FULL YEAR REPORTS:

ASX Appendix 4E Preliminary Final Report
Directors' Report
Auditor's Independence Declaration
Financial Report
Audit Report

30 June 2006

ASX Code: BEL

Bentley International Limited
A.B.N. 87 008 108 218

Registered Office:
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Double Bay, New South Wales 2028

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STOCK EXCHANGE
Australian Stock Exchange
Sydney, New South Wales

ASX CODE
BEL

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CORPORATE DIRECTORY

BOARD

Farooq Khan	Chairman
Christopher B. Ryan	Director
Simon K. Cato	Director
Peter P. Simpson	Director

COMPANY SECRETARY
Victor P.H. Ho

REGISTERED OFFICE
Suite 202, Angela House
30-36 Bay Street
Double Bay New South Wales 2028
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CHAIRMAN'S
AND COMPANY SECRETARIAL OFFICE
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INVESTMENT MANAGER
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CUSTODIAN
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APPENDIX 4E PRELIMINARY FINAL YEAR REPORT

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A

Current Reporting Period:	Financial year ended year ended 30 June 2006
Previous Corresponding Period:	Financial year ended year ended 30 June 2005
Balance Date:	30 June 2006
Company:	Bentley International Limited (**BEL**) (BEL has no controlled entities)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2006 Year $'000	2005 Year $'000	% Change	Up / Down
Unrealised gains/(losses) on investments	2,050	(115)	1883%	Gains Up
Realised gains/ (losses) on investments	351	(858)	141%	Gains Up
Foreign exchange gains/ (losses)	2	(106)	102%	Gains Up
Other investment related income	430	528	19%	Down
Total investment income / (loss)	**2,833**	**(551)**	**614%**	**Up**
Investment manager's fees	178	136	31%	Up
Custodian fees	35	44	20%	Down
Other corporate and administration expenses	528	353	50%	Up
Total expenses	741	533	39%	Up
Profit/(Loss)before tax	**2,092**	**(1,084)**	**293%**	**Profit Up**
Income tax (expense)/benefit	(6)	369	102%	Expense Down
Profit/(Loss) after tax attributable to members	**2,086**	**(715)**	**392%**	**Profit Up**
Basic and diluted earnings / (loss) per share (cents)	5.3	(1.8)	392%	Earnings Up
Pre-Tax NTA backing per share (cents)	**49.32**	**45.10**	**9%**	**Up**
Post-Tax NTA backing per share (cents)	**49.32**	**45.05**	**9%**	**Up**

APPENDIX 4E PRELIMINARY FINAL YEAR REPORT

Dividends

The Company has paid a final dividend as follows:

Dividend Rate	Record Date	Payment Date	Franking	Total Dividends Paid	DRP Issue Price
One cent per share	29 August 2006	31 August 2006	Fully franked	$393,049	36.7 cents

The Company also paid the following interim dividend during the financial year:

Dividend Rate	Record Date	Payment Date	Franking	Total Dividends Paid	DRP Issue Price
One cent per share	11 April 2006	26 April 2006	Fully franked	$389,422	39.6 cents

The Directors reinstated a Dividend Reinvestment Plan (**"DRP"**) in respect of the dividend paid in April 2006 (issued at 39.6 cents, being at a 2.5% discount to the volume weighted average price on ASX in the 5 day period up to and including the record date).

The DRP issue price in respect of the August 2006 final dividend was also set at a 2.5% discount to the Company's volume weighted average price on ASX in the 5 day period up to and including the record date, being an issue price of 36.7 cents per share.

The DRP allows shareholders, at their election, to automatically invest some or all of their dividend income into additional shares. As there are no transaction costs incurred, it also provides shareholders with an economical and convenient way to purchase additional shares in the Company. A copy of the DRP rules and related documentation may be obtained from the Company or downloaded from the Company's website.

Brief Explanation of Results

The Company increased its net profit during the current reporting period to $2.092 million (pre tax) (up 293%) and $2.086 million (post tax) (up 392%) compared with the previous corresponding period results of $1.084 million net loss (pre tax) and $0.715 million net loss (post tax).

The Directors have also paid a final one cent per share fully franked dividend on 31 August 2006, which takes the total dividends paid for the year to 2 cents per share fully franked. The Company notes that this is at the same rate of previous dividends paid on 26 April 2006 and 27 September 2004.

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

Please refer to the attached Directors' Report and financial statements and notes for further information on a review of the Company's operations and the financial position and performance of the Company for the year ended 30 June 2006.

APPENDIX 4E PRELIMINARY FINAL YEAR REPORT

Please also refer to the attached 30 June 2006 Annual Portfolio Report of the Investment Manager, Constellation Capital Management Limited, for information concerning the investment portfolio of the Company.

STATUS OF AUDIT

This Preliminary Final Report is based on accounts to which one of the following applies:

X	The accounts have been audited.

ANNUAL GENERAL MEETING

The 2006 Annual Report and Notice of Annual General Meeting (**AGM**) is expected to be despatched to shareholders in late September for an AGM to be held in Sydney in late October 2006.

For and on behalf of the Directors,

Date: 11 September 2006

Victor Ho
Company Secretary

Local Call: 1300 762 678
Telephone: (08) 9214 9757
Email: vho@bel.com.au

DIRECTORS' REPORT

The Directors present their Directors' Report on Bentley International Limited ABN 87 008 108 218 (**"Company"** or **"Bentley International" or "BEL"**) for the financial year ended 30 June 2006 (**"Balance Date"**).

Bentley International is a company limited by shares that was incorporated in South Australia in June 1986 and has been listed on the Australian Stock Exchange (**"ASX"**) since October 1986 as an "investment entity" as defined in the ASX Listing Rules. (Current ASX Code "BEL").

Bentley International does not have any controlled entities.

PRINCIPAL ACTIVITIES

Since admission to ASX in 1986, the principal investment objective of the Company is to achieve medium to long term capital appreciation. To achieve this, the Company will primarily invest in equity securities listed on the world's major stock markets. Its secondary objective is to generate income from dividend streams and the investment of a portion of the Company's portfolio in fixed interest securities and money market instruments denominated in various currencies.

The Company has made the following appointments in relation to the management and administration of its investment portfolio:

- Constellation Capital Management Limited (**"Constellation"**) as investment manager (appointed 18 May 2004 for an initial 2 year term). Constellation's mandate is to invest in the international equities component of its HomeGlobal™ Investment Strategy. Constellation's mandate has continued after May 2006 and is currently the subject of review by the Board; and
- National Australia Bank Limited (**"NAB"**) (appointed 20 August 2004 for an initial 2 year term) as custodian. NAB's custodial services have continued after August 2006 and is also currently being reviewed by the Board.

OPERATING RESULTS

	2006 $'000	2005 $'000
Unrealised gains/(losses) on investments	2,050	(115)
Realised gain/(losses) on investments	351	(858)
Foreign exchange gains/(losses)	2	(106)
Other investment related income	430	528
Total investment income/(loss)	2,833	(551)
Investment manager's fees	178	136
Custody fees	35	44
Other corporate and administration expenses	528	353
Total expenses	741	533
Profit/(Loss) before income tax expense	2,092	(1,084)
Income tax (expense)/benefit	(6)	369
Profit/(Loss) after income tax expense	2,086	(715)

DIRECTORS' REPORT

The Company increased its net profit during the current reporting period to $2.092 million (pre tax) (up 293%) and $2.086 million (post tax) (up 392%) compared with the previous corresponding period results of $1.084 million net loss (pre tax) and $0.715 million net loss (post tax).

EARNINGS PER SHARE

	2006	2005
Basic and diluted earnings/(loss) per share (cents)	5.3	(1.8)

FINANCIAL POSITION

	2006 $'000	2005 $'000
Investments	19,153	16,880
Cash	367	758
Other assets	43	41
Liabilities	(179)	(135)
Net assets	19,384	17,544
Issued capital	17,840	23,004
Accumulated losses	1,544	(5,460)
Total Equity	19,384	17,544

NET TANGIBLE ASSET BACKING

	2006 $'000	2005 $'000
Net tangible assets (before tax on unrealised gains)	19,384	17,599
Pre-tax NTA Backing per share (cents)	49.32	45.10
Less: Provision for tax on unrealised gains	-	(55)
Net tangible assets (after tax on unrealised gains)	19,384	17,544
Post-tax NTA Backing per share (cents)	49.32	45.05
Based on total issued share capital	39,304,854	38,942,213

DIVIDENDS

The Company has paid a final dividend as follows:

Dividend Rate	Record Date	Payment Date	Franking	Total Dividends Paid	DRP Issue Price
One cent per share	29 August 2006	31 August 2006	Fully franked	$393,049	36.7 cents

DIRECTORS' REPORT

The Company also paid the following interim dividend during the financial year:

Dividend Rate	Record Date	Payment Date	Franking	Total Dividends Paid	DRP Issue Price
One cent per share	11 April 2006	26 April 2006	Fully franked	$389,422	39.6 cents

Dividend Reinvestment Plan

The Directors reinstated a Dividend Reinvestment Plan (**"DRP"**) in respect of the dividend paid in April 2006 (issued at 39.6 cents, being at a 2.5% discount to the volume weighted average price on ASX in the 5 day period up to and including the record date).

The DRP issue price in respect of the August 2006 final dividend was also set at a 2.5% discount to the Company's volume weighted average price on ASX in the 5 day period up to and including the record date, being an issue price of 36.7 cents per share.

The DRP allows shareholders, at their election, to automatically invest some or all of their dividend income into additional shares. As there are no transaction costs incurred, it also provides shareholders with an economical and convenient way to purchase additional shares in the Company. A copy of the DRP rules and related documentation may be obtained from the Company or downloaded from the Company's website.

Dividend Policy

It is the objective of the Company to provide a regular and stable dividend payment to shareholders after the announcement of its half year and full year operating results. These results are normally announced in February and August each year and the Company will endeavour to announce its dividend payments at this time.

The Company intends to distribute annually to shareholders at least 50% of the available net profits arising from the dividend, interest and other income it receives from its investments and the realised and unrealised gains on its investments, to the extent permitted by law and subject to prudent business practices. Dividends will be franked to the extent that available franking credits permit and in accordance with the stated objective of providing 2 dividend payments a year.

SECURITIES IN THE COMPANY

As at the date of this Directors' Report, the Company has 39,728,303 (30 June 2006: 39,304,854; 30 June 2005: 38,942,213) fully paid ordinary shares on issue. All such shares are listed on ASX. The Company has no other securities on issue.

On 26 April 2006, the Company issued 362,641 shares at 39.6 cents per share as a consequence of shareholders' participation under the DRP in respect of the April 2006 interim dividend payment.

On 31 August 2006, the Company issued 423,449 shares at 36.7 cents per share as a consequence of shareholders' participation under the DRP in respect of the August 2006 final dividend payment.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

As at 30 June 2006, a direct investment in the Company provides indirect exposure to a diversified portfolio of approximately 235 securities across 22 industry sectors in 11 recognised overseas stock markets.

Based on information provided by Constellation, the investment portfolio returned 15.6% during the financial year (which includes realised gains of $0.351 million and unrealised gains of $2.050 million), reflecting an improvement in world markets (the MSCI ex Australia Index returned 17.4% in US$ terms compared with 10% in the previous year) and favourable exchange rate movements (the MSCI ex Australia Index returned 20.4% in A$ terms compared with 1% in the previous year).

Whilst the value of the portfolio benefited from a small decline in the $A and from the gains in the value of the portfolio when expressed in local currencies, Constellation advises that it did not have exposure to the top performing sectors (e.g. the FTSE Mining and Industrial Metals sectors returned 81% and 80% respectively in A$ terms) as its investment portfolio has been structured towards sectors not represented in the Australian market, as consistent with its overseas focussed HomeGlobal™ Investment Strategy.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company that occurred during the financial year not otherwise disclosed in this Directors' Report or the financial statements.

FUTURE DEVELOPMENTS

The Directors note that the investment management agreement with Constellation expired on 18 May 2006 and Constellation's mandate has continued thereafter pending the completion of the Board's review of the performance of Constellation and its HomeGlobal™ Investment Strategy. After such review the Board will either:

(1) seek to negotiate a renewal of Constellation's appointment as investment manager or seek the appointment of another appropriate investment manager, to manage the Company's funds in accordance with the Company's current investment mandate/objective to invest in international securities; or

(2) seek to appoint Constellation or another appropriate investment manager, to manage the Company's funds in accordance with a new investment mandate/objective approved by shareholders.

In the opinion of the Directors, it may prejudice the interests of the Company to provide additional information (beyond that reported in this Directors' Report) in relation to future developments and business strategies and operations of the Company and the expected results of those operations in subsequent financial years.

ENVIRONMENTAL REGULATION

The Company is not subject to any particular or significant environmental regulation under either Commonwealth or State legislation. To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

DIRECTORS' REPORT

DIRECTORS

Directors in office during or since the financial year are as follows:

Farooq Khan — **Chairman**

Appointed — Director since 2 December 2003; Chairman since 10 February 2004

Qualifications — BJuris, LLB. (*UWA*)

Experience — Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies and has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.

