

Barramundi
LANDING TOMORROW'S TROPHIES



2017

interim report

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016



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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 Barramundi Limited by Alistair Ryan, Chair, and Carmel Fisher, Director.

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 Barramundi portfolio achieved a return of +2.7%* for the six months to 31 December 2016, lagging the benchmark[^] which was up +10.6% over the period. The benchmark index was buoyed by the mining and financial services sectors that rallied in response to a strong recovery in commodity prices and expectations of improved global growth following the election of Donald Trump in the US.

First Half Result (six months ended 31 December 2016)

Barramundi achieved a net profit of \$1.1m for the first half of the 2017 financial year, down on the pleasing net profit of \$4.5m for the same period last year.

Shareholders enjoyed better returns than the underlying portfolio due to a narrowing of the share price discount to net asset value and the company's distribution policy. Total shareholder return, which includes the change in the share price, dividends paid per share and the impact of warrants, was +8.6% for the six months.

12 Month Result (12 months ended 31 December 2016)

In the 12 months ended 31 December 2016, Barramundi recorded a net profit of \$2.1m, markedly lower than the corresponding year's net profit of \$11.1m.

For the 12 months ended 31 December 2016, shareholders received a total shareholder return of +12.1%, including 5.54 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 that in four of the five periods to 31 December, total shareholder return has been positive. Shareholders have also received a consistent dividend over this period.

Share Price and Dividends

Barramundi's share price closed at \$0.64 on 31 December 2016, slightly up from \$0.62 at 30 June 2016. Over the six month period the share price traded in a range between \$0.62 and \$0.67.

Barramundi continues to distribute 2.0% of average net asset value per quarter. Over the six month period to 31 December 2016, Barramundi paid 2.79 cents per

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

[^] Benchmark index: S&P/ASX 200 Index (hedged 70% to NZD)

Alistair Ryan,
Chair.



Directors' Overview continued

share in dividends (1.40 cents per share on 30 September 2016 and 1.39 cents per share on 22 December 2016). The next dividend will be 1.30 cents per share to be paid on 31 March 2017 with a record date of 16 March 2017.

Barramundi 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 Barramundi before the next record date. Full details of the dividend reinvestment plan can be found in the Barramundi Dividend Reinvestment Plan Offer Document, a copy of which is available at www.barramundi.co.nz/investor-centre/capital-management-strategies/.

Shareholders who invested \$1 per share when Barramundi listed in October 2006 have now received back \$0.49 per share in dividends. Those shareholders who reinvested their dividends and exercised their warrants have received a total shareholder return of 35.6% since inception, equivalent to 3.0% after tax on an annualised basis.

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

Revenues and Expenses

The key components of the first half result were gains on investments of \$1.4m, dividend and interest income of \$1.3m, less operating expenses and tax of \$1.6m. The result also includes a \$0.6m foreign exchange loss which was offset by currency hedge gains of \$0.6m.

Operating expenses were higher by \$214k than the corresponding period mainly due to increased brokerage resulting from trading activity and higher management fees due to higher average portfolio values for the six months.

Warrants

Warrants continue to be an important part of Barramundi's overall capital management programme. The Board announced a new issue of warrants to shareholders in November 2016. The warrants give holders the right, but not the obligation, to purchase additional shares in Barramundi at an exercise price of \$0.63, less dividends declared between 22 November 2016 and 24 November 2017. The exercise date for Barramundi warrants is 24 November 2017. The final exercise price will be announced and an exercise form will be sent to warrant holders as soon as reasonably practicable after 29 September 2017. All warrants must be exercised by 24 November 2017 or they will lapse. Warrants are quoted on NZX Main Board as BRMWD and may be bought or sold independently of Barramundi shares.

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 Barramundi Board and a member of the Board sub-committees, including the Barramundi Investment Committee. The Barramundi Board has enjoyed working with Carmel over the years, and is looking forward to her continued involvement with Barramundi in her capacity as company director.

Conclusion

The six months to 31 December 2016 saw a positive result for shareholders despite the portfolio's limited exposure to the mining and financial sectors that proved popular during the period.

The Board is pleased at the Manager's continued focus on investing in quality companies. The Barramundi portfolio aims to deliver good returns over the medium to long term, regardless of short term changes in the markets moods and preferences, such as those experienced in the interim period.

More details on the portfolio and individual portfolio holdings are included in the Manager's Report.

