For immediate release **24 September 2014**

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

Unaudited Interim Results for the 6 month period ended 30 June 2014

About MMX

Minds + Machines Group Limited is a BVI incorporated company, which is traded on the AIM Market operated by the London Stock Exchange ("AIM"). The Company and its subsidiaries' (the "Group") is a major participant in the generic top level domain ("gTLD") application programme and participates in and provides services across the domain name lifecycle including registry ownership and operations, consumer sales, as well as providing a complete suite of registry service provider ("RSP") solutions for gTLD applicants. MMX today announces its unaudited interim results for the 6 month period ended 30 June 2014 (the "period").

Financial Highlights:

	H1 2014(2)	**H1 2013**(3)	**Percentage change**
	£'000	£'000	
Total Sales for the period (5)	**295**	**7**	**4114.29%**
Recognised as Revenue in the period	*68*	*7*	*871.43%*
Operating profit / (loss) (1)	**2,924**	**(1,888)**	**254.87%**
Included in Operating profit / (loss):			
Administrative expenses (1)	*(3,950)*	*(1,403)*	*181.54%*
Profit on gTLD auctions (1)	*7,110*	*-*	*N/A*
Basic earnings per share(1)	0.37p	(0.34p)	208.82%
Diluted earnings per share (1)	0.36p	(0.34p)	205.88%

	30 June 2014	**31 December 2013**	**Percentage change**
	£'000	£'000	
Intangible assets (1)	16,522	1,562	957.75%
Other Long Term Assets (1)	5,319	8,756	(39.25%)
Cash & Cash Equivalents (1)	20,025	9,082	120.49%
Deferred revenue (4)	268	41	553.66%
Net Assets (1)	45,277	23,976	88.84%

(1) As stated in these unaudited interim results
(2) Six month period ended 30 June 2014
(3) Six month period ended 30 June 2013
(4) Deferred revenue included within Trade and Other Payables, as stated in the unaudited interim results
(5) Total sales for the period arise from fees charged for the registration of a domain name via our registrar (registry sales have not occurred in H1 2014) and for services provided to customers of our Registry Services Provider business line. The total sales are deferred and recognised over the life of the domain name or over the period which the service is provided. 'Total Sales for the period' is not a recognised GAAP measure.

Operational Highlights:

- Significant growth in revenue (up 4114%), operating profit (up 255%), cash and cash equivalents (up 120%) and net assets (up 89%);
- Participated in 12 private auctions, securing an additional 4 gTLDs raising our portfolio of wholly owned or partially owned gTLDs to 24;
- First domains within portfolio successfully launched; and
- Expansion of consumer-focused registrar services, due to launch in early Q4, progressed.

Executive Chairman, Fred Krueger, commented:

> "These are exciting times and we are still only at the very early stages of the new generic TLD roll-out programme. During the first half of the year, we have focused both on how best to grow our portfolio of wholly or majority owned top level domains and how best to address the markets for our existing portfolio of TLDs. We believe that the overall performance of our new TLDs, and the Group as a whole, greatly benefits from our having our own additional registrar channel through which to market and sell our new TLDs, including our portfolio TLDs, directly to consumers. We look forward to continuing to develop our consumer focused registrar services.
>
> All in all, we believe that the Company's new TLD portfolio, human capital and operational and financial structure have us very well placed to continue succeeding in the future."

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

Further Information:

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CHAIRMAN'S STATEMENT

I am very pleased to present the unaudited interim report for the Group for the six-month period ended 30 June 2014.

At the time of writing, we have just experienced the successful public launch of .london (9 September) as well the initial launches of our first set of own wholly, or majority owned, top level domains (15 September). Three additional top level domains (TLDs), including our next major geographic domain, .bayern, are set to go into General Availability towards the end of this month.

These are exciting times and we are still only at the very early stages of the new generic TLD roll-out programme.

If we look at the wider market, less than 200 new generic TLDs - around a fifth of the total number of top level domains that will potentially become available through ICANN's new generic TLD initiative – had entered General Availability at the end of the period under review. That number now stands at around 220.

