

WILSON INVESTMENT FUND LIMITED
APPENDIX 4D
HALF YEAR REPORT
for the half year ended 31 December 2006

RESULTS FOR ANNOUNCEMENT TO THE MARKET
All comparisons to the half year ended 31 December 2005

	\$	up/down	% mvmt
Revenue from operating activities	3,755,572	down	2.5%
Profit from operating activities before tax attributable to members	1,807,048	down	37.7%
Profit from operating activities after tax attributable to members	2,042,703	down	18.5%
Net profit for the period attributable to members	3,657,444	up	13.0%
Dividend Information	Amt per share	Franked amount per share	Tax rate for franking
2006 Final dividend per share	2.50c	2.50c	30%
2007 Interim dividend per share	2.75c	2.75c	30%
Interim dividend dates			
Ex dividend date			16 April 2007
Record date			20 April 2007
Payment date			27 April 2007
Dividend Reinvestment Plan			
The Dividend Reinvestment Plan is in operation and the recommended Final Dividend of 2.75 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at no discount to the price (calculated as the weighted average market price of Shares sold on the ASX on the books closing date for the relevant dividend and the 3 trading days preceding that date).			
		31 Dec 06	31 Dec 05
Net tangible asset backing after tax		\$1.22	\$1.08
<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 2006 Annual Financial Report.</i>			

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2006

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
Website: www.wilsonassetmanagement.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities 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 Securities Exchange (ASX)
The home exchange is Sydney.
ASX code: WIL Ordinary shares

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF YEAR ENDED 31 DECEMBER 2006

The Directors present their report together with the financial report of Wilson Investment Fund Limited (the Company) for the half year ended 31 December 2006.

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 \$1,807,048 (2005: \$2,900,811) and operating profit after tax of \$2,042,703 (2005: \$2,507,650). Total net profit after tax including realised gains was \$3,657,444 (2005: \$3,236,047).

Investments are revalued continuously to fair value. For the half year ended 31 December 2006, investments were revalued upwards by \$19,414,931 (2005: \$7,482,035), after an adjustment for deferred tax on unrealised gains, a net increment of \$13,590,452 (2005: \$5,237,425) was transferred to an Asset Revaluation Reserve.

Pre-tax asset backing at 31 December 2006 for each ordinary share was \$1.311 (2005: \$1.107). Asset backing for each ordinary share at 31 December 2006, calculated on fair value less realisation costs and all applicable taxes and before provision for dividend, amounted to \$1.222 per share (2005: \$1.079).

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 15 February 2007

PARTNERS:

Andrew Blackwell CA
Chris Chandran CA
Stephen Humphrys FCA
Garry Leyshon FCA
Wayne Morton 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 2006, 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 WHIDDETT

Partner

Dated in Sydney this 15th day of February 2007

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Notes	December 2006 \$	December 2005 \$
Investment revenue	2	3,755,572	3,853,517
Management and performance fees		(1,771,187)	(767,338)
Other expenses		<u>(177,337)</u>	<u>(185,368)</u>
Profit before income tax expense and realised gains on investments		1,807,048	2,900,811
Income tax benefit/(expense)		<u>235,655</u>	<u>(393,161)</u>
Profit from operating activities before realised gains on investment portfolio		2,042,703	2,507,650
Realised gain on investment portfolio before tax		2,306,773	1,040,567
Income tax expense on realised gains		<u>(692,032)</u>	<u>(312,170)</u>
Net realised gain on investment portfolio		<u>1,614,741</u>	<u>728,397</u>
Net profit attributable to members of the Company	5(d)	<u>3,657,444</u>	<u>3,236,047</u>
Basic earnings per share		<u>2.96 cents</u>	<u>2.32 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 2006

	Notes	December 2006 \$	June 2006 \$
CURRENT ASSETS			
Cash and cash equivalents		17,156,197	26,616,075
Trade and other receivables		249,049	257,523
Current tax assets		27,332	150,087
TOTAL CURRENT ASSETS		17,432,578	27,023,685
NON-CURRENT ASSETS			
Financial assets		142,191,898	116,932,349
Deferred tax assets		261,889	349,022
TOTAL NON-CURRENT ASSETS		142,453,787	117,281,371
TOTAL ASSETS		159,886,365	144,305,056
CURRENT LIABILITIES			
Trade and other payables		1,410,915	1,030,225
TOTAL CURRENT LIABILITIES		1,410,915	1,030,225
NON-CURRENT LIABILITIES			
Deferred tax liabilities		10,710,218	4,909,715
TOTAL NON-CURRENT LIABILITIES		10,710,218	4,909,715
TOTAL LIABILITIES		12,121,133	5,939,940
NET ASSETS		147,765,232	138,365,116
EQUITY			
Issued capital	4	120,567,478	125,415,766
Reserves	5(b),(c)	26,687,659	11,939,040
Retained earnings	5(d)	510,095	1,010,310
TOTAL EQUITY		147,765,232	138,365,116

The accompanying notes form part of these financial statements.

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

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

	Notes	December 2006 \$	December 2005 \$
Total equity as at 1 July 2006		<u>138,365,116</u>	<u>145,412,909</u>
Profit for the period attributable to members of the Company	5(d)	3,657,444	3,236,047
Shares bought back in the period	5(a)	(5,341,404)	(7,575,789)
Shares issued in the period	5(a)	493,116	390,939
		<u>137,174,272</u>	<u>141,464,106</u>
Dividends paid or provided for	3	(2,999,492)	(2,745,009)
Revaluation of investments	5(b)	13,590,452	5,237,425
		<u>147,765,232</u>	<u>143,956,522</u>
Total equity as at 31 December 2006 attributable to members of the Company		<u><u>147,765,232</u></u>	<u><u>143,956,522</u></u>

The accompanying notes form part of these financial statements.

