marlin
growing globally

Marlin Global Limited
Interim Report

31 DECEMBER 2010

marlin
growing globally

contents

directors' overview

As the newly appointed Chairman of Marlin Global, I am pleased to present an overview of the six months to 31 December 2010 on behalf of the Board.

Portfolio performance for the six months, based on Marlin's net assets as at 31 December 2010 of $109.7m together with $4.2m in distributions to shareholders, equated to a 4.6% return. On a per share basis including dividends paid, the Net Asset Value (NAV) grew to $1.15.

The portfolio performance over the six months has been somewhat subdued compared to the same period last year and has lagged the MSCI Global Small Cap Index by 10%. As the manager, Fisher Funds Management Limited ("Fisher Funds"), explains in its review, the lower performance was influenced by the portfolio being underweight US small cap stocks.

Marlin's share price has been more upbeat – gaining 16.9% to 97 cents at 31 December after reaching $1.01 in November. It is pleasing to see the market recognising Marlin's unique exposure to well researched and profitable companies in 15 countries around the world.

In the period to 31 December 2010, the Company recorded a $5.3m net operating surplus, with the strengthening New Zealand dollar reducing the $14.1m increase in the value of equity investments by $7.1m. While it is unfortunate to give up some gains to currency fluctuations, we continue to believe the abnormally high New Zealand dollar offers investors a wonderful opportunity to deploy further funds offshore.

Operating expenses were $851,000 lower than the corresponding period, largely due to the absence of a Manager's performance fee this period and lower professional services expenses.

In accordance with Marlin's new distribution policy announced in August 2010, the Company paid a 2.16 cents per share dividend on 17 December 2010, calculated at 2% of the average NAV for the quarter. This dividend payment was in addition to a dividend payment of 2 cents per share in September, taking total dividends for the six months to 4.16 cents per share. The next quarterly payment under the Company's distribution policy will be for 2.21 cents per share and will be payable on 25 March 2011. If we were to annualise the dividends paid to shareholders in the last six months, Marlin would have delivered an attractive net yield of 8.6%, tax-free for most New Zealand shareholders.

Discount levels between Marlin's share price and its NAV have narrowed substantially over the six months – dropping to its lowest level since inception of 6.7% before settling at 10.5% on 31 December 2010. The Board continues to monitor discount levels and recently renewed Marlin's share buyback programme for a further twelve months to 31 October 2011, allowing the Company to buy back and hold up to 5 million of its shares.

On the final two warrant exercise dates in September and October, 786,626 warrants were exercised for $1.00 each. From the 51,499,999 warrants issued at the initial public offering, 804,846 were exercised and the remainder lapsed on 31 October 2010.

Our next communication will be our Update newsletter for the March 2011 quarter in which we look forward to sharing news on Marlin's portfolio and performance.

On behalf of the Board,

James Miller | CHAIRMAN
22 February 2011

directors' overview continued

Upcoming Events to 30 June 2011

25 March	Dividend payment (ex-date 9 Mar, record date 11 Mar)
24 June	Dividend payment (ex-date 8 Jun, record date 10 Jun)
30 June	Financial Year-end

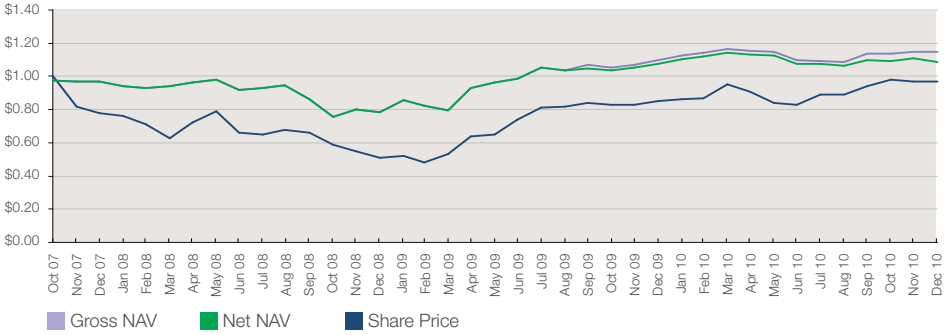
Relative Performance to 31 December 2010	Six Months	One Year	Since Inception
Marlin unaudited NAV*	+4.6%	+4.6%	+17.9%
MSCI Global Small Cap**	+15.0%	+16.8%	-5.0%

