KINGFISH LIMITED INTERIM REPORT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

CONTENTS

CALENDAR

Next dividend payable

21 DECEMBER 2018

Financial year end

31 MARCH 2019

This report is dated 14 December 2018 and is signed on behalf of the Board of Kingfish Limited by Alistair Ryan, Chair, and Carmel Fisher, Director.

Alistair Ryan

Alistair Ryan / Chair

Carmel Fisher / Director

6 MONTHS ENDED 30 SEPTEMBER 2018

ADJUSTED NAV RETURN

+11.1%

NET PROFIT

$31.0m

TOTAL SHAREHOLDER RETURN

+12.1%

BEST PERFORMING INVESTMENT

VISTA GROUP

+36%

Share price increase plus dividends

DIVIDENDS PAID

29 JUNE 2018

2.89 cents per share

28 SEPTEMBER 2018

3.00 cents per share

AS AT 30 SEPTEMBER 2018

NAV PER SHARE

$1.54

SHARE PRICE

$1.39

SHARE PRICE DISCOUNT TO NAV

8.6%

(including warrant price on a pro-rated basis)

DIRECTORS' OVERVIEW

Alistair Ryan
Chair

"The Board is pleased with the strong first half for the 2019 financial year both in terms of portfolio performance and returns to shareholders."

The S&P/NZX50G continued its ascent over the six months to 30 September 2018 up +12.4%. Strong performances from Vista Group, Ryman Healthcare, Mainfreight, Delegat Group and Auckland International Airport helped to drive the rise of the New Zealand market which followed the upwards trend of global equity markets. In this supportive environment, Kingfish continued to perform well delivering an adjusted NAV return of +11.1%, (return to shareholders after fees and tax) which translated to a strong net profit result of $31.0m.

The net profit of $31.0m for the six months ended 30 September 2018 was another strong result for Kingfish, well up on the previous corresponding period net profit of $18.9m. The key components of the first half result were gains on investments of $31.6m, dividend and interest income of $3.8m less operating expenses and tax of $4.4m.

Management fees were higher over the period due to an increase in the portfolio's gross asset value. Performance fees of $1.9m have been accrued for the six months, compared to $96k in the comparative 2017 period. These two fee increases account for the total operating expenses being $1.9m ahead of the previous corresponding period. The performance fee that is currently accruing will only be payable if the performance criterion is met for the full year to 31 March 2019.

The recent market volatility in October reduced the Kingfish gross performance by approximately 7%.

FIVE-YEAR SUMMARY

Figure 1 (on page 6) summarises the five-year performance history for the six month periods ended 30 September 2014-2018.

CAPITAL MANAGEMENT

Kingfish continues to distribute 2.0% of average net asset value per quarter. Over the six month period to 30 September 2018, Kingfish paid 5.89 cents per share in dividends (2.89 cents per share on 29 June 2018 and 3.00 cents per share on 28 September 2018). The next dividend of 3.04 cents per share will be paid on 21 December 2018 with a record date of 6 December 2018.

Kingfish 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.[1]

Kingfish's share price closed at $1.39 on 30 September 2018 and the net asset value of the Kingfish portfolio on this date was $1.54. Since March the share price to net asset value discount has remained relatively constant, at or around 10%. The Board has a number of initiatives in place designed to manage the discount and enhance shareholder value including the buyback programme. Over the six months to 30 September, approximately 128,000

[1] *If you are not already participating in the dividend reinvestment plan (DRP) you can elect to join the DRP by contacting Kingfish at enquire@kingfish.co.nz for a participation notice which must be received by Kingfish before the next dividend record date. Full details of the dividend reinvestment plan can be found in the Kingfish Dividend Reinvestment Plan Offer Document, a copy of which is available at www.kingfish.co.nz/investor-centre/capital-management-strategies/.*

Kingfish shares were purchased under the buyback programme, at an average price of $1.41 per share.

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

At the time of writing this overview the New Zealand and global share markets are experiencing a significant increase in volatility, with the key S&P/NZX50G index down 6.4% for the October month. Short periods of high volatility can cause concern for investors, however we believe that the Kingfish diversified portfolio of quality companies coupled with the robust investment philosophy of Kingfish's investment manager will ensure that Kingfish continues to perform well over the long term.

CONCLUSION

The Board is pleased with the strong first half result for the 2019 financial year both in terms of portfolio performance and returns to shareholders. More details on the portfolio and individual portfolio holdings are included in the Manager's Report.

On behalf of the Board,

Alistair Ryan

Alistair Ryan / Chair
Kingfish Limited
14 December 2018

FIGURE 1: FIVE YEAR PERFORMANCE SUMMARY

Company Performance

Six month period ended 30 September	2018	2017	2016	2015	2014	5 years (annualised)
Total Shareholder Return	12.1%	4.7%	9.4%	(7.6%)	6.7%	11.7%
Adjusted NAV Return	11.1%	7.3%	11.1%	(1.8%)	2.0%	13.0%
Dividend Return	4.5%	4.3%	4.2%	3.9%	4.2%	
Net Profit / (Loss)	$31.0m	$18.9m	$23.4m	($2.9m)	$4.2m	
Basic Earnings per Share	16.09cps	10.44cps	15.27cps	(2.37cps)	3.49cps	
As at 30 September	**2018**	**2017**	**2016**	**2015**	**2014**	
NAV	$1.54	$1.41	$1.46	$1.26	$1.33	
Adjusted NAV[1]	$4.52	$3.80	$3.56	$2.79	$2.71	
Share Price	$1.39	$1.28	$1.36	$1.23	$1.31	
Warrant Price	$0.07	n/a	$0.06	$0.04	n/a	
Share Price Discount to NAV[2]	8.6%	9.2%	5.8%	1.6%	1.5%	

