marlin
growing globally

2017 interim report

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

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CONTENTS

UPCOMING EVENTS TO 30 JUNE 2017

Dividend Payment	31 March 2017
March Quarter Update Newsletter	April 2017
Financial Year End	30 June 2017

This report is dated 6 March 2017 and is signed on behalf of the Board of Marlin Global Limited by Alistair Ryan, Chair, and Carmel Fisher, Director.

Alistair Ryan

Alistair Ryan
Chair

Carmel Fisher
Director

The interim report is provided for information purposes only and does not constitute an offer, invitation, basis for a contract, financial advice, other advice or recommendation to conclude any transaction for the purchase or sale of any security, loan or other instrument. In particular, the information contained in this interim report is not financial advice for the purposes of the Financial Advisers Act 2008 and should not be relied upon when making an investment decision. Professional financial advice from an authorised financial adviser should be taken before making an investment.

DIRECTORS' OVERVIEW

The 2016 year saw a number of political surprises including the Brexit vote and the election of Donald Trump as US President. Even more surprising was the positive market reaction immediately following these significant events. Marlin's benchmark^ index rose +10.9% for the six months to 31 December 2016 and the Marlin portfolio also achieved a positive but more subdued return of +5.3%* for the period.

First Half Result (six months ended 31 December 2016)

For the six months ended 31 December 2016, Marlin's net profit was $3.6m, up on the corresponding prior six month period net profit of $0.3m.

Total shareholder return, which includes the change in the share price, dividends paid per share and the impact of warrants was +5.7% for the six months.

12 Month Result (12 months ended 31 December 2016)

Marlin's net loss of $3.6m for the 12 months ended 31 December 2016 is a disappointing result after the net profit of $12.4m achieved in the corresponding 12 month period.

For the 12 months ended 31 December 2016, shareholders received a total shareholder return of +3.3%, including 7.04 cents per share in dividends.

Five-Year Summary

Figure 1 (on page 6) summarises the five-year performance history for the six month periods ended 31 December 2012-2016. The summary shows total shareholder return has been positive in each of these periods and that shareholders have received a consistent dividend.

Share Price and Dividends

Marlin's share price closed at $0.80 on 31 December 2016, slightly up on the 30 June 2016 share price of $0.79. Over the six month period the share price has fluctuated between $0.77 and $0.83.

^ Benchmark index: S&P Large Mid Cap/S&P Small Cap Index (hedged 50% to NZD)

** Gross of fees and tax and adjusting for capital management initiatives*

Alistair Ryan,
Chair.

DIRECTORS' OVERVIEW CONTINUED

Marlin continues to distribute 2.0% of average net asset value per quarter, and over the six month period, the company paid 3.44 cents per share in dividends (1.72 cents per share on 30 September 2016 and 1.72 cents per share on 22 December 2016). The next dividend will be 1.66 cents per share to be paid on 31 March 2017 with a record date of 16 March 2017.

Marlin has a dividend reinvestment plan which provides ordinary shareholders with the option to reinvest all or part of any cash dividends in fully paid ordinary shares. Currently, shares issued under the reinvestment plan will be issued at a 3% discount. To participate in the dividend reinvestment plan, a completed participation notice must be received by Marlin before the next record date. Full details of the dividend reinvestment plan can be found in the Marlin Dividend Reinvestment Plan Offer Document, a copy of which is available at www.marlin.co.nz/investor-centre/capital-management-strategies/.

Shareholders who invested $1 per share when Marlin listed in November 2007 have now received back $0.51 per share in dividends. Those shareholders who reinvested their dividends and exercised their warrants have received a total shareholder return of 51.7% since inception, equivalent to 4.7% after tax on an annualised basis.

Figure 2 (on page 7) tracks the Marlin share price and total shareholder return since inception.

Revenue and Expenses

The key components of the first half result were gains on financial assets of $4.0m, dividend and interest income of $0.4m, less operating expenses and tax of $1.4m. This result includes $0.4m of foreign exchange gains and $0.2m of currency hedging gains.

People

As you know, Carmel Fisher recently announced her retirement from her role as Managing Director of Fisher Funds, with her successor being former Co-Operative Bank CEO, Bruce McLachlan. While no longer running Fisher Funds, Carmel will remain a director of the Marlin Board and a member of the Board sub-committees, including the Marlin Investment Committee. The Marlin Board has enjoyed working with Carmel over the years, and is looking forward to her continued involvement with Marlin in her capacity as company director.

Marlin's Senior Portfolio Manager Roger Garrett announced his retirement in January. Ashley Gardyne, previously a Senior Investment Analyst in the Fisher Funds international equities team, was appointed to the role of Senior Portfolio Manager for Marlin, effective 01 January 2017 and Roger is providing a full handover of the portfolio before his retirement takes effect.

Conclusion

The six months to 31 December 2016 were a reminder that the global political and economic environment can be changeable and unpredictable. This reinforces the Manager's strategy of focusing on well managed, quality businesses whose sustainable competitive advantages enable them to adapt and respond to an ever changing environment over the medium to long term.

Further details of the Marlin portfolio are discussed in the Manager's Report.

