For immediate release **22 September 2015**

Minds + Machines Group Limited
("Minds + Machines" or "MMX" or the "Company" or the "Group")

Unaudited Interim Results for the 6 month period ended 30 June 2015

The Directors of Minds + Machines Group Limited (LSE:MMX), the publicly quoted owner and operator of Internet top-level domains, are pleased to announce the Group's unaudited interim results for the six-month period ended 30 June 2015 ("the period").

Antony Van Couvering, Minds + Machines CEO, commented,

"Our company is rapidly moving from the new gTLD acquisition and deployment stage of its business to the sales and marketing-led recurring revenue phase, supported by the registry platform and processes we built. Since the Company raised capital in January 2014 in order to participate meaningfully in the private auction process, we have successfully executed on our announced plan to acquire premium-quality top-level domains even as we substantially increased the Company's cash reserves.

"Now that this phase of our development is nearing its end, and as we enter our next phase as a sales and marketing organisation, our focus is on driving value through sales whilst continuing to transform the organisation's human capital to meet the new goals. We are therefore streamlining and repurposing our operations to reduce infrastructure costs. As we grow revenues through our channels and premium name sales we will invest in marketing our vertical TLDs to their natural audiences. We also continue to explore improved strategies for monetising our TLD portfolio, as for example with our Emerald Names initiative. We are seeing early positive signs with regard to the launches of both dot law and dot Miami. Combined with initial indications of good renewal rates from dot London and the other TLDs that we launched in Q3 of 2014, we expect these initiatives to deliver a significantly improved H2 performance and long-term growth.

"Management successfully executed its plans during the domain acquisition phase of the business, leaving us with a great TLD portfolio and cash reserves that now stand at $48.3 million, and may grow further as we complete the private auction phase. We are very pleased therefore to be able to announce that the Board has authorised a stock buy-back of up to £15 million in the open market during the next 12 months.

"While H1 results were impacted by significant operating costs, we have reduced these costs dramatically in Q3 of 2015, as will become apparent in future results. The Board is firmly committed to achieving cross-over to operating profitability in 2016 and to fully monetising our excellent TLD portfolio."

Minds + Machines operates three distinct business lines: the registry, through which it is a major owner of generic top-level domains ("gTLDs"); the registry service provider, whose technology powers the top-level domains of MMX and its clients; the registrar, which provides an additional distribution channel through which the Company can target specific vertical markets.

Operational Highlights

- Board committed to achieving its stated goal of crossing over into profitability in 2016;
- At the period end:
  - 217,200 domains were under management, representing 3.43% of new gTLD market. In Q2 2015, the base of all new gTLD registrations grew by 1.8 million, compared to 2.2 million in all top-level domains (82%). Year to date, the new gTLD base grew by 2.8 million, compared to 8 million in all top-level domains (35%). The current trend is very healthy and points the way to significant growth potential for the Company and the industry.
  - Standard Name sales growth was ahead of target KPI with an annualised growth rate of 2.2 times.
  - Premium Names sales growth was in line with target KPI at an annualised rate of 1.83 times.
  - Premium Names sales activity is now being further boosted by our Emerald Names initiative.
- Following the appointment of Keith Teare as Chairman of the Company, supported by the return of Guy Elliott and David Weill to the Board, a root-and-branch review of operating costs and organisational structure has been completed;
- Headcount has been reduced from 58 to 44 even as the sales and marketing teams grew from 2 to 12;
- Projected annual costs have already been reduced by $2.24 million, with a further $0.7 million identified; and

- H2 performance will benefit further from the launches of .law, .abogado, and .miami, and from the renewals of domains from TLDs launched in September 2014.