[1] *Kingfish's adjusted NAV historical information has been restated as a result of a correction to the warrant dilution component of the calculation. Previously the adjusted NAV had been understated by up to $0.04.*

[2] *Share price discount to NAV (including warrant price on a pro-rated basis).*

Portfolio Performance

Six month period ended 30 September	2018	2017	2016	2015	2014	5 years (annualised)
Gross Performance Return	13.0%	8.7%	13.0%	(0.9%)	3.6%	15.8%
S&P/NZX50G Index	12.4%	10.2%	9.0%	(4.1%)	2.2%	14.6%

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

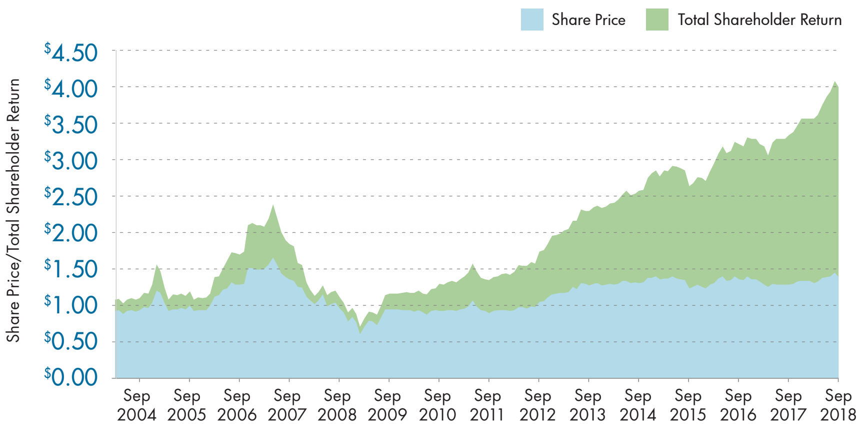
Comparative information
Kingfish's share price discount to NAV historical information has been restated following a change in calculation methodology from using data inputs of four decimal places to two decimal places.

Non-GAAP Financial Information
Kingfish uses non-GAAP measures, including adjusted net asset value, gross performance return and total shareholder return. The rational 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 after fees and tax,*
- *adjusted NAV return – the net return to an investor after fees and tax,*
- *gross performance return – the Manager's portfolio performance in terms of stock selection before fees and tax,*
- *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, and*
- *dividend return – how much Kingfish pays out in dividends each year relative to its share price.*

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 Kingfish Non-GAAP Financial Information Policy, and in the Glossary on page 33. A copy of the policy is available at http://www.kingfish.co.nz/about-kingfish/kingfish-policies/

FIGURE 2: TOTAL SHAREHOLDER RETURN



MANAGER'S REPORT

Sam Dickie
Senior Portfolio Manager

"Pleasingly, many of our portfolio positions delivered solid performances, both in terms of their reported annual results and in terms of their total shareholder returns."

The six months to 30 September 2018 was another remarkable period for the New Zealand share market. The market shrugged off concerns about global trade wars, a slowdown in Chinese and global growth and already elevated valuations and delivered a +12.4% return, outperforming most global equity markets.

The New Zealand market was supported by multi-decade lows in interest rates relative to the US and a weak Kiwi dollar, both of which cushion the blow from potentially negative offshore influences.

The Kingfish portfolio had an exceptionally strong performance for the half year, delivering a gross return of +13.0% and an adjusted NAV return of +11.1%.

We have been "wearing out the shoe leather", visiting businesses first hand both onshore and especially offshore to gain a more direct perspective into what makes them tick.

In our travels over the first six months of this financial year we've been fortunate to have seen the progress in **Mainfreight's** growing European and Australian operations and the growth in **Fisher & Paykel Healthcare** business in Europe and manufacturing facilities in Mexico. We also visited some distributors for **The a2 Milk Company** in mainland China and Hong Kong. Closer to home, we continue our regular local site visits, including **Summerset** and **Ryman Healthcare** retirement villages, **Freightways'** document storage and destruction operations in Melbourne, and **Auckland Airport's** international terminal redevelopment.

PERFORMANCE

The Kingfish portfolio was up strongly for the six month period, with a gross return of +13.0%. Performance has been steady through the period, with positive returns in five of the six months.

Of the 19 investments held over the six month period, the majority performed well with thirteen gaining and only six falling in value.

Pleasingly, many of our portfolio positions delivered solid performances, both in terms of their reported annual results and in terms of their total shareholder returns. The top performers over the six months were Vista Group (+36%), Ryman Healthcare (+33%), Mainfreight (+24%), and Delegat (+22%). At the other end of the scale Michael Hill International (-17%) and The a2 Milk Company (-9%) disappointed.

As always, both in strong markets and weak markets, we remain focused on our core approach, investing in quality companies with sustainable competitive advantages and the ability to grow earnings over time.

MARKET

The S&P/NZX50G continued its ascent for the period, up +12.4%. The strong performance of the New Zealand share market was set against a backdrop of exceptionally strong global markets and very low volatility. Almost all global equity markets continued to make fresh all-time highs and the New Zealand share market outperformed most global share markets over the six month period. However, as I write this report the New Zealand and global markets have, in

October and November, experienced significantly increased volatility. While these recent periods of volatility look likely to erode some (or possibly even all) of the recent six month gains, we remain confident that the superior companies that Kingfish has invested in will ultimately generate strong long term returns, as each of them grow underlying earnings over time.

PORTFOLIO ACTIVITY

We made one exit during the period and initiated two new investments.

As discussed in the annual report, Kingfish made a small investment in **Fletcher Building**. The strategic review the company completed in June has resulted in the company exiting its non-core Roof Tiles business. Of more importance is the imminent exit of their much larger global laminated panels business, Formica. Fletcher Building re-focusing on its core assets makes sense to us and has the added benefit of ensuring the company has net cash on its balance sheet at an opportune time in the construction cycle. We have lowered our weighting since balance date as the impact of a slowing construction cycle, especially in Australia, is likely to dampen the benefits of the Australian business improvement strategy.

