marlin
growing globally

2018
INTERIM REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

CONTENTS

CALENDAR

Next Dividend Payable

29 March 2018

Financial Year End

30 June 2018

This report is dated 16 March 2018 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

6 MONTHS ENDED 31 DECEMBER 2017

NET PROFIT
$10.8m

+12.2%
GROSS PERFORMANCE RETURN

TOTAL SHAREHOLDER RETURN
+12.7%

BEST PERFORMING INVESTMENT
PayPal
+37%

DIVIDENDS PAID

29 SEPTEMBER 2017
1.83 cents per share

22 DECEMBER 2017
1.87 cents per share

AS AT 31 DECEMBER 2017

NAV PER SHARE
$0.95

SHARE PRICE
$0.85

SHARE PRICE DISCOUNT TO NAV
10.5%
(including warrant price on a pro-rated basis)

DIRECTORS' OVERVIEW

Alistair Ryan / Chair

Marlin shareholders have enjoyed a very strong result for the first half of the 2018 financial year, with the company reporting a net profit after tax of $10.8m for the six months ended 31 December 2017, three times ahead of the previous corresponding period.

This is an excellent result for shareholders. While market conditions have been favourable to international equities over 2017, the Marlin portfolio has performed very well, returning a gross performance of 12.2% for the six months ended 31 December 2017.

The 12 month result for Marlin was equally positive, with a gross performance return of 30.1% for the 12 months to 31 December 2017 compared to the benchmark which was up 21.5%[1]. These strong returns have driven a healthy profit of $22.9m, which is a substantial improvement from the $3.6m net loss for the previous corresponding period (12 months ended 31 December 2016).

As at 31 December 2017, the Marlin portfolio was valued at $104.4m plus cash on hand of $8.4m. Marlin's investment philosophy is to be relatively fully invested in equities (more than 90%) so that shareholders can make their own asset/investment allocation decisions depending on how they perceive the economic outlook.

Since 30 June 2017, Marlin's net asset value has increased from $0.89 to $0.95 (as at 31 December 2017). Throughout the six months to 31 December 2017, we have seen Marlin's share price move upwards from $0.79 to $0.85 which, together with the dividends, has driven an attractive total shareholder return of 12.7% for the interim period. While the share price has moved positively, the share price to net asset value discount has persisted.

The Board has a number of initiatives designed to help reduce this discount and enhance shareholder value, including the Marlin buyback programme. Over the six months to 31 December 2017, Marlin took advantage of the share price to net asset value discount and purchased approximately 2.7m shares under the buyback programme.

Marlin's warrant programme has been on hold, given the size of the share price discount over recent months. The board believes warrants are viewed favourably by shareholders, and monitors a range of factors including the discount, to determine the potential timing for a further warrant issue.

Under the Marlin Distribution Policy, the company continues to distribute 2.0% of average net asset value per quarter. Over the six month period to 31 December 2017, Marlin paid 3.70 cents per share in dividends (1.83 cents per share on 29 September and 1.87 cents per share on 22 December). The next dividend will be 1.93 cents per share to be paid on 29 March 2018 with a record date of 15 March 2018. Marlin offers a dividend reinvestment plan which provides 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[2].

During the interim period, Marlin also renewed its Management Agreement with Fisher Funds for a further five year term to 31 October 2022. This decision was made on 21 August 2017 after a comprehensive review of the requirements of the Management Agreement and considered both investment performance and the provision of administrative and corporate services.

In November 2017, we were pleased to welcome a number of shareholders to the Marlin Annual Shareholders Meeting. At this meeting we discussed Marlin's portfolio performance, capital management initiatives and responded to shareholders' questions. Shareholders also chose to re-elect Andy Coupe as an independent director of Marlin.

2017 has seen Ashley Gardyne complete his first year as Marlin's Senior Portfolio Manager after a number of years as Marlin's Senior Investment Analyst. Shareholders can be pleased with the rigorous efforts of the Marlin investment team over recent years in positioning and managing the portfolio. Ashley outlines examples of recent efforts and further details of the Marlin portfolio in the Manager's Report on page 8.

We would like to take this opportunity to thank you as shareholders for your continued support of Marlin.

On behalf of the Board,

Alistair Ryan

Alistair Ryan, Chair
Marlin Global Limited
16 March 2018

[1] Benchmark Index: S&P Large Mid Cap/S&P Small Cap Index (50% hedged to NZD)

[2] 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/.