On behalf of the Board,

Alistair Ryan
Chair
Marlin Global Limited
6 March 2017

FIGURE 1: FIVE YEAR PERFORMANCE SUMMARY

Corporate Performance

Six month period ended 31 December	2016	2015	2014	2013	2012
Total Shareholder Return[1]	5.7%	2.0%	4.6%	19.7%	0.9%
Dividend Return	4.4%	4.4%	4.4%	5.0%	5.0%
Basic Earnings per Share	3.11 cps	0.23 cps	2.32 cps	11.47 cps	0.16 cps
Adjusted NAV Return[1]	3.8%	0.2%	2.5%	13.1%	0.2%

As at 31 December	2016	2015	2014	2013	2012
NAV[1]	$0.83	$0.93	$0.90	$0.96	$0.83
Adjusted NAV[1]	$1.44	$1.49	$1.32	$1.30	$1.04
Share Price	$0.80	$0.84	$0.83	$0.81	$0.67
Warrant Price	-	$0.03	-	-	-
Share Price Discount to NAV *(including warrant price on pro-rated basis)*	3.2%	9.2%	7.6%	15.7%	19.2%

Manager Performance

Six month period ended 31 December	2016	2015	2014	2013	2012
Gross Performance[2]	5.3%	2.0%	4.4%	15.9%	1.8%
Benchmark Index[3]	10.9%	(2.9%)	7.7%	12.9%	6.9%

NB: All figures are unaudited.

[1] *Reviewed by an independent actuary.*

[2] *Gross of fees and tax and adjusting for capital management initiatives.*

[3] *Blended index: World Small Cap Gross Index until 30 September 2015 & S&P Large Mid Cap/S&P Small Cap Index (50% hedged to NZD) from 1 October 2015.*

Comparative information

Marlin's TSR and Adjusted NAV historical information has been restated due to a recent change to Non-GAAP measures. The restated values are based on the methodology described below.

Definitions of non-GAAP measures:

Adjusted Net Asset Value (NAV)

The adjusted NAV per share represents the total assets of Marlin (investments and cash) minus any liabilities (expenses and tax), divided by the number of shares on issue. It adds back dividends paid to shareholders and adjusts for:

- *the impact of shares issued under the dividend reinvestment plan at the discounted reinvestment price;*
- *shares bought on-market (share buybacks) at a price different to the NAV, and;*
- *warrants exercised at a price different to the NAV at the time exercised.*

Adjusted NAV assumes all dividends are reinvested in the company's dividend reinvestment plan and excludes imputation credits.

The directors believe this metric to be useful as it reflects the underlying performance of the investment portfolio adjusted for dividends, share buybacks and warrants, which are a capital allocation decision and not a reflection of the portfolio's performance.

Total Shareholder Return (TSR)

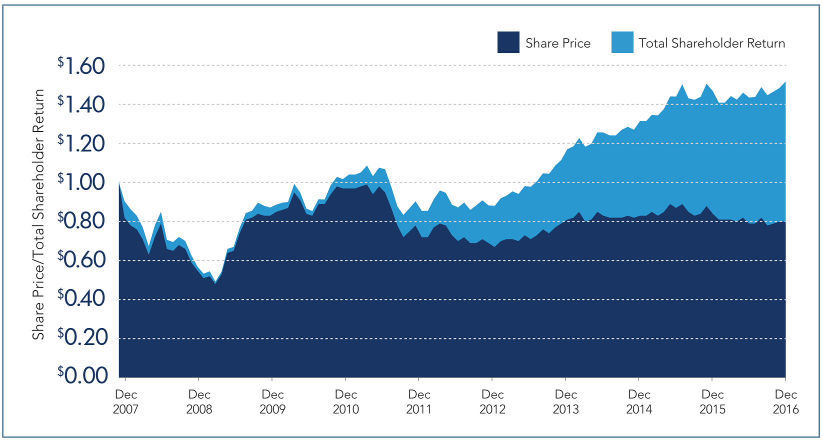
The TSR combines the share price performance, the warrant price performance (when warrants are on issue), the net value of converting warrants into shares and dividends paid to shareholders.

TSR assumes:

- *all dividends paid are reinvested in the company's dividend reinvestment plan at the discounted reinvestment price and exclude imputation credits, and;*
- *all shareholders that have received warrants (for free), have subsequently exercised their warrants at the warrant expiry date and bought shares (if they were in the money).*

The directors believe this metric to be useful as it reflects the return of an investor who reinvests their dividends and, if in the money, exercises their warrants at warrant maturity date for additional shares. No metric has been included for investors who choose other investment options.

FIGURE 2: TOTAL SHAREHOLDER RETURN



MANAGER'S REPORT

2016 was a year of major political and economic surprises. The UK voted to leave the European Union, the Italian public voted 'no' to constitutional reform, and the assumed underdog Donald Trump took out the US presidential election. Surprises by definition cannot be predicted, but even with perfect foresight of these developments few would have predicted the market reaction. Despite Brexit, UK GDP grew ahead of expectations at 2.2% in 2016 and the FTSE 100 index rallied strongly, closing the year 12% higher than before the Brexit vote. Despite predictions equity markets would fall on a Trump victory, the S&P 500 climbed 7% between Trump's election win and the end of the year.

The events of 2016 reinforced our long-held belief that picking short term market movements is pointless, however they did have an impact on the Marlin portfolio over the last six months. Trump's campaign promises of infrastructure spending, job creation and tax cuts, combined with an already improving economic backdrop, spurred an abrupt change in investor sentiment. The market quickly developed a preference for companies in economically sensitive sectors such as industrials and financials, which were previously out of favour given their poor growth prospects and volatility. Unfortunately for us, this shift resulted in less demand for high quality growth businesses.

