



Dear Shareholders & Warrant Holders

The rocky ride endured by equity markets since early 2008 continued well into the September quarter as they suffered further from the fallout of the global credit crisis. On 30 September, markets plunged to levels last witnessed during the 1987 crash on the news of the failed US Treasury bailout package. The ship steadied fleetingly when a new rescue package was approved and although this initially provided a much needed boost to market confidence, the prospect of weaker world demand and recession means volatility is expected to be the theme for a while yet.

Set against this scene our annual shareholders meeting ("ASM") was held in Auckland on 13th October, thankfully a Monday – not a Friday. We expected a good turnout and were pleased with the large number of people who attended. The ASM was opportune as it allowed Directors to reiterate the investment philosophy of Barramundi – we are long term investors in Australian companies outside the ASX/100 and our Manager, Fisher Funds, will only sell holdings on the basis of a fundamental change in the original investment case. Further information given by our Manager at the ASM is included in the Fisher Fund's Review later in this newsletter.

Your Board continues to review capital management alternatives including measures used overseas. A few people have suggested extending the warrant exercise period beyond the expiry date of 26 October 2009. As explained at our ASM, our initial legal advice suggests that this is fraught with difficulty. However, we are exploring alternatives. Capital management initiatives currently in place include our share buyback programme which will be extended for another twelve months and the dividend reinvestment plan ("DRP") which was established in July 2008. 35% of shareholders participated in the DRP for the company's first dividend payment last month, thereby increasing their investment in Barramundi for no brokerage fee.

Resolutions put to shareholders at the ASM were passed; I am honoured to have been re-elected as a Director and thank you for your support. The second resolution passed gave authority for the Board to set the remuneration of our auditors PricewaterhouseCoopers.

Feedback on the ASM was that it was informative, balanced and reassuring to know that our Manager is confident in the strength of the portfolio companies. It is certainly encouraging to receive such

comments and we thank you for sharing these with us.

The ASM presentation will be included on our website under "Shareholder Reports" and minutes of the meeting will be available on the website by the end of October.

Your Board and Manager understand that in times of such unprecedented market conditions, communicating with you is vital. Accordingly, we have decided to hold a shareholders teleconference meeting or webcast early in the new year. Investors will be able to phone in to a toll free number to hear an update on the Company, the portfolio and the markets. There will be an opportunity to ask any questions. Please register your interest by contacting the Barramundi office and indicating your preference for either a teleconference or webcast. We will inform you of the details when they are finalised.

We thank you for "holding on" as we chart our way through this rough patch and look forward to better times.

Yours sincerely

Rob Challinor
Chairman – Barramundi Limited | 15 October 2008

Barramundi Quarterly Review – Fisher Funds

Market and Portfolio Review

To describe the third quarter as tough would be an understatement. Global credit market turmoil, a number of bank failures and a souring outlook for growth, gripped markets and drove asset prices lower. Australia was not immune to this and smaller companies in particular were treated very harshly. The small cap market ended the quarter down 18.0% in Aussie dollar terms. Adding to the pain for New Zealand based investors the kiwi rallied strongly against the Aussie dollar. This took the return for the market to -23.2% when translated to New Zealand dollars. This is the worst quarterly return since data was first published in the March 1999 quarter.

In this sort of market, fundamentals and share price movements become divorced from one another and getting a handle on the

At a Glance

Performance for the period 26 Oct 2006 to 30 Sept 2008 (since listing):

	At 30 Sept '08	M'ment from 26 Oct '06
Net Asset Value	\$0.71	-27.3%*
Diluted Net Asset Value	\$0.81	-17.1%*
Share Price	\$0.56	-44.0%
Warrant Price	\$0.045	-75.7%

*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 30 June 2008 to 30 Sept 2008:

	30 June	30 Sept	M'ment
Net Asset Value	\$0.90	\$0.71	-21.1%
Diluted Net Asset Value	\$0.93	\$0.81	-12.9%
Share Price	\$0.60	\$0.56	-6.7%
Warrant Price	\$0.06	\$0.045	-18.2%

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

Pharmaxis	+48%
Arrow Energy	-21%
Vision Group	-35%
MacArthur Cook	-50%
Bravura	-71%

Portfolio Holdings as at 30 September 2008:

	% Holding
Aevum	8.3%
Arrow Energy	23.8%
Austbrokers	2.5%
Bravura	10.5%
Centrebet	4.7%
Credit Corp	0.9%
MacArthur Cook	1.5%
McMillan Shakespeare	2.4%
Oakton	4.2%
Pharmaxis	4.8%
Pipe Networks	6.5%
Reckon	3.0%
Toxfree	3.4%
Treasury Group	5.1%
Vision Group	3.9%
WHK Group	4.0%
Equity Total	89.5%
New Zealand Dollar Cash	6.4%
Australian Dollar Cash	4.1%
Cash Total	10.5%
TOTAL	100.0%



real value of your investment is tough. Are the share price falls warranted or do they just reflect the "fear" in the market at present?

