



5th Annual Meeting of Shareholders

Friday 24 July 2009

Welcome

Board of Directors

- Rob Challinor - Chairman
- Carmel Fisher - Director
- Ian Hendry - Independent Director
- Annabel Cotton - Independent Director

Corporate Manager

- Nivedita Findlay



Welcome and introduction of directors

Preliminary matters

- Notice of meeting
- Quorum
- Proxies received
- Minutes of the 2008 meeting






Presentation of Annual Result


Chairman's Overview





Result for 2008/09

	Cents per share
Net Asset Value 31 March 2008	131
Less: Net Asset Value 31 March 2009	92
Reduction	(39)
Add: Dividend paid 20 June 2008	4.5
Reduction in NAV (-26%)	(34.5)
Represented by Operating Deficit for the year	(\$31m)



In the year to 31 March 2009, the Kingfish Net Asset Value fell 26%, after adjusting for the 4.5 cent per share dividend paid on 20 June 2008. This unrealised fall in the value of the Kingfish portfolio is represented by an operating deficit for the year of \$31 million.

It is important to reiterate that Kingfish is an investment company rather than an operational company, so this operating deficit is not equivalent to a loss on operations of say a manufacturing company. Rather, it is a fall in the value of the Kingfish portfolio assets determined by a lower share price in March 2009 than in March 2008. As the price of the Kingfish assets lift, the operating deficit diminishes.

