

HML HOLDINGS Plc
(“HML or “the Group”)

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 2014.

Highlights for the six month period:

- Revenue up 16% to £8.3 million (2013: £7.2 million)
- 15% increase in operating profit before interest, amortisation and share based payment charges to £795,000 (2013: £691,000)
- Successful integration of new acquisitions
- Basic earnings per share 1.3p (2013: 1.2p)

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

“We are proud to be reporting another year of revenues and earnings growth particularly during a period of reinvestment in our business infrastructure. We have also significantly enhanced our network with new offices in the West Country and Essex”.

For further information:

HML Holdings Plc

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In the first six months of this year, we have again achieved a steady balance of acquisitional (8%) and organic (8%) revenue growth. Despite incurring some initial due diligence and integration costs from three acquisitions, we are pleased to report further Operating Profit (before interest, amortisation and share based payment charges) growth of 15% to £795,000 (2013: £691,000).

The Group's new business pipeline this year has included a rising proportion of new blocks as a result of the strengthening new build market. We are encouraged by the positive outlook for organic growth in this area, but we are also aware of growing margin pressure, particularly with regard to our new business streams.

Alexander Bonhill, our provider of insurance broking and support services, has made a strong contribution to revenue growth despite a continuously competitive underwriting market. We are optimistic that Alexander Bonhill will achieve further improvements in the second half of the year as business from new clients and acquisitions are processed. While the increased activity in flat sales has contributed to an improvement in our pre-contract enquiries fees, we noticed a modest reduction towards the end of the period.

We have continued to invest in the infrastructure necessary to support a group of our growing size and complexity. There have been notable changes to human resources with improved training and performance management, as well as in information systems where the demands for additional reporting have increased significantly with increasing compliance obligations.

During the period, the Association of Residential Managing Agents (ARMA) has introduced additional service standard requirements which will impact members in a number of ways. HML welcomes these additional obligations as they will undoubtedly improve both the conformity and service levels of ARMA members. They are likely, however, to polarise managing agents into those willing to invest in the additional control requirements (and bring about the corresponding reputational enhancements) and those non-compliant agents who will maximise their price competitiveness by not making the additional investment.

HML remains confident of its improving ability to acquire and integrate businesses within the residential property management market. We anticipate further opportunities to develop our acquisitions strategy, not least because of the sector's growing compliance requirement (albeit voluntary) and the challenges for independent operators in the sector as they struggle to achieve critical mass.

Richard Smith

Chairman

Robert Plumb

Chief Executive

12th November 2014

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Six months ended 30 September 2014

| | Notes | Unaudited 6 months to 30 September 2014 £'000 | Unaudited 6 months to 30 September 2013 £'000 | Audited Year ended 31 March 2014 £'000 |
|---|-------|---|---|--|
| Continuing operations | | | | |
| Revenue | | 8,310 | 7,180 | 14,763 |
| Direct operating expenses | | (6,923) | (6,011) | (12,399) |
| Central operating overheads | | (592) | (478) | (1,009) |
| Share based payment charge | | (10) | (8) | (17) |
| Amortisation of intangible assets | | (169) | (137) | (280) |
| Total central operating overheads | | (771) | (623) | (1,306) |
| Operating expenses | | (7,694) | (6,634) | (13,705) |
| Profit from operations | | 616 | 546 | 1,058 |
| Finance costs | | (5) | (8) | (30) |
| Profit before taxation | 4 | 611 | 538 | 1,028 |
| Corporation tax charge | | (128) | (88) | (192) |
| Profit for the period attributable to equity holders of the parent | | 483 | 450 | 836 |
| Other comprehensive income | | - | - | - |
| Total comprehensive income for the period attributable to equity holders of the parent | | 483 | 450 | 836 |
| Earnings per share | | | | |
| Basic | 5 | 1.3p | 1.2p | 2.3p |
| Diluted | 5 | 1.2p | 1.2p | 2.3p |

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
COMPANY NUMBER: 5728008
30 September 2014

| | Unaudited 30 September 2014 £'000 | Unaudited 30 September 2013 £'000 | Audited 31 March 2014 £'000 |
|--------------------------------|--|--|--------------------------------------|
| ASSETS | | | |
| Non Current Assets | | | |
| Goodwill | 5,860 | 4,837 | 5,156 |
| Other intangible assets | 4,576 | 3,640 | 3,945 |
| Property, plant and equipment | 513 | 315 | 374 |
| | 10,949 | 8,792 | 9,475 |
| Current Assets | | | |
| Trade and other receivables | 1,830 | 1,477 | 1,995 |
| Cash and cash equivalent | - | 475 | 203 |
| | 1,830 | 1,952 | 2,198 |
| TOTAL ASSETS | 12,779 | 10,744 | 11,673 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 3,258 | 2,253 | 2,918 |
| Bank overdraft and borrowings | 441 | 345 | 173 |
| Tax liabilities | 214 | 255 | 192 |
| | 3,913 | 2,853 | 3,283 |
| Non-Current Liabilities | | | |
| Deferred tax | 433 | 433 | 433 |
| Borrowings | - | - | 86 |
| Tax liabilities | 128 | 74 | - |
| | 561 | 507 | 519 |
| NET ASSETS | 8,305 | 7,384 | 7,871 |
| EQUITY | | | |
| Share capital | 559 | 543 | 554 |
| Share premium | 103 | 6,743 | 6,815 |
| Other reserves | (85) | (99) | (90) |
| Merger reserve | (15) | (15) | (15) |
| Retained earnings | 7,743 | 212 | 607 |
| TOTAL EQUITY | 8,305 | 7,384 | 7,871 |

