



Press Release

15 September 2015

CentralNic Group plc

("CentralNic" or "the Company" or "the Group")

**Half Year Results
for the six months ended 30 June 2015**

CentralNic (AIM: CNIC), the internet platform that derives revenue from the worldwide sales of internet domain names, today announces its half year results for the six months ended 30 June 2015.

Financial highlights

	30 June 2015	30 June 2014	Change	Change
	£'000	£'000	£'000	%
Billings	7,932	2,537	5,395	+ 213%
Revenue	4,445	1,641	2,804	+ 171%
Gross profit	2,160	959	1,201	+125%
Adjusted EBITDA*	1,011	(2)	1,013	
Profit (Loss) after tax	287	(599)	886	
Net cashflow from operating activities	469	(102)	571	
Basic EPS (pence)	0.47	(1.01)	1.48	

* - Earnings before interest, tax, depreciation, amortisation, acquisition deal fees and non-cash charges

- Revenues for the Retail business Internet.BS (acquired in June 2014) grew to £1.7m, up 26% over the previous 6 months.
- The Enterprise business, which had negligible revenue at 30 June last year, generated £1.1m of revenue from premium domain name trading, consulting, registry software licensing and managed services.

- Cash and cash equivalents of £4.4m (2014: £3.0m) reflected a £2.2m fund raise in June 2015, offset by scheduled deferred consideration of (£1.2m) in relation to the acquisition of the trade and assets of Internet.BS. Cashflow from Operations of £0.5m was below Adjusted EBITDA, reflecting Enterprise sales made in June 2015, which are due for settlement in the second half of the year.

Operational highlights

- Wholesale business ranked as the world's Number Two service provider by volume for new Top-Level Domains, with three client TLDs in the top 20, including .XYZ which is emerging as a credible challenger to .com.
- Wholesale business launched two new top level domains during the half year - .space and .design, and successfully completed the migration of the .coop TLD onto the CentralNic platform.
- Number of revenue-generating Enterprise business clients increased from two to ten, including the Philippines telco Smart.
- The Retail business added 33 new top level domains to the Internet.BS inventory while new flagship retail stores were launched for .cymru & .wales (www.cymru.domains) and .bank (www.centralnicfintech.com)

Post period end:

- Google announced the launch of its new holding company Alphabet, using <http://abc.xyz> as its web address – the first “megabrand” usage of a new gTLD, gaining significant media exposure and increased consumer awareness of new Top-Level Domains.
- Further desirable top level domains were launched exclusively over CentralNic's Wholesale platform, including .tickets and .fans, each with early high-profile registrants such as Formula 1 and Manchester United FC.
- CentralNic also launched one of the most awaited mass-market top level domains, .online – generating 50,000 registrations after one week of General Availability.
- CentralNic has separately announced this morning the appointment of Mike Turner as non-executive Chairman with immediate effect.

Commenting on the results, Ben Crawford, CEO of CentralNic, said:

“During 2014, CentralNic was transformed from a company with one line of business, domain name Wholesaling, to one with three distinct divisions in the domain name industry – Wholesale, Retail and Enterprise. In the first half of 2015, each of these divisions started to scale up, reflecting the emergence of changes in the industry favourable to CentralNic’s products, services and strategy.

“These promising results should be viewed as evidence of the three key factors propelling this company forward. Firstly as global demand builds for the new TLD domains supported by our Wholesale business, we continue to successfully launch new TLDs and secure additional TLD inventory. Secondly, the growth of our IBS Retail business revenues by 26% in six months demonstrates our ability to integrate and scale the businesses we have acquired. Thirdly, our Enterprise business transitioned from being pre-revenue a year ago to generating over £1m of revenue this half, demonstrating our ability to satisfy the domain requirements for corporate customers while also generating returns from our premium domain portfolio.

“Trading since the half year has remained in line with our expectations and, whilst mindful of the challenges in sustaining our growth strategy, the Board remains confident that the Group is well positioned to deliver its expectations for 2015 while continuing to create substantial shareholder value over the medium term.”