Again as discussed in the annual report, we exited the Kingfish position in **EBOS**, a provider of medical consumables, equipment, solutions and supplies. EBOS is operating in an industry where the outlook is increasingly challenging as regulated pharmacy revenues come under pressure and some drug and pharmacy manufacturers are choosing to bypass wholesale distributors and supply directly to pharmacies.

In September, we initiated a new position in **Pushpay**. Pushpay is a leading mobile payments and engagement provider to the US faith sector. Although Pushpay remains relatively early-stage we expect revenue growth over the next three to five years to continue to compound at attractive rates. The recent pull-back in share-price provided us an attractive entry point to initiate a small, nursery-sized position. We attended the investor day in the US during September and were impressed by the depth of strength below senior management levels and have been especially impressed by the strong customer feedback we have received from our independent checks.

CHANGES AFTER PERIOD END

In October, we exited our position in **Abano Healthcare**. On-going disappointing same store sales growth from its Australian dental business (Maven) and limited margin improvement has meant Abano has been on watch over the last year and we have progressively been decreasing our investment. Two of the key attractions of a roll-up story are the ability to take organic market share and the delivery of operating leverage via scale and Abano continues to struggle to deliver on both of these. As always, capital is precious and we have better uses for our capital currently.

Up until 30 September 2018 the New Zealand equity market had outperformed most global equity markets, having shrugged off concerns about global trade wars, a slowdown in global growth and elevated valuations. However these fears have returned in October and November resulting in a more volatile market environment than in the previous period.

We used the proceeds from the Abano sale to increase the size of Kingfish's existing positions in Fisher & Paykel Healthcare and The a2 Milk Company during the weakness in global stock markets recently.

PORTFOLIO COMMENTARY

Key contributors

Mainfreight followed up its stronger than expected full year result in May with its Annual Meeting of Shareholders in July. Management were upbeat with positive outlook comments including "a growing confidence due to improved trading results" and that "April to June has seen strong revenue growth; profit has improved accordingly". Other comments indicated that this was likely to translate to a strong first half result for fiscal 2019 with the company "quietly positive" that results will sustain through the 2019 fiscal year. All geographies appear to be performing well, with particular emphasis that they "expect to see Asia and the Americas improve markedly" after having been below expectations recently. This was positive language from a company that tends to under-promise and over-deliver! After our recent trips to visit Mainfreight's operations and regional management teams in both Australia and Europe, these comments did not surprise us and we are increasingly confident that those businesses that are already important revenue drivers will increasingly become critical profit drivers. The company subsequently announced a strong first half result in mid-November.

Ryman Healthcare's 2018 fiscal year result was at the upper end of its guidance range and in line with market expectations, driven by strong resales gains (less than 1% of portfolio is available for resale) while new sales volumes across New Zealand and Australia were at their lowest level in years as the consent and planning process, particularly in Melbourne has taken longer than anticipated. The company continues to target five villages open in Victoria by 2020. Ryman's second Melbourne village welcomed its first residents in August and all going well aims to start three additional sites this financial year, with one of these already consented. Combined with a strong pipeline in New Zealand, the build rate is expected to close to double in the coming two years. We slightly trimmed our holding late in the period on the back of strong share price performance and elevated absolute and relative valuation.

Restaurant Brands announced its first half result for the 2019 financial year. This was overshadowed by the concurrent announcement that Mexican financial investor Finaccess intends to make a partial takeover offer for 75% of the company at $9.45 per share (24% above the previous close of $7.60). Finaccess is a Mexican private equity fund that has a shareholding of almost 60% in AmRest Holdings, a large Polish-listed fast food operation that includes the Yum! brands KFC and Pizza Hut. We are currently waiting for Finaccess to formalise its offer.

Fisher & Paykel Healthcare's full year result was at the top end of guidance, however underlying earnings growth (ex-litigation) slowed to 9% in the 2018 financial year. The firm highlighted a delay in launching obstructive sleep apnea new masks which while disappointing, we expect to see the company expand their OSA mask range later this year and with its nasal high flow business accelerating we remain attracted to Fisher & Paykel's long-term earnings growth prospects.

Vista Group announced several new deals over the period, including its entry into the Japanese market, signing up the largest exhibitor in France, and Movio signing with Disney (the last of the big six studios to become a customer). The company presented at a large investor conference and laid out a more positive view, especially for the high growth Movio data analytics business. The interim result in August then demonstrated solid growth, with the core cinema business performing ahead of expectations with +22% revenue growth. The company was the top performer in the Kingfish portfolio for the period.

The period was also positive for **Infratil** with the majority of its portfolio companies performing better than expected. Trustpower and Tilt delivered earnings upgrades on the back of favourable generation and Tilt secured an agreement from the Victoria Government to supply electricity under a 15-year contract, providing sufficient revenue certainty to progress its Dunndonnell Wind Farm investment. Longroad Energy is making good progress building a US renewable generation and servicing business, confirming the US$30 million sale of its Phoebe solar development, its first project, and its second development, Rio Bravo windfarm, is now under construction. Canberra Data Centre has a strong pipeline of growth and is expecting run-rate operating earnings growth of 30% in the 2019 financial year. During the period, Infratil and Mercury launched a joint takeover for Tilt. The two entities currently own approximately 85% of Tilt, and if successful will see Tilt potentially become Infratil's second largest investment (combined with the expected equity raising early 2019 to fund the Dunndonnell project).

