HALF YEAR REPORT

31 December 2008

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE 2008 ANNUAL REPORT OF THE COMPANY
LODGED ON ASX ON 31 OCTOBER 2008

ASX Code: BEL

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CORPORATE DIRECTORY

BOARD

Farooq Khan	Chairman
Christopher B. Ryan	Director
Simon K. Cato	Director
Peter P. Simpson	Director
John R. Hart	(Alternate for P. Simpson)
Robin J. Dean	(Alternate for C. Ryan)

COMPANY SECRETARIES
Victor P.H. Ho
Stephen J. Gethin

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MERGER WITH SCARBOROUGH EQUITIES LIMITED

On 27 February 2009, Court approval was obtained for Scarborough Equities Limited (**Scarborough**) to merge with Bentley International Limited (pending name change to Bentley Capital Limited) (**Bentley**) via a scheme of arrangement.

The scheme was overwhelmingly approved by Scarborough shareholders at a scheme meeting held on 20 February – the scheme was supported by 95% of shareholders who voted and was passed with a 99.6% majority. Bentley shareholders also overwhelmingly supported resolutions concerning merger related matters at a general meeting held on 25 February – for example, the adoption of a new investment mandate was supported by 97% of shareholders who voted and was passed by a 93.6% majority.

Both Scarborough and Bentley are relatively small players in an industry dominated by much larger listed investment companies. Through the combination of these companies, Scarborough and Bentley shareholders have the opportunity to benefit from the enhanced position of the merged group by becoming shareholders in what will become a single listed investment company with larger net assets of approximately $27 million[1] (with no borrowings) and a larger shareholder base of approximately 2,400 shareholders[2]. Benefits to Scarborough and Bentley shareholders include:

- a reduced management expense ratio as a result of the removal of duplicate expenses such as ASX listing fees, share registry costs, audit fees, compliance costs and other public listed company costs;
- the ability to become involved in larger investments, through the merged group being a larger capitalised entity;
- potentially greater flexibility in capital raising; and
- potentially improved liquidity.

The merger will involve Scarborough shareholders exchanging their Scarborough shares for shares in Bentley on a net tangible asset (**NTA**) for NTA valuation basis. Upon implementation of the merger (expected to be on 13 March 2009), Bentley will acquire 100% of Scarborough's shares; Scarborough will become a wholly owned subsidiary of Bentley and will be delisted from the ASX.

The number of Bentley shares that each Scarborough shareholder will receive will be determined in accordance with the following formula which is based on the post-tax NTA per share of both Bentley and Scarborough as at the Calculation Date:

$$\text{Number of new Bentley shares to be issued to each eligible Scarborough shareholder} = \text{Number of Scarborough shares held by the eligible Scarborough shareholder as at the scheme record date (6 March 2009)} \times \frac{\text{Post-tax NTA backing of Scarborough per Scarborough share}}{\text{Post-tax NTA backing of Bentley per Bentley share}}$$

Illustratively, and based upon the recently released 31 January 2009 post-tax NTA of Bentley ($0.3788 per share[3]) and Scarborough ($0.5892 per share[4]) shares:

- The merged group would have net assets of approximately $27 million (with no borrowings) and a shareholder base of approximately 2,400 holders;

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1 Based on the unaudited NTAs of Scarborough and Bentley as at 31 January 2009.

2 Based on the number of shareholders of Scarborough and Bentley as at 31 January 2009.

3 Refer to Bentley's ASX announcement dated 12 February 2009 and entitled "NTA Backing and Portfolio Details as at 31 January 2009".

4 Refer to Scarborough's ASX announcement dated 12 February 2009 and entitled "Net Tangible Asset Backing – 31 January 2009.

MERGER WITH SCARBOROUGH EQUITIES LIMITED

- Bentley would issue approximately 1.5554 new Bentley shares for each Scarborough share acquired from Eligible Scarborough shareholders;
- Bentley would have issued a total of 30.70 million shares to acquire all of Scarborough's shares;
- Pre-Merger Bentley shareholders would own approximately 56.7% of the merged group's share capital.

The final position is to be determined as at the Calculation Date, being 27 February 2009.

The NTAs of Bentley and Scarborough as at the Calculation Date will be calculated in accordance with each company's respective accounting policies and in a manner consistent with the method of calculation of the NTA backings of Bentley and Scarborough as released to ASX on a monthly basis - furthermore, the NTAs used in the calculation of the Scheme Consideration will be reviewed by Bentley's and Scarborough's auditors.

The Merged Group

- The merged group will comprise Bentley and Scarborough as a wholly owned subsidiary;
- All current Bentley directors will remain Bentley directors, and William Johnson (an Executive Director of Scarborough) will join Bentley's Board of Directors. Farooq Khan will remain Chairman of Bentley.
- Bentley will manage its investments under a new investment mandate approved by Bentley shareholders.
- The merged group's investment decisions will be carried out by Bentley's Board and or an investment committee (in conjunction with external consultants and advisers where appropriate).
- If it believes that it is in the best interests of Bentley, the Bentley Board may chose to delegate part or all of the responsibility for making investment decisions to an investment manager, subject to the investment manager having appropriate capabilities, experience and the necessary Australian Financial Services Licences.
- Bentley and Scarborough presently share the same Chairman's and Company Secretarial office in Perth, Western Australia. This arrangement will continue post merger.

Bentley's present intentions in relation to the existing investments held by Bentley and Scarborough post merger are for:

- Bentley's investment portfolio in international securities to be maintained (A$4.56 million as at 31 January 2009);
- Scarborough's investment manager, FSP Equities Management Limited (**FSP**) ,to continue to manage Scarborough's investment in the FSP Equities Leaders Fund (**FSP Fund**) ($11.53 million as at 31 January 2009);
- The merged group's excess cash reserves to be invested in term deposits with Australian banks (~$10.5 million as at 31 January 2008).

The new Bentley Board will review the merged group's investment strategy and investments after the completion of the merger on the Implementation Date (anticipated to be 13 March 2009).

APPENDIX 4D HALF YEAR REPORT

This Half Year Report is provided to the Australian Securities Exchange (**ASX**) under ASX Listing Rule 4.2A.3

Current Reporting Period:	1 July 2008 to 31 December 2008
Previous Corresponding Period:	1 July 2007 to 31 December 2007
Balance Date:	31 December 2008
Company:	Bentley International Limited (**BEL**) (BEL has no controlled entities)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	December 2008 $'000	**December 2007 $'000**	**% Change**	**Up / Down**
Net reversal of prior year unrealised loss/current year unrealised loss on financial assets at fair value through profit or loss	2,039	6	34396%	Up
Other investment related income	321	182	77%	Up
Total revenue	**2,361**	**188**	**1158%**	**Up**
Realised loss on financial assets at fair value through profit or loss	2,165	107	100%	Up
Foreign exchange losses	668	5	14427%	Up
Investment manager's fees	77	91	16%	Down
Custodian fees	41	25	67%	Up
Other corporate and administration expenses	288	218	32%	Up
Total expenses	**3,240**	**445**	**628%**	**Up**
(Loss) before tax	**(879)**	**(258)**	**241%**	**Loss Up**
Income tax (expense)/ benefit	(901)	-	0%	Expense Up
(Loss) after tax attributable to members	**(1,780)**	**(258)**	**591%**	**Loss Up**
Basic and diluted (loss) per share (cents)	(4.43)	(0.65)	585%	Loss Up

	December 2008	**June 2008**		
Pre-Tax NTA backing per share (cents)	**37.80**	**42.22**	**11%**	**Down**
Post-Tax NTA backing per share (cents)	**37.80**	**39.98**	**6%**	**Down**

Brief Explanation of Results

The Company incurred a net loss during the half year of $0.879 million (pre tax) and $1.780 million (post tax) compared with a net loss of $0.258 million (pre tax) and $0.258 million (post tax) in the previous half year.

Dividends

The Directors have not declared an interim dividend as the Company incurred a net loss for the half year and had accumulated losses of $2.97 million as at 31 December 2008.

APPENDIX 4D HALF YEAR REPORT

Controlled Entities

The Company did not gain or lose control over entities during the Current Reporting Period.

Associates and Joint Venture Entities

The Company did not have any interest in associates or joint venture entities during the Current Reporting Period.

For and on behalf of the Directors,

Date: 27 February 2009

Victor Ho
Company Secretary

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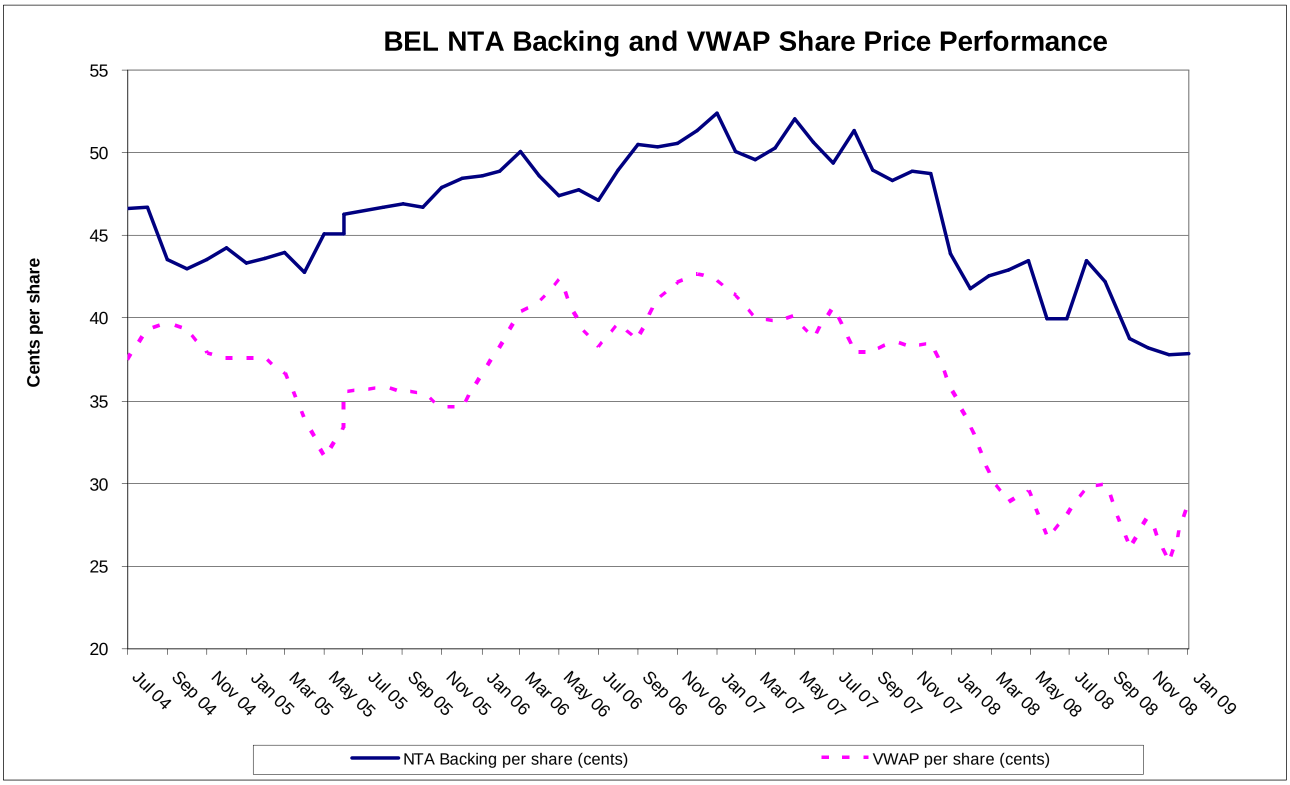

