



KINGFISH INTERIM REPORT
September 2007



01 KINGFISH HIGHLIGHTS

02 DIRECTORS' OVERVIEW

04 MANAGER'S REPORT

09 FINANCIAL STATEMENTS

31 ACCOUNTANTS' REPORT

32 DIRECTORY

Publication of first set of NZ IFRS compliant financial statements

Amalgamation of subsidiary companies with Kingfish to simplify the legal and reporting structure.

5,029,656 shares issued for \$1 in April 07 on the exercise of 5,029,656 warrants at 31 March 2007.

Registration as a Portfolio Investment Entity ("PIE")

3.5cps fully imputed dividend paid on 15 June 2007

2008 CALENDAR

December Quarter Shareholders' Update Publication	January 2008
Final Warrant Exercise Date	31 March 2008
Financial Year End	31 March 2008

DIRECTORS' OVERVIEW

Results

We are pleased to report on the activities and performance of Kingfish Limited ("Kingfish") for the six months ended 30 September 2007. Net asset value ("NAV") finished the period at \$1.91 – a decline of 4.3% after allowing for the 3.5cps dividend paid in June and the issuing of 5 million new shares at \$1 each for warrants exercised at 31 March 2007. The NAV performance was relatively robust against the background of a particularly volatile few months in financial markets with the worldwide credit crunch, finance company woes here in NZ and the strong NZ dollar affecting many companies in many sectors. There has been some improvement since 30 September 2007 into the second half as we enter the period where company results and shareholder meetings provide a useful update of companies' current performance. Importantly, the Manager, Fisher Funds, remains confident as to the quality and investment prospects of the portfolio companies.

Diluted NAV at 30 September was \$1.53 compared with \$1.60 at 31 March 2007.

As a result of a fall in portfolio share prices, the company recorded an operating deficit of \$6.1 million for the six months. Our Manager's Report discusses the reason for the decline in share values and reaffirms the quality of our portfolio.

The result included \$771,573 of realised gains on investments sold during the period. The majority of the realised gains were from accepting a takeover offer for Software of Excellence.

Over the period Kingfish shares traded between \$1.23 and \$1.66 and Kingfish warrants between \$0.30 and \$0.62. Closing prices at 30 September 2007 were \$1.36 and \$0.36 respectively.

Discount/Buyback

The discount between share price and diluted net asset value fluctuated during the six months between a premium of 0.8% and a discount of 13.6% with the discount at 30 September 2007 being 11%.

Our Manager, under the authority of the Board, continued Kingfish's share buyback policy during the period with 67,629 shares acquired at a cost of \$92,290 and 1,398,852 warrants acquired at a cost of \$734,491. The total number of shares acquired and held as Treasury Stock, since the commencement of the buyback in November 2005 was 3,047,515 at a total cost of \$3,339,113, with 2,949,911 of these being subsequently reissued. Treasury Stock held at 30 September 2007 was 97,604 shares.

At 30 September 2007 6,086,404 warrants had been acquired and subsequently cancelled under buyback at a total cost of \$1,852,496.

Adoption of New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS")

Kingfish adopted NZ IFRS from 1 April 2007. This report includes Kingfish's first set of publicly released financial statements which are NZ IFRS compliant. A full reconciliation of the NZ IFRS reinstated comparative period financials is contained in the notes to the financial statements. The key distinction for Kingfish has been the implementation of "bid price" rather than "last sale" in the valuation of listed companies as used in previous reporting periods.

PIE registration/Amalgamation

As foreshadowed in our 2007 Annual Report, Kingfish was registered as a Portfolio Investment Entity ("PIE") in August 2007 to facilitate the Company taking advantage of the changes in the way that collective investment vehicles such as Kingfish are taxed. This regime commenced on 1 October 2007. Upon entering the PIE regime, Kingfish is required to pay tax, in three annual instalments, on any unrealised gains in the Kingfish Nursery portfolio. This tax has been fully provided for in NAV and is covered further in the notes to the financial statements.

Dividend

Kingfish paid a 3.5cps fully imputed dividend on 15 June 2007 with 40% of shareholders opting to re-invest under the Dividend Reinvestment Plan. Directors do not intend to pay an interim dividend, consistent with previous years, in respect of the period ended 30 September 2007. The Directors anticipate that the new PIE regime should provide increased flexibility for future dividend policy.

In anticipating the commencement of the PIE regime, the parent company, Kingfish Limited, amalgamated with its subsidiaries – Kingfish Holdings Limited and Kingfish Nursery Limited. Kingfish Limited now operates as the sole entity from 31 August 2007. The amalgamation was effected as a "short form amalgamation" under the Companies Act 1993. The simplified legal and reporting structure will result in lower administration costs.

Warrants

At 30 September, 47,061,340 warrants remained to be available for exercise on the final exercise date of 31 March 2008. In early 2008 the Company will send information to warrant holders outlining the warrant exercise process to ensure that all warrant holders are fully informed of this final opportunity.

Annual Shareholders Meeting

The Kingfish third annual shareholders meeting was held on 5 July 2007 at the Ellerslie events centre in Auckland. This was our largest meeting to date and we thank those who attended and posed interesting questions. Fisher Funds conducted a series of investment roadshows throughout the country during July and August and it was also pleasing to see these roadshows well supported by Kingfish investors.

Your Board continues to be very satisfied with the performance of our Manager and thanks shareholders for their support.

On behalf of the Board



Rob Challinor | CHAIRMAN | 7 November 2007



MANAGER'S REPORT



"All I ask is the chance to prove that money can't buy happiness."

SPIKE MILLIGAN

We have been pleased with the resilience of the Kingfish portfolio companies over the past six months given considerable uncertainty in worldwide financial markets and heightened share market volatility. Portfolio companies have by and large continued to make solid strategic progress and their current financial performances are proving resilient (at worst) in the prevailing environment. The strength and volatility of the NZ dollar has probably been the most important factor affecting how management teams have run their businesses in the past six months.

The New Zealand share market environment

To say that 2007 to date has provided some opportunities and challenges for investors is something of an understatement. If ever there was a period where an unwavering focus on the underlying fundamentals of your portfolio companies was vital, this was it.

By far the biggest story so far this calendar year has to be the credit crunch emanating from the USA. A wave of defaults in sub-prime (ie poor-quality) home mortgages caused a major sell-off on the US share market which was echoed all around the world. New Zealand was no exception. In August the NZ50 index dropped below 4,000, effectively shedding any gains made since the start of the year.