Financial Highlights from Period:

	H1 2015 $'000	H1 2014 $'000	Percentage change
Billings (1)	1,974	449	340%
Cost of sales	(2,129)	-	N/A
Gross cash (loss) / profit	**(155)**	**449**	**(135%)**
Cash expenditure			
Operating expenditure			
Fixed	(3,033)	(4,142)	(27%)
Variable	(2,488)	(2,449)	2%
Profit on withdrawal of gTLDs	4,460	11,864	(62%)
Adjusted EBITDA *(2)*	**(1,216)**	**5,722**	**(121%)**

	H1 2015	H1 2014	Percentage change
Total (loss) / profit	($3,695k)	$4,879k	(176%)
Basic (loss) / earnings per share	(0.44) cents	0.62 cents	(171%)
Diluted (loss) / earnings per share	(0.44) cents	0.60 cents	(173%)

	30 June 2015 $'000	31 December 2014 $'000	Percentage change
Intangible assets	41,434	40,597	2%
Other Long Term Assets	4,230	5,982	(29%)
Cash & Cash Equivalents	46,891	45,796	2%
Net Assets	94,346	94,685	(0.36%)

(1) Billings refer to total sales generated during the year (not deferred for accounting purposes)
(2) Earnings before interest, tax, depreciation & amortisation and other non-cash charges where earnings are calculated on the basis of billings as opposed to accounting revenue

- H1 billings increased 340% to $1.97 million (2014 H1: $0.45 million);
- Cash reserves at period end up 2% at $46.9 million from 31 December 2014 reflecting private auctions taking place in period;
- Cash reserves enhanced by further $3.5 million post period through withdrawals of applications for .art and .data – available cash as at 31 August $48.1 million;
- Company authorised to purchase up to £15 million of shares in the open market during the next 12 months.

A copy of the unaudited interim accounts is available at www.mindsandmachines.com

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DIRECTORS' REPORT

As indicated in the Q2 operational update, MMX began its transformation from a company focused on acquiring and deploying new gTLDs, a tech-heavy business concentrating on compliance with stringent ICANN requirements, to a sales and marketing focussed organisation able to build on its technical foundations, with a clear objective of achieving cross-over into operating profitability in 2016. As part of this transformation, we made new hires in sales and marketing whilst cutting costs overall, reducing our annual expenses by $2.24 million (see “Cost reductions” below). We will continue to shift resources to sales and marketing capabilities in H2 even as we expect to further reduce overall expenses.

Due in large part to the cash returned from the private auction process in the period, despite the lower number of auctions completed in the first six months of the year, our H1 2015 results are close to management’s expectations, particularly given our focus on restructuring the business and the transition to a sales and marketing-led company.

Our expectations are even higher for H2 2015 and beyond. Our goal of crossing over into profitability in 2016 is supported by a better understanding of how to promote and sell our domain names and by initial renewal rate reports, which indicate positive figures for .london. We are now better placed to monetise our launched TLDs, launch our remaining TLDs, and complete our transition to a growing and profitable operating company. We will likewise continue to evaluate our business focus to ensure that we are fully exploiting the potential of the vast markets at which our vertical TLDs are targeted, that we remain innovative and responsive to the changing conditions of the new gTLD market, and that we continue to better take advantage of the ICANN-accredited registrar channel by forging profitable partnerships with key distributors.

Private Auctions
We resolved six contention sets in H1 2015 and a further two in the current half-year. Of these seven were resolved at private auction, with MMX winning .dds and selling six other TLDs generating $8.66 million in gross cash receipts in the period. From a cash perspective, these funds, coupled with billings, have resulted in the Company generating cash in 2015 despite an operating loss from an accounting perspective in the period.

Board Changes
Following the departure of the former executive Chairman, the directors appointed Keith Teare as non-executive Chairman and welcomed back former directors Guy Elliott and David Weill, also as non-executive directors. These appointments affirmed the directors’ support for the executive team’s goal of refocusing the Company on monetising its core registry business and driving through significant cost reductions.

