

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541



22 February 2006

25% INCREASE IN DIVIDEND RESULTS FOR HALF YEAR ENDED 31 DECEMBER 2005

SUMMARY

- **Profit before tax was \$2.901m.***
- **Profit after tax was \$2.508m.***
- **The Directors have declared a 2.5 cent interim dividend fully franked, a 25% increase on the prior year.**
- **Pre tax net tangible assets increased from 102.3c** to 110.7c a share for the 6 months.**
- **After tax net tangible assets increased from 100.8c** to 107.9c a share for the 6 months.**

*Before realised gains on investments.

**Adjusted for dividends paid.

WILSON INVESTMENT FUND

Wilson Investment Fund Limited (WIL) today announced an interim operating profit before tax to 31 December 2005 of \$2.90 million, and an after tax operating profit of \$2.59 million.

WIL listed on the Australian Stock Exchange on 19 August 2003 with a NTA of 98.2 cents a share. WIL is a Listed Investment Company managed by the team at Wilson Asset Management, predominantly investing in Australian securities, focusing mainly on mid, small and micro cap stocks.

Since 31 December 2004 the share buy back reduced the capital base of the company by \$14.7 million which in turn resulted in a reduction in reported profit but increased earnings per share by 7.2% to 1.80 cents per share. The investing of the portfolio had the effect of turning interest income into fully franked dividend income which resulted in a reduction of pre-tax profit, reduction in income tax expense and therefore an increase in net profit after tax. Dividend income increased 127.9% on the previous corresponding period to \$1.57 million.

As at 31 December 2005, the pre-tax net tangible asset backing (NTA) of WIL was \$147.41 million or \$1.107 per share. The Manager has been focusing on investing for the medium to long term, ensuring that quality companies are purchased at attractive prices. Accordingly, as at 31 December 2005, 63.2% of the investable funds have been invested. This figure will increase as appropriate opportunities arise.

PORTFOLIO STRUCTURE & PERFORMANCE

The portfolio can be split into 4 broad categories, equities (\$72.2m), equity hybrids (\$13.9m), debt hybrids (\$6.8m) and bank bills (\$54.5m).

The stocks in the portfolio that provided the largest contribution to the funds performance over the last 6 months were Australian Stock Exchange Ltd (+ve 40.5%), OAMPS Ltd (+ve 32.9%) and Credit Corp Group Limited (+ve 60.0%). Stocks detracting the most from the funds performance were Nylex Ltd (-ve 38.5%), Calliden Group Limited (-ve 22.2%) and Challenger Wine Trust (-ve 4.4%).

DIVIDEND POLICY

The Boards policy is to pay a growing stream of fully franked dividends to shareholders on a six-monthly basis.

The interim dividend is 25% higher than last years' 2.0 cents a share at 2.5 cents a share fully franked. It will be paid on 26 May 2006.

The dividend re-investment plan will be operating at no discount. To participate in the dividend re-investment plan, the share registry must receive elections to do so by no later than the 12 May 2006.

CAPITAL MANAGEMENT

The board is focussed on maximising returns to shareholders and this will from time to time involve active capital management. The board views the introduction of the on-market share buy back as being in line with this aim as it adds value to the remaining shares on issue and increase NTA per share.

On the 26 March 2004 the board of Wilson Investment Fund Limited announced an on market share buyback, equivalent to 16,146,000 shares or approximately 10% of issued capital. This was completed on 1 February 2005.

On the 12 April 2005 the board of Wilson Investment Fund Limited announced an on market share buyback, equivalent to 14,655,794 shares or approximately 10% of issued capital. As at the 31 December 2005, 14,252,288 shares have been bought back for a total consideration of \$13,076,639.

The board anticipates that it will implement a further buyback of up to 10% of issued capital commencing April 2006.

THE PORTFOLIO

Attached in Appendix 1 is a schedule detailing the holdings of WIL as at 31 December 2005. The portfolio is dominated by mid, small, micro caps and high-yielding securities with significant positions in the Australian Stock Exchange Ltd, Bank of Queensland Reset Preference Shares, Credit Corp Group Ltd and OAMPS Ltd.

We are in the process of building the equity portfolio. We are taking the time needed to ensure that when we invest the risk reward equation is skewed in our favour.

