



BELL IXL INVESTMENTS LIMITED

ACN 113 669 908
ABN 80 113 669 908

FOURTH ANNUAL REPORT

30 JUNE 2008

FINANCIAL PERFORMANCE - AT A GLANCE

COMPARATIVE FINANCIAL INFORMATION

	2005	2006	2007	2008
Gross revenue (\$)	177,848	134,144	664,874	322,909
Net profit/(loss) before tax (\$)	172,327	100,385	424,782	(849,282)
Net profit/(loss) after tax (\$)	123,437	79,813	247,621	(574,546)
Total assets (\$)	1,849,256	2,550,048	3,498,966	6,863,552
Total liabilities (\$)	(175,819)	(69,644)	(290,941)	(4,034,173)
Shareholders funds (\$)	1,673,437	2,480,404	3,208,025	2,829,379
Number of ordinary shares	7,750,000	11,580,000	13,180,000	13,833,000
Earnings per share (cents)	1.59	0.78	1.96	(4.21)
Dividends per share (cents)	-	1.00	-	-
NTA per share (cents)	21.59	21.42	24.34	20.45
Price earnings ratio (x)	N/A	24.36	9.44	N/A

ASX - A YEAR OF TURMOIL

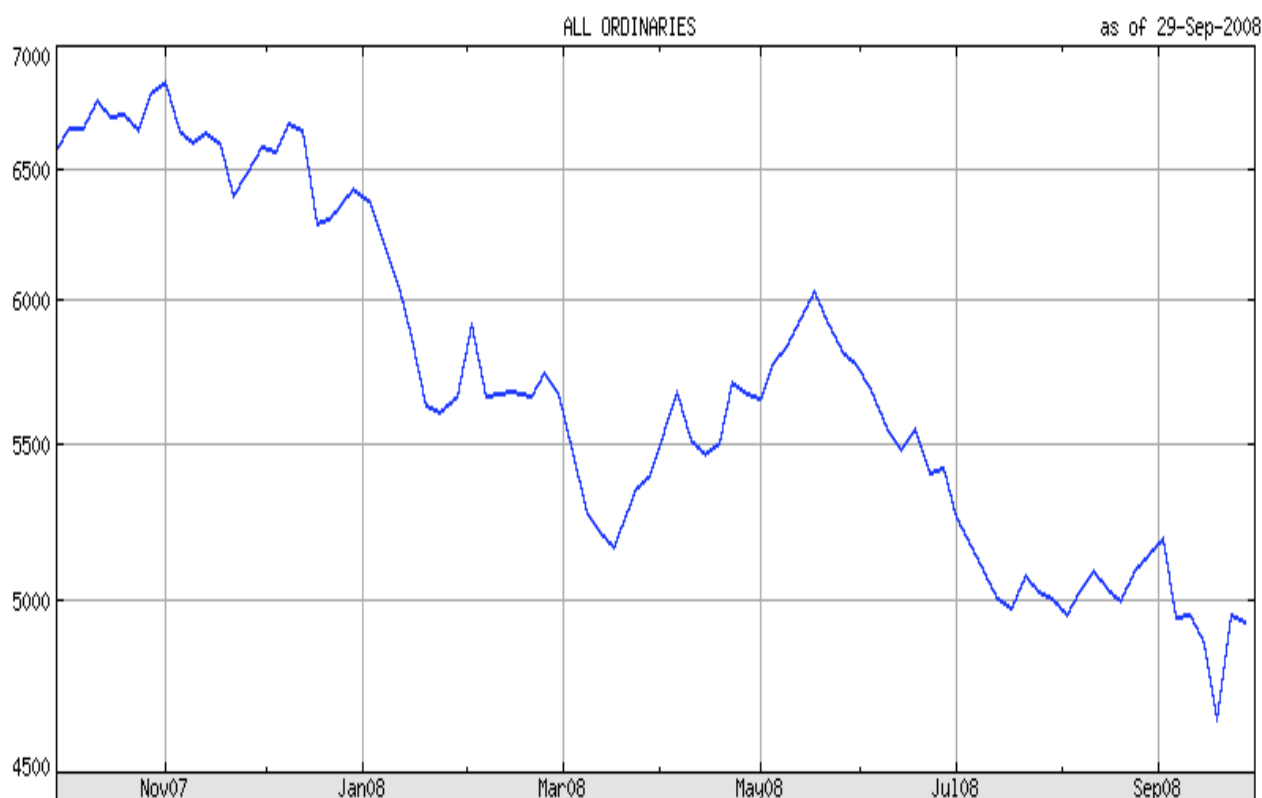


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LETTER FROM THE EXECUTIVE CHAIRMAN

30 September 2008

Dear Shareholder



The last six months has seen world stock markets experience considerable volatility with company share prices across the board significantly declining although the intrinsic value of those same companies may not have changed much at all.

The Bell IXL investment model is based upon investing in companies where the share price is significantly below the intrinsic value and focusing on companies with little or no debt and easily identifiable assets including cash, listed securities and property.

The model also involves seeking board representation so that various concepts to unlock value can be presented to the board such as the implementation of a capital return and thereby fast track the value extraction process.

During the year, board representation was sought to each of the company's core investments with an appointment to Goldlink Incomeplus Limited (ASX code: GLI) being the only success so far.

Due to the volatility in the markets, we have brought to account an amount of \$787,916 as an unrealised loss for the year of which we are confident is only a temporary diminution in value but in any event has produced a net loss for the company after income tax of \$574,546.

Obviously it is disappointing to report a loss but I can assure you that we are committed to growing the company for the long term and the company's core investments continue to represent excellent strategic value. On a 'look-through' basis each share in Bell IXL is worth in excess of 39 cents as outlined on page 7 of this Annual Report.

A notice setting out details regarding the fourth 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

A handwritten signature in dark ink, consisting of a stylized 'M' followed by a long, sweeping flourish that curves upwards and to the right.

MASSIMO LIVIO CELLANTE
EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

CORPORATE HISTORY

2005

APRIL

Bell IXL Investments Limited (“Bell IXL”) is incorporated on 5 April 2005

JUNE

Bell IXL issues a prospectus seeking to raise \$500,000 via the issue of 2,500,000 fully paid ordinary shares at 20c each underwritten by Taylor Collison Limited and seeks to list on the Newcastle Stock Exchange.

SEPTEMBER

Bell IXL shares begin trading on Newcastle Stock Exchange on 15 September 2005.

NOVEMBER

Bell IXL adopts a new Constitution which introduced a new class of shares known as limited voting ordinary shares which rank equally with ordinary shares in all respects save that holders of limited voting ordinary shares are only entitled to vote on proposals that affect the rights attached to the limited voting ordinary shares.

2006

APRIL

Bell IXL pays a maiden dividend of one cent per fully paid ordinary share.

JUNE

Bell IXL makes an offer to acquire 20% of Betta Stores Limited (NSX code: BSZ) that operates the Betta Electrical and Chandlers stores throughout Australia.

OCTOBER

The BSZ offer is withdrawn following the appointment of an Administrator to such company.

NOVEMBER

Dean Pagnin is appointed a non-executive director of the company.

DECEMBER

Newcastle Stock Exchange changes its name to National Stock Exchange of Australia.

2007

NOVEMBER

Massimo Cellante is nominated to join the board of Queste Communications Limited (ASX code: QUE) but is unsuccessful.

DECEMBER

Bell IXL plays a key role in sub-underwriting the \$20M initial public share offer of Austex Oil Limited (ASX code: AOK).

2008**FEBRUARY**

Bell IXL requisitions a meeting for Goldlink Incomeplus Limited (ASX code: GLI) to remove and replace the board with Massimo Cellante, Ramon Jimenez and Anthony Lewis.

MARCH

Bell IXL makes a Takeover Bid for New Opportunity Limited by offering one share in Longreach Oil Limited (ASX code: LGO) for every one share held.

APRIL

The GLI requisitioned meeting is held with Anthony Lewis being successfully appointed.

MAY

Bell IXL requisitions a meeting for Chapmans Limited (ASX code: CHP) to remove and replace the board with Massimo Cellante, Ramon Jimenez and Romano Cellante.

JUNE

Bell IXL requisitions a meeting for LGO to appoint Massimo Cellante and Ramon Jimenez as directors of that company.

Massimo Cellante is successfully appointed to the GLI board.