-Ends-

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Forward-Looking Statements

This document includes forward-looking statements. Whilst these forward-looking statements are made in good faith they are based upon the information available to CentralNic at the date of this document and upon current expectations, projections, market conditions and assumptions about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about the Group and should be treated with an appropriate degree of caution.

About CentralNic Group plc

CentralNic (LSE: CNIC) is a London-based AIM-listed company which earns revenues from the worldwide sales of internet domain names over a technology platform that it developed and manages. These domain names are sold on an annual subscription basis and paid for by customers upfront, making CentralNic a cash-generative business with annuity revenue streams. CentralNic comprises three business lines within the domain name industry. It operates a global wholesale network, supplying domain names to over 1,500 vendors in 77 countries, and is a leader in wholesaling for new Top-Level Domains – the new endings for domain names being introduced as alternatives to .com and .net. CentralNic is the exclusive wholesaler for all domains ending with .tickets, .website, .wiki, .bar, .feedback and .xyz, with more than 50 others under contract. CentralNic is also a leading global domain name retailer, with its retail websites including internetbs.net, buydomains.london and domain.luxury. Additionally, via its Enterprise programme, CentralNic supplies domain names (including high-value premium domain names), software and services directly to large corporations and governments.

For more information please visit: www.centralnic.com

Chief Executive Officer's Statement

Performance overview

During 2014, CentralNic was transformed from a company with one line of business, domain name wholesaling, to one with three distinct divisions in the domain name industry – Wholesale, Retail and Enterprise. In the first half of 2015, each of these divisions started to scale up, reflecting the emergence of changes in the industry favourable to CentralNic's products, services and strategy.

These promising results should be viewed as evidence of the three key factors propelling this company forward. Firstly as global demand builds for the new TLD domains supported by our Wholesale business, we continue to successfully launch new TLDs and secure additional TLD inventory. Secondly, the growth of our IBS Retail business revenues by 26% in six months demonstrates our ability to integrate and scale the businesses we have acquired. Thirdly, our Enterprise business transitioned from being pre-revenue a year ago to generating over £1m of revenue this half, demonstrating our ability to satisfy the domain requirements for corporate customers while generating returns from our premium domain portfolio.

We will continue to pursue our growth strategy by deploying our advanced technical platforms coupled with these proven business planning and execution skillsets for the benefit of our shareholders.

New Top-Level Domains

Until 2014, the wholesale supply of domain names had been relatively unchanged for decades, dominated by .com – the supplier of which, Verisign (NASDAQ: VRSN), reported over US\$1 billion of revenue in 2014. However the breadth of suppliers changed in 2014 as CentralNic and others started to bring new TLDs to market. CentralNic launched eight exclusive new TLDs in 2014, including .wiki, .website, .bar and .XYZ, and launched .space and .design in the first half of 2015. The results for CentralNic and its clients in the new TLD programme have been exceptional – for the past year the Company has ranked number two in the world with approximately 20% market share on a volume basis (source: www.nfldstats.com).

Among the new TLDs, CentralNic's client .XYZ is the clear leader, with more domains registered, more accredited retailers distributing it, and more websites built on it than any other new TLD. With around one million domains registered after its first year, .XYZ's progress to date suggests it is a credible challenger to .com, enjoying global demand from the mass market.

CentralNic's Wholesale business "powers" our clients' domains via our distributed network of DNS servers across 35 locations globally, and we provide a fully automated sales and cash collection platform integrated with 1,500 retailers, accessing the majority of the world's geographic markets. Domain names are not sold outright but

registered in one year increments which are paid for in advance by end users, resulting in a cash generative annuity revenue stream for CentralNic and its clients.

CentralNic's share of Wholesale revenues for the first half of 2015 was £1.6m, up 14% over the first half of the previous year (2014: £1.4m). EBITDA contribution was £0.6m (2014: £0.6m).

CentralNic has secured more TLD contracts from competitors than any other Wholesaler – nine of the TLDs it has already launched were originally contracted to rival companies. CentralNic's track record of success with new TLDs, together with its service-oriented "partnership" approach, continues to attract a pipeline of new clients which bodes well for CentralNic's Wholesale revenues in the future.

