



ASX CODE: BBX

SHAREHOLDERS' INFORMATION

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Hornsby NSW 2077

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DIRECTORS

Non-Executive:
Richard Poole (Chairman)
Hector Vieira

Executive:
Tim Creasy
Carolyn Macdonald
Michael Touma

AUDITORS

Robert Nielson Partners
Level 7, 280 George St
Sydney NSW 2000

SHARE PRICE

HIGH: 30 ¢

LOW: 19 ¢

Dear Shareholder,

Welcome to our first half yearly shareholder information bulletin to update our loyal investors about the progress within BBX since the Annual Report last September.

Our innovation and determination to turn BBX from a trade exchange manager into a one stop financial shop for our members continues unabated.

www.priced2clear.com

- The official relaunch of www.priced2clear.com, BBX Internet based clearance warehouse, took place on Saturday the 10th March with the opening of our new warehouse premises. BBX has recently acquired \$2 million of new furniture in Melbourne for Priced2Clear. A further \$1 million may become available on the Gold Coast shortly.

BBX MONEY

- Our BBX Money joint venture continues to add new financing alternatives with 'low doc' leasing available up to \$30,000 (shortly to become \$50,000) and unsecured personal loans on the way. If you think Aussie can save you, think about the potential of a 30% interest free deposit for your next investment property from BBX Money, potentially saving you mortgage insurance as well as tens of thousands of dollars in repayments. If members of your family, friends or employees are looking for a first home or investment property, then point them in the direction of a 30% interest free deposit from BBX Money, it might be the best opportunity they ever have to get themselves set up in property. BBX Money can be contacted on 1300 200 229.

BBX PROPERTY INVESTMENT FUND LTD (NSX)

- The latest prospectus for the BBX Property Investment Fund Ltd. is about to be launched as we close in on our first \$10 million of investment capital. At least \$400,000 of the furniture mentioned above will go towards setting up BBX holiday accommodation.

BBX FINANCIAL SOLUTIONS LTD

- BBX Financial Solutions has another two share offers coming up, one a technology listing and the second a Biodiesel Company based in Western Australia. These floats come hard on the heels of the successful float of Labtech Systems Ltd. last year when some of our members subscribed for an issue of shares at 20 cents each (80% trade) with an attaching free option. The shares have recently traded as high as 38 cents and the options 18 cents giving holders an 'on paper' gain of over 150%. We have been assisted in these endeavours by Martin Place Securities Pty. Ltd. who have continued their very strong support for BBX.

BBX VINES ON LINE

- BBX Vines on Line continues to go from strength to strength with now more than 40 wineries available to supply the ever growing number of BBX restaurants. We have also had some very positive discussions with a major player wanting to tap into our overseas markets with up to 10,000 BBX restaurants in Beijing alone.

BBX REAL ESTATE LTD

- BBX Real Estate currently has over \$50 million of real estate available with a BBX component, typically 30%. We have been involved with the sale of over 150 properties in the last 3 months boosting our revenue significantly. BBX recently opened its first real estate office in Toukley NSW BBX Central Coast North and converted BBX Gosford to BBX Central Coast South which is also a real estate office. Members are encouraged to apply for all their finance needs from BBX Money on 1300 200 229.

WEB BARTER I.T.

- The BBX website and upgrades to BBX unique Internet based cashless trading platform 'Barter IT' have continued at a cracking pace to accommodate BBX China, India, Vietnam and other upcoming overseas franchises. Eventually anyone, anywhere in the world, will be able to transact with BBX using our trademark Interactive Point Of Sale 'IPOS' software with member's accounts updated instantly.

SPONSORSHIP

- Our sponsorship of the South Sydney 'Rabbitohs' continues to pay dividends for both parties, increasing brand awareness for BBX and giving us the opportunity to market BBX Money into their 200,000 plus supporter base.

On the financial front we released our half year operating profit of \$407,000 on 28th February, 2007 and net profit of \$32,000 after once off write downs to tax benefits, investment shares, options expense and \$170,000 relating to resolution of the GST dispute with the Australian Taxation Office.

We remain on track to pay the announced dividend of half a cent per share in early May 2007. Shareholders will be able to elect to take cash, trade dollars or reinvestment into further shares.

A great result for our first year on the ASX. Much, much more to come.

A handwritten signature in black ink, appearing to read 'Michael Touma'.