On behalf of the Board,



Alistair Ryan

Chair

Barramundi 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	8.6%	(2.7%)	4.6%	6.3%	15.1%
Dividend Return	4.5%	4.1%	4.3%	4.7%	4.9%
Basic Earnings per Share	0.77 cps	3.51 cps	1.36 cps	(1.66 cps)	11.66 cps
Adjusted NAV Return ¹	1.1%	5.1%	1.9%	(2.2%)	16.2%

As at 31 December	2016	2015	2014	2013	2012
NAV ¹	\$0.65	\$0.70	\$0.67	\$0.75	\$0.81
Adjusted NAV ¹	\$1.30	\$1.27	\$1.12	\$1.15	\$1.13
Share Price	\$0.64	\$0.63	\$0.64	\$0.69	\$0.67
Warrant Price	\$0.02	\$0.01	-	-	-
Share Price Discount to NAV (including warrant price on pro-rated basis)	1.2%	9.9%	4.7%	8.3%	17.3%

Manager Performance

Six month period ended 31 December	2016	2015	2014	2013	2012
Gross Performance ²	2.7%	7.7%	4.1%	0.4%	18.3%
Benchmark Index ³	10.6%	2.7%	1.5%	5.4%	11.7%

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: S&P/ASX Small Ords Industrial Gross Index until 30 September 2015 & S&P/ASX 200 Index (hedged 70% to NZD) from 1 October 2015

Comparative information

Barramundi'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 Barramundi (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)

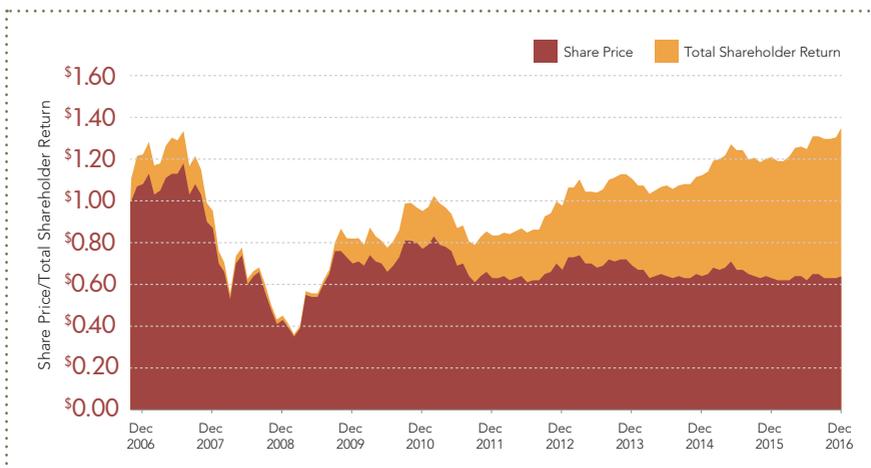
The TSR combines the share price performance, the warrant price performance (when warrants are on issue), the net value of converting warrants into shares and dividends paid to shareholders.

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

Over the second half of 2016, the Barramundi portfolio's gross performance was up 2.7%*, comparing unfavourably with the fund benchmark^ — up 10.6% in New Zealand dollars. The Australian share market was strong on significant rallies in financials and resources; sectors in which Barramundi typically has relatively low levels of exposure. There was a small positive result from the foreign exchange hedge although the New Zealand Dollar traded relatively tightly to its Australian counterpart over the period.

The under-performance of the Barramundi portfolio versus the Australian market is mainly explained by how our investment approach affects the kinds of companies we like. We prefer investing in companies whose strengths allow them some power in setting the prices for the goods and services they sell. Generally, we are averse to investing in companies dependent on prices beyond their influence. This determines how the Barramundi portfolio differs from the Australian market. The portfolio has a greater exposure to companies in the healthcare, consumer, industrial and technology sectors, and a lesser exposure to miners and banks.

Our sector positioning has been favourable over the past few years as miners and banks sold off. However, 2016 saw a reversal in investor appetite. The shares of miners followed a rapid rise in commodity prices, while a changing interest rate outlook, combined with the easing of regulatory pressure, saw banking shares stage a strong comeback. Financials and miners comprise around 60% of the Australian market, so their rally attracts an immense volume of money, which is generated by selling in the other sectors. As a result, the portfolio suffered the twin effects of weakness in the sectors where we typically have large exposure and strength in the sectors where we tend to have limited exposure.

