



BELL IXL INVESTMENTS LIMITED

ACN 113 669 908
ABN 80 113 669 908

FIRST ANNUAL REPORT

30 JUNE 2005

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LETTER FROM THE EXECUTIVE CHAIRMAN

29 September 2005

Dear Shareholder

On behalf of my fellow Directors, I would like to firstly welcome you as a shareholder of the company and sincerely thank you for becoming part of what I believe will be an exciting investment.

The company's initial public share offer closed oversubscribed on 23 August 2005 and trading in the shares commenced on 15 September 2005.

This is the company's first annual report covering the period to 30 June 2005.

It is extremely pleasing to announce that in less than three months your company has posted a maiden profit of \$94,113 after tax.

It is the intention of the directors to strive to increase the profit of the company in each successive year.

The company's investment portfolio is now predominantly concentrated in the securities of two companies both of which represent excellent strategic investment value and the directors are now looking at strategies to extract the maximum value from them.

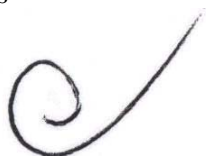
We are always looking to identify new opportunities and each new investment is treated exactly the same. First we ask ourselves "Do we have the capacity to acquire 100% of the target?". If the answer is yes, then we acquire shares. If the answer is no, then we are not interested in investing in such a company. Our stated objective is very clear - we are looking to make investments in companies at a discount where we have a realistic chance of gaining control based on our resources at any given time and our ability to borrow funds within our means.

We are looking to significantly grow the company and to broaden our potential investment opportunity base.

A notice setting out details regarding the first Annual General Meeting of the company is enclosed with this document and I look forward to seeing you at the meeting.

Please feel free to call me anytime on (03) 9840 8710.

Kind regards



MASSIMO LIVIO CELLANTE
EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

DIRECTORS' REPORT

Your directors present their report on the company for the financial period ended 30 June 2005.

Directors

The names of directors in office at any time during or since the end of the period are:

- Mr. Massimo Livio Cellante
- Mr. Ramon Jimenez
- Mr. Romano Livio Cellante

Directors have been in office since the incorporation of the company on 5 April 2005 to the date of this report.

Company Secretary

Mr. Ramon Jimenez held the position of company secretary at the end of the period.

Principal Activities

The principal activity of the company during the period was investing and trading in listed equity securities.

There has been no significant change in the nature of the company's activities during the period.

Operating Results

The profit of the company after providing for income tax for the period ended 30 June 2005 amounted to \$94,113.

Dividends Paid or Recommended

No dividends were paid or declared during the period. The directors do not propose to recommend the payment of any dividend.

Review of Operations

The company was incorporated on 5 April 2005 to act as a strategic investment holding company with a focus on acquiring at a discount and profitably realising strategic shareholdings in publicly listed companies.

The company acquired an initial portfolio of investments on 26 April 2005 from a subsidiary of the ultimate parent entity, The Bell IXL Group Limited and a third party.

BELL IXL INVESTMENTS LIMITED
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DIRECTORS' REPORT

Review of Operations (continued)

An integral part of the formation and establishment of the company comprised the goal to obtain the listing of the shares of the company on a stock exchange in Australia. In pursuance of this endeavour a prospectus was issued on 20 June 2005 for an initial public offer of shares and application was made by the company for admission to the Official List of the Stock Exchange of Newcastle Limited.

The initial public share offer was open as at the end of the period.

At the end of the period the company was a substantial shareholder (as defined in the *Corporations Act 2001*) in the following entities:

- Queste Communications Limited (Direct voting power of 10.02%)

This is an investment company the ordinary shares of which are listed on the Australian Stock Exchange Limited ("ASX") under the share code QUE. The principal asset of the company is a substantial shareholding in the ASX listed Central Exchange Limited that is also an investment company.

- Winpar Holdings Limited (Direct voting power 8.44%)

This is an investment company the ordinary shares of which are listed on the Stock Exchange of Newcastle Limited. The company holds a diversified portfolio of investments in both Australian and overseas based entities.