The repercussions of the sub-prime defaults have been felt much more widely than just the share market, with broader credit markets grinding to a halt bringing the (still present) spectre of a spill over effect into the real economy. The US Federal Reserve has been vigilant to this risk and in September it lowered the Federal Funds rate by 50 basis points from 5.25% to 4.75%. The Fed's pre-emptive action revived investor confidence and encouraged global share markets, including New Zealand's, to rally strongly off their lows. By the end of September, the Dow Jones index had staged a considerable recovery, nearly recouping all previous losses and by mid-October had reached a new all-time high.

In the midst of all this excitement New Zealand experienced a financial 'crisis' of its own. Following the collapse of high-profile finance company, Bridgecorp, many investors have understandably lost confidence in the finance company sector and taken their money

elsewhere. These concerns have sparked a call for legislative regulation but troubles with deposits continue and we have seen more problems with liquidity including the listed Property Finance Group and most recently Geneva Finance.

The other major influence on share prices at home has been the NZ dollar, which reached a post-float high against the US dollar of 0.8110 on 24 July. A few days later Reserve Bank of New Zealand Governor, Dr Bollard, announced an increase in OCR from 8.00% to 8.25%, but also hinted that this would be the last hike for a while - a comment that had a dampening effect on the currency. Since then the NZ dollar has been as low as 0.684 although is now back at 0.78 (how's that for volatility!). We have talked before about merger and acquisition activity in the NZ market and we fully expect to talk about it again in the future. Right now, and this is something we cannot remember happening in the past, there are simultaneous bids or corporate activity associated with three high-profile, large capitalization companies: Sky City, Auckland Airport and The Warehouse. It is possible that we see all of these companies disappear from the NZSX over the next few months!

Finally, the Government introduced its carbon emissions trading policy. This is good news for the likes of Trustpower and Contact Energy given that their renewable energy sources will enable them to sell carbon credits on the market, adding another profitable revenue stream.

Portfolio company highlights

In line with the world-wide decline in share markets and increased risk aversion, all share prices of companies within the Kingfish portfolio are currently trading below the highs achieved earlier in 2007. Broadly though, the fundamentals and prospects of all remain strong and, perhaps with the exception of Pumpkin Patch (details below), there has been little stock-specific news or disappointments to cause these lower share prices. Importantly, if fundamentals are intact as we believe, and earnings growth does occur, then share prices will eventually recover and we would expect a resumption to NAV growth.

Pumpkin Patch signalled a dip in profits back in June. The actual result released showed resilience and underlying strength in the core business - Australia and NZ retail and international Wholesale. This year's profit drop is primarily a result of management's decision to expand the store network in the Northern Hemisphere - these stores are expensive to open and operate and take time to come in to profit. Nothing we have read or seen leads us to believe the business or growth strategy is vulnerable or incapable of producing strong future earnings growth. We firmly believe Pumpkin Patch has the wherewithal to develop a sizeable store network in the USA and in the UK as well as continuing to broaden its very profitable wholesale arrangements. Importantly, management remains confident of offshore success and is planning to open even more stores in the UK and USA this year. In the short term, execution of the strategy comes at a cost as revenues and profits take time to emerge. We have seen similar earnings patterns →

MANAGER'S REPORT (CONTINUED)

before with the likes of The Warehouse, Michael Hill and Sky City in particular - typical growing pains. Our experience gives us comfort that there is no real cause for concern. Patience is the key.

Speaking of patience, **Michael Hill** announced a 33% increase in profit for FY07, even better than that guided back in February. Great control of all aspects of the business – revenue generation combined with cost and margin control – drove the strong profit result. For the previous couple of years, profits have been reasonably steady as Michael Hill was incurring start-up losses in Canada and reconfiguring its Australian operations to position for more network expansion. The payback has started to occur with the leap in profits this year and we expect more to come over the coming years. Management confidence is evident in store opening numbers planned for next couple of years: 26 per annum of which 12 are intended for Canada - more if suitable sites come available.



Ryman Healthcare and **Metlifecare** were caught up in a sector-storm with the confluence of certain negative influences affecting hitherto strong share prices. There was valuation confusion and indigestion from three IPOs in the sector (Summerset, Babcock & Brown Community Living and ING Real Living) only one of which, Babcock, was successful. Analysts and commentators were generally confused about comparing the financial and operating attributes of the new offerings to those of Metlifecare and Ryman. Weak market sentiment further added to the negativity in the sector, resulting in weak share prices. Fundamentally though, there is no change at either company. Metlifecare announced a good FY07 result with net profit of \$30.7m which was slightly ahead of guidance. Ryman hosted an open-day at its new Edmund Hillary village in Remuera which was very impressive. The village is probably NZ's finest and seeing it reminded us of Ryman's market-leading position, evident in every detail of the village from layout and facilities to the satisfaction expressed by its residents.

Delegat's reported FY07 net profit of \$14.9m, ahead of its prospectus projection of \$13.8m. Better volume is the primary reason, mainly to the UK and Australia to meet strong demand. Pricing has proven resilient in spite of the strong NZ dollar, probably thanks to maintaining retail price points and the executives' ability to manage currency exposures. The company's flagship brand, Oyster Bay, is now the 17th ranked wine brand in the UK and is the top-selling white wine in Australia by value. Very impressive indeed. Managing

Director, Jim Delegat, commented to us that the company could probably double its sales volume immediately if it had the supply available. This bodes well for future growth.

Mainfreight announced its first US acquisition, agreeing to purchase Target Logistics for US\$54m. Target is a domestic and international freight-forward and logistics company with 34 branches in the US and over 70 affiliated agencies worldwide. Target anticipates US\$180m revenue this year and Mainfreight confirmed that the acquisition will be EPS positive in FY08. The acquisition is a platform for Mainfreight's expansion in the retail "less than container load" market within the USA and in Asia/US freight.

Comvita downgraded FY07 earnings guidance due to reduced first half revenue. UK and EU food standards were tightened earlier this year which necessitated Comvita recalling all product from those markets and re-testing for higher purity standards (which in turn required an overhaul of the manufacture and supply chain process before normal sales could resume. We are entirely satisfied that this is a one-off event and the brand and market position are intact. Comvita acquired an Australian producer of olive leaf extract for \$26m as part of its strategy to reduce reliance on bee-based products. Olive Products Australia is a high-growth market leader, with the leaf extract providing benefits for joint pain and arthritis sufferers as well as asthmatics.

NZ Exchange shares were weak reflecting global jitters. The company has deferred the launch of its Australian trading platform, AXE, until some time in 2008. Australian financial services sector regulator, ASIC, is undertaking a consultative review which will take some time to complete. The NZ Exchange also restructured its proposed CEO share scheme, which is now much more suitable to the needs of all stakeholders.