* includes dividends, assumed to be reinvested
**Includes dividends paid, in New Zealand Dollar terms

	31 Dec 2010	30 June 2010	Six Month Change
Share Price	$0.97	$0.83	+16.9%

* includes dividends, assumed to be reinvested

Marlin Unaudited Net Asset Value and Share Price Performance



manager's report

Market Review & Outlook

The three golden rules of surviving in financial markets are "don't fight the Fed, don't fight the tape and don't fight your wife". Well at least that is a quote heard from traders in the US. Don't fight the Fed means the US Federal Reserve who control interest rates and the supply of money. If they are stimulating the economy then the stock market is likely to move up. The "tape" refers to the overall stock market and is described by the financial dictionary as "a market axiom that asserts an investor shouldn't buy stocks during a major decline or sell stocks during a strong market advance".

The first two parts of this quote do a good job summarising financial markets over the last 12-18 months as there have been massive amounts of money pumped into the world economy via quantitative easing. While interesting, it implies we should follow the herd and that goes against everything we believe. We prefer another quote by Wayne Gretsky, dubbed by many as the greatest ice hockey player ever, who said "I skate to where the puck is going to be, not where it has been." We search the world for high quality growth companies that are undiscovered or misunderstood by analysts and other investors. Because of this discipline we get to buy stocks at cheap prices and identify catalysts that will lead to a re-rating, i.e where the stock is going to be.

In terms of performance, the fourth quarter of 2010 finished on a high following a relatively flat, yet volatile, first three calendar quarters. Marlin's NAV, including dividends, increased by 4.6% for the six months ending December 31, 2010 and extends our NAV return since inception including dividends to +17.9%. This compares to the MSCI World Small Cap Index return of +15.0% for the 6 months ending December 31, 2010 and a negative 5.0% return since inception.

Our relative underperformance in the short term was due to being underweight in North America, which comprises more than half of the global small cap index, and the significant outperformance of small cap stocks over large cap. The rally of late has been led by developed markets with US small cap stocks up 18% over the last year whereas Asian and European small caps are up 'only' 11.5% and 10.5% respectively. In addition, the MSCI Global Small Cap Index is up more than 16% over the same period versus the MSCI All Cap Index increase of 3.5%. Clearly Marlin invests in small caps stocks by preference, as they are more likely than large cap stocks to be under-researched. However, we invest where we believe the investment opportunities are going to be and will not succumb to the latest trend. Specifically we continue to increase our allocation to Asian companies despite the regions short term underperformance. The companies we research in Asia have superior growth opportunities and are trading at more compelling valuations.

We introduced the concept of quantitative easing with the first quote. Given this is such a widely discussed subject we'd like to highlight a few ways it impacts Marlin's investments. The

most common debate surrounds currency and how quantitative easing is negative for the US Dollar. Everyone is entitled to an opinion but we prefer to focus on the facts. From a statistical perspective the probabilities suggest the New Zealand, versus the US Dollar, is likely to be lower in a year's time. The NZ dollar is 30% above its long term average of .60 and since floating in the mid 1980's has spent more than 85% of the time below .70. This has historically been a good time to move money offshore, and a lower NZ dollar will be positive for Marlin shareholders.

Another implication of quantitative easing is a continuation of merger and acquisition activity. We have already benefitted handsomely from takeovers with more recent action coming from Wellstream who accepted a bid to be acquired by General Electric for a 30% premium to the prior market price. There continues to be plenty of companies in Marlin that make for great takeout candidates.

We remain bullish on the long term prospects for China who reported quarterly GDP of 9.6% and 9.8% respectively in the back half of the year. While this is strong from an absolute perspective it is a deceleration from 11.9% and 10.3% in the first two quarters of 2010. China is deliberately trying to slow their economy to a more sustainable level, contain inflation and improve the quality of growth. They continue to tap the brakes and we have been vocal regarding China's mid cycle slowdown and how it would persist through 2010. This appears to be extending into 2011 but irrespective of how the macro economy plays out there are always opportunities to make money. For example, luxury consumer spending in China is estimated to be a NZ$20billion market and will be the world's largest luxury market in the next 10 years. High end consumer companies like Ports Design have strong brands and pricing power and benefit from the strong growth in China but are not prey to inflation concerns.

