



**ILLUMINATOR
INVESTMENT
COMPANY LIMITED**

ILLUMINATOR INVESTMENT COMPANY LIMITED

ABN 48 107 470 333

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31ST DECEMBER, 2006

Illuminator Investment Company Limited

ABN 48 107 470 333

Interim Financial Report

DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half-year ended 31 December 2006.

Directors

The names of directors who held office during or since the end of the half-year:

Steven Pritchard

Daniel Di Stefano

Darval Warwick Thomas

Review of Operations

The Company's investment objectives are:

- Preservation of the capital of the Company;
- Achieve a high real rate of return, comprising both income and capital growth; and
- Deliver shareholders a secure income stream in the form of fully franked dividends.

The Company aims to achieve these objectives by seeking to invest for the medium to long-term in companies and construct an investment portfolio which will

- Focus on the investment merits of individual stocks rather than market and economic trends;
- Invest in shares which it expects to yield dividends;
- Invest in securities which it assesses to be undervalued relative to their long term potential;
- Have the securities of between 20 and 50 issuers represented in its portfolio.

The Directors have established a number of key performance indicators that they will use in their assessment of the Company's performance, including, earnings per share, dividends paid to shareholders and asset backing per share.

The Company presently has short term debt of \$147,210. At the 31st December 2006, approximately 19.9% of the Company's assets remained in Cash and Fixed Interest.

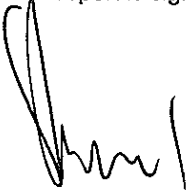
The net profit after tax for the half year ended 31st December 2006, was \$50,903.

The asset backing per share increased by 7.5% from \$0.53 to \$0.57.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 3 for the half-year ended 31 December 2006.

This report is signed in accordance with a resolution of the Board of Directors.



Director

Steven Pritchard

Dated this 27 day February 2007

**Auditor's Independence Declaration
To the Directors of Illuminator Investment Company Limited**

The Board of Directors
Illuminator Investment Company Limited
10 Murray Street
HAMILTON NSW 2303

27 February 2007

Dear Sirs,

Illuminator Investment Company Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Illuminator Investment Company Limited.

As lead audit partner for the review of the financial statements of Illuminator Investment Company Limited for the half-year ended 31 December 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



FORSYTHES



Martin Matthews
Partner
Chartered Accountants
Newcastle, 27 February 2007

Illuminator Investment Company Limited**ABN 48 107 470 333****Interim Financial Report****CONDENSED INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	31.12.2006	31.12.2005
	\$	\$
Income from investment portfolio	18,820	12,825
Income from trading portfolio	36,767	10,908
Income from deposits	711	580
Other income	300	420
Total income from ordinary activities	56,598	24,733
Administration expenses	20,837	8,090
Borrowing costs expense	2,889	1,366
Foreign exchange loss	2,847	-
Management fees	4,785	3,329
Performance fees	-	-
	31,358	12,785
Operating profit before income tax and realised gains on the investment portfolio	25,240	11,948
Income tax expense/(credit) relating to ordinary activities*	(228)	(1,255)
Operating profit before realised gains on the investment portfolio	25,468	13,203
Realised gains / (losses) on the investment portfolio	36,336	(5,798)
Income tax expense/(credit) thereon*	10,901	(1,739)
Profit attributable to members of the company	50,903	9,144
Overall Operations		
Basic earnings per share (cents per share)	3.63	0.71
Diluted earnings per share (cents per share)	3.63	0.71
* Total Tax Expense (Benefit)	10,673	(2,994)

The accompanying notes form part of these financial statements.

Illuminator Investment Company Limited

ABN 48 107 470 333

Interim Financial Report

CONDENSED BALANCE SHEET AS AT 31 DECEMBER 2006

	Note	31.12.2006	30.06.2006
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		290,297	10,461
Receivables		16,991	5,564
Trading portfolio		84,356	33,992
Other		3,025	600
TOTAL CURRENT ASSETS		394,669	50,617
NON-CURRENT ASSETS			
Investment portfolio		1,038,924	741,344
Deferred tax assets		26,255	34,690
TOTAL NON-CURRENT ASSETS		1,065,179	776,034
TOTAL ASSETS		1,459,848	826,651
CURRENT LIABILITIES			
Payables		43,202	37,197
Borrowings		147,210	36,186
Current tax liabilities		-	-
TOTAL CURRENT LIABILITIES		190,412	73,383
NON-CURRENT LIABILITIES			
Deferred tax liabilities		78,436	50,676
TOTAL NON-CURRENT LIABILITIES		78,436	50,676
TOTAL LIABILITIES		268,848	124,059
NET ASSETS		1,191,000	702,592
EQUITY			
Issued capital	4	976,488	610,893
Reserves		198,067	92,283
Retained earnings		16,445	(584)
TOTAL EQUITY		1,191,000	702,592

The accompanying notes form part of these financial statements.