Yet over 2.2million domain names have already been registered, the majority of which have been in the current calendar year.

As the early adopters start implementing their new domains online, and the much anticipated domains of major brands such as .bbc come on-line, we are confident awareness in the wider public will continue to rise incrementally.

Further, we now have 6 months of initial data by which we can evaluate the performance of the launched TLDs outside of Minds + Machines portfolio, and thereby better understand what their performance may mean for our domains, and those of our clients, going forward. We are also about midway through the contested TLD resolution process, and have a better idea of the TLDs that are likely to make up our final portfolio.

Name registration data available to-date indicates a strong opening for a variety of new products/domains, and also shows that we are still very early in the adoption curve for new TLDs. We expect that the growth of almost all new TLDs will likely follow an "S curve", as it historically has for newly launched TLDs, rather than a straight line. We also believe that new TLDs in general, and our new TLDs in particular, will grow in usage and value over the next one to two years as businesses and consumers see new TLDs in use by major brands, major events, as well as in relation to their interests.

In addition, in measuring the success of a new TLD, our view is that a new measurement of success will need to be adopted industry-wide versus simply judging a TLD on its total number of registrations as this metric does not account for the average value of a domain name within a TLD, especially those such as ours that have annual registration fees that are multiples of other TLDs, including .com.

Against this backdrop, our focus at this time is to continue developing our operations so as to be best able to: maximize our revenues; promote our TLDs; and seek to increase the size of our new TLD portfolio while managing our cash position to allow us to turn the marketing valve up or down dependent on the rate of adoption at any given time.

A key variable in our financial position is the dynamic of private auctions, which we have embraced, and which has worked tremendously to our advantage. We believe that our current still contested strings represent significant assets which we have the potential to monetize either to further our existing new TLDs or to purchase additional new TLDs at auction. During the first half of the year, we have used this private auction strategy highly effectively to obtain several quality TLDs while being cash positive in the process. We believe we have continued to use the right criteria to determine our bidding strategy for each auction in which we've participated, resulting in our obtaining either well-priced assets we consider valuable or receiving cash for assets we would not over-value. We expect to continue benefitting from the private auction process similarly in the second half of the year.

During the first half of the year, we have also focused on how best to address the markets for our existing portfolio of TLDs. While some new TLDs, including other portfolio operators, have chosen to do nothing more than sell their names through the existing registrar channel, we believe that the overall performance of our new TLDs, and the Group as a whole, will greatly benefit from our having our own additional registrar channel through which to market and sell our new TLDs, including our portfolio TLDs, directly to consumers. The development and expansion of our registrar services during the period is doing exactly that: allowing us to directly understand the market for new TLDs and how best to market them to consumers to optimize sales.

Financial Review

During the period, total sales in H1 2014 increased 4114% to £295,000 primarily as a result of our registrar business, which launched in November 2013. We anticipate meaningful growth from our top level domain business to begin in H2 2014.

Operating profit in H1 2014 – up 255% at £2,924,000 - primarily reflects proceeds from the sale of gTLD assets (Other Long Term Assets) via the private auction process. In the year ending 31 December 2014 we expect operating profits to increase further from participation in private auctions, the sale of domain names via our registry and registrar business, and revenue from the Registry Service Provider business line.

Administrative expenses, however, increased in the period as a result of increased operational activities, in particular marketing spend, as we began early launch stage activities across a number of gTLDs.

I am pleased to report intangible assets also increased significantly in H1 2014 - up to £16.5 million from £1.6 million at the year-end as a result securing gTLD assets. Intangible assets are expected to increase further - and other long term assets decrease - in the latter part of 2014 as additional gTLDs are secured and contracts signed with ICANN, and MMX withdraws its interest in certain gTLDs via private auctions or some other form of agreement with contended applicants.

Cash and cash equivalents have also risen significantly standing at £20 million as a result of private auction proceeds received from participation in 8 private auctions as well as an equity raise of £21 million in January 2014.