Mr Geoff Wilson on (02) 9247 6755 / 0412 242 712
Mr Matthew Kidman on (02) 9247 6902 / 0417 069 578
Email: info@wami.com.au

LEVEL ELEVEN
139 MACQUARIE ST
SYDNEY NSW 2000
TEL (02) 9247 6755
FAX (02) 9247 6855

APPENDIX 1
WILSON INVESTMENT FUND LIMITED
EQUITY PORTFOLIO AS AT 31 DECEMBER 2005

COMPANY	VALUE \$
ABC Learning Centres Ltd (ABS)	3,561,077
Aevum Ltd (AVE)	1,796,864
ANZ 5.85% Conv Pref (ANZPA)	1,536,000
ARB Corporation Ltd (ARP)	1,518,271
Australian Stock Exchange Ltd (ASX)	6,500,000
Babcock & Brown Ltd (BNB)	1,715,000
Bank of Queensland Ltd Prefs (BOQPB)	7,070,700
Bendigo Bank Ltd (BEN)	3,358,108
Brickworks Ltd Prefs (BKWPA)	856,000
Calliden Group Ltd (CIX)	2,100,000
Challenger Beston Wine Trust (CWT)	2,241,966
Cockatoo Ridge Wines Ltd (CKR)	839,111
Credit Corp Group Ltd (CCP)	4,219,594
Emeco Ltd 10% Notes (EMCG)	3,376,000
Futuris Corp Ltd 7% Conv Notes maturing 31/12/07	94,577
Graincorp Ltd Reset Prefs (GNCPA)	791,250
Infochoice Ltd (ICH)	379,148
IOOF Holdings Ltd (IFL)	2,315,160
Leighton Holdings Ltd Conv Notes (LEIGA)	825,600
Loftus Capital Partners Ltd (LCP)	833,164
Mariner Financial Ltd (MFI)	1,356,800
Metcash Ltd (MTS)	3,654,000
MMC Contrarian Ltd (MMA)	3,537,423
National Australia Bank Ltd (NAB)	3,240,000
NSX Ltd (NSX)	515,100
Nylex Ltd (NLX)	514,963
OAMPS Ltd (OMP)	4,189,698
Patrick Corporation Ltd CRANES (PRKG)	829,638
Photon Group Ltd (PGA)	3,925,400
Primary Health Care Ltd (PRY)	3,482,216
Prime Television Ltd (PRT)	1,235,615
Rattoon Holdings Ltd (RTN)	47,860
Rock Building Society Ltd (ROK)	256,874
Seven Network Ltd Non-redeem Prefs (SEVPC)	1,509,000
SFE Corporation Ltd (SFE)	2,768,000
Sigma Pharmaceuticals Ltd (SIP)	2,103,254
Signature Brands Ltd (SBL)	142,885
Southern Cross Broadcasting (Aust) Ltd (SBC)	3,096,575
Sydney Attractions Group Ltd (SAQ)	649,000
Sydney Gas Ltd 12% Notes (SGLGA)	1,651,266
Tabcorp Holdings Ltd (TAH)	3,114,000
Toll Holdings Ltd Reset Prefs (TOLPA)	640,000
Tower Ltd (TWR)	3,519,765
Willmott Forests Ltd Pref. Shares (WFLPA)	1,453,200
TOTAL EQUITY PORTFOLIO VALUE	93,360,122

WILSON INVESTMENT FUND LIMITED
APPENDIX 4D
HALF YEAR REPORT
for the half year ended 31 December 2005

RESULTS FOR ANNOUNCEMENT TO THE MARKET
All comparisons to the half year ended 31 December 2004

	\$	up/down	% mvmt
Revenue from operating activities	3,853,517	down	11.0%
Profit from operating activities before tax attributable to members	2,900,811	down	12.3%
Profit from operating activities after tax attributable to members	2,507,650	down	1.3%
Net profit for the period attributable to members	3,236,047	up	27.7%
Dividend Information	Amt per share	Franked amount per share	Tax rate for franking
2005 Final dividend per share	2.0c	2.0c	30%
2006 Interim dividend per share	2.5c	2.5c	30%
Interim dividend dates			
Ex dividend date			12 May 2006
Record date			19 May 2006
Payment date			26 May 2006
		31 Dec 05	31 Dec 04
Net tangible asset backing after tax		\$1.08	\$1.05
<i>This report is based on the Half Year Financial Report which has been subject to review by the Auditors. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2005 Annual Financial Report.</i>			

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2005

COMPANY PARTICULARS

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

Wilson Investment Fund Limited is a Listed Investment Company. It is an investor in equities and similar securities on the stock market primarily in Australia.

