

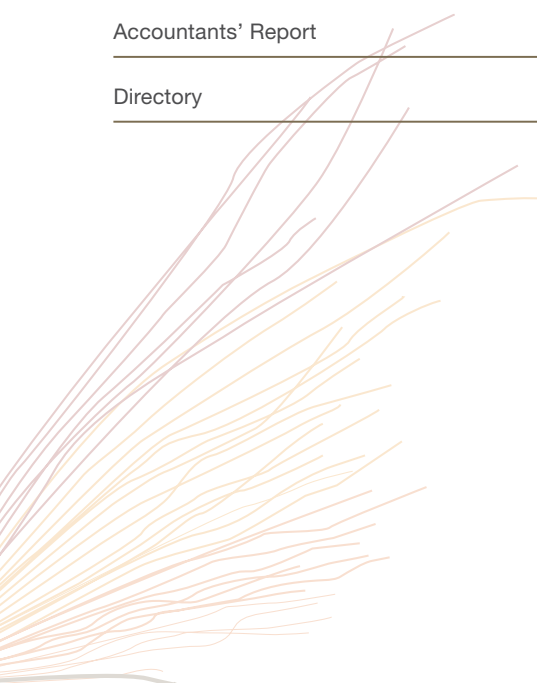


Barramundi Limited Interim Report  
31 December 2008



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## Directors' Overview

Both Barramundi and its portfolio companies continued to be battered by the fallout from the collapse of global financial markets over the last six months. The Australian share market has felt the impact of the global credit crisis to a larger extent than many other developed markets, with smaller industrial stocks (the mainstay of the Barramundi portfolio) being particularly hard hit.



Barramundi's Net Asset Value "NAV" declined 36% over the period to December 2008 from 90 cents per share to 58 cents (adjusted for 2cps dividend paid), while the share price fell 28%, from 60 cents to 43 cents on light volumes of shares traded.

During the interim period, Barramundi paid its first dividend of 2 cents per share and also renewed its share and warrant buyback programmes.

The unrealised reduction in the portfolio value of \$33.4 million is the largest in Barramundi's history, and is very disappointing to your Board and Manager, Fisher Funds, but should be considered in the context of unprecedented market conditions. The Manager's investment strategy is to invest in companies that have sound fundamentals and a proven ability to grow their earnings. But profitability and soundness of balance sheet have not been defining characteristics in the 2008 share market environment. Rather, indiscriminate selling of "higher-risk" assets as investors sought safety in the midst of the global credit crisis has led to extreme share price

movements, culminating in an unrealised loss of value in share portfolios such as that managed by Barramundi. The Directors are not confident to predict investor sentiment or a "bottoming" of global share markets, but share our Manager's confidence in the merits of investing in businesses that are profitable, have been profitable for some time, and have a sustainable competitive advantage to help ensure they can prosper, even in times such as these.

On behalf of the Board,

A handwritten signature in black ink, appearing to read "Rob Challinor". The signature is fluid and cursive, written over a white background.

**Rob Challinor**

*Chairman*

20 February 2009 >>

## Directors' Overview continued

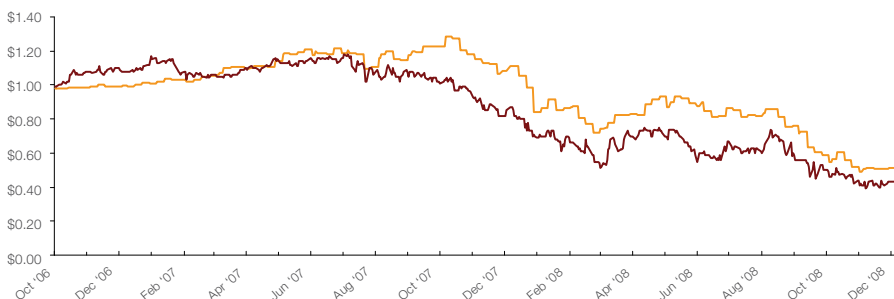
| Performance for period 26/10/06 to 31/12/2008 (since listing) |        |
|---|--------|
| Net Asset Value*  | -42.0% |
| Share and Warrant Price*                                      | -53.2% |
| Performance for the six months to 31/12/2008                  |        |
| Net Asset Value*  | -35.8% |
| Share Price   | -28.3% |
| Warrant Price   | -72.7% |

| Relative Performance (31 Dec 2008)     | Six Months | Since Inception |
|--|------------|-----------------|
| Barramundi NAV *                       | -35.8%     | -42.0%          |
| 90 Day Bank Bill Index (NZD) + 7% p.a. | 7.8%       | 39.1%           |
| S&P/ASX 300 **                         | -30.9%     | -22.9%          |
| S&P/ASX Small Ords**                   | -45.1%     | -39.5%          |

\* Including 2cps dividend paid \*\* In New Zealand Dollar terms

### Barramundi Net Asset Value and Share Price

■ Share Price ■ NAV



## Manager's Report

To say that the six months to 31 December 2008 was challenging would, unfortunately, be an enormous understatement. The broad Australian share market, measured as the return on the S&P/ASX 300 Accumulation Index, only managed to post one monthly gain during the six month period and that was an insipid +0.3% lift in December.