INFORMATION ON INVESTMENTS

Company	Shares	Value
Chapmans Limited (ASX code: CHP) A general and share investment company that has been listed on the ASX since 1950. Its principal investments include listed shares and a loan receivable. Bell IXL and its associates control 15.6%	15,572,208	\$436,022
Goldlink Incomeplus Limited (ASX code: GLI) It previously invested in structured gold financial instruments and now has its remaining funds of just under \$30m in short term cash deposits. Bell IXL and its associates control 18.0% Massimo Cellante is a Non Executive Director	18,923,960	\$4,237,749
Life Therapeutics Limited (ASX code: LFE) Collects both specialty plasma and normal source plasma, including Anti-D and Hepatitis B from a donor base of more than 5,000 in 14 operational US collection centres. The plasma is sold to blood fractionators who process it into hyperimmune therapeutic products. The US subsidiaries have recently been sold subject to shareholder approval. Bell IXL and its associates control 14.2%	9,517,734	\$685,277
Longreach Oil Limited (ASX code: LGO) Longreach is one of the oldest Stock Exchange listed oil exploration companies. The company's principal objectives have been to explore for oil, gas and energy resources. Bell IXL and its associates control 16.5%	25,637,249	\$538,382
Queste Communications Limited (ASX code: QUE) An investment holding company with its principal asset being a 48% shareholding in ASX listed investment company Orion Equities Limited (ASX code: OEQ). Bell IXL and its associates control 22.1%	3,572,109	\$750,143
+ Other shares		\$39,800
= Total share value		\$6,687,373
+ Cash		\$7,917
+ Other assets		\$168,262
= Total assets		\$6,863,552
- Borrowings		\$4,034,173
= Net assets		\$2,829,379

The concept of 'look-through' value

A concept popularised by Warren Buffett for analysing investments. Instead of judging an investment by price movement, Buffett prefers to account for the share of retained earnings, reserves and equity capital that an investor is entitled to as a partial owner of the company as if it had been distributed. This content can be found on the following page:

http://www.investorwords.com/5646/look_through_earnings.html

Bell IXL's 'look-through' value	\$5,422,121
NTA per share on a 'look-through' basis	39.2 cents

DIRECTORS' REPORT

Your directors present their report on Bell IXL Investments Limited (ACN 113 669 908) for the financial year ended 30 June 2008.

Directors

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

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

Directors have been in office since the start of the financial year to the date of this report except where otherwise stated.

Company Secretary

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

Principal Activities

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

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

Operating Results

The loss of the company after providing for income tax for the year ended 30 June 2008 amounted to \$574,546.

Dividends Paid or Recommended

No dividends have been paid or declared for payment during, or subsequent to the end of, the financial year. The directors do not recommend the payment of a final dividend.

Review of Operations

General Activities

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 has been admitted to the Official List of the National Stock Exchange of Australia Limited and the securities of the company trade under the ticker symbols BXL and BXLA.

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DIRECTORS' REPORT

Review of Operations (continued)

Investment Model

The investment objectives of the company are to:

- Apply a disciplined approach to investing.
- Achieve above average returns.
- Pay regular franked dividends.
- Preserve the capital of the company.

The objectives are achieved by:

- Diversifying risk and return by directing investments in to investment streams.
 - Fixed Interest (0 - 50%)
 - Low risk.
 - Bank deposits and other liquid assets.
 - Preserve capital, interest income and cash flow.
 - Core Portfolio (0 - 50%)
 - Low to medium risk.
 - Diversified portfolio of shares.
 - Capital growth, dividend income and cash flow.
 - Special Situations (0 - 75%)
 - Medium to high risk.
 - Strategic investments in asset and other special situations which can be acquired at significant discounts to underlying value.
 - Board representation is sought.
 - High value capital growth.
- Acquiring investments at a discount.
- Seeking to obtain significant influence in the operations of those entities.
- Investing to achieve absolute returns.

The process employed by the company is to:

- Identify undervalued situations - companies with little or no debt and easily identifiable assets including cash, listed securities and property.
- Identify trigger events - action that unlocks hidden value of investments including takeovers, asset sales, capital returns and capital raisings.
- Quantify downside risk and upside potential and compare.
- Make investment decision and maintain asset allocations.

BELL IXL INVESTMENTS LIMITED
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DIRECTORS' REPORT

Review of Operations (continued)

Investment Portfolio

The company has continued to actively manage its portfolio of investments. A detailed list of all investments held by the company together with a summary of the activities and financial position of each company in which investments are held is set out at page 7 of this Annual Report. The company will continue to pursue the acquisition of investments and the successful realisation of those investments for the benefit of shareholders.

Corporate & Investment Activities

- *Austex Oil Limited (ASX code: AOK)*

The company entered into an agreement to sub-underwrite the \$20,000,000 initial public share offer by AOK. The liability of the company under the agreement was limited to \$800,000 and the company took the additional precaution of entering into sub-sub-underwriting agreements with a number of parties with the result that the liability of the company was reduced from \$800,000 to \$175,000. The company was called on to take up shares to the value of \$87,500 and the company honoured its commitment in full. The parties under the sub-sub-underwriting agreements also honoured their commitments in full. The company received net sub-underwriting fees from these transactions. The company also exercised 3,000,000 options to buy AOK shares and sold the bulk of same at a profit.

- *Capital Raisings*

The company completed a number of share placements during the financial year and as a result 230,000 fully paid ordinary shares and 423,000 fully paid limited voting ordinary shares were issued at a price of 30 cents per share as part consideration for the acquisition of securities issued by companies listed on the ASX market.

- *Chapmans Limited (ASX code: CHP)*

The company accumulated a significant shareholding of over 15% in the ASX listed company CHP and sought the election of two directors at the Annual General Meeting of CHP. The directors of CHP declined to allow the election of the proposed directors to be voted upon. The company then requisitioned a meeting of CHP shareholders to vote upon the removal of all directors of CHP and the appointment of nominees of the company in their stead. The requisitioned meeting was held after balance date and the proposal did not succeed. A large number of CHP shares were issued just prior to the general meeting and in addition a number of votes cast at the meeting were ruled invalid. The directors of the company believe that the result of the general meeting may have been materially influenced as a result of these corporate manoeuvres by the directors of CHP.

BELL IXL INVESTMENTS LIMITED
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DIRECTORS' REPORT

Review of Operations (continued)

Corporate & Investment Activities (continued)

- *Corporate Restructure*

The largest shareholder of the company, The Bell IXL Group Pty Ltd ("BIG"), acquired additional ordinary shares during the year and that resulted in BIG holding more than 50% of the total number of ordinary shares on issue. As a result of the acquisition BIG became able to control the composition of the Board of Directors of the company by virtue of being able to cast more than 50% of the votes that could be cast at a meeting of shareholders voting upon the removal or appointment of directors. Due to this change in voting power BIG again became the ultimate parent entity of the company. As part of an ongoing corporate restructure process, the affairs of BIG have been rationalised and BIG has entered into voluntary liquidation as a solvent company. In due course the shares held by BIG in the company will be distributed in specie to the shareholders of BIG.

- *Emerald Capital Limited (formerly New Opportunity Limited)*

The company announced a joint takeover offer together with its associate, K Pagnin Pty Ltd, for all of the ordinary shares in Emerald Capital Limited ("Emerald"). Emerald is an unlisted public company engaged in investment activities. The terms of the offer provided for the exchange of fully paid shares in Longreach Oil Limited (ASX code: LGO) for shares in Emerald. The takeover offer lapsed during the year and as a result the company did not acquire any Emerald shares.

- *Financial Market Upheaval*

The first half of 2008 has seen world stock markets experience considerable trading volatility with companies in the banking and financial services sector being particularly affected. Australian markets have not been immune from these forces and local investor sentiment has been adversely affected as a result. Such market volatility has impacted upon the market value of investments within the trading portfolio of the company. After considering the portfolio as a whole the directors are confident that the diminution in value is not permanent having regard to the underlying financial position of the companies in which the investments are held. The company is required by Australian Accounting Standards to account for the trading portfolio investments on a "mark-to-market" basis and as a result the company has brought to account unrealised losses totalling \$787,916 in respect of its investments which contributed to the company reporting a loss after tax for the year. It can be expected that world markets will remain volatile following the dramatic corporate transactions now occurring in the United States including the failure of the investment bank, Lehman Brothers, and the US Government backed rescue of the insurer, American International Group Inc.

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DIRECTORS' REPORT

Review of Operations (continued)

Corporate & Investment Activities (continued)

- *Financial Support*

The extent of corporate activities during the year resulted in the company calling on its directors for financial support. As a result a number of loans were made to the company on an unsecured basis by corporate entities associated with the directors. Simple interest accrues on these loans at the rate of 15% per annum. The loans are repayable on demand but each of the lenders has undertaken in writing not to seek repayment of their loans for a period of 12 months unless the company is in a position to make the repayment.