Rakon reported great numbers in its FY07 result with revenue up 43% to exceed \$100m for the first time, earnings increased 122% to \$10.6m and management is projecting EBITDA in the \$27m - \$32m range in FY08 subject to the NZ\$/US\$ averaging 0.76 throughout the year. The company is seeing continued strong demand for Personal Navigation Devices as well as emerging orders in cell-phone GPS. The recently acquired CMac is integrating well with results meeting expectations.

Kingfish's discount to NAV

For much of the year, the share price has traded at a nominal discount to net asset value. The discount has increased recently on the back of the decline in NAV per share and volatility / uncertainty in financial markets. We reiterate our assertion that the Fisher Funds team is very conscious of the level of share price discount to NAV and will continue to ensure that (a) the market is fully aware of the strength of the underlying Kingfish portfolio; and (b) we select the right companies with great prospects so as to ensure that the NAV continues to increase! Over time and with sustained growth in the NAV we do not believe the shares should trade at a material discount for any length of time. →

MANAGER'S REPORT (CONTINUED)

How do we see the world?

This is not the first time that we have experienced volatile markets and weak sentiment. In almost every year since Fisher Funds has been in existence we have encountered a period of negative returns, but in all cases bar one these losses have been more than recovered within the year. We continue to believe that we have selected the best smaller growth companies listed on the New Zealand share market and over time the strong fundamentals of these companies will be reflected in their share prices.

KINGFISH PORTFOLIO STOCKS	PORTFOLIO WEIGHTING	KINGFISH PORTFOLIO STOCKS	PORTFOLIO WEIGHTING
Ryman Healthcare	21%	Freightways	7%
Metlifecare	13%	Delegats	5%
Mainfreight	12%	NZ Exchange	5%
Michael Hill	11%	Comvita	<3%
Rakon	10%	Sealegs	<3%
Pumpkin Patch	9%	Waterman Holdings	<3%

Carmel Fisher



Managing Director
Fisher Funds Management Limited
7 November 2007

KINGFISH LIMITED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

NOTES	6 MONTHS ENDED 30/09/07 UNAUDITED \$000	6 MONTHS ENDED 30/09/06 UNAUDITED \$000	YEAR ENDED 31/03/07 AUDITED \$000
Interest income	111	183	358
Dividend income	1,063	1,870	4,183
Other income	0	7	7
Net changes in fair value on investments at fair value through profit or loss - unrealised	2 (i) (6,769)	12,402	33,493
Net changes in fair value on investments at fair value through profit or loss - realised	2 (i) 772	6,189	6,250
Total net income	(4,823)	20,651	44,291
Finance costs	(87)	(102)	(102)
Operating expenses	2 (ii) (1,320)	(2,789)	(6,726)
Total expenses	(1,407)	(2,891)	(6,828)
Operating (loss)/profit before tax	(6,230)	17,760	37,463
Total tax benefit/(expense)	4 117	(50)	(1,007)
Net (loss)/profit after tax	(6,113)	17,710	36,456

Earnings per Share

Basic earnings per share	16		
Profit attributable to equity holders of the Company (\$)	(6,113)	17,710	36,456
Weighted average number of ordinary shares on issue at date financial statements authorised for issue	64,867	58,524	58,606
	\$(0.09)	0.30	0.62

Diluted earnings per share

Profit attributable to equity holders of the Company (\$)	16 (6,113)	17,710	36,456
Weighted average number of ordinary shares on issue at date financial statements authorised for issue, adjusted for exercise of warrants and buybacks			
- Ordinary shares on issue	64,867	58,524	58,606
- Warrants on issue	3 47,348	54,943	53,919
	112,215	113,467	112,525
	\$(0.05)	0.16	0.32

The Notes to the Financial Statements set out on pages 20 - 30 should be read in conjunction with this Statement of Income.

KINGFISH LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

	NOTES	6 MONTHS ENDED 30/09/07 UNAUDITED \$000	6 MONTHS ENDED 30/09/06 UNAUDITED \$000	YEAR ENDED 31/03/07 AUDITED \$000
(Loss)/Profit for the period attributable to equity holders		(6,113)	17,710	36,456
Total recognised revenues and expenses for the period		(6,113)	17,710	36,456
Contributions from owners				
- Ordinary shares issued	3	896	1,714	1,714
- Warrants exercised	3	5,030	323	323
- Transfer to share capital from reserves for issue of shares for performance fee	3	1,994	568	568
Distributions to owners				
- Dividends Paid	5	(2,268)	(2,931)	(2,931)
Share and Warrant buybacks	3	(826)	(1,934)	(2,446)
Other Reserves				
- Manager's performance fee to be settled with ordinary shares	5	0	742	1,994
- Transfer from reserves to share capital	5	(1,994)	(568)	(568)
Movements in equity for the period		(3,281)	15,624	35,110
Equity at beginning of period		127,699	92,589	92,589
Equity at end of period		124,418	108,213	127,699

The Notes to the Financial Statements set out on pages 20 - 30 should be read in conjunction with this Statement of Changes in Equity.

KINGFISH LIMITED
BALANCE SHEET
AS AT 30 SEPTEMBER 2007

	NOTES	6 MONTHS ENDED 30/09/07 UNAUDITED \$000	6 MONTHS ENDED 30/09/06 UNAUDITED \$000	YEAR ENDED 31/03/07 AUDITED \$000
ASSETS				
Current Assets				
- Cash and cash equivalents		5,635	6,781	7,576
- Trade receivables and prepayments	6	1,952	10	523
- Current tax receivable	4 (ii)	0	0	3
Total Current Assets		7,587	6,791	8,102
Non-current Assets				
- Investments at fair value through profit or loss	8	123,158	102,559	127,577
- Available-for-sale financial assets	9	750	0	750
- Deferred tax asset	4(iv)	0	1,085	969
Total Non-Current Assets		123,908	103,644	129,296
TOTAL ASSETS		131,495	110,435	137,398
LIABILITIES				
Current Liabilities				
- Trade payables	7	187	1,087	2,690
- Payments received in advance of warrant exercise		0	0	5,030
- Borrowings		6,000	0	0
- Current tax payable	4 (ii)	890	0	0
Total Current Liabilities		7,077	1,087	7,720
Deferred Tax Liability (non-current)	4 (iii)	0	1,135	1,979
TOTAL LIABILITIES		7,077	2,222	9,699
Equity				
- Share capital	3	65,162	58,580	58,068
- Reserves	5	0	742	1,994
- Retained earnings	5	59,256	48,891	67,637
TOTAL EQUITY		124,418	108,213	127,699
TOTAL EQUITY AND LIABILITIES		131,495	110,435	137,398

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



Director - Rob Challinor
7 November 2007



Director - Annabel Cotton
7 November 2007

The Notes to the Financial Statements set out on pages 20 - 30 should be read in conjunction with this Balance Sheet.

