



# Bentley International Limited

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## FULL YEAR REPORT:

**ASX Appendix 4E Preliminary Final Report  
Directors' Report  
Auditor's Independence Declaration  
Financial Report  
Audit Report**

**30 June 2008**

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ASX Code: BEL

Bentley International Limited  
A.B.N. 87 008 108 218

**Registered Office:**

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30-36 Bay Street  
Double Bay, New South Wales 2028

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**Company Secretarial Office:**

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**STOCK EXCHANGE**

Australian Securities Exchange  
Sydney, New South Wales

**ASX CODE**

BEL

**SHARE REGISTRY**

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Suite 2, 150 Stirling Highway  
Nedlands Western Australia 6009  
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Facsimile: (08) 9389 7871  
Email: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)  
Investor Web: [www.advancedshare.com.au](http://www.advancedshare.com.au)

**CORPORATE DIRECTORY****BOARD**

Farooq Khan	Chairman
Christopher B. Ryan	Director
Simon K. Cato	Director
Peter P. Simpson	Director

**COMPANY SECRETARY**

Victor P.H. Ho

**REGISTERED OFFICE**

Suite 202, Angela House  
30-36 Bay Street  
Double Bay New South Wales 2028  
Telephone: (02) 9363 5088  
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**CHAIRMAN’S  
AND COMPANY SECRETARIAL OFFICE**

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**AUDITORS**

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**INVESTMENT MANAGER**

Constellation Capital Management Limited  
Level 19, 60 Castlereagh Street  
Sydney New South Wales 2000  
Telephone: (02) 9231 2833  
Telephone: (02) 9231 2844  
Website: [www.constellation.com.au](http://www.constellation.com.au)

**CUSTODIAN**

National Custodian Services  
National Australia Bank Limited  
Level 25, 255 George Street  
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# ASX PRELIMINARY FINAL YEAR REPORT

This Preliminary Final Report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.3A

Current Reporting Period:	Financial year ended year ended 30 June 2008
Previous Corresponding Period:	Financial year ended year ended 30 June 2007
Balance Date:	30 June 2008
Company:	Bentley International Limited (BEL) (BEL has no controlled entities)

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2008 Year \$'000	2007 Year \$'000	% Change	Up/Down
Net gains on financial assets at fair value through profit or loss	-	1,742	100%	Gains Down
Other investment related income	443	454	2%	Down
<b>Total revenue</b>	<b>443</b>	<b>2,196</b>	<b>80%</b>	<b>Down</b>
Net loss on financial assets at fair value through profit or loss	3,621	-	100%	Loss Up
Foreign exchange losses	12	15	21%	Down
Investment manager's fees	175	177	1%	Down
Custodian fees	45	94	52%	Down
Other corporate and administration expenses	391	553	29%	Down
<b>Total expenses</b>	<b>4,245</b>	<b>839</b>	<b>406%</b>	<b>Up</b>
<b>Profit/(Loss) before tax</b>	<b>(3,801)</b>	<b>1,357</b>	<b>380%</b>	<b>Profit Down</b>
Income tax benefit/(expense)	903	(5)	16698%	Expense Down
<b>Profit/(Loss) after tax attributable to members</b>	<b>(2,899)</b>	<b>1,351</b>	<b>315%</b>	<b>Profit Down</b>
Basic and diluted earnings per share (cents)	(7.23)	3.41	312%	Earnings Down
<b>Pre-Tax NTA backing per share (cents)</b>	<b>42.22</b>	<b>50.59</b>	<b>17%</b>	<b>Down</b>
<b>Post-Tax NTA backing per share (cents)</b>	<b>39.98</b>	<b>50.59</b>	<b>21%</b>	<b>Down</b>

## Dividends

The Directors have not declared a final dividend as the Company incurred a net loss for the financial year and had accumulated losses of \$1.19 million as at 30 June 2008.

## Brief Explanation of Results

The Company incurred a net loss during the current reporting period of \$3.801 million (pre tax) and \$2.899 million (post tax) compared with a net profit of \$1.357 million (pre tax) and \$1.351 million (post tax) earned during the previous corresponding period.

This was principally as a result of nil net gains on financial assets (2007: \$1.742 million) and a \$3.621 million net loss on financial assets (2007: \$nil).

# ASX PRELIMINARY FINAL YEAR REPORT

## COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

As at 30 June 2008, a direct investment in the Company provides indirect exposure to a diversified portfolio of approximately 301 securities across 25 industry sectors in 11 recognised overseas stock markets.

Based on information provided by Investment Manager, Constellation Capital Management Limited:

- The investment portfolio returned -16.6% (2007: +11.2%) in Australian dollar terms during the financial year. This compares with the MSCI World ex Australia Index which returned -20.8% (2007: +8.3%) over the same period in Australian dollar terms.
- The investment portfolio is principally denominated in US dollars with an exposure of approximately 51.4% as at 30 June 2008 (30 June 2007: 51.2%). The Australian dollar appreciated against the US dollar from \$0.85 as at 30 June 2007 to \$0.96 as at 30 June 2008. An appreciation in the Australian dollar against an overseas currency will cause the underlying portfolio (denominated in that overseas currency) to fall in value when converted back into Australian dollars and vice versa (assuming no change in the underlying portfolio value).
- The MSCI World Index returned -12.5% and the US equity markets (S&P 500 Index) returned -14.9% in US dollar terms during the year. At the regional level, all markets fell as reflected in the following share price index performance table. The US dollar also fell against each of the other named currencies.

Region	World (\$US)	US (\$US)	Europe (Euro)	Japan (Yen)	China (Yuan)
Benchmark	MSCI World	S&P500	Dow Jones Euro Stoxx	Nikkei 225	Shanghai A
Return	-12.5%	-14.9%	-26.0%	-25.7%	-28.4%

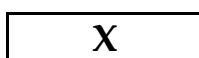
Source: DataStream, IRESS and [www.stoxx.com](http://www.stoxx.com)

Please also refer to the attached Directors' Report and financial statements and notes for further information on a review of the Company's operations and the financial position and performance of the Company for the year ended 30 June 2008.

Please also refer to the attached 30 June 2008 Annual Portfolio Report of the Investment Manager, Constellation Capital Management Limited, for information concerning the investment portfolio of the Company.

## STATUS OF AUDIT

This Preliminary Final Report is based on accounts to which one of the following applies:



The accounts have been audited.

## ANNUAL GENERAL MEETING

The 2008 Annual Report and Notice of Annual General Meeting (AGM) are expected to be despatched to shareholders in late September for an AGM to be held in Sydney in late November 2008.

For and on behalf of the Directors,



Date: 27 August 2008

Victor Ho

Company Secretary

Local Call: 1300 762 678

Telephone: (08) 9214 9757

Email: [vho@bel.com.au](mailto:vho@bel.com.au)

# DIRECTORS' REPORT

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The Directors present their Directors' Report on Bentley International Limited ABN 87 008 108 218 ("Company" or "Bentley International" or "BEL") for the financial year ended 30 June 2008 ("Balance Date").

Bentley International is a company limited by shares that was incorporated in South Australia in June 1986 and has been listed on the Australian Securities Exchange ("ASX") since October 1986 as an investment company (ASX Code: "BEL").

Bentley International does not have any controlled entities.

## PRINCIPAL ACTIVITIES

Since admission to ASX in 1986, the principal investment objective of the Company is to achieve medium to long term capital appreciation. To achieve this, the Company will primarily invest in equity securities listed on the world's major stock markets. Its secondary objective is to generate income from dividend streams and the investment of a portion of the Company's portfolio in fixed interest securities and money market instruments denominated in various currencies.

The Company has made the following appointments in relation to the management and administration of its investment portfolio:

- Constellation Capital Management Limited ("**Constellation**") as investment manager (appointed 18 May 2004 for an initial 2 year term). Constellation's mandate is to invest in the international equities component of its HomeGlobal™ Investment Strategy. Constellation's investment management mandate has continued on a month to month basis after May 2006 in accordance with the terms therein; and
- National Australia Bank Limited ("**NAB**") (appointed 20 August 2004 for an initial 2 year term) as custodian. NAB's custodial services mandate have continued on a quarterly basis after August 2006 in accordance with the terms therein.

## Investment Management

On 18 October 2007, the Company announced that the Board had determined that it was no longer appropriate for the Company to implement the HomeGlobal™ Investment Strategy and would seek to negotiate a renewal of Constellation's appointment as investment manager (under a different investment strategy) or seek the appointment of another appropriate investment manager to manage or internally manage the Company's funds in accordance with the Company's current investment mandate/objective to invest in international securities.

The decision to change the investment strategy was made after a review of Constellation's HomeGlobal™ portfolio (international component) on a number of criteria including but not limited to the performance of the strategy in absolute terms and relative to benchmark indices, feedback received from major shareholders that the Company should alter the passive/tracking nature of its investment portfolio and adopt a more active stock selection strategy, and an assessment of the costs associated with managing this investment portfolio.

The Board confirms that the new investment strategy will:

- adopt an investment philosophy involving a more active stock selection strategy;
- have the objective of outperforming a relevant benchmark index (such as MSCI World ex Australia) rather than merely tracking the performance of a global index; and
- support the Company's ability to continue to pay fully franked regular dividends twice a year.

The new investment strategy may not continue to comprise direct investments in securities listed on the world's share markets as recent changes to taxation law in relation to foreign tax losses suggests that the Company does not have to generate foreign investment income to utilise its substantial prior year foreign tax losses (totalling \$6.4 million as at 30 June 2007).

# DIRECTORS' REPORT

As at the date of this report, the Board has not yet finalised the Company's new investment strategy.

The Company continues to be invested in Constellation's HomeGlobal™ (international component) portfolio until an appropriate transition to the new investment strategy and portfolio.

## OPERATING RESULTS

	2008 \$'000	2007 \$'000
Net gains on financial assets at fair value through profit or loss	-	1,742
Other investment related income	443	454
<b>Total revenue</b>	<b>443</b>	<b>2,196</b>
Net loss on financial assets at fair value through profit or loss	3,621	-
Foreign exchange losses	12	15
Investment manager's fees	175	177
Custodian fees	45	94
Other corporate and administration expenses	391	553
<b>Total expenses</b>	<b>4,245</b>	<b>839</b>
<b>Profit/(Loss) before tax</b>	<b>(3,801)</b>	<b>1,357</b>
Income tax benefit/(expense)	903	(5)
<b>Profit/(Loss) after tax attributable to members</b>	<b>(2,899)</b>	<b>1,351</b>

The Company incurred a net loss during the year of \$3.801 million (pre tax) and \$2.899 million (post tax) compared with a net profit of \$1.357 million (pre tax) and \$1.351 million (post tax) earned in the previous year. This was principally as a result of nil net gains on financial assets (2007: \$1.742 million) and a \$3.621 million net loss on financial assets (2007: \$nil).

## EARNINGS/(LOSS) PER SHARE

	2008	2007
Basic and diluted earnings/(loss) per share (cents)	(7.23)	3.41

## FINANCIAL POSITION

	2008 \$'000	2007 \$'000
Investments	15,851	19,797
Cash	334	761
Net deferred tax asset / liabilities	901	-
Other assets	54	193
Liabilities	(153)	(651)
<b>Net assets</b>	<b>16,987</b>	<b>20,100</b>
Issued capital	18,178	17,995
Retained earnings/(Accumulated losses)	(1,191)	2,105
<b>Total equity</b>	<b>16,987</b>	<b>20,100</b>

# DIRECTORS' REPORT

## NET TANGIBLE ASSET BACKING

	2008 \$'000	2007 \$'000
Net tangible assets (before tax on unrealised gains)	16,987	20,100
<b>Pre-tax NTA Backing per share (cents)</b>	<b>42.22</b>	<b>50.59</b>
Less: Net deferred tax asset / liabilities	(901)	-
Net tangible assets (after tax on unrealised gains)	16,086	20,100
<b>Post-tax NTA Backing per share (cents)</b>	<b>39.98</b>	<b>50.59</b>
Based on total issued share capital	40,234,143	39,728,303

## DIVIDENDS

The Directors have not declared a final dividend as the Company incurred a net loss for the financial year and had accumulated losses of \$1.19 million as at 30 June 2008.

## SECURITIES IN THE COMPANY

As at the date of this Directors' Report, the Company has 40,234,143 (30 June 2007: 39,728,303) fully paid ordinary shares on issue. All such shares are listed on ASX. The Company has no other securities on issue.

On 28 September 2007, the Company issued 505,840 ordinary shares at 36.15 cents per share as a consequence of shareholders' participation under a Dividend Reinvestment Plan in respect of the September 2007 final dividend payment.

## REVIEW OF OPERATIONS<sup>1</sup>

As at 30 June 2008, a direct investment in the Company provides indirect exposure to a diversified portfolio of approximately 301 securities across 25 industry sectors in 11 recognised overseas stock markets.

The investment portfolio returned -16.6% (2007: +11.2%) in Australian dollar terms during the financial year. This compares with the MSCI World ex Australia Index which returned -20.8% (2007: +8.3%) over the same period in Australian dollar terms.

The investment portfolio is principally denominated in US dollars with an exposure of approximately 51.4% as at 30 June 2008 (30 June 2007: 51.2%). The Australian dollar appreciated against the US dollar from \$0.85 as at 30 June 2007 to \$0.96 as at 30 June 2008. An appreciation in the Australian dollar against an overseas currency will cause the underlying portfolio (denominated in that overseas currency) to fall in value when converted back into Australian dollars and vice versa (assuming no change in the underlying portfolio value).

The MSCI World Index returned -12.5% and the US equity markets (S&P 500 Index) returned -14.9% in US dollar terms during the year. At the regional level, all markets fell as reflected in the following share price index performance table. The US dollar also fell against each of the other named currencies.

Region	World (\$US)	US (\$US)	Europe (Euro)	Japan (Yen)	China (Yuan)
Benchmark	MSCI World	S&P500	Dow Jones Euro Stoxx	Nikkei 225	Shanghai A
Return	-12.5%	-14.9%	-26.0%	-25.7%	-28.4%

Source: DataStream, IRESS and www.stoxx.com

<sup>1</sup> Based on information provided by Constellation

# DIRECTORS' REPORT

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## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company that occurred during the financial year not otherwise disclosed in this Directors' Report or the financial statements.