Delegat Group had another good period, delivering a strong result for the fiscal 2018 year with net profit after tax of $44.9 million ahead of its guidance of at least $40.7 million. This great result was driven by solid volume growth out of the US. The weaker New Zealand dollar is also progressively benefiting the company, as hedging rolls off. Earlier, in May, the company announced a record harvest with New Zealand up 10% to over 38,000 tonnes which underscores the positive outlook for the current year. Oyster Bay continues to rate well among wine brands in its key US growth market.

Notable detractors

While the six months brought mostly good news, there were two notable detractors to performance for the period, namely Michael Hill and The a2 Milk Company.

Michael Hill announced first quarter 2019 sales after the period end, which revealed a sharp -11% decline in same store sales growth, as it cut back its practice of allowing store staff the autonomy to discount to close sales, and only offset by a modest improvement in gross margin on sales. This move was part of its change in strategy to move away from price-based competition on generic product and towards more unique collections. We were very disappointed by the worse-than-expected decline, which suggested a loss of share to competitors and loss of volume and margin dollars. The company has flagged a greater promotional pipeline in the important December quarter, which is expected to improve results. We have engaged with the company to better understand the merit of the strategy and how it expects to achieve improved performance moving forward.

The a2 Milk Company's share price weakness late in the period was primarily driven by non-operational factors, after the company delivered a strong result ahead of expectations in August. The company's new CEO, Jayne Hrdlicka, sold all of the shares she owned and the market got very concerned about looming regulatory risk in China. It is important to recall that every year a significant portion of Jayne's remuneration package will be in the form of a2 shares, so she is still highly incentivized and leveraged to the value of the shares. The fundamental performance of the company had been strong throughout this period and it was for this reason that we added to the company on the back of the CEO sales and the recent market dislocation. Since balance date, a2 gave a strong trading update for the first four months of its 2019 financial year at its annual meeting.

Other portfolio company news

Having been a material contributor to returns over recent periods, **Summerset's** share price performance over the six months to 30 September 2018 was more moderate (but delivered broadly in line with that of the index). Operating performance remains solid and in line with earlier guidance, with resale profits benefiting from both margin and volume growth while weak new sales have offset record high development margins and higher average sale prices. New sales have been impacted by timing of new unit delivery and mix (with increased serviced apartments, where presales are less common), temporary disruption notably at its Ellerslie site in Auckland given construction phasing and the restructure of its Auckland sales team which caused an additional short-term headwind. We expect new sales to rebound over the coming quarters.

Port of Tauranga's full 2018 financial year result was broadly as expected, with total trade up 10% driving parent EBITDA growth of 11% and Group NPAT of 13%. Positive commentary at the time of the result in August, combined with an improvement in absolute and relative valuation saw us increase our weighting.

Both **Auckland Airport** and **Meridian Energy** delivered operating results broadly as expected over the period. While newsflow for both companies was on balance incrementally positive, their share price performance over the period better reflects the change in local interest rate environment with each delivering 19% total shareholder returns, comfortably outperforming the broader market.

Freightways had a somewhat disappointing period, delivering modest returns over the six months. In the period, higher costs weighed on the 2018 fiscal year's result, including incurring higher fuel costs ahead of recovering these via higher rates on a lagged basis. We are upbeat that the outlook for the main courier business remains positive. The industry has been rightfully lifting rates after years of meagre raises, whereas 'last mile' delivery costs have increased due to the growing proportion of business-to-consumer deliveries generated by e-commerce. New CEO Mark Troughear has been making traction with initiatives to appropriately "price effort" and reconfigure the last mile component to become more efficient.

OUTLOOK

Sometimes there are periods in financial markets that make less sense than others. While our portfolio companies continued to deliver earnings in line with our expectations, their operating performance was by no means spectacular. Yet some of the share price performances were quite spectacular! In August, New Zealand stock market performance was the best performance during an earnings reporting season in 18 years. Was it justified? In other words, did companies materially outperform consensus earnings expectations and did we see a raft of earnings upgrades? The answer is no. Company earnings in aggregate were basically in-line with consensus expectations and the outlook comments actually resulted in 2% Net Profit downgrades for future earnings. Companies generally slightly beat at the revenue line but higher costs saw small earnings misses. On the whole, our portfolio scorecard for the results season was ok. We had more beats (including outlook comments) than misses (4 misses, 5 beats and 2 inline, so 60% of results were in-line or beats). This compares to the market that had 16 misses, 14 beats and 7 inline, so 56% of results were in-line or beats.

In October, we got the inevitable payback for the significantly strong six month period in markets, when, in the absence of any significantly strong operational data, New Zealand equities fell 6.4%. This was the second largest monthly fall in New Zealand equities since the depths of the GFC in early 2009, (the largest since the GFC was May 2010). New Zealand was one of the more insulated markets globally, with global equities down around 7.5% and Emerging Markets equities down around 9.0%.