IBS – Retailer Acquired in June 2014

CentralNic was one of the earliest adopters of vertical integration in the domain industry when in June 2014 it joined the ranks of the world's top thirty domain name retailers by acquiring the trade of registrar Internet.bs ("IBS"), serving customers from 200 countries in eight languages.

IBS has been successfully integrated by CentralNic, and in its second six months under CentralNic ownership IBS generated £1.7m of revenue (up 26% from £1.4m in the second half of 2014).

IBS's customer base comprises predominantly of domain investors and web professionals who typically register portfolios including a number of .com domains. Furthermore its highly automated technology platform is also suited to supplying other attractive customer segments, such as mid-cap companies and SMEs in developing markets. CentralNic intends to expand its retail presence in developing markets where internet adoption is expected to grow quickly. We are already witnessing internet usage increasing rapidly in the developing world due to the widespread adoption of smart phone devices combined with the roll out of wireless digital infrastructure.

In the first half of 2015, Internet.bs added 33 new top level domains to its sales inventory while new flagship retail stores were launched for .cymru & .wales (www.cymru.domains) and .bank (www.centralnicfintech.com). Retail revenues for the first half of 2015, including IBS and flagship retail stores, were £1.8m (2014: £0.2m), with break-even EBITDA contribution (2014: EBITDA loss (£0.1m)).

Enterprise Solutions

Domain names and the DNS are becoming increasingly important to large corporations. CentralNic's DomiNIC software addresses a number of these needs including automating and securing business processes, and CentralNic is establishing an extensive suite of services to address internet domain requirements for corporates, which include

some offerings that CentralNic already fulfils, and others still to be developed or acquired:

- **Domain name and DNS security** – protection from domain name theft, domain spoofing, Denial of Service attacks and other threats
- **Acquiring domain names** – corporations acquire domains for websites, for brand protection, to capture traffic, for digital marketing, and other uses
- **Domain portfolio management** – CentralNic’s DomiNIC software manages and documents critical workflows in requesting, approving, acquiring, maintaining and using domain names
- **Online brand protection** – including monitoring the online use of brands and supporting any corrective actions in the event of abuse
- **Retailing domain names to monetise customer bases** – CentralNic’s DomiNIC software can be used by major corporates to support domain sales to their installed customer base
- **Deploying their own DotBrand TLDs** – CentralNic offers a comprehensive outsource service including ICANN application services, the registry technical platform, ICANN-accredited registrar services, ICANN standards and policy compliance, strategic consulting and project management.

CentralNic’s newly-launched Enterprise division generated over £1m of revenues in the first half of 2015 (2014: £0.1m), with contributions from premium domain name trading, consulting and software licensing. The Enterprise division made a contribution to first half EBITDA of £0.8m (2014: break-even EBITDA contribution).

CentralNic’s Enterprise clients include Etisalat (UAE telco), Guardian Media, Kuwait Finance House, the American National Association of Real Estate Investment Trusts, Saudi Telecom, Smart (Philippines telco), WME IMG and a leading Swiss Bank.

Outlook

CentralNic combines highly automated technology platforms with the business expertise required to scale them. We are focussed on expanding our Retail offering and taking this to developing markets as well as extending our Enterprise service and software offerings. The results we have achieved in those two divisions in the first half of 2015, combined with our growing understanding of those market segments, provides the Group with considerable encouragement.

Within the Wholesale business, the portfolio of new TLDs available exclusively via CentralNic presents the market with an outstanding set of new domain extensions. The portfolio is in the process of being further enhanced in the second half of 2015 as we launch .site, .love, .tech, .tickets, .fans, .college, .rent and .online. Eight more launches are already confirmed for 2016, and a pipeline of additional new TLDs presents opportunity to further grow our Wholesale inventory and volumes.

We are still in the early launch stages of what the internet industry regulator ICANN called *“the biggest change since the inception of the internet.”* So far only a relatively small number of retailers have received their accreditations from ICANN and are actively selling domains under the new TLDs. Public awareness of new TLDs continues to be low too, although we have now seen the first example of an increase in awareness following Google’s media coverage having selected abc.xyz for its new holding company, Alphabet. CentralNic expects awareness to continue to increase, stimulating registrations and usage of new TLDs in the years to come. And with a market share of around 20% of new TLDs registered to the Group’s clients over the first year, CentralNic is well placed to benefit from this growth in the market.