FIGURE 1: FIVE YEAR PERFORMANCE SUMMARY

Corporate Performance

Six month period ended 31 December	2017	2016	2015	2014	2013
Total Shareholder Return	12.7%	5.7%	2.0%	4.6%	19.7%
Adjusted NAV Return	10.3%	3.8%	0.2%	2.5%	13.1%
Dividend Return	4.7%	4.4%	4.4%	4.4%	5.0%
Net Profit After Tax / (Loss)	$10.8m	$3.6m	$0.3m	$2.5m	$12.2m
Basic Earnings per Share	9.16 cps	3.11 cps	0.23 cps	2.32 cps	11.47 cps

As at 31 December	2017	2016	2015	2014	2013
NAV	$0.95	$0.83	$0.93	$0.90	$0.96
Adjusted NAV	$1.79	$1.44	$1.49	$1.32	$1.30
Share Price	$0.85	$0.80	$0.84	$0.83	$0.81
Share Price Discount to NAV[1]	10.5%	3.6%	8.9%	7.8%	15.6%

Manager Performance

Six month period ended 31 December	2017	2016	2015	2014	2013
Gross Performance Return	12.2%	5.3%	2.0%	4.4%	15.9%
Benchmark Index[2]	13.0%	10.9%	(2.9%)	7.7%	12.9%

NB: All returns have been reviewed by an independent actuary.

[1] *Share price discount/(premium) to NAV (including warrant price on a pro-rated basis)*

[2] *Benchmark 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 share price discount to NAV historical information has been restated following a change in calculation methodology from using data inputs of four decimal places to two decimal places.

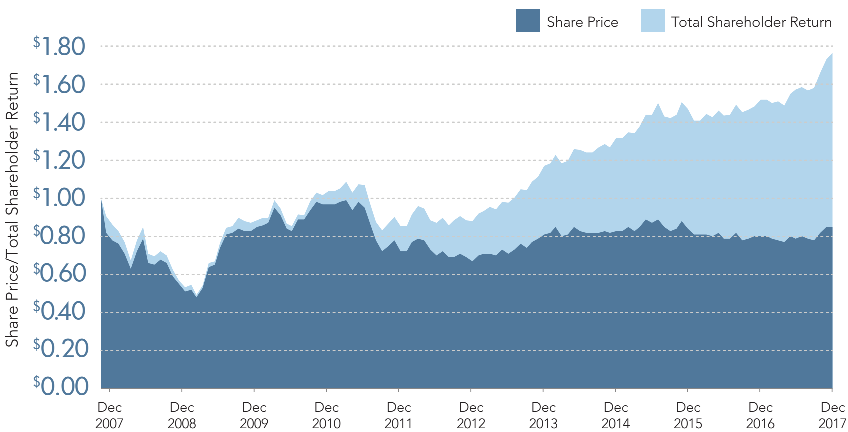
Non-GAAP Financial Information

Marlin uses non-GAAP measures, including adjusted net asset value, gross performance return and total shareholder return. The rationale for using such non-GAAP measures is as follows:

- *adjusted net asset value – the underlying value of the investment portfolio adjusted for capital allocation decisions,*
- *gross performance return – the Manager's portfolio performance in terms of stock selection and hedging of currency movements, and*
- *total shareholder return – the return to an investor who reinvests their dividends, and if in the money, exercises their warrants at warrant maturity date for additional shares.*

All references to adjusted net asset value, gross performance return and total shareholder return in this Interim Report are to such non-GAAP measures. The calculations applied to non-GAAP measures are described in the Marlin Non-GAAP Financial Information Policy. A copy of the policy is available at http://marlin.co.nz/about-marlin/marlin-policies/

FIGURE 2: TOTAL SHAREHOLDER RETURN



MANAGER'S REPORT

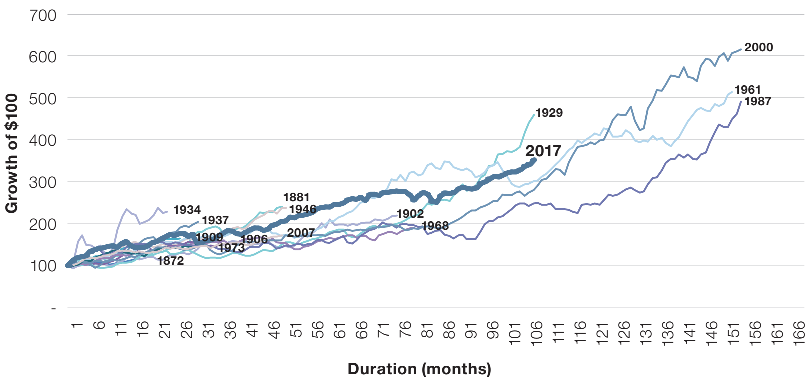
Ashley Gardyne / Senior Portfolio Manager

2017 was both an extraordinary year in financial markets and a lucrative one for investors. Lucrative because major global share markets were up significantly, with the US market up 19.4%, emerging markets up 27.8%, Japan up 19.1%, New Zealand up 17.3%, and Europe the only laggard – but still up 7.7%[1]. The market environment was extraordinary for several reasons, with the bull market becoming one of the longest on record and volatility sitting at unusually low levels.

Focusing on the US market alone, the S&P 500 Index was up over 300% from its GFC bottom in March 2009 and has delivered positive returns every year since then. The bull market is entering its 9th year and has become the third longest bull market in the past 100 years.