Cost Reductions
We are pleased to report that since late May, $2.24 million of annualised costs have been cut and a further $0.70 million of annualised costs identified ($2.94 million in total). This has allowed us to re-invest some of these savings ($550,000 annualised) into the Company’s premium-name sales and marketing initiatives (see ‘Premium Name Sales and Emerald Names Update’ below). Our goal is to invest in growing revenues but not at the expense of profitability or shareholder value.

H2 Guidance
Prospects for H2 2015 are good. We have strong indications of:

1. Interest in premium names as a result of our direct sales teams and the Emerald Names initiative;
2. Excellent participation by lawyers in the forthcoming launches of .law and .abogado on 12 October;
3. Good year-one renewal rates for .london - early indications point to renewal rates being significantly above industry norms;
4. A positive reception for .miami following the public endorsement by City of Miami Mayor Tomás Regalado and Commissioner Francis Suarez, and by the co-marketing arrangement reached with GoDaddy to promote the launch of .miami on 2 October 2.

The Directors therefore expect a significantly improved operating result in H2 compared to H1. The revenues of the Company are “lumpy” due to the concentration of TLD launches and associated renewals in the second half of the year, and the Board is looking at taking steps to address the current over-weighting of H2.

KPIs
As announced in the Q2 update, the Company KPIs for three of the six KPIs by which the Board measures sales performance, are as follows:

- *Domains under Management* ("DUMs"): As at 30 June, total DUMs were 217,200, representing 3.43% of total new gTLDs domain names registered and therefore within the target KPI range of 3-5%. This number is net of domains registered through our registrar business to avoid double-counting at the registry level.
- *Premium Name Sales Growth*: This is currently running at an annualised growth rate of 1.83 times, in line with the 1.75-2.5 times annual growth target.
- *Standard Name Sales Growth*: Standard Name sales growth is currently running at an annualised rate of 2.22 times, ahead of the 1.5-2 times annual growth target.

With regard to *Average Revenue per Premium Name*, the target KPI range for premium annual revenues per name was $200 to $225. In H1 the average revenue per premium name was $184 (FY 2014 average: $184). The Board notes that the sales teams were not fully operational and therefore unable to impact this figure during the period.

With regard to *Average Revenue per Standard Name* Average – a target range of $15 to $22 per standard name registration was announced by the Board at the time of the 2014 year-end results. In H1 , the average revenue per standard name fell short of this target at $10 per domain (FY 2014 average: $28), largely as a direct result of the Company's successful discounted promotion for .work in the period. Management expects the average revenue per standard name in the .work domain to significantly re-balance at the point of year one renewals when the prevailing standard name price will be applied. This, combined with the introduction of significantly higher standard name prices in domains such as .law, is likely to positively impact the average standard name revenue per domain going forward. Nonetheless the Company is likely to continue to pursue price-based promotions to increase volume and revenue, which will have the effect of lowering the average revenue per domain name.

As for the final KPI announced in May for measuring the Company's sales progress, *Average Life per Domain,* while it is too early in the Company's evolution to be able measure this, early indications from .london point to higher renewal rates for it geo-portfolio than previously envisioned. That said, the Company's stated target range remains 2.25 years to 4 years per domain name.

Premium Name Sales and Emerald Names Update

Post-period end, the Group has expanded the head-count of its sales team in North America to four, and in the UK to four. The Board will continue to support expansion of sales teams so long as these teams achieve commensurate revenue growth.

29,000 premium names from the Minds + Machines portfolio of top-level domains have also now been registered through its wholly-owned entity, Emerald Names, in order to increase aftermarket and registrar visibility, price flexibility, and inbound sales opportunities.

Pioneers, Super Premiums and Business Development Update

As previously announced, during Q2 the Group concluded a series of high-value sales and pioneer deals. These included Carlsberg, ALM Media and Wedding Wire. The Company continues to focus on extending the range of key partners it has across those verticals where it owns a gTLD and has now put in place a dedicated business development team to develop and progress such opportunities.

