100%
100%
100%
100%
100%
100%
80%
100%
100%
100%
100%
100%
100%
100%

Client applications:

- .bible
.bradesco
.ecom
.GOP
.kiwi
.london

Client

- American Bible Society
Banco Bradesco SA
Ecommerce Inc.
Republican State Leadership Committee, Inc.
Dot Kiwi Limited
Dot London Domains Limited
-

The applications made by the Group on behalf of itself and its clients and which were contested by one or two competing applicants are set out in Table 2 below:

Table 2: Contested applications; one or two competing applicants

<u>TLDH as applicant:</u>	<u>Company equity interest</u>	<u>Competing applicants</u>
17. .country	100%	1
18. .coupon	100%	1
19. .dds	100%	1
20. .fishing	100%	1
21. .fit	100%	1
22. .guide	100%	1
23. .latino	100%	1
24. .lawyer	100%	1
25. .review	100%	1
26. .science	100%	1
27. 网址 (“site”)	100%	1
28. .beauty	100%	2
29. .casa	100%	2
30. .cricket	100%	2
31. .data	100%	2
32. .deals	100%	2
33. .dog	100%	2
34. .garden	100%	2
35. .property	100%	2
36. .spa	100%	2
37. .website	100%	2
38. .wedding	100%	2
39. .yoga	100%	2
<u>Client applications:</u>	<u>Client</u>	
.basketball	Fédération Internationale de Basketball (FIBA)	2
.broadway	Celebrate Broadway, Inc.	2
.life	CompassRose Life, Inc.	2
.marketing	Tucows TLDs Inc.	2
.media	Tucows TLDs Inc.	2
.rugby	IRB Strategic Developments Limited	2
.tube	Latin American Telecom LLC	2

The remainder of the Group's applications had between 3 and 12 competitors, as shown in Table 3::

Table 3: Contested applications: 3 or more competing applicants

<u>TLDH as applicant:</u>	<u>Company equity interest</u>	<u>Competing applicants</u>
40. .eco	100%	3
41. .fashion	100%	3
42. .flowers	100%	3
43. .gay	100%	3
44. .green	100%	3
45. .immo	100%	3
46. .pizza	100%	3
47. .real estate	100%	3
48. .restaurant	100%	3
49. .school	100%	3
50. .soccer	100%	3
51. .video	100%	3
52. .free	100%	4
53. .sale	100%	4
54. .site	100%	4
55. .style	100%	4
56. .baby	100%	5
57. .cpa	100%	5
58. .law	100%	5
59. .tech	100%	5
60. .vip	100%	5
61. .cloud	100%	6
62. .hotel	100%	6
63. .love	100%	6
64. .store	100%	6
65. .design	100%	7
66. .blog	100%	8
67. .book	100%	8
68. .LLC	100%	8
69. .art	100%	9
70. .home	100%	10
71. .inc	100%	10
72. .app	100%	12
 <u>Client applications:</u>	 <u>Client</u>	
.casino	dotBeauty LLC	3
.poker	Dot Poker LLC	3
.radio	BRS Media Inc.	3
.group	Tucows TLDs Inc	4
.tickets	Shubert internet, Inc.	4
.online	Tucows TLDs Inc	5
.music	Entertainment Names Inc.	7

As previously reported, no applications were submitted on behalf of the Group's client, India TL Domain Pvt Ltd, in respect of Indian cities including Mumbai and Bangalore. In addition, the Group was not selected to provide registry services to the New York City application for .NYC.

Neustar is providing back-end services for four of TLDH's applications, comprising the 2 IDN applications, as well as .blog and .law.

Applications that are in so-called "contention sets" because they are for strings identical or similar to others are being encouraged by ICANN to work out solutions among themselves to avoid having to enter into auctions. Some applications that do not exactly match other applications may nonetheless be placed into contention sets by ICANN evaluators based on their judgment that the strings applied for are likely to cause confusion.

The Group will vigorously pursue its own applications - and those of its clients - where we believe the greatest value can be achieved for the Group and if appropriate, initiating discussions with competing applicants to avoid unnecessary auctions.

On 12 July 2012, ICANN plans to begin its evaluation process that it expects will run for seven months. ICANN then anticipates the approval of the first new domains in the first quarter of 2013. A further update is expected to be provided by ICANN on its proposed batching programme at its next meeting in Prague.