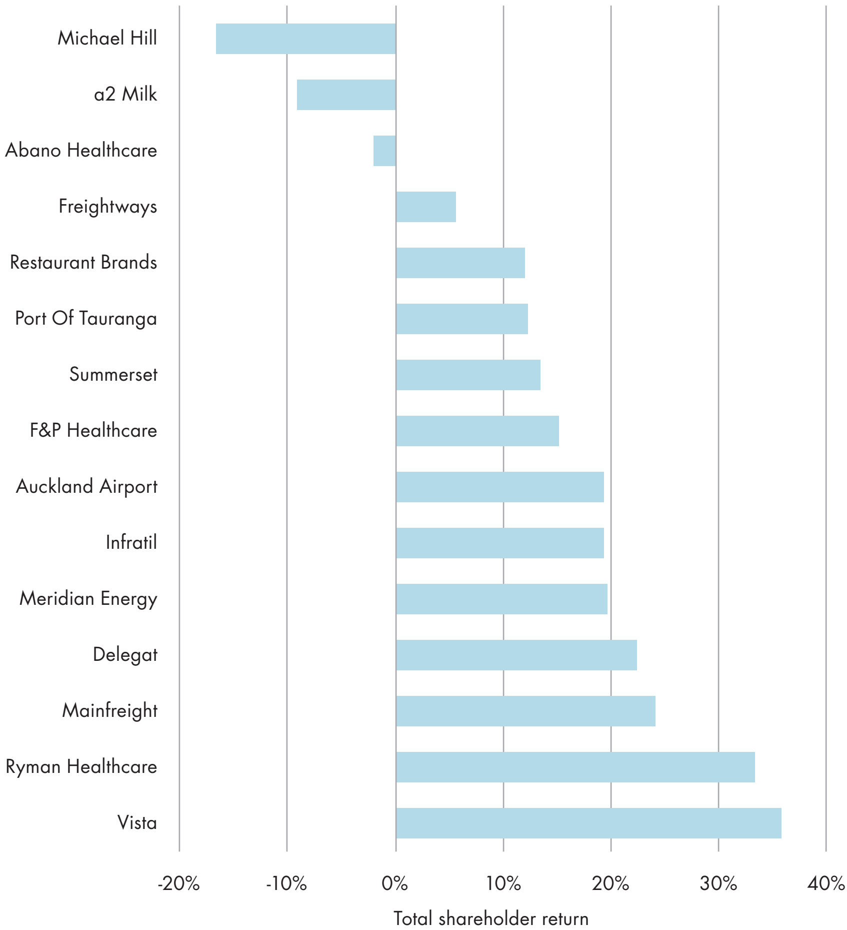
As always, it is hard to pinpoint the main cause of the pull-back, but it seems to be the sharp re-pricing of global growth with the backdrop leading into the risk-off event of very strong performance and increasing complacency.

We monitor global "economic surprise" indices to understand whether key economic indicators are surprising market pundits either positively or negatively. Global economic surprise indices weakened sharply during October, having peaked in early September. Japan and especially the Eurozone have been the key culprits in the weakening of the global indicator over the past eight to nine weeks. While growth surprise in Emerging Markets did not deteriorate in the past couple of months, it has remained weak for some time. In the US, the indicator remains solid, but it was jarring for the markets that when aggregate global growth surprise has deteriorated so much, the cost of capital (US bonds as a proxy) is not coming down commensurately.

Every year presents challenges and opportunities and our response to changing global and local dynamics and investor preferences is straightforward — we will continue to invest in high quality growth companies with high quality management and sustainable competitive advantages.

Sam Dickie / Senior Portfolio Manager
Fisher Funds Management Limited
14 December 2018

Portfolio Company Returns – 6 months to 30 September 2018



PORTFOLIO HOLDINGS SUMMARY AS AT 30 SEPTEMBER 2018

Listed Companies	% Holding
Abano Healthcare	1.7%
Auckland International Airport	5.3%
Delegat Group	3.8%
Fisher & Paykel Healthcare	11.8%
Fletcher Building	3.1%
Freightways	9.2%
Infratil	7.2%
Mainfreight	11.4%
Meridian Energy	3.0%
Michael Hill International	3.4%
Port of Tauranga	3.3%
Pushpay Holdings	2.0%
Restaurant Brands NZ	4.1%
Ryman Healthcare	7.3%
Summerset	6.3%
The A2 Milk Company	10.0%
Vista Group International	4.0%
Equity Total	**96.9%**
New Zealand dollar cash	3.1%
TOTAL	**100.0%**

FINANCIAL STATEMENTS CONTENTS

KINGFISH LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

	Notes	6 months ended 30/09/18 unaudited $000	6 months ended 30/09/17 unaudited $000
Interest income		152	148
Dividend income		3,664	4,167
Net changes in fair value of investments	2	31,615	17,091
Other income		0	14
Total net income		35,431	21,420
Operating expenses	3	4,393	2,497
Operating profit before tax		31,038	18,923
Tax expense		62	19
Net operating profit after tax		30,976	18,904
Other comprehensive income		0	0
Total comprehensive income after tax		30,976	18,904
Basic earnings per share	5	16.09c	10.44c
Diluted earnings per share	5	16.02c	10.42c

The accompanying notes form an integral part of these financial statements.

KINGFISH LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

	Notes	*Attributable to shareholders of the company* Share Capital $000	Performance Fee Reserve $000	Retained Earnings $000	Total Equity $000
Balance at 1 April 2017 (audited)		164,729	417	54,924	220,070
Comprehensive income					
Profit for the period		0	0	18,904	18,904
Other comprehensive income		0	0	0	0
Total comprehensive (loss)/income for the period ended 30 September 2017		0	0	18,904	18,904
Transactions with owners					
Shares issued for warrants exercised	4	35,149	0	0	35,149
Dividends paid	4	0	0	(10,407)	(10,407)
Shares issued from treasury stock under dividend reinvestment plan	4	1,002	0	0	1,002
New shares issued under dividend reinvestment plan	4	2,843	0	0	2,843
Share buybacks	4	(1,208)	0	0	(1,208)
Prior year Manager's performance fee settled with ordinary shares		297	(301)	0	(4)
Prior year Manager's performance fee settled with treasury stock		116	(116)	0	0
Current period Manager's performance fee to be settled with ordinary shares		0	47	0	47
Total transactions with owners for the period ended 30 September 2017		38,199	(370)	(10,407)	27,422
Balance at 30 September 2017 (unaudited)		202,928	47	63,421	266,396
Balance at 1 April 2018 (audited)		205,123	1,118	70,035	276,276
Comprehensive income					
Profit for the period		0	0	30,976	30,976
Other comprehensive income		0	0	0	0
Total comprehensive income for the period ended 30 September 2018		0	0	30,976	30,976
Transactions with owners					
Dividends paid	4	0	0	(11,340)	(11,340)
Shares issued from treasury stock under dividend reinvestment plan	4	156	0	0	156
New shares issued under dividend reinvestment plan	4	4,166	0	0	4,166
Warrant issue costs	4	(18)	0	0	(18)
Share buybacks	4	(181)	0	0	(181)
Prior year Manager's performance fee settled with ordinary shares		1,089	(1,096)	0	(7)
Prior year Manager's performance fee settled with treasury stock		22	(22)	0	0
Current period Manager's performance fee to be settled with ordinary shares		0	943	0	943
Total transactions with owners for the period ended 30 September 2018		5,234	(175)	(11,340)	(6,281)
Balance at 30 September 2018 (unaudited)		210,357	943	89,671	300,971

The accompanying notes form an integral part of these financial statements.

