Press Release **20 September 2016**

PERSONAL GROUP HOLDINGS PLC

("Personal Group" or "the Group")

Interim Results

Personal Group Holdings Plc (AIM: PGH), a leading provider of employee benefits and employee related insurance products in the UK, is pleased to report its results for the six months ended 30 June 2016:

Highlights

- Revenue increased by 10.2% to £21.0m (2015: £19.0m)
- New insurance business generation increased 12.5% to £6.3m (2015: £5.6m)
- Major contract wins secured including Samworth Brothers, Pendragon, Euro Car Parts and multiple health care sector companies
- Investment has commenced in developing the Sage employee benefits product
- EBITDA* decreased by 29.9% to £3.2m (2015: £4.5m)
- Profit before tax decreased by 33.5% to £1.9m (2015: £2.9m)
- Basic EPS decreased by 38.1% to 4.8p (2015: 7.8p)
- Dividends per share paid in the period up 5.3% to 11.0 pence per share (2015: 10.45 pence)
- Group balance sheet remains strong with total equity (shareholders' funds) of £30.3m (31 December 2015: £31.9m) and no debt
- Decision made post period end not to progress with MVNO PG Mobile, full closure by December 2016

* EBITDA is defined as earnings before interest, tax, depreciation, amortisation of intangible assets, goodwill impairment, share-based payment expenses, acquisition costs, restructuring costs, write back of contingent consideration and release of tax provision. This definition applies to all references to EBITDA within these interim results. A reconciliation from PBT to this adjusted EBITDA has been included in note 3.

Mark Scanlon, Chief Executive of Personal Group, commented:

"Our core business, which now includes the Lets Connect business, continues to perform consistently well with continued growth in new sales and top line revenue.

2016 is an investment year for the Group with this year's performance affected by investment in the Sage program particularly. This new and innovative product is planned to go live before the end of the year and we believe that the market opportunity here is large. Other investments have also been made in our brand and hapi platform, further strengthening our market proposition.

The Group has taken the decision that the Mobile Virtual Network Operator ("MVNO") named Personal Group Mobile ("PG Mobile"), which provides smartphones and airtime on a salary sacrifice basis is no longer viable in the current market and so the decision has been taken to run down this activity by the end of 2016. Though this is disappointing the Group feels it is important to act quickly in these situations which I believe we have done.

We remain optimistic about the Group's future prospects. "

- ENDS -

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Notes to Editors

With over 30 years' experience, Personal Group Holdings Plc (AIM: PGH) is a leading provider of employee services, benefits and employee related insurance products, covering an employee base of over two million across the UK.

Personal Group has a unique approach to delivering employee engagement, by combining technology with its face-to-face method of communicating with employees. This approach assists clients with the attraction, retention and motivation of their employees. Included in this approach is the delivery of a range of insurance products and services including hospital and convalescence plans, death benefit and income protection, in addition to lifestyle benefits including High Street savings and discounts, retail offers, travel and holiday promotions and health and wellbeing services.

Hapi, Personal Group's leading edge Employee Services platform allows clients to build bespoke engagement, benefit and communications programmes, which are made available to employees through both websites and mobile apps. This platform allows for a broader range of services, including holiday booking, electronic payslips, reward and recognition and Employee Assistance programmes to be accessed by employees in a simple and effective interface.

The Group also supplies clients with home technology and smartphone handsets via salary reduction schemes, offering the latest computers, laptops, tablets, smartphones and other home technology products through Lets Connect.

Personal Group has a strong client base across a wide range of sectors, with particular expertise in transport, logistics, domiciliary care, motor, retail, food production and manufacturing. Over 520 clients, including Network Rail, DHL, JCT600, Four Seasons, Two Sisters and Stagecoach, work with Personal Group in delivering effective benefits, engagement and communications programmes.

For further information, go to www.personalgroup.com.

Chairman's Statement

Summary

Personal Group has demonstrated robust and innovative responses to the challenges and opportunities in 2016. In our core markets, the Group continued to perform well in the first half of 2016 with revenue up 10% on the equivalent period in 2015 and record new business generation. EBITDA, excluding PG Mobile, decreased by 17% which reflects the increased investment we have made in the wider business; highlights include an overdue Group rebrand and significant additions to our infrastructure and people in the core business to develop a new Sage employee benefits platform. It is expected that the Sage product, for a new market to Personal Group, will be launched before the end of this year.

It should be noted that shortly after the half year, we concluded that the PG Mobile business should cease active trading and fully wind down by the end of 2016. Also in February, we announced the changing customer relationship with Royal Mail Group (RMG) as our insurance relationship changes and the Lets Connect opportunity develops. Both of these will feature in our full-year results.

Financial Performance

Total Group revenue for the six months ended 30 June 2016 increased by 10% to £21.0m (2015: £19.0m). This reflects a 13% increase in earned premiums net of reinsurance, a full 6 months trading of PG Mobile and increased revenue contribution from Let's Connect.

Annualised new business premiums written during the period from the Group's core employee benefits and insurance activities were once again a half-year record, at £6.3m, 13% ahead of 2015 (£5.6m). This was despite the cessation of new insurance business with RMG from March 2016.