I would like to thank CentralNic’s personnel for their professionalism and commitment to the transformations the business has undergone. It is thanks to them, to our clients and to our distribution channel partners, as well as our shareholders, that we continue to maintain and enhance our industry leading position.

STATEMENT OF COMPREHENSIVE INCOME

	Note	Unaudited Six months ended 30 Jun 2015 £'000	Unaudited Six months ended 30 Jun 2014 £'000	Audited Year ended 31 Dec 2014 £'000
Revenue	4,5	4,445	1,641	6,067
Cost of sales		(2,285)	(682)	(2,494)
Gross profit		2,160	959	3,573
Administrative expenses		(1,608)	(1,457)	(2,854)
Share based payments expense		(135)	(111)	(222)
Operating profit / (loss)		417	(609)	497
Adjusted EBITDA*		1,011	(2)	1,724
Acquisition deal fees		(140)	(327)	(467)
Depreciation		(32)	(40)	(90)
Amortisation of intangible assets		(287)	(129)	(448)
Share based payment expense		(135)	(111)	(222)
Operating profit / (loss)		417	(609)	497
Finance income		11	10	23
Share of loss of investments accounted for using the equity method		(35)	-	-
Profit / (Loss) before taxation		393	(599)	520
Taxation	6	(106)	-	(156)
Profit / (Loss) after taxation		287	(599)	364
Other comprehensive income				
Other comprehensive (expense) / income		-	(1)	-
Total comprehensive income / (loss) for the financial year		287	(600)	364
Earnings per share				
Basic, Pence	7	0.47	(1.01)	0.60
Diluted, Pence	7	0.42	(1.01)	0.56

All amounts relate to continuing activities.

*Earnings before interest, tax, depreciation and amortisation, acquisition costs and non-cash charges.

STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30 Jun 2015 £'000	Unaudited 30 Jun 2014 £'000	Audited 31 Dec 2014 £'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment		89	110	90
Intangible assets	8	5,874	6,299	6,118
Deferred receivables	9	981	702	916
Investments		1,010	2	997
Deferred tax assets		92	-	74
		<u>8,046</u>	<u>7,113</u>	<u>8,195</u>
CURRENT ASSETS				
Other receivables, deposits and prepayments	10	4,182	2,256	2,333
Cash and bank balances		4,440	2,974	3,056
		<u>8,622</u>	<u>5,230</u>	<u>5,389</u>
TOTAL ASSETS		<u>16,668</u>	<u>12,343</u>	<u>13,584</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital	12	67	61	61
Share premium		7,127	4,935	4,935
Share based payments reserve		1,153	853	1,018
Foreign exchange translation reserve		1	-	1
Retained earnings		1,178	(78)	885
TOTAL EQUITY		<u>9,526</u>	<u>5,771</u>	<u>6,900</u>
NON-CURRENT LIABILITIES				
Other payables		785	738	725
Deferred tax liabilities		72	62	72
		<u>857</u>	<u>800</u>	<u>797</u>
CURRENT LIABILITIES				
Trade and other payables and accruals	11	5,990	5,591	5,671
Taxation payable		295	181	216
		<u>6,285</u>	<u>5,772</u>	<u>5,887</u>
TOTAL LIABILITIES		<u>7,142</u>	<u>6,572</u>	<u>6,684</u>
TOTAL EQUITY AND LIABILITIES		<u>16,668</u>	<u>12,343</u>	<u>13,584</u>