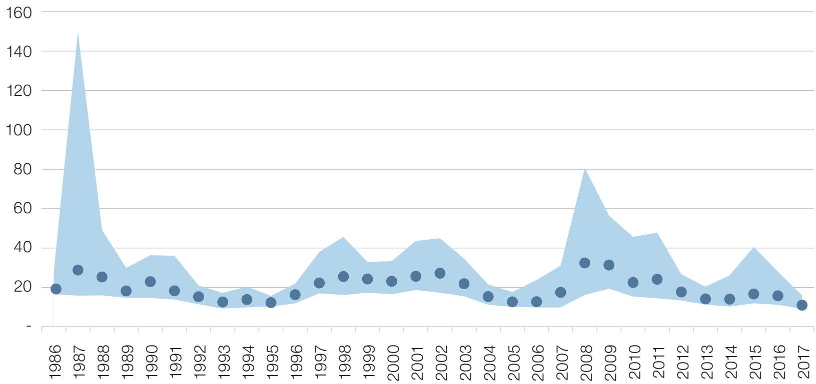
To put this in context there have been over 1,100 All Blacks in New Zealand sporting history, with only 57 players playing 50 or more tests and only seven players with 100 test caps. While this bull market is not yet in the 100-cap club in terms of rarity, it would certainly make it into the 50-cap camp.

US Bull Markets since 1871



Not only have we witnessed a long bull market, but volatility has also been low. The S&P500 was up every month in 2017 and the largest decline in the index during the year (from peak to trough) was 3%. A commonly used measure of market volatility, the VIX, showed that the S&P 500 had its lowest level of volatility since records began (although this dynamic has changed since the end of the year).

Average Daily VIX by Year



While this strong market performance can be rationalised in hindsight, the size of the advance wasn't anticipated by many investors this time last year, given concern around elevated valuations and a strained geopolitical backdrop. Drivers of market optimism in 2017 included a host of solid economic data, such as steady economic growth in the US, a pickup in Europe, strong business confidence readings, falling unemployment and increasing wages. Late in the year, the passage of new US tax legislation slashed corporate tax rates and provided a cash windfall to consumers which also supported the market's buoyancy.

I will save commentary on outlook until later in this report, but the environment we have witnessed has translated into a good year for Marlin and its investors. For the full calendar year Marlin delivered gross performance of 30.1% for the year ending 31 December 2017 compared to our market benchmark[2] which was up 21.5%. For the six month period under review and discussed in this interim report, the Marlin portfolio delivered gross performance of 12.2%, slightly behind our market benchmark which was up 13.0%.

[1] *Market returns represented by S&P 500 Index, MSCI Emerging Markets Index, Nikkei 225 Index, S&P/NZX50 Index and STOXX Europe 600 Index respectively*

[2] *S&P Large Mid Cap/S&P Small Cap Index (hedged 50% to NZD)*

Portfolio review

While it is always interesting to discuss and debate economic developments and market dynamics, there will inevitably be good and bad periods. Our goal as an active manager is to outperform the market across the course of an economic cycle, by investing in a portfolio of competitively advantaged and growing businesses. On your behalf, we hold a concentrated portfolio of businesses (26 as at 31 December) and our performance will ultimately be dictated by the success of these businesses, our ability to accurately assess their prospects, and the discipline with which we make buy and sell decisions. With that in mind, it is worth discussing how some of the portfolio holdings have impacted our performance, as well as the recent changes we have made to the portfolio.

Significant contributors to performance

PayPal is the second largest holding in the Marlin portfolio and was the largest contributor to performance over the past six months, with its share price up 37%. PayPal is a leading online payment provider and we believe it is uniquely positioned to benefit from rapid growth in digital payments and ecommerce. As an increasing proportion of ecommerce is conducted on mobile rather than PC, many customers prefer the convenience of using the PayPal wallet instead of entering credit card and address details every time they purchase something. Likewise, the security PayPal offers compared with entering credit card details into a merchant's website continues to see PayPal take market share. PayPal has also recently announced a deal to sell its portfolio of customer loans to Synchrony Financial, which not only frees up cash to return to shareholders, but also allows PayPal to grow its credit offering more rapidly without retaining the credit risk. PayPal continues to grow its payment volumes and revenue in excess of 20% per annum and its earnings even more rapidly given the inherent operating leverage in payment networks.

LKQ Corp was also a strong performer over the interim period, with its share price up 23%. LKQ is a relatively straight forward business, being the largest distributor of replacement parts and components needed to repair cars and trucks in the US and Europe. Despite LKQ's scale, the market is highly fragmented and LKQ has a history of taking market share – both organically and via acquisition. Over the past six months LKQ has witnessed a slight pickup in organic growth. Looking forward to late 2018 and 2019, we expect improving margins as the company ramps up the use of new distribution facilities and integrates the recent acquisition of Andrew Page in the UK. In December LKQ also announced the acquisition of large German competitor, Stahlgruber, which has the potential to deliver material synergies. We continue to be impressed by management's disciplined execution of its growth strategy.

Abbott Laboratories, the diversified healthcare company, had a good run, gaining 19% on a series of solid earnings results and improved investor confidence as the market began to more accurately assess Abbott's longer-term growth prospects. When we first invested in Abbott in early 2017, the company traded at a discount to its historical levels, which partly reflected investors taking a 'wait and see' approach to its acquisition of St Jude (medical device manufacturer) and Alere (medical diagnostics). Management have since made strong progress integrating these businesses and have also driven an acceleration in core organic growth via new product launches in both the medical devices and diagnostics businesses.

