marlin

growing globally

Marlin Global Limited
Annual Report

30 JUNE 2010

contents

marlin global milestones

September 2009
– 2cps dividend paid

October 2009
– Renewal of share and warrant buyback policies

30 June 2010
– Net operating surplus for the year of $10.6m

24 August 2010
- New long-term distribution policy of paying 2% of average NAV each quarter introduced

24 September 2010
– 2cps dividend to be paid

December 2010
– first quarterly dividend payment under new distribution policy

2010/2011 calendar

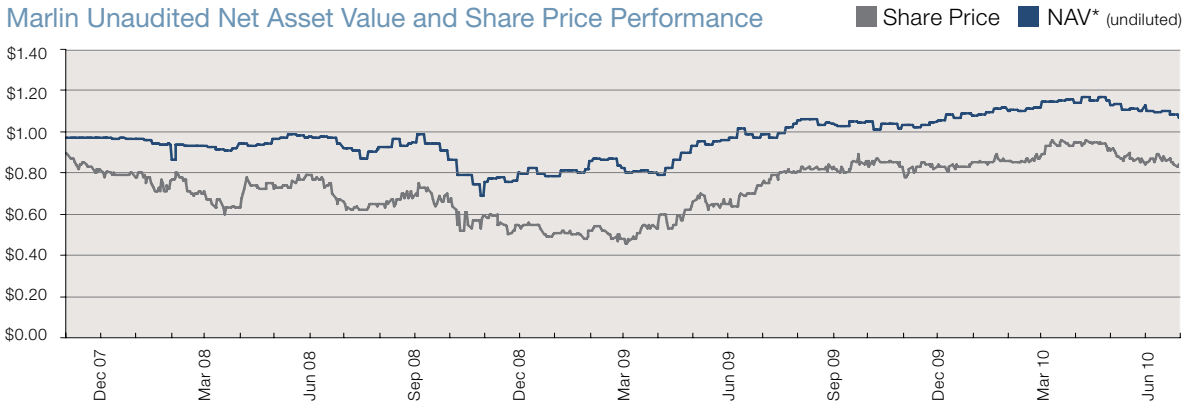
Proposed Dividend Payment Dates	24 September 2010 (annual dividend), 17 December 2010, 25 March 2011, 24 June 2011.
September Quarter *Update* newsletter	October 2010
Final Warrant Exercise Date	31 October 2010
Annual Shareholders Meeting	4 November 2010, 10.30am at the Ellerslie Event Centre, Auckland
Interim Period End	31 December 2010
Interim Report for 31 December 2010	February 2011
March Quarter *Update* newsletter	April 2011
Financial Year End	30 June 2011

Share Price and Net Asset Value ("NAV")

	30 June 2010	30 June 2009	Year % Change
Gross NAV Performance	$1.10*	$0.99	11.1%
Net NAV Performance	$1.08	$0.99	9.1%
Share Price	$0.83	$0.74	12.2%
Warrant Price	$0.01	$0.06	-83.3%

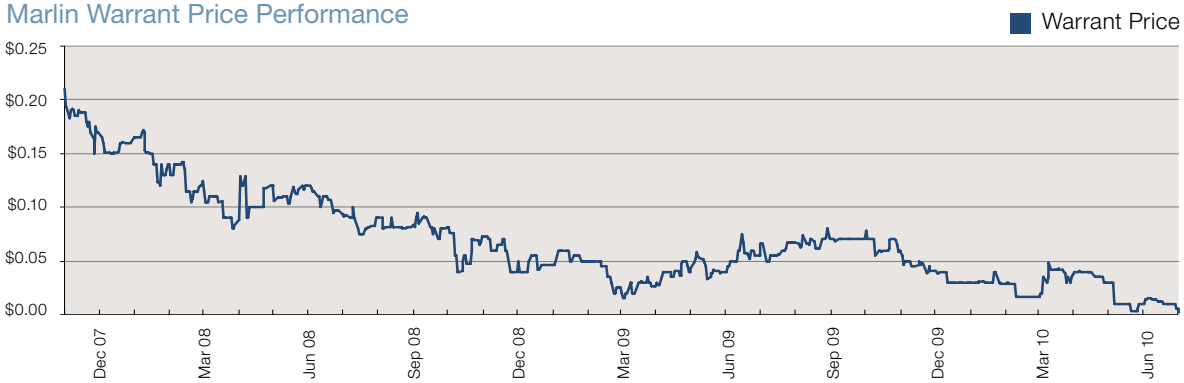
*Includes 2cps dividend paid, assumed to be reinvested.

Marlin Unaudited Net Asset Value and Share Price Performance



* Not including dividends

Marlin Warrant Price Performance

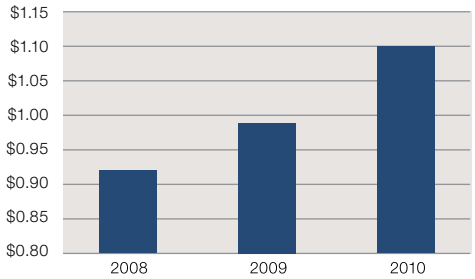


Relative Performance 30 June 2010

	One Year	Since Inception
Marlin NAV*	11.32%	12.79%
MSCI Global Small Cap Index**	14.09%	-17.34%

* Includes 2cps dividend paid, assumed to be reinvested.
** Gross and in NZ dollar terms.

NAV Performance Year ended 30 June



*Includes 2cps dividend paid, assumed to be reinvested.

NAV*

about the company

Marlin Global Limited ("Marlin Global") is a listed investment company that invests in companies based outside of New Zealand and Australia. The investment portfolio of Marlin Global is managed by **Fisher Funds Management Limited ("Fisher Funds"** or **"The Manager")**, a specialist investment manager with a track record of successfully investing in small company shares. Marlin Global aims to offer investors competitive returns and access to a diversified portfolio of investments through a single investment vehicle. Marlin Global may invest in listed international growth companies on any approved stock exchange (excluding New Zealand or Australia) or unlisted international companies not incorporated in New Zealand or Australia. The company listed on the New Zealand Exchange on 1 November 2007.

Investment Objectives

The key investment objectives of Marlin Global are to:

- Achieve a high real rate of return, comprising both income and capital growth, within risk parameters acceptable to the Directors; and
- Provide a portfolio of securities that allows investors access to a number of smaller companies through a single investment.

Investment Approach

The investment philosophy of Marlin Global is summarised by the following broad principles:

- Buy and hold shares in companies for the medium to long term.
- Invest in companies that have a proven track record of growing profitability.
- Construct a diversified portfolio of investments, investing on a case-by-case basis refraining from taking majority positions in any company, unless the opportunity is compelling.
- Invest as a long-term investor selling only on the basis of a fundamental change in the original investment case.
- Focus on achieving absolute returns, rather than outperforming a market index.

directors' report

The Marlin Global portfolio outperformed its benchmark and achieved a creditable result in the year to 30 June 2010, despite a challenging investment climate.

As at 31 March 2010, our manager, Fisher Funds, had achieved five consecutive quarters of growth. However, the re-emergence of economic uncertainty saw global markets retreat under sliding investor confidence - yet another reminder of how challenging the market environment can be.

Net Asset Value (NAV) for the year gained 11% after taking into account the two cents per share dividend paid in September 2009. This result demonstrated the resilience of the stocks selected.

Portfolio

Investments at year end comprised 35 stocks with the ten largest holdings comprising 48% of the total portfolio. Of the 35 portfolio stocks, eight principally operate in China, eight in the US and twelve in Europe.

Fisher Funds continued to monitor and evaluate existing stocks' prospects in the face of changing economic conditions as well as assessing new opportunities. Twelve new companies were added during the year and eight were exited. Cash on hand at the end of the year (net of payables) represented 10% of total assets.

Financial

Gross income for the year, including changes in the fair value of investments, totalled $14.3m compared with $9.5m in the previous year. Gains were partially offset by the effect of an increase in the value of the New Zealand dollar.

Operating expenses were $3.6m (2009: $2.3m) including management and performance fees.

Net surplus was $10.6m after taxation - up 71% from the $6.2m achieved in 2009.

Total assets at year end were $111.1m (2009: $101.5m) and Shareholders' equity $106.4m (2009: $100.4m).

Share Price Discount to Net Asset Value

The continuing difference between NAV and share price has been well canvassed with shareholders. By 31 March 2010 Directors were pleased to note that the discount to diluted NAV (that is, assuming all warrants are exercised) had narrowed to 13%. However, by 30 June 2010 the weaker market environment saw the discount widen again.

The Board has considered capital management initiatives to help reduce this discount, including an active share buy-back policy. During the year the company repurchased 3.8m shares but our experience has been that such buybacks have had a relatively immaterial effect on share price and discount. Regular and comprehensive communication with investors and market participants, and strong performance by Fisher Funds has similarly failed to substantially narrow the discount. The Board believes that it is overall investor sentiment and the state of the local and global economy that has led to investors paying less for Marlin Global and indeed other similar listed investment companies, than they are fundamentally worth.

New Dividend Policy

In accordance with the initial policy set out in the Company's 2007 prospectus, your Directors announced, on 23 August 2010, a second annual dividend of two cents per share, payable on 24 September 2010. As Marlin Global is a Portfolio Investment Entity (PIE), this dividend will be tax free in the hands of the great majority of our shareholders.

Directors also decided on that date to introduce a new long-term dividend policy. In future, the Company will pay a quarterly dividend calculated at two percent of average NAV, irrespective of underlying portfolio performance.

The introduction of a similar long-term policy has been well received by shareholders in Kingfish Limited and Barramundi Limited, the two other listed investment companies managed by Fisher Funds, and has contributed to a narrowing of their respective discounts to NAV. This dividend policy should result in Marlin Global joining Kingfish and Barramundi as one of the highest cash yielding stocks on the NZSX. The first payment under the new policy will be made in December 2010.

Dividend Reinvestment Plan

The DRP provides shareholders with the opportunity to reinvest dividends in Marlin Global ordinary shares without incurring brokerage fees. Shares are issued at a 3% discount to the volume weighted average share price of shares traded on the NZSX once the shares trade ex-entitlement. Shareholders

who do not currently reinvest their dividends and wish to do so should contact Computershare for a copy of the Plan and a participation form.

Exercise of Warrants

Warrants issued free with the ordinary shares in the Initial Public Offering (IPO) expire on 31 October 2010. Any warrants not exercised by that date will lapse and all rights in regard to them will expire. Matters which should be taken into account in considering exercising these rights at $1 each in return for a new ordinary share include: Marlin Global's share price and NAV at that time, the dividend policy, and perceived future prospects. Warrant holders are strongly advised to consult with their financial adviser or other professional in deciding what action they should take. They will be familiar with your personal situation.

With the share price currently trading below the exercise price, a number of shareholders have enquired whether the warrant terms can be changed. Directors advise no changes can be made to the terms under which the warrants were issued.

Company Structure

At our annual shareholders meeting held in October 2009, a shareholder proposed that the Company be delisted from the NZSX and restructured into an "open-ended" managed fund. The clear consensus of the meeting was not to support a new structure at that time.

Looking Ahead

Since listing in November 2007, our Company has, of course, been affected by the global financial crisis. Despite the extremely difficult investment market, the Fisher Funds' team has achieved a commendable positive return of 13% compared with the MSCI Global Small Cap Index return for the same period of negative 17% (both in NZ dollars).

Our Company moves from strength to strength as it approaches its third anniversary. The rationale on which Marlin Global was established continues to stand - a listed company that provides access to well researched, profitable growing companies in all parts of the world through a single investment vehicle.

