MEDIA RELEASE

STRONG PERFORMANCE FOR AWF GROUP

KEY RESULTS FULL YEAR TO 31st MARCH 2015

- Sales up 33% to $197.5m
- Net profit lifted 37% to $5.4m
- Underlying earnings after tax rose 45% to $6.8m
- Final dividend lifted to 8 cents (from 7.6cents)

28 May 2015

AWF Group (AWF) has delivered a significant lift in earnings for the year ended 31 March 2015 in line with guidance provided.

Revenue rose 33% to $197.5 million and net profit lifted 37% to $5.4 million.

Underlying earnings after tax - which, in the opinion of the Board, more clearly reflect the operating performance of the business – lifted 45% to $6.8 million (25.8 cents per share)

As a consequence of the strong earnings achieved the company has declared a final dividend of 8 cents per share (up 5% on last year) payable on July 1 to shareholders registered as at 24 June. Directors noted that total dividend for the year at 15.2 cents (fully imputed) represents an 8.6% increase overall, and that this steady lift in dividend was consistent with earlier indications given.

In terms of the trading year, AWF Group Chairman Ross Keenan said that the result included the first full year inclusion of Madison and certainly validated its acquisition.

He noted that while the Madison business had delivered steady growth in accordance with Group targets, the core AWF business had delivered mixed results.

“The economic impacts of a slowdown in activity throughout much of regional New Zealand continued to provide many challenges across AWF’s 36 branches. However the Auckland, Wellington and Christchurch markets are performing strongly.”

Keenan said the Board was very pleased to achieve a successful capital raising which gave all shareholders the opportunity to participate. Net capital raised was $13.5m and a number of new shareholders were added to the share register.

As the capital raising was completed by 31 March, net debt as at that date was $18.6m, which (on the strength of an achieved EBITDA of $12.6 million) was well within levels acceptable to the investment community for a company of AWF Group’s size.

“We have started the 2015/16 year in a strong position, having completed most major goals to date. We have targeted steady growth for this year, and the challenge ahead is to establish an appropriate pathway for further sustainable growth.”

He said the new financial year would see the completion of the transition to new leadership with Simon Bennett assuming the CEO role during June. "In addition we have been pleased to announce the appointment of a very experienced AWF COO, plus our participation in the Future Directors Programme."

The Board advised in a separate release today the change of name to AWF Madison Group Ltd.

Reconciliation of reported Profit for the Period to Underlying Earnings[1]

	FY15	FY14
Profit for the period [3]	5,416	3,952
Add back amortisation of intangible assets [4]	1,861	967
Tax effect on adjustments [5]	(521)	(271)
Underlying Earnings [1]	**6,756**	**4648**
Earnings per share (cents)	20.7	15.1
Underlying earnings per share (cents)[6]	25.8	17.8

Reconciliation of Profit before tax to Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)[2]

	FY15	FY14
Profit before tax [3]	7,808	5,843
Add back finance costs	2,109	714
Add back depreciation and amortisation	2,812	1,879
Subtract investment revenue	112	(51)
EBITDA[2]	**12,617**	**8,385**

1 Underlying earnings is a non-GAAP measure which adjusts for non-cash items of amortisation and the profit on disposal of subsidiary. In the Directors opinion this more clearly reflects the operating performance of the Group. This treatment is consistent with the previous reporting period.

2 Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) is a non-GAAP measure which allows a comparison of profitability between different companies by removing the effects of interest, tax, depreciation and amortisation.

3 The reported profit information has been prepared in accordance with New Zealand general accepted accounting practice and complies with New Zealand Equivalents to International Financial Reporting Standards. The reported profit information has been extracted from audited financial statements.

4 Included in the assets of subsidiaries acquired are identifiable intangible assets that are amortised over their useful lives. These amortisation charges have been added back in the calculation of underlying earnings.

5 Taxation adjustments as a result of adjustments to 2 above.

6 Underlying earnings per share have been calculated on the same basis and using the same number of shares issued as earnings per share as reported in the audited annual financial statements.

AWF Group Ltd
ENDS

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