

**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 2015.

**Highlights for the six month period:**

- Revenue up 8% to £9.0 million (2014: £8.3 million)
- 3% increase in profit from operations before interest, amortisation and share based payment charges to £815,000 (2014: £795,000)
- Successful integration of new acquisitions
- Basic earnings per share 1.3p (2014: 1.3p)

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

"Despite having incurred some one-off restructuring costs, we have made good progress growing our new business and portfolio acquisition pipelines and we look forward to the benefit this investment will yield".

**For further information:**

**HML Holdings Plc**

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

We are pleased to report growth in revenues to £9.0m for the 6 months to 30 September 2015. This represents an 8% increase on the equivalent period last year (2014: £8.3m). Earnings before interest, share-based payments, amortisation and tax grew by 3% to £815,000 (2014: £795,000). Properties under management increased by 6% (12% annualised) to 54,000 units with over 50% of this increase arising from organic growth.

Additional re-structuring costs and lower transactional fees in the first quarter of the year were two of the contributors to a decline in gross margin during this six month period. Our professional division, in particular, incurred additional restructuring costs due to the relocation of surveyors from our head office in Richmond to the offices of our property management businesses. While we are confident of the positive impact the new structure will have on professional fees in the second half of the year, the changes led to a lower contribution from this division during the first six months of the year.

While our property management businesses have enjoyed a strong 11% growth in management fees, transactional income in the first half of the year was lower than anticipated. In particular pre-contract enquiry fees in the first quarter were below their seasonal norms as property sale volumes reduced in the lead up to the general election. We are pleased to report a steady recovery in these revenues in the second quarter and we anticipate this improvement will continue in the second half of the year.

New business volumes were up more than 80% compared to the equivalent period last year with a strong contribution coming from new-build estates in areas outside of London. Whilst we have incurred recruitment and infrastructure costs in securing this additional growth we anticipate the flow of new business will continue to improve. Our pipeline of confirmed management instructions was £1m (in annualised management fees) at 30 September 2015 which is equivalent to double the level in September 2014.

Alexander Bonhill has again performed well with a 9% growth in revenues from insurance brokerage. We are pleased with our ability to assimilate our acquisition portfolios as well as converting new business opportunities as they arise. The insurance underwriting markets in the property sector remain attractive and we continue to be able to offer our clients competitive premiums.

We were pleased to welcome a new acquisition, Castle Wildish Property Management, to the HML group in September. The business provides us with significant additional coverage in the Surrey and South West London regions. We anticipate retaining the office in Walton on Thames to build a stronger presence in this geographical area. We expect that the growing need for regulatory compliance in the residential property management sector will continue to generate acquisition opportunities for the group.

HML remains confident that the investments we have made, and are continuing to make, in our infrastructure will yield further improvements in revenues and earnings.

**Robert Plumb**  
**Chief Executive Officer**

**13 November 2015**

**Richard Smith**  
**Chairman**

**HML HOLDINGS PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**Six months ended 30 September 2015**

	Notes	Unaudited 6 months to 30 September 2015 £'000	Unaudited 6 months to 30 September 2014 £'000	Audited Year ended 31 March 2015 £'000
<b>Continuing operations</b>				
<b>Revenue</b>		8,981	8,310	17,227
Direct operating expenses		(7,552)	(6,923)	(14,413)
Central operating overheads		(614)	(592)	(1,279)
Share based payment charge		(11)	(10)	(20)
Amortisation of intangible assets		(183)	(169)	(355)
Total central operating overheads		(808)	(771)	(1,654)
Operating expenses		(8,360)	(7,694)	(16,067)
<b>Profit from operations</b>		621	616	1,160
Finance costs		(7)	(5)	(21)
<b>Profit before taxation</b>	4	614	611	1,139
Income tax charge		(130)	(128)	(211)
<b>Profit for the period attributable to equity holders of the parent</b>		484	483	928
Other comprehensive income		-	-	-
<b>Total comprehensive income for the period attributable to equity holders of the parent</b>		484	483	928
<b>Earnings per share</b>				
Basic	5	1.3p	1.3p	2.5p
Diluted	5	1.2p	1.2p	2.4p

**HML HOLDINGS PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**COMPANY NUMBER: 5728008**  
**30 September 2015**

	Unaudited 30 September 2015 £'000	Unaudited 30 September 2014 £'000	Audited 31 March 2015 £'000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Goodwill	6,531	5,860	6,230
Other intangible assets	4,930	4,576	4,730
Property, plant and equipment	680	513	693
	12,141	10,949	11,653
<b>Current Assets</b>			
Trade and other receivables	2,463	1,830	2,311
Cash at bank	-	-	-
	2,463	1,830	2,311
<b>TOTAL ASSETS</b>	<b>14,604</b>	<b>12,779</b>	<b>13,964</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	3,518	3,258	3,708
Bank overdraft and borrowings	909	441	657
Current tax liabilities	192	214	237
	4,619	3,913	4,602
<b>Non-Current Liabilities</b>			
Deferred tax	574	433	574
Non-current tax liabilities	130	128	-
	704	561	574
<b>NET ASSETS</b>	<b>9,281</b>	<b>8,305</b>	<b>8,788</b>
<b>EQUITY</b>			
Share capital	571	559	561
Share premium	231	103	129
Other reserves	(85)	(85)	(85)
Merger reserve	(15)	(15)	(15)
Retained earnings	8,579	7,743	8,198
<b>TOTAL EQUITY</b>	<b>9,281</b>	<b>8,305</b>	<b>8,788</b>