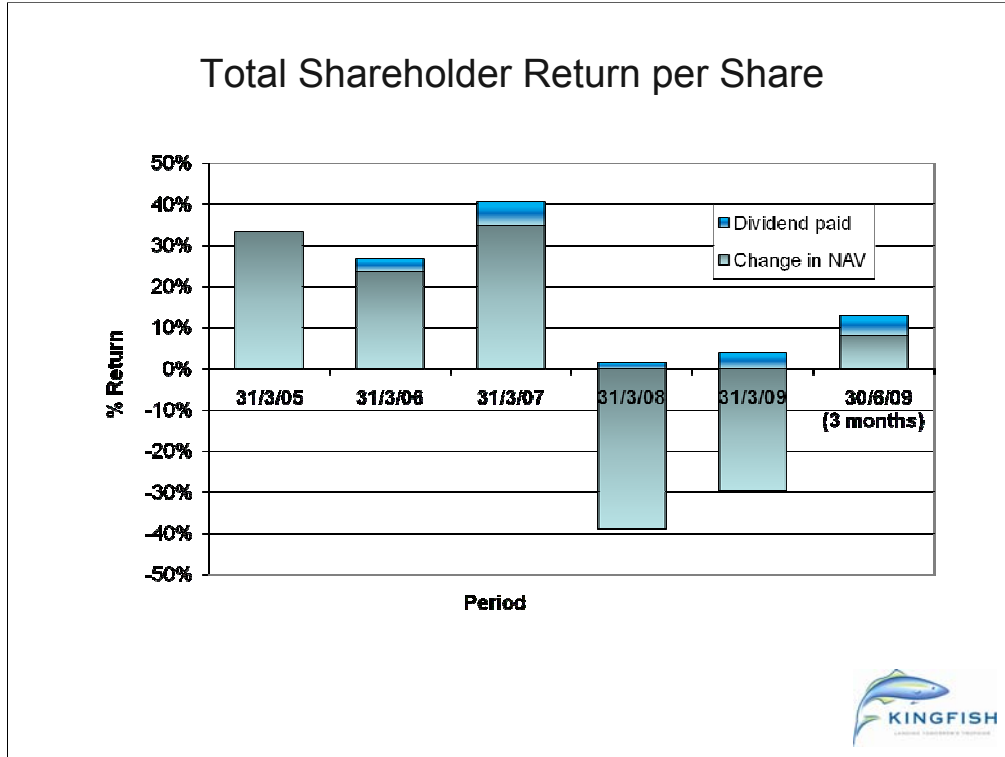


Update to 30 June 2009

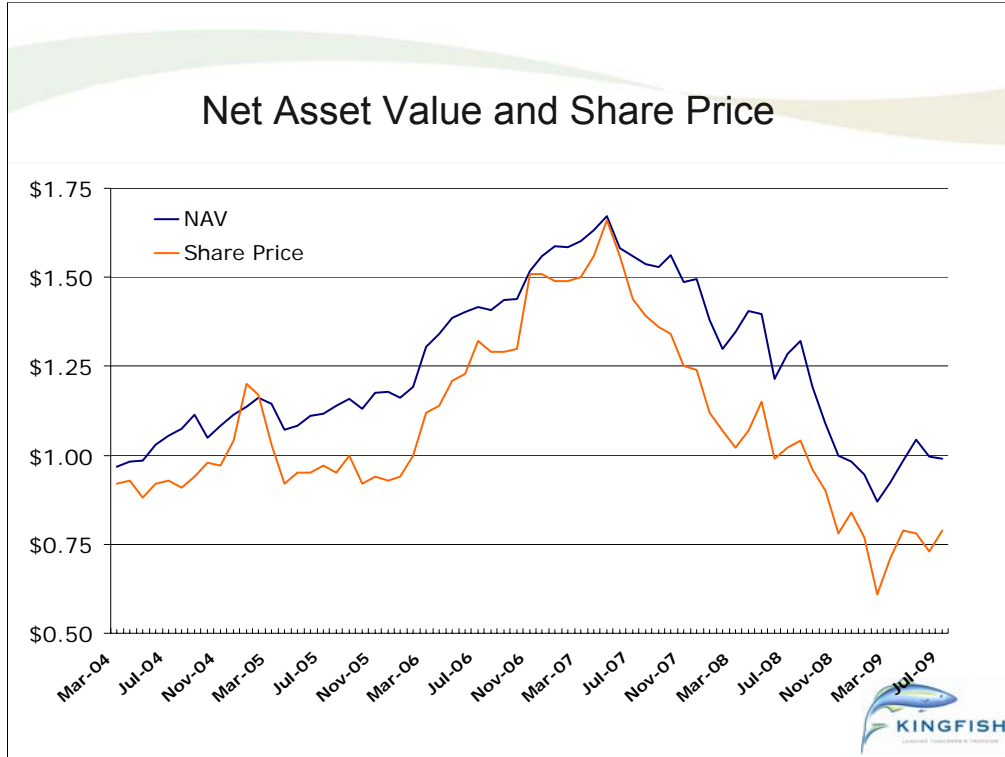
	Cents per share
Net Asset Value 31 March	92
Net Asset Value 30 June*	100
Gain in NAV	8
Add: Dividend paid 19 June	3
Gain in NAV (+12%)	11
Represented by Operating Surplus*	\$9m