Relevant interest in shares — 11,276,014 ordinary shares (not held directly[1])

Special Responsibilities — Chairman of the Board

Other current directorships in listed entities — Current Chairman and Managing Director of:
(1) Queste Communications Limited (since 10 March 1998);

Current Chairman of:
(2) Scarborough Equities Limited (since 29 November 2004).

Current Executive Director of:
(2) Strike Resources Limited (since 3 September 1999).

Former directorships in other listed entities in past 3 years — (1) Altera Capital Limited (9 November 2001 to 18 October 2005);
(3) Sofcom Limited (3 July 2002 to 18 October 2005).

Peter P. Simpson — **Non-Executive Director**

Appointed — 6 September 2005

Qualifications — Ass.Dip.Bus, F.A.I.M., F.C.D.I.

Experience — Mr Simpson has substantial business and commercial experience. Mr. Simpson is Executive Chairman of Bridge Finance Australia Pty Ltd, which has broad interests including horticulture, publishing and in the IT sector. Mr Simpson is also Chairman of Eudunda Farmers' Limited an unlisted property and supermarket group. Mr Simpson has substantial interests in two private investment companies and is also a director and shareholder in Wirra Wirra Vineyards in South Australia.

Relevant interest in shares — 1,560,679 shares (held indirectly)

Special Responsibilities None

Other current directorships in listed entities — None

Former directorships in other listed entities in past 3 years — None

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1 Held by Orion Equities Limited (**OEQ**), a company in which Queste Communications Limited (**QUE**) is a controlling shareholder; Farooq Khan (and associated companies) have a deemed relevant interest in the BEL shares in which QUE has a relevant interest by reason of having >20% voting power in QUE.

DIRECTORS' REPORT

Christopher B. Ryan	— **Non-Executive Director**
Appointed	— 5 February 2004
Qualifications	— BEcon (*UWA*), MBA (*UNSW*)
Experience	— Mr Ryan is the Principal of Westchester Corporate Finance, a Sydney based corporate advisory firm specialising in advising listed companies on fund raising, mergers and acquisitions and associated transactions. Prior to forming Westchester in July 1996, Christopher was with Schroders Australia for 27 years. At Schroders, he served 3 years in the investment division, 2 years as an economist monitoring influences on interest and exchange rates and 22 years in the corporate finance division of which he was a director for 19 years specialising in advising on project financing and mergers and acquisitions mainly in the Australian minerals and oil and gas sectors.
Relevant interest in shares	— None
Special Responsibilities	— None
Other current directorships in listed entities	— Current Chairman of: (1) Golden Cross Resources Limited (since 25 March 2003); (2) Blue Ensign Technologies Limited (since 22 August 2002). Current Director of: (3) Scarborough Equities Limited (since 29 November 2004).
Former directorships in other listed entities in past 3 years	— Volant Petroleum Limited (11 December 2003 to 23 May 2006)

Simon K. Cato	— **Non-Executive Director**
Appointed	— 5 February 2004
Qualifications	— B.A. (*USYD*), MSDIA
Experience	— Mr Cato has more than 20 years capital markets experience within the Australian securities industry both in investment broking and in regulatory roles. He has been employed by the ASX in Sydney and Perth in the companies department most recently as Manager, Companies for ASX Perth. Over the last 16 years Mr Cato has been an Executive Director of two stockbroking firms and in these roles has been involved in a diverse range of management and capital investment activities.
Relevant interest in shares	— None
Special Responsibilities	None
Other current directorships in listed entities	— Current Director of: (1) Scarborough Equities Limited (since 29 November 2004). (2) The Gold Company Limited (since 21 February 2006); (3) Sofcom Limited (since 8 January 2004).
Former directorships in other listed entities in past 3 years	— (1) Altera Capital Limited (8 January 2004 to 8 August 2006) (2) Elemental Minerals Limited (19 February 2004 to 5 July 2006); (3) Medusa Mining Limited (5 February 2002 to 13 April 2006).

DIRECTORS' REPORT

COMPANY SECRETARY

Victor P. H. Ho	— **Company Secretary**
Appointed	— Since 5 February 2004
Qualifications	— BCom, LLB (*UWA*)
Experience	— Mr Ho has been in company secretarial/executive roles with a number of public listed companies since early 2000. Previously, Mr Ho had 9 years experience in the taxation profession with the Australian Tax Office and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate transactions, capital raisings and capital management matters and has extensive experience in public company administration, corporations law and stock exchange compliance and shareholder relations.
Relevant interest in shares	— 15,945 ordinary shares
Other positions held in listed entities	— Current Director and Company Secretary of: (1) Strike Resources Limited (Secretary since 9 March 2000 and Director since 12 October 2000); (2) Orion Equities Limited (Secretary since 2 August 2000 and Director since 4 July 2003); (3) Sofcom Limited (Director since 3 July 2002 and Secretary since 23 July 2003). Current Company Secretary of: (4) Scarborough Equities Limited (Secretary since 29 November 2004); (5) Queste Communications Limited (Secretary since 30 August 2000)
Former position in other listed entities in past 3 years	— Altera Capital Limited (resigned 8 August 2006; Director from 9 November 2001 and Secretary from 26 November 2001)

DIRECTORS' MEETINGS

The following table sets out the numbers of meetings of the Company's Directors held during the year (including directors' circulatory resolutions) and the numbers of meetings attended by each Director of the Company:

Name of Director	Meetings Attended	Maximum Possible Meetings
Farooq Khan	22	22
Christopher Ryan	22	22
Simon Cato	22	22
Peter Simpson	16	16

There were no meetings of committees of the Board.

Board Committees

As at the date of this Directors' Report, the Company did not have separate designated Audit or Remuneration Committees. In the opinion of the Directors, in view of the size of the Board and nature and scale of the Company's activities, matters typically dealt with by an Audit or Remuneration Committee are dealt with by the full Board.

DIRECTORS' REPORT

REMUNERATION REPORT

This report details the nature and amount of remuneration for each Director and Executive Officer of the Company.

(1) Remuneration Policy

The Board determines the remuneration structure of all Directors and Executive Officers having regard to the Company's nature, scale and scope of operations and other relevant factors, including the frequency of Board meetings, length of service, particular experience and qualifications.

The Non-Executive Directors of the Company are paid a maximum aggregate base remuneration of $110,000 per annum inclusive of employer superannuation contributions where applicable, to be divided as the Board determines appropriate. The Board has determined Non-Executive Director remuneration as follows:

(a) Mr Farooq Khan (Non-Executive Chairman) – a base fee of $30,000 per annum plus 9% employer superannuation contributions;

(b) Mr Christopher Ryan (Non-Executive Director) – a base fee of $24,000 per annum plus 10% goods and services tax payable to Westchester Financial Services Pty Limited (trading as Westchester Corporate Finance), a corporate advisory company in which Mr Ryan is principal;

(c) Mr Simon Cato (Non-Executive Director) – a base fee of $21,000 per annum plus 9% employer superannuation contributions;

(d) Mr Peter Simpson (Non-Executive Director) – a base fee of $21,000 per annum plus 10% goods and services tax payable to Bridge Finance Australia Pty Ltd, a company in which Mr Simpson is a controlling director and shareholder.

Pursuant to the Company's Constitution, each Director is also entitled to receive:

(a) Payment for reimbursement of all traveling, hotel and other expenses reasonably incurred by a Director for the purpose of attending meetings of the Board or otherwise in and about the business of the Company;

(b) Payment for the performance of extra services or the making of special exertions for the benefit of the Company (at the request of and with the concurrence of the Board).

The Company does not presently have any equity (shares or options) based remuneration arrangements pursuant to any executive or employee share or option plan or otherwise.

The Company does not presently provide retirement benefits or incentive/performance based benefits related to the Company's performance to Directors or the sole Executive Officer.

The Company does not presently have formal service agreements or employment contracts with the Directors or the sole Executive Officer.

There is no relationship between the Company's current remuneration policy and the Company's performance.

DIRECTORS' REPORT

(2) Details of Remuneration of Directors

Details of the nature and amount of each element of remuneration of each Director paid or payable by the Company during the financial year are as follows:

Name of Director	Office Held	Directors' Fees $	Superannuation $	Other Payments $	Total $
Farooq Khan	Non-Executive Chairman	49,365	4,443	-	53,808
Christopher Ryan	Non-Executive Director	26,400	-	-	26,400
Simon Cato	Non-Executive Director	17,850	3,150	-	21,000
Peter Simpson	Non-Executive Director	19,250	-	-	19,250

Notes:

(a) Mr Ryan's Directors' fees have been paid to Westchester Financial Services Pty Limited (trading as Westchester Corporate Finance), a corporate advisory company in which Mr Ryan is principal, and is reported inclusive of goods and services tax (**"GST"**).

(b) Mr Simpson's Directors' fees have been paid to Bridge Finance Australia Pty Ltd, a company in which Mr Simpson is a controlling director and shareholder, and is reported inclusive of GST.

(3) Details of Remuneration of Executive Officer

The Company only had one Executive Officer during the financial year. Details of the nature and amount of each element of remuneration of such Executive Officer paid or payable by the Company during the financial year are as follows:

Name of Executive Officer	Office Held	Salary $	Superannuation $	Total $
Victor Ho	Company Secretary	43,624	3,926	47,550

(4) Directors' and Officers' Insurance

The Directors have not included details of the nature of the liabilities covered or the amount of premiums paid in respect of a Directors and Officers liability and legal expenses' insurance contract, as such disclosure is prohibited under the terms of the contract.

(5) Directors' Deeds

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the Corporations Act), the Company has also entered into a deed with each of the Directors to regulate certain matters between the Company and each Director, both during the time the Director holds office and after the Director ceases to be an officer of the Company, including the following matters:

(a) The Company's obligation to indemnify a Director for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the Corporations Act);

(b) Subject to the terms of the deed and the Corporations Act, the Company may advance monies to the Director to meet any costs or expenses of the Director incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of any legal proceedings brought against the Director; and

DIRECTORS' REPORT

Such deeds (in respect of Messrs Khan, Ryan, Cato and Simpson) were approved by shareholders at the 2005 AGM.

(6) Other Directors' Benefits

No Director of the Company has, since the end of the previous financial year, received or become entitled to receive a benefit, other than a remuneration benefit as disclosed above, by reason of a contract made by the Company or a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

LEGAL PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of a 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 such proceedings. The Company was not a party to any such proceedings during and since the financial year.

ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's financial statements have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (**AIFRS**). A reconciliation of adjustments arising on the transition to AIFRS is included in note 2 to the financial statements.

AUDITOR

Details of the amounts paid or payable to the auditor (BDO, Chartered Accountants & Advisers) for audit and non-audit services provided during the financial year are set out below:

Audit & Review Fees $	Fees for Other Services $	Total $
28,658	Nil	28,658

There has been no provision of non-audit services by the auditor during the year.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 forms part of this Directors Report and is set out on page 16. This relates to the Audit Report, where the Auditors state that they have issued an independence declaration.

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matters or circumstances at the date of this Directors' Report, other than those referred to in this Directors' Report (in particular, in Review of Operations) or the financial statements or notes thereto (in particular Note 22), that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

DIRECTORS' REPORT

Signed for and on behalf of the Directors in accordance with a resolution of the Board,

Farooq Khan
Chairman

Peter Simpson
Non-Executive Director

11 September 2006

BDO

Chartered Accountants
& Advisers

Level 8, 256 St George's Terrace Perth WA 6000
PO Box 7426 Cloisters Square Perth WA 6850
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www.bdo.com.au

11 September 2006

The Directors
Bentley International Limited
Level 14, The Forrest Centre
221 St Georges Terrace
PERTH WA 6000

Dear Sirs

DECLARATION OF INDEPENDENCE BY BDO TO THE DIRECTORS OF BENTLEY INTERNATIONAL LIMITED

To the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully
BDO
Chartered Accountants

BG McVeigh
Partner

INCOME STATEMENT
for the year ended 30 June 2006

	Note	2006 $'000	2005 $'000
Revenue	3 a	429	524
Other income		2,404	4
Expenses	3 (b)		
Investment expenses			
- Unrealised changes in the net fair value of investments		-	(115)
- Realised losses on sale of investments		-	(858)
- Foreign exchange losses		-	(106)
- Withholding tax		(51)	(44)
Occupancy expenses		(71)	-
Finance expenses		(1)	-
Borrowing cost		-	-
Corporate expenses		(260)	(218)
Administration expenses		(358)	(271)
Profit /(Loss) before income tax expense		2,092	(1,084)
Income tax (expense)/ benefit	4	(6)	369
Profit/ (Loss) after income tax expense		2,086	(715)
Dividends per share (cent per share)	7	1.0	1.0
Basic earnings (loss) (cents per share)	8	5.3	(1.8)