**HML HOLDINGS PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**Six months ended 30 September 2015**

	Share capital £'000	Share premium £'000	Other reserve £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 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
Total comprehensive income for the period	-	-	-	-	445	445
Share based payment charge	-	-	-	-	10	10
Share capital issued	2	26	-	-	-	28
Balance at 31 March 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

**HML HOLDINGS PLC**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Six months ended 30 September 2015**

	Notes	Unaudited 6 months to 30 September 2015 £'000	Unaudited 6 months to 30 September 2014 £'000	Audited Year ended 31 March 2015 £'000
<b>Operating activities</b>				
Cash generated from operations	6	603	1,013	1,963
Income taxes paid		(45)	-	(166)
Interest paid		(7)	(5)	(21)
<b>Net cash from operating activities</b>		<b>551</b>	<b>1,008</b>	<b>1,776</b>
<b>Investing activities</b>				
Purchases of property, plant and equipment		(105)	(235)	(539)
Sale of own shares		-	5	5
Purchase of software		(93)	(81)	(198)
Acquisition of businesses		(476)	(1,090)	(1,422)
Payment of deferred/contingent consideration		(241)	(28)	(187)
<b>Net cash used in investing activities</b>		<b>(915)</b>	<b>(1,429)</b>	<b>(2,341)</b>
<b>Financing activities</b>				
Increase in bank overdraft/loan		252	182	398
Shares issued		112	36	64
Dividend payment		-	-	(100)
<b>Net cash from financing activities</b>		<b>364</b>	<b>218</b>	<b>362</b>
<b>(Decrease) in cash and cash equivalents</b>		<b>-</b>	<b>(203)</b>	<b>(203)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>-</b>	<b>203</b>	<b>203</b>
<b>Cash and cash equivalents at end of period</b>		<b>-</b>	<b>-</b>	<b>-</b>

**1. General Information**

The interim unaudited financial information was approved by the board on 13 November 2015.

The results for the year ended 31 March 2015 have been audited whilst the results for the six months ended 30 September 2014 and 30 September 2015 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](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 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 2015 and expected to apply for the year ended 31 March 2016.

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 2015 is based on the effective rate of taxation which is estimated to apply for the year ending 31 March 2016.

**HML HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**

4.	<b>Profit before interest, share based payments charges, amortisation and taxation</b>	Unaudited 6 months to 30 September 2015 £'000	Unaudited 6 months to 30 September 2014 £'000	Audited Year ended 31 March 2015 £'000
	Operating profit before interest, share based payment charges, amortisation and taxation	815	795	1,535
	Finance costs	(7)	(5)	(21)
	Operating profit before share based payment charges, amortisation and taxation	808	790	1,514
	Share based payment charge	(11)	(10)	(20)
	Amortisation of intangible assets	(183)	(169)	(355)
	Profit before taxation	614	611	1,139
5.	<b>Earnings per share</b>	Unaudited 6 months to 30 September 2015	Unaudited 6 months to 30 September 2014	Audited Year ended 31 March 2015
	<b>Profits for basic and diluted earnings per share (£'000)</b>			
	Profit for the period	484	483	928
	<b>Weighted average number of shares (000s)</b>			
	For basic earnings per share	37,467	36,998	37,130
	Effect of dilutive potential ordinary shares:			
	- share options	1,889	1,980	2,109
	<b>Fully diluted</b>	39,356	38,978	39,239
	<b>Earnings per share</b>			
	Basic	1.3p	1.3p	2.5p
	Diluted	1.2p	1.2p	2.4p

**HML HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**

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

<b>Cash generated from operations</b>	Unaudited 6 months to 30 September 2015 £'000	Unaudited 6 months to 30 September 2014 £'000	Audited 12 months to 31 March 2015 £'000
Profit from operations	621	616	1,160
Share-based payment charge	11	10	20
Depreciation of plant and equipment	118	87	210
Amortisation of intangible assets	183	169	355
Loss on disposal of fixed assets	-	9	10
(Increase)/decrease in trade and other receivables	(152)	165	(316)
(Decrease)/increase in trade and other payables	(178)	(43)	524
Cash generated from operations	603	1,013	1,963