## FUTURE DEVELOPMENTS

On 18 October 2007, the Company announced that the Board had determined that it was no longer appropriate for the Company to implement the HomeGlobal™ Investment Strategy. During the 2008/09 year, the Board may:

- (1) seek to negotiate a renewal of Constellation's appointment as investment manager (under a different investment strategy) or seek the appointment of another appropriate investment manager to manage or internally manage the Company's funds in accordance with the Company's current investment mandate/objective to invest in international securities; or
- (2) seek to appoint Constellation or another appropriate investment manager to manage or internally manage the Company's funds in accordance with an expanded investment mandate/objective approved by shareholders.

The Board will also consider opportunities to increase the Company's investment portfolio size to raise the Company's profile in the general investment community and generate economies of scale. The expansion of the capital base of the Company may occur through a variety of methods including the issue of equity capital or mergers (through schemes or takeovers) with, or acquisitions of, other listed investment companies or managed funds. Such actions may occur in conjunction with a change in the investment mandate of the Company.

Subject to the aforementioned potential change in investment mandate/objective approved by shareholders, the Company intends to continue its investment activities in future years. The results of these investment activities depend upon the performance of the underlying companies and securities in which the Company invests. The investments' performance depends on many economic factors and also industry and company specific issues. In the opinion of the Directors, it is not possible or appropriate to make a prediction on the future course of markets, the performance of the Company's investments or the forecast of the likely results of the Company's activities.

## ENVIRONMENTAL REGULATION

The Company is not subject to any particular or significant environmental regulation under either Commonwealth or State legislation. To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.



# DIRECTORS' REPORT

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## DIRECTORS

Directors in office during or since the financial year are as follows:

### Farooq Khan – Chairman

*Appointed* – Director since 2 December 2003; Chairman since 10 February 2004

*Qualifications* – BJuris, LLB. (UWA)

*Experience* – Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.

*Relevant interest in shares* – 11,587,938 ordinary shares (not held directly<sup>2</sup>)

*Special Responsibilities* – Chairman of the Board

*Other current directorships in listed entities* – Current Chairman and Managing Director of:

(1) Queste Communications Ltd (since 10 March 1998)

Current Chairman of:

(2) Scarborough Equities Limited (since 29 November 2004)

(3) Orion Equities Limited (since 23 October 2006)

Current Executive Director of:

(4) Strike Resources Limited (since 3 September 1999)

(5) Alara Uranium Limited (since 18 May 2007)

Current Non-Executive Director of:

(6) Interstaff Recruitment Limited (since 27 April 2006)

*Former directorships in other listed entities in past 3 years* – (1) Altera Capital Limited (9 November 2001 to 18 October 2005)

(2) Sofcom Limited (3 July 2002 to 18 October 2005)

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### Peter P. Simpson – Non-Executive Director

*Appointed* – 6 September 2005

*Qualifications* – Ass.Dip.Bus, F.A.I.M., F.C.D.I.

*Experience* – Mr Simpson has substantial business and commercial experience. Mr Simpson is Executive Chairman of Bridge Finance Australia Pty Ltd, which has broad interests including horticulture, publishing and in the IT sector. Mr Simpson is also Chairman of listed oil and gas junior company, Drillsearch Energy Limited and Eudunda Farmers' Limited an unlisted property and supermarket group. Mr Simpson has substantial interests in two private investment companies and is also a director and shareholder in Wirra Wirra Vineyards in South Australia.

*Relevant interest in shares* – 1,782,256 shares (held indirectly)

*Special Responsibilities* – None

*Other current directorships in listed entities* – Current Chairman of:

(1) Drillsearch Energy Limited (since 24 October 2006).

Current Director of:

(1) Circumpacific Energy Corporation (Listed on TSX) (since 22 November 2007)

*Former directorships in other listed entities in past 3 years* – None

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2 Held by Orion Equities Limited (OEQ), a company in which Queste Communications Ltd (QUE) is a controlling shareholder; Farooq Khan (and associated companies) have a deemed relevant interest in the BEL shares in which QUE has a relevant interest by reason of having >20% voting power in QUE.

# DIRECTORS' REPORT

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## Simon K. Cato – Non-Executive Director

*Appointed* – 5 February 2004

*Qualifications* – B.A. (USYD)

*Experience* – Mr Simon Cato has had over 25 years capital markets experience in broking, regulatory roles and as director of listed companies. He initially was employed by the ASX in Sydney and in Perth. Over the last 17 years he has been an executive director and/or responsible executive of three stockbroking firms and in those roles he has been involved in many aspects of broking including management issues such as credit control and reporting to regulatory bodies in the securities industry. As a broker he has also been involved in the underwriting of a number of IPO's and has been through the process of IPO listings in the dual role of broker and director. Currently he holds a number of executive and non executive roles with listed companies in Australia.

*Relevant interest in shares* – None

*Special Responsibilities* – None

*Other current directorships in listed entities* – Current Chairman of:

- (1) Convergent Minerals Limited (since 25 July 2006)
- (2) Advanced Share Registry Services Limited (since 22 August 2007)

Current Director of:

- (1) Greenland Minerals and Energy Lid (since 21 February 2006)
- (2) Scarborough Equities Limited (since 29 November 2004)
- (3) Queste Communications Ltd (since 6 February 2008)

- Former directorships in other listed entities in past 3 years* –
- (1) Altera Capital Limited (8 January 2004 to 8 August 2006)
  - (2) Elemental Minerals Limited (19 February 2004 to 5 July 2006)
  - (3) Medusa Mining Limited (5 February 2002 to 13 April 2006)
  - (4) Sofcom Limited (8 January 2004 to 19 March 2008)
- 

## Christopher B. Ryan – Non-Executive Director

*Appointed* – 5 February 2004

*Qualifications* – BEcon (UWA), MBA (UNSW)

*Experience* – Mr Ryan is the Principal of Westchester Corporate Finance, a Sydney based corporate advisory firm specialising in advising listed companies on fund raising, mergers and acquisitions and associated transactions. Prior to forming Westchester in July 1996, Christopher was with Schrodgers Australia for 27 years. At Schrodgers, he served 3 years in the investment division, 2 years as an economist monitoring influences on interest and exchange rates and 22 years in the corporate finance division of which he was a director for 19 years specialising in advising on project financing and mergers and acquisitions mainly in the Australian minerals and oil and gas sectors.

*Relevant interest in shares* – None

*Special Responsibilities* – None

*Other current directorships in listed entities* – Current Chairman of:

- (1) Blue Ensign Technologies Limited (since 22 August 2002)
- (2) Circumpacific Energy Corporation (Listed on TSX) (since 22 November 2007)

Current Director of:

- (1) Scarborough Equities Limited (since 29 November 2004)

- Former directorships in other listed entities in past 3 years* –
- (1) Golden Cross Resources Limited (25 March 2003 to 2 July 2008)
  - (2) Volant Petroleum Limited (11 December 2003 to 23 May 2006)
-

# DIRECTORS' REPORT

## COMPANY SECRETARY

### Victor P. H. Ho – Company Secretary

*Appointed* – Since 5 February 2004

*Qualifications* – BCom, LLB (UWA)

*Experience* – Mr Ho has been in company secretarial/executive roles with a number of public listed companies since early 2000. Previously, Mr Ho had 9 years experience in the taxation profession with the Australian Tax Office and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate transactions, capital raisings and capital management matters and has extensive experience in public company administration, corporations law and stock exchange compliance and shareholder relations.

*Relevant interest in shares* – 5,945 ordinary shares

*Other positions held in listed entities* – Current Director and Company Secretary of:

- (1) Strike Resources Limited (Secretary since 9 March 2000 and Director since 12 October 2000)
- (2) Orion Equities Limited (Secretary since 2 August 2000 and Director since 4 July 2003)

Current Company Secretary of:

- (1) Alara Uranium Limited (since 4 April 2007)
- (2) Scarborough Equities Limited (Secretary since 29 November 2004)
- (3) Queste Communications Ltd (Secretary since 30 August 2000)

- Former position in other listed entities in past 3 years* –
- (1) Altera Capital Limited (Director between 9 November 2001 and 8 August 2006; Secretary between 26 November 2001 and 8 August 2006)
  - (2) Sofcom Limited (Director between 3 July 2002 and 19 March 2008; Secretary between 23 July 2003 and 19 March 2008)

## DIRECTORS' MEETINGS

The following table sets out the numbers of meetings of the Company's Directors held during the year (including directors' circulatory resolutions) and the numbers of meetings attended by each Director of the Company:

Name of Director	Meetings Attended	Maximum Possible Meetings
Farooq Khan	11	11
Christopher Ryan	10	11
Simon Cato	10	11
Peter Simpson	10	11

There were no meetings of committees of the Board.

### Board Committees

As at the date of this Directors' Report, the Company did not have separate designated Audit or Remuneration Committees. In the opinion of the Directors, in view of the size of the Board and nature and scale of the Company's activities, matters typically dealt with by an Audit or Remuneration Committee are dealt with by the full Board.

# DIRECTORS' REPORT

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## REMUNERATION REPORT (audited)

This remuneration report details the nature and amount of remuneration for each Director and Company Executive of the Company.

The information provided under headings (1) to (3) below has been audited as required under section 308 (3) (c) of the *Corporations Act 2001*.

### (1) Remuneration Policy

The Board determines the remuneration structure of all Directors and Company Executives (being a company secretary or senior manager) (**Key Management Personnel**) having regard to the Company's nature, scale and scope of operations and other relevant factors, including the frequency of Board meetings, length of service, particular experience and qualifications.

**Fixed Cash Short Term Employment Benefits:** The Key Management Personnel of the Company are paid a fixed amount per annum plus applicable employer superannuation contributions. The Non-Executive Directors of the Company are paid a maximum aggregate base remuneration of \$110,000 per annum inclusive of employer superannuation contributions where applicable, to be divided as the Board determines appropriate.

The Board has determined current Key Management Personnel remuneration as follows:

- (a) Mr Farooq Khan (Non-Executive Chairman) – a base fee of \$40,000 per annum inclusive of employer superannuation contributions (currently 9%);
- (b) Mr Christopher Ryan (Non-Executive Director) – a base fee of \$24,000 per annum plus 10% goods and services tax payable to Westchester Financial Services Pty Limited (trading as Westchester Corporate Finance), a corporate advisory company in which Mr Ryan is principal;
- (c) Mr Simon Cato (Non-Executive Director) – a base fee of \$21,000 per annum inclusive of employer superannuation contributions (currently 9%);
- (d) Mr Peter Simpson (Non-Executive Director) – a base fee of \$21,000 per annum plus 10% goods and services tax payable to Bridge Finance Australia Pty Ltd, a company in which Mr Simpson is a controlling director and shareholder; and
- (e) Mr Victor Ho (Company Secretary) – a base fee of \$40,000 per annum plus employer superannuation contributions (currently 9%).

**Special Exertions and Reimbursements:** Pursuant to the Company's Constitution, each Director is also entitled to receive:

- (a) Payment for reimbursement of all traveling, hotel and other expenses reasonably incurred by a Director for the purpose of attending meetings of the Board or otherwise in and about the business of the Company;
- (b) Payment for the performance of extra services or the making of special exertions for the benefit of the Company (at the request of and with the concurrence of the Board).

**Long Term Benefits:** Key Management Personnel have no right to termination payments save for payment of accrued annual leave (other than Non-Executive Directors).

**Equity Based Benefits:** The Company does not presently have any equity (shares or options) based remuneration arrangements for any personnel pursuant to any executive or employee share or option plan or otherwise.

**Post Employment Benefits:** The Company does not presently provide retirement benefits to Key Management Personnel.

# DIRECTORS' REPORT

**Performance Related Benefits:** The Company does not presently provide incentive/performance based benefits related to the Company's performance to Key Management Personnel, including payment of cash bonuses. The current remuneration of Key Management Personnel is fixed, is not dependent on the satisfaction of a performance condition and is unrelated to the Company's performance.

**Service Agreements:** The Company does not presently have formal service agreements or employment contracts with any Key Management Personnel.

**Financial Performance of Company:** There is no relationship between the Company's current remuneration policy and the Company's performance.

## (2) Details of Remuneration of Key Management Personnel

Details of the nature and amount of each element of remuneration of each key management personnel paid or payable by the Company during the financial year are as follows:

2008 Key Management Personnel	Performance related %	Short-term Benefits		Post Employment Benefits	Other Long-term Benefits	Equity Based	Total \$
		Cash, salary and commissions \$	Non-cash benefit \$	Superannuation \$	Long service leave \$	Shares & Options \$	
<b>Non-Executive Directors:</b>							
Farooq Khan	-	35,168	-	3,165	-	-	38,333
Simon Cato	-	17,850	-	3,150	-	-	21,000
Christopher Ryan	-	26,400	-	-	-	-	26,400
Peter Simpson	-	23,100	-	-	-	-	23,100
<b>Company Secretary:</b>							
Victor Ho	-	40,000	750	3,600	-	-	44,350

2007 Key Management Personnel	Performance related %	Short-term Benefits		Post Employment Benefits	Other Long-term Benefits	Equity Based	Total \$
		Cash, salary and commissions \$	Non-cash benefit \$	Superannuation \$	Long service leave \$	Shares & Options \$	
<b>Non-Executive Directors:</b>							
Farooq Khan	-	27,523	-	2,477	-	-	30,000
Simon Cato	-	1,487	-	19,513	-	-	21,000
Christopher Ryan	-	26,400	-	-	-	-	26,400
Peter Simpson	-	23,100	-	-	-	-	23,100
<b>Company Secretary:</b>							
Victor Ho	-	41,573	-	3,742	-	-	45,315

Notes:

- Mr Ryan's Directors' fees have been paid to Westchester Financial Services Pty Limited (trading as Westchester Corporate Finance), a corporate advisory company in which Mr Ryan is principal, and is reported inclusive of goods and services tax ("GST").
- Mr Simpson's Directors' fees have been paid to Bridge Finance Australia Pty Ltd, a company in which Mr Simpson is a controlling director and shareholder, and is reported inclusive of GST.

# DIRECTORS' REPORT

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## (3) Other Benefits Provided to Key Management Personnel

No Key Management Personnel has during or since the end of the 30 June 2008 financial year, received or become entitled to receive a benefit, other than a remuneration benefit as disclosed above, by reason of a contract made by the Company or a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

This concludes the audited remuneration report.