The Marlin portfolio was up 5.3%* in the six months to 31 December 2016, but the change in market dynamics saw us underperform our benchmark (the S&P Large Mid Cap/S&P Small Cap Index (50% hedged to NZD)), which was up 10.9%. Our overweight positions in quality IT and healthcare stocks, and limited exposure to more cyclical financial, industrial and energy stocks accounted for a large part of this underperformance. While there will be periods when our strategy underperforms, we believe that over the long run a carefully selected portfolio of quality growth companies will outperform the market.

Portfolio Construction and Activity

There are three principles that are fundamental to how we manage the Marlin portfolio which also provide a useful framework for discussing the recent portfolio changes.

1. We invest in competitively advantaged businesses with growth prospects we believe are underappreciated by the market

We spend a significant amount of time looking for new investment ideas. This can be through our own desktop research and screens, visiting new companies, attending industry conferences, or via our ongoing monitoring of corporate and market

** Gross of fees and tax and adjusting for capital management initiatives* developments. The companies we identify are sometimes smaller businesses like logistics software developer, Descartes, and other times they may be larger and more obvious candidates, like MasterCard. Regardless of the size of the business or how we find the idea, we are after the same thing; a well-run business (ideally with management that have significant skin in the game), with a sustainable competitive advantage and the ability to grow earnings materially over the long term. These qualities are set out in Fisher Funds' STEEPP investment criteria, which will be well known to many Marlin investors. The basis of our investment style is that businesses with these qualities tend to outperform the market over the long run.

Over the past six months we have added four new companies to the portfolio that meet these strict criteria — Worldpay, Core Laboratories, Graco and Fresenius Medical Care.

Worldpay (United Kingdom) is a leading global payments company, with a strong position both in ecommerce and in-store payment processing. While the payments industry is competitive, Worldpay has the scale, technological advantages and customer incumbency to ensure it benefits from the trend away from cash and towards non-cash payments. We believe the market is underestimating the sustainability of Worldpay's growth runway and added it to the portfolio when the share price was temporarily depressed due to Brexit and potential regulatory changes in Europe.

Core Laboratories (United States) is a leading provider of reservoir description services to the oil and gas industry. Core Laboratories operates in over a quarter of the world's active oil fields and its products allow oil and gas producers to increase the volume of oil recovered. Core Laboratories' competitive advantage stems from their extensive (and hard to replicate) library of reservoir data acquired over decades of operations. As the majority of its revenue comes from selling data, they have industry leading margins, strong cash flow generation, and can grow without much incremental capital. We believe we invested in Core Laboratories at an opportune time and that the importance of its products to oil producers will allow it to continue outgrowing its oil field services peers as the energy sector recovers.

"2016 was a year of major political and economic surprises."

Roger Garrett,
Senior Portfolio Manager.

MANAGER'S REPORT CONTINUED

Graco (United States) is a leading manufacturer of specialised equipment used to pump, mix and dispense a wide variety of fluids and coatings (such as paints, lubricants and glues) across multiple sectors. The company is a leader in a niche market where fluids need to be accurately mixed and applied with a high degree of precision. Their focus on automation, cost control and lean manufacturing has allowed them to maintain wide profit margins and an attractive return on capital while significantly increasing production levels. Graco is a great example of a small cap company run by an entrepreneurial and cost-conscious management team that will drive significant growth in the years ahead.

Fresenius Medical Care (Germany) is the global leader in dialysis care, providing dialysis to 176,000 patients in North America (32% market share) and 110,000 patients in other parts of the globe via a network of over 3,400 clinics. The increasing incidence of diabetes globally is resulting in a patient population that is growing at around 5-6% per annum. Over the past 10 years Fresenius has leveraged this trend to grow operating earnings at 11% per annum. We expect Fresenius to deliver 10%+ earnings per share growth over the medium term through a combination of organic growth and bolt-on acquisitions.

Our highest conviction holdings

While portfolio changes since our last update are important to discuss, our concentrated approach to investing (with approximately 30 holdings) means that the prospects of our largest positions are often of the greatest consequence.

As high conviction investors, we want to see the largest holdings in the Marlin portfolio contributing the most to performance. Pleasingly, this was the case over the past six months, with four of our top five contributors to performance (eBay, Plantronics, MasterCard and Alphabet) having portfolio weightings of 3.5% and above. On the flip side, four of the five biggest detractors from performance had weightings of less than 2.5%. This further reinforces our approach of having significant weightings in our highest conviction investments, and adopting a zero tolerance approach to removing companies if our conviction in the investment thesis diminishes. Since the end of the year we have gone further in this regard, increasing the weightings in our top holdings (including Alphabet and PayPal) and exiting a number of smaller positions.

Our top five holdings at 31 December 2016 were Alphabet (5.4%), MasterCard (4.6%), PayPal (4.1%), eBay (3.9%) and Alibaba (3.9%).

2. We vigilantly monitor our investments and act decisively when the facts change

Unlike politics, there are no ‘alternative facts’ in investing. Regardless of how much we like a company now, the business environment is dynamic and we monitor each investment closely and move quickly if an investment thesis has deteriorated. Holding onto deteriorating businesses in the hope of a turnaround in fortunes is often a costly strategy.

In the six months to 31 December 2016 we exited United Internet and Stericycle. We also completed our exit of Genomma which was initiated in the first half of 2016.

United Internet is a mobile virtual network operator (think 2degrees) based in Germany and was a good performer for the portfolio since 2012. Our decision to exit the stock was based on a weakening growth outlook as price competition intensifies and smartphone penetration reaches elevated levels. United Internet has also yet to negotiate full access to a 4G network and we believe this will eventually impact its ability to attract and retain customers. In our opinion the company's moat has narrowed and its growth prospects have diminished; we therefore exited the investment.