The current share price discount to NAV offers the opportunity to access our portfolio of stocks at considerably less than it would cost to buy each stock individually - and now with the added bonus of a strong and steady tax-free dividend flow. As these factors become better recognised in the market, our discount should reduce. In order to help the market understand the Company better, we have recently contracted a person dedicated to investor relations to communicate with market participants, highlight the investment opportunity that Marlin Global's current share price represents, and identify issues or concerns that might exist so that they can be effectively dealt with.

The Board looks forward to updating progress and seeing many shareholders at our annual meeting to be held in Auckland on 4 November.

Those of you unable to attend will be able to access the Chairman's and Manager's written presentations on our website www.marlin.co.nz.

On behalf of the Board

R L Challinor CHAIRMAN | Marlin Global Limited
23 August 2010

Share Buybacks and Treasury Stock

Our corporate office often receives queries as to why Marlin Global buys back its shares. By buying Marlin Global shares, on market, at a discount to the asset value represented by that share, the Board is able to boost underlying value for all other Marlin Global shareholders. This is a tangible way that the Board can help in improving returns for all shareholders. However, any decision by the Board to acquire shares will also consider market trading volumes, share price trends and our Manager's assessment of investment alternatives.

The shares that are bought back by the Company are referred to as **"Treasury Stock"** shares. The Company can at any time hold up to 5% of total shares on issue as Treasury Stock and any shares bought back in excess of 5% will be cancelled upon acquisition. Treasury Stock may be re-issued to shareholders under Marlin Global's dividend reinvestment plan, issued to the Manager as part consideration of any performance fee, or it can also be issued to other parties as a placement. In all these cases the Directors are required to resolve that such an issue is fair and reasonable to the Company and to all existing shareholders.

When the NAV is calculated, the number of Treasury Stock is deducted from total shares on issue of the Company. This increases the NAV per share, although it takes a significant (>10 million) number of shares bought back to have any meaningful impact on the NAV per share.

Shareholders are sent a **share buyback letter** within three months of a buyback. This is to notify you of the number of shares bought back on-market, the total cost including brokerage, and the average cost per share. We are required to inform you of this as part of our obligations under the Companies Act. The Company cannot buy back shares directly from shareholders – it must be via the NZSX.

manager's report

"The secret of success is to know something nobody else knows." Aristotle Onassis (1906-1975)

Market Review

The most frustrating time to be a stock picker is when the rest of the world focuses on macro rather than micro issues. The past year has been frustrating at times as media and investor attention has swung from one big picture issue to another, be it Greece's indebtedness or China's slowdown, with individual stock opportunities or company achievements being largely ignored. While there have been frustrations there have, happily, also been opportunities arise when attention was otherwise diverted. We have made the most of opportunities when quality stocks have been overlooked, and it has been satisfying when these stocks have come back into view, in some instances resulting in takeover activity at premium prices.

The big picture themes we have previously identified continue to play out. The most important of these is that global markets are not homogenous. In recent decades, investors became accustomed to high correlations - in 2008 everything went down at the same time, and in 2009 everything bounced up. We believe that this high correlation between geographies and markets will diminish in the foreseeable future and we will return to something like the 'good old days' where some countries, industries and companies do well, while others suffer. This is the ideal environment for stock pickers like Fisher Funds.

Europe is a great example of the divergence that exists, but that investors are overlooking. It would be wrong to lump all European countries and share markets into the same category and label them failures. Europe is the worst performing region economically right now, yet Germany is one of the best performing stock markets in the world. Why is this? Due to weakness in peripheral European countries like Greece and Spain, the overall monetary policies in Europe are too loose for a structurally sound economy like Germany. In addition, a weak Euro is helping an export-driven Germany. Thus the domestic German economy is relatively robust and our travels to Europe confirm this. One of the strengths of Marlin is that we have the flexibility to invest wherever we find the best opportunities in the world. We have 16% of the fund invested in German companies.

The US has gone from the doghouse to the penthouse over the last year yet structural issues remain. Our research continues to indicate an extended period of sub-par growth and our lower weight in the US over the past year hurt our performance relative to global indices. Despite an under-whelming outlook for US consumers, the corporate sector is healthy and our exposure to the US favours technology and healthcare companies.

The rate of economic growth in China last year was strong. In fact it was too strong and the Chinese Government has been putting the brakes on economic growth since late 2009. During the second quarter of 2010, Chinese GDP growth slowed to 10.3% and we expect this slowdown to continue. For those who follow China closely, like us, this slowdown should not be a surprise or a negative - any negativity should now be used to increase investments in the region. It is important to remember that the Chinese government induced this slowdown in order to create a more sustainable and high quality growth. We should expect a range of 8-9% GDP growth which is around the long-term annual average for the past 20 years.

Marlin is in the enviable position of having decreased its allocation to China and Asia earlier in the year (i.e. before markets there softened) and we are using the current weakness as an opportunity to put some cash to work. We maintain our bullish mid-long term view on Asia as an investment destination. The shift of economic power from the West to the East continues and we believe the urbanisation in China driven by the emerging middle class is the most important investment theme globally.

The New Zealand dollar chipped away at your portfolio returns as the currency remains correlated to risk, with the kiwi rising 6% against the US dollar. We stayed disciplined to our foreign exchange management process and currently remain un-hedged.

Portfolio Review

Marlin Global posted another year of positive performance with the NAV rising 11%. This is slightly behind the MSCI Global Small Cap Index, which increased 14%, but significantly better than the MSCI Global All Cap Index, which increased 4%.

In the September 2009 update we highlighted how merger and acquisition activity was one of the reasons smaller companies have been out-performing and "plenty of Marlin portfolio holdings are attractive takeover candidates". Since then we have had three of our portfolio companies acquired at significant premiums to their market price. Bare Escentuals received a takeover offer from Shiseido for more than a 40% premium; the management of Hongguo made an offer to acquire all of the outstanding shares for a 37% premium; and OSI Pharmaceuticals received a takeover offer from Astellas Pharmaceutical, a Japanese pharmaceutical company, and we sold our shares at a 55% premium.

We also took profits in a number of companies after their stock prices rallied strongly and we exited our holding in Home Inns and Ultimate Software. They both remain good companies but their valuation more than reflects this and we have reinvested those proceeds into what we believe are tomorrow's winners.

The decision to sell our shares in China Zaino came as a result of disagreements we had with management regarding decisions implemented. Our confidence in the management diminished and we voted with our feet by walking away from this investment. We sold our investment in Ebix as our research indicates that the company may disappoint investors in the future and our investment in Celera following mixed earnings performance.

We have been busy travelling the world completing due diligence on some exciting new investments, culminating in adding twelve new companies to the portfolio. In the interests of not being repetitive all of these companies are included in the company profile section of this report. Suffice to say that while they all come from different countries and industries, providing portfolio diversification, the one thing they all have in common is they are high quality companies with strong long-term growth prospects yet remain undervalued.

Other significant portfolio company announcements include:

Hansen's Natural announced a partnership with CKE Restaurants (Carls Jr and Hardees) to offer the Monster Energy drink in more than 3,000 restaurants throughout the US. This further validates Hansen's multi-channel distribution strategy as CKE becomes the first (we expect more) major quick-serve restaurant to offer Monster as a permanent menu item. At the Annual General Meeting in May the CEO, Rodney Sacks, highlighted how non-US sales have been accelerating as the global distribution agreement with Coca-Cola gains traction. This is critical as international sales represent an important growth driver for the company.

Midas Holdings and its joint venture subsidiary Nanjing SR Puzhen Rail Transport Co. announced a plethora of contracts during the year totaling more than RMB5billion (NZ$1billion) providing business visibility for years to come. However, we have been using these positive announcements to reduce our holding. With the Chinese government looking to slow the local economy we believe the area that will experience the biggest slowdown in growth is infrastructure related spending. This will weigh on the sector and with already high expectations and a valuation at the upper end of our range we are finding better investment opportunities elsewhere. Specifically we have been increasing our holdings in companies that benefit from private domestic demand and consumption in China such as Ports Design, Raffles Education, Bawang and Hsu Fu Chi.

Icon announced it has signed an agreement with Bristol-Myers Squibb, a global pharmaceutical company, to be one of two companies providing support for clinical trials over the next three years. The press release states that "because of a robust pipeline and significant in-licensing activity, Bristol-Myers Squibb is preparing for a large volume of clinical development work".

We continued to add to our holding in Biotest as it remains significantly undervalued. The industry is in the latter stages of a rationalisation and there are numerous catalysts over the next 12-18 months which could re-rate shares significantly higher. Valuation is unpinned by a recent transaction in the industry and we believe Biotest shares are ripe for discovery.

Another portfolio company that has seen corporate activity in its industry is Wirecard. A US based competitor, CyberSource, received a bid to be acquired by Visa. While the companies

have a similar business model, they don't actually compete in the same geographies. CyberSource focuses on the US and Latin America whereas Wirecard focuses on Europe and Asia. If you apply the same transaction multiple it translates into 100% upside for Wirecard shares.

Outlook

The only constant is change and there is no doubt that many uncertainties remain. But if you look back over long periods of time there have always been issues that impact the global economy, be it war, recession or currency crises. We have become accustomed to a world where if one country sneezes it is assumed we will all catch a cold. This is not necessarily the case as there are many countries, industries and companies that are doing just fine. There is always money to be made somewhere in the world … you just have to search hard to find it. We are fortunate that in managing the Marlin portfolio, we have the world at our feet and can steer away from indebted countries and unprofitable and uncompetitive companies. We expect that macro issues will continue to feature in our daily headlines, but while they might distract other investors from searching for value and quality, we will continue our search for the sort of opportunities that contributed to our 2010 performance.

Selecting your Portfolio Stocks

We use the below STEEPP criteria to analyse all prospective investments and to monitor and rank our existing investments. The analysis gives each company a score against a number of criteria that we believe need to be present in a successful portfolio company:

The STEEPP criteria are as follows:

S > Strength of the business

What is the company's competitive advantage? Is it sustainable? Is the company a market leader? Does it have a dominant position? A strong business is one that can maintain its profit margins by employing a unique strategy.

T > Track record

How has the company performed in the past? Has the company performed under the same management team? Has it grown organically or by acquisition? How did the company react during a downturn? Fisher Funds prefers to buy established companies that have executed well in the past.

E > Earnings history

How fast has the company been able to grow its earnings in the past? How consistent has earnings growth been? We prefer to buy companies that exhibit secular growth characteristics where they have proven the ability to provide a high and improving return on invested capital.

E > Earnings growth forecast

What is the company's earnings growth forecast over the next one to three years? What is the probability of achieving the forecast? What do we expect the company's earnings potential to be? We notice that too many analysts focus on short-term earnings. As long-term growth investors we think about where the company's earnings could be in three to five years.

P > People/Management

Who is the management team and how long have they been in their roles? Who are the Directors, what is their history with the Company, and what do they bring to the Board? What is the depth of management in the organisation and is there a succession plan for the key executive roles? Does the management team own shares in the business and how are they rewarded? Has the Board and management exhibited good corporate behaviour in the areas of environmental, social and governance considerations. For us, the quality of the company management and its corporate governance is of paramount importance.

P > Pricing/Valuation

How much of the future earnings growth is already reflected in the share price? Where does the current share price sit in relation to our worst to best case valuation range? A company will generate a higher score where the market price currently reflects little of that company's upside potential.

Using this STEEPP analysis, we constructed and maintained a portfolio which comprised 35 securities at the end of June 2010.