All in all, we believe that the Company's new TLD portfolio, human capital and operational and financial structure mean that we are very well placed to succeed in the future.

Fred Krueger
Executive Chairman
23 September 2014

Condensed Consolidated Statement of Comprehensive Income
For the period ended 30 June 2014

	Note	**Period ended 30 June 2014 (unaudited) £ '000**	Period ended 30 June 2013 (unaudited) £ '000	Year ended 31 December 2013 (audited) £'000
Revenue		68	7	36
Amortisation & depreciation charge		(79)	(36)	(20)
Administrative expenses		(3,950)	(1,403)	(2,877)
Foreign Exchange (gain) / loss		(174)	359	213
Profit on gTLD auctions	4	7,110	-	4,120
Loss on withdrawal of gTLD applications		-	(179)	(253)
Share option expenses		(51)	(636)	(443)
Group operating profit / (loss)		**2,924**	(1,888)	776
Finance revenue		17	1	12
Finance costs		(30)	-	(15)
Share of results of joint venture		22	-	(44)
Profit / (loss) before taxation		**2,933**	(1,887)	729
Income tax expense		(1)	-	-
Retained profit / (loss) for the period		**2,932**	(1,887)	729
Other Comprehensive Income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences		(1,656)	884	(764)
Other comprehensive income for the period net of taxation		**(1,656)**	884	(764)
Total comprehensive income for the period		**1,276**	(1,003)	(35)
Retained profit/ (loss) for the period attributable to:				
Equity holders of the parent		**2,964**	(1,828)	798
Non-controlling interests		**(32)**	(59)	(69)
		2,932	(1,887)	729
Total comprehensive income for the period attributable to:				
Equity holders of the parent		**1,303**	(944)	35
Non-controlling interests		**(27)**	(59)	(70)
		1,276	(1,003)	(35)
Earnings / (loss) per share (pence)				
Basic	**2**	**0.37**	(0.34)	0.14
Diluted	**2**	**0.36**	(0.34)	0.13

Condensed consolidated statement of financial position
At 30 June 2014

	Note	**30 June 2014 (unaudited) £ '000**	31 December 2013 (audited) £ '000	30 June 2013 (unaudited) £'000
ASSETS				
Non-current assets				
Goodwill		1,820	1,820	1,820
Intangible assets	**3**	16,522	1,562	121
Tangible assets		658	507	346
Interest in joint ventures		493	514	460
Other long-term assets	**4**	5,319	8,756	10,428
Total non-current assets		**24,812**	13,158	13,175
Current assets				
Trade and other receivables		2,858	2,504	2,972
Cash and cash equivalents		20,025	9,082	7,355
Total current assets		**22,883**	11,586	10,327
TOTAL ASSETS		**47,695**	24,744	23,502
LIABILITIES				
Current liabilities				
Trade and other payables		(2,070)	(418)	(401)
Obligations under finance lease		(243)	(200)	-
Total current liabilities		**(2,313)**	(618)	(401)
Non-current liabilities				
Obligations under finance lease		**(105)**	(151)	-
Total non-current liabilities		**(105)**	(151)	-
NET ASSETS		**45,277**	23,976	23,101
EQUITY				
Share capital		-	-	-
Share premium		50,957	30,983	30,884
Shares to be issued		-	-	-
Foreign exchange reserve		(2,353)	(692)	955
Retained earnings		(3,206)	(6,221)	(8,655)
		45,398	24,070	23,184
Non-controlling interests		(121)	(94)	(83)
Total Equity		**45,277**	23,976	23,101

