



**HML Holdings plc**  
**("HML" or "the Group")**

**Maiden interim results show solid progress**

HML Holdings plc (AIM: HMLH), the property management and services group, today announces its maiden interim results for the six months ended 30 September 2006.

**Highlights:**

- Turnover increased by 33% to £2.8 million (2005: £2.1 million)
- Operating profit before amortisation increased by 49% to £165,000 (2005: £111,000)
- Two acquisitions have provided further geographical reach and new client base
- AIM Admission and two subsequent placings creating platform for future growth

**Commenting on the results, Robert Plumb, Chief Executive of HML Holdings plc, said:** "We are extremely pleased with the progress we have made in the first six months of this financial year. This can be demonstrated both by our growth in earnings, the acquisitions we have made and the significant steps we have taken in developing the infrastructure and synergies within the Group"

**For further information:**

**HML Holdings plc**

Robert Plumb, Chief Executive  
James Howgego, Finance Director

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## **Chairman's Statement**

The first six months of the year have been an exciting time for HML, during which we have continued to develop and expand the Group. The principal event was the Group's flotation on AIM, a market of London Stock Exchange plc. This has provided us with the means to establish HML as a national brand in the property services market by pursuing a strategy of organic and acquisitive growth. Since then we have also carried out two share placings which have not only provided funds and working capital to support the Group's continued progress but we also believe are an endorsement of the Group's potential as an investment.

The Group has made real progress in building the platform from which it can achieve its strategic goals. In addition, our plans to develop excellent customer service through the development of our employees and our systems are well underway.

Since the start of the year we have made two acquisitions. In April we acquired Shaw & Company which is based in Richmond and provides us with a valuable foothold in the south west London property market. In November 2006, we expanded further when we acquired London & Provincial Properties Limited, a 22 year old business based in Hendon, north London, which also provided us with a well established base in one of our target markets. Both of these acquisitions strengthen significantly our geographic coverage and provide us with further outlets from which we can expand our customer base by providing a full range of high quality property management and ancillary services.

## **Financial results**

The Group achieved an operating profit before goodwill amortisation of £165,000 during the period, which represents a 49% improvement over the equivalent period last year (trading last year was in Hawksworth Management Limited). Turnover for the period increased 33% to £2,769,000. Earnings per share were 1.5 pence per share.



## **Outlook**

We remain focused on property management and directly related products and services, excluding property sales, and believe that as the Group expands it will be able to provide an increasingly efficient service at more attractive margins, achieved through improved economies of scale.

We have identified a number of potential acquisitions which we hope to be able to report on in the near future, and given the progress the Group has made in the first six months of the year, our confidence in continuing to grow the business both through acquisitions and the winning of new business remains high.

**Richard Smith**  
**Chairman**

**November 2006**

**HML Holdings plc - interim results for the six months ended 30 September 2006**



**GROUP PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006**

	Note	Six Months Ended 30.09.06 Unaudited £000's	Six Months Ended 30.09.05 Unaudited £000's
<b>TURNOVER</b>		2,769	2,112
Administrative expenses		2,604	2,001
Amortisation of goodwill	3	34	25
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>		131	86
Interest receivable and similar income		-	1
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		131	87
Tax on profit on ordinary activities	4	20	-
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		111	87
		<hr/> <hr/>	<hr/> <hr/>
<b>BASIC EARNINGS PER SHARE (PENCE)</b>	5	1.5p	n/a
		<hr/> <hr/>	<hr/> <hr/>
<b>FULLY DILUTED EARNINGS PER SHARE (PENCE)</b>	5	1.3p	n/a
		<hr/> <hr/>	<hr/> <hr/>
 <b><u>PROFIT BEFORE AMORTISATION RECONCILIATION</u></b>			
<b>OPERATING PROFIT PER PROFIT AND LOSS ACCOUNT</b>		131	86
Add back: Amortisation		34	25
		<hr/>	<hr/>
<b>OPERATING PROFIT BEFORE AMORTISATION</b>		164	111
		<hr/> <hr/>	<hr/> <hr/>



**GROUP BALANCE SHEET AT 30 SEPTEMBER 2006**

		<b>30.09.06 Unaudited £000's</b>
<b>FIXED ASSETS</b>		
Intangible assets		3,390
Tangible assets		252
		<hr/>
		3,642
<b>CURRENT ASSETS</b>		
Debtors		898
Cash at bank		284
		<hr/>
		1,182
<b>CREDITORS: amounts falling due within one year</b>		<hr/>
		1,176
<b>NET CURRENT ASSETS</b>		<hr/>
		6
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,648
<b>CREDITORS: amounts falling due after more than one year</b>		<hr/>
	7	2,097
<b>NET ASSETS</b>		<hr/>
		1,551
<b>CAPITAL AND RESERVES</b>		
Called up share capital		171
Share premium		1,479
Other reserves		911
Profit and loss account		(1,010)
		<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	8	<hr/> <hr/>
		1,551