VWAP = volume weighted average BEL price for the month; **NTA** = net tangible asset backing at month end

Source: IRESS

INVESTMENT MANAGER'S REPORT
for half year ended 31 December 2008

The following report has been prepared by the Investment Manager of the Company, Constellation Capital Management Limited (**Constellation**) and was provided to the Company on 21 January 2009:

HALF YEARLY MARKET SUMMARY

Portfolio Performance

Returns To: 31/12/2008	1mth **(%)**	3mths **(%)**	6mths **(%)**	1yr **(%)**	2yrs **(% p.a.)**	3yrs **(% p.a.)**	Incep* **(% p.a.)**
Gross Portfolio	-3.7%	-7.6%	-1.6%	-18.4%	-8.2%	-2.0%	2.5%
Benchmark**	-2.6%	-8.6%	-4.8%	-21.9%	-9.7%	-3.4%	1.9%
MSCI ex Australia	-3.6%	-11.2%	-7.9%	-24.5%	-14.0%	-6.1%	0.1%
Net Funds Flow, $ '000	0	-10,645	-10,745	-11,195	-12,245	-13,545	-13,795

** Inception Date for performance: 30 September 2004*
*** HomeGlobal ™ Index*

International Market Returns

International markets, as measured by the MSCI World ex Australia Index fell dramatically with a return of –33.1% in USD terms for the half-year ended 31 December 2008.

When account is taken of the fall in the $A from $US0.9597 to $US0.6972 over the period, the MSCI World ex Australia Index when expressed in $A fell 7.9%.

Country Returns

The major markets were universally bearish with negative returns tabulated below. The global financial crisis (GFC) remained the dominant theme as panic selling and forced de-leveraging emerged. Worsening economic data including a sharp downturn in industrial production added to prevailing pessimism. A rally late in the reporting period still left the US market with its third worst performance in 200 years. The hope that emerging markets could decouple from the negative effects of the GFC proved to be a myth.

Market	**Return** (local currency 30/6/08-31/12/08)
US S&P 500	-29.4%
US Dow Jones Industrials	-22.7%
UK FTSE 100	-21.2%
German DAX	-25.1%
France CAC40	-27.4%
Japan Nikkei 225	-34.3%
HK Hang Seng	-34.9%

Source: IRESS

Sector Returns

As with country returns, sector returns were universally negative, led lower by financial and resource (mining and energy) sectors. One can see the defensive characteristics of consumer staples and health care in the table below.

INVESTMENT MANAGER'S REPORT
for half year ended 31 December 2008

MSCI World ex Australia for six months to December 31 2008

Sector	$US Returns
Consumer Discretionary	-30.8%
Consumer Staples	-15.5%
Energy	-44.0%
Financials	-41.3%
Health Care	-14.0%
Materials	-53.9%
Industrials	-36.4%
Information Technology	-36.2%
Telecommunication Services	-21.2%
Utilities	-26.6%

Source: DataStream: Capital values

Portfolio Composition and Re-balancing

The portfolio was not rebalanced in the half-year ending 31 December 2008 as the Bentley Board had flagged its intentions to move away from the HomeGlobal™ strategy and instructed Constellation to liquidate 70% of the portfolio on 10 October 2008.

Portfolio Performance

The Bentley portfolio returned -1.6% in $A with the greatest performance contributions coming from Pharmaceuticals & Biotechnology, Tobacco and Food Producers. **For the six-months to December 31, 2008 the Bentley portfolio managed by Constellation out-performed the commonly used MSCI ex Australia benchmark by 6%.**

The table below provides more detail regarding sector exposures and contributions to portfolio returns in $A.

Sector	Weight (Jun08)	Return (Jun08-Dec08)	Contribution to Return** (Jun08-Dec08)
PHARMACEUTICALS & BIOTECHNOLOGY	8.1%	26.8%	2.2%
TOBACCO	2.3%	12.8%	0.3%
FOOD PRODUCERS	1.9%	13.9%	0.3%
FIXED LINE TELECOMMUNICATIONS	2.3%	10.4%	0.2%
PERSONAL GOODS	2.1%	6.4%	0.1%
GAS, WATER & MULTIUTILITIES	0.7%	12.9%	0.1%
HEALTH CARE EQUIPMENT & SERVICES	1.5%	3.2%	0.0%
MOBILE TELECOMMUNICATIONS	4.7%	0.2%	0.0%
NONLIFE INSURANCE	0.3%	-1.5%	0.0%
EQUITY INVESTMENT INSTRUMENTS	0.2%	-27.3%	-0.1%
FOOD & DRUG RETAILERS	0.5%	-18.1%	-0.1%
MEDIA	3.7%	-3.1%	-0.1%
SOFTWARE & COMPUTER SERVICES	7.2%	-3.4%	-0.2%
GENERAL INDUSTRIALS	3.0%	-13.5%	-0.4%
LIFE INSURANCE	1.9%	-24.9%	-0.5%
LEISURE GOODS	2.4%	-21.3%	-0.5%
CHEMICALS	2.1%	-24.4%	-0.5%
ELECTRONIC & ELECTRICAL EQUIPMENT	3.8%	-14.2%	-0.5%
AUTOMOBILES & PARTS	4.3%	-13.6%	-0.6%
OIL EQUIPMENT, SERVICES & DISTRIBUTION	1.5%	-51.7%	-0.8%
INDUSTRIAL ENGINEERING	3.9%	-24.7%	-1.0%

Source: DataStream, Constellation, FTSE
*** approximate due to changes in sector weights*

INVESTMENT MANAGER'S REPORT
for half year ended 31 December 2008

Comparative Performances

When reviewing the portfolio performance, we note that the Bentley portfolio benefited from zero exposure to the banking and resources sectors that fell in the half year in response to the sub-prime crisis. The portfolio results illustrate one benefit of the HomeGlobal™ approach; it added value because it didn't accentuate the Australian market's concentrated exposure to both the Finance and Mining sectors which fell more than global markets. Also the Bentley HomeGlobal™ portfolio had a material exposure to the Pharmaceutical & Biotech sector which produced strong positive returns in AUD. This illustrates the benefits that HomeGlobal™ provides by "filling" in the sectoral deficiencies in the Australian market and avoiding sectors already overweight in Australia.

Outlook

The momentum and size of the market losses in 2008 provides seasoned observers to see 2009 as a candidate for a significant market rebound. Based on 200 years of US stock data, UBS has observed that there is "from a statistical standpoint alone a 70% chance that 2009 will end up a positive if not even a bullish year". The caveat is that the market is desperately seeking further signs that central bank efforts to reflate the system and restore system confidence are gaining traction, and thus avert a 1930's style depression. Whilst global leading indicators, consumer confidence and current profit results are not encouraging, we note that key risks measures e.g. TED spread and VIX index, have retreated from their highs in Q4 2008, and stock value measures are well within long term averages. In addition continuing policy responses to re-capitalise the banking system and quarantine bad assets are encouraging and will help alleviate the systemic risk from toxic sub-prime assets.

Notwithstanding the earnings risk, such relative value appeal from lower PE multiples and the apparent "valuation buffer" provides a sound basis for the long-term attractiveness of the portfolio, which currently offers a broad diversification across a range of stocks and sectors not adequately covered by the Australian market.

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INVESTMENT MANAGER'S MONTHLY PORTFOLIO SUMMARIES

for July 2008 to January 2009

The following contains commentary extracted from Constellation's monthly portfolio reports for the July 2008 to January 2009 period:

Returns for month end	**31/1/09**	
Gross Portfolio	2.2%	
HomeGlobal™ Index	2.5%	
MSCI ex Australia	0.2%	

Sharemarkets in the developed countries continued to sell off in the face of the global financial crisis, and rapidly weakening economies, with the IMF forecasting 2009 world growth of 0.5%, the lowest rate in 60 years.

Hopes of a New Year rally on Wall Street were buried as more glum news on corporate earnings and the economy (Dow -8 8% S&P500 8 6% NASDAQ 6 4%) contributed to the worst start to the 8.8%, -8.6%, -6.4%) year in more than 100 years. Consumer sentiment remains near 28 year lows, new home sales plunged, the economy contracted at an annualised 3.8% in Q4 '08 (-5.1% excluding inventories) and corporate profits decreased c.40% v. pcp for the 236 companies in the S&P 500 that have released fourth-quarter results since Jan. 12. Job cuts spread from financials through to broad based consumer and industrial names (Home Depot, Kodak, GM, Caterpillar). Reports that newly inaugurated President Obama proposes a "bad bank" to quarantine toxic assets were short on detail and did not offset continuing gloom in that sector, whilst the $US800b fiscal stimulus remains subject to US senate approval.

European and Japanese markets were equally depressed (FTSE -6.5%, German DAX –9.8%, France CAC -7.6% and Japan Nikkei -9.8%). EU governments continue to address capital adequacy of their banks, as share prices of household names e.g. RBS, Barclays suffer like their US cousins. Japan reported a 10% month-on-month fall in industrial production. Shanghai bucked the trend (+9.3%) as did Korea (+3.3%).

A$ returns again varied widely across sectors. Health (Health Care Equipment & Services 12.5%, Pharmaceuticals & Biotechnology 4.9%) again did well as did oil (Oil & Gas Producers 6.1%, Oil Equipment, Services 11.2%) , IT (Software & Computer Services 7.9%, Technology Hardware & Equipment 6.2%) and Aerospace & Defense (8.6%). Portfolio exposure to these sectors helped performance. Less exposure to poorly performing financials (Banks -11.4%, Financial Services -8.4%, Life Insurance -8.3%, REITs -2.5%) was also positive. The Forestry and Paper (-11.6%) and General Industrials (-6.3%) sectors also underperformed.

In terms of currency, further domestic interest rate cuts saw a further fall in the AUD vs the US$ (to US63.6c) over the month, adding 9.4% to performance.

The Bentley HomeGlobal(TM) portfolio managed by Constellation continues to outperform the MSCI ex-Australia Index, adding 9.5% over the past 12 months and 2.8% pa since inception.

Returns for month end	**31/12/08**
Gross Portfolio	-3.7%
HomeGlobal™ Index	-2.6%
MSCI ex Australia	-3.6%

A Christmas rally ensured US equity markets ended the month more or less unchanged (Dow -0.6%, S&P500 0.8%, NASDAQ 2.7%). Energy and related stocks were notable underperformers for December as the crude oil bubble continued to deflate (-17% to US$45/barrel), as were automakers despite a multi-billion dollar industry bailout plan announced by the government. Banks were also under the pump over continued credit–crunch fears and the negative sentiment from the exposure of the massive ponzi scheme run by former hedge fund guru Bernie Madoff Elsewhere Madoff. 3M, Eastman Kodak and Fedex fell after profit warnings. Amongst the winners, defensive health care names were again a popular place to hide. Plans by the Obama administration to boost infrastructure spending helped capex plays such as Caterpillar and steel and some raw materials stocks (Alcoa) to rise, despite further falls in metal prices (ex-gold). IT and some insurance and property names also bounced. The US$ fell 9% vs the Euro as the dollar supply shortage eased while the Fed funds target was cut to effectively 0% for the first time ever.