Underlying EBITDA was £3.2m (2015: £4.5m) which represents a 30% reduction on the equivalent period in 2015. The Group's performance excluding the impact of setting up and running PG Mobile, our own MVNO, was a decrease of 17% due to the impact of increased investment in the infrastructure and rebranding of the Group.

Group Profit before tax was £1.9m (2015: £2.9m). This includes £0.3m of reorganisation costs for PG Mobile incurred in 2016. There were £0.9m of reorganisation and acquisition costs associated with the establishment of PG Mobile in the six months to June 2015.

Total equity at 30 June 2016 was £30.3m (31 December 2015: £31.9m).

Business Review

Our core business continues to operate in a consistent manner, with a steady increase in sales and topline performance. The business continues to improve its core profitability but this has been masked, in the six-month period under review, by significant expenditure in rebranding and infrastructure to prepare the Group for the expected increase in business following the launch of the Sage platform.

Our core products continue to be attractive to employers, evidenced by the high proportion of sales in the first half from entirely new host company clients: more than 21.5% of total new sales were to employees of companies which were new to the Group.

Our like-for-like sales in Lets Connect were up 14% on the equivalent period last year. The turnover of Lets Connect is, as always, very strongly weighted to the fourth quarter of the year.

The establishment of PG Mobile was intended to develop further our strategy by broadening the Group's offering to include additional mobile airtime products. It has become apparent during the first half of 2016 that the potential market has changed and is no longer receptive to the product offering of PG Mobile. Consequently, we decided on 7th July 2016 to close the PG Mobile business by the end of 2016.

The hapi platform, which was completed in 2015, continues to be rolled out to our existing customer base to very positive reviews. This has led to increased product penetration into our existing clients. Moreover, this technology is at the heart of the proposed Sage employee benefits platform which is being built for the extensive SME market. This is a market that our current distribution model does not, in the first instance, suit and both Sage and we are confident that the proposition will prove popular with SME's when the product is launched.

We have seen Insurance Premium Tax ("IPT") increase twice in the last year, from 6% to 9.5% in November 2015 and, following the budget this year, a further increase to 10% effective in October 2016. Our premium collection method through payroll deduction makes it difficult to adjust premiums retrospectively and so to date we have adjusted our pricing for new insurance business only.

HMRC recently launched a consultation on Salary Sacrifice and associated Benefits in Kind (BIKs) which proposes to limit the range of BIKs that will attract Income Tax and NIC advantages. We welcome this consultation which seeks to clarify the currently ad hoc treatment of such arrangements. However, the uncertainty caused by the consultation, at one of the busiest times for our Lets Connect business, may impact our full year results. The possible effect for our clients is that they could lose any employer National Insurance savings and their employees lose any income tax savings, they currently experience; the schemes would remain efficient for employee National Insurance savings. Whatever the outcome of the consultation, which is due to be announced at the end of November, we are confident our Lets Connect offering remains attractive to employees, not just for tax savings, but also for access it provides to credit, credit costs and our comprehensive insurance cover.

Dividends

The first two dividends of 2016, each of 5.5p per share, were paid in March and June, with the third dividend of the same amount being paid on 23rd September 2016. The Directors expect that the fourth and final dividend for 2016 of the same amount will be paid in December. This would give a total for the year of 22.0p per share (2015: 20.9p per share), an increase of 5%.

The Board

As announced earlier in the year, Chris Curling retired from his Non-executive position as Chairman of the Board in May 2016 and I took over as Chairman. The Board is pleased to welcome Bob Head as a new Non-Executive director. Bob has a wide experience in financial services including knowledge of their digital delivery. He has also worked as an advisor to the tax authorities in South Africa. All-in-all a very useful addition to the Board.

Outlook

The Group's core business continues to perform strongly and grow steadily. We are relentless in seeking to improve the business we have and to seek out new opportunities.

The year on year expansion of Lets Connect and the forthcoming partnership with Sage reflect the Group's intention to widen the range of our employee benefits offering and to make available to a wider base of host company clients, products and services which complement our core insurance products. The PG Mobile initiative was not successful and the board took speedy action when that became apparent. Nevertheless, we continue to look for other opportunities, including acquisitions if appropriate.

We have a much broader and stronger foundation on which to deliver profitable business and to withstand challenges thrown our way. We remain confident about the value which this strategy will continue to generate for the benefit of our shareholders.