Operational and financial review

The Group's principal investment is its 100 per cent Interest in Minds + Machines LLC (<http://www.mindsandmachines.com>).

Minds + Machines LLC, founded in 2008, is a full-service consulting and registry services company that provides a complete suite of registry solutions for new gTLD applicants through its proprietary registry platform, Espresso.

Revenue for the Period was £136,000 (2011: £26,000) with finance revenue totalling £4,000 (2011: £2,000). The main source of income was earned by advising on client gTLD applications.

Administrative expenses totalled £1,365,000 (2011: £509,000). Share options expensed totalled £90,000 (2011: £92,000). The principal additional costs were incurred in hiring of additional staff and legal and professional fees in relation to processing the large number of gTLD applications.

Retained loss for the period attributable to members of the parent Company totalled £1,400,000 (2011: £573,00) for a loss of 0.34 pence (2011: 0.16 pence) per Ordinary share.

The Company still has significant cash resources. During the Period in February 2012, we completed a placing of new ordinary shares in the Company, which raised £9 million before expenses (equivalent to approximately US\$14.2 million at that time) to provide additional working capital and enable the Company to further develop its TLD portfolio and business. Cash and cash equivalents at the Period end amounted to approximately £4.3 million. This excludes the application fees made to ICANN of US\$13.7 million and any fee refunds which may be due in respect of any withdrawn applications.

Outlook

The Board is excited about the prospects for the development of the Group. The Company's strategy continues to be one of building a portfolio of gTLD applications in its own name and for its clients.

With clients from Brazil, New Zealand, Canada, the UK and the USA, and a varied portfolio of gTLDs, we are the third largest applicant behind Donuts Inc. and Google Inc.

We will continue to participate in discussions at ICANN about an equitable and efficient processing of all applications. We are developing our sales channels and our readiness for market, and look forward to some of our gTLDs going live on the Internet in 2013.

Peter Dengate Thrush

Executive Chairman
19 June 2012

TOP LEVEL DOMAIN HOLDINGS LTD
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2012

	Period ended 30 April 2012	Period ended 30 April 2011	Year ended 31 October 2011
Note	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
Revenue	136	26	54
Administrative expenses	(1,365)	(509)	(1,492)
Amortisation & depreciation	(86)	-	(221)
Share options expensed	(90)	(92)	(226)
Operating loss	(1,405)	(575)	(1,885)
Interest receivable	4	2	6
Loss on sale of interest in subsidiaries	(8)	-	-
Loss before taxation	(1,409)	(573)	(1,879)
Income tax expense	-	-	-
Loss for the financial period	(1,409)	(573)	(1,879)
Other comprehensive income			
Currency translation differences	(40)	1	11
Other comprehensive income for the period net of taxation	(40)	1	11
Total comprehensive income for the period	(1,449)	(572)	(1,868)
Retained loss for the year attributable to:			
Equity holders of the parent	(1,400)	(573)	(1,841)
Non-controlling interests	(9)	-	(38)
	(1,409)	(573)	(1,879)
Total comprehensive income for the year attributable to:			
Equity holders of the parent	(1,440)	(572)	(1,830)
Non-controlling interests	(9)	-	(38)
	(1,449)	(572)	(1,868)
Loss per share (pence)			
Basic	3	(0.16)	(0.53)
Diluted	3	(0.16)	(0.53)

TOP LEVEL DOMAIN HOLDINGS LTD
GROUP BALANCE SHEET
AS AT 30 APRIL 2012

	30 April 2012	30 April 2011	31 October 2011
	(unaudited)	(unaudited)	(audited)
Note	£'000	£'000	£'000
Non-current assets			
Intangible assets	1,371	1,605	1,449
Property, plant and equipment	34	31	32
Available for sale investments	260	387	259
Total non-current assets	1,665	2,023	1,740
Current assets			
Trade and other receivables	10,760	78	126
Cash and cash equivalents	4,315	7,735	7,074
Total current assets	15,075	7,813	7,200
Total Assets	16,740	9,836	8,940
Current Liabilities			
Trade and other payables	(1,435)	(1,111)	(1,163)
Total Liabilities	(1,435)	(1,111)	(1,163)
Net Assets	15,305	8,725	7,777
Shareholders' equity			
Share capital	3	-	-
Share premium account	21,403	12,340	12,520
Share based payment reserve	850	635	765
Foreign exchange reserve	56	86	96
Retained earnings	(7,004)	(4,336)	(5,604)
	15,305	8,725	7,777
Non-controlling interests	-	-	-
Total Equity	15,305	8,725	7,777