In the six months the broad market index fell 31% in New Zealand dollar terms. For Barramundi, which focuses on smaller Australian companies outside the top 100 by market capitalisation, market conditions were even more tepid with the S&P/ASX Small Companies Index falling by 45% in New Zealand dollar terms. This is, by a factor of two, the worst six month return for Australian smaller companies since records began in 1990.

### Australian share market environment

With such a feral market and the indiscriminate selling that engendered, how do we put this last six months into any sort of context? As we posed in our last quarterly newsletter to Barramundi shareholders we believe in this market the questions become, in a sense, very simple. Are my investments going to weather the storm? And do the companies I own possess the business strengths and have the management teams to keep building and growing in the face of a tough economic environment? In the case of a vast bulk of our portfolio companies we believe the answer to this is a resounding "Yes".

Can we demonstrate that? It is hard to do this in an environment of falling share prices but two snippets, we believe, underline the quality of our portfolio companies. First, and in some ways scant comfort, our portfolio did comfortably outperform the smaller company indices over the past six months, by over 6% after all costs and taxes. Second, in the full year reporting season in August we saw that the Barramundi portfolio companies managed to grow earnings by a median annual growth rate of 14.2% (the average was much higher, distorted by Arrow Energy's very high growth rate).

At an individual company level there was some solid progress made by core portfolio holdings over the past six months.

### Portfolio Company Highlights

**Arrow Energy**, a producer of natural gas from seams of coal, continues to be the largest company in the Barramundi portfolio and made considerable progress advancing its business plan in the six months to 31 December. Probably the key announcement was an estimate released of the total size of the gas reserve across Arrow's total acreage. This number was staggering (even for long term believers in >>>

this company like Fisher Funds). Arrow's reserve estimate (which is very preliminary and, if anything, probably underestimates likely reserves) is that the company has a net resource of 37.5 TCF (trillion cubic feet). Overall the tenements in their ownership contain an estimated 74.2 TCF of gas (this includes Shell and other partners' gas). To put this announcement in context, the massive Maui field in New Zealand, which is now in run-out mode, and has provided enough gas to fuel the North Island's gas needs for almost 30 years, was around 3 TCF – Arrow owns gas well over 10 times this amount. A gas asset as large as Arrow owns is meaningful in a global context and explains why Shell has taken a significant direct interest in both Arrow's Australian gas assets and in its international business.

After a number of twists and turns **Pipe Networks**, owner of Australia's third largest metropolitan fibre optic cable network, confirmed that its project PPC-1, a fibre optic cable between Australia and Guam, has secured all funding required to proceed to completion and is likely to be ready for service by July 2009. This is an unbelievably exciting deal for the company and a real endorsement of the strength of the management team. The PPC-1 project underwrites the next leg of medium term growth for Pipe and almost as importantly it will enable the firm to widen and deepen its customer relationships. During the half year Pipe also provided earnings guidance which points to earnings per share growth

of 39% and 55% for the next two years – stunning growth in the middle of a major economic downturn and testament to what a strong business model can deliver.

**Reckon**, a software company that provides small business accounting tools and practice management suites for accounting firms, reached agreement with listed company Espreon for the purchase of its Corporate Services and Cost Recovery businesses. This is a deal that Reckon has been working on for some time now having identified Espreon's Corporate Services business as attractive over two years ago. The Corporate Services business of Espreon is Australia's leading provider of documentation for company formations and trust deeds. The strategic appeal of this business is its client base which is strong amongst the smaller accounting firms. Reckon sees a rich opportunity to leverage this client base and cross sell some of their existing products to this new client base. There is a further halo effect should this strategy be successful of potentially moving these firms and their recommended small business accounting packages to Quickbooks – Reckon's product. This is a great example of a conservatively run company that resisted the urge to buy everything that moved at the top of the market (like many companies did) but instead bided its time and has made a smart acquisition at a great price that we believe will generate an attractive return for shareholders over the medium term.

## Outlook

The 2009 year is shaping up to be a battle between the forces of deflation and stimulus. Consumers are wary about consuming, credit availability remains tight and excess capacity is keeping a lid on prices. At the same time, governments are hoping to stimulate economic activity through fiscal easing and an unusual number of monetary policy initiatives. Given the array of tools that policy makers have at their disposal it would be brave to bet against ultimate success in reinvigorating the economy. Although it would be similarly brave to expect this to occur quickly and without mis-steps along the way. It is certain the first half of 2009 will be a tug of war for the markets as investors question whether policy makers will or won't succeed in reflatting the economy. Hopefully by the second half of 2009 we will have a glimpse into the eventual economic impact of the coordinated global policy response. There is a risk that the impact of stimulus takes longer to kick in and this "stimulus led recovery" might fall into the following year.