Significant detractors from performance

The two biggest detractors from performance were **Expedia** (-19%) and **Blackhawk Network** (-18%).

Expedia's third quarter results fell short of expectations, partly impacted by the August hurricanes in the US and Caribbean, but also due to weaker than expected results in its Trivago subsidiary. However, what concerned the market more was that guidance for 2018 was weaker than expected. This was for two reasons. Firstly, the company is hiring more sales staff to increase the number of hotels on its website, and secondly Expedia is also investing heavily in its recently acquired HomeAway business (the owner of Bookabach in New Zealand). While the 19% share price decline is disappointing, we believe these investments by Expedia will ultimately create a more valuable business. More choice will ultimately attract more customers as travellers increasingly seek to book travel online. We have used this price weakness to add to the position.

Blackhawk distributes gift cards via supermarkets (for example, iTunes gift cards or movie vouchers). While third quarter revenue grew 19% year-on-year and earnings per share were up 14%, the company guided to lower than expected growth for the fourth quarter, which saw the share price fall. Also of concern was the increasing competition from key competitor, Incomm. While these pressures were unfortunate, our view was that Blackhawk has faced them before, successfully beaten them and we believed it would again. On this basis we decided to retain Blackhawk in the portfolio and added slightly to our position at the time. Since the end of the year we have had some vindication on our Blackhawk investment, with US private equity firm Silver Lake announcing a takeover offer at $45.25 per share, a 27% jump from where Blackhawk traded at on 31 December.

Portfolio progression, additions and exits

It is now a year since I took over as Senior Portfolio Manager and assumed responsibility for the Marlin portfolio. In my first interim report last year I talked about three principles that are fundamental to how we manage the Marlin portfolio: (1) we invest in competitively advantaged businesses, with growth prospects that aren't fully appreciated by the market; (2) we vigilantly monitor our investments and act decisively if the facts or investment fundamentals change; and (3) we maintain balance across the portfolio.

Our implementation of these principles resulted in more companies being exited from the portfolio than I would expect in a typical six-month period. However, we believe this turnover was necessary to ensure we were positioned in the most attractive investment opportunities and were disciplined around removing positions where we no longer had confidence in a company's management team, the growth outlook or competitive dynamics.

We are well aware of the strong performance of technology stocks over the last year and our exposure to them. During the year we worked hard to introduce more diversity to the portfolio, without compromising return expectations. We spent a lot of time looking for new ideas in the financial and industrial sectors, but we found it very hard to find businesses that met our quality threshold - and those that did generally offered weak prospective returns. That said, the portfolio additions discussed below did meet our quality and return criteria and also add diversity.

Portfolio additions	Portfolio exits
Hexcel	WorldPay
Signature Bank	Graco
	Park 24
	Nike
	Brembo

During the past six months we added two new positions - Hexcel and Signature Bank. We also exited five holdings – Worldpay, Graco, Park 24, Nike and Brembo. In addition we increased the positions in Essilor, Fresenius, Abbott, Adidas and UPS.

Hexcel is a leading supplier of advanced carbon fibre composite materials for the aerospace sector. We believe Hexcel is a high quality business and that barriers to entry in this space are very high. Continued improvement in material technology has seen the composite content of aircraft increase significantly over time, with latest generation aircraft such as the A380 or A350 having up to 50% composite material in the body structure. We expect this trend to continue, providing Hexcel with a long growth runway.

Signature Bank is a specialist regional bank, lending primarily to wealthy families and private businesses, with a loyal deposit base that comes from managing transactional business accounts for businesses like law firms, accounting firms and property management companies. Signature Bank is still a small bank (<$50bn in assets) and we believe its model will allow it to deliver double-digit growth in assets and earnings over the medium term.

A noteworthy exit from the portfolio is **Brembo**, a premium auto braking system supplier. Brembo initially built its product edge by supplying Formula One teams. The company then capitalised on its technological lead by supplying manufacturers of high-end sports cars (Ferrari, Lamborghini, Porsche), before then moving down to mid-premium cars like the Audi S series and BMW M series. Brembo was added to the portfolio near the depths of the global financial crisis at €1.32 a share and it was a great performer for the portfolio with the recent exit at over €13.75 a share. While the company has been a great performer, we believe the profit margin and market share gains it has made over recent years are becoming more difficult to sustain. We also think that the auto cycle is a lot closer to the end than the beginning, and despite the potential cyclicality of the business, the company is still priced on peak valuation multiples.

We exited **Park24** (Japanese car park operator) after its growth became increasingly reliant on its car sharing business and its international operations, and **Graco** (pumps and industrial painting equipment) after strong share price performance resulted in a valuation that we believed was very stretched. We sold out of **Nike** due to the headwinds in its core US market. Declining sales at retailers like Foot Locker, a highly promotional environment and design/style misses by Nike provide headwinds that we believe are stronger than the market currently appreciates. We also took the opportunity to sell **WorldPay** after it received a takeover offer from Vantiv and its share price spiked.