CENTRALNIC GROUP PLC
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Share premium	Share based payments reserve	Foreign exchange translation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2014	59	3,485	742	1	521	4,808
Profit/(loss) for the period	-	-	-	-	(599)	(599)
other comprehensive income/(expense) for the period – translation of foreign operation	-	-	-	(1)	-	(1)
Total comprehensive income for the period	-	-	-	(1)	(599)	(600)
Issue of new shares	2	1,472	-	-	-	1,474
Share issue costs	-	(22)	-	-	-	(22)
Share based payments	-	-	111	-	-	111
Balance as at 30 June 2014	61	4,935	853	-	(78)	5,771
Profit/(loss) for the period	-	-	-	-	963	963
other comprehensive income/(expense) for the period – translation of foreign operation	-	-	-	1	-	1
Total comprehensive income for the period	-	-	-	1	963	964
Share based payments	-	-	111	-	-	111
Share based payments – deferred tax asset	-	-	54	-	-	54
Balance as at 31 December 2014	61	4,935	1,018	1	885	6,900
Profit/(loss) for the period	-	-	-	-	287	287
other comprehensive income/(expense) for the period – translation of foreign operation	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	287	287
Issue of new shares	6	2,302	-	-	-	2,308
Share issue costs	-	(110)	-	-	-	(110)
Share based payments	-	-	135	-	-	135
Share based payments – deferred tax asset	-	-	6	-	-	6
Share based payments – exercised and lapsed	-	-	(6)	-	6	-
Balance as at 30 June 2015	67	7,127	1,153	1	1,178	9,526

Share capital represents the nominal value of the company's cumulative issued share capital. Share premium represents the cumulative excess of the fair value of consideration received for the issue of shares in excess of their nominal value less attributable share issue costs and other permitted reductions. Retained profits represent the cumulative value of the profits not distributed to shareholders, but retained to finance the future capital requirements of the CentralNic Group. Share based payments reserve represents the cumulative value of share based payments recognised through equity. Foreign currency translation reserve represents the cumulative exchange differences arising on group consolidation.

STATEMENT OF CASH FLOWS

	Unaudited Six months ended 30 Jun 2015 £'000	Unaudited Six months ended 30 Jun 2014 £'000	Audited Year ended 31 Dec 2014 £'000
Cash flow from operating activities			
Profit / (loss) before taxation	393	(599)	520
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	32	40	90
Amortisation of intangible assets	287	129	448
Share based payments	135	111	222
Operating profit before working capital changes	847	(319)	1,280
Increase in trade and other receivables	(1,879)	(535)	(664)
Increase in trade and other payables and accruals	1,538	756	934
Cash flow from operations	506	(98)	1,550
Income tax paid	(37)	(4)	(136)
Net cash flow from operating activities	469	(102)	1,414
Cash flow used in investing activities			
Purchase of property, plant and equipment	(32)	(96)	(126)
Purchase of intangible assets, net of cash acquired	(43)	(1,733)	(1,838)
Loan payments paid to/from third parties	(36)	-	(102)
Purchase of investments	-	-	(997)
Net cash flow used in investing activities	(111)	(1,829)	(3,063)
Cash flow used in financing activities			
Proceeds from issuance of ordinary shares (net)	2,198	(22)	-
Reduction in deferred consideration	(1,159)	-	(230)
Net cash flow generated from / (used in) financing activities	1,039	(22)	(230)
Net (decrease) / increase in cash and cash equivalents	1,397	(1,953)	(1,879)
Cash and cash equivalents at beginning of the period/year	3,056	4,932	4,932
Exchange differences on cash and cash equivalents	(13)	(5)	3
Cash and cash equivalents at end of the period/year	4,440	2,974	3,056

NOTES TO THE FINANCIAL INFORMATION

1. Basis of preparation

CentralNic Group plc is the UK holding company of a group of companies which are engaged in the provision of independent global domain name services. The company was incorporated on 19 June 2013 to become the holding company of the Group following a reorganization which took place on 9 August 2013. The company is registered in England and Wales. Its registered office and principal place of business is 35-39 Moorgate, London, EC2R 6AR.

The CentralNic Group provides registry, registrar and enterprise services and strategic consultancy for new Top Level Domains ("TLDs"), Country Code TLD's ("ccTLDs"), Second-Level Domains ("SLDs") and Generic Top Level Domains ("gTLDs") and it is the owner and registrant for a portfolio of domain names, which it uses as SLD domain extensions and for resale on the domain aftermarket.

The condensed unaudited interim financial information has been prepared in accordance with IFRS issued by the IASB, including IAS and interpretations issued by IFRIC, as adopted for use in the European Union.