Contested Domains Update

The Group continues to have an interest in seven contested generic top-level domain applications.

Cash Reserves

Cash reserves increased to $46.9 million as of 30 June 2015, up from $45.8 million in as of 31 December 2014. Post period end this has increased to $48.1m following the sale of .art and .data at private auction. Net cash outflow from operating activities amounted to $3.6 million (H1 2014: $4.4 million). The change in cash reserves and cash fluctuations throughout the year primarily relates to private auction participation.

Deployment of Cash

As announced on 30 July, a sub-Committee consisting of Directors Michael Salazar, Elliot Noss, David Weill and Guy Elliott, was established and tasked with reviewing and making recommendations regarding a buy-back of shares by the Company and/or a special dividend. As a result of the findings of this review, the Company has authorised a stock buy-back up to £15 million in the open market during the next 12 months to underpin and promote the value of the company's shares, which we believe will be to the benefit of the Company and its long-term shareholders.

We believe the remaining cash will allow us to continue growing our already significant position within the growing new gTLD ecosystem as this market rapidly evolves.

Outlook

The Board is strongly committed to the work immediately ahead of it both to rebalance underlying operating costs and to grow revenue. The opportunities are significant. In Q2 the registration base in new gTLDs grew by 1.8 million names, accounting for 82% of the overall growth in the aggregate base of registered names across all top-level domains, which grew by 2.2 million in the period. In H1, new gTLDs have accounted for 35% of the net aggregate growth in domain names throughout the Internet. This is the beginning to a new world order in domain sales – new gTLDs are just 2% of the total number of domain names but the growth numbers point to the scale of the opportunity ahead of us. The sales and marketing hires we have made and plan to make, along with the cost reductions already made and identified, will allow us to maintain and grow the market share we already have. Our initiatives to penetrate key verticals and geographies, provide the Group with a cost efficient, scalable template for monetising our domains over the near and long-term. We therefore anticipate a significantly improved H2 with continued growth into 2016 and beyond, driven by gTLD launches and renewals together with the impact of the cost reductions. The Board remains committed and firmly focused on achieving a cross-over into operating profitability during 2016.

Antony Van Couvering, CEO
Michael Salazar, CFO
21 September 2015

Condensed Consolidated Statement of Comprehensive Income
For the period ended 30 June 2015

	Note	**Period ended 30 June 2015 (unaudited) $ '000**	Period ended 30 June 2014 (unaudited) $ '000	Year ended 31 December 2014 (audited) $'000
Revenue		**3,643**	113	1,922
Cost of sales	**2**	**(2,129)**	-	(4,659)
Gross profit / (loss)		**1,514**	113	(2,737)
Amortisation & depreciation charge		**(404)**	(132)	(496)
Operating expenses				
Fixed	**3**	**(3,033)**	(4,142)	(8,584)
Variable	**3**	**(2,488)**	(2,449)	(4,558)
Share based payments		**(2,909)**	(85)	(612)
Foreign Exchange (gain) / loss		**(687)**	(290)	(1,427)
Profit on disposal of intangible assets		**-**	-	7,048
Profit on gTLD auctions		**4,460**	11,864	33,721
Loss on withdrawal of gTLD applications		**(148)**	-	(296)
Group operating (loss) / profit		**(3,695)**	4,879	22,059
Finance revenue		**31**	28	62
Finance costs		**-**	(50)	(76)
Profit on disposal of subsidiaries		**-**	-	21
Share of results of joint venture		**9**	37	(9)
(Loss) / Profit before taxation		**(3,655)**	4,894	22,057
Income tax expense		**-**	(1)	-
Retained (loss) / profit for the period		**(3,655)**	4,893	22,057

Other Comprehensive Income

Items that may be reclassified subsequently to profit or loss:

