



# **BELL IXL INVESTMENTS LIMITED**

ACN 113 669 908  
ABN 80 113 669 908

---

---

## **HALF YEAR REPORT 31 DECEMBER 2005**

---

---

# TABLE OF CONTENTS

SECTION	PAGE NUMBER
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	5
INCOME STATEMENT	6
BALANCE SHEET	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10
DIRECTORS' DECLARATION	16
AUDIT REPORT	17
CORPORATE DIRECTORY	19

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' REPORT**

Your directors submit the financial report of the company for the half-year ended 31 December 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

**Review of Operations**

The company operates 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 its initial portfolio of investments from a subsidiary of the ultimate parent entity of the company, The Bell IXL Group Limited and an unrelated third party.

*Capital Raisings and Stock Exchange Listing*

During the period the company completed an initial public shares offer and succeeded in raising new capital totalling \$502,000. 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.

A private placement of shares was made on 13 December 2005 resulting in the issue of 170,000 fully paid ordinary shares and receipt of \$51,000 in additional capital.

*Investment Activities*

The company has continued to actively manage its portfolio of investments and fully realised its investments in two companies during the period at a profit. In addition a new investment opportunity was identified and a significant holding in the company was accumulated.

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 (ASX code: QUE).
- Winpar Holdings Limited (NSX code: WPH).

The company will continue to pursue the acquisition of investments and the successful realisation of those investments for the benefit of shareholders.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' REPORT**

**Review of Operations (continued)**

*Profit and Dividend*

The net profit after income tax for the half-year ended 31 December 2005 was \$78,931.

The directors have declared a fully franked interim dividend of one cent per fully paid ordinary share to be paid to holders of shares registered on 31 March 2006. It is anticipated that the dividend will be paid on or about 21 April 2006. The aggregate amount of the dividend has not been recognised as a liability in the financial statements for the half-year ended 31 December 2005.

*Director Remuneration*

The directors currently provide their services to the company and for the benefit of shareholders without seeking any remuneration.

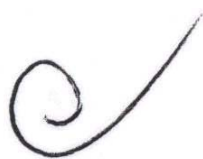
**Adoption of Australian Equivalents to IFRS**

This interim financial report has been prepared under Australian equivalents to IFRS. A reconciliation of differences between previous Australian GAAP and Australian equivalents to IFRS has been included in Note 2 of this report.

**Auditor's Declaration**

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2005 is included at page 5 of the half-year report.

This report is signed in accordance with a resolution of the Board of Directors.



Director .....  
MR. M. L. CELLANTE

Dated this 16<sup>th</sup> day of March, 2006.

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

In accordance with the requirements of section 307C of the Corporations Act 2001, as auditor for the review of Bell IXL Investments Limited for the half year ended 31 December 2005, I declare that, to the best of my knowledge and belief, there have been:

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

**GRANT THORNTON**  
**South Australian Partnership**  
**CHARTERED ACCOUNTANTS**



**S.J. GRAY**  
**Partner**

Signed at Adelaide this 16<sup>th</sup> day of March 2006

Level 1  
67 Greenhill Road  
Wayville SA 5034  
GPO Box 1270  
Adelaide SA 5001  
DX 275 Adelaide  
**T** (08) 8372 6666  
**F** (08) 8372 6677  
**E** info@gt.sa.com.au  
**W** www.grantthornton.com.au

Grant Thornton South Australian Partnership ABN 27 244 906 724

An independent South Australian partnership entitled to trade under the international name Grant Thornton.

Grant Thornton is a trademark owned by Grant Thornton International and used under licence by independent firms and entities throughout the world.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**INCOME STATEMENT**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2005

	<b>Note</b>	31/12/2005
		\$
Net realised gains on trading portfolio		13,842
Net unrealised gains on trading portfolio		95,775
Income from trading portfolio		10,084
Other expenses		(5,494)
Net profit before income tax		<u>114,207</u>
Income tax expense		(35,276)
Net profit after income tax		<u><u>78,931</u></u>
Basic earnings per share (cents per share)		0.80

The accompanying notes form part of these financial statements.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**BALANCE SHEET**  
AS AT 31 DECEMBER 2005

	Note	31/12/2005 \$	30/06/2005 \$
<b>CURRENT ASSETS</b>			
Cash assets		1,107,975	775,957
Receivables		7,156	837
Financial assets		1,222,649	1,023,995
Other		-	46,817
<b><i>TOTAL CURRENT ASSETS</i></b>		2,337,780	1,847,606
<b>NON-CURRENT ASSETS</b>			
Deferred tax assets		28,283	1,650
<b><i>TOTAL NON-CURRENT ASSETS</i></b>		28,283	1,650
<b>TOTAL ASSETS</b>		2,366,063	1,849,256
<b>CURRENT LIABILITIES</b>			
Payables		43,050	125,279
Current tax liabilities		48,013	37,972
<b><i>TOTAL CURRENT LIABILITIES</i></b>		91,063	163,251
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		33,878	12,568
<b><i>TOTAL NON-CURRENT LIABILITIES</i></b>		33,878	12,568
<b>TOTAL LIABILITIES</b>		124,941	175,819
<b><u>NET ASSETS</u></b>		2,241,122	1,673,437
<b>EQUITY</b>			
Issued capital	3	2,038,754	1,550,000
Retained earnings		202,368	123,437
<b><u>TOTAL EQUITY</u></b>		2,241,122	1,673,437

