



BELL IXL INVESTMENTS LIMITED

ACN 113 669 908
ABN 80 113 669 908

INTERIM FINANCIAL REPORT

31 DECEMBER 2008

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BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

DIRECTORS' REPORT

Your directors submit the financial report of the company for the half-year ended 31 December 2008.

Directors

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

- Mr. Massimo Livio Cellante
- Mr. Ramon Jimenez
- Mr. Romano Livio Cellante
- Mr. Dean Pagnin (retired 11 February 2009)

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 BXL.A.

Investment Portfolio

The company has continued to actively manage its portfolio of investments. At the end of the period the company held investments in the following listed companies:

- Austex Oil Limited (ASX code: AOK).
- AV Jennings Limited (ASX code: AVJ).
- Botswana Metals Limited (ASX code: BML).
- Chapmans Limited (ASX code: CHP).
- Coalworks Limited (ASX code: CWK).
- E-Pay Asia Limited (ASX code: EPY).
- Goldlink Incomeplus Limited (ASX code: GLI).
- Keybridge Capital Limited (ASX code: KBC).
- Longreach Oil Limited (ASX code: LGO).
- Pritchard Equity Limited (NSX codes: PEQA, PEQB, PEQOB, PEQOC).
- Queste Communications Limited (ASX code: QUE).
- Southern Cross Exploration NL (ASX codes: SXX, SXXCA).

BELL IXL INVESTMENTS LIMITED
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DIRECTORS' REPORT

Review of Operations (continued)

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

Capital Raisings

The company did not raise any new capital during the period.

Controlled Entity

The company established a 100% owned subsidiary company called Fortina Pty Ltd to act as trustee of a number of trusts. The company transferred the bulk of its shares in Goldlink Incomeplus Limited ("GLI") to Fortina Pty Ltd in its capacity as trustee of the trusts. The chairman of the company, Mr. M. L. Cellante, remains on the Board of Directors of GLI as a non-executive director of that company.

Debt Reduction

As previously reported the increase in the extent of corporate activities of the company during the financial year ended 30 June 2008 resulted in the company calling on directors for financial support. A number of loans were made to the company on an unsecured basis by corporate entities associated with the directors. Simple interest was payable on those loans at the rate of 15% per annum. Subsequent to 30 June 2008 further funds were made available to the company to assist in meeting operating expenditures. Following the resolution of matters involving LFE discussed below and having regard to the greatly changed economic climate, the directors determined that the company should adopt a policy of liquefying its assets as soon as practicable and applying surplus funds to the reduction of debt. In accordance with this policy the company discharged in excess of \$1,000,000 of liabilities owed to both related and non-related parties during the period.

Director Remuneration

The company entered into executive service agreements with its two executive directors namely Mr. M. L. Cellante and Mr. R. Jimenez. As a result the two directors became entitled to be paid a salary at the fixed rate of \$50,000 per annum each as a reward for their work for the company. The agreements contain standard terms and conditions including payment of superannuation to meet superannuation guarantee requirements. There is no performance based remuneration component (eg: bonuses, options, etc).

Financial Market Upheaval

During 2008 world stock markets experienced considerable falls as a result of the phenomenon that is referred to as the "global financial crisis".

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

DIRECTORS' REPORT

Review of Operations (continued)

The financial services sector has suffered enormous financial losses and many institutions have failed or have required massive government support to survive. This instability has resulted in a tightening of credit markets that has affected prospects for growth and caused a significant decline in asset values. Other sectors of the economy have suffered from the flow on effects and many Western economies (including Australia) are either in recession or are likely to fall into recession in 2009. The company intends to continue to seek out investment opportunities but will primarily fund acquisitions (at least in the short term) by equity as opposed to debt.

Life Therapeutics Limited (ASX: LFE)

The main focus of the company during the period was on the ongoing contest for board control of the ASX listed company LFE. Prior to 30 June 2008 a substantial holding was acquired in LFE 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 represented the maximum number of shares that LFE could issue without obtaining shareholder approval. The company issued legal proceedings with a view to stopping or overturning the placement. The company was successful at first instance but the decision was subsequently overturned on appeal and a retrial was ordered. The company was unsuccessful at the retrial and its application was dismissed. Orders were subsequently made that the company pay the costs of various parties to the proceeding. LFE also commenced a separate proceeding seeking rulings on a number of issues including the validity of pre-completed proxy forms distributed by the company to shareholders of LFE. Ultimately all matters in dispute between the company, LFE and certain other parties were settled on a confidential basis and the company disposed of its entire shareholding in LFE at a profit.