M Winlow

Non-Executive Chairman

19 September 2016

Consolidated income statement

	Note	6 months ended 30 June 2016 Unaudited £'000	6 months ended 30 June 2015 Unaudited £'000	12 months ended 31 December 2015 Audited £'000
Gross premiums written		15,654	13,872	29,463
Outward reinsurance premiums		(138)	(79)	(259)
Change in unearned premiums		1	5	204
Change in reinsurers' share of unearned premiums		(19)	(30)	(38)
Earned premiums net of reinsurance		15,498	13,768	29,370
Other insurance related income		264	1,352	1,778
Non – insurance related income – IT Salary Sacrifice		3,196	2,803	25,460
Non – insurance related income – Mobile		1,165	405	1,524
Other non-insurance related income		749	587	1,243
Investment property		30	33	63
Investment income		61	83	121
Revenue		20,963	19,031	59,559
Claims incurred		(3,739)	(3,440)	(7,451)
Insurance operating expenses		(5,961)	(5,504)	(10,834)
Other insurance related expenses		(819)	(765)	(1,577)
Non – insurance related expenses – IT Salary Sacrifice		(3,616)	(3,060)	(23,142)
Non – insurance related expenses – Mobile		(2,346)	(1,590)	(3,817)
Other non-insurance related expenses		(1,691)	(1,176)	(2,682)
Share based payment expenses		(540)	(291)	(1,289)
Charitable donations		(50)	(50)	(100)
Amortisation of intangible assets		(253)	(285)	(796)
Impairment of non-financial assets		-	-	(986)
Expenses		(19,015)	(16,161)	(52,674)
Results of operating activities		1,948	2,870	6,885
Contingent consideration write - back		-	-	2,684
Release of provision		-	-	825
Share of profit of equity-accounted investee net of tax		(12)	41	55
Profit before tax		1,936	2,911	10,449
Tax	4	(473)	(556)	(1,148)
Profit for the period after tax		1,463	2,355	9,301
Earnings per share as arising from total and continuing operations		Pence	Pence	Pence
Basic	5	4.8	7.8	30.8
Diluted	5	4.5	7.5	28.5

As at 30 June 2016 all operations are considered to be continuing.

Consolidated statement of comprehensive income

	6 months ended 30 June 2016 Unaudited	6 months ended 30 June 2015 Unaudited	12 months ended 31 December 2015 Audited
	£'000	**£'000**	**£'000**
Profit for the period	1,463	2,355	9,301
Other comprehensive income			
Available for sale financial assets:			
Valuation changes taken to equity	(81)	31	62
Reclassification of gain on available for s sale financial assets on derecognition	19	(5)	(13)
Income tax on unrealised valuation changes taken to equity	8	(6)	(5)
Total comprehensive income for the period	1,409	2,375	9,345

Consolidated balance sheet at 30 June 2016

	Note	At 30 June 2016 Unaudited £'000	At 30 June 2015 Unaudited £'000	At 31 December 2015 Audited £'000
ASSETS				
Non-current assets				
Goodwill	10,12	10,575	10,670	10,575
Intangible assets	11,12	1,321	2,691	1,360
Property, plant and equipment	6	5,080	4,696	5,007
Investment property		1,070	1,070	1,070
Equity-accounted investee	9	634	631	646
Financial assets	7	8,139	10,724	9,182
Deferred tax		550	-	781
		27,369	30,482	28,621
Current assets				
Trade and other receivables		9,711	8,149	21,975
Reinsurance assets		307	329	307
Inventories		1,304	289	390
Cash and cash equivalents		7,608	4,330	5,591
		18,930	13,097	28,263
Total assets		46,299	43,579	56,884

Consolidated balance sheet at 30 June 2016

	At 30 June 2016 Unaudited	At 30 June 2015 Unaudited	At 31 December 2015 Audited
	£'000	**£'000**	**£'000**
EQUITY			
Equity attributable to equity holders of Personal Group Holdings plc			
Share capital	1,527	1,517	1,518
Capital redemption reserve	24	24	24
Amounts recognised directly into equity relating to non-current assets held for sale	(34)	(4)	20
Other reserve – own shares	(309)	(476)	(386)
Profit and loss reserve	29,070	25,513	30,687
Total equity	30,278	26,574	31,863
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	-	219	-
Current liabilities			
Provisions	2,190	23	2,190
Trade and other payables	10,589	13,296	19,408
Insurance contract liabilities	3,143	2,918	3,140
Current tax liabilities	99	549	283
	16,021	16,786	25,021
Total liabilities	16,021	17,005	25,021
Total equity and liabilities	46,299	43,579	56,884

Consolidated statement of changes in equity for the six months ended 30 June 2016

	Share capital £'000	Capital redemption reserve £'000	Available for sale financial assets £'000	Other reserve £'000	Profit & loss reserve £'000	Total equity £'000
Balance as at 1 January 2016	1,518	24	20	(386)	30,687	31,863
Dividends	-	-	-	-	(3,338)	(3,338)
Employee share-based compensation	-	-	-	-	296	296
Proceeds of AESOP* share sales	-	-	-	-	66	66
Cost of AESOP shares sold	-	-	-	95	(95)	-
Cost of AESOP shares purchased	-	-	-	(18)	-	(18)
Nominal value of LTIP** shares issued	9	-	-	-	(9)	-
Transactions with owners	9	-	-	77	(3,080)	(2,994)
Profit for the period	-	-	-	-	1,463	1,463
Other comprehensive income						
Available for sale financial assets:						
Valuation changes taken to equity	-	-	(81)	-	-	(81)
Transfer to income statement	-	-	19	-	-	19
Current tax on unrealised valuation changes taken to equity	-	-	8	-	-	8
Total comprehensive income for the period	-	-	(54)	-	1,463	1,409
Balance as at 30 June 2016	1,527	24	(34)	(309)	29,070	30,278