DIRECTORS:

G. Wilson (Chairman)
M. Kidman
J. Gosse
J. Abernethy

SECRETARY:

N. Cuffe

AUDITORS:

Moore Stephens Sydney

COUNTRY OF INCORPORATION:

Australia

REGISTERED OFFICE:

Level 11, 139 Macquarie Street
Sydney NSW 2000

CONTACT DETAILS:

Mail Address: Lv 11, 139 Macquarie St Sydney NSW 2000
Telephone: (02) 9247 6755
Fax: (02) 9247 6855
Email: info@wami.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Stock Exchange) refer to www.asx.com.au or call (02) 9247 6755

SHARE REGISTRAR:

Registries Limited
Mail Address: PO Box R67 Royal Exchange
Sydney NSW 1223
Telephone: (02) 9290 9600
Fax: (02) 9279 0664

For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.

STOCK EXCHANGE:

Australian Stock Exchange (ASX)
The home exchange is Sydney.
ASX code: WIL Ordinary shares
WILOA Expiring 17 June 2006

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF YEAR ENDED 31 DECEMBER 2005

The Directors present their report together with the financial report of Wilson Investment Fund Limited (the Company) for the half year ended 31 December 2005.

PRINCIPAL ACTIVITY

The principal activity of the Company is making medium to long term investments in listed and unlisted companies. No change in this activity took place during the period or is likely in the future.

REVIEW OF OPERATIONS AND OPERATING RESULTS

Investment operations over the half year resulted in an operating profit before tax of \$2,900,811 (2004: \$3,307,618) and operating profit after tax of \$2,507,650 (2004: \$2,541,358). Total net profit after tax including realised gains was \$3,236,047 (2004: \$2,535,084).

Investments are revalued continuously to fair value. For the half year ended 31 December 2005, investments were revalued upwards by \$7,482,035 (2004: \$5,475,344), after an adjustment for deferred tax on unrealised gains, a net increment of \$5,237,425 (2004: \$3,865,653) was transferred to an Asset Revaluation Reserve.

Pre-tax asset backing at 31 December 2005 for each ordinary share was \$1.107 (2004: \$1.065). Asset backing for each ordinary share at 31 December 2005, calculated on fair value less realisation costs and all applicable taxes and before provision for dividend, amounted to \$1.079 per share (2004: \$1.047). These figures are undiluted for the options on issue.

DIRECTORS

The names of the Directors in office at any time during or since the end of the period:-

Geoffrey Wilson – Chairman

Matthew Kidman – Non-Executive Director

Julian Gosse – Non-Executive Director

John Abernethy – Non-Executive Director

The Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 2.

Signed in accordance with a resolution of the Board of Directors.



G.J. WILSON, Chairman
Dated at Sydney this 22 February 2006

PARTNERS:

Andrew Blackwell CA
Stephen Humphrys FCA
Garry Leyshon FCA
Joe Shannon CA
Robert Southwell CA
Spiro Tzannes FCA
Charlie Viola (Affiliate ICAA)
Bob Webster FCA
Scott Whiddett CA

CONSULTANTS:

Pat Bugden FCA
Anja Dorrell CA

Auditors' Independence Declaration

As auditor for the review of Wilson Investment Fund Limited for the half year ended 31 December 2005, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Wilson Investment Fund Limited.



S.M. Whiddett
Partner

Dated in Sydney this 21st day of February 2006

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2005

	Notes	December 2005 \$	December 2004 \$
Investment revenue	2	3,853,517	4,330,000
Management fee		(767,338)	(825,959)
Other expenses		<u>(185,368)</u>	<u>(196,423)</u>
Profit from operating activities before income tax expense and realised gains on investments		2,900,811	3,307,618
Income tax expense relating to operating activities		<u>(393,161)</u>	<u>(766,260)</u>
Profit from operating activities before realised gains on investment portfolio		2,507,650	2,541,358
Realised gain/(loss) on investment portfolio before tax		1,040,567	(8,963)
Income tax (expense)/benefit on realised gain/(loss)		<u>(312,170)</u>	<u>2,689</u>
Net realised gain/(loss) on investment portfolio		<u>728,397</u>	<u>(6,274)</u>
Net profit attributable to shareholders of the Company	5(d)	<u>3,236,047</u>	<u>2,535,084</u>
Basic earnings per share		<u>1.80 cents</u>	<u>1.67 cents</u>
Diluted earnings per share		<u>1.80 cents</u>	<u>1.67 cents</u>

The accompanying notes form part of these financial statements.

