

**HML HOLDINGS Plc**  
**("HML or "the Group")**

**INTERIM RESULTS**

HML Holdings plc (AIM: HMLH.L), the property management services group, today announces its interim results for the six months to 30 September 2012.

**Highlights for the six month period:**

- Revenues up 25% to £6.2 million (2011: £5 million)
- 60% increase in operating profit before interest, amortisation and share based payment charges to £551,000 (2011: £344,000)
- Improvements across all divisions
- Earnings per share 0.9p (2011: 0.7p)

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

"We are delighted to report significant improvement in both our revenues and earnings as a result of the successful implementation of our organic and acquisitive growth strategy. Improvements in the rate of new management instructions are contributing to organic growth in our existing businesses while we are utilising our existing infrastructure to improve earnings and operating margins through the acquisition of businesses such as Scotts".

**For further information:**

**HML Holdings Plc**

Robert Plumb, Chief Executive  
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## **CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT**

We are very pleased to report a 25% growth in our half year revenues to £6.2 million (2011: £5.0 million). Organic growth contributed a 10% increase (2011 6%) in revenues and the acquisition of Scotts of Putney a further 15%. This revenue growth has driven a 60% improvement in operating profits before interest, share based payment charges, amortisation and taxation. Operating profits from Scotts in the 6 months to 30 September 2012 represent a 28% growth over the comparable 6 months to 30 September 2011.

Our property management businesses have continued to perform well with improving growth in the number of properties and units under management. As a result of this the earnings contributions from our support divisions have grown by more than 40% over the equivalent prior year period. Most notably Alexander Bonhill and Shaw & Company significantly improved earnings contribution through the provision of insurance broking and surveying services. The integration of Scotts into the HML group has progressed well. We can report encouraging client retention rates and significant progress in the transfer of management instructions on to HML's systems.

The residential property market continues to provide growth opportunities for those managing agents providing a quality service and who are capable of fairly balancing the interests of leaseholders and freeholders. HML has enjoyed an appreciable improvement in new business enquiries from prospective clients disenchanted with their current service provider. As leaseholder awareness continues to grow we anticipate those enquiries, which will include Right To Manage companies, will continue to increase.

**Richard Smith**

**Chairman**

**Robert Plumb**

**Chief Executive**

**12<sup>th</sup> November 2012**

**HML HOLDINGS PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**Six months ended 30 September 2012**

	Notes	Unaudited 6 months to 30 September 2012 £'000	Unaudited 6 months to 30 September 2011 £'000	Audited Year ended 31 March 2012 £'000
<b>Continuing operations</b>				
<b>Revenue</b>		6,186	4,954	10,600
Direct operating expenses		(5,212)	(4,175)	(8,932)
Central operating overheads		(423)	(435)	(894)
Share based payment charge		(6)	(4)	(10)
Amortisation of intangible assets		(123)	(94)	(210)
Exceptional item		-	-	(82)
Total central operating overheads		(552)	(533)	(1,196)
Operating expenses		(5,764)	(4,708)	(10,128)
<b>Profit from operations</b>		422	246	472
Finance costs		(19)	-	(16)
<b>Profit before taxation</b>	4	403	246	456
Corporation tax charge		(85)	(38)	(95)
<b>Profit for the period attributable to equity holders of the parent</b>		318	208	361
Other comprehensive income		-	-	-
<b>Total comprehensive income for the period attributable to equity holders of the parent</b>		318	208	361
<b>Earnings per share</b>				
Basic	5	0.9p	0.7p	1.1p
Diluted	5	0.9p	0.7p	1.1p

**HML HOLDINGS PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**COMPANY NUMBER: 5728008**  
**30 September 2012**

	Unaudited 30 September 2012 £'000	Unaudited 30 September 2011 £'000	Audited 31 March 2012 £'000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Goodwill	4,356	3,360	4,329
Other intangible assets	3,391	2,475	3,449
Property, plant and equipment	283	274	273
	8,030	6,109	8,051
<b>Current Assets</b>			
Trade and other receivables	1,519	1,094	1,413
Cash and cash equivalent	472	260	502
	1,991	1,354	1,915
<b>TOTAL ASSETS</b>	<b>10,021</b>	<b>7,463</b>	<b>9,966</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	1,858	1,438	2,004
Borrowings	345	-	345
Current tax liabilities	207	114	122
	2,410	1,552	2,471
<b>Non-Current Liabilities</b>			
Deferred tax	357	182	357
Borrowing	431	-	604
Deferred consideration	174	-	174
	962	182	1,135
<b>TOTAL LIABILITIES</b>	<b>3,372</b>	<b>1,734</b>	<b>3,606</b>
<b>NET ASSETS</b>	<b>6,649</b>	<b>5,729</b>	<b>6,360</b>
<b>EQUITY</b>			
Share capital	543	473	543
Share premium	6,743	6,331	6,743
Other reserves	(51)	(6)	(16)
Merger reserve	(15)	(15)	(15)
Retained earnings	(571)	(1,054)	(895)
<b>TOTAL EQUITY</b>	<b>6,649</b>	<b>5,729</b>	<b>6,360</b>