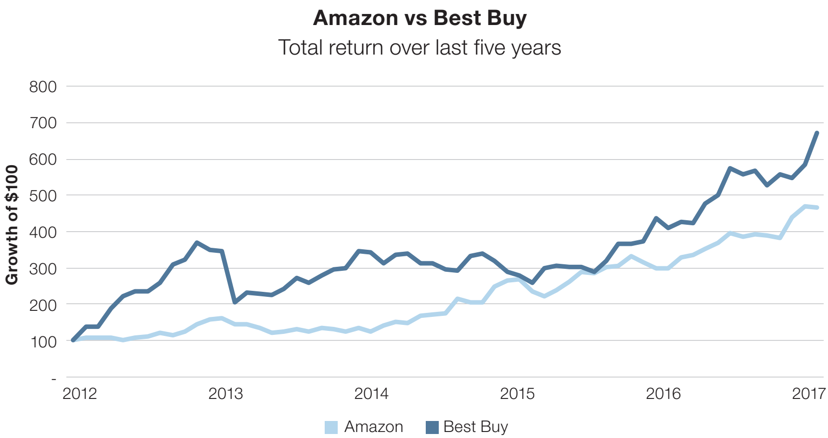
These actions have resulted in a more concentrated portfolio, reflecting the best investment ideas we can find in the current market. We are comfortable with the current structure of the portfolio and the long term growth prospects of all of the businesses we hold on your behalf.

Current opportunities

We try to spend about half of our time hunting for new investments. This includes reading broadly every day, running financial screens in a range of foreign markets, attending conferences and meeting with the management teams of businesses we admire. The task of finding fresh investment ideas is certainly harder than it was five years ago, with elevated valuations making attractive opportunities harder to come by. While market valuations in the US are the most elevated and attractive opportunities are becoming harder to find, we are still finding enough ideas to research in certain sectors and geographies.

We have recently been looking at a number of market leading businesses in Europe and selected emerging markets. The retail and consumer sectors are also presenting interesting opportunities, partly driven by the panic caused by Amazon and depressed US retail foot traffic. While we are investors in Amazon, that doesn't preclude us from believing that other retailers (particularly branded retailers) can still have a bright future. An example of this is **Pandora**. Since 31 December we have invested in Pandora, a European company that is one of the world's leading branded jewellery companies. While we will talk about the investment case in detail in the 2018 Marlin Annual Report, we believe we were presented with an attractive investment opportunity as both the retail sector is out of favour and Pandora has been facing some company specific issues that we believe investors have overreacted to.

Good opportunities often come from unexpected places when investing. There has been a lot of fanfare about Amazon recently (its share price is up 350% over the five years to 31 December 2017), however one of the retailers directly in its cross-hairs, Best Buy (think Noel Leeming or JB Hi Fi), has also been a standout performer (up more than 450% over the same period). Best Buy's share price has rallied strongly as investors stepped out of their depression and decided that the business could potentially still exist and thrive alongside ecommerce competitors.



While we would be unlikely to ever invest in a retailer in a highly competitive space like consumer electronics, it does highlight that investment ideas can come from unexpected places. In the current market it is important to search broadly and look in places that other investors may be neglecting.

Outlook

Views on the market are highly polarised at present. On one hand you have the bulls, who argue that while valuations may be elevated, they are reasonable relative to bonds. We are witnessing synchronised global growth for the first time in many years, unemployment is hitting lows in the US and wages are finally starting to rise, which is encouraging consumers to spend. To top it off, in the US most tax-payers have just received a meaningful tax cut – which should further support economic growth, corporate earnings and the market. Sounds convincing right?

On the other hand, the bears will say that we are in the late stages of a nine-year bull market. Bears will point to pockets of euphoria (e.g. in cryptocurrencies) and elevated inflows into equity funds signalling investor complacency and excess risk taking. Valuations (on some measures) are at levels only ever seen during the dotcom bubble and are unjustified. Valuations should ultimately return to more normal levels – pushing the market lower. Also convincing?

We can see both sides of the argument. The global economy is strong and corporate earnings growth has been picking up, but on the other hand we can also see signs of complacency and excess. Unfortunately as an investor you can never have a definitive answer on where the market will head next - this is the very essence of risk. Even if you have an unfair coin that flips heads 75% of the time (broadly the same percentage as up-years in the share market), it will still land on tails fairly regularly. As investors we need to accept that there will be down years, but in return for bearing this risk, returns in the share market over the long term can be attractive.

2018 has started as a very interesting year in financial markets. Markets marched higher in January (one of the strongest starts to the year since 1987), before correcting sharply and seeing a spike in volatility in early February. While this sharp adjustment comes as a shock after such a long period of low volatility, share market corrections are relatively common and share market investing is often a case of two steps forward, one step back.