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	December 2005 \$	June 2005 \$
CURRENT ASSETS			
Cash assets		54,349,408	72,821,790
Receivables		<u>172,415</u>	<u>250,259</u>
TOTAL CURRENT ASSETS		<u>54,521,823</u>	<u>73,072,049</u>
NON-CURRENT ASSETS			
Investments		93,360,122	75,463,418
Deferred tax assets		<u>434,463</u>	<u>614,541</u>
TOTAL NON-CURRENT ASSETS		<u>93,794,585</u>	<u>76,077,959</u>
TOTAL ASSETS		<u>148,316,408</u>	<u>149,150,008</u>
CURRENT LIABILITIES			
Payables		160,374	1,523,000
Current tax liabilities		<u>524,125</u>	<u>751,732</u>
TOTAL CURRENT LIABILITIES		<u>684,499</u>	<u>2,274,732</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		<u>3,675,387</u>	<u>1,462,367</u>
TOTAL NON-CURRENT LIABILITIES		<u>3,675,387</u>	<u>1,462,367</u>
TOTAL LIABILITIES		<u>4,359,886</u>	<u>3,737,099</u>
NET ASSETS		<u>143,956,522</u>	<u>145,412,909</u>
EQUITY			
Contributed equity	4	132,857,659	140,042,509
Reserves	5(b),(c)	9,087,868	3,122,046
Retained profits	5(d)	<u>2,010,995</u>	<u>2,248,354</u>
TOTAL EQUITY		<u>143,956,522</u>	<u>145,412,909</u>

The accompanying notes form part of these financial statements.

WILSON INVESTMENT FUND LIMITED

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STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2005

	Notes	December 2005 \$	December 2004 \$
Total equity as at 1 July 2005		<u>145,412,909</u>	<u>160,630,726</u>
Net profit for the half year attributable to shareholders of the Company	5(d)	3,236,047	2,535,084
Shares bought back in the period	5(a)	(7,575,789)	(10,019,624)
Shares issued in the period	5(a)	<u>390,939</u>	<u>999,088</u>
		141,464,106	154,145,274
Dividends paid or provided for	3	(2,745,009)	(2,216,662)
Revaluation of investments	5(b)	5,237,425	3,865,653
Total equity as at 31 December 2005 attributable to shareholders of the Company		<u><u>143,956,522</u></u>	<u><u>155,794,265</u></u>

The accompanying notes form part of these financial statements.

WILSON INVESTMENT FUND LIMITED

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CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2005

	December 2005 \$	December 2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends received	1,623,477	746,511
Interest received	2,141,755	3,485,630
Other receipts in the course of operations	149,426	122,719
Payments to suppliers	(950,422)	(1,529,611)
Income tax paid	(565,037)	(495,309)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,399,199	2,329,940
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	2,544,477	261,263
Payments for purchases of investments	(13,486,199)	(14,945,379)
NET CASH USED IN INVESTING ACTIVITIES	(10,941,722)	(14,684,116)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from options exercised	-	751,900
Dividends paid	(2,354,070)	(1,969,474)
Payments for shares bought back	(7,575,789)	(10,079,002)
NET CASH USED IN FINANCING ACTIVITIES	(9,929,859)	(11,296,576)
NET DECREASE IN CASH HELD	(18,472,382)	(23,650,752)
Cash at the beginning of the half year	72,821,790	127,398,056
CASH AT THE END OF HALF YEAR	54,349,408	103,747,304

The accompanying notes form part of these financial statements.

WILSON INVESTMENT FUND LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

It is recommended that the half year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2005 and any public announcements made by Wilson Investment Fund Limited during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The Company's financial statements until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain aspects from AIFRS. This report is the first to be prepared in accordance with AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards. Comparative figures have been restated to reflect any adjustments required under AIFRS with the exception of financial instruments.

