



KINGFISH Update

December 2005 Quarter

At a Glance

Performance for 21 months (since IPO) to 31 December 2005

Net Asset Value	\$1.3502	+39.4%
Diluted Net		
Asset Value	\$1.1775	+19.6%
Share Price	\$0.93	-7%
Warrant Price	\$0.15	+15%

December Quarter Biggest Movers

Kidicorp	+20%
Michael Hill International	+5%
Ryman Healthcare	+5%
Turners Auctions	-17%
Cadmus Technology	-4%

Recent Portfolio changes

Turners Auctions	all sold
Steel & Tube	all sold

Portfolio Holdings at 31 December 2005

Kingfish Holdings

Limited:	Weightings
• Ryman Healthcare	15.8%
• Waste Management	13.9%
• Mainfreight	13.5%
• Freightways	13.0%
• Pumpkin Patch	11.0%
• Michael Hill	10.3%
• Metlifecare	9.8%

Kingfish Nursery Limited: 6.8%

- Cadmus Technology
- Comvita
- Kidicorp
- NZ Exchange
- Software of Excellence
(convertible notes)
- Turners & Growers

Cash: 5.9%

(Kingfish Holdings owns the core portfolio of companies that are expected to be owned for many years. Kingfish Nursery owns shares in companies that have not yet met all investment criteria to become a core holding.)

Dear Shareholders

Welcome to our December 2005 quarter shareholders' newsletter. The Board and Management of Kingfish hope that you had a safe and happy holiday season.

The December quarter saw the following significant events:

- 1) An increase in Net Asset Value per share of 2.8% during the December quarter and a solid gain of 10% for the full calendar year.
- 2) Announcement by the Kingfish Board on 26 October 2005 that it would undertake an on-market buyback of up to 2.925m shares (full details of the buyback are disclosed later in this update).
- 3) Release of the September 2005 Interim Report.
- 4) Election by shareholders to receive Interim and Annual Reports electronically.
- 5) Election by shareholders to receive dividend payments electronically ensuring prompt payment of dividends and providing security from cheque fraud.

Your Board and Fisher Funds are disappointed that the share price remains so far below the diluted NAV per share and believe that such a discount neither reflects the prospects of the Kingfish portfolio companies, Fisher Funds successful long term track record, nor the gains in the Kingfish Net Asset Value achieved to date.

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

Rob Challinor
Chairman - Kingfish Limited
23 January 2006

FISHER FUNDS QUARTERLY REVIEW

The December quarter was again challenging with both positive and negative company news combining with unequivocally negative economic news to cause continued weak investor sentiment and volatile markets.

PORTFOLIO REVIEW

Seven stocks, representing approximately 75% of the Kingfish portfolio recorded positive share price movements in the three months to December 2005, with only Turners Auctions showing a material decline (17%) following management's earnings warning. The greatest share price gain was 20% for Kidicorp following its posting of a better than expected interim result, indeed its first ever profit. The largest contribution to the portfolio

came from Ryman Healthcare whose 7% gain (including dividend) added 1% to the NAV per share. Ryman reported a 54% lift in interim earnings and management indicated it expects to maintain that rate of profit growth for the full year. The takeover offer for Metlifecare expired on 31 December with the acquirer holding just over 81.5%. Fisher Funds is presently happy to maintain our large minority status and believe the company will improve returns and pursue strategic development with stronger cornerstone shareholders. "Domestic" companies Mainfreight and Freightways both reported no volume growth in NZ over the latter part of the year but said that pricing mix and cost initiatives were maintaining earnings growth.

PORTFOLIO CHANGES

During the period we reassessed our position in Turners Auctions and after analysis and meetings with management, we sold our entire holding. We determined that the investment case had indeed changed for the worse following the departure of the CEO, slower than expected rollout of financial services and mounting uncertainty regarding competition from on-line auctions. Steel & Tube was sold from the Kingfish Nursery Portfolio, as it continually ranked at the bottom of our list of preferred portfolio companies.

FISHER FUNDS OUTLOOK

Most market participants agree that the economic tailwinds enjoyed over the past two to three years (providing strong revenue and profit growth) are likely to dramatically recede over the next year or so. Stock selection will come to the fore as equity investors will not be able to rely on a buoyant market to provide returns. Our focus remains one of concentrating investments in those companies whose business position, management teams and growth strategies should enable the companies to sail through any economic headwinds which do emerge, or even better, can maintain course regardless of the direction of the wind! Fisher Funds fully supports the Kingfish buyback and will of course continue to strive to identify and invest in high quality, growing smaller NZ companies on behalf of Kingfish.

We are confident that Kingfish portfolio companies are well placed to deliver positive gains over the coming year.