## DIRECTORS' AND OFFICERS' INSURANCE

The Directors have not included details of the nature of the liabilities covered or the amount of premiums paid in respect of a Directors and Officers liability and legal expenses' insurance contract, as such disclosure is prohibited under the terms of the contract.

## DIRECTORS' AND OFFICERS' DEEDS

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the Corporations Act), the Company has also entered into a deed with each of the Directors and the Company Secretary (**Officer**) to regulate certain matters between the Company and each Officer, both during the time the Officer holds office and after the Officer ceases to be an officer of the Company, including the following matters:

- (a) The Company's obligation to indemnify an Officer for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the Corporations Act); and
- (b) Subject to the terms of the deed and the Corporations Act, the Company may advance monies to the Officer to meet any costs or expenses of the Officer incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of any legal proceedings brought against the Officer.

Such deeds (in respect of Directors, Messrs Khan, Ryan, Cato and Simpson) were approved by shareholders at the 2005 AGM.

## LEGAL PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of a court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of such proceedings. The Company was not a party to any such proceedings during and since the financial year.

## AUDITOR

Details of the amounts paid or payable to the auditor (BDO Kendalls Audit & Assurance (WA) Pty Ltd) for audit and non-audit services provided during the financial year are set out below:

Audit & Review Fees	Fees for Other Services	Total
\$	\$	\$
23,316	1,761	25,077

## DIRECTORS' REPORT

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The Board is satisfied that the provision of non audit services by the auditor during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Board is satisfied that the nature of the non-audit services disclosed above did not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and APES 110 Code of Ethics for Professional Accountants: Professional Independence, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

BDO Kendalls Audit & Assurance (WA) Pty Ltd continues in office in accordance with Section 327 of the Corporations Act 2001.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 forms part of this Directors Report and is set out on page 15. This relates to the Audit Report, where the Auditors state that they have issued an independence declaration.

### EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matters or circumstances at the date of this Directors' Report, other than those referred to in this Directors' Report (in particular, in Review of Operations) or the financial statements or notes thereto (in particular Note 19), that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

Signed for and on behalf of the Directors in accordance with a resolution of the Board,



**Farooq Khan**  
Chairman



**Simon Cato**  
Director

27 August 2008

27 August 2008

The Directors  
Bentley International Limited  
Level 14, The Forrest Centre  
221 ST Georges Terrace  
PERTH WA 6000

Dear Sirs

**DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS  
OF BENTLEY INTERNATIONAL LIMITED**

As lead auditor of Bentley International Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Bentley International Limited during the period.



**BG McVeigh**  
Director



**BDO Kendalls Audit & Assurance (WA) Pty Ltd**  
Perth, Western Australia



# INCOME STATEMENTS

## for the year ended 30 June 2008

	Note	2008 \$	2007 \$
<b>Revenue</b>	<b>2 a</b>	435,989	445,119
<b>Other income</b>		7,388	1,750,789
<b>Total revenue</b>		<u>443,377</u>	<u>2,195,908</u>
<b>Expenses</b>	<b>2 b</b>		
Investment expenses			
- Net loss on financial assets at fair value through profit or loss		(3,621,409)	-
- Foreign exchange losses		(11,827)	(14,888)
- Withholding tax		(52,690)	(55,701)
Occupancy expenses		(19,404)	(24,544)
Finance expenses		(651)	(484)
Borrowing cost		(1)	(2)
Corporate expenses		(239,380)	(395,550)
Administration expenses		(299,326)	(348,118)
<b>Profit/(Loss) before income tax expense</b>		<u>(3,801,311)</u>	<u>1,356,621</u>
Income tax benefit/ (expense)	<b>3</b>	902,772	(5,439)
<b>Profit/(Loss) for the year</b>		<u>(2,898,539)</u>	<u>1,351,182</u>
<b>Profit/(Loss) attributable to the members of the company</b>		<u>(2,898,539)</u>	<u>1,351,182</u>
Dividends per share (cent per share)	<b>6</b>	1.0	2.0
Basic earnings/(loss) (cents per share)	<b>7</b>	(7.23)	3.41

*The accompanying notes form part of this financial report*

# BALANCE SHEETS

## as at 30 June 2008

	Note	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	333,566	761,486
Financial assets at fair value through profit or loss	9	15,851,257	19,797,040
Trade and other receivables	10	37,680	-
<b>TOTAL CURRENT ASSETS</b>		<u>16,222,503</u>	<u>20,558,526</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	11	4,457	6,163
Deferred tax asset	13	912,991	187,015
<b>TOTAL NON CURRENT ASSETS</b>		<u>917,448</u>	<u>193,178</u>
<b>TOTAL ASSETS</b>		<u>17,139,951</u>	<u>20,751,704</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	141,143	464,472
<b>TOTAL CURRENT LIABILITIES</b>		<u>141,143</u>	<u>464,472</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liabilities	13	11,588	187,015
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>11,588</u>	<u>187,015</u>
<b>TOTAL LIABILITIES</b>		<u>152,731</u>	<u>651,487</u>
<b>NET ASSETS</b>		<u>16,987,220</u>	<u>20,100,217</u>
<b>EQUITY</b>			
Issued Capital	14	18,178,191	17,995,366
Retained earnings/(Accumulated losses)		(1,190,971)	2,104,851
<b>TOTAL EQUITY</b>		<u>16,987,220</u>	<u>20,100,217</u>

*The accompanying notes form part of this financial report*

# STATEMENTS OF CHANGES IN EQUITY

## for the year ended 30 June 2008

	Issued Capital	Retained Earnings / (Accumulated Losses)	Total
	\$	\$	\$
<b>At 1 July 2006</b>	17,839,908	1,544,001	19,383,909
Profit for the year	-	1,351,182	1,351,182
Total recognised income and expense for the year	-	1,351,182	1,351,182
Dividends paid		(790,332)	(790,332)
Issue under Dividend Reinvestment Plan	155,458	-	155,458
<b>At 30 June 2007</b>	<u>17,995,366</u>	<u>2,104,851</u>	<u>20,100,217</u>
<b>At 1 July 2007</b>	17,995,366	2,104,851	20,100,217
Loss for the year	-	(2,898,539)	(2,898,539)
Total recognised income and expense for the year	-	(2,898,539)	(2,898,539)
Dividends paid		(397,283)	(397,283)
Issue under Dividend Reinvestment Plan	182,825	-	182,825
<b>At 30 June 2008</b>	<u>18,178,191</u>	<u>(1,190,971)</u>	<u>16,987,220</u>

*The accompanying notes form part of this financial report*

# CASH FLOW STATEMENTS

## for the year ended 30 June 2008

	Note	2008 \$	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Dividends received		102,119	742,973
Interest received		15,768	10,755
Other income received		7,388	8,730
Investment manager's fees paid		(174,873)	(132,268)
Other expenses paid		(495,700)	(663,271)
Interest paid		(1)	(2)
Income tax refunded (paid)		19,896	(18,615)
Proceeds from sale of investments		296,770	16,315,800
Cost of investment purchases		(10,070)	(15,179,535)
		<hr/>	
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>8 a</b>	<b>(238,703)</b>	<b>1,084,567</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(604)	(1,694)
		<hr/>	
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(604)</b>	<b>(1,694)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(214,458)	(634,874)
		<hr/>	
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES</b>		<b>(214,458)</b>	<b>(634,874)</b>
 <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b>			
Cash and cash equivalents at the beginning of the year		761,486	366,757
Effect of exchange rate changes on cash		25,845	(53,270)
		<hr/>	
<b>CLOSING CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>8</b>	<b>333,566</b>	<b>761,486</b>

*The accompanying notes form part of this financial report*

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

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### 1. SUMMARY OF ACCOUNTING POLICIES

The financial report (comprising the financial statements and notes thereto) is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Bentley International Limited (the **Company**) is a company limited by shares incorporated in Australia and whose shares are publicly traded on the Australian Securities Exchange (**ASX**). The Company does not have any controlled entities.

#### Compliance with IFRS

The financial report complies with all Australian equivalents to International Financial Reporting Standards (**AIFRS**). Compliance with AIFRS ensures that the financial statements of Bentley International Limited comply with International Financial Reporting Standards (**IFRS**).

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

#### Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### 1.1. Investments and Other Financial Assets

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

##### *Financial assets at fair value through profit and loss -*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of *AASB 139: Recognition and Measurement of Financial Instruments*. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

*Loans and receivables* - Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

*Financial liabilities* - Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

At each reporting date, the Company assesses whether there is objective evidence that a financial risk has been impaired. Impairment losses are recognised in the income statement.

The Company's investment portfolio (comprising listed securities) is accounted for as "financial assets at fair value through profit and loss".

#### 1.2. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, including but not limited to recent arm's length transactions, reference to similar instruments and option pricing models. The Company may use a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for other financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The Company's investment portfolio (comprising listed securities) is accounted for as a "financial assets at fair value through profit and loss" and is carried at fair value based on the quoted last bid prices at reporting date (refer to Note 9).

#### 1.3. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. All revenue is stated net of the amount of goods and services tax (**GST**). The following specific recognition criteria must also be met before revenue is recognised:

*Sale of Goods and Disposal of Assets* - Revenue from the sale of goods and disposal of other assets is recognised when the Company has passed control of the goods or other assets to the buyer.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

**Interest Revenue** - Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**Dividend Revenue** - Dividend revenue is recognised when the right to receive a dividend has been established. The Company brings dividend revenue to account on the applicable ex-dividend entitlement date.

**Other Revenues** - Other revenues are recognised on a receipts basis.

### 1.4. Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each taxing jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses (if applicable).

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each taxing jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The amount of deferred tax assets 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 Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### 1.5. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### 1.6. Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when considered non-recoverable.

### 1.7. Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate	Depreciation Method
Computer Equipment	25%-40%	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

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### 1.8. Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets (where applicable) to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets (where applicable) with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### 1.9. Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### 1.10. Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new securities are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new securities for the acquisition of assets are included in the cost of the acquisition as part of the purchase consideration.

### 1.11. Earnings Per Share

*Basic Earnings per Share* - is determined by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial period.

*Diluted Earnings per Share* - adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial period.

### 1.12. Employee Entitlements

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Employer superannuation contributions are made by the Company in accordance with statutory obligations and are charged as an expense when incurred.

### 1.13. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts (if any) are shown within short-term borrowings in current liabilities on the balance sheet.

### 1.14. Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

### 1.15. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. The Company's segment reporting is contained in note 15 of the notes to the financial statements.

### 1.16. Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial period.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

### 1.17 New Standards and Interpretations Released But Not Yet Adopted

The following new Accounting Standards and Interpretations (which have been released but not yet adopted) have no material impact (except where stated below) on the Company's accounts/financial statements or the associated notes therein.

AASB reference	Title and Affected Standard(s):	Applies to:	Application date:
AASB 123 (revised Jun 2007)	Borrowing Costs	To the extent that borrowing costs are directly attributable to the acquisition, construction or production of a qualifying asset, the option of recognising borrowing costs immediately as an expense has been removed. Consequently all borrowing costs for qualifying assets will have to be capitalised.	Periods commencing on or after 1 January 2009
AASB 3 (reissued March 2008)	Business Combinations	Released as part of long term international convergence project between IASB and FASB. The revised standard introduces more detailed guidance on accounting for step acquisitions, adjustments to contingent consideration, assets acquired that the purchaser does not intend to use, reacquired rights and share-based payments as part of purchase consideration. Also, all acquisition costs will have to be expensed instead of being recognised as part of goodwill.	Business combinations where the acquisition date is on or after the beginning of the first reporting period that commences 1 July 2009 or later
AASB 127 (reissued March 2008)	Consolidated and Separate Financial Statements	The revised standard clarifies that changes in ownership interest which result in control being retained are accounted for within equity as transactions with owners. Losses will be attributed to the non-controlling interest even if this results in a debit balance for the non-controlling interest. Investments retained where there has been a loss of control will be recognised at fair value at date of sale.	Periods commencing on or after 1 July 2009
AASB 2008-3 (issued March 2008)	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASB 1, AASB 2, AASB 4, AASB 5, AASB 7, AASB 101, AASB 107, AASB 112, AASB 114, AASB 116, AASB 121, AASB 128, AASB 131, AASB 132, AASB 133, AASB 134, AASB 136, AASB 137, AASB 138, AASB 139, Interpretation 9 and Interpretation 107]	Makes consequential amendments to 20 standards and 2 interpretations arising from the reissue of AASB 3 and AASB 127, including to AASB 128: Investments in Associates and AASB 131: Interests in Joint Ventures. When an investment ceases to be an associate or jointly controlled entity and is subsequently accounted for under AASB 139, the fair value of the investment at the date when it ceases to be an associate or jointly controlled entity is its fair value.	Periods commencing on or after 1 July 2009
AASB 2008-5 and AASB 2008-6 (issued July 2008)	Improvements to IFRSs	Accounting changes for presentation, recognition and measurement, as well as terminology and editorial changes.	Periods commencing on or after 1 July 2009
AASB 8 (Issued Feb 2007)	Operating Segments	Replaces the disclosure requirements of AASB 114: <i>Segment Reporting</i> . The adoption of this standard will result in changes to the nature and extent of segment reporting for the entity. The full impact has not yet been quantified.	Periods commencing on or after 1 January 2009
AASB 101 (Revised Sep 2007)	Presentation of Financial Statements	Amendments to presentation and naming of the financial statements.	Annual reporting periods commencing on or after 1 January 2009
AASB Interpretation 4 (revised Feb 2007)	Determining whether an Arrangement contains a Lease [revised]	Scope has been amended to exclude service concession arrangements because these are now covered by AASB Interpretation 12.	Periods commencing on or after 1 January 2008



# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

### 1.17 New Standards and Interpretations Released But Not Yet Adopted (continued)

AASB reference	Title and Affected Standard(s):	Applies to:	Application date:
AASB 2007-2 (issued Feb 2007)	Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]	Mainly editorial changes	Periods commencing on or after 1 January 2008
AASB 2007-3 (issued Feb 2007)	Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	Mainly editorial changes	Periods commencing on or after 1 January 2009
AASB 2007-6 (issued Jun 2007)	Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	Mainly editorial changes.	Periods commencing on or after 1 January 2009
AASB 2007-8 (issued Sep 2007)	Amendments to Australian Accounting Standards arising from AASB 101	Mainly editorial changes.	Periods commencing on or after 1 January 2009
AASB 2007-10 (issued Dec 2007)	Further Amendments to Australian Accounting Standards Arising from AASB 101	Replaces the term 'financial report' with the term used in the corresponding IFRS	Periods commencing on or after 1 January 2009