Throughout the second half of 2016, the Australian economy continued to show encouraging signs. Strong house prices in Sydney and Melbourne, a falling unemployment rate and benign inflation saw consumer sentiment remain robust. The successful rebalancing of the economy away from the mining sector continued, with strong growth in residential investment and consumer spending. In China an increase in government infrastructure spending and a resurgent property market drove demand for Australia's commodity exports, while restrictions in production limited their supply. The net result was a recovery in commodity prices that was nothing short of spectacular. Expectations for a rebound in global growth followed Donald Trump's victory in the US election, further fuelling bullishness for lenders and commodity producers.

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

^ Blended index: S&PIASX 200 Index (hedged 70% to NZD)

Portfolio Changes

Over the period we added three new companies to the portfolio, and exited eight holdings. In our last interim review, we highlighted the increasing attractiveness of the mining sector. Barramundi has historically avoided investing in miners because they are ‘price takers’ meaning no miner can influence the price of the commodities it sells. However, profits are determined as much by low costs as by high prices. Those miners with the lowest production costs earn higher profits in the good times, and remain viable when commodity prices are weak. Analysing a company’s cost advantage is key for the moat investor looking to invest in a mining company. Size is important, as larger mines produce more for a given cost. The amount of metal per tonne of rock dug up is called the “grade”. Higher grades offer greater sales potential. The ease with which miners can extract valuable metals from rocks is referred to as the metallurgy. Simple metallurgy means lower production costs. Finally, having mines close to customers reduces transport costs. The best miners are large, work high grade deposits with simple metallurgy, and are close to key customers.

Australia has a large mining sector, but only a few of the miners meet our quality criteria. During September we added **Rio Tinto** to our portfolio. The business has among the lowest production costs in the copper and iron ore markets, and has been a great profit generator over the long term. Changes in the global economy have improved the prospects of an upturn in demand for metals going forward, creating an attractive earnings outlook for the best quality miners.

We are particularly excited by companies that make their customers more successful. The growth in online sales and global trade has created a great opportunity for freight-forwarders, but also presented them with greater complexity and a significant regulatory compliance burden. The freight forwarding sector is highly fragmented, very competitive, and companies earn slim profit margins, making cost effectiveness and operational efficiency critical to success.

New portfolio addition **WiseTech Global’s** leading technology, CargoWise One, saves customers money, improves their productivity, and helps them

“The shares of miners followed a rapid rise in commodity prices, and a changing interest rate outlook combined with the easing of regulatory pressure, saw banking shares stage a strong comeback.”

*Manuel Greenland,
Senior Portfolio Manager.*



Manager's Report continued

comply with regulations. This technology is critical to operations, making it very expensive for clients to switch to competing products. Every new customer using CargoWise One enhances the value of the system to other potential customers. WiseTech is an early leader in the segment, making for significant growth prospects should the company retain its position in the sphere.

The **Commonwealth Bank of Australia** ("CBA") is ideally positioned to benefit from a number of changing dynamics in Australia. Higher commodity prices have had several positive effects; loans to miners are now more likely to be repaid, as are those to other borrowers in Western Australia and Queensland. Incomes and tax collections are set to rise and businesses may begin to borrow and invest again. Rising interest rates are positive for the earnings of banks, as are the cost-cutting efforts of CBA itself. Regulators in Australia appear to have softened their stance towards banks, making capital raisings and dividend cuts less likely. Given the improved outlook, we thought it an opportune time to add this quality company to our long-term holdings in the banking sector.

Bapcor has been a very profitable portfolio holding over time. The business has grown from a trade-focussed local auto-parts supplier, to service both trade and retail customers across Australia. Anticipating the challenge that integrating its assembly of new businesses may present, we exited Bapcor choosing to take profit on the position for now.

When we first bought it, we believed that as Australia's largest insurer **Medibank** was critical to meeting the country's growing medical bill. Over the medium term we envisaged a larger, more efficient and more profitable company. In fact, Medibank delivered far more quickly than we expected, and we chose to exit on this strength. Going forward we are particularly encouraged by the reputation and record of new CEO Craig Drummond, and Medibank may well be part of the portfolio again in the future.

After enduring a significant loss on **Henderson Group** last year, the share recovered its fall when the company announced a merger with global giant, Janus Capital. We had anticipated that Henderson's distribution advantages and unique savings solutions might make it an acquisition target, and were pleased to exit the position on this strength.

