

BBX PROPERTY INVESTMENT FUND LTD

ACN 118 847 108

MARKET UPDATE

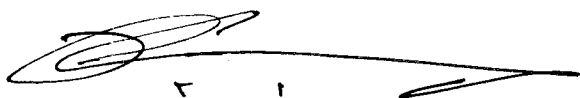
FINANCIAL REPORTING PANEL

The directors of BBX Property Investment Fund Ltd. wish to advise the market that they have considered the statement issued by the Financial Reporting Panel in relation to the inclusion of BBX Trade Dollars in the financial statements of the company.

In future all trade dollar balances will be classified as 'Intangible Assets' and the appropriate impairment or depreciation charge deducted in accordance with the accounting standards quoted by the panel.

It is not proposed to amend any prior period financial statements on the basis that those have already been audited and signed off prior to the FRP report. The directors note that as at 30th June, 2010 the trade dollar balances were impaired by 30% in accordance with the Grant Thornton valuation conducted as part of the restructure of BBX Holdings Ltd.

The directors are satisfied that in relation to equity instruments the value of the trade dollars recognised at the time of issue was approximately \$1. It is not considered that a formal valuation with the considerable cost that would entail would provide any greater clarity to the market about the company's financial standing. The position for future issue of equity instruments will be reviewed at the time of issue.



TIM CREASY

Secretary

25/10/2010