Our largest geographic allocation for the past year has been Europe with a heavy bias toward Germany. Given strong price performance we have recently been taking profits. For example Brembo, which was one of Marlin's largest holdings, rallied more than 50% since the middle of the year and we cut our holding in half. Some of these proceeds are being used to introduce Japanese companies to the portfolio. Ken Applegate and Scott Brown travelled to Japan during November 2010 and completed research on a handful of world class Japanese companies which have recently been introduced to the portfolio.

While the economic environment remains uncertain we remain extremely positive about our companies and look forward to 2011.

Portfolio update

The last six months have been filled with travel and the next six months look equally exciting. Travel is a critical part of our job as we check up on our current investments and search the world for potential new gems. This culminated




in adding five and selling three companies from the portfolio bringing the total to 37.

We sold our shares in **F5 Networks** and **Zhuzhou CSR Times Electric**. Both have been superb investments but the valuation more than reflects this – everything has a price! We remain disciplined to our investment process and are rotating the proceeds into what we believe will be tomorrow's winners. We also sold our holding in **Bawang** after they had issues with one of their products and we believe this will not only impact current earnings but also the probability of success of new product rollouts and future earnings growth.

We purchased five new investments for the Marlin portfolio.

Travelsky is based in Beijing and listed in Hong Kong and is the leading information technology provider for China's air travel and tourism industry. The company essentially make money every time an electronic airline ticket is issued and also provide other software and services like departure processing, reservation and inventory control and ticket settlements. Additional growth comes from expanding into other travel related areas like hotel, rail and cargo.

Fook Woo is the largest recovered waste paper collector and recycled tissue paper manufacturer in China, a nascent yet fast growing market. With high barriers to entry thanks to an established collection network and a low cost product offering due to vertical integration, Fook Woo is well positioned to benefit.

Orthofix is a US based medical device company which offers a broad line of surgical and non-surgical products for the spine, orthopedic, and sports medicine market. They have a strong leadership position in several specialized markets given superior product and distribution capabilities. They are expanding their leadership position with new product introductions which should propel earnings growth for years to come. Short term industry woes have enabled us to buy the stock at bargain basement prices.

The two new Japanese investments are global leaders in their respective industries. **Horiba** manufactures and markets analytical instruments and systems focused on the automotive, analytical, medical, and semiconductor markets. In each segment they operate in niche markets where they have high market share. The company has excellent long-term growth prospects in its business, particularly in the automotive emissions testing and medical areas. **Torishima Pump** is a leading supplier of specialized pumps for water desalination, water sewerage and power plants. They have successfully transitioned the company over the last decade from a purely Japanese domestic focused company into one of the leading global suppliers in the water industry.

In the September quarterly update we

highlighted that **Wellstream** had received a bid to be acquired by General Electric and we felt the 750pence offer per share didn't reflect the full value of the company. Persistence paid off as GE came back with a higher offer and we managed to squeeze out an additional 5% gain.

Icon's stock has been punished as the company uses current profits to invest in the business to cement their leadership position and lay a path for future growth. They signed some long term contracts which require an upfront investment and this has led to a drop in earnings in short term. They are still making significant profits and these investments will enable them to make even more profits in the future but the stock market has a myopic focus on the short term.

In almost clockwork fashion **Midas Holdings** announced two more Chinese contracts worth RMB130million (NZ$26million), a contract for downstream fabrication enabling them to compete for higher value add services, and their largest international contract ever for €20.3 million from Bombardier. This will have a positive impact on earnings but more importantly validates Midas as a global leader in the rail equipment industry. We recently bought more shares on the Hong Kong dual listing (the prime listing has been the Singapore exchange).

Hyflux announced a 50:50 joint venture with Japanese based Mitsui & Co. This will give them access to more capital to enable them to bid for new water projects in China.

