

march 2008

update



Dear Shareholders & Warrant Holders

The first quarter of 2008 has certainly been a tough one.

We watched the volatility in global equity markets that emerged in the December 2007 quarter intensify. We saw the Australian market experience some of its largest falls in decades with many companies' share prices hit indiscriminately with sellers paying little regard to underlying business quality.



The Barramundi share price was also hit hard, dropping to an all time low of \$0.50 during the period before settling at \$0.53 on 31 March and then recovering to \$0.63 at the date of this letter. Net Asset Value (NAV), the net value of Barramundi's share portfolio on a per share basis, at the end of the quarter was \$0.75 and has risen to \$0.83 at our most recent reporting.

The low share price in relation to NAV has presented an opportunity for the Company to buy back its shares on the market and by 31 March, 453,646 shares had been acquired and held as treasury stock at an average cost of \$0.72.

Fisher Funds, our Manager, provides commentary on our portfolio and the general market outlook later in this newsletter.

Our next report to you will be in August when we announce our annual result to the NZ Exchange which will be followed by the Annual Report, and then the Annual Shareholders Meeting in September.

We thank you for your continued support over this disappointing period.

Yours sincerely

Rob Challinor
Chairman – Barramundi Limited
10 April 2008

Barramundi Quarterly Review Fisher Funds

Market and Portfolio Review

To say that the first quarter of 2008 has been horrible for share prices would be an understatement. With gales of bad news from the US and high profile business failures in Australia, share prices plunged and liquidity, particularly for smaller companies, dried up further amplifying downward movements. By the end of March the market had fallen for five consecutive months. Small industrial companies continued to lag broader market indices falling 21.2 % over the quarter (in Aussie dollar terms). By quarter end the Small Industrials Index had slipped 28% from its November 1 2007 highs. A tough environment indeed.

In what have been uncertain times it is very hard to get a sensible yard stick on whether your portfolio is likely to deliver the long term returns that were the reason you invested in the first place. In his latest shareholder letter Warren Buffett gives a perspective on this that we think provides a good framework to evaluate your investment in Barramundi. As an aside the Berkshire Hathaway letter is a must read each year with the 2007 version containing some real gems – see <http://www.berkshirehathaway.com/letters/2007ltr.pdf> or follow the link on the Barramundi website.

Buffett, in referring to his listed investments, notes:

"I should emphasize that we do not measure the progress of our investments by what their market prices do during any given year. Rather, we evaluate their performance by the two methods we apply to the businesses we own. The first test is improvement in earnings, with our making due allowance for industry conditions. The second test, more subjective, is whether their "moats" – a metaphor for the superiorities they possess that make life difficult for their competitors – have widened during the year."

Whilst we don't ignore share prices, and who could at the moment, we use a similar set of tests for evaluating the quality of the businesses we buy on your behalf. The positive news, despite a turbulent market environment, is that companies that meet the "Buffet" test will deliver >

At a Glance

Performance for the period 26 Oct 2006 to 31 Mar 2008 (since listing):

	At 31 Mar '08	Movement from 26 Oct '06
Net Asset Value	\$0.75	-23.3%*
Diluted Net Asset Value	\$0.83	-14.8%*
Share Price	\$0.53	-47.0%
Warrant Price	\$0.055	+5.5%

*Based on adjusted Net Asset Value per share at listing of \$0.9767, representing the issue price of \$1.00 less issue costs of \$0.0233 per share.

Performance for the three months 1 Jan 2008 to 31 Mar 2008:

Net Asset Value	-32.5%
Diluted Net Asset Value	-22.6%
Share Price	-39.1%
Warrant Price	-66.7%

Notable March Quarter Share Price Losses, Net of Dividends Received (AUD terms):

Arrow Energy	-35.1%
Treasury Group	-35.1%
Oakton	-37.6%
Pharmaxis	-50.5%
Credit Corp	-80.3%

Portfolio Holdings Summary, as at 31 Mar 2008:

	% Holding
Aevum	9.5%
Arrow Energy	19.1%
Austbroker Holdings	2.6%
BlueFreeway	0.1%
Bravura Solutions	12.1%
Centrebet Limited	5.8%
Credit Corp	1.2%
MacArthur Cook	1.4%
McMillan Shakespeare	3.5%
Oakton	4.7%
Pharmaxis	4.4%
Pipe Networks	7.1%
Reckon	3.5%
ToxFree Solutions	4.0%
Treasury Group	6.1%
Vision Group	4.3%
WHK Group	6.1%
Equity Total	95.5%
New Zealand dollar Cash	0.2%
Australian Dollar Cash	4.3%
Cash Total	4.5%
TOTAL	100.0%

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superior long term investment returns and allow you to reach your investment goals.