Michael Touma
Managing Director
BBX GROUP



CREATING WEALTH

BBX Trade Dollars more valuable than cash

BBX is the only reciprocal trade exchange that can offer its members true investment options through property, shares and even, indirectly, through superannuation. Given that BBX brings its members new business that they didn't have before, BBX can be the best means our members ever have to build their wealth at the marginal cost of their product or services.

BBX have also established a financial planning joint venture, BBX Financial Advisors Pty. Ltd. who can offer all members and shareholders a free consultation and full financial plan with no upfront charges. They can be contacted on 08 8231 1997.

BBX CHINA OPENS NEW OFFICES

Our China franchise (BBX Holdings Ltd. interest 20% plus royalties) has recently moved into modern new offices in Beijing branded "BBX China". There are also 18 other regional offices currently updating their signage & systems.

BBX China will have over 1500 staff when it becomes fully functional around July this year. Loading the membership base of approx. 300,000 businesses has been time consuming but BBX inhouse IT department of 4 full time staff are well advanced having already completed the conversion of the website into Chinese. BBX is confident that the China connection is going to revolutionise the way business is conducted by our members. We look forward to keeping you updated as events unfold in this exciting new business.



Michael Touma with BBX China partners

BBX INDIA

BBX India franchise opened its doors in January this year and currently operates from offices in Delhi (head office), Bangalore, Chennai and Kolkata. As with China, BBX Holdings retains a 20% interest (plus royalties) in the master franchise, through its international subsidiary.

Both countries have the capacity to consolidate significant supply links for the BBX group around the world.



Amit Kher, Rakesh Bhatnagar and Manish Dutta, BBX India

NEW DOMESTIC FRANCHISES

BBX SYDNEY CENTRAL

2nd floor, 295 Pitt St
Sydney NSW 2000
Ph 0411 802 402
Fax 02 9264 6263
sydneycentral@ebbx.com
Contact: Graeme Blaiklock

BBX LIVERPOOL

4/605 Hume Hwy
Casula NSW 2170
Ph 02 9601 8044
Fax 02 9601 8123
liverpool@ebbx.com
Contact: Chris Howell

BBX SYDNEY SOUTH

Level 1, 510 Princes Hwy
Rockdale NSW 2216
Ph 02 9599 6360
Fax 02 9599 6390
sydneyouth@ebbx.com
Contact: Peter Engel

BBX CENTRAL COAST NORTH

Shop 2, 264 Main Rd
Toukley NSW 2263
Ph 02 4397 4247
Fax 02 4397 4248
centralcoastnorth@ebbx.com
Contact: Anthony Castelli

BBX CANBERRA

Shop 54, Brand Depot
18-26 Spitfire Ave
Canberra, ACT 2601
Ph 02 6257 3007
Fax 02 6257 9668
canberra@ebbx.com
Contact: Sunny Gogia

RELOCATION:

BBX CENTRAL COAST SOUTH

3/221 The Entrance Rd
Erina NSW 2250
Ph 02 4365 2688
Fax 02 4365 2644
centralcoastsouth@ebbx.com
Contact: Ross Short

INTERNATIONAL FRANCHISES

BBX INDIA PVT. LTD

I 1805, Ground Floor
CR Park, New Delhi
19 India
Ph +91 11 2627 9539
Fax +91 11 2627 9535
Contact: Amit Kher

BBX CHINA CO., LTD

Zhaolin Mansion
No 15 Ronghua Middle Road
BDA Beijing, China, 100176
Ph +86 10 5107 8888
Fax +86 10 5107 8813
Contact: Wang Lei

BBX NEW ZEALAND

Level 4, 106 Gloucester St,
Christchurch NZ
Ph +64 3372 1562
Fax +64 3372 1563
Contact: Ramin Farokhi