We exited our position in accounting software company **MYOB** as it was not delivering on our investment thesis. Two years after first investing in MYOB we were not seeing sufficient delivery of subscriber growth. We could not rule out that challenger Xero is out-competing MYOB for new customers. MYOB has a large sticky customer base and will have a long time to resuscitate growth in its franchise, but we prefer to see clear indications of emerging competitiveness before investing for that journey.

We exited **Vocus Communications** when the company reported results we could not reconcile with a meeting we had with management just months prior. We exited **Regis Healthcare** when the company's vulnerability to regulated pricing caused significant earnings downgrades; we cannot say a company is strong when its prospects are determined by the stroke of a regulator's pen. We sold out of **Aconex** on some ambiguity

in its reported results combined with perplexing sales of the company's shares by senior management. We completed our exit of **CSG** having made a substantial profit on the position as our original investment thesis fully played out.

Key Portfolio News

APN Outdoor and **Ooh! Media** announced a proposed merger of equals. In our last interim report we wrote, "We chose to own both businesses because they are complementary, with APN Outdoor dominating billboards and transit locations, and Ooh! Media dominating shopping precincts. In combination the two enjoy strong market share, ensuring they compete rationally for sites and advertising dollars". Clearly we support the business combination. Should the Australian competition authorities approve the merger, we expect the resulting company to be very competitive in a growing sector.

Reliance Worldwide announced a deal making it the sole supplier of push-to-connect plumbing fittings to Lowe's, a leading US retailer. The deal puts Reliance's "SharkBite" brand into 1700 new stores, improving the brand's penetration and allowing it to win share. However simultaneously, Reliance's previously exclusive relationship with The Home Depot changed. Going forward The Home Depot can sell products which compete with SharkBite. As The Home Depot accounts for around a third of Reliance's sales, any indication of deterioration in the relationship between the two is unwelcome. Balancing the benefits of the new Lowe's relationship, with the risks from changes in The Home Depot relationship, we chose to reduce our position in Reliance.

In October, **Tox Free Solutions** announced the acquisition of Daniels Health Australia. Daniels is Australia's leading medical waste services provider. Its services include medical waste collection, particularly the treatment of sharp medical instruments. We view the acquisition positively as it is consistent with Tox's strategic focus on the treatment of specialist waste streams, and further diversifies Tox away from the Western Australian resources sector.

“Our response to changing global dynamics, and domestic investor preferences, is straightforward; we will take advantage of weakness in the share prices of our preferred businesses to own more of them. Long-term investment success demands the discipline to stick to a proven strategy even when it is temporarily out of favour, and the balance to sensibly diversify risk at challenging moments.”

*Carmel Fisher,
Managing Director.*



Manager's Report continued

We love companies that can compound your capital by reinvesting in their core businesses and widening their moats. Under its current management, **Credit Corp** has been a striking example. It has continually strengthened its leading position in Australian debt ledger purchasing and over the past five years has built a niche consumer lending business that is generating attractive returns on capital. Its fledgling US debt ledger purchasing operation is now also showing signs of gaining traction; providing a further opportunity to deploy capital and deliver growth over the years ahead. Having grown profits by 20% over the 2016 financial year, Credit Corp is guiding for a further 15%-20% increase this year.

Outlook and Strategy

In 2017, we will see the 19th National Congress of the Communist Party of China held in Beijing, shaping the new leadership and future of China. While investor focus is currently on the short-term sustainability of the recovery in Chinese demand and commodity prices, the more relevant test is likely to be the extent of further Chinese political and economic reform.

In the US, leadership of the world's largest economy and most powerful military has changed hands. Britain looks set to exit the European Union. Three key Eurozone countries, France, Germany and the Netherlands, will hold elections in which a multi-decade consensus on the free movement of capital, goods and people will be tested.

By comparison, Australia looks relatively stable. The economy has proven itself by successfully rebalancing away from the mining sector and growing in other areas. Commodity prices have rebounded powerfully providing support to incomes, confidence, employment and inflation. However, a more positive outlook has not been unequivocally positive for the Barramundi portfolio. Investor affection has shifted away from the stable companies with reliable earnings which we prefer, toward more risky companies whose earnings may rise with a general improvement in conditions.