While **Actelion** announced one of its potential new drug candidates Clazosentan has failed its primary endpoint in the first of its phase III trials it was also subject to takeout rumours which catapulted the shares higher by more than 30%. We used this share price strength to take profits and will use our next meeting with the company to make a decision regarding the balance of our holding.

Portfolio Holdings Summary as at 31 December 2010

Listed by location	% Holding
Britain	
Wellstream	3.1%
China	
China Automation Group	1.9%
Fook Woo	1.9%
Hsu Fu Chi Foods	0.9%
Midas	3.1%
02 Micro	4.0%
Ports Design	4.8%
Travelsky	1.9%
Wasion Group Holdings	2.2%
Finland	
Nokian Tyres	1.4%
France	
Gameloft	1.3%
Germany	
Biotest	7.3%
Qiagen	0.9%
Stratec Biomedical	2.0%
Wirecard	5.4%
Greece	
Jumbo	1.6%
Hong Kong	
City Telecom	0.7%
Ireland	
Icon PLC	3.5%
Israel	
Sarin Technologies	3.3%
Italy	
Brembo	2.6%
Japan	
Horiba	3.2%
Okano Valve	1.4%
Prestige International	1.1%
Shinko Plantech	3.4%
Torishima Pump	1.2%

Listed by location	% Holding
Singapore	
Hyflux	2.7%
Raffles Education	4.4%
Spain	
Telvent	0.9%
Switzerland	
Actelion	1.1%
United States	
Advent Software	0.6%
Autodesk	3.4%
Conceptus	1.6%
Equinix	1.9%
Hanger Orthopedic Group	2.7%
Hansens Natural	5.5%
Interactive Intelligence	1.7%
Orthofix	1.0%
Total equity	**91.6%**
Total cash	**8.4%**
TOTAL	**100.0%**

Carmel Fisher
MANAGING DIRECTOR
22 February 2011

Ken Applegate
SENIOR PORTFOLIO MANAGER
22 February 2011

MARLIN GLOBAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

	Notes	6 months ended 31/12/10 unaudited $000	6 months ended 31/12/09 unaudited $000
Interest income		20	10
Dividend income		397	458
Foreign exchange losses on cash and cash equivalents	1(i)	(685)	(1,812)
Net changes in fair value of investments at fair value through profit or loss	1(ii)	7,038	14,078
Total net income		**6,770**	**12,734**
Operating expenses	1(iii)	(1,310)	(2,161)
Operating profit before tax		**5,460**	**10,573**
Total tax (expense)/benefit	3	(195)	379
Net operating profit after tax attributable to shareholders		**5,265**	**10,952**
Total comprehensive income after tax attributable to shareholders		**5,265**	**10,952**

Earnings per share		
Basic earnings per share		
Profit attributable to owners of the Company ($000)	*5,265*	*10,952*
Weighted average number of ordinary shares on issue net of treasury stock ('000)	*99,670*	*101,123*
	$0.05	***$0.11***

The Notes to the Financial Statements set out on pages 15 to 21 should be read in conjunction with this Statement of Comprehensive Income.

MARLIN GLOBAL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

	Notes	6 months ended 31/12/10 unaudited $000	6 months ended 31/12/09 unaudited $000	Year ended 30/06/10 audited $000
Total comprehensive income for the period attributable to owners		**5,265**	**10,952**	**10,647**
Profit for the period		5,265	10,952	10,647
Contributions from owners				
- Ordinary shares	2	787	1	18
- Dividends re-invested	2	1,416	589	589
- Share placements	2	394	0	0
Distribution to owners				
- Dividends paid		(4,160)	(2,040)	(2,040)
- Share buybacks	2	(340)	(2,749)	(3,261)
Movements in equity for the period		**3,362**	**6,753**	**5,953**
Equity at beginning of period		106,384	100,431	100,431
Equity at end of period		**109,746**	**107,184**	**106,384**

The Notes to the Financial Statements set out on pages 15 to 21 should be read in conjunction with this Statement of Changes in Equity.