* All Employee Share Option Plan (AESOP)
** Long Term Incentive Plan (LTIP)

Consolidated statement of changes in equity for the year ended 31 December 2015

	Share capital	Capital redemption reserve	Available for sale financial assets	Other reserve	Profit & loss reserve	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2015	1,516	24	(24)	(548)	26,814	27,782
Dividends	-	-	-	-	(6,325)	(6,325)
Employee share-based compensation	-	-	-	-	988	988
Proceeds of AESOP* share sales	-	-	-	-	195	195
Cost of AESOP shares sold	-	-	-	287	(287)	-
Cost of AESOP shares purchased	-	-	-	(125)	-	(125)
Nominal value of LTIP** shares issued	2	-	-	-	(2)	-
Transactions with owners	2	-	-	162	(5,431)	(5,267)
Profit for the period	-	-	-	-	9,301	9,301
Deferred tax reserve movement	-	-	-	-	3	3
Other comprehensive income						
Available for sale financial assets:						
Valuation changes taken to equity	-	-	62	-	-	62
Transfer to income statement	-	-	(13)	-	-	(13)
Current tax on unrealised valuation changes taken to equity	-	-	(5)	-	-	(5)
Total comprehensive income for the period	-	-	44	-	9,304	9,348
Balance as at 31 December 2015	1,518	24	20	(386)	30,687	31,863

Consolidated statement of changes in equity for the six months ended 30 June 2015

	Share capital	Capital redemption reserve	Available for sale financial assets	Other reserve	Profit & loss reserve	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2015	1,516	24	(24)	(548)	26,080	27,048
Dividends	-	-	-	-	(3,160)	(3,160)
Employee share-based compensation	-	-	-	-	291	291
Proceeds of AESOP* share sales	-	-	-	-	90	90
Cost of AESOP shares sold	-	-	-	142	(142)	-
Cost of AESOP shares purchased	-	-	-	(70)	-	(70)
Nominal value of LTIP shares issued	1	-	-	-	(1)	-
Transactions with owners	1	-	-	72	(2,922)	(2,849)
Profit for the period	-	-	-	-	2,355	2,355
Other comprehensive income						
Available for sale financial assets:						
Valuation changes taken to equity	-	-	31	-	-	31
Transfer to income statement	-	-	(5)	-	-	(5)
Current tax on unrealised valuation changes taken to equity	-	-	(6)	-	-	(6)
Total comprehensive income for the period	-	-	20	-	2,355	2,375
Balance as at 30 June 2015	1,517	24	(4)	(476)	25,513	26,574

Consolidated cash flow statement

	6 months ended 30 June 2016 Unaudited	6 months ended 30 June 2015 Unaudited	12 months ended 31 December 2015 Audited
Net cash from operating activities (see opposite)	4,810	3,745	7,151
Investing activities			
Additions to property, plant and equipment	(412)	(105)	(669)
Additions to intangible assets	(214)	(221)	(318)
Proceeds from disposal of property, plant and equipment	117	3	80
Purchase of financial assets	(35)	(75)	(97)
Proceeds from disposal of financial assets	984	1,002	2,540
Interest received	47	66	92
Dividends received	10	12	24
Net cash from investing activities	497	682	1,652
Acquisition and disposal activities			
Payment to acquire trade and assets of shebang	-	(1,390)	(1,390)
Net cash from acquisition and disposal activities	-	(1,390)	(1,390)
Financing activities			
Purchase of own shares by the AESOP	(18)	(70)	(125)
Proceeds from disposal of own shares by the AESOP	66	90	195
Dividends paid	(3,338)	(3,160)	(6,325)
Net cash used in financing activities	(3,290)	(3,140)	(6,255)
Net change in cash and cash equivalents	2,017	(103)	1,158
Cash and cash equivalents, beginning of period	5,591	4,433	4,433
Cash and cash equivalents, end of period	7,608	4,330	5,591

Consolidated cash flow statement

	6 months ended 30 June 2016 Unaudited	6 months ended 30 June 2015 Unaudited	12 months ended 31 December 2015 Audited
Operating activities	**£'000**	**£'000**	**£'000**
Profit after tax	1,463	2,355	9,301
Adjustment for:			
Depreciation	215	165	349
Intangible impairment	-	-	942
Goodwill impairment	-	-	45
Amortisation of intangible assets	253	310	796
Profit on disposal of property, plant and equipment	7	-	(11)
Realised and unrealised net investment losses/(profits)	31	(15)	6
Interest received	(47)	(66)	(92)
Dividends received	(10)	(12)	(24)
Share of (profit) / loss of equity-accounted investee, net of tax	12	(41)	(55)
Share-based payments	296	291	1,289
Taxation expense recognised in income statement	474	556	1,148
Changes in working capital:			
Trade and other receivables	12,264	8,676	(5,078)
Trade and other payables	(8,816)	(7,978)	220
Inventories	(914)	388	288
Taxes paid	(418)	(884)	(1,973)
Net cash from operating activities	4,810	3,745	7,151

Notes to the consolidated financial statements

1 General information

The principal activities of Personal Group Holdings Plc ('the Company') and subsidiaries (together 'the Group') include transacting short-term accident and health insurance and providing employee benefits related business in the UK.