Merger Discussions

Discussions with a number of companies listed on the ASX market with a view to negotiating a merger or other corporate transactions were ongoing. The rationale for entering into such a transaction was to increase the capital available for investment whilst at the same time obtaining greater liquidity for shareholders of the company by exchanging their existing shares for shares listed on the ASX. No agreement has yet been reached for the implementation of such a transaction.

Loss and Dividend

The net loss after income tax for the half-year ended 31 December 2008 was \$100,097.

No dividends were paid or declared during the period or subsequent to the end of the period.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

DIRECTORS' REPORT

Matters Subsequent to Period End

There were no material events subsequent to period end that require disclosure other than those matters referred to elsewhere in this report and as follows:

- The company fully repaid the loan facility of \$2,500,000 provided to the company by Biloclan Pty Ltd ("Biloclan") together with interest and the floating charge over all the assets of the company held by Biloclan as security for the facility was released.
- The trustee of the trusts to which the company transferred its shares in Goldlink Capital Limited ("GLI") sought to sell all the GLI shares it was holding into the proportional takeover bid made by Emerald Capital Limited for GLI.
- Mr. D. Pagnin resigned as a director of the company.

Auditor's Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2008 is included at page 7 of the half-year report.

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



Director

MR. M. L. CELLANTE

Dated this 16th day of March, 2009

**Grant Thornton South Australian
Partnership**
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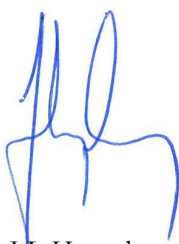
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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BELL IXL INVESTMENTS LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Bell IXL Investments Limited for the half-year ended 31 December 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



J L Humphrey
Partner

Signed at Wayville on this 16th day of March 2009

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	31/12/2008	31/12/2007
	\$	\$
Net realised gains on trading portfolio	525,861	36,394
Net unrealised gains/(losses) on trading portfolio	(329,845)	168,120
Income from trading portfolio	8,957	11,593
Other revenue	474,271	37,623
Impairment of assets	(246)	-
Share of loss of associated company accounted for using the equity method	(4,310)	-
Finance costs	(262,805)	-
Employee benefits expense	(63,606)	-
Other expenses	(489,510)	(44,882)
Net profit before income tax	<u>(141,233)</u>	<u>208,848</u>
Income tax benefit/(expense)	41,136	(62,654)
Net profit/(loss) after income tax	<u><u>(100,097)</u></u>	<u><u>146,194</u></u>
Basic earnings/(loss) per share (cents per share)	(0.72)	1.09

The accompanying notes form part of these financial statements.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

INTERIM CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	Note	31/12/2008 \$	30/06/2008 \$
CURRENT ASSETS			
Cash and cash equivalents		151,745	7,917
Trade and other receivables		19,130	2,455
Trading portfolio		1,400,211	2,449,624
Other current assets		-	9,576
<i>TOTAL CURRENT ASSETS</i>		1,571,086	2,469,572
NON-CURRENT ASSETS			
Investments accounted for using the equity method		4,233,439	4,237,749
Deferred tax assets		190,481	151,338
Property, plant and equipment		4,425	4,893
<i>TOTAL NON-CURRENT ASSETS</i>		4,428,345	4,393,980
TOTAL ASSETS		5,999,431	6,863,552
CURRENT LIABILITIES			
Trade and other payables		493,683	212,799
Financial liabilities		2,756,005	3,808,026
Current tax liabilities		11,355	-
Short-term provisions		4,192	-
<i>TOTAL CURRENT LIABILITIES</i>		3,265,235	4,020,825
NON-CURRENT LIABILITIES			
Deferred tax liabilities		-	13,348
Long-term provisions		4,914	-
<i>TOTAL NON-CURRENT LIABILITIES</i>		4,914	13,348
TOTAL LIABILITIES		3,270,149	4,034,173
<u>NET ASSETS</u>		2,729,282	2,829,379