MARLIN GLOBAL LIMITED

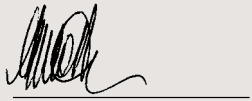
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

	Notes	31/12/10 unaudited $000	31/12/09 unaudited $000	30/06/10 audited $000
ASSETS				
Current Assets				
- Cash and cash equivalents		9,012	17,227	14,329
- Trade and other receivables		165	198	455
- Current tax receivable		134	586	108
- Investments at fair value through profit or loss	4	100,586	89,675	96,213
Total Current Assets		**109,897**	**107,686**	**111,105**
Non-current Assets				
- Deferred tax asset		0	414	0
Total Non-current Assets		**0**	**414**	**0**
Total Assets		**109,897**	**108,100**	**111,105**
LIABILITIES				
Current Liabilities				
- Trade and other payables		151	916	4,721
Total Current Liabilities		**151**	**916**	**4,721**
Total Liabilities		**151**	**916**	**4,721**
EQUITY				
- Share capital	2	99,053	97,291	96,796
- Retained earnings		10,693	9,893	9,588
Total Equity		**109,746**	**107,184**	**106,384**
Total Equity and Liabilities		**109,897**	**108,100**	**111,105**

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

J B Miller | Chairman
22 February 2011



A M Cotton | Chair of the Audit Committee
22 February 2011

The Notes to the Financial Statements set out on pages 15 to 21 should be read in conjunction with this Statement of Financial Position.

MARLIN GLOBAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

	6 months ended 31/12/10 unaudited $000	6 months ended 31/12/09 unaudited $000	Year ended 30/06/10 audited $000
Operating Activities			
Cash was provided from:			
- Sale of investments	26,086	41,183	76,432
- Interest received	20	11	40
- Dividends received	343	352	1,058
- Realised foreign exchange losses on cash and cash equivalents	(337)	(2,026)	(2,327)
- Taxes received	0	0	420
Cash was applied to:			
- Purchase of investments	(26,740)	(27,698)	(65,603)
- Operating expenses	(2,200)	(1,443)	(2,752)
- Taxes paid	(221)	(67)	0
Net cash (outflows)/inflows from operating activities	**(3,049)**	**10,312**	**7,268**
Financing Activities			
Cash was provided from:			
- Proceeds from share issues	787	1	18
- Share placements	394	0	0
Cash was applied to:			
- Share buybacks	(340)	(2,749)	(3,261)
- Dividends paid (net of dividends reinvested)	(2,744)	(1,451)	(1,451)
Net cash outflows from financing activities	**(1,903)**	**(4,199)**	**(4,694)**
Net (decrease)/increase in cash and cash equivalents held	**(4,952)**	**6,113**	**2,574**
Cash and cash equivalents at beginning of period	14,329	10,892	10,892
Effects of foreign currency translation on cash balance	(365)	222	863
Cash and cash equivalents at end of period	**9,012**	**17,227**	**14,329**

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

The Notes to the Financial Statements set out on pages 15 to 21 should be read in conjunction with this Statement of Cash Flows.

MARLIN GLOBAL LIMITED

STATEMENT OF CASH FLOWS CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

	6 months ended 31/12/10 unaudited $000	6 months ended 31/12/09 unaudited $000	Year ended 30/06/10 audited $000
Reconciliation of operating profit after tax to net cash flows from operating activities			
Net profit after tax	**5,265**	**10,952**	**10,647**
Items not involving cash flows:			
- Unrealised (gains)/losses on revaluation of investments	(3,101)	(7,133)	1,041
- Change in deferred tax	0	(414)	0
	(3,101)	**(7,547)**	**1,041**
Impact of changes in working capital items			
- (Decrease)/increase in fees and other payables	(4,569)	749	3,695
- Decrease/(increase) in interest, dividends and other receivables	290	(136)	806
- Change in current tax	(26)	(32)	446
	(4,305)	**581**	**4,947**
Items relating to investments			
- Net amount (paid for)/received from investments	(654)	13,485	10,829
- Realised gain on investments	(3,589)	(7,159)	(16,521)
- Decrease/(increase) in unsettled purchases of investments	3,674	0	(2,815)
- Decrease in unsettled sales of investments	(339)	0	(860)
	(908)	**6,326**	**(9,367)**
Net cash (outflows)/increase from operating activities	**(3,049)**	**10,312**	**7,268**

The Notes to the Financial Statements set out on pages 15 to 21 should be read in conjunction with this Statement of Cash Flows.