Stockmarkets across Europe were mixed (France -1.4%, Germany 3%, UK 3.4%). Lloyds and HBOS both fell heavily as pension fund issues threatened to scupper Lloyds' takeover. In Asia, optimism over US government economic stimulus saw solid gains (Japan 2.9%, Korea 1.2%, Taiwan 9.2%) although China (-2.7%) eased despite another interest rate cut.

Sectorally, returns in A$ terms were a bit of a mixed bag over December. The portfolio's holdings in some cyclical sectors outperformed including Industrial Engineering (3.4%) and Electronic & Electrical Equipment (1.5%). Construction & Materials (3.6%) also outperformed. However exposure to oil (Oil & Gas Producers -8.1%), Oil Equipment, Services - 17.7%) names, Automobiles & Parts (-4.9%) and tech (Software & Computer Services -4.3%, Technology Hardware & Equipment -3.6%) stocks was detrimental to performance. Minimal exposure to Banks (-8.5%) and Industrial Transportation (-6.6%) sectors was positive.

In terms of currency, a bounce back of the AUD vs the US$ (from US$0.65 to US$0.70) over the month detracted 7.4% from performance.

INVESTMENT MANAGER'S MONTHLY PORTFOLIO SUMMARIES
for July 2008 to January 2009

Returns for month end	30/11/2008
Gross Portfolio	-3.3%
HomeGlobal™ Index	-4.9%
MSCI ex Australia	-5.2%

The relentless deluge of negative economic data and company profit warnings ensured sharemarkets ended November deeper in the red (Dow -5.3%, S&P500 -7.5%, NASDAQ -10.8%). However indices were down as much as 20% midmonth on poor employment, retail sales and services data, and companies across a broad range of sectors (financials, insurance, IT, property, retail) warning of the negative impact of the poor economic and credit environment on their businesses Doubts over the survival of the big three automakers (Ford GM Chrysler) businesses. Ford, GM, Chrysler), who are major US employers and manufacturers, and Treasury backing away from direct (TARP) purchases of mortgage securities added to investors' worries. However, markets bounced strongly late in the month in response to senior economic appointments by the incoming Obama administration, the rescue of Citigroup and a significant interest rate cut in China. Sectorally, energy stocks outperformed despite another 20% fall in the oil price as did defensive gold, telco, staples and utility names. Financials and cyclical industrials dominated the underperformers.

European stocks also continued to slide (France and Germany -6.4%, UK -2%). Automakers followed their US peers lower including the previously high-flying Volkswagen (-41%). Other cyclicals, financials and property names also did it tough while many defensive stocks again saw strong buying. Asian markets (China 8.2%, HK -3.7%, Japan -0.8%) held up reasonably well helped by China's rate cut.

As discussed above, November continued the recent trend of defensive sectors outperforming higher-risk sectors. In A$ terms, telcos (Fixed Line Telecommunications 7.9%, Mobile Telecommunications 3.2%) and Beverages (3.2%) did well - the portfolio's overweight telco exposure helped performance, as did the lack of exposure to Banks (-13.2%) and REITs (-12.4%) which performed poorly. However, detrimental to performance was exposure to other (cyclical) sectors producing negative returns including Automobiles & Parts (-18.6%) and tech (Software & Computer Services -8.4%, Technology Hardware & Equipment -11.1%) sectors.

In terms of currency, a further fall in the AUD over the month added 1.3% to performance.

Returns for month end	30/10/2008
Gross Portfolio	-4.6%
HomeGlobal™ Index	-1.3%
MSCI ex Australia	-2.8%

Poor economic data and downbeat news on company earnings caused further market falls over October (Dow -14%, S&P500, NASDAQ 17%). The month featured more huge volatility, a surge in the markets' 'fear index' (the VIX) to unprecedented levels and index futures trading halted once after hitting daily limit-down levels. However tentative signs of a thawing in liquidity (reduced TED spread plus US purchase of commercial paper) more activity by regulators (a global interest rate cut and plans to purchase equity in financial institutions) eased fears of a complete financial system armageddon. However sentiment remained gloomy as investors re-focussed their concerns on the impact of a slowing economy and tight credit markets on company earnings. The big picture was bleak, with weak manufacturing, IP, new orders, retail sales and employment data confirming the recessionary outlook. News at the company level was equally discouraging. Alcoa kicked off Q3 reporting season poorly and were joined by Citigroup, Merrill Lynch and (worrying) a raft of consumer names. Caterpillar, ConocoPhillips, Ebay, Ford, Logitech and Sun Microsystems issued disappointing outlook statements. In contrast Johnson & Johnson, J.P. Morgan and McDonalds beat expectations and oil-fuelled ExxonMobil announced a world record corporate profit.

Stockmarkets in Europe suffered a similar fate (France, Germany -14%, UK -11%) except for oil stocks (despite a 32% fall in the oil price) and Volkswagen which briefly became the largest stock in the world after jumping 70% due to a short squeeze. Asian markets (Japan -24%) went into meltdown over fears over the health of Japanese banks and the worsening global economy. Sectoral performance was similar to September. After further falls in the A$ (see below), some defensive sectors produced strong returns in A$ terms including Food Producers (4.3%), Household Goods (5.5%), Tobacco (7.2%) and Pharmaceuticals & Biotech (10.3%). Overweight positions in these sectors helped portfolio performance, as did Automobiles & Parts (2.2%). Resources sectors again led the declines (Industrial Metals & Mining -20.4%, Mining -17.4%, Oil Equipment, Services -21.7%). Being underweight these sectors was also positive for performance. However being overweight Industrial Engineering (-18.7%), Life Insurance (-29.4%) and Electronic & Electrical Equipment (-12.9%) detracted from returns.

Whilst equity markets were considerably down for the month, the fall in the AUD from US78.9c to 66.8c to a large extent counteracted falling equity prices. The performance of the securities managed by Constellation was -0.8% for the month which is comfortably above the MSCI ex Aust. index.

INVESTMENT MANAGER'S MONTHLY PORTFOLIO SUMMARIES
for July 2008 to January 2009

Returns for month end	30/09/2008
Gross Portfolio	-2.7%
HomeGlobal™ Index	-3.9%
MSCI ex Australia	-3.6%

Panic selling gripped sharemarkets over September as more financial firm failures shook the US financial system to its core (S&P500 -9.2%, Dow -6%, NASDAQ -12%). An extraordinary month saw the Fed rescue of Freddie Mac and Fannie Mae, the demise of Wall Street stalwart Lehman Brothers and the (enforced) takeovers of the ailing Merrill Lynch, Wachovia and Washington Mutual by better-capitalised rivals. Warren Buffett similarly injected US$5bn into a grateful Goldman Sachs, while the Fed also had to bail out one of the world's biggest insurers (AIG). The problems all stemmed from more mortgage related losses, with counterparty risk surging as trust in financials' balance sheets disappeared. The subsequent failure of Congress to pass a bailout plan allowing the Fed to cleanse banks' balance sheets of this toxic paper sent markets into absolute meltdown (the S&P500 dropped 8.8% on Sept 29 alone). An unprecedented short-selling ban imposed on financial and related shares seemingly did little to stem the losses. Amidst the mayhem, news on company earnings and the economy took a back seat, however weak retail sales and housing data plus higher jobless claims continued to paint a bleak picture. The worsening economic outlook globally saw mining and other cyclical sectors torched, while consumer staples, health and (safer) financials fell less.

European markets were sucked further into the US sub-prime vortex (France -10%, Germany -9.2%, UK -13%). Similar government bailouts in the UK (Bradford & Bingley) and Holland (Fortis), Lloyds rescue of HBOS and the dire state of UK property markets added to the bad news out of the US. Asian stocks (Japan -13.9%) also fell heavily with US cyclicals.

In A$ terms, sectors to perform best included Banks (1.2%) , consumer staples such as Beverages (4.8%), Food Producers (1.4%), Household Goods (5.5%) and Tobacco (0.7%) and health (Pharmaceuticals & Biotech 0.6%). Overweight positions in Food Producers, Household Goods, Tobacco and Pharmaceuticals & Biotech helped portfolio performance. Unsurprisingly resources (Industrial Metals & Mining -25.4%, Mining -22.8%, Oil Equipment, Services -14.8%) and other cylical sectors (Industrial Enginnering -13.2%, Technology Hardware & Equipment -12.4%) fared the worst. Portfolio overweights to oil sectors, Chemicals and Industrial Engineering stocks were detrimental to performance.

In terms of currency, the major correction in the $A continued over September, adding 7.7% to portfolio returns (when translated to $A).

Returns for month end	31/08/2008
Gross Portfolio	+9.1%
HomeGlobal™ Index	+8.2%
MSCI ex Australia	+7.8%

Stockmarket indices edged higher over August as the positives from a falling oil price could not allay concerns over the US housing and financial sectors (S&P500 1.2%, Dow 1.5%, NASDAQ 1.8%). Crude retreated another 6% due to a jump in the US$ (due to concerns over European economic growth) and an easing of Russian military activity in Georgia. This (along with indications from the Fed that interest rates were set to stay low, plus solid retail sales numbers) gave a fillip to beleaguered consumer stocks such as Home Depot, Lowe's and JC Penney. Good results from HP, Procter & Gamble and tech bellwether Cisco also helped sentiment. However more poor data on US housing and a credit downgrade for homebuilder Lennar had the opposite effect, as did further huge falls in Freddie Mac and Fannie Mae as Freddie reported a huge quarterly loss, dividend cut and potential further equity raising. A similarly terrible loss reported by major insurer AIG (including writeoffs from credit-default swaps and mortgage derivatives) plus another bank collapse (Columbian Bank) were a further blow to the market bulls. Results from GM and Dell also disappointed investors.

Europe was helped by the stronger US$ (good for exporters), takeover activity across Germany and the UK and some strong results from utilities (France 2.1%, Germany -0.9%, UK 4.2%). However weak economic data and further selling of mining shares (as metal prices also suffered from the rising US$) pared the gains. Asian markets (Japan -3.8%, China -14% HK - 6.5%) were weaker as investors' love affair with the economic 'de-coupling' (with the US) thesis showed signs of waning.

Most sectors showed strong positive returns (when converted back to A$ terms), especially cyclical/discretionary groups including Household Goods & Home Construction (up 14.4%), General Retailers (14.2%), Media (12.6%), Aerospace and Defense (14.9%) and IT (Software & Computer Services 10.6%, Technology Hardware and Equipment 10.5%). The portfolio's overweight exposure to the IT, Media and Pharmaceuticals & Biotech (up 9.7%) helped overall performance, as did avoiding the underperforming resources (Industrial Metals & Mining -3.6%, Mining -0.3%) sectors.

