



28 February 2019

NEW ZEALAND KING SALMON ANNOUNCES POSITIVE 1H19 RESULT AND INTERIM DIVIDEND

Today, New Zealand King Salmon Investments Ltd (NZX and ASX:NZK) (the *Company*) reported financial performance for the six month period ended 31 December 2018 (1H19) in line with Guidance for FY19. Highlights outlined in the Company's first half result, include:

- Sales revenue of \$87.7 million (matching the prior comparable period, 1H18) underpinned by increasing demand, improved pricing mix, export markets expansion and a favourable exchange rate.
- Sales volume of 3,824 metric tonnes (mt) of gilled and gutted salmon, down 13% from 4,387mt in 1H18, due to harvest seasonality and lower fish numbers carried forward from FY18.
- Statutory Net Profit After Tax of \$15.1 million, compared with \$15.7 million in 1H18.
- Pro Forma Operating EBITDA¹ of \$17.3 million, compared with \$19.5 million in 1H18.
- Alan Cook appointed as COO in February 2019, bringing substantial aquaculture and processing experience to the Company.
- Fully imputed dividend of 2.0 cents per share declared.

Recapping the results, Chairman John Ryder said "We are pleased to announce first half results in-line with our expectations. Strong branding and market growth have led to a successful six-month period and we expect FY19 financial performance on track with previous Guidance and building on our strong FY18 results. Overall, today's results demonstrate the positive market conditions domestically and in export markets.

"Our quality portfolio in buoyant world markets including our innovations with the Ōra King TYEE programme plus our Omega Plus petfood range continue to support the company's premium branded strategy."

¹ Pro Forma Operating EBITDA is a non-GAAP profit measure used by New Zealand King Salmon. Pro Forma Operating EBITDA reverses out fair value gains associated with the revaluation of livestock pursuant to NZ IAS 41-Agriculture and NZ IAS 2-Inventory. The application of NZ IAS 41-Agriculture, and NZ IAS 2-Inventory effectively results in the New Zealand King Salmon Group recognising expected profits from the sale of livestock prior to sale. Other international listed salmon companies will typically present 'Operating' results which remove the impact of these gains or losses. New Zealand King Salmon therefore believes that Operating results enable a better comparison of financial performance between its peers and between periods. A full reconciliation between Statutory GAAP and Pro Forma results is included in the 1H19 Half Year Financial Results Investor Presentation.

New Zealand King Salmon CEO Grant Rosewarne described the Company's response to environmental challenges as part of our wider commitment to a more sustainable and resilient operation.

"Every business has challenges and ours is no exception. While lower salmon sales volumes were largely mitigated by value gains in our sales activities, adapting to pressing environmental changes remains a business priority moving forward.

"We believe that aquaculture can play a significant role in New Zealand's contribution towards a more sustainable global food system. Specifically, we continue to work closely with central government to relocate several low-flow sites in the Marlborough Sounds for improved environmental, social and economic outcomes. We continue to pursue our initial investigations into open ocean farming.

"Our changing climate and the need for low-carbon, high-nutrition food production models are truly global issues. We see aquaculture as a global force for good in addressing these challenges. With that vision in mind, we've joined the UN Global Compact's Ocean Action Platform aiming to be stewards of the ocean and farm for the future."

The Board reaffirms previous guidance for the FY19 year for a Pro Forma Operating EBITDA result of \$25.0-28.5m based on known factors at this time. As in previous years, an update on fish performance will be reported following the key summer period. The Board is pleased to declare a fully imputed interim dividend of 2.0 cents per share, to be paid on 22 March 2019.

<ENDS>

Contact:

Grant Rosewarne, Managing Director and CEO, New Zealand King Salmon Investments Ltd
email: grant.rosewarne@kingsalmon.co.nz

About New Zealand King Salmon

New Zealand King Salmon is the world's largest aquaculture producer of the premium King salmon species. We operate under our four key brands: Ōra King, Regal, Southern Ocean, and Omega Plus, and the New Zealand King Salmon label. We have been growing and selling salmon to consumers for more than 30 years. Today we employ around 500 people. New Zealand investors make up a significant percentage of the ownership of NZ King Salmon, and the communities of Marlborough, Nelson and Tasman are well represented with around 400 of the approximately 2,800 shareholders being from the Top of the South.

More information can be found at www.kingsalmon.co.nz