With Marlin we manage a fully invested portfolio, meaning we don't try to time the market or hold large cash balances. Instead of trying to time our exit and entry points, we focus our efforts on building a portfolio of great businesses (like Alphabet, Abbott and Mastercard) that we believe will outperform the market and generate good returns over the long run. I look forward to updating you on the businesses you own and the performance of the portfolio later in the year.

Ashley Gardyne
Senior Portfolio Manager
Fisher Funds Management Limited
16 March 2018

Portfolio Holdings Summary as at 31 December 2017

Headquarters	Company	% Holding
Canada	Descartes Systems Group	2.9%
China	Alibaba Group	3.9%
Denmark	William Demant Holding	2.9%
France	Essilor International	4.6%
Germany	Adidas	2.9%
	Fresenius Medical Care	4.3%
Ireland	Icon	2.8%
Israel	Sarine Technologies	1.2%
United States	Abbott Laboratories	3.5%
	Alphabet	6.0%
	Amazon.com	2.4%
	Blackhawk	3.0%
	Cerner Corporation	2.8%
	Cognizant Technology Solutions Corporation	3.9%
	Core Laboratories	2.6%
	eBay	3.7%
	Ecolab	3.0%
	Edwards Lifesciences Corp.	3.9%
	Expedia	3.8%
	Hexcel Corporation	3.5%
	LKQ	4.0%
	Mastercard	4.5%
	PayPal Holdings	5.4%
	Signature Bank	4.0%
	United Parcel Service	3.0%
	Zoetis Inc	3.0%
	Equity Total	**91.5%**
	New Zealand dollar cash	1.4%
	Total foreign cash	6.1%
	Cash Total	**7.5%**
	Forward foreign exchange contracts	1.0%
	TOTAL	**100.0%**

FINANCIAL STATEMENTS
CONTENTS

MARLIN GLOBAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

	Notes	6 months ended 31/12/17 unaudited	6 months ended 31/12/16 unaudited
		$000	**$000**
Interest income		21	17
Dividend income		254	337
Other income/(losses)	1(i)	160	(180)
Net changes in fair value of financial assets and liabilities	1(ii)	12,270	4,841
Total net income		**12,705**	**5,015**
Operating expenses	1(iii)	(1,996)	(1,105)
Operating profit before tax		**10,709**	**3,910**
Tax income/(expense)		90	(337)
Net operating profit after tax attributable to shareholders		**10,799**	**3,573**
Other comprehensive income		0	0
Total comprehensive income after tax attributable to shareholders		**10,799**	**3,573**
Earnings per share			
Basic earnings per share			
Profit attributable to owners of the company ($000)		10,799	3,573
Weighted average number of ordinary shares on issue net of treasury stock ('000)		117,919	115,020
Basic earnings per share		**9.16c**	**3.11c**

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 2017

		Attributable to shareholders of the company		
	Notes	Share Capital	Retained Earnings/ (Accumulated Deficits)	Total Equity
		$000	$000	$000
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				
Dividends paid	2	0	(3,965)	(3,965)
Share buybacks		(77)	0	(77)
Shares issued from treasury stock under dividend reinvestment plan		75	0	75
New shares issued under dividend reinvestment plan		1,574	0	1,574
Shares issued for warrants exercised		1,150	0	1,150
Warrant issue costs		(17)	0	(17)
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**
Balance at 1 July 2017 (audited)		**112,036**	**(6,110)**	**105,926**
Comprehensive income				
Profit for the period		0	10,799	10,799
Other comprehensive income		0	0	0
Total comprehensive income for the period ended 31 December 2017		**0**	**10,799**	**10,799**
Transactions with owners				
Dividends paid	2	0	(4,346)	(4,346)
Share buybacks	2	(2,190)	0	(2,190)
Shares issued from treasury stock under dividend reinvestment plan	2	1,530	0	1,530
New shares issued under dividend reinvestment plan	2	260	0	260
Warrant issue costs	2	(8)	0	(8)
Total transactions with owners for the period ended 31 December 2017		**(408)**	**(4,346)**	**(4,754)**
Balance at 31 December 2017 (unaudited)		**111,628**	**343**	**111,971**

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 2017

	Notes	31/12/17 unaudited	30/06/17 audited
		$000	**$000**
ASSETS			
Current Assets			
Cash and cash equivalents		8,407	4,865
Trade and other receivables		111	150
Financial assets at fair value through profit or loss	3	104,366	103,235
Deferred tax asset		133	0
Total Current Assets		**113,017**	**108,250**
TOTAL ASSETS		**113,017**	**108,250**
LIABILITIES			
Current Liabilities			
Trade and other payables		1,027	1,928
Financial liabilities at fair value through profit or loss	3	19	96
Current tax payable		0	300
Total Current Liabilities		**1,046**	**2,324**
TOTAL LIABILITIES		**1,046**	**2,324**
EQUITY			
Share capital	2	111,628	112,036
Retained earnings/(accumulated deficits)		343	(6,110)
TOTAL EQUITY		**111,971**	**105,926**
TOTAL EQUITY AND LIABILITIES		**113,017**	**108,250**