The accompanying notes form part of these financial statements.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

INTERIM CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

EQUITY		
Issued capital	3,059,654	3,059,654
Retained earnings	(330,372)	(230,275)
<u>TOTAL EQUITY</u>	<u>2,729,282</u>	<u>2,829,379</u>

The accompanying notes form part of these financial statements.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Note	Issued Capital \$	Retained Earnings \$	Total \$
Balance at 1 July 2007		2,863,754	344,271	3,208,025
Shares issued during the period		195,900	-	195,900
Profit for the period		-	146,194	146,194
Balance at 31 December 2007		3,059,654	490,465	3,550,119
Balance at 1 July 2008		3,059,654	(230,275)	2,829,379
Profit/(loss) for the period		-	(100,097)	(100,097)
Balance at 31 December 2008		3,059,654	(330,372)	2,729,282

The accompanying notes form part of these financial statements.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	31/12/2008	31/12/2007
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Sale of investments	1,423,650	1,496,341
Purchase of investments	(176,327)	(1,462,444)
Payments to suppliers/employees	(425,071)	(41,709)
Receipts from customers/employees	472,672	-
GST refund received	1,478	282
Interest received	-	17,370
Dividends received	8,957	7,966
Income tax paid	-	(3,765)
Interest paid	(107,868)	-
Net cash provided by (used in) operating activities	1,197,491	14,041
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash provided by (used in) investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	161,000	100,000
Repayment of borrowings	(1,214,663)	(110,000)
Net cash provided by (used in) financing activities	(1,053,663)	(10,000)
Net increase/(decrease) in cash held	143,828	4,041
Cash at beginning of the financial period	7,917	11,635
Cash at end of the financial period	151,745	15,676

The accompanying notes form part of these financial statements.

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

Note 1: Basis of preparation

The half-year financial statements are a general purpose interim financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Bell IXL Investments Limited during the half-year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*. The annual financial report of the company can be accessed at <http://www.nsx.com.au/ftp/news/021720697.PDF>.

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

Reporting Basis and Conventions

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

Note 2: Segment Information

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

Note 3: Contingent Liabilities

The directors are not aware of any contingent liabilities of the company.

Note 4: Events Subsequent to Reporting Date

There were no material events subsequent to period end that require disclosure other than those matters referred to elsewhere in this report and as follows:

- The company fully repaid the loan facility of \$2,500,000 provided to the company by Biloclan Pty Ltd ("Biloclan") together with interest and the floating charge over all the assets of the company held by Biloclan as security for the facility was released.
- The trustee of the trusts to which the company transferred its shares in Goldlink Capital Limited ("GLI") sought to sell all the GLI shares it was holding into the proportional takeover bid made by Emerald Capital Limited for GLI.
- Mr. D. Pagnin resigned as a director of the company.


BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 13:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position of the economic entity as at 31 December 2008 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Director
MR. M. L. CELLANTE

Dated this 16th day of March, 2009.

**Grant Thornton South Australian
Partnership**
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BELL IXL INVESTMENTS LIMITED

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Bell IXL Investments Limited (the Company), and its controlled entities (consolidated entity) which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration. The consolidated entity comprises both the company and the entities it controlled at the half year end or from time to time during that half year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

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

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

Auditor's responsibility Cont

As the auditor of Bell IXL Investments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independences

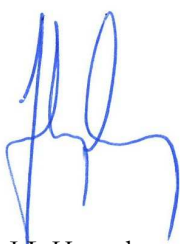
In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

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

- a giving a true and fair view of the Bell IXL Investments Limited's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



J L Humphrey
Partner

Signed at Wayville on this 16th day of March 2009

BELL IXL INVESTMENTS LIMITED
(ACN 113 669 908)

CORPORATE DIRECTORY

Directors	Massimo Livio Cellante Ramon Jimenez Romano Livio Cellante
Company Secretary	Ramon Jimenez
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Share Registry	Link Market Services Limited Level 1 333 Collins Street Melbourne, Victoria 3000
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)