Illuminator Investment Company Limited

ABN 48 107 470 333

Interim Financial Report

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	Note	Share Capital	Retained Profits	Capital Profits Reserve	Investment Revaluation Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1.7.2005		596,809	4,405	7,367	258	608,839
Dividends paid			(6,366)			(6,366)
Dividend reinvestment plan		6,366				6,366
Transactions with equity holders in their capacity as equity holders		6,366	(6,366)			-
Profit for the period			9,144			9,144
Revaluation of investment portfolio (net of tax)					34,446	34,446
Total income for period			9,144		34,446	43,590
Transfers between reserves			4,059	(4,059)		-
Balance at 31.12.2005		603,175	11,242	3,308	34,704	652,429
Balance at 1.7.2006		610,893	(584)	6,262	86,021	702,592
Dividends paid			(8,439)			(8,439)
Dividend reinvestment plan		8,439				8,439
Shares issued (net of costs)	4b	357,156				357,156
Transactions with equity holders in their capacity as equity holders		365,595	(8,439)			357,156
Profit for the period			50,903			50,903
Revaluation of investment portfolio (net of tax)					80,349	80,349
Total income for period			50,903		80,349	131,252
Transfers between reserves			(25,435)	25,435		-
Balance at 31.12.2006		976,488	16,445	31,697	166,370	1,191,000

The accompanying notes form part of these financial statements.

Illuminator Investment Company Limited

ABN 48 107 470 333

Interim Financial Report

CONDENSED CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	31.12.2006	31.12.2005
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Sales from trading portfolio	41,283	94,335
Purchases for trading portfolio	(64,450)	(75,315)
Dividends received	29,152	18,015
Interest received	711	580
Sub underwriting fees	-	375
Trust distributions	4,356	435
Other receipts	-	715
	<hr/>	<hr/>
	11,052	39,140
Administration expenses	(20,593)	(14,326)
Bank charges	(125)	(152)
Borrowing costs	(2,115)	(1,053)
Management fees	(1,977)	-
Income tax paid	-	-
Other payments	(2,300)	-
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	(16,058)	23,609
 CASH FLOWS FROM INVESTING ACTIVITIES		
Sales from investment portfolio	181,378	70,450
Purchases for investment portfolio	(351,382)	(120,168)
	<hr/>	<hr/>
Net cash (used in) investing activities	(170,004)	(49,718)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	376,552	950
Public Offer Costs	(19,458)	-
Proceeds from borrowings	307,588	94,285
Repayment of borrowings	(197,337)	(82,793)
Dividends paid	(1,447)	(950)
	<hr/>	<hr/>
Net cash provided by financing activities	465,898	11,492
 Net increase / (decrease) in cash held	 279,836	 (14,617)
Cash at beginning of period	10,461	18,022
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Cash at end of period	290,297	3,405
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Illuminator Investment Company Limited

ABN 48 107 470 333

Interim Financial Report

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Condensed Financial Statements

The half-year condensed financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2006 and any public announcements made by Illuminator Investment Company Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

(a) Holdings of Securities

(i) Balance Sheet classification

The Company has two portfolios of securities, the investment portfolio and the trading portfolio.

The investment portfolio relates to holdings of securities which the directors intend to retain on a long-term basis, and has been classified as a non-current asset.

The trading portfolio comprises securities held for short term trading purposes and is classified as a current asset.

(ii) Valuation of investments

Securities, including listed and unlisted shares, notes and options, are initially brought to account at cost (including any associated transaction costs) and are continuously carried at fair value.

Fair value for the purposes of valuing holdings of securities is determined by reference to market prices prevailing at balance date, predominantly last sale price, where the securities are traded on an organised market. Where a security is not so traded, its fair value is determined by the Directors.

(iii) Gains and losses on investments

Investment portfolio

When investments in the investment portfolio are sold or impaired, the accumulated fair value adjustments are transferred from the investment revaluation reserve to the Income Statement as gains or losses on the investment portfolio. The cumulative gain or loss, net of tax, is then transferred from retained profits to the realised capital profits reserve. Unrealised gains and losses arising from changes in the fair value of long-term investments are recognised in equity in the investment revaluation reserve.

Trading Portfolio

Realised and unrealised gains and losses arising from changes in the fair value of the trading investments are included in the Income Statement in the period in which they arise.

(iv) Income from holdings of securities

Distributions relating to listed securities are recognised as income when those securities are quoted ex-distribution basis. Distributions relating to unlisted securities are recognised as income when received unless the distributions are capital returns in which case the amount of the distribution is treated as an adjustment to the cost base of the securities.

Illuminator Investment Company Limited

ABN 48 107 470 333

Interim Financial Report

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2006**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Income Tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Illuminator Investment Company Limited

ABN 48 107 470 333

Interim Financial Report

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2006**

	2006	2005
	\$	\$
NOTE 2: REVENUE		
Income from investment portfolio		
dividends received	14,695	12,607
trust distributions received	4,125	218
Total Income from investment portfolio	<u>18,820</u>	<u>12,825</u>
Income from trading portfolio		
sales revenue	37,948	94,335
cost of sales	(14,086)	(89,427)
Net gains/(losses) from trading portfolio sales	23,862	4,908
dividends received	12,905	6,000
Trust distributions received	-	-
Total income from trading portfolio	<u>36,767</u>	<u>10,908</u>
Income from deposits		
deposit income	711	580
Total income from deposits	<u>711</u>	<u>580</u>
Other income		
Foreign exchange gain	-	420
Sub-underwriting fees	300	-
Total other income	<u>300</u>	<u>420</u>
Total Revenue	<u>56,598</u>	<u>24,733</u>