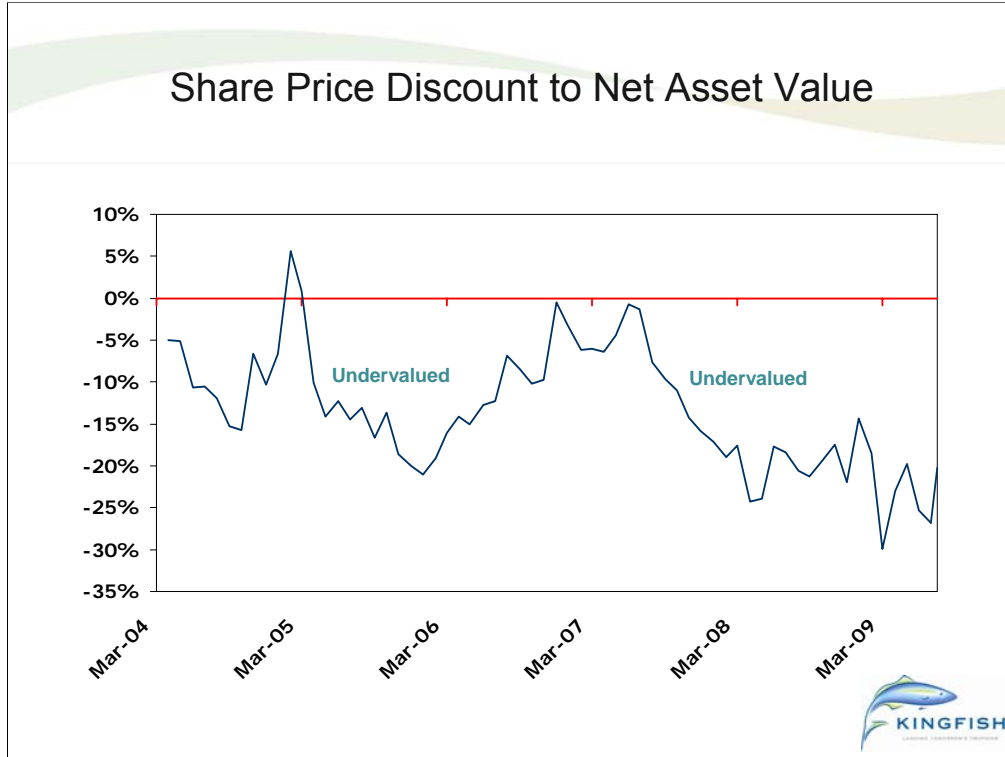
This is best illustrated in the results to 30 June 2009. In the three months post balance date, the Kingfish Net Asset Value lifted 12% creating an operating surplus of \$9m.



To put the results of the last twelve months in perspective, this chart shows the total shareholder return per share for Kingfish since its March 2004 IPO. In its first three years, the company achieved a strongly positive shareholder return as measured by the growth in Net Asset Value and the dividends paid to shareholders. The two years to March 2008 and 2009 have been significantly negative, undoing much of the growth achieved in the first three years. Pleasingly, the performance in the three months post balance date recouped some of the unrealised losses of the last year, and the Board hopes, as no doubt all Kingfish shareholders do, that these positive early signs foreshadow better things to come.



The discount between the Kingfish Net Asset Value and the share price remains significant at approximately 20%, though it has narrowed in the past six months. The discount for Kingfish, and indeed for other listed investment companies around the world, typically widens in falling markets and narrows in rising markets. An improvement in the share market environment, and in sentiment around the Kingfish portfolio stocks in particular, should result in a further narrowing of the discount in time.



While discounts to net asset value are not uncommon in listed investment companies, the Kingfish discount is large, leaving Kingfish particularly undervalued. Other NZ listed companies such as GPG, Infratil and the listed property trusts are suffering similar discounts post the global financial crisis, and will no doubt share our hope that share market confidence will be restored and such anomalies will be corrected.



Capital Management

High Discount to NAV common when confidence low


Share buybacks may help narrow discount in short term

New Dividend Policy announced June 2009, well received




The board has continued to investigate and utilise capital management tools to maximise shareholder value. The board recognises that a large discount to NAV is common when share market confidence is low, nevertheless it has actively utilised share buybacks when the discount reached extreme levels.

The board also announced its new dividend policy in June, which has been well received and will hopefully over time assist in ensuring that the Kingfish share price reflects the underlying valuation of its portfolio assets.



New Dividend Policy – Rationale

- What is it? Company undertakes to maintain a permanent minimum distribution payout, irrespective of performance of underlying portfolio
- Innovative approach for NZ market but established practice in US (40% of US closed-end funds have adopted a similar policy)
- Is a fixed long-term distribution policy which allows shareholders opportunity to access capital at Net Asset Value



The new dividend policy features a permanent minimum distribution payout, which provides certainty for shareholders and an ability for shareholders to periodically access capital at Net Asset Value irrespective of the underlying market environment.

This policy is innovative in New Zealand but established practice in the US, with 40% of closed-end funds using such policies as an effective capital management tool.



New Dividend Policy – how it works

- Replaces traditional annual dividend, made possible due to PIE regime
- Pay 2% of average NAV per quarter commencing Sept 09
- Payment dates: Mid September, December, March and May
- Dividend Reinvestment Plan continues - 48% of shareholders participate in DRP