**GROUP CASH FLOW STATEMENT FOR SIX MONTHS ENDED 30 SEPTEMBER 2006**

	Note	Six Months Ended 30.09.06 Unaudited £000's
<b>Net cash inflow from operating activities</b>		195
<b>Returns on investments and servicing of finance</b>		-
<b>Taxation</b>		-
<b>Capital expenditure</b>		
Purchase of tangible fixed assets		(46)
<b>Acquisitions</b>		(841)
<b>Net cash outflow before financing</b>		(692)
<b>Financing</b>		
Issue of ordinary share capital		353
Share issue expenses		(242)
Increase in debt	9	750
<b>Increase in cash in the period</b>	9	169
<b>Reconciliation of net cash flow to movement in net debt</b>		
Increase in cash in the period		169
Change in net debt resulting from:		
Cash inflows		(750)
Non-cash changes		2,426
<b>Movement in net debt in the period</b>	9	1,845
<b>Net debt at start of period</b>	10	(3,433)
<b>Net debt at end of period</b>	10	(1,588)



**1. BASIS OF PREPARATION**

The financial information is for the six months ended 30 September 2006 and is neither audited nor reviewed as defined by APB Bulletin 1999/4. The financial information contained in this interim reports does not constitute statutory statements within the meaning of section 240 Companies Act 1985.

The results for the six months ended 30 September 2006 include the trading of Hawksworth Management Limited group for the full period. HML Holdings plc was incorporated on 2<sup>nd</sup> March 2006 and acquired Hawksworth Management Limited on 2 June 2006. The group floated on the AIM market of the London Stock Exchange on 30 June 2006.

**2. ACCOUNTING POLICIES**

The interim financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards.

**3. GOODWILL**

Goodwill (both positive and negative) arising on acquisitions is capitalised and classified as an asset on the balance sheet. Goodwill is amortised over its useful economic life and, in accordance with FRS 10, an impairment review is performed at each balance sheet date.

In the opinion of the directors, the goodwill arising on the acquisitions of property services companies has an economic life of 50 years. This is because the businesses operate in an exceptionally stable marketplace in which the provision of services to clients is not subject to normal product life cycles.

**4. TAXATION**

Taxation for the six months to 30 September 2006 is based on the effective rate of taxation which is estimated to apply to the year ending 31 March 2007.



**5. EARNINGS PER ORDINARY SHARE**

Earnings per ordinary share is calculated by dividing the attributable to ordinary shareholders by the weighted average number of ordinary shares during the period.

	<b>Six Months Ended 30.09.06 Unaudited £000's</b>
Basic earnings attributable to ordinary shareholders:	111
Weighted average number of ordinary shares	7,592,356
Basic earnings per share	1.5p
Fully diluted average number of ordinary shares	8,618,310
Diluted earnings per share	1.3p

**6. ACQUISITIONS**

In April and May 2006 the Company purchased the entire share capital of Shaw & Company (Property Management) Limited. The consideration payable for the shares was £1,050,000 and acquisition costs were £61,000.

**7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>30.09.06 Unaudited £000's</b>
Convertible loan notes	1,872
Deferred purchase consideration	225
	2,097



The loan notes are convertible at the option of the note holder and attract interest at a rate of 1% above LIBOR from 30 June 2009.

In accordance with applicable accounting standards, £926,000 of debt has been transferred to equity shareholders funds for presentation purposes.

**8. MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS**

	<b>30.09.06 Unaudited £000's</b>
1 April 2006	(1,097)
Issue of share capital	1,868
Share issue expenses	(242)
Transfer of loan notes to equity	926
Movement in other reserves	(15)
Profit for the period	111
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30 September 2006	1,551
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**9. ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 01.04.06</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>At 30.09.06</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Net cash:				
Cash at bank and in hand	161	123	-	284
Bank overdrafts	(46)	46	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	115	169	-	284
	<hr/>	<hr/>	<hr/>	<hr/>
Debt:				
Loan from LTC Holdings plc	(3,548)	(750)	4,298	-
Convertible loan notes	-	-	(1,872)	(1,872)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(3,433)	(581)	2,426	(1,588)
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**10. COPIES OF THE INTERIM REPORT**

The interim report was approved by the Board of HML Holdings plc on the 27<sup>th</sup> of November 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, 28 Old Church Street, London, SW3 5BY.