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

### 2. PROFIT/(LOSS) FOR THE YEAR

The operating profit/(loss) before income tax includes the following items of revenue and expense:

	2008	2007
	\$	\$
<b>(a) Revenue</b>		
Dividends	420,221	434,364
Interest	15,768	10,755
<b>Other investment income</b>		
Net gains on financial assets at fair value through profit or loss	-	1,742,059
Other	7,388	8,730
<b>Total revenue</b>	<u>443,377</u>	<u>2,195,908</u>
<b>(b) Expenses</b>		
Investment expenses		
- Net loss on financial assets at fair value through profit or loss	3,621,409	-
- Foreign exchange losses	11,827	14,888
- Withholding tax	52,690	55,701
Occupancy expenses	19,404	24,544
Finance expenses	651	484
Borrowing cost	1	2
Corporate expenses		
- Investment management fees	174,873	177,403
- Custodian fees	45,374	93,710
- Provision for realisation costs in investment portfolio	(13,811)	69,290
- ASX fees	20,498	20,730
- Share registry fees	14,273	15,065
- Other	(1,827)	19,352
Administration expenses		
- Communications	7,508	5,417
- Accounting	41,810	40,382
- Audit	23,316	15,865
- Office administration	23,281	25,450
- Personnel	153,745	131,252
- Personnel- employee benefits	(760)	4,267
- Depreciation	2,310	4,578
- Travel	2,826	10,111
- Other	45,290	110,796
<b>Total expenses</b>	<u>4,244,688</u>	<u>839,287</u>

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

### 3. INCOME TAX EXPENSE

	2008	2007
(a) The major components of income tax (benefit)/expense are:	\$	\$
Current tax	(1,369)	5,439
Deferred tax (Note 13)	(901,403)	-
	<u>(902,772)</u>	<u>5,439</u>
(b) The prima facie income tax on profit/(loss) from continuing operations before income tax is reconciled to the income tax provided in the accounts as		
<b>Profit/ (Loss) before income tax</b>	<b>(3,801,311)</b>	<b>1,356,621</b>
Prima facie tax payable on profit/(loss) from continuing operations before income tax at 30% (2007: 30%)	(1,140,393)	406,986
Tax effect of temporary differences		
Non deductible expenses	146,701	50,757
	<u>(993,692)</u>	<u>457,743</u>
Recoupment of prior year tax losses not previously brought to account	-	(457,743)
Tax losses not brought to account	992,323	-
Net deferred tax movements	(901,403)	-
(Over) / under provision in respect to prior years	-	5,439
Income tax (benefit)/expense	<u>(902,772)</u>	<u>5,439</u>
The applicable weighted average effective tax rate are as follows:	24%	1%
(c) Deferred Tax Asset not brought to account at 30%		
- temporary differences	2,813,719	1,821,396

The Deferred Tax Asset not brought to account for the 2008 year will only be obtained if:

- (i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;
- (ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) the Company is able to meet the continuity of ownership and/or continuity of business tests.

### 4. KEY MANAGEMENT PERSONNEL DISCLOSURES

#### (a) Details of key management personnel

Farooq Khan	Non-Executive Chairman
Christopher Ryan	Non-Executive Director
Simon Cato	Non-Executive Director
Peter Simpson	Non-Executive Director
Victor Ho	Company Secretary

	2008	2007
Number of employees (including key management personnel)	<u>5</u>	<u>5</u>

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

### 4. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(b) Compensation of key management personnel (directors)	2008	2007
<b>Directors</b>	<b>\$</b>	<b>\$</b>
Short-term employee benefits - cash fees	102,518	78,510
Post-employment benefits-superannuation	6,315	21,990
Long term benefits	-	-
Share-based payments	-	-
	<u>108,833</u>	<u>100,500</u>
<b>Other key management personnel</b>		
Short-term employee benefits - cash fees	40,750	41,573
Post-employment benefits-superannuation	3,600	3,742
Long term benefits	-	-
Share-based payments	-	-
	<u>44,350</u>	<u>45,315</u>

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

### (b) Options provided as remuneration and shares issued on exercise of such options

There were no options provided as remuneration to key management personnel and no shares issued on the exercise of such options during the financial year.

### (c) Shareholdings of key management personnel

	Balance at 1 July 2007	Net Changes	Balance at 30 June 2008
<b>Directors</b>			
Farooq Khan	11,276,014	311,924	11,587,938
Christopher Ryan	-	-	-
Simon Cato	-	-	-
Peter Simpson	1,734,279	47,977	1,782,256
<b>Other key management personnel</b>	-		
Victor Ho	5,945	-	5,945
	Balance at 1 July 2006	Net Changes	Balance at 30 June 2007
<b>Directors</b>			
Farooq Khan	10,976,916	299,098	11,276,014
Christopher Ryan	-	-	-
Simon Cato	-	-	-
Peter Simpson	1,519,286	214,993	1,734,279
<b>Other key management personnel</b>	-		
Victor Ho	5,945	-	5,945

The disclosures of equity holdings are in accordance with the accounting standards which requires a disclosure of direct and indirect holdings of spouses, relatives, spouses of relatives and entities under the control or significant influence of each of the same.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

### 4. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

**(e) Option holdings of key management personnel**

The Company does not have any options on issue.

**(f) Loans to key management personnel**

There were no loans to key management personnel (or their personally related entities) during the financial year.

**(g) Other transactions with key management personnel**

There were no transactions with key management personnel (or their personally related entities) during the financial year.

### 5. AUDITORS' REMUNERATION

	2008	2007
	\$	\$
Amounts received or due and receivable by:		
Auditors of the Company (BDO Kendalls (WA) Audit and Assurance Pty Ltd)		
Audit and review of financial reports	23,316	13,115
Non-audit services (BDO Kendalls (WA) Audit and Assurance Pty Ltd)		
Taxation services	1,761	2,750
	<u>25,077</u>	<u>15,865</u>

### 6. DIVIDENDS

**Declared and paid during the year**

Dividends on ordinary shares

One cent per share fully franked paid on 31 August 2006	-	393,049
One cent per share fully franked paid on 20 February 2007	-	397,283
One cent per share fully franked paid on 28 September 2007	397,283	-
	<u>397,283</u>	<u>790,332</u>

**Franking credit balance**

Balance of franking account at year end adjusted for franking credits arising from:	3,972,242	4,319,479
Franking debits arising from payment of dividends post balance date	-	(170,264)
	<u>3,972,242</u>	<u>4,149,215</u>

### 7. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share (cents)	<u>(7.23)</u>	<u>3.41</u>
Net profit (loss)	<u>(2,898,539)</u>	<u>1,351,182</u>
Weighted average number of ordinary shares during the year used in calculation of basic earnings per share	<u>40,110,801</u>	<u>39,656,375</u>

Diluted earnings per share has not been disclosed, as it does not show a position which is inferior to basic earnings per share. The Company has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic earning per share.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

<b>8. CASH AND CASH EQUIVALENTS</b>	<b>2008</b>	<b>2007</b>
	\$	\$
Cash at bank	333,566	761,486

### (a) Reconciliation of Net Profit/(Loss) after Tax to Net Cash Flows from Operations

Net Profit/(Loss) after income tax	(2,898,539)	1,351,182
Unrealised changes in the net fair value of investments	-	1,311,183
Depreciation	2,310	4,578
Realised gains on sale of investments	3,621,409	(3,053,242)
Net foreign exchange losses/(gains)	11,827	14,888
(Increase)/decrease in assets:		
Investments	286,700	1,136,265
Receivables	(37,680)	28,187
Prepayment	-	6,180
Tax assets	-	7,230
Increase/(decrease) in liabilities:		
Payables	(323,327)	285,346
Tax liabilities	(901,403)	(7,230)
Net cash flows from/used in operating activities	(238,703)	1,084,567

### (a) Disclosure of non-cash financing and investing activities

On 28 September 2007, the Company issued 505,840 ordinary shares at 36.15 cents per share as a consequence of shareholders' participation under a Dividend Reinvestment Plan.

## 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investment Portfolio (international securities)	15,851,257	19,797,040
All financial assets at fair value through profit or loss were designated as such upon initial recognition.		
Net gains/(loss) on financial assets at fair value through profit or loss	(3,621,409)	1,742,059

Information about the company's exposure to currency and price risk is provided in Note 16.

## 10. TRADE AND OTHER RECEIVABLES

Dividends and interest receivable	37,680	-
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# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

### 11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvement	Computer Equipment	Total
	\$	\$	\$
<b>2008</b>			
At 1 July 2007, net of accumulated depreciation and impairment	358	5,805	6,163
Additions	-	604	604
Depreciation expense	(27)	(2,283)	(2,310)
At 30 June 2008, net of accumulated depreciation and impairment	<u>331</u>	<u>4,126</u>	<u>4,457</u>
<b>At 1 July 2007</b>			
Cost or fair value	382	15,504	15,886
Accumulated depreciation and impairment	(24)	(9,699)	(9,723)
<b>Net carrying amount</b>	<u>358</u>	<u>5,805</u>	<u>6,163</u>
<b>At 30 June 2008</b>			
Cost or fair value	382	16,108	16,490
Accumulated depreciation and impairment	(51)	(11,982)	(12,033)
<b>Net carrying amount</b>	<u>331</u>	<u>4,126</u>	<u>4,457</u>
<b>2007</b>			
At 1 July 2006, net of accumulated depreciation and impairment	-	9,046	9,046
Additions	382	1,313	1,695
Depreciation expense	(24)	(4,554)	(4,578)
At 30 June 2007, net of accumulated depreciation and impairment	<u>358</u>	<u>5,805</u>	<u>6,163</u>
<b>At 1 July 2006</b>			
Cost or fair value	-	14,191	14,191
Accumulated depreciation and impairment	-	(5,145)	(5,145)
<b>Net carrying amount</b>	<u>-</u>	<u>9,046</u>	<u>9,046</u>
<b>At 30 June 2007</b>			
Cost or fair value	382	15,504	15,886
Accumulated depreciation and impairment	(24)	(9,699)	(9,723)
<b>Net carrying amount</b>	<u>358</u>	<u>5,805</u>	<u>6,163</u>

### 12. TRADE AND OTHER PAYABLES

	2008	2007
	\$	\$
Trade creditors	46,928	91,335
Amounts payable - unsettled trades	-	280,422
Other creditors and accruals	94,215	92,715
	<u>141,143</u>	<u>464,472</u>

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

### 13. TAX

	2008	2007
	\$	\$
<b><u>Assets</u></b>		
<b>Non Current</b>		
Deferred tax asset	912,991	187,015
<b><u>Liabilities</u></b>		
<b>Current</b>		
Income tax	-	-
<b>Non Current</b>		
Deferred income liability	(11,588)	(187,015)
<b><u>Reconciliations</u></b>		
<b>Gross movement</b>		
The overall deferred tax account is as follows		
Opening balance	-	-
(Charge) / credit to income statement	901,403	-
Closing balance	901,403	-
<b>Deferred tax asset - Market decrement</b>		
The movement in deferred tax asset for each temporary difference during the year is as follows:		
Opening balance	187,015	-
(Charge) / credit to income statement	725,976	187,015
Closing balance	912,991	187,015
<b>Deferred tax liability - Fair Value Gain Adjustment</b>		
The movement in deferred tax liability for each temporary difference during the year is as follows:		
Opening balance	(187,015)	-
(Charge) / credit to income statement	175,427	(187,015)
Closing balance	(11,588)	(187,015)

### 14. ISSUED CAPITAL

	Number of shares	2008 \$	Number of shares	2007 \$
Fully paid ordinary shares	40,234,143	18,178,191	39,728,303	17,995,366
<b><u>Movement in Ordinary Share Capital</u></b>				
<b>At 1 July 2006</b>			39,304,854	17,839,908
Issue under dividend reinvestment plan	31-Aug-06	423,449	155,458	155,458
<b>At 30 June 2007</b>			39,728,303	17,995,366
Issue under dividend reinvestment plan	28-Sep-07	505,840	182,825	
<b>At 30 June 2008</b>			40,234,143	18,178,191

Fully paid ordinary shares carry one vote per share and carry the right to dividends.



# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

### 14. ISSUED CAPITAL (continued)

#### (a) Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company has no borrowings. The Company's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

### 15. SEGMENT REPORTING

#### Business Segments

The Company is incorporated in Australia. The Company's principal activity is investment in equity securities listed on overseas stock markets.

#### Geographical exposures

Constellation Capital Management Limited managed the Company's investment portfolio, implementing the international equities component of Constellation's HomeGlobal investment strategy. While the Company operates from Australia only, it has investment exposures in different countries which includes investments in listed securities, cash assets and accrued interest and dividends and is net of unsettled trades. The geographical locations of these exposures are outlined below:

Country	Segment Revenues		Carrying Amount of Segment Assets		Acquisitions of Investments	
	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$
Australia	15,654	10,515	165,568	234,660	-	-
Europe	114,824	1,007,691	2,915,749	3,354,385	-	3,810,956
United Kingdom	70,048	353,969	1,535,591	1,877,460	-	1,748,723
North America	170,544	1,653,703	8,889,572	11,188,720	-	7,228,795
Asia	45,876	176,113	721,080	574,609	10,070	637,060
Japan	36,852	305,100	1,861,475	2,333,200	-	1,754,001
	453,798	3,507,091	16,089,035	19,563,034	10,070	15,179,535

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

### 16. FINANCIAL INSTRUMENTS

The Company's financial instruments consists of deposits with banks, accounts receivable and payable and investments in overseas listed securities held by National Australia Bank Limited as custodian and managed by investment management, Constellation Capital Management Limited. The principal activity of the Company is the management of these investments - "financial assets at fair value" (refer to Note 9).

The Company's investments are subject to price (which includes interest rate, currency and market risk), credit and liquidity risks.

The Board of Directors is responsible for the overall internal control framework (which includes risk management) but no cost effective internal control system will preclude all errors and irregularities. The system is based, in part, on the appointment of suitably qualified and experienced service providers such as the Investment Manager (currently Constellation Capital Management Limited) and Custodian (currently National Australia Bank Limited) and suitably qualified and experienced management personnel. The effectiveness of the system is continually reviewed by management and at least annually by the Board.