Financial Position

The net assets of the company increased from \$nil as at 5 April 2005 to \$1,644,113 as at 30 June 2005 with the increase resulting from the following factors:

- The issue of 7,749,999 fully paid ordinary shares in the capital of the company as part consideration for the acquisition of investments; and
- Profits generated from the successful realisation of investments.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the company occurred during the period.

- The company was incorporated on 5 April 2005.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

DIRECTORS' REPORT

Significant Changes in State of Affairs (continued)

- On 26 April 2005 the company acquired listed equity investments at market value for an aggregate consideration of \$1,583,131 that was satisfied to the extent of \$1,550,000 by the issue of 7,749,999 fully paid ordinary shares.
- On 26 April 2005 the company granted a call option to a third party entitling that party to acquire shares owned by the company. The company received \$22,512 by way of an option premium.
- The company issued a prospectus on 20 June 2005 for an initial public offer of 2,500,000 fully paid ordinary shares at an issue price of \$0.20 per share with the right to accept oversubscriptions for up to a further 5,000,000 fully paid ordinary shares.
- During the period the company sold equity securities for an aggregate consideration of \$802,403 net of brokerage.

After Balance Date Events

The initial public share offer made by the company closed oversubscribed on 23 August 2005 with application monies of \$502,000 having been received. On 29 August 2005 the company issued 2,510,000 fully paid ordinary shares pursuant to the offer. The company was admitted to the Official List of the Stock Exchange of Newcastle Limited on 6 September 2005 and trading in the shares of the company commenced on 15 September 2005.

The unrelated third party to whom the company granted a call option exercised that option prior to the expiry date with the result that the company sold the option shares to the party and the sum of \$112,562 was received as consideration for the shares sold.

Except for the matters stated, no other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Future Developments

The company will continue to pursue the acquisition of investments and the successful realisation of those investments for the benefit of shareholders. Further information on likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

DIRECTORS' REPORT

Remuneration Policy

As at the date of this report the company has no employees and the directors are responsible for managing the company's affairs. In view of their significant indirect financial interest in the company the directors have elected not to seek remuneration from the company at this time and accordingly the company has not developed a remuneration policy.

Information on Directors

Massimo Livio Cellante
(Age 31)

Qualifications	Bachelor of Commerce (Deakin University)
Experience	Board member since 5 April 2005. A director of the Cellante group of property development and investment companies since 1992.
Interest in securities	Indirect interest in 7,500,000 fully paid ordinary shares held by Bell IXL Investments No. 4 Pty. Limited.
Special Responsibilities	Executive Chairman and Managing Director.

Ramon Jimenez
(Age 26)

Qualifications	Member of the Australian Institute of Company Directors. Associate of the Law Institute of Victoria.
Experience	Board member since 5 April 2005. A director of the Landwise Group of companies since 1997.
Interest in securities	Indirect interest in 7,500,000 fully paid ordinary shares held by Bell IXL Investments No. 4 Pty. Limited.
Special Responsibilities	Executive Director and Company Secretary

Romano Livio Cellante
(Age 32)

Qualifications	Diploma of Accounting (Swinburne University)
Experience	Board member since 5 April 2005. A director of the Cellante group of property development and investment companies since 1992.
Interest in securities	Indirect interest in 7,500,000 fully paid ordinary shares held by Bell IXL Investments No. 4 Pty. Limited
Special Responsibilities	Non-executive Director.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

DIRECTORS' REPORT

Meetings of Directors

During the period, 8 meetings of directors were held. Attendances by each director during the period were as follows:

	<i>Directors' Meetings</i>	
	<i>Number eligible to attend</i>	<i>Number attended</i>
Massimo Livio Cellante	8	8
Ramon Jimenez	8	8
Romano Livio Cellante	8	8

Environmental Issues

The operations of the company are not regulated by any significant environmental regulation under a law of the Commonwealth of Australia or the State of Victoria.

Options

At the date of this report, the unissued fully paid ordinary shares of the company under option are as follows:

<i>Grant Date</i>	<i>Expiry Date</i>	<i>Exercise Price</i>	<i>Number under option</i>
29 August 2005	31 March 2008	\$0.25	500,000

These options were issued to Taylor Collison Limited in connection with an underwriting agreement for the initial public offer of shares.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the period.

