BBX PROPERTY INVESTMENT FUND LTD.

ABN 17 118 847 108

HALF YEAR REPORT

1. Details of the reporting period: Half Year ended 31st December, 2008. Previous corresponding period: Half year ended 31st December, 2007.

2. ***"Results for announcement to the market".***

   2.1 Revenue for the period: $171,374. Percentage change from the previous corresponding period: 58%.

   2.2 Loss for the half year after income tax: $208,841. Percentage change from the previous corresponding: 18.4%.

   2.3 The amount and percentage change up or down from the previous corresponding period of profit (loss) for the period attributable to members of the parent: See 2.2.

   2.4 The amount per security and franked amount per security of final and interim dividends: $nil. It is not proposed to pay dividends at this time.

   2.5 The record date for determining entitlements to the dividends: N/a.

   2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood: See attached accounts & notes.

3. Net tangible assets per security: $0.94 Comparative figure for the previous corresponding period: $0.96.

4. Details of entities over which control has been gained or lost during the period,

   4.1 Name of the entity: Not Applicable.

   4.2 The date of the gain or loss of control: N/a

   4.3 Contribution to the reporting entity's profit from ordinary activities: $nil.

5. Details of dividends or distributions: $nil.

6. Details of any dividend or distribution reinvestment plans in operation: N/a.

7. Details of associates and joint venture entities: N/a.

8. For foreign entities: N/a.

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BBX PROPERTY INVESTMENT FUND LIMITED ABN 17 118 847 108

Interim Financial Report

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2008.

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**
Carolin MacDonald	

Dividends

No dividends were paid or declared during the half-year ended 31 December 2008

Review of Operations

The financial statements show a consolidated loss for the consolidated group for the half-year ended 31 December 2008 of $208,841.84.

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 2008.

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

Director

Michael Touma

Dated this 27th day February 2009

robertnielsonpartners
ABN 24 216 690 404
chartered accountant
business advisors

rnp
Level 7 280 George Street
Sydney NSW 2000 Australia
Box R176 Royal Exchange
NSW 1225 Australia
T 61 2 9235 0299
F 61 2 9222 1065
E enq@robertnielsonpartners.com.au

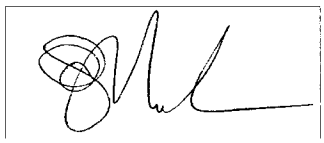
AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BBX PROPERTY INVESTMENT FUNDS LIMITED

I declare that to the best of my knowledge and belief, during the 6 months ended 31 December 2008 there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

2. no contraventions of any applicable code of professional conduct in relation to the review.

Robert Nielson Partners



Robert Nielson Date 27 February 2009

BBX PROPERTY INVESTMENT FUND LIMITED ABN 17 118 847 108

Interim Financial Report

CONSOLIDATED INCOME STATEMENT FOR THE HALF -YEAR ENDED 31 DECEMBER 2008

	Consolidated Group	
	31.12.2008	31.12.2007
	$	$
Revenue	171,374	108,487
Management Fees	(29,338)	(23,963)
Interest Paid	(192,763)	(109,570)
Directors fee	(83,629)	(83,629)
Share registration expense	(18,929)	(20,862)
Other expenses	(55,556)	(46,839)
Loss before income tax	(208,841)	(176,376)
Income tax expense	-	-
Loss from continuing operations	(208,841)	(176,376)
Loss for the period	(208,841)	(176,376)
Overall Operations		
Basic earnings per share (cents per share)	N/A	N/A
Diluted earnings per share (cents per share)	N/A	N/A

BBX PROPERTY INVESTMENT FUND LIMITED ABN 17 118 847 108

Interim Financial Report

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	Consolidated Entity 31.12.2008 $	30.06.2008 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		517,579	430,069
Trade and other receivables		14,000	24,000
Other current assets	2	519,060	664,285
TOTAL CURRENT ASSETS		1,050,639	1,118,354
NON-CURRENT ASSETS			
Trade and other receivables		144,953	55,635
Investment Property		6,914,947	6,907,947
Financial assets		-	-
Other Financial Assets	2	11,792,275	10,368,545
TOTAL NON-CURRENT ASSETS		18,852,175	17,332,127
TOTAL ASSETS		19,902,814	18,450,481
CURRENT LIABILITIES			
Trade and other payables		51,890	60,187
Short-term borrowings		742,000	741,253
TOTAL CURRENT LIABILITIES		793,890	801,440
NON-CURRENT LIABILITIES			
Trade and other payables			
Long-term borrowings		3,658,664	3,656,595
TOTAL NON-CURRENT LIABILITES		3,658,664	3,656,595
TOTAL LIABILITIES		4,452,554	4,458,035
NET ASSETS		15,450,260	13,992,446
EQUITY			
Issued capital		16,308,508	14,641,853
Accumulated gain/(losses)		(858,248)	(649,407)
TOTAL EQUITY		15,450,260	13,992,446

