

FORM: Half yearly/preliminary final report

Name of *issuer*

Illuminator Investment Company Limited

ACN or ARBN

107 470 333

Half yearly
(tick)

✓

Preliminary
final (tick)

Half year/financial year ended
(‘Current period’)

31st December 2007

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

					\$A
Operating Revenue (item 1.1)	Down	76.30%	To		13,416
Operating Profit (loss) before abnormal items and tax	Down	186.90%	To		(21,934)
Operating Profit (loss) for the period after tax but before minority equity interests (item 1.9)	Down	160.29%	To		(15,354)
Profit (loss) for the period attributable to security holders (item 1.11)	Down	74.01%	To		13,229
Income Distributions					
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:					

Annual meeting

(Preliminary final statement only)

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

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2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.

3. This statement does/does not* (*delete one*) give a true and fair view of the matters disclosed (see note 2).

4. This statement is based on financial statements to which one of the following applies:

- | | |
|---|---|
| <input checked="" type="checkbox"/> The financial statements have been audited. | <input type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed. |

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)

6. The issuer has/does not have* (*delete one*) a formally constituted audit committee.

Sign here:
.....
(Director/Company secretary)

Date:

Print name: Steven P. Kelly



ILLUMINATOR INVESTMENT COMPANY LIMITED

ABN 48 107 470 333

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31ST DECEMBER, 2007

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 2007.

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 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 \$143,461. At the 31st December 2007, approximately 3.93% of the Company's assets remained in Cash and Fixed Interest.

The net profit after tax for the half year ended 31st December 2007, was \$13,229.

The asset backing per share decreased by 3.45% from \$0.60 to \$0.58.

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 2007.

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



Director

Steven Pritchard

Dated this 13th day March 2008



AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF 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 2007, 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.

Forsythes

FORSYTHES

M. Matthews

Martin Matthews
Partner
Chartered Accountants
Newcastle, 13 March 2008

Illuminator Investment Company Limited

ABN 48 107 470 333

Interim Financial Report

CONDENSED INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	Note	31.12.2007	30.06.2007
		\$	\$
Income from investment portfolio		30,748	18,820
Income from trading portfolio		(19,141)	36,767
Income from deposits		1,809	711
Other income		-	300
Total income from ordinary activities	2	13,416	56,598
Administration expenses		23,084	20,837
Finance costs		4,394	2,889
Foreign exchange loss		-	2,847
Management fees		7,872	4,785
		<u>35,350</u>	<u>31,358</u>
Operating profit/(loss) before income tax and realised gains on the investment portfolio		(21,934)	25,240
Income tax expense/(credit) relating to ordinary activities*		(6,580)	(228)
Operating profit/(loss) before realised gains on the investment portfolio		(15,354)	25,468
Realised gains / (losses) on the investment portfolio		40,831	36,336
Income tax expense/(credit) thereon*		12,248	10,901
		<u>28,583</u>	<u>25,435</u>
Profit attributable to members of the company		13,229	50,903
Overall Operations			
Basic earnings per share (cents per share)		0.58	3.63
Diluted earnings per share (cents per share)		0.58	3.63
* Total Tax Expense (Benefit)		5,668	10,673

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 2007**

	Note	31.12.2007	30.06.2007
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		64,517	67,473
Receivables		10,555	43,654
Trading portfolio		67,040	78,175
Other		3,025	600
TOTAL CURRENT ASSETS		145,137	189,902
NON-CURRENT ASSETS			
Investment portfolio		1,508,919	1,451,109
Deferred tax assets		56,363	46,914
TOTAL NON-CURRENT ASSETS		1,565,282	1,498,023
TOTAL ASSETS		1,710,419	1,687,925
CURRENT LIABILITIES			
Payables		103,498	89,820
Borrowings		143,461	156,357
Current tax liabilities		6,495	-
TOTAL CURRENT LIABILITIES		253,454	246,177
NON-CURRENT LIABILITIES			
Deferred tax liabilities		104,998	116,575
TOTAL NON-CURRENT LIABILITIES		104,998	116,575
TOTAL LIABILITIES		358,452	362,752
NET ASSETS		1,351,967	1,325,173
EQUITY			
Issued capital	4	1,130,381	1,053,631
Reserves		230,373	264,976
Retained earnings		(8,788)	6,566
TOTAL EQUITY		1,351,967	1,325,173

The accompanying notes form part of these financial statements.

Illuminator Investment Company Limited

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Interim Financial Report

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	Note	Issued Capital \$	Retained Profits \$	Capital Profits Reserve \$	Investment Revaluation Reserve \$	Total \$
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)	4	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
Balance at 1.7.2007		1,053,631	6,566	24,667	240,309	1,325,173
Dividends paid				(17,100)		(17,100)
Dividend reinvestment plan		17,100				17,100
Shares issued (net of costs)	4	59,650				59,650
Transactions with equity holders in their capacity as equity holders		76,750		(17,100)		59,650
Profit for the period			13,227			13,227
Revaluation of investment portfolio (net of tax)					(46,084)	(46,084)
Total income for period			13,227		(46,084)	(32,857)
Transfers between reserves			(28,581)	28,581		-
Balance at 31.12.2007		1,130,381	(8,788)	36,148	194,225	1,351,966

The accompanying notes form part of these financial statements.