What does this world view mean for us as stock pickers? 2009 will be a very challenging year for management teams everywhere as they grapple with the impact of deflation. It cannot be over emphasised how destructive deflation is for profits and valuations. In general and using a "Buffetism"; the tide keeps going out and more and more naked swimmers are being exposed.

Thankfully our investment process helps us guard against the ravages of deflation on corporate value. The "S" in the STEEPP acronym (STEEPP being Fisher Funds' stock selection methodology) refers to the strength of a business. This is always a critical component of what we look for in an investment but this year it is even more important. So what does "strength of the business" mean? Most importantly it is about a business having a clearly differentiated strategy and pricing power. In a deflationary world this is critical. "Me-too" companies providing undifferentiated goods or services are simply price and volume takers. Deflation destroys profitability for these firms as both volume falls away and price deflates towards marginal cost. Establishing an estimate of normalised profits for such companies is challenging and determining fundamental fair value is near impossible.

Conversely, companies possessing a strong competitive advantage are able to retain pricing power even in a more challenging deflationary environment. Hence these companies will be able to generate more consistent profit performance and will be outperformers. In 2009, we have heavily skewed our portfolio towards businesses that we believe have a powerful business model that enables them to control their own destiny even at the expense of what appear to be cheaper companies, but with poor business franchises. >>

## Barramundi Portfolio Stocks at 31 December 2008

| COMPANY                 | % HOLDING     |
|-------------------------|---------------|
| Aevum                   | 8.1%          |
| Arrow Energy            | 23.1%         |
| Austbroker Holdings     | 3.9%          |
| Bravura Solutions       | 2.0%          |
| Centrebet Limited       | 6.8%          |
| Credit Corp             | 1.5%          |
| MacArthur Cook          | 0.3%          |
| McMillan Shakespeare    | 3.9%          |
| Oakton                  | 2.4%          |
| Pharmaxis               | 6.8%          |
| Pipe Networks           | 8.5%          |
| Reckon                  | 5.1%          |
| ToxFree Solutions       | 4.8%          |
| Treasury Group          | 3.5%          |
| Vision Group            | 2.2%          |
| WHK Group               | 4.6%          |
| <b>Equity Total</b>     | <b>87.5%</b>  |
| New Zealand Dollar Cash | 2.9%          |
| Australian Dollar Cash  | 9.6%          |
| <b>Cash Total</b>       | <b>12.5%</b>  |
| <b>TOTAL</b>            | <b>100.0%</b> |

For full details of all the Companies in the portfolio please see our website [www.barramundi.co.nz](http://www.barramundi.co.nz).



**Carmel Fisher**  
*Managing Director*  
 Fisher Funds Management Limited  
 20 February 2009



**Frank Jasper**  
*Senior Portfolio Manager*  
 Fisher Funds Management Limited  
 20 February 2009

BARRAMUNDI LIMITED  
**INCOME STATEMENT**  
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

|   | NOTES | 6 MONTHS ENDED<br>31/12/08 | 6 MONTHS ENDED<br>31/12/07 |
|---|-------|----------------------------|----------------------------|
|   |       | UNAUDITED<br>\$000         | UNAUDITED<br>\$000         |
| Interest income   |       | 282                        | 128                        |
| Dividend income   |       | 1,181                      | 1,381                      |
| Net changes in fair value on investments at fair value<br>through profit or loss                              | 1(i)  | (33,395)                   | (7,857)                    |
| Foreign exchange losses on cash and cash equivalents  | 1(i)  | (437)                      | (144)                      |
| <b>Total net income</b>   |       | <b>(32,369)</b>            | <b>(6,492)</b>             |
| Operating expenses  | 1(ii) | (646)                      | (1,359)                    |
| <b>Operating loss before tax</b>  |       | <b>(33,015)</b>            | <b>(7,851)</b>             |
| Total tax (expense)/benefit   | 3     | (149)                      | 76                         |
| <b>Net operating loss after tax</b>   |       | <b>(33,164)</b>            | <b>(7,775)</b>             |
| <b>Earnings per share</b>   |       |                            |                            |
| <b>Basic earnings per share</b>   |       |                            |                            |
| Loss attributable to equity holders of the Company (\$000)  |       | (33,164)                   | (7,775)                    |
| Weighted average number of ordinary shares on issue<br>net of treasury stock ('000)                           |       | 101,174                    | 101,374                    |
|   |       | <b>\$(0.33)</b>            | <b>\$(0.08)</b>            |
| <b>Diluted earnings per share</b>   |       |                            |                            |
| Loss attributable to equity holders of the Company (\$000)  |       | (33,164)                   | (7,775)                    |
| - Ordinary shares on issue  |       | 101,174                    | 101,374                    |
| - Warrants on issue   |       | 49,447                     | 49,452                     |
| Weighted average number of ordinary shares on issue adjusted<br>for warrants and net of treasury stock ('000) |       | 150,621                    | 150,826                    |
|   |       | <b>\$(0.22)</b>            | <b>\$(0.05)</b>            |

The Notes to the Financial Statements set out on pages 14 - 21 should be read in conjunction with this Income Statement.