Portfolio Holdings Summary, as at 30 June 2010

Location	Company	% Holding
Britain	Wellstream	2.2%
China	BaWang International	2.0%
	China Automation Group	1.0%
	Hsu Fu Chi Foods	0.8%
	Midas	1.8%
	02 Micro	6.9%
	Ports Design	4.8%
	Wasion Group Holdings	2.1%
	Zhuzhou CSR Times Electric	1.5%
Finland	Nokian Tyres	1.1%
France	Gameloft	0.9%
Germany	Biotest	5.6%
	Qiagen	3.3%
	Stratec Biomedical	2.1%
	Wirecard	5.1%
Greece	Jumbo	2.4%
Hong Kong	City Telecom	0.7%
Ireland	Icon PLC	5.3%
Israel	Sarin Technologies	4.2%
Italy	Brembo	3.0%
Japan	Okano Valve	1.6%
	Prestige International	0.1%
	Shinko Plantech	3.5%
Singapore	Hyflux	1.3%
	Raffles Education	5.0%
Spain	Telvent	0.7%
Switzerland	Actelion	3.0%
United States	Advent Software	0.8%
	Autodesk	2.8%
	Conceptus	2.9%
	Equinix	1.0%
	F5 Networks	0.8%
	Hanger Orthopedic Group	3.0%
	Hansens Natural	4.7%
	Interactive Intelligence	1.7%
	EQUITIES TOTAL	**89.7%**
	Cash	10.3%
	TOTAL	**100.0%**

Carmel Fisher
MANAGING DIRECTOR
Fisher Funds Management
23 August 2010

Ken Applegate
SENIOR PORTFOLIO MANAGER
Fisher Funds Management
23 August 2010

The Marlin Global Portfolio Stocks

The following is a brief introduction to each of your portfolio companies, with a description of why we believe they deserve a position in the Marlin Global portfolio.

Wellstream (Britain)

What does it do?

Wellstream is a leading designer and manufacturer of high quality bespoke flexible pipeline products, systems, and solutions for fluid transportation. Their products are primarily used for offshore transport of oil and gas well fluids.

Why do we own it?

The company's products provide the best solution for deep water oil drilling which is one of the fastest growing areas for oil exploration. In particular they have significant exposure to the fast growing South American market where they recently opened a manufacturing facility in Brazil.

Bawang International Group Holdings Ltd (China)

What does it do?

Bawang is the leading Chinese herbal shampoo brand.

Why do we own it?

The Chinese hair care market is growing rapidly with the trend towards urbanisation in China and increased hygiene awareness. The long-term goal of the company is to have multiple leading brands, based on their 'local' Chinese herbal brand, across a range of products within the household and personal care category.

China Automation Group (China)

What does it do?

The number one provider of industrial safety control systems in China. Their products ensure that equipment in factories function correctly and then highlight when issues arise.

Why do we own it?

Their end markets of energy, petrochemical and railway have an increased focus on safety regulations by the Chinese government. In addition, the upgrade of the rail network in China over the next decade will provide a strong tailwind for the company.

Hsu Fu Chi International Ltd (China)

What does it do?

Hsu Fu Chi is a leading branded confectionary company in China with three key product lines; chocolate and candy, cakes and cookies, and Sachima (a sweet Chinese pastry).

Why do we own it?

They have consistently grown earnings in the past and are well positioned to continue to benefit from the trend towards urbanisation in China. The company has a fanatical focus on operational efficiency and continues to generate strong returns for shareholders.

Midas Holdings (China)

What does it do?
The primary supplier of aluminium train bodies to train manufacturers in China.

Why do we own it?
Midas benefits from the trend away from the use of steel to manufacture train bodies towards aluminium bodies. Midas also owns a 33% stake in Nanjing Puzhen Rail Transport, one of only 4 licensed companies approved by the Chinese government to produce and sell metro train cars in China.

O2 Micro (China)

What does it do?
Sells semiconductor chips with their core competencies being power management, advanced lighting (CCFL, LED) and security applications.

Why do we own it?
With a top tier customer list featuring Sony, Apple and HP, the company's strategy is to increase dollar content per device and per customer by cross-selling new innovative products. Importantly they are leveraging their expertise in battery power management and lighting (especially LED's) into new end markets such as automotive.

Ports Design (China)

What does it do?
A Chinese high end ladies and men's fashion designer. In addition to their flagship Ports brand they also have rights to sell BMW, Ferrari, Giorgio Armani S.p.A. and Vivienne Tam apparel and accessories throughout China.

Why do we own it?
With a premium brand and a long history of successful execution this is a company that is poised to continue growing in China and has the potential to develop into a global brand. They are also using their local knowledge and success in brand management in China to develop new brands such as BMW and Vivienne Tam.

Wasion Group (China)

What does it do?
A leading energy measurement systems provider in China. Their core competency is automated meter readers and data collection terminals for the gas, electricity and water industries.

Why do we own it?
The Chinese government has committed to upgrading the electricity grid over the next 5 years with automated meter reading being a key initiative. In addition, with energy consumption and efficiency being an important element of China's growth many corporates are starting to utilise Wasion technology.

The Marlin Global Portfolio Stocks

Zhuzhou CSR Times Electric (China)

What does it do?

The main provider of electrical power supply equipment for the Chinese train manufacturers.

Why do we own it?

The rail industry in China has entered a period of strong growth expected to continue through the decade. The barriers to entry are high and Zhuzhou CSR Times Electric is the leading supplier of electrical power equipment to the train equipment manufacturers providing years of growth ahead.

Nokian Renkaat (Finland)

What does it do?

Manufactures and markets high end performance and winter tyres in Scandinavia and Russia where harsh winter conditions require most cars to have alternate sets of summer and winter tyres.

Why do we own it?

In addition to increased penetration in its core market in northern Europe, the company is benefiting from increased wealth in Russia and Ukraine where there is a rapid growth in car registrations, especially in the premium segment where Nokian is the market leader. Nokian maintains a large advantage over global competitors by producing locally in Russia to avoid import tariffs.

Gameloft (France)

What does it do?

Has developed and published more than 200 video games for mobile phones and other electronic devices.

Why do we own it?

With a combination of its own proprietary and licensed content they should continue to gain penetration with mobile customers around the world. The company is currently developing games for the new generation of mobile phones as well as the ipod and iphone which will continue to drive its growth.

Biotest (Germany)

What does it do?

Biotest is a pharmaceutical and diagnostic company based in Germany that specialises in processing blood and extracting plasma for use in treatment of diseases.

Why do we own it?

They are a market leader in Europe and have recently expanded into the US which provides another leg of growth. They also have a biotherapeutics business with numerous candidates in clinical trials. We believe this represents and upside option if successful.

Qiagen
(Germany)

What does it do?
Qiagen is the leading provider of sample and assay tests for the healthcare market. The company realises almost 90% of its sales from consumable products which are recurring and high margin.

Why do we own it?
In addition to a stable core business they have been increasingly focusing on the women's health segment through a recent acquisition of Digene, the dominant company for HPV testing. This test for early detection of cervical cancer is becoming more widely accepted and used around the world.

Stratec Biomedical Systems
(Germany)

What does it do?
Designs, develops and produces fully automated systems for partners in clinical diagnostics and biotechnology.

Why do we own it?
The company's competitive advantage lies in its technology which enables manual laboratory techniques to be transformed into automated processes. The company accelerates time to market for its clients and allows them to devote resources to their core business of developing tests.

Wirecard AG
(Germany)

What does it do?
Wirecard is one of the main payment processors for internet transactions in Europe.

Why do we own it?
The company charges a transaction fee every time someone buys or sells something on the internet from a Wirecard customer. They recently launched their own virtual credit card (a prepaid MasterCard) which is a big opportunity as credit card penetration in Europe is still relatively low.

Jumbo
(Greece)

What does it do?
Greece's largest retailer operating in the toys, baby apparel and seasonal home products market.

Why do we own it?
Jumbo has consistently grown earnings by expanding and opening new stores and adding or improving merchandise mix. For the last few years the company has been opening stores outside Greece with success in the Balkans, which has a combined population of more than three times that of Greece, their core market.

The Marlin Global Portfolio Stocks

City Telecom (Hong Kong)

What does it do?

The leading technology provider for high speed broadband internet access in Hong Kong.

Why do we own it?

City Telecom has a fibre-to-the-home network so can provide customers with significantly faster internet service than the incumbent PCCW. City Telecom continues to gain market share and customers through a creative marketing campaign and superior technology.

Icon Plc (Ireland)

What does it do?

Known as a contract research organisation (CRO), Icon provides specialised services in clinical trial management for pharmaceutical and biotechnology companies.

Why do we own it?

The increasing complexity and regulatory requirements of clinical trial management are forcing pharmaceutical and biotechnology companies all over the world to seek the help of specialist CRO's such as Icon. Icon's global footprint and broad strengths in clinical management make them one of only a few companies qualified to provide these services. Growth is being driven by this increased shift to outsourcing, the increase in drugs being tested and larger trials required by regulatory bodies such as the FDA.

Sarin Technologies Ltd (Israel)

What does it do?

The worldwide market leader in providing equipment and tools for the diamond industry. Sarin's products are used to grade, cut and optimize the value of diamonds.

Why do we own it?

They recently commercialised a revolutionary product for inclusion mapping (precisely identifies blemishes to maximise the value of a diamond). This is transforming the growth profile of the company and provides a recurring income stream.

Brembo (Italy)

What does it do?

Based in Italy, Brembo is a global leader in high performance braking systems. The majority of sales come from high end cars (customers include Ferrari, Audi, Porsche, Mercedes-Benz) and motorcycles (customers include Ducati and Harley Davidson).

Why do we own it?

As the global leader in their industry they have the ability to increase penetration with existing customers and sign up new customers around the world. They have gained real traction in the US and are poised to benefit from the emerging high end consumer in developing countries such as China and Brazil.

Okano Valve Ltd (Japan)

What does it do?

The leading Japanese manufacturer of high pressure valves for nuclear power plants with over 70% market share in the Japanese market.

Why do we own it?

International sales are a key growth driver with markets like Korea (20 reactors), China (20 reactors with 37 planned) and the US where they are in the process of gaining certification. This is a company that is poised to be discovered as alternative energy sources become a bigger focus globally.

Prestige International (Japan)

What does it do?

A leading business process outsourcing company in Japan that specialises in roadside assistance and insurance assistance.

Why do we own it?

They operate in a niche segment of the market where they are the dominant provider. The company has consistently grown revenues and profits in the past and plans to double the business over the next three to five years yet is trading at a bargain basement valuation.

Shinko Plantech (Japan)

What does it do?

Provides maintenance services for plants in Japan, with a concentration on the oil refining and petrochemical sectors.

Why do we own it?

They have the leading market share in both core sectors where growth has been driven by the aging of the infrastructure which requires increased maintenance and repair. Additional growth is coming from expansion into other industries such as food, paper and pharmaceuticals.

Hyflux (Singapore)

What does it do?

Hyflux is one of Asia's largest water treatment and environmental solution companies.

Why do we own it?

A prime beneficiary of the increasing need to "clean up" Asia's pollution problem. Hyflux has a successful track record of winning and executing projects throughout Asia and is successfully expanding globally having designed the world's largest water desalination plant in Algeria.

The Marlin Global Portfolio Stocks

Raffles Education (Singapore)

What does it do?

Asia's premier for-profit education provider, offering core programmes in design and business management.

Why do we own it?

The emerging middle class combined with the high priority of education in many Asian cultures creates a strong demand dynamic. Students have the advantage of studying at any of the Raffles facilities located around the Asia Pacific region, including New Zealand.

Telvent GIT (Spain)

What does it do?