KINGFISH LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2018

	Notes	30/09/18 unaudited $000	31/03/18 audited $000
SHAREHOLDERS' EQUITY		300,971	276,276
Represented by:			
ASSETS			
Current Assets			
Cash and cash equivalents		7,854	10,768
Trade and other receivables		1,826	4,317
Investments at fair value through profit or loss	2	292,724	264,395
Current tax receivable		0	10
Total Current Assets		302,404	279,490
TOTAL ASSETS		302,404	279,490
LIABILITIES			
Current Liabilities			
Trade and other payables		1,433	3,214
Total Current Liabilities		1,433	3,214
TOTAL LIABILITIES		1,433	3,214
NET ASSETS		300,971	276,276

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

A B Ryan
Chair
19 November 2018

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

The accompanying notes form an integral part of these financial statements.

KINGFISH LIMITED

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

	Notes	6 months ended 30/09/18 unaudited $000	6 months ended 30/09/17 unaudited $000
Operating Activities			
Sale of investments		46,381	30,860
Interest received		154	148
Dividends received		3,490	3,670
Other income received		3,109	14
Purchase of investments		(45,063)	(49,622)
Operating expenses		(3,783)	(3,106)
Taxes paid		(53)	(19)
Net cash inflows/(outflows) from operating activities	6	4,235	(18,055)
Financing Activities			
Proceeds from warrants exercised		0	35,149
Issue costs		(25)	(4)
Share buybacks		(181)	(1,198)
Dividends paid (net of dividends reinvested)		(6,943)	(6,562)
Net cash (outflows)/inflows from financing activities		(7,149)	27,385
Net (decrease)/increase in cash and cash equivalents held		(2,914)	9,330
Cash and cash equivalents at beginning of the period		10,768	2,604
Cash and cash equivalents at the end of the period		7,854	11,934

The accompanying notes form an integral part of these financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

NOTE 1 — BASIS OF ACCOUNTING

Reporting Entity

Kingfish Limited ("Kingfish" or "the company") is listed on the NZX Main Board, is registered in New Zealand under the Companies Act 1993 and is a FMC Reporting Entity under the Financial Markets Conduct Act 2013.

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

Basis of Preparation

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the New Zealand Equivalent to International Accounting Standard *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 31 March 2018.

These interim financial statements cover the unaudited results from operations for the six months ended 30 September 2018.

Accounting Policies

The company has applied consistent accounting policies in the preparation of these interim financial statements as for the 2018 full year financial statements.

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 estimates or assumptions required in the preparation of these interim financial statements.

Authorisation of Interim Financial Statements

The Kingfish board of directors authorised these interim financial statements for issue on 19 November 2018.

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

For the six months ended 30 September 2018

NOTE 2 — INVESTMENTS

Kingfish has classified all its listed equity investments at fair value through profit or loss. This designation on inception is to provide more relevant information given that the investment portfolio is managed, and performance evaluated, on a fair value basis, in accordance with a documented investment strategy.

The fair value of investments traded in active markets are based on last sale prices at balance date, except where the last sale price falls outside the bid-ask spread for a particular investment, in which case the bid price will be used to value the investment.

Investments at Fair Value through Profit or Loss	**30/09/18 unaudited $000**	**31/03/18 audited $000**
Investments designated at fair value through profit or loss		
New Zealand listed equity investments	292,724	264,395
Total investments at fair value through profit or loss	292,724	264,395

All investments held by Kingfish are categorised as Level 1 in the fair value hierarchy. There have been no transfers between levels of the fair value hierarchy during the period (30 September 2017: none).

Net changes in fair value of investments	**6 months ended 30/09/18 unaudited $000**	**6 months ended 30/09/17 unaudited $000**
Investments designated at fair value through profit or loss		
New Zealand listed equity investments	31,615	17,102
Available-for-sale financial assets		
Impairment of investment	0	(11)
Net changes in fair value of investments	31,615	17,091

NOTE 3 — OPERATING EXPENSES

	6 months ended 30/09/18 unaudited $000	6 months ended 30/09/17 unaudited $000
Management fees (note 7)	1 ,851	1 ,760
Performance fees (note 7)	1 ,915	96
Administration services (note 7)	79	79
Directors' fees (note 7)	80	54
Brokerage	274	290
Investor relations and communications	79	77
Custody and accounting fees	32	55
NZX fees	29	32
Professional fees	17	14
Fees paid to the auditor:		
Statutory audit and review of financial statements	19	19
Other assurance services[1]	0	4
Non-assurance services[1]	4	3
Regulatory expenses	4	0
Other operating expenses	10	14
Total operating expenses	4 ,393	2 ,497

[1] Other assurance services relate to a share and warrant register audit. Non-assurance services relate to annual shareholders meeting procedures and agreed upon procedures performed in respect of the performance fee calculation. No other fees were paid to the auditor during the period (30 September 2017: nil).

NOTE 4 — SHAREHOLDERS' EQUITY

Share Capital

Kingfish has 194,874,694 fully paid ordinary shares on issue (31 March 2018: 190,935,279). All ordinary shares rank equally and have no par value. All shares carry an entitlement to dividends and one vote is attached to each fully paid ordinary share.

