

BENTLEY EQUITIES LIMITED

ABN 879 008 108 218

27 February 2004

The Australian Stock Exchange Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Attention: Company Announcements Officer

Dear Sir / Madam

December 2003 Half-Year Reports

In accordance with Listing Rule 4.2A, please find following the Half-Year Appendix 4D and Directors' and Financial Reports for the half-year ended 31 December 2003.

It is recommended that these half-year reports be read in conjunction with the Annual Report for the year ending 30 June 2003 and any public announcements made by the Company during the half-year.

Yours sincerely,



Victor Ho
Company Secretary

BENTLEY EQUITIES LIMITED

ABN 87 008 108 218

APPENDIX 4D

HALF YEAR REPORT
PERIOD ENDED 31 DECEMBER 2003

(previous corresponding period
being the half year ended 31 December 2002)

**RESULTS FOR ANNOUNCEMENT TO THE MARKET
HALF YEAR ENDED 31 DECEMBER 2003**

| | 2003 Year \$'000 | 2002 Year \$'000 | % change prior year | Up / Down |
|--|------------------------|------------------------|---------------------------|--------------|
| Investment revenue from ordinary activities | - | 37,039 | 100.0% | Down |
| Net profit/(loss) before tax for the period attributable to members | 770 | (3,095) | 124.9% | Up |
| Profit/(loss) from ordinary activities after tax attributable to members (1) | 770 | (3,093) | 124.9% | Up |
| Net Tangible Assets per share | \$0.449 | \$0.450 | 0.2% | Down |

DIVIDENDS

No dividends were paid or payable in the half-year ended 31 December 2003.

No dividends have been declared subsequent to the half year end.

BRIEF EXPLANATION OF ANY OF THE FIGURES REPORTED ABOVE

- (1) Net profit has increased significantly from the prior half year, which is mainly attributable to an improvement in investments during the half-year ended 31 December 2003 whereby the Company derived \$749,000 unrealised gains on the net fair value of investments. This compares to \$11,000 unrealised losses on the net fair value of investments and \$2,982,000 realised losses on investments in the 31 December 2002 half-year.
- (2) Investment Revenue is currently nil as there were no investments sold in the half year. The value of units held in the Vanguard International Shares Index Fund (unhedged) forms the whole of the balance of investments.

COMMENTARY ON THE RESULTS FOR THE PERIOD

As noted in the Company's 31 December 2002 Half Year Reports and 30 June 2003 Annual Report, BT Funds Management resigned as investment manager on 31 December 2002.

The Company's global investment portfolio was liquidated leading up to 31 December 2002 and approximately 80% of the Company's funds were invested in the Vanguard International Shares Index Fund ("Vanguard Fund"). The Vanguard Fund seeks to match the total return of the MSCI World ex-Australia Index (with net dividends reinvested) on an unhedged basis. The remainder of the Company's funds have been held in an interest bearing bank account.

The Vanguard Fund investment gave shareholders an on-going but passive exposure to international equities while the Board investigated possible future paths for the Company.

At 31 December 2003, the investment portfolio remains approximately 79% in the Vanguard Fund and 21% in an interest bearing bank account.



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Victor Ho
Company Secretary

25 February 2004

For any queries please contact:

Victor Ho
Company Secretary

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Bentley Equities Limited
(previously BT Global Asset Management Limited)
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For the half-year ended 31 December 2003

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Bentley Equities Limited
(previously BT Global Asset Management Limited)
Directors' Report
For the half-year ended 31 December 2003

In respect of the half-year ended 31 December 2003, the Directors of the Company submit the following report together with the financial report of Bentley Equities Limited ("the Company").

