



# BELL IXL INVESTMENTS LIMITED

ACN 113 669 908  
ABN 80 113 669 908

## ANNOUNCEMENT

### Chairman's Address - Fourth Annual General Meeting 30 November 2008

The address below will be read at the fourth annual general meeting of the company that is to be held at 6:00 pm on 30 November 2008:

#### INTRODUCTION

"Good evening and welcome to the fourth annual general meeting of members of Bell IXL Investments Limited. In particular I would like to welcome Michael Bishop from Pointon Partners who are the company's lawyers and my grandmother Fiorina Cellante. It is now past the appointed time of 6:00 PM, a quorum is present, the auditor is present and I declare the meeting open."

"My name is Massimo Cellante and I am the chairman of your company. I would like to introduce my fellow director Ramon Jimenez who is seated here with me. Your other directors, Romano Cellante and Dean Pagnin, are unable to attend the meeting and send their apologies."

#### BRIEF HISTORY

"Bell IXL was listed on the National Stock Exchange in September 2005 and operates as a strategic investment company with a focus on acquiring at a discount and profitably realising investments in publicly listed companies."

#### REVIEW OF OPERATIONS

##### General Comments

"The last six months have seen world stock markets experience considerable volatility. In Australia, the All Ordinaries index has fallen from almost 7,000 points in November 2007 to around 3,000 points today – a massive decline."

"These markets occur infrequently but are driven predominantly by fear with investors rushing to convert their assets to cash – a 'safe' asset. The time to have converted to cash was prior to November 2007. Now cash is an unattractive investment given rates of return at less than 5%."

"Given where the market now sits, there are numerous opportunities for a company such as Bell IXL to acquire shares at well below their intrinsic value of which several have already been identified."

Level 2, 651-653 Doncaster Road  
Doncaster, Victoria 3108  
PO Box 111  
Doncaster, Victoria 3108  
**AUSTRALIA**



Tel: (03) 9840 8788  
Fax: (03) 9840 0088  
E-mail: [info@bellixl.com](mailto:info@bellixl.com)  
WWW: <http://www.bellixl.com/>  
Ticker Symbols: BXL and BXLA

**Austex Oil Limited (“AOK”)**

“During the year, Bell IXL exercised the options it had received in AOK for its help in assisting AOK to list on the ASX. The options were exercisable at 15 cents each and the majority of the \$180,000+ trading profits of the company were generated through the sale of the AOK shares received as a result of exercising the options.”

**Chapmans Limited (“CHP”)**

“CHP is a small investment company that has been listed on the ASX since 1950. Bell IXL and its associates control approximately 15.6% of the company. During the year, Bell IXL sought to remove and replace the board. The poll count was very close and a large number of proxies were ruled invalid by the Chairman of CHP with no satisfactory reason being given. We continue to seek representation on the board of CHP and are involved in continuing negotiations to that end.”

**Goldlink Incomeplus Limited (“GLI”)**

“GLI is a cash box company with just under \$30 million cash at bank. Bell IXL and its associates control approximately 18% of the company. During the year, I was appointed to the board and now sit on a board of three. GLI is presently subject to a takeover offer from another major shareholder of the company and that shareholder has also called numerous meetings to remove and replace the board but has been convincingly defeated each time. The annual general meeting of GLI is to be held on 15 December and a proposal has been presented by the board that seeks to wind the company up and deliver all cash back to shareholders or, if winding up is not approved, then approval is being sought for a capital return to shareholders of 18 cents cash per share with the company to continue as a going concern. If the capital return proposal is implemented then the shares in GLI will be backed by approximately 4.5 cents cash per share.”

**Life Therapeutics Limited (“LFE”)**

“LFE was a blood plasma collection company and during the year sold such business to a large Swiss operator subject to shareholder approval. Bell IXL and its associates began acquiring shares reaching approximately 14.2% of the company. Bell IXL also requisitioned a meeting to remove and replace the board. Subsequent to this the board of LFE made a 15% placement of shares that Bell IXL contested by instituting legal proceedings alleging that the share placement was made for the improper purpose of keeping the directors in control. Bell IXL succeeded at the trial but that verdict was overturned on appeal and a re-trial was ordered. Bell IXL was unsuccessful in proving its allegations at the re-trial. Bell IXL incurred significant costs as a result of the trial, the appeal and the retrial as well as carrying the risk of orders being made requiring Bell IXL to pay the costs of the other parties. The EGM requisitioned by Bell IXL was finally held in November. The voting situation at the EGM was by no means clear and there was a significant risk that Bell IXL did not have sufficient support to gain board control of LFE. In addition it was likely that further legal proceedings would be brought against Bell IXL regardless of the result of the EGM. On the day of the EGM Bell IXL and its associates received offers from a stockbroker for the sale of all their LFE shares at well above the market price and closer to the value Bell IXL had originally calculated such shares to be worth prior to buying LFE shares. The decision was made to exit LFE with a handsome profit in excess of \$500,000 after taking into account all costs and expenses of making the investment and the legal proceedings between the company and LFE.”

**Longreach Oil Limited (“LGO”)**

“LGO is a company engaged in oil exploration and also has significant minority stakes in two other oil companies namely Brisbane Petroleum NL and Austex Oil Limited. Bell IXL and its associates control approximately 16.5% of the company. During the year, both Ramon Jimenez and I sought board representation but were unsuccessful. We continue to assess this investment.”

### **Queste Communications Limited ("QUE")**

"QUE is an investment holding company with its major asset being a 48% shareholding in ASX listed investment company Orion Equities Limited ("OEQ"). Bell IXL and its associates control approximately 22.1% of the company. During the year, I nominated for election to the board of directors of QUE but was unsuccessful. Bell IXL has now requisitioned a meeting of shareholders to vote on a proposal to distribute the OEQ shares to all QUE shareholders. We are yet to receive any response from QUE as to the requisition served on the company."

### **FINANCIAL PERFORMANCE**

"During the year, the trading results of the company were positive but unfortunately, due to the unprecedented stock market volatility, it was necessary to bring to account unrealised losses on certain investments held in the trading portfolio of the company. After allowing for the unrealised losses the company reported an overall loss for the financial year. The directors believe that the reduction in the market value of investments is only temporary and that the underlying value of the bulk of the investments is well in excess of present market values. The directors are pleased to note that the gains achieved via the exit from LFE subsequent to the end of the financial year have more than recouped the losses incurred during the financial year."

### **ASX GRADUATION**

"Discussions continue with a number of companies listed on the ASX with a view to facilitating a graduation across to the ASX. The main reasons are to provide greater liquidity for the shares of the company and also to provide an additional currency for acquisitions that will have the flow through effect of enhancing the capital base of the company."

### **CONCLUSION**

"I would like to thank my fellow directors for their valuable contribution during the year, especially Ramon Jimenez for all his work during what was a very stressful period. I would also like to thank shareholders for their participation and continued support."

"As previously stated, the market now provides a once in a lifetime opportunity to acquire excellent assets at well below their intrinsic value. Bell IXL has identified a number of such opportunities and will begin the next stage of its investment plan. Bell IXL is slowly refining its investment strategy and has gained considerable knowledge and experience over the past six months."

"Please remember to go and tell your family and friends about Bell IXL!"

"I will now proceed with the formal business of the meeting."

Issued on 30 November 2008.



.....  
**MASSIMO LIVIO CELLANTE**  
CHAIRMAN AND MANAGING DIRECTOR  
Tel: (03) 9840 8710  
E-mail: massimo@bellixl.com