In terms of currency, the major correction in the $A from $US 0.94 to $US 0.86, as the $US strengthened, added 9.6% to portfolio returns (when translated to $A). The portfolio continued to outperform the more generally recognised MSCI ex Australia benchmark index (by 1.3%) over August.

INVESTMENT MANAGER'S MONTHLY PORTFOLIO SUMMARIES
for July 2008 to January 2009

Returns for month end	**31/07/2008**
Gross Portfolio	0.3%
HomeGlobal™ Index	0.3%
MSCI ex Australia	-0.3%

US stocks finished July largely unchanged as the oil price eased and investors bet the worst was over for financials (S&P500 -1%, Dow 0.2%, NASDAQ 1.4%). The S&P500 had been as much as 5% down mid-month on fears over the financial health of key mortgage lenders Freddie Mac (which fell 50%) and Fannie Mae (-41%), plus more negative economic (jobs and services) data. However the oil price fell due to increasing fears of a global growth slowdown (as economic data across weakened) US$ Europe and Asia weakened), a higher US$, a spike in oil inventories and an easing of geopolitical tensions. This along with better than expected results from Bank Of America, Citigroup, J.P. Morgan and Wells Fargo and more intervention from market regulators caused a turnaround in sentiment. This included support for Freddie Mac and Fannie Mae, the passing of a new housing bill and new curbs on short-selling in certain stocks. In a reversal of recent themes, a number of financials, consumer names and homebuilders staged share price recoveries, while GE, IBM, McDonalds and Pfizer were rewarded for profit results that surprised on the upside. In contrast, commodities and resource stocks (especially oil-related) saw profit taking, as did Google, Merck and Microsoft after negative outlook statements.

Weakness in resource shares pushed the UK market (-3.6%) lower although continental Europe (France -1%, Germany 1%) produced similar results to the US. Financials typically bounced, helped by some M&A activity (Santander/Alliance & Leicester) while the lower oil price helped airlines and automakers (as did some good results). Returns across Asian markets (Japan -0.8%, China 3.7% HK 2.7%) were mixed.

In terms of sector returns in US$ terms, strong performance was seen from Household Goods & Home Construction (7.9%), Banks (7.3%) and Pharmaceuticals & Biotech (6.6%) sectors while Oil Equipment & Services (down 9.8%), Mining (down 11.8%) and Oil & gas Producers (down 12.4%) dragged down the market. Whilst the portfolio has no exposure to Banks, it benefited from its no exposure to Mining and the enhanced exposure to some strongly performing sectors, Pharmaceuticals and Household Goods and Health Care.

In terms of currency, a fall in the A$ versus the US$ added 2.0% to portfolio returns (when translated to A$). The portfolio's outperformance in July continued the value add from 2007 where the portfolio outperformed the more generally recognised MSCI ex Australia benchmark return by more than 4%.

THE INVESTMENT PORTFOLIO
as at 31 December 2008

Asset Weightings within Net Assets

ASSET WEIGHTING	% Net Assets
International Equities	30.0%
Net Cash/Other Assets [5]	70.0%
TOTAL	**100%**

Regional Exposures in Equities Portfolio

CURRENCY EXPOSURES	% of Portfolio
Canada	2.5%
United States	52.7%
sub-total North America	55.1%
Euro:	
France	4.8%
Germany	4.5%
Netherlands	3.3%
Sweden	1.4%
Switzerland	3.9%
sub-total Europe ex UK	18.0%
United Kingdom	8.9%
Japan	11.1%
Hong Kong	2.8%
Taiwan	1.3%
sub-total Asia ex Japan	4.0%
Sub-Total Equities Portfolio	**97.2%**
Cash (within Portfolio)	**2.8%**
TOTAL PORTFOLIO	**100%**

Industry Sector Weightings in Equities Portfolio

SECTOR EXPOSURES	% of Portfolio
Aero & Defence	3.1%
Automobiles & Parts	3.2%
Chemicals	2.4%
Electricity	8.8%
Electronic & Electric Equip	2.0%
Equity Instruments	0.2%
Fixed Line Telecoms	2.8%
Food Prod & Processors	5.7%
Forestry & Paper	0.0%
Gas, Water & Multiutilities	0.0%
General Industrials	3.6%
Health Equip & Services	1.5%
Household Goods	3.3%
Industrial Engineering	3.9%
Leisure Goods	2.1%
Life Insurance	1.5%
Media	3.7%
Mobile Telecoms	4.2%
Nonequity Instruments	0.0%
Nonlife Insurance	0.4%
Oil & Gas Prod'n	9.1%
Oil & Gas Services	1.1%
Personal Goods	2.1%
Pharma & Biotech	11.8%
Software & Comp Srvs	7.1%
Tech Hardware & Equipment	10.8%
Tobacco	2.3%
Alternative Energy	0.0%
Beverages	0.0%
Construction & Materials	0.0%
Financial Services	0.0%
Food & Drug Retailers	0.5%
General Retailers	0.0%
Industrial Metals & Mining	0.0%
Industrial Transportation	0.0%
Support Services	0.0%
Travel & Leisure	0.0%
Sub-Total Equities Portfolio	**97.2%**
Cash (within Portfolio)	**2.8%**
TOTAL PORTFOLIO	**100.0%**

5 Net Cash/Other Assets include provisions and income tax expense; cash includes cash held in various overseas currencies; the Company has no borrowings.

THE INVESTMENT PORTFOLIO
as at 31 December 2008

The Company's funds are directly exposed to the overseas currencies in which the portfolio's investments are denominated (i.e. the currencies of the stock exchanges on which equity holdings are listed) and, indirectly to the currencies in which the operations of its investments (many of which are large multinational companies) are denominated.

The Company's investments in international securities are unhedged.

Currency movements can reduce or exacerbate movements in the value of the underlying securities in the Company's portfolio when converted back into Australian dollars. For example, an appreciation in an overseas currency against the Australian dollar will cause the underlying securities denominated in that overseas currency to appreciate in value when converted back into Australia dollars and vice versa (assuming no change in the underlying securities value).

Top 20 Holdings

Stocks	% Net Assets	Sector exposures	Country
PROCTER & GAMBLE	0.8	Household Goods & Home Construction	United States
EXXON MOBIL	0.8	Oil & Gas Producers	United States
MICROSOFT	0.8	Software & Computer Services	United States
KONINKLIJ	0.6	Food Prod & Processors	Netherlands
SOUTHERN	0.6	Electricity	United States
JOHNSON & JOHNSON	0.6	Pharmaceuticals & Biotechnology	United States
INTERNATIONAL BUS.MACH.	0.6	Software & Computer Services	United States
NESTLE 'R'	0.5	Food Producers	Switzerland
VODAFONE GROUP	0.4	Mobile Telecommunications	United Kingdom
GENERAL ELECTRIC	0.4	General Industrials	United States
NOVARTIS 'R'	0.4	Pharmaceuticals & Biotechnology	Switzerland
HEWLETT-PACKARD	0.4	Technology Hardware & Equipment	United States
CISCO SYSTEMS	0.4	Technology Hardware & Equipment	United States
GLAXOSMITHKLINE	0.4	Pharmaceuticals & Biotechnology	United Kingdom
NINTENDO	0.4	Leisure Goods	Japan
INTEL	0.3	Technology Hardware & Equipment	United States
PFIZER	0.3	Pharmaceuticals & Biotechnology	United States
CHEVRON	0.3	Oil & Gas Producers	United States
CHINA MOBILE	0.3	Mobile Telecommunications	Hong Kong
PHILIP MORRIS INTL.	0.3	Tobacco	United States
TOTAL	**9.5**		

THE INVESTMENT PORTFOLIO
as at 31 December 2008

Top 10 Performers – 6 months to 31 December 2008

Stocks	Sector	Country	Return % In Local Currency	Return % In A$
ABC-MART	Personal Goods	Japan	21.2	95.1
KYUSHU ELEC.POWER	Electricity	Japan	9.1	75.6
BEIJING ENTERPRISES HDG.	General Industrials	Hong Kong	24.8	72.8
CHUBU ELEC.POWER	Electricity	Japan	6.9	72.0
KANSAI ELECTRIC PWR.	Electricity	Japan	5.9	70.5
CHUGOKU ELEC.POWER	Electricity	Japan	5.8	70.3
AMGEN	Pharmaceuticals & Biotechnology	United States	22.5	68.6
BRISTOL MYERS SQUIBB	Pharmaceuticals & Biotechnology	United States	18.2	62.8
KAO	Personal Goods	Japan	-1.8	58.1
BEMIS	General Industrials	United States	7.5	47.9

Bottom 10 Performers - 6 months to 31 December 2008

Stocks	Sector	Country	Return % In Local Currency	Return % In A$
BAKER HUGHES	Oil Equipment, Services & Distribution	United States	-63.1	-49.1
BJ SVS.	Oil Equipment, Services & Distribution	United States	-63.2	-49.4
ALCATEL-LUCENT	Technology Hardware & Equipment	France	-60.3	-51.8
RESEARCH IN MOTION	Technology Hardware & Equipment	Canada	-58.6	-53.2
SUNCOR ENERGY INCO.	Oil & Gas Producers	Canada	-59.8	-54.5
ING GROEP	Life Insurance	Netherlands	-62.6	-54.6
PEUGEOT	Automobiles & Parts	France	-64.8	-57.2
CSK HDG.	Software & Computer Services	Japan	-76.8	-62.7
ASHLAND	Chemicals	United States	-77.9	-69.5
NORTEL NETWORKS	Technology Hardware & Equipment	Canada	-96.2	-95.7

DIRECTORS' REPORT

The Directors present their Directors' Report on Bentley International Limited ABN 87 008 108 218 (**Company** or **Bentley or BEL**) for the financial half year ended 31 December 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 invest in equity securities listed on the world's major stock markets.

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. Management fees are calculated on a base fee of $69,000 per annum plus a variable fee of 0.5% per annum of the portfolio value up to $15 million and a 0.4% per annum of the portfolio value in excess of $15 million. No performance fees are payable to Constellation; 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 of its appointment.

OPERATING RESULTS

	December 2008 $'000	December 2007 $'000
Net reversal of prior year unrealised loss/current year unrealised loss on financial assets at fair value through profit or loss	2,039	6
Other investment related income	321	182
Total revenue	**2,361**	**188**
Realised loss on financial assets at fair value through profit or loss	2,165	107
Foreign exchange losses	668	5
Investment manager's fees	77	91
Custody fees	41	25
Other corporate and administration expenses	288	218
Total expenses	**3,240**	**445**
(Loss) before income tax expense	**(879)**	**(258)**
Income tax benefit/(expense)	(901)	-
(Loss) after income tax expense	**(1,780)**	**(258)**

The Company incurred a net loss during the half year of $0.879 million (pre tax) and $1.780 million (post tax) compared with a net loss of $0.258 million (pre tax) and $0.258 million (post tax) in the previous half year.