Condensed consolidated statement of cash flows
For the period ended 30 June 2014

	Period ended 30 June 2014 (unaudited) £'000	Period ended 30 June 2013 (unaudited) £ '000	Year ended 31 December 2013 (audited) £'000
Cash flow from operating activities			
Operating profit / (loss)	2,924	(1,888)	776
Decrease / (increase) in trade and other receivables including long term receivables	276	(415)	1,041
Increase / (decrease) in trade and other payables	1,686	(167)	139
Depreciation and amortization charge / (credit)	79	36	20
Profit on gTLD auction	(7,110)	-	(4,120)
Loss on withdrawal of gTLD applications	-	179	253
Share options expensed	51	636	443
Foreign exchange (gain)/loss	(768)	(779)	(1,054)
Net cash outflow from operating activities	**(2,862)**	(2,398)	(2,502)
Cash flows from investing activities			
Interest received	17	1	12
Amounts released (from) / transferred to restricted cash	(200)	(73)	156
Payments to acquire intangible assets	(13,099)	(7)	(1,440)
Payments to acquire property, plant and equipment	(65)	(295)	(57)
Amounts received in gTLD auctions	7,685	-	4,427
Investment in interest in joint ventures	-	-	(136)
Net cash (outflow)/inflow from investing activities	**(5,662)**	(374)	2,962
Cash flows from financing activities			
Repayments of obligations under finance lease	(164)	-	(99)
Issue of ordinary share capital	21,120	7,962	6,697
Share issue costs	(1,146)	(396)	(365)
Net cash inflow from financing activities	**19,810**	7,566	6,233
Net increase/(decrease) in cash and cash equivalents	**11,286**	4,794	6,693
Cash and cash equivalents at beginning of period	9,082	2,418	2,418
Exchange loss on cash and cash equivalents	(343)	143	(29)
Cash and cash equivalents at end of period	**20,025**	7,355	9,082

Condensed consolidated statement of changes in equity (unaudited)
For the period ended 30 June 2014

Group	Called up share capital £'000	Share premium reserve £'000	Shares to be issued £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total £'000	Non - controlling interest £'000	Total equity £'000
As at 1 January 2013	**-**	**23,311**	**1,339**	**71**	**(7,462)**	**17,259**	**(24)**	**17,235**
Loss for the period	-	-	-	-	(1,828)	(1,828)	(59)	(1,887)
Currency translation differences	-	-	-	884	-	884	-	884
Total comprehensive income	**-**	**-**	**-**	**884**	**(1,828)**	**(944)**	**(59)**	**(1,003)**
			-					
Share capital issued	-	7,969	(1,339)	-	-	6,630	-	6,630
Cost of share issue	-	(396)	-	-	-	(396)	-	(396)
Share options and warrants exercised	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	636	636	-	636
As at 30 June 2013	**-**	**30,884**	**-**	**955**	**(8,655)**	**23,184**	**(83)**	**23,101**

Group	Called up share capital £'000	Share premium reserve £'000	Shares to be issued £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total £'000	Non - controlling interest £'000	Total equity £'000
As at 1 January 2014	**-**	**30,983**	**-**	**(692)**	**(6,221)**	**24,070**	**(94)**	**23,976**
Loss for the period	-	-	-	-	2,964	2,964	(32)	2,932
Currency translation differences	-	-	-	(1,661)	-	(1,661)	5	(1,656)
Total comprehensive income	**-**	**-**	**-**	**(1,661)**	**2,964**	**1,303**	**(27)**	**1,276**
Share capital issued	-	21,000	-	-	-	21,000	-	21,000
Cost of share issue	-	(1,146)	-	-	-	(1,146)	-	(1,146)
Share options and warrants exercised	-	120	-	-	-	120	-	120
Share based payments	-	-	-	-	51	51	-	51
As at 30 June 2014	**-**	**50,957**	**-**	**(2,353)**	**(3,206)**	**45,398**	**(121)**	**45,277**

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 2013. 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 23 September 2014.

2. 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:

	Period ended 30 June 2014 (unaudited)	Period ended 30 June 2013 (unaudited)
Net profit / (loss) after taxation (£'000)	2,964	(1,887)
Weighted average number of ordinary shares used in calculating basic loss per share (millions)	799.00	551.27
Effect of dilutive potential ordinary shares – share options and warrants	22.56	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	821.56	551.27
Basic loss per share (pence)	0.37	(0.34)
Diluted loss per share (pence)	0.36	(0.34)

In H1 2013, 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 2013 is disclosed the same value as basic loss per share.