	Average Interest Rate	Variable Interest Rate	Non- Interest Bearing	Total
<b>30 June 2008</b>				
<b>Financial Assets</b>		\$	\$	\$
Cash and cash equivalents	4.5%	167,248	166,318	333,566
Investments		-	15,851,257	15,851,257
Receivables		-	37,680	37,680
<b>Total Financial Assets</b>		<u>167,248</u>	<u>16,055,255</u>	<u>16,222,503</u>
<b>Financial Liabilities</b>				
Payables		-	(141,143)	(141,143)
<b>Total Financial Liabilities</b>		<u>-</u>	<u>(141,143)</u>	<u>(141,143)</u>
<b>Net Financial Assets</b>		<u>167,248</u>	<u>15,914,112</u>	<u>16,081,360</u>

The financial receivables and payables disclosed in the above table are due or payable within 30 days. The financial investments are held for trading and are realised at the discretion of the Board of Directors

<b>30 June 2007</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	6.0%	761,486	-	761,486
Investments		-	19,797,040	19,797,040
Receivables		-	-	-
<b>Total Financial Assets</b>		<u>761,486</u>	<u>19,797,040</u>	<u>20,558,526</u>
<b>Financial Liabilities</b>				
Payables		-	(464,472)	(464,472)
<b>Total Financial Liabilities</b>		<u>-</u>	<u>(464,472)</u>	<u>(464,472)</u>
<b>Net Financial Assets</b>		<u>761,486</u>	<u>19,332,568</u>	<u>20,094,054</u>

The financial receivables and payables disclosed in the above table are due or payable within 30 days. The financial investments are held for trading and are realised at the discretion of the Board of Directors

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

### 16. FINANCIAL INSTRUMENTS (continued)

#### (a) Interest Rate Risk Exposure

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing instruments. The Company has no borrowings.

#### (b) Liquidity Risk Exposure

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company has no borrowings. The Company's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

The financial liabilities disclosed in the above table have a maturity obligation of not more than 30 days.

#### (c) Credit Risk Exposure

Credit risk refers to the risk that a counterparty under a financial instrument will default (in whole or in part) on its contractual obligations resulting in financial loss to the Company. Concentrations of credit risk are minimised primarily by the investment manager/custodian carrying out all market transactions through recognised and creditworthy brokers and the monitoring of receivable balances. The Company's business activities do not necessitate the requirement for collateral as a means of mitigating the risk of financial loss from defaults.

The Company measures credit risk on a fair value basis. The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Company's maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date is summarised below:

	2008	2007
	\$	\$
Cash and cash equivalents	333,566	761,486
Receivables	37,680	-
	<u>371,246</u>	<u>761,486</u>

All receivables noted above are due within 30 days. None of the above receivables are past due.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

### 16. FINANCIAL INSTRUMENTS (continued)

#### (d) Price Risk Exposure

Price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market. By its nature as a listed investment company, the Company will always be subject to price risk as it invests its capital in securities that are not risk free - the market price of these securities can and will fluctuate. The Company does not manage this risk through entering into derivative contracts, futures, options or swaps.

Equity securities price risk arises on the financial assets at fair value through profit or loss.

The Company has a diversified investment portfolio both in terms of number of securities held and exposure to a wide range of industry sectors.

	Carrying Amount	
	2008	2007
	\$	\$
Listed equities	15,818,984	19,680,282
Listed Unit Trust	-	68,568
Preference shares	32,274	48,189
Cash and deposits	200,097	522,167
Outstanding settlements	37,680	(756,172)
	<u>16,089,035</u>	<u>19,563,034</u>

#### (e) Net Fair Value of Financial Assets and Liabilities

The carrying amount of financial instruments recorded in the financial statements represent their fair value determined in accordance with the accounting policies disclosed in note 1. The aggregate fair value and carrying amount of financial assets and financial liabilities at balance date are:

	Carrying	Net Fair	Carrying	Net Fair
	Amount	Value	Amount	Value
	2008	2008	2007	2007
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	333,566	333,566	761,486	761,486
Investments	15,851,257	15,851,257	19,797,040	19,797,040
Receivables	37,680	37,680	-	-
<b>Total Financial Assets</b>	<u>16,222,503</u>	<u>16,222,503</u>	<u>20,558,526</u>	<u>20,558,526</u>
<b>Financial Liabilities</b>				
Payables	(141,143)	(141,143)	(464,472)	(464,472)

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

### 16. FINANCIAL INSTRUMENTS (continued)

#### (f) Currency Risk Exposure

The Company has financial instruments (listed securities and bank deposits) denominated in the following currencies which can significantly affect the balance sheet through foreign currency exchange rate movements. The Company's current policy is not to hedge its overseas currency exposure. The Company's exposure to foreign exchange rate movements on its financial instruments is as follows:

	US Dollar	Euro	UK Pound Sterling	Japanese	Others *	Total
2008	\$	\$	\$	\$	\$	\$
Currency exposure	8,286,600	2,021,436	1,861,475	1,535,591	2,218,366	15,923,468
2007						
Currency exposure	10,095,783	2,106,981	1,911,859	2,259,178	2,954,573	19,328,374

\* Others include Swiss francs, Swedish kronors, Canadian dollars, Hong Kong dollars and Taiwanese dollars.

#### (g) Sensitivity Analysis

##### Equity Price Risk Analysis

The Company has performed a sensitivity analysis on its exposure to equity price risk. The analysis demonstrates the effect on the current year results and equity when security prices increases/(decreases) by 50 basis points (2007: 50 basis points) which refers to the movement in the relevant exchange indexes to which the Company is exposed to with all the other variables held constant.

	2008	2007
	\$	\$
Change in profit		
Increase by 10% (50bpt)	1,585,126	1,979,704
Decrease by 10% (50bpt)	(1,585,126)	(1,979,704)
Change in equity		
Increase by 10% (50bpt)	1,585,126	1,979,704
Decrease by 10% (50bpt)	(1,585,126)	(1,979,704)

##### Currency Risk Analysis

The Company has performed a sensitivity analysis on its exposure to currency risk. The analysis demonstrates the effect on the current year results and equity when the Australian dollar strengthened or weakened by 5% (2007: 5%) against the foreign currencies detailed in Note 16 (f) with all the other variables held constant.

	2008	2007
	\$	\$
Change in profit		
Increase by 5%	(758,260)	(948,760)
Decrease by 5%	838,077	1,048,629
Change in equity		
Increase by 5%	(758,260)	(948,760)
Decrease by 5%	838,077	1,048,629

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2008

### 17. CONTINGENT ASSETS AND LIABILITIES

The Company does not have any contingent assets or liabilities.

### 18. COMMITMENTS

Lease Commitments	2008	2007
	\$	\$
Non-cancellable operating lease commitments:		
Not longer than one year	26,062	24,960
Between 12 months and 5 years	131,109	99,840
Greater than 5 years	-	24,960
	<u>157,170</u>	<u>149,760</u>

The lease commitment is the Company's share of the Chairman's and Company Secretarial office premises at Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia, and includes all outgoings (exclusive of GST). The lease is for a 7 year term expiring 30 June 2013 and contains a rent review increase each year alternating between 5% and the greater of market rate or CPI + 1%.

### 19. EVENTS AFTER BALANCE SHEET DATE

No other matter or circumstance has arisen since the end of the financial year that significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

# DIRECTORS' DECLARATION

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The Directors of the Company declare that:

1. The financial statements and accompanying notes as set out on pages 16 to 37 are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting; and
  - (b) give a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the 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.
3. The remuneration disclosures set out in the Directors' Report on page 11 to 13 (as the audited Remuneration Report) comply with section 300A of the Corporate Act 2001; and
4. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* by the Company Secretary (the person who, in the opinion of the Directors, performs the chief executive and chief financial officer functions).

This declaration is made in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.



**Farooq Khan**  
Chairman



**Simon Cato**  
Director

27 August 2008

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BENTLEY INTERNATIONAL LIMITED

We have audited the accompanying financial report of Bentley International Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant 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 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 controls 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Independence

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



### **Auditor's Opinion**

In our opinion the financial report of Bentley International Limited is in accordance with the *Corporations Act 2001*, including:

- (a) the financial report of Bentley International Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

### **Report on the Remuneration Report**

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### **Auditor's Opinion**

In our opinion, the Remuneration Report of Bentley International Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

### **BDO Kendalls Audit and Assurance (WA) Pty Ltd**

BDO Kendalls  
BG McVeigh

**BG McVeigh**  
Director

Dated this 27<sup>th</sup> Day of August 2008  
Perth, Western Australia

# SECURITIES INFORMATION

## as at 30 June 2008

### DISTRIBUTION OF LISTED ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	122	48,478	0.120%
1,001	-	5,000	355	1,063,333	2.643%
5,001	-	10,000	241	1,839,013	4.571%
10,001	-	100,000	461	12,469,111	30.991%
100,001	-	and over	39	24,814,208	61.675%
<b>Total</b>			<b>1,218</b>	<b>40,234,143</b>	<b>100%</b>

### TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Shares Held	Total Shares Held	% Issued Capital
1	* ORION EQUITIES LIMITED		11,587,938	28.801
2	* MR MICHAEL CRAIG	50,000		
	* MR JAMES CRAIG	3,026,106		
	* MR ROBERT CRAIG	<u>500,000</u>		
		Sub-total	3,576,106	8.888
3	ROCHESTER NO 39 PTY LTD	503,380		
	PENSON HOLDINGS PTY LTD	258,426		
	PENSON (MANAGEMENT) PTY LTD	26,609		
	ROCHESTER NO 39 PTY LTD	216,464		
	BARBRIDGE TRUSTS PTY LTD	105,566		
	BARBRIDGE TRUSTS PTY LTD	139,779		
	ROCHESTER NO 39 PTY LTD	275,777		
	BARBRIDGE TRUSTS PTY LTD	202,141		
	BARBRIDGE TRUSTS PTY LTD	<u>54,114</u>		
		Sub-total	1,782,256	4.430
4	INVIA CUSTODIAN PTY LTD		1,708,746	4.247
5	MR JOHN ROBERT DILLON		1,100,045	2.734
6	UBS NOMINEES PTY LTD		590,517	1.468
7	PATJEN PTY LIMITED		557,441	1.385
8	NENDAR PTY LTD			
	<THE LITTLE FAMILY S/F A/C>	300,000		
	NENDAR PTY LTD <LFIUT ACCOUNT>	52,658		
	NENDAR PTY LTD	<u>100,000</u>		
		Sub-total	452,658	1.125
9	MR DONALD & MRS GWENNETH MACKENZIE		268,458	0.667
10	MR JAMES LAWRENCE HADLEY & MRS MARIA MARLENA HADLEY <HADLEY FAMILY SUPERFUND A/C>		261,000	0.649
11	DR SPENCER DAVID		251,951	0.626
12	MRS LEANNE MAREE ROCKEFELLER		207,962	0.517
13	CHARLES GILBERT		200,000	0.497
14	MS JAN BURNETT-MCKEOWN		182,970	0.455
15	TAYDYN PTY LTD		177,501	0.441
16	MRS LENA SOONG		168,765	0.419
17	MR MILTON MELROSE FORSTER		165,000	0.410
18	KJ & ML GILROY PTY LTD		150,000	0.373
19	MR STANLEY JOHANSON		149,464	0.371
20	SUSAN LOUISE DZIDA		133,819	0.333
<b>TOTAL</b>			<b>23,672,597</b>	<b>58.836</b>

\* Substantial shareholders

**BENTLEY INTERNATIONAL LIMITED**

**ANNUAL PORTFOLIO REPORT**

**June 2008**

**BENTLEY INTERNATIONAL LIMITED**  
**HOMEGLOBAL™ PORTFOLIO**

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<b>Returns To:</b> <b>30/06/2008</b>	1mth (%)	3mths (%)	6mths (%)	1yr (%)	2yrs (% p.a.)	3yrs (% p.a.)	Incep* (% p.a.)
<b>Gross Portfolio</b>	-7.8%	-5.4%	-17.0%	-16.6%	-3.7%	2.3%	3.3%
<b>Benchmark**</b>	-8.5%	-5.7%	-18.0%	-17.3%	-3.8%	2.3%	3.5%
<b>MSCI ex Australia</b>	-8.6%	-6.4%	-18.0%	-20.8%	-7.4%	1.1%	2.4%
<b>Net Funds Flow, \$ '000</b>	0	-150	-450	-700	-2250	-3050	-3050

\* Inception Date for performance: 30 September 2004

\*\* HomeGlobal™ Index

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**Portfolio Summary**

**30-Jun-08**

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INTERNATIONAL EQUITIES	15,858,525
CASH	233,464
<b>TOTAL</b>	<b>16,091,988</b>

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**MARKET COMMENTARY**

**International Market Returns; a return to a Bear market.**

International markets, as measured by the MSCI World ex Australia Index posted a negative return for the year ended 30 June 2008 of 12.7% in \$US. When account is taken of dividends and the rise in the \$A (from \$US0.85 at the start of the year to \$US0.96 at the end of the year), the total return of the MSCI World ex Australia Index in \$A terms was a very poor negative 20.8% versus the positive return of 8.3% in 2007.

The market retreat over the year was led by the financials sector, which fell 33% including a 15% plunge in the month of June. Also savaged was the consumer discretionary sector, which fell 25%. Only the energy, materials and utilities sectors posted positive returns. The market outcome clearly illustrated a two speed global economy in which commodity producers continue to benefit from the extended growth in rapidly industrialising emerging economies whilst most other sectors suffered from turbulent conditions in more advanced (esp. western) economies. At the heart of the market downturn is the continuing fallout from the sub-prime housing loan debacle and the associated crisis in credit markets, and a downturn in consumer confidence driven by falling house prices and rising energy costs. The (sub-prime) storm cloud on the horizon at the close of last year turned into a hurricane, with the world's largest banks and securities firms reporting \$408 billion in asset write-downs and credit losses since the start of last year.

Growth in global economic activity has been very mixed, with real economic growth in China continuing at a strong 10% pace, although despite continued strong industrial production, there are signs of a slowdown in certain areas of China, such as eastern seaboard property and manufacturing for exports. In the west, economic activity has slowed considerably. According to the former governor of the St. Louis Fed, the US is experiencing its worst housing slump since the Great Depression. In the Euro area, industrial production is experiencing its biggest falls since 1992. Record oil prices have seen energy costs as a share of global GDP return to peak levels of 1980, which event precipitated a savage recession. According to the IMF, global GDP growth will moderate to about 4 per cent in 2008 and 2009, with slowing concentrated among the developed economies of North America, Europe and Japan.