Our response to changing global dynamics, and domestic investor preferences, is straightforward; we will take advantage of weakness in the share prices of our preferred businesses to own more of them. Long-term investment success demands the discipline to stick to a proven strategy even when it is temporarily out of favour, and the balance to sensibly diversify risk at challenging moments. Our focus remains on the growing value of the Barramundi portfolio by investing in strong companies that will succeed over time.



Manuel Greenland
Senior Portfolio Manager
Fisher Funds Management Limited
6 March 2017



Carmel Fisher
Managing Director
Fisher Funds Management Limited
6 March 2017

Portfolio Holding Summary as at 31 December 2016

Company	% Holding
Ansell	3.0%
APN Outdoor	2.8%
AUB Group	3.0%
Brambles	5.5%
Carsales	5.4%
Coca-Cola Amatil	2.2%
Commonwealth Bank of Australia	2.5%
Credit Corp	1.9%
CSL	5.5%
Domino's Pizza	2.9%
Gateway LifeStyle Group	1.8%
Ingenia Communities	2.3%
Link Administration	2.0%
Nanosonics	2.1%
National Australia Bank	4.7%
Ooh! Media	2.4%
Ramsay Health Care	6.5%
Reliance Worldwide Corp	3.2%
ResMed	5.1%
Rio Tinto Limited	3.4%
SEEK	5.2%
Sonic Healthcare	3.2%
Technology One	3.4%
Toxfree Solutions	3.3%
Westpac	4.2%
Wise Tech Global	1.5%
Equity Total	89.0%
Australian dollar cash	9.9%
New Zealand dollar cash	0.8%
Cash Total	10.7%
Centrebet rights	0.3%
Forward foreign exchange contracts	0.0%
TOTAL	100.0%



Independent Review Report

to the shareholders of Barramundi Limited

Report on the Interim Financial Statements

We have reviewed the accompanying financial statements of Barramundi Limited (the Company) on pages 15 to 26, 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:

Chartered Accountants
20 February 2017

Auckland

Barramundi 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		69	79
Dividend income		1,236	1,403
Other losses	1(i)	(131)	(492)
Net changes in fair value of financial assets and liabilities	1(ii)	1,500	5,570
Total net income		2,674	6,560
Operating expenses	1(iii)	(1,261)	(1,047)
Operating profit before tax		1,413	5,513
Total tax expense		(300)	(1,046)
Net operating profit after tax attributable to shareholders		1,113	4,467
Other comprehensive income		0	0
Total comprehensive income after tax attributable to shareholders		1,113	4,467
Earnings per share			
Basic earnings per share			
Profit attributable to owners of the company (\$'000)		1,113	4,467
Weighted average number of ordinary shares on issue net of treasury stock ('000)		145,051	127,088
Basic earnings per share		0.77c	3.51c
Diluted earnings per share			
Profit attributable to owners of the company (\$'000)		1,113	4,467
Weighted average number of ordinary shares on issue net of treasury stock ('000)		145,051	127,088
Diluted effect of warrants on issue ('000)		289	93
		145,340	127,181
Diluted earnings per share		0.77c	3.51c

The Notes to the Interim Financial Statements set out on pages 19 to 26 should be read in conjunction with this Statement of Comprehensive Income.

Barramundi Limited

STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2016

	Attributable to shareholders of the company				
	Notes	Share Capital	Performance Fee Reserve	Accumulated Deficits	Total Equity
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2015 (audited)		116,194	68	(28,246)	88,016
Comprehensive income					
Profit for the period		0	0	4,467	4,467
Other comprehensive income		0	0	0	0
Total comprehensive income for the period ended 31 December 2015		0	0	4,467	4,467
Transactions with owners					
Share buybacks		(9)	0	0	(9)
Prior year Manager's performance fee settled with ordinary shares		68	(68)	0	0
Dividends paid	2	0	0	(3,517)	(3,517)
Dividends reinvested		1,295	0	0	1,295
Total transactions with owners for the period ended 31 December 2015		1,354	(68)	(3,517)	(2,231)
Balance at 31 December 2015 (unaudited)		117,548	0	(27,296)	90,252
Balance at 1 July 2016 (audited)		127,419	0	(30,087)	97,332
Comprehensive income					
Profit for the period		0	0	1,113	1,113
Other comprehensive income		0	0	0	0
Total comprehensive income for the period ended 31 December 2016		0	0	1,113	1,113
Transactions with owners					
Share buybacks	2	(203)	0	0	(203)
Warrant issue costs	2	(19)	0	0	(19)
Dividends paid	2	0	0	(4,043)	(4,043)
Dividends reinvested	2	1,514	0	0	1,514
Total transactions with owners for the period ended 31 December 2016		1,292	0	(4,043)	(2,751)
Balance at 31 December 2016 (unaudited)		128,711	0	(33,017)	95,694

The Notes to the Interim Financial Statements set out on pages 19 to 26 should be read in conjunction with this Statement of Changes in Equity.