The Company is a limited liability company incorporated and domiciled in England. The address of its registered office is John Ormond House, 899 Silbury Boulevard, Milton Keynes MK9 3XL.

The Company is listed on the Alternative Investment Market of the London Stock Exchange.

The condensed consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2015.

The financial information for the year ended 31 December 2015 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The statutory financial statements for the year ended 31 December 2015 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

These interim financial statements are unaudited and have not been reviewed by the auditors under International Standard on Review Engagements (UK and Ireland) 2410.

These consolidated interim financial statements have been approved for issue by the board of directors on 19 September 2016.

2 Accounting policies

These June 2016 interim consolidated financial statements of Personal Group Holdings Plc are for the six months ended 30 June 2016. These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2015.

These financial statements have been prepared on the basis of the recognition and measurement requirements of those IFRS standards and IFRIC interpretations as adopted by the EU, issued and effective or issued and early adopted in respect of periods beginning on or after 1 January 2014.

The principal accounting policies have remained unchanged from the year ended 31 December 2015.

3 Segment analysis

The Group operates the following four operating segments:

1) Core Insurance

Personal Assurance Plc (PA), a subsidiary within the Group, is a PRA regulated general insurance company and is authorised to transact accident and sickness insurance. It was established in 1984 and has been underwriting business since 1985. In 1997 Personal Group Holdings Plc (PGH) was created and became the ultimate parent undertaking of the Group.

This operating segment derives the majority of its revenue from the underwriting by PA of insurance policies that have been bought by employees of host companies via bespoke benefit programmes.

Up until March 2015 insurance related income represented commission receivable for death benefit policies underwritten by 3rd parties. From March 2015 these policies have been underwritten by the Group's subsidiary Personal Assurance Guernsey Limited (PAGL) and, as such, their income now falls within earned premium.

2) IT Salary Sacrifice

IT salary sacrifice refers to the trade of Lets Connect, a salary sacrifice technology company purchased in 2014.

3) Mobile

Mobile refers to the trade of Personal Group Mobile, a mobile phone salary sacrifice company set up from the trade and assets of shebang Technologies purchased in 2015.

4) Other

The other operating segment consists exclusively of revenue generated by Berkeley Morgan Group (BMG) and its subsidiary undertakings and Personal Management Solutions (PMS).

BMG was acquired by PGH in January 2005 and generates income via financial services and private medical insurance. On 9 February 2016 the Group signed an agreement with AXA PPP healthcare to transfer the PMI business over to them in a phased approach between July 2016 and June 2017. The group will continue to underwrite policies until each policy's renewal date, from which date AXA PPP healthcare will provide continuous cover.

PMS is an employee benefit company that offers a variety of employee incentive schemes.

Notes to the consolidated financial statements

The revenue and net result generated by each of the Group's operating segments are summarised as follows,

Operating segments	Core Insurance £'000	IT Salary Sacrifice £'000	Mobile £'000	Other £'000	Group £'000
6 months to June 2016					
Revenue					
Earned premiums net of reinsurance	15,498				15,498
Other income:					
Insurance related	(5)	-	-	270	265
Non-insurance related	-	3,196	1,165	749	5,110
Investment property	-	-	-	30	30
Investment income	-	-	-	60	60
Total revenue	15,493	3,196	1,165	1,109	20,963
Net result for year before tax	3,769	(426)	(1,227)	(179)	1,937
PG mobile – Reorganisation costs	-	-	260	-	260
LC – Amortisation of intangibles	-	165	-	-	165
Share based payments	-	-	-	540	540
Depreciation	177	9	19	10	215
Amortisation (other)	82	6	-	-	88
EBITDA	4,028	(246)	(948)	371	3,205
Segment assets	24,370	6,219	1,136	14,573	46,299
Segment liabilities	7,406	6,069	705	1,809	15,989
Depreciation and amortisation	259	180	19	10	471

Operating segments	Core Insurance £'000	IT Salary Sacrifice £'000	Mobile £'000	Other £'000	Group £'000
2015					
Revenue					
Earned premiums net of reinsurance	29,370				29,370
Other income:					
Insurance related	1,135	-	-	643	1,778
Non-insurance related	-	25,460	1,524	1,243	28,227
Investment property	-	-	-	63	63
Investment income	-	-	-	121	121
Total revenue	30,505	25,460	1,524	2,070	59,559
Net result for year before tax	9,098	2,803	(3,648)	2,196	10,449
PG mobile – Reorganisation costs	-	-	856	-	856