DIRECTORS' REPORT

LOSS PER SHARE

	December 2008	December 2007
Basic (loss)/earnings per share (cents)	(4.43)	(0.65)

FINANCIAL POSITION

	December 2008 $'000	June 2008 $'000
Investments	4,561	15,851
Cash	10,729	334
Net deferred tax asset / liabilities	-	901
Other assets	114	54
Liabilities	(197)	(153)
Net assets	**15,207**	**16,987**
Issued capital	18,178	18,178
(Accumulated losses)/Retained earnings	(2,971)	(1,191)
Total equity	**15,207**	**16,987**

NET TANGIBLE ASSET BACKING

	December 2008 $'000	June 2008 $'000
Net tangible assets (before tax on unrealised gains)	15,207	16,987
Pre-tax NTA Backing per share (cents)	**37.80**	**42.22**
Less: Net deferred tax asset / liabilities	-	(901)
Net tangible assets (after tax on unrealised gains)	15,207	16,086
Post-tax NTA Backing per share (cents)	**37.80**	**39.98**
Based on total issued share capital	40,234,143	40,234,143

DIVIDENDS

The Directors have not declared an interim dividend as the Company incurred a net loss for the financial half year and had accumulated losses of $2.97 million as at 31 December 2008.

SECURITIES IN THE COMPANY

As at the date of this Directors' Report, the Company has 40,234,143 (31 December 2008 and 30 June 2008: 40,234,143) fully paid ordinary shares on issue. All such shares are listed on ASX. The Company has no other securities on issue.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

Bentley's asset weighting (by value and as a percentage of net assets) is:

Net Assets	31 January 2009 (unaudited)		31 December 2008 (auditor reviewed)		30 June 2008 (audited)	
International equities	$4.56m	29%	$4.56m	30%	$15.85m	93%
Provision for income tax	-	71%	-	70%	$0.90m	7%
Net cash on deposit/other assets/provisions	$10.78m		$10.60m		$0.24m	
TOTAL NET ASSETS	**$15.24m**	100%	**$15.16m**	100%	**$16.99m**	100%

Changes in Investment Portfolio

On 10 October 2008, the Board instructed Constellation to realise 70% of the company's investment portfolio to cash and convert any sale proceeds denominated in foreign currencies into Australian dollars.

Immediately prior to this realisation, Bentley's investment portfolio had a value of approximately A$16.16 million, comprising 300 securities listed on 11 stock markets.

Immediately after this realisation (which was completed on 13 October 2008), Bentley's investment portfolio had a value of approximately A$5.267 million, comprising 273 securities listed on 11 stock markets.

The value of the realisation as at the date of sale totalled approximately A$11.2 million but, as a consequence of adverse foreign exchange rate movements, the proceeds of sale received at settlement were approximately $10.6 million. The difference (approximately $0.6 million) was recognised as a foreign exchange loss.

As at 31 December 2008, the Company had:

(i) ~A$10.7 million invested in term deposits and at call accounts with Australian banks; and

(ii) ~A$4.6 million invested in its investment portfolio, comprising 278 securities listed on 11 stock markets.

The Board determined to undertake this realisation in light of the significant decline and uncertainty in world stock markets and the significant depreciation in the Australian dollar since the start of the financial year. Illustratively, at the regional level, all stocks markets have fallen and the Australian and US dollar exchange rate had also fallen since 1 July 2008, as reflected in the following table:

World Stock Market Indices Performance and Australian/US Dollar Exchange Rates
(as at 27 June, 9 October and 31 December 2008)

COUNTRY	US	US	UK	Germany	France	Hong Kong	Japan	Switzerland	AUD-USD Exchange Rate
INDEX	S&P 500	Dow Jones	FTSE 100	DAX 30	CAC 40	Heng Seng	Nikkei 225	Swiss SMI	
(1) 27 June 2008	1278.38	11346.51	5529.9	6421.91	4397.32	22042.35	13544.36	6861.54	$0.9606
(2) 9 October 2008	909.92	8579.19	4313.8	4887	3442.7	15943.24	9157.49	5798.84	$0.6845
% Change between (1) and (2)	-29%	-24%	-22%	-24%	-22%	-28%	-32%	-15%	-29%
(3) 31 December 2008	903.25	8,776.39	4,434.17	4,810.20	3,217.97	14,387.48	8,859.56	5,534.53	0.7027
% Change between (2) and (3)	-1%	2%	3%	-2%	-7%	-10%	-3%	-5%	3%
% Change between (1) and (3)	-29%	-23%	-20%	-25%	-27%	-35%	-35%	-19%	-27%
(4) 17 February 2009	789.17	7,552.60	4,034.13	4,216.60	2,875.23	12,945.40	7,645.51	4,941.31	0.6375
% Change between (2) and (4)	-13.3%	-12%	-6%	-14%	-16%	-19%	-17%	-15%	-7%
% Change between (1) and (4)	-38%	-33%	-27%	-34%	-35%	-41%	-44%	-28%	-34%

Source: IRESS

DIRECTORS' REPORT

Proposed Merger with Scarborough Equities Limited

On 28 November 2008, Bentley and Scarborough Equities Limited A.B.N. 58 061 287 045 (**Scarborough**) entered into a merger implementation agreement (**Merger Agreement**) for the acquisition by Bentley of all the issued share capital of Scarborough (**Merger**). Scarborough is an ASX-listed investment company, which trades under the ASX Code: SCB.

Both Scarborough and Bentley are relatively small players in an industry dominated by much larger listed investment companies. Through the combination of these companies, Scarborough and Bentley shareholders have the opportunity to benefit from the enhanced position of the merged group by becoming shareholders in what will become a single listed investment company with larger net assets of approximately $27 million[6] (with no borrowings) and a larger shareholder base of approximately 2,400 shareholders[7]. Benefits to Scarborough and Bentley shareholders include:

- a reduced management expense ratio as a result of the removal of duplicate expenses such as ASX listing fees, share registry costs, audit fees, compliance costs and other public listed company costs;
- potentially greater flexibility in capital raising; and
- potentially improved liquidity.

The Merger will involve Scarborough shareholders exchanging their Scarborough shares for shares in Bentley on a net tangible asset (**NTA**) for NTA valuation basis. The Merger is implemented via a Court-approved scheme of arrangement (**Scheme**). Upon implementation of the Scheme, Bentley will acquire 100% of Scarborough's shares; Scarborough will become a wholly owned subsidiary of Bentley and will be delisted from the ASX.

On 20 February 2009, Scarborough shareholders approved the Scheme[8].

On 25 February 2009, Bentley shareholders approved various matters in connection with the Merger[9]:

(1) approval for the acquisition of Scarborough shares (which constitutes a "substantial asset" under the ASX Listing Rules) from Bentley shareholder Orion Equities Limited (**Orion**) (considered to be a "related party" by virtue of Orion having a relevant interest in over 10% of Bentley's total voting shares on issues), as part of the acquisition of all Scarborough shares under the Merger;

(2) approval for the acquisition of Scarborough shares (which constitutes a "substantial asset" under the ASX Listing Rules) from Bentley Director Peter Simpson (and his associates) (considered to be a "related party" as a director of Bentley), as part of the acquisition of all Scarborough shares under the Merger;

(3) adoption of a new investment mandate; and

(4) change of name to "Bentley Capital Limited".

On 26 February 2009, Scarborough and Bentley declared satisfaction of all conditions precedent under the Merger Agreement.[10]

On 27 February 2009, Scarborough obtained Court approval for the Scheme.

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6 Based on the unaudited NTAs of Scarborough and Bentley as at 31 January 2009.

7 Based on the number of shareholders of Scarborough and Bentley as at 31 January 2009.

8 Pursuant to Scarborough's Scheme Booklet dated 16 January 209 and released on ASX on 22 January 2009

9 Pursuant to Bentley's Notice of Meeting dated 15 January 2009 and released on ASX on 23 January 2009

10 Details of which are set out in Section 8.2 of Bentley's Notice of Meeting and Section 13.17 of Scarborough's Scheme Booklet.

DIRECTORS' REPORT

Indicative Merger Timetable

Event	Time and date
Scarborough Scheme Meeting (which approved the Scheme)	Friday, 20 February 2009
Bentley General Meeting (which approved certain matters in connection with the Merger, including the acquisition of Scarborough shares from "related parties" under ASX Listing Rule 10.1, change of name and adoption of a new investment mandate)	Wednesday, 25 February 2009
Second Court Date (final Court hearing approved the Scheme for Scarborough)	Friday, 27 February 2009
Effective Date (and also the **Calculation Date)** (Court orders approving Scheme lodged with ASIC) (NTAs per share at this date are used to calculate eligible Scarborough Shareholders' entitlement to Bentley shares under the Scheme consideration formula)	Friday, 27 February 2009
Trading in Scarborough Shares on ASX is suspended (Trading in Bentley Shares is expected to continue as normal throughout the completion of the merger)	Close of trade on Friday, 27 February 2009
Scheme Record Date (Time and date for determining entitlements to Scheme Consideration)	5.00pm Perth time on Friday, 6 March 2009
Implementation Date (Transfer of Scheme Shares to Bentley and issue of New Bentley Shares to Scheme Participants (other than Ineligible Overseas Shareholders))	Friday, 13 March 2009
Dispatch of transaction confirmation statements for New Bentley Shares	Friday, 13 March 2009
Trading of New Bentley Shares on a normal settlement basis commences on the ASX	Commencement of trade on Monday, 16 March 2009
Dispatch of payment to Ineligible Overseas Shareholders	By 10 April 2009

Note:

- The timetable and the dates above are indicative only and can vary. Any changes will be announced to ASX and notified on Bentley's website www.bel.com.au and Scarborough's website www.scarboroughequities.com.au.

Scheme Consideration

The number of Bentley shares that each Scarborough shareholder will receive[11] will be determined in accordance with the following Scheme formula which is based on the post-tax NTA per share of both Bentley and Scarborough as at the Calculation Date:

$$\text{Number of new Bentley shares to be issued to each eligible Scarborough shareholder} = \text{Number of Scarborough shares held by the eligible Scarborough shareholder as at the Scheme record date} \times \frac{\text{Post-tax NTA backing of Scarborough per Scarborough share}}{\text{Post-tax NTA backing of Bentley per Bentley share}}$$

[11] Subject to the treatment of fractional entitlements and of ineligible overseas shareholders.

DIRECTORS' REPORT

Illustratively, and based upon the recently released 31 January 2009 post-tax NTA of Bentley ($0.3788 per share[12]) and Scarborough ($0.5892 per share[13]) shares:

- The merged group would have net assets of approximately $27 million (with no borrowings) and a shareholder base of approximately 2,400 holders;
- Bentley would issue approximately 1.5554 new Bentley shares for each Scarborough share acquired from Eligible Scarborough shareholders;
- Bentley would have issued a total of 30.70 million shares to acquire all of Scarborough's shares;
- Pre-Merger Bentley shareholders would own approximately 56.7% of the merged group's share capital.

The final position is to be determined as at the Calculation Date, which is the date on which the Scheme becomes effective, on 27 February 2009.

The NTAs of Bentley and Scarborough as at the Calculation Date will be calculated in accordance with each company's respective accounting policies and in a manner consistent with the method of calculation of the NTA backings of Bentley and Scarborough as released to ASX on a monthly basis - furthermore, the NTAs used in the calculation of the Scheme Consideration will be reviewed by Bentley's and Scarborough's auditors.