- *Goldlink Incomeplus Limited (ASX code: GLI)*

The company advanced a proposal to GLI that would have resulted in the merger of the two companies with shareholders in Bell IXL Investments Limited receiving shares listed on the ASX. The proposal was rejected by GLI. Subsequently the company, and its associates, commenced acquiring shares in GLI both on-market and by private negotiation and as a result the company and its associates reached a peak voting power of 20% in GLI which was later reduced to 18.04%. A number of meetings of GLI shareholders were held during the year as a result of requisitions made by the company and others. On 18 June 2008 the Executive Chairman and Managing Director of the company, Mr. Massimo Cellante, was elected as a director of GLI. As a result of obtaining board representation and attaining significant influence in the affairs of GLI the company has adopted equity accounting in respect of its investment in GLI.

- *Life Therapeutics Limited (ASX code: LFE)*

The company became aware of an opportunity to acquire shares in the ASX listed company LFE. A substantial holding was acquired and the company requisitioned a meeting of LFE shareholders to vote on the removal of the directors of LFE and the appointment of nominees of the company in their stead. A meeting of LFE shareholders was convened and almost simultaneously LFE announced it had agreed to place shares equal to 15% of the issued capital of the company. The placement diluted the interests of all LFE shareholders and represented the maximum number of shares that LFE could issue without obtaining shareholder approval. The company was concerned that the motivation for making the placement was to entrench the position of the existing directors and the company issued legal proceedings in the Federal Court of Australia. Judgment was delivered in favour of the company after the end of the financial year but that judgment was overturned following an appeal by LFE. A retrial was ordered and on 26 September 2008 a decision was handed down dismissing the application brought by the company.

BELL IXL INVESTMENTS LIMITED
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DIRECTORS' REPORT

Review of Operations (continued)

Corporate & Investment Activities (continued)

- *Loan Facility*

The company borrowed \$2,500,000 from Biloclan Pty Ltd ("Biloclan"). Biloclan is a substantial shareholder of the company. Mr. D. Pagnin, a director of the company, is also a director of Biloclan. The company has granted Biloclan a floating charge over all of the assets of the company as security for the loan. Simple interest accrues on the outstanding balance at the rate of 15% per annum and is payable by the company when the principal sum is repaid. No establishment or other fees were payable in connection with the loan. The loan is due to be repaid on 21 February 2009. Legal advice was obtained to the effect that shareholder approval of the transaction was not required under the *Corporations Act 2001*. The company also obtained the advice of the Compliance Committee of the National Stock Exchange of Australia Limited to the effect that the transaction did not come within the ambit of the Listing Rules that require shareholder approval of significant transactions entered into with related parties of the company.

- *Longreach Oil Limited (ASX code: LGO)*

The company has for some time held a significant shareholding in LGO. During the year the company requisitioned a meeting of the shareholders of LGO for the purpose of voting on the appointment of two nominees of the company as directors of LGO. The meeting was held after the end of the financial year and the proposal by the company was not successful.

- *Merger Discussions*

During the year discussions were entered into with a number of companies listed on the ASX market with a view to negotiating a merger to be accomplished by a reverse takeover of the company. The rationale for entering into these discussions was to consummate a transaction that would increase the capital available for investment activities whilst at the same time obtaining greater liquidity for shareholders of the company by exchanging their shares in the company for shares in a company listed on the ASX market. The company has not yet reached an agreement for the implementation of such a transaction.

- *Queste Communications Limited (ASX code: QUE)*

The company has for some time held a significant shareholding in QUE. During the year the company unsuccessfully sought representation on the Board of Directors of QUE.

BELL IXL INVESTMENTS LIMITED
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DIRECTORS' REPORT

Review of Operations (continued)

Corporate & Investment Activities (continued)

- *Significant Related Party Share Sale*

The directors formed the view that one significant investment held by the company was no longer suitable to be held by the company and should be disposed of. Notwithstanding that the investment comprised listed securities it was not considered possible to dispose of the investment through the market at an acceptable price as the market for the investment was illiquid. Corporate entities associated with the directors therefore agreed to purchase the investment from the company at cost and for cash. Legal advice was obtained to the effect that shareholder approval was not required under the *Corporations Act 2001* as the transaction was on better than arms length terms from the perspective of the company. The company obtained a waiver of the NSX Listing Rules so as to enable the transaction to proceed without shareholder approval. The transaction was completed and the company received cash proceeds totalling \$338,250.

Financial Position

The net assets of the company decreased from \$3,208,025 as at 30 June 2007 to \$2,829,379 as at 30 June 2008 with the decrease resulting from the following factors:

- Decrease in the market value of the investment portfolio.
- The obligation to value the trading portfolio on a “mark-to-market” basis resulting in an allowance being made for unrealised losses on investments.
- The company generating an after tax loss of \$574,546 for the year to 30 June 2008.
- The decrease in net assets was partially offset by an increase of \$195,900 to issued capital as a result of the issue of a total of 653,000 new shares.

The directors believe that the company is in a very strong and stable financial position.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the company occurred during the financial year:

- The company issued 230,000 fully paid ordinary shares and 423,000 limited voting ordinary shares at a deemed issued price of 30 cents per share as part consideration for the acquisition of securities listed on the ASX market.

BELL IXL INVESTMENTS LIMITED
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DIRECTORS' REPORT

Significant Changes in State of Affairs (continued)

- The company obtained representation on the Board of Directors of Goldlink Incomeplus Limited (ASX code: GLI) through the appointment of Mr. M. L. Cellante as a director of that company. As a result the company has elected to equity account its investment in GLI.
- The market value of the investment portfolio decreased in value.
- The company generated an after tax loss for the year.
- The company significantly increased its reliance on interest bearing debt to fund its activities and operations.

After Balance Date Events

The following significant events affecting the company occurred after balance date:

- On 22 July 2008 judgment was delivered in favour of the company in the proceedings brought in the Federal Court of Australia against Life Therapeutics Limited (ASX code: LFE) with final orders including orders relating to costs to be made at a later date. Before final orders were made, LFE appealed against the judgment to the Full Federal Court of Australia and the judgment was overturned on 15 August 2008. The appeal court ordered a retrial of the proceedings and also ordered that the company pay the costs incurred by LFE in bringing the appeal. It is not possible at this time to quantify the amount of such costs. Middleton J of the Federal Court delivered his decision in respect of the retrial on 26 September 2008 and the application for relief brought by the company was dismissed. A further hearing will be held in due course to determine what orders should be made in respect of the costs of the proceedings. It is not possible at this time to quantify the amount of such costs.
- Entities related to one or more directors of the company have lent the company an additional \$161,000 to assist in meeting operating expenditures. These funds have been lent on an unsecured basis and are repayable on demand. Simple interest accrues on the outstanding balances at the rate of 15% per annum.

Except for the matters stated, no other matters or circumstances have arisen since the end of the financial year 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, Prospects and Business Strategies

To further improve the profit of the company and maximise shareholder wealth, the following developments are intended to be implemented in the near future:

BELL IXL INVESTMENTS LIMITED
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DIRECTORS' REPORT

Future Developments, Prospects and Business Strategies (continued)

- The company will continue to pursue the acquisition of investments and the successful realisation of those investments.
- The company is a significant shareholder in a number of listed companies. The directors believe that obtaining representation on the board of directors of such companies will be of benefit to the company and therefore the company will be seeking representation on the board of directors of a number of companies.
- The directors will continue to pursue negotiations for a merger between the company and a company listed on the ASX market with the twin objectives being to increase funds available for investment whilst at the same time providing a more liquid market for the shares in the company held by shareholders.

The directors are continuously examining opportunities to improve the profit of the company and maximise shareholder wealth.

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.

Information on Directors

Massimo Livio Cellante

(Age 34)

Qualifications

Bachelor of Commerce (Deakin University)
(Major: Finance and Law) (Minor: Accounting)

Experience

Board member since 5 April 2005. A director of the Cellante group of property development and investment companies since 1992. The Cellante group has been in operation since 1958. He has experience in negotiation, capital raisings, investment analysis and corporate acquisitions. He is in control of the day-to-day activities and operations of the company.

Interest in securities

6,698,000 ordinary shares and 1,000,000 limited voting ordinary shares in the company.

Special Responsibilities

Executive Chairman and Managing Director.

