

**HML HOLDINGS Plc
("HML")**

HALF YEAR RESULTS

HML Holdings Plc (AIM: HMLH), the property management services group, today announces its interim results for the six months to 30 September 2016.

Highlights for the six month period:

- Revenue up 13% to £10.2 million (2015: £9.0 million)
- 13% increase in profit from operations before interest, amortisation, share based payment charges and tax to £920,000 (2015: £815,000)
- Successful integration of new acquisitions
- Basic earnings per share 1.4p (2015: 1.3p)
- Adjusted earnings per share 2.1p (2015: 1.8p). Adjusted earnings are calculated before interest, amortisation and share based payment charges.

Commenting on the results, Robert Plumb, Chief Executive Office of HML Holdings Plc said:

"We are pleased to report a 13% improvement in our half year earnings. This outcome is especially significant as the group has successfully integrated a number of acquisitions during the period and improved and grown the infrastructure necessary to facilitate further organic and acquisition growth."

For further information:

HML Holdings Plc

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REVIEW OF BUSINESS

We are pleased to report earnings before interest share-based payments, amortisation and tax of £0.9m (2015: £0.8m), representing a 13% (2015: 3%) increase compared with the equivalent period last year. Revenues grew by 13% to £10.2m (2015: £9.0m) with growth contributions from all of our operating sectors. As previously announced, the group has acquired a number of businesses and management portfolios in this period. These businesses have contributed £0.6m or 50% of the total growth in revenues. Transactional fee income was moderately affected by a slow down in pre-contract enquiries, which comprised 3% of revenues (2015: 5%).

Following the initial investment of integrating these acquisitions into our infrastructure, we look forward to realising the incremental earnings that they will provide over time. We are pleased to report period on period revenue growth across all divisions with insurance and surveying contributing the most significant improvements.

We have seen an improvement in new business volumes since we expanded our new business teams which is being supported by an increasingly enfranchised leasehold market that is demanding better value for money and a high quality of service. While some historical challenges remain for HML in the non-enfranchised part of the leasehold sector, we remain confident of our growing presence in the residential management company market. We have continued to provide professional advice to leaseholders seeking to enfranchise which creates opportunities to provide new management instructions. HML has provided enfranchisement advice to the leaseholders at Canary Riverside, a prestigious site comprising more than 325 flats near Canary Wharf, which resulted in us being rewarded with a court appointment to be receiver manager for three years.

Over the last six months, we have made several notable improvements to the group's infrastructure and supporting systems. These include the re-branding of the company which included a new website, as well as the centralisation and automation of our human resource management system.

We anticipate continuing opportunities for growth, both organically and by acquisition, despite the uncertain economic outlook. Compliance to a growing set of regulatory requirements, which include new controls for Construction Design and Management as well as the new service standards of the Association of Residential Managing Agents, will continue to divide the market into property owners who respect and will adhere to these requirements and those who will opt for a lower cost and less compliant alternative. We believe that HML's adherence to these regulations and standards will ensure continuous growth in the high quality portion of the market.

Robert Plumb

Chief Executive Officer

15 November 2016

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Six months ended 30 September 2016

	Notes	Unaudited 6 months to 30 September 2016 £'000	Unaudited 6 months to 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
Continuing operations				
Revenue		10,176	8,981	18,564
Direct operating expenses		(8,664)	(7,552)	(15,643)
Central operating overheads		(592)	(614)	(1,287)
Share based payment charge		(13)	(11)	(22)
Amortisation of intangible assets		(228)	(183)	(390)
Total central operating overheads		(833)	(808)	(1,699)
Operating expenses		(9,497)	(8,360)	(17,342)
Profit from operations		679	621	1,222
Finance costs		(22)	(7)	(10)
Profit before taxation	4	657	614	1,212
Income tax charge		(118)	(130)	(200)
Profit for the period attributable to equity holders of the parent		539	484	1,012
Other comprehensive income		-	-	-
Total comprehensive income for the period attributable to equity holders of the parent		539	484	1,012
Earnings per share				
Basic	5	1.4p	1.3p	2.7p
Diluted	5	1.4p	1.2p	2.6p
Adjusted earnings per share				
Basic	5	2.1p	1.8p	3.8p
Diluted	5	2.0p	1.7p	3.6p

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
COMPANY NUMBER: 5728008
30 September 2016

	Unaudited 30 September 2016 £'000	Unaudited 30 September 2015 £'000	Audited 31 March 2016 £'000
ASSETS			
Non Current Assets			
Goodwill	7,562	6,531	6,953
Other intangible assets	5,744	4,930	5,220
Property, plant and equipment	714	680	701
	14,020	12,141	12,874
Current Assets			
Trade and other receivables	2,399	2,463	2,505
Cash at bank	76	-	-
	2,475	2,463	2,505
TOTAL ASSETS	16,495	14,604	15,379
LIABILITIES			
Current Liabilities			
Trade and other payables	3,558	3,518	3,517
Bank overdraft and borrowings	150	909	597
Current tax liabilities	276	192	264
	3,984	4,619	4,378
Non-Current Liabilities			
Bank borrowing	1,350	-	425
Deferred tax	632	574	632
Non-current tax liabilities	118	130	-
	2,100	704	1,057
NET ASSETS	10,411	9,281	9,944
EQUITY			
Share capital	587	571	583
Share premium	382	231	344
Other reserves	(84)	(85)	(86)
Merger reserve	(15)	(15)	(15)
Retained earnings	9,541	8,579	9,118
TOTAL EQUITY	10,411	9,281	9,944

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Six months ended 30 September 2016