Telvent is a software and technology solutions provider based in Spain. Their applications monitor and measure real time flow of information.

Why do we own it?

They are a market leading specialised software company and have leveraged their core competency in numerous end markets worldwide. These markets include infrastructure markets including energy, transportation, environment, and agriculture.

Actelion Ltd (Switzerland)

What does it do?

Actelion is a Swiss biopharmaceutical company with their flagship drug, Tracleer, already approved for PAH (pulmonary arterial hypertension) and has sales of over CHF1billion (NZ$1.3billion) annually.

Why do we own it?

Actelion has several drugs in its pipeline which could prove to have significant sales potential as well as a strong balance sheet enabling them to in-license or acquire new drugs to further enhance growth.

Advent Software (US)

What does it do?

Provides software and services to the fund management and financial services industry.

Why do we own it?

Under the leadership of the founder and CEO, Stephanie DeMarco, Advent has revitalised their software platform and is now selling a next generation product. As the market leader in the US we believe Advent will continue to gain traction internationally and replicate their success in Europe and Asia.

Autodesk Inc
(US)

What does it do?
The leading design software and services company. The company develops computer-aided design (CAD) and simulation solutions for customers in the manufacturing, building, and infrastructure markets and digital video tools for the media market.

Why do we own it?
With a well-established distribution network and a large installed base they have the opportunity to further penetrate customers with new products and continue to broaden their product suite. In addition, non US sales will become a bigger growth driver in the future.

Conceptus
(US)

What does it do?
Sells and manufactures an innovative device used for permanent birth control which does not require surgery.

Why do we own it?
Essure is a substitute for a surgical procedure called tubal ligation which has a recovery time of up to a week. The Essure procedure can be performed in 30-40 minutes in an outpatient setting, does not require incisions or general anaesthesia, and allows the patient to return to normal activity within a day. It also costs less and doctors can earn more money per procedure. The market opportunity for Conceptus is huge with over 700,000 tubal ligation procedures performed each year in the US alone.

Equinix
(US)

What does it do?
A global internet infrastructure company that manages network neutral data centres and co-location services.

Why do we own it?
Equinix is the largest and most successful data centre provider in the U.S and with operations in 18 key markets around the world Equinix is positioning to become the global leader in this structural growth industry.

F5 Network
(US)

What does it do?
The global leader in application delivery networking. They ensure that their customer internet applications are always running efficiently and are secure.

Why do we own it?
The company continues to gain market share by introducing new innovative products in a growing industry.

The Marlin Global Portfolio Stocks

Hanger Orthopedic Group (US)

What does it do?

Hanger is the largest owner and operator of orthotic and prosthetic patient-care centres and they are the largest distributor of O&P devices and components in the United States.

Why do we own it?

In addition to continued growth in their core market, Hanger has a new product called WalkAide which could potentially transform the growth profile of the company. They also continue to broaden reimbursement coverage which increases the market size.

Hansen Natural Corporation (US)

What does it do?

Sells a variety of natural juice drinks and the Monster energy drink range.

Why do we own it?

Monster continues to gain market share and is as popular in the US as Red Bull. During the year they announced a global distribution agreement with Coca-Cola which combined with their current agreement in the US with Anhueser Busch will see significant growth in the future.

Interactive Intelligence Inc (US)

What does it do?

A US based provider of software application suites for Voice over Internet Protocol communications primarily deployed in contact centres for businesses and other organisations.

Why do we own it?

The company has been growing rapidly by taking share in a very large market of over US$5billion but still has only 2% market share. Their solution is more compelling than competitors as it is software based versus hardware based for key competitors.

board of directors

Rob Challinor | Chairman | BCom, FCA, FCIS, CMA, AFInst D

Rob has over 25 years experience as a Director of numerous public and private companies. His directorships include Kingfish Limited (Chairman), Barramundi Limited (Chairman), The Warehouse Group Limited and CDL Investments New Zealand Limited. Rob is a retired partner and consultant to investment bankers Northington Partners Limited. Former directorships include Ports of Auckland Limited, Electricity Corporation of New Zealand Limited, Mighty River Power Limited (Chairman), National Australia Bank New Zealand Limited, Sheffield Limited (Chairman), Television New Zealand Limited and Tower Health and Life Limited (Chairman). Earlier in his career he was a Deloitte partner and a corporate finance adviser.

Ian Hendry | Independent Director | FCII, APMI

Ian has over 40 years experience in the financial services industry and held senior management positions with a major UK insurance company in London and Hong Kong before coming to New Zealand in 1988 to become a co-founder of Sovereign Limited. Ian was Group Managing Director at the time of Sovereign's IPO in 1998 and for three years after its acquisition by ASB Bank later that year. Ian is a Fellow of the Chartered Insurance Institute and is a Director of Kingfish Limited, Barramundi Limited and Seniors Money International Limited and has also served as a Director of the Investment Savings and Insurance Association of New Zealand.

Annabel Cotton | Independent Director | BMS, ACA, CSAP

A qualified investment analyst and accountant, Annabel worked as an equity analyst before specialising in working alongside a number of New Zealand listed companies on their investor relations and equity management programmes. Annabel is a Member of the Securities Commission and a director of Kingfish Limited, Barramundi Limited and a number of private companies. During 2009, Annabel was the Commissioner for Financial Advisers.

Carmel Fisher | Non-Independent Director | BCA

Carmel established Fisher Funds Management Limited in 1998 and is also a Director of Kingfish Limited and Barramundi. Carmel's interest and involvement in the New Zealand sharemarket spans more than twenty years. Carmel's career started when she left Victoria University with an accounting degree to spend four years in the sharebroking industry. She then managed funds for Prudential Portfolio Managers NZ Limited and Sovereign Asset Management Limited. Carmel can be contacted at Marlin Global's registered office.

corporate governance statement

The Board of Directors ("Board") of Marlin Global is committed to strong corporate governance practices and has adopted a comprehensive corporate governance code. The Board believes that the corporate governance structures and practices must encourage the creation of value for Marlin Global shareholders whilst ensuring the highest standards of ethical conduct and providing accountability and control systems commensurate with the risks involved.

This code meets the required corporate governance principles under the NZX Corporate Governance Best Practice Code and the Securities Commission Corporate Governance Principles and Guidelines.

Compliance

Marlin Global seeks to follow the best practice recommendations for listed companies to the extent that it is appropriate to the size and nature of its operations. The company considers its governance practices complied with the NZX Corporate Governance ('NZXCG') Best Practice Code and the Securities Commission Corporate Governance Principles and Guidelines in its entirety during the year ended 30 June 2010. The following reports against these principles and guidelines:

The Company's constitution, the Board and committee charters, codes and policies referred to in this section are available to view at www.marlin.co.nz.

Principle 1 – Ethical Standards

Directors observe and foster high ethical standards.

Marlin Global has adopted policies of business conduct that provide all Directors and representatives with clear guidance on those standards.

The **Code of Ethics** details the ethical and professional behavioural standards required of the Directors and Officers. The code also provides the means for proactively addressing and resolving potential ethical issues.

The **Conflicts of Interests Policy** details the process to be adopted for identifying conflicts of interests and the actions that should be taken.

The **Insider Trading Policy** details the procedure whereby persons nominated by Marlin Global (its Directors, Officers and Portfolio Manager) may trade in Marlin Global shares and take up shares purchased under the Marlin Global Dividend Reinvestment Plan. Nominated Persons may not trade in Marlin Global shares when they have price sensitive information that is not publicly available. In addition, except where the Nominated Person has the permission of the Board, the Nominated Person may trade in the Company shares only during the trading window commencing immediately after Marlin Global's weekly disclosure of its net asset value ('NAV') to the New Zealand Exchange, and ending at the close of trade two days following the NAV disclosure.

No breaches of ethics principles were identified during the year.

A copy of the full terms of Code of Ethics, Conflicts of Interest Policy and the Insider Trading policy is available at www.marlin.co.nz.

Principle 2 – Board Composition and Performance

There is a balance of independence, skills, knowledge, experience and perspective among Directors that allows the Board to work effectively.

Board Size and Composition

The NZSX Listing Rules require a minimum of three Directors with at least two of the Directors being ordinarily resident in New Zealand. The composition of the Board must include a minimum number of two Independent Directors. The Board currently comprises three independent non-executive Directors including the Chairman and one Director who is not deemed to be independent due to also being a Director of Fisher Funds Management Limited ("Fisher Funds").

The Board elects a Chairman whose primary responsibility is the efficient functioning of the Board.

Profiles of the individual Directors can be found on page 21.

Director Independence

Marlin Global retains a separate Board of Directors from the Manager, Fisher Funds. The Board ensures that shareholders' interests are held paramount.

The Board considers that all Directors, other than Carmel Fisher, are independent in terms of the New Zealand Exchange definition.

On appointment, each Director is required to provide information to the Board to assess and confirm their independence as part

of their consent to act as a Director. Directors have undertaken to inform the Board as soon as practicable if they think their status as an Independent Director has or may have changed. The Board does not believe that any Director has served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company. The Board considers that Directors retain independence of character and judgement regardless of length of service and regardless of them also being Directors of other Fisher Funds listed investment companies Kingfish Limited and Barramundi Limited.

Board Role and Responsibility

The Board is responsible for the direction and control of Marlin Global and is accountable to shareholders and others for Marlin Global's performance and its compliance with the appropriate laws and standards.

Marlin Global offers shareholders a highly experienced Board with financial markets experience and strengths in funds management and corporate governance.

The Board's responsibilities include:

- Manager's performance – regularly review both the performance of, and contractual arrangements with, the Manager;
- capital management – implementing initiatives including share buybacks if it is in the opinion of the Board that the value of the shares does not appropriately reflect the underlying asset value;
- determining dividend policy;
- Board performance and composition – evaluating the performance of Independent Directors, determining the size and composition of the Board as well as making recommendations for the appointment and removal of Directors;
- succession planning – planning Board succession;
- financial performance – approving the annual budget and monitoring financial performance;
- financial reporting – considering and approving the annual and half-year financial reports;
- audit – selecting and recommending to shareholders the appointment of the external auditor. Maintaining a direct and ongoing dialogue with the external auditor;
- risk management – identifying the principal risks faced by the Company and ensuring that appropriate control and monitoring systems are in place to manage the impact of these risks;
- overseeing communication and reporting to shareholders;
- relationship with regulators, NZX and continuous disclosure – maintaining ongoing dialogue with the NZX;
- custodian – appointing a custodian to safeguard the Company's assets. Trustees Executor's Limited is the custodian of Marlin Global's assets; and
- other service providers – appointing other service providers and evaluating their performance.

The Board met eleven times during the year and received papers, including regular reports from the Corporate Manager and Investment Manager to read and consider before each meeting. The Board is provided at all times with accurate timely information on all aspects of Marlin Global operations. The Board is kept informed of key risks to Marlin Global on a continuing basis. In addition the Board meets whenever necessary to deal with specific matters needing attention between the scheduled meetings and the Independent Directors meet as required.

Board Members	Meetings Attended
Rob Challinor - Chairman	11
Ian Hendry	11
Annabel Cotton	11
Carmel Fisher	11
Meetings held	11

The Manager's responsibilities as stated in the Management Agreement include:

- the provision of management services to the Company such as the investment and portfolio management services and administrative services ;
- dealing with the Custodian; and
- attendance at Marlin Global Board meetings.

The Manager is to at all times invest the portfolio on a prudent and commercial basis consistent with the Company's investment criteria and performance objectives.

While the Board's key role is to monitor the performance of the Manager, it is not involved in the selection or management of investments within the Marlin Global portfolio.