The financial information is presented in UK Pounds Sterling ("£"), which is the functional currency for the CentralNic Group and the Company. All financial information presented in £ has been rounded to the nearest thousand unless otherwise stated.

2. Consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from date on which control is transferred to the group.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. Acquisition-related costs are expensed as incurred.

3. Critical accounting judgments and key sources of estimating uncertainty

In the application of the CentralNic Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not apparent from other sources. The estimates and assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a significant adjustment to the carrying amounts of assets and liabilities in the Financial statements:

Impairment Testing

The recoverable amounts of individual non-financial assets are determined based on the higher of the value-in-use calculations and the recoverable amount, or fair value less costs to sell. These calculations will require the use of estimates and assumptions. It is reasonably possible that assumptions may change, which may impact the Directors' estimates and may then require a material adjustment to the carrying value of tangible and intangible assets.

The Directors review and test the carrying value of tangible and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. For the purposes of performing impairment tests, assets are grouped at the lowest level for which identifiable cash flows are largely dependent of cash flows of other assets or liabilities. If there are indications that impairment may have occurred, estimates will be prepared of expected future cash flows for each group of assets.

Expected future cash flows used to determine the value in use of tangible and intangible assets will be inherently uncertain and could materially change over time.

Estimation of useful life

The charge in respect of periodic amortisation and depreciation is derived after determining an estimate of an asset's expected useful life. The useful lives of the assets are determined by management at the time the asset is acquired and are reviewed continually for appropriateness.

4. Segment analysis

CentralNic is an independent global domain name service provider. It provides registry, registrar and enterprise services and it is the owner and registrant of a portfolio of domain names, which it uses as SLD domain extensions and for resale on the domain aftermarket. Management views the activities of the CentralNic Group in the segments disclosed below.

Period ended 30 June 2015

	Revenue	Adjusted EBITDA	Non-current assets	Current assets	Non-current liabilities	Current liabilities
	£'000	£'000	£'000	£'000	£'000	£'000
Registry sales	1,606	647	3,705	5,236	563	4,466
Registrar sales	1,785	(31)	4,341	2,525	294	1,819
Enterprise including premium domain name sales	1,054	832	-	861	-	-
Group overheads including costs associate with public company status	-	(437)	-	-	-	-
	4,445	1,011	8,046	8,622	857	6,285

Period ended 30 June 2014

	Revenue	Adjusted EBITDA	Non-current assets	Current assets	Non-current liabilities	Current liabilities
	£'000	£'000	£'000	£'000	£'000	£'000
Registry sales	1,410	623	2,784	3,588	800	4,183
Registrar sales	180	(95)	4,329	1,642	-	1,589
Enterprise including premium domain name sales	51	(29)	-	-	-	-

Group overheads including costs associate with public company status	-	(501)	-	-	-	-
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1,641	(2)	7,113	5,230	800	5,772
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Year ended 31 December 2014

	Revenue	Adjusted EBITDA	Non-current assets	Current assets	Non-current liabilities	Current liabilities
	£'000	£'000	£'000	£'000	£'000	£'000
Registry sales	2,827	1,231	3,741	3,397	570	4,235
Registrar sales	1,550	(13)	4,454	1,992	227	1,652
Enterprise including premium domain name sales	1,690	1,458	-	-	-	-
Group overheads including costs associate with public company status	-	(952)	-	-	-	-
	6,067	1,724	8,195	5,389	797	5,887

5. Revenue

The Centralnic Group's revenue is generated from the following geographical areas:

	Unaudited 6 months ended 30 Jun 2015 £'000	Unaudited 6 months ended 30 Jun 2014 £'000	Audited Year ended 31 Dec 2014 £'000
Registry Sales			
UK	475	501	935
North America	606	459	866
Europe	220	245	483
ROW	305	205	543
	1,606	1,410	2,827
Registrar Sales			
UK	113	7	76
North America	405	75	358
Europe	625	47	491
ROW	511	41	475
Other revenues	131	10	150
	1,785	180	1,550
Enterprise including premium domain name sales			
North America	737	-	1,639
Europe	19	-	-
ROW	298	51	51