At the regional level, all markets fell as reflected in the following share price index performance table. The \$US fell against each of the other named currencies:

Region	World (\$US)	US (\$US)	Europe (Euro)	Japan (Yen)	China (Yuan)
Benchmark	MSCI World	S&P500	DJ Euro Stoxx	Nikkei 225	Shanghai A
Return	-12.5%	-14.9%	-26.0%	-25.7%	-28.4%

*Source: DataStream, IRESS and www.stoxx.com*

The table below sets out top five and bottom five sector performances over the year.

### Sector Performance- FTSE World total returns for year to June 30 2008

SECTOR	RETURNS (AUD)
<b>Top 5</b>	
MINING	25%
OIL EQUIPMENT, SERVICES & DISTRIBUTION	19%
INDUSTRIAL METALS	8%
OIL & GAS PRODUCERS	8%
CHEMICALS	6%
<b>Bottom 5</b>	
NONLIFE INSURANCE	-31%
MEDIA	-32%
GENERAL FINANCIAL	-37%
FORESTRY & PAPER	-39%
BANKS	-39%

*Source: DataStream*

As usual, the key drivers of total portfolio returns during the year were changes in:

- Corporate earnings,
- Company distributions,
- PE multiples and
- Movements in the \$A.

#### Corporate earnings and distributions

Growth in corporate earnings (ex financials) for international stocks appears on track for high single digit (c.9%) earnings growth in CY08, following c. 10% growth in CY07. Earnings growth has been strongest in energy, materials, and IT and weakest in consumer discretionary and utilities.

Corporate margins remain near peak levels. Return on Equity and Free Cash Flow generation were equally strong. Retained earnings are currently more than adequate to meet normal capital expenditure requirements. Dividend yields for the world ex financials average c.2.5% and dividends have grown slightly slower than earnings growth. Overall, corporate financial health ex financials is very satisfactory. But as noted above, it is precisely the demonstrated weakness in the corporate health of the financial sector (where Bentley has limited exposure), that has driven the market down, and this weakness, when combined with a weak consumer sector, has fuelled the bear market.

### PE Multiples

Market returns in 2008 were effected by a reduction in PE multiples. In effect the market has inferred that analyst bottom up estimates for 2008 have been too optimistic, and the recent weakness in the economy and earnings revisions have supported the “market’s” less optimistic outlook on short-term earnings.

**PE Table – World**

	2005	2006	2007	2008
Market ex Financials	14.7	15.1	15.2	13.4
Energy	9.2	10.0	11.1	9.6
Materials	10.7	11.1	11.4	12.4
Industrials	16.7	16.9	16.2	14.6
Consumer	16.1	17.5	17.6	15.3
Discretionary				
Consumer Staples	17.3	17.7	17.9	17.2
Healthcare	17.8	17.5	16.8	13.9
Information Technology	20.6	20.6	18	17.7
Telecommunication	14.0	14.2	15.5	13
Utilities	14.4	16.0	16.4	17.9

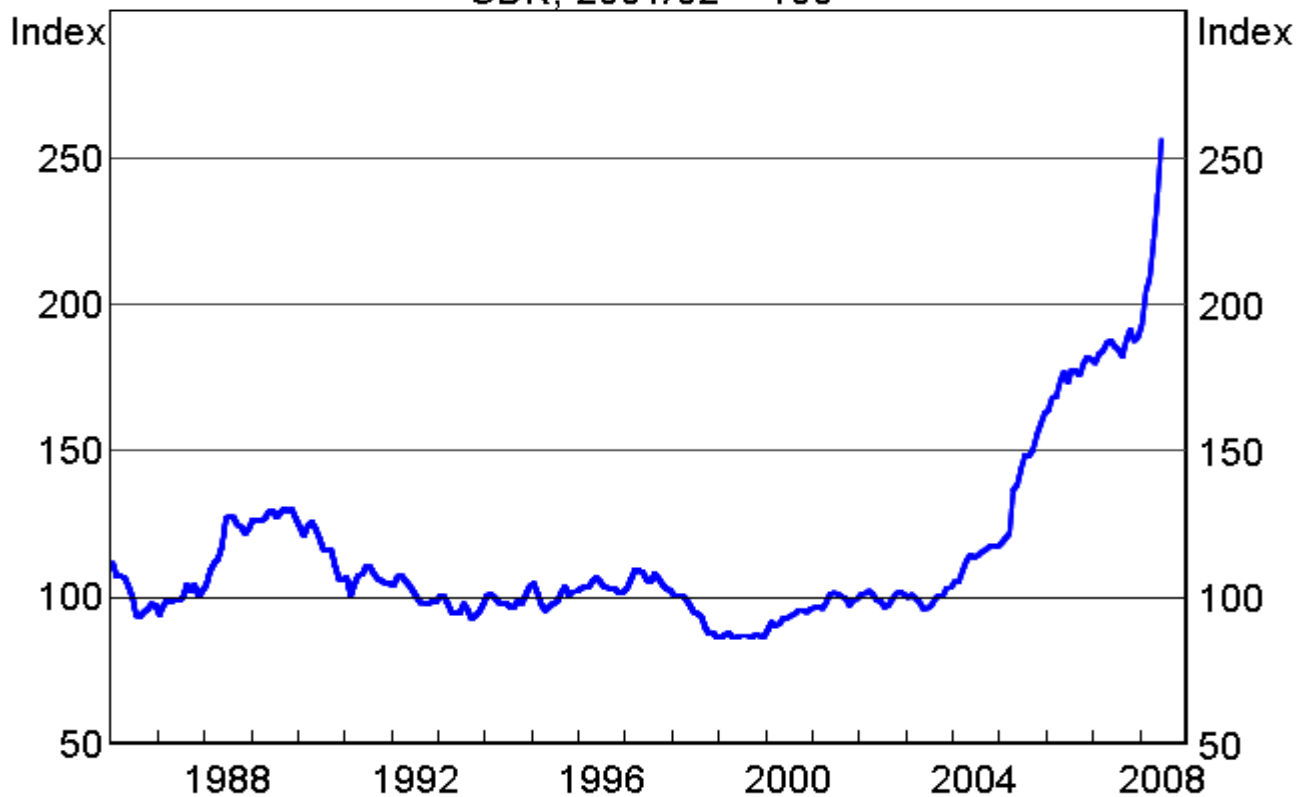
Source: UBS

### Currencies - the \$A

The \$A has continued its surge in 2008, on the back of a continuing improvement in terms of trade together with a strong interest rate differential between the official rates available in Australia and the US.

## RBA Index of Commodity Prices

SDR, 2001/02 = 100



Source: RBA July 2008

The chart above shows the strong rise in commodities which has benefited Australia's terms of trade, and thus helped the surge in the \$A. Commodity prices have benefited from a range of factors, including continuing strong growth in demand from emerging economies, especially China, and supply disruptions, including infrastructure delays (rail, ports, shipping) and more recently floods effecting Queensland coal. Some economists have recently mused that loose monetary policies have exacerbated underlying demand. Whilst accommodative policies in the soft advanced (G3 i.e. US, Japan, Euro) economic areas may currently be appropriate, economists question whether loose policies are appropriate in the fast industrialising (read commodity consuming) emerging economies.

Because the currency exposures from the investments of the portfolio were unhedged, this increase in the \$A has had a detrimental impact on \$A returns.

### Bentley Portfolio Returns

The portfolio has returned negative 16.6% (in \$A) for the year ended 30 June 2008, which is a little ahead of the portfolio benchmark return of negative 17.3% for the same period, but significantly higher than the broad based MSCI World ex Australia return of negative 20.8%.

When reviewing the portfolio performance against traditional benchmarks (such as the MSCI World ex Australia), we note that Bentley did not have large exposures to the underperforming financial sector. This is because this sector is readily available in the Australian market, and is well represented in many investors' domestic portfolios and in the domestic (i.e. Australian) component of the HomeGlobal™ portfolio. Bentley only invests in securities within the international component of the HomeGlobal portfolio. In addition, we note the Bentley portfolio has significant exposure to the Oil and Gas sector, which performed well in 2008. Accordingly, we note that the Bentley portfolio performed ahead of global markets (as reflected by benchmarks such as the MSCI World ex Australia index), over the year to 30 June 2008. The most significant contributions by sector to portfolio returns over the year to 30 June 2008 are shown in the table below.

<b>June 2007 - June 2008</b>			
<b>Top 10</b>	<b>Weight</b>	<b>Return</b>	<b>Contribution to Return</b>
OIL & GAS PRODUCERS	7.8%	8%	0.6%
OIL EQUIPMENT, SERVICES & DISTRIBUTION	1.4%	19%	0.3%
CHEMICALS	3.0%	6%	0.2%
NONEQUITY INVESTMENT INSTRUMENTS	0.2%	0%	0.0%
GAS, WATER & MULTIUTILITIES	0.6%	-2%	0.0%
EQUITY INVESTMENT INSTRUMENTS	0.1%	-26%	0.0%
FORESTRY & PAPER	0.1%	-39%	0.0%
NONLIFE INSURANCE	0.4%	-31%	-0.1%
TOBACCO	2.1%	-11%	-0.2%
LEISURE GOODS	2.3%	-14%	-0.3%
<b>Bottom 10</b>			
HOUSEHOLD GOODS	2.8%	-25%	-0.7%
INDUSTRIAL ENGINEERING	4.2%	-18%	-0.7%
MOBILE TELECOMMUNICATIONS	4.4%	-18%	-0.8%
ELECTRONIC & ELECTRICAL EQUIPMENT	3.7%	-22%	-0.8%
SOFTWARE & COMPUTER SERVICES	7.0%	-13%	-0.9%
GENERAL INDUSTRIALS	4.1%	-29%	-1.2%
AUTOMOBILES & PARTS	5.3%	-29%	-1.6%
MEDIA	5.0%	-32%	-1.6%
PHARMACEUTICALS & BIOTECHNOLOGY	9.4%	-18%	-1.7%
TECHNOLOGY HARDWARE & EQUIPMENT	13.8%	-23%	-3.1%

*Source: Constellation, DataStream*

## Investment Outlook

At the time of writing, markets are digesting a multiplicity of concerns including;

1. A proposed resolution to the apparent capital imbalance faced by Fannie Mae and Freddie Mac who collectively own or insure approximately half of US housing loans;
2. Profit (or in many cases loss) results from and recapitalisation requirements of the big US financial institutions;
3. Inflation fears expressed by US Fed Chairman Bernanke and the IMF;
4. Continuing weak economic indicators;
5. Geopolitical concerns including Israel's threat to bomb the nuclear facilities of Iran, the world's 4<sup>th</sup> largest oil producer and 2<sup>nd</sup> largest oil reserves.

The "wall of worry" is large by any standards and any analysis of the investment outlook requires a review of the underlying market fundamentals as well as reviewing a number of catalysts that can improve investor confidence.

Much of the early news in the current market downturn focussed on the financial sector and the health of the underlying financial system. Fortunately sovereign wealth funds and others have provided and continue to provide long term equity funds to recapitalise much weakened balance sheets of leading financial players. In addition various players in the regulatory sphere have worked together to ensure in the first instance orderly capital markets via provision of liquidity and secondly to identify and implement mechanisms to address weakness in the system, e.g. since the near collapse of Bear Stearns and its purchase by JP Morgan, the Fed's proposal to introduce new tools to facilitate the orderly liquidation of a systemically important securities firm. The intent to address systemic issues and improve prudential oversight of financial institutions is there, albeit belated. If anything, market concerns have moved on from systemic risks to more fundamental concerns relating to inflation and economic growth.

The IMF expects global growth to slow significantly in the second half of the year, before recovering gradually in 2009. In its latest report released in July 2008, the IMF said the global economy is in a tough spot, caught between sharply slowing demand in many advanced economies and rising inflation everywhere, notably in emerging and developing economies. Such prognostications have elicited fears of the stagflation environment of the 1970s. Fortunately globalization since that time has allowed increased free trade in goods and services, and has allowed a safety valve to inflationary pressures in contrast to the more constricted earlier environment. In a globalised world, a slowing economy as envisaged above can be expected to provide some relief from the inflationary forces caused by rising commodity prices.

The current slowdown in the world economy, to the extent it deflates the bubble in commodities, especially oil, will take considerable pressure off western consumers and reduce inflationary fears, and paradoxically may act as the catalyst for a more positive outlook for both economic growth and equities generally. This could be seen as rebasing within an economic cycle before the next upward leg and in a less stressed (lower risk) environment. In this context, one considerable unknown relates to the duration of any below trend growth in consumer spending as western households seek to rebuild household balance sheets. At the end of the day, the economic cycle pertains and following a period of above trend growth and excessive leverage, the world and the market is adjusting in a normal way. Interestingly, the more subdued IMF growth outlook for 2009 is in line with average world economic growth rates over the last 15 years.

The fundamental characteristics of "world Inc" are attractive compared to long-term averages; e.g. PE multiples are below average, corporate balance sheet strength ex financials are above average and so corporates are well placed to withstand the current economic weakness. Recapitalisations within the financial sector and regulatory enhancements to the financial system are strengthening the market's core. In summary, the market is well down the path of cleansing the excesses of the last boom, and the Bentley portfolio is well positioned to provide exposure to a resumption in growth in the world stock markets.