Indemnifying Officers or Auditor

During the period the company entered into an agreement with each director to indemnify the director in certain circumstances and to maintain insurance cover in favour of the director for a period of seven years after the person ceases to be a director of the company. Other than as stated the company has not given any indemnity or entered into any agreement to indemnify or paid or agreed to pay any insurance premiums of officers or the auditor.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

DIRECTORS' REPORT

Non-Audit Services

The directors are satisfied that the provision of non-audit services during the period are compatible with the general standards of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

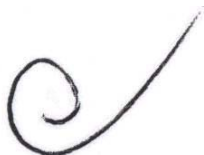
- All non-audit services are reviewed and approved by the directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

During the period ended 30 June 2005 the company paid \$5,225 to the auditor for the provision of services in connection with the initial public share offer.

Auditor's Independence Declaration

The auditor's independence declaration for the period ended 30 June 2005 has been received and is attached to and included in this report.

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



Director

MR. M. L. CELLANTE

Dated this 29th day of September 2005.

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BELL IXL INVESTMENTS LIMITED**

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2005 there have been:

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

**GRANT THORNTON
CHARTERED ACCOUNTANTS**



**S J GRAY
Partner**

Dated this 29th day of September 2005

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BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 30 JUNE 2005

	Note	2005 \$
Revenue from sale of investments		802,403
Cost of investments sold		(688,959)
Gross profit		<u>113,444</u>
Other revenue from ordinary activities		22,512
Other expenses from ordinary activities		(5,521)
Profit from ordinary activities before income tax	3	<u>130,435</u>
Income tax expense relating to ordinary activities	4	(36,322)
Profit from ordinary activities after income tax		<u>94,113</u>
Net profit attributable to members		<u>94,113</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u><u>94,113</u></u>
Basic earnings per share (cents per share)	7	1.2

The accompanying notes form part of these financial statements.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005

	Note	2005 \$
CURRENT ASSETS		
Cash assets	8	775,957
Receivables	9	837
Other financial assets	10	982,103
Tax assets		1,650
Other	11	46,817
<i>TOTAL CURRENT ASSETS</i>		<u>1,807,364</u>
NON-CURRENT ASSETS		
<i>TOTAL NON-CURRENT ASSETS</i>		<u>-</u>
TOTAL ASSETS		<u><u>1,807,364</u></u>
CURRENT LIABILITIES		
Payables	12	125,279
Current tax liabilities	13	37,972
<i>TOTAL CURRENT LIABILITIES</i>		<u>163,251</u>
NON-CURRENT LIABILITIES		
<i>TOTAL NON-CURRENT LIABILITIES</i>		<u>-</u>
TOTAL LIABILITIES		<u><u>163,251</u></u>
<u>NET ASSETS</u>		<u><u>1,644,113</u></u>
EQUITY		
Contributed equity	14	1,550,000
Retained profits	15	94,113
<u>TOTAL EQUITY</u>		<u><u>1,644,113</u></u>

The accompanying notes form part of these financial statements.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2005

	Note	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Sale of investments		757,833
Purchase of investments		(38,010)
Option premium received		22,512
Payments to suppliers		(21)
Net cash provided by (used in) operating activities	17(a)	<u>742,314</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash provided by (used in) investing activities		<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		-
Initial public offer costs		(26,357)
Proceeds from borrowings		60,000
Net cash provided by (used in) financing activities		<u>33,643</u>
Net increase in cash held		775,957
Cash at 5 April 2005		-
Cash at 30 June 2005	8	<u><u>775,957</u></u>

The accompanying notes form part of these financial statements.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2005

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers, as an individual entity, Bell IXL Investments Limited a public company listed on the Stock Exchange of Newcastle Limited and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

(a) Income Tax

The company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2005

Note 1: Statement of Significant Accounting Policies (continued)

(b) Investments

Securities, including listed and unlisted shares, are initially brought to account at cost. If the directors were to consider that a loss is almost certain on any holding then it would be written down to realisable value as estimated by the directors. After any individual write-downs have been made, the portfolio is then valued at the lower of carrying value and market value in aggregate. Any write down is then included in profit from ordinary activities before income tax. It is the investment policy of the company to constantly pursue opportunities for the successful realisation of investments for the benefit of shareholders. The company is not a long-term investor and accordingly investments are classified as 'current assets'.