The accompanying notes form part of this financial report

BALANCE SHEET
as at 30 June 2006

	Note	2006 $'000	2005 $'000
CURRENT ASSETS			
Cash and cash equivalents	9	367	758
Financial assets at fair value	10	19,153	16,880
Trade and other receivables	11	28	20
Other	12	6	7
TOTAL CURRENT ASSETS		19,554	17,665
NON CURRENT ASSETS			
Property, plant and equipment	13	9	7
Deferred tax assets	15	-	7
TOTAL NON CURRENT ASSETS		9	14
TOTAL ASSETS		19,563	17,679
CURRENT LIABILITIES			
Trade and other payables	14	179	80
Provision for income tax	15	-	49
TOTAL CURRENT LIABILITIES		179	129
NON CURRENT LIABILITIES			
Deferred tax liabilities	15	-	6
TOTAL NON CURRENT LIABILITIES		-	6
TOTAL LIABILITIES		179	135
NET ASSETS		19,384	17,544
EQUITY			
Issued capital	16	17,840	23,004
Retained earnings/ (Accumulated losses)		1,544	(5,460)
TOTAL EQUITY		19,384	17,544

The accompanying notes form part of this financial report

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2006

	Note	Issued Capital $'000	Reserves * $'000	Retained Earnings (Accumulated Losses) $'000	Total $'000
At 1 July 2004		23,004	1,069	(5,425)	18,648
Loss for the year		-	-	(715)	(715)
Total recognised income and expense for the year		-	-	(715)	(715)
Dividends paid		-	-	(389)	(389)
Reduction of share capital to the extent not represented by assets	16	-	(1,069)	1,069	-
At 30 June 2005		23,004	-	(5,460)	17,544
At 1 July 2005		23,004	-	(5,460)	17,544
Adoption of AASB 132 and 139					
Revaluation of investments		-	-	54	54
Deferred tax liability		-	-	(16)	(16)
sub-total		-	-	38	38
Profit for the year		-	-	2,048	2,048
Total recognised income and expense for the year		-	-	2,048	2,048
Dividends paid		-	-	(389)	(389)
Issue under Dividend Reinvestment Plan		143	-	-	143
Reduction of share capital to the extent not represented by assets	16	(5,307)	-	5,307	-
At 30 June 2006		17,840	-	1,544	19,384

* The Reserve was used to record the cumulative after tax unrealised gains or losses on investments

The accompanying notes form part of this financial report

CASH FLOW STATEMENT
for the year ended 30 June 2006

	Note	Company 2006 $'000	Company 2005 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		412	486
Interest received		9	18
Other income received		-	4
Investment manager's fees paid		(133)	(93)
Other expenses paid		(517)	(391)
Income tax paid		(47)	(28)
Proceeds from sale of investments		2,116	18,327
Purchase of investments		(2,057)	(17,089)
NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES	9(a)	(217)	1,234
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(246)	(389)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(246)	(389)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS HELD		(463)	845
Cash and cash equivalents at the beginning of the year		758	19
Effect of exchange rate changes on cash		72	(106)
CLOSING CASH AND CASH EQUIVALENTS AT END OF YEAR	9	367	758

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

1. SUMMARY OF ACCOUNTING POLICIES

The financial report (comprising the financial statements and notes thereto) is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Bentley International Limited (the **Company**) is a company limited by shares incorporated in Australia and whose shares are publicly traded on the Australian Stock Exchange (**ASX**). The Company does not have any controlled entities.

Compliance with IFRS
The financial report complies with all Australian equivalents to International Financial Reporting Standards (**AIFRS**). Compliance with AIFRS ensures that the financial statements of Bentley International Limited comply with International Financial Reporting Standards (IFRS) save that the Company has elected to apply the relief provided in respect of certain disclosure requirements pursuant to *AASB 132 Financial Instruments: Disclosure and Presentation*.

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 to all years presented, unless otherwise stated.

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards
The Company has prepared financial statements in accordance with AIFRS from 1 July 2005. In accordance with the requirements of *AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards*, adjustments to the Company's accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied.

The Company has elected to adopt the exemptions available under AASB 1 relating to *AASB 132: Financial Instruments: Disclosure and Presentation* and *AASB 139: Financial Instruments: Recognition and Measurement and* have not restated comparative information for the 30 June 2005 financial period. Reconciliations of the transition from previous Australian GAAP to IFRS have been included in Note 2 to this report.

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 financial assets and financial liabilities for which the fair value basis of accounting has been applied.

1.1. Investments and Other Financial Assets

From 1 July 2005 to 30 June 2006
Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

Financial assets at fair value through profit and loss - A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of *AASB 139: Recognition and Measurement of Financial Instruments*. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables - Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments - These investments have fixed maturities, and it is the Company's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortised cost using the effective interest rate method.
Available-for-sale financial assets - Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities - Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

The Company's investment portfolio (comprising listed securities) is accounted for as "financial assets at fair value through profit and loss".

From 1 July 2004 to 30 June 2005
The Company has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1 July 2005. The Company has applied previous AGAAP to the comparative information on financial instruments within the scope of AASB 132 and AASB 139. The accounting policy applying to such 2005 comparatives are:

Classification - The investment objectives of the Company include earning revenue from dividends and holding investments for market appreciation and trading opportunities. Investments held are readily marketable and are traded as future market conditions dictate. Constellation Capital Management Limited ("Constellation") has been appointed investment manager with a mandate to invest in the international equities component of its HomeGlobal™ Investment Strategy. The investment portfolio of the Company comprises investments in more than 200 stocks in 11 overseas markets.

Valuation - Investments are stated at net fair value as at the reporting date. Net fair value of investments is the last sale price quoted on the relevant exchange at the close of business at year end, less an appropriate allowance for costs expected to be incurred in realising the investments. The net fair value of any monetary asset where no last sale price exists is based upon discounting the expected future cash flows by the rate interest for assets with similar risk profiles. Certain costs in acquiring investments, such as brokerage and stamp duty, are capitalised in the initial cost of the investment.

Unrealised gains and losses - Changes in the net fair value of investments represent the unrealised gains or losses on investments arising from the increment or decrement between the net fair value at the reporting date and the net fair value as at the prior year end (or cost if the investment was acquired during the year).

The unrealised gains or losses are transferred to the unrealised profits and losses reserve to the extent the Company is in a net unrealised gain position, net of any potential tax charge that may arise from the future sale of investments. The balance in the unrealised profits and losses reserve is equal to the cumulative after tax unrealised gains or losses on investments.

1.2. Fair value estimation
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, including but not limited to recent arm's length transactions, reference to similar instruments and option pricing models. The Company may use a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for other financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.
The Company's investment portfolio (comprising listed securities) is accounted for as a "financial assets at fair value through profit and loss" and is carried at fair value based on the quoted last bid prices at reporting date.

1.3. Revenue Recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. All revenue is stated net of the amount of goods and services tax (**GST**). The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods and Disposal of Assets - Revenue from the sale of goods and disposal of other assets is recognised when the Company has passed control of the goods or other assets to the buyer.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

***Interest Revenue* -** Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

***Dividend Revenue* -** Dividend revenue is recognised when the right to receive a dividend has been established. The Company brings dividend revenue to account on the applicable ex-dividend entitlement date.

***Other Revenues* -** Other revenues are recognised on a receipts basis.

1.4. Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each taxing jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses (if applicable).

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each taxing jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The amount of deferred tax assets 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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

1.5. Goods and Services Tax (GST)

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 Tax 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.

1.6. Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when considered non-recoverable.

1.7. Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2006

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate	Depreciation Method
Computer Equipment	25%-40%	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

1.8. Impairment of Assets
At each reporting date, the Company reviews the carrying values of its tangible and intangible assets (where applicable) 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 asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets (where applicable) with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.9. Payables
These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

1.10. Issued Capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new securities are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new securities for the acquisition of assets are included in the cost of the acquisition as part of the purchase consideration.

1.11. Earnings Per Share
Basic Earnings per Share - is determined by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial period.

Diluted Earnings per Share - adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial period.

1.12. Employee Entitlements
Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Employer superannuation contributions are made by the Company in accordance with statutory obligations and are charged as an expense when incurred.

1.13. Segment reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. The Company's segment reporting is contained in note 19 of the notes to the financial statements.

1.14. Comparative Figures
Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial period.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

1.13 Changes in Accounting Policy
The Company has adopted the following accounting standards for application on or after 1 January 2005:

(i) AASB 132: Financial Instruments: Disclosure and Presentation; and

(ii) AASB 139: Financial Instruments: Recognition and Measurement.

The changes resulting from the adoption of AASB 132 relate primarily to increased disclosures required under the standard and do not affect the value of amounts reported in the financial statements.

The adoption of AASB 139 has not resulted in material differences in the recognition and measurement of the Company's financial instruments.

The following Australian Accounting Standards have been issued or amended and are applicable to the Company but are not yet effective. They have not been adopted in preparation of the preparation of the financial statements at reporting date.

AASB Amendment	Affected Standard(s)	Nature of change to accounting policy	Application date of standard"	Application date for Company
2005-1	AASB 139: *Financial Instruments: Recognition and Measurement*	No change to accounting policy required. Therefore no impact	1 Jan 06	1 Jul 06
2005-4	AASB 132: *Financial Instruments: Disclosure and Presentation,* AASB 139: *Financial Instruments: Recognition and Measurement*	No change to accounting policy required. Therefore no impact	1 Jan 06	1 Jul 06
2005-5	AASB 1: *First-time adoption of AIFRS* AASB 139: *Financial Instruments: Recognition and Measurement*	No change to accounting policy required. Therefore no impact	1 Jan 06	1 Jul 06
2005-10	AASB 139: *Financial Instruments: Recognition and Measurement,* AASB 101*: Presentation of Financial Statements* AASB 114: *Segment Reporting,* AASB 133*: Earnings per Share,* AASB 132: *Financial Instruments: Disclosure and Presentation* AASB 1: *First-time adoption of AIFRS*	No change to accounting policy required. Therefore no impact	1 Jan 07	1 Jul 07
New standard	AASB 7 *Financial Instruments: Disclosures*	No change to accounting policy required. Therefore no impact	1 Jan 07	1 Jul 07
New standard	AASB 119*: Employee Benefits,*	No change to accounting policy required. Therefore no impact	1 Jan 06	1 Jul 06

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

2. FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

(i) Reconciliation of Profit or Loss for 30 June 2005

	AGAAP	AIFRS Impact	AIFRS
	$'000	**$'000**	**$'000**
Revenue			
Dividends and trust distribution	485		485
Interest	39		39
Other Income			
Unrealised changes in the net fair value of investments	(115)		(115)
Realised gains on sale of investments	(858)		(858)
Foreign exchange losses	(106)		(106)
Other	4		4
	(551)	-	(551)
Expenses			
Investment manager's fees	(136)		(136)
Audit fees	(26)		(26)
Directors' fees	(23)		(23)
Custodian fees	(44)		(44)
Accounting	(43)		(43)
Withholding tax	(44)		(44)
Other	(217)		(217)
Loss before income tax expense	(1,084)	-	(1,084)
Income tax benefit	369		369
Loss after income tax expense	(715)	-	(715)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

(ii) Reconciliation of equity

	Reconciliation of equity at 1 July 2004			Reconciliation of equity at 30 June 2005		
	AGAAP	AIFRS Impact	AIFRS	AGAAP	AIFRS Impact	AIFRS
CURRENT ASSETS	$'000	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	19		19	758		758
Financial assets at fair value	19,114		19,114	16,880		16,880
Trade and other receivables	-		-	20		20
Other	24		24	7		7
TOTAL CURRENT ASSETS	19,157	-	19,157	17,665	-	17,665
NON CURRENT ASSETS						
Property, plant and equipment	9		9	7		7
Deferred tax assets	7		7	7		7
TOTAL NON CURRENT ASSETS	16	-	16	14	-	14
TOTAL ASSETS	19,173	-	19,173	17,679	-	17,679
CURRENT LIABILITIES						
Trade and other payables	75		75	80		80
Short term provision	-		-	49		49
TOTAL CURRENT LIABILITIES	75	-	75	129	-	129
NON CURRENT LIABILITIES						
Deferred tax liabilities	450		450	6		6
TOTAL NON CURRENT LIABILITIES	450	-	450	6	-	6
TOTAL LIABILITIES	525	-	525	135	-	135
NET ASSETS	18,648	-	18,648	17,544	-	17,544
EQUITY						
Issued capital	23,004		23,004	23,004		23,004
Reserves	1,069		1,069	-		-
Accumulated losses	(5,425)		(5,425)	(5,460)	-	(5,460)
TOTAL EQUITY	18,648	-	18,648	17,544	-	17,544

(iii) Cash Flow Statement

There are no material impacts on the Cash Flow Statement as a consequence of the adoption of AIFRS.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

3. PROFIT/ LOSS

The operating profit/ (loss) before income tax includes the following items of revenue and expense:

	2006 $'000	2005 $'000
(a) Revenue		
Dividends and trust distribution	420	485
Interest	9	39
Other Income		
Unrealised changes in the net fair value of investments	2,050	-
Realised gains on sale of investments	351	-
Foreign exchange gains	2	-
Other	1	4
Total Income	2,833	528
(b) Expenses		
Investment expenses		
- Unrealised changes in the net fair value of investments	-	115
- Realised losses on sale of investments	-	858
- Foreign exchange losses	-	106
- Withholding tax	51	44
Occupancy expenses	71	-
Finance expenses	1	-
Borrowing cost	-	-
Corporate expenses		
- Management fees	178	136
- Custodian fees	35	44
- ASX fees	18	15
- Share registry fees	17	23
- Other	12	-
Administration expenses		
- Communications	13	-
- Accounting	49	43
- Audit fee	29	25
- Office administrator	24	-
- Personnel	166	131
- Personnel- employee benefits	1	-
- Depreciation	3	2
- Travel	14	4
- Other	59	66
	741	1,612

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

4. INCOME TAX EXPENSE

	2006 $'000	2005 $'000
(a) The major components of income tax expense are:		
Current tax	-	75
Deferred tax (Note 15)	1	(444)
	1	(369)

(b) The prima facie income tax on profit/ (loss) from ordinary activities before income tax is reconciled to the income tax provided in the accounts as follows:

	2006 $'000	2005 $'000
Profit/ (Loss) before income tax	**2,092**	**(1,084)**
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2005: 30%)	628	(325)
Tax effect of timing differences		
Unrealised (gains) losses on investments	-	36
Non allowable items	15	-
Assessable taxable income	-	(49)
	643	(338)
(Over) / under provision in respect to prior years	(637)	-
Carried forward losses utilised against current year provision	-	(6)
Realised loss on disposal of investments	-	456
Withholding tax	-	(31)
Reversal of prior year unrealised investment losses	-	(450)
Income tax expense /(benefit)	6	(369)
The applicable weighted average effective tax rate are as follows:	1%	34%

	2006 $'000	2005 $'000
(c) Deferred Tax Asset not brought to account at 30%		
- temporary differences	2,012	2,669

The benefits of the Deferred Tax Asset not brought to account for the 2006 year will only be obtained if:

(i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;

(ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and

(iii) the Company is able to meet the continuity of ownership and/or continuity of business tests.

5. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of key management personnel

Farooq Khan	Non-Executive Chairman
Christopher Ryan	Non-Executive Director
Simon Cato	Non-Executive Director
Peter Simpson	Non-Executive Director (Appointed 6 September 2005)
Victor Ho	Company Secretary

	2006	2005
Number of employees (including key management personnel)	**5**	**4**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

(b) Compensation of key management personnel (directors)

Directors	Performance	Short term Benefits		Post employment	
2006	**Related**	**Salaries & Fees**	**Other Benefits**	**Superannuation**	**Total**
	%	$	$	$	$
Farooq Khan	-	49,365	-	4,443	53,808
Christopher Ryan	-	26,400	-	-	26,400
Simon Cato	-	17,850	-	3,150	21,000
Peter Simpson	-	19,250	-	-	19,250
		112,865	-	7,593	120,458
2005					
Farooq Khan	-	44,930	-	4,008	48,938
Christopher Ryan	-	29,703	1,655	-	31,358
Simon Cato	-	17,850	-	3,150	21,000
		92,483	1,655	7,158	101,296

(c) Compensation of other key management personnel

	Performance	Short term Benefits		Post employment	
	Related	**Salaries & Fees**	**Other Benefits**	**Superannuation**	**Total**
2006	%	$	$	$	$
Victor Ho	-	43,624	-	3,926	47,550
2005					
Victor Ho	-	27,789	-	2,647	30,436

(d) Shareholdings of key management personnel

2006	Balance at	Balance at	Net	Balance at
Directors	**1 July 2005**	**Appointment**	**Changes**	**30 June 2006**
Farooq Khan	9,708,920		1,267,996	10,976,916
Christopher Ryan	-		-	-
Simon Cato	-		-	-
Peter Simpson		1,197,306	321,980	1,519,286
Other key management personnel				
Victor Ho	15,945		(10,000)	5,945

2005	Balance at	Net	Balance at
Directors	**1 July 2004**	**Changes**	**30 June 2005**
Farooq Khan	7,669,323	2,039,597	9,708,920
Christopher Ryan	-	-	-
Simon Cato	-	-	-
Peter Simpson			
Other key management personnel			
Victor Ho	15,945	-	15,945

The disclosures of equity holdings are in accordance with the accounting standards which requires a disclosure of direct and indirect holdings of spouses, relatives, spouses of relatives and entities under the control or significant influence of each of the same.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

(e) Remuneration Practices

The Company's policy for determining the nature and amount of emoluments to directors of the Company is as follows: The Board determines the remuneration structure of all Directors and Executive Officers having regard to the Company's nature, scale and scope of operations and other relevant factors, including the frequency of Board meetings, length of service, particular experience and qualifications.

6. AUDITORS' REMUNERATION

	2006	2005
Amounts received or due and receivable by:	$	$
Auditing of the financial report		
- current year expense	12,976	25,553
- prior year underprovision	15,682	-
	28,658	25,553

7. DIVIDENDS

	2006	2005
	$'000	$'000
Declared and paid during the year		
Dividends on ordinary shares		
One cent per share fully franked paid on 27 September 2004	-	389
One cent per share fully franked paid on 26 April 2006	389	-
	389	389

On 31 August 2006, the Directors paid a final dividend of one cent per share fully franked dividend. The record date was 29 August 2006. This dividend was declared on 11 August 2006.

	2006	2005
Post balance date dividends paid		
One cent per share fully franked paid on 31 August 2006	393	-
Franking credit balance		
Balance of franking account at year end adjusted for franking credits arising from:	3,860	4,664
Franking debits arising from payment of dividends post balance date	(168)	(166)
	3,692	4,498

8. EARNINGS PER SHARE

	2006	2005
Basic earnings (loss) per share (cents)	5.3	(1.8)
Net profit/ (loss) after income tax ($'000)	2,086	(715)
Weighted average number of ordinary shares during the year used in calculation of basic earnings per share	39,006,793	38,942,213

Diluted loss per share has not been disclosed, as it does not show a position which is inferior to basic earnings per share. The Company has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic earning per share.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

9. CASH AND CASH EQUIVALENTS

	2006 $'000	2005 $'000
Cash at bank	367	758

(a) Reconciliation of Net Profit after Tax to Net Cash Flows from Operations

	2006 $'000	2005 $'000
Net Profit (loss) after income tax	2,086	(715)
Unrealised changes in the net fair value of investments	(2,050)	115
Depreciation	3	2
Realised (gains) losses on sale of investments	(351)	858
Net foreign exchange (gains) losses	(2)	106
(Increase)/decrease in assets:		
Investments	58	1,238
Receivables	(8)	(20)
Prepayment	1	16
Tax assets	7	50
Increase/(decrease) in liabilities:		
Payables	94	27
Tax liabilities	(55)	(443)
Net cash flows from operating activities	(217)	1,234

(b) Disclosure of non-cash financing and investing activities

$143,642 of interim dividends (one cent per share fully franked) were reinvested by shareholders on 26 April 2006 under a Dividend Reinvestment Plan resulting in the issue of 362,641 ordinary shares (at 39.6 cents per share).

10. FINANCIAL ASSETS AT FAIR VALUE

	2006 $'000	2005 $'000
Investment Portfolio	19,153	16,880

11. TRADE AND OTHER RECEIVABLES

	2006 $'000	2005 $'000
Dividends and interest receivable	28	20

12. OTHER CURRENT ASSETS

	2006 $'000	2005 $'000
Prepayments	6	7

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

13. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment $'000	Total $'000
2006		
At 1 July 2005, net of accumulated depreciation and impairment	7	7
Additions	5	5
Depreciation expense	(3)	(3)
At 30 June 2006, net of accumulated depreciation and impairment	9	9
At 1 July 2005		
Cost	9	9
Accumulated depreciation and impairment	(2)	(2)
Net carrying amount	7	7
At 30 June 2006		
Cost	14	14
Accumulated depreciation and impairment	(5)	(5)
Net carrying amount	9	9
2005		
At 1 July 2004, net of accumulated depreciation and impairment	-	-
Additions	9	9
Depreciation expense	(2)	(2)
Disposal	-	-
At 30 June 2005, net of accumulated depreciation and impairment	7	7
At 1 July 2004		
Cost	9	9
Accumulated depreciation and impairment	-	-
Net carrying amount	9	9
At 30 June 2005		
Cost	9	9
Accumulated depreciation and impairment	(2)	(2)
Net carrying amount	7	7

14. TRADE AND OTHER PAYABLES

	2006 $'000	2005 $'000
Trade creditors	49	80
Amounts payable to related parties	102	-
Other creditors and accruals	28	-
	179	80

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

15. TAX

	2006	2005
Assets		
Non Current	$'000	$'000
Deferred tax asset comprise:		
Other	-	7
	-	7
Liabilities		
Current		
Income tax	-	49
Non Current		
Deferred income tax comprises of fair value gain adjustments	-	6
Reconciliations		
Gross movement		
The overall deferred tax account is as follows		
Opening balance	1	(443)
(Charge) / credit to income statement	(1)	444
Closing balance	-	1
Deferred tax asset - Other		
The movement in deferred tax asset for each temporary difference during the year is as follows:		
Opening balance	7	7
(Charge) / credit to income statement	(7)	-
Closing balance	-	7
Deferred tax liability - Fair Value Gain Adjustments		
The movement in deferred tax liability for each temporary difference during the year is as follows:		
Opening balance	6	450
(Charge) / credit to income statement	(6)	(444)
Closing balance	-	6

16. ISSUED CAPITAL

	2006 Number of shares	2006 $'000	2005 Number of shares	2005 $'000
Fully paid ordinary shares	39,304,854	17,840	38,942,213	23,004

Movement in Ordinary Share Capital	Date of movement	Number of shares	2006 $'000	2005 $'000
At 1 July 2004		38,942,213	23,004	23,004
At 1 July 2005		38,942,213	23,004	23,004
Reduction of share capital				
to the extent not represented by assets	24-Nov-05	-	(5,307)	
Issue under dividend reinvestment plan	26-Apr-06	362,641	143	
At 30 June 2006		39,304,854	17,840	

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

At the Annual General Meeting held on 24 November 2005, shareholders approved a reduction in the value of the Company's share capital against accumulated losses by $5,307,237, being an amount not represented by available assets, pursuant to section 258F of the Corporations Act. This was essentially an accounting entry that allowed the Company to remove from retained earnings historical carried forward losses that effects the ability of the Company to retain earnings from which future dividends may be paid. The reduction has no effect on the carried forward tax losses of the Company nor did it change the number of shares on issue or the net asset position of the Company.

17. RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year.

Entity with deemed significant influence over the Company	Note	Amount owed to related parties
Orion Equities Limited (OEQ)	14	$60,425
Entity with deemed control over OEQ		
Queste Communications Ltd (QUE)	14	$41,703

As at balance date, OEQ held 27.93% of the ordinary shares in the Company. QUE holds 48% of the ordinary shares in OEQ. During the financial year, there were transactions between the Company, OEQ and QUE pursuant to shared office and administration expense arrangements on a cost recovery basis. Interest is not charged on such outstanding amounts.

18. SEGMENT REPORTING

Business Segment

The Company is incorporated in Australia. The Company's principal activity is investment in equity securities listed on overseas stock markets.

Geographical exposure

Constellation Capital Management Limited manages the Company's investment portfolio, to implement the international equities component of Constellation's HomeGlobal investment strategy. While the Company operates from Australia only, it has investment exposures in different countries. The geographical locations of these exposures are outlined below:

	Segment Revenues		Carrying Amounts of Segment Assets		Acquisitions of Investments	
	2006	2005	2006	2005	2006	2005
	$'000	$'000	$'000	$'000	$'000	$'000
Australia	7	227	235	415	-	
Europe	787	64	3,354	2,928	293	2,794
United Kingdom	386	31	1,877	1,579	98	1,463
North America	1,035	175	11,189	10,323	1,389	10,301
Asia	92	4	575	537	176	448
Japan	526	27	2,333	1,897	101	2,083
	2,833	528	19,563	17,679	2,057	17,089

The geographical exposure values include investments in listed securities, cash assets and accrued interest and dividends and is net of unsettled trades.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

19. FINANCIAL INSTRUMENTS

Financial Risk Management

The Company's financial instruments consists of deposits with banks, accounts receivable and payable and investments in overseas listed securities held by National Australia Bank Limited as custodian and managed by investment management, Constellation Capital Management Limited. The principal activity of the Company is the management of these investments - "financial assets at fair value" (refer to Note 10).

The Company's investments are subject to price (which includes interest rate, currency and market risk), credit and liquidity risks.