<u>1,054</u>	<u>51</u>	<u>1,690</u>
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The following table shows customers that represent 10% or more of registry revenue:

	Unaudited 6 months ended 30 Jun 2015 £'000	Unaudited 6 months ended 30 Jun 2014 £'000	Audited Year ended 31 Dec 2014 £'000
Customer A	209	210	326
Customer B	264	187	382
Other customers	1,133	1,013	2,119
	<u>1,606</u>	<u>1,410</u>	<u>2,827</u>

No single customer contributes greater than 10% or more of the registrar sales. The North American Enterprise sales were principally driven by premium domain sales of £636,000 in the 6 months ended 30 June 2015 and £1,610,000 in the year ended 31 December 2014. Both of these sales were made to individual clients.

6. Income tax expense

	Unaudited 6 months ended 30 Jun 2015 £'000	Unaudited 6 months ended 30 Jun 2014 £'000	Audited Year ended 31 Dec 2014 £'000
Current tax on profits for the period	116	-	166
Adjustments in respect of previous periods	-	-	-
Current income tax	116	-	166
Deferred income tax	(10)	-	(10)
	<u>106</u>	<u>-</u>	<u>156</u>

A reconciliation of the current tax expense applicable to the profit before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the CentralNic Group are as follows:

	Unaudited 6 months ended 30 Jun 2015 £'000	Unaudited 6 months ended 30 Jun 2014 £'000	Audited Year ended 31 Dec 2014 £'000
Profit/(loss) before taxation	393	(599)	520
Tax calculated at domestic tax rates applicable to profits in the respective countries	81	(132)	112

Tax effects of:-			
Expenses not deductible for tax purposes	34	-	51
Capital allowances in excess of depreciation	1	-	3
Losses not utilised / other differences	-	132	-
Current tax expense for the period/year	<u>116</u>	<u>-</u>	<u>166</u>

The Company provides for income taxes on the basis of its income for financial reporting purposes, adjusted for items that are not assessable or deductible for income tax purposes, in accordance with the regulations of domestic tax authorities.

The effective rate of tax for the period was 20.5%. In the UK, the applicable statutory tax rate for 2015/16 is 20% (2014/15: 21%). In the USA, federal taxes are due at 15% on the first US\$50,000 of taxable income and 25% thereafter, under California tax legislation an additional 8.85% of state tax is due on taxable income.

7. Earnings per share

Earnings per share has been calculated by dividing the consolidated profit/(loss) after taxation attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

The calculation of earnings per share is based on the earnings and number of shares set out below.

Diluted earnings per share has been calculated on the same basis as above, except that the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares (arising from the Group's share option scheme and warrants) into ordinary shares has been added to the denominator. There are no changes to the profit (numerator) as a result of the dilutive calculation.

	Unaudited 6 months ended 30 Jun 2015 £'000	Unaudited 6 months ended 30 Jun 2014 £'000	Audited Year ended 31 Dec 2014 £'000
Profit / (loss) after tax attributable to owners	287	(599)	364
Weighted average number of shares:			
Basic	61,580,878	59,264,175	60,047,493
Effect of dilutive potential ordinary shares	6,380,226	-	5,328,727
Diluted	67,961,104	59,264,175	65,376,220
Earnings per share:			
Basic	0.47 pence	(1.01) pence	0.60 pence
Diluted	0.42 pence	(1.01) pence	0.56 pence