Illuminator Investment Company Limited

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CONDENSED CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	31.12.2007	31.12.2006
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Sales from trading portfolio	128,551	41,283
Purchases for trading portfolio	(97,617)	(64,450)
Dividends received	30,790	29,152
Interest received	1,809	711
Trust distributions	-	4,356
	<u>63,533</u>	<u>11,052</u>
Administration expenses	(32,963)	(20,593)
Bank charges	(257)	(125)
Finance costs	(4,432)	(2,115)
Management fees	-	(1,977)
Other payments	(689)	(2,300)
Net cash provided by (used in) operating activities	<u>25,192</u>	<u>(16,058)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales from investment portfolio	189,244	181,378
Purchases for investment portfolio	(263,237)	(351,382)
Net cash (used in) investing activities	<u>(73,993)</u>	<u>(170,004)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	64,030	376,552
Public offer costs	(2,000)	(19,458)
Proceeds from borrowings	297,606	307,588
Repayment of borrowings	(310,463)	(197,337)
Dividends paid	(3,330)	(1,447)
Net cash provided by financing activities	<u>45,843</u>	<u>465,898</u>
Net increase / (decrease) in cash held	(2,958)	279,836
Cash at beginning of period	67,473	10,461
Cash at end of period	<u>64,515</u>	<u>290,297</u>

Illuminator Investment Company Limited

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Interim Financial Report

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

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 2007 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. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2007 annual financial report for the financial year ended 30 June 2007.

(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.

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Interim Financial Report

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2007**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Holdings of Securities (cont'd)

(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.

(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

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Interim Financial Report

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2007**

	2007	2006
	\$	\$
NOTE 2: REVENUE		
Income from investment portfolio		
Dividends received	29,608	14,695
Trust distributions received	1,140	4,125
Total Income from investment portfolio	<u>30,748</u>	<u>18,820</u>
Income from trading portfolio		
Sales revenue	89,551	37,948
Cost of sales	(108,734)	(14,086)
Net gains/(losses) from trading portfolio sales	(19,183)	23,862
Dividends received	42	12,905
Total income from trading portfolio	<u>(19,141)</u>	<u>36,767</u>
Income from deposits		
Deposit income	1,809	711
Total income from deposits	<u>1,809</u>	<u>711</u>
Other income		
Sub-underwriting fees	-	300
Total other income	<u>-</u>	<u>300</u>
Total Revenue	<u>13,416</u>	<u>56,598</u>

NOTE 3: DIVIDENDS

Dividends Paid

Final fully franked ordinary dividend of 0.75 (2006: 0.6) cents per share paid on 22 October 2007.	<u>17,100</u>	<u>8,439</u>
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Dividends Declared

Interim fully franked ordinary dividend of 0.80 (2006: 0.75) cents per share payable on 21 April 2008. The aggregate amount of the proposed interim dividend expected to be paid to shareholders on the register at the 31 st March 2008, but not recognized as a liability at the end of the half year.	<u>18,749</u>	<u>15,507</u>
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Illuminator Investment Company Limited

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Interim Financial Report

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2007**

NOTE 4: ISSUED CAPITAL

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

Date	Details	Number of Shares	Issue Price \$	Issued Capital \$
01/07/2007	Opening balance	2,214,261		1,053,631
23/07/2007	Allotment of shares	23,610	0.59	14,000
29/08/2007	Allotment of shares	42,226	0.58	24,700
22/10/2007	Dividend Reinvestment Plan	26,527	0.58	17,100
16/11/2007	Allotment of shares	37,031	0.59	22,000
Various	Transaction costs relating to share issues	-		(1,050)
31/12/2007	Balance	<u>2,343,655</u>		<u>1,130,381</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.

Illuminator Investment Company Limited

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Interim Financial Report

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2007**

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:

31.12.2007	Revenue \$	Unrealised Gains / (Losses) \$	Market Value \$	Portfolio %
Australia	6,704	276,200	1,294,903	79.27
Fiji	156	(8,298)	6,574	0.40
Great Britain	4,020	(6,820)	163,151	9.99
New Zealand	647	8,216	58,950	3.61
United States of America	80	5,514	52,381	3.20
Sub Total	11,607	274,812	1,575,959	96.47
Cash & cash equivalents	1,809	-	57,660	3.53
Total	13,416	274,812	1,633,619	100.00

30.06.07	Revenue \$	Unrealised Gains / (Losses) \$	Market Value \$	Portfolio %
Australia	133,219	385,794	1,236,845	75.84
Fiji	68	(5,138)	7,734	0.47
Great Britain	2,025	7,918	192,471	11.80
New Zealand	1,497	11,271	49,420	3.03
United States of America	-	(4,053)	42,814	2.63
Sub Total	136,809	395,792	1,529,284	93.77
Cash	2,571	-	101,601	6.23
Total	139,380	395,792	1,630,885	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 \$0.

Illuminator Investment Company Limited

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Interim Financial Report

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2007**

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2007 to the date of this report there has been no event specific to the Company of which the Directors are aware which has had a material effect on the Company or its financial position. However, Directors note that there has been a substantial correction in the markets in which the Company invests between the Balance Sheet date and the date of this report. Changes in the value of the Company's investments are reflected in the Company's Net Asset Backing per share which is reported to the NSX monthly.

Illuminator Investment Company Limited

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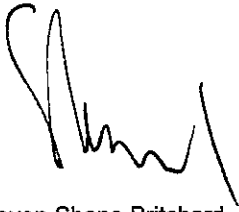
Interim Financial Report

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 2007 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

Dated this 13th day of March 2008

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 condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the 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 Australian Auditing Standard on Review Engagements ASRE 2410 *Review of 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 Illuminator Investment Company Limited's financial position at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. As the auditor of Illuminator Investment Company Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. 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:

(i) giving a true and fair view of the Illuminator Investment Company Limited's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



FORSYTHES



MJ Matthews

Partner

Chartered Accountants

Newcastle, 13 March 2008