The accompanying notes form part of these financial statements.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

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

	<b>Note</b>	Issued Capital \$	Retained Earnings \$	Total \$
Balance at 1 July 2005		1,550,000	123,437	1,673,437
Shares issued during the year		553,000	-	553,000
Capital raising costs (net of tax)		(64,246)	-	(64,246)
Profit for the period		-	78,931	78,931
Balance at 31 December 2005		<u>2,038,754</u>	<u>202,368</u>	<u>2,241,122</u>

The accompanying notes form part of these financial statements.



**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**STATEMENT OF CASH FLOWS**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2005

	Note	31/12/2005 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Sale of investments		160,799
Purchase of investments		(250,004)
Payments to suppliers		(7,511)
GST refunded		2,069
Net cash provided by (used in) operating activities		<u>(94,647)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash provided by (used in) investing activities		<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares		553,000
Initial public offer costs		(67,813)
Repayment of borrowings		(58,522)
Net cash provided by (used in) financing activities		<u>426,665</u>
Net increase in cash held		332,018
Cash at 1 July 2005		775,957
Cash at 31 December 2005		<u><u>1,107,975</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 HALF YEAR ENDED 31 DECEMBER 2005

**Note 1: Basis of preparation**

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2005 and any public announcements made by Bell IXL Investments Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

As this is the first interim financial report prepared under Australian equivalents to IFRS, the accounting policies applied are inconsistent with those applied in the 30 June 2005 annual report as that report was presented under previous Australian GAAP. Accordingly, a summary of the significant accounting policies under Australian equivalents to IFRS has been included below. A reconciliation of equity and profit and loss between previous Australian GAAP and Australian equivalents to IFRS has been prepared per Note 2.

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

**(a) Income Tax**

The charge for current income tax expenses is based on the operating profit adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probably that future tax profits will be available against which deductible temporary differences can be utilised.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

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

**Note 1: Basis of preparation (continued)**

**(a) Income Tax (continued)**

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.

**(b) Financial Assets**

Securities, including listed and unlisted shares, are initially brought to account at cost (including any associated transaction costs) and are continuously revalued to fair value. It is the investment policy of the company to constantly pursue opportunities for the successful realisation of investments for the benefit of shareholders. As a consequence all investments are held within a 'trading portfolio'. The company is not a long-term investor and accordingly investments are classified as 'current assets'.

Realised and unrealised gains and losses arising from changes in fair value of investments are included in the Income Statement in the period in which they arise.

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.

Fair 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 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 part of any item of the expense. Receivables and payables in the balance are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

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

**Note 2: First time adoption of Australian Equivalents  
to International Financial Reporting Standards**

**Reconciliation of Equity at 30 June 2005**

	Previous Australian GAAP 30/06/2005 \$	Adjustments on introduction of Australian equivalents to IFRS \$	Australian equivalents to IFRS at 30/06/2005 \$
Note			
<b>CURRENT ASSETS</b>			
Cash	775,957	-	775,957
Receivables	837	-	837
Financial assets	982,103	41,892	1,023,995
Other	46,817	-	46,817
<b><i>TOTAL CURRENT ASSETS</i></b>	<u>1,805,714</u>	<u>41,892</u>	<u>1,847,606</u>
<b>NON-CURRENT ASSETS</b>			
Deferred tax assets	1,650	-	1,650
<b><i>TOTAL NON-CURRENT ASSETS</i></b>	<u>1,650</u>	<u>-</u>	<u>1,650</u>
<b>TOTAL ASSETS</b>	<u>1,807,364</u>	<u>41,892</u>	<u>1,849,256</u>
<b>CURRENT LIABILITIES</b>			
Payables	125,279	-	125,279
Current tax liabilities	37,972	-	37,972
<b><i>TOTAL CURRENT LIABILITIES</i></b>	<u>163,251</u>	<u>-</u>	<u>163,251</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	-	12,568	12,568
<b><i>TOTAL NON-CURRENT LIABILITIES</i></b>	<u>-</u>	<u>12,568</u>	<u>12,568</u>
<b>TOTAL LIABILITIES</b>	<u>163,251</u>	<u>12,568</u>	<u>175,819</u>
<b><u>NET ASSETS</u></b>	<u>1,644,113</u>	<u>29,324</u>	<u>1,673,437</u>