Directorships held in other listed entities

Current director of ASX listed company Goldlink Incomeplus Limited (ASX code: GLI) (since 18 June 2008).

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DIRECTORS' REPORT

Information on Directors (continued)

Ramon Jimenez

(Age 29)

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. He is an investor in real estate and equity securities. He has experience in administration matters, financial reporting and capital raisings.
Interest in securities	6,698,000 ordinary shares and 1,000,000 limited voting ordinary shares in the company.
Special Responsibilities	Executive Director and Company Secretary.

Romano Livio Cellante

(Age 35)

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. The Cellante group has been in operation since 1958.
Interest in securities	6,698,000 ordinary shares and 1,000,000 limited voting ordinary shares in the company.
Special Responsibilities	Non-executive Director.

Dean Pagnin

(Age 34)

Qualifications	Diploma of Accounting (Swinburne University)
Experience	Board member since 30 November 2006. A director of a number of private investment companies predominantly involved in the textile industry as well as other general activities for the Pagnin family.
Interest in securities	2,310,000 fully paid ordinary shares in the company.
Special Responsibilities	Non-executive Director.

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DIRECTORS' REPORT

AUDITED REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of the company, and for the executives receiving the highest remuneration.

Remuneration Policy

Remuneration issues are addressed by the directors. The company has no employees and the executive directors are responsible for managing the affairs of the company.

In view of their significant indirect financial interest in the company the executive directors have elected not to seek remuneration from the company at this time and accordingly the company has not developed a remuneration policy. In the event that the executive directors were to seek remuneration from the company then the company would be obliged to formulate an appropriate remuneration policy. Such a policy would be formulated and voted upon by directors other than those to whom the remuneration would be payable.

The Constitution of the company requires that shareholder approval be obtained for the payment of remuneration to non-executive directors. No approval has been obtained for the payment of remuneration to non-executive directors and therefore no remuneration is paid.

Performance based remuneration

No performance based remuneration is paid by the company.

Key Management Personnel Remuneration Policy

The company does not pay remuneration to key management personnel and therefore there is no policy regarding such remuneration.

Key Management Personnel Remuneration

2008

Key Management Person	Cash, salary and commissions \$	Short-term Benefits			Post-employment Benefits
		Cash profit share \$	Non-cash benefit \$	Other \$	Super-annuation \$
M. L. Cellante	-	-	-	-	-
R. Jimenez	-	-	-	-	-
R. L. Cellante	-	-	-	-	-
D. Pagnin	-	-	-	-	-
	-	-	-	-	-

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DIRECTORS' REPORT

AUDITED REMUNERATION REPORT (CONTINUED)

Key Management Personnel Remuneration (continued)

2008 (continued)	Other Long-term Benefits	Share-based Payment		Total	Performance Related
Key Management Person	Other \$	Equity \$	Options \$	Other \$	%
M. L. Cellante	-	-	-	-	-
R. Jimenez	-	-	-	-	-
R. L. Cellante	-	-	-	-	-
D. Pagnin	-	-	-	-	-
	-	-	-	-	-

2007	Short-term Benefits				Post- employment Benefits
Key Management Person	Cash, salary and commissions \$	Cash profit share \$	Non-cash benefit \$	Other \$	Super- annuation \$
M. L. Cellante	-	-	-	-	-
R. Jimenez	-	-	-	-	-
R. L. Cellante	-	-	-	-	-
D. Pagnin	-	-	-	-	-
	-	-	-	-	-

2007 (continued)	Other Long-term Benefits	Share-based Payment		Total	Performance Related
Key Management Person	Other \$	Equity \$	Options \$	Other \$	%
M. L. Cellante	-	-	-	-	-
R. Jimenez	-	-	-	-	-
R. L. Cellante	-	-	-	-	-
D. Pagnin	-	-	-	-	-
	-	-	-	-	-

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DIRECTORS' REPORT

AUDITED REMUNERATION REPORT (CONTINUED)

Performance income as a proportion of total remuneration

No performance income is paid by the company.

Options issued as part of remuneration for the year ended 30 June 2008

No options were issued as part of remuneration for the year ended 30 June 2008.

Shares issued on Exercise of Compensation Options

No shares were issued during the year on the exercise of compensation options

Meetings of Directors

During the financial year, 2 meetings of directors were held. Attendances by each director during the year were as follows:

	<i>Directors' Meetings</i>	
	<i>Number eligible to attend</i>	<i>Number attended</i>
Massimo Livio Cellante	2	2
Ramon Jimenez	2	2
Romano Livio Cellante	2	2
Dean Pagnin	2	2

Due to the size of the company and the nature of its activities all management issues are considered by the full board of directors.

No committees of directors have been established.

Options

At the date of this report, there are no unissued fully paid ordinary shares, or limited voting ordinary shares, of the company under option.

The following options expired during the year.

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

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

DIRECTORS' REPORT

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 year.


Non-Audit Services

The auditors did not provide any non-audit services to the company during the financial year.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2008 has been received and can be found on page 22 of this Annual Report.

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



Director

MR. M. L. CELLANTE

Dated this 30th day of September, 2008.

**Grant Thornton South Australian
Partnership**
ABN 27 244 906 724

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**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 lead auditor for the audit of Bell IXL Investments Limited for the year ended 30 June 2008, 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



J.L. Humphrey
Partner

Signed at Wayville on this 30th day of September 2008

FINANCIAL REPORT

BELL IXL INVESTMENTS LIMITED (ACN 113 669 908)

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
Net realised gains on trading portfolio	2	181,840	90,315
Net unrealised gains on trading portfolio	2	-	457,840
Income from trading portfolio	2	102,735	70,767
Other revenue	2	38,334	45,952
Net unrealised losses on trading portfolio	3	(787,916)	-
Impairment of assets	3	(25,000)	(182,062)
Finance charges	3	(179,739)	-
Other expenses	3	(179,536)	(58,030)
Net profit/(loss) before income tax		<u>(849,282)</u>	<u>424,782</u>
Income tax expense	4	274,736	(177,161)
Net profit/(loss) after income tax		<u>(574,546)</u>	<u>247,621</u>
Basic earnings per share (cents per share)	8	(4.21)	1.96
Diluted earnings per share (cents per share)	8	(4.21)	1.96

The accompanying notes form part of these financial statements.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

BALANCE SHEET
AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	9	7,917	11,635
Trade and other receivables	10	2,455	962,822
Trading portfolio	11	2,449,624	2,479,604
Other current assets	15	9,566	-
<i>TOTAL CURRENT ASSETS</i>		<u>2,469,562</u>	<u>3,454,061</u>
NON-CURRENT ASSETS			
Investments accounted for using the equity method	12	4,237,749	-
Investments in controlled entity	13	10	-
Deferred tax assets	18	151,338	32,405
Property, plant and equipment	14	4,893	-
Other non-current assets	15	-	12,500
<i>TOTAL NON-CURRENT ASSETS</i>		<u>4,393,990</u>	<u>44,905</u>
TOTAL ASSETS		<u>6,863,552</u>	<u>3,498,966</u>
CURRENT LIABILITIES			
Trade and other payables	16	212,799	121,789
Financial liabilities	17	3,808,026	-
Current tax liabilities	18	-	18,315
<i>TOTAL CURRENT LIABILITIES</i>		<u>4,020,825</u>	<u>140,104</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	18	13,348	150,837
<i>TOTAL NON-CURRENT LIABILITIES</i>		<u>13,348</u>	<u>150,837</u>
TOTAL LIABILITIES		<u>4,034,173</u>	<u>290,941</u>
<u>NET ASSETS</u>		<u>2,829,379</u>	<u>3,208,025</u>

The accompanying notes form part of these financial statements.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

BALANCE SHEET
AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
EQUITY			
Issued capital	19	3,059,654	2,863,754
Retained profits		(230,275)	344,271
<u>TOTAL EQUITY</u>		<u><u>2,829,379</u></u>	<u><u>3,208,025</u></u>

The accompanying notes form part of these financial statements.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Issued Capital \$	Retained Earnings \$	Total \$
Balance at 1 July 2006		2,383,754	96,650	2,480,404
Shares issued during the period	19	480,000	-	480,000
Profit for the period		-	247,621	247,621
BALANCE AT 30 JUNE 2007		<u>2,863,754</u>	<u>344,271</u>	<u>3,208,025</u>
Balance at 1 July 2007		2,863,754	344,271	3,208,025
Shares issued during the period	19	195,900	-	195,900
Profit/(loss) for the period		-	(574,546)	(574,546)
BALANCE AT 30 JUNE 2008		<u>3,059,654</u>	<u>(230,275)</u>	<u>2,829,379</u>

