



Bentley
International Limited

Thursday, 8 February 2007

MARKET ANNOUNCEMENT

December 2006 Half Yearly Report from Investment Manager

We enclose the half Yearly Report for 31 December 2006 provided by the Investment Manager, Constellation Capital Management Limited.

About Bentley International Limited (BEL)

BEL is an investment company which listed on ASX in October 1986 with the objective of achieving medium to long term capital appreciation together with dividends through investment in securities listed on the world's sharemarkets. BEL's investment portfolio is managed by Constellation Capital Management Limited, whose mandate is to implement the International equities component of Constellation's HomeGlobal™ investment strategy.

Please refer to www.bel.com.au for further information.

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BENTLEY INTERNATIONAL LIMITED

HALF YEARLY REPORT

December 2006

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International Market Returns

International markets, as measured by the MSCI World ex Australia Index delivered a strong return of 13.3% in USD terms for the half year ended 31 December 2006.

When account is taken of the rise in the \$A from \$US0.743 to \$US0.788 over the same period, the return of the MSCI World ex Australia Index when expressed in \$A was 6.8%.

Country Returns

The major markets delivered strong positive returns in their local currencies as provided in the table below. The standout performer was Hong Kong that reflected the more substantial uplift in the Shanghai market.

Market	Return (local currency Jun06-Dec06)
US S&P 500	11.7%
US Dow Jones Industrials	11.8%
UK FTSE 100	6.6%
German DAX	16.1%
France CAC40	11.6%
Japan Nikkei 225	11.1%
HK Hang Seng	22.7%

Source: IRESS

Sector Returns

Most sectors delivered positive returns for the half-year, but notably Telecommunications and Utilities led the way driven by strong growth in the Mobile telco and Gas & Water subsectors .

MSCI World ex Australia for six months to December 31 2006

	\$US returns %
Energy	3.8
Industrials	9.4
Consumer discretionary	15.4
Consumer staples	12.0
Health care	7.6
Financials	14.3
Information Technology	13.6
Telecommunications	20.8
Utilities	20.2
Materials	12.9

Source DataStream: Capital values.

Portfolio Composition and Re-balancing

During the December half, the portfolio was re-balanced to reflect changes in industry compositions. This resulted in the purchase and sale of a number of securities and realised gains on investment.

Portfolio Performance

The Bentley portfolio returned 8.2% in \$A with the greatest performance contributions coming from Technology Hardware, Electricity, and Software & Computer Services.

The table below provides more detail regarding sector exposures and contributions to portfolio returns in \$A.

Sector	Weight (Jun06)	Return (Jun06-Dec06)	Contribution to Return** (Jun06-Dec06)
TECHNOLOGY HARDWARE & EQUIPMENT	12.6%	7.1%	0.89%
ELECTRICITY	5.1%	13.6%	0.69%
SOFTWARE & COMPUTER SERVICES	6.4%	10.4%	0.67%
MOBILE TELECOMMUNICATIONS	3.1%	20.3%	0.63%
AUTOMOBILES & PARTS	4.4%	13.2%	0.58%
FIXED LINE TELECOMMUNICATIONS	3.3%	16.5%	0.55%
MEDIA	3.9%	10.1%	0.40%
TOBACCO	2.3%	13.4%	0.31%
GENERAL FINANCIAL	2.7%	10.4%	0.28%
HEALTH CARE EQUIPMENT & SERVICES	3.0%	7.4%	0.22%
HOUSEHOLD GOODS	2.1%	9.6%	0.20%
AEROSPACE & DEFENCE	2.9%	6.7%	0.19%
CHEMICALS	2.0%	8.7%	0.17%
PERSONAL GOODS	1.8%	9.2%	0.16%
OIL & GAS PRODUCERS	9.1%	1.7%	0.16%
ELECTRONIC & ELECTRICAL EQUIPMENT	3.7%	4.0%	0.15%
FOOD PRODUCERS	1.7%	7.1%	0.12%
NONLIFE INSURANCE	1.0%	11.5%	0.11%
LEISURE GOODS	2.8%	3.7%	0.11%
PHARMACEUTICALS & BIOTECHNOLOGY	10.9%	0.9%	0.10%
INDUSTRIAL ENGINEERING	2.0%	5.0%	0.10%

