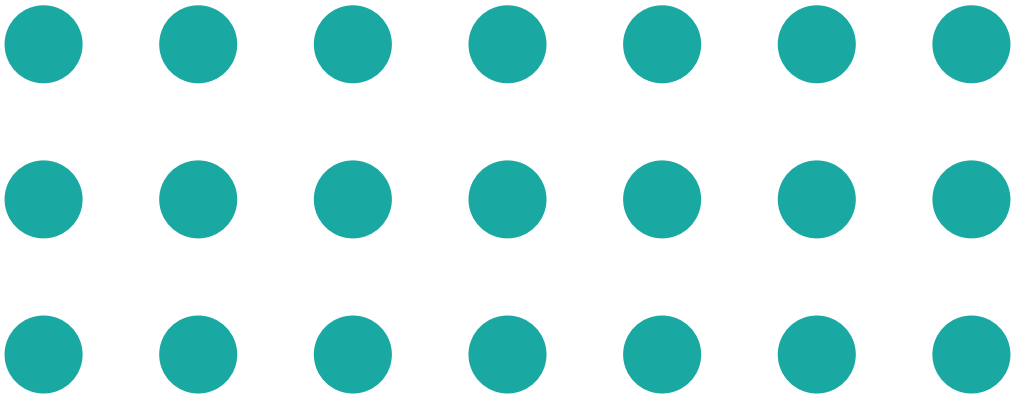
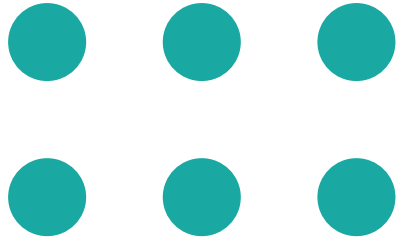
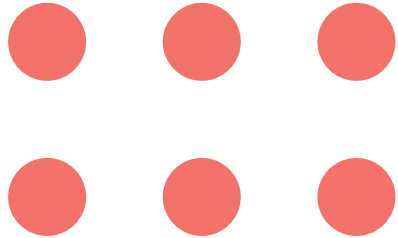


INTERIM REPORT
FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2015

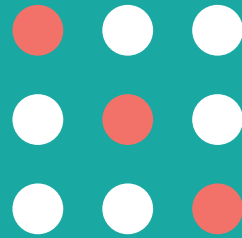


“For AWF we expect continued strong demand for skilled and semi-skilled workers in the metropolitan centres for the remainder of the financial year. We are confident on Madison’s outlook over the second half of the year and expect to report modest growth.”

- Simon Bennett, CEO

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CEO'S REPORT - SIMON BENNETT

A SOLID FIRST HALF

We are confident the Group will post a
satisfactory result for the full year



In the half-year to 30 September, 2015 your Group posted another strong result with an 8% rise in sales, to \$106 million, and a 17% lift in after-tax profit, to \$3.4 million.

Underlying earnings – which we consider more accurately reflect the Group's operating performance - were up 17%, to \$4.2 million.

We have held our interim dividend steady at 7.2 cents per share, on an expanded share base following the March rights issue. In light of the larger cash requirement we took a conservative position, but when we announced our results on 9 November we flagged the possibility that we will be able to lift our final dividend payment for this financial year.

We kicked off the second half of the financial year with a strong balance sheet. We extended our term loan facility with ANZ until 2018 and at balance date term debt stood at \$18.5 million, down from \$28.3 million a year previously.

AWF

AWF's first half revenues rose significantly as demand in the major metropolitan areas remained strong and we expect this strength to persist at least through the remainder of the financial year. Our sourcing strategies to meet our clients' requirements for appropriately skilled people comprise both onshore and offshore recruitment, underpinned by our emphasis on training and skills development.

Following the appointment in May of a Chief Operating Officer (COO), Alex Park, AWF has begun implementing an Operational Excellence Programme to drive efficiencies and a reduction in operating cost through the business.