The accompanying notes form part of these financial statements.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sale of investments		2,556,598	629,402
Purchase of investments		(5,789,010)	(1,737,716)
Payments to suppliers		(151,798)	(55,691)
Receipts from customers		28,262	-
Interest received		20,916	47,219
Interest paid		(10,228)	-
Dividends received		102,586	43,168
Income taxes refunded		5,224	-
Income taxes paid		(3,765)	(11,837)
GST refund received		844	1,975
Net cash provided by (used in) operating activities	24(a)	<u>(3,240,371)</u>	<u>(1,083,480)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant, and equipment		(5,000)	-
Net cash provided by (used in) investing activities		<u>(5,000)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		3,550,653	173,750
Repayment of borrowings		(309,000)	(63,750)
Net cash provided by (used in) financing activities		<u>3,241,653</u>	<u>110,000</u>
Net increase (decrease) in cash held		(3,718)	(973,480)
Cash at beginning of the financial period		11,635	985,115
Cash at end of the financial period	9	<u>7,917</u>	<u>11,635</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 YEAR ENDED 30 JUNE 2008

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers Bell IXL Investments Limited as an individual entity. Bell IXL Investments Limited is a public company listed on the stock market conducted by National Stock Exchange of Australia Limited, incorporated and domiciled in Australia.

The financial report of Bell IXL Investments Limited as an individual entity complies with all Australian Equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The company has not applied any Australian Accounting Standards or AASB interpretations that have been issued at balance date but are not yet operative for the year ended 30 June 2008. The impact of the inoperative standards has been assessed as not being material. The company does not intend to adopt the standards until it is mandatory to do so.

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.

Basis of Preparation

Reporting Basis and Conventions

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

Accounting Policies

(a) Financial Assets

Classification of 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'. 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.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 1: Statement of Significant Accounting Policies (continued)

Accounting Policies (continued)

(a) Financial Assets (continued)

Treatment of realised and unrealised gains and losses

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. At each reporting date, the company assesses whether there is evidence that a financial asset has been impaired. Impairment losses are recognised in the Income Statement.

Determination of fair value of financial assets

Fair value for the purpose 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.

Treatment of income received from financial assets

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

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially 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.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 1: Statement of Significant Accounting Policies (continued)

Accounting Policies (continued)

(b) Income Tax (continued)

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

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.

(c) Cash

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

(d) 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 balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Share based payments

Where the company issues shares or other securities for the acquisition of assets or to discharge liabilities the company assesses the fair value of the instruments issued by reference to the market price at which those securities are being traded together with an analysis of the underlying value of the securities. In the case where assets are acquired then the fair value of those assets is assessed by reference to market prices, where possible, or to the underlying value of the assets.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 1: Statement of Significant Accounting Policies (continued)

Accounting Policies (continued)

(f) Comparative Figures

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

(g) Investments in Associates

Investments in associated companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the share of the company in the post-acquisition reserves of its associates.

(h) Investments in Controlled Entities

A controlled entity is any entity over which the company has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered. Consolidated financial statements have not been prepared as the controlled entities have not traded and there are no material inter-group balances or transactions between the company and controlled entities.

(i) Property, Plant and Equipment

Property, plant and equipment is measured on the cost basis. The value of such assets is depreciated on a straight-line basis over the useful life of the asset commencing from the time the asset is ready for use. Depreciation rates range from 7.5% to 22.5%. The residual value of the assets and their useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying value of an asset is written down immediately to its recoverable amount if the carrying amount is greater than the estimated recoverable amount.

(j) Impairment of Assets

At each reporting date, the company reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the fair value of the asset less cost to sell and value in use, is compared to the carrying value of the asset. Any excess of the carrying value of the asset over the recoverable amount of the asset is expensed to the income statement.

The financial report was authorised for issue on 30 September 2008 by the directors.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 2: Revenue	Note	2008 \$	2007 \$
Net realised gains from trading portfolio		181,840	90,315
Net unrealised gains from trading portfolio		-	457,840
Dividends received		102,735	70,767
Interest received		10,334	45,952
Underwriting fees		28,000	-
		<u>322,909</u>	<u>664,874</u>

Note 3: Profit

Expenses

Net unrealised losses on trading portfolio		787,916	-
Impairment of assets		25,000	182,062
Finance charges:			
- external		10,248	-
- ultimate parent entity	26	3,010	-
- key management personnel related entities	26	166,481	-
Other expenses		179,536	58,030
		<u>1,172,191</u>	<u>240,092</u>

Note 4: Income Tax Expense

(a) The components of tax expense comprise:

Current tax	(260,290)	123,418
Deferred tax	33,145	53,743
Over provision for tax in prior period	(47,591)	-
	<u>(274,736)</u>	<u>177,161</u>

(b) The prima facie tax on net profit before income tax is reconciled to the income tax as follows:

Prima facie tax payable on net profit/(loss) before income tax at 30%.	(254,784)	127,435
Add:		
Tax effect of:		
- Other non-allowable items	-	1,970
- Movements in deferred tax assets/liabilities	33,146	53,743
	<u>33,146</u>	<u>53,743</u>

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 4: Income Tax Expense (continued)	Note	2008 \$	2007 \$
Less:			
Tax effect of:			
- Capital raising costs		(5,507)	(5,987)
- Over provision for tax in prior period		(47,591)	-
Income tax attributable to entity		<u>(274,736)</u>	<u>177,161</u>

Note 5: Key Management Personnel Compensation

- (a) **Names and positions held of company key management personnel in office at any time during the financial year are:**

Key management person	Position
Mr. M. L. Cellante	Executive Chairman and Managing Director
Mr. R. Jimenez	Executive Director and Company Secretary
Mr. R. L. Cellante	Non-executive Director
Mr. D. Pagnin	Non-executive Director

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

- (b) **Options and Rights Holdings**

There were no options or rights held by key management personnel at the end of, or at any time during, the financial year. No options were granted to key management personnel as compensation and no such options were exercised during the year.

- (c) **Shareholdings**

Number of Shares held by Key Management Personnel

Key Management Personnel	Balance 1.7.2007	Received as Compensation	Options Exercised	Net Change Other	Balance 30.6.2008
M. L. Cellante	6,345,000	-	-	1,353,000	7,698,000
R. Jimenez	6,345,000	-	-	1,353,000	7,698,000
R. L. Cellante	6,345,000	-	-	1,353,000	7,698,000
D. Pagnin	2,310,000	-	-	-	2,310,000

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 6: Auditors' Remuneration	Note	2008 \$	2007 \$
Remuneration of the auditor of the Company for:			
- Auditing or reviewing the financial report		16,850	12,950
		<u>16,850</u>	<u>12,950</u>
Note 7: Dividends			
(a) Dividends			
No dividends have been paid or declared.		-	-
(b) Franking Account			
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax.		77,878	33,849
		<u>77,878</u>	<u>33,849</u>
Note 8: Earnings per Share			
Earnings used in calculation of basic EPS		(574,546)	247,621
Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS.		13,645,225	12,620,989
Weighted average number of ordinary shares outstanding during the period used in calculation of diluted EPS.		13,645,225	12,620,989
The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share:			
- Options outstanding		-	500,000
Note 9: Cash and cash equivalents			
Cash at bank and on hand		7,917	956
Deposits at call		-	10,679
		<u>7,917</u>	<u>11,635</u>

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 9: Cash Assets (continued)	Note	2008 \$	2007 \$
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Cash at bank and on hand yields no interest. Deposits at call yield interest at an effective rate of 7.00% (2007: 6.00%). The credit risk exposure of the company in relation to cash and deposits is the carrying amount and any accrued unpaid interest.

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 balance sheet as follows:

Cash assets	<u>7,917</u>	<u>11,635</u>
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Note 10: Trade and other receivables

CURRENT

Trade receivables	146	-
Interest accrued on deposits	-	10,581
Outstanding settlements - sale of securities	-	951,205
Other receivables	<u>2,309</u>	<u>1,036</u>
	<u>2,455</u>	<u>962,822</u>

Receivables are generally non-interest bearing and unsecured. The credit risk exposure of the company in relation to receivables is the carrying amount. Other receivables includes the sum of \$831 which bears interest at the rate of 8% per annum and is secured by a registered first ranking fixed and floating charge over all the assets and undertakings of an unrelated corporation.

