



Thursday, 24 November 2005

MARKET ANNOUNCEMENT

Chairman's Review at 2005 AGM

Good afternoon ladies and gentlemen. I welcome you to the Annual General Meeting of shareholders of Bentley International Limited (**BEL**).

My name is Farooq Khan and I am the Chairman of your Company. Present with me today are my fellow directors, Mr Simon Cato, Mr Christopher Ryan and Mr Peter Simpson.

My address to you today will be brief as Mr Douglas Little of our Investment Manager, Constellation Capital Management Limited will be providing a review of the investment activities undertaken by the Company during the year.

I am sure Mr Little will be happy to take questions from shareholders at the close of his address.

My address today will provide a brief overview of the Company, its prospects and challenges moving forward.

As outlined in the Annual Report of BEL; in early September 2004, approximately \$17.4 million was invested by Constellation in a range of international securities. These securities were invested in accordance with the international component of Constellation's HomeGlobal investment strategy.

This strategy has been enunciated at length in previous announcements and in the most recent Annual Report of the Company. I would refer you to those documents if you require further information on such strategy.

I would best describe the financial results of the Company as disappointing. The Company incurred a loss of \$1,084,000 before tax and a reduction in the NTA of the Company from 47.9 cents per share as at 30 June 2004 to 45.1 cents per share as at 30 June 2005.

As a consequence the Company was unable to declare a final dividend for the 2005 year,

I am very aware of the desire of shareholders to receive regular and stable dividends from the Company as well as the prospect of an improving NTA over time.

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The investment performance of the fund is therefore a core issue for the board. We accordingly had and will continue to have dialogue with our Investment Manager to see what steps can be taken to improve such performance.

Whilst the financial performance of the Company is ultimately in the hands of the Investment Manager as reflected in its investment strategy, I am pleased to report that Constellation have been happy to receive input from the board on these matters.

As a consequence, Constellation have advised that they propose to rebalance the portfolio of the Company to realign the same with the ideal theoretical weightings of the international component of the HomeGlobal investment strategy. I also understand that a further adjustment in the portfolio is proposed whereby Constellation will move to a greater weighting of securities that provide a higher dividend yield.

I will leave a more detailed discussion of these points to Mr Little.

From the perspective of matters within the responsibility of the board of BEL, I confirm that the board has undertaken a number of initiatives to reduce the Management Expense Ratio (**MER**) of the Company.

These have included an internalisation of various accounting, reporting and secretarial functions (some of which were previously outsourced to third parties) at a lower cost, a change to a cheaper share registry and the proposed change in Auditors (which is the subject of Resolution 3 to be considered by shareholders at this AGM) to a firm providing such services at a cost more appropriate to one of Bentley's size.

For the next 12 months the following specific challenges and goals have been outlined for action by the board:

1. To reduce the current significant share price discount to the Company's NTA backing;
2. To further reduce the MER of the Company;
3. To increase the capital base of the Company;
4. To seek to pay a regular and stable dividend stream to shareholders coupled with a rising NTA backing per share;
5. To continue to monitor the performance of Constellation Capital Management Limited and its HomeGlobal Investment Strategy;
6. To develop and manage an appropriate investor relations campaign.

The board is aware that these matters require a range of skills and expertise to be brought to bear to complement the existing skill sets of the current board.

In light of the same the board was pleased announce the appointment of Mr Peter Simpson to the board of BEL on 6 September 2005.

I join with all shareholders in welcoming Mr Simpson to the board of BEL and look forward to his positive contribution in advancing the commercial prospects of the Company.

I am sure that Mr Simpson will be happy to take questions from shareholders during question time.

Finally I would like to state that the board is committed to maintaining an active dialogue with its shareholders and all board members are happy to respond to any questions or queries shareholders may have for them during the coming year.

I thank you for your attendance today.

Farooq Khan
Chairman

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