Carmel Fisher
Managing Director
Fisher Funds Management Ltd
23 January 2006



KINGFISH Update

RELATIVE PERFORMANCE	One Month	Three Months	Twelve Months	Since Inception (IPO)
Kingfish NAV (from 31 March 2004)	0.10%	2.82%	10.00%	39.43%
90 Day Bank Bill Index +7% p.a.	1.19%	3.52%	14.16%	24.76%
Difference	-1.09%	-0.70%	-4.17%	14.67%
NZSX Small Cap Index (NZSCI)	-1.56%	-8.90%	-4.54%	21.50%
NZSX Mid Cap Index (NZSEMC)	-1.33%	-5.24%	-1.92%	16.13%
NZSX 50 Gross Index (NZ50G)	1.59%	-2.38%	9.99%	29.98%

WARRANT EXERCISE DATE – 31 MARCH 2006

31 March 2006 is the first optional exercise date for the Kingfish Warrants (KFLWA). If you wish to exercise some or all of your warrants (subject to a minimum of 500) on the first exercise date of 31 March 2006 please read the enclosed letter and complete the enclosed Exercise Form in accordance with the instructions.

Any Warrants not exercised on the first optional exercise date may be exercised on 31 March 2007 and/or 31 March 2008. Any Warrants not exercised by 31 March 2008 will lapse and all rights in regard to them will expire. Kingfish Warrants may be traded at any time on the NZSX up until the final exercise date of 31 March 2008.

THE KINGFISH WEBSITE

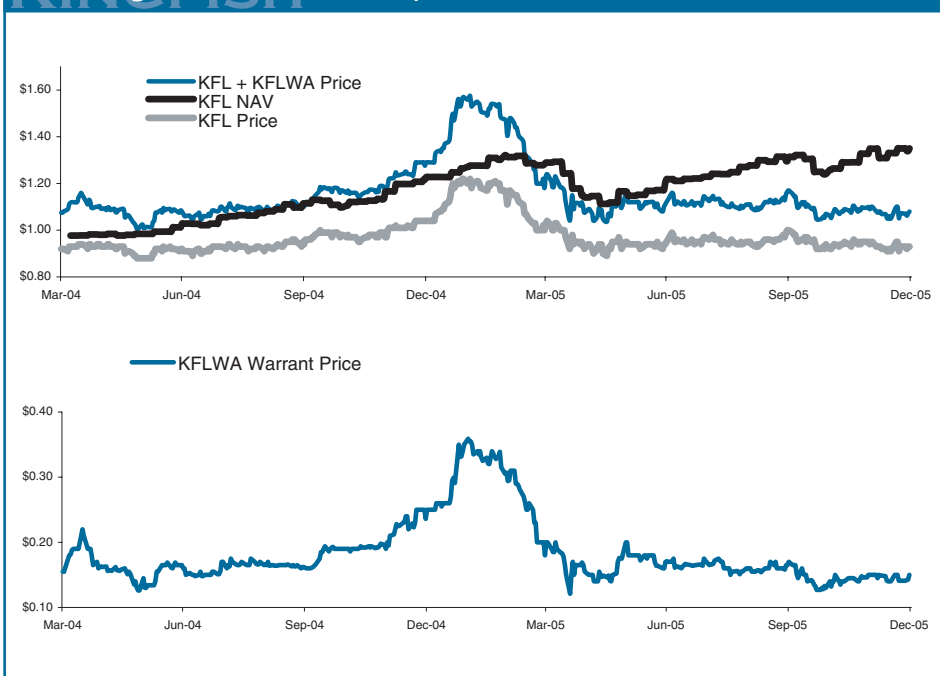
www.kingfishlimited.co.nz

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

The Kingfish Net Asset Value per share ("NAV") is updated weekly and disclosed on the Kingfish website. The NAV reflects the underlying value of the Kingfish assets.

It also contains a link to the Fisher Funds Management website and copies of the latest Fisher Funds Management Monthly newsletter "From the Undergrowth".

Kingfish Net Asset Value, Share and Warrant Price Performance



POINTS OF INTEREST

KINGFISH SHARE/ WARRANT BUYBACK

On the 26 October 2005, Kingfish announced that it would undertake an on-market buyback of up to 2.925m shares (representing 5% of the original issued capital of the company) between 1 November 2005 and 31 October 2006.

All the shares acquired under the buyback are to be held as treasury stock. The treasury stock will be re-issued following the exercise of any warrants on the first optional exercise date of 31 March 2006 and the issue of shares under the Kingfish Dividend Re-investment Plan.

The decision to implement the buyback reflects the Board's disappointment at the level of discount at which the Kingfish shares have traded, given the solid increase in the

underlying Net Asset Value. The Board believes that the Kingfish share price is too low relative to the underlying value of the assets and hence represents an attractive investment.

A warrant buyback was announced by the Board in conjunction with the share buyback to increase the flexibility and liquidity of the buyback programme.

The Kingfish Board is confident that with sustained growth in the value of the Kingfish portfolio, combined with various capital management strategies, the Kingfish share price will in time better reflect the underlying value of the shares.

A copy of the required Buyback Notice to Shareholders in accordance with the requirements of the Companies Act 1993 is enclosed with this Update.

WHAT'S COMING UP:

- First Optional Warrant Exercise
Date - **31 March 2006**
- 31 March 2006 Full Year preliminary result - **late April 2006**
- Final Dividend Declared - **April 2006**
- 31 March 2006 Annual Report publication - **May 2006**
- Final Dividend Paid - **16 June 2006**
- Kingfish Annual Shareholders Meeting - **23 June 2006**

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