General Information

Entity Reporting

The financial statements for 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.

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

Marlin Global is listed on the New Zealand Stock Exchange 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.

Marlin Global'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 22 February 2011.

No party may change these financial statements after their issue.

Accounting Policies

Period Covered by Financial Statements

These financial statements cover the unaudited results from operations for the six months ended 31 December 2010.

Statement of Compliance

The interim 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 New Zealand equivalent to International Accounting Standard 34 ("NZ IAS 34") and International Accounting Standard 34, Interim Financial Reporting.

The interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual financial report for the year ended 30 June 2010.

The Company has applied consistent accounting policies in the preparation of these interim financial statements as for the 2010 full year financial statements.

Note 1 - Statement of Comprehensive Income

	6 months ended 31/12/10 unaudited $000	6 months ended 31/12/09 unaudited $000
(i) Foreign exchange losses on cash and cash equivalents		
Foreign exchange losses on cash and cash equivalents	(685)	(1,812)
Total foreign exchange losses on cash and cash equivalents	**(685)**	**(1,812)**
(ii) Net changes in fair value of investments		
Investments designated at fair value through profit or loss		
International equity investments	14,141	22,727
Foreign exchange losses on equity investments	(7,121)	(8,627)
Total investment gains	**7,020**	**14,100**
Investments at fair value through profit or loss - held for trading		
Foreign exchange gains/(losses) on contracts	18	(22)
Total gains/(losses) on assets held for trading	**18**	**(22)**
Total net changes in fair value of investments	**7,038**	**14,078**
(iii) Operating Expenses		
Audit fees	16	13
Manager's fees (note 5)	778	744
Performance fees (note 5)	0	758
Directors' fees	71	66
Brokerage and transaction fees	174	215
Custody and NZX fees	94	75
Personnel expenses	47	44
Administration & other	19	18
Investor relations	86	115
Professional services	24	113
Bank fees	1	0
Total operating expenses	**1,310**	**2,161**

Note 2 - Share Capital

	6 months ended 31/12/10 unaudited $000	6 months ended 31/12/09 unaudited $000	Year ended 30/06/10 audited $000
Ordinary shares			
Opening balance	96,796	99,450	99,450
Shares issued for warrants exercised	787	1	18
Shares issued under the dividend reinvestment plan	1,416	589	589
Share placements	394	0	0
Share buybacks held as treasury stock	(340)	(2,749)	(3,261)
Closing balance	**99,053**	**97,291**	**96,796**

As at 31 December 2010 there were 103,804,846 fully paid Marlin Global Shares on issue (31 December 2009: 103,000,500, 30 June 2010: 103,018,220), including treasury stock of 2,594,588 (31 December 2009: 3,664,751, 30 June 2010: 4,230,181).

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.

Warrants

During the period, 786,626 warrants were converted into ordinary shares. On 31 October 2010, the remaining 50,695,153 unexercised warrants expired.

Note 3 - Taxation

The tax rate used is the corporate tax rate of 30% payable by New Zealand corporate entities on taxable profits under New Zealand tax law (31 December 2009: 30%, 30 June 2010: 30%).

Note 4 - Investments at fair value through profit or loss

	31/12/10 unaudited $000	31/12/09 unaudited $000	30/06/10 audited $000
Investments at fair value through profit or loss are summarised as follows:			
Investments designated at fair value through profit or loss			
International listed equity investments	100,589	89,680	96,213
Investments at fair value through profit or loss - held for trading			
Fair value of foreign currency contracts and unsettled transactions	(3)	(5)	0
Total investments at fair value through profit or loss	**100,586**	**89,675**	**96,213**

Other Disclosures

Note 5 - Related Party Information

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

The Manager of Marlin Global 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.

Management fees paid or payable (inclusive of GST) to Fisher Funds Management Limited for the six months ended 31 December 2010 totalled $778,000 (31 December 2009: $744,000, 30 June 2010: $1,527,000).