	Share capital £'000	Share premium £'000	Other reserve £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2015	561	129	(85)	(15)	8,198	8,788
Total comprehensive income for the period	-	-	-	-	484	484
Share based payment charge	-	-	-	-	11	11
Share capital issued	10	102	-	-	-	112
Dividend	-	-	-	-	(114)	(114)
Balance at 30 September 2015	571	231	(85)	(15)	8,579	9,281
Total comprehensive income for the period	-	-	-	-	528	528
Share based payment charge	-	-	-	-	11	11
Share capital issued	12	113	-	-	-	125
Cost incurred by EBT	-	-	(1)	-	-	(1)
Balance at 31 March 2016	583	344	(86)	(15)	9,118	9,944
Total comprehensive income for the period	-	-	-	-	539	539
Share based payment charge	-	-	-	-	13	13
Share capital issued	4	38	-	-	-	42
Dividend	-	-	-	-	(129)	(129)
Income received by EBT	-	-	2	-	-	2
Balance at 30 September 2016	587	382	(84)	(15)	9,541	10,411

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
Six months ended 30 September 2016

	Notes	Unaudited 6 months to 30 September 2016 £'000	Unaudited 6 months to 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
Operating activities				
Cash generated from operations	6	913	603	1,606
Income taxes refunded/(paid)		12	(45)	(173)
Interest paid		(22)	(7)	(10)
Net cash from operating activities		903	551	1,423
Investing activities				
Purchases of property, plant and equipment		(157)	(105)	(280)
Costs incurred by EBT		-	-	(1)
Purchase of software		(110)	(93)	(208)
Acquisition of businesses		(1,006)	(476)	(1,066)
Payment of deferred/contingent consideration		(72)	(241)	(356)
Net cash used in investing activities		(1,347)	(915)	(1,911)
Financing activities				
Increase in bank overdraft/loan		478	252	365
Shares issued		42	112	237
Dividend payment		-	-	(114)
Net cash from financing activities		520	364	488
Increase in cash and cash equivalents		76	-	-
Cash and cash equivalents at beginning of period		-	-	-
Cash and cash equivalents at end of period		76	-	-

1. General Information

The interim unaudited financial information was approved by the board on 15 November 2016.

The results for the year ended 31 March 2016 have been audited whilst the results for the six months ended 30 September 2015 and 30 September 2016 are unaudited. The financial information contained in this interim report does not constitute statutory accounts for that period. The statutory accounts for the previous year, which were prepared under International Financial Reporting Standards ('IFRS'), have been delivered to the Registrar of Companies. The auditor's opinion on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006.

Copies of the interim report are available from www.hmlholdings.com or from the Company Secretary at HML Holdings plc, 9-11 The Quadrant, Richmond, Surrey, TW9 1BP.

2. International Financial Reporting Standards

The consolidated financial information has been prepared using accounting policies consistent with IFRS as adopted by the European Union applied in accordance with the provisions of the Companies Act 2006.

The accounting policies applied are consistent with those of the audited annual financial statements for the year ended 31 March 2016 and expected to apply for the year ended 31 March 2017.

Whilst the financial figures included in this interim report have been computed in accordance with IFRS, this interim report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

3. Taxation

Taxation for the six months to 30 September 2016 is based on the effective rate of taxation which is estimated to apply for the year ending 31 March 2017.

HML HOLDINGS PLC
NOTES TO THE ACCOUNTS

4.	Profit before interest, share based payments charges, amortisation and taxation	Unaudited 6 months to 30 September 2016 £'000	Unaudited 6 months to 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
	Operating profit before interest, share based payment charges, amortisation and taxation	920	815	1,634
	Finance costs	(22)	(7)	(10)
	Operating profit before share based payment charges, amortisation and taxation	898	808	1,624
	Share based payment charge	(13)	(11)	(22)
	Amortisation of intangible assets	(228)	(183)	(390)
	Profit before taxation	657	614	1,212
5.	Earnings per share	Unaudited 6 months to 30 September 2016	Unaudited 6 months to 30 September 2015	Audited Year ended 31 March 2016
	Profit after tax for the period (£'000s) (used to calculate the basic and diluted earnings per share)	539	484	1,012
	Add back:			
	Share based payment charge	13	11	22
	Amortisation of intangible assets	228	183	390
	Finance costs	22	7	10
	Adjusted profit after tax for the period (£'000s) (used to calculate the basic and diluted adjusted earnings per share)	802	685	1,434
	Weighted average number of shares (000s)			
	For basic earnings per share	38,921	37,467	37,864
	Effect of dilutive potential ordinary shares: - share options	980	1,889	1,701
	Fully diluted	39,901	39,356	39,565
	Earnings per share			
	Basic	1.4p	1.3p	2.7p
	Diluted	1.4p	1.2p	2.6p
	Adjusted earnings per share			
	Basic	2.1p	1.8p	3.8p
	Diluted	2.0p	1.7p	3.6p

HML HOLDINGS PLC
NOTES TO THE ACCOUNTS

6. **Notes to the cash flow statement**

Cash generated from operations	Unaudited 6 months to 30 September 2016 £'000	Unaudited 6 months to 30 September 2015 £'000	Audited 12 months to 31 March 2016 £'000
Profit from operations	679	621	1,222
Adjustments for:			
Share-based payment charge	13	11	22
Depreciation of plant and equipment	144	118	259
Amortisation of intangible assets	228	183	390
Profit on disposal of fixed assets	-	-	13
Operating cash flows before movements in working capital	1,064	933	1,906
Decrease/(increase) in trade and other receivables	106	(152)	(194)
(Decrease) in trade and other payables	(257)	(178)	(106)
Cash generated from operations	913	603	1,606