Currency translation differences		407	118	543
Other comprehensive income for the period net of taxation		**407**	118	543
Total comprehensive income for the period		**(3,248)**	5,011	22,600
Retained (loss)/profit for the period attributable to:				
Equity holders of the parent		**(3,644)**	4,946	22,287
Non-controlling interests		**(11)**	(53)	(230)
		(3,655)	4,893	22,057
Total comprehensive income for the period attributable to:				
Equity holders of the parent		**(3,268)**	5,063	22,795
Non-controlling interests		**20**	(52)	(195)
		(3,248)	5,011	22,600
(Loss) / earnings per share (cents)				
Basic	**4**	**(0.44)**	0.62	2.73
Diluted	**4**	**(0.44)**	0.60	2.67

Condensed consolidated statement of financial position
At 30 June 2015

	Note	**30 June 2015 (unaudited) $ '000**	31 December 2014 (audited) $ '000	30 June 2014 (unaudited) $'000
ASSETS				
Non-current assets				
Goodwill		**2,828**	2,828	3,099
Intangible assets	**5**	**41,434**	40,597	28,134
Tangible assets		**792**	871	1,120
Interest in joint ventures		**843**	833	839
Other long-term assets	**6**	**4,230**	5,982	9,057
Total non-current assets		**50,127**	51,111	42,249
Current assets				
Trade and other receivables		**1,202**	4,434	4,867
Cash and cash equivalents		**46,891**	45,796	34,099
Total current assets		**48,093**	50,230	38,966
TOTAL ASSETS		**98,220**	101,341	81,215
LIABILITIES				
Current liabilities				
Trade and other payables		**(3,754)**	(6,314)	(3,525)
Obligations under finance lease		**(120)**	(342)	(414)
Total current liabilities		**(3,874)**	(6,656)	(3,939)
Non-current liabilities				
Obligations under finance lease		**-**	-	(177)
Total non-current liabilities		**-**	-	(177)
NET ASSETS		**94,346**	94,685	77,099
EQUITY				
Share capital		**-**	-	-
Share premium	**8**	**82,866**	82,866	82,190

Shares to be issued	**-**	-	-
Foreign exchange reserve	**1,083**	707	316
Retained earnings	**10,726**	11,461	(5,201)
	94,675	95,034	77,305
Non-controlling interests	**(329)**	(349)	(206)
Total Equity	**94,346**	94,685	77,099

Condensed consolidated statement of cash flows
For the period ended 30 June 2015

	Period ended 30 June 2015 (unaudited) $'000	Period ended 30 June 2014 (unaudited) $ '000	Year ended 31 December 2014 (audited) $'000
Cash flow from operating activities			
Operating (loss) / profit	**(3,695)**	4,879	22,059
Decrease / (increase) in trade and other receivables including long term receivables	**4,984**	827	1,383
(Decrease) / increase in trade and other payables	**(2,560)**	2,840	5,631
Depreciation and amortization charge	**404**	132	496
Profit on sale of intangible assets	**-**	-	(7,048)
Profit on gTLD auction	**(4,460)**	(11,864)	(33,721)
Loss on withdrawal of gTLD applications	**148**	-	296
Share options expensed	**2,909**	85	612
Foreign exchange (gain)/loss	**(1,345)**	(1,282)	(1,163)
Net cash outflow from operating activities	**(3,615)**	(4,383)	(11,455)
Cash flows from investing activities			
Net Interest received	**31**	28	62
Interest paid	**-**	-	(76)
Amounts released from / (transferred) to restricted cash	**642**	(114)	411
Payments to acquire intangible assets	**(1,052)**	(21,958)	(45,975)
Receipts from the disposal of intangible assets	**-**	-	16,944
Payments to acquire property, plant and equipment	**(113)**	(106)	(398)
Amounts received in gTLD auctions	**5,432**	12,824	37,493
Net cash (outflow)/inflow from investing activities	**4,940**	(9,326)	8,461
Cash flows from financing activities			
Repayments of obligations under finance lease	**(222)**	(274)	(363)
Issue of ordinary share capital	**-**	35,002	35,678
Share issue costs	**-**	(2,293)	(2,293)
Net cash inflow from financing activities	**(222)**	32,435	33,022
Net increase in cash and cash equivalents	**1,103**	18,726	30,028
Cash and cash equivalents at beginning of period	**45,796**	15,465	14,884
Exchange loss / (gain) on cash and cash equivalents	**(8)**	(92)	884
Cash and cash equivalents at end of period	**46,891**	34,099	45,796