Source: DataStream, Constellation, FTSE

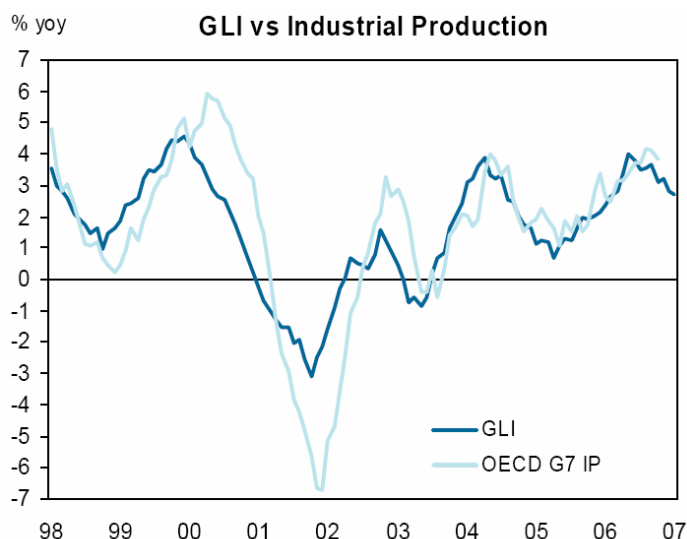
** approximate due to changes in sector weights

Comparative Performances

When reviewing the portfolio performance, we note that the Bentley portfolio held greater weights in some of the TMT sectors and in Electricity, all of which contributed strongly to Bentley's performance. Conversely, the Bentley portfolio didn't hold banking stocks due to its strong representation in the domestic market and global markets had a significant contribution from these stocks. This illustrates the diversification benefits of the HomeGlobal™ strategy and its complementarity to typical domestic equity portfolios.

Outlook

Economic conditions globally appear fairly robust, although inflation remains a concern. Global leading indicators paint a picture of continued (albeit slowing) growth, including the all-important industrial production (IP) as shown in the chart below:

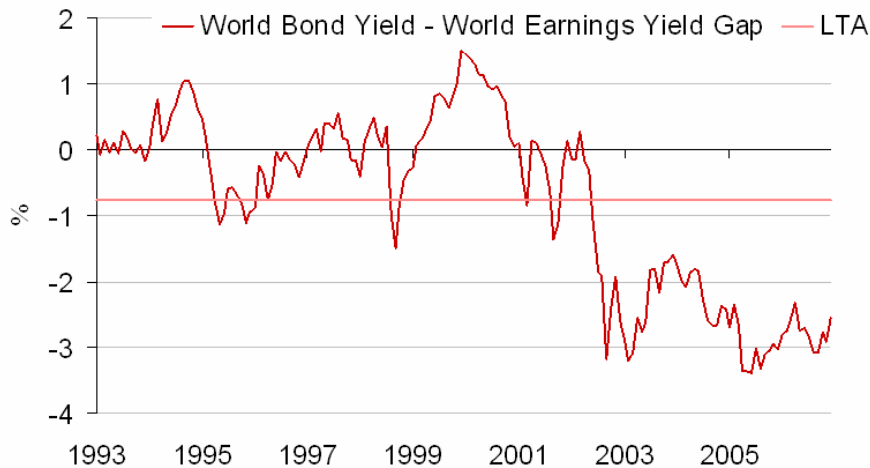


Source: Goldman Sachs

Much will depend on the consumer (especially in the US, given the negative wealth effect caused by the housing downturn) and the ability of key emerging economies (like China) to foster conditions for steady, long-term growth.

In the current bullish environment, where investible funds are plentiful and risk aversion very low, it may take a significant shock (e.g. geopolitical, terrorism, natural disaster) to initiate a major reversal in market sentiment. However a more likely threat is tighter monetary policy and/or a realisation that corporate earnings growth will revert to long-term single digit trends.

We note that over recent years, the balance sheet of the corporate 'World Inc' (in contrast to the consumer) has actually become more conservative (i.e. lower gearing). And with buyout funds burgeoning with increased investor appetite, it is not surprising M&A activity is on the rise. Based on past experience, and subject to continued benign financial conditions, there appears to be a case for a PE re-rating that suggests further upside potential for the market. Adding to a positive outlook is the relative attraction of equities against fixed income securities as shown in the chart below.



Source: UBS

Such relative value appeal (which is less evident in the Australian market) provides a sound basis for the long-term attractiveness of the portfolio, which continues to offer a broad diversification across a range of stocks and sectors not adequately covered by the Australian market.