Retirement and Re-election of Directors

In accordance with the Company's constitution one third, or the number nearest to one third, of the Directors (excluding any Director appointed since the previous Annual Shareholders Meeting) retire by rotation at the Annual Shareholders Meeting (ASM). As the current Marlin Global Directors were appointed on the same day, they retire in the order determined by lot.

Appropriate notice of Director nominations has been provided in accordance with the requirements of the New Zealand Exchange, the Marlin Global constitution and the Companies Act 1993.

Board Performance Review

The Board conducts a formal review of its performance annually.

The Chairman, occasionally with the assistance of an appropriate external adviser, assesses the performance of individual Directors whilst Directors also assess the collective performance of the Board and the performance of the Chairman.

Principle 3 – Board Committees

The Board uses committees where this enhances effectiveness in key areas while retaining Board responsibility.

Audit Committee

The Marlin Global Audit Committee focuses on audit and risk management and specifically addresses responsibilities relative to financial reporting and regulatory conformance. The Committee operates within the terms of reference established by the Marlin Global Board, which the Committee reviews annually.

The Audit Committee is accountable for ensuring the performance and independence of the external auditor – PricewaterhouseCoopers (PwC). A statement regarding PwC's independence is included in their Auditor's and Accountants' Reports.

The Audit Committee also recommends to the Board which services other than the statutory audit, may be provided by PwC as auditor.

During the year, the Committee held private sessions with the auditor. The auditor has a clear line of direct communication at any time with either the Chairman of the Audit Committee or the Chairman of the Board, both of whom are Independent Directors.

The Audit Committee relies on information provided by management and the external auditor. Management determines and makes representations to the Board that the Company's financial statements and disclosures are complete and accurate. The external auditor has the duty to plan and conduct audits.

The Audit Committee comprises Annabel Cotton (Chairman), Ian Hendry and Rob Challinor, who have appropriate financial experience and an understanding of the industry in which Marlin Global operates. Meetings are held not less than twice a year having regard to Marlin Global's reporting and audit cycle.

Audit Committee Members	Meetings Attended
Annabel Cotton - Chairman	2
Ian Hendry	2
Rob Challinor	2
Meetings held	2

The Audit Committee may have in attendance such members of management including the Marlin Global Corporate Manager, a representative from the Manager, and such other persons including the external auditor, as it considers necessary to provide appropriate information and explanations.

A copy of the full terms of engagement of the Audit Committee is available at www.marlin.co.nz

Other Committees

Due to the importance of nomination and remuneration matters, these are addressed by the Board as a whole and consequently there is no separate Nomination or Remuneration Committee.

Principle 4 – Reporting and Disclosure

The Board demands integrity both in financial reporting and in the timeliness and balance of disclosures on entity affairs.

Timely and Balanced Disclosure

The Company is committed to promoting investor confidence by providing complete and equal access to information in accordance with the NZSX Listing Rules. The Company has a Continuous Disclosure Policy designed to ensure this occurs. That policy can be found on the Company website.

The Corporate Manager is the Company's market disclosure officer, and is responsible for ensuring compliance with its disclosure obligations. The Board is accountable for making the final decision as to whether or not information requires disclosure.

The Corporate Manager is responsible for releasing any relevant information to the market once that has been approved. Financial information release is approved by the Board on the recommendation of the Audit Committee, while information release on other matters is approved by the Board.

Directors formally consider at each Board meeting whether there is relevant material information which should be disclosed to the market.

Financial Reporting

The Audit Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of financial statements.

It reviews half-yearly and annual financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements and the results of the external audit.

The Marlin Global Corporate Manager is responsible for ensuring compliance with the NZX continuous disclosure requirements and overseeing and co-ordinating disclosure to the exchange.

Principle 5 – Remuneration

The remuneration of Directors and executives is transparent, fair and reasonable.

Non-executive Directors' Remuneration

The fees payable to non-executive Directors are determined by the Board within the aggregate amount approved by shareholders. The current Directors' fee pool limit of $120,000 was approved by shareholders' written resolution in September 2007.

Details of remuneration paid to Directors are disclosed in note 1 to the Financial Statements and is further disclosed on page 48 of this report.

Principle 6 – Risk Management and Internal Control

The Board regularly verifies that the entity has appropriate processes that identify and manage potential and relevant risks.

The Board has overall responsibility for Marlin Global's system of risk management and internal control. Marlin Global has in place policies and procedures to identify areas of significant business risk and implement procedures to manage effectively those risks. Key risk management tools used by Marlin Global include the Audit Committee function, outsourcing of certain functions to service providers, internal controls, financial and compliance reporting procedures and processes, business continuity planning and insurance.

A copy of the complete Risk Management Policy is available at www.marlin.co.nz.

In addition to the Company's policies and procedures in place to manage business risks, the Manager has its own comprehensive risk management policy. The Marlin Global Board is informed of any changes to the Manager's policy.

Principle 7 – Auditors

The Board ensures the quality and independence of the external audit process.

Approach to Audit Governance

The independence of the external auditor is of particular importance to shareholders and the Board. The Audit Committee is responsible for overseeing the external audit of the Company. Accordingly, it monitors developments in the areas of audit, and threats to audit independence, to ensure its policies and practices are consistent with emerging best practice in these areas.

As part of its responsibilities, the Audit Committee reviews the independence of external auditors and the appropriateness of any non-audit services they undertake for the Company.

Engagement of the External Auditor

Marlin Global's external auditor is PricewaterhouseCoopers ('PwC'). PwC was appointed by shareholders at the 2008 annual meeting in accordance with the provisions of the Companies Act 1993 ('Act'). PwC is automatically reappointed as auditor under Section 200 of the Act.

Attendance at the Annual Meeting

PwC, as external auditor of the 2010 financial statements, is invited to attend this year's annual meeting and will be available to answer questions about the conduct of the audit, preparation and content of the auditors' report, accounting policies adopted by Marlin Global and the independence of the auditor in relation to the conduct of the audit.

Principle 8 – Shareholder Relations

The Board fosters constructive relationships with shareholders that encourage them to engage with the Company.

The Board recognises the importance of providing to shareholders comprehensive, timely and equal access to information about its activities. The Board aims to ensure that shareholders have available to them all information necessary to assess the Company's performance. It has a system in place for canvassing shareholder views and for communicating the Board's views to shareholders.

Alongside periodic and continuous disclosure to NZX, Marlin Global maintains an up-to-date website www.marlin.co.nz including making available the most recent Net Asset Value that is released to the NZX on a weekly basis and at the end of each month, corporate governance policies, shareholder reports, market announcements, copies of ASM minutes, presentations, press releases and news articles as well as performance data.

Information is also communicated to shareholders in the Annual and Interim Reports and the Quarterly Shareholders *Update* Newsletter which is published between these two reports.

The release of the Annual Report is followed by the Annual Shareholders Meeting (ASM) which the Board recognises as an important forum at which the shareholders can meet and question the Board and Manager. The notice of meeting is circulated at least ten days prior to the meeting and is also posted on the Company's website. Shareholders are provided with notes on any resolutions proposed through the notice of meeting each year. The Board holds the ASM at a time and venue that is considered convenient to the greatest number of its shareholders. This year's meeting will be held on 4 November 2010 at 10.30am at the Ellerslie Event Centre in Auckland. Full participation of shareholders is encouraged at the ASM to ensure a high level of accountability and identification with the Company's strategies and goals. Shareholders are encouraged to submit questions in writing prior to the meeting.

Principle 9 – Stakeholder Interests

The Board respects the interests of stakeholders within the context of the Company's ownership type and its fundamental purpose.

The Board recognises that other stakeholders may have an interest in the Company's activities. While there are no specific stakeholders' interests that are currently identifiable, the Company will continue to review policies in consideration of future interests.

directors' statement of responsibility

For the year ended 30 June 2010

We have pleasure in presenting the financial statements for Marlin Global Limited for the year ended 30 June 2010.

We have ensured that the financial statements for Marlin Global Limited give a true and fair view of the financial position of the Company as at 30 June 2010 and its financial performance and cash flows for the year ended on that date.

We have ensured that the accounting policies used by the Company comply with generally accepted accounting practice in New Zealand and believe that proper accounting records have been kept. We have ensured compliance of the financial statements with the Financial Reporting Act 1993.

We also consider that adequate controls are in place to safeguard the Company's assets and to prevent and detect fraud and other irregularities.

The Marlin Global Board authorised these financial statements for issue on 23 August 2010.

Robert Challinor | CHAIRMAN

Annabel Cotton

Carmel Fisher

Ian Hendry

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financial statements contents

MARLIN GLOBAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 $000	2009 $000
Interest income		40	160
Dividend income		1,103	988
Foreign exchange (losses)/gains on cash and cash equivalents	1(i)	(1,482)	2,142
Net changes in fair value on investments	1(ii)	14,591	6,226
Foreign exchange gains/(losses) on forward contracts	1(ii)	44	(65)
Total net income		**14,296**	**9,451**
Operating expenses	1(iii)	(3,623)	(2,339)
Operating profit before tax		**10,673**	**7,112**
Total tax expense	3(i)	(26)	(891)
Net operating profit after tax attributable to shareholders		**10,647**	**6,221**
Other comprehensive income		0	0
Total comprehensive income after tax attributable to shareholders		**10,647**	**6,221**
Earnings per share			
Basic earnings per share			
Profit attributable to owners of the Company ($000)		*10,647*	*6,221*
Weighted average number of ordinary shares on issue net of treasury stock ('000)		*100,105*	*101,829*
		$0.11	***$0.06***
Diluted earnings per share			
Profit attributable to owners of the Company ($000)		*10,647*	*6,221*
Weighted average number of ordinary shares on issue net of treasury stock and adjusted for warrants ('000)			
- *Weighted average ordinary shares on issue*		*100,105*	*101,829*
- *Weighted average warrants on issue*		51,499	51,499
		151,604	***153,328***
		$0.07	***$0.04***

The Accounting Policies set out on pages 34 to 36 and the Notes to the Financial Statements set on pages 37 to 44 should be read in conjunction with this Statement of Comprehensive Income.

MARLIN GLOBAL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 $000	2009 $000
Total profit for the year attributable to shareholders		**10,647**	**6,221**
Other comprehensive income		0	0
Total profit and comprehensive income for the year attributable to shareholders		**10,647**	**6,221**
Contributions from owners			
- Warrants exercised	2	18	0
- Dividends reinvested	2	589	0
Distributions to owners			
- Dividends paid	4	(2,040)	0
- Share buybacks	2	(3,261)	(722)
Movements in equity for the year		**5,953**	**5,499**
Equity at beginning of year		100,431	94,932
Equity at end of year		**106,384**	**100,431**

The Accounting Policies set out on pages 34 to 36 and the Notes to the Financial Statements set on pages 37 to 44 should be read in conjunction with this Statement of Changes in Equity.

MARLIN GLOBAL LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

	Notes	2010 $000	2009 $000
ASSETS			
Current Assets			
- Cash and cash equivalents		14,329	10,892
- Trade and other receivables	5	455	1,261
- Current tax receivable	3(ii)	108	554
- Financial assets at fair value through profit or loss	7	96,213	88,750
Total current assets		**111,105**	**101,457**
TOTAL ASSETS		**111,105**	**101,457**
LIABILITIES			
Current Liabilities			
- Trade and other payables	6	4,721	1,026
Total current liabilities		**4,721**	**1,026**
TOTAL LIABILITIES		**4,721**	**1,026**
EQUITY			
- Share capital	2	96,796	99,450
- Retained earnings	4	9,588	981
TOTAL EQUITY		**106,384**	**100,431**
TOTAL EQUITY AND LIABILITIES		**111,105**	**101,457**

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

R.L. Challinor, Director ▮ **23 August 2010**

A.M. Cotton, Director ▮ **23 August 2010**

The Accounting Policies set out on pages 34 to 36 and the Notes to the Financial Statements set on pages 37 to 44 should be read in conjunction with this Statement Financial Position.