The Company has taken the exemption available under AASB 1 to only apply AASB 132: Financial Instruments: Disclosure and Presentation and AASB 139: Financial Instruments: Recognition and Measurement from 1 July 2005.

Reconciliations and descriptions of the effect of the transition from previous AGAAP to AIFRSs on the Company's equity and its net income are given in Note 6.

The financial statements have been prepared using historical cost with the exception of "held for trading" financial assets and certain other financial assets and liabilities which have been measured at fair value.

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

(b) Details of Reporting Period

The current reporting period is the half year ended 31 December 2005. For the Income Statement, Statement of Changes in Equity and the Cash Flow Statement, the previous corresponding period is the half year ended 31 December 2004. For the Balance Sheet, the previous corresponding date is 30 June 2005.

(c) Segment Reporting

The half year financial report is for the individual entity Wilson Investment Fund Limited. It is a publicly listed company limited by shares, incorporated and domiciled in Australia.

The Company is engaged in investment activities conducted predominantly in Australia and derives revenue and investment income from listed and unlisted securities and fixed interest securities.

	December 2005	December 2004
2. OTHER REVENUE FROM ORDINARY ACTIVITIES	\$	\$
Dividends	1,571,598	689,711
Interest	2,168,247	3,455,703
Trust distributions	113,672	184,586
	<u>3,853,517</u>	<u>4,330,000</u>

WILSON INVESTMENT FUND LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2005

	December 2005	December 2004
3. DIVIDENDS	\$	\$
Dividends paid fully franked at 30% tax rate:		
Final dividend at 2 cents per ordinary share paid 17 October 2005 (2004: 1.5 cents)	2,745,009	2,216,662

Subsequent Event

Since the end of the half year, the Directors have declared an interim dividend of 2.5 cents fully franked at 30% payable 26 May 2006.

The interim dividend has not been brought to account in the financial statements for the half year ended 31 December 2005 but will be recognised in subsequent financial reports.

	December 2005	June 2005
4. CONTRIBUTED EQUITY	\$	\$
(a) Issued and Paid-up Capital		
133,131,268 ordinary shares fully paid (June 2005: 141,005,712)	132,857,659	140,042,509

	December 2005	December 2004
5. MOVEMENTS IN EQUITY	\$	\$
(a) Movements in ordinary share capital		
Balance at the beginning of the half year	140,042,509	155,744,905
- 751,900 ordinary shares issued from the exercise of options issued 19 August 2003, with an exercise price of \$1.00 per share	-	751,900
- 10,425,640 ordinary shares bought back under an on-market buy back commencing 9 April 2004	-	(10,019,624)
- 256,949 ordinary shares issued on 29 November 2004 under a dividend reinvestment plan	-	247,188
- 8,300,349 ordinary shares bought back under an on-market buy back commencing 12 April 2005	(7,575,789)	-
- 425,905 ordinary shares issued on 17 October 2005 under a dividend reinvestment plan	390,939	-
At reporting date	132,857,659	146,724,369

(b) Movements in asset revaluation reserve

Balance at the beginning of the half year	3,338,478	2,168,803
Revaluation of investments	5,237,425	3,865,653
At reporting date	8,575,903	6,034,456

WILSON INVESTMENT FUND LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2005