KINGFISH LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

NOTES	6 MONTHS ENDED 30/09/07 UNAUDITED \$000	6 MONTHS ENDED 30/09/06 UNAUDITED \$000	YEAR ENDED 31/03/07 AUDITED \$000
Operating Activities			
<i>Cash was provided from:</i>			
- Interest received	109	181	357
- Dividends received	1,054	2,165	4,221
- Other income	0	7	7
<i>Cash was applied to:</i>			
- Operating expenses	(5,829)	(2,369)	(3,449)
- Interest Paid	(77)	(102)	(102)
Net cash (outflows)/inflows from operating activities	(4,743)	(118)	1,034
Investing Activities			
<i>Cash was provided from:</i>			
- Sale of investments	1,970	17,734	17,981
<i>Cash was applied to:</i>			
- Purchase of investments	(5,228)	(11,529)	(16,392)
Net cash (outflows)/inflows from investing activities	(3,258)	6,205	1,589
Financing Activities			
<i>Cash was provided from:</i>			
- Proceeds of share issues and warrant exercises	2,260	1,207	5,971
- Borrowings	10,000	12,000	12,000
<i>Cash was applied to:</i>			
- Share and warrant buy-backs	(826)	(1,934)	(2,446)
- Dividends Paid	(1,374)	(1,838)	(1,831)
- Borrowings repaid	(4,000)	(12,000)	(12,000)
Net cash inflows/(outflows) from financing activities	6,060	(2,565)	1,694
Net (decrease)/increase in cash and cash equivalents held	(1,941)	3,522	4,317
Cash and cash equivalents at beginning of period	7,576	3,259	3,259
Cash and cash equivalents at end of period	5,635	6,781	7,576

All cash balances comprise of short-term cash deposits.

The Notes to the Financial Statements set out on pages 20 - 30 should be read in conjunction with this Statement of Cash Flows.

KINGFISH LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

NOTES	6 MONTHS ENDED 30/09/07 UNAUDITED \$000	6 MONTHS ENDED 30/09/06 UNAUDITED \$000	YEAR ENDED 31/03/07 AUDITED \$000
Reconciliation of after tax operating profit to net cash flows from operating activities			
Net (loss)/profit after tax	(6,113)	17,710	36,456
Items not involving cash flows			
- (Decrease)/increase in deferred tax liability	(1,979)	1,135	1,979
- Decrease/(increase) in deferred tax asset	969	(1,085)	(969)
- Unrealised net changes in fair value on investments at fair value through profit and loss	6,769	(12,402)	(33,493)
	5,759	(12,352)	(32,483)
Impact of changes in working capital items			
- (Decrease)/increase in fees and other payables	(2,503)	422	1,283
- (Increase)/decrease in interest and dividends receivable	(1,695)	293	39
- Increase in current tax payable/(increase) in current tax receivable	893	0	(3)
	(3,305)	715	1,319
Items classified as financing and investing activities			
- Realised gains on investments	(772)	(6,189)	(6,250)
- Movements in payables attributable to financing activities	0	(2)	(2)
- Increase in sale of investments receivable	1,682	0	0
- Performance fee payable settled by issue of shares	(1,994)	0	1,994
	(1,084)	(6,191)	(4,258)
Net cash (outflows)/inflows from operating activities	(4,743)	(118)	1,034

The Notes to the Financial Statements set out on pages 20 - 30 should be read in conjunction with this Statement of Cash Flows.

KINGFISH LIMITED
STATEMENT OF ACCOUNTING POLICIES
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

GENERAL INFORMATION

Entities Reporting

Kingfish Limited, the parent company, amalgamated with its subsidiaries, Kingfish Holdings Limited and Kingfish Nursery Limited on 31 August 2007 with Kingfish Limited continuing as the amalgamated entity. The amalgamation was effected as a short-form amalgamation under the Companies Act 1993.

For comparative purposes with prior period accounting periods, the current period's financial information is presented as if the amalgamation had been in place for the whole accounting period. The comparative periods represent the former Kingfish Group financial position and performance for those periods. The amalgamation on 31 August 2007 had no impact on the consolidated financial position or performance of the Kingfish Group.

Legal Form & Domicile

The Company is domiciled in New Zealand.

Kingfish Limited is a limited liability company, incorporated under the Companies Act 1993 on 30 January 2004.

Kingfish Limited is listed on the New Zealand Stock Exchange and is an issuer under the terms of the Securities Act 1978.

The Company is a profit-oriented entity.

Kingfish Limited began operating as a listed investment company on 31 March 2004.

Authorisation of Financial Statements

The Kingfish Board of Directors authorised these financial statements for issue on 7 November 2007.

No party may change these financial statements after their issue.

ACCOUNTING POLICIES

Period Covered by Financial Statements

These financial statements cover the unaudited results from operations for the six months ended 30 September 2007. The previous accounting regime is referred to in these financial statements as New Zealand Financial Reporting Standards ("NZ FRS").

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP").

These are the Company's first financial statements which fully comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

Compliance with NZ IFRS ensures that these financial statements comply with International Financial Reporting Standards. NZ IFRS 8: Operating Segments has been issued, effective for periods commencing after 1 January 2009, and this standard has not been adopted early by the Company.

An explanation of how the transition to NZ IFRS impacted the Company is detailed in Note 1.

These financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

Summary of significant accounting policies

The accounting policies that materially affect the measurement of items in the Income Statement, Balance Sheet and Cash Flow Statement are set out below:

Measurement Base

The financial statements have been prepared on the historical cost basis, as modified by the fair valuation of certain assets as identified in specific accounting policies below.

Critical judgements, estimates and assumptions

The preparation of 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. Specifically these relate to the measurement of deferred tax balances and the fair value of available-for-sale financial assets disclosed in these accounts and are based on historical experience and various other factors that are believed to be reasonable in the circumstances. The Directors' estimate of the fair value of available-for-sale financial assets has been based on the latest transaction values. Actual results may differ from these estimates however the Directors believe that any difference is unlikely to be significant.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand and short-term money market deposits.