Directors

The names of directors who held office during or since the end of the half-year:

Farooq Khan (Appointed 2nd December, 2003)
 Christopher Ryan (Appointed 5th February, 2004)
 Simon Cato (Appointed 5th February, 2004)
 Brendan Foley (Appointed 28th October, 2003; Resigned 25th November 2003)
 Anthony Hartnell (Resigned 5th February, 2004)
 Ross Finley (Resigned 5th February, 2004)
 Thomas Clive Powell (Resigned 5th February, 2004)
 Hugh Wallace (Resigned 12th September 2003]

| Operating Results | 2003 | 2002 |
|--|---------------|----------------|
| | \$'000 | \$'000 |
| Profit/(Loss) from ordinary activities before income tax expense/(benefit) | 770 | (3,095) |
| Income tax expense/(benefit) | - | (2) |
| Profit/(Loss) from ordinary activities after income tax expense/(benefit) | <u>770</u> | <u>(3,093)</u> |

| Net Tangible Asset Backing | % Change | 2003 | 2002 |
|---|-----------------|-------------|-------------|
| NTA backing for each ordinary share (cents) | <u>-0.22%</u> | <u>44.9</u> | <u>45</u> |

Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investment Commission, relating to the "rounding off" of amounts in the directors' report and financial statements to the nearest \$1,000 or in certain cases to the nearest dollar. Amounts have been rounded off in the directors' report and financial statements in accordance with this class order.

Review of operations

Since the termination of BT Funds Management as investment manager in December 2002, the Board has endeavoured to seek opportunities and proposals for the Company that would enable asset growth and the utilisation of the Company's franking credits and tax losses.

At the Company's Annual General Meeting ("AGM") on 28 October 2003, a resolution "to support the decision of the Board to appoint Select Asset Management Limited as the investment manager to administer the Gottex Aspect Strategy" (as further outlined in the notice of AGM) was not passed by shareholders.

On 3 December 2003, the Company announced that Mr Farooq Khan had been appointed to the Board as a nominee of the Company's largest group of shareholders led by Sofcom Ltd (the "Sofcom Shareholders").

The Sofcom Shareholders had advised the Board of their view that the Company should continue to operate as a listed investment company carrying out its existing mandate of investment in shares listed on the world's major and emerging sharemarkets and proposed the appointment of Sydney based specialist wholesale investment managers, Constellation Capital Management Limited ("Constellation"), as the Company's new professional investment manager to implement the international equities component of Constellation's HomeGlobal investment strategy.

Accordingly, the Board convened a General Meeting to consider the election of 2 further nominees of the Sofcom Shareholders and the re-election of Mr Khan to the Board of the Company. Shareholders were essentially being asked to vote on whether they agreed with the investment propositions of the Sofcom Shareholders and the effective change of control of the Board to implement it.

At the Company's General Meeting held on 5 February 2004, shareholders voted overwhelmingly in support of the appointment of the new Board and the proposed strategy to appoint Constellation as new fund manager. Mr Tony Hartnell, Mr Clive Powell and Mr Ross Finley resigned from the Board after such General Meeting (consistent with their intentions to do so upon the passing of resolutions appointing the nominees of the Sofcom Shareholders as directors, as outlined in the notice of meeting documentation).

The current Board comprise Mr Farooq Khan, Mr Christopher Ryan and Mr Simon Cato.

The Company is presently finalising the terms under which Constellation will be appointed as investment manager. The Company intends to effect an orderly transition of responsibilities to the new fund manager as quickly as possible.

Constellation is an experienced fund manager, 50% owned by Qantas Superannuation Limited and 50% by interests associated with Constellation's management. Constellation's management team has collectively many years experience in financial services and is well regarded in the industry. Further information about Constellation may be obtained from: www.constellation.com.au.

The Company also notes that ASX has recently published a document that contains a detailed consideration of Constellation's HomeGlobal investment strategy and the ASX's view that it represents a positive investment opportunity for Australian Listed Investment Company's (LIC's). This ASX publication is available over the Internet at the following address: <http://www.asx.com.au/about/pdf/TakingStockFeb04.pdf>

The Company believes this article by the ASX lends further weight to the decision made by the new Board to seek the appointment of Constellation as new fund manager to implement the international component of the HomeGlobal™ investment strategy. The Board now looks forward to Constellation implementing their HomeGlobal™ investment strategy for the benefit of the Company.