BARRAMUNDI LIMITED  
**STATEMENT OF CHANGES IN EQUITY**  
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

|   | NOTES | 6 MONTHS ENDED<br>31/12/08 | 6 MONTHS ENDED<br>31/12/07 | YEAR ENDED<br>30/6/08 |
|---|-------|----------------------------|----------------------------|-----------------------|
|   |       | UNAUDITED<br>\$000         | UNAUDITED<br>\$000         | AUDITED<br>\$000      |
| <b>Loss for the period attributable to equity holders</b>                         |       | <b>(33,164)</b>            | <b>(7,775)</b>             | <b>(29,501)</b>       |
| Total recognised income and expenses  |       | (33,164)                   | (7,775)                    | (29,501)              |
| <b>Contributions from owners</b>  |       |                            |                            |                       |
| - Ordinary shares   | 2     | 555                        | 0                          | 0                     |
| - Warrants exercised  | 2     | 0                          | 548                        | 553                   |
| - Transfer to share capital from reserves for issue of shares for performance fee | 2     | 0                          | 1,020                      | 1,022                 |
| <b>Distribution to owners</b>   |       |                            |                            |                       |
| - Dividends paid  |       | (2,019)                    | 0                          | 0                     |
| - Share buybacks  | 2     | (248)                      | (57)                       | (364)                 |
| <b>Issue costs</b>  |       |                            |                            |                       |
| - Issue costs   |       | 0                          | 0                          | (20)                  |
| <b>Other Reserves</b>   |       |                            |                            |                       |
| - Transfer from reserves to share capital   |       | 0                          | (1,020)                    | (1,022)               |
| - Transfer from reserves to profit or loss  |       | 0                          | (144)                      | (127)                 |
| <b>Movements in equity for the period</b>   |       | <b>(34,876)</b>            | <b>(7,428)</b>             | <b>(29,459)</b>       |
| Equity at beginning of period   |       | 90,617                     | 120,076                    | 120,076               |
| <b>Equity at end of period</b>  |       | <b>55,741</b>              | <b>112,648</b>             | <b>90,617</b>         |

The Notes to the Financial Statements set out on pages 14 - 21 should be read in conjunction with this Statement of Changes in Equity.

BARRAMUNDI LIMITED  
**BALANCE SHEET**  
 AS AT 31 DECEMBER 2008

|   | NOTES | 31/12/08           | 31/12/07           | 30/6/08          |
|---|-------|--------------------|--------------------|------------------|
|   |       | UNAUDITED<br>\$000 | UNAUDITED<br>\$000 | AUDITED<br>\$000 |
| <b>ASSETS</b>   |       |                    |                    |                  |
| <b>Current Assets</b>                                 |       |                    |                    |                  |
| - Cash and cash equivalents                           |       | 6,939              | 2,881              | 9,628            |
| - Trade and other receivables                         |       | 317                | 49                 | 588              |
| - Current tax receivable                              |       | 185                | 487                | 34               |
| <b>Total Current Assets</b>                           |       | <b>7,441</b>       | <b>3,417</b>       | <b>10,250</b>    |
| <b>Non-current Assets</b>                             |       |                    |                    |                  |
| - Deferred tax asset                                  |       | 0                  | 15                 | 0                |
| - Investments at fair value through<br>profit or loss | 4     | 48,785             | 109,790            | 81,104           |
| <b>Total Assets</b>                                   |       | <b>56,226</b>      | <b>113,222</b>     | <b>91,354</b>    |
| <b>LIABILITIES</b>                                    |       |                    |                    |                  |
| <b>Current Liabilities</b>                            |       |                    |                    |                  |
| - Trade and other payables                            |       | 29                 | 172                | 194              |
| - Current tax payable                                 |       | 456                | 402                | 543              |
| <b>Total Current Liabilities</b>                      |       | <b>485</b>         | <b>574</b>         | <b>737</b>       |
| <b>Total Liabilities</b>                              |       | <b>485</b>         | <b>574</b>         | <b>737</b>       |
| <b>EQUITY</b>   |       |                    |                    |                  |
| - Share capital                                       | 2     | 99,107             | 99,105             | 98,800           |
| - Retained earnings                                   |       | (43,366)           | 13,543             | (8,183)          |
| <b>Total Equity</b>                                   |       | <b>55,741</b>      | <b>112,648</b>     | <b>90,617</b>    |
| <b>Total Equity and Liabilities</b>                   |       | <b>56,226</b>      | <b>113,222</b>     | <b>91,354</b>    |

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



*Director - R.L. Challinor*  
 20 February 2009



*Director - A.M. Cotton*  
 20 February 2009

The Notes to the Financial Statements set out on pages 14 - 21 should be read in conjunction with this Balance Sheet.