Barramundi Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	31/12/16 unaudited	30/06/16 audited
ASSETS		\$000	\$000
Current Assets			
Cash and cash equivalents		10,309	4,780
Trade and other receivables		123	186
Financial assets at fair value through profit or loss	3	85,442	93,056
Total Current Assets		95,874	98,022
Non-current Assets			
Other receivable		241	287
Total Non-current Assets		241	287
TOTAL ASSETS		96,115	98,309
LIABILITIES			
Current Liabilities			
Trade and other payables		171	400
Current tax payable		250	491
Financial liabilities at fair value through profit or loss	3	0	48
Total Current Liabilities		421	939
Non-current Liabilities			
Deferred tax liability		0	38
Total Non-Current Liabilities		0	38
TOTAL LIABILITIES		421	977
EQUITY			
Share capital	2	128,711	127,419
Accumulated deficits		(33,017)	(30,087)
TOTAL EQUITY		95,694	97,332
TOTAL EQUITY AND LIABILITIES		96,115	98,309

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 19 to 26 should be read in conjunction with this Statement of Financial Position.

Barramundi 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			
<i>Cash was provided from:</i>			
- Sale of investments		37,867	12,084
- Interest received		67	83
- Dividends received		1,374	1,570
- Other income		0	159
<i>Cash was applied to:</i>			
- Purchase of investments		(29,042)	(12,678)
- Operating expenses		(1,272)	(1,252)
- Taxes paid		(579)	(49)
- Other losses		(87)	0
Net cash inflows/(outflows) from operating activities	4	8,328	(83)
Financing Activities			
<i>Cash was provided from:</i>			
- Manager's application of the performance fee to purchase ordinary shares		0	68
<i>Cash was applied to:</i>			
- Warrant issue costs		(19)	0
- Share buybacks		(203)	(9)
- Dividends paid (net of dividends reinvested)		(2,529)	(2,222)
Net cash outflows from financing activities		(2,751)	(2,163)
Net increase/(decrease) in cash and cash equivalents held		5,577	(2,246)
Cash and cash equivalents at beginning of the period		4,780	9,130
Effects of foreign currency translation on cash balance		(48)	(625)
Cash and cash equivalents at end of the period		10,309	6,259

All cash balances comprise short-term cash deposits.

The Notes to the Interim Financial Statements set out on pages 19 to 26 should be read in conjunction with this Statement of Cash Flows.

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Barramundi Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2016

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General Information

Entity Reporting

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

Legal Form and Domicile

Barramundi is incorporated and domiciled in New Zealand.

The company is a limited liability company, incorporated under the Companies Act 1993 on 8 September 2006.

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 26 October 2006.

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

Authorisation of Interim Financial Statements

The Barramundi 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.

Barramundi 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 2.82 to 3.51 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	(131)	(492)
Total other losses	(131)	(492)
(ii) Net Changes in Fair Value of Financial Assets and Liabilities		
<i>Financial assets designated at fair value through profit or loss</i>		
Australian equity investments	1,372	6,602
Foreign exchange losses on equity investments	(463)	(4,600)
Total gains on designated financial assets	909	2,002
<i>Financial assets at fair value through profit or loss — held for trading</i>		
Gains on forward foreign exchange contracts	591	3,568
Total gains on financial assets and liabilities held for trading	591	3,568
Net changes in fair value of financial assets and liabilities	1,500	5,570

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)	714	629
Custody, brokerage and transaction fees	241	118
Administration services (note 5)	80	80
Directors' fees	72	72
Investor relations and communications	76	83
NZX fees	20	18
Fees paid to the auditor:		
Statutory audit and review of financial statements	17	15
Other assurance services	0	1
Non-assurance services	2	2
Professional fees	24	15
Other operating expenses	15	14
Total operating expenses	1,261	1,047

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).