CONT. →

REVENUE

\$106.3m

Up 8%, from \$98.6m in the same period last year

NET PROFIT AFTER TAX

\$3.4m

An increase of 17% on the same period last year

UNDERLYING EARNINGS

\$4.2m

Up 17% on last year's \$3.6m

GROUP EARNINGS PER SHARE

10.5cps

On an expanded share base

DIVIDEND

7.2cps

Steady on an expanded share base

TERM DEBT

\$18.5m

Down from \$28.3m on 30 Sept 2014



AWF also successfully relaunched its website – traffic is already up 45% on the same period a year ago. In part this reflects an upgrade for AWF from its heritage as a paper-based, branch-driven business to capture the benefits of the ever-increasing use of electronic communication and mobile technology by our clients and candidates.

We expect the Operational Excellence programme to be substantially completed by the end of the financial year and it will start to influence results from this full year and beyond. AWF has significant organic growth opportunities, in particular the opportunity to expand our permanent placement business.

Madison

Madison performed steadily in a market in which some economic uncertainty is affecting the mix of employers' hiring patterns. Overall hiring activity remains high, but a modest slowdown in temporary recruitment was offset by stronger contractor volumes.

Demand for permanent roles has increased but it is taking longer in recent times to fill those roles.

Madison is pursuing the opportunity to recruit for higher-level roles at senior management level, but a scarcity of internal talent has slowed progress.

We expect Madison to report useful growth for the full year, albeit not at the same level we reported for FY2015.

People

Steve Jackson has joined Madison as COO. At the Group level we appointed a new Chief Financial Officer, Nick Williams, and a Company Secretary, David Lazarus. Shereen Low was appointed as Group Marketing & Innovation Manager.

Economic Outlook

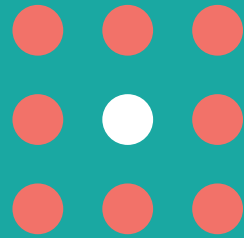
The Reserve Bank of New Zealand (RBNZ) in October said it would "watch and wait" as economic data emerged, but noted some further reduction in the Official Cash Rate "seems likely".

Financial markets and economic commentators remain concerned about the impact of the slowdown in China and uncertainty in Europe. The RBNZ in September noted weaker business and consumer confidence and a "plateauing" of the Canterbury reconstruction.

However, most forecasters are picking continued modest growth for the New Zealand economy.

Our own demand outlook remains strong and this presents opportunities for a Group that now spans industrial and commercial recruitment, blue collar and white collar, from labour and skilled trades through office and admin, management and senior executive.

At this early stage we are confident the Group will post a satisfactory result for the full year to 31 March, 2016.



FINANCIAL STATEMENTS

AWF Madison Group Limited

Condensed Statement of Comprehensive income
for the six month period ended 30 September 2015 (unaudited)

	30/09/2015 (unaudited)	30/09/2014 (audited)
	\$'000	\$'000
Revenue	106,285	98,568
Investment revenue	38	50
Direct costs	(1,369)	(1,268)
Employee benefits expense	(92,969)	(86,157)
Depreciation and amortisation expense	(1,357)	(1,375)
Other operating expenses	(4,884)	(4,504)
Finance costs	(711)	(946)
Profit before tax	5,033	4,368
Income tax expense	(1,629)	(1,466)
Profit for the period	3,404	2,902
Total comprehensive income for the period, net of tax	3,404	2,902
Total comprehensive income is attributable to Equity holders of the parent	3,404	2,902
Earnings per share		
Total basic and diluted earnings per share (cents per share)	10.5	11.1

The Earnings per share [EPS] calculation for 2014 has been adjusted to account for the effects of the renounceable rights offer completed in the year ended 31 March 2015 resulting in an increase in EPS from 10.9 to 11.1 cents per share.

