

BBX Holdings Limited ABN 82 089 221 634 and Controlled Entities

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:

Richard Poole	Tim Creasy
Michael Touma	Hector Vieira
Carolyn Macdonald	

Principal Activities

The principal activity of the Company during the half-year was the management and operation of the BBX Trade Exchange.

Dividends

Dividend declared in parent company of \$0.005 fully franked payable on 30th April 2007 for the half-year ended in 31 December 2006.

Review of Operations

The consolidated financial statements show a consolidated net profit for the Company for the half-year ended 31 December 2006 after income tax of \$32,000. The operating profit for the period was \$407,000 before Options expense of \$63,000, write-off of New Zealand income tax benefit \$46,000, General Interest charge imposed by the Australian Taxation Office relating to amounts in dispute of \$167,000 and write down to market value of investment shares of \$99,000.

Rounding of Amounts

The economic entity has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

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 28th day of February, 2007

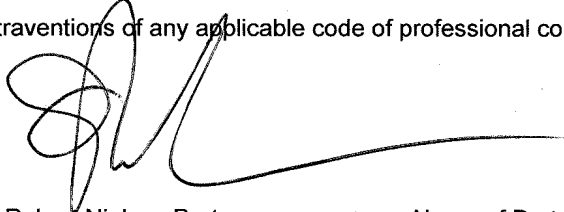
BBX Holdings Limited ABN 82 089 221 634 and Controlled Entities

Interim Financial Report

**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

Date: 28 Feb. 2007

Sydney NSW 2000

BBX Holdings Limited ABN 82 089 221 634 and Controlled Entities

Interim Financial Report

CONSOLIDATED INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Economic Entity	
	Half-year ended	Half-year ended
	31.12.2006	31.12.2005
	\$000	\$000
Revenue	4,595	4,235
Changes in inventories of finished goods and work in progress	(228)	(859)
Employee benefits expense	(1,112)	(1,353)
Depreciation and amortisation expense	(97)	(142)
Finance costs	(74)	(68)
Other expenses	(3,043)	(1,769)
Profit before income tax	41	44
Income tax expense	(10)	(18)
Profit from continuing operations	31	26
Profit/(loss) from discontinued operations	-	-
Profit for the period	31	26
Profit attributable to minority equity interest	1	-
Profit attributable to members of the parent entity	32	26
 Overall Operations		
Basic earnings per share (cents per share)	0.04	0.04
Diluted earnings per share (cents per share)	0.04	0.04

BBX Holdings Limited ABN 82 089 221 634 and Controlled Entities

Interim Financial Report

CONSOLIDATED BALANCE SHEET1 AS AT 31 DECEMBER 2006

	Note	Economic Entity	
		31.12.2006	30.06.2006
		\$000	\$000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		215	22
Trade and other receivables		2,734	1,985
Inventories		1,235	3,211
Financial assets		298	160
Other current assets		3,060	434
TOTAL CURRENT ASSETS		7,542	5,812
NON-CURRENT ASSETS			
Receivables		484	164
Financial assets		532	530
Property, plant and equipment		1,061	1,098
Deferred tax assets		777	660
Intangible assets		3,855	3,839
TOTAL NON-CURRENT ASSETS		6,709	6,291
TOTAL ASSETS		14,251	12,103
CURRENT LIABILITIES			
Trade and other payables		1,815	1,269
Short-term borrowings		504	267
Current tax liabilities		491	254
Short-term provisions		214	219
TOTAL CURRENT LIABILITIES		3,024	2,009
NON-CURRENT LIABILITIES			
Trade and other payables		113	264
Long-term borrowings		672	689
Long-term provisions		73	56
TOTAL NON-CURRENT LIABILITIES		858	1,009
TOTAL LIABILITIES		3,882	3,018
NET ASSETS		10,369	9,085
EQUITY			
Issued capital		10,737	9,637
Reserves		300	127
Retained earnings		(729)	(741)
Parent entity interest		10,308	9,023
Minority equity interest		61	62
TOTAL EQUITY		10,369	9,085