Statement of Cash Flows

The following are definitions of the terms used in the Cash Flow Statement:

- (a) Operating activities include all transactions and other events that are not investing or financing activities. →

- (b) Investing activities are those activities relating to the acquisition, holding and disposal of investments. Investments can include securities not falling within the definition of cash.
- (c) Financing activities are those activities that result in changes in the size and composition of the capital structure.

Functional and Presentation Currency

The financial statements are presented in New Zealand Dollars, which is the Company's functional and presentation currency.

Interest Income & Dividend Income

Interest is accounted for as earned.

Dividend income is recognised when the Company's right to receive payments is established (ex-dividend date).

Manager's Performance Fee

The performance fee is recognised in the Income Statement on an accrual basis based on the performance of the Company up to the balance date. Refer to Note 14 of the Notes to the Financial Statements.

Share-Based Payments

The consideration for any performance fee paid to Fisher Funds Management Limited (the "Manager") is calculated in accordance with the Management Agreement described in Note 14 and comprises cash and Kingfish share capital in equal portions. Performance fees, where earned by the Manager, are paid annually within 30 days of balance date, relating to the preceding period and recognised as an expense in the Income Statement. The portion paid in share capital is an equity-settled share-based payment and is recognised at the value of half of the performance fee expense (excluding GST) as an equity reserve until the ordinary shares are issued. These shares are issued at a price equal to the audited net asset value per share at year end.

Income Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting respect of the taxable profit or date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The corporate tax rate reduction to 30% from 1 April 2008 will not effect the carrying balances due to the deferred tax crystallising at 30 September 2007 on unrealised investment gains and payable over a three year period as required under the Portfolio Investment Regime ("PIE").

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Goods and Services Tax (GST)

The amalgamated entity of Kingfish Limited is not registered for GST as its activities relate to financial services. The financial statements include GST where it is charged by other parties as it cannot be reclaimed.

Investments at Fair Value Through Profit or Loss

Classification

Investments are classified at fair value through profit or loss in the financial statements.

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.

Recognition & Measurement

All investments at fair value through profit or loss are initially recognised at cost and are subsequently revalued to fair value. →

Net changes in the fair value of investments classified as fair value through profit or loss are recognised in the Income Statement as they arise.

The fair values of investments at fair value through profit and loss traded in active markets are based on current market bid prices at balance date.

Transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

All purchases and sales of investments are recognised at trade date, which is the date on which the Company commits to purchase or sell the asset.

Dividend income from investments at fair value through profit or loss is separately recognised in the Income Statement when the Company's right to receive payments is established (ex-dividend date).

Available-for-sale financial assets

Classification

Investments in unlisted companies are held as available-for-sale assets.

Recognition & Measurement

All investments held as available-for-sale assets are stated at the lower of cost or net realisable value.

These investments are assessed for impairment each accounting period and if the recoverable amount is less than cost, it will be written down with the loss being recognised in the income statement. Impairment losses may be reversed in the future in accordance with NZ IAS 36. The investment will then be held at the recoverable amount, as long as it does not exceed the original cost.

Transaction costs for available-for-sale assets are expensed as incurred.

All purchases and sales of investments are recognised at trade date, which is the date on which the Company commits to purchase or sell the asset.

Dividend income from available-for-sale assets is separately recognised in the Income Statement when the Company's right to receive payments is established (ex-dividend date).

Trade Receivables

Trade receivables are carried at estimated realisable value after providing against debts where collection is doubtful.

Trade Payables

Trade payables are recognised at cost.

Borrowings

The Fund's borrowings are via a revolving facility with ASB Bank Limited. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest rate method.

Financial Instruments

Financial instruments carried on the Balance Sheet include cash and cash equivalents, equity investments, trade receivables, trade payables and borrowings. The various accounting policies associated with these financial statements have been disclosed above.

Dividends Payable

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared by the Kingfish Board.

Segmental Reporting

The Company operates in a single business segment being financial investment in New Zealand.

SUPPORTING INFORMATION TO THE FINANCIAL STATEMENTS

Note 1 Impact of Transition to NZ IFRS

(i) Reconciliation of opening Equity	NOTES	\$000
Equity at 1 April 2006 under NZ FRS		92,255
<i>Adjustments:</i>		
31 March 2006 Manager's performance fee settled as share-based payment	(a)	568
Opening bid price valuation adjustment	(b)	(234)
Equity at 1 April 2006 under NZ IFRS		92,589

		6 MONTHS ENDED 30/09/06 UNAUDITED \$000	YEAR ENDED 31/03/07 AUDITED \$000
(ii) Reconciliation of Net Assets			
Net assets under NZ FRS		108,384	126,295
Investments- bid price valuation adjustment	(b)	(913)	(590)
Manager's performance fee settled as share-based payment	(a)	742	1,994
Restated balances under NZ IFRS		108,213	127,699
(iii) Reconciliation of profit			
Total profit under NZ FRS		18,389	36,812
Investments- bid price valuation adjustment	(b)	(679)	(356)
Restated balances under NZ IFRS		17,710	36,456

- (a) Half of any Manager's performance fee is paid in Company shares which falls within the scope of NZ IFRS 2: Share-based Payments. As described in the accounting policies, this equity-settled share-based payment is recognised as it accrues as an equity reserve until the ordinary share capital is issued.
- (b) Under New Zealand International Accounting Standard 39, the fair value of quoted investments are based on current bid prices. Under NZ FRS investments were valued using last sale price.

There have been no significant changes to the Cash Flow Statement as a result of adoption of NZ IFRS.

6 MONTHS ENDED 30/09/07 UNAUDITED \$000	6 MONTHS ENDED 30/09/06 UNAUDITED \$000	YEAR ENDED 31/03/07 AUDITED \$000
---	---	---

Note 2 Income Statement

(i) Realised and Unrealised Gains and Losses

Investment gains/(losses)

Investments designated at fair value through profit or loss

- Unrealised	(6,769)	12,402	33,493
- Realised	772	6,189	6,250
Total (losses)/gains	(5,997)	18,591	39,743

(ii) Operating Expenses

Audit fees	42	25	40
Directors' fees	52	53	106
Manager's fee	930	746	1,606
Manager's performance fee to be settled in cash	0	927	2,493
Manager's performance fee settled via the issue of shares	0	742	1,994
Other expenses	296	296	487
Total operating expenses	1,320	2,789	6,726

Note 3 Share Capital

Ordinary shares

Opening balance	58,068	57,909	57,909
Proceeds of shares issued	896	1,714	1,714
Transfer from reserves to share capital	1,994	568	568
Warrants exercised	5,030	323	323
Share buybacks-treasury stock	(92)	(1,715)	(1,715)
Warrant buybacks	(734)	(219)	(731)
Closing balance	65,162	58,580	58,068