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	December 2006 \$	December 2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends received	2,721,954	1,623,477
Interest received	988,752	2,141,755
Other investment income received	124,544	149,426
Investment management fees	(671,523)	(823,074)
Payments for administration expenses	(122,869)	(127,348)
Income tax paid	(270,465)	(565,037)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,770,393	2,399,199
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	5,585,596	2,544,477
Payments for purchases of investments	(9,482,344)	(13,486,199)
NET CASH USED IN INVESTING ACTIVITIES	(3,896,748)	(10,941,722)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(2,506,376)	(2,354,070)
Payments for shares bought back	(5,827,147)	(7,575,789)
NET CASH USED IN FINANCING ACTIVITIES	(8,333,523)	(9,929,859)
NET DECREASE IN CASH HELD	(9,459,878)	(18,472,382)
Cash at the beginning of the half year	26,616,075	72,821,790
CASH AT THE END OF HALF YEAR	17,156,197	54,349,408

The accompanying notes form part of these financial statements.

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

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

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 Interpretations and 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 2006 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 accounting policies have been consistently applied by the Company and are consistent with those applied in the 30 June 2006 Annual Financial Report, except as detailed in Note 1(d).

The financial statements have been prepared on an accruals basis and are based on historical cost with the exception of "available for sale" 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 2006. 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 2005. For the Balance Sheet, the previous corresponding date is 30 June 2006.

(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.

(d) Change in Accounting Policy

Traditionally, realised gains on all investment types were transferred to the Capital Profits Reserve net of applicable taxes. From 1 July 2006, to more accurately reflect the Listed Investment Company (LIC) capital gains that can be distributed to shareholders as defined by the Australian Taxation Office, realised gains on investments that do not constitute LIC capital gains will no longer be transferred to the Capital Profits Reserve.

An adjustment to retained earnings for realised gains earned on investments in prior years that do not reflect LIC capital gains, was necessary to reflect this change in accounting policy. Refer Note 5(c) and (d).

	December 2006 \$	December 2005 \$
2. OTHER REVENUE FROM ORDINARY ACTIVITIES		
Dividends	2,648,454	1,571,598
Interest	982,329	2,168,247
Trust distributions	113,904	113,672
Other income	10,885	-
	<u>3,755,572</u>	<u>3,853,517</u>

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

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

	December 2006 \$	December 2005 \$
3. DIVIDENDS		
Dividends paid fully franked at 30% tax rate:		
Final dividend at 2.5 cents per ordinary share paid 24 November 2006 (2005: 2.0 cents)	2,999,492	2,745,009

Subsequent Event

Since the end of the half year, the Directors have declared an interim dividend of 2.75 cents fully franked at 30% payable 27 April 2006.

The interim dividend has not been brought to account in the financial statements for the half year ended 31 December 2006 but will be recognised in subsequent financial reports.

	December 2006 \$	June 2006 \$
4. ISSUED CAPITAL		
Paid-up Capital		
120,457,027 ordinary shares fully paid (June 2006: 125,436,818)	120,567,478	125,415,766

	December 2006 \$	December 2005 \$
5. MOVEMENTS IN EQUITY		
(a) Movements in ordinary share capital		
Balance at the beginning of the reporting period	125,415,766	140,042,509
- 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
- 5,457,294 ordinary shares bought back under an on-market buy back commencing 13 April 2006	(5,341,404)	-
- 477,503 ordinary shares issued on 24 November 2006 under a dividend reinvestment plan	493,116	-
At reporting date	120,567,478	132,857,659

(b) Movements in asset revaluation reserve

Balance at the beginning of the reporting period	11,342,350	3,338,478
Revaluation of investments	13,590,452	5,237,425
At reporting date	24,932,802	8,575,903

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

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

	December 2006 \$	December 2005 \$
5. MOVEMENTS IN EQUITY (CONTINUED)		
(c) Movements in capital profits reserve		
Balance at the beginning of the reporting period	596,690	(216,432)
Change in accounting policy transfer to retained earnings	(456,574)	-
Transfer from retained earnings	1,614,741	728,397
At reporting date	<u>1,754,857</u>	<u>511,965</u>
(d) Movements in retained earnings		
Balance at the beginning of the half year	1,010,310	2,248,354
Profit for the period attributable to members of the Company	3,657,444	3,236,047
Change in accounting policy transfer from retained earnings	456,574	-
Transfer to capital profits reserve	(1,614,741)	(728,397)
Dividends paid (refer Note 3)	(2,999,492)	(2,745,009)
At reporting date	<u>510,095</u>	<u>2,010,995</u>

6. 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 9, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the financial position of the Company 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.

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 long horizontal line extending to the right.

G.J. WILSON, Chairman

Dated at Sydney this 15 February 2007

PARTNERS:

Andrew Blackwell CA
Chris Chandran CA
Stephen Humphrys FCA
Garry Leyshon FCA
Wayne Morton 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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Wilson Investment Fund Limited (“the company”), which comprises the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and the cash flow statement for the half-year ended on that date, a summary of significant accounting policies, selected explanatory notes and the directors’ declaration.

Directors’ Responsibility for the Half-Year Financial Report

The company’s directors 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 designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that it 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 the 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 Wilson Investment Fund Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the 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 followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 11 of the financial report has not changed as at the date of providing this auditor's review report.

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 Wilson Investment Fund Limited is not in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) 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
 - (ii) complying with Accounting Standard AASB 134: "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
- (b) other mandatory professional reporting requirements in Australia.



S WHIDETT

Partner

Dated in Sydney, this 15th day of February 2007



MOORE STEPHENS SYDNEY