For the six months ended 30 September 2018

NOTE 4 — SHAREHOLDERS' EQUITY (CONTINUED)

Buybacks

Kingfish maintains an ongoing share buyback programme. In the six month period to 30 September 2018, Kingfish acquired 128,295 (30 September 2017: 934,997) shares under the programme which allows up to 5% of the ordinary shares on issue (as at the date 12 months prior to the acquisition) to be acquired. Shares acquired under the buyback programme are held as treasury stock and subsequently reissued to shareholders under the dividend reinvestment plan and in settlement of the Manager's performance fee. There were 12,787 shares held as treasury stock at balance date (31 March 2018: 15,000).

Warrants

On 19 July 2018, 48,368,533 new Kingfish warrants were allotted and quoted on the NZX Main Board on 20 July 2018. One new warrant was issued to all eligible shareholders for every four shares held on record date (18 July 2018). The warrants are exercisable at $1.37 per warrant, adjusted down for dividends declared during the period up to the exercise date of 12 July 2019. Warrant holders can elect to exercise some or all of their warrants on the exercise date subject to a minimum exercise of 200 warrants. The net cost of issuing warrants is deducted from share capital.

On 9 May 2017, 29,106,793 warrants were exercised at $1.21 per warrant and the remaining 9,069,860 warrants lapsed.

Dividends

Kingfish has a distribution policy where 2% of average NAV is distributed each quarter. Dividends paid during the period comprised:

	2018 $000	Cents per share
29 Jun 2018	5,542	2.89
28 Sep 2018	5,798	3.00
	11,340	5.89

	2017 $000	Cents per share
29 Jun 2017	5,211	2.79
29 Sep 2017	5,196	2.77
	10,407	5.56

Dividend Reinvestment Plan

Kingfish 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 to the five-day volume weighted average share price from the date the shares trade ex-entitlement. During the period ended 30 September 2018, 3,227,187 ordinary shares (September 2017: 3,109,103 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 Kingfish before the next record date.

NOTE 5 — EARNINGS PER SHARE

Basic earnings per share	**6 months ended 30/09/18 unaudited $000**	**6 months ended 30/09/17 unaudited $000**
Profit attributable to owners of the company ($'000)	30,976	18,904
Weighted average number of ordinary shares on issue net of treasury stock ('000)	192,575	181,153
Basic earnings per share	16.09c	10.44c

Diluted earnings per share	**2018 $000**	**2017 $000**
Profit attributable to owners of the company ($'000)	30,976	18,904
Weighted average number of ordinary shares on issue net of treasury stock ('000)	192,575	181,153
Diluted effect of warrants on issue ('000)	827	345
	193,402	181,498
Diluted earnings per share	16.02c	10.42c

For the six months ended 30 September 2018

NOTE 6 — RECONCILIATION OF NET OPERATING PROFIT AFTER TAX TO NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES

	6 months ended 30/09/18 unaudited $000	6 months ended 30/09/17 unaudited $000
Net profit after tax	30,976	18,904
Items not involving cash flows		
Unrealised gains on revaluation of investments	(12,752)	(7,831)
	(12,752)	(7,831)
Impact of changes in working capital items		
(Decrease)/increase in fees and other payables	(1,856)	435
Decrease in trade and other receivables	2,491	2,435
Change in current tax	10	0
	645	2,870
Items relating to investments		
Amount paid for purchases of investments	(45,063)	(49,622)
Amount received from sales of investments	46,381	30,780
Return of capital	0	80
Realised gains on investments	(18,863)	(9,260)
Decrease/(increase) in unsettled purchases of investments	1,543	(1,027)
Increase/(decrease) in unsettled sales of investments	425	(2,996)
	(15,577)	(32,045)
Other		
Performance fee to be settled by issue of shares	943	47
	943	47
Net cash inflows/(outflows) from operating activities	4,235	(18,055)

NOTE 7 — 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.

Transactions with related parties

The Manager of Kingfish 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 during the period. In return for the performance of its duties as Manager, Fishers Funds is paid the following fees:

(i) Management fee: 1.25% (plus GST) per annum of the gross asset value, calculated weekly and payable monthly in arrears. The fee reduces if the Manager underperforms, thereby aligning the Manager's interests with those of the Kingfish shareholders. For every 1% underperformance (relative to the change in the NZ 90 Day Bank Bill Index) the management fee percentage is reduced by 0.1%, subject to a minimum 0.75% per annum management fee.

(ii) Performance fee: Fisher Funds may earn an annual performance fee of 15% (plus GST) of excess returns over and above the performance fee hurdle return (being the change in the NZ 90 Day Bank Bill Index plus 7%) subject to achieving the High Water Mark ("HWM").

The HWM is the dollar amount by which the net asset value per share exceeds the highest net asset value per share (after adjustment for capital changes and distributions) at the end of any previous calculation period in which a performance fee was payable, multiplied by the number of shares at the end of the period.

A performance fee of $1,914,970 has been accrued as an expense in the Statement of Comprehensive Income for the six months ended 30 September 2018 (30 September 2017: $96,279). This performance fee will only be payable if the performance fee criteria are met for the whole year in accordance with the terms of the Management Agreement.

The portion to be paid in share capital is an equity-settled share-based payment and is recognised at the fair value of half of the performance fee expense (excluding GST) as an equity reserve until the ordinary shares are issued.

(iii) Administration fee: Fisher Funds provides corporate administration services and a fee is payable monthly in arrears.