In keeping with this theme we were heartened to see that a number of the portfolio companies made real steps forward over the quarter in enhancing the strategic moat around their business that we believe will help them grow shareholder value over time. Reinforcing the strength of the business franchises that your companies possess, the first half profit results, released in February, were strong with the portfolio companies comfortably growing earnings by more than 15% over the past twelve months.

Standout news over the quarter included: **Pipe Network's** announcement of a new 6,800km submarine fibre optic cable that will be laid between Australia and Guam (with a more recently announced detour to New Zealand). **Bravura Solutions** successful implementation of Sonata at Perpetual is an important announcement as this major new application will fuel Bravura's growth over the medium term. **Arrow Energy** continued to rack up the good news with an upgrade to forecast earnings for the year, the signing of coal seam methane production agreements in Vietnam, a significant reserve upgrade to the Tipton West field and the signing of a JV agreement with ERM Power to develop a 450MW power station. These announcements are all signs that your companies continue to develop strategically and to drive growth in shareholder value. This will ultimately flow through to share prices.

On a less positive note, **Credit Corp** downgraded its earnings expectations for the 2008 financial year following revelations of poor collections outcomes from one of Credit Corp's recent forward flow agreements and the loss in collection productivity. In line with the poor result the Board has initiated a wide ranging review of the business evaluating Board structure, management roles, recent operational decisions and strategy for the business on a go forward basis. At this stage we are evaluating our ongoing investment in the stock as our confidence in management has been shredded. Despite that we view the current share price as a wild over reaction - we value the business on a run down basis at more than twice the current share price. Interestingly the founder of Credit Corp, Harry Calleia, has recently amassed a 5.3% stake in the business.

Market Outlook

In terms of the outlook for the Australian share market, while we cannot offer any real certainty about short term share price movements and markets may remain volatile, we can say:

The Australian economy is currently in good shape and likely to remain relatively robust, even with the prospect of a US recession, given Australian export focus on Asia;

At recent lows the Australian market is offering sound value; and

As long as our companies are doing the right things strategically then we ultimately expect their favourable fundamentals to be reflected in positive share price performances.



The marked bounce we have seen since the market lows of March 18 adds credence to this thesis.

Carmel Fisher
Managing Director
Fisher Funds Management Ltd
10 April 2008

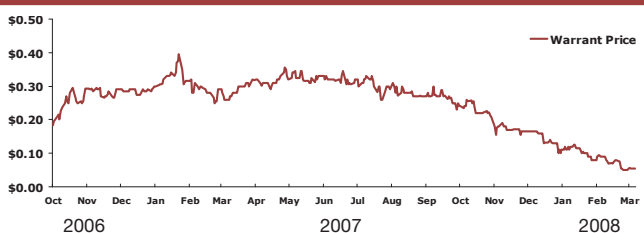
Frank Jasper
Senior Portfolio Manager
Fisher Funds Management Ltd
10 April 2008

Relative Performance (31 March 2008)	One Month	Three Months	Since Inception (IPO)
Barramundi NAV	-14.25%	+32.50%	-23.26%
90 Day Bank Bill Index (NZD) + 7% p.a.	+1.33%	+3.98%	+24.03%
S&P/ASX 300 (in NZD)	-3.87%	-13.12%	+4.92%
S&P/ASX Small Ords (in NZD)	-5.21%	-13.86%	+6.52%

Barramundi Net Asset Value and Share Price Performance



Warrant Price Performance



Points of Interest

Warrant Exercise

The warrant exercise period commenced on 26 October 2007 and after an initial flurry of activity in which 547,774 warrants were exercised by 31 December 2007, the pace settled down to 5,500 warrants exercised this quarter. Warrant holders are reminded that the warrant exercise period continues to 26 October 2009 and a further letter and exercise form will be sent out closer to that date.

What's coming up?

- 30 June 2008 Full Year preliminary result – August 2008
- 30 June 2008 Annual Report publication – August 2008
- Annual Shareholders Meeting – September 2008
- Update newsletter September 2008 – October 2008
- 31 December 2008 Interim result – February 2009

The Barramundi Update newsletter is produced for the March and September quarters only. The Annual and Interim Reports will cover the June and December periods. Should you prefer to receive future Update newsletters electronically please email us at enquire@barramundi.co.nz