	December 2005 \$	December 2004 \$
5. MOVEMENTS IN EQUITY (CONTINUED)		
(c) Movements in capital profits reserve		
Balance at the beginning of the half year	(216,432)	-
Transfer from/(to) retained profits	<u>728,397</u>	<u>(8,963)</u>
At reporting date	<u>511,965</u>	<u>(8,963)</u>
(d) Movements in retained profits		
Balance at the beginning of the half year	2,248,354	2,717,018
Net profit for the half year attributable to shareholders of the Company	3,236,047	2,535,084
Transfer (to)/from capital profits reserve	(728,397)	6,274
Dividends paid (refer Note 3)	<u>(2,745,009)</u>	<u>(2,216,662)</u>
At reporting date	<u>2,010,995</u>	<u>3,041,714</u>
6. EFFECT OF TRANSITION FROM AGAAP TO AIFRS		
Reconciliation of profit		
Operating profit reported under AGAAP	2,594,147	2,629,760
Deferred tax expense on capitalised share issue costs	(86,497)	(88,402)
Net realised gain/(loss) on disposal of investments	<u>728,397</u>	<u>(6,274)</u>
Profit attributable to shareholders under AIFRS	<u>3,236,047</u>	<u>2,535,084</u>
Reconciliation of retained profits		
Opening retained profits reported under AGAAP	2,599,104	2,890,964
Deferred tax expense on capitalised share issue costs	<u>(350,750)</u>	<u>(173,946)</u>
	2,248,354	2,717,018
Profit attributable to shareholders under AIFRS	3,236,047	2,535,084
Transfer of net realised gain/(loss) to capital profits reserve	(728,397)	6,274
Dividends paid	<u>(2,745,009)</u>	<u>(2,216,662)</u>
Closing retained profits as reported under AIFRS	<u>2,010,995</u>	<u>3,041,714</u>
Reconciliation of ordinary share capital		
Opening balance as reported under AGAAP	139,172,778	154,875,174
Deferred tax asset on capitalised share issue costs	<u>869,731</u>	<u>869,731</u>
	140,042,509	155,744,905
Shares bought back in the period	(7,575,789)	(10,019,624)
Shares issued in the period	<u>390,939</u>	<u>999,088</u>
Ordinary share capital as reported under AIFRS	<u>132,857,659</u>	<u>146,724,369</u>

Under AIFRS, a deferred tax asset is required to be recognised in relation to share issue costs deductible in future financial years. There was no such requirement previously under AGAAP.

WILSON INVESTMENT FUND LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2005

6. EFFECT OF TRANSITION FROM AGAAP TO AIFRS (CONTINUED)

Also under AIFRS, realised gains or losses and associated tax are recognised in the income statement. The net gains or losses are transferred from retained profits to the capital profits reserve. Previously under AGAAP, net gains or losses were transferred from the asset revaluation reserve directly to the capital profits reserve.

7. EVENTS SUBSEQUENT TO REPORTING DATE

No matters have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of the operations, or the state of affairs of the Company in future financial years.

WILSON INVESTMENT FUND LIMITED

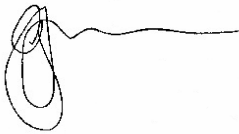
A.B.N. 15 100 504 541

DIRECTORS' DECLARATION

The Directors of Wilson Investment Fund Limited declare that:

1. The financial statements and notes, as set out on pages 3 to 10, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the financial position of the Company as at 31 December 2005 and of its performance for the half year ended on that date; and
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.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, consisting of a large, stylized initial 'G' followed by a horizontal line extending to the right.

G.J. WILSON, Chairman

Dated at Sydney this 22 February 2005

PARTNERS:

Andrew Blackwell CA
Stephen Humphrys FCA
Garry Leyshon FCA
Joe Shannon CA
Robert Southwell CA
Spiro Tzannes FCA
Charlie Viola (Affiliate ICAA)
Bob Webster FCA
Scott Whiddett CA

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF
WILSON INVESTMENT FUND LIMITED**

CONSULTANTS:

Pat Bugden FCA
Anja Dorrell CA

Scope*The financial report and directors' responsibility*

The financial report comprises the balance sheet, income statement, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Wilson Investment Fund Limited for the half-year ended 31 December 2005.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with Accounting Standard *AASB 134 "Interim Financial Reporting"* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the Company, and in order for the Company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the *Corporations Act 2001*, Accounting Standard *AASB 134 "Interim Financial Reporting"* and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the Company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which included:

- inquiries of Company personnel, and
- analytical procedures applied to financial data.

When this review report is included in a document containing information in addition to the financial report, our procedures include reading the other information to determine whether it contains any material inconsistencies with the financial report.

A review is limited primarily to inquiries of Company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Wilson Investment Fund Limited is not in accordance with:

- a. the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the financial position of the Company at 31 December 2005 and of its performance for the period ended on that date; and
 - ii. complying with Accounting Standard *AASB 134 "Interim Financial Reporting"* and the *Corporations Regulations 2001*; and
- b. other mandatory financial reporting requirements in Australia.



S M WHIDDETT
Partner



MOORE STEPHENS SYDNEY

Dated in Sydney this 22nd day of February 2006