PG mobile – Acquisition costs	**-**	**-**	**341**	**-**	**341**
PG mobile – Intangible amortisation	**-**	**-**	**369**	**-**	**369**
PG mobile – Intangible asset write down	**-**	**-**	**986**	**-**	**986**
LC – Consideration write-down	**-**	**-**	**-**	**(2,684)**	**(2,684)**
LC – Tax provision	**-**	**(825)**	**-**	**-**	**(825)**
LC – Amortisation of intangibles	**-**	**330**	**-**	**-**	**330**
Share based payments	**-**	**-**	**-**	**1,289**	**1,289**
Depreciation	**294**	**16**	**21**	**17**	**348**
Amortisation (other)	**87**	**10**	**-**	**-**	**97**
EBITDA	**9,479**	**2,334**	**(1,075)**	**818**	**11,556**
Segment assets	**23,843**	**17,810**	**734**	**14,497**	**56,884**
Segment liabilities	**6,447**	**16,795**	**563**	**1,216**	**25,021**
Depreciation and amortisation	**383**	**355**	**390**	**17**	**1,145**

Operating segments	**Core Insurance £'000**	**IT Salary Sacrifice £'000**	**Mobile £'000**	**Other £'000**	**Group £'000**
6 months to June 2015					
Revenue					
Earned premiums net of reinsurance	**13,768**				**13,768**
Other income:					
Insurance related	**1,121**	**-**	**-**	**231**	**1,352**
Non-insurance related	**-**	**2,803**	**405**	**587**	**3,795**
Investment property	**-**	**-**	**-**	**33**	**33**
Investment income	**-**	**-**	**-**	**83**	**83**
Total revenue	**14,889**	**2,803**	**405**	**934**	**19,031**
Net result for year before tax	**4,926**	**(425)**	**(1,425)**	**(165)**	**2,911**
PG mobile – Reorganisation costs	**-**	**-**	**520**	**-**	**520**
PG mobile – Acquisition costs	**-**	**-**	**337**	**-**	**337**
PG mobile – Intangible amortisation	**-**	**-**	**120**	**-**	**120**
LC – Amortisation of intangibles	**-**	**165**	**-**	**-**	**165**
Share based payments	**-**	**-**	**-**	**328**	**328**
Depreciation	**146**	**9**	**1**	**9**	**165**
Amortisation (other)	**23**	**3**	**-**	**-**	**26**
EBITDA	**5,095**	**(248)**	**(447)**	**172**	**4,572**
Segment assets	**24,158**	**3,066**	**1,814**	**14,769**	**43,807**
Segment liabilities	**12,608**	**2,059**	**435**	**2,131**	**17,233**
Depreciation and amortisation	**169**	**177**	**121**	**9**	**476**

Income is derived from the UK and Guernsey

4 Taxation

Tax expense is recognised based on the weighted-average annual income tax rate expected for the full financial year multiplied by management's best estimate of the taxable profit of the interim reporting period.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2016 was 24.3% (six months ended 30 June 2015: 19.4%).

5 Earnings per share and dividends

The weighted average numbers of outstanding shares used for basic and diluted earnings per share are as follows:

	6 months ended 30 June 2016	EPS Pence	6 months ended 30 June 2015	EPS Pence	12 months ended 31 December 2015	EPS Pence
Basic	30,350,608	4.8	30,229,332	7.8	30,200,755	30.8
Diluted	32,790,147	4.5	31,280,284	7.5	32,598,684	28.5

During the first six months of 2016, Personal Group Holdings Plc paid dividends of £3,338,000 to its equity shareholders (six months to 30 June 2015: £3,160,000, twelve months to 31 December 2015: £6,343,000). This represents a payment of 11.00p per share (six months to 30 June 2015: 10.45p, twelve months to 31 December 2015: 20.90p).

In the statement of changes in equity and the cash flow statement dividends are stated net of amounts paid on treasury shares and unallocated shares held by Personal Group Trustees Limited as follows:

	6 months ended 30 June 2016	6 months ended 30 June 2015	12 months ended 31 December 2015	6 months ended 30 June 2016	6 months ended 30 June 2015	12 months ended 31 December 2015
		Pence per share		£'000	£'000	£'000
Equity dividends Ordinary shares paid in period						
March	5.500	5.225	5.225	1,670	1,585	1,585
June	5.500	5.225	5.225	1,675	1,585	1,585
September	-	-	5.225	-	-	1,586
December	-	-	5.225	-	-	1,587
				3,345	3,170	6,343
Less: amounts paid on own shares				(7)	(10)	(18)
	11.00	10.45	20.90	3,338	3,160	6,325

6 Property, plant and equipment

For the six months ended 30 June 2016

	Freehold land and properties £'000	Motor vehicles £'000	Computer equipment £'000	Furniture fixtures & fittings £'000	Leasehold improve-ments £'000	Total £'000
Cost						
At 1 January 2016	5,478	243	922	1,250	15	7,908
Additions	-	179	120	112	-	411
Disposals	-	(145)	(5)	(3)	-	(153)
At 30 June 2016	5,478	277	1,037	1,359	15	8,166
Depreciation						
At 1 January 2016	1,410	33	660	786	12	2,901
Provided in the period	47	25	94	48	2	216
Eliminated on disposals	-	(28)	(2)	(1)	-	(31)
At 30 June 2016	1,457	30	752	833	14	3,086
Net book amount at 30 June 2016	**4,021**	**247**	**285**	**526**	**1**	**5,080**
Net book amount at 31 December 2015	4,068	210	262	464	3	5,007

7 Financial assets

	At 30 June 2016 Unaudited £'000	At 30 June 2015 Unaudited £'000	At 31 December 2015 Audited £'000
Bank deposits	7,449	9,914	8,421
Investment Bond	100	100	100
Financial assets:			
Available for sale	590	710	661
	8,139	10,724	9,182

IFRS 13 Fair Value Measurement establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs)

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

The available for sale financial assets are stated at their bid market price, these are all based on level 1 inputs.