Bentley post Merger

- All current Bentley directors will remain Bentley directors, and William Johnson (an Executive Director of Scarborough) will join Bentley's Board of Directors post Merger. Farooq Khan will remain Chairman of Bentley.
- Bentley will manage its investments under a new investment mandate.
- The merged group's investment decisions will be carried out by Bentley's Board and or an investment committee (in conjunction with external consultants and advisers where appropriate).
- The investment committee is expected to comprise the (proposed) Bentley Executive Directors (Farooq Khan and William Johnson) and the Company Secretary (Victor Ho).
- If it believes that it is in the best interests of Bentley, the Bentley Board may chose to delegate part or all of the responsibility for making investment decisions to an investment manager, subject to the investment manager having appropriate capabilities, experience and the necessary Australian Financial Services licences.
- Bentley and Scarborough presently share the same Chairman's and Company Secretarial office in Perth, Western Australia. This arrangement will continue post Merger.

Bentley's present intentions in relation to the existing investments held by Bentley and Scarborough post Merger are for:

- Bentley's investment portfolio in international securities to be maintained;
- Scarborough's investment manager, FSP Equities Management Limited (**FSP**) ,to continue to manage Scarborough's investment in the FSP Equities Leaders Fund (**FSP Fund**);
- The merged group's excess cash reserves of approximately $10.5 million (as at 31 January 2008) to continue to be invested in term deposits with Australian banks.

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12 Refer to Bentley's ASX announcement dated 12 February 2009 and entitled "NTA Backing and Portfolio Details as at 31 January 2009".

13 Refer to Scarborough's ASX announcement dated 12 February 2009 and entitled "Net Tangible Asset Backing – 31 January 2009.

DIRECTORS' REPORT

New Investment Mandate

The terms of the new investment mandate approved by shareholders on 25 February 2009 are as follows:

1. INVESTMENT OBJECTIVES

The Investment Objectives of Bentley are to:

- *Achieve a high real rate of return over the medium term, ideally comprising both income and capital growth, whilst operating within acceptable risk parameters set by the Board; and*
- *Deliver a regular income stream for shareholders in the form of franked dividends.*

2. INVESTMENT STRATEGY

Bentley will implement an actively managed investment strategy undertaking investments typically into one of two broad investment categories:

- *Strategic Investments; and*
- *Non-strategic Investments.*

Bentley will not allocate a fixed proportion of funds into each or any of the above investment categories, as it believes that complete flexibility to invest across these categories is key to maximising medium-term value growth for shareholders.

For each strategic and non-strategic investment, Bentley will expect to receive a level of return that is commensurate with the level of risk associated with such investment. In each investment and for the investment portfolio in aggregate, Bentley will at least aim to achieve a return that is consistently in excess of an appropriate benchmark share index and or a return which could be earned from investments in cash, bills of exchange or negotiable instruments drawn or endorsed by a bank, non-bank financial institution or a government.

(a) Strategic Investments

Bentley will seek to undertake investments in which it can reasonably expect to exert a degree of influence, including board representation or through playing an active role alongside management in order to enhance or realise shareholder value.

Investments will include those that have the potential for turnaround in profitability or capital appreciation through the introduction of new management, capital, improved business practices, industry rationalisation, and/or improved investor relations.

Strategic investments by their nature will rely heavily on Bentley's ability to identify, attract and exploit unique opportunities.

(b) Non-Strategic Investments

Bentley will seek to make non-strategic investments in entities where attractive investment opportunities develop due to market sentiment or mispricing or where Bentley sees other potential for generating positive returns. In contrast to strategic investments, with non-strategic investments Bentley does not envisage that it will take an active role in the management of the investment.

3. PORTFOLIO ALLOCATION

In executing its Investment Strategy, Bentley may, from time to time, hold a high proportion of net assets in cash, preferring to be patient and selective rather than filling its investment portfolio with mediocre or underperforming investments for the sake of becoming "fully-invested".

Bentley will not be limited to the principles of broad diversification; in other words, Bentley may invest a significant proportion of funds in any single investment that represents an exceptional opportunity.

DIRECTORS' REPORT

4. INVESTMENTS

Investments may be made by Bentley in Australia and overseas and into any underlying industry, business or sector, in accordance with Bentley's stated Investment Objectives and Strategies.

In pursuit of the Investment Objectives and execution of the Investment Strategies outlined above, Bentley will have absolute discretion in applying its equity and any debt funds to a universe or range of potential investments in assets, businesses, securities, hybrid securities, cash, bills of exchange, other negotiable investments, debentures and other investments and structures.

5. MANAGEMENT OF INVESTMENTS

Bentley's investment decisions will be carried out by Bentley's board of directors and or an Investment Committee (in conjunction with external consultants and advisers where appropriate). If it believes that it is in the best interests of Bentley, Bentley's board of directors may chose to delegate part or all of the responsibility for making investment decisions to an investment manager, subject to the investment manager having appropriate capabilities, experience and the necessary Australian Financial Services licences(s).

About Scarborough Equities Limited (ASX Code: SCB)

Scarborough was incorporated in New South Wales in August 1993 and has been listed on ASX since August 1994 (under ASX code "SCB").

Scarborough's current principal activity is the management of its funds available for investment. Its funds are principally invested in the FSP Fund.

FSP was appointed investment manager of Scarborough's investment funds in December 2004. FSP holds an Australian Financial Services Licence to manage the FSP Fund – a wholesale fund not open to retail investors. The investment management team of the FSP Fund is led by Ronni Chalmers.

FSP is majority owned by FSP Group Pty Ltd, a subsidiary of ING Australia Limited.

As investment manager, FSP invests Scarborough's funds directly in the FSP Fund. The objective of the FSP Fund is to outperform the ASX/S&P 200 Accumulation Index over the medium term and FSP has advised that it targets at least 75% of the investments of the FSP Fund in securities from the ASX/S&P 200 Index. The balance of the FSP Fund's investments are in securities drawn from outside the ASX/S&P 200 Index. The performance of the FSP Fund is benchmarked against the ASX/S&P 200 Accumulation Index.

Scarborough's net assets comprise:

Net Assets	31 January 2009 (unaudited)		31 December 2008 (auditor reviewed)		30 June 2008 (audited)	
Investment in the FSP Equities Leaders Fund (**FSP Fund**) managed by the Company's investment manager, FSP Equities Management Limited (**FSP**)	$11.53m	99.1%	$11.90m	98.3%	16.74	89.2%
					-	-
Provision for income tax	-	0.9%	-	1.7%	(0.32)	10.8%
Net cash on deposit / other assets / provisions	$0.10m		$0.21m		2.34[(a)]	
Total Net Assets	**$11.63m**	100%	**$12.11m**	100%	**18.76**	**100%**

Note: (a) Includes $1.85 million pending investment into the FSP Fund as at 30 June 2008 (which was invested on 1 July 2008).

DIRECTORS' REPORT

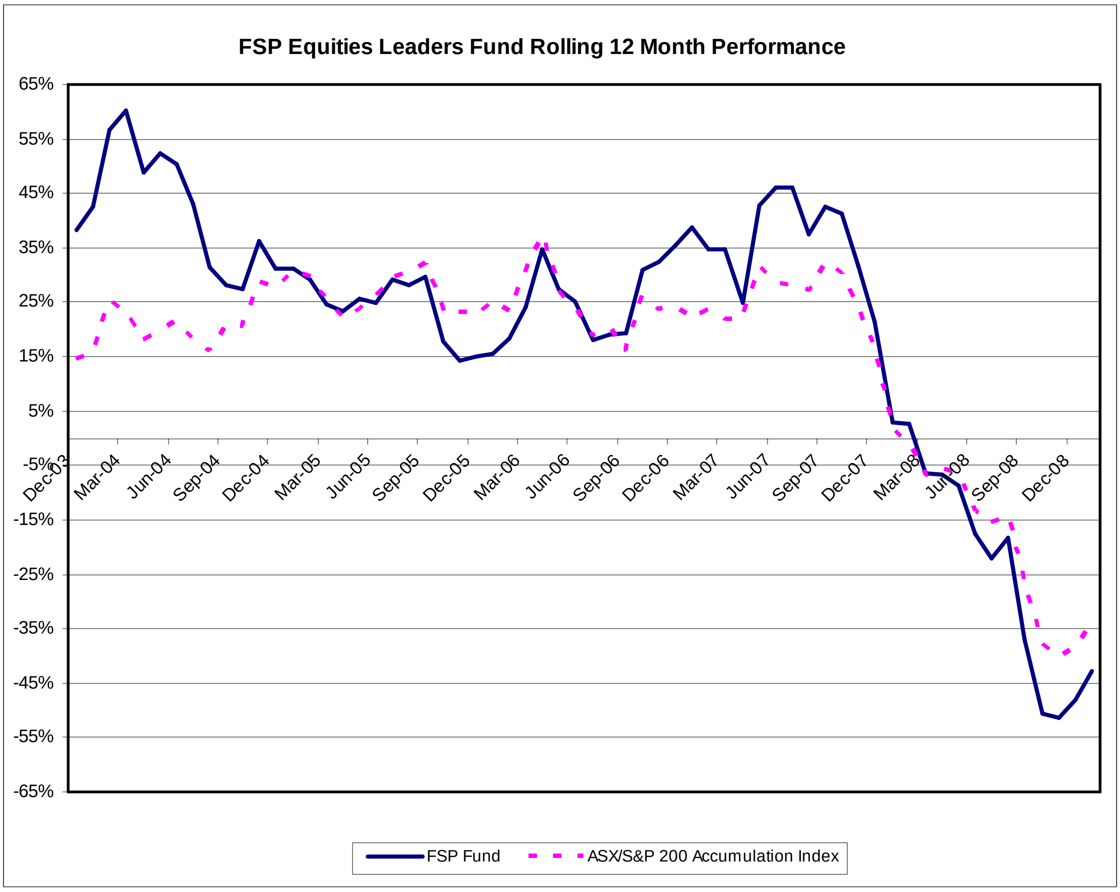
FSP Fund details as at 31 December 2008:

- The equity weighting was 76.2% (30 June 2008: 92%);
- 97.1% of the equity portfolio was invested in companies contained within the S&P/ASX 200 index (30 June 2008: 86.4%) with the balance of 2.9% invested in companies outside of the S&P/ASX 200 index (30 June 2008: 13.6%);
- The equity portfolio contained 43 holdings (30 June 2008: 110 holdings).

The FSP Fund's performance compared with that of the benchmark ASX/S&P 200 Accumulation Index, is summarised in the table and chart below:

Returns To: 31 December 2008	1mth (%)	3mths (%)	6mths (%)	1yr (%)	2yrs (% p.a.)	3yrs (% p.a.)	Since Inception (% p.a.)
FSP Fund	2.7%	-19.7%	-35.5%	-48.2%	-20.7%	-5.2%	7.9%
ASX / S&P 200 Accumulation Index	-0.3%	-18.3%	-26.8%	-38.4%	-15.5%	-3.9%	5.9%

(Source: FSP Equities Management Limited)



(Source: FSP Equities Management Limited)

Notes:

- The above graph shows the net annual return of the FSP Fund over the preceding 12 months for each month, compared with that of the benchmark ASX/S&P 200 Accumulation Index.
- The information in the table is historical and the past performance of the FSP Equities Leaders Fund is not a reliable predictor of the future performance of such fund; FSP has not made any representation to Scarborough that it will achieve any specific future rate of return on the FSP Fund.