TOP LEVEL DOMAIN HOLDINGS LTD
GROUP CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 APRIL 2012

	Period ended 30 April 2012 (unaudited) £'000	Period ended 30 April 2011 (unaudited) £'000	Year to 31 October 2011 (audited) £'000
Cash outflow from operating activities			
Operating loss	(1,405)	(575)	(1,885)
(Increase)/decrease in trade and other receivables	(76)	16	(35)
Increase/(decrease) in trade and other payables	272	(81)	(29)
Amortisation & depreciation charge	86	6	221
Other capitalised costs written off	-	-	109
Share options expensed	90	92	226
Net cash outflow from operating activities	(1,033)	(542)	(1,393)
Cash flows from investing activities			
Interest received	4	2	6
Receipts from sale of interest in subsidiary	2	-	-
Payments/deposits in relation ICANN applications	(10,558)	-	-
Payments to acquire property, plant & equipment	(12)	(6)	(9)
Payments to acquire available for sale investments	-	(2)	-
Net cash (out)/inflow from investing activities	(10,564)	(6)	(3)
Cash flows from financing activities			
Issue of ordinary share capital	9,039	4,939	5,116
Share issue costs	(161)	(257)	(257)
Net cash inflow from financing activities	8,878	4,682	4,859
Net (decrease)/increase in cash and cash equivalents	(2,719)	4,134	3,463
Cash and cash equivalents at beginning of period	7,074	3,600	3,600
Exchange gain on cash and cash equivalents	(40)	1	11
Cash and cash equivalents at end of period	4,315	7,735	7,074

TOP LEVEL DOMAIN HOLDINGS LTD

GROUP STATEMENT OF CHANGES IN EQUITY (Unaudited)

FOR THE PERIOD ENDED 30 APRIL 2012

	Called up share capital	Share premium reserve	Foreign currency translation reserve	Share based payment reserve	Retained earnings	Total	Non-controlling interest	Total equity
Group	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
As at 1 November 2010	-	7,653	85	548	(3,763)	4,523	-	4,523
Loss for the period	-	-	-	-	(1,841)	(1,841)	(38)	(1,879)
Currency translation differences	-	-	11	-	-	11	-	11
Total comprehensive income	-	-	11	-	(1,841)	(1,830)	(38)	(1,868)
Share capital issued	-	4,970	-	-	-	4,970	-	4,970
Share options & warrants exercised	-	154	-	(9)	-	145	-	145
Cost of share issue	-	(257)	-	-	-	(257)	-	(257)
Share based payments	-	-	-	226	-	226	-	226
Total contributions by and distributions to owners of the Company	-	4,867	-	217	-	5,084	-	5,084
Non-controlling interest arising on business combination	-	-	-	-	-	-	38	38
As at 31 October 2011	-	12,520	96	765	(5,604)	7,777	-	7,777
Loss for the period	-	-	-	-	(1,400)	(1,400)	(9)	(1,409)
Currency translation differences	-	-	(40)	-	-	(40)	-	(40)
Total comprehensive income	-	-	(40)	-	(1,400)	(1,440)	-	(1,440)
Share capital issued	-	9,039	-	-	-	9,039	-	9,039
Share options exercised	-	5	-	(5)	-	-	-	-
Cost of share issue	-	(161)	-	-	-	(161)	-	(161)
Share based payments	-	-	-	90	-	90	-	90
Total contributions by and distributions to owners of the Company	-	8,883	-	85	-	8,968	-	8,968
Non-controlling interest arising on business combination	-	-	-	-	-	-	9	9
As at 30 April 2012	-	21,403	56	850	(7,004)	15,305	-	15,305

TOP LEVEL DOMAIN HOLDINGS LTD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The consolidated financial statements has been prepared under the historical cost convention and on a going concern basis and in accordance with International Financial Reporting Standards and IFRIC interpretations adopted for use in the European Union ("IFRS") and those parts of the BVI Business Companies Act applicable to companies reporting under IFRS.