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

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

**Note 2: First time adoption of Australian Equivalents  
to International Financial Reporting Standards (continued)**

**Reconciliation of Equity at 30 June 2005 (continued)**

EQUITY			
Issued capital	1,550,000	-	1,550,000
Retained earnings	94,113	29,324	123,437
<b><u>TOTAL EQUITY</u></b>	<b><u>1,644,113</u></b>	<b><u>29,324</u></b>	<b><u>1,673,437</u></b>

The amount of \$1,650 shown as 'current tax assets' in the balance sheet accompanying the Annual Report of the company for the period ended 30 June 2005 has been re-classified as 'deferred tax assets' in the above reconciliation.

**Reconciliation of Profit or Loss for the year ended 30 June 2005**

		Adjustments on introduction of	
	<b>Note</b>	Previous Australian GAAP \$	Australian equivalents to IFRS \$
Revenue from sale of investments		802,403	(802,403)
Cost of investments sold		(688,959)	688,959
Gross profit		113,444	(113,444)
Net realised gains		-	113,444
Other revenue		22,512	-
Other expenses		(5,521)	-
Unrealised gains on investments		-	41,892
Profit before income tax		<u>130,435</u>	<u>41,892</u>
Income tax expense		(36,322)	(12,568)
Profit after income tax		<u><u>94,113</u></u>	<u><u>29,324</u></u>

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

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

**Note 2: First time adoption of Australian Equivalents  
to International Financial Reporting Standards (continued)**

The principal impact on the company from the transition from Australian GAAP to Australian equivalents to IFRS is that the investment portfolio is revalued to fair market value continuously with all increments and decrements in value being included in net profit. As a result of this regular revaluation process deferred tax assets and liabilities are recognised in the balance sheet where required.

<b>Note 3: Contributed Equity</b>	<b>Note</b>	<b>31/12/2005</b> <b>\$</b>
10,430,000 fully paid ordinary shares	<b>3(a)</b>	<u>2,038,754</u>
<b>(a) Ordinary Shares</b>	<b>Number</b>	<b>\$</b>
At the beginning of the reporting period	7,750,000	1,550,000
Shares issued during the period:		
- 29 August 2005 - initial public offer	2,510,000	502,000
- 13 December 2005 - placement	170,000	51,000
Capital raising costs (net of tax)	-	(64,246)
At the end of the reporting period	<u>10,430,000</u>	<u>2,038,754</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.

**(b) Options**

On 29 August 2005 the company issued 500,000 options to acquire fully paid ordinary shares in the company with an expiry date of 31 March 2008 to Taylor Collison Limited in connection with an underwriting agreement for the initial public offer of shares. The exercise price is \$0.25 cents per option. At 31 December 2005 there were 500,000 unissued ordinary shares for which options were outstanding. The fair value of these options at the date of issue as calculated using the Black and Sholes valuation methodology was \$nil.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

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

**Note 4: Segment Reporting**

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

**Note 5: Events Subsequent to Reporting Date**

On 28 February 2006 the company issued 230,000 fully paid ordinary shares in part consideration for the acquisition of securities listed for trading on the stock market conducted by Australian Stock Exchange Limited.

There were no other events subsequent to period end that require disclosure other than those matters referred to elsewhere in this report.

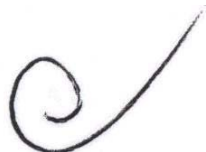
**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 15:
  - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*; and
  - (b) give a true and fair view of the financial position of the company as at 31 December 2005 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Director .....  
MR. M. L. CELLANTE

Dated this 16<sup>th</sup> day of March, 2006.



**INDEPENDENT REVIEW REPORT  
TO THE MEMBERS OF BELL IXL INVESTMENTS LIMITED****Scope****The half year financial report and directors' responsibility**

The half year financial report comprises the balance sheet, income statement, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements and the directors' declaration for Bell IXL Investments Limited (the company) for the half year ended 31 December 2005.

The directors of the company are responsible for the preparation and true and fair presentation of the half year 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 half year financial report.

**Review Approach**

We have performed an independent review of the half year financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the half year financial report is not presented fairly in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

**Independence**

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

**Statement**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Bell IXL Investments Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
- (i) giving a true and fair view of the company's financial position as at 31 December 2005 and of its performance for the half year ended on that date; and
  - (ii) complying with Australian Accounting Standards AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

- (b) other mandatory professional reporting requirements in Australia.

**GRANT THORNTON**  
**South Australian Partnership**  
**CHARTERED ACCOUNTANTS**



**S J GRAY**  
Partner

Signed at Adelaide this 16<sup>th</sup> day of March 2006

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**CORPORATE DIRECTORY**

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