We also sold out of **Stericycle**, the largest US medical waste collector. While Stericycle is a quality business and has many of the features we find appealing, it became clear to us that their bargaining power with large hospital chains deteriorated. This change in the competitive dynamics resulted from a period where large US hospital groups consolidated smaller physician practices, and are now starting to use their increasing clout to renegotiate prices lower. Stericycle are now less able to rely on regular price increases — impacting its growth profile.

Subsequent to year end we have also exited a number of smaller holdings including **Stratec Biomedical**, **Biotest**, **IMI plc** and **Wirecard**.

Subtle changes in competitive dynamics, regulations and technology can have far reaching implications for companies and their return prospects. We continuously monitor the portfolio to identify such developments, so we can react appropriately.

"Rather than trying to pick market movements, we spend our time trying to construct a portfolio of leading businesses that will perform well in a range of different environments."

Ashley Gardyne,
Senior Portfolio Manager.

MANAGER'S REPORT CONTINUED

3. We maintain balance across the portfolio

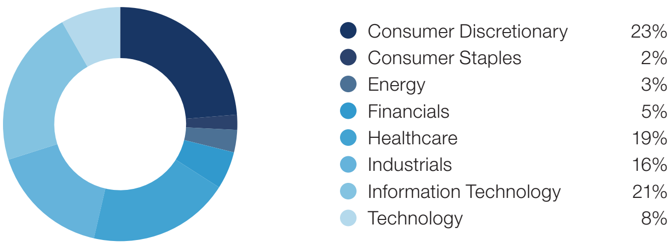
The importance of diversification across geographies and sectors can be readily seen in a year like 2016, with economic and political changes coming from left field and having a material impact on markets.

As we have seen time and again, countries and industries can have their time in and out of the limelight. Ireland (the Celtic Tiger) was an 'economic miracle' in the late 1990s and early 2000s, before over-stretching and feeling the brunt of the global financial crisis. Technology stocks had their time to shine in the late 1990s, before the Dotcom bust evaporated years of gains. Before that, there was Japan's post-war economic miracle that drove equity and property markets to extremes, before slumping into a 'lost decade'. Sensible diversification across geographies and sectors can help shelter a portfolio from the worst impacts of these unforeseen adjustments.

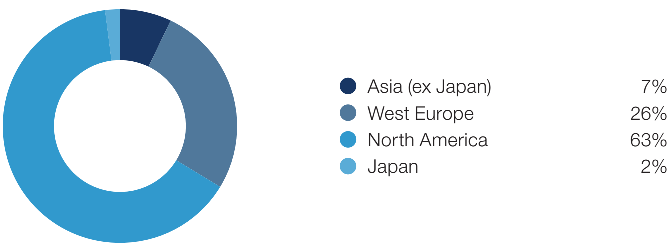
The Marlin portfolio has broad geographic diversification, with investments across a range of countries including the US, Germany, Italy, China and the UK.

During the period we continued to introduce greater sector diversity to the portfolio, in particular with the purchase of industrial company Graco and oil field services company Core Laboratories.

Sector allocation



Geographical allocation



**The Marlin portfolio also holds cash.*

Contributors and Detractors From Performance

Biggest contributors to performance

eBay was the biggest contributor to performance in the six months to 31 December 2016, with the company gaining 30% over the period. eBay recently delivered better than expected growth as its structured data initiatives (to improve its website and attract more traffic) started to pay off. We continue to believe eBay has a strong position catering to niche ecommerce segments and its recent growth acceleration is encouraging.

Plantronics, a leading manufacturer of hi-tech headsets, was up 28% over the period. Plantronics headsets are used by call centre staff all over the globe, but their biggest growth opportunity comes from selling headsets to the broader office market as corporate adoption of Unified Communications (UC) increases. These systems (like Microsoft Lync) allow office workers to exchange ideas and information more efficiently by integrating voice calling, messaging, document sharing and web conferencing into one common platform. In recent quarters Plantronics has started to demonstrate more consistent growth in its UC business, which combined with management's target of increasing margins materially over the next two years has supported its share price.

MasterCard continued to deliver strong earnings growth in recent quarters and was up 20% over the period. MasterCard's transaction volumes continue to grow predictably, driven by increasing consumer spending and the steady trend away from cash and towards credit and debit cards. MasterCard's low variable costs allow for earnings growth significantly ahead of revenue growth, which resulted in a 10% growth in transaction volume in the third quarter translating into 19% growth in earnings per share.

Biggest detractors from performance

On the negative side, shares of infant milk formula company, **Mead Johnson** fell 19% over the period as ongoing inventory and pricing issues in the Chinese market caused the company to report revenue growth below investor expectations. We believe that selling conditions should improve into 2017 as Chinese regulations significantly reduce the number of brands in the marketplace with larger companies like Mead Johnson best placed to succeed. Since the end of the interim reporting period, UK consumer products company Reckitt Benckiser has launched a takeover offer for the company at a price of $90 per share, which has resulted in a significant jump in Mead Johnson's share price.

Park24, the Japanese car park operator and car sharing business, fell 17% during the period despite relatively solid operating results. The decline in share price came after a 68% gain over the prior 12 months and can be partly attributed to selling pressure from convertible bond holders who had recently converted their bonds to shares. Over the long run Park24 has done an exceptional job — doubling profits over the past five years. Park24's car parking business delivers steady and predictable growth and its car sharing business adds to the growth story.