The financial information for the period ended 30 April 2012 has not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures were prepared using applicable accounting policies and practices consistent with those adopted in the statutory accounts for the period ended 31 October 2011. The figures for the period ended 31 October 2011 have been extracted from these accounts, which have been delivered to the AIM Market operated by the London Stock Exchange, and contained an unqualified audit report.

The financial information contained in this document does not constitute statutory financial statements. In the opinion of the directors the financial information for this period fairly presents the financial position, result of operations and cash flows for this period.

This Interim Financial Report was approved by the Board of Directors on 19 June 2012.

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union with the exception of International Accounting Standard ('IAS') 34 – Interim Financial Reporting. Accordingly the interim financial statements do not include all of the information or disclosures required in the annual financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Top Level Domain Holdings Ltd and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All inter-company balances and transactions have been eliminated in full.

Foreign currencies

The functional currency of each entity is determined after consideration of the primary economic environment of the entity. The group's presentational currency is Sterling (£).

2. Loss per share

The calculation of earnings per share is based on the loss after taxation divided by the weighted average number of shares in issue during the period:

Period ended	Period ended	Year ended
30 April 2012	30 April 2011	31 October 2011
(unaudited)	(unaudited)	(unaudited)
£'000	£'000	£'000

Net loss after taxation	(1,409)	(573)	(1,879)
Weighted average number of ordinary shares used in calculating basic earnings per share	412.23m	348.19m	354.35m
Basic loss per share (expressed in pence)	(0.34) pence	(0.16) pence	(0.53) pence

As the inclusion of the potential ordinary shares would result in a decrease in the loss per share they are considered to be anti-dilutive and, as such, a diluted loss per share is not included.

3. Share capital

The authorised share capital of the Company and the called up and fully paid amounts at 30 April 2012 were as follows:

		£'000
		Authorised
Unlimited ordinary shares of no par value each		-
		-
Called up, allotted, issued and fully paid	Number of shares	Nominal value £'000
As at 1 November 2010	284,139,275	-
On 17 November 2010 for cash at 4p per share on exercise of options	200,000	-
On 30 November 2010 for cash at 6.5p per share	73,996,902	-
On 18 January 2011 for cash at 4p per share on exercise of warrants	3,038,036	-
7 June 2011 for cash on share subscription at 8p per share	2,000,000	-
7 June 2011 for cash on exercise of options at 4p per share	200,000	-
10 August 2011 for cash on exercise of warrants at 4p per share	200,000	-
As at 31 October 2011	363,774,213	-
		-
On 10 February 2012 for cash at 8.25p per share	109,468,353	-
27 February 2012 for cash on exercise of options at 4p per share	200,000	-
As at 30 April 2012	473,442,566	-

4. Share Options and Warrants

Total share options in issue

During the period ended 30 April 2012, the company granted 1.9million options over ordinary shares.

As at 30 April 2012 the unexercised options in issue were:

Exercise Price	Expiry Date	Options in Issue 30 April 2012
4p	13 November 2012	19,000,000
4p	1 January 2013	1,200,000
9p	20 December 2013	7,000,000
4p	26 May 2014	5,252,694

8p	15 July 2014	15,000,000
9p	21 July 2014	1,550,000
9p	11 September 2014	350,000
		<hr/>
		47,352,694
		<hr/>

Total warrants in issue

Exercise Price	Expiry Date	Options in Issue 30 April 2012
4p	13 November 2012	1,622,665
4p	31 July 2012 *	48,746,109
4.2p	7 August 2012	21,250,000
12p	18 May 2013	1,000,000
		<hr/>
		72,618,774
		<hr/>

No options or warrants lapsed or were cancelled during the period to 30 April 2012. 200,000 options and nil warrants were exercised during the period to 30 April 2012 all for cash at 4p per share.

* The terms of these warrants were amended such as the expiry date was extended 12 months to 31 July 2012.

5. Post balance sheet events

There are no Post Balance Sheet Events to disclose.

6. The financial information set out above does not constitute the Group's statutory accounts for the period ended 31 October 2011, but is derived from those accounts. Statutory accounts for the period have been delivered to the shareholders, and the auditors made an unqualified report thereon.

7. A copy of this interim statement is available on the Company's website : www.tldh.org