



KINGFISH Update

June 2006 Quarter

At a Glance

Performance for 27 months (since IPO) to 30 June 2006

Net Asset Value	\$1.7825	+84.1%
Diluted Net Asset Value		
Asset Value	\$1.4024	+44.8%
Share Price	\$1.23	+23%
Warrant Price	\$0.33	+33%

Performance for the quarter to 30 June 2006

Net Asset Value	+12.2%
Diluted Net Asset Value	+7.9%
Share Price	+9.8%
Warrant Price	+37.5%

June Quarter Biggest Movers

Rakon	+71%
Metlifecare	+30%
Ryman Healthcare	+30%
Mainfreight	+18%
Delegat's	+39%
Comvita	+21%

Recent Portfolio changes

Rakon	addition
Delegat's	addition
Michael Hill	increased
Waste Management	exited

Portfolio Holdings at 30 June 2006

Kingfish Holdings Limited:

	Weightings
• Ryman Healthcare	20.1%
• Mainfreight	15.7%
• Pumpkin Patch	11.9%
• Metlifecare	11.3%
• Freightways	10.5%
• Michael Hill	8.9%

(Holdings owns the core portfolio of companies that are expected to be owned for many years)

Kingfish Nursery Limited: 14%

- Delegat's
- Rakon
- Cadmus Technology
- Comvita
- Kidicorp
- NZ Exchange
- Software of Excellence

Net Cash: 7.6%

(Nursery owns shares in companies that have not yet met all investment criteria to become a core holding)

Dear Shareholders

Welcome to our June 2006 quarter shareholders' newsletter. The Board and Manager of Kingfish are pleased to report a thriving quarter with Net Asset Value per share increasing to an all time high of \$1.7825.

The three months saw a number of significant events:

- 1) Waste Management was amalgamated with Transpacific Industries and Kingfish received a special dividend and other consideration totaling \$15.7 million;
- 2) We participated in the Initial Public Offerings of Rakon and Delegat's, utilising debt facilities to enable these purchases ahead of the Waste Management proceeds being received;
- 3) Our March 2006 Annual Report was published;
- 4) A 2.5 cents per share fully imputed dividend was paid on 16 June;
- 5) Buybacks continued with 2.65 million shares having now been purchased by Kingfish between November 2005 and 30 June 2006 at an average price of \$1.06, and 3.3 million warrants at an average price of \$0.19.

The Kingfish Annual Shareholders Meeting was held on 5 July 2006 at the Bruce Mason Centre, Takapuna. Thank you to all those who attended and for your questions which made the meeting more interesting. It was heartening to see so many of you supporting the company and to be able to talk to many of you personally. At the meeting we announced a 2.5 cents per share fully imputed special dividend payable on 4 August 2006. The three resolutions put to shareholders at the ASM were passed: the re-election of myself as a director, the adoption of a new constitution (to automatically reflect changes to the NZX listing rules) and authority for the Board to agree the remuneration of PricewaterhouseCoopers.

We look forward to the remainder of 2006 with confidence and thank you for your continued support.

Rob Challinor
Chairman - Kingfish Limited
10 July 2006

FISHER FUNDS QUARTERLY REVIEW

June 2006 was an eventful quarter for the NZ market overall. The NZ50 fell 3% mainly because of declines in the share prices of Telecom and Sky TV. In fact only seven of the

NZ50 stocks actually fell during the quarter, so the impact of Telecom and Sky TV was significant. Outside the leaders, the market was a little more, and somewhat surprisingly, buoyant with some significant share price gains (eg Ryman Healthcare +30%). Corporate activity continued with a market stand by the Foodstuffs Group aiming for 10% of The Warehouse Group, while major shareholder Origin Energy abandoned its proposed merger with Contact Energy after failing to attain sufficient shareholder support. Waste Management was successful in its move to amalgamate with Australian waste company, Transpacific Industries, and was de-listed late in June. There were a few new listings to the NZSX including Rakon and Delegat's in which we participated.