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Six months ended 30 September 2014

| | Share capital £'000 | Share premium £'000 | Other reserve £'000 | Merger reserve £'000 | Retained earnings £'000 | Total equity £'000 |
|--|---------------------------|---------------------------|---------------------------|----------------------------|-------------------------------|--------------------------|
| Balance at 1 April 2013 | 543 | 6,743 | (94) | (15) | (246) | 6,931 |
| Total comprehensive income for the period | - | - | - | - | 450 | 450 |
| Share based payment charge | - | - | - | - | 8 | 8 |
| HML shares purchased by the EBT | - | - | (5) | - | - | (5) |
| Balance at 30 September 2013 | 543 | 6,743 | (99) | (15) | 212 | 7,384 |
| Total comprehensive income for the period | - | - | - | - | 386 | 386 |
| Share based payment charge | - | - | - | - | 9 | 9 |
| HML shares sold by the EBT | - | - | 9 | - | - | 9 |
| Share capital issued | 11 | 72 | - | - | - | 83 |
| Balance at 31 March 2014 | 554 | 6,815 | (90) | (15) | 607 | 7,871 |
| Total comprehensive income for the period | - | - | - | - | 483 | 483 |
| Share based payment charge | - | - | - | - | 10 | 10 |
| Share capital issued | 5 | 31 | - | - | - | 36 |
| HML shares sold by the EBT | - | - | 5 | - | - | 5 |
| Dividend | - | - | - | - | (100) | (100) |
| Cancellation of share premium account | - | (6,743) | - | - | 6,743 | - |
| Balance at 30 September 2014 | 559 | 103 | (85) | (15) | 7,743 | 8,305 |

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
Six months ended 30 September 2014

| | Notes | Unaudited 6 months to 30 September 2014 £'000 | Unaudited 6 months to 30 September 2013 £'000 | Audited Year ended 31 March 2014 £'000 |
|---|-------|---|---|--|
| Operating activities | | | | |
| Cash generated from operations | 6 | 1,013 | 630 | 1,567 |
| Income taxes paid | | - | - | (167) |
| Interest paid | | (5) | (8) | (30) |
| Net cash from operating activities | | 1,008 | 622 | 1,370 |
| Investing activities | | | | |
| Purchases of property, plant and equipment | | (235) | (78) | (237) |
| Shares sold/purchased by the EBT | | 5 | (5) | 4 |
| Purchase of software | | (81) | (71) | (155) |
| Acquisition of businesses | | (1,090) | - | (526) |
| Payment of deferred/contingent consideration | | (28) | - | (257) |
| Net cash used in investing activities | | (1,429) | (154) | (1,171) |
| Financing activities | | | | |
| (Decrease) in long term loan | | - | (259) | (345) |
| Shares issued | | 36 | - | 83 |
| Net cash used in financing activities | | 36 | (259) | (262) |
| (Decrease)/increase in cash and cash equivalents | | (385) | 209 | (63) |
| Cash and cash equivalents at the start of period | | 203 | 266 | 266 |
| Cash and cash equivalents at the end of the period | | (182) | 475 | 203 |

The cash and cash equivalents of (£182,000) are included in the Bank overdraft and borrowings figure of £441,000 in the consolidated statement of financial position.

1. General Information

The interim unaudited financial information was approved by the board on 12th November 2014.

The results for the year ended 31 March 2014 have been audited whilst the results for the six months ended 30 September 2013 and 30 September 2014 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 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 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 2014.

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 2014 is based on the effective rate of taxation which is estimated to apply for the year ending 31 March 2015.

HML HOLDINGS Plc
NOTES TO THE ACCOUNTS

| 4. | Profit before interest, share based payments charges, amortisation and taxation | Unaudited 6 months to 30 September 2014 £'000 | Unaudited 6 months to 30 September 2013 £'000 | Audited Year ended 31 March 2014 £'000 |
|----|--|---|---|--|
| | Operating profit before interest, share based payment charges, amortisation and taxation | 795 | 691 | 1,355 |
| | Finance costs | (5) | (8) | (30) |
| | Operating profit before share based payment charges, amortisation and taxation | 790 | 683 | 1,325 |
| | Share based payment charge | (10) | (8) | (17) |
| | Amortisation of intangible assets | (169) | (137) | (280) |
| | Profit before taxation | 611 | 538 | 1,028 |
| 5. | Earnings per share | Unaudited 6 months to 30 September 2014 | Unaudited 6 months to 30 September 2013 | Audited Year ended 31 March 2014 |
| | Profits for basic and diluted earnings per share (£'000) | | | |
| | Profit for the period | 483 | 450 | 836 |
| | Weighted average number of shares (000s) | | | |
| | For basic earnings per share | 36,998 | 36,220 | 36,280 |
| | Effect of dilutive potential ordinary shares: - share options | 1,980 | 759 | 1,337 |
| | Fully diluted | 38,978 | 36,979 | 37,617 |
| | Earnings per share | | | |
| | Basic | 1.3p | 1.2p | 2.3p |
| | Diluted | 1.2p | 1.2p | 2.2p |

6. Notes to the cash flow statement

| Cash generated from operations | Unaudited 6 months to 30 September 2014 £'000 | Unaudited 6 months to 30 September 2013 £'000 | Audited 12 months to 31 March 2014 £'000 |
|---|---|---|--|
| Profit from operations | 616 | 546 | 1,058 |
| Share-based payment charge | 10 | 8 | 17 |
| Depreciation of plant and equipment | 87 | 61 | 154 |
| Amortisation of intangible assets | 169 | 137 | 280 |
| Profit on disposal of fixed assets | 9 | - | 7 |
| Decrease/(increase) in trade and other receivables | 165 | 210 | (308) |
| (Decrease)/increase in trade and other payables | (43) | (332) | 359 |
| Cash generated from operations | 1,013 | 630 | 1,567 |