In the situation where the company obtains significant influence in the affairs of an entity in which an investment is held then such investment may be classified differently depending on the particular circumstances.

Market value for the purposes of valuing holdings of securities is determined by reference to market prices prevailing at balance date, predominantly last sale price, where securities are traded on an organised market. Where a security is not so traded, the directors have determined the fair value of the security. An allowance is made for realisation costs where considered appropriate.

Distributions relating to listed securities are recognised when those securities are quoted ex-distribution basis. Distributions relating to unlisted securities are recognised as income when received.

(c) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(d) Cash

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

(e) Reporting period

The financial statements have been prepared for the period from 5 April 2005, being the date of incorporation of the company, until 30 June 2005.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2005

Note 1: Statement of Significant Accounting Policies (continued)

(f) Comparative figures

Due to the fact that this is the first financial report of the company, only current period figures have been shown.

(g) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards

The company is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the financial statements of the company for the year ended 30 June 2006. On first time adoption of AIFRS, comparative figures for the financial period ended 30 June 2005 are required to be restated where necessary. The directors of the company are overseeing and managing the company's transition to AIFRS.

The impact of the alternative treatments and elections under AASB 1: First time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.

The directors are of the opinion that there will be the following material differences in the accounting policies of the company on conversion to AIFRS:

(i) Trading portfolio to be measured at market value

Under AIFRS the trading portfolio of investments will be revalued to fair market value continuously with all increments and decrements being included in Net Profit whereas currently the trading portfolio is valued at the lower of carrying value and market value in aggregate. This change may result in increased volatility in reported results for the investment portfolio.

At balance date the amount by which the market value of the investment portfolio exceeded its carrying value was \$41,892 and the effect on the Statement of Financial performance for the period would have been to recognise an unrealised gain of \$41,892.

(ii) Income Tax

Under AIFRS, the company will be required to recognise an additional tax asset or liability reflecting the deferred tax effect of measuring the trading portfolio at market value as described in note (i) above. At balance date the liability is estimated to be \$12,568.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2005

Note 2: Revenue

	2005
Operating activities	\$
- Sale of investments	802,403
- Option premium received	22,512
	<hr/> 824,915 <hr/>

Note 3: Profit from Ordinary Activities

Profit from ordinary activities before income tax has been determined after:

(a) Expenses

- Cost of investments	688,959
- Other expenses	5,521
	<hr/> 694,480 <hr/>

Note 4: Income Tax Expense

(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30%.

39,131

Less:

Tax effect of permanent differences:

- Initial public offer costs

(2,809)

Income tax expense attributable to profit from ordinary activities before income tax

36,322

Note 5: Directors' and Executives Remuneration

The names of the directors who held office at any time during the period are:

Massimo Livio Cellante (appointed 5 April 2005)

Ramon Jimenez (appointed 5 April 2005)

Romano Livio Cellante (appointed 5 April 2005)

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2005

Note 5: Directors' and Executives Remuneration (continued)

(a) Directors' Remuneration

		Primary		Equity	Total
	Salary, Fees & Commissions	Superannuation Contribution	Non-Cash Benefits	Options	
	\$	\$	\$	\$	\$
M. L. Cellante	-	-	-	-	-
R. Jimenez	-	-	-	-	-
R. L. Cellante	-	-	-	-	-
	-	-	-	-	-

(b) Directors' Shareholdings

Number of shares held directly, indirectly or beneficially by directors of the company:

	Balance 05/04/2005	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30/06/2005
Mr. M. L. Cellante	-	-	-	7,500,000	7,500,000
Mr. R. Jimenez	-	-	-	7,500,000	7,500,000
Mr. R. L. Cellante	-	-	-	7,500,000	7,500,000

7,500,000 shares were acquired by Bell IXL Investments No. 4 Pty. Limited on the incorporation of the company and on the acquisition by the company of the investment portfolio from Bell IXL Nominees Pty. Limited, a wholly owned subsidiary of the ultimate parent entity, The Bell IXL Group Limited. Each of the directors has an indirect interest in the shares by virtue of their significant indirect interest in The Bell IXL Group Limited.