DIRECTORS' REPORT

The FSP Fund's top 20 securities holdings and sector weights as at 31 December 2008 is set out below:

ASX Code	Security	31 Dec 2008
BHP	BHP BILLITON LIMITED	13.1%
WBC	WESTPAC BANKING CORPORATION	8.4%
WOW	WOOLWORTHS LIMITED	5.8%
WPL	WOODSIDE PETROLEUM LIMITED	5.7%
NCM	NEWCREST MINING LIMITED	4.5%
LGL	LIHIR GOLD LIMITED	4.4%
ORG	ORIGIN ENERGY LIMITED	3.7%
QBE	QBE INSURANCE GROUP LIMITED	3.3%
MTS	METCASH LIMITED	2.5%
STO	SANTOS LTD	2.4%
CCL	COCA-COLA AMATIL LIMITED	2.3%
BEN	BENDIGO BANK LTD	1.8%
CBA	COMMONWEALTH BANK OF AUSTRALIA	1.6%
SGX	SINO GOLD LIMITED	1.4%
AXA	AXA ASIA PACIFIC HOLDINGS LIMITED	1.4%
JBH	JB HI-FI LIMITED	1.3%
BOQ	BANK OF QUEENSLAND LIMITED	1.3%
HSP	HEALTHSCOPE LIMITED	1.3%
OSH	OIL SEARCH LIMITED	1.2%
TOL	TOLL HOLDINGS LIMITED	0.8%

Sector Weights	31 Dec 2008
Materials	24.6%
Financials(ex-Property)	17.8%
Industrials	1.6%
Energy	14.8%
Consumer Staples	11.5%
Consumer Discretionary	3.7%
Health Care	1.5%
Utilities	0.0%
Telecommunication Services	0.7%
Information Technology	0.0%
Property Trusts	0.0%
Cash/Hybrids/Fixed Interest	23.8%
Total	**100.0%**

The payment of management fees to FSP occurs through the deduction by the manager of monies invested by Scarborough in the FSP Fund. The value of Scarborough's investment in the FSP Fund is therefore net of fees payable to the manager from time to time. The Scarborough Board has negotiated a variable fee structure that represents a favourable rebate to the normal fees charged by the FSP Fund.

Scarborough's Directors are Farooq Khan (Executive Chairman), William Johnson (Executive Director), Simon Cato (Non-Executive Director), Christopher Ryan (Non-Executive Director), and Alan Winduss (as Alternate Director for Mr Cato).

DIRECTORS' REPORT

DIRECTORS

Directors in office during or since the financial half 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[14])

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 Resources 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 — None

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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:

(2) 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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14 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

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:

(3) Greenland Minerals and Energy Lid (since 21 February 2006)
(4) Scarborough Equities Limited (since 29 November 2004)
(5) 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 Schroders Australia for 27 years. At Schroders, 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:

(3) 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

John R Hart	—	Alternate Non-Executive Director for Peter Simpson
Appointed	—	19 November 2008
Qualifications	—	Bc.EC, FCA
Experience	—	Mr Hart has over 27 years experience in the accounting industry. Mr Hart is a Fellow of the Institute of Chartered Accountants and a Partner of Ferrier Hodgson (SA) specialising in Corporate Advisory and Corporate Recovery. Mr Hart is both a Registered and Official Liquidator and a member of the Insolvency Practitioners Association of Australia. Mr Hart is a non executive director of Berren Asset Management Limited which is the responsible entity of the publically listed International Wine Investment Fund. Mr Hart is also director and advisor to a number of private companies.
Relevant interest in shares	—	None
Special Responsibilities		None
Other current directorships in listed entities	—	Berren Asset Management Ltd as Responsible Entity of the International Wine Investment Fund (IWI) (since 16 May 2008)
Former directorships in other listed entities in past 3 years	—	None

Robin J Dean	—	Alternate Non-Executive Director for Christopher Ryan
Appointed	—	19 November 2008
Qualifications	—	BEcon (*UWA)*
Experience	—	Mr Dean has a background in corporate banking and project finance over 25 years with Westpac and BankWest. In this roll he was involved in the development of numerous successful resources projects across a range of commodities including gold, copper, coal, oil and gas and was at the leading edge of developing risk management strategies for new resource projects. He is also experienced in fund raising, mergers and acquisitions and company restructures. Mr Dean has also managed public listed companies being formerly the managing director of the ASX listed companies St Barbara Mines Limited and Structural Monitoring Systems plc.
Relevant interest in shares	—	None
Special Responsibilities	—	None
Other current directorships in listed entities	—	Current Non Executive Director of: (1) Structural Monitoring Systems plc (SMN) (since 28 August 2003) (2) Structural Monitoring Systems Limited (since 29 November 1999)

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 executive and company secretarial roles with a number of public listed companies since 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, 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:

(3) Alara Resources Limited (since 4 April 2007)

(4) Scarborough Equities Limited (Secretary since 29 November 2004)

(5) 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)

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 30. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

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

Farooq Khan
Chairman

Simon Cato
Director

27 February 2009

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay Street
SUBIACO WA 6008
PO Box 700
WEST PERTH WA 6872
Phone 61 8 9380 8400
Fax 61 8 9380 8499
aa.perth@bdo.com.au
www.bdo.com.au

ABN 79 112 284 787

27th February 2009

Board of 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 for the review of Bentley International Limited for the half-year ended 31 December 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 review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Bentley International Limited.

B. McVeigh

Brad McVeigh
Director

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Dated this 27th day of February 2009
Perth, Western Australia

INCOME STATEMENT
for the period ended 31 December 2008

	Note	31 Dec 08 $	31 Dec 07 $
Revenue from continuing operations	2 a	321,593	177,966
Net reversal of prior year unrealised loss/current year unrealised loss on financial assets at fair value through profit or loss	7	2,039,395	5,912
Other income		(96)	3,811
Total revenue		2,360,892	187,689
Expenses	2 b		
Investment expenses			
- Realised loss on financial assets at fair value through profit or loss	7	(2,165,422)	(107,367)
- Foreign exchange losses		(668,365)	(4,601)
- Withholding tax		(18,530)	(18,891)
Occupancy expenses		(24,599)	(10,600)
Finance expenses		(533)	(348)
Borrowing cost		(2)	-
Corporate expenses		(112,987)	(138,510)
Administration expenses		(249,458)	(164,929)
Loss before income tax expense		(879,004)	(257,557)
Income tax expense	3 b	(901,403)	-
Loss for the half year		(1,780,407)	(257,557)
Loss attributable to the members of the company		(1,780,407)	(257,557)
Dividends per share (cent per share)	4	-	1.0
Basic earnings/(loss) (cents per share)	5	(4.43)	(0.65)

The accompanying notes form part of this financial report

BALANCE SHEET
as at 31 December 2008

	Note	31 Dec 08 $	30 Jun 08 $
CURRENT ASSETS			
Cash and cash equivalents	**6**	10,728,931	333,566
Financial assets at fair value through Profit and Loss	**7**	4,560,815	15,851,257
Trade and other receivables	**8**	69,439	37,680
Other		19,339	-
TOTAL CURRENT ASSETS		15,378,524	16,222,503
NON CURRENT ASSETS			
Property, plant and equipment		4,051	4,457
Deferred tax asset	**10**	21,204	912,991
TOTAL NON CURRENT ASSETS		25,255	917,448
TOTAL ASSETS		15,403,779	17,139,951
CURRENT LIABILITIES			
Trade and other payables	**9**	175,762	141,143
TOTAL CURRENT LIABILITIES		175,762	141,143
NON CURRENT LIABILITIES			
Deferred tax liabilities	**10**	21,204	11,588
TOTAL NON CURRENT LIABILITIES		21,204	11,588
TOTAL LIABILITIES		196,966	152,731
NET ASSETS		15,206,813	16,987,220
EQUITY			
Issued Capital	**11**	18,178,191	18,178,191
Accumulated losses		(2,971,378)	(1,190,971)
TOTAL EQUITY		15,206,813	16,987,220

The accompanying notes form part of this financial report

STATEMENT OF CHANGES IN EQUITY
for the period ended 31 December 2008

	Issued Capital $	Accumulated Losses $	Total $
At 1 July 2007	17,995,366	2,104,851	20,100,217
Loss for the period	-	(257,557)	(257,557)
Total recognised income and expense for the half year	-	(257,557)	(257,557)
Dividends paid		(397,283)	(397,283)
Issue under Dividend Reinvestment Plan	182,825	-	182,825
At 31 December 2007	18,178,191	1,450,011	19,628,202

	Issued Capital $	Accumulated Losses $	Total $
At 1 July 2008	18,178,191	(1,190,971)	16,987,220
Loss for the period	-	(1,780,407)	(1,780,407)
Total recognised income and expense for the half year	-	(1,780,407)	(1,780,407)
At 31 December 2008	18,178,191	(2,971,378)	15,206,813

The accompanying notes form part of this financial report

CASH FLOW STATEMENT
for the period ended 31 December 2008

	Note	31 Dec 08	31 Dec 07
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		150,915	141,419
Interest received		138,679	8,444
Other income received		-	3,811
Investment manager's fees paid		(76,515)	(45,543)
Other expenses paid		(313,500)	(335,078)
Interest paid		(2)	-
Income tax refunded (paid)		87	-
Proceeds from sale of investments		11,186,453	10,792
Cost of investment purchases		(22,039)	(27,602)
Foreign exchange loss from sale of investments		(689,535)	-
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		10,374,543	(243,757)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(349)	(372)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(349)	(372)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		-	(214,458)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		-	(214,458)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		10,374,194	(458,587)
Cash and cash equivalents at the beginning of the year		333,566	761,486
Effect of exchange rate changes on cash		21,171	50,605
CLOSING CASH AND CASH EQUIVALENTS AT END OF HALF YEAR	6	10,728,931	353,504

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2008

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's financial report for the year ended 30 June 2008.