**BENTLEY INTERNATIONAL LIMITED**  
**HOMEGLOBAL™ PORTFOLIO**

**TOP 20 HOLDINGS AS AT 30 JUN '08**

<b>Stock</b>	<b>Sector</b>	<b>Country</b>	<b>Wgt (%)</b>	
MICROSOFT	Software & Computer Services	United States	2.5	
EXXON MOBIL	Oil & Gas Producers	United States	2.0	
PROCTER & GAMBLE	Household Goods & Home Construction	United States	1.8	
INTERNATIONAL BUS.MACH.	Software & Computer Services	United States	1.8	
GENERAL ELECTRIC	General Industrials	United States	1.5	
VODAFONE GROUP	Mobile Telecommunications	United Kingdom	1.4	
JOHNSON & JOHNSON	Pharmaceuticals & Biotechnology	United States	1.4	
SOUTHERN	Electricity	United States	1.3	
APPLE	Technology Hardware & Equipment	United States	1.3	
NESTLE SA	Food Producers & Processors	Switzerland	1.2	
CISCO SYSTEMS	Technology Hardware & Equipment	United States	1.2	
GOOGLE 'A'	Software & Computer Services	United States	1.2	
INTEL	Technology Hardware & Equipment	United States	1.2	
CHEVRON	Oil & Gas Producers	United States	1.0	
BP	Oil & Gas Producers	United Kingdom	1.0	
HEWLETT-PACKARD	Technology Hardware & Equipment	United States	1.0	
NOVARTIS 'R'	Pharmaceuticals & Biotechnology	Switzerland	1.0	
GLAXOSMITHKLINE	Pharmaceuticals & Biotechnology	United Kingdom	1.0	
CHINA MOBILE	Mobile Telecommunications	Hong Kong	1.0	
TOTAL	Oil & Gas Producers	France	1.0	

**TOP 10 PERFORMERS - YEAR ENDING 30 JUN '08**

<b>Stock</b>	<b>Sector</b>	<b>Country</b>	<b>Return (%)</b>	
			<b>Local</b>	<b>A\$</b>
RESEARCH IN MOTION	Technology Hardware & Equipment	Canada	67.5	52.2
HIGH TECH COMPUTER	Technology Hardware & Equipment	Taiwan	57.8	48.2
SYNGENTA	Chemicals	Switzerland	42.3	47.7
BG GROUP	Oil & Gas Producers	United Kingdom	60.6	39.3
NINTENDO	Leisure Goods	Japan	35.4	34.2
ENCANA	Oil & Gas Producers	Canada	44.8	31.6
CANADIAN NATURAL RES.	Oil & Gas Producers	Canada	43.1	30.1
ANADARKO PETROLEUM	Oil & Gas Producers	United States	44.8	24.9
HERMES INTL.	Personal Goods	France	20.4	21.6
ALSTOM	Industrial Engineering	Hong Kong	20.1	21.3

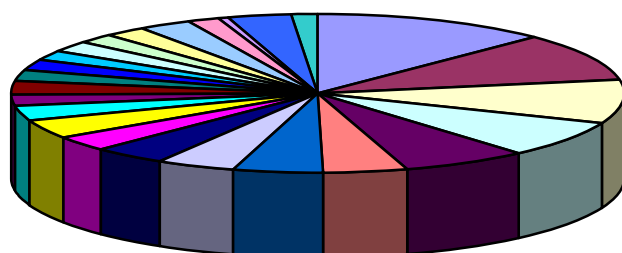
**BOTTOM 10 PERFORMERS - YEAR ENDING 30 JUN '08**

<b>Stock</b>	<b>Sector</b>	<b>Country</b>	<b>Return (%)</b>	
			<b>Local</b>	<b>A\$</b>
ERICSSON 'B'	Technology Hardware & Equipment	Sweden	-52.4	-52.8
STMICROELECTRONICS (PAR)	Technology Hardware & Equipment	France	-53.6	-53.2
MICHELIN	Automobiles & Parts	France	-54.9	-54.5
TF1 (TV.FSE.1)	Media	France	-56.0	-55.6
FORD MOTOR	Automobiles & Parts	United States	-48.9	-56.0
ALCATEL-LUCENT	Technology Hardware & Equipment	France	-62.8	-62.4
LEOPALACE21	Household Goods & Home Construction	Japan	-62.5	-62.8
NORTEL NETWORKS	Technology Hardware & Equipment	Canada	-67.5	-70.4
GENERAL MOTORS	Automobiles & Parts	United States	-68.4	-72.8
PERSIMMON	Household Goods & Home Construction	United Kingdom	-71.0	-74.8

**BENTLEY INTERNATIONAL LIMITED**  
**HOMEGLOBAL™ PORTFOLIO**

<b>SECTOR EXPOSURES (%) 30 Jun 2008</b>	<b>PORTFOLIO BENCHMARK</b>	
TECH HARDWARE & EQUIPMENT	12.4	13.5
OIL & GAS PROD'N	9.9	9.7
PHARMA & BIOTECH	8.9	8.3
SOFTWARE & COMP SRVS	7.2	7.6
ELECTRICITY	6.9	6.3
AUTOMOBILES & PARTS	4.3	4.9
MOBILE TELECOMS	4.7	4.6
INDUSTRIAL ENGINEERING	4.2	4.4
MEDIA	3.9	3.9
GENERAL INDUSTRIALS	3.1	3.9
ELECTRONIC & ELECTRIC EQUIP	4.0	3.9
AERO & DEFENCE	3.0	3.0
FOOD PROD & PROCESSORS	2.0	2.9
HOUSEHOLD GOODS	2.8	2.7
LEISURE GOODS	2.4	2.6
PERSONAL GOODS	2.2	2.5
HEALTH EQUIP & SERVICES	1.8	2.5
TOBACCO	2.3	2.4
LIFE INSURANCE	2.1	2.2
FIXED LINE TELECOMS	2.3	2.0
CHEMICALS	2.6	1.6
OIL & GAS SERVICES	1.8	1.3
NONLIFE INSURANCE	0.3	0.9
ALTERNATIVE ENERGY	-	0.4
OTHER	3.4	2.2
CASH	1.5	
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

**Portfolio Sector Weights**



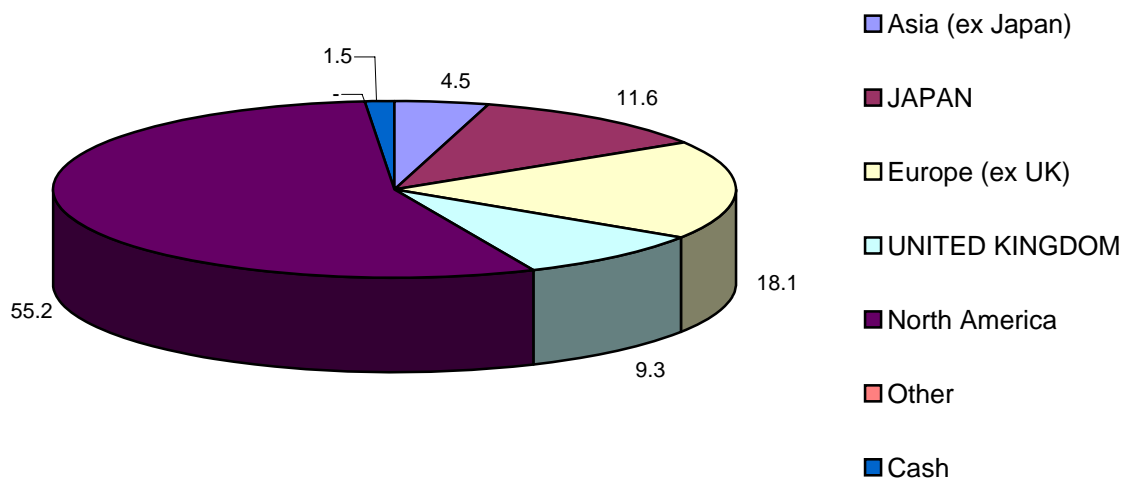
- TECH HARDWARE & EQUIPMENT
- OIL & GAS PROD'N
- PHARMA & BIOTECH
- SOFTWARE & COMP SRVS
- ELECTRICITY
- AUTOMOBILES & PARTS
- MOBILE TELECOMS
- INDUSTRIAL ENGINEERING
- MEDIA
- GENERAL INDUSTRIALS
- ELECTRONIC & ELECTRIC EQUIP
- AERO & DEFENCE
- FOOD PROD & PROCESSORS
- HOUSEHOLD GOODS
- LEISURE GOODS
- PERSONAL GOODS
- HEALTH EQUIP & SERVICES
- TOBACCO
- LIFE INSURANCE
- FIXED LINE TELECOMS
- CHEMICALS
- OIL & GAS SERVICES
- NONLIFE INSURANCE
- ALTERNATIVE ENERGY
- OTHER
- CASH

**BENTLEY INTERNATIONAL LIMITED**  
**HOMEGLOBAL™ PORTFOLIO**

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<b>REGIONAL EXPOSURES (%) 30 Jun 2008</b>	<b>PORTFOLIO BENCHMARK</b>	
Asia (ex Japan)	4.5	7.5
JAPAN	11.6	11.5
Europe (ex UK)	18.1	19.5
UNITED KINGDOM	9.3	7.1
North America	55.2	52.2
Other	-	2.2
Cash	1.5	-
<b>TOTAL</b>	<b>100</b>	<b>100</b>

**Portfolio Region Weights**



**BENTLEY INTERNATIONAL LIMITED**  
**HOMEGLOBAL™ PORTFOLIO**

<b>TOP 10 HOLDINGS AS AT 30 JUN '08</b>		
<b>Stock</b>	<b>Sector</b>	<b>Profile (Source: Extel Company Analysis)</b>
MICROSOFT	Software & Computer Services	The Group's principal activity is to develop, manufacture, license and support a wide range of software products for a multitude of computing devices. It's operates in six segments: Client; Server and Tools; Online Services Business; Microsoft Business Division; Entertainment and Devices Division; Unallocated and other. The software products include scalable operating systems for servers, personal computers and intelligent devices; server applications for client or server environments; information worker productivity applications; business solutions applications and software development tools. It also provides consulting and product support services. It trains and certifies system integrators and developers. It sells the Xbox video game console and games, PC games and peripherals. The online businesses are MSN subscription and the Internet products and services.
EXXON MOBIL	Oil & Gas Producers	The Group's principal activities are exploration, production, transportation and sale of crude oil and natural gas. The Group operates through three segments: Upstream, Downstream and Chemicals. The Upstream operates to explore for and produce crude oil and natural gas. The Downstream segment manufactures and markets petroleum products. The Chemicals segment manufactures and markets petrochemicals. The Group manufactures petroleum products, which includes olefins, aromatics, polyethylene and polypropylene plastics and other specialty products. It is also a major worldwide manufacturer and marketer of petrochemicals and participates in electric power generation. The Group operates and markets in the United States, Canada, Europe, Africa, Asia Pacific and Middle East, Russia and Caspian and South America.
PROCTER & GAMBLE	Household Goods	The Group's principal activity is to manufacture and market consumer products. It operates in seven business segments: Beauty; Health Care; Fabric Care and Home Care; Pet Health, Snacks and Coffee; Baby Care and Family Care; Blades and Razors and Duracell and Braun. Fabric and home care includes laundry care, dish care, fabric enhancers and hard surface cleaners. Beauty care includes cosmetics, hair care, skin care, deodorants, fragrances, and other products. Baby and family care segment includes products such as tissues, towel, diapers, wipes. Health care includes personal health care, oral care, pharmaceuticals and pet health and nutrition. Snacks and beverage includes coffee, snacks, commercial services, juice, peanut butter and shortening and oil. The products are sold in more than 180 countries around the world.
INTERNATIONAL BUSINESS MACHINES (IBM)	Software & Computer Services	The Group's principal activity is to provide business and information technology services. It operates through five segments: Global Technology Services segment reflects infrastructure services, delivering value through the company's global scale, standardization and automation. Global Business Services segment primarily reflects professional services, delivering business value and innovation to clients through solutions which leverage industry and business process expertise. Systems and Technology Group provides IBM's clients with business solutions requiring advanced computing power and storage capabilities. Software consists primarily of middleware and operating systems software. Global Financing segment includes customer financing, commercial financing and remarketing. The Group operates in the United States, Japan and other countries
GENERAL ELECTRIC	General Industrials	The Group's principal activity is to develop, manufacture and market a wide variety of products for the generation, transmission, distribution, control and utilization of electricity. The products include major appliances, lighting products, industrial automation products, medical diagnostic imaging systems, bioscience assays and separation technology products, electrical distribution and control equipment. The Group offers financial and other services including consumer financing, commercial and industrial financing, real estate financing, asset management and leasing, mortgage services, consumer savings and insurance services. The Group's products and services are sold to a diverse worldwide commercial and residential customer base in the transportation, industrial, pharmaceutical and healthcare markets. Major acquisitions of the Group during 2006 include ZENON Environmental Inc, IDX Systems Corporation, Biacore International AB and iVillage Inc.

VODAFONE GROUP	Mobile Telecommunications	The Group's principal activity is providing voice and data communications services. Through its mobile businesses, the Group provides a range of mobile communications services including voice, text messages, picture messages and other data. The Group is also focusing on developing total communications solutions for customers broadband connectivity. The Group operates in Europe, the Middle East, Africa, Asia, Pacific & the United States.
JOHNSON & JOHNSON	Pharmaceuticals & Biotechnology	The Group's principal activity is to manufacture and market products in the health care field. The Consumer segment manufactures and markets a broad range of products used in the baby and childcare, skin care, oral and wound care and women's health care fields. The Pharmaceutical segment provides franchises in the antifungal, anti-infective, cardiovascular, contraceptive, dermatology, gastrointestinal, psychotropic and urology fields. The Medical Devices and Diagnostics segment includes products used by or under the direction of physicians, nurses, therapists, hospitals, diagnostic laboratories and clinics. Some of the brand names are AVEENO(R), JOHNSON'S(R), RISPERDAL(R), CONSTA(R) and PROCRI(R). It operates in the United States of America, Europe, Western Hemisphere, excluding U.S.A., Africa, Asia and Pacific countries.
THE SOUTHERN COMPANY	Electricity	The Group's principal activities are to acquire, develop, build, own and operate power production and delivery facilities. The Group operates in two segments: Electric Utilities and Other. Electric Utilities generate and sell electricity to retail and wholesale customers in the Southeast. The other segment provides telecommunications, energy products and services and investment in synthetic fuels and leveraged lease projects. The energy related services are provided to utilities and industrial companies. The Group operates its business through its five retail operating companies including Alabama Power, Georgia Power, Gulf Power, Mississippi Power and Savannah Electric. It solely operates in domestic market.
APPLE INC	Information Technology Hardware	The Group's principal activities are to design, manufacture and market personal computers and related software, peripherals and personal computing and communicating solutions. It offers a range of personal computing products including desktop and notebook personal computers, related devices and peripherals, networking and connectivity products and various third-party hardware products. The Group also designs, develops and markets a line of portable digital music players along with related accessories and services, including the online sale of third-party audio and video products and iPhone products. The customers of the Group include educators, creative professionals, consumer and business markets. The Group sells its products through its online stores, direct sales force, third-party wholesalers and resellers and its own retail stores. It has its operations in the United States, Europe, Japan and Asia Pacific. As on 29-Sep-2007, the Group operated 197 stores.
NESTLE SA	Food Producers & Processors	The Group's principal activity is the manufacture of the following products: Beverages (instant coffee, ground roasted coffee, ready-to-drink coffee, chocolate and malt flavored beverages and mineral water); Prepared dishes, cooking aids (frozen products, soups, bouillons, sauces and culinary preparations, pasta and sauces, noodles, delicatessen products and cold meat); Milk products, nutrition and ice cream (powdered milk, coffee creamer, infant nutrition, dietetic foods, yoghurt, cereals, desserts and ice-cream); Pet care Products; Chocolate and Confectionery; Pharmaceutical Products (ophthalmic therapeutic drugs, contact lens care solutions, surgical instruments and equipment, intraocular lenses and products used during surgery and dermatology). The Group operates in Europe, Americas, Asia, Oceania and Africa.