BBX Holdings Limited ABN 82 089 221 634 and Controlled Entities

Interim Financial Report

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

Note	Issued Capital	Retained Earnings	Asset	Foreign	Options Reserve	Minority	Total
	Ordinary		Reval-uation Reserve	Exchange Reserve		Equity Interests	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1.7.2005	3,515	(1,820)	95	(27)	-	-	1,763
Share issued during the year	6,756						6,756
Profit attributable to members of parent entity		26					26
Write-off public listing costs	(951)						(951)
Deferred tax assets arisen from public listing costs	77						77
Sub-total	9,397	(1,794)	95	(27)	-	-	7,671
Dividends paid or provided for							
Balance at 31.12.2005	9,397	(1,794)	95	(27)		-	7,671
Balance at 1.7.2006	9,637	(741)	128	(1)	-	62	9,085
Adjustment on the ATO appeal Settlement		(7)					(7)
Entity no longer within consolidation scope		(12)					(12)
Shares issued during the year	1,100						1,100
Profit attributable to members of parent entity		31					31
Profit attributable to minority shareholders						(1)	(1)
Reserve for the period				99	63		162
Revaluation increment			11				11
Subtotal	10,737	(729)	139	98	63	61	10,369
Dividends paid							-
Balance at 31.12.2006	10,737	(729)	139	98	63	61	10,369

BBX Holdings Limited ABN 82 089 221 634 and Controlled Entities

Interim Financial Report

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

	Economic Entity	
	Half Year Ended	Half Year Ended
	31.12.2006	31.12.2005
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,942	3,874
Payments to suppliers and employees	(2,161)	(5,181)
Interest received	12	16
Sundry income received	-	113
Finance costs	(74)	(68)
Income tax paid	-	-
Net cash used in operating activities	<u>(281)</u>	<u>(1,246)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of non-current assets	86	1
Purchase of non-current assets	(90)	(69)
Purchase of intangibles	-	(21)
Purchase of shares	(300)	-
Net cash used in investing activities	<u>(304)</u>	<u>(89)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	700	2,303
Proceeds from borrowings	-	-
Repayment of borrowings	(3)	(274)
Net cash provided by financing activities	<u>697</u>	<u>2,029</u>
Net increase in cash held	112	694
Cash at beginning of period	(58)	(582)
Cash at end of period	<u>54</u>	<u>112</u>

BBX Holdings Limited ABN 82 089 221 634 and Controlled Entities

Interim Financial Report

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

NOTE 1: BASIS OF PREPARATION

The half-year consolidated 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 Holdings Limited and its controlled entities 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 consolidated entity operates in one business segment, being the barter trade exchange and in one geographical segment, being Australia and New Zealand.

NOTE 5: CONTINGENT LIABILITIES

Legal proceedings were commenced against the Company by American Home Assurance Company on or about 8 August 2006 claiming the sum of \$226,128 in unpaid premiums for prospectus liability insurance and directors and officers liability insurance. The policies were cancelled by the Company and the Company is defending the proceedings.

In February 2007, a contingent liability which was existed on 30 June 2006 regarding GST appeal to the Administrative Appeals Tribunal had been settled. The relevant adjustments had been made in the accounts.

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

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

BBX Holdings Limited ABN 82 089 221 634 and Controlled Entities

Interim Financial Report

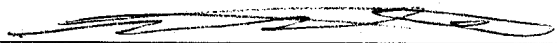
DIRECTORS' DECLARATION

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 *28th* day of *Feb*, 2007

BBX Holdings Limited ABN 82 089 221 634 and Controlled Entities

Interim Financial Report

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF BBX HOLDINGS 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 8. 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

Address Level 7 280 George St Sydney NSW

Name of partner Robert Nielson

Date 28 February 2007