BBX PROPERTY INVESTMENT FUND LIMITED ABN 17 118 847 108

Interim Financial Report

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF- YEAR ENDED 31 DECEMBER 2008

	Note	Share Capital Ordinary	Retained Earnings	Total
		$	$	$
Balance at 30.06.2008		14,641,853	(649,407)	13,992,446
Balance at 1.7.2008		14,641,853	(649,407)	13,992,446
Share issued during the year		1,666,655	-	1,666,655
Loss attributable to members of entity			(208,841)	(208,841)
Balance at 31.12.2008		16,308,508	(858,248)	15,450,260

	Note	Share Capital Ordinary	Retained Earnings	Total
		$	$	$
Balance at 30.06.2007		11,677,810	(268,450)	11,409,360
Balance at 01.07.2007		11,677,810	(261,013)	11,409,360
Share issued during the year		2,249,912	-	2,249,912
Loss attributable to members of entity			(176,376)	(176,376)
Balance at 31.12.2007		13,927,722	(437,389)	13,482,896

BBX PROPERTY INVESTMENT FUND LIMITED ABN 17 118 847 108

Interim Financial Report

CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31.12.2008 $	31.12.2007 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	158,692	182,987
Payments to suppliers and employees	(298,244)	(170,376)
Interest received	12,682	17,255
Borrowing costs	(199,586)	(109,570)
Net cash provided by operating activities	(326,456)	(79,704)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current assets	138,225	(2,503.45)
Net cash(used in) investing activities	138,225	(2,503,450)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	22,069	2,167,157
Proceeds from Share issue	252,925	306,530
Repayment of borrowings	747	-
Net Cash provided by financing activities	275,741	2,473,687
Net increase (decrease) in cash held	87,510	(109,467)
Cash at beginning of period	430,069	738,849
Cash at end of period	517,579	629,382

This cashflow statement only shows net cash dollar increase (decrease) in the financial period and does not include BBX Trade dollar movements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

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 2008 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.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the 30 June 2008 financial report.

NOTE 2 BALANCES DENOMINATED IN BBX TRADE DOLLARS

	31/12/2008	**30/6/2008**
The following assets are denominated in BBX Trade Dollars		
Other Current Assets		
Deposit on purchase of Property	505,300	650,525
Other Financial Assets – Non Current		
Barter IT (Barter Trade Exchange Account	10,508,676	10,368,544
Barter IT (Barter Share Issue Account)	1,238,600	-
	12,252,576	10,369,194

NOTE 3: ACQUISITION AND DISPOSAL OF SUBSIDIARIES

There are no acquisitions or disposals during the period.

NOTE 4: PROFIT FROM ORDINARY ACTIVITIES

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

NOTE 5: SEGMENT INFORMATION

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

NOTE 6: CONTINGENT LIABILITIES

There are no contingent liabilities on the 31 December 2008.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

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

BBX PROPERTY INVESTMENT FUND LIMITED ABN 17 118 847 108
Interim Financial Report

DIRECTORS' DECLARATION

The directors of the consolidated group 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 consolidated group's financial position as at 31 December 2008 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 consolidated group 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 27th day of Feb, 2009

robertnielsonpartners
ABN 24 216 690 404
chartered accountant
business advisors

rnp
Level 7 280 George Street
Sydney NSW 2000 Australia
Box R176 Royal Exchange
NSW 1225 Australia
T 61 2 9235 0299
F 61 2 9222 1065
E enq@robertnielsonpartners.com.au

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

Report on the Financial Report

We have reviewed the accompanying the consolidated financial report comprising the balance sheet as at 31 December 2008, income statement, statement of changes in equity, statement of cash flows for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration for BBX Property Investment Funds Limited (the Company).

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001.* This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We have conducted our review in accordance with Australian Auditing Standards on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the annual financial report.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

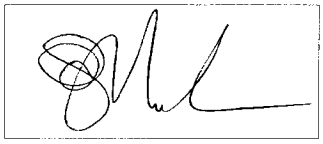
Conclusion

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 consolidated financial report of BBX Property Investment Funds Limited is not in accordance with the *Corporation Act 2001* including:

(i) giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standard AASB 134 Interim Financial Reporting (including Australian Accounting interpretations) and the Corporations Regulations 2001.

Robert Nielson Partners



Robert Nielson **Date 27 February 2009**