(a) Interest Rate Risk Exposure

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing instruments. The Company has no borrowings. The effective weighted average interest rates on classes of financial assets and financial liabilities, are as follows:

30 June 2006	**Weighted Average Interest Rate**	**Variable Interest Rate**	**Fixed Interest Rate (less than 1 year)**	**Non-Interest Bearing**	**Total**
Financial Assets		**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	5.83%	367	-	-	367
Investments		-	-	19,153	19,153
Receivables		-	-	28	28
Total Financial Assets		367	-	19,181	19,548
Financial Liabilities					
Payables		-	-	(179)	(179)
Total Financial Liabilities		-	-	(179)	(179)
Net Financial Assets		367	-	19,002	19,369
30 June 2005					
Financial Assets					
Cash and cash equivalents	4.98%	758	-	-	758
Investments		-	-	16,880	16,880
Receivables		-	-	20	20
Total Financial Assets		758	-	16,900	17,658
Financial Liabilities					
Payables		-	-	(80)	(80)
Total Financial Liabilities		-	-	(80)	(80)
Net Financial Assets		758	-	16,820	17,578

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

19. FINANCIAL INSTRUMENTS (continued)

	2006 $'000	2005 $'000
Reconciliation of net financial assets to net assets		
Net financial assets as above	19,369	17,578
Non-financial assets and liabilities		
Prepayments	6	7
Property, plant and equipment	9	7
Net Deferred Tax Asset (Liabilities)	-	1
Provisions	-	(49)
Net Assets per Balance Sheet	19,384	17,544

(b) Liquidity Risk Exposure

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company has no borrowings. The Company's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

(c) Credit Risk Exposure

Credit risk refers to the risk that a counterparty under a financial instrument will default (in whole or in part) on its contractual obligations resulting in financial loss to the Company. Concentrations of credit risk are minimised primarily by the investment manager/custodian carrying out all market transactions through recognised and creditworthy brokers and the monitoring of receivable balances. The Company's business activities do not necessitate the requirement for collateral as a means of mitigating the risk of financial loss from defaults.

Market prices of listed financial instruments generally incorporate credit assessments into valuations and risk of loss is implicitly provided for in the carrying value of such assets in the financial statements as they are marked to market at balance date.

The Company measures credit risk on a fair value basis. The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Company's maximum exposure to credit risk.

(d) Market Price Risk Exposure

Market price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market. By its nature as a listed investment company, the Company will always be subject to market risk as it invests its capital in securities that are not risk free - the market price of these securities can fluctuate. The Company does not manage this risk through entering into derivative contracts, futures, options or swaps.

Under the HomeGlobal™ investment strategy, the Company's investment portfolio is not overly exposed to one company or one particular industry sector of the market. The Company has a diversified investment portfolio both in terms of number of securities and industry sectors.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

(e) Net Fair Value of Financial Assets and Liabilities

The carrying amount of financial instruments recorded in the financial statements represent their fair value determined in accordance with the accounting policies disclosed in note 1. The aggregate fair value and carrying amount of financial assets and financial liabilities at balance date are:

	Carrying Amount 2006	Net Fair Value 2006	Carrying Amount 2005	Net Fair Value 2005
Financial Assets	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	367	367	758	758
Investments	19,153	19,153	16,880	16,880
Receivables	28	28	20	20
Total Financial Assets	19,548	19,548	17,658	17,658
Financial Liabilities				
Payables	(179)	(179)	(80)	(80)

(f) Currency Risk Exposure

The Company has financial instruments (listed securities and bank deposits) denominated in the following currencies which can significantly affect the balance sheet through foreign currency exchange rate movements. The Company's current policy is not to hedge its overseas currency exposure. The Company's exposure to foreign exchange rate movements on its financial instruments is as follows:

	US Dollar	Euro	UK Pound Sterling	Japanese Yen	Other	Total
2006	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Currency exposure	10,844	2,207	1,877	2,333	2,067	19,328
2005						
Currency exposure	10,054	1,933	1,584	1,903	1,849	17,323

20. CONTINGENT ASSETS AND LIABILITIES

The Company does not have any contingent assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

21. COMMITMENTS

The Company has expenditure commitments pursuant to the following agreements:

(a) Investment Management Agreement

On 18 May 2004 the Company entered into an investment management agreement (IMA) with Constellation Capital Management Limited for Constellation to implement the international equities component of its HomeGlobal™ investment strategy for an initial term of 2 years, The following management fees (exclusive of goods and services tax) are payable to Constellation:

(i) The base fee of $69,000 per annum; and

(ii) A variable fee of:
- 0.5% per annum of the portfolio value of $15m; and
- 0.4% per annum of the portfolio value in excess of $15m.

No performance related fees are payable to Constellation.

Management fees accrues daily and are paid quarterly.

The Directors note that the IMA with Constellation expired on 18 May 2006 and Constellation's mandate has continued thereafter pending the completion of the Board's review of the performance of Constellation and its HomeGlobal™ investment strategy. After such review the Board will either:

(i) seek to negotiate a renewal of Constellation's appointment as investment manager or seek the appointment of another appropriate investment manager, to manage the Company's funds in accordance with the Company's current investment mandate/objective to invest in international securities; or

(ii) seek to appoint Constellation or another appropriate investment manager, to manage the Company's funds in accordance with a new investment mandate/objective approved by shareholders.

(b) Custody Agreement

On 20 August 2004 the Company entered into a custody agreement with National Australia Bank Limited for NAB to provide custodian services for an initial term of 2 years.

Various fees are payable by the Company for the provision of custodial and reporting services by NAB. The minimum fees payable are $26,400 (exclusive of goods and services tax) per annum.

NAB's custodial services have continued after August 2006 and is also currently being reviewed by the Board.

(c) Lease Commitments

	2006 $'000	2005 $'000
Non-cancellable operating lease commitments:		
Not longer than one year	24,960	-
Between 12 months and 5 years	99,840	-
Greater than 5 years	49,920	-
	174,720	-

The lease commitment is the Company's share of the Chairman's and Company Secretarial office premises at Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia, and includes all outgoings (exclusive of GST). The lease is for a 7 year term expiring 30 June 2013 and contains a rent review increase each year alternating between 5% and the greater of market rate or CPI + 1%.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

22. EVENTS AFTER BALANCE SHEET DATE

(a) On 31 August 2006, the Directors paid a final dividend of one cent per share fully franked dividend. The record date was 29 August 2006.

(b) On 31 August 2006, the Company issued 423,449 shares pursuant to participation under the Dividend Reinvestment Plan (DRP). The DRP issue price was 36.7 cents per share, being a 2.5% discount to the Company's volume weighted average price on ASX in the 5 day period up to and including the dividend record date.
The Company's post DRP issued share capital is 39,728,303 shares.

No other matter or circumstance has arisen since the end of the financial year that 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.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and accompanying notes as set out on pages 17 to 40 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 Company's financial position as at 30 June 2006 and of its performance for the 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.
3. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* by the Company Secretary (the person who performs the chief executive and chief financial officer functions for the purposes of section 295A), who has 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 are in accordance with the *Corporations Act 2001,* comply with Accounting Standards and the Corporations Regulations 2001 and give a true and fair view of the Company's financial position as at 30 June 2006 and of its performance for the year ended on that date; and
   (c) the financial statements are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board. The Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001.*

Farooq Khan
Chairman

11 September 2006

Peter Simpson
Non-Executive Director

BDO

Chartered Accountants
& Advisers

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BENTLEY INTERNATIONAL LIMITED

Scope

The Financial Report and Directors' Responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, statement of changes in equity, accompanying notes to the financial statements, and the directors' declaration for Bentley International Limited (the company), for the year ended 30 June 2006.

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

Audit Approach

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

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

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

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

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

Independence

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

The independence declaration given to the directors in accordance with section 307C would be in the same terms if it had been given at the date of this report.

Audit Opinion

In our opinion, the financial report of Bentley International Limited is in accordance with:

(a) the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ended on that date; and

  (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

BDO
Chartered Accountants

BG McVeigh
Partner

Perth, Western Australia
Dated this 11th day of September 2006

CONSTELLATION CAPITAL MANAGEMENT LIMITED

BENTLEY INTERNATIONAL LIMITED

ANNUAL PORTFOLIO REPORT

30 June 2006

CONSTELLATION CAPITAL MANAGEMENT LIMITED ABN 95 090 128 055
LEVEL 19, 60 CASTLEREAGH STREET SYDNEY NSW 2000
TEL: 61 2 9231 2833 FAX: 61 2 9231 2844

Returns To: 30/06/2006	1mth (%)	3mths (%)	6mths (%)	1yr (%)	2yrs (% p.a.)	3yrs (% p.a.)	Incep* (% p.a.)
Gross Portfolio	1.5%	-4.9%	3.1%	15.6%	na	na	12.7%
Benchmark**	1.5%	-5.3%	2.4%	15.8%	na	na	13.1%
MSCI ex Australia	1.4%	-4.4%	4.9%	20.4%	na	na	15.6%

** Inception Date for performance: 30 September 2004*
*** HomeGlobalTM Index*

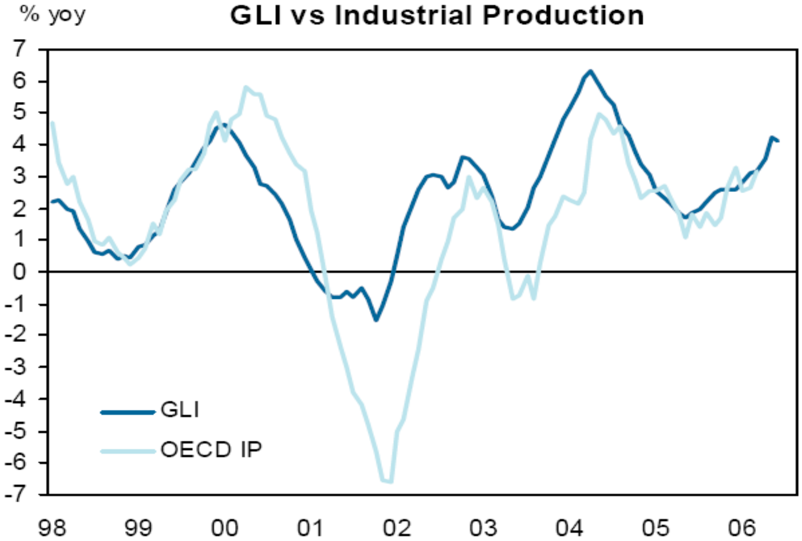
Portfolio Summary* 30-Jun-06	
INTERNATIONAL EQUITIES	19,162,258
CASH	317,182
TOTAL	19,479,441

MARKET COMMENTARY

International Market Returns

International markets, as measured by the MSCI World ex Australia Index delivered a strong total return for the year ended 30 June 2006 of 17.4% (10% in 2005) in USD terms. This comprised growth in capital of 14.9% and dividends of approximately 2.5%. When account is taken of the fall in the $A (from $US0.763 at the start of the year to $US0.743 at the end of the year), the return of the MSCI World ex Australia $A Index was an impressive 20.4% versus the disappointing return of 1% in 2005.

The market advance was broader based than in 2005, although once again the material sector (mining and industrial metals shares) led the advance. This reflected the continued strength in global industrial production and a surge in commodity prices. In addition, other basic industry groups (such as industrial engineering) also performed very well. The following chart reflects movements in global leading indicators (GLI) and global industrial production ("IP"). This chart amply demonstrates the pickup in IP that has fuelled the growth in demand for resources and other basic materials during the year.



Source: Goldman Sachs

Growth in economic activity was broader based than last year, with a pick up in the Eurozone and Japan adding to the growth in North America and the 9% plus growth in China. At the regional level, US listed stocks fared worst as reflected in the following share price index performance table:

Region	World	US	Europe	Japan	Non Japan Asia
Benchmark	MSCI World	S&P500	DJ Euro Stoxx	MSCI Japan	MSCI Far East ex Japan
$US Return	14.9%	6.6%	24.3%	43.9%	20.4%

Source: DataStream

In the light of improving global economic activity over 2006, interest rates generally rose, led by continued monetary policy tightening in the US. This has impacted performance in the consumer sectors. Notably, the retailing sector (including food and drug retail, general retailers and household goods and services) significantly underperformed market average returns. The media sector also generated lower returns (c.11%), which in part reflected the changing structure on advertising, and the significant rise in on-line advertising at the expense of "old" media. The telecommunications sector delivered returns that were well below global average market returns, but appeared sensational when compared to the derisory performance of this sector in the Australian market.

Total market returns were skewed to the first half-year ended 31 December 2005, and market returns turned negative in the June 2006 quarter.

The table below sets out top five and bottom five individual sector performances over the year.

Sector Performance- FTSE World total returns for year to June 30 2006

Sector	**AUD Return %**
Top 5	
Mining	81
Industrial Metals	80
Industrial Engineering	51
Industrial Transportation	44
Investment Companies	33
Bottom 5	
Media	11
Software & Computer Services	11
Household Goods	10
General Retailers	9
Health Care Equipment & Services	3

Source DataStream

As usual, the key drivers of total portfolio returns during the year were changes in:

- Corporate earnings,
- Company distributions,
- PE multiples and
- Movements in the $A.

Corporate earnings and distributions

Growth in corporate earnings for international stocks underpinned growth in stock prices**.** The world appears on track for low double-digit (c.13%) earnings growth in CY06, following 16% growth in CY05. Earnings growth has been strongest in mining and energy, consumer discretionary and industrials and weakest in healthcare, telecommunications and utilities sectors. Interestingly, the IT sector is experiencing robust earnings growth, and so the disappointing investment returns are best explained by a continuation of the PE (see below) de-rating which the sector has experienced since the TMT crash.