Condensed consolidated statement of changes in equity (unaudited)
For the period ended 30 June 2015

Group	**Called up share capital $'000**	**Share premium reserve $'000**	**Foreign currency translation reserve $'000**	**Retained earnings $'000**	**Total $'000**	**Non - controlling interest $'000**	**Total equity $'000**
As at 1 January 2014	**-**	49,481	**199**	**(10,232)**	**39,448**	**(154)**	**39,294**
Loss for the period	-	-	-	4,946	4,946	(53)	4,893
Currency translation differences	-	-	117	-	117	1	118

Total comprehensive income	**-**	**-**	**117**	**4,946**	**5,063**	**(52)**	**5,011**
Share capital issued	-	34,801	-	-	34,801	-	34,801
Cost of share issue	-	(2,293)	-	-	(2,293)	-	(2,293)
Share options and warrants exercised	-	201	-	-	201	-	201
Share based payments	-	-	-	85	85	-	85
As at 30 June 2014	**-**	**82,190**	**316**	**(5,201)**	**77,305**	**(206)**	**77,099**

Group	**Called up share capital $'000**	**Share premium reserve $'000**	**Foreign currency translation reserve $'000**	**Retained earnings $'000**	**Total $'000**	**Non - controlling interest $'000**	**Total equity $'000**
As at 1 January 2015	**-**	**82,866**	**707**	**11,461**	**95,034**	**(349)**	**94,685**
Loss for the period	-	-	-	(3,644)	(3,644)	(11)	(3,655)
Currency translation differences	-	-	376	-	376	31	407
Total comprehensive income	**-**	**-**	**376**	**(3,644)**	**(3,268)**	**20**	**(3,248)**
Share capital issued	-	-	-	-	-	-	-
Cost of share issue	-	-	-	-	-	-	-
Share options and warrants exercised	-	-	-	-	-	-	-
Share based payments	-	-	-	2,909	2,909	-	2,909
As at 30 June 2015	**-**	**82,866**	**1,083**	**10,726**	**94,675**	**(329)**	**94,346**

Notes to the condensed consolidated financial statements
For the period ended 30 June 2015

1. Basis of preparation

The condensed financial statements have been prepared under the historical cost convention.

The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2014. The adoption of Standards and Interpretations in 2014 has not affected the Group's accounting policies.

Basis of consolidation

The condensed consolidated financial information incorporates the results of the Company and its subsidiaries.

Approval

The Board of Directors approved this Interim Financial Report on 21 September 2015.

2. Cost of sales

	H1 2015 $ 000's	H1 2014 $ 000's
Cost of Sales	2,129	-

In 2015, certain costs have been classified as cost of sales that were previously shown under operating expenses. The change was made to better reflect the nature of costs incurred and the Group's underlying operations. These costs include developer wages and salaries, ICANN fees, and revenue sharing arrangements in certain TLDs.

Included within cost of sales are technical staff wages and salaries amounting to $1.27m of which $1.02m relates to 'current' employees (employees retained by the group as at 30 June 2015) and $252k that relates to 'former' employees (employees not retained by the group as at 30 June 2015 as part of the company's restructuring and cost reductions). Further reductions have been identified as part of the ongoing restructuring and cost reduction process.