**HML HOLDINGS PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**Six months ended 30 September 2012**

	Share capital £'000	Share premium £'000	Other reserve £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2011	473	6,331	(11)	(15)	(1,266)	5,512
Total comprehensive income for the period	-	-	-	-	208	208
Share based payment charge	-	-	-	-	4	4
HML shares sold by the EBT	-	-	5	-	-	5
Balance at 30 September 2011	473	6,331	(6)	(15)	(1,054)	5,729
Total comprehensive income for the period	-	-	-	-	153	153
Share based payment charge	-	-	-	-	6	6
Share capital issued	70	412	-	-	-	482
HML shares purchased by the EBT	-	-	(10)	-	-	(10)
Balance at 31 March 2012	543	6,743	(16)	(15)	(895)	6,360
Total comprehensive income for the period	-	-	-	-	318	318
Share based payment charge	-	-	-	-	6	6
HML shares purchased by the EBT	-	-	(35)	-	-	(35)
Balance at 30 September 2012	543	6,743	(51)	(15)	(571)	6,649

**HML HOLDINGS PLC**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Six months ended 30 September 2012**

	Notes	Unaudited 6 months to 30 September 2012 £'000	Unaudited 6 months to 30 September 2011 £'000	Audited Year ended 31 March 2012 £'000
<b>Operating activities</b>				
Cash generated from operations	6	362	508	1,055
Income taxes paid		-	-	(50)
Interest paid		(19)	-	(16)
<b>Net cash from operating activities</b>		<b>343</b>	<b>508</b>	<b>989</b>
<b>Investing activities</b>				
Purchases of property, plant and equipment		(73)	(73)	(118)
Shares purchased by the EBT		(35)	-	(5)
Purchase of software		(39)	(39)	(79)
Acquisition of businesses		(53)	(21)	(1,401)
<b>Net cash used in investing activities</b>		<b>(200)</b>	<b>(133)</b>	<b>(1,603)</b>
<b>Financing activities</b>				
(Decrease)/increase in long term loan		(173)	-	949
Equity fund raising		-	-	282
<b>Net cash used in/(from) financing activities</b>		<b>(173)</b>	<b>-</b>	<b>1,231</b>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(30)</b>	<b>375</b>	<b>617</b>
Cash and cash equivalents at the start of period		502	(115)	(115)
<b>Cash and cash equivalents at the end of the period</b>		<b>472</b>	<b>260</b>	<b>502</b>

**1. General Information**

The interim unaudited financial information was approved by the board on 12 November 2012.

The results for the year ended 31 March 2012 have been audited whilst the results for the six months ended 30 September 2011 and 30 September 2012 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 IFRS, have been delivered to the Registrar of Companies. The auditors' 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](http://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 International Financial Reporting Standards ('IFRS') as adopted by the European Union applied in accordance with the provisions of the Companies Act 2006.

Except as described below, the accounting policies applied are consistent with those of the audited annual financial statements for the year ended 31 March 2012.

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 2012 is based on the effective rate of taxation which is estimated to apply for the year ending 31 March 2013.

<b>4. Profit before interest, exceptional items, share based payments charges, amortisation and taxation reconciliation</b>	Unaudited 6 months to 30 September 2012 £'000	Unaudited 6 months to 30 September 2011 £'000	Audited Year ended 31 March 2012 £'000
Operating profit before interest, exceptional items, share based payment charges, amortisation and taxation	551	344	774
Finance costs	(19)	-	(16)
Operating profit before exceptional item, share based payment charges, amortisation and taxation	532	344	758
Share based payment charge	(6)	(4)	(10)
Amortisation of intangible assets	(123)	(94)	(210)
Exceptional item	-	-	(82)
Profit before taxation	403	246	456

**HML HOLDINGS Plc**  
**NOTES TO THE ACCOUNTS**

5.	<b>Earnings per share</b>	Unaudited 6 months to 30 September 2012	Unaudited 6 months to 30 September 2011	Audited Year ended 31 March 2012
<b>Profits for basic and diluted earnings per share (£'000)</b>				
	Profit for the period	318	208	361
<b>Weighted average number of shares (000s)</b>				
	For basic earnings per share	36,220	31,544	33,197
	Effect of dilutive potential ordinary shares: - share options	931	172	229
	<b>Fully diluted</b>	<b>37,151</b>	<b>31,716</b>	<b>33,426</b>
<b>Earnings per share</b>				
	Basic	0.9p	0.7p	1.1p
	Diluted	0.9p	0.7p	1.1p
6.	<b>Notes to the cash flow statement</b>	Unaudited 6 months to 30 September 2012 £'000	Unaudited 6 months to 30 September 2011 £'000	Audited 6 months to 31 March 2012 £'000
<b>Cash generated from operations</b>				
	Operating profit	422	246	472
	Share-based payment charge	6	4	10
	Depreciation of plant and equipment	63	62	138
	Amortisation of intangible assets	123	94	210
	Exceptional item	-	-	82
	Decrease/(increase) in trade and other receivables	(106)	331	12
	(Decrease)/increase in trade and other payables	(146)	(229)	131
	<b>Cash generated from operations</b>	<b>362</b>	<b>508</b>	<b>1,055</b>