BARRAMUNDI LIMITED  
**CASH FLOW STATEMENT**  
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

|  | 6 MONTHS ENDED<br>31/12/08 | 6 MONTHS ENDED<br>31/12/07 | YEAR ENDED<br>30/6/08 |
|--|----------------------------|----------------------------|-----------------------|
|  | UNAUDITED<br>\$000         | UNAUDITED<br>\$000         | AUDITED<br>\$000      |
| <b>Operating Activities</b>                                      |                            |                            |                       |
| <i>Cash was provided from:</i>                                   |                            |                            |                       |
| - Sale of investments  | 4,370                      | 9,640                      | 21,264                |
| - Interest received  | 285                        | 130                        | 295                   |
| - Dividends received   | 1,181                      | 1,381                      | 2,331                 |
| - Other income   | 0                          | 0                          | 3                     |
| <i>Cash was applied to:</i>                                      |                            |                            |                       |
| - Purchase of investments  | (5,691)                    | (14,070)                   | (19,204)              |
| - Operating expenses   | (544)                      | (2,590)                    | (3,628)               |
| - Taxes paid   | (386)                      | (475)                      | (264)                 |
| <b>Net cash (outflows)/inflows from operating activities</b>     | <b>(785)</b>               | <b>(5,984)</b>             | <b>797</b>            |
| <b>Financing Activities</b>                                      |                            |                            |                       |
| <i>Cash was provided from:</i>                                   |                            |                            |                       |
| - Proceeds from share issues                                     | 0                          | 514                        | 0                     |
| - Proceeds from warrant exercise                                 | 0                          | 0                          | 553                   |
| <i>Cash was applied to:</i>                                      |                            |                            |                       |
| - Share buybacks   | (248)                      | (57)                       | (364)                 |
| - Dividends paid   | (1,464)                    | 0                          | 0                     |
| <b>Net cash (outflow)/inflow from financing activities</b>       | <b>(1,712)</b>             | <b>457</b>                 | <b>189</b>            |
| <b>Net (decrease)/increase in cash and cash equivalents held</b> | <b>(2,497)</b>             | <b>(5,527)</b>             | <b>986</b>            |
| Cash and cash equivalents at beginning of period                 | 9,628                      | 8,471                      | 8,471                 |
| Effects of foreign currency translation on cash balance          | (192)                      | (63)                       | 171                   |
| <b>Cash and cash equivalents at end of period</b>                | <b>6,939</b>               | <b>2,881</b>               | <b>9,628</b>          |

All cash balances are comprised of short-term cash deposits.

The Notes to the Financial Statements set out on pages 14 - 21 should be read in conjunction with this Cash Flow Statement.

BARRAMUNDI LIMITED  
**CASH FLOW STATEMENT** CONTINUED  
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

|   | 6 MONTHS ENDED<br>31/12/08 | 6 MONTHS ENDED<br>31/12/07 | YEAR ENDED<br>30/6/08 |
|---|----------------------------|----------------------------|-----------------------|
|   | UNAUDITED<br>\$000         | UNAUDITED<br>\$000         | AUDITED<br>\$000      |
| <b>Reconciliation of operating loss after tax to net cash flows from operating activities</b> |                            |                            |                       |
| <b>Net loss after tax</b>   | <b>(33,164)</b>            | <b>(7,775)</b>             | <b>(29,501)</b>       |
| <i>Items not involving cash flows:</i>  |                            |                            |                       |
| - Decrease in deferred tax liability  | 0                          | (145)                      | (145)                 |
| - Decrease in deferred tax asset  | 0                          | (15)                       | 0                     |
| - Loss on revaluation of fair value through profit or loss financial assets                   | 34,305                     | 13,055                     | 37,887                |
|   | <b>34,305</b>              | <b>12,895</b>              | <b>37,742</b>         |
| <b>Impact of changes in working capital items</b>   |                            |                            |                       |
| - Decrease in fees and other payables   | (166)                      | (1,209)                    | (1,153)               |
| - Decrease/(increase) in interest, dividends and other receivables                            | 270                        | 41                         | (560)                 |
| - (Decrease)/increase in current tax payable  | (238)                      | 64                         | 205                   |
| - Increase in current tax receivable  | 0                          | (453)                      | 0                     |
|   | <b>(134)</b>               | <b>(1,557)</b>             | <b>(1,508)</b>        |
| <b>Items classified as financing activities and investments</b>                               |                            |                            |                       |
| - Net amount (paid for)/received from investments   | (1,792)                    | (4,430)                    | 2,060                 |
| - Realised gains on investments   | 0                          | (5,054)                    | (7,849)               |
| - Decrease in sales of investments receivable   | 0                          | (62)                       | (62)                  |
| - Decrease in purchases of investments payable  | 0                          | 34                         | 34                    |
| - Performance fee payable settled by issue of shares  | 0                          | 0                          | (127)                 |
| - Increase in share capital receivable  | 0                          | (35)                       | 0                     |
| - Other   | 0                          | 0                          | 8                     |
|   | <b>(1,792)</b>             | <b>(9,547)</b>             | <b>(5,936)</b>        |
| <b>Net cash (outflows)/inflows from operating activities</b>                                  | <b>(785)</b>               | <b>(5,984)</b>             | <b>797</b>            |

The Notes to the Financial Statements set out on pages 14 - 21 should be read in conjunction with this Cash Flow Statement.

