

28 February 2007



Dear Investor,

The directors of Illuminator Investment Company Limited, a listed investment company, are pleased to advise a record profit and increased dividend for the half year ended 31 December, 2006.

Financial Result

The Operating profit after income tax and before realised gains on the sale of long-term investments increased by 92.90% to a record \$25,468 compared to \$13,203 in the previous corresponding half-year.

Accounting standards now require realised gains on the sale of long-term investments to be included in the reported profit of the Company. We do not consider these gains are part of the Company's ordinary activities and they have been identified separately from its operating profit. Realised gains on the sale of long-term investments after tax amounted to \$25,435 compared to a loss of \$4,059 in the previous corresponding period.

Profit for the half-year including realised gains on the sale of long-term investments after income tax, amount to \$50,903 compared with \$9,144 in the previous corresponding period.

Earnings per share rose 411.3% from 0.71 cents in the previous corresponding half to 3.63 in the current half.

Increased Interim Dividend

The directors have resolved to increase the interim dividend by 25% to 0.75 cents per share compared to 0.60 cents per share in the previous corresponding period.

The shares are expected to trade ex-dividend on 27 March 2007 and the record date to establish shareholder dividend entitlements is 30 March 2007.

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (DRP) will operate in respect of the interim dividend for those shareholders who have elected to re-invest their dividends.

Eligible shareholders, being those shareholders with registered addresses in Australia or New Zealand, who wish to participate in the DRP and who have not already lodged their intention, must do so by 30 March 2007. Any variation to an existing election must be lodged by this date.

Total Shareholder Return

The total shareholders returns from the inception of the Company (excluding costs associated with the establishment of the Company), which represents the increase in net assets per share after the provision for tax on both realised and unrealised gains, together, with dividends paid including franking credits are set out below.

Period to 31 December 2006	Total Shareholder Return
6 months	9.16 %
1 Year	16.27 % pa
2 Years	12.65 % pa
From Inception June 2004	12.72 % pa

Net Asset Backing

Net asset backing per share rose by 7.5 % to 57 cents per share after provision for income tax on the unrealised gains in the long-term investment portfolio.

Investment Portfolio

The Company's objective is to maximise long-term returns to shareholders comprising both capital and income from a diversified portfolio of equities.

The 20 largest holdings in the investment portfolio as at 31 December 2006 are as follows:

	Portfolio %		Portfolio %
People Bank Limited	4.55	Campbell Brothers Limited	2.54
AVMF Limited	4.33	Lycopodium Limited	2.47
Cochlear Limited	4.32	Warrnambool Cheese & Butter Factory Holdings Ltd	2.45
Equity Trustees Limited	3.91	Fletcher Building Limited	2.30
Florin Mining Investment Company Limited	3.49	Australian & New Zealand Banking Group Limited	2.10
National Australia Bank Limited	3.01	Guinness Peat Group PLC	1.92
Telstra 3 Instalment Receipts	3.01	Hills Industries Limited	1.90
Harvey Norman Holdings Limited	2.83	Diageo PLC	1.84
Brumby's Bakeries Holdings Limited	2.72	Concept Hire Limited	1.82
Record Realty	2.70	Trust Company Limited	1.79

Outlook

Illuminator's diverse and quality investment portfolio is well placed to continue producing income and capital growth. The factors that contributed to the result in the current half i.e. a strong flow of monies from superannuation fund into the share market and increasing corporate profitability look set to continue for the remainder of the financial year.

New Share Issue

The Company is currently seeking to raise additional capital to make new investments and to increase existing investments, as favourable opportunities arise. Applications for new shares can only be made on the form attached to the prospectus. A copy of the prospectus can be obtained by contacting the Company or may be downloaded from the Company's website www.illuminator.com.au.

Yours faithfully

ILLUMINATOR INVESTMENT COMPANY LIMITED



DANIEL DISTEFANO
DIRECTOR