MARLIN GLOBAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2010

	2010 $000	2009 $000
Operating Activities		
Cash was provided from:		
- Sale of investments	76,432	52,932
- Interest received	40	184
- Dividends received	1,058	980
- Realised foreign exchange (loss)/gain on cash and cash equivalents	(2,327)	3,999
- Taxes received	420	0
Cash was applied to:		
- Purchase of investments	(65,603)	(75,667)
- Operating expenses	(2,752)	(2,019)
- Taxes paid	0	(1,890)
Net cash inflows/(outflows) from operating activities	**7,268**	**(21,481)**
Financing Activities		
Cash was provided from:		
- Proceeds from warrant exercise	18	0
Cash was applied to:		
- Share buybacks	(3,261)	(722)
- Dividends (net of dividends reinvested)	(1,451)	0
Net cash outflows from financing activities	**(4,694)**	**(722)**
Net increase/(decrease) in cash and cash equivalents held	**2,574**	**(22,203)**
Cash and cash equivalents at beginning of year	10,892	34,953
Effects of foreign currency translation on cash balance	863	(1,858)
Cash and cash equivalents at end of year	**14,329**	**10,892**

All cash balances comprise short-term cash deposits.

The Accounting Policies set out on pages 34 to 36 and the Notes to the Financial Statements set on pages 37 to 44 should be read in conjunction with this Statement of Cash Flows.

MARLIN GLOBAL LIMITED

STATEMENT OF CASH FLOWS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2010

	2010 $000	2009 $000
Reconciliation of operating profit after tax to net cash flows from operating activities		
Net profit after tax	**10,647**	**6,221**
Items not involving cash flows:		
Loss/(gain) on revaluation of fair value through profit or loss financial assets	1,041	(3,682)
	1,041	**(3,682)**
Impact of changes in working capital items		
- Increase/(decrease) in fees and other payables	3,695	(2,396)
- Decrease/(increase) in interest, dividends and other receivables	806	(819)
- Change in current tax	446	(999)
	4,947	**(4,214)**
Items relating to investments and financing		
- Net amount received from/(paid for) investments	10,829	(22,735)
- Realised gain on investments	(16,521)	(622)
- (Increase)/decrease in unsettled purchases of investments	(2,815)	2,352
- (Decrease)/increase in unsettled sales of investments	(860)	1,199
	(9,367)	**(19,806)**
Net cash inflows/(outflows) from operating activities	**7,268**	**(21,481)**

The Accounting Policies set out on pages 34 to 36 and the Notes to the Financial Statements set on pages 37 to 44 should be read in conjunction with this Statement of Cash Flows.

General Information

Entity Reporting

The financial statements of Marlin Global Limited ("Marlin Global" or the "Company") have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

Legal Form & Domicile

The company is incorporated and domiciled in New Zealand.

Marlin Global is a limited liability company, incorporated under the Companies Act 1993 on 6 September 2007.

Marlin Global is listed on the NZSX and is an issuer under the terms of the Financial Reporting Act 1993.

The Company is a profit-oriented entity and began operating as a listed investment company on 1 November 2007.

The Company's registered office is disclosed in the Directory.

Authorisation of Financial Statements

The Marlin Global Board of Directors authorised these financial statements for issue on 23 August 2010.

No party may change these financial statements after their issue.

Accounting Policies

Period Covered by Financial Statements

These financial statements cover the audited results from operations for the year ended 30 June 2010.

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), the Companies Act 1993 and the Financial Reporting Act 1993. They comply with the New Zealand Equivalents to Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate. These financial statements comply with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board.

The following changes to NZ IFRS relevant to the Company's financial statements have been adopted for the 2010 financial year:

NZ IFRS 7 (Amendment): *Financial instruments* – Disclosures – The amendment requires enhanced disclosures about fair value measurement. In particular, the amendment requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

As this change in accounting policy only results in additional disclosures, there is no impact on earnings or financial position.

NZ IAS 1 (Revised) *Presentation of Financial Statements* has been issued, effective for annual periods commencing on or after 1 January 2009 and has been adopted by the Company. This standard requires the preparation of a Statement of Comprehensive Income and certain changes to the presentation of the Statement of Changes in Equity; however, there is no impact on the measurement of amounts recognised in the financial statements.

The following standard has been issued but is not yet effective:

NZ IFRS 9: *Financial instruments* – This standard will eventually replace New Zealand equivalent to International Accounting Standard 39 ("NZ IAS 39") *Financial instruments – recognition and measurement* and is expected to be adopted by the Company in the year ending 30 June 2014. The standard is not expected to materially affect the Company's financial statements.

Any other new accounting standards and amendments not disclosed are not expected to have a material impact on the financial statements when they are initially applied.

Summary of Significant Accounting Policies

The accounting policies that materially affect the recognition, measurement and disclosure of items in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows are set out below. These policies have been consistently applied to all the years presented.

Measurement Base

The financial statements have been prepared on the historical cost basis, as modified by the fair valuation of certain assets as identified in specific accounting policies below.

Critical Judgements, Estimates and Assumptions

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Specifically these relate to the measurement of deferred tax assets and liabilities that reflect the tax consequences that would follow from the manner in which the entity expects, at

the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and short-term money market deposits. Cash and cash equivalents are classified as loans and receivables under NZ IAS 39.

Statement of Cash Flows

The following are definitions of the terms used in the Cash Flow Statement:

(a) Operating activities include all principal revenue producing activities and other events that are not financing activities.

(b) Financing activities are those activities that result in changes in the size and composition of the capital structure.

Functional and Presentation Currency

The financial statements are presented in New Zealand Dollars, which is the Company's functional and presentation currency.

Foreign Currency Transactions and Translations

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Income as foreign exchange gains or losses on cash.

Assets and liabilities denominated in foreign currencies at balance date are translated to the functional currency at the foreign currency exchange rates at that date. Foreign exchange gains and losses resulting from the translation of these balances at period end are recognised in the Statement of Comprehensive Income.

Translation differences on monetary financial assets and liabilities such as cash are recognised in the Statement of Comprehensive Income as Foreign Exchange Gain/(Loss) on Cash and Cash Equivalents.

Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the Statement of Comprehensive Income within the fair value net gain or loss.

Interest Income & Dividend Income

Interest is accounted for as earned using the effective interest method.

Dividend income is recognised when the Company's right to receive payments is established (ex-dividend date).

Manager's Performance Fee

The performance fee is recognised in the Statement of Comprehensive Income on an accrual basis based on the performance of the Company up to the balance date. Refer to Note 11 of the Notes to the Financial Statements.

Income Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable for the period. It is calculated by the Company using tax rates and tax laws that have been enacted or substantively enacted in respect of the taxable profits or losses to date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Marlin Global elected into the Portfolio Investment Entity ("PIE") regime from the Company's commencement date.

Goods and Services Tax (GST)

The Company de-registered for GST on 9 April 2010 as it is not able to reclaim GST. The financial statements include GST where it is charged by other parties as it cannot be reclaimed.

Investments at Fair Value Through Profit or Loss

Classification

Investments in listed entities are classified at fair value through profit or loss in the financial statements under NZ IAS 39. This designation on inception is to provide more relevant information given that the investment portfolio is managed, and performance evaluated, on a fair value basis, in accordance with a documented investment strategy.

Recognition & Measurement

All investments at fair value through profit or loss are initially recognised at fair value and are subsequently re-valued to reflect changes in fair value.

Net changes in the fair value of investments classified as fair value through profit or loss are recognised in the Statement of Comprehensive Income as they arise.

The fair values of investments at fair value through profit or loss traded in active markets are based on current market bid prices at balance date.

Transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

All purchases and sales of investments are recognised at trade date, which is the date on which the Company commits to purchase or sell the asset.

Dividend income from investments at fair value through profit or loss is separately recognised in the Statement of Comprehensive Income when the Company's right to receive payments is established (ex-dividend date).

Held for trading financial assets at fair value through profit or loss

Held for trading financial assets at fair value through profit or loss comprise forward exchange contracts. The use of these contracts by the Company is limited to the risk management of their investments.

Forward exchange contracts may be used as economic hedges for equity investments against currency risk. Therefore, they are accounted for on the same basis as those investments and are recognised at their fair value. Forward exchange contracts are measured at fair value both upon initial recognition and subsequently. Gains and losses arising from changes in the fair value are recognised in the Statement of Comprehensive Income when they arise.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company makes short-term cash deposits or accrues trade receivables with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Trade Receivables

Trade receivables are initially recognised at fair value and subsequently carried at amortised cost less impairment where collection is doubtful. Receivables are assessed on a case-by-case basis for impairment. The fair value of trade receivables is equivalent to their carrying amount.

Trade Payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost. The fair value of trade payables is equivalent to their carrying amount.

Financial Instruments

Financial instruments carried on the Statement of Financial Position include cash and cash equivalents, equity investments, trade receivables, trade payables and borrowings (when used). The various accounting policies associated with these financial instruments have been disclosed above.

Dividends Payable

Dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are declared by the Marlin Global Board.

Segmental Reporting

Operating segments are identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker, which for the Company is deemed to be the Board of Directors and the Manager, to govern the Company's operations and assess its performance.

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors and Manager.

Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the year. Refer to the Statement of Comprehensive Income for the earnings per share calculations.

Diluted earnings per share adjusts the weighted average number of ordinary shares assuming all warrants were exercised on the date of calculation of earnings per share. Refer to the Statement of Comprehensive Income for the diluted earnings per share calculation.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Share capital bought back by the Company reduces share capital and may be held as treasury stock at the value of the consideration paid. Treasury stock may later be re-issued which increases share capital by the fair value of the shares on issue date.

Note 1 - Income Statement

	2010 $000	2009 $000
(i) Foreign exchange (losses)/gains on cash and cash equivalents		
Foreign exchange gains on cash and cash equivalents		
- Unrealised	845	(1,857)
- Realised	(2,327)	3,999
Total foreign exchange (losses)/gains on cash and cash equivalents	**(1,482)**	**2,142**
(ii) Net changes in fair value of financial assets		
Fair value through profit or loss - designated		
Equity investments		
- Unrealised	4,145	3,878
- Realised	17,266	(10,915)
Foreign exchange on equity investments		
- Unrealised	(6,031)	1,661
- Realised	(789)	11,602
Total investment gains	**14,591**	**6,226**
Fair value through profit or loss - held for trading		
Foreign exchange forward contracts		
- Unrealised	0	0
- Realised	44	(65)
Total foreign exchange gains/(losses) on forward contracts	**44**	**(65)**
Total net changes in fair value of financial assets	**14,635**	**6,161**
(iii) Operating Expenses		
Audit fees	34	35
Manager's fees (note 8)	1,527	1,260
Manager's performance fee (note 11)	839	0
Directors' fees	131	131
Brokerage and transaction fees	437	465
Custody and NZX fees	225	178
Personnel expenses	97	110
Administration & other	29	27
Investor relations and communications	125	65
Registry fees	32	34
Taxation, legal services and consulting	147	34
Total operating expenses	**3,623**	**2,339**

Note 2 - Share Capital

Ordinary Shares

As at 30 June 2010 there were 103,018,220 (30 June 2009: 103,000,000) fully paid Marlin Global Shares on issue, including treasury stock of 4,230,181 shares (30 June 2009: 1,170,568 shares). 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 attached to each fully paid ordinary share.