**UP TO 30% INTEREST FREE FINANCE
ON SELECTED PROPERTIES***



1300 200 229

* Conditions apply



SHAREHOLDERS' INFORMATION

PROPERTY PURCHASE UPDATE, MARCH 2007

		CONTRACT			GROSS	YIELD	CASH	
		PRICE	DEBT	BBX	YIELD		YIELD	STATUS
14A WOODWARD AVE, WYONG						%	%	
TOWNHOUSE NO: 17	3 Bed, 2 Bath	\$299,000	\$0	\$299,000	\$11,440	3.83%	N/A	EXCHANGED
30 HYTHE ST, MT DRUITT								
UNIT NO: 1	2 Bed, 1 Bath, 1 Car	\$230,000	\$165,000	\$65,000	\$10,400	4.52%	6.30%	EXCHANGED
UNIT NO: 11	2 Bed, 1 Bath, 1 Car	\$230,000	\$165,000	\$65,000	\$10,400	4.52%	6.30%	EXCHANGED
UNIT NO: 15	2 Bed, 1 Bath, 1 Car	\$230,000	\$165,000	\$65,000	\$10,400	4.52%	6.30%	EXCHANGED
UNIT NO: 18	2 Bed, 1 Bath, 1 Car	\$230,000	\$165,000	\$65,000	\$10,400	4.52%	6.30%	SETTLED
UNIT NO: 19	2 Bed, 1 Bath, 1 Car	\$230,000	\$165,000	\$65,000	\$10,400	4.52%	6.30%	SETTLED
UNIT NO: 20	2 Bed, 1 Bath, 1 Car	\$230,000	\$165,000	\$65,000	\$10,400	4.52%	6.30%	SETTLED
UNIT NO: 21	2 Bed, 1 Bath, 1 Car	\$230,000	\$165,000	\$65,000	\$10,400	4.52%	6.30%	SETTLED
8 WAINRIGHT RD, MT. DRUITT								
FACTORY NO: 10	330m2, 4 Car Parks, Bathrooms with showers	\$578,000	\$404,600	\$173,400	\$42,000	7.27%	10.38%	PENDING
FACTORY NO: 11	330m2, 4 Car Parks, Bathrooms with showers	\$578,000	\$404,600	\$173,400	\$42,000	7.27%	10.38%	PENDING
40-42 TOOWOON BAY RD, LONG JETTY								
TOWNHOUSE NO: 2	3 Bed, 2 Bath, 2 Car	\$460,000	\$322,000	\$138,000	\$18,000	3.91%	5.59%	SETTLED
UNIT NO: 12	2 Bed, 2 Bath, 2 Car	\$360,000	\$252,000	\$108,000	\$14,000	3.89%	5.56%	SETTLED
UNIT NO: 26	2 Bed, 2 Bath, 2 Car	\$360,000	\$252,000	\$108,000	\$14,000	3.89%	5.56%	SETTLED
211 MEMORIAL DRV, ETTALONG BEACH								
UNIT NO: 303	1 Bed, 1 Bath	\$350,000	\$245,000	\$105,000	\$12,000	3.43%	4.90%	EXCHANGED
UNIT NO: 339	1 Bed, 1 Bath	\$350,000	\$245,000	\$105,000	\$12,000	3.43%	4.90%	EXCHANGED
26 WATT ST, GOSFORD, HORIZON								
UNIT NO: 15	3 Bed, 2 Bath, 2 Car	\$497,200	\$348,040	\$149,160	\$19,000	3.82%	5.46%	VALUATION
UNIT NO: 17	2 Bed, 2 Bath, 1 Car	\$570,000	\$399,000	\$171,000	\$19,000	3.33%	4.76%	VALUATION
UNIT NO: 20	3 Bed, 2 Bath, 2 Car	\$550,000	\$385,000	\$165,000	\$19,000	3.45%	4.94%	VALUATION
UNIT NO: 25	2 Bed, 2 Bath, 2 Car	\$447,480	\$313,236	\$134,244	\$19,000	4.25%	6.07%	VALUATION
UNIT NO: 26	3 Bed + Media, 2 Bath, 2 Car	\$465,000	\$325,500	\$139,500	\$19,000	4.09%	5.84%	VALUATION
UNIT NO: 43	2 Bed, 2 Bath, 2 Car	\$775,000	\$542,500	\$232,500	\$25,000	3.23%	4.61%	VALUATION
LOT 255, DRIFTWAY DRV GREYSTANES								
UNIT NO: 33	3 Bedroom	\$480,000		\$480,000	\$17,500	3.65%	N/A	CONTRACT
UNIT NO: 34	3 Bedroom	\$480,000		\$480,000	\$17,500	3.65%		CONTRACT
UNIT NO: 37	3 Bedroom	\$480,000		\$480,000	\$17,500	3.65%		CONTRACT
UNIT NO: 38	3 Bedroom	\$480,000		\$480,000	\$17,500	3.65%		CONTRACT
UNIT NO: 39	3 Bedroom	\$480,000		\$480,000	\$17,500	3.65%		CONTRACT
TOTALS		\$10,649,680	\$5,593,476	\$5,056,204	\$445,740	4.37%	7.97%	