As outlined in the Company's recent Notice of Meeting documentation, the new Board is also pursuing the creation of a new LIC for IPO – such company is proposed to be managed also by Constellation to implement the Australian or domestic component of the HomeGlobal™ investment strategy.

This report is made in accordance with a resolution of the Directors of the Company.



Farooq Khan
Director

Perth, Western Australia

25 February 2004

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Statement of Financial Position
As at 31 December 2003

| | 31 December | 30 June |
|--|--------------------|----------------|
| | 2003 | 2003 |
| | \$'000 | \$'000 |
| Investments | 13,767 | 12,933 |
| Current assets | | |
| Cash assets | 3,642 | 3,739 |
| Receivables | 27 | 44 |
| Current tax assets | 91 | 90 |
| Total current assets | 3,760 | 3,873 |
| Total assets | 17,527 | 16,806 |
| Current liabilities | | |
| Payables | 43 | 91 |
| Total current liabilities | 43 | 91 |
| Total liabilities | 43 | 91 |
| Net assets | 17,484 | 16,715 |
| Equity | | |
| Contributed equity | 23,004 | 23,004 |
| Reserves | (193) | (942) |
| Retained earnings/(Accumulated losses) | (5,327) | (5,347) |
| Total equity | 17,484 | 16,715 |

The above Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Statement of Financial Performance
For the half-year ended 31 December 2003

| | 31 December 2003 \$'000 | 31 December 2002 \$'000 |
|---|--|--|
| Revenue from ordinary activities | - | <u>37,039</u> |
| Investment income | | |
| Dividends and Trust Distributions | 41 | 118 |
| Interest | 83 | 27 |
| Unrealised changes in the net fair value of investments | 749 | (11) |
| Realised losses on sale of investments | - | (2,982) |
| Foreign exchange gains/(losses) | - | 24 |
| Other | 22 | (16) |
| Total investment income from ordinary activities | 895 | (2,840) |
| Expenses | | |
| Investment manager's fees | - | 96 |
| Audit fees | 10 | 9 |
| Other | 115 | 150 |
| Total expenses from ordinary activities | 125 | 255 |
| Profit/(Loss) from ordinary activities before income tax expense/(benefit) | 770 | (3,095) |
| Income tax expense/(benefit) | - | (2) |
| Profit/(Loss) from ordinary activities after income tax expense/(benefit) | 770 | (3,093) |
| Net Profit/(Loss) attributable to members of Bentley Equities Limited | <u>770</u> | <u>(3,093)</u> |
| Total revenues, expenses & valuation adjustments attributable to members of Bentley Equities Limited recognised directly in equity | - | - |
| Total changes in equity other than those resulting from transactions with owners as owners | <u>770</u> | <u>(3,093)</u> |
| | Cents | Cents |
| Basic earnings per share | 5 | 1.98 |
| | | (7.94) |
| Diluted earnings per share | 5 | 1.98 |
| | | (7.94) |

The above Statement of Financial Performance should be read in conjunction with the accompanying notes to the financial statements.

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Statement of Cash Flows
For the half-year ended 31 December 2003

| | 31 December 2003 \$'000 | 31 December 2002 \$'000 |
|--|--|--|
| Cash flows from operating activities | | |
| Dividends received | - | 130 |
| Interest received | 83 | 5 |
| Other income received | 23 | - |
| Investment manager's fees paid | - | (104) |
| Income tax refund | - | 378 |
| Other expenses paid | (203) | (164) |
| Net cash inflow/(outflow) from operating activities | <u>(97)</u> | <u>245</u> |
| Cash flows from investing activities | | |
| Proceeds from sale of investments | - | 37,039 |
| Purchase of investments | - | (32,514) |
| Net cash inflow from investment activities | <u>-</u> | <u>4,525</u> |
| Cash flows from financing activities | | |
| Dividends paid | - | (1,363) |
| Net cash outflow from financing activities | <u>-</u> | <u>(1,363)</u> |
| Net increase/(decrease) in cash held | (97) | 3,407 |
| Cash at the beginning of the financial year | 3,739 | 389 |
| Effect of exchange rate changes on cash | - | 24 |
| Cash at the end of the financial year | <u>3,642</u> | <u>3,820</u> |
| Non-cash financing activities | <u>84</u> | <u>-</u> |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements.