	2010 **$000**	2009 **$000**
Opening balance	99,450	100,172
Proceeds of shares issued for warrants exercised	18	0
Proceeds of shares issued from treasury stock under the dividend reinvestment plan	589	0
Share buybacks initially held as treasury stock	(3,261)	(722)
Closing balance	**96,796**	**99,450**

Treasury Stock

On 30 October 2009, Marlin Global announced its intention to continue its share buyback programme of its ordinary shares in accordance with section 65 of the Companies Act 1993. All the shares acquired under the buyback scheme are initially held as treasury stock but are available to be re-issued. The net cost of treasury stock is deducted from share capital.

			Number of Shares	
	2010 **$000**	2009 **$000**	2010 **'000**	2009 **'000**
Opening balance	722	0	1,171	0
Share buybacks	3,261	722	3,813	1,171
Shares re-issued under the dividend reinvestment plan	(589)	0	(754)	0
Closing balance	**3,394**	**722**	**4,230**	**1,171**

Warrants

As at 30 June 2010 there were 51,481,779 (30 June 2009: 51,499,999) warrants on issue. Each Marlin Global warrant held entitles the holder to subscribe for an ordinary share at an exercise price of $1.00 exercisable in whole or in part subject to minimum exercise of 500 warrants (or such lesser number as the warrant holder may hold) by the holder lodging with the Share Registrar the notice of exercise of warrants in writing together with payment of NZ$1.00 for each new share taken up.

The remaining warrant exercise dates are 15 September and 31 October 2010 (final exercise date). Any warrants not exercised by 31 October 2010 will expire.

For the year ended 30 June 2010, 18,220 Marlin Global warrants were converted into ordinary shares at $1.00 per share (30 June 2009: nil).

On 30 October 2009, Marlin Global announced its intention to continue its warrant buyback programme. At 30 June 2010 no warrants had been acquired under the programme.

The fair value of the warrants based on the last trading price at 30 June 2010 was $0.01 each (30 June 2009: $0.06 each).

Note 3 - Taxation

	2010 $000	2009 $000
(i) Taxation expense		
Net profit before tax	10,673	7,112
Taxable income	**10,673**	**7,112**
Tax thereon at 30% (2009: 30%)	3,202	2,134
Non-taxable realised gains on investments	(4,943)	(206)
Unrealised loss/(gain) not taxable	565	(1,662)
Exempt dividends subject to Fair Dividend Rate	(331)	(296)
Fair Dividend Rate income	1,346	887
Prior period adjustment	(49)	0
Non deductible expenses	168	34
Foreign tax credits forfeited	68	0
Taxation expense	**26**	**891**
Taxation expense comprises:		
Current tax	26	891
	26	**891**
(ii) Current tax		
Opening balance	554	(445)
Prior period adjustment	52	0
Current tax movement	(26)	(891)
Income tax (refunded)/paid	(472)	1,890
Current tax receivable	**108**	**554**
(iii) Imputation credit account balances		
Opening balance	2,523	672
Net imputation credits attached to dividend	(869)	0
Taxation paid	(495)	1,851
Closing balance	**1,159**	**2,523**

On 20 May 2010, the New Zealand Government announced a change in the corporate tax rate from 30% to 28% for the 2011/12 tax year. This does not impact these financial statements.

Note 4 - Retained Earnings

	2010 $000	2009 $000
Balance at beginning of year	981	(5,240)
Net operating profit for the year	10,647	6,221
Dividends paid	(2,040)	0
Balance at the end of the year	**9,588**	**981**

Note 5 - Trade and Other Receivables

	2010 $000	2009 $000
Dividends receivable	103	58
Unsettled investment sales	339	1,199
Other receivables and prepayments	13	4
Trade and Other Receivables	**455**	**1,261**

Trade receivables are classified as loans and receivables under NZ IAS 39. Total loans and receivables are $14,784,000 (30 June 2009: $12,149,000) being cash plus trade and other receivables.

Note 6 - Trade and Other Payables

	2010 $000	2009 $000
Related party payable (note 8)	964	116
Unsettled investment purchases	3,675	859
Accruals & other payables	82	51
Total Trade and Other Payables	**4,721**	**1,026**

Trade payables are classified as other financial liabilities under NZ IAS 39. All payables are contractually required to be paid within three months.

Note 7 - Financial Assets at Fair Value through Profit or Loss

	2010 $000	2009 $000
Financial assets at fair value through profit or loss are summarised as follows:		
Financial assets at fair value through profit or loss - designated		
International listed equity investments at cost	99,802	90,454
Unrealised losses on international listed equity investments	(3,589)	(1,703)
Unrealised losses on foreign currency transactions	0	(1)
Total Financial Assets at fair value through profit or loss	**96,213**	**88,750**

Although financial assets at fair value through profit or loss are treated as current assets from an accounting point of view, the investment strategy of the Company is to hold for the medium to long term.

All investments at fair value through profit or loss are valued using quoted market prices from an active market and are classified as Level 1 in the fair value hierarchy.

Other Disclosures

Note 8 - 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 Marlin Global Limited is Fisher Funds Management Limited ("Fisher Funds" or "the Manager"). Fisher Funds is a related party by virtue of the Manager's common directorship and a management agreement.

The management agreement with Fisher Funds 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 is 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 Index over the same period but subject to a minimum management fee of 0.75% of the average Gross Asset Value for that period. No such adjustment to the management fee was necessary at balance date (30 June 2009: no adjustment).

Management fees paid or payable (inclusive of GST) to Fisher Funds for the year ending 30 June 2010 totalled $1,526,964 (30 June 2009: $1,260,161), with $125,210 being payable at 30 June 2010 (30 June 2009: $115,975). During the year to 30 June 2010, the management fee was calculated and invoiced at 1.25% of Gross Asset Value (30 June 2009: 1.25%).

In addition, the management agreement provides for the payment of a performance fee to the Manager under certain circumstances. The performance fee earned in the year to 30 June 2010 is $838,792, see Note 11 (30 June 2009: Nil).

Marlin Global's corporate management team are employed by Fisher Funds to provide management services to Marlin Global. The corporate team's remuneration is recharged by Fisher Funds and the cost for the year ended 30 June 2010 was $96,546 (30 June 2009: $109,076). These costs do not include any key management personnel compensation.

Administration and marketing costs incurred by Fisher Funds on behalf of Marlin Global amounted to $23,753 for year ended 30 June 2010 and were recharged in full to Marlin Global (30 June 2009: $31,930).

The Directors of Marlin Global are the only key management personnel and they earn a fee for their services which is disclosed in note 1 (iii) under Directors' fees (only Independent Directors earn Directors' fees). The Directors also held shares in the Company at 30 June 2010 which are disclosed in the Statutory Information section of the Annual Report and total 0.26% of total shares on issue (30 June 2009: 0.25%). The Directors did not receive any other benefits which may have necessitated disclosure under NZ IAS 24 *Related Party Disclosures* (paragraph 16).

Off-market transactions between Marlin Global and other Funds managed by Fisher Funds take place for the purposes of rebalancing portfolios without incurring brokerage costs. These transactions are conducted after the market has closed at last sale price (arm's length). During the year, off-market transactions between Marlin Global and other funds managed by Fisher Funds totalled $258,000 for purchases and $0 for sales (year ended 30 June 2009: purchases $155,000 and sales $0).

Note 9 - 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 (price, interest rate and currency), credit risk and liquidity risk.

The management agreement between Marlin Global Limited and Fisher Funds Management Limited details authorised 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 objective when managing capital (share capital, reserves and borrowings [if any]) is 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.

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

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. In addition, the Manager has to meet the criteria of authorised investments within the prudential limits defined in the management agreement.

The maximum market risk resulting from financial instruments is determined as their fair value.

The countries in which Marlin Global's exposure is greater than 10% of the portfolio are China 21%, United States 18% and Germany 16% (2009: China 26%, United States 18% and Singapore 12%).

Price Risk

The Company is exposed to the risk of fluctuations in the underlying value of its listed portfolio companies. No companies individually comprise more than 10% of Marlin Global's portfolio (2009: none).

Interest Rate Risk

Short-term deposits subject the Company to interest rate risk. The Company invests surplus cash in the New Zealand money market (short-term investments only) and interest income is therefore subject to changes in local interest rates.

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.

Currency Risk

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

A sensitivity analysis for foreign currency has not been provided in Note 10 to the financial statements as Marlin Global is exposed to the fluctuations of several foreign currencies. At 30 June 2010, the following foreign currency assets (converted to New Zealand dollars) were held:

	30 June 2010 **NZ$000**	30 June 2009 **NZ$000**
Euros	27,876	23,526
Hong Kong Dollars	13,506	14,714
Japanese Yen	7,987	4,540
Pounds Sterling	2,969	4,116
Singapore Dollars	17,434	22,708
Swiss Francs	4,400	15
US Dollars	35,492	30,173

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.

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 internationally which carry a minimum short-term credit rating of A-1.

Listed securities are held in trust by an independent trustee company.

The maximum credit risk of financial assets is deemed to be their carrying amount as reported in the Statement of Financial Position.

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 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 10 - Sensitivity Analysis

The sensitivity of the year end result and shareholders' equity to reasonably possible changes in market conditions (based on historic trends) at 30 June 2010 and 30 June 2009 is as follows (in thousands of New Zealand dollars):

2010	EQUITY PRICES (note i)				
	Carrying Amount	*-15%*		*+15%*	
		Profit	*Equity*	*Profit*	*Equity*
Cash and cash equivalents	14,329	0	0	0	0
Financial assets at fair value through profit or loss	96,213	(14,432)	(14,432)	14,432	14,432
2010	**INTEREST RATE**				
	Carrying Amount	*-3%*		*+3%*	
		Profit	*Equity*	*Profit*	*Equity*
Cash and cash equivalents	14,329	(430)	(430)	430	430
Financial assets at fair value through profit or loss	96,213	0	0	0	0

The percentage movement for the interest rate sensitivity relates to an absolute change in the interest rate rather than a percentage change in interest rate. The above sensitivities do not take into account impact on tax balances.

2009	EQUITY PRICES (note i)				
	Carrying Amount	*-15%*		*+15%*	
		Profit	*Equity*	*Profit*	*Equity*
Cash and cash equivalents	10,892	0	0	0	0
Financial assets at fair value through profit or loss	88,750	(13,313)	(13,313)	13,313	13,313
2009	**INTEREST RATE**				
	Carrying Amount	*-3%*		*+3%*	
		Profit	*Equity*	*Profit*	*Equity*
Cash and cash equivalents	10,892	(327)	(327)	327	327
Financial assets at fair value through profit or loss	88,750	0	0	0	0

The percentage movement for the interest rate sensitivity relates to an absolute change in the interest rate rather than a percentage change in interest rate. The above sensitivities do not take into account impact on tax balances.

(i) Based on historic trends, the Directors consider it reasonable that equity prices may move -/+15%.

Note 11 - Performance Fee

The management agreement with Fisher Funds Management Limited provides for an annual performance fee for outperforming the benchmark rate and providing excess returns.

The performance fee payable to the Manager under the agreement is 15% of the lesser of:

(a) The excess return for the applicable period multiplied by the number of shares on issue at the end of the period; or

(b) The dollar amount by which the net asset value per share exceeds the highest net asset value per share at the end of the previous calculation period multiplied by the number of shares on issue.