Note 11: Trading portfolio

CURRENT

Listed investments, at market value:

- Shares	<u>2,449,624</u>	<u>2,479,604</u>
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Information regarding key investments held by the company is set out in note 28.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 12: Investments accounted for using the equity method

Interests are held in the following associated company

Name	Principal Activities	Country of Incorporation	Shares	Ownership		Carrying amount of investment	
				2008	2007	2008	2007
				%	%	\$	\$
Listed:							
Goldlink Incomeplus Limited	Investment company	Australia	Ord	14.86	-	4,237,749	-
						<u>4,237,749</u>	<u>-</u>

(a) Movements during the year in equity accounted investments in associated company

	Note	2008 \$	2007 \$
Balance at beginning of the financial year		-	-
Add: New investments during the year		4,237,749	-
Balance at end of the financial year		<u>4,237,749</u>	<u>-</u>

(b) Summarised presentation of aggregate assets, liabilities and performance of associate

Current assets	28,477,459	158,741,556
Non-current assets	61,348	799,383
Total assets	<u>28,538,807</u>	<u>159,540,939</u>
Current liabilities	262,511	131,054,873
Non-current liabilities	-	-
Total liabilities	<u>262,511</u>	<u>131,054,873</u>
Net assets	<u>28,276,296</u>	<u>28,486,066</u>
Revenues	<u>3,160,067</u>	<u>18,517,103</u>
Profit/(loss) after income tax of associate	<u>853,034</u>	<u>(105,797,208)</u>

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 12: Investments accounted for using the equity method (continued)	Note	2008 \$	2007 \$
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(c) The company has significant influence over the associate by virtue of its ability to control 18.04% of the voting shares of the associate. This control arises from the direct ownership of voting shares by the company plus the rights of the company under a voting agreement whereby the company can control the exercise of votes on a further 3.18% of the voting shares of the associate. Significant influence was obtained upon the appointment of Executive Chairman and Managing Director of the company as a director of the associate on 18 June 2008.

(d) Market value of investment in listed associate

2,933,214

-

Note 13: Investments in controlled entity

Unlisted investments at cost

- Shares

13(a)

10

-

(a) Controlled entity

	Country of Incorp- oration	Percentage Owned (%)*	
		2008	2007
Parent:			
Bell IXL Investments Limited	Australia		
Subsidiary of Bell IXL Investments Limited:			
Bell IXL Funds Manager Pty Ltd	Australia	100	-

** Percentage of voting power is in proportion to ownership*

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 13: Investments in controlled entity
(continued)

(b) Acquisition of controlled entity

On 27 June 2008 the company acquired 100% of the issued capital of Bell IXL Funds Manager Pty Ltd upon the incorporation of that company for a total cost of \$10 cash. The fair value of the net assets acquired was \$10 and the company is entitled to all profits of the controlled entity on and from 27 June 2008. The controlled entity did not trade during the year ended 30 June 2008 and there are no material inter-company balances or transactions. As a consequence the directors have determined that consolidated financial statements are not required.

Note 14: Property, plant and equipment	Note	2008 \$	2007 \$
Office furniture and equipment:			
- At cost		5,000	-
- Accumulated depreciation		(107)	-
		<u>4,893</u>	<u>-</u>

Note 15: Other assets

CURRENT

Prepayments	<u>9,566</u>	<u>-</u>
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NON-CURRENT

Other investments at cost	<u>-</u>	<u>12,500</u>
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Note 16: Trade and other payables

CURRENT

Unsecured liabilities

Trade payables	6,111	11,789
Accrued expenses	37,082	-
Accrued interest	169,496	-
Amounts payable to:		
- other related parties	26 -	110,000
- key management personnel related entities	110	-
	<u>212,799</u>	<u>121,789</u>

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 17: Financial liabilities	Note	2008 \$	2007 \$
CURRENT			
Unsecured liabilities			
Corporate credit cards		4,363	
Promissory notes:			-
- external parties	17(a)	450,000	-
- ultimate parent entity	17(b)	87,153	-
- key management personnel related entities	17(b)	766,510	-
		<u>1,308,026</u>	<u>-</u>
Secured liabilities			
Short term borrowings:			
- key management personnel related entities	17(c)	2,500,000	-
		<u>3,808,026</u>	<u>-</u>
 (a) Promissory notes are due for repayment on 28 September 2008 and bear simple interest at the fixed rate of 10% per annum.			
 (b) Promissory notes are repayable on demand however each note holder has undertaken to the company in writing not to demand repayment in the next 12 months unless the company is in a position to meet the repayment. These notes bear simple interest at the fixed rate of 15% per annum.			
 (c) Short-term borrowings are repayable in full on 21 February 2009 and bear simple interest at the fixed rate of 15% per annum. The borrowings are secured by a registered first ranking floating charge over all the assets and undertakings of the company. The carrying amounts of assets pledged as security is:			
		<u>6,863,552</u>	<u>-</u>
 (d) Further information regarding transactions with key management personnel related entities and the ultimate parent entity is set out in note 26.			

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 18: Tax	Note	2008 \$	2007 \$
(a) Liabilities			
CURRENT			
Income Tax		-	18,315
NON-CURRENT			
Deferred tax liability comprises:			
- Deferred income tax on unrealised gains		13,348	150,837
(b) Assets			
NON-CURRENT			
Deferred tax assets comprise:			
- Accrued expenses		3,000	2,400
- Transaction costs on equity issue		11,013	16,520
- Unrealised losses		84,733	13,485
- Impairment provision		7,500	-
- Tax losses carried forward		45,092	-
		151,338	32,405
Note 19: Issued capital			
12,015,000 fully paid ordinary shares (2007: 11,785,000)	19(a)	2,514,254	2,445,254
1,818,000 fully paid limited voting ordinary shares (2007: 1,395,000)	19(b)	545,400	418,500
		3,059,654	2,863,754
(a) Ordinary Shares		Number	\$
At the beginning of the reporting period		11,785,000	2,445,254
Shares issued during the period:			
- 5 October 2007 - placement		230,000	69,000
At the end of the reporting period		12,015,000	2,514,254
Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At meetings 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 YEAR ENDED 30 JUNE 2008

Note 19: Issued capital (continued)

(b) Limited Voting Ordinary Shares	Number	\$
At the beginning of the reporting period	1,395,000	418,500
Shares issued during the period:		
- 5 October 2007 - placement	273,000	81,900
- 13 November 2007 - placement	150,000	45,000
At the end of the reporting period	<u>1,818,000</u>	<u>545,400</u>
Limited voting ordinary shares have the same rights as ordinary shares save and except that holders of limited voting ordinary shares may only vote on proposals that affect the rights attached to the limited voting ordinary shares.		

(c) Options

On 31 March 2008 a total of 500,000 options to subscribe for fully paid ordinary shares in the company at an exercise price of \$0.25 per option expired. At balance date there were no unissued ordinary shares, or limited voting ordinary shares, for which options were outstanding.

(d) Capital Management

Management controls the capital of the company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the company can fund its operations and continue as a going concern. The debt and capital of the company includes ordinary share capital and financial liabilities supported by financial assets. There are no externally imposed capital requirements. Management effectively manages the capital of the company by assessing the financial risks of the company and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 20: Capital and Leasing Commitments	Note	2008 \$	2007 \$
Operating Lease Commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements.			
Payable - minimum lease payments			
- not later than 12 months		20,646	18,856
- between 12 months and 5 years		26,280	-
The property lease is a non-cancellable lease with a term that ends in September 2010. Rent is payable monthly in advance. The rent will increase by 3.5% in September 2009 and is thereafter fixed for the balance of the term. An option exists to renew the lease for one further term of two years. The lease allows for subletting of lease areas with the approval of the landlord.		46,926	18,856

Note 21: Contingent Liabilities

The company does not have any material contingent liabilities or commitments for expenditure at 30 June 2008 other than as follows:

- On 1 April 2008 the company disposed of listed securities at market value to L.W. Superannuation Pty Ltd ("LWS"). Mr. R. Jimenez, a director of the company, is a director of LWS and is a member of the superannuation fund in respect of which LWS is trustee. In connection with the disposal of securities a put and call option agreement was entered into under which the company is entitled to purchase from LWS, and LWS is entitled to sell back to the company, the listed securities. No fee was paid or received by the company for the grant of the option. The exercise price of the option is the price for which the securities were originally sold by the company plus simple interest at the rate of 15% per annum calculated from 1 April 2008 until the option is exercised. The option will expire on 31 March 2009 unless it is exercised. If the option had been exercised on 30 June 2008 then the company would have been obliged to pay \$51,797 to buy-back the securities from LWS. The market value of the securities on 30 June 2008 was \$49,950 resulting in an unrealised loss of \$1,847 had the option been exercised. The underlying value of the securities as at 30 June 2008 was considerably greater than the market value.
- On 18 June 2008 the company commenced legal proceedings in the Federal Court of Australia against Life Therapeutics Limited (ASX code: LFE). The proceedings were not resolved prior to 30 June 2008 and therefore a contingent liability existed at that date in respect of legal costs that the company may have been ordered to pay in the event that the proceedings were unsuccessful. It is not possible to quantify the amount of such costs.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 22: Segment Reporting

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

Note 23: Share Based Payments

During the year the company issued a total of 653,000 fully paid ordinary shares and limited voting ordinary shares as part consideration for the acquisition by the company of securities issued by companies listed on the ASX market. All such shares were issued at a deemed issue price of 30 cents per share. In issuing the shares the company has had regard to current market prices for the securities of the company together with the underlying value of those securities. The company is of the view that the assets acquired represent fair value for the shares that were issued.