FINANCIAL STATEMENTS

AWF Madison Group Limited

**Condensed statement of financial position
as at 30 September 2015 (unaudited)**

	Notes	30/09/2015 (unaudited)	30/09/2014 (unaudited)	31/03/2015 (audited)
		\$'000	\$'000	\$'000
Assets				
Non-current assets				
Property, plant and equipment		2,004	2,096	2,143
Goodwill		28,694	28,694	28,694
Other intangible assets		15,224	17,440	16,300
		45,922	48,230	47,137
Current assets				
Trade and other receivables	2.7	21,860	19,746	27,996
Cash and cash equivalents		6,068	9,154	3,151
		27,928	28,900	31,147
Total assets		73,850	77,130	78,284
Equity and liabilities				
Capital and reserves				
Share capital		27,946	14,545	27,946
Treasury account		(641)	(803)	(641)
Group share scheme reserve		240	116	177
Retained earnings		9,193	7,851	8,449
Equity attributable to equity holders of the parent		36,738	21,709	35,931
Total equity		36,738	21,709	35,931
Non-current liabilities				
Deferred tax liabilities		449	1,245	529
Borrowings		18,456	28,303	-
		18,905	29,548	529
Current liabilities				
Trade and other payables		14,936	16,589	18,824
Taxation payable		388	537	929
Provisions		383	247	312
Current portion of borrowings		2,500	2,500	21,759
Madison Group second payment		-	6,000	-
		18,207	25,873	41,824
Total liabilities		37,112	55,421	42,853
Total equity and liabilities		73,850	77,130	78,284

AWF Madison Group Limited**Condensed consolidated cash flow statement
for the six month period ended 30 September 2015 (unaudited)**

	Notes	30/09/2015 (unaudited)	30/09/2014 (unaudited)
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		112,267	103,517
Interest Received		38	50
Payments to suppliers and employees		(102,856)	(92,551)
Net cash generated from operations		9,449	11,016
Income taxes paid		(2,243)	(1,740)
Interest paid		(711)	(946)
Net cash from operating activities	6	6,495	8,330
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		-	70
Payments for property, plant and equipment		(115)	(378)
Payments for other intangible assets		-	(147)
Net cash (used in)/from investing activities		(115)	(455)
Cash flows from financing activities			
Dividends paid to equity holders of the parent		(2,660)	(1,986)
Proceeds from borrowings		-	119
Repayment of borrowings		(803)	
Net cash (used in)/from financing activities		(3,463)	(1,867)
Net increase in cash and cash equivalents		2,917	6,008
Cash and cash equivalents at the beginning of the period		3,151	3,146
Cash and cash equivalents at the end of the period			
Bank balances and cash		6,068	9,154

FINANCIAL STATEMENTS

AWF Madison Group Limited

**Condensed statement of changes in equity
for the six month period ended 30 September 2015 (unaudited)**

	Share capital	Retained earnings	Equity-settled employee benefits reserve	Treasury account	Attributable to equity holders of the parent
2015	\$'000	\$'000			
Balance at 1 April 2014	14,545	6,935	86	(803)	20,763
Profit and total comprehensive income for the period		2,902			2,902
Payment of dividends		(1,986)			(1,986)
Recognition of share-based payments			30		30
Balance at 30 September 2014	14,545	7,851	116	(803)	21,709
2016					
Balance at 1 April 2015	27,946	8,449	177	(641)	35,931
Profit and total comprehensive income for the period		3,404			3,404
Payment of dividends		(2,660)			(2,660)
Recognition of share-based payments			63		63
Balance at 30 September 2015	27,946	9,193	240	(641)	36,738

AWF Madison Group Limited

**Condensed notes to the financial statements as at and
for the 6 months to 30 September 2015 (unaudited)**

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of accounting policies

The accounting policies used in preparation of these half yearly financial statements are consistent with those used in the March 2015 annual report.

These financial statements comply with International Accounting Standard 34 and NZ IAS 34.

Adoption status of relevant new financial reporting standards and interpretations Standards, interpretations and amendments to published standards that came into effect during the reporting period

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2014. Where applicable, comparative years have been restated in accordance with the standards, interpretations and amendments. We have adopted all mandatory standards which became effective during the year, none of which had a material impact on these statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for future accounting periods. The Group has yet to assess the full impact of these changes on the Group financial statements.

2. Segment information

2.1 Services from which reportable segments derive their revenues

The basis of segmentation is consistent with the annual report and the Group's reportable segments under NZ IFRS 8 are as follows:

- Temporary staffing to industry
- Temporary, contract and permanent staff services to commerce

2.2 Segment revenue and results

	Segment revenue		Segment profit	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Temporary staffing to industry	69,454	61,120	3,123	3,047
Temporary, contract and permanent staff services to commerce	36,831	37,448	3,360	2,777
Total	106,285	98,568	6,483	5,823
Other income			229	50
Central administration costs			(820)	(560)
Directors Fees			(148)	(101)
Finance costs			(711)	(946)
Profit before tax			5,033	4,368
Income tax expense			(1,629)	(1,466)
Total revenue (excluding investment income) and profit	106,285	98,568	3,404	2,902

Revenue reported above represents revenue generated from external customers. Inter-segment sales in the period were \$56,518 (2014: \$206,279).