MANAGER'S REPORT CONTINUED

Cerner is the world's largest healthcare information technology company, providing software solutions to hospitals. Cerner's share price fell 17% during the period, impacted by both a slowdown in revenue growth and concerns that a repeal of Obamacare by President Trump could reduce the incentive for hospitals to upgrade IT systems. We have reduced our shareholding in Cerner given the level of political uncertainty in the US healthcare sector.

Outlook

Over the past six months there have been subtle changes to the global economic outlook and more material changes to the political backdrop. There have been improvements in economic growth, consumer and business confidence, and inflation expectations in many markets. Moderate economic growth in the US has the potential to accelerate further should Trump follow through with proposed infrastructure spending and corporate tax reform. In addition to a subdued yet improving economic backdrop, we are witnessing relatively good trading commentaries from the companies we follow. This backdrop provides a supportive environment for equity markets.

While the current global environment is supportive of equity markets, the future is inherently unpredictable. Rather than trying to pick market movements, we spend our time trying to construct a portfolio of leading businesses that will perform well in a range of different environments. Diversification across geographies and sectors helps, but more importantly we constantly review each company in the portfolio and only hold those in which we have the highest conviction.

When the market is buoyant and most stocks are rising it can be difficult to see the benefits of a focus on quality. It is often only when markets are difficult that the defensiveness of quality businesses becomes apparent. While the change in market sentiment that accompanied Trump's election win was a drag on performance over the past six months, we ultimately believe that our strategy of investing in a select group of growth business will deliver attractive returns over the medium to long term.

Roger Garrett
Senior Portfolio Manager
Fisher Funds Management Limited
6 March 2017

Ashley Gardyne
Senior Portfolio Manager
Fisher Funds Management Limited
6 March 2017

Portfolio Holding Summary as at 31 December 2016

Location	Company	% Holding
Canada	Descartes Systems Group	2.2%
Denmark	Coloplast	3.0%
Germany	Adidas	2.0%
	Biotest	2.7%
	Fresenius Medical Care	2.0%
	Stratec Biomedical	2.1%
	Wirecard	2.7%
Ireland	Icon	2.8%
Israel	Sarine Technologies	2.8%
Italy	Brembo	3.5%
Japan	Park 24	2.4%
United Kingdom	IMI	2.0%
	Worldpay Group	3.0%
United States	Alibaba Group	3.9%
	Alphabet	5.4%
	Amazon.com	2.1%
	Blackhawk	2.6%
	Cerner Corporation	2.0%
	Cognizant Technology Solutions Corporation	3.2%
	Core Laboratories	2.8%
	eBay	3.9%
	Ecolab	3.1%
	Expedia	3.1%
	Graco	2.0%
	LKQ	2.8%
	Mastercard	4.6%
	Mead Johnson	2.2%
	Nike	3.3%
	PayPal Holdings	4.1%
	Plantronics	3.5%
	United Parcel Service	3.8%
	Varian Medical Systems	3.3%
	Zoetis Inc	3.3%
	Equity Total	**98.2%**
	New Zealand dollar cash	0.6%
	Total foreign cash	2.4%
	Cash Total	**3.0%**
	Forward foreign exchange contracts	-1.2%
	TOTAL	**100.0%**

pwc

Independent Review Report

to the shareholders of Marlin Global Limited

Report on the Interim Financial Statements

We have reviewed the accompanying financial statements of Marlin Global Limited (the Company) on pages 17 to 28, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period ended on that date, and a summary of significant accounting policies and selected explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible on behalf of the Company for the preparation and presentation of these financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34) and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects, in accordance with NZ IAS 34. As the auditor of the Company, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements of the Company are not prepared, in all material respects, in accordance with NZ IAS 34.

Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
20 February 2017

Auckland

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MARLIN GLOBAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

	Notes	6 months ended 31/12/16 unaudited	6 months ended 31/12/15 unaudited
		$000	**$000**
Interest income		17	18
Dividend income		337	407
Other losses	1(i)	(180)	(7)
Net changes in fair value of financial assets and liabilities	1(ii)	4,841	1,711
Total net income		**5,015**	**2,129**
Operating expenses	1(iii)	(1,105)	(1,187)
Operating profit before tax		**3,910**	**942**
Total tax expense		(337)	(686)
Net operating profit after tax attributable to shareholders		**3,573**	**256**
Other comprehensive income		0	0
Total comprehensive income after tax attributable to shareholders		**3,573**	**256**
Earnings per share			
Basic earnings per share			
Profit attributable to owners of the company ($000)		3,573	256
Weighted average number of ordinary shares on issue net of treasury stock ('000)		115,020	110,172
Basic earnings per share		**3.11c**	**0.23c**
Diluted earnings per share			
Profit attributable to owners of the company ($000)		3,573	256
Weighted average number of ordinary shares on issue net of treasury stock ('000)		115,020	110,172
Diluted effect of warrants on issue ('000)		0	553
		115,020	110,725
Diluted earnings per share		**3.11c**	**0.23c**

The Notes to the Interim Financial Statements set out on pages 21 to 28 should be read in conjunction with this Statement of Comprehensive Income.