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 will be reduced by 0.10% for each 1.0% per annum by which the Gross Return achieved on the portfolio during each financial period is less than the change in the NZX 90-Day Bank Bill Index over the same period but subject to a minimum management fee of 0.75% of the average Gross Asset Value for that period.

At period end, no adjustment was made to include a future rebate due to the Gross Return being below the change in the NZX 90-Day Bank Bill Index over the same period (31 December 2009 and 30 June 2010: Nil).

Note 5 - Related Party Information continued

A performance fee may be earned by the Manager provided certain benchmarks have been met. No performance fee has been earned by the Manager for the six months ended 31 December 2010 (30 December 2009: $758,223, 30 June 2010: $838,792).

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 six months ended 31 December 2010 was $46,673 (six months to 31 December 2009: $44,329, year to 30 June 2010: $96,546). These costs do not include key management personnel compensation.

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 a Directors fee.

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). There were no off market transactions in the period ended 31 December 2010 (31 December 2009: None).

Note 6 - Financial Risk Management Policies

The Company is subject to a number of financial risks which arise as a result of its investment activities including; market risk, credit risk and liquidity risk.

The management agreement between Marlin Global and Fisher Funds details permitted investments. Financial instruments currently recognised in the financial statements also comprise cash and short term deposits, trade and other receivables and trade and other payables.

Capital Risk Management
The Company's objective when managing capital 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 period.

Market Risk
All equity investments present a risk of loss of capital often due to factors beyond the Company's

control such as competition, regulatory changes, commodity price changes and changes in general economic climates domestically and internationally. The Manager moderates this risk through careful stock selection and diversification, daily monitoring of the market positions and monthly reporting to the Board of Directors. In addition, the Manager has to meet the criteria of authorised investments within the prudential limits both of which are defined in the management agreement.

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

Currency and Price 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 compare to the international currencies.

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

No companies in the Marlin Global portfolio constitute more than 10% of the portfolio.

Interest Rate Risk

Short-term deposits potentially 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.

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.

Liquidity Risk

The Company endeavours to invest the proceeds from the issue of shares in appropriate investments while maintaining sufficient liquidity, through daily cash monitoring, to meet working capital and investment requirements. Such liquidity can be augmented as necessary by short-term borrowings from a registered bank to a maximum value of 20% of the Gross Asset Value of the Company.

To date, no such borrowings have been required.

Note 7 - Net Asset Value

The unaudited Net Asset Value per share of Marlin Global as at 31 December 2010 was $1.08 per share (31 December 2009: $1.08, 30 June 2010: $1.08).

Note 8 - Subsequent Events

There were no events subsequent to 31 December 2010 which require adjustment of, or disclosure in, the financial statements (31 December 2009: None, 30 June 2010: None).

On 22 February 2011 the Board declared a dividend of 2.21 cents per share.

Independent Accountants' Report

To the shareholders of Marlin Global Limited

Report on the Interim Financial Statements

We have reviewed the interim condensed financial statements ("financial statements") of Marlin Global Limited on pages 10 to 21, which comprise the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Interim Financial Statements

The Company's Directors are responsible for the preparation and presentation of the financial statements that present fairly the financial position of the Company as at 31 December 2010 and its financial performance and cash flows for the period ended on that date.

Accountants' Responsibility

We are responsible for reviewing the financial statements presented by the Directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the financial statements do not present fairly the matters to which they relate.

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the financial statements of the Company for the period ended 31 December 2010 in accordance with the Review Engagement Standards issued by the New Zealand Institute of Chartered Accountants.

Other than in our capacities as accountants conducting this review and as auditors under the Companies Act 1993, we have no relationship with, or interests in, Marlin Global Limited.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements which have been prepared in accordance with International Accounting Standard 34 and New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting do not present fairly the financial position of the Company as at 31 December 2010 and its financial performance and cash flows for the period ended on that date.

Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body. Our review 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 accountants' 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 review procedures, for this report, or for the opinions we have formed.

Chartered Accountants — Auckland

22 February 2011

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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

Chief Financial Officer
Ben Doshi

Directors

Independent Directors
James Miller (Chairman)
Annabel Cotton
Ian Hendry

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
Phone: 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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