BARRAMUNDI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

### General Information

#### Entities Reporting

Barramundi Limited (the “Company”) amalgamated with its former subsidiaries, Barra Holdings Limited and Barra Nursery Limited on 31 August 2007 with Barramundi Limited continuing as the amalgamated entity. The amalgamation was effected as a short-form amalgamation under the Companies Act 1993.

#### Legal Form & Domicile

Barramundi Limited is a limited liability company, incorporated under the Companies Act 1993 on 8 September 2006 and began operating as a listed investment company on 26 October 2006.

Barramundi 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 and is domiciled in New Zealand.

Barramundi Limited’s registered office is disclosed in the Directory.

#### Authorisation of Financial Statements

The Barramundi Board of Directors authorised these financial statements for issue on 20 February 2009.

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 31 December 2008.

#### Statement of Compliance

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”) and the requirements of the Financial Reporting Act 1993, and the Companies Act 1993. The interim financial statements have been prepared in accordance with International Accounting Standard 34 and New Zealand equivalent to International Accounting Standard 34 *Interim Financial Reporting* (“NZ IAS 34”).

BARRAMUNDI LIMITED

**NOTES TO THE FINANCIAL STATEMENTS** CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

The interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual financial report for the year ended 30 June 2008.

There have been no changes in accounting policies or the basis of preparation from the Company's full financial statements for the year ended 30 June 2008.

**Critical Accounting Estimates and Judgements**

Estimates and judgements by the Company are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Note 1 - Income Statement**

|  | 6 MONTHS ENDED<br>31/12/08 | 6 MONTHS ENDED<br>31/12/07 |
|--|----------------------------|----------------------------|
|  | UNAUDITED<br>\$000         | UNAUDITED<br>\$000         |
| <b>(i) Realised and Unrealised Gains and Losses</b>                                  |                            |                            |
| <b>Investment (losses)/gains</b>   |                            |                            |
| <i>Investments designated at fair value through profit or loss</i>                   |                            |                            |
| - Unrealised   | (28,484)                   | (16,261)                   |
| - Realised   | 490                        | 4,968                      |
|  | <b>(27,994)</b>            | <b>(11,293)</b>            |
| <b>Foreign exchange (losses)/gains</b>   |                            |                            |
| <i>Investments designated at fair value through profit or loss</i>                   |                            |                            |
| - Unrealised   | (5,637)                    | 3,269                      |
| - Realised   | 236                        | 167                        |
|  | <b>(5,401)</b>             | <b>3,436</b>               |
| <b>Net changes in fair value on investments at fair value through profit or loss</b> | <b>(33,395)</b>            | <b>(7,857)</b>             |
| <i>Cash and cash equivalents</i>   |                            |                            |
| - Unrealised   | (184)                      | (63)                       |
| - Realised   | (253)                      | (81)                       |
| <b>Foreign exchange losses on cash</b>   | <b>(437)</b>               | <b>(144)</b>               |



## BARRAMUNDI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

## Note 1 - Income Statement continued

|                                 | 6 MONTHS ENDED<br>31/12/08 | 6 MONTHS ENDED<br>31/12/07 |
|---------------------------------|----------------------------|----------------------------|
|                                 | UNAUDITED<br>\$000         | UNAUDITED<br>\$000         |
| <b>Total losses</b>             | <b>(33,832)</b>            | <b>(8,001)</b>             |
| Total unrealised losses         | (34,305)                   | (13,055)                   |
| Total realised gains            | 473                        | 5,054                      |
|                                 | <b>(33,832)</b>            | <b>(8,001)</b>             |
| <b>(ii) Operating Expenses</b>  |                            |                            |
| - Audit fees                    | 15                         | 17                         |
| - Directors' fees               | 66                         | 68                         |
| - Manager's fees                | 293                        | 843                        |
| - Other expenses                | 272                        | 431                        |
| <b>Total operating expenses</b> | <b>646</b>                 | <b>1,359</b>               |