MARLIN GLOBAL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

		Attributable to shareholders of the company		
	Notes	Share Capital	Accumulated Deficits	Total Equity
		$000	$000	$000
Balance at 1 July 2015 (audited)		**105,625**	**1,295**	**106,920**
Comprehensive income				
Profit for the period		0	256	256
Other comprehensive income		0	0	0
Total comprehensive income for the period ended 31 December 2015		**0**	**256**	**256**
Transactions with owners				
Share buybacks		(930)	0	(930)
Warrant issue costs		(14)	0	(14)
Dividends paid	2	0	(4,255)	(4,255)
Dividends reinvested		1,783	0	1,783
Total transactions with owners for the period ended 31 December 2015		**839**	**(4,255)**	**(3,416)**
Balance at 31 December 2015 (unaudited)		**106,464**	**(2,704)**	**103,760**
Balance at 1 July 2016 (audited)		**108,138**	**(13,883)**	**94,255**
Comprehensive income				
Profit for the period		0	3,573	3,573
Other comprehensive income		0	0	0
Total comprehensive income for the period ended 31 December 2016		**0**	**3,573**	**3,573**
Transactions with owners				
Share buybacks	2	(77)	0	(77)
Shares issued for warrants exercised	2	1,150	0	1,150
Warrant issue costs	2	(17)	0	(17)
Dividends paid	2	0	(3,965)	(3,965)
Dividends reinvested	2	1,649	0	1,649
Total transactions with owners for the period ended 31 December 2016		**2,705**	**(3,965)**	**(1,260)**
Balance at 31 December 2016 (unaudited)		**110,843**	**(14,275)**	**96,568**

The Notes to the Interim Financial Statements set out on pages 21 to 28 should be read in conjunction with this Statement of Changes in Equity.

MARLIN GLOBAL LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	31/12/16 unaudited	30/06/16 audited
		$000	**$000**
ASSETS			
Current Assets			
Cash and cash equivalents		2,749	6,321
Trade and other receivables		109	738
Financial assets at fair value through profit or loss	3	95,133	89,696
Total Current Assets		**97,991**	**96,755**
TOTAL ASSETS		**97,991**	**96,755**
LIABILITIES			
Current Liabilities			
Financial liabilities at fair value through profit or loss	3	1,191	16
Trade and other payables		178	1,755
Current tax payable		54	729
Total Current Liabilities		**1,423**	**2,500**
TOTAL LIABILITIES		**1,423**	**2,500**
EQUITY			
Share capital	2	110,843	108,138
Accumulated deficits		(14,275)	(13,883)
TOTAL EQUITY		**96,568**	**94,255**
TOTAL EQUITY AND LIABILITIES		**97,991**	**96,755**

These interim financial statements have been authorised for issue for and on behalf of the Board by:

A B Ryan — Chair
20 February 2017

C A Campbell — Chair of the Audit and Risk Committee
20 February 2017

The Notes to the Interim Financial Statements set out on pages 21 to 28 should be read in conjunction with this Statement of Financial Position.

MARLIN GLOBAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

	Notes	6 months ended 31/12/16 unaudited	6 months ended 31/12/15 unaudited
		$000	$000
Operating Activities			
Cash was provided from:			
- Sale of investments		14,130	15,096
- Interest received		17	18
- Dividends received		286	326
- Other income		0	681
Cash was applied to:			
- Purchase of investments		(15,076)	(15,433)
- Operating expenses		(502)	(2,572)
- Taxes paid		(1,012)	(41)
- Other losses		(252)	0
Net cash outflows from operating activities	**4**	**(2,409)**	**(1,925)**
Financing Activities			
Cash was provided from:			
- Proceeds from warrant issue		1,150	0
Cash was applied to:			
- Warrant issue costs		(17)	(14)
- Share buybacks		(77)	(1,042)
- Dividends paid (net of dividends reinvested)		(2,316)	(2,472)
Net cash outflows from financing activities		**(1,260)**	**(3,528)**
Net decrease in cash and cash equivalents held		**(3,669)**	**(5,453)**
Cash and cash equivalents at beginning of the period		6,321	7,681
Effects of foreign currency translation on cash balance		97	(684)
Cash and cash equivalents at end of the period		**2,749**	**1,544**

All cash balances comprise short-term cash deposits.

The Notes to the Interim Financial Statements set out on pages 21 to 28 should be read in conjunction with this Statement of Cash Flows.

MARLIN GLOBAL LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

General Information

Entity Reporting

The interim financial statements are for Marlin Global Limited (“Marlin” or “the company”).

Legal Form and Domicile

Marlin is incorporated and domiciled in New Zealand.

The company is a limited liability company, incorporated under the Companies Act 1993 on 6 September 2007.

The company is listed on the NZX Main Board and is an FMC Reporting Entity under the Financial Markets Conduct Act 2013.

The company is a profit-oriented entity and began operating as a listed investment company on 1 November 2007.

The company's registered office is Level 1, 67-73 Hurstmere Road, Takapuna, Auckland.

Authorisation of Interim Financial Statements

The Marlin Board of Directors authorised these interim financial statements for issue on 20 February 2017.

No party may change these interim financial statements after their issue.

Accounting Policies

Period Covered by Interim Financial Statements

These interim financial statements cover the unaudited results from operations for the six months ended 31 December 2016.

Statement of Compliance

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalent to International Accounting Standard 34 ("NZ IAS 34") *Interim Financial Reporting.*

The interim financial statements do not include all of the information required for full year financial statements and should be read in conjunction with the company's annual financial report for the year ended 30 June 2016.

The company has applied consistent accounting policies in the preparation of these interim financial statements as for the 2016 full year financial statements.

MARLIN GLOBAL LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

Critical Judgements, Estimates and Assumptions

The preparation of interim financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. There were no material judgements, estimates or assumptions required in the preparation of these interim financial statements.