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

A B Ryan
Chair
19 February 2018

C A Campbell
Chair of the Audit and Risk Committee
19 February 2018

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 2017

	Notes	6 months ended 31/12/17 unaudited	6 months ended 31/12/16 unaudited
		$000	**$000**
Operating Activities			
Cash was provided from:			
- Sale of investments		25,333	14,130
- Interest received		20	17
- Dividends received		268	286
- Other income received		147	0
Cash was applied to:			
- Purchase of investments		(14,272)	(15,076)
- Operating expenses		(2,832)	(502)
- Taxes paid		(343)	(1,012)
- Other losses incurred		0	(252)
Net cash inflows/(outflows) from operating activities	**4**	**8,321**	**(2,409)**
Financing Activities			
Cash was provided from:			
- Proceeds from warrants exercised		0	1,139
Cash was applied to:			
- Warrant issue costs		(8)	0
- Share buybacks		(2,228)	(77)
- Dividends paid (net of dividends reinvested)		(2,551)	(2,322)
Net cash outflows from financing activities		**(4,787)**	**(1,260)**
Net increase/(decrease) in cash and cash equivalents held		**3,534**	**(3,669)**
Cash and cash equivalents at beginning of the period		4,865	6,321
Effects of foreign currency translation on cash balance		8	97
Cash and cash equivalents at end of the period		**8,407**	**2,749**

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 2017

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 19 February 2018.

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 results from operations for the six months ended 31 December 2017.

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 2017. These interim financial statements are unaudited.

The company has applied consistent accounting policies in the preparation of these interim financial statements as for the 2017 full year financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

Critical Judgements, Estimates and Assumptions

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

NOTE 1 — STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 31/12/17 unaudited	6 months ended 31/12/16 unaudited
	$000	**$000**
(i) Other income/(losses)		
Foreign exchange gains/(losses) on cash and cash equivalents	160	(180)
Total other income/(losses)	**160**	**(180)**
(ii) Net changes in fair value of financial assets and liabilities		
Financial assets designated at fair value through profit or loss		
International equity investments	10,536	3,999
Foreign exchange gains on equity investments	3,089	626
Total gains on designated financial assets	**13,625**	**4,625**
Financial assets and liabilities at fair value through profit or loss - held for trading		
(Losses)/gains on forward foreign exchange contracts	(1,355)	216
Total (losses)/gains on financial assets and liabilities held for trading	**(1,355)**	**216**
Net changes in fair value of financial assets and liabilities	**12,270**	**4,841**

NOTE 1 — STATEMENT OF COMPREHENSIVE INCOME CONTINUED

	6 months ended 31/12/17 unaudited	6 months ended 31/12/16 unaudited
	$000	**$000**
(iii) Operating Expenses		
Management fees (note 5)	733	711
Performance fees (note 5)	859	0
Administration services (note 5)	79	80
Directors' fees (note 5)	60	72
Custody, brokerage and transaction fees	119	96
Investor relations and communications	60	67
NZX fees	21	20
Fees paid to the auditor:		
Statutory audit and review of financial statements	17	18
Other assurance services	1	0
Non-assurance services	2	2
Professional fees	27	18
Other operating expenses	18	21
Total operating expenses	**1,996**	**1,105**

Other assurance services relate to a share and warrant register audit. Non-assurance services relate to annual shareholders meeting procedures and performance fee review. No other fees were paid to the auditor during the period (31 December 2016: nil).

NOTE 2 — SHARE CAPITAL

	6 months ended 31/12/17 unaudited	Year ended 30/06/17 audited
	$000	$000
Opening balance	112,036	108,138
Share buybacks held as treasury stock	(2,190)	(529)
Shares issued from treasury stock under the dividend reinvestment plan	1,530	392
New shares issued under the dividend reinvestment plan	260	2,896
New shares issued for new warrants exercised	0	1,139
Warrant issue costs	(8)	0
Closing balance	**111,628**	**112,036**

Ordinary shares

As at 31 December 2017 there were 118,044,713 (30 June 2017: 118,431,288) 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 Marlin warrants were allotted and listed on the NZX Main Board. One 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

908,780 ordinary shares were held as treasury stock at 31 December 2017 (30 June 2017: 165,681).

On 16 October 2017, 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.

Dividends

Marlin has a distribution policy where 2% of average NAV is distributed each quarter. Total dividends per share for the period ended 31 December 2017 were 3.70 cents per share (31 December 2016: 3.44 cents per share). Dividends paid for the period ended 31 December 2017, prior to any reinvestment, totalled $4,345,915 (31 December 2016: $3,965,140). Dividends paid for the period ended 31 December 2017 were 1.83 cents per share on 29 September 2017 and 1.87 cents per share on 22 December 2017.

Dividend reinvestment plan

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 at a 3% discount. During the period ended 31 December 2017, 2,300,828 ordinary shares (December 2016: 2,128,753 ordinary shares) were issued in relation to the plan for the quarterly dividends paid. To participate in the dividend reinvestment plan, a completed participation notice must be received by Marlin before the next record date.