We think there are three questions investors need to ask:

1. **Can your investments weather the storm?**
2. **Will they be able to maintain a reasonable level of earnings and hopefully grow?**
3. **Are current share prices under valuing them?**

At the core of these questions is the most important one - is the real value of your investments safe despite the mood that grips current share prices? Getting this right is the difference between temporary and permanent losses of capital.

We believe your portfolio is well positioned if we can tick yes to these three questions.

Can the Barramundi companies weather the storm?

To weather the storm, in our view, a business needs to possess a couple of primary attributes. First and foremost it must have a low level of debt. Debt is like a cancer in this environment and can bring even a good business to its knees. Your portfolio companies are well capitalised and have manageable levels of debt. This is crucial. It enables your companies to remain in charge of their own destiny.

Secondly, a company must provide goods and services that customers need and it must have a moat around its business to ensure that customers buy from it and not from its competitors. This means that even if its customers come under pressure from a slower economy, they still have to purchase goods and services supplied by your portfolio company. The Barramundi portfolio is made up of these kinds of companies.

Will my investments be able to at least maintain and hopefully grow earnings?

With respect to earnings, we got the chance to get a fix on this over the quarter, at least as far as the past six months is concerned. August was the full year reporting period for most Australian companies. Overall the reporting season was pleasing with the Barramundi companies, on average, growing their earnings by a median of 14.2% over the past year. Whilst most were cautious about providing guidance for the next year analysts are still, despite all the current doom and gloom, expecting your companies to grow earnings, on average, by over 15% over the next twelve months. Even if this proves to be over optimistic it underscores that your companies are at least expected to hold their own. This is a critical reason why we are confident about the medium term outlook for your investments. If they can do well now (in terms of the underlying fundamentals) it is real testament to the business model and the quality of its management team.

Are current share prices under valuing my investments?

The last key to medium term investment success through a bear market is value and in particular ensuring that the assets you own have share prices below the company's intrinsic value. As markets recover confidence this discount to a company's intrinsic

value generally closes. We think the shares in your portfolio are on sale at present. A few examples underpin our logic:

Arrow – trading at almost half of the implied price of the recent buy in by Shell to its Australian tenements and will have almost 40% of its market cap covered by cash when the Shell payment is received.

Aevum – trading at a 35% discount to the assessed value of the properties that the company owns.

The companies in your portfolio are well positioned to weather the storm and emerge in a strong position. They have sound balance sheets, provide goods and services customers need, should be able to at least maintain and hopefully grow earnings and are currently undervalued in the market.

Whilst the current market is very uncomfortable for everyone, companies like those you own will perform well over the medium to long term.

Carmel Fisher
Managing Director
Fisher Funds Management Ltd
15 October 2008

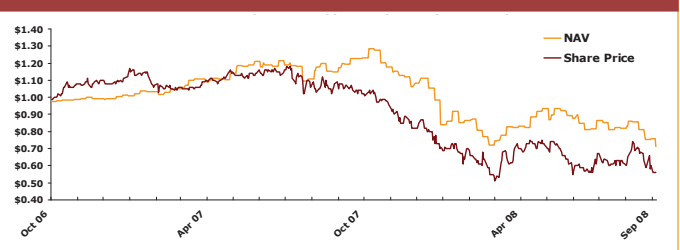
Frank Jasper
Senior Portfolio Manager
Fisher Funds Management Ltd
15 October 2008

Points of Interest Shareholder Enquiries

Enquiries regarding change of address, transactions and dividend payments should be directed to our registry services provider, Computershare on 09 488 8700. For other enquiries, please contact the Barramundi office.

Relative Performance (NZD) to 30/9/2008	One Month	Three Months	Since Inception (IPO)
Barramundi NAV	-14.9%	-18.3%	-25.1%
90 Day Bank Bill Index + 7% p.a.	1.3%	3.9%	34.1%
S&P/ASX 300	-13.1%	-16.2%	-6.4%
S&P/ASX Small Industrials	-14.3%	-10.0%	-17.7%

Barramundi Net Asset Value and Share Price Performance



2009 Events Calendar

- 31 December 2008 Half Year preliminary result – Feb '09
- 31 December 2008 Interim Report publication – Mar '09
- Update newsletter March 2009 – Apr '09
- 30 June 2009 Full Year preliminary result - Aug '09
- 30 June 2009 Annual Report publication – Sept '09
- Annual Shareholders Meeting – Oct '09

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

We also email out the Monthly Net Asset Value to people on our mailing list. Should you wish to receive the Monthly Net Asset Value, please send us your email to enquire@barramundi.co.nz