Note 24: Cash Flow Information	Note	2008 \$	2007 \$
(a) Reconciliation of Cash Flow from Operations with Net profit after income tax			
Net profit/(loss) after income tax		(574,546)	247,621
Non-cash flows in net profit after income tax:			
- Unrealised (gains)/losses on investments		787,917	(457,840)
- Depreciation		107	-
Changes in assets and liabilities:			
- (Increase)/decrease in receivables		960,367	(936,850)
- (Increase)/decrease in prepayments		(9,566)	-
- Net movement in investments		(4,355,811)	(84,134)
- Increase/(decrease) in income taxes payable		(18,315)	(22,981)
- Increase/(decrease) in deferred tax liabilities		(137,489)	130,649
- (Increase)/decrease in deferred tax assets		(118,933)	36,516
- Increase/(decrease) in accounts payable		200,898	3,719
- Increase/(decrease) in provision for impairment		25,000	-
Cash flow from operations		<u>(3,240,371)</u>	<u>(1,083,480)</u>

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 25: Events After the Balance Sheet Date

The following significant events affecting the company occurred after balance date:

- On 22 July 2008 judgment was delivered in favour of the company in the proceedings brought in the Federal Court of Australia against Life Therapeutics Limited (ASX code: LFE) with final orders including orders relating to costs to be made at a later date. Before final orders were made, LFE appealed against the judgment to the Full Federal Court of Australia and the judgment was overturned on 15 August 2008. The appeal court ordered a retrial of the proceedings and also ordered that the company pay the costs incurred by LFE in bringing the appeal. It is not possible at this time to quantify the amount of such costs. Middleton J of the Federal Court delivered his decision in respect of the retrial on 26 September 2008 and the application for relief brought by the company was dismissed. A further hearing will be held in due course to determine what orders should be made in respect of the costs of the proceedings. It is not possible at this time to quantify the amount of such costs.
- Entities related to one or more directors of the company have lent the company an additional \$161,000 to assist in meeting operating expenditures. These funds have been lent on an unsecured basis and are repayable on demand. Simple interest accrues on the outstanding balances at the rate of 15% per annum.

Note 26: Related Party Transactions	Note	2008 \$	2007 \$
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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:

(a) Ultimate parent entity:

Loans received from	89,653	113,750
Loans repaid to	112,500	3,750
Interest accrued in favour of	3,010	-
Purchase office furniture from	5,000	-
Sale of listed securities to	88,250	-

(b) Key management personnel related entities:

Loans received from:		
- Biloclan Pty Ltd	2,500,000	-
- Cellante Group Finance Pty Ltd	410,000	60,000
- Cellante Securities Pty Ltd	111,000	-

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 26: Related Party Transactions (continued)	Note	2008 \$	2007 \$
(b) Key management personnel related entities (continued):			
Loans received from (continued):			
- L.W. Properties Pty Ltd		12,500	-
- Resorts International Pty Ltd		27,500	-
- Romano L. Cellante & Massimo L. Cellante		400,000	-
Loans repaid to:			
- Cellante Group Finance Pty Ltd		58,000	60,000
- Cellante Securities Pty Ltd		111,000	-
- Resorts International Pty Ltd		27,500	-
Interest paid to:			
- Cellante Group Finance Pty Ltd		4,689	-
- Cellante Securities Pty Ltd		4,849	-
- Resorts International Pty Ltd		689	-
Interest accrued in favour of:			
- Biloclan Pty Ltd		131,815	-
- Cellante Group Finance Pty Ltd		9,113	-
- L.W. Properties Pty Ltd		531	-
- Romano L. Cellante & Massimo L. Cellante		14,795	-
Sub-underwriting fees paid to:			
- Cellante Securities Pty Ltd		2,625	-
- K Pagnin Enterprises Pty Ltd		2,625	-
Sale of listed securities to:			
- L.W. Superannuation Pty Ltd		49,950	-
- Resorts International Pty Ltd		250,000	-
Expenses and reimbursements:			
- In addition to the above, key management personnel and their related entities have paid expenses of the company and are reimbursed for such expenses and vice versa. The amounts are not material. No interest has been paid or received in respect of such reimbursements. The sum of \$2,476 was due to related parties at year end in respect of expenses yet to be reimbursed.			

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 26: Related Party Transactions (continued)	Note	2008 \$	2007 \$
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(b) Key management personnel related entities (continued):

Option agreement:

- A put and call option agreement exists between the company and L.W. Superannuation Pty Ltd. See note 21 above.

Explanation of relationships:

- Each of the key management entities referred to above is under the significant influence of one or more of the directors of the company or shares a common director with the company or is an entity in which one or more of the directors has a beneficial interest.

(c) Identification of ultimate parent entity

The company is controlled by The Bell IXL Group Pty Ltd which is incorporated and domiciled in Australia. The parent entity is in voluntary liquidation as a solvent company.

Note 27: 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

Note 28: Financial Risk Management

The financial instruments held by the company consist mainly of deposits with banks and listed shares issued by Australian companies. The risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and market risk.

(a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or the income generated from it will fluctuate as a result of changes in market interest rates. The company is vulnerable to movements in interest rates as its deposits earn interest at floating rates. Interest rates are fixed on the bulk of the borrowings of the company.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 28: Financial Risk Management (continued)

(b) Liquidity risk

Liquidity risk is the risk that an entity will have difficulty in meeting its financial liabilities. The company is not vulnerable to liquidity risk as it carefully monitors its cash-flow requirements and ensures that it has access to sufficient funds to meet its obligations. In addition a large part of the assets of the company comprise listed shares which can be sold to raise funds if necessary.

(c) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company manages its credit risk by ensuring that surplus funds are only deposited with, or invested in, parties with a high degree of creditworthiness such as Australian banks.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price. By its nature the company invests a substantial proportion of its assets in listed securities. The company is subject to market risk as such securities are not risk free (ie: the market price of these securities can and does fluctuate). A general fall in market prices of 5% and 10%, if spread equally over all listed investments held by the company, would lead to a reduction in the shareholders funds of the company of \$122,481 and \$244,962 respectively (before tax).

These calculations make no allowance for any change in the value of the listed investment in Goldlink Incomeplus Limited (ASX code: GLI). As disclosed in note 12 to the financial statements, this investment is equity accounted as is being carried at cost. The market value of this investment at balance date was \$1,304,535 less than the cost of the investment. A general fall in market prices of 5% and 10% would increase the difference between the cost and market value of this investment to \$1,451,196 and \$1,597,856 respectively (before tax). If the company was to sell the investment at market value or was unable to continue to equity account the investment then a reduction in the shareholders funds of the company would occur. The investment is fully backed by cash assets and the company is satisfied that the cost will be fully recovered.

The company seeks to minimise market risk by ensuring that it is not, in the opinion of management, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and relevant market sectors are reviewed regularly and risk can be managed by reducing exposure where appropriate. The company does not have a set minimum or maximum amount of the portfolio that can be invested in a single company or sector.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 28: Financial Risk Management (continued)

(d) Market Risk (continued)

The listed investments of the company by sector are as follows:

Sector	2008 %	2007 %
Asset Management & Custody Banks	-	2.22
Diversified Financials	69.89	28.30
Energy	8.54	22.02
Investment	-	2.01
Materials	0.09	-
Pharmaceuticals & Biotechnology	10.25	-
Real Estate	0.01	-
Telecommunications	11.22	45.45
	<u>100.00</u>	<u>100.00</u>

Listed investments representing over five per cent of the total value of listed investments held by the company at 30 June 2008 were as follows:

Company Name	Investments %
Chapmans Limited (ASX code: CHP)	6.52
Goldlink Incomeplus Limited (ASX code: GLI)	63.37
Life Therapeutics Limited (ASX code: LFE)	10.25
Longreach Oil Limited (ASX code: LGO)	8.05
Queste Communications Limited (ASX code: QUE)	11.22

The tables above include listed investments that are equity accounted by the company.