As at 30 September 2007 there were 65,263,803 fully paid Kingfish Shares on issue, including treasury stock. (30 September 2006: 59,645,509, 31 March 2007: 59,645,509)

All ordinary shares are classified as equity and rank equally. All shares (with the exception of treasury stock) carry an entitlement to dividends and one vote attached to each fully paid ordinary share. →

During the period the following transactions affected issued and paid up capital:

- (i) On 5 April 2007, 5,029,656 Kingfish shares were allotted for the 31 March 2007 exercise of warrants. The shares were issued in accordance with the NZX listing rules. Kingfish Limited received \$5,029,656 from the exercise of these warrants.
- (ii) On 1 May 2007, 926,586 shares were transferred from treasury stock to Fisher Funds Management Limited as per the terms of the Management Agreement. These shares were transferred as part payment of the 2007 performance fee expensed in the financial statements for the period ended 31 March 2007. These shares were issued at an issue price equal to the Net Asset Value per share at 31 March 2007 of \$2.1520
- (iii) On 15 June 2007, 588,638 shares were issued under the terms of the Kingfish Dividend Reinvestment Plan at an issue price of \$1.5213.
- (iv) On 1 November 2006, Kingfish Limited announced its intention to continue its share buyback policy, originally commenced in November 2005, of its ordinary shares in accordance with section 65 of the Companies Act 1993.
- At 30 September 2007, a total of 3,047,515 ordinary shares had been purchased at a total cost of \$3,339,113.
- All the shares acquired under the buyback are held as treasury stock.
- At 30 September 2007, a total of 2,949,911 of the total shares purchased and held as treasury stock had been reissued. The balance of treasury stock remaining at 30 September 2007 was 97,604 shares (30 September 2006: 956,561, 31 March 2007:956,561).
- During the period to 30 September 2007, 67,629 ordinary shares had been acquired at a cost of \$92,291.

Warrants/Options

As at 30 September 2007 there were 47,061,340 Kingfish Warrants on issue (30 September 2006: 54,911,007, 31 March 2007: 53,489,848).

During the period the following transactions affected warrants on issue:

- (i) On 5 April 2007, 5,029,656 Kingfish shares were allotted for the 31 March 2007 exercise of warrants. The shares were issued in accordance with the NZX listing rules. Kingfish Limited received \$5,029,656 from the exercise of these warrants.
- (ii) On 1 November 2006, Kingfish Limited announced its continuation of its warrant buyback policy, originally commenced in November 2005, of up to a maximum of 20 million warrants between 1 November 2006 and 31 October 2007. During the period to 30 September 2007, 1,398,852 warrants had been acquired under the buyback at a total cost of \$734,491.
- As at 30 September 2007 a total of 6,086,404 warrants had been acquired under the buyback at a total cost of \$1,852,496 and subsequently cancelled.

Each Kingfish warrant held entitles the holder to subscribe for an ordinary share at an exercise price of \$1.00 exercisable on either 31 March 2006, 31 March 2007 (see above) or finally 31 March 2008. Holders can elect to exercise some or all of their warrants on any of these dates subject to a minimum exercise of 500 warrants. The fair value of the warrants based on the last trading price at 30 September 2007 was \$0.36 each.

	6 MONTHS ENDED 30/09/07 UNAUDITED \$000	6 MONTHS ENDED 30/09/06 UNAUDITED \$000	YEAR ENDED 31/03/07 AUDITED \$000
--	---	---	---

Note 4 Taxation Expense

(i) Taxation Expense

Net (Loss)/Profit Before Tax	(6,230)	17,761	37,463
Taxable Income	(6,230)	17,761	37,463
Tax thereon at 33%	(2,056)	5,861	12,363
Realised (gain)/loss in former Kingfish Holdings Limited	0	(2,035)	(2,034)
Unrealised (gain)/loss in former Kingfish Holdings Limited	2,092	(2,322)	(7,301)
Imputation credits	(180)	(582)	(1,122)
Deferred tax written back	0	(411)	(413)
Recognition of prior year losses	0	(460)	(460)
Prior period adjustment	114	0	0
Other	(87)	(1)	(26)
Taxation Expense/(Benefit)	(117)	50	1,007
<i>Taxation Expense comprises:</i>			
- Current Tax	893	0	(3)
- Deferred Tax	(1,010)	50	1,010
	(117)	50	1,007

The tax rate used in the above reconciliation is the corporate tax rate of 33% payable by New Zealand corporate entities on taxable profits under New Zealand tax law. The corporate tax rate reduction to 30% from 1 April 2008 will not affect the carrying balances due to the deferred tax crystallising on unrealised investment gains and payable over a three-year period as required under the new Portfolio Investment Entity regime. →

	6 MONTHS ENDED 30/09/07 UNAUDITED \$000	6 MONTHS ENDED 30/09/06 UNAUDITED \$000	YEAR ENDED 31/03/07 AUDITED \$000
Note 4 Taxation Expense (continued)			
Current Tax Assets and Liabilities			
(ii) Current Tax (Payable)/Receivable			
Opening balance	3	0	0
Income tax refund receivable	0	0	3
Transitional PIE taxable income	(894)	0	0
Prior period adjustment	1	0	0
Closing balance	(890)	0	3
(iii) Deferred Tax Liability on investment income			
Opening balance	(1,979)	0	0
Market value adjustment	1,979	(1,676)	(1,929)
Recognition of prior period timing differences	85	(411)	(413)
Timing differences	0	541	0
Deferred tax written back	0	411	413
Prior period adjustment	(85)	0	0
Other	0	0	(50)
Closing balance	0	(1,135)	(1,979)
(iv) Deferred Tax Asset on tax losses			
Opening balance	969	0	0
Excess imputation credits converted to tax loss	0	869	1,675
Foreign investor tax credit	(2)	0	8
Recognition of prior year losses	0	460	460
Tax losses utilised	(936)	(247)	(1,174)
Prior period adjustment	(31)	3	0
Closing balance	0	1,085	969
(v) Imputation Credit Account Balances			
Opening balance	1,424	1,172	1,172
Net imputation credits received	268	869	1,675
Net imputation credits attached to dividends	0	(1,423)	(1,423)
Taxation paid	0	0	0
Closing Balance	1,692	618	1,424