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, investment revenue, finance costs, and income tax expense. This is the same measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

2.3 Segment assets

	2015	2014
	\$'000	\$'000
Temporary staffing to industry	29,301	29,949
Temporary, contract and permanent staff services to commerce	43,323	46,849
Total segment assets	72,624	76,798
Unallocated assets	1,226	332
Total assets	73,850	77,130

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments other than other financial assets and tax assets of the parent. Goodwill has been allocated to reportable segments. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

2.4 Segment liabilities

	2015	2014
	\$'000	\$'000
Temporary staffing to industry	5,393	9,337
Temporary, contract and permanent staff services to commerce	8,025	6,762
Total segment liabilities	13,418	16,099
Unallocated liabilities	23,694	39,323
Total liabilities	37,112	55,422

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments other than other financial assets and tax assets of the parent. Goodwill has been allocated to reportable segments. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

2.5 Other segment information

	Depreciation and amortisation		Employee benefits		Additions to non-current assets	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000				
Temporary staffing to industry	526	540	60,257	53,329	(413)	(198)
Temporary, contract and permanent staff services to commerce	831	835	32,135	32,417	(802)	(709)
Unallocated	-	-	577	411	-	-
Total	1,357	1,375	92,969	86,157	(1,215)	(907)

2.6 Geographical information

The Group operates in one geographical area New Zealand (country of domicile). All revenues from external customers, and non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts are attributed to the Group's country of domicile.

2.7 Information about customers

The Group has one customer who individually accounts for 12.63% of the group revenue in the six months to 30 September 2015. This customer works primarily, but not exclusively in the services to commerce sector. In the prior six months period to 30 September 2014, this customer accounted for 12.76% of the group revenue.

We have one large customer in Christchurch whose significant growth in key infrastructure projects has led to debt growth beyond their credit limit. No bad debt provision has been taken, as management believe the debt is fully recoverable but that has resulted in a higher debtor balance than prior period. The Board is confident management now has the matter under control.

3. Supplementary information

Underlying earnings is a non-GAAP measure which adjusts for amortisation of identifiable intangible assets acquired through acquisition of subsidiaries, profit on disposal of subsidiaries and impairment of goodwill. In the opinion of the directors, underlying earnings more correctly reflects the operating performance of the Group. This treatment is consistent with the previous reporting period.

Underlying earnings	30/09/2015 (unaudited)	30/09/2014 (unaudited)
Profit for the period	3,404	2,902
Add back Amortisation of Intangible assets	1,075	931
Tax effect on adjustments	(301)	(261)
Underlying earnings after tax	4,178	3,572
Total underlying earnings is attributable to:		
Equity holders of the parent	4,178	3,572
Earnings per share		
Total basic and diluted underlying earnings per share (cps)	12.9	13.7

4. Financial instruments

The carrying amounts of financial instruments at balance date approximate the fair value at that date.

5 Contingent Liabilities

There were no contingent liabilities as at 30 September 2015 or 30 September 2014.

6. Reconciliation of surplus after taxation with cash flows from operating activities

	30/09/2015 (unaudited)	30/09/2014 (unaudited)
	\$'000	\$'000
Reported surplus after tax	3,404	2,902
Non-cash items (continuing operations)		
Depreciation and amortisation	1,357	1,375
Gain on sale of subsidiary		
(Profit) on disposal of property, plant and equipment	-	(15)
(Decrease)/increase in provisions	74	(21)
Increase in bad debt provision	97	(12)
Movement in deferred tax assets	(86)	(159)
Equity-settled share-based payments	63	30
	4,909	4,100
Movements in working capital:		
Decrease in trade and other receivables	6,015	4,941
Decrease in trade and other payables	(3,888)	(679)
Decrease in taxation payable	(541)	(32)
	1,586	4,230
Net cash inflows from operating activities	6,495	8,330

7. Dividends paid

During the six months ended 30 September 2015, the group paid dividends of \$2.660 million (six months ended 30 September 2014 \$1.985 million).