DIRECTORS' DECLARATION

The directors of Bell IXL Investments Limited (ACN 113 669 908) declare that:

1. The financial statements and notes, as set out on pages 23 to 48, 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 2008 and of the performance for the year 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 year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year 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 30th day of September, 2008.



Grant Thornton

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELL IXL INVESTMENTS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Bell IXL Investments Limited (the company) which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELL IXL INVESTMENTS LIMITED Cont

Auditor's Responsibility Cont

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

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

Independence

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

Auditor's Opinion

In our opinion:

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

Report on the Remuneration Report

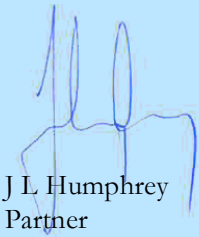
We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BELL IXL INVESTMENTS LIMITED Cont**

Auditor's Opinion

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

GRANT THORNTON
South Australian Partnership
Chartered Accountants



J L Humphrey
Partner

Signed at Wayville on this 30th day of September 2008

LISTED COMPANY INFORMATION

The following information, current as at 15 September 2008, is disclosed in relation to Bell IXL Investments Limited (ACN 113 669 908) pursuant to the Listing Rules of National Stock Exchange of Australia Limited.

(a) Distribution of Shareholders - Ordinary Shares

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	1	5,000	0.04
5,001 - 10,000	11	110,000	0.91
10,001 - 100,000	13	620,900	5.17
100,001 and over	12	11,279,100	93.88
	37	12,015,000	100.00

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

(b) Distribution of Shareholders - Limited Voting Ordinary Shares

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	0	0	0.00
10,001 - 100,000	0	0	0.00
100,001 and over	4	1,818,000	100.00
	4	1,818,000	100.00

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

(c) 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 voting shares held	Voting power %
The Bell IXL Group Limited and its associates	6,698,000	55.75
Biloclan Pty. Limited	2,310,000	19.23
Sunvest Corporation Limited	910,000	7.57

(d) 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. Holders of limited voting ordinary shares may only vote on proposals that affect the rights attached to limited voting ordinary shares.

(e) 20 Largest Shareholders - Fully Paid Ordinary Shares

Name	Number of shares	% of issued capital
The Bell IXL Group Limited	6,048,000	50.34
Biloclan Pty Limited	2,310,000	19.23
Sunvest Corporation Limited	910,000	7.57
Longreach Oil Limited	315,000	2.62
Mr Simon Javor	290,000	2.41
Mr K. W. Seabrook & Mrs S. J. Seabrook	250,000	2.08
Kintara Nominees Pty Ltd	225,000	1.87
Monvale Investments Pty Ltd	225,000	1.87
Productof foam Holdings Pty Limited	200,000	1.66
Miss Licia Nunzia Buccheri	200,000	1.66
Mr Michael Damian Murphy	155,000	1.29
Mrs Josephine Cellante	151,100	1.26
PEQ Nominees Pty Limited	100,000	0.83
Mr Pat Lamanna	100,000	0.83
Vince Lamanna	100,000	0.83
Chapmans Ltd	50,000	0.42
Mr Robert Salvatore Bisignano	50,000	0.42
Mr D. G. Spencer & Mrs A. Rumbold	50,000	0.42
Jawlea Investments Pty Ltd	30,000	0.25
1st Reward Pty Ltd	30,000	0.25
	11,789,100	98.11

(f) 4 Largest Shareholders - Limited Voting Ordinary Shares

Name	Number of shares	% of issued capital
Resorts International Pty Ltd	1,000,000	55.00
Longreach Oil Limited	380,000	20.90
Bonds & Securities (Trading) Pty Ltd	273,000	15.02
Southern Cross Exploration NL	165,000	9.08
	1,818,000	100.00

(g) 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.

(g) Corporate Governance Statement (continued)

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 National Stock Exchange of Australia Limited at <http://www.nsx.com.au/>. The company maintains its own web site which can be accessed at <http://www.bellixl.com/>.

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.

(h) Comparative Financial Information

	2005	2006	2007	2008
Gross revenue (\$)	177,848	134,144	664,874	322,909
Net profit/(loss) before tax (\$)	172,327	100,385	424,782	(849,282)
Total assets (\$)	1,849,256	2,550,048	3,498,966	6,863,552
Total liabilities (\$)	(175,819)	(69,644)	(290,941)	(4,034,173)
Shareholders funds (\$)	1,673,437	2,480,404	3,208,025	2,829,379
Earnings per share (cents)	1.59	0.78	1.96	(4.21)
Dividends per share (cents)	-	1.00	-	-
NTA per share (cents)	21.59	21.42	24.34	20.45
Price earnings ratio (x)	N/A	24.36	9.44	N/A

WHY WAS THE NAME ‘BELL IXL’ CHOSEN?

In 1839, Alexander Lang Elder founded **Elders** in South Australia as a trading company and commission agent for wool and other agricultural products for sale back to Britain.

In 1888, **Goldsbrough Mort and Company** was founded as a wool trader.

In 1891, Henry Jones established **H. Jones & Company** in Hobart and in 1895 the company purchased a building in Melbourne and commenced the manufacture of jams and spreads. **Henry Jones IXL** was formed as a limited liability company in 1903 with the IXL brand being Henry's personal motto - 'I excel in everything I do'.

By 1962, **Elders** was known as **Elder Smith & Co.** and merged with **Goldsbrough Mort and Company** to become **Elder Smith Goldsbrough Mort**.

In 1970, Robert Holmes à Court acquired a controlling interest in the then smallest public company on the lists **The Western Australian Worsted & Woollen Mills** and used it to embark on a string of acquisitions including **Bell Brothers** which was a well known West Australian transport and contracting group. The name of the company was subsequently changed to **The Bell Group** and became his flagship company and in time he would become one of the world's most feared corporate raiders as he was an accomplished corporate strategist

In 1972, **Henry Jones IXL** became the target of Melbourne businessman John Elliott who organized a consortium of investors to acquire control.

In 1981, **The Bell Group** made a takeover bid for **Elder Smith Goldsbrough Mort** which by then was a major shareholder in **Henry Jones IXL**. A complex agreement was reached which saw **Carlton & United Breweries** acquire control of **Henry Jones IXL** by buying out **The Bell Group** to form a new company called **Elders IXL** with John Elliott and his management team assuming management control.

In 1983, **The Bell Group** bought control of Perth mining equipment company **Wigmores**, renamed it **Bell Resources** and then used it to make an astonishing takeover bid for Australia's then largest company **Broken Hill Proprietary ("BHP")**. **Bell Resources** made successive bids for **BHP** which saw its holding reach 28% by early 1986.

In April 1986, **Elders IXL** entered the market for **BHP** shares and snapped up 20% in what was then the world's biggest one day market raid. By September of that year both Robert Holmes à Court and John Elliott were invited to join the board of **BHP**.

In October 1987, world stock markets crashed including Australia and this forced Robert Holmes à Court into a massive asset sell off in an attempt to salvage his position and thereby foiling any plans for control of **BHP**.

Had the stock market crash not occurred, it is quite conceivable that **Bell Resources** would have bid for **Elders IXL** to deliver control of **BHP** and that the combined entity would have been named '**Bell IXL**'!

CORPORATE DIRECTORY

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Auditor	Grant Thornton Australia Limited Level 1 67 Greenhill Road Wayville, South Australia 5034
Legal Advisers	Pointon Partners Level 2 640 Bourke Street Melbourne, Victoria 3000
Nominated Adviser	Taylor Collison Limited Level 16 211 Victoria Square Adelaide, South Australia 5000
Bankers	Commonwealth Bank of Australia 7-9 The Mall Lower Templestowe, Victoria 3107
Stock Exchange	National Stock Exchange of Australia Limited Ground Floor 384 Hunter Street Newcastle, New South Wales 2300 Ticker symbols: BXL (ordinary shares) BXLA (limited voting ordinary shares)