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Notes to the Financial Statements
For the half-year ended 31 December 2003

1 Summary of significant accounting policies

Basis of accounting

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of Accounting Standard 1029: Interim Financial Reporting, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

It is recommended that this half-year financial report be read in conjunction with the Annual Report for the year ending 30 June 2003 and any public announcements made by the company during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies are consistent with those applied in the 30 June 2003 Annual Report.

The half-year report does not include disclosures of the type normally included in an annual financial report.

| | 2003 | 2002 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| 2 Retained earnings/(Accumulated losses) | | |
| Balance at the beginning of the half-year | (5,348) | 11 |
| Transfer from unrealised profits and losses reserve | (749) | (2,290) |
| Net profit/(loss) for the current year | 770 | (3,093) |
| Balance at the end of the financial year | <u>(5,327)</u> | <u>(5,372)</u> |

3 Dividends

No dividends were paid or declared in the half-year. No dividends have been recommended or declared by the Board subsequent to the half-year ended.

4 Segment information

Business segments

The Company operates solely in the business of investment management within Australia.

Geographical exposures

The Company operates from Australia only, the Company previously had investment exposures in different countries, however, as at 31 December 2003, the Company is invested in an Australian domiciled unlisted index fund that comprise investments in overseas markets.

5 Earnings per share

| | 2003 | 2002 |
|---|-------------|-------------|
| Basic earnings per share (cents per share) | 1.98 | (7.94) |
| Diluted earnings per share (cents per share) | 1.98 | (7.94) |
| Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share | 38,942,213 | 38,942,213 |

No adjustments are made to the profit/(loss) from ordinary activities after income tax benefit shown on the statement of financial performance in deriving earnings used in the calculation of basic earnings per share.

Diluted earnings per share is the same as basic earnings per share. The Company has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic earnings per share.

6 Contingent liabilities

No contingent liabilities existed at 31 December 2003.

7 Subsequent Events

A General Meeting was held on 5 February 2004. The result of this meeting was the appointment of a new board of Directors, including Mr Farooq Khan, Mr Christopher Ryan and Mr Simon Cato. The new Board is presently finalising the terms of appointment of Constellation Capital Management Limited as investment manager to implement the international equities component of Constellation's 'HomeGlobal™ Strategy' for the Company.

**Bentley Equities Limited
(previously BT Global Asset Management Limited)
Directors' Declaration
For the half-year ended 31 December 2003**

The Directors declare that the financial statements and notes set out on pages 4 to 7:

- (a) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations;
and
- (b) give a true and fair view of the financial position of the Company as at 31 December 2003 and its performance as represented by the results of its operations and cash flows for the half-year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



**Farooq Khan
Director**

Perth, Western Australia

25 February 2004

**Independent review report to the members of
BENTLEY EQUITIES LIMITED**

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Bentley Equities Limited

- does not give a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of Bentley Equities Limited as at 31 December 2003 and of its performance for the half-year ended on that date, and
- is not presented in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This statement must be read in conjunction with the rest of our review report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Bentley Equities Limited for the half-year ended 31 December 2003.

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.

Review approach

We conducted an independent review in order for the company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements.



We performed procedures in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly, in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which included:

- inquiries of company personnel, and
- analytical procedures applied to financial data.

When this review report is included in a document containing information in addition to the financial report, our procedures include reading the other information to determine whether it contains any material inconsistencies with the financial report.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

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

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

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

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'D A Prothero'.

D A Prothero
Partner

Sydney
26 February 2004