Comparative Information

Diluted Earnings Per Share comparative information has been restated from 0.19 to 0.23 cents per share to be consistent with the current year's calculation which includes only the dilutive effect of warrants exercised. There has been no impact on net operating profit or on shareholders' funds as a result of these changes.

NOTE 1 — STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 31/12/16 unaudited	6 months ended 31/12/15 unaudited
	$000	**$000**
(i) Other Losses		
Foreign exchange losses on cash and cash equivalents	(180)	(7)
Total other losses	**(180)**	**(7)**
(ii) Net Changes in Fair Value of Financial Assets and Liabilities		
Financial assets designated at fair value through profit or loss		
International equity investments	3,999	2,060
Foreign exchange gains/(losses) on equity investments	626	(1,357)
Total gains on designated financial assets	**4,625**	**703**
Financial assets at fair value through profit or loss — held for trading		
Gains on forward foreign exchange contracts	216	1,008
Total gains on financial assets and liabilities held for trading	**216**	**1,008**
Net changes in fair value of financial assets and liabilities	**4,841**	**1,711**

NOTE 1 — STATEMENT OF COMPREHENSIVE INCOME CONTINUED

	6 months ended 31/12/16 unaudited	6 months ended 31/12/15 unaudited
	$000	**$000**
(iii) Operating Expenses		
Management fees (note 5)	711	772
Custody, brokerage and transaction fees	96	112
Administration services (note 5)	80	80
Directors' fees	72	72
Investor relations and communications	67	77
NZX fees	20	23
Auditor's fees:		
Statutory audit and review of financial statements	18	12
Other assurance services	0	1
Non-assurance services	2	5
Professional fees	18	15
Other operating expenses	21	18
Total operating expenses	**1,105**	**1,187**

Other assurance services relate to a share and warrant register audit. Non-assurance services relate to agreed upon procedures performed at the annual meeting. No other fees were paid to the auditor during the period (31 December 2015: nil).

MARLIN GLOBAL LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

NOTE 2 — SHARE CAPITAL

	6 months ended 31/12/16 unaudited	Year ended 30/06/16 audited
	$000	**$000**
Opening balance	108,138	105,625
New shares issued for new warrants exercised	1,150	0
Warrant issue costs	(17)	(14)
Share buybacks held as treasury stock	(77)	(943)
New shares issued under the dividend reinvestment plan	1,574	2,478
Shares issued from treasury stock under the dividend reinvestment plan	75	992
Closing balance	**110,843**	**108,138**

Ordinary Shares

As at 31 December 2016 there were 116,819,908 (30 June 2016: 113,369,629) fully paid Marlin shares on issue. All ordinary shares are classified as equity, rank equally and have no par value. All shares carry an entitlement to dividends and one vote attached to each fully paid ordinary share.

Warrants

On 14 July 2015, 27,546,716 new Marlin warrants were allotted and listed on the NZX Main Board. One new warrant was issued to all eligible shareholders for every four shares held on record date (13 July 2015). On 5 August 2016, 1,419,270 warrants were exercised at $0.81 per warrant and the remaining 26,127,446 warrants lapsed.

Treasury stock

On 2 November 2016, Marlin announced the continuation of its share buyback programme of its ordinary shares in accordance with Section 65 of the Companies Act 1993. All the shares acquired under the buyback scheme are initially held as treasury stock but are available to be re-issued. The cost of treasury stock (including transaction costs) is deducted from share capital.

At 31 December 2016, no ordinary shares were held as treasury stock (30 June 2016: nil). The value of treasury stock at 31 December 2016 is a credit of $134,183 (30 June 2016: $132,492) as a result of treasury stock being acquired at a lower price, when the company has bought the shares back, compared to the price when the company has re-issued shares.

Dividends

Total dividends per share for the period ended 31 December 2016 were 3.44 cents per share (31 December 2015: 3.87 cents per share). Dividends for the period ended 31 December 2016, and prior to any reinvestment totalled $3,965,140 (31 December 2015: $4,254,709).

NOTE 3 — FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31/12/16 unaudited	30/06/16 audited
	$000	**$000**
Financial assets designated at fair value through profit or loss		
International listed equity investments	95,133	89,334
Financial assets at fair value through profit or loss — held for trading		
Fair value of forward foreign exchange contracts	0	362
Total financial assets at fair value through profit or loss	**95,133**	**89,696**
Financial liabilities at fair value through profit or loss — held for trading		
Fair value of forward foreign exchange contracts	1,191	16
Total financial liabilities at fair value through profit or loss	**1,191**	**16**

Although international listed equity investments are treated as current assets from an accounting point of view, the investment strategy of the company is to hold for the medium to long-term.

International listed equity investments at fair value through profit or loss are valued using last sale prices from an active market, with the exception of nine stocks where the last sale prices were outside the bid-ask spread on 31 December 2016 (30 June 2016: nine) and therefore bid price was used. All investments are classified as Level 1 in the fair value hierarchy.

Forward foreign exchange contracts are valued using observable market prices (as they are not quoted) and they are classified as Level 2 in the fair value hierarchy. The notional value of forward foreign exchange contracts held at 31 December 2016 was $38,606,484 (30 June 2016: $31,692,770).

