

For immediate release:

19 February 2018

### **Barramundi reports \$12.7m Interim Net Profit**

- **Gross performance return +14.8%**
- **Total shareholder return +6.7%**
- **2.61cps dividends paid**

The Barramundi portfolio delivered strongly during first half FY18, achieving a gross performance return of nearly 15% and a net profit after tax of \$12.7m.

Barramundi outperformed its market index<sup>1</sup> for the period lifting 14.8% compared to 10.2% for the index<sup>1</sup>. This is an excellent result for shareholders in the Australian listed equities investment company, especially given the restrained performance of the Australian market over recent years.

As stated above, this is an excellent result for Barramundi shareholders. While market conditions have definitely been favourable to Australian equities, the Barramundi portfolio has outperformed, returning good results for shareholders who have backed the Fisher Funds STEEPP portfolio approach.

In accordance with Barramundi's consistent 8% per annum managed distribution policy, the company will pay a partially imputed dividend of 1.38 cents per share to shareholders on 29 March, taking total dividends for the year to date (three of four quarterly payments per annum) to just under 4 cents per share.

Barramundi has a number of capital initiatives in place (share buybacks, warrants programme, managed distribution policy) designed to help reduce the discount between share price and the net asset value of the portfolio. Nevertheless, at market close on 16 February there was still a significant gap between price (\$0.58) and net asset value (\$0.67). This discount does however present an opportunity for Barramundi to acquire its own shares and the company took advantage of the discount between net asset value and share price by acquiring 2.6m shares during the period.

41% of Barramundi warrants were exercised and converted into shares on 24 November 2017, bringing in an additional \$8.6m which has been invested across the portfolio. The board believes warrants are viewed favourably by shareholders and monitors a range of factors, including the discount levels, to determine the potential timing for a further warrants issue.

As at 31 December 2017, the Barramundi portfolio was valued at \$99.7m plus cash on hand of \$12.6m. Barramundi'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. Acquisitions during the month of January 2018 meant that the invested percentage had moved back above the 90% level by close of month.

The key components of the 2018 interim result were gains on financial assets of \$12.5m, dividend and interest income of \$1.5m, a tax benefit of \$0.7m, offset by operating expenses and tax of \$2.0m.

Barramundi's Chair, Alistair Ryan, said "Barramundi's focus on quality, growth Australian companies has provided good returns during the half year period. The Manager has not compromised its rigorous approach to stock selection and retention that aligns with its long-established STEEPP criteria, which has provided robust returns to the Barramundi portfolio."

Barramundi's Acting Portfolio Manager (and Fisher Funds' Chief Investment Officer), Frank Jasper said, "Sticking to our focus of investing in high quality, growth companies has paid off in the six months to 31 December 2017 with Barramundi's investments in technology companies such as WiseTech, Carsales.com and NextDC all gaining to new highs. It was also pleasing to receive a takeover offer for long time portfolio holding Toxfree Solutions in December. While we don't invest in anticipation of a takeover, it is a good outcome when other companies also recognise the quality of a portfolio holding and we can exit at an attractive price."

For further information please contact:

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<sup>1</sup> S&P/ASX 200 Index (hedged 70% to NZD)

*The adjusted net asset value, gross performance return and total shareholder return methodologies are described in the Barramundi Non-GAAP Financial Information policy. A copy of the policy is available at <http://www.barramundi.co.nz/about-barramundi/barramundi-policies/>*

#### **About Barramundi**

Barramundi is a listed investment company that invests in growing Australian companies. The Barramundi portfolio is managed by Fisher Funds, a specialist fund manager with a track record of successfully investing in growth company shares. The aim of Barramundi is to offer investors competitive returns through capital growth and dividends, and access to a diversified portfolio of investments through a single, tax-efficient investment vehicle. Barramundi listed on the NZX Main Board on 26 October 2006 and may invest in companies listed on the Australian Securities Exchange (with a primary focus on those outside the top 20 at the time of investment) or unlisted companies.