

BBX PROPERTY INVESTMENT FUND LIMITED ABN 17 118 847 108

Interim Financial Report

DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2006.

Directors

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

Simon Touma

Barry Dawes

Tim Creasy

Michael Touma

Principal Activities

The principal activity of the Company during the period was management of the BBX Property Investment Fund.

Dividends

No dividends were paid or declared during the half-year ended 31 December 2006

Review of Operations

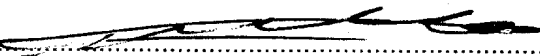
The financial statements show a loss for the Company for the half-year ended 31 December 2006 of \$66,786.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 2 for the half-year ended 31 December 2006.

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

Director



Michael Touma

Dated this

16th

day

March

2007

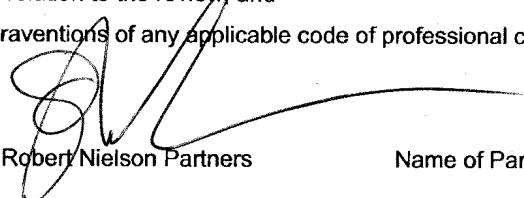
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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF
THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BBX HOLDING LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2006 there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review and
- b. no contraventions of any applicable code of professional conduct in relation to the review.


Name of Firm: Robert Nielson Partners

Name of Partner: Robert Nielson

Address: Level 7 280 George Street
Sydney NSW 2000

Date: 16 March. 2007

BBX PROPERTY INVESTMENT FUND LIMITED ABN 17 118 847 108**Interim Financial Report****INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	Half-year ended 31.12.2006
	\$
Revenue	10,819
Changes in inventories of finished goods and work in progress	-
Amortisation	(35,779)
Directors fee	(30,668)
Share registration expense	(5,418)
Other expenses	(5,740)
Loss before income tax	(66,786)
Income tax expense	-
Loss from continuing operations	(66,786)
Profit/(loss) from discontinued operations	-
Loss for the period	(66,786)
Overall Operations	
Basic earnings per share (cents per share)	N/A
Diluted earnings per share (cents per share)	N/A

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BALANCE SHEET1 AS AT 31 DECEMBER 2006

	Note	Economic Entity	
		31.12.2006	30.06.2006
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		841,418	-
Other current assets		3,284,307	219,192
TOTAL CURRENT ASSETS		<u>4,125,725</u>	<u>219,192</u>
NON-CURRENT ASSETS			
Receivables	1	1	1
Deferred tax assets		12,314	12,314
TOTAL NON-CURRENT ASSETS		<u>12,315</u>	<u>12,315</u>
TOTAL ASSETS		<u>4,138,040</u>	<u>231,507</u>
CURRENT LIABILITIES			
Trade and other payables		922	55,075
TOTAL CURRENT LIABILITIES		<u>922</u>	<u>55,075</u>
NON-CURRENT LIABILITIES			
Trade and other payables		626	164,117
TOTAL NON-CURRENT LIABILITIES		<u>626</u>	<u>164,117</u>
TOTAL LIABILITIES		<u>1,548</u>	<u>219,192</u>
NET ASSETS		<u>4,136,492</u>	<u>12,315</u>
EQUITY			
Issued capital		4,190,964	1
Retained earnings		(54,472)	12,314
TOTAL EQUITY		<u>4,136,492</u>	<u>12,315</u>

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**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	Issued Capital		
Note	Ordinary	Retained Earnings	Total
	\$	\$	\$
Balance at 17.3.2006 (registration date)	-	-	-
Share issued during the year	1		1
Profit attributable to members of entity		12,314	12,314
Balance at 30.6.2006	<u>1</u>	<u>12,314</u>	<u>12,315</u>
 Balance at 1.7.2006	 1	 12,314	 12,315
Shares issued during the year	4,190,963		4,190,963
Loss attributable to members of entity		(66,786)	(66,786)
Balance at 31.12.2006	<u>4,190,964</u>	<u>(54,472)</u>	<u>4,136,492</u>

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CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Half Year Ended 31.12.2006
	\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and employees	(183,622)
Interest received	10,819
Net cash used in operating activities	<u>(172,803)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of shares	<u>1,014,221</u>
Net cash provided by financing activities	<u>1,014,221</u>
Net increase in cash held	841,418
Cash at beginning of period	<u>-</u>
Cash at end of period	<u><u>841,418</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 1: BASIS OF PREPARATION

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2006 and any public announcements made by BBX Property Investment Fund during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

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

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

Please refer to 30 June 2006 Annual Report for details

NOTE 2: ACQUISITION AND DISPOSAL OF SUBSIDIARIES

There are no acquisitions or disposals during the period.

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

All significant revenue and expense items for the periods are disclosed on the face of the income statement.

NOTE 4: SEGMENT INFORMATION

The entity operates in one business segment, being the management of the BBX Property Investment Fund in Australia.

NOTE 5: CONTINGENT LIABILITIES

There are no contingent liabilities on the 31 December 2006.

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

No significant matters have arisen since the end of the half-year.

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 7:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the economic entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director



Michael Touma

Dated this

16th

day of

March 2007

BBX PROPERTY INVESTMENT FUND LIMITED ABN 17 118 847 108

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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF BBX PROPERTY INVESTMENT FUND LIMITED

Scope

We have reviewed the financial report of BBX Holdings Ltd for the half-year ended 31 December 2006 as set out on pages 3 to 7. The company's directors are responsible for the financial report. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year. We have performed an independent review of the financial report 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 is not presented fairly in accordance with Accounting Standard AASB 134: Interim Financial Reporting and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission/Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

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

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of BBX Holdings Ltd is not in accordance with:

- a. the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the company's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
 - ii. complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*; and
- b. other mandatory professional reporting requirements in Australia

Name of Firm: Robert Nielson Partners

Name of Partner: Robert Nielson

Address: Level 7 280 George Street
Sydney NSW 2000

Date: 16 March. 2007