3. Operating expenses

The Directors' consider operating expenses to be either fixed or variable in nature and consider separating these costs of reflect underlying business costs.

a) Fixed operating expenses

	H1 2015 $ 000's	H1 2014 $ 000's
Directors emoluments – excluding bonuses		
Current	544	626
Former	168	-
Employee wages and salaries		
Current	1,345	1,070
Former	292	-
Advertising & marketing*	293	1,962
Insurance	51	58
Public listing and audit fees	118	236
Rent and rates	222	190
	3,033	**4,142**

* Advertising & marketing costs relate to commitments in relation to certain geo TLDs.

b) Variable operating expenses

	H1 2015 $ 000's	H1 2014 $ 000's
Directors' 2014 bonuses		
Current	675	164
Former	260	-
Employee 2014 bonuses		
Current	263	-
Former	13	-
Advertising & marketing	287	243
Professional services*	376	747
IT service fees	-	492
Utilities	187	231
Travel	227	285
Other	200	287
	2,488	**2,449**

* Professional services comprise $176k of legal, accounting and other fees and $200k of temporary contractual services. As part of company's restructuring and re-organization, temporary contractual services are expected to decrease significantly.

The company typically approves annual Directors' and employee bonuses in the year following the close of the preceding financial year. Therefore 2014 bonuses have been recognized as costs in 2015.

Directors' and staff wages and salaries (including bonuses) have also been separated by 'current' employees (employees retained by the group as at 30 June 2015) and 'former' employees (employees not retained by the group as at 30 June 2015 as part of the company's restructuring and cost reductions) to provide better clarity. Further reductions have been identified as part of the ongoing restructuring and cost reduction process.

4. Earnings / (loss) per share

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

	H1 2015 (unaudited)	H1 2014 (unaudited)
Net (loss) / profit after taxation ($'000)	(3,644)	4,946
Weighted average number of ordinary shares used in calculating basic loss per share (millions)	835.98	798.99
Effect of dilutive potential ordinary shares – share options and warrants (millions)	-	22.56
Weighted average number of ordinary shares for the purpose of diluted earnings per share (millions)	835.98	821.56
Basic loss per share (cents)	(0.44)	0.62
Diluted loss per share (cents)	(0.44)	0.60

In H1 2015, all potential shares were anti-dilutive as the group was in a loss making position. As a result diluted loss per share for the periods ended 30 June 2015 is disclosed the same value as basic loss per share.

5. Intangible Assets

	generic Top Level Domains $ 000's	**Software & development costs $ 000's**	**Development costs (Assets under construction) $ 000's**	**Other $ 000's**	**Total $ 000's**
Cost					
At 1 January 2014	2,186	181	-	193	2,560
Additions	42,889	1,552	148	43	44,632
Transfer from other long term assets	3,885	-	-	-	3,885
Disposals	(9,897)	-	-	(74)	(9,971)
Exchange differences	-	(310)	-	-	(310)
At 31 December 2014	39,063	1,423	148	162	40,796
Additions	500	103	449	-	1,052
Transfer from other long terms assets	185	-	-	-	185
Exchange differences	-	(188)	-	-	(188)
At 30 June 2015	**39,748**	**1,338**	**597**	**162**	**41,845**
Accumulated amortization					
At 1 January 2014	-	-	-	-	

Charge for the year	-	(199)	-	-	(199)
At 31 December 2014	**-**	**(199)**	**-**	**-**	**(199)**
Charge for the period	-	(212)	-	-	(212)
At 30 June 2015	**-**	**(411)**	**-**	**-**	**(411)**
Carrying amount					
At 30 June 2015	**39,748**	**927**	**597**	**162**	**41,434**
At 31 December 2014	39,063	1,224	148	162	40,597

generic Top Level Domains

In 2012, the Group applied for new generic Top Level Domains to the Internet Corporation for Assigned Names and Numbers (ICANN).. Successful applications are transferred from other long-term assets to Intangible assets. The Group capitalises the full cost incurred to pursue the rights to operate generic Top Level Domains including amounts paid at auction to gain this right where there are more than one applicant to ICANN for the same generic Top Level Domain.