	2006	2005
	\$	\$
NOTE 3: DIVIDENDS		
Dividends Paid		
Final fully franked ordinary dividend of 0.6 (2005: 0.5) cents per share paid on 21 October 2006.	<u>8,439</u>	<u>6,366</u>

Dividends Declared		
Interim fully franked ordinary dividend of 0.75 (2005: 0.6) cents per share payable on 20 April 2007. The aggregate amount of the proposed interim dividend expected to be paid to shareholders on the register at the 31 st March 2007, but not recognized as a liability at the end of the half year.	<u>15,507</u>	<u>7,717</u>

Illuminator Investment Company Limited

ABN 48 107 470 333

Interim Financial Report

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 4: ISSUED CAPITAL

Movements in Issued Capital of the Company during the half-year were as follows:

Date	Details	Notes	Number of Shares	Issue Price \$	Issued Capital \$
01/07/2006	Opening balance		1,301,453		610,893
21/10/2006	Dividend Reinvestment Plan	a	15,958	0.53	8,439
15/12/2006	Exercise of Options	b	750,210	0.50	375,105
Various	Transaction costs relating to share issues		--		(17,949)
31/12/2006	Balance		<u>2,067,621</u>		<u>976,488</u>

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands

a. Dividend Reinvestment Plan

The Company has a Dividend Reinvestment Plan (DRP) under which shareholders elected to have all or part of their dividend payment reinvested in new ordinary fully paid shares. Pricing of the new DRP shares was based on the average selling price of shares traded on the National Stock Exchange in the three days preceding the books close date.

b. Options

On 17 June 2004, 1,260,262 options were granted to the holders of ordinary shares at an exercise price of \$0.50 each. The option was exercisable on or before 15 December 2006.

As at 15 December 2006 the company had received exercise notice acceptance forms for 750,210 shares, which were issued by the Company at \$0.50 each. All options unexercised as at 5.00pm on 15 December 2006 expired.

On 13 October 2006, 703,283 options were granted to the holders of ordinary shares as a bonus issue with an exercise price of \$0.65 each. The option is exercisable on or before 15 December 2007.

Illuminator Investment Company Limited

ABN 48 107 470 333

Interim Financial Report

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2006**

NOTE 5: SEGMENT REPORTING

The Company operates in one business segment, being that of a listed investment company. The Company operates in Australia only and therefore has only one geographical segment. However the Company has investment exposures in different countries which are shown below. The Company invests in securities listed on overseas stock exchanges. Details of the geographical exposures are as follows:

2006	Revenue \$	Unrealised Gains / (Losses) \$	Market Value \$	Portfolio %
Australia	30,708	262,334	989,398	70.03
Fiji	68	(4,388)	8,484	0.60
Great Britain	355	5,188	76,085	5.39
New Zealand	594	9,295	30,840	2.18
United States of America	--	3,925	18,473	1.31
Sub Total	31,725	276,354	1,123,280	79.51
Cash	711	--	289,584	20.49
Total	32,436	276,354	1,412,864	100.00

2005	Revenue \$	Unrealised Gains \$	Market Value \$	Portfolio %
Australia	23,604	50,064	610,620	90.96
Great Britain	129	143	42,047	6.27
United States of America	--	1,496	16,073	2.39
Sub Total	23,733	51,703	668,740	99.62
Cash	580	--	2,534	0.38
Total	24,313	51,703	671,274	100.00

NOTE 6: CONTINGENT LIABILITIES

A performance fee may be payable to the manager based on the performance of the portfolio. At reporting date this is not considered a liability as it is calculated on the annual performance of the portfolio. If the Manager had been entitled to the performance fee at the reporting date, the amount payable has been estimated to be \$36,434.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

There were no events subsequent to period end that require disclosure other than those matters referred to elsewhere in this report.

Illuminator Investment Company Limited

ABN 48 107 470 333

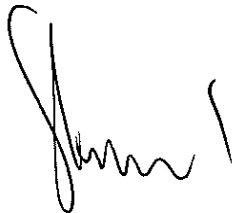
Interim Financial Report

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 12:
 - a. comply with Accounting Standards and the Corporations Regulations; and
 - b. give a true and fair view of the entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s.303(s) of the Corporations Act.



Steven Shane Pritchard



Daniel Di Stefano

Dated this 28 day of February 2007

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ILLUMINATOR INVESTMENT COMPANY LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Illuminator Investment Company Limited, which comprises the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the company.

Directors' Responsibility for the Half-Year Financial Report

The directors of Illuminator Investment Company Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 "Review of an Interim Financial Report Performed by the Independent Auditor of the Entity", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001. As the auditor of Illuminator Investment Company Limited, ASRE 2410 requires that we comply with the ethical requirements to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Illuminator Investment Company Limited is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



FORSYTHES



Martin Matthews
Partner

Newcastle
27 February 2007