(c) Directors' Option holdings

Number of options held directly, indirectly or beneficially by directors of the company:

	Balance 05/04/2005	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30/06/2005
Mr. M. L. Cellante	-	-	-	-	-
Mr. R. Jimenez	-	-	-	-	-
Mr. R. L. Cellante	-	-	-	-	-

(d) Remuneration Practices

As at the date of this financial report the company has no employees and the directors are responsible for managing the company's affairs. In view of their significant indirect financial interest in the company the directors have elected not to seek remuneration from the company at this time and accordingly the company has not developed a remuneration policy.

BELL IXL INVESTMENTS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2005

Note 6: Auditors' Remuneration

	2005
Remuneration of the auditor of the Company for:	\$
- Auditing or reviewing the financial report	5,500
- Other services	5,225
	<hr/> 10,725 <hr/>

Note 7: Earnings per Share

Earnings used in calculation of basic EPS	<hr/> 94,113 <hr/>
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Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS.	<hr/> 7,750,000 <hr/>
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At balance date there were no potential dilutive securities on issue.

Weighted average number of ordinary shares outstanding at the date of this report.	<hr/> 10,260,000 <hr/>
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Note 8: Cash Assets

Cash at bank and on hand	<hr/> 775,957 <hr/>
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Cash at bank and on hand yields no interest. The credit risk exposure of the company in relation to cash and deposits is the carrying amount.

Reconciliation of Cash

Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash	<hr/> 775,957 <hr/>
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BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2005

Note 9: Receivables

2005
\$

CURRENT

Other debtors

837

Receivables are non-interest bearing and unsecured. The credit risk exposure of the company in relation to receivables is the carrying amount.

Note 10: Other Financial Assets

CURRENT

Securities in listed corporations, at cost.

982,103

At balance date the market value of listed securities was \$1,023,995.

On 26 April 2005 the company entered into a Call Option Deed with an unrelated third party. The option entitles the third party to acquire 4,502,481 fully paid ordinary shares held by the company in Gullewa Limited at any time prior to 5:00 pm on 3 September 2005 at a price of \$0.025 per share. In consideration for the grant of the option the company received the sum of \$22,512 by way of an option premium. Subsequent to balance date the third party has exercised the call option in respect of the option shares and the company will recognise a gain on the sale of approximately \$18,010.

Note 11: Other

CURRENT

Prepayments

46,861

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2005

Note 12: Payables	2005
	\$
CURRENT	
Unsecured liabilities	
Trade creditors	26,757
Amounts payable to:	
- ultimate parent entity	60,000
- subsidiary of ultimate parent entity	38,522
	<hr/>
Trade creditors consist of transaction costs associated with the initial public share offer that have been recognised as prepayments and audit fees.	<u>125,279</u>

Note 13: Tax Liabilities

CURRENT	
Income tax payable	<u>37,972</u>

Note 14: Contributed Equity	Note	
7,750,000 fully paid ordinary shares	14(a)	<u>1,550,000</u>
(a) Ordinary Shares	Number	\$
At the beginning of the reporting period	-	-
Shares issued during the period:		
- 5 April 2005 - on incorporation	1	-
- 26 April 2005 - for the acquisition of investment portfolio	7,749,999	1,550,000
	<hr/>	<hr/>
At the end of the reporting period	<u>7,750,000</u>	<u>1,550,000</u>

Ordinary shares participate in dividends and returns of capital in proportion to the number of shares held. At meetings of shareholders each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2005

Note 15: Retained Profits	2005
	\$
Retained profits at the beginning of the financial period	-
Net profit attributable to members of the company	94,113
Retained profits at the end of the financial period	<u>94,113</u>

Note 16: Segment Reporting

The company operates solely in one business and geographical segment being the acquisition and realisation of listed investments in Australia.