Overall, corporate margins remain at the highest levels enjoyed in 35 years. Return on Equity and Free Cash Flow generation were equally strong. Distribution of profits (via a combination of cash dividends and buybacks) is currently averaging about 55-60% of global earnings. Retained earnings are currently more than adequate to meet normal capital expenditure requirements. Dividend yields for the world ex financials average c.2.5%. Overall, corporate financial health is satisfactory.

PE Multiples
Unlike 2005, market returns in 2006 were not significantly effected by a contraction in PE multiples, although within the resources sectors i.e. materials and energy, PE multiples did contract. We believe this reflected investors' expectations that the current high commodity prices are not sustainable, whilst investors de-rated the IT sector.

PE Table- World

	30 June 2004	30 June 2005	30 June 2006
Market ex Financials	16.1	14.5	14.1
Energy	14.5	12.7	9.7
Materials	14.8	12.0	10.2
Industrials	17.4	15.3	18
Consumer Discretionary	17.2	16.3	14.8
Consumer Staples	17.7	16.8	16.5
Healthcare	18.2	18.0	16.4
Financials	12.2	11.6	11.5
Information Technology	22.0	19.8	17.1
Telecommunication	14.0	13.5	13.8
Utilities	13.0	14.2	14.6

Source UBS

Currencies- the $A
At this time last year, we noted that 2005 returns had been adversely effected by a strengthening $A. We also noted that the currency exposures from the investments of the portfolio were unhedged and with the $A then slightly overvalued when compared to its purchasing power parity, there were grounds to believe that currency returns could make a positive contribution to future long term portfolio returns.

Notwithstanding the strength of commodity prices, the $A did fall moderately during the year, and this fall supplemented total portfolio returns.

Bentley Portfolio Returns
The portfolio has returned 15.6% (in $A) for the year ended 30 June 2006, which is broadly in line with the portfolio benchmark return of 15.8% for the same period. This compares with a total portfolio return of 5.6% in the nine months from September 2004 (when Constellation assumed responsibility for managing the portfolio) to 30 June 2005.

When reviewing the portfolio performance against traditional benchmarks (such as the MSCI World ex Australia), we note that Bentley does not hold several of the higher performing sectors over the last twelve months, such as mining and industrial metal companies and the banking sector. This is because these sectors are readily available in the Australian market, and are well represented in many investor's domestic portfolios and in the domestic (i.e. Australian) component of the HomeGlobal™ portfolio.

Bentley only invests in securities within the international component of the HomeGlobal portfolio. In addition, we note the Bentley portfolio has significant exposure to the IT sector, which is not well represented in the Australian market and which underperformed the market average return in 2006. Accordingly, we note that global markets (as reflected by benchmarks such as the MSCI World ex Australia index), performed ahead of the Bentley portfolio over the year to 30 June 2006 primarily due to the out-performance of the banking and mining sectors. These sectors were major beneficiaries of the previously described boom in industrial production and the above trend growth in GDP, and the underperformance of IT stocks.

The most significant contributions by sector to portfolio returns over the year to 30 June are shown in the table below.

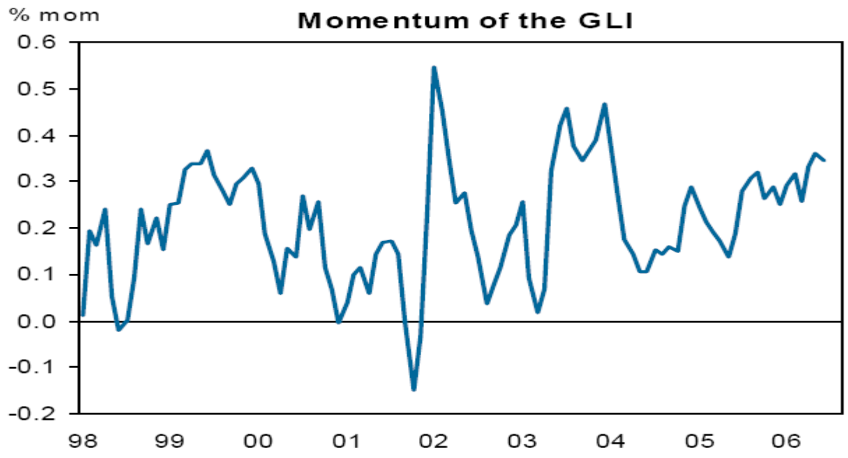
Top 10	**Weight**	**Return**	**Contribution to Portfolio Return**
Oil & Gas	10.1%	27.5%	2.8%
Pharmaceuticals & Biotechnology	10.8%	14.3%	1.5%
Information Technology Hardware	12.2%	11.3%	1.4%
Engineering & Machinery	2.4%	50.7%	1.2%
Automobiles & Parts	4.2%	28.6%	1.2%
Electronic & Electrical Equipment	4.1%	26.9%	1.1%
Electricity	5.4%	18.9%	1.0%
Telecommunication Services	6.3%	14.4%	0.9%
Software & Computer Services	7.1%	10.8%	0.8%
Speciality & Other Finance	2.5%	25.8%	0.7%
Bottom 10			
General Retailers	3.0%	9.2%	0.3%
Insurance	1.3%	20.9%	0.3%
Diversified Industrials	1.9%	12.4%	0.2%
Leisure, Entertainment & Hotels	1.5%	13.9%	0.2%
Household Goods & Textiles	1.9%	10.3%	0.2%
Media & Photography	1.7%	10.8%	0.2%
Health	3.8%	3.0%	0.1%
Life Assurance	0.2%	29.9%	0.0%
Utilities, Other	0.1%	25.4%	0.0%
Food & Drug Retailers	0.2%	11.8%	0.0%

Source: Constellation

Investment Outlook

As noted above investment returns turned negative in the June quarter and investor risk appetite reduced. This coincided with heightened inflationary fears in both the US and in Europe and commentaries by the US Federal Reserve of the need for further interest rate increases. The market's obsession with short-term interest rates was re-affirmed by the strong market response to Fed Chairman Bernanke's reassuring July 2006 comments that the US central bank's successive interest rate rises to fend off inflation might be almost finished. In his July testimony, Bernanke forecast slower economic growth in the US, a slight increase in unemployment and a broad based cooling of the housing market.

Whilst there are tentative signs of a slowdown in US activity, these influences have yet to feed through in any meaningful way in to momentum of global leading indicators (GLI) as shown in the following chart:

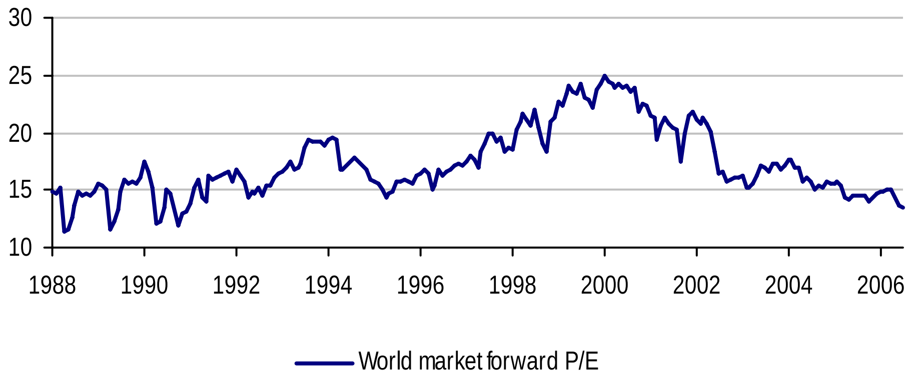


Source: Goldman Sachs

Central to a continuation of a positive investment outlook is investor confidence that the current efforts to manage a soft landing in the US are successful, and that continued growth in Europe, Japan and China is not destabilised by lack of success in these efforts. Given the current increased market volatility, the recent unfortunate events in the Middle East could not have come at a worse time as the market digests the unfolding events.

Experience suggests that a slowdown in global growth will not be good for corporate profitability, and the current mid-teen earnings growth forecasts for 2007 could easily turn down (to low teen or even single digit growth). A heightening of risk aversion and a lowering of earnings expectations is not normally conducive to share price growth. Accordingly there is the real potential for the current market volatility to continue for a little while yet.

However, on the positive side, corporate gearing levels are on average lower than normal, and so corporations are increasingly well placed to meet any economic slowdown and/or further interest rate increases. In addition, PE multiples are comfortable when compared to history as shown in the following chart.



Source: UBS

As we said last year, investors will need to address the wall of worry, and 2007 will be no different. Finally, one must not forget the significant structural change in the world economy that is underway at present. Whilst most market indicators focus on US, Japan or Europe, emerging economies are increasingly influencing world growth, and the corporate world is a major beneficiary of this new growth engine. In a recent speech, Reserve Bank of Australia deputy Governor, Glen Stevens, noted that China, India and a range of smaller economies are offsetting slowdowns in mature economies and are engaging in the international economic and financial system. He argued that the openness of that system, if maintained, offers as much scope for strong growth (accompanied by price stability) as did the post-war (WW11) world.

The Bentley portfolio offers broad diversification across a range of stocks and sectors that are not adequately covered by the Australian market, and is well positioned to provide exposure to the continued growth in the world stock markets.

BENTLEY INTERNATIONAL LIMITED
HOMEGLOBAL™ PORTFOLIO

TOP 20 HOLDINGS AS AT 30 JUN '06

Stock	Sector	Wgt (%)
MICROSOFT	Software & Computer Services	2.4
EXXON MOBIL	Oil & Gas Producers	2.3
PROCTER & GAMBLE	Household Goods	1.8
BP PLC	Oil & Gas	1.5
ALTRIA GROUP INCO.	Tobacco	1.5
JOHNSON & JOHNSON	Pharmaceuticals & Biotechnology	1.4
NOVARTIS 'R'	Pharmaceuticals & Biotechnology	1.4
ENCANA	Oil & Gas Producers	1.3
GLAXOSMITHKLINE	Pharmaceuticals & Biotechnology	1.3
INTERNATIONAL BUS.MACH.	Software & Computer Services	1.3
CISCO SYSTEMS	Technology Hardware & Equipment	1.2
TOYOTA MOTOR	Automobiles & Parts	1.2
ROCHE HOLDINGS GSH.	Pharmaceuticals & Biotechnology	1.2
INTEL	Technology Hardware & Equipment	1.1
TOTAL	Oil & Gas Producers	1.1
NESTLE 'R'	Food Producers	1.0
CONOCOPHILLIPS	Oil & Gas Producers	1.0
ERICSSON 'B'	Technology Hardware & Equipment	0.9
HEWLETT-PACKARD	Technology Hardware & Equipment	0.9
CANON	Technology Hardware & Equipment	0.9

TOP 10 PERFORMERS - YEAR ENDING 30 JUN '06

		Return (%)	
Stock	Sector	Local	A$
ABB 'R'	Electronic & Electrical Equipment	90.6	104.5
SCHERING	Pharmaceuticals & Biotechnology	80.7	95.9
LANXESS	Chemicals	66.7	80.6
SCHLUMBERGER	Oil Equipment, Services & Distribution	73.0	77.5
NINTENDO	Leisure Goods	71.3	70.3
BG GROUP	Oil & Gas Producers	58.9	68.2
NOMURA HDG.	General Financial	65.7	64.8
CATERPILLAR	Engineering & Machinery	58.9	63.0
CHINA MOBILE (HONG KONG)	Mobile Telecommunications	57.5	61.7
APPLE COMPUTERS	Technology Hardware & Equipment	55.6	59.6

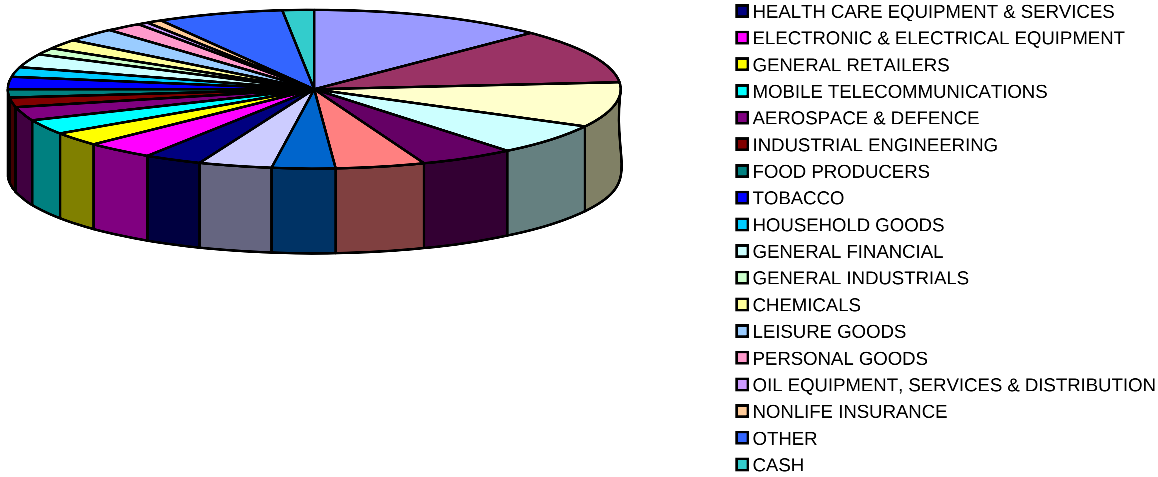
BOTTOM 10 PERFORMERS - YEAR ENDING 30 JUN '06