Barramundi 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	127,419	116,194
New shares issued for warrants exercised	0	9,053
Warrant issue costs	(19)	0
Share buybacks held as treasury stock	(203)	(573)
New shares issued under the dividend reinvestment plan	1,319	2,128
Shares issued from treasury stock under the dividend reinvestment plan	195	549
Manager's performance fee settled with ordinary shares	0	68
Closing balance	128,711	127,419

Ordinary Shares

As at 31 December 2016 there were 146,762,446 (30 June 2016: 144,623,221) fully paid Barramundi 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 22 November 2016, 36,471,368 new Barramundi 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 (21 November 2016). The warrants are exercisable at \$0.63 per warrant, adjusted down for dividends declared during the period up to the exercise date of 24 November 2017. Warrant holders can elect to exercise some or all of their warrants on the exercise date subject to a minimum exercise of 500 warrants.

Treasury stock

On 2 November 2016, Barramundi 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 net cost of treasury stock 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 \$185,951 (30 June 2016: \$177,762) 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 2.79 cents per share (31 December 2015: 2.77 cents per share). Dividends paid for the period ended 31 December 2016, and prior to any reinvestment totalled \$4,043,464 (31 December 2015: \$3,517,536).

Note 3 — Financial Assets and Liabilities at Fair Value Through Profit or Loss

	31/12/16 unaudited	30/06/16 audited
<i>Financial assets designated at fair value through profit or loss</i>	\$000	\$000
Australian listed equity investments	85,145	93,056
<i>Financial assets at fair value through profit or loss — held for trading</i>		
Fair value of forward foreign exchange contracts	297	0
Total financial assets at fair value through profit or loss	85,442	93,056
<i>Financial liabilities at fair value through profit or loss — held for trading</i>		
Fair value of forward foreign exchange contracts	0	48
Total financial liabilities at fair value through profit or loss	0	48

Although Australian 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.

Australian listed equity investments designated at fair value through profit or loss are valued using last sale prices from an active market and 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 \$47,258,239 (30 June 2016: \$47,461,675).

Barramundi Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED
For the six months ended 31 December 2016Note 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	1,113	4,467
Items not involving cash flows		
Unrealised loss on cash and cash equivalents	48	625
Unrealised losses / (gains) on revaluation of investments	1,562	(6,524)
	1,610	(5,899)
Impact of changes in working capital items		
Decrease in fees and other payables	(229)	(105)
Decrease in interest, dividends and other receivables	63	1,387
Change in current and deferred tax	(279)	997
	(445)	2,279
Items relating to investments		
Net amount received / (paid) for investments	8,825	(594)
Realised (gains) / losses on investments	(3,062)	954
Decrease in unsettled purchases of investments	228	0
Increase / (decrease) in unsettled sales of investments	59	(1,222)
	6,050	(862)
Other		
Performance fee settled by issue of shares	0	(68)
	0	(68)
Net cash inflows/(outflows) from operating activities	8,328	(83)

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 Barramundi 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 each year 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 \$714,173 (31 December 2015: \$628,653).

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 \$129,185 (31 December 2015: \$122,009 and 30 June 2016: \$117,062).

The Manager held shares and warrants in, and received dividends from, the company at 31 December 2016 which total 0.4% of the total shares on issue (30 June 2016: 0.4%) and 0.4% of total warrants on issue (30 June 2016: nil).

Barramundi Limited**NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED**
For the six months ended 31 December 2016

Note 5 — Related Party Information continued

The directors of Barramundi 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 and warrants in, and received dividends from, the company at 31 December 2016 which total 1.48% of total shares on issue (30 June 2016: 1.49%) and 1.49% of total warrants on issue (30 June 2016: nil). The directors did not receive any other benefits which may have necessitated disclosure under *NZ IAS 24* (paragraph 16).

Note 6 — Net Asset Value

The unaudited net asset value of Barramundi as at 31 December 2016 was \$0.65 per share (31 December 2015: \$0.70 per share unaudited, 30 June 2016: \$0.67 per share audited).

Note 7 — Subsequent Events

At 15 February 2017, the unaudited net asset value of the company was \$0.65 per share and the share price was \$0.64.

On 20 February 2017 the Board declared a dividend of 1.30 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 Barramundi is investment in growing Australian companies.

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 Barramundi contact

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Printed onto Advance laser, which is produced from Elemental Chlorine Free (ECF) pulp from virgin wood. This wood is sourced from managed farmed trees in an ISO14001 and ISO9001 (International Quality Management Standard) accredited mill, that generates a portion of their power from tree waste, saving 200 million litres of diesel oil annually.