## Note 2 - Share Capital

|   | 31/12/08           | 31/12/07           | 30/06/08         |
|---|--------------------|--------------------|------------------|
|   | UNAUDITED<br>\$000 | UNAUDITED<br>\$000 | AUDITED<br>\$000 |
| <b>Ordinary shares</b>                  |                    |                    |                  |
| Opening balance                         | 98,800             | 97,609             | 97,609           |
| Shares issued                           | 555                | 1,020              | 0                |
| Net issue costs                         | 0                  | 0                  | (20)             |
| Transfer from reserves to share capital | 0                  | 0                  | 1,022            |
| Warrants exercised                      | 0                  | 548                | 553              |
| Treasury stock                          | (248)              | (57)               | (364)            |
| Other                                   | 0                  | (15)               | 0                |
| <b>Closing balance</b>                  | <b>99,107</b>      | <b>99,105</b>      | <b>98,800</b>    |

BARRAMUNDI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

As at 31 December 2008 there were 101,444,890 fully paid Barramundi shares on issue, including treasury stock (31 December 2007: 101,374,415, 30 June 2008: 101,444,890).

All ordinary shares are classified as equity, rank equally and have no par value. All shares (with the exception of treasury stock) carry an entitlement to dividends and one vote is attached to each fully paid ordinary share.

Relating to the period, the following transaction affected issued and paid up capital of the Company:

- (i) On 31 October 2008, Barramundi Limited announced the continuation of its share buyback programme, for its ordinary shares in accordance with section 65 of the Companies Act 1993 for up to 5,000,000 shares between 6 November 2008 and 31 October 2009. At 31 December 2008, a total of 895,404 ordinary shares had been purchased at a total cost of \$612,520 (31 December 2007: 64,975, 30 June 2008: 519,404).

All the shares acquired under the buyback programme are initially held as treasury stock. At 31 December 2008 837,075 of the total shares purchased and held as treasury stock had been reissued under the Dividend Reinvestment Plan (31 December 2007: nil, 30 June 2008: nil). The remaining balance of 58,329 shares continues to be held as treasury stock (31 December 2007: 64,975, 30 June 2008: 519,404).

### **Warrants**

As at 31 December 2008, there were 49,446,684 warrants on issue (31 December 2007: 49,452,184, 30 June 2008: 49,446,684). Each Barramundi warrant held entitles the holder to subscribe for an ordinary share at an exercise price of \$1.00 exercisable at any time between the first and third anniversary of the allotment date (26 October 2006). 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 each warrant based on the last trading price at 31 December 2008 was \$0.02 (31 December 2007: \$0.17, 30 June 2008: \$0.06)

Relating to the period, the following transactions affected warrants on issue by the Company:

- (i) On 31 October 2008, Barramundi Limited announced a continuation of its warrant buyback programme for up to a maximum of 2,470,000 warrants between 6 November 2008 and 31 October 2009. >>

## BARRAMUNDI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

**Note 2 - Share Capital continued**

- (ii) For the period ended 31 December 2008, no Barramundi warrants (31 December 2007: 547,774, 30 June 2008: 553,274) were converted to ordinary shares at \$1 per share.

**Note 3 - Taxation**

The tax rate used is the corporate tax rate of 30% payable by New Zealand corporate entities on taxable profits under New Zealand tax law (31 December 2007: 33%, 30 June 2008: 33%).

**Note 4 - Investments at fair value through profit or loss**

|  | 31/12/08           | 31/12/07           | 30/06/08         |
|--|--------------------|--------------------|------------------|
|  | UNAUDITED<br>\$000 | UNAUDITED<br>\$000 | AUDITED<br>\$000 |
| <i>Investments at fair value through profit or loss, revalued to bid price, are summarised as follows:</i> |                    |                    |                  |
| Australian listed equity investments at cost   | 96,441             | 98,270             | 94,649           |
| Unrealised (losses)/gains on Australian listed equity investments  | (47,656)           | 11,520             | (13,545)         |
| <b>Total investments at fair value through profit or loss</b>  | <b>48,785</b>      | <b>109,790</b>     | <b>81,104</b>    |

**Other Disclosures****Note 5 - 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 Barramundi Limited is Fisher Funds Management Limited. Fisher Funds Management Limited is a related party by virtue of the common directorship and a management agreement.

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

BARRAMUNDI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

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 31 December 2008 a balance of \$94,632 remains in prepayments relating to an adjustment made at 30 June 2008. The adjustment related to the reduction of the management fee from 1.25% to 0.75% for the year to 30 June 2008.

Management fees paid or payable (inclusive of GST) to Fisher Funds Management Limited for the six months ended 31 December 2008 amounted to \$292,801 (31 December 2007: \$842,760, 30 June 2008: \$873,951). During this period, the management fee was calculated and invoiced at 1.25% and was offset against the 30 June 2008 prepayment.

A further management fee adjustment of \$195,201 has been provided for at 31 December 2008 to recognise a likely reduction to 0.75% at year end.

A performance fee may be earned by the Manager provided certain benchmarks have been met. No performance fee has been earned by the Manager for the six months ended 31 December 2008 (31 December 2007: Nil, 30 June 2008: Nil).