		Return (%)	
Stock	Sector	Local	A$
FRANCE TELECOM	Fixed Line Telecommunications	-26.3	-20.1
HCA	Health Care Equipment & Services	-22.9	-20.9
ELECTRONIC ARTS	Leisure Goods	-24.0	-22.0
ST.JUDE MED.	Health Care Equipment & Services	-25.7	-23.7
INTEL	Technology Hardware & Equipment	-25.8	-23.9
SYMANTEC	Software & Computer Services	-28.5	-26.7
FORD MOTOR	Automobiles & Parts	-29.0	-27.2
JUNIPER NETWORKS	Technology Hardware & Equipment	-36.5	-34.9
BOSTON SCIENTIFIC	Health	-37.6	-36.0
DELL	Technology Hardware & Equipment	-38.0	-36.4

BENTLEY INTERNATIONAL LIMITED
HOMEGLOBAL™ PORTFOLIO

SECTOR EXPOSURES (%) 30 Jun 2006	PORTFOLIO	BENCHMARK
TECHNOLOGY HARDWARE & EQUIPMENT	12.6	14.0
PHARMACEUTICALS & BIOTECHNOLOGY	10.9	11.0
OIL & GAS PRODUCERS	9.1	9.2
SOFTWARE & COMPUTER SERVICES	6.4	7.5
ELECTRICITY	5.1	5.8
AUTOMOBILES & PARTS	4.6	4.8
FIXED LINE TELECOMMUNICATIONS	3.3	4.8
MEDIA	3.9	4.5
HEALTH CARE EQUIPMENT & SERVICES	3.0	3.5
ELECTRONIC & ELECTRICAL EQUIPMENT	3.7	3.5
GENERAL RETAILERS	2.7	3.1
MOBILE TELECOMMUNICATIONS	3.1	3.0
AEROSPACE & DEFENCE	2.9	3.0
INDUSTRIAL ENGINEERING	2.0	2.6
FOOD PRODUCERS	1.7	2.6
TOBACCO	2.3	2.5
HOUSEHOLD GOODS	2.1	2.2
GENERAL FINANCIAL	2.7	2.0
GENERAL INDUSTRIALS	1.4	1.8
CHEMICALS	2.0	1.7
LEISURE GOODS	2.8	1.6
PERSONAL GOODS	1.8	1.5
OIL EQUIPMENT, SERVICES & DISTRIBUTION	0.7	1.5
NONLIFE INSURANCE	1.0	0.6
OTHER	6.6	1.8
CASH	1.6	
TOTAL	**100.0**	**100.0**

Portfolio Sector Weights



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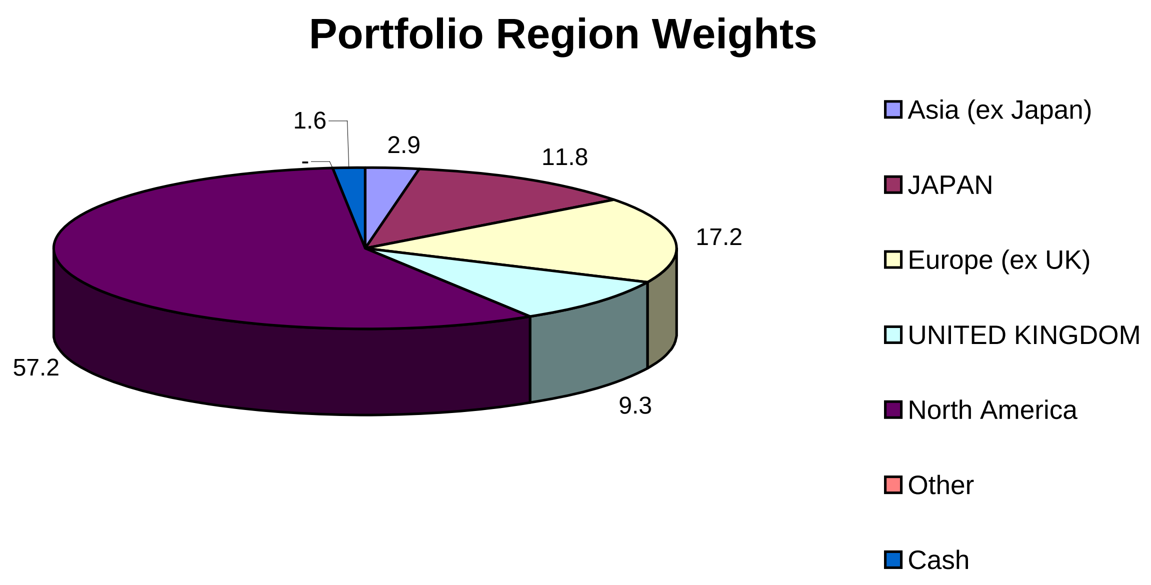
BENTLEY INTERNATIONAL LIMITED
HOMEGLOBAL™ PORTFOLIO

REGIONAL EXPOSURES (%) 30 Jun 2006	PORTFOLIO	BENCHMARK
Asia (ex Japan)	2.9	4.8
JAPAN	11.8	11.4
Europe (ex UK)	17.2	17.8
UNITED KINGDOM	9.3	6.8
North America	57.2	57.9
Other	-	1.2
Cash	1.6	-
TOTAL	100.0	100



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TOP 10 HOLDINGS AS AT 30 JUN '06		
Stock	**Sector**	**Profile**
MICROSOFT	Software & Computer Services	The Group's principal activity is to develop, manufacture, license and support a wide range of software products for a multitude of computing devices. The software products include scalable operating systems for servers, personal computers and intelligent devices; server applications for client or server environments; information worker productivity applications; business solutions applications and software development tools. The Group also provides consulting and product support services. The Group trains and certifies system integrators and developers. The Group sells the Xbox video game console and games, PC games and peripherals. The online businesses are MSN subscription and the Internet products and services. In 2005, the Group acquired assets of MessageCast Inc, Sybari Software Inc, Teleo Inc, FrontBridge Technologies Inc, Alacris Inc and Foldershare.com. On 07-Mar-2006, the Group acquired Apptimum Inc and the assets of Onfolio Inc.
EXXON MOBIL	Oil & Gas	The Group's principal activities are exploration, production, transportation and sale of crude oil and natural gas. The Group manufactures petroleum products, which includes olefins, aromatics, polyethylene and polypropylene plastics and other specialty products. It is also involved in electric power generation. The Group operates through three segments: Upstream, Downstream and Chemicals. The Upstream operates to explore for and produce crude oil and natural gas. The Downstream segment manufactures and markets petroleum products. The Chemicals segment manufactures and markets petrochemicals. The Group operates and markets in the United States and about 200 other countries and territories.
PROCTER & GAMBLE	Personal Care & Household Products	The Group's principal activity is to manufacture and market consumer products. The Group operates in five business segments: Fabric and home care, Beauty care, Baby and family care, Health care and Snacks and Beverages. Fabric and home care includes laundry care, dish care, fabric enhancers and hard surface cleaners. Beauty care includes cosmetics, hair care, skin care, deodorants, fragrances, and other products. Paper includes products for the Baby and family care such as tissues, towel, diapers and wipes. Health care includes personal health care, oral care, pharmaceuticals and pet health and nutrition. Snacks and beverage includes coffee, snacks, commercial services, juice, peanut butter, shortening and oil. The Group markets over 300 branded products in more than 160 countries around the world. On 01-Oct-2005, the Group acquired The Gillette Company.
BP PLC	Oil & Gas	The Group's principal activities are carried out through five businesses: Refining and Marketing, Gas, Power and Renewables, Exploration and Production, and Other Businesses and Corporate. Under Refining and Marketing it focuses on oil supply and trading as well as refining and petrochemicals manufacturing, and marketing. The Gas, Power & Renewables activities include marketing and trading of natural gas, natural gas liquids, new market development, liquefied natural gas and solar and renewables. The Exploration and Production activities include oil and natural gas exploration and field development and production, together with pipeline transportation and natural gas processing. The Other Businesses and Corporate focuses on greenhouse gas emissions and oil spills. The Group operates in the United Kingdom, the Bahamas, Australia, the British Virgin Islands, Canada, the United States of America, France, Germany, the Netherlands, New Zealand, Norway and Spain.
ALTRIA GROUP	Tobacco	The Group's principal activities are to manufacture and market various consumer products, including cigarettes, grocery products, snacks, beverages, cheese and convenient meals. The activities are carried out through its subsidiaries: Philip Morris USA Inc, Philip Morris International Inc, Kraft Foods Inc and Philip Morris Capital Corporation. Philip Morris USA Inc manufactures and markets cigarettes in the United States. Philip Morris International Inc manufactures and markets cigarettes internationally. The major brands include Marlboro, Philip Morris, Parliament, Virginia Slims and others. Kraft Foods Inc manufactures and markets branded foods and beverages in the United States, Canada, Europe, the Middle East, Africa, Latin America and Asia Pacific. The products are marketed to distributors, wholesalers, retailers, state-owned enterprises and armed services.

JOHNSON & JOHNSON	Pharmaceuticals & Biotechnology	The Group's principal activity is to manufacture and market a range of products in the health care field. The Group operates in three segments: Pharmaceutical segment provides worldwide franchises in the antifungal, anti-infective, cardiovascular, contraceptive, dermatology, gastrointestinal, hematology, immunology, neurology, oncology, pain management, psychotropic and urology fields. Medical devices and diagnostics segment includes a broad range of products used by or under the direction of physicians, nurses, therapists, hospitals, diagnostic laboratories and clinics. Consumer segment manufactures and markets a broad range of products used in the baby and child care, skin care, oral and wound care and women's health care fields, as well as nutritional and over-the-counter pharmaceutical products. In 2005, it acquired Transform Pharmaceuticals Inc, CLOSURE Medical Corp, Peninsula Pharmaceuticals Inc and in 2006, Animas Corporation and Hand Innovations LLC.
NOVARTIS AG	Pharmaceuticals & Biotechnology	The Group's principal activity is the development and manufacture of pharmaceuticals and nutritional products. The Group operates through three divisions; Pharmaceutical, Consumer Health and Sandoz. Pharmaceuticals Division: Includes drugs for use in transplantations, central nervous system disorders, cardiovascular, endocrine and respiratory diseases, dermatology, oncology, hematology and rheumatism and bone and hormone replacement therapy. Consumer Health Division includes Generics/OTC and sells copies of prescription medicines no longer under patent protection; medical nutrition and self-medication. Sandoz Division: Manufactures, distributes and sells generic pharmaceutical products and substances no longer subject to patent protection. The Group acquired Hexal and Eon Labs in 2005.
ENCANA	Oil & Gas Producers	The Group's principal activities are to explore, produce and market natural gas, crude oil and natural gas liquids. It operates through two segments namely: Upstream and Midstream and Marketing. Upstream focuses on the exploration, development and production of natural gas, crude oil and natural gas liquids (NGLs) and other related activities. The Midstream and Marketing division focuses on natural gas operations, NGLs processing and power generation operations. It also undertakes market optimization activities to enhance the sale of Upstream's proprietary production. The Group operates in the United States and Canada. The new venture exploration programs are focused on opportunities in Africa, South America, the Middle East and Greenland
GLAXOSMITHK LINE	Pharmaceuticals & Biotechnology	The Group's principal activity is creating, discovering, developing, manufacturing and marketing pharmaceutical products and consumer health-related products. The Group's principal pharmaceutical products include medicines in the following therapeutic areas: respiratory, central nervous system, anti-virals, anti-bacterials, anti-bacterials/anti-malarials, metabolic, vaccines, oncology and emesis, and cardiovascular and urogenital. Product brands include Serevent, Wellbutrin, Lamictal, Requip, Combivir, Ziagen, Trizivir, Zeffix, Valtrex, Augmentin, Zinnat, Malarone, Lapdap, Avandia, Avandamet, Avandaryl, Twinrix, Fluarix, Infanrix, Zofran, Hycamtin, Bexxar, Coreg, Levitra, Avodart, Arixtra, Fraxiparine, Integrilin, Seretide/Advair, Flixotidel/Flovent, Flixonase/Flonase, Beconase, Seroxat/Paxil, Imigran/Imitrex, Panadol, Zovirax, Abreva, Tums, Citrucel, Contac, Beechams, Commit, Nicorette, Nicoderm CQ, NiQuitin CQ, Nicabate CQ, Abtei, Aquafresh, Dr. Best and Odol.
IBM	Software & Computer Services	The Group's principal activity is to provide business and information technology services. The Group operates through five segments: Global Services segment provides IBM software and hardware and global outsourcing services. Hardware Product segment comprises of Systems and Technology Group which provides business solutions requiring advanced computing power and storage capabilities and Personal Systems Group which sells personal computers, business and computing solutions for retail stores. Software segment consists of middleware and operating systems software. Global Financing segment includes customer financing, commercial financing and remarketing. Enterprise Investments segment develops and provides industry-specific IT solutions. During the year, the Group acquired Micromuse, Cims Lab and Language Analysis Systems Inc.