	6 MONTHS ENDED 30/09/07 UNAUDITED \$000	6 MONTHS ENDED 30/09/06 UNAUDITED \$000	YEAR ENDED 31/03/07 AUDITED \$000
Note 5 Retained Earnings			
Balance at beginning of period	67,637	34,112	34,112
Operating (loss)/profit for the period	(6,113)	17,710	36,456
Dividends paid and provided	(2,268)	(2,931)	(2,931)
Balance at the end of period	59,256	48,891	67,637
Other Reserves			
Balance at beginning of period	1,994	568	568
Transfer from reserves to share capital relating to share issued as part-payment of Manager's performance fee	(1,994)	(568)	(568)
Performance fee payable for the period to be settled in shares	0	742	1,994
Balance at the end of period	0	742	1,994
Note 6 Trade Receivables			
Interest receivable	3	3	1
Dividends receivable	265	0	256
Unsettled investment sales	1,682	0	0
Other receivables	2	7	266
Total Trade Receivables	1,952	10	523
Note 7 Trade Payables			
Manager's performance fee payable in cash (see Note 14)	0	927	2,493
Manager's fee payable	130	125	156
Interest payable	10	0	0
Unsettled investment purchases	0	0	0
Accruals & other payables	47	35	41
Total Trade Payables	187	1,087	2,690 →

Note 8 Investments at fair value through profit or loss

Investments at fair value through profit or loss, revalued to bid price, are summarised as follows:

New Zealand listed equity investments at cost	56,396	50,114	54,046
Unrealised gains on New Zealand listed equity investments	66,762	52,445	73,531
Total Investments at fair value through profit or loss	123,158	102,559	127,577

Note 9 Available-for-sale financial assets

Investments in unlisted companies are held as available-for-sale assets.

New Zealand unlisted equities at cost	750	0	750
Adjustments for impairment to value of unlisted investment	0	0	0
Total Available-for-sale financial assets	750	0	750

OTHER DISCLOSURES**Note 10 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 Kingfish Limited is Fisher Funds Management Limited. Fisher Funds Management Limited is a related party by virtue of shares to be issued in settlement of the accrued Manager's performance fee, common directorship and a management contract. Management fees paid or payable (inclusive of GST) to Fisher Funds Management Limited for the six month period to 30 September 2007 totalled \$930,000 (30 September 2006: \$746,303, 31 March 2007:\$1,606,000).

The Management Agreement with Fisher Funds Management Limited provides for the provisional payment of a Management Fee equal to 1.25% per annum of the Gross Asset Value, calculated weekly and payable monthly in arrears. This Management Fee will be reduced by 0.10% for each 1.0% per annum by which the Gross Return achieved on the portfolio during each financial period is less than the change in the NZX 90-Day Bank Bill Index over the same period but subject to a minimum management fee of 0.75% of the average gross asset value for that period.

At 30 September 2007 the gross return for the six month period was less than the change in the NZX 90-Day Bank Bill Index over the same period. The annual management fee shall be calculated by the Custodian within 20 business days of the end of the financial year and any amount required to be refunded by the Manager shall be repaid by way of set off against future management fee payments due.

In addition, the Management Agreement provides for the payment of a performance fee to the Manager under certain circumstances. No performance fee has been

expensed in the accounts for the six months ended 30 September 2007, see Note 14 (30 September 2006: \$1,668,768, 31 March 2007:\$4,487,000).

At 31 August 2007, the parent company, Kingfish Limited amalgamated with its subsidiaries (Kingfish Holdings Limited and Kingfish Nursery Limited), with Kingfish Limited operating as the amalgamated entity. All related party transactions and advance to subsidiaries were eliminated upon amalgamation.

All related party transactions carried out up until the date of consolidation were carried out within the ordinary course of activities and were effected on arm's length terms.

Note 11 Financial Risk Management Policies

The Company is subject to a number of financial risks which arise as a result of its investment activities, including; market risk, credit risk and liquidity risk.

The Management Agreement between Kingfish Limited and Fisher Funds Management Limited details authorised investments.

Financial instruments currently recognised in the financial statements also comprise cash and short term deposits, trade and other receivables and trade and other payables.

Market Risk

Changes in market conditions that can give rise to market risk include changes in interest rates, currency rates or actual market prices.

All equity investments present a risk of loss of capital often due to factors beyond the Company's control such as competition, regulatory changes, commodity price changes and changes in general economic climates domestically and internationally. The Manager moderates this risk through careful stock selection and diversification, daily monitoring of the market positions and monthly reporting to the Board of Directors.

The maximum market risk resulting from financial instruments is determined by their fair value.

Interest Rate Risk

Financial instruments which potentially subject the Company to interest rate risk are short-term deposits. The Company invests surplus cash in the New Zealand money market (short-term investments only) and interest income is therefore subject to changes in local interest rates. The Company utilises short-term fixed rate borrowings which are used to fund investment opportunities. There is no hedge against the risk of downward movements in interest rates.

Equity investments are not directly affected by interest rate changes.

Currency Risk

The Company holds assets denominated in New Zealand dollars. It is therefore not directly exposed to currency risk. The portfolio companies that Kingfish invests in may be affected by currency risk that in turn has an impact on the market value of the underlying portfolio company.

Credit Risk

In the normal course of its business, the Company is exposed to credit risk from transactions with its counterparties. There are no significant concentrations of credit risk. →

KINGFISH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

The Company does not expect non-performance by counterparties, therefore no collateral or security is required.

All transactions in listed securities are paid for on delivery according to standard settlement instructions.

The Company invests cash with banks registered in New Zealand which carry a minimum short-term credit rating of A-1.

Liquidity Risk

The Company endeavours to invest the proceeds from the issue of shares in appropriate investments while maintaining sufficient liquidity, through daily cash monitoring, to meet working capital and investment requirements. Such liquidity can be augmented by short-term borrowings from a registered bank to a maximum value of 20% of the Gross Asset Value of the Company.

The combined investment portfolio is typically invested 90-95% in equities.

Note 12 Sensitivity Analysis

The sensitivity of profit for the period and shareholders' equity to reasonably possible changes in market conditions at 30 September 2007 is as follows:

	Carrying Amount	Equity Prices			
		-10%		+10%	
		Profit	Equity	Profit	Equity
Cash and Cash Equivalents	5,635	-	-	-	-
Borrowings	(6,000)	-	-	-	-
Investments at fair value through profit or loss	123,158	(12,316)	(12,316)	12,316	12,316

	Carrying Amount	Interest Rate			
		-1%		+1%	
		Profit/(Loss)	Equity	Profit/(Loss)	Equity
Cash and Cash Equivalents	5,635	(56)	(56)	56	56
Borrowings	(6,000)	60	60	(60)	(60)
Investments at fair value through profit or loss	123,158	-	-	-	-

Available-for-sale financial assets are held at cost and as such are not included in the analysis above.