2. LOSS FOR THE PERIOD

The operating loss before income tax includes the following items of revenue and expense:

	31 Dec 08	31 Dec 07
(a) Revenue	**$**	**$**
Dividends	162,839	169,522
Interest	158,754	8,444
	321,593	177,966
Other Income		
Net reversal of prior year unrealised loss/current year unrealised loss on financial assets at fair value through profit or loss	2,039,395	5,912
Other	(96)	3,811
Total investment income	2,360,892	187,689
(b) Expenses		
Investment expenses		
- Realised loss on financial assets at fair value through profit or loss	2,165,422	107,367
- Foreign exchange losses	668,365	4,601
- Withholding tax	18,530	18,891
Occupancy expenses	24,599	10,600
Finance expenses	533	348
Borrowing cost	2	-
Corporate expenses		
- Investment management fees	76,515	90,703
- Custodian fees	41,213	24,636
- (Reversal) of provision for realisation costs in investment portfolio	(39,517)	(1,471)
- ASX fees	17,662	20,185

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2008

2. LOSS FOR THE PERIOD (continued)

	31 Dec 08	31 Dec 07
(b) Expenses (continued)	**$**	**$**
- Share registry fees	4,489	9,675
- Other	12,625	(5,218)
Administration expenses		
- Communications	6,541	4,227
- Accounting	45,292	18,022
- Audit	26,175	13,152
- Office administration	14,164	12,191
- Personnel	107,407	76,633
- Personnel- employee benefits	4,676	961
- Depreciation	755	1,047
- Travel	5,971	1,628
- Other	38,477	37,068
	3,239,896	445,246

3. INCOME TAX EXPENSE

	31 Dec 08	31 Dec 07
(a) The major components of income tax expense are:	**$**	**$**
Current tax	-	-
Deferred tax (Note 10)		
Current year	901,403	-
	901,403	-
(b) The prima facie income tax on loss from continuing operations before income tax is reconciled to the income tax provided in the accounts as		
Loss before income tax	**(879,004)**	**(257,557)**
Prima facie tax payable on loss from continuing operations before income tax at 30%	(263,701)	(77,267)
Increase/(decrease) in income tax due to:		
Non deductible expenses	5,559	92,306
Non recognition of current year revenue losses	885,571	-
Current period deferred tax movements	(627,429)	-
Derecognition of previously realised net deferred tax assets	901,403	-
Recoupment of prior year tax losses not previously brought to account	-	(15,039)
Income tax expense	901,403	-
The applicable weighted average effective tax rate are as follows:	-103%	0%
(c) Deferred Tax Asset not brought to account at 30%		
- revenue losses	2,852,553	-
- temporary differences	297,332	2,813,719
	3,149,885	2,813,719

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2008

3. INCOME TAX EXPENSE (continued)

The Deferred Tax Asset not brought to account for the period 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. DIVIDENDS

	31 Dec 08	31 Dec 07
Declared and paid during the year	**$**	**$**
Dividends on ordinary shares		
One cent per share fully franked paid on 28 September 2007	-	397,283
	-	397,283
Franking credit balance		
Balance of franking account at period end	3,973,639	3,992,167

5. LOSS PER SHARE

	31 Dec 08	31 Dec 07
Basic loss per share (cents)	(4.43)	(0.65)
Net loss	(1,780,407)	(257,557)
Weighted average number of ordinary shares during the period used in calculation of basic loss per share	40,234,143	39,897,378

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.

6. CASH AND CASH EQUIVALENTS

	31 Dec 08	30 Jun 08
	$	$
Cash at bank	278,931	333,566
Term Deposit	10,450,000	-
	10,728,931	333,566

7. FINANCIAL ASSETS AT FAIR VALUE

	31 Dec 08	30 Jun 08
	$	$
Investment Portfolio (international securities)	4,560,815	15,851,257

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	(126,027)	(3,621,409)

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2008

		31 Dec 08	30 Jun 08
		$	$
8.	**TRADE AND OTHER RECEIVABLES**		
	Dividends and interest receivable	69,439	37,680
9.	**TRADE AND OTHER PAYABLES**		
	Trade creditors	46,242	46,928
	Other creditors and accruals	129,520	94,215
		175,762	141,143
10.	**TAX**		
	Assets		
	Non Current		
	Market Decrement	21,204	912,991
	Liabilities		
	Current		
	Current tax liability/(asset)	-	-
	Non Current		
	Deferred tax liability comprises:		
	- fair value gain adjustments	-	(11,588)
	- other	(21,204)	-
		(21,204)	(11,588)
	Reconciliations		
	Gross movement		
	The overall deferred tax account is as follows		
	Opening balance	901,403	-
	(Charge) / credit to income statement	(901,403)	901,403
	Closing balance	-	901,403
	Deferred tax asset - fair value gain		
	The movement in deferred tax asset for each temporary difference during the year is as follows:		
	Opening balance	912,991	187,015
	(Charge) / credit to income statement	(891,787)	725,976
	Closing balance	21,204	912,991
	Deferred tax liability		
	The movement in deferred tax liability for each temporary difference during the year is as follows:		
	Fair Value Gain Adjustment		
	Opening balance	(11,588)	(187,015)
	(Charge) / credit to income statement	11,588	175,427
	Closing balance	-	(11,588)
	Other		
	Opening balance	-	-
	(Charge) / credit to income statement	(21,204)	-
	Closing balance	(21,204)	-
	Total	(21,204)	(11,588)

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2008

11. ISSUED CAPITAL

	Number of shares	31 Dec 08 $	Number of shares	30 Jun 08 $
Fully paid ordinary shares	40,234,143	18,178,191	40,234,143	18,178,191

Movement in Ordinary Share Capital	Date of movement	Number of shares	31 Dec 08 $	30 Jun 08 $
At 1 July 2007		39,728,303	17,995,366	17,995,366
Issue under dividend reinvestment plan	28-Sep-07	505,840	182,825	182,825
At 30 June 2008		40,234,143	18,178,191	18,178,191
		-	-	
At 31 December 2008		40,234,143	18,178,191	

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

12. 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 the exposures in the Company's investment portfolio are outlined below:

	Segment Revenues		Carrying Amount of Segment Assets		Acquisitions of Investments	
	31 Dec 08	31 Dec 07	31 Dec 08	30 Jun 08	31 Dec 08	31 Dec 07
Country	$	$	$	$	$	$
Australia	158,754	8,340	87,090	165,568	-	-
Europe	388,180	22,594	855,956	2,915,749	33,073	114
United Kingdom	130,871	27,181	419,870	1,535,591	867	38,383
North America	1,266,844	79,688	2,592,992	8,889,572	(35,329)	-
Asia	30,775	38,744	189,885	721,080	23,428	(10,895)
Japan	385,468	11,142	551,718	1,861,475	-	-
	2,360,892	187,689	4,697,511	16,089,035	22,039	27,602

13. CONTINGENT ASSETS AND LIABILITIES

The Company does not have any contingent assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2008

14. COMMITMENTS

Lease Commitments	**31 Dec 08**	**30 Jun 08**
	$	**$**
Non-cancellable operating lease commitments:		
Not longer than one year	62,736	26,062
Between 12 months and 5 years	248,609	131,109
	311,345	157,170

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%.

15. EVENTS AFTER BALANCE SHEET DATE

The following matters occurred after the balance date in relation to the proposed merger via a scheme of arrangement (**Scheme**) with ASX listed investment company, Scarborough Equities Limited (ASX Code: SCB):

(a) On 20 February 2009, Scarborough shareholders approved the Scheme;

(b) On 25 February 2009, Bentley shareholders approved various matters in connection with the merger, including a change of name to "Bentley Capital Limited";

(c) On 26 February 2009, Scarborough and Bentley declared satisfaction of all conditions precedent under the merger agreement;

(d) On 27 February 2009, Scarborough obtained Court approval for the Scheme;

(e) The date on which the Scheme becomes effective is 27 February 2009.

Upon implementation of the Scheme, Bentley will acquire 100% of Scarborough’s shares; Scarborough will become a wholly owned subsidiary of Bentley and will be delisted from the ASX

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Bentley International Limited made pursuant to sub-section 303(5) of the *Corporations Act 2001*, we state that:

In the opinion of the directors:

(a) The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Company's financial position as at 31 December 2008 and of its performance for the half year ended on that date; and

  (ii) complying with Accounting Standards AASB 134 "Interim Financial Reporting" and *Corporations Regulations 2001*; and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,

Farooq Khan
Chairman

Simon Cato
Director

27 February 2009

BDO Kendalls

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bentley International Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bentley International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bentley International Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the disclosing entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

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

BDO Kendalls Audit & Assurance (WA) Pty Ltd

Brad McVeigh
Director

Dated this 27th day of February 2009
Perth, Western Australia

SECURITIES INFORMATION
as at 31 December 2008

DISTRIBUTION OF LISTED ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	124	49,428	0.123
1,001	-	5,000	350	1,043,260	2.593
5,001	-	10,000	235	1,794,272	4.460
10,001	-	100,000	439	11,719,650	29.129
100,001	-	and over	39	25,627,533	63.696
Total			**1,187**	**40,234,143**	**100%**

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	BELLWETHER INVESTMENTS PTY LTD <YORK STREET A/C>	3,299,856		
	MR ROBERT CRAIG	674,023		
	MR MICHAEL CRAIG	50,000		
		Sub-total	4,023,879	10.002
3	ROCHESTER NO 39 PTY LTD	503,380		
	PENSON HOLDINGS PTY LTD	258,426		
	PENSON (MANAGEMENT) PTY LTD <NIKANKO A/C>	26,609		
	ROCHESTER NO 39 PTY LTD	216,464		
	BARBRIDGE TRUSTS PTY LTD <PSFT A/C>	105,566		
	BARBRIDGE TRUSTS PTY LTD <PETER SIMPSON FAMILY A/C>	139,779		
	ROCHESTER NO 39 PTY LTD	275,777		
	BARBRIDGE TRUSTS PTY LTD <PETER SIMPSON FAMILY A/C>	202,141		
	BARBRIDGE TRUSTS PTY LTD <PSFT A/C>	54,114		
		Sub-total	1,782,256	4.430
4	ANZ NOMINEES LIMITED <CASH INCOME A/C>		1,775,746	4.414
5	MR JOHN ROBERT DILLON		1,100,045	2.734
6	UBS NOMINEES PTY LTD		807,569	2.007
7	PATJEN PTY LIMITED		557,441	1.385
8	NENDAR PTY LTD <THE LITTLE FAMILY S/F A/C>	300,000		
	NENDAR PTY LTD	52,658		
	NENDAR PTY LTD <LFIUT A/C>	100,000		
		Sub-total	452,658	1.125
9	MR JAMES LAWRENCE HADLEY & MRS MARIA MARLENA HADLEY <HADLEY FAMILY SUPERFUND A/C>		400,500	0.995
10	DR SPENCER DAVID <DAVID FAMILY INV FUND A/C>		283,951	0.706
11	MR DONALD GORDON MACKENZIE & MRS GWENNETH EDNA MACKENZIE		268,458	0.667
12	MRS LEANNE MAREE ROCKEFELLER		207,962	0.517
13	MS JAN ELIZABETH BURNETT-MCKEOWN		182,970	0.455
14	TAYDYN PTY LTD		177,501	0.441
15	MRS LENA SOONG		168,765	0.419
16	MR MILTON MELROSE FORSTER		165,000	0.410
17	KJ & ML GILROY PTY LTD <KJ & ML GILROY P/L S/F A/C>		150,000	0.373
18	MR STANLEY GEORGE JOHANSON & MRS IRENE CECILIA JOHANSON		149,464	0.371
19	SUSAN LOUISE DZIDA		133,819	0.333
20	MR FRANKLIN HUGH FERRIER & MRS BRONWYN FERRIER <FERREX SUPER FUND A/C>		130,000	0.323
TOTAL			**24,505,922**	**60.91**