**TOP 10 PERFORMERS - PERIOD ENDING 30 JUN '08**

<b>Stock</b>	<b>Sector</b>	<b>Profile</b> (Source: <i>Extel Company Analysis</i> )
RESEARCH IN MOTION	Technology Hardware & Equipment	The Group's principal activity is to design, manufacture and wireless communications products, services and software for the mobile communications market. The Group provides platforms and solutions for access to time-sensitive information including email, phone, SMS messaging, Internet and intranet-based applications. The Group's technology also enables a broad array of third party developers and manufacturers to enhance their products and services with wireless connectivity to data. The operations of the Group are carried out in the United States, Canada and other countries.
HIGH TECH COMPUTER	Technology Hardware & Equipment	The Group's principal activities are designing, manufacturing and selling smart handheld devices. Products include computer and its components, world-class mobile computing and communication solutions for OEM (original equipment manufacturer) and ODM (original design manufacturer) customers, such as PDA phone, smart phone, PDA compact and others. Trademarks include HTC Engineering Mobility, HTC Innovation, ExtUSB, TyTN and MTeoR. The Group exports its products to Asia, the United States of America, Europe and other countries.
SYNGENTA	Chemicals	The Group's principal activities are to discover, develop, manufacture and market agricultural products designed to improve crop yields and food quality. The Group operates through crop protection segment and seeds segment. Crop protection segment manufactures, distributes and sells herbicides, insecticides and fungicides. The crop protection products improve quality by controlling weeds, diseases and insects. The seed segment sells seeds for growing corn, sugar beet, oilseeds, vegetables and flowers. The crop protection and seeds industries offer products that provide essential support to modern agriculture. The Group has operations in Europe, Africa and the Middle East.
BG GROUP	Oil & Gas Producers	The Group's principal activity is exploring for, developing, producing, transmitting, distributing and supplying natural gas. It is organised in five segments. Exploration and Production focuses on onshore and offshore hydrocarbon activities in Bolivia, Canada, Egypt, India, Kazakhstan, Thailand, Trinidad and Tobago, Tunisia and the United Kingdom. Liquefied Natural Gas activities combine liquefaction and regasification facilities with the purchasing, shipping and sale of Liquefied Natural Gas. Transmission and Distribution develops markets and infrastructure for the delivery of gas. Power Generation develops, owns and operates gas-fired power generation plants. The Group's other activities relate to the co-generation and related energy supply services in Brazil. The Group's operations are managed in five main geographical areas comprising Europe and Central Asia, South America, Asia Pacific, North America and the Caribbean, and Mediterranean Basin and Africa.
NINTENDO	Leisure Goods	The Group's principal activity is to manufacture hardware and software for home video game systems namely Nintendo Gamecube and the Game boy series. The operations are carried out through the following divisions: Games hardware, Games software and Other. The Other operations involve Japanese card games. The Group is further seeking ways to diversify applications of video games, such as electronic mail boxes. These products are marketed in both domestic as well as international markets.
ENCANA	Oil & Gas Producers	The Group's principal activities are to explore, produce and market natural gas, crude oil and natural gas liquids. It operates through two segments namely: Upstream and Midstream and Marketing. Upstream focuses on the exploration, development and production of natural gas, crude oil and natural gas liquids (NGLs) and other related activities. The Midstream and Marketing division focuses on natural gas operations, NGLs processing and power generation operations. It also undertakes market optimization activities to enhance the sale of Upstream's proprietary production. The Group operates in the United States and Canada. The new venture exploration programs are focused on opportunities in Brazil, the Middle East, Greenland and France.
CANADIAN NATURAL RES.	Oil & Gas Producers	The Group's principal activities are to acquire, explore, develop, produce, market and the sale of oil and natural gas. The Group initiates, operates and maintains a large working interest in a majority of the prospects in which it participates. The Group's principal core areas of oil and natural gas operations are in the Western Canadian Sedimentary Basin, the United Kingdom sector of the North Sea and Offshore West Africa.
ANADARKO PETROLEUM	Oil & Gas Producers	The Group's principal activities are exploring, developing, producing and marketing oil and gas. It operates in three segments: Oil and Gas Exploration, Marketing and

		Midstream businesses. The Oil and Gas segment explores and produces natural gas, crude, oil, condensate and natural gas liquids. The Marketing segment sells most of the Group's production, as well as commodities purchased from third parties. The Midstream segment engages in gathering, processing, treating and transporting the Group's and third party oil & gas production. The Group's major areas of operations are located in The Rocky Mountains, the deep water Gulf of Mexico, the southern area of the United States and internationally. As of 31-Dec-2007, the Group has 2.43 billion barrels oil-equivalent of proved reserves.
HERMES INTL.	Personal Goods	The Group's principal activity is to design and market luxury goods. Their products are classified into Leather, Clothes & Accessories, Watches, Silk, Perfumes, Tableware and Other Materials. Leather products include luggage, handbags and belts. Silk products include ties, scarves and accessories. Perfumes include Caleche, Amazone, Parfum d'Hermes, Equipage, Bel Ami and Eau d'Hermes. Watches include Tableware, china and crystal. Other Accessories includes jewels, gloves and hats. On 30-Jan-2007, the Group acquired SARL Tajan Conseil. On 12-July-2007, the Group acquired Soficuir International.
ALSTOM	Industrial Engineering	The Group's principal activity is to act as a holding company providing services in the following sectors: Power Generation & Power Services and Transport. Power generation sector provides power, equipment and services to the concerned industry. The equipment manufactured by the Group include turbines, alternators, boilers, combined-cycle power plants. Transport sector includes rail transport which supplies rolling stock, transport infrastructure and signalling and maintenance equipment. The Group's customers include urban transit authorities and operators, rail freight and intercity passenger rail operators and rolling stock and infrastructure owners. The Group has operations worldwide. In 2006, the Group acquired Wuhan Boiler Company and Shenzhen Strongwish. On 31-Oct-2007, the Group acquired Ecotecnia. On 25-Sep-2007, the Group acquired Wuhan Boilers Company.

**BOTTOM 10 PERFORMERS - PERIOD ENDING 30 JUN '08**

<b>Stock</b>	<b>Sector</b>	<b>Profile</b> (Source: <i>Extel Company Analysis</i> )
ERICSSON 'B'	Technology Hardware & Equipment	The Group's principal activity is to develop and supply advanced systems and services for mobile and fixed line communications to network operators. The Group operates through two business divisions, Systems and Other operations. Systems division offers solutions to operators for both mobile systems and wire line multi-service networks. The Group's solutions include telecommunication and data communication products, which provides end-to-end solutions, systems and service that enable mobile and fixed-line networks to transmit voice, data and multimedia communication. Other operations consist of technology licensing, business innovation and enterprise systems. The Group has operations in Europe, Middle East, Africa, Asia Pacific, North America and Latin America. In 2006, the Group acquired Marconi Telecommunications. In 2007, the Group acquired Redback Networks Inc.
STMICROELECTRONICS (PAR)	Technology Hardware & Equipment	The Group's principal activity is to manufacture and supply semi-conductors. The Group operates under three major segments: Application specific products, Industrial and Multi-segment and Flash Memory. Under Application specific products, the Group offers conductors for audio, home video and mobile systems such as audio decoders, processor ICs, digital and analog processors, converters, multimedia processors and audio amplifiers. Under Industrial and Multi-segment, it develops and manufactures discrete power devices, (power transistors and other discrete power devices), standard linear and logic ICs, and radio frequency products. It also maintains and develops high-end analog products and microcontroller applications. Under Flash Memory, it conducts research and development and product-related activities, front and back-end manufacturing, marketing and sales. The Group operates mainly in Europe, the United States and Asia Pacific region.
MICHELIN	Automobiles & Parts	The Group's principal activity is to manufacture tyres for automobiles. The Group offers tyres for passenger cars, earthmovers, trucks, aircraft, two-wheeled vehicles and tractors. The Group specializes in different varieties of tyres such as radial, steel wheels and Pax systems. The Group also offers lifestyle products such as footwear, sports and leisure accessories, inflation and pressure monitoring products, safety accessories and wheel and tyre change items. The Group also publishes an annual magazine, 'Editions des Voyages' providing maps and road guides. The Group operates mainly in Europe and North America. In 2007, the Group acquired Oliver Rubber Co.
TF1 (TV.FSE.1)	Media	The Group's principal activity is to operate television channels. The Group operates under four major divisions: France Broadcasting, International Broadcasting, Audio Visual Rights and Others. The channels under France broadcasting include LCI, TF6, TV Breizh and TMC. International broadcasting comprises of Europort and France 24 channels which broadcast sports events and international news. Under Audio-visual rights, the Group is involved in co-production of French cinema, features and television programs and purchase and distribution of films and television rights for all media. The Group offers advertising space in its satellite channels and internet site and offers services on pay-per-view basis. The Group is involved in publishing and distribution of video cassettes, sale of merchandise derived from the channel's programs. The Group operates mainly in Europe. In 2007, the Group acquired Dujardin and Telema.
FORD MOTOR	Automobiles & Parts	The Group's principal activity is to produce and sell cars and trucks. The Group is also engaged in other business such as financing and renting vehicles and equipment. The Group operates through two segments: Automotive and Financial Services. Vehicles of this segment include Ford, Lincoln, Mercury, Volvo, Land Rover, Aston Martin and related service parts. The Automotive segment consists of the design, manufacture, sale and service of cars and trucks, automotive components and systems. The Financial services segment consists of vehicle-related financing, leasing and insurance, renting and leasing of cars and trucks and renting industrial and construction equipment and other activities. The Group operates in North America, South America, Europe, Africa and Asia-Pacific.
ALCATEL-LUCENT	Technology Hardware & Equipment	The Group's principal activity is to provide communications solutions to telecommunication carriers, internet service providers and enterprises for delivery of voice, data and video applications to their customers. The Group operates under three major segments: Carrier, Enterprise and Services. Under the Carrier segment, the Group offers fixed and mobile communications as well as network solutions. Under the



		Enterprise segment, it provides enterprise solutions such as on-premise installation support and related services. Under the Services segment, it operates worldwide services organization which provides services like deployment, maintenance, integration. The Group also offers services like multimedia messaging, broadband access, VoIP and voice in industry & public sectors. The Group has a global presence. In 2007, the Group acquired Informiam, NetDevices and Tropic Networks.
LEOPALACE21	Household Goods & Home Construction	The Group's principal activity is to construct residential buildings such as condominiums. The operations are carried out through the following divisions: Work Contracts; Leasing; Hotel/Resort and Other. Work Contracts division is engaged in construction work contracts of condominiums and other. Leasing division deals in leasing and management of condominiums, leasing related services, repair works. Hotels/Resorts division is engaged in the operations of hotels and resort facilities, sale of membership rights for resort clubs. Other operations include real estate backed loans and other financing and sale of detached houses.
NORTEL NETWORKS	Technology Hardware & Equipment	The Group's principal activity is to design, develop, manufacture, assemble and distribute network solutions. It operates in four segments; Carrier Networks: provides mobility networking solutions using CDMA, GSM and UMTS radio access technologies. Enterprise Solutions: Provides united communication solutions to enterprise customers like data networking, wireless LAN, voice solutions etc. Metro Ethernet Networks: Provides a broad range of network services to carrier and enterprise customers throughout the entire lifecycle of their networks including network integration and network managed services. Global Services: Enables high speed delivery of diverse multi-media communications services and Others. The products, services and solutions are marketed under trademarks NORTEL, NORTEL NETWORKS, NT, the GLOBEMARK and SUCCESSION. The Group operates in Canada, the United States, Europe, Middle East, Africa, Latin America and the Caribbean region.
GENERAL MOTORS	Automobiles & Parts	The Group's principal activities are carried out through two business segments: Automotive and Other Operations and Financing and Insurance Operations. Automotive and other operations segment designs, manufactures and markets cars, trucks, locomotives and heavy-duty transmissions and related parts and accessories. The Financing and insurance operations segment operates through General Motors Acceptance Corporation and other financing entities. The financing services include consumer vehicle financing, full-service leasing and fleet leasing, dealer financing and car and truck extended service contracts, residential and commercial mortgage services, commercial and vehicle insurance and asset-based lending. The insurance operations provide automobile and homeowners insurance, automobile mechanical protection, reinsurance and commercial insurance. The Group operates in the United States, Canada, Mexico, Europe, Asia Pacific and Latin America.
PERSIMMON	Household Goods & Home Construction	The Group's principal activity is house building carried out within England, Wales and Scotland. The Group's property project include bungalows, two and three bed terraced and semi-detached houses and three, four and five bed detached properties and luxury apartments which are being offered from a range of modern and traditional style. The Group also provides services relating to home adding and upgrading such as chrome fittings, conservatories, floor coverings, fireplaces, alarm systems, turfed gardens, additional electrics, loft ladders and TV aerials. It has operations in 27 regional offices covering from Exeter to Edinburgh. The Group trades under the brand names Persimmon Homes, Charles Church, City Developments, Westbury Partnerships and Space4.

**BENTLEY INTERNATIONAL LIMITED**  
**HOMEGLOBAL™ PORTFOLIO**

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**LICENCE AND CORPORATE DETAILS**

Constellation Capital Management holds Australian Financial Services Licence number 238525 effective 1 January 2004.

There have been no changes to the Investment Instructions agreed between Bentley International Limited and Constellation Capital Management Limited.

Queries regarding this report can be addressed to:

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