Note 17: Cash Flow Information

**(a) Reconciliation of Cash Flow from Operations
with Profit from Ordinary Activities after
Income Tax**

Profit from ordinary activities after income tax	94,113
Non-cash flows in profit from ordinary activities	
- Sale of investments	(44,570)
- Purchase of investments	650,949
Changes in assets and liabilities:	
- Increase in income taxes payable	37,972
- (Increase) in tax assets	(1,650)
- Increase in accounts payable	5,500
Cash flow from operations	<u><u>742,314</u></u>

Note 18: Events Subsequent to Reporting Date

The initial public share offer made by the company closed oversubscribed on 23 August 2005 with application monies of \$502,000 having been received. On 29 August 2005 the company issued 2,510,000 fully paid ordinary shares pursuant to the offer. The company was admitted to the Official List of the Stock Exchange of Newcastle Limited on 6 September 2005 and trading in the shares of the company commenced on 15 September 2005.

The unrelated third party to whom the company granted a call option exercised that option prior to the expiry date with the result that the company sold the option shares to the party and the sum of \$112,562 was received as consideration for the shares sold.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2005

Note 19: Related Party Transactions

2005
\$

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless stated:

Transactions with related parties:

(i) Ultimate parent entity

Non-interest bearing loan received from The Bell IXL Group Limited repayable at call.	60,000
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Sub-underwriting by The Bell IXL Group Limited of the initial public share offer. No fee is payable by the company for the sub-underwriting but the ultimate parent entity will receive a sub-underwriting fee from Taylor Collison Limited.	-
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(ii) Subsidiaries of ultimate parent entity

Acquisition of investment portfolio from Bell IXL Nominees Pty. Limited.	1,531,669
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Acquisition of shares in Winpar Holdings Limited from Bell IXL Nominees Pty. Limited.	6,853
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Unpaid purchase consideration owing to Bell IXL Nominees Pty. Limited payable at call.	38,522
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Issue of 7,500,000 fully paid ordinary shares in the capital of the company to Bell IXL Investments No. 4 Pty. Limited for cash and the acquisition of investments.	1,500,000
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Provision by Bell IXL Management Pty. Limited of office facilities to the company.	-
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Note 20: Commitments for expenditure

At balance date the company has committed to the following expenditures in relation to the initial public offering as detailed in the prospectus:

- Payable within 1 year	28,943
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These obligations are not provided for in the financial report.

BELL IXL INVESTMENTS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2005

Note 21: Company Details

The registered office and principal place of business of the company is situated at:

Bell IXL Investments Limited
Level 2
651-653 Doncaster Road
Doncaster, Victoria 3108

The immediate parent entity of the company is Bell IXL Investments No. 4 Pty. Limited (ACN 108 748 992) a company incorporated and domiciled in Australia.

The ultimate parent entity of the company is The Bell IXL Group Limited (ACN 106 304 714) a company incorporated and domiciled in Australia.


BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 to 24, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position as at 30 June 2005 and of the performance for the period ended on that date of the company.
2. The Executive Chairman and Managing Director (being the person who performs the chief executive function) and the Company Secretary (being the person who performs the chief financial officer function) have each declared that:
 - (a) the financial records of the company for the financial period have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - (b) the financial statements and notes for the financial period comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial period give a true and fair view.
3. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director

MR. M. L. CELLANTE

Dated this 29th day of September 2005.

INDEPENDENT AUDIT REPORT

TO MEMBERS OF BELL IXL INVESTMENTS LIMITED

Scope and summary of our role

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Bell IXL Investments Limited, for the period ended 30 June 2005.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The auditor's role and work

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

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

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

We read the other information in the annual report to determine whether it contained any material inconsistencies with the financial report.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit opinion

In our opinion, the financial report of Bell IXL Investments Limited:

- gives a true and fair view of the financial position of Bell IXL Investments Limited at 30 June 2005, and of their performance for the period ended on that date, and
- is presented in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia.

GRANT THORNTON
CHARTERED ACCOUNTANTS



S.J. GRAY
Partner

Signed at Wayville this 29th day of September 2005

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information, current as at 15 September 2005, is disclosed pursuant to the Listing Rules of Stock Exchange of Newcastle Limited.