This class of intangible assets are assessed to have an indefinite life as it is deemed that the application fee and amounts paid at auction give the Group indefinite right to this generic Top Level Domain.

6. Other long-term assets

	30 June 2015 (unaudited) $'000	31 December 2014 (audited) $'000
Restricted cash	**2,195**	2,837
Other long-term receivables	**2,035**	3,145
Total other long term assets	**4,230**	5,982

The Group capitalises the costs incurred to pursue the rights to operate certain gTLD strings as these are deemed to provide probable future economic benefit.

During the application process capitalised payments for gTLD applications are included in Other Long Term Assets. While there is no assurance that MMX will be awarded any gTLDs, long-term receivables payments will be reclassified as intangible assets once the gTLD strings are available for their intended use, which is expected to occur following the delegation of gTLD strings by ICANN. In general, MMX does not expect to withdraw any of its applications unless the application has not passed the evaluation process and there is no further recourse or there is an agreement to sell or dispose of its interest in certain applications.

During the 2012 financial period, the Group paid US$13.5 million in application fees to the Internet Corporation for assigned Names and Numbers (ICANN) under ICANN's New generic Top Level Domain (gTLD) Program and deposited US$3.6 million to fund the letters of credit required by ICANN.

In 2013, 11 such applications were withdrawn either as a result of participation in auctions or management decision. A further application was transferred to a joint venture. As a result, application fees paid to ICANN as at 31 December 2013 amounts to $11,100k and deposits to fund letters of credit amounts to $3,248k.

In 2014, 22 further applications were withdrawn either as a result of participation in auctions or management decisions. As a result, application fees held with ICANN as at 31 December 2014 amounts to $3,145k. Due to the withdrawal on several applications, deposits to fund letters of credit decreased to $2,837k.

In 2015 (as of 30 June 2015), 5 further applications were withdrawn either as a result of participation in auctions or management decisions. As a result, application fees held with ICANN as at 30 June 2015 amounts to $2,035k. Due to the withdrawal on several applications, deposits to fund letters of credits decreased to $2,195k.

Where MMX receives a partial cash refund for certain gTLD applications and/or to the extent the Group elects to sell or dispose of its interest in certain gTLD applications throughout the process, it may incur gains or losses on amounts invested. In such cases the application fee will be reclassified from a long-term asset. Refunds received will be properly recorded when received, gains on the sale of the Group's interest in gTLD applications will be recognised when realised, and losses will be recognised when deemed probable. Other costs incurred by MMX as part of its gTLD initiative not directly attributable to the acquisition of gTLD operator rights are expensed as incurred.

Of the applications withdrawn in the 6 month period to 30 June 2015, 4 applications were withdrawn as a result of participation in private auction where the Group did not win the auction but received a portion of the auction proceeds. Such auction proceeds, less amounts not recovered from the Group's withdrawal of the application to ICANN are accounted for on the profit and loss account as Profit on participation in gTLD auctions and amounted to $4,460k (2014: $33,721k). 1 application was withdrawn as a result of participation in ICANN auctions where the Group did not win the auction and did not receive a portion of the auction proceeds. Of the application fee, those amounts not received from ICANN as a result of such withdrawals are accounted for on the profit and loss account as Loss in withdrawal of gTLD applications and amounted to $148k (2014: $296k).

7. Deferred revenue

Included within Trade and other payables:

	30 June 2015 (unaudited) $'000	31 December 2014 (audited) $'000
Deferred revenue	**1,683**	3,159

8. Share capital and premium

Called up, allotted, issued and fully paid ordinary shares of no par value	**Number of shares**	**Price per share (cents)**	**Total $'000**
As at 1 January 2015 and 30 June 2015	835,984,485	N/A	82,866

9. Post balance sheet events

In August 2015, the company gained $3.5m for withdrawing its gTLD applications for .data and .art.

ENDS