Bank deposits, also held at amortised cost, are due within 6 months.

Trade receivables arising out of direct insurance operations and other receivables are also held at amortised cost and the carrying amount is a reasonable approximation of fair value.

The investment bond subscribed to during 2014 is held in Criticaleye Investments plc and has a fixed three-year initial term. Interest is paid at 8% gross per annum. The bond was acquired late in 2014 and the carrying value is a reasonable approximation of fair value.

8 Long Term Incentive Plan (LTIP)

LTIP 1:

During 2012 the company adopted a discretionary Long Term Incentive Plan (LTIP 1) for the benefit of selected Directors and senior employees of Personal Group.

The Plan provided for the grant of awards, entitling participants to the payment of a bonus relating to the percentage increase in the market capitalisation of the company over a specified period. The awards are satisfied in shares or at the discretion of the Remuneration Committee, wholly or partly in cash in accordance with the Plan rules. It is the Remuneration Committee's intention to settle these awards in shares.

A participant is entitled to a payment in respect of their award on each of the second, third, fourth and fifth anniversary of their commencement date in the plan or if there is an exit event such as a sale before the fifth anniversary date. Each participant was awarded a specified percentage of the value increase in the market capitalisation. If there is no increase in market capitalisation at the award dates then no payment is made.

Where the market capitalisation has increased the level of payment will be 10%, 30%, 60% and 100% cumulatively on the second, third, fourth and fifth anniversary respectively of the relevant % entitlement. The number of shares awarded will be determined by dividing the amount of appropriate payment by the market value (as defined by the Plan rules) of the shares on the relevant anniversary date.

As LTIP 1 will start to mature at the end of 2016, in July 2015 a further scheme (LTIP 2) was put in place from 30 July 2015 (see below). In conjunction with the introduction of this scheme LTIP 1 was amended to:

- Include a maximum cap on market capitalisation of £183.7m
- Grant options rather than shares at each vesting date such that the PAYE and NI liabilities will only arise at the date of the exercise of the option.

An amount of £296,000 has been charged to the profit and loss account for this scheme in the six months ended 30 June 2016 (six months ended 30 June 2015: £271,000) based on estimating the future share price of the company over the duration of the plan. Estimates of future share prices have been used for the remaining payments to calculate the expense for each individual under their remaining tranches, taking into account the maximum cap on the payout to all individuals in the scheme. The corresponding credit is taken to equity. No liabilities were recognised as this is an equity settled share-based payment.

Given that the estimate is highly sensitive to share price movement, the following scenarios have been considered:

- If the share price were to increase at a quicker rate than assumed the charge for the period would have reduced by £33K
- If the share price were to increase at a slower rate than assumed the charge for the period would have increased by £57K

LTIP 2:

As with LTIP 1, LTIP 2 is designed to reward Directors and certain other senior employees in a way that aligns the interest of the LTIP participants with the interests of shareholders, as well as with the Group's long term strategic plan. As is the case with LTIP 1, LTIP 2 is Market Capitalisation based and becomes reward bearing above a Company Market Capitalisation of £183.7m. It also has a yearly EPS performance criterion through its life which can be adjusted by the Remuneration Committee.

Under the LTIP2 incentive arrangements 36,000 employee shareholder status shares in Personal Group Limited were awarded during 2015 (ESS Shares). Participants had immediate PAYE and NIC charges on the associated market value of the ESS Shares. A further 4,000 shares are available for allocation.

The ESS Shares are split equally into four classes, namely A,B,C and D shares, each of which carry a put option which allows the participants to exchange their ESS Shares for Personal Group Holdings Plc ordinary shares in tranches on reaching or exceeding the hurdles of market capitalisation and Annual EPS. Awards can be made annually starting in March 2017 (A shares) through to March 2020 (D shares) based on market capitalisation growth of the Company up to a market capitalisation of £350m and upon achieving the Annual EPS growth targets. The awards will be paid out as 20%, 40%, 70% and 100% cumulatively of the eligible share of growth in market capitalisation for A, B, C and D shares respectively.

An amount of £90,000 has been charged to the profit and loss account in the six months ended June 2016 (six months ended June 2015: £nil) for this scheme based on the fair values determined by using a Log-normal Monte-Carlo stochastic model. Significant inputs to the model include the closing share price at grant date, a risk free rate of return of 1.32%, a dividend yield of 4.49% and a share price volatility of 15.78%. 10,000 iterations of the model were run to accurately represent the log-normal nature of returns to equity investments. The corresponding credit is taken to equity. No liabilities were recognised as this is an equity settled share based payment.