8. Events subsequent to balance date**Interim Dividend**

On 8 November 2015 the directors approved the payment of a fully imputed interim dividend of \$2.392 million (7.2 cents per share) to be paid on 4 December 2015.

DIRECTORY

DIRECTORS

Ross Keenan (Chairman)
Eduard van Arkel (Independent Director)
Julia Hoare (Independent Director)
Simon Hull (Non-Executive Director)
Wynniss Armour (Non-Executive Director)
Rachel Hopkins (Associate Director)

AUDITOR

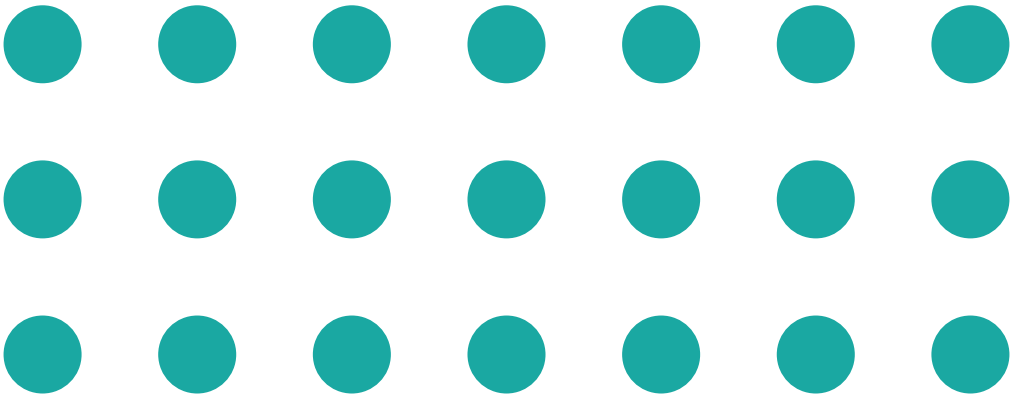
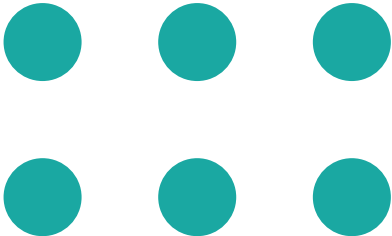
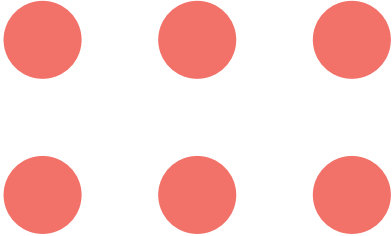
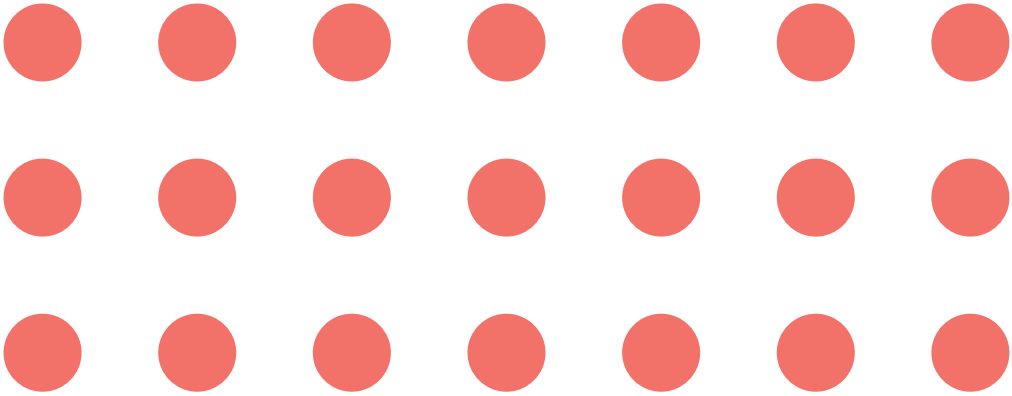
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