3. Intangible assets

	generic Top Level Domains £ 000's	**Other £ 000's**	**Total £ 000's**
At 1 January 2013	-	114	114
Additions	1,399	118	1,517
Exchange differences	(65)	(4)	(69)
At 31 December 2013	1,334	228	1,562
Additions	14,802	514	15,316
Exchange differences	(346)	(10)	(356)
At 30 June 2014	15,790	732	16,522

In 2012, the Group applied for new generic Top Level Domains to the Internet Corporation for Assigned Names and Numbers (ICANN), see note 4 for further details. 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 the generic Top Level Domains including amounts paid at auction to gain the 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.

4. Other long-term assets

	30 June 2014 (unaudited) £'000	31 December 2013 (audited) £'000
Restricted cash	1,842	1,982
Other long-term receivables	3,477	6,773
Total other long term assets	5,319	8,756

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. 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 (£8,206k) 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 (£2,169k) 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 (£6,773k) and deposits to fund letters of credit amounts to $3,251k (£1,982k). In 2014 (as at 30 June 2014), 8 such applications were withdrawn either as a result of participation in auctions or management decision. As a result, application fees paid to ICANN as at 30 June 2014 amounts to $5,920k (£3,477k) and deposits to fund letters of credit amounts to $3,137k (£1,842k).

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 12 contended applications settled this period, 8 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 in the profit and loss account as Profit on participation in gTLD auctions and amounted to £7,110k (H1 2013: nil). The remaining applications were withdrawn based on management's assessment of success of the application of those gTLDs.

5. Deferred revenue

Included within Trade and other payables:

	30 June 2014 (unaudited) £'000	31 December 2013 (audited) £'000
Deferred revenue	268	41

6. Share capital

Called up, allotted, issued and fully paid ordinary shares of no par value	**Number of shares**	**Price per share (pence)**	**Total £'000**
As at 1 January 2014	650,573,522		
Shares issued:			
30 January 2014 for cash on issue of shares	175,000,000	12	21,000
4 April 2014 for cash on exercise of options	3,000,000	6	120
			21,120
As at 30 June 2014	828,573,522		

7. Post balance sheet events

On 13 July 2014 the Company issued 738,299 new Ordinary Shares and made a payment of US$138k (£: 81k) in respect of cancellation of 9,626,347 options held. The new Ordinary Shares were issued and cash payment made as a result of restrictions on exercising at the time of relevant expiry as the Company was then in a close period. The new Ordinary Share issued and cash payment made is equal to the net value of the options in aggregate, based on a fair market price of 11p per Ordinary Share.

On 14 July 2014 the Company issued 350,000 new Ordinary Shares following an exercise of 350,000 options at an exercise price of 9p per share.

On 25 July 2014 the Company issued 350,000 new Ordinary Shares following an exercise of 350,000 options at an exercise price of 9p per share.

On 6 August 2014, the Company announced that it had adopted a new share incentive scheme, which replaced its existing 2012 Stock Option Plan with a Restricted Stock Unit ("RSU") Plan. The number of options and grants to be made under the both the 2012 Stock Option Plan and the new RSU Plan is limited to 12.5 percent of the issued share capital and is the intended maximum planned distribution. Award of RSUs will be made on adoption of the Plan and annually thereafter based on performance over a prescribed period to be determined by the Board. The Plan provides that: upon vesting each RSU grant will entitle the RSU holder to receive one new ordinary share at a nil exercise price or such other exercise price as may be determined by the Board; that unvested RSUs are forfeited upon termination of employment; in most instances, RSU award grants will fully vest on a change in control of the Company; and RSU awards will be adjusted for certain changes in the Company's capital structure. The Company intends to make the initial awards immediately following publication of these interim results.

ENDS