

## Kontiki Growth Fund Limited - 12 months ended 31 December 2008

	Dec-08	Dec-07	Dec-06
<b>PROFIT &amp; LOSS (F\$000)</b>			
<b>Total Revenue</b>	<b>629</b>	<b>761</b>	<b>489</b>
Net Profit/Loss before Tax	(192)	(288)	(78)
Income Tax	(111)	67	48
<b>Net Profit/Loss after Tax before minority interest</b>	<b>(303)</b>	<b>(221)</b>	<b>(30)</b>
Minority Interest	11	13	78
<b>Net Profit/Loss after Tax</b>	<b>(292)</b>	<b>(208)</b>	<b>48</b>
<b>BALANCE SHEET (F\$000)</b>			
Current Assets	96	132	229
Non - Current Assets	3,001	3,495	3,489
<b>Total Assets</b>	<b>3,097</b>	<b>3,627</b>	<b>3,718</b>
Current Liabilities	338	306	378
Non - Current Liabilities	0	260	0
<b>Total Liabilities</b>	<b>338</b>	<b>565</b>	<b>378</b>
<b>Net Assets</b>	<b>2,759</b>	<b>3,062</b>	<b>3,340</b>
Contributed Equity	3,541	3,541	3,527
Retained Profits/Loss	(756)	(464)	(108)
Outside Equity Interest	(26)	(15)	(79)
<b>Total Equity</b>	<b>2,759</b>	<b>3,062</b>	<b>3,340</b>
<b>CASHFLOW (F\$000)</b>			
Net cashflow from Operating Activities	(73)	(90)	(80)
Net cashflow from Investing Activities	55	(60)	(270)
Net cashflow from Financing Activities	0	55	46
<b>Net Increase/(Decrease) in Cash held</b>	<b>(18)</b>	<b>(95)</b>	<b>(304)</b>
<b>Cash / (Overdraft) at year end.</b>	<b>16</b>	<b>34</b>	<b>129</b>

### Comments

- The Company recorded a 41% increase in its net loss after tax from \$208k in December 2007 to \$292k in December 2008. This increase in loss attributed to the decline in its operating revenue by 26% over the year due to volatile political environment.

- One of KGF's investee company, Bligh Water Shipping, saw rise in fuel costs by 22% during the year which had a direct effect on its profits. High interest rates throughout the year reflected tight liquidity conditions which constrained the ability of businesses to fund investment and growth.
- There was no dividend declared for the financial year ended December 2008.
- Total Assets decline attributed to the decreases in its cash & short-term deposits, trade & other receivables, prepayments, deferred tax asset, fixed assets and financial assets. There were significant write-downs in some investments after consultation with the auditors.
- The Company's overall liabilities also decreased due to reduction in its trade & other payables and long-term interest bearing borrowings. Meanwhile short-term interest bearing borrowing and provisions increased.
- The increase in Accumulated Losses has led to further decline in the Shareholder's Equity.
- The cash at bank balance has further deteriorated to \$16k the end of the year.

	Dec-08	Dec-07	Dec-06
<b>PROFITABILITY RATIOS (%)</b>			
ROE	(10.59)	(6.79)	1.44
ROA	(5.13)	(7.13)	(1.94)
Net Profit Margin	(53.10)	(28.01)	14.65
<b>MARKET PERFORMANCE RATIOS</b>			
Earnings per share (cents)	(8.26)	(5.88)	1.37
Price Earnings Ratio (times)	(9.33)	(15.32)	73.91
Dividend per share (\$)	0.00	0.02	0.02
Dividend Yield (%)	0.00	2.21	1.98
Net Tangible Asset per share (\$)	0.78	0.87	0.95
Price to Book (times)	0.99	1.04	1.09
Cash flow per share (\$)	(0.02)	(0.03)	(0.02)

### Profitability

The profitability ratios of ROE, ROA & Net Profit Margin further worsened due to the increase in the reported net loss for the year ended 31 December 2008.

### Market Performance

The increase in loss has also affected the Earnings per Share (EPS) which now stands at negative 8.26 cents per share. Price earnings ratio was negative 9.33 times. The net tangible asset per share declined to \$0.78 while cashflow per share was negative \$0.02.

### Conclusion

Overall, the KGF has performed poorly for the financial year ended 31 December 2008. The share price fell from \$0.90 in December 2007 to \$0.77 December 2008. The major factor contributing to their declining performance being the political environment which was not encouraging for investments.