### Note 6 - 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 Barramundi Limited and Fisher Funds Management Limited details permitted 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.

### Capital Risk Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, undertake share buybacks, issue new shares and make borrowings in the short term. >>

BARRAMUNDI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

### Note 6 - Financial Risk Management Policies continued

The Company was not subject to any externally imposed capital requirements during the period.

#### Market Risk

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.

#### Currency and Price Risk

The Company holds assets denominated in Australian dollars. It is therefore exposed to currency risk as the value of Australian denominated equities and cash held in Australian dollars will fluctuate with changes in the relative value of the New Zealand dollar compared to the Australian dollar.

The Company is exposed to the risk of fluctuations in the underlying value of its listed portfolio companies.

#### 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 and Australian money market (short-term investments only) and interest income is therefore subject to changes in interest rates both in New Zealand and Australia. The Company may use short-term fixed rate borrowings 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.

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

BARRAMUNDI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

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 and Australia 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 as necessary by short-term borrowings from a registered bank to a maximum value of 20% of the Gross Asset Value of the Company.

No such borrowings have arisen to date.

### Note 7 - Net Asset Value

The unaudited Net Asset Value per share of Barramundi Limited as at 31 December 2008 was \$0.55 per share (31 December 2007: \$1.11, 30 June 2008: \$0.90).

The unaudited diluted Net Asset Value per share of Barramundi Limited as at 31 December 2008 was \$0.70 per share (31 December 2007: \$1.07, 30 June 2008 \$0.93).

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.

### Note 8 - Subsequent Events

The unaudited Net Asset Value per share of Barramundi Limited as at the last reported date of 18 February 2009 was \$0.56. The unaudited diluted Net Asset Value per share at this date was \$0.71. The Company releases its Net Asset Value every week and at month end to the New Zealand Stock Exchange and also discloses it on the Barramundi Limited website.

The Manager continues to invest in accordance with its investment philosophy, approach and process as stated in Barramundi Limited's Prospectus and Investment Statement.

# Accountants' Report

PRICEWATERHOUSECOOPERS 

## Accountants' Report

To the shareholders of Barramundi Limited

**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

We have reviewed the interim financial statements (the "financial statements") on pages 9 to 21. The financial statements provide information about the past financial performance and cash flows of Barramundi Limited (the "Company") for the period ended 31 December 2008 and its financial position as at that date. This information is stated in accordance with the accounting policies set out on page 14 and 15.

### Directors' responsibilities

The Company's Directors are responsible for the preparation and presentation of the financial statements that present fairly the financial position of the Company as at 31 December 2008 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 financial statements of the Company for the period ended 31 December 2008 in accordance with the Review Engagement Standards issued by the New Zealand Institute of Chartered Accountants.

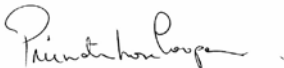
We have no relationship with or interests in the Company other than in our capacity as accountants conducting this review and in our capacity as auditors under the Companies Act 1993.

### Review opinion

We have reviewed the financial performance and cash flows of the Company for the period ended 31 December 2008 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 Company as at 31 December 2008 and its financial performance and cash flows for the period ended on that date in accordance with International Accounting Standard 34 and New Zealand Equivalent to International Accounting Standard 34, *Interim Financial Reporting*.

Our review was completed on 20 February 2009 and our unqualified opinion is expressed as at that date.



Chartered Accountants

Auckland

## Directory

### Nature of Business

The principal activity of the Company is investment in Australian Companies.

### Registered Office

*Barramundi Limited*

Level 2, 95 Hurstmere Road  
Takapuna  
Auckland

### Manager

*Fisher Funds Management Limited*

Level 2, 95 Hurstmere Road  
Takapuna  
PO Box 33 549  
Auckland 0740

### Directors

*Independent Directors*

Rob Challinor (Chairman)  
Annabel Cotton  
Ian Hendry

*Executive Director*

Carmel Fisher

### Registrar

*Computershare Investor Services Limited*

Level 2, 159 Hurstmere Road  
Takapuna  
Private Bag 92119  
Auckland 1142  
Phone: 09 488 8777  
Email: [enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz)

### Auditors

*PricewaterhouseCoopers*

188 Quay Street  
Auckland

### Solicitors

*Chapman Tripp*

Level 35  
23-29 Albert Street  
Auckland

### Bankers

*Australia New Zealand Banking Group Limited*

Level 9, ANZ Tower  
215-229 Lambton Quay  
Wellington City

### Investor Enquiries

*Barramundi Limited*

Level 2, 95 Hurstmere Road  
Takapuna  
PO Box 33 549  
Auckland 0740  
Phone: 09 489 7074  
Fax: 09 489 7139  
Email: [enquire@barramundi.co.nz](mailto:enquire@barramundi.co.nz)  
Website: [www.barramundi.co.nz](http://www.barramundi.co.nz)

*Corporate Manager*

Nivedita Findlay