Note 13 Fair Value

All investments designated at fair value through profit and loss on inception are initially recognised at cost (net of transaction costs) and are subsequently revalued to fair value.

The fair values of investments at fair value through profit and loss traded in active markets are based on current market bid prices at balance sheet date.

Available-for-sale financial assets are held at cost and the Directors consider the cost to materially approximate fair value.

Carrying amounts are a reasonable approximation of fair value for all other financial assets and liabilities such as trade receivables and payables.

Note 14 Performance Fee

The Management Agreement with Fisher Funds Management Limited provides for an annual performance fee for outperforming the Benchmark rate and providing excess returns.

The performance fee payable to the Manager under the agreement is 15% of the lesser of:

- The excess return for the applicable period multiplied by the number of shares on issue at the end of the period; or
- The dollar amount by which the net asset value per share exceeds the highest net asset value per share at the end of the previous calculation period multiplied by the number of shares on issue.

Excess return is defined as the excess above a benchmark return which is the change in the NZX 90-Day Bank Bill Index in the period plus 7% per annum.

At 30 September 2007 the net asset value of \$1.91 was below the Benchmark return (after adjustment for capital changes and distributions) of \$2.20 (being the highest net asset value per share at the end of the previous calculation period of 31 March 2007 adjusted for any capital changes and distributions).

Accordingly the Company has not accrued a performance fee in its Income Statement for the period to 30 September 2007. (30 September 2006: \$1,668,768, 31 March 2007: \$4,487,000 - inclusive of GST).

In accordance with the terms of the Management Agreement, half of any performance fee payable (exclusive of GST) will be applied by the Manager to subscribe for shares in Kingfish Limited, issued at a price equal to the audited net asset value per share at 31 March 2008.

Note 15 Net Asset Value

The unaudited Net Asset Value per share of Kingfish Limited as at 30 September 2007 was \$1.91 per share (30 September 2006: \$1.84, 31 March 2007: \$2.18).

The unaudited diluted Net Asset Value per share of Kingfish Limited as at 30 September 2007 was \$1.53 per share (30 September 2006: \$1.44, 31 March 2007: \$1.60).

The diluted Net Asset Value describes the effect if all warrants were exercised on the date of calculation of the Net Asset Value at \$1.00.

Remaining Kingfish Warrants are exercisable on 31 March 2008. →

Note 16 Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the average number of ordinary shares on issue during the year and issued between balance date and the date these financial statements were authorised for issue (excluding treasury stock).

Note 16 Earnings per Share (continued)

	6 MONTHS ENDED 30/09/07 UNAUDITED \$000	6 MONTHS ENDED 30/09/06 UNAUDITED \$000	YEAR ENDED 31/03/07 AUDITED \$000
Profit attributable to equity holders of the Company	[6,113]	17,710	36,456
Weighted average number of ordinary shares on issue at date financial statements authorised for issue	64,867	58,524	58,606
Basic earnings per share	\$(0.09)	\$0.30	\$0.62
Diluted earning per share adjusts the weighted average number of ordinary shares assuming all warrants were exercised on the date of calculation of earnings per share.			
Profit attributable to equity holders of the Company	[6,113]	17,710	36,456
Weighted average number of ordinary shares on issue at date financial statements authorised for issue, adjusted for exercise of warrants and buybacks	112,215	113,467	112,525
Diluted earnings per share	\$(0.05)	\$0.16	\$0.32

Note 17 Contingent Liabilities and Unrecognised Contractual Commitments

There were no contingent liabilities or unrecognised contractual commitments as at 30 September 2007. (30 September 2006:None, 31 March 2007:None).

Note 18 Subsequent Events

There were no events subsequent to 30 September 2007 which require adjustment of, or disclosure in, the financial statements (30 September 2006:None, 31 March 2007:None).

ACCOUNTANTS' REPORT

PRICEWATERHOUSECOOPERS 

PricewaterhouseCoopers
188 Quay Street
Private Bag 92162
Auckland, New Zealand
DX CP24073
www.pwc.com/nz
Telephone +64 9 355 8000
Facsimile +64 9 355 8001

Accountants' Report

To the shareholders of Kingfish Limited

We have reviewed the interim financial statements (the "financial statements") on pages 9 to 30. The financial statements provide information about the past financial performance and cash flows of Kingfish Limited (the "Group") for the period ended 30 September 2007 and its financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 14 to 19.

Directors' responsibilities

The Group's Directors are responsible for the preparation and presentation of the financial statements that present fairly the financial position of the Group as at 30 September 2007 and its financial performance and cash flows for the period ended on that date.

Accountants' responsibilities

We are responsible for reviewing the financial statements presented by the Directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the financial statements do not present fairly the matters to which they relate.

Basis of opinion

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the consolidated financial statements of the Group for the period ended 30 September 2007 in accordance with the Review Engagement Standards issued by the New Zealand Institute of Chartered Accountants.

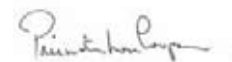
We have no relationship with or interests in the Group other than in our capacity as accountants conducting this review and in our capacity as auditors under the Companies Act 1993.

Review opinion

We have reviewed the financial performance and cash flows of the Group for the period ended 30 September 2007 and its financial position as at that date.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly the financial position of the Group as at 30 September and its financial performance and cash flows for the period ended on that date in accordance with International Financial Reporting Standard 1 and New Zealand Equivalent to International Financial Reporting Standard 1, *First-time Adoption of International Financial Reporting Standards*.

Our review was completed on 7 November 2007 and our review opinion is expressed as at that date.



Chartered Accountants

Auckland

DIRECTORY

Nature of Business

The principal activity of the Group is investment in New Zealand companies.

Manager

Fisher Funds Management Limited

Level 2
95 Hurstmere Road
Takapuna
Auckland

Directors

Independent Directors

Rob Challinor (Chairman)
Annabel Cotton
Ian Hendry

Director

Carmel Fisher

Registrar

Computershare Investor Services Limited

Level 2
159 Hurstmere Road
Takapuna
Auckland

Auditors

PricewaterhouseCoopers

188 Quay Street
Auckland

Solicitors

Chapman Tripp Sheffield Young

Level 35
23 - 29 Albert Street
Auckland

Bankers

ANZ

Level 9
ANZ Tower
215 - 229 Lambton Quay
Wellington

Investor Enquiries

Kingfish Limited

Level 2, 95 Hurstmere Road,
Takapuna, Auckland
Telephone 09 489 7074
Facsimile 09 489 7139
Email: enquire@kingfishlimited.co.nz