(a) Distribution of Shareholders

The distribution of the fully paid ordinary shares of the company is as follows:

Range	Number of shareholders	Number of shares	% of issued capital
1 - 1,000	0	0	0.00
1,001 - 5,000	0	0	0.00
5,001 - 10,000	46	460,000	4.48
10,001 - 100,000	27	1,080,000	10.53
100,001 and over	6	8,720,000	84.99
	79	10,260,000	100.00

The number of shareholders holding less than a marketable parcel is nil.

(b) Substantial Shareholders

The names of the substantial shareholders that have given notice to the company under section 671B of the *Corporations Act 2001* are as follows:

Name	Number of shares	% of issued capital
Bell IXL Investments No. 4 Pty. Limited	7,500,000	73.10
	7,500,000	73.10

(c) Voting Rights

At meetings of shareholders each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(d) 10 Largest Shareholders - Fully Paid Ordinary Shares

Name	Number of shares	% of issued capital
Bell IXL Investments No. 4 Pty. Limited	7,500,000	73.10
White Sand Investments Pty Ltd	450,000	4.39
Miss Licia Nunzia Bucchini	250,000	2.44
Mr K.W. Seabrook and Mrs S.J. Seabrook	250,000	2.44
Taycol Nominees Pty Ltd	145,000	1.41
Mrs Josephine Cellante	125,000	1.22
Mr Pat Lamanna	100,000	0.97
Vince Lamanna	100,000	0.97
Mr John Farms Scobie	100,000	0.97
Mr Antony Blazey	50,000	0.49
	9,070,000	88.40

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

(e) Comparative Financial Information

There is no comparative financial information available for disclosure.

(f) Corporate Governance Statement

The board of directors of the company has the responsibility for ensuring that the company is properly managed so that the interests of shareholders are protected and enhanced. The directors strive to ensure disclosure and reporting obligations are complied with in a timely manner and conflicts of interest are avoided.

The board sets strategic aims for the company, reviews the direction of the company and gives or withholds approval for all significant business transactions.

Day-to-day operation and administration of the company has been delegated to the managing director.

Directors are encouraged to seek independent professional advice in the event of any doubt regarding any matter arising in the course of their duties.

Under the Constitution of the company directors are periodically required to retire by rotation and seek re-election by the shareholders of the company.

It is the goal of the company to ensure that shareholders are always in a position to assess the stewardship of the directors. This is achieved through distribution to the shareholders of the annual report of the company. In addition, the company regularly releases public announcements and these announcements are accessible through the Internet at the web site operated by Stock Exchange of Newcastle Limited at <http://www.newsx.com.au/>.

The Annual General Meeting of the company provides an opportunity for shareholders to ask questions of the directors and the auditor. The company will hold informal discussions following the Annual General Meeting where shareholders will have the opportunity to meet and communicate with the directors on a casual basis.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

CORPORATE DIRECTORY

Directors	Massimo Livio Cellante Ramon Jimenez Romano Livio Cellante
Company Secretary	Ramon Jimenez
Registered Office and Principal Place of Business	Level 2 651-653 Doncaster Road Doncaster, Victoria 3108 Telephone: (03) 9840 8788 Facsimile: (03) 9840 0088 E-mail: info@bellixl.com Internet: http://www.bellixl.com/investments
Mailing Address	PO Box 643 Doncaster, Victoria 3108
Share Registry	ASX Perpetual Registrars Limited Level 4 333 Collins Street Melbourne, Victoria 3000 Telephone: (03) 9615 9800 Facsimile: (03) 9615 9900
Auditor	Grant Thornton Level 1 67 Greenhill Road Wayville, South Australia 5034
Legal Advisers	O'Loughlins Lawyers Level 2 99 Frome Street Adelaide, South Australia 5000
Nominated Adviser	Taylor Collison Limited Level 2 12 Pirie Street Adelaide, South Australia 5000
Bankers	Commonwealth Bank of Australia 7-9 The Mall Lower Templestowe, Victoria 3107
Stock Exchange	Stock Exchange of Newcastle Limited Ground Floor 384 Hunter Street Newcastle, New South Wales 2300 Share code: BXL (ordinary shares)