In addition to the charges above the related employers national insurance charge has been classified as share based expenses on the face of the profit and loss account.

9 Equity-accounted investment

During 2004 the Company entered into a joint venture agreement with Abbeygate Developments Limited to construct a freehold joint office and residential property development on land adjacent to John Ormond House. A joint venture company called Abbeygate Developments (Marlborough Gate 2) Limited was established to construct the property. This company is owned equally by Personal Group Holdings Plc and Abbeygate Developments Limited.

The development was funded by way of a loan from Personal Group Holdings Plc until 2014 when the loan was fully repaid.

The profit and loss account and balance sheet for this joint venture company are as follows:

Profit and loss account	**6 months ended 30 June 2016 Unaudited £'000**	**6 months ended 30 June 2015 Unaudited £'000**	**12 months ended 31 December 2015 Audited £'000**
Rent receivable	11	81	134
Profit on disposal of apartments	-	35	35
Administration expenses	(35)	(15)	(31)
Operating profit	(24)	101	138
Profit on ordinary activities before taxation	(24)	101	138
Tax on profit on ordinary activities	-	(20)	(28)
Profit for the financial period retained	(24)	81	110
Personal Group Holdings share of profit	(12)	41	55

Balance sheet	6 months ended 30 June 2016 Unaudited £'000	6 months ended 30 June 2015 Unaudited £'000	12 months ended 31 December 2015 Audited £'000
Current assets			
Inventories	1,126	1,058	1,058
Debtors	314	375	280
Cash at bank and in hand	24	18	-
	1,464	1,451	1,338
Creditors: amounts falling due within one year	(197)	(190)	(47)
Net current assets	1,267	1,261	1,291
Capital and reserves			
Called up share capital	-	-	-
Profit and loss account	1,267	1,261	1,291
Shareholders' funds	1,267	1,261	1,291
Personal Group Holdings share of net assets	634	631	646

10 Goodwill

For the six months ending 30 June 2016

	BMG £'000	PGM £'000	Let's Connect £'000	Total £'000
Cost				
At 1 January 2016	9,433	44	10,575	20,052
Additions in the year	-	-	-	-
At 30 June 2016	9,433	44	10,575	20,052
Amortisation and impairment				
At 1 January 2016	9,433	44	-	9,477
Impairment charge for year	-	-	-	-
At 30 June 2016	9,433	44	-	9,477
Net book value at 30 June 2016	**-**	**-**	**10,575**	**10,575**
Net book value at 31 December 2015	-	-	10,575	10,575

11 Intangible assets

For the six months ending 30 June 2016

	LC Customer Value	PG Mobile Software	PG Mobile Licence agreements	PG Mobile Customer Value	Computer software and website development	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2016	1,648	506	703	102	470	3,429
Additions in the year	-	-	-	-	214	214
At 30 June 2016	1,648	506	703	102	684	3,643
Amortisation and impairment						
At 1 January 2016	605	506	703	102	153	2,069
Amortisation charge for year	165	-	-	-	88	253
At 30 June 2016	770	506	703	102	241	2,322
Net book value at 30 June 2016	**878**	**-**	**-**	**-**	**443**	**1,321**
Net book value at 31 December 2015	1,043	-	-	-	317	1,360

12 Acquisitions of business

Acquisitions in the prior period

On 1 April 2015 Personal Group Mobile Limited (PGM) was incorporated as a new subsidiary within the Group and on 17 April 2015 PGM purchased the trade and certain assets and liabilities of shebang Technology Group Limited (shebang) out of administration for a total consideration of £1.4m. £0.7m was paid to the administrator of shebang and a further £0.7m was paid to Hutchison 3G UK Limited (Three UK) in respect of novation of a Mobile Virtual Network Operator Services agreement

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities.

	***Recognised Values on Acquisition**
	£'000
Net assets acquired:	
Licence agreement (intangible)	703
Software (intangible)	506
Customer value (intangible)	102
Property, plant and equipment	5
Inventories	55
Trade and other receivables	20
Trade and other payables	(96)
Net identifiable assets and liabilities	1,295
Consideration paid	1,390
Goodwill on acquisition	95

*The recognised values above were determined on a fair value basis.

At 31 December 2015 the intangible assets and goodwill were reviewed for impairment. As the business had not managed to meet the revenue stream targets originally envisaged and given the future uncertainty and relative immaturity of the business, both the goodwill and intangible asset values were fully impaired at 31 December 2015.

On 7 July 2016 the Group announced the intention to close down PG Mobile by the end of 2016. It is anticipated that the Group will incur an additional £1m cost in the current financial year in respect of this.

13 Post Balance Sheet Events

As detailed in note 12, on 7 July 2016 the Group announced the intention to close down PG Mobile by the end of the year. As the decision was made and communicated post period end no provision has been included in these interim statements for this closure.

Financial calendar for the year ending 31 December 2016

The company announces the following dates in its financial calendar for the year ending 31 December 2016:

- Preliminary results for the year ending 31 December 2016 - March 2017
- Publication of Report and Accounts for 2016 - March 2017
- AGM - April 2017