TOP 10 PERFORMERS - PERIOD ENDING 30 JUN '06		
Stock	**Sector**	**Profile**
ABB LTD	Electronic & Electrical Equipment	The Group's principal activities are providing power and automation technologies that enable utility and industry customers to improve performance. The Group's activities are carried out through four divisions: Power Technologies, Automation Technologies, Non-core activities and Other. The Power Technologies division provides a range of products, systems and services for power transmission, distribution and power plant automation. The Automation Technologies division provides products, systems, software and services for the automation and optimization of industrial and commercial processes. The Non-core activities division's products include transformers, reactors, traction, phase-shifting, converter and extra high-voltage transformers, circuit breakers, switchgear and compact secondary substations. The Group's activities are located in Germany, Italy, Netherlands, United States, Sweden and Poland.
SCHERING	Pharmaceuticals & Biotechnology	The Group's principal activities are the development and manufacture of pharmaceuticals and diagnostic substances. The Group operates through four business units: Gynaecology and Andrology (fertility control and menopause management), Diagnostics (X-ray, MRI and ultrasound contrast media), Specialized Therapeutics (new treatment approaches for severe diseases, such as multiple sclerosis and crohn's disease), and Oncology (hematology and solid tumors).
LANXESS	Chemicals	The principal activities of the Group are to provide polymers and chemicals with a comprehensive product portfolio in the fields of polymers and basic, speciality and fine chemicals. The Group operates through the following four divisions: The Performance rubber division manufactures butyl rubber and polybutadiene rubber which are used in the manufacture of automobile and truck tyres. The Engineering Plastics division provides high-quality polybutylene terephtalate and polyamide plastics. The Chemical Intermediates division manufactures active ingredients and intermediates for the pharmaceuticals and crop protection industries, starting products for the electrical and electronics industry, as well as photo chemicals. The Performance Chemicals division produces and markets biocides and material protection agents for the areas of wood protection, disinfection and corrosion protection.
SCHLUMBERGER	Oil Equipment, Services & Distribution	The Group's principal activities are to provide oilfield services, supply technology, project management and information solutions to the oil and gas industry. It operates through two segments, Oilfield Services and WesternGeco. The Oilfield Services supplies products, services and technical solutions to the oil and gas exploration and production industry. These Services are organized into seven technology product lines: Wireline, Drilling and Measurements, Well Services, Well Completions and Productivity, Integrated Project Management, Data and Consulting Services and Schlumberger Information Solutions. The WesternGeco provides worldwide reservoir imaging, monitoring, development services and multiclient seismic library.
NINTENDO	Leisure Goods	The Group's principal activity is to manufacture hardware and software for home video game systems namely Nintendo Gamecube and the Game Boy series. The operations are carried out through the following divisions: Games Hardware, Software and Other. The Other operations involve Japanese card games. The Group is further seeking ways to diversify applications of video games, such as electronic mail boxes. These products are marketed in both domestic as well as international markets namely North America, Canada, Holland, Germany, Britain, France, Taiwan, Spain, Italy and Australia.
BG GROUP	Oil & Gas Producers	The Group's principal activity is that of an integrated gas company. Its activities cover the whole range of gas operations from exploration to the end consumer. These activities are Exploration and Production, Liquefied Natural Gas, Transmission and Distribution and Power Generation. Exploration and Production comprises exploration, development, production and marketing of hydrocarbons with a focus on gas. Liquefied Natural Gas (LNG) combines the development and use of LNG import and export facilities with the purchase, shipping and sale of LNG and regasified natural gas. Transmission and Distribution develops, owns and operates major pipelines and distribution networks, and supplies gas through these to the end customer. Power Generation develops, owns and operates natural gas-fired power generation plants around the world. The Group operates in Europe, South America, Asia and Middle East, North America and the Caribbean, Mediterranean Basin and Africa.

NOMURA	General Financial	The Group's principal activity is the provision of investment and financing services with securities as the core business. The activities include securities brokerage, dealing, underwriting, distribution, assets management, advisory and consulting, financing and related services for diversified types of customers worldwide. The Group has three principal business segments: Domestic Retail: Provides investment consultation services to retail customers; Global Wholesale: Deals with fixed income and equity trading, investment banking and merchant banking in and outside Japan; Asset Management: Involved in development and management of investment trusts and advisory services.
CATERPILLAR	Engineering & Machinery	The Group's principal activity is to design, manufacture and market construction machinery and engines. The Group's operations are conducted through three business segments: Machinery, Engines and Financial Products. Machinery segment designs, manufactures and markets construction, mining and forestry machinery and related parts. Engines segment designs, manufactures and markets electric power generation systems, on-highway vehicles and locomotives, marine, petroleum, industrial, agricultural and related parts. Financial Products segment provides financing to customers and dealers for the purchase and lease of equipment, offers operating and finance leases, installment sale contracts, wholesale financing plans and insurance services. The Group's products are sold under the brand names Caterpillar, Cat, Solar Turbines, MaK, Perkins, FG Wilson and Olympian. It operates in the United States, Europe, Africa, Middle East, Asia Pacific, Latin America and North America.
CHINA MOBILE	Mobile Teleco.	The Group's principal activity is the operation of mobile telecommunications. It also provides telecommunication network planning design and consulting services; network and business coordination center; optimizing construction-testing and supervising, technology support, development and training of Nokia GSM900/1800 mobile communication system; roaming clearance; technology platform and maintenance; mobile data solution, system integration and development. Other activity includes investment holding. Operations are carried out in the People's Republic of China, the British Virgin Islands and the Cayman Islands.
APPLE COMPUTERS	Technology Hardware & Equipment	The Group's principal activities are to design, manufacture and market personal computers and related software, peripherals and personal computing and communicating solutions. The Group offers a range of personal computing products including desktop and notebook personal computers, related devices and peripherals, networking and connectivity products and various third-party hardware products. The customers of the Group include educators, creative professionals, consumer and business markets. The Group sells its products through its online stores, direct sales force, third-party wholesalers and resellers and its own retail stores. The Group has its foreign operations in Europe, Japan and Asia Pacific.

BOTTOM 10 PERFORMERS - PERIOD ENDING 30 JUN '06		
Stock	**Sector**	**Profile**
HCA	Health Care Equipment & Services	The Group's principal activities are to provide health care services by operating hospitals and related health care entities. The Group's general, acute care hospitals, freestanding outpatient surgery, diagnostic centers and rehabilitation facilities provide the outpatient and ancillary health care services. It also provides services to accommodate such medical specialties as internal medicine, general surgery, cardiology, oncology, neurosurgery, orthopedics and obstetrics, as well as diagnostic and emergency services. As on 31-Mar-2006, the Group operates 176 hospitals and 91 freestanding surgery centers located in 21 states in the US, England and Switzerland.
ELECTRONIC ARTS	Leisure Goods	The Group's principal activities are to develop, publish and distribute interactive software games, personal computers, mobile platforms and cellular telephones over the Internet and other proprietary online networks. It mainly operates in five business segments: Consoles, PC, Co-publishing and Distribution, Internet Services, Licensing and Other and Mobility. The interactive software games are classified into two major categories: EA Studio products, Co-Publishing and Distribution products. The Group develops games under the brand names: EA SPORTS, EAtm, EA SPORTS BIGtm and Pogotm division. Its EA Studios are located in San Francisco, Los Angeles, Orlando, Chicago, Vancouver, Montreal, London, Sweden, Tokyo and Shanghai. On 15-Feb-2006, the Group acquired JAMDAT Mobile Inc.
ZIMMER	Health Care Equipment & Services	The Group's principal activities are to design, develop, manufacture and market orthopaedic reconstructive implants, including joint and dental, spine implants, and trauma products. It operates in four segments: Reconstructive Implants, Orthopaedic surgical products, Trauma and Spine. Orthopaedic surgical implants restore joint function lost due to trauma in joints. Orthopaedic surgeons & neurosurgeons in the treatment of degenerative diseases, deformities and trauma in all regions of the spine utilize spinal implants. Trauma products are devices used primarily to reattach or stabilize damaged bone or tissue to support the body's natural healing process. The products are sold under the brand names NexGen(R), VerSys(R), and ZMR(TM) & TRILOGY(R). The Group operates in more than 24 countries & markets its products in more than 100 countries. The operations of the Group are carried out in the United States, Europe & Asia Pacific.
ST. JUDE MEDICAL	Health Care Equipment & Services	The Group's principal activities are to develop, manufacture and distribute cardiovascular medical devices for the global cardiac rhythm management, cardiac surgery and cardiology and vascular access therapy areas. It operates in two segments: CRM/CS/Neuro and CD/AF. The Group's principal products in each of these therapy areas are bradycardia pacemaker systems, tachycardia implantable cardioverter defibrillator systems, electrophysiology catheters, mechanical and tissue heart valves, valve repair products, vascular closure devices, angiography catheters, guidewires and hemostasis introducers. These products are marketed primarily in the United States, Europe and Japan and also sold in Canada, Latin America, Australia, New Zealand and the Asia-Pacific region. On 29-Nov-2005, the Group acquired Advanced Neuromodulation Systems Inc and 31-Dec-2005 Savacor Inc.
INTEL	Technology Hardware & Equipment	The Group's principal activities are to design, develop, manufacture and market computers, networking and communication products. The Group operates in two segments, namely Architecture Business and Communications Group. The Architecture Business segment produces microprocessors and related chipsets and motherboards. The Communications Group segment offers products such as flash memory, as well as platform solutions for the wireless handheld computing and communications market. In addition, Communication Group offers wired and wireless connectivity products and key networking and communications infrastructure components. The Group's customers include original equipment manufacturers, original design manufacturers, PC and network communications products users and other manufacturers. The Group's foreign operations are in Europe, Japan, China, Taiwan and the Asia Pacific.
SYMANTEC	Software & Computer Services	The Group's principal activities are to provide content and network security software and appliance solutions to enterprises, individuals and service providers. It operates in five segments. Consumer Products segment delivers security and problem-solving products to individual users, home, offices and small businesses. Enterprise Security segment provides Internet security technology, global response and services used for

		information security needs. Enterprise Administration segment offers products for use in information technology departments. Services segment provides information security solutions. Other segment comprises of sunset products and products nearing the end of their life cycle. It acquired VERITAS Software Corporation on 02-Jul-2005, XtreamLok Pty Limited in May 2005, WholeSecurity Inc and Sygate Technologies Inc in October 2005, BindView Development Corporation in January 2006 and IMlogic Inc and logic Inc in February 2006.
FORD MOTOR	Automobiles & Parts	The Group's principal activity is to produce and sell cars and trucks. The Group is also engaged in other business such as financing and renting vehicles and equipment. The Group operates through two segments: Automotive and Financial Services sector. The Automotive segment consists of the design, manufacture, sale and service of cars and trucks, automotive components and systems. The Financial services segment consists of vehicle-related financing, leasing and insurance, renting and leasing of cars and trucks and renting industrial and construction equipment and other activities. The Financial sector is operated through two subsidiaries, The Ford Credit Company and The Hertz Corporation. The Group operates in North America, South America, Europe, Africa and Asia-Pacific.
JUNIPER NETWORKS	Technology Hardware & Equipment	The Group's principal activity is to provide Internet infrastructure solutions to Internet service providers and other telecommunications service providers. The products, services and solutions of the Group enable service providers and other network-intensive businesses to support and deliver services and applications on a highly efficient and low cost integrated network. The products include the M-series, T-series and E-series infrastructure product families, Firewall and VPN Systems, Secure Access Secure Sockets Layer VPN Appliances, Intrusion Detection and Prevention Appliances. The Group's customers include network operators, government agencies, research and education institutions and information intensive enterprises worldwide. The Group markets its products through distributors and value-added resellers.
BOSTON SCIENTIFIC CORPORATION	Health	The Group's principal activity is to develop, manufacture and market medical devices. It operates under three segments: Cardiovascular, Endosurgery and Neuromodulation. The Cardiovascular segment offers products and technologies for use in interventional cardiology, peripheral interventions, vascular surgery, electrophysiology and neurovascular procedures. The Endosurgery segment offers products and technologies for use in oncology, endoscopy, urology and gynecology procedures. Neuromodulation segment focuses on auditory disorders and chronic pain. The products are sold to the hospitals, clinics, out-patient facilities and medical offices. It operates in the United States, Europe, Japan and other countries.
DELL	Technology Hardware & Equipment	The Group's principal activities are to design, develop, manufacture, market, sell and support a wide range of computer systems. These systems include Enterprise systems such as servers, storage, workstations and networking products; Client systems such as notebook and desktop computer systems; Printing and imaging systems which include software and peripherals. The Group also offers various kinds of services which include managed, professional, deployment services, training and certification services and also financial services such as asset management services. The customers of the Group consist of corporate, government, healthcare and education accounts, small-to-medium businesses and individual customers. The operations are conducted in the United States, Canada, Latin America, Europe, the Middle East and Africa, Japan, India, China, Australia and New Zealand. As on 08-May-2006, the Group acquired Alienware Corporation