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

	31/12/17 unaudited	30/06/17 audited
	$000	**$000**
Financial assets designated at fair value through profit or loss		
International listed equity investments	103,269	103,047
Financial assets at fair value through profit or loss - held for trading		
Fair value of forward foreign exchange contracts	1,097	188
Total financial assets at fair value through profit or loss	**104,366**	**103,235**
Financial liabilities at fair value through profit or loss - held for trading		
Fair value of forward foreign exchange contracts	19	96
Total financial liabilities at fair value through profit or loss	**19**	**96**

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 ten stocks where the last sale prices were outside the bid-ask spread on 31 December 2017 (30 June 2017: eight) 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 2017 was $44,967,416 (30 June 2017: $40,740,999).

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

	6 months ended 31/12/17 unaudited	6 months ended 31/12/16 unaudited
	$000	**$000**
Net profit after tax	**10,799**	**3,573**
Items not involving cash flows		
Unrealised gain on cash and cash equivalents	(8)	(97)
Unrealised (gains)/losses on revaluation of investments	(3,749)	100
	(3,757)	**3**
Impact of changes in working capital items		
Decrease in fees and other payables	(906)	(1,577)
Decrease in interest, dividends and other receivables	39	629
Change in current and deferred tax	(433)	(675)
	(1,300)	**(1,623)**
Items relating to investments		
Amount paid for purchases of investments	(14,272)	(15,076)
Amount received from sales of investments	25,333	14,130
Realised gains on investments	(8,520)	(4,940)
Decrease in unsettled purchases of investments	0	1,578
Decrease in unsettled sales of investments	0	(54)
	2,541	**(4,362)**
Items classified as financing activities		
Decrease in share buybacks payable	38	0
	38	**0**
Net cash inflows/(outflows) from operating activities	**8,321**	**(2,409)**

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 Management Agreement and having a director in common.

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 2017, no management fee adjustment was necessary (31 December 2016: no adjustment). Management fees for the six months ended 31 December 2017 totalled $732,576 (31 December 2016: $711,007).

A performance fee may be earned by the Manager provided the performance fee hurdle and a high water mark test have been met. A performance fee of $858,863 has been accrued for the six months ended 31 December 2017 (31 December 2016: nil and 30 June 2017: $1,645,381). This performance fee will only be payable if the performance criteria are met for the whole year.

Fisher Funds provides administration services to Marlin and during the six month period ended 31 December 2017 payments totaling $79,350 were made (31 December 2016: $80,002).

The amount payable to Fisher Funds at 31 December 2017 in respect of management fees, performance fees and administration services was $994,352 (31 December 2016: $131,647 and 30 June 2017: $1,787,632).

Fisher Funds held shares in the company at 31 December 2017 which total 1.08% of the total shares on issue (31 December 2016: 0.70% and 30 June 2017: 0.69%). Dividends were also received by Fisher Funds as a result of its shareholding.

NOTE 5 — RELATED PARTY INFORMATION CONTINUED

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 2017, off-market transactions between Marlin and other funds managed by Fisher Funds totalled nil for purchases and $488,980 for sales (31 December 2016: nil for purchases, nil for sales).

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 the company at 31 December 2017 which total 0.70% of total shares on issue (31 December 2016: 0.43% and 30 June 2017: 0.43%). Dividends were also received by the directors as a result of their shareholding. The directors did not receive any other benefits which may have necessitated disclosure under *NZ IAS 24*.

NOTE 6 — NET ASSET VALUE

The unaudited net asset value of Marlin as at 31 December 2017 was $0.95 per share (31 December 2016: $0.83 per share unaudited, 30 June 2017: $0.89 per share audited).

NOTE 7 — SUBSEQUENT EVENTS

On 19 February 2018 the Board declared a dividend of 1.93 cents per share. The record date for this dividend is 15 March 2018 with a payment date of 29 March 2018.

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

Independent review report

to the shareholders of Marlin Global Limited

Report on the Interim Financial Statements

We have reviewed the accompanying interim financial statements of Marlin Global Limited (the Company) on pages 17 to 28, which comprise the statement of financial position as at 31 December 2017, 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 notes to the interim financial statements.

Directors' responsibility for the interim financial statements

The Directors are responsible on behalf of the Company for the preparation and presentation of these interim financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34) and for such internal control as the Directors determine is necessary to enable the preparation of interim 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 interim 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 interim 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 interim 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 interim financial statements.

We are independent of the Company. Other than in our capacity as auditor, we have no relationship with, or interests in, the Company.

Conclusion

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

Who we report to

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
19 February 2018

Auckland

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NOTES

DIRECTORY

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
Jody Kaye

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

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

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

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

Auditor
PricewaterhouseCoopers
188 Quay Street
Auckland 1010

Solicitor
Bell Gully
Level 21, Vero Centre
48 Shortland Street
Auckland 1010

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

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
Level 1, 67 – 73 Hurstmere Road, Takapuna, Auckland 0622
Private Bag 93502, Takapuna, Auckland 0740
Phone: +64 9 484 0365 | Fax: +64 9 489 7139 | Email: enquire@marlin.co.nz

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.

marlin

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