There were 5,328,727 anti-dilutive potential ordinary shares at 30 June 2014

8. Intangible assets

	Domain Names £'000	Software £'000	Customer List £'000	Goodwill £'000	Total £'000
Cost or deemed cost					
At 1 January 2014	3,447	206	-	-	3,653
Additions	-	658	2,548	1,281	4,487
Exchange Differences	(6)	-	-	-	(6)
At 30 June 2014	3,441	864	2,548	1,281	8,134
Additions	3	96	-	98	197
Reclassification	(300)	-	-	-	(300)
Exchange Differences	20	-	-	-	20
At 31 December 2014	3,164	960	2,548	1,379	8,051
Additions	-	43	-	-	43
Exchange Differences	(3)	-	-	-	(3)
At 30 June 2015	3,161	1,003	2,548	1,379	8,091
Amortisation					
At 1 January 2014	1,712	-	-	-	1,712
Charge for the period	111	18	-	-	129
Exchange differences	(6)	-	-	-	(6)
At 30 June 2014	1,817	18	-	-	1,835
Charge for the period	111	81	127	-	319
Reclassification	(240)	-	-	-	(240)
Exchange Differences	19	-	-	-	19
At 31 December 2014	1,707	99	127	-	1,933
Charge for the period	73	87	127	-	287
Exchange Differences	(3)	-	-	-	(3)
At 30 June 2015	1,777	186	254	-	2,217
Carrying value					
At 30 June 2014	1,624	846	2,548	1,281	6,299
At 31 December 2014	1,457	861	2,421	1,379	6,118
At 30 June 2015	1,384	817	2,294	1,379	5,874

Amortisation of intangible assets is included in administrative expenses in the combined and consolidated statement of comprehensive income.

Certain domain names previously held as intangibles were reclassified to stock held for resale in the period to 31 December 2014.

9. Deferred receivables

	Unaudited 6 months ended 30 Jun 2015 £'000	Unaudited 6 months ended 30 Jun 2014 £'000	Audited Year ended 31 Dec 2014 £'000
Amounts due from shareholders	720	702	711
Deferred costs	261	-	205
	981	702	916

Deferred receivables represent amounts due from Jabella Group Limited, a shareholder during the period. Amounts due from Jabella Group Limited were interest free until 31 August 2013, from which time the balance accrued interest at 2% above LIBOR (2015 £8,958; 2014 £8,667). The loan was granted in August 2011 for a term of five years, the balance is currently £720,194. The directors consider the loan to be fully recoverable. The directors consider that the fair value of this receivable is not materially different from the carrying value.

10. Other receivables, deposits and prepayments

	Unaudited 6 months ended 30 Jun 2015 £'000	Unaudited 6 months ended 30 Jun 2014 £'000	Audited Year ended 31 Dec 2014 £'000
Trade receivables	1,582	642	475
Accrued revenue	734	-	52
Stock held for resale	60	-	60
Deferred costs	1,233	1,183	1,185
Prepayments	134	82	101
Supplier payments on account	212	-	206
Loan to third party	93	-	102
Other receivables	134	349	152
	4,182	2,256	2,333

11. Trade and other payables and accruals

	Unaudited 6 months ended 30 Jun 2015 £'000	Unaudited 6 months ended 30 Jun 2014 £'000	Audited Year ended 31 Dec 2014 £'000
Accounts payable	285	535	319
Accrued expenses	930	343	322
Other taxes and social security	60	(41)	74
Deferred consideration	-	1,292	837
Contingent consideration	-	-	322
Deferred revenue	2,852	2,699	2,725
Customer payments on account	1,863	749	1,040
Other liabilities	-	14	32
	5,990	5,591	5,671

12. Share capital

	Number	Share Capital £'000	Share Premium £'000
At 1 January 2014	59,090,909	59	3,485
Issued in connection with the acquisition of the trade and assets of Internet.bs Corp on 16 th June 2014	2,090,738	2	1,450
At 30 June 2014 and 31 December 2014	61,181,647	61	4,935
Proceeds from shares issued in connection with the employee share option schemes	75,834	-	7
Issued in connection with a placing on 19 th June 2015	5,750,000	6	2,185
At 30 June 2015	67,007,481	67	7,127

On admission to AIM on 2 September 2013 the Company's had 59,090,909 shares in issue.

On 16 June 2014, the Company issued 2,090,738 new ordinary shares to Marco Rinaudo in a placing at £0.705 per share.

On 19 May 2015, the Company issued 75,834 new ordinary shares due to employees exercising £0.10 share options in accordance with share option agreements.

On 19 June 2015 issued 5,750,000 new ordinary shares in a placing at £0.40 per share.

13. Nature of financial information

The financial information presented above does not constitute statutory financial information for either the Company or the CentralNic Group.