For the six months ended 30 September 2018

NOTE 7 — RELATED PARTY INFORMATION (CONTINUED)

Fees earned, accrued and payable:	**6 months ended 30/09/18 unaudited $000**	**6 months ended 30/09/17 unaudited $000**
Fees earned by the Manager		
Management fees	1,851	1,760
Performance fees	1,915	96
Administration services	79	79
Total fees earned by the Manager	3,845	1,935

Fees payable to the Manager	**30/09/18 unaudited $000**	**31/03/18 audited $000**
Management fees	313	297
Performance fees payable in cash	972	1,253
Administration services	13	13
Total fees payable to the Manager	1,298	1,563

Investments by the Manager

The Manager held shares in the company at 30 September 2018 which total 1.82% of the total shares on issue (31 March 2018: 1.42%) and 1.84% of the total warrants on issue (31 March 2018: n/a). Dividends were also paid to the Manager as a result of its shareholding.

Investment transactions with related parties

Off-market transactions between Kingfish 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). Purchases for the period ended 30 September 2018 totalled $3,527,455 and sales totalled $453,396 (30 September 2017: $3,620,761 for purchases and nil for sales).

Directors

The directors of Kingfish are the only key management personnel and they earn a fee for their services. As approved by the shareholders on 27 July 2018, the directors' fee pool increased from $125,000 to $157,500 (plus GST, if any) per annum from 1 July 2018 (31 March 2018: $125,000). The amount paid to directors is disclosed in note 3.

The directors also held shares in the company at 30 September 2018 which total 2.56% of total shares on issue (31 March 2018: 2.60%) and 2.58% of total warrants on issue (31 March 2018: n/a). Dividends were also received by the directors as a result of their shareholding.

NOTE 8 — NET ASSET VALUE

The unaudited net asset value per share of Kingfish as at 30 September 2018 was $1.54 (31 March 2018 $1.45) calculated as the net assets of $300,970,769 divided by the number of shares on issue of 194,874,694.

NOTE 9 — SUBSEQUENT EVENTS

On 19 November 2018, the Board declared a dividend of 3.04 cents per share. The record date for this dividend is 6 December 2018 with a payment date of 21 December 2018.

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

pwc

Independent review report

to the shareholders of Kingfish Limited

Report on the Interim Financial Statements

We have reviewed the accompanying interim financial statements of Kingfish Limited (the Company) on pages 1 to 10, which comprise the statement of financial position as at 30 September 2018, 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 controls as the Directors determine are 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 auditors 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.

Our firm carries out other services for the Company including agreed upon procedures in relation to the performance fee calculation and annual shareholder meeting vote count. The provision of these other services has not impaired our independence.

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 November 2018

Auckland

PricewaterhouseCoopers, 188 Quay Street, Private Bag 92162, Auckland 1142, New Zealand
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GLOSSARY

NET ASSET VALUE (NAV)

The NAV per share represents the market value of the total assets of Kingfish (investments and cash) less any liabilities (expenses and tax), divided by the number of shares on issue. The NAV is calculated at the close of business each Wednesday and at month end. The NAV is reviewed by PwC at interim period end and audited at the end of each financial year. The NAV is announced to the NZX each Thursday and at month end.

This metric is useful as it reflects the underlying value of the investment portfolio.

ADJUSTED NET ASSET VALUE (ADJUSTED NAV)

The adjusted NAV per share represents the total assets of Kingfish (investments and cash) minus any liabilities (expenses and tax), divided by the number of shares on issue and adds back dividends paid to shareholders and adjusts for the impacts of shares issued under the dividend reinvestment plan at the discounted reinvestment price, shares bought off the market (share buy-backs) 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.

This metric is useful as it reflects the underlying performance of the investment portfolio adjusted for dividends, share buy-backs and warrants, which are a capital allocation decisions and not a reflection of the portfolio's performance.

The Adjusted NAV Return is the percentage change in Adjusted NAV and is calculated monthly, so the Adjusted NAV Return for multi-month periods is the compounded monthly returns.

The Adjusted NAV calculation and the Adjusted NAV Return are reviewed by an independent actuary at each interim and annual reporting period.

GROSS PERFORMANCE RETURN

Gross Performance Return is an estimated investment return on a before tax and before expenses basis. It is calculated monthly and is appropriate for assessing the Manager's performance against an index or benchmark.

The monthly gross performance is calculated by adding together the interest, dividend income and investment gains (or losses) generated by Kingfish's portfolio of investments over the month. The Gross Performance Return represents the gross performance divided by Kingfish's opening asset value for the month plus the net cash flow for the month, assuming it was paid mid-month. The result is expressed as a percentage. The Gross Performance Return for multi-month periods are the compounded monthly returns.

The Gross Performance Return is used to compare the Manager's performance against a benchmark index return (which are also on a gross basis with no fees, costs or tax).

This metric reflects the Manager's portfolio performance in terms of stock selection.

The Gross Performance Return is reviewed by an independent actuary at each interim and annual reporting period.

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 excludes imputation credits.

» 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).

This metric is 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. The TSR is reviewed by an independent actuary at each interim and annual reporting period.

DIVIDEND RETURN

The dividend return is calculated by dividing the dollar value of dividends paid per share by the opening share price. This metric is useful as it indicates how much Kingfish pays out in dividends each year relative to its share price.

The dividend return is reviewed by an independent actuary at each interim and annual reporting period.

DIRECTORY

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Kingfish Limited
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67 – 73 Hurstmere Road
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Auckland 0622

DIRECTORS
Independent Directors
Alistair Ryan (Chair)
Carol Campbell
Andy Coupe

Director
Carmel Fisher

CORPORATE MANAGEMENT TEAM
Wayne Burns
Beverley Sutton

NATURE OF BUSINESS
The principal activity of Kingfish is investment in quality, growing New Zealand companies.

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BANKER
ANZ Bank New Zealand Limited
23-29 Albert Street
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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.investorcentre.com\NZ

FOR ENQUIRIES ABOUT KINGFISH CONTACT
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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.

KINGFISH

LANDING TOMORROW'S TROPHIES