Excess return is defined as the excess above a benchmark return which is the change in the NZX 90-Day Bank Bill Index in the period plus 5% per annum.

Subject to all regulatory requirements, the Manager will use 25% of the Performance Fee to acquire Shares in Marlin Global on-market within 90 days of receipt of the Performance Fee. This obligation shall cease if and to the extent that the Manager holds 4.99% of the shares then on issue in the Company. Any shares acquired by the Manager must be held for at least 180 days from the date of payment of the Performance Fee.

At 30 June 2010 the net asset value was above the high water net asset value (after adjustment for capital changes and distributions) and the benchmark return. Accordingly the Company has accrued a performance fee in the Statement of Comprehensive Income for the year to 30 June 2010 of $838,792 (30 June 2009: nil).

Note 12 - Net Asset Value

The audited Net Asset Value per share of Marlin Global Limited as at 30 June 2010 was $1.08 per share (30 June 2009: $0.99).

The audited diluted Net Asset Value per share of Marlin Global Limited at 30 June 2010 was $1.05 (30 June 2009: $0.99).

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 13 - Contingent Liabilities and Unrecognised Contractual Commitments

There were no contingent liabilities or unrecognised contractual commitments as at 30 June 2010 (30 June 2009: None).

Note 14 - Segmental Reporting

The Company operates in a single operating segment being international financial investment.

Note 15 - Subsequent Events

There were no events subsequent to 30 June 2010 which require adjustment of, or disclosure in, the financial statements.

On 23 August 2010 the Board declared a dividend of 2 cents per share. The record date for this dividend is 10 September 2010 with a payment date of 24 September 2010.

On 23 August 2010 the Board announced a new distribution policy whereby 2% of the average NAV will be distributed to shareholders every quarter. The first payment is to be made in December 2010.

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Auditor's Report
to the shareholders of Marlin Global Limited

We have audited the financial statements on pages 29 to 44. The financial statements provide information about the past financial performance and cash flows of the Company for the year ended 30 June 2010 and its financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 34 to 36.

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibilities

The Company's Directors are responsible for the preparation and presentation of the financial statements which give a true and fair view of the financial position of the Company as at 30 June 2010 and its financial performance and cash flows for the year ended on that date.

Auditor's Responsibilities

We are responsible for expressing an independent opinion on the financial statements presented by the Directors and reporting our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

(a) the significant estimates and judgements made by the Directors in the preparation of the financial statements; and

(b) whether the accounting policies are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have no relationship with or interests in the Company other than in our capacity as auditor.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion:

(a) proper accounting records have been kept by the Company as far as appears from our examination of those records; and

(b) the financial statements on pages 29 to 44:

  (i) comply with generally accepted accounting practice in New Zealand;

  (ii) comply with International Financial Reporting Standards; and

  (iii) give a true and fair view of the financial position of the Company as at 30 June 2010 and its financial performance and cash flows for the year ended on that date.

Our audit was completed on 23 August 2010 and our unqualified opinion is expressed as at that date.

Chartered Accountants

Auckland

shareholder information

Size of Shareholding as at 5 August 2010

Size of Holding	# of Shareholders	# of Shares	% of Total
1 to 999	27	13,685	0.01
1,000 to 4,999	197	508,192	0.49
5,000 to 9,999	1,556	8,604,151	8.35
10,000 to 49,999	2,160	36,615,977	35.54
50,000 to 99,999	224	12,829,905	12.46
100,000 to 499,999	112	18,211,062	17.68
500,000+	19	26,235,248	25.47
Total	**4,295**	**103,018,220**	**100.00**

20 Largest Shareholders as at 5 August 2010

Rank	Name	Shares Held	% of Issued Capital
1	Custodial Services Limited <a/c 3>	5,271,079	5.12
2	Marlin Global Limited <Treasury Stock a/c>	4,184,987	4.06
3	FNZ Custodians Limited	3,001,800	2.91
4	Investment Custodial Services Limited <a/c C>	1,894,760	1.84
5	Forsyth Barr Custodians Limited <a/c 1 M>	1,236,762	1.20
6	Frank Simon Pearson	1,106,646	1.07
7	Custodial Services Limited <a/c 4>	886,220	0.86
8	Custodial Services Limited <a/c 2>	883,110	0.86
9	Forsyth Barr Custodians Limited <a/c 1 L>	821,457	0.80
10	Custodial Services Limited <a/c 6>	808,059	0.78
11	Investment Custodial Services Limited <a/c R>	807,712	0.78
12	Hubbard Churcher Trust Management Limited	800,000	0.78
13	Society of Mary Trust Board	800,000	0.78
14	Mantles Limited	750,000	0.73
15	Hettinger Nominees Limited	681,798	0.66
16	Anthony John Simmonds + Maureen Simmonds + Timothy Patrick Ward <AJ & M Simmonds family a/c>	619,110	0.60
17	Vulcan Custodian Limited	581,617	0.56
18	Accident Compensation Corporation - NZCSD <ACCI40>	532,195	0.52
19	David Alexander Coory + Marie Linda Coory	512,808	0.50
20	Warwick John Greenwood + Ian Sloan Robertson + Alastair John Mansell <Squirrel a/c>	480,359	0.47
TOTAL		**26,660,479**	**25.88**

20 Largest Warrant Holders as at 5 August 2010

Rank	Name	Warrants Held	% of Issued Capital
1	Custodial Services Limited <a/c 3>	2,375,101	4.61
2	FNZ Custodians Limited	1,186,500	2.30
3	Frank Simon Pearson + Warwick John Greenwood <Grace Memorial a/c>	942,144	1.83
4	Investment Custodial Services Limited <a/c R>	904,500	1.76
5	Forsyth Barr Custodians Limited <Account 1 M>	743,000	1.44
6	Society of Mary Trust Board	703,000	1.37
7	Investment Custodial Services Limited <a/c C>	667,500	1.30
8	Steven Maxwell Tasker	596,918	1.16
9	Gary Robert Cuttriss	523,000	1.02
10	Eric Albert Wrigley + Barbara Joan Wrigley	500,000	0.97
11	Custodial Services Limited <a/c 2>	486,000	0.94
12	Forsyth Barr Custodians Limited <a/c 1 L>	468,500	0.91
13	Atisoothanan Ramachchandran	408,500	0.79
14	Custodial Services Limited <a/c 4>	408,000	0.79
15	Ross Sinclair Quayle	401,023	0.78
16	Dennis Edward Oliver + Joan Elizabeth Oliver	400,000	0.78
17	Leveraged Equities Finance Limited	376,000	0.73
18	Forsyth Barr Limited	375,000	0.73
19	Mantles Limited	375,000	0.73
20	Nicholas Scott Padfield	324,167	0.63
TOTAL		**13,163,853**	**25.57**

statutory information

Directors' Holding Office

The Company's Directors as at 30 June 2010 were:

- Rob Challinor (Chairman)
- Ian Hendry
- Annabel Cotton
- Carmel Fisher

No Directors ceased to hold office during the period. In accordance with the Marlin Global Constitution, Ian Hendry retired by rotation and being eligible was re-elected at the 2009 Marlin Global Annual Shareholders Meeting. Rob Challinor and Carmel Fisher retire by rotation at the 2010 Annual Shareholders Meeting and being eligible, offer themselves for re-election.

Directors' Relevant Interests in Equity Securities at 30 June 2010

Interests' Register

The Company is required to maintain an interests' register in which the particulars of certain transactions and matters involving the Directors must be recorded. The interests' register for Marlin Global Limited is available for inspection at its registered office. Particulars of entries in the interests' register as at 30 June 2010 are as follows:

	Ordinary Shares		**Warrants**	
	Directly Held	**Associated Persons**	**Directly Held**	**Associated Persons**
R L Challinor		10,000		5,000
A M Cotton		100,000		50,000
I Hendry	50,000		25,000	
C M Fisher		99,600		49,800

Directors' Remuneration

The following table sets out the total remuneration received by each Director from Marlin Global Limited for the year ended 30 June 2010. The Directors' fees disclosed in the financial statements include a portion of non-recoverable GST expensed by Marlin Global.

Directors' remuneration for the 12 months ended 30 June 2010.

Rob Challinor	$50,000*
Ian Hendry	$32,500*
Annabel Cotton	$37,500*

* excludes GST

Carmel Fisher does not earn Directors' fees.

Employee Remuneration

Marlin Global Limited does not have any employees. Corporate Management services are provided to the Company by Fisher Funds Management Limited under the management agreement.

Disclosure of Interests

General Interest pursuant to section 140 of the Companies Act 1993 as at 30 June 2010

Rob Challinor	The Warehouse Group Limited	Director
	Kingfish Limited	Director
	Barramundi Limited	Director
	CDL Investments New Zealand Limited	Director
	Copthorne Bay of Islands Hotel – JV	Director
	Challinor and Associates Limited	Director
Ian Hendry	Congratulations Limited	Director
	Inverclyde Investments Limited	Director
	Kingfish Limited	Director
	Barramundi Limited	Director
	No 8 Ventures – 2 Limited	Director
	Seniors Money International Limited	Director
Annabel Cotton	Merlin Consulting Limited	Director
	Kingfish Limited	Director
	Barramundi Limited	Director
	Anamallai Tea Estates & Ropeway Company Limited	Director
	Riverbend Dairy Farms Limited	Director
	Securities Commission New Zealand	Member
Carmel Fisher	Fisher Funds Management Limited	Director
	Kingfish Limited	Director
	Barramundi Limited	Director

Directors' Indemnity and Insurance

Marlin Global Limited has insured all of its Directors against liabilities and costs referred to in Section 162 (3), 162 (4) and 162 (5) of the Companies Act 1993. The insurance does not cover liabilities arising from criminal actions.

Auditor's Remuneration

During the 30 June 2010 period the following amounts were paid/payable to the auditors – PricewaterhouseCoopers.

	$000
Audit Fees	34

Donations

The Company did not make any donations during the period ended 30 June 2010.

directory

Nature of Business

The principal activity of Marlin Global Limited is investment in companies based outside New Zealand and Australia.

Manager

Fisher Funds Management Limited
Level 2
95 Hurstmere Road
Takapuna
North Shore City 0622

Corporate Manager
Nivedita Findlay

Directors

Independent Directors
Rob Challinor (Chairman)
Ian Hendry
Annabel Cotton

Director
Carmel Fisher

Registrar

Shareholders with enquiries about transactions and changes of address should contact Marlin Global's share registrar:

Computershare Investor Services Limited
Level 2
159 Hurstmere Road
Takapuna
North Shore City 0622
Phone: 09 488 8777
Email: enquiry@computershare.co.nz

Managing your shareholding online: To change your address, update your payment instructions, and to view your investment portfolio including transactions, please visit: www.computershare.co.nz/investorcentre

Auditors

PricewaterhouseCoopers
188 Quay Street
Auckland 1010

Solicitors

Chapman Tripp
Level 35
23 - 29 Albert Street
Auckland 1010

Hesketh Henry
Level 11
41 Shortland Street
Auckland 1010

Bankers

Australia New Zealand Banking Group Limited
Level 9
ANZ Tower
215 – 229 Lambton Quay
Wellington 6011

Investor Enquiries

Marlin Global Limited
Level 2
95 Hurstmere Road
Takapuna
Auckland 0740
Telephone: 09 484 0365
Facsimile: 09 489 7139
Email: enquire@marlin.co.nz

Direct crediting of dividends

To minimise the risk of fraud and misplacement of dividend cheques, shareholders are strongly recommended to have all payments made by way of direct credit to their nominated bank account. This can be done by notifying the share registrar in writing.

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