PORTFOLIO REVIEW

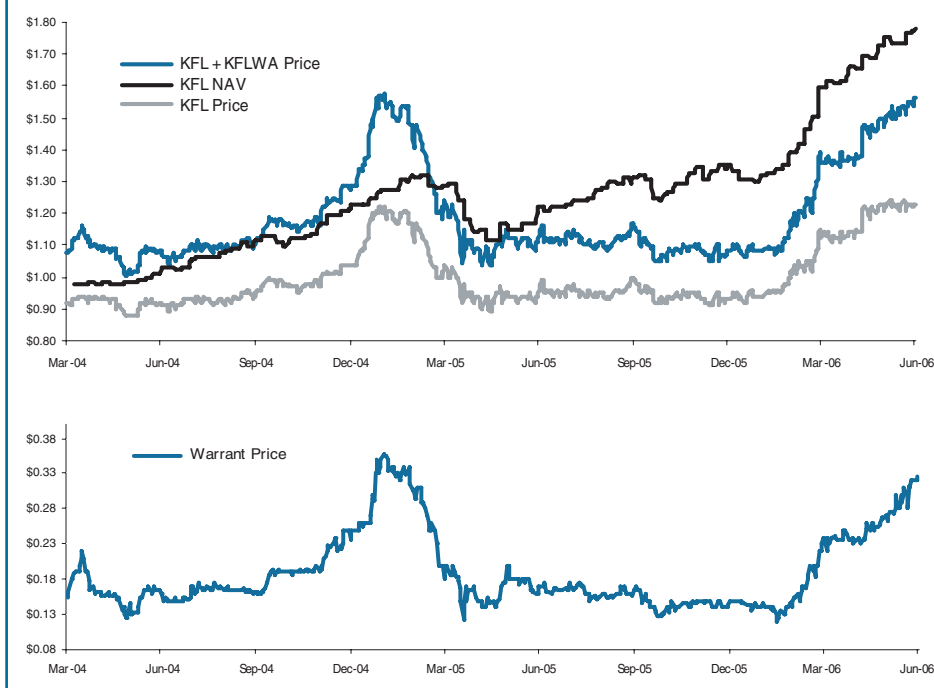
13 of the 14 stocks in the portfolio showed share price gains during the quarter, with the exception of Freightways which declined a modest 2%. 70% of the increase in the NAV per share came from gains in the following stocks: Rakon 76%, Metlifecare 30%, Ryman 30% Mainfreight 18% and Delegat's 39%. The gains in the retirement village stocks, Ryman Healthcare and Metlifecare added 8% to the NAV per share, with Pumpkin Patch and Mainfreight adding a combined 3%. The new portfolio additions of Rakon and Delegat's contributed an aggregate 1.5%. The strong profit growth in both retirement stocks is fueling their share price gains. Metlifecare upgraded its FY06 earning forecast by approximately 15% earlier in the year and Ryman achieved 49% growth in FY06 profit and confidently predicted an average of at least 15% profit growth over each of the next five years.

PORTFOLIO CHANGES

During the quarter we were pleased to participate in Initial Public Offerings of two quality businesses, Rakon and Delegat's. Rakon is a world-leading designer and manufacturer of high-quality crystal components used in telecommunications and GPS applications. Its growth prospects are very attractive as GPS applications (in-car navigation and hand-held navigation etc) become more widespread. Delegat's is NZ's largest independent winemaker with a strong foothold in NZ's renowned Sauvignon Blanc varietal. Its Oyster Bay brand is established in many overseas markets where significant sales growth should occur with increasing grape supply in coming years. The Waste Management amalgamation / takeover was completed late in the quarter. Fisher Funds reluctantly made the decision to accept the offer of \$8.642 per share. The Waste Management Board and senior management

PERFORMANCE (30 JUNE 2006)	One Month	Three Months	Twelve Months	Since Inception (IPO)
Kingfish NAV	1.8%	12.2%	46.3%	84.1%
90 Day Bank Bill Index +7% p.a.	1.2%	3.6%	14.5%	32.9%
Difference	0.6%	8.6%	31.8%	51.2%
NZSX Small Cap Index (NZSCI)	0.6%	2.8%	7.2%	31.6%
NZSX Mid Cap Index (NZSEMC)	3.1%	7.7%	17.9%	42.0%
NZSX 50 Gross Index (NZ50G)	-0.8%	-3.1%	10.5%	38.3%

Kingfish Net Asset Value, Share and Warrant Price Performance



strongly endorsed the amalgamation proposal to the extent that, we believe, the medium term outlook for the company was jeopardized were the amalgamation not to occur.

Subsequent to the IPO allocation, Fisher Funds has added to the holdings of both Rakon and Delegat's.

FISHER FUNDS OUTLOOK

Fisher Funds remains comfortable with the outlook for the portfolio. Many of the companies within Kingfish have significant offshore operations which will both protect their earnings from the continued slow down in the New Zealand economy and may enhance profits from a falling NZ dollar. For example, Delegat's exports over 80% of its production;

two thirds of Michael Hill's earnings are from Australia and Pumpkin Patch generates 85% of its profits from outside NZ. Our first-hand assessment of these companies offshore prospects shows them to be very promising. Over time their growth will generate substantial gains which will benefit Kingfish and its shareholders.



Carmel Fisher
Managing Director
Fisher Funds Management Ltd
10 July 2006

POINTS OF INTEREST

KINGFISH SPECIAL DIVIDEND

The Board announced at the Annual Shareholders Meeting that Kingfish is to pay a special fully imputed dividend of 2.5 cents per share. The dividend is payable on 4 August 2006 on all eligible shares held on the record date of 21 July 2006. The Board has elected and is able to pay this special dividend because Kingfish has received greater than expected dividend income over the past couple of months. The most specific portion of this additional dividend income was from the special dividend declared by Waste Management as part of its recent amalgamation with Transpacific Industries Group. The special dividend is in line with the Kingfish dividend policy of distributing income after deducting operating and management costs, including tax and financing costs. The special dividend will be eligible to participate in the Dividend Reinvestment Plan.

THE KINGFISH WEBSITE

www.kingfishlimited.co.nz

The Kingfish website profiles the company and includes our latest news and information, including shareholder reports and market announcements.

A copy of the Fisher Funds Management Monthly newsletter "From the Undergrowth" is available on the Kingfish website www.kingfishlimited.co.nz under the shareholder reports section.

If you would like to receive an emailed copy of the monthly Fisher Funds newsletter please register your email address at enquire@kingfishlimited.co.nz

WHAT'S COMING UP:

- Special Dividend Paid - **4 August 2006**
- Half Year End - **30 September 2006**
- Interim Report for 2007 year - **November 2006**
- December Quarter Shareholders Update - **January 2007**
- Financial Year End - **31 March 2007**

The Kingfish Update Report will be produced for the December and June quarters. The Annual and Interim Reports will be produced for the March and September periods.