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DIRECTORS

Simon Touma (Chairman)
Tim Creasy
Barry Dawes
Michael Touma

AUDITORS

Robert Nielson Partners
Level 7, 280 George St
Sydney NSW 2000

SHARE PRICE

HIGH: \$1.04

LOW: \$1.00

NET ASSETS at 28th
February 2007: \$5.1 M

Dear Shareholders,

I am pleased to be able to inform you on behalf of the directors of BBX Property Investment Fund Limited that we have been busy assessing a number of quality property investments, many of which have met the investment criteria set out in the prospectus prior to listing.

Included with this newsletter is a selection of properties under various stages of evaluation, exchange of contracts etc. This listing is kept up to date at www.bbxpropertyfund.com.au. Your directors have been cautious, not rushing to complete deals until all the facts have been evaluated. As a result of our diligence we have negotiated better deals in a number of cases when lower valuations have been obtained. It is probably the case that our buy prices are still falling in some areas despite the fact that rents are rising and there are queues of potential tenants.

In the meantime we have been accruing interest on monies held with the ANZ Bank and have received applications for shares totalling \$2.6 million made up of \$320,000 cash, \$200,000 of furniture to go into our holiday accommodation properties and \$2.08 million of BBX trade dollars.

These share applications, if approved by shareholders, will take the capital base of the company to approximately \$6.8 million. Our experience to date is that we are not having any problems using the BBX trade dollars to acquire property. Quite the reverse, there is more stock than we can accommodate with the investment funds we have available.

We have prepared a new draft prospectus in relation to our planned fundraising prior to 30th June 2007. It is hoped due to changes in superannuation laws allowing large one off transfers to super and a foreshadowed crack down on tax deductions for investments in nuts, grapes and other agriculture that we will raise up to \$5 million in the coming share offer.

I commend this share offer to you as your directors believe that our patience will be rewarded with a portfolio of quality growth properties when the market moves into recovery phase and eventually prices rebound. As always we advise you to consider your investment options carefully in conjunction with your investment advisors.

SIMON TOUMA
Chairman

2007 FUNDRAISING

The new prospectus is drafted and is awaiting approval from the Australian Securities & Investments Commission and the Newcastle Stock Exchange before going to the printers. It should be available for distribution in April 2007. This year members will be able to subscribe for shares on the basis of \$2,000 cash and up to \$20,000 BBX trade dollars as a once off concession to take advantage of higher superannuation contribution limits. Next year the ratio will return to being \$2,000 cash and \$8,000 BBX trade dollars. Members should always check with their financial advisors before making an investment decision. Please go to our website www.bbxpropertyfund.com.au where the prospectus will be posted as soon as it is available.

INTEREST RATES & MARKET TRENDS

So far this year the Reserve Bank has elected to keep interest rates on hold. Commentators are divided as to whether the next official movement will be up or down. The opportunity to buy good quality apartments and units on the east coast of Australia continues because investors are still not buying. There is an oversupply of these properties for sale. The banks have a significant amount of 'distressed stock' which developers can't clear in order to move on to their next project. Because of increasing rental yields our strategy is to begin to buy now with the expectation that when the market turns we will be holding a substantial and fully tenanted group of investment properties.

EXTRACTED FROM HORNSBY ADVOCATE (1st March 2007)

A drastic shortage of properties is creating a big rental squeeze, according to local agents who are struggling to meet the demand for both houses and home units.

"Zero vacancies - plenty of tenants, not enough properties," is how the L.J. Hooker advertisement in the Advocate last week described the current situation.

"There's certainly a squeeze going on," said Barry Palmer, principal of RE/MAX First Choice.

"We are very short of rental properties and that in turn does tend to force prices of rental accommodation up.

Laing & Simmons principal Karl Effenberg said the demand for units was particularly strong, with three to six applications per property and about 10 to 20 people wanting to inspect each vacant unit.

He said in many cases people were finding units in the central Sydney area too expensive and were looking further afield.

He said a downturn in building approvals, lack of investors and the sale of rental properties to owner-occupiers was creating the rental squeeze.