MARLIN GLOBAL LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

NOTE 4 — RECONCILIATION OF OPERATING PROFIT AFTER TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	6 months ended 31/12/16 unaudited	6 months ended 31/12/15 unaudited
	$000	**$000**
Net profit after tax	**3,573**	**256**
Items not involving cash flows		
Unrealised (gain)/loss on cash and cash equivalents	(97)	684
Unrealised loss on revaluation of investments	100	546
	3	**1,230**
Impact of changes in working capital items		
Decrease in fees and other payables	(1,577)	(1,470)
Decrease/(increase) in interest, dividends and other receivables	629	(106)
Change in current tax	(675)	645
	(1,623)	**(931)**
Items relating to investments		
Net amount paid from investments	(946)	(337)
Realised gains on investments	(4,940)	(2,256)
Decrease in unsettled purchases of investments	1,578	0
Decrease in unsettled sales of investments	(54)	0
Decrease in share buybacks payable	0	113
	(4,362)	**(2,480)**
Net cash outflows from operating activities	**(2,409)**	**(1,925)**

NOTE 5 — RELATED PARTY INFORMATION

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

The Manager of Marlin is Fisher Funds Management Limited ("Fisher Funds" or "the Manager"). Fisher Funds is a related party by virtue of the Manager's common directorship and a Management Agreement.

The Management Agreement with Fisher Funds provides for the provisional payment of a management fee equal to 1.25% (plus GST) per annum of the gross asset value, calculated weekly and payable monthly in arrears. This management fee is reduced by 0.10% for each 1.0% per annum by which the Gross Return achieved on the portfolio during each financial year is less than the change in the NZ 90 Day Bank Bill Index over the same period but subject to a minimum management fee of 0.75% (plus GST) per annum of the average gross asset value for that period. The annual management fee is finalised at 30 June and any adjustment (where the management fee is less than 1.25%) is offset against future management fee payments due to Fisher Funds.

For the six months ended 31 December 2016, no management fee adjustment was necessary (31 December 2015: no adjustment). Management fees for the six months ended 31 December 2016 totalled $711,007 (31 December 2015: $771,770).

In addition, a performance fee may be earned by the Manager provided the performance fee hurdle and a high water mark test have been met. No performance fee has been earned by the Manager for the six months to 31 December 2016 (31 December 2015: nil).

The Manager was reimbursed $80,002 for the provision of administration services for the six month period ended 31 December 2016 (31 December 2015: $80,002).

Included in trade and other payables is an amount payable to Fisher Funds at 31 December 2016 in respect of management fees and administration services of $131,647 (31 December 2015: $140,836 and 30 June 2016: $112,269).

The Manager held shares in and received dividends from, the company at 31 December 2016 which total 0.7% of the total shares on issue (30 June 2016: 0.7%). Following exercise of the warrants, the Manager did not hold any warrants at 31 December 2016 (30 June 2016: 0.4%).

NOTE 5 — RELATED PARTY INFORMATION CONTINUED

The directors of Marlin are the only key management personnel as defined by *NZ IAS 24 Related Party Disclosures* and they earn a fee for their services which is disclosed in note 1(iii) under directors' fees (only independent directors earn a director's fee). The directors also held shares in, and received dividends from the company at 31 December 2016 which total 1.14% of total shares on issue (30 June 2016: 1.14%). Following exercise of the warrants, the directors did not hold any warrants at 31 December 2016 (30 June 2016: 0.61% of total warrants on issue). The directors did not receive any other benefits which may have necessitated disclosure under NZ IAS 24 (paragraph 16).

Off-market transactions between Marlin and other funds managed by Fisher Funds take place for the purposes of rebalancing portfolios without incurring brokerage costs. These transactions are conducted after the market has closed at last sale price (on an arm's length basis). During the period ended 31 December 2016, off-market transactions between Marlin and other funds managed by Fisher Funds totalled nil for purchases and nil for sales (31 December 2015: $1,675,292 for purchases, nil for sales).

NOTE 6 — NET ASSET VALUE

The unaudited net asset value of Marlin as at 31 December 2016 was $0.83 per share (31 December 2015: $0.93 per share unaudited, 30 June 2016: $0.83 per share audited).

NOTE 7 — SUBSEQUENT EVENTS

At 14 February 2017, the unaudited net asset value of the company was $0.85 per share and the share price was $0.78.

On 20 February 2017 the Board declared a dividend of 1.66 cents per share. The record date for this dividend is 16 March 2017 with a payment date of 31 March 2017.

There were no other events which require adjustment to or disclosure in these interim financial statements.

DIRECTORY

Nature of Business

The principal activity of Marlin is investment in growing companies based outside New Zealand and Australia.

Registered Office

Level 1
67 — 73 Hurstmere Road
Takapuna
Auckland 0622

Directors

Independent Directors
Alistair Ryan (Chair)
Carol Campbell
Andy Coupe

Director
Carmel Fisher

Corporate Manager

Glenn Ashwell

Manager

Fisher Funds Management Limited
Level 1
67 — 73 Hurstmere Road
Takapuna
Auckland 0622

Auditor

PricewaterhouseCoopers
Level 8
188 Quay Street
Auckland 1010

Solicitor

Bell Gully
Level 21
48 Shortland Street
Auckland 1010

Banker

ANZ Bank New Zealand Limited
23-29 Albert Street
Auckland 1010

Share Registrar

Computershare Investor Services Limited
Level 2
159 Hurstmere Road
Takapuna
Auckland 0622

Phone: +64 9 488 8777
Email: enquiry@computershare.co.nz

For more information

For enquiries about transactions, changes of address and dividend payments, contact the share registrar above. Alternatively, to change your address, update your payment instructions and to view your investment portfolio